Greater Exeter Strategic Plan

Local Housing Needs Assessment

for the Greater Exeter Area - 1st Edition

June 2019

in partnership with

Credits

Icon graphics made by Freepik from www.flaticon.com

Geometric headers and footers design by Creative_hat/Freepik

CONTENTS

1.0 INTRODUCTION

What is a Local Housing Needs Assessment?

1.1 A Local Housing Needs Assessment (LHNA) is a document that sets out an objective analysis of housing need, primarily or entirely based on existing data. LHNAs should provide a clear understanding of housing needs in an area. They should not only identify the overall local housing need of the area, but also the size, type and tenure of housing needed for different groups in the community, "including…those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes)"[1]. LHNAs may cover more than one local authority area, in particular where plans are being produced jointly.

The LHNA and the Greater Exeter Strategic Plan

1.2 The Greater Exeter Strategic Plan (GESP) is a statutory plan being prepared by East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council, in partnership with Devon County Council.

1.3 The GESP will cover the geographical area of the four partner authorities (excluding the area that falls within Dartmoor National Park). The GESP will provide the overall spatial strategy and planning policy framework for the area, including the level of housing and employment land to be provided in the period to 2040. More localised policies and locations for smaller scale development will be set out in new Local Plans produced subsequently by Exeter, East Devon, Mid Devon and Teignbridge.

1.4 Specifically, the GESP will include:

- A vision and objectives;
- Strategy;
- Strategic policies;
- Strategic proposals and allocations (development and infrastructure);
- Monitoring

1.5 The assessment of local housing needs contained in this LHNA will support the preparation of the GESP. The LHNA has been prepared on a cross-boundary basis and covers all the GESP authorities. As required by Government guidance, it is a "policy-off" document that uses objective facts, analysis and reasonable professional judgment to draw conclusions about housing need in the Greater Exeter area.

1.6 This is the 1st edition of the GESP LHNA. Going forwards it will be updated as appropriate to reflect newly released data (e.g.

1. *Paragraph 61 of the NPPF. MHCLG. February 2019.*

household projections and affordability data) and information, until such time as the GESP is submitted for examination.

1.7 The NPPF does not require local authorities to justify preparing LHNAs jointly with neighbouring authorities. However, one of the principal reasons for preparing a joint plan covering East Devon, Exeter, Mid Devon and Teignbridge is the relationship between these Districts in the housing market. Although there are various local housing relationships (for example, with neighbouring authorities including Torbay and Taunton Dean), the Greater Exeter area broadly functions as a single housing market area and therefore it is appropriate to plan for it jointly on a functional geography as opposed to on an individual local authority basis. The existence of a Greater Exeter housing market is demonstrated by the evidence below.

Commuting patterns

1.8 Census data has been considered to explore the relationship between local authority areas in terms of travelling to work[2]. Table 1 shows the commuting relationship between the four GESP local authority areas.

1.9 Table 1 shows that the relationship between the four local authority areas in terms of travel to work is strong. As would be expected, for each local authority area the dominant commuting flow is within that local authority area. The next most significant flows are from East Devon, Mid Devon and Teignbridge to work destinations in Exeter.

1.10 In total, between 78% and 93% of work trips from each local authority area are to destinations within the Greater Exeter area. This demonstrates that, as a whole, the Greater Exeter area functions with significant internalisation of work trips.

2. Data source: https://www.nomisweb.co.uk/query/construct/submit.asp?forward=yes&menuopt=201&subcomp.
Data extracted 25.06.2016.

Table 1: Commuting relationships between the GESP authority areas, 2011

Origin	**Destinations (% of work trips)**				
	East Devon	Exeter	Mid Devon	Teignbridge	Total in Exeter HMA
East Devon	59.35	25.63	2.08	1.71	88.77
Exeter	8.59	77.70	3.09	3.86	93.24
Mid Devon	6.36	23.80	51.73	1.58	83.47
Teignbridge	3.23	20.39	0.89	53.77	78.28

Travel to work data

1.11 In addition to commuting patterns, travel to work areas can be examined. The close functional relationship of the four local authorities is demonstrated by the growth of the Exeter travel to work area since the early 1990s. Travel to work areas are revised based on the data collected at each Census. As such it is possible to show how the travel to work areas evolve at ten-yearly intervals. Figures 1, 2 and 3 show this clearly.

1.12 Figures 1, 2 and 3 show the steady growth in size of the Exeter travel to work area between 1991 and 2011. By 2011, commuting patterns had evolved significantly, with the four local authorities being within only four travel to work areas, the vast majority being in the Exeter area. This demonstrates that the Greater Exeter area is functioning as a coherent commuting zone based on Exeter.

Figure 1: 1991 travel to work areas

Housing affordability

1.13 Patterns of housing affordability are also indicative of coherent housing market areas. ONS figures showing the ratio of median house prices to median gross annual residence-based earnings are shown in Figure 4[3].

1.14 Figure 4 shows the affordability of housing in the four GESP authorities and England. The higher the figure, the lower the affordability. As can clearly be seen, aside from one minor exception in Exeter in 2016, the four individual authorities have experienced worse affordability than England as a whole in recent years. This is a result of the combination of both relatively low median wages and relatively high median house prices in the GESP area.

3. Data source: https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartileandmedian Data extracted 01.04.2019

Figure 2: 2001 travel to work areas

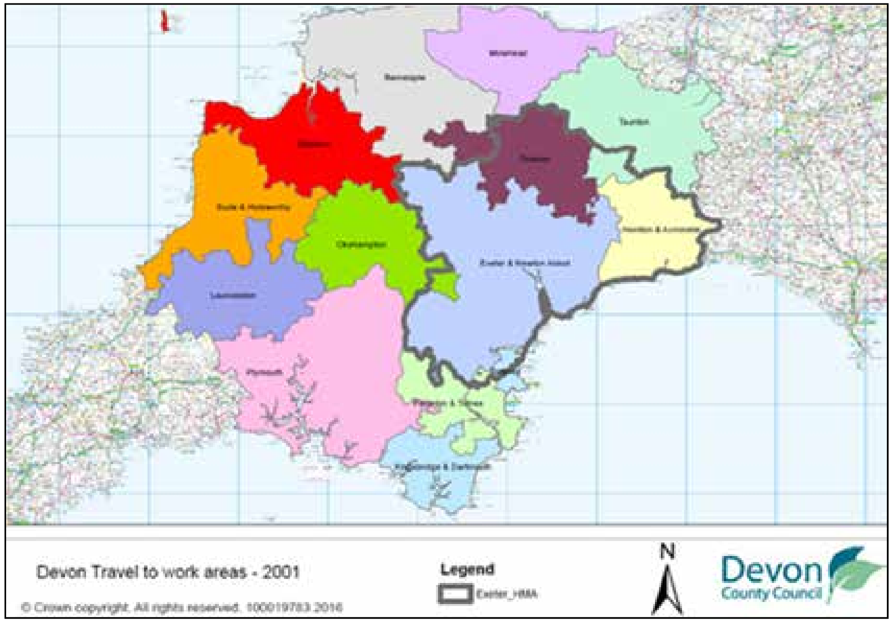


Figure 3: 2011 travel to work areas

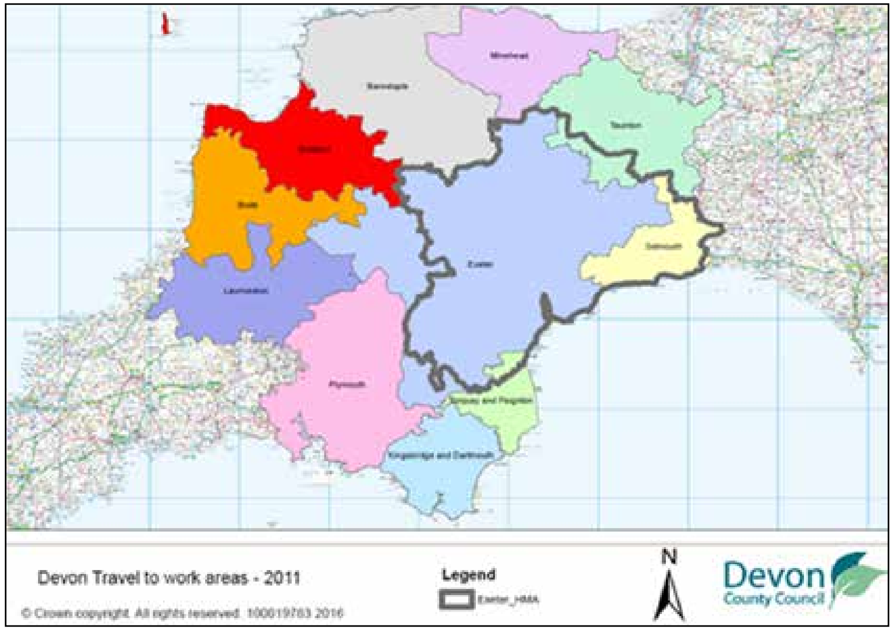
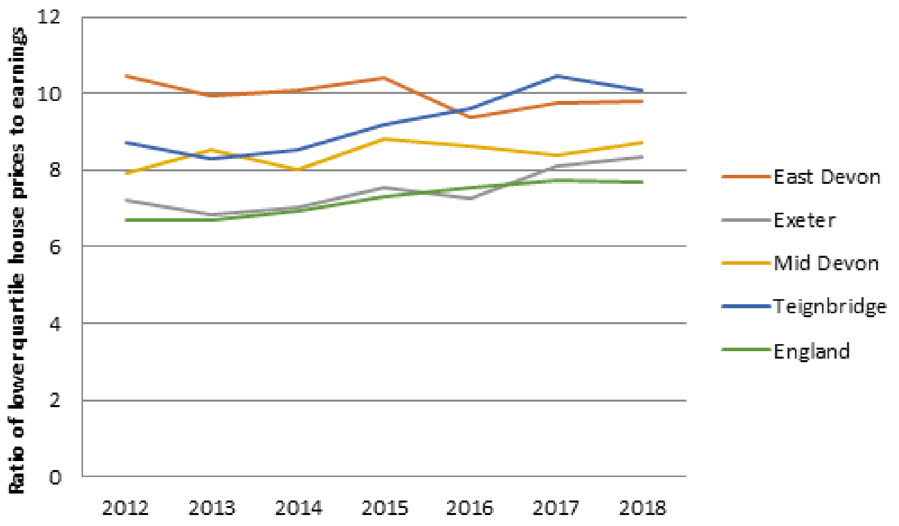


Figure 4: Housing affordability, 2013-2017



1.15 The similar pattern of housing affordability across the GESP authorities in terms of the level of affordability and its variation again suggests that the area functions as a housing market area.

Conclusion

1.16 Whilst emerging planning guidance does not require local authorities to justify the preparation of cross-boundary LHNAs, evidence relating to commuting patterns, travel to work areas, house moves and housing affordability indicate that East Devon, Exeter, Mid Devon and Teignbridge operate as a recognisable housing market area. It is therefore logical that local housing needs should be assessed on a GESP-wide basis.

2.0 LOCAL HOUSING NEED

Introduction

2.1 Through amendments to planning practice guidance[4], the Government has introduced a standard approach for assessing local housing need. The NPPF[5] requires strategic planning authorities to follow the standard approach unless there are exceptional circumstances that justify an alternative.

Standard approach for assessing local housing need

2.2 The standard approach for assessing local housing need is summarised in Table 2 below.

Table 2: Summary of the proposed standard approach for assessing local housing need

STEP ONE	SET THE BASELINE	National household projections for the area provide the starting point. These are trend based and are produced by applying projected household representative rates to the population projections published by the Office for National Statistics (ONS). Projected household representative rates are based on trends observed in Census and Labour Force Survey data. Local authorities must use the most recent official projections when calculating average annual household growth over a 10 year period.
STEP TWO	ADJUST TO TAKE ACCOUNT OF AFFORDABILITY	The affordability of homes is an important consideration in assessing local housing need. Step two therefore requires projected household growth to be adjusted to take account of local affordability, measured in terms of the latest median affordability ratios published by the ONS. In the calculation, each 1% increase in the ratio of house prices to earnings above 4 results in a 0.25% increase in need above projected household growth.
STEP THREE	CAP THE LEVEL OF ANY INCREASE	To help ensure that the proposed approach is deliverable, step three caps any increase in local housing need arising from the affordability adjustment. The appropriate cap depends upon the current status of the local authority's plan. If the local authority has reviewed or adopted their plan in the last 5 years, a cap may be applied to the annual local housing need figure at 40% above the average annual requirement figure set out in their plan. In all other cases, a cap may be applied to the annual local housing need figure at 40% above whichever is higher of the projected household growth for the area over the 10 years, or the annual housing requirement figure set out in the most recent plan, if one exists.

4. Planning Practice Guidance. MHCLG. February 2019.
5. National Planning Policy Framework. MHCLG. February 2019.

2.3 The standard approach does not allow local authorities to apply constraints to the overall assessment of need. Constraints such as the supply of land, capacity of housing markets, viability, infrastructure or environmental designations are instead identified as relevant considerations when assessing how to meet need.

2.4 The PPG is clear that, where plans are being prepared to cover more than one local authority area (e.g. the GESP), the housing need figure for the defined area should be at least the sum of the local housing need for each local planning authority within the area. It will be for the relevant planning authorities to distribute this total housing need figure across the plan area.

Local housing need in the GESP area

2.5 Table 3 summarises local housing need in the GESP area at April 2019, calculated using the standard approach. The input at Step 1 of the calculation is the ONS 2014-based household projections[6], which the Government has confirmed should continue to be used to calculate the baseline housing requirement irrespective of the publication by the ONS of more recent household projections. The input at Step 2 is the latest ONS affordability ratios (i.e. for 2018)[7]. The Government's formula results in a combined local housing need of at least 2,663 dwellings per annum.

Conclusions

2.6 To accord with the Government's proposed standard methodology, the baseline number of additional homes that the GESP authorities must currently plan to deliver to 2040 is 2,663 homes per annum. This has been calculated by using the 2014 household projections and affordability data for 2018.

2.7 The GESP authorities will need to review this requirement going forwards, because the inputs into the standard method may change as new ONS data is published.

2.8 The PPG advises that the local housing need figure should be considered as the minimum starting point in determining the number of homes needed in an area. Through the plan-making process, the GESP authorities will need to consider whether or not it would be appropriate to increase the GESP-wide housing target above the housing need figure. A policy to deliver a higher target could accord with the Government's housing growth strategy. The GESP authorities may also choose / be asked to deliver some of the local housing needs of neighbouring authorities whose land supply or housing markets are comparatively more constrained.

Table 3: Local housing need in the GESP area at April 2019

District	Annualised local housing need 2016-2026
East Devon	860
Exeter	655
Mid Devon	363
Teignbridge	785
GESP Area	2,663

2.9 Through the plan-making process, the GESP authorities will need to decide how the overall local housing need figure should be distributed across the GESP area, including the extent to which it should be met through strategic allocations made in the GESP and smaller-scale allocations made in Local Plans.

6. Table 406 of ONS 2014-based household projections, https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian, data for 2017

7. Table 5c, ONS, https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian, data for 2018

3.0 AFFORDABLE HOUSING

Introduction

3.1 The Government requires plan-making authorities to estimate the number of existing and projected households who lack their own housing or who cannot afford to meet their housing needs in the market and therefore require 'affordable housing'. The Government's definition of affordable housing is contained in the NPPF and is set out in the Glossary to this LHNA.

3.2 One output of a LHNA is therefore a projection of the need for affordable housing over the plan period. Planning practice guidance contains an outline methodology, summarised in Table 4 below[8].

Table 4: National methodology for calculating local affordable housing need	
Stage 1	Establish existing unmet need for affordable housing, avoiding double counting, using past trends and current estimates of households who are: • homeless; • in priority need and in temporary accommodation; • overcrowded; • concealed; • in unsuitable housing; • otherwise in need; or • unable to afford their own homes, either to rent or own if that is their aspiration.
Stage 2	Project newly arising needs taking into account: • new household formation; • the proportion of newly forming households unable to buy or rent lower quartile market housing; and • existing households falling into need.
Stage 3	Assess the affordable housing supply available to meet these needs from: • affordable dwellings to be vacated; • vacant/surplus affordable stock; • committed supply; • likely losses; and • future relets of current stock.
Stage 4	Convert need and supply into annual flows to produce a net annual need.

8. Planning Practice Guidance: Housing and economic development needs assessments. MHCLG. February 2019.

New housing in Exeter

Outline of assessment methodology

3.3 Following the PPG advice, affordable housing need per year should calculated as follows:

A = B + C – D

Where:
A is overall need per year (Stage 4 in Table 4);
B is existing need per year (Stage 1 in Table 4);
C is new need per year (Stage 2 in Table 4); and
D is existing supply per year (Stage 3 in Table 4).

B: Existing Need

3.4 As set out in Table 5, the existing unmet need for affordable housing is a sum of 5 factors, minus an allowance for double counting and any existing affordable housing which would be released when an existing household within affordable housing is moved to new affordable housing. An annual equivalent is calculable based on how long it takes to meet the need. The options examined in Table 5 are 5, 10 or 20 years.

3.5 To calculate B (existing need), the sum is B1+B2+B3+B4+B5-B6-B7)/B8.

3.6 Based upon the figures in Table 5, the number of additional affordable homes required in the GESP area per annum to meet existing need is 840 (if existing need is to be met within the next 5 years), 420 (if existing need is to be met within the next 10 years) or 210 (if existing need is to be met within the next 20 years).

C: New Need

3.7 In addition to meeting existing need, additional households will need affordable housing during the lifetime of the plan. This is calculated as new households who cannot afford to buy or rent on the open market plus existing households falling into housing need. An allowance for double counting is then deducted. Table 6 sets out the elements of new need.

Table 5: Elements of existing need (B)

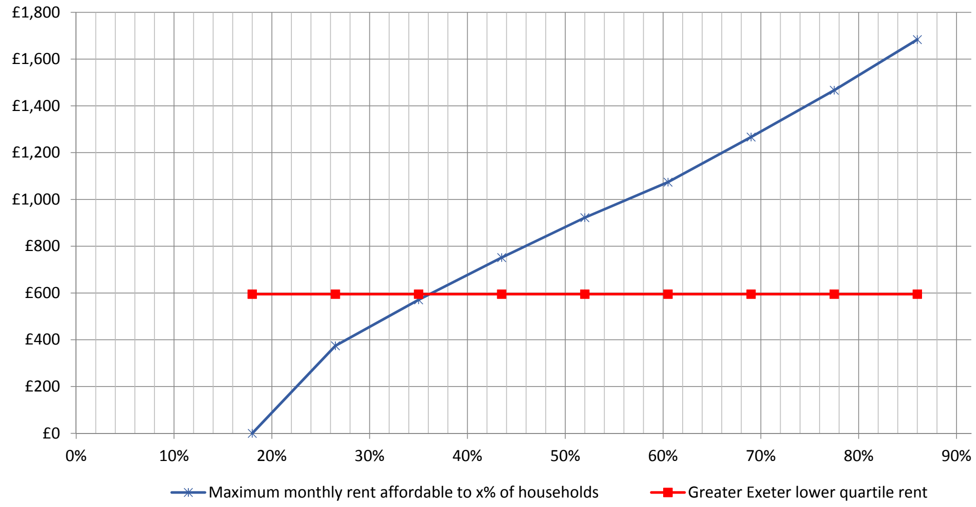
Factor	Data source / notes	Total households in Greater Exeter area
B1 Homeless Households	Total number of homeless households in 2016/17 taken from rows 1-3 of form P1E of the Government's Homelessness data[13]	370
B2 Households in temporary or insecure accommodation	Number of households in Bands A-D on the Devon Homechoice register in temporary accommodation or in a hostel at March 2018	301
B3 Overcrowded households	Number of households in Bands A-D on the Devon Homechoice register lacking 1 or more bedrooms at March 2018	1,557
B4 Concealed households	All concealed families from 2011 Census	1,863
B5 Households in unsuitable housing	Number of households in Bands A-D on the Devon Homechoice register excluding those measured in B2 and B3 above, downsizers and those moving for work at March 2016	3,488
B6 Allowance for double counting	Since concealed households are likely to be registered on Devon Homechoice, this allowance is considered to be equal to B4	1,863
B7 Households in need already in affordable housing	Number of households in Bands A-D on the Devon Homechoice register already in affordable housing at March 2016	1,516
B8 Number of years to meet the existing need	5, 10 or 20 years	

9. https://www.gov.uk/guidance/homelessness-data-notes-and-definitions

Table 6: Elements of new need (C)		
Factor	**Data source / notes**	**Total households in Greater Exeter area**
C1 Newly forming households per year	The latest local housing need for the GESP area is used here.	2,663
C2 Proportion of households unable to rent	The proportion who cannot rent a lower quartile rent 2 bedroom property across the Greater Exeter area. A standard proportion is applied reflecting the HMA geography. ONS Annual Survey of Hours and Earnings data[10] and VOA rental data for 2011/12 to 2017/18 at Greater Exeter level have been used[11].	36%
C3 Existing households falling into need	New applications in 2017/18, excluding existing social housing tenants.	1,846
C4 Double counting allowance	Number of households in Bands A-D of the Devon Homechoice waiting list at March 2018 who are single and under 25, and therefore probably newly forming households.	455

3.8 Figure 5 illustrates how the figure for C2 (proportion of households unable to rent) has been calculated. The orange line shows the average lower quartile monthly rent charged for a 2-bed home in the Greater Exeter area's private rental sector (£595). The blue line denotes the maximum monthly rent that can be afforded by newly forming households. The two lines intersect at 36%, which equates to the proportion of newly forming households that can afford to pay the aforementioned average monthly rental charge.

