

## Sevenoaks District Council Response to Starter Homes for First Time Buyers

Sevenoaks District Council (SDC) welcomes the opportunity to respond to DCLG's recent consultation on Starter Homes for first-time buyers. The Council supports the consultation. As the proposals are wide-ranging, they will be dealt with through the course of this response.

***Q1: Do you agree in principle with the idea of a new national Starter Homes exception site planning policy to deliver more new low cost homes for first time buyers?***

Sevenoaks District is a popular location for professionals who work in London, and further afield, mainly due to good quality access to the M25, M26 and M20, as well as good rail access to London terminals. Consequently, the District becomes more desirable and house prices rise resulting in the average price being £440,826 (Kent County Council Data 2014). SDC agrees in principle with the idea of creating a new national Starter Homes exception site planning policy for the development of more new low cost homes for first time buyers. The Council recognises that it is becoming increasingly more challenging for first time buyers to achieve home ownership. The Council notes that the wording for the policy is currently in draft, but recognises that this will be refined after consideration of all representations submitted. In addition, SDC welcomes that the policy will seek to give clarity to market housing that is considered affordable market housing, as opposed to the Government definition of affordable housing (both social and intermediate rents).

***Q2: Do you agree that the Starter Homes exception site policy should focus solely on commercial and industrial brownfield land which has not been identified for housing?; and***

***Q3: Do you agree that the types of land most suitable for starter homes will be under-utilised or non-viable sites currently (or formerly) in commercial or industrial use?***

As stated in the Sevenoaks District Core Strategy, SDC have a long standing ambition to retain development within the urban confines of its settlements within the District. Therefore utilising commercial or industrial land that has not been identified as housing is a logical step forward. While SDC notes that brownfield land should be utilised to deliver more housing, there is concern that the development of under-utilised or non-viable sites could be seen as isolated pockets of development in its own right, as the location could be unsuitable for infrastructure and access to key facilities and services.

However, SDC have concerns over the suitability of such sites as well as allowing developers to make a case of developing credible employment land. Sevenoaks is an area of high residential values with a high proportion of outward commuting (54% was recorded in the 2011 Census) to neighbouring major areas of employment, namely London. It is the opinion of the Council that employment land needs to be safeguarded to ensure a balance of land uses within the District, to expand local employment and the reduce the reliance on commuting to other employment centres. The substantial differences between high residential land values and lower business land values result in a clear incentive for developers to undertake the change of use proposed. Furthermore, the lost commercial land in Sevenoaks District would be very difficult to replace due to the constraints that exist in the District, with 93% designated within the Metropolitan Green Belt, and around 60% of the District designated within Areas of Outstanding Natural Beauty (High Weald or the Kent Downs).

SDC has prepared up-to-date policies that encourage the protection, regeneration and intensification of employment land (to provide for the assessed requirements of the local

economy) but allow conversion to residential where new evidence shows that there is no reasonable prospect of the use of the land for business purposes.

In the draft wording of the policy, it states that local planning authorities (LPAs) will grant permission for Starter Home schemes, unless it can be demonstrated that there are overriding considerations relating to health, safety or infrastructure that cannot be mitigated. The Council considers this to be an appropriate approach to take when considering a scheme's deliverability but suggests that the additional wording "...and where it can be demonstrated clearly that a site has no reasonable prospect being used for business purposes" is included.

***Q4: Do you consider it necessary to avoid Starter Homes developments in isolated locations, or where there would be conflicts with key protections in the National Planning Policy Framework?***

SDC considers that isolated locations for schemes like Starter Homes would be inappropriate development, as a number of brownfield sites (either industrial or commercial land) would be located within the urban confines. A majority of the Sevenoaks District is designated within the Metropolitan Greenbelt (93%). The District also includes two Areas of Outstanding Natural Beauty (the High Weald AONB and the Kent Downs). The Council notes that a sequential approach to site selection and assessment must be taken to ensure the degree of appropriateness when considering a site's viability.

***Q5: Do you agree that the Starter Homes exception site policy should allow at the planning authority's discretion a small proportion of market homes to be included when they are necessary for the financial viability of the Starter Homes site?***

Within paragraph 54 of the NPPF, it states that, for rural exceptions, a local planning authority may use its discretion to allow the provision of market housing to justify the financial viability of a site. SDC considers that by allowing a small proportion of market homes can contribute to the financial viability and could allow developers to start to deliver more quickly. The Council does wish to mention that while the provision of market homes could justify the financial viability of the scheme, it is the responsibility of the developer to provide sufficient information to a local authority for such provision. There is the possibility of developers using market housing provision to maximising return, once the discount has been applied to the starter homes. Like rural exceptions housing, the provision of market homes on such sites must be determined by the local planning policy to give creditability to the proposal on the grounds of financial viability.

