

HOUSING SHORTFALL: Proposed policy changes

- The housing shortfall to be addressed in the Draft Island Planning Strategy is **315 homes over the 5-year plan period**.
- Officers consider that a combination of both adjusted policies and allocating additional sites is the most appropriate way forward to spread the risk and importantly to present a 'sound' way forward to the Planning Inspectors;
- There are **2** policy adjustments that are quantified as totalling **75 new homes**;
- A key discussion point, and a concern of the Inspectors set out in their Post Hearings Letter, was the ability for proportionate, smaller scale development to come forward at the Rural Service Centre tier, as the majority of the allocations in the submitted IPS were focused around the primary or secondary settlements. This type of smaller scale development would also suit the SME builder/developer sector on the island;
- Policy G2 sets the spatial strategy for the island and details where the principle of new development will be acceptable in relation to settlement hierarchy. The proposed adjustment to the spatial strategy in G2 would also mean an increase to the windfall allowance in Policy H1 (windfall being one of the three sources of supply in addition to large sites with permission and allocations);
- It is important to note that these proposed policy changes do not 'override' existing constraints that may be apparent around Rural Service Centres and which would preclude some land from being appropriate for residential development. These constraints include ecological designations, the National Landscape and flood risk.
- The proposed wording changes to policies **G2** and **H1** are set out overleaf – **new text** or ~~removed text~~

Policy G2: Priority locations for housing development and growth

The focus for sustainable housing growth is within the settlement boundaries of the island's primary and secondary settlements and **within or immediately adjacent to the** rural service centres:

Primary settlements: Cowes (including Gurnard and Northwood), East Cowes, Newport, The Bay (Sandown, Lake and Shanklin), and Ryde.

Secondary settlements: Bembridge, The West Wight (Freshwater and Totland), Wootton, and Ventnor.

Rural service centres: Arreton, Brading, Brighstone, Godshell, Niton, Rookley, St Helens, Wroxall, and Yarmouth.

Sites immediately adjacent to Rural Service Centres are required to be minor development (less than 10 homes) and meet a specific local need that has been identified.

Outside the defined settlement boundaries, including at sustainable rural settlements, proposals for housing development, which includes windfall sites, will only be supported if they meet a specific local need that has been identified and they accord with either H4: Infill opportunities outside settlement boundaries, H6: Housing in the countryside, H7: Rural and first home exception sites, H9: New housing on previously developed land, or H10 Self and custom build.

Sustainable rural settlements: Calbourne, Chale Green, Havenstreet, Nettlestone, Newchurch, Seaview, Shalfleet, Wellow, and Whitwell.

Proposed changes to the IPS – December 2025 public consultation

- The proposed revision to the windfall allowance in policy H1 below of +15 per annum is a conservative estimate based on evidence of delivery over the past 8 years. This is set out in examination document [ED18 'Further windfall analysis relating to settlement boundaries'](#). ED18 shows that on average, over 30 dwellings per annum are delivered from windfall outside of settlement boundaries. Just over 100dpa have been delivered from windfall sites within settlement boundaries, clearly evidencing the original 100dpa windfall allowance.
- The other numbers in the policy have also been adjusted to reflect:
 - The use of the standard method housing number of 703dpa plus a 5% buffer (as required by the Inspectors) and focusing on the first five years of the plan period;
 - Updates to the housing trajectory of supply from proposed allocations and large sites with planning permission (as of 31st October 2025).

Policy H1 Planning for housing delivery

The council is planning for a housing requirement of **3,691** net additional dwellings over the **first five years of the** plan period (**2025-2029**), at an average of **738** dwellings per year.

The supply of new homes will come from the following sources:

From large sites with planning permission: **1,990** dwellings

From sites allocated in policy H2: **1,135** dwellings

From windfall sites*: **575** dwellings

Total: **3,700** dwellings

*Windfall sites are dwellings delivered on sites with a net gain of less than 10 dwellings and the council believes at least **115** dwellings per year will be delivered on such sites.