



# The Report of the Devon Housing Commission



Exeter  
INNOVATION

# Chair's Summary

The words “housing crisis” are not what the general public (or Westminster politicians) usually associate with the beautiful county of Devon. However, as the evidence accumulated by the Devon Housing Commission shows, there is indeed a real housing crisis in this county. The problem is an acute shortage of homes affordable for the next generation.



This is not just about homeownership being beyond the reach of first-time buyers (even of those with incomes well above the average), the problem now covers rented homes as well. It is virtually impossible for those on average incomes or less to obtain a rented home that is both available and affordable. Devon is simply running out of any housing options.

This is best illustrated by the dramatic rise in numbers of people (particularly of children) that councils have had to place in temporary accommodation, and the consequent, alarming increase in costs borne by Devon's local authorities. This represents a real emergency.

## What has caused this dire situation?

Of course, there is a nationwide problem of acute shortages of somewhere to live that is decent, secure and affordable. However, affordability is a particular problem in Devon, where house prices are higher and incomes are lower than the national averages.

First, becoming a homeowner in Devon is particularly difficult because house prices are inflated by those moving from more expensive areas, principally from London and the South East. Middle-aged and older people are moving in while younger people are leaving. This creates difficulty recruiting to vacancies across Devon and means key workers cannot afford to live near their place of work.

Second, the availability of affordable rented housing is more constrained in Devon than most places. The amount of social housing available from councils and housing associations is proportionately half as much as for England. Historically, Devon has not built enough affordable homes and current trends show that the position is getting worse. The county is not keeping up with national levels of affordable housing delivery. The already low level of social housing has been further depleted by Right to Buy sales at substantial discounts. While governments have hoped

that sales of council housing will be replaced by new social housebuilding, in reality this has not happened.

Third, in some areas, the amount of privately rented housing has declined by substantially more than elsewhere, partly because long-term lettings for locals have been switched to short-term Airbnb-style lettings for tourists.

Fourth, Devon has an older population profile and more family-size properties are occupied by one or two people: the phenomenon of under-occupation is an even bigger issue than for England as a whole.

Fifth, rurality and the physical aspects of Devon make new building problematic in many places. The geography and topography of the county restrict opportunities. Narrow country roads and steep hillsides make construction more difficult. In addition, more of Devon than of most counties is protected by designations of National Parks, National Landscapes, and Sites of Special Scientific Interest.

Although new development is best suited to urban areas with brownfield sites, Devon is predominantly a rural county. This adds special obstacles to meeting housing need. Normal planning conditions present extra barriers to rural development. Moreover, existing residents often oppose any development, even where this is designed to meet local needs.

Sixth, Devon also contains many coastal towns which bring their own challenges. Properties designed for a tourist market of yesteryear can attract landlords who let sub-standard properties to those on Housing Benefit. The fashions for holiday destinations have changed, leaving a legacy that requires investment in regeneration.

Seventh, Devon is now unusual in terms of local government structures. Although our Commission's work has not embraced the city of Plymouth, which is a unitary authority with a substantial population



(265,000), the rest of Devon has eight District Councils and the Unitary Authority of Torbay, in addition to the County Council. These ten local authorities compare with the single authority for Cornwall and two, for example, for Somerset, Dorset and Wiltshire.

Devon's structures enable democratic decisions at a more local level but produce some logistical hazards. In relation to planning functions, it would be hard for every local planning authority in the County to employ a full complement of expert planning staff even if funding was sufficient (which it is not). Furthermore, many planning decisions cross adjacent local government boundaries.

### **How can all these issues be addressed?**

This is a difficult moment to be calling for the building of more new homes to meet Devon's acute shortages. Housebuilders are not keen to develop while market conditions are being hit by higher interest rates and increased costs; local authorities are facing severe financial constraints; housing associations are running out of capacity to expand their work. However, with an emphasis on affordable housing for rent and shared ownership (for those on average incomes and below), there are some positive steps that could make a significant difference.

At the strategic level, the Commission is recommending a Devon-wide Housing Strategy that sets out goals for the County with a roadmap to achieve them over the next decade and beyond. We recommend a successor body to the Housing Task Force comprising representatives of Devon's local authorities to monitor progress and work with the proposed Devon and Torbay Combined County Authority (CCA). The CCA represents an important opportunity to coordinate Local Plans across the County, covering transport and infrastructure alongside housing provision. These arrangements would facilitate enhanced working relationships with central government and with its agency, Homes England.

We also recommend a county-based initiative for the recruitment, retention and career progression for planning staff across the County. This would assist the resourcing of planning departments and support cross-boundary working.

Central government could help ease the crisis in a number of ways: by allowing planning fees to fully recover costs; by taking forward measures in the previous Renters (Reform) Bill for greater security and higher standards in the private rented sector;

by committing to an ongoing affordable housing programme through Homes England that prioritises social rented homes and allows flexibility between new builds and the regeneration of existing buildings; by sharing more of the cost of temporary accommodation in the short-term, by providing opportunities for councils to acquire and improve properties which will be available long-term for social rent; and by introducing the necessary measures for local authorities to limit further growth in short-term lettings.

For rural areas, greater use of Rural Exception Sites would make possible more affordable homes that revitalise local communities. Landowners may need incentives to make these sites available at minimal cost: to this end, developments (in some cases Community Land Trusts will be the solution to delivering homes), should be supported by local authorities and national government through a relaunched Community Housing Fund.

For coastal areas, refurbishment of outdated tourist accommodation can meet local needs. Proactive enforcement of standards can also drive up quality in the private rented sector.

As a major recommendation, the Commission would like to see the proposed Combined County Authority sponsoring a new Development Corporation. This would act as a Master Developer on behalf of the County, Torbay, and the District Councils. It would acquire land, capturing its value, raise private finance, and implement a Master Plan for all major, strategic developments. It would end the current reliance upon the volume housebuilders.

In conclusion, the Commission recognises the size of the task ahead. However, we believe that with the engagement of Devon's local government and local communities (and appropriate input from central government), significant inroads could be made in easing shortages and delivering affordable homes at the scale required.

I wish all concerned every success in this endeavour and sincerely thank the Commissioners, Devon's Housing Task Force, the County Council and our sponsor, the University of Exeter (in particular through the work of Matt Dodd and David Hancock) for making possible this worthwhile initiative.

**Richard Best**  
**Lord Best, Chair, Devon Housing Commission**

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# Devon Housing Commission

## Recommendations

### Overarching Recommendation

The Commission recommends that all local authorities in Devon, with the support of national government, give urgent attention to the need for additional affordable housing in the county. The shortages of secure, decent homes is leading to hardship for many households; rapidly rising expenditure on unsatisfactory Temporary Accommodation; the loss from Devon of young people, with consequences for public services and the economy; and extra challenges for hard-pressed care and health services.

### Recommendations to Devon's local authorities

- The Commission recommends that all Devon's housing authorities employ dedicated Housing Enabling Officers who can maintain regular contact with developers, social housing providers and other parties, and liaise across council boundaries. (1.5)
- The Commission recommends that local planning authorities are consistent and insistent on planning requirements being reflected in the price paid by developers for land, rather than "viability" being used as grounds for negotiating reductions in developer contributions (specifically for affordable housing, which should be non-negotiable) after consent is granted. (1.4)
- The Commission recommends that, as well trying to increase the number of social rented homes delivered, local authorities should also explore ways that the planning system can be used to shape the type of housing that is delivered – e.g. in size and price range – so that local need is prioritised over open market demand. (1.6)
- The Commission recommends that local authorities faced with ever-rising costs of Temporary Accommodation consider the opportunities for acquisition and modernisation of existing properties to meet temporary and longer-term needs. (5.4)
- The Commission recommends that Local Plans should specify a requirement for older people's housing – perhaps 10% of strategic developments – and should allocate suitable sites for such schemes. (4.1)
- The Commission recommends that District Councils and Torbay Council take advantage of the new opportunity to double Council Tax on second homes and that the extra money for local authorities is ear-marked for addressing housing challenges across Devon. (2.7)
- The Commission recommends that Devon County Council utilise a significant proportion of receipts from second homes Council Tax to help meet the county's housing and infrastructure needs. (2.8)
- The Commission recommends that Local Authorities assess their land assets and consider making some sites available for social rented provision by social housing providers, including Community Land Trusts. (2.4)
- The Commission recommends that Local Authorities should encourage the inclusion of Community Land Trusts in the provision of affordable housing on allocated housing sites and allow a local lettings policy to apply in such circumstances. (2.5)
- The Commission recommends that Devon's local authorities strengthen support for the Devon Carbon Plan alongside other public bodies in the county, to accelerate retrofit programmes. (6.1)

- The Commission recommends that councils should make maximum use of the Rural Exception Sites model and demonstrate flexibility in enabling village schemes for local people, including by sometimes permitting a small minority of homes to be sold in return for a very modest land cost for the affordable housing. (2.1)
- The Commission recommends that the restrictions covering National Parks and other exceptional areas should be preserved in principle; but occasional opportunities for development should be taken forward to meet local demand. (8.6)
- The Commission recommends that Devon County Council and Torbay Council develop an understanding of skills pathways in the construction industry to identify current sector need, available skills training and gaps in provision. (7.1)

## Recommendations to the proposed Devon and Torbay Combined County Authority

The Commission sees the value of the Combined County Authority (CCA) proceeding as has been proposed. Assuming the CCA is created, our recommendations are as follows:

- The Commission recommends the CCA should devise an overarching Devon Housing Strategy that provides a roadmap for addressing Devon's housing crisis over the next decade. (9.1)
- The Commission recommends the CCA should establish a successor body to Devon's Housing Task Force to provide ongoing monitoring of progress toward the Housing Strategy's goals. (9.2)
- The Commission recommends that the CCA should investigate the benefits/opportunities to create a countywide Development Corporation to perform a master developer role, acting at arm's length and with Compulsory Purchase Order powers, to support delivery of strategic development sites and regeneration programmes. (7.5)
- The Commission recommends that the Devon Housing Task Force, or its successor body, should play a special role in the context of the proposed new CCA, in coordinating Local Plans in a cohesive

overall framework and exploring innovations for the County that address shared challenges. (8.2)

- The Commission recommends that a Housing Intelligence Unit is created for the proposed CCA area, investing in sophisticated data analysis to make use of the extensive information now available to inform policymaking. This Unit should monitor the impact of interventions and responses to Commission recommendations, maintaining and adding to datasets created. It can also facilitate partnerships with the University of Exeter through the Civic University Agreement and beyond, with districts and other areas of the country, e.g. monitoring interventions in areas such as Cornwall and making policy recommendations to the districts and the CCA based on this analysis. (9.3)
- The Commission recommends that the CCA explores the opportunities for a county-wide system of appointing and promoting planning staff, and providing career paths for planners. This should assist in the recruitment and retention of planning staff through coordination of advertising, appointments, continuing professional development and career progression. (8.1)

## Recommendations for Homes England

- The Commission recommends that Homes England recognises the special circumstances faced by some of our rural areas and coastal communities and calls on the agency to develop robust strategies to support them accordingly. (3.1)
- The Commission recommends that Homes England develops a clear and consistent policy position on funding for Rural Exception Sites which are an important route to deliver affordable housing in rural areas. (2.2)
- The Commission recommends that Homes England works closely with the proposed CCA, as outlined in the Devon Devolution Deal, as well as with the District Councils, to support the delivery of Devon's housing ambitions. (7.6)

## Recommendations for government

- The Commission recommends that government commits now to funding an increased affordable housing programme (AHP) through Homes England, with an emphasis on social rented housing, when the current AHP ends in 2026.
- The Commission recommends that central government permits local planning authorities to recover the full cost of processing planning applications from developers; and, for major planning applications, permits local planning authorities to require payment for additional (external) planning consultants; adequate resourcing and advice should be available to level the playing field in negotiations between local planning authorities and developers. (8.3)
- The Commission recommends that government should permit the imposition of a stricter timetable for action where planning consent is granted but development has stalled. (8.4)
- The Commission recommends that local authorities be given greater discretion to call in any significant development using permitted rights to avoid inferior standards, to impose stronger prior approval requirements, and to allow the levying of developer contributions. (8.7)
- The Commission recommends that Government replenishes and expands its Local Authority Housing Fund for the acquisition and modernisation of existing properties and applies it flexibly to benefit households of all kinds in need of Temporary Accommodation. (5.5)
- The Commission recommends government consistently uprates Local Housing Allowance levels so they cover rents for the 30% cheapest private rented sector properties; and redefines the Broad Rental Market Areas covered by Local Housing Allowance at a level that better reflects local rental markets. (5.2)
- The Commission recommends that government align the temporary accommodation subsidy paid to local authorities with the current Local Housing Allowance rate and ties it in perpetuity to that rate. (5.3)
- The Commission recommends Government presses ahead with the registration of short-term lettings; local authorities should be allowed to charge a sufficient registration fee for this service that ensures it is cost neutral. (2.9)
- The Commission recommends that government introduces a new planning use class for all short-term/holiday lettings (STLs) and that local authorities make full use of their ability to limit new STLs in areas where the growth in such lettings is proving detrimental to the community. (2.10)
- The Commission recommends that government consolidates and simplifies extra funding for infrastructure to provide local authorities with flexibility to meet local needs and reduce grounds for objections to housebuilding. (8.5)
- The Commission recommends that government makes more accessible national funding available in grant form to meet transport needs; at the sub-regional level, liaison between local planning authorities and transport/highway authorities should be strengthened. (7.4)
- 7.2: The Commission recommends that government should ensure its departments' policies – particularly those of DLUHC and DEFRA – give commensurate weighting to meeting the demands for new homes as for improving environmental conditions. (7.2)
- The Commission recommends that the funding be extended from Defra to for Rural Housing Enabler (RHE) partnerships; this would ensure a long-term, sustainable basis for RHEs to build partnerships with local authorities and housing associations for affordable housing delivery. (2.3)
- The Commission recommends government should introduce the measures to improve the private rented sector contained in the earlier Renters (Reform) Bill including ending “no-fault” evictions, creating a landlords’ ombudsman, et al. (5.1)
- The Commission recommends that a new Decent Homes programme is initiated noting that Devon has some of the poorest quality housing in the country. The programme should be focussed on areas where particular problems are identified. (6.5)



- The Commission recommends that a renewed Community Housing Fund programme should be set up by government to build on the momentum of the community led development sector. (2.6)
- The Commission recommends that government allows local authorities a) to determine the level of discounts for Right to Buy (RTB) sales; and b) to retain 100% of RTB sales proceeds, ring-fenced for housing purposes. (1.1)
- The Commission recommends that, to help older people to 'right-size', government should create an exemption from Stamp Duty for homebuyers over pension age, as for first-time buyers. (4.2)
- The Commission recommends that government continues to work with social landlords to meet net zero targets for carbon emissions by 2050, ensuring that the terms for government subsidy are sufficiently attractive to enable full take-up of the Social Housing Decarbonisation Fund. (6.3)
- The Commission recommends that government makes speedy progress in upgrading accessibility requirements in the Building Regulations (Part M4(2)), alongside mandating the highest energy efficiency ratings for new homes. (6.4)
- The Commission recommends that the Integrated Care Board and Devon's Public Health teams, alongside the Devon Housing Authorities put in place formal structures for collecting and sharing data, evidence and information and specifically reference the importance of health and housing outcomes in each other's strategies. (6.6)
- The Commission recommends the Country Land and Business Association works with Devon's local authorities to extend communication networks and explore opportunities for landowners to unlock housing development opportunities. Partnerships to raise awareness of the value of new housing for local people can include work by the Devon Communities Foundation in bringing landowners together. The Stewardship Initiative and the example set by the Duchy of Cornwall illustrate the potential for long-term, sustainable partnerships to benefit landowners and local communities alike. (7.3)

## Recommendations for other bodies

- The Commission recommends that a charter setting out expectations for sales/disposals of social housing be developed by the Regulator of Social Housing. (1.2)
- The Commission recommends that housing associations share their disposals strategies with local authorities and provide advance notice of proposed disposals, with postcode data, no later than when notifying the Regulator. (1.3)
- The Commission recommends that Exeter College and the Devon Climate Action Plan group work closely together to share experience and expertise, not least in respect of the College's pioneering work on the Green Construction Advisory Panel. (6.2)

# Chapter One: A Picture of Devon's Housing Crisis – A Lack of Affordable Homes

Devon is renowned as a county of varied coastlines full of secret coves and long beaches; the wild beauty of the moors, its waterways, picturesque villages and the English Riviera. Yet the attributes that make the county an ideal place to visit make it a more challenging place to make a home. Devon has a housing crisis. The cost of a home in Devon is considerably higher than the England average, yet its citizens earn considerably less. Rental affordability is worse in the South West region than anywhere else in the country outside of London and the South East.<sup>2</sup>

Until the recent uplift of Local Housing Allowances, (which set the ceilings for Housing Benefit), no district in Devon had an average private sector rent that would be met in full by the allowance. It is worth noting that Local Housing Allowance has been frozen once again at rates that will soon become out of date.

“There is no housing if you are on local money.”  
– ID 198

“Incomes in Devon are, on the whole, lower than other parts of the country but house prices are much higher. The ratio of loan to value therefore needs to be much greater than in other parts of the country or a larger deposit is needed. With rents being so high it is impossible to save a deposit so people are stuck either living with parents way beyond a time they wished to leave, or in rental where the rent is greater than a mortgage.” – ID 147

Devon's housing crisis is, at its core, one of a lack of affordable homes. Housing is too expensive even for those on above-average incomes. People have told us how they feel and that they are unable to rent or buy:

“I feel like I will live my parents forever. Rent is so expensive and buying a house is a hopeless dream.” – ID 349

And renters are exposed to inherent insecurity:

“(I) worry that my landlord will sell the property or increase the rent so that I am not able to afford it.” – ID 105

Some have described how they feel excluded from their communities:

“My fiancé and I share a one-bed tiny cottage with our two year-old son. We have been trying to find rented accommodation for years. We are priced out locally as rentals are highly sought after... The majority of vacant homes here are holiday lets. Demand for rentals has pushed up the private rental costs and affected the social housing ladder which others, like us, feel forced to join.” – ID 319

Which has left some people with no hope:

“There is widespread disillusionment with my generation that nothing will be done.” – ID 184

<sup>2</sup> Office for National Statistics (ONS), released 23 October 2023, ONS website, statistical bulletin, Private rental affordability, England, Wales and Northern Ireland: 2022. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2022>>. [Accessed, 20/06/2024].

## 1.1 Impacts of a Lack of Affordable Housing

### Communities and schools

The high costs of buying and renting homes, as well as a shortage of both social and private rented accommodation in rural and coastal areas, is impacting on the social and economic viability of communities. Lack of access to affordable homes in rural areas means that people are unable to remain in the area, hollowing out those communities:

“I live in a small village where people who were born here cannot afford to live here, a situation that seems quite common around here. We need to build more affordable housing for people with local connections that stays as affordable housing (either to rent or to buy).” – ID 223

If young families cannot afford to live in an area there will be fewer children attending the local school, making it slowly more unviable, diminishing the community as a place to live:

“I live in a rural parish where the price of homes is too high to get a mortgage. The local village school is experiencing reduced admission because young families cannot afford to live in the area... Many friends I have spoken too are going to be moving out of the area to buy a home, further exacerbating the problem of a lack of people of working age in the area.” – ID 12

In May 2024 the primary school in Kingswear, South Hams, announced its closure due to a collapse in the school roll.

### Workforce and Economy

The campaign group Generation Rent completed a piece of research on Devon and found that the average wage for teaching assistants, taxi drivers, kitchen assistants, cleaners, and roofers was not enough to cover the rent for a one-bedroom house anywhere in the county<sup>3</sup>. Low-paid workers simply cannot afford to live in large areas of Devon, so they are leaving:

“I work as a nurse in the NHS and we are losing staff over this. Young nurses aren’t coming here due to housing prices and healthcare assistants who rent are struggling to make ends meet. People are leaving to find better paid work or moving away altogether. This place is full of older people who need our services, yet there is no accommodation for the younger people who provide these services.” – ID 508

The lack of vital key workers is a concern. For example, we know that there is an acute shortage of care workers in Devon, despite having one of the oldest populations in the country, which is exacerbated in some of our poorest rural and coastal locations.

The relatively high cost of commuting and car ownership for low-income workers means that providing services to remote, high housing cost areas is challenging. Submissions to this Commission from the Devon Integrated Care Board highlight the recruitment challenges affecting the health service. Our own labour market analysis shows that low wage occupations dominate Devon’s posted job vacancies, confirming the challenges that recruiters are facing in these areas. This is a message echoed by the Devon Chamber of Commerce, who highlighted the threat to Devon’s hospitality industry if it cannot recruit.

We know that young people leave Devon in their thousands (see Chapter Four). Outside of Exeter, this outward movement of young people is part of a hollowing out of the labour market, as young people are being replaced by inward migrants much closer to retirement age. Although Devon’s labour market appears tight, with lower levels of unemployment than England<sup>4</sup>, there are persistent weaknesses in productivity, driven in part, by lack of affordable housing. Headline productivity in Devon is consistently below the UK average<sup>5</sup> and whilst this is partially a factor of rurality, access to affordable housing would have a positive impact. Economists argue that rising house prices, whilst potentially releasing investment through access to additional borrowing, can also divert investment

<sup>3</sup> Generation Rent. (2023). ‘Care workers, teaching assistants, and other key workers are locked out of renting in Devon’, 9 September. Available at: <<https://www.generationrent.org/2023/09/19/key-workers-locked-out-of-renting-in-devon/>>. [Accessed, 20/06/2024]. NB. The research did not include Torbay.

<sup>4</sup> Climie, G. (2024). ‘Devon and Somerset Employment and Skills Review May 2024’, University of Exeter in collaboration with Devon County Council. Available at: <<https://sway.cloud.microsoft/oCGN8cOCrZcpfR8Y?ref=Link>>. [Accessed, 20/06/2024].

<sup>5</sup> Local Economic Assessment 2018 and Strategy for Growth Discussion Paper Report to Devon County Council, April 2018. Available at: <<https://www.devonics.info/wp-content/uploads/sites/132/2018/09/Local-Economic-Assessment-2018.pdf>>. [Accessed, 20/06/2024].

<sup>6</sup> MacLennan, D., and Long, J. (2023). ‘How does the housing market affect UK productivity?’, Economics Observatory, 27 February. Available at: <<https://www.economicsobservatory.com/how-does-the-housing-market-affect-uk-productivity/>>. [Accessed, 20/06/2024].

MacLennan, D., and Long, J. (2023). ‘How does the housing market affect UK productivity?’, Economics Observatory, 27 February. Available at: <<https://www.economicsobservatory.com/how-does-the-housing-market-affect-uk-productivity/>>. [Accessed, 20/06/2024].

into housing and away from other, more productive economic activity. Rising prices, for both mortgages and rents, also absorb cash away from other forms of discretionary household spending, reducing residual income and slowing local economic activity because people have less to spend<sup>6</sup>.

### Children

People are impacted by the housing crisis at a young age. Children who have frequently moved house because their family rent, are more likely to fall behind at school. The same is true for children in overcrowded accommodation<sup>7</sup>. On the other hand, the children of homeowners have better educational outcomes than their peers<sup>8</sup>. Children in Devon perform worse in school than the England average at all ages of schooling and are less likely to enrol in higher education, with disadvantaged young people falling even further behind<sup>9</sup>.

### Health

Higher house prices in Devon mean less disposable income for residents and so less ability to invest in the housing stock. Those living in poor quality homes have worse health outcomes and Devon has some of the worst quality housing in the country (see Chapter Six). Evidence presented to the Commission from the Office for Health Improvement and Disparities (OHID) suggests that nationally, poor housing costs the NHS over £1 billion per year. The OHID estimates that improving the housing stock will pay for itself in savings in these areas in less than a decade. Regionally, those who have housing problems in their lifetime are more likely to suffer from anxiety, depression and stress, further reducing economic productivity as well as life satisfaction (see Chapter Six). The quality of the housing stock, its high cost, and the scarcity of well-paying jobs leaves the people of Devon at a disadvantage compared to people in other parts of the country.

The rest of this chapter explores affordability across different tenure types through both the experiences reported to us by residents as well as through various data sources. The aim is to contextualise peoples' experiences, highlight areas where Devon performs poorly compared to the rest of the county and explore areas of concern that have been raised.

## 1.2 Devon's Housing Tenures

The tenure mix in Devon (Figure 1.1), as in the rest of the country, has been relatively stable over time with the biggest movements being between owners with and without a mortgage. All local authorities in Devon, except for Exeter, have more households who own outright than the national average. In all Devon local authorities, fewer own with a mortgage and fewer live in rented affordable housing – either at social or affordable rent levels. The higher proportion of those who own outright may reflect the older than average population, with this cohort being more likely to have paid off a mortgage, and the high proportion of older internal migrants who may be cash buyers (see Chapter Four). Like the rest of England, the proportion of households that own with a mortgage has decreased but this corresponds to an increase in households that own outright, again, probably as a result of the ageing population. However, with the proportion of those renting staying relatively stable, Devon districts, like England as a whole, are not seeing people moving into home ownership at levels seen in the past.

### 1.2.1 Home Ownership: Unaffordable Housing

At the 2021 census there were proportionately more households who own their home outright in Devon than there are in England as a whole. However, fewer households than the rest of England own their home with a mortgage. Nationally, we know that home ownership is becoming more difficult for younger people<sup>10</sup> and Devon, with an older population, may be ahead of the curve.

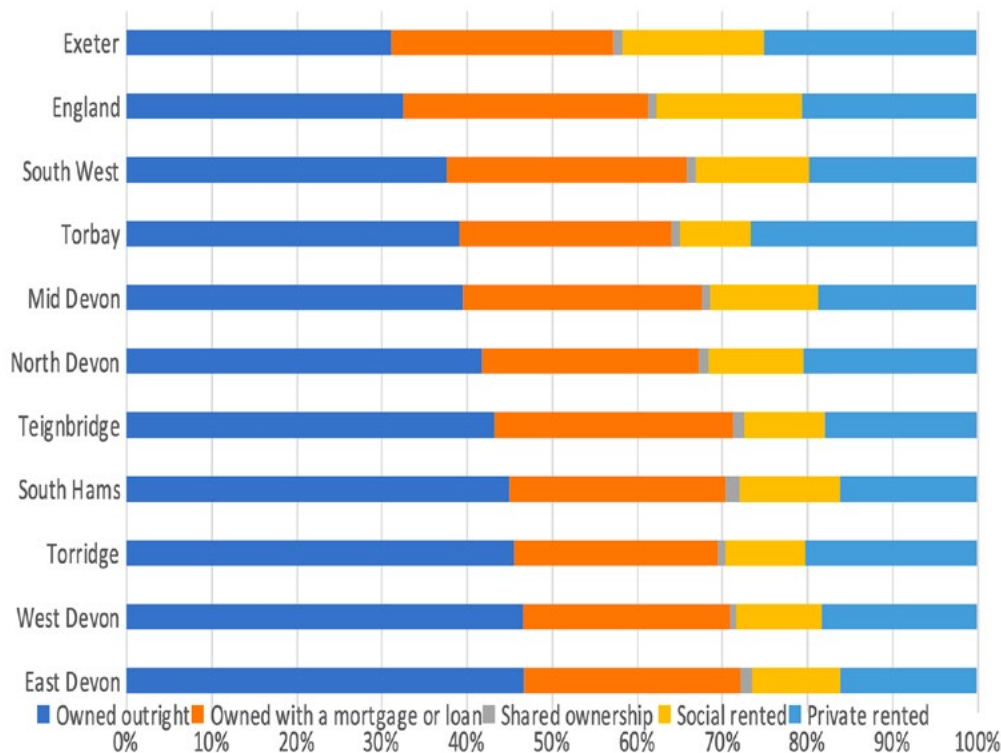
7 von Simson, K., and Umblijs, J. (2020). 'Housing conditions and children's school results: evidence from Norwegian register data', *International Journal of Housing Policy*, 21(3): pp346–371. Available at: <<https://doi.org/10.1080/19491247.2020.1814190>>. [Accessed, 20/06/2024].

8 Aarland, Kristin, Santiago, Anna Maria, Galster, George C. and Nordvik, Viggo (2021). 'Childhood Housing Tenure and Young Adult Educational Outcomes: Evidence from Sibling Comparisons in Norway', *Journal of Housing Economics*, 54: <<https://doi.org/10.1016/j.jhe.2021.101772>> [Accessed, 20/06/2024].

9 Playford C.J., Mountford-Zimdars A., and Benham-Clarke S. (2023). 'Coast and City, It Matters Where You Live: How Geography Shapes Progression to Higher Education in England', *Social Sciences*, 12(11): 610. Available at: <<https://doi.org/10.3390/socsci12110610>>. [Accessed, 20/06/2024].



Figure 1.1: housing tenure in Devon



Many people who answered our call for evidence highlighted the unaffordability of housing.

“Even with a thirty thousand pound deposit and good job we have been totally priced out of buying a house in north Devon. Interest rates are now too high to be able to afford a mortgage on homes here. This has left us stuck in private rental, which as I have said is no longer secure. House prices need to come down to meet the average salaries of this area, people should be able to afford a home on the salaries in this area. My grandparents bought a house costing just three times their yearly salary; for that same house and on an average local salary, the house is ten times my yearly salary, completely unaffordable.” – ID 154

“I have a twenty thousand pound deposit saved but despite earning nearly forty thousand pounds in a secure job and having no debt history I can’t get a mortgage high enough to

buy as a single person in my own town. If I could buy, it would free up another home for someone else to rent but I’m stuck. I have looked at shared ownership and keyworker discounts, but these seem to only be in bigger towns such as Barnstaple. To access this, I would need to move away from my elderly parents who rely on me for support. More schemes to support single buyers and key workers would help” – ID 324

Some explained how high house prices are hollowing out areas:

“High housing prices together with low salaries has meant that both my sons (who would have liked to live and work in Devon) and the vast majority of their friends have been forced to move away. Devon has educated them but will not benefit from their skills and love for the county... Affordable housing is needed so that families are not scattered and Devon can benefit from its talented young people.” – ID 95

## House Price Data

Housing affordability can be measured by dividing average house prices by median earnings. A housing affordability ratio of more than three was once regarded as unaffordable. But today, no region in the country has an affordability ratio close to this, with the North East of England at

4.97 in 2023 being the 'most' affordable. This is a testament to the national crisis of housing affordability, but Devon is extreme against even the nationally bleak picture. Table 1.1 and Figure 1.2 show how the affordability ratios in Devon local authority areas have deteriorated between 1997 and 2023.

**Table 1.1: Housing Affordability 1997 and 2023<sup>11</sup>**

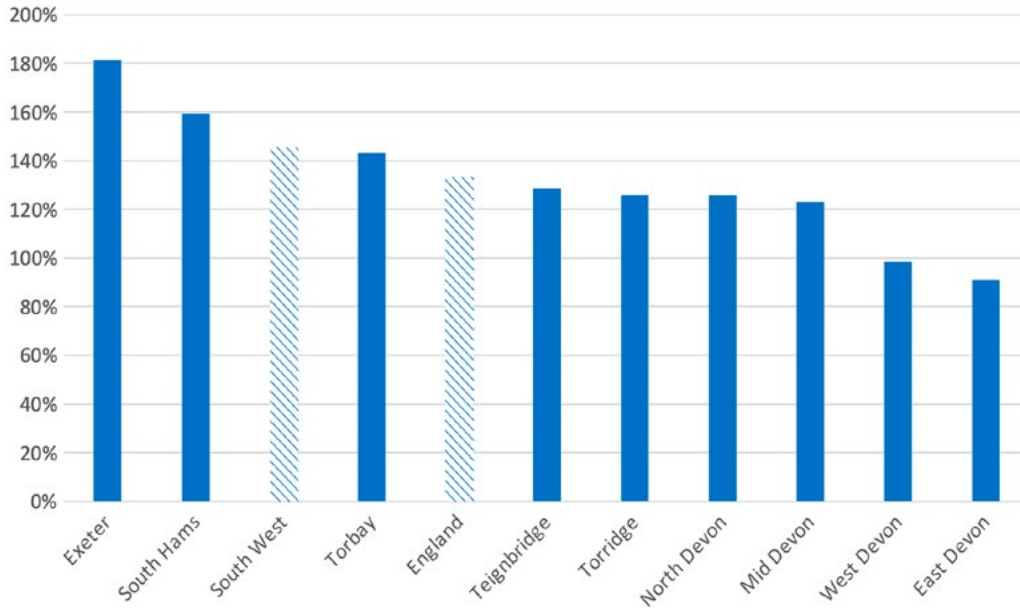
Affordability Ratio	1997	2023	Growth
South Hams	5.05	13.09	159%
Teignbridge	4.77	10.89	128%
Torridge	4.44	10.02	126%
East Devon	5.23	9.98	91%
West Devon	5	9.91	98%
North Devon	4.37	9.86	126%
Torbay	3.91	9.5	143%
Mid Devon	4.16	9.27	123%
<b>South West</b>	<b>3.78</b>	<b>9.27</b>	<b>145%</b>
Exeter	3.25	9.14	181%
<b>England</b>	<b>3.54</b>	<b>8.26</b>	<b>133%</b>

In 2023, all local authorities in Devon were less affordable than the England average and the majority were less affordable than the South West

regional average, driven by both relatively lower wages combined with higher-than-average property prices.

<sup>11</sup> Office for National Statistics (ONS), released 4 March 2024, ONS website, dataset, House price to workplace-based earnings ratio. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>>. [Accessed, 20/06/2024].

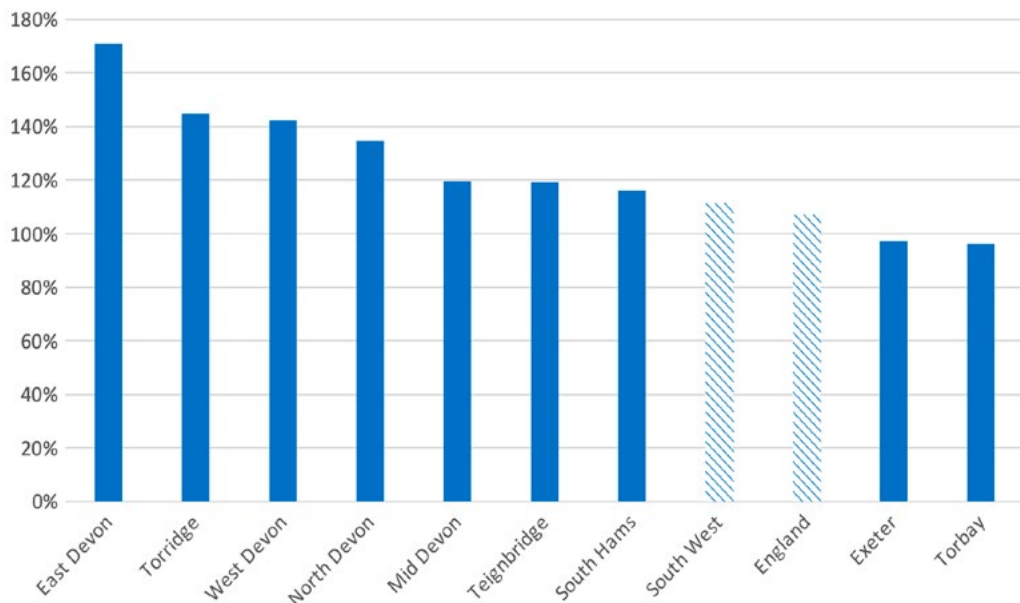
Figure 1.2: growth in affordability ratio 1997 to 2023



Being an interaction between both house prices and incomes, it is important to break down the two aspects of the affordability ratio to gain a better insight. Figures 1.3 and Table 1.2 show the growth in median incomes and suggests that, apart from Torbay and Exeter, all Devon districts have seen higher median income growth than the England average. We have not examined the causes of this. However, given the relatively low wages in Devon

in 1997, the introduction and repeated increases of the minimum wage may explain some of this increase<sup>12</sup>. The rapid increase in wages in East Devon, to such an extent that it is the only area of Devon to be almost at parity with the England average, has not been explored but it does go some way to explain the relatively smaller increase in East Devon’s housing affordability ratio.

Figure 1.3: growth in median income 1997 to 2023



<sup>12</sup> Cominetti, N., and Slaughter, H. (2024). ‘Labour Market Outlook Q2 2024’, Resolution Foundation, published 27 March. Available at: <<https://www.resolutionfoundation.org/publications/labour-market-outlook-q2-2024/>>. [Accessed, 20/06/2024].

**Table 1.2: growth in median income 1997 to 2023**

	1997	2023	Growth
England	16,958	35,106	107%
East Devon	12,945	35,058	171%
<b>South West</b>	<b>15,841</b>	<b>33,450</b>	<b>111%</b>
Exeter	16,937	33,375	97%
Mid Devon	14,396	31,591	119%
North Devon	13,039	30,571	134%
West Devon	12,496	30,254	142%
South Hams	13,618	29,410	116%
Torridge	11,834	28,941	145%
Teignbridge	12,580	27,548	119%
Torbay	13,827	27,116	96%

Figures 1.3 and Table 1.2 provide important context for house prices, as shown in Figures 1.4 and Table 1.3. Higher-than-average increases in income have been eroded by higher-than-average increases in house prices. All Devon areas, with the exception of Torbay, are now more expensive than England (the slower growth in the median income in Torbay means that it has become more unaffordable at a faster rate than England). Devon's housing

affordability crisis is driven more by house prices than wages, though both are a factor. South Hams and Exeter have seen house prices increase at significantly faster rates than England, and the relatively low increases in median income in Exeter and poor performance, compared to other Devon districts, in South Hams, have exacerbated housing unaffordability.

