

Appendix A7: Priority Theme 2: Affordable Housing *(First draft March 21 - some final data yet to be added)*

Evidence supporting the affordable housing policies of the plan

1. Introduction

1.1 Getting sufficient genuinely affordable housing built in the Neighbourhood Plan area is a long recognised social need and longstanding challenge yet to be met, despite national policy designed to deliver it as part of open market developments. It was formally identified as a major local issue back in 2003 in the Kingsbridge and Salcombe Area Market and Coastal Towns Initiative report “Action 2020 - Community Action Plan”. (See Appendix ???)

1.2 The formal national policy definition of ‘affordable housing’ refers to homes that are planned when built to cost a maximum of 80% of local open market prices or are let at 80% of open market rent. In areas of high property and land prices, especially locally where construction costs can also be high because of technically challenging locations, they have tended to be priced at 80% rather than less than this.

1.3 The accompanying national policy of funding the building costs of a minimum 30% of affordable homes in a development so they can be offered at the lower price by cross subsidising the costs from the 70% open market homes is also problematic for the same reasons. It puts the overall cost of commercial developments under strain and tends to push up the price of the open market homes to compensate, feeding the upward prices spiral.

1.4 The resulting open market and affordable homes built are both too expensive for people earning the local average level of salaries. Detailed examples are set out in the following sections. Affordability really needs to be redefined both locally and nationally for high property priced areas. Central government and SHDC have recently started to recognise this. Revised policies and housing needs assessment formulae to address the market limitations of current affordable housing policies are beginning to emerge as a result. Revised affordability assessment formulae are included in the new overall central government planning policy currently out for public consultation.

1.5 The newly published (November 2020) South Hams District Council Housing Strategy 2021-26 is out for public consultation (early 2021) as part of a South Hams District delivery plan for the SW Devon Local Authorities Joint Local Plan housing policies. It clearly prioritises the provision of new housing to meet known local need rather than continuing mainly with market led commercial development to meet the planned housing unit targets. This includes a significant focus on affordable homes for lower income households. The SHDC local research evidence underpinning the strategy provides a rationale for affordable housing policies based on established local needs. Details of the associated delivery plan are awaited. (See Appendix ???)

1.6 This latest analysis adds another layer to the in-depth analysis of socioeconomic data and resulting general and affordable housing needs across the JLP area, which was produced by PBA Associates (Part 1 general assessment) and HDH Planning and Development Ltd (Part 2 Affordable Housing need) in 2017 to inform JLP policies*. This includes specific data and conclusions for each of the three local authority areas covered by the plan. Both are included as evidence appendices to the JLP document. The extensive, complex and persuasive picture provided is best read in the original, but key points from it are included in the relevant sections below to emphasise Neighbourhood Plan area implications.
(*<https://www.plymouth.gov.uk/sites/default/files/StrategicHousingMarketNeedsAssessmentPart1.pdf>
<https://www.plymouth.gov.uk/sites/default/files/StrategicHousingMarketNeedsAssessmentPart2.pdf>)

1.7 The key factors which have been taken into account in identifying the reasons for the shortfall in smaller and affordable homes in our Neighbourhood Plan area are set out in the numbered sections below. These broadly reflect the picture across the South Hams district produced by SHDC to underpin its new strategy, but the factors which make the local situation more acute are highlighted. This explains and justifies the policies in the Neighbourhood Plan that are required to help tackle this issue in addition to those in the JLP. It also provides a sense of the scale of the housing issues.

1.8 The implications are wider than simply lack of suitable housing. An appropriate mix of housing which reflects the resident working population's needs and earning potential is crucially important for the long term resilience and economic sustainability of the Neighbourhood Plan area and its community. It is also crucial to the wellbeing of the wider Saltstone Parishes rural area which is dependent on the provision of public and commercial services staffed by these residents and based in Kingsbridge as the market town. (See the JOHT Report, Appendix ??)

1.9 There is a linked issue about lack of suitable and affordable open market housing for older residents who own their own homes who are now wishing to downsize. This is also a product of the unusual local housing market and land availability. It may be limiting the general flexibility of the housing market as well, contributing to a small annual turnover in sales of smaller and lower priced properties.

Note on data sources used in the text and available in the appendices: The latest national census data is from 2011 so the population related data which follows is from that source to ensure comparability between this plan and other public policy documentation, unless noted otherwise. Most local statistics are taken from Devon County Council planning unit published data analyses known as "Devonomics" or from the Office for National Statistics website, both of which still largely use the 2011 data. The Economic Development report commissioned for the Neighbourhood Plan from JOHT Resources Ltd. and the PBA and HDH Reports also use the 2011 data for base socio/economic data.

The 2011 data still gives a good indication of current state of housing issues locally as there has been little housebuilding on any scale since then, and the

population statistics reflect this. Precise current population data will not be available until the 2021 Census data is available, but due to the growth of second homes over the last ten years the Saltstone area permanent resident population is likely to be only a marginally more than the 2011 Census figure.

2. Area population and employment profile:

2.1 Detailed population and labour market activity statistics are set out and analysed in the JOHT report in Appendix ??

2.2 Briefly, as background to housing issues, total population stands at 6888 for the Neighbourhood Plan area (Referred to henceforward as the Plan area) and 11307 for the rest of the Saltstone parishes area, making 17835 in total. Importantly, the local age profile is unusual. The population aged up to 44 is lower than the Devon and England average and that at 60+, and especially 65 to 74, is significantly higher. Albeit to a less marked extent, this is also the case in comparison to the other three market town hub areas in South Hams district.

2.3 The projected South Hams population will increase by around 7 or 8%, a similar percentage over the life of the JLP to 2034 to the south west of England. The assumption is that the same will be true of the Plan area.

2.4 The economically active portion of the population within the Plan area is as follows. This includes all residents aged between 16 and 64:

	Employed Part Time	Employed Full Time	Self Employed	Unemployed	FT Student	Economically Inactive	Total
Kingsbridge	667	1252	679	99	118	1263	4078
Churchstow	48	79	96	8	2	91	324
W.Alvington	57	101	96	10	7	121	392
Total	772	1432	871	117	127	1475	4794

2.5 These figures reflect the unusual local population profile and also the very low local level of unemployment (somewhat higher at present because of Pandemic effects). As suggested in the JOHT report, in percentage terms the following are worth noting in relation to housing issues:

- i. The KWAC parishes had a higher than England average of part time employees and conversely a lower number of full time employees (likely to reflect the higher levels of employment in the retail and accommodation and food sectors, and possibly in care work).
- ii. The number of self employed was much higher than the England average, particularly so in the rural hinterland. This probably reflects (in part) the level of employment in agriculture, and in construction trades related to maintenance of rental properties and second homes. It may also increasingly reflect people running IT based businesses from home.
- iii. It also indicates the above average number of retired people, some of whom may be of working age (well above England average although more in line with the South Hams average). This was particularly so in the rural hinterland.

- iv. The substantial ‘inactive’ figure is composed of 40% students, long term sick people and those looking after family full time, with 60% being under 65 year old retirees.
- v. Within these totals employment in retail, food and accommodation services and construction is significantly higher than for the rest of the South Hams, Devon and England. Generally low average wages in the first two of these three sectors is significant in light of the high local housing costs.
- vi. The disparities in population and employment profiles between the Plan area and the wider Saltstone area confirm that Kingsbridge Town based organisations and residents do indeed provide a significant level of support to the wider rural area. Housing them appropriately is a priority to sustain this vital workforce in this relatively remote area.

