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Green Belt Under Development

Special Report

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Prepared by Glenigan

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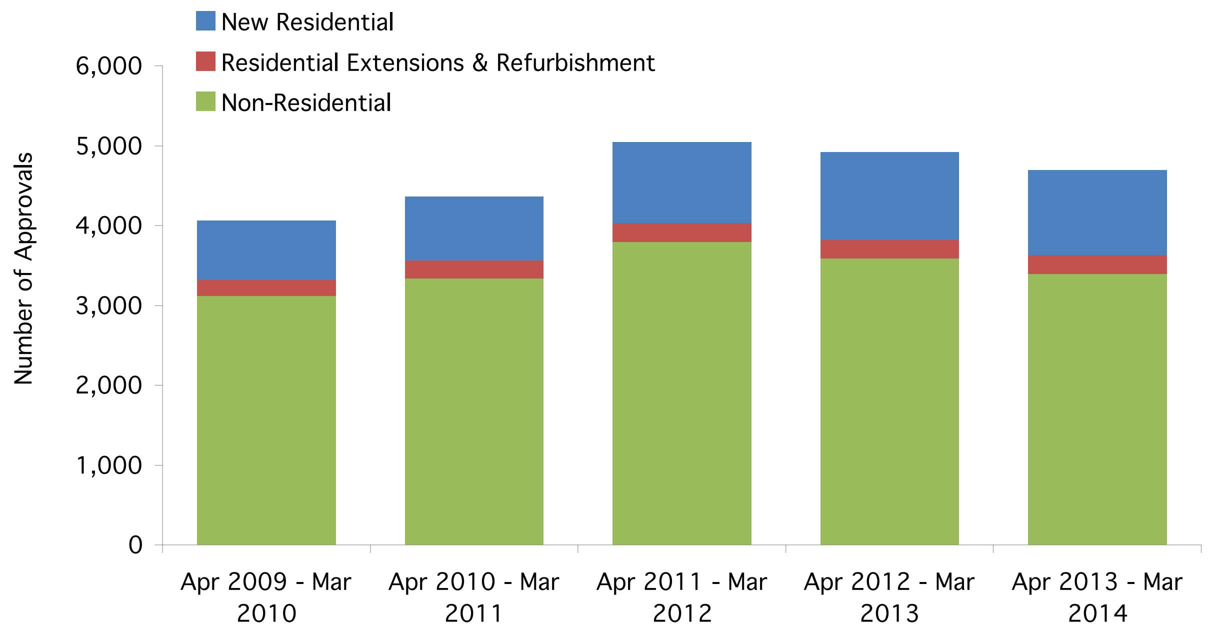
Green belt under development

The demand for development sites is strong and set to grow as the UK economic recovery gathers momentum. As demand grows, the potential pressure on green belt locations is likely to intensify. Glenigan analysis of recent planning applications for English green belt sites reveals some striking trends.

Chart 1: Green belt planning approvals



Source: Glenigan

On the face of it, both overall planning applications and approvals have been relatively stable over the last five years. Some 4,700 projects secured full planning consent during 2013/14. Although this is a 16% increase on 2009/10, it is 7% down on the 5,050 approvals granted in 2011/12.

Table 1: Number of projects securing full planning approval

	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Apr 2011 - Mar 2012	Apr 2012 - Mar 2013	Apr 2013 - Mar 2014
East Midlands	185	217	218	202	200
East of England	474	525	616	638	582
London	163	192	275	182	191
North East	97	96	104	114	100
North West	768	751	939	880	802
South East	925	1,026	1,133	1,145	1,143
South West	229	326	361	352	364
West Midlands	608	623	732	726	659
Yorkshire & the Humber	612	610	666	684	654
England	4,061	4,366	5,044	4,923	4,695

Source: Glenigan

The vast majority of both planning applications and approved developments are for non-residential schemes; 72% of planning approvals in 2013/14 were for non-residential developments including farm building which account for a quarter of all planning consents.

However, a growing proportion of projects are for new residential developments, especially for schemes of three or more units. Last year saw the approval of 5,600 new homes on the green belt, compared to just 2,260 in 2009/10; a 148% increase over the five-year period.

