

EXMOOR LCN – HOUSING SUB GROUP 2 NOVEMBER 2023



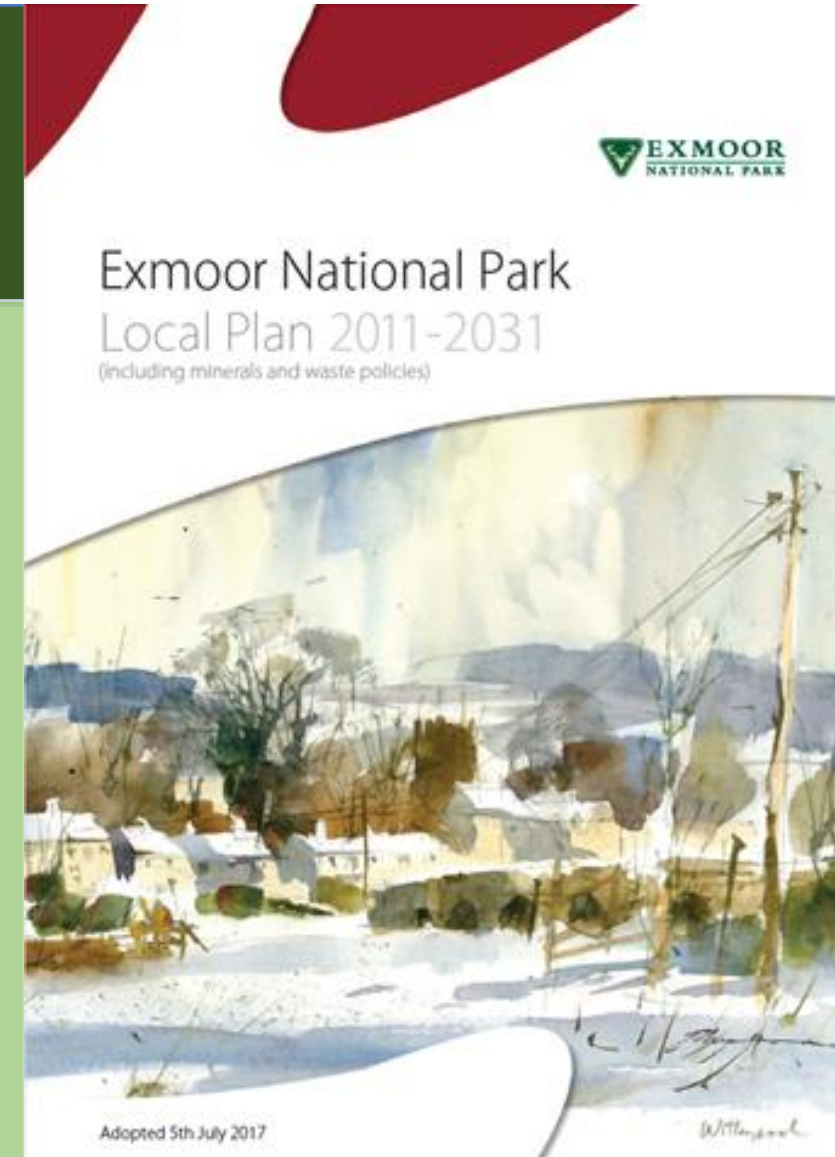
Exmoor National Park Affordable Housing Report

- Updated data on housing affordability – prices/rents and income
- Approach to affordable sale and rents and eligibility assessment



Different roles of planning and housing authorities

- NPAs planning not housing authorities:
 - Planning policy framework,
 - Agreements to secure affordability & occupancy.
 - Affordable housing involvement - Plan policies, SPDs, DM & community engagement
- Housing authorities:
 - Greater capacity & particular skills and expertise
 - Most practical implementation of housing policies
 - Assessment of applicants' eligibility using planning policy criteria



Income

- CAMEO household
- ONS ASHE
- Indicative key worker

House prices

- 2017-22
- Land registry price paid

Rents

- 2017-22
- Zoopla rents

Affordability



Income

- ASHE earnings data - £21,500 (LQ) and £27,300 (median)
- Renting: no more than 25% of gross household income
- Buying: no more than 3.5x gross household income

Up to 25% rent / 3.5x buying (affordable)	
Between 25 and 35% rent / 3.5 to 5x buying (reasonably affordable)	
Rent 35% or more / buying >5x (not affordable)	

Affordability of rented housing (up to 25% income)	% income required to be spent on LQ rent
Lower Quartile rent to income ratio	29.1%
Median rent to income ratio	28.5%

Affordability of buying (up to 3.5 x income)	Income multiple required for LQ property (includes 10% deposit)
Lower Quartile price to household income multiple	9.0
Median price to household income multiple	9.7

Affordability of discounted market housing and rented housing – what is needed?



Information on discounts to price and maximum rents to ensure local affordable sale and private rented housing is affordable

Buying

- 1 bed flat 25%
- 2 bed flat 20-40%
- 2 bed house 40-50%
- 3 bed house 50%

Rented

- 1-bed flat £433
- 2 bed flat up to £550
- 2 bed house £571
- 3 bed house £681

Table 4.1

Property type and number of bedrooms	Earnings Assumption*	Indicative affordable price (3.5x earnings plus 10% deposit)	Discount on market price
1 Bed Flat	1xFTE	£105,290	25%
2 Bed Flat	1xFTE	£105,290	40%
2 Bed Flat	1xFTE plus 1xPTE	£144,055	20%
2 Bed House	1xFTE	£105,290	50%
2 Bed House	1xFTE plus 1xPTE	£144,055	40%
3 Bed House	1xFTE plus 1xPTE	£144,055	50%
4 Bed House	2xFTE	£210,580	50%

* FTE = full time equivalent. PTE = part time equivalent

Table 4.2

Property type and number of bedrooms	Earnings Assumption*	Average local housing allowance (LHA)	Maximum private affordable rent (the lower of % income spent on rent and average LHA)
1 Bed Flat	1xFTE	£437	£433
2 Bed Flat	1xFTE	£437	£437
2 Bed Flat	1xFTE plus 1xPTE	£571	£550
2 Bed House	1xFTE	£571	£571
2 Bed House	1xFTE plus 1xPTE	£571	£571
3 Bed House	1xFTE plus 1xPTE	£681	£681
4 Bed House	2xFTE	£846	£846

* FTE = full time equivalent. PTE = part time equivalent

Overarching report findings

- Affordable housing a priority for ENPA
- Co-operation needed between NPA and Housing Authorities
- ENPA's role is planning policy & DM
- Housing Authorities provide specialist skills for complex assessments



Summary of consultants' recommendations



Formalise existing joint working with the local housing authorities to assess applicants' eligibility for affordable housing:

- Ask housing authorities to carry out assessments of applicants' eligibility for local affordable housing. Explore options for self / custom build
- ENPA to continue to set affordable sale prices and rents and use current processes to carry out eligibility assessments in the meantime

Produce ENPA affordable housing guidance (Supplementary Planning Document or equivalent) including:

- 16 hours a week minimum for employment (policy HC-S3).
- Advertisement and marketing requirements for affordable housing
- Revise affordable housing S106 template including the formula to calculate affordable rent / sales price and discount for initial and future sales



What is happening?

- ENPA considered the arc4 report evidence and recommendations in July – considering how to take forward
- ENPA agreed to produce affordable housing planning guidance. For new and existing affordable housing:
 - Will have regard to the report's indicative affordable prices and discounts and use the approach to rent levels
- Ongoing officer discussions with housing authorities, including Somerset Council.

Any questions?



EXMOOR
NATIONAL PARK

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