BRIEFING NOTE

Re: WA5354PS – Coventry Housing Support **Date:** 24 June 2025

Subject: **Windfall Analysis**

This briefing note presents the findings of the windfall analysis undertaken using Coventry City Council's residential completions data for the financial years 2018/19 to 2023/24 (6 years), in accordance with the Council's monitoring records.

The primary objective is to inform the setting of an appropriate windfall allowance by examining past completion trends. The analysis first reviews the Council's current windfall allowance breakdown and then explores the underlying patterns by categorising completions according to previous land use and application scale.

The outputs of this research are relevant to evaluating the Council's proposed windfall allowance of 200 dwellings per annum (2,800 dwellings 2027/28 to 2040/41) included in the Regulation 19 Version Plan.

National Policy and Guidance and Research Methodology

In assessing the Council's historic windfall delivery and any future allowance regard should be had to application of relevant policy and guidance.

Paragraph 72 of the NPPF2023 states in respect of windfall:

"Where an allowance is to be made for windfall sites as part of anticipated supply, there should be <u>compelling evidence</u> that they will provide a <u>reliable</u> source of supply. Any allowance should be realistic <u>having regard to the strategic housing land availability assessment</u>, historic windfall delivery rates and <u>expected future trends</u>. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area." (our emphasis)

Windfall is defined in the Glossary of the Framework (Annex 2) as "*sites not specifically identified in the development plan*".

The PPG recommends that authorities assess permissions granted for windfall development by year and compare this with any provision for windfall development in future forecast supply.

It is reasonable to predict that the Council will be challenged on the inclusion of allowances for some sources of future windfall even where they form part of past trends. This goes to whether the evidence and plan-making process supports supply consistently continuing to come forward as part of development on unidentified sites; in-particular sources such as:

- Major development, as defined in national policy, where there is an expectation that sites of this size would be expected to be allocated or identified in the emerging Local Plan
- Sites in residential gardens. Although no longer restricted from being included in windfall assessments, this type of site as a continued source of windfall is uncertain.

Consideration should also be given to sources of supply likely to consistently become available. It is conventional to include forecast contributions from sources of windfall that are dependent on exceptions to policies such as retention of existing non-residential uses and where annual delivery monitoring indicates a very low volume of applications for certain existing Use Classes. This includes:

- Class F1/F2 Buildings in Community and Recreation Use
- Redevelopment of Mixed-Use Premises
- Redevelopment of *Sui Generis* Land or Premises

Conversely there are consistently higher volumes of applications for (re-)development of other existing Use Classes for land and buildings including where this is partly a function of provisions for Permitted Development Rights including:

- B-Use Employment Land and Premises (subject to policy for protection of these uses)
- Class E retail and employment uses
- C-Class residential development

As explained further in the analysis undertaken these typically used conventions are applicable to analysis of windfall in Coventry and judgement over the scale (major/minor), sources and overall level of assumptions for windfall supply when evaluating the 200 dwelling per annum assumption in the proposed submission (Regulation 19) version Local Plan.

Within Coventry two further specific variables are relevant to understanding levels of development on unidentified sites.

Coventry City Council's past completions informing the HELAA 2024 were originally classified into four categories: conventional residential dwellings, care homes, purpose-built student accommodation (PBSA) and houses in multiple occupation (HMO).

For the analysis of windfall, the inclusion of PBSA and HMO proved to skew the results, given the substantial volume of student accommodation delivered over the monitoring period. For this reason, these two categories have been excluded from further windfall analysis. This is not necessarily a definitive conclusion on whether future unidentified development of this type occurs in future, but it is relevant to have regard to:

- In relation to PBSA the fact windfall development is further skewed by a small number of very large schemes to be considered relative to the emerging Plan's understanding of changes in this market, the extent to which consideration has been given to allocation for these uses on allocations in the emerging Plan and the relationship between PBSA and identified housing needs. While a windfall allowance for PBSA is therefore not justified in the conventional application of national policy and guidance it remains the case there may be future contributions to supply from schemes not identified in the Plan.
- In relation to HMOs, the point that their contribution to supply typically does not reflect an increase in housing stock, but rather a conversion of existing dwellings into multiple dwelling-equivalent bedrooms. This must be considered relative to the Plan's evidence base for housing needs; that there will be reverse instances where use of HMOs as single family dwellings under PD is not captured by planning; and the effect of the Council's Article 4 Direction and HMO DPD on future levels of HMO development. This being said there will be instances of HMOs being provided as part of conventional windfall trends (e.g., conversion of Offices to HMOs) that might be regarded as supply from unidentified sites commensurate with windfall recorded from non-HMO developments.

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Analysis

Windfall Occurrence

Table 1: DLP breakdown of the Council's Completion Categories (All Sites)

Monitoring year	RESI		CARE		Total
	Completions	%	Completions	%	
2018/19	621	93.2%	45	6.8%	666
2019/20	789	99.9%	1	0.1%	790
2020/21	341	99.7%	1	0.3%	342
2021/22	1009	99.3%	7	0.7%	1016
2022/23	739	99.7%	2	0.3%	741
2023/24	588	87.4%	85	12.6%	673
Total	**4087**	**96.7%**	**141**	**3.3%**	**4228**
Annual Ave	**681**		**24**		**705**

As shown in the table above, 96.7% of remaining completions derive from conventional residential development, with care homes accounting for the other 3.3%. This distribution is unsurprising, as demand for general housing typically exceeds that for specialist care provision.

When considering windfall sites alone, the table below confirms that a considerable proportion of annual completions originates from windfall sources. Table 2 presents the Council's completions by category over the monitoring period (2018/19–2023/24). It shows that, of the 1,993 dwellings recorded, 1,867 (95.2%) were conventional residential and 96 (4.8%) were care homes. The annual averages are 316 residential completions and 16 care-home completions, of which 46.4% and 68.1% respectively derive from windfall sources.

