



## **Rural Affordable Housing**

### **Local housing for local people**

### **Frequently Asked Questions**

#### **1. What is affordable housing?**

Affordable housing is part of a Government initiative designed to help individuals and families gain better access to housing and help first time buyers get a foot on the property ladder by providing low cost housing.

There are four affordable housing 'products' that are best suited to rural areas, these are:

##### **Shared Ownership**

This product is part buy and part rent of an affordable home. The purchaser buys a share in the property, usually 25%, 50% or 75%, and pays an affordable rent to a Housing Association (Registered Provider) on the remaining share. The purchasers have the option to buy further shares up to 80%\* ownership of the property.

\*In rural areas, shared ownership is capped at 80% to ensure the property remains affordable in perpetuity.

##### **Affordable Rent**

Affordable homes are rented above social rent but below market rents. These properties are generally managed by Housing Associations and the lower rental cost is up to 80% of the full local market rent. In Cheshire West and Chester, Housing Associations are required to cap rents at Local Housing Allowance level, unless there are viability issues.

##### **Discounted Market Sale**

Discounted market sale homes are offered for sale to eligible purchasers at a discount of at least 20% below local market value. In higher value areas this discount may be up to 40% to make them more affordable. For example, a £100,000 house with a 25% discount would be offered to eligible applicants for £75,000. This is not a shared ownership scheme and even though there is a discount on the sale price, the purchaser owns 100% of the property, with no additional rent to pay.

##### **First Homes**

First Homes are a new type of affordable housing, proposed by the Government in 2020. First Homes work similarly to Discounted Market Sale but with a fixed discount of 30% below local market value (this may vary where evidence shows that a higher discount is suitable). They are only available for first time buyers who have a total

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household annual income below £80,000 and purchasers must have a mortgage or home purchase plan (if required to comply with Islamic law) for at least 50% of the discounted purchase price. The Government have also given the Council powers to apply additional eligibility criteria such as lower income caps, key workers and a local connection to the borough, to ensure first time buyers most in need of affordable housing are prioritised.

## **2. Who is affordable housing for?**

Affordable housing is for people whose current housing does not meet their needs or who are a newly forming household. The eligibility criteria to qualify for an affordable home include the following:

- Household income must be such that it is not possible to afford to buy or rent a property at open market values
- There must be a local connection to the immediate area

Applicants are assessed on their suitability to the scheme and each development is different.

## **3. How do you ensure local people are able to benefit from the affordable houses?**

New developments of affordable housing are covered by a planning obligation or legal agreement which defines the eligibility criteria that are used when allocating the properties. Applicants must be in housing need, unable to afford a market home and have a local connection to the borough as defined below. For rural exception sites (sites located outside an identified settlement boundary as shown on the Local Plan policies map) additional local connection criteria to the parish will be applied. These additional criteria can also be applied through a specific Neighbourhood Plan local connection policy.

### **Cheshire West and Chester Local Connection Criteria**

Applicants must meet at least one of the following:

- (i) Have been ordinarily resident in the borough for the 2 years immediately preceding the date of application for the affordable housing unit
- (ii) Has immediate family (parents, children, siblings) who are currently living in the borough and have done so continuously for at least 5 years
- (iii) Has a permanent contract of employment in the borough or has accepted in writing a firm offer of permanent employment.
- (iv) Is self-employed and able to evidence that the business address from which they operate is within the borough and has been operational for a minimum of 12 months

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- (v) No local connection is required for Ministry of Defence personnel where:
  - They have completed their basic (phase 1) training and they are one of the following:
    - a. Regular service personnel (including Navy, Army and Air Force)
    - b. Clinical staff (with the exception of doctors and dentists)
    - c. Ministry of Defence Police Officers
    - d. Uniformed staff in the Defence Fire Service
  - They are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, and can produce a Discharge Certificate (or similar documentation) as proof, where they apply within two years (24 months) of the date of discharge from service or
  - They are the surviving partners of regular service personnel who have died in service, where they apply within two years (24 months) of the date of being bereaved.

Households in the most housing need are prioritised for properties. The Housing Allocations Policy is a detailed document that contains the rules and guidelines on how affordable rental homes are allocated to people. A copy of this document can be obtained using the following link: [Allocations Policy](#)

## **4. How is need for local housing established?**

Housing need is established through the Council's Strategic Housing Market Assessment (updated July 2013) which is developed in line with Government guidance and provides an assessment of housing need at an operational level or through a local Housing Needs Survey commissioned by the Council or local community. These documents provide the Council with an indication of the amount, tenure and type of affordable housing which is required in an area.

## **5. How do you ensure the houses remain affordable in the future?**

In rural areas, shared ownership is capped at 80%, discounted market sale and First Homes always have to be sold with the same level of discount, to ensure they remain affordable in perpetuity.

## **6. How are the affordable homes allocated?**

Affordable rented, discounted market sale and First Homes are advertised and allocated by the Council. Shared ownership properties are advertised and allocated by the Housing Association who has undertaken the development. In both cases allocation is in accordance with the planning obligation outlined in question 3.

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## **7. Can the Parish Council be involved with the allocations of the properties?**

The Council recommends parishes do not directly undertake allocations but oversee the process by applying local eligibility criteria to new developments as part of their Neighbourhood Plan, if there is evidence of a specific local need.

## **8. Who manages the affordable homes once they are developed?**

The affordable rented and shared ownership homes will be managed by the Council/Housing Association who developed them.

## **9. Can local people influence the development?**

The Council prefers that any development of affordable housing needs to be done in partnership with the Parish / Town Council and the community should be consulted. Developers are encouraged to talk to Parish / Town Councils at an early stage and where possible take their views on board. If an unmet need for affordable housing has been identified, the community can proactively identify appropriate sites to be allocated via their Neighbourhood Plan.

## **10. What can the local community do if it disagrees with the proposed location of a development?**

If the community identifies a more appropriate site for development, at an early stage of the process they should notify their Parish / Town Council who will inform the developer.

## **11. Further Information**

For more information on types of affordable housing, eligibility and how to apply please visit the Council webpages: [Affordable housing in West Cheshire](#)

Documentation prepared by Housing Strategy, Cheshire West and Chester Council