Greater Exeter Councils

Custom and Self Build

Demand Assessment Framework

July 2018

Three Dragons

FINAL REPORT

EXECUTIVE SUMMARY

1. Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self- builder doing everything, through to a full 'design & build' approach with the self-builder commissioning contractors to build their homes for them. 'Custom build' models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.

2. This report has been prepared for the planning authorities of Greater Exeter i.e. East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council (referred to in the report as the Greater Exeter Councils). The report provides information to assist the authorities in planning for custom and self-build housing, responding to national legislation, policy and guidance, in the context of local demand. The report is divided into three parts

   - Part A –The national position
   - Part B – The local context
   - Part C – Demand estimate

Part A – The national position

3. The key requirements of the legislation are set out in two acts of Parliament, The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016, with guidance given by two main statutory instruments. The Acts introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as "the Right to Build"), requiring them to:

   - prepare, publicise and maintain a register of individuals and associations of individuals "*who are seeking to acquire serviced plots of land*";
   - have regard to the register "*when carrying out their planning, housing, land disposal and regeneration functions*"; and
   - give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Part B – The local context

4. The Greater Exeter councils have either already adopted policy regarding CSB (East Devon and Teignbridge) or have included specific policies in their emerging plans (Exeter, Mid Devon). In summary there are two main policy approaches: one is to *encourage* CSB development (East Devon, Exeter) and the other *requires* that a specific percentage of plots are delivered for CSB (Mid Devon, Teignbridge).

5. A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by CIL exemptions and single dwelling completions)

indicates that most of the apparent demand is being met through small site developments. A very broad estimate of the current pattern by authority is:

- East Devon: – demand of about 20—30 households pa, notional supply about 50 pa;
- Exeter – demand of about 10–15 households pa, notional supply about 15 pa;
- Mid Devon – demand of about 15 households pa, notional supply about 15 pa;
- Teignbridge – demand of about 70—100 households pa, notional supply about 25 pa.

6. The above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. The case of Teignbridge illustrates how registers for different authorities can produce very different numbers, implying that the scale of demand shown by registers may be as much a reflection of the approach taken to promoting CSB as differences in patterns of demand.

Part C – Demand estimate

7. In order to understand whether the registers provide a true reflection of demand, Three Dragons, with the support of the Right to Build Task Force, has developed an alternative model for determining underlying longer-term demand for CSB at local level. The model measures the potential for households in an area (on their own or by working with others in a group or 'association') to develop their own home – as custom or self-build. It compares the national profile of potential custom and self-builders with the profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values as well as availability of finance will have an impact on this.

8. Headline results from the modelling are shown in the table below.

Table 1: Modelled demand for CSB plots

	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)[1]
East Devon	61	67	6
Exeter	76	83	10
Mid Devon	44	47	4
Teignbridge	68	74	6
Greater Exeter Councils Total	249	271	26

[1] As part of the overall demand for CSB

Implications

9. The demand assessment model indicates that potential demand for CSB development is greater than the CSB registers would suggest – with the exception of Teignbridge where the model and the register indicate broadly similar levels of demand.

10. Some CSB development is already occurring across the Greater Exeter area (mainly through single plots and other very small schemes) but the current rates of supply fall below the potential demand indicated by the modelling (to different degrees in different authorities). This implies that positive action will be required by the authorities to enable faster rates of CSB development in their areas.

11. As a guideline, we recommend the following levels of provision for CSB to be facilitated through the local plan process. The figures are on an annual basis.

East Devon – 60 units (of which, on past trends, c50 units can be expected to come from planning applications on small sites; however it should be noted that estimating the current supply of CSB units has proved particularly uncertain in the case of East Devon and the 50 dwelling supply figure is towards the upper end of the possible range);
Exeter – 70-75 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites); we have presented this as a range because a proportion of student households in Exeter will be present in the modelling and a figure towards the lower end of the range is likely to be the more robust;
Mid Devon – 45 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites);
Teignbridge – 70 units (of which, on past trends, c25 units can be expected to come from planning applications on small sites).

The above figures should not be viewed as maximum. There may be circumstances which would support provision of a greater number of CSB plots.

12. Based on our analysis of demand from different ages and household types, we suggest planning for plots types in all four Greater Exeter councils on the basis of:

- 15% - low cost/small plots/terrace style developments;
- 40% - suitable for 3 bed semi/detached homes;
- 45% - suitable for 4 or 5 bed detached homes.

13. As shown in Table 1 above, we anticipate there will be some demand for affordable CSB plots, most likely delivered as shared ownership or shared equity (but not to preclude CSB Affordable Rent if that were to come forward). On average this will be around 10% of modelled demand (although there is some variation between authorities). National data indicates that take up of (non CSB) shared ownership housing tends to be from younger and smaller households. Therefore we would suggest that 75% of the affordable CSB plots should be smaller units aimed at this market and the remaining 25% for larger families.

14. The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force[2] has supported its development and continues to work with Three Dragons on its application.

[2] The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

1 INTRODUCTION

Purpose of the Demand Assessment Framework

1.1 Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self- builder doing everything, through to a full 'design & build' approach with the self-builder commissioning contractors to build their homes for them. 'Custom Build' models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.

1.2 There is no doubt that custom and self-build homes can help provide a diverse mix of local housing and widen the potential for home ownership as well as providing new affordable housing options. Custom and self-build can also help encourage small and medium sized builders to diversify their businesses and take advantage of a wider range of customers.

1.3 The Government has recognised these benefits and has steadily introduced measures to support the growth of Custom and Self-Build (CSB) housing.

The Framework Report

1.4 This report has been prepared for the planning authorities that make up the Greater Exeter Strategic Plan (GESP) area i.e. East Devon District Council, Exeter City Council, Mid Devon District Council and Teignbridge District Council (referred to in the report as the Greater Exeter Councils). The report provides information to assist the authorities in planning for custom and self build housing, responding to national legislation, policy and guidance in the context of local demand. The report is divided into three parts:

Part A –The National Position:

1.5 A summary of the relevant legislation and guidance and other actions the Government is taking to support CSB housing. Part A includes definitions of custom and self-build;

Part B – The Local Context

1.6 A review of relevant local authority policies (including its local plan and other guidance e.g. SPD[3]), current estimates of demand (including from the Custom and Self-Build Register as well as from the authority's SHMA[4]) and progress in meeting demand for CSB housing;

Part C – Demand Assessment

1.7 An assessment of future demand for CSB – for the next 5 years in detail, with broad estimates for the following 10 years. Estimates of the make-up of the demand (e.g. size of dwellings, affordable housing) are also provided.

[3] Supplementary Planning Document
[4] Strategic Housing Market Assessment

1.8 The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force[5] has supported its development and continues to work with Three Dragons on its application.

[5] The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

2 NATIONAL CONTEXT

What is custom and self-build housebuilding

2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by Section 9 Housing and Planning Act 2016) sets out a statutory definition of Self-build and Custom housebuilding as:

> "(A1) In this Act "self-build and custom housebuilding" means the building or completion by—
> (a) individuals,
> (b) associations of individuals, or
> (c) persons working with or for individuals or associations of individuals,
> of houses to be occupied as homes by those individuals.
> (A2) But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person."

2.2 National Planning Practice Guidance interprets the definition of Self-build and Custom housebuilding as being:

".....where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals."[6]

2.3 In simple terms, CSB is generally recognised as a form of housebuilding where the purchaser buys a building plot and funds their own build. This early acquisition gives them scope to influence the design and build of their home, either on their own or by working with others in a group or 'association'.

2.4 The legislation does not distinguish between self-build and custom housebuilding and, in practice, there is a spectrum of options between the two. One definition of the difference was put forward by the former Minister for Housing and Planning, Brandon Lewis, in the House of Commons on 24 October 2014, where he said:

*"[the] definition of **'Self Build'** covers someone who directly organises the design and construction of their new home, while **'Custom Build'** covers someone who commissions a specialist developer to help to deliver their own home. …."*

2.5 The National Custom and Self Build Association (NaCSBA) has provided a more detailed description of the differences between self-build and custom housebuilding:

[6] Planning Practice Guidance Paragraph: 016 Reference ID: 57-016-20170728

> ***Self-build*** *is when someone gets involved in, or manages, the construction of their new home (with or without the help of subcontractors).*
>
> ***Custom build*** *is when people commission the construction of their home from a developer/enabler, builder/contractor or package company. With 'custom build' the occupants usually don't do any of the physical construction work but still make the key design decisions.*

2.6 Both of the above forms of housebuilding provide routes into home ownership for individuals and groups or associations of individuals who want to play a role in developing their own homes. Clearly there is a blurring in the distinction between the two forms of housing but, in terms of how they are treated for planning purposes, regulation, exemptions and outcome are the same whatever route the self-builder takes. However each build route will require different types of plot to be made available.

2.7 CSB housing is not, of itself, Affordable Housing as set out in the National Planning Policy Framework (NPPF) although CSB housing can produce cost savings compared to market housing. Models of CSB housebuilding are emerging which more directly fall within the NPPF definition of Affordable Housing, for example, as intermediate market products such as shared ownership and discount market sale. There are also a small number of schemes of CSB housing which are developed as Affordable Rent.

2.8 The delivery of self-build and custom housing through affordable housing policies is now starting to be found in local plans[7].