2.6 The housing implications of this data are analysed below.

3. Area household data

3.1 Number of households* and tenure

	Total all types	Owned	Owned on Mortgage	Shared Ownership	Council rented	Social rented	Private rented	Rent Free
Kingbge	2727	1013	655	35	101	420	465	38
Churstw	209	101	50	0	3	20	33	2
W.Alv	253	102	65	2	2	32	43	7
Total	3189	1216	770	37	106	472	541	47

**The household data is based on the ‘usual resident population’ totals used by ONS. The difference of 364 units between this total and the higher number of housing units in the housing data is probably accounted for to a significant extent by second homes and holiday let properties. This is consistent with the overall 2017 figure of 10% second homes/holiday homes in South Hams as a whole.*

3.2 The wider Saltstone Parishes area includes a total of 5309 households, with the housing type and tenure profiles being broadly similar to the two villages in the KWAC area. This produces a total of 8498 households for the whole Kingsbridge market town area.

3.3 The JLP/PBA/HDH Housing analysis report uses the projected increase in the South Hams District population and number of households by 2034 as a component of housing needs calculations. Assuming the 8% South Hams increase is reflected locally it would mean an increase in the Plan area to 3444.

3.4 A comparison to the total of 614 social/charitable housing units provided by various Housing Associations (see Section 5 below) suggests that there have been transfers of the remaining Council owned properties shown in the above table since 2011, and 30 or so more built or taken on from private ownership.

3.5 The DCC data below adds some background colour to the basic household numbers. Most of these categories show expected differences to the Devon averages which are important in housing terms. Those highlighted in yellow show

unexpectedly high percentage variation to the Devon level. The grey shaded entry is significantly lower and an important point.

DCC Kingsbridge market town area Household type *	Number of households	Percent of households in Area	Percent of households in Devon
A: Residents of isolated rural communities	3003	27.8	19.6
B: Residents of small and mid-sized towns with strong local roots	1931	17.9	17.9
C: Wealthy people living in the most sought after neighbourhoods	158	1.5	1.1
D: Successful professionals living in suburban or semi-rural homes	492	4.6	8.2
E: Middle income families living in moderate suburban semis	71	0.7	5.2
F: Couples with young children in comfortable modern housing	52	0.5	2.6
G: Young, well-educated city dwellers	18	0.2	4.8
H: Couples and young singles in small modern starter homes	69	0.6	3.4
I: Lower income workers in urban terraces in often diverse areas	16	0.1	2.6
J: Owner occupiers in older-style housing in ex-industrial areas	191	1.8	7.4
K: Residents with sufficient incomes in right-to-buy social houses	322	3.0	6.9
L: Active elderly people living in pleasant retirement locations	4011	37.2	12.4
M: Elderly people reliant on state support	439	4.1	5.3
N: Young people renting flats in high density social housing	20	0.2	1.1

*Information about the people that live in the area is taken from Experian's Mosaic data. Mosaic is based on the assumption that people living in an area are likely to be similar; however, it does not provide definitive description of each person. The Mosaic data are broken down into a number of groups, each one describing a section of the population.

4. The effects of public policies on affordable housing supply

Policy factors influencing the planning of affordable housing locally

4.1 In common with all planning authorities, SHDC policy has had to reflect the central government requirement on them to allocate land in District Plans on a five year cycle for sufficient housing units to meet their share of national housing supply targets based on agreed local and regional population projections. Such development has included the assumption that commercial developers would build the required proportion of affordable, discounted price, housing for sale or rent as part of an agreed open market planning permission package. Data in Sections 6 and 7 below help to explain why this policy has been counterproductive locally.

4.2 Locally, some commercial developers have been reluctant to agree required minimum quotas of affordable homes. This is partly because of the additional cost of the technical complications of building locally (See Section 3.15 of the main Plan) but also because this limits profitability. The result for the last twenty years has been that few planning permissions for larger scale developments have been granted for JLP allocated sites or for the previous District Development Plan site allocations in the Plan area. This has very recently begun to ease. (See more detail in paragraph 4.11 of this section below).

4.3 To optimise the benefit to local people, where planning permissions have been granted over the last ten years, in the main for smaller developments, SHDC planners have negotiated where possible that the 'affordable' element of the

development be set up as homes for affordable rent or for sale under shared ownership schemes rather than for outright sale. All 'affordable' homes are offered under protected tenures to ensure they remain below market price in perpetuity. Of late small numbers of such homes have been let or part sold under allocation policies favouring local people:

- In the Plan area as part of small open market developments on the edge of Churchstow and West Alvington.
- In other Saltstone parishes in Salcombe, Malborough, Loddiswell and Chillington.

4.4 The current situation may be eased to some extent in future as mentioned in the Introduction. In parallel with revising housing needs analysis processes, central government has in recent years made funding subsidies available to help underwrite the costs of affordable housing through local authorities and housing associations. Appropriately structured local charitable trusts like Community Land Trusts can also be involved in partnership with housing associations. One of these has been recently set up for Salcombe*.

(*See: <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewjyzN7AnOXuAhWQX8AKHaDGDeEQFjAAegQICRAD&url=https%3A%2F%2Fsalcombeclt.com%2F&usg=AOvVaw202CzMlqy-koaSlqCb521f>)

4.5 The subsidies take various forms. Funding a lower level of rent than the current Affordable Rent, known as Social Rent, is now available under certain circumstances. Similarly, funding can also be provided to assist with lower cost shared ownership or Rent to Buy arrangements which can be very helpful locally. A new policy on discounted new build First Homes is also being launched and will be included in the new SHDC strategy. A discount on local market price of up to 50% may be possible for SHDC to agree.

4.6 There are two other categories of lower priced homes in short supply, (as distinct from formally identified affordable homes provided at a discount):

- Smaller, lower priced homes for older people wanting to downsize for a variety of reasons are in short supply.
- The various types of supported housing for the elderly and those with special needs are also under represented.

4.7 As a result of the adoption of the Thriving Towns and Villages focused policy in the JLP which aims to secure long term sustainability of the larger settlements, Kingsbridge town is identified as the preferred location within the wider rural area for any planned larger scale housing developments for the longer term. JLP approved site allocations in a desirable area like Kingsbridge are therefore at risk of continuing to remain attractive prospects for landowners and developers of high end housing who are prepared to spend lengthy periods negotiating favourable planning permissions with SHDC which may not meet local housing priorities.

Assumptions used in production of the Joint Local Plan

4.8 The detailed socioeconomic analysis in the PBA and HDH Reports takes projected trends in population growth, labour market growth, household size trends, household numbers and purchasing power of local salaries. They then apply them to current housing stock by type in order to arrive at projections of housing type and number required through to 2034. Affordability issues are then overlaid on this in the HDH report to provide a rational and well argued basis for their recommendations.

4.9 These consultants obviously needed to adhere closely to national policies and related formulae. This does leave the Plan area at a disadvantage in one respect which should be born in mind when looking at the projected needs. Private rental homes where rent levels reflect the local open market are accepted as reasonable housing solutions for households which appear to be able to afford them and are settled in those homes. This does not recognise that in the Plan area the high local private rental levels which are, as explained earlier, preventing a significant number of local families who would prefer to buy a home and can afford a mortgage, from saving the necessary mortgage deposit.

