

CARN BREA NDP HOUSING – EVIDENCE REPORT

Planning Policy Background

National Planning Policy Framework 2021

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

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

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

Cornwall Local Plan 2016

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

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

Baseline

House Price

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

FIGURE 1: CHANGE IN LOWER QUARTILE AND MEDIAN HOUSE PRICES OVER TIME FOR CORNWALL 051 (CARN BREA MSOA)

<i>Area/Expression</i>	Dec-95	Sept-01	%change 95/01	Sept-11	%change 01/11	Sept-21	%change 11/21	%change 95/21
lower quartile[1]	£28,000	£54,000	92.86%	£120,000	122.22%	£165,000	37.50%	489.29%
Median Quartile[2]	£36,750	£63,600	73.06%	£162,500	155.50%	£205,000	26.15%	457.82%
<i>England/Median</i>	£55,000	£89,950	63.55%	£180,000	100.11%	£285,000	58.33%	418.18%
<i>Cornwall/Median</i>	£49,000	£82,500	68.37%	£187,000	126.67%	£275,000	47.06%	461.22%

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

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

Sources: Lower and middle quartile house prices by middle layer super output areas and administrative geographies – HPSSA Dataset 4, 2 and 11. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing>

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

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

Tenure

The pattern of home ownership, private renting and affordable/social renting are largely determined by the characteristics of the resident population. These include age and patterns of income and wealth which

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

² (Sources:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

influence whether households can afford to rent or buy and whether they need subsidy to access housing. The most recently recorded profile of tenure is the 2011 Census, shown below.

Figure 2a: Tenure (households) in Carn Brea, 2011

Tenure	Carn Brea	Cornwall	England
Owned	69.9%	68.8%	63.3%
Shared ownership	1.2%	0.6%	0.8%
Social rented	13.2%	12%	17.7%
Private rented	15.2%	16.8%	16.8%

[Source Census 2011, Table KS402EW].

The 2021 Census will provide a more up-to-date picture of this tenure profile when the results are released. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Carn Brea the most significant change was a 75% increase in shared ownership. This was from a baseline of very low numbers (an increase from 16 to 28 households). More significantly, the private rented sector expanded by 49% in that period. Social renting increased by 9%. Owner occupation increased by only 3%.

Figure 2b: Tenure (households) in Carn Brea, 2001

Tenure	Carn Brea	Cornwall	England
Owned	73%	71.8%	68.1%
Shared ownership	0.5%	0.7%	0.7%
Social rented	13%	11.8%	19.3%
Private rented	11%	11.7%	8.8%

[Source Census 2001, Table KS018]

In overall proportional terms, whilst owner occupation was still by far the largest sector in 2011, private renting had increased to such an extent that it became the second largest sector, whereas in 2001, social renting was the second most common tenure. All of the sectors have grown in absolute terms, but private renting has grown the most.

Occupancy Rates

Levels of overcrowding are lower in Carn Brea than in comparison to regional and national averages, but above that for Cornwall. Overcrowding is classified as households in that have an occupancy rating of -1 or less, meaning that they have at least one room fewer than required; in the Parish this affects 7% of households compared with 8.7% in England and 5.8% across Cornwall.

Some 6.3% of households lacked central heating, compared to 2.7% in England and 7.2% in Cornwall, and average HH size was 2.4, the same average as for both England and Cornwall. The average number of

bedrooms was 2.6 per household, compared to 2.7 in England and 2.8 in Cornwall [Source: Census 2011 Table KS403EW]

Second Homes

In relation to second homes, data from Cornwall Council suggests that 24 dwellings in the Parish on the were second homes, comprising 1% of dwellings. This puts the area below/above the average for Cornwall (5%). The Census 2011 figure for ‘unoccupied dwellings’ which may be used as a surrogate measure for second homes, suggests that 161 dwellings, or 4.5%, could be second homes, which is also below the average for Cornwall (11.2%) and marginally above that for England (4.3%). The 2011 data suggests that these are mainly concentrated in the Carnkie area, where 9.4% or 16 of the 154 households were unoccupied. [Source: Cornwall Council 2018 and Census 2011 Table KS401EW]. These rates of 2nd homes are insufficiently high to cause demonstrable local economic and social impacts.

Dwelling Size Mix

The Parish has a lower proportion of larger (4 to 5 bedroom) dwellings at 13.9%, than has England (19%) and Cornwall (20%), and a higher proportion of medium (2 to 3 bedroom) dwellings (74.1%: 69% : 71%). In 2011 only 400 dwellings (11.8%) were 1 bedroom. There were 4 ‘studio flat’ dwellings. [Source: Census 2011 Table QS411EW].

Household Size

Carn Brea Parish had 3393 households in 2011. A slightly larger proportion of these were 1 person and two person households (64.6%) than the average for England (64.4%), but lower than Cornwall (68.2%). It also had fewer 5 to 8 person HHs (6.4%) compared to England (7%) but slightly more than Cornwall (5.7%). [Source: Census 2011 Table QS406EW].

Dwelling/Household Size Match

By comparing dwelling size and household size (see figure 3) it can be seen that the 64.6% of people in 1 and 2 person households were matched by only 47.2% of dwellings that were 1 and 2 bedrooms. However the 93.6% in up to 4 person households were reasonably well matched by the 86.1% of dwellings being 1 to 3 bedrooms, plus the 12.7% of dwellings with 4 bedrooms. However the larger 5 to 8 person households were matched by only 2.9% of dwellings being 5 or more bedrooms. The implication of this date is that there is an undersupply of both smaller and larger dwellings. This may imply that there is some under-occupation of 3 and 4 bedroom homes, for example local people who are able to afford a larger dwelling than they actually need, but it could also indicate that there are older people (‘empty nesters’) who may need to downsize for health reasons but cannot.

