

Cabinet Office

The pattern and distribution of development

Island Spatial Strategy

Housing, employment and other land use needs

Paper 2



**Isle of Man
Government**
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Isle of Man Strategic Plan
Preliminary Publicity

Publication Date: August 2025
Paper 2

Front Cover Image:
Douglas beach and promenade

Decisions about the pattern, scale, and location of new development will shape the future of the Isle of Man for generations to come. Renewing our spatial strategy will safeguard the countryside and the natural beauty of our landscapes, while providing opportunities for development, infrastructure and community; nestled carefully into the spaces between.

Cabinet Office, August 2025



View to the northern mountains from Douglas Head

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Part 1

Development patterns: the story so far

Introduction

The Island spatial strategy (ISS) sits at the heart of the strategic plan. Its fundamental aim is to define a pattern of development that is sustainable and right for the Island as a whole over the short to medium term.

The spatial strategy currently being followed was approved in 2007 and is based on the core principles of 'Centres, Links and Gateways' as a focus for future development and growth. There are longstanding overarching policy approaches on Island that deter development in the countryside and encourage making the most out of our settlements and existing developed areas.

In reviewing the spatial strategy it is important to ensure that the settlement hierarchy, which determines what level of development takes place and where, is right; that the most up to date information is being used, and the merits of other approaches have been sufficiently explored.

Cabinet Office has listened to feedback from the 2023 consultation which showed support for a hierarchical settlement pattern, meaning that settlements would be expected to accommodate certain levels of development according to their size and attributes. Essentially, there was support for the current strategy that has guided planning policy for nearly 20 years.

A key consideration in devising any spatial strategy must be the agreed government goals in place. Directly affecting spatial planning decisions on the Island are the Government aims regarding jobs, workers, infrastructure, population and housing embedded in 'Our Island Plan'.

This paper touches again on the principles of development location (explored in 2023), before moving to describe the scenarios that seem to be the most appropriate given the evidence gathered and the feedback that's been received.

Further feedback to this 2025 consultation will help shape the forthcoming Draft Plan. No policy wording has been agreed but where preferred approaches are emerging these are being shared with the public.

Guiding principles about where new development takes place will remain based on settlements, links and gateways



Lord Street, Douglas

Basic Information

What is meant by spatial strategy?

A spatial strategy in planning terms is about the distribution of development. It can be shaped by higher level strategy, data and different types of evidence. Asking for views as part of this consultation will help Cabinet Office decide on the pattern and distribution of development adopted for the next 15 years or so and consider: how should the settlement hierarchy change? Where and how should new development be spread around the Island?

A good spatial strategy will help achieve sustainable, well-planned, co-ordinated and resilient communities.

One of the key issues to be addressed in a Manx spatial strategy - which will affect the overall level of development - is the requirement for new dwellings over the plan period.

Once this is known, it's the role of the spatial policies to guide housing and other land uses to the best and most suitable locations. This will be done in a manner which protects our natural resources and open countryside, avoids areas that are constrained or are in some way unsuitable such as in areas which flood or which are special in landscape or other terms.

The broad goal is to achieve cohesive and functional communities which have homes, good transport networks and access to the services, jobs and

recreational areas people need. Done well, a spatial strategy takes account of evidence and available data and responds to environmental, economic and social challenges. The best strategy will have input from local communities on options and approaches.

The Isle of Man's spatial strategy

Planning 'rules' relating to the pattern, scale and distribution of development have been laid out in policy since the Isle of Man Strategic Plan was first approved in 2007. The notion of a general planning scheme for the Island goes back further to 1982, when a 'Scheme Order' was approved by Tynwald. This included an Island Map showing zones and notations and a set of policies and procedures.

The first Strategic Plan (2007) was more comprehensive and defined a development vision for the Island more clearly. Its spatial strategy and detailed policies guided the area plans which have gradually replaced the 1982 Order and local plans approved under the original 1934 Planning Act.

The 2007 approach reflected the characteristics and scale of the settlement pattern in existence at that time, and included the longstanding policy approach of restricting development in the countryside; focusing growth in and around established communities.

The impact of the spatial strategy since 2007

Over the last twenty years or so, the core principles set out in the spatial strategy have served the Island well in guiding and focusing development in defined areas and in supporting strategic infrastructure investment.

Island communities are generally well connected and accessible, providing different levels of services depending on their size. The scale of development permitted in each area reflected the settlement size and their position in the defined 'settlement hierarchy' at the time of the plan, providing a choice of locations for housing and other land uses, making best use of existing resources while minimising the impact on the countryside, landscape and the environment as a whole.

Development has gone hand in hand with the changes in the Island's population which has grown, but not always as expected, particularly since 2011. This demonstrates the inherent difficulties in making long term projections. Population projections beyond 10 years tend to be less reliable and so it is always worth considering how the strategic and other development plans can respond if population projections - and thus calculated housing need - do not play out as expected. Some key figures about population change are helpful to note at this point:

Since the 2021 census, using the Isle of Man Population Report 2024 there has been an estimated increase in

population of 454 up to Q1 2024 bringing the current estimated population to 84,523.