Table 2: DLP Completions Breakdown of the Council's Categories By Year (Windfall Only)

Monitoring year	RESI		CARE		Total
	Completions	%	Completions	%	
2018/19	399	100.0%	0	0.0%	399
2019/20	258	99.6%	1	0.4%	259
2020/21	255	99.6%	1	0.4%	256
2021/22	496	98.6%	7	1.4%	503
2022/23	273	99.3%	2	0.7%	275
2023/24	216	71.8%	85	28.2%	301
Total	**1897**	**95.2%**	**96**	**4.8%**	**1993**
Annual Ave	**316**		**16**		**332**

A comparison with Table 1 confirms a substantial contribution from windfall sites: nearly half of all residential completions and over two thirds of care home completions arise from windfall development. Although these averages exceed the Council's earlier suggestion of 200 windfall dwellings per annum it is not appropriate to instantly conclude that this supports retention of this allowance (excluding HMOs and PBSA) without further regard to sources and scale (major/minor) of windfall supply and annual variability.

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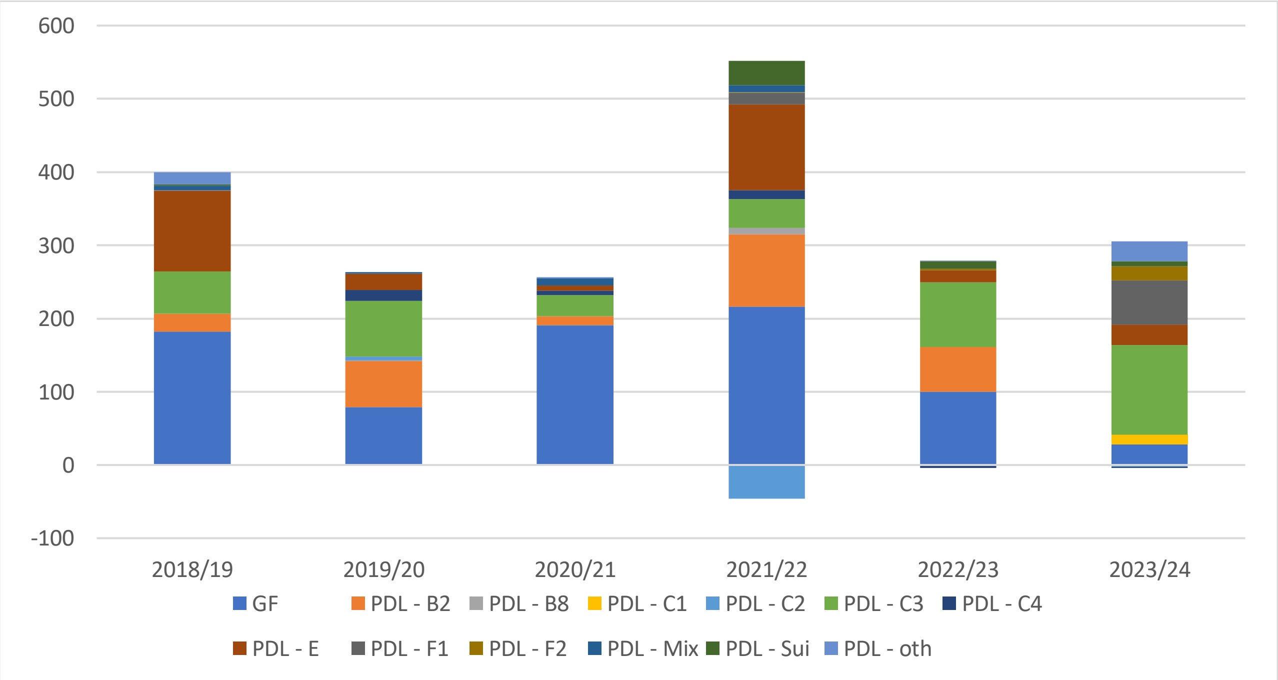
Sources of Windfall

The following section examines windfall sources by their previous land use, where applicable, in order to gauge the likelihood of similar opportunities arising in future. For example, as *Sui Generis* uses are relatively uncommon a high annual total or proportion of windfall from these sources is more likely to represent an anomaly than a repeating pattern. By contrast, a substantial share of windfall originating from Class E conversions may signal a genuine shift in land-use demand—such as increased pressure for housing in place of office premises.

The vast majority of windfall completions have arisen from conversions of former residential (Class C3) sites, which account for 20.7 % of the total, when looking at the applications more specifically a large proportion of these were houses that had been converted into multiple properties. Conversions from Class E premises follow at 15.1 %, which could be a result of changing working patterns following the pandemic. Former Class B2 (general industrial) buildings contribute 13.0 %. Every other use class—including B8, C1, C2, C4, F1, F2, mixed use and sui generis—each represents less than 5 % of completions.

A full breakdown of this is seen in Figure 1 below:

Figure 1: Total Windfall Completions by year based on the previous land use class