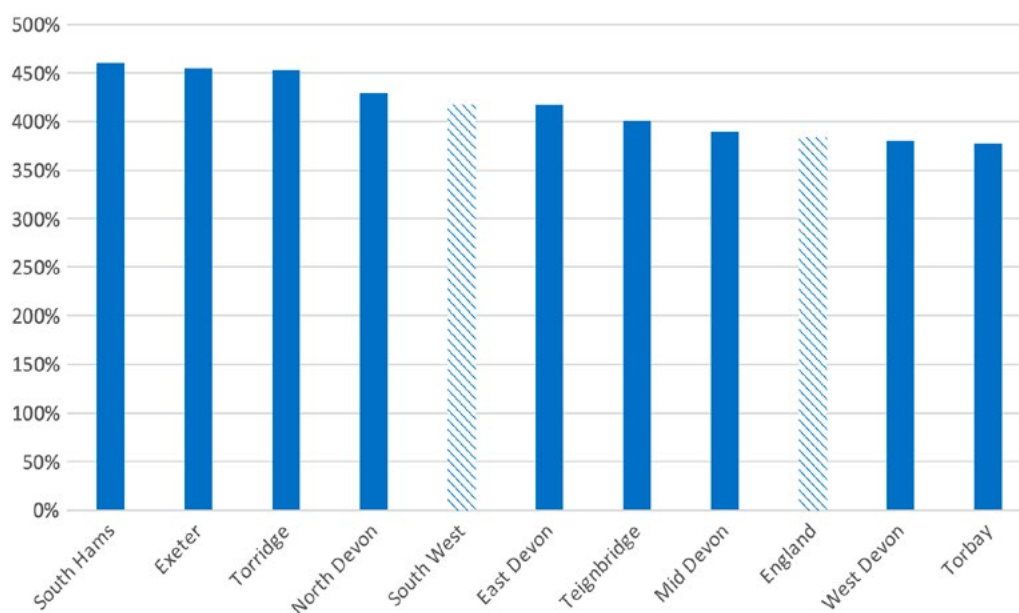
**Figure 1.4: growth in average house price 1997 to 2023**





Table 1.3: average house prices 1997 and 2023

	1997	2023	Growth
South Hams	68,738	385,000	460%
East Devon	67,700	350,000	417%
<b>South West</b>	<b>59,950</b>	<b>310,000</b>	<b>417%</b>
Exeter	55,000	305,000	455%
North Devon	57,000	301,500	429%
Teignbridge	60,000	300,000	400%
West Devon	62,500	299,950	380%
Mid Devon	59,950	293,000	389%
Torridge	52,500	290,000	452%
<b>England</b>	<b>59,995</b>	<b>290,000</b>	<b>383%</b>
Torbay	54,000	257,500	377%

## 1.2.2 The Private Rented Sector

Respondents to the call for evidence highlighted the growing unaffordability of rented accommodation:

“The rents in the private sector are extortionate and the affordable rental properties are so few that years on the register leave people in unsuitable accommodation.” – ID 173

“It was bad before COVID, now it is totally out of control. The prices are ridiculous and out of reach, so the properties go as second homes and holiday cottages, instead of someone’s only home.” – ID 276

“Not only has my landlord failed to carry out essential repairs for over two years but I have

also been served two section 21 notices by the same landlord within a year. Both times the landlord claimed to be selling then said they weren’t and I have incurred a rent increase of £130 after the first notice and now face a further £250 as of next week, making my rent £1400 per calendar month, which equates to approximately two thirds of my monthly income. An increase of £380 in one year.” – ID 204

Tables 1.4 and 1.5 show the growth in average rent since 2016, ranging from 24% to 35%. Whilst these increases are huge, they are not out of line with national figures and are lower than the regional increase. High rents will make it all but impossible for many to save money to purchase their own home.

**Table 1.4: average monthly Rent in 2016 and 2024 and growth rate<sup>13</sup>**

Private Rent	Jan 16	Mar 24	Growth
<b>South West</b>	<b>800</b>	<b>1107</b>	<b>38%</b>
Exeter	886	1194	35%
<b>Mid Devon</b>	<b>615</b>	<b>811</b>	<b>32%</b>
Torridge	551	726	32%
South Hams	695	913	31%
<b>England</b>	<b>982</b>	<b>1285</b>	<b>31%</b>
North Devon	599	774	29%
East Devon	677	868	28%
Teignbridge	685	877	28%
West Devon	614	772	26%
Torbay	659	819	24%

<sup>13</sup> Office for National Statistics (ONS), released 17 April 2024, ONS website, dataset, Private rent and house prices, UK: April 2024. Available at: <<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/april2024>>. [Accessed, 20/06/2024].

Table 1.5: median income and annualised average rent

Rent Affordability	Median Income 2023	Annualised Average Rent (Dec 23)	Annualised Rent as a Proportion of Median Income
England	35106	15072	43%
Exeter	33375	14232	43%
<b>South West</b>	<b>33450</b>	<b>13020</b>	<b>39%</b>
Teignbridge	27548	10524	38%
South Hams	29410	10872	37%
<b>Torbay</b>	<b>27116</b>	<b>9708</b>	<b>36%</b>
Mid Devon	31591	9660	31%
North Devon	30571	9192	30%
Torridge	28941	8580	30%
West Devon	30254	8940	30%
East Devon	35058	10236	29%

Many respondents to the call for evidence highlighted the lack of rental property in Devon as an issue for those who need it:

“It is awful, not enough properties available, too many second homeowners” – ID 68

And the precarious situation which renters find themselves in:

“As a tenant you become reluctant to raise concerns in case you get a Section 2114. Landlords appear to have far more rights, my letting agent insists on visiting every three months, I feel this is intrusive this frequently, but again I don’t want to lose my tenancy.” – ID 97

Within the answers to this question, people often highlighted the perceived impact of second homes and holiday lets:

“Shortages are mainly due to potential properties being used as Airbnb’s instead

of being available to families. There needs to be a significant council tax imposed on Airbnbs to reverse the situation. Workforce and young people are being pushed out away from employment as they are unable to rent. Consequently, businesses are struggling to recruit and maintain staff which is affecting the quality or timely of services.” – ID 362

These sorts of comments are difficult to quantify; there are no publicly released datasets on the supply of rented accommodation and so we can only monitor listings on property websites, such as Rightmove. Although the Housing Commission has not analysed this in a long-term systematic way, it seems clear from such property sites that outside of Plymouth and Exeter, rented accommodation in Devon is scarce. A family in need of rented accommodation immediately may well have to relocate to find something suitable with subsequent implications for work, schooling, and wellbeing.

### 1.2.3 Affordable Renting

If purchasing a house is out of reach, the availability of a secure tenancy in a home that is available for below-market rent becomes more important. In response to our call for evidence, it was clear that there are not enough affordable homes:

“There is always a need for more affordable housing and social housing. With constant cut-backs housing stock for rental is at an all-time low with no obvious building work taking place except possibly in and around main cities. Elsewhere there is a dearth of suitable housing and accommodation.” – ID 283

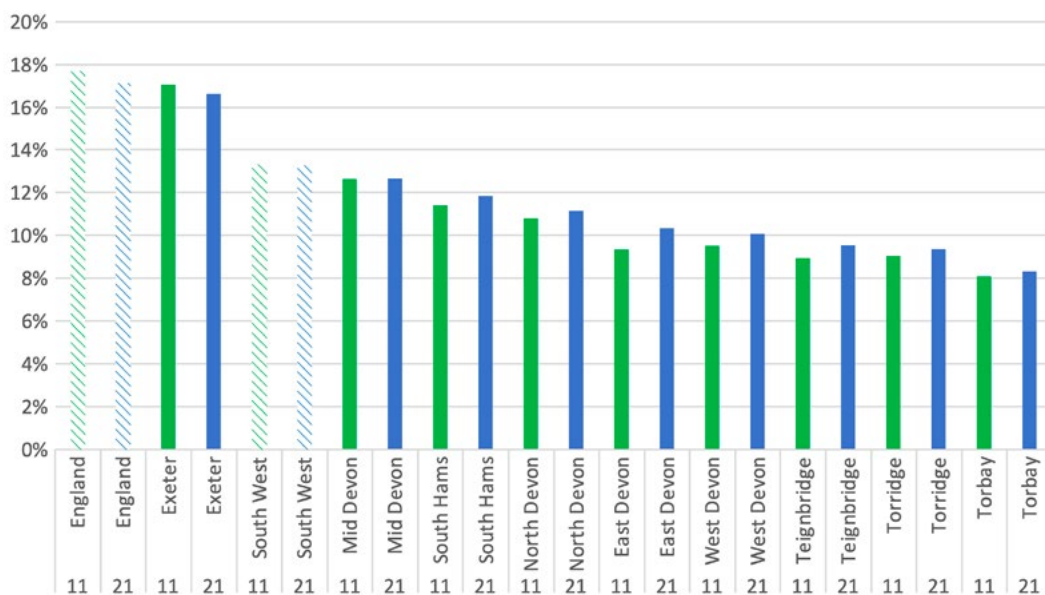
Issues with renting impact all ages but can be particularly challenging for older residents. For example, one resident highlighted the lifeline that secure social tenancy can provide:

“As a homeowner for forty years, I found myself homeless at age sixty four. A capital sum of £100,000 with only a small teacher’s pension was insufficient to buy a property for myself and

disabled son. Not enough capital and income to get a mortgage and not able to get insurance for a mortgage because of cancer history. Not able to work because of COVID, ill health and no transport. My state pension was from February 2021 but added to my professional pension was only enough to pay my £950 monthly rental and utilities bill. I had to live off my capital for three and a half years. When in October 2021 I was offered social housing I was saved. My son was offered social housing six months later. We have been saved from living on the streets. I still have debts to pay for the next two and a half years because of this unavoidable situation I was placed in.” – ID 73

Figure 1.5 shows the proportion of households living in affordable and social rented homes at the 2011 and 2021 censuses. Apart from Exeter, which equals England as a proportion, all Devon districts have significantly fewer households in these tenures, despite the higher affordability ratios for the Devon districts.

Figure 1.5: proportion of households in social rented tenure at the 2011 and 2021 census





The Commission has calculated the ratio of residents in each local authority to a single affordable home (Table 1.6). When compared to the England average, with the exception of Exeter, all Devon districts have significantly fewer affordable homes. This is likely in part because fewer council homes were ever built in Devon, especially outside of Exeter; the lack of affordable homes in Devon, in other words, is historic.

The difference between Devon and England does not appear to be solely attributable to losses from the Right to Buy. If we add all of the council-owned homes lost to Right to Buy to the current number of affordable homes and calculate the number of

residents per home, our score is still over thirteen people per affordable home. This is still higher than the England average when Right to Buy losses are kept in the statistics. Devon's shortage of affordable homes predates the Right to Buy but has been exacerbated by it. Outside of the city of Exeter, council houses were not built in Devon in large numbers and, as the population has swelled, the numbers built by Housing Associations have not kept pace with need. This historic lack of affordable housing is a key driver of Devon's housing crisis.

**Table 1.6: number of homes owned by local authorities and Housing Associations<sup>15</sup>**

	Local Authority Units	Private Registered Provider Units	All Units	Number of Residents per Social Home
East Devon	4174	3934	8108	18.6
Exeter	4784	5171	9955	13.1
Mid Devon	2969	1801	4770	17.4
North Devon	0	5399	5399	18.3
South Hams	8	5348	5356	16.5
Teignbridge	12	6611	6623	20.4
Torbay	0	5973	5973	23.3
Torridge	0	3043	3043	22.4
<b>West Devon</b>	<b>0</b>	<b>2695</b>	<b>2695</b>	<b>21.2</b>
<b>Devon</b>	<b>11947</b>	<b>39975</b>	<b>51922</b>	<b>18.3</b>
<b>South West</b>	<b>93780</b>	<b>272711</b>	<b>366491</b>	<b>15.6</b>
<b>England</b>	<b>1569984</b>	<b>2842600</b>	<b>4412584</b>	<b>12.8</b>

<sup>15</sup> Office for National Statistics (ONS), released 30 November 2023, ONS website, dataset, Local Authority Housing Statistics data returns for 2022 to 2023. Available at: <<https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2022-to-2023>>. [Accessed, 20/06/2024].

### 1.3 The Loss of Affordable Homes

It is undoubtedly the case that the already low level of social housing has been further depleted by Right to Buy sales at substantial discounts. Many Council houses in Devon were situated in sought-after villages and seaside locations and it is unsurprising that substantial numbers have been sold. While governments have hoped that losses of social stock will be replaced by new social housebuilding, in reality this has not happened:

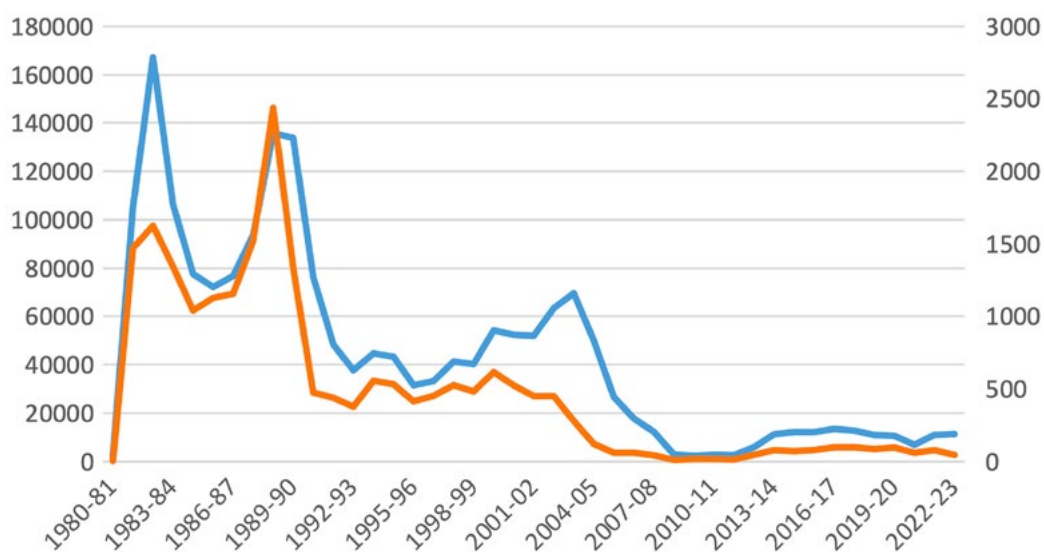
“The affordable housing in our village was sold off some years ago. We now don’t have any affordable housing so there is pressure to develop greenbelt land. This seems ridiculous when we have tons of holiday accommodation (i.e. plenty of existing housing stock) that just needs over time to return to long-term accommodation uses and avoids the need to build any new homes in areas that are not suited to further development.” – ID 134

Such concerns are often raised by elected members locally and expressed at a national level, especially about the long-term impacts of the policy. Local politicians also express concern about the potential to lose stock that may be part of any local authority direct delivery.

Losses of stock to Right to Buy in England and Devon are shown in Figure 1.6, the early spikes are generally correlated to changes in the legislation that made it more generous<sup>16</sup> and the relative decline is related to large-scale transfers of stock from local authorities to Housing Associations (meaning that new tenants cannot access the policy). Only three local authorities in Devon remain large-scale stockholders. Trends in this data do not show Devon to be differently impacted than England. Table 1.7 shows the stock lost in each local authority. National figures indicate that 40% of Right to Buy sales become private sector lettings at rents significantly higher than the council rent levels<sup>17</sup>. This is costly for the Exchequer where the higher rent is covered by Housing Benefit, the rental element in Universal Credit.

Particular challenges in Devon are associated with loss of stock in rural and coastal areas where, because it can be difficult to find new sites for development, lost stock is never replaced. This means that remote villages can lose all of their affordable housing, particularly impacting low-paid agricultural workers, and those employed in social care and hospitality. These are all place-based roles, embedded within communities.

Figure 1.6: Right to Buy sales 1981 to 2023, England and Devon<sup>18</sup>



<sup>16</sup> Eardley, F. (2022). 'Right to buy: Past, present and future', House of Lords Library, published 17 June. Available at: <<https://lordslibrary.parliament.uk/right-to-buy-past-present-and-future/>>. [Accessed, 20/06/2024].

<sup>17</sup> Diner, Alex and Wright, Hollie (2024). Reforming Right to Buy: Options for preserving and delivering new council homes for the twenty-first century. New Economics Foundation. Available at: <<https://neweconomics.org/uploads/files/Right-to-Buy-final-web.pdf>>. [Accessed, 20/06/2024].

<sup>18</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2024). Live tables on social housing sales, dataset, edited 28 March. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>>. [Accessed, 20/06/2024].

**Table 1.7: Right to Buy sales by local authority<sup>19</sup>**

	Total Sales 1981 to 2023	Last Year of Right to Buy Sale
East Devon	2,794	N/A
Exeter	3,726	N/A
Mid Devon	2,926	N/A
North Devon	2,003	1999/00
South Hams	1,710	1998/99
Teignbridge	3,020	2003/04
Torbay	2,172	2001/01
Torridge	1,511	2007/08
West Devon	938	1998/99
<b>Total: Devon</b>	<b>20,800</b>	

It is the lack of replacement of stock lost to Right to Buy that is at the heart of the controversy surrounding the policy. In recent years it has been possible for local authorities to use the proceeds from sales to fund replacements and Table 1.8

shows the three remaining stockholding authorities' replacements since 2012. However, the retention of 100% of the proceeds of Right to Buy is due to end as a policy.

**Table 1.8: Right to Buy replacements**

Local Authority		Total 2012-2023	Replacement Rate
East Devon	Replacement	124	45%
	Sales	273	
	Net	-149	
Exeter	Replacement	221	63%
	Sales	353	
	Net	-132	
Mid Devon	Replacement	53	25%
	Sales	208	
	Net	-155	

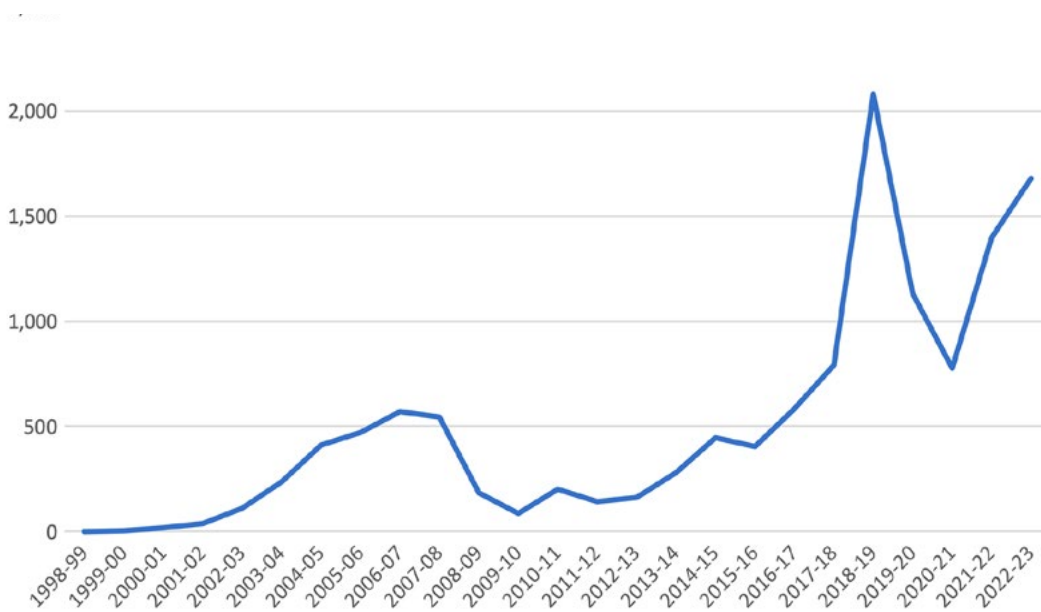
<sup>19</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2024). Live tables on social housing sales, dataset, edited 28 March. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>>. [Accessed, 20/06/2024].

The Local Government Association has argued for many years that councils should have discretion to determine discounts. In some areas it might be sensible to set the discount at a nil rate if shortages are particularly acute. The Local Government Association also advocates that all sales proceeds be retained by councils. This represents an important source of funding to upgrade existing or to build new social rented homes<sup>20</sup>.

**Recommendation 1.1: The Commission recommends that the government allows local authorities a) to determine the level of discounts for Right to Buy sales; and b) to retain 100% of sales proceeds, ring-fenced for housing purposes.**

Stock held by Housing Associations is subject to the less generous Right to Acquire and is shown in Figure 1.7. This data is only available at the national level and, although the numbers lost have been relatively low, there is an upward trend, though we would expect overall numbers to increase as levels of stock owned by Housing Associations rise. As with disposals (see Figure 1.8 below), the Commission believes it is important that accurate data be available to local authorities so that overall stock levels and their locations can be monitored.

**Table 1.7: Right to Acquire England**



**1.3.2 Disposal of Housing Association Stock**

The question of housing associations disposing of their stock via open market sale has been raised with the commission, with this member of the public summing up the concerns:

“Registered social providers do not wish to provide one or two social houses in villages and rural areas and are not maintaining the properties they have. They are being sold off on the grounds it will cost too much to bring them

up to the required specification. They do not use the sale receipts to invest in new properties in the same area so are not adding to their stock, just maintaining it from the developers’ new builds. This is seriously disadvantaging certain sectors of society.” – ID 231

Rural local authorities have expressed concerns about disposals and one local authority identified how government energy efficiency pledges are at odds with older housing stock.

<sup>20</sup> The Local Government Association (2024). Right to Buy needs reform to avoid social housing stock losses. Available at: <<https://www.local.gov.uk/about/news/right-buy-needs-reform-avoid-social-housing-stock-losses>>. [Accessed, 20/06/2024].



“Unfortunately, the climate pledges that are being made by Registered Providers are resulting in a significant disposal of social housing in South Hams and West Devon as not being cost-effective to bring up to standard. This is fuelling the housing crisis.” – ID 219

For their part, housing associations have also cited tightening laws on stock condition, such as Energy Performance Certificate requirements, meaning that extensive retrofitting would be required on some of these properties. Remote rural housing stock can also be more difficult to manage and maintain in a cost-effective manner. Where housing associations are using proceeds to fund new housing, the new homes are not always in the same vicinity.

Local authorities are concerned that the stock being lost is, depending on the location, irreplaceable. For example, stock within a national park or a national landscape may not be replaced because of more challenging planning requirements, difficulties in finding sites and developers or providers able to make such schemes viable.

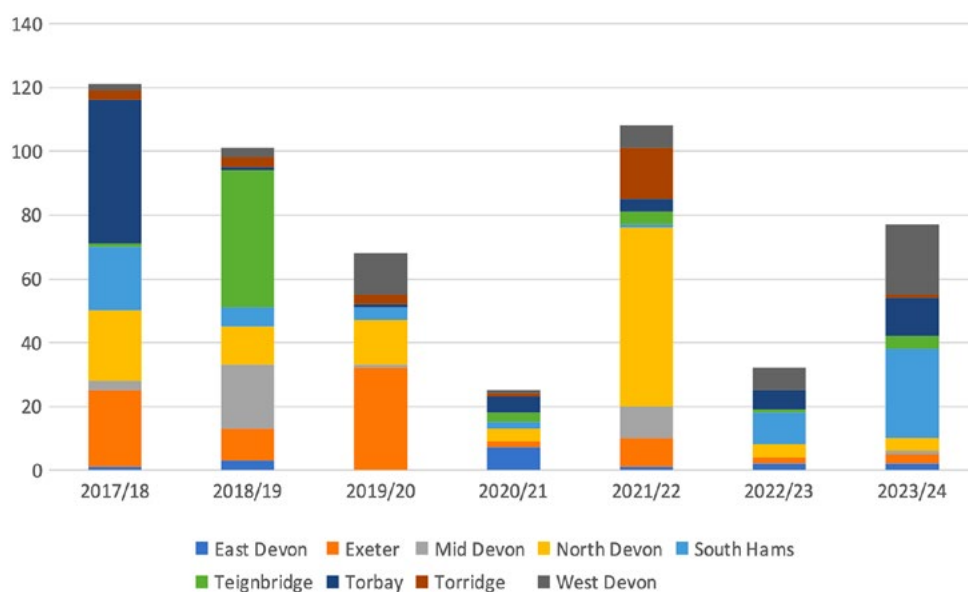
Local authorities are not being informed when stock is being disposed of and no strategic discussions are taking place when the interests of the local authorities

and housing associations diverge. The Commission recognises this tension but is concerned that there is a lack of communication and discussion of disposals, leading to the potential for irreversible loss of stock in more remote areas which is contributing to the hollowing out of communities.

There are no published data on housing disposals despite the requirement for disposals of affordable housing to be reported to the Regulator of Social Housing. The Housing Commission requested this data through a Freedom of Information request<sup>21</sup>. Some of the data obtained by the Commission contains a postcode, while others simply cite the district. It would clearly help in minimising problems created by disposal of stock if local authorities were forewarned of any disposal and this information was freely available at a granular level.

Figure 1.8 and Tables 1.9 and 1.10 show the data that the Commission has acquired. 532 units have been disposed of in Devon since 2017/18. These are relatively small numbers when we look at the overall stock levels in the county, but the impact on small areas could be large. There is also concern that rare housing for older people and supported housing is being disposed of without being replaced.

Figure 1.8: disposal of housing association stock 2017-2023



21 NB. This data is imperfect. Registered providers have had to report disposals of dwellings since 2017/18 but 'dwelling' is undefined. Dwelling in this context could refer to either an individual house of flat but also accommodation that is not self-contained, referred to as a 'bedspace unit'. Registered providers are required to notify the regulator about disposals out of sector (to a non-registered provider) but not all disposals between registered providers require notification. The data provided therefore includes both disposals out of the sector and disposals to registered providers that mean the accommodation remains as social housing. The regulator relies on registered providers to provide accurate and complete information and not all notifications are validated by the regulator.

**Table 1.9: total disposals by district**

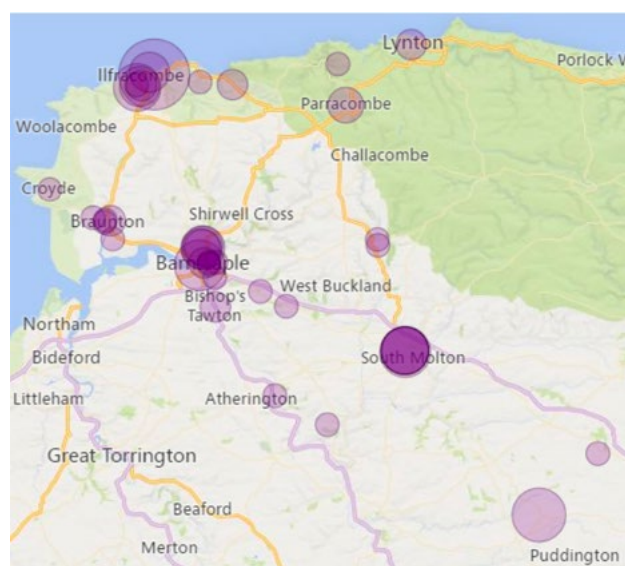
	East Devon	Exeter	Mid Devon	North Devon	South Hams	Teignbridge	Torbay	Torrige	West Devon	Total
Number of Disposals 2017/18 to 2023/24 (Q3)	16	82	35	116	71	56	74	27	55	532

**Table 1.10: tenure of disposals**

Previous Use of Disposed Dwelling	Number
General needs	280
Housing for older people	94
Shared ownership	7
Supported housing	112
Other	39

As noted above, we do not have full postcode data for the disposals. The postcode data that we have for North Devon is the most complete as we lack only eight of the 116 data points. The postcodes of disposals in North Devon have been mapped in Figure 1.9.

The larger the circle the higher the number of disposals associated with that postcode; the green areas on the map are either a National Park or a National Landscape. We can see that stock has been lost in towns and villages that would usually be associated with high levels of tourist accommodation, such as Croyde, within the National Landscape, or Lynton, within Exmoor National Park. A number of other properties are in rural locations. Such stock is strategically important in that it is both limited in number and unlikely to be replaceable. Residents in need of affordable housing will thus have fewer opportunities to find a place to live in those areas.

**Figure 1.9 housing association disposals in North Devon**

Although the postcode data for South Hams is not complete, it shows that there have been significant losses in the town of Dartmouth, losing thirty-seven units since 2017/18. We can infer the impact of this in the census tenure data that shows that there were thirty-one fewer households living in social rented accommodation in 2021 than in 2011, representing a fall of 5%. This is associated with an overall fall in the number of households in Dartmouth and a fall in the population, which is likely due to properties being lost to the tourist accommodation market (see Annex Two) exacerbated by the disposal of affordable stock. This data reinforces the anecdotal reports from residents who told us that they are concerned about the hollowing out of their communities. This is why strategic dialogue about disposals between housing associations and local authorities is essential for the long-term health of some, especially rural and coastal, communities.

**Recommendation 1.2: The Commission recommends that a charter setting out expectations for property disposals be developed by the Regulator of Social Housing.**

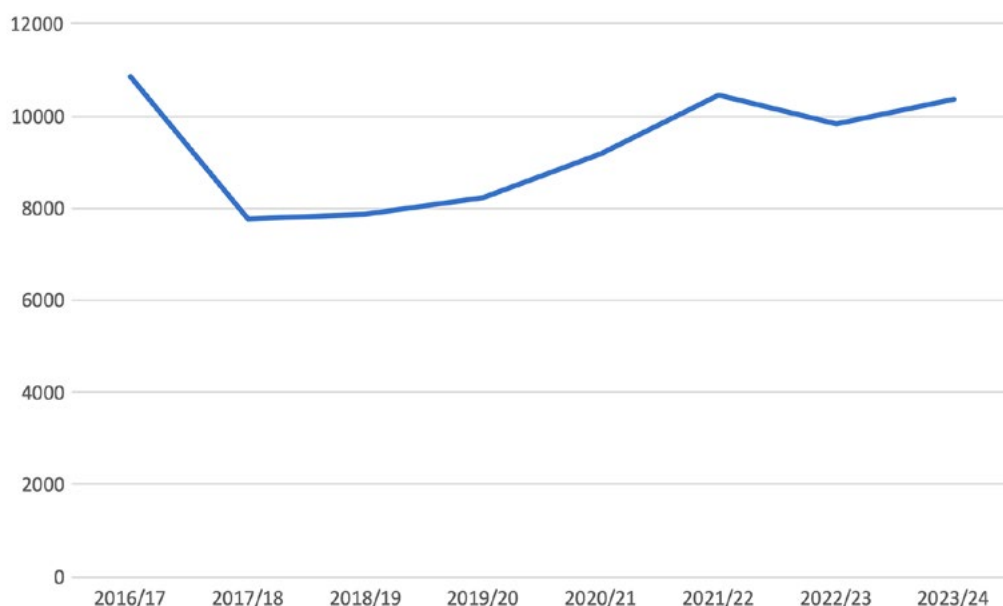
**Recommendation 1.3: The Commission recommends that housing associations share their disposals strategies with local authorities and provide postcode data of proposed disposals in good time and certainly when notifying the Regulator.**

## 1.4 The Affordable Housing Need

In Devon, all local authorities (including Plymouth City Council) are part of Devon Home Choice, a centralised system for allocating both council and housing association owned homes to those with a housing need. Figures 1.10 to 1.14 show recent trends in social housing need through Devon Home Choice<sup>22</sup>.

The number of households registered on Devon Home Choice has been relatively stable in recent years. However, the data shows an increasing need. Since 2021, the number of homes being let has fallen by over 20%, whilst the number of bidders and bids per listing has been increasing since 2019, the earliest year we have data for. What is clear is that the need for affordable, secure tenancies is increasing in Devon, driven by a historic shortage of affordable homes, expensive and rare private rented lettings, and very significant house price rises. There are well over 100 bids for every available letting, a near doubling in just four years.

Figure 1.10: numbers on the housing register (on Devon Home Choice)



<sup>22</sup> Devon Home Choice. (2024). Quarterly Monitoring Reports (April 2020 to January 2023). Available at: <<https://www.devonhomechoice.com/useful-information-2>>. [Accessed, 20/06/2024]. NB. Data in this section has been reconstructed from Devon Home Choice Monitoring Reports, the raw data was not shared with the Commission.

Figure 1.11: average number of monthly bidders on Devon Home Choice. NB includes data from Plymouth City Council

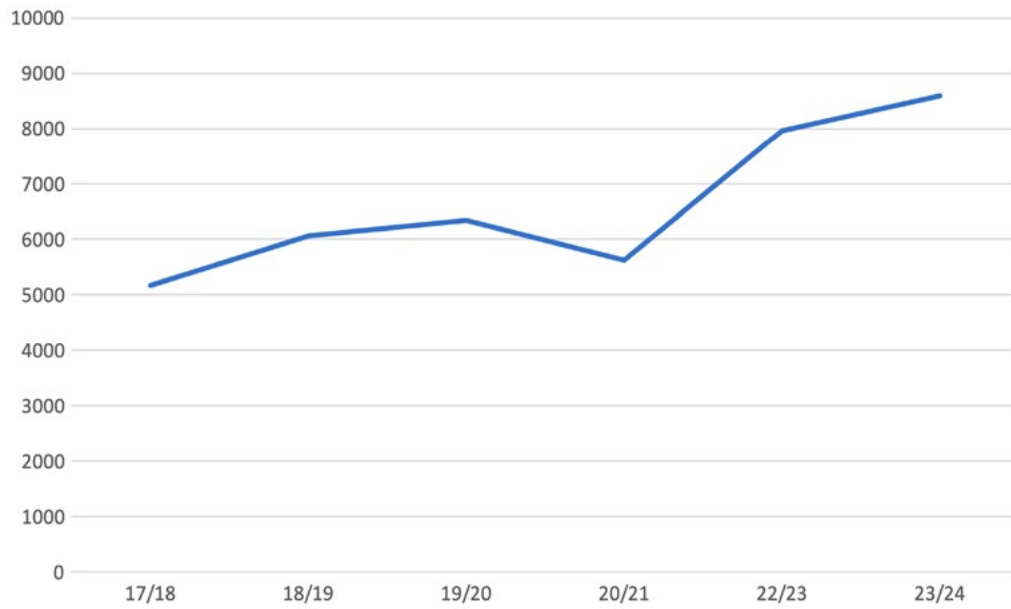
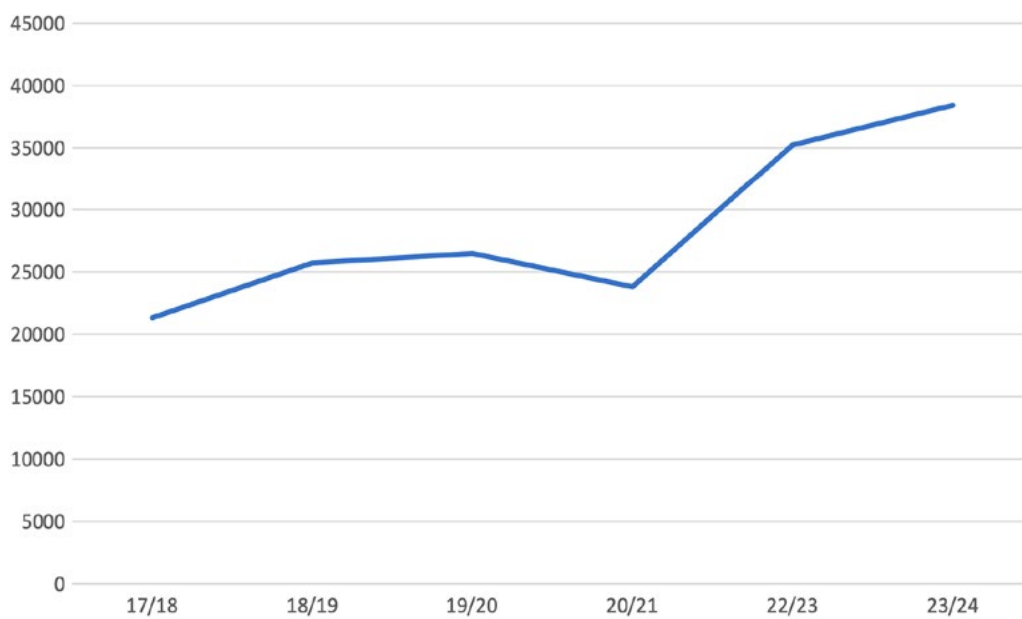
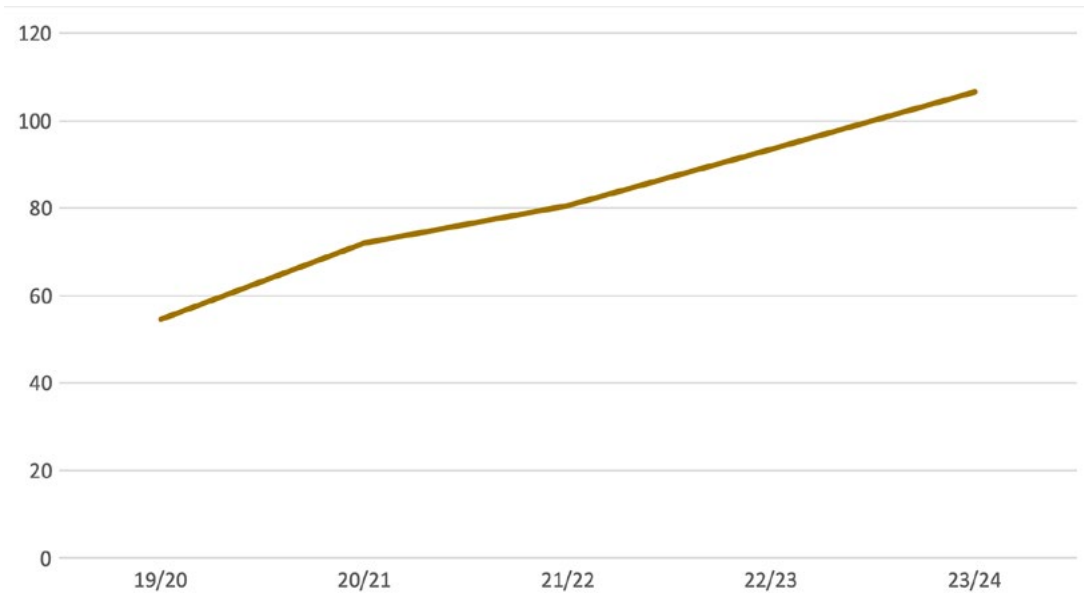
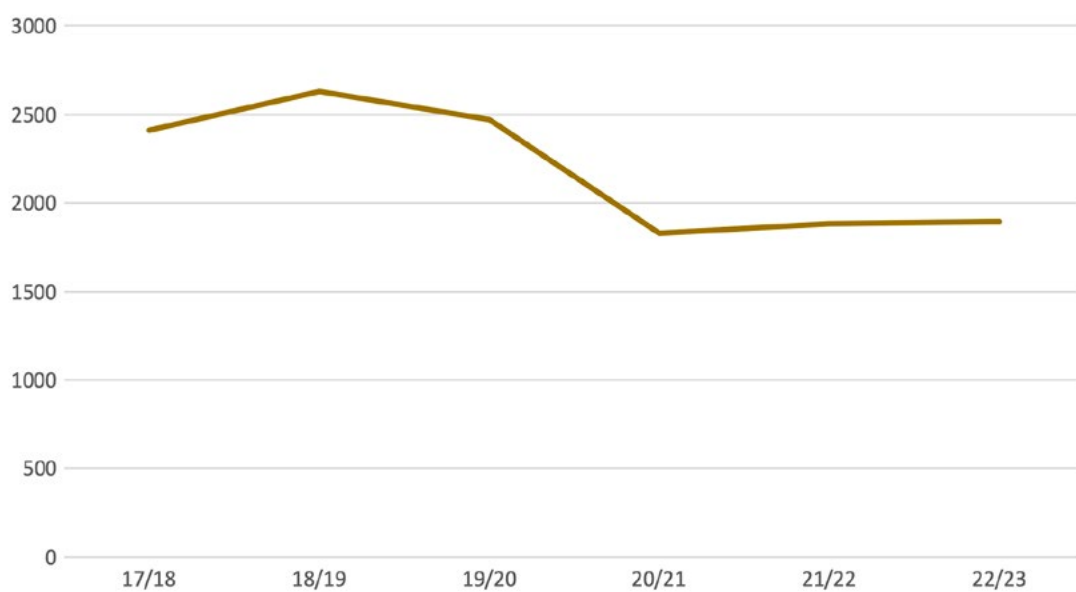


Figure 1.12 average number of monthly bid on Devon Home Choice. NB includes data from Plymouth City Council



**Figure 1.13: average number of bids per listing on Devon Home Choice****Figure 1.14: number of general needs homes let on Devon Home Choice**



## 1.5 Overall Build Completions and Delivery of Affordable Homes

Within this context, many people have told the commission that they would like to see more building of affordable and socially rented homes:

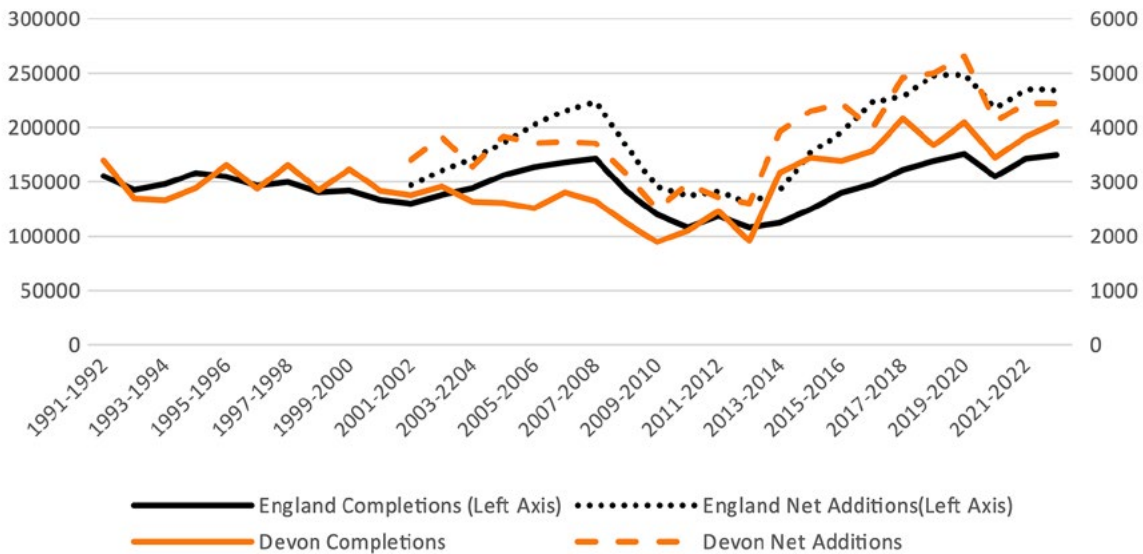
“There need to be more affordable options for young people so they can afford to work and save towards their own home one day. For young people who don’t have family help (e.g. if they have been in local authority care) it is very hard to access affordable housing.” – ID 354

“Local government needs to build the housing, don’t pin it on the private developers; their two desired outcomes are incompatible and have led to a shortage.” – ID 226

“Better quality builds and more per development. Purely affordable housing projects should be actively encouraged but they must have the same quality, facilities and outside space as any other build.” – ID 249

Figures 1.15 to 1.18 show overall new build delivery and additional affordable delivery in Devon and England between 1991 and 2023.

