CITY DEVELOPMENT PLAN
Background Paper 10

Meeting Housing Needs

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1.0 Introduction

1.1 The purpose of this background paper is to provide evidence in support of Glasgow City Council's approach towards addressing the housing land requirements set out in the Glasgow and the Clyde Valley (GCV) Strategic Development Plan (SDP), and on meeting demand for student accommodation in Glasgow.

1.2 This paper provides a commentary on the following areas:

Section 2 National policy on the aims and objectives for housing;

Section 3 The SDP assessment of housing supply and demand across the GCV area, based on a Housing Needs and Demand Assessment for the period 2008/09-2020 and 2025;

Section 4 Glasgow's Housing Strategy 2011-16

Affordable sector
a. Additional analysis
b. Review of market activity and land supply
c. Funding position
d. Proposed City Development Plan response

Private sector
e. Private sector housing supply targets
f. Updated supply/demand comparison
g. Review of market activity and land supply
h. Demographic change
i. Tenure change
j. Review of options for additional land supply
k. Proposed City Development Plan response
l. 2013 Housing Land Supply

Section 5 Student accommodation

2.0 National Policy

2.1 National Planning Framework 2(NPF2) which was published in 2009, sets the national spatial strategy for the development of Scotland to 2030. The economic challenges which have affected the housing market were recognised in NPF2, and were reflected to the extent that the planning system's role in the provision of new housing was confirmed, albeit it was acknowledged that delivery would slow down.

2.2 Scottish Planning Policy (SPP) states that "the planning system should contribute to raising the rate of new house building by identifying a generous supply of land for the provision of a range of housing in the right places. The planning system should enable the development of well designed, energy efficient, good quality housing in sustainable locations and allocate a generous supply of land to meet identified housing requirements across all tenures". SPP further advises that "local development plans should allocate land on a range of sites which is effective or capable of becoming effective to meet the housing land requirement up to year 10 from the predicted year of adoption, ensuring a minimum of 5 years effective land supply at all times."

2.3 Draft NPF3 and SPP were published in April 2013 for consultation, and are expected to be finalised in June 2014. The Draft NPF3 reflects the downturn in housebuilding activity since NPF2 was published, but reiterates the need to significantly increase housebuilding to meet demand from population growth. Housing Needs and Demand Assessments (HNDA), which were established by the Scottish Government in 2006, are retained as the principal mechanism for establishing the position relating to the supply and demand of new housing.

3.0 Glasgow and the Clyde Valley - Housing Needs and Demand Assessment

3.1 An HNDA was undertaken for the GCV Strategic Development Plan area. The SDP was required to look forward to 2020 and to 2025, and to identify sufficient land supply to meet demand. The process and methodology used to produce the HNDA was assessed as robust and credible by the Scottish Government's Centre for Housing Market Analysis in June 2011. The broad housing supply targets for Glasgow set out in the SDP approved in May 2012 were as shown in Table 1 below:

Table 1 – SDP All Tenure Housing Requirements 2008/09 – 2025

	2008/09-20	2020-25	Total 2008/09-25
Private Sector	25,400	10,000	35,400
Affordable Sector	46,100	9,900	56,000
Total	71,500	19,900	91,400

3.3 In modifications made to the approved SDP, the Scottish Government recognised that there were technical issues with the above outcomes, and concluded that these results could be considered further in the preparation of Local Housing Strategies and Local Development Plans. Guidance to local authorities on issues to consider in this assessment was provided in modified paragraphs 4.86 and 4.86a of the SDP, and noted that "each local authority should justify any variation from the indicative requirements set out in Schedule 11A" according to:

- the scale of backlog need and the rate at which it can be met
- the scale of identified need for affordable housing
- the likely availability of public subsidy
- the capacity of private developers to deliver various forms of affordable housing
- double-counting or under-counting arising from the use of inconsistent methodologies, including the different base dates of 2008 and 2009
- the extent to which housing needs can be met without building new houses
- the application of quota policies to secure affordable housing on a proportion of a private sector site
- the identification of insurmountable infrastructure constraints
- agreement of an adjoining authority to meet some of the identified housing needs or demands.

4.0 Glasgow's Housing Strategy 2011-16 (GHS)

4.1 Local authorities are required to prepare a Local Housing Strategy for their area. One of the requirements of GHS is to assess the need for housing over a five year period, and set out how it intends to meet this need. It was anticipated that the HNDA would provide the basis for the GHS housing supply targets, which are now discussed.

Affordable Sector

a. Additional Analysis for GHS

4.2 In view of the methodological issues associated with HNDA, which affected the affordable sector particularly, it was not possible to use the requirements set out in Table 1 above as a basis for the Housing Supply Target. Further analysis undertaken for GHS indicated that, while there were different pressures in terms of affordability and need across the City, there was not a significant overall need of the scale shown in the SDP (see Table 1 above). Based on the flexibility introduced by the modifications set out in the SDP, GHS sets out an alternative target of 7,260 affordable houses to be provided between 2011 and 2016.

b. Review of Market Activity and Land Supply

4.3 Activity in the affordable sector has been less affected by the downturn (see Table 2 below) with completions sustained largely by development funding, as well as private house builders being more active in this sector as contractors, due to the greater reliability of funding.