Of these, 834 projects in 2013/14 were for one or two unit schemes, typically in-fill and 'self-build' projects. This compares to 657 in 2009/10. Developments of three or more homes account for a growing majority of residential units built on greenbelt sites. In 2009/10, 87 projects secured approval for 1,600 homes. Approvals have risen progressively over the period with 227 projects approved in 2013/14, a 161% rise over the five year period.

Table 2: Number of residential projects securing full planning approval

	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Apr 2011 - Mar 2012	Apr 2012 - Mar 2013	Apr 2013 - Mar 2014
East Midlands	27	44	34	47	45
East of England	97	112	136	152	156
London	19	21	26	38	23
North East	7	7	20	14	17
North West	115	108	164	145	142
South East	258	289	337	365	388
South West	32	51	65	59	59
West Midlands	89	85	131	140	115
Yorkshire & the Humber	100	81	99	139	116
England	744	798	1,012	1,099	1,061

Source: Glenigan

Furthermore the average size of the successful projects has risen. A total of 4,773 homes were approved in 2013/14, a 198% rise on five years ago, with the average number of units per development rising from 18 to 21 units.

Table 3: Number of residential units securing full planning approval

	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Apr 2011 - Mar 2012	Apr 2012 - Mar 2013	Apr 2013 - Mar 2014
East Midlands	244	222	47	88	63
East of England	148	304	1,562	1,542	756
London	72	469	33	137	106
North East	82	22	45	307	65
North West	462	447	827	444	954
South East	658	1,350	561	877	871
South West	88	157	580	77	76
West Midlands	269	280	340	910	898
Yorkshire & the Humber	235	460	388	707	1,818
England	2,258	3,711	4,383	5,089	5,607

Source: Glenigan

The success rate for new build residential planning applications for three or more units on green belt sites over the last five years, at 61.7%, is slightly lower than the English average of 69.1% for residential applications. The approval rate appears to be in part attributable to a lower proportion of applications being withdrawn (7.5%) than is the national average (11.9%). In contrast the refusal rate is higher at 30.9% compared to the English average of 19.0%.

Table 4: Outcome of residential planning applications

	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Apr 2011 - Mar 2012	Apr 2012 - Mar 2013	Apr 2013 - Mar 2014
Approved	199	229	235	236	240
Withdrawn	36	48	42	45	43
Refused	53	63	60	57	48
Total	288	340	337	338	331
Approved	*69%*	*67%*	*70%*	*70%*	*73%*
Withdrawn	*13%*	*14%*	*12%*	*13%*	*13%*
Refused	*18%*	*19%*	*18%*	*17%*	*15%*

Source: Glenigan N.B. Residential projects of 3 or more units

Strikingly, the approval rate appears to be higher for the larger developments. As a result, on a unit basis, 74.7% of residential units were approved during the five years to 2013/14, with only 18.2% refused.

The lower withdrawal rate for green belt schemes is likely to reflect the complexity and cost of successfully bringing forward a green belt site into development, with developers only bringing forward projects that they believe have a good chance of success.

Table 5: Outcome of residential planning applications by number of units

	Apr 2009 - Mar 2010	Apr 2010 - Mar 2011	Apr 2011 - Mar 2012	Apr 2012 - Mar 2013	Apr 2013 - Mar 2014
Approved	2,258	3,711	4,383	5,089	5,607
Withdrawn	444	297	433	373	486
Refused	799	852	1,502	748	1,299
Total	3,501	4,860	6,318	6,210	7,392
Approved	*0%*	*0%*	*0%*	*0%*	*0%*
Withdrawn	*64%*	*76%*	*69%*	*82%*	*76%*
Refused	*13%*	*6%*	*7%*	*6%*	*7%*

Source: Glenigan N.B. Residential projects of 3 or more units

Glenigan's analysis shows that a small but growing number of new homes are being granted on green belt locations. In 2013/14, 1.6% of planning approvals for schemes of three or more homes were on the green belt, but the number of new homes involved is growing. As the demand for new homes increases as the economy recovers, so will the potential pressure on the green belt.