

Five Year Housing Land Supply Statement

May 2024

Exeter City Council

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Introduction

- 1.1 This statement presents the current housing land supply position for Exeter City Council. It applies from 1 April 2024 and covers the five-year period to 31 March 2029. The housing supply position is set out in accordance with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

Government guidance

- 2.1 Until being amended on 20 December 2023, the NPPF required local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies were more than five years old. However, on 20 December 2023 the NPPF¹ was updated to state that, for decision-making purposes only:

...local planning authorities should identify and update a supply of specific deliverable sites sufficient to provide either a minimum of five years' worth of housing, or a minimum of four years' worth of housing if the provisions in paragraph 226 apply. The supply should be demonstrated against either the housing requirement set out in adopted strategic policies, or against the local housing need where the strategic policies are more than five years old.

- 2.2 Paragraph 226 of the new NPPF explains that:

From the date of publication of this revision of the Framework, for decision-making purposes only, certain local planning authorities will only be required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years' worth of housing (with a buffer, if applicable, as set out in paragraph 77) against the housing requirement set out in adopted strategic policies, or against local housing need where the strategic policies are more than five years old, instead of a minimum of five years as set out in paragraph 77 of this Framework. This policy applies to those authorities which have an emerging local plan that has either been submitted for examination or has reached Regulation 18 or Regulation 19 (Town and Country Planning (Local Planning) (England) Regulations 2012) stage, including both a policies map and proposed allocations towards meeting housing need.

- 2.3 The emerging Exeter Plan has reached Regulation 18 stage and includes a policies map and proposed allocations towards meeting housing need. Therefore, until December 2025 and for decision-making purposes only, the Council is not required to identify a minimum of five years' worth of housing. Instead, from 20 December 2023 until 20 December 2025, the Council is required to identify a minimum of four years' worth of housing. This is supported by an appeal decision of Inspector H Baugh-Jones², which states that:

The emerging local plan has reached the relevant stage such that, under the provisions of the Revised Framework, the Council is required to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years' worth of housing of deliverable housing sites. This arrangement applies for a period of two years from the Revised Framework's publication.

¹ Paragraph 77

² Paragraph 33 of appeal decision APP/Y1110/W/23/3328094 – Former Police Station and Magistrates Court, Heavitree Road, Exeter, EX1 2LS. 2 February 2024.

- 2.4 PPG³ and a supporting letter from the Chief Planner⁴ are clear that the demonstration of a four-year housing land requirement should be set against a five-year housing land supply, not an alternative calculation.

³ PPG Paragraph: 055 Reference ID: 68-055-20240205

⁴ [Letter about Update to Planning Practice Guidance on Housing Supply and Delivery \(5 February 2024\) \(publishing.service.gov.uk\)](#)

The four-year housing requirement

3.1 The Exeter Core Strategy was adopted in February 2012 and is therefore more than five years old. It has not been reviewed and the Council is instead preparing a new Local Plan (the Exeter Plan). Consequently, this position statement measures housing supply against local housing need calculated using the standard method in accordance with paragraph 77 of the NPPF. Based on the standard method, Exeter's current annual local housing need figure is 642⁵. This generates a basic four-year housing requirement of 2,568.

3.2 For the purposes of calculating the four-year housing requirement, paragraph 77 of the NPPF states that:

Where there has been significant under delivery of housing over the previous three years, the supply of specific deliverable sites should in addition include a buffer of 20% (moved forward from later in the plan period).

3.3 Footnote 43 of the NPPF clarifies that *significant under delivery over the previous three years* is where the local planning authority's Housing Delivery Test indicates that delivery over the previous three years was below 85% of the local planning authority's housing requirement. The Department for Levelling-Up, Housing and Communities published its latest Housing Delivery Test results (for 2022) on 19 December 2023. The Council comfortably passed this test with a result of 153%. As such, there is no requirement to add a buffer to the basic four-year housing requirement and no further requirement in the NPPF and PPG to consider past shortfalls in alternative ways.

