

The Exeter Plan Publication Plan: Regulation 19 December 2024 (dLP)

Stuart Partners Ltd

Matter 5 – Housing Land Supply

- **Issue 1 – Total Housing Land Supply**
 - **Issue 2 – Five-year Housing Land Supply**
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Introduction

CarneySweeney acts for Stuart Partners Ltd in connection with land south of A3052 and east of A376, Clyst St Mary, East Devon District. This land is situated within what is known as the “West End” of East Devon and is being promoted by our client for a sustainable residential-led mixed use development comprising up to 2,000 new market and affordable homes and a range of social, community and commercial uses. The West End is situated on Exeter City Council’s (ECC) eastern edge and is recognised by East Devon District Council (EDDC) in its Second Regulation 19 draft Local Plan as being a highly sustainable area and a focus for new development.

This Statement should be read in conjunction with our Statements on Matters 1, 2, 3, 4 and 7.

Issue 1 – Total Housing Land Supply

Question 1 - Is there convincing evidence to demonstrate that the Plan’s housing requirement to the end of the plan period will be met?

We refer to the CarneySweeney representation in respect of Matter 3 in that there is an over-reliance upon the allocation of brownfield sites. We have identified numerous technical difficulties with a number of the proposed allocations that will either delay delivery much more than anticipated or mean that these sites are not developable (within the meaning of the NPPF) within the plan period.

As discussed below, the Council’s initial reliance upon student accommodation, reliance upon sites that do not meet the definition of deliverable (within the meaning of the NPPF) and that the backlog since the beginning of the plan period has not been taken into account, mean that there would be a significant shortfall of housing in the in initial 5-year period.

The combination of over-reliance upon brownfield sites (especially strategic brownfield sites) and an inadequate supply of housing in the 5-year period means that there will be a significant under provision of housing towards the end of the plan period.

Question 2 – Is there convincing evidence to demonstrate that there is a reasonable prospect of a five-year supply of deliverable land for housing being maintained throughout the plan period?

As above, in relation to question 2, the Council has provided insufficient deliverable sites within the 5-year period to meet the requirement. In addition, the reliance upon sites that are not deliverable to the extent that the Council replies, or at all, means that it is highly unlikely that a 5-year supply will be maintained throughout the plan period.



Question 4 – What proportion of the total housing supply is derived from purpose-built student accommodation? Is the Plan over-reliant on the provision of this type of accommodation to meet the housing requirement?

Planning Practice Guidance on Student Accommodation

The Planning Practice Guidance (PPG) recognises that student accommodation may, in principle, contribute to an authority's housing land supply. However, this is not automatic. Any contribution must be evidenced and justified, based on the extent to which new student accommodation demonstrably releases homes into the wider housing market and/or prevents existing general market housing from being converted to student use.

The PPG makes clear that purpose-built student accommodation cannot be counted on a 1:1 basis with conventional dwellings. This reflects the fact that multiple student rooms are often required to replace a single dwelling previously occupied by several students. Authorities are therefore required to base any calculation on the average number of students living in student-only households, using published Census data, and to take clear steps to avoid double counting. Only studio flats, defined as fully self-contained dwellings with kitchen facilities and a separate bathroom, designed for students, graduates or young professionals may be counted on a one-for-one basis (PPG Paragraph 025, Reference ID: 68-034-20190722).

Crucially, the PPG does not state that student accommodation should routinely be included within the five-year housing land supply. Rather, it places the onus on the local planning authority to demonstrate, through transparent and proportionate evidence, that a measurable number of conventional dwellings are released or retained in the general housing stock as a result of the delivery of student accommodation.

While the PPG confirms that communal accommodation, including student accommodation, can contribute to the Housing Delivery Test, this is addressed through the application of nationally set conversion ratios derived from Census data (PPG Paragraph 033, Reference ID: 68-041-20190722). The Housing Delivery Test methodology is a separate monitoring mechanism and does not, in itself, justify the inclusion of student accommodation within the 5YHLS. The existence of national ratios for monitoring purposes underlines the importance of applying an evidence-based approach, rather than assuming a direct equivalence with general market housing. The ratios for both net student and net other communal accommodation are found in the Housing Delivery Test measurement rule book which confirms a ratio of 2.4 should be applied.

Local Appeal Decisions

Appeal decisions and case law have consistently confirmed that PBSA does not automatically equate to conventional housing units for the purposes of housing land supply.