Figure 5: Rents affordable to newly formed households



3.9 To calculate C (new need), the sum is (C1XC2) +C3-C4.

3.10 Based upon the figures in Table 8, the number of new households in need of affordable housing in the Greater Exeter area over the GESP plan period amounts to 2,350 per annum.

3.11 As an alternative approach to calculating newly arising affordable housing need, the proportion of households unable to rent (C2) have been calculated individually for each district, rather than using an equal GESP-wide percentage. The resulting proportions are East Devon 34%, Exeter 35% and Mid Devon and Teignbridge both 37%. Applying these percentages to the new household data produces a virtually identical final figure for newly arising need (2,337), differing by just 13 and indicating that the GESP-wide calculation is robust.

10. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/008558annualsurveyofhoursandearningsasheestimatesofgrossannualearningsofemployeesworkingingreaterexeter2017
11. https://www.gov.uk/government/statistics/private-rental-market-summary-statistics-april-2017-to-march-2018

D: Existing Supply

3.12 The total annual need is the sum of existing and new need. However, some of this need will be met by the existing supply of affordable dwellings. Stage D calculates annual supply from existing sources, so that this can be subtracted from the annual need. Annual supply comes from vacant stock, annual relets, shared ownership sales and existing affordable housing commitments, minus losses of stock through outright purchase by tenants and demolitions. Table 7 sets out the elements of supply.

3.13 To calculate existing supply (D), the sum is (D1+D2)/20+D3+D4-D5. Based upon the figures in Table 7, the existing supply of affordable homes across the GESP area for the next 20 years amounts to 1,568 per year.

Conclusions: A: Net Annual Need

3.14 As previously stated, the formula for calculating the net annual need for affordable housing (A) is B + C - D. Table 8 sets out net annual need figures (A), which depend upon whether existing need (B) is met over 5, 10 or 20 years.

3.15 If existing need (also known as "backlog") is met over the entire plan period, this suggests that there is a need for an additional 992 affordable homes per year in addition to existing commitments. Over a 20 year plan period this would amount to 14,831 affordable homes, in addition to the 5,009 that are already committed (see row D2 in Table 7).

3.16 992 affordable homes per annum equates to 37% of the latest local housing need for the GESP area (2,663).

3.17 For the purposes of plan-making it can be useful to know the affordable housing need without taking account of existing affordable housing commitments. If the 5,009 commitments are not netted off in the calculation of net annual need, the "existing supply" figure (D) falls by 250 dwellings per year and therefore increases the net annual need figures by the same amount. Table 9 summarises these alternative figures. Based upon these figures, if existing need is met over the entire plan period then there is a need for an additional 1,242 affordable homes per year. This would amount to 24,840 affordable homes over a 20 year plan period.

Table 7: Elements of supply (D)

Factor	Data source / notes	Total households in Greater Exeter area
D1 Vacant affordable housing stock	Taken from MHCLG statistics[12], with any figure below 3% assumed to represent normal turnover rates, and therefore providing zero supply.	0
D2 Already committed affordable housing	Numbers of affordable dwellings committed at 1 April 2018 (i.e. with planning permission/resolution to grant consent subject to S106 agreement or allocated in a Local Plan) and expected to be delivered between 2020 and 2040. To calculate this as an annual supply, the total figure is divided by 20.	5,009
D3 Annual social/ affordable rented relets	The average annual figure for the last years, taken from Devon Homechoice.	1,302
D4 Annual supply of shared ownership sales	Average for the six years 2010 – 2016 of shared ownership properties sold to new shared owners. Data from Help to Buy SW.	159
D5 Annual losses of affordable housing	Council- and RP-owned, including through stair-casing of shared ownership.	143

12. Tables 100 and 615. https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

3.18 1,242 affordable homes per annum equates to 46% of the latest local housing need for the GESP area (2,663).

3.19 Going forwards, it will be necessary to update the assessment of affordable housing need so that it reflects the latest available data. Through the plan-making process, the GESP authorities will need to identify appropriate affordable housing target(s) for allocated and windfall sites based upon an up-to-date needs assessment and viability considerations.

3.20 Further work is also required to determine an appropriate affordable housing tenure split. The LHNA will be updated once this element of the assessment has been completed.

Table 8: Net average annual need for affordable housing over the next 20 years (A)

Years to meet existing need (B)	Net annual need in years 1-5	Net annual need in years 6-10	Net annual need in years 11-15	Net annual need in years 16-20	Average need years 1-20
5	1,622	782	782	782	992
10	1,202	1,202	782	782	992
20	992	992	992	992	992

Affordable Housing at Barberry Close, Exeter

Table 9: Alternative net average annual need for affordable housing over the next 20 years (A)

Years to meet existing need (B)	Net annual need in years 1-5	Net annual need in years 6-10	Net annual need in years 11-15	Net annual need in years 16-20	Average need years 1-20
5	1,872	1,032	1,032	1,032	1,242
10	1,452	1,452	1,032	1,032	1,242
20	1,242	1,242	1,242	1,242	1,242

4.0 PRIVATE RENTED SECTOR HOUSING

Introduction

4.1 Planning practice guidance[13] advises that, to understand future local housing need for private rented sector housing, local authorities can use tenure data from the ONS (which is based on past trends), information on rent level changes and other evidence provided by various other sources.

4.2 A range of attitude surveys indicate that home ownership is the preferred tenure in the UK. For example, a study undertaken by the National Centre for Social Research in 2017 found that owning a property outright was the desired tenure of 63% of current non-owners[14]. Private renting was the next most popular (15%), with renting from a council or housing association the preferred outcome of only 7%.

4.3 However, as set out in a recent report by the Resolution Foundation, increasing numbers of young people in the UK face the prospect of never owning their own home. Rising house prices, restricted access to mortgages and decreasing supplies of affordable homes mean that, at the age of 30, four in ten 'millennials' (those born between 1981 and 2000) rely on the private rented sector to meet their housing needs[15]. This is double the rate of their predecessors, 'generation X' (those born in the 1960s and 1970s) and the 'baby boomers' (those born in the years after the end of World War II).

Current private rent levels in the GESP Area

4.4 Table 10 below sets out the estimated number and percentage of households living in the private rental sector homes in the GESP area in 2001 and 2011 (the latter being the latest available data). Across the GESP Area as a whole, the number of privately renting households increased by around 13,000 during this period, or 69%. Significant increases were experienced in each of the GESP authorities, most particularly in Exeter. This increase is likely to have been driven by the

13. Planning Practice Guidance: Housing Delivery. MHCLG. February 2019.
14. http://natcen.ac.uk/media/1488130/first-time-buyers-2017.pdf tables 1 and 2
15. Home Improvements. Resolution Foundation. April 2018.

Table 10: Households in private rented sector (PRS) housing in the GESP Area[16]

District		East Devon	Exeter	Mid Devon	Teignbridge	GESP Area
2001 Census	No. of households in PRS	4,599	5,872	2,850	5,493	18,814
	% of households in PRS	8.4%	12.6%	9.9%	13.9%	11.9%
2011 Census	No. of households in PRS	8,041	10,336	5,091	8,358	31,826
	% of households in PRS	13.6%	21%	15.5%	15.5%	16.3%
Change in households 2001-2011	No. of households	+3,442	+4,464	+2,241	+2,865	+13,012
	% of households	+75%	+76%	+79%	52%	+69%

16. Data extracted from Table DC4404EW from the ONS 2001 and 2011 Census.

factors set out in paragraph 1.3 above, but also by the growth in buy-to-let housing prior to the economic crash of the late 2000s.

4.5 Since 2011, house prices in the GESP area have continued to rise and access to mortgages remains restricted, whilst there has been no significant increase in the availability of affordable housing. Further, as discussed below, the number of households in the GESP area that currently cannot afford to buy a home but can afford to rent privately is around 45%. These factors imply a continued rise in the number of households living in the private rented sector in the GESP area. However, given the apparent absence of more recent data, the extent of this increase cannot be confirmed.

Analysis of future demand based on household incomes

4.6 Information on private rent levels[17], house prices[18] and incomes[19] indicate that, at present within the Greater Exeter area, 19% of households can afford to purchase a home at lower quartile house prices, whilst 36% of households can afford neither lower quartile house prices or private sector rents and are therefore reliant upon subsidised rent or intermediate affordable housing to meet their needs. Between these two income groups is a middle cohort of households (45%) that cannot afford to purchase at lower quartile house prices but can afford lower quartile private sector rents (see Table 11).

4.7 To more fully understand the current demand for private sector rental properties in the GESP area, it is necessary to take into account the Government's initiative to increase homeownership through the provision of subsidised market properties (e.g. starter homes and other affordable homeownership products). Essentially, this initiative seeks to enable households from the 'middle cohort' (who can afford to rent, but not to buy) to move into the 'can afford to buy' category. Table 12 examines the middle cohort's ability to purchase a home at different rates of subsidy. It compares the distribution of incomes against

Table 11: Tenure affordability in the GESP area

Household type	Explanation	Proportion	Potential housing solutions
Can afford to purchase	Income sufficient to meet mortgage requirements for a lower quartile priced house.	19%	Choice of open market housing to purchase or private sector renting.
Cannot afford to purchase but can afford to rent privately	Income insufficient to purchase a lower quartile priced house, but sufficient to afford a lower quartile private sector rent.	45%	Private sector renting or low cost/subsidised home ownership initiatives.
Can't afford to rent or purchase privately	Income insufficient to afford a lower quartile private sector rent.	36%	Affordable housing (subsidised rent or intermediate affordable housing).
All households		100%	

five rates of subsidy, from a 10% reduction from the lower quartile purchase price to a 60% reduction.

4.8 The Government requires affordable homeownership products to be offered for sale at a minimum of 20% below open market value[20]. Table 12 indicates that this level of subsidy would enable an additional 13% of households in the GESP area to purchase their own home. All of these households are currently able to afford lower quartile private sector rents. Only at a discount of above 60% would subsidised homeownership start to become affordable to households in need of more traditional forms of affordable housing (i.e. because even at 60% discount, all of

17. https://www.gov.uk/government/statistics/private-rental-market-summary-statistics-april-2017-to-march-2018
18. https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/lowerquartilehousepricefornationalandsubnationalgeographiesquarterlyrollingyearhpssadataset15
19. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/008558annualsurveyofhoursandearningsasheestimatesofgrossannualearningsofemployeesworkingingreaterexeter2017

20. Planning Practice Guidance: Starter Homes. MHCLG. March 2015.

Table 12: Impact of subsidised homeownership upon the proportion of households able to afford to buy a home			
Percentage Subsidy	**Purchase price (lower quartile) with subsidy**	**Proportion of households able to purchase a home**	**Additional households able to purchase compared with open market housing**
10%	£162,000	26%	7%
20%	£144,000	32%	13%
30%	£126,000	39%	20%
40%	£108,000	47%	28%
50%	£90,000	55%	36%
60%	£72,000	62%	43%

those households who could afford to purchase would still be able to rent on the private market). However, a 60% discount, worth £93,000 per dwelling, would appear to be an unlikely policy outcome. Indeed, research indicates that volume housebuilders operating in the GESP area are only offering discounts of 20% from full market price.

4.9 As indicated by scenario A in Table 13, if subsidies continue to be offered at only 20% (as per the Starter Homes initiative), the potential demand from private rented households for subsidised homeownership products would be limited to around 13%, based on the affordability calculations set out in Table 13. This would leave 32% of households in the middle cohort – i.e. unable to afford to buy a house on the open market even with a subsidy, but able to afford lower quartile private sector rents. 32% could be taken as a proxy for future demand for private sector housing in the GESP area.

4.10 Alternatively, as previously stated, a Study undertaken in 2017 concluded that 63% of privately renting households would like to own their own home. Applying 63% to the middle 45% cohort indicates that there is a potential demand for up to 28% subsidised homeownership products in the GESP area. This would leave 17% of households in the middle cohort, which again could be taken as a proxy for future demand for private sector housing in the GESP area – see scenario B in Table 13.

Conclusions

4.11 The analysis above suggests that between 17% and 32% of additional homes in the Greater Exeter area should be for private rent. Given that 16% of households in the GESP area rented privately in 2011[21] and the likely continued increase in the number of privately renting households since 2011, it may be appropriate to encourage the delivery of additional privately rented homes on the upper side of this range.

Table 13: Scenarios for tenure affordability		
Household type	**Scenario A**	**Scenario B**
Can afford to purchase	19%	19%
Can afford to purchase with a subsidy	13%	28%
Cannot afford to purchase with a subsidy but can afford to rent privately	32%	17%
Can't afford to rent or purchase privately	36%	36%

21. 2011 Census.

5.0 SELF-BUILD AND CUSTOM HOUSEBUILDING

Introduction

5.1 Custom and Self Build (CSB) homes (the NPPG definition of which is provided in the Glossary) can help provide a more diverse mix of local housing and widen the potential for home ownership, as well as provide new affordable housing options. They can also help encourage small and medium sized builders to diversify their businesses and broaden their customer base.

5.2 Over recent years the Government has introduced measures to support the growth of Custom and Self-Build housing. The Self-Build and Custom Housebuilding Act 2015 (as amended by Section 9 of the Housing and Planning Act 2016) introduced the following duties for local authorities to meet demand for CSB housing:

- To prepare, publicise and maintain a register of individuals and associations of individuals "who are seeking to acquire serviced plots of land";
- To have regard to the register "when carrying out their planning, housing, land disposal and regeneration functions"; and
- To give suitable development permission for enough serviced plots of land to meet the demand for CSB in their area on a rolling, three-year, basis.

5.3 In order to obtain a robust assessment of demand for CSB housing, planning practice guidance advises local planning authorities to supplement the data on demand from their CSB registers with secondary data sources.

Assessment methodology

5.4 Three Dragons consultancy has been commissioned to assess the demand for CSB housing within the GESP area. Three Dragons report forms Appendix A of this LHNA. The report assesses the demand for CSB within the GESP area for the next 5 years, with broad estimates for the following 10 years. Demand is assessed using a model that compares the national profile of potential custom and self-builders with a profile of the GESP area's population. The model recognises that only a proportion of local households that fit the national profile are likely to go on to take up CSB and that local costs and values, as well as availability of finance, will also impact upon take-up. It also takes into account that the custom and self-builders identified will not all be ready to build on day-one.

Custom Build Homes in The Netherlands

5.5 The model used by Three Dragons has been developed with the support of the Right to Build Task Force, which was established by the National Custom and Self Build Association and is supported by organisations including the Royal Town Planning Institute, the Royal Institution of Chartered Surveyors and the Local Government Association.

Table 14: Demand for CSB in the GESP area, assuming 3 years lead in time			
	Demand for CSB – units per year (yrs 1-5)	Demand for CSB – units per year (yrs 6-15)	Demand for intermediate affordable units per year (yrs 1-5)[22]
East Devon	61	67	6
Exeter	76	83	10
Mid Devon	44	47	4
Teignbridge	68	74	6
GESP Area	**249**	**271**	**26**

Assessment findings

5.6 In terms of overall demand for CSB, the headline results of the Three Dragons assessment are summarised in Table 14.

5.7 The potential demand for CSB across the GESP area is just below 250 units per annum over the next 5 years, rising to 271 per annum in years 6 to 15. Similar levels of demand are found across the GESP authorities, with the exception of Mid Devon where demand levels are lower. The assessment model makes no distinction between individual households and groups taking up CSB. It assumes that demand from any group will be from within the numbers shown in Table 14. The assessment finds that there is demand for relatively small numbers of intermediate affordable housing CSB units, amounting 26 units across the GESP area in years 1-5.

5.8 Within the GESP Area as a whole, the level of demand modelled by Three Dragons is significantly higher than the level of demand indicated by the number of individuals / groups of individuals

22. Estimate based upon the affordable housing assessment in the 2015 SHMA undertaken for the Exeter Housing Market Area. The figures will need to be updated once an updated affordable housing tenure split has been calculated for the GESP LHNA.

Table 15: Demand for CSB housing in the GESP area, years 1-5, assuming 3 years lead in time			
	Modelled demand for CSB – units per year	Demand for CSB based on Registers	Estimated current levels of supply of CSB
East Devon	61	20-30	50
Exeter	76	10-15	15
Mid Devon	44	15	15
Teignbridge	68	70-100	25
GESP Area	**249**	**115-160**	**105**

currently listed on CSB registers (see Table 15 – i.e. 249 against 115-160). In terms of the individual GESP authorities, the difference between modelled and registered demand is by far the lowest in Teignbridge. Here the model and the Register are more consistent. This consistency may reflect a greater awareness of the CSB Register within Teignbridge, arising from the local authority's proactive approach towards securing CSB on major residential schemes.

5.9 The 4th column of Table 15 sets out estimated current levels of supply of CSB within the GESP area, based upon CIL exemptions and planning consents. The estimated supply of 105 dwellings per annum falls well short of modelled demand. Of the individual GESP authorities, the difference is less significant in East Devon where modelled demand is only ahead of supply by 9 units per annum.

5.10 The report examines the profile of potential CSB households in the Greater Exeter, concluding that nearly 30% are families with children, 23% are single persons and 42% are couples without children. 6% are other household types including non-related adults and extended families.

Conclusions

5.11 The Three Dragons Report concludes that, whilst some CSB development is occurring in the GESP area, current rates of supply fall below the potential demand indicated by their assessment model. This indicates the need for positive action by the GESP authorities to enable faster rates of CSB delivery.

5.12 The Report recommends the following levels of CSB to be facilitated through the local plan process on an annual basis:

- East Devon – 60 units (of which, based on past trends, c.50 units can be expected to come from planning applications on small sites. However, it should be noted that estimating current supply has proved particularly uncertain in East Devon and the 50 dwelling supply figure should be treated as a broad guide);
- Exeter – 70-75 units (of which, based on past trends, c.15 units can be expected to come from planning applications on small sites. The figure is presented as a range because a proportion of student households will be present in the model. Taking this in to account, the Report suggests that a figure towards the lower end of the range is likely to be the more robust);
- Mid Devon - 45 units (of which, based on past trends, c.15 units can be expected to come from planning applications on small sites); and
- Teignbridge - 70 units (of which, based on past trends, c.25 units can be expected to come from planning applications on small sites).

