Isle of Man Government

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Area Plan for the North and West- Draft Plan

Updated Land Supply Report

PIP 7

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1 Introduction

1.1 The Isle of Man Strategic Plan was approved by Tynwald in 2016. It sets out the broad policy approach for the level and pattern of development (including predicted housing need and a settlement hierarchy). The Area Plan for the North and West is intended to provide the detailed proposals and site allocations to deliver the Strategic Plan.

1.2 The Strategic Plan sets out housing requirements and an indicative distribution of housing numbers for the north, south, east and west of the Island. It also sets out a spatial strategy and settlement hierarchy which guides how new development is to be distributed across the recognised four settlement levels of Main Centre, Service Centres, Service Villages and Villages.

1.3 The Strategic Plan does not include a specific amount of employment land needed. It has therefore been necessary to use the Employment Land Review evidence base - taking into account advice from the Department for Enterprise – to produce an estimate of employment land demand (manufacturing, distribution/warehousing, out-of-town office) and ultimately the land requirements and proposals recommended in this paper for the Public Inquiry.

1.4 A yield potential has now been identified for every proposed site – informed by a bottom up assessment of the quality of the site and a top down assessment of required development land to meet the needs of the Strategic Plan spatial vision and broad policy goals.

1.5 This information has been used to help prepare the proposed changes to the Draft Plan to be presented as part of the Public Inquiry process.

1.6 The figures and methodology have both changed when compared to the original Paper DP EP4 published at the time of the draft plan, and therefore care should be taken to refer to PIP 7, when quoting from this publication.

2 Potential Development Sites

2.1 262 potential development sites[1] have been considered:

- 13 for Employment uses
- 176 for Housing uses
- 19 for Mixed uses
- 23 for Open Space and Nature Reserves
- 31 for Other uses

2.2 The above figures include different options on some sites and each development option is counted as an individual site. This means that each site - even if it is an option – will have its own assessment report. Of the 262 potential development sites:

- 42 Sites have been classed as Category 1 in the Site Assessment Framework.
  Category 1 sites are either:
  a. Sites which do not need a detailed assessment and are likely to have a background land use colour on the maps to reflect the surrounding land use; or
  b. are Mineral Sites or of national need and identified as such on the Maps.

- 118 Sites have been identified as countryside, with no exceptional reasons to warrant development being in the countryside therefore they are unsuitable for further consideration.

- 102 Site have required further assessment.

2.3 The 102 sites that have been further assessed consist of:

- 73 sites for Housing use covering 420 hectares
- 5 sites for Mixed use covering 233 hectares
- 8 sites for Employment covering 31 hectares
- 16 sites submitted after the Draft Plan was published (residential and amenity uses).

[1] In this context 'development sites' means sites considered for any purpose.

3 Yield Data Assumptions

3.1 In calculating the potential net 'yield' of sites the following assumptions have been made (Table 1).

Table 1 Potential Development Site Yield Calculation Assumptions

Issue	Top-down assumptions on each site
Biodiversity Net Gain: While not currently a policy requirement - as the relevant part of the Climate Change Act has not been brought into effect - preparations are being made for when this will be applicable for all development schemes unless exempted.[2] Not all development sites are of the same ecological value and a preliminary ecological assessment would need to be carried out prior to any design phase and if required a protected species survey that would in turn inform the developer how best to address biodiversity net gain.	• Urban - un-vegetated & sealed surfaces then assume 100% developable • Very Poor - Previously developed sites with some vegetation assume 95% • Poor – Improved Grassland then assume 90% • Moderate - Semi Improved Grassland then assume 75% • Good - Natural Vegetation assume 50% • Irreplaceable – Mature Woodland or highly distinctive habitat assume 0% developable • (Any mix of the site that falls within the above categories)
Net Developable Area: A net developable area needs to be calculated for each site (to discount strategic landscaping areas, larger roads etc.)	• If under 3 ha then assume 100% (unless constrained site in which case reduce percentage accordingly) • If 3 – 10 ha assume then assume 80% • If over 10 ha then assume 70%
Community & Social Uses for Housing Sites: This relates to the percentage of a site may be developed for other uses, for example neighbourhood shopping areas.	• If under 3 ha then assume 100% • If 3 – 10 ha then assume 90% • If over 10 ha then assume 80% If a Mixed Use Site assume 50%
Housing Density: Not all housing developments are built at the same density (Note: Net Housing density includes housing and directly associated uses and excludes major distributor roads, primary schools, open spaces serving a wider area and significant landscape buffer strips) *dph = dwellings per hectare **ESB = Existing settlement boundary	• Within existing Service Centre's mixed use or town centre area, but outside a Conservation Area, assume 160 dph* • Within the ESB** of a Service Centre and within existing residential, brownfield sites, in a Conservation Area or transition zone assume 45dph • Abutting the ESB of a Service Centre or on Greenfield sites within the ESB assume 35 dph • Within or abutting a Service Village ESB assume 20 dph • Within or abutting an ESB of a defined Village assume 10 dph • None of the above assume 2 dph