Since the population estimate last year the population has decreased by 31. Even with this decrease Statistics Isle of Man estimate that this population growth rate is similar to that seen between the 2016 and 2021 censuses. This indicates that migration to the Island has increased slightly but is eroded by the natural population change on the Island (births vs deaths).

Inward migration is largely concentrated around the east of the Island with 66% of all new or returning residents arriving in 2023 being within IM1, IM2, IM3 or IM4: 46% of which were in Douglas. There was also a notable percentage of people located in the south of the Island (17%), most likely due to housing availability from a number of housing developments since 2020.

Turning to how we should approach any changes to the spatial strategy looking ahead, there have been improvements in data, data monitoring and the quality of supporting evidence since 2007. Constraints are better understood and there is more detailed evidence available about sensitive ecological habitats and our climate and biosphere. Government has re-focused ambitions on urban renewal through regeneration. Taking all of this into account any new direction for the pattern and distribution of development, in fact all planning documents, need inbuilt resilience to remain effective in times of economic, environmental and social challenge.

Describing the current Island Spatial Strategy

The spatial strategy is pivotal to the development of more detailed planning policies.

It uses the principles of Centres, Links and Gateways to influence development and growth, and takes a firm stance against development in the countryside. The scale of development directed to each settlement is proportional, dependent on the 'tier' in which it sits in the settlement hierarchy. A network of strategic and secondary links connect these settlements together, with the airport and harbours providing critical links off-Island. There are four levels in the current hierarchy set out in the Spatial Policies (Chapter 5 of the existing Strategic Plan). For the purposes of this document these levels are also described as 'Tiers'.

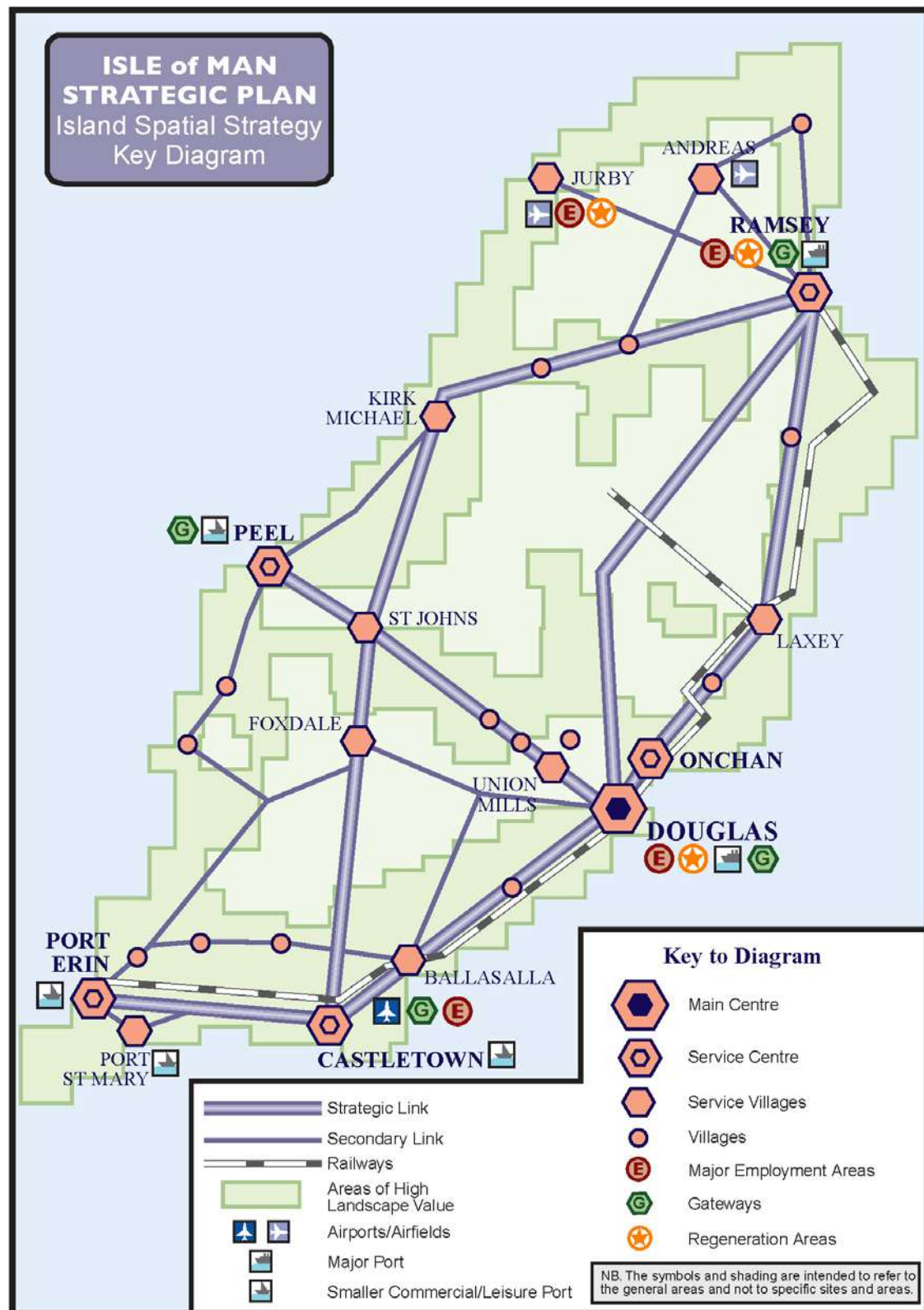
The **MAIN CENTRE** is Douglas - which serves as the main employment and service centre for the Island (Tier 1 settlement).