3.4 Taking into account the steps set out in paragraphs 3.1 to 3.3 above, Exeter has a four-year housing requirement of 2,568 homes. The calculation is set out in table 1.

Table 1: Exeter's four-year land requirement 2024/25 – 2027/28

Description	Homes
(A) Annual local housing need (at 1 April 2024)	642
(B) Basic four-year housing requirement (A x 4)	2,568
(C) Buffer	N/A
(D) Total four-year housing requirement	2,568

⁵ Calculated using the ONS 2014-based household projections for Exeter for the period 2024 to 2034, adjusted to take into account the ONS 2023 median workplace-based affordability ratio for Exeter.

The five-year housing supply

- 4.1 The NPPF defines ‘deliverable’ sites that can be identified in the five-year housing supply as follows:

Deliverable: *To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

- 4.2 The Council interprets this definition to mean that small sites (below ten homes) with either outline or detailed permission, and major sites (ten homes or more) with detailed permission, are deliverable **unless there is clear evidence to demonstrate that they are not**. Sites with outline permission for ten or more homes and sites that are allocated in a development plan, or have a grant of permission in principle, or are identified on Exeter’s brownfield register, should only be considered deliverable **if there is clear evidence of a realistic prospect that housing completions will begin on site within five years**.

- 4.3 PPG⁶ provides additional guidance on the evidence required to demonstrate that sites with outline permission for ten or more homes, sites that are allocated in a development plan, sites with a grant of permission in principle, or sites identified on brownfield registers can be considered deliverable within the five-year housing supply. It states that such evidence may include:

- *Current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions;*
- *Firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers’ delivery intentions and anticipated start and build-out rates;*
- *Firm progress with site assessment work; or*
- *Clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.*

⁶ PPG Paragraph: 007 Reference ID: 68-007-20190722

- 4.4 This position statement has been produced in line with the NPPF's definition of deliverability and the guidance set out in PPG. During March 2024, the Council contacted the developers / promoters of all major sites with planning consent (or with a resolution to approve consent subject to the completion of a S106 Agreement) to establish:
- Advice on delivery rates;
 - Progress towards submission of applications where applicable;
 - Whether there is clear evidence of non-delivery or delivery of consents and allocations, in line with the requirements of the definition of deliverability; and
 - Whether or not there is a developer on board.
- 4.5 The developers / promoters were asked to provide this information on a standard and signed proforma, via email. Reminder emails were also sent. The Council issued fifty-six proformas, of which twenty-six were completed and returned.

Sites with planning consent or a resolution to approve planning consent

- 4.6 Appendix 1 provides a build trajectory for all sites with planning consent (or with a resolution to approve planning consent subject to the completion of a S106 Agreement) at 1 April 2024. For each site, the trajectory reflects the following sources of information:
- In the first instance, the response of the developer / promoter provided in March/April 2024;
 - If no response was provided in March/April 2024:
 - For major sites where completions have occurred for at least the previous two years, the average annual rate of completions on the site to date. The trajectory assumes that the annual average rate will continue until full completion occurs;
 - For all other sites, the market conditions model in appendix 2 of the Exeter HMA HELAA Methodology⁷. This has been applied as a precautionary approach, in that it assumes a potentially suppressed build rate for the next five years to reflect the conditions of a recession. The model has been developed with the HELAA Panel, comprising a group of representatives from the housebuilding industry;
 - For small sites with outline or detailed consent and major sites with detailed consent, any clear evidence to demonstrate that the site is not deliverable; and
 - For major sites with outline consent, any clear evidence of a realistic prospect that housing completions will begin on site within five years.
- 4.7 The consequence of this robust approach is that a number of sites with planning consent (or resolution to approve planning consent subject to the completion of a S106 Agreement) at 1

⁷ HELAA Methodology, Revised May 2021. East Devon District Council, Exeter City Council, Mid Devon District Council and Dartmoor National Park Authority.

