CORNWALL'S HOUSING CRISIS: WILL LABOUR'S NATIONAL PLANNING POLICY FRAMEWORK HELP?

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1: INTRODUCTION:

The present housing crisis developed quite suddenly between 2000-2015 (see Chart 4 below) as Cornwall's relatively rapid long-term growth and outside demand for new houses, came up against a relatively static housing supply. Cornwall Council's (CC) old local plan was on course to build 52,500 homes by 2030 - or about 2,650 homes per year, and more affordable homes than many of the UK's larger cities. However, in 2026 about 23,000 Cornish households are still in housing need, and about 800 are virtually homeless.

Nevertheless, despite this record the new NPPF target is 4,421 homes per year - the second highest of any local authority in England. The government, faced with high immigration and congestion in our big cities, wants to spread population into Cornwall and other peripheral areas. CPRE therefore asks not only 'how this will affect our countryside', but also 'Is it really necessary…will it solve our housing crisis?'

Repeated experience seems to show that simply building more does not resolve the housing crisis – and may even make it worse. In figures, Cornwall had 110,000 houses in 1961, but now has c.250,000. Andrew George rightly asked in Parliament: 'If we have built so many houses since 1961 - why do we have a housing crisis at all?' (Hansard, Sept 9th 2024). For little gain, the environmental cost of so many new houses seems disproportionate. CPRE does support large urban projects like Pydar near Truro, which are likely to help long-term Cornish residents and cause less harm to the countryside.

Official comments generally frame the crisis as a social issue requiring solution - build more houses to solve the problem - but it is in fact more useful to analyse housing as one aspect of a growing community, as 'urban' history in effect, that sometimes goes off the rails. Just building lots of houses does not exclude poverty, squalor, or homelessness. Rapid growth may even make it worse. Think of Victorian London, or the vast new cities in some modern emerging economies.

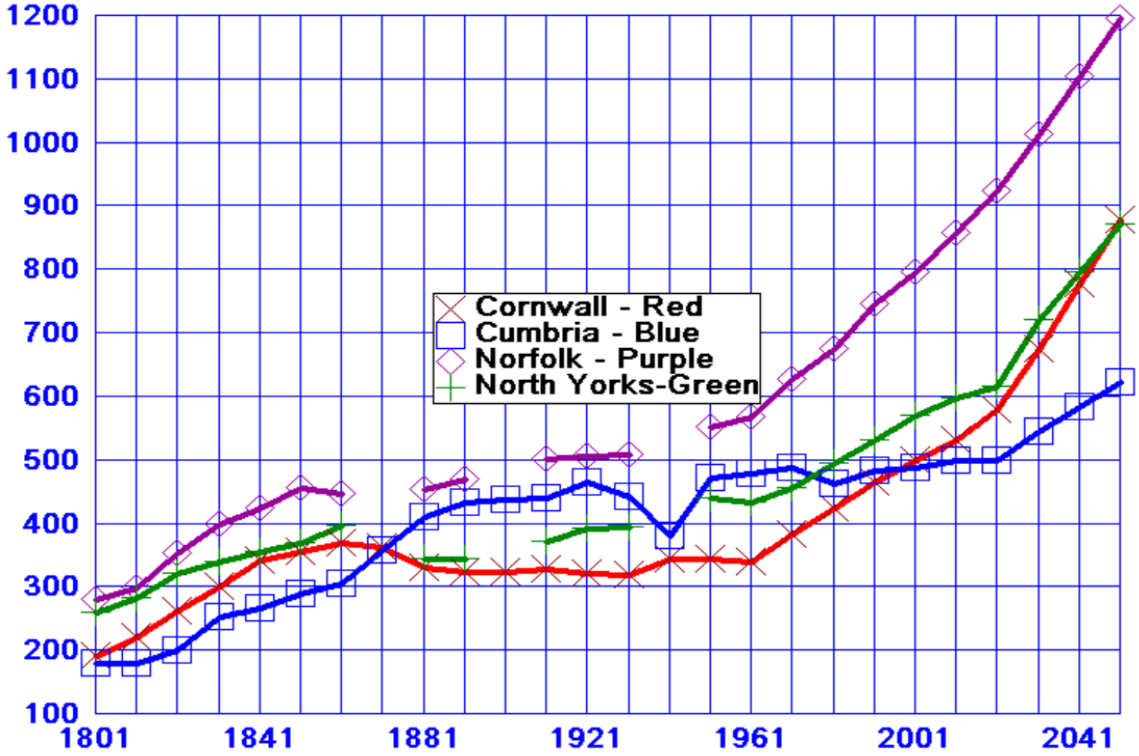
As a predominantly rural area in a modern developed economy, Cornwall is a special case, but many of the same dynamics apply. CPRE agrees we need more homes for local people, but we think that the government's requirements are counterproductive. In practice the more houses that are required, the more the economy grows and attracts in outside residents and resources, and the more local people – given their relatively low wages and resources - lose out. Tourism and second homes add extra twists. Achieving practical solutions depends on particular circumstances and appropriate policies.