SERVICE CENTRES - outside of Douglas, development is concentrated in Ramsey, Peel, Port Erin, Castletown and Onchan - providing opportunities for regeneration and a choice of locations for housing, employment and services (Tier 2 settlements).

SERVICE VILLAGES - relating to identified villages. The aim is to maintain and, where appropriate, increase employment opportunities. Housing should be provided to meet local needs and in appropriate cases to broaden the choice of location for housing (Tier 3 settlements).

VILLAGES - relating to a number of smaller villages. In these settlements new development should respect the existing settlement character and be of an appropriate scale to meet local needs for housing and employment opportunities (Tier 4).

The current spatial strategy is depicted diagrammatically by the Island Spatial Strategy 'Key Diagram' (next page).



Moving forward

Government has bold economic and population goals which are central to how the spatial strategy is adjusted going forward. The current preference is that there will be no diminution in the practice of directing new development to existing settlements but to meet the ambitions for economic growth, the pattern and scale of development may

well need to change. There is a need to plan for this and the implications of population growth. There remains a duty of care to future generations which carries responsibilities. Being sustainable is not an end goal but reflects the ongoing process of cherishing our Island in the planning decisions that are made.



Harris Terrace, Douglas

Core Principles for the future

The 2023 Consultation asked for views about different growth scenarios. There were a number of variations for each option but in summary, Scenario 1 was based on retaining a settlement hierarchy, Scenario 2 was based on focusing future development on Douglas and the East and Scenario 3 was based on development being dispersed across the Island. The findings showed that there was support for the retention of a settlement hierarchy but that changes to the hierarchy would be supported if it meant that development could be closer aligned with the provision of infrastructure and services.

The core principles in any revised spatial strategy - which were also identified in 2023 consultation – are set out below. These will be taken forward to the draft plan:



- There should be a Vision Statement;



- There should be a Key Diagram;



- The spatial strategy gives clear policy guidance for the overall pattern of development on the Island;



- Good evidence is instrumental to the success of the spatial strategy;



- The 2021 Census provides the baseline population data and demographic information;



- Housing need will take account of the Objective Assessment of Housing Need Report published on 20th May 2024.



- Our Island Plan and Economic Strategy provide direction and represent government goals and aspirations;



- There will be a focus on optimising land within settlements for regeneration with recognition of the importance of placemaking and good design;



- Douglas will continue to have a dominant effect on the strategy as it is already the largest concentration of housing and employment;



- Outside of areas identified for development, the open countryside will be protected from development, although some development may be permitted in exceptional circumstances.

What elements of the current spatial strategy will be reviewed?

Cabinet Office recognises the value in the current spatial strategy but the following elements will be reviewed:



1. The existing settlement and development pattern including the full list of settlements in the settlement hierarchy;



2. The spatial vision;



3. The use of the terms 'Centres, Links and Gateways';



4. The spatial distribution of housing and the identification of housing figures 2021 to 2041;



5. The description of towns, villages and other groups in the countryside and their position in any settlement hierarchy, including whether that hierarchy should change;



6. Terminology used including 'local needs' and 'development boundaries': terms will be clarified as part of a glossary of terms;



7. The broad approach to countryside development, how that is defined and approach to allowing development in exceptional circumstances, and



8. Approach to green gaps between settlements and need for such policy.

We will develop our infrastructure to support a population of 100,000 by 2037, with appropriate incentives/disincentives to achieve targeted and sustainable population growth.

Our Island Plan

The existing constraints maps from the approved and draft area plans are included in the Core Documents list referred to in Paper 1. These maps will be compiled on an Island-wide set of constraints maps and updated as necessary as the plan process advances.

While the Strategic Plan will not include maps in the same way area plans do, an understanding of physical characteristics, attributes, special designations and basic geography of the Island is important. The constraint maps will not form part of the approved plan but will stand alongside as a visual representation of the Island's data layers that influence future development strategy and planning decisions generally.

Implementing the new spatial strategy will be aided by combining the three Area Plans (East, South, North & West*) into a single area plan after the new strategic plan comes into operation.

Having one strategic plan and a single area plan will make reviewing the plans together a real possibility, strengthening efforts to have a more coordinated and unified Manx planning policy framework which can be regularly updated.

** North and West is in its final stages but yet to be approved.*



The Grove, Peel



Castletown view from the Castle Rushen

Part 2

Evidence

Understanding constraints and key evidence before setting a spatial strategy

A number of keenly awaited studies are nearing completion which will help underpin a new spatial vision. These are described below. A fuller list of the documents that will influence decision making on the Island's development pattern are set out in the Core Documents list.



