
Strategic Housing Market Assessment for the Northern Peninsula

Led by the Housing Vision Consultancy



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The Northern Peninsula Study Area



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Northern Peninsula: **Strategic Housing Market Assessment**

Executive Summary

ES1.0 Introduction

ES1.1 This report provides a Strategic Housing Market Assessment for the Northern Peninsula area (NP), which includes North Cornwall, Torridge and North Devon District Councils, and parts of West Somerset District Council and all of the Exmoor National Park Authority. The NP housing market area was identified as a 'character area' in work undertaken for the South West Housing Body in 2004¹. The report divided the South West into twelve sub-regional housing markets and identified an additional housing market covering North Devon and North Cornwall described as:

"rural in character with a settlement pattern based on villages and market towns, which vary in size and function. With no major centres of employment, the area is better described as comprising a series of local markets, all of which are subject to significant influence of in-migration and second home purchase".

ES1.2 In October 2007, Housing Vision was commissioned to conduct a Strategic Housing Market Assessment

"in order to provide sound evidence for housing, planning, regeneration and economic development strategies and interventions. The conclusions of the assessment should assist the Local Authorities to fulfil a more strategic housing enabling role in future".

ES1.3 The report focuses on the housing market in the area, and on five questions:

- how can the Housing Market Area for the Northern Peninsula be defined?
- who lives in the area? How might this change, and what are the implications for determining the future need and demand for housing in the area?
- what choices do consumers have in the housing market? What are the gaps in the pattern of supply and how affordable is local housing?

¹ Analysis of Sub-regional Housing Markets in the South West, DTZ Pleda Consulting, 2004.

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- what is the projected future requirement for housing, including affordable housing?
- what are the implications of this analysis for intervening in the local housing market?

ES2.0 The Nature and Character of the Housing Market Area

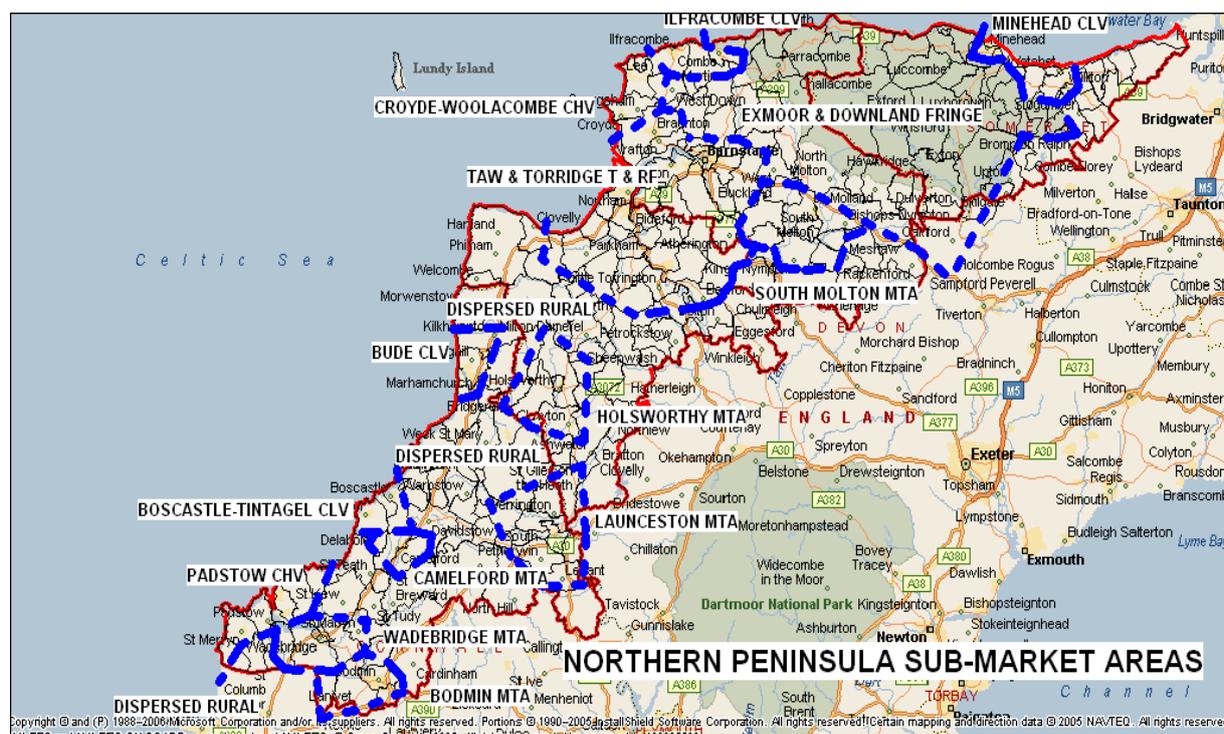
The internal character of the area

ES2.1 Extending across the four districts of North Cornwall, North Devon, Torridge and West Somerset, and including the Exmoor National Park, the Northern Peninsula 'polycentric character area' is a predominantly rural area incorporating a range of settlements, the largest of which is Barnstaple. A combination of methods has been used to define meaningful sub-markets whose character is shaped by a combination of property prices; settlement size and 'gravity' in the market; their accessibility and location. These consist of:

- **Taw and Torridge - Towns and Rural Fringe Sub-market Area:** an area served by and with good accessibility to the main residential centres of Barnstaple and Bideford;
- **Market Town Sub-market Areas:** consisting of Bodmin, Camelford, Holsworthy, Launceston, South Molton and Wadebridge, these are larger, more self-contained settlements with a 'gravity' in the market and are mainly inland but with good accessibility;
- **Coastal: Higher Value Sub-market Areas:** Croyde and Padstow are attractive to incomers, especially second home owners, and are characterised by greater accessibility and prohibitively high property values;
- **Coastal: Lower Value Sub-market Areas:** consisting of Boscastle and Tintagel, Bude, Ilfracombe and Minehead, some of which are characterised by the need for local regeneration, these less accessible but relatively self-contained locations offer more affordable homes;
- **Exmoor Core and Fringe Sub-market Area:** the very high value National Park and adjacent area which is attractive to incomers, especially second home owners; and
- **Dispersed Rural Sub-market Areas:** mainly inland and typically less accessible areas away from the influence of market towns.

The Northern Peninsula in the wider housing market

- ES2.2 No housing market - however defined - is an island, and it is clear that the Northern Peninsula has very strong links with both adjacent and more distant housing market areas. This is particularly evident from patterns of home moves to and from the area. At the more adjacent level, cross-boundary relationships to the west with the rest of Cornwall and with the West Cornwall Housing Market Area suggest that the housing market in its character and dynamics is continuous in this direction. To the east, there are cross-boundary relationships with Somerset, but the market is increasingly oriented towards the Bristol area at this point. There is much less interaction with the Plymouth and Exeter housing market areas to the south, although the southern end of the area around Launceston may have a greater relationship with Plymouth, and the area around Winkleigh may have a greater relationship with Exeter.
- ES2.3 One of the most distinctive characteristics of the housing market in the Northern Peninsula area is the extent and strength of connections with distant housing markets. Analysis of home moves has clearly identified the extent of movement to and from housing markets in London, the South East, the East of England and the West Midlands. The net effect is that moves to the area are particularly strong for families with dependent children and for people in middle age, including early retirees.



ES3.0 Social and Demographic Trends

- ES3.1 Based on a 5 year retrospective trend period, there are dramatic changes predicted in the number of people and households in the NP area over the next 20 years and household growth is one of the main factors shaping the future need and demand for housing. In 2006, there were an estimated 278,300 people and 121,000 households and the area has an older age profile than England or the South West region. The population is expected to grow in all districts, but the largest proportional increase will be in Torridge, followed by North Cornwall, then North Devon and finally West Somerset. The increase in Torridge is projected to be 28% compared with 12% in West Somerset. Numerically, the biggest increase is expected in North Cornwall, resulting in an additional 19,600 people.
- ES3.2 The anticipated population growth varies for different age cohorts and areas. The working age population in West Somerset is expected to reduce from 23,100 in 2006 to 20,700 in 2026. While the growth will be fairly modest in the 20 to 59 age range, the number of people in all age cohorts in all other parts of the Northern Peninsula is expected to increase. Very large increases are expected in the older age ranges. These will be substantial in all areas, but especially in Torridge where those aged 75 to 84 are expected to increase by 104% and those aged 85 and over by 122%. Numerically, the increases are comparable across North Cornwall, Torridge and North Devon and somewhat less in West Somerset.
- ES3.3 In each of the districts, there is internal population loss due to there being more deaths than births. However, all of the districts have gained population through in-migration from elsewhere in England and Wales over the five years from 2002. North Cornwall, North Devon and Torridge are continuing to grow as a result of in-migration, and we have estimated that this will have resulted in almost 8,000 additional households across the area.
- ES3.4 When looking at net migration to the four districts, all age groups show net gains except for those aged 16 to 24. The largest gains are at 45 to 64, but large gains at 25 to 44 and 0 to 15 are indicative of inward movement of families.
- ES3.5 The number of registered migrant workers in the Northern Peninsula has increased dramatically from around 180 in 2002-03 to 1,240 in 2005-06. The vast majority are from Poland.
- ES3.6 Because of the trend towards more independent living; an ageing population and the increase in relationship breakdown, the expected percentage increase in the number of households over the 20 years to

2026 is even more substantial than for the population, ranging from 39.3% in Torridge to 25% in West Somerset, and this trend will have the greatest impact on the requirement for housing in the area.

ES3.7 There is projected to be continuing large scale growth in the number of one person households in the 45 to 64 age group arising from increases in the number of single and divorced/separated people. Across the Northern Peninsula area, there is expected to be large growth in the number of co-habiting couples, lone parents and multi-person households, and very large growth in one person households. Couples under the age of 45 show a decline, but there is steady growth for couples aged 45 and above. Growth in one person households is particularly strong for those aged 45 and above.

ES4.0 The Supply of Housing

ES4.1 Whilst new supply provides the opportunity to re-shape the choices available in the housing market, the vast majority of people will have to fit around existing housing inherited from the past. The housing available in the area is skewed in a number of respects; there are almost double the national proportion of detached properties; only a very low proportion of smaller purpose built flats; a very high proportion of second or holiday homes; and higher proportions of caravans, mobile homes and other temporary dwellings. Overall, there are less one and two bedroom dwellings than average and a well above average proportion of larger bedroom homes.

ES4.2 In relation to tenure, there is a high level of home ownership, including a much higher than average proportion of people who own their homes outright. The proportion of social rented housing is much less than the national rate, and the level of private renting is slightly above average.

ES4.3 Between 2001-02 and 2006-07 there were almost 8,500 housing completions across the Northern Peninsula area and the vast majority were dwellings for sale on the open market. Less than 10% of new homes were for social rent, and all types of affordable housing made up around 13.5% of completions.

ES4.4 The proportion of social rented dwellings in the housing stock is less now than in 2001. Private renting is estimated to have increased over the same period, and now stands at around 13% of all homes. Second and holiday homes increased by over 1,000 dwellings between 2001 and 2005. The highest rate is in North Cornwall and in the Exmoor National Park where they comprise over 10% of the stock.

ES4.5 Over a third of sales of new homes since 2002, and almost half of those in Torridge, have been detached dwellings. The proportion of

new flats completed across the districts has varied, ranging from 10.1% in Torridge to 54.4% in West Somerset. Overall, the turnover rate of properties for sale is considerably less than the national average.

ES4.6 The turnover of social rented dwellings is low, with in the region of only 800 new tenancies created annually across the Northern Peninsula area. Waiting lists have grown dramatically since 2001, except in West Somerset where the increase is only 10%. The largest increase is in North Devon at 120%, followed by North Cornwall at 84% and then Torridge at 55%.

ES4.7 The South West region has much higher than average rates of non-decent homes overall and of those occupied by vulnerable adults. The region also has poorer than average SAP ratings which is the standard method for measuring the energy efficiency of homes. There is evidence of above average levels of problems of stock condition especially in Torridge and West Somerset.

ES5.0 The Future Requirement for Housing

ES5.1 Determining the future requirement for housing is a complex operation combining estimates of current and future housing growth; housing need and affordability. At May 2008, it was estimated that only 13 to 20% of Northern Peninsula households would be able to afford an open market property and that between 37% and 47% would be able to afford a New Build HomeBuy shared ownership property; the remainder would require other affordable housing.

ES5.2 In terms of new affordable housing, modelling identifies a ratio of 34:66 intermediate: social rented housing in North Cornwall; 25:75 in North Devon; 30:70 in Torridge and 31:69 in West Somerset.

ES5.3 The projected future requirement for affordable housing frequently outstrips total projected supply. It has been estimated that to address the existing backlog of registered housing need and to meet anticipated new housing need over the next 10 years, affordable housing as a proportion of projected new supply would have to be 88% in North Cornwall, 151% in North Devon, 75% in Torridge, and 217% in West Somerset. This shows that, at current build rates, even if all of the housing provided in North Devon and West Somerset were affordable, it would still fall well short of meeting affordable housing need.

ES5.4 However, the Strategic Viability Assessment undertaken by the University of the West of England and completed in September 2008 found that for larger sites, a 45% affordable housing quota is "favourable and viable" for North Cornwall, North Devon and Torridge and a 40% quota in West Somerset. These may be subject to change

as a consequence of changed economic circumstances. In the context of such discrepancies between the affordable housing requirement and financial viability, the priority in terms of supply is the provision of social housing.

ES5.5 In terms of the future housing requirement, based on a 20 year retrospective trend period, there is projected growth of almost 31,500 households over the period 2006 to 2026. This is in the context of a current RSS requirement for 37,500 households over the same period for the Northern Peninsula area excluding the Exmoor National park. The largest increase is projected to take place among those of pensionable age and among one and two person households of working age. As a result, the greatest requirement will be for more manageable, but aspirational two bed units enabling people of retirement age to 'downsize' from family housing (64%); 30% will be for one or two bed general needs properties; 9% will be for housing with care for older people and there will be a slight decline in the requirement for family housing, except in the affordable sector. Where older people are unwilling or unable to 'downsize', there will be a requirement for an equivalent replacement family-sized property.

ES5.6 Overall, the modelling undertaken identifies a requirement for a substantial growth in the supply of affordable housing and more generally of smaller homes for single households; smaller and more manageable homes for older people; and of housing with care for older people. As the future requirement can be met from within the existing stock there is only a limited projected requirement for three or four bed family housing which needs to be affordable.

ES6.0 **The Housing Requirements of Different Groups**

ES6.1 Although analysis has been constrained by the variable extent and quality of evidence and available, focus has been placed on the housing circumstances and requirements of:

- Younger people;
- Older people;
- Homeless people;
- Migrant workers; and
- Gypsies and travellers.

ES6.2 Stakeholders reported that young people were having particular difficulty accessing housing, and those working with vulnerable groups unable to access housing confirmed that young people living transient lifestyles made up the majority.

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- ES6.3 Supported accommodation for older people is mainly located in the social rented sector and is not aimed at those who have higher support needs; a limited amount of extra care housing is available and retirement housing for sale is almost entirely located in the main towns.
- ES6.4 Of 124 sheltered schemes, the vast majority are for social rent. There are 20 schemes with a warden with properties to buy and these are mainly located in the main towns across the area.
- ES6.5 With an ageing population, further requirements for mental health services can also be expected as the prevalence of Alzheimer's and depression increases with age. Across Devon, for example, older people's mental health is significantly affected by issues such as loss of opportunities to socialise and mix, difficulties in accessing transport, financing or housing problems.
- ES6.6 The number of homelessness decisions has been on a downward trajectory across the housing market area, reducing from 1,326 in 2002/03 to 552 in 2006/07. This reflects national trends arising from the implementation of homelessness prevention policies and should not be taken to imply that priority housing need has declined. In 2002/03, North Cornwall had the highest number of homelessness decisions, but by 2006/07, more decisions were being made in West Somerset. No estimates were available detailing the profile and extent of hidden homelessness.
- ES6.7 Most international migrants are young, of working age and single. Most arrive in order to work, often in low paid, seasonal industries and in social care. The longer people remain in the UK, the longer they are likely to stay. Once migrants have formed households or begun a family, they are far less likely to return home. There is no relationship between how long migrants say they intend to stay, and how long they actually stay. In terms of housing implications, the vast majority of international migrants to the Northern Peninsula *do not* fall into any of the categories (for example, asylum seekers) for which social rented housing is an option. It is possible that migrants may become entitled to social housing after a period of time, but there is no evidence that more than a very few lettings have been made to such migrants to date.
- ES6.8 According to the January 2006 Caravan Count and Traveller Survey, there were 2,079 caravans (including those on authorised sites) in the South West of England. A Devon-wide Gypsy and Traveller Housing Needs Assessment was completed in November 2006. Of those surveyed, 70.3% lived on settled sites and 29.7% were on the roadside, a quarter were on council owned sites.

ES7.0 Conclusions: Drivers of change in the Northern Peninsula housing market area

The national trend towards greater household growth

ES7.1 At 31%, household growth in the area to 2026 is projected to outstrip a predicted 21% growth in population to the extent that there is an estimated requirement for in the region of 31,000 new homes over the next 20 years. This is being driven by a combination of more people living longer; more people living independently for longer, either as single people or as couples; the impact of relationship breakdown; and the impact of inward migration to the area.

The impact of an ageing population

ES7.2 The demographic profile of the area is evolving towards substantial growth in residents of pensionable age and older, and which may amount to over 22,000 new older households by 2026, an increase of over 70% on the 2006 level. This is a point in the life cycle where housing requirements change towards the need for more manageable homes and for housing with care. Such a trend has implications for an increased requirement of in the region of 20,000 smaller homes for older people and the provision of over 2,500 extra care units to 2026, preferably in the locations in which people already live. Without this provision, there is the risk of a 'log jam' in the turnover and future supply of family housing, and the alternative would have to be their replacement on a pro rata basis.

The trend towards more smaller households

ES7.3 Changing lifestyles among the working age population will result in a radical shift in the requirement for as many as 9,500 smaller and typically two bed homes. This trend is set against a housing stock which is historically oriented towards the supply of larger and family homes, and where the supply of smaller homes has been limited.

The impact of in-migration

ES7.4 The assessment has identified a powerful inward migration trend; the net effect of which over the five years since 2002 has been a gain of 1,600 new households per year. This net gain has consisted principally of equity cushioned older pre-pensioner households and households with dependent children, especially from London, the South East and the West Midlands. In the reverse direction, there is a steady loss of younger and more independent households, the reasons for which remain largely speculative, but which will include a

combination of movement for education, employment and access to affordable housing.

A low wage economy

ES7.5 The interrelationship between the local economy, wage levels and the availability of market housing has been a continuing theme of the Assessment. The economy of the area is dominated by low paid, seasonal and migrant employment, much of which is in tourism and agriculture, and increasingly in the care services, a sector which is likely to grow significantly to cater for the growing older population.

Very high levels of need for affordable housing

ES7.6 For those of working age, there is a growing polarisation between a minority of households in higher income, non-manual and professional employment, and the majority employed in a predominantly low waged and seasonal economy. The disparity between typical local incomes and the cost of market housing is now so great as to exclude the majority of local households from the prospect of purchasing either a full or a part share in their own home. Such a situation has now reached a critical stage with as many as 13,500 households registered for social housing at April 2007. In a situation where accessing social housing is very limited, there is likely to be a higher latent need than has been registered.

The impact of second and holiday homes

ES7.7 Whilst the evidence relating to the impact of second and holiday homes on housing supply, especially for local people is not conclusive, it is clear that the level of second homes in the area is high, amounting to in the region of 7,500 homes and over 6% of total stock. Second homes are heavily concentrated around 'hot spots', for instance in some coastal areas and the Exmoor National Park where they can form the vast majority of the housing stock. The 'displacement effect' on neighbouring areas has yet to be fully understood.

ES8.0 Conclusions: Scenarios of change in the housing market area

ES8.1 We have attempted to avoid the dangers of adopting a 'snapshot' approach to understanding the dynamics of the housing market by adopting a 20 year perspective on its development, but as the dramatic events in the financial markets have demonstrated, wider factors than sub-regional drivers need to be taken into account.

Changing property prices and/or changing incomes

ES8.2 The two main 'local' factors' are incomes and property prices and rather than creating generalised scenarios of 'x' fall or rise in incomes or property prices, we have developed Affordability Matrices for each district which enable the impact of any levels of change in incomes and/or property prices to be modelled at postcode sector level by amending the values set out on the 'look up' tables of each spreadsheet. This creates the possibility of modelling any scenario of changes in incomes and/or property prices.

Changing in-migration to the Northern Peninsula area

ES8.3 We have already identified that whilst it is not possible to estimate the precise impact of these trends on the housing market, a combination of in-migration (1,600), international migration (250) and the purchase of second and holiday homes (250) are creating a demand for an additional 2,100 homes per year with the effect, taking account of new homes (1,400), of a greater competition and potential reduction in supply for local people of in the region of 700 homes each year.

ES8.4 The continuing impact of such trends is dependent on the rate of housing supply from existing or new homes. In terms of supply from existing homes, we envisage that unless alternative provision is made, this will fall as the full impact on turnover of the ageing of the population takes effect. In terms of supply from new homes, this will be dependent on the targets finally arising from the Regional Spatial Strategy.

ES8.5 In terms of the continuing impact of these migration trends, it is essential that continuous monitoring of their impact is undertaken, and certainly on an annual basis. Three change scenarios can be envisaged, all of which will be affected by the supply rate.

ES9.0 Recommendations: priorities for intervention

ES9.1 The four main priorities for intervention are:

1. To achieve a more balanced housing market, balancing housing need and demand with deliverability to provide greater choice for local people. This is a complex requirement in which there are no 'quick wins'. It is likely that the imbalances in the housing market have been developing over the past 20 years or more, and it will require a similar timescale to begin to see them reversed.
2. To target the appropriate type, quality, size and location of homes to reflect local housing requirements and market conditions. While

the sub-market areas identified provide a more localised context for action, this intervention requires a more sophisticated understanding of housing market dynamics and of local requirements across all tenures at the settlement level.

3. To increase the proportion of affordable housing to meet housing need in the most appropriate locations. Substantial progress has been made in understanding housing need in some districts, and the approaches adopted, for example in undertaking parish-based requirements studies, need to be understood and applied more widely to provide robust evidence to inform local housing supply.
4. To provide homes to meet the changing requirements of a growing older population. This priority needs to be reflected in both specialist and general needs housing. In relation to general provision, ensuring the construction of lifetime homes would help to ensure that homes were sufficiently versatile to accommodate older people with mobility needs. However, the general application of such standards may have the effect of institutionalising under-occupation by older people in family housing which is larger than is either required or preferred. Specialist provision for older people has conventionally been associated with either sheltered or extra-care housing, but the priority now is to identify appropriate models of conventional two bed housing constructed to life time standards.

ES9.2 Whilst apartments may be acceptable to some older households in the appropriate urban locations, a more conventional aspiration – and better suited to rural settings - is towards more conventional and lower density houses. The provision of such housing is a challenge being faced nationally and we would recommend a study is commissioned to identify models of relevance and/or a competition is held with architects working in the area to develop suitable models. The failure to provide routes into alternative and aspirational housing for older people will result in an effective ‘log jam’ in the supply of conventional family housing, and the need to replace properties on a pro rata basis.

ES9.3 Whilst the emphasis needs to be placed on increasing the supply of housing for the ‘younger elderly’, there will also be a growing requirement for extra care housing for the ‘older elderly’. We would strongly recommend that consideration is given to developing a range of retirement villages or communities across the area which include all the options relevant to a growing older population.

ES10.0 Recommendations: the development of sub-regional policies and strategies

Policy actions supporting sub-regional joint working

ES10.1 In the context of trends in Government policy towards sub-regional policy development and service delivery, including the ‘single conversation’ with the Homes and Communities Agency (HCA), we would recommend a sequence of policy actions beginning with initiatives which individual local authorities might take then moving on towards developing more sub-regional partnership working.

Action to strengthen the strategic enabling role of individual local authorities

ES10.2 Including:

- the adequate resourcing of intelligence gathering;
- developing a resourcing plan that maximises housing resources through all means;
- ensuring that rural housing enablers are adequately funded;
- developing a clear housing delivery plan; and
- regular monitoring of progress.

Action to develop joint working between partner authorities

ES10.3 We would recommend that consideration is given to building on existing arrangements to develop a strategic Sub-regional Housing Partnership Board for the Northern Peninsula which would be in the best position to:

- develop an ‘influencing strategy’ to ensure effective representation in relation to key funding and strategic agencies, in particular in ‘single conversation’ with the HCA;
- provide shared market intelligence and monitoring functions;
- with delegated authority, co-ordinate intervention and the delivery of housing, including affordable housing, preferably through an appropriate Local Delivery Vehicle(s).

The development of a sub-regional housing strategy and planning policies

ES10.4 Whilst not dependent on the creation of a formal Partnership Board, the first step needs to be the development of a sub-regional housing

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strategy and associated action plans. Whilst this will share common housing dynamics and priorities for intervention, Area Action Plans can translate these to the local level.

ES10.5 We would recommend the development of generic suites of policies for appropriate sub-markets with different characteristics. These can then be incorporated into a Sub-regional Strategy and cascaded down into Area Action Plans.

ES10.6 Common housing and planning policies might be applied in relation to both the supply of new housing and in making the best use of existing housing, for example:

- Development Plan Documents including Core Strategies and affordable housing policies.
- Promotion of a sub-regionally consistent approach to planning gain.
- Ensuring that housing delivery and affordable housing is prioritised through corporate processes, housing strategies, community strategies and local area agreements.
- Policies that promote the full menu of options for rural housing delivery.
- A consistent approach to the provision of high quality housing advice.
- Exploration of further opportunities to pool and share experience and expertise in homelessness prevention.
- The development of a Private Landlord Accreditation Scheme.
- The creation of a sub-regional Developers' Forum.
- Empty homes assessment and policies.
- Incentives and options to reduce the under-occupation of affordable and market housing.

The development of integrated policy approaches linking with and supporting economic regeneration, investment, upskilling, educational attainment, health and Supporting People

ES10.7 Housing has interconnections with many other service areas and for interventions to be most effective they need to work across service

boundaries. There is a need for a clear corporate understanding of the role that new and existing housing plays in meeting other corporate objectives and the inter-relationships between service areas. Housing objectives need to be incorporated into the service plan across a wide variety of areas including housing, finance, benefits, legal, environmental health and economic development. Similarly the strategic approach needs to be communicated with delivery and other partner organisations and feed into their work plans.

ES10.8 There is also a requirement to deliver targeted packages of support to help deliver sustainable communities, for example, Bude, Minehead and Ilfracombe are all Coastal Lower Value Sub-market Areas where there is a need for renewal and regeneration, allied to skills development and infrastructure investment.

ES11.0 Understanding Housing Market Change: Monitoring Required

ES11.1 The Housing Market Assessment will in part remain a snapshot in time if updating and monitoring of change is not undertaken. Whilst housing strategy and planning policy officers will already be monitoring a number of indicators, a range of housing market indicators need to be monitored across the area including:

In relation to the supply and demand for housing:

- Property prices and rents
- Interest rates and deposit levels
- Numbers of planning applications/decisions
- Mortgages granted and repossessions
- The availability of social rented/intermediate housing
- Availability of private rented housing
- Supply of new housing by type, size, tenure and location
- Deliverability and viability of housing

In relation to social and demographic trends

- Demographic change
- Income levels
- Migration levels
- International migration and settlement
- Second and holiday homes

ES12.0 Understanding Housing Market Change: further research and analysis required

ES12.1 The assessment has identified a series of gaps in both baseline data and in understanding the dynamics of the sub-regional housing market as follows:

- Stock condition
- Stock profiles
- The quality of new housing
- Providing for an older population
- The affordability of housing
- Profiling the sub-market areas
- Understanding the scale and impact of second and holiday homes on housing supply
- The drivers for in-migration.

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Acronyms and Abbreviations

AMR	Annual Monitoring Report
ARHC	Affordable Rural Housing Commission
ASHE	Annual Survey of Hours and Earnings
CAA	Comprehensive Area Assessment
CACI	Californian Analysis Centre Incorporated
CHV	Coastal Higher Value
CLG	Communities and Local Government
CLV	Coastal Lower Value
CO	Core Outputs
CORE	Continuous Recording
CPA	Comprehensive Performance Assessment
CPRE	Council for the Protection of Rural England
DC	District Council
DCLG	Department of Communities and local Government
DEFA	Department for Environment, Food and Rural Affairs
DETR	Department of the Environment, Transport and the Regions
EHCS	English House Condition Survey
EiP	Examination in Public
EU	European Union
GIS	Geographical Information System
GOR	Government Office regions
GP	General Practitioner
HCA	Homes and Communities Agency
HMA	Housing Market Area
HMO	Houses in Multiple Occupation
HSSA	Housing Strategy Statistical Appendices
HVC	Housing Vision Consultancy
IDeA	Improvement and Development Agency
IT	Information Technology
LAA	Local Area Agreements
LABGI	Local Authority Business Growth Incentive
LDF	Local Development Framework
LDV	Local Delivery Vehicle
LINC	Local Intelligence Network Cornwall
MAA	Multi-Area Agreements
MTA	Market Town Area
NCDC	North Cornwall District Council
NDDC	North Devon District Council
NHPAU	National Housing and Planning Advice Unit
NHS	National Health Service
NHSCR	National Health Service Central Register
NIMBY	Not in My Back Yard
NINO	National Insurance (NINO)
NP	Northern Peninsula
NPHMA	Northern Peninsula Housing Market Area
ODPM	Office of the Deputy Prime Minister
ONS	Office for National Statistics

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pcm	Per Calendar Month
PLASC	Pupil Level Annual Schools' Census
PPS	Planning Policy Statement
PSA	Public Service Agreement
RA	Retirement Age
RDA	Regional Development Agency
RHP	Rural Housing Partnership
RHS	Regional Housing Strategy
RSL	Registered Social Landlord
RSR	Regulatory and Statistical Returns
RSS	Regional Spatial Strategy
S106	Section 106
SAP	Standard Assessment Procedure
SHMA	Strategic Housing Market Assessment
SIF	Strategic Investment Framework
SMA	Sub Market Area
SSCTs	Strategically Significant Cities and Towns
SVA	Strategic Viability Assessment
TDC	Torridge District Council
TTWA	Travel to Work Areas
UK	United Kingdom
WRS	Workers' Registration Scheme
WSDC	West Somerset District Council

1.0 INTRODUCTION

The Assessment in Context

- 1.1 This report provides a Strategic Housing Market Assessment for the Northern Peninsula area (NP), which includes North Cornwall, Torridge and North Devon District Councils, and parts of West Somerset District Council and all of the Exmoor National Park Authority. The NP housing market area was identified as a 'character area' in work undertaken for the South West Housing Body in 2004². The report divided the South West into 12 sub-regional housing markets and identified an additional housing market covering North Devon and North Cornwall that really comprises a series of local markets. The NP area, at the time referred to as 'Polycentric North Devon/North Cornwall', is described in the following way:

"The area is rural in character with a settlement pattern based on villages and market towns, which vary in size and function. With no major centres of employment the area is better described as comprising a series of local markets, all of which are subject to significant influence of in-migration and second home purchase." p14

- 1.2 In October 2007, Housing Vision was commissioned to conduct a Strategic Housing Market Assessment for the NP area and this was timed to coincide with a Strategic Housing Viability Assessment. All local authorities are required to carry out a Strategic Housing Market Assessment (SHMA) and Planning Policy Statement 3 (PPS3) requires that:

"Local Development Documents and Regional Spatial Strategies policies should be informed by a robust, shared evidence base, in particular, of housing need and demand through a Strategic Housing Market Assessment and land availability through a Strategic Housing Land Availability Assessment." p7

- 1.3 From the findings of the SHMA, Local Planning Authorities should be able to set out the proportions of households that will require either market or affordable housing over a 20 year time frame. Furthermore, the Assessment should be capable of identifying the proportion of different types of households, for example, multi-person, including families and children, single person and couples, that require market housing; and the size and type of affordable housing required.
- 1.4 The Planning Policy Statement 3 definition of affordable housing has been applied throughout as follows:

² Analysis of Sub-regional Housing Markets in the South West, DTZ Pidea Consulting, 2004.

“Affordable housing: includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should in summary:

- *meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices; and*

include provisions for:

- *the home to be retained for future eligible households; or*
- *if these restrictions are lifted, for any subsidy to be recycled for alternative affordable housing provision.*

Intermediate affordable housing: is housing at prices and rents above those of social rent but below market price or rents, and which meet the criteria set out above. These can include shared equity (e.g. HomeBuy) and other low cost homes for sale, and intermediate rent”.

- 1.5 This SHMA provides a robust evidence base to inform Development Plan documents and adheres to the most recent SHMA guidance.³ In particular, attention has been paid to ensuring that the Core Outputs (CO) established in the Guidance are addressed and that the process criteria have been followed. The following table summarises the Core Outputs and identifies where in this Report they are addressed.

³ Strategic Housing Market Assessments – Practice Guidance, Version 2, 2007, CLG.

Table 1: SHMA Core Outputs and the NP SHMA

Core Outputs		Location in the Report
1.	Estimates of current dwellings in terms of size, type, condition, tenure	Section 5: the Supply of Housing
2.	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.	Section 6: Assessing Housing Needs and Requirements Section 8: the Future Housing Market
3.	Estimate of total future number of households, broken down by age and type where possible.	Section 4: Social and Demographic Trends
4.	Estimate of current number of households in housing need	Section 6: Assessing Housing Needs and Requirements
5.	Estimate of future households that will require affordable housing	Section 6: Assessing Housing Needs and Requirements
6.	Estimate of future households, requiring market housing	Section 6: Assessing Housing Needs and Requirements
7.	Estimate of the size of affordable housing required	Section 6: Assessing Housing Needs and Requirements
8.	Estimate of household growth who have particular housing requirement e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.	Section 6: Assessing Housing Needs and Requirements Section 7: the Housing Requirements of Different Groups
9.	Identification of Sub-Market Areas	Section 3: Defining Sub-market areas

(Source: Core Outputs from Strategic HMA Practice Guidance V2, p10)

1.6 The following table summarises the process criteria and identifies where in this Report they are addressed.

Table 2: Process Criteria and their Location in the Report

Process Criteria	Location in the Report
1. Approach to identifying housing market area(s) is consistent with other approaches to identifying housing markets areas within the region	Section 3: Defining the Housing Market Area
2. Housing market conditions are assessed within the context of the housing market area	Section 6: Assessing Housing Needs and Requirements
3. Involves key stakeholders, including house builders	Section 1: Introduction and throughout
4. Contains a full technical explanation of the methods employed, with any limitations noted	Section 1: Introduction and throughout
5. Assumptions, judgements and findings are fully justified and presented in an open and transparent manner	Section 1: Introduction and throughout
6. Uses and reports upon effective quality control mechanisms	Section 1: Introduction and throughout
7. Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken	Section 1: Introduction and throughout

(Source: Process Criteria from Strategic HMA Practice Guidance Version 2, p10)

- 1.7 As well as providing evidence to inform planning policy, the SHMA enables local housing authorities, and those working with them, to act with an improved understanding of how local housing markets operate, and creates a robust evidence base for the development of associated strategies.
- 1.8 The rationale behind SHMAs includes the need to consider actual housing market activity irrespective of administrative boundaries. Within this, it is possible to draw both broad conclusions based on a range of high level data, and on the basis of fine grained data analysis, to discern more localised patterns of housing market behaviour.
- 1.9 The pattern of settlement within the NP is of a more dispersed nature than is found in England as a whole. Understanding how this affects housing markets in the area is an important aspect of the SHMA as the majority of existing SHMAs have been based very much on an urban understanding of housing markets.

Our Approach

- 1.10 In accordance with government guidance on Housing Market Assessments, our approach is to make the maximum use of existing and available demographic, social and housing data to identify the dynamics of the local housing market; the 'choices' available to local people; the imbalances between need, demand and supply which constrain those choices; the projected future need for housing and the interventions which might improve housing choice in the area. Consequently, our report focuses on the housing market in the area, and on five questions:
- how can we define the Housing Market Area for the Northern Peninsula?
 - who lives in the area? How might this change, and what are the implications for determining the future need and demand for housing in the area?
 - what choices do consumers have in the housing market? What are the gaps in the pattern of supply and how affordable is local housing?
 - what is the projected future requirement for housing?
 - what are the implications of this analysis for intervening in the local housing market?

Report Structure

- 1.11 The report works through each of these five questions in turn. It begins by setting out the strategic and policy context in Section Two. The report then moves on to the first of the five questions above by defining the housing

market area in Section Three. In Section Four, consideration is given to demographic patterns and trends by profiling both population and households, the impact of migration and household incomes. This section provides a picture of who currently lives in the area and how this might change. The supply of housing is considered in Section Five; the projected future housing requirement is covered in general in Section Six and specific housing requirements in Section Seven. The key drivers shaping the future housing market are the focus of Section Eight and the issue of potential interventions in the housing market is addressed in Section Nine.

Data Sources, Definitions and Methodology

- 1.12 Based on the Strategic Housing Market Assessment Practice Guidance and Appendices published in 2007, we have developed a tried and tested approach to housing market assessment which combines desktop analysis - including the assimilation of existing studies and strategies - with consultation with relevant officers, agents, community representatives and residents. Such an assessment provides a detailed cross-tenure profile of the sub-regional housing market as the basis for determining the need and demand for affordable and market housing - including intermediate options - in the context of patterns of supply.
- 1.13 All approaches to housing market assessment involve some degree of modelling, for example of the level and profile of future household growth and of the future requirement for housing. Whilst we have developed such modelling where appropriate, the assessment is grounded in an understanding of the realities facing local people in the housing market, informed by interviews with key informants, from community representatives to estate agents.
- 1.14 In terms of the desktop analysis undertaken, we have used seven main data sources in developing the analysis below:
- 2001 Census data projected forward as appropriate;
 - 'Chelmer Model' projections of household types and numbers, using 5 and 20 year retrospective trend periods;
 - data commissioned from CACI in relation to population, household and income patterns. CACI stands for the 'Californian Analysis Centre Incorporated' and is an international company which trades as the 'Data Depot' in Britain. Its demographic and income-related products are recognised as industry standards;
 - NHSCR patient registrations data;
 - CORE data on housing association lettings;

- social housing and planning data; and
- Land Registry property price post-coded data.

1.15 Please note that percentages have been rounded to one decimal place, and as a result, total percentages may slightly exceed or fall below 100%.