Inspectors have frequently found that PBSA should not be counted unless there is compelling evidence to demonstrate:

- A direct functional relationship between PBSA delivery and the release of existing dwellings into the general housing stock; and
- A clear and justified methodology for converting student bedspaces into dwelling equivalents.

Where such evidence is absent, Inspectors have concluded that PBSA should be treated as a separate accommodation typology, meeting a distinct need rather than contributing directly to housing supply figures.

At the appeal in respect of Home Farm, Church Hill, Pinhoe (Ref No APP/Y1110/A/14/2215771, allowed in October 2014) the Council argued that the provision of all student accommodation releases housing that would otherwise be occupied by students, and should therefore be counted towards meeting the housing requirement. The Inspector considered this approach to be inconsistent with the PPG because it was not based on any assessment of the extent to which the provision of student accommodation had released general market housing. There was no evidence of such release. A shortfall against the 5-year supply was found.



In APP/Y1110/W/15/3005030, the Council argued that there was no need to demonstrate that housing occupied by students was being returned to the general housing market due to student net-migration or “direct release” being already accounted for in the ONS 2003-based population projections underpinning the Core Strategy, and that each PBSA unit built in Exeter should therefore count towards the housing requirement up to a cap of 28%. The Inspector however found several serious deficiencies in this approach:

- PPG does not recognise ‘direct’ or ‘indirect’ release – It requires that any inclusion of student accommodation be based on the amount of accommodation actually released into the housing market. Simply relying on population projections does not demonstrate release.
- Lack of evidence of release – Even at the Core Strategy examination, growing student numbers were recognised as contributing to general housing demand. Since then, there is no local evidence showing that PBSA has released general market housing. Council Tax exemption data, used as an indicator of student occupancy, continues to demonstrate a substantial student presence in conventional housing.

The Inspector concluded that the Council’s approach cannot justify including PBSA in the five-year housing land supply without robust local evidence demonstrating actual release.

Robustness of the Evidence Base

In order for PBSA to be counted within the five-year housing land supply, the local planning authority must demonstrate:

- That student accommodation is explicitly included within the housing requirement derived from the local plan or standard method;
- A transparent and consistent methodology for converting bedspaces into dwelling equivalents; and
- Evidence that the delivery of PBSA results in a measurable reduction in demand for conventional housing.

In the absence of such evidence, the inclusion of PBSA risks inflating housing supply figures without delivering homes capable of meeting general housing need, including family housing, affordable housing, or housing suitable for permanent occupation.

In this case, the Council relies solely on the Housing Delivery Test Measurement Rulebook which advises that the average number of students living in student only households is 2.4 (paragraph 10) and the average number of adults living in all households is 1.9 (paragraph 11) and provides no evidence of the provision of student accommodation leading to the release, or reduction in demand of conventional housing.

Sites

The following sites are identified to be included within the calculation of the Five-Year Housing Land supply of which are unevidenced:

- MSD44(S): The King Billy and 26-28 Longbrook Street – 108 units.
- MSD45: West Park, University of Exeter – 538 units.
- MSD47: Apparlmaster, Cowley Bridge – 236 units.
- MSD48: 68-72 Howell Road – 11 units.
- Total – 893 units

MSD44(S) comprises studio flats and is applied on a 1:1 basis.

Both MSD45 and MSD47 comprise student cluster flats and therefore the 1:2.4 ratio has been applied.



The inclusion of the above sites within the five-year housing land supply is contested because there is no evidence to demonstrate that the student accommodation proposed will release existing homes into the general housing market, as required by the Planning Practice Guidance. While MSD44(S) is treated as 1:1 due to being studio flats, and MSD45 and MSD47 use the nationally set 1:2.4 ratio for student cluster flats, the application of these ratios alone does not provide evidence that general market housing will be freed up. Without such evidence, the inclusion of these sites in the five-year housing land supply cannot be justified, and the housing supply figures should be considered overstated.

Student Accommodation Need

Greater Exeter: Student Housing Needs Assessment, November 2024 (evidence base ref. EVB-H-01d) purports to justify the inclusion of PBSA in the housing trajectory. It has several failings.

Firstly, the information with respect to Student Growth at the University of Exeter (paragraphs 14 to 16) is lacking. It refers to annual growth from 2006/07 to 2021/22 at Figure 1, but is missing more recent years, i.e. the beginning of the plan period.

Secondly, with respect to Students and the Housing Market (paragraphs 17 to 23) an attempt is made to distinguish the proportion of students accommodated in PBSA and private housing using Census data from 2011 and 2021. These are only snapshots of accommodation types for a particular year and paragraph 22 acknowledges that the accommodation types for around 3,300 students in Exeter are missing from the census data.

