

## Background paper – Permanent Residence Policy

A point on terminology. The use of the term ‘second homes’ in popular spheres is widely interpreted as including houses and flats used as holiday lets. Here we use the phrase second homes and holiday lets, abbreviated as SH/HLS, to draw attention to the inclusion of holiday lets in this discussion about permanent residence policy. Certainly the categories are not clearly separated – many second homes used by their owners for part of the summer are rented as holiday lets when not being so used. Further, some places used as holiday lets in the peak season are used as primary residences during the rest of the year. A primary residence policy would not prohibit such use.

### Part 1 – Census and other data relevant estimates of the prevalence of second homes and holiday lets in the parish

#### How prevalent are holiday lets and second homes in Perranzabuloe taking the parish as a whole?

Data on the proportion of unoccupied household spaces in an area has often been taken as an indication of the use of houses and flats for second homes and holiday lets. Data from the 2011 Census showing the proportion of unoccupied household spaces, broken down by parish, shows that Perranzabuloe had 14%, more than the county average and more than St Agnes which also has a PRP in its ‘made’ plan but less than the level found in a selection of other parishes<sup>1</sup>:

	%		%
St Agnes	13.2	St Ives	24.7
<b>Perranzabuloe</b>	14.1	Fowey	28.7
Crantock	21.3	Cornwall average	11.2

The prevalence of unoccupied households in Perranzabuloe compared with other areas across western Cornwall is illustrated by Figure 1 based on the 2011 Census showing the percentage of unoccupied households by Lower Super Output area. (LSOA are an aggregate of ‘Output Areas’, the smallest area unit used in the 2001 and 2011 Census. The Perranporth central area picked out in the reddest colour in the parish contains 771 households at 20.1% unoccupied, for example. This moderate level of aggregation of data goes some way towards a reasonable compromise between focussing on excessive detail and averaging across areas with extremely different rates, which would obscure possibly significant distinctions.)<sup>2</sup>

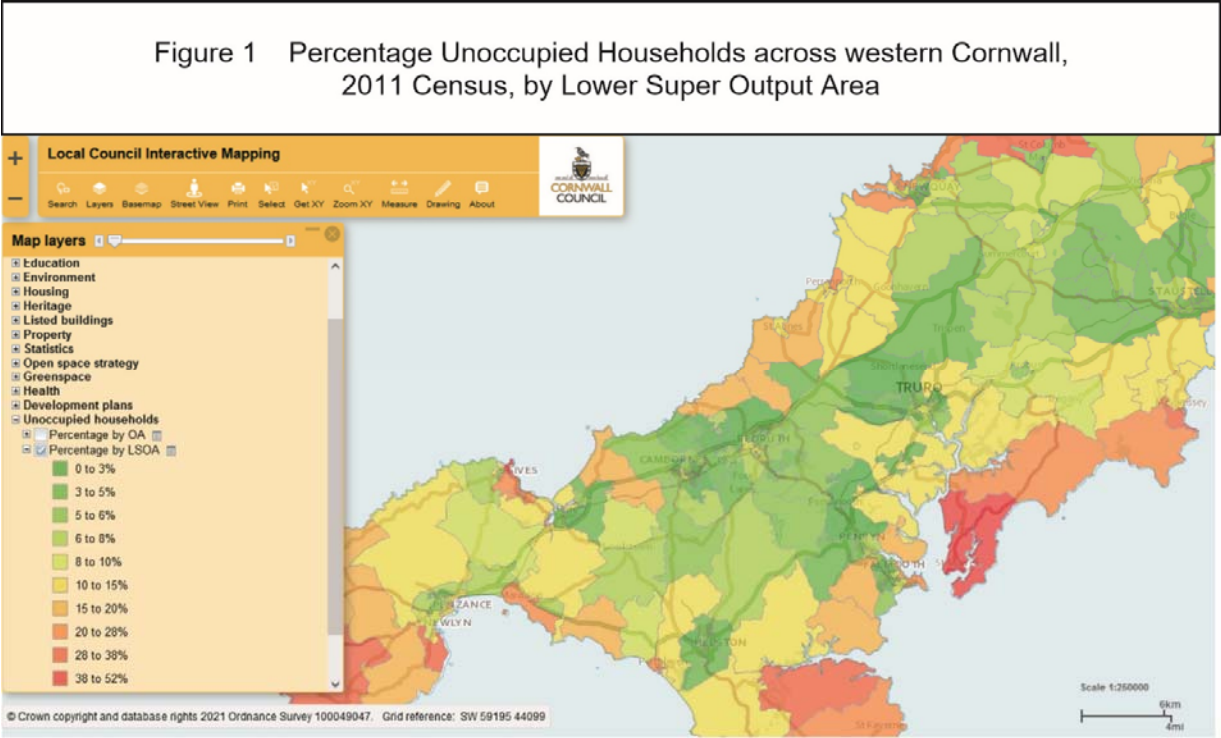
This LSOA data clearly indicates that the coastal zone of Perranporth exhibits high levels of unoccupied household spaces, higher than other Census-defined areas at this scale between St Ives and the area bounding the Gannel in Crantock.