5.13 The Report stresses that the above figures should not be viewed as a maximum. As such, when combined, the figures suggest that the GESP authorities should be delivering at least 245 CSB units per year. Based upon past trends, 105 units can be expected to come from planning applications on small sites, indicating a need for the GESP authorities to secure a 140 CSB units per year by other means (e.g. land allocations and/or planning policy).

5.14 The Report concludes that, based on population profiling, around 50%-70% of households taking up CSB in the GESP area will be self-builders, half on single plots and half as part of a larger site. The remaining 30%-50% of households taking up CSB will be custom builders. As such, a reasonable starting point for planning policy purposes would be 50% self-build and 50% custom build.

5.15 Again, based on population profiling, the Report advises that demand for CSB plots is from a mix of household types and that planning policy will therefore need to encourage a diverse range of plots to meet the need. The following ratio is proposed as a guide to the mix of plot types likely to be required:

- 15% low cost / small plots / terrace style developments;
- 40% 3-bed semi/detached homes; and
- 45% 4 or 5 bed detached homes.

5.16 The Report concludes that c.10% of future CSB should be in form of affordable housing. This should be focussed on intermediate products, although suitable affordable rented schemes could also be appropriate. The affordable element of CSB could be delivered by affordable housing providers, custom build developers or enablers, as well as community groups. However, it should be stressed that this element of the Report is based upon an assessment of affordable housing requirements contained in the 2015 SHMA prepared for the Exeter Housing Market Area. The Report will need to be updated once an updated affordable housing tenure split has been identified for the GESP LHNA.

5.17 The Report stresses that CSB delivery in the GESP area needs to be carefully monitored in line with planning practice guidance, to identify trends in demand and delivery against the duties set out in legislation. The data collected can help to inform future reviews of planning policies and action to support CSB development.

6.0 HOUSING MIX / FAMILY HOUSING

Introduction

6.1 To understand the need for family housing, planning practice guidance advises that plan-making authorities can identify current numbers of families, including those with children, by using local household projections.

Analysis

6.2 The 2014-based household projections include information on projected changes for households containing dependent children. Table 16 indicates the position of the Greater Exeter authorities for the period 2014-2039[23].

6.3 Existing households in the GESP area are predominantly child-free, with just under a quarter containing dependent children. By 2039, a very slightly higher proportion (i.e. 2.2%) of household are expected to contain no dependent children. Overall, a net increase of only about 5,000 families with dependent children is expected, compared with a net increase around 38,000 adult-only households.

6.4 Against this data, Table 17 sets out slightly older information from the 2011 census which shows the preponderance of what can be considered "family" housing within the existing stock[24]. Over half (61%) of the dwellings in the GESP area have 3 or more bedrooms.

Conclusions

6.5 By comparing the data in Tables 16 and 17 it can be seen that there is no relative shortage of homes for families with children within the existing stock (although there may be an absolute shortage arising from the overall deficit of housing). It appears that the main relative shortage is in smaller properties.

6.6 A comparison of Tables 16 and 17 also indicates, somewhat unsurprisingly, that a significant number of small households in the GESP area choose to occupy homes that exceed their household size.

Table 16: Household projections by numbers of dependent children, 2014 and 2039

	2014 households (thousands)				2039 households (thousands)				Household increase 2014-39 (thousands)			
	No. of dependent children				No. of dependent children				No. of dependent children			
District	None	One	Two	Three+	None	One	Two	Three+	None	One	Two	Three+
East Devon	47	6	6	2	60	7	7	2	13	1	1	0
Exeter	40	6	5	2	50	7	6	2	10	1	1	0
Mid Devon	25	4	4	2	30	4	4	1	5	0	0	-1
Teignbridge	42	6	5	2	52	8	5	2	10	2	0	0
GESP Area	**154**	**22**	**20**	**8**	**192**	**26**	**22**	**7**	**38**	**4**	**2**	**-1**
GESP %	**75.5%**	**10.8%**	**9.8%**	**3.9%**	**77.7%**	**10.5%**	**8.9%**	**2.8%**	**2.2**	**-0.3%**	**-0.9%**	**-1.1%**

23. Data on 2014 and 2039 households are taken from Table 424 of https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections, with figures rounded to the nearest thousand.

Table 17: Number of bedrooms per dwelling in the GESP Area						
Bedrooms	**East Devon**	**Exeter**	**Mid Devon**	**Teignbridge**	**Total GE**	**Total GE %**
All dwellings	59,071	49,242	32,758	54,003	195,074	100%
0 bedrooms	76	118	51	68	313	0.2%
1 bedroom	4,499	7,608	2,577	4,943	19,627	10.1%
2 bedrooms	17,726	13,578	8,388	16,243	55,935	28.7%
3 bedrooms	23,183	19,108	13,061	20,400	75,752	38.8%
4 bedrooms	10,086	6,243	6,308	9,381	32,018	16.4%
5 + bedrooms	3,501	2,587	2,373	2,968	11,429	5.9%

7.0 HOUSING FOR OLDER PEOPLE

Introduction

7.1 Planning practice guidance advises that the need to provide housing for older people is critical as the proportion of older people in the population is increasing[24]. It also states that needs should be calculated by drawing on census population age profiles and explains that provision could range from independent living, specialist accommodation including sheltered, enhanced sheltered, extra care, registered care as well as provision in residential institutions.

Devon County Council Accommodation Strategy

7.2 Chapter 8 of the LHNA examines the impact that older people are expected to have upon the need for accessible housing during the GESP plan period. The provision of accessible housing is one way to enable older people to live independently in the community for as long as possible, instead of moving into the other forms of housing listed in paragraph 7.1 which generally include the provision of an element of care. This edition of the LHNA does not examine in detail the need for these other forms of housing for older people. Devon County Council (which has statutory responsibility for providing accommodation for older people with eligible needs in care homes, and for arranging personal care and other social support that helps older people to live independently in the community) is reviewing its Accommodation Strategy to identify the most appropriate housing options for older people in need of care going forwards. It would be inappropriate for the LHNA to pre-empt this review.

24. *Planning Practice Guidance: Housing and Economic Needs Assessment. MHCLG. February 2019.*


Image of new Extra Care housing in Exeter

Conclusion

7.3 As indicated in Chapter 8, the provision of accessible homes will help to meet the housing needs of some older people during the GESP Plan period. The need for other forms of housing for older people will be considered in future reviews of the LHNA, once Devon County Council's Accommodation Strategy review is completed.

8.0 HOUSING FOR PEOPLE WITH DISABILITIES

8.1 As stated in planning practice guidance, the provision of appropriate housing for people with disabilities is crucial in ensuring that they live safe and independent lives. The guidance advises that there is no one source of information about people with disabilities who require adaptations in the home, either now or in the future[25].

Accessibility Standards

8.2 Part M of the Building Regulations provides for three levels of accessibility to new homes, as shown in Table 18.

8.3 This LHNA considers evidence of need for M4(2) accessible and adaptable homes and M4(3) wheelchair user homes in the GESP area. For the sake of convenience the report uses the Building Regulations phraseology, but refers to the total of levels M4(2) and M4(3) as "M4 combined".

Demand for M4(2) and M4(3) housing

8.4 As previously stated, there is no one source of information for the proportion of the population in need of M4(2) and M4(3) housing. Instead there are a number of sources from which a broad estimate can be built up.

8.5 The 2011 Census contains information on long term health problems and disabilities, considering whether day to day activities are limited "a lot" or "a little"[26]. This information is summarised in Table 19.

8.6 Across England as a whole, the equivalent proportions are 8% and 18%, indicating a very similar picture to the Greater Exeter area. The 2015 National Travel Survey concludes that an estimated 9% of adults in England have a mobility difficulty (defined as a difficulty travelling on foot, by bus or both)[27]. This is very similar to the Census findings on "activities limited a lot".

Table 18: Accessibility categories in Building Regulations Part M	
M4(1) Visitable Homes	This is the minimum standard to which all homes must comply. It provides for some level of accessibility for disabled and elderly visitors, but not to the extent that the home would necessarily be suitable for occupation by a disabled person. There is no need for a local plan policy to apply this standard.
M4(2) Accessible and adaptable homes	This is a higher level standard that provides for reasonable access to and around the home, sufficient to meet the needs of occupiers with differing needs including some older or disabled people. It also allows for adaptation of the home to meet changing needs over time. The standard is not automatically a requirement for new houses and must be imposed by a condition on a planning application. Such a condition can only be applied where a local plan policy includes this as a requirement. The policy must be supported by appropriate evidence.
M4(3) Wheelchair user homes	This highest standard requires homes to be usable by residents in a wheelchair. It is split into two subsections: (a) requires that homes must be adaptable to wheelchair use; and (b) requires that they are immediately suitable. Again, this standard can only be imposed through a condition on a planning application, which should be supported by a local plan policy based on appropriate evidence.

25. *Planning Practice Guidance: Housing and Economic Needs Assessment. MHCLG. February 2019.*
26. *2011 Census, Table DC3303. Data available from Nomis website. www.nomisweb.co.uk/*
27. *2015 National Travel Survey. Department for Transport. September 2016. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/551437/national-travel-survey-2015.pdf*

Table 19: Levels of disability and long term health problems in the GESP area					
District	**Population**	**Day to day activities limited a lot**	**Percentage of population**	**Day to day activities limited a little**	**Percentage of population with any limitation**
East Devon	132457	11,814	9%	16025	21%
Exeter	117773	9,006	8%	10683	17%
Mid Devon	77750	5,792	7%	7708	17%
Teignbridge	124220	11,534	9%	14081	21%
Greater Exeter	**452200**	**38,146**	**8%**	**48497**	**19%**

Table 20: Proportion of working age population claiming incapacity / severe disablement benefit (2010)	
East Devon	5.0%
Exeter	6.2%
Mid Devon	4.8%
Teignbridge	5.9%
GESP Area	**5.5%**

8.7 Data from the Department for Work and Pensions and the ONS allows estimates to be made of the proportion of the working age population claiming incapacity benefit (data from 2010, due to changes in the structure of benefits since that date)[28]. This data is set out in Table 20 and shows slightly lower figures overall when compared to the 2011 Census and the National Travel Survey. This is probably because the figures are limited to working age people. As such, they do not cover older (64+ years) age groups, within which disability tends to be more prevalent (see earlier analysis of the housing needs of older people).

28. Data from Work and Pensions Longitudinal Study at November 2010 and ONS Labour Market Profile for Oct 2010-Sept 2011. Data available from www.nomisweb.co.uk/

8.8 On balance, it is considered appropriate to estimate that 8% of the Greater Exeter population are mobility impaired, essentially requiring level M4(3) housing. A further 11% have more minor illnesses and disabilities which will affect their housing needs, requiring level M4(2). The need for M4 combined amounts to 19%.

8.9 However, the proportion of *households* containing a disabled person will be higher than this, since there may be a single disabled person in a household of 2 or more people. Information on households containing a person with a limiting disability or illness is available from the 2011 Census[29] and is summarised for Greater Exeter in Table 21.

8.10 Unfortunately this table cannot distinguish between households limited "a little" and "a lot", since the Census information is only provided on a combined basis. However, by comparing the 19% of individuals with any limitation (Table 19) with the 34% of households containing such an individual, it can be concluded that the proportion of households affected is 1.8 times higher than the proportion of individuals. Applying this factor to the 8% individual figure would suggest that 14% of households in the GESP area contain someone with a significant disability.

29. https://www.nomisweb.co.uk/census/2011/dc1301ew

Table 21: Households containing a person with a limiting disability / illness			
District	**Number of households**	**Households with at least 1 person with a long term health problem or disability**	**Percent of households**
East Devon	59,071	21164	36%
Exeter	49,242	15230	31%
Mid Devon	32,758	10522	32%
Teignbridge	54,003	19142	35%
Greater Exeter	**19,5074**	**66058**	**34%**

8.11 A further source of information on households is the English Housing Survey 2014-15, which found that 9% of households in England contain one or more people with a long term limiting disability requiring adaptations to their home (note, such adaptations may have been installed – see later)[30]. Obviously this is a lower figure, indicating that the earlier calculation may have overestimated.

8.12 Looking at this information in the round suggests that around 10% of households in the Greater Exeter area are likely to contain someone requiring a level M4(3) home, with approximately a further 25% of households containing someone with a less severe illness or disability requiring a level M4(2) home. The combined M4 need comes to around 35% of households.

Disability and Ageing

8.13 An ageing population may have an impact on the future need for accessible housing. This is because the incidence of disability increases with age. Information in tables 22 and 23 is taken from the 2011 Census. The information indicates that the incidence of disability grows markedly after the age of 65, with the 85+ cohort having an almost 50% chance of being disabled (i.e. their activities are limited "a lot").

30. https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-headline-report

Table 22: Incidence of illness or disability limiting activities a lot by age					
Age Group	East Devon	Exeter	Mid Devon	Teignbridge	GESP Authorities
Age 0 to 15	1.4%	1.7%	1.3%	1.5%	1.5%
Age 16 to 24	2.0%	1.4%	1.7%	2.1%	1.7%
Age 25 to 34	2.3%	2.4%	2.4%	2.7%	2.4%
Age 35 to 49	4.0%	5.3%	4.1%	4.5%	4.5%
Age 50 to 64	7.0%	9.7%	7.0%	8.1%	7.9%
Age 65 to 74	9.8%	13.7%	11.1%	12.7%	11.5%
Age 75 to 84	21.4%	27.1%	23.2%	25.3%	23.9%
Age 85 +	45.7%	48.5%	48.6%	48.7%	47.5%

Table 23: Incidence of illness or disability limiting activities a little by age					
Age Group	East Devon	Exeter	Mid Devon	Teignbridge	GESP Authorities
Age 0 to 15	2.2%	2.3%	1.8%	2.4%	2.2%
Age 16 to 24	3.5%	3.2%	3.0%	4.1%	3.5%
Age 25 to 34	4.0%	4.1%	3.6%	4.6%	4.1%
Age 35 to 49	6.1%	7.2%	6.2%	6.2%	6.4%
Age 50 to 64	11.7%	12.1%	10.8%	12.0%	11.7%
Age 65 to 74	20.8%	21.4%	21.4%	21.4%	21.2%
Age 75 to 84	32.3%	32.7%	32.0%	33.3%	32.6%
Age 85 +	34.7%	33.6%	34.1%	32.8%	33.9%

8.14 The 2014-based population projection that underwrites the GESP's local housing need (as published by the Government in September 2017) indicates that the proportions in the four oldest cohorts will rise, as shown in Table 24 (figures to the nearest 1,000).

8.15 Because the older age groups have a higher incidence of limiting illness, these population changes will increase the overall incidence of limiting illness by about 4% (2% each in those limited a little, and those limited a lot). This further emphasises the importance of both levels of disabled access homes within the Greater Exeter area.

8.16 Devon County Council is reviewing its Accommodation Strategy to identify the most appropriate options for providing accommodation for older people in need of care going forwards. Based upon the analysis above, it is reasonable to conclude that these options will include accessible homes.

Wheelchair accessible homes

8.17 Planning practice guidance on the imposition of policies requiring disability access states that level M4(2) standards can be required on any house through planning policy and condition, as can wheelchair adaptable standards (i.e. part of M4(3)). However, only affordable homes can include a requirement for the more stringent wheelchair accessible M4(3b) standards[31]. It is therefore necessary to consider whether the demand for wheelchair accessible M4(3b) homes differs between those in affordable housing need and the general population.

8.18 An analysis of Devon Homechoice, the waiting list for social and affordable rent housing, has been undertaken. As shown in table 25, Information for Devon Homechoice at October 2016 shows that about 9% of applicant households (within Bands A – D) are in need of accessibility features in their housing.

8.19 This data suggests that there is no significant difference in the need for wheelchair accessible housing between the general population and those in need of affordable housing (i.e. around 10% against around 9%).

Supply of accessible homes

8.20 There is no local survey which directly provides information on the accessibility of the existing housing stock. National figures from the English Housing Survey 2014-15 can be used to provide an indication of the likely situation[32].

8.21 The English Housing Survey examines whether the existing housing stock is 'visitable' to most people, including those with wheelchairs. A visitable home has level access to the entrance, a flush threshold, sufficiently wide doors and circulation space and a toilet at entrance level. Table 26 indicates the state of the existing stock.

31. Planning Practice Guidance: Housing: Optional Technical Standards. DMHCLG. March 2015.
32. https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-headline-report

Table 24: Population change in GESP Area in older cohorts, 2016 to 2040				
Age Group	**Population 2016**	**Population 2040**	**% Population 2016**	**% Population 2040**
Age 50 to 64	93,958	96,583	20%	17%
Age 65 to 74	60,649	71,610	13%	12%
Age 75 to 84	35,822	61,632	8%	11%
Age 85 +	17,893	42,646	4%	7%
Total population	**475,953**	**576,043**	**100%**	**100%**

Table 25: Households applying for affordable housing that are in need of accessible housing	
East Devon	7.5%
Exeter	6.8%
Mid Devon	5.7%
Teignbridge	13.2%
Greater Exeter total	**8.6%**

8.22 Visitable in the context of the English Housing Survey appears to be a reasonable proxy for the current M4(3) standard, while minor work needed to become visitable seems to be comparable with level M4(2) homes. Compared with the assessments of need in paragraph 8.13 above, it can be seen that there is a current shortfall of housing in both M4 levels. This is supported by the English Housing Survey, which found that 45% of households with a disabled person were living in homes unsuitable for their needs.

Conclusions

8.23 The need for homes accessible to people with disabilities is high

Table 26: Proportion of homes in England's housing stock that have 'visitable' status, or could become 'visitable'	
Currently visitable	7%
Minor work to become visitable	11%
Moderate work to become visitable	42%
Major work to become visitable	14%
Not feasible to become visitable	26%
Total Homes	**100%**

within the GESP area. Taking account of the various information sources, it is estimated that 25% of households in Greater Exeter have a member requiring a level M4(2) home, whilst 10% require level M4(3). In total, some 35% of households require some form of accessible home (M4 combined). The ageing of the population by 2040 appears likely to increase these proportions to 27% and 12%, totalling 39% of households. By comparison, only 18% of the existing stock appears to be of an M4(2) or M4(3) standard.

8.24 The Government's 2014-based household projections indicate that in 2018 there are about 210,000 households in Greater Exeter. Applying the findings set out earlier, this suggests that 52,500 households (25% x 210,000) contain at least one person with a more limited disability requiring M4(2), whilst 21,000 households (10% x 210,000) contain someone with wheelchair access requirements, M4(3). Combining these gives a total need for accessible homes (M4 combined) of 73,500, i.e. 35% of existing households.

8.25 Applying the national ratios from the Housing Survey, it is likely that there are about 14,700 (7% x 210,000) homes of M4(3) standard and 23,100 (11% X 210,000) to M4(2) standard in the Greater Exeter area, totalling 37,800. Table 27 summarises this situation and indicates a current shortfall in M4 combined homes of around 35,700.

Table 27: Current shortfall in Level M4 homes in the Greater Exeter area			
M4 Level	**Existing homes**	**Existing need**	**Shortfall**
M4(2)	23,100	52,500	29,400
M4(3)	14,700	21,000	6,300
M4 combined	37,800	73,500	35,700

8.26 By 2040 it is expected that the number of households in the GESP area will have risen to 267,000 (based on the Government's published figures for housing need) and the proportion of households in need of a visitable home will have increased to 39% (split between 12% with wheelchair requirements and 27% with more minor needs). Therefore, by 2040, at least 104,130 (39% X 267,000) homes will need to be visitable to meet this need. Comparing this with the current situation indicates that an additional 66,330 M4 combined homes are required to meet existing and future needs (104,130 – 37,800). The projected position in 2040 is shown in Table 28, assuming no additional provision.

