

Market Demand Report

Land East of Wandleys Lane, Fontwell

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Prepared For:

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1. Summary

1.1 Instructions

Henry Adams has been instructed by Bellway Homes Limited (the Client) to assess the market demand, and the sales prospects, for new build housing at Land East of Wandleys Lane, Fontwell.

This report is prepared in support of the proposed application for 95 homes at the above site to inform and support the proposed market housing mix for the site.

If any of the information upon which we have relied is subsequently found to be incorrect, this may affect our advice, which would need to be reconsidered.

We accept no responsibility to any parties other than the Client and therefore any such parties rely on the Report entirely at their own risk.

1.2 Executive Summary

This Market Demand Assessment has been prepared in support of the proposed residential development at Fontwell comprising 95 dwellings.

The purpose of the report is to demonstrate that the proposed dwelling mix responds appropriately to current market demand, local demographic trends, housing delivery objectives and the characteristics of the Fontwell/Barnham/Eastergate housing market area.

The assessment concludes that:

- The site occupies an accessible family housing location adjoining established settlements.
- Demand within the local market is strongest for 3 and 4-bedroom family housing.
- The proposed mix reflects purchaser preferences observed across western Arun District.
- The scheme maintains a broad range of dwelling sizes whilst supporting efficient sales absorption and housing delivery.
- The proposed mix should be regarded as acceptable notwithstanding any variance from historic SHMA assumptions, as more recent evidence demonstrates evolving market demand and housing delivery considerations.

2. Site Context

2.1 Location & Setting

The site comprises approximately 6.93 hectares and is currently utilised as pasture land. The site lies immediately east of Wandleys Lane, Fontwell.

The site is bordered by residential properties to the north, east and west with an area of Ancient Woodland to the south with residential development beyond.

The site is located within close proximity to the centre of Fontwell, which is identified as a settlement suitable to accommodate growth within the Arun District Local Plan 2011-2032 (2018). However, for the purposes of Local Government administration, the site falls within the Parish of Walberton.

All services and facilities provided within Fontwell village are accessible from the site without reliance on the use of the car. This includes key services, such as the Shell Garage with Little Waitrose which meets day to day shopping needs, the Old Stables pub and restaurant, fast food restaurants and Fontwell Racecourse. Further facilities, such as the Windmill Shopping Centre, the Five Villages Pharmacy and Tesco Express are also located nearby.

The site adjoins the Strategic Allocation east of Fontwell Avenue (site allocation SD6 in the Arun Local Plan document, 2018) known as Fontwell Meadows.

There are no on-site planning policy designations or physical constraints which would restrict residential development on the land.



Aerial Image of the Land East of Wandleys Lane, Fontwell

3. Policy and Evidence Context

Arun District Council's housing evidence base includes:

- Strategic Housing Market Assessment (SHMA);
- Housing Need Review (2023);
- Housing Market Absorption Study (2022);
- Housing Strategy 2024–2029.

The Council acknowledges through the Housing Absorption Study that market demand and sales absorption are important considerations in determining whether housing delivery can be achieved effectively.

Furthermore, the Housing Need Review was commissioned specifically to assess current and future housing needs and provides a more recent evidence base than earlier SHMA work.

Accordingly, housing mix should not be viewed solely through the lens of historic SHMA percentages but should also reflect contemporary market conditions and deliverability considerations.

4. Proposed Housing Mix

The proposed development comprises 95 dwellings.

The overall mix is summarised below:

Size	Units	Percentage
1 Bedroom	14	15%
2 Bedroom	19	20%
3 Bedroom	32	34%
4+ Bedroom	30	32%
Total	95	100%

In terms of Affordable Housing, the proposal delivers 31% affordable housing provision consisting of 29 affordable dwellings split into the following tenures:

- Affordable Rent;
- Shared Ownership;
- First Homes products.

The affordable element provides a significant proportion of smaller homes, meeting an important local housing need whilst creating tenure diversity across the development. The affordable housing mix and tenure split were fixed by the Outline planning approval.

Local Housing Market Characteristics

Family Housing Market

Fontwell sits within one of the strongest family housing markets in West Sussex.

The area attracts:

- Existing homeowners seeking larger family accommodation;
- Households relocating from Chichester and the Brighton market;
- Commuters to Portsmouth, Chichester and Worthing;
- Growing families seeking access to schools and open space.