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<sup>1</sup> [Cornwall data =  $100 \times 28957 / 259,346 = 11.2\%$ .] Data based on ‘household spaces with no usual residents.’ 2011 Census data does not distinguish vacant from second homes.

<sup>2</sup> Source of figure: Cornwall Council ‘Local Council Interactive Mapping’. (Note *not* accessible via ‘Cornwall Council Interactive Mapping’ web page that is openly accessible. The ‘Local Council’ version is made available to Town and Parish Councils for purposes such as NDP preparation and is password-protected.)

The **Cornwall Council Council Tax Database** has been used by many parishes preparing NDPs as a source of data on second home ownership. Prior to 2011, second home owners registered with CC to receive a discount on Council Tax, so the Tax Database provided information on the number of second homes in parishes. However since the removal of that discount in 2011, the data from this source is ‘not as robust’, according to Cornwall Council. In the absence of any guidance on its reliability, especially of changes over time, it would be unreasonable to give it a great deal of weight. Nevertheless it does seem that 2015 data published by Cornwall Council suggest a rate for the parish similar to that of other coastal parishes between St Ives and Newquay, 6-10%, many of which have PRPs.<sup>3</sup>



**Changes over time?**

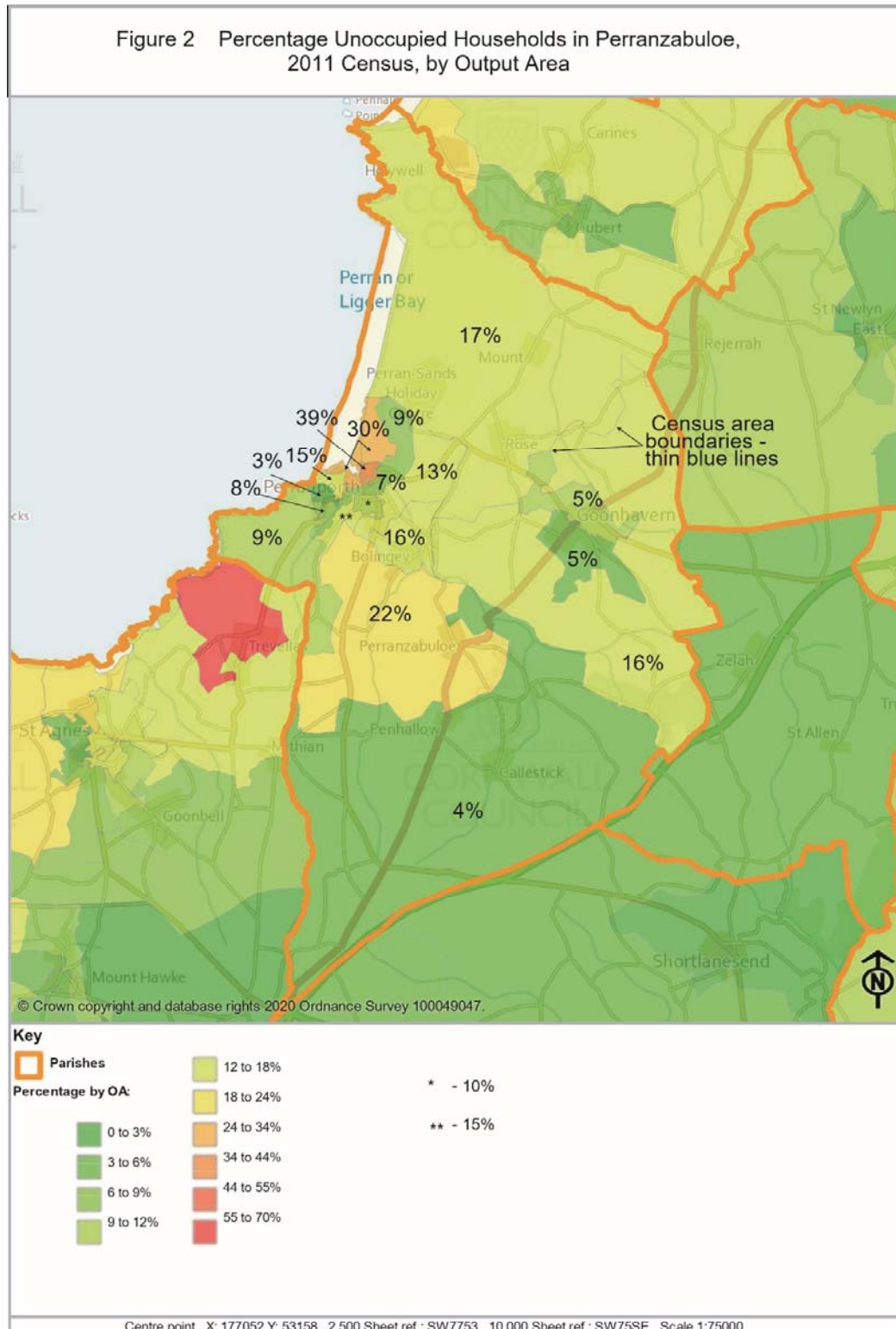
A dramatic increase in vacant properties took place in the parish between 1991 and 2011, most probably due to a dramatic rise in SH/HLs, according to the following table. (In 2011, data was not collected specifically for SH/HLs as distinct from simply vacant dwellings (those not yet occupied by new tenants or owners) or prior to renovation/replacement. However the dramatic increase in the column for household spaces with no residents strongly suggests that there was a substantial increase in the proportion of SH/HLs over this period, given that one would anticipate that vacancy rates as people move house or renovate are likely to have remained relatively constant.)

