

ST STEPHEN IN BRANNEL NDP Housing – Evidence Report

Planning Policy Background

National Planning Policy Framework 2021

Key messages from the National Planning Policy Framework (NPPF) include –

- Neighbourhood Plans should not promote less development than set out in the strategic policies for an area (Para 29).
- A 5 year supply of deliverable sites must be maintained including an additional buffer of deliverable sites of up to 20% if conditions require it (Para 74).
- To support the Government’s objective of significantly boosting the supply of homes, planning should ensure that sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay (Para 60)
- Plans should provide for a mix of housing catering for different groups, identify the size, type, and tenure of housing required and where an affordable housing need has been identified, plans should provide for it (Para 62). Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (Para 63)
- Strategic Plans should set NDP housing requirements (Para 66) where this is not possible, indicative figures should be given (Para 67).
- Small and medium sized sites can make an important contribution to meeting the housing requirement of an area and are often built-out relatively quickly (Para 69).
- Neighbourhood planning groups should consider allocating small and medium-sized sites of no larger than 1ha suitable for housing in their area (Para 70)
- Local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home) These sites should be on land which is not already allocated for housing, located adjacent to existing settlements, proportionate in size to them (Para 72)
- In rural areas, housing development should reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate. Authorities should consider whether allowing some market housing would facilitate the provision of affordable housing to meet local need (Para 78).
- Housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services. Where there are groups of smaller settlements, development in one village may support services in a village nearby. (Para 79)
- New isolated homes in the countryside should be avoided unless there are special circumstances which includes meeting the needs of rural workers; enabling development to secure the future of heritage assets; the development would reuse redundant buildings; or where the building’s design is of exceptional quality that would reflect the highest standards of architecture, help raise standards of design in rural areas, significantly enhance its immediate setting, and be sensitive to the defining characteristics of the local area. (Para 80).

- Good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities (Para 126).
- Design policies should be developed with local communities so they reflect local aspirations, and are grounded in an understanding and evaluation of each area's defining characteristics. Neighbourhood planning groups can play an important role in identifying the special qualities of each area and explaining how this should be reflected in development, both through their own plans and by engaging in the production of design policy, guidance and codes...(Para 127)
- Making effective use of land is also strongly encouraged (Paras 119 to 125)

Cornwall Local Plan 2016

- The adopted CLP sets a minimum target of 52,530 homes in Policy 2a. Of this it 'apportions' 1000 dwellings to be delivered in the parishes that make up the rural area of the Camborne, Pool, Illogan & Redruth Community Network Area (CNA), and 5200 to the urban part of the CNA, part of which falls in St Stephen in Brannel Parish.
- However, the CLP gives no more specific guidance as to the 'share' of the rural requirement to be taken up by each Parish, saying only that 'Co-ordination will be needed amongst the remaining parishes within the CNA to ensure that housing needs are met'. Subsequently, to facilitate this coordination and give guidance to Neighbourhood Plan formulation, CC officers have broken the figures down on a pro-rata basis. For details see under 'Recent Provision' below.
- CLP Objective 4 aims to meet housing need by providing for new homes over the plan period that provide everyone in the community with the opportunity of living in an appropriate home, supported by local community facilities.
- The CLP spatial strategy under Policies 2, 2a and 3 directs most development to those areas capable of sustaining it, i.e. urban areas.
- Neighbourhood Plans can provide detailed guidance on which settlements outside the town are appropriate for infill and rounding off to meet local needs and support community sustainability at a scale appropriate to its character and role (Para 1.64 to 1.68).
- CLP Policy 6 requires that sites of 10 dwellings or more should include a mix of house size, type, price and tenure to address identified needs and market demand and to support mixed communities. On sites of 200 dwellings or more, additional specialised housing (including extra care housing) should be considered where demand exists, to meet specialist needs.
- CLP Policy 7 restates NPPF Para 55 in more precision.
- Affordable Housing Policy 8 requires that on sites of 11 or more dwellings at least 35% should be affordable housing (of which 70% should be for rental and 30% for rental/sale at a price affordable to a typical local household). In the rural area in which the parish sits, the threshold at which affordable provision is required is set at 6 or more dwellings.
- CLP Policy 9 allows for 'rural exceptions sites' on the edge of smaller towns, villages and hamlets where at least 50% of the housing is affordable. Cornwall Local Plan Policy 12 provides guidance on design expectations generally across Cornwall.
- NOTE: in addition to rural exception sites, a Ministerial Statement in May 2021 allows for 'First Home Exception' sites that primarily deliver 'First Homes' [further details are given below].

Cornwall Council have also produced an Affordable Housing Supplementary Planning Document which was adopted in February 2020. This gives detail as to how Cornwall Local Plan policies will be applied¹

Baseline

House Price

Specific parish-wide data is available for house price, with data from the ONS showing that the lower quartile and median house prices over time have both increased substantially (see Table 1).

Table 1: Change in Lower Quartile and Median House Prices Over Time for Cornwall MSOA 030

<i>051Area/Expression</i>	Dec-95	Dec 2001	%change 95/01	Dec 2011	%change 01/11	Dec 2021	%change 11/21	%change 95/21
Lower quartile[1]	£31,500	£52,000	65.1%	£115,950	123.0%	£160,000	38.0%	407.9%
Median Quartile[2]	£39,950	£64,600	61.7%	£147,000	127.6%	£198,975	35.4%	398.1%
England/Median	£55,000	£92,000	67.3%	£180,000	95.7%	£280,000	55.6%	409.1%
Cornwall/Median	£49,000	£85,000	73.5%	£184,000	116.5%	£273,000	48.4%	457.1%

[1] Lower Quartile For a set of data, a number for which 25% of the data is less than that number.

[2] Median is the middle value in a data set

Sources: Lower and middle quartile house prices by middle layer super output areas and administrative geographies – HPSSA Dataset 4, 2 and 9. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing>

[Note: data is not available below Medium Super Output Area so the above refers to the Cornwall 030 MSOA, which covers St Stephen, Nanpean, Foxhole, Coombe, Lanjeth, and High Street, and Treviscoe, but excludes Whitemoor, and includes Trewoon. This gives the best approximation available for local house prices].

In terms of the median house price to median gross annual workplace-based earnings ratio, which illustrates the multiple of the median income in the area to median house price, the lower quartile affordability ratio for Cornwall in 2021 was 9.8, an increase from 9.30 in 2011. This is notably higher than the lower quartile affordability ratio of 8 for England. [Source: ONS House Price to Residence-based Earnings Ratio 23/3/2022]

The lower quartile house price to earnings ratio has increased to 9.89 in 2021 from 9.31 in 2011, which whilst compares badly with the 2021 lower quartile figure of 8.04 for England².

¹ <https://www.cornwall.gov.uk/environment-and-planning/planning/planning-policy/adopted-plans/planning-policy-guidance/housing-supplementary-planning-document/>

² (Sources: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>)

Tenure

The pattern of home ownership, private renting and affordable/social renting are largely determined by the characteristics of the resident population. These include age and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. The most recently recorded profile of tenure is the 2011 Census, shown below.

Table 2: Tenure (households) in St Stephen in Brannel, 2011

Tenure	St Stephen in Brannel	Cornwall	England
Owned; total	71.5%	68.8%	63.3%
Shared ownership	1.4%	0.6%	0.8%
Social rented	9.9%	12%	17.7%
Private rented	16.4%	16.8%	16.8%

[Source Census 2011, Table KS402EW].

The 2021 Census will provide a more up-to-date picture of this tenure profile when the results are released. However, it is interesting to observe more recent data from Cornwall Council, which shows that of the 3,323 properties paying Council Tax, some 340 were social and affordable rented, representing about 10% therefore.

Occupancy Rates

Levels of overcrowding are lower in St Stephen in Brannel than in comparison to Cornwall and national averages, but above that for Cornwall. Overcrowding is classified as households in that have an occupancy rating of -1 or less, meaning that they have at least one room fewer than required; in the Parish this affects % of households compared with 8.7 % in England and 5.8% across Cornwall.

Some 7.2% of households lacked central heating, compared to 2.7% in England and 7.2% in Cornwall, and average HH size was 2.5, slightly above the average as for both England and Cornwall. The average number of bedrooms was 2.8 per household, compared to 2.7 in England and 2.8 in Cornwall [Source: Census 2011 Table KS403EW]

Second Homes

In relation to second homes, data from Cornwall Council suggests that in the Parish 1 to 3% of dwellings were second homes, suggesting a maximum of about 100. This puts the area below the average for Cornwall (5%). The Census 2011 figure for 'unoccupied dwellings' which may be used as a surrogate measure for second homes, suggests that 135 dwellings, or 4.4%, could be second homes, which is also below the average for Cornwall (11.2%) and marginally above that for England (4.3%). The 2011 data suggests that these are evenly distributed across the Parish . [Source: Cornwall Council 2018 and Census 2011 Table KS401EW]. These rates of 2nd homes are insufficiently high to cause demonstrable local economic and social impacts.