In this essay, firstly we show how Cornwall has consistently grown faster than other comparable peripheral counties with similar geographies and interests. Second we show how high targets and excessive development actually contribute to housing shortages not only in Cornwall, but also in those similar peripheral counties. Then we quote CC's stated opinion that despite its best efforts, Cornwall will fail to meet the NPPF targets. CPRE concludes that this will leave us vulnerable not only to speculative development in our most attractive areas, but also to continued housing shortages overall, and we suggest possible alternative solutions.

2: CORNWALL'S RAPID GROWTH: LONG TERM CAUSES OF THE CRISIS.

Chart 1 shows population growth since 1801 in the ceremonial counties of Cornwall, Norfolk, North Yorkshire and Cumbria. Like Cornwall, they have substantial tourist interests and large areas of National Park or Landscape. After fairly rapid growth in the early industrial revolution, all four counties slowed down in the mid 20th century – Cornwall especially so because of the collapse of mining. Since 1961 however Cornwall and Norfolk have grown especially fast, North Yorkshire at a medium rate, and Cumbria rather slowly. Cornwall's recovery began after World War II, but accelerated after 2000 largely because of increasing physical integration with the rest of the English economy. Although Cornwall has a flourishing agriculture, and lively maritime industries, the county's great 'advantage' – as a source of growth - since WW2 - has been its ability to attract short term tourists, second home-owners, and long-term migrant residents to enjoy its environment.

Chart 1: Cornwall and Similar Peripheral Counties: Actual & Estimated Population growth, 1801-2051



Source: For 1801-2021: A Vision of Britain through Time, 2025. For 2031-51 using NPPF 2024 Housing targets. Cornwall 4,4421pa, Norfolk c.4,500pa, North Yorkshire c.4000pa and Cumbria c.2,500pa.

Table 1 below shows the ONS estimation in 2018 of the major components of the four counties, together with Leeds, London and England's future population, averaged here over 2019-25. This gives a cross-section of long-term developments at a critical point. Column B gives their populations (London and England in millions), Cols C and D show the natural growth (births minus deaths) of the resident populations, gross and as a percent of population. Cols E and F give the net migration rates, and G and H the net population growth rates. Col I shows gross immigration rates.

The four counties show similar patterns of declining natural growth, offset by much larger increases in immigration. The cities by contrast show high natural growth rates, high international in-migration rates, and high GROSS – but therefore low NET - out-migration rates in Cols I and E, F.

Overall, these 2018 ONS projections were reasonably accurate despite the temporary effects of Covid and higher than expected international immigration into the big cities 2022-25.

