

AFFORDABLE HOUSING STATEMENT

Land at Jack Lawson
Terrace, Wheatley Hill,
Co. Durham

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Date: February 2024 – Rev A

Affordable Housing Statement

Gleeson Regeneration

Gleeson Regeneration are a specialist housebuilder operating throughout the North of England. In general, Gleeson have an ethos of providing high quality, low cost homes, predominantly targeting first time buyers and those looking to advance onto the property ladder. Therefore, we are conscious of affordability for a couple who are on the national living wage when setting all open market values across our developments. From the start, we take into consideration the NLW at the time to ensure that there are a certain percentage of units priced that ensure the mortgage can be affordable for a couple on the national living wage, working 40 hours a week and borrowing 4x their salary. At our 2022 year-end, Gleeson sold over 2,000 such low-cost houses and this will be in excess of that number in future years.

Gleeson pride ourselves on enabling aspiring young home owners to achieve their dream. A few key statistics include:

- In the North East region, we have an average selling price of £171,000 compared to £254,000 for other new build housing within the region.
- 53% of purchasers are first time buyers.
- 33 is the median customer age.
- A couple on the National Living Wage can afford to buy on any Gleeson site.

National Planning Policy - NPPF

Para. 65 of the NPPF (July 2021) states that *“where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”*.

Annexe 2 of the NPPF defines four routes of affordable housing delivery and since the previous revision in July 2018 has included a revised and expanded definition of Affordable Housing, which includes the following routes to affordable home ownership:

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.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an

affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.”

Clearly, Gleeson have been delivering a product very closely aligned to the new definition of 'other low-cost homes for sale' for a number of years and are pleased that this has now been formally recognised in the new NPPF.

Planning

- Gleeson have submitted a full planning application for the erection of 78no. dwellings in February 2024.
- This planning application is ongoing and this Affordable Housing Statement forms part of the application submission.

Local Policy – County Durham Plan (CDP)

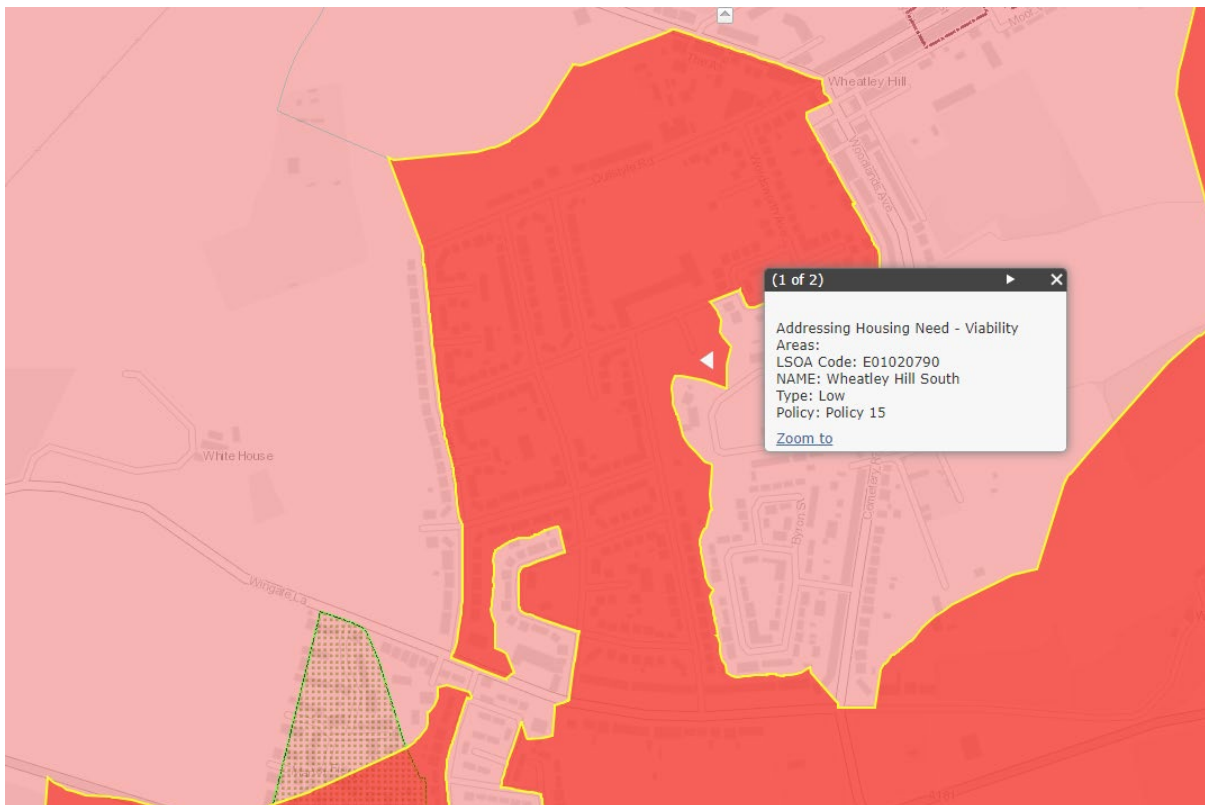
The County Durham Plan (CDP) was adopted on 21st October 2020.