Dwelling Size Mix

The Parish has a lower proportion of larger (4 to 5 bedroom) dwellings at 18 %, than has England (19%) and Cornwall (20%), and a higher proportion of medium (2 to 3 bedroom) dwellings (75.8%: 69% : 71%). In 2011 only 182 dwellings (6.2%) were 1 bedroom (Cornwall 9%, England 12%). [Source: Census 2011 Table QS411EW].

Household Size

In 2011 a slightly larger proportion of these were 1 person and two person households (62.2%) than the average for England (64.4%), but lower than Cornwall (68.2%). However it had proportionally more 5 to 8 person HHs (8.3%) compared to England (7%) and Cornwall (5.7%). [Source: Census 2011 Table QS406EW].

Dwelling/Household Size Match

By comparing dwelling size and household size (see figure 2) it can be seen that the 62.1% of people in 1 and 2 person households were matched by only 37.4% of dwellings that were 1 and 2 bedrooms. However the 91.7% in up to 4 person households were reasonably well matched by the 82% of dwellings being 1 to 3 bedrooms, plus the 15.1% of dwellings with 4 bedrooms. However the larger 5 to 8 person households [8.3%] were matched by only 2.9% of dwellings being 5 or more bedrooms. The implication of this data is that **there is an undersupply of both smaller and larger dwellings**. This may imply that there is some under-occupation of 3 and 4 bedroom homes, for example local people who are able to afford a larger dwelling than they actually need, but it could also indicate that there are older people ('empty nesters') who may need to downsize for health reasons but cannot.

Table 3: Dwelling Size/Household Size Match St Stephen In Brannel Parish

Dwelling Size				Household Size			
1 Bed or SF	6.2%	37.4%	82%	1 Person	24.2%	62.1%	91.7%
2 Bed	31.2%			2 Person	37.9%		
3 Bed	44.6%	59.7%	18%	3 Person	16.3%	29.6%	8.3%
4 Bed	15.1%			4 Person	13.3%		
5+ Bed	2.9%			5 Person	6.0%	7.7%	8.3%
				6 Person	1.7%		
				7 Person	0.4%	0.6%	8.3%
				8+ Person	0.2%		

Source: Census 2011 Tables QS411EW and QS406EW

According to Cornwall Council the existing social and affordable housing stock in the Parish is about 340 dwellings, comprising 44 of 1 bedroom, 160 of 2 bedrooms, 119 of 3 bedrooms and 17 of 4 or more bedroom.

Affordable Housing Products

Details on the various types of housing product that are available to address housing needs are explained at length in the Cornwall Council Supplementary Planning Document on Housing.

<https://www.cornwall.gov.uk/affordablehousingspd>

In July 2021 an update to this was issued covering the new 'First Homes' product announced in a May 2021 Ministerial Statement. <https://www.cornwall.gov.uk/media/ee1dodd4/chief-planning-officer-note-first-homes.pdf>

In summary, these products are:

- Affordable Rented Housing – typically at up to 80% of open market rent
- Social Rented Housing – typically 45 to 55% of open market rent
- Shared Ownership – Where the premises are owned by a Housing Association (25%) and a mortgage holder (75%). The occupier pays both rent and mortgage.

- Discounted Ownership - Where the property is sold at a fixed discount, making it cheaper to mortgage. For St Stephen in Brannel [Value Zone 5] the current discount is set at 20% for a 1 bed property and 40% for a 2 bed property.
- First Homes - A discount on the purchase price of a minimum of 30% against the market value with a sale price no higher than £250,000 after the discount is applied in perpetuity, restricted to first-time buyers with a household with a combined annual income less than £80,000. Where justified by local evidence, a deeper minimum discount of up to 50% may be set.
- Shared Equity – Where the occupier enjoys an ‘equity loan’ (a portion of the equity is owned by the local authority) and therefore can afford a home on the open market
- Starter Homes – available for qualifying first time buyers at a discount of at least 20%
- Rent to Buy - under the national scheme.

The Govt. introduced a requirement that a minimum of 25% of all affordable housing units delivered by developers through planning obligations should be ‘First Homes’ on 28th June 2021 for new Local Plans and Neighbourhood Plans. Whilst this will not apply to the Cornwall Local Plan it will apply to the St Stephen in Brannel NDP. [NPPG Paragraph: 018 Reference ID: 70-018-20210524].

‘First Home’ exception sites, [i.e. schemes on unallocated land outside of a development plan that primarily delivers First Homes] are also to be permitted subject to criteria, and may include a small proportion of open market housing to support site viability.

Details were announced in a ministerial statement in May 2021: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to National Planning Policy Guidance is available here: <https://www.gov.uk/guidance/first-homes#contents>.

Its key features and implications are as follows:

- First Homes are homes for purchase with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% where this is justified by a demonstrated need based on evidence of local incomes and house prices;
- The setting of discount levels can be done through Neighbourhood Plans;
- First sale price after the discount has been applied must be no higher than £250,000 (or £420,000 in Greater London);
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London),
- First Homes can be prioritised for local people and/or key workers;
- The discount is retained for future occupants through a legal agreement in perpetuity;
- Renting out or sub-letting will not normally be permitted;
- Neighbourhood Plans can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers;
- No less than 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process must be sold as First Homes.
- There is a risk that First Homes will take the place of shared ownership housing, and in some cases may also displace social or affordable rented homes.

Housing Need in St Stephen in Brannel Parish

As of March 2023 the HomeChoice registered local housing need for the parish of St Stephen in Brannel was currently 301 households seeking affordable rented accommodation. The banding arrangements, which express the criticality of the needs, is managed according to the 'Bands' shown in the table below.

Table 4: Definitions 2. Banding	
BAND A	
Exceptional Needs	Where 'substantial' evidence from a statutory organisation, such as the police, is provided which concludes that risk to life or serious harm could result if an immediate move is not obtained (includes victims of domestic violence, racial harassment, and witness intimidation). These cases need to be of an exceptional nature and must clearly demonstrate that suitable temporary accommodation through the statutory homeless duties would not be an option.
Welfare	Applicants awarded an 'urgent' priority by the Welfare Assessment Panel
Adapted / Accessible Property	The applicant occupies a Council, ALMO or Registered Provider property within the Cornwall Homechoice area that ,ATCHES Adapted/Accessible Property Group1 or 2 and no household member requires the adaptation/s.
Downsizing	Tenants in Cornwall who are under-occupying a Council or PRP property.
BAND B	
Welfare	Applicants awarded a 'high' priority by the Welfare Assessment Panel.
Lack of Bedrooms	Applicant lacks 2 or more bedrooms in their current home, UNLESS evidence exists that the overcrowding is deliberate. (This excludes applicants in temporary accommodation).
Disrepair	Private sector tenants or residents that have been assessed as having Category 1 hazards under the Housing Health and Safety Rating System that involve an imminent risk of harm to the occupants and the landlord is unable to remedy the defects to the property within a reasonable period of time as specified by the Private Sector Housing Team.
Move-on	The applicant is formally accepted under the move-on scheme.
The applicant is formally accepted under the move-on scheme.	A Cornwall Homechoice Partner tenants where the demolition refurbishment, or sale of their home has been approved and the tenant is required to move within the next six months.
BAND C	
Statutory Homelessness	Applicants to whom Cornwall Council has accepted a full housing duty under the current Homelessness legislation.
Homelessness Other	Applicants who can demonstrate they are homeless or threatened with homelessness but not owed a main housing duty by Cornwall Council.
Welfare	Applicants awarded a 'medium' priority by the Welfare Assessment Panel.
Lack of bedrooms	Applicants who lack one bedroom in their current home
Support/Facilities	The applicant, or a member of their household, needs to move to a particular 'locality' within Cornwall, to give or receive on- going support from 'close' family members, or to access specialist medical facilities.
Work/Training	The applicant, or a member of their household, needs to move closer to their place of work/training (of a non-casual nature) within Cornwall. People who need to move into the district or to a particular locality in the district of the authority, needs to move to take up a job or live closer to employment or training (including apprenticeships) where failure to meet that need would cause hardship (to themselves or to others)
BAND D	
Shared Facilities	Applicants share bathroom or kitchen with non-family members.
Children living in	Applicant has a child/children under 10 years of age and lives in a property above ground floor,

flats and/or lacking a garden	with no lift. Applicant has a child/children under 10 years of age living in a property without access to a garden.
BAND E	
All other groups	Households who have no reasonable preference.
Local Cornwall Connection criteria	Within each band listed above, applicants with a qualifying local connection to Cornwall will be considered before applicants who do not have a local connection to Cornwall

From Table 5 below, it can be seen that overall needs are dominated and therefore skewed by the lower priority band E. These numbers reflect the March 2023 position and although they fluctuate during the Plan period, it is likely that there will be a continuing need for affordable housing.

TABLE 5: HomeChoice Register HH with a Parish Connection by priority band and bedroom need.