**Figure 1.15: total building completions England and Devon 1991 to 2023<sup>23</sup> and net addition 2001 to 2023<sup>24</sup>**



Overall building completion rates have been relatively stable since 2017/18 at higher levels, but this was preceded by a long period of decline

between 2000 and 2010. The Devon trend follows the expansions and contractions of the national picture.

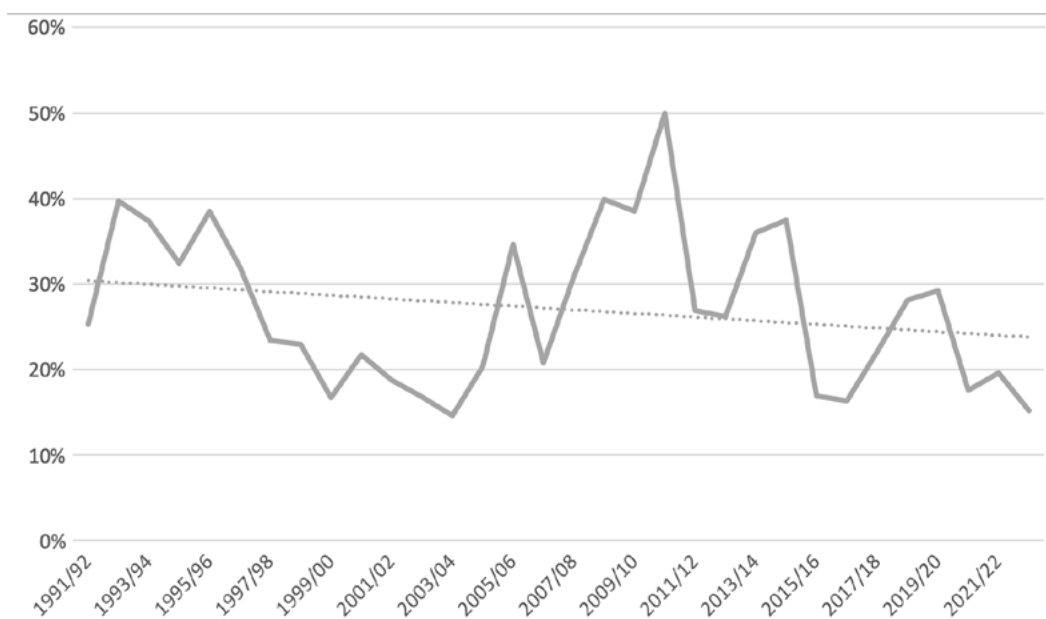
23 Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2024). ‘Table 213: permanent dwellings started and completed, by tenure, England (quarterly)’, in Live tables on housing supply: indicators of new supply, dataset, edited 28 March. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>>. [Accessed, 20/06/2024].

24 Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2023). ‘Table 122: housing supply; net additional dwellings, component flows of, by local authority district, England’122’, in Live tables on housing supply: net additional dwelling, dataset, edited 29 November. Available at <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>>. [Accessed, 20/06/2024].

The total amount of affordable housing delivered by housing associations, developers, local authorities and other bodies (such as Community Land Trusts) both with public funding from government (through Homes England), and from developers' contributions as part of Section 106 planning agreements, comes to 25,397 homes in the Devon and Torbay area between 1991 and

2023 (see Figure 1.17). The trend for Devon since 1991 is a declining proportion of affordable housing being delivered (see Figure 1.16). The trend follows the expansions and contractions of the national picture until the last three years where there appears to be a separation, whereby Devon is delivering fewer additional affordable homes than the national average (see Figure 17).

**Figure 1.16: additional affordable as a proportion of completions<sup>25</sup>**



Our analysis suggests that there is an overall declining trend in the delivery of additional affordable homes. This decline in delivery has occurred at a time of historically high rates of private sector new build completions. Therefore, whilst overall building has increased, the proportion of additional affordable housing is decreasing. Given what we know about need and the historic lack of affordable homes in Devon, this trend is deeply concerning.

This trend is made more concerning when we consider the breakdown of affordable delivery, (see Figure 1.18). The long-term trend has been a decline of social rents and their replacement, mainly, by affordable rents.

Renegotiation of the proportion of affordable homes on consented sites is very common, estimated by a housing association giving evidence to the Commission as being more than 50% of permissions. Developers cite changed conditions and reduced commercial viability. Factors affecting viability include general increased costs, remediation, topography, labour shortages, etc. In addition to this, housing associations are currently less willing to come forward as their priority is to enhance existing stock.

<sup>25</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2023). 'Table 1011: additional affordable housing supply, detailed breakdown by local authority', in Live tables on affordable housing supply, edited 14 December. Available at <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>>. [Accessed, 20/06/2024].

Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2024). 'Table 213: permanent dwellings started and completed, by tenure, England (quarterly)', in Live tables on housing supply: indicators of new supply, dataset, edited 28 March. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>>. [Accessed, 20/06/2024].

Figure 1.17: additional affordable homes in England and Devon 1991 to 2023<sup>26</sup>

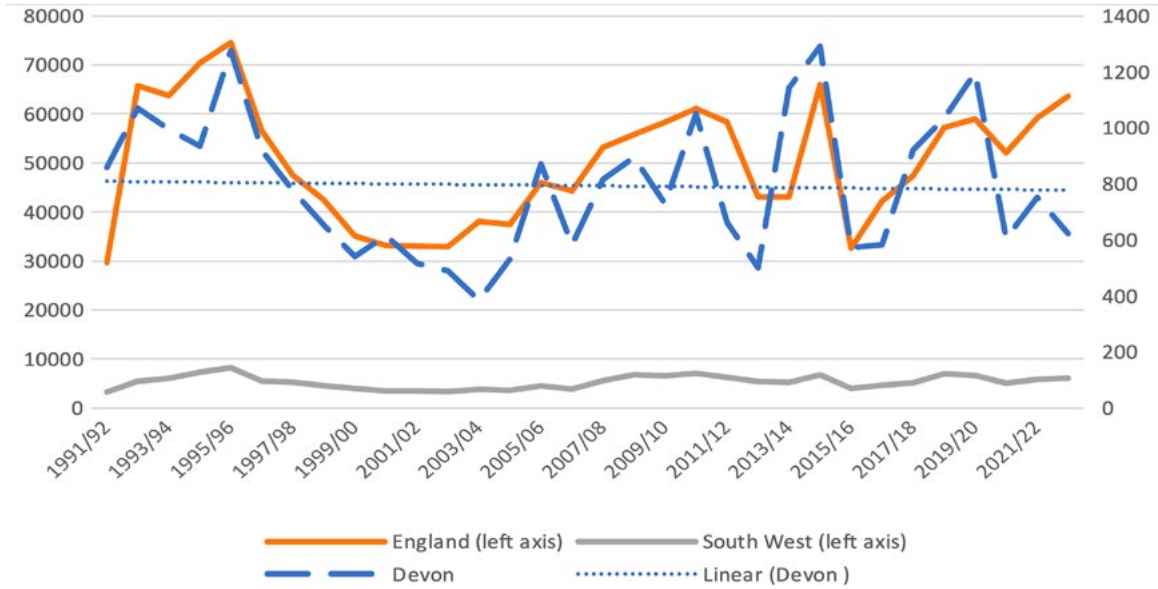
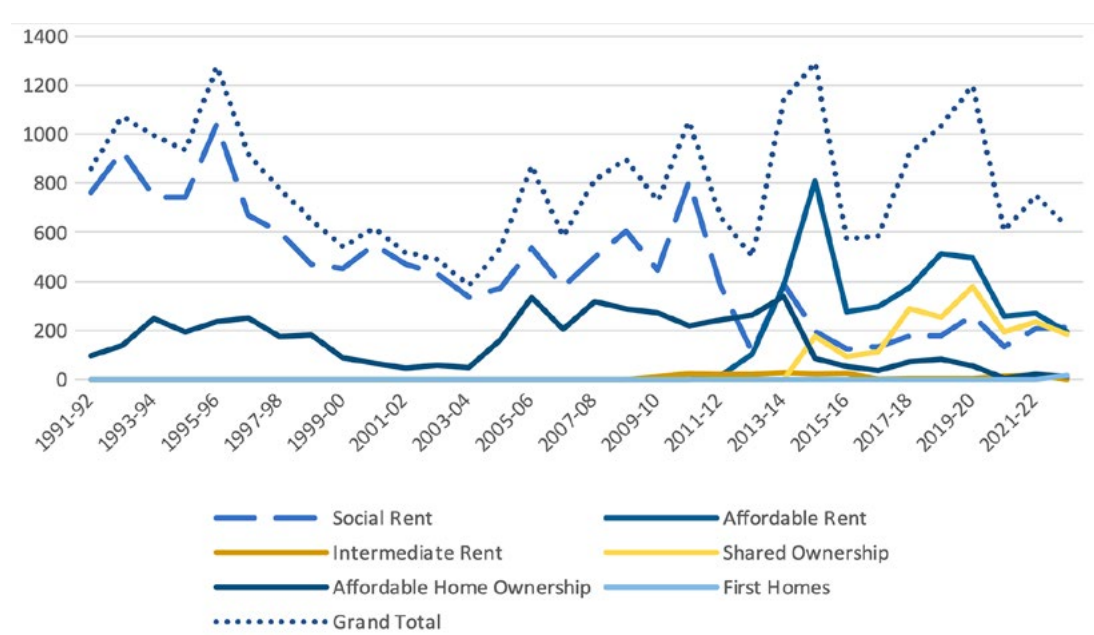


Figure 1.18: breakdown of additional affordable in Devon 1991 to 2023<sup>27</sup>



26 Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2023). 'Table 1011: additional affordable housing supply, detailed breakdown by local authority', in Live tables on affordable housing supply, dataset, updated 14 December. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>>. [Accessed, 20/06/2024].

27 Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2023). 'Table 1011: additional affordable housing supply, detailed breakdown by local authority', in Live tables on affordable housing supply, dataset, updated 14 December. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>>. [Accessed, 20/06/2024].

Government policy changed in 2017 to allow delivery of social rented schemes again in certain areas through the Homes England administered Affordable Homes Programme. This policy has since been broadened further, with all areas now being eligible for grants on social rent schemes. Since then the tenure of affordable housing delivery has started to change. In Devon last year social rent became the most delivered tenure. While this is welcome, the downside is that the higher cost of delivering social rented housing may have caused a fall in the overall delivery of affordable housing.

To deliver more grant funded affordable homes, local authorities need to work closely with housing association partners and Homes England to ensure they are well placed to take advantage of opportunities presented through the Affordable Homes Programme (and any subsequent affordable housing funding). Housing associations have told us that they sometimes find it hard to find the right people to work with in local authorities. In the case of Homes England's strategic partners (where grant has been pre-allocated to large housing associations to deliver affordable homes), this could mean missing opportunities for investment in their areas.

Devon's Councils have not captured as much value from planning agreements as might be expected. The proportion of affordable housing over recent years has been around 20%. If the proportion had been 30%, then another 8,514 net additional affordable homes would have been supplied. These missing affordable homes mean that more people are waiting longer, paying higher rents with less control over their futures. This leads to knock on impacts to health through worry and stress, creating costs to the NHS and hampering each household's ability to thrive educationally, economically and socially.

**Recommendation 1.4: The Commission recommends that local planning authorities are consistent and insistent on planning requirements being reflected in the price paid by developers rather than "viability" being used as grounds for negotiating or renegotiating reductions in developer contributions (specifically affordable housing, which should be non-negotiable) after consent is granted; and adequate resourcing should be available to level the playing field in negotiations between local planning authorities and developers.**

**Recommendation 1.5: The Commission recommends that all housing authorities employ dedicated Housing Enabling Officers with responsibility for delivery of homes by developers and providers. Where local authorities want to drive forward housing delivery, having housing enabling officers working across boundaries, allows for regular contact with developers and other partners required to deliver homes.**

In addition to the failure to increase the rates of delivery for affordable homes, data from the census of the size of homes (Table 1.11) also suggests that what is being built is not always aimed at local need. This local data matches national trends<sup>28</sup>, whereby four or five bedroom are preferred to smaller homes. In Devon, local need for smaller, affordable homes is not being met with the development industry prioritising other markets.

**Recommendation 1.6: The Commission recommends that, as well trying to increase the number of social rented homes delivered, local authorities should also explore ways that the planning system can be used to shape type of housing that is delivered so that local need is prioritised over market demand.**

28 Jayanetti, C. (2019). 'Size matters: why do developers build larger homes?', Inside Housing, published 27 June. Available at: <<https://www.insidehousing.co.uk/insight/size-matters-why-do-developers-build-larger-homes-61912>>. [Accessed, 20/06/2024].

Table 1.11: number of bedrooms per household in 2011 and 2021 census<sup>29</sup>

	All households		1 bedroom		2 bedrooms		3 bedrooms		4 or 4+ bedrooms	
	2011	2021	2011	2021	2011	2021	2011	2021	2011	2021
Torbay	59010	62994	15.1%	14.5%	31.6%	31.0%	36.9%	36.5%	16.4%	17.9%
East Devon	59071	66788	7.7%	7.5%	30.0%	28.7%	39.2%	39.0%	23.0%	24.8%
Exeter	49242	52554	15.7%	14.5%	27.6%	26.9%	38.8%	37.6%	17.9%	21.0%
Mid Devon	32758	35633	8.0%	8.0%	25.6%	25.3%	39.9%	38.7%	26.5%	28.1%
North Devon	40001	43197	9.9%	9.1%	26.4%	26.0%	40.7%	40.1%	23.0%	24.7%
South Hams	36858	39334	8.4%	7.9%	26.0%	24.7%	39.2%	39.1%	26.4%	28.4%
Teignbridge	54003	59837	9.3%	9.0%	30.1%	29.1%	37.8%	37.3%	22.9%	24.7%
Torrige	27986	30455	6.8%	6.8%	28.4%	27.6%	42.0%	41.4%	22.9%	24.2%
West Devon	22725	24818	7.5%	7.5%	26.1%	25.5%	38.5%	38.6%	27.8%	28.4%

<sup>29</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2024). 'Table 254: permanent dwellings completed, by house and flat, number of bedroom and tenure, England', in Live tables on housing supply: indicators of new supply, dataset, edited 28 March. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>>. [Accessed, 20/06/2024].





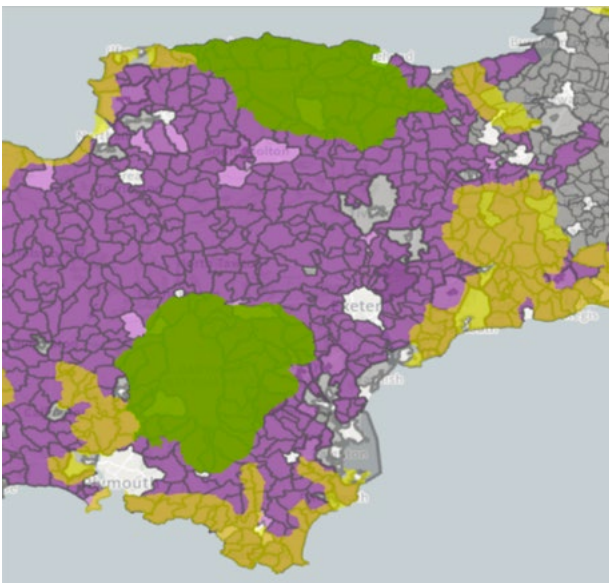


# Chapter Two: Rural and Coastal Communities

Outside of Exeter, Torbay and Plymouth, Devon is a rural county containing many market towns, villages and hamlets with a long coastline in the North and South. This chapter will focus on these smaller communities across Devon (larger coastal towns will be covered in Chapter Three).

Under the Defra definition of rurality, South Hams, West Devon, Mid Devon and Torridge are classed as “significantly rural” with Teignbridge and North Devon being classed as “predominantly rural”. There are two National Parks, five National Landscapes as well many Sites of Special Scientific Interest. Figure 2.1 shows Devon’s protected areas including the National Parks (in green), the National Landscapes (in brown) and the Designated Protected Areas and Designated Rural Areas (in purple). These latter categories provide exemptions from certain policies, such as Right to Buy.

**Figure 2.1: map of protected areas<sup>30</sup>**



Living in Devon’s villages can be a rewarding, but it is an experience that is not available to many. Rural house prices are rising further and faster and wages are not keeping pace. As with all of Devon, rural areas do not have a sufficient stock of affordable housing for people to maintain networks and employment opportunities in occupations like hospitality, agriculture, education and the health service.

Much has been written about the impacts of a lack of affordable homes in rural areas and the responses to our call for evidence have highlighted this issue. The following two testimonies sum up a lot of the concerns expressed:

“I live in a 100% rural parish called Lydford where the price of homes is too high to get a mortgage. The local village school is experiencing reduced admission because young families cannot afford to live in the area. I work in Tavistock where there is also a large gap between income and house prices. Many friends I have spoken too are going to be moving out of the area to buy a home, further exacerbating the problem of a lack of people of working age in the area.” – ID 12

“Key workers, plumbers, mechanics, teachers, nurses are being priced out of the area due to lack of affordable accommodation.” – ID 235

Some people have detailed how living in a rural community puts a limit on their earnings due to the nature of the rural economy. Concern has also been expressed that market towns are becoming dormitories for cities, because economic planning favours towns. However, the Commission has also received testimonies that express concern at people moving to rural areas to work from home for companies located elsewhere in the UK.

## 2.1 The Demography of Rural and Coastal Devon

The Commission’s own research (see Chapter Four), plus that of others<sup>31</sup>, highlights the demographic challenges facing rural communities, such as the outward migration of younger people and the inward migration of older people, creating a more rapidly ageing population.

“Our village is full of retirees and holiday homes. We need to boost the number of young families who work in the area.” – ID 408

This trend is evident in the rural districts of Devon (as well as Torbay). The rate of increase in average age is higher in rural districts than urban ones in Devon and the population of Devon is ageing faster overall than the rest of the UK (see Chapter

Four). Research suggests that, following COVID, these migration patterns will increase and could be expanded by a flight from urban areas and the possibility of home working, with estimates of 124,000 households moving to rural areas in the next decade<sup>32</sup>.

However, there is no strong evidence beyond individual testimony to suggest that this is impacting Devon’s housing market. Work from home data from the census (see Table 2.1) suggests that residents in rural Devon are less likely to be working from home than those in England. This is likely to be a reflection of Devon’s labour market which has fewer professional (office based) roles that could make the switch and the lack of mass movement of people working from home at the time of the census in 2021.

**Table 2.1: proportion of residents who mainly work from home. 2011 and 2021 Censuses**

	Works mainly from home 2011	Works mainly from home 2021
East Devon	15%	30%
Exeter	8%	31%
Mid Devon	18%	30%
North Devon	17%	24%
South Hams	20%	33%
Teignbridge	15%	28%
Torbay	12%	21%
Torridge	20%	26%
West Devon	21%	31%
<b>England</b>	<b>10%</b>	<b>32%</b>

The trend since 2021 may have been toward less homeworking as the impact of the COVID pandemic fades. But, conversely, technological advances in the reach of broadband and the use of the internet may have made homeworking more popular in some places. Work from home could be beneficial for rural communities by enabling people to access different careers without the

need to leave the county, strengthening the viability of rural settlements. However, if people are enabled to stay, or encouraged to relocate to rural areas because of the possibilities of remote working, this will also put pressure on housing and create competition with the tourist accommodation and retiree markets (see below and Chapter Four).

31 Lecie, C., Munro, R., and Pragnell, M. (2021). Rural Recognition, Recovery, Resilience and Revitalisation, Pragmatix Advisory. Available at: <<https://www.local.gov.uk/rural-recognition-recovery-resilience-and-revitalisation>>. [Accessed, 20/06/2024].

32 Lecie, C., Munro, R., and Pragnell, M. (2021). Rural Recognition, Recovery, Resilience and Revitalisation, Pragmatix Advisory. Available at: <<https://www.local.gov.uk/rural-recognition-recovery-resilience-and-revitalisation>>. [Accessed, 20/06/2024].

## 2.2 Rural Housing Need

The need for affordable housing in rural areas can be difficult to quantify. But there is a need to produce homes that can be afforded by the local population in order to maintain the sustainability of our local communities. Yet the delivery of new affordable housing in rural areas can be difficult to achieve. Much has been written about this in other reports<sup>33</sup> which explain that land availability, planning restrictions, local objections and viability all provide hurdles to delivery of affordable housing at the scale required.

### 2.2.1 Rural Exception Sites

As well as using allocated sites, affordable housing can be developed on Rural Exception Sites. These are primarily on the edge of settlements, adjacent to the development boundary and utilised for delivering primarily (but not exclusively) affordable housing. The Rural Exception Site policy has been very successfully used in some parts of the country, including in Devon, to ease affordability issues. A recent report commissioned by the Rural Housing Network highlights the potential of Rural Exception Sites to deliver affordable housing in rural areas<sup>34</sup>, but a relatively small number of affordable homes have been delivered through the policy. The report lists the top ten local authorities for delivery through Rural Exception Sites between 2017 and 2022, with Cornwall at number one with 1,097 units delivered and Stroud in Gloucestershire at number ten - with sixty-five. No Devon authority is in the top ten. The report highlights the potential of these sites and suggests the following areas of focus to increase delivery of Rural Exception Sites:

1. Gaining the support of the Parish Council
2. Managing the planning process – including positive wording of Rural Exception Site policies, that support rather than restrict affordable housing delivery
3. Managing public opposition through local engagement
4. Building long-term relationships with housing associations
5. Incentivising landowners

A key factor in delivering homes on Rural Exception Sites in some, but not all, areas has been through using the services of a Rural Housing Enabler working as part of a rural housing partnership. These partnerships are often convened by a Rural Housing Enabler who brings the rest together, creating an important forum for identifying sites, matching developers to them and working with the local authorities to secure planning permissions. Rural Housing Enablers are able to work with communities to move these schemes forward.

Table 2.2 and Figure 2.2 show Homes England-funded delivery of affordable housing in rural areas in Devon. Table 2.2 shows that delivery has been gradually falling in rural settlements. This is in line with the overall picture of affordable housing delivery in Devon. Figure 2.2 shows the numbers of homes built on Rural Exception sites.

33 Archer, T., and Harrington, C. (2021). Delivering the Community Led Housing Pipeline in England. Report for the Community Led Homes. Available at: <<https://nationwidefoundation.org.uk/wp-content/uploads/2021/09/Delivering-the-Communitiy-Led-Housing-Pipeline-in-England-FINAL.pdf>>. [Accessed, 20/06/2024].

Lecie, C., Munro, R., and Pragnell, M. (2021). Rural Recognition, Recovery, Resilience and Revitalisation. Pragmatix Advisory. Available at: <<https://www.local.gov.uk/rural-recognition-recovery-resilience-and-revitalisation>>. [Accessed, 20/06/2024].

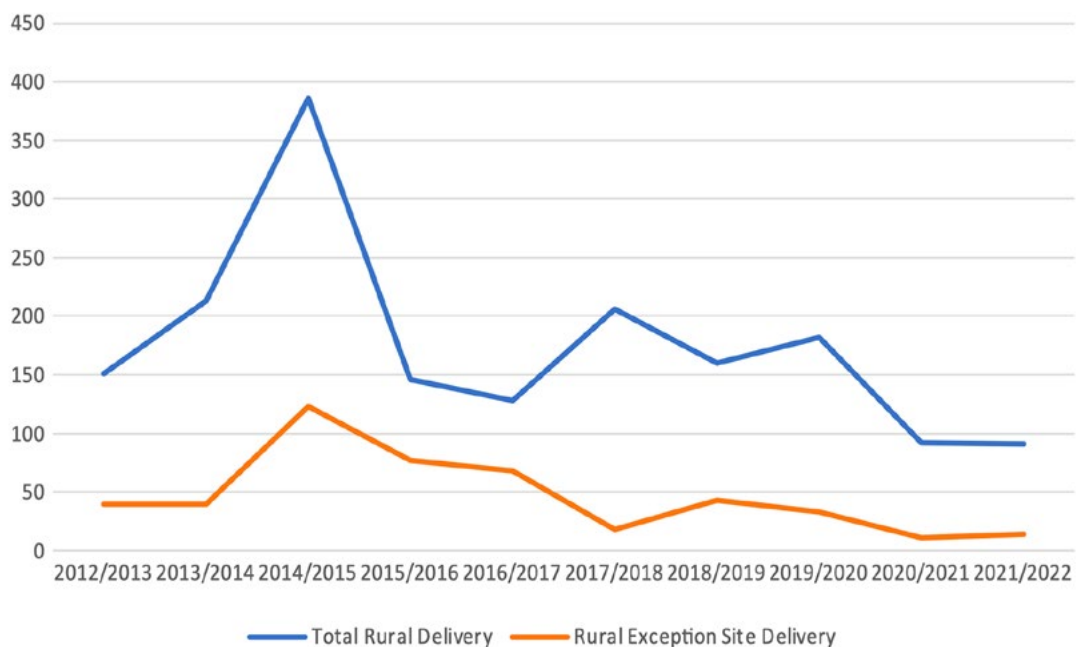
McAreavey, R. and Kemmett, D. (2022). Rural housing: challenges, opportunities and

Solutions. Nicro Research Report No. 9. Available at: <<https://nicre.co.uk/media/2pyldhdf/nicro-research-report-no-9-july-2022-rural-housing-challenges-opportunities-and-solutions.pdf>>. [Accessed, 20/06/2024].

34 Stirling, P., Gallent, N., and Hamiduddin, I. (2024). 'Land, landowners, and the delivery of affordable homes on rural exception sites in England', Progress in planning, 184: pp100842. Available at: <<https://doi.org/10.1016/j.progress.2023.100842>>. [Accessed, 20/06/2024].

**Table 2.2: number of affordable homes funded by Homes England (data provided by Homes England)**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
East Devon	62	27	18	31	23	0	31	0	192
Exeter	8	0	0	0	0	0	0	0	8
Mid Devon	0	8	18	45	26	0	0	0	97
North Devon	0	2	0	14	1	2	0	3	22
South Hams	18	37	30	4	24	22	14	38	187
Teignbridge	12	45	42	20	0	16	22	14	171
Torbay	0	0	0	14	0	0	0	0	14
Torrige	8	0	0	4	0	0	4	0	16
West Devon	5	0	0	18	1	0	0	0	24
<b>Total</b>	<b>113</b>	<b>119</b>	<b>108</b>	<b>150</b>	<b>75</b>	<b>40</b>	<b>71</b>	<b>57</b>	<b>733</b>

**Figure 2.2: rural housing delivery in Devon funded by Homes England (data provided by Homes England)**



Bearing in mind the intense, but often unseen, pressures faced by rural communities in terms of housing, such as the lack of infrastructure and jobs, as well as additional cost of living pressures, there is a clear case for Devon's housing authorities giving special priority to rural housing delivery. Because of the additional cost in ensuring good design, use of local materials and respect for the landscape, it will be essential to secure the site at the minimum cost possible. This suggests that use of the Rural Exception Sites policy should be adopted in many more cases: large numbers of villages would benefit greatly from a small number of affordable, sustainable new homes. We recommend planners seek, wherever possible, to take a flexible approach that recognises the real value of additional homes for those needing and wanting to live in a village for reasons of family or employment.

**Recommendation 2.1: The Commission recommends that councils should make maximum use of the Rural Exception Sites model, and demonstrate flexibility in enabling village schemes for local people, including by permitting a small minority of homes to be sold in return for a very modest land cost for the affordable housing.**

**Recommendation 2.2: The Commission recommends that Homes England develops a clear and consistent policy position on funding Rural Exception Sites which are an important route to deliver affordable housing in rural areas.**

**Recommendation 2.3: The Commission recommends that the funding from Defra to Rural Housing Enabler (RHE) partnerships be extended; this would ensure a long-term, sustainable basis for RHEs to build partnerships with local authorities and housing associations for affordable housing delivery.**

#### Devon CLTs in Numbers

- 43 CLTs in Devon
- 49 CLT-led schemes (6 CLTs have 2 or more schemes)
- 27 schemes are partnerships with Registered Providers
- 3 schemes are partnerships with Registered Providers on S106 sites
- 6 schemes are independently developed and managed schemes (standalone)
- 1 is an independently developed and managed scheme on a S106

## 2.2.2 Community Led Housing

Community Land Trusts (CLTs) have emerged as a promising solution to address housing issues, particularly, but not exclusively, in rural areas of Devon. CLTs are not-for-profit organisations, set up and led by local people that can build, own and manage housing and other assets to meet the needs of that community. CLTs often choose to work in partnership with Housing Associations, and sometimes choose to develop homes independently by becoming a registered provider.

CLTs are driven by local people who are motivated to provide homes that will then be available and affordable to local people forever (and not at risk of being lost to the open market via Right to Buy). Those involved have influence over the type, tenure, numbers, location and allocation criteria of new housing developments in their own locality. CLTs are also attractive to communities due to their ability to be a vehicle for local resilience and sustainability. The homes built by CLTs are designed to enable local people to remain in the place they are connected to, thus supporting a balanced population. Furthermore, the CLT itself becomes a vehicle to acquire and develop other assets as the need arises (e.g. a community shop and village hall taken on by Parracombe CLT in North Devon).

### 2.2.2.1 Reasons for the Emergence of CLTs in Devon

There are more CLTs in Devon than in any other county in England and Wales. There are three main reasons for this:

- History: The CLT movement in the UK was, to a large extent, founded in Devon and Devon CLTs have featured heavily in research on the sector<sup>35</sup>.
- CLT/Registered Provider partnerships: Two thirds of the CLTs in Devon deliver their homes through partnerships with Registered Providers. This model was developed in the South West.
- Second home/holiday let pressures: Many Devon communities have responded to the housing pressures caused by tourism by mobilising CLTs.

Community Land Trusts have the potential to play a significant role in addressing rural housing issues in Devon by providing affordable, community-led housing solutions. By implementing the recommendations outlined below, local authorities and other stakeholders can support the growth and impact of CLTs in the region, contributing to the improvement of housing conditions and the overall well-being of rural communities in Devon. CLTs

typically deliver small schemes of ten to twenty homes; if each community in Devon delivered a CLT housing scheme to meet the local need in that place, this would represent a significant contribution towards meeting the housing needs of the county.

### 2.2.2.2 Barriers for CLT-Led Affordable Housing for Communities in Devon

The Commission recognises the following barriers that need to be addressed to enable CLT success in Devon

#### 1. Planning

There are compelling reasons for local authorities to promote the inclusion of CLTs in the provision of affordable housing on allocated housing sites, partly to encourage communities to support new developments in exchange for securing a genuine stake in them and partly to ensure that affordable rented homes are protected from the various current forms of right to buy. Local Lettings Plans that prioritise those from the waiting list with a connection to that community, can incentivise such partnerships on developer led projects.

While acknowledging the current constraints imposed on Local Plans by the National Planning Policy Framework, local authorities should give greater policy weight to CLT-led affordable housing projects within designated landscapes. This will reduce the risk when bringing sites forward and will encourage CLTs.

#### 2. Partnerships with Registered Providers

Evidence suggests the adoption of tried and tested replicable models of support, such as partnerships, are the most effective way to scale up delivery of community-led housing for communities and their local authority partners<sup>35</sup>. CLT volunteers prefer to work with a sympathetic Registered Provider partner rather than their CLT becoming a Registered Provider itself: this brings mutual benefits by increasing the capacity of the CLT board (time, skills, and levels of resources) and by the partnership bringing local knowledge and local support.

#### 3. Access to Technical Support

Technical knowledge is crucial for CLTs to be able to successfully deliver their projects. This knowledge can be provided through a technical support service, through experienced and skilled board members and through close working with a housing association.

#### 4. Access to Finance

Both revenue and capital funding for CLTs is crucial to bring forward their housing schemes and attract development partners.

The Community Housing Fund was previously allocated directly to local authorities under Section 31, thus enabling the grant to be spent carefully over time as and when projects required. These allocations substantially increased the number of CLTs setting up and bringing forward schemes, and improved their chances of success by de-risking their projects. Local authorities, such as Cornwall Council have used Public Works Loans to create a revolving loan fund for CLTs.

#### 5. Access to Land

Communities need to have access to this scarce resource, and need to be given the chance to acquire land to meet their ambitions.

**Recommendation 2.4: The Commission recommends that Local Authorities assess their land assets and consider making some sites available for social rented provision by social housing providers, including Community Land Trusts (CLTs).**

**Recommendation 2.5: The Commission recommends that Local Authorities should encourage the inclusion of CLTs in the provision of affordable housing on allocated housing sites and allow a local lettings policy to apply in such circumstances.**

**Recommendation 2.6: The Commission recommends that a renewed Community Housing Fund programme should be set up by government to build on the momentum of the community led development sector.**

<sup>35</sup> Community Finance Solutions. (2008). Then we will do it ourselves: A report on the rural Community Land Trusts part of the Community Land Trust National Demonstration Programme, Carnegie UK Trust: Salford. Available at: <<https://carnegieuktrust.org.uk/publications/then-we-will-do-it-ourselves/>>. [Accessed, 20/06/2024].