8.27 The projected requirement of 66,330 additional M4 combined homes can be broken down into 48,990 additional M4(2) homes and 17,340 M4(3) homes by 2040. The proportions of need are 74% level M4(2) and 26% level M4(3).

8.28 The latest local housing need for the GESP area is 2,663 per year, which amounts to 53,260 homes over the 20 year GESP plan period. Therefore, the total additional need for accessible homes exceeds the total housing need for the plan. This indicates that it would be appropriate on the basis of need to require all future homes to meet one of the higher M4 standards. Furthermore, when the relative proportions of need for the different accessibility levels are applied (with minimal rounding), it would suggest that requiring 75% of homes to be level M4(2) and 25% to be level M4(3) could be justified on the basis of need.

Table 28: Projected shortfall in Level M4 homes at 2040 in the Greater Exeter area			
M4 Level	**Existing homes**	**2040 need**	**2040 Shortfall**
M4(2)	23,100	72,090	48,990
M4(3)	14,700	32,040	17,340
M4 combined	37,800	104,130	66,330

Table 29: Potential targets for accessible housing in the Greater Exeter area		
Accessibility Level	**Market Homes**	**Affordable Homes**
Level M4 (1) visitable	0%	0%
Level M4 (2) accessible and adaptable	75%	75%
Level M4 (3) wheelchair adaptable	25%	0%
Level M4 (3) wheelchair accessible	0%	25%

8.29 There is no apparent difference in accessibility need between affordable and market homes and therefore the proportions could apply to both tenures. However, the requirement to provide wheelchair accessible homes (the higher element of level M4(3)) can only be applied to affordable homes. Therefore market homes could be required to provide 25% wheelchair adaptable homes.

8.30 Table 29 summarises the needs-based targets arising from this analysis.

8.31 The cost of providing the higher accessibility standards will need to be taken into account in the viability work being carried out for the GESP, to ensure that policy requirements for new homes as a whole are not enough to make new developments unviable. Therefore, it should not be assumed that these expressions of need will be fully reflected in the GESP or other Local Plans.

9.0 HOUSING FOR ADULTS WITH SUPPORT OR CARE NEEDS

Introduction

9.1 Adults with support or care needs comprise people between the ages of 18 and 64 who have:

- learning disabilities;
- physical and sensory disabilities; and
- mental health needs including autism.

9.2 Planning practice guidance does not provide significant advice on how to assess the accommodation needs of these groups, although paragraph 17 sets out that use can be made of Census long-term limiting illness data and information from the Department of Work and Pensions[33].

Devon County Council Accommodation Strategy

9.3 The provision of accessible housing, discussed in Chapter 8, can enable adults with care and support needs to live in the community instead of moving into the other forms of housing (e.g. accommodation or housing with care). This edition of the LHNA does not examine in detail the need for these other forms of housing for adults with care and support needs. Devon County Council (which has statutory responsibility for arranging personal care and other social support that helps adults with support or care needs to live independently in the community) is reviewing its Accommodation Strategy to identify the most appropriate housing options for these groups. It would be inappropriate for the LHNA to pre-empt this review.

Conclusion

9.4 The provision of accessible homes may help to meet the housing needs of some adults with care and support needs during the GESP Plan period. The need for other forms of housing for these groups will be considered in future reviews of the LHNA, once Devon County Council's Accommodation Strategy review is completed.

33. Planning Practice Guidance: Housing and Economic Needs Assessment. MHCLG. February 2019.

10.0 STUDENT HOUSING

Introduction

10.1 Planning practice guidance[34] requires local planning authorities to plan for sufficient student accommodation, whether it consists of communal halls of residence or self-contained dwellings and whether or not it is on campus. It advises that encouraging more dedicated (i.e. purpose-built) student accommodation may take the pressure off the private rented sector and increase the overall housing stock. Plan-making authorities are required to engage with universities and other higher educational establishments to ensure that they understand their student accommodation requirements.

10.2 To this end, in 2017 the GESP Authorities commissioned Opinion Research Services (ORS) to prepare an assessment of student housing need in the GESP area to 2040. The Assessment methodology includes both primary and secondary data collection and analysis.

10.3 The Assessment addresses three key issues:

- It identifies which University and other Higher Education establishments will exert pressure on housing in the GESP area in the foreseeable future;
- It analyses the extent to which the student housing requirement is included within the GESP's local housing need; and
- It calculates the number of student homes required over the GESP plan period.

Which University / Higher Education establishments will impact upon the GESP housing market in the foreseeable future?

10.4 The Assessment identifies that the main University and other Higher Education establishments relevant to the GESP area are the University of Exeter, Exeter College, Bicton College, Plymouth College of Art, Plymouth University, Plymouth Marjon University and Somerset College in Taunton. Of these establishments, the Assessment concludes that only the University of Exeter will exert any significant pressure on housing within the GESP area for the foreseeable future.

To what extent is the student housing requirement included within the GESP's local housing need?

10.5 At the time the Assessment was commissioned, the Government had not introduced its standard approach for calculating local housing need. Instead, the working assumption of the GESP authorities was that the GESP's local housing need figure would be underwritten by migration data for the period 1995/96 to 2015/16. To determine the extent to which the student housing requirement was included within that local housing need figure, the Assessment therefore examined how many students were included in the migration statistics for the period 1995/96 to 2015/16.

10.6 Since the Assessment was completed, the GESP local housing need figure has been amended to 2,663 homes per annum using the standard approach. This figure is underwritten by ONS 2014 sub-national population projections, which in turn are underwritten by migration data from 2009/10 to 2013/14. To determine the extent to which the student housing requirement is included within the GESP local housing need figure, it is necessary to examine how many students are included in the migration statistics for the period 2009/10 to 2013/14.

10.7 The Assessment is clear that students have been included in ONS migration data at their term-time address since 2000/2001. Therefore, students that moved ('migrated') to the GESP area to study at the University of Exeter between 2009/10 and 2013/14 are included in the sub-national population projections that underwrite the GESP local housing need figure.

34. Planning Practice Guidance: Housing and Economic Needs Assessment. MHCLG. February 2019

10.8 Table 30 shows that the number of full-time-equivalent students studying at the University of Exeter (excluding overseas students and students studying at the Cornwall Campuses) increased by 1,808 between 2009/10 and 2013/14, from 13,738 to 15,546. Part time students and students living at home are excluded because they would already have been living in the GESP area and therefore are not included in the migration statistics for the period in question (because they would not have needed student accommodation). On that basis, it is reasonable to conclude that the migration data for 2009/10 to 2013/14 includes at least 362 full-time-equivalent students per annum ('at least' because the migration data is also likely to include overseas students).

10.9 At the time of the Assessment, the University was planning for an increase of around 1,143 additional students between 2017 and 2021 in Exeter, or around 229 students per annum. Based on the conclusions drawn by ORS, it is considered that students are fully included in the GESP's local housing need figure of 2,663 homes per year. This is because the planned rate of increase at the University (229 students per year) is lower than the rate of increase in the migration data for 2009/10 to 2013/14 (362 students per year). In other words, the historic migration data upon which the GESP's local housing need figure is based captures more student growth than the University was planning for in the future, at the time of the Assessment. Students will continue to be fully included in the GESP's local housing need figure unless the average growth in their numbers exceeds 362 per annum. Information from the University of Exeter suggests that average annual growth in student numbers is likely to stay below this figure for the next 5 years at least. Therefore, there is no need to uplift the local housing need figure to take account of future growth at the University.

Table 30: Number of students at the University of Exeter (excluding Cornwall Campuses), 2009/10 to 2013/14[35]

Year	Full time equivalent students (excluding overseas students)	Less part time students	Less student living at home
2009/10	14,852	14,236	13,738
2010/11	15,333	14,828	14,309
2011/12	15,987	15,529	14,985
2012/13	15,852	15,360	14,822
2013/14	16,512	16,017	15,546

Table 31: Options to determine the number of student homes required over the GESP plan period

Option	Annual average student growth (A)	Average size of an all-student household (B)	Future annual student housing requirement (A/B – 10%)
1. Determine based upon past average annual growth at the University (1995/96 to 2015/16)	496	3.6	123 dwellings
2. Determine based upon anticipated future average annual growth at the University (2015/16 to 2020/21)	229	3.6	57 dwellings

35. Data provided by the University of Exeter, July 2018.

How many student homes are required over the GESP plan period?

10.10 The Assessment suggests that the number of student homes required over the GESP plan period can be determined based upon:

- past average annual growth at the University of Exeter during the period covered by the migration data that underwrites the local housing need figure; or
- anticipated future annual growth at the University of Exeter.

10.11 These options are summarised in Table 31. For each option, the average size of an 'all-student' household living in the private rental sector in England at the time of the 2011 Census (2.5 students) is applied to the relevant growth rate, to give an annual dwelling requirement.

10.12 As table 31 shows, basing the future annual student housing requirement upon past trends results in a requirement for 145 student dwellings per annum. Basing the future annual student housing requirement upon anticipated future growth at the University results in a requirement for 92 student dwellings per annum.

Conclusions

10.13 The Assessment undertaken by ORS allows the following conclusions to be drawn:

- The only University / Higher Education establishment likely to exert pressure on the GESP's housing market in the foreseeable future is the University of Exeter.

- Students are included in the migration data that underwrite the ONS sub-national population projections, that in turn underwrite the ONS sub-national household projections upon which the GESP's local housing need figure is based. The migration data upon which the GESP's local housing need figure is based captures more student growth than the University was planning for in the future at the time of the ORS Assessment. Students will continue to be fully included in the GESP's local housing need figure unless the average growth in their numbers exceed 362 per annum. This will need to be monitored by the GESP authorities. Provided that average annual growth remains below 362, there is no need to uplift the local housing need to take account of future growth at the University.

- The student housing requirement for the GESP plan period amounts to between 92 and 145 student dwellings per annum, depending upon whether it is determined using past or projected future growth in student numbers. Provision of purpose built student housing in excess of these figures may help to free-up Houses in Multiple Occupation in the private sector that are currently occupied by students.

11.0 ACCOMMODATION FOR GYPSIES AND TRAVELLERS / TRAVELLING SHOWPEOPLE

Introduction

11.1 In August 2015, the Government published revised guidance on planning policy for gypsy and traveller sites[36]. The guidance provides high level advice on how to achieve the Government's overarching aim of 'ensuring fair and equal treatment for travellers, in a way that facilitates the traditional and nomadic way of life of travellers while respecting the interests of the settled community'. It requires local planning authorities to set pitch targets for gypsy and travellers and plot targets for travelling show people, which address the likely residential/ permanent and transit accommodation needs of travellers in their area.

11.2 A Devon-wide (excluding the local authorities of South Hams, West Devon and Plymouth) assessment of gypsy and traveller accommodation was undertaken in 2014/15[37] (hereafter referred to as the GTAA), covering the period 2014/15 to 2034/35. Data collection and analysis for the GTAA followed earlier Government practice guidance[38] and included a review of existing secondary information (literature and secondary data analysis), consultation with organisations involved with gypsy and traveller issues and face-to-face surveys with gypsies and travellers. Although the GTAA pre-dates the publication of the aforementioned revised Government guidance, it is consistent with the aims/policies of that guidance. In particular, the GTAA:

- accords with Policy A of the guidance as it incorporates community engagement with both settled and traveller communities; and cooperation with travellers, their representative bodies and local support groups, other local authorities and relevant interest groups;
- uses a robust evidence base to establish accommodation needs.

11.3 Therefore it is considered that the GTAA provides a sound basis for assessing the accommodation needs of gypsies and travellers (including Travelling Showpeople) over the GESP period.

Requirement for gypsy and traveller residential pitches

11.4 The GTAA concludes that there is a gross need for the provision of 172 additional permanent gypsy and traveller residential pitches across the GESP area over the period 2014-2034. This figure of is broken down by GESP authority in column C of Table 32. Columns D and E show that good progress is being made towards meeting the need. Since 2014, 80 of the required pitches have been delivered and East Devon, Mid Devon and Teignbridge District Councils have consented and/or adopted or consulted on Local Plans that commit to the provision of a further 70 pitches. This leaves an unmet need across the GESP area of 22 pitches against the 2014-2034 requirement identified by the GTAA.

11.5 The time horizon for the GESP is 2040, which is six years beyond that of the GTAA. The GTAA concludes that an average of 3.93 (rounded up to 4) new pitches are needed within the GESP area each year between 2019 and 2034[39]. When this annual average figure is projected forwards, it suggests that 24 additional pitches will be required over the period 2034 to 2040. This is shown in column G of Table 32.

36. Planning policy for traveller sites. DCLG. August 2015. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/457420/Final_planning_and_travellers_policy.pdf
37. Devon Partnership Gypsy and Traveller Accommodation Assessment 2015. RRR Consultancy Ltd. https://exeter.gov.uk/media/1701/gypsy-and-traveller-accommodation-assessment-2015.pdf
38. Gypsy and Traveller Accommodation Assessments. DCLG. October 2007. Local Housing Assessment: A Practice Guidance. DCLG. March 2005.

39. 1 in East Devon, 0.2 in Exeter, 1.33 in Mid Devon and 1.4 in Teignbridge = 3.93 in total

Table 32: Requirement for permanent gypsy and traveller residential pitches in the GESP Area, 2014-2040								
District	**A Net need for additional pitches 2014-2034**	**B Planning consents for additional pitches at 01.04.2014**	**C Gross need for additional pitches 2014-2034 (A+B)**	**D Completions 01.04.2014 – 01.04.2018**	**E Commitments at 01.04.2018**	**F Unmet need at 01.04.2034 (C-D-E)**	**G Additional need 2034-2040**	**H Net need 2018 – 2040 (F+G)**
East Devon	37	6	43	6	30	7	6	13
Exeter	8	0	8	0	0	8	1	9
Mid Devon	35	20	55	30	26	-1	8	7
Teignbridge	37	29	66	44	14	8	9	17
GESP Area Total	**127**	**55**	**172**	**80**	**70**	**22**	**24**	**46**

11.6 Allowing for unmet need at April 2018 and additional need for the period 2034 to 2040, column H of Table 32 shows that there is a net requirement to provide 46 additional gypsy and traveller pitches within the GESP area over the period 2014-2040.

Requirement for gypsy and traveller transit pitches

11.7 The GTAA identifies a need for the provision of 4-5 additional transit sites in the study area during the period 2014-2019, each containing 4-5 pitches. There is no identified requirement for additional transit sites between 2019 and 2034, based upon assumptions about vacancy rates and spare capacity together with an expectation that the extent of travelling is unlikely to increase in the future.

11.8 The GTAA advises that it would be most appropriate to locate the additional sites in areas where unauthorised encampments are most likely to occur, specifically the Torbay, Torridge, Exeter or North Devon local authority areas. No planning consents for new transit sites have been granted in these 4 local authority areas since the GTAA was published. The Torbay Local Plan (2012-2030) does not make provision for new transit sites. However, the North Devon and Torridge Local Plan (2011-2031) proposes that at least two transit sites of 4-5 pitches each will be delivered during the plan period. This indicates that there is an unmet need for at least 2 additional transit sites of 4-5 pitches in the GTAA study area, against the requirement identified in the GTAA.

11.9 In addition to this requirement, one transit site of 10 pitches (within Teignbridge) has been lost in the GESP area since the GTAA was published (the site was converted to a permanent use). This would suggest an additional requirement for 1 transit site specifically within the GESP area.

11.10 Given the GTAA's findings and planned provision to date, it is concluded that there is a net requirement to provide an additional 2 transit sites of 4-5 pitches and 1 transit site of 10 pitches within the GESP area. Ideally the sites should be located in close proximity to the key transport corridors of the M5, A30 and A38 and should be provided as early as possible within the GESP plan period. Alternatively, sites may be provided on a 'negotiated stopping' basis rather than through specific site allocations.

<table>
<tr><th colspan="7">Table 33: Requirement for travelling showpeople plots in the GESP Area, 2014-2040</th></tr>
<tr><th>District</th><th>A Gross need for additional plots 2014-2034</th><th>B Completions 01.04.2014 – 01.04.2018</th><th>C Commitments at 01.04.2018</th><th>D Unmet need at 01.04.2034 (A-B-C)</th><th>E Additional need 2034-2040</th><th>F Net need 2018 – 2040 (D+E)</th></tr>
<tr><td>East Devon</td><td>3</td><td>0</td><td>3</td><td>0</td><td rowspan="4">3</td><td rowspan="4">12</td></tr>
<tr><td>Exeter</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Mid Devon</td><td>11</td><td>0</td><td>2</td><td>9</td></tr>
<tr><td>Teignbridge</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>GESP Area Total</td><td>14</td><td>0</td><td>5</td><td>9</td><td>3</td><td>12</td></tr>
</table>

Plot requirement for travelling showpeople

11.11 The GTAA identifies a need in the Study area for the provision of 14 additional plots for travelling showpeople during the period 2014-34. The entire need is identified as deriving from the GESP local authority areas of East Devon and Mid Devon, as shown in column A of Table 33. Commitments to deliver 5 of these 14 plots are contained within the adopted East Devon Local Plan (3 plots) and the emerging Mid Devon Local Plan (2 plots) (column C), leaving an unmet need of 9 plots.

11.12 To calculate the need for additional plots during the period 2034-2040 (the GESP period not covered by the GTAA), the annual average plot requirement identified in the GTAA for 2019-2034 (0.53) has been multiplied by 6. This suggests that in addition to the 9 plots required by 2034, a further 12 plots will be required within the GESP area to cover the period 2034 and 2040 (column E).

Conclusions

11.13 Based upon the findings of the GTAA, and allowing for commitments and completions at April 2018, it is concluded that there is an unmet need for the following accommodation for gypsies and travellers (including travelling showpeople) during the GESP plan period to 2040:

Table 34: Summary of gypsy and traveller (including travelling showpeople) accommodation needs to 2040		
Gypsy and traveller residential pitches	**Gypsy and traveller transit pitches (or negotiated stopping areas)**	**Travelling showpeople plots**
46	3*	12

*To be provided as early as possible within the GESP plan period and within or as close as is practically possible to Exeter's local authority area.

11.14 To comply with Policy B of the revised Government guidance, the GESP authorities will need to address the accommodation needs summarised in Table 34. The GESP provides on an opportunity to address these needs on a cross-authority basis, to provide more flexibility in identifying sites. One policy option may be to allocate land within the GESP's strategic allocations to meet the housing needs identified in Table 34.

12.0 SERVICE FAMILIES

Introduction

12.1 The armed forces in the UK consist of the Naval Service, including the Royal Navy and Royal Marines, the Army and the Royal Air Force. The armed forces community includes serving personnel and their families, together with veterans and their families.

12.2 The armed forces currently have two bases in the GESP area. The Army has a base at Wyvern Barracks in Exeter and the Royal Navy has a base at the CTCRM Commando Training Centre in Lympstone (East Devon).

Requirement for Service Family housing

12.3 There is no Government guidance on how local authorities should assess the housing requirements of service families. However, the household projections that form the basis of the GESP's local housing need figure include service families. As such, there is no need for the GESP LHNA to make an allowance for service family housing in addition to the local housing need figure.

12.4 The MoD, via its Occupancy Services arm, has confirmed that there is no known intention to expand its requirement for service family housing in the wider Exeter area, either now or in the foreseeable future. As such, it is concluded that there is no need to identify a specific requirement for additional service family housing as part of the GESP's local housing need figure. This is supported the data in Tables 35 and 36, which indicate a declining presence of service personnel in the GESP areas over the past 6 years[40].

Conclusions

12.5 There is no need for the GESP to make an allowance for

Table 35: MoD Personnel by GESP Authority

District		Personnel at 1 April 2012	Personnel at 1 April 2018
East Devon	Military	1,800	1,340
	Civilian	100	90
Exeter	Military	50	50
	Civilian	40	40
Mid Devon	Military	0	0
	Civilian	0	0
Teignbridge	Military	0	0
	Civilian	70	0
Total		**2,060**	**1,590**

40. https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2018

service family housing in addition to the figure for local housing need. Neither is there a need to identify a specific requirement for service family housing from within the GESP's local housing need figure.