4.10 The assessment for South Hams District projects a total need for 3924 new homes of all types for the life of the JLP between 2014 and 2034. HHD propose that 98 additional households a year will need affordable homes. Achieving this number and proportion of the total is clearly unrealistic under current affordability formulae and funding systems, so the HDH recommendation to SHDC was:

- i. *“The total annual affordable housing need in South Hams of 98 households per year (as set out in Appendix 5) represents 58.6% of the annual projected household growth in the District between 2014 and 2034 (167 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears difficult to deliver in South Hams, so the Council may want to consider an uplift to the OAN to help provide more affordable housing. However, it is important to consider the conclusions of the report into the Stroud Local Plan where the inspector said:*
- ii. *‘The need for affordable housing is certainly a policy consideration that could influence housing targets, particularly in view of affordability issues, but it is distinct from the overall objective assessment of housing need, since the methodology and numbers are not compatible. Although a modest increase in the overall housing requirement could be considered, to seek to deliver all the affordable housing needed through the provision of market housing would result in unrealistic and undeliverable rates of housing development.’ (para 48)*
- iii. *The proportion of new affordable housing required within the LTBHM model (for the whole SHDC area) also indicates the relative affordability pressure that exists on the market. When setting an affordable housing target in the Plan the Council will need to consider the full range of evidence (including*

the viability assessment) and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).”

4.11 SHDC followed this wise advice in the JLP, as not to would certainly have led to unrealistic levels of land allocation for development in highly protected landscapes in parts of their area like ours. Within the current national policy on funding affordable homes as a 30% proportion of open market developments, it does leave the KWAC Plan area, in common with the rest of the District, underprovided with affordable homes in the JLP period unless other more practical ways can be found to deliver genuinely affordable homes locally without developing unacceptable amounts of greenfield land.

Joint Local Plan 2014 to 2034 allocated housing sites (Progress as at Jan 2021)

4.12 There are three sites in the Kingsbridge Town Council area which are planned to provide 267 housing units. All are envisaged as a majority of open market homes planned and priced to fund the required affordable rental or shared ownership element as follows:

- i. TTV10 - Quayside area 60 units, of which 15 are in process of being planned by SHDC on the site it owns on Ropewalk. This small SHDC developed site will contain as many affordable units as possible within the open market funding equation, with the properties retained by SHDC as council managed social housing.
- ii. TTV11 - Belle Hill off the old Totnes Road north of Dodbrooke, 94 homes. (Construction recently started, see details below)
- iii. TTV12 - West of Trebble Park and Norton Brook surgery, 111 homes. Outline planning permission for this site was granted some while ago but has now lapsed after a failure to agree the housing mix between the developer and SHDC Planners.
- iv. In the wider Saltstone Parishes area, but outside the Plan area, four other smaller sites are identified in outline under the JLP TTV policy. The Salcombe sites may contribute modest numbers of Social Rent homes if they are financed appropriately, especially as the open market element will command premium prices in this location. The Chillington site is another carry forward from the previous District Plan. The future of this site is less predictable with the remaining open market units of the most recent development there still on the market after a considerable period. Chillington is an attractive village but more remote than the Plan area.

- Salcombe, Bonfire Hill 13 homes
- Salcombe, Shadycombe 20 homes
- Salcombe, West End Garage 20 homes
- Chillington, Green Park Way 65 homes

4.13 Building work has recently started at TTV11 as a development partnership between a West Country commercial developer and the very large Livewest Housing Association. This combination has unlocked the affordable homes planning approval barrier. It will produce 94 units in total; 66 units for open market sale, and 28 affordable homes. This will comprise 7 units for shared ownership and 21

for affordable rent owned and managed by Livewest. The rental housing will comprise: 8 x 1 bedroom flats, 8 x 2 bedroom flats and 5 x 3 bedroom houses. The shared purchase units will be 3 x 2 bedroom and 4 x 3 bedroom houses.

4.14 These 28 affordable homes are most welcome as this is the first substantial batch to be built in the Plan area for many years. Encouragingly, the homes will be tenure blind through the use of consistent materials and architectural styles of all the new homes across the site. The rental homes were approved and financed before the new lower Social Rent levels were made available so will all be let at the higher Affordable Rent of roughly 80% of local market prices which may be outside many local people's means.

4.15 The first phase of open market homes is now being advertised with 3 bed detached houses priced at £344,000 and 3 bedroom detached bungalows at £475,000. These look from the illustrations to be attractive and good quality homes. However, at these prices, whilst some may be bought by higher earning local households wanting to trade up in the market, others will inevitably go to incoming retirees, people commuting to better paid jobs elsewhere, buy to let rental landlords or second home buyers. The price paid in use of scarce land resource to produce a small number of affordable homes will be high as the open market homes will not meet the key local needs as described in the following sections on house price versus local household incomes.

Earlier allocated sites from the previous SHDC District Plan (as at January 2021)

4.16 Two further sites in Kingsbridge allocated at the same time as TTV12 in the previous SHDC District Development Plan already had planning approval well underway when the JLP came into force. The sites known as K5 and K4 both now have detailed conditional approval after a long period of negotiation about housing mix and environmental measures but await final sign off before construction can start.

- i. K5 West Alvington Hill, Kingsbridge, was approved in September 2020 for 52 housing units, 36 open market and 16 affordable. The latter comprises 4 one bed flats, 4 two bed flats, 3 two bed houses, 4 three bed houses and one 4 bed house. These will be split 70% rental and 30% shared ownership. There are no details published yet about the rental cost or the pricing of the open market units.
- ii. K4 Garden Mill, Derby Road, Kingsbridge, was finally approved December 2020 after extensive negotiation from 2016 outline approval. 32 homes on a very steep site within the town, of which only 4 will be affordable. This reduced proportion was agreed after a viability assessment based on the high cost of preparing and developing the site was accepted. The location and style of building planned suggests that open market prices will be on the higher side. The open market homes are mainly bungalows or three storey 'eco' buildings but two blocks of 2 and 3 bed terraced properties are shown on the agreed site plan, so the assumption is that the affordable units will be some of these. The site is on offer to developers to build so there is no information yet on how the affordable homes will be owned and managed.

5. Availability of development land in the Plan area and the wider Saltstone parishes area

5.1 There is no easy resolution to the unusual combination of factors which underlie the crucial shortage of suitable and available land for housebuilding, associated infrastructure and employment land.

5.2 The current situation is analysed in detail for the Plan area in Sections 3.10 and 3.15 in the body of the Plan document. There are some additional factors which also need to be born in mind.

5.3 A number of surrounding parishes have already had Neighbourhood Plans approved, or are aiming to do so, where a key policy aim is to establish a Principal Residence restriction on new build property to limit the number of second homes in their areas in order to keep their communities alive and sustainable long term. Salcombe, Malborough, Thurlestone and South Huish have already taken this step as they have high existing levels of second homes. The group of parishes along the coast to the east of Salcombe have recently agreed to pursue a Neighbourhood Plan specifically to secure a Principal Residence policy for the same reasons.

5.4 In the medium term this may mean that this restriction will apply in all the Saltstone parishes around the lower end of the Estuary and those nearest the coast. These are the areas seen as most desirable by affluent second home purchasers and thus highly attractive to speculative housebuilders. This may lead to the Plan area being seen as a good alternative for building for the second home and holiday home market.

5.5 This may also have an effect on land values in the Plan area and increase the number of existing properties bought as second homes, which are currently less numerous in the Plan area than in the holiday hotspots.