FIGURE 3: DWELLING SIZE/HOUSEHOLD SIZE MATCH CARN BREA PARISH Source: Census 2011 Tables QS411EW and QS406EW

Dwelling Size			Household Size				
1 Bed or SF	11.9%	47.2%	86.1%	1 Person	29.5%	64.6%	93.6%
2 Bed	35.3%			2 Person	35.1%		
3 Bed	38.9%	49.9%		3 Person	16.3%	29%	
4 Bed	11%		4 Person	12.7%			
5+ Bed	2.9%		13.9%	5 Person	4.0%	5.7%	6.4%

				6 Person	1.7%		
				7 Person	0.4%	0.7%	
				8+ Person	0.3%		

Affordable Housing Products

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

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

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

In summary, these products are:

- Affordable Rented Housing – typically at up to 80% of open market rent
- Social Rented Housing – typically 45 to 55% of open market rent
- Shared Ownership – Where the premises are owned by a Housing Association (25%) and a mortgage holder (75%). The occupier pays both rent and mortgage.
- Discounted Ownership - Where the property is sold at a fixed discount, making it cheaper to mortgage. For Carn Brea [Value Zone 5] the current discount is set at 20% for a 1 bed property and 40% for a 2 bed property.
- First Homes - A discount on the purchase price of a minimum of 30% against the market value with a sale price no higher than £250,000 after the discount is applied in perpetuity, restricted to first-time buyers with a household with a combined annual income less than £80,000. Where justified by local evidence, a deeper minimum discount of up to 50% may be set.
- Shared Equity – Where the occupier enjoys an ‘equity loan’ (a portion of the equity is owned by the local authority) and therefore can afford a home on the open market
- Starter Homes – available for qualifying first time buyers at a discount of at least 20%
- Rent to Buy - under the national scheme.

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

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

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

Its key features and implications are as follows:

- First Homes are homes for purchase with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);

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

Housing Need in Carn Brea Parish

As of January 2022 the HomeChoice registered local housing need for the parish of Carn Brea was currently 364 households seeking affordable rented accommodation. Some 166 or 45.6% of these are for 1 bedroom dwellings, 106 or 29.1% are for 2 bedroom, and 73 or 20.1% for 3 bedroom. The remaining 19 or 5.2% are for 4 and 5 bedroom dwellings. Overall needs are skewed by the lower priority band E, with only 167 or 45.9% in the four high priority bands. In Band A some 85.7% of the need is for 1 bedroom dwellings, and 14.3% for 2 bedroom, whilst the figures for Band B are 9.1% [1 bed], and 27.3% [2 bed]. Some 75 households in need are aged 55 or over [20.6% of the total need], of which 30.7% are in the top four bands, seeking mainly 1 and 2 bedroom accommodation. These numbers reflect the January 2022 position and although they fluctuate during the Plan period, it is likely that there will be a continuing need for affordable housing.

There were 4 households registered under (includes assessed and self-assessed) Category 3 who required a property suitable for wheelchair use indoors and outdoors.

In addition, there were also 35 households registered with Help to Buy South looking for affordable homeownership in Carn Brea Parish, of which 60% sought 2 bed accommodation and 9% sought 1 bed accommodation.

A more detailed breakdown of the housing needs data is available via this link:

<https://plansupport.co.uk/wp-content/uploads/2022/01/Carn-Brea-NDP-Housing-Needs-Stats-Jan-2022.xlsx>