Table 36: Regular Forces Personnel by GESP Authority*			
District		**Personnel at 1 April 2012**	**Personnel at 1 April 2018**
East Devon	RN/RM Officers	1,790	1,330
	Army Total	10	0
	RAF Total	0	0
Exeter	RN/RM Officers	0	0
	Army Total	40	40
	RAF Total	10	10
Total		**1,850**	**1,380**
*No personnel were located in Mid Devon or Teignbridge Districts.			

13.0 GLOSSARY

Term	Description
Affordability ratio	An affordability ratio is a comparison of house prices with workplace earnings. The affordability ratio used in the proposed standard approach for assessing local housing need compare median house prices to median workplace earnings at local authority level.
Affordable housing	The Government's definition of affordable housing is 'housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is essential for local workers); and that complies with one of more of the following definitions: a) affordable housing for rent; b) starter homers; c) discounted market sales housing; d) other affordable routes to home ownership. See the NPPF, Annex 2, for detailed definitions of a-d - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728643/Revised_NPPF_2018.pdf
Custom and Self-Build housebuilding	Where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.
Gypsies and travellers	For the purposes of planning policy, the Government defines 'gypsies and travellers' as 'Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.'
Travelling showpeople	For the purposes of planning policy, the Government defines 'travelling showpeople' as 'Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family's or dependants' more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily, but excludes Gypsies and Travellers as defined above.'
People with disabilities	The definition in the NPPF (February 2019) is 'people…(with) a physical or mental impairment, and that impairment has a substantial and long-term effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs'.
Pitch	For the purposes of planning policy, the Government defines 'pitch' as a residential pitch on a gypsy and traveller site. A pitch is usually occupied by one family unit and is intended for long-term use.
Plot	For the purposes of planning policy, the Government defines 'plot' as a pitch on a site for travelling showpeople. As well as dwelling units, travelling showpeople often keep their commercial equipment on a plot.
Transit	A site/pitch intended for short term use, with a maximum period of stay.

APPENDIX A

Greater Exeter Councils: Custom and Self Build Demand Assessment Framework. July 2018. Three Dragons.

Greater Exeter Councils

Custom and Self Build

Demand Assessment Framework

July 2018

Three Dragons

FINAL REPORT

EXECUTIVE SUMMARY

1. Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self- builder doing everything, through to a full 'design & build' approach with the self-builder commissioning contractors to build their homes for them. 'Custom build' models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.

2. This report has been prepared for the planning authorities of Greater Exeter i.e. East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council (referred to in the report as the Greater Exeter Councils). The report provides information to assist the authorities in planning for custom and self-build housing, responding to national legislation, policy and guidance, in the context of local demand. The report is divided into three parts

   - Part A –The national position
   - Part B – The local context
   - Part C – Demand estimate

Part A – The national position

3. The key requirements of the legislation are set out in two acts of Parliament, The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016, with guidance given by two main statutory instruments. The Acts introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as "the Right to Build"), requiring them to:

   - prepare, publicise and maintain a register of individuals and associations of individuals "*who are seeking to acquire serviced plots of land*";
   - have regard to the register "*when carrying out their planning, housing, land disposal and regeneration functions*"; and
   - give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Part B – The local context

4. The Greater Exeter councils have either already adopted policy regarding CSB (East Devon and Teignbridge) or have included specific policies in their emerging plans (Exeter, Mid Devon). In summary there are two main policy approaches: one is to *encourage* CSB development (East Devon, Exeter) and the other *requires* that a specific percentage of plots are delivered for CSB (Mid Devon, Teignbridge).

5. A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by CIL exemptions and single dwelling completions)

indicates that most of the apparent demand is being met through small site developments. A very broad estimate of the current pattern by authority is:

- East Devon: – demand of about 20—30 households pa, notional supply about 50 pa;
- Exeter – demand of about 10–15 households pa, notional supply about 15 pa;
- Mid Devon – demand of about 15 households pa, notional supply about 15 pa;
- Teignbridge – demand of about 70—100 households pa, notional supply about 25 pa.

6. The above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. The case of Teignbridge illustrates how registers for different authorities can produce very different numbers, implying that the scale of demand shown by registers may be as much a reflection of the approach taken to promoting CSB as differences in patterns of demand.

Part C – Demand estimate

7. In order to understand whether the registers provide a true reflection of demand, Three Dragons, with the support of the Right to Build Task Force, has developed an alternative model for determining underlying longer-term demand for CSB at local level. The model measures the potential for households in an area (on their own or by working with others in a group or 'association') to develop their own home – as custom or self-build. It compares the national profile of potential custom and self-builders with the profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values as well as availability of finance will have an impact on this.

8. Headline results from the modelling are shown in the table below.

Table 1: Modelled demand for CSB plots

	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)[1]
East Devon	61	67	6
Exeter	76	83	10
Mid Devon	44	47	4
Teignbridge	68	74	6
Greater Exeter Councils Total	249	271	26

[1] As part of the overall demand for CSB

Implications

9. The demand assessment model indicates that potential demand for CSB development is greater than the CSB registers would suggest – with the exception of Teignbridge where the model and the register indicate broadly similar levels of demand.

10. Some CSB development is already occurring across the Greater Exeter area (mainly through single plots and other very small schemes) but the current rates of supply fall below the potential demand indicated by the modelling (to different degrees in different authorities). This implies that positive action will be required by the authorities to enable faster rates of CSB development in their areas.

11. As a guideline, we recommend the following levels of provision for CSB to be facilitated through the local plan process. The figures are on an annual basis.

    East Devon – 60 units (of which, on past trends, c50 units can be expected to come from planning applications on small sites; however it should be noted that estimating the current supply of CSB units has proved particularly uncertain in the case of East Devon and the 50 dwelling supply figure is towards the upper end of the possible range);
    Exeter – 70-75 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites); we have presented this as a range because a proportion of student households in Exeter will be present in the modelling and a figure towards the lower end of the range is likely to be the more robust;
    Mid Devon – 45 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites);
    Teignbridge – 70 units (of which, on past trends, c25 units can be expected to come from planning applications on small sites).

    The above figures should not be viewed as maximum. There may be circumstances which would support provision of a greater number of CSB plots.

12. Based on our analysis of demand from different ages and household types, we suggest planning for plots types in all four Greater Exeter councils on the basis of:

    - 15% - low cost/small plots/terrace style developments;
    - 40% - suitable for 3 bed semi/detached homes;
    - 45% - suitable for 4 or 5 bed detached homes.

13. As shown in Table 1 above, we anticipate there will be some demand for affordable CSB plots, most likely delivered as shared ownership or shared equity (but not to preclude CSB Affordable Rent if that were to come forward). On average this will be around 10% of modelled demand (although there is some variation between authorities). National data indicates that take up of (non CSB) shared ownership housing tends to be from younger and smaller households. Therefore we would suggest that 75% of the affordable CSB plots should be smaller units aimed at this market and the remaining 25% for larger families.

14. The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force[2] has supported its development and continues to work with Three Dragons on its application.

[2] The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

1 INTRODUCTION

Purpose of the Demand Assessment Framework

1.1 Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self- builder doing everything, through to a full 'design & build' approach with the self-builder commissioning contractors to build their homes for them. 'Custom Build' models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.

1.2 There is no doubt that custom and self-build homes can help provide a diverse mix of local housing and widen the potential for home ownership as well as providing new affordable housing options. Custom and self-build can also help encourage small and medium sized builders to diversify their businesses and take advantage of a wider range of customers.

1.3 The Government has recognised these benefits and has steadily introduced measures to support the growth of Custom and Self-Build (CSB) housing.

The Framework Report

1.4 This report has been prepared for the planning authorities that make up the Greater Exeter Strategic Plan (GESP) area i.e. East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council (referred to in the report as the Greater Exeter Councils). The report provides information to assist the authorities in planning for custom and self build housing, responding to national legislation, policy and guidance in the context of local demand. The report is divided into three parts:

Part A –The National Position:

1.5 A summary of the relevant legislation and guidance and other actions the Government is taking to support CSB housing. Part A includes definitions of custom and self-build;

Part B – The Local Context

1.6 A review of relevant local authority policies (including its local plan and other guidance e.g. SPD[3]), current estimates of demand (including from the Custom and Self-Build Register as well as from the authority's SHMA[4]) and progress in meeting demand for CSB housing;

Part C – Demand Assessment

1.7 An assessment of future demand for CSB – for the next 5 years in detail, with broad estimates for the following 10 years. Estimates of the make-up of the demand (e.g. size of dwellings, affordable housing) are also provided.

---

[3] Supplementary Planning Document
[4] Strategic Housing Market Assessment

1.8 The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force[5] has supported its development and continues to work with Three Dragons on its application.

[5] The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

2 NATIONAL CONTEXT

What is custom and self-build housebuilding

2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by Section 9 Housing and Planning Act 2016) sets out a statutory definition of Self-build and Custom housebuilding as:

> "(A1) In this Act "self-build and custom housebuilding" means the building or completion by—
> (a) individuals,
> (b) associations of individuals, or
> (c) persons working with or for individuals or associations of individuals,
> of houses to be occupied as homes by those individuals.
> (A2) But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person."

2.2 National Planning Practice Guidance interprets the definition of Self-build and Custom housebuilding as being:

".....where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals."[6]

2.3 In simple terms, CSB is generally recognised as a form of housebuilding where the purchaser buys a building plot and funds their own build. This early acquisition gives them scope to influence the design and build of their home, either on their own or by working with others in a group or 'association'.

2.4 The legislation does not distinguish between self-build and custom housebuilding and, in practice, there is a spectrum of options between the two. One definition of the difference was put forward by the former Minister for Housing and Planning, Brandon Lewis, in the House of Commons on 24 October 2014, where he said:

*"[the] definition of **'Self Build'** covers someone who directly organises the design and construction of their new home, while **'Custom Build'** covers someone who commissions a specialist developer to help to deliver their own home. …."*

2.5 The National Custom and Self Build Association (NaCSBA) has provided a more detailed description of the differences between self-build and custom housebuilding:

[6] Planning Practice Guidance Paragraph: 016 Reference ID: 57-016-20170728

> ***Self-build*** *is when someone gets involved in, or manages, the construction of their new home (with or without the help of subcontractors).*
>
> ***Custom build*** *is when people commission the construction of their home from a developer/enabler, builder/contractor or package company. With 'custom build' the occupants usually don't do any of the physical construction work but still make the key design decisions.*

2.6 Both of the above forms of housebuilding provide routes into home ownership for individuals and groups or associations of individuals who want to play a role in developing their own homes. Clearly there is a blurring in the distinction between the two forms of housing but, in terms of how they are treated for planning purposes, regulation, exemptions and outcome are the same whatever route the self-builder takes. However each build route will require different types of plot to be made available.

2.7 CSB housing is not, of itself, Affordable Housing as set out in the National Planning Policy Framework (NPPF) although CSB housing can produce cost savings compared to market housing. Models of CSB housebuilding are emerging which more directly fall within the NPPF definition of Affordable Housing, for example, as intermediate market products such as shared ownership and discount market sale. There are also a small number of schemes of CSB housing which are developed as Affordable Rent.

2.8 The delivery of self-build and custom housing through affordable housing policies is now starting to be found in local plans[7].

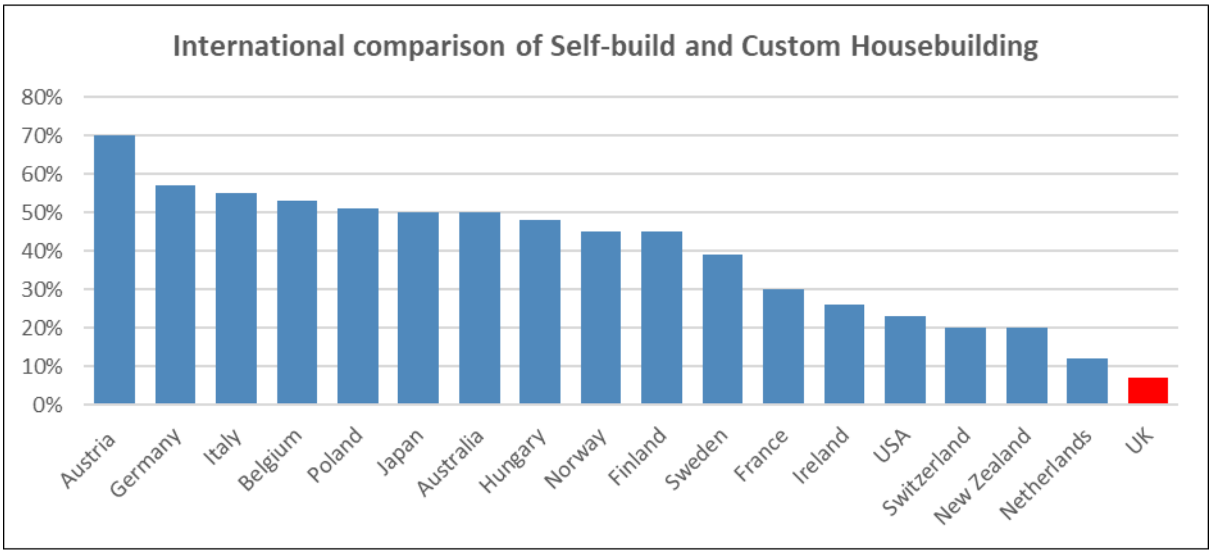
2.9 CSB homes can be undertaken by local community groups. The groups can be organised in different ways, for example as co-operatives or co-ownerships or through community land trusts. Community groups may have a common purpose and wider community objectives or may simply provide a means for individuals to build/commission their own home. Housing associations, local authority housing companies and specialist organisations such as the Community Self Build Agency can also bring forward affordable CSB housing schemes.

Custom & self-build Housing Delivery Rates

2.10 The CSB sector currently completes about 13,000 homes each year in the UK. At this rate, the UK lags well behind other European countries and those elsewhere in the world in terms of the contribution from Self-build and Custom housing development to overall housing numbers (see below).

[7] For example, see a) Consultation on Preferred Scale and Distribution of Development – Shropshire Local Plan Review para 6.27 https://www.shropshire.gov.uk/get-involved/local-plan-review-preferred-scale-and-distribution-of-development/ (and https://www.shropshire.gov.uk/media/8588/build-your-own-affordable-home-information-pack.pdf) b) Cornwall Local Plan adopted Nov 2016 para 2.29 http://www.cornwall.gov.uk/localplancornwall and c) Torbay Local Plan adopted Dec 2015 policy H3 http://www.torbay.gov.uk/council/policies/planning-policies/local-plan/new-local-plan/

Figure 2.1 International comparison of Self-build & Custom Housebuilding



Source: NaCSBA (2016, unpublished)

2.11 There is no single explanation to account for the scale of difference in incidence of self-building between similar countries but various hypotheses have been put forward. A study by the University of York suggests that important factors may be "*historic developments within housing and planning systems, the propensity of the government to provide housing, and the emergence of large volume housebuilders and/or local commitments to the ethos of homeownership*[8]". A recent parliamentary research paper suggests that the level of local authority support for community projects is greater in countries with higher rates of self-building[9].

2.12 The Government stated in the White Paper '*Fixing our broken housing market'* that it wants to support the growth of custom and self-build housing to help drive the diversification of the housing market in England, boost housing supply and give more people more choice over the design of their own home. Alongside two Acts of Parliament and associated regulations (see below), the Government supported the establishment of an industry-led Right to Build Task Force to support delivery, as recognised in the White Paper.

Key requirements of the legislation

2.13 Two acts of Parliament set out the responsibilities of local authorities to help promote CSB housing. The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016 introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as "the Right to Build"). This legislation requires local authorities to:

- prepare, publicise and maintain a register of individuals and associations of individuals "*who are seeking to acquire serviced plots of land*";

[8] Build it Yourself? University of York Spring 2013 p16 – based on previous research 'Self-provided housing in developed societies' Dol et al 2012

[9] Parliamentary Research Paper 06784 Self-build & Custom Build Housing (England) March 2017 see p5 – example given of how municipality of Belin actively seeks to help self-builders (quoting a speech by Richard Bacon MP)

- have regard to the register "*when carrying out their planning, housing, land disposal and regeneration functions*"; and
- give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Preparing and managing the Register

2.14 As of 1 April 2016 all relevant authorities in England (including all local planning authorities) are required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority's area in order to build houses for them to occupy as homes. According to NaCSBA, all relevant authorities have now established their Self-build and Custom Housebuilding Register.

2.15 For an individual or organisation to be eligible to join the register they must:

- be aged 18 or over;
- be a British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland;
- be seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority's area for their own Self-build and Custom housing project; and
- have paid any fee required by the relevant authority and complied with any financial solvency test, if introduced (see below).

2.16 Authorities cannot preclude anyone who wishes to join the register and who fulfils the above criteria. However, authorities can separate the register into two parts (Part 1 and Part 2) if they introduce a local connection test, with those people who meet such a test being placed on Part 1 of the register. Those who meet all of the eligibility criteria except for the local connection test must be entered onto part 2 of the register. This does not apply to members of the armed forces.

2.17 Conditions for a local connection are very broadly defined in legislation and it is largely left to the authority to decide the criteria they want to use *"as the authority reasonably considers demonstrate that the individual has sufficient connection with the authority's area."*, provided such a test is justified, proportionate and introduced in response to a recognised local issue. Government guidance also says such tests should be reviewed periodically to ensure they remain appropriate and are still achieving their desired effect.

2.18 The effect of this in practice is that the requirement to give suitable development permission for enough serviced plots of land to meet the demand on the register only applies to the number of households entered on Part 1 of the register (although it does not have to be those same households who apply for permission to develop custom or self-build housing).

2.19 Authorities can also introduce an optional eligibility test, the financial solvency test, which can be used to assess whether an applicant can afford (ie. has sufficient resources) to purchase the plot of land there are seeking.

2.20 Once on a register, there are only two ways in which an individual (or association of individuals) can be removed. The first is if the individual or association of individuals request it. The second is if the local authority considers the individual or association of individuals to no longer be eligible, or to have already acquired land to build their home or where they fail to pay any fee required.

2.21 The legislation does not require authorities to check whether those on the register remain interested in obtaining a serviced plot to build their own home.

2.22 Further details on preparing and maintaining a register are found in the Self-Build and Custom Housebuilding Regulations 2016[10] and The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016[11].

Assessing the number of serviced plots to be provided

2.23 The Housing and Planning Act 2016 places a duty on local authorities in England to "*give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area………*" This includes land which has 'permission in principle'[12]. The duty came into force on 31 October 2016.

2.24 Authorities have a rolling three-year deadline in which to respond to the level of demand established in their registers each year, ending 30th October. Where an authority has two parts to its register, it does not need to make provision for the demand identified in Part 2 but the level of interest across both parts of the register is a measure of the strength of demand for custom and self-build plots and must be taken into account by the authority in undertaking its planning, housing, regeneration and land disposal functions.

2.25 The regulations define a series of 'base periods' used to determine the number of serviced plots to be provided. The first base period ended 30 October 2016 (all names on that register as of 30 October 2016 must be taken into account for purposes of the duty to provide plots). Subsequent base periods run 31/10-30/10 each year, on a rolling basis (i.e. the second base period ended 30/10/17, the third base period will end 30/10/18 and so on. Once accepted onto the register, the local authority must count individuals on the register for the base year on which they were accepted.