April 2024 are either not included, or not fully included, in the trajectory for the forthcoming five years:

- **Land at Pinhoe Quarry (site 328); The Old Coal Yard Phase 1 (site 400a); The Old Coal Yard Phase 3 (site 400c); Aldens Farm West (site 417); Land off Spruce Close and Celia Crescent (site 432):** These sites have detailed consent. As the developers / promoters have not responded to the Council's requests for information, the site trajectories have been calculated using either the average annual completion rate to date or the HELAA market conditions model. This has resulted in assumed build rates that would see:
 - 8 homes (of the 243 still to be constructed) completed in year 6+ at Land at Pinhoe Quarry;
 - 143 homes (of the 230 consented) completed in year 6+ at The Old Coal Yard Phase 1;
 - 2 homes (of the 89 consented) completed in year 6+ at the Old Coal Yard Phase 3;
 - 70 homes (of the 182 consented) completed in year 6+ at Aldens Farm West; and
 - 6 (of the 93 homes consented) completed in year 6+ at Land off Spruce Close and Celia Crescent.

This means that 229 homes are not included in the five-year housing supply, despite having detailed consent.

- **162-163 Fore Street (site 264); 102-104 Fore Street (site 336); 130 Fore Street (site 345); Land at Broom Park Nurseries and Five Acres (site 412); Clifton Hill Sports Centre (site 419); Hurst Road Almshouses (site 424S); Land at Corner of Retreat Drive (site 425); Keble House, Southernhay Gardens (site 428); Land adjacent to Newcourt Road (site 436); Land at Retreat Drive (site 439); 5 Tresillian Gardens (site 1375); 90 South Street (site 1621); 3 Ruby Court (site 1877); Emmanuel School (site 1991):** Thirteen of these sites have detailed consent and one site (Hurst Road Almshouses) benefits from a Committee resolution to approve full consent subject to the completion of a Section 106 Agreement. The Council considers that there is clear evidence of non-delivery of these sites, either in full or part, within the next five years. This means that a further 203 homes with detailed consent are not included in the five-year housing supply.
- **Seabrook Orchards Phase 4 (site 333a); Land for residential development at Hill Barton Farm (site 346a); Bricknells Bungalow (site 362); Land east of Exmouth Branchline (site 366S); Land at Redhills (site 426); Land to the west of Clyst Road (site 433); Land of Pendragon Road (site 444); Land south of Blakeslee Drive (site 445); 68-72 Howell Road (site 2446):** These sites have outline consent except for Land east of Exmouth Branchline, which benefits from a Committee resolution to approve outline consent subject to the completion of a Section 106 Agreement. The sites are not included in the five-year housing supply because the Council considers that there is currently no clear evidence to support their inclusion. This means that 1,295 homes with outline consent are not included in the five-year housing supply.

- 4.8 It should be remembered that a five-year housing supply is not a test of housing delivery certainty, but rather a test of there being a realistic prospect of housing delivery. This is evident by the wording of PPG. The Council considers that its approach to determining deliverability is robust and reflects guidance in PPG.
- 4.9 This statement has been produced in line with guidance in PPG⁸ and the Housing Delivery Test Rulebook⁹ on how to count housing completions:
- Completions are net figures, offsetting any demolitions;
 - Communal accommodation that is not self-contained, including co-living housing, is counted using a ratio of one home for every 1.8 bed spaces.
- 4.10 Paragraph 38 of appeal decision APP/Y1110/W/22/3292721 (Land off Spruce Close, Exeter, EX4 9DR) is clear that co-living housing should be counted using the ratio of one home for every 1.8 bedspaces. A High Court Judgment means that Exeter City Council is currently unable to count purpose built student accommodation in the five year supply. Further details are provided in section six of this statement.

⁸ PPG Paragraphs: 029 Reference ID: 68-029-20190722; 030 Reference ID: 68-030-20190722 and 035 Reference ID: 68-035-20190722.

⁹ Paragraph 11.