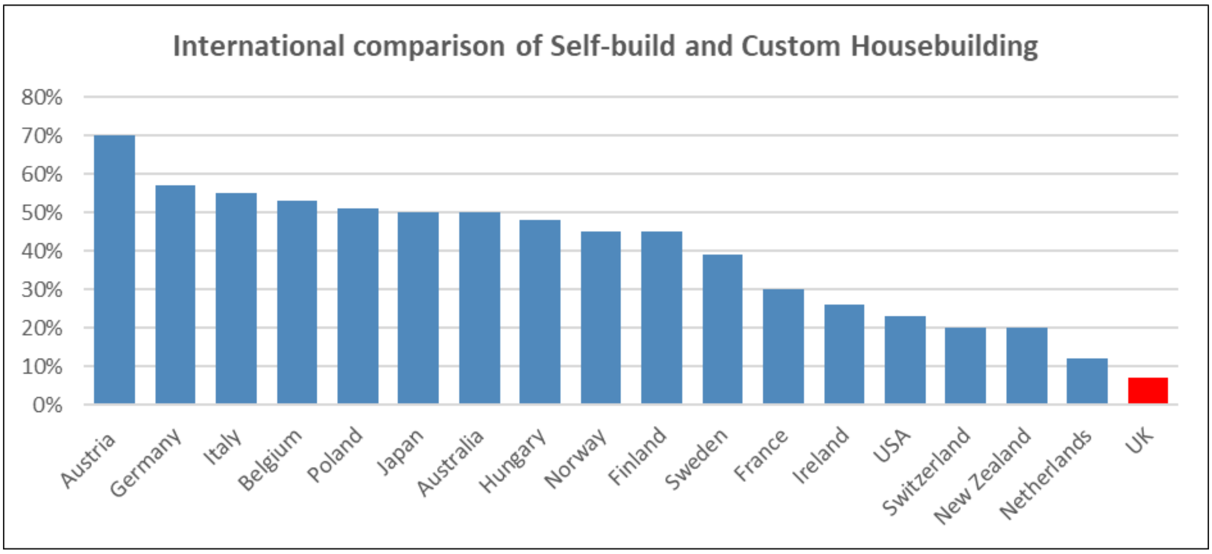
2.9 CSB homes can be undertaken by local community groups. The groups can be organised in different ways, for example as co-operatives or co-ownerships or through community land trusts. Community groups may have a common purpose and wider community objectives or may simply provide a means for individuals to build/commission their own home. Housing associations, local authority housing companies and specialist organisations such as the Community Self Build Agency can also bring forward affordable CSB housing schemes.

Custom & self-build Housing Delivery Rates

2.10 The CSB sector currently completes about 13,000 homes each year in the UK. At this rate, the UK lags well behind other European countries and those elsewhere in the world in terms of the contribution from Self-build and Custom housing development to overall housing numbers (see below).

[7] For example, see a) Consultation on Preferred Scale and Distribution of Development – Shropshire Local Plan Review para 6.27 https://www.shropshire.gov.uk/get-involved/local-plan-review-preferred-scale-and-distribution-of-development/ (and https://www.shropshire.gov.uk/media/8588/build-your-own-affordable-home-information-pack.pdf) b) Cornwall Local Plan adopted Nov 2016 para 2.29 http://www.cornwall.gov.uk/localplancornwall and c) Torbay Local Plan adopted Dec 2015 policy H3 http://www.torbay.gov.uk/council/policies/planning-policies/local-plan/new-local-plan/

Figure 2.1 International comparison of Self-build & Custom Housebuilding



Source: NaCSBA (2016, unpublished)

2.11 There is no single explanation to account for the scale of difference in incidence of self-building between similar countries but various hypotheses have been put forward. A study by the University of York suggests that important factors may be "*historic developments within housing and planning systems, the propensity of the government to provide housing, and the emergence of large volume housebuilders and/or local commitments to the ethos of homeownership*[8]". A recent parliamentary research paper suggests that the level of local authority support for community projects is greater in countries with higher rates of self-building[9].

2.12 The Government stated in the White Paper '*Fixing our broken housing market'* that it wants to support the growth of custom and self-build housing to help drive the diversification of the housing market in England, boost housing supply and give more people more choice over the design of their own home. Alongside two Acts of Parliament and associated regulations (see below), the Government supported the establishment of an industry-led Right to Build Task Force to support delivery, as recognised in the White Paper.

Key requirements of the legislation

2.13 Two acts of Parliament set out the responsibilities of local authorities to help promote CSB housing. The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016 introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as "the Right to Build"). This legislation requires local authorities to:

- prepare, publicise and maintain a register of individuals and associations of individuals "*who are seeking to acquire serviced plots of land*";

[8] Build it Yourself? University of York Spring 2013 p16 – based on previous research 'Self-provided housing in developed societies' Dol et al 2012

[9] Parliamentary Research Paper 06784 Self-build & Custom Build Housing (England) March 2017 see p5 – example given of how municipality of Belin actively seeks to help self-builders (quoting a speech by Richard Bacon MP)

- have regard to the register "*when carrying out their planning, housing, land disposal and regeneration functions*"; and
- give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Preparing and managing the Register

2.14 As of 1 April 2016 all relevant authorities in England (including all local planning authorities) are required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority's area in order to build houses for them to occupy as homes. According to NaCSBA, all relevant authorities have now established their Self-build and Custom Housebuilding Register.

2.15 For an individual or organisation to be eligible to join the register they must:

- be aged 18 or over;
- be a British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland;
- be seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority's area for their own Self-build and Custom housing project; and
- have paid any fee required by the relevant authority and complied with any financial solvency test, if introduced (see below).

2.16 Authorities cannot preclude anyone who wishes to join the register and who fulfils the above criteria. However, authorities can separate the register into two parts (Part 1 and Part 2) if they introduce a local connection test, with those people who meet such a test being placed on Part 1 of the register. Those who meet all of the eligibility criteria except for the local connection test must be entered onto part 2 of the register. This does not apply to members of the armed forces.

2.17 Conditions for a local connection are very broadly defined in legislation and it is largely left to the authority to decide the criteria they want to use *"as the authority reasonably considers demonstrate that the individual has sufficient connection with the authority's area."*, provided such a test is justified, proportionate and introduced in response to a recognised local issue. Government guidance also says such tests should be reviewed periodically to ensure they remain appropriate and are still achieving their desired effect.

2.18 The effect of this in practice is that the requirement to give suitable development permission for enough serviced plots of land to meet the demand on the register only applies to the number of households entered on Part 1 of the register (although it does not have to be those same households who apply for permission to develop custom or self-build housing).

2.19 Authorities can also introduce an optional eligibility test, the financial solvency test, which can be used to assess whether an applicant can afford (ie. has sufficient resources) to purchase the plot of land there are seeking.

2.20 Once on a register, there are only two ways in which an individual (or association of individuals) can be removed. The first is if the individual or association of individuals request it. The second is if the local authority considers the individual or association of individuals to no longer be eligible, or to have already acquired land to build their home or where they fail to pay any fee required.

2.21 The legislation does not require authorities to check whether those on the register remain interested in obtaining a serviced plot to build their own home.

2.22 Further details on preparing and maintaining a register are found in the Self-Build and Custom Housebuilding Regulations 2016[10] and The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016[11].

Assessing the number of serviced plots to be provided

2.23 The Housing and Planning Act 2016 places a duty on local authorities in England to "*give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area………*" This includes land which has 'permission in principle'[12]. The duty came into force on 31 October 2016.

2.24 Authorities have a rolling three-year deadline in which to respond to the level of demand established in their registers each year, ending 30th October. Where an authority has two parts to its register, it does not need to make provision for the demand identified in Part 2 but the level of interest across both parts of the register is a measure of the strength of demand for custom and self-build plots and must be taken into account by the authority in undertaking its planning, housing, regeneration and land disposal functions.

2.25 The regulations define a series of 'base periods' used to determine the number of serviced plots to be provided. The first base period ended 30 October 2016 (all names on that register as of 30 October 2016 must be taken into account for purposes of the duty to provide plots). Subsequent base periods run 31/10-30/10 each year, on a rolling basis (i.e. the second base period ended 30/10/17, the third base period will end 30/10/18 and so on. Once accepted onto the register, the local authority must count individuals on the register for the base year on which they were accepted.

2.26 Local authorities must provide plots to meet demand for <u>each</u> base period within the three years after the end of the base period. This is illustrated in the following example for Local Authority A:

[10] http://www.legislation.gov.uk/uksi/2016/950/made SI 950 (2016)
[11] http://www.legislation.gov.uk/uksi/2016/1027/made SI 1027 (2016)
[12] Section 10 of the Self-build & Custom Housebuilding Act 2016 allows for land allocated on part 2 of a brownfield register to be considered towards Custom and Self Build provision even though the site must receive a grant of technical details consent before development can actually proceed; from June 2018 it will also be possible to apply for PIP.

> *In base period one – to 30/10/16 – 50 names were added to the register – the authority has until 30/10/19 to make provision for 50 serviced plots.*
>
> *Then in base period two - 31/10/16 and 30/10/17 – 100 names were added to the register – the authority has until 30/10/20 to make provision for another 100 serviced plots.*
>
> *Then in base period three - 31/10/17-30/10/18 – 30 names are added to the register - the LA has until 30/10/21 to provide a further 30 plots, and so on.*

2.27 Authorities need to be aware that the legislation does not allow for a reduction in the requirement for 'suitable development permission' if names on the register at the **end of a base period** are subsequently withdrawn by the individual or removed by the authority (because they are no longer eligible). Authorities therefore need to be very careful to ensure names entered onto the register are eligible and still interested in obtaining a plot at the **end of the base period**. Authorities can ask people to re-register if optional eligibility tests have been introduced and/or to check if people who are registered will wish to remain on the register. This provides the ability to remove people from the register if they are no longer deemed to be eligible[13]. However, this **will not affect** the established demand for previous base periods described above.

2.28 Local authorities may apply for an exemption from the requirement to provide serviced plots to meet the numbers on their register if, for any base period, the number is greater than 20% of the land identified by the authority as being available for future housing[14]. In this case, the number of plots required is capped at 20% of available land. The exemption applies only to the relevant base period(s).

2.29 This does not affect the duty of local authorities to have regard to their register when carrying out their planning, housing, land disposal and regeneration functions.

2.30 Government guidance provides more detail on how the exemption works in practice, including the process for applying for an exemption.

Providing serviced plots

2.31 The duty placed on local authorities is to give suitable development permissions for enough serviced plots of land to meet the demand for self-build and custom housebuilding in their area. This is not a duty on authorities to directly provide the serviced plots themselves or to ensure that plots are allocated to those households on the register. Neither is it a duty to match (i.e. specifically meet) the requirements expressed by those on the register. Government guidance instead advises that local authorities should use the preferences expressed by those on their register to guide decisions when discharging their duties under the legislation.