***6: Do you agree starter homes secured through the Starter Homes exception site policy should only be offered for sale or occupation to young first time buyers?***

Yes, however it is SDC's view that purchasers should also be required to satisfy the eligibility criteria set for the Help to Buy shared ownership product, i.e. household income of under £60,000 per annum, unable to afford suitable housing on the open market, and (where adopted locally) a proven local connection to the area. This would ensure available homes would be sold to local people in genuine housing need.

***Q7: Do you think there are sufficient existing mechanisms in place to police this policy?***

The purpose of the scheme is to provide first buyers an opportunity to start on the housing ladder and achieve home ownership. The draft policy states that people that are eligible for the scheme would be below 40 years old. The Council is satisfied that the policy is broadly inclusive and meets the criteria of a first time buyer. It should also be reiterated that any first time buyer

should fulfil the criteria of eligibility (see Q.6). SDC notes that the personal circumstances of a first time buyer may have bearing on the ability to buy a first home (i.e. member of the armed forces). While currently in draft, the Council suggests that personal circumstance can make the term “first time buyer” ambiguous, and suggests that “people who currently do not a primary home” be more appropriate. SDC considers that a “first time buyer” should be formally defined, with a set of criteria to determine whether an individual is eligible. Like with Housing registers, an individual would be vetted to ensure that there are sufficient grounds for the allocation of a Starter Home. The existing mechanisms that would police the policy are already in place, with local authorities and housing associations monitoring affordable housing issues. It is a case of expanding the function of these organisations.

***Q8: What is the most appropriate length for a restriction on the sale of a starter home at open market value? How should the sliding scale be set?***

The “Buy to Let” market depletes the pool of affordable market housing that is available to first time buyers, as other see purchasing affordable market properties as an investment. The Council notes that the draft proposal states that first time buyers who purchase a Starter Home, will not be able to sell the property after a set number of years, to prevent capitalising on buying and selling on. The Council endorses this approach for Starter Homes to be held in perpetuity for other first time buyers, at a minimum discounted rate of 20% of the open market value, to ensure that there is adequate stock of homes available for other first-time buyers. SDC feel that the length of time would have to be dependent on the circumstance of the individual, and questions whether an individual would want to remain in the same location for the maximum period of time before selling. Therefore, the Council considers that a sliding scale should be set to a individual's personal circumstance.

As per the mechanism for Help to Buy shared ownership re-sales, Starter Homes available for re-sale could be marketed via appropriate mediums (e.g. via the Help to Buy zone agent web site) to new eligible purchasers.

***Q9: Do you agree that guidance should make clear it is inappropriate for Starter Homes exception site projects to be subject to section 106 contributions for affordable housing and tariffs?***

SDC requests guidance is provided as to whether the resultant Starter Homes should be counted as Affordable Housing.

***Q10: Do you agree that Starter Homes exception site projects should be exempt from the payment of the Community Infrastructure Levy?***

SDC in principle considers that to achieve the sufficient minimum discount of 20% on units in Starter Home schemes, exemptions from CIL and S106 contributions would be beneficial in delivering projects. In order to achieve this, the policy must define whether Starter Homes are an additional form of affordable housing, to coincide with other products such as shared ownership and intermediate housing. Clarification needs to be given as a Starter Home can be sold on the open market providing that the discount of the scheme is applied, allowing it to be sold in perpetuity to other first time buyers.

However, while the Council considers the exemption to be a benefit for the delivery of Starter Homes, there is uncertainty to how additional infrastructure will be supported without contributions, and whether the responsibility of improving infrastructure provision falls on the

developer or the local authority. Furthermore, the lack of additional infrastructure to support new developments could create an increased pressure on existing amenities within the surrounding areas of the scheme. The Council suggests that the impact on infrastructure for surrounding areas of the development be taken into account when determining site suitability and viability. Therefore, SDC seeks clarification within the policy wording on how improvements to infrastructure would be provided for, where required in accordance with the development.

***Q11: Do you have any views on how this register should work and the information it should contain?***

SDC feels that the process of organising a new register should be held by a central authority, rather than the District or local level. In SDC's view, the HCA appointed Help to Buy zone agents would be well placed to take on this role. In verifying applications, the appointed agent should make the necessary checks regarding household incomes (see response to Q 6).

***Q12: What kind of vanguard programme would be most helpful to support the roll out of Starter Homes?***

N/A