

22/1135 To note outline of planning proposed by Lagan Homes.

Lagan Homes outline planning permission (subject to s106) development of up to 21 homes on land off Leather Lane. Discussion on tenure.

Parish Council Briefing Note – Lagan Homes
DISCOUNTED MARKET HOMES

1. Introduction

1.1. Discounted Market Homes (DMH), or Discounted Market Sales Housing are a form of affordable tenure as defined by the NPPF and is a form of affordable tenure encouraged by the current Government to provide entry into home ownership for those that would not be able to afford their own property.

1.2. The NPPF in Annex 2: Glossary defines DMV as follows:

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

c) Discounted market sales housing is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households...

1.3. Lagan Homes having recently received a committee resolution to grant outline planning permission for 21 homes on land off Leather Lane, would like to provide 50% of those homes as DMH.

1.4. This would be in lieu of the more traditional form of affordable housing such as affordable rent and shared ownership.

1.5. The District Council's Strategic Housing Team in response to the planning application advised that a mix of the following would be considered appropriate:

Property Type	Rent	Shared Ownership
1 bed flat	4	0
2 bed house	1	1
3 bed house	1	2
4 bed house	2	0
Total	8	3

1.6. If a traditional form of affordable was provided on this site, the likely mix would follow the above requirements, namely 8 properties for rent with 3 as shared ownership.

1.7. However, as some councillors will be aware there have been a number of recent developments approved at Appeal. In respect of the Waters Lane Appeal which was for the up to 54 dwellings, 27 of which would be affordable the Strategic Housing Team raised concerns with the Planning Inspector that some areas within the District could be oversaturated with affordable housing. Presumably this was based on traditional forms of affordable housing, such as affordable rented housing as that is what is mostly being provided elsewhere within the village.

1.8. We are therefore proposing to provide the affordable homes in the form of Discounted Market Homes.

2. Proposal

2.1. The site off Leather Lane will provide a maximum of 21 homes. As the Parish Council pointed out in their response to the planning application this is a relatively low density as the gross area of the site is just under a hectare.

2.2. However, the developable area of the site is much smaller than this because of the mature trees along the boundaries of the site which will result in a significant amount of amenity open space being provided on the periphery of the site.

2.3. The development is expected to provide a mixture of 2-, 3- and 4-bedroom properties. However, it is noted that the councillors suggested that there was a need/demand for 1 bed properties as these were considered likely to be more affordable. We will take this into consideration but because of the relatively low density of the development, this may not be possible.

2.4. If 21 homes are to be provided, 11 will need to be affordable. We propose that these will be in the form of Discounted Market Homes. Some (4) will be offered at 30% discount, and these will be aimed at First Time Buyers. The others will have a discount of 20%.

2.5. If only 20 homes are built, then only 10 DMH homes will be offered. The details will be included within the Approval of Reserved Matters Application.

2.6. The details of the homes including their size and design will be submitted with the application for the Approval of Reserved Matters which are currently preparing.

However, the homes are likely to be 2 or 3 bed houses. Currently a modern 2 bed house in Middleton Cheney would be around £260,000 (Rightmove August 2022).

2.7. At 20% discount these would attract a discount of £52,000 and be sold for £208,000. With a 30% discount (for first time buyers) this would equate to a discount of £78,000 with a sale price of £182,000. Whilst not affordable to everyone, it will make them affordable to many others that would not be able to afford to buy a home without the discount.

2.8. The prices of the homes will be agreed with the Local Planning Authority prior to being released for sale. This will be based upon the open market value of the homes at the time, minus the relevant discount.

2.9. Prior to the above and before development commences and Affordable Housing Scheme will be submitted to and approved by the District Council. This will likely be provided while, or shortly after the application for Approval of Reserved Matters has been approved. This will detail which plots will be made available as

Discounted Market Homes and what level of discount will be applied. In addition, the details of each will be provided including the number of bedrooms and detailed plans of each home will be provided.

2.10. These affordable homes will be made available to those people that can meet the eligibility criteria. In the case of Middleton Cheney this means:

...a person or group of persons living together as one household whose combined income is no greater than £80,000 and who meet one or more of the following criteria:

- a) They have a Local Connection
- b) They are a Key Worker
- c) They are or have recently been a member of the Armed Services
- d) That this will be their only or principal home
- e) And in the case of the homes offered with 30% discount that they are a First Time Buyer

2.11. The income level is derived from figures used nationally in respect of the definition of First Homes, so it is considered appropriate.

2.12. Local connection would include:

- a) currently lives, or has lived, within the Parish (or Neighbouring Parish) and has done so for at least 6 out of the last 12 months or for not less than 3 years out of the last 5 years.
- b) Has a close family member who resides within the Parish or a Neighbouring Parish and has done so for at least five years or more and for the purposes of this Agreement a close family member includes parents (including adoptive parents), adult children, siblings and grandparents provided there are sufficiently close links in the form of frequent contact, commitment or

dependency.

c) are working in the Parish or Neighbouring Parish and have a permanent contract of employment or of self-employment.

d) has special circumstances which might include the need to be near special medical or support services which are available only in a particular district

2.13. The homes will be marketed in the same manner as the open market homes but obviously with the addition that the price has been agreed with the District Council beforehand. Further, Lagan Homes will liaise with the District Council to identify prospective purchasers who would meet the eligibility criteria. Before any exchange of contracts can take place, the District Council would need to confirm that the eligibility criteria have been met.

2.14. If no prospective purchasers can be found within the initial 2 months marketing period, then with the approval of the District Council the eligibility criteria will be expanded to include those residing or with a connection to the County of Northamptonshire.

2.15. If after a further 4 months, the homes will be marketed to anyone even if they have no local connection. However, it is not anticipated that this will happen.

2.16. Key worker means any person currently employed or seeking employment as any of the following:

a) Clinical National Health Service staff (including doctors and dentists)

b) Teacher or nursery nurse

c) Police officer, police community support officer, civilian police staff

d) Prison officer or prison staff

e) Probation service staff

f) Social worker, educational psychologist, therapist

g) Local authority planner

h) Firefighter or fire safety engineer

i) Environmental health officer

j) National highways traffic officer

k) Any other similar or equivalent role as the Council may reasonably approve

2.17. All the Discounted Market Homes will have a restriction on the title so that no future sale can be registered until the purchaser's solicitors confirm that they have met the eligibility criteria as detailed above and that they have served notice on the Council that they intend to sell and provide details of two valuations from two local estate agents. No marketing of the homes can proceed until the Council agree the discounted price of the unit. Further no sale can proceed until the Council confirm the eligibility.

2.18. Similar cascade mechanism as the initial sales will be undertaken so that again those with a local connection will have priority and if no sales achieved then it will go out to the wider public.

3. Next Steps

3.1. The S106 is currently being prepared and we hope that it will soon be agreed and completed. This will include the details of how the Discounted Market Homes will be sold and who will be eligible to purchase them.

3.2. Once the s106 is completed the outline planning consent can be issued. Following that an application for Reserved Matters shall be submitted. This will show the detailed design of the scheme, including the detailed layout, the external appearance, materials, and landscaping.

3.3. We anticipate this application will be submitted later this year.

3.4. The precise details of the Discounted Market Homes will also be provided including which homes will attract the different levels of discount.

3.5. As mentioned above, the affordable homes will likely be in the form of 2 and 3 bed homes, but we will look carefully whether we can accommodate 1 bed homes as requested by some of the members of the Parish Council.

3.6. The full details will be included within the application for Approval of Reserved Matters.

3.7. Any queries, please contact me.

Mark Q Mann

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