



HBF response to Exeter Local Plan Examination MIQs- Matter 2 – Housing, Employment and Retail Need

HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new “for sale” market housing built in England and Wales as well as a large proportion of newly built affordable housing.

Please note that we have not responded to all the questions only those of relevance to our members, and reflecting the issues in our Reg 19 response that HBF submitted.

Issue 1 – Local Housing Need and the Housing Requirement – Policy H1

5. To determine the minimum number of homes needed, paragraph 61 of the Framework states that strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance (‘the PPG’) – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

Q1. What is the minimum number of new homes needed over the plan period as calculated using the standard method? Are the calculations accurate and do they reflect the methodology and advice in the PPG?

HBF agrees that the standard method should be the starting point for setting the housing requirement. The calculation will need to reflect the plan period in relation to both its start and end. As set out in our response to Matter 1, we continue to argue that there are many reasons that would support a higher housing requirement for Exeter. We reiterate that the housing requirement needs to be established before any consideration is given to the issue of constraints and housing land supply.

It is also noted that the housing requirement should always be expressed as a minimum.

Q2. Have any changes in the methodology, since the preparation of the Plan, resulted in any meaningful or significant changes to the calculation?

Yes, the new standard method would increase the minimum housing requirement for Exeter. We have provided more comments about the implications of the transitional arrangements of this Plan in our Reg 19 response. We remain of the view that the housing crisis and the need for there to be a significant increase in housing allocations and permissions granted in order to deliver the uptick in housing delivery necessary to deliver the Government's ambition of 1.5 million homes within this Parliament.

Q3. Is there any historic unmet need that should be taken into account?

HBF remains concerned about the unmet needs across the wider south Devon region, including the unmet needs from Torbay, that are not being adequately addressed through the plan-making

system. We have provided more comments on this issue on our Reg 19 response and our response to Matter 1.

Q4. Has the Council identified land to accommodate at least 10% of their housing requirement on sites no larger than 1 hectare, as required by paragraph 70 of the Framework? Does this include sites which have already been completed?

HBF have been unable to identify clear evidence and conclusions in relation to this issue. As set out elsewhere in our response there is simply no substitute for the certainty of an allocation. This is particularly important for SMEs builders and this is one of the reasons HBF request the small site requirement is met through allocations, and not a windfall allowance.

6. The PPG advises that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method. Circumstances where this may be appropriate include situations where there are growth strategies for an area, where strategic infrastructure improvements are proposed or where an authority is taking on unmet housing needs from elsewhere.

Q1. Do any of these circumstances apply to Exeter?

Yes. Please see comments above, and in our Reg 19 responses.

Q2. Does the PPG list only those circumstances where it would be appropriate to plan for an alternative level of housing provision than the standard method, or could other locally specific reasons justify a higher figure?

The Council appear not to have considered this issue at all, despite comments from the HBF and others at both the Reg 18 and Reg 19 stages of this Plan.

Q3. Is the housing requirement of 12,840 new homes over the plan period justified and consistent with national planning policy and guidance? If not, what should the housing requirement be?

HBF continue to be supportive of a higher housing requiring for the reasons listed above, see also our comments in response to Matter 1.

Q4. How have projected levels of economic growth been factored into the calculation of the housing requirement?

HBF have been unable to identify clear evidence and conclusions in relation to this issue. As we have said previously, we believe supporting growth is one of the reasons that would justify a higher housing requirement for Exeter.

Q5. How has the limited capacity of the existing power grid network in Exeter been considered? Are any related and necessary strategic infrastructure improvements being proposed? If so, should the housing requirement be higher? If not, should the housing requirement be lower?

We note that the need to deliver and fund infrastructure can also be a reason to support higher housing growth.

Issue 2 - Affordable Housing Need

Q1. The Exeter Local Housing Needs Assessment (LHNA) 2024 states that the overall need for affordable housing is around 805 homes per year for the plan period 2021 - 2041. Is this figure accurate and robust? If not, what is the need for affordable housing over the plan period?

HBF remains concerned that the Plan is not doing enough to deliver affordable housing. In particular the focus on brownfield first strategy, with only very limited greenfield release will have a particular impact on, and undermining of, viability. As the whole plan viability shows brownfield development is more challenging, and indeed as HBF have stated in our Reg 19 and our response to Matter 14, we have concerns that viability is even more challenging than the whole plan viability assessment indicates. For example, the costs of BNG and increased regulatory compliance are greater than indicated. This will impact on affordable housing, especially as BNG is non-negotiable.

Whole Plan viability testing is an important part of the plan-making process. However, as noted in PPG, assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Flexibility should be included within this policy because whole plan viability assessments use methodologies that test typologies of sites, which do not consider the detailed circumstances of individual sites. As such there may be individual sites that are already not viable, for example, if the costs or values of a specific site fall outside the parameters used of a typology that was tested. Some sites will be on the very margins of viability and other sites may already be unviable even without a change of circumstances. Therefore, the policies in the Plan need to allow for flexibility to ensure the Plan as a whole is justified and effective, and the Plan is deliverable.

HBF remain concerned about the inadequacies of the whole plan viability appraisal, our concerns are detailed further in our Reg 19 response and our MIQ response to Matter 14. The challenges of viability make it less likely that affordable housing will be provided, especially as CIL and 10% BNG are non-negotiable. The cumulative impacts of the numerous policies that seek to go above and beyond Building Regulations and other policy requirements and s106 asks further undermine viability and will impact on the ability of the Exeter Plan to deliver affordable housing.