

Five Year Housing Land Supply Statement

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Contents

1.	INTRODUCTION	3
2.	ESTABLISHING THE FIVE YEAR LAND REQUIREMENT	4
3.	NATIONAL POLICY AND GUIDANCE – IDENTIFYING A FIVE YEAR LAND SUPPLY	6
4.	FIVE YEAR LAND SUPPLY POSITION.....	11
5.	CONCLUSION.....	13
6.	PURPOSE BUILT STUDENT ACCOMMODATION.....	14
APPENDIX 1 - SITES WITH PLANNING PERMISSION FOR HOUSING AT 6 SEPTEMBER 2021		17
APPENDIX 2 – WINDFALLS.....		38
APPENDIX 3 - DELIVERABLE SCHEMES OF PURPOSE BUILT STUDENT ACCOMMODATION.....		45

1. Introduction

- 1.1 This statement presents the current five year housing land supply position for Exeter City Council. It applies from 6 September 2021 and sets out the housing supply position in accordance with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). It covers the five year period from 6 September 2021 to 5 September 2026.

2. Establishing the five year land requirement

- 2.1 The NPPF¹ states that local planning authorities should 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 are more than five years old (unless these strategic policies have been reviewed and have not been found in need of updating). Footnote 37 of the NPPF expands upon this, stating that where local housing need is to be used as the basis for assessing the five year supply, it should be calculated using the Government's standard method set out in PPG.

Local housing need

- 2.2 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 embarking upon the preparation of a new Exeter Local Plan. Consequently, this position statement measures the five year land supply against local housing need calculated using the standard method. Based on the standard method, Exeter's current annual local housing need figure is 627². This generates a basic five year housing requirement of 3,135.

Addressing any past housing delivery shortfalls

- 2.3 For the purposes of calculating the five year housing requirement, the PPG³ states that:

Where the standard method for assessing local housing need is used as the starting point in forming the planned requirement for housing, Step 2 of the standard method factors in past under-delivery as part of the affordability ratio, so there is no requirement to specifically address under-delivery separately when establishing the minimum annual local housing need figure.

- 2.4 Since Exeter's five year housing requirement is based on the standard method, there is no requirement to specifically address any past under delivery of housing separately when establishing the minimum annual local housing need figure / the five year housing requirement.

Adding a buffer

- 2.5 To ensure that there is a realistic prospect of achieving the planned level of housing supply, PPG⁴ advises that a local planning authority should always add an appropriate buffer to the housing requirement in the first five years, bringing forward additional sites from later in the plan period. This will result in a five year requirement over and above the level indicated by the local housing need figure. The PPG states that one of the following buffers should be added, depending upon circumstances:

¹ Paragraph 68

² Calculated using the ONS 2014-based household projections for Exeter for the period 2021 to 2031, adjusted to take into account the ONS 2020 median workplace-based affordability ratio for Exeter.

³ Paragraph: 031 Reference ID: 68-031-20190722

⁴ Paragraph: 022 Reference ID: 68-022-20190722

- 5% - the minimum buffer for all authorities, necessary to ensure choice and competition in the market, where they are not seeking to demonstrate a 5 year housing land supply;
- 10% - the buffer for authorities seeking to 'confirm' 5 year housing land supply for a year, through a recently adopted plan or subsequent annual position statement (as set out in [paragraph 74 of the National Planning Policy Framework](#)), unless they have to apply a 20% buffer (as below); and
- 20% - the buffer for authorities where delivery of housing taken as a whole over the previous 3 years, has fallen below 85% of the requirement, as set out in the last published Housing Delivery Test results.

2.6 The Council is not seeking to 'confirm' its five year housing supply for a year as set out in paragraph 74 of the NPPF and therefore a buffer of 10% is not applicable. The Council passed the 2020 Housing Delivery Test with a result of 153%, meaning that a buffer of 20% is not applicable. Based on advice in the PPG, it is instead appropriate to calculate Exeter's five year housing requirement by applying a buffer of 5% to the local housing need figure.

The final five year land requirement

2.7 Taking into account the steps set out in paragraphs 2.2 to 2.6 above, Exeter has a five year housing requirement of 3,292 homes. The calculation is set out in table 1.

Table 1: Exeter's five year land requirement 2021/22 – 2025/26

Description	Homes
(A) Annual local housing need (at 6 September 2021)	627
(B) Basic five year housing requirement (A x 5)	3,135
(C) Shortfall	N/A
(D) 5% buffer	157
(E) Total five year housing requirement	3,292

3. National policy and guidance – identifying a five year land supply

- 3.1 The NPPF contains the following definition of ‘deliverable’ which applies to sites that can be identified in the five year housing supply:

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.