Affordability in Carn Brea Parish

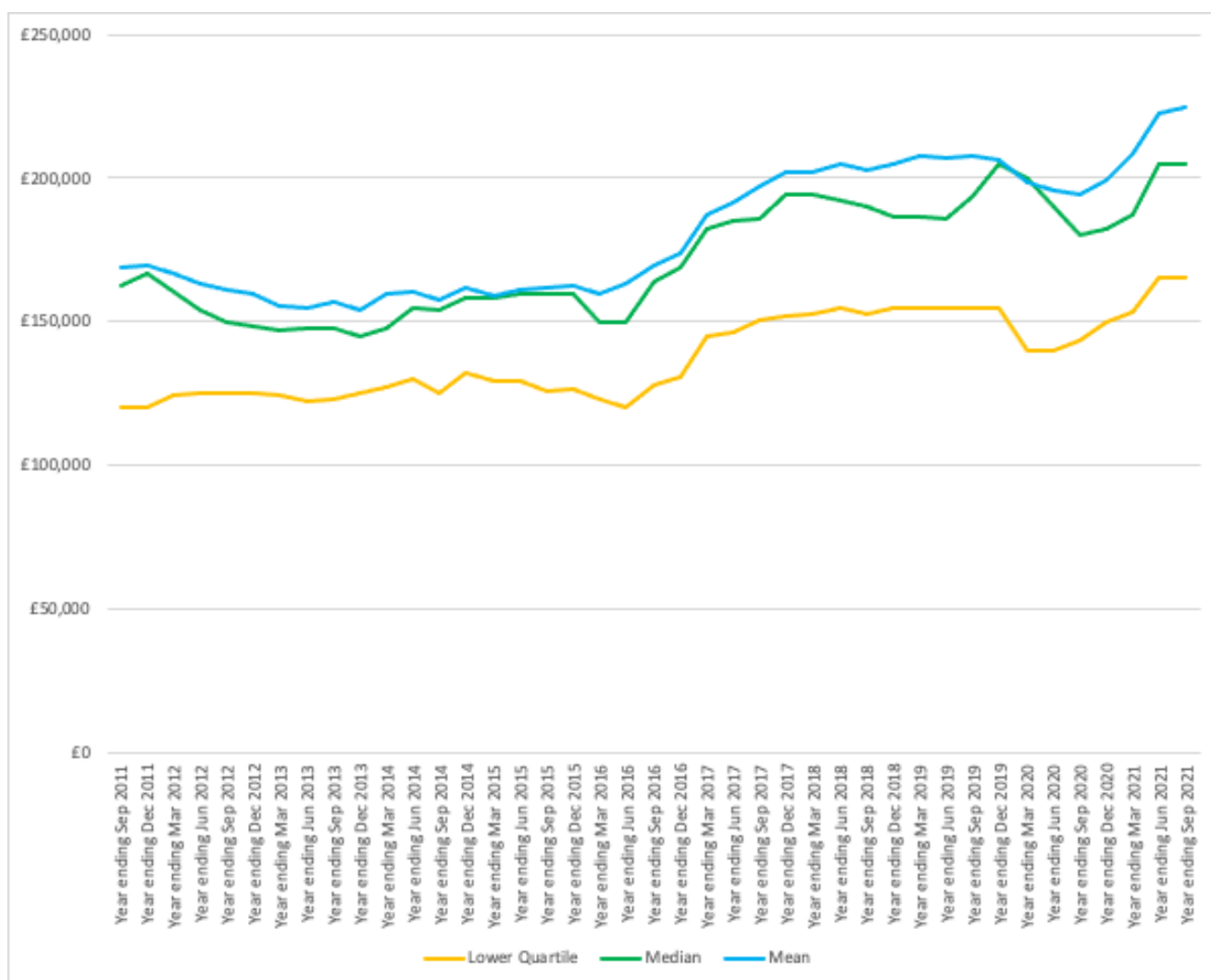
House prices

An examination of trends in prices can be revealing about the local housing market as they provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market.

Figure 4 below looks house price growth in Carn Brea Parish. It shows that all house price measures have growth steadily since 2011, first at a more uncertain rate, and then slightly more steeply since 2015. The mean (average) house prices are only slightly above the median (the “middle” value in the list of house prices arranged from least to most). A mean higher than the median is quite common.

In the case of Carn Brea, the median shows a similar but very slightly lower trajectory than the mean (average), with only very minor divergences between the two. This is the characteristic of a housing market which has an only very slightly larger number of house prices at the lower end and very slightly fewer house prices at the higher end. In this case, the median, which is the middle number when you sort the data from smallest to largest, lies in the lower range of values (where more of the house prices are). Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end (as in, the slightly smaller number of more expensive homes) cause the mean to increase marginally, making it a little higher than the median.

Figure 4 : House prices by quartile in Carn Brea, 2011-2020



[Source ONS HPSSA Datasets 2, 3 and 4]

Figure 5 below breaks down house prices by type. It shows that while the price of homes has grown overall (26.15%), prices of terraced houses have grown the most, followed by the price of semi-detached homes, followed by detached homes and finally, flats.

Figure 5: House prices by type in Carn Brea, 2011-2020 (£k)

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	213	172	176	200	193	220	255	276	265	249	270	27.0%
Semi-detached	169	152	139	160	157	164	178	192	182	210	221	31.1%
Terraced	120	134	126	145	160	147	150	161	155	166	180	50.0%
Flats				80	120	101		110		98	92	15.1%
All Types	163	150	148	154	160	164	186	190	194	180	205	26.2%

[Source ONS HPSSA Datasets 2, 3, 4 and 11]

Income

Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in Carn Brea Parish

The first source is ONS's 'Income estimates for small areas, England and Wales'. This is limited to the overall average household income (i.e. it does not provide the average income of lower earners). The average household income in the Parish before housing costs locally was £25,200 in 2018. There will be many households earning below this figure. A map of the area to which this data applies is provided in Appendix A.

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

Cornwall's individual lower quartile gross annual earnings were £18,718 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,436.

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

It is immediately clear from this data that there is a large gap between the spending power of average earning households in the Parish [£25,200] and the average lowest 25% of earners across Cornwall [£37,436], and an even bigger gap with the local average median household earnings across Cornwall [£49,562]. Where the households in question has one earner only, the gap will be even more significant. Therefore the calculations which follow should be seen as very much a 'best case', and that the actual situation may in reality be much worse.

Affordability Thresholds

To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures amongst the housing available in the Parish. This is done using

‘affordability thresholds’: the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

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

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

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

Figure 6 summarises the estimated cost of each tenure, the annual income required to support these costs within the Parish, and whether local incomes are sufficient. The income required column does not reflect the possibility that households may already hold equity from an existing property. Individual circumstances of that nature cannot be anticipated in this general analysis. Essentially therefore, the calculations describe the situation for first time buyers or those seeking to enter the rented housing market.

Figure 6: Affordability thresholds in Carn Brea Parish (income required, £). Source: Appendix 1						
Tenure	Mortgage Value (£k)	Rent (£k)	Income required	Affordable on mean HH incomes?	Affordable on Lower Quartile x 1 incomes?	Affordable on Lower Quartile x 2 incomes?
				£25,200	£18,718	£37,436
Market Housing						
Median House Price	£184,500	-	£52,714	No	No	No
New Build Mean House Price	£192,750	-	£55,072	No	No	No
Lower Quartile/Entry-level House Price	£148,500	-	£42,429	No	No	No
Average Market Rent	-	£11,051	£33,156	No	No	Yes
Entry-level Market Rent	-	£9,300	£27,900	No	No	Yes
Affordable Home Ownership						
First Homes (- 30%)	£129,150	-	£36,900	No	No	Yes
First Homes (- 40%)	£110,700	-	£31,629	No	No	Yes
First Homes (- 50%)	£92,250	-	£26,357	Yes - Just	No	Yes
Shared Ownership (50%)	£92,250	£2,563	£34,046	No	No	Yes
Shared Ownership (25%)	£46,125	£3,844	£24,711	Yes - Just	No	Yes
Shared Ownership (10%)	£18,450	£4,613	£19,110	Yes	Yes - Just	Yes
Affordable Rented Housing						
Affordable Rent	-	£6,355	£19,065	Yes	Yes - Just	Yes
Social Rent	-	£4,543	£13,628	Yes	Yes	Yes

NOTES:

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

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

Market housing for purchase and rent

Local households on average incomes will clearly struggle hard to access even entry-large homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £52,714, which is more than twice that of the current average income in Carn Brea Parish (£25,200).