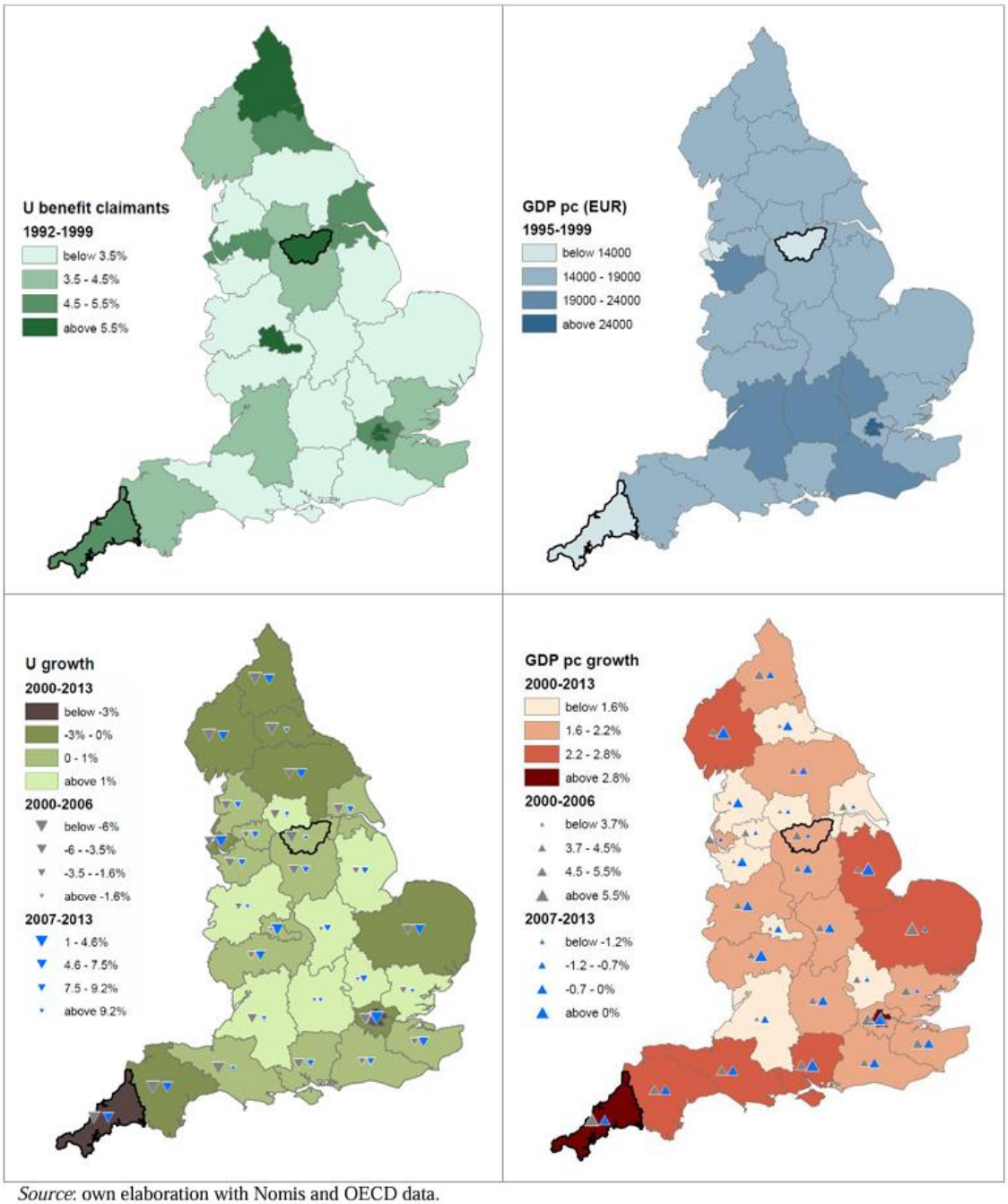
Table 1: Cornwall and Similar Peripheral Counties. Demographic Variables, Estimated Annual Averages, 2018-2023 (000s).

2018-H	Pop'n	Births	Births	Net	Net	Net	Net	Gross
2019	ONS	less	less	All	All	Pop'n	Pop'n	Imm'n
-	Actual	Dths	Dths	Mign	Mign	Grwth	Grwth	In
.	No	No	%	Nos	%	Nos	%	%
Rows	B	C	D	E	F	G	H	I
Cornwall	572	-1.1	-0.2	7.3	1.3	6.2	1.1	4.9
Cumbria	501	-1.6	-0.3	2.0	0.4	0.5	0.1	3.0
Nt-Yorks	624	-1.8	-0.3	4.1	0.7	2.3	0.4	5.0
Norfolk	932	-2.0	-0.2	9.0	1.0	7.0	0.8	4.2
Leeds	803	3.2	0.4	0.4	0.0	3.6	0.4	6.5
LONDON	9	67	0.7	0.0	0.2	66	0.7	4.7
ENGLAND	57	104	0.2	249	0.4	353	0.6	1.1

Source: ONS, 2018-23 estimates.

This large net immigration over many years has had major effects: see Chart 4. Annual migration into Cornwall – averaging about 24,000 gross or 5,400 net between 2001 and 2023, was considerably higher pro rata than the other counties. If say 2,200 of these 5,000 net incomers purchased about 1000 houses annually – out of the 2,500 built each year in Cornwall - at say £200,000 house – that would equal an annual inflow of £200 million per annum. Substantial sums of course left Cornwall to pay for building materials, some labour and developers' profits - but a substantial proportion must have remained. That inflow also implied large on-going pension transfers to Cornwall.