In the course of preparing the CDP, the Council has provided an up-to-date assessment of affordable housing requirements within its Strategic Housing Market Assessment (SHMA) (January 2019). This in turn has informed Policy 15 of the CDP.

Policy 15 – Addressing Housing Need sets out that affordable housing will be sought on sites of 10 or more units and in line with the percentages set out in Table 8 (see below). The approach to affordable housing within the Policy 15 of the CDP basis the quantity of affordable housing on value areas, based on the table below:

Viability Area ⁽⁶¹⁾	Percentage of Housing Units
Highest Value Area	25%
High Value Area	20%
Medium Value Area	15%
Low Value Area	10%

The figure below from the County Durham Local Plan Interactive Map illustrates these Viability Areas, with the application site identified below:



This confirms that the site falls within the 'Low' viability area meaning that 10% affordable housing provision is required.

In terms of Affordable Housing Tenure, the CDP also states in Policy 15:

"On sites with 10 or more units, 10% of the homes provided should be for affordable home ownership (starter homes, discount market sale housing and other affordable routes to home ownership). In line with the requirements in Table 8, any contribution above 10% should be provided as affordable housing for rent."

Whilst DMS does go towards meeting the needs of the local people, the national policy provision (as provided by Spatial Policy) is that First Homes (FH) should make up 25% of the affordable provision.

As the site falls within a Low value area, this development would require:

<i>Total number of units</i>	<i>Medium Value Viability Area - 10% affordable home ownership (para 64, NPPF) and</i>	<i>Additional affordable housing for rent required.</i>
<i>78</i>	<i>8</i>	<i>0</i>

Affordable Housing Proposal - Gleeson

Our offer for the site at Jack Lawson Terrace, Wheatley Hill satisfies both national policy and local spatial policy guidance and is set out in detail below:

- To provide 10% (8no. dwellings) affordable housing on site as follows:
 - To sell 6no. 2 bed dwellings at a discounted price, being at 80% (20% discount) of local market value. All plots will be sold at a price which does not exceed 80% of Open Market Value.
 - To sell 2no. 3 bed dwellings as part of the First Homes Scheme. The units will be sold at a discounted price, being at 70% (30% discount) of local market value.
- Each affordable unit is to be sold with at least one parking space (not garage) and a garden.
- Such prices would be reviewed each year with an allowance to increase in line with the percentage increase in the national living wage in the same period. These prices would also exclude garages and any 'purchaser extras' which would be over and above the discount price.

The 10% (8no.) units are identified in the table below and on the Affordable Housing Plan in Annex 1 of this Statement:

- 8no. 2 bed semi and 2no. 3 bed semi at a discounted price (DMS and First Home plots).
- For DMS, the 2 bed units are to be 80% (20% discount) of local market value, as follows:

Plot No	Type	Size	Affordable Tenure
17	2 bed semi (250)	753 sq ft.	Discounted Market Sale
18	2 bed semi (250)	753 sq ft.	Discounted Market Sale
20	2 bed semi (250)	753 sq ft.	Discounted Market Sale
21	2 bed semi (250)	753 sq ft.	Discounted Market Sale
69	2 bed semi (250)	753 sq ft.	Discounted Market Sale
70	2 bed semi (250)	753 sq ft.	Discounted Market Sale

- For First Homes, the 3 bed units are to be 70% (30% discount) of local market value, as follows:

Plot No	Type	Size	Affordable Tenure
16	3 bed semi (350)	904 sq ft.	First Home
19	3 bed semi (350)	904 sq ft.	First Home

*Full addresses for the above plots will be provided as and when they are available.