Lake Lane, Peel

Landscape Character Assessment (new reports published August 2025)

The Isle of Man Landscape Character Assessment Update 2025 (LCA) has been published as part of this consultation. It is a valuable evidence paper and in its early scoping exercise had regard to the existing Landscape Character Assessment produced in 2008. The latest study reflects best practice in landscape and seascape character assessment methodology. Some of the photographs used in the published documentation for this preliminary publicity were taken during the survey stage, and show views of the Island from both on and off shore.

The LCA represents a valuable tool for understanding the Island. It will support strategic decision making about settlement development and growth and will be a critical report for recognising those areas that have particular values and characteristics

requiring - in some cases - bespoke and targeted policy approaches.

Complimentary work has reviewed all existing landscape areas and types and associated work has also examined the Areas of High Landscape or Coastal Value and Scenic Significance (AHLVSS) as they were originally identified back in 1982 to see if there are any candidate sites for a similar but new planning category. These could be called "Special Landscapes" (see fig 4 Landscape Designations Study).

Respondents to the 2023 Consultation supported the protection of special areas of landscape on the Island. Cabinet Office is currently considering the policy implications of the published LCA Reports and is interested in feedback concerning candidate special landscapes.

There are three elements to the LCA work:



1. An assessment of landscape areas and types



2. Settlement sensitivity studies(work ongoing); and



3. An assessment of candidate special landscapes

Flood Risk

The Island needs to proactively manage the risks from flooding and coastal erosion within the context of climate change. Since 2023, Departments have worked together to commission valuable studies and devise draft policy responses to flooding, coastal erosion and drainage issues. Some of this work has now been published. Flood map data is vital when trying to identify where there are opportunities for development and where there are none. Updated Flood Maps are

gradually being released and will be available on the Flood Hub when ready. The draft strategic plan will include new flooding policies relating to:

- i. how to manage the risk from flooding;
- ii. flood defences;
- iii. Flood Risk Assessments;
- iv. foul and surface water drainage; and
- v. the need for drainage masterplans.



Ramsey view from across Sulby River

Other surveys, data and evidence that will affect development pattern and opportunities for settlement change

Population and Housing

The Objective Assessment of Housing Need (OAHN) Report provides critical analysis of the Island's future housing requirements. It is a valuable addition to the baseline evidence and will underpin a number of policy areas.

In compiling the report, the commissioned specialists looked at both the statistics from the 2021 Census and Government's stated objectives for an adequate supply of housing stock to support its ambitions for population, employment and economic growth. The Government's twin objectives of 5,000 new jobs by 2032 and infrastructure support to increase in the population of 15,000 by 2037 would clearly impact housing need.

The report set out both the housing need implied by a baseline (trend-based) population growth, as well as the housing need implied by increasing the population by 15,000 by 2037. Examining alternative migration numbers which were both higher and lower than the baseline were all part of the work.

The Report concluded that in order to achieve the goals relating to workers, jobs, and population, the '1,000 migration variant' was the most appropriate to use for establishing a housing need that supports the Government's stated objectives.

The impact of achieving a 1,000 migration by 2041 would be:

- an increase in 17,200 persons,
- an increase in 8,600 households,
- an increase in 9,900 dwellings, and
- 7,500 extra workers.

This would meet the desired goals of Government.

Compared to the baseline or trend-based population growth (650 persons per year), the impact would be:

- an increase in 9600 persons,
- an increase in 5,600 households,
- an increase in 6,400 dwellings, and
- 3000 extra workers.

This would fall short of Government's desired goals.

The 2023 housing need estimate

The OAHN findings were not available at the time of the preliminary publicity in 2023.

Estimates for housing need in 2023 used the 2021 Census and an approach similar to the 'Standard Method' adopted in England. Paper No. P.EP 01 - Island Spatial Strategy Options - published in July 2023 included detailed calculations of what the baseline housing need would be using this method. Figures were based on the median house price to median earns ratio and past 10 years of housing delivery to calculate a 10 year housing supply required to make a market adjustment.

This is a simplistic calculation used by local planning authorities in England to set the minimum housing need in an easy to understand way.

The Population Report (Statistics Isle of Man Report March 2025)

An update to the IOM Population Report 2023 was published in March 2025. It provides an annual estimate of the size of the population in the Isle of Man and estimated figures rely on income tax data concerning the number of people leaving and arriving on the Isle of Man.

The 2024 population estimate shows a slight increase in the population compared with previous years, with growth slowing significantly in 2023 compared with 2022.

Population figures released in 2023 estimated a population increase to 84,530. The population estimate for the end of the first quarter of 2024 is 84,523. This represents an increase of 454 people since the 2021 Isle of Man Census and an average rate of population growth of approximately 159 people per year over the period covered.

The Residential Land Availability Study

Update 17 (2001 to 2024) was published in May 2024. This is available as a Core Document. Update 18 (2001 to 2025) is due to be published in the next few months. This annual update analyses and identifies the status of all allocated residential land and sets out detailed breakdowns of residential planning approvals including take-up rates. The Residential Land Availability Study also projects the number of new homes that may come forward via conversions and windfalls over the remainder of the plan period. The housing approval figures are net totals, focused on looking at net growth in housing units.

Settlement Studies

Since 2023, Cabinet Office has reviewed the issues faced by our settlements and tries to better understand the opportunities and constraints to further growth. Understanding these aspects can help eliminate areas which are clearly inappropriate for development and reveal more suitable locations.