Chart 2: Unemployment and GDP per capita levels and growth in English Regions. Top charts 1992-1999; Lower charts 2000-2013.



Source: own elaboration with Nomis and OECD data.

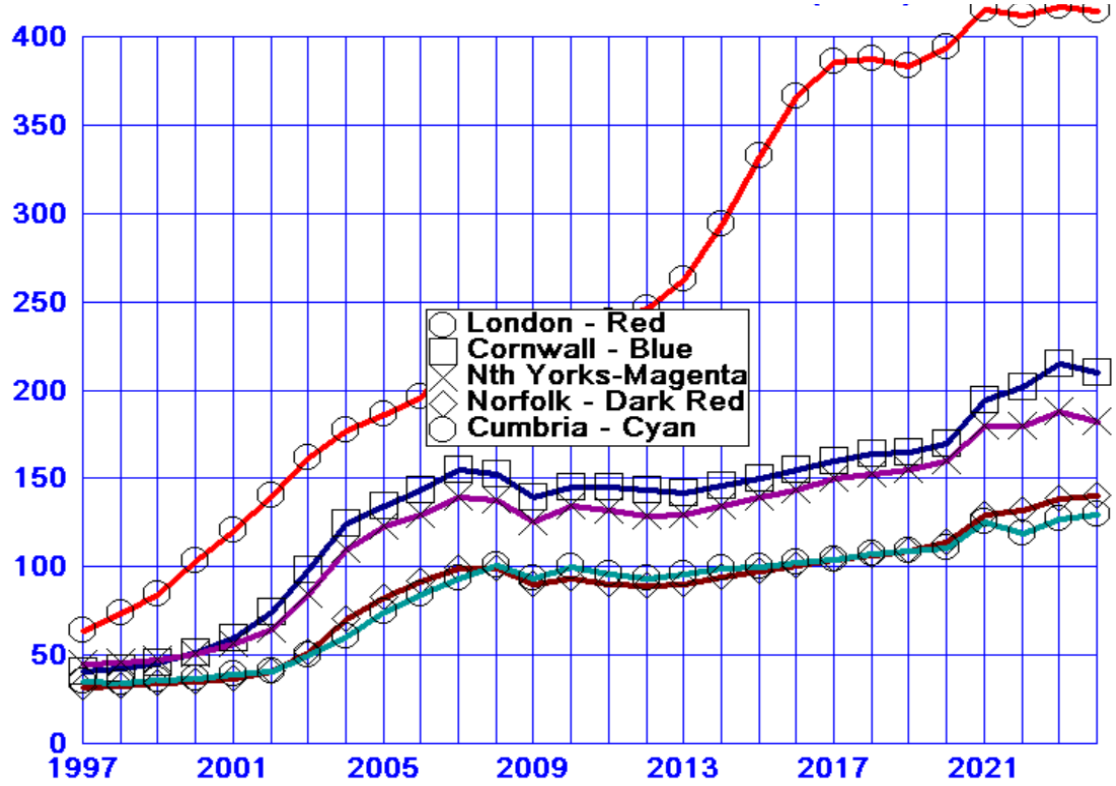
*Source: Di Cataldo, M. 'The impact of EU objective 1 funds on regional development: Evidence from the U.K. and the prospect of Brexit'.*Journal of Regional Science.(*2017) Draft accepted version.*

These capital inflows were supplemented after 2000 by strategic EU development programmes which provided much useful infrastructure such as dualling the A30 and financing the expansion of our university. Cornwall received approaching £100m pa. 2000-20, which was then halved in 2020-25 under the UK's Shared Prosperity Fund.

The consequence for Cornwall - combined with its tourism - was rapid growth in 2000-2020, with unemployment falling and GVA per capita rising faster here than in similar areas. See the maps from Di Cataldo in Chart 2, which compare the relatively poor unemployment and per capita growth figures for Cornwall in the

1990s - top two charts, with its considerable improvement over 2000-2013 – see the bottom two charts - and which has continued since.