Affordable Housing Delivery

The final details of the delivery of the Affordable Housing units is to be discussed and agreed with DCC during the course of the planning application and will be defined in an associated S106 Agreement. However, we would expect the following criteria to apply to at least the Discounted Market Sale dwellings, in accordance with other recently agreed S106 Agreements:

Allocation Procedure – DMS Units

In relation to finding purchasers for the dwellings, the following criteria shall apply:

Local Connection

Shall mean either:

- i. a period of 3 years permanent residence within the last 5 years in the Electoral Division or an Adjoining Electoral Division, the local district or County Durham (as the case may be); or
- ii. an essential need to live close to another person who has permanent residence in the Electoral Division or an Adjoining Electoral Division, the local district or County Durham (as the case may be) the essential need arising from age or caring responsibility; or
- iii. a person who is employed in the Electoral Division or an Adjoining Electoral Division, the local district or County Durham (as the case may be).

Eligible Person

Shall mean a person or persons who does not have a financial interest in any other property, is not able to resolve their housing needs on the open market, is in need of Affordable Housing and is successfully financially qualified as being in a position to purchase;

Discounted Price

A price which does not exceed 80% of the Open Market Value of the Discounted Sale Unit.

Private Allocation Procedure

Upon the first sale of the Affordable Housing Units by the Owner/Developer:

- 1.1. The Owner/Developer and the Council will each nominate a contact person for the purposes of administering the Private Allocation Procedure.
- 1.2. Prior to any particular Affordable Housing Unit being marketed for sale, the Owner/Developer shall have submitted to and obtained the approval of the Council to the Affordable Housing Unit Sale Procedure Notice (such approval not to be unreasonably withheld or delayed).
- 1.3. Any Affordable Housing Unit shall not be marketed, allocated and sold other than in accordance with the version of the Affordable Housing Unit Sale Procedure Notice approved by the Council pursuant to paragraph 1.2 above in respect of that Affordable Housing Unit.

- 1.4. In proposing a list of Eligible Persons to purchase a particular Affordable Housing Unit, the Owner/Developer shall propose purchasers in the following order of priority:
 - 1.4.1 For the first 2 weeks of the property being marketed, first priority shall be given to persons who have a Local Connection to the Electoral Division or an adjoining Electoral Division.
 - 1.4.2 The following 2 weeks of the property being marketed, second priority shall be given to persons who have a Local Connection to the local district.
 - 1.4.3 After 4 weeks of the property being marketed, third priority shall be given to persons who have a Local Connection to County Durham.

- 1.5 In the event that the Eligible Person or Person(s) approved by the Council pursuant to the Affordable Housing Unit Sale Procedure Notice does not exchange contracts within 3 months of the date on which the relevant Affordable Housing Unit is offered to that nominated purchaser and PROVIDED THAT the relevant Affordable Housing Unit has been marketed to the reasonable satisfaction of the Council for a continuous period of three months, then the Owner/Developer of the relevant Affordable Housing Unit shall be entitled to sell the Affordable Housing Unit to any Eligible Person provided that the sale is at a price which does not exceed the discounted price in the Approved Affordable Housing Scheme.

Upon any subsequent sale of the Affordable Housing Unit the seller will adhere to the requirements in the S106 Agreement.

Eligibility – First Home Units

The Government's Planning Policy Guidance sets out who is eligible to purchase First Home as follows:

'A purchaser (or, if a joint purchase, all the purchasers) of a First Home should be a firsttime buyer as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief for first-time buyers.

Purchasers of First Homes, whether individuals, couples or group purchasers, should have a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase.

A purchaser of a First Home should have a mortgage or home purchase plan (if required to comply with Islamic law) to fund a minimum of 50% of the discounted purchase price.

These national standard criteria should also apply at all future sales of a First Home.'

In relation to local policy, the Durham County Council Draft Supplementary Planning Document on Housing Needs and Interim Policy Statement on First Homes (December 2022) sets out the following guidance:

PPG provides the context for a locally determined price cap as follows: In order to qualify as a First Home, the initial sale of the home cannot be at a price greater than £250,000 (or £420,000 in Greater London) after the discount has been applied. Therefore, local authorities cannot set price caps higher than these national caps.