[13] If an applicant fails to meet eligibility on the grounds of local connection alone (but wishes to remain on the register) they can only be removed from pt1 – they must remain on pt2, which is the part of the register that is not counted towards the requirement for serviced plots

[14] http://www.legislation.gov.uk/uksi/2016/950/made

2.32 A serviced plot is one with access to a public highway and has connections for electricity, water and waste water or, if this is not immediately available, can be provided in specified circumstances and within a specified period. This allows infill development on land alongside a road frontage to be considered as serviced. There is no specific expectation that services must be physically connected to the plot of land at the time of grant of planning permission.

2.33 Local authorities can meet their obligations in a variety of ways including, for example:

- direct provision of serviced plots on their own land (or in partnership with another landowner - a public body or a private landowner);
- through a plan policy that requires new development to make provision for a proportion of plots as part of the development; the plots are then secured at the time of a planning permission through a section 106 agreement;
- by seeking to encourage and permit applications, either as windfall or as part of a larger, allocated site.

2.34 Depending on the form of CSB housing, there may be implications for the viability of the development. This requires careful assessment alongside other community benefits such as affordable housing, both when preparing local plans and in decisions about individual applications.

The Community Infrastructure Levy

2.35 Custom and self-build housebuilding is exempt from paying the Community Infrastructure Levy. The exemption applies to anybody who is building their own home or has commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property and occupy it as their principal residence for a minimum of 3 years after the work is completed.[15]

Wider duties of local planning authorities

2.36 The NPPF asks local planning authorities to assess the demand for CSB housebuilding and use their local plans to meet such demand (Paragraphs 50 and 159)[16].

2.37 In terms of assessing demand, Government guidance[17] sets out that local authorities should use the information from their registers, supported as necessary by data from other sources, when preparing their Strategic Housing Market Assessment (SHMA) to understand and consider future need for such housing locally.

2.38 In terms of plan-making, the Government's intentions were highlighted in a letter from the Minister for Housing and Planning to all English local authorities on 5 March 2015. This made it clear that plans risk being found unsound if they fail to provide sufficient evidence to demonstrate that they have taken the demand for people who want to build their own homes into consideration.

[15] For more details of the operation of the exemption see Planning practice Guidance - 135 Reference ID: 25-135-20140612 through to 153 Reference ID: 25-153-20140612 see also CIL reg 54a which defines self-build housing as 'a dwelling built by P (including where built following a commission by P) and occupied by P as P's sole or main residence' (where P is a 'Person')

[16] Para 62 in draft review of NPPF March 2018

[17] PPG ref 57-011-20160401

2.39 In the Government's 2017 consultation on a proposed new approach to assessing housing need its stated objective was to, "……*make it easier for local planning authorities to identify the need for other types and tenures in their area…" "These include, but are not limited to… Self-build and custom-build development*"[18].

2.40 The recent consultation draft of the NPPF (published in March of this year[19]) does not introduce any radical change to the way CSB is defined or delivered. However, there are several proposals that could have an impact on the way local authorities plan for CSB, including those discussed in the following paragraphs.

2.41 The first is a proposed policy from which CSB is to be excluded. This is a requirement 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."* As CSB readily lends itself to providing affordable home ownership as its contribution to affordable housing, this could be unhelpful – leaving CSB to rely more heavily on Affordable and Intermediate Rent to make up any required percentage of affordable housing. This possible consequence of the draft NPPF may not have been foreseen (see para 65).

2.42 In addition the draft NPPF includes an obligation on planning authorities to, "*ensure that at least 20% of the sites identified for housing in their plans are of half a hectare or less*". If this leads to an increase in the number of small sites allocated in plans, this could be a useful way of extending the range and type of sites suitable and available for CSB (see para 69).

2.43 Also with possible implications for CSB is where planning authorities are asked to support proposals for, "..*the development of entry level exception sites, suitable for first time buyers (or those looking to rent their first home)*". Similar to rural exception sites, these sites would be, "…*outside existing settlements, on land which is not already allocated for housing*." If this proposal is taken forward, it might add opportunities for CSB on sites not already allocated (see para 72).

[18] DCLG, Planning for the right homes in the right places: consultation proposals, September 2017

[19] National Planning Policy Framework, Draft text for consultation. MHCLG, March 2018

3 LOCAL CONTEXT

Current and emerging planning policy

3.1 Planning policy for provision of CSB is currently set out in the Greater Exeter planning authorities' adopted local plans. We summarise the current policies in the table on the next page.

Table 3.1: Greater Exeter planning authorities local plan policies

Authority	Document	CSB policy	Update
East Devon	East Devon Local Plan 2013-31 adopted January 2016	**Policy H2**: Range and Mix of New Housing Development says that "*Planning permission will not be granted for new residential development which provides for 15 dwellings or more, or is situated on a site of 0.5 ha or larger, unless it contains a mix of dwelling sizes or comprises predominantly, or totally, of smaller dwellings……… To ensure a variety of housing provision, where possible, developers will be encouraged to make at least 10% of plots available for sale to small builders or individuals or groups who wish to custom build their own homes.*" The submission version of the Local Plan sought to require development of over 15 dwellings to provide CSB but the Inspector commented saying "*I don't see how the planning system can make developers sell land to potential rivals (and at a reasonable price)*" and the policy was amended to 'encourage'. **Para 16.25** recognises the contribution that CSB housing can make towards affordable housing provision and notes that it "*will be welcomed on sites that meet the policies of (the) plan*". **Para 16.30** notes the high number of single plot permissions which are likely to be for CSB dwellings. The paragraph goes on to say that "Developers of larger sites will be encouraged to set aside a proportion of plots for sale to individuals or groups wishing to build their own homes".	The Council is currently preparing a DPD for Cranbrook and stated, as recently as March 2018, that, "*…consultation on the plan itself would probably not now take place until the autumn.*"
Exeter	i) Core Strategy Document (adopted 2012)[20] ii) emerging Development Delivery DPD July 2015 (publication version)[21]	i) The Core Strategy does not reference CSB but does state (para 6.25) that "*All major developments (comprising 10 or more dwellings) should include a mix of house types informed by context, local housing need and the most up to date HMA*" ii) **Para 3.2** discusses housing delivery, stating that "*Most of the sites allocated for housing will continue to be developed by the volume housebuilders; however, community led development and custom or self build schemes can also make an important contribution to meeting housing need. The City Council will continue to work in partnership with housebuilders, communities or individuals wishing to deliver housing in Exeter*".	

[20] https://exeter.gov.uk/corestrategy/
[21] https://exeter.gov.uk/planning-services/planning-policy/emerging-plans-and-guidance/

Authority	**Document**	**CSB policy**	**Update**
Mid Devon	i) Core Strategy adopted July 2007 and DMP adopted Nov 2013[22] ii) Local Plan Review[23] Submitted March 2017. Awaiting examination (following review of the Sustainability Appraisal)	i) The Core Strategy and Development Management policies make no mention of CSB ii) Policy S3: Housing requires that "*developers will supply at least 5% of serviced dwelling plots for sale to self- builders for a period of 12 months per plot and any plots subsequently developed for self-build must be completed within 3 years of purchase by a self-builder*." Policy DM6: Rural Exception Sites, allows CSB housing on RES where this meets the need of the local community and is provided for households with a local connection. Para 2.30 considers the evidence of likely demand, citing the number of plot searches and a local survey. It also sets conditions on the provision of CSB to meet policy requirements in that the property must be marketed as such for 12 months before reverting to the builder's control and that it must be lived in by the self-builder for a period of 3 years (to meet CIL exemption requirements).	
Teignbridge	Local Plan 2013-33 adopted 6th May 2014[24] ii) 'Custom and Self Build Housing SPD' (July 2016).	Policy WE7: Custom Build Dwellings requires that "*on sites of more than 20 dwellings developers will supply at least 5% of dwelling plots for sale to custom builders*". Para 4.21 comments on the ambiguity of the definitions of custom & self-build housing found in regulations and legislation. It concludes that "*Self-build and custom-build are two names for the same product and therefore that definition should be used to interpret this policy*". The SPD provides comprehensive information on the practicalities of delivering CSB including issues such as phasing and the form of S106 agreements.	

[22] www.middevon.gov.uk/residents/planning-policy/adopted-local-plan/
[23] https://www.middevon.gov.uk/residents/planning-policy/local-plan-review/
[24] https://www.teignbridge.gov.uk/localplan

3.2 To a large extent the current local plan policies for CSB reflect the time when they were prepared and adopted. The Teignbridge policy is the most prescriptive (and would be echoed in Mid Devon when their plan is taken forward). Teignbridge (through its SPD) also offers the most comprehensive guidance on how CSB is to be delivered in its area.

3.3 Publication of a draft version of the Greater Exeter Strategic Plan is pending. This provides the Greater Exeter Councils with the opportunity to develop a pan-authority approach to CSB and to reflect longer terms patterns of demand in their policies.

Evidence of demand for CSB

From the Self build register

3.4 Each of the Greater Exeter Councils has a self build register and collects information about the number of households registering in each 'base period'. As discussed in chapter 2, each authority has to give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

3.5 Information provided by the Greater Exeter Councils shows significant variation in the numbers registering across the area as the table below sets out.

Table 3.2: Numbers joining the self-build registers November 2016 to March 2018[25]

Authority	Base period 31/10/2016 to 30/10/17	Base period 31/10/2017 to March 2018
East Devon	43[26]	11
Exeter	21	4
Mid Devon	17	7
Teignbridge	137	36

3.6 The evidence also suggests that there may have been something of an initial surge in demand in the first year of the register but lesser numbers registering in the second year – taking into account that there is only partial data for the second year.