Up to now, the building of new settlements has not been supported by strategic policy on the Island but the concept may have value going forward - as an alternative to continued expansion of some urban areas.

Settlement research continues to look at the:

- future capacity for regeneration and infill opportunities;
- available capacity within schools;
- access to a range of community services;
- proximity to employment centres;
- the sensitivities associated with rural landscape settings and risk of settlement coalescence;
- environmental constraints;
- infrastructure and utilities constraints
- assessment of current positions in the settlement hierarchy against settlement tier indicators; and
- possible 'new settlement' categorisations.

Work is revealing a more thorough understanding of those elements of the spatial strategy that are working well, and those that should be revisited.

Work is also highlighting that new development delivered over the next two decades will need to be supported by investment in infrastructure across a number of levels. There are clear links between settlement hierarchy and infrastructure availability and potential.

The settlement study findings will be published as part of the paper bundle to support a new draft strategic plan.



Oxford Street, Douglas

Employment Land and Commercial Properties Survey 2025

This survey sought to address some of the shortcomings of the Employment Land Review 2015 and its 2017 update. The new work looked at land use requirements to facilitate future sector growth as well as emerging sectors. The survey was conducted by Cabinet Office between September 2024 and December 2024 and consisted of a postal survey, online response questionnaire, site visits and social media adverts to ensure an adequate response rate.

The basis of calculation follows the guidance issued by the UK's Homes & Communities Agency and calculates floor space as part of the analysis in accordance with the RICS Code of Measuring Practice to incorporate the new international property measuring standards. Full time equivalent employment density figures by industry for the major employment sectors from the Homes & Communities Agency guidance have been used to calculate an overall need when combined with the quarterly average employment figures by sector provided by Statistics Isle of Man. But in certain circumstances a bespoke Isle of Man rate has been used based on evidence collected.

Further assumptions on the site size required to create the opportunity for the prescribed net internal floor area has been achieved from sampling existing developments on the Island

as well as a uplift of 35% to account for non-delivery of sites to calculate a final land requirement in hectares. The report contains future employment land requirements for engineering, manufacturing, construction, food and drink, wholesale and distribution, retail distribution, tourism and office space up to 2041.

Further information can be found in part 5 of this paper.

National Transport Strategy

Currently being taken forward by the Department of Infrastructure (DOI), the new transport strategy will aid decision making about Island-wide strategic policies and area specific proposals.

For the strategic plan work, updated strategy documents will help to better understand the road network, junctions and allow for proper assessment of the implications of and interrelationship between land use and transport planning. Cabinet Office understands that the Island wide network model will be updated to reflect land use changes and future traffic patterns so that traffic and highway improvements can be efficiently planned.



Windsor Terrace, Douglas



Athol Street, Douglas

Part 3

Options and preferred approaches

Settlement growth options

In terms of the options for new growth presented in the 2023 consultation, three main options were explored but each of them contained a number of variations. The questions posed then about 'options for growth' remain the same, namely:

- What is the best long term growth pattern?
- What needs to happen to ensure resilient and future-proofed Island communities?

In 2023, Cabinet Office asked what pattern of development felt right for the Island given its terrain and topography, its beauty, opportunities, constraints and challenges and availability of sites.

A summary of the three options presented in 2023 is set out below.

1

Option 1 (the option currently followed)

Follows a hierarchy of settlements. It seeks to make best use of the existing and developing opportunities in Douglas, and identified settlements around the Island, strengthening the offer of housing and mix of uses within all of them to varying degrees depending on their size and level in the hierarchy.

2

Option 2

Places a focus on Douglas and the East - including expansion of existing settlements and exploring the potential for creating new settlements in the East closest to Douglas - making good use of sustainable locations.

3

Option 3

Disperses development away from larger settlements into the countryside which may have had little or no development in the past but have some advantages when it comes to infrastructure or practical development opportunities.

Table 1: Options for growth

growth options	Key features	overview
Option 1		
Hierarchy of settlements	Traditional hierarchical pattern: Single, main settlement at the top (Douglas) with a series of smaller settlements at the lower end in pyramid form. Similar to current system	Familiar pattern of development growth
Option 2		
Douglas and the East focus	Focus on Douglas including expansion of some settlements in the East closest to Douglas	Smaller settlement growth outside of Douglas will depend on opportunities and constraints.
Option 3		
Dispersal around Island	More opportunities away from Douglas in lower order settlements and rural locations	Growth directed towards locations with the best infrastructure. Places might not currently be on the settlement hierarchy.

It is always better to plan for new development

Feedback received in 2023 supported retaining a similar hierarchical pattern of development to that which has been followed in recent years.

The land uses that have the largest demand on land in terms of hectares released tend to be housing and employment land uses. Part 4 of this paper looks at housing need and presents the latest assessment. See Part 5 for employment land and future needs.

From the numbers emerging and taking account of the settlement study work, it's clear that the Island's settlements - as we recognise them today - even if all land zoned in approved and draft plans was built out - will not be able absorb all future development needs.

The Island must plan for further urban extensions across the Island and consider the potential for recognising one or more new settlements.