[2] See consultation on proposed changes to the Development Procedure Order https://consult.gov.im/environment-food-and-agriculture/planninganddpochanges/

Issue	Top-down assumptions on each site
Probability of Development: Not every site that is allocated will be brought forward (around 65% of planning approvals Island wide are not taken up). Even if sites are commenced, they may not be built out in the plan period (especially if larger sites). The average size of proposed sites is 6 ha with suitable sites for development being an average of 4 ha and a standard deviation of 7. Therefore the lapse rate of 65% is applied to sites that fall within 3-10 ha and varied up or down if they fall above or below this figure.	• If Housing, Employment or Mixed Use and under 3 ha (but more than 0.3 for employment) then assume 75% • If Housing, Employment or Mixed Use and 3 – 10 ha then assume 65% • If Housing, Employment or Mixed Use and over 10 ha then assume 55% • If existing use which would need to cease assume 0% (unless clear evidence may do so) • If significant delivery concerns then assume 10%
Yield for the remaining Plan Period: The Plan Period runs until the 31st March 2026. Housing Policy 1 specifies that sufficient opportunities should be made for those units specified in Housing Policy 3 to be built within the plan period and therefore deliverable not merely developable.	The Area Plan for the North and West is anticipated to be adopted by Cabinet Office by end of Q2 2024 (or soon after) meaning a further 21 months until the end of the plan period. The yield has been deducted pro rata to the end of the plan period (Likely Yield/48 months) X 21 months
Employment Sites: Does the proposed use contribute to the demand figures? Is it a key sector or industry that 'Our Island Plan[3]' including – the Economic Strategy 2022[4] indicated could grow since the ELR reports were published?	Employment use by area is shown as 0 hectares if what is proposed is not indicated as a key sector in the ELR or as a growth sector in the Economic Strategy such as retail of comparison goods, hot food takeaway or leisure facilities. 'Invalid' uses will only be counted when ancillary to an identified key or growth sector.

[3] Our Island Plan (GD No. 2022/0095)

[4] 'Our Island, Our Future' Isle of man Economic Strategy (GD No. 2022/0080)

4 Housing need taking into account existing planning approvals

4.1 An annual Residential Land Availability Study (RLAS) is carried out which records planning approvals for residential development and records the take-up of those approvals (i.e. whether they have been implemented).

4.2 Although the Plan Period runs 1st April 2011 - 31st March 2026 to tie in with the Strategic Plan, the RLAS update period records changes annually between 1st July and 30th June. However, it is considered that this makes negligible difference to the overall results.

4.3 In light of the above, the data within RLAS Update 16 has been used in relation to the period 1st July 2011 – 30th June 2023. Planning Approvals (including conversions) have been identified within this time period which, based on the information within RLAS Update 16, are either completed or have commenced and have less than 3 plots remaining.

4.4 These planning approvals are counted as dwellings that have already been built within the plan period and so reduce the number of units which need to be provided over the remainder of the plan period (see table 2).