SHMA and other local evidence of demand

3.7 The Strategic Housing Market Assessment[27] for the Exeter housing market area covers all 4 Greater Exeter planning authorities. However, its preparation predates the Right to Build legislation and therefore does not provide any specific evidence of demand for CSB. However, use is made of the SHMA in estimating the level of potential demand for intermediate CSB.

[25] Information supplied by each GESP authority
[26] Includes 3 households on part2 of the register
[27] Exeter Housing Market Area SHMA 2014/15 DCAUK

Notional supply

3.8 There are two available measures of the notional supply of CSB housing that is already taking place (but noting that increasingly authorities are monitoring CSB delivery in its own right).

3.9 The first measure is the number of single dwelling schemes being developed and where it is reasonable to assume that the purchasers will have significant input into the design and layout of their new home. This is not an absolute measure as some single dwellings will be developed on a speculative basis but it is an indication of some elements of the supply. The second, and perhaps more robust measure, is CSB CIL exemptions. But this cannot be guaranteed as an accurate measure of current supply, not least because not all Greater Exeter Councils have had a CIL in place for long enough. Also some CSB households may not be aware they can claim a CIL exemption, or fail to complete the necessary forms and some enablers on larger sites may not take advantage of the CIL exemption for their clients.

3.10 Therefore the figures in the next table should be treated as an indication of the current level of CSB activity rather than an absolute measure.

Table 3.3: Indicative measures of current supply of CSB dwellings[28]

Authority	CIL exemptions		Single dwelling schemes (total dwellings - completions)	
	2015/16	**2016/17**	**2015/16**	**2016/17**
East Devon	unavailable	11 (part year)	80	52
Exeter	12	13	18	10
Mid Devon	unavailable	unavailable	21	10
Teignbridge	17	22	34	19

3.11 A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by CIL exemptions and single dwelling completions) indicates that most of the apparent demand is being met through small site developments. A very rough assessment of the pattern by authority is:

- East Devon – demand of about 20—30 households pa, notional supply about 50 pa;
- Exeter – demand of about 10–15 households pa, notional supply about 15 pa;
- Mid Devon – demand of about 15 households pa, notional supply about 15 pa;
- Teignbridge – demand of about 70—100 households pa, notional supply about 25 pa.

In the case of East Devon there is considerable variance between the number of single dwelling completions across the two years and between single dwelling completions and CIL exemptions (the latter being considerably lower). Therefore we have opted for a conservative 'supply figure' (at 50 dwellings per annum) and accept that this is likely to be towards the upper end of the range.

[28] Information supplied by each GESP authority

3.12 Of course, the above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. The case of Teignbridge illustrates how registers for different authorities can produce very different numbers, implying that the scale of demand shown by registers may be as much a reflection of the approach taken to promoting CSB as differences in patterns of demand. In the next chapter we address this issue by providing an alternative measure of underlying longer term demand for CSB.

4 DEMAND ANALYSIS

Approach to measuring demand

4.1 With the support of the Right to Build Task Force, Three Dragons has developed a bespoke model for measuring demand for CSB at the local level. The model measures the potential for households in an area to develop their own home (on their own or by working with others in a group or 'association') – as custom or self-build. The model compares the national profile of potential custom and self-builders (using data provided by NaCSBA for this exercise[29]) with a profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values[30] as well as availability of finance will have an impact on this.

4.2 The model also takes into account that the custom and self-builders identified will not all be ready to build on day-one. Our research shows that from being ready to purchase land to project completion takes on average 2-3 years[31]. This is reflected in the demand modelling which gives results on an annual basis[32]. It can also be assumed that in future years demand for CSB will grow or contract dependent upon future growth in the population.

4.3 The diagram below illustrates the process of modelling demand for CSB.

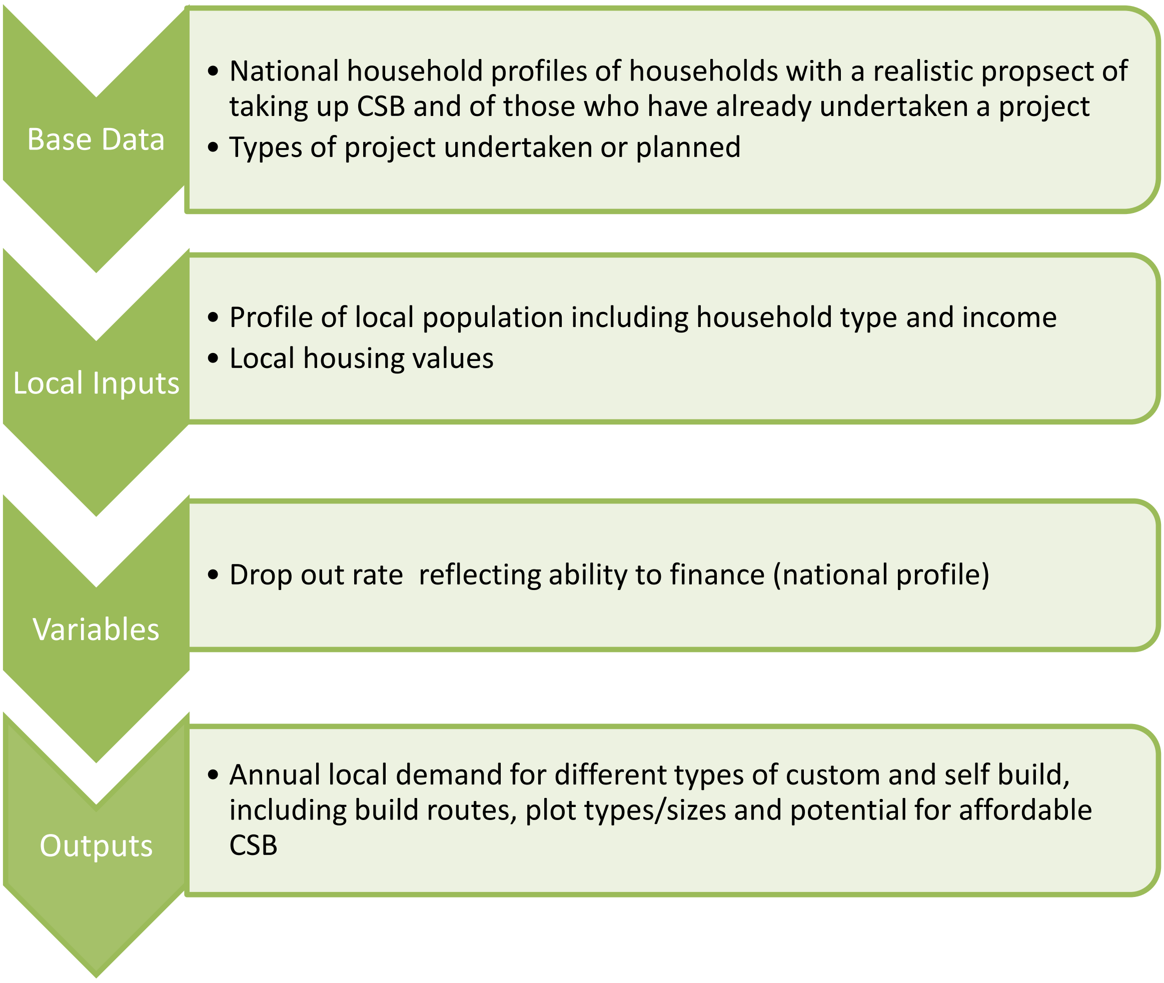
[29] Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished) alongside profile of households who have completed a project (NaCSBA unpublished)

[30] Local costs and values based upon i) for income *Regional gross disposable household income by local authority per head* ONS May 2018 (for 2016) and ii) for values *House Price Statistics for Small Areas (HPSSAs)* ONS 2017 (median prices). The datasets are based on current values which could be subject to future change e.g. if new housing schemes tend to be at generally lower or higher values than the current stock.

[31] Profile of households who have completed a project (NaCSBA 2017 unpublished)

[32] We have modelled demand using a 3 year basis as we consider this the most likely timescale for project completion at present; a 2 year timescale would show an increased demand level which may be unrealistic

Figure 4.1: Outline of the demand assessment model



4.4 Data used in the model is set out in the annex along with a more detailed description of the modelling process.

Demand estimates from the model

Headline results

4.5 The results of the modelling exercise are shown in the table below – for each local authority and the Greater Exeter area as a whole. The results assume that potential households taking up CSB take three years to proceed.

Table 4.1: Headline results showing demand for CSB housing - assuming 3 years lead in time

	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
East Devon	61	67	6
Exeter	76	83	10
Mid Devon	44	47	4
Teignbridge	68	74	6
Greater Exeter Councils Total	249	271	26

4.6 The potential demand for CSB across the Greater Exeter area is just below 250 units per annum over the next 5 years, rising to 271 pa in years 6 to 15. Similar levels of demand are found across the Greater Exeter Councils, with the exception of Mid Devon[33] where demand levels are lower. The demand figure for Exeter will include some student households[34].

4.7 No distinction is made in the modelling between individual households and groups taking up CSB. It should be assumed that demand from any group taking up CSB will be from within the numbers shown in the table above.

Comparison with CSB Register and notional supply

4.8 With the exception of Teignbridge, the levels of demand modelled are higher than implied by the earlier analysis of the Custom and Self Build Registers of each authority. The comparison is set out in the following table. This draws on the analysis at para 3.11 which was recognised as being a series of best estimates. The table also shows the estimated notional supply already achieved – again noting that the figures are estimates based on partial data. The data in the table is for years 1 – 5.

[33] Note that the overall population is also lower in Mid Devon
[34] We would estimate that the demand figure for Exeter could include between 2 & 4 student households

Table 4.2: Demand for CSB housing Years 1 – 5 - assuming 3 years lead in time

	Modelled demand for CSB - units per year	Demand for CSB – based on the Register[35]	Estimated current levels of supply of CSB
East Devon	61	20-30	50
Exeter	76	10-15	15
Mid Devon	44	15	15
Teignbridge	68	70-100	25
Greater Exeter Councils Total	249	115-160	105

4.9 Modelled demand is higher than that shown by the analysis of the registers, with the exception of Teignbridge where the model and the register are more consistent. Exeter shows the most significant variance between modelled demand and that indicated by the register.