Table 2 – Affordable Sector Completions

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Shared Equity	26	79	105	175	82	180	122
Shared Ownership	12	7	14	4	1	0	0
Social Rented	702	769	827	812	1035	1127	463
Total	740	855	946	991	1118	1307	585

4.4 The strategy proposed in the GHS is to ensure that the stock matches need in terms of size and type, through additional new build, alteration and improvement, by demolition (with replacement where appropriate) and by the provision of housing for households with particular needs. In addition, the Council supports partner organisations to increase the range of affordable housing options, and aims to make better use of existing stock.

c. Funding Position

4.5 The sites which the Council is proposing to deliver in the affordable sector are listed in the 2012 land supply (see Appendix 2 – Paper 1). This position is based on the ability of the Council to fund affordable housing, which has reduced since 2010/11 (when over £85m was made available by the Scottish Government) but shows an improving position from 2014/15. The Strategic Housing Investment Plan 2013 shows the resource planning assumptions for the period 2012/13 to 2015/16. The budget managed by the Council was £57m in 2012/13, and £55m in 2013/14. It is anticipated to be £66.5m in 2014/15 and £72.8m in 2015/16. A summary of programming for the affordable sector is shown in Table 3 below.

Table 3 – Affordable Sector Programming

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Shared Equity	225	237	102	170	30	0
Shared Ownership	0	0	0	0	0	0
Social Rented	1268	1192	605	614	275	70
Total	1493	1429	707	784	305	70

d. Proposed CDP Response

4.6 On the basis of past completions and programming, the Council is aiming to build 5,521 houses between 2011 and 2016. The sources of supply to meet the remainder of the housing supply target are set out in the GHS.

4.7 Proposals submitted to the Council through the Local Development Plan process were also assessed. It was concluded that some sites have potential to be developed post 2020, and would be included in the 2013 Urban Capacity Study. No other sites were included in the effective land supply, on the basis of advice from the Council's Housing Investment team regarding the prospects for funding (see Strategic Housing Investment Plan).

4.8 In the context of the scale of the range of measure that the Council is undertaking to improve supply, the variations in need identified across the City in the GHS, and the availability of funding which is anticipated, the Council concluded that there was not strong evidence for the introduction of an affordable housing policy in the CDP. It is also considered that there is no requirement to identify additional land specifically to provide affordable housing.

Private Sector

e. Housing Supply Targets

4.9 GHS translated the requirements set out in the SDP into housing supply targets, taking the 2020 target of 25,400 and applying proportionate amounts of that figure:

2011-1610,500 houses
2016-2011,700 houses
2011-20 22,200 houses

4.10 For the purposes of this paper, however, the targets set out in the SDP are used.

f. Updated view of supply/demand comparison

4.11 Based on the surpluses indicated by the SDP comparison of supply and demand, the CDP Main Issues Report's preferred option was for no further release of land from the greenbelt for private house building. Annual monitoring of land supply and house building, since the preparation of the SDP, indicates that this position has changed considerably, with a major reduction in new housing completions, and a consequent downward revision of the effective land supply both affecting the supply side of the comparison. In order to meet SPP requirements, the supply position against the original SDP target has been updated for the CDP. The position as at 2020 and 2025 (updated to 2012) is shown in Table 4 below.

Table 4 – Private Sector Demand/Supply 2009-20 and 2025

	2009-13	2013-2019	2019-20	2009-20	2020-25
Completions	4209			4209	0
2012 Effective Land Supply		12525	1905	14430	0
Urban Capacity Study					9961
Total Potential Land Supply	4209	1525	1905	18639	9961
SDP Targets				25400	10000
Initial Shortfall/Surplus				-6761	-39

4.12 The above analysis shows, taking into account known sources of supply, a significant shortfall of around 6,700 houses at 2020, and a small shortfall at 2025. There was a requirement, therefore, to consider both a more up to date context for the SDP demand position, and the options for a land supply response to the shortfall,

g. Market Activity and Land Supply

4.13 The general downturn in the housing market has affected new house building in the private sector particularly, with housing completions declining from over 3,000 in 2007/08 to around 800 in 2012/13 (see Table 5 below). It is notable that the peak in house building coincides broadly with the base date for the HNDA. To put the SDP target in context, around 4,200 private sector completions have been delivered since 2009/10, or around 1,050 houses a year. Meeting the target of 25,400 houses by 2020 would, however, imply an annual completion rate of around 3,000 houses for the seven years between 2013/14 and 2019/20. This level of completions is approaching the figures of 3,132 and 3,244 at the peak of the market in 2006/07 and 2007/08. At current rates, the remaining target would take around 20 years to reach.

Table 5 – Private Sector Completions

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Owner Occupied	2633	3015	3040	1644	1225	937	892	704
Private Rent	160	117	204	108	154	136	63	98
Private Total	2793	3132	3244	1752	1379	1073	955	802

4.14 Taking a longer view of activity shows that the long term average in completions in Glasgow was around 1,700 per year between 1980/81 and 2012/13. If the three peak market years between 2005/06 and 2007/08 are excluded, the long term average reduces to less than 1,600 per year. In the decade between 2000/01 and 2009/10, the average was around 2,300 per year, including the peak market years.

4.15 In addition, over 2,000 flats per year were built in the peak market years, and made a significant contribution to the high completion levels in this period. Since 2008/09, both the number and percentage of flats has declined, with only 556 flats (58%) built in 2011/12. This has been in contrast to other house types, which have held up relatively well, at least in percentage terms (see Table 6 below). These figures indicate that the peak activity between 2005/06 and 2007/08 were not typical of Glasgow's market as a whole, and that a return to completion levels in excess of 2,000 per year may take some time.