- 3.2 The Council interprets this definition to mean that small sites (below ten homes) with either outline or full/reserved matters permission, and major sites (ten homes or more) with full/reserved matters permission, are to be considered 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.

- 3.3 The PPG⁵ provides additional guidance on the types of 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.*

⁵ Paragraph: 007 Reference ID: 68-007-20190722

- 3.4 This five year housing supply statement has been produced in line with the NPPF's definition of deliverability and the guidance set out in PPG. During August and early September 2021, the Council contacted the developers / promoters of all fifty three 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 dates for sites;
 - Progress towards submission of applications where applicable;
 - Progress towards the completion of S106 agreements 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.
- 3.5 The resulting trajectory for all sites with planning consent (or with a resolution to approve planning consent subject to the completion of a S106 Agreement) at 6 September 2021 is provided at Appendix 1. Of the fifty three major sites with consent, delivery advice has been received from the developers / promoters in thirty six cases. In all but two of these cases, the build rates in the trajectory directly reflect the advice provided by the developers / promoters. In the aforementioned two cases, the Council has applied a more conservative build rate than that advised by the developers / promoters (see bullet point four under paragraph 3.6 and bullet point four under paragraph 3.7). For each major site where delivery advice has not been received from the developer and for all small sites, the build rate in the trajectory directly reflects the market conditions model in appendix 2 of the Exeter HMA HELAA Methodology (see paragraph 3.12 below for further details)⁶. The model has been developed with the HELAA Panel, comprising a group of representatives from the housebuilding industry.
- 3.6 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 6 September 2021 are either not included, or not fully included, in the trajectory for the forthcoming five years, i.e.:
- **Land at Pinhoe Quarry, Harrington Lane; Hill Barton Farm, Hill Barton Road, Phase 4; and Aldens Farm East, Land between Chudleigh and Dawlish Roads:** these three sites have full or reserved matters consent, but the developers / promoters have advised that whilst the delivery of homes will commence in year 1-5, full completion will not occur until years 6 or 7. This means that 182 homes with full or reserved matters consent are not included in the five year housing supply;
 - **162-163 Fore Street; 102-104 Fore Street; 130 Fore Street; Emmanuel School, Blackboy Road; and 90 South Street:** these five sites have full consent, but the developers / promoters have advised that whilst the consents have been implemented, no homes will be delivered in years 1-5. This means that a further 32 homes with full consent are not included in the five year housing supply;

⁶ Exeter HMA HELAA Methodology, Revised April 2017. East Devon District Council, Exeter City Council, Teignbridge District Council, Mid Devon District Council and Dartmoor National Park Authority. See [Evidence - Greater Exeter Strategic Plan \(gesp.org.uk\)](#), HELAA-Appendix A-Methodology.

- **Hurst Almshouses, 2-24 Fairpark Road:** this site has resolution to approve full consent subject to the completion of a S106 Agreement to demolish 12 existing almshouses and redevelop the site to provide 31 new almshouses (resulting in a net gain of 19 units). Delivery will be subject to significant pre-commencement archaeological work. Therefore the Council considers that completions may not take place in years 1-5;
- **Seabrook Orchards (formerly land to north of Topsham Road); Land adjoining Exeter Road, Topsham; and Land to the west of Clyst Road, Topsham):** these three sites have outline consent. They are not included in the five year housing supply because the Council considers that there is no clear evidence to support their inclusion. Further details are provided under the site entries in appendix 1. This means that 292 homes with outline consent are not included in the five year housing supply; and
- **Land east of Exeter Branchline, Newcourt, Old Rydon Lane; and Aldens Farm West, Land between Shillingford and Chudleigh Roads):** these two sites have a resolution to approve outline consent subject to the completion of a S106 Agreement. They are not included in the five year housing supply because the Council considers that there is no clear evidence to support their inclusion. In the case Aldens Farm West, this is despite the agent advising that delivery could occur in years 1-5. This means that 508 homes with a resolution to approve outline consent are not included in the five year housing supply.