Band of Need	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total	%age all
Band A	3	5	2	0	0	10	3.3%
Band B	8	4	8	5	3	28	9.3%
Band C	32	14	24	13	3	86	28.6%
Band D	8	15	1	0	0	24	8.0%
Band E	80	48	24	1	0	153	50.8%
Total	131	86	59	19	6	301	
%age by size	43.5%	28.6%	19.6%	6.3%	2.0%		
Aged 55+	46	9	5	0	0	60	
	35.1%	10.5%	8.5%	0.0%	0.0%	19.9%	
A to D	38.9%	44.2%	59.3%	94.7%	100.0%	49.2%	

HomeChoice registered local housing need in the Parish of St Stephen is currently 301 households seeking affordable accommodation. 60 households are aged 55 or over requesting 1 bed accommodation (46) 2 bed accommodation (9) and 3 bed accommodation (5). 1 households require Category M4(3) Wheelchair Accessible Housing (3 bed)

Band E applicants on HomeChoice may have lower priority than other bands, despite being in housing need. Yet these households may possess potential to access Low Cost Homeownership as a means of addressing their housing needs. Appraising Band E applicants in this manner provides a broader understanding of intermediate need, as part of this comprehensive assessment of housing needs in the area as set out. There are currently 153 households in Band E who may be suitable for Low Cost Homeownerships such as Shared Ownership or Discount Market Sale.

Affordability in St Stephen in Brannel Parish

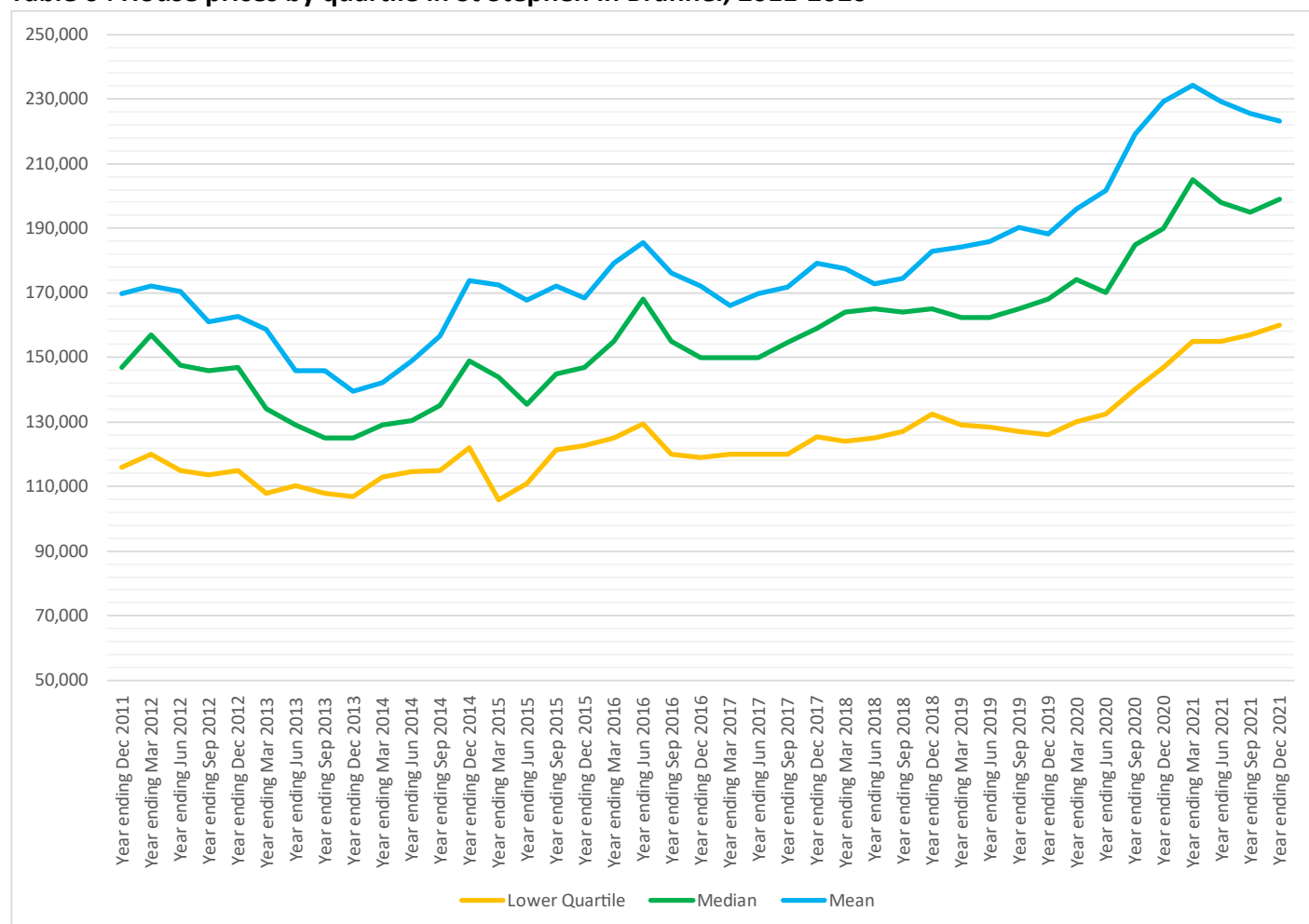
House prices

By examining trends in house prices information about the local housing market can be revealed, because they give an indication of the level of demand for homes within an area. The relationship between house prices and local incomes shows if housing is affordable to local households and also what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market.

Table 6 below looks house price growth in St Stephen in Brannel Parish. It shows that all house price measures have growth steadily since 2011, first at a more uncertain rate, and then slightly more steeply since 2015. The median is the value separating the higher half from the lower half of the data on house prices. It may be thought of as "the middle" value. Compared to the mean (often simply described as the "average") it is not skewed by a small proportion of very expensive houses, and therefore provides a better representation of a "typical" house price. The lower quartile splits off the lowest 25% of data from the highest 75%, and thus gives an indication of the lowest house prices.

The median [shown in green] shows a similar profile but a lower trajectory than the mean [shown in blue]. This suggests that **the local housing market has a higher number of house prices at the lower and a lower number of house prices at the higher end**. The profile for the lower quartile is much more flatter, which is positive for affordability, but an up-turn in prices in 2021 is concerning.

Table 6 : House prices by quartile in St Stephen in Brannel, 2011-2020



[Source ONS HPSSA Datasets 2, 3 and 4]

Table 7 below breaks down median house prices by type. It shows that while the price of homes has grown overall (35%), prices of semi-detached houses have grown the most, followed by the price of detached homes, followed by terraced homes. No growth is recorded for flats as there are too few in the Parish to feature in the data.

Table 7: House prices by type in St Stephen in Brannel, 2011-2020 (£k)

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	192	185	175	209	215	219	234	240	243	305	261	36%
Semi Detached	118	125	125	130	145	134	156	166	151	180	194	64%
Terrace	123	115	116	117	119	118	128	126	129	136	160	31%
Flats etc	:	:	:	:	:	:	:	:	:	:	:	:
All	147	147	125	149	147	150	159	165	168	190	199	35%

[Source ONS HPSSA Datasets 2]

Income

Household incomes affect the ability of households to make choices in the housing market, and consequently the level of need for affordable housing. There are two sources of data we can use to look at household incomes in St Stephen in Brannel Parish

ONS 'Income estimates for small areas, England and Wales'. This provides the overall average household income, but does not provide the average income of lower earners). **The average household income in the Parish before housing costs locally was £27,700 in 2018.** There will be many households earning below this figure. A map of the area to which this data applies is provided in Appendix A.

ONS's annual estimates of UK employee earnings. This provides median and lower quartile average earnings but it is only available at the Local Authority level (i.e. all Cornwall) and relates to individual earnings, not households. This is an accurate representation of household incomes where there is only one earner, but it does not represent household income where there are two or more people earning.

Cornwall's individual lower quartile gross annual earnings figure was £18,718 in 2018. Therefore to estimate the income of households with two lower quartile earners, the figure is multiplied by two, i.e. to £37,436.

The individual median quartile gross annual earnings figure was £24,781 in 2018. To estimate the income of households with two median quartile earners, this figure is doubled to £49,562.

It is absolutely clear from this data that there is a large gap between the spending power of average earning households in the Parish [£27,700] and the average lowest 25% of earners across Cornwall [£37,436], and an even bigger gap with the local average median household earnings across Cornwall [£49,562]. Where the households in question has one earner only, the gap will be even more significant. Therefore the calculations which follow should be seen as very much a 'best case', and that the actual situation may in reality be much worse.

Affordability Thresholds

To gain a clear picture of local affordability, it is necessary to know what levels of income are required to afford different types of tenure amongst the housing available in the Parish. This establishes 'affordability

thresholds', which are the estimated amount of annual income that is needed to pay the cost of rent or a mortgage related to local housing prices.

The calculation of local 'Affordability Thresholds' are detailed in Appendix A.

Several assumptions are made in assessing the affordability of different tenures. Key assumptions are that:

- the maximum percentage of household income that should be spent on rent is 30%.
- that mortgage financing will be offered at a maximum of 3.5 times household income, and
- that a deposit of 10% of the value to be purchased is available.