However, the First Homes Written Ministerial Statement of 24 May 2021 does give local authorities and neighbourhood planning groups the discretion to set lower price caps if they can demonstrate a need for this. Any local price caps should be determined through the plan-making process with regard to local income levels, related to local house prices and mortgage requirements.

Local price caps should not be set arbitrarily and should only be used if evidence demonstrates a need for intermediate housing at particular price points. Whilst the national standard price caps will be high for many local areas across England, homes built as First Homes will need to be of appropriate size and price for first-time buyers in any area. The national price caps should not be used as justification for delivering more expensive properties than are necessary or required in any area.

The question for a price cap is whether the price of a First Home reflects a genuine discount on market prices. Based on evidence of newbuild house prices in County Durham, a cap below £250,000 is justified. The evidence base makes use of lower quartile house prices in County Durham which, are considered to be the entry level price for home ownership.

In County Durham, 70% of the lower quartile 4 plus bedroom property price is £176,500. A price cap at this value would ensure that First Homes remain a genuinely affordable option. However, almost all of the need for First Homes comes from properties which are 3 bedrooms or lower and a price cap of around £120,000 would ensure that any properties sold represent a genuine discount. A price cap of any properties being sold as First Homes with prices above £176,500 for 4 bedrooms, or 120,000 for 3 bedrooms would not represent a 30% discount on current entry level house prices.

All qualifying proposals must align with this Interim Policy Statement which reflects the conclusions of the evidence base. This is both in respect of the locally determined price cap but also the identified need for First Homes, with almost all of the need being for 3 bedroom properties or lower.

The evidence base recommends that the policy is applied flexibly to reflect prices in the market in the future, with the cap being relative to entry level market prices.

Allocation Procedure – First Home Units

In relation to finding purchasers for the First Home dwellings, the allocation will be undertaken as per the standard allocation procedure detailed in the local SPD or National Framework (whichever is in place at the time).

Annex 1

Affordable Housing Plan

JACK LAWSON TERRACE WHEATLEY HILL

affordable housing



AFFORDABLE HOUSING PLOTS

- ▲ 2 Bedroom
- ▲ 3 Bedroom



1. Do not scale off drawing
2. All dimensions to be checked on site
3. Any discrepancy between drawn and specified information to be notified immediately
4. If in doubt - ASK



client
Gleeson

project
Land at
Jack Lawson Terrace
Wheatley Hill, Co. Durham

drawing title
AFFORDABLE HOUSING

orig. no. 2215.09.04.	scale 1:500 @ A1
date February 2024	checked by DLM
drawn by DLM	checked by DLM

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Annex 2

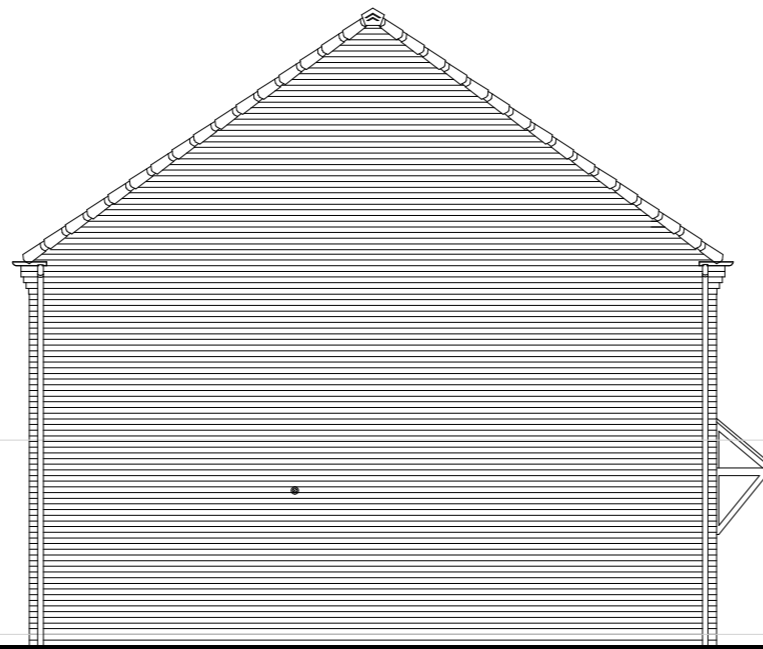
House Type Drawings

Notes

Do not scale from this drawing. If in need of further detail, refer back to the Technical Department.