Table 6 – Private Sector Completions by House Type

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Detached	234 (10%)	289 (11%)	132 (6%)	283 (10%)	421 (13%)	520 (16%)	241 (14%)	186 (13%)	147 (14%)	144 (15%)
Semi-Detached	425 (18%)	129 (5%)	142 (7%)	224 (8%)	222 (7%)	216 (7%)	66 (4%)	58 (4%)	49 (5%)	71 (7%)
Terraced	241 (10%)	118 (5%)	146 (7%)	199 (7%)	282 (9%)	328 (10%)	152 (9%)	132 (10%)	144 (13%)	184 (19%)
Flatted	1433 (61%)	2006 (79%)	1666 (80%)	2087 (75%)	2207 (70%)	2180 (67%)	1293 (74%)	1003 (73%)	733 (68%)	556 (58%)
Total	2333	2542	2086	2793	2132	3244	1752	1379	1073	955

4.16 The recovery is also likely to be largely dependent on renewed activity in the flatted market. It is noted in this context that the main purchaser of flats are usually first time buyers, where most of the effect of mortgage restrictions has been felt. Reference is made to the then Chief Planner's letter of 29 October 2010, which states "Where a planning authority has a 5 year supply of effective housing land but the impediment to developing that site is the general availability of mortgages or low level of demand from purchasers then there will be little if anything to be gained by releasing additional sites." In its response to the 2013 Draft Glasgow Housing Land Audit, Homes for Scotland notes that "Demand remains constrained by mortgage availability, albeit Government mortgage support schemes are now coming through and some, though not all, major banks claim that they are making more mortgage finance available. Development finance to fund building is still restricted and expensive."

4.17 The Scottish Government's Help to Buy scheme is assisting the new build market in Scotland, while wider availability of lower deposit mortgages from banks, is having some effect on the market in terms of an increase in house sale transactions. The Scottish Housing Market Review conducted by the Scottish Government Centre for Housing Market Analysis (February 2014) notes that "There was a strong annual increase in First Time Buyer mortgages (26.4%) and Former Owner Occupiers (19.4%). UK mortgage advances also recorded a strong year-on-year increase with the total number of loans for home purchase rising by 19.7%. For 2013 as a whole, there were 54,100 loans in Scotland for home purchase, a 15% increase from 2012, but half the level recorded in 2006 (104,900)". The Review also notes that "there were 2,375 private starts in Q3 2013, an 11% decrease on Q2 2013. In the 12 months to September, there were 9,896 private starts, 5% lower year-on-year. Meanwhile, private completions stood at 2,582 in Q3 2013, 6% higher than Q2 2013. In the 12 months to September, private completions were 9,938, a 1% annual decline. This would tend to indicate that although there is an improving position in house transactions, support to mortgages has yet to translate into a significant increase in new house starts or completions.

4.18 Delays in delivery of strategic releases, in the form of Community Growth Areas identified in City Plan 2 have also contributed to the overall drop in completions in recent years. Two of these locations, at Robroyston / Millerston and Baillieston /Broomhouse/ Carmyle are progressing through the development management process. Gartloch / Easterhouse has not yet advanced to development application stage, and will require a further feasibility study to establish the extent of the development opportunity within this part of the City. In a stronger market, the development industry would have been able to forward fund infrastructure provision. Dialogue with Homes for Scotland leads to the conclusion that that this is no longer possible to the same extent, with delays in progress resulting.

4.19 The capacity of the development industry has also been reduced as a consequence of the significant downturn. Whereas in the past, larger sites would be developed by a number of builders, this was considered to be no longer as common, resulting in lower levels of annual output. For sites with single builders, a general downturn in sales was also evident. Information on completion levels is taken into account in how sites are programmed in the future, both by Homes for Scotland and Glasgow City Council.

4.20 Homes for Scotland also makes reference to sites that are non-effective for reasons of viability, i.e. that they are not coming forward as a result of a number of factors, such as: burdens of developer contributions, housing mixes that are no longer sellable, unrealistic expectations of land values, sites owned by banks or builders now in administration, as well as public sector sites not coming to the market due to current conditions. The Council's view is that it will work with Homes for Scotland and individual developers to address constrained sites, but also expects landowners and developers to take a realistic view of achievable land values and prices in bringing sites to the market.

4.21 As a result of all of these matters, the effective land supply has reduced significantly since the peak of the market in 2006/07 (see Table 7 below). The most recent land supply for 2012, builds in delays in programming, but assumes a return to higher completion levels as the market recovers.

Table 7 – Effective Land Supply 2006-13 to 2012-19

	2006-13	2007-14	2008-15	2009-16	2010-17	2011-18	2012-19
Effective Land Supply	24,512	16,581	12,518	13,807	12,971	13,986	13,338

h. Demographic Change

4.22 National Records of Scotland population projections indicate that Glasgow's population is expected to increase from 593,000 in 2010 to 660,000 in 2035, or 2,700 per year. Households are projected to increase by 3,200 per year, from 282,000 in 2010 to 361,000 in 2035. The 2011 Census results give a population estimate of 593,200 for Glasgow, and a household estimate of 285,700.

4.23 It is acknowledged, however, that the economic downturn has contributed to slower household growth in Glasgow, and in Scotland generally, in the last decade. While current NRS projections anticipate that household formation rates will increase as the economy recovers, it is not expected that these will reach the levels seen in the 1990s. It is anticipated, therefore, that the next set of NRS projections are likely to result in a lower household projection for Glasgow.