3.7 The robust approach taken by the Council in obtaining evidence also means that four sites with outline consent are included in the five year supply, either in full or in part, on grounds that there is clear evidence of a realistic prospect that housing completions will begin on site within five years:

- **Land to the north, west and south of the Met Office, Hill Barton (Phase 5):** phase five (of five) of a large greenfield scheme granted outline consent in 2013. Phase five will be delivered by Persimmon Homes, who also delivered phases one, two and three, together with an adjoining site, at an annual build rate of up to 153 homes. Constructive pre-application discussions for 235 homes are underway and Persimmon expects to submit a planning application by the end of 2021, with full completion by the end of 2025/2026. The Council considers that this information provides clear evidence of a realistic prospect of housing completions within five years, also bearing in mind Persimmon's track record of delivery of the other phases;
- **Hill Barton Farm, Hill Barton Road:** phase four (of five) of the same large greenfield site. Phase four will be delivered by Salter Properties. A reserved matters application was submitted in June 2021 for 200 homes. The applicant advises that first completions are expected in early 2023, subject to the grant of consent. The Council considers that this information provides clear evidence of a realistic prospect of housing completions within five years, also bearing in mind the successful delivery of other phases;

- **Land east of Cumberland Way:** phase four (of four) of a large greenfield site originally granted outline consent in 2013. A new outline consent purely for phase four was subsequently granted in 2021 for up to 80 homes. The promoter has advised that the site is in the process of being sold to a developer, with first completions expected in 2022/23 subject to obtaining reserved matters consent. The Council considers that this information, and the fact that this is phase four of a larger site where all other phases have been or are being successfully delivered, provides clear evidence of a realistic prospect of housing completions within five years; and
- **The Old Coal Yard, Exmouth Junction, Mount Pleasant Road:** outline consent for this scheme of 400 homes and 65 assisted living homes was granted in May 2021. The scheme is to be delivered in three phases: phases one and three by Eutopia Homes and phase 2 by Ilke Homes. Conditions to the outline consent requiring a detailed culvert survey, contamination investigation and the first phase of a sound insulation scheme have been discharged; and applications to vary a number of other conditions were submitted in connection with phases one and two in August 2021. This clearly demonstrates an intention to implement the consent. Ilke Homes advises that phase 2 will be completed by March 2024, subject to obtaining reserved matters consent. Eutopia Homes has not responded to recent requests for evidence, but in March 2021 advised that they expected to submit a reserved matters application in April 2021, deliver their first homes in quarter four of 2023 and build 150 homes per year. Given that a reserved matters application has not yet been submitted, the Council has taken the conservative approach of pushing back the delivery timetable of all three phases by one year. The Council also considers that the build rate advised by the developers may be overly optimistic. A build rate of 50 homes per annum has therefore been applied, in line with the market conditions model in appendix 2 of the Exeter HMA HELAA Methodology. This means that 315 homes are not included in the five year supply.

3.8 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 the PPG and the inclusion of a buffer in the five year housing requirement, which reflects the possibility that not all homes included in the five year housing supply are certain to come forward in the manner assessed. The Council considers that its approach to determining deliverability is robust and reflects the aforementioned guidance in PPG.

3.9 This statement has been produced in line with guidance in the PPG⁷ and the Housing Delivery Test Rulebook⁸ on how to count housing completions, as follows:

- Completions are net figures, offsetting any demolitions;
- With the exception of purpose built student accommodation (see section 5 of this statement) every self-contained dwelling is counted as one home;
- Empty homes are only counted where they are not already counted as part of the existing stock;

⁷ PPG Paragraphs: 029 Reference ID: 68-029-20190722; 030 Reference ID: 68-030-20190722 and 035 Reference ID: 68-035-20190722.

⁸ Paragraph 11.

- Communal accommodation (Use Class C2) is counted using a ratio of 1 home to 1.8 bed spaces.
- 3.10 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.

The impact of COVID-19 on deliverability

- 3.11 Exeter's housing completions for 2020/21 amount to 348 dwellings (excluding purpose built student accommodation). This is significantly lower than completions in recent years and reflects the impact on the construction industry of the three COVID-19 National Lockdowns during 2020/21. These delayed the progression of sites under construction and the commencement of some sites. However, whilst progress on some sites has clearly been affected, liaison with developers during 2021 has not indicated any effects on delivery beyond the immediate impacts of the lockdowns. The short term impact of the lockdowns are further suggested by housebuilding data for Exeter. This shows that building control starts in quarter four of 2020 were the highest since quarter one of 2019 and that building control completions in quarter one of 2021 were the highest since quarter two of 2019⁹.
- 3.12 At this stage, there is no evidence to demonstrate that there will be any longer term effects of the pandemic that may affect the deliverability of sites. It is reasonable to assume that developers have taken the impact of the pandemic into account when advising the Council on commencement dates and build rates for individual sites. Therefore, for major sites where developer advice has been obtained and all small sites, no further adjustments have been made to commencement dates and build rates to take account of COVID-19. For the few major sites where the Council has not received feedback from the developer, or where there is no evidence to suggest an alternative build rate, the 'market conditions' build rate set out in appendix 2 of the Exeter HMA HELAA Methodology has been applied as a precautionary approach. The market conditions build rate assumes a suppressed build rate for the forthcoming five years, to reflect the conditions of a recession.