The preference will always be to plan for growth where need is identified. A lack of planning will lead to a policy vacuum which would give advantage to speculative development proposals. In such circumstances, applicants can often argue that there is unmet need at the planning application stage and that there is justification to have their sites released. If this happens it is much more difficult to manage and coordinate development.



Silverburn River, Castletown

Preferred approaches for a future draft plan

Cabinet Office has listened to the feedback from the 2023 consultation, examined the housing and job needs and considered all known constraints and broad settlement characteristics. Further assessment is needed ahead of the draft plan and feedback is now welcome. The current priorities for a new spatial strategy are set out below:

Cabinet Office identifies 3 priority themes for the spatial strategy:



1. A focus on brownfield development and sensitive regeneration and renewal within defined settlements.



2. An expansion of the number of settlements in the settlement hierarchy and the re-ordering of settlements. Significant expansion of lower order settlements will not be ruled out if they have advantages in terms of infrastructure, location or deliverability.



3. Support for the principle of one or more new settlements. This would be an exception to the normal proportional development hierarchy. This concept will be further explored ahead of the draft plan once further feedback has been received.

Terminology and meaning

One criticism of the current strategic plan is that some of the terms are not clearly defined which causes difficulty in interpretation. The review is an opportunity to be clearer about terms and definitions when referring to housing which may include 'local need', housing 'requirement', housing 'demand' and housing 'need'

Currently, the glossary in Appendix 1 of Paper 1 sets out some proposed definitions that shall be subject to review as work continues on the preparation of a draft strategic plan.



Ballaquayle Road, Douglas

Part 4

Population, projections and
housing need 2021 to 2041

Baseline data on population and housing

Island spatial policies and housing policies are closely linked. Census data provided by Statistics Isle of Man is an accurate and independent data set and provides essential baseline information. To perform its statutory duty to deliver the Island Development Plan, Cabinet Office will take account of the available data and the government goals for population increase, housing growth and infrastructure. The Objective Assessment of Housing Need (OAHN) has been essential to analysing the interplay of these considerations but integral to its deliberations has been

the Census and on-Island baseline population projections. Census data still provides the ‘only robust estimate of measure of the population and its composition’ as set out in the Review of Population Statistics 2023. The [2024 Population Report](#) is now available online.

In 2023, [Paper P.EP 01: Island Spatial Strategy Options](#) estimated future housing need using a version of the standard method used elsewhere. A commitment was made to examine any new data available and this has now been possible following the publication of the OAHN.



View over Douglas towards Onchan

Housing need set out in current and former strategic plans

Broad housing policies have shaped the Island and had an impact on housing availability, housing choice and housing affordability. Whenever need figures are mentioned in a plan, they have a direct implication for what communities look like and how local people feel about them. Planning applications for new housing in particular can generate strong public reactions and at times keen involvement in the planning process. Such involvement is a key part of the Manx planning system.

The strategic plan, in its original format and as updated, sets the broad planning framework for where new housing should go, and identifies general policy guidance. The new spatial strategy will similarly establish housing needs and identify the specific numbers needed over the plan period. In the past this had been broken down into areas: north, south, east and west (see Table 2 for summary of both 2007 and 2016 Plans).

The Manx system does not require Cabinet Office to demonstrate a five year supply of housing land, but Cabinet Office does monitor supply and uses this data for area plan work and in supporting DEFA and its planning application decision making.

Given that there is no devolved planning system on the Isle of Man, flexibility and efficiencies are now being built into the plans via strategic reserves. There is also legislative provision for national policy directives, which if approved by Tynwald, would allow any planning policy of strategic importance to be addressed outside of the plan process in certain circumstances. The English approach to housing supply set out in the National Planning Policy Framework is not judged necessary on Island and so maintaining a formal five year housing land supply is not currently being pursued on the Isle of Man.

The following tables set out key figures and discuss housing gains across the Island in recent years.

Table 2 : Summary of Housing Need for 2007 and 2026

	Plan Period	Island's Housing need	North	South	East	West
IOM Strategic Plan (2007)	2001 - 2016	6,000	1,200	1,300	2,500	1,000
Isle of Man Strategic Plan (2016)*	2011 - 2026	5,100	770	1,120	2,440	770

**The overlap in plan periods was dealt with as part of the Strategic Plan Review in 2015/2016*

Specified housing need vs. approval data and delivery of homes

Planning approval data for housing and build-out of actual units is available as far back as 2001. This data provides an important measure of housing supply on Island and the draft net figures for the past 25 years are set out in Table 3 (as at 1st April 2025). These figures form part of the Residential Land Availability Study, update 18 (full report published in due course)

Table 3: Housing approvals and delivery since 2001

	Units that could have been developed 2001 to 2025	Completed or Under Construction 2001 to 2025	% of Valid Approvals take up 2001 to 2025
North	2,073	1,332	64%
South	2,158	1,690	78%
East	4,276	2,762	65%
West	1,624	1,403	86%
Total	10,131	7,187	71%



Ballabeg Grove, Glen Vine

The Strategic Plan 2016 – approach and impact of Housing Policy 1

This section sets out how housing calculations have been done previously, summarises the approach set out in the preliminary papers in 2023 and outlines the impact of the OAHN when considering defining housing need in policy.