A Note on Boundaries

1.16 Data is collected and collated according to a range of boundaries, and which seldom conform with each other. The requirement is to achieve the best fit possible and the boundaries used in this study are summarised in the table below.

Table 3: boundaries used in the Housing Market Assessment

Boundary	Use	Source of data
District Councils	Demographic and incomes data Migration and Travel to Work data Property price data	2001 Census/CACI/NHS/ONS
Parishes	Property price data	Land Registry
Postcodes	Property price data	Land Registry

(Source: Housing Vision)

Qualitative Research

1.17 The DCLG Strategic Housing Market Assessment Guidance (Annexe E) suggests that quantitative research should be supplemented with additional qualitative information using techniques such as focus groups and interviews to investigate particular issues in more depth. It states:

“Example areas of interest are:

- *The housing requirements of specific groups, for example, families with children, older people etc;*
- *The reasons behind recent changes in local market conditions;*
- *Home ownership aspirations; and*
- *Community issues, for example community safety and tenure mix*

The housing market partnership may wish to collect additional qualitative information to help provide insight about housing market drivers and trends. Partnerships may also consider interviewing estate and letting agents or facilitating focus groups with recent movers to better understand aspirations.”
p33

1.18 The Guidance also suggests that qualitative methods may be appropriate to consider housing issues for hard to reach groups. We have followed this Guidance by:

- Gaining the views of a range of stakeholders, including elected members, concerning the dynamics of the current and future housing market, the main issues that need to be/will need to be addressed in achieving a functional and balanced housing market, and potential solutions to achieve these objectives.
- Gaining the views of a range of consumer groups. Residents who have contributed to our research include single people and families entering the market, older households, those who have recently moved to the area and second home owners.

1.19 This Consultation has enabled the researchers to:

- Reality test evidence gained from other desk top sources;
- Highlight areas where perceptions differ from the underlying reality identified from desktop research; and
- Engage stakeholders in strategic thinking concerning the way forward.

Phases of the Consultation Process

1.20 The consultation process consisted of a series of phases as follows.

Initial workshops undertaken by the Northern Peninsula Housing Partnership

1.21 Undertaken on 25 and 26 June 2007 at Northam and Bude, these workshops involved a range of stakeholders including housing associations, developers and agents, regional interests, local groups, elected representatives and local authority officers across a range of services. Over 40 stakeholders attended each event and both a workshop discussion paper and summary report were produced.

Setting the agenda: preliminary e-survey

1.22 Preliminary work was undertaken to confirm issues, challenges and problems, including those identified from the initial data analysis, literature and policy review. An agenda setting e-survey was sent to all members of the steering group that posed the following questions:

- *Could you define the Northern Peninsula in terms of housing markets – by geography and by consumers in the market?*
- *What are the main housing issues and problems?*
- *Where do they occur?*

1.23 The survey responses relating to the definition of housing markets are covered in Section Three – defining the market. The responses relating to the main housing issues and problems are covered under ‘Setting the agenda’ below.

Setting the agenda: initial workshops

1.24 Two initial workshops were held on the 4 February 2008 in Bodmin and the 5 February 2008 in Barnstaple. A range of stakeholders were invited including: elected representatives, local authority officers across a range of services, developers, housing associations, local landowners, representatives from local community groups, regeneration partnerships, and regional bodies. Those attending are shown in Appendix A.

1.25 The e-survey and initial focus groups provided an early opportunity to tap into local knowledge and expertise, engage stakeholders in the process, and ensure that those issues considered important in the local area were covered by the research. The information gathered provided a firm basis on which to build the main body of the qualitative research and ensured that data sources were sought for the range of issues most pertinent in this area.

Core fieldwork

1.26 The main fieldwork for the project consisted of a series of 65 interviews with a range of other stakeholders, including residents, developers, housing associations, those concerned with private rented housing, those concerned with housing vulnerable people, those involved with sustainability issues, those concerned with the economy of the area, elected representatives, place based representatives, local estate and rental property agents across the area. As the stakeholders were widely spread geographically and were difficult to bring together for focus groups, the majority of the main fieldwork has consisted of interviews. A summary of those interviewed is provided at Appendix B.

Setting the Agenda

1.27 The outcome of the initial agenda setting phase is summarised below.

Headline data

1.28 An initial review of data sources and related studies enabled the researchers to establish the following headlines:

- There are currently about 121,000 households and about 278,300 people in the area.
- The area has a much higher proportion of older people and a much lower proportion of younger people than England as a whole.
- There has been a gain of about 8,000 households over the last five years. There are 20,000 more households expected in the next ten years and 38,000 more by 2026. The biggest increases will be amongst retired and very elderly households.
- Inflows of people are mainly from London and the South East, the West Midlands and the East regions.
- The largest groups of incomers to the area are those aged 25 to 44 and there are also large gains of those aged 0 to 15. This indicates that they are families with young or school aged children.
- The number of people from outside the UK registering for work in the Northern Peninsula has increased dramatically and was 1,240 in the year from 1 April 2005 to 31 March 2006.
- There will be high levels of growth in single and couple households, especially those aged 45 and above and particularly those beyond retirement age.
- The level of second homes in the area is estimated to be 6.5% with an additional 250 second homes created each year.
- There is a low level of existing and of new social rented dwellings.
- There is a high proportion of both existing and new homes that are detached.
- There is a low proportion of both existing and new purpose built flats.
- Turnover in the owner occupied sector and the level of vacancies in the social rented sector are both low.

- Waiting lists for social rented housing have grown considerably over the last five years.

Initial E-survey

1.29 A total of ten e-surveys were returned. The problems and issues raised can be grouped under three broad headings:

- those that relate to the housing supply
- those that relate to need and demand, and
- those that are concerned with employment, infrastructure and the environment.

1.30 There is some overlap between these categories. The e-survey also invited respondents to define the housing market and identify where problems and issues occurred. The views expressed in relation to these questions are included in Section Three of the report 'Defining the Housing Market Area'.

1.31 The main issues raised in relation to the supply of housing, the demand for housing and other issues, were as follows.

1.32 In relation to housing supply:

- There are high levels of second and holiday home ownership with hot spots in coastal areas around Braunton, Bude, Croyde, Padstow, Rock, Welcombe, West Appledore and Woolacombe;
- There are too many flats and not enough houses;
- High house prices combined with low wages. A large and growing affordability gap. Low wages reflected in a greater need for social rented housing;
- The poor quality of the private rented sector in some place such as Ilfracombe;
- A poor quality and older housing stock, particularly in rural areas;
- Weak place shaping and design in some urban extensions, such as Roundswell;
- Demand is likely to be greater than the ability to provide housing. How, where and what should be prioritised? To what extent should housing growth be in Barnstaple and to what extent should it be polycentric?

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- There are greater difficulties in providing affordable housing in rural areas and a consequent need for a strategic approach giving a greater prioritisation and increased resource;
- How to target a type and mix of housing to limit the impact of retirement in-migration, yet sustain the economy; and
- At what point does the quantum of housing delivered run counter to the Regional Spatial Strategy (RSS)?

1.33 In relation to the need and demand for housing:

- High in-migration of retirement and pre-retirement households;
- An ageing population and a growing demand for supported living;
- Difficulty for first time buyers to get on the housing ladder;
- Out-migration of young people because of poor employment and limited tertiary education; and
- NIMBYism particularly from those who have moved into villages and paid a high price.

1.34 In relation to employment and the local economy; the local infrastructure and environment:

- A low wage deep rural economy particularly affecting younger adults and families;
- A lack of well paid jobs:
- A need for regeneration around Ilfracombe, Westward Ho!, parts of Barnstaple, Bideford and Minehead;
- Poor transport links affecting the sustainability of some rural communities and causing an over reliance on the cars;
- Pressure to build more houses versus preserving the environment;
- Agriculture as an employment sector is under pressure and traditionally poorly paid;
- A need to improve workforce skills, alongside developing the knowledge economy and regeneration;

- Rural communities are under threat as services are withdrawn and people are forced to leave; and
- Using the availability of facilities to define sustainable communities is a very limited and blunt tool which places unnecessary restrictions on communities that are already under pressure.

Initial Workshops

1.35 The workshops were attended by 16 people in Bodmin and by 11 people in Barnstaple. Questions were posed on flip charts and emerging themes from the agenda setting survey recorded. The workshops sessions began with a brainstorm of the housing and related issues in the area and then progressed to identify four important issues to be discussed in greater detail. The responses to each of these sessions have been drawn together and included in the analysis below. The following questions were asked:

- What type of households are excluded from open market housing?
- What type of households are excluded from social rented housing?
- What happens to those unable to satisfy their housing requirements?
- Are there benefits relating to current trends in the housing market area?
- Where should new housing be built?
- Are there areas where housing should not be built?
- What size of home should be built?
- What type of households are excluded from social rented housing?
- Is it more important to provide social rented housing or intermediate housing such as shared ownership or discounted sales?
- Are there benefits related to second/holiday homes. If so, what are they?
- Why do people migrate to this area?
- Are there benefits associated with population/household growth?

1.36 Although some common themes emerged particularly around the economy and sustainability, the issues highlighted from the Bodmin workshops were:

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1. Housing in rural areas, including issues concerning sustainability, land supply and viability;
2. How can housing market assessments find out about the whole needs of an area including aspirations and not be restricted to those whose situation is most acute?
3. In-migration and second homes. Perceptions and NIMBY issues. What are the positive and negative aspects? What can or can't be changed? How do you plan for the likely future?
4. The significance of the economy and of low wages.

1.37 Distinctive issues from the Barnstaple workshop were:

1. What mechanisms are needed to ensure delivery, including the delivery of infrastructure, finance and capacity?
2. Sustainability. How do we deliver the right sort of housing in the right sort of place? What should the balance be and what quantity. Taking into account issues related to employment and infrastructure and achieving an appropriate balance and also considering the availability of land;
3. Design issues, including types, safety and security; and
4. Housing supply and the economy

1.38 The key points emerging from the workshops were that:

- There was a desire that the RSS should not be overly prescriptive or inflexible;
- In particular, reference was made to giving significant regard to rural areas and the need for development in smaller settlements;
- The urban centric approach of policy in general does not adequately understand rural issues. Specific rural definitions and approaches need to be developed for things such as sustainability and social cohesion;
- There is a need for the scale of the problem and potential knock on effects to be properly recognised and acted upon – a sense of urgency is needed;
- There is a need to face up to the projected growth. It's happening. It will continue to happen and needs to be planned for. There needs to be a much clearer (not inflexible) understanding of what is wanted where and a how it will be delivered;

- There is some good common sense understanding of the issues but a lack of evidence; and
- There is a need to consider how to build in additional strategic capacity so that the area is better able to formulate a vision and influence at regional and other levels. Less prescription from the regions will need to be matched with better evidence and a strategic response locally.

1.39 The issues identified were used to inform subsequent qualitative research. There was a particular concern about the affordability of housing and the impact on young people. Further information relating to this has been sought through the young person's focus group and through resident and stakeholder interviews. Second homes are a major issue in parts of the area. A second home hot spot was chosen and a number of face to face interviews were conducted to develop a better understanding of the impact of second homes in this particular location. Further detail of the views expressed in the workshops has, where appropriate, been incorporated in the later sections of the report.

Interviews

1.40 The purpose of the interviews with stakeholders was to build on the information obtained during the initial workshops and to identify contacts with local knowledge of housing market issues. In particular the Project Steering Group expressed a desire for those directly involved in housing provision, such as housing associations, private developers, and stakeholders who would have knowledge regarding hard to reach groups, to be contacted. The following target groups were identified for interview:

- Councillors
- Developers
- Housing associations
- Planners (focussed on neighbouring counties)
- Local residents
- Those concerned with:
 - Economic development
 - Environmental sustainability
 - Housing enabling
 - Housing Options (Homelessness and vulnerable groups)
 - The private rented sector
 - Specific places

1.41 An invitation was placed on local authority websites and various local newspapers carried articles to encourage people to take part in the housing market assessment. In particular it aimed to make contact with those having difficulty accessing the housing market, including both starters and young

families. It also encouraged those who had recently moved in to the area to get in touch. Those who have responded have been contacted and encouraged to take part through an interview. Respondents were informed that their comments would be reported anonymously.

- 1.42 A wide range of issues had arisen during the workshops, and as it was unreasonable to expect participants to be able to respond to these without prior advice, an information sheet was circulated to enable them to give some thought to key issues. A copy of the questionnaire used and of preliminary information provided is included in Appendix C. Participants were asked to complete the questionnaire to help inform the follow up interview. In some instances, respondents declined to complete the questionnaire, but provided information through a telephone interview. The interview responses are also incorporated in the later sections of the report.

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2.0 STRATEGIC AND POLICY CONTEXT

Summary of Main Findings

2.1 The main findings arising from the review of the strategic and policy context are as follows:

- There are a number of elements of the policy making process that are undergoing rapid change. These include:
 - National and regional organisational structures;
 - The shift towards policy-making and service delivery at sub-regional levels;
 - 'New' local policy framework i.e. local area agreements and national indicators;
 - Role of local authorities;
 - Future of local housing strategies; and
 - Local delivery vehicles.
- The South West Regional Housing Strategy (RHS) 2005-2016 aims to improve the balance of housing markets, achieve good quality homes and support sustainable communities.
- The Regional Housing Strategy will be incorporated into a new Single Regional Strategy. Changes to the draft Regional Spatial Strategy following the independent examination in public (EiP) were published on 22 July 2008 and marked the start of a 13 week consultation period which ended on 24 October 2008.
- The proposed changes include revised total dwelling numbers across the region for the RSS period of 592,460. This is 131,260 dwellings (28.5%) more than the draft RSS. In the NP area, the biggest change is in the housing requirement in Torridge.
- The proposed changes include a housing requirement for Barnstaple of 7,200 new homes over the Plan Period or an Annual Requirement of 360 over 20 years. This represents a 50% increase above draft RSS figures.
- The Corporate Plan produced by the South West Regional Development Agency (RDA) sets out priorities for the period 2008-2011. This includes concentrating efforts on particular places. The Northern Peninsula is included within the RDA priority areas that have economies in particular need of support and development to achieve their potential.
- From the initial Partnership Workshops, a recurrent theme throughout the research has been the links between housing and the economy. It is a key

driver impacting on the demand for housing where low wages create problems of affordability.

- Research by Bath University that considered the economic activity likely in the rural areas of the south west over the next ten to twenty years points to three issues that will dominate:
 - Climate change;
 - IT; and
 - Demographic change - both ageing and in-migration.

Introduction

- 2.2 It is essential that local housing organisations are aware of and are able to respond proactively to the changing national situation, this section focuses on two key issues:
- Housing policy i.e. current and likely future developments in housing policy; and
 - Policy making process i.e. the changing organisational arrangements for developing and implementing housing policy.
- 2.3 These are covered below and are followed by a summary of relevant aspects of the policy context specific to the south west region. It is, of course, important to highlight that these are interrelated issues. For example, the Government's emerging approach to tackling the economic slowdown/'credit crunch' in relation to affordable housing provision in part centres on encouraging public private partnerships, such as local housing companies, that spread the risk between a range of agencies.
- 2.4 Furthermore, both housing policy and policy making are going through a period of interrelated rapid and radical change. The Homes and Communities Agency, initiated in December 2008, has made clear its wish to work strategically on housing development and regeneration in a 'single conversation' with either individual councils or groups of local authorities working on a sub-regional basis. This represents a different perspective from the work of English Partnerships and the Housing Corporation over the last decade.
- 2.5 But these changes are not necessarily joined up and in some circumstances push in opposite directions. The emerging role of local government as a result of the White Paper in 2006 and the Local Government and Public Involvement in Health Act, 2007, is one of 'place-shaping' (or what the housing sector would know as 'strategic enabling'). But there is also increasing emphasis on sub-regions and city regions as the most appropriate

geographical scale to set housing, planning, and economic development strategies.

The National Policy Context

Introduction

2.6 The Government's 'Sustainable Communities Plan' (2003 and 2005) sets the context for national housing policy with its emphasis on:

- Delivering sustainable communities;
- Increasing the output of housing;
- Tackling affordability; and
- Targeting resources on specific localities.

Each of these themes is covered below.

2.7 They are also reflected in the Comprehensive Spending Review (2007), Public Service Agreements (PSAs) and Local Area Agreements (LAAs) as well as in the activities of the Housing Corporation and the shadow Homes and Communities Agency. In addition, more recent guidance and proposals, such as the Housing Green Paper (2007) and the Housing and Regeneration Bill, take forward these themes.

2.8 Of course, the economic slowdown/'credit crunch' has raised important questions on the deliverability of the Government's policy agenda. This subsection concludes with a consideration of their implications for national housing policies.

Delivering Sustainable Communities

2.9 The key message for organisations is that it is not sufficient to focus on the number of new or improved units, a more a more *integrated* approach is required that encompasses, for example, community empowerment, employment and training, community cohesion, environmental sustainability, access to services and the broader quality of life issues. Housing is a cross cutting theme in this approach, contributing to outcomes that underpin economic success and improve health and quality of life for the community.

2.10 This raises significant challenges for housing organisations:

- The nature and extent of direct involvement in, for instance, employment and training, as well as education. Some housing associations have developed social enterprises and are even considering involvement and

sponsorship of city academies. If housing associations are not directly involved, there is clearly a need for partnership working with other agencies;

- Ensuring the delivery of mixed tenure/housing type estates is seen as crucial by the Government on delivering sustainable communities. This will involve the pepper-potting of owner occupied houses, private rented accommodation, low cost home ownership and social rented dwellings in a locality; and
- Housing organisations also need to understand the contribution housing makes to labour mobility and the way that access to housing helps vulnerable clients to move into training and employment.

Increasing Output

2.11 The current Government target is that 210,000 units of housing should be built each year by the middle of the next decade. However, the National Housing and Planning Advice Unit (see below) has advised Ministers that the figure should be increased to tackle the affordable housing crisis. The emphasis, following on from the Barker Review (2004), is that significant increases in output are needed to lower the entry cost for owner occupation, and this focus has centred on a number of actions:

- Targeting resources on specific areas (such as growth areas and growth points) – see below;
- Better quality and more robust strategic housing market assessments and housing needs studies;
- Allocating more land for residential use through the new local development framework (LDF) system;
- Refreshing the planning system by speeding up decision making on applications and providing incentives to encourage increased output (through Housing and Planning Delivery Grant); and
- Encouraging public landowners to make more land available usually at less than market price – making use of the expertise of English Partnerships (and in future the Homes and Communities Agency).

Tackling Affordability

2.12 This has involved a focus on:

- Increasing significantly the supply of owner occupied properties so reducing the market entry price;

- Increased targets and funding to deliver affordable housing through the national affordable housing programme administered by the Housing Corporation;
- Growing focus on low cost home ownership / shared ownership products to help fill the gap between the cost of social renting and owner occupation; and
- Making more effective use of the planning system through S106 agreements. There has been a veritable avalanche of guidance and reports on this issue during the current decade.

2.13 The Housing Green Paper (2007) placed considerable emphasis on each of these actions. It also highlighted the need to consider alternative implementation mechanisms such as local delivery vehicles (for example, local housing companies and community land trusts). These would bring together public and private resources including the use of public land to maximise affordable housing provision. Subsequent to the Green Paper, thirteen local housing company pilots were launched in autumn 2007 and are currently being supported by English Partnerships. The Housing Corporation has been aiding a number of rural and urban community land trusts.

Targeting Resources

2.14 As has already been noted, since 2003, the Government's Sustainable Communities Plan has highlighted that resources would be directed to four Growth Areas and nine Housing Market Pathfinders.

2.15 This has been followed up by further location specific initiatives including:

- Growth points: in the South West region growth was originally designated at Truro, Plymouth, Torbay, Exeter and East Devon, Taunton, Swindon, Poole and the West of England Partnership area centred on Bristol. Two new growth points at Kerrier with Restormel and Teignbridge have been added to the existing eight; and
- Eco-towns: fifteen potential locations were identified in April 2008 but it is unclear which if any of these will proceed to implementation. The only eco-town proposed in the South West is St Austell (China Clay) in Cornwall whose influence on the Northern Peninsula is likely to be peripheral.

2.16 From a housing perspective, it is important to recognise that public and private sector funding will be directed to these localities combining both infrastructure investment as well as Social Housing Grant.

An ageing population

- 2.17 One other area of particular relevance for the Northern Peninsula area is policy in relation to an ageing population. As life expectancy has increased, so the proportion of the population in older age groups has grown. This has implications for housing provision and in February 2008, the Government published its first national strategy specifically tackling the challenge of housing an increasingly ageing society '*Lifetime homes, lifetime neighbourhoods*'. The NP has a higher than average proportion of households in older age groups and as people get older they are more likely to be affected by illness or disability. They may have difficulty getting around their home, and some will suffer dementia or depression. The national strategy looks firstly at what can be done to address the current needs of older people to improve their opportunities and provide better choices, including the option of staying independent for as long as possible. This includes the provision of repairs and adaptations to existing stock, advice and information, home improvement agency services and preventative technology. Secondly, it looks at future requirements for an ageing society encompassing planning and new supply, lifetime homes, lifetime neighbourhoods, specialist housing that provides variety and choice and inclusive design, both within and outside the home.

Trends in Policy Making and Governance

Introduction

- 2.18 There are a number of aspects of policy making and governance processes that are undergoing rapid change, these include:
- National and regional organisational structures;
 - The shift towards policy-making and service delivery at sub-regional levels;
 - 'New' local policy framework i.e. local area agreements and national indicators;
 - Role of local authorities;
 - Future of local housing strategies; and
 - Local delivery vehicles.
- 2.19 These are interconnected issues, for example, the greater emphasis on sub-regions and the development of sub-regional housing strategies is resulting in the abandonment of district-wide housing strategies as has already happened in Cumbria. Each of these six elements is now discussed in turn.

National and Regional Organisational Structures

- 2.20 At the national level, the key development is the establishment of the Homes and Communities Agency through the Housing and Regeneration Bill. This organisation will be formally in operation from April 2009. But it is already acting in a 'shadow capacity'. Its role is much broader than the investment arm of the Housing Corporation and the enabling role of English Partnerships. It is strongly focussed on neighbourhood regeneration and the broader aspects of developing sustainable communities. The 'shadow' chief executive has emphasised that the organisation wishes to work closely with individual councils and groups of local authorities and their partners on priority issues.
- 2.21 There is also an increasing role for the National Housing and Planning Advice Unit (NHPAU), which is part of Communities and Local Government, and was set up in 2007. Its role is to advise government, regional agencies and other stakeholders on housing and planning issues. It has published a number of research studies and is currently commissioning projects on affordable housing. Its advice to government has already focussed on the continuing need to increase the supply of housing including the number of affordable properties. Recent guidance has suggested that there should be a significant increase in housing output targets in each region including the South West.
- 2.22 Finally, the Treasury-led review of sub-national policy making that commenced in 2007 is already leading to significant changes in regional policy making. It is proposed that from 2010, the role of Regional Planning Body will transfer from the Regional Assemblies to the Regional Development Agencies. The latter will have responsibility for the preparation of a single Integrated Regional Strategy that will include the Regional Spatial Strategy.
- 2.23 Local housing organisations need to be proactive and engage with the work of these new agencies in developing their business strategies/corporate plans.

Sub-Regions and City Regions

- 2.24 Reference has already been made to the Treasury led sub-national policy review. A further aspect of this work is the growing emphasis on sub-regions and city regions as the most appropriate geographical scale for the development of housing, planning and economic development strategies. A number of sub-regions are developing housing strategies based on the outputs from strategic housing market assessments.
- 2.25 This is, however, a complex and challenging part of public policy making:
- At least, 13 city regions are in the process of developing Multi-Area Agreements (MAA). It is evident that the Government intends to reward

these city regions with extra resources and powers. Areas that are not part of city regions and MAAs will clearly lose out in resource terms.

- Sub-regions have been identified for policy and investment purposes in each region through the regional spatial strategy and regional housing strategy led by the regional assemblies. But the nature of the sub-regions is variable.
- Local government reorganisation in two-tier areas impacts on sub-regions. In the South West as whole county unitary authorities will proceed in Cornwall and Wiltshire. The six Cornish district authorities incorporated in the unitary for the county include North Cornwall within the Northern Peninsula Housing Market Area (HMA). A Structural Review for Devon is also being undertaken by the Electoral Commission's Boundary Committee, the outcome of which may be the creation of a unitary authority including North Devon and Torridge District Councils. In other parts of rural England, there has been a shift towards the 'shared services agenda' between counties and districts. This could include a county-wide/sub-regional housing strategy as in Cumbria.

2.26 Housing organisations need to have an understanding and be involved in the development of sub-regional government.

The 'New' National Policy Framework

2.27 County and unitary authorities have completed the latest round of local area agreements that are linked to sustainable community strategies and local strategic partnerships, and both the county-wide LAAs include affordable housing. These are significant as they identify local priorities where it is expected that resources and delivery will be focussed.

2.28 LAAs are based on a series of national targets/indicators. The Government published a list of 198 national indicators and county and unitary authorities have had to identify 35 local priorities (together with 16 statutory education-based targets).

2.29 The Devon LAA, agreed in June 2008, includes three priorities under the 'Homes and Housing' theme relating to:

- Increasing housing delivery, especially at strategically significant cities and towns and their associated communities;
- Increasing the delivery of affordable housing; and
- Improving the housing options for homeless and vulnerable clients.

- 2.30 Under the 'Safer, Stronger and Sustainable Communities' theme, the Cornwall LAA, agreed in April 2006, includes a focus on increasing the delivery of affordable homes, especially in rural areas.
- 2.31 Linked to this broader policy framework is the roll out of comprehensive area assessments (CAA) from April 2009. This replaces the current comprehensive performance assessment (CPA) system. The Audit Commission focus will be on policy and delivery by all agencies with the council as the place shaper (see below). Local authorities will, therefore, increasingly be monitoring and reviewing the activities of other housing organisations.

The Role of Local Authorities

- 2.32 Again, this is a complex area. Reference has already been made to sub-regions and local government reorganisation as well as to LAAs.
- 2.33 The Government White Paper on Local Government (2006), the Lyons Review (2007) and the Local Government and Public Involvement in Health Act (2007) focussed on the place shaping role of councils. They emphasise the importance of sustainable community strategies and local strategic partnerships. The key role for councils appears now to be:
- Setting the policy framework (including the research and intelligence function);
 - Facilitating provision by partners;
 - Empowering communities and customers;
 - Working in partnership with other organisations; and
 - Monitoring delivery.

- 2.34 Other housing organisations need to work with their local councils on developing and delivering this agenda.

The Future of Local Housing Strategies

- 2.35 Both the Government and the Audit Commission will be publishing guidance on this issue later in 2008. At this stage, the future of local housing strategies is unclear. However, draft reports and guidance suggest:
- Greater emphasis on policy making rather than the local housing strategy itself i.e. a focus on the plan as a means rather than an end;
 - Growing recognition of the relevance of a sub-regional approach with encouragement likely to be given to joint strategies;

- Reduction in the number of sub-strategies such as local homelessness policies, empty property strategies etc; and
- Local housing strategies as part of a broader sustainable community strategy.

2.36 The six existing district councils in Cornwall are at an advanced stage of preparing a Cornwall Housing Strategy, particularly in anticipation of the creation of 'Cornwall Council' from 1 April 2009.

Local Delivery Vehicles

2.37 As has already been pointed out, the Government Housing Green Paper (2007) highlighted the importance of LDVs to increase the output of affordable housing. A range of initiatives was highlighted including local housing companies, community land trusts and limited liability partnerships. There has also been a wide range of local initiatives such as community asset trusts.

2.38 As these LDVs have the potential to spread risk between partners, there are particularly significant in the current period of economic uncertainty. Housing organisations should be exploring the potential of LDVs with private, public and voluntary sector agencies.

Rural Housing Policy: the Affordable Rural Housing Commission and the Commission for Rural Communities

2.39 The Affordable Rural Housing Commission (ARHC) was set up in July 2005 by the Department for Environment, Food and Rural Affairs (DEFRA) and the predecessor of Department for Communities and Local Government to inquire into the scale, nature and implications of the shortage of affordable housing for rural communities in England and make recommendations to help address unmet need and to identify practical solutions to help address unmet need and improve access to affordable housing to rent or buy for those who live or work in rural areas. Their recommendations addressed the following themes, all of which are of direct relevance to the Northern Peninsula area:

- Ensuring rural housing need is adequately identified and met;
- Improving affordable rural housing delivery by positive planning;
- Better finance for affordable rural housing and ensuring a supply of sites;
- Better use of existing stock and retain a supply of affordable housing; and
- Making it happen by involving rural communities and using specialist skills.

- 2.40 Since that time, the Commission for Rural Communities has responded by commissioning a wide range of best practice projects and published a series of reports as the basis for proposing action to achieve its aims which can be accessed at:

<http://www.ruralcommunities.gov.uk/>

Rural Housing policy: the Taylor Review of Rural Economy and Affordable Housing

- 2.41 The recently reported Taylor Review highlights a number of characteristics of rural areas, including the following:

- Restrictive planning practices;
- Low supply of affordable housing;
- Large scale migration to rural areas;
- Substantially higher house prices;
- Earnings significantly less than urban counterparts;
- ONS predict a 16% increase in the rural population between 2004 and 2028 compared to 9% in urban areas; and
- Challenges are at their greatest in small towns, villages and hamlets with populations of fewer than 3,000.

- 2.42 Throughout the sections that follow it will be clear that the findings of our research in the NP area are consistent with the findings of the Taylor Review.

Regional Policy

Regional Housing Strategy

- 2.43 The South West Regional Housing Strategy 2005-2016 aims to improve the balance of housing markets, achieve good quality homes and support sustainable communities.
- 2.44 The Regional Housing Strategy will be incorporated into a new Single Regional Strategy. In view of the forthcoming changes rather than a full revision of the existing regional housing strategy a transition document is being prepared. This will assist in the housing related aspects of the proposed regional strategy, its daughter documents and any related regional housing documentation by signposting and development of an updated evidence base.

Regional Spatial Strategy

2.45 Changes to the draft Regional Spatial Strategy following the independent examination in public were published on 22 July 2008. They marked the start of a 13 week consultation period which ended on 24 October 2008. The proposed changes include revised total dwelling numbers across the region for the RSS period of 592,460. This is 131,260 dwellings (28.5%) more than the draft RSS. In the NP area, the biggest change is in the housing requirement in Torridge. The 122.9% increase is the second largest across the whole of the South West region after Purbeck, and the average increase across the Northern Peninsula area is 71%.

Table 4: proposed changes arising from the RSS Examination in Public

Changes	North Cornwall	Torridge	North Devon	West Somerset	Northern Peninsula
Annual Average net dwelling requirement (Proposed changes)	670	535	545	125	1,750
Difference between draft RSS and proposed changes	290	295	140	15	725
% increase between draft RSS and proposed changes	76%	123%	35%	14%	71%
Overall requirement for RSS period 2006 to 2026	13,400	10,700	10,900	2,500	35,000

(Source: Draft RSS for the South West, Examination in Public, Panel Report, January 2008)

2.46 Most new development will be provided for at Strategically Significant Cities and Towns (SSCTs), with more limited development in other settlements where it will aim to increase self-containment and promote stronger communities. The RSS identifies 21 SSTCs, including Barnstaple, within the NP area. The proposed changes include a housing requirement for Barnstaple of 7,200 new homes over the Plan Period or an Annual Requirement of 360 over 20 years. This represents a 50% increase above draft RSS figures. It will be the responsibility of Local Development Frameworks at the district level to translate the RSS figures into schemes on the ground.

Regional Economy

2.47 The Corporate Plan⁴ produced by the South West RDA sets out priorities for the period 2008-2011. This includes concentrating efforts on particular places. The Northern Peninsula is included within the RDA priority areas that

⁴ What next: Our plans for the three years 2008-2011, South West RDA.

have economies in particular need of support and development to achieve their potential.

- 2.48 The latest Economics Review⁵ for the South West has found that the economic slowdown is yet to become significant for most south west businesses and it is still too early to see any sign of downturn in the regional economy. Those sectors and places linked to financial and housing markets have seen some immediate impact, whilst ripple effects are slower to emerge. A worsening economic downturn is now likely.

The Local Economy

- 2.49 From the initial Partnership Workshops, a recurrent theme throughout the research has been the links between housing and the economy. It is a key driver impacting on the demand for housing and was a key theme spontaneously raised at the initial workshops with stakeholders. Low wages have a clear relationship with affordability as is demonstrated in Section Six (Assessing Housing Needs and Requirements). In this section, we provide further information relating to the economy of the area from our consultations with residents and stakeholders.
- 2.50 The Regional Development Agency see this part of the region, along with the rest of Cornwall, as a rural priority. The RDA supports the development of Barnstaple as a focus for development, with Bideford having a complementary role. A Strategic Investment Framework (SIF) for the area will be prepared and issues concerning infrastructure in the area will be part of this framework.
- 2.51 The RDA has a SIF for Bodmin and views it as being an important local service centre and a sub-regional hub serving the surrounding rural areas. There is a need for town centre regeneration to complement edge of town development.
- 2.52 They support a flexible approach to economic activity in and between smaller towns and rural areas to support the economic dynamic between these areas and Bodmin, Bideford and Barnstaple.
- 2.53 This approach by the RDA is consistent with the views expressed by residents and stakeholders who favoured most development taking place in and adjacent to existing urban areas, but also wished to see some development in the more rural parts of the area.
- 2.54 In general, the economic stakeholders thought that whilst Barnstaple was very much the 'jewel in the crown', there was too great a concentration on its economic significance to the detriment of other locations; Ilfracombe and Bideford are both faring less well and are in need of further regeneration efforts.

⁵ Economics Review Issue 13, Third Quarter: August 2008, South West RDA.

- 2.55 All those consulted felt there was a need for the regeneration of market and coastal towns to act as the economic and service hubs for adjacent rural hinterlands. It was felt important to maintain vibrancy in the market towns rather than focusing effort on the strategically significant towns and cities.
- 2.56 The Bideford Chamber of Commerce was concerned that the town lacked the housing necessary to encourage people to move to the area who had the right skills to support the local economy. However, there was thought to be little point in providing additional housing without the appropriate infrastructure. The availability of skilled labour was seen as a vital element in attracting new businesses to the town, and the provision of affordable housing was key in ensuring the labour supply. There was concern over a tendency to lose skilled labour to other areas, even if it was only over the river to Barnstaple.
- 2.57 Traders in Ilfracombe referred to difficulty in attracting investment because the housing available was not of the right type or quality. Ilfracombe is also constrained geographically making it difficult to provide new housing.
- 2.58 The situation in West Somerset is similar. It is a low wage economy, with most employment in Minehead and some in Willerton. Butlins located on the edge of Minehead is by far the largest employer. Businesses make enquiries about moving to Minehead, but are deterred by the problem of its peripheral location and lack of good quality transport links.

Research relating to economic activity in the rural areas of the South West

- 2.59 Research by Bath University⁶ reviewing the economic activity likely to develop in the rural areas of the south west over the next ten to twenty years identified three main issues whose effect would begin to be felt more by 2016:
1. Climate change;
 2. IT; and
 3. Demographic change - both ageing and in-migration.
- 2.60 Ageing and in-migration are considered in detail in other parts of this report; the housing implications of IT developments relate mainly to home-working and are discussed further below. Climate change carries a greater need to consider appropriate locations for new dwellings, for instance, to avoid flooding, and it has implications for the design of dwellings.

⁶ Future Economic Activity in the South West's Rural Areas and Smaller Settlements, Professor John Hudson, Professor John Sessions, Dr Bruce Morley & Mr Simon Davies, Department of Economics & International Development, University of Bath, February 2007.

Information Technology

2.61 Broadband is connecting rural and small settlement areas in a way that has not previously been possible. There are some businesses that work using new communications technologies and it is an area of work that public agencies wish to encourage. There can be problems with broadband connections in the more remote areas as the signal weakens once it has to travel six to eight miles from the exchange.

Homeworking and live-work units

2.62 One important consequence of the availability of broadband has been its impact on facilitating homeworking. ‘Under the Radar’⁷, a recent report dealing with self-employment and working from home, argues that there is a strong case to be made for home-based businesses playing a vital part in tackling rural deprivation, achieving sustainable development and creating stronger communities.

2.63 There is a general lack of information on the nature and extent of homeworking but ‘Under the Radar’ identified that over 6% of employed people in the South West were self-employed and working from home with much higher rates for the Northern Peninsula districts.

Table 5: self-employment and home based working

Location	Number of self-employed people aged 16 – 74 working mainly at or from home	Percentage of self-employed people working from home	Percentage of people in employment: self-employed and working from home
All England	1,053,055	35.64	4.69
South West	147,376	41.34	6.45
North Cornwall	4,510	51.31	13.06
North Devon	4,192	48.87	10.66
Torridge	3,299	52.45	12.93
West Somerset	1,858	48.67	12.91

(Source: Under the Radar, Appendix 3. Calculated from figures supplied by ONS from the 2001 Census)

2.64 The drivers for home-based working are improved communications technology, high housing costs (making a separate workspace harder to afford) and a growing reluctance to waste time commuting. All have particular relevance in rural areas. The growth of web conferencing, systems such as SKYPE and e-commerce are likely to further reduce the need to travel and encourage homeworking.

⁷ Under the Radar: Tracking and Supporting rural home based businesses, A report for the Commission for Rural Communities from Live Work Network.

Northern Peninsula: **Strategic Housing Market Assessment**

- 2.65 The limited consultation we were able to carry out with those engaged in homeworking suggests that they are more likely to be people with established careers rather than those starting out. Homeworking can work for micro-businesses, but it is very difficult to expand and remain in the same location.
- 2.66 Whilst live/work units sound like a good idea, their effectiveness has still not been validated.