Community Finance Solutions. (2011). Proof of Concept: Community Land Trusts, Carnegie UK Trust: Salford, November 2011. Available at <[https://d1ssu070pg2v9i.cloudfront.net/pex/carnegie\\_uk\\_trust/2016/02/pub1455011664.pdf](https://d1ssu070pg2v9i.cloudfront.net/pex/carnegie_uk_trust/2016/02/pub1455011664.pdf)>. [Accessed, 20/06/2024].

<sup>36</sup> Community Land Trust Network (2023). State of the Community Land Trust Sector 2023. Available at: <<https://www.communitylandtrusts.org.uk/wp-content/uploads/2023/03/State-of-the-Sector-2023-PRESS-1.pdf>>. [Accessed, 20/06/2024].

## 2.3 Tourist Accommodation

An overwhelming theme of responses to our call for evidence was the impact of tourist accommodation on Devon's housing market. This is, undoubtedly, the major housing concern for many Devon residents.

Views were predominantly negative:

"It's removing the housing stock available to private renters, who are then forced to pay above the odds for properties. Many key workers and local families are unable to find housing in the local area." – ID 169

"There are far too many second homes that are left empty for most of the year, and this is unacceptable, this is killing off rural communities." – ID 142

This comment from a local authority highlights the impact of the loss tax revenue from holiday lets:

"Over time they have reduced the number of traditional long lets available and increased property prices in the region to the detriment of communities who live and work there. It is acknowledged that tourism is a key economic contributor to the region. However... we have lots of houses where there is no Council Tax paid because they are classified as part of a business and business rates are paid which goes to central government rather than the local authority; or they fall within the small business rates exemption, so no rates are paid to either central government or local authorities." – ID 183

Many people called for restrictions:

"Increase the taxes on second homes, licence rentals and restrict the numbers of both in proportion to residents housing." – ID 23

"Holiday homes ... should be restricted by a quota system, second homes should pay more Council Tax to help subsidise affordable homes." – ID 40

"Rental properties should be monitored by local councils to have to confirm to minimum standards and apply for a licence to trade which are limited to a percentage of the total rental market in the area." – ID 84

"There should be restrictions on how many second homes could be purchased in any area, also there should be more registration of Airbnb properties being offered on both short and other letting arrangements." – ID 125

There was some nuance in the view expressed:

"On the one hand it provides income for Devon through tourism. On the other hand, it pushes prices of property both for purchase and rental up." – ID 42

"Holiday lets enable a tourist economy that delivers short-term benefits to many rural and coastal areas of Devon. Their longer-term impact is to drive up house prices, stopping local people on lower wages from remaining in their place of origin or social network, and in some cases hollowing out community assets as they no longer become viable in places where seasonal visitors don't sustain." – ID 358

Not all residents are opposed to tourist accommodation, with a smaller number of respondents identifying only the benefits of holiday lets and second homes, i.e. that they bring money into the local economy and facilitate seasonal jobs through tourism.

"Well run holiday lets are crucial for a healthy tourist industry... A well run, sensibly priced, proportionate registration scheme (definitely not licencing) should be good for the industry and for Devon." – ID 289

"Just bear in mind how much money tourism brings to Devon and be careful not to bite the hand that feeds you. A town like Dartmouth for example is not going to become a manufacturing hub or financial district. It will only ever be a tourist town. As above I appreciate locals and those employed in the town need somewhere to live nearby but restricting holiday lets and second homes would be complete madness. Post-COVID I have noticed that a number of shops in the town have closed and remain vacant which is evidence that there are problems so we need to be encouraging people to visit rather than demonising them and putting them off visiting. I think the new development on the outskirts of Dartmouth is a perfect solution to the problem. New build homes and affordable housing for locals which cannot be used as a second home or holiday lets leaving the existing housing stock in the main town to be used as holiday lets." – ID 271

More commonly, respondents negatively describe the dynamic whereby the centre of settlements become the home of tourist accommodation, which pushes local workers to live on the outskirts:

“Second homes and holiday lets have reduced the housing stock and taken the heart out of the village. There should be a register of homes that are not a primary residence, and planning permission should be required to change a primary residence to a second home or holiday lets.” – ID 237

“The work force and young people are being pushed out away from employment as they are unable to rent due to second homes which are most of the time empty. Consequently, businesses are struggling to recruit and maintain staff which is affecting the quality or timely of services.” – ID 357

Research by Barnett<sup>37</sup> highlights the nuance of perceptions of second homes by noting a distinction between a second home and a holiday home. The former may be unoccupied for long periods of time whereas the latter will be more often occupied, but with different visitors.

Barnett surveyed second homeowners and permanent residents and found that second homeowners are more likely to spend more money in the local economy than permanent residents, indicating an economic benefit to the community, though this impact is seasonal. The research also suggests that second homeowners can integrate to become part of the community. However, in our interviews and survey, second homes were generally viewed negatively. Holiday lets, on the other hand, were sometimes preferred by local residents because they were more frequently occupied and thus generated more local expenditure. In other words, local residents recognised the importance of the tourist economy and preferred that properties are maximised for this use, if they are not available for residential use.

## 2.2.1 Research and Data on Tourist Accommodation

Barnett’s research focused on the parishes of Instow and Georgeham in North Devon that have a high proportion of second homes, which were compared to two neighbouring parishes with lower numbers of second homes. Barnett’s research shows a correlation between house price growth and second home ownership, with house prices growing faster in parishes that have large numbers of second homes. This research is valuable because it focuses on a parish, rather than district and so it is better able to highlight particular, highly localised impacts. Barnett suggests that second homes are removing dwellings from the residential market, thus increasing scarcity and, thereby, price. On the other hand, Barnett also recognises the economic impact of tourism, a key part of the North Devon economy.

Data provided by North Devon District Council<sup>38</sup> based on the Council Tax base (see Annex One) suggests that in 2023 the parishes of Morethoe and Georgeham had 47% and 44% of properties as either second homes or holiday lets respectively. Nine parishes in North Devon have over 20% of properties as tourist accommodation and this is split equally between second homes and holiday lets. The tourist accommodation markets are localised; the data from North Devon, for example shows that although nine parishes have lost 20% of housing stock to tourist accommodation, in forty-two parishes this is less than 10%. Overall, just over 7% of North Devon’s housing stock is tourist accommodation, split almost equally between second homes and holiday lets.

## 2.2.2 Second Homes

Table 2.3 below shows the number of second homes, recorded in Council Tax data, in 2014 and 2023. Table 2.3 shows the extent of the second home issue in some places, e.g. 9% of the entire dwelling stock in South Hams. The data does not suggest there has been a significant rise in the proportion of second homes in Devon during this period, except in West Devon. Overall, the proportion has risen in line with the rise in the number of dwellings.

37 Barnett, J. (2014). ‘Host community perceptions of the contributions of second homes’, *Annals of Leisure Research*, 17(1): pp10–26. Available at: <<https://doi.org/10.1080/11745398.2014.886156>>. [Accessed, 20/06/2024].

38 The data is based on homes declared as second homes in Council Tax records and business rated self-catering properties.

**Table 2.3: number of second homes and total dwelling in local authority Council Tax data<sup>39</sup>**

	2014			2023			Percentage Change (2014 to 2023)	Total Dwellings Percentage Change (2014 to 2023)
	Number of Second Homes	Total Dwellings	Proportion of Second Homes	Number of Second Homes	Total Dwellings	Proportion of Second Homes		
East Devon	2513	65,580	4%	2760	73,988	4%	10%	11%
Exeter	454	54,038	1%	521	60,610	1%	15%	11%
Mid Devon	281	34,754	1%	190	37,894	1%	-32%	8%
North Devon	1608	44,149	4%	1834	48,541	4%	14%	9%
South Hams	3894	43,065	9%	4022	46,701	9%	3%	8%
Teignbridge	1255	59,712	2%	1282	64,867	2%	2%	8%
Torbay	1608	65,702	2%	1545	68,434	2%	-4%	4%
Torridge	967	31,188	3%	1213	33,657	4%	25%	7%
West Devon	486	25,029	2%	695	27,028	3%	43%	7%
Devon	13066	423,217	3%	14062	461,720	3%	8%	8%

### 2.2.3 Properties of the Right Size

The Commission is concerned about the number of larger market homes being built in Devon. There is a mismatch between local housing need, which is mostly for smaller homes that younger people can afford to buy, and market demand that developers detect. It has been suggested that the trend for larger houses has been driven in rural and coastal areas by the tourist accommodation market as they are more likely to sell as second homes<sup>40</sup>. Local authorities have limited powers to dictate the particular shape of a development once a site has been allocated but they do need to clearly identify housing need.

### 2.2.4 Holiday lets

The rise of holiday lets<sup>41</sup> over the last decade, enabled by online platforms, is well known and has received much publicity<sup>42</sup>. There is a paucity of

high-quality data on the extent and impact of holiday lets in rural areas and most of the peer reviewed research is focused on cities. Simcock<sup>43</sup>, for example, has produced detailed work on the market in London. While this is not generalisable to the Devon market, Simcock's work is valuable for identifying major trends within the market. Primarily, the presence of a 'rent gap' whereby higher rental yields are enabled without capital investment by switching from long-term rental to holiday let. Anecdotally we have heard of this happening in Devon through our call for evidence:

“Landlords have been pushed out of the private rented sector by the Government and so have redirected their investments to holiday lets because it is the only area they can make a decent return.” – ID 270

<sup>39</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2023). Council Taxbase Statistics, dataset, edited 8 November. Available at: <<https://www.gov.uk/government/collections/council-taxbase-statistics>>. [Accessed, 20/06/2024].

<sup>40</sup> Jayanetti, C. (2019). 'Size matters: why do developers build larger homes?', Inside Housing, published 27 June. Available at: <<https://www.insidehousing.co.uk/insight/size-matters-why-do-developers-build-larger-homes-61912>>. [Accessed, 20/06/2024].

<sup>41</sup> In this section we use the term 'holiday let', elsewhere short-term rent or short-term let are used synonymously.

<sup>42</sup> Generation Rent. (2022). Your Holiday Our Home? Understanding the impact of holiday homes on the private rented sector, May 2022.

<sup>43</sup> Simcock, T. (2021). 'Home or hotel? A contemporary challenge in the use of housing stock', Housing Studies, 38(9): pp1760-1776. Available at: <<https://doi.org/10.1080/02673037.2021.1988063>>. [Accessed, 20/06/2024].



“We considered the option of changing our holiday let to a residential unit. We decided against as it is an annexe to our house, there is no tax incentives to be a private landlord anymore, local authorities generally are advising private tenants to await court proceedings to get out at the end of tenancies, EPC nonsense being introduced and finally, no fault eviction ending all makes renting out very unattractive. All these need to change.” – ID 284

Changes to the regulation of the long-term rental market, such as the potential end of no-fault evictions, and the banning of letting agent fees, have made this market less favourable as a business opportunity when compared to holiday lets. This is also confirmed by industry research<sup>44</sup> which highlights a potential 100% increase in rental yield if a property is switched to a holiday letting which achieves 60% occupancy. Simcock’s research has tracked the evolution of the Airbnb platform showing its increase over time especially where ‘hosts’ (property owners) own multiple properties which is an indication that changes in the tax and regulatory regime which have incentivised bigger property investors to move to the holiday let market<sup>45</sup>.

The Scottish Government<sup>46</sup> has conducted research that is more directly cognate with the Devon market. The research looks at the impact of holiday lets on different housing markets in Scotland in different case study areas, including rural and coastal areas. The rise in holiday lets is hyper-localised, impacting particular areas considerably, but having very limited impacts in others. Using AirDNA data, this research calculates the penetration rate – the number of Airbnb listings relative to the number of dwellings – in electoral wards. According to this data, the highest penetration rate is in Skye at 18.6%. Qualitative research conducted with hosts and communities found that financial concerns were the key driver for offering holiday lets, with respondents highlighting the good business opportunity and better commercial prospects than long term rentals. Although the research is not comprehensive on the extent to which properties

are moving from the residential market, the survey of hosts suggests that a notable proportion of holiday let properties had either been owner-occupied (21%) or long-term rental (15%). Separate research also suggests that holiday lets are having a negative impact on long-term rental<sup>47</sup>, though an evidence submission to the Commission from Professional Association of Self Caterers based on a survey of their members suggests a much smaller number (based on a survey of association members).

The Scottish Government research is valuable because it also highlights the impacts of the holiday let market, these are:

- Local Economic Benefits: each listing generated an average of fifty-two visits to Scotland a year, over 1.6 million in 2018 with local economic benefits in the tourism industry.
- Increased income: for household through a holiday let income. The economic benefit for commercial operators is not classified as ‘household’ income.
- Reduced availability of residential housing and higher house prices: this was also associated a fall in the resident population, school rolls and concerns about the viability of communities, as well as impacts on the labour supply and economic development.
- Negative impact on quality of life: caused by antisocial behaviour in higher density urban areas.
- Congestion and changing communities: including increased litter waste, noise and lack of amenities for locals and increased demand on services.

Data on the size and impact of the holiday let market is difficult to produce. The studies noted above use data scraped from online platforms which is cleaned to produce high quality data. AirDNA data has suggested that there could be 10,000 holiday lets in Devon. Business rates data provided by North Devon District Council suggests that in some parishes over 20% of properties are registered as holiday let businesses, with 3,673 in

44 Propertymark. (2022). The impact of short-term/holiday lets on UK housing, Propertymark Press Office: Warwick. Available at: <<https://www.propertymark.co.uk/resource/the-impact-of-short-term-holiday-lets-on-uk-housing.html>>. [Accessed, 20/06/2024].

45 Simcock, T. (2021). ‘Home or hotel? A contemporary challenge in the use of housing stock’, *Housing Studies*, 38(9): pp1760–1776. Available at: <<https://doi.org/10.1080/02673037.2021.1988063>>. [Accessed, 20/06/2024].

46 Scottish Government. (2019). Research into the impact of short-term lets on communities across Scotland, The Indigo House Group: Edinburgh. Available at: <<https://www.gov.scot/publications/research-impact-short-term-lets-communities-scotland/>>. [Accessed, 20/06/2024].

47 Propertymark. (2022). The impact of short-term/holiday lets on UK housing, Propertymark Press Office: Warwick. Available at: <<https://www.propertymark.co.uk/resource/the-impact-of-short-term-holiday-lets-on-uk-housing.html>>. [Accessed, 20/06/2024].

this one district. Other than registration of holiday lets, there is no standardised data that we can use to measure the size of the market or change over time. Furthermore, as noted in the Scottish Government report, the holiday let market is hyper-localised, and looking at data at district level may not, therefore, show an impact that can be attributed to holiday lets.

Industry groups such as the Professional Association of Self Caterers (PASC), have highlighted the positive economic impact of self-catering holidays. They emphasised that what they refer to as “traditional” holiday lets have been a part of Devon’s tourist economy for many years and sustain parts of the local labour market. Self-catering holiday lets have clearly played an important role in Devon’s tourist economy but this market has been disrupted in recent years through the advent of online platforms like Airbnb. Concerns have also been raised about the quality and safety of these new holiday lets. Analysis conducted by Frontier Economics on behalf of the Professional Association of Self Caterers suggests that in Devon there is £779million in annual spending generated through the “traditional” holiday let sector. The bulk of this spending is on the accommodation itself but includes £278 million in spending in the local economy (e.g. food and drink, entertainment, etc). Frontier Economics estimate that around 14,200 jobs in Devon are supported by the spending generated by those staying in “traditional” holiday lets.

#### 2.2.4.1 The Impact of Holiday Lets

The Commission is focused on the scale of the losses of primary residences to tourist accommodation (both second homes and holiday lets). We do not have data on the number of primary residences that have switched to second homes or holiday lets as there is no current requirement for owners to register these lettings.

The commission has tried to understand the impact of the holiday let sector by looking in detail at South Hams (see Annex Two). The South Hams case study looks at the growth in holiday lets for this tourist “hot spot” and indicates that, in the decade between 2011 and 2021, some parishes saw a fall in the number of households and number of residents across both owner-occupiers and those in long-term private renting, this is despite

new homes being built in those parishes during this time. Because the number of second homes has remained relatively stable during this period and there have been houses built, the case study concludes that this decline in population is likely an impact of the rise in holiday lets during this period. Although these changes are highly localised, in the most extreme cases, parishes have seen a significant fall in population with consequent impacts on the local community including the closure of schools.

It is worth adding that where short-term lets through companies such as Airbnb involve owners letting their spare rooms, this can support family finances and the local economy without loss of long-term lettings.

#### 2.2.5 Policy Changes that Impact Tourist Accommodation and Second Homes

Concern at the loss of accommodation available for local people has led to an interest nationwide in limiting further growth of the holiday let sector and of second home ownership.

##### Council Tax for Second Homes

Government has created the opportunity for local authorities to increase Council Tax on second homes by up to 100% from April 2025. A number of Devon local housing authorities have announced plans to introduce this additional taxation. Increases in Council Tax will be helpful for local authorities in raising additional revenue, but they are unlikely to deter those able to afford to buy a second home in a tourist area. In order for the new Council Tax policy to improve the housing situation, it will be necessary for the additional revenue to be reinvested in housing.

Exactly how the additional resources, should be spent, will depend on local negotiations, as the bulk of the funds will go to Devon County Council in the first instance<sup>48</sup>. Although Devon County Council is a non-housing authority, there are important opportunities for housing-related investment to meet the needs covered by the county’s responsibilities, for example Extra Care accommodation for older people, housing for those with care experience and those with special needs as well home retrofit and infrastructure funding (see Chapters Four, Five and Six).

The Commission welcomes these changes but does not believe that they will decrease the number of second homes and holiday lets on their own. The change in Council Tax is more likely to have impact on local authority revenue than second home ownership, as those who are able to afford a second home in a tourist area are likely able to afford a relatively modest amount of extra tax.

**Recommendation 2.7: The Commission recommends that District Councils and Torbay take advantage of the new opportunity to double Council Tax on second homes and the extra money for local authorities is ear-marked for addressing housing challenges across Devon.**

**Recommendation 2.8: The Commission recommends that Devon County Council utilise a significant proportion of receipts from second homes Council Tax to help meet the county's housing and infrastructure needs.**

### Changes for Holiday lettings

**Mandatory Registration:** A mandatory national register of holiday lets will be set up.

**Planning Permission for new holiday lets:** Existing holiday lets will automatically be re-classified and will not require planning permission.

Mandatory registration will allow the local authority to quantify the number of holiday lets, showing where the issue is most prominent and, therefore, could merit planning restrictions on further short-term lettings. Moreover, the register's information on holiday lets could enable introduction of other regulations such as requirements for insurance, for minimum standards, etc. to govern the sector's performance. However, if registration was to lead to the introduction of additional requirements, local authorities will need appropriate resources for enforcement action: fees for registration will need to be high enough to enable this task to be performed adequately.

The second change in respect of holiday lets, accepted by government after a recent consultation exercise, is for a new Use Class to be established for holiday lets. This would require planning permission for the change of use of any property to that of a

new holiday lets, with the opportunity for the local planning authority to refuse permission if there are concerns at the level of second homes and holiday lets in that particular area. The details of a new planning Use Class have yet to be determined and the Commission would like to see the concept taken forward with some urgency.

**Recommendation 2.9: The Commission recommends Government presses ahead with the registration of short-term lettings; local authorities should be allowed to charge a registration fee for this service that ensures it is cost neutral.**

**Recommendation 2.10: The Commission recommends that government introduces a new planning use class for all short-term/holiday lettings (STLs) and that local authorities make full use of their ability to limit new STLs in areas where the growth in such lettings is proving detrimental to the community.**

### Further Changes?

Other policy changes have been suggested to the Commission, including banning sales of new accommodation as second homes. This measure is being tried in St. Ives, Cornwall. Caution will be needed with such a policy: it could have the impact of creating a dual housing market of new homes and of existing homes which would simply inflate the cost of older homes and accelerate the undesirable dynamic of hollowing out particular communities.

Similarly, there will be wider consequences of limiting the number of non-primary residencies (e.g. in Switzerland this ratio is set at 20%)<sup>49</sup>. In Wales, councils have the power to increase Council Tax up to 300% for second homes. Policies of these kinds require robust analysis of potential impacts, including the effects on the tourist industry. Such analysis could be part of the role of the proposed Devon Housing Intelligence Unit. Ultimately, the issue is not about reducing the level of tourist accommodation but in ensuring there are sufficient homes for Devon's own communities.

49 Hilber, C., and Schoni, O. (2020). 'On the economic impacts of constraining second home investments', *Journal of Urban Economics*, 118: 103266. Available at: <<https://doi.org/10.1016/j.jue.2020.103266>>. [Accessed, 20/06/2024].

# Chapter Three: Cities and Coastal Towns

This chapter explores the city of Exeter and the coastal towns of Ilfracombe and Torbay, where the Commission has visited to see some of the challenges and opportunities that these settlements have.

## 3.1 Exeter

Exeter is the largest city in the areas covered by this report and has a tightly constrained geographic boundary, neighbouring Teignbridge, Mid-Devon and East Devon. It has long been considered the county capital and has the strongest economic performance in Devon, being ranked third in the country in PWC's Good Growth for Cities Index in 2023<sup>50</sup>. It has a population of around 131,000, including up to 25,000 students and has seen population growth of 11% in the last thirteen years.

The success of Exeter as a city and its population growth has led to a high demand for housing. Currently, Exeter has around 2,300 people on its housing waiting list and has identified a need for 14,124 homes over the next twenty years. Exeter City Council is a stock holding authority with 4,800 homes within its Housing Revenue Account (HRA) and it loses around forty of these each year to Right to Buy. Having its own housing stock has allowed Exeter to embark on an ambitious retrofit initiative (see Chapter Six). The lifting of the HRA borrowing cap has allowed Exeter to build a further seventy-five homes itself, with 112 more currently onsite.

In order to counter some of the losses through Right to Buy, and generate a self-sufficient income stream, Exeter City Living was formed in 2018 as a wholly owned subsidiary of Exeter City Council, which has delivered twenty-two homes with a further fifty-six scheduled by Spring 2025. The activities of Exeter City Living have now been wound down and we have referenced local housing companies in Chapter Seven.

To address the housing need in the city, a draft local plan is currently in development. The Exeter Plan moves Exeter's housing strategy to a firm

“brownfield first” position. Over 90% of the sites in the Plan (which allocates enough land for 5,270 new homes) are on brownfield land, a significant departure from previous delivery in and around the city.

To meet the housing need there must also be a close relationship with surrounding districts. For example, sites meeting some of the city's housing needs are to the South West of Exeter and at the new town of Cranbrook, which are in Teignbridge and East Devon respectively. Previous attempts by these local authorities to work closely together in a formal way, for example in the Greater Exeter Strategic Plan, have not been as successful as hoped. However, there is clearly a desire to work together across Exeter and its neighbouring districts and the recently developed strategy Our Shared Co-ordinates could act as strong foundation on which to build a collaborative approach. The Commission is highly supportive of collaboration in this way and hopes that the proposed CCA arrangements may help with a strategic approach in this area.

Brownfield development is complicated and requires a close partnership approach with landowners, developers and the local community to be successful. Liveable Exeter was formed in 2019 to assist in Exeter's brownfield strategy, which the City Council describe this as “an ambitious city-making initiative to transform previously developed land, build new homes in the city as part of high-quality developments, strengthen existing communities and create healthy and vibrant new neighbourhoods.”<sup>51</sup> Liveable Exeter brings together a Place Board containing anchor institutions across the city to act as critical friends to the Council and the Commission recognises the importance of this type of partnership and encourages this approach.

50 PWC (2023). Good Growth for Cities Index. Available at: <<https://www.pwc.co.uk/government-public-sector/good-growth/assets/pdf/good-growth-2023.pdf>>. [Accessed 20/06/2024].

51 Exeter City Council evidence submission to the Commission.



In Exeter, as in other areas of the country, there has been a sharp increase in homelessness. Around thirty-three families per week present themselves as homeless in the city and rough sleeping has increased by around 25% since 2022. There are now on average twenty people sleeping rough on the streets of Exeter every night. Exeter has seen its need for temporary accommodation double over the last three years. There are currently 350 bed spaces available across the city for single homeless people and a need has been identified for a further ninety-five<sup>52</sup>. The Commission is pleased to see Exeter has adopted a five year Homelessness Prevention Strategy looking at adding new housing, increasing support services and encouraging early intervention with vulnerable families.

### 3.2 Student Accommodation in Exeter

“I’ve rented in Exeter for over twenty years, I’ve been on the council’s waiting list that long too. Just because I work doesn’t mean I can afford to house myself comfortably. I’ve never known it so hard to find somewhere to rent in Exeter. The rents are more than half my wage packet. Every time housing gets built it’s always for students these days. It’s not right.” – ID 272

Rapid house price rises in Exeter were noted in the opening chapter and, for some, the growth in the size of the university has been a cause of this. On the other hand, student representatives have highlighted struggles with the cost of living with high rents being a key concern of students in the city.

A report by the Higher Education Policy Institute (HEPI)<sup>53</sup> on student housing has highlighted the increasing cost of student accommodation. The report focused on ten representative cities across the UK, one of these was Exeter. The report shows that between 2020/21 and 2023/24 there has been a 16% increase in the cost of student rental in Exeter

in Purpose Built Student Accommodation i.e. student halls; this is the second steepest increase of the cities included. The average rent in Exeter for this type of accommodation is now £8,559 a year. The report cites rising energy costs, amongst other cost pressures, as the cause of these increases, as well as providers trying to recoup the revenue lost during COVID. HEPI sums up the current student housing market thus:

“Both private and university providers are generally responding to demand and, in the main, seek to be fair to students. Notwithstanding this assessment, in most locations, the outlook is bleak for providers and the students they house.”<sup>54</sup>

The average maintenance loan now barely covers the cost of accommodation. Despite this, there is currently no evidence that the cost of accommodation is influencing student decisions as to where to study. However, research by the University of Exeter Students’ Guild has highlighted that one in five students has considered leaving higher education because of the cost of living. Exeter students are increasingly feeling the impact of the rising cost of living, with many attributing a decline in academic performance to increased pressures based on the cost of living. It is reasonable to assume that students who are most financially vulnerable going into university will be seeing the greatest impact. In a verbal report the Students’ Guild highlight increased cases of student homelessness<sup>55</sup>.

The HEPI report highlights that the biggest driver of these increases in cost is local housing shortages. In this sense, challenges in the student housing market are simply an expression of the wider housing crisis. Recent data produced by PWC and Student Crowd<sup>56</sup> suggests that whilst the number of students in the UK has increased by 400,000 since 2019, the number of student houses available has fallen by 19,000, around 95,000 bedrooms. Meanwhile, the supply of new Purpose Built Student Accommodation nationally has not been enough to meet demand.

51 Exeter City Council evidence submission to the Commission.

52 Exeter City Council evidence submission to the Commission.

53 HEPI (2023). Student accommodation costs across 10 cities in the UK: Cost pressures and their consequences in Purpose-Built Student Accommodation. HEPI Report 166. Available at: < <https://www.hepi.ac.uk/wp-content/uploads/2023/10/Student-accommodation-costs-across-10-cities-in-the-UK.pdf> >. [Accessed 20/06/2024].

54 HEPI (2023). Student accommodation costs across 10 cities in the UK: Cost pressures and their consequences in Purpose-Built Student Accommodation. HEPI Report 166. Available at: < <https://www.hepi.ac.uk/wp-content/uploads/2023/10/Student-accommodation-costs-across-10-cities-in-the-UK.pdf> >. [Accessed 20/06/2024].

55 Exeter Students’ Guild. (2024). Cost of Living Report - University of Exeter Data. Available at: < [https://cdn.prod.website-files.com/61a79279a92cd67f7b6019ac/6657228f9e379a784e9f09b8\\_Cost%20of%20Living%20Report%20-%20University%20of%20Exeter%20Data.pdf](https://cdn.prod.website-files.com/61a79279a92cd67f7b6019ac/6657228f9e379a784e9f09b8_Cost%20of%20Living%20Report%20-%20University%20of%20Exeter%20Data.pdf) >. [Accessed 20/06/2024].

56 Malone, M. (2023). ‘Existential housing crisis at UK universities leaving students struggling, says NUS’, Sky News, published 23 December. Available at: < <https://news.sky.com/story/existential-housing-crisis-at-uk-universities-leaving-students-struggling-13035841> >. [Accessed 20/06/2024].



A PWC report on the student rental market makes several recommendations for HE providers wishing to proactively intervene in the student rental market:

A) Universities working together and with their local authorities: there are already some very positive examples of this starting to happen, for example the ‘Nottingham Student Living Strategy’<sup>57</sup> which seeks to collaborate on additional provision as well as address consistency in quality across the city.

B) Universities partnering with the private sector: it is possible for private sector capital to be used to support universities to improve the quality and environmental credentials of their student accommodation. There is also an opportunity for universities and private investors to collaborate on finding ways to identify and develop affordable Purpose Built Student Accommodation beds, with a view to creating a balanced mix of stock.

C) Reimagining the HMO market: if regulatory changes are pressuring traditional HMO landlords into other routes, there may be an opportunity for private investors or universities to consolidate HMO properties into a portfolio which offers economies of scale in operations and the potential for creating a more consistent, higher quality offering as well as a stronger community for the students.”<sup>58</sup>

The University is a large employer in the city and wider county with significant economic impact. In Exeter, research by Oxford Economics has suggested that the

university is responsible for over £800 million in spending and supporting 9,750 jobs in the city. Across the whole of Devon, the University accounts for 2% of total GDP and 3% of employment<sup>59</sup>.

As well as this economic impact, there are consequences for the housing market. In our call for evidence, although we did not ask directly about it, there were several responses that noted the increasing challenge of finding a place to rent or buy in the city and highlight the tension between building to meet student demand and building for permanent residents:

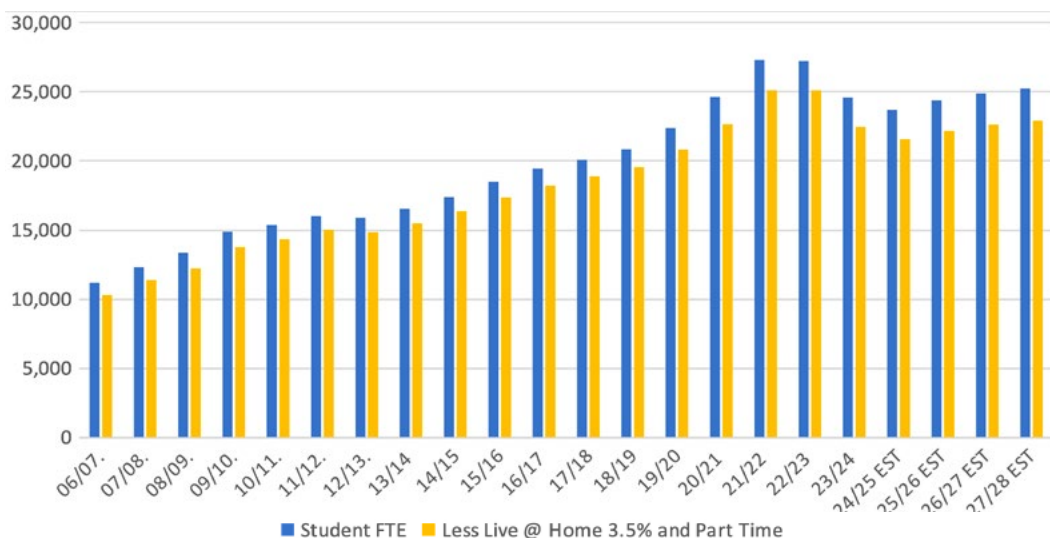
“In Exeter, most building plots near the centre have been used by university accommodation; this would have been better used for workers.” – ID 296

Like the tourism sector, the university’s business model brings people to the county on a temporary basis and these people need housing. Whilst the economic and wider social impact of the university is significant this comes at the expense of increased housing pressure in the city.

### 3.2.1 Student Numbers

Figure 3.1 shows the significant increase in the size of the university since 2006/07. According to the 2021 census Exeter has a population of around 130,000; this means that the student population of Exeter constitutes around 20% of the total population which suggests the significant impact of the student population on the city’s housing.

Figure 3.1: student numbers in Exeter<sup>60</sup>



57 Nottingham City Council. Nottingham Student Living Strategy. Available at: <<https://committee.nottinghamcity.gov.uk/documents/s150617/Appendix%20A%20%20Student%20Living%20Strategy.pdf>>. [Accessed 20/06/2024].

58 PWC (2023). Student accommodation: Availability and rental growth trends. Available at: <<https://www.pwc.co.uk/industries/government-public-sector/education/student-accommodation-availability-and-rental-growth-trends.html>>. [Accessed 20/06/2024].

59 Oxford Economics (2022). The Economic Impact of the University of Exeter. Available at: <[https://www.exeter.ac.uk/media/universityofexeter/aboutusresponsive/documents/economicimpact/The\\_Economic\\_Impact\\_of\\_the\\_University\\_of\\_Exeter.pdf](https://www.exeter.ac.uk/media/universityofexeter/aboutusresponsive/documents/economicimpact/The_Economic_Impact_of_the_University_of_Exeter.pdf)>. [Accessed 20/06/2024].

60 Data provided by the University of Exeter.

### 3.2.2 Purpose Built Student Accommodation

The extent of the impact of student housing on the wider housing market has to take into account the accommodation available. Between 2006 and 2022 9,065 beds in purpose-built student accommodation have been delivered in Exeter by both the university itself and private providers with a further 2,334 proposed<sup>61</sup>. Whilst a significant amount of these are on the university's campus the majority are at various locations in the city. Whilst these numbers are impressive and do demonstrate the strong working relationship between the university and the city council, the number of new beds delivered does not keep up with the growth in student numbers. We must also acknowledge that as the majority of these new beds have been delivered off campus they are at the expense of those sites being used for homes for residents. Exeter City Council note in their submission to the Commission that in the academic year 2023/24 not all of this of this purpose-built accommodation was occupied<sup>62</sup>. Reasons for this have been suggested, including the cost, the desire for UK students to live in a more traditional shared house and the rapid growth in bed spaces, a situation noted in our call for evidence.

“We have a huge number of students needing to be housed in the city. Although there is an enormous amount of property provided for students that are specific for them, they choose to live in rented houses which drives up rental costs and reducing the amount of homes for the local long term community.” – ID 379

The Commission agrees with the city council that this should be closely monitored when looking at how best to meet the housing need when sites do become available in the city centre.

### 3.2.3 HMOs

Nationally, HMOs have accounted for around a third of student housing, however, the number of HMOs is falling. Sales by Landlords of properties have outstripped purchases each year since 2016<sup>63</sup>, reducing the number of properties available to rent and this would include some HMOs. Whilst this will have increased supply in the owner-occupier market, the student market is more highly dependent on the rental availability. Exeter appears to be following this trend.

Table 3.1 shows dwelling types for 2011 and 2021 census for shared or converted houses or bedsits in Exeter. We cannot tell from this data the proportion of these dwellings that are primarily student accommodation but we do know that students living outside of University Halls of Residence will be actors in this market. The data suggests that the use of this type of accommodation has reduced in the city.

The decrease in supply can be caused by landlords 'leaving the market' i.e. the dwelling is no longer available as shared accommodation, or it could imply that the market for student housing is moving away from this type of accommodation and into purpose-built student accommodation. However, in Exeter, despite the large-scale development of purpose-built student accommodation the increase in the number of students has outpaced this development which would imply a greater demand in the privately rented market at a time of decreasing supply.

**Table 3.1: residents living in shared accommodation in Exeter, 2011 and 2021 censuses**

	2011: Shared House, converted house, bedsit	2021: Shared House, converted house, bedsit	Difference	Percentage Change
Exeter	3002	2375	627	21%

<sup>61</sup> Data provided by the University of Exeter.

<sup>62</sup> Evidence submitted by Exeter City Council

<sup>63</sup> Magnus, E. (2023). 'Why are more landlords selling their properties? We look at the four main reasons', This is Money, edited 31 August. Available at: <<https://www.thisismoney.co.uk/money/buytolet/article-12461431/Why-landlords-selling-properties-look-four-main-reasons.html>>. [Accessed 20/06/2024].



### 3.3.3 The Student Experience

The experience of being a student in Exeter and dealing with housing is a challenging one. Outside of the purpose-built student accommodation market which gives students more security and a more transparent process, several concerns were raised. The Commission has been told of annual HMO panic encouraged by local lettings agents where agents release property slowly, with the most expensive first, in order to create a sense of scarcity in the market. This drives students into property that is more expensive. We have also heard of landlords being encouraged by estates agents to increase students' rents. Stock condition is another concern with problems of damp and mould as well as rodent infestations. Students suffer the same issues that that affect anyone in the private rented sector except that, as they are younger and with less experience, can be more

easily exploited by unscrupulous practice. The Student Guild stressed that a lack of regulation in the sector means that the conditions in which students live can be detrimental to their health and prospects of success.

### 3.3.4 Co-Living

Recently, Exeter has seen the development of a number of co-living schemes. Although not always positively received by local people, the reasoning behind this type of development is sound. Co-living provides suitable accommodation for young people, keyworkers and graduates in the hope of retaining their skills and talents in the city whilst mitigating the issues with HMOs. The first scheme of this type opened in 2023 and there are more planned. It will be important to monitor the effectiveness of these developments over time.



### 3.4 Ilfracombe

The Housing Commission visited North Devon early in the evidence gathering sessions. North Devon has a joint local plan with Torridge and they work together to deliver on the housing need across the north of the county. Along with the learning about some issues that other areas of Devon face, such as second homes and holiday lets, the Commission visited the town of Ilfracombe to understand how housing challenges affect a remote coastal town.