Table 4 below explains the key factors taken into account and goes on to show the method for calculations produced for the current strategic plan.

Table 4: Key data used in the Strategic Plan 2016

Factors	Description
Resident Population	Isle of Man residents present on census night plus residents absent from the Island on census night.
Residents Living in Private Households	Statistics concerning resident households - excluding persons in communal establishments such as Noble's Hospital/care homes or the Isle of Man Prison.
Average Household Size	A household comprises of either one person living alone, or a group of persons (who may or may not be related) living at the same address.
Number of Private Households	Change in the number of private households over the plan period is the key figure.
Vacancy Factor of 4%	An allowance made for 'choice and churn' within the market in recognition that some empty units are required at any one time in order for it to function. Some dwellings will be empty because they are for sale, others may be being renovated.

Island housing need 2011 to 2026 (current strategic plan)

The increase in the number of private households over the plan period 2011 to 2026 plus the vacancy factor (4%), provided the overall figure for housing need and this is set out in Strategic Policy 11 and Housing Policy 1 as follows:

The housing needs of the Island will be met by making provision for sufficient development opportunities to enable 5,100 additional dwellings (net of demolitions), and including those created by conversion, to be built over the Plan period 2011 to 2026.

In terms of how this housing policy has performed since 2011:

1. Between 2011 and 2025, there were planning approvals* for 4,220 new dwellings;
2. 2,527 or 60% of those approvals were 'taken' up i.e. units were started or completed;
3. Take-up was highest in the West 80%, then the South 78%, North 58% and East 38%;
4. Excluding Strategic Reserves, 31% of land allocated for development in existing plans remains undeveloped.
5. Evidence suggests that compared to the assessment done in 2007 that set the levels of development in the strategic plan the availability of developable sites has been lower in Douglas and East prior to the Area Plan for the East creating a shortfall in expected applications (down 4%) thus slightly increasing development in the service centres (1%), service villages (3%) and villages stayed the same

Figures from the Objective Assessment of Housing Need

The OAHN concluded that over the period 2021 to 2041 there will be a need for 9,900 new dwellings.

It's important to remember that although a plan period of 20 years is being favoured by Cabinet Office at this point, the date that the plan comes into operation is not day 1 of the plan period. The base year will be 2021 (the census year). It is normal for a plan to come into operation part way through the plan period and this happened in the case of the original strategic plan 2007 and the update in 2016.

Up to now, the strategic plan has set out housing need for the full plan period i.e. a 15 years supply. So in 2007, when the Strategic Plan was approved, housing need was calculated 2001 to 2016. When the Strategic plan was updated in 2016, the strategic plan set out housing need 2011 to 2026.

There is the option of managing housing supply over a shorter period say 75% of the plan period. There are arguments which suggest that projections regarding need would be more accurate but there are advantages to tying the housing need and plan period together. Figures are provided below for comparison Table 5 - Table 6.



New Castletown Road, Douglas

Planning for housing 2021 onwards

Setting out the housing need for the Island is one of the most sensitive subjects that the Strategic Plan will have to deal with. The OAHN sets out a recommendation based on government's goals but it's worth looking at what the needs would be over different timeframes or 'scenarios'. The tables below look at housing need over 15 and 20 years and then adjusted to take account of existing supply, (see Tables 5 and 6).

Scenario 1: using the OAHN figure up to 2041 (full plan period 20 years)

Scenario 2: using the OAHN figure up to 2036 (15 years)

The tables below set out the need depending on the housing supply period and final figures are adjusted to take account of existing and expected supply from developments coming

forward.

Scenario 1: Aligning housing need with the 20 year plan period 2021 to 2041

Since 2021 there have been approvals for new residential units, units that have yet to be taken up and a forward projection to the end of the accounting period for conversions and windfalls that will contribute to the housing supply noted on rows A, B & C. The remaining development land without valid approvals and strategic reserves are counted on rows D & E giving a total housing supply of 4,367. The OAHN projections require 9,900 new homes up to 2041 which is a difference of 5,533 that will have to be made up from new residential opportunities in future development plans.

Table 5: Estimated housing need over a 20 Year period to 2041

Source	Dwellings
A Dwellings started or completed between 2021-2025	339
B Outstanding approvals*	881
C Projected conversions and windfalls 2025-2041	730
D Development land without valid approval inc APNW (+200)*	1,644
E Yield from Strategic Reserves	773
Total Supply (A + B + C + D + E)	4,367
OAHN Target	9,900
Additional Need (9,900 - 4,367)	5,533
Supply (years)	8.3
Additional dwellings in the North	830
Additional dwellings in the South	1,217
Additional dwellings in the East	2,655
Additional dwellings in the West	830

Scenario 2: Provision of a 15 year land supply

Table 6: Estimated housing need over a 15 Year period to 2036

Source	Dwellings
A Dwellings started or completed between 2021-2025	339
B Outstanding approvals*	881
C Projected conversions and windfalls 2025-2041	502
D Development land without valid approval inc APNW (+200)*	1,644
E Yield from Strategic Reserves	773
Total Supply (A + B + C + D + E)	4,139
OAHN Target	7,425
Additional Need (7,425 – 4,139)	3,286
Supply (years)	8.3
Additional dwellings in the North	493
Additional dwellings in the South	723
Additional dwellings in the East	1,577
Additional dwellings in the West	493