Table 8 summarises the estimated cost of each tenure, the annual income required to support these costs within the Parish, and whether local incomes are sufficient. The income required column does not reflect the possibility that households may already hold equity from an existing property. Individual circumstances of that nature cannot be anticipated in this general analysis. Essentially therefore, the calculations describe the situation for first time buyers or those seeking to enter the rented housing market.

Table 8: Affordability thresholds in St Stephen in Brannel Parish (income required, £)

Tenure	Mortgage Value (£k)	Rent (£k)	Income required	Affordable on mean HH incomes? £27,700	Affordable on Lower Quartile x 1 incomes? £18,718	Affordable on Lower Quartile x 2 incomes? £37,436
Market Housing						
Median House Price	£179,000	-	£51,165	No	No	No
New Build Mean House Price	£216,000	-	£61,714	No	No	No
Lower Quartile/Entry-level House Price	£144,000	-	£41,142	No	No	No
Average Market Rent	-	£11,088	£33,264	No	No	Yes
Entry-level Market Rent	-	£6, 720	£20,160	Yes	No	Yes
Affordable Home Ownership						
First Homes (- 30%)	£125,354	-	£35,816	No	No	Yes
First Homes (- 40%)	£107,447	-	£30,699	No	No	Yes
First Homes (- 50%)	£89,539	-	£25,583	Yes	No	Yes
Shared Ownership (50%)	£89,539	£2,487	£33,873	No	No	Yes
Shared Ownership (25%)	£44,769	£3,731	£25,227	Yes	No	Yes
Shared Ownership (10%)	£17,908	£4,477	£20,040	Yes	No	Yes
Affordable Rented Housing						

Affordable Rent	-	£6,355	£19,065	Yes	Yes [Just]	Yes
Social Rent	-	£4,543	£13,628	Yes	Yes	Yes

Source: Appendix 1 calculations.

NOTES:

1. The affordability thresholds are intended to give a robust indication of the costs of various tenures to inform Neighbourhood Plan policy development. They rely on existing data, some on a 'best fit' basis, and certain broad assumptions, so it is not possible to estimate every possible permutation. Individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

2. The table above uses median house prices in the Parish as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes).

Market housing for purchase and rent

Local households on average incomes will clearly struggle hard to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £51,165, which is nearly twice that of the current average income in St Stephen in Brannel Parish (£27,700).

The situation with private renting is similar for households on the local average earnings. **Only those households with two Cornwall based lower quartile incomes can just afford the average renting cost.** These fall into a 'can rent / can't buy' cohort.

Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to mortgage or rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit many households circumstances, particularly where young families are involved.

Affordable home ownership

The 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is justified.

In Appendix 1 this report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In St Stephen in Brannel Parish, a discount of 30% or 40% would be insufficient to make home ownership an affordable option for those on local average incomes and just affordable to those households with two Cornwall based lower quartile incomes. A 50% discount, which is the highest possible discount level that can be applied to First Homes, would be sufficient only for those households with two Cornwall based lower quartile incomes, or the local mean household income, as a path to home ownership.

Cornwall Council have examined the local housing market and concluded that households on an average income in Cornwall would also not be able to afford a 50% share of a First Home if the standard 30% discount was applied. Acquiring a First Home product would only be likely to begin to be affordable for

people on an average income if a discount of 50% is applied. This situation is also backed by the evidence produced independently for the NDP evidence base. The Cornwall Chief Planning Officers Advice Note relating to first home can be found via this link: <https://www.cornwall.gov.uk/media/ee1dodd4/chief-planning-officer-note-first-homes-final.pdf>

Shared ownership appears to be slightly more affordable than First Homes, but is broadly accessible to the same groups. [The previous minimum equity share was 25% but this changed to 10% from 28 June 2021. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.] If this is delivered in the Parish, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view. Regardless, while a 10-25% share is affordable on average St Stephen in Brannel household incomes, none of these shared ownership options are affordable to those households on one lower quartile income.

Rent to Buy. There are several models of Rent to Buy products; however, all effectively provide housing initially on an affordable rented basis, which may be converted to either outright ownership or shared ownership over time.

Analysis. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless it is shared ownership at 10% or 25% equity.

These three products should be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not. First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.

Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.

Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a 10-25% equity share, and rent to buy potentially allowing lower earning

households to get a foot on the housing ladder, with rent to buy particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. However, none of the routes to home ownership are affordable to households on lower quartile incomes.

Rented homes managed as affordable housing.

Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford this form of tenure.

Social rented housing is cheaper and accessible to all the household income groups. It also therefore leaves households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Many such households will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

Analysis. The evidence suggests that the affordable rented sector performs a vital function in St Stephen in Brannel Parish as the only option for a large segment of those in the greatest need. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Local Connections

It is usually expected that affordable housing will be allocated to local people. Details of the criteria and process are given in Table 9.

Table 9: Definitions 1. Local Connections

A **Local Connection Applicant** must demonstrate that they, or a member of their household meet one of the following criteria:

- Have lived in Cornwall for the last 3 years and that residence was of their choice. (NB residence in a hospital or prison does not form a local connection by residence);
- Are employed in permanent employment in Cornwall (permanent employment is regarded as 16 hours or more per week for a continuous period of 3 years. (NB This must be their actual place of work, not where their head office is situated);
- Has close family (normally mother, father, brother, sister, son or daughter) that have resided in the area for a minimum of the past 5 years and the applicant has a need to give or receive support for the foreseeable future/ on an ongoing basis;
- Has lived in Cornwall for 10 of the first 16 years of life;
- Has an exceptional need to move to Cornwall. Examples include but not limited to: those needing to move closer to specialist medical/support facilities; applicants accepted as homeless and owed a full housing duty by Cornwall Council; and Cornwall care leavers living outside of the County.

Usually, a **Planning Legal Agreement also applies** that requires for example that occupiers should come from the local Parish area, but that if no such person comes forward within 28 days of advertising of a vacancy, that occupiers can come from a wider area (such as the surrounding Parishes).

Market Demand

A survey of local estate agents suggests there is an adequate turnover of properties and healthy demand in the entire Parish, which is within the catchment of both St Austell and Truro employment areas, and is also in commutable distance to the Newquay area. As a result there is a general pressure for housing, so it is

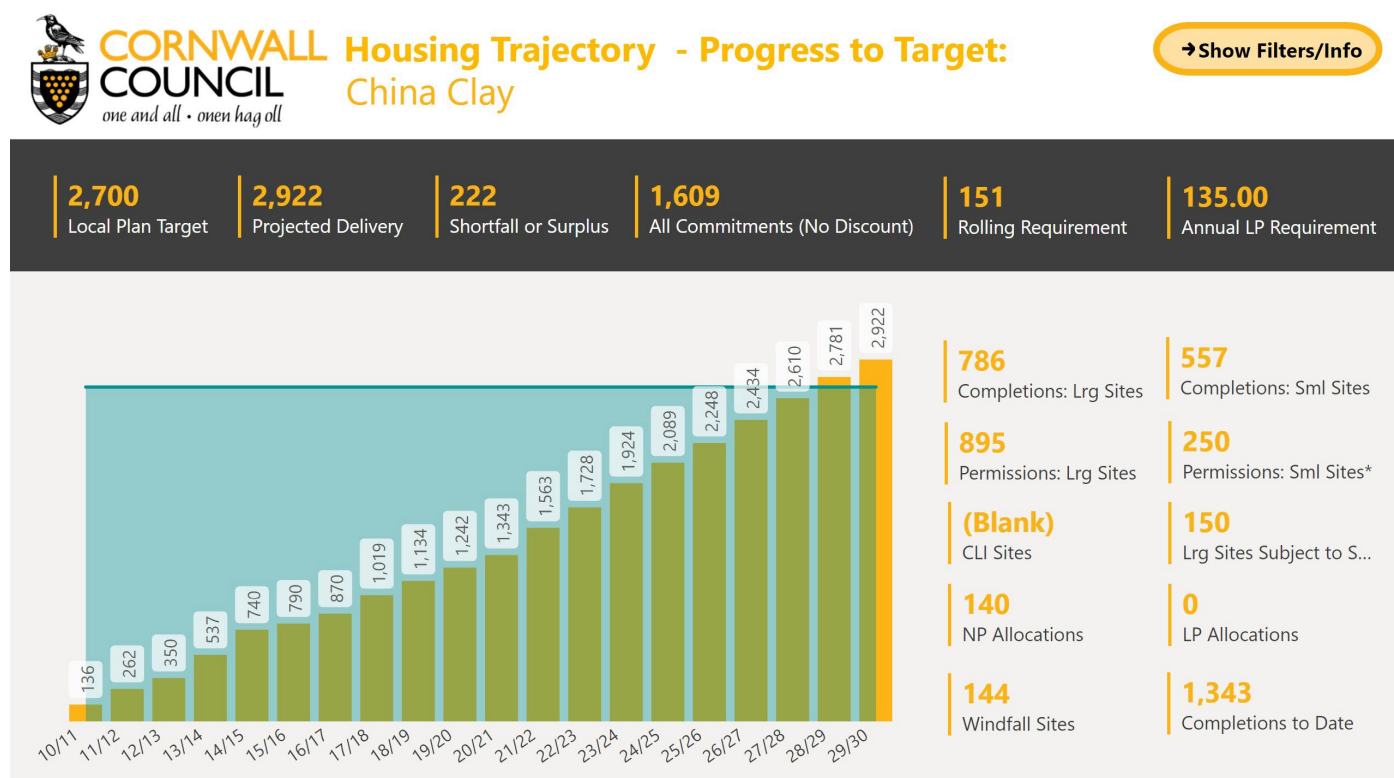
appropriate that some market provision to address this sector is also recognised in the Neighbourhood Development Plan.. The provision of new sites in the general China Clay community network area is designed to meet market requirements up to 2030, and data from Cornwall Council indicates that there will be a surplus in provision across the area, including ‘windfall’ permissions [i.e. unexpected planning permissions on small sites of up to 10 dwellings].

