

## Principal Residence Policies in Neighbourhood Plans

The Judgement on the St Ives Area Neighbourhood Development Plan (NDP) legal challenge paves the way for the promoters of other NDPs to include restrictions on the occupation of second homes (frequently termed Principal Residence Policies), where there is evidence that the second homes market is having a detrimental impact on the sustainability of towns and villages.

Here are some key points from the judgement, which are helpful in clarifying when a principal residence policy is justified.

### **Be clear about the policy's objective:**

The St Ives Area NDP makes it clear that the aim of Policy H2: Full-time Principal Residence Housing, is not simply to ensure that people who wish to live in the area as full-time residents are able to obtain housing, but crucially to safeguard the sustainability of development by reducing the proportion of dwellings that are not used as a principal residence. The purpose of this is to support a sustainable community.

*'Objective: To safeguard the sustainability of the settlements in the St Ives NDP area, whose communities are being eroded through the amount of properties that are not occupied on a permanent basis.'*

### **Consider Unintended Effects**

Neighbourhood planning groups need to consider the wider impacts of such a policy on development in their community. For example, restrictions on the housing market affect viability and areas that apply this restriction may drop one 'value zone' for both CIL and levels of affordable housing (See Appendix 2, Cornwall Local Plan.) This means that less affordable housing may be delivered within the NDP Area and CIL receipts may be lower.

Neighbourhood planning groups should think carefully about their community, consider their priorities and be explicit about the impacts of proposed policies.

### **Ensure your policy is justified with clear evidence:**

It is important that the evidence shows not only what the situation is, but also demonstrates the scale of the impact and the harm that this does. In terms of scale, evidence should show how the neighbourhood plan area compares to the Cornwall average. It is useful to show how the situation has changed over time – in this case to show how the proportion of second homes has changed as population grows. It is best to take a long-term view of this, and we would suggest looking at the 1991 census as well as the 2001 and 2011 census data.

Groups will also need to consider and justify whether a principal residence policy should operate over their whole NDP area, or whether it is only justified in specific parts of the plan area.

# Neighbourhood Planning Second Homes: Principal Residence Policies



The St Ives Area NDP made this justification statement:

*'In order to meet the housing needs of local people, bring greater balance and mixture to the local housing market and create new opportunities for people to live and work here, to strengthen our community and the local economy the St Ives NDP also supports the principle of full-time principal residence housing. This is new housing which has to be used as the principal residence of the household living in it but does not have the price controls that affordable housing does, or any local connection requirement.'*

And presented this evidence in the NDP:

*'St Ives and Carbis Bay are in the top five settlements in Cornwall with the highest proportions of second homes and holiday lets. In 2011, 25% dwellings in the NDP area were not occupied by a resident household – a 67% increase from 2001. Over this same period, housing stock in the NDP grew by 684 or 16%, but the resident population grew by only 270 or 2.4% and the number of resident households grew by less than 6%. The growth in housing stock in the NDP area between 2001 and 2011 was double the average across England. The socio-economic effects of such a high proportion of holiday properties are being felt by the local community – see <http://stivesnplan.wordpress.com/consultation-responses/> - and are being proven in nationwide studies to be largely negative. This form of tourism has grown rapidly around St Ives, but a balance needs to be struck with the needs of local resident communities.'*

## **Justification in terms of Human Rights:**

Article 8 requires that the restriction be justified in terms of necessity and proportionality. In the St Ives Area NDP, evidence has been presented of the harm that excessive levels of second homes has on the social fabric of the community. It was considered that this harm will continue unabated if no such restriction is imposed to prevent the use and occupation of new homes by the second home and holiday home market and that it is therefore contrary to sustainable development. This conclusion was accepted by the Examiner.

The Council has to be able to conclude, from the evidence base of the NDP, that the policy is a necessary and proportionate response to a particular local issue of some significance to those living in the area of the NDP.

## **Policy Wording:**

The St Ives policy does not seek to impose an arbitrary limit on minimum number of days of occupation. This was recognised as a reasonable approach by the Examiner.

Principal Residences are defined as those occupied as the residents' sole or main residence, where the residents spend the majority of their time when not working away from home. This allows for flexibility in the enforcement of a condition. The policy applies to new open market housing and excludes replacement dwellings.

The policy also gives examples of how it could be enforced. NDP groups who wish to include a

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## Second Homes: Principal Residence Policies



principal residence policy should consider and be explicit about how the policy will operate and how residents can demonstrate that they are complying with the policy.

### Example Policy Wording:

#### *Policy XX: Principal Residence*

*Due to the impact upon the local housing market of the continued uncontrolled growth of dwellings used for holiday accommodation (as second or holiday homes) new housing, excluding replacement dwellings, will only be supported where there is a restriction to ensure its occupancy as a Principal Residence. Sufficient guarantee must be provided of such occupancy restriction through the imposition of a planning condition or obligation. New unrestricted second homes will not be supported at any time. Principal Residences are defined as those occupied as the residents' sole or main residence, where the residents spend the majority of their time when not working away from home. The condition or obligation on new homes will require that they are occupied only as the primary (principal) residence of those persons entitled to occupy them. Proposals for holiday accommodation will not be permitted unless it is located on an established holiday complex.*

*Occupiers of homes with a Principal Residence condition or obligation will be required to keep proof that they are satisfying the requirements as set out in this policy and will be obliged to provide this proof if/when Cornwall Council requests this information. Proof of Principal Residence is via verifiable evidence which could include, for example (but not limited to) residents being registered on the local electoral register and being registered for and attending local services (such as healthcare, schools etc).*

### Sources of Evidence

**Cornwall Council's briefing note on Second and Holiday Homes from the Cornwall Local Plan evidence base.** Second homes are not defined in planning as a separate use class, and Council Tax records can no longer be used to distinguish between principal residence and second homes so census data on properties with 'no usual residents' is used as a starting point. Local knowledge and evidence gathering can build on this. The briefing note contains links to other sources of information.

**Evidence of loss of community facilities, decline in school numbers, seasonal closure of facilities** – from local knowledge and consultation.

**Exeter University** is carrying out research into the contribution that second homes make to the economy and the cost of second homes.

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