Table 2 Dwellings that have been built since 2011 (RLAS Update 16)

Local Authority Area	Dwellings completed/started on site
Andreas	2
Ballaugh	7
Bride	3
Jurby	9
Maughold	4
German	6
Lezayre	9
Michael	9
Patrick	44
Peel	393
Ramsey	347
TOTAL	833

4.5 Therefore, the residual housing need in the North and West is 707 units based on:-

- the Strategic Plan housing need in the North and West of 1,540 units (770 each); and
- the completion or commencement of 833 units.

5 Possible housing supply based on all 'Potential Development Sites'[5]

5.1 Potential sites to accommodate 8,527 dwellings have been identified, with potentially 2,164 developable opportunities available within the Plan Period.

5.2 These opportunities can be classified in different ways and may fall into one or more classification but it should be noted that of the 2,164 units:

- 76 of those housing units are on unoccupied urban or brownfield sites within the existing settlement boundary. This is a relatively low figure because of the small site sizes and low densities usually achieved, particularly in conservation areas. Some brownfield sites will also contain a significant element of non-residential development.
- 188 units already have a valid approval.
- 168 would be within Existing Settlement Boundaries.
- 1,996 would be outside but abutting the existing settlement boundary.

5.3 Existing Housing Supply (including assumptions)

5.3.1 The Existing Housing Supply comprises:

- Dwellings completed during the plan period,
- Dwellings that have planning approval, have not yet been built or fall below the threshold to be considered as Potential Development Sites (see 5.4); and
- A projection for future conversions over the remainder of the plan period.

5.3.2 RLAS Update 16 includes a projected figure for windfalls from 2023 to 2026 (based on a mean average of the preceding 10 years). Windfall is defined as, "A development on land not specifically identified for housing, for example, on land designated for light industry or for office use". Given the plan provides an opportunity to review the designation of land (and 're-zone' non-housing land for housing), and also to avoid double-counting with any 'remaining approvals' identified within this Chapter, the windfall projection is not included in the existing supply figures.

5.4 Dwellings that have planning approval but have not yet been built and fall below the requirements to be considered as Potential Development Sites

5.5 The following types of approvals were excluded from being considered Potential Development Sites and so can be counted as part of the Existing Housing Supply:

- planning approvals which are not yet taken up (based on RLAS Update 16) and were for less than 3 net additional units; and
- planning approvals which are not yet taken up (based on RLAS Update 16) and are outside of areas allocated in existing development plans for development or identified as predominantly residential (existing) (or equivalent).

[5] In this context, Potential Development Sites relates to scenario if all 262 sites suggested/considered were developed.

5.6 Table 3 shows the planning approvals and what is expected to be taken up, sites which have had valid approval since 2011 which has since lapsed are not included. This gives an estimate of the number of units 'in the pipeline'. The capacity of sites has been calculated based on net contributions (e.g. the demolition of a dwelling to create 2 dwellings would be a net increase of 1). It is noted that there may be other sites which come forward during the remainder of the plan period for redevelopment such as the subdivision of plots. Such unexpected development will simply be taken to be additional supply.

5.7 The results of this exercise are summarised in the table below. RLAS Update 16, table 16[6] identifies an Island average take-up rate of 64%. Therefore of the 368 remaining approvals it is assumed that 236 are taken up (this is the 'Net Figure' included in the Table 3).

Table 3 Existing Housing Supply (approvals) in the North and West (RLAS Update 16)

Local Authority Area	Dwellings approved but not started	Net - assumed dwellings started
Andreas	5	3
Ballaugh	5	3
Bride	7	4
Jurby*	136	87
Maughold	7	4
German	17	11
Lezayre	24	15
Michael	12	8
Patrick	8	5
Peel	34	22
Ramsey	113	74
Total	368	236

*Includes PA 22/01133/B not in RLAS Update 16 but approved pending Section 13 agreement.

[6] RLAS Update 16, Table Set 16

5.8 Projected Conversions

5.8.1 RLAS Update 16 includes a projection for conversions from 2023 – 2026. This is based on a mean average of the conversion figures of previous years divided by the remaining number of years in the plan period. Completed conversions since 2011 are used to generate the mean (total divided by 11.5 to give 1 year average multiplied by 3.5 – the remaining years in the plan period) this gives the conversion projections for each Local Authority Area as set out in the Table 4, giving a total of 36.