4.10 Current levels of supply (as estimated for this exercise) are well short of the modelled demand. This difference is less significant in the case of East Devon where supply (estimated at 50 units per annum) is only behind modelled demand by about 10 units per annum.

CSB - Affordable housing

4.11 Demand for relatively small numbers of intermediate affordable housing CSB units has been identified – varying between the authorities from 4 to 10 units per annum. It has been assumed that affordable units will be delivered as intermediate affordable housing (most likely as shared ownership or shared equity). However, this is not to preclude CSB Affordable Rent if that were to come forward. Data from the SHMA was used to generate the estimates of demand for intermediate CSB plots[36].

4.12 There is a limited amount of data available on households purchasing shared ownership or shared equity housing as a section of the total population, making it difficult to predict in any other way, who is likely to require intermediate CSB. What we do know from CORE[37] is that shared owners tend to be younger and are likely to be in couple or single person households[38]. In shared ownership provided by a

[35] Ref para 3.11

[36] Based on affordable housing shortfall identified in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). This produces an overall requirement for 238 intermediate affordable housing. As a percentage of the total housing requirement of 2384 (again using Table 11-3), this gives a percentage requirement for intermediate housing of c10% of the total requirement. The percentage however varies between authorities and we have modelled authorities at 10% East Devon; 13% Exeter; 8% Mid Devon; 9% Teignbridge

[37] The COntinuous REcording (CORE) data collection run by MHCLG

[38] MHCLG statistical datasets - live tables on social housing sales – table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17

registered provider, just under 75% of households are under 40 and just over 75% are singles or couples. Based on this we would suggest that of the 26 units required as affordable CSB, 75% should be smaller units for younger, potentially 1 or 2 person, households and 25% should be for families with children.

Build route

4.13 The available data does not allow for a comprehensive analysis of demand by type at the local authority level. However, national data indicates the following:

- Between 50-70% of those taking up CSB will be self-builders - half on single plots and half as part of larger site;
- 30-50% will be Custom Builders.

Given the growth in the market and increasing interest amongst younger households – a reasonable starting point for planning purposes would be 50% self-build / 50% custom build.

4.14 These proportions are based on current experience and will likely be influenced by the supply of plots and types of build route that are available. Over time, as the potential for custom build develops, especially if promoted on larger sites, it is reasonable to expect that the balance between self and custom build demand will change

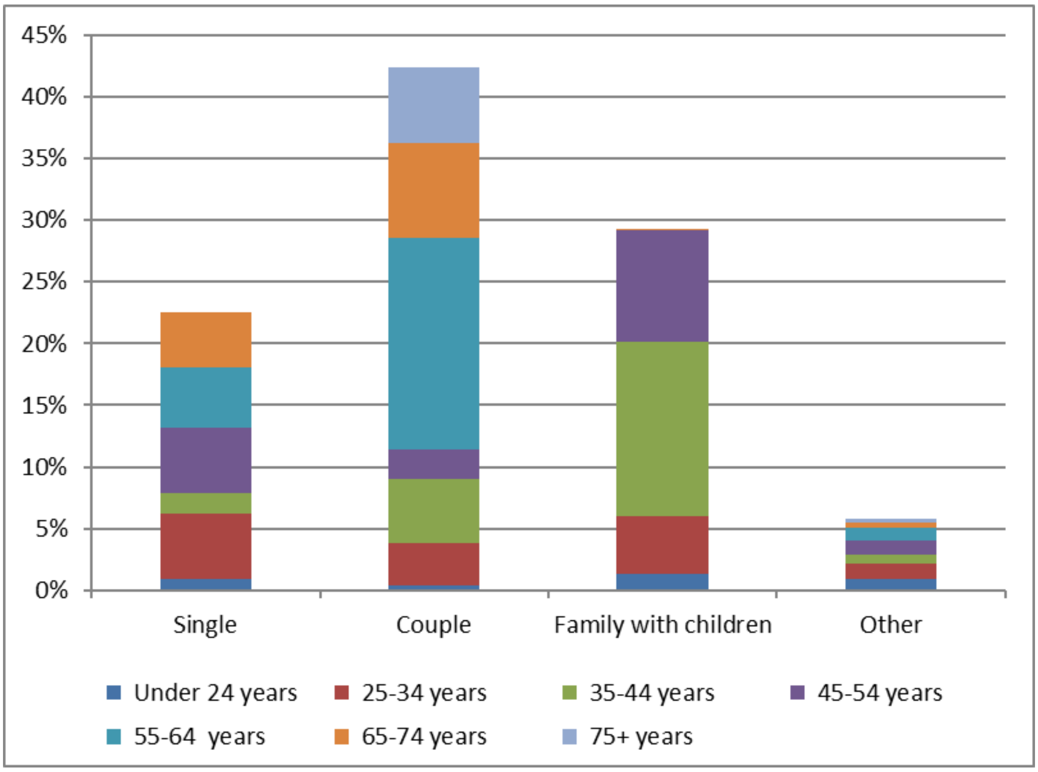
Plot types

4.15 Guidance on the type (size) of plots that are needed can be inferred from the demand profile for CSB. The data collected on the profile of custom and self-builders over the past 5 years indicates that whilst the traditional pattern of wealthy middle-aged couples building their own home remains part of the picture, younger households on lower incomes are also entrants to the market, attracted by elements including affordability, quality of design and eco-sustainability[39].

4.16 The chart below shows the profile of potential CSB households in the Greater Exeter area in terms of their age and household type. Similar to the national average for CSB households, nearly 30% of households are families with children, 23% are single persons and 42% are couples without children. 6% are other household types including non-related adults and extended families.

[39] Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished)

Figure 4.2: Characteristics of households with a potential demand for CSB in Greater Exeter by age and type of household



4.17 The chart also shows that a high proportion of the potential CSB households in Greater Exeter are 55 years or older (42%) – a high proportion of which are couples. A similarly large group (at 40% of all the households) are younger households at 35 to 54 years – often families with children. Younger households make up a relatively small percentage of the demand and are a mix of single, couple and family households.

4.18 The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

4.19 As a guide to the mix of plot types required, we suggest planning on the basis of:

- 15% - low cost/small plots/terrace style developments;
- 40% - suitable for 3 bed semi/detached homes;
- 45% - suitable for 4 or 5 bed detached homes.

It is likely that this breakdown will be applicable in all of the Greater Exeter council districts. Although there is some variation in numbers of different household type between authorities, the proportions are not different enough to support a different policy approach. Please see separate annexes 2-5 for more information about the household types on a per authority basis. As this is largely a demand-led rather than need-led market, we have assumed that most households will looking for a property which is bigger than their immediate household requirements.

5 IMPLICATIONS

5.1 The demand assessment model indicates that potential demand for CSB development is greater than the CSB registers would suggest – with the exception of Teignbridge where the model and the register indicate broadly similar levels of demand.

5.2 Some CSB development is already occurring across the Greater Exeter area (mainly through single plots and other very small schemes) but the current rates of supply fall below the potential demand indicated by the modelling. This implies that positive action will be required by the authorities to enable faster rates of CSB development in their areas.

5.3 As a guideline, we recommend the following levels of provision for CSB to be facilitated through the local plan process. The figures are on an annual basis.

- East Devon – 60 units (of which, on past trends, c50 units can be expected to come from planning applications on small sites; however, it should be noted that estimating the current supply of CSB units has proved particularly uncertain in the case of East Devon and the 50 dwelling supply figure is towards the upper end of the possible range);
- Exeter – 70-75 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites); we have presented this as a range because a proportion of student households in Exeter will be present in the modelling and a figure towards the lower end of the range is likely to be the more robust;
- Mid Devon – 45 units (of which, on past trends, c15 units can be expected to come from planning applications on small sites);
- Teignbridge – 70 units (of which, on past trends, c25 units can be expected to come from planning applications on small sites).

5.4 The requirements for CSB set out above include any community groups that come forward with schemes to be developed through, for example, a co-ownership or co-operative model.

5.5 The above figures should not be viewed as maximum. There may be particular circumstances which would support provision of a greater number of CSB plots than the figures in 5.3 suggest.

5.6 Of the requirements set out above, approximately half would be expected to come forward as self-build housing and half as custom build developments. Of the self-build units, approximately half can be anticipated as single plots e.g. infills (although the case of East Devon suggests in this authority that a higher allowance for single plot developments should be included in future plans).

5.7 Demand for CSB plots is from a mix of household types and planning policies will need to encourage a diverse range of plots to meet the need. In framing future policies and dealing with planning applications, the following is put forward as a guide to the mix of plot types likely to be required:

- 15% - low cost/small plots/terrace style developments (say at about 100-120 sq m per plot);
- 40% - suitable for 3 bed semi/detached homes (say at about 300 sq m per plot);
- 45% - suitable for 4 or 5 bed detached homes (say at over 300 sq m per plot)

5.8 About 10% of future CSB development should be as affordable housing. It is anticipated that this will be focused on intermediate products, but suitable Affordable Rented schemes should also be welcomed. The affordable element of CSB housing could be delivered by affordable housing providers, custom build developers or enablers, as well as community groups.

5.9 This report has made best use of the available data. However, it is acknowledged that the growth in CSB in the Greater Exeter area needs to be carefully monitored in line with the Government's Planning Practice Guidance to identify trends in demand and delivery against the duties under the legislation. The data collected can inform future reviews of plan policies and action to support this form of house building.