CHART 3: House Prices: Selected Counties (£ 000s)



Source: ONS

Not just Cornwall but also London and the other counties had relatively good times 1997-2008 resulting in rapidly rising house prices (see Chart 3) spurred on by falling interest rates and quantitative easing (See Table 2) This continued in London even after the financial crisis in 2008-11, until the stop post Covid and Ukraine.

Table 2: Bank and mortgage rates, 1990-2025

Rates	1990	1995	2000	2005	2010	2015	2020	2025
Bank Rate	14.8	6.6	6.0	4.8	0.5	0.5	0.8	4.5
Mortgage	14.3	8.9	6.5	4.4	3.5	3.2	2.7	4.7

Source: Bank of England, Mortgageable

No wonder Londoners selling property at high rates could afford to move to Cornwall for life-style or other reasons and outbid Cornish competitors. House prices and building as long-lived assets are especially sensitive to interest rate changes. In that sense the housing crisis is as much a financial as a stock supply problem.

3: HOW CORNISH GROWTH AFFECTED THE HOUSING CRISIS

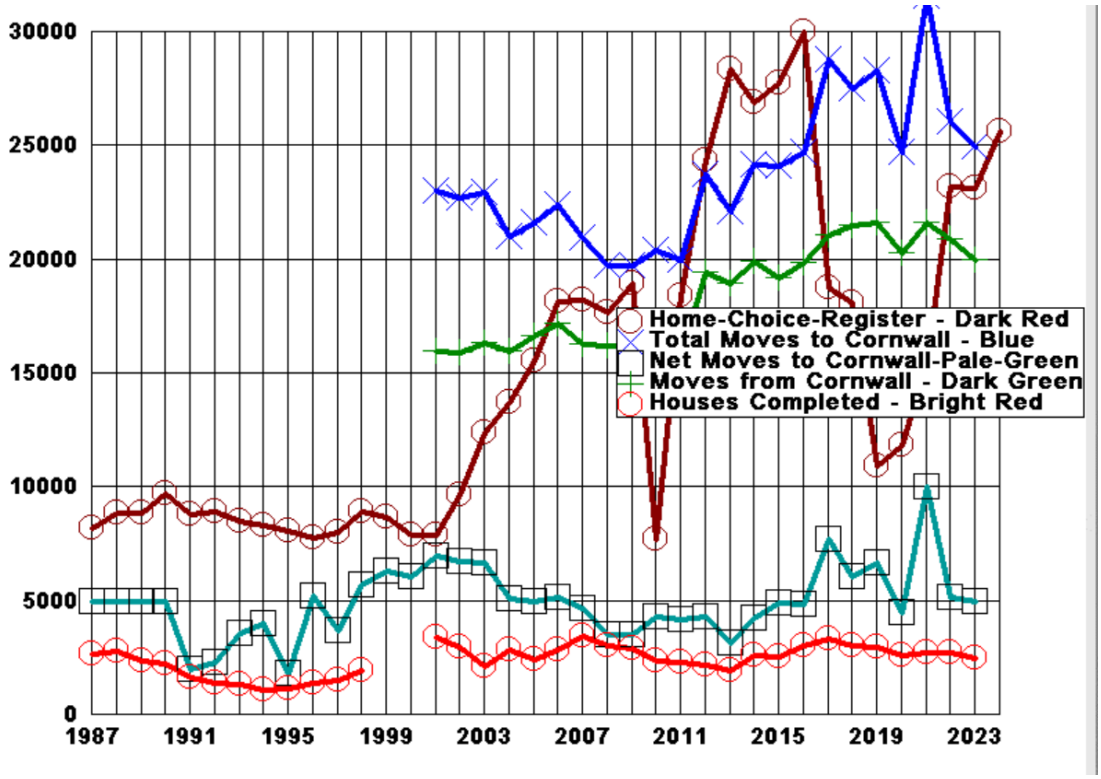
This growth set up the competition for accommodation that we know so well, 20-30,000 gross entering annually, the total only partly offset by younger emigrants leaving, and the older resident population declining. A proportion of these incomers aimed to retire and bought new or open market homes, but the majority were pulled in by the extra work required to build the new houses and infrastructure, and to provide services – in shops, schools, hospitals etc. for all the new arrivals including themselves, and this pattern repeated itself.