Another indicator of market demand is the take up of planning permissions for new housing through infill, barn conversions, rounding off etc, (excluding affordable housing) which delivered 118 open market units between 2014 and 2021 This suggests a demand of around 17 units per year, or about 135 from 2022 to 2030.

Local Plan Requirement

As at April 2022 no further homes were needed in the Parish to meet the Parish baseline requirement under the Cornwall Local Plan according to the advice supplied by Cornwall Council. Therefore in purely numerical terms, St Stephen in Brannel Parish needs to deliver no further new dwellings between 2021 and 2030, to be considered in general conformity with the Local Plan housing target [see figure 10 below].

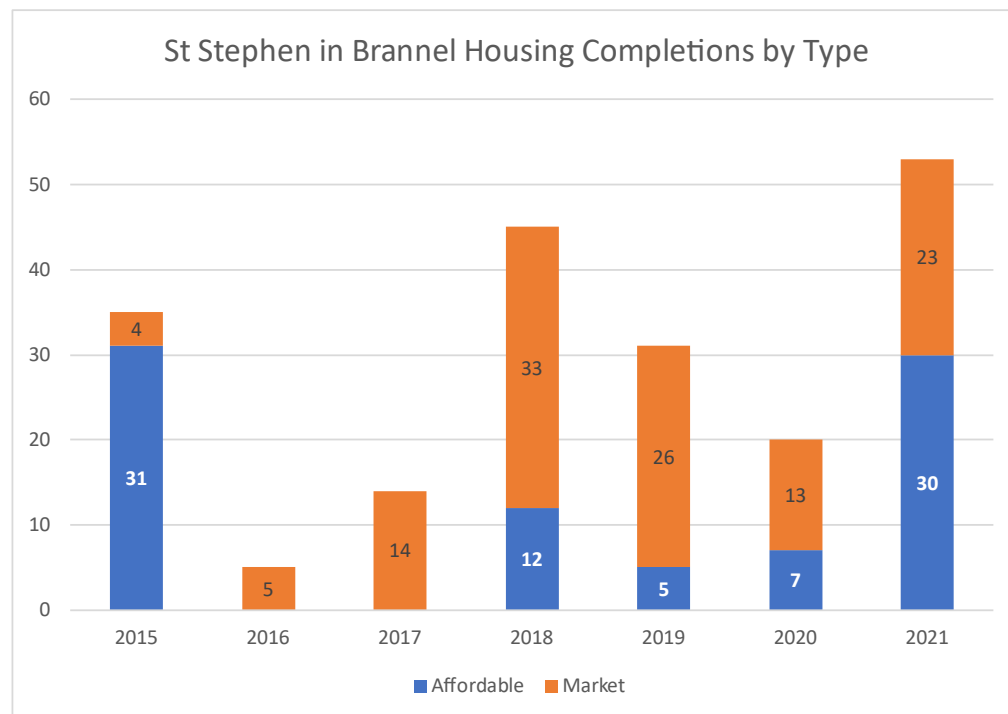
Figure 10: Housing Trajectory Data from Cornwall Council.



Recent Provision of Market and Affordable Housing

According to Cornwall Council data, by April 2021, permissions had been granted for 343 dwellings in the Parish since 2014 [approximately 49 dwellings per year]. Of these 203 had been completed, of which 85 [42%] were for affordable housing. Some 140 remained to be built [128] or were under construction [12] [See Figure 11 below].

Figure 11: Housing Completions by Type



Existing permissions of note that are still to deliver include:

PA21/08240 - 7 Intermediate Sale Affordable Homes - Land to West of The Cottage, North Road, Whitemoor.

PA20/09376 - Conversion of community office to 1 bedroom wheelchair accessible affordable home. 16 Phillimore Court, Foxhole.

PA21/00484 - 9 Affordable Homes; 6 Affordable Rent and 3 Shared Ownership. Land NW of Higher Goverseth Farm, Foxhole.

PA20/00569 - 6 Affordable Homes - 4 Affordable Rent and 2 Shared Ownership. Land South of Goonavean Park, Beacon Road, Foxhole.

PA16/09431 - Additional 2 Affordable Homes due in addition to 4 already delivered. Land off Hensbro Close, North Road, Whitemoor.

Future Supply

The baseline housing requirement for the NDP to deliver to be in compliance with the Cornwall Local Plan is zero. However, many survey respondents indicated a wish to live independently in the Parish, and 82% foresaw a need for special housing for the elderly, whilst the HomeChoice register indicated a need for 288 homes, with a priority need for 92 one and two bedroom dwellings. There is evidence of continuing market demand and inward migration pressure on the housing stock which drives up local house prices. New

development would support existing facilities, but the amount of development needed to fund and support the income of new facilities would be excessive.

In considering policy options to address these housing needs the Steering group has taken into account the strong community emphasis expressed in the scoping survey on protecting that the landscape, countryside and open/green spaces and distinctive village identity were the most important issues to consider when looking at development proposals, as reflected in the Housing Strategic Objectives. The approach proposed is not to allocate specific sites for development, but instead to support the continuing level of new infill, some limited rounding-off in suitable locations, 'brownfield land' development, and affordable housing led 'exception' sites to come forward, by drawing up 'Development Boundaries' that allow for a realistic and sustainable level of growth. Rounding off opportunities have been identified in the Development Boundary Assessment Log, using a figure of 25 dwellings per hectare at appropriate gross to net development ratios related to site size, or as constrained by local conditions, totalling about 75 units. In addition about 28 units are estimated from infill and PDL opportunities. For exception sites, the production rate of affordable homes from 2014 to 2021 has been rolled forward to 2030. Also included is a count of the number of PPs resulting from current positive Preapp opinions [ie in the supply 'pipeline']

HOUSING SUPPLY DATA.

The rate of completion 2014 to 2021 was 29 per year. Applying this rate to the remaining commitments of 140 implies that approximately 5 years supply remains to meet the established rate of take up by the market.

In the Clay CNA some 144 dwellings were granted permission on 'windfall' or unexpected sites between 2010 and 2021. On a pro-rata basis this is 3.3 per year. If this continues to 2030 about 25 further 'windfall dwellings' will be produced, probably mostly in hamlets.

Assuming that about 25 of the 343 permissions granted 2014 to 2021 were as a result of rural windfall, the remaining 318 occurred through village infill, 'rounding-off', development of previously developed land and rural exception affordable schemes. The future availability of such opportunities will have been eroded through this process. It is estimated that a capacity for about 205 dwellings exists through this means.

In total therefore a capacity for 255 dwellings is proposed through the NDP (See Figure 12).

Figure 12: Delivering the Housing Requirement [Rounded].

Policy Reference	Estimated Potential Number of Homes Produced
Policy H2 & H3: Residential Infill Development, PDL and Rounding-Off Opportunities	105
Policy H4: Exception sites for Affordable Housing	100
Policy H5: Infill in Hamlets [windfall].	25
Current 'in pipeline' permissions estimated.	25

Overall Total	255
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Community Led, Self and Custom build

NPPF 2021 encourages several routes to the delivery of sufficient affordable housing to meet local needs including what it describes as ‘Other affordable routes to home ownership’. This refers to housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent) and housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Another route is via a local Community Land Trust [CLT], which are democratic non-profit organisations that own and develop land for the benefit of the community. These can be set up by the local community, or a landowner, developer or Council.

Self and custom-build (self-build) housing is defined in the NPPF as housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Policy 6 of the Cornwall Local Plan says that self-build housing can be affordable, market housing or starter homes. **Self-build can be more affordable than purchasing a home in the local market, especially where there is an element of ‘sweat equity’ (personal labour)** which can provide the equivalent of a 10% discount on the open market value of a property, so it may provide an “other affordable routes to home ownership” [NPPF definition] solution for those people whose needs may not be met by the market and who are unable to find a suitable affordable home in their area. This will help people to stay in, and support, their communities.

Developers and housing associations and Trusts can support self-build in the form of low cost serviced plots offered to self-builders in local housing need to be occupied by that individual, discounted serviced plots, watertight shell units or built units (in the case of self-finish proposals) or as an off-site financial contribution in lieu of on-site or part on-site affordable housing provision. Individuals or associations of individuals, applying for their own self-build plot(s), or community led projects.