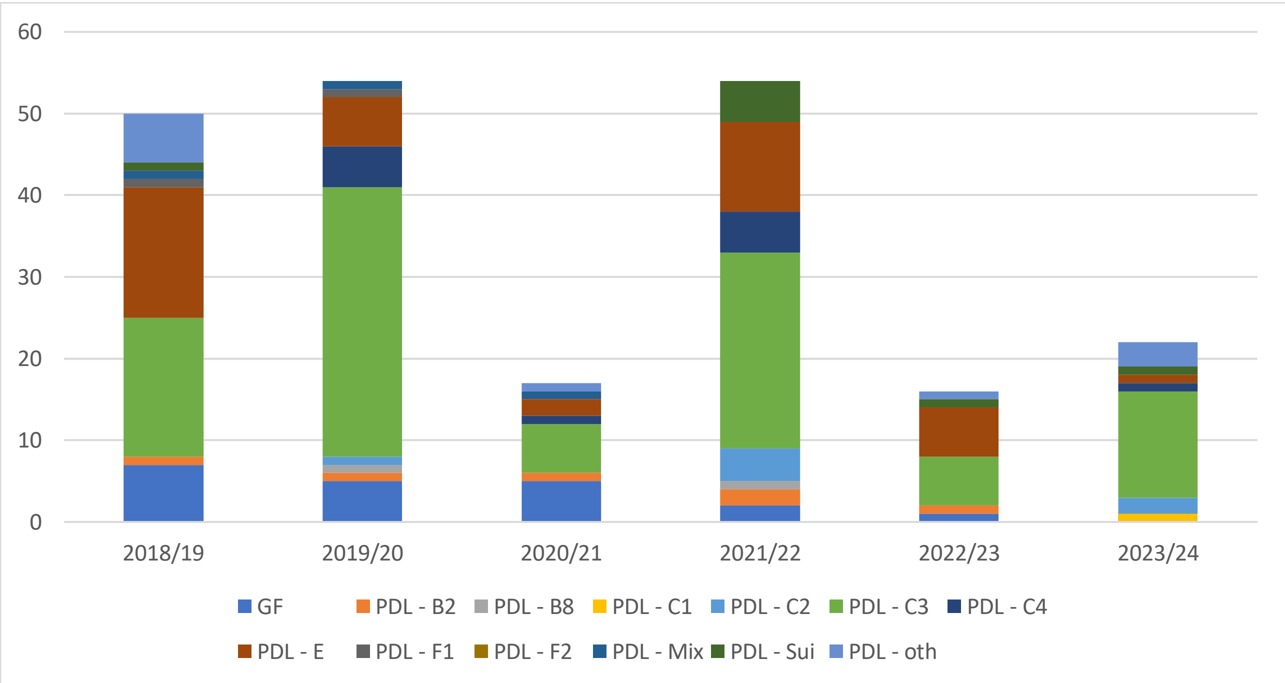
The count of windfall applications offers a more accurate indication of source occurrence, since it reflects all schemes submitted to the planning system rather than only those that reach completion. It also reflects that the capacity for development on windfall proposals of a given existing Use Class is markedly different. For example, a significantly greater volume of applications need to progress through the system to achieve similar levels of output for existing residential Use Classes relative to non-residential uses. The count of major windfall applications is also generally more evenly distributed by previous Use Class whereas for minor development the count reflects the significantly greater prevalence of certain types of windfall schemes.

These figures show that former C3/C4 Use proposals predominate (52.0 % of all applications including 57% of minor applications), followed by Class E schemes (20 %). Greenfield comprises the next highest count of windfall by source (9%) but this represents a higher proportion of major windfall development (6 of 26 applications – or 23%) and only 7% of minor windfall. All other use classes remain below 5% of the total distributed by former Use Class.

This pattern suggests that former C3 and Class E sources not only generate the greatest number of applications but are also the most reliable predictors of future windfall supply, whereas other categories remain more sporadic in terms of their contribution to past trends.

A full breakdown of this is seen in
Figure ***2*** below:

Figure 2: Count of Windfall Applications per year



Size of Windfall Applications

On average, just 11.7% of windfall applications are classed as major, compared with 88.3% which are minor. Despite this, major schemes account for 71.2% of all completions, while only 28.8% come from minor developments. This highlights the disproportionate impact of major schemes on overall delivery, as they typically yield a significantly higher number of dwellings per application.

This is a significant potential challenge to the justification for the Council’s windfall allowance. Of the 285dpa average from past delivery an average of 203dpa is form major windfall but this is recorded across only 26 applications to derive the 1419 dwelling total.

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Table 3: DLP Split of Major and Minor Windfall

	Windfall – Application Count		Windfall – Net Additional Dwellings	
Monitoring Year	Major	Minor	Major	Minor
2018/19	8	43	292	107
2019/20	2	58	146	113
2020/21	4	13	223	34
2021/22	6	51	351	152
2022/23	3	13	217	58
2023/24	3	19	190	111
Total	**26**	**197**	**1419**	**575**
Annual Ave	**4**	**28**	**237**	**96**

There is likely to be a significant challenge to the Council's reliance on a windfall allowance comprising a significant proportion of development from major unidentified sites when the Plan identifies all shortlisted HELAA sites as part of its forecast trajectory and identified sites or proposed allocations.

A key point remains that the majority of windfall applications are minor in scale, underlining their continued importance as a consistent source of supply and a vital part of the housing delivery pipeline and expected future trends.

