

DRAFT RESPONSE SERVICE

As part of the Rural Opportunities Bulletin, RSN will regularly provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

Starter homes regulations: technical consultation – Department for Communities & Local Government consultation

This technical consultation document seeks views on the details for the regulations to be made under powers contained in the Housing and Planning Bill; including options for the starter homes requirement on reasonably sized sites.

The government want to hear views so the resulting regulations are feasible, proportionate and effective.

This consultation closes on 18 May 2016.

<https://www.gov.uk/government/consultations/starter-homes-regulations-technical-consultation>

Suggested possible responses are set out below in relation to the first 12 questions posed by this consultation.

Question 1: Do you support restrictions on the sale and sub-letting of starter homes for 5 years following initial sale? Do you support allowing individuals to sell at a higher proportion of market value as the number of years they have lived in the home increases? If not, what other approaches can we adopt to meet our objectives?

Draft response: The proposed 5 year restriction should be significantly extended in order to ensure that Starter Homes remain available at a discounted price for future occupiers. The suggested amendment to the Housing & Planning Bill, tabled by Lord Best, proposing a taper of 20 years is supported as a minimum. This will provide greater benefit for the communities involved and will encourage lender confidence.

Question 2: Do you agree that flexibility over the age 40 restriction should be given when joint purchasers are looking to buy a starter home, one purchaser being under 40 years old but the other older than 40?

Draft response: An upper age limit of 40 years is not necessary. Starter Homes should be available to first time buyers of any age.

Question 3: Do you agree that there should be an exemption from the age 40 restriction for injured military services personnel and those whose partner has died in service?

Draft response: Yes.

Question 4: Would a site size of 10 units or more (or 0.5 ha) be an appropriate minimum threshold for the starter home requirement? If not, what threshold would be appropriate and why?

Draft Response: No. Any site, regardless of size, should contribute to the delivery of affordable homes. There should be clear consistency with the West Berkshire and Reading appeal decision on site thresholds.

Question 5: Should the minimum percentage requirement be applied uniformly on all sites over 10 units to provide a single requirement across the country?

Question 6: If so, do you agree that 20% represents a reasonable requirement for most areas?

Draft response: Local authorities should be given the flexibility to define the requirement for starter homes locally, in keeping with Local Plans and Strategic Housing Market Assessments and taking into consideration the need for other affordable tenures including shared ownership and rented homes.

A single percentage applied across all sites will undermine the delivery of other traditional forms of affordable tenure and could result in the building of new homes that do not best suit local community needs.

Question 7: Do you support an exemption from the Starter Homes requirement for those developments which would be unviable if they had to deliver any affordable housing including Starter Homes? If so, how prescriptive should the viability test be in the regulations?

Draft response: Yes. Proposals to allow planning permission to be granted with a reduced contribution where it is clear that the required level of provision would make a development unviable are supported. However, other forms of affordable housing should not be precluded in such circumstances. Starter homes may not be viable for a number of reasons. A viability assessment could be used to demonstrate which forms of affordable homes are viable.

Detailed guidance on viability tests would be useful, promoting consistency and certainty.

Question 8: Do you support the proposed exemptions from the starter homes requirement? If not, why not?

Question 9: Should group custom build developments and developments with a very high level of affordable housing such as estate regeneration schemes be exempt? If not, why not?

Draft response: Exemptions for sheltered housing and for affordable housing-led developments are supported, although the latter require firmer definition.

Question 10: Are any further exemptions from the starter homes requirement warranted, and why?

Draft response: Rural exception sites should not be used to deliver starter homes. Using such sites goes against the central purpose of rural exception sites which is to provide homes that are affordable in perpetuity, and for people who have a local connection. If Starter Homes are allowed on rural exception sites, landowners will either be unwilling to provide sites or, if they do, they will seek a higher price for the land. In addition, it is highly likely that Starter Homes will be unaffordable to the majority of people who are in housing need in rural areas.

Question 11: Do you support the use of commuted sums to deliver starter homes where the local planning authority agrees?

Draft response: The use of commuted sums is supported where this is agreed via the local authority. However, local authorities should have flexibility to utilise commuted sums in relation to a range of forms of affordable housing depending on identified local need.

Question 12: Do you support the proposal that private rented sector housing (for institutional investment) and specialist older people's housing should meet the requirement through off-site contributions?

Draft response: This should be the subject of local authority agreement and discretion in relation to each specific proposal.