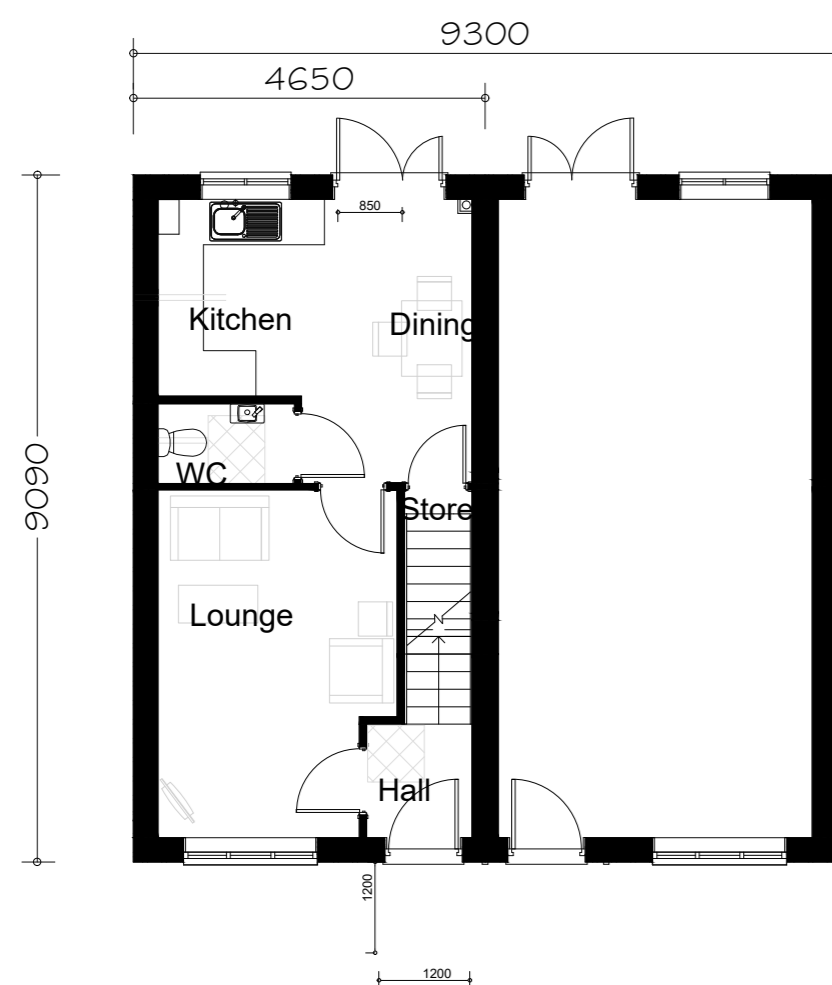
FRONT ELEVATION



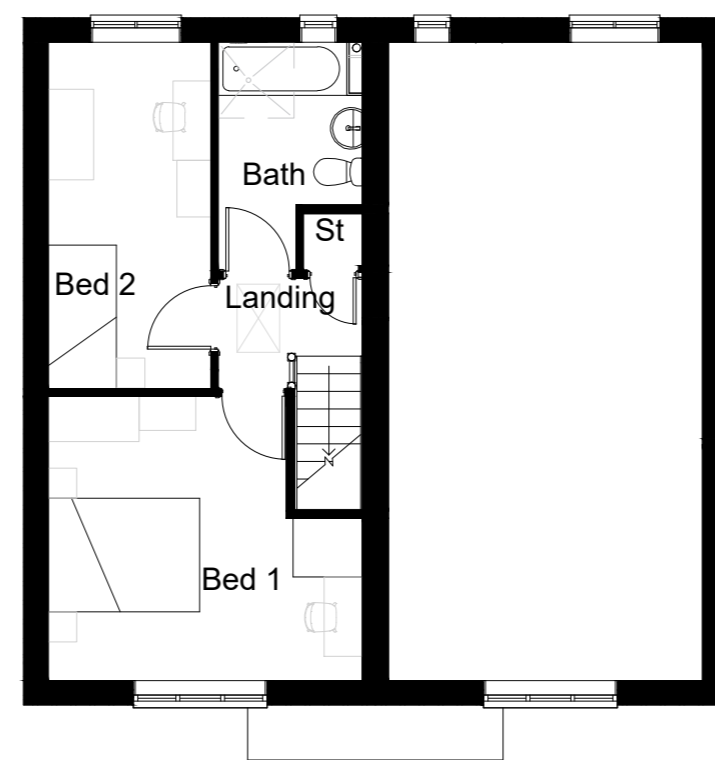
SIDE ELEVATION



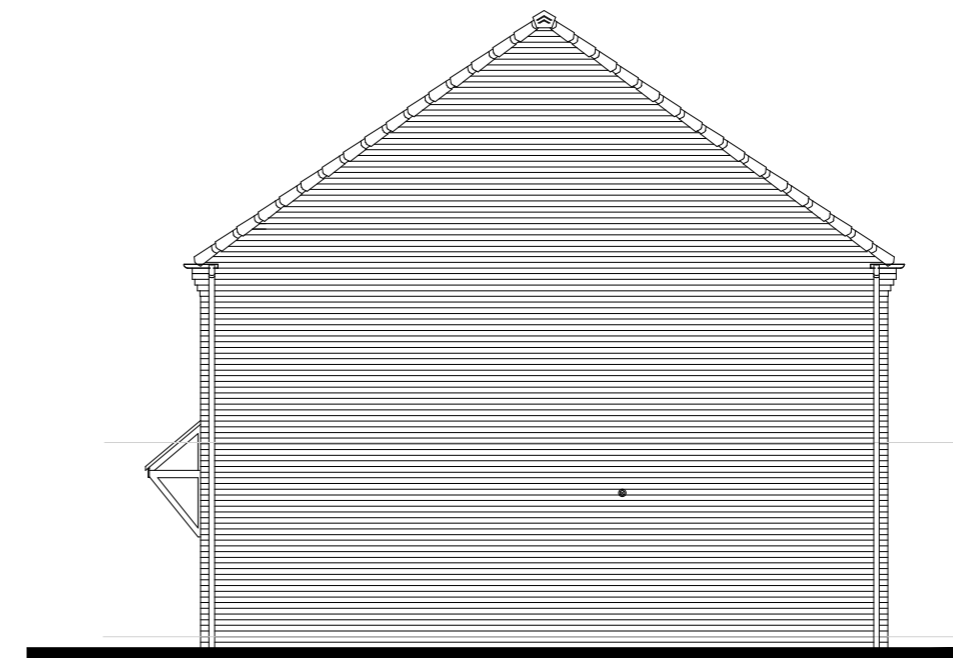
REAR ELEVATION



GROUND FLOOR PLAN



FIRST FLOOR PLAN



SIDE ELEVATION

FLOOR AREA
70.04m², 753ft²



Rev.	Comments	Date
C03	FF windows on front elevation moved down 1 brick course	05.09.23
