

Private and Confidential
Mr M Seaman
Land Director
Persimmon Homes South West
Mallard Road
Sowton Industrial Estate
Exeter
EX2 7LD

4th February 2019

Dear Mr Seaman

Re Impact of Gypsy and Travellers policy on viability.

You have asked me to comment on the potential impact of the current policy requirements for the onsite provision of pitches for Gypsy and Travellers on certain larger site sites in the Mid and East Devon areas.

We don't have any first-hand experience to comment on having not yet sold any land ourselves subject to those requirements. We are working on a major housing site going through planning at present which we expect to be impacted by this policy, so it is a matter of ongoing interest and concern to us.

I am aware of two large scale land transactions that have occurred in this area recently where Gypsy and Travellers policies were prominent. I gather in each case site specific arrangements had to be negotiated to overcome market resistance so it may be worth investigating those directly.

Therefore, at present I can only comment on my expectations based on my knowledge of the requirements of housebuilders and the markets fears concerning mortgage funding for schemes impacted by Gypsy and Travellers policies.

I would expect both market value for land and the marketability of projects to be compromised and perhaps significantly so due to three factors as follows: -

1. Loss of developable land – this is a straight forward point in that land taken for the Gypsy and Travellers pitches is therefore not available for more conventional development. I don't have information on the expected values that might be generated from the sale of Gypsy and Travellers pitches but depending on the

exact planning conditions imposed it seems reasonable to expect a reduction in overall land value by comparison to an alternative residential development.

2. Impact on adjacent market and affordable plots. This is a matter we have been previously asked to consider by others and concluded in the absence of real-world comparable evidence that the market value of homes/plots either adjacent to or in close proximity of Gypsy and Travellers would be expected to be seriously compromised. By way of example the sale of self-build plots adjacent to Gypsy and Travellers pitches may be difficult to achieve as would the sales of market housing. To overcome this might require a level of reduction in anticipated sales prices for any adjacent dwellings that it might render the development of those plots unviable. It is difficult to comment on how far beyond the adjacent plots the impact might spread without a specific topographical survey and proposed development site layout plan
3. Mortgage lenders requirements. From the conversations I have with developers the market has current concerns about the availability of mortgage finance with major lenders. I have been told by developers that they have concerns that mortgage finance might not be available for schemes containing Gypsy and Travellers pitches. This is certainly something that would need to be settled before any scheme could be expected to be developed.

I am not able to suggest any specific level of financial impact due to my lack of first-hand experience and the hypothetical nature of the question. I can say that I would expect significant market resistance to a scheme with a requirement to deliver Gypsy and Travellers pitches and to overcome that resistance, if that were possible, would likely lead to a substantial land value reduction or a sterilisation of part of a site along with the need to demonstrate that mortgage finance would be available.

Yours sincerely

A black rectangular box redacting the signature of Andrew J Kitchener.

Andrew J Kitchener FRICS IRRV (Hons) MCMI
Development Director
Kitchener Land and Planning.