4.24 The HNDA analysis, on which the SDP housing targets were based, projected household growth of around 2,400 per year in the period 2010-2025. These were based on NRS projections which reflected higher rates of household formation between 1991 and 2001. More recent evidence indicated that household growth in the City in the period 2001-2008, i.e. before the current downturn in the housing market, was slower than in the 1990s, and that this slowdown has continued, with an increase of only 300 households between 2010 and 2011. The 2011 Census results confirm that the number of households increased by 1,400 annually between 2001 and 2011, leading to the conclusion that basing the household assumptions used in the HNDA on higher rates of household growth in the 1990s is likely to have contributed to a higher housing land requirement in Glasgow.

4.25 Recovery in the general economy, allied to more favourable lending conditions for developers and buyers, appeared to be critical in returning to the levels of household growth projected in the HNDA.

4.26 Technical work on HNDA2 is underway at the Strategic Development Plan level. It is anticipated that NRS household projections will be available later in 2014, at which point it will be possible to confirm the updated position for Glasgow.

i. Tenure Change

4.27 These trends were also impacting upon the tenure of Glasgow's housing stock. Following a period of continual growth in owner-occupation between 1991 and 2008, this sector started to contract gradually between 2009 and 2011, and then more significantly, with a fall of almost 7,000 dwellings in this sector between 2011 and 2012. This fall is compensated for by a growth of over 8,000 dwellings in the private rented sector over the same period, leading to a small growth of 1,000 dwellings in the private sector as a whole.

4.28 The 2011 Census confirms the rapid growth of the private rented sector, rising from 22,000 dwellings in 2001 to over 47,000 in 2011. Housing stock estimates prepared by the Council for 2012 and 2013 (see Appendix 2 – Papers 17) show that the private rented sector continued to grow after 2011, reaching almost 57,000 dwellings by 2013. It may be concluded at this point, therefore, that some of the demand in this period that would normally have been expressed in the owner-occupied sector was being met through private rented housing. The extent to which this trend is temporary, and the speed at which demand for owner-occupied housing will return, are considered to be factors which contribute to uncertainty in the current housing market.

j. Review of options for additional land supply

4.29 In the context of the analysis contained in this paper, the scale of the private sector housing requirement for Glasgow meant that the Council had to consider the land supply implications of meeting the SDP requirement in full. The following matters were taken into account in determining the approach to be taken in the Proposed Plan:

(a) The view from the Chief Planner of the Scottish Government in 2010 that lack of demand would not be a valid reason for release of land;
(b) The scale of greenfield release required to deliver sufficient houses would have significant environmental and infrastructure implications for the City;
(c) The understanding that there were capacity issues within the development industry in delivering the level of completions required to meet the requirement at 2020;
(d) Uncertainty over the level of demand that was within the housing market, in the light of recent trends in the market in the City's demography, and as a result of greater demand for private renting; and
(e) The prospect of recovery in the housing market, and the pace at which this would happen.

4.30 In addition to these matters, there was a need to undertake a detailed assessment of potential additions to the land supply that were capable of being delivered by 2020. This process included a comprehensive green belt review, an assessment of the proposals submitted to the Council through the Main Issues Report stage of the CDP process, and a re-consideration of the timing of brownfield opportunities identified through the 2009 Urban Capacity Study.

Green Belt Review

4.31 A comprehensive review of the green belt was undertaken in Autumn 2013. The results of this process are detailed in a separate Background Paper (see Appendix 2 – Paper 2). In summary, it was concluded that, given the extensive release from the green belt through the Community Growth process, there were limited further opportunities for further release to provide additional housing that would not detract from the Plan's overall strategy.

4.32 The locations shown in Table 8 below emerged from the green belt review as recommended additions to the private sector land supply.

Table 8 – Additions to Private Sector Land Supply

Location	Indicative Capacity	Programming
Cathkin Road, Carmunnock	30	2014-2020
Corselet Road, Darnley	←50	2014-2020
South of Auchinairn Road, Robroyston	←50	2014-2020

Additional Sites Assessment

4.33 As part of the Main Issues Report consultation, land owners and developers proposed additional housing opportunities in relation to the requirements set out in the SDP. These sites were the subject of an external consultation which concluded on 6 December 2012. These sites have been considered through the Strategic Environmental Assessment (SEA) process, and in terms of their planning merits and deliverability within the SDP timescales. The results of this process are set out in an Appendix to the SEA (see Appendix 2 – Paper 3).

Urban Capacity Study

4.34 A review of the sites listed in the 2009 Urban Capacity Study concluded that there were no sites that could be brought forward into the effective housing land supply. In fact, the effect of re-programming sites to take account of delays in anticipated site starts had the effect of increasing the non-effective element of the established supply. A new Urban Capacity Study (with a base date of 2013) is currently being undertaken, but has not been finalised. When this is available, it will provide an updated view of supply post 2020.

k. Proposed City Development Plan Approach

4.35 Identification of a private sector land supply sufficient to meet the SDP requirements would necessitate significant development in the green belt, and would have unacceptable environmental consequences for the City. It was also considered that there is insufficient demand in the short term for this level of house building, and that land would not have come forward within the SDP timescale. Consequently, the Plan identifies a land supply which acknowledges a period of lower activity in the private sector house building market in the short term, with an expectation of recovery beyond that time.

4.36 The new land supply, of around 18,739 houses at 2020 and 9,961 houses at 2025, would result in revised shortfalls of 6,661 houses at 2020, and 39 houses at 2025. This land supply figure implies a completion rate of over 2,000 houses per annum between 2013 and 2020, which is in itself considered to be a significant challenge given the current lower levels of activity.

4.37 On the assumption that there will be a recovery in the market, the Plan also provides an opportunity to assess the capacity for housing development at Summerston for the period 2014-2025, taking account of environmental, hydrological and infrastructure issues.