Assessment of housing supply

5.1 The deliverable supply of housing identified in the next five years (2024/25 to 2028/29) is set out in detail in appendices 1 and 2. Table 2 summarises the data and identifies a total net supply of 3,243 homes. The supply from major sites and small sites with consent or a resolution to approve consent are discussed in chapter 3 of this statement. Definitions of the other types of supply listed table 1 are discussed in turn below.

Table 2: Total net housing supply 2024/25 to 2028/29

	24/25	25/26	26/27	27/28	28/29	Total (net)
Major sites with consent / resolution to approve	554	1,108	536	559	188	2,945
Small sites with consent / resolution to approve	139	0	0	0	0	139
Identified sites without planning consent	0	0	0	0	0	0
Windfalls	0	22	41	48	48	159
Total net supply	693	1,130	577	607	236	3,243

Identified sites without planning consent

5.2 Sites within this category include those that are allocated in the development plan but do not yet have consent / a resolution to approve consent, sites that have Permission in Principle and sites on Exeter's Brownfield Register. Of these sources:

- No unconsented site allocations are counted in the five-year housing supply, because there is currently no clear evidence of a realistic prospect that housing completions will begin on these sites within five years;

- No sites with Permission in Principle are counted in the five-year housing supply because there are currently no sites with this status in Exeter;
- Sites on Exeter's Brownfield Register are only included in the five-year housing supply if they have planning consent / resolution to approve planning consent (in which case they are counted as such and not as 'identified sites without planning consent').

5.3 Within this category, a further source of sites are those that are currently at pre-application or planning application stage. However, there is currently no clear evidence to justify the inclusion of these sites within the five-year housing supply.

5.4 The Council is preparing a new Local Plan (the Exeter Plan) and consulted on a Full Draft of the Plan in the autumn of 2023. The Full Draft Plan included a number of proposed housing allocations. At this stage there is no clear evidence to justify the inclusion of these sites within the five-year housing supply.

Small sites windfall allowance

5.5 The supply makes an allowance for windfall sites of less than twenty homes based on historic evidence. Appendix 2 provides the evidence for the windfall allowance, which has been calculated in accordance with the formula agreed with the HELAA Panel that is set out in appendix 4 of the HELAA Methodology.

5.6 As can be seen from table 2, the result of applying the formula is that a contribution of 159 homes from windfall sites is included in the five-year housing supply.

The five-year land supply position

5.7 Table 3 sets out the five-year supply against the four-year housing land requirement at 1 April 2024.

Table 3: Exeter's five-year land supply position at 1 April 2024

Description	Homes
(A) Four-year housing requirement	2,568
(B) Deliverable supply	3,243
(C) Land supply position	Just under 5 years and 1 month

Conclusion

- 6.1 This Statement demonstrates that the Council is able to demonstrate a housing supply of just under five years and one month for the period commencing 1 April 2024. Given the progress made on the new Exeter Plan, the Council is currently required to demonstrate a four-year supply of housing for decision-making purposes. The supply of deliverable homes exceeds the four-year housing requirement by 675 homes.

Purpose Built Student Accommodation

- 7.1 In 2015, a High Court Judgment ruled that the Council was unable to count purpose built student accommodation (PBSA) in the five year land supply. This was because the Judge ruled that:
- the Council's housing requirement (which at the time was set by the Exeter Core Strategy) did not take full account of the need for student housing; and
 - based on the wording of PPG at that time, it was only possible for local authorities to count PBSA towards meeting the housing requirement if there was evidence of market homes being released from student occupation.
- 7.2 As a consequence of the High Court Judgment, anticipated completions of PBSA are not included in the five-year housing supply calculation set out in section five of this statement.
- 7.3 However, changed circumstances suggest that it may now be reasonable for the Council to count PBSA in the five-year housing supply.
- 7.4 The first change is the introduction by Government in 2018 of the Housing Delivery Test. Both the Housing Delivery Test and (in Exeter's case) the five-year housing supply are measured against the standard method housing requirement, not the housing requirement set by the Exeter Core Strategy. In the Housing Delivery Test, self-contained and communal PBSA are counted as part of the housing supply. The fact that the five-year housing supply is measured against the same housing requirement as the Housing Delivery Test suggests that it may be reasonable, and indeed consistent with Government practice, for the Council to count self-contained and communal PBSA in Exeter's five-year housing supply.
- 7.5 The second change comprises amendments to PPG made since the High Court Judgment¹⁰. The new PPG clearly sets out the process by which Councils can count PBSA in the five-year housing supply:

All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can in principle count towards contributing to an authority's housing land supply based on:

- *the amount of accommodation that new student housing releases in the wider housing market (by allowing existing properties to return to general residential use); and / or*
- *the extent to which it allows general market housing to remain in such use, rather than being converted for use as student accommodation.*

This will need to be applied to both communal establishments and to multi bedroom self-contained student flats. Several units of purpose-built student accommodation may be needed to replace a house which may have accommodated several students.

¹⁰ PPG Paragraph 034 Reference ID: 68-034-20190722

Authorities will need to base their calculations on the average number of students living in student only accommodation, using the published [census data](#), and take steps to avoid double-counting. The exception to this approach is studio flats designed for students, graduates or young professionals, which can be counted on a one for one basis. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that fully functions as an independent dwelling.

- 7.6 In addition to these changed circumstances, a notable number of other local planning authorities with significant student populations count PBSA in the five-year housing supply. The authorities include Birmingham City Council, Bristol City Council, Derby City Council, Leeds City Council, Charnwood Borough Council, Manchester City Council, Newcastle City Council, Oxford City Council, Plymouth City Council and York City Council. As with Exeter, at least seven of these authorities (Birmingham, Bristol, Derby, Charnwood, Manchester, Plymouth and York) derive the five-year housing requirement from the standard method because the adopted development plan is more than five years old. For reasons of consistency, this suggests that it may now be reasonable for the Council to count PBSA in the five-year housing supply.

The impact of including PBSA in the five-year housing supply

- 7.7 Given the points set out above, the Council considers it reasonable to assess the impact that the inclusion of PBSA would have on the housing supply. The assessment has been undertaken using the same robust approach set out in sections four and five of this statement. Deliverable schemes of PBSA have been added to the supply and the windfall allowance has been modified to take account of PBSA windfalls schemes of less than twenty units. PBSA has been counted in accordance with PPG, as set out in paragraph 7.4 above:
- Each studio flat has been counted as one dwelling;
 - For cluster flats and communal PBSA, every 2.5 bedspaces has been counted as one dwelling based on published census data.
- 7.8 Table 4 summarises the outcome of the assessment, setting out the total net housing supply for the five-year period including PBSA. A row is included in the table showing delivery on major schemes of PBSA with consent / resolution approve; and the windfall allowance takes PBSA into account. Full details of major sites of PBSA with consent / resolution to approve at 1 April 2024 are provided in appendix 3 and full details of the adjusted windfall allowance are provided in appendix 2.

Table 4: Total net housing supply including PBSA 2024/25 to 2028/29

	24/25	25/26	26/27	27/28	28/29	Total (net)
Major sites with consent / resolution to approve	554	1,108	536	559	188	2,945
Small sites with consent / resolution to approve	139	0	0	0	0	139
Sites for PBSA with consent / resolution to approve	13	39	36	125	106	319
Identified sites without planning consent	0	0	0	0	0	0
Windfalls (including PBSA)	0	27	46	53	53	179
Total net supply	706	1,174	618	737	347	3,582

7.9 Table 5 summarises Exeter's housing supply position if PBSA were to be included.

Table 5: Exeter's five-year land supply position at 1 April 2024, including PBSA

Description	Homes
Four-year housing requirement	2,568
Deliverable supply	3,582
Five-year land supply position	Just under 5 years and 7 months

- 7.10 Table 5 shows that if PBSA were to be counted in the housing supply, the Council would be able to demonstrate a supply of just under five years and seven months for the period commencing 1 April 2024. The supply of deliverable homes would exceed the four-year housing requirement by 1,014 homes.