3.0 DEFINING THE HOUSING MARKET AREA

Summary of Main Findings

3.1 The main findings arising are as follows:

- The approach to defining sub-market areas (SMA) has consisted of the following sequential stages:
 - An agenda setting e-survey providing an initial view of the housing markets based on local and professional knowledge;
 - Initial mapping of home moves from the largest 150 local settlements applying a 75% self containment threshold;
 - Detailed mapping of property sales recorded by the Land Registry in 2007;
 - Detailed analysis and mapping of currently advertised new-build sales;
 - 38 wide ranging interviews with property agents across the area to provide a 'reality check' against our emerging desk top analysis; and
 - consultation with planning policy and housing strategy officers in the four districts, the three counties and the Exmoor National Park Authority area.
- The SMAs identified are as follows:
 - Taw and Torridge: Towns & Rural Fringe: extending from Barnstaple, the only significant urban area and the sub-regional centre for the Northern Peninsula.
 - Market Town Areas (MTA)
 - Bodmin MTA
 - Camelford MTA
 - Holsworthy MTA
 - Launceston MTA
 - South Molton MTA
 - Wadebridge MTA
 - Coastal: Higher Value (CHV)
 - Croyde CHV
 - Padstow CHV
 - Coastal: Lower Value (CLV)
 - Boscastle and Tintagel
 - Bude
 - Ilfracombe

- Minehead
 - Exmoor Core and Fringe: a rural and dispersed area centred on the Exmoor National Park.
 - Dispersed Rural: the remaining mainly inland and less accessible areas.

Introduction

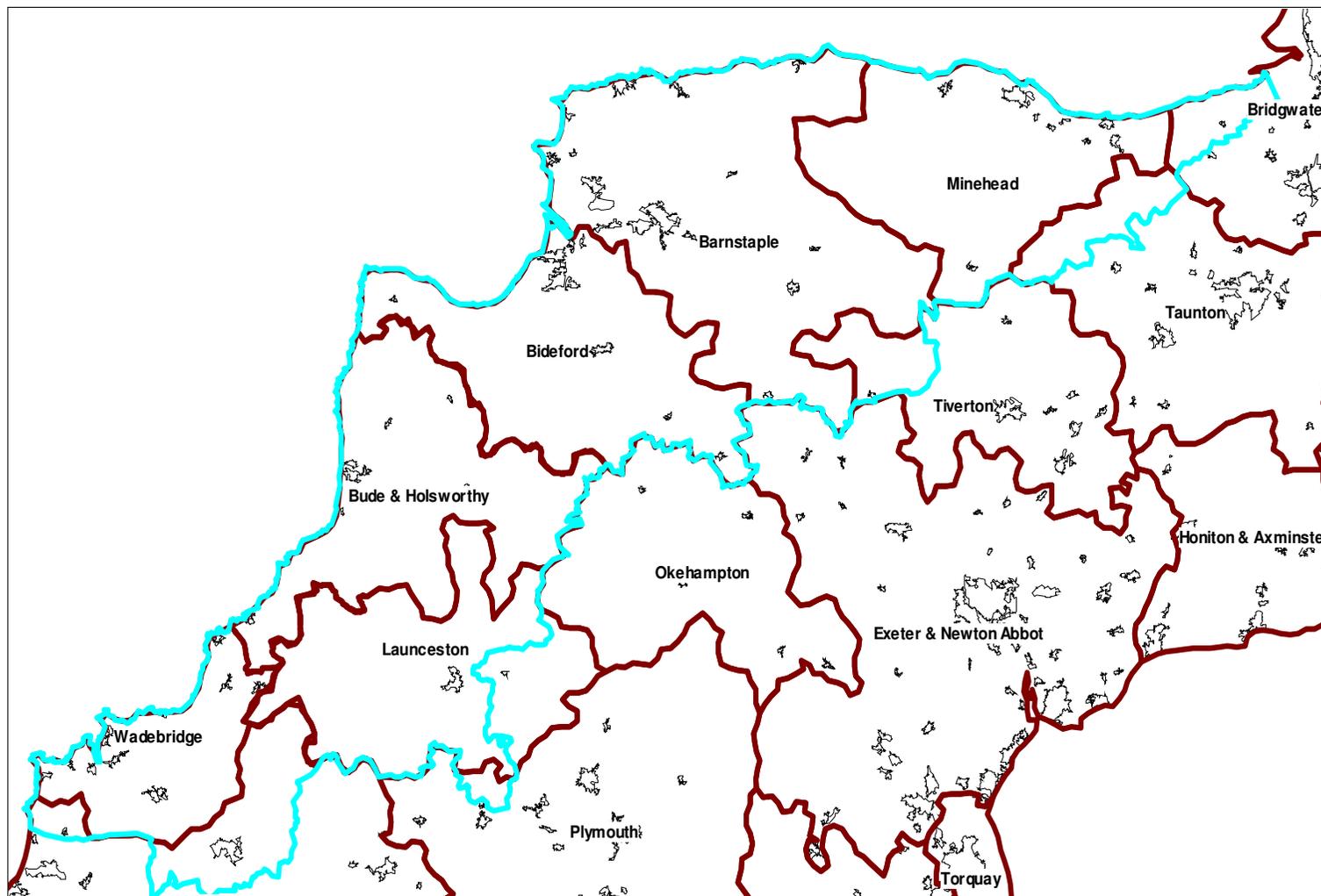
- 3.2 This section addresses CO 9. One of the requirements of the project brief was *'An identification and analysis of the sub-markets within the NPHMA, based on a robust methodology that will identify the differences between localities.'* Using a combination of methods to assist in defining sub-market areas including data analysis, local knowledge and professional expertise, this section addresses that requirement. Accompanying maps are provided at Appendix D.
- 3.3 Housing markets can be understood in two ways, either geographically by identifying the characteristics of the market within a defined area, or socially by identifying the behaviour of housing consumers across a defined area. From the first perspective, the Bude housing market is for example a relatively self-contained SMA but from the second, it may be one of several locations across the Northern Peninsula attractive to 'empty nesters' thinking of moving to a previous holiday destination on retirement.
- 3.4 The principle underlying the definition of Housing Market Areas is that of 'self-containment', that within a defined area, a majority of people will either live and work and/or move home. The 'Housing Market Assessment Manual' published by the then ODPM in February 2004 states:
- "Housing markets can, in practice, be defined as geographical areas which contain both the origin and destination of the majority of households who move home (there will always be a minority of households moving long distances for various reasons). This emphasises that in understanding housing markets – and the way they change over time – close attention needs to be paid to household movement and migration patterns."* p8.
- 3.5 Based on previous work on travel to work areas, the degree of self-containment 'defining' a housing market area is usually set at around 70 to 75%, but there is no hard and fast rule on what figure to use. Recent versions of guidance comment more warily that a housing market area is *"the geographical area within which there are clear links between where people both live and work"*.
- 3.6 The typical thresholds for a housing market area have been developed in relation to market activity in urban areas, and whilst it works well in such

locations, its application to rural areas is much more problematic. This is especially the case in the Northern Peninsula area, and for three reasons:

1. 'Live: work' areas identified from 'Travel to Work' patterns are likely to be very much wider in more rural locations with extensive commuting. Map 1, below, identifies 2001-based Travel to Work Areas (TTWA) in the Northern Peninsula Area, and to give an example of their scale, the Bideford TTWA consists of 21,038 employees in an area of 611 sq. km.
 2. 'Home move' areas are also likely to be large due to the long distance in and out migration being experienced in the Northern Peninsula, especially to and from London, the South East, the East and the West Midlands regions. Applying a 75% self-containment threshold to movement to and from centres in the NP area has the effect of defining SMAs which can extend hundreds of miles and which overlap chaotically.
 3. Finally, there is also a particular problem relating this methodology to rural settlements where moves by small numbers of households can create a distorting impression of how the local housing market operates.
- 3.7 A third approach to defining HMAs is to map property values to identify potential sub-market areas defined by property values. This offers a useful way forward in relation to the market in the Northern Peninsula as one of the main characteristics of the area is the high value of properties, and one of the main policy imperatives is to attempt to re-balance the market to improve housing access for local people. Consequently, defining areas in terms of property values can make a valuable contribution to identifying meaningful SMAs.
- 3.8 HMAs need to be more than lines on a map, they need to be capable of identifying the requirement for interventions to re-balance the market and improve choice, especially for local people. This final requirement - of identifying meaningful evidence-based policy areas - has also informed the analysis undertaken below and, with the potential for intervention in a predominantly rural area in mind, we have adopted the basic geographic unit of local parishes.

Northern Peninsula: **Strategic Housing Market Assessment**

Map 1: 2001-based Travel to Work Areas (TTWA) in the Northern Peninsula Area



3.9 In summary, the approach to defining sub-HMAs adopted here has consisted of the following sequential stages:

1. An agenda setting e-survey was sent to all members of the HMA steering group. The survey consisted of just three questions, the first of which was 'Could you define the Northern Peninsula in terms of housing markets – by geography and by consumers in the market?' This provided an initial view of the housing markets based on local and professional knowledge.
2. Initial mapping which was commissioned from Bob Line of B.Line Housing Information of home moves from the largest 150 local settlements using 2001 Census Origin: Destination data and applying a 75% self containment threshold.
3. The next stage has consisted of detailed mapping of property sales recorded by the Land Registry in 2007, and presented in terms of:
 - All sales;
 - All re-sales; and
 - All new-build sales.
4. The fourth stage has consisted of detailed analysis and mapping of new-build sales advertised at January 2008. Such sales carry a premium on re-sale properties, typically of 20% to 40%, and expressed in £ per square metre. They are important indicators of the health of the market and of the level of affordable housing which might be achieved through Section 106 Planning Agreements. An analysis has been undertaken of the asking price of all currently advertised new-build properties in the Northern Peninsula area; of their total floor space, and of the resulting price per square metre.
5. The fifth stage has been to undertake 38 wide ranging interviews with property agents across the area to provide a 'reality check' against our emerging desk top analysis. One of the questions posed and probed was: *"How would you define the local housing market in this area?"* Based on local enquiries with agents, we focused on the following centres which provide coverage for the Northern Peninsula area:
 - Barnstaple
 - Bideford
 - Bodmin
 - Bude
 - Camelford
 - Great Torrington

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- Ilfracombe
 - Launceston
 - Minehead
 - Padstow
 - South Molton
 - Wadebridge
6. The sixth stage has been to submit a first draft of the sub-market areas to consultation and scrutiny from planning policy and housing strategy officers in the four districts, the three counties and the Exmoor National Park Authority area, and to incorporate the many comments and suggestions received in refining this version.
7. Finally, we have combined all this data and information to develop a typology of sub-market areas across the Northern Peninsula, which can provide the basis for policy interventions.

Findings from the agenda setting survey

- 3.10 Responses to the agenda setting survey confirmed that, although the market is not thought to be tightly defined, the boundaries of the sub-regional housing market as originally defined by the DTZ Report were considered to be about right. Cross-boundary relationships to the west with the rest of Cornwall and to the east with Somerset were identified, but less interaction with the Plymouth and Exeter housing market areas. The southern end of the area around Winkleigh may have a greater relationship with Exeter. It is also clear that the Exmoor and Dartmoor National Park areas and the Quantocks create different housing market characteristics.
- 3.11 The Northern Peninsula area was considered to comprise of a number of relatively self-contained sub-market areas defined according to a combination of the size and dispersed pattern of settlements. Barnstaple was identified as the dominant settlement in the sub-region's housing market, and whose influence extended to Bideford, South Molton, Braunton and their associated satellite villages. The reach of other sub-market areas was felt to be weaker, although some may exert a limited influence over their hinterland, including Bodmin, Launceston, Bideford, Great Torrington, Wadebridge, Bude and Holsworthy and Minehead, with possibly a smaller sub-market around Watchet and Williton.
- 3.12 There is linkage between some settlements, particularly Wadebridge, Bodmin and Camelford in North Cornwall and between the main towns of North Devon and Torrington.
- 3.13 There are coastal hot spots in North Cornwall, Torrington and North Devon, and in the Exmoor National Park area, all of which are attractive to second home owners and in-migrants.

- 3.14 The different consumer groups identified were second home owners; equity rich owner occupiers; newly forming households with limited opportunities; those currently living in unsuitable housing, and vulnerable households, particularly homeless households and elderly people.

Mapping Home Moves

- 3.15 The basis of this analysis is to identify sub-Market Areas defined by 75% self-containment of movement out from local centres as identified in Maps 2-12 at Appendix D. The following comments apply to each SMA which are organised according to the extent of overlap between them. There is clear overlap between these four SMAs:

Barnstaple

- A local SMA which extends from the north coast to the southern limits of the NP area, which is west of South Molton and south of Ilfracombe.

Bideford

- A local but less extensive SMA which extends towards Clovelly in the west.

Great Torrington

- This SMA is on a north east - south west access, from Barnstaple to Holsworthy.

South Molton

- A local SMA extending almost equally through Barnstaple to Bideford in the west then into Exmoor to the east.

- 3.16 There is clear overlap between these three SMAs:

Bodmin

- The SMA extends to the south coast including Liskeard and St Austell.

Launceston

- A local SMA extending from the coast to the west across Dartmoor towards Newton Abbott and Plymouth.

Padstow

- An extensive SMA extending south and west of the town.

3.16 The following are more self-contained SMAs:

Bude

- An SMA oriented towards the south, and extending to Plymouth in the east and Liskeard in the west.

Ilfracombe

- A very local and self-contained SMA extending south westwards through Barnstaple to Bideford.

Minehead

- An SMA with an orientation towards the north east.

3.17 This analysis supports some of the views expressed by the steering group. In particular overlapping SMAs are found that span the boundary of Torridge and North Devon, there are overlapping sub-markets within North Cornwall and within West Somerset, Minehead is relatively self-contained and is the only part of the HMA that relates to the north east. The analysis makes clearer the separate market areas of Ilfracombe and Bude and that Padstow plays a role in the national housing market.

Mapping Property Sales

Introduction

3.18 The next stage of our analysis has been to map property sales in order to identify potential sub-market areas by concentrations of values. We have undertaken three mapping exercises:

- focusing on the NP area, mapping all sales, re-sales and new-build sales recorded by the Land Registry for 2007, by location and average price by parish (see maps 13-16 at Appendix D);
- to identify the consistency of patterns of property values in the NP area, mapping all sales recorded by the Land Registry for 2005, 2006 and 2007, with 2005 and 2006 values adjusted to those of 2007 (as explained below) and mapping the average price by parish (see maps 17 at Appendix D); and

- to place the NP area in a wider housing market context, mapping all sales in the NP area with the adjoining local authority districts of Caradon, Restormel, Mid Devon, West Devon and Sedgemoor for 2007 and recording the average price by parish (see map 18 at Appendix D).

All sales in the NP area 2007

3.19 In order to reduce their distorting effect, we have excluded 19 properties at the extremes consisting of 15 properties which were recorded at under £50k and four properties at over £2m. Properties close to but above the £50k threshold are likely to be shared ownership; preferential family sales or low value mobile/park homes. We have then reviewed property sales for 2007 by location and the average price by parish for:

- All properties (5,992).
- All re-sale properties (5,509); and
- All new-build properties (483).

3.20 In each case, we have allocated prices to one of four categories, the thresholds for which acknowledge the changing levels of Stamp Duty payable by purchasers⁸, i.e.:

- | | |
|-------------------------|----|
| • £125,00 or less: | 0% |
| • £125,001 to £250,000: | 1% |
| • £250,001 to £500,000: | 3% |
| • £500,001 plus: | 4% |

3.21 In order to identify housing market areas, we have constructed from these four price categories a typology of three higher; medium and lower price bands as follows:

- Higher value: £250,001 plus;
- Medium value: £150,001 to £250,000; and
- Lower value: £50,000 to £150,000.

3.22 The following maps provide overviews of all sales, all re-sales and new-build sales, including a map of average prices of all sales by parish. From these

⁸ In a move to revive the housing market the £125,000 threshold at which buyers pay 1% stamp duty has been raised to £175,000 from 3 September 2008 and will be frozen at the new level for one year.

maps, it has been possible to construct the following table of the proportion of properties in each price range by sales type.

Table 6: all homes, re-sale and new build homes sold in the NP Area in 2007, by Price Band and Range

Price Band	Price Range	All sales		Re-sales		New-build	
		No.	%	No.	%	No.	%
Lower	£50k-£125k	621	10.3	565	10.3	56	11.6
	£125,001-£150k	745	12.4	682	12.4	63	13.0
Medium	£150,001-£200k	1,680	28.0	1,464	26.6	216	44.7
	£200,001-£250k	1,309	21.9	1,221	22.1	88	18.2
Higher	£250,001-£500k	1,442	24.1	1,385	25.1	57	11.8
	£500,001-£2m	195	3.3	192	3.5	3	0.6
Totals		5,992	100%	5,509	100.0%	483	100.0%

(Source: Land Registry)

3.23 Key findings:

- Less than 23% of all sales and almost 25% of new-build sales are in the Lower price band of £150k or less. 10% of all sales and 12% of new-build sales are at £125k or less, the level at which no Stamp Duty is payable;
- 50% of all sales and over 60% of new-build sales are in the Medium price band of £150-£250k ; and
- Almost 30% of all sales and over 12% of new-build sales are in the Higher price band of £250k- £2m.

3.24 In terms of the distribution of sales, and potential SMAs, the following patterns are identifiable:

- Concentrations of sales in Minehead; Ilfracombe; the Barnstaple and Bideford area including Great Torrington and South Molton; Bude; Launceston, Bodmin and the Padstow area;
- Concentrations of Higher value sales in the Exmoor area; in and around Croyde; in North Molton; in Bude; in an arc from Dulverton to Hatherleigh; around Holsworthy; around Davidstow; and in an arc around Padstow;
- Concentrations of Lower value sales in Minehead; Ilfracombe; in and around Barnstaple and Bideford; Launceston and Bodmin.

Mapping all sales for 2005, 2006 and 2007

3.25 In order to identify the consistency of patterns of property values, we have mapped all sales for 2005, 2006 and 2007. In order to achieve values equivalent to those achieved in 2007, we estimated the average property

value for each district, the extent of price inflation compared with 2007 then increased all prices by this percentage. The following table summarises the outcome for 16,498 recorded sales over the three year period.

Table 7: average property price inflation by district, 2005-2007

Year	NCDC		NDDC		TDC		WSDC	
	Average price	Inflation to 2007						
2005	£213,627	15.6%	£183,500	21.5%	£191,294	21.1%	£204,816	14.6%
2006	£226,810	8.9%	£210,130	11.3%	£199,498	7.3%	£214,869	10.4%
2007	£246,978	Base	£233,833	Base	£215,205	Base	£239,935	Base

(Source: Land Registry)

3.26 Key findings:

- The highest average price is in North Cornwall, followed by West Somerset; North Devon and Torridge;
- The highest price inflation since 2005 was in North Devon closely followed by Torridge then North Cornwall and West Somerset; and
- The highest price inflation since 2006 was also in North Devon, followed by West Somerset then North Cornwall and Torridge.

3.27 Map 2, below, provides average price by parish, and when compared with the map of 2007 values, the pattern of values remains remarkably consistent.

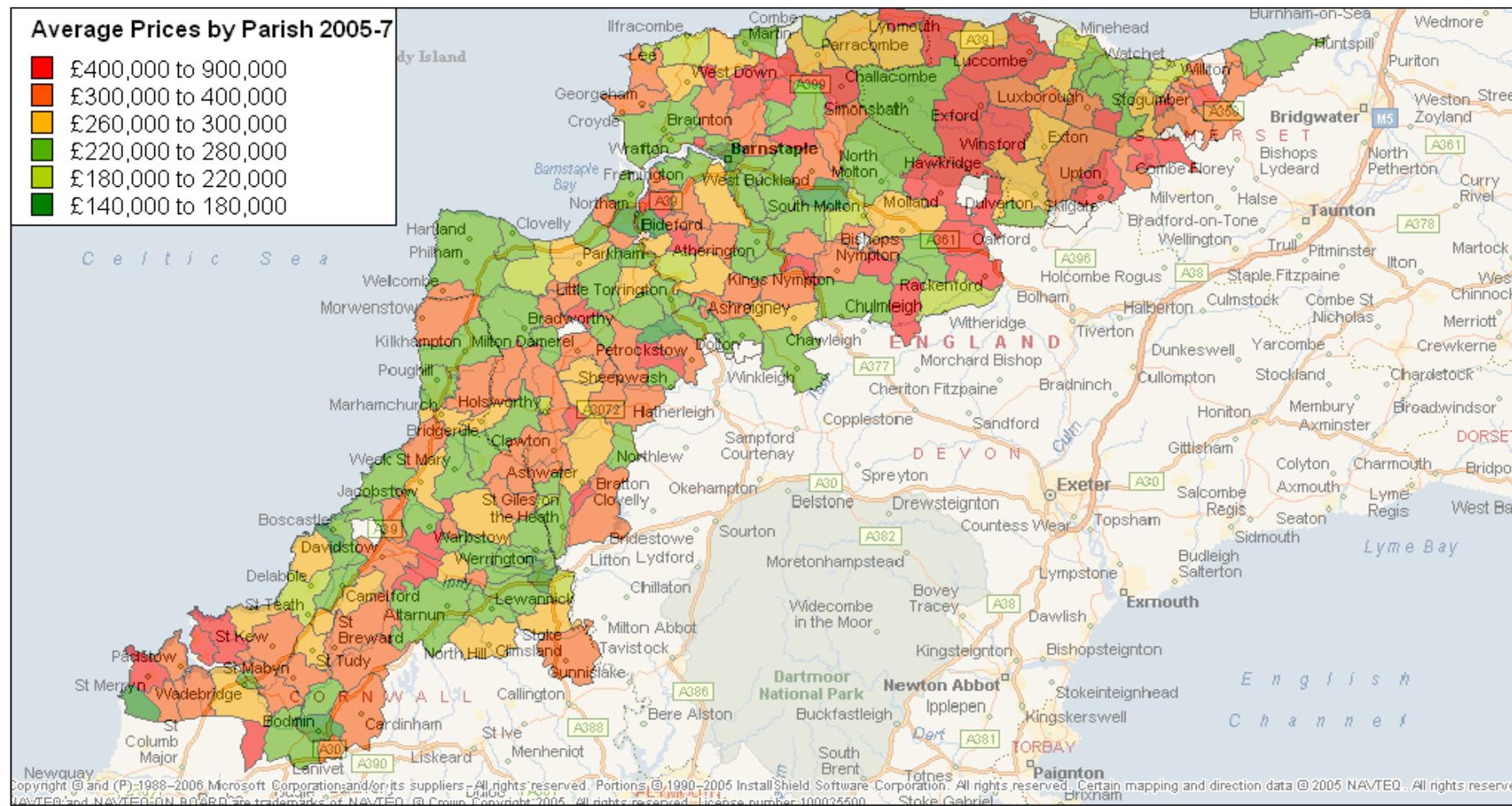
Mapping all sales for 2007 in the Northern Peninsula and adjacent local authority areas

3.28 In order to place NP values in context and to identify any 'cross-border' patterns, we have also mapped average values by parish for Caradon, Restormel, Mid Devon, West Devon and Sedgemoor districts. Map 3, below, provides the overall picture of a continuing mosaic of average values and indicates the following 'cross border' patterns:

- An inland swathe of lower values to the south of the NP area particularly around Restormel (north of St Austell) and related to clay mining villages and the degradation of the landscape;
- An extension of higher values to the south of the Exmoor and Downland Fringe; and
- A thread of higher values following the NP boundary throughout West Somerset and Devon.

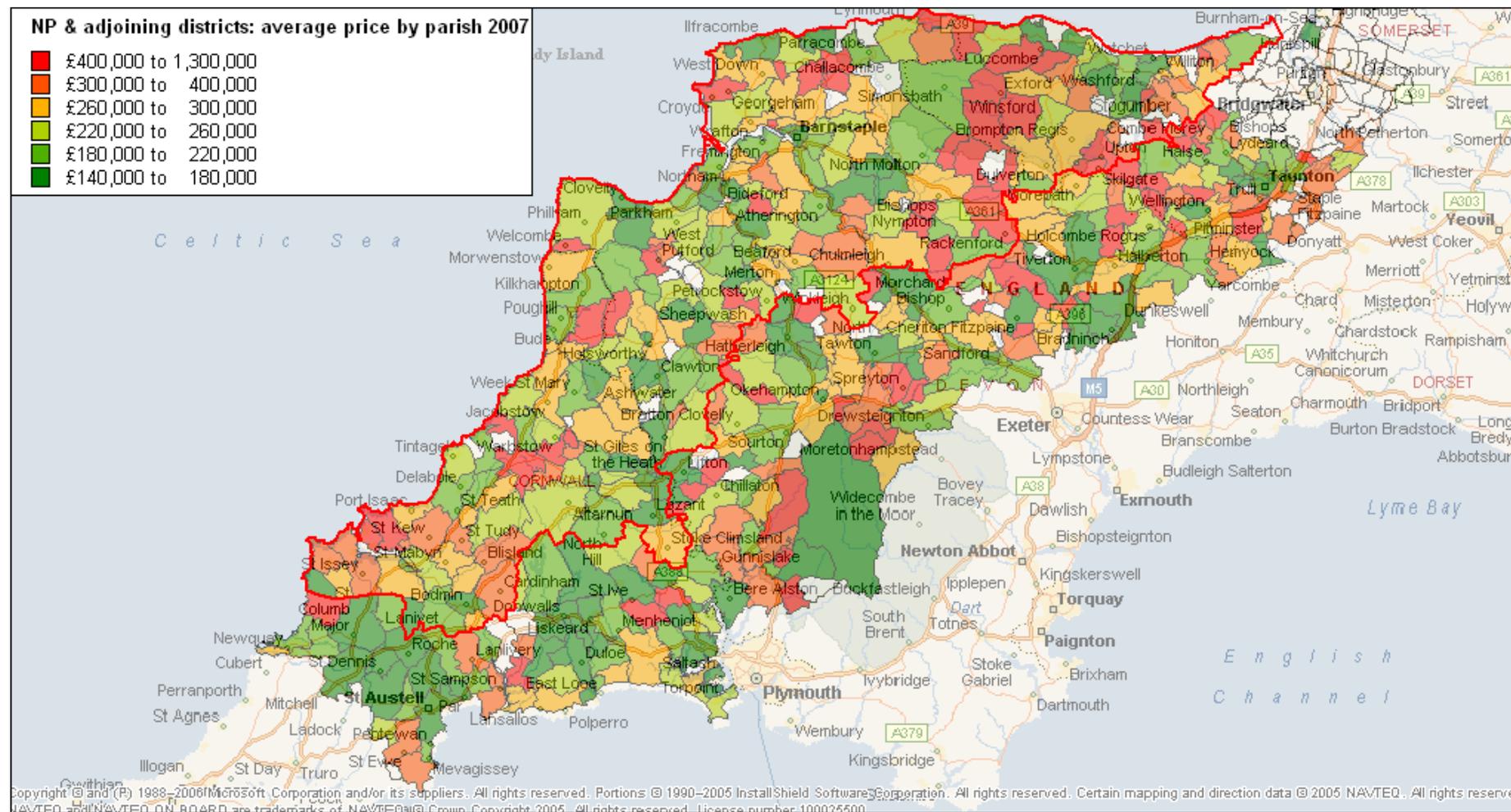
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Map 2: average property price by parish, all sales, 2005-2007



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Map 3: average property price by parish and adjoining districts, all sales, 2007



Mapping new-build open market values

Introduction

- 3.29 The fourth stage of our analysis has been to identify and map the price of all new build homes for sale in the Northern Peninsula area, including new homes in buildings converted from other uses. 328 properties were advertised, at May 2008, and data concerning floor space is available for 295 of them. There is a highly variable pattern for locations in which sales are concentrated, however most are to be found in such local centres as Minehead, Ilfracombe, Barnstaple, Bideford, Bude and Bodmin (see maps 19-20, Appendix D).
- 3.30 We have used this data in two ways, firstly to identify average floor space by property type and bed size, and secondly to identify average values per square metre across the area. The first table summarises typical floor space by property type by bed size, in some cases, the sub-sample was too small to support an accurate estimate.

Table 8: average size per m² by property type, May 2008

Centre	1 bed	2 bed	3 bed	4 bed
Bungalow	-	-	-	-
Detached	-	-	121 m ²	135 m ²
Flat	47 m ²	64 m ²	-	-
Semi-detached	-	64 m ²	80 m ²	-
Terrace/town	-	65 m ²	71 m ²	-

(Source: HVC review of prices, May 2008)

- 3.31 Key findings:
- Typical floor spaces vary from 47 m² for a one bed flat to 135 m² for a four bed detached house; and
 - It is noticeable that, whilst two bed floor spaces are near identical for two bed properties, three bed town houses are much smaller than either their semi-detached or detached equivalents. This may well be related to the incorporation of garages within three storey properties but requires further investigation.

Analysis

- 3.32 We have set out below average prices per square metre derived for each local centre accompanied by the number of properties on which these estimates are based. In order to identify the characteristics of housing market areas, we have also constructed a typology of values as follows:

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- Higher: £3,200 plus per m²;
- Medium: £2,600 to £3,199 per m²; and
- Lower: £2,000 to £2,599 per m².

3.33 The following table also allocates each centre to one of these levels of value.

Table 9: advertised new-build properties - number of sales, average price per m² of and sales range by local centre, May 2008

Centre	No. of sales	Average value (rounded to £5)	Level
Ilfracombe	22	£3,675	Higher
Padstow *	8	£3,565	Higher
Barnstaple	31	£3,225	Higher
Minehead	20	£2,935	Medium
Bude	21	£2,690	Medium
Bodmin	39	£2,625	Medium
Bideford	48	£2,605	Medium
Great Torrington	30	£2,550	Lower
Launceston	42	£2,530	Lower
South Molton	34	£2,435	Lower
Totals & averages	295	£2,725	Medium

*: care must be taken in interpreting an average taken from a low level of sales, some of which are located at the St Merryn Holiday Village and are chalet type holiday homes.

(Source: HVC review of prices)

3.34 Key findings:

- Although the overall average is £2,725 per square metre, there is a highly variable pattern of values across the area;
- Average values range from £2,435 in South Molton to £3,675 in Ilfracombe; and
- Prices in three centres have been allocated to the higher category; three to the lower and four to the medium level.

3.35 The values provided are based on advertised prices at May 2008, but in a turning market, it is quite possible that these will not be achieved. It is not possible to predict with accuracy the values which will be achieved on sale and therefore, we have set out below three projections based on the accompanying assumptions:

- Aspirational: assumes that advertised values will be achieved;
- Realistic: assumes that 90% of advertised value will be achieved; and

- Conservative: assumes that 80% of advertised value will be achieved.

Table 10: advertised new-build properties, projected values per m² by local centre, May 2008

Centre	Values per m ² (rounded to £5):		
	Aspirational (x 100%)	Realistic (x 90%)	Conservative (x 80%)
Ilfracombe	£3,675	£3,310	£2,980
Padstow	£3,565	£3,205	£2,850
Barnstaple	£3,225	£2,900	£2,610
Minehead	£2,935	£2,640	£2,375
Bude	£2,690	£2,420	£2,180
Bodmin	£2,625	£2,365	£2,125
Bideford	£2,605	£2,345	£2,110
Great Torrington	£2,550	£2,295	£2,065
Launceston	£2,530	£2,280	£2,050
South Molton	£2,435	£2,190	£1,970
Totals & averages	£2,725	£2,455	£2,210

(Source: HVC review of prices)

3.36 Key findings:

- On the basis of our 'Realistic projection, an average value of £2,455 per square metre would be achieved, ranging from £2,190 to £3,310; and
- At the most 'Conservative' projection, an average of £2,210 would be achieved, ranging from £1,970 to £2,980 per m².

The Views of Property Agents, May 2008

3.37 Property agents' views are invaluable in being able to offer a 'reality check' on desk top analysis, and constituted the final stage of our analysis. Despite being pressed to do so, most agents had real difficulty defining their local housing market, and concluded that it overlapped with other areas. The exceptions were Bude and Ilfracombe and, to a lesser degree, Launceston and Padstow. Their views are summarised as follows. As in most housing market assessments, they are not consistent which is why they are only one component of the definition of sub-market areas.

Barnstaple (five interviews)

3.38 Three agents thought Barnstaple was a self contained housing market, whilst two thought it overlapped with other areas, especially Bideford and South Molton.

Bideford (five interviews)

3.39 All agents thought the local market overlapped with other areas.

Bodmin (five interviews)

- 3.40 All agents had difficulty with this and gave the impression that the Bodmin area is not a self-contained housing market but overlaps with other markets.

Bude (three interviews)

- 3.41 All agents thought Bude was a stand alone local market, and one added that 'it has its own micro-climate'.

Great Torrington (three interviews)

- 3.42 Only one agent thought that Great Torrington was a stand alone local market, the others thought it overlapped with other areas.

Ilfracombe (three interviews)

- 3.43 All agents thought Ilfracombe was a stand alone local market, although one did point out that it has extremes of wealth and poverty.

Launceston (three interviews)

- 3.44 Two agents thought Launceston was a stand alone local market, the third thought it overlapped with other areas.

Minehead (five interviews)

- 3.45 One agent though Minehead was a self-contained market for local people; two though West Somerset was a self-contained market; and two thought the local market overlapped with other areas.

Padstow (three interviews)

- 3.46 One agent thought Padstow was similar to other pricey seaside resorts such as Looe, St Mawes, etc.; one said it was a popular area; and one that it overlapped with other areas.

South Molton (three interviews)

- 3.47 One agent thought North Devon was a stand alone market as it's unspoilt; the second said he could not define by area but by property type (for example, rural, uncluttered, etc.) and the third was unable to provide an answer.

Defining Sub-market Areas in the Northern Peninsula HMA

Introduction

3.48 The final task is to bring together the evidence summarised above to identify meaningful sub-housing market areas in the Northern Peninsula, and taking account of:

- Patterns of home moves;
- Patterns and levels of property prices;
- Patterns and levels of current new-build values;
- The views of local property agents; and
- Consultation with and the views of planning policy and housing strategy officers in the four districts, three counties and the Exmoor National Park Authority area, particularly in relation to the boundaries of SMAs and the accessibility of settlements to main roads.

A typology of SMAs in the Northern Peninsula Area

3.49 On the basis of the analysis and consultation undertaken, a typology of SMAs has been constructed as follows:

- Taw and Torridge: Towns and Rural Fringe - the area served by and with good road accessibility to the main residential centres of Barnstaple and Bideford;
- Market Town Areas (MTA): larger, more self-contained and sustainable settlements which have a 'gravity' in the market, mainly inland but with good road accessibility;
- Coastal: Higher Value (CHV) - attractive to incomers, especially second home owners, and characterised by greater road accessibility and prohibitively high property values;
- Coastal: Lower Value (CLV) - less accessible locations offering more affordable homes, some of which are characterised by the need for local regeneration;
- Exmoor Core and Fringe - the very high value National Park and adjacent area which is attractive to incomers, especially second home owners; and
- Dispersed Rural: mainly inland and less accessible areas.

3.50 We have applied this typology to the Northern Peninsula area, and the following table profiles the resulting SMAs.

Table 11: profile of Northern Peninsula Sub-Market Areas

Type	SMA	Parishes included to assist boundary definition	Character	Sales values	New-build values
Taw and Torridge: Towns & Rural Fringe	Barnstaple and Bideford	Ashford, Atherington, Beaford, Braunton, Buckland Brewer, Goodleigh, Great Torrington, High Bickington, Langtree, Little Torrington, Parkham, Roborough, St Giles in the Wood, Swimbridge, Woolfardisworthy	More accessible	Lower	Medium - Higher
Market Town Areas (MTA)	Bodmin	Lanivet	More accessible	Lower	Medium
	Camelford	Delabole	Less accessible	Medium	Medium
	Holsworthy	Bridgerule, Clawton, Hollacombe, Pyworthy	Less accessible	Medium & Higher	Higher
	Launceston	St Giles on the Heath, South Petherwin, Tregadillet	More accessible	Lower	Lower
	South Molton	Bishops Nympton, Chittlehampton, Filleigh, George Nympton, Kings Nympton, Mariansleigh, Romansleigh	More accessible	Lower	Lower
	Wadebridge	St Issey, St Mabyn	More accessible	Medium & Higher	Higher
	Coastal: Higher Value (CHV)	Croyde		Less accessible	Higher
Padstow		Constantine, Polzeath, Rock, St Merryn	Less accessible	Higher	Higher
Coastal: Lower Value (CLV)	Boscastle and Tintagel		Less accessible	Lower	Medium
	Bude	Kikhampton, Poughill, Marchamchurch	Less accessible	Lower	Medium
	Ilfracombe	Berrynarbor, Combe Martin	Less accessible	Lower	Higher
	Minehead		Less accessible	Lower	Medium
Exmoor Core and Fringe		Bratton Fleming, Brayford, Kentisbury, Knowstone, Muddiford, North Molton, Stoke Rivers, Shirwell, West Buckland, West Down	Less accessible	Higher	Higher
Dispersed Rural Areas		Altarnun, Burrington, Cardinham, Chittlehamholt, Chulmleigh, Kings Nympton, Rackenford, Roseash, St Eval, St Teath, St Tudy, Stoke Climsland, Week St Mary, Witheridge	Less accessible	Medium & Higher	Higher

(Source: HVC)

3.51 The SMAs are as follows:

Taw and Torridge: Towns & Rural Fringe

A predominantly Lower value area with some localised price hot spots extending from Bideford (Lower new build values) and Barnstaple (Medium new build values) to South Molton in the east and Great Torrington in the south, both of which have Lower new build values. Both South Molton and Great Torrington are located at the boundaries of deeper rural areas. Barnstaple is the only significant urban area and is the sub-regional centre for the Northern Peninsula.

Market Town Areas (MTA)

These consist of:

Bodmin MTA

A settlement incorporating relatively self-contained Lower value sales and a Medium value new home market which could form the focus for local development.

Camelford MTA

A functional centre settlement with a Medium value sales and new home market which could form the focus for local development.

Holsworthy MTA

A relatively remote settlement with a Medium value sales and Higher value new home market which could form the focus for local development.

Launceston MTA

A settlement of Lower value sales and new homes which could form the focus for local development.

South Molton MTA

A settlement with a Lower value sales and new home market located at the interface between the Taw and Torridge; Exmoor and Deep Rural SMAs, and which could constitute the focus for local development.

Wadebridge MTA

A settlement with a Medium to Higher value sales and Higher value new home market which could form the focus for local development.

Coastal: Higher Value (CHV)

Croyde CHV

A localised area of concentrated Higher values, one of three hot spots in the Northern Peninsula area.

Padstow CHV

An area of concentrated Higher sales and new home values, the second of the hot spots in the Northern Peninsula area.

Coastal: Lower Value (CLV)

Boscastle and Tintagel CLV

A remote area of relatively lower sales values. There are few new homes on which to base values per square metre but we would anticipate that these would fall into the Medium price band comparable with Bude.

Bude CLV

A more self-contained lower value area with Medium new build values.

Ilfracombe CLV

A highly self-contained market of extreme values, within which current Higher new-build sales values are indicative of growing market strength.