Chart 4 below attempts to show the interaction between the main variables over the longer period, 1987-2025 in the hope of better establishing timing and causation. These were:

A: Internal Migration between England and Cornwall, 2001-24, all ONS Internal migration by LPA:

1: Blue: Inward migration.
2: Dark green: Outward migration,
3: Pale green: Net migration

Chart 4: Housing Need – Building – Migration



source: ONS

Net annual migration into Cornwall can be extrapolated from the Census from at least 1961 – see pale green series Chart 4 - but annual in and out figures are only easily available from 2001. Overall, the entry figures move in line with the rise in the Housing Register and the growth of the economy as a whole. The peak was 2021 – the second Covid year - when people wanted to get away from the big cities.

The leave figures in dark green are between 5,000 and 7,500 annually less than the entry figures, with the peak of 10,000 in 2021. However, taken together, they imply a huge churn in population with 250,000 or so entering over 10 years, and 200,000 leaving. Clearly, the large numbers leaving and the high death rate in an elderly population remaining eased the situation. But just the volume of transfers against a population of 550,000 in total must have raised the Housing Register.

B: Housebuilding: Two series presented as one bright red line.
3a: New houses completed, 1987-1998 (ONS Table 253) and 3b: New houses completed plus conversions, which march rather steadily forward at about 2,700 per year 1987-2024 – measuring new house availability (ONS, Table 122)

Multiplying the number of newly provided houses – about 2,700 per year (shown in bright red) by 2.2 (the approximate numbers per house) in order to measure the additional people potentially housed, produces a series of about 6,000 per year which, although not shown in the table, roughly matches net moves to Cornwall (shown in pale green) for 1987-2024. In principle, this should be sufficient to solve the housing crisis, but the rising Home Choice measure for 1987-2024 (shown in dark red) shows this extra provision is not nearly enough, especially after 2000.

A major problem is that, while the incomers are generally elderly and will want to buy or rent homes on arrival, the out-goers were generally younger – and may well be leaving parents' houses which may not be sold immediately. New housing (shown in bright red), while higher than in many other places, hardly grew between 1987-2025 and therefore slowly become a smaller proportion of total homes.

All this is made more urgent because of the interaction between the changing structure of the housing market and the development of the Cornish tourist trade (See Table 3). The key feature of the market was the predominance of owner-occupied housing, the rise of private rentals and the declining share of social housing. Within that, the fall in Council housing because of Right to Buy from 1980 and the rise of 'Private Provision', i.e. mostly housing associations, reduced the flexibility that was needed to cope with the rising population.

Table 3: Composition of Housing Stock 1971-2025 (in 000s)

Nos.	Total Stock	Empty	Own-Occ	Priv-Rent	Soc-Hsng	CC Hsng	Priv Prov	Hol Lets	2nd Home
1971	146	-	-	-	-	25	-	-	-
1981	174	19	108	15	31	31	2	--	12
1991	211	11	139	17	24	24	6	--	12
2001	231	16	156	29	25	15	18	1	10
2011	259	29	160	39	28	13	18	5	20
2021	282	31	169	50	32	10	22	12	23
2025	293	--	--	--	--	10	23	13	--

Source: ONS Census, Misc.

The key features of the tourist trade were the decline of hotel and serviced accommodation, and the rise of second homes and holiday lets – increasingly marketed through Airbnb – both together taking 12,000 homes in 2021.

4: THE HOUSING CRISIS

In **Chart 4**, the Home Choice Register 1987-2024, in dark red, is a rough long run estimate of the consequent housing problems. (*Source ONS, Table 600*). The chart shows the timing of the sudden increase in housing need. After 2000 this is fundamentally due to the sudden effect of the decline in interest rates (see Table 2) and the differential effects of house-price inflation post 2000 (see Chart 3), as well as the accumulated effects of increased growth rates, European money and improved access to Cornwall, i.e. the A30 etc, and improved internet communications.

Breaks in the Housing Register appear in 2010 and in 2017-21. The first is probably administrative due to the change from District Council to Unitary CC accounting, and should therefore be ignored. The second is more puzzling – especially the decline from 2016 to 2019. A quick conclusion (based on AI investigation) is that the decline was caused by administrative effects such as reorganising entry criteria and weeding the Register to pinpoint real housing need more accurately. The increase from 2020-24 is almost certainly due to Covid, the recovery from Covid, the popularity of Cornwall at that time, and the consequent rise of second homes, holiday lets and Air-BnB.

