

Five Year Housing Land Supply Statement

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1. Introduction

- 1.1 This statement presents the current five year housing land supply position for Exeter City Council. It applies from 1 April 2023 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 1 April 2023 to 31 March 2028.

2. Establishing the five year housing 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 housing 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 Local Plan (the Exeter Plan). Consequently, this position statement measures the five year housing supply against local housing need calculated using the standard method. Based on the standard method, Exeter's current annual local housing need figure is 642². This generates a basic five year housing requirement of 3,210.

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 2023 to 2033, adjusted to take into account the ONS 2022 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 latest Housing Delivery Test result is from 2021 and the Council passed that test with a result of 155%. Therefore 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 3,371 homes. The calculation is set out in table 1.

Table 1: Exeter's five year land requirement 2023/24 – 2027/28

Description	Homes
(A) Annual local housing need (at 1 April 2022)	642
(B) Basic five year housing requirement (A x 5)	3,210
(C) Shortfall	N/A
(D) 5% buffer	161
(E) Total five year housing requirement	3,371

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 April 2023, 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 for sites;
- 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.

3.5 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 sixty-four proformas and received nineteen completed proformas back.

Sites with planning consent or a resolution to approve planning consent

3.6 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 2023. For each site, the trajectory takes into account the following sources of information:

- In the first instance, the response of the developer / promoter provided in April 2023;
- If no response was provided in April 2023:
 - 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 this 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 Methodology⁶. 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 full/reserved matters consent and major sites with full/reserved matters 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.

3.7 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 April 2023 are either not included, or not fully included, in the trajectory for the forthcoming five years, i.e.:

- **Land at Pinhoe Quarry (site 328); Land for residential development at Hill Barton Farm (site 346c); The Old Coal Yard Phase 1 (site 400a); The Old**

⁶ HELAA Methodology, Revised May 2021. East Devon District Council, Exeter City Council, Mid Devon District Council and Dartmoor National Park Authority.

Coal Yard Phase 2 (site 400b); The Old Coal Yard Phase 3 (site 400c); Aldens Farm East (site 409); The Harlequin Centre (site 416); Aldens Farm West (site 417); Land at Ikea Way (site 430): these nine sites have full or reserved matters consent. As the developers / promoters have not responded to the Council's requests for information on build rates, the HELAA market conditions model has been applied to calculate the site trajectories. This results in assumed build rates that see:

- 80 homes (of the 295 still to be constructed) completed in year 6+ at Land at Pinhoe Quarry;
- 113 homes (of the 200 consented) completed in year 6+ at Land for residential development at Hill Barton Farm;
- 143 homes (of the 230 consented) completed in year 6+ at The Old Coal Yard Phase 1;
- 78 homes (of the 165 consented) completed in year 6+ at The Old Coal Yard Phase 2;
- 2 homes (of the 89 consented) completed in year 6+ at the Old Coal Yard Phase 3;
- 75 homes (of the 200 consented) completed in year 6+ at Aldens Farm East;
- the equivalent of 123 homes⁷ (of the 210 consented) completed in year 6+ at the Harlequin Centre;
- 9 homes (of the 96 consented) completed in year 6+ at Aldens Farm West; and
- 72 (of the 184 homes consented) completed in year 6+ at Land at Ikea Way.

This means that 695 homes are not included in the five year housing supply, despite having full or reserved matters consent.

- **102-104 Fore Street (site 336); 130 Fore Street (site 345); Hurst Road Almshouses (site 424S); 5 Tresillian Gardens (site 1375); 90 South Street (site 1621); Emmanuel School (site 1991); St Andrews Yard (site 2377):** six of these sites have full consent and one site (Hurst Road Almshouses) benefits from a Committee resolution to approve consent subject to the completion of a Section 106 Agreement. The Council considers that there is clear evidence of non-delivery of these sites within the next five years. This means that a further 59 homes with full 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 Redills (site 426); Land off Spruce Close and Celia Crescent (site 433); Land adjacent to Newcourt Road (site 436S); Land at St Bridget Nurseries (site 437S):** five of these sites have outline consent and three (Land east of Exmouth Branchline, Land adjacent to Newcourt Road and Land at St Bridget Nurseries) benefit 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

⁷ The planning consent is for a co-living scheme. Details of how the Council counts co-living homes in the five year land supply are provided in paragraph 3.9 of this Statement.

considers that there is currently no clear evidence to support their inclusion. This means that 1,619 homes with outline consent are not included in the five year housing 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 PPG⁸ and the Housing Delivery Test Rulebook⁹ on how to count housing completions, as follows:
- Completions are net figures, offsetting any demolitions;
 - Empty homes are only counted where they are not already counted as part of the existing stock;
 - Communal accommodation that is not self-contained and co-living housing are counted using a ratio of one home for every 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.

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.

4. Five year housing supply position

- 4.1 The deliverable supply of housing identified in the next five years (2023/24 to 2027/28) is set out in detail in appendices 1 and 2. Table 2 summarises the data and identifies a total net supply of 2,914 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 2023/24 to 2027/28

	23/24	24/25	25/26	26/27	27/28	Total five year supply (net)
Major sites with consent / resolution to approve	718	739	595	309	265	2,626
Small sites with consent / resolution to approve	23	88	0	0	0	111
Identified sites without planning consent	0	0	0	0	0	0
Windfalls	0	0	59	59	59	177
Total net supply	741	827	654	368	324	2,914

Identified sites without planning consent

- 4.1 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').

- 4.2 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.
- 4.3 The Council is preparing a new Local Plan (the Exeter Plan) and consulted on an Outline Draft of the Plan in the autumn of 2022. The Outline 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

- 4.4 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. The only departure from the formula is for 2023/24. For this year, a rigid application of the methodology would see 44 windfalls delivered. However, this has been reduced to zero on the basis that these windfalls do not have planning consent at 1 April 2023, making it unlikely that they will be delivered within the next year.
- 4.5 As can be seen from table 2, the result of applying the formula is that a contribution off 221 homes from windfall sites is 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 1 April 2023.

Table 3: Exeter's five year land supply position at 1 April 2023

Description	Homes
(A) Five year housing requirement	3,371
(B) Deliverable supply	2,914
(C) Five year land supply position	4 years and 4 months

5. Conclusion

- 5.1 Against the five year housing land requirement, the Council is currently able to identify a supply of four years and four months for the period commencing 1 April 2023. The supply of deliverable homes falls short of the five year housing requirement by 457 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/uploads/system/uploads/attachment_data/file/682222/Housing_supply_and_delivery_-_GOV.UK.pdf)

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. 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 2023/24 to 2027/28

	23/24	24/25	25/26	26/27	27/28	Total five year supply (net)
Major sites with consent / resolution to approve	718	739	595	309	265	2,626
Small sites with consent / resolution to approve	23	88	0	0	0	111
Sites for PBSA with consent / resolution to approve	98	546	0	0	0	644
Identified sites without planning consent	0	0	0	0	0	0
Windfalls (including PBSA)	0	0	65	65	65	195
Total net supply	839	1373	660	374	330	3,576

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 1 April 2023, including PBSA

Description	Homes
Five year housing requirement	3,371
Deliverable supply	3,576
Five year land supply position	5 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 five years and four months for the period commencing 1 April 2023. The supply of deliverable homes would exceed the five year housing requirement by 205 homes.