4.38 Further supply is also likely to come forward in brownfield locations at surplus NHS campuses, where a master plan approach will be adopted. The outcome of this process will be used to inform the Plan's response to housing requirements.

4.39 In terms of the Community Growth Areas, it is anticipated that a return to higher levels of demand, a recovery in prices and land values, and the easing of the credit situation, will make the delivery of the infrastructure necessary for new house building more economic. These locations will also provide an ongoing source of supply of family housing for the City in the medium to long term.

l. 2013 Housing Land Supply

4.40 The Council consulted Homes for Scotland on the 2013 Housing Land Supply in December 2013. At the date this paper was finalised, agreement had not yet been reached on the land supply. Indications are, however, that the land supply will be reduced compared to the 2012 position. As any new sites that have been added to the supply since 2012 have not yet been available for public scrutiny, the Council intends to test them through the Strategic Environmental Assessment process, and undertake public consultation. It is anticipated that, subject to these processes, the agreed 2013 land supply will be made available for the purposes of the CDP Examination.

5.0 Student Accommodation

Main Issues Report

5.1 The Council's preferred option in the Main Issues Report was to "bring forward policy to ensure the provision of on site facilities in new student accommodation and other large scale quasi-residential uses and, potentially, to ensure concentrations of such developments do not impact on residential amenity".

5.2 This section will examine for Glasgow:

a) Demand for student accommodation;
b) Student population in Glasgow; and
c) Impact on residential amenity.

a) Demand for Student Accommodation in Glasgow

5.3 Information submitted in support of a development proposal indicated that, in addition to the provision made by the universities and the existing private rented sector, a total of 4,262 bedrooms had been supplied in new purpose-built student accommodation in 14 locations (see Appendix 2 – Glasgow Student Accommodation Analysis). A further 2,855 bedrooms had been proposed or had been granted planning permission in 16 locations at that date.

5.4 The same report indicated an increase in enrolment at the City universities for the academic year 2012/13, which contrasts with a fall in student numbers across the UK over the same period. Clearly the total number of students does not translate into demand for purpose-built student accommodation, as a large majority of students either stay at home or are living in private rented accommodation in the second hand market (around 78% in Glasgow).

5.5 It is also considered that as well as a growth in the overall numbers of students living in the City, there is an element of choice involved, where people would prefer to live in new build accommodation rather than the second hand stock. The number of developments that have come forward in recent years tends to confirm the extent of demand.

5.6 Looking at student numbers in the future as a whole is more difficult, as there are a number of factors that could influence whether this group increases or decreases. These include: an improving economy, which is likely to lead to growth in student numbers, the future of tuition fees, which are not currently applied to Scottish or EU students studying in Scotland, and lastly, overall university funding, which may affect their ability to support student accommodation and lead to a greater reliance on provision by the private sector (see Appendix 2 – paper 10).

5.7 Given the number of uncertainties, it is not possible to estimate the likely future demand for student accommodation in Glasgow. The focus of the Council's approach was therefore to consider whether there was an issue of concentration of student accommodation in particular locations, and the most appropriate way of accommodating likely demands.

b) Student Population in Glasgow

5.8 The Edinburgh Local Plan includes a policy and planning guidance (see Appendix 2 – paper 13) which considers whether a proposal "would result in an excessive concentration of student accommodation in any one locality." In order to test this approach in Glasgow, analysis of the 2013 Council Tax Register (see Appendix 2 – Paper 15) has been undertaken. This indicates that 5,804 individual dwellings out of a total of 301,521 dwellings in the City have a "student exemption" from Council Tax. This is around 1.9% of the total number of dwellings. A further 3,303 dwellings (1.1%) are in the form of halls of residence, operated by the universities or the private sector on their behalf. Purpose-built student accommodation is more comparable with the format of halls of residence than individual dwellings, in terms of its management and appearance.

5.9 Within the Glasgow figure, however, there are significant variations between Neighbourhoods, with areas from the City Centre to the West End recording figures for student exemptions of around 6-10%, and total figures of between 10 and 25%. These figures are consistent with the locations of the City's main universities, and are not unexpected. In terms of a comparison with Edinburgh, evidence from the 2001 Census indicates that a large part of the central area of the City has a student population of more than 10%, and that in a number of areas, the student population is in excess of 40% of the total population. This would suggest that issues of concentration in Glasgow may not be as acute as in Edinburgh.

5.10 The Further and Higher Education sector has been identified by the Glasgow Economic Leadership as one of the key contributors to the success of the City economy. The economic benefits of Higher Education Institutions (HEI) were also highlighted in the Fraser of Allander Commentary on Glasgow June 2013 (see Appendix 2 – paper 16) noting that for every £100m of expenditure by HEIs, output in Glasgow would be stimulated by £160m, and by a further £50m in the rest of the City-region and Scotland.

5.11 The Council is also supportive of the student population in the City, recognising the contribution that it makes to Glasgow's growing population, and to the economy, through sustaining local shopping areas, services and facilities. The Council's objective is to retain students in Glasgow after their study has been completed, in order to provide a skilled workforce that is appropriate to the City's changing economy.

c) Impact on Residential Amenity

5.12 A number of issues have been raised in response to proposals for purpose-built student accommodation, including: over-concentration of such proposals, high density, car parking, and lack of open space. Objectors' main concern has been the potential impact of these developments on the residential amenity of local areas.

