

Cornwall leads the way on new-builds with Nansledan, Prince Charles's new town

The county tops a league table of housebuilding hotspots in England and Wales, according to a new report

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Nansledan, near Newquay, is the second new town created by the Duchy of Cornwall
CHRIS SAVILLE

With its rows of brightly coloured houses, Nansledan, nicknamed “Surfbury”, looks like a seaside town at the height of the Victorian tourist boom. The Duchy of Cornwall’s new town on the edge of Newquay is one of the largest housebuilding projects in the county, delivering more than 4,000 homes.

Cornwall comes top in a league table of housebuilding hotspots in England and Wales compiled by the Centre for Economics and Business Research for Royal Mail, with 17,540 homes built between 2010 and 2017. Cornwall council has approved plans for 52,500 homes to be built between 2010 and 2030, but, according to one local commentator, this is “half as many as developers wanted to build”.

James Gibbs, the head of new home sales for Jackson-Stops estate agency in Truro, says: “There has been fairly rapid population growth — both local domestic growth and inward migration — with people relocating here from London and the southeast.



This five-bedroom house in Thurlestone, Devon, is £1.1 million (Knight Frank)

“Development is not without its challenges. Cornwall is leading the way with neighbourhood plans restricting sales of new homes to full-time residents. It is a challenge with so many second homes and holiday homes — the economy is highly reliant on tourism. We don’t know yet how these second-home policies will affect the market in the long run.

“There is also a tendency for small developments, of which there are a lot in Cornwall, not to deliver affordable homes for local people. Then there is the problem of contraction. Do we have enough builders to sustain development, and will demand from outside Cornwall hold if there is a market slowdown? We have to be careful that it is not a race to the top and then back down again,” Gibbs says.

Other areas where a lot of homes have been built in the past seven years include Wiltshire, Leeds, Birmingham, Liverpool and Bristol. However, the top hotspot in terms of growth (rather than number of homes built, for which it comes second to Cornwall) is Tower Hamlets in east London. Here, building has increased by 14 per cent, including on the huge construction sites around Canary Wharf, with 14,500 homes completed. Other places where there has been fast growth are Cambridge, Dartford in Kent, Aylesbury Vale in Buckinghamshire, and south Norfolk.

Lawrence Bowles, a Savills research analyst, says: “Increasing housing supply requires an ambitious and supportive local authority, a healthy supply of unconstrained land, and residential values that lie within reach of potential buyers. Help to Buy can be a significant boost with the last factor in particular, as you might expect. Many of the areas with the fastest increase in housing stock have been above-average beneficiaries of the Help to Buy scheme.”

Top of the list for places with a lot of Help to Buy loans and fast housing growth is central Bedfordshire, with 2,419 loans and a 9 per cent growth in housebuilding — 9,730 homes were completed between 2010 and 2017.



A new-build home in St Mawes, Cornwall, is £750,000 (Savills)

“Help to Buy appears to have helped to increase the number of homes being built in what has been a slower-moving market,” Bowles says. “Historically, the rate of housebuilding has moved in line with the number of transactions — developers will only build as many homes as they think they can sell. In the years since Help to Buy that relationship has broken down, helping to insulate housing delivery from its traditional reliance on a high-transaction market. While housing transactions have marked time for the past year, housing delivery has continued to rise.”

The Royal Mail report estimates that construction has increased 52 per cent in the past five years. Despite this, there is some way to go before the government’s target of 300,000 new homes a year is met. According to figures collated by Knight Frank, 217,350 homes were built in 2016-17.

The Office for Budget Responsibility expects housing supply to rise above 250,000 in the 2017-18 financial year, before plateauing early in the next decade.

This week the prime minister announced a £2 billion fund for social housing. Justin Gaze of residential development at Knight Frank welcomed this, saying: “Instead of concentrating solely on the private sector, we need to look at social housing and what the local and housing authorities can do. Anything that can be done to boost affordable housing is welcome.”

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