

### **Plan Matter 3: Delivering Sufficient Homes (Policy HOU1)**

Issue: Whether the plan is justified, positively prepared and consistent with national policy in relation to the overall provision of housing.

#### **Relevant Questions:**

*3.1 Attention is drawn to the report 'The Possible Impact of Second and Holiday Homes in North Norfolk' (Document E4). Should the prevalence of second and/or holiday homes in North Norfolk have any bearing on the quantity of housing that should be provided in the district over the plan period, and if so, how? Would occupancy restrictions be justified on new market housing in some areas or some circumstances? Should a policy be included in the plan on the basis that controls on the change of use to second or holiday homes may be introduced in future?*

#### **Original Representation Summary:**

- The Housing section (Section 7) is not effective or justified for the settlements on or near the coast in the far west of the District.
- Housing (Section 7) is unsound as it does not address the specific need for housing for local residency in the settlements adjoining the Heritage and Undeveloped Coast area, and in particular in the largest settlement, Wells-next-the-Sea. This need is outlined in the 'Housing Needs Assessment for Wells, Holkham, Walsingham, Warham and Wighton Final Report - March 2021' previously supplied. Further, median house prices (ONS data) are at twice the District level, and second and holiday home ownership is at the highest level in the District. The strategic approach needs consideration of the Utility of 'principle/primary residence' as in other parts of the Eastern and the South West Regions of the UK.

#### **Examination Statement:**

My name is John Edwards, and I am a resident of Wells-next-the-Sea and a retired Chartered Town Planner and member of the Royal Town Planning Institute. My most recent active post was at Chief Officer level. Since 2020 I have been vice-chairman of the Wells-next-the-Sea Neighbourhood Plan Working Party. The Neighbourhood Plan was submitted to North Norfolk in July 2023 and is currently at 'Examination' which is due to formally begin on 3rd January 2024. <https://www.north-norfolk.gov.uk/info/planning-policy/neighbourhood-plans/wells-next-the-sea-neighbourhood-plan/>

My interest in this examination is principally centred around Wells, however, the issues I have raised in my original representations are equally applicable to other settlements, particularly those adjoining the Heritage and Undeveloped Coast Area.

As mentioned before I am a member of the Wells Neighbourhood Plan Working Party. The Wells Neighbourhood Plan proposes a 'principal residence' policy which is broadly similar to policies contained in made Neighbourhood Plans in the area e.g. Blakeney and Burnham Market. The issue of the number of second homes and holiday lets in the parish and the difficulties experienced by local people to find

housing they can afford was probably the most consistently raised issue through the various Neighbourhood Plan consultations.

As part of work to support early iterations of the Local Plan, North Norfolk District Council produced a number of Settlement Profiles in 2018, which identified the total number of dwellings in Wells-next-the-Sea as 1,557 and the number of second homes as 383. This equates to 24.6 per cent of total dwellings in the parish being used as second homes. This compares to the proportion of second homes in North Norfolk district as a whole for the same period as 7.8 per cent.

More recent figures 2020, indicate that the number of second homes in the District had risen to 8.1 per cent. The Local Plan recognises that the figures for coastal communities often contain higher concentrations but does little else.

Figures obtained to support the Neighbourhood Plan Data Profile in March 2021 from North Norfolk's Council Tax Records indicate that the total number of homes that were eligible for Council Tax in Wells-next-the-Sea was 1,563 and that 387 of these were registered as second homes for the purposes of Council Tax. This equates to a figure of 24.8 per cent of all homes in the parish being second homes – almost 1 in 4. In addition there were also 224 holiday lets i.e. those regularly rented out as holiday lets to different people, which gives a figure of 611 dwellings in the parish which were either second homes or holiday lets, equating to almost 34 per cent of all homes in Wells. This compares to a District average of 11.6 per cent.

Figures obtained from North Norfolk for the Neighbourhood Plan data profile (February 2021) also indicated that the trend was for an increase year on year in the percentage change in the number of second homes and holiday homes in the parish from 2016/17 up to 2021/2022. Members of the Neighbourhood Plan Working Party undertook some bespoke local research in February 2022. The results of this local survey work estimated that the levels of holiday and second homeownership within the parish as a whole are now between 31 per cent and 40 per cent. However, there are pockets within the town where second homeownership and or holiday lets comprise up to 90 per cent of properties.

These factors clearly have implications for the future sustainability of the town as a whole, the local housing market and for the ability of local people to find their own home. Furthermore, the most recent results indicate that the desire for such properties is not confined to the older, more traditional historic properties in the town. Second home numbers are also significant in newer developments such as Staithe Place and, indeed in Manor Farm Drive Barns where only 1 in 6 is a permanent resident.

Associated with the provision of housing for local people and employees is the recurrent tension with the level and demand for second and holiday homes. Concerns include 'dark' settlements in winter where second homes owners are elsewhere, impacts on local shops and services which may do well in the holiday months but not well enough to sustain a long period where large parts of the population are not resident.

Settlements where a large proportion of properties are used as second homes can suffer from a lack of vitality particularly during winter months and this can lead to an erosion of the sense of community within it. Local services and facilities can also decline in the absence of all year-round support.

Requiring new dwellings to be occupied as a 'principal residence' avoids further loss of stock to second homes whilst enabling the local economy to benefit by providing new housing for people coming into the area to live, work and contribute to the local community. The public consultation undertaken to support the Neighbourhood Plan considered the issue of second homes and specifically whether the introduction of a 'principal residence policy' should be pursued through the Neighbourhood Plan. The response was overwhelming support.

Principal Residence policies have been used in a number of areas including those in coastal areas with high levels of tourism, or National Parks/National Landscapes to attempt 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 in the same place. Such policies have to be justified by evidence of levels of second home ownership and affordability issues experienced by local people in accessing the local housing.

It is recognised that the introduction of a planning policy to limit the number of new second homes and holiday lets is not without its implications. Such a policy cannot be retrospectively applied to existing development, and it will only be enacted by new development e.g. new builds, or conversions of existing buildings to residential use, therefore any change it brings about will be incremental over time. There is an acknowledgement that it can affect the viability of developments and consequently developers may ask for more development on a site to make their site viable. However, it has been introduced in a number of places and given the high house prices in the District should operate without too high an impact on viability. However, this can only be validated on a site-by-site analysis.

The Local Plan fails to provide a framework for consideration by Neighbourhood Planning Groups regarding this issue. It would seem sensible for a strategic approach to be taken rather than the current piecemeal approach of relying on individual Neighbourhood Plans, particularly in the absence of a firm commitment or timescale to the introduction of measures at a national level e.g. changes to the Use Classes Order.

Implementation of such as policy would cover the following:

- Principal residence is defined as main or sole residence and specifically excludes second homes and holiday lets.
- The policy will be implemented through the imposition of a planning condition or legal agreement.
- Occupiers of homes with a Principal Residence condition will be required to keep proof that they are meeting the obligation or condition and be obliged to provide this proof on the request of the District Council.

- Proof of residency can include being registered as an elector, and for local services such as health care.

- Commitment to enforcement, including the provision of appropriate resources.

Through monitoring, it would be demonstrated that the permanent population of some settlements is declining and that the proportion of second and holiday homes is increasing year on year. The purpose of a full-time Principal Residence policy 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 a settlement/local community by reducing the proportion of dwellings that are not used as a principal residence. Its purpose is to support a sustainable community and to safeguard the sustainability of those settlements whose living and working community is being eroded through the number of properties that are not occupied on a permanent basis.