

**Land North of The Drove Way,
Istead Rise**
Socio-economic benefits statement

Ptarmigan Land A Ltd
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1 Introduction

- 1.1 The socio-economic benefits of new housing have become increasingly important during the ongoing housing and cost of living crises. In its 30 July 2024 letter to housing industry stakeholders, the Ministry of Housing, Communities and Local Government (MHCLG) stated that the only route to improving the prosperity of our country and the living standards of working people is through sustained economic growth, and emphasised that building more homes is fundamental to unlocking this growth. This was re-emphasised in the Written Ministerial Statement published by the Minister of State for Housing and Planning on 12 December 2024, which highlights the acute and entrenched nature of the housing crisis and the impact that it is having on people's standard of living.
- 1.2 Paragraph 11d)ii) of the National Planning Policy Framework (NPPF; 2025) and policy CS01: Sustainable Development of the adopted Gravesham Local Plan Core Strategy (September 2014) set out the presumption in favour of sustainable development and state that planning permission will be granted for development unless any adverse impacts would significantly and demonstrably outweigh its benefits.
- 1.3 This report sets out the socio-economic benefits that could be delivered by the proposed up to 100 dwellings and associated public open space and infrastructure at Land North of The Drove Way, Istead Rise, including up to 50 affordable homes (50%). It assumes a build-out period of approximately two years, based on previous schemes of similar size. A confirmed dwelling mix is not available for this outline application so, for the purposes of the assessment, the recommended mix set out in the *Gravesham Borough Council Local Housing Needs Assessment 2025* (arc4, 2025) has been assumed to apply.

2 Economic benefits

Introduction

- 2.1 The economic contribution that house building makes to the UK economy has been shown to be significant and wide-ranging. It contributes directly to gross domestic product through the economic output that it creates, while also supporting a significant employment base and contributing to public finances through the tax revenues that it generates. More broadly, house building activity also plays a key role in stimulating further demand and economic activity through its extensive supply chains and networks, which in turn generates additional output, employment, spending and tax contributions⁽¹⁾.
- 2.2 Approximately 1.4 million jobs in Great Britain in 2024 were in the construction industry, excluding self-employment. Jobs in construction include entry-level apprenticeships and traineeships, as well as roles that require specialist skills and management experience. House building also plays an important role in generating economic output. In 2024, house building contributed £55.5 billion of economic output to Great Britain's economy, the majority of which (81%) was generated by private sector housing⁽²⁾.

Employment during construction

Direct employment

- 2.3 The estimated construction cost of the proposed dwellings is £16.10 million⁽³⁾. This will create both employment and associated expenditure in the local economy, which is discussed further in the next section. This cost has been used to estimate the amount of direct construction employment that the proposed development will generate.
- 2.4 The Homes and Communities Agency (2015) estimates that housing developments create 19.9 full-time equivalent (FTE) jobs per year for every £1 million of construction costs in 2011 prices⁽⁴⁾. To calculate direct employment, the construction cost of £16.10 million has therefore been deflated to 2011 prices using the UK government's GDP Deflator⁽⁵⁾, resulting in a construction cost of £11.00 million. Based on this, the proposed development is predicted to support 109 FTE direct construction jobs per year over its assumed two-year construction period.

Indirect and induced employment

- 2.5 The construction employment impacts of the proposed development extend beyond direct job creation to include both indirect and induced job creation. Indirect job creation occurs as jobs are supported in the Istead Rise and Gravesend area, and more widely within Gravesham borough and Kent,

¹ Lichfields, 2024, *The Economic Footprint of Home Building in England and Wales*.

² Office for National Statistics (ONS), released 19 February 2026, ONS website, article, Construction statistics, Great Britain: 2024. Available at: <https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/articles/constructionstatistics/2024>.

³ Derived from the Building Cost Information Service for residential development in Gravesham borough, based on median prices (BCIS, May 2026).

⁴ Homes and Communities Agency, 2015, *Calculating Cost per Job – Best Practice Note*.