Ilfracombe is set in a stunning coastal geography and is a popular holiday destination which, as highlighted in our call for evidence creates problems:

“In places like Ilfracombe tenants are on a merry go round of one Section 21 [no fault evictions] after another as their winter let is then used as a summer holiday let. Households need housing stability to access permanent employment, for their children to stay in the same educational establishment and progress and for them to establish a support network... Towns like Ilfracombe which have an economy based on the tourist sector, need holiday accommodation but we need balance. Holiday accommodation should be of the type that is well regulated and monitored so as to control the number and type of lets and to maintain good standards... Unregulated holiday lets and second homes are blighting towns like Ilfracombe meaning that local people struggle to find affordable housing. We have had record numbers in temporary accommodation and local businesses struggle to recruit and retain staff who cannot find housing or who have been given a Section 21.” – ID 335

But the town has other challenges too. It has the lowest life expectancy in Devon, the highest rate of long-term unemployment and the highest rates of deprivation<sup>64</sup>. Research by Agarwal et.al.<sup>65</sup> highlights the role that poor quality housing plays in multiple deprivation in coastal communities. Ward<sup>66</sup>, using Ilfracombe as a case study explores the role of housing in quality of life in more detail, focusing on HMOs in seaside towns.

Ilfracombe shares a housing legacy with other British seaside towns: former hotels and guesthouses that now serve as HMOs. Ward’s interview data highlights how people move to Ilfracombe to live in an HMO because they are relatively more affordable than elsewhere in Devon. Landlords are willing to accept those in receipt of housing benefit and that housing benefit covers the cost of rent, something uncommon in large parts of the county. Residents across Devon have migrated towards Ilfracombe because this is where they can afford to live. However, this dynamic also traps people. Because of the relative weakness of the labour market and its seasonality, opportunities for residents are limited, especially where there is a reliance on public transport. Concerns about unreliable public transport were a particular issue for those with childcare responsibilities. Those interviewed also highlighted the poor quality of this type of housing. Ward describes the situation as one that creates a “geography of exclusion” which both causes and exacerbates the social and economic exclusion of already vulnerable people. Ward argues that HMOs are key to this dynamic, trapping people into poor employment and life outcomes.

Ward’s study highlights the need for interventions that improve the life chances of those who are trapped in poor quality accommodation. Blackpool has faced similar problems and has been the focus of specific government funding. Blackpool Council is bolstering enforcement activity, investing in staff resources to ensure that landlords are not able to exploit the surfeit of large Victorian guest houses to set up new, poor-quality HMOs. The Council is using selective licensing to raise the funding for proactive enforcement.

<sup>64</sup> Evidence provided by North Devon District Council.

<sup>65</sup> Agarwal, S., Jakes, S., Essex, S., Page, S., and Mowforth, M. (2018). ‘Disadvantage in English seaside resorts: A typology of deprived neighbourhoods’, *Tourism Management*, 69: pp440–459. Available at: <<https://doi.org/10.1016/j.tourman.2018.06.012>>. [Accessed 20/06/2024].

<sup>66</sup> Ward, K.J. (2015). ‘Geographies of Exclusion: seaside towns and Houses in Multiple Occupancy’, *Journal of Rural Studies*, 37: pp98–107. Available at: <<https://doi.org/10.1016/j.jrurstud.2014.10.001>>. [Accessed 20/06/2024].

### 3.5 Torbay

Torbay, known as the English Riviera, is famous for its coastline, and has some of the best beaches in the UK. As a result, it is also an area heavily dependent upon tourism, having grown in popularity as a holiday location during the twentieth century. Torbay is a small unitary authority and a key partner of the proposed Combined County Authority. House prices have increased greatly but local wages have not kept pace; unsecured private rented accommodation is the highest proportion of tenure of anywhere in Devon and well above the England average; and the amount of social housing is half the national average and, at 8% of the total, is the lowest in the South West region (see Chapter One). Torbay has also seen an increase in homelessness and the need for temporary accommodation<sup>67</sup> and is not currently building enough homes of any tenure to meet the needs identified (see Chapter Seven).

However, Torbay Council has an ambitious programme to regenerate areas of Torquay, Paignton and Brixham. Government has recognised this and Torbay has seen significant investment across a number of funding streams to assist in schemes that aim to regenerate transport links, town centres, flood defences and the cultural life of the area. Much of this regeneration includes new homes to meet the needs of young people, vulnerable people and older residents requiring more support. The Commission noted that for these schemes to be successful, support from agencies such as Homes England will be necessary. The Commission hopes that this continues beyond Homes England's current round of funding.

Whilst Torbay remains a popular location for holidaying visitors, the types and volume of holidays taken has changed significantly in recent years. This has led to a surplus of small hotels and bed & breakfast-style accommodation all now competing, along with the emerging holiday let sector, for a reduced number of visitors. As a result, it is not uncommon for owners of such businesses to be forced to scale back on investment in their properties, sell-up, or seek a change of use to HMO-style accommodation at the lower quality end of the housing market.

To combat this decline, Torbay Council has bid for, and been allocated, three million pounds of capital from government, via the Levelling-Up

Partnership, to devise and trial an innovative new scheme to acquire and convert dilapidated and run-down hotels and bed and breakfasts into new, high-quality homes for social rent. The idea is straightforward: remove poor quality, or dilapidated leisure accommodation from the market, to provide homes that local families and key workers really need, drive economic growth and help kick-start wider regeneration of these important towns. Delivery, however, is complicated: whilst there are many former hotels and bed and breakfasts available to purchase, converting them is not straightforward, and it is made harder by often poor-quality post-war extensions to what would have originally been attractive Victorian or Georgian villas. Furthermore, the presence of asbestos and other hazardous building products as well as the complications that arise from converting old buildings that were never intended to be used in this way, add to the complexity.

The funding noted above will be used by the Council as seed funding to get projects off the ground and prevent costly borrowing that significantly hampers financial viability. Through a combination of bidding for Homes England grant funding, along with development finance and sales receipts, the model is for the Council to recycle the original grant into the future and create a self-funding investment programme for social housing that can deliver sustained growth and regeneration in Torbay, rather than a one-off investment and building conversion. This is an exciting model; if Torbay Council can prove its success, it has potential to be replicated throughout other seaside locations in Devon, the South West, and England more widely. The Commission hopes that this initiative is successful and can be replicated further in Torbay and to wider areas.

**Recommendation 3.1: The Commission recommends that Homes England recognises the special circumstances faced by some of our rural areas and coastal communities and calls on the agency to develop robust strategies to support them accordingly.**

<sup>67</sup> Evidence submitted to the Commission by Torbay Council.







# Chapter Four: Devon's Demography, Housing for Older People

This chapter will consider the housing needs of older people. Devon, like England, has an ageing population but in Devon this is more advanced. The ageing population has an impact on the distribution of housing across ages which has broader implications for the wider housing market.

Living in appropriate accommodation can enhance quality of life as people age and whilst home adaptation and retrofitting may be suitable for many<sup>68</sup>, others will benefit from moving into specialised accommodation. The 2023 Chief Medical Officer report, *Health in an Ageing Society*, highlights the built environment as a key factor in the promotion of health in older people. The report argues that we know which areas of the country are older now and we can predict (fairly reasonably) what the age profile of these areas will be in twenty years. Those areas, which include Devon, need to be proactively planning for an older population:

“Since the geographical concentration of older adults is so clearly and predictably going to be in certain parts of the country, we need to improve the infrastructure for older adults and others with disability rapidly in those areas. This includes transport, access to places of leisure and exercise, and housing. Much of the housing stock is designed for younger families rather than older adults, who sometimes live alone. It will be considerably easier to plan and build for this future of a predictable heavy concentration of older adults in particular geographical areas if we do it now, rather than trying to retrofit at scale later.”<sup>69</sup>

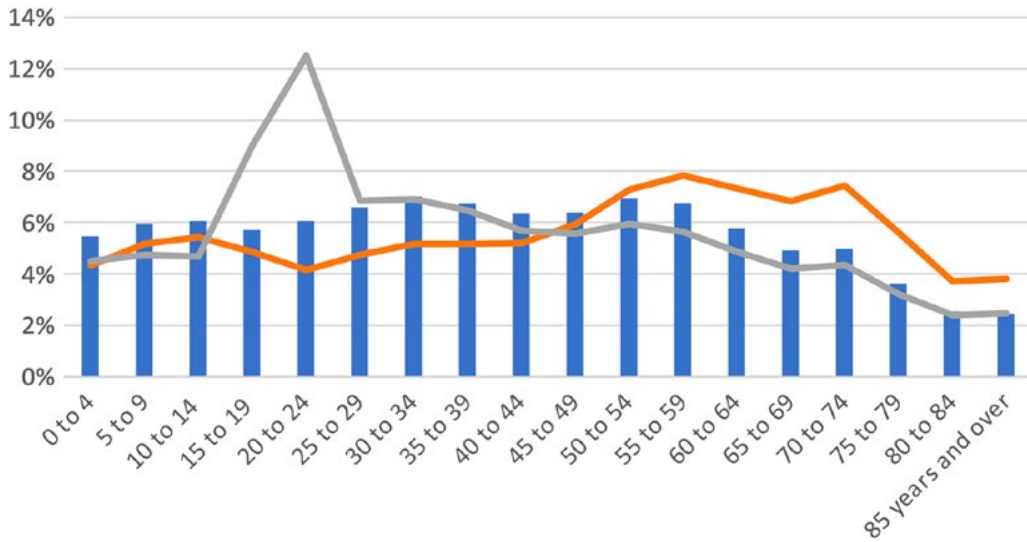
## 4.1 Devon's Demographic Challenge

Devon has a distinct demographic profile compared to England. This first section of this chapter will explore Devon's demography and some of the causes of this distinction. Figure 4.1 shows the age profile of Devon, broken down into Exeter and the rest of the county, compared with England. The presence of a large university in Exeter gives it a distinct profile that warrants separate consideration. Devon has proportionately fewer younger people, particularly in their twenties compared to England, and many older people. Exeter, with its university, has a large spike in the proportion of people in their early twenties, but then broadly tracks the national trend.

68 The Good Home Inquiry. (2021). *Good Homes For All: A proposal to fix England's housing*. The Centre for Better Ageing, published September 2021. Available at <<https://ageing-better.org.uk/sites/default/files/2021-09/good-homes-for-all-a-proposal.pdf>>. [Accessed, 20/06/2024].

69 Whitty, C. (2023). *The Chief Medical Officer's Annual Report, 2023: Health in an Ageing Society*, updated 16 November. Available at <<https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2023-health-in-an-ageing-society>>. [Accessed, 20/06/2024].

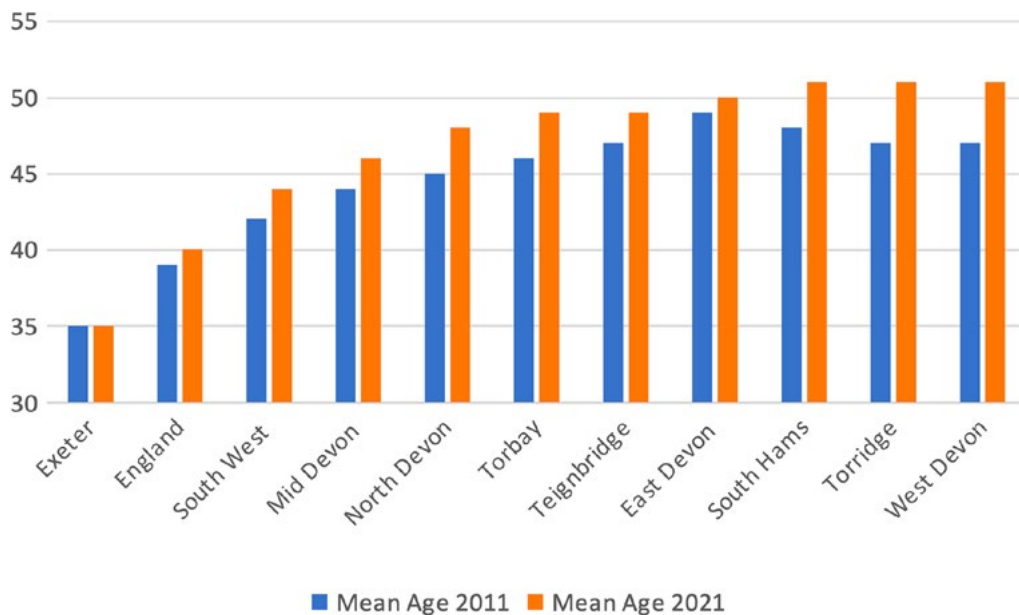
Figure 4.1: Devon’s age profile. 2021 Census



This distinction is clear in the average age of Devon’s local authority areas and became more pronounced in the decade from 2011 to 2021, as shown in Figure 4.2. The average age in England at the 2021 census was forty. Apart from Exeter, all

local authority areas in Devon are significantly above this average, from Mid Devon with an average age of forty-six, to South Hams, Torridge and West Devon all with an average age of fifty-one.

Figure 4.2: average age. 2011 and 2021 Censuses



Devon is also ageing at a faster rate than the rest of England. The average age in England increased by one year between the census of 2011 and the census of 2021 whilst, apart from Exeter (with no increase) only East Devon increased in line with the England average. The presence of the Cranbrook development has kept the rise in average age in East Devon in check: Cranbrook is a new town with a very low average age which impacts the overall East Devon profile. The average age in the Cranbrook ward in 2021 was twenty-nine compared to the average age of fifty in East Devon as a whole, making Cranbrook the “youngest ward” in the county. East Devon, with four of the top ten oldest wards, includes Sidmouth town which, with an average age of fifty-nine, is the oldest in Devon.

Devon’s population is older than England’s, but, crucially, it is also ageing at a faster rate. It is important to understand what is driving this before exploring the impacts on housing. Figure 4.3 shows the proportion of population growth in Devon’s local authority areas compared to England and the South West between 2012 and 2020. During this period, the overall population of Devon rose at a faster rate than England and the South West, with the East Devon and Exeter populations increasing at the highest rate. This can be attributed to the growth of the university in Exeter during this period (see Chapter Three) as well as developments such as Cranbrook.

**Figure 4.3: population growth 2012 to 2020<sup>70</sup>**

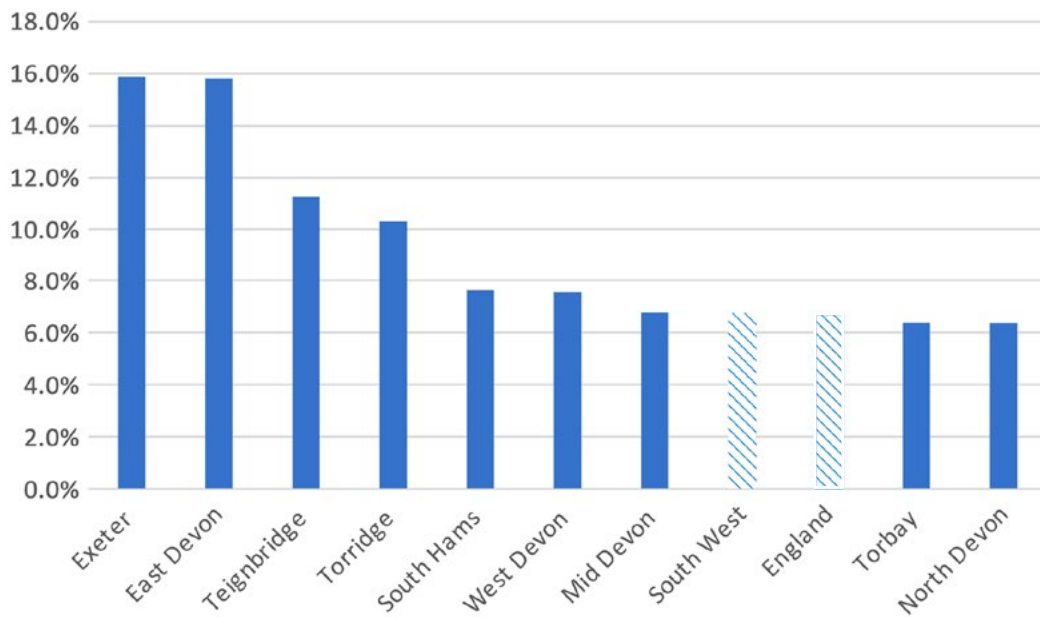
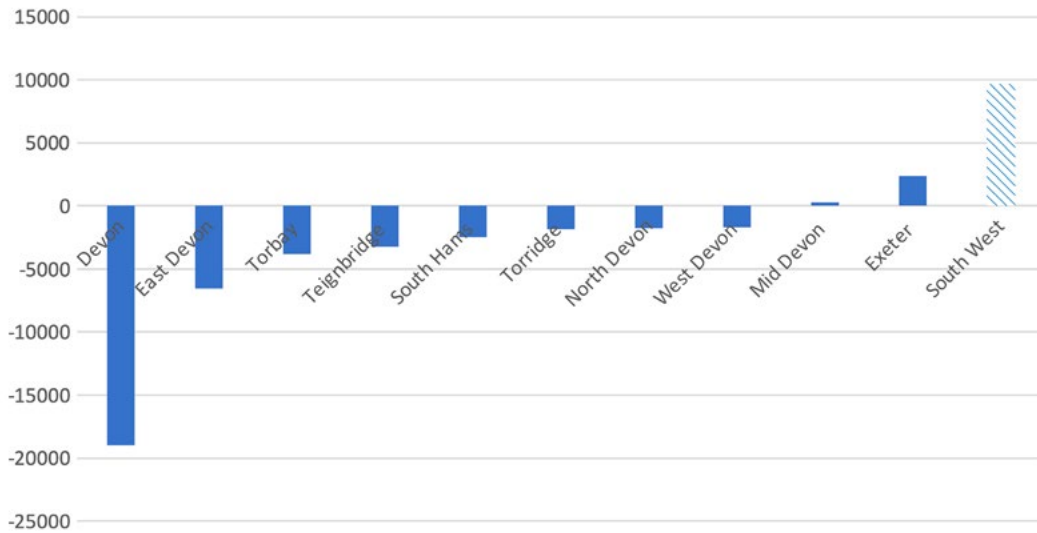


Figure 4.4 shows natural population change through births and deaths from 2012 to 2020. In all areas apart from Exeter, the number of deaths exceeds the number of births. Devon appears to

have reached a point where an ageing population precipitates population decline. However, despite this, Devon’s population is increasing at a faster rate than England.

<sup>70</sup> Office for National Statistics (ONS), released 26 March 2024, ONS website, dataset, Estimates of the population for the UK, England, Wales, Scotland, and Northern Ireland. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>>. [Accessed, 20/06/2024].

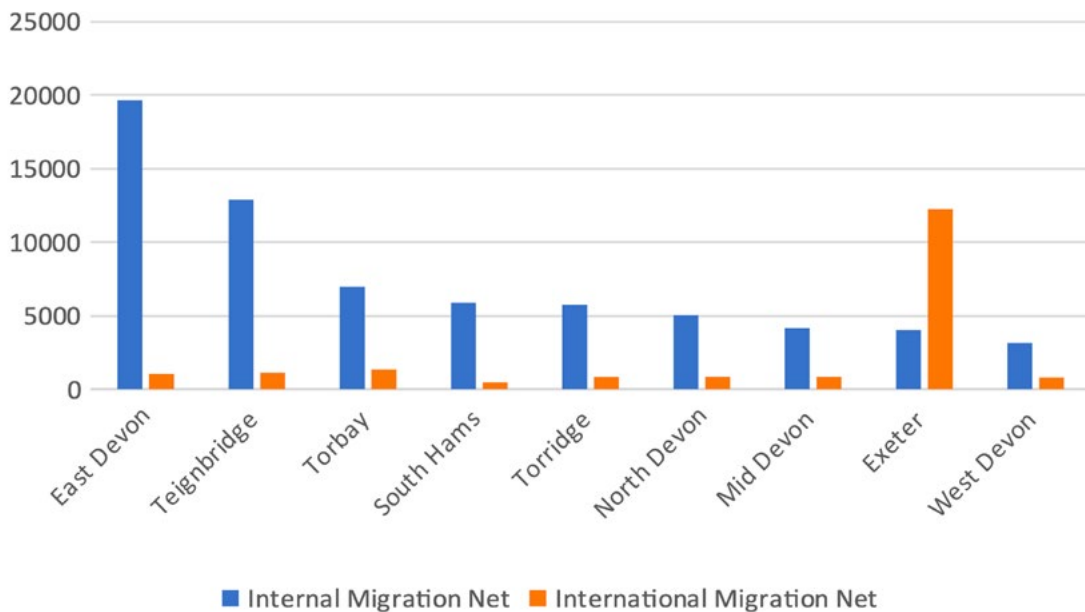
Figure 4.4: births minus deaths 2012 to 2020<sup>71</sup>



The reason for this apparent paradox is found in the migration data, as seen in Figure 4.5, which shows the internal and international migration during the same period. Devon has significant internal migration (i.e. migration from elsewhere in

the UK). Only Exeter has significant international migration and international students drive this. Without internal migration, Devon’s population would be shrinking.

Figure 4.5: internal migration 2021 to 2020<sup>72</sup>



71 Office for National Statistics (ONS), released 26 March 2024, ONS website, dataset, Estimates of the population for the UK, England, Wales, Scotland, and Northern Ireland. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>>. [Accessed, 20/06/2024].

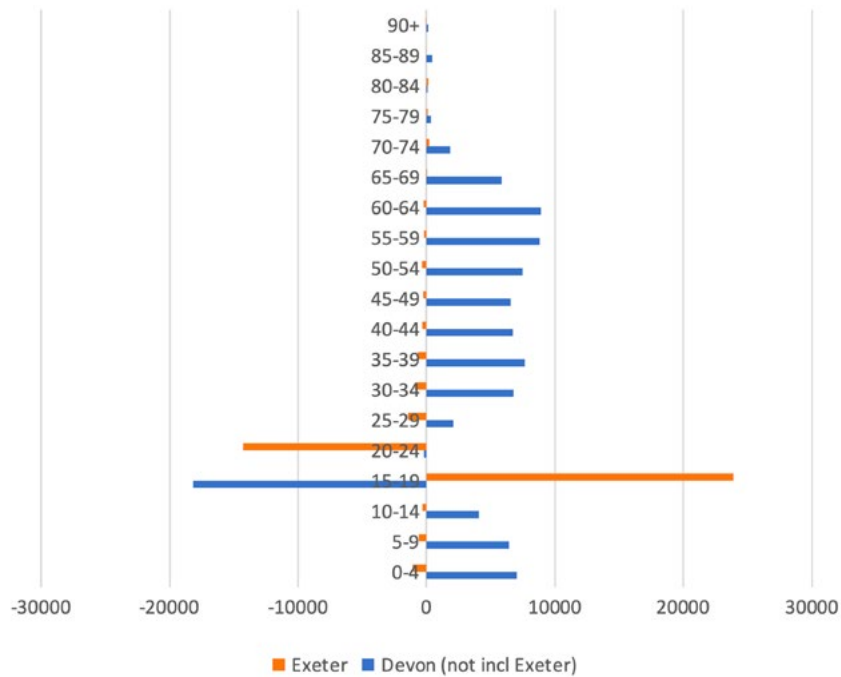
72 Office for National Statistics (ONS), released 1 December 2023, ONS website, dataset, Internal migration in England and Wales. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/internalmigrationinenglandandwales>>. [Accessed, 20/06/2024].



The age profile of Devon's internal migration reveals some of the housing challenges. In Figure 4.6, Exeter has been separated because of its distinct profile as a result of having a large university. Broadly speaking, across Devon young people leave and are replaced by older people. Significantly, the highest number of people moving into Devon are between the ages of fifty-five and

sixty-four, and it is this migration that explains why Devon's population is ageing at a faster rate than England's. Devon is attracting large numbers of people in their late career/early retirement. However, this trend tails off very quickly after seventy-four. Data on the origin location of internal migrants show that the largest gains are from London and the South East.

**Figure 4.6: ages of internal migrants 2012-2020<sup>73</sup>**



Devon's ageing population and high rates of inward internal migration of people in late middle age both contribute to the county's housing situation. The ageing population will also bring with it higher demands on health and social care services. As we highlighted in Chapter One, those on low incomes cannot readily afford to live in Devon. Areas with the highest average age also tend to have the smallest available labour markets and this has consequences for the recruitment of key workers, including social care workers where vacancy rates are high<sup>74</sup>. Without enabling younger people to live and work in Devon these recruitment challenges will increase.

It is uncertain what can be done about inward migration to Devon. People are free to move around the country and this is an important tenet of British life. Whilst local authorities in Devon can and do control access to social housing (whether owned by a local authority or a housing

association), the county has a relatively small amount of social housing. Planning authorities can include "local connection" policies to new development<sup>75</sup>, but this would have wider consequences. A dual housing market could be created that may inflate the value of houses not tied to a local connection test. This would provide developers with less incentive to build where local connection is required, and Devon relies upon private developers to deliver its housing. Devon may then become less attractive for people moving into the area for work which would impact productivity and economic development. The Commission has not had the resources to fully explore all these potential consequences and therefore does not recommend limiting access to new build private housing at this stage.

Another concern is the type of housing that is being built. As we reported in Chapter One, developers favour building larger properties,

74 Skills For Care. (2023). A summary of the adult social care sector and workforce in South West: 2022/23. Available at: <<https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/Regional-summaries/2023/South-West-22-23.pdf>>. [Accessed, 20/06/2024].

75 Cromarty, H., and Rankl, F. (2023). 'Can access to housing be restricted to local people?', House of Commons Library, published 14 November. Available at <<https://commonslibrary.parliament.uk/can-access-to-housing-be-restricted-to-local-people/>>. [Accessed, 20/06/2024].

believing that there is a market for them. In Devon, the demand for this sort of property, may be coming from the older, richer cohorts moving to Devon as well as second homeowners.

In our call for evidence, some respondents questioned the building of retirement properties:

“Stop building old people’s apartments which draws the elderly into this area to retire and start building apartments and housing for the young people already here.” – ID 124

The evidence does not seem to support this view. Only very small numbers move to Devon after the age of seventy-four, yet it is only those in their late seventies that, in general, move into specialised housing<sup>76</sup>. There is no evidence to suggest that building specialist housing, such as Extra Care, attracts internal migration. Given the very small amount of specialist housing that is delivered, developers do not appear to be targeting this market, but they do appear to be catering for people who can afford large houses – that is, people at the end of their careers, particularly from London and the South East.

## 4.2 The Impact of the Ageing Population on the Wider Housing Market

Before we look at the specific housing needs of older people, it is important to understand the impact of an ageing population on the wider housing market. In a series of reports, Professor Les Mayhew has examined this impact, and starts with an important point:

“The paradox, bearing in mind the UK’s much-discussed ‘housing crisis’, is that the current housing stock is, on paper, sufficient to meet today’s needs. In 2015, there were 28.3m housing units compared with demand from 27.4m households. The gap is accounted for by second homes and vacant properties.”<sup>77</sup>

Whilst England’s disjointed economic geography is a part of this picture, Mayhew examines a different factor:

“Under-occupancy, a feature of an ageing population, is as much of a problem as the shortfall in homes being built. If people lived in homes more suited to their needs, 50,000 fewer homes would need to be built each year.”<sup>78</sup>

Under-occupancy (having a house with an excess of two or more bedrooms) is a driver of the housing crisis because the rate of under-occupancy has been growing nationally. As the population is ageing, more people have large homes where their children no longer live. Often, this can present a burden in terms of energy costs, maintenance bills, etc.

For Mayhew, the housing crisis is one of a misallocation of property size, not just overall housing shortages. The ageing population is causing an increase in the overall number of households that is steeper than the increase in the actual population because the size of the average household is shrinking. Projecting current trends into the future, the expectation is for a rapid increase in one and two-person households: this is not reflected in current housebuilding<sup>79</sup>.

Nationally, on current trends, there will be a doubling of the number of spare rooms held by the older population, from 6.6 million to 12.8 million, between 2000 and 2040. This means potentially 20 million surplus bedrooms, a huge inefficiency in the allocation of scarce housing resources<sup>80</sup>. Building more age-appropriate housing, where space is better matched to needs and the design is adapted to age-related conditions enables “right-sizing”. This releases family homes with surplus bedrooms for the next generation. In the private market, it creates a chain effect that enables a series of moves that will assist first-time buyers. This process could help stabilise house prices or stem their increase. As Mayhew puts the case:

“Age-related housing still accounts for only a small fraction of total house building. UK-wide, 3.3m new homes have been completed since 2000, of which retirement housing only makes up about 2%. Given the pace of growth in the older population and the increasing under-occupation of homes, this highlights the gap in supply. Clearly, much more needs to be done.”<sup>81</sup>

76 Evidence provided by McCarthy Stone.

77 Mayhew, L. (2019). *The Last-Time Buyer: housing and finance for an ageing society*, London, UK: CSFI. Available at: <<https://www.thinkhouse.org.uk/site/assets/files/1883/csfi.pdf>>. [Accessed, 20/06/2024].

78 Mayhew, L. (2019). *The Last-Time Buyer: housing and finance for an ageing society*, London, UK: CSFI. Available at: <<https://www.thinkhouse.org.uk/site/assets/files/1883/csfi.pdf>>. [Accessed, 20/06/2024].

79 Mayhew, L. (2020). *Too Little, Too Late? Housing for an ageing population* London, UK: CSFI. Available at: <[https://www.arcouk.org/sites/default/files/Too%20little%20too%20late\\_\\_FINAL%20-%20June%20%202020\\_1.pdf](https://www.arcouk.org/sites/default/files/Too%20little%20too%20late__FINAL%20-%20June%20%202020_1.pdf)>. [Accessed, 20/06/2024].

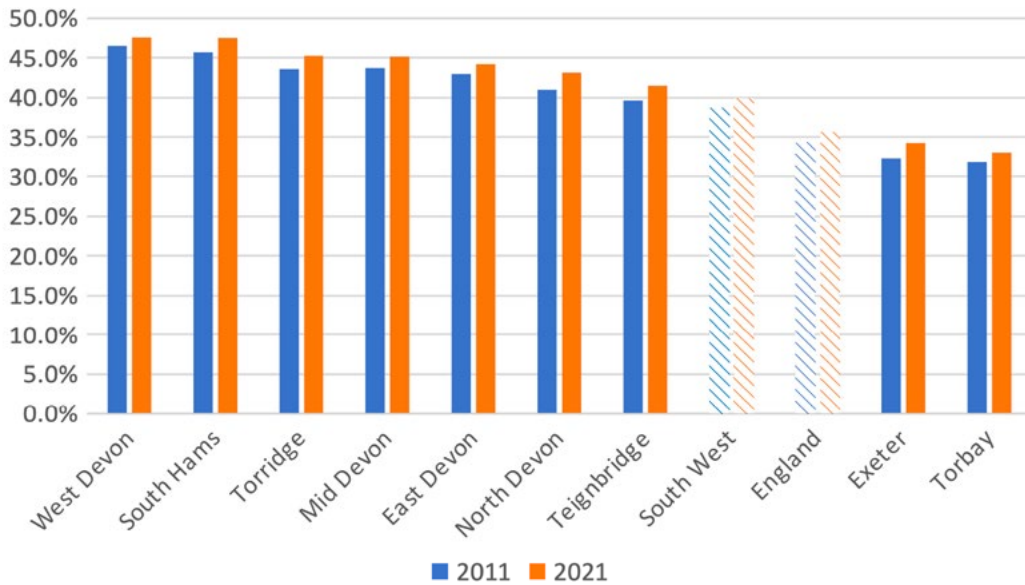
80 Mayhew, L. (2020). *Too Little, Too Late? Housing for an ageing population* London, UK: CSFI. Available at: <[https://www.arcouk.org/sites/default/files/Too%20little%20too%20late\\_\\_FINAL%20-%20June%20%202020\\_1.pdf](https://www.arcouk.org/sites/default/files/Too%20little%20too%20late__FINAL%20-%20June%20%202020_1.pdf)>. [Accessed, 20/06/2024].

#### 4.2.1 Under-occupancy in Devon

Census data for Devon shows that the county has higher rates of under-occupancy than England and the issue is particularly acute in rural areas. Figure 4.7 shows under-occupancy at the 2011 and 2021 censuses at the Local Authority level and

reveals that all non-urban districts in Devon have higher rates of under-occupancy than England as a whole. When we compare to the 2011 census, we can see the proportion of under-occupied homes has increased, but not dramatically given the ten year time frame.

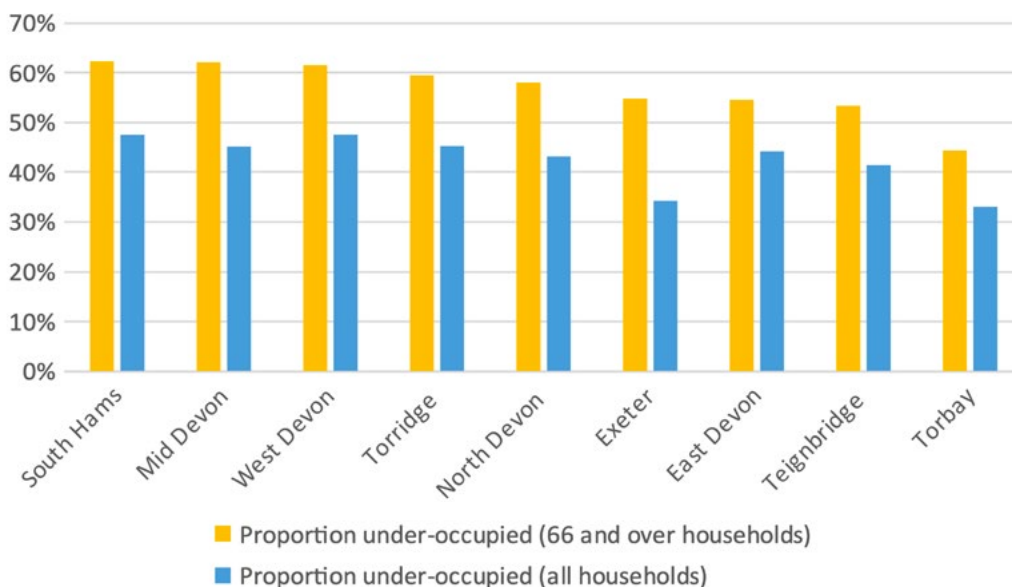
**Figure 4.7: under-occupancy (2+). 2011 and 2021 Censuses**



ONS analysis of the 2021 census suggests that households composed only of people over sixty-five years of age are significantly more likely to be under-occupied and Devon follows this trend, as

Figure 4.8 shows<sup>82</sup>. At the time of the 2021 census, there were a total of 68,389 households with all residents sixty-six or over with two plus under occupancy.

**Figure 4.8: under occupied houses in aged 66 and over households. 2021 Census**



81 Mayhew, L. (2020). Too Little, Too Late? Housing for an ageing population London, UK: CSFI. Available at: <[https://www.arcouk.org/sites/default/files/Too%20little%20too%20late\\_\\_FINAL%20-%20June%20%202020\\_1.pdf](https://www.arcouk.org/sites/default/files/Too%20little%20too%20late__FINAL%20-%20June%20%202020_1.pdf)>. [Accessed, 20/06/2024].

82 Office for National Statistics (ONS), released 25 August 2023, ONS website, Overcrowding and under-occupancy by household characteristics, England and Wales: Census 2021. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/overcrowdingandunderoccupancybyhouseholdcharacteristicsenglandandwales/census2021>>. [Accessed, 20/06/2024].

### 4.2.2 Adapted housing

In this section, we highlight the particular needs of the ageing population. Figure 4.9 shows that there are 2,904 homes in Devon where all the residents are over sixty-six years old and there is no central

heating. This is a substantial number of people who will be more likely to suffer from ill health due to their living conditions, creating extra pressure throughout the health and social care system. The bulk of these properties are owner-occupied.

**Figure 4.9: 66 and over households with no central heating. 2021 Census**

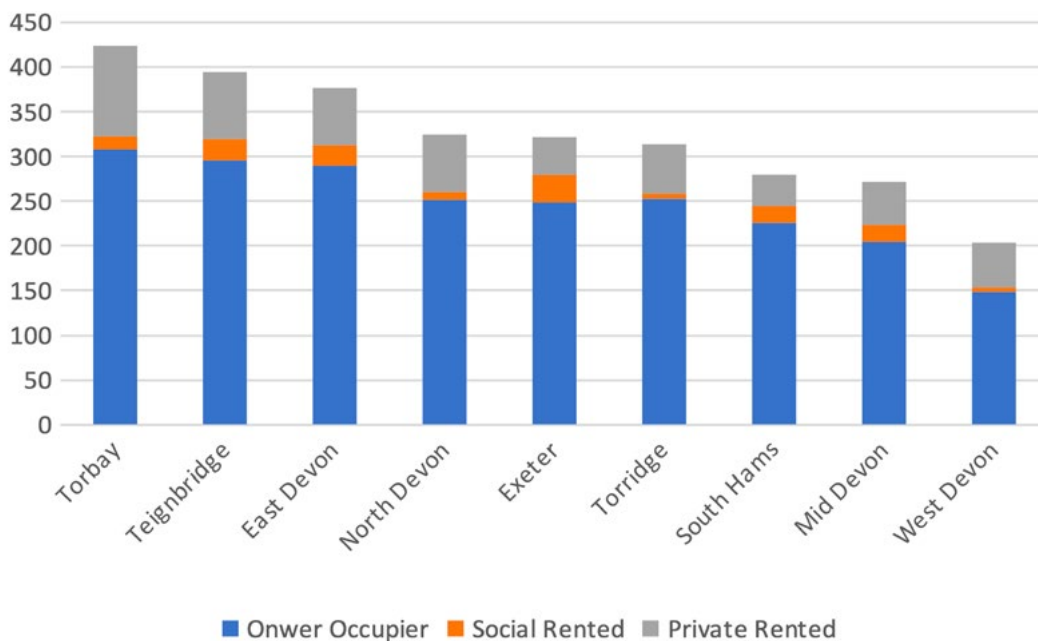


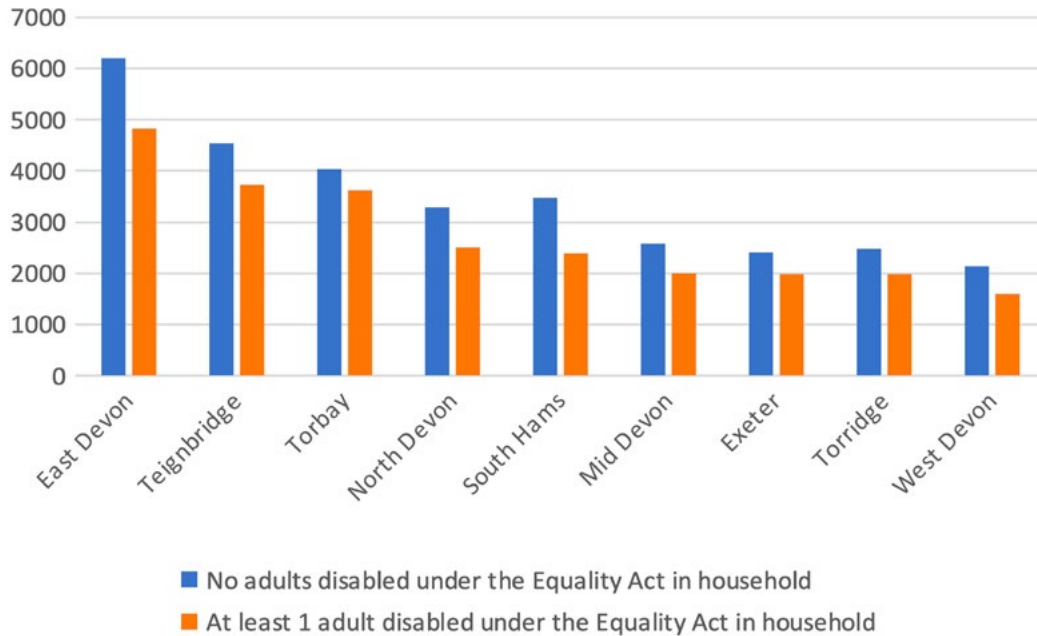
Figure 4.10 shows that 44% of households in Devon with all residents over the age of sixty-six have at least one person with a disability. This suggests there is a significant need for housing adaptations. Teignbridge District Council, for example, reported a significant increase (around 30%) increase in demand over the last few years for access to the Disabled Facilities Grant. The costs to carry out works have also risen alongside requests for significantly larger adaptations and this is creating budgetary pressure. The Government made the following recommendations in the People at the

Heart of Care: Adult Social Care Reform White Paper 1 that have not yet been taken forward:

- To increase the upper limit of Disabled Facilities Grants.
- To look at the way Disabled Facilities Grant funding is allocated to local authorities.
- To review the means test to align with social care charging.