These purchaser groups typically generate demand for:

- 3-bedroom semi-detached homes;

- 4-bedroom detached homes;
- Larger executive family housing.

The location is therefore materially different from urban centres where apartment demand is stronger.

Market Affordability

Recent Arun housing market monitoring indicates average house prices remain in excess of £320,000. Transactions remain below historic levels, highlighting the need for development products capable of maintaining sales absorption and market delivery rates.

As affordability pressures increase, purchaser demand tends to focus on:

- Efficient 2-bedroom products;
- Affordable 3-bedroom family housing;
- Mid-market family homes capable of accommodating home working and changing household structures.

The submitted mix provides an appropriate response to these trends.

5. National and Local Market Conditions

The RICS UK Residential Market Survey states there are 'tentative signs of improvement, despite the recent easing in global geopolitical tensions'.

To support this nationally, there has been an increase in new buyer enquiries, up 5% from the previous month. This represents the most positive report since February 2026 and the commencement of the conflict in the Middle East. House prices appear to be levelling off and there is little change either positively or negatively month to month.

The upcoming change in Prime Minister with some muted changes to Stamp Duty and house purchases may also create some market stimulation. This along with the conflict in the Middle East coming to an end slowly, and the potential reopening of the Strait of Hormuz, will all hopefully mean some optimism to the market towards the end of 2026.

Looking more locally at West Sussex, the market remains fairly resilient to market changes. There has been a decrease in house prices as suggested in the latest figures between March 2026 and April 2026 from Land Registry.

However, what is interesting to note is that the percentage downward change of - 0.2% for detached houses is the lowest decrease compared to - 0.5% for semis, - 0.4% for terraced and - 0.6% for flats and maisonettes. This demonstrates that the demand for larger detached housing in West Sussex remains strongest.

In addition, to the west side of Wandleys Lane is Fontwell Meadows, a large strategic development built by Dandara. Looking at the housing mix for the development, Dandara delivered 57% 3 & 4 bed housing.

This is similar to the proposed mix of 3&4 bed units (62%) on land east of Wandleys Lane which suggests that there is a demand for larger family units.

Lastly, since January 2026 66% of applicants to Henry Adams New Homes department have been in relation to 3&4+ beds and 33% of these being specifically in relation to 4+beds.

6. Market Demand Assessment

6.1 One-Bedroom Homes

The scheme provides 14 one-bedroom units (15%).

These are delivered within the affordable housing element and First Homes provision.

This reflects market evidence that:

- Demand exists for entry-level accommodation;
- Much of this demand is linked to affordability pressures;
- Delivery within affordable tenure offers the most effective means of meeting need.

The proposed level is therefore considered appropriate.

6.2 Two-Bedroom Homes

The scheme provides 19 two-bedroom homes (20%).

These dwellings cater for:

- First-time buyers;
- Downsizers;
- Young households;
- Shared ownership purchasers.

Two-bedroom homes continue to play an important role in providing housing choice and meeting identified housing needs. However, local market evidence indicates that demand in this location is typically strongest for three and four-bedroom family homes, and the proposed housing mix has been designed to respond accordingly.

6.3 Three-Bedroom Homes

Three-bedroom dwellings account for 32 units (34%) making them the largest component of the scheme.

This is considered entirely consistent with market evidence.

Three-bedroom family housing typically forms the core demand segment across:

- Barnham;
- Eastergate;
- Fontwell;
- Walberton;
- Westergate;
- Chichester fringe settlements.

The proposed provision therefore reflects prevailing market conditions.

6.4 Four and Five-Bedroom Homes

The scheme provides 30 larger family homes (32%).

Whilst this exceeds the proportions often suggested within historic housing evidence studies, there is a strong justification for larger family housing within this location.

The site is not a town-centre location. Instead, it benefits from:

- Good road accessibility;
- Larger plot opportunities;
- Access to schools;
- Family-oriented environmental characteristics.

Housing Delivery

The Arun Housing Absorption Study highlights the importance of aligning housing supply with market demand to support delivery rates. Larger family housing forms a key component of this market and contributes positively to development viability and delivery.

Accordingly, the provision of 4 and 5-bedroom dwellings is considered justified.