⁵ <https://www.gov.uk/government/collections/gdp-deflators-at-market-prices-and-money-gdp>.

through the supply of construction materials and equipment to the development. Induced job creation occurs through the temporary growth in expenditure linked to the direct and indirect employment effects. While only some of these effects will take place in the local area, it is likely that the local economy would benefit from a temporary increase in spending by workers in local shops and other facilities in the local area.

- 2.6 Recent research by Lichfields⁽⁶⁾ has identified that between 0.55 and 0.8 additional jobs are supported across the supply chain (indirect employment) and by the wage spending of direct and supply chain workers (induced employment) for every one direct job in construction. Based on this, the 109 direct construction jobs created by the proposed development are predicted to support a further 60 to 87 indirect and induced FTE jobs within the wider economy each year.

Employment summary

- 2.7 In total, therefore, the construction of the proposed development is predicted to support between 169 and 196 FTE jobs per year.

Construction economic benefits

- 2.8 The construction of the proposed development will also contribute to the local, regional and national economies. The additional value that is generated by economic activity is calculated as the gross value added (GVA), which expresses the difference between the value of goods and services produced and the cost of the raw materials and other inputs used in their production. Based on Office for National Statistics data for the average GVA output per FTE construction worker⁽⁷⁾, it is estimated that the 109 construction jobs created by the proposed development could generate £7.78 million direct GVA each year.
- 2.9 Indirect and induced GVA will also be generated during the construction of the proposed development. Based on a type II GVA multiplier of 2.20 for the South East region⁽⁸⁾ and then subtracting the direct effects, it is estimated that the construction of the proposed development could generate £9.34 million indirect and induced GVA each year.
- 2.10 Overall, therefore, the construction of the proposed development is estimated to generate a total of £17.12 million GVA each year, equating to a total of £34.24 million GVA over the estimated two-year build-out period, although it should be noted that not all of this will be retained locally.

Post-construction economic benefits

Expenditure by new residents

- 2.11 The occupation of new homes can also lead to an increase in spending in the local economy, which can help to support local jobs and businesses such as shops, pubs and restaurants. Istead Rise has a small local centre that includes

⁶ Lichfields, 2024, *The Economic Footprint of Home Building in England and Wales*.

⁷ ONS, 2025, Output per job, UK. Available at: <https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/datasets/outputperjobuk>.

⁸ Centre for Economics and Business Research (Cebr), 2026, *NHF Local Impact Calculator (LEIC): Methodology and assumptions*.

a Co-op with Post Office, a convenience store, a restaurant, a takeaway, a butcher, a pharmacy and a dry-cleaner. Gravesend has a wide range of businesses, including supermarkets, DIY stores, estate agents, restaurants, cafés, takeaways, pubs, pharmacies and salons.

- 2.12 Lichfields' (2024) research identifies that, on average, households in the UK spend in the region of £7,000 as one-off purchases on furnishing and / or decorating a property to make their new house "*feel like home*", known as 'first occupation expenditure'. Based on this benchmark, the proposed up to 100 new homes could lead to around £700,000 of 'first occupation expenditure', which will help to support local businesses.
- 2.13 The new residents will also bring longer term general household expenditure in the local economy. While the scale of this will be determined by the residents' spending patterns, Office for National Statistics regional data on household spending⁽⁹⁾ indicate that 100 new households could generate approximately £1.44 million in annual spending by residents in the retail and leisure sectors, which will also help to support local businesses.

Other economic benefits

- 2.14 The proposed development will generate an ongoing increase in Council Tax receipts. Council Tax charges vary by parish; the annual charges in Gravesend and Northfleet in 2026/27 vary from £1,592.42 for a Band A property to £4,777.26 for a Band H property⁽¹⁰⁾. To provide an estimated average for the proposed development, the price for a Band D property (£2,388.63) has been used. Based on this, the proposed development of up to 100 homes has the potential to generate approximately £238,860 of Council Tax per year once completed. This will provide a source of revenue funding for Gravesham Borough Council and Kent County Council in delivering services.

⁹ ONS, 2025, Family spending workbook 3: expenditure by region. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/datasets/familyspendingworkbook3expenditurebyregion>.

¹⁰ <https://www.gravesham.gov.uk/council-tax/about-council-tax>.