Perranzabuloe Parish Census date	Household spaces: Total	Household spaces - with residents	Household space: - with no residents - <b>vacant</b>	Household spaces - with no residents - <b>second residence/holiday accommodation</b>	Household spaces - with no residents (sum of previous 2 columns)
2011	2750	2362	N/A	N/A	388
2001	2492	2318	45	129	174
1991	2199	2028	76	95	171

<sup>3</sup> secondhomesmap11062015.pdf

## What about variation spatially across the parish?

Turning to examine the variation across the parish of the proportion of vacant properties in the housing stock, as a proxy for SH/HLs, Figure 2 shows the situation recorded across the parish by the 2011 Census per 'Output Area', the smallest area unit used in the Census reports. For an idea of their scale, each Output Area in Perranzabuloe covered around 150 households, with a range of 127-178. (The figure is annotated with percentage figures to render it easier to interpret.)



Key points from the figure include:

- The very high levels of SH/HL (39 and 39%) in two areas close to Perranporth beach
- Low levels (3%, 7% and 8%) in Perranporth not far back from the beach. These reflect significant areas of older, estate developments possibly less likely to be sought after for SH/HL
- Relatively lower levels of SH/HLS further back from the coastal fringe, albeit with some variation, probably reflecting the higher quality of housing stock in some villages - by many accounts the kind of housing attractive for SH/HLS
- At this scale, Goonhavern shows no area with relatively high levels.

## **Part 2 – Attempts to gather better data on the incidence of SH/HLS among dwellings built since 2010 in the parish**

We have attempted to compile improved data on the extent to which dwellings built since 2010 are being used for non-residential purposes. New dwellings may be being built of a kind and in locations that are less attractive to buyers of SH/HL properties than existing housing stock – which itself forms the majority dwellings available for sale. To put it another way, the proportion of the housing stock being used for SH/HLS may be increasing in the parish, but implementing a PRP might be of very limited value if relatively few new dwellings are being bought for that purpose.

**On new large housing estates built since 2010.** In June 2020 we carried out through a simple walking-and-looking survey of three housing estates built since 2010, two in Goonhavern and one in Perranporth. The timing of the surveys was opportunistic, taking advantage of the change in lockdown rules on June 1<sup>st</sup> when the restriction on leaving home at all was replaced with a requirement to be home overnight. The assumption was that SH/HLS would largely be vacant at that time, while residential houses would be occupied given the requirement to be at home overnight combined with the closure of venues and events that would normally see many houses empty during the evening. Affordable dwellings were excluded from the surveys (the location of these was known from publicly available planning documents) and only open market dwellings were included. It was striking how crowded the estates were, with cars lining the street even at 8pm in the evening, with very few dwellings vacant. In the two estates in Goonhavern, fewer than 5% of open market dwellings were vacant, and some of these vacancies might have been caused by households in the process of moving house. In Perranporth, the figure of vacancy was around 10%, although in some cases it was difficult to be sure that a house was vacant/not lived in by a family. (Many homes had clear indications of occupancy by a family living there, such as hand-drawn rainbows in windows thanking NHS staff.) This figure will include a proportion of vacant homes during house moves and change in families renting.