⁹ MHCLG Indicators of New Housing Supply – Interactive Dashboard, Local Authority Level, [Microsoft Power BI](#)

4. Five year housing supply position

- 4.1 The deliverable supply of housing identified in the next five years (2021/22 to 2025/26, starting 6 September each year) is set out in detail in appendices 1 and 2. Table 2 summarises the data and identifies a total net supply of 4,001 homes. Definitions of the types of supply listed in the first column of table 1 are discussed in turn below.

Table 2: Total net housing supply 2021/22 to 2025/26

	21/22	22/23	23/24	24/25	25/26	Total five year supply (net)
Major sites with consent / resolution to approve	565	811	1,190	856	402	3,824
Small sites with consent / resolution to approve	85	92	0	0	0	177
Identified sites without planning consent	0	0	0	0	0	0
Windfalls	0	0	0	0	0	0
Total net supply	650	903	1,190	856	402	4,001

Major and small sites with consent / resolution to approve consent

- 4.2 The deliverability of all major and small sites with consent or resolution to approve consent has been assessed as set out in section 3 above. For major sites, developer feedback on commencement and build rates (where provided) is given in the comments column of appendix 1.

Identified sites without planning consent

- 4.3 Sites within this category include those that are allocated in the current development plan but do not yet have consent / 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 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 an 'identified site without planning consent'). Of the other nineteen sites on the Register, five have been developed since the Register was published, and there is currently no clear evidence of a realistic prospect that housing completions will begin on the remaining fourteen sites within the next five years.

4.4 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.

4.5 The Council has started to prepare a new Exeter Local Plan. At this stage, there is no evidence to include in the five housing year supply any potential development sites that may be allocated in the Local Plan.

Small sites windfall allowance

4.6 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. As can be seen from table 2, the result of applying the formula is that a contribution from windfalls is not included in the five year housing supply.

The five year land supply position

4.7 Table 3 sets out the years of supply against the five year land requirement at 6 September 2021.

Table 3: Exeter's five year land supply position at 6 September 2021

Description	Homes
(A) Five year housing requirement	3,292
(B) Deliverable supply	4,001
(C) Five year land supply position	6 years and 1 month

5. Conclusion

- 5.1 Against the five year housing land requirement, the Council is currently able to identify a supply of five years and five months for the period commencing 6 September 2021. The supply of deliverable homes exceeds the five year housing requirement by 709 homes.

6. Purpose Built Student Accommodation

- 6.1 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
 - the Judge ruled that, 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.
- 6.2 As a consequence of this High Court Judgment, anticipated completions of PBSA are not included in the five year housing supply calculation set out in section four of this statement.
- 6.3 However, changed circumstances suggest that it may now be reasonable for the Council to count PBSA towards the five year housing supply.
- 6.4 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. 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.
- 6.5 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

¹⁰ [Housing supply and delivery - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-supply-and-delivery)

may be needed to replace a house which may have accommodated several students.

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.

- 6.5 In addition to these changed circumstances, the Council is aware that 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 three of these authorities (Bristol, Charnwood and Manchester) derive their five year housing requirements from the standard method because their adopted development plans are 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

- 6.6 Given the points set out above, the Council considers it reasonable to assess the impact that the inclusion of PBSA would have on the five year housing supply. The assessment has been undertaken using the same robust approach set out in sections three and four 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 6.4 above, i.e.:
- 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.
- 6.7 Table 4 summarises the outcome of the assessment, setting out the total net housing supply for the five year period including PBSA (starting 6 September each year). 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 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 2021/22 to 2025/26

	21/22	22/23	23/24	24/25	25/26	Total five year supply (net)
Major sites with consent / resolution	565	811	1,190	856	402	3,824

	21/22	22/23	23/24	24/25	25/26	Total five year supply (net)
to approve						
Major sites for PBSA with consent / resolution to approve	170	156	0	490	0	816
Small sites with consent / resolution to approve	85	92	0	0	0	177
Identified sites without planning consent	0	0	0	0	0	0
Windfalls (including PBSA)	0	0	0	0	0	0
Total net supply	1,820	1,059	1,190	1,346	402	4,817

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

Table 5: Exeter's five year land supply position at 6 September 2021, including PBSA

Description	Homes
Five year housing requirement	3,292
Deliverable supply	4,817
Five year land supply position	7 years and 4 months

6.9 Table 5 shows that if PBSA were to be counted towards the five year housing requirement, the Council would currently be able to identify a supply of seven years and four months for the period commencing 6 September 2021. The supply of deliverable homes would exceed the five year housing requirement by 1,525 homes.