Thirdly, in terms of Future Growth (paragraphs 24 to 26) it refers to an annual growth of 750 students per year and that this is included in the overall annual dwelling target of 642 dwellings per annum. Paragraph 26 concludes that on this basis, “the Council are able to count any PBSA in their housing supply figures”. The assumed growth figure of 750 students per year is not evidenced or justified, neither is there any evidence to support the view that such growth is included within the overall annual dwelling target. The Council does not allocate any sites for student accommodation. There is, therefore, no basis at all to reach the conclusion that the Council is able to count PBSA in its housing supply figures.

Fourthly, there is no quantitative evidence in the assessment to show past delivery of PBSA or HMO licences granted year on year. The assessment therefore fails to demonstrate if the growth in students is matched by the delivery of new accommodation.

Fifthly, there is no qualitative evidence of the existing student accommodation stock. Even if current PBSA/HMO delivery is meeting the annual increase in students (which we strongly doubt), there is no evidence that the historic stock is fit for purpose. The inference of this is that more accommodation may be required, in addition to meeting current demand, to replace old stock that is not fit for purpose.

Sixthly, and crucially, there is no evidence of any HMO accommodation returning to family housing.

On the contrary, clients of CarneySweeney, have recently converted 83 dwellings (C3 use class) to HMO use at Rosebarn Park, Exeter, demonstrating that there is still demand for this type of accommodation. Where required, HMO licences have been granted by the Council for this new HMO accommodation.

Conclusion

The PPG recognises that student accommodation may, in principle, contribute to an authority’s housing land supply. This can only be relied upon if it can be demonstrated that new student accommodation demonstrably releases homes into the wider housing market and/or prevents existing general market housing from being converted to student use. This has been supported by appeal decisions in Exeter confirming the same.

As the Council's evidence base contains no record of the number of PBSA/HMO's granted annually, there is no way of telling if the approval rate is meeting the annual predicted increase in students of 750 per year. It is impossible therefore to ascertain if the granting of PBSA/HMO's is having the effect required by the PPG of releasing accommodation into the wider housing market. The Council has not provided a single case example of this occurring.

Given the above, all of the student accommodation developments should be removed from the Council's housing trajectory.

Question 5 - Does the total housing land supply include an allowance for windfall sites? If so, what is this based on and is it justified?

The evidence of past windfall delivery does not meet the windfall rate that the Council relies upon. Moreover, the majority of historical windfall delivery success has come from greenfield sites that are not reported in the spatial strategy. This is manifested by the fact that there is already at a backlog of at least 1,900 market homes and 1,000 affordable homes within the first two years of the plan period.

Issue 2 – Five-Year Housing Land Supply

Completions 2022/23, 2023/24 and 2024/25

Appendix A of the Councils Housing Trajectory document (examination ref. EVB-H-03) refers to completions of 577, 808 and 554 units in the period 2022/23, 2023/24 and 2024/25. We wish to know what proportion of these completions were derived from student accommodation developments. These should be removed from the trajectory, for the reasons given above in Issue 1, which exacerbates the initial plan period backlog.

Removal of student accommodation completions may have implications upon the buffer required.

The Remaining 5-year Trajectory

The Council is reliant upon 893 units from student accommodation in the 5-year trajectory that should be removed.

The Council is reliant upon a number of category b) sites, that do not meet the NPPF definition of a deliverable site, i.e. sites without planning permission, or where only Outline permission has been granted with no clear evidence that housing completions will begin on site within five years.

Given the changing nature of the planning process, we reserve the right to discuss each site at the relevant hearing sessions with a view to giving evidence as to the deliverability merits of each site. This would be the most appropriate 'line in the sand' time to consider these merits.

The dLP relies very heavily on the contribution made by PBSA to meeting overall housing need. It is considered that PBSA can only contribute if the Council can demonstrate that the delivery of PBSA results directly in HMO's being converted back to open market housing (Use Class C3). No such evidence has been presented to this Examination and as a result, it is considered that PBSA should be removed from the calculation of future housing delivery.



Conclusion

In our view the Council has not demonstrated an adequate supply of housing over the plan period due to an over-reliance upon brownfield site allocations that have historically not been developed at the rate required to meeting the 5-year housing requirement over the plan period. There is already a backlog of housing that has not been met by completions, which may have been erroneously inflated by including completions from student accommodation. The Council relies upon category sites that do

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