

# Affordable Housing - An introduction

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# A little history lesson



- Housing Act 1919 – The “Addison” Act
- Housing Act 1930 – Mass slum clearance
- Post-war prefabs
- 1951-1954 – The peak of council housebuilding
- 1965-1966 – The rise of the tower block
- 1980-1999 – Right to Buy and the reduction in council housing
- 1988 – 2019 – Housing associations, ALMOS, LSVTS and Decent Homes
- Localism Act 2011- the return of council house building?
- October 2018 – HRA Debt Cap removal

# So what is affordable housing?



There is no agreed definition of affordable housing!

So what is the most common referred definition of affordable housing?

The National Planning Policy Framework

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:



# So what is affordable housing?



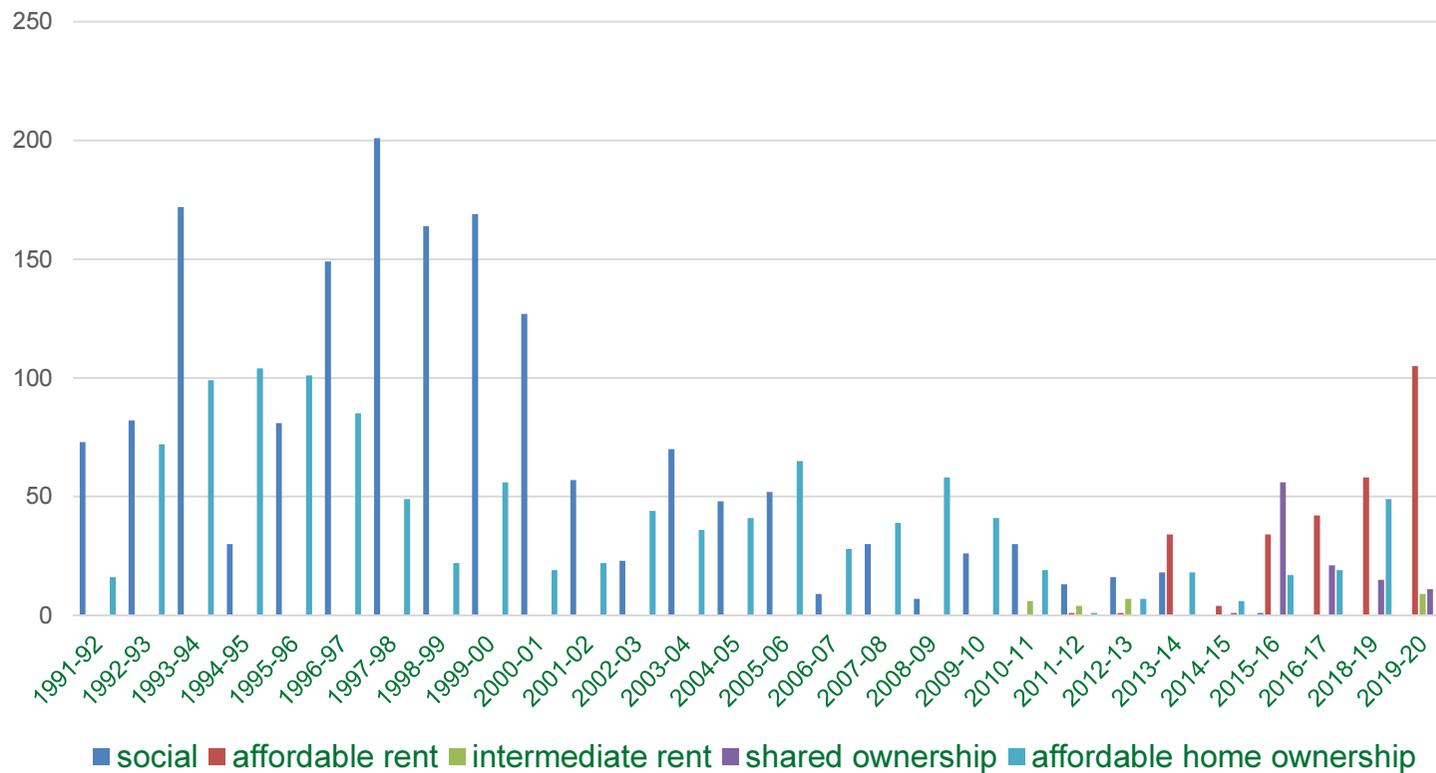
- **Social rent** – set in accordance with the Government's rent policy for Social Rent
- **Affordable rent** – at least 20% below local market rents inclusive of service charges (or commonly described as up to 80% of local market rents)
- **Intermediate rent** – normally 20% lower than market rents with tenancy of a minimum of 6 months up to a maximum of 5 years and the applicants must be working (household salary thresholds may vary)
- **Starter homes** – devised by the Conservative Government in 2015 to date none have been developed.
- **Discounted market sale housing** – sold at a discount of at least 20% below local market value
- **Shared Ownership** – where the buyer purchases a % of the property and pays rent on the remainder at 2.75% - owners are able to staircase out to full ownership
- **First Homes** – discounted open market value first time buyer homes with the maximum purchase price of £250k outside of London
- **Help to buy** – Equity loans – this is a new scheme (2021-23) for first time buyers

# Ways to deliver affordable housing



Section 106	Homes England	Community Land Trusts
Registered providers	Local authority development companies	Best use of stock
Rural exception sites	Cross subsidy	Partnership arrangements

Completions per annum per type of unit





# Questions?