ANNEX I – THE MODEL

Modelling process and data sources

Steps	Modelling	Data source
1	National profile of households (by age and type) with realistic prospect of becoming CSB demand.	2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request)
2	Compare with local profile of households by age and type Provide a base figure of **all** households with potential to take up CSB	2014 based household projections - DCLG https://www.gov.uk/government/statistical-data-sets/2014-based-household-projections-detailed-data-for-modelling-and-analytical-purposes
3	Calculate a ratio of local house prices to incomes and compare with the national average. Increase/decrease base figure to reflect whether CSB is likely to be 'more affordable' in the local area than nationally.	Gross Disposable Household Income per head – ONS May 2018 (2017 data) House Price Statistics for Small Areas (HPSSAs) - Dataset 9. Median price paid for administrative geographies – ONS (2017 data)
4	Assume a 'drop out' rate – based on likelihood of completing project taking into account ability to obtain loan finance or to finance directly as well as other general circumstances that may prevent a project being completed (e.g. family issues, loss of interest etc).	Data on how many households can be expected to complete a CSB project if plots were available - data provided by BuildStore, other CSB financiers, and sense checked with a number of small CSB developers affiliated to NaCSBA.
5	Assume a timetable for development from 1st taking steps to take up CSB Range provided assuming 2 years and 3 years for this – data indicates that this is a reasonable approach as no data is systematically collected on this	Data on 500 households who have completed a CSB project - Self & Custom Build Market Report (Homebuilding and Renovating, 2017)
6	Estimated demand for CSB in years 1-5	Model output
7	Demand for CSB allocated by whether will be for traditional self-build (single plots and larger schemes) or custom build	2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request) Sense checked against data on households who have completed a project (Self & Custom Build Market Report (Homebuilding and Renovating, 2017) and local data from registers where available.
8	Demand for intermediate affordable housing as a % of the total CSB demand	Exeter Housing Market Area SHMA 2014/15 (DCA) Table 11-3 identifies affordable need which was translated to a percentage; 25% of this figure is assumed to represent demand for intermediate CSB products as per para 13.5.7

ANNEX II – SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: EAST DEVON

1. Evidence of supply of CSB development was taken from information provided by the council for the number of CIL exemptions granted for self-build housing and completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in East Devon

Estimates of current supply of CSB				Information on demand for CSB			
CIL exemptions		Single dwelling schemes (total dwellings - completions)		Demand identified from CSB register		Demand identified from CSB modelling	
2015/16	2016/17	2015/16	2016/17	2016/17	2017/18 (part year[40])	Per year (yrs 1-5)	Per year (yrs 6-10)
Not available	11 (part year[41])	80	52	43[42]	11	61	67

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 50 per annum, taking into account that not all supply from single plot schemes will be for CSB. We note that there is considerable variance between the number of single dwelling completions (across the two years for which data has been sourced) and with the number of CIL exemptions (the latter being considerably lower, even taking into account that it covers a period of approximately 6 months). Therefore we have opted for a 'supply figure' towards the upper end of the possible range (at 50 dwellings per annum) and accept that, in reality this figure could be much lower or higher.

Demand

3. The estimate of demand, as measured by the register[43] is around 20-30 plots per year. This figure is below the estimated current level of supply.

[40] 31/10/17 – March 2018
[41] CIL introduced September 2016
[42] Includes 3 households on part 2 of the register
[43] See also the East Devon Self-build Register Combined Monitoring Report for First and Second Base Periods (30/03/16 to 30/10/16 and 31/10/16 to 30/10/17) March 2018 – but note that not all statistics are measured in the same timeframe as in this report

4. However the demand assessment modelling undertaken for this study indicates that the register is an underestimate of the full demand for CSB with the actual level of demand per annum estimated at 61 households per year, rising to 67 per year after 5 years.

Demand for affordable CSB

5. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data from the SHMA was used to generate an estimate[44]. For East Devon the total estimated requirement for affordable intermediate CSB is 6 units per year. Patterns established nationally for (non CSB) shared ownership housing[45] suggest that the highest demand for this type of plot will be from smaller, younger households and in East Devon this could be broken down as demand for 4 units for small households of 1-2 persons and 2 units for larger families[46].

6. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

7. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

[44] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 10% of the total requirement is arrived at in the case of East Devon. 10% is applied to the total demand for CSB.

[45] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

[46] Figures rounded

Table AII-2: Estimated supply & demand for CSB – comparison of East Devon to Greater Exeter

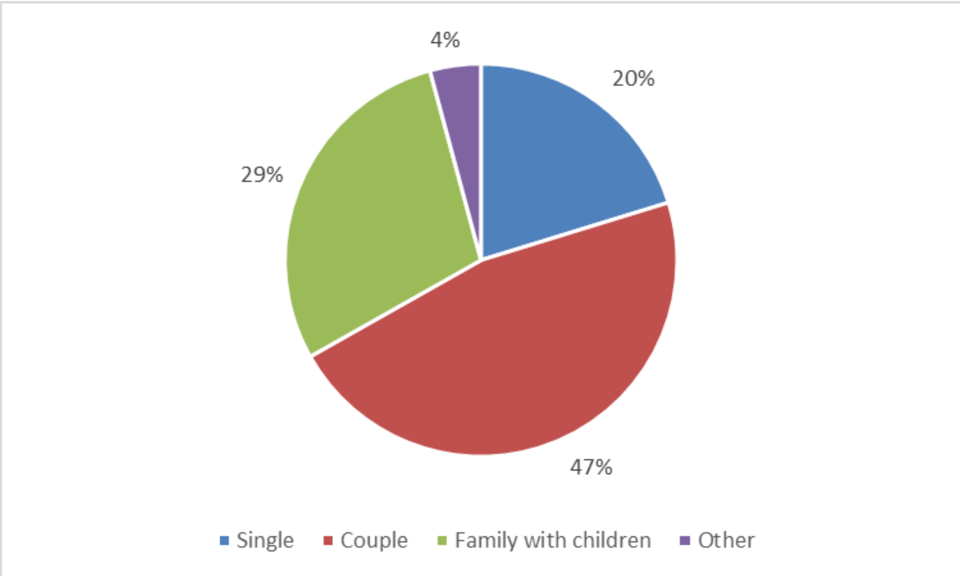
	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
East Devon	50	61	67	6
Greater Exeter Councils Total	105	249	271	26
East Devon as a proportion of Greater Exeter total	48%	24%	25%	23%

8. Roughly a quarter of the demand for CSB across the 4 councils comes from East Devon but nearly half (48%) of the estimated current supply is located in East Devon.

Household type of custom & self-builders in East Devon

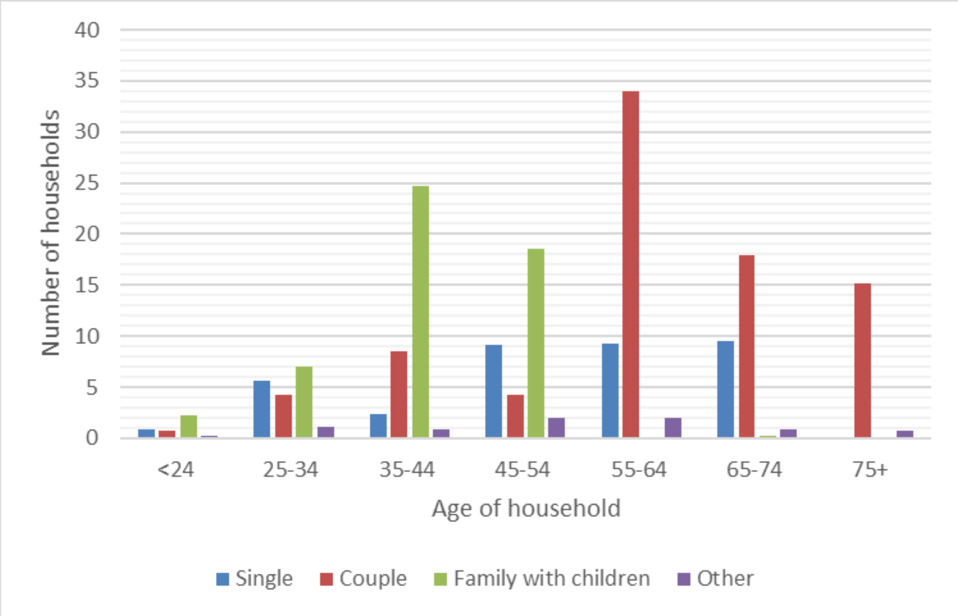
9. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each type. The largest household group are couples (47%) with families accounting for 29% and singles 20% and other household types accounting for 4%.

Figure AII-1: Household breakdown of custom & self-builders in East Devon



10. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in East Devon (3 year period)



11. Using 10-year age bands, the largest group of likely custom or self-builders are couples aged between 55 & 64 years (34 couples), followed by families aged 35-44 (24 families), then families aged 45-54 (18 families). Unsurprisingly there is lower demand from households aged under 24 years. Couples aged over 55 account for nearly 40% of estimated demand and families aged under 55 account for 30%.

12. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

13. As a guide to the mix of plot types required, we suggest planning on the basis of:
    - 15% - low cost/small plots/terrace style developments;
    - 40% - suitable for 3 bed semi/detached homes;
    - 45% - suitable for 4 or 5 bed detached homes

14. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.

ANNEX III - SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: EXETER

1. Evidence of supply of CSB development was taken from information provided by the council for the number of CIL exemptions granted for self-build housing and completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in Exeter

Information on supply of CSB				Information on demand for CSB			
CIL exemptions		Single dwelling schemes (total dwellings - completions)		Demand identified from CSB register		Demand identified from CSB modelling	
2015/16	2016/17	2015/16	2016/17	2016/17	2017/18 (part year[47])	Per year (yrs 1-5)	Per year (yrs 6-10)
12	13	18	10	21	4	76	83

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 15 per annum, taking into account that not all supply from single plot schemes will be for CSB.

Demand

3. The estimate of demand, as measured by the register is around 10-15 plots per year. This figure is about equal to or lower than the estimated current level of supply. However the modelling undertaken for this study would suggest that the register is an underestimate of demand for CSB with the actual level of demand per annum estimated as 76 households per year, rising to 83 per year after 5 years.

4. The demand figure for Exeter will include some student households and we would estimate that the demand figure shown here includes between 2 & 4 student households.