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

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

Affordable home ownership

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

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

This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In Carn Brea Parish, a discount of 30% would be insufficient to make home ownership an affordable option for those on local average incomes and just affordable to those households with two Cornwall based lower quartile incomes. A 40% or 50% discount, which is the highest possible discount level that can be applied to First Homes, would be sufficient only for those households with two Cornwall based lower quartile incomes, as a path to home ownership. With a 50% discount, the income required (£26,357) is just above the local average household income, so may just be achievable if the household is willing to dedicate a larger proportion of its income to housing costs. The lower quartile single income is not helped even by a 50% discount [see Figure 7].

Figure 7: Discount on sale price required for households to afford First Homes

Source: Appendix 1 calculations.

Type	Local Mean HH Income	LQ Income x1	LQ Income x2
Median house price in Parish	47%	61%	21%
New build mean house price in Parish	54%	66%	32%
Entry-level house price in Parish	41%	56%	12%

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

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

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

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

These three products should be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.

First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.

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

Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual

ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

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

In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 10-25% equity share, and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, with rent to buy particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. However, none of the routes to home ownership are affordable to households on lower quartile incomes.

Rented homes managed as affordable housing.

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

Social rented housing is cheaper and accessible to all the household income groups. It also therefore leaves households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc.

Many such households will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

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

For information the Local Connections criteria and Banding system are shown in Figures 8 and 9.

Figure 8: Definitions 1. Local Connections

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

- Have lived in Cornwall for the last 3 years and that residence was of their choice. (NB residence in a hospital or prison does not form a local connection by residence);
- Are employed in permanent employment in Cornwall (permanent employment is regarded as 16 hours or more per week for a continuous period of 3 years. (NB This must be their actual place of work, not where their head office is situated);
- Has close family (normally mother, father, brother, sister, son or daughter) that have resided in the area for a minimum of the past 5 years and the applicant has a need to give or receive support for the foreseeable future/ on an ongoing basis;
- Has lived in Cornwall for 10 of the first 16 years of life;

- Has an exceptional need to move to Cornwall. Examples include but not limited to: those needing to move closer to specialist medical/support facilities; applicants accepted as homeless and owed a full housing duty by Cornwall Council; and Cornwall care leavers living outside of the County.

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

Figure 9: Definitions 2. Banding

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

Work/Training	The applicant, or a member of their household, needs to move closer to their place of work/training (of a non-casual nature) within Cornwall. People who need to move into the district or to a particular locality in the district of the authority, needs to move to take up a job or live closer to employment or training (including apprenticeships) where failure to meet that need would cause hardship (to themselves or to others)
BAND D	
Shared Facilities	Applicants share bathroom or kitchen with non-family members.
Children living in flats and/or lacking a garden	Applicant has a child/children under 10 years of age and lives in a property above ground floor, with no lift. Applicant has a child/children under 10 years of age living in a property without access to a garden.
BAND E	
All other groups	Households who have no reasonable preference.
Local Cornwall Connection criteria	Within each band listed above, applicants with a qualifying local connection to Cornwall will be considered before applicants who do not have a local connection to Cornwall

Market Demand

A survey of local estate agents suggests there is an adequate turnover of properties and healthy demand in the entire Parish, which is within the Camborne/Redruth major employment area, and is also in commutable distance to the city of Truro, and the growing employment base at Falmouth/Penryn. As a result there is a general pressure for housing, so it is appropriate that some market provision to address this sector is also included. The provision of new sites in the general CIPR area through the Cornwall Local Plan Site Allocations DPD is designed to meet market requirements up to 2030, and the Cornwall Monitoring Report 2021 indicates that there will only be a small shortfall in provision, to be made up by 'windfall' permissions [i.e. unexpected planning permissions on small sites of up to 10 dwellings]. However there is also some demand in the rural parts of the Parish, where the turnover is lower and the supply of new dwellings is naturally limited by its rural characteristics. Therefore it is appropriate for the NDP to allow for some continuing market housing development in both the rural and urban parts of the Parish.

The forecast level of 'windfall' in the rural area of the CIPR CNA is 132 from 2027 to 2030, which applying the 'pro-rata' rate from table 8 above, implies 15 dwellings in the rural part of Carn Brea. For the urban part of the entire CNA the 'windfall' forecast is for 264 dwellings.

Recent Provision

As at April 2021 no further homes were needed in the rural parts of the Parish to meet the Parish baseline requirement under the Cornwall Local Plan according to the advice supplied by Cornwall Council [See figure 10].

Figure 6: Minimum NDP housing target to be in conformity with Local Plan CIPR [Rural Area]

CNA	CLP Housing Figure	Planning Permissions & Windfall estimated to deliver by 2030	CNA Completions to March 2021	Remainder of Local Plan Housing Figure
Camborne, Pool, Illogan & Redruth Rural	1000	443	835	1000 – (443+835) = -278 i.e. nil requirement
Parish	Requirement [adjusted at pro rata rate of 11%*]	Parish Commitments April 2010 – March 2021	Parish Completions April 2010 – March 2021	Parish baseline figure (pro rata of CNA remainder)
Carn Brea	110	40	107	110 – 147 = -37 i.e. nil requirement

Turning to the urban part of the Parish, the Cornwall Monitoring Report indicates that against the target for the whole CIPR CNA of 5200 dwellings, some 2954 were completed by March 2021, and 1934 had planning permissions estimated to deliver by 2030, leaving a residue of 264. Some 169 of this will be delivered through the Tolgus Urban Expansion of Redruth, leaving 143 dwellings to find over the whole CNA.

