



Summer/autumn 2013

Summary of Affordable Housing SPD

The Council's adopted Affordable Housing Supplementary Planning Document (AHSPD) provides further detail to support the adopted Purbeck Local Plan Part 1 policies relating to affordable housing.

Rather than summarise the whole of the AHSPD, this synopsis focuses on two aspects of the document, which may be particularly relevant to town/parish councils as ways to boost the supply of rural affordable housing.

1) Allowing some market housing on rural exception sites to facilitate significant affordable housing

- A rural exception site is an exception to normal planning policy, which restricts homes being built in the open countryside. They are allowed in all parishes except Swanage, Wareham and Upton (although they are allowed in and around Lytchett Minster) and are prioritised for households in the parish.
- They are also subject to normal planning considerations e.g. good design, highways access, not within 400m of a heathland, etc.
- Affordable homes do not give landowners as much financial return as market homes and so very few affordable homes have come forward in recent years through exception sites. Therefore, the Council now allows a small number of market homes on exception sites in order to incentivise landowners to bring forward sites.
- PDC has not set out a ratio for what it considers to be *some* and *significant*, preferring to judge each case on its merits. The Council will make a judgement using an open book approach to ensure that development is viable and is enough of an incentive to bring forward sites.
- PDC encourages parish councils to approach landowners to see if they would be interested in bringing sites forward in parishes where there is a demonstrated need. Where a developer approaches PDC first, PDC will encourage them to engage with the parish council to discuss housing needs and the potential development of the site.

2) Self-build rural exception sites

- This scheme allows households on the Council's housing register to build their own rural exception site.
- The applicant can build the property themselves, or use employed labour.
- Self-build exception sites can be in single plots or a group.

- The self-builder must secure a site and funding (there may be government funding available).
- Properties will be kept affordable in perpetuity via a legal agreement. The resale price is calculated as a percentage of the prevailing market value:

(Standard cost of construction x internal floor area + nominal plot value) / prevailing market value = xx%

- Worked example:

A hypothetical, three bedroom, 88sqm dwelling in the Purbeck Coast area costs £1,198 to construct and the plot of land cost £10,000. The total cost was £115,424. If the market value for that property would normally be £420,000, the resale value would be 27.48% of the market value at the time of sale.

- In order to ensure that properties remain affordable and to ensure that landowners do not overcharge for plots, there are a number of caveats:
 - Plots are limited to 0.1ha (just under a quarter acre).
 - The size limit is 100sqm internal floor space excluding garages (this is room enough for six bed spaces), otherwise build costs could go up and future resales would be less affordable.
 - Build costs are nominal. Therefore, if the applicant is a carpenter, plumber, etc., they can reduce their actual build costs and this will not be reflected in the resale value calculation. For example, it might cost them £800/sqm to build, but the resale calculation will be based on the normal build cost (currently £1,198/sqm). Therefore, they could make more money when they eventually sell.
 - The plot cost is a nominal £10,000. An applicant could pay more than this, but it would not be reflected in the resale value calculation. This is to ensure landowners do not overinflate plot values and charge too much, thus making the resales too expensive. £10,000 a plot still works out at £100,000 per hectare, which is still a substantial uplift from agricultural land value of around £18,000 per hectare.
- Other points:
 - Self-build projects are subject to normal planning criteria (design, access, not within 400m of a heathland, etc.).
 - Properties can be inherited by family members, provided they are on the housing register. Otherwise, PDC's allocations policy will apply, prioritising households in the parish who are in need.
 - For further information, see <http://www.dorsetforyou.com/media.jsp?mediaid=178878&filetype=pdf> or contact Steve Tapscott in PDC's Planning Policy Team on 01929 557359 or stephentapscott@purbeck-dc.gov.uk