The Commission hopes that these recommendations are progressed.

Figure 4.10: over 66 households who also have a disability. 2021 Census



Ageing comes with increased risk of disability. Devon's more rapidly ageing population (driven by the internal migration of older people), will be creating a predictable need in this area. The Commission has not looked in detail at this theme, but it recognises that planning for the predictable needs of the ageing population is essential. Devon needs to speed up efforts to retrofit homes to ensure that they are fit for habitation, particularly for older people but it must also ensure that systems for home adaptation are adequately resourced and supported (see Chapter Six).

#### 4.2.3 Specialised Housing for Older People

The development of specialised housing for older people, as well as alleviating pressure on the housing market, will produce cost-benefits for the NHS and local authority social care. When care needs are designed into specialised housing there are<sup>84</sup>:

- fewer GP and community nurse visits.
- fewer ambulance callouts.
- fewer unplanned hospital stays.

- less need for a move to residential care.
- less need for long-term care delivered at home.
- improved well-being and quality of life.

There are clear reasons why helping to develop specialised housing for older people is good for the individual; good for the health and social care system; and good for the wider housing market. This disconnect between the need for specialised housing for older people and the current housing stock was highlighted in some of the responses to our call for evidence:

“In my parish, we have many older couples and singles living in large, impractical homes because they don't want to leave the village but there are no smaller homes for them to buy. The smaller homes don't have to be bungalows as there are options for one-person lifts so that stairs are not an insurmountable issue. Affordable one or two-bedroom houses would free up larger homes over time.” – ID 170

There is some evidence to suggest that the allocation of sites for retirement properties has not been prioritised in Local Plans in England<sup>85</sup>.

84 Housing Learning and Improving Network. (2019). The health and social care cost-benefits of housing for older people, published June 2019: p2. Available at: <[https://www.housinglin.org.uk/\\_assets/Resources/Housing/Support\\_materials/Reports/HLIN-Mears\\_Demonstrating\\_cost-benefits\\_ECH.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/HLIN-Mears_Demonstrating_cost-benefits_ECH.pdf)>. [Accessed, 20/06/2024].

85 Irwin Mitchell. (2017). Two Thirds Of Local Authorities Failing To Prioritise Housing For Older People In Local Plans, published 24 July. Available at: <<https://www.irwinmitchell.com/news-and-insights/newsandmedia/2017/july/two-thirds-of-local-authorities-failing-to-prioritise-housing-for-older-people-jq-25948>>. [Accessed, 20/06/2024].



Similarly, Devon Local Plans often include references to the ageing population but with little or no direct policy or site allocations. Currently, few people downsize. Research suggests that whilst many people do not want to downsize because they do not want to leave the ‘family home’, a sizeable number would do if they could move into a smaller place within twenty-five miles of their current home<sup>86</sup>. However, a recent report on the UK pipeline of accommodation for older people shows that, although the pipeline is increasing, it is also concentrating on larger urban centres where larger economies of scale can be reached, implying that there will be a continuing gap in rural areas<sup>87</sup>.

Some of these issues were reflected in the responses to our call for evidence:

“I would like to be able to downsize (which would free up a larger house for a family), but it’s not easy to do this and Stamp Duty is quite a regressive tax on downsizing.” – ID 179

“Yes, we really need to move to a bungalow as myself and my wife have great difficulty climbing up the stairs.” – ID 177

“My wife is now disabled and ideally, we need to move to a bungalow on the level with a drive to park her mobility car... We need a level excess so

that she can also use her mobility scooter for local journeys. The problem is that there are very few bungalows on the market, and new ones are not being built or planned in local developments.” – ID 115

In Devon, there is a strong argument for a clear planning policy that encourages and enables the building of appropriate housing for older people in rural areas, in line with the recommendations of the rural housing report from the All-Party Parliamentary Group on Housing and Care for Older People<sup>88</sup>. An increase in the supply of age-appropriate housing for older people in rural areas would have two benefits: enabling better provision of care at home and more years of independent living, thus reducing pressure on health and social care; and freeing up larger properties for families, thus reducing pressure on the wider housing market.

The Commission would like to see targets introduced for the delivery of age-appropriate housing embedded into Local Plans. In 2015 Devon County Council produced a strategy for the delivery of Extra Care Housing using 2011 census data on the estimated number of over seventy-fives living alone with a limiting long-term condition. This method produced a conservative estimate but there was still a significant gap in delivery (see Table 4.1).

#### 4.1: Extra Care need in Devon districts (Devon County Council data)

	Delivered/ in progress 2015	Required: 2015	Required: 2033
East Devon	0	335	578
Exeter	50	151	252
Mid Devon	45	82	203
North Devon	0	167	296
South Hams	92	77	230
Teignbridge	50	195	388
Torridge	59	56	172
West Devon	50	42	129

<sup>86</sup> Legal and General. (2018). Last Time Buyers Report 2018, published 30 April. Available at: <<https://group.legalandgeneral.com/en/newsroom/our-research/last-time-buyers-report-2018>>. [Accessed, 20/06/2024].

<sup>87</sup> Knight Frank. (2023). Seniors Housing: Development Update, published Summer 2023. Available at: <[https://www.housinglin.org.uk/\\_assets/Resources/Housing/OtherOrganisation/Seniors-Housing-Development-Update-2023.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/Seniors-Housing-Development-Update-2023.pdf)>. [Accessed, 20/06/2024].

<sup>88</sup> Porteus, J. (2018). Rural Housing for an Ageing Population: Preserving Independence. All-Party Parliamentary Group on Housing and Care for Older People, Housing Learning and Improving Network, published April 2018. Available at <[https://www.housinglin.org.uk/\\_assets/Resources/Housing/Support\\_materials/Reports/HAPPI-4-Rural-Housing-for-an-Ageing-Population.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/HAPPI-4-Rural-Housing-for-an-Ageing-Population.pdf)>. [Accessed, 20/06/2024].

Delivery of age-appropriate housing is essential to tackle Devon's housing crisis. If just a fraction of the 68,389 households with all adults over sixty-five downsized, thousands of larger homes would be freed up for younger families.

Devon's ageing population highlights one of the dilemmas for housing policy. The older people who retire to Devon bring with them the proceeds of house sales (often from London and the South East), enabling them to purchase larger properties at the top of the market. A change of emphasis is required for Devon to address the housing needs of the current population, one that also makes it a place for younger people to live and work, including those in essential jobs that involve services and care for older residents.

Devon's particular circumstances, with increasing numbers of older citizens, requires the attention of all Devon's local authorities. Devon County Council and Torbay Unitary Authority with their responsibilities for adult social care, will need to plan ahead, in partnership with the District Councils. In some areas, the county authority has allocated sites in its ownership (including redundant care homes), for Extra Care and assisted living developments. Devon could look to other regions for best practice; for example, North Yorkshire has facilitated housing associations building some thirty new Extra Care schemes to meet the needs of older people.

Planners can include clear requirements for older people's housing in their Local Plans. All major developments can be obliged to include a proportion of new homes specifically designed for older people.

Use of positive planning following an assessment of need, can lead not only to older people vacating larger homes (with a chain reaction through the property market and with the freeing up of precious social housing for the next generation), but can achieve substantial savings for care budgets and the NHS.

**Recommendation 4.1: The Commission recommends that Local Plans should specify a requirement for older people's housing (perhaps 10% of strategic developments) and should allocate suitable sites for such schemes.**

**Recommendation 4.2: The Commission recommends that, to help older people to 'right-size', government should create an exemption from Stamp Duty for homebuyers over pension age, as for first-time buyers.**







## Chapter Five: Supported Housing and Temporary Accommodation

At the sharpest end of housing shortages, there are the households with nowhere to go: those sleeping on the streets; those with special support needs; those whom local authorities must place in temporary accommodation.

## 5.1 Homelessness

Street homelessness, when housing need is often combined with other complex needs, such as addictions and mental ill health, affects Devon as elsewhere. As noted in Chapter Three, Exeter City Council highlighted a 25% rise<sup>89</sup> in rough sleeping since 2022 to on average twenty people per night.

While the international population movement of migrants is not a major feature of Devon's demography, resettlement of refugees from Ukraine and Afghanistan has created higher demand for temporary accommodation. We note that Exeter, and other Devon councils, are working with homelessness charities to ease the plight of those affected.

Rural homelessness is often an unseen issue, this was addressed by English Rural Housing Association in a session with the Commission. Lack of educational opportunities, low paid and often seasonal employment, constrained welfare provision, cuts to local authorities, along with high house prices and poor public transport are all drivers of rural homelessness. These issues are then compounded by a chronic lack of services to support homeless people in rural areas. At a practical level, this could be access to a launderette in which to wash clothes, but it also extends to the provision of health and social care as well as emergency accommodation at a structural level. This makes homelessness more challenging to respond to in a rural area<sup>90</sup>.

Much rural homelessness is hidden, with those affected often sleeping in countryside locations, in tents, barns and cars, and not appearing in official records (thus making the issue difficult to quantify). Preventing and mitigating rural homelessness is more challenging due to a lack of economies of scale in rural areas, i.e. due to rurality itself<sup>91</sup> (see Chapter Two).

## 5.2 Care Experienced People

Local authorities across the county have expressed concern to the Commission about the situation of care experienced people (people who lived in care as a child). Many of these people live in unsuitable housing, sleep on sofas or sleep rough, and consequently suffer disruption to their education and employment. Local authorities have a duty to support the care experienced up to the age of eighteen and to provide advice and support up to the age of twenty-five, but we know that this support is not enough to enable the majority to have good outcomes<sup>92</sup>.

## 5.3 Supported Housing

The Supported Housing (Regulatory Oversight) Act 2023 is leading to an enhanced role for local councils in licensing operators and enforcing a set of national standards (which are currently being finalised). This should eradicate malpractice by profit-making providers who charge excessive rents without supplying the necessary support services; these Supported Housing properties are exempt from the usual limits on Housing Benefit, the housing element of Universal Credit.

The Commission welcomes the new legislative framework for improving standards of provision for the most vulnerable. But we recognise the pressures on the non-profit providers who need revenue support, alongside higher rents being covered by benefits; local government support to meet these special needs will continue to be essential.

89 Evidence provided by Exeter City Council.

90 Tunaker, C., Carr, H. and Burke, L. (2023). Homelessness in the Countryside: A Hidden Crisis, published March 2023. Available at: <<https://thinkhouse.org.uk/site/assets/files/2791/er0323.pdf>>. [Accessed, 20/06/2024].

91 Snelling, C. (2017). Right to home?: Rethinking homelessness in rural communities, IPPR, published 10 July. Available at: <<https://www.ippr.org/articles/right-to-home>>. [Accessed, 20/06/2024].

92 Centre Point. (2017). From care to where?: Care leavers' access to accommodation. Available at: <<https://centrepoin.org.uk/research-reports/care-where-care-leavers-access-accommodation>>. [Accessed, 20/06/2024].



## 5.4 Eviction

Nationally, there have been numerous stories of people losing their homes through so-called “Section 21 no-fault evictions” and people have told the commission about their experiences:

“I’ve lost a number of rentals due to faultless eviction; it’s ruined my life.” – ID 86

“I had to move three times in the past six years. No fault eviction orders. Always paid rent on time. I have a family. When phoning Teignbridge council I got no help at all. Now living in an overpriced rental that’s not very nice at all.” – ID 108

Some described the motivations of landlords in terms of maximising their rental yield through other means:

“I live in fear of my landlord deciding to evict me to flip to Airbnb as so many other landlords are doing. This leaves me with a constant low level of anxiety as I know if this happens it’s unlikely I would be able to find somewhere else affordable as I’m not eligible for social housing.” – ID 326

As noted in Chapter Six, insecure accommodation increases mental ill health, creating both wider social impacts and increased costs to health and social care services.

**Recommendation 5.1: The Commission recommends government should introduce the measures to improve the private rented sector, including ending “no-fault” evictions, requiring decent standards, creating a landlords’ ombudsman, etc. following the loss of the Renters (Reform) Bill.**

## 5.5 Local Housing Allowances

A key reason for evictions and homelessness is the inability of those who rely on benefits to pay their rents. In theory, Housing Benefit (the housing element in Universal Credit) should cover the rent of the cheapest 30% of properties for the poorest tenants. However, in reality help is limited by Local Housing Allowance caps that have lagged behind rising market rents. Until the recent uplift of Local Housing Allowance, no district in Devon had an average private sector rent that was met by the allowance:

“People trying to afford private rental housing in Exeter are really struggling because the maximum amount that Universal Credit will help with towards benefits is really low compared to the actual cost of rents. This will particularly affect young people and families on a single income as they are more likely to be on a low income and so be eligible for Universal Credit support towards their rent.” – ID 354

It is worth stressing that Local Housing Allowance has been frozen once again at this new rate and, on current trends (see Chapter One), this new level will soon fall far behind market rents. Tenants must make up the rental shortfall by using other income. Moreover, because Local Housing Allowance has been set by the Department for Work and Pensions to cover wide geographical areas (Broad Rental Market Areas), they are relatively generous in some smaller, less expensive localities and quite inadequate in other, more costly places. A more sophisticated setting of Local Housing Allowance levels is needed to match local circumstances<sup>93</sup>. Distortions caused by the Broad Rental Market Areas makes certain areas unaffordable for those reliant on Housing Benefit, driving those people out of areas, and into the few that are affordable. This is the dynamic noted in Chapter Three when we considered Ilfracombe, where cheap rents in former guesthouses now acting as HMOs, act as a magnet for those with the highest need but without access to economic opportunities.

**Recommendation 5.2: The Commission recommends government consistently uprates Local Housing Allowance levels so they cover rents for the 30% cheapest private rented sector properties; and redefines the Broad Rental Market Areas covered by Local Housing Allowance at a level that better reflects local rental markets.**

## 5.6 Temporary Accommodation

The result of eviction can be homelessness and the local authority has a statutory duty to house those affected. This can mean councils having to find temporary accommodation that is insecure and often unsuitable, with conditions that can be detrimental to health and wellbeing (particularly for children). Often families will be required to move

<sup>93</sup> Citizen’s Advice. (2023). “I sit there on my sofa and cry...”: The human impact of the Local Housing Allowance freeze. A report from local Citizens Advice in partnership with the University of Plymouth.

from place to place, causing further disruption to schooling and domestic life.

In Devon, the number of households in temporary accommodation has risen dramatically and households are staying there for longer. Exeter City Council reported a 108% increase in temporary accommodation numbers since 2020, as well as a 115% increase in the average length of stay.

Securing temporary accommodation is not only an arduous and distressing process for the individual or family, but is increasingly a significant burden on council finances. Councils can claim back a subsidy from the Government for 90% of the costs based on the 2011 local housing allowance rate. This means that local authorities must find increasingly significant funds to cover temporary accommodation costs.

The Commission was given data on the rise in numbers in temporary accommodation between 2018/19 and 2022/23 by some Devon districts. Over this period, Mid Devon reported a 205% increase; South Hams a 245% increase; West Devon a 189% increase; and East Devon a 50% increase. At West Devon Council, spending on temporary accommodation has risen from two-hundred thousand pounds in 2019/20 to a projected seven-hundred and thirty thousand pounds for 2023/24, and the council is only able to recover 29% of this in 2023/24. For South Hams, total spending has gone from one-hundred and seventy thousand pounds to five-hundred thousand pounds during the same period, with the council able to recover only 23%, reflecting differing accommodation costs and differing Local Housing Allowance areas. The amount recovered has fallen since 2019/20 for both councils, increasing budgetary pressures significantly. In West Devon, temporary accommodation was 1% of the net revenue budget of the council in 2019/20; this increased to 4% in 2023/24. For South Hams, temporary accommodation spending has gone from 2% to 5% of the whole budget of the council, internal auditors predict this to quadruple if current trends continue. These trends could potentially drive some local authorities toward insolvency<sup>94</sup>.

**Recommendation 5.3: The Commission recommends that government equalise the temporary accommodation subsidy paid to local authorities with the current Local Housing Allowance rate and ties it in perpetuity to that rate.**

Of course, the longer-term solution to the problem of rising use of temporary accommodation is an increase in secure, affordable and decent social rented homes. In December 2022, the government launched Round One of the Local Authority Housing Fund<sup>95</sup>, which was created to allow local authorities to purchase and upgrade properties to house those who had entered the country through the Afghan and Ukrainian resettlement schemes. Funding has been allocated to those local authorities most in need based on: the number of refugees resettled; the number of households already in temporary accommodation; housing need; and affordability pressures. Several Devon local authorities benefitted from this funding including significant sums in Teignbridge and South Hams. Further rounds of funding were announced in November 2023 and then March 2024. So far, £1.2 billion has been made available nationwide. Later rounds of funding, although primarily focussing on refugees, have allowed money to be used for purchasing housing to be used for homeless people currently sleeping rough or in unsuitable temporary accommodation. It is also envisaged that these homes will leave a lasting affordable housing legacy, assisting local authorities to manage their temporary accommodation needs beyond the requirements of the current programme.

**Recommendation 5.4: The Commission recommends that local authorities faced with ever-rising costs of Temporary Accommodation consider the opportunities for acquisition and modernisation of existing properties to meet temporary and longer-term needs**

**Recommendation 5.5: The Commission recommends that government replenishes its Local Authority Housing Fund and applies it flexibly to benefit households of all kinds in need of temporary accommodation.**

94 Riding, J. (2024). 'Temporary accommodation spending crisis could be the 'end of local government', council leaders warn.', Inside Housing, published 24 January. Available at: <<https://www.insidehousing.co.uk/news/temporary-accommodation-spending-crisis-could-be-the-end-of-local-government-council-leaders-warn-84811>>. [Accessed, 20/06/2024].

95 Department for Levelling Up, Housing, and Communities. (2024). Local Authority Housing Fund, edited 7 March. Available at: <<https://www.gov.uk/government/collections/local-authority-housing-fund>>. [Accessed, 20/06/2024].

# Chapter Six: Healthy and Environmentally Sustainable Housing

This chapter looks at sustainable housing: by this we mean both housing that is sustainable from an environmental perspective but also housing that enables sustainable living.

## 6.1 Housing and the Climate Emergency

We asked in our call for evidence about what people feel housing's role should be in the climate emergency. Overwhelmingly, respondents felt that higher standards were needed for new builds and that more needs to be done for the existing housing stock:

“All developments or refurbishments should have to include solar panels, insulation, treble or secondary glazing, rainwater storage and recycling for toilet cisterns, as part of the permission. All large, new build sites must have the same passive aims too, but each site must include its own sewerage processing units & water run off ponds etc.” – ID 406

“If the UK's buildings were properly insulated this would reduce the requirement for heat energy by between a third and a half. We need to be doing all we can to improve the performance of our buildings.” – ID 366

Other respondents expressed concerns about the loss of habitat that new building often causes:

“As more and more habitats are lost to housing, we are losing much needed trees, hedgerows, meadows, and fields, all of which play a role in helping to combat the climate crisis. It is vitally important to preserve our green spaces and plant new trees and forests where we can.” – ID 449

Such concerns may be mitigated in the future following the introduction of Biodiversity Net Gain provisions for new development, but the comments encapsulate some of the competing challenges caused by the climate crisis and the housing crisis. Greenhouse gas emissions from buildings are responsible for 41% of Devon's total emissions and two-thirds of these are from fossil fuels used in

heating and hot water. If Devon is to achieve de-carbonisation, tackling the existing housing stock is vital. The National Infrastructure Commission is not backing the use of hydrogen to heat buildings at scale as it is deemed too expensive. This means heating will need to be powered by renewable electricity, mostly through the increased use of ground source and air source heat pumps. This will require the retrofitting of existing homes with improved loft and cavity home insulation.

Despite the potential for substantial cost savings, capital costs will often make home retrofit and insulation of heat pumps an unaffordable proposition. Devon is currently installing an average of only three heat pumps per day, when fifty per day are needed to reach net zero by 2050. Meeting the 2050 goal will require substantial investment in home retrofit<sup>96</sup>.

### Green Skills

The need to retrofit homes creates a huge skills need across the country. Devon is well placed in this regard. Exeter College has embedded green skills into the curriculum through a pioneering Green Construction Advisory Panel (GCAP) which brings together building services and the housing and construction sectors. It is supported by local authorities and training providers. Through this collaborative working, GCAP ensures that training needs are met and the approach has been copied across the country. If the demand from employers for green skills in construction is there, there are structures in place in Devon to deliver what the market needs.

### 6.1.1 The Devon Carbon Plan

Supported and endorsed by all Devon local authorities, the Devon Carbon Plan<sup>97</sup> is a comprehensive plan for reducing the county's carbon emissions. The plan has a clear set of recommendations relating to the built environment which the Housing Commission endorses.

**Recommendation 6.1: The Commission recommends that Devon's local authorities strengthen support for the Devon Carbon Plan alongside other public bodies in the county, to accelerate retrofit programmes**

**Recommendation 6.2: The Commission recommends that Exeter College and the Devon Climate Action Plan group work closely together to share experience, not least in respect of the College's pioneering work on the Green Construction Advisory Panel.**

**Recommendation 6.3: The Commission recommends that government continues to work with social landlords to meet net zero targets for carbon emissions by 2050, ensuring that the terms for government subsidy are sufficiently attractive to enable full take-up of the Social Housing Decarbonisation Fund.**

### 6.1.2 Embedded Carbon and the Circular Economy

Although the sustainability of buildings is often measured by their CO<sub>2</sub> emissions when in use, around half the total comes from construction and demolition itself. From 2025, new buildings will need to generate 70% to 80% less carbon after they are built; however the focus on energy efficiency will not address the sector's environmental impacts. The construction sector uses more raw materials than any other in the UK, produces the most waste and is responsible for a quarter of the country's carbon emissions. Much of the built environment's emissions come from the extraction, manufacturing and production of materials used in construction. Indeed, construction, demolition and excavation generated 62% of UK waste in 2018. Devon will not meet its climate goals without tackling these environmental impacts.

The Commission recognises that this is a crucial area of work in which "circular economy" approaches

(whereby materials are re-used, re-purposed, and buildings are designed to last), will be key to creating a more sustainable development industry. Local planning authorities will be able to influence the industry through the planning process, but any interventions will have to be carefully balanced with the financial viability of development. The Commission has not had time to fully explore this complex area in detail but believes that such work should be pursued by the proposed county-wide Housing Intelligence Unit, who may be able to draw on academic expertise from the University of Exeter's The Exeter Centre of Circular Economy.

## 6.2 Housing and Public Health

Submissions to the Commission from the health sector included Public Health Devon, The Integrated Care Board (whose chair presented to the commissioners), as well as the Office for Health Improvement and Disparities (OHID), who also presented to commissioners. These presentations highlighted the vital role that housing plays in human health.

According to evidence submitted to the Commission by OHID:

- One in five excess winter deaths are directly attributable to cold homes, and one in ten to fuel poverty.
- Poor housing can result in up to 25% higher risk of serious ill-health or disability during childhood and early adulthood, with children in crowded housing being ten times more likely to contract meningitis and three times more likely to have respiratory problems.
- Nearly a third of adults had mental or physical health problems because of the condition of, or lack of space in their home during lockdown.
- 13% of Chronic Obstructive Pulmonary Disease could be due to damp and mould from poor thermal comfort and lack of adequate ventilation.

Improved housing conditions positively affect morbidity, mortality, and quality of life, also acting to reduce poverty. Poor quality homes damage lives with consequent impacts on society and the economy. Inadequate housing can mean: unsuitable infrastructure causing the increased risk of falls; inaccessibility for older people and those with disabilities; damp and mould that leads to respiratory and other conditions; fuel poverty; and other impacts

<sup>97</sup> Devon Climate Emergency. (2022). 'About the Devon Carbon Plan', website, published September 2022. Available at: <<https://devonclimateemergency.org.uk/devon-carbon-plan/>>. [Accessed, 20/06/2024].



on the chances of households living healthy lives and playing a full part in society. Evidence presented to the Commission established a strong case for the public health importance of home retrofit on top of the more usually discussed role of retrofit and the climate emergency. OHID suggest that over one in ten people have difficulty heating their home in Devon.

Devon and Torbay are two of the top five most fuel-poor areas of the South West. According to the 2021 census, 1.5% of houses in England do not have central heating but across Devon as a whole this is 2.3% rising to 3% in Torridge. 78% of lower-level electoral wards have a higher proportion of homes without central heating than the England average, with 26% of wards having 3% or more homes without central heating. One ward in North Devon has 7% of homes with no central heating.

Rising house prices have differential impacts depending on the socio-economic situation of the household. Rising house prices contribute significantly to low-income owners' and renters' cost of living. Being priced out of areas may lead to loneliness and lack of social contact. Wealthier homeowners may be able to release equity or adjust their mortgage repayments based on their home, increasing wealth inequality which is another known driver of ill health. Housing problems also drive mental ill health: in the South West 56% of people with a housing problem report issues with anxiety and 43% report depression<sup>98</sup>. In short 'cost effects' (increased housing costs borne by occupiers) are inversely correlated with health, whilst 'wealth effects' (contribution of housing price to personal wealth) are positively correlated to health.

## 6.3 The Quality of Devon's Housing Stock

### 6.3.1 Energy Performance

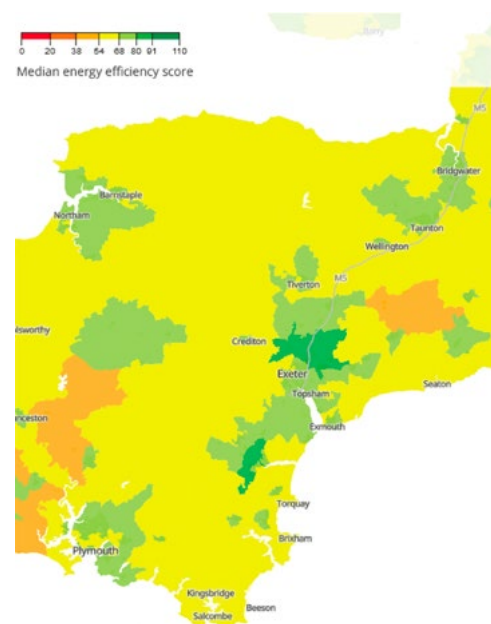
Overall, dwellings in England have a median energy efficiency rating of sixty-eight, Energy Performance Certificate (EPC) band D. The scores for Devon are worse than this. Out of the 108 Medium Super Output Areas (MSOAs) in the county, seventy-eight score sixty-seven or lower, with eighteen lower than sixty.

If we look at existing rather than new properties, 104 of the 108 MSOAs in Devon have a median

EPC rating of sixty-seven or lower, with twelve having a rating of fifty-four or even lower<sup>99</sup>.

Figure 6.1, depicts the average energy efficiency at MSOA level and highlights the higher efficiency around the Exeter and Teignbridge Districts - with the rest of the county being below the national average, including the largely urban Torbay. Given its cross-cutting importance, improving the quality and energy efficiency of housing should be a key strategic goal for all relevant bodies in Devon.

**Figure 6.1: Energy Performance Certificate score in Devon**



### 6.3.2 New Homes

The building of new homes presents an opportunity to enhance quality and accessibility, in addition to achieving greater environmental sustainability.

The government has agreed in principle to changes to the Building Regulations, Part M4(2). This would achieve "lifetime homes" standards for new homes. The Health and Safety Executive, through the Building Safety Regulator, is currently consulting on the technical details.

**Recommendation 6.4: The Commission recommends that government makes speedy progress in upgrading accessibility requirements in the Building Regulations, alongside mandating the highest energy efficiency ratings for new homes.**

<sup>98</sup> Shelter. (2017). The impact of housing problems on mental health, published April 2017. Available at: <[https://england.shelter.org.uk/professional\\_resources/housing\\_and\\_mental\\_health](https://england.shelter.org.uk/professional_resources/housing_and_mental_health)>. [Accessed, 20/06/2024].

<sup>99</sup> Office for National Statistics (ONS), released 1 November 2023, ONS website, dataset, Energy efficiency of housing in England and Wales: 2023. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/energyefficiencyofhousinginenglandandwales/2023>>. [Accessed, 20/06/2024].



Neighbourhood design, such as access to green space, has a positive influence on respiratory health, mental health, and general physical health. Losing a home negatively affects both mental and physical health and is related to ‘health-harming behaviours’ (e.g. substance misuse). Place-making can promote health through encouraging lifestyles that reduce the risk of obesity, heart disease and diabetes. This can be achieved through the creation of healthy environments that promote “walking and wheeling”. The integration of public health into planning policy could play a major role in improving health outcomes.

### 6.3.3 Non-decent Homes

The Decent Homes Standard sets minimum standards for housing. It is a requirement for social housing to meet the standard and there have been plans to extend similar arrangements to the private rental sector. The Department for Levelling Up, Housing and Communities provides estimates of the number of homes that meet the standard at the local authority level. For a dwelling to be considered ‘decent’ under the Decent Homes Standard<sup>100</sup> it must:

- Meet the statutory minimum standard for housing (the Housing Health and Safety Rating System, since April 2006), homes which contain a Category 1 hazard under the Housing Health and Safety Rating System are considered non-decent.
- Provide a reasonable degree of thermal comfort.
- Be in a reasonable state of repair.
- Have reasonably modern facilities and services.

There is a strong relationship between energy efficiency and housing quality and rural local authorities tend to have higher proportions of occupied dwellings which fail the Decent Homes Standard<sup>101</sup>. Table 6.1 shows that local authorities in Devon have higher proportions of non-decent homes than the average for England. Moreover, in the ranking of local councils, four from Devon are among the top ten (out of nearly 300) worst-performing local authorities in the country. All tenure types (Table 6.2) perform significantly worse than the national average, with the proportion of non-decent private rented accommodation in some areas being significantly concerning.

**Table 6.1: Non-decent dwellings in Devon<sup>102</sup>**

	Number of dwellings	Number of non-decent dwellings	Proportion of non-decent dwellings (%)	Rank of 297 local authorities (higher = worse)
West Devon	25,465	7,566	29.7	3
Torridge	31,268	8,942	28.6	4
Mid Devon	36,607	10,240	28	5
South Hams	40,403	10,882	26.9	8
North Devon	44,357	11,724	26.4	12
Teignbridge	61,422	12,993	21.2	30
East Devon	68,585	14,439	21.1	31
Torbay	64,730	12,520	19.3	50
Exeter	54,047	9,404	17.4	76
<b>England</b>	<b>23,868,877</b>	<b>3,600,739</b>	<b>15.1</b>	

<sup>100</sup> Department for Levelling Up, Housing, and Communities, and Ministry of Housing, Communities and Local Government. (2006). A decent home: definition and guidance, published 7 June. Available at: <<https://www.gov.uk/government/publications/a-decent-home-definition-and-guidance>>. [Accessed, 20/06/2024].

<sup>101</sup> Department for Levelling Up, Housing, and Communities. (2024). English Housing Survey: local authority stock condition modelling, published 14 March. Available at: <<https://www.gov.uk/government/collections/english-housing-survey-local-authority-stock-condition-modelling>>. [Accessed, 20/06/2024].

<sup>102</sup> Department for Levelling Up, Housing, and Communities. (2024). English Housing Survey: local authority stock condition modelling, published 14 March. Available at: <<https://www.gov.uk/government/collections/english-housing-survey-local-authority-stock-condition-modelling>>. [Accessed, 20/06/2024].

**Table 6.2: proportion of non-decent homes by tenure<sup>103</sup>**

	% of Owner occupied	% of Private rented	% of Social rented
England	13.8	22.9	11.2
East Devon	19.5	30.0	17.7
Exeter	15.5	23.5	15.6
Mid Devon	26.6	37.4	20.9
North Devon	24.7	34.1	21.6
South Hams	25.3	35.9	23.0
Teignbridge	19.6	29.3	17.0
Torbay	17.3	25.6	16.1
Torridge	26.6	37.7	23.3
West Devon	28.2	39.6	22.1

Providers and local authorities may be keen to support tenants, but there is an element of reluctance for tenants to report issues due to concerns about “no-fault” eviction (see Chapter Five). Public Health Devon recently responded to the government’s consultation on ‘Awaab’s Law’ (which legislates about health hazards and repair requirements for social housing), and how these would be enforced<sup>104</sup>. Their response proposed, as a fundamental principle, that if the tenant identifies a potential risk, then action should be taken to investigate without requiring medical evidence of sickness. For the private rented sector, the earlier Renters (Reform) Bill proposed a requirement to meet similar standards to those for social housing providers. This would represent an important way forward in achieving safe housing for all.

#### 6.3.4 Hazardous Housing

The Housing Health and Safety Rating System is a risk-based assessment that identifies hazards in dwellings and evaluates their potential effects on the health and safety of occupants and their visitors, particularly vulnerable people. The most serious hazards are called Category 1 hazards and these may pose of risk of death. Department for Levelling Up, Housing and Communities analysis notes that a higher proportion of hazardous homes in rural areas and highlights a relationship between Category 1 hazards and the age of a dwelling: 24% of dwellings built before 1919 contained Housing Health and Safety Rating System Category 1 hazards<sup>105</sup>. As with the Decent Homes Standard, Devon local authorities perform poorly, owner-occupied homes performing even worse than private rented (Tables 6.3 and 6.4).

103 Department for Levelling Up, Housing, and Communities. (2024). English Housing Survey: local authority stock condition modelling, published 14 March. Available at: <<https://www.gov.uk/government/collections/english-housing-survey-local-authority-stock-condition-modelling>>. [Accessed, 20/06/2024].

104 Department for Levelling Up, Housing, and Communities. (2024). Awaab’s Law: Consultation on timescales for repairs in the social rented sector, published 9 January. Available at: <<https://www.gov.uk/government/consultations/awaabs-law-consultation-on-timescales-for-repairs-in-the-social-rented-sector/awaabs-law-consultation-on-timescales-for-repairs-in-the-social-rented-sector>>. [Accessed, 20/06/2024].

105 Department for Levelling Up, Housing, and Communities. (2024). English Housing Survey: local authority stock condition modelling, 2020, Published 14 March. Available at: <<https://www.gov.uk/government/statistics/english-housing-survey-local-authority-housing-stock-condition-modelling-2020/english-housing-survey-local-authority-housing-stock-condition-modelling-2020#decent-homes-standard>>. [Accessed, 20/06/2024].

**Table 6.3: category one hazards<sup>106</sup>**

	Number of dwellings	Number of Cat 1 hazard dwellings	Proportion of Cat 1 hazard dwellings (%)	Rank of 297 local authorities (higher = worse)
West Devon	25,465	5,237	20.6	5
Torridge	31,268	5,872	18.8	10
Mid Devon	36,607	6,679	18.2	15
South Hams	40,403	6,990	17.3	20
North Devon	44,357	7,578	17.1	21
East Devon	68,585	8,757	12.8	56
Teignbridge	61,422	7,760	12.6	62
Torbay	64,730	6,062	9.4	119
Exeter	54,047	4,642	8.6	132
<b>England</b>	<b>23,868,877</b>	<b>2,203,980</b>	<b>9.2</b>	

**Table 6.4: category one hazards by tenure<sup>107</sup>**

	% of Owner occupied	% of Private rented	% of Social rented
<b>England</b>	<b>9.2</b>	<b>13.2</b>	<b>4.9</b>
East Devon	13.82	13.67	3.28
Exeter	10.02	9.01	2.95
Mid Devon	20.5	19.19	4.02
North Devon	18.84	17.54	4.76
South Hams	18.94	18.11	4.2
Teignbridge	13.66	13.24	3.28
Torbay	10.35	8.96	2.6
Torridge	20.26	19.55	4.57
West Devon	22.43	21.78	4.6

106 Department for Levelling Up, Housing, and Communities. (2024). English Housing Survey: local authority stock condition modelling, 2020, Published 14 March. Available at: <<https://www.gov.uk/government/statistics/english-housing-survey-local-authority-housing-stock-condition-modelling-2020/english-housing-survey-local-authority-housing-stock-condition-modelling-2020#decent-homes-standard>>. [Accessed, 20/06/2024].