Future Supply

The forecast level of ‘windfall’ in the rural area of the CIPR CNA is 132 from 2027 to 2030. In the rural area of the Parish, applying the same ‘pro-rata’ windfall rate as used in Figure 6 implies 15 dwellings will occur between 2022 and 2030. Rounding off and infill opportunities within development boundaries have been estimated to supply a further 70 units, giving a total of 85 units.

Although rural exception sites cannot be forecast with any certainty, as they are ‘exceptions’ and therefore unanticipated, rolling forward the production rate since 2010 up to 2022 forward to 2030 suggests a further 75 dwellings may be produced.

Outside of settlements there are many rural hamlets and small groups of dwellings that may have a form and shape with clearly definable boundaries that offer the opportunity for infill development sites of 1 or 2 housing units, and an estimated 15 further dwellings may result by 2030.

At Pool, which is part of the CIPR urban area, a considerable amount of new housing has been provided in the past which has contributed to the CNA apportionment. The Cornwall Council Brownfield Land Register records some 6.8 hectares of Previously Developed Land which has been permissioned for up to 222 dwellings in the Pool area, and are therefore counted as commitments [See Figure11].

FIGURE 11: CORNWALL BROWNFIELD LAND REGISTER – CARN BREA PARISH

SITE REF	NAME/LOCATION	CAPACITY	STATUS
BR70	South Crofty Mine Dudnance Lane [The Maynes Site]	99	PP 28/01/2021 Live
BR221	Land Bordered By East Hill, Dudnance Lane And Kerrier Way	99	PP 08/03/2021 Live
BR14	Site Adj To Tuckingmill Apartments Maynes Row	5	PP 10/01/2017 Expired
BR206	Valley Motors Gas Lane Tolvaddon	24	PP 04/11/2019 Live
BR45	Land Rear Of Basset Arms Fore Street	5	PP 04/11/2016 Expired
BR169	Wheal Agar Trevithick Road	0	PP 06/11/2018 12 Units completed
BR44	Pendeen Barncoose Terrace Illogan Highway	9	PP 12/12/2017 Expired
BR128	Land Rear Of Maynes Garage Wheal Tehidy Lane Barncoose	10	PP 23/05/2017 Expired
		251 of which 222 are 'live' PPs and 29 are expired.	

There are likely to be further residential development opportunities utilising Previously Developed Land ['Brownfield'] to support regeneration, for example at Heartlands [which has already obtained planning permission and has been counted as a 'commitment'], the Station Road site [CPIRE7] and between the Leisure Centre and the new A3047 corridor. The latter could add about 100 units, which together with the expired permissions of sites on the Brownfield Land Register adds about 130 dwellings to the potential.

Cornwall Council have calculated that windfall permissions will amount to 264 dwellings across the entire Network Area.

In total therefore the future supply to 2030 is estimated at about 305 dwellings.

Community Led, Self and Custom build

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

Self and custom-build (self-build) housing is defined in the NPPF as housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Policy 6 of the Cornwall Local Plan says that self-build housing can be affordable, market housing or starter homes. Self-build can be more affordable than purchasing a home in the local market, especially where there is an element of 'sweat equity' (personal labour) which can provide the equivalent of a 10% discount on the open market value of a property, so it may provide an "other affordable routes to home ownership" [NPPF

definition] solution for those people whose needs may not be met by the market and who are unable to find a suitable affordable home in their area. This will help people to stay in, and support, their communities.