It is also not exactly clear what the Register is measuring. At the lower end, Bands A, B and C gauge real housing need, but at the upper end the limit for inclusion in the Register is household savings of £50,000 and net income of £60,000 pa, which suggests the reason so many band D and E applicants – people with no serious need - are included in much of Cornwall. The growth in housing need, therefore, while real and growing fast since 2000, is probably more regular than implied by the chart and is, in fact, some composite of these considerations.

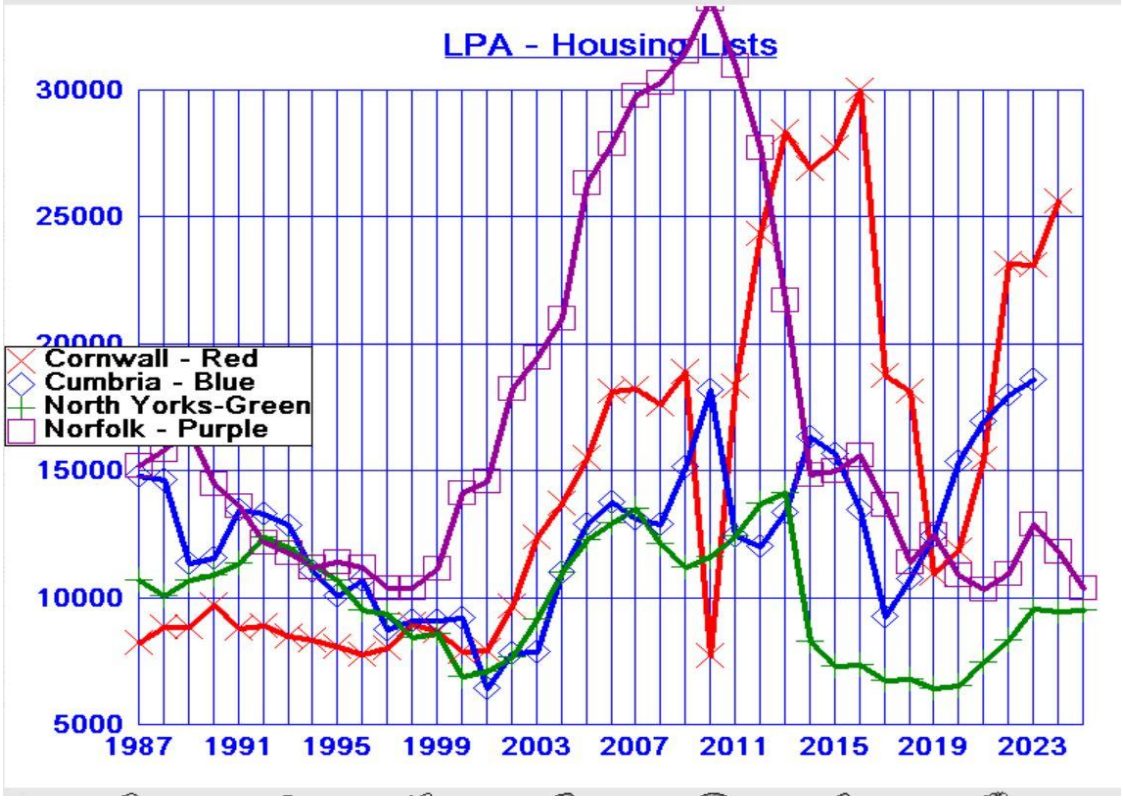
5: COMPARING WITH THE OTHER PERIPHERAL COUNTIES.

Comparing housing registers of Norfolk, North Yorkshire and Cumbria with Cornwall sharpens the question: see Chart 5.

Chart 1 above shows that both Cornwall and Norfolk had faster population growth than Cumbria and North Yorkshire. Chart 5 below suggests the housing registers initially all responded accordingly - which appears to satisfy the thesis that faster population and housing growth can make things worse.

However, since 2010 or so the housing lists in Norfolk – purple - (and North Yorkshire- green) have continually fallen, while the lists in Cornwall fell temporarily in 2011 and 2018, but then recovered. This does not necessarily contradict the thesis. There is no evidence in either county that the housing ‘crisis’ – i.e. the high wage: house price ratio– or the more moderate wage: mortgage ratio was over.

CHART 5: Peripheral Counties' Housing Lists,1987-2025



Source: ONS, Table 600.