107 Department for Levelling Up, Housing, and Communities. (2024). English Housing Survey: local authority stock condition modelling, 2020, Published 14 March. Available at: <<https://www.gov.uk/government/statistics/english-housing-survey-local-authority-housing-stock-condition-modelling-2020/english-housing-survey-local-authority-housing-stock-condition-modelling-2020#decent-homes-standard>>. [Accessed, 20/06/2024].

**Recommendation 6.5: The Commission recommends that a new Decent Homes programme is initiated because Devon has some of the poorest quality housing in the country. The programme should be focussed on areas where particular problems are identified.**

### Fuel Poverty Reduction Pilots

Fuel poverty reduction pilot projects have taken place across Devon through Local Care Partnerships. These pilots, building on the first of these projects run in North Devon, aim to identify people vulnerable to health problems associated with a cold home. The North Devon project identified patients who were both high risk respiratory patients and lived in a postcode with a higher risk of fuel poverty. The project successfully targeted those in the 20% most deprived quintile and achieved a median overall financial benefit to households of £676. The programme enabled patients in need to be connected to community energy company advisors who were able to support households with behaviour change advice, income maximisation through increasing benefit uptake, improving home energy efficiency and use of SMART technology. These projects have demonstrated the success of an approach that aims to address health, equity and climate change together.

## 6.4 Cost Savings

According to evidence submitted to the Commission from OHID, poor housing (dwellings with a Category 1 Hazard) cost the NHS over £1 billion a year in treatment (e.g. GP visits, prescriptions, and hospital treatment). OHID suggest that £136 billion over thirty years could be saved on wider societal costs (e.g. social care) through investment in housing quality. Devon has many older properties in rural locations that are energy inefficient and will require significant investment to reduce their heating costs. OHID show that by investing in and improving non-decent homes up to the required standard, it is anticipated to pay for itself in savings to the NHS within nine years.

Given the importance of this work to achieve carbon reduction targets as well as the cost savings and improvements to health and well-being, there is a clear rationale for large-scale investment. Local politicians and decision-makers should make every effort to identify funding for such investment, including making the special case for Devon to the national government. Given Devon's older population and poor-quality housing stock, retrofitting homes should be a county-wide priority.

## 6.5 Liaison with Planning

Aligning housing expertise and public health expertise with planning is key to embedding this agenda. Given that Health and Wellbeing Boards play a central role in joint working across health, wellbeing, and care organisations, having housing representation on the Board is key to gaining an overview in relation to the wider system as is the creation of more joint public health spatial planning posts in Devon, such as those already in place in Torbay.

The overall goal should be to integrate planning, transport, housing and health policies to address the social determinants of health to create healthy communities. As a unitary authority, Torbay can integrate public health and housing functions efficiently, but this is more of a challenge for districts. However, the proposed CCA deal may provide a framework through which public health expertise can influence housing decision-making in the Devon County Council area. The Commission recognises that budgetary constraints limit the capacity of both housing and public health teams. But the Commission is convinced that improvements to housing lead to improvements in health and, over the medium-to-longer term, mean significant budgetary savings.

**Recommendation 6.6: The Commission recommends that the Integrated Care Board and Devon's Public Health teams, alongside the Devon Housing Authorities put in place formal structures for collecting and sharing data, evidence and information and specifically reference the importance of health outcomes and housing in each other's strategies.**







# Chapter Seven: Housing Need and Delivery

Chapter One looked at the total delivery of new homes in Devon and noted that although overall delivery has increased in recent years, it has fallen short of housing demand and need. This chapter considers delivery against predicted need and looks at some of the factors that affect house building in Devon.

## 7.1 Delivery and Housing Need

Table 7.1 shows housing need in Devon based on the government's standard method<sup>108</sup> of calculation, the requirement set out in local plans, and then actual delivery for three years from 2020. It demonstrates a significant shortfall of new home delivery. Completions of homes, as noted in Chapter One,

are at record levels in Devon but this still falls short of meeting predicted housing need.

There is a significant deficit in housing output, with a gap of some 2,425 homes between housing need and provision though this gap is reduced by conversions of existing properties leading to a more modest shortfall of around 800 homes.

**Table 7.1: housing delivery (completions)<sup>109</sup> and net additional homes<sup>110</sup> compared to housing need calculated by the standard method and stated in local plans**

	Housing Delivery					Housing Net Additions		
	Housing Need: Standard Method 2021-23	Local Plan: Annual Requirement	Housing Delivery 2021-23	Shortfall 2021-23: Housing Need	Shortfall 2021-23: Local Plan	Net Additions 2021 - 2023	Shortfall 2021-23: Housing Need	Shortfall 2021-23: Local Plan
East Devon	2768	950	2460	-308	-390	2917	149	67
Exeter	1926	600	1450	-476	-350	1555	-371	-245
Mid Devon	1092	393	670	-422	-509	828	-264	-351
North Devon	1008	431	1400	392	107	1723	715	430
South Hams	1041	515	1620	579	75	1641	600	96
Teignbridge	2213	621	1870	-343	7	1670	-543	-193
Torbay	1769	494	490	-1279	-992	1024	-745	-458
Torridge	1222	431	510	-712	-783	684	-538	-609
West Devon	739	160	890	151	410	947	208	467
<b>Total: Devon</b>	<b>13778</b>	<b>4595</b>	<b>11360</b>	<b>-2418</b>	<b>-2425</b>	<b>12989</b>	<b>-789</b>	<b>-796</b>

<sup>108</sup> Department for Levelling Up, Housing, and Communities, and Ministry of Housing, Communities and Local Government. (2020). Housing and economic needs assessment, edited 16 December. Available at: <<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>>. [Accessed, 20/06/2024].

<sup>109</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2024). 'Table 213: permanent dwellings started and completed, by tenure, England (quarterly)', in Live tables on housing supply: indicators of new supply, dataset, edited 28 March. Available at: <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>>. [Accessed, 20/06/2024].

<sup>110</sup> Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government. (2023). 'Table 122: housing supply; net additional dwellings, component flows of, by local authority district, England'122', in Live tables on housing supply: net additional dwelling, dataset, edited 29 November. Available at <<https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>>. [Accessed, 20/06/2024].

In North Devon, South Hams and West Devon, delivery exceeds the identified need, yet housing has also become less affordable over this period. To fully understand this, historic trends need to be borne in mind, particularly the historically lower levels of building in the years before 2015 (see Annex Three). Local factors, such as additional demand for tourist accommodation (see Chapter Two) should also be borne in mind, as is the planned expansion of Plymouth which impacts South Hams and West Devon.

More significantly, an overall undersupply of housing across Devon means that districts meeting or exceeding their identified need may not realise associated benefits because people move beyond local authority boundaries. For example, in South Devon, undersupply against need in the city of

Plymouth will be affecting South Hams and West Devon. Housing need is much better understood at the Devon level and this data suggests a significant, long-term undersupply of housing across the county.

Although housing need projections are a somewhat simplistic measure, they are a useful guide as they are based on population projections. The standard methodology for calculating housing need is based on 2014 household projections. In the decade following, the rate of net internal migration to Devon has increased by 100% (Figure 7.1). This means that household growth projections, and thus housing need, may be underestimated for Devon following this significant rise in internal migration.

Figure 7.1: internal migration to Devon<sup>111</sup>

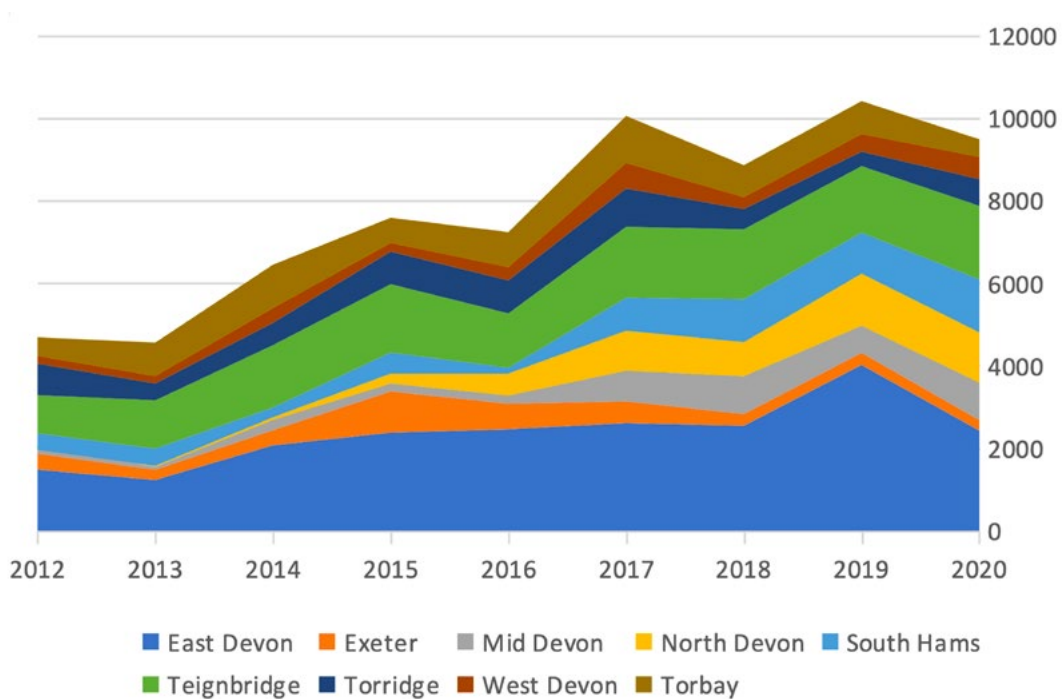


Table 1 accounts for all delivery, from large, detached homes to two-bedroom apartments. Whilst overall numbers are an important measure, it is crucial that the homes built fulfil the need of

Devon residents. As we suggested in Chapter One, there is particular need for affordable housing in Devon and that is not being met.

111 Office for National Statistics (ONS), released 25 June 2021, ONS website, dataset, Internal migration: by local authority and region, five-year age group and sex: 2020. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/internalmigrationmovesbylocalauthoritiesandregionsinenglandandwalesby5yearagegroupandsex>>. [Accessed, 20/06/2024].

## 7.2 Construction Industry: Staffing and Recruitment

To get new homes built, a properly functioning construction sector is a necessity. There are well-known national issues with sector recruitment. It has struggled to recruit the new workers necessary to expand, and has also struggled to retain its workforce. Particular concerns are in relation to recruiting skilled staff, with 31% of employers nationally citing this as a key challenge. There is a need for the industry to develop recruitment and retention strategies in coordination with further education colleges and other training providers, particularly around productivity improvements and retrofit<sup>112</sup>. In the South West over recent years the development of Hinkley Point C in Somerset has employed many construction workers, adding to staffing pressures for other construction projects in the region. Further potential major development opportunities such as Gravity (Somerset) will exacerbate this.

The industry suffers from a negative perception which marginalises construction as a career path for young people in favour of ‘academic’ routes. This means that schools and parents are less likely to encourage young people into the sector. Nine out of ten educators believe that the current curriculum does not accommodate learners who have more practical skills, despite young people increasingly questioning the value of higher education. The sector also has a gender issue, with women less likely to see the sector as an option, halving the potential workforce<sup>113</sup>.

The current skills system places a priority on apprenticeships and an underlying weakness reported by college and training providers is a pressing lack of employers willing to take on apprentices. If this is the primary route into the industry, there needs to be a sea change in the number of employers taking on apprentices. Further education providers are confident they can meet demand, and therefore incentivising apprenticeship recruitment must be a priority. This could be via many routes including procurement and supply chain policies.

There is a perception that construction is a low-paid sector which may put people off. Whilst this may have been an issue in the past, average earnings in the sector are above the national average. It does though often lack the flexibility available in other sectors that can accommodate things like hybrid home working<sup>114</sup>.

Detailed data on job vacancies and skills shortages is not available at a granular level, but data on vacancies at a regional level shows that the categories of Construction of Buildings, Specialised Construction, and Architectural and Engineering Activities all have greater challenges in recruitment in the South West than in England as a whole. For example, in May 2014, 19% of companies in the Construction sector had at least one vacancy, compared to 13% in England whilst 15% of companies had at least one ‘hard to fill’ vacancy compared 8% in England. The picture is similar across all three broad areas that cover the construction industry<sup>115</sup>. The additional recruitment requirement in the South West is 3.4%, compared to 1.9% in the UK<sup>116</sup>.

The South West has a more acute labour shortage than we find nationally. This differs from the overall regional picture (covering all sectors of the economy) where the South West is broadly equivalent to England. There appears, therefore, to be something particular about construction. Construction also has an ageing workforce which in itself again is a particular problem in the South West.

Figure 7.2 shows the number of job postings in ‘construction’ since May 2019. It appears to show a steady rise in the number of postings since a year before the first COVID lockdown, which could indicate an increasing need for labour in an expanding sector and/or an increasing challenge in recruitment.

**Recommendation 7.1: The Commission recommends that Devon County Council and Torbay Council develop an understanding of skills pathways in the construction industry to identify current sector need, available skills training and gaps in provision.**

112 Citb. (2024). Focusing on the skills construction needs: Labour market intelligence report UK 2024–2028, published 15 May, p3. Available at: <[https://www.citb.co.uk/media/hwofsg5i/ctb1003\\_csn-rep\\_uk-full\\_aw.pdf](https://www.citb.co.uk/media/hwofsg5i/ctb1003_csn-rep_uk-full_aw.pdf)>. [Accessed, 20/06/2024].

113 Colemans. (2024). The UK Construction Skills Shortage, published 25 January. Available at: <<https://coleman-group.co.uk/the-uk-construction-skills-shortage/>>. [Accessed, 20/06/2024].

114 Colemans. (2024). The UK Construction Skills Shortage, published 25 January. Available at: <<https://coleman-group.co.uk/the-uk-construction-skills-shortage/>>. [Accessed, 20/06/2024].

115 Lightcast. Job Postings Analytics Available at <<https://lightcast.io/uk>>. [Accessed, 20/06/2024].

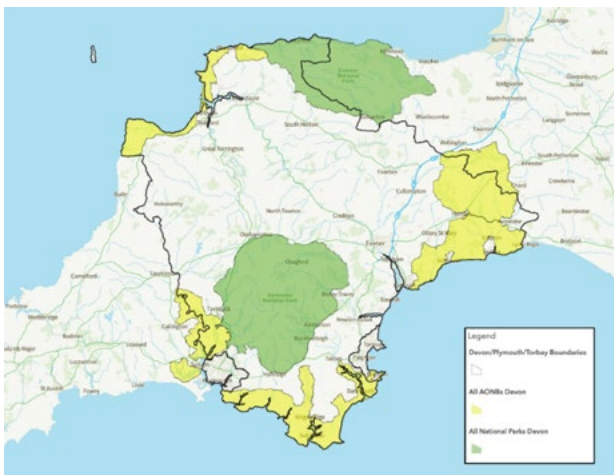
116 Citb. (2024). Focusing on the skills construction needs: Labour market intelligence report South West 2024–2028, published 15 May. Available at: <[https://www.citb.co.uk/media/lf3lmdgs/ctb1003\\_csn-rep\\_regional\\_south-west\\_aw2.pdf](https://www.citb.co.uk/media/lf3lmdgs/ctb1003_csn-rep_regional_south-west_aw2.pdf)>. [Accessed, 20/06/2024].



## 7.3 Land

Some local authorities are running out of developable land, not only because of the often-challenging topography of the county, but due to the extent of special designations and protections that either prohibit development or require expensive, complex and time-consuming schemes to mitigate. This applies to 56% of land in East Devon and a significant proportion of both Torbay and South Hams. Figure 7.3 illustrates the extent of protected land in Devon for national parks and national landscapes.

Figure 7.3: National Parks and National Landscapes in Devon



In addition to these practical challenges, Devon's landscape means that residents can be opposed to development, and some of this feeling was reflected in our call for evidence:

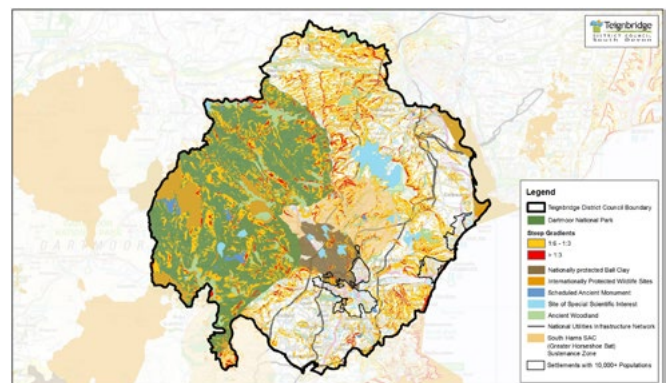
“Affordable housing is an issue in rural areas, but at the same time so is the need to protect undeveloped greenfield sites from being built on which provide important recreational benefits to residents, as well as being a habitat for wildlife. Many residents in rural areas feel that housebuilders simply build what they find the most profit to deliver for their shareholders.” – ID 3

“Too many new homes are being built on greenfield sites, having a negative impact on rural communities, pollution, biodiversity and the environment. Brownfield sites and change of use for empty commercial buildings should be prioritised for housing development before destroying natural sites, despite the additional costs and complications.” – ID 129

Devon's topography presents some special barriers. The map in Figure 7.4 was submitted by Teignbridge District Council and shows the areas outside of the Dartmoor National Park (in green) that have steep gradients (in yellow and red). This topography increases the complexity and cost of development.

**Recommendation 7.2: The Commission recommends that government should ensure its departments' policies – particularly those of DLUHC and DEFRA – give commensurate weighting to meeting the demands for new homes as for improving environmental conditions.**

Figure 7.4: Land with building constraints in Teignbridge<sup>117</sup>



Local opposition to development, especially in rural areas, is to be expected and will be reflected in the decisions of elected members. Although respondents to the call evidence overwhelmingly acknowledge the impact of the housing crisis, people want, not unreasonably, to protect their views and their local environment. For major developments (which may be essential to meet social and economic needs), the opinions of those who will live in the homes in the future can only be heard at a higher, more dispassionate level. For smaller developments which serve local needs, community-led approaches that engage with existing residents are essential.

### 7.3.1 Devon on the Periphery

Devon is located on the South West peninsula and covers a huge area with the largest road network of any county in the country. This is comprised of mainly smaller roads which adds to costs, through the transport of materials, but also through the need to accommodate construction workers near to sites. For housing associations and councils, ongoing maintenance of homes in remote settlements can be challenging.

“I work in a rural part of Devon and transport links are a big challenge. There are infrequent buses and trains, that seem to take a long time and the train is very expensive. The roads are also very narrow. It takes a long time to get anywhere in Devon!!” – ID 128

Devon’s poor transport infrastructure also increases opposition to development with many people raising this in the call for evidence:

“Too many houses are being built in rural areas and villages that do not have the infrastructure to cope with the increased level of traffic and people.” – ID 30

“The main challenges are too much traffic on narrow, poorly maintained roads and over-subscribed local services (GPs, dentists, schools). The solution is to put housing nearer to where people work, so they do not have to travel so far.” – ID 111

Local Plans often favour development that has access to sustainable transport such as public transport and cycling; but given Devon’s lack of public transport and the large distances and steep hills that make cycling a challenge, this policy can exclude much of the county. The Commission is aware of a site where a landowner has offered land for free for development of homes for locals; but because this lacks public transport, despite being close to a major road, the local planning authority has turned it down.

### 7.3.2 The Role of Landowners

Devon is home to many large estates and the Commission recognises that these can play a key role in helping to meet local housing need through good stewardship of their land and property. These estates face the same pressures that other employers have in the county relating to housing

affordability, notably the loss of the working-age population who are unable to afford to live locally. Estates can support the evolution of their local communities through careful development whilst maintaining their role as stewards of the land.

The Commission convened a session for large landowners and explored ways through which careful development can take place on estates. Through this session, it also became clear that planning authorities often do not have strong relationships with the estates that sit within their boundaries. The development of such relationships should be seen as a priority for unlocking sites for development in a way that is beneficial for landowners whilst also maintaining their historic character.

Stewardship development recognises a responsibility to the future through investment in communities and the land. Investment for the long-term can produce more sustainable and aesthetically appropriate development that supports communities and preserves the landscape for future generations whilst also producing a better return for landowners, as demonstrated by the Duchy of Cornwall’s work at Poundbury and elsewhere. The Commission heard how the Church of England, following the report from the Archbishop of Canterbury’s Commission on Housing<sup>118</sup>, may have a special role in achieving high-quality new settlements on land and its ownership.

Key to stewardship development is the establishment of legal agreements that retain the beneficial interest of the landowner throughout a development project. This involves ensuring that estate owners’ objectives and visions are set down in a master plan, with clear design principles incorporated in legal structures with appropriate controls. Land stewardship means establishing common aspirations with developers at the beginning, with the estate having an input over architecture and building materials for example, as well as an ongoing role for the estate throughout the process. The Commission heard how The Stewardship Initiative is promoting this approach, which can enhance the reputation of an estate owner and produce a satisfactory financial return whilst also creating healthy, new communities with the infrastructure to thrive.

<sup>118</sup> The Commission of the Archbishops of Canterbury and York on Housing, Church and Community. (2021). Coming Home: Tackling the housing crisis together, February 2021. Available at: <<https://www.churchofengland.org/sites/default/files/2021-11/coe-4794-hcc-full-report-v6.pdf>>. [Accessed 20/06/2024].

The Commission has heard how the Country Land and Business Association (CLA) is keen to work with landowners and local authorities to extend communication networks and explore opportunities for housing development. Partnerships to raise awareness of the value of new housing for local people can include work by the Devon Communities Foundation in bringing landowners together.

### 7.3.3 Capturing Land Value

As noted in the first chapter of this report, Devon's housing crisis is one of affordability. A core part of the cost of new housing is the cost of land. Table 7.2 shows land value estimates in Devon for residential land, as well as that value as a multiple of agricultural land value. The cost of land in Devon, as elsewhere, represents a highly significant proportion of development costs<sup>119</sup>.

**Recommendation 7.3: The Commission recommends the Country Land and Business Association works with Devon's local authorities to extend communication networks and explore opportunities for landowners to unlock housing development opportunities. Partnerships to raise awareness of the value of new housing for local people can include work by the Devon Communities Foundation in bringing landowners together. The Stewardship Initiative and the example set by the Duchy of Cornwall illustrate the potential for long-term, sustainable partnerships to benefit landowners and local communities alike.**

Table 7.2: residential and agricultural land value<sup>120</sup>

	2019 Residential £/ha	Multiples of value residential vs agricultural land (HotsW LEP £23,000/ha)
West Devon	3,100,000	134.78
Exeter	2,900,000	126.09
East Devon	2,510,000	109.13
South Hams	2,170,000	94.35
Mid Devon	2,050,000	89.13
Teignbridge	2,000,000	86.96
North Devon	1,770,000	76.96
Torbay	1,500,000	65.22
Torridge	1,490,000	64.78

<sup>119</sup> Parliament UK. (2020). 'Land', published 20 July. Available at: <<https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/17307.htm>>. [Accessed 20/06/2024].

<sup>120</sup> Department for Levelling Up, Housing, and Communities, and Ministry of Housing, Communities and Local Government. (2020). Land value estimates, edited 18 August. Available at: <<https://www.gov.uk/government/collections/land-value-estimates>>. [Accessed, 20/06/2024].

Land value is often calculated as a residual value: it is the residual left over after receipts from projected house sales have been subtracted from all other costs (build costs, developers' contributions, fees, the profit required by the housebuilder, etc). Sales prices will be based not on the price paid for the land but on the value of existing homes in the wider market. However, once paid, that value is embedded in local prices. Meanwhile, developers are prioritising larger homes since these create more value than smaller housing, even though the county's priority is for smaller, more affordable homes.

High land values reduce what can be achieved in new developments. If a high price is paid for the land, there will be less available to pay for infrastructure such as schools and for affordable housing. Conversely, a lower price paid for land achieves the headroom for the beneficial attributes of good place-making.

The huge increase in value created by the granting of planning consent can be captured if the land is acquired at a price that reflects planning requirements for affordable housing and infrastructure such as schools. Planning gains can be delivered without requiring the same level of public subsidy or requiring a reduction in affordable housing and other amenities.

Without changing the relationship between land value and housing costs, affordable housing and infrastructure gains will not be delivered without significant public subsidies. This issue has been the subject of recent consideration by the Competition and Markets Authority (CMA) and by reforms introduced through the Levelling Up and Regeneration Act 2023.

In its recent report on the housing market for the Secretary of State, the CMA explored all aspects of the market, concluding that the price paid for land (rather than the actions of land agents, or land banking, or developer profits), was at the heart of house price inflation. The CMA made a series of recommendations about the wider housing market, but concluded that "fundamental interventions" were needed to the way the housing market works if there is to be a significant impact on the quantity and affordability of new homes being built<sup>121</sup>.

Such a "fundamental intervention," the CMA suggests, may lie in the strengthening of compulsory purchase powers and the removal of so-called hope value. Hope value represents the difference between the current value of the land and the potential value of the land if it was to be used, unfettered, for development. Given the staggering difference between agricultural land prices and development land prices, the removal of hope value could enable local authorities to capture land value uplift and apply it for the public good, funding investment in affordable housing and social infrastructure.

This kind of fundamental intervention has been given impetus by the Levelling Up and Regeneration Act 2023. This legislation has introduced several reforms to Compulsory Purchase powers and heralds the end to the requirement for local authorities to pay hope value when compulsorily purchasing land in the public interest. In some respects, this change is a return to the policy landscape of the 1950s, which enabled the creation of New Towns and extensive affordable homes building in the UK.

There is uncertainty about how these changes will be implemented and how local authorities will navigate this system. It is likely that the process will be subject to legal challenges, which could bring further burdens to overstretched planning departments<sup>122</sup>. This may slow the process in the short-term. However, the policy change represents an important opportunity for local authorities to enable the building of new affordable homes and high-quality social infrastructure for their communities.

## 7.4 Strategic Housing Delivery

Major strategic developments bring the opportunity for high-quality place-making and can achieve much of the required new housing in specific, suitable locations. In recent years, such developments have mostly been promoted by the private sector with the volume housebuilders playing the essential part. This may be an imperfect route to achieving the optimum public value but remains the most common delivery strategy.

121 Competition and Markets Authority. (2024). Housebuilding market study, edited 15 March. Available at: <<https://www.gov.uk/cma-cases/housebuilding-market-study>>. [Accessed, 20/06/2024].

122 Lange, M. (2024). 'What do new Compulsory Purchase reforms mean for the housing crisis?'. Centre for Cities, published 19 January. Available at: <<https://www.centreforcities.org/blog/what-do-new-compulsory-purchase-reforms-mean-for-the-housing-crisis/>>. [Accessed, 20/06/2024].

Richardson, D., and Tombss, H. (2023). 'Will compulsory purchase reforms facilitate housing on brownfield sites?', Ashfords, published 2 August. Available at: <<https://www.ashfords.co.uk/insights/articles/will-compulsory-purchase-reforms-facilitate-housing-on-brownfield-sites/>>. [Accessed, 20/06/2024].



Over the last twenty years, Devon has had practical experience of delivering strategic housing allocations in the form of large urban extensions to Exeter and Plymouth. Cranbrook (in East Devon) and Sherford (in South Hams) were planned as new communities, functioning as urban extensions relatively close to major employment centres. The experience of planning and delivering these new communities through two economic cycles of recession and growth has demonstrated the practical and financial challenges of delivering social and community infrastructure in a timely fashion alongside housing. It also highlights the essential role of the public sector in front-funding critical transport infrastructure to unlock highway constraints.

The proximity of strategic developments to motorways and important motorway junctions can result in the National Highways Agency relying on its powers of direction to ensure that housing developments do not undermine the proper functioning of the strategic road network. This absolute power to restrict development until highway solutions are identified and fully funded threatens the delivery of homes in a timely fashion. In the case of Cranbrook, unlocking the strategic developments to enable housing to take place required an intervention by the then South West Regional Development Agency in the form of the Regional Infrastructure Fund. More recently, the strategic housing development known as South West Exeter in Teignbridge was “unlocked” using Homes England’s Housing Infrastructure Fund (HIF). This was designed as a revolving infrastructure fund that enabled deployment of recovered funds to other parts of the county.

Both examples point to the role of a delivery mechanism enabling the public sector to fund in whole, or in part, key essential infrastructure, whilst allowing housing to take place with a mechanism to claw back funding from the private sector developers on terms that are agreed. This can be based on an agreed phasing or simple “roof tax” basis. Sophisticated overage arrangements can ensure that the public sector captures a genuine investment return. The key point is that the timely provision of strategic

infrastructure for major developments often requires novel solutions. This can be more than simply a question of viability; for example, land ownership constraints can frustrate and cause long delays in moving to implementation.

Presently within Devon, further strategic housing allocations in the form of new communities are being considered close to Junction 28 of the M5 and between Junction 29 and Junction 30 of the M5. They offer provision of a mix of housing tenure that can support a younger demographic. These allocations will be important for delivering new homes at scale, close to employment centres and thus vital to provision of economically active populations and the long-term health of the Devon economy.

It is likely that further strategic housing proposals will continue to be directed towards the strategic road network for years to come. The section of the M5 between Junctions 28 and 31 requires an access strategy and an agreed delivery plan to unlock planned and emerging strategic allocations in Local Plans. An agreed access strategy is an essential first part of a required solution, whilst this may be in hand, a delivery mechanism together with the required funding will need to be identified and deployed, almost certainly before local planning authorities can determine planning applications for the housing developments.

**Recommendation 7.4: The Commission recommends that government makes more accessible national funding available in grant form to meet transport needs; at the sub-regional level, liaison between local planning authorities and transport/highway authorities should be strengthened.**

## 7.5 Local Authority Direct Delivery

Some local authorities in the UK have embarked upon new programmes of council housebuilding using the borrowing opportunities in their Housing Revenue Accounts. This method has seen some success in Devon and there are authorities that are looking to increase their delivery of affordable homes in this way. Others have created new housing companies utilising their general powers to

123 Morphet, J., and Clifford, B. (2021). Local authority Direct Provision of Housing: Third Research Report, The Bartlett School of Planning. Available at: <[https://www.ucl.ac.uk/bartlett/planning/sites/bartlett\\_planning/files/morphet\\_and\\_clifford\\_2021\\_-\\_local\\_authority\\_direct\\_delivery\\_of\\_housing\\_iii\\_report43.pdf](https://www.ucl.ac.uk/bartlett/planning/sites/bartlett_planning/files/morphet_and_clifford_2021_-_local_authority_direct_delivery_of_housing_iii_report43.pdf)>. [Accessed, 20/06/2024].

124 Letwin, O. (2018). Independent Review of Build Out: Final Report, published October 2018. Available at: <[https://assets.publishing.service.gov.uk/media/5bd6eb3940f0b6051e77b6a6/Letwin\\_review\\_web\\_version.pdf](https://assets.publishing.service.gov.uk/media/5bd6eb3940f0b6051e77b6a6/Letwin_review_web_version.pdf)>. [Accessed, 20/06/2024].

invest in new homes, sometimes for outright sale with profits cross-subsidising affordable provision. This has proved more problematic.

Housing companies have only been tried in Devon at a district level. National research has suggested that local authorities face barriers to directly delivering new homes, including a lack of development skills after many years of inactivity in housebuilding<sup>123</sup>. Without expertise, experience and the opportunity to develop at scale, this is an area fraught with risks for Devon's local housing authorities.

### 7.6 A New Development Corporation

While some Local Housing Companies have not proved successful, operating similar arrangements on a larger scale could repeat the successes of earlier initiatives. Extending the theme of county-wide action to achieve larger-scale developments, the proposed creation of a Devon and Torbay Combined County Authority (CCA) provides a unique opportunity to reduce dependency on developers and housebuilders for major, strategic developments. It represents the chance to establish a new Development Corporation along the lines first proposed by the Letwin Review<sup>124</sup>.

The new body (or perhaps two such bodies) would be wholly owned by the authorities that make up the Devon and Torbay CCA. It would take on the task of land assembly, acquiring sites using institutional finance and, where necessary, would draw on the new CPO powers to replace valuations based on hope value. It would be responsible for bringing together a Master Plan to achieve high-quality place-making with the necessary infrastructure, amenities, schools, a community hub and green spaces. It would parcel out the land to a range of providers, covering new homes for sale, low-cost homeownership and social rented accommodation, as well as specialist accommodation, student housing, community-led and retirement housing. It would enable the increase in land value from the commercial elements of the development to be used to cross-subsidise the rest.

In the Letwin model, a further ingredient suggested is a cap on the multiplier of the existing use value (to a maximum of ten times), which would further buttress the opportunity to capture the land value for the public good.

**Recommendation 7.5: The Commission recommends that the CCA should investigate the benefits/opportunities to create a countywide development corporation to perform a master developer role, acting at arm's length and with Compulsory Purchase Order powers, to support delivery of strategic development sites and regeneration programmes.**

### 7.7 Housing Association Capacity

The Commission are aware of the challenges that housing associations are facing in the delivery of affordable homes. Higher interest rates and building costs are undoubtedly providing a difficult development environment. Caps on Local Housing Allowance and the need to upgrade existing stock as well as a shortage of contractors to work with housing associations, have combined to make the delivery of affordable housing challenging. However, the Commission is clear that the land for development is there, and housing associations should be ready to go once economic conditions allow. The Affordable Homes Programme, administered by Homes England will be key to achieving this.

Homes England's strategic partner approach to funding large housing associations through the Affordable Homes Programme could go some way to providing the flexibility to react to changing economic conditions and manage development programmes to maximise delivery. These partnerships provide guaranteed funding to deliver a pre-agreed number of homes by the end of the programme in 2026. This approach allows for the delivery of small-scale rural homes to large-scale strategic developments and those organisations who have a strategic partnership should maximise this opportunity to deliver homes.

For small to medium size housing associations, working closely with Homes England will allow access to the Affordable Homes Programme funding on a scheme-by-scheme basis. It is important that these associations continue to seek out opportunities for the delivery of affordable schemes across the county. To do this successfully, the importance of partnerships between local authorities, housing associations and Homes England should not be underestimated, as well as the importance of a housing enabling function at a local authority to facilitate these relationships.

**Recommendation 7.6: The Commission recommends that Homes England works closely with the proposed CCA as well as the districts, as outlined in the Devon Devolution Deal, to support the delivery of Devon’s housing ambitions.**

## 7.8 Innovative Methods of Delivery

There have been several innovative methods of housing delivery that have been explored in recent years: Modern Methods of Construction, Tiny Homes, Co-Housing, Multigenerational Living and tenures such as Build to Rent. All of these could make small but important impacts in the right places and were all highlighted by respondents to our call for evidence.

The Commission has not had time to explore these in detail but does recognise that they all have potential in the right situation, whilst seeing that none are a silver bullet. If the Commission’s proposal to develop a Devon wide Housing Intelligence Unit is taken forward, evidence gathering of innovative housing solutions in the UK and further afield should be part of its remit. This would include assessing the viability and applicability of these solutions to particular places in Devon. Robust evaluation of any projects that take place in Devon would be an essential role of the Unit.

# Chapter Eight: Planning

Planning is at the centre of housing delivery and throughout this report, whilst focusing on different aspects of Devon’s housing crisis, we have looked towards planning for solutions. Planning is not a panacea, but the Commission recognises the central importance of planning departments if housing problems are to be overcome.

The Commission consulted with Devon’s planning authorities and this chapter also draws on national research from the Royal Town Planning Institute which was presented to the Commission; and it takes into account the many representations that the Commission has had concerning the planning system.

## 8.1 Devon’s Planning System

Devon has thirteen planning authorities: eight district and borough councils, one unitary authority (Torbay), the County Council (on waste and minerals matters) and two National Parks (which also have planning powers). There is also Plymouth City Council, another unitary authority that, although not part of the Commission or the proposed County Combined Authority, shares housing market areas and local plans with Devon local authorities. In comparison, Cornwall has just one planning authority (but with area planning committees), while Somerset, Dorset and Wiltshire have two each. As well as the multiplicity of planning authorities, Devon has an ever-changeable political landscape. Political priorities across the different local authorities means differing and sometimes contradictory attitudes to housing can be ascendant across the county at any one time, making cross-authority collaboration complex.

Devon has four housing market areas (Figure 8.1) defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. Importantly, West Devon and South Hams share a housing market area with Plymouth City Council.

**Figure 8.1: Devon’s Housing Market Areas**



### 8.1.1 Overall Picture of Local Plans

Table 8.1 shows the status of Local Plans in Devon. While recognising the extensive work required for plan preparation, having an up-to-date Local Plan is the essential ingredient for a plan-led system. Devon is in a relatively good position in this regard. With the exception of Torbay, Devon’s local authorities are also in a good position in terms of land supply which offers some protection from speculative planning and allows planning authorities to retain a certain level of control over development.



Table 8.1: the status of Local Plan's in Devon

	Dates	Status	Land Supply
South Hams West Devon and Plymouth Joint Plan	2014-2034	reviewed and deemed 'sound' March 2024	5.84 years
North Devon and Torridge Joint Plan	2011-2031	reviewed, hoping to pilot a new approach	5.18 years
Exeter Plan	New Exeter Plan reviewed, hoping to pilot a new approach	will run up to 2040	5.33 years
East Devon	adoption expected mid/late 2026	will run to 2040	4.50 years
Mid Devon	adoption expected April 2027	will run to 2043	5.44 years
Teignbridge	adoption expected November 2024	will run to 2040	5.22 years
Torbay	reviewed, consultations conducted, awaiting clarification on national policy	will run to 2040	2.17 years

### 8.1.2 Sub-regional Collaboration

Within the county there is already some sub-regional collaboration, including:

- Joint Local Plans for Plymouth, South Hams and West Devon (Adopted 2019).
- Joint Local Plans for North Devon and Torridge (Adopted 2018).
- A local housing needs assessment carried out for the Exeter Housing Market Area (Published 2022).
- A shared evidence base that includes joint needs assessments for economic development, gypsy and traveller accommodation, strategic transport, and habitat mitigation.