5.6 The inevitable conclusion therefore is that the limited land available for house building in the Plan area should be used as far as possible for provision of genuinely affordable housing and other smaller, lower cost homes needed by local residents. Apart from limited brownfield sites in the old part of the town, the available land is largely that identified as allocated for development in the JLP, which is also all in the Kingsbridge town area.

6. Existing housing stock

6.1 The existing housing stock, current price trends and the evolving pattern of housing development are typical of many attractive and affluent coastal areas in the UK and of the areas of higher property values in general. The unique local factors in addition to this are those described earlier which have led to a severe shortage of available and suitable sites for housing development. Scarcity of sites obviously raises the value of available sites.

6.2 Scarce and highly priced land has added a further factor. Many houses built from the 1960s onwards with sizeable gardens have been bought for refurbishment

and enlargement, and increasingly with detached homes on favoured sites, for demolition and replacement. Larger sites are often sub-divided and two large houses built to replace one smaller one. Two bedroom and smaller three bedroom bungalows have been a particular casualty of this trend. This is limiting choice for resident retirees wanting to downsize and make sensible provision for old age, but still with full independence and some garden space.

6.3 The SHDC Housing Strategy evidence shows that the proportion of smaller homes, 1 or 2 bedroom properties, in the South Hams is significantly smaller at 34% than the UK average at 40%. Also, household sizes are smaller than average, leading to a higher notional underoccupancy of homes at 46% compared to the UK figure of 34%. This would appear to mirror the open market sales flow data in Section 6 below, and the local anecdotal evidence about lack of suitable smaller good quality homes for older residents wanting to downsize.

6.4 The PBA/HDH reports, reinforced by the new SHDC Housing Strategy, all recommend an emphasis on building smaller homes to compensate for this shortfall, and to recognise the projected population changes in household size and make-up. This need is emphasised by the projected increase to 2034 in lone parent households of 64% and a continuing upward trend in single person households. These two categories have led to a projected increase need in all sizes of home, but a higher 30% increased need for one bed homes and for four bed plus homes, (albeit the latter from a much smaller base). Income data suggests that 60% of the new affordable homes need to be made available on the lower Social Rent basis.

Current housing stock data

6.5 Housing by type in KWAC area - 2011 census

	Detached	SemiDet	Terraced	Flat	HouseShare	Flat over commercial bldg	Caravan	Total
Kingbge	709	664	781	658	131	78	0	3021
Churstw	110	78	29	1	11	1	9	239
W.Alv	115	83	62	19	14	0	0	293
Total	934	825	872	678	156	79	9	3553

6.6 Within these totals, social housing is provided by a number of social/charitable organisations. Livewest, a very large regional housing association, is the biggest and currently has 496 properties out of a total of 593 social housing units. In addition Kingsbridge and Dodbrooke Feoffees* own and manage 21 further units available at similar affordable or social rents, making 614 units in all. All these organisations report low tenant turnover and often 30 to 40 applicants for vacant tenancies.

(Feoffees are charitable trustees established to own and care for community assets. They have a medieval origin as part of the feudal system. They are relatively common in this part of the West Country, many having a long history. They were set up in a number of Devon towns to own and manage former church, monastic and public assets in perpetuity on behalf of the community.)*

7. The current housing market

7.1 Local property purchase prices are significantly higher than both Devon and England averages, especially in the Salcombe hotspot which has some of the highest prices in the UK, and a high proportion of second homes. The Salcombe effect is spreading to the wider Kingsbridge area as limited availability of properties for sale there is encouraging wealthy purchasers to look in adjoining parishes.

7.2 The high proportion of affluent retired full time residents are major contributors to the local economy but also, like wealthy second home purchasers, to high property prices.

7.3 Prices and sales levels are increasing steadily as a result of the COVID 19 pandemic. Anecdotal evidence from estate agents suggests increasing numbers of people from urban areas further east are opting to relocate their principal residence here, and in some cases home based businesses as well, or to buy a second home here as a safer option.

7.4 Rental levels track house prices, further boosted by holiday let potential incomes for landlords, making it difficult for those on modest local salaries to save for a mortgage deposit as well.

Open market price and trend data

7.5 This data is taken from Rightmove current (late November 2020) profiles based on data from UK Land Registry. Postcode TQ7 has been used. This covers the whole of the Saltstone parishes area except Salcombe and East Portlemouth (TQ8) where prices are especially high because of their highly desirable location.

- i. Overall average property price of £393,507 over the last year.
- ii. The majority of sales during the last year were detached properties, selling for an average price of £531,921. Terraced properties sold for an average of £261,814, with semi-detached properties fetching £368,544 and flats £231,031.
- iii. Accepting 2020 has been an atypical year, over a three or four year cycle prices continue to rise. Average sold prices in TQ7 over the last year were similar to the previous year and 7% up on the 2016 peak of £366,963. The market has returned to buoyancy after the main Pandemic lockdown earlier in 2020. Fewer properties are on the market but are selling faster now than usual with anecdotal evidence from estate agents that this is due to strong interest in relocating from more urban areas.
- iv. The market in our area is one of the most buoyant in the South Hams. For comparison the overall average South Hams price in 2018 was £350k. A

Devon C.C. analysis of 2017 showed the cheapest quartile average property price in the South Hams was £207,500 (the highest in Devon) and the cheapest 10% was £133,000 (presumably because such properties were not attractive for second homes and holiday lets). Whilst the latter type of property appears affordable for local people, they are small, often older properties in inaccessible locations in the older parts of towns, requiring significant refurbishment, and as such not suitable for family occupation.

- v. The economic turmoil resulting from the pandemic suggests that the pattern of the last year with fewer properties changing hands may continue until economic stability returns.
- vi. The turnover of properties sold at the lower priced end of the market is:

Time period	Last 12 months	Last 2 years	Last 5 years
Flats	14	52	184
Terraced houses	48	137	400
Semi-detached houses	31	95	260
Comparison - all property types	163	484	1507

- vii. Private rental prices presently remain high despite fears of higher unemployment in 2021. The usual very low unemployment level of 1.9% may rise because of the pandemic effects on job security in the catering and hospitality sector. If this continues it may depress rental prices, but at present prices probably reflect the very limited number of smaller rental properties currently on offer at any one time. As at late November 2020 there were no flats advertised as available in the Plan area and five two or three bedroom houses. The two bed houses command £750 to £850 per calendar month, the three bed £900.

Social housing price and trend data

7.6 This is now a much more varied picture than in the past:

- i. Social housing Affordable Rent levels have risen in recent years as housing association costs have risen and they have been given permission by government to raise rents to reflect this. Such rents are now largely set at 80% of local private rental costs but within the range of Local Housing Allowance payment rates payable for those eligible for state funded help. Whilst lower than private market rents they are still a challenge for some individuals and families. (See Annex 3 for Local Housing Allowance rates).
- ii. Rental rates do vary significantly. Older properties with fewer benefits, e.g. fittings needing updating, lack of off street parking, tenant age restrictions, are still offered at lower rents closer to Social Rent levels.
- iii. From 2018 the introduction of more helpful public funding by the Government to try to accelerate affordable home building has also allowed a more heavily subsidised Social Rent scale to be introduced where the appropriate funding model has been agreed locally. Such rents are set at between 50 and 60% of local market levels.
- iv. Social housing vacancies arising are unpredictable and of a random property type as one would expect. In late November 2020 there was one Livewest social rent property available in the Plan area, in Kingsbridge, an older style three bedroom house at £496 per calendar month. There were no smaller houses or any flats advertised. A month later there were none vacant in South Hams District at all, but in mid-January three older units became available in Kingsbridge town: 2 one bed flats at £350 and £370 per calendar month and one three bed house at £478 pcm - also in the Saltstone area a one bed retirement bungalow in Thurlestone at £393 pcm.
- v. As at late 2020 indicative comparative rents per calendar month are:

	Private £	Affordable Rent £	Social Rent £
1 bed flat	550 - 600	450	350
2 bed house	750-850	500 - 650	400
3 bed house	900	550 - 730	480

- vi. Shared ownership properties owned and managed by local housing associations can occasionally become available in the Saltstone area. As at January 2021 a 25% share of just one two bedroom flat in Chillington is on offer at a total cost of £570 p.c.m. (See full finance package below.)

