

Date: 27 May 2008

Report: **EXTENDING PLANNING CONTROL TO SECOND HOME USE**

Purpose of report

1. To produce an Authority position on whether the planning system should be used to control the change of use from permanently occupied housing to under occupied housing (second homes).

Strategic Planning Framework

- **National Park Management Plan 2006**

The Community and Culture section of the NPMP contains the following aim and objective which loosely connects with the issue of second homes.

Aim

Thriving and active local communities in the National Park will enjoy a high quality of life that helps to sustain the environment, local traditions and contemporary culture. All sections of these communities will have opportunities to influence and develop local services that meet their needs.

Objectives

CC1 By 2007 use the Local Development Framework to set targets for increasing the amount of affordable and local needs housing, and then work through partnerships to meet those targets, including through social housing for rent, subsidised ownership, and shared ownership.

Context

2. Heads of Planning are being asked by the English National Parks Authorities Association (ENPAA) if there is support for introducing control over second homes through planning legislation.

3. The idea of requiring planning permission for change of use from a permanently occupied dwelling to a second home has been discussed previously, but has not progressed. With the current review of affordable housing by Matthew Taylor MP, the issue may shortly be up for discussion again.

Second homes as part of the Yorkshire Dales housing stock

4. At the 2001 Census second homes and holiday lets made up 15% of the park's housing stock. A substantial amount but one that had fallen from the previous Census. The average across England was 0.7%. The only other National Parks to have a higher proportion than the Yorkshire Dales were the Pembrokeshire Coast and Lake District at 18%.

5. Concentration of second homes varies significantly throughout the National Park. It is at its highest in Swaledale (35%), possibly because of a post war supply of redundant former mining and agricultural workers housing. Lower Wharfedale in comparison has the smallest proportion of second homes in the park at 9%. This may be because it is within easier commuting range of large towns and cities making full time occupancy more viable, certainly over the last 30 years.

6. It is not clear what the trend has been since 2001. It may be that property which would previously have been bought as a second home is now being purchased as a buy to let, retirement housing or long range commuter housing. The evidence from the District housing need surveys, housing market assessments and estate agencies is that most housing for sale is being bought by external demand. This still has the effect of inflating prices, to the detriment of local households hoping to buy. It is however less likely to be harmful to community vibrancy than the long term vacancies that second home ownership tends to bring. Indeed the resident population of the park continues to increase as it has since the 1950s, and is forecast to grow strongly over the next 30 years.

Extending planning control through a change to the use Classes Order 2005

7. Most national park authorities in the United Kingdom now have policies that seek to prevent new housing from becoming second homes. They do this by restricting occupancy through a legal agreement or a planning condition attached to a planning permission. The permitted categories of occupier are usually related to some definition of local household need, such as a newly forming household or someone working within the national park.

8. However whilst NPAs can influence the occupancy of new housing through the grant of conditional planning consent, they cannot control the use of the existing housing stock. Since new planning permissions typically add less than 0.5% to the total stock each year, the influence that can be exerted on the overall supply of second homes is very small.

9. If it became national policy to control change of use from a permanent dwelling into an underused dwelling, the Government would probably have to modify the Use Classes Order 2005. At the moment dwelling houses fall into what is known as Class C3. This does not draw any distinction between permanent occupancy and temporary occupancy. A new use class would have to be added that set out a 'temporary' or 'non permanent dwelling class'. A change from C3 to the new class would then require planning consent which could be controlled through policy. A distinction would need to be drawn between 2nd homes and other forms of non-permanent dwelling use, such as commercial lets, which contribute more to the area's economy.

Why introduce restrictions?

10. Presumably the objective would be to prevent a current problem from getting worse. This might prove popular amongst some local groups/organisations. A key theme in the Craven Community Strategy for example, is to '*discourage the buying of second homes*'. Extending planning control might help retain more housing stock for local use. It might also do this amongst the smaller cheaper stock that is more likely to form entry level property onto the housing ladder.

11. During 2001 Exmoor National Park proposed a policy in their draft local plan which would have attempted to restrict the change of use of a permanently occupied dwelling into an occasionally occupied dwelling (a second home). Perhaps inevitably, that proposal met with significant objection and did not go forward into their adopted plan. Their motivation was high levels of second home use which they felt were having detrimental impacts on community vitality as well as inflating the price of housing to the detriment of local communities.

Is this a planning matter?

12. There are fundamental issues to resolve, not least the consequences of extending the planning system into a use that is currently permissible. The Town and County Planning system normally concerns itself with the management of new development. There are questions about whether it should concern itself with interventions into existing rights that are currently enjoyed, although other changes to permitted development rights often do this.

13. The objective would be to safeguard vulnerable communities from further loss of housing stock through under use. Whilst the Authority would gain control in these situations, consideration would need to be given to how would it set its policy. There would be the options of opposing 2nd homes in communities with an existing high percentage of such properties or perhaps a blanket ban across the park.

Public reaction

14. Six years ago the Exmoor proposal stirred up a lot of opposition and created national press interest. When this Authority introduced its local occupancy restrictions for new housing it also received more negative national publicity and comment than positive. It is highly likely that further interventions into the occupancy and use of the existing housing stock will lead to opposition. It isn't inconceivable that this might even be challenged as far as the European courts. After all plenty of UK citizens have bought second homes in EU countries as well as the English national parks.

Is it all too late?

15. It may well be that the second home horse has already bolted. The Census reveals that second homes started to diminish during the 1990s. Perhaps if controls had been available during the 1970s and 1980s the worst effects may have been avoided. Applying restrictions to future change of use will not affect the number of existing second homes which already have an established use.

Legal practicalities

16. Monitoring and enforcing a change to the Use Classes Order would be very difficult. Determining whether a material change of use has occurred is already a grey area in Planning law. Existing second homes coming onto the market would be challenged and might have to demonstrate an established use for 'non-permanent residential occupancy'. This may be difficult to do and some sort of test would be required including a definition of a length of use period. The Authority might then be inundated by applications for Lawful Development Certificates, including from properties which may never have been intended for second home use at all, but which now wish to establish it simply to increase their potential and therefore their valuation.

Would it help deliver more homes in support of community social and economic wellbeing?

17. A fundamental concern may be that it would not make much difference to one of the core objectives i.e. making the existing stock of housing more available to local households, already disadvantaged by the housing market. It would probably not, for example, increase the supply of affordable housing since it would only prevent second home use. It would not prevent other

powerful forms of external demand such as retirement use, commuting or buy to let portfolios. It may not therefore have much impact on house price inflation in the park.

18. Second home ownership is part of a much wider house price inflation issue although it also has an important impact of community vitality.

Conclusion

19. The Authority is being asked to consider the possible extension of planning controls into the stock of existing housing. This needs careful consideration. The objectives in doing this need to be clearly understood and the implications of unintended consequences, appreciated. There is also a danger that strong public reaction to it might distract the Authority from the business of trying to deliver new sites for the type and range of housing for which we do have evidence.

20. Nonetheless, a substantial percentage of the dwellings in the Yorkshire Dales are currently not permanently occupied, therefore a review of relevant legislation to help address this situation may well have benefits in reducing external pressure for houses.

RECOMMENDATION

21. That Members consider the Authority's position regarding the extension of planning control into the creation of further second homes from the existing housing stock.

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Background documents:

Census 2001