2.26 Local authorities must provide plots to meet demand for <u>each</u> base period within the three years after the end of the base period. This is illustrated in the following example for Local Authority A:

[10] http://www.legislation.gov.uk/uksi/2016/950/made SI 950 (2016)
[11] http://www.legislation.gov.uk/uksi/2016/1027/made SI 1027 (2016)
[12] Section 10 of the Self-build & Custom Housebuilding Act 2016 allows for land allocated on part 2 of a brownfield register to be considered towards Custom and Self Build provision even though the site must receive a grant of technical details consent before development can actually proceed; from June 2018 it will also be possible to apply for PIP.

> *In base period one – to 30/10/16 – 50 names were added to the register – the authority has until 30/10/19 to make provision for 50 serviced plots.*
>
> *Then in base period two - 31/10/16 and 30/10/17 – 100 names were added to the register – the authority has until 30/10/20 to make provision for another 100 serviced plots.*
>
> *Then in base period three - 31/10/17-30/10/18 – 30 names are added to the register - the LA has until 30/10/21 to provide a further 30 plots, and so on.*

2.27 Authorities need to be aware that the legislation does not allow for a reduction in the requirement for 'suitable development permission' if names on the register at the **end of a base period** are subsequently withdrawn by the individual or removed by the authority (because they are no longer eligible). Authorities therefore need to be very careful to ensure names entered onto the register are eligible and still interested in obtaining a plot at the **end of the base period**. Authorities can ask people to re-register if optional eligibility tests have been introduced and/or to check if people who are registered will wish to remain on the register. This provides the ability to remove people from the register if they are no longer deemed to be eligible[13]. However, this **will not affect** the established demand for previous base periods described above.

2.28 Local authorities may apply for an exemption from the requirement to provide serviced plots to meet the numbers on their register if, for any base period, the number is greater than 20% of the land identified by the authority as being available for future housing[14]. In this case, the number of plots required is capped at 20% of available land. The exemption applies only to the relevant base period(s).

2.29 This does not affect the duty of local authorities to have regard to their register when carrying out their planning, housing, land disposal and regeneration functions.

2.30 Government guidance provides more detail on how the exemption works in practice, including the process for applying for an exemption.

Providing serviced plots

2.31 The duty placed on local authorities is to give suitable development permissions for enough serviced plots of land to meet the demand for self-build and custom housebuilding in their area. This is not a duty on authorities to directly provide the serviced plots themselves or to ensure that plots are allocated to those households on the register. Neither is it a duty to match (i.e. specifically meet) the requirements expressed by those on the register. Government guidance instead advises that local authorities should use the preferences expressed by those on their register to guide decisions when discharging their duties under the legislation.

[13] If an applicant fails to meet eligibility on the grounds of local connection alone (but wishes to remain on the register) they can only be removed from pt1 – they must remain on pt2, which is the part of the register that is not counted towards the requirement for serviced plots

[14] http://www.legislation.gov.uk/uksi/2016/950/made

2.32 A serviced plot is one with access to a public highway and has connections for electricity, water and waste water or, if this is not immediately available, can be provided in specified circumstances and within a specified period. This allows infill development on land alongside a road frontage to be considered as serviced. There is no specific expectation that services must be physically connected to the plot of land at the time of grant of planning permission.

2.33 Local authorities can meet their obligations in a variety of ways including, for example:

- direct provision of serviced plots on their own land (or in partnership with another landowner - a public body or a private landowner);
- through a plan policy that requires new development to make provision for a proportion of plots as part of the development; the plots are then secured at the time of a planning permission through a section 106 agreement;
- by seeking to encourage and permit applications, either as windfall or as part of a larger, allocated site.

2.34 Depending on the form of CSB housing, there may be implications for the viability of the development. This requires careful assessment alongside other community benefits such as affordable housing, both when preparing local plans and in decisions about individual applications.

The Community Infrastructure Levy

2.35 Custom and self-build housebuilding is exempt from paying the Community Infrastructure Levy. The exemption applies to anybody who is building their own home or has commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property and occupy it as their principal residence for a minimum of 3 years after the work is completed.[15]

Wider duties of local planning authorities

2.36 The NPPF asks local planning authorities to assess the demand for CSB housebuilding and use their local plans to meet such demand (Paragraphs 50 and 159)[16].

2.37 In terms of assessing demand, Government guidance[17] sets out that local authorities should use the information from their registers, supported as necessary by data from other sources, when preparing their Strategic Housing Market Assessment (SHMA) to understand and consider future need for such housing locally.

2.38 In terms of plan-making, the Government's intentions were highlighted in a letter from the Minister for Housing and Planning to all English local authorities on 5 March 2015. This made it clear that plans risk being found unsound if they fail to provide sufficient evidence to demonstrate that they have taken the demand for people who want to build their own homes into consideration.

---

[15] For more details of the operation of the exemption see Planning practice Guidance - 135 Reference ID: 25-135-20140612 through to 153 Reference ID: 25-153-20140612 see also CIL reg 54a which defines self-build housing as 'a dwelling built by P (including where built following a commission by P) and occupied by P as P's sole or main residence' (where P is a 'Person')

[16] Para 62 in draft review of NPPF March 2018

[17] PPG ref 57-011-20160401

2.39 In the Government's 2017 consultation on a proposed new approach to assessing housing need its stated objective was to, "……*make it easier for local planning authorities to identify the need for other types and tenures in their area…" "These include, but are not limited to… Self-build and custom-build development*"[18].

2.40 The recent consultation draft of the NPPF (published in March of this year[19]) does not introduce any radical change to the way CSB is defined or delivered. However, there are several proposals that could have an impact on the way local authorities plan for CSB, including those discussed in the following paragraphs.

2.41 The first is a proposed policy from which CSB is to be excluded. This is a requirement that, "*Where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership."* As CSB readily lends itself to providing affordable home ownership as its contribution to affordable housing, this could be unhelpful – leaving CSB to rely more heavily on Affordable and Intermediate Rent to make up any required percentage of affordable housing. This possible consequence of the draft NPPF may not have been foreseen (see para 65).

2.42 In addition the draft NPPF includes an obligation on planning authorities to, "*ensure that at least 20% of the sites identified for housing in their plans are of half a hectare or less*". If this leads to an increase in the number of small sites allocated in plans, this could be a useful way of extending the range and type of sites suitable and available for CSB (see para 69).

2.43 Also with possible implications for CSB is where planning authorities are asked to support proposals for, "..*the development of entry level exception sites, suitable for first time buyers (or those looking to rent their first home)*". Similar to rural exception sites, these sites would be, "…*outside existing settlements, on land which is not already allocated for housing*." If this proposal is taken forward, it might add opportunities for CSB on sites not already allocated (see para 72).

[18] DCLG, Planning for the right homes in the right places: consultation proposals, September 2017

[19] National Planning Policy Framework, Draft text for consultation. MHCLG, March 2018

3 LOCAL CONTEXT

Current and emerging planning policy

3.1 Planning policy for provision of CSB is currently set out in the Greater Exeter planning authorities' adopted local plans. We summarise the current policies in the table on the next page.

Table 3.1: Greater Exeter planning authorities local plan policies

Authority	Document	CSB policy	Update
East Devon	East Devon Local Plan 2013-31 adopted January 2016	**Policy H2**: Range and Mix of New Housing Development says that "*Planning permission will not be granted for new residential development which provides for 15 dwellings or more, or is situated on a site of 0.5 ha or larger, unless it contains a mix of dwelling sizes or comprises predominantly, or totally, of smaller dwellings……… To ensure a variety of housing provision, where possible, developers will be encouraged to make at least 10% of plots available for sale to small builders or individuals or groups who wish to custom build their own homes.*" The submission version of the Local Plan sought to require development of over 15 dwellings to provide CSB but the Inspector commented saying "*I don't see how the planning system can make developers sell land to potential rivals (and at a reasonable price)*" and the policy was amended to 'encourage'. **Para 16.25** recognises the contribution that CSB housing can make towards affordable housing provision and notes that it "*will be welcomed on sites that meet the policies of (the) plan*". **Para 16.30** notes the high number of single plot permissions which are likely to be for CSB dwellings. The paragraph goes on to say that "Developers of larger sites will be encouraged to set aside a proportion of plots for sale to individuals or groups wishing to build their own homes".	The Council is currently preparing a DPD for Cranbrook and stated, as recently as March 2018, that, "*…consultation on the plan itself would probably not now take place until the autumn.*"
Exeter	i) Core Strategy Document (adopted 2012)[20] ii) emerging Development Delivery DPD July 2015 (publication version)[21]	i) The Core Strategy does not reference CSB but does state (para 6.25) that "*All major developments (comprising 10 or more dwellings) should include a mix of house types informed by context, local housing need and the most up to date HMA*" ii) **Para 3.2** discusses housing delivery, stating that "*Most of the sites allocated for housing will continue to be developed by the volume housebuilders; however, community led development and custom or self build schemes can also make an important contribution to meeting housing need. The City Council will continue to work in partnership with housebuilders, communities or individuals wishing to deliver housing in Exeter*".	

[20] https://exeter.gov.uk/corestrategy/
[21] https://exeter.gov.uk/planning-services/planning-policy/emerging-plans-and-guidance/

Authority	**Document**	**CSB policy**	**Update**
Mid Devon	i) Core Strategy adopted July 2007 and DMP adopted Nov 2013[22] ii) Local Plan Review[23] Submitted March 2017. Awaiting examination (following review of the Sustainability Appraisal)	i) The Core Strategy and Development Management policies make no mention of CSB ii) Policy S3: Housing requires that "*developers will supply at least 5% of serviced dwelling plots for sale to self- builders for a period of 12 months per plot and any plots subsequently developed for self-build must be completed within 3 years of purchase by a self-builder*." Policy DM6: Rural Exception Sites, allows CSB housing on RES where this meets the need of the local community and is provided for households with a local connection. Para 2.30 considers the evidence of likely demand, citing the number of plot searches and a local survey. It also sets conditions on the provision of CSB to meet policy requirements in that the property must be marketed as such for 12 months before reverting to the builder's control and that it must be lived in by the self-builder for a period of 3 years (to meet CIL exemption requirements).	
Teignbridge	Local Plan 2013-33 adopted 6th May 2014[24] ii) 'Custom and Self Build Housing SPD' (July 2016).	Policy WE7: Custom Build Dwellings requires that "*on sites of more than 20 dwellings developers will supply at least 5% of dwelling plots for sale to custom builders*". Para 4.21 comments on the ambiguity of the definitions of custom & self-build housing found in regulations and legislation. It concludes that "*Self-build and custom-build are two names for the same product and therefore that definition should be used to interpret this policy*". The SPD provides comprehensive information on the practicalities of delivering CSB including issues such as phasing and the form of S106 agreements.	

[22] www.middevon.gov.uk/residents/planning-policy/adopted-local-plan/
[23] https://www.middevon.gov.uk/residents/planning-policy/local-plan-review/
[24] https://www.teignbridge.gov.uk/localplan

3.2 To a large extent the current local plan policies for CSB reflect the time when they were prepared and adopted. The Teignbridge policy is the most prescriptive (and would be echoed in Mid Devon when their plan is taken forward). Teignbridge (through its SPD) also offers the most comprehensive guidance on how CSB is to be delivered in its area.

3.3 Publication of a draft version of the Greater Exeter Strategic Plan is pending. This provides the Greater Exeter Councils with the opportunity to develop a pan-authority approach to CSB and to reflect longer terms patterns of demand in their policies.

Evidence of demand for CSB

From the Self build register

3.4 Each of the Greater Exeter Councils has a self build register and collects information about the number of households registering in each 'base period'. As discussed in chapter 2, each authority has to give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

3.5 Information provided by the Greater Exeter Councils shows significant variation in the numbers registering across the area as the table below sets out.

Table 3.2: Numbers joining the self-build registers November 2016 to March 2018[25]

Authority	Base period 31/10/2016 to 30/10/17	Base period 31/10/2017 to March 2018
East Devon	43[26]	11
Exeter	21	4
Mid Devon	17	7
Teignbridge	137	36

3.6 The evidence also suggests that there may have been something of an initial surge in demand in the first year of the register but lesser numbers registering in the second year – taking into account that there is only partial data for the second year.

SHMA and other local evidence of demand

3.7 The Strategic Housing Market Assessment[27] for the Exeter housing market area covers all 4 Greater Exeter planning authorities. However, its preparation predates the Right to Build legislation and therefore does not provide any specific evidence of demand for CSB. However, use is made of the SHMA in estimating the level of potential demand for intermediate CSB.

[25] Information supplied by each GESP authority
[26] Includes 3 households on part2 of the register
[27] Exeter Housing Market Area SHMA 2014/15 DCAUK

Notional supply

3.8 There are two available measures of the notional supply of CSB housing that is already taking place (but noting that increasingly authorities are monitoring CSB delivery in its own right).

3.9 The first measure is the number of single dwelling schemes being developed and where it is reasonable to assume that the purchasers will have significant input into the design and layout of their new home. This is not an absolute measure as some single dwellings will be developed on a speculative basis but it is an indication of some elements of the supply. The second, and perhaps more robust measure, is CSB CIL exemptions. But this cannot be guaranteed as an accurate measure of current supply, not least because not all Greater Exeter Councils have had a CIL in place for long enough. Also some CSB households may not be aware they can claim a CIL exemption, or fail to complete the necessary forms and some enablers on larger sites may not take advantage of the CIL exemption for their clients.

3.10 Therefore the figures in the next table should be treated as an indication of the current level of CSB activity rather than an absolute measure.

Table 3.3: Indicative measures of current supply of CSB dwellings[28]

Authority	CIL exemptions		Single dwelling schemes (total dwellings - completions)	
	2015/16	**2016/17**	**2015/16**	**2016/17**
East Devon	unavailable	11 (part year)	80	52
Exeter	12	13	18	10
Mid Devon	unavailable	unavailable	21	10
Teignbridge	17	22	34	19

3.11 A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by CIL exemptions and single dwelling completions) indicates that most of the apparent demand is being met through small site developments. A very rough assessment of the pattern by authority is:

- East Devon – demand of about 20—30 households pa, notional supply about 50 pa;
- Exeter – demand of about 10–15 households pa, notional supply about 15 pa;
- Mid Devon – demand of about 15 households pa, notional supply about 15 pa;
- Teignbridge – demand of about 70—100 households pa, notional supply about 25 pa.

In the case of East Devon there is considerable variance between the number of single dwelling completions across the two years and between single dwelling completions and CIL exemptions (the latter being considerably lower). Therefore we have opted for a conservative 'supply figure' (at 50 dwellings per annum) and accept that this is likely to be towards the upper end of the range.

[28] Information supplied by each GESP authority

3.12 Of course, the above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. The case of Teignbridge illustrates how registers for different authorities can produce very different numbers, implying that the scale of demand shown by registers may be as much a reflection of the approach taken to promoting CSB as differences in patterns of demand. In the next chapter we address this issue by providing an alternative measure of underlying longer term demand for CSB.

4 DEMAND ANALYSIS

Approach to measuring demand

4.1 With the support of the Right to Build Task Force, Three Dragons has developed a bespoke model for measuring demand for CSB at the local level. The model measures the potential for households in an area to develop their own home (on their own or by working with others in a group or 'association') – as custom or self-build. The model compares the national profile of potential custom and self-builders (using data provided by NaCSBA for this exercise[29]) with a profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values[30] as well as availability of finance will have an impact on this.

4.2 The model also takes into account that the custom and self-builders identified will not all be ready to build on day-one. Our research shows that from being ready to purchase land to project completion takes on average 2-3 years[31]. This is reflected in the demand modelling which gives results on an annual basis[32]. It can also be assumed that in future years demand for CSB will grow or contract dependent upon future growth in the population.

4.3 The diagram below illustrates the process of modelling demand for CSB.

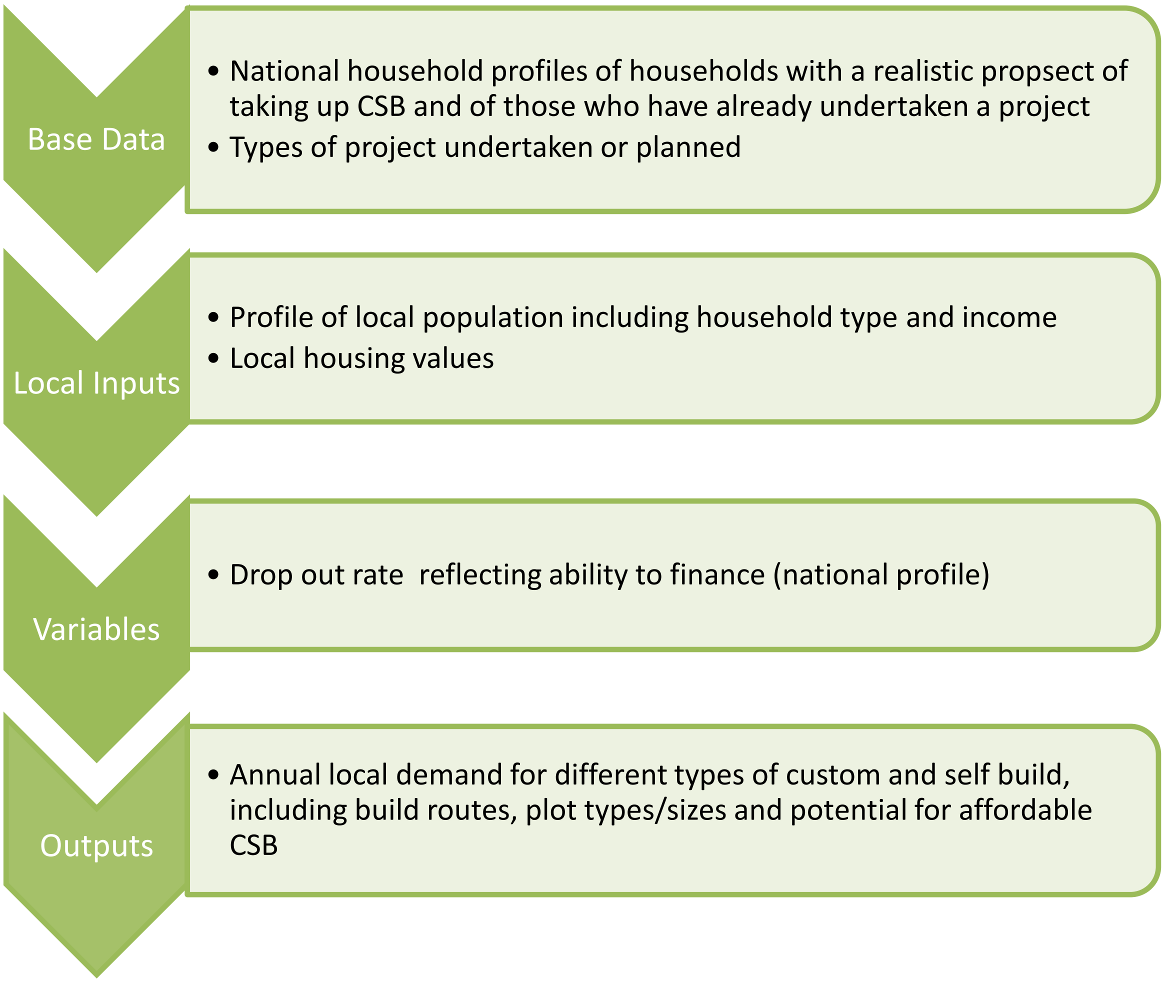
[29] Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished) alongside profile of households who have completed a project (NaCSBA unpublished)

[30] Local costs and values based upon i) for income *Regional gross disposable household income by local authority per head* ONS May 2018 (for 2016) and ii) for values *House Price Statistics for Small Areas (HPSSAs)* ONS 2017 (median prices). The datasets are based on current values which could be subject to future change e.g. if new housing schemes tend to be at generally lower or higher values than the current stock.