Self-build can be provided on both CLP Policy 8 and CLP Policy 9 ‘exception’ sites in the form of:

- low cost serviced plots offered to self-builders in local housing need to be occupied by that individual;
- discounted serviced plots;
- watertight shell units or built units (in the case of self-finish proposals);
- off-site financial contribution in lieu of on-site or part on-site provision.

The transferred plots or units should then be made available at lower cost to self-builders in local housing need and secured as affordable on all future resales and as primary residences through a planning obligation or covenant on the land exchange. This restricts the price at which they can be sold in the future (effectively becoming a discounted sale home) and requires that they are only sold to purchasers that fulfil the relevant local connection criteria.

There may be other models to bring forward small scale self-build housing on rural exception sites, such as Individuals or associations of individuals, applying for their own self-build plot(s), or community led projects.

To protect future affordability the maximum size of an affordable self-build unit would normally be no larger than the relevant Nationally Described Space Standard (NDSS) for that property type +10% and no larger than 3 bedroom homes. Planning proposals for larger affordable self-build units would require special justification. In some cases, to aid the delivery of affordable self-build units, the time periods used to cascade through the local connection criteria may be reduced and the covenants on the planning obligation may be allowed to take effect at the commencement of the development or the advertisement of the plots for sale, whichever is the sooner.

An accompanying Design Code for the whole self-build element of larger schemes may be produced in agreement between the landowner and the Council. This will help to provide a flexible planning permission and clarify and guide what forms of development are acceptable on a site, giving greater certainty to all parties. It is good practice for plot providers to seek to provide a mix of serviced plot sizes to meet the range of demand and affordability.

Cornwall Housing Crisis

‘Securing Homes for All: A Plan to Respond to Cornwall’s Housing Crisis’ was agreed by Cornwall Council in December 2021. [The Plan](#) recognises that Cornwall is experiencing a housing crisis and sets out objectives and interventions in response. These include homelessness prevention, increased availability of homes for local residents, a step-change in affordable housing provision and assuring delivery of the new homes needed under the Local Plan. For each of these actions are proposed to be taken forward with partners, local councils and communities. The Plan is a material consideration in planning applications relating to housing.

Of most relevance to the St Stephen in Brannel NDP is the objective to cause a step-change in the supply of affordable homes across Cornwall. The interventions proposed, and possible NDP responses, include:

- Increase affordable housing provision on exception sites
 - by identifying ‘Development Boundaries’ the NDP can assist in bringing forward rural exception sites by being clearer as to where the release of land will be exceptional.
- Extra-care / supported housing site-buying fund
 - by supporting the provision of Extra Care Units whose primary purpose is to provide housing and care to meet the needs of local elderly local elderly and/or disabled people.
- Expand Community Housing development
 - by supporting proposals from individual community groups, land trusts, and registered affordable housing providers and developers working individually or in partnership to provide community led housing.
- Call for Sites
 - Assist site finding through the ‘Development Boundaries’ assessment, including possible rounding-off and infill opportunities.

The NDP can also assist by setting locally derived criteria for the mix of tenures and discounts to be provided within the affordable housing element of new development coming forward on exception and previously developed land sites within the Parish, and supporting, subject to criteria, alternative forms of residential accommodation such as ‘Park Homes’

Park Homes

A park home is a detached, single-storey, prefabricated residence on a rented plot of land within a privately-owned park. They are usually a maximum of about 20 metres (65 feet) long, 6.8 metres (22 feet) wide and 3.05 metres (just over 10 feet) internal floor-to-ceiling height. Usually they are connected to drainage and power. They can have one, two, three or even four bedrooms, often with an ensuite bathroom. Many include a garage and garden area. Park homes are covered by The Mobile Homes Act 1983; however, once on site they generally become permanent residences (subject to the site licence).

They are built in a factory and transported to the site, rather than constructed on the spot, often to a British Standard [BS3632 (2015)]. As new they are warm and weathertight. A park home typically costs less to buy and run than a conventional property. Utility bills tend to be lower than in a conventional dwelling. Most park homeowners pay the park landlord for their electricity, gas and water, subject to rules to keep utility costs reasonable. Laws prevent site owners from marking up the energy supplied to residents, and they are only allowed to charge a small admin fee for the water supply. Government advice on park homes is available at: <https://www.gov.uk/park-mobile-homes>

Mid-Cornwall has traditionally been an area where park homes have proliferated, and there is a well known site at Gainsborough, Foxhole. Interest in new sites has also been experienced, for example, PA17/11829 Outline application for residential Park Home site, Land South Of Goonavean Park. Beacon Road, Foxhole, which was refused planning permission in 2018.

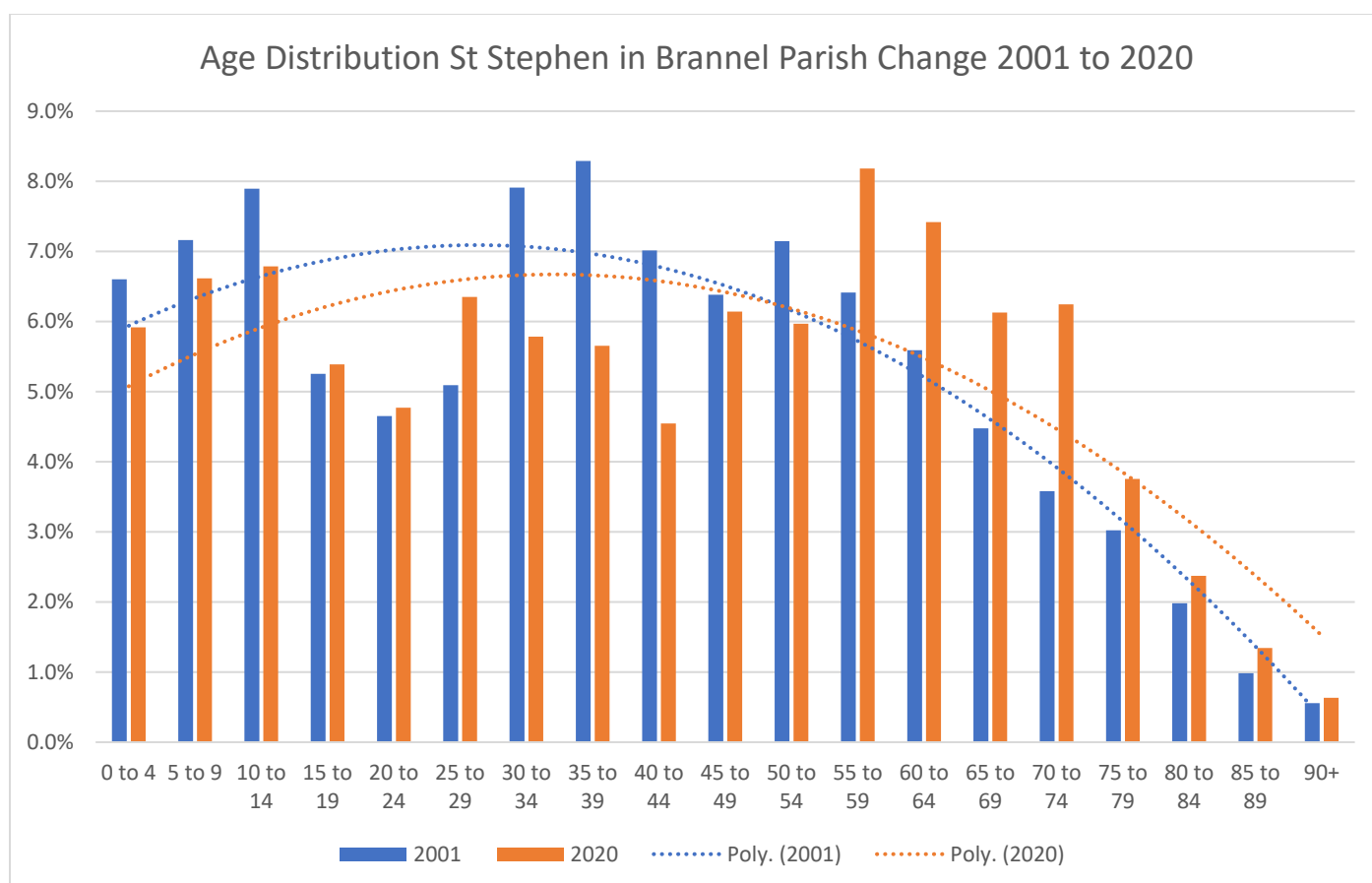
Park homes may be an alternative route to affordable home provision that merits support. Because they are normally of a permanent nature, park home development is treated as permanent residential development in planning policy, i.e., the site should be in a sustainable location with access to services and facilities and is acceptable in terms of privacy and amenity of site occupants and neighbouring properties. Whilst local communities may have other concerns about their appearance, density, management and community safety, this is often because of association with poorly managed sites reported in the media, and need not be the case with new sites subject to appropriate planning and licensing conditions.