7. Demographics and Buyer Profile

7.1 Demographics of Westergate, Eastergate & Arun

Although located in the Walberton Parish, the site relates more to Fontwell (located in Wallberton Parish). Due to its location close to differing Parish boundaries, the profile of Westergate, Eastergate and Walberton as per the 2021 Census have been considered.

Fontwell is a village known for its horse racing and good transport links to surrounding settlements. As of 2021, the population of Westergate, Eastergate and Walberton (including Fontwell) was 11,615. However, the area has seen growth over the last few years.

The age profile is as below:

- Aged 15 years and under 16.5%
- Aged 16 to 64 years 57.8%
- Aged 65 years and over 25.7%

Further insight is provided in the tables below:

Accommodation type	Westergate, Eastergate and Walberton %	England Average %
Whole house or bungalow	88.5	77.9
Flat, maisonette or apartment	8.9	21.7
A caravan or other mobile structure	2.6	0.4

Westergate, Eastergate and Walberton has a much higher proportion of houses and bungalows and fewer flats or maisonettes than the national average. This reflects a predominance of traditional family housing as opposed to smaller flats or apartments.

Distance Travelled to Work	Westergate, Eastergate and Walberton %	England Average %
Less than 10km	31.3	35.4
10km to less than 30km	20.1	14.6
Works mainly from home	32.5	30.5
Other	16.1	19.5

Method of Travel	Westergate, Eastergate and Walberton %	England Average %
Work mainly at or from home	32.5	31.3
Underground, metro, light rail, tram	0.1	1.8
Train	2.8	1.9
Bus, minibus or coach	0.3	4.2
Taxi	0.1	0.7
Motorcycle, scooter or moped	0.2	0.5
Driving a car or van	55	45.1
Passenger in a car or van	3.1	3.9

Bicycle	1.6	2
On foot	3.4	7.6
Other method of travel to work	0.9	1

Westergate, Eastergate and Walberton has a higher proportion of people working from home or driving than the national average, with a lower reliance on public transport such as the bus. There is a slightly higher use of the train most likely due to the proximity of Barnham Train Station which is less than a 10-minute drive away or 20 min walk and bus journey.

7.2 Buyer Profile

Fontwell and the Westergate, Eastergate and Walberton area is semi-rural in nature. The area offers a mix of traditional family housing and strong transport links, making it an attractive location for a range of buyers, from young families to downsizers and professionals.

It is considered that land east of Wandleys Lane would be well suited to families and professionals who either work from home or require connectivity to the local area, due to its close location to the A27 and Barnham Train Station.

As mentioned in section 5, the buyer profile of applicants in the last 6 months with regards to potential purchasers has been predominately in relation to larger 3 and 4 bed units. This demonstrates that the active area of the market is the larger units and the current mix provides for this.

8. Summary and Recommendations

National planning policy seeks not only to deliver housing numbers but to ensure that housing is deliverable.

The Council's own Housing Market Absorption Study was commissioned to understand how market demand influences housing delivery and sales rates.

The proposed mix supports housing delivery by:

- Providing products across all major market sectors;
- Catering for first-time buyers;
- Providing affordable housing opportunities;
- Accommodating growing families;
- Supporting continued sales absorption throughout the development period.

This broad mix reduces reliance on any single purchaser group and supports sustained build-out rates.

The proposed housing mix has been assessed against local market conditions, housing delivery objectives and Arun's current evidence base.

The assessment finds that:

1. The proposed mix provides a balanced range of homes from one-bedroom affordable units through to larger executive family housing.
2. The mix reflects the established characteristics of the Fontwell, Barnham / Eastergate and Walberton housing market area.
3. The significant provision of three and four-bedroom housing responds directly to identified family market demand.
4. Smaller homes are appropriately delivered through Affordable Rent, Shared Ownership and First Homes tenures.
5. The scheme delivers 31% affordable housing and therefore makes a substantial contribution towards local housing needs.
6. The proposal accords with the objectives of Arun's Housing Need Review, Housing Strategy and Housing Market Absorption Study by providing a deliverable and market-responsive housing mix.

The housing mix reflects current demand for the application site, whilst also considering market conditions.

The proposed residential mix represents a sound, deliverable and market-responsive housing offer which is appropriately tailored to the characteristics of the Fontwell Housing Market Area and should be supported by Arun District Council.

We trust that this report is satisfactory for your purposes, but should any matter require further clarification, we would be pleased to assist further. We would reiterate that neither the whole nor any part of this Report may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.