[31] Profile of households who have completed a project (NaCSBA 2017 unpublished)

[32] We have modelled demand using a 3 year basis as we consider this the most likely timescale for project completion at present; a 2 year timescale would show an increased demand level which may be unrealistic

Figure 4.1: Outline of the demand assessment model



4.4 Data used in the model is set out in the annex along with a more detailed description of the modelling process.

Demand estimates from the model

Headline results

4.5 The results of the modelling exercise are shown in the table below – for each local authority and the Greater Exeter area as a whole. The results assume that potential households taking up CSB take three years to proceed.

Table 4.1: Headline results showing demand for CSB housing - assuming 3 years lead in time

	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
East Devon	61	67	6
Exeter	76	83	10
Mid Devon	44	47	4
Teignbridge	68	74	6
Greater Exeter Councils Total	249	271	26

4.6 The potential demand for CSB across the Greater Exeter area is just below 250 units per annum over the next 5 years, rising to 271 pa in years 6 to 15. Similar levels of demand are found across the Greater Exeter Councils, with the exception of Mid Devon[33] where demand levels are lower. The demand figure for Exeter will include some student households[34].

4.7 No distinction is made in the modelling between individual households and groups taking up CSB. It should be assumed that demand from any group taking up CSB will be from within the numbers shown in the table above.

Comparison with CSB Register and notional supply

4.8 With the exception of Teignbridge, the levels of demand modelled are higher than implied by the earlier analysis of the Custom and Self Build Registers of each authority. The comparison is set out in the following table. This draws on the analysis at para 3.11 which was recognised as being a series of best estimates. The table also shows the estimated notional supply already achieved – again noting that the figures are estimates based on partial data. The data in the table is for years 1 – 5.

[33] Note that the overall population is also lower in Mid Devon
[34] We would estimate that the demand figure for Exeter could include between 2 & 4 student households

Table 4.2: Demand for CSB housing Years 1 – 5 - assuming 3 years lead in time

	Modelled demand for CSB - units per year	Demand for CSB – based on the Register[35]	Estimated current levels of supply of CSB
East Devon	61	20-30	50
Exeter	76	10-15	15
Mid Devon	44	15	15
Teignbridge	68	70-100	25
Greater Exeter Councils Total	249	115-160	105

4.9 Modelled demand is higher than that shown by the analysis of the registers, with the exception of Teignbridge where the model and the register are more consistent. Exeter shows the most significant variance between modelled demand and that indicated by the register.

4.10 Current levels of supply (as estimated for this exercise) are well short of the modelled demand. This difference is less significant in the case of East Devon where supply (estimated at 50 units per annum) is only behind modelled demand by about 10 units per annum.

CSB - Affordable housing

4.11 Demand for relatively small numbers of intermediate affordable housing CSB units has been identified – varying between the authorities from 4 to 10 units per annum. It has been assumed that affordable units will be delivered as intermediate affordable housing (most likely as shared ownership or shared equity). However, this is not to preclude CSB Affordable Rent if that were to come forward. Data from the SHMA was used to generate the estimates of demand for intermediate CSB plots[36].

4.12 There is a limited amount of data available on households purchasing shared ownership or shared equity housing as a section of the total population, making it difficult to predict in any other way, who is likely to require intermediate CSB. What we do know from CORE[37] is that shared owners tend to be younger and are likely to be in couple or single person households[38]. In shared ownership provided by a

[35] Ref para 3.11

[36] Based on affordable housing shortfall identified in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). This produces an overall requirement for 238 intermediate affordable housing. As a percentage of the total housing requirement of 2384 (again using Table 11-3), this gives a percentage requirement for intermediate housing of c10% of the total requirement. The percentage however varies between authorities and we have modelled authorities at 10% East Devon; 13% Exeter; 8% Mid Devon; 9% Teignbridge

[37] The COntinuous REcording (CORE) data collection run by MHCLG

[38] MHCLG statistical datasets - live tables on social housing sales – table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17

registered provider, just under 75% of households are under 40 and just over 75% are singles or couples. Based on this we would suggest that of the 26 units required as affordable CSB, 75% should be smaller units for younger, potentially 1 or 2 person, households and 25% should be for families with children.

Build route

4.13 The available data does not allow for a comprehensive analysis of demand by type at the local authority level. However, national data indicates the following:

- Between 50-70% of those taking up CSB will be self-builders - half on single plots and half as part of larger site;
- 30-50% will be Custom Builders.

Given the growth in the market and increasing interest amongst younger households – a reasonable starting point for planning purposes would be 50% self-build / 50% custom build.

4.14 These proportions are based on current experience and will likely be influenced by the supply of plots and types of build route that are available. Over time, as the potential for custom build develops, especially if promoted on larger sites, it is reasonable to expect that the balance between self and custom build demand will change

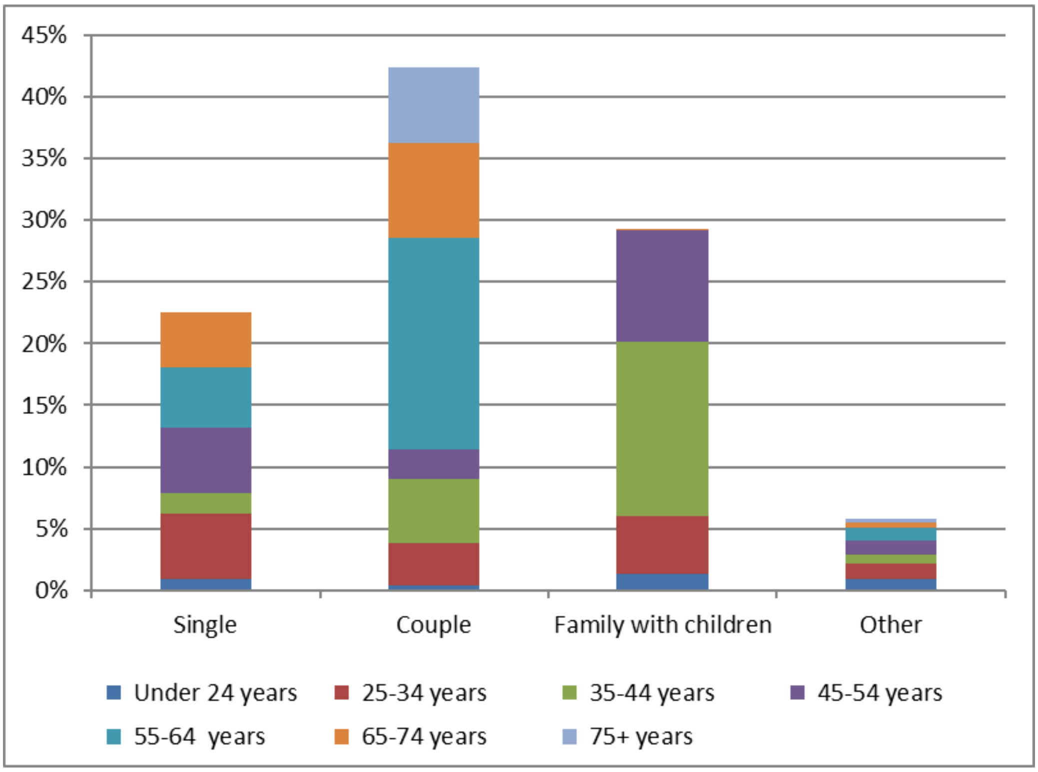
Plot types

4.15 Guidance on the type (size) of plots that are needed can be inferred from the demand profile for CSB. The data collected on the profile of custom and self-builders over the past 5 years indicates that whilst the traditional pattern of wealthy middle-aged couples building their own home remains part of the picture, younger households on lower incomes are also entrants to the market, attracted by elements including affordability, quality of design and eco-sustainability[39].

4.16 The chart below shows the profile of potential CSB households in the Greater Exeter area in terms of their age and household type. Similar to the national average for CSB households, nearly 30% of households are families with children, 23% are single persons and 42% are couples without children. 6% are other household types including non-related adults and extended families.

[39] Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished)

Figure 4.2: Characteristics of households with a potential demand for CSB in Greater Exeter by age and type of household



4.17 The chart also shows that a high proportion of the potential CSB households in Greater Exeter are 55 years or older (42%) – a high proportion of which are couples. A similarly large group (at 40% of all the households) are younger households at 35 to 54 years – often families with children. Younger households make up a relatively small percentage of the demand and are a mix of single, couple and family households.

4.18 The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

4.19 As a guide to the mix of plot types required, we suggest planning on the basis of:

- 15% - low cost/small plots/terrace style developments;
- 40% - suitable for 3 bed semi/detached homes;
- 45% - suitable for 4 or 5 bed detached homes.

It is likely that this breakdown will be applicable in all of the Greater Exeter council districts. Although there is some variation in numbers of different household type between authorities, the proportions are not different enough to support a different policy approach. Please see separate annexes 2-5 for more information about the household types on a per authority basis. As this is largely a demand-led rather than need-led market, we have assumed that most households will looking for a property which is bigger than their immediate household requirements.

5 IMPLICATIONS

5.1 The demand assessment model indicates that potential demand for CSB development is greater than the CSB registers would suggest – with the exception of Teignbridge where the model and the register indicate broadly similar levels of demand.

5.2 Some CSB development is already occurring across the Greater Exeter area (mainly through single plots and other very small schemes) but the current rates of supply fall below the potential demand indicated by the modelling. This implies that positive action will be required by the authorities to enable faster rates of CSB development in their areas.

5.3 As a guideline, we recommend the following levels of provision for CSB to be facilitated through the local plan process. The figures are on an annual basis.

- East Devon – 60 units (of which, on past trends, c50 units can be expected to come from planning applications on small sites; however, it should be noted that estimating the current supply of CSB units has proved particularly uncertain in the case of East Devon and the 50 dwelling supply figure is towards the upper end of the possible range);
- Exeter – 70-75 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites); we have presented this as a range because a proportion of student households in Exeter will be present in the modelling and a figure towards the lower end of the range is likely to be the more robust;
- Mid Devon – 45 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites);
- Teignbridge – 70 units (of which, on past trends, c25 units can be expected to come from planning applications on small sites).

5.4 The requirements for CSB set out above include any community groups that come forward with schemes to be developed through, for example, a co-ownership or co-operative model.

5.5 The above figures should not be viewed as maximum. There may be particular circumstances which would support provision of a greater number of CSB plots than the figures in 5.3 suggest.

5.6 Of the requirements set out above, approximately half would be expected to come forward as self-build housing and half as custom build developments. Of the self-build units, approximately half can be anticipated as single plots e.g. infills (although the case of East Devon suggests in this authority that a higher allowance for single plot developments should be included in future plans).

5.7 Demand for CSB plots is from a mix of household types and planning policies will need to encourage a diverse range of plots to meet the need. In framing future policies and dealing with planning applications, the following is put forward as a guide to the mix of plot types likely to be required:

- 15% - low cost/small plots/terrace style developments (say at about 100-120 sq m per plot);
- 40% - suitable for 3 bed semi/detached homes (say at about 300 sq m per plot);
- 45% - suitable for 4 or 5 bed detached homes (say at over 300 sq m per plot)

5.8 About 10% of future CSB development should be as affordable housing. It is anticipated that this will be focused on intermediate products, but suitable Affordable Rented schemes should also be welcomed. The affordable element of CSB housing could be delivered by affordable housing providers, custom build developers or enablers, as well as community groups.

5.9 This report has made best use of the available data. However, it is acknowledged that the growth in CSB in the Greater Exeter area needs to be carefully monitored in line with the Government's Planning Practice Guidance to identify trends in demand and delivery against the duties under the legislation. The data collected can inform future reviews of plan policies and action to support this form of house building.

ANNEX I – THE MODEL

Modelling process and data sources

Steps	Modelling	Data source
1	National profile of households (by age and type) with realistic prospect of becoming CSB demand.	2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request)
2	Compare with local profile of households by age and type Provide a base figure of **all** households with potential to take up CSB	2014 based household projections - DCLG https://www.gov.uk/government/statistical-data-sets/2014-based-household-projections-detailed-data-for-modelling-and-analytical-purposes
3	Calculate a ratio of local house prices to incomes and compare with the national average. Increase/decrease base figure to reflect whether CSB is likely to be 'more affordable' in the local area than nationally.	Gross Disposable Household Income per head – ONS May 2018 (2017 data) House Price Statistics for Small Areas (HPSSAs) - Dataset 9. Median price paid for administrative geographies – ONS (2017 data)
4	Assume a 'drop out' rate – based on likelihood of completing project taking into account ability to obtain loan finance or to finance directly as well as other general circumstances that may prevent a project being completed (e.g. family issues, loss of interest etc).	Data on how many households can be expected to complete a CSB project if plots were available - data provided by BuildStore, other CSB financiers, and sense checked with a number of small CSB developers affiliated to NaCSBA.
5	Assume a timetable for development from 1st taking steps to take up CSB Range provided assuming 2 years and 3 years for this – data indicates that this is a reasonable approach as no data is systematically collected on this	Data on 500 households who have completed a CSB project - Self & Custom Build Market Report (Homebuilding and Renovating, 2017)
6	Estimated demand for CSB in years 1-5	Model output
7	Demand for CSB allocated by whether will be for traditional self-build (single plots and larger schemes) or custom build	2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request) Sense checked against data on households who have completed a project (Self & Custom Build Market Report (Homebuilding and Renovating, 2017) and local data from registers where available.
8	Demand for intermediate affordable housing as a % of the total CSB demand	Exeter Housing Market Area SHMA 2014/15 (DCA) Table 11-3 identifies affordable need which was translated to a percentage; 25% of this figure is assumed to represent demand for intermediate CSB products as per para 13.5.7

ANNEX II – SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: EAST DEVON

1. Evidence of supply of CSB development was taken from information provided by the council for the number of CIL exemptions granted for self-build housing and completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in East Devon

Estimates of current supply of CSB				Information on demand for CSB			
CIL exemptions		Single dwelling schemes (total dwellings - completions)		Demand identified from CSB register		Demand identified from CSB modelling	
2015/16	2016/17	2015/16	2016/17	2016/17	2017/18 (part year[40])	Per year (yrs 1-5)	Per year (yrs 6-10)
Not available	11 (part year[41])	80	52	43[42]	11	61	67

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 50 per annum, taking into account that not all supply from single plot schemes will be for CSB. We note that there is considerable variance between the number of single dwelling completions (across the two years for which data has been sourced) and with the number of CIL exemptions (the latter being considerably lower, even taking into account that it covers a period of approximately 6 months). Therefore we have opted for a 'supply figure' towards the upper end of the possible range (at 50 dwellings per annum) and accept that, in reality this figure could be much lower or higher.

Demand

3. The estimate of demand, as measured by the register[43] is around 20-30 plots per year. This figure is below the estimated current level of supply.

[40] 31/10/17 – March 2018
[41] CIL introduced September 2016
[42] Includes 3 households on part 2 of the register
[43] See also the East Devon Self-build Register Combined Monitoring Report for First and Second Base Periods (30/03/16 to 30/10/16 and 31/10/16 to 30/10/17) March 2018 – but note that not all statistics are measured in the same timeframe as in this report

4. However the demand assessment modelling undertaken for this study indicates that the register is an underestimate of the full demand for CSB with the actual level of demand per annum estimated at 61 households per year, rising to 67 per year after 5 years.

Demand for affordable CSB

5. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data from the SHMA was used to generate an estimate[44]. For East Devon the total estimated requirement for affordable intermediate CSB is 6 units per year. Patterns established nationally for (non CSB) shared ownership housing[45] suggest that the highest demand for this type of plot will be from smaller, younger households and in East Devon this could be broken down as demand for 4 units for small households of 1-2 persons and 2 units for larger families[46].

6. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

7. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

[44] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 10% of the total requirement is arrived at in the case of East Devon. 10% is applied to the total demand for CSB.

[45] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

[46] Figures rounded

Table AII-2: Estimated supply & demand for CSB – comparison of East Devon to Greater Exeter

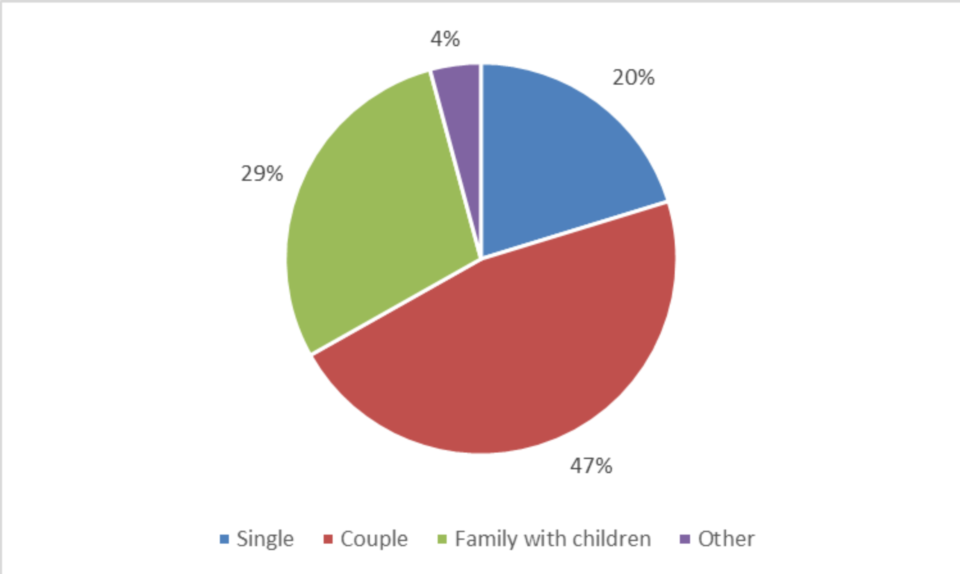
	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
East Devon	50	61	67	6
Greater Exeter Councils Total	105	249	271	26
East Devon as a proportion of Greater Exeter total	48%	24%	25%	23%

8. Roughly a quarter of the demand for CSB across the 4 councils comes from East Devon but nearly half (48%) of the estimated current supply is located in East Devon.

Household type of custom & self-builders in East Devon

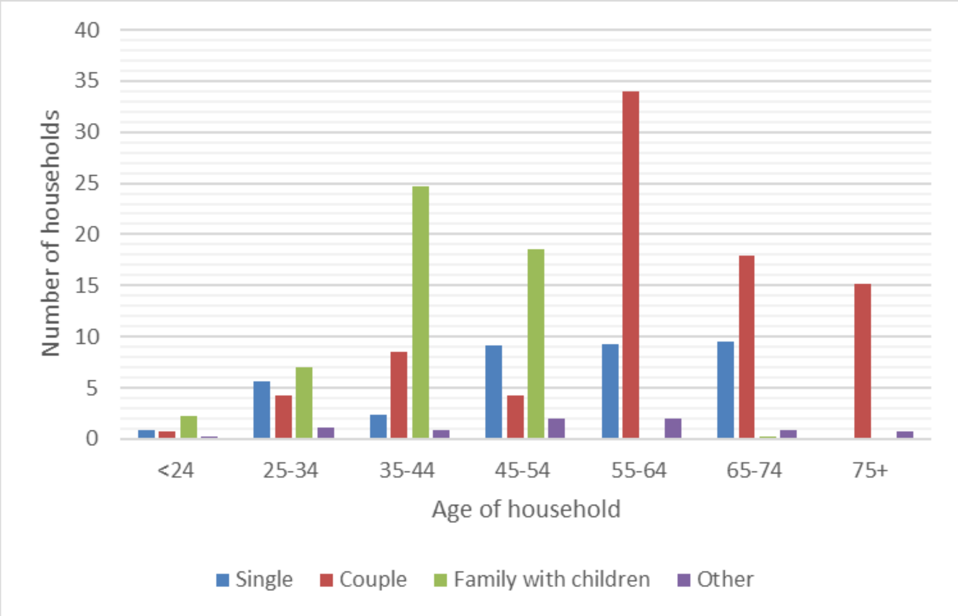
9. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each type. The largest household group are couples (47%) with families accounting for 29% and singles 20% and other household types accounting for 4%.