Minehead CLV

A self-contained and lower priced market extending out of the NP area to the north east, and currently experiencing Medium level values indicative of strengthening demand for new build properties.

Exmoor Core and Fringe

A rural and dispersed area of concentrated Higher sales values, one of the three hot spots in the Northern Peninsula area. There are few new homes on which to base values per square metre but we would anticipate that these would fall into the Higher price band.

Dispersed Rural Areas

A predominantly rural and dispersed area of Higher sales values. There are few new homes on which to base values per square metre but we would anticipate that these would fall into the Medium to Higher price bands.

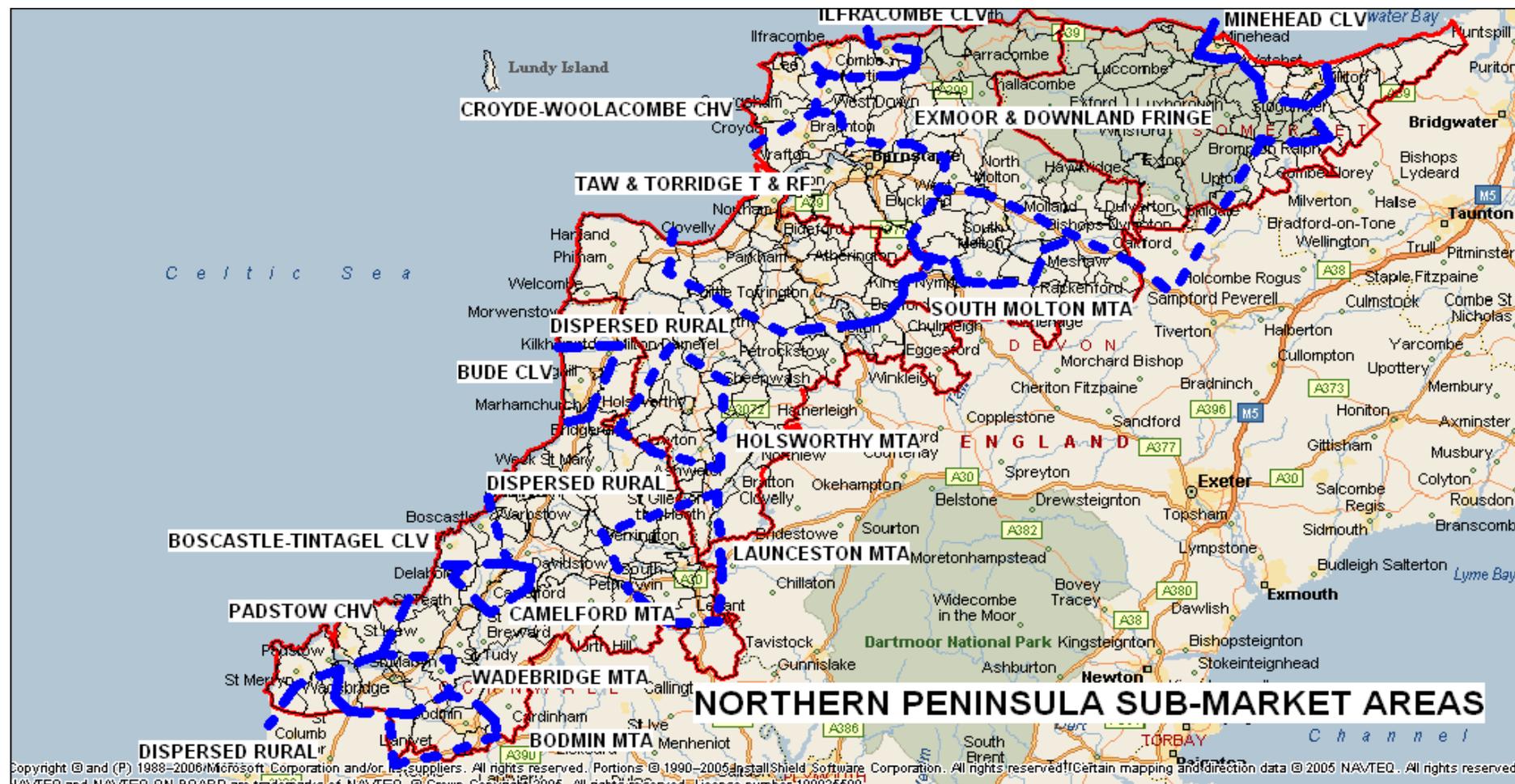
- 3.52 Map 4 identifies the ‘fuzzy’ boundaries for the SMAs are which should be taken as indicative only; obvious boundaries, including parish boundaries and main roads, have been followed where appropriate. Maps 21-28 in Appendix D identify the boundaries of each SMA.

The Northern Peninsula in the wider housing market

- 3.53 No housing market area is an island, and it is clear that the Northern Peninsula has very strong links with both adjacent and more distant housing market areas. This is particularly evident from patterns of home moves to and from the area. At the more adjacent level, cross-boundary relationships to the west with the rest of Cornwall and with the West Housing Market Area suggest that the housing market in its character and dynamics is continuous in this direction. To the east, there are cross-boundary relationships with Somerset, but the market is increasingly oriented towards the Bristol area at this point. There is much less interaction with the Plymouth and Exeter housing market areas to the south, although the southern end of the area around Launceston may have a greater relationship with Plymouth, and the area around Winkleigh may have a greater relationship with Exeter.
- 3.54 One of the most distinctive characteristics of the housing market in the Northern Peninsula area is the extent and strength of connections with distant housing markets. Analysis of home moves has clearly identified the extent of movement to and from housing markets in London, the South East, the East of England and the West Midlands.

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Map 4: sub-market areas in the Northern Peninsula, 2008



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4.0 SOCIAL AND DEMOGRAPHIC TRENDS

Summary of Main Findings

4.1 The main findings arising from the review of social and demographic trends are as follows:

- The four districts have a disproportionately older population when compared with the region and England as a whole.
- Whilst the population is projected to increase by 21% to 2026, the number of households is projected to increase by up 31%. This implies very strong growth in the requirement for housing, equivalent to 20,000 homes in the next 10 years, and 38,000 by 2026.
- All the Northern Peninsula districts have gained population through in-migration over the five years since 2002, resulting in an overall net gain of 18,100 people.
- The greatest gains have been made by North Cornwall (6,100) and Torridge (5,800) and the lowest by West Somerset (1,800).
- The greatest inflows are from the South East Region and London; then from the West Midlands and East regions.
- The main outflows are to Wales then to Plymouth; Exeter and Taunton Deane which are all employment centres.
- All age groups except those 16 to 24 have gained population with the largest gains at 45 to 64 (the middle age cohort) and the lowest at 65+ (the pensionable age cohort). This suggests that the area is proving attractive to those seeking a change later in their working lives and to an early retirement age cohort;
- Large gains at 25 to 44 (the younger family age cohort) and 0 to 15 (dependent children) are indicative of the inward movement of families with young and school age children, and
- There has been a significant net loss in those aged 16 to 24 (the further and higher education/early household forming cohort).
- There was a sudden increase in the number of registered migrant workers in the area in 2005 to 2006, especially from Poland, which will have increased the local requirement for housing.
- In conformity with national trends, household projections to 2026 identify a very large growth in the number of 'one person' households - which imply

correspondingly large increases in the need and demand for smaller homes such as two bed properties - and growth in married and co-habiting couple households, who are the main consumers of family housing.

- Analysis of projected growth in household types by age identifies high to very high levels of growth in single and couple households, especially aged 45 and above, and especially beyond retirement age. Such a trend is likely to have two main consequences for the need, demand and supply of housing in the area:
 - a very high level of need and demand for smaller conventional but aspirational homes , especially from middle age and older people who are less likely to be willing to compromise on housing quality and space standards;
 - if such alternatives cannot be provided in sufficient numbers and of a quality to meet the predicted growth in older single and couple households, there is likely to be a reduction in the turnover of family homes as such households may stay put rather than trade down in the market.

Introduction

4.2 This section addresses CO 3, and addresses two fundamental questions affecting the future need and demand for housing:

- who lives in the Northern Peninsula area now, and,
- how might this change over the next 20 years?

4.3 We have approached these questions by considering:

- whether the area's *population* is projected to change – and in what ways, and,
- most crucially for the need and demand for housing, whether the number and type of *households* is projected to change.

4.4 All population and household projections are based on 2001 Census data. However, these are regularly revised by ONS to new baselines. Sub-national population projections are available to a 2004 baseline but household projections are to a 2003 baseline. In all cases, we have taken the projected figure for 2006, and used it as a baseline to project trends forward over a 20 year timescale and to conform with the next planning period.

4.5 We begin by looking at population numbers and their age ranges and how this is expected to change in the future, identifying those age ranges where most

growth is expected. We then consult the components of population change, including the impact of migration across each of the districts in the NP area. We review the locations within the UK that migrants move from and to and their age structure, and the data available relating to international migration. Finally we consider household projections by type of household for each area.

Population and household totals and projections

4.6 The first table profiles the population by age group for the four districts in the Northern Peninsula area including the Exmoor National Park, 26% of which is in North Devon and the remainder in West Somerset.

Table 12: estimated population by age cohort for the Northern Peninsula area, including the Exmoor National Park, mid-2006

District	0-19	20-39	40-59	60-74	75+	Total
North Cornwall	19,200	17,600	24,300	15,600	8,600	85,300
North Devon	21,200	19,200	26,000	16,000	9,200	91,600
Torridge	14,200	12,600	18,600	12,200	6,400	64,000
West Somerset	7,000	5,700	10,000	7,700	5,000	35,400
<i>(Exmoor National Park)</i>	<i>(1,911)</i>	<i>(1,575)</i>	<i>3,473)</i>	<i>(2,511)</i>	<i>(1,355)</i>	<i>(10,825)</i>
Northern Peninsula (NP)	61,600	55,100	78,900	51,500	29,200	276,300
NP %	22.3%	19.9%	28.6%	18.6%	10.6%	100%
South West Region %	23.2%	24.4%	27.5%	15.4%	9.4%	100%
England & Wales %	24.3%	27.5%	27.0%	13.5%	7.7%	100%

(Source: ONS 2004-based population projections)

4.7 The following key findings and trends are identifiable for an estimated population of 276,300:

- the four districts have a disproportionately older population when compared with the region and England as a whole;
- less than one quarter of the overall population is aged 19 or under; and
- almost 60% are 40 or older; and
- 30% are of pensionable age.

4.8 It is well established that a combination of the formation of more independent and single person households, the impact of relationship breakdown and the ageing of the population have resulted in household growth outstripping population growth, and that this trend will continue. The precise impact of these factors is difficult to predict *with certainty*, and this must be taken into account when reviewing projections involving small changes of 1% or less. We are not assuming that household growth will, of necessity, translate into housing growth, but it is one of the main factors in shaping the future need and demand for housing.

4.9 The following table examines population and household trends for the Northern Peninsula area for the period 2006 to 2026. The totals for North Devon and West Somerset include 4,896 households who were resident in the Exmoor National Park area in 2001.

Table 13: current and projected population, household numbers and estimated average household size for the Northern Peninsula area, 2006-2026

Indicator	North Cornwall	North Devon	Torrige	West Somerset	Northern Peninsula
Population 2006	85,900	92,200	64,600	35,600	278,300
Population 2016	96,000	101,100	74,100	37,300	308,500
Population 2026	105,500	109,600	82,300	39,700	337,100
% change 2006-16	+11.8%	+9.7%	+14.7%	+4.8%	+10.9%
% change 2006-26	+22.8%	+18.9%	+27.4%	+11.5%	+21.1%
Households 2006	38,000	39,000	28,000	16,000	121,000
Households 2016	44,000	45,000	34,000	18,000	141,100
Households 2026	50,000	50,000	39,000	20,000	159,000
% change 2006-16	+15.6%	+15.4%	+21.4%	+12.5%	+16.6%
% change 2006-26	+31.5%	+28.2%	+39.3%	+25.0%	+31.4%
Household size 2006	2.26	2.36	2.31	2.23	2.30
Household size 2016	2.18	2.25	2.18	2.10	2.19
Household size 2026	2.11	2.19	2.11	1.99	2.12

(Source: ONS Revised 2004-based Sub-national Population Projections and 2004-based Sub-regional Household Projections)

4.10 This table summarises the dramatic changes projected in the number of people and households in the Northern Peninsula area over the next 20 years, and the following key findings and trends are identifiable:

- In 2006, there were an estimated 278,300 people and 121,000 households, an implied average of 2.3 people per household;
- The area's population is projected to increase by 11% to 2016 and by 21% to 2026, ranging from 12% in West Somerset to 27% in Torrige;
- Household growth will exceed the predicted high level of population increase, the number of households is projected to increase by 17% to 2016 and 31% by 2026, ranging from 25% in West Somerset to 39% in Torrige; and
- In common with national trends, average household size will fall from 2.3 in 2006 to 2.2 by 2016 and 2.1 by 2026.

Population projections by age group

4.11 General trends in the area's population may conceal important variations between age groups. Consequently, we have examined below, trends in six age cohorts, each of which is associated with different housing requirements:

- 0 to 19: consisting of a predominantly dependent young population;
- 20 to 39: the main 'new household forming' age cohort, including families with young children, and increasingly families with 'stay at home' children;
- 40 to 59: when households are likely to return to independence following the departure of dependent family members;
- 60 to 74: when incomes are likely to fall, and housing and care needs begin to change;
- 75 to 84: when housing-related care needs are likely to increase; and
- 85 plus: when housing-related care needs are likely to become more acute.

4.12 The following table examines trends for the Northern Peninsula area; the terms 'growth' or 'decline' refer to changes in the region of 10% over the period 2006-2026; 'large' growth or decline to changes in the region of 20 to 30% and 'very large' growth or decline to changes above 30% with the latter highlighted.

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Table 14: population projections by age cohort for the Northern Peninsula area, 2006-2026, totals and percentages

Age cohort	2006	2016	2026	Change 2006-26	Trend
North Cornwall					
0-19	19,100	19,100	19,800	+3.7%	Small growth
20-39	17,600	18,500	19,500	+10.8%	Growth
40-59	24,500	26,900	26,700	+9.0%	Growth
60-74	15,900	20,700	23,300	+46.5%	Very large growth
75-84	6,300	7,600	11,500	+82.5%	Very large growth
85+	2,400	3,300	4,600	+91.2%	Very large growth
Total population	85,900	96,000	105,500	+22.8%	Large growth
North Devon					
0-19	21,400	21,500	22,500	+5.1%	Small growth
20-39	19,100	20,000	21,100	+10.5%	Growth
40-59	26,400	27,900	27,000	+2.3%	Small growth
60-74	16,200	20,600	23,000	+42.0%	Very large growth
75-84	6,600	7,800	11,500	+74.2%	Very large growth
85+	2,500	3,200	4,400	+76%	Very large growth
Total population	92,200	101,100	109,600	+18.9%	Growth
Torridge					
0-19	14,400	14,500	15,000	+4.2%	Small growth
20-39	12,600	13,100	13,900	+10.3%	Growth
40-59	18,900	21,200	21,000	+11.1%	Growth
60-74	12,300	16,700	19,100	+55.3%	Very large growth
75-84	4,700	6,300	9,600	+104.3%	Very large growth
85+	1,800	2,600	4,000	+122.2%	Very large growth
Total population	64,600	74,100	82,500	+27.7%	Large growth
West Somerset					
0-19	7,200	6,400	6,300	-12.5%	Decline
20-39	5,700	5,000	5,100	-10.5%	Decline
40-59	10,200	10,300	9,300	-8.8%	Decline
60-74	7,800	9,900	11,000	+41.0%	Very large growth
75-84	3,400	3,900	5,500	+61.8%	Very large growth
85+	1,500	1,900	2,600	+73.3%	Very large growth
Total population	35,600	37,300	39,700	+11.5%	Growth
Northern Peninsula					
0-19	62,100	61,500	63,600	+2.4%	Small growth
20-39	55,000	56,600	59,600	+8.4%	Growth
40-59	80,000	86,300	84,000	+5%	Small growth
60-74	52,200	67,900	76,400	+46.4%	Very large growth
75-84	21,000	25,600	38,100	+81.5%	Very large growth
85+	8,200	11,000	15,600	+90.2%	Very large growth
Total population	278,000	308,500	337,300	+21.3%	Growth

(Source: ONS Revised 2004-based Sub-national Population Projections)

4.13 Population projections identify widely differing trends in the younger and older populations as follows:

- only a small growth (and decline in West Somerset) in the youngest age cohort;

- growth in the main household forming age cohort (with the exception of West Somerset);
- a varying pattern for the ‘middle’ age group, ranging from growth in North Cornwall and Torridge to small growth in North Devon and decline in West Somerset, resulting in small growth overall; and
- very large growth in the pension age population - and especially in the two oldest age groups. These are projected to increase by between 80 and 90% overall, and to double in Torridge.

The impact of migration

Components of population change

4.14 The question arises of the type of assumptions built into population projections, and the following table summarises the components applied by ONS and their estimated impact on each district and the Area overall between mid-2005 and mid-2006, which is the most recent year for which this data is available. This breakdown is particularly valuable in the Northern Peninsula, where in-migration is an important component of population change and the changing demand for housing.

Table 15: components of population change in the Northern Peninsula, 2005-6 (figures are rounded to 100 and therefore, totals may not conform with those provided in earlier tables)

District	Mid-2005 population	Live births	Deaths	Natural change	Net migration & other changes	Total change	Mid-2006 population
North Cornwall	84,600	800	1,000	-200	900	700	85,300
North Devon	90,900	900	1,000	-100	700	600	91,500
Torridge	63,200	600	700	-100	1,100	1,000	64,200
West Somerset	35,300	300	500	-200	100	0	35,300
Northern Peninsula	274,000	2,600	3,200	-600	2,800	2,300	276,300

(Source: ONS, Mid-2005 - Mid-2006 Population Estimates: components of population change, 2006)

4.15 Key findings:

- ‘Natural change’ in population was negative as death rates are estimated to have exceeded birth rates; and
- But the population of each district, with the exception of West Somerset, is estimated to have increased as a result of in-migration.

Migration: overall patterns and trends

- 4.16 We have used National Health Service (NHS) patient registration data to identify population movement between the Northern Peninsula districts and other local authority areas in England and Wales in the five years ending June 2006, the most recent year for which data is available, figures are rounded to the nearest 10 or 100 by NHSCR and therefore, totals may vary from an aggregated sum. Such data is reliant on people registering with a GP and those groups who are recognised to register at lower rates include students, especially male students and young men, but conversely, families and older people are more likely to register. The first table provides overall figures for in and out migration for all districts and the combined area between 2001-02 and 2005-06.

Table 16: patterns of migration with England and Wales by district for the Northern Peninsula area, 2002-06

Year	North Cornwall			North Devon			Torridge			West Somerset			Northern Peninsula		
	In	Out	Net	In	Out	Net	In	Out	Net	In	Out	Net	In	Out	Net
2001-02	5,100	3,500	1,600	4,900	3,900	1,000	3,800	2,600	1,200	2,600	2,100	500	16,400	12,100	4,300
2002-03	4,800	3,500	1,300	4,900	3,700	1,200	4,100	2,800	1,300	2,400	1,900	500	16,200	11,900	4,300
2003-04	4,800	3,600	1,200	4,800	3,700	1,100	4,100	2,700	1,400	2,400	2,000	400	16,100	12,000	4,100
2004-05	4,500	3,400	1,100	4,200	3,700	500	3,600	2,700	900	2,100	1,900	200	14,400	11,700	2,700
2005-06	4,500	3,600	900	4,200	3,600	600	3,600	2,600	1,000	2,000	1,800	200	14,300	11,600	2,700
Totals	23,700	17,600	6,100	23,000	18,600	4,400	19,200	13,400	5,800	11,500	9,700	1,800	77,400	59,300	18,100

(Source: NHSCR)

4.17 The following key findings and trends are identifiable:

- All the Northern Peninsula districts have gained population over the past five years, resulting in an overall net gain of 18,100 people;
- This trend was very consistent at approximately 4,300 people per year until 2003-04 then has reduced to approximately 2,700 annually in subsequent years;
- the greatest gains have been made by North Cornwall (6,100) and Torridge (5,800) and the lowest by West Somerset (1,800); and
- the gains through migration are closely reflected in the ONS Components of Population Change summarised in Table 15 above.

4.18 The NHS data relates to changes in the population, but in considering the implications for housing, trends for households are more relevant. We have provided below an estimate, based on the 2006 average household size of 2.3, of the predicted number of additional households settling in the area in the period 2001-06.

Table 17: estimated households gained through net in-migration to Districts in the Northern Peninsula area, 2002-06, rounded to 5

Indicator	North Cornwall	North Devon	Torridge	West Somerset	Northern Peninsula
Population gain	6,100	4,400	5,800	1,800	18,100
Household gain	2,650	1,915	2,520	785	7,870

(Source: HVC estimate)

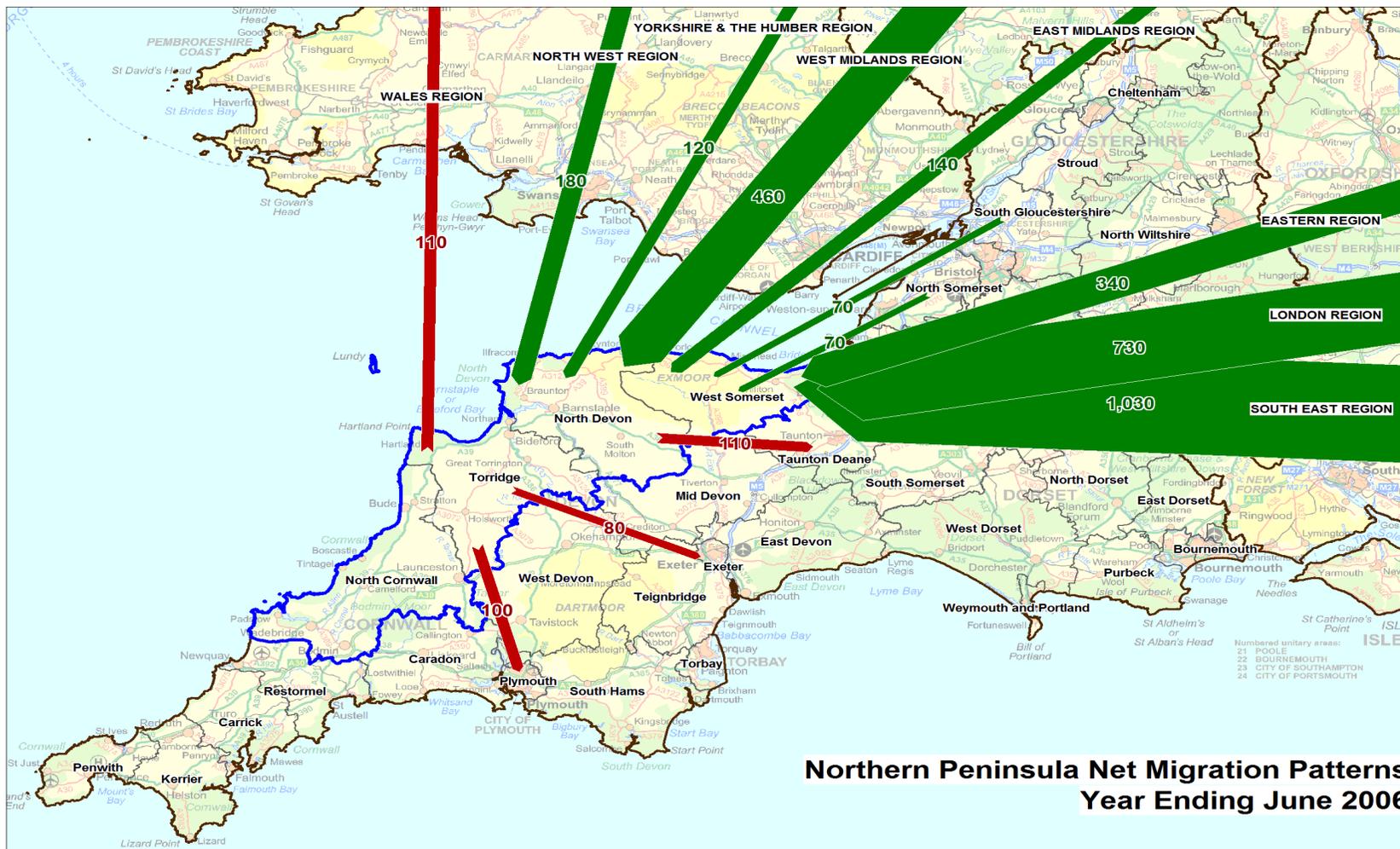
4.19 Key findings:

- Net in-migration over the past five years implies the creation of almost 8,000 new households at an average of 1,600 per year, ranging from a total of over 2,600 in North Cornwall to almost 800 in West Somerset.

4.20 Map 5 below summarises, for the year ending June 2006, the net effect of migration to and from the Northern Peninsula, inflow is indicated by green arrows and outflow by red arrows. Maps 1-9 at Appendix E identify in and out flows for each of the North Cornwall, North Devon, Torridge and West Somerset District Council areas.

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Map 5: net migration patterns affecting the Northern Peninsula area for the year ending June 2006



4.21 Map 5 demonstrates graphically that:

- The area is experiencing a net increase of population through in-migration;
- The greatest inflows are from the South East Region and London; then from the West Midlands and East regions; and
- The main outflows are to Wales then to Plymouth; Exeter and Taunton Deane which are all employment centres.

Migration to and from the Northern Peninsula by age group

4.22 We have examined the patterns of migration to and from each district in the Northern Peninsula area for the year ending June 2006 in relation to:

- the main population flows by local authority area. As there are entries for 375 local authorities, we have concentrated on movements in either direction of 50 people or more; and
- the main moves in and out of the Northern Peninsula Districts by age cohort.

4.23 Tables related to this analysis are contained in Appendix F and the following key findings and trends are identifiable:

- All age groups, except those 16 to 24, have gained population with the largest gains at 45 to 64 (the middle age cohort) and the lowest at 65 plus (the pensionable age cohort). This suggests that the area is proving attractive to those seeking a change later in their working lives and to an early retirement age cohort;
- Large gains at 25 to 44 (the younger family age cohort) and 0 to 15 (dependent children) are indicative of the inward movement of families with young and school age children, and
- There has been a significant net loss in those aged 16 to 24 (the further and higher education/early household forming cohort).

North Cornwall

4.24 Key findings:

- The highest level of movement is with Restormel, Caradon, and Torridge, with similar levels and age profiles in either direction;

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- The main population gains are from West Devon, Torridge and South Gloucestershire, especially of families with children; and
- The main population losses are to Plymouth, Carrick and Exeter, especially of those aged 25 to 44 and of families with children.

North Devon

4.25 Key findings:

- The highest level of movement takes place with Torridge and Mid-Devon, involving similar levels and age profiles, and with Bristol and Plymouth, including more families with children;
- Population gains are very limited; they are highest from Birmingham, including more older people, and Sedgemoor, including more families with children; and
- The main population losses are to Torridge, especially of middle age and older people; and to Plymouth and Exeter, especially of younger people.

Torridge

4.26 Key findings:

- The highest level of movement takes place with North Devon and North Cornwall, with similar levels and age profiles in either direction;
- Population gains are highest from North Devon and Restormel, especially of middle age and older people; and
- The main population loss is to North Cornwall, especially of families with children and younger people.

West Somerset

4.27 Key findings:

- The highest levels of population movement take place with Sedgemoor and Taunton Deane;
- Population gains are very limited, and are highest from Mid-Devon and from Bristol, including more families with children; and
- West Somerset is exceptional in the extent of population loss, especially of younger people and families to Taunton Deane.

Comment

- 4.28 These summaries are interesting in the variable patterns and types of movement, especially of younger people and of families with children. The highest level of movement within the Northern Peninsula is between North Devon and Torridge. Less than half that level of movement takes place between North Cornwall and Torridge and a much smaller level of movement takes place between North Devon and West Somerset. In each of these instances, inward and outward movements are of broadly similar numbers. Our analysis only considered moves where more than 50 people were involved, and on this basis, no movement was found between North Cornwall and West Somerset, North Cornwall and North Devon, or Torridge and West Somerset.
- 4.29 The migrations of 50 or more households shown in the tables do not account for the districts' consistent population gain – which must be taking place in smaller numbers from a large number of local authorities from further afield. It is also interesting to note that West Somerset looks more to the east than to the west in terms of population movement.

Reasons for Migration

- 4.30 In this section we include an analysis of the responses of residents and stakeholders concerning migration, and desk based research regarding the motivations for migrating to and from the area.

The Views of Stakeholders and Residents

- 4.31 When asked why people migrate to the area, stakeholders were overwhelmingly of the view that migration to the Northern Peninsula is about quality of life; people move to the area for coastal attractions and the lovely environment. Migrants were seen as sometimes wearing 'rose tinted spectacles', often they don't anticipate that jobs aren't there, or that employers don't pay as much. Those who start businesses often find it tougher than they thought it would be and with hindsight would have been better going to an area with more money. Some move back to where they came from.
- 4.32 Similar views were held by residents. Quality of life was the main reason why residents thought people had moved to the area, followed by retirement. Schools and employment were not thought to be reasons for moving to the area. Other factors that were mentioned were the mild climate, slower pace of life and getting away from the city.
- 4.33 One of the respondents who had moved to the area had recently started a family and thought that where they had previously lived in London was not the best place to bring up children. The move was a combination of push and pull factors but it was the desire to leave London that was the main driver. The

attractions of living in the area concern the lifestyle, the coastal environment and the people who are seen to be friendlier, more interested in who you are and getting to know you.

Literature Review

- 4.34 This section reviews the limited evidence explaining why people at different life stages move to the Cornwall, Devon and Somerset areas including the Northern Peninsula and the implications for the housing system. A literature and research analysis has been undertaken, details of which are included in Appendix G. The headlines findings are shown below:

Younger Single People and Couples (16 to 24)

- 4.35 A combination of 'push' and 'pull' factors affect the migration of younger people to and from the Northern Peninsula area. Push factors encourage young people to migrate from the area in search of education, employment and different lifestyles; pull factors, such as the 'arts scene' and proximity to the sea, encourage migration to the area in search of a better environment or lifestyle ('counter urbanisation').

Families (adults aged 25 to 44) with School Age Children

- 4.36 Many of the family migrant households are headed by those aged in their 30s and early 40s, and these migrants move for a variety of reasons; to rejoin friends and family, to return to the area of their birth; to improve their quality of life or because of childhood holidays.
- 4.37 They may be taking a step up in status terms, by moving to the country, but risk taking a step down in economic terms.
- 4.38 The labour market is not the 'pull factor'. One member of a household may have a job to go to, but other members of the household find it difficult to obtain local jobs. Local wages are low, and much work is seasonal. The partners of long distance commuters have the same problems. Seasonal work coincides with school holidays, which may rule it out.
- 4.39 Car use in rural areas is much higher than in urban areas, particularly for village dwellers. There is strong evidence that choice of place of residence is not related to place of work - people choose where to live, and then drive to where they need to work.
- 4.40 This is a migrant group largely dependent on home ownership. Whilst 20 to 39 is the main household forming age, the age of first household formation is rising suggesting that migrant family households dependent on an 'equity cushion' to finance their move will need to be over 30. This means that they are likely to be less well off in property terms, and they are only able to move

because the boom in property prices in London, the South East and to a lesser extent, in the West Midlands. This group has had to work hard to join the property ladder; they may well have a student debt and so will have saved less. But they are not moving from the low income areas, so we can assume they have been reasonably successful.

- 4.41 As the housing market starts to turn, this group may have less equity and will be less able to move, particularly as they may need two jobs to sustain a mortgage. They will be less able to absorb the costs of migration itself. On the other hand, a higher proportion of young people will have had to leave the region to go to university, because this region has fewer higher education places than every other part of the UK. This will boost the number of potential returnees in future years.
- 4.42 We can predict that where household migration depends on an 'equity cushion' rather than on employment to finance the move, the rate of this type of migration may reduce as the property market slows down.

Older Working Age Migrants and Early Retirees (45 to 64)

- 4.43 This group may be 'downsizing' following the recent property price boom, and may be choosing to work in lower paid or part-time employment, or to become self-employed. They may also be taking very early retirement (chosen unemployment). Self-employment may include 'semi-retirement business ventures'. These people may not be adding to the wealth or employment opportunities of the region. Quality of life is the major motivation.
- 4.44 Some of these older migrants may have been second home owners who have sold their 'main' home or who have moved to the South West and kept a smaller home in a city as a base for work. Second home owners are often self-employed. Second homes in the region are often chosen without regard to access to local services because they are only needed for holidays.
- 4.45 As a whole, retirees to the area are a cohort of more affluent people. There has been a tendency for people who can afford it to retire to the seaside and more recently to the country, and this has affected the South West region. These are the older 'baby boomers' who, as they age, will provide an increasing market opportunity for employment in health and social care.
- 4.47 If the property market falls, so will migration from this group, though not by as much as amongst younger households as these migrants will be cushioned by their equity.

International migration

- 4.48 A potentially important component of population change in rural areas is international in-migration for employment. The collation of registrations of UK

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non-nationals for National Insurance (NINO) provides an invaluable source of data. Numbers are only recorded for individual countries for 10 or more migrant workers and therefore the total is more than the sum of the entries. The first table summarises the extent of migration for each district for the most recent four year period, and the second table profiles the main migrant groups for each district for data for the 2005-06, the most recent year for which data is available.

Table 18: National Insurance Number Registrations of non-UK Nationals by country of origin for the Northern Peninsula, 2002-06

Year	North Cornwall	North Devon	Torrige	West Somerset	Northern Peninsula
02-03	90	60	0	30	180
03-04	140	140	40	40	360
04-05	210	220	50	70	450
05-06	470	320	200	250	1,240
Total	910	740	390	390	2,230

(Source: DWP 2003-06)

4.49 Key findings:

- The number of registered workers in the Northern Peninsula has increased dramatically from around 180 in 2002-03 to 450 in 2004-05 and 1,240 in 2005-06;
- North Cornwall and North Devon have been the main destinations for migrant workers; and
- Such a growth in the number of migrant workers will have increased the requirement for housing, and it is not clear that such increases have been reflected in the ONS Components of Population Change referred to above.

4.50 The following table summarises the main countries from which migrant workers have originated.

Table 19: National Insurance Number Registrations of non-UK Nationals by main country of origin for the Northern Peninsula Districts, 2005-06

Country	North Cornwall	North Devon	Torrige	West Somerset	Northern Peninsula
Lithuania	-	30	-	-	30
Philippines	40	-	-	-	40
Poland	190	100	110	140	540
Portugal	50	-	-	-	50
Slovak Rep	40	-	-	-	40

(Source: DWP 2003-06)

4.51 Key findings:

- The main countries of origin include the Philippines, but are mainly European, including Portugal, and especially the A8 Accession countries including Lithuania, the Slovak Republic and Poland.

Household projections

4.52 In order to project changes in the area's household structure, we commissioned projections of household types by age for the period 2006-2031 based on the established 'Chelmer Model'. CLG household projections, most recently issued in March 2007 to a 2004 baseline and projected from 2001 Census data, are constantly increased to reflect changes in lifestyle and the impact of migration to the UK.

4.53 These trend-based projections incorporate the following assumptions:

- In conformity with ONS national and regional projections, the application of a five year migration trend period;
- That there will be continuing large scale growth in the number of one person households, in the 45 to 64 age group arising from increases in the number of single and divorced/separated men and women living alone, and in older age groups from increases due to improvements in male longevity, and
- The growing prevalence of unmarried cohabitation, which is also projected to grow dramatically.

4.54 Whilst the precise scale of these trends is uncertain, their potential impact on the housing system is dramatic, implying a massive increase in the need and demand for smaller homes.

4.55 In considering the housing implications of changing trends in household structure, we have made the following assumptions of the links between household structure and housing type through the life cycle.

4.56 Please note, that with the exception of lone parent households, household projections do not separately identify family households. Families with children will be associated with married or cohabiting couples, typically at younger ages in the life cycle. It is also important to make a distinction between housing 'requirements' and housing 'aspirations' or 'preferences', where meeting the former may not be adequate in meeting the latter.

- married couple and cohabiting couple households: their main requirements through the life cycle are likely to be one or two bed homes initially, then family housing, then one or two bed homes again. However, the

requirement for small homes cannot be assumed as either aspiration or preference;

- lone parent households: their main requirements through the life cycle will be for one or two bed homes initially, then family housing, then one or two bed homes again. However, the requirement for small homes cannot be assumed as either aspiration or preference;
- one person households: their main requirement will be for one or two bed homes, but this cannot be assumed as either aspiration or preference; and
- multi-person households which include: lone parents with only non-dependent children; brothers and sisters living together and households of two or more unrelated adults such as flat sharers: their requirements and preferences are likely to be highly diverse.

4.57 Please note, the tables make a distinction between 'unconcealed' and 'concealed households', where an 'unconcealed' household (the vast majority) is one where the person is in the same family as the Head of Household and a 'concealed household' where the person is not in the same family as the Head of Household. The latter will include someone living within a household but wanting to move to their own accommodation and form a separate household, for example, adult children living with their parents.

4.58 The following tables provide:

- breakdowns of changing household structure (both unconcealed and concealed households) for each district complemented by a summary for the combined area. These breakdowns enable us to gain a picture of the housing implications of changing household structure; and
- breakdowns of the changing household structure by age of 'household representative' for each household type for the periods 2006 to 16 and 2006 to 26. These breakdowns enable us to gain a picture of the housing implications of changing household structure by age.

4.59 The terms 'growth' or 'decline' in the commentaries on each table refer to changes in the region of 10% over the period 2006 to 2026; 'large' growth or decline to changes in the region of 20 to 30% and 'very large' growth or decline to changes above 30%.

4.60 The first table reviews projected trends in household type for the Northern Peninsula area.

Table 20: household projections for the Northern Peninsula area, 2006-26

Year	Unconcealed households					Total
	Married couple	Cohabiting Couple	Lone parent	One person	Other Multi-person	
2006	59,581	11,160	6,876	36,766	6,042	120,425
2026	63,821	19,446	8,746	59,671	7,745	159,429
Change 06-26	4,240	8,286	1,870	22,905	1,703	39,004
% change 06-26	7.1%	74.2%	27.2%	62.3%	28.2%	32.4%
Year	Concealed households					Total
	Married couple	Cohabiting Couple	Lone parent	One person	Other Multi-person	
2006	282	391	231	-	-	904
2026	207	690	141	-	-	1,038
Change 06-26	-75	299	-90	-	-	134
% change 06-26	-26.6%	76.5%	-39.0%	-	-	14.8%

(Source: commissioned 2004-based projections)

4.61 The following key findings and trends are identifiable for unconcealed households:

- small growth in married couples but very large growth in cohabiting couple households;
- large growth in lone parent households;
- very large growth in one person households; and
- large growth in multi-person households.