8. Local salary levels and home purchase and rental costs.

8.1 The need for genuinely affordable housing, for sale or rent, by local younger people earning local salaries is clearly a common factor in the national housing crisis, so some aspects of the local situation are observable nationally and are well understood. Unusually high property prices locally add further dimensions to this difficult problem. Local economic and labour market factors and their analysis are laid out in the JOHT report at Annex ???

8.2 To put the property price data in section 6 above in context, briefly the key salary points from the JOHT report are:

- The 2019/20 national median salary was £30,800 pa.
- The South West Region median salary was £26946 pa.
- The South Hams median salary was £25104 pa.

8.3 The PBA/HDH reports quote 2017 data on the South Hams spread of household incomes:

- Lower quartile household income £18,424 pa.*
- Median £33,216 pa.
- Upper quartile £53,459 pa.

*(*The lower quartile households were spending an average of 51.5% of their income on rent. A revealing point looked at further below.)*

8.4 Another important local factor is that low average salaries for local jobs compared to particularly high property prices mean that not only young single people, but those slightly older at the stage of having children find it increasingly difficult to buy an appropriate home or even rent a suitable property.

8.5 In addition, the wider south west Devon labour market includes Plymouth, Torbay and Exeter where salary levels are a little higher because of the wider range of jobs available. This has led to commuting out of the Plan area by residents with the necessary qualifications and ability to travel so that average local residents' salaries are higher than local workplace based salaries. Out-commuting from significantly exceeds in-commuting to the Plan area. (See the JOHT report and SHDC Housing Strategy 2021 - 26 Appendix ???)

8.6 The lower quartile household income mentioned above confirms that some local residents working in locally based jobs are earning below the South Hams average. This is consistent with the type of jobs predominating in the Plan area like hospitality, retailing and care work where pay levels are lower than average. Anecdotal information suggests that in many cases staff in these business sectors often, at least when first recruited, earn the National Living Wage minimum. At age 25 this is £8.72 per hour. This equates to £350 per week for a 40 hour week, or £18,000 a year for a full time worker, if they have the benefit of a full time permanent contract with paid holidays.

8.7 The Joseph Rowntree Trust has tracked national homelessness and housing issues and causes over a long period. It has concluded that a maximum of a third of income as the proportion of pay which should be spent on housing costs if the individual or household is to have sufficient money for all other basic needs as well. The SHDC new housing strategy documentation uses 35%.

Purchasing power of local salaries

8.8 Current UK Revenue and Customs data shows that the average take home income for a given salary is, for example:

- £30,000 pa take home pay £24,000 or £2000 per month - $1/3 = £666$ pm
- £25,000 pa take home pay £20,500 or £1700 per month - $1/3 = £540$ pm
- £18,000 pa take home pay £15,700 or £1300 per month - $1/3 = £433$ pm

8.9 Renting locally, unless house sharing or being able to secure a rare affordable rent property, would be a challenge for all these people. Saving a deposit to purchase would be almost impossible in any realistic timetable.

8.10 The above gives an idea of a single person's situation. An example of a family household with two average local incomes of £25k and £18k would produce:

- £43,000 take home pay £36,200 or £3016 per month - $1/3 = £1000$ pm
- This couple could afford to rent a suitable 3 bed home, but with dependents to support their ability to save for the necessary deposit to buy would be very limited.

8.11 ONS data from early 2020 confirms this situation. The average price of a property in South West England is £256,500 and the household income needed to buy a property at that price is £66,000 pa, against the average actual household income of £41,600. These figures alone, whilst masking multiple variables, confirm the housing challenge of so many individuals and families locally where the financial factors are more acute than the South West region in general. Whilst they might be able to afford to buy a property in a lower priced area like parts of Plymouth or Torquay, the average locally of £393,500 is 50% higher than the regional average.

Availability of finance to buy

8.12 A key element in these home purchase equations is mortgage availability. The indicative examples below highlight the fundamental issues in our area of high property values, especially the ability of those renting currently to afford to save a sufficient mortgage deposit. (As car ownership is necessary for most Plan area residents a loan for a modest used car is included in the calculations.)

Bank mortgage lending (Lloyds Bank mortgage calculator):

- i. One single parent earning £25,000 pa with one dependent, funding a £200 per month car loan. Mortgage available £66,600 with a £10,000 deposit. £308 per month over 25 years. No local homes at this price.
- ii. Two in household earning £25,000 and £18,000, total £43,000 pa, servicing two £200 pm car loans, no dependents. Could borrow £154,000 over 25 years, but a minimum 15% deposit required. So if an £18,000 deposit saved could borrow £102,000 and look for a property priced at £120,000. Monthly cost would be £492 over 25 years. Few local open market properties at this price.

Building Society lending (Nationwide Building Society calculator):

- iii. Assume an above average household income, higher earning partner commuting to work in Plymouth and careful money management. Two parents earning £35,000 and £25,000 with two primary age children, servicing two £200 pcm car loans and £550 pcm for after school childcare and travel costs. No other debts or loan payments. £195,000 mortgage to purchase a £220,000 house. £975 pcm mortgage costs. If they have the necessary £25,000 deposit there is a chance they could secure a small 3 bed terraced house locally.

8.13 The latter example shows that purchase is no more expensive than renting, as long as a deposit can be saved or accessed through family members. However, such purchasers are often bidding for scarce examples against buy to let landlords with easier access to finance. This is common as the high number of private renting households touched on above shows. Purchase can even be cheaper than private renting, if low cost, genuinely affordable homes are available, but the gap between these purchase examples and Plan area open market prices is clearly very large.

Publicly subsidised funding for shared ownership and equity loans:

8.14 If shared ownership homes are being built locally in any numbers these can help ease this gap. These sources of finance are provided by Help to Buy South, who are funded by central government. www.helptobuyagent3.org.uk

8.15 Briefly, it offers two types of funding:

- i. An equity loan to contribute between 5% and 20% towards the cost of a new build home up to a price of £349,000 in South West England. Applicants must be first time buyers with a deposit of at least 5% of the purchase price and must take a commercial mortgage of at least 25% of the purchase price.

This might allow the double income purchasers in the bank mortgage example above to borrow an additional £30,000 enabling them to reduce their commercial mortgage. Or they could borrow an additional £40,000 and look for a new build home at £160,000 instead of £120,000. Even so finding a new build property at this price in our area is currently impossible until the new First Homes discount scheme comes into operation.

- ii. Shared Ownership funding in partnership with builders/owners of shared ownership homes, usually a local housing association. The costs of the current example of a two bedroom flat are thus:

Full purchase price £162,500. 25% share cost £40,625. Purchaser deposit required £4062. Commercial mortgage required £36,353.
Unsold value £121,875 leading to Livewest rental cost of £253.91 pcm and a service charge of £80 pcm.
Total cost £569.48 per calendar month.