A possibly-major flaw in this approach was suggested by local estate agents; that second home owners had opted to isolate in their second home in Cornwall, rather than in their main residence – despite government restrictions to the contrary. Certainly there were some incidents of this, although Cornwall Council staff made well-publicised visits to properties where residents had reported concern that SH/HLS were being occupied, making their concern known. This uncertainty does limit the value of these surveys since the SH/HL prevalence may have been higher than suggested here. Hence the conclusions are reported in the NDP as tentative.

**Small-scale housing developments off Liskey Hill to the west.** On the 19<sup>th</sup> May, in this area where most houses have a good sea view, we surveyed new houses built since 2010, as recorded on a map of the Perranporth showing planning permissions produced by Cornwall Council. Of 18 dwellings visited, it was

very likely that 6 were vacant at that time, around 30%. All of the dwellings were furnished and many were most probably SH/HLs in light of various factors visible from the road such as the kind of front garden vegetation, the name plate, and the absence of cars. The same flaw in the approach raised above applies to this survey and the rate may be higher than suggested.

We explored the use of the airbnb website and the Valuation Office Listing of commercial premises but these provided no useful information. (Airbnb is a major marketing site for holiday lets but identifying the location of the properties is far from straightforward without making a booking. The VO Listing, produced by the Valuation Office Agency, includes holiday lets registered as a business and gives their addresses, but the list appears to cover only a small proportion of HLs since it lists only 70 for the entire parish, including at least 20 in Perransands Holiday Park/Centre/Village and 15 in the new complex at The Dunes, Ponsmere.)

### Impact of a PRP

We have seen no good information on the impact of PRPs in Cornwall. An in-depth article in the FT in September 2019 - a few years after the introduction of the St Ives PRP – suggested that the percentage of total house sales bought by second home buyers actually *increased* significantly between the year 2015 and 2018 (25 to 32%). There were suggestions that developers were less interested in new housing schemes in the parish, resulting in fewer schemes being developed - presumably given the removal of part of the market for their products.<sup>4</sup> Such reports relatively soon after the introduction of the St Ives PRP tell us little and studies carried out after the market had chance to settle are awaited.

The introduction of the CIL levy across Cornwall in January 2019 in this parish is likely to soften the economic impact of a new PRP. The Charging Schedule produced by Cornwall Council<sup>5</sup> reads:

Where an adopted (made) Neighbourhood Development Plan contains or introduces a Primary Residence Policy, development in the related Parishes will be charged at the CIL rate in the next lower charging zone, in order to reflect the uncertainty of the market impact of the Policy

The ‘charging zones’ are based on assessment of the viability of housing developments; with zone 1 including areas like Mylor and St Just in Roseland and band 5 the Camborne and Redruth area, for example. Perranzabuloe lies in band 4 which carries a CIL levy of £105 per square metre (of the building) for developments of 1-5 houses, and £37 on developments of 6 and above.<sup>6</sup> (The difference reflects the fact that the latter have to make provision for affordable housing, but not the former.) If the parish adopts a PRP, the parish would fall into charging zone 5, with rate of zero for both sizes of sites. On a house of, say, 100m<sup>2</sup>, a modest dwelling, on a site of five or fewer houses, the CIL charge per dwelling would be £10,500.

On the market side, a PRP would be anticipated to have a negative impact only where developers would normally aim to sell a proportion of their properties to the SH/HL market. In areas such as Goonhavern, where this market is probably much less significant than in the coastal zone of Perranporth, the imposition of a PRP there is likely to be small, particularly taking into account the positive impact on financial viability of the removal of the current level of CIL charges as a result of the introduction of a PRP.

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<sup>4</sup> Has St Ives’ second home ban backfired? FT Elliott Kime, September 2019 <https://www.ft.com/content/6abb85e8-c349-11e9-ae6e-a26d1d0455f4>

<sup>5</sup> [community-infrastructure-levy-charging-schedule-final.pdf](#) July 2018

<sup>6</sup> <https://www.cornwall.gov.uk/media/5mcitks1/annual-community-infrastructure-levy-rate-summary-2021.pdf>