- 'Our Shared Coordinates', a joint strategy adopted by the councils across the Exeter HMA (December 2023). It sets the shared high-level strategic direction.

### 8.1.3 Shared Council Workforces

In addition to the policy collaboration noted above, West Devon Borough Council and South Hams District Council share council workforces. This means that all officers, from the Chief Executive down, are employed jointly between the two councils and share their time between the two. Despite the shared workforces, the two councils remain distinct at the level of policy with fully separated political control.

## 8.2 Shared Challenges Faced by Devon's Planning Authorities

When speaking with Devon's different planning teams, the Commission identified a series of shared challenges that are summarised below:

- Authorities report overall fragile structures driven by challenges in recruitment and a general lack of resilience across planning teams. Teams use agency staff who attract a premium and can be of variable quality. No market supplements are offered currently but some relocation packages are.
- There is churn within planning teams with staff moving to posts in other local authorities, often within Devon. There is a risk of losing experienced officers who have institutional 'memory' and local knowledge.
- Authorities struggle to fill higher grade, more experienced posts. The public sector in general is finding recruitment increasingly difficult due to the housing crisis and is looking to local councils for help with suggestions for accommodating key workers.
- Planning teams report a mix of in-house specialisms but do rely on bought-in expertise, with the most common externally commissioned skillset being around viability appraisals.
- Some expertise is commissioned from Devon County Council, but there is limited evidence of further collaboration or sharing of services (even in Joint Plan areas).
- New requirements relating to Biodiversity Net Gain require increased specialist capacity.
- Developing brownfield sites involves some changes in skillsets.
- There is a gap in terms of dedicated proactive housing delivery teams that can identify opportunities, work with developers, unlock issues, and tackle infrastructure requirements, particularly on larger sites.
- Because of the workforce pressures, planning teams report little spare capacity to provide mentoring and training for new starters; this extends to taking advantage of degree apprenticeships and university placements.

- There is also difficulty in recruiting Planning Enforcement Officers, which can be a contentious role that is often high-profile and politically visible.

Whilst Devon's structures ensure planning decisions are taken at a very local level, they increase difficulties of resourcing recruitment and retention, particularly of specialist officers. Planning teams report that they would welcome more collaborative working across the county and would like a stronger voice in government, to bridge the gulf between Devon's local plans and national policy.

Some planning authorities employ officers who are not located in the county. Whilst remote working enables local authorities to spare expert staff the high costs of relocating to Devon, this arrangement can be controversial with members of the public. Our call for evidence included a question on planning and answers were often characterised by a sense of cynicism towards the planning process from those who have engaged with it.

"It needs to be easier!" – ID 264

The evidence that the Commission has gathered from local planning authorities reflects national research conducted by the Royal Town Planning Institute<sup>125</sup> that summarised the following issues affecting planning teams across the country: backlogs; funding gaps; resourcing challenges; skills gaps; low morale.

To address this deteriorating situation, the Royal Town Planning Institute recommends a pooling of resources across planning authorities. This would enable economies of scale, as with existing shared services (e.g. for South Hams and West Devon) and enable development of a collaborative and strategic approach (as demonstrated by the French Les Agences d'Urbanisme). Pooling resources could offer opportunities for:

- Creating permanent positions for specialists: that have a county-wide remit, most notably on viability but also for issues such as Biodiversity Net Gain and Public Health (see Chapter Six).
- Recruitment, retention and career progression: currently there is a certain amount of churn of planning officers between Devon local authorities. By bringing planning teams together across the county, clear career pathways within

the one structure will open up. Planning authorities will spend fewer resources recruiting each other's staff and be able to focus on building rewarding and varied careers.

- Facilitating a pipeline of planners: bringing people into the career has been a challenge but Devon is fortunate because of the presence of the University of Plymouth's planning school, which offers postgraduate planning qualifications as well as degree apprenticeship routes into the role. A county-wide planning service could develop a stronger strategic relationship with the planning school and other education providers to ensure a continuing pipeline.
- Mentoring: the economies of scale produced by pooling resources would enable enhanced support of staff, whilst also sharing good practice and experience of "what works" amongst professionals.
- Pooling data: pooled data analysis will both be more efficient but also encourage greater contextualisation across different local authority areas.
- Addressing cross-boundary challenges: the need for this is already acknowledged and could unlock strategic conversations with the Government and Homes England about what Devon needs in order to address the housing crisis.

**Recommendation 8.1: The Commission recommends that the CCA explores the opportunities for a county-wide system of appointing and promoting planning staff, and providing career paths for planners. This should assist in the recruitment and retention of planning staff through coordination of advertising, appointments, continuing professional development and career progression.**



### 8.3. Local Plans and Sub-regional Plans

The Commission recognises the value of district planning committees and Local and Neighbourhood Plans that are democratically accountable. However, the Commission also recognises that plan-making is a resource intensive and complex process. The plan-led system requires a regularly updated four to five year supply of land and clarity on strategic objectives. Local Plans need to recognise travel-to-work areas that cross authority boundaries, requiring close cooperation between local housing authorities and local planning authorities. Links are also needed to public health and, now through Integrated Care Systems, to health and social care. Currently, plans may make reference to healthy communities or the challenges of an ageing population, but do not provide a comprehensive approach to these shared challenges. Increased county-wide data collection and use would support plan preparations.

Meanwhile, planners should be open to innovative proposals for developments such as co-living schemes and “Build to Rent” schemes for key workers that could attract and retain young people in an area, e.g. after graduating. Other innovations may involve multi-generational living and novel forms of low-cost homeownership.

**Recommendation 8.2: The Commission recommends that the Devon Housing Task Force, or its successor body, should play a special role in the context of the proposed new CCA coordinating Local Plans in a cohesive overall framework and exploring innovations for the County that address shared challenges.**

### 8.4 Resources for Planning

The speed at which developments get started and are built out depends primarily on “market absorption”, i.e. the pace at which the housebuilder can sell homes at their desired price. It is also the case that backlogs in processing planning applications can delay development. Therefore, it is in the interest of all parties that applications are handled swiftly and, once consents are granted, sites do not stand entirely or partially undeveloped for months or years.

For the processes of the local planning authority to run smoothly, adequate resources for planning are essential. Even with the economies of scale that can follow from the sharing of planning administration between local planning authorities, current resourcing is inadequate. Fees for administering planning applications are not covering costs, meaning Council Tax payers are subsidising the process for the housebuilders. At the same time, there have been serious cuts during recent years in response to the wider pressures on council finances.

Government has recently responded to the situation by raising the permitted levels for fees and index-linking the higher amounts, but this settlement falls short of full cost recovery.

Since it is in the interest of the housebuilders for the local planning authorities to be adequately funded, some have volunteered to pay more to get faster treatment of planning applications. For major developments, this issue becomes even more important, and some developers have offered to cover costs of specialist expertise to support local planning authorities. Although these offers bring potential conflicts of interest, there are opportunities here (with sensible safeguards) to secure more resources for planning.

**Recommendation 8.3: The Commission recommends that central government should permit local planning authorities to recover the full cost of processing planning applications from developers; and, for major planning applications, should permit local planning authorities to require payment for additional (external) planning consultants.**

126 Hill, S. (2022). ‘How private developers get out of building affordable homes’, New Economics Foundation, published 8 February. Available at: <<https://neweconomics.org/2022/02/how-private-developers-get-out-of-building-affordable-housing>>. [Accessed, 20/06/2024].

Hill, S. (2022). ‘Taking back affordable housing’, New Economics Foundation, published 22 February. Available at: <<https://neweconomics.org/2022/02/taking-back-affordable-housing>>. [Accessed, 20/06/2024].



## 8.5 Developer Contributions, Section 106 Agreements, and “Viability”

Planning gain and contributions from developers for affordable housing, and schools, are a crucial part of the process that enable local authorities to shape and serve their communities. A Financial Viability Assessment calculates the cost of a development against its income/profitability. It is a complex and technical exercise subject to negotiations for which local authorities may lack the resources to defend their requirements. Obligations can be renegotiated during development and developers can use these opportunities to reduce their Section 106 contributions.

A number of councils are employing techniques that assist delivery of affordable housing and other social benefits. Some authorities (including Eastbourne, Leeds and Ashford) employ a zoned affordable housing policy that requires differing levels of affordable housing in different areas, reflecting differing levels of housing demand. Other authorities have a policy of transparency of Section 106 negotiation, for example by making Financial Viability Assessments public. Others, such as Salford, include a clawback mechanism in the Section 106 agreement which enables the Council to re-negotiate contributions when developments perform well. In the case of London, the Mayoral Authority seeks to forge positive relations with developers by reducing their costs through fast-tracking proposals that demonstrate compliance with a 35% affordable housing target that makes compliance appealing<sup>126</sup>.

Planning teams report that it is common for developers to come back and renegotiate affordable levels based on changes to viability, estimated to be over half. Factors include things like topography, remediation of contamination, new substations, etc. Viability arguments need to be validated. As noted above, councils often don't have the expertise in-house or the capacity to do this. Clawback conditions are usually built into permissions as a safeguard but these can be time-consuming and complex to follow up. Authorities report having to carefully weigh the costs of fighting inappropriate planning applications due to the costs of going to appeal. This means that the control that planners have over what is built can be limited by their lack of resources. See Recommendation 1.4.

Although market conditions can justify developers making slow progress to develop consented land for fear of lower profitability, there are actions which can be taken to progress stalled developments. Some housebuilders have sold sites to housing associations ready to proceed with schemes of affordable housing. Others have moved to a “Build to Rent” model. Action by planners to speed up development prevents the blight of partially completed schemes.

**Recommendation 8.4: The Commission recommends that government should permit the imposition of a stricter timetable for action where planning consent is granted but development has stalled.**

## 8.6 Infrastructure

The Commission's work has concentrated on housebuilding. But the building of homes always takes place within a wider context in which infrastructure, including transport links, plays an essential part. Chapter Seven considered the attributes of successful, larger-scale strategic development, but every development raises questions of extra road traffic and the need for services to the new residents.

Much of the opposition to new development, as well as concerns over the impact to landscapes and distrust that local housing needs will be served, centres on the need for adequate new infrastructure:

*“Key challenges are travelling to work on outdated road networks, new housing developments being built before the necessary infrastructure. Better planning and organisation needed.” – ID 142*

Government has responded to this challenge with several “pots” of funding, for town centres, for urban sites, for areas at risk of flooding, etc. Such resources can supplement input from the council and not only address local concerns but remove reasons for “viability” arguments to be deployed.

**Recommendation 8.5: The Commission recommends that government consolidates and simplifies extra funding for infrastructure to provide local authorities with flexibility to meet local needs and reduce grounds for objections to housebuilding.**

## 8.7 Planning in Rural Areas

There are special sensitivities for development in rural areas (see Chapter Two). But Rural Exception Sites offer unique opportunities to serve local economic and social needs in a large number of village locations.

The Rural Exception Site model means sites can be acquired for far less than the open market price in the village. This advantage makes possible the provision of a high proportion of affordable housing and a development that is sympathetic to its local surroundings.

As we have described in Chapter Two, the work of a Rural Housing Enabler can be crucial in brokering a satisfactory scheme with the local landowner, a housing association and/or a Community Land Trust, the parish council, as well as with the local planning authority. In these negotiations, the desire to meet the needs of the local community and produce high-quality homes depends on the goodwill and cooperation of the landowner for whom a sufficient financial incentive will be an essential component. The price to be paid has often been agreed at a modest £10,000 per plot – perhaps a tenth of the typical level in the locality. Other options include allowing the outright market sale for a small number of the homes – e.g. two in a development of twelve. Flexibility in this regard enables cross-subsidy from an open market sale to pay for affordable homes.

As one example, the West Devon and South Hams Joint Local Plan allows open market housing on Rural Exception Sites, providing this does not represent more than 40% of the housing units. Importantly, the management arrangements must ensure that affordable housing stays so in perpetuity.

See Recommendation 2.1.

## 8.8 Brownfield versus Greenfield Sites

There is widespread support for “brownfield first” development policies expressed in our call for evidence:

“Too many new homes are being built on greenfield sites, having a negative impact on rural communities, pollution, biodiversity and the environment. Brownfield sites and change of use for empty commercial buildings should be prioritised for housing development before destroying natural sites, despite the additional costs and complications.” – ID 129

Additional cost requires additional assistance from central government to enable projects to move forward. Devon is blessed with exceptional National Parks where the severest restrictions on development are justified as well as National Landscapes, and Sites of Special Scientific Interest. Protected landscapes are living landscapes and there will still be infrequent opportunities to assist local needs in a sensitive manner.

**Recommendation 8.6: The Commission recommends that the restrictions covering National Parks and other exceptional areas should be preserved in principle; but rare opportunities for development of unwanted/unattractive sites should be taken forward.**

## 8.9 Permitted Development Rights

Using Permitted Development Rights to speed up processes and achieve greater certainty of outcomes may be sensible; but without adequate ground rules and enforcement of standards, the reduction in local control has proved hazardous. To date, developments using the Permitted Development route have been exempt from requirements for affordable housing. This diminishes their value to local communities, e.g. where a warehouse is converted into expensive apartments for sale with no developer contributions. In rural and coastal Devon, the use of Permitted Development can be used to prioritise tourist accommodation over primary residence and in villages can cause the loss of irreplaceable local amenities.

**Recommendation 8.7: The Commission recommends that local authorities be given greater discretion to call in any significant development using permitted rights to avoid inferior standards, to impose stronger prior approval requirements, and to allow the levying of developer contributions.**

## 8.10 Coordination with Transport

All new developments have implications for transport, but necessary resources are lacking. Examples highlighted in Devon include the need for the Axminster relief road and work on Junction 28 of the M5, as well as the lack of public transport across the county. A key part of local opposition to new development is the potential increase in traffic that will follow. Investment in transport infrastructure can help overcome these objections and improve productivity. See recommendation 7.

# Chapter 9: The Role of the Proposed Combined County Authority (CCA)

Throughout this report the Commission has been clear that to change the housing delivery landscape in Devon, collaboration and partnership are essential. The proposed CCA offers an opportunity to put some structure around this collaboration. Accordingly, we have made several recommendations that are in the context of the CCA becoming established. If, for whatever reason, the CCA does not move forward in the way currently anticipated, the Commission encourages these recommendations to be delivered in other ways, led by Devon County Council, Torbay Council and the districts.

A clear strategy to address the housing crisis will help to shape the collaboration between districts and the CCA and provide a public document of action.

**Recommendation 9.1: The Commission recommends the CCA should devise an overarching Devon Housing Strategy that provides a roadmap for addressing Devon’s housing crisis over the next decade.**

This report is being presented to the Devon Housing Task Force. The Commission agrees that this group, or a successor body, has an important role as the housing advisory group to the CCA board and the monitoring body for the housing strategy.

**Recommendation 9.2: The Commission recommends the CCA should establish a successor body to Devon’s Housing Task Force to provide ongoing monitoring of progress toward the Housing Strategy’s goals.**

One of the primary aims of the Devon Housing Commission was to build a picture of the housing situation across the county. To do this we have gathered a variety of datasets and built partnerships with government agencies, the University of Exeter, neighbouring authorities and other specialist organisations, such as the Office for National Statistics. Before this Commission there was no available consistent county-wide dataset on housing. Bringing this all together saves individual authorities’ unnecessary work.

**Recommendation 9.3: The Commission recommends that a Housing Intelligence Unit is created for the proposed CCA area, investing in sophisticated data analysis to make use of the extensive information now available to inform policymaking. This Unit should monitor the impact of interventions and responses to Commission recommendations, maintaining and adding to data sets created. It can also facilitate partnerships with the University through the Civic University Agreement and beyond, with districts and other areas of the country, e.g. monitoring interventions in areas such as Cornwall and making policy recommendations to the districts and the CCA based on this analysis.**

These structural recommendations will help the CCA to build on the work the Devon Housing Commission has completed and embed the collaborative approach in Devon for years to come.





# Annex One: North Devon Tourist Accommodation<sup>127</sup>

Parish	Total Number of Properties (CT + Business Rated Self Catering Lets)	Number of Holiday Lets	%	Number of Second Homes	%	Total Number of Second Homes and Holiday Lets	%
Mortehoe	1362	343	25%	295	22%	638	47%
Georgeham	1100	282	26%	206	19%	488	44%
Trentishoe	37	8	22%	4	11%	12	32%
Countisbury	45	9	20%	4	9%	13	29%
Martinhoe	67	11	16%	8	12%	19	28%
West Down	407	63	15%	51	13%	114	28%
Instow	500	56	11%	79	16%	135	27%
Brendon	104	11	11%	13	13%	24	23%
Lynton	947	88	9%	114	12%	202	21%
Romansleigh	52	3	6%	6	12%	9	17%
Bittadon	24	2	8%	2	8%	4	17%
Queensnympton	20	2	10%	1	5%	3	15%
Berrynarbor	464	35	8%	34	7%	69	15%
Parracombe	150	10	7%	11	7%	21	14%
Challacombe	76	8	11%	2	3%	10	13%
Kentisbury	175	18	10%	3	2%	21	12%
East Down	134	10	7%	6	4%	16	12%
Combe Martin	1432	77	5%	69	5%	146	10%
East Anstey	131	6	5%	7	5%	13	10%
Kingsnympton	216	11	5%	10	5%	21	10%
Ilfracombe	6184	310	5%	290	5%	600	10%
Twitchen	32	0	0%	3	9%	3	9%
Shirwell	204	10	5%	9	4%	19	9%
Loxhore	88	5	6%	3	3%	8	9%
Goodleigh	234	14	6%	7	3%	21	9%
Brayford	204	13	6%	4	2%	17	8%
Marwood	365	18	5%	12	3%	30	8%
Swimbridge	389	15	4%	16	4%	31	8%
Rose Ash	152	6	4%	6	4%	12	8%
Chittlehampton	464	20	4%	16	3%	36	8%

Parish	Total Number of Properties (CT + Business Rated Self Catering Lets)	Number of Holiday Lets	%	Number of Second Homes	%	Total Number of Second Homes and Holiday Lets	%
Ashford	143	5	3%	6	4%	11	8%
Knowstone	117	8	7%	1	1%	9	8%
Atherington	213	9	4%	7	3%	16	8%
Meshaw	83	3	4%	3	4%	6	7%
Burrington	271	12	4%	7	3%	19	7%
Braunton	4090	143	3%	143	3%	286	7%
Stoke Rivers	90	3	3%	3	3%	6	7%
Westleigh	166	9	5%	2	1%	11	7%
Bishopsnympton	460	22	5%	8	2%	30	7%
North Molton	553	17	3%	18	3%	35	6%
Georgenympton	82	1	1%	4	5%	5	6%
Newton Tracey	234	7	3%	7	3%	14	6%
East Worlington	119	4	3%	3	3%	7	6%
Bratton Fleming	484	13	3%	13	3%	26	5%
Mariansleigh	83	3	4%	1	1%	4	5%
Chulmleigh	853	17	2%	23	3%	40	5%
East and West Buckland	181	4	2%	4	2%	8	4%
Molland	91	1	1%	3	3%	4	4%
Satterleigh and Warkleigh	92	2	2%	2	2%	4	4%
Chittlehamholt	96	3	3%	1	1%	4	4%
Pilton West	193	2	1%	6	3%	8	4%
Rackenford	170	3	2%	4	2%	7	4%
Bishops Tawton	570	13	2%	10	2%	23	4%
West Anstey	80	3	4%	0	0%	3	4%
Filleigh	135	0	0%	4	3%	4	3%
Witheridge	756	13	2%	9	1%	22	3%
Heanton Punchardon	984	14	1%	13	1%	27	3%
Arlington	50	0	0%	1	2%	1	2%
Tawstock	1420	13	1%	12	1%	25	2%
South Molton	3123	11	0%	37	1%	48	2%
Landkey	965	6	1%	8	1%	14	1%
Fremington	6073	20	0%	46	1%	66	1%
Barnstaple	11648	19	0%	106	1%	125	1%
<b>Total</b>	<b>50427</b>	<b>1867</b>	<b>4%</b>	<b>1806</b>	<b>4%</b>	<b>3673</b>	<b>7%</b>



## Annex Two: Case Study: South Hams

Anecdotally, South Hams is a hot spot for short-term lets. Data from AirDNA tells us that between Oct 2022 and March 2023 an average 2,617 “entire place” lettings were available in the district. This is compared to 46,055 properties eligible for council tax in the district, and would represent 5.58% of all properties. However, not all of those lettings would be homes that have been transferred from long-term lets to short-term; some will be inappropriate for long-term accommodation due to being highly remote, being very small, and lacking amenities such as central heating, etc<sup>128</sup>.

Another measure is the recently developed ONS release on the holiday let market delivered through collaborative economy platforms, such as Airbnb. This, shown in Table 10.1, suggests that 214,020 guest nights were available in South Hams between

July and September 2023. By usual resident population, South Hams is the tenth most impacted local authority in the country by holiday lets in England (North Devon is eighth and Torridge fifteenth).

**Number of guest nights in short-term lets offered through collaborative economy platforms, by country of origin, national to local administrative unit 1, England, Q3 2023. Top 15 by Usual Resident Population**

**Table 10.1: Number of guest nights in short-term lets offered through collaborative economy platforms<sup>129</sup>**

Local Authority	Domestic	International	Total	Guest Nights Per Usual Resident (2021 census)
City of London	12130	64010	76140	8.87
Westminster	114550	757350	871900	4.27
South Lakeland	279620	69250	348870	3.34
Scarborough	332230	21180	353410	3.25
Kensington and Chelsea	56120	389720	445850	3.11
Cornwall	1311380	274680	1586060	2.78
<b>North Devon</b>	<b>220710</b>	<b>21170</b>	<b>241880</b>	<b>2.45</b>
Cotswold	149040	74540	223580	2.46
<b>South Hams</b>	<b>186810</b>	<b>27200</b>	<b>214020</b>	<b>2.41</b>
Derbyshire Dales	142210	19460	161670	2.26
Camden	72670	375830	448500	2.13
North Norfolk	195710	8760	204470	1.99
Eden	85830	13290	99130	1.81
Isle of Wight	221380	23620	244990	1.74
<b>Torridge</b>	<b>93710</b>	<b>9530</b>	<b>103240</b>	<b>1.52</b>

<sup>128</sup> NB. We are not adding the number of holiday lets to the number of second homes as we assume that many registered second homes will also be used as holiday lets (and not be declared for business rates).

<sup>129</sup> Office for National Statistics (ONS), released 4 March 2024, ONS website, dataset, Short-term lets through online collaborative economy platforms, UK. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/shorttermletsthroughonlinecollaborativeeconomyplatformsuk>>. [Accessed 20/06/2024].



This data does not tell us much about what those properties are, some will be four-bedroom houses, others will be spare rooms, shepherds huts and ‘traditional’ holiday lets. What we can say for sure is that South Hams has a significant amount of short-term let accommodation available on online platforms.

However, at the level of the district there does not appear to be an impact in the cost of rent. There has been a 31% increase in the cost of rent in South Hams since 2016, and though significant, this is in line with average increases in England (see Chapter One).

### South Hams Parishes

Looking at parish level data, we can compare household data from the 2011 and 2021 census, knowing that these geographies have not changed in this time. Through this data, we are able to look in detail at how the housing market has changed over time (Table 10.2).

This data shows us that the number of households in South Hams has increased. We would expect this as the population is increasing and there has been development of new housing. Over this time, there has been a 9% increase in the number of households privately renting.

At the parish level there is a more nuanced picture. Seventeen of the sixty-one parishes have seen a fall in the overall number of households that reside there, and all but two of these parishes have also seen a decline in population. Overall, eighteen parishes have seen a decline in population. Nineteen parishes have seen a decrease in the number of households living in rented accommodation. Of those nineteen parishes, twelve have also seen a decline in the overall number of households. These households could have moved away from the area or bought a house in the same area, but these households have not been replaced in that unit of rented accommodation. We can infer that these rentals have “left the market” and so the rental market appears to have shrunk. Ten parishes overall have seen a reduction in their population, number of households and in the number of households renting.

Of the seventeen parishes that have seen a decline in the number of households, the impact on the proportion of households renting is not consistent and in some cases these are exaggerated due to low numbers. The range of change in the size of the private rented sector goes from minus 48% (minus ten households) to plus 43% (plus three households); within this there are some significant changes with one parish falling by thirty-nine households, equating to minus 35%, and another losing twenty-seven households, equating to minus 24%. Combined, the seventeen parishes that have seen a fall in the number of households have seen a 7% fall in the size of the rental market. If we concentrate on the eighteen parishes that have seen a fall in the size of the rental market, there has been an overall fall of 13%. However, if we look at the whole of South Hams, there has been a 9% increase in the size of the rental market.

As well as a reduction in the size of the rental market, these parishes have also seen reductions in the number of households that own their homes. Overall, fifteen parishes that have seen a fall in the number of households who own their homes, these range from a 1% to a 17% (116 households). Of the seventeen parishes that have seen an overall decline in the number of households, fourteen have seen a fall in the number of owner-occupiers.

Table 10.2: South Hams Parishes with a Decline in Number of Households between 2011 and 2021. 2011 and 2021 Censuses

Parish	Population		Households		Number of Owned and Shared Ownership		Social Rented		Number of Private Rented	
	Change	% Change International	Change	% Change International	Change	% Change International	Change	% Change International	Change	% Change International
Salcombe	-326	-17%	-152	-16%	-116	-17%	5	3%	-27	-24%
Dartmouth	-345	-6%	-120	-5%	-37	-2%	-31	-5%	-27	-6%
Kingswear	-127	-10%	-82	-13%	-48	-10%	8	57%	-39	-35%
Kingsbridge	-206	-3%	-56	-2%	-11	-1%	-25	-5%	15	3%
Thurlestone	-57	-7%	-41	-10%	-36	-11%	-2	-4%	-2	-4%
South Huish	-14	-3%	-20	-9%	-22	-12%	0	0%	4	13%
South Milton	-14	-4%	-20	-11%	-16	-12%	1	6%	-5	-24%
Cornwood	-75	-7%	-17	-4%	-7	-2%	-2	-5%	-6	-7%
Dittisham	-45	-10%	-16	-8%	-13	-8%	-1	-7%	-1	-4%
Newton and Noss	-40	-2%	-16	-2%	1	0%	13	22%	-23	-18%
Strete	15	3%	-13	-5%	-7	-4%	2	13%	-8	-20%
South Pool	-6	-4%	-6	-8%	3	6%	1	100%	-10	-48%
East Portlemouth	-5	-3%	-6	-9%	-5	-10%	-4	-44%	3	43%
Frogmore and Sherford	55	13%	-6	-3%	-4	-3%	4	11%	-3	-12%
Ringmore	-3	-1%	-4	-4%	-5	-6%	-1	-25%	2	15%
Kingston	-6	-2%	-2	-1%	1	1%	-1	-3%	-2	-12%
West Buckfastleigh	-8	-3%	-1	-1%	-9	-11%	4	133%	5	25%

Of the seventeen parishes that have seen a fall in the number of households, nine have seen a decline in both the number of households who rent and who own. Four of these parishes have seen the number of households declining by 10% or more, with the fall being 16%. These are localised impacts that are not picked up in the district level data. Figure 10.1 shows the location of the parishes that have seen a fall in the number of households and show a clustering around rivers estuaries and the coast, i.e. locations that are also holiday destinations.

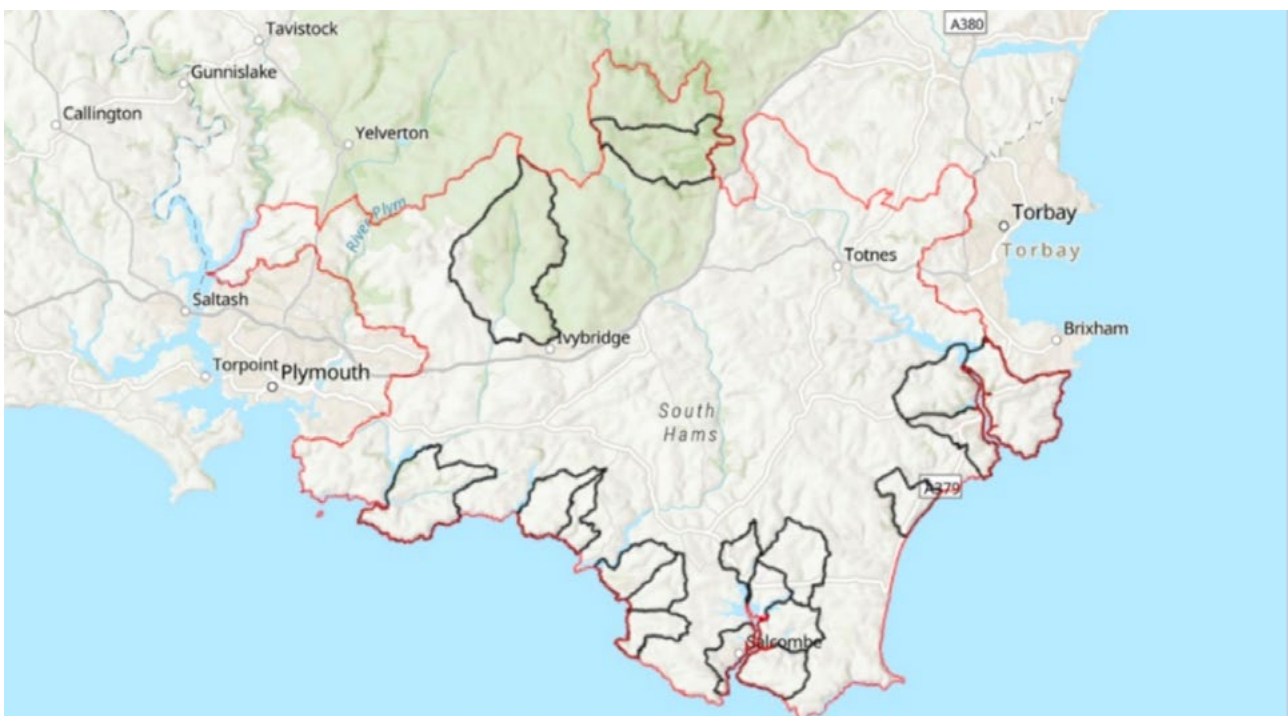
Looking at the whole of the district, the parishes are growing, with one increasing the number of households by 49%, 359 households. Parishes have also seen an increase in the number of household renting, with the highest increase being 108%. Ten parishes have seen an increase in the number of households of 20% or more, none of these parishes are coastal.

This data in itself does ascribe causation. However, we know that the parishes impacted are desirable places to live and there have not been large-scale demolitions of homes in these parishes. Additionally, we know by looking at 2021 census data on holiday homes at ward level (we do not have this at parish level), that there is a crossover between the parishes highlighted here and those that have a high number of second homes<sup>130</sup>. The parishes that have seen a decrease in the number of households renting, and an

overall fall in the number of households, fit within the seven district wards that have the highest proportion of second homes. In other words, a high proportion of second homes correlates with a fall in the number of households renting and an overall fall in the number of households. Therefore, and without other explanations, it is reasonable to assume that the effect detected here is, in part, caused by the impact of second homes. Furthermore, we know that, as noted in Chapter Two, between 2014 and 2023 only 128 additional properties were registered as second homes for council tax purposes in South Hams, but these seventeen parishes have lost 578 households between 2011 and 2021. Evidence noted in Chapter Two about the long term rentals being turned into holiday lets provides a reasonable explanation of what is happening in this data.

Whilst the hollowing out these parishes will be creating significant impacts locally it is harder to measure the impact on the wider housing market. Those priced out of coastal parishes may be moving to other areas in the district, creating a ripple of impact. This data supports claims that the Commission has heard that second homes and holiday lets are hollowing out communities, reducing the working age population and making public services unviable. Indeed, in one of the parishes in this data, Kingswear, which has seen a 10% fall in its population, the school has recently closed due to a collapse in the roll.

**Figure 10.1: South Hams parishes with a resident population decline between the 2011 and 2021 censuses**



<sup>130</sup> NB. Whilst this measure of second is an undercount it does provide granular data that suggest which particular local areas are impacted.

# Annex Three: Building Completions in Devon 1991 to 2023<sup>131</sup>

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Torbay	140	210	310	350	420	240	350	380	310	400	320
East Devon	560	400	280	450	520	420	410	340	500	500	380
Exeter	140	130	240	230	180	220	410	340	200	220	220
Mid Devon	350	290	180	210	310	400	400	280	340	310	400
North Devon	360	290	270	180	300	360	230	300	390	290	260
South Hams	500	220	340	380	420	370	330	230	290	230	200
Teignbridge	890	710	680	550	570	560	630	530	570	400	420
Torrige	300	290	180	220	250	190	350	320	400	290	410
West Devon	150	150	180	310	340	110	200	120	230	190	140
<b>Devon</b>	<b>3390</b>	<b>2690</b>	<b>2660</b>	<b>2880</b>	<b>3310</b>	<b>2870</b>	<b>3310</b>	<b>2840</b>	<b>3230</b>	<b>2830</b>	<b>2750</b>

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Torbay	350	360	390	290	290	330	290	230	230	230	150
East Devon	570	370			170	170	170	200	240	390	390
Exeter	410	150	430	700	690	260	130	280	310	580	100
Mid Devon	230	470	320	370	430	350	310	140	130	110	250
North Devon	300	150	260	320	330	330	260	190	170	100	170
South Hams	150	100	210	100	60	90	120	120	60	170	180
Teignbridge	330	520	320	220	270	220	290	240	290	430	420
Torrige	380	280	440	370	360	390	310	240	200	300	150
West Devon	190	230	240	140	200	500	360	250	470	150	100
<b>Devon</b>	<b>2910</b>	<b>2630</b>	<b>2610</b>	<b>2510</b>	<b>2800</b>	<b>2640</b>	<b>2240</b>	<b>1890</b>	<b>2100</b>	<b>2460</b>	<b>1910</b>

<sup>131</sup> Office for National Statistics (ONS), released 16 October 2023, ONS website, dataset, House building, UK: permanent dwellings started and completed by local authority. Available at: <<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housebuildingukpermanentdwellingsstartedandcompletedbylocalauthority>>. [Accessed 20/06/2024].



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Torbay	330	400	260	270	330	350	210	140	150	200
East Devon	720	920	870	600	890	870	1040	710	900	850
Exeter	280	350	530	340	550	520	350	290	510	650
Mid Devon	320	230	240	210	380	300	350	270	230	170
North Devon	210	250	230	450	520	540	730	490	590	320
South Hams	190	210	250	350	390	380	510	540	510	570
Teignbridge	730	570	420	740	750	460	440	580	530	760
Torridge	240	340	410	470	220	180	270	120	140	250
West Devon	150	170	170	130	130	70	190	300	270	320
<b>Devon</b>	<b>3170</b>	<b>3440</b>	<b>3380</b>	<b>3560</b>	<b>4160</b>	<b>3670</b>	<b>4090</b>	<b>3440</b>	<b>3830</b>	<b>4090</b>

# Annex Four: About the Commission

The Devon Housing Commission was established by the Devon Housing Taskforce, chaired by Councillor Mandy Ewings, which comprises all Devon local authorities, and was hosted by the University of Exeter as part of the University's Civic University Agreement with Devon County Council. The geographic area covered by this report is that of the administrative regions of Devon County Council and Torbay Council. Devon County Council and Torbay Council, as well as the eight Devon district councils, funded and participated in the work. The University of Exeter also funded the Commission's work. When this report refers to Devon in data tables it is these local authority areas that are referred to. Data on Plymouth City Council is not included unless explicitly stated.

The Commission undertook its work between May 2023 and June 2024; during this time six full in-person meetings were held. The meetings were hosted by different Devon local authorities and explored issues raised by those local authorities as well as county-wide issues. In addition to these in-person meetings, online meetings were held throughout to explore particular issues in depth. Organisations and members of the public could submit evidence to the Commission; this was done through interviews with members of the Commission's research team, in writing and through an online call for evidence that was open to the general public. Many people and organisations submitted evidence to the Commission, including 509 individual responses to the online call for evidence.

The Commission invited free text responses to a series of questions as part of the call for evidence; there was also an opportunity to raise any additional issues. The submissions to the call for evidence were coded and organised thematically and these have been used throughout the report. As submissions to the call for evidence from members of the public did not constitute a weighted sample, we have not extrapolated quantitative conclusions from this data. Rather, the call for evidence has been treated as testimony of Devon's housing crisis. These submissions give insight to the lived experience of some Devon residents. Throughout the report, we draw upon this lived experience as well as expert evidence submitted to the Commission, data from a wide variety of national datasets as well as other published material.

The Commissioners would like to thank all of those who have submitted evidence and engaged with the Commission and for the work of local authorities and the University of Exeter for hosting meetings. Commissioners would also like to thank those who have supported the Commission, in particular: Chloe Halsted supporting the work of Lord Best; Andrew Dean, Lindsey Anderson, Alison Ward, Gabrielle Climie and Leo Webb from the University of Exeter; Stephen Walford from Mid Devon District Council, and Sue Rose from Devon County Council who have attended all Commission meetings and provided support throughout.

## The Commissioners

### **Lord Richard Best (Chair)**

Social Housing Leader and Member of the House of Lords

### **Cllr John Hart**

Leader of Devon County Council (2009 to 2024)

### **Cllr Alan Tyerman**

Cabinet Member for Housing and Finance, Torbay Council

### **Selaine Saxby**

MP for North Devon (2019-2024)

### **Professor Anna Mountford Zimdars**

Director of Centre for Social Mobility, University of Exeter

### **Keith Miller**

Chair, Cavanna Homes

### **Karime Hassan**

Chief Executive, Exeter City Council (2012-2022)

### **Judy Pearce**

Leader, South Hams District Council (2019-2023)

### **Alison Ward**

Director Middlemarch Community Led Housing

### **Jacqueline Starr**

Chair LiveWest Housing Association

### **Charles Courtenay**

Earl of Devon, Member of the House of Lords

## Commission Research Team

### **Matt Dodd** (Head of the Commission)

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### **Dr David Hancock**

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