It is therefore appropriate that park home sites be included in NDP policy on housing provision.

Housing for Older People

'Ready for ageing?' the report of the Select Committee on Public Service and Demographic Change, warns that society is underprepared for the ageing population. The housing market is delivering much less specialist housing for older people than is needed with the result that many people need to move to suitable accommodation or care-homes away from their own neighbourhoods, families and friends. This is relevant to St Stephen in Brannel Parish which also has an ageing population. From 2001 to 2020 the Parish population grew by 14.6%, an extra 996 people, the proportion of that population of working age dropped from 58.5% to 54.8% and the number of young people fell from 26.9% to 24.7%, whilst the proportion over retirement age grew from 14.6% to 20.5%. This trend is likely to continue and increase, as the proportion 50 or over increased from 33.7% to 42% from 2001 to 2020.

Figure 12: Age Distribution, St Stephens in Brannel Parish Change 2001 to 2020



As these people grow older the demand for specialist services and housing will increase dramatically. Extra-care housing is a model which directly addresses this need as it allows older people to live in their own homes within a local environment that provides an appropriate level of care through a range of stages of later life, causing less social and family disruption, and supporting improved mental health in old age. Other benefits include a positive impact on community resilience as people stay or become part of the ‘place’ and are able to contribute to the longer-term sustainability of the local community facilities and businesses. They may also incorporate facilities that are available to local people (eg computer suite, hairdresser, cafe/restaurant, etc), whilst providing additional and varied employment. The opportunities for larger houses to be released for families are likely to be enhanced, whilst the developments themselves can make more efficient use of land delivering at higher densities but often with same or less traffic impact.

Cornwall Council are actively promoting extra care provision through its care and housing strategies, with Housing Supplementary Planning Guidance detailing the planning aspects. Although most provision will be in towns, a more innovative approach may be justified, to ensure that some of the provision is available within the surrounding rural parishes. This could for example be either a ‘hub and spoke’ arrangement with rural extra-care dwellings provided in or alongside a larger village served by public transport, operating in conjunction with a central hub located at a nearby town, or a stand-alone development which reflects that the population of St Stephen in Brannel Parish is of a similar size to a small town and includes a growing number of older people.

Working From Home

According to Office for National Statistics data, the proportion of working adults who did any work from home was 27% in 2019. This increased to 37% during the COVID pandemic. Evidently the experience of home working brought work-life balance benefits, improved productivity and cost savings such that Post-COVID some 24% of businesses said they intended to use increased home working in the future, whilst 85% of working adults currently homeworking said they wanted to use a 'hybrid' approach to both home and office working in the future. If the benefits of home working continue to be attractive, there may be considerable further growth on working from home (WFH).

Home based businesses are those that undertake most or all of their activity in the residential home and others that operate from the home but a large proportion of their activity is conducted either at the client's premises or at outdoor sites. According to DBIS figures (2014) 1 in 10 domestic properties are home to at least 1 business and around 59% of businesses are home based, whilst other research suggests that this will continue to grow.

These trends highlight the requirement for appropriate home office or work process space and sufficient broadband speeds. People may not have a suitable space within their home from which to run a business or 'WFH', or they may wish to distinctly and deliberately separate their work and living space. There could also be the need, on occasion, for ancillary workers such as managers, book keepers or accountants to visit home workers. Thus to maximise the opportunity for home run enterprises to be created and supported in the long term there is a need to support the construction of new dwellings and the development of new free standing buildings in gardens from which businesses and home workers can operate.

Related Community Engagement Feedback

In the NDP community surveys 84% respondents said that affordable new homes for people with a local connection should be a priority, whilst 82% felt that building land should be made available to enable elderly, disabled or vulnerable people (with a link to the Parish) to live independently. The most popular choice for what improvements respondents would like any future new development to bring to the community was housing that meets specific local needs with 57% choosing this option. About 79% said that there were members of their household, including previous members, who would like to live in the Parish in the future if suitable accommodation was available. Of these 67.3% were for 1 or 2 persons.

In March 2022 local estate agents were contacted. They reported a fairly robust market, with interest from families, couples and retired people from within and outside the Parish. The main interest was from first time buyers, people downsizing, and those seeking retirement locations. St Stephen village was the top location in terms of interest, with High street, Lanjeth, Coombe, Foxhole and Nanpean as 2nd choices. Most interest was for 2 and 3 bedroom properties. Other requirements were for small gardens, off-street parking, shops and facilities in nearby villages, a good school nearby. Second choice requirements were for public transport and nearby family. The main price range sought was £200,000 to £300,000 to purchase, and rents under £800 per month.

Key issues and implications for the NDP

In the light of the preceding data, the following provisions should be reflected in the Neighbourhood Development Plan.

Housing Mix

- Smaller one and two bedroom homes for the young and for the elderly looking to downsize
- Family homes of two and three bedrooms, designed as lifetime homes
- Some family homes of 4 to 5 bedrooms;
- Self-build opportunities;
- Dwellings designed to meet special needs such as fully accessible or extra care units suitable or readily adaptable for disabled or elderly people, on parts of the site with generally level access and close to community facilities;
- Homes that provide enhanced opportunities to 'work from home';

Tenure

To comply with CLP Objective 4 (which is to meet housing need), affordable housing in St Stephen in Brannel Parish will need to be a mix of First Homes, homes in shared ownership, and socially rented homes, with a priority for any developments of affordable homes the rented portion should maximise the proportion of 1 and 2 bedroomed units in socially rented tenure taking into account the current assessed housing need for the parish.

Shared Equity. The NDP evidence also found that only Shared Ownership schemes of 25% or less share would be affordable on local average household incomes.

The available income data also suggests that buying property and market renting is impossible for single people and households on lower than average incomes. The affordable rented sector therefore performs a vital function in St Stephen in Brannel Parish as the only option for a large segment of those in the greatest need.

First Homes . In order to ensure that First Home developments are most effectively used to meet local needs it is considered that the established Cornwall local connection criteria should apply to First Homes to ensure that affordable housing is delivered to meet the needs of the Parish and nearby communities. This will mean that the housing should meet local needs before cascading out. [Local eligibility criteria apply to First Homes for a maximum period of three months from the date the home is first marketed, after which the eligibility criteria revert to the national criteria]. The 'First Homes' discount element should be set to a 50% cap as this is justified by the evidence.

Park Homes

Policy wording be included to support the provision of park homes subject to criteria that:

- the site is in a sustainable location in relation to the settlement with access to services and facilities;
- the accommodation complies or will comply within 12 months of the granting of planning permission with standards BS3632 and meets the requirements of the Caravan sites and Control of Development Act 1960 (as amended) and the Mobile Homes Act 2013 in terms of both standard and condition of the unit and external layout within the context of surrounding area;
- the proposed development will demonstrate that they are designed in line with the 'Lifetime Homes' criteria; and
- the site layout is acceptable in terms of privacy and amenity of site occupants and neighbouring properties.

Future Provision

The potential future supply to 2030 that is forecast to be released through Cornwall Local Plan policies is about 255 dwellings.

Appendix A : Calculation of Affordability Thresholds

Assessment geography

As noted above, affordability thresholds can only be calculated on the basis of information on incomes in the Neighbourhood Plan area. This is available at MSOA level but not at the level of neighbourhood plan areas. Fortunately the Cornwall 030 MSOA includes. St Stephen, Nanpean, Foxhole, Coombe, Lanjeth, and High Street, and Treviscoe, [but excludes Whitemoor, and includes Trewoon] which gives the best approximation available for the Parish and NDP area.]

'Best Fit MSOA for St Stephen in Brannel

Source: NOMIS



Market housing

Market housing is not subsidised. To determine affordability in market housing, two main indicators must be considered: income thresholds, which are the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which are the standard household income required to access typical mortgage products.

Market sales

For calculating the affordability of a dwelling for sale (i.e. the **purchase threshold**) for a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is estimated to be 3.5 in this document as a baseline, although products with ratios of 4.5 are now becoming common.

As part of the assessment of affordability, the savings required for a deposit are taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, no data is available for the savings of households in St Stephen in Brannel Parish, and the precise deposit a mortgage provider will require of any buyer will vary according to their individual circumstances and the current state of the

mortgage market. To overcome this an assumption is made that at least a 10% purchase deposit is required and is available to the buyer.