Figure 3: Number of Completions form Major and Minor Windfall Applications

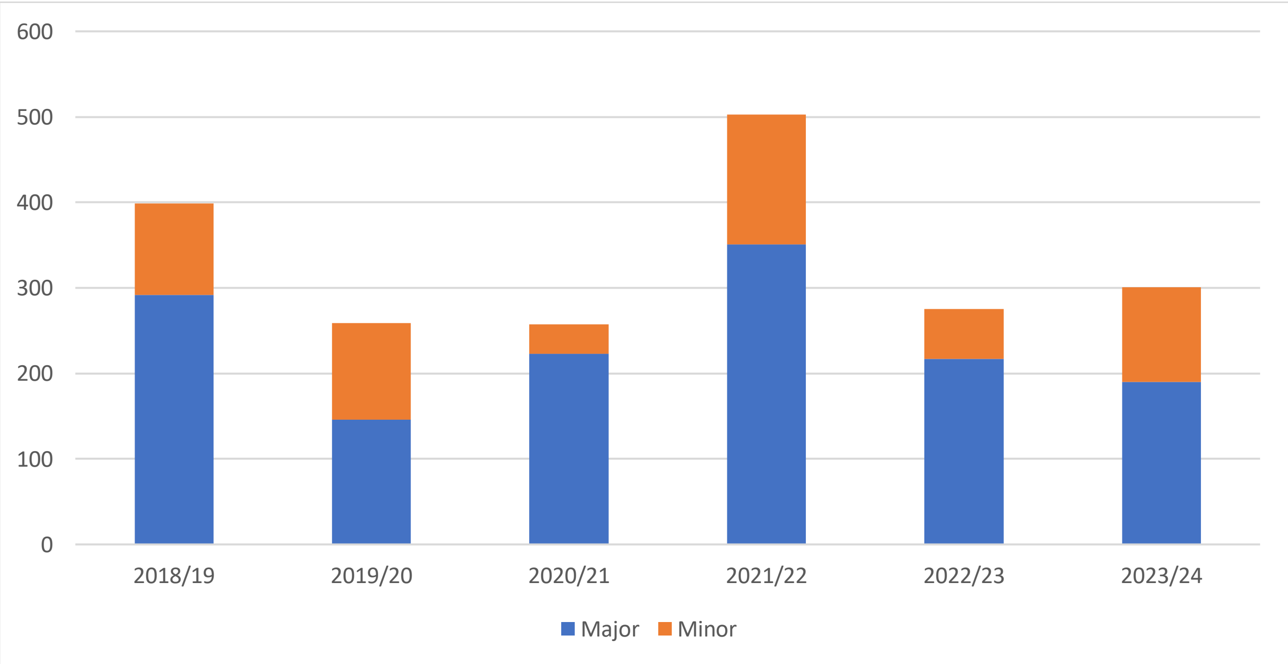

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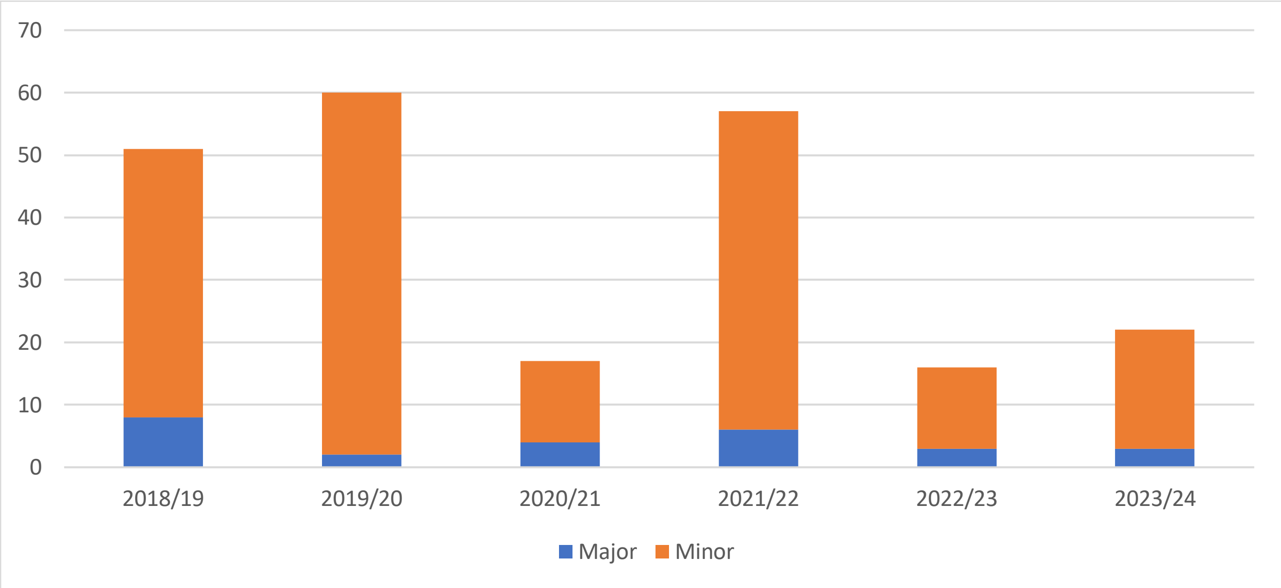
Figure 4: Number of Major and Minor Windfall Applications



In 2021/22, there was a notable surge in minor windfall applications, with 51 recorded as commitments While this is broadly consistent with levels seen in 2018/19 and 2019/20, it stands out when compared with the immediately preceding and following years. This increase may reflect a post-pandemic adjustment in the development market or short-term policy shifts favouring smaller schemes. Although application numbers dropped in 2022/23 and 2023/24, completions remained only slightly below pre-pandemic levels. This indicates that the windfall supply has stayed relatively stable overall, with a dependable contribution from both major and minor sources. It should be noted that the count of applications records their first year as a commitment, so a relatively significant proportion of the 2021/22 total will have been delivered in the most recent two monitoring years (contributing to the consistency of delivery trends). The reduction in the count of applications in 2022/23 and 2023/24 warrants close monitoring in future years in terms of whether it affects the long-term average of overall delivery.

Research
& Analysis

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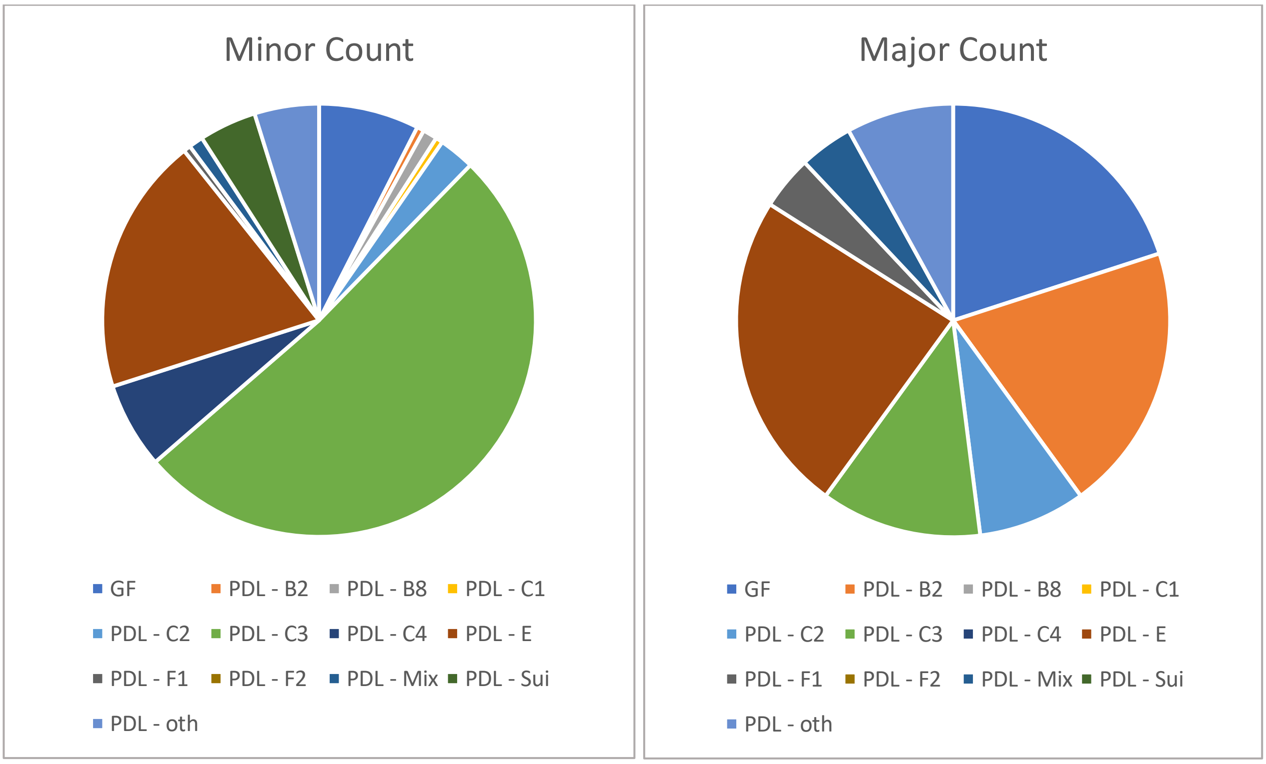
Supply and Scale