4.62 The following key findings and trends are identifiable for concealed households:

- growth of 15% overall;
- large decline in married but a very large growth in unmarried couple households; and
- very large decline in lone parent households.

4.63 The following table provides a breakdown of the changing household structure by age of 'household representative' for each household type for the periods 2006 to 16 and 2006 to 26. For these age-related tables, we have also provided a sub-total combining trends in married and cohabiting couple households.

Table 21: household projections by type by age for Unconcealed Households in the Northern Peninsula area, 2006-26

Age band	Married couple	Co-habiting couple	Sub-total	Lone parent	One Person	Other Multi-person	Total
Change 2006-2016							
15-29	-43	870	827	418	920	314	2,479
30-44	-3,028	1,554	-1,474	551	2,052	91	1,220
45-RA	-1,271	2,091	820	426	3,574	183	5,003
RA+	6,887	490	7,377	53	5,181	426	13,037
Total	-	-	7,550	1,448	11,727	1,014	21,739
Change 2006-2026							
15-29	-126	564	438	336	1,074	336	2,184
30-44	-2,794	2,361	-433	1,087	3,419	235	4,308
45-RA	-3,154	4,007	853	292	6,047	163	7,355
RA+	10,244	1,249	11,493	97	11,882	967	24,439
Total	4,170	8,181	12,351	1,812	22,422	1,701	38,286

(Source: commissioned 2004-based projections)

4.64 The following key findings and trends are identifiable:

- couple households: for those aged under 45, a slow decline; for those aged 45 and above, steady growth; and reflecting the projected growth in the older population, very large growth for those beyond retirement age;
- lone parent households: a low level of growth for all age groups;
- one person households: high levels of growth, especially for those aged 45 and above, and beyond retirement age;
- multi-person households: a low level of growth except for those of retirement age to 2026, perhaps reflecting an increase in older family members sharing.

4.65 The following tables review trends for each district area, commencing with the North Cornwall District Council area.

Table 22: household projections for the North Cornwall District Council area, 2006-26

Unconcealed households						
Year	Married couple	Cohabiting Couple	Lone Parent	One person	Other Multi-person	Total
2006	18,309	3,677	2,250	11,644	1,768	37,648
2016	18,886	5,247	2,626	15,126	2,117	44,002
2026	19,534	6,437	2,875	18,885	2,473	50,204
Change 06-26	1,225	2,760	625	7,241	705	12,556
% change 06-26	6.7%	75.1%	27.8%	62.2%	39.9%	33.4%
Concealed households						
Year	Married couple	Cohabiting Couple	Lone Parent	One person	Other Multi-person	Total
2006	98	64	80	-	-	242
2016	88	120	77	-	-	285
2026	73	186	68	-	-	327
Change 06-26	70	226	60	-	-	356
% change 06-26	-18	106	-17	-	-	71
	-20.5%	88.3%	-22.1%	-	-	24.9%

(Source: commissioned 2004-based projections)

4.66 The following key findings and trends are identifiable for unconcealed households:

- large growth of one third overall;
- small growth in married but a very large growth in cohabiting couple households;
- large growth in lone parent households;
- very large growth in one person households, and
- very large growth in multi-person households.

4.67 The pattern of change for the small number of concealed households is:

- growth of one quarter overall;
- large decline in married but a very large growth in cohabiting couple households; and
- large decline in lone parent households.

4.68 The following table provides a breakdown of the changing household structure by age of 'household representative' for each household type in the North Cornwall District Council area for the periods 2006 to 16 and 2006 to 26.

Table 23: household projections by type by age for the North Cornwall District Council area, 2006-26

		Unconcealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2006-16	0-14	0	0	0	0	0	0	0
	15-29	-2	307	305	139	368	91	903
	30-44	-996	421	-575	83	497	18	23
	45-RA	-236	711	475	140	1,229	77	1,921
	RA+	1,811	131	1,942	14	1,388	163	3,507
2006-26	0-14	0	0	0	0	0	0	0
	15-29	-22	215	193	118	468	98	877
	30-44	-794	872	78	361	1,303	87	1,829
	45-RA	-602	1,347	745	118	2,164	81	3,108
	RA+	2,643	326	2,969	28	3,306	439	6,742
		Concealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2006-16	0-14	0	0	0	0	-	-	0
	15-29	-1	42	41	-8	-	-	33
	30-44	-11	18	7	-4	-	-	3
	45-RA	-2	4	2	0	-	-	2
	RA+	-1	2	1	3	-	-	4
2006-26	0-14	0	0	0	0	-	-	0
	15-29	-2	48	46	-15	-	-	31
	30-44	-9	46	37	-1	-	-	36
	45-RA	-5	5	0	-2	-	-	-2
	RA+	-2	7	5	1	-	-	6

(Source: commissioned 2004-based projections)

4.69 There is little change projected for the small number of concealed households, the following key findings and trends are identifiable for unconcealed households:

- couple households: for those aged under 45, an initial decline then small increase to 2026; for those aged 45 and above, especially beyond retirement age, steady growth;
- lone parent households: a low level of growth for all age groups;
- one person households: high levels of growth, especially for those aged 45 and above, and for the period to 2016, for those aged 30 to 44; and
- multi-person households: a low level of growth except for those of retirement age to 2026, perhaps reflecting an increase in older family members sharing.

4.70 The following table reviews trends for the North Devon District Council area.

Table 24: household projections for the North Devon District Council area, 2006-26

Unconcealed households						
Year	Married couple	Cohabiting Couple	Lone parent	One person	Other Multi-person	Total
2006	19,603	3,613	2,364	11,653	2,028	39,261
2016	19,985	5,044	2,734	14,912	2,262	44,937
2026	20,370	6,166	3,031	18,226	2,428	50,221
Change 06-26	767	2,553	667	6,573	400	10,960
% change 06-26	3.9%	70.7%	28.2%	56.4%	19.7%	27.9%
Concealed households						
Year	Married couple	Cohabiting Couple	Lone parent	One person	Other Multi-person	Total
2006	100	116	72	-	-	288
2016	74	175	41	-	-	290
2026	63	203	33	-	-	299
Change 06-26	-37	87	-39	-	-	11
% change 06-26	-37.0%	75.0%	-54.2%	-	-	3.8%
	-20.5%	88.3%	-22.1%	-	-	24.9%

(Source: commissioned 2004-based projections)

4.71 The following key findings and trends are identifiable for unconcealed households:

- growth of one just over one quarter overall;
- very small growth in married but very large growth in cohabiting couple households;
- large growth in lone parent households;
- very large growth in one person households, and
- large growth in multi-person households.

4.72 The pattern of change for the small number of concealed households is:

- growth of one quarter overall;
- large decline in married but a very large growth in unmarried couple households;
- large decline in lone parent households.

4.73 The following table provides a breakdown of the changing household structure by age of 'household representative' for each household type for the periods 2006 to 16 and 2006 to 26.

Table 25: household projections by type by age for the North Devon District Council area, 2006-26

		Unconcealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2016	0-14	0	0	0	0	0	0	0
	15-29	-10	320	310	170	377	157	1,014
	30-44	-966	427	-539	115	509	-7	78
	45-RA	-652	518	-134	86	1,009	13	974
	RA+	2,010	166	2,176	-1	1,364	71	3,610
2026	0-14	0	0	0	0	0	0	0
	15-29	-37	259	222	167	462	186	1,037
	30-44	-805	846	41	489	1,334	72	1,936
	45-RA	-1,264	1,016	-248	8	1,783	33	1,576
	RA+	2,873	432	3,305	3	2,994	109	6,411
		Concealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2016	0-14	0	0	0	0	-	-	0
	15-29	-2	24	22	-11	-	-	11
	30-44	-15	24	9	-17	-	-	-8
	45-RA	-9	10	1	-3	-	-	-2
	RA+	0	1	1	0	-	-	1
2026	0-14	0	0	0	0	-	-	0
	15-29	-3	25	22	-18	-	-	4
	30-44	-17	43	26	-18	-	-	8
	45-RA	-16	15	-1	-4	-	-	-5
	RA+	-1	4	3	1	-	-	4

(Source: commissioned 2004-based projections)

4.74 There is little change projected for the small number of concealed households, the following key findings and trends are identifiable for unconcealed households:

- couple households: for those aged under 45, an initial decline then only a very small increase to 2026; for those aged 45 and above, steady decline but for those beyond retirement age, a very high level of growth;
- lone parent households: a high level of growth for those aged 30 to 44 to 2026;

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- one person households: high levels of growth, especially for those aged 45 and above; and
- multi-person households: a low level of growth.

4.75 The following table reviews trends for the Torridge District Council area.

Table 26: household projections for the Torridge District Council area, 2006-26

Unconcealed households						
Year	Married couple	Cohabiting Couple	Lone parent	One person	Other Multi-person	Total
2006	14,170	2,658	1,519	8,342	1,421	28,110
2016	15,301	3,740	1,744	11,434	1,642	33,861
2026	15,992	4,632	1,871	14,678	1,784	38,957
Change 06-26	1,822	1,974	352	6,336	363	10,847
% change 06-26	12.9%	74.3%	23.2%	76.0%	25.5%	38.6%
Concealed households						
Year	Married couple	Cohabiting Couple	Lone parent	One person	Other Multi-person	Total
2006	67	130	42	-	-	239
2016	52	203	36	-	-	291
2026	51	205	22	-	-	278
Change 06-26	-16	75	-20	-	-	39
% change 06-26	-23.9%	57.7%	-47.6%	-	-	16.3%

(Source: commissioned 2004-based projections)

4.76 The following key findings and trends are identifiable for unconcealed households:

- very large growth of almost 40% overall;
- growth in married couple but very large growth in cohabiting couple households;
- large growth in lone parent households;
- very large growth in one person households, and
- large growth in multi-person households.

4.77 The following key findings and trends are identifiable for the small number of concealed households:

- growth of 15% overall;
- large decline in married but a very large growth in unmarried couple households;

- very large decline in lone parent households.

4.78 The following table provides a breakdown of the changing household structure by age of 'household representative' for each household type for the periods 2006 to 16 and 2006 to 26.

Table 27: household projections by type by age for the Torridge District Council area, 2006-26

		Unconcealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2016	0-14	0	0	0	0	0	0	0
	15-29	-55	75	20	58	119	31	228
	30-44	-723	271	-452	5	302	-5	-150
	45-RA	-76	635	559	137	1,021	70	1,787
	RA+	1,985	101	2,086	25	1,650	125	3,886
2026	0-14	0	0	0	0	0	0	0
	15-29	-79	-35	-114	28	98	16	28
	30-44	-847	406	-441	158	672	16	405
	45-RA	-320	1,360	1,040	125	1,786	57	3,008
	RA+	3,068	243	3,311	41	3,780	274	7,406
		Concealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2016	0-14	0	0	0	0	-	-	0
	15-29	-1	44	43	-3	-	-	40
	30-44	-11	21	10	-5	-	-	5
	45-RA	-3	7	4	2	-	-	6
	RA+	0	1	1	0	-	-	1
2026	0-14	0	0	0	0	-	-	0
	15-29	-1	32	31	-10	-	-	21
	30-44	-10	27	17	-11	-	-	6
	45-RA	-5	13	8	1	-	-	9
	RA+	0	3	3	0	-	-	3

(Source: commissioned 2004-based projections)

4.79 There is little change projected for the small number of concealed households, the following key findings and trends are identifiable for unconcealed households:

- couple households: for those aged under 45, an overall decline; for those aged 45 and above, steady decline but for those beyond retirement age, a very high level of growth;
- lone parent households: a low level of growth;

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- one person households: high levels of growth, especially for those aged 45 and above, and to 2026, a steady level of growth for those aged 30 to 44;
- multi-person households: a low level of growth.

4.80 The following table reviews trends for the West Somerset District Council area.

Table 28: household projections for the West Somerset District Council area, 2006-26

Year	Unconcealed households					Total
	Married couple	Cohabiting Couple	Lone Parent	One person	Other Multi-person	
2006	7,569	1,317	801	5,610	827	16,124
2016	7,863	1,820	904	6,679	958	18,224
2026	7,925	2,211	969	7,882	1,060	20,047
Change 06-26	356	894	168	2,272	233	3,923
% change 06-26	4.7%	67.9%	21.0%	40.5%	28.2%	24.3%
Year	Concealed households					Total
	Married couple	Cohabiting Couple	Lone Parent	One person	Other Multi-person	
2006	29	32	36	-	-	97
2016	23	51	27	-	-	101
2026	23	56	26	-	-	105
Change 06-26	-6	24	-10	-	-	8
% change 06-26	-20.7%	75.0%	-27.8%	-	-	8.2%

(Source: commissioned 2004-based projections)

4.81 The following key findings and trends are identifiable for unconcealed households:

- large growth of almost 25% overall;
- small growth in married but very large growth in cohabiting couple households;
- large growth in lone parent households;
- very large growth in one person households, and
- large growth in multi-person households.

4.82 The following key findings and trends are identifiable for the small number of concealed households:

- growth of 8% overall;

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- large decline in married but a very large growth in unmarried couple households;
- large decline in lone parent households.

4.83 The following table provides a breakdown of the changing household structure by age of 'household representative' for each household type for the periods 2006 to 16 and 2006 to 26.

Table 29: household projections by type by age for the West Somerset District Council area, 2006-26

		Unconcealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2016	0-14	0	0	0	0	0	0	0
	15-29	24	168	192	51	56	35	334
	30-44	-504	16	-488	-26	-81	6	-589
	45-RA	-307	227	-80	63	315	23	321
	RA+	1,081	92	1,173	15	779	67	2,034
2026	0-14	0	0	0	0	0	0	0
	15-29	12	125	137	23	46	36	242
	30-44	-348	237	-111	79	110	60	138
	45-RA	-968	284	-684	41	314	-8	-337
	RA+	1,660	248	1,908	25	1,802	145	3,880
		Concealed households						
Change	Age band	Married couple	Cohabiting couple	Sub-total	Lone parent	One person	Other multi-person	Total
2016	0-14	0	0	0	0	-	-	0
	15-29	1	10	11	0	-	-	11
	30-44	-6	6	0	-8	-	-	-8
	45-RA	-2	3	1	0	-	-	1
	RA+	1	0	1	-1	-	-	0
2026	0-14	0	0	0	0	-	-	0
	15-29	0	9	9	-4	-	-	5
	30-44	-4	12	8	-3	-	-	5
	45-RA	-4	3	-1	-2	-	-	-3
	RA+	2	0	2	-1	-	-	1

(Source: commissioned 2004-based projections)

4.84 There is almost no change projected for the small number of concealed households, the following key findings and trends are identifiable for unconcealed households:

- couple households: for those aged under 45, a small increase; for those aged 45 and above, a steady decline, but for those beyond retirement age, a high level of growth;

- lone parent households: a low level of growth;
- one person households: low levels of growth, especially for those aged under 45; steady growth for those aged 45 to retirement age by much higher growth for those age of retirement age, and
- multi-person households: a low level of growth.

Summary

- 4.85 This section has reviewed demographic trends in the Northern Peninsula to 2026 which imply dramatic increases in the need and demand for housing, especially for single people, couples and older people. The next section examines the profile of housing supply and trends since 2001 as the basis for understanding the fit between people and housing in the area.

5.0 THE SUPPLY OF HOUSING

Summary of Main Findings

5.1 The main findings arising from the review of the supply of housing are as follows:

- In the context of demographic projections which imply a large increase in the need and demand for smaller homes, and compared with national and regional trends, the Northern Peninsula's property profile is skewed towards family housing and home ownership, with only a more limited supply of smaller homes available.
- 8,464 new homes have been provided between 2001 and 2007:
 - 13.5% were defined as affordable;
 - 9.4% were recorded for social rent;
 - 3.6% were recorded for shared ownership, and
 - 0.6% were other affordable homes such as discounted sale.
- At 2007, the private rented and 'other rented' dwellings are estimated to constitute over 17% of all housing, over 60% larger than the social rented sector.
- The vacancy rate has fallen to an average of 3.3% suggesting strong demand for available properties.
- There was an increase of over 1,000 second and holiday homes between 2001 and 2005, an average of 250 per year. Assuming that this rate has continued, there may now be in the region of 8,500 second and holiday homes, equivalent to 6.50% of total stock.
- The highest rate is in North Cornwall (over 10% of stock) and the lowest in North Devon (4% of total stock).
- In the region of 10% of homes are sold annually in England, but the Northern Peninsula rate is much lower at 7.4%, varying from less than 7% in West Somerset to over 8% in Torridge.
- Of the 36,000 properties sold in 2007, an average of 12% (4,250 properties) were new-build homes, an average sales rate of 700 per annum).
- New-build as a proportion of all sales has varied between districts, ranging from 7% in North Devon and 10% in West Somerset to 15% in both North Cornwall and Torridge.

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- Over one third of new build sales were of detached properties, ranging from 20% in West Somerset to half in Torridge.
- Just over one fifth were semi-detached homes, ranging from less than 15% in West Somerset to nearly a quarter in North Cornwall.
- Just over one fifth were terraced homes, ranging from less than 12% in West Somerset to nearly 30% in North Cornwall.
- Just over one fifth were flats, ranging from less than 10% in Torridge to over half in west Somerset.
- In the region of 800 new social sector tenancies are made available annually. At 7%, the tenancy turnover rate is low, varying from 5% in Torridge to over 10% in North Cornwall.
- Waiting lists have grown dramatically in three of the districts over the five years to 2007; ranging from 55% in Torridge to 84% in North Cornwall and 120% in North Devon. The 10% increase in West Somerset is out of step with this trend.
- The South West region has much higher than average rates of non-Decent Homes in the private sector; of vulnerable households living in non-Decent Homes and poorer SAP (Standard Assessment Procedure) ratings.
- It is extremely difficult to construct a profile of stock condition across the Northern Peninsula area as indicators are not consistently available and variation between national, regional and local authority indicators makes benchmarked comparison difficult to achieve. However, there is evidence of an above average level of problems of stock condition, especially in Torridge and West Somerset.

Introduction

- 5.2 This section addresses CO 1 and is concerned with profiling the supply of housing in the Northern Peninsula and considers the pattern of recent additions to the stock. The section reviews the supply of re-sale and new properties and of social housing through turnover and goes on to consider stock condition across the area. The section concludes with a review of the findings from our qualitative research and in particular focuses on the perceived impact of second/holiday homes in the area.

Baseline profile of housing supply

- 5.3 At 1 April 2001, housing supply in the Northern Peninsula area consisted of 122,449 properties, of which 4,314 were vacant (3.9%) - which is a typical figure - and 6,511 were second or holiday homes (5.8%) – which is a very

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high figure. Fully occupied dwellings are profiled by property type then by tenure in the context of patterns for the South West and for England. In 2001 there was a total of 5,675 household spaces in the Exmoor National Park area which are included within the totals for North Devon and West Somerset. Please note that column one records all dwellings, the second column the number of vacant properties and the third, the number of second and holiday homes. These are then excluded from the total number of household spaces (column 5) which provides the total against which households by property type in (columns 6-12) are referenced.

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Table 30: total dwellings by vacancy and second home rates, and total household spaces by property type, 2001

Area	Dwellings	Vacant	Second/ holiday home	Household spaces	Detached	Semi- detached	Terraced	Purpose built flat/ maisonette	Converted/ shared flat /maisonette	Flat/ maisonette in a commercial building	Caravan/ other mobile/ temporary structure
NC DC	38,628	1,123	3,152	34,353	16,160	8,149	5,795	2,013	1,137	649	450
NC DC	100%	3.27	9.18	100%	47.04	23.72	16.87	5.86	3.31	1.89	1.31
ND DC	40,381	1,831	1,774	36,780	14,762	7,888	8,528	2,538	1,968	794	302
ND DC	100%	4.98	4.82	100%	40.14	21.45	23.19	6.9	5.35	2.16	0.82
Torridge	26,596	834	892	24,869	10,731	5,330	6,275	1,206	798	385	144
Torridge	100%	3.35	3.59	100%	43.15	21.43	25.23	4.85	3.21	1.55	0.58
WS DC	16,844	526	693	15,625	5,927	4,744	2,844	1,008	702	291	109
WS DC	100%	3.37	4.44	100%	37.93	30.36	18.2	6.45	4.49	1.86	0.7
<i>Exmoor National Park</i>	5,675	216	563	100%	2,786	1,470	925	136	187	153	22
<i>Exmoor National Park</i>	100%	3.81	9.92	100%	56.9	30.0	18.9	2.78	3.82	3.13	0.45
<i>NP</i>	<i>122,449</i>	<i>4,314</i>	<i>6,511</i>	<i>111,624</i>	<i>47,580</i>	<i>26,111</i>	<i>23,442</i>	<i>6,765</i>	<i>4,605</i>	<i>2,119</i>	<i>1,005</i>
<i>NP Area</i>	<i>100%</i>	<i>3.9%</i>	<i>5.8%</i>	<i>100%</i>	<i>42.6%</i>	<i>23.4%</i>	<i>21.0%</i>	<i>6.1%</i>	<i>4.1%</i>	<i>1.9%</i>	<i>0.9%</i>
<i>S West</i>	<i>100%</i>	<i>3.0%</i>	<i>1.8%</i>	<i>100%</i>	<i>30.9%</i>	<i>27.9%</i>	<i>23.8%</i>	<i>10.0%</i>	<i>5.2%</i>	<i>1.3%</i>	<i>0.8%</i>
<i>England</i>	<i>100%</i>	<i>3.3%</i>	<i>0.7%</i>	<i>100%</i>	<i>22.5%</i>	<i>31.6%</i>	<i>25.8%</i>	<i>14.0%</i>	<i>4.6%</i>	<i>1.2%</i>	<i>0.4%</i>

(Source: Table KS 16, 2001 Census)

Northern Peninsula: **Strategic Housing Market Assessment**

5.4 The following key findings and trends are identifiable in relation to property type. The housing stock in the Northern Peninsula area has:

- an above average vacancy rate;
- a very high proportion of second and holiday homes reaching 6% overall and 10% in the National Park area;
- a very high proportion of detached properties - which is almost double the national average - especially in the National Park area;
- lower proportions of semi-detached and terraced properties;
- a very low proportion of purpose built flats - which is half the national average – and especially in the National Park area; and
- a high proportion of caravans, mobile homes and other temporary dwellings – which is double the national average.

5.5 The following table summarises households by tenure, the total excludes vacant and second/holiday homes.

Table 31: households by tenure, 2001, numbers and percentages

Area	Owned outright	Owned with Mortgage/loan	Shared ownership	Social rented	Private rented	Other rented	Total
NCDC	13,824	10,301	189	4,384	4,078	1,577	34,353
	40.2%	30.0%	0.6%	12.8%	11.9%	4.6%	100%
NDDC	13,889	13,037	148	3,952	4,080	1,670	36,776
	37.8%	35.5%	0.4%	10.8%	11.1%	4.5%	100%
Torridge	40.7%	32.8%	0.6%	9.7%	11.9%	4.4%	100%
	10,122	8,163	139	2,396	2,962	1,088	24,870
WSDC	7,019	4,023	51	2,228	1,549	755	15,625
	44.9%	25.8%	0.3%	14.2%	9.9%	4.8%	100%
Exmoor National Park	46.0%	22.0%	0.2%	12.8%	11.4%	7.5%	100%
NP area	44,854	35,524	527	12,960	12,669	5,090	111,624
	40.2%	31.8%	0.5%	11.6%	11.3%	4.6%	100%
S West	34.1%	38.4%	0.6%	13.5%	9.6%	3.8%	100%
England	29.2%	38.9%	0.7%	19.3%	8.8%	3.2%	100%

(Source: Table KS18, 2001 Census)

5.6 The following key findings and trends are identifiable:

- the Northern Peninsula area has a high level of home ownership, including a much higher than average proportion of people who own their homes outright;

- a lower level of social renting; and
- slightly higher levels of private renting and other forms of renting - especially in the National Park area.

5.7 The following table summarises households by bed size. Please note that the Census only records 'habitable rooms' per dwelling (i.e. excluding bathrooms, toilets, halls or landings) and therefore the following breakdown is our best estimate of properties by bed size based on:

- one to two rooms are one bed;
- three to four rooms are two bed;
- five rooms are three bed;
- six rooms are four bed, and
- seven plus rooms are five plus bed.

Table 32: households by bed size, 2001, percentages

Area	1 bed	2 bed	3 bed	4 bed	5 bed+	Total
NCDC	899	8,354	8,591	7,120	9,389	34,353
NCDC	2.6	24.3	25.0	20.7	27.3	100%
NDDC	890	9,418	9,801	7,125	9,542	36,776
NDDC	2.4	25.6	26.7	19.4	25.9	100%
Torridge	437	6,195	6,653	4,960	6,625	24,870
Torridge	1.8	24.9	26.8	19.9	26.6	100%
WSDC	2.1	25.8	24.6	20.7	26.8	100%
WSDC	328	4,038	3,848	3,227	4,184	15,625
NP	2,554	28,005	28,893	22,432	29,470	111,624
NP	2.3%	25.1%	25.9%	20.1%	26.4%	100%
South West	2.8%	27.2%	25.7%	20.5%	23.8%	100%
England	3.4%	29.2%	27.1%	20.5%	19.8%	100%

(Source: Table UV57, 2001 Census)

5.8 The following key findings and trends are identifiable:

- the Northern Peninsula has lower than average proportions of smaller one and two bed properties, and,
- a well above average proportion of larger five bed or larger homes.

5.9 The following table profiles the housing stock by Council Tax banding at March 2006.

Table 33: properties by Council Tax Band, March 2006, percentages

Area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H/I	Total
NCDC	9,461	8,472	7,485	7,491	4,819	1,524	779	48	40,079
NCDC	23.6	21.1	18.7	18.7	12.0	3.8	1.9	0.1	100%
NDDC	9,340	10,113	8,928	7,223	3,985	1,706	603	39	41,937
NDDC	22.3	24.1	21.3	17.2	9.5	4.1	1.4	0.1	100%
Torridge	7,416	6,170	5,628	4,828	2,909	1,017	377	31	28,376
Torridge	26.1	21.7	19.8	17.0	10.3	3.6	1.3	0.1	100%
WSDC	2,694	3,690	3,628	3,295	1,761	1,253	658	36	17,015
WSDC	15.8	21.7	21.3	19.4	10.4	7.4	3.9	0.2	100%
NP	28,911	28,445	25,669	22,837	13,474	5,500	2,417	154	127,407
NP	22.7%	22.3%	20.1%	17.9%	10.6%	4.3%	1.9%	0.1%	100%
South West	17.2%	24.4%	23.1%	15.8%	10.6%	5.4%	3.1%	0.3%	100%
England	25.6%	19.2%	21.5%	15.1%	9.4%	5.0%	3.6%	0.6%	100%

(Source: ONS)

5.10 The following key findings and trends are identifiable:

- 45% of properties are in lower value Bands A and B which is above the regional but identical to the national average;
- 40% are in Bands C and D which is close to the regional average but above the national average; and
- 17% are in Bands E and above which is slightly above the regional but slightly lower than the national average, with the exception of Band G which is half the national average.

How has the profile of the housing stock changed since 2001?

Completions

5.11 We have consulted Housing Strategy Statistical Appendices (HSSA) which at the time of completion were available until the financial year 2006-07; Annual Monitoring Reports which were available until the financial year 2006-07, and other planning data to identify changes to the housing stock since 2001. The following table reviews net completions by tenure and district. HSSA identifies no demolitions in the private sector over the period 2001 to 2007. The following table provides data drawn from a combination of HSSA, AMR and planning data sources to profile net completions by tenure.

Table 34: net completions since 2001 by district and tenure, March 2007

Area	Year	Market	Social Rent	Shared Owner Ship	Other Affordable	All Affordable	All
NCDC	2001-02	521	32	6	0	38	559
	2002-03	439	82	6	0	88	527
	2003-04	392	33	2	4	39	431
	2004-05	376	37	0	13	50	426
	2005-06	409	68	2	7	77	486
	2006-07	400	48	57	0	105	505
	Total	2,537	300	73	24	397	2,934
NDDC	2001-02	342	22	10	0	32	374
	2003-03	366	37	6	0	43	409
	2003-04	200	9	1	0	10	210
	2004-05	367	63	4	8	75	442
	2005-06	321	76	40	0	116	437
	2006-07	306	47	36	17	100	406
	Total	1,902	254	97	25	376	2,278
TDC	2001-02	438	5	1	0	6	444
	2003-03	394	12	2	0	14	408
	2003-04	296	6	1	0	7	303
	2004-05	387	36	10	0	46	433
	2005-06	295	70	32	0	102	397
	2006-07	353	14	4	0	18	371
	Total	2,163	143	50	0	193	2,356
WSDC	2001-02	66	0	77	0	77	143
	2003-03	86	17	0	0	17	103
	2003-04	159	21	0	0	21	180
	2004-05	100	13	0	0	13	113
	2005-06	120	11	4	0	15	135
	2006-07	187	-	-	-	35	222
	Total	718	62	81	0	178	896
NP	2001-02	1,367	59	94	0	153	1,520
	2003-03	1,285	148	14	0	162	1,447
	2003-04	1,047	69	4	4	77	1,124
	2004-05	1,230	149	14	21	184	1,414
	2005-06	1,145	225	78	7	310	1,455
	2006-07	1,246	144	97	17	258	1,504
	Total	7,320	794	301	49	1,144	8,464

(Source: HSSA; AMR and Planning records)

5.12 The following key findings and trends are identifiable:

- 8,464 new homes have been provided since 2001;
- 1,144 (13.5%) were defined as affordable;
- 794 (9.4%) were recorded for social rent;

- 301 (3.6%) were recorded for shared ownership; and
- 49 (0.6%) were other affordable homes such as discounted sale.

Estimated stock profile by tenure at March 2007

5.13 Drawn from each district's HSSA data, the following table profiles the area's stock by sector at March 2007.

Table 35: estimated total dwellings by district and sector, March 2006

Area	Local Authority	Registered Social Landlord	'Other' Public sector	Private sector	Total	2001 total	Net change
NCDC	3,394	1,210	209	35,815	40,628	38,628	+2,000
NDDC	0	4,380	294	37,699	42,373	40,381	+1,992
Torridge	1,689	659	0	26,423	28,773	26,596	+2,177
WSDC	00	2,252	0	14,751	17,013	16,844	+169
NP	5,083	8,501	503	114,688	128,787	122,449	+6,338
NP %	3.95%	6.60%	0.39%	89.01%	100%	-	+5.14%

(Source: HSSA)

5.14 The following key findings and trends are identifiable:

- estimated total stock at March 2007 was 128,787, an increase of over 6,000 since 2001 (when it was recorded as 122,449), but subject to the accuracy of completions data (which records 8,464 net completions since 2001), this may be an underestimate, and a figure closer to 131,000 may be more accurate, an increase of almost 7%;
- social renting is now 11%, compared with 12% in 2001; and
- separate figures are not recorded for private renting but, on the basis of growth in the South West from 13% to 15% between 2001 and 2005, and in owner occupation which fell from 75% to 74%, we would estimate that private renting has increased to 13% and owner occupation has fallen to 71%.

5.15 The following table applies such estimates to Census, HSSA and planning data to provide an estimate of current households by tenure. The stock predicted is based on our current estimate of 131,000 dwellings.

Table 36: estimated households by tenure, 2001 and 2007, numbers (rounded) and percentages

NP area	Owner occupied	Shared ownership	Social rented	Private rented	Other rented	Total
2001	72.0%	0.5%	12.1%	11.3%	4.6%	100%
2007	71.0%	0.7%	10.7%	13.0%	4.3%	100%
Stock predicted	93,000	900	14,000	17,000	5,600	131,000

(Source: HVC estimate)

5.16 The following key findings and trends are identifiable:

- on the basis of this modelling, the significance of the private rented sector in housing local people is clearly apparent; and
- when combined with ‘other rented’ dwellings, these sectors are over 60% larger than the social rented sector.

Vacant properties: current rate

5.17 HSSAs record vacancy levels - at the time of completion of the HSSA - by sector, most of which will arise from properties on sale or for rent, the following table summarises the position at March 2007. Although districts may apply different targets in their Housing and Empty Property Strategies, the national target rate for acceptable voids is 3%.

Table 37: vacancy levels by sector by district, March 2007

Area	Local authority	RSL	‘Other’ public sector	Private sector	Total
NCDC	32	8	150	1,155	1,345
NDDC	0	32	0	824	856
Torridge	4	5	0	643	652
WSDC	3	5	0	523	531
NP vacancies	39	50	150	3,145	3,384
Total stock	5,083	8,501	503	114,688	128,775
Vacancy rate	0.8%	0.6%	29.8%	2.7%	2.6%

(Source: HSSA, 2007)

5.18 The following key findings and trends are identifiable:

- The vacancy rates are low and have fallen slightly from the previous year which suggests strong demand for available properties; and
- The high vacancy rate for ‘other’ public sector housing for north Cornwall refers to housing for the armed forces, predominantly RAF homes at St Mawgan.

Second and holiday homes: current rate

5.19 This is a highly sensitive issue; 2001 Census data is considered by planning policy and housing strategy offices to be an underestimate, and the availability of more recent robust data is limited and complicated by the unknown extent of owners recording properties as businesses. The most recent and comprehensive data was collected by DCLG for the year ending March 2005 as follows.

Table 38: second homes by district, 2004-2005

Area	Second/holiday homes 2001	Proportion 2001	Chargeable dwellings 2005	Second homes 2005	Proportion 2005
NCDC	3,152	9.18%	38,252	3,861	10.09%
NDDC	1,774	4.82%	40,123	1,559	3.89%
Torrige	892	3.59%	27,266	1,202	4.41%
WSDC	693	4.44%	16,603	1,042	6.28%
NP	6,511	5.8%	122,244	7,664	6.27%

(Source: DCLG)

5.20 The following key findings and trends are identifiable:

- There was an increase of over 1,000 second and holiday homes between 2001 and 2005, an average of 250 per year;
- Increases occurred in all districts with the exception of North Devon, where there was a slight fall;
- The highest rate is in North Cornwall (over 10% of stock) and the lowest in North Devon (4% of total stock); and
- Assuming that the rate of increase from 2001 to 2005 has continued, there may now be in the region of 8,500 second and holiday homes, equivalent to 6.50% of total stock.

5.21 The issue of second and holiday homes is returned to under qualitative research below.

Flows of dwelling stock

Current turnover rate of homes in the owner occupied sector

5.22 The following table identifies the turnover rate in the owner occupied sector by comparing all sales in 2007 against the 2001 stock total, which is the most recent and reliable total available. Due to the very high proportion of buy to let and investor sales which have resulted in transfers of properties to private

renting, we are reluctant to estimate the number of new homes completed since 2001 which have entered the owner occupied sector.

Table 39: all sales in 2007 by district as a proportion of total private sector stock in 2001

Area	Total owner occupied stock at 04.01	All sales 2007	Turnover rate
NCDC	24,314	1,813	7.5%
NDDC	27,074	1,969	7.3%
TDC	18,424	1,486	8.1%
WSDC	11,093	742	6.7%
NP	80,905	6,010	7.4%

(Source: Land Registry)

5.23 The following key findings and trends are identifiable:

- In the region of 10% of homes are sold annually in England, but the Northern Peninsula rate is much lower at 7.4%, varying from less than 7% in West Somerset to over 8% in Torridge. Although we are unable to calculate this with accuracy, total owner occupied properties will have increased since 2001 resulting in even lower turnover rates.

The type of new homes being built in the owner occupied sector

5.24 Completions data do not record the type of properties provided, and consequently, we have used Land Registry data to identify the number and type of new homes sold (new build and conversions) in the context of all sales in this sector for the complete years 2002 to 2007.

Table 40: new build sales by property type and district, 2002-2007

Area	Year	Detached	Flat	Semi	Terraced	All NB	All sales	% NB
NCDC	2002	143	18	59	31	251	2,187	11.5%
	2003	94	29	62	79	264	1,893	13.9%
	2004	87	29	62	72	250	1,860	13.4%
	2005	59	75	77	106	317	1,527	20.8%
	2006	72	81	95	119	367	2,089	17.6%
	2007	60	52	48	70	230	1,813	12.7%
	<i>Total</i>	<i>515</i>	<i>284</i>	<i>403</i>	<i>477</i>	<i>1,679</i>	<i>11,369</i>	<i>14.8%</i>
	<i>%</i>	<i>30.7%</i>	<i>16.9%</i>	<i>24.0%</i>	<i>28.4%</i>			<i>100%</i>
NDDC	2002	130	30	57	43	260	2,406	10.8%
	2003	56	7	26	12	101	1,752	5.8%
	2004	28	30	31	13	102	1,423	7.2%
	2005	30	46	38	31	145	1,696	8.5%
	2006	22	59	12	27	120	2,214	5.4%
	2007	7	59	8	6	80	1,969	4.1%
	<i>Total</i>	<i>273</i>	<i>231</i>	<i>172</i>	<i>132</i>	<i>808</i>	<i>11,460</i>	<i>7.1%</i>
	<i>%</i>	<i>33.8%</i>	<i>28.6%</i>	<i>21.3%</i>	<i>16.3%</i>			<i>100%</i>
TDC	2002	226	16	54	44	340	1,777	19.1%
	2003	125	31	15	27	198	1,309	15.1%
	2004	147	21	51	28	247	1,139	21.7%
	2005	80	18	48	66	212	1,297	16.3%
	2006	53	35	36	85	209	1,768	11.8%
	2007	28	13	38	33	122	1,486	8.2%
	<i>Total</i>	<i>659</i>	<i>134</i>	<i>242</i>	<i>283</i>	<i>1,328</i>	<i>8,776</i>	<i>15.1%</i>
	<i>%</i>	<i>49.6%</i>	<i>10.1%</i>	<i>18.2%</i>	<i>21.3%</i>			<i>100%</i>
WSDC	2002	35	10	18	17	80	852	9.4%
	2003	20	50	8	1	79	771	10.2%
	2004	5	82	2	4	93	776	12.0%
	2005	10	37	10	6	63	586	10.8%
	2006	11	34	15	13	73	862	8.5%
	2007	5	26	10	10	51	742	6.9%
	<i>Total</i>	<i>86</i>	<i>239</i>	<i>63</i>	<i>51</i>	<i>439</i>	<i>4,589</i>	<i>9.6%</i>
	<i>%</i>	<i>19.6%</i>	<i>54.4%</i>	<i>14.4%</i>	<i>11.6%</i>			<i>100%</i>
NP	2002	534	74	188	135	931	7,222	12.9%
	2003	295	117	111	119	642	5,725	11.2%
	2004	267	162	146	117	692	5,198	13.3%
	2005	179	176	173	209	737	5,106	14.4%
	2006	158	209	158	244	769	6,933	11.1%
	2007	100	150	104	119	483	6,010	8.0%
	<i>Total</i>	<i>1,533</i>	<i>888</i>	<i>880</i>	<i>943</i>	<i>4,254</i>	<i>36,194</i>	<i>11.8%</i>
	<i>%</i>	<i>36.0%</i>	<i>20.9%</i>	<i>20.7%</i>	<i>22.2%</i>			<i>100.0%</i>

(Source: Land Registry)

5.25 The following key findings and trends are identifiable for the six year period, 2002 to 2007:

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- Of the 36,000 properties sold, an average of 12% (4,250 properties) were new-build homes, an average sales rate of 700 per annum);
- The new-build rate has varied between districts, ranging from 7% in North Devon (808 properties) and 10% in West Somerset (742 properties) to 15% in both North Cornwall (1,679 properties) and Torridge (1,329 properties);
- Over one third of new build sales are of detached properties, ranging from 20% in West Somerset to half in Torridge;
- Just over one fifth were semi-detached homes, ranging from less than 15% in West Somerset to nearly a quarter in North Cornwall;
- Just over one fifth were terraced homes, ranging from less than 12% in West Somerset to nearly 30% in North Cornwall; and
- Just over one fifth were flats, ranging from less than 10% in Torridge to over half in west Somerset;

The current turnover of homes in the social rented sector

5.26 We have used HSSA and district data to record the availability of properties in the social rented sector (local authority and housing association) for the period 2001 to 2007. In order to emphasise provision for those waiting for a home, we have concentrated on new lettings and excluded transfers.