8.16 In light of this picture increasing the number of built and made available for shared ownership, for rental at the new Social Rent level, and exploiting the larger discounts on open market purchase of the latest much higher First homes discount are clearly an urgent priority in the Plan area.

9. Identified local housing needs and potential solutions:

Social Housing

9.1 The Devon Local Authorities housing register, Devon Home Choice (DHC), provides the administration of allocation of social housing for all the District Council Housing Authorities in Devon. www.devonhomechoice.com

9.2 DHC applicants are individually assessed by District Council Housing Officers from their application details against a complex set of criteria including financial, social, health and safeguarding needs. These are graded in five categories from Band A - urgent need for rehousing for health, welfare or safety reasons, with priority over all other applicants - through reducing levels of priority B, C and D to Band E. This latter category of applicant does not meet the criteria whereby the District Council is required to find a suitable home for them, but they meet the local residency requirement so can be offered a social housing home if one is available that is not needed by applicants of a higher priority category. Band E applicants are therefore included in the following data analysis as significant numbers are housed in social housing homes - see Para 9.7 below.
(Full details of Banding criteria at Annex A below)

9.3 DHC records the following (End 2020/early 2021) people assessed as currently seeking a home in our Neighbourhood Plan area with a publicly subsidised rental cost. (NOTE:

West Alvington Parish - Total 11 applicants

	1 Bed	2 Bed	3 Bed
Band B	1		
Band C			
Band D	2	1	
Band E	2		5
Total	5	6	

Churchstow Parish - Total 4 applicants

	1 Bed	2 Bed	3 Bed
Band B		1	
Band C			1
Band D	1		
Band E		1	
Total	1	2	1

Kingsbridge Town Council area - Total 57 applicants

	1 Bed	2 Bed	3 Bed	4 bed	5 bed
Band B	5	6		2	1
Band C	2	4		2	
Band D	27	6	2		
Total	34	16	2	4	1

9.4 This total of 72 applicants for social housing includes 8 applicants in Band E. The housing need total where SHDC is obliged to assist is therefore 64 individuals or families. The latest South Hams area end of October 2020 quarterly report on need shows only one Band A urgent applicant out of 608 applicants in Bands A to D.

9.5 The very limited turnover of tenants in the current stock of affordable and social rented homes locally means that this local resident priority group cannot quickly be housed locally. The DHC Applicants Guide includes this blunt statement. **“The simple answer is that there are not enough social housing homes to meet demand. There are over 23,000 people on the waiting list in Devon and only 4,204 properties were let in 2019/20. It is likely that there will be a long wait until you find a home. If you need a home quickly we recommend that you look for private rented accommodation. You can improve your chances on Devon Home Choice by bidding for flats as well as houses.”** (Bold type is DHC’s own.)

9.6 Current social housing stock meets some of this rolling need but is difficult to manage because of the mix of applicants’ needs and the varied and unpredictable mix of the homes becoming vacant. The local SHDC Housing Specialist Officer’s experience is instructive. She explains that *“A significant minority of applicants have disability related needs which mean only certain properties are suitable for them, and homes built originally as part of retirement developments are unavailable to younger people and not popular with fit and active older people. Flats are less popular than houses with many applicants.”*

9.7 The social housing units in the Plan area let in 2020 locally were: *(All areas have some suitable properties for disabled applicants, the latter two tables show specifically where these were made available).*

Band of applicant Let To and Bedroom - Kingsbridge Town

	1 Bed	2 Beds	3 Beds	Total
BandB	3	1	1	5
BandC	2	3	2	7
BandD	5	3		8
BandE	4	1		5
Total	14	8	3	25

Band of applicant let to and bedroom - Saltstone Parishes

Appendix A7 to the main Neighbourhood Plan document

	1 Bed	2 Beds	3 Beds	Total
BandB	1	2		3
BandC		4	2	6
BandD	1			1
BandE		2		2
Total	2	8	2	12

West Alvington Lets.

Band of applicant Let To, Accessibility and Bedroom

	1 Bed	2 Bed	Total
BandC (Max 3 Steps)	1		1
BandE (General Needs)		1	1
Total	1	1	2

Churchstow Lets.

Band of applicant Let To, Accessibility and Bedroom

BandD	1 Bed	2 Bed	3 Bed	Total
4-Max 3 Steps	1			1
5-General Needs		1	1	2
Total	1	1	1	3

9.8 So a total of 30 social housing units were let to DHC applicants in 2020 in the Plan area, with another 12 housed from the Saltstone area. This is against a running total of 64 people/households in Bands A to D in the Plan area after these homes were let last year. It is notable that 8 non-priority Band E applicants were housed in 2020 out of a total of 42 across the Saltstone area. This is because they were willing to take properties that were not suitable for those with special needs and, being of the unpopular types, had been offered to others and turned down. (See Annex 2 for SHDC allocations policy)

9.9 There is much anecdotal evidence of another group of local people, which may include this 'Band E' group, and including families, who need a more affordable and suitable home but have less urgent or critical needs and higher but still modest incomes. They either live currently with family or in expensive but unsuitable open market rental homes, and are unable to move forward in their lives, but generally don't register with Devon Homes Choice because they know they won't meet the eligibility criteria for the priority rehousing list.

9.10 Establishing accurate estimates of the number of these people or families is notoriously difficult. Because they don't identify themselves as homeless,

targeting them through formal surveys is tricky. Professional Housing officers locally, both from SHDC and the rural housing specialist from the Devon Council of Community Service (Devon Communities Together) have tried and had poor returns. The SHDC Housing Development team ran a survey as part of gathering data for the JLP which generated better response levels than usual. (See Annex 4 for the full output). This provided some feel for local residents' aspirations. The following were key points of interest in relation to affordability:

- 69 households responded of which 58 were currently renting.
- 47 wanted to buy their own home.
- 61 had a strong connection with the area, 50 with Kingsbridge, the rest with villages in the Saltstone parishes.
- 33 had family members with a local housing need.
- 66 identified affordability as an issue both for buying and renting.
- 18 would prefer a bungalow.

9.11 'Extra Care' serviced sheltered accommodation and affordable residential care home places are also short locally. The cost of these will, of course, have to be met from public funds.

- The 2015 Devon County Council report on Extra Care housing needs projected to 2033 provides detailed data. Their conclusion is that an additional 59 Extra Care housing places are needed in Kingsbridge to meet the need. This is around the minimum size for one viable unit with shared care and catering resources. A site will need to be identified. (See Appendix ??? of main Plan)
- Public funding levels for lower income people needing a care home place do not cover the charges of the privately run care homes in Kingsbridge. In such cases individuals can probably be offered places in lower priced homes in Plymouth or Torbay but this can be a difficult move for social and family reasons.

9.12 In addition to this long term picture, the negative employment effects of the Covid 19 pandemic have put a significant number of local households under further financial pressure. The Kingsbridge Area Foodbank client numbers have risen dramatically because people in rented accommodation have found themselves short of money for food after paying their rent. Since the start of the Coronavirus pandemic, client numbers have increased from less than 100 households being supported a week to over 450. This tends to confirm the over reliance locally on highly priced rental property and relatively high Affordable rent charges.

Other open market needs

9.13 The unbalanced local housing market pictured above also presents a challenge to some older residents on typical local incomes who wish or need to downsize their home to something smaller and lower cost for financial or practical reasons.