3 Social benefits

Introduction

- 3.1 The consequence of not building enough homes is that buying a home has become increasingly unaffordable, as the cost of a home is increasing more quickly than earnings. Homes England states that in 2002 the median salary in England was £20,739 and the median house price was £102,000, equating to an affordability ratio of 4.92⁽¹¹⁾. By 2025, the median salary was £39,300 and the median house price was £300,000, equating to an affordability ratio of 7.6⁽¹²⁾.
- 3.2 Housing affordability in Gravesham borough is worse than the national average, with a median salary of £40,619 and a median house price of £360,000 in 2025, equating to an affordability ratio of 8.86⁽¹²⁾.
- 3.3 The increasing unaffordability of homes means that many young people cannot afford to buy homes in the local communities where they have grown up and more adults are living with their parents for longer. Data from 2022 show that, over the last 20 years, the number of young adults aged between 24 and 30 years old living with their parents in the UK has risen by over 1 million to 3.4 million⁽¹¹⁾.
- 3.4 A further consequence of increased unaffordability of housing is that increasing numbers of people are living in sub-standard and unsuitable homes. Homes England (2023) identifies that 3.5 million homes in England in 2021/22, including 12% of households with dependent children, were in 'non-decent' condition. This can be hazardous to occupants and can have negative impacts on health and wellbeing. Non-decent homes are defined by the Decent Homes Standard as homes that do not provide a reasonable degree of thermal comfort, are not in a reasonable state of repair, or do not have reasonably modern facilities and services. Overcrowding is also identified as an issue, with 732,000 households in England living in overcrowded homes in 2021/22.

Impact of the proposed development

- 3.5 Gravesham Borough Council currently has a shortage of deliverable housing sites, as its *Gravesham Local Plan Five-Year Land Supply Statement 2024-2029 Updated to reflect December 2024 NPPF* (February 2025) confirms that it cannot demonstrate a five-year housing land supply of deliverable sites. The current housing requirement for the borough is 806 dwellings per year. The Ministry of Housing, Communities and Local Government's (MHCLG; 2025) *Live Table 122: housing supply; net additional dwellings, by local authority district, England* shows that 546 dwellings were completed in the borough in 2024/25, which is well below this requirement. The result is that there is currently a housing land supply of only three years in the borough, with a shortfall of 1,603 dwellings.
- 3.6 There is also an ongoing shortage of affordable housing in Gravesham, with 972 households on the affordable housing waiting list as of October 2025.

¹¹ Homes England, 2023, *Fact sheet 1: The need for homes*.

¹² ONS, released 26 March 2026, *Housing affordability in England and Wales: 2025*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2025>.

Housing over-occupancy is identified as a critical emerging issue that is particularly acute in the social and private rented sectors. This correlates with the inflow of new residents from Outer London and Dartford, which may be pushing up prices and displacing existing residents⁽¹³⁾. The average waiting time for an affordable dwelling in 2022 was 18 months⁽¹⁴⁾.

- 3.7 The *Gravesham Borough Council Local Housing Needs Assessment 2025* (arc4, 2025) identifies an affordable housing need in the borough of 255 dwellings per year. However, the MHCLG's (2025) *Live Table 1008C: Total additional affordable dwellings provided by local authority area – Completions* shows that only 96 affordable dwellings were completed in the borough in 2024/25, which is considerably below this target.
- 3.8 The proposed development will provide up to 100 dwellings, 50 of which will be affordable housing, and will therefore make an important contribution to meeting the ongoing demand for both market and affordable housing in Gravesham borough.

¹³ Gravesham Borough Council, 2026, *Gravesham Local Plan (Proposed Submission Version)*.

¹⁴ <https://www.kentonline.co.uk/kent/news/we-bid-on-every-council-property-but-youre-lucky-if-there-274813/>.

4 Conclusions

- 4.1 The proposed development of up to 100 dwellings, including 50 affordable homes, and associated public open space and infrastructure at Land North of The Drove Way, Istead Rise, will provide important socio-economic benefits for both the local area and Gravesham borough as a whole, including through job creation, increased expenditure in the local economy, increased income to Gravesham Borough Council and Kent County Council, and the increased supply of market and affordable homes.

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