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

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

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

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

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

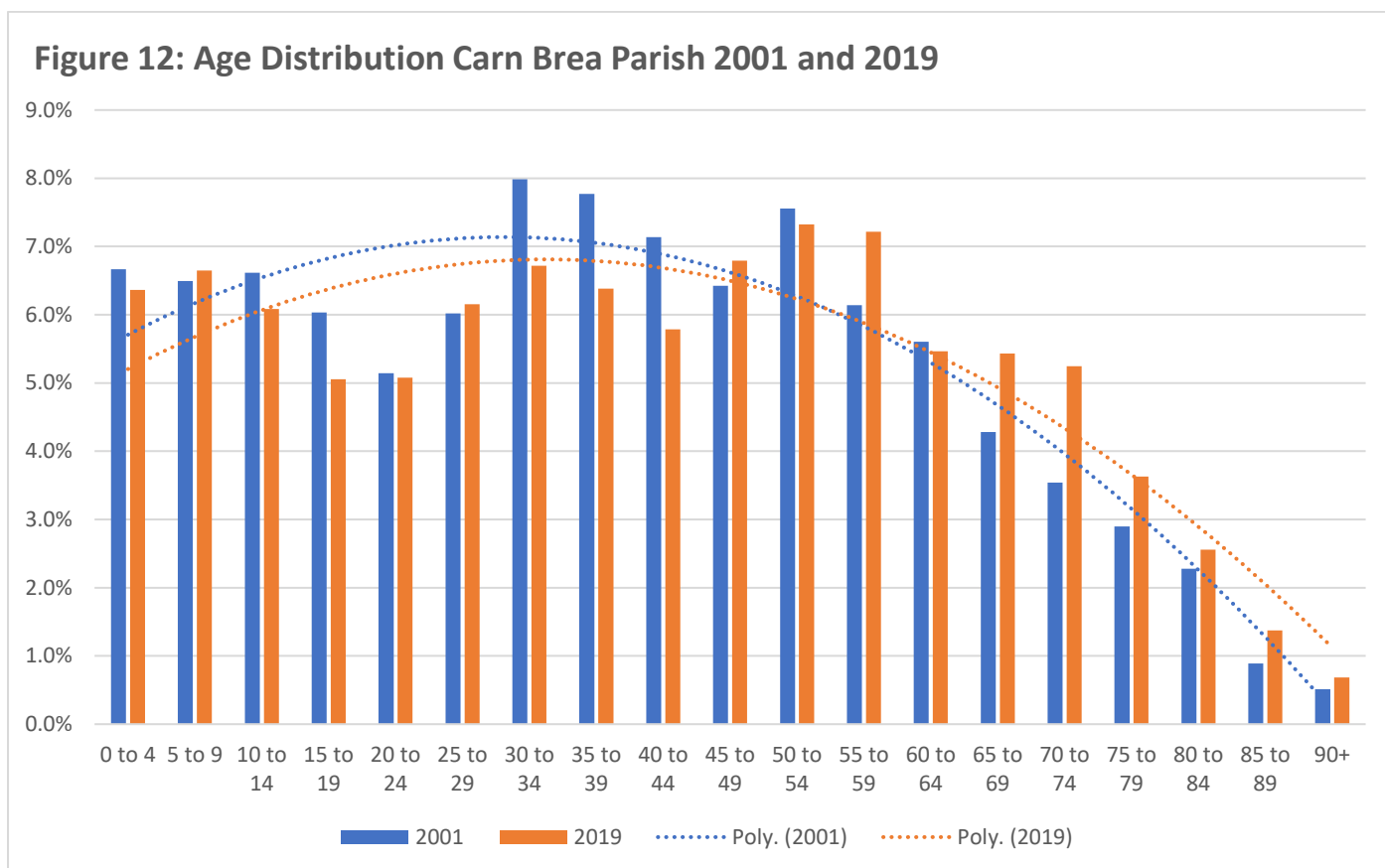
To protect future affordability the maximum size of an affordable self-build unit would normally be no larger than the relevant Nationally Described Space Standard (NDSS) for that property type +10% and no larger than 3 bedroom homes. Planning proposals for larger affordable self-build units would require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

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

Housing for Older People

'Ready for ageing?' the report of the Select Committee on Public Service and Demographic Change, warns that society is underprepared for the ageing population. The housing market is delivering much less specialist housing for older people than is needed with the result that many people need to move to suitable accommodation or care-homes away from their own neighbourhoods, families and friends. This is relevant to Carn Brea Parish which also has an ageing population. From 2001 to 2019 the Parish population grew by 22.1% and extra 1,638 people, the proportion of that population of working age dropped from

60% to 57% and the number of young people fell from 25.8% to 24.2%, whilst the proportion over retirement age grew from 14.4% to 19%. This trend is likely to continue and increase, with 39% of the population already being 50 years old or more.



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

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

Working From Home

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

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

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

Housing Data Conclusions

1. In the light of the preceding data, the following mix of home sizes and format is proposed:

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

2. The future supply to 2030 to be planned for should be set at about 205 dwellings.

3. The following mix of tenure is also proposed:

In any developments of affordable homes the 70% rented homes portion required under Cornwall Local Plan policy 8 includes a minimum of 85% of 1 and 2 bedroomed socially rented housing, the remainder being affordable rented housing.

The 30% 'intermediate affordable housing' portion comprises 5% intermediate sales or rent, and 25% "First Homes" [See Figure 13].

4. The 'First Homes' discount element should be set to a 50% cap as this is justified by the evidence.

Figure 13: Proposed Tenure Mix for Carn Brea Parish			
Affordable to Rent 70%		Intermediate for Rent/Sale 30%	
Socially Rented Homes 85% [minimum]	Affordable Rented Homes	Intermediate Rent/Sale Homes 5%	'First Homes' Discounted Sale Homes 25%

Related Community Engagement Feedback

The scale and location of new housing development was one of the key topic points in the community engagement response. Some 93% of respondents supported the concept of development boundaries for Four Lanes and West Tolgus. Some 39.6% of respondents (the largest proportion in answer to this question) think that the housing need should be met through 1 or 2 houses, filling gaps between existing properties. In comparison, only 0.7% of respondents think that the housing need should be met by larger development of more than 9 houses. Strong preference was expressed to see urban sprawl contained, as it is perceived as significantly changing the character of the villages and encouraging encroachment of the existing urban area into the valued landscapes of the Parish. To protect the character of the built environment, the historic field and settlement patterns and to maintain the separation, it is important that any development in these areas is carefully managed.

Community engagement response was that the greatest need was for bungalows of 2 – 3 bedrooms and houses of 2, 3 and 4 bedrooms and not for flats. 51% of respondents said that housing should be a mix of open market, rental and shared ownership, whilst 6.4% supported only shared ownership, 12.3% supported only renting and 12.2% supported only open market. The overwhelming response was for a mixture of these.

Key issues and implications for the NDP

Key issues and implications for the NDP

Figure 7: Key Issues and Implications from the evidence base	
Theme Design	Key Issues <ul style="list-style-type: none"> • National policy is that Planning should: <ul style="list-style-type: none"> ○ ensure that sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed; ○ Provide for a mix of housing catering for different groups; ○ Where an affordable housing need has been identified, provide for it; ○ Consider allocating small and medium-sized sites of no larger than 1ha suitable for housing;

- Reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate;
- Locate housing where it will enhance or maintain the vitality of rural communities;
- Identify opportunities for villages to grow and thrive, especially where this will support local services;
- Avoid new isolated homes in the countryside unless there are special circumstances;
- The Cornwall Local Plan says that:
 - Everyone in the community should have the opportunity of living in an appropriate home, supported by local community facilities.
 - Most development should be in those areas capable of sustaining it.
 - Neighbourhood Plans can provide detailed guidance on which settlements outside towns are appropriate for infill and rounding off to meet local needs and support community sustainability at a scale appropriate to its character and role.
 - Sites of 10 dwellings or more should include a mix of house size, type, price and tenure to address identified needs and market demand and to support mixed communities.
 - Sites of 11 or more dwellings at least 25% should be affordable housing (of which 70% should be for rental and 30% for rental/sale at a price affordable to a typical local household).
 - ‘Exceptions sites’ of affordable led housing may be allowed on the edge of smaller towns, villages and hamlets where no more than 50% of the homes or the land take is market housing.
- No further land for dwellings needs to be allocated to meet Local Plan targets;
- Lower quartile house prices in Carn Brea Parish have increased by around 489% since 1995;
- The lower quartile affordability ratio for Cornwall in 2021 was 9.8, an increase from 9.30 in 2011. This is notably higher than the lower quartile affordability ratio of 8 for England
- Households on an average income in the Parish cannot afford a First Home if the standard 30% discount was applied. Acquiring a First Home product would only be likely to begin to be affordable for people on an average income if a discount of 50% is applied.
- Only Shared Equity schemes of 25% or less equity share would be affordable on local average household incomes.
- The needs of single people and households on lower than average incomes will only be met by social rented housing.
- In January 2022 the registered local housing need was 364 households seeking affordable rented accommodation
- Only 45.9% are in the four high priority need bands with the biggest need being for 1 and 2 bedroom dwellings;
- Some 75 households in need are aged 55 or over [20.6% of the total need], seeking mainly 1 and 2 bedroom accommodation;

- There is an undersupply of both smaller and larger dwellings;
- The proportion of second homes in Carn Brea Parish is lower than Cornwall average and not demonstrably harmful;
- As the population profile is ageing there may be older people ('empty nesters') who need to downsize for health reasons but cannot, or need to find age-friendly accommodation;
- Strong community views were held that the majority of homes should be provided in the form of infill within existing settlements and brownfield land development;
- Community views also strongly supported the concept of development boundaries;
- Opportunities for infill, rounding off and brownfield land development exist in the urban area, the two main villages, and in some smaller rural villages, hamlets and groups of dwellings.
- Community led/self-build housing can make an important contribution to meeting housing need.
- The future supply to 2030 to be planned for should be set at about 305 dwellings.

Implication for the Neighbourhood Development Plan

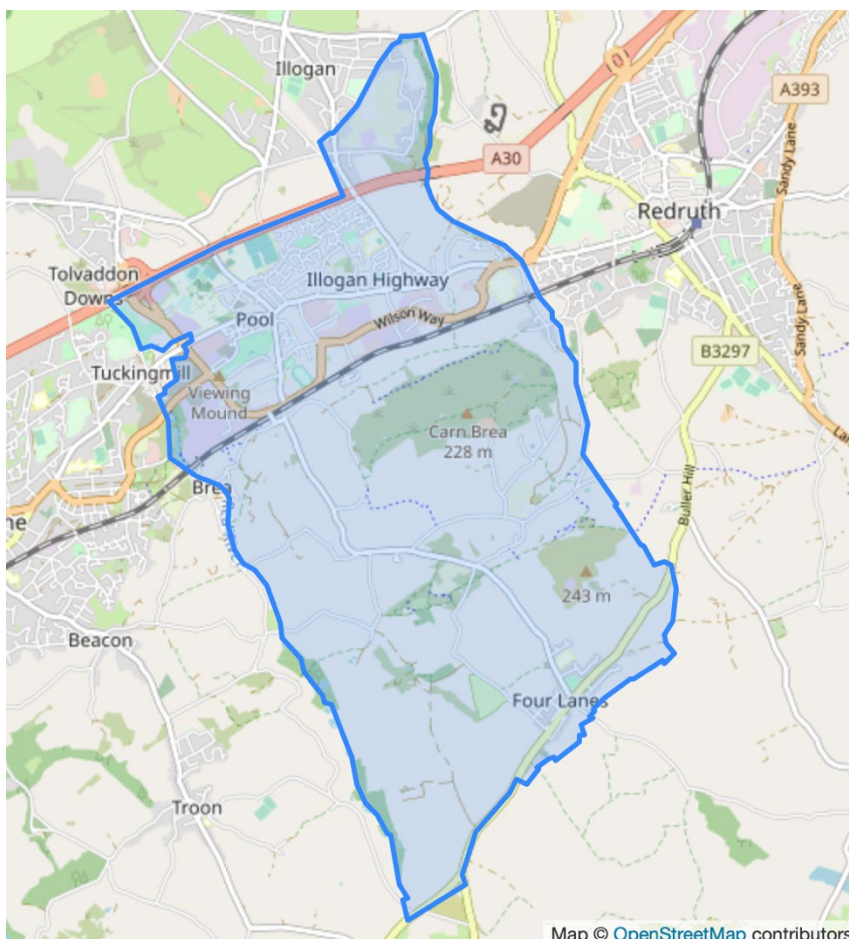
- **No additional dwellings are needed to comply with the Cornwall Local Plan. The NDP does not need to allocate land for new housing.**
- **Housing need is present in the Parish, which the NDP should help to meet.**
- **Some provision to meet continuing market demand should be made in the NDP.**
- **NDP policies should encourage continued infill on small sites, and rounding off development, with particular emphasis on the development of brownfield sites. New homes should fit in well with existing development.**
- **There is a mismatch between household size and dwelling size, and the current housing need is for more 1 and 2 bedroom dwellings, plus some larger dwellings.**
- **A need for housing to support increasing numbers of elderly people is emerging.**
- **Community led housing development and self-build schemes should be supported.**
- **The mix of home sizes and format should include smaller one and two bedroom homes for the young and elderly; some family homes of 4 to 5 bedrooms; self-build opportunities; dwellings designed to meet special needs; homes that provide enhanced opportunities to 'work from home'**
- **The future supply to 2030 to be planned for should be set at about 305 dwellings.**
- **In any developments of affordable homes the 70% rented homes portion should include a minimum of 85% of 1 and 2 bedroomed socially rented housing, the remainder being affordable rented housing.**
- **The 30% 'intermediate affordable housing' portion should comprise 5% intermediate sales or rent, and 25% "First Homes'.**
- **The 'First Homes' discount element should be set to a 50% cap.**

Appendix A : Calculation of Affordability Thresholds

Assessment geography

As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas. Fortunately the local MSOA equates fairly neatly with the Parish and NDP designated area.