Figure 5: Count (%) of Application by previous land use and major or minor application



The most frequent source of applications is land previously in residential use (C3), which has seen 96 minor and 3 major applications. This indicates a strong trend of redeveloping existing housing sites.

Other significant contributors include sites formerly in commercial or service uses, particularly those in Class E, which account for 6 major and 36 minor applications.

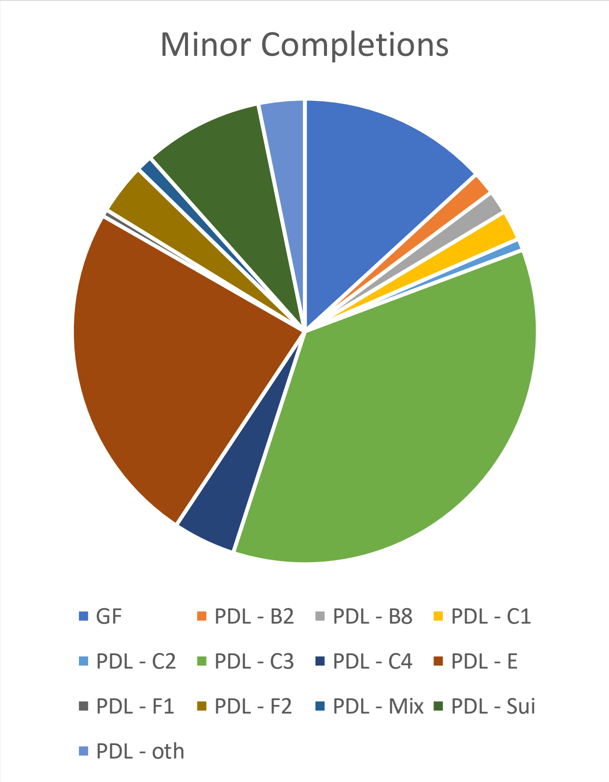
Sui Generis uses represent a notable source, especially for minor schemes, with 8 applications recorded but by definition these will be diverse in nature.

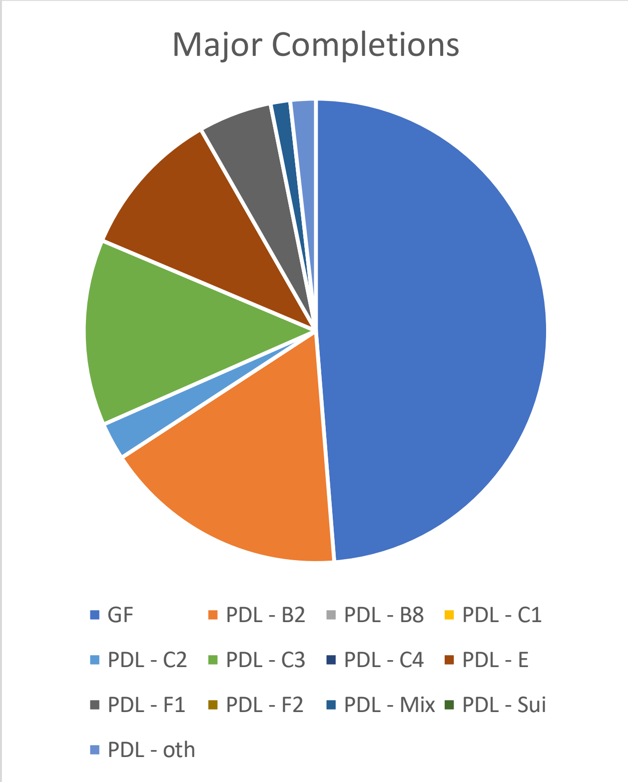
Greenfield land, while less common overall, has generated 6 major and 14 minor applications. As shown in Figure 6 the role of unidentified Greenfield sites is the biggest challenge to the Council's future windfall allowance.

This comprises 744 of 1419 completions (49%) from major unidentified sites. The Council will be pressed on whether this scale of development will consistently come forward on unidentified sites that the Plan has not sought to allocate and, if unidentified development is expected, when this may occur in the Plan Period outside of capacity the HELAA was able to consider.

Although major applications are more evenly distributed across various land uses, minor applications—particularly from former residential and commercial uses—clearly dominate and are expected to remain the primary source of windfall supply.

Figure 6: Completions (%) by previous land use and major or minor application





The majority of completions from Major and Minor are supplied from land formerly in residential use (C3), with 190 completions from major (13%) and 222 (36%) from minor applications, reaffirming the importance of redeveloping existing housing plots. Greenfield land also plays a notable role, particularly in major schemes, contributing 714 (49%) completions—the single largest source overall.

In addition to the observations on major greenfield windfall and significant contribution of former residential Use Classes to both minor (36%) and major (13%) windfall former commercial premises (Class E) are also an important component of delivery trends, especially among minor applications delivering 149 units (24%).

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Justification of Windfall

A review of the source and scale of windfall applications reveals that although major schemes represent only 11.7% of applications, they deliver a disproportionately high share—71.2% of windfall completions. Conversely, minor applications account for 88.3% of submissions, but only 28.8% of completions.