C02	Lounge window changed	13.06.22
C01	Issued for construction	27.05.21
P01	Initial issue	20.04.21

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Project:
250 House Type
Urban

Title:
Planning Drawing

Scale:	Date:	Drawn:	Checked:
1:100 @ A2	22.04.21	OS	GE

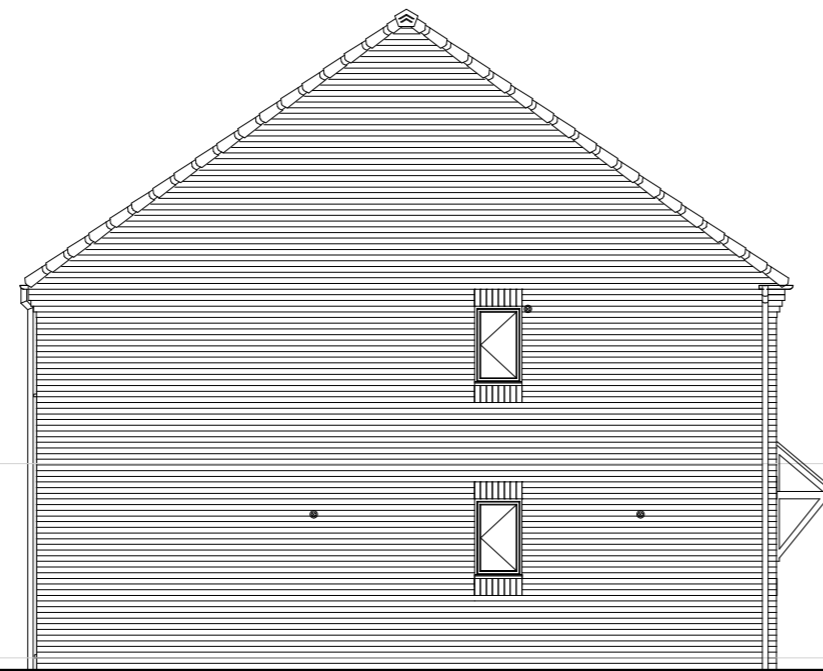
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21-250-U-0001	C03