5.13 It is acknowledged that student developments tend to locate close to the universities, with the effect that some areas have a larger share of such proposals. As noted previously, a large majority of Glasgow's student population is housed in the second hand private rented sector, some of which is in the form of Houses in Multiple Occupation (HMO). The issue of HMO is addressed elsewhere in the Plan, but it should be noted that purpose-built student accommodation has the potential to provide a managed environment, and reduce the reliance on HMO premises, which will assist in maintaining housing stock for family and other households.

5.14 The Council's Executive Committee approved interim Planning Policy Guidance on Student Accommodation and other Large Scale Quasi-Residential Uses on 3 March 2011 (see Appendix 2 – paper 11). This guidance dealt primarily with open space or internal leisure space within such developments. It was recognised, however, that the City Development Plan would include further guidance on this matter. The forthcoming Glasgow Open Space Strategy will provide guidance on open space standards, and it is anticipated that this will form Supplementary Guidance to the City Development Plan.

5.15 In terms of other issues that have been raised, the current City Plan policies on density and parking have been applied to these proposals in the same way as they would to mainstream residential development. Student developments are exceptional in the sense that they are usually car free, and are primarily located in areas with high public transport accessibility. Tenants are also required to agree as part of the lease that a car will not be used, and parking permits will not be issued for on-street parking in controlled parking zones.

5.16 Provided that Policy and Supplementary Guidance are applied appropriately, the Council's view is that student accommodation can be integrated effectively into local areas without impacting on the residential amenity of existing residents. It is also considered that the student population brings many benefits to these areas in terms of supporting the local and City economy.

6.0 Conclusions

6.1 The SDP all tenure requirements for Glasgow were based on an assessment of demand that reflected a more optimistic view of household formation, and on levels of house building and effective land supply which have since reduced significantly. In attempting to set housing targets for the Plan, the Council has considered more recent evidence on these matters, as well as the environmental, delivery and other issues relating to potential options. Many of the issues which have been identified, such as, mortgage availability, the cost of funding development, and household formation rates, are contributing to weaker demand for new housing.

6.2 It has been concluded that identifying sufficient land to meet the SDP requirements in full would be inappropriate in view of the uncertainty over the level of future household formation, and until there is stronger evidence of a recovery in demand. It would also be inconsistent with the wider sustainability objectives of the Plan. The land supply that has been identified is considered to be effective for the five year period required by SPP, and more than sufficient to meet current levels of activity in the short term.

6.3 Annual monitoring of housing land supply, completions, household formation and tenure change in Glasgow provides the means to re-assess the Council's response to the SDP requirements, and develop an appropriate response (including the identification of additional land should that be required) as recovery in the market takes place. In light of the comprehensive green belt review that has been undertaken, it is concluded, however, that the focus of any additions to the land supply will continue to be on brownfield sites.

6.4 In terms of the provision of student accommodation, the Council's recognises that parts of the City have housed a student population for a considerable period, mainly in the second hand private rented sector and in halls of residence. It is the Council's view that purpose-built accommodation can play a role in meeting some of this demand in a well-managed and regulated environment, and can contribute to sustaining local areas. It is also considered that City Plan 2 has appropriate policy guidance to ensure that new development is of sufficient quality and does not impact on the amenity that local communities enjoy. Forthcoming Supplementary Guidance for the City Development Plan will address those areas which are considered to require refinement, such as those dealing with open space provision in the previously approved Planning Policy Guidance (see Technical Paper 11).

6.5 For these reasons, therefore, the Council is not supportive of applying thresholds to the amount of student accommodation in particular locations.

Appendix 1

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JONES LANG LASALLE®

Real value in a changing world

Glasgow - Student Accommodation Demand Analysis

On behalf of

Downing Developments

05 March 2013

Glasgow School of Art

Glasgow School of Art has three halls of residence, which provide a total of 223 bed spaces. All of the accommodation is self catered.

Royal Conservatoire of Scotland (formerly Royal Scottish Academy of Music and Drama)

The Royal Conservatoire of Scotland does not own any student Halls of Residence but they have a Nomination Agreement with Liberty Living for a provision of approximately 150 beds in Liberty House, 59 Miller Street, in the centre of Glasgow. Rents range between £108 and £181 per bedroom per annum. The letting term varies between 42, 51 and 52 weeks.

Details of the University managed accommodation including rental levels and bed numbers are included at Appendix 1.

4.2 Private Sector Accommodation

The 2013/14 accommodation provision and rents for privately owned student accommodation are shown below:

Operator	Address	Halls	Accommodation	Beds	Term (weeks)	Weekly Cost (inclusive of utilities)	GOI (p.a)
Victoria Hall	171 Kyle Street	Victoria Hall	Standard	464	42	£95.00	£3,990
			Deluxe		42	£102.00	£4,284
Unite	4 Blackfriars Road	Blackfriars	En-suite Classic	520	44	£99.00	£4,356
					51	£94.00	£4,794
			En-suite Premium 1		44	£112.00	£4,928
					51	£105.00	£5,355
			En-suite Premium 2		44	£115.00	£5,060
			En-suite Premium 3		44	£114.00	£5,016
					51	£108.00	£5,508
			En-suite Premium 4		44	£125.00	£5,500
					51	£112.00	£5,712
			En-suite Classic		51	£98.00	£4,998
			1 Bed Flat		51	£138.00	£7,038
			Studio Classic		51	£155.00	£7,905
			Studio Premium 1		51	£180.00	£9,180
Unite	Calgary Street	Buchanan View	En-suite Classic	659	44	£95.00	£4,180
					51	£98.00	£4,998
			En-suite Premium 1		44	£99.00	£4,356
			En-suite Premium 2		44	£113.00	£4,972
			Studio		51	£160.00	£8,160
Unite	Gibson Street	Gibson Street	En-suite Classic	93	51	£126.00	£6,426
			En-suite Premium		51	£145.00	£7,395
			Studio Classic		51	£199.00	£10,149
			Studio Premium		51	£160.00	£8,160
Unite	Thurso Street	Thurso Street	En-suite Classic	405	44	£114.00	£5,016
			En-suite Premium 1		44	£125.00	£5,500
			En-suite Premium 2		44	£139.00	£6,116
			Studio Classic		51	£150.00	£7,650
			Studio Premium		51	£195.00	£9,945
			Premium 1 Accessible		44	£125.00	£5,500
Unite	30 Yorkhill Street	Kelvin Court	En-suite Classic	477	44	£114.00	£5,016
			En-suite Premium 1		44	£128.00	£5,632