Figure AII-1: Household breakdown of custom & self-builders in East Devon



10. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in East Devon (3 year period)



11. Using 10-year age bands, the largest group of likely custom or self-builders are couples aged between 55 & 64 years (34 couples), followed by families aged 35-44 (24 families), then families aged 45-54 (18 families). Unsurprisingly there is lower demand from households aged under 24 years. Couples aged over 55 account for nearly 40% of estimated demand and families aged under 55 account for 30%.

12. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

13. As a guide to the mix of plot types required, we suggest planning on the basis of:
    - 15% - low cost/small plots/terrace style developments;
    - 40% - suitable for 3 bed semi/detached homes;
    - 45% - suitable for 4 or 5 bed detached homes

14. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.

ANNEX III - SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: EXETER

1. Evidence of supply of CSB development was taken from information provided by the council for the number of CIL exemptions granted for self-build housing and completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in Exeter

Information on supply of CSB				Information on demand for CSB			
CIL exemptions		Single dwelling schemes (total dwellings - completions)		Demand identified from CSB register		Demand identified from CSB modelling	
2015/16	2016/17	2015/16	2016/17	2016/17	2017/18 (part year[47])	Per year (yrs 1-5)	Per year (yrs 6-10)
12	13	18	10	21	4	76	83

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 15 per annum, taking into account that not all supply from single plot schemes will be for CSB.

Demand

3. The estimate of demand, as measured by the register is around 10-15 plots per year. This figure is about equal to or lower than the estimated current level of supply. However the modelling undertaken for this study would suggest that the register is an underestimate of demand for CSB with the actual level of demand per annum estimated as 76 households per year, rising to 83 per year after 5 years.

4. The demand figure for Exeter will include some student households and we would estimate that the demand figure shown here includes between 2 & 4 student households.

Demand for affordable CSB

5. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable

[47] 31/10/17 – March 2018

CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data from the SHMA was used to generate an estimate[48]. For Exeter the total estimated requirement for affordable intermediate CSB is 10 units per year. Patterns established nationally for (non CSB) shared ownership housing[49] suggest that the highest demand for this type of plot will be from smaller, younger households and in Exeter this could be broken down as demand for 7-8 units for small households of 1-2 persons and 2-3 units for larger families[50].

6. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

7. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

Table AII-2: Estimated supply & demand for CSB – comparison of Exeter to Greater Exeter

	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
Exeter	15	76	83	10
Greater Exeter Councils Total	105	249	271	26
Exeter as a proportion of Greater Exeter total	14%	31%	31%	38%

8. Roughly 30% of the demand across the 4 councils comes from Exeter. 14% of the existing supply is located in Exeter.

[48] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 13% of the total requirement is arrived at in the case of Exeter. 13% is applied to the total demand for CSB.

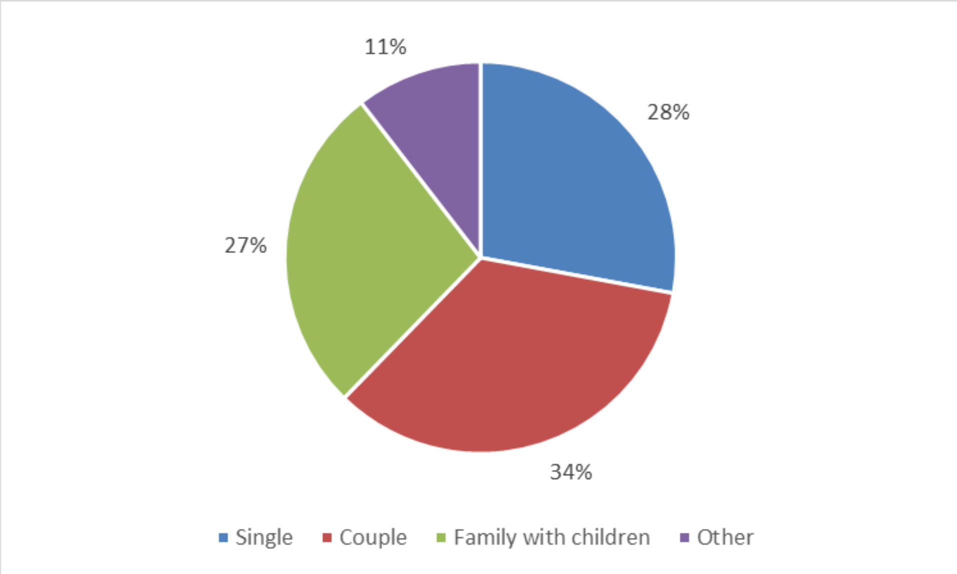
[49] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

[50] Figures rounded

Household type of custom & self-builders in Exeter

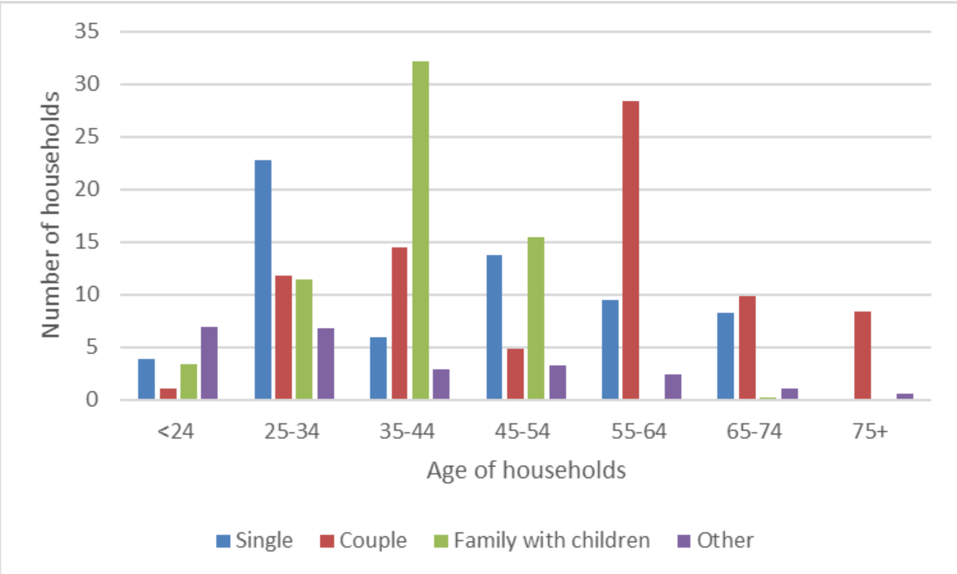
9. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each types. The largest household group are couples (34%) with families and singles accounting for 28% each and other household types accounting for 11%.

Figure AII-1: Household breakdown of custom & self-builders in Exeter



10. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in Exeter (3 year period)



11. Using 10-year age bands, the largest group of likely custom or self-builders are families aged 35-44 (32 families), followed by couples aged between 55 & 64 years

(28 couples), then singles aged 25-34 (23 families). Unsurprisingly there is less demand from households aged under 24 years. The household make-up in Exeter reflects the younger overall population compared to the other local councils.

12. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

13. As a guide to the mix of plot types required, we suggest planning on the basis of:

    15% - low cost/small plots/terrace style developments;

    40% - suitable for 3 bed semi/detached homes;

    45% - suitable for 4 or 5 bed detached homes.

14. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.

ANNEX IV -SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: MID DEVON

1. Evidence of supply of CSB development was taken from information provided by the council for the number of completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in Mid Devon

Information on supply of CSB				**Information on demand for CSB**			
CIL exemptions		**Single dwelling schemes (total dwellings - completions)**		**Demand identified from CSB register**		**Demand identified from CSB modelling**	
2015/16	**2016/17**	**2015/16**	**2016/17**	**2016/17**	**2017/18 (part year[51])**	**Per year (yrs 1-5)**	**Per year (yrs 6-10)**
Not available	Not available	21	10	17	7	44	47

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 15 per annum, taking into account that not all supply from single plot schemes will be for CSB. Information on CIL exemptions was not available for Mid Devon – a draft Charging Schedule was submitted in March 2017 but the examination has not yet taken place.

Demand

3. The estimate of demand, as measured by the register is around 15 plots per year. This figure is about equal to the estimated current level of supply. However the modelling undertaken for this study would suggest that the register is an underestimate of demand for CSB with the actual level of demand per annum estimated as 44 households per year, rising to 47 per year after 5 years.

Demand for affordable CSB

4. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data

[51] 31/10/17 – March 2018

from the SHMA was used to generate an estimate[52]. For Mid Devon the total estimated requirement for affordable intermediate CSB is 4 units per year. Patterns established nationally for (non CSB) shared ownership housing[53] suggest that the highest demand for this type of plot will be from smaller, younger households and in Mid Devon this could be broken down as demand for 3 units for small households of 1-2 persons and 1 unit for larger families[54].

5. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

6. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

Table AII-2: Estimated supply & demand for CSB – comparison of Mid Devon to Greater Exeter

	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
Mid Devon	15	44	47	4
Greater Exeter Councils Total	105	249	271	26
Mid Devon as a proportion of Greater Exeter total	14%	18%	17%	15%

7. Roughly 18% of the demand across the 4 councils comes from Mid Devon. 14% of the existing supply is located in Mid Devon.

Household type of custom & self-builders in Mid Devon

8. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each types. The largest

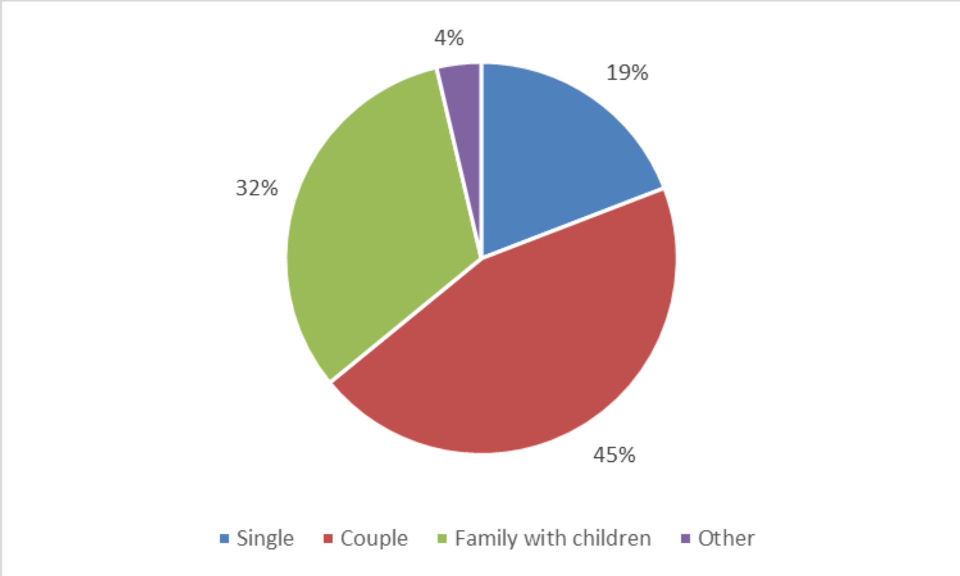
[52] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 8% of the total requirement is arrived at in the case of Mid Devon. 8% is applied to the total demand for CSB.

[53] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

[54] Figures rounded

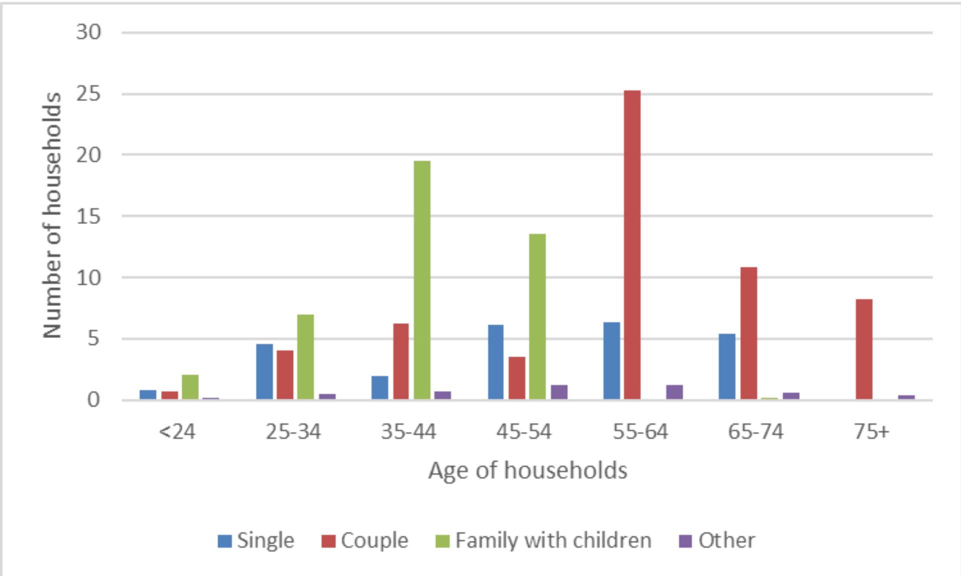
household group are couples (45%) with families accounting for 32% and singles for 19% and other household types accounting for 4%.

Figure AII-1: Household breakdown of custom & self-builders in Mid Devon



9. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in Mid Devon (3 year period)



10. Using 10-year age bands, the largest group of likely custom or self-builders are couples aged between 55 & 64 years (25 couples) then families aged 34-44 (20 families). Unsurprisingly there is less demand from households aged under 24 years.

11. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

12. As a guide to the mix of plot types required, we suggest planning on the basis of:

    15% - low cost/small plots/terrace style developments;

    40% - suitable for 3 bed semi/detached homes;

    45% - suitable for 4 or 5 bed detached homes.

13. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.

ANNEX V - SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: TEIGNBRIDGE

1. Evidence of supply of CSB development was taken from information provided by the council for the number of CIL exemptions granted for self-build housing and completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in Teignbridge

Information on supply of CSB				Information on demand for CSB			
CIL exemptions		Single dwelling schemes (total dwellings - completions)		Demand identified from CSB register		Demand identified from CSB modelling	
2015/16	2016/17	2015/16	2016/17	2016/17	2017/18 (part year[55])	Per year (yrs 1-5)	Per year (yrs 6-10)
17	22	34	19	137	36	68	74

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 25 per annum, taking into account that not all supply from single plot schemes will be for CSB.

Demand

3. The estimate of demand, as measured by the register is around 70-100 plots per year. This figure is above the estimated current level of supply. The modelling undertaken for this study would suggest that the register has identified a similar level of demand for CSB to that identified in modelled demand estimate. The modelled demand is for 68 households per year, rising to 74 per year after 5 years.

Demand for affordable CSB

4. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data

[55] 31/10/17 – March 2018

from the SHMA was used to generate an estimate[56]. For Teignbridge the total estimated requirement for affordable intermediate CSB is 6 units per year. Patterns established nationally for (non CSB) shared ownership housing[57] suggest that the highest demand for this type of plot will be from smaller, younger households and in Teignbridge this could be broken down as demand for 4 units for small households of 1-2 persons and 2 unit for larger families[58].

5. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

6. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

Table AII-2: Estimated supply & demand for CSB – comparison of Teignbridge to Greater Exeter

	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
Teignbridge	25	68	74	6
Greater Exeter Councils Total	105	249	271	26
Teignbridge as a proportion of Greater Exeter total	24%	27%	27%	23%

7. Roughly 27% of the demand across the 4 councils comes from Teignbridge. 24% of the existing supply is located in Teignbridge.

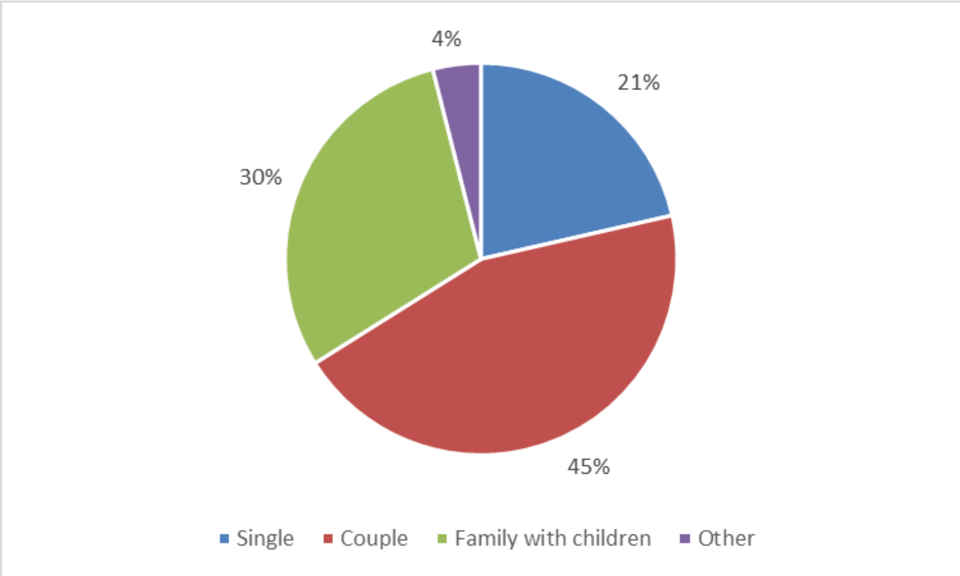
Household type of custom & self-builders in Teignbridge

8. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each types. The largest

[56] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 9% of the total requirement is arrived at in the case of Teignbridge. 9% is applied to the total demand for CSB.
[57] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)
[58] Figures rounded

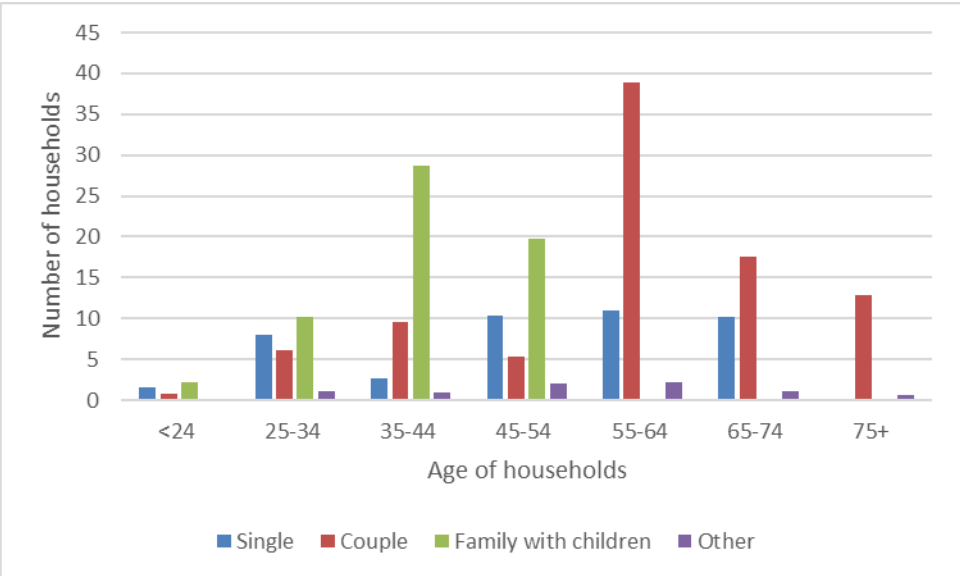
household group are couples (45%) with families accounting for 30% and singles for 21% and other household types accounting for 4%.

Figure AII-1: Household breakdown of custom & self-builders in Teignbridge



9. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in Teignbridge (3 year period)



10. Using 10-year age bands, the largest group of likely custom or self-builders are couples aged between 55 & 64 years (39 couples) then families aged 34-44 (29 families). Unsurprisingly there is less demand from households aged under 24 years.

11. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

12. As a guide to the mix of plot types required, we suggest planning on the basis of:

    15% - low cost/small plots/terrace style developments;

    40% - suitable for 3 bed semi/detached homes;

    45% - suitable for 4 or 5 bed detached homes.

13. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.