Notes

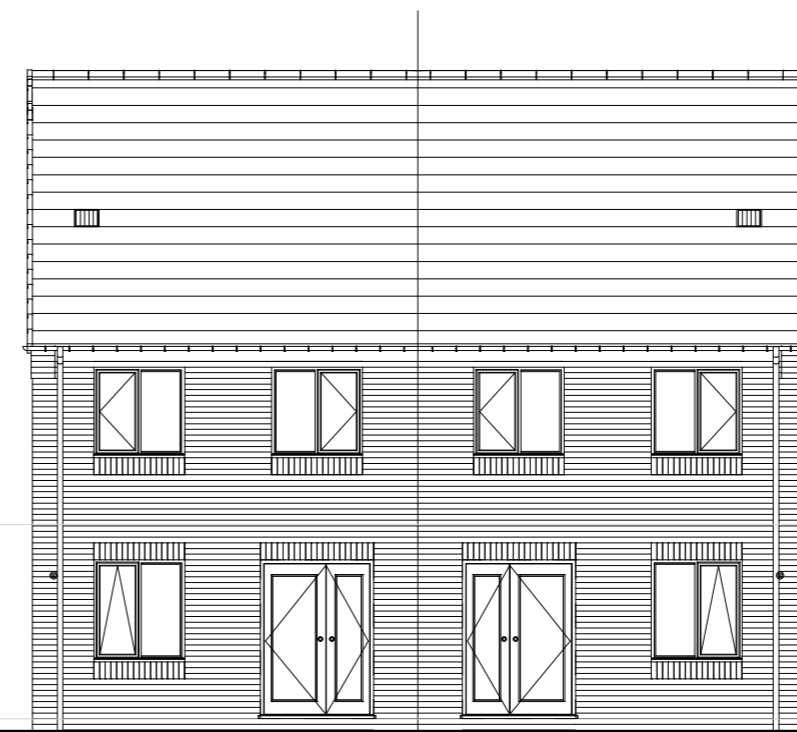
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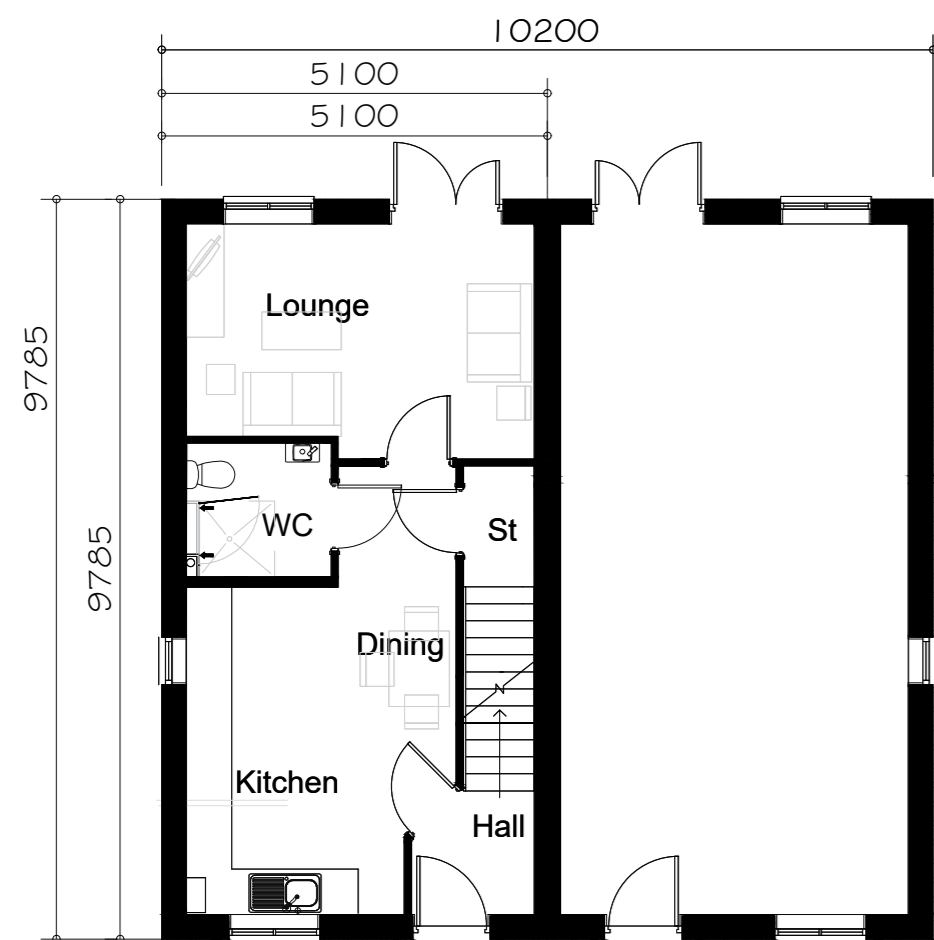
FRONT ELEVATION