Carn Brea MSOA



Source: ONS

Market housing

Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

Market sales

The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. However it should be noted that multiples of 4 and 4.5 are becoming more common.

To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Carn Brea, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

The calculation for the purchase threshold for market housing in Carn Brea Parish is as follows:

Value of a median house price (2021) = £205,000;

Purchase deposit at 10% of value = £20,500;

Value of dwelling for mortgage purposes = £184,500;

Divided by loan to income ratio of 3.5 = purchase threshold of £52,714.

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

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

Value of a lower quartile house price (2021) = £165,000;

Purchase deposit at 10% of value = £16,500;

Value of dwelling for mortgage purposes = £148,500;

Divided by loan to income ratio of 3.5 = purchase threshold of £42,429

Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. As the number of new builds in a Parish or MSOA will be too small a sample to give a reasonable assessment, data has been drawn from the Land Registry Price Paid Standard Report system for the TR14, TR15, and TR16, which can be said to be the housing market area for the CPIR. The new build mean house price for this area was £214,167 and the purchase threshold is therefore £55,072.

Private Rented Sector

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

The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the combined TR14, TR15, and TR16 postcode areas, which can be said to be the housing market area for the CPIR. Also the larger sample size is likely to generate more robust findings.

According to [home.co.uk](https://www.home.co.uk), there were 17 properties for rent at the time of search in May 2022, with an average monthly rent of £921. Of this total 8 were three or four properties with an average rent of £1,291 per month, 2 two-bed properties [ave. £775] and 7 one bed properties with an average price of £540 per calendar month.

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

Annual rent = £775 x 12 = £9300

Multiplied by 3 (so that no more than 30% of income is spent on rent) = income threshold of £27900.

The calculation is repeated for the overall average to give an average annual rent of £11,051 and an income threshold of £33156.

Affordable Housing

There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

Social rent

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

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

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

To determine social rent levels, the Statistical Data Return Look-Up Tool from the Regulator of Social Housing is used, referring to General needs (social rent) table.

This data is only available at the LPA level so must act as a proxy for Carn Brea. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for the area in tables 1 and 2 below.

To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table 1: Social rent levels (£) [Gross]

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

[Source: Table 9 of

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

Affordable rent

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

However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Carn Brea. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

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

Table 2: Affordable rent levels (£)

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

[Source: Table 11 of

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

Affordable home ownership

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

- Discounted market housing (a subset of which is the new First Homes product),
- Shared ownership, and
- Rent to buy.

In paragraph 65 of the NPPF 2021, the Government introduces a recommendation 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.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

Discounted ownership or First Homes

Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

First Homes are calculated with reference to the median house price in the Parish (£205,000). This is a proxy for the price of new build entry-level housing (i.e. we are assuming that new build entry-level homes will cost around the same as a median existing home, because of the premium usually associated with new housing).

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

Value of a new home = £205,000

30% of value = 61,500

Discounted by 30% = £143,500;

Purchase deposit at 10% of value = £14,350;

Value of dwelling for mortgage purposes = £129,150;

Divided by loan to income ratio of 3.5 = purchase threshold of £36,900.

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

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

Value of a new home = £205,000

40% of value = £82,000

Discounted by 40% = £123,000;

Purchase deposit at 10% of value = £12,300;

Value of dwelling for mortgage purposes = £110,700;

Divided by loan to income ratio of 3.5 = purchase threshold of £31,629.

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

Value of a new home = £205,000

40% of value = £102,500

Discounted by 30% = £102,500;

Purchase deposit at 10% of value = £10,250;

Value of dwelling for mortgage purposes = £92,250;

Divided by loan to income ratio of 3.5 = purchase threshold of £26,357.

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

Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two- bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This may be an issue in Carn Brea for 50% discounted homes..

Shared ownership

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

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

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

To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

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

A 25% equity share of £205,000 is £51,250;

A 10% deposit of £5,125 is deducted, leaving a mortgage value of £46,125;

This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £13,179;

Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £153,750;

The estimated annual rent at 2.5% of the unsold value is £3,844;

This requires an income of £11,532 (so that no more than 30% of income is spent on rent).

The total income required is £24,711 (£13,179 plus £11,532).

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

A 25% equity share of £205,000 is £102,500;

A 10% deposit of £10,250 is deducted, leaving a mortgage value of £92,250;

This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £26,357;

Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £102,500;

The estimated annual rent at 2.5% of the unsold value is £2,563;

This requires an income of £7,689 (so that no more than 30% of income is spent on rent).

The total income required is £34,046 (£26,357 plus £7,689).

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

A 25% equity share of £205,000 is £20,500;

A 10% deposit of £2,050 is deducted, leaving a mortgage value of £18,450;

This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £5,271;

Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £184,500;

The estimated annual rent at 2.5% of the unsold value is £4,613;

This requires an income of £13,839 (so that no more than 30% of income is spent on rent).

The total income required is £19,110 (£5,271 plus £13,839).

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

Rent to buy

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

Help to Buy (Equity Loan)

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

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