Demand for affordable CSB

5. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable

[47] 31/10/17 – March 2018

CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data from the SHMA was used to generate an estimate[48]. For Exeter the total estimated requirement for affordable intermediate CSB is 10 units per year. Patterns established nationally for (non CSB) shared ownership housing[49] suggest that the highest demand for this type of plot will be from smaller, younger households and in Exeter this could be broken down as demand for 7-8 units for small households of 1-2 persons and 2-3 units for larger families[50].

6. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

7. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

Table AII-2: Estimated supply & demand for CSB – comparison of Exeter to Greater Exeter

	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
Exeter	15	76	83	10
Greater Exeter Councils Total	105	249	271	26
Exeter as a proportion of Greater Exeter total	14%	31%	31%	38%

8. Roughly 30% of the demand across the 4 councils comes from Exeter. 14% of the existing supply is located in Exeter.

48 Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 13% of the total requirement is arrived at in the case of Exeter. 13% is applied to the total demand for CSB.

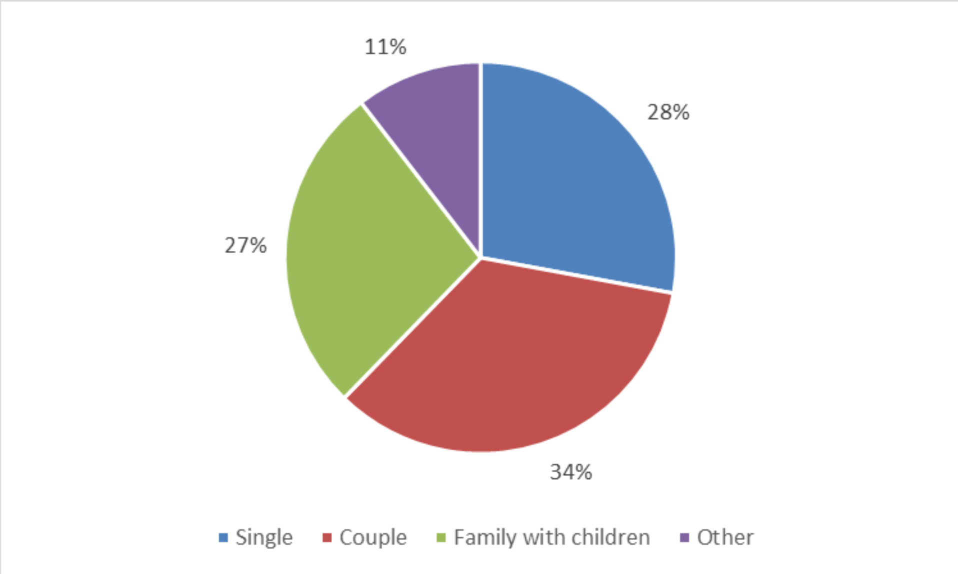
49 MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

50 Figures rounded

Household type of custom & self-builders in Exeter

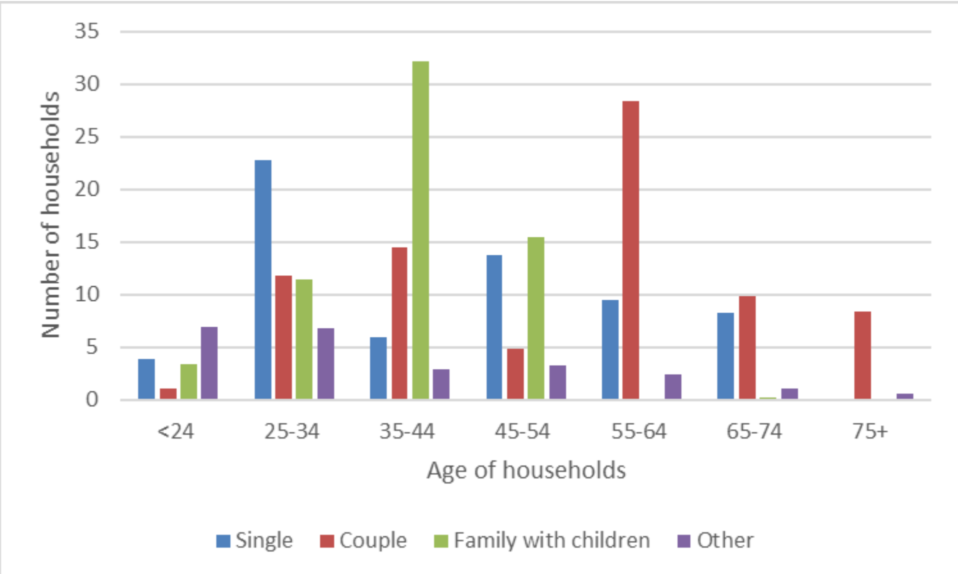
9. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each types. The largest household group are couples (34%) with families and singles accounting for 28% each and other household types accounting for 11%.

Figure AII-1: Household breakdown of custom & self-builders in Exeter



10. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in Exeter (3 year period)



11. Using 10-year age bands, the largest group of likely custom or self-builders are families aged 35-44 (32 families), followed by couples aged between 55 & 64 years

(28 couples), then singles aged 25-34 (23 families). Unsurprisingly there is less demand from households aged under 24 years. The household make-up in Exeter reflects the younger overall population compared to the other local councils.

12. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

13. As a guide to the mix of plot types required, we suggest planning on the basis of:

    15% - low cost/small plots/terrace style developments;

    40% - suitable for 3 bed semi/detached homes;

    45% - suitable for 4 or 5 bed detached homes.

14. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.

ANNEX IV -SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: MID DEVON

1. Evidence of supply of CSB development was taken from information provided by the council for the number of completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in Mid Devon

Information on supply of CSB				**Information on demand for CSB**			
CIL exemptions		**Single dwelling schemes (total dwellings - completions)**		**Demand identified from CSB register**		**Demand identified from CSB modelling**	
2015/16	**2016/17**	**2015/16**	**2016/17**	**2016/17**	**2017/18 (part year[51])**	**Per year (yrs 1-5)**	**Per year (yrs 6-10)**
Not available	Not available	21	10	17	7	44	47

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 15 per annum, taking into account that not all supply from single plot schemes will be for CSB. Information on CIL exemptions was not available for Mid Devon – a draft Charging Schedule was submitted in March 2017 but the examination has not yet taken place.

Demand

3. The estimate of demand, as measured by the register is around 15 plots per year. This figure is about equal to the estimated current level of supply. However the modelling undertaken for this study would suggest that the register is an underestimate of demand for CSB with the actual level of demand per annum estimated as 44 households per year, rising to 47 per year after 5 years.

Demand for affordable CSB

4. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data

[51] 31/10/17 – March 2018

from the SHMA was used to generate an estimate[52]. For Mid Devon the total estimated requirement for affordable intermediate CSB is 4 units per year. Patterns established nationally for (non CSB) shared ownership housing[53] suggest that the highest demand for this type of plot will be from smaller, younger households and in Mid Devon this could be broken down as demand for 3 units for small households of 1-2 persons and 1 unit for larger families[54].

5. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

6. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

Table AII-2: Estimated supply & demand for CSB – comparison of Mid Devon to Greater Exeter

	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
Mid Devon	15	44	47	4
Greater Exeter Councils Total	105	249	271	26
Mid Devon as a proportion of Greater Exeter total	14%	18%	17%	15%

7. Roughly 18% of the demand across the 4 councils comes from Mid Devon. 14% of the existing supply is located in Mid Devon.

Household type of custom & self-builders in Mid Devon

8. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each types. The largest

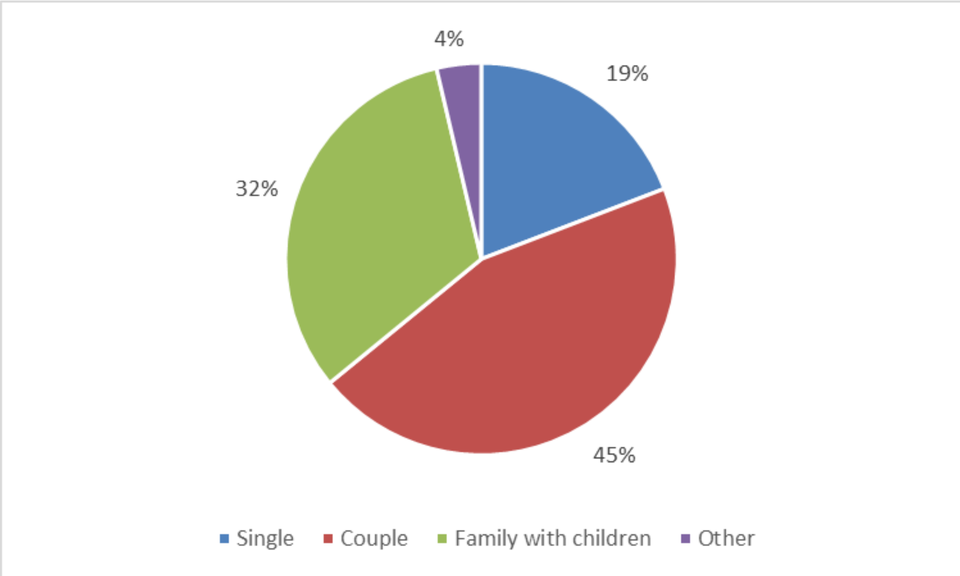
[52] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 8% of the total requirement is arrived at in the case of Mid Devon. 8% is applied to the total demand for CSB.