5.8.2 If this figure is used to calculate total supply as part of the area plan, the yield of any housing or mixed use potential development sites which are conversions (other than hotels/guesthouses) rather than new build would need to be discounted. Proposals which involve an existing building being demolished prior to construction are not counted as conversions. However, if the existing building were residential, a net yield will be used which allows for the loss of existing units.

Table 4 Conversions

Local Authority Area	Projection 2023 – 2026 (3.5 Years) from completed conversions
Andreas	1
Ballaugh	3
Bride	0
Jurby	1
Lezayre	1
Maughold	1
Ramsey	16
German	5
Michael	0
Patrick	4
Peel	4
TOTAL	36

6 Potential Housing Distribution

6.1 Table 5 summarises the findings of this paper into a final table that illustrates the updated housing land supply figures and needs for the remaining plan period and compares this with the table provided in the original paper. Cabinet Office submits this paper to the Inquiry as an updated Evidence Paper to support the rest of the proposed changes.

6.2 Of particular note;

- There is the need to provide a further 377 dwellings on sites outside the existing settlement boundaries and that the distribution would be predominantly around Peel and Ramsey.
- A significant amount of approvals are valid in Jurby on land proposed in the 1982 Development Order (136 units), far above what the Strategic Plan would otherwise suggest from a settlement hierarchy standpoint (18 units).
- There are presently fewer development opportunities capable of coming forward in Peel than in Ramsey but both settlements should deliver equal amounts in terms of new units.

Table 5 Housing Land Supply and Potential Distribution

Source	Dwellings
A Dwellings completed between 2011-2023	833
B Expected yield from outstanding approvals	236
C Projected conversions 2023-2026	36
Total of A+B+C	1105
Likely yield of sites available within ESB but excluding sites with valid planning approvals	39
Yield required from new allocations according to the settlement hierarchy breakdown:	
Ramsey	118
Peel	118
Andreas	20
Jurby	20
St Johns	20
Foxdale	20
Kirk Michael	20
Bride	10
Ballaugh	10
Dalby	10
Glen Maye	10
Glen Mona	10
Sulby	10
Total	396
Strategic Reserves	0
Grand Total	1540

7 Employment Land Demand and Supply

7.1 The approach has been informed by the joint DfE and Cabinet Office Employment Land Review (2015) study, ELR Supplement (2017), Site Assessment Work, and recent employment figures provided by Statistics Isle of Man. The important elements of these findings are summarised below:

Table 6 Private Sector- Office Based Employment

Sector	ELR (2017) 2026 Reduced Growth Forecast	Dec 22 – Sept 23 Quarterly Average	Difference
E-Gaming	1369	982	-387
ICT	2604	1271	-1333
Banking	1959	1904	-55
Insurance	2277	1525	-752
Fiduciary	1459	1869	410
Professional Services	4440	7130	2690
Total	14108	14681	+573

Table 7 Private Sector - Manufacturing Employment Land Needs

Sector	ELR (2017) 2026 Estimate	Dec 22 – Sept 23 Quarterly Average	Difference	Area needed per employee (m^2)	Hectares needed to 2026
Manufacturing: General & Engineering	1430	1259	-171	42	-7.18
Manufacturing: Food & Drink	772	1485	713	52	37.08
Total	2202	2744	+542		+29.9

i. The Employment Land Review calculates the demand for employment land (manufacturing, distribution & warehousing and out of town office) from 2014 – 2026 and produces a combined figure for the North and West of 1.86 hectares. However, The ELR distribution is not properly aligned with the Island Spatial Strategy (N&W 30%) and the major employment and regeneration areas of Jurby and Ramsey, the commercial port of Peel or other opportunities available in the North and West. Rather the ELR uses the responses data received via a survey to draw conclusions across all sectors but failed to attain a suitable response rate to do so with any confidence. This will be further explored in a planned update and the Strategic Plan review.

ii. A slight under estimate of office based employees is observed although there was a substantial over estimate of employees within the ICT sector and has been mitigated through growth in other professional services that include emerging sectors such as Fintech.