Table 41: all social sector new lettings, 2001-2007

Area	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2001-02 & 2006-07 compared	Total stock at 04.07	Tenancy rate
NCDC	349	313	267	326	293	463	Increase	4,565	10.1%
NDDC	256	181	202	258	258	236	Stable	4,368	5.4%
TDC	112	134	139	117	150	123	Stable	2,332	5.3%
WSDC	244	159	147	126	118	130 *	Large decline	2,262	5.8%
NP	961	787	755	827	819	952	Decline	13,527	7.0%

(Source: HSSA)

* Please note: the recorded figure for West Somerset is only eight lettings which implies serious under-recording. 130 represents an average for the previous three years.

5.27 The following key findings and trends are identifiable:

- In the region of 850 new tenancies have been made available annually, with trends varying between districts. The total number declined after

2001-02 but has since revived. This may well be due to the impact of the older age profile of tenants in social rented housing;

- The number of new tenancies by district remains very small;
- At 7%, the new tenancy rate is low, varying from 5% in Torridge to a new rate of over 10% in North Cornwall; and
- These figures include new social rented properties, of which there were 143 in 2005-06, the most recent year for which data is available. If these are excluded, the number of lettings for 2005-06 within the existing stock reduces to 676, a turnover rate of only 5%.

The demand for affordable homes

5.28 HSSA data also enable us to gain a picture of trends in waiting lists for social rented housing. This data provides us with a 'best estimate' of housing need but its accuracy is uncertain as, where supply is very limited, households may either register more or less. We have expressed the number of households on the common housing register as a proportion of new lettings to provide a ratio of the numbers waiting for each vacancy.

Table 42: common housing register totals by district 2001-2006

Area	2001-02	2002-03	2003-04	2004-05	2005-06	% change 01-02 - 05-06	New tenancies 2005-06	Applicant: tenancy ratio
NCDC	1,608	1,805	2,261	2,795	2,965	84.4%	293	10.1:1
NDDC	1,618	2,186	2,625	2,970	3,562	120.1%	258	13.8:1
TDC	981	1,057	1,095	1,106	1,516	54.5%	150	10.1:1
WSDC	1,210	1,233	1,344	1,251	1,331	10.0%	118	11.3:1
NP	5,417	6,281	7,325	8,122	9,374	73.0%	819	11.4:1

(Source: HSSA)

5.29 The following key findings and trends are identifiable:

- Waiting lists have grown dramatically in three of the districts over the five years, ranging from 55% in Torridge to 84% in North Cornwall and 120% in North Devon. The 10% increase in West Somerset is out of step with this trend.

Stock Condition in the Northern Peninsula

Introduction

- 5.30 This sub-section uses the limited data available to profile stock condition across the four districts set in the context of national and regional data provided by the English House Condition Survey.

The English House Condition Survey (EHCS)

- 5.31 This is an annual national survey of housing in England, commissioned by Communities and Local Government. It covers all tenures and is the only national survey which involves a physical inspection of property by professional surveyors. The information obtained provides a detailed picture of the type and condition of housing in England, the people living there, and their views on their housing and neighbourhoods.
- 5.32 The EHCS is made up of Interview, Physical Inspection and Market Value surveys for each household, and a separate Private Landlord Survey for relevant properties. The target is to achieve 8,000 core cases each year, including vacant properties for which a visual inspection is undertaken.
- 5.33 The energy efficiency of an individual dwelling can be described in terms of an energy cost rating. The energy cost rating referred to is the Government's Standard Assessment Procedure (SAP), 2001 Version. A scale of 0 to 120 is used; a higher rating indicates a better level of energy efficiency, a lower rating indicates that the household is more likely to experience difficulties in heating their homes effectively. Factors which are taken into consideration in the rating are dwelling type (with terraced housing generally being more energy efficient than detached housing) and construction materials, type of heating system and the presence of insulation.
- 5.34 The findings provide useful national benchmarks against which to compare conditions at the local authority level. Three 'broad regional areas' are considered with the South West included with the East Midlands, East England and West Midlands Government Office regions (GOR) in the 'rest of England'. At the time of completing this report, this data was only available from the 2004 Survey; the results for later annual surveys are not yet available.
- 5.35 The South West region is considered separately, but at the time of completing this report, data from later surveys was not available. The following table provides national, 'broad regional' and regional benchmark findings for a range of key indicators as follows:

Table 43: private sector stock condition in England, the ‘Rest of England’ and the South West region: benchmark findings from the 2003, 2004 and 2005 EHCS, percentages

Indicator	England 2005	‘Rest of England’ 2004	South West 2003 (All homes)	South West 2003 (Private Sector)	South West 2003 (Social Sector)
Non-decent homes	27.1%	32.2%	34.3%	33.6%	38.4%
Vulnerable households living in non-Decent Homes	33.9%	16.8%	42.9%	-	-
SAP rating score	46	-	49.3	48.2	56.2
SAP rating of less than 30	10.2%	12.7%	14.1%	14.5%	11.0%
SAP rating of more than 70	21.6%*	19.0%*	12.0%	10.0%	24.7%

*: SAP ratings of 60 or more

(Sources: 2003 EHCS Regional Report, September 2006; 2004 Annual Report, September 2006 and 2005 Headline Report, January 2007)

Stock Condition at District Level

5.36 The following table collates comparative data for the four districts.

Table 44: stock condition in the four NP districts

Indicator	NCDC	NDDC	TDC	WSDC
Type of survey	Private sector	All stock	Private sector	Private sector
Year of Survey	2003	2004 & 2007	2004	2003
Unfit (all stock)	-	6.3%	-	-
Unfit (private sector)	6.0%	-	28.4%	6.1%
Substantial Disrepair (all stock)	-	-	-	-
Substantial Disrepair (private sector)	10%	-	-	10%
Non-Decent (all stock)	-	-	-	-
Non-Decent (private sector)	37%	35%	30.7%	-
Vulnerable households in non-Decent homes (private sector)	-	36%	30.7%	-
SAP rating below 35 (private sector)	14%	16%	10%	31%
Mean SAP rating (private sector)	48	-	-	-

(Source: HSSA and district council stock condition data)

5.37 Key findings:

- With the exception of low SAP Ratings recorded in the HSSA, data is not available across the four districts for any other indicator;
- The proportions of private sector non-decent stock are above the national and regional averages; and

- The proportion of private sector homes with a low SAP rating is particularly high in West Somerset and of private sector unfit stock in Torridge.

The CLG's District Level Ready Reckoner for Private Sector Households in Non-Decent Homes

- 5.38 Based on statistics from the 2001 EHCS, this Ready Reckoner enables local authorities to gain an indication of the likely magnitude of the problem in their area although it is not intended as a substitute for local surveys. However, the Ready Reckoner can only be used if figures are available of the number of households in the private sector by five periods of construction, data which was not available for the four NP districts. Further information can be found at:

<http://www.communities.gov.uk/index.asp?id=1152786>

The supply of housing: qualitative research findings

The views of stakeholders and residents regarding future housing requirements

Stakeholders' views

- 5.39 The affordability of housing was seen as a problem by all groups of stakeholders. This was not thought to be restricted to any particular part of the Northern Peninsula, it is a problem throughout the area, but especially in rural and coastal parts. The lack of supply of housing was referred to by those whose work is associated with social housing in particular, but also by those involved with the private rented sector, those working with vulnerable groups and by housing enablers and developers. Four of the six councillors interviewed thought there was an overall shortage of housing with two disagreeing.
- 5.40 There was considerable agreement about the type of housing which should be built and where it should be built. Most stakeholders thought the priority should be to build family housing which may be the current situation but is likely to be less of a priority in the future. Whilst there were responses favouring a range of property types, by far the most commonly mentioned were semi-detached houses, not many respondents wanted to see more flats built. There was considered to be no requirement to build any more detached housing which conforms with the profile of properties for the area. Planners generally considered starter homes to be the priority.
- 5.41 For most stakeholders, the priority in terms of tenure was affordable housing for both rent and shared ownership. Developers thought that the main provision should be open market housing for sale, but that affordable and market rented housing with shared ownership should also be made available.

The need for new housing to adapt to climate change was also referred to, including taking account of the impact of increases in temperature and the type of building materials used; changes that can be incorporated into existing dwellings were also recommended.

- 5.42 Stakeholders were agreed that the majority of provision should be in and adjacent to existing urban areas. Torridge, in particular, was identified as being in desperate need of affordable housing. There was, however, strong support for some provision in villages in rural areas; sustaining rural areas was seen as an important objective as new homes in rural areas are needed to keep existing communities together and to respect local people's desire to live there. Economic stakeholders stressed the importance of maintaining the vibrancy of market towns and the need for housing in such key locations as Braunton, Ilfracombe and South Molton. Planning restrictions were referred to by developers as being too inflexible and a major contributor to house price inflation. Some of the economic stakeholders thought that planning policies were overly restrictive in Lynmouth and Lynton in the Exmoor National Park, and the view was expressed that existing settlements need to be able to expand for them to remain sustainable. Planners were more likely to stress the view that provision within the National Park area should be limited to meeting local needs only.

Residents' views

- 5.43 Most respondents thought there was a general shortage of housing, there was agreement that housing is now unaffordable and that a lack of affordable housing is universal across the area. Whilst problems may be more acute in some of the coastal villages, all areas were increasingly beyond the reach of local families in particular. This accords with the affordability modelling undertaken above.
- 5.44 In general, respondents thought housing was built in the right places but of the wrong type. They were concerned that too many apartments were being built and not enough family homes; and that too many houses are built without garages or adequate parking spaces.
- 5.45 There was general agreement on the need for more homes in the area; affordable housing for local people for rent and sale were the priorities and only two people were in favour of any open market housing being built. Discounted sale properties were thought a better deal than shared ownership as there is no rent to pay.

"I believe the only way of solving this crisis is massive development in Cornwall."

- 5.46 There was no agreement over priority property types with some favouring flats and some family housing. Attention was drawn to new build flats lying empty in Bodmin which at £130,000 were considered too expensive for local people.
- 5.47 All either agreed or strongly agreed with new housing in existing urban areas and all but one agreed or strongly agreed with new housing adjoining urban areas and in the villages.
- 5.48 Whilst it was thought that new housing is needed everywhere and that there are far too many NIMBYs, it was also recognised that the beauty of the area needs to be protected, and that homes should be built where they already exist. Restrictive planning within the Exmoor National Park was again mentioned, and particularly the impact on Lynmouth. Some people would like to see commercial buildings converted to flats, but it was felt that the planning requirements are too restrictive.

“Ill advised planning policies in the Exmoor National Park have made a bad situation worse. There is no new supply, so the demand for existing housing has just increased even more than it would have done otherwise.”

Second and holiday homes: introduction

- 5.49 Second and holiday homes are a highly contentious issue in the area and were raised spontaneously at the initial agenda setting stage. However, there is a lack of robust information and data concerning their impact on housing choice, local communities and the local economy and therefore, we undertook fieldwork with stakeholders and residents including a case study of the impact of second homes in a housing ‘hot spot’ near Padstow.

Stakeholders’ views regarding second and holiday homes

- 5.50 Stakeholders expressed mixed views concerning second and holiday homes and identified both positive and negative impacts. It was thought that second home owners spend in local shops and on home improvements, but that they do not sustain businesses or benefit the economy in other ways. Councillors’ perceptions were that second homes had a negative impact on local communities. One had a mixed view, saying some took part in community life and supported local businesses, whilst others were just viewed as taking away homes from local people. Echoing this latter point, one said they pushed up prices, creating ghost towns and another thought they eroded social cohesion in rural areas. Economic stakeholders made reference to the problem of village centres dying, but recognised that second and holiday homes form part of the tourist industry and developers generally felt that they help to support the local economy.

Residents' views regarding second and holiday homes

- 5.51 Residents were more negative in their views about second and holiday homes. Most believed they didn't spend in local shops or on home improvements and none of those responding thought they helped to sustain local businesses or regenerate communities. The majority of second home owners were thought to contribute little or nothing at all.
- 5.52 Other comments were that second and holiday homes destroy village life and ruin communities because they push property prices up. Homes that are commercially let are not viewed quite as negatively because they're occupied for more of the year. Those interviewed thought that only a small minority of second homes are owned by local people.

"Second homes are part of the problem. Homes need to be seen as somewhere to live not an investment. They should be taxed more to make second home ownership less attractive."

The Trevone case study

- 5.53 The Trevone area, near Padstow, was selected for more in-depth study as the number of second homes is one of its most distinctive features. Interviews with local residents examined how second homes impact on local communities, a detailed account is included at Appendix H; the main findings are as follows:
- The prevalence of second and holiday homes: those interviewed estimated that there are around 300 homes in Trevone, of which around 70% (between 60% to 80%) are second and holiday homes.
 - The length of time they are used for each year: holiday patterns have changed; ten years ago holiday homes in the Padstow area would be deserted by the end of September but now the season runs from the 1 April through to the 1 November, and includes Christmas and the New Year.
 - The settlement of second home owners: it was thought quite common for people to have a second or holiday home and then move down more permanently as changing working patterns have made this more viable.
 - The extent of second home owners' involvement with the local community: interviewees considered there was still a good community in Trevone and that "everyone knows everyone". They considered that some second home owners do integrate with the community as they have children and want them to feel that it is a second home for them. However, it was thought that the type of second home owners was changing. This was

related to the 'Padstow effect' which encourages very wealthy, acquisitive people who don't want to mingle.

- The impact on the economy: this was felt to be positive as many of those living in Trevone are involved with the tourist industry; most people in the village work in the holiday trade and secure their income during the summer. It is also clear that a number of businesses in and around Trevone - from cleaning to maintenance and repair - rely specifically on the second and holiday homes market, which increases the revenue coming in to the area.
- Other impacts related to the housing market in the area: It was acknowledged that affordability was a very real issue in the area, that local people cannot afford to buy and that properties are generally not available to rent on a long term basis as more money can be made letting them to tourists. There are some long winter lets for six months but those renting such properties often have either to move into a caravan for the summer or away from the area.

5.54 It is clear that whilst second and holiday home have long been a feature of Trevone, their number and impact has increased. Although Trevone still has some community spirit, it is being challenged and other areas are known not to have fared so well. The residents in and around Trevone have been entrepreneurial in their approach to second homes and at a local level the second homes now form part of the economy and help to sustain a number of business. This is however small scale and localised. The key question is to what extent the positive contribution to the local economy counterbalances the potentially negative impact on local housing choice.

The Supply of Housing – Summary of Key Points

- 5.73 The stock profile includes a very high proportion of second or holiday homes compared to other areas. The area also has almost double the national proportion of detached properties, a very low proportion of purpose built flats and higher proportions of caravans, mobile homes and other temporary dwellings. The Northern Peninsula has a high level of home ownership, including a much higher than average proportion of people who own their homes outright. The level of social renting is much less than the national rate and the level of private renting is slightly more than average. There are less smaller one and two bedroom dwellings than average and a well above average proportion of five bedroom homes or larger.
- 5.74 Between 2001-02 and 2006-07 there were 8,464 housing completions across the Northern Peninsula. The vast majority were dwellings for sale on the open market. Less than 10% were for social rent and all affordable homes made up around 13.5% of completions. The proportion of social rented dwellings in the housing stock is less now than in 2001. We estimate that

private renting has increased over the same period and stands at around 13%. Second and holiday homes increased by over 1,000 dwellings between 2001 and 2005. The highest rate is in North Cornwall where they comprise over 10% of the stock.

- 5.75 The turnover rate of properties for sale is considerably less than the national average. Over a third of sales of new homes since 2002, and almost half of those in Torridge, have been detached dwellings. The proportion of flats is variable across the districts, ranging from 10.1% in Torridge to 54.4% in West Somerset. The number of new social rented tenancies is small, with only, in the region of 800 annually across the Northern Peninsula area. This is about 7% of the social rented stock. Waiting lists have grown dramatically in the five years from 2001-02 to 2005-06 in all of the Northern Peninsula districts except West Somerset where the increase is only 10%. The biggest increase is in North Devon at 120.1%, followed by North Cornwall at 84.4% and then Torridge at 54.5%.
- 5.76 The South West region has much higher than average rates of non Decent Homes overall and of those occupied by vulnerable adults. The region also has poorer than average SAP ratings. There is evidence of above average levels of problems of stock condition especially in Torridge and West Somerset.
- 5.77 If current trends continue, it is highly unlikely that local families will be able to purchase homes for sale in second home hot spots in the Northern Peninsula.

Northern Peninsula: **Strategic Housing Market Assessment**

6.0 DETERMINING THE FUTURE REQUIREMENT FOR HOUSING

Main Findings

6.1 The main findings arising from determining the future requirement for housing are as follows:

- On the basis of estimates of financial access to housing, between 13% and 20% of households across the area may be able to afford a property at the lower quartile price or below.
- Between 37% and 47% of households may be able to afford a New Build HomeBuy property at the lower quartile price or below.
- The estimated tenure ratio required for new affordable housing is:
 - North Cornwall: 34: 66 intermediate: social rented housing;
 - North Devon: 25: 75 intermediate: social rented housing;
 - Torridge: 30: 70 intermediate: social rented housing; and
 - West Somerset: 31: 69 intermediate: social rented housing.
- The estimated future requirement for housing represents a step change growth in the supply of:
 - smaller homes for single households;
 - smaller and more manageable homes for older people; and
 - housing with care for older people.
- With the exception of Torridge and West Somerset, there is little estimated requirement for new three or four bed family housing.
- There are major implications of this analysis for the building of future mixed and balanced communities. Building large developments of smaller homes would not be considered to be socially sustainable which places a greater emphasis on complementing housing stocks by the addition of such homes in existing settlements.
- The Strategic Viability Assessment (SVA) undertaken by the University of the West of England and completed in September 2008 found that for larger sites, a 45% affordable housing quota is “favourable and viable” for North Cornwall, North Devon and Torridge and a 40% quota in West Somerset.
- Modelling of the future requirement for affordable housing implies that 88% of projected housing supply over the next ten years needs to be affordable in North Cornwall; 151% in North Devon; 75% in Torridge and 217% in West Somerset.

- In the context of such discrepancies between the affordable housing requirement and financial viability, the priority in terms of supply is the provision of social housing.
- The Rural Housing Project for Exmoor, North Devon and West Somerset and the Devon Rural Housing Partnership provide useful examples of how housing needs studies undertaken at settlement and especially parish levels can complement more strategic assessments by identifying the local requirement for affordable housing.
- It is unlikely that local authorities in the Northern Peninsula area will be able to meet the future need for affordable housing identified by this modelling. In setting policies to inform the supply of affordable housing, the implications for local housing and planning authorities are as follows:
 - In providing new affordable housing, to give precedence to social housing, where property types are informed by a combination of applicant priorities; future housing requirements and the creation of sustainable, mixed and balanced communities;
 - The need to make best use of opportunities to negotiate social housing through the planning system;
 - The importance of robust viability assessment in determining the social housing achievable through planning gain negotiations; and
 - For smaller sites, likely to be below threshold and/or where a fractional housing gain is calculated, a financial contribution to a 'pot' to be recycled for social housing.

Introduction

- 6.2 This section addresses COs 2, 4, 5, 6, 7, and 8 and is concerned with establishing the requirement for additional housing, including affordable housing. We have applied a six stage process to determining the future requirement for housing, including affordable housing:
1. Estimating the proportion of households able to access home ownership (full and low cost) and the predicted tenure split of affordable housing which will need to be provided in the future;
 2. Projecting household growth by type and age;
 3. Interpreting and applying national trends in the older population;
 4. Matching housing to household type – interpreting and applying national trends and their implications;

5. Translating household growth into housing growth - by type and tenure; and
 6. Estimating the amount of affordable housing required in the context of future housing supply.
- 6.3 We have applied this analysis to each of the four constituent districts and to the Northern Peninsula area as a whole. This is followed by a section which considers the added value gained from undertaking detailed housing needs surveys at settlement and parish levels.

Estimating Financial Access to Housing and the Tenure Split of Affordable Housing

- 6.4 Following CLG HMA Guidance, we have compared Land Registry property prices at the lower quartile level for the most recent complete year (2007) with CACI PayCheck Profile data of gross household incomes.
- 6.5 The principal intermediate housing products available, HomeBuy, are under constant development and are summarised at:
- <http://www.communities.gov.uk/housing/buyingselling/ownershipschemes/homebuy/>
- 6.6 We have modelled the costs of accessing properties for the main product, New Build HomeBuy, purchasing a 50% share and paying rent at 3% of the outstanding equity, which is equivalent to 70% of the full cost of purchase. The following table compares the costs of purchasing a home at the lower quartile entry level with New Build HomeBuy and compares the predicted proportions of households able to purchase these options.
- 6.7 The estimated proportions of households able to access full and low cost home ownership must be seen as best case scenarios as it is not possible to model the extent to which a 10% deposit, the minimum currently required by lenders, is achievable. At June 2008, the Council of Mortgage Lenders reported that the average deposit for first time buyers represented 13% of the purchase price.

Table 45: accessing open market and HomeBuy properties in the Northern Peninsula area, figures rounded

District	Lower quartile entry level property price (less 10% deposit)	Income required (rounded)	Proportion able to purchase	Lower quartile new build property price (less 10% deposit)	Income required (70%)	Proportion able to purchase	Social rented housing required
NCDC	£144k	£41k	20%	£131k	£26k	47%	53%
NDDC	£140k	£40k	16%	£153k	£31k	37%	63%
TDC	£135k	£39k	12%	£144k	£29k	39%	61%
WSDC	£140k	£40k	13%	£140k	£28k	40%	60%

(Source: CACI Pay Check data and HVC review of property prices)

6.8 Key findings:

- On the basis of our estimates of financial access to housing, between 13% and 20% of households across the area may be able to afford a property at the lower quartile price or below; and
- Between 37% and 47% of households may be able to afford a New Build HomeBuy property at the lower quartile price or below.
- On the basis of our estimates, if the supply of new homes in North Cornwall reflected the profile of income distribution, it should consist of:
 - 20% full cost purchase;
 - 27% New Build HomeBuy; and
 - 53% social rented.
- In terms of affordable housing, this analysis implies a tenure split of 34: 66 intermediate: social rented housing.
- On the basis of our estimates, if the supply of new homes in North Devon reflected the profile of income distribution, it should consist of:
 - 16% full cost purchase;
 - 21% New Build HomeBuy; and
 - 63% social rented.
- In terms of affordable housing, this analysis implies a tenure split of 25: 75 intermediate: social rented housing.
- On the basis of our estimates, if the supply of new homes in Torridge reflected the profile of income distribution, it should consist of:

Northern Peninsula: **Strategic Housing Market Assessment**

- 12% full cost purchase;
 - 27% New Build HomeBuy; and
 - 61% social rented.
- In terms of affordable housing, this analysis implies a tenure split of 30: 70 intermediate: social rented housing.
 - On the basis of our estimates, if the supply of new homes in West Somerset reflected the profile of income distribution, it should consist of:
 - 13% should be full cost purchase;
 - 27% New Build HomeBuy; and
 - 60% social rented.
 - In terms of affordable housing, this analysis implies a tenure split of 31: 69 intermediate: social rented housing.

6.9 There is clearly a need to develop more affordable options in partnership with housing associations to meet the conditions of the Northern Peninsula housing market.

6.10 As one of the Housing Indices of Deprivation, DCLG produces a modelled 'Difficulty of Access to Owner Occupation Indicator' which consists of a data set based on 2004 property prices providing an access rate for all under 35 households for each local authority in England. At October 2008, there were no plans to update this Indicator. The following table sets out both the CLG rates for those having difficulty accessing owner occupation in the four districts and our current estimates as follows:

Table 46: estimated access rates for newly forming households to full cost home ownership

District	DCLG 'Difficulty of Access to Owner Occupation' Rate (2006)	HVC Estimated Difficulty of Access Rate (2008)
North Cornwall	91%	80%
North Devon	85%	84%
Torridge	89%	88%
West Somerset	85%	87%

(Source: CLG and HVC review of property prices)

6.11 Key findings:

- With the exception of North Cornwall, the DCLG and HVC estimates of access to owner occupation are remarkably similar.

6.12 Based around CACI PayCheck Profile and Land Registry property price postcoded data, we have also provided an Affordability Modelling 'traffic light' toolkit for each district which is capable of identifying the proportion of single and joint income households who might be able to access full cost and shared

equity properties based on the lower quartile price level. This Toolkit is capable of modelling changing income and property price scenarios in relation to:

- Mean and median income levels;
- The proportion of deposit required;
- The lower quartile property price; and
- The proportionate cost of a shared equity option.

6.13 The Toolkits have been separately provided.

6.14 Whilst the impact of changing interest rates and property prices on the cost of market housing will need to be modelled together in relation to live examples, useful benchmarks are that:

- For a standard repayment mortgage, each tenth of a percentage point change will result in a loan increasing or decreasing by in the region of £6 per calendar month. For example, the repayment on a £100k loan at 7% will be in the region of £705 per calendar month (pcm), but a change to 6.5% will lower loan repayments by approximately £30 pcm; and
- Whilst the impact will vary according to the interest rate, each £1,000 borrowed at 7% for a standard repayment mortgage will cost in the region of £7 pcm. For example, the repayment on a £100k loan at 7% will be in the region of £705 pcm, but a loan of £95k will lower loan repayments by approximately £35 pcm.

Estimating the Future Requirement for Housing

Projecting the impact of household growth

6.15 Estimating the future requirement for housing is a complex task requiring the application of estimates and assumptions to both derived and official data. Fundamentally, we need to understand the net effect of changes in household composition on the requirement for housing to 2026. A major component of this modelling is the impact of in-migration which has been very high in recent years. Consequently, the decision was taken, in consultation with the Steering Group, to adopt a retrospective 20 year base in projecting the future requirement for housing. The following table applies this time frame in summarising household projections for each district and the Northern Peninsula as a whole for the next 20 years.

Table 47: household projections by type by age in North Cornwall, 2006-26

Age band	One person	Married Couple	Co-habiting Couple	Lone parent	Other Multi-person	Total
15-29	300	-64	110	39	65	450
30-44	804	-1,106	604	-34	34	302
45-RA	2,018	-825	1,266	72	63	2,594
RA+	3,587	3,146	362	30	472	7,597
Total	6,709	1,151	2,342	107	634	10,943

(Source: commissioned 2004-based projections - 20 year base)

6.16 Key findings:

- There is projected growth of almost 11,000 households over this period;
- The largest growth is projected to take place among those aged 45 to pensionable age and especially among the retired population; and
- There will be large growth in one person households.

Table 48: household projections by type by age in North Devon, 2006-26

Age band	One person	Married Couple	Co-habiting Couple	Lone parent	Other Multi-person	Total
15-29	312	-85	131	79	133	570
30-44	934	-1,299	558	236	32	461
45-RA	1,429	-1,850	867	-47	-14	385
RA+	2,675	2,552	413	3	73	5,716
Total	5,350	-682	1,969	271	224	7,132

(Source: commissioned 2004-based projections - 20 year base)

6.17 Key findings:

- There is projected growth of over 7,000 households over this period;
- The largest growth is projected to take place among those of pensionable age; and
- There will be large growth in one person households.

Table 49: household projections by type by age in Torridge, 2006-26

Age band	One person	Married couple	Co-habiting Couple	Lone parent	Other Multi-person	Total
15-29	67	-92	-53	2	8	-68
30-44	543	-1,011	317	83	6	-62
45-RA	1,641	-538	1,293	97	33	2,526
RA+	3,616	2,910	236	37	264	7,063
Total	5,867	1,269	1,793	219	311	9,459

(Source: commissioned 2004-based projections - 20 year base)

6.18 Key findings:

- There is projected growth of almost 9,500 households over this period;
- The largest growth is projected to take place among those of pensionable age; and
- There will be large growth in one person households.

Table 50: household projections by type by age in West Somerset, 2006-26

Age band	One person	Married couple	Co-habiting Couple	Lone parent	Other Multi-person	Total
15-29	82	34	203	67	41	427
30-44	376	122	738	146	145	1,527
45-RA	255	-949	310	20	-14	-378
RA+	1,367	647	165	31	102	2,312
Total	2,080	-146	1,416	264	274	3,888

(Source: commissioned 2004-based projections - 20 year base)

6.19 Key findings:

- There is projected growth of almost 4,000 households over this period;
- The largest growth is projected to take place among those of pensionable age and those aged 30 to 44; and
- There will be large growth in one person households.

Table 51: household projections by type by age in the Northern Peninsula area, 2006-26

Age band	Married couple	Co-habiting couple	Lone Parent	One person	Other Multi-person	Total
15-29	-207	391	187	761	247	1,379
30-44	-3,294	2,217	431	2,657	217	2,228
45-60	-4,162	3,736	142	5,343	68	5,127
60+	9,255	1,176	101	11,245	911	22,688
Total	1,592	7,520	861	20,006	1,443	31,422

(Source: commissioned 2004-based projections - 20 year base)

6.20 Key findings:

- There is projected growth of almost 31,500 households over this period;
- The largest growth is projected to take place among those of pensionable age; and
- There will be large growth in one person households.

Interpreting and applying national trends to the older population

6.21 The commissioned household projections make no age distinction at 60 and above but it is well established that housing and care needs increase at 85 and above. However, previously reported ONS population projections enable us to identify the proportions at 60 to 74, 75 to 84 and 85 and above on the basis of which it is possible to estimate the likely proportion of households at the oldest age group.

Table 52: population projections by older age cohort for the Northern Peninsula area in 2026

Age cohort	Number	Proportion
North Cornwall		
60-74	23,300	59.1
75-84	11,500	29.2
85+	4,600	11.7
<i>Total</i>	<i>39,400</i>	<i>100%</i>
North Devon		
60-74	23,000	59.1
75-84	11,500	29.6
85+	4,400	11.3
<i>Total</i>	<i>38,900</i>	<i>100%</i>
Torrifridge		
60-74	19,100	58.4
75-84	9,600	29.4
85+	4,000	12.2
<i>Total</i>	<i>32,700</i>	<i>100%</i>
West Somerset		
60-74	11,000	57.6
75-84	5,500	28.8
85+	2,600	13.6
<i>Total</i>	<i>19,100</i>	<i>100%</i>
Northern Peninsula area		
60-74	76,400	58.7
75-84	38,100	29.3
85+	15,600	12.0
<i>Total</i>	<i>130,100</i>	<i>100%</i>

(Source: ONS Revised 2004-based Sub-national Population Projections)

6.22 Key findings:

- About 60% of the projected retirement age population at 2026 will be aged 60 to 74, almost 30% aged 75 to 84 and 12% aged 85 and above.

Matching housing type to household type

6.23 There are two main sources available in understanding the relationship between household types and the housing they occupy, especially when moving home, both of which are published by the Department of Communities and Local Government:

- The 2006 'Survey of English Housing' which was published in April 2008; and
- The 2005 'General Household Survey'.

6.24 We have consulted the extensive tables in these reports and collated the findings to create the following table which summarises the main patterns by household type, age and tenure.

Table 53: matching households to housing – national patterns in access to housing

Tenure	Target groups	1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house
Social rented	<i>Age range</i>	16-34; 60+	16-34; 60+	20-39	20-39, 45-59	35-44
	<i>Household type</i>	Young starters/ pensionable age	Young Starters/ pensionable age	Families + 1 child	Families + 2 children	Families + 3 children
Private rented	<i>Age range</i>	20-29	20-29	20-39	35-44, 45-59	35-44
	<i>Household type</i>	Excluded/frustrated buyers	Excluded/ frustrated buyers	Families + 1 child	Families + 2 children	Families + 3 children
Low Cost Home Ownership	<i>Age range</i>	25-34	25-39	20-39	35-44, 45-59	35-44
	<i>Household type</i>	First time buyers (FTB)/ returning FTB	First time buyers/ returning FTB	Families + 1 child	Families + 2 children	Families + 3 children
Home ownership	<i>Age range</i>	25-34	25-39	20-39	35-44, 45-59	35-44, 45-59
	<i>Household type</i>	First time buyers	First time buyers	Families + 1 child	Families + 2 children	Families + 3 children

(Source: Survey of English Housing and Housing Vision)

6.25 On the basis of these patterns of housing choice and use, it is possible to predict the type of new housing which will be required to meet the changing profile of households in the Northern Peninsula area. However, an important caveat needs to be introduced that aspirations may well go beyond the types of housing suitable to meeting the requirements of different types of household. From the table above, we have applied the following assumptions in deriving our predictions.

- Smaller flatted accommodation or houses will be more suitable to meeting the initial requirements of married couples until the age they have a family. Those households without children could occupy either houses or flats of the appropriate size;
- Cohabiting couples and lone parents will want and require similar types of housing to married couples. Those households without children could occupy either houses or flats of the appropriate size;
- Smaller flatted accommodation or houses will be more suitable to meeting the requirements of single person households;
- According to their composition, flatted provision such as a residential care home, hostel or purpose-built student accommodation will be more suitable for multi-person households;
- Special mention needs to be made of households at retirement age who are likely to continue living in their previous home unless more manageable two bed flats, houses and bungalows are available; and
- The requirement for housing with care, including supported housing and extra care provision, is likely to increase at 85 and above.

6.26 The following table summarise the implications of these assumptions, matching suitable properties to household types by age.

Table 54: estimated housing type required by household type by age

Age range	One person	Married Couple/with children	Co-habiting Couple/with children	Lone parent	Other Multi-person
15-29	1 bed flat/house	2 bed flat/house	2 bed flat/house	2 bed house	1 bed flat
30-44	2 bed flat/house	3 bed house	3 bed house	3 bed house	2 bed flat
45-60	2 bed flat/house	3 bed house	3 bed house	3 bed house	2 bed flat
60-84	2 bed flat/ bungalow	2 bed flat/ bungalow	2 bed flat/ bungalow	2 bed flat/ bungalow	2 bed flat
85+	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care

(Source: Survey of English Housing and Housing Vision)

6.27 The following table reintroduces projected household numbers to provide estimates of the numbers of properties of different types which may be required to meet their requirements by 2026. We have already established that in the region of 12% of the retirement age population is projected to be 85 and over in 2026, and we have applied this proportion to the number of retirement age households who may require housing with care. It is important to emphasise that these estimates are focused on meeting the requirements of additional households arising in the future, and that they assume that existing housing will continue to turn over to meet the current pattern of requirements.

Table 55: properties by bed size and type matched to household types, projected numbers and percentages

District	1 bed flat/ house	2 bed flat/ house	2 bed house	3 bed house	2 bed older persons flat/ bungalow	Housing with care for older people	Total
NCDC	365	2,965	39	-24	6,685	912	10,942
%	3.3%	27.1%	0.4%	-0.2%	61.1%	8.3%	100%
NDDC	445	2,427	79	-1,535	5,030	686	7,132
%	6.2%	34.0%	1.1%	-21.5%	70.5%	9.6%	100%
TDC	75	2,078	2	241	6,215	848	9,459
%	0.8%	22.0%	0.0%	2.5%	65.7%	9.0%	100%
WSDC	123	999	67	387	2,035	277	3,888
%	3.2%	25.7%	1.7%	10.0%	52.3%	7.1%	100%
NP Area	1,008	8,469	187	-931	19,965	2,723	31,421
%	3.2%	27.0%	0.6%	-3.0%	63.5%	8.7%	100%

(Source: HVC estimate)

6.28 Key findings:

- These estimates suggest the greatest future requirement will be for smaller and more manageable but aspirational two bed units enabling people of retirement age to ‘downsize’ from family housing (64%); 30% will be for one or two bed units; 9% will be housing with care for older people and there will be a slight overall decline in the requirement for three bed and larger family housing. Where older people are unwilling or unable to ‘downsize’, there will be a requirement for an equivalent replacement family-sized property.
- The requirement for three bed and family housing will be met within the existing stock in North Cornwall and North Devon, whereas Torridge and West Somerset will need to continue providing such homes.

Estimating the future requirement for properties by bed size and type by tenure

6.29 The final stage is to provide a breakdown of the requirement for housing by bed size and type in relation to the tenure profile predicted by household income patterns for each district, we have rounded the bed size sub-totals as appropriate.

6.30 Please note: it is important to emphasise that many older people will have equity available to invest in market sector properties. However, as no data is available to confirm the size and extent of such equity, it has not been possible to estimate the housing requirements of the older population by tenure with accuracy, especially in relation to affordable housing. Consequently, we have provided a total for the properties required for older people, leaving flexibility to agree the subsequent tenure breakdown.