			En-suite Premium 2		44	£128.00	£5,632
			One Bed Flat		51	£175.00	£8,925
			Two Bed Flat		44	£155.00	£6,820
			En-suite Classic Accessible		44	£126.00	£5,544
			En-suite Premium Accessible		44	£126.00	£5,544
Liberty Living	59 Miller Street	Liberty House	En-suite	56	42	£128.50	£5,397
					50	£108.00	£5,400
					52	£108.00	£5,616
			Premium En-suite		42	£145.50	£6,111
					50	£120.00	£6,000
					52	£120.00	£6,240
			Double En-suite		42	£163.00	£6,846
					50	£140.00	£7,000
					52	£140.00	£7,280
			Studio		42	£181.00	£7,602
					50	£150.00	£7,500
					52	£150.00	£7,800
Firhill Court Management	80 Firhill Rd	Firhill Court	En-suite (Ground floor front facing)	400	42	£70.00	£2,940
			En-suite (large pods/4 bed flats)		42	£80.00	£3,360
			En-suite (6 bed flats)		42	£75.00	£3,150
Fresh Student Living	High Street	Collegelands	En-suite	588	44	£105.00	£4,620
					50	£98.00	£4,900
			Premium studio		44	£115.00	£5,060
					50	£110.00	£5,500
			Bronze Studio		50	£140.00	£7,000
			Silver Studio		50	£160.00	£8,000
Fresh Student Living (Kaplan - GIC) **	1175 Argyle Street, West End	Franklin Point	En-suite	75	34	£170.00	£5,780
					50	£170.00	£8,500
Fresh Student Living (Kaplan - GIC) **	200 Old Dumbarton Road	The Globe	En-suite	201	34	£145.00	£4,930
					40.14	£145.00	£5,820
			Premium En-suite		50	£155.00	£7,750
			Premium studio		50	£175.00	£8,750
Prime Student Living	359 Sauchiehall Street	Sauchiehall Street	Single Room	81	44	£99.00	£4,356
					50	£89.00	£4,450
			Large Single		44	£108.00	£4,752
					50	£98.00	£4,900
			Double Room		44	£114.00	£5,016
					50	£106.00	£5,300
CRM	2 Port Dundas Place	Gallery Apartments	2 Bed Apartment	140	44	£155.00	£6,820
					51	£150.00	£7,650
			Studio		51	£155.00	£7,905
			Classic Studio		44	£180.00	£7,920
					51	£170.00	£8,670
			Large Studio		44	£200.00	£8,800
					51	£190.00	£9,690
			Deluxe Studio		51	£215.00	£10,965
			Premium Split Level studio		51	£250.00	£12,750
			Split Level Studio		44	£225.00	£9,900
					51	£215.00	£10,965

CRM	261 West Princes Street	The Ballet School	Classic Studio		51	£138.00	£7,038
			Deluxe Studio		51	£145.00	£7,395
			Superior (Standard View)	103	51	£165.00	£8,415
			Superior (enhanced view)		51	£175.00	£8,925
			Premium		51	£190.00	£9,690
			TOTAL	**4,262**			

5 Glasgow– Student Accommodation Development Pipeline

5.1 Pipeline Schemes

In addition to the operational schemes detailed previously, we are aware of the following schemes which constitute the development pipeline for Glasgow.

Location	Operator	No. of Beds	Status
134 Renfrew Street, G3 6ST	Inehaze Ltd / Lewis and Hickey Ltd	94	Application Number: 10/00840/DC. Refused - applicant appealing
33 Gilbert Street	Strathclyde Homes Limited	131	Application Number: 10/02996/DC. Consent granted
Site Bounded By Dobbies Loan Kyle Street	INTO Glasgow LP	305	Application Number: 11/01633/DC. Granted subject to conditions
241 Dumbarton Road Glasgow G11 6AB	Alumno Developments Limited	174	Application number 11/02715/DC. Consent granted
261 West Princes Street Glasgow Glasgow G4 9EE	Noah City Developments Limited	103	Application number 11/02577/DC. Permission granted 24.02.12 - subject to conditions
107 Kelvinhaugh Street	Macdonald Estates	231	Application date 30.01.12 application number: 12/00114/DC. Consent granted 8.6.12
Newton House 457 Sauchiehall Street Glasgow G2 3LG	City Estates Ltd	90	Application number 12/00340/DC - granted subject to conditions
Central House, 50-58 Jamaica Street, Glasgow	Fortis Developments	66	Application date 15.10.12reference 12/01954/DC - pending decision
The Courthouse, 21 St Andrews Street, Glasgow	Fortis Developments	145	Application date 20.11.12 - reference 12/02263/DC
388 North Woodside Road, G20 6NF	Logan Factoring (Pewter Pot)	114	Planning granted, status TBC
2 Old Dunbarton Road G3 8RB	John Mackie	116	Planning granted, status TBC
1 Clifton Place, G3 7LD	Per Montagu Evans LLP	189	Consent granted 18.09.12
14 North Claremont St, G3 7LB	Number 14 Ltd	48	Consent granted 18.09.12
20 North Claremont St, G3 7LB	Campsie Group	94	Consent granted 18.09.12
Site between Sawmillfield Street and Farnell Street, G4 9SJ	Speirs Wharf Developments Ltd	234	Outline permission granted 04/10/12 reference 12/01800/DC
Beith Street, Glasgow	Downing Developments	(721*)	Application due to be submitted
	Total	**2,134* (2,855)**	

* We have not included the subject property in the total beds in the pipeline as it has not been granted planning consent.