iii. A significant under estimate of employees within the Manufacturing sector was made as measured on average of the last four quarters (Table 6: Private Sector –Office Based Employment).
iv. Significant allocations already exist in the Area Plan for the East and South, where much of the demand is focused for high quality Office and Business Park /Technology Park uses including Medicinal Cannabis.
v. This figure does not allow for choice or churn and therefore an element of over-allocation is required, 35% is proposed, and additional uplift proportional to the North and Wests combined regional distribution percentage is also proposed to address the aforementioned shortfall in the employment estimates, giving a figure of 12.11 hectares

7.2 In determining whether a site contributes towards meeting this demand, the following points should be noted (in addition to the broad assumptions set out in section 2 previously):

i. The demand figure runs from 2014, therefore development which has taken place since 2014 'counts' towards meeting the demand.
ii. The ELR sets out demand figures for office, manufacturing and warehousing/distribution, therefore only development of sites for these uses 'counts' towards meeting the ELR demand. The use of employment land for other uses (leisure, car showrooms, waste etc.), therefore sites allocated specifically for such uses should not be counted towards meeting the 12.11 hectares demand figure.

7.3 The following sites have been identified as being developed since 2014, giving a total of 1.22 hectares and a residual target of 10.89 hectares.

Table 8 Employment Development since 2014

Site	Area
1D Jurby Industrial Estate	0.8ha
1B Jurby Industrial Estate	0.42 ha
Total	1.22ha

7.4 The assumptions behind the employment land supply may require further refining, including the proportion of sites which may be Strategic Reserves (if needed), however work to date (Appendix 2) suggests a total development potential of 19.82 hectares, of which 10.89 hectares is required to meet the current need.

7.5 In reviewing the projections of the supplementary 2017 update it is clear that the 2014-2020 projections by industry for the most part were as expected with the exception of E-Gaming and ICT. Both sectors saw a decrease in those employed much greater than expected. This can be attributed to issues with the ELR's methodology of creating the projections from past data at a time when there was rapid adoption of IT and Web based systems and growing computer literacy across the Island's workforce. Other issues could include Brexit, high energy prices and low renewable energy mix making the Isle of Man a less attractive jurisdiction to operate from than it was previously.

7.6 Meanwhile, Manufacturing & Insurance that were projected to grown albeit at a reduced rate, were all within a comfortable margin of error. This was in line with 'Vision 2020'[7] that sought to bring a shift in the balance of the economy more towards Manufacturing and Production. This has manifested itself in particular with the manufacturing of Food and Drink sector which saw growth many times of that predicted within the ELR.

7.7 Given the events of 2021 and early 2022 and the absence of any net loss or gain in office base employment over the ELR estimate it is taken to be unlikely that the need for additional office space has increased in any meaningful way especially given the new acceptance of remote working. What these figure don't consider is the quality of the existing office space, this will be reviewed in a future Employment Land Review.

7.8 Given the apparent short fall in supply over a number of years it is perhaps more vital than ever to ensure affordable and available premises for all trades and industries to meet the ambitions of Our Island Plan.

[7] Vision 2020

Appendix 1 Housing Land Supply

	PDS within ESB	PDS within ESB (net)	PDS Abutting or Adjacent to ESB	PDS Abutting or Adjacent to ESB (net)[8]	Total Supply	Total Supply (net)	Strategic Plan Settlement Figure (Indicative)	Predicted Need (Based on 1,540 /770 Each)	Disparity between Total Supply and Predicted Need
Ramsey	116	10	1427	435	1543	445	60.00%	462	-17
Peel	160	52	1053	266	1213	318	60.00%	462	-144
Andreas	10	2	2399	335	2409	337	10.00%	77	260
Jurby	97	3	356	64	453	67	10.00%	77	-10
St Johns	10	0	188	55	198	55	10.00%	77	-22
Foxdale	0	0	116	36	116	36	10.00%	77	-41
Kirk Michael	7	0	285	86	292	86	10.00%	77	9
Bride	1	1	34	5	35	6	5.00%	39	-33
Ballaugh	2	1	148	45	150	46	5.00%	39	8
Dalby	2	1	2	1	4	2	5.00%	39	-37
Glen Maye	0	0	16	1	16	1	5.00%	39	-38
Glen Mona	8	2	18	6	26	8	5.00%	39	-31
Sulby	7	0	141	42	148	42	5.00%	39	4
TOTAL	420	72	6183	1377	6603	1449	100%	1540	-91

Note: Net figures have been revised to exclude sites that may be unlikely to come forward and obvious constraints.

