



# **ECONOMIC BENEFITS STATEMENT**

## **LAND EAST OF NEWGATE LANE EAST, FAREHAM**

### **ON BEHALF OF MILLER HOMES LTD AND BARGATE HOMES LTD**

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## ECONOMIC BENEFITS OF THE PROPOSALS

### Scope and Purpose

- 1.1 This Economic Benefits Statement and accompanying infographic (appendix 2) has been produced on behalf of Bargate Homes and Miller Homes Limited. It relates to the proposed development of 375 homes at Land east of Newgate Lane East, Fareham. It outlines the potential economic benefits that could be generated by the development.
- 1.2 The benefits that would be created by the scheme are set out and include:
- Construction employment opportunities.
  - Contribution of the construction phase to economic output.
  - Household expenditure associated with residents of the new dwellings.
  - Economically active people in employment attracted to live in the new dwellings.
  - The proposal will also increase Council Tax revenue for Fareham Council.

### Main Findings

- 1.3 The main economic benefits from the scheme can be summarised as below.

#### Contribution of Construction Phase:

- **Direct construction-related employment:** The proposed development could directly support 43 jobs per year within the construction sector<sup>i</sup> over an estimated 6-year build programme. This means a total of 256 construction job years over the build phase.
- **Construction impact in the supply chain:** A further 75 jobs would be supported each year locally and across the wider region through indirect and induced effects during the construction phase<sup>ii</sup>.
- **Total construction impact:** In total, during the construction phase, the proposed development would support an estimated 117 jobs per year, both on-site and in the wider economy.
- **Gross Value Added:** The proposed development is estimated to generate an additional £52.3 million of gross value added (GVA) for the economy during the construction period<sup>iii</sup>.

- **Capital Investment:** The initial capital investment created by the proposal is estimated to be over £47 million.

#### 1.4 Contribution of operational phase

- **First occupation expenditure:** The dwellings are estimated to generate approximately £1.8 million in first occupation expenditure within 18 months of people moving in to to new homes<sup>v</sup>.
- **Increased Council Tax income:** The construction of the 375 homes is estimated to generate up to £681,585 per annum in additional Council Tax revenue for Fareham Council, once fully developed and occupied<sup>vi</sup>.
- **Household spend:** Once built and fully occupied, occupiers are estimated to generate expenditure in the region of £13.6 million per annum. Of this, £6.2m can be expected to be spent in the retail, leisure, and food and drink sectors<sup>vii</sup>.
- **Employment Supported:** The household spend generated is estimated to be sufficient to support 40 jobs through consumer spending and economic activity<sup>viii</sup>.

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## **APPENDIX 1 – DATA SOURCES**

<sup>i</sup> The estimated construction cost of around £19.1 million has been divided by the average turnover per construction employee in the South East of £184,771, based on figures derived from the 2021 edition of Business Population Estimates produced by the Office for National Statistics. The construction cost has been estimated using the BCIS Online tool.

<sup>ii</sup> It is widely recognised that housebuilding has knock-on effects for other sectors, which leads to increased demand for building materials and equipment at the construction phase, as well as domestic furniture and carpets etc. following completion. This generates and sustains employment in other sectors. The July 2018 'Economic Footprint of House Building in England and Wales' report by the Home Builders Federation found that for every 1 job in housing construction, the scale of employment supported is equivalent to between 2.4 and 3.1 direct, indirect and induced jobs per new dwelling built. Taking an average of these figures, a multiplier of 2.75 has been used – i.e. for every 1 job in house building, a further 1.75 jobs are supported in the wider economy.

<sup>iii</sup> GVA calculated using data from the Office for National Statistics – sub-regional GVA figures (2020) and job estimates from the Business Register and Employment Survey (2020).

<sup>iv</sup> Calculated using data from the Annual Population Survey. The following occupations are used as a proxy for higher value occupations: managers, directors & senior officials; professional; and associate professional & technical.

<sup>v</sup> The average homeowner spends approximately £5,000 to make their house 'feel like home' within 18 months of moving in. This includes money spent on things like furnishing and decorating – which generates economic benefits for the local economy in terms of direct and induced job creation.

<http://www.independent.co.uk/voices/2012/11/02/it-costs-5000-to-turn-a-house-into-a-home>

<sup>vi</sup> Based on Council Tax for 2021/22 in Fareham of £1,817.56 for a dwelling in Band D.

<sup>vii,viii</sup> ONS Household spend data, East of England 2019-2020

## **APPENDIX 2 – ECONOMIC BENEFITS INFOGRAPHIC**

# ECONOMIC BENEFITS

375 HOMES AT LAND EAST OF NEWGATE LANE EAST



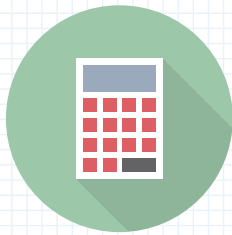
## CONSTRUCTION PHASE



**75**  
Supply chain jobs supported.



**256**  
Construction job years during build phase.

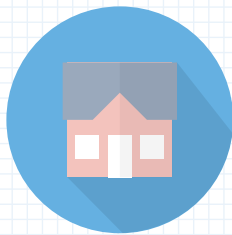


**£52million**  
Total GVA contribution during build phase.



**£47million**  
Approx capital investment.

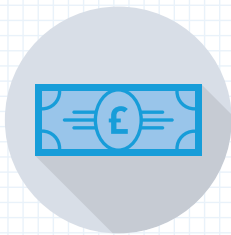
## OPERATIONAL PHASE



**£1.8million**  
First occupation expenditure.



Over **476**  
Economically active residents.



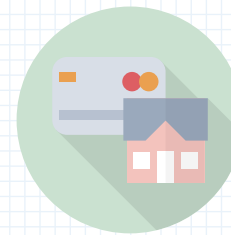
**£13.6million**  
Annual household expenditure.



**£681,500**  
Increase in annual council tax revenue.



**£6.2million**  
Annual household spend in retail and leisure.



**40**  
Jobs supported through household expenditure.



**Landscape led**  
Development.



Over **two thirds**  
Employed in high value occupations.



**New cycle routes**  
and footpaths.