9.14 The evidence for this is purely anecdotal but it makes sense when viewed against the picture set out above. Many people over 60 are retaining health and fitness later in life compared to the 'OAP' generation of forty or more years ago

when many retirement complexes were built. Some wanting to downsize are keen to retain their own outside space so a flat is less attractive. Others want to retain independence which makes the private retirement developments commonly built in the 1980s less appealing. Local estate agents confirm that such properties are proving hard to sell, remaining on the market for months, even years in some cases, despite being modestly priced in local terms in the £90k to £150k price range.

9.15 The implication of this is that this group are looking for small houses in the £200 to £250k range to move from the average semi-detached home in the £350k price band (see Section 6 above). This puts them in direct competition with first time buyers and buy to let purchasers in a size band in short supply across the South Hams.

Summary of key issues and conclusions

9.16 The planned supply of new homes over the 2014 to 2034 period of the JLP is:

- i. The number of affordable homes for rent and shared ownership possibly produced by the TTV allocated sites in the JLP is 79. And on the previously allocated sites is 20. (The precise mix of sizes and tenures is impossible to confirm at this point.) Total = 99.
- ii. The corresponding open market new homes total is $186 + 64 =$ Total 250.
- iii. The smaller JLP sites in the wider Saltstone area may provide 118 homes overall but the affordable element is more difficult to predict. It could be around 25. The largest of these sites in Chillington, with 65 homes allocated, is highly problematic for landscape and drainage reasons and has not yet achieved planning permission after outline permission in 2016.
- iv. The total number of currently planned new homes to be built by 2034 in the Neighbourhood Plan area is 349. Adding the Saltstone area total, the total for the Kingsbridge market town area could be around 470.
- v. Brownfield site and rural exception site proposals, as yet not identified, might contribute a modest number of affordable homes in the Plan area by 2034, say 50.
- vi. An optimistic view therefore sees 400 new homes built in the Plan area by 2034, 150 of them offered on affordable terms, if commercial and charitable development organisations can mobilise sufficiently. This might mean and over 500 new homes in the wider Saltstone area as a whole.

9.17 The affordable housing needs shown above can be summarised as follows:

- i. The Devon Home Choice running total of applicants/households registered for social housing is 70 or thereabouts. Most will be seeking reasonable cost rental homes of various sizes, some will have disability related needs.
- ii. The 600+ households currently living in higher cost private rental homes have a range of likely needs and circumstances. Some will be choosing this route for personal preference or short term convenience reasons, or may

have sufficient income to save a mortgage deposit and move on into purchasing. But a proportion of this group are likely to be seeking a mixture of lower cost rental, genuinely affordable purchase or shared purchase; all of them looking to be able to afford to save a mortgage deposit.

- iii. The 600+ in rented social housing inevitably includes older longstanding tenants staying put, amongst them some of the 322 in the wider area identified in Section 2 table above as having sufficient income to opt for 'Right to Buy'. This latter group are in practice relatively small as few now meet the residency cut-off date included in the transfer arrangements when Livewest took over council housing locally. As discussed above some of these may actually be able to afford mortgage interest payments in lieu of rent had they sufficient deposits saved. In some of these cases and newer tenants as well, tenants are paying relatively high Affordable rather than Social rent. This group is likely to include some younger ones seeking the same opportunity as those in f. above.
- iv. Older homeowners seeking to downsize will be amongst the 4000+ in the wider area identified in the Section 2 table above as older residents living in pleasant locations locally. It seems reasonable to assume that such people would find it more convenient to live and to find a suitable property in the town than in remoter rural locations.
- v. Additional publicly subsidised supported living and care home places are needed. The DCC Extra Care report states 59 new places are needed in Kingsbridge. This is a statutory responsibility of DCC Social Care Services, but suitable sites are needed for the extra care development and possibly for a care home as well.

9.18 Likely effect of the new homes provision in easing affordable housing need:

- i. Whether or not the planned 99 affordable/social rent or shared ownership homes enable the Devon Homes Choice priority list of about 70 households to be suitably housed directly or whether some of these homes go to others on grounds of cost and home type, this should ease the pressure on the social housing market and allow the rolling priority list to be significantly reduced by 2034.
- ii. Some of this group will be looking for a temporary period of lower cost renting to enable them to save a mortgage deposit, say five years, so there would be an incremental downward cycle started once a significant number of new homes were built.
- iii. If an additional 50 affordable homes are built as suggested in paragraph 9.16 v. above, this position will be further eased.
- iv. If some of the new 250 open market homes are offered in the £200 to £250k range, especially with the First Homes Subsidy, this could enable some of the private and affordable rent households to move on into home ownership.
- v. Similarly, if some existing local residents trade up to new homes in the more likely £350k price band releasing lower priced homes for both current renters and older downsizers. This latter group would find suitable homes

- more easily if they were not competing so directly with subsidised first time buyers and buy-to-let investors.
- vi. Basic supply and demand should produce more helpful private rental prices if there were significant numbers of current private renters moving into new affordable homes. This might lead to some buy-to-let landlords selling back into owner occupancy, which would help all those looking for smaller lower priced homes, and curb price inflation to an extent.
 - vii. If 400+ new homes are completed by 2034 in addition to the current 3550 in the Plan area it will clearly have a significant influence on housing issues. The unpredictable factor in predicting the effect on affordable housing needs is how many of the new open market sector homes built by 2034 will be in lower price bands. Current experience of developments in Saltstone area villages is that, like the first release of 3 bed homes at Belle Hill in Kingsbridge which start at £345k, this is unlikely. As at early 2021 remaining homes on new developments in Chillington and Malborough are priced at £445k and £590k respectively.
 - viii. Principal Residence restrictions on new homes now in force in Salcombe, Thurlestone, South Huish and Malborough may moderate this trend there, but if the trend continues in the Plan area a good deal of greenfield land will be sacrificed to new building of homes way beyond the means of existing local residents wanting to own their own homes.
 - ix. More than this mismatch between local needs and current local new build provision, the likelihood is that a significant proportion of the new open market homes will be bought by incoming retirees, higher earning incomers commuting to work outside the area, second home purchasers and buy to let landlords. All these categories of people will put additional pressures on the poor local infrastructure and hard pressed community services, and add to the overheating of the housing market.

9.19 Conclusions to be reflected in affordable housing policies:

- i. As identified by SHDC in their new Housing Strategy, much recent new housing development does not meet established local needs, not being in the price range affordable on typical local salaries.
- ii. Both purchase and rental price levels are very high in comparison with local average salaries. Rental is not a cheaper option for young families needing three or four bedrooms, especially if childcare means that the family is managing currently on one salary.
- iii. The use of new greenfield sites for housing needs to be directed as far as possible towards affordable homes rather than speculative and expensive open market houses built to cross subsidise the affordable component.
- iv. This approach needs to be encouraged as well with the JLP allocated housing sites and previous development plan sites which have not yet been given planning permission.
- v. A similar approach needs to be adopted in planning the housing elements of the redevelopment of brownfield sites, especially in Kingsbridge town.
- vi. A rural exception site policy favouring affordable home building should be established for the whole Plan area.
- vii. No further sites in addition to the JLP allocated sites should be identified for general housing development.