[53] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

[54] Figures rounded

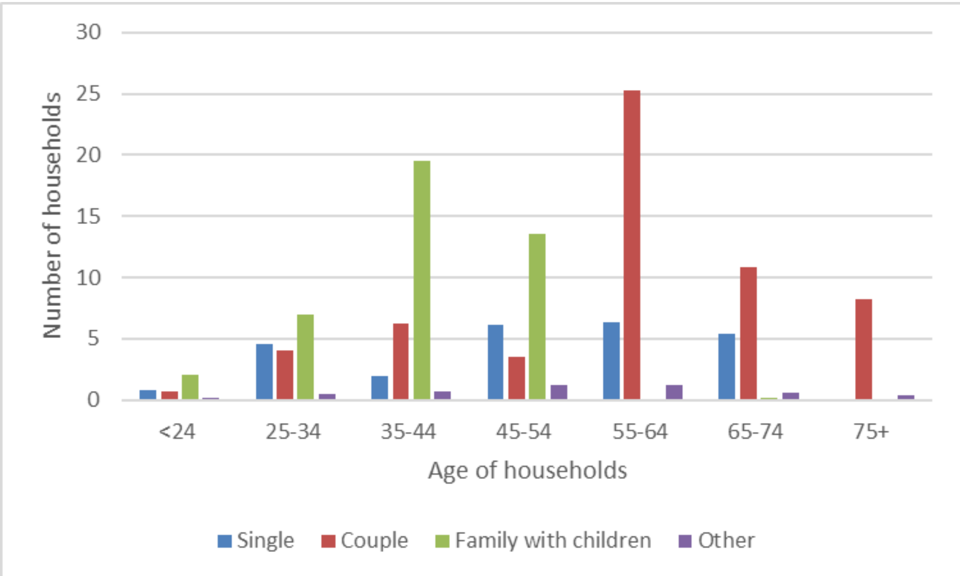
household group are couples (45%) with families accounting for 32% and singles for 19% and other household types accounting for 4%.

Figure AII-1: Household breakdown of custom & self-builders in Mid Devon



9. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in Mid Devon (3 year period)



10. Using 10-year age bands, the largest group of likely custom or self-builders are couples aged between 55 & 64 years (25 couples) then families aged 34-44 (20 families). Unsurprisingly there is less demand from households aged under 24 years.

11. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

12. As a guide to the mix of plot types required, we suggest planning on the basis of:

    15% - low cost/small plots/terrace style developments;

    40% - suitable for 3 bed semi/detached homes;

    45% - suitable for 4 or 5 bed detached homes.

13. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.

ANNEX V - SUMMARY OF SUPPLY AND DEMAND FOR CUSTOM & SELF-BUILD: TEIGNBRIDGE

1. Evidence of supply of CSB development was taken from information provided by the council for the number of CIL exemptions granted for self-build housing and completions of single dwellings (over the last two years). The measures of supply of CSB have been compared with numbers joining the CSB register alongside the results of the demand modelling undertaken in this study.

Table AII-1: Evidence of supply & demand for CSB in Teignbridge

Information on supply of CSB				**Information on demand for CSB**			
CIL exemptions		**Single dwelling schemes (total dwellings - completions)**		**Demand identified from CSB register**		**Demand identified from CSB modelling**	
2015/16	**2016/17**	**2015/16**	**2016/17**	**2016/17**	**2017/18 (part year[55])**	**Per year (yrs 1-5)**	**Per year (yrs 6-10)**
17	22	34	19	137	36	68	74

Supply

2. From the information in the above table, the assumed supply of CSB plots has been estimated at 25 per annum, taking into account that not all supply from single plot schemes will be for CSB.

Demand

3. The estimate of demand, as measured by the register is around 70-100 plots per year. This figure is above the estimated current level of supply. The modelling undertaken for this study would suggest that the register has identified a similar level of demand for CSB to that identified in modelled demand estimate. The modelled demand is for 68 households per year, rising to 74 per year after 5 years.

Demand for affordable CSB

4. There is no national information available on the numbers of intermediate custom or self-builders. However it has been assumed that there will be demand for affordable CSB and the affordable units will be delivered as intermediate affordable housing (either shared ownership or shared equity), rather than affordable rented. Data

[55] 31/10/17 – March 2018

from the SHMA was used to generate an estimate[56]. For Teignbridge the total estimated requirement for affordable intermediate CSB is 6 units per year. Patterns established nationally for (non CSB) shared ownership housing[57] suggest that the highest demand for this type of plot will be from smaller, younger households and in Teignbridge this could be broken down as demand for 4 units for small households of 1-2 persons and 2 unit for larger families[58].

5. A lack of directly comparable data means the affordable housing breakdown suggested in this report should be considered a best estimate. There is strong evidence however to suggest that plots for intermediate CSB are likely to be required by smaller households.

Comparison to the Greater Exeter Councils

6. The table below shows the level of supply and demand for CSB plots as a proportion of the total among the Greater Exeter councils.

Table AII-2: Estimated supply & demand for CSB – comparison of Teignbridge to Greater Exeter

	Estimated supply of CSB per year	Demand for CSB - units **per year** (yrs 1-5)	Demand for CSB - units **per year** (yrs 6-15)	Demand for intermediate affordable units **per year** (yrs 1 – 5)
Teignbridge	25	68	74	6
Greater Exeter Councils Total	105	249	271	26
Teignbridge as a proportion of Greater Exeter total	24%	27%	27%	23%

7. Roughly 27% of the demand across the 4 councils comes from Teignbridge. 24% of the existing supply is located in Teignbridge.

Household type of custom & self-builders in Teignbridge

8. The pie chart below shows the breakdown between household types (without differentiating between ages), showing the percentage of each types. The largest

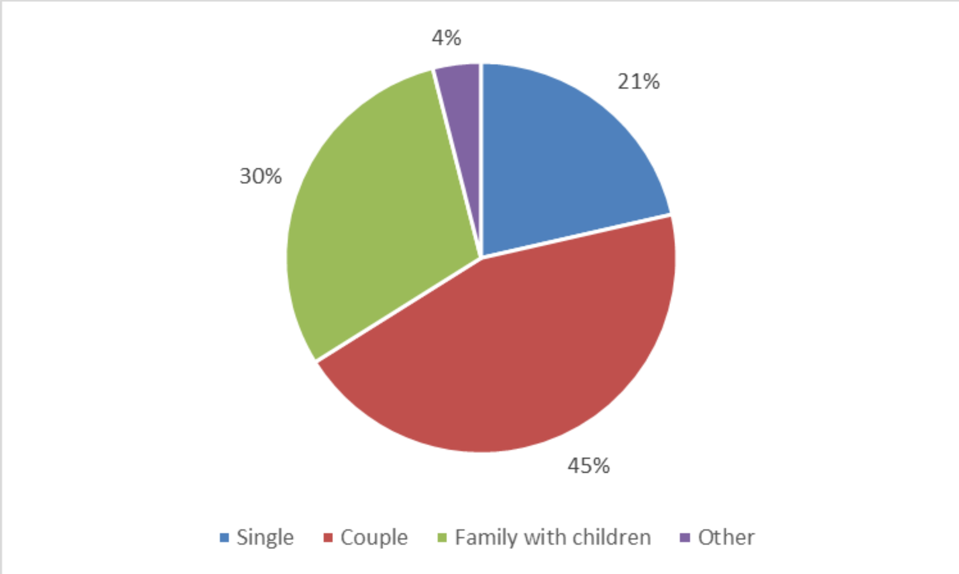
[56] Based on affordable housing shortfall identified for Greater Exeter councils in the SHMA at table 11-3 (955) and percentage of these that are recommended to be available as intermediate housing, para 13.5.7 (25%). A percentage requirement for intermediate housing of 9% of the total requirement is arrived at in the case of Teignbridge. 9% is applied to the total demand for CSB.

[57] MHCLG statistical datasets - live tables on social housing sales -table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17 (rounded)

[58] Figures rounded

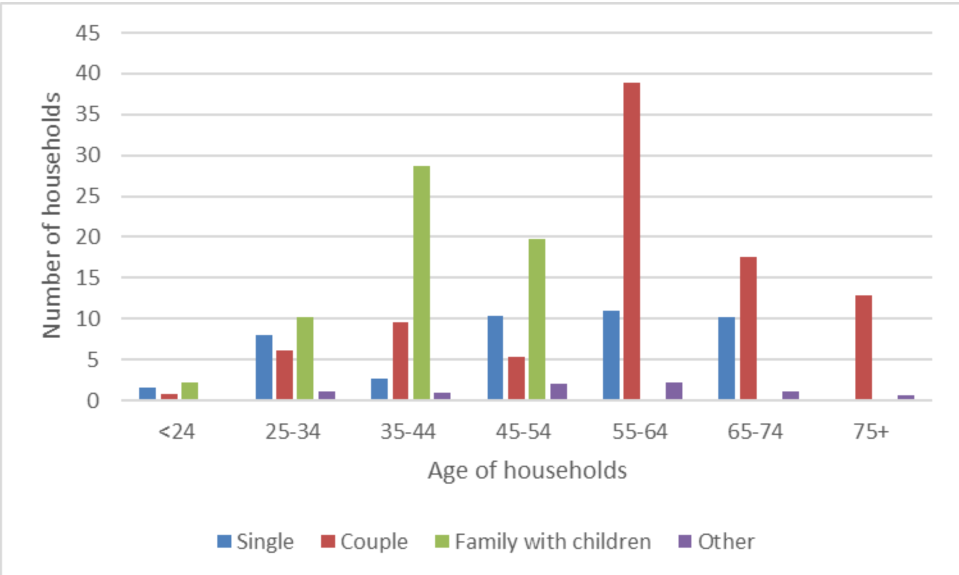
household group are couples (45%) with families accounting for 30% and singles for 21% and other household types accounting for 4%.

Figure AII-1: Household breakdown of custom & self-builders in Teignbridge



9. The chart below breaks down the estimate of custom & self-builders by household type, showing estimated demand over the next three years.

Figure AII-2: Household breakdown of custom & self-builders in Teignbridge (3 year period)



10. Using 10-year age bands, the largest group of likely custom or self-builders are couples aged between 55 & 64 years (39 couples) then families aged 34-44 (29 families). Unsurprisingly there is less demand from households aged under 24 years.

11. The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

12. As a guide to the mix of plot types required, we suggest planning on the basis of:

    15% - low cost/small plots/terrace style developments;

    40% - suitable for 3 bed semi/detached homes;

    45% - suitable for 4 or 5 bed detached homes.

13. The suggested mix, using percentages, is applicable to all Greater Exeter councils. Although variations in numbers occur between the authorities, the proportions are more similar.