5.2 Pipeline Analysis

Assuming the best case scenario and that the entirety of the current development pipeline is built out, the provision of student accommodation in Glasgow will be as follows:

3.9.2 Glasgow Enrolment Data

We have reviewed data provided by the Universities and Colleges Admissions Service (UCAS) which details the number of admissions to UK higher education institutions for the academic year 2012/13 in Glasgow. This data is key in analysing the impact that the issues within the higher education sector have had upon higher education institutions. Students enrolled for the academic year 2012/13 are the first to pay the higher level of tuition fees and provide an indication as to the response of students to higher education institutions. From the academic year 2011/12 to 2012/13 Glasgow's higher education institutions saw the following changes to their numbers of new enrolments:

- University of Glasgow: +6.19%
- University of Strathclyde: +2.73%
- Glasgow Caledonian University: +1.64%
- Glasgow School of Art: +16.47%

The Royal Conservatoire of Scotland was not included in the data set.

The increase seen by the four higher education institutions as detailed above is a positive signal in terms of the continued attraction of these institutions and the enduring demand from school leavers for higher education. The significance of the increases in newly enrolled students as detailed above, is emphasized by the fact that 2011/12 saw a further increase in applications nationally as students sought to avoid paying higher tuition fees. A further contributory factor to the increase in enrolments at the Glasgow higher education institutions could potentially be that Scottish national students studying in Scotland are not required to pay fees for their higher education, thus increasing the appeal of staying within Scotland. In addition to this, under the terms of EU law, students from other EU countries must be treated the same as Scottish students and thus are not eligible to pay fees where other UK students must pay full fees.

Appendix 2 – Technical Papers

1. Housing Land Audit 2012
http://www.glasgow.gov.uk/index.aspx?articleid=5944
2. Green Belt Review – Background Paper
3. Assessment of Additional Housing Sites – Appendix to CDP Strategic Environmental Assessment
4a 2011 Census release 1 and 2a
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=16942&p=0
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=16943&p=0
4b 2011 and 2012 Population and Household Estimates
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=17186&p=0
4c Demographic Change in Glasgow
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=8010&p=0
4d 2013 Dwellings by Ward
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=17784&p=0
4e Commentary on Estimates http://www.glasgow.gov.uk/index.aspx?articleid=3926
5. Housing Needs and Demand Assessment. http://www.gcvsdpa.gov.uk/current-strategic-development-plan/proposed-plan-june-2011-hnda
6. Glasgow's Housing Strategy 2011-16 http://www.glasgow.gov.uk/index.aspx?articleid=4029
7. Glasgow Strategic Housing Investment Plan 2012/13 to 2014/15
http://www.glasgow.gov.uk/index.aspx?articleid=7765
8. Letter from Chief Planner 29 October 2010
http://www.scotland.gov.uk/Resource/Doc/212607/0106433.pdf
9. Scottish Housing Market Review February 2014
http://www.scotland.gov.uk/Resource/0044/00446029.pdf
10. GVA - Student Housing Market Review Autumn 2012
http://www.google.co.uk/url?q=http://www.gva.co.uk/research/student-housing-market-overview-autumn-2012/&sa=U&ei=lH86U6idHYethQer0YGwBA&ved=0CB4QFjAA&usg=AFQjCNGrsu6sitR8t9p5MqkGgnpe-7OD_Q
11. Planning Policy Guidance for Student Accommodation and Certain Other Large Scale Quasi Residential Uses 3 March 2011
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=4293&p=0
12. UCAS - Demand for Full-Time Undergraduate Higher Education July 2013
http://www.ucas.com/news-events/news/2013/demand-full-time-undergraduate-higher-education-2013
13. City of Edinburgh Council – Planning Guidance on Student Housing February 2010
http://www.google.co.uk/url?q=http://www.edinburgh.gov.uk/download/downloads/id/4057/student_housing&sa=U&ei=XH06U_XPFcylhQfK34CgDg&ved=0CB4QFjAA&usg=AFQjCNFnpbwMtFeJREOR97ZNz2Gco_xc-w
14. Jones Lang LaSalle – Student Accommodation Demand Analysis – 5 March 2013
(see Appendix 1)
15. 2013 Dwelling Stock by Neighbourhood – Student Exemptions
http://edrms/Livelink/llisapi.dll/fetch/2000/9455273/9455274/9455279/11481294/11480666/11480770/11480670/Student_Housing_2013.pdf?nodeid=15715713&vernum=-2
16. Fraser of Allander Commentary on Glasgow – June 2013
http://www.strath.ac.uk/media/departments/economics/fairse/backissues/Fraser_Economic_Commentary,_Vol_37_No_1.pdf
17. Note on Tenure Change in Glasgow City – 1 April 2013
http://www.glasgow.gov.uk/CHttpHandler.ashx?id=17786&p=0