Table 56: estimate of the number and proportion of properties required by tenure and bed size, North Cornwall, 2006-2026

Type/tenure	Proportion required	1 bed flat	2 bed flat	2 bed house	3 bed house	2 bed older persons	Housing with care for older people	Total
Number required		365	2,965	39	-24	6,685	912	10,942
Open market	20%	73	593	8	-5	-	-	-
Intermediate	27%	99	801	11	-6	-	-	-
Social rented	53%	193	1,571	21	-13	-	-	-

(Source: HVC estimate)

Table 57: estimate of the number and proportion of properties required by tenure and bed size, North Devon, 2006-2026

Type/tenure	Proportion required	1 bed flat	2 bed flat	2 bed house	3 bed house	2 bed older persons	Housing with care for older people	Total
Number required		445	2,427	79	-1,535	5,030	686	7,132
Open market	16%	71	388	13	-246	-	-	-
Intermediate	21%	93	510	17	-322	-	-	-
Social rented	63%	280	1,529	50	-967	-	-	-

(Source: HVC estimate)

Table 58: estimate of the number and proportion of properties required by tenure and bed size, Torridge, 2006-2026

Type/tenure	Proportion required	1 bed flat	2 bed flat	2 bed house	3 bed house	2 bed older persons	Housing with care for older people	Total
Number Required		75	2,078	2	241	6,215	848	9,459
Open market	12%	9	249	0	29	-	-	-
Intermediate	27%	20	561	1	65	-	-	-
Social rented	61%	46	1,268	1	147	-	-	-

(Source: HVC estimate)

Table 59: estimate of the number and proportion of properties required by tenure and bed size, West Somerset, 2006-2026

Type/tenure	Proportion required	1 bed flat	2 bed flat	2 bed house	3 bed house	2 bed older persons	Housing with care for older people	Total
Number required		123	999	67	387	2,035	277	3,888
Open market	13%	16	130	9	50	-	-	-
Intermediate	27%	33	270	18	104	-	-	-
Social rented	60%	74	599	40	232	-	-	-

(Source: HVC estimate)

6.31 Key findings; this analysis has important implications for the future supply of housing in:

- The requirement for a substantial step change growth in the supply of affordable housing;
- The requirement for a substantial step change growth in the supply of:
 - smaller homes for single households;
 - smaller and more manageable homes for older people; and
 - housing with care for older people.
- With the exception of Torridge and West Somerset, little requirement for three or four bed family housing, but the need for this to be affordable; and
- There are major implications of this analysis for the building of future mixed and balanced communities. Building large developments of smaller homes would not be considered to be socially sustainable which places a greater emphasis on complementing housing stocks by the addition of such homes in existing settlements.

Estimating the amount of affordable housing required in the context of future housing supply

Introduction

- 6.32 We have developed and applied an approach to meeting the future requirement for affordable housing which applies modelling undertaken by Glen Bramley for DETR, now DCLG, and for the National Housing and Planning Advice Unit⁹. This approach is based on trends within a local authority area, in this case, in each of the four districts which make up the Northern Peninsula SHMA. The model consists of three stages as follows:
1. Estimating the annual future need for affordable housing;
 2. Estimating the annual future supply of affordable housing; and
 3. Estimating the implications of the first for the second in terms of the annual affordable proportion of future housing supply required over a defined policy period.
- 6.33 As explained below, a range of data sources and assumptions can be applied, and in this initial report, we have applied those which identify the 'best case scenario' in terms of lower affordable housing need and higher housing supply.
- 6.34 The Draft RSS expects between 30 and 35% of all housing development to be affordable, and it is important to emphasise that targets for the future supply of affordable housing will represent a compromise between meeting affordable housing need and the financial viability of schemes. As a preamble to estimating affordable housing need, the Strategic Viability Assessment completed in September 2008 by the University of the West of England found that:
- For larger sites, a 45% affordable housing quota is "favourable and viable" for North Cornwall, North Devon and Torridge and a 40% quota in West Somerset.

The components of the affordable housing methodology: estimating the requirement for affordable housing

- 6.35 As a preface to the worked model, we have summarised the components, the data applied and the sources consulted below.

⁹ See in particular, Bramley, Karley & Kofi, Housing Studies, Volume 20, Number 5, September 2005, pp685-715.

The policy period

- 6.36 We have applied a ten year policy period, though any period can be modelled. Longer or shorter policy periods will result in different proportions of affordable housing required. Current Guidance on the appropriate policy period is less prescriptive than previously and states:

“The net figure derived should be converted into an annual flow using assumptions about the number of years that will be taken to address the backlog. Levels of unmet need are unlikely to ever fall to nil given that peoples’ housing circumstances change and there will always be households falling in and out of housing need. The quota should be based upon meeting need over a period of five years, although longer timescales can be used. In particular, there may be merit in linking quotas to the remaining time period of adopted housing policies in plans. For the component of need derived from existing affordable housing tenants, partnerships could estimate the proportion that are expected to be re-housed based on previous allocations. Whilst the decision is the responsibility of individual local authorities, partnerships should bear in mind the need for comparability. Partnerships should avoid using a period of less than five years in which to meet unmet current need. If a five-year period is used, this means that 20 per cent of current unmet need should be addressed each year. The output of this should be an annual quota of households who should have their needs addressed”. (CLG, 2007, Strategic Housing Market Assessment, Practice Guidance, p52).

Estimating the amount of affordable housing required in future for new household formation

- 6.37 This data is drawn from commissioned household projections for each district, and which has been provided in cohorts of 15 years for each district. The two cohorts of most relevance to the formation of new households are those aged 15 to 29 and 30 to 44. In order to gain an estimate of annual household formation, we have considered trends over the 15 years from 2006 to 2021 to produce an annualised rate.

Estimating the proportion of new households unable to afford full cost home ownership

- 6.38 This component addresses the newly arising requirement for affordable housing.

The waiting list backlog over the policy period

- 6.39 This component addresses the current requirement for affordable housing. The data is drawn from the Housing Strategy Statistical Appendices for each district and for the year to March 2007, and includes homeless households.

The waiting list backlog is addressed and resolved over the ten year policy period.

Estimating the amount of affordable housing required due to the impact of migration

- 6.40 This is a complex area as there are both internal and international components to migration and two separate data sources of relevance. The overarching ONS Components of Population Change for 2005-06 shows a net NP population gain of 2,800 due to in-migration which conforms with NHSCR data for the same period. However, NiNO data identifies an additional 2,230 international migrant workers registering in the four districts between 2002 and 2006, including 1,240 in 2005-06 alone, none of whom appear to be reflected in ONS Components of Population Change data.
- 6.41 The convention is to assume that 33% of in-migrants will require affordable housing, but in view of the more affluent profile of long distance in-migrants, we have not included any requirement for affordable housing among this group. However, we have included an estimate of 33% of international migrant workers requiring affordable housing and have derived the number of households concerned by dividing the population figure by the average current household size of 2.3. We have applied this formula to the average annual number of migrant workers since 2004-05 when residents of the A8 countries gained access to employment in the UK.
- 6.42 **The impact of in-migration is the single most critical factor in predicting the future requirement for affordable housing in the Northern Peninsula and will need monitoring and reviewing.**

Estimating the amount of affordable housing required from owner occupier households

- 6.43 This measure is based on Survey of English Housing data of the proportion of owner occupiers who move to social housing (0.234%), and is applied to the number of owner occupiers at the time of the 2001 Census.

The components of the affordable housing methodology: estimating the supply of affordable housing

- 6.44 *Social sector lettings:* This data is drawn from HSSA and CORE data sets.
- 6.45 *Intermediate housing re-sales:* This data is drawn from CORE data sets.
- 6.47 *New housing supply:* This data is drawn from the Draft RSS Panel Report (January 2008) which is subject to change.

The components of the affordable housing methodology: the stages of the modelling

6.48 The stages are set out in the following table:

Table 60: methodology for estimating future affordable housing need and supply

Affordable Housing Need
Annual additional household formation
Proportion of new households unable to afford full cost home ownership
Predicted annual affordable need from new households forming
Waiting list
Annual waiting list backlog addressed over the 10 year policy period
Annual net in-migrant households unable to afford full cost home ownership
Annual owner occupier households requiring affordable housing in the future
Total annual affordable housing need
Affordable Housing Supply
Annual social sector lettings
Annual intermediate housing re-sales
Total affordable housing supply
Total annual affordable housing need
Projected new housing supply
Affordable housing need as a proportion of projected new supply

(Source: HVC)

6.49 The following tables summarise the overall outcome of our modelling for each district as follows:

Table 61: meeting future housing need in North Cornwall

NCDC	
Need	Data
Average annual additional household formation	611
Proportion unable to afford full cost home ownership	84%
Predicted annual need from newly forming households	513
Waiting list	2,928
Annual waiting list backlog addressed over the 10 year policy period	293
Net in-migrant households unable to afford full cost home ownership	50
Owner occupier households requiring affordable housing	56
<i>Total annual affordable housing need</i>	<i>912</i>
Supply	
Social sector lettings	300
Intermediate housing sales	20
<i>Total affordable housing supply</i>	<i>320</i>
Meeting Housing need	
Net annual affordable housing need	592
Projected new housing supply	670
<i>Affordable housing need as a proportion of projected new supply</i>	<i>88%</i>

(Source: HVC)

6.50 Key findings:

- This modelling implies that 88% of projected housing supply over the next 10 years needs to be affordable housing;
- This compares with the findings of the SVA that, for larger sites, a 45% affordable housing quota is “favourable and viable” for North Cornwall; and
- In the context of such discrepancies between the estimated affordable housing requirement and financial viability, the priority in terms of supply is the provision of social housing.

Table 62: meeting future housing need in North Devon

NDDC	
Need	Data
Average annual additional household formation	659
Proportion unable to afford full cost home ownership	84%
Predicted annual need from newly forming households	554
Waiting list	4,340
Annual waiting list backlog addressed over the 10 year policy period	434
Net in-migrant households unable to afford full cost home ownership	40
Owner occupier households requiring affordable housing	63
<i>Total annual affordable housing need</i>	1,091
Supply	
Social sector lettings	235
Intermediate housing sales	35
<i>Total affordable housing supply</i>	270
Meeting Future Housing Need	
Net annual affordable housing need	821
Projected new housing supply	545
<i>Affordable housing need as a proportion of projected new supply</i>	151%

(Source: HVC)

6.51 Key findings:

- This modelling implies that 151% of projected housing supply over the next ten years needs to be affordable housing (1.5 times projected supply);
- This compares with the findings of the SVA that, for larger sites, a 45% affordable housing quota is “favourable and viable” for North Devon; and
- In the context of such discrepancies between the estimated affordable housing requirement and financial viability, the priority in terms of supply is the provision of social housing.

Table 63: meeting future housing need in Torridge

TDC	
Need	Data
Average annual additional household formation	423
Proportion unable to afford full cost home ownership	83%
Predicted annual need from newly forming households	351
Waiting list	1,325
Annual waiting list backlog addressed over the 10 year policy period	133
Net in-migrant households unable to afford full cost home ownership	18
Owner occupier households requiring affordable housing	43
<i>Total annual affordable housing need</i>	<i>545</i>
Supply	
Social sector lettings	125
Intermediate housing sales	20
<i>Total affordable housing supply</i>	<i>145</i>
Meeting Future Housing Need	
Net annual affordable housing need	400
Projected new housing supply	535
<i>Affordable housing need as a proportion of projected new supply</i>	<i>75%</i>

(Source: HVC)

6.52 Key findings:

- This modelling implies that 75% of projected housing supply over the next ten years needs to be affordable housing;
- This compares with the findings of the SVA that, for larger sites, a 45% affordable housing quota is “favourable and viable” for Torridge; and
- In the context of such discrepancies between the estimated affordable housing requirement and financial viability, the priority in terms of supply is the provision of social housing.

Table 64: meeting future housing need in West Somerset

WSDC	
Need	Data
Average annual additional household formation	265
Proportion unable to afford full cost home ownership	87%
Predicted annual need from newly forming households	231
Waiting list	1,353
Annual waiting list backlog over the 10 year policy period	135
Net in-migrant households unable to afford full cost home ownership	24
Owner occupier households requiring affordable housing	26
<i>Total annual affordable housing need</i>	416
Supply	
Social sector lettings	130
Intermediate housing sales	15
<i>Total affordable housing supply</i>	145
Meeting Future Housing Need	
Net annual affordable housing need	271
Projected new housing supply	125
<i>Affordable housing need as a proportion of projected new supply</i>	217%

(Source: HVC)

6.53 Key findings:

- This modelling implies that 217% of projected housing supply over the next ten years needs to be affordable housing (2.2 times projected supply);
- This compares with the findings of the SVA that, for larger sites, a 40% affordable housing quota is “favourable and viable” for West Somerset; and
- In the context of such discrepancies between the estimated affordable housing requirement and financial viability, the priority in terms of supply is the provision of social housing.

Identifying the Requirement for Affordable Housing at the Local Level

6.54 A major strength of a Strategic Housing Market Assessment is its ability to offer a strategic perspective and steer across an area, but finer grained analysis which records the everyday reality of housing choice at the local level is beyond its scope. Both the Rural Housing Project for Exmoor, North Devon and West Somerset and the Devon Rural Housing Partnership provide useful examples of how housing needs studies undertaken at settlement and especially parish levels can complement more strategic assessments by identifying the local requirement for affordable housing. The latter has been summarised below and a detailed account of parish-based housing needs

surveys in Exford (2003) and Cutcombe (2005) have been provided at Appendix I as examples of the benefits of this localised approach.

- 6.55 The Project originated from the decision in 2002 to establish a Rural Housing Partnership (RHP) involving North Devon and West Somerset District Councils, the Exmoor National Park Authority, the two County Councils and the four housing associations delivering affordable rural housing (Falcon Rural Housing, Hastoe, Magna West Somerset and North Devon Homes). Located within the Planning and Community Team at Exmoor National Park Authority, the RHP was established by the Partnership as the key enabling and delivery tool for rural housing across the area.
- 6.56 Consisting of a Rural Housing Enabler and Project Assistant, it provides advice on delivering affordable rural housing, works with parish councils and communities to identify local housing need then project manages the delivery of housing by working with them, the district councils, National Park Authority, landowners, housing associations and others. Housing is provided for people with a strong local connection, whether through living and working in the area, needing to move back to a local community, or needing to live close to immediate family to provide support and care. As a result,

"The Rural Housing Programme (RHP) delivers housing across a large, sparsely populated rural area. 50% of homes in West Somerset, and 35% in North Devon, are in parishes of less than 3,000 people (Census, 2001). Housing needs surveys have been completed in 39 of the 95 parishes covered by the RHP, accounting for 52% of the population, and has identified 397 households in need of affordable homes." (Delivering Affordable Rural Housing in the South West of England, on behalf of the Rural Housing Project for Exmoor, North Devon, and West Somerset, p3)

- 6.57 The following table extrapolates the outcome of these surveys for parishes across North Devon and West Somerset, including Exmoor National Park.

Table 65: summary of estimated affordable housing need across North Devon and West Somerset, including Exmoor National Park, July 2008

Indicator	Parishes Outside the National Park		Parishes within the National Park	
	West Somerset	North Devon	West Somerset	North Devon
Number of Completed Parish housing Needs Surveys	5	24	6	4
Number of Households identified in housing Need Total 324	30	150	97	47
Housing Need expressed as a percentage of 324	9%	46%	30%	15%
324 household out of 52% of population, extrapolates to 623 households from 100% of population.	9% of 623=56	46% of 623=287	30% of 623=187	15% of 623=93
Homes Built and Occupied	3	24	16	5

(Source: Rural Housing Project for Exmoor, North Devon and West Somerset)

6.58 Parish-based surveys can enable the identification of:

- Type of households requiring affordable housing;
- Bed size of housing required;
- Type of affordable housing required; and
- Locational preferences.

The Implications of the Affordable Housing Modelling

6.59 In the context of anticipated supply from new completions and re-lets, it is unlikely that local authorities in the Northern Peninsula area will be able to meet the future need for affordable housing identified by this modelling. In setting policies to inform the supply of affordable housing, the implications for local housing and planning authorities are as follows:

- In providing new affordable housing, to give precedence to social housing, where property types are informed by a combination of waiting list priorities; future housing requirements and the creation of sustainable, mixed and balanced communities;
- The need to make best use of opportunities to negotiate social housing through the planning system;
- The importance of robust viability assessment in determining the social housing achievable through planning gain negotiations; and

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- For smaller sites, likely to be below threshold and/or where a fractional housing gain is calculated, a financial contribution to a 'pot' to be recycled for social housing.

6.60 The implications of this modelling are considered in further detail in the final section of the report dealing with 'Conclusions and Recommendations'.

7.0 THE HOUSING REQUIREMENTS OF DIFFERENT GROUPS

Main Findings

7.1 The main findings arising from determining the housing requirements of different groups are as follows:

- Stakeholders reported that young people in particular were having difficulty accessing housing.
- Those working with vulnerable groups confirmed that vulnerable people unable to access housing are mainly young people living very transient lifestyles, for example, sleeping at different friends homes.
- A focus group held with Barnstaple Youth Council picked up many of the same issues as were expressed in the stakeholder workshops but with a greater sense of priority.
- Supported accommodation for older people is mainly located in the social rented sector and is not aimed at those who have higher support needs; a limited amount of extra care housing is available and retirement housing for sale is almost entirely located in the main towns.
- Of 124 sheltered schemes, the vast majority are for social rent. There are 20 schemes with a warden with properties to buy and these are mainly located in the main towns across the area.
- With an ageing population, further requirements for mental health services can also be expected as the prevalence of Alzheimer's and depression increases with age. Across Devon, for example, older people's mental health is significantly affected by issues such as loss of opportunities to socialise and mix, difficulties in accessing transport, financing or housing problems.
- The number of homelessness decisions has been on a downward trajectory across the housing market area, reducing from 1,326 in 2002/03 to 552 in 2006/07. This reflects national trends arising from the implementation of homelessness prevention policies and should not be taken to imply that priority housing need has declined. In 2002/03, North Cornwall had the highest number of homelessness decisions, but by 2006/07, more decisions were being made in West Somerset.
- Districts in the NP area have lower rates of priority homeless acceptances than in the region or England as a whole. The highest rate amongst the four districts is in North Cornwall, where the rate per thousand population is 2.4.

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- Homeless households in temporary accommodation varied from only 3 in Torridge to 57 in North Devon.
- Of the 191 homeless households accepted as being in priority need during 2006/07, 107 were accepted under the priority category of having children and a further 16 contained a household member who was pregnant. Together these account for 64% of priority homeless households.
- By far the most common reason for the loss of their last settled home was termination of an assured shorthold tenancy.
- No estimates were available detailing the profile and extent of hidden homelessness.
- There is a need for a co-ordinated inter-agency approach to homelessness prevention and advice.
- Most international migrants are young, of working age and single. Most arrive in order to work, often in low paid, seasonal industries and in social care.
- The longer people remain in the UK, the longer they are likely to stay. Once migrants have formed households or begun a family, they are far less likely to return home. There is no relationship between how long migrants say they intend to stay, and how long they actually stay.
- In terms of housing implications, the vast majority of international migrants to the Northern Peninsula *do not* fall into any of the categories (for example, asylum seekers) for which social rented housing is an option. It is possible to imagine circumstances where migrants may become entitled to social housing after a period of time, but there is no evidence that more than a very few lettings have been made to such migrants to date.
- Most international migrants are dependent on housing provided by employers or the private rented sector which has a number of potentially serious implications:
 - Migrants are in competition with each other, and with indigenous people for limited privately rented accommodation;
 - Accommodation provided by employers is often in Houses in Multiple Occupation (HMO), and if this sector expands, local authorities have to expand the regulation they undertake; and
 - There is some evidence that international migrants are perceived as better tenants than indigenous people on benefits.

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- According to the January 2006 Caravan Count and Traveller Survey, there were 2,079 caravans (including those on authorised sites) in the South West of England.
- A Devon-wide Gypsy and Traveller Housing Needs Assessment was completed in November 2006. Of those surveyed, 70.3% lived on settled sites and 29.7% were on the roadside; a quarter were on Council owned sites.
- An assessment of Gypsy and Traveller accommodation needs in Cornwall reported in October 2006. A survey was conducted of 262 Gypsies and Travellers living on all site types and in bricks and mortar accommodation.
- A Somerset-wide assessment of Gypsy and Traveller needs was incorporated as part of a housing market assessment undertaken in 2006.
- The additional pitch requirements for Gypsies and Travellers are undergoing review in relation to the development of the Regional Spatial Strategy.

Introduction

7.2 This section addresses CO 7 and considers the housing requirements of specific groups in the NP area, some of whom may be considered vulnerable. The target groups were identified through a combination of data and policy analysis, and consultation with stakeholders and consumers, and consisted of:

- Younger people;
- Older people;
- Homeless people;
- Migrant workers; and
- Gypsies and Travellers.

7.3 This Section reviews findings from both data analysis and qualitative research to provide a strategic overview of the type and extent of housing requirements. It opens with an overview of the housing-related support provided across the counties including the NP area.

Housing-related support

7.4 Housing related support is provided through the Supporting People programme at a county level in Cornwall, Devon and Somerset. Referrals by

client group made between April 2007 and March 2008 are summarised in the table below.

Table 66: Supporting People referrals by client group in Cornwall, Devon and Somerset, April 2007 – April 2008

Primary Client Group	Cornwall	Devon	Somerset
Older people with support needs	65	25	72
Older people mental health	4	14	55
Frail elderly	7	18	4
Mental health problems	306	384	189
Learning disabilities	72	46	49
Physical or sensory disabilities	73	61	52
Single homeless with support needs	409	532	279
Alcohol problems	243	65	21
Drug problems	172	90	33
Offenders/at risk of offending	50	87	52
Mentally disordered offenders	3	0	1
Young people at risk	115	201	256
Young people leaving care	7	21	15
Women at risk of domestic violence	111	224	155
People with HIV/AIDS	21	0	0
Homeless families with Support Needs	102	154	65
Refugees	0	2	0
Teenage parents	23	29	18
Rough sleeper	74	14	28
Traveller	2	1	8
Generic	85	98	142
<i>Total</i>	<i>1,944</i>	<i>2,066</i>	<i>1,494</i>

(Source: Supporting People Client Records 2007/08 - www.spclientrecord.org.uk)

7.5 Key findings:

- Across all three counties, older people, homeless people, those with mental health problems, young people at risk and women at risk of domestic violence all feature prominently.

7.6 The Cornwall Supporting People Team with the Special Needs Accommodation Panel have recently commissioned research to review the housing-related needs of vulnerable groups across the county but this was not available at the time of completion of this report.

Young People

Introduction

7.7 Section Four above established that the NP area has a lower than average proportion of young people; those aged 0 to 19 account for 22.3% of the population compared with 24.3% across England as a whole. Only small growth is expected in the youngest age cohort compared with large increases

in the overall population. In West Somerset those aged 0 to 19 are projected to decline from 7,200 in 2006 to 6,300 by 2026.

- 7.8 Data on migration shows that over the period from 2002 to 2006 there was net outward migration of 2,900 people aged 16 to 24 (the further and higher education/early household forming cohort). All other age groups, including those age 0 to 15 gained population through migration during this period.

Stakeholders views regarding housing and young people

- 7.9 Stakeholders reported that young people in particular were having difficulty accessing housing. Many referred to people staying longer with parents and making do with poor quality accommodation. Those in their teens and twenties are often only able to afford bedsit type accommodation because benefits will only cover a single room rent. Those working with vulnerable groups confirmed that vulnerable people unable to access housing are mainly young people living very transient lifestyles, for example, sleeping at different friends homes.

“They put up with property that’s not really acceptable. They’re not on the street but young people are sofa surfing. For families there is an obligation for local authorities to find accommodation, but the legislation isn’t onerous enough to encourage authorities to make a stronger effort to provide accommodation for single people.”

Focus Group with Barnstaple Youth Council

- 7.10 A focus group was held with Barnstaple Youth Council in March. The views expressed in the focus group pick up many of the same issues as were expressed in the stakeholder workshops. There was however a greater sense of a clear priority to provide more housing that is affordable for local people. Issues such as design or where housing is located were not given the same prominence that there had been in the stakeholder workshops, although practical issues such as energy efficiency and safety were. There was some disquiet about the provision of flats as opposed to houses and second homes were viewed negatively. The headlines are summarised below.

- The main housing issues raised by the group were that homes are too expensive and there are too many flats.
- There is a strong feeling that more new housing needs to be built.
- In general, new housing in the towns is seen as preferable to building in more rural areas.
- Concerns were expressed about traffic congestion.
- Economic, leisure and cultural benefits would result from housing growth.
- Migration to the area is related to the countryside and benefits for family life. It does not relate to employment.

- It was thought that some properties should be built just for people in Barnstaple, or a wider but still local area.
- There is a strongly expressed desire to stay in the area.
- The group has a clear desire for home ownership over renting. The main reason given for this is financial security.
- Second homes are not thought to contribute in a significant way to the local economy.
- There is thought to be a likely demand for shared accommodation.
- Short lets outside the main tourist season are considered to be quite common and a very disruptive way to live.
- Living in park homes or caravans is also thought to be common.
- Older people should be able to remain in the home that they have lived in throughout their lives and be able to preserve their assets for the next generation.
- Most thought that their parents would not be able to afford to help with housing costs.
- The design of properties is not seen as a priority concern.
- It is thought that attention should be paid to making homes energy efficient, taking advantage of new technologies, and that they should be safe.

Older People

Demographic trends

- 7.11 Data analysis has identified that older people form a very significant part of the population of the area, with 30% over pensionable age, and that this is likely to increase in the future. Population growth is expected to be strong particularly for older households, and especially among those aged 75 and over. This trend is strongest in Torridge where a 104.3% increase is expected in those aged 75 to 84 (between 2006 and 2026) and a 122.2% increase is expected in those aged 85 and over. Such trends imply a substantial increase in the requirement for housing care with support.

Housing for Older People

- 7.12 Supported accommodation is mainly located in the social rented sector and is not aimed at those who have higher support needs; a limited amount of extra care housing is available and retirement housing for sale is almost entirely located in the main towns.
- 7.13 The Elderly Accommodation Council database identifies 36 sheltered/retirement housing schemes North Cornwall. The schemes are mainly located in Wadebridge, Bodmin, Bude, Camelford and Launceston. There are also schemes at Boscastle, Treburly, Alturnam, Rock, Egloskerry, Delabole and North Tamerton. There are currently no extra care housing schemes identified in these locations.

- 7.14 There are 38 sheltered schemes in North Devon of which 21 are in Barnstaple. Other locations with more than one scheme are Braunton, South Molton and Ilfracombe. There are also schemes at Lynton, Chulmleigh, Witheridge, Bishop Nympton and North Molton. North Devon has one extra care scheme in Barnstaple.
- 7.15 Torrington has 21 sheltered schemes, around half of which are in Bideford. Other locations include Great Torrington, Black Torrington, Holsworthy, Northam and Bradworthy. There is an extra care scheme in Great Torrington.
- 7.16 There are 29 sheltered schemes in West Somerset around half of which are located in Minehead. Other locations with more than one scheme include Dulverton, Porlock and Watchett. West Somerset has three schemes providing extra care, in Dulverton, Watchett and Minehead.
- 7.17 Of these 124 sheltered schemes, the vast majority are for social rent. There are 20 schemes with a warden with properties to buy and these are mainly located in the main towns of Minehead, Bideford, Barnstaple, Ilfracombe, Bude, Bodmin, Launceston and Wadebridge.

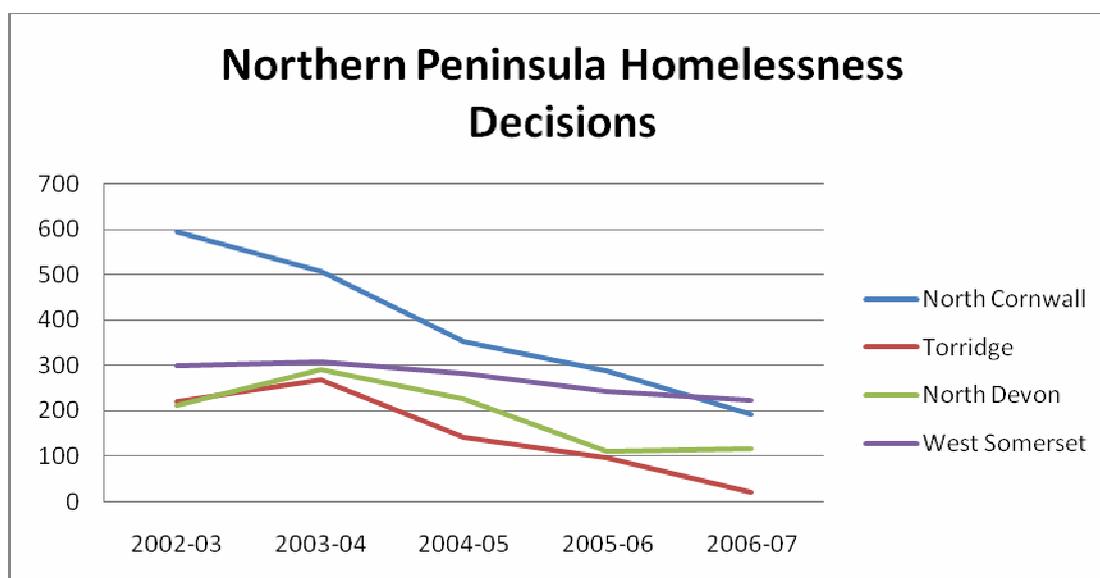
Older People and Mental Health

- 7.18 With an ageing population, further requirements for mental health services can also be expected as the prevalence of Alzheimer's and depression increases with age. Across Devon, older people's mental health is significantly affected by issues such as loss of opportunities to socialise and mix, difficulties in accessing transport, financing or housing problems.
- 7.19 Devon Partnership Trust provides mental health and learning disabilities services across Devon. Services for older people with mental health difficulties are available in Bideford and at North Devon District Hospital. An outreach services is also available at Barnstaple and South Molton. The Trust's priorities for 2008/09 include developing a new network base in Barnstaple.

Homeless People

- 7.20 The number of homelessness decisions has been on a downward trajectory across the housing market area, reducing from 1,326 in 2002/03 to 552 in 2006/07. This reflects national trends arising from the implementation of homelessness prevention policies and should not be taken to imply that priority housing need has declined. In 2002/03, North Cornwall had the highest number of homelessness decisions, but by 2006/07, more decisions were being made in West Somerset.

Fig 1: Northern Peninsula homelessness decisions, 2002-2007



(Source: CLG live table 627)

7.21 Homelessness priority acceptances are highest in North Cornwall with 88 acceptances in 2006/07. The next highest is North Devon with 72 acceptances during the same period and a far larger proportion of all decisions. The proportion of priority homelessness acceptances ranges from 62% in North Devon to 10% in Torridge.

7.22 Those found homeless but not in priority need are low in all areas except West Somerset. There were 100 such cases in 2006/07 accounting for 45% of all homelessness decisions in West Somerset. The proportion found intentionally homeless ranges from 5% in North Cornwall to 25% in Torridge.

7.23 The following table summarises homelessness incidence data for the period April 2006 to March 2007.

Table 67: homelessness data across the 4 districts, April 2006 to March 2007

Homelessness decisions: April 2006 to March 2007	Accepted in Priority Need	Acceptances per 1,000 population	Intentionally homeless	Non priority homeless	Not homeless	Total
North Cornwall	88	2.4	10	15	80	193
North Devon	72	1.9	22	5	17	116
Torridge	2	0.1	5	0	13	20
West Somerset	29	1.8	15	100	79	223

(Source: CLG live table 627)

7.24 Key findings:

Northern Peninsula: **Strategic Housing Market Assessment**

- Districts in the NP area have lower rates of priority homeless acceptances than in the region or England as a whole. The highest rate amongst the four districts is in North Cornwall, where the rate per thousand population, is 2.4.

7.25 The following table summarises homeless households in temporary accommodation at 31 March 2007.

Table 68: homeless households in temporary accommodation at 31st March 2007

Homeless households in temporary accommodation at 31 st March 07	Bed and breakfast	Hostels	Social housing	Private rented sector	Other	Total	Homeless at home
North Cornwall	14	4	7	13	6	44	26
North Devon	13	7	9	28	0	57	1
Torridge	0	0	0	3	0	3	0
West Somerset	4	0	0	28	0	32	0

(Source: Homelessness P1E returns 2006/07)

7.26 Key findings:

- Homeless households in temporary accommodation varied from only 3 in Torridge to 57 in North Devon.

7.27 The following table summarises priority homeless households by priority need category for the period March 2006 to 2007.

Table 69: households accepted as priority homeless by priority need category

Need category	North Cornwall	North Devon	Torrige	West Somerset	Total
Applicant who is homeless because of emergency	0	0	0	0	0
Applicant whose household includes dependent children					
1 child	19	19	1	12	51
2 children	13	16	1	3	33
3 or more children	6	14	0	3	23
All households	38	49	2	18	107
Applicant is, or household includes a pregnant woman and there are no other dependent children	8	6	0	2	16
Applicant aged 16 or 17 years old	4	6	0	0	10
Applicant formerly 'in care' aged 18 to 20 years old	3	0	0	0	3
Applicant vulnerable as a result of:					
Old age	11	0	0	3	14
Physical disability	7	9	0	1	17
Mental illness	11	1	0	5	17
Other special					
Drug dependency	0	0	0	0	0
Alcohol dependency	1	0	0	0	1
Former asylum seeker	0	0	0	0	0
Other	0	0	0	0	0
Applicant vulnerable as a result of:					
Having been in care	2	0	0	0	2
Having served in HM Forces	0	0	0	0	0
Having been in custody/on remand	0	0	0	0	0
Having fled because of violence/threat of violence	3	1	0	0	4
Of which					
Domestic violence	3	1	0	0	4
Total	88	72	2	29	191

(Source: Homelessness P1E returns 2006/07)

7.28 Key findings:

- Of the 191 homeless households accepted as being in priority need during 2006/07, 107 were accepted under the priority category of having children and a further 16 contained a household member who was pregnant. Together these account for 64% of priority homeless households; and
- There were 14 households vulnerable due to old age, 17 due to physical disability and 17 due to mental illness.

7.29 The following table summarises the main reason for the loss of the last settled home for the period March 2006 to 2007.

Table 70: main reason for loss of last settled home

Reason	North Cornwall	North Devon	Torrige	West Somerset	Total
Parents no longer willing or able to accommodate	15	14	0	5	34
Other relatives or friends no longer willing or able to accommodate	6	4	0	0	10
Non-violent breakdown of relationship with partner	8	3	0	2	13
Violence					
Violent breakdown of relationship with partner	8	7	0	1	16
Violent breakdown of relationship with associated persons	2	2	0	0	4
Racially motivated violence	0	0	0	0	0
Other forms of violence	2	0	0	0	2
Harassment, threats of intimidation					
Racially motivated harassment	0	0	0	0	0
Other forms of harassment	0	1	0	0	1
Mortgage arrears (repossession or other loss of home)	3	2	0	0	5
Rent arrears on:					
Local authority or other public sector dwellings	0	0	0	0	0
Registered social landlord or other housing association dwellings	0	0	0	0	0
Private sector dwellings	0	2	0	0	2
Loss of rented or tied accommodation due to:					
Termination of assured shorthold tenancy	30	22	0	17	69
Reasons other than termination of assured shorthold tenancy	2	10	2	0	14
Required to leave accommodation provided by home office as asylum support	0	0	0	0	0
Left an institution or LA care					
Left prison/on remand	0	0	0	0	0
Left hospital	2	1	0	0	0
Left other institution or LA care	4	1	0	0	5
Other reason for loss of last settled home					
Left HM forces	0	0	0	0	0
Other reason (e.g. homeless in emergency, sleeping rough or in hostel, returned from abroad)	6	3	0	4	13
Total	88	72	2	29	191

(Source: Homelessness P1E returns 2006/07)

7.30 Key findings:

- By far the most common reason for the loss of their last settled home was termination of an assured shorthold tenancy;

- For a further 44 households, parents or other relatives or friends were no longer willing to accommodate them; and
- There were 20 households homeless due to the breakdown of a relationship.

7.31 No estimates were available detailing the profile and extent of hidden homelessness. Residents and stakeholders consulted all agreed that housing in the area was unaffordable for large sections of the local community. The ways in which households were coping were varied, but were thought to include people staying at home with parents beyond the point at which they needed to set up their own home. Others 'make do' and unsatisfactory housing options were also reported, including living in caravans and winter lets from which people moved frequently. It is therefore likely that there is considerable hidden homelessness in the area that is not included within official statistics.

Migrant workers

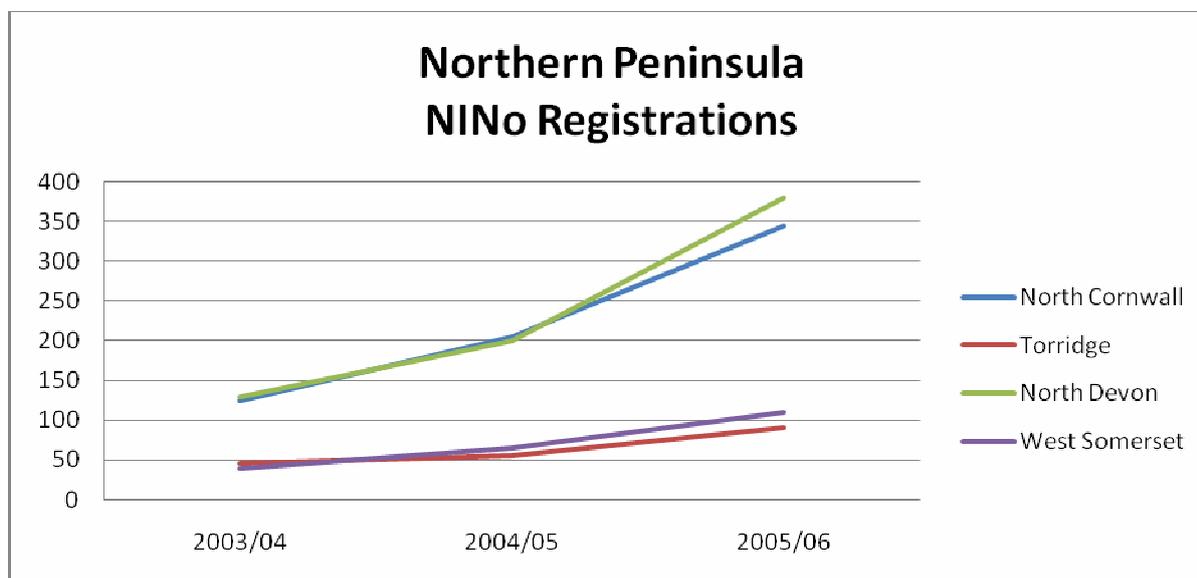
7.32 Gathering robust intelligence on migrant workers is extremely difficult, reflecting gaps in official data and other issues, such as language barriers, that make them a hard to reach group. From national sources, it is known that:

- Most international migrants are young, of working age and single;
- Most arrive in order to work, often in low paid, seasonal industries and in social care. They are often overqualified for the work they do. The hospitality, tourism and social care industries are key employers for international migrants. Most migrants arrive with the intention of returning to their countries of origin but the proportion of returners for recent migrants is not known;
- The longer people remain in the UK, the longer they are likely to stay. Once migrants have formed households or begun a family, they are far less likely to return home. There is no relationship between how long migrants say they intend to stay, and how long they actually stay¹⁰.