The 200dpa figure is justified in principle by past delivery achieved c.332 completions per annum **but** this is only the case if including a small number of major greenfield windfall completions (ave. 124dpa) **or** including assumptions for HMO/PBSA windfall.

However, this level of allowance is further supported by:

- The consistency of a windfall contribution over the monitoring period;
- The broad range of sources, particularly former residential and Class E premises;
- The significant role of minor applications, which comprise the majority of windfall submissions.

In terms of the defensibility of windfall components:

- A minimum of c.80dpa from minor windfall, excluding Class F/Sui Generis/Mixed, applicable from 2027/28 as shown from the base-date of the R19 trajectory – **1,120 dwellings to 2041.**
- An allowance of c.10dpa could be added for HMO windfall not generated using an existing dwelling **– c.140 dwellings** 2027/28 to 2040/41 (see Table 4)
- An allowance of 60dpa for major windfall excluding Class C2/Class F/Sui Generis/Mixed and B-Uses or 100dpa excluding Class C2/Class F/Sui Generis/Mixed. Due to potential overlap with identified HELAA sites it may be advisable to include this allowance for the last 10 years of the plan period only (2031/32 onwards) – comprising therefore **600 dwellings or 1000 dwellings.**
- There would be even less risk of 'double-counting' if the same quanta were spread over a smaller number of years but this would indicate a higher concentration of applications/delivery than past trends later in the plan period.
- The above assumptions total **c.2,260 dwellings**
- A windfall allowance of 200dpa (2,800 dwellings 2027-2041) could still be defended, but this will need further consideration of:
    - Inclusion of PBSA (or less likely HMOs)
    - Justification for a proportion of the Major Greenfield Windfall allowance to ensure no double-counting with the HELAA.
    - Inclusion of less reliable sources of windfall (Class F/Sui Generis/Mixed)
- It is considered that windfall delivery overall will exceed 200dpa but the above points for consideration are to ensure defensibility of the 200dpa figure.

As discussed with the Council during the analysis of windfall trends more use of the totality of the HELAA evidence base is likely to be required (and beneficial) to justify the total windfall allowance, including major windfall. Observations include:

- **The adopted Plan** (as we understand) does not contain a major sites windfall allowance but does, as proposed in the emerging Plan, contain assumptions for delivery from identified but unallocated SHLAA sites. Care must be taken to ensure these 'identified' sites are not part of windfall totals. However, the performance of these identified sites is relevant more widely in terms of future sources of unidentified supply – namely all things being equal the faster these 'suitable' sites have built out the more likely it is constraints would be overcome on other sites and other unidentified sites come forward. It is therefore advisable to audit the current planning status of all identified SHLAA sites from the 2017 Plan.
- **The emerging Plan** adopts the same approach of identifying unallocated HELAA sites. Care

must be taken to justify a major windfall allowance in addition to these sites. The Plan effectively identifies all capacity the HELAA currently considers suitable. This will be challenged because a major windfall by necessity assumes other unidentified sites will come forward consistently as part of expected future trends notwithstanding the plan-led roll to identify and support opportunities for development (broadly as reflected by identifying HELAA sites in the Plan). This challenge can be more easily addressed if it is clear that there is strong delivery evidence for the identified HELAA sites in the early years of the Plan Period. The challenge will be greater if it is demonstrated that the identified HELAA sites include undelivered sites first included in the trajectory from the 2017 Plan. However, the reverse of this is that the Plan will not necessarily preclude constraints being overcome on other sites not identified in the trajectory.

- **Discounted HELAA sites, whether from the current HELAA or previous iterations, should be regarded as windfall** as they are not identified *in* the Plan. In practice this will be a significant source of potential major windfall – and some objectors may for example raise a necessary contribution from Grey Belt sources to achieve this. It is, however, currently unclear how much potential exists in quantitative/qualitative terms for development to consistently come forward on rejected sites. <u>The HELAA should be updated to give an 'unconstrained' theoretical capacity figure on rejected HELAA sites.</u>
- **Previously discounted SHLAA sites** appear to represent a relatively small component of past delivery, based on a schedule provided by the Council matched to application references. This could undermine the justification for a major windfall allowance provided by overcoming previous reasons to discount sites. However, as shown in Table 5 there is a larger committed total on rejected SHLAA sites where completions have yet to be reported in AMRs. This does suggest a role in future supply from this source (albeit in these instances already counted in supply with permission).

A detailed example trajectory is provided at the end of this note, showing the expected contributions from Minor Windfall, Major Windfall and HMOs. The HMO figure (10.5 units per year) is based on council data on completions from 2018/19 to 2023/24. The windfall assumptions are drawn from the analysis above. To visualise how this might look, we have prepared graphs for three scenarios:

1. **Higher estimate** – major windfall including Use Classes C, E and B
2. **Lower estimate** – major windfall including only Use Classes C and E
3. **Blended scenario** – a mix of the higher (from 2036/37) and lower (from 2031/32) estimates for major windfall

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Table 4: Average Windfall HMO completions not generated from existing residential uses by Monitoring year

Monitoring Year	Windfall Completions
2018/19	6
2019/20	7
2020/21	0
2021/22	22
2022/23	1
2023/24	27
Annual Average	**10.5**

Table 5: Summary of Approved and Completed Dwellings on Discounted SHLAA and HELAA Sites by Use Class (2018/19 – 2023/24)

Use Class	Approved Capacity	Completed Units	Outstanding Commitments
GF	20	15	5
N/A	22	5	17
PDL - C3	6	10	-4
PDL - E	1	1	0
PDL - F2	1	1	0
PDL - Sui	9	18	-9
(blank)	210	0	210
Total	**269**	**50**	**219**

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Figure 7: Windfall Delivery (Higher Estimate)