The calculation for the purchase threshold for **market housing** is as follows:

Value of a median house price (2021) = £198,975;
Purchase deposit at 10% of value = £19,897;
Value of dwelling for mortgage purposes = £179,000;
Divided by loan to income ratio of 3.5 = **purchase threshold of £51,165.**

The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price:

The calculation for the purchase threshold for **entry-level market housing** is as follows:

Value of a lower quartile house price (2021) = £160,000;
Purchase deposit at 10% of value = £16,000;
Value of dwelling for mortgage purposes = £144,000;
Divided by loan to income ratio of 3.5 = **purchase threshold of £41,142**

Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. As the number of new builds in a Parish or MSOA will be too small a sample to give a reasonable assessment, data has been drawn from the Land Registry Price Paid Standard Report system for the PL25 and PL26 areas, which can be said to represent the local [St Austell] housing market. The TR2 area, which covers a small part of the Parish to the west, is excluded as it is entirely rural and any new housing in the postcode sector is likely to be located nearer to Truro. The new build mean house price for the selected area was £240,913 and the purchase threshold for **new-build market housing** is therefore as follows:

Value of a new build house price (2021) = £240,913;
Purchase deposit at 10% of value = £24,913;
Value of dwelling for mortgage purposes = £216,000;
Divided by loan to income ratio of 3.5 = **purchase threshold of £61,714**

Private Rented Sector

Similar thresholds can also be used to calculate the affordability of rented and affordable housing tenures. It is assumed rented housing is affordable if annual rent does not exceed 30% of household gross annual income. This is a conservative benchmark for affordability adopted on the basis that too high a benchmark will exclude households with particular circumstances that prevent them from spending a higher amount on their accommodation, a situation which is increasing due to post-covid, post-brexit and energy crisis cost of living increases.

The property website [Home.co.uk](https://www.home.co.uk) shows rental values for the combined PL25 and PL26 postcode areas. Also the larger sample size is likely to generate more robust findings. According to this website, there were 20 properties for rent at the time of search in September 2022, with an average monthly rent of £1,111. Of this total 5 were three bed properties with an average monthly rent of £1,600, 10 were two-bed properties [ave. £924] and 3 one bed properties with an average price of £560 per calendar month. There were 2 four/five bedroom properties with an average rent of £1,650 per month.

The calculation for the private rent income threshold for **entry-level (2 bedroom) dwellings** is as follows:

Annual rent = £924 x 12 = £11,088,
Multiplied by 3 (so that no more than 30% of income is spent on rent) = **rental threshold of £33,264.**

The calculation for the private rent income threshold for **entry-level (1 bedroom or flat) dwellings** is as follows:

Annual rent = £560 x 12 = £6, 720.

Multiplied by 3 (so that no more than 30% of income is spent on rent) = **rental threshold of £20,160**

The calculation is repeated for the overall average to give an average annual rent of £13,332 and an income threshold of £39,996.

Affordable Housing

A range of tenures are available that meet the definition of Affordable Housing within the NPPF 2021. These are social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021.

Social rent

Social rented housing is generally owned and/or managed by local authorities or Registered Providers, for which 'Target Rents' are determined through the national rent regime. Social rents are explained in Section 80 of the Housing and Regeneration Act 2008 (as amended) and are typically lower than affordable rents.

Although the rent will vary depending upon location and house type, based on current evidence typical rents are equivalent to 45-55% of open market rents. This is important for ensuring the long-term affordability of housing to local people on low wages.

Rents in socially rented properties follow a formula based on property values and average earnings in each area, and give substantial discounts to market rents. Therefore this tenure is suitable for the needs of those on the lowest incomes. It is subject to strict eligibility criteria.

To set social rent levels, the Statistical Data Return Look-Up Tool from the Regulator of Social Housing is used, referring to General needs (social rent) table. It provides information about rents and the size and type of stock owned and managed by private registered providers. It is only available at the LPA level so can only be a proxy for St Stephen in Brannel. See Table X below.

To determine the level of income needed, an assumption is made that no more than 30% of income should be spent on rent. This is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table x Social rent levels (£) [Gross]

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£77.80	£85.41	£93.54	£103.85	£87.36
Annual average	£4,046	£4,441	£4,864	£5,400	£4,543
Income needed	£12,137	£13,324	£14,592	£16,201	£13,628

[Source: Table 9 of

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031340/GEO_PRP_TOOL_2021_v1.2_Final.xlsx]

Affordable rent

Affordable rented housing is owned and rented by Registered Providers (unless part of a Build to Rent scheme³) who need to be registered with the Regulator of Social Housing. These homes should be rented out to households who are eligible for social rented housing. Rents (including service charges where applicable) are capped at up to 80% of open market rent or the published Local Housing Allowance (LHA)⁵ for the relevant property type (whichever is the lower).

Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). This may mean that the rents are actually 50-60% of market levels rather than 80%.

Data on the most realistic local affordable rent costs given in the same source as social rent levels for St Stephen in Brannel, assuming again that no more than 30% of income should be spent on rent.

Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the area are actually closer to 57% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table xx: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£96.23	£118.05	£137.44	£162.08	£122.21
Annual average	£5,004	£6,139	£7,147	£8,428	£6,355
Income needed	£15,012	£18,416	£21,441	£25,284	£19,065

[Source: Table 11 of https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031340/GEO_PR_P TOOL_2021_v1.2_Final.xlsx]

Affordable home ownership

Affordable home ownership tenures include homes for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are

- Discounted market housing (including the new First Homes product),
- Shared ownership, and
- Rent to buy.

Paragraph 65 of the NPPF 2021, says that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” A Ministerial Statement³ and updates to PPG⁴ state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product.

³ <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>

⁴ <https://www.gov.uk/guidance/first-homes#first-homes-definition-and-eligibility-requirements>

Discounted ownership or First Homes

The treatment of discounted market housing as affordable depends on whether the asking price of new build homes of a size and type suitable to first time buyers will bring them within reach of people currently unable to buy market housing.

A calculation for First Homes should be based on the median house price in the Parish (£198,975), as a proxy for the price of new build entry-level housing. This assumes that new build entry-level homes will cost around the same as a median existing home, because there is usually a premium associated with new housing.

For the **minimum discount of 30%** the purchase threshold can be calculated as follows:

Value of a new home = £198,975

Discounted by 30% = £139,283

Purchase deposit at 10% of value = £13,928

Value of dwelling for mortgage purposes = £125,354

Divided by loan to income ratio of 3.5 = **purchase threshold of £35,816**

The First Homes product can also be provided where there is justification for a 40% or 50% discount.

For a **discount of 40%** the purchase threshold can be calculated as follows:

Value of a new home = £198,975

Discounted by 40% = £119,385

Purchase deposit at 10% of value = £11,939

Value of dwelling for mortgage purposes = £107,447

Divided by loan to income ratio of 3.5 = **purchase threshold of £30,699**

For a **discount of 50%** the purchase threshold can be calculated as follows:

Value of a new home = £198,975

Discounted by 50% = £99,488

Purchase deposit at 10% of value = £9,949

Value of dwelling for mortgage purposes = £89,539

Divided by loan to income ratio of 3.5 = **purchase threshold of £25,583**

All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

A concern with First Home discounts is the risk that the discounted value may be unviable to develop if the discounted price is close to build costs. Assuming 70 sq m and a build cost of £1,500 per sq m, the build cost for a 2-bedroom dwelling could be around £105,000. This cost excludes any land value or developer profit. This may be an issue in St Stephen in Brannel Parish for higher rates of discount, given that the Parish is in the lowest 'Value Zone' where it is recognised that house prices are such that the Local Plan Policy 8 'levy' for affordable housing is only 25%.

Shared ownership

Shared Ownership enables households an opportunity to purchase a share in a home with a mortgage, whilst paying a rent on the remaining unowned share. Shared Ownership is a common form of new affordable housing for sale, as it is widely supported by the main mortgage lenders.

Shared Ownership may be provided by either Registered Providers or the Local Authority. An initial share (usually between 25% and 75%, but now a minimum of 10% is allowed) is bought and then rent is paid to the Registered Provider or Local Authority on the remaining unowned share. Due to the comparatively high house prices in Cornwall, the maximum amount of rent that should be charged over a 12-month period is 2.5% of the open market value of the unowned share. Purchasers can typically purchase additional shares of equity in the property, when they can afford to do so, through a process known as 'staircasing'. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.

Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The same deposit and loan to income ratio is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

The affordability threshold for a **25% equity share** is calculated as follows:

A 25% equity share of £198,975 is £49,744;

A 10% deposit of £4,974 is deducted, leaving a mortgage value of £44,769;

This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £12,791;

Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £149,231;

The estimated annual rent at 2.5% of the unsold value is £3,731;

This requires an income of £12,436 (so that no more than 30% of income is spent on rent).

The total income required is £25,227 (£12,791 plus £12,436).

The affordability threshold for a **50% equity share** is calculated as follows:

A 50% equity share of £198,975 is £99,488;

A 10% deposit of £9,949 is deducted, leaving a mortgage value of £89,539;

This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £25,583;

Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £109,488;

The estimated annual rent at 2.5% of the unsold value is £2,487;

This requires an income of £8,291 (so that no more than 30% of income is spent on rent).

The total income required is £33,873 (£25,583 plus £8,291).

The affordability threshold for a **10% equity share** is calculated as follows:

A 10% equity share of £198,975 is £19,898;

A 10% deposit of £1,990 is deducted, leaving a mortgage value of £17,908;

This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £5,117;

Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £179,078;

The estimated annual rent at 2.5% of the unsold value is £4,477;

This requires an income of £14,923 (so that no more than 30% of income is spent on rent).

The total income required is £20,040 (£5,117 plus £14,923).

These are all below the £80,000 cap for eligible households.

Rent to buy

Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

Help to Buy (Equity Loan)

The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.