7.33 In relation to the Northern Peninsula area, the following graph shows local authority National Insurance Number Registrations between 2003/04 and 2005/06, and identifies the level of increase over that period.

¹⁰ Spencer, S, Ruhs, M, Anderson, B & Rogaly, B (2007) Migrants lives beyond the workplace; the experiences of Central and East Europeans in the UK, York, JRF.

Fig 2: NiNo Registrations in the NP area, 2003-2006



(Source: www.dwp.gov.uk NiNo registrations to adult overseas nationals entering the UK by year of registration and local authority)

- 7.34 A report *'Migrant Workers: Scoping the Issues for Devon'* by the Community Council of Devon and completed in April 2007, found that the rate of increase in migrant workers had been accelerating since 2001/02 and that some of the area's major industries – hotels and catering (tourism), manufacturing (especially food packaging and distribution), care and nursing, agriculture – all rely very heavily on migrant workers.
- 7.35 By far the largest number of NiNo registrations were people from Poland and other Eastern European countries such as the Czech and Slovak Republics, Latvia, and Lithuania. There were also migrants from India, China, the Philippines, France, Spain, South Africa and Australia. Migrant workers are by their nature transitory, it is not known how many of those originally registering remain in Devon, how many return home within the year and the housing implications.
- 7.36 Research has also been undertaken by the Local Intelligence Network Cornwall (LINC) in relation to migrant workers registering in Cornwall under the Workers' Registration Scheme (WRS). This scheme was introduced by the UK Border Agency in 2004 when the new 'Accession' countries joined the European Union, to enable monitoring of where citizens of those countries (except Malta and Cyprus) were coming from, the type of work they are doing, and the impact on the economy. LINC contacted 519 employers where it was considered new migrant workers might be employed, and one quarter responded. Of 130 businesses, 114 either currently or had previously employed migrant workers, and the main employment sectors were hotels and restaurants (37%), primary (agriculture and fishing) (18.5%), health

(15.7%), and manufacturing (10.2%). Of the businesses responding 18 (15.8%) were located in the Northern Peninsula Housing Market Area in North Cornwall. WRS applicants tend to be concentrated in the West of Cornwall, with the exception of the Launceston area where food processing attracts migrant employees.

- 7.37 Just over half of the businesses surveyed organised accommodation for migrant workers, mostly on their premises, such as hotel rooms; their options included caravans and shared accommodation. Employment agencies had also helped in finding accommodation for some workers. Trying to rent properties had been difficult initially, but a number of people had now found properties to rent and were no longer reliant of employment agencies to find their accommodation. Some lived in holiday accommodation such as caravans and chalets.
- 7.38 In Somerset, the largest employer of migrant labour is a food packaging firm based in Chard in South Somerset. Butlins in Minehead is the main employer in the West Somerset area and provides accommodation for migrant workers amongst their staff.
- 7.39 In terms of overall housing implications, the vast majority of international migrants to the Northern Peninsula *do not* fall into any of the categories (for example, asylum seekers) for which social rented housing is an option. It is possible to imagine circumstances where migrants may become entitled to social housing after a period of time, but there is no evidence that more than a very few lettings have been made to such migrants to date¹¹.
- 7.40 Most international migrants are dependent on housing provided by employers or the private rented sector which has a number of potentially serious implications:
- Migrants are in competition with each other, and with indigenous people for limited privately rented accommodation.
 - Accommodation provided by employers is often in Houses in Multiple Occupation, and if this sector expands, local authorities have to expand the regulation they undertake.
 - There is some evidence that international migrants are perceived as better tenants than indigenous people on benefits¹².
- 7.41 Over time, international migrants will tend to follow the tenure pattern of the rest of the population. Newly arrived young people who are looking for housing which is easy to access and provides easy mobility will turn to private

¹¹ Robinson, D (2007) EU Accession State Migrants in Social Housing in England, in *People, Places and Policy Online*, 1/3, pp 98-111.

¹² Residential Landlords Association, reported in *Inside Housing*, 19/04/07.

renting. As settled households form, they look for more settled and secure housing. Migrants share all the problems of the rest of the population – high house prices and low wages. It is at this point that households may attempt to access social rented housing.

- 7.42 There is a need to monitor the rate of settlement of migrant workers in the area and the extent of family formation through Pupil Level Annual Schools' Census (PLASC) data, and the access of migrant workers to all forms of housing and to social housing through CORE data.

Gypsies and Travellers

- 7.43 According to the January 2006 Caravan Count and Traveller Survey, there were 2,079 caravans (including those on authorised sites) in the South West of England, 229 of which were within the county of Devon and a further 21 in the Unitary Authority of Plymouth. The count returned zero for North Devon and one for Torridge. This caravan was on land not owned by Gypsies and was not a tolerated site.
- 7.44 For the academic year 2004/05, the Traveller Education Survey contacted or had identified 580 children in Devon, and there are some anomalies between this data and that gathered for the caravan count.
- 7.45 A Devon-wide Gypsy and Traveller Housing Needs Assessment was completed in November 2006. Of those surveyed, 70.3% lived on settled sites and 29.7% were on the roadside, a quarter were on council owned sites. Almost half owned sites themselves - 32.2% said they had planning permission of some sort and 15.6% had no planning permission; 20% were on tolerated sites.
- 7.46 The average number of people per pitch in Devon is 2.79, which is higher than the average settled household size. The assessment identified a current shortfall across Devon of 181 pitches (155 from families on unauthorised sites and 26 from overcrowding). It was estimated that an additional 53 households will need to be accommodated by 2011. The study identified a need for a minimum of 226 permanent extra pitches between 2006 and 2011 with a further 53 between 2011 and 2016.
- 7.47 The research showed that there is a distinct movement of Gypsies and Travellers through Devon, particularly via the A38, A30 and M5 corridor. This movement suggested a need for some transit provision as those travelling at present are likely to stop on unauthorised or roadside sites due to insufficient space on official sites.
- 7.48 An assessment of Gypsy and Traveller accommodation needs in Cornwall reported in October 2006. A survey was conducted of 262 Gypsies and Travellers living on all site types and in bricks and mortar accommodation.

- 7.49 There are three local authority sites in Cornwall. All were fully occupied at the time of the survey. Almost a third of respondents lived on unauthorised sites due to a lack of residential or transit pitches. Gypsies and Travellers living on their own land with planning permission were the most likely to be satisfied with their accommodation.
- 7.50 Half had travelled in the last year and the vast majority stayed on an unauthorised site when travelling. The lack of transit sites is the main reason given for stopping travelling.
- 7.51 The total extra residential pitch provision required in Cornwall by 2011 is 147 pitches. Between eight and eleven small residential sites are needed. Recommendations are made for including some of these sites in Penwith, Carrick, Kerrier and Restormel. No specific site recommendations are made for North Cornwall. In addition there is a need for a network of 45 transit pitches across the county.
- 7.52 A Somerset-wide assessment of Gypsy and Traveller needs was incorporated as part of a housing market assessment undertaken in 2006. The report concluded that the residential Gypsy site at Faringon Hill, Stogursey met the identified need in West Somerset at that time. Subsequently a need for three additional pitches has been identified as an interim figure for the Regional Spatial Strategy. New provision throughout the county is envisaged on small sites with a maximum of six pitches. The Panel Report following an Examination in Public of a Single Issue Review of additional pitch requirements for Gypsies and Travellers was published in June 2008 and the following table summarises the recommendations of the initial assessment, the Panel Report and subsequent Proposed Changes received from the Secretary of State

Table 71: Gypsies and Travellers, additional pitch requirements 2006-2011

District	Residential Pitch Requirement			Transit Pitch Requirement		
	Assessment (October 2006)	Panel report (June 2008)	Secretary of State Proposed Changes (July 2008)	Assessment (October 2006)	Panel report (June 2008)	Secretary of State Proposed Changes (July 2008)
North Cornwall	0	0	5	10	10	10
Torridge	24	24	24	5	5	5
North Devon	5	5	5	5	5	5
West Somerset	3	3	4	0	0	0

(Source: Regional Spatial Strategy for the South West, Review of additional pitch requirements for gypsies and travellers: Examination in Public, Report of the Panel, April 2008, pages 36 and 44)

7.53 Key findings:

- The only change arising from the Panel Report in the Northern Peninsula area is an increase from two to five residential pitches in North Cornwall.

Northern Peninsula: **Strategic Housing Market Assessment**

8.0 CONCLUSIONS AND RECOMMENDATIONS

Introduction

- 8.1 As set out in the brief, the primary aim of this assessment is to gain a robust understanding of the housing market across the Northern Peninsula area *“in order to provide sound evidence for housing, planning, regeneration and economic development strategies and interventions. The conclusions of the assessment should assist the Local Authorities to fulfil a more strategic housing enabling role in future”*. This concluding section summarises the dynamics of the sub-regional housing market as the context for understanding the strategic implications and options for intervention arising from this assessment.

What are the key drivers of change in the sub-regional housing market?

- 8.2 All housing markets are shaped by a range of drivers of change, and which are typically drawn from a combination of demographic, social, economic, environmental and housing factors. We have summarised the principal drivers of change in the sub-regional housing market as follows:

Growth in the requirement for housing: the overall trend

- 8.3 There are a number of factors which are driving household growth across Britain including in the Northern Peninsula area, principally:
- More people living longer, implying a growth in households of pensionable age;
 - More people living independently for longer, either as single people or as couples;
 - The impact of relationship breakdown where each breakdown creates the requirement for two homes, and where the shift towards co-habitation is resulting in greater instability in relationships; and
 - The impact of international migration to Britain.
- 8.4 As a result, household growth in the Northern Peninsula area to 2026 (+31%) is projected to outstrip population growth (+21%) to the extent that there is an estimated requirement for in the region of 31,000 new homes across the area over the next 20 years.

Growth in the requirement for housing: the impact of an ageing population

- 8.5 The demographic profile of the area is evolving towards substantial growth in residents of pensionable age and older, which may amount to over 22,000

new older households by 2026, an increase of over 70% on the 2006 level. This is a point in the life cycle where housing requirements change towards the need for smaller and more manageable homes and for housing with care. Such a trend has implications for an increased requirement of in the region of 20,000 smaller homes for older people as people down-size from their existing family homes, and the provision of over 2,500 extra care units to 2026, preferably in the locations in which people already live. Without this provision, there is the risk of a 'log jam' in the turnover and future supply of family housing, and the alternative would have to be their replacement on a pro rata basis.

Growth in the requirement for housing: the trend towards more smaller households

- 8.6 In addition to the impact of the growth in the older population, changing lifestyles among the working age population will result in a radical shift in the requirement for as many as 9,500 smaller and typically two bed homes. This trend is set against a housing stock which is historically oriented towards the supply of larger and family homes, and where the supply of smaller homes has been limited.

The level of in-migration

- 8.7 The assessment has identified a high level of inward migration to the area, the net effect of which, over the five years since 2002, has been an average gain of 1,600 new households per year. This net gain has consisted principally of equity-cushioned older but pre-pensioner households and households with dependent children, especially from London, the South East and the West Midlands who are drawn to the area because of the different quality of life available. In the reverse direction, there is a steady loss of younger and more independent households, the reasons for which remain largely speculative, but which will include a combination of movement for education, employment and access to affordable housing.
- 8.8 In addition, the number of migrant workers to the Northern Peninsula area has increased dramatically, from around 180 in 2002-03 to 1,240 in 2005-06 with North Cornwall and North Devon the main destinations and the A8 EU Accession countries the main countries of origin. These may prove to be historically high levels of inward migration but the trajectory in terms of future trends and the extent of settlement of those already resident are unknown.
- 8.9 The impact of migration trends on the economy of the area and on local housing markets is inadequately understood, but we have estimated that at current levels, a combination of in-migration, international migration and the purchase of second and holiday homes amounts to an additional demand for in the region of 2,100 homes per year which, at current new-build rates, is resulting in increases in increased competition for and a steady erosion of the

supply of homes for local people amounting to as many as 700 homes per year.

A low wage economy

- 8.10 The interrelationship between the local economy, wage levels and the availability of market housing has been a continuing theme of the assessment. The economy of the area is dominated by low paid, seasonal and migrant employment, much of which is in tourism and agriculture, and increasingly in the care services, a sector which is likely to grow significantly to cater for the growing older population. The area is a rural priority for the Regional Development Agency and without significant increases in local wage levels, the majority of local households will continue to be excluded from home ownership, including shared ownership and other technically 'affordable' options.

Very high levels of need for affordable housing

- 8.11 For those of working age, there is a growing polarisation between a minority of households in higher income non-manual and professional employment, and the majority employed in a predominantly low waged and seasonal economy. The effect of this trend is to provide a good choice of housing for the better off minority and very limited and declining choice for the poorly paid minority. The disparity between typical local incomes and the cost of market housing is now so great as to exclude the majority of local households from the prospect of purchasing either a full or a part share in their own home. Such a situation has now reached a critical stage with as many as 13,500 households registered for social housing at April 2007.

The impact of second and holiday homes

- 8.12 Whilst the evidence relating to the impact of second and holiday homes on housing supply, especially for local people is not conclusive, it is clear that the level of second homes in the area is high, amounting to in the region of 7,500 homes and over 6% of total stock. Second homes are heavily concentrated around 'hot spots', for instance in some coastal areas and parts of the Exmoor National Park where they can form the majority of the housing stock. The 'displacement effect' on neighbouring areas has yet to be fully understood.

A range of local sub-markets

- 8.13 These drivers will have a differential impact on what has been characterised as a "polycentric character area". Using a wide range of data sources, including patterns of home moves, property prices and new-build values; the views of local property agents and consultation with planning policy and housing strategy officers, it has been possible to construct a typology of sub-

markets, each of which has different characteristics and requirements. These consist of:

- **Taw and Torridge - Towns and Rural Fringe:** an area served by and with good accessibility to the main residential centres of Barnstaple and Bideford;
- **Market Town Areas:** larger, more self-contained and sustainable settlements which have a 'gravity' in the market, mainly inland but with good accessibility;
- **Coastal: Higher Value Areas:** attractive to incomers, especially second home owners, and characterised by greater accessibility and prohibitively high property values;
- **Coastal: Lower Value Areas:** less accessible locations offering more affordable homes, some of which are characterised by the need for local regeneration;
- **Exmoor Core and Fringe:** the very high value National Park and adjacent area which is attractive to incomers, especially second home owners. Data limitations have made it difficult to determine the precise extent to which the housing market in the Exmoor National Park area is distinctive, but it is clear that strong demand pressures are impacting on the sustainability of settlements in a situation where high environmental quality and the social and economic well being of local communities are key drivers of policy; and
- **Dispersed Rural:** mainly inland and typically less accessible rural areas away from the influence of market towns.

The Northern Peninsula in the wider housing market

- 8.14 No housing market - however defined - is an island, and it is clear that the Northern Peninsula has very strong links with both adjacent and more distant housing market areas. This is particularly evident from patterns of home moves to and from the area. At the more adjacent level, cross-boundary relationships to the west with the rest of Cornwall and with the West Cornwall Housing Market Area suggest that the housing market in its character and dynamics is continuous in this direction. To the east, there are cross-boundary relationships with Somerset, but the market is increasingly oriented towards the Bristol area at this point. There is much less interaction with the Plymouth and Exeter housing market areas to the south, although the southern end of the area around Launceston may have a greater relationship with Plymouth, and the area around Winkleigh may have a greater relationship with Exeter.

8.15 One of the most distinctive characteristics of the housing market in the Northern Peninsula area is the extent and strength of connections with distant housing markets. Analysis of home moves has clearly identified the extent of movement to and from housing markets in London, the South East, the East of England and the West Midlands. The net effect is that moves to the area are particularly strong for families with dependent children and for people in middle age, including early retirees.

What might be the potential impact of changing housing market scenarios?

8.16 We have attempted to avoid the dangers of adopting a 'snapshot' approach to understanding the dynamics of the housing market by adopting a 20 year perspective on its development, but as the dramatic events in the financial markets during the lifetime of this project have demonstrated, wider factors than sub-regional drivers need to be taken into account. We have summarised below the potential impact of two principal change scenarios as follows:

1. Changing property prices and/or changing incomes

8.17 The seven factors affecting the affordability of market housing in the Northern Peninsula area are:

- Incomes: which, according to the type of employment, are dependent on the local economy or on connections with the wider economy,
- Property prices: which are influenced by national and regional trends, and more locally by the type and extent of demand, for example, from in-migrants;
- The equity a household brings to the purchase;
- Deposit levels: determined by lenders;
- Interest rates: determined by the Bank of England and lenders;
- Mortgage multipliers of income: determined by lenders; and
- The availability of mortgages for tied accommodation, for example, low cost home ownership housing on exception sites.

8.18 As can be seen, the extent of control over these influencing factors at the sub-regional level is minimal. The two main 'local' factors' are incomes and property prices and rather than creating generalised scenarios of 'x' fall or rise in incomes or property prices, we have developed Affordability Matrices for each district which enable the impact of any levels of change in incomes

and/or property prices to be modelled at postcode sector level by amending the values set out on the 'look up' tables of each spreadsheet. This creates the possibility of modelling any scenario of changes in incomes and/or property prices.

2. Changing in-migration

8.19 We have already identified that whilst it is not possible to estimate the precise impact of this trend on the housing market, a combination of in-migration (1,600), international migration (250) and the purchase of second and holiday homes (250) are creating a demand for an additional 2,100 homes per year. Taking account of new homes (1,400), this has the effect of increasing competition for and/or reducing the supply for local people of in the region of 700 homes each year.

8.20 The continuing impact of such trends is also dependent on the rate of housing supply from existing or new homes. In relation to supply from existing homes, we envisage that unless alternative provision is made, this will fall as the full impact on turnover of the ageing of the population takes effect. In terms of supply from new homes, this will be dependent on the targets finally arising from the RSS.

8.21 In relation to the continuing impact of these migration trends, it is essential that continuous monitoring of their impact is undertaken, and certainly on an annual basis. Three change scenarios can be envisaged, all of which will be affected by the supply rate as follows:

The in-migration and international migration rates (and the demand for second and holiday homes) remain stable at current levels

8.22 If current levels of in-migration, international migration and the purchase of second and holiday homes were to be maintained, there would be greater competition with local people and a potential loss to them of in the region of 700 homes per annum. However, recent trends in international migration have been very high and are unlikely to be maintained.

The in-migration and international migration rates (including reduced demand for second and holiday homes) decline

8.23 This is most likely in an economic downturn but we have no long term data available to establish the precise nature and extent of the relationship between these trends. Many of those moving to the area are equity rich which will cushion them from wider changes in the economy and housing market. If in-migration fell, the availability of homes to local people would increase on a pro rata basis [but not necessarily their affordability?].

The in-migration and international migration rates (including increased demand for second and holiday homes) increase

- 8.24 The two main factors likely to push up the in-migration rate are the growing attraction of the area (and an associated fall in the attraction of urban areas) and a growing demand for migrant labour. In terms of the attraction of the area, this is well-established and, dependent on economic conditions, internal migration is likely to continue and increase. In terms of international migration, the huge growth in the number of older people will result in an equivalent demand for care services which may well have to be met by a growth in migrant labour. Any increase in the in-migrant rate would result in greater competition for and potential loss of homes available to local people.

Recommendations: priorities for intervention

- 8.25 We have prefaced our recommendations by identifying the priorities for intervention in the housing market as follows:

Priorities

- 8.26 The four main priorities for intervention are:
1. To achieve a more balanced housing market, balancing housing need and demand with deliverability to provide greater choice for local people. This is a complex requirement in which there are no 'quick wins'. It is likely that the imbalances in the housing market have been developing over the past 20 years or more, and it will require a similar timescale to begin to see them reversed.
 2. To target the appropriate type, quality, size and location of homes to reflect local housing requirements and market conditions. While the sub-market areas identified provide a more localised context for action, this intervention requires a more sophisticated understanding of housing market dynamics and of local requirements across all tenures at the settlement level.
 3. To maximise the delivery of affordable housing to meet housing need in the most appropriate locations. Substantial progress has been made in understanding housing need in some districts, and the approaches adopted, for example, in undertaking parish-based requirements studies, need to be understood and applied more widely to provide robust evidence to inform local housing supply.
 4. To provide homes to meet the changing requirements of a growing older population. This priority needs to be reflected in both specialist and general needs housing. In relation to general provision, the construction of lifetime homes would help to ensure that homes were sufficiently versatile

to accommodate older people with mobility needs. However, the general application of such standards may have the effect of institutionalising under-occupation by older people in family housing which is larger than is either required or preferred. Specialist provision for older people has conventionally been associated with either sheltered or extra-care housing, but the priority identified by this SHMA now is to develop appropriate models of conventional two bed housing constructed to life time standards.

- 8.27 Whilst apartments may be acceptable to some older households in appropriate urban locations, a more conventional aspiration – and more suitable to more rural settings – is for more low density houses including bungalows. The provision of such housing is a challenge being faced nationally and we would recommend a study is commissioned to identify models of relevance and/or a competition is held with architects working in the area to develop suitable models. The failure to provide routes into alternative and aspirational housing for older people will result in an effective ‘log jam’ in the supply of family housing, and the need to replace properties on a pro rata basis.
- 8.28 Whilst the emphasis needs to be placed on increasing the supply of housing for the ‘younger elderly’, there will also be a growing requirement for extra care housing for the ‘older elderly’. We would strongly recommend that consideration is given to examining a full range of options for older persons’ housing, including the possible role of retirement communities or villages.

Recommendations: the development of sub-regional policies and strategies

The changing policy environment

- 8.29 Meeting these priorities will be most effective and most efficiently achieved if a ‘joined up’ and sub-regional approach is developed across the Northern Peninsula area. Furthermore, the Government continues to emphasise the importance of sub-regions, not least as part of the Treasury-led review of sub-national economic development and regeneration¹³. Other policy developments of relevance include:
- The Government Office for the English Regions has published a report on the strategic priorities for 2008-2011¹⁴. It focuses on the delivery of Public Service Agreements (PSAs) and there is coverage of PSA 20 on housing supply and affordability. There is some emphasis on the role of sub-regions in delivering new housing requirements in growth areas and growth points.

¹³ See <http://www.communities.gov.uk/citiesandregions/implementingsnr/takingforwardsnr/>.

¹⁴ See <http://www.gos.gov.uk/news/736123/>.

- The Homes and Communities Agency (HCA) will commence operations on 1 December 2008 and aims to work in 'single conversation' with groups of councils to deliver local priorities for housing and regeneration, particularly as set out in existing strategies and Local Area Agreements.
- The Audit Commission is undertaking a value for money study of the strategic housing function¹⁵ as part of its national work programme. The scoping report produced by the Housing Quality Network identifies the sub-regional policy framework as a key issue for the future role of local housing strategies.
- The Improvement and Development Agency (IDeA) has recently published the fourth of its planned programme of five good practice guides on the strategic housing function¹⁶. Each of these reports highlights the importance of the sub-regional dimension.
- The Government has published a consultation paper on the future direction of the Local Authority Business Growth Incentive (LABGI) scheme¹⁷. It favours the adoption of a city region/sub-regional approach and divides England into 29 areas based on EU guidance.

8.30 In the context of these trends in Government policy, we would recommend a sequence of policy actions beginning with initiatives which individual local authorities might take then moving on towards developing more sub-regional partnership working.

1. Action to strengthen the strategic enabling role of individual local authorities

- As evidenced by this assessment, intervention needs to be informed by robust intelligence, and the first priority is to ensure that this function is adequately resourced.
- A resourcing plan that maximise resources through all means is essential, and which might include council resources, contributions from housing associations, land at below market value from other sources, developer contributions and Social Housing Grant from the National Affordable Housing Programme.
- In a housing market area with a high need for affordable housing, investing in a strong enabling team can also assist in increasing delivery. Rural housing enablers can play an important role in steering developments

¹⁵ See <http://www.audit-commission.gov.uk/nationalstudies/currentstudies-housing.asp>.

¹⁶ See <http://www.idea.gov.uk/idk/core/page.do?pagelD=6514324>.

¹⁷ See <http://www.communities.gov.uk/news/corporate/945966>.

through and it is essential to ensure that rural housing enablers are adequately funded.

- Having a clear housing delivery plan is essential to ensure that what is developed on allocated sites, by property type, tenure and density, etc. It is also important to ensure a pipeline, with a timely release of sites and contingency plans. Finally, it helps to be pro-active about site development, including having development briefs in place and information from detailed site viability assessment to inform effective S106 negotiations.
- The establishment of local housing market forum of property agents, private landlords, developers, etc.
- Regular monitoring of progress is another important aspect of an enhanced strategic approach. This might be achieved through a housing and affordable housing delivery plan that sets out the detail of how development schemes are to be delivered and provides a process to constantly monitor progress.

2. The rationale for developing joint working between partner authorities (including the Exmoor National Park Authority)

8.31 The HMA has been completed on a sub-regional basis, it has identified a commonality of drivers, housing market conditions and dynamics which do not respect administrative boundaries. The next step is to apply this understanding in developing a sub-regional approach to housing, the advantages of which include:

- being able to speak with one voice and act as a critical mass for lobbying and strategic negotiation.

8.32 If adequate resource and priority is to be allocated to the Northern Peninsula area, both national and regional agencies need to be fully aware of the issues. The Affordable Rural Housing Commission and more recently The Taylor Review of Rural Economy and Affordable Housing have produced reports that set out the issues faced by rural areas such as the Northern Peninsula and have achieved greater prominence for rural housing and sustainability issues. However, faced with the scale of issues in urban areas, rural issues need to be kept actively on the agenda.

- engaging with the Regional Spatial Strategy (RSS)

8.33 It is essential that the sub-region develops its own evidence base and voice with which to engage meaningfully with regional planning processes and applies robust evidence to inform the policy options and land allocations set out in Local Development Frameworks.

- sharing the workload

8.34 The most obvious area in which economies of scale and efficiencies might be developed is in monitoring change and intervention in the housing market, including progress in delivering housing. Developing a shared Geographical Information System (GIS) facility would enable data to be recorded, presented and analysed across the sub-region.

3. Action to develop joint working between partner authorities

8.35 In terms of establishing effective joint working, we would recommend the following steps:

The development of a sub-regional Housing Partnership Board

8.36 It is recognised that a series of partnership arrangements currently exist including:

- The Northern Peninsula Sub-regional Housing Market Assessment Group;
- The Devon and Cornwall Strategic Housing Groups;
- The Exmoor, North Devon and West Somerset Rural Housing Partnership; and
- The Devon Rural Housing Partnership.

8.37 However, the newly-formed Homes and Communities Agency has expressed its intention to work through a business process termed the 'single conversation', a regular cycle of engagement based on a single point of contact between a local area, such as a sub-region, and the HCA.

8.38 We would recommend that consideration is given to building on existing arrangements to develop a strategic Sub-regional Housing Partnership Board for the Northern Peninsula which would be in the best position to:

- develop an 'influencing strategy' to ensure effective representation in relation to key funding and strategic agencies, in particular in 'single conversation' with the HCA;
- provide shared market intelligence and monitoring functions;
- with delegated authority, co-ordinate intervention and the delivery of housing, including affordable housing, preferably through an appropriate Local Delivery Vehicle(s).

8.39 A number of worked examples of such strategic delivery partnerships now exist of relevance to the Northern Peninsula and from which lessons might be learned, including:

- The Cumbria Sub-Regional Housing Group: which consists of six districts, Cumbria County Council, both National Parks and seven RSLs;
- The Hampshire Alliance for Rural Affordable Housing: which consists of the Hampshire Rural Housing Enablers, the Housing Corporation and six rural local authorities;
- The Homes West Partnership: which consists of Bristol City Council, the three adjoining districts and four RSLs;
- The Oxfordshire Rural Housing Partnership: which consists of four district councils; four RSLs operating locally; a local construction company; a local land-owner; and Oxfordshire Rural Community Council, a registered charity; and
- The West Housing Market Sub-region in the West Midlands: a partnership which consists of the Shropshire and Herefordshire Housing Officers Group.

The development of a sub-regional housing strategy and planning policies

8.40 Whilst not dependent on the creation of a formal Partnership Board, the typical first step of such agencies has been to develop a sub-regional housing strategy and associated action plans. Whilst this will share common housing dynamics and priorities for intervention, Area Action Plans can translate these to the local level. We would recommend the development of generic suites of policies for sub-markets with different characteristics can be incorporated in the Sub-regional Strategy and cascaded down into the Area Action Plans.

8.41 Common housing and planning policies might be applied in relation to both the supply of new housing and in making the best use of existing housing, for example:

- Core Strategies, Affordable Housing Policies and Development Plan Documents that support housing delivery by setting out a coherent sub-regional approach that reflects the findings of the SHMA; is responsive to the market variations across the area and embeds the priorities for housing market intervention into the planning process.
- Promotion of a sub-regionally consistent approach to planning gain, drawing on the findings of the Strategic Viability Assessment accompanying the SHMA. This might include common site thresholds and a detailed site viability methodology applied where similar market

conditions prevail, including for smaller sites likely to be below threshold, and/or where a fractional housing gain is calculated, a financial contribution to a 'pot' to be recycled for social housing.

- Ensuring that housing delivery and affordable housing is prioritised through corporate processes, housing strategies, community strategies and local area agreements.
- Policies that promote the full menu of options for rural housing delivery – for example, rural exceptions sites; allocation of sites for affordable housing; community land trust developments; live-work options. Options for sustainable community development should be considered using tools such as the Planning for Sustainable Rural Communities Toolkit which has been commissioned by the Devon Authorities to provide a methodology for community engagement and policy development through the Local Development Framework, and due for publication in early 2009.
- Building on local initiatives, the provision of high quality housing advice including consideration of outreach services, signposting people to appropriate options in sectors other than social renting. Housing options trailblazers such as the Exeter Partnership, which includes East, North, West and Mid-Devon, South Hams, Torridge, Torbay, Plymouth and Teignbridge, are combining housing advice with advice relating to training and employment opportunities.
- Whilst it is recognised that great progress has been made on reducing homelessness, especially among younger people, there are further opportunities to pool and share experience and expertise in prevention using such mechanisms as mediation and floating support.
- Drawing on experience within the sub-region, the development of a Private Landlord Accreditation Scheme and formal consultation methods with landlords and lettings agents. Such a scheme could recognise landlords who manage their properties to a good standard; offer them access to choice-based lettings schemes and could be used to offer grants and/or loans conditional on the availability of properties to those in housing need. A forum could be used to improve relationships with private landlords; to increase the availability of private rented housing and to resolve issues before they reach crisis point.
- Consultation with developers identified a range of concerns might be most usefully addressed, and their experience consistently consulted, through the creation of a sub-regional Developers' Forum.
- Empty homes assessment and policies. The level of vacant dwellings in the Northern Peninsula area is low but there is still the potential to bring empty properties back into use and increase housing supply. Grants and

loans can have conditions attached to help in meeting housing need. Making best use of existing buildings and existing housing to meet local affordable need is particularly relevant within the Exmoor National Park where new supply is highly constrained.

- Improvements and adaptations: these can help people to stay in their homes where alternative appropriate accommodation is not available.
- Under-occupation of affordable and market housing: incentives and appropriate housing options can be used to encourage people to move to more suitable accommodation, for instance to free up under-occupied family homes.

The development of integrated policy approaches linking with and supporting economic regeneration, investment, upskilling, educational attainment, health and Supporting People

- 8.42 Housing has interconnections with many other service areas and for interventions to be most effective they need to work across service boundaries. There is a need for a clear corporate understanding of the role that new and existing housing plays in meeting other corporate objectives and the inter-relationships between service areas. Housing objectives need to be incorporated into the service plan across a wide variety of areas including housing, finance, benefits, legal, environmental health and economic development. Similarly the strategic approach needs to be communicated with delivery and other partner organisations and feed into their work plans.
- 8.43 There is also a requirement to deliver targeted packages of support to help deliver sustainable communities, for example, Bude, Minehead and Ilfracombe are all Coastal Lower Value Sub-market Areas where there is a need for renewal and regeneration, allied to skills development and infrastructure investment.

Understanding Housing Market Change: Monitoring Required

- 8.44 The HMA will in part remain a snapshot in time if updating and monitoring of change is not undertaken. Whilst housing strategy and planning policy officers will already be monitoring a number of indicators, and a guide to updating the HMA has been provided separately, we would recommend the annual updating of the following supply and demand indicators across the area:

In relation to housing trends

- 8.45 It is essential that the health of the housing market is regularly assessed in terms of:

- Property prices and rents
- 8.46 Overall changes in property prices and by property type can be continually monitored at district level through monthly Land Registry updates; by an annual review of all sales; by consultation with estate agents and by net-based review of currently advertised properties. Market rents can be monitored through the annual reports of the Rent Service, by consultation with lettings agents or by net-based review. Market rents can be monitored through the annual reports of the Rent Service, by consultation with lettings agents or by net-based review. Social sector rents and intermediate housing sales can be monitored through annual CORE reports.
- Interest rates and deposit levels
- 8.47 Interest rates and deposit levels determine the availability and accessibility of personal housing finance, the Halifax Bank of Scotland base rate is widely used as the interest rate benchmark for repayment mortgages and deposit levels recorded by major lenders and the Council of Mortgage Lenders.
- Numbers of planning applications/decisions
- 8.48 These can be determined from district level annual monitoring reports and by consultation with the planning team.
- Mortgages granted and repossessions
- 8.49 These can be determined from reports and data provided by the Council of Mortgage Lenders.
- The availability of social rented/intermediate housing
- 8.50 These can be determined through annual CORE reports.
- Availability of private rented housing
- 8.51 There is no official source providing such information but supply trends can be determined through the annual reports of the Rent Service. Consultation with lettings agents and/or a net-based review is required to understand current supply.
- Supply of new housing by type, size, tenure and location
- 8.52 With the exception of type and size, these can be determined from district/national park level annual monitoring reports, but district-level data commissioned from the planning team is required to provide a comprehensive understanding.

Northern Peninsula: **Strategic Housing Market Assessment**

- Deliverability and viability of housing

8.53 These can be determined by updating the key inputs of the Strategic Viability Assessment in relation to build costs, property prices; associated land values.

In relation to social and demographic trends

- Demographic change

8.54 Population and household projections; population projections by age group and annual components of population change are available from the Office for National Statistics (ONS) for each district.

- Income levels

8.55 Whilst the Department of Work and Pensions provides data on mean and median incomes at district and higher levels from the Annual Survey of Hours and Earnings (ASHE), PayCheck profiles of gross total household incomes by £5k income bands can be commissioned for almost any defined area from CACI (the Californian Analysis Centre Incorporated, an international company which trades as the Data Depot in Britain).

- Migration levels

8.56 The National Health Service Central Register (NHSCR) compiles and maintains a computerised record of NHS patients registered with an NHS general practitioner (GP) in England, Wales or the Isle of Man. Analysis of this data enables identification of annual moves between local authority areas by age group. Data on internal migration is collated and issued annually (in August) by the ONS Migration Statistics Unit.

- International migration and settlement

8.57 The collation of registrations of UK non-nationals for National Insurance (NINO) provides an invaluable source of data on international migration is undertaken annually by the Department of Work and Pensions.

- Second and holiday homes

8.58 There is no regularly updated official source of data, the most relevant proxy source is Council Tax data.

**Understanding the Housing Market in the Northern Peninsula area:
further research and analysis required**

8.59 The Assessment has identified a series of gaps in both baseline data and in understanding the dynamics of the sub-regional housing market as follows:

- Stock condition
- 8.60 Data needs to be collected and collated from stock condition surveys for housing in all tenures across all district and to a common methodology, preferably recorded and available in a Geographic Information System (GIS) format.
- Stock profiles
- 8.61 These need to be constructed from a combination of stock condition surveys and internal local authority and housing association sources to ensure that an accurate profile is available across the area of all properties by age, type and size, preferably recorded and available in a GIS format.
- The quality of new housing
- 8.62 Further research is required to determine the costs and implications of delivering better quality homes to higher ecological standards.
- Providing for an older population
- 8.63 The growth in the older population is one of the most powerful drivers for change in the Northern Peninsula area, and which implies the requirement for a large increase in suitable forms of housing. These will range from smaller and more manageable but aspirational homes for those downsizing from family accommodation to 'extra care' options. There is a need to research the housing options available for older people, especially for those wishing to downsize from family-sized accommodation, and associated with the need to establish the proportion of older people who would be willing and/or able to take up such options.
- The affordability of housing
- 8.64 Data needs to be collated annually from district, housing association, Housing Corporation RSR (Regulatory and Statistical Returns) and CORE data of the availability of social rented and intermediate housing at all spatial scales, preferably recorded and available in a GIS format.
- Profiling the sub-market areas
- 8.65 Demographic, social, housing and economic data need to be collected and collated to inform profiles of sub-market areas and in particular, the interventions appropriate within them, preferably recorded and available in a GIS format.

- Understanding the scale and impact of second and holiday homes on housing supply

8.66 It is apparent that second and holiday homes have had an evident impact on the supply of housing in such 'hot spots' as Padstow, Croyde and the Exmoor National Park, but research is lacking concerning the impact of a high demand for second and holiday homes on property prices and on the 'displacement effect', the impact of property 'hot spots' on surrounding settlements.

- The drivers for in-migration

8.67 The area is experiencing significant net in-migration of families in particular which is placing an additional demand on housing supply, but no robust local studies are available of the motives for migration, of the experience of in-migrants; of their impact on local service and the economy; and on reasons for return migration.