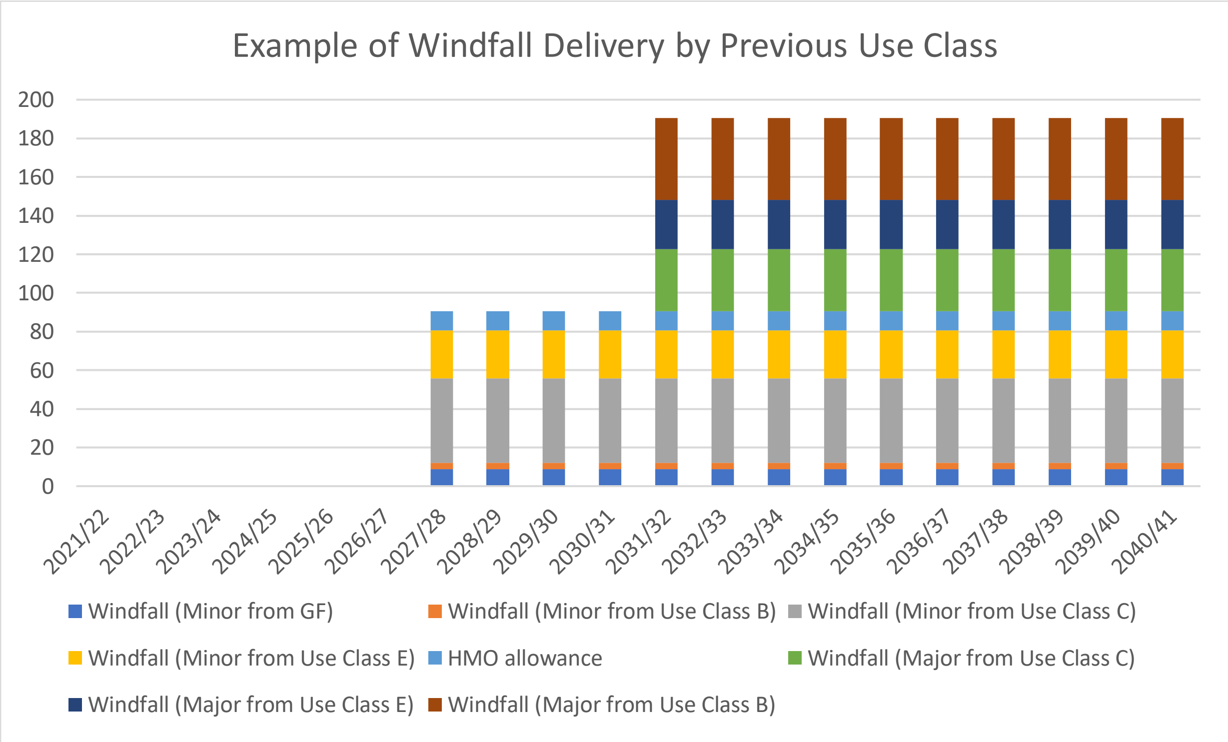

Figure 8: Windfall Delivery (Lower Estimate)