The rate of delivery required to meet the OAHN targets set out in the tables above show that there is sufficient land available to provide 8.3 years of supply. This figure takes into account the take up rate of approved applications and other deductions as shown. However, the annual approvals figure is around half that required. In other jurisdictions it is a requirement to demonstrate at least a 5 year housing land supply and from the OAHN projections there would be sufficient opportunities for 8.3 years of delivery. As emerging development plans in UK local planning authorities can be a material consideration the rolling 5 year land supply is sufficient. However, this is not the case on the Island and as plans can take a number of years to produce before making it into Tynwald for approval, it would

be therefore prudent to maintain a greater supply.

Preferred approach

Cabinet Office currently prefers setting out in the draft strategic plan a 20 year housing need but views are sought on this as part of the consultation. Tables 5 and 6 outline the potential additional housing needs for the North, South, East, and West regions, using the current approach. By maintaining the existing methodology and principles of development distribution across the Island, these figures can be presented at the settlement classification level. This approach ensures transparency from the outset regarding the housing provision each settlement is expected to accommodate and create more equitable outcomes when site developability is being considered.



Strand Street, Douglas

Part 5

Employment

2023 position - Job Creation

The 2023 preliminary publicity referred to:

- an employment land review that was in its infancy at that time and
- presented figures on the available employment land.

Analysis was set in the context of Government's approved economic strategy. At that time statistics for both office based and manufacturing employment (by sector) were discussed.

These figures were provisional and a commitment was made in 2023 to examine the interplay between the workforce size and the availability, quality and location of employment land. Cabinet Office has since worked with Government Departments and sought help from employers to advance qualitative and quantitative data. Analysing that data has provided a better understanding of the Island's needs in terms of employment land. A new GIS database on current units is also being compiled to support the draft plan and quality of current evidence.



Church Street, Douglas

2025 position - Employment Land Need

The Employment Land Review 2025 has looked at both economic reports published by Statistics Isle of Man as well as carrying out a survey of the occupiers of commercial property. The views and needs from survey respondents have provided a useful insight into spatial requirements by sector and helped refine the employment land needs calculations and the economic reports have helped identify those sectors that would benefit from additional support through policy.

The key land use finding from the report are as follows:



Manufacturing, Engineering, Construction, Wholesaling and Distribution - some additional 44.18ha of employment land is required and development opportunities are needed to create space for those working in the construction industry or bad neighbour uses. The need figure takes into account a vacancy factor and take up rate of developments and what appears to be a growth in 'non-employment' uses in employment areas such as personal storage.



Food Retail - A further 2.36ha is required for the provision for supermarkets and other food retailers that could be accommodated through 1 or 2 medium/large developments.



Tourism - An additional 1,145 bedroom spaces is needed which broadly aligns with the Department for Enterprise's Visitor Economy Strategy 2022-2032; the objective being an additional 500 serviced accommodation bedrooms and 500 non-serviced accommodation units.



Office - There is an abundance of smaller office spaces that do not meet the requirements of prospective occupants especially in terms of quality. Opportunities are needed to create some 215,000 sq.ft. of quality office space which would free up some of the existing supply for smaller start-ups or possible redevelopment for alternative uses.



Regional preference - Employment land preferences are 38% East, 25% South, 20% West and 17% North. It is not within the scope of this paper to make suggestions as to where this land will be allocated or the deliverability of existing opportunities but it does form an evidence base to aid the Department in preparing the strategic plan.

Conclusion

The current Island Spatial Strategy has served the Island well over the last two decades - directing new development to those areas where need is greatest, linking in with existing infrastructure capacity. The preparation of a new draft strategic plan will inform the location of future development on the Island. We have an opportunity to review the suitability of the current strategy to meet future development needs.

This entails taking ownership of the responsibility to direct future development to those locations that minimise the problems for future generations. Too few opportunities constrain options for housing and business. Too many opportunities result in an oversupply that impacts unnecessarily upon the environment. Arriving at the optimum solution is a fine balancing act.

To help us make good decisions, we need to carefully consider a range of data and evidence sources - pouring over the numbers to estimate future need, avoiding those locations that would reduce the Island's attractiveness as a place to live and work and understanding the implications for future investment in infrastructure and services.

We've taken on board comments arising from the 2023 Preliminary Publicity - which have been invaluable.

They have helped to direct the policy research to those issues that Islanders deeply care about.

At this early stage, we can say that there will be a greater focus placed on regeneration and renewal - to bring vacant sites and buildings back into active use. This will help to reduce the need for development on greenfield land. It will bring a new set of challenges that will need to be overcome but it makes sense.

The number of settlements in the hierarchy may have to increase. Some settlements may change in the order of the settlement hierarchy - especially if this opens up opportunities to link with existing or planned infrastructure and support the achievement of net zero targets.

We should be open to the possibility of one or more new settlements. There will be advantages and disadvantages to this approach which will be further explored, taking public feedback into account.

Cabinet Office

The pattern and distribution of development on the Isle of Man

Paper 2