However, these declining figures do need explaining, and repeated interrogation of AI sources such as MS CoPilot produces the following conclusions – with documentary backup:

> 'Across multiple Norfolk districts you see:
>
> - Stricter qualification and local-connection rules (post-2011) exclude more applicants at the threshold.
> - Periodic reviews & cancellations (e.g., inactivity >6 months; re-registration windows) mechanically trim the register even without changes in need.
> - Banding changes (e.g. "no priority" band) move adequately housed/low-need applicants out of the count used for lettings priority, often reported as smaller registers.'
>
> 'By contrast, Cornwall has (documented) reviews/consultations too… but the scale of the register remains substantial (21–23k households), and policy emphasis has often been on managing high demand rather than deeply excluding lower-need cohorts'
>
> *MS CoPilot, January 2026.*

Spot checking the underlying sources seems to suggest this is accurate and would explain the different behaviours of the registers - without undercutting the thesis.

6: THE IMPLICATIONS OF THE NEW NPPF & CONCLUSION

Rapid growth in any settlement often induces particular shortages as demand oversteps capacity – and supply responds unevenly. It is therefore quite possible in our particular context that the new government's 4,421 target (up from 2,700 pa) may harm rather than help. The new houses when built and at a rate of 2.2 persons per house, should in theory provide homes for about 10,000 people annually. This might potentially leave more free for residents but crucially, in the medium term at least, the volume of new people and capital required to build the houses and service the new communities would also rise so that growth and competition for homes would increase.

In practice CC may not meet the new targets. Robert Lacey, the Planning Policy Manager for Cornwall Council, reported in his response to the NPPF Consultation in September 2024 that "We have no problems getting planning permission – but it is much harder to secure delivery. Even under existing housing requirements there are 26,000 buildings permitted and not under construction even though we are pushing hard in all possible ways…."

"This has been the case for many years irrespective of market conditions. We conclude therefore that market capacity in Cornwall is being realised and exceeded. Without significant and nationally enabled changes to increase the skilled workforce and address supply chains, delivery will remain stubbornly below what is required. We will therefore continue to fail the housing delivery test and never keep up with the housing required…". *Quoted and paraphrased from CPRE Newsletter, March 2025.*

More probably therefore demand from outside and internal supply will start to fail before the 4,421 level is reached, perhaps also affected by the likely long term upwards change in interest rates from 2023 (see Table 2). This should ease pressure on the system – but will leave Cornwall subject to the 'presumption in favour of sustainable development', giving developers a freer hand to choose the most attractive sites for private use.

The government's aim to grow the Cornish economy fast to relieve congestion pressures up-country, would make sense – were it not for our repeated housing crises, the costs to our vital farmland and environment, and the low returns involved moving so much capital into non-productive housing in a relatively low productivity area. Locally, it would be far better to move the same volume of capital into social housing, infrastructure and promising new services and industry. Nationally perhaps more capital should go into infrastructure and investment around our big cities rather than into consumption, and peripheral expansion.

We therefore suggest it would be better to grow at a more sustainable pace - say 1,500 – 1,750 houses per annum - with far tighter restrictions on private development in our most attractive areas. However, any reduction below the present 2,700 houses per annum would be a difficult compromise. It would reduce the internal migration associated with housing, but it would also reduce the capital inflow into Cornwall - and this could cause serious financial problems with taxation implications for residents.

Clearly, charging second homes and buy to lets what the market will reasonably bear while raising council tax marginally on families and singles to encourage down-sizing and living together, could help. Despite the housing crisis, Cornwall generally has wealthy areas and a relatively low occupants per house ratio. However, government should also help as Cornwall's and similar peripheral areas' housing crises are largely the (mostly unintended) consequences over several parliaments of otherwise worthy Bank of England monetary policies (see Table 2), and what are in effect deliberate government population dispersal programmes (as shown in Charts 4 and 5).

These revenues could then help pay for more social housing and our most promising industries and services. This should be angled towards retaining and attracting younger relatively low paid but essential workers like nurses or skilled artisans. Gently reducing a boom is always difficult – but In the long run continued unchecked development will damage our essential image as a natural and beautiful place, and Cornwall will suffer a popular revulsion. Many other attractive coastal areas have gone through the same cycle . This is hardly a popular political message, but it would be better to face up to it now. Some well managed peripheral coastal or mountainous areas like Switzerland can do very well if they guard the essentials.