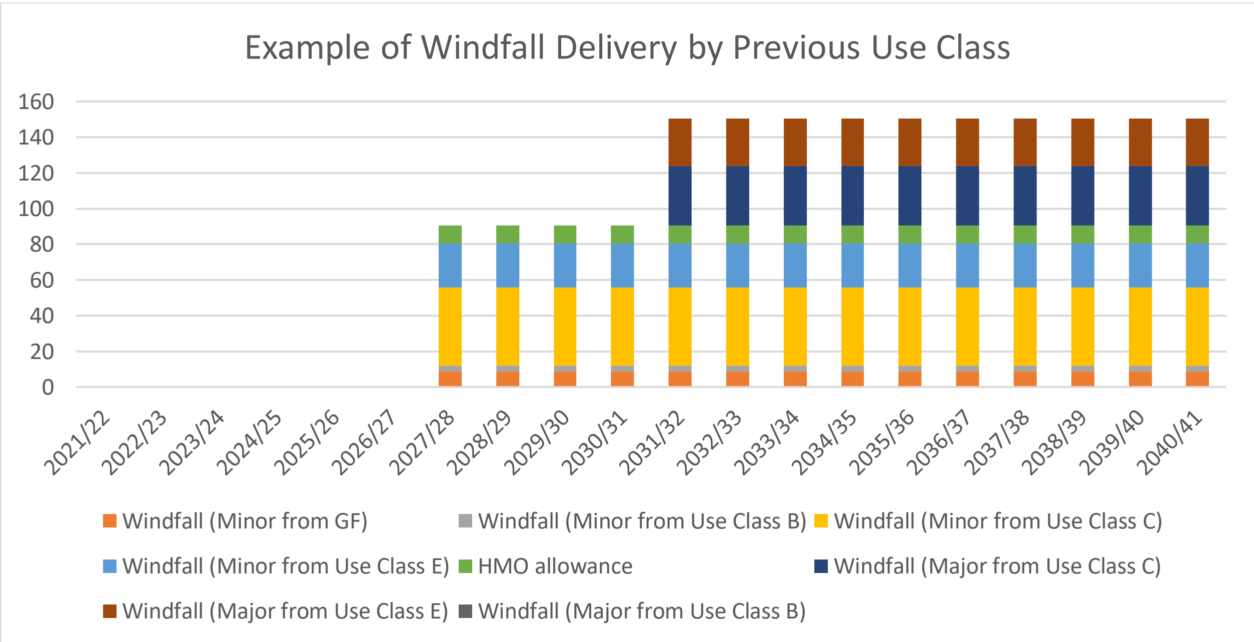

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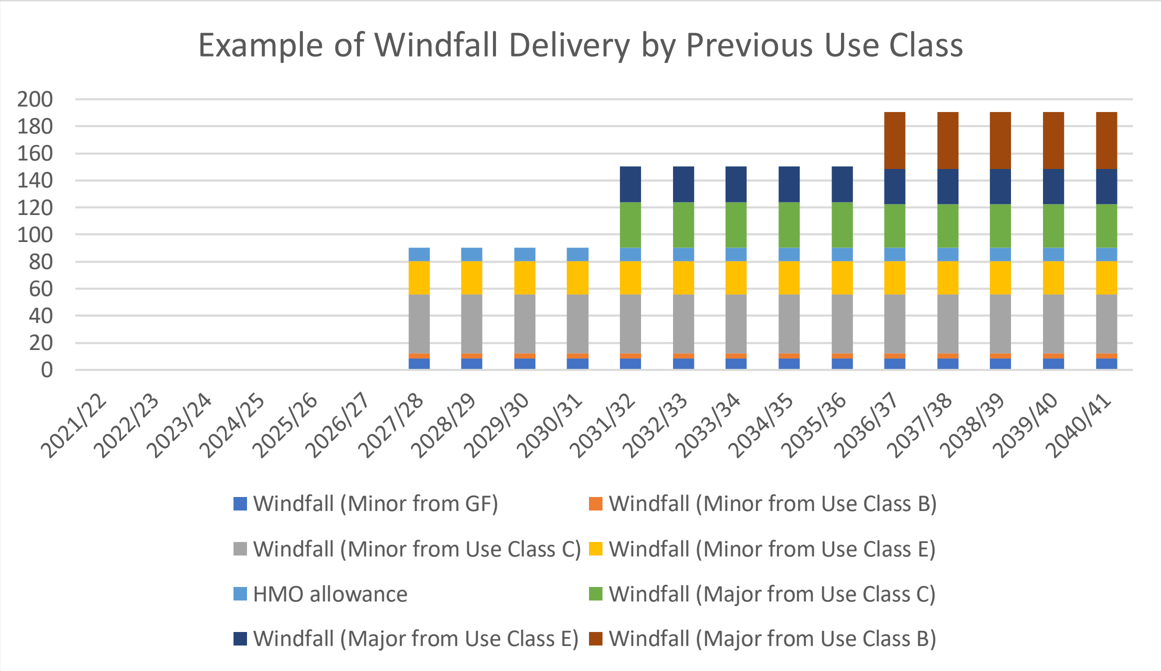
Figure 9: Windfall Delivery (Blended)



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	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	Total
Windfall (Total)	**0**	**0**	**0**	**0**	**0**	**0**	**90**	**90**	**90**	**90**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**190**	**2,260**
Windfall (Minor)							80	80	80	80	80	80	80	80	80	80	80	80	80	80	1,120
HMO allowance							10	10	10	10	10	10	10	10	10	10	10	10	10	10	140
Windfall (Major Higher Estimate)											100	100	100	100	100	100	100	100	100	100	1,000
Windfall (Total - alternative)	**0**	**0**	**0**	**0**	**0**	**0**	**90**	**90**	**90**	**90**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**150**	**1,860**
Windfall (Minor)							80	80	80	80	80	80	80	80	80	80	80	80	80	80	1,120
HMO allowance							10	10	10	10	10	10	10	10	10	10	10	10	10	10	140
Windfall (Major Lower Estimate)											60	60	60	60	60	60	60	60	60	60	600
Windfall (Total - alternative blended)	**0**	**0**	**0**	**0**	**0**	**0**	**90**	**90**	**90**	**90**	**150**	**150**	**150**	**150**	**150**	**190**	**190**	**190**	**190**	**190**	**2,060**
Windfall (Minor)							80	80	80	80	80	80	80	80	80	80	80	80	80	80	1,120
HMO allowance							10	10	10	10	10	10	10	10	10	10	10	10	10	10	140
Windfall (Major Higher Estimate)																100	100	100	100	100	500
Windfall (Major Lower Estimate)											60	60	60	60	60						300

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An approximate distribution of the sources of these is noted below based on past completions.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	Total
Windfall (Total)	0	0	0	0	0	0	91	91	91	91	190	190	190	190	190	190	190	190	190	190	2,267
Minor Windfall	0	0	0	0	0	0	81	81	81	81	81	81	81	81	81	81	81	81	81	81	1,127
Greenfield							9	9	9	9	9	9	9	9	9	9	9	9	9	9	121
Use Class B							3	3	3	3	3	3	3	3	3	3	3	3	3	3	47
Use Class C							44	44	44	44	44	44	44	44	44	44	44	44	44	44	611
Use Class E							25	25	25	25	25	25	25	25	25	25	25	25	25	25	348
HMO allowance							10	10	10	10	10	10	10	10	10	10	10	10	10	10	140
Major Windfall											100	100	100	100	100	100	100	100	100	100	1,000
Use Class C											32	32	32	32	32	32	32	32	32	32	321
Use Class E											26	26	26	26	26	26	26	26	26	26	257
Use Class B											42	42	42	42	42	42	42	42	42	42	422
Windfall (Total - alternative)	0	0	0	0	0	0	91	91	91	91	211	211	211	211	211	211	211	211	211	211	2,467
Minor Windfall							81	81	81	81	81	81	81	81	81	81	81	81	81	81	1,127
Greenfield							9	9	9	9	9	9	9	9	9	9	9	9	9	9	121
Use Class B							3	3	3	3	3	3	3	3	3	3	3	3	3	3	47
Use Class C							44	44	44	44	44	44	44	44	44	44	44	44	44	44	611
Use Class E							25	25	25	25	25	25	25	25	25	25	25	25	25	25	348
HMO allowance							10	10	10	10	10	10	10	10	10	10	10	10	10	10	140
Major Windfall											60	60	60	60	60	60	60	60	60	60	600
Use Class C											33	33	33	33	33	33	33	33	33	33	333
Use Class E											27	27	27	27	27	27	27	27	27	27	267
Use Class B																					0
Windfall (Total - alternative blended)	0	0	0	0	0	0	91	91	91	91	151	151	151	151	151	190	190	190	190	190	2,067
Minor Windfall							81	81	81	81	81	81	81	81	81	81	81	81	81	81	1,127
Greenfield							9	9	9	9	9	9	9	9	9	9	9	9	9	9	121
Use Class B							3	3	3	3	3	3	3	3	3	3	3	3	3	3	47
Use Class C							44	44	44	44	44	44	44	44	44	44	44	44	44	44	611
Use Class E							25	25	25	25	25	25	25	25	25	25	25	25	25	25	348
HMO allowance							10	10	10	10	10	10	10	10	10	10	10	10	10	10	140
Major Windfall											60	60	60	60	60	100	100	100	100	100	800
Use Class C											33	33	33	33	33	32	32	32	32	32	327
Use Class E											27	27	27	27	27	26	26	26	26	26	262
Use Class B																42	42	42	42	42	211