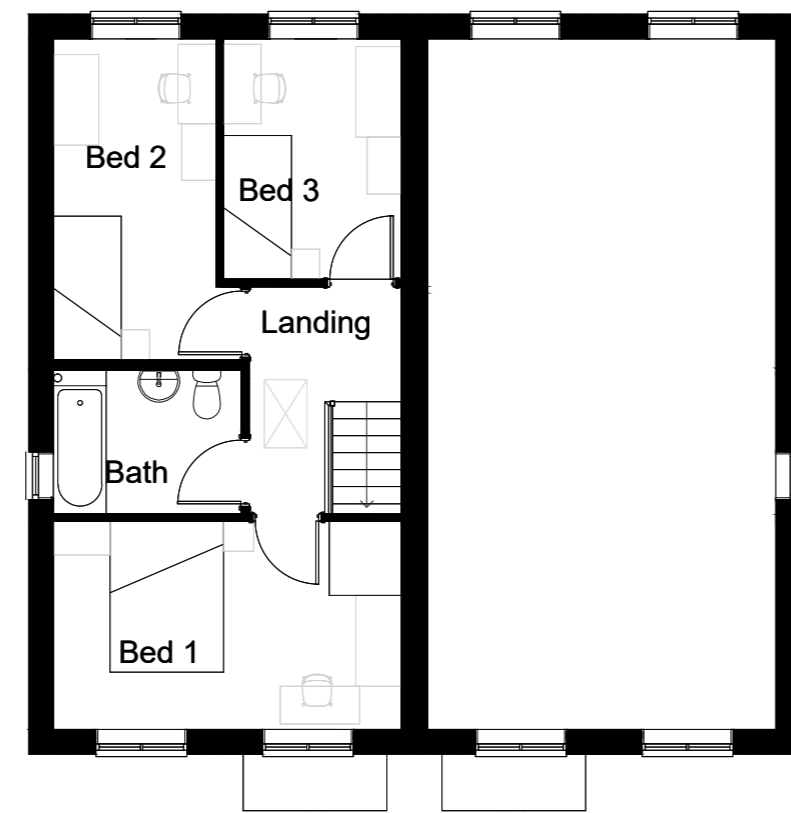
SIDE ELEVATION



REAR ELEVATION



GROUND FLOOR PLAN



FIRST FLOOR PLAN



SIDE ELEVATION

FLOOR AREA
84.04m², 904ft²



Rev.	Comments	Date
C05	FF windows moved down 1 brick course	06.09.23
C04	Front and rear elevation ridge line corrected, WN1 changed to flying mullion	21.06.23
C03	Lounge window changed	13.06.22
C02	GF layout updated	31.05.22
C01	Issued for construction	27.05.21
P01	Initial issue	22.04.21

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Project:
350 House Type
Urban

Title:
Planning Drawing

Scale: 1:100 @ A2	Date: 22.04.21	Drawn: OS	Checked: GE
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Drawing No: 21-350-U-0001	Revision: C05
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