PDS = Potential Development Sites
ESB = Existing Settlement Boundary

[8] Figures discounted in line with Table 1 assumptions

Appendix 2 Employment Land Supply

Site	Settlement	Area	Gross Area (ha)	Net Area	Developed	Developable
Trout Farm, Shore Road	Kirk Michael	West	2.11	2.11	0	0
Station Road	Kirk Michael	West	0.05	0	0	0
Michael Car Centre, Main Road	Kirk Michael	West	0.11	0	0	0
Kelly Industrial Estate, off Main Road	Kirk Michael	West	0.82	0.3	0	0.3
Garage & Filling Station, Main Road	Kirk Michael	West	0.12	0.12	0	0.12
Pennybridge Stables, Main Road	Kirk Michael	West	0.44	0.44	0	0.44
The Old Brickworks, Mines Road	Foxdale	West	1	0	0	0
Clock Tower Industrial Estate	Foxdale	West	0.8	0	0	0
Vacant land at Clock Tower Industrial Estate	Foxdale	West	2.1	2.1	0	2.1
Close Chiarn / Power Station	Peel	West	9.2	0.38	0	0
Land west of Glenfaba Road	Peel	West	7.44	6.71	1.23	0
Industrial Estate off Ramsey Road (known as Middle Cooil Ushtey Industrial Estate or Edward Lourdes Business Park)	Peel	West	1.4	0.3	0	0.3
Former IOM Bank	Kirk Michael	West	0.08	0.08	0	0.08
Kella Mill	Sulby	North	0.61	0.43	0	0
Lezayre Road / Gardeners Lane	Ramsey	North	3	0	0	0

Site	Settlement	Area	Gross Area (ha)	Net Area	Developed	Developable
Lezayre Road	Ramsey	North	2.37	0	0	0
Ballachrink / Poylldooey	Ramsey	North	4.16	0	0	0
Ballachrink / Poylldooey	Ramsey	North	1.62	0	0	0
Gladstone Park Industrial Estate	Ramsey	North	2.5	0	0	0
Gladstone Park Industrial Estate	Ramsey	North	0.33	0.33	0	0.33
North Shore Road / Shipyard	Ramsey	North	4.53	0	0	0
Vollan Fields	Ramsey	North	2.8	0	0	0
Mountain View Innovation Centre	Lezayre	North	1.9	1.9	1.9	0
Airfield (disused)	Andreas	North	21.29	13.81	0	13.81
1A Jurby Industrial Estate (whole estate)	Jurby	North	10.34	0	0	0
1B Jurby Industrial Estate	Jurby	North	1.53	0.97	0.42	0.55
1C Jurby Industrial Estate	Jurby	North	0.19	0.19	0	0.19
1D Jurby Industrial Estate	Jurby	North	0.4	0.16	0.8	0.07
1E Jurby Industrial Estate	Jurby	North	1.74	1.74	1.74	0
1F Jurby Industrial Estate	Jurby	North	0.13	0	0	0
1G Jurby Industrial Estate	Jurby	North	0.2	0.2	0	0.2
1H Jurby Industrial Estate	Jurby	North	0.37	0.37	0	0.37
1I Jurby Industrial Estate	Jurby	North	0.68	0.68	0	0.68
1J Jurby Industrial Estate	Jurby	North	0.43	0.43	0	0.43
Rear of Kella Mill	Sulby	North	0.2	0.2	0	0
Greenlands Estate, Gardeners Lane	Ramsey	North	2	0	0	0
Former Raymotors Site West Quay	Ramsey	North	0.27	0.27	0	0.27
Totals (ha):		Overall	89.26	34.22	6.09	20.24
		West	26.28	12.97	1.23	3.34
		North	62.98	21.25	4.86	16.9

Source: Employment Land Review 2017 / Draft Area Plan for the North and West

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