- viii. A Community Land Trust or similar local charitable body should be set up urgently to work with local landowners to identify and develop suitable additional rural exception sites and brownfield sites for affordable housing. This will be a major challenge, not least in identifying and agreeing suitable sites.
- ix. The nature and effects of national and local government changes in affordable housing policy currently underway and being consulted upon should be tracked. The policies in the Plan should be amended to exploit these to the full as necessary once the revised public policies are clarified.
- x. All categories of affordable new homes built, including First Homes Subsidy offerings, must be of a suitably protected tenure which ensures they remain affordable and available to future tenants/owners.
- xi. It may be that shared ownership might need to be opened to those older downsizers who still have a mortgage when they retire, but the legal format of this must be simple and reassuring for such purchasers.
- xii. A Principal Residence policy to protect against the growth of second homes to reinforce the exception site policy in West Alvington and Churchstow parishes should be adopted. (NOTE: Current level to be established as evidence, or don't include)
- xiii. The proportion of second home/holiday home ownership should be monitored in Kingsbridge and action taken to adopt a Principal Residence policy if trends mean the current level might approach 20% of the housing stock by 2034.
- xiv. The pattern of purchasers of the planned new open market homes should be tracked. Firstly, to see whether this contributes further to the second homes total. Secondly, to analyse the extent to which these homes have eased housing issues for existing local residents.

10. Wider implications of this picture

10.1 There is a major socio-economic issue to be resolved as a result of the above.

10.2 With the remoteness of the area from strategic transport routes and major commercial centres, and consequent difficult commuting, the local economy is more self contained than most small market towns and their dependent villages. (See JOHT Report - Appendix ???).

10.3 Many of those who work in the major local business sector of tourism and hospitality and who comprise much of the workforce in local health, social, community and public services are in the lower income group. Lack of affordable housing is an important factor in recruiting and retaining such staff.

10.4 The affordable housing barrier also affects other key occupations like newly qualified professional staff on the lower end of their salary scales; teachers, police, veterinary nurses, architects, surveyors, nurses, more senior care home staff, junior managers in leisure and hospitality businesses etc.

10.5 The longer term future of these parts of the local economy, and the provision of support services for the ageing population, will be at risk both in the

Neighbourhood Plan area and across the wider rural hinterland if local housing solutions cannot be found.

10.6 The optimal use of the limited land available is also a concern. The current reliance on cross funding the building of affordable homes from, inevitably, larger, more upmarket and expensive homes, means that a significant proportion of the greenfield land built on is producing homes which in many cases are not of the size or price needed by local residents.

ANNEX 1

1. Devon Home Choice assessed housing needs banding

The 5 housing need bands are as follows (see the Devon Home Choice policy on the DHC website [Useful Information page](#) for further details):

Band A - Emergency Housing Need

Your application will only be placed in the Emergency housing need band (A) if your need for housing is assessed as so exceptional that you must take priority over all other applicants. Substantial evidence must exist to award this priority.

The following are examples of the type of situations that would qualify:

- You have been assessed as having an Urgent health/wellbeing need
- You live in a home assessed as being in a state of emergency disrepair
- You need to move to escape violence or threat of violence, harassment or a traumatic event

Band B: High Housing Need

Your application will be placed in the High housing need band (B) if you:

- Have been accepted as statutorily homeless by a Devon local authority, and where it is assessed that it is not possible and appropriate to find you private rented accommodation
- You are homeless, or are threatened with homelessness, and have been placed in the 'Homelessness Reduction Act - Qualifying Applicants' category by a Devon local authority
- Are severely overcrowded (e.g. you lack 2 or more bedrooms, or have 2 children who lack a bedroom, such as a single parent with 2 children under 10 in a 1 bed home)
- Are a tenant of a Devon Home Choice partner landlord and are seeking to move to a home with fewer bedrooms
- Have been assessed as having a high health/wellbeing need
- Live in a home assessed as being in a state of High disrepair
- Have been assessed as ready for move on from supported housing, and meet the criteria detailed in the Devon Home Choice Policy.

You will also be awarded this priority if it is assessed that doing so:

- Meets a social need or supports the delivery of another service
- Leads to effective management of social housing within Devon

Band C: Medium Housing Need

Your application will be placed in the Medium housing need band (C) if you:

- Lack 1 bedroom
- Have been assessed as having a medium health/wellbeing need
- Live on or above the 4th floor with children aged under 8
- Have served in the UK armed forces and would otherwise have had your application placed in Band D
- Need to move for work, where you would otherwise have to travel more than 30 miles (each way) from home to work

Band D: Low Housing Need

Your application will be placed in the Low housing need band (D) if you:

- Have been assessed as not having a permanent home, or at risk of becoming homeless. This may include people who are rough sleeping, have no fixed abode or are 'sofa surfing', as well as households accepted as statutorily homeless but where it is assessed as possible and appropriate to find private rented accommodation, or those assessed as not in being priority need or are intentionally homeless. Please see the policy for further information.
- Have been assessed as having a low health/wellbeing need
- Share facilities, such as a toilet, bath, shower or kitchen
- Have a housing need but have no local connection to Devon
- Have been assessed as having deliberately worsened your circumstances
- Meet a local priority agreed by the local authority managing your application

Band E: No Housing Need

Your application will be placed in the No housing need band (E) if it is assessed that you live in a home that is adequate to meet your housing need, or you have income/ capital that would enable you to resolve your own housing needs.

N.B. Some district councils will not register applicants assessed as Band E, others in rural areas may accept such applicants if they have a local connection and a vacant property is not wanted by an applicant in a higher need band.

ANNEX 2

2. SHDC allocations criteria - DHC website [Useful Information page](#)

ANNEX 3

3. South Devon Broad Rental Market Area - Local Housing Allowance rates for rented homes costs

- Shared Accommodation Rate: **£65.00 per week**
 - One Bedroom Rate: **£103.56 per week - £448.76 pcm**
 - Two Bedrooms Rate: **£138.08 per week - £598.34 pcm**
 - Three Bedrooms Rate: **£168.00 per week - £728 pcm**
 - Four Bedrooms Rate: **£207.12 per week - £897.52 pcm**
-

ANNEX 4

Information re Kingsbridge from South Hams and West Devon high level survey

1. 69 households who live in Kingsbridge completed the survey.

- 15 single households
- 15 couples
- 39 families

2. Number of bedrooms required

- 11 x 1 bedroom properties
- 22 x 2 bedroom properties
- 29 x 3 bedroom properties
- 7 x 4 bedroom+ properties

3. Current tenure

- 2 owned their property outright
- 9 owned their property with a mortgage
- 58 were renting

4. Wish to buy or rent

- 47 wished to buy their own home
- 22 wished to rent

5. Do you have a strong connection with a village where you like to live but price out of reach?

- 61 replied yes
- 8 replied no

6. Which village do you have a connection to?

- 50 stated they had a connection to Kingsbridge
- Others had connections to Salcombe, Chillington, Slapton, Beesands, Aveton Gifford, West Charleton, Loddiswell and Beesands.

7. Does a member of your family have a housing need in your town/village?

- 33 answered yes
- 36 answered no

8. Would you like to buy or rent a house that is affordable to people on local incomes?

- 66 replied yes
- 3 replied no

9. Do you think it's important that any affordable homes remain at a low cost for future occupants?

- 66 replied yes
- 2 replied no
- 1 did not reply

10. Do you want to downsize?

- 5 replied yes
- 64 replied no

11. Would you be interested in self/custom build?

- 23 expressed an interest in self build
- 19 expressed an interest in custom build
- 26 stated they were not interested
- 1 did not reply

12. Do you want to move to a bungalow?

- 18 replied yes
- 51 replied no