

HOW AFFORDABLE IS HOUSING IN RUTLAND

The National Need for Affordable Housing

The need for subsidised housing provision has long been recognised. The cost of private sector housing that meets acceptable standards, compared with the level and distribution of incomes and assets, means that significant numbers of households lack the resources to make a demand for decent housing effective in the market. Without subsidised housing, these households can fail to obtain housing of a decent standard.

Commentators are increasingly making the point that, in addition to a crisis in housing supply, England is in the grip of a crisis of affordability. In the foreword to the June 2017 IPPR report, *What more can be done to build the homes we need?*, Sir Michael Lyons said: "We would stress that it is not just the number built but also the balance of tenures and affordability which need to be thought through for an effective housing strategy."

Historically, homes for social rent (with rents set at around 50% of market rents) and affordable home ownership have been the main source of new affordable housing. However, the introduction in 2011 of social sector development with rents of up to 80% of market rents has, according to some, undermined the ability of even the social sector to supply housing that is truly affordable.

The Local Issues

Rutland is the smallest county in mainland England. It has many attractive characteristics and, for the people who live there, appears to offer a relatively high quality of life. It has excellent schools, low crime rates, good health and pleasant environment. It is not a busy location but is well placed for accessing jobs in nearby Peterborough, Leicester and Nottingham and further afield, London. There are inevitable downsides and in Rutland's case house prices have rocketed and housing affordability is now a major concern.

Characteristics of Rutland

- ✓ *The people who live in Rutland are amongst the best qualified in the country*
- ✓ *Over a third of the resident population hold a degree or above*
- ✓ *37% are managerial and professional workers*
- ✓ *67.4% of pupils achieve GCSE's at Grades A-C*
- ✓ *Rutland is a prosperous county the average income of Rutland residents is £28,000 and well above the national average*
- ✓ *Deprivation levels are amongst the lowest in England*

- ✓ *Has the lowest unemployment rates (0.6%) and long term unemployment rates (7.3%) in the country.*
- ✓ *Over 43% of households own two or more cars*
- ✓ *Rutland has some of the largest houses in the country*
- ✓ *Average house prices at £317,000 are much higher than the national average of £293,000*
- ✓ *Rutland is now ranked 13 out of 55 most expensive counties in England and Wales*
- ✓ *Rutland has an extremely high proportion of married couple without children but also a high proportion with dependent children*
- ✓ *Rutland is prosperous and levels of deprivation are amongst the lowest in England*
- ✓ *Rutland is a healthy place to live with life expectancy at 81.8 years and is in the top 1% nationally*
- ✓ *Rutland is one of the safest places to live with one of the lowest overall crime rates in England*
- ✓ *Kendrew Barracks, Cottesmore (British Army Barracks) 1,127 troops*
- ✓ *St Georges Barracks, North Luffenham with 451 personnel (Royal Army Medical Corps and Royal Army Veterinary Corps) due for closure 2020/21*
- ✓ *Growth in those aged over 55 by 51% with 175% growth in those aged 85 years and over (SHMA 2017)*
- ✓ *The number of people with disabilities is expected to increase by 53% with a growth in dementia of 119% (SHMA 2017)*

What effect has this all had?

There is a claim that nationally, we now have the most serious housing crisis since the mid-Sixties when campaign group Shelter was formed and when the film *Cathy Come Home* prompted an outcry over conditions. Today, there are 1.4 million households – more than three million people – on council housing waiting lists. The number of households in temporary accommodation stands at 61,970 – a 21% increase compared with 2010. Of the people living in temporary accommodation, 90,450 are children.

Meeting the needs of older people will be very important with the expected growth in those aged over 55 years. There is a growing demand for over 55's accommodation both from within Rutland and from retirees from all over the UK especially the south.

Service personnel from two barracks in Rutland when leaving the services wish to find accommodation in the area.

The average property price in Rutland is £317,000 compared to the average for England and Wales of £293,000. This makes Rutland the 13th most expensive county out of 55 counties. The average wage in Rutland is £20,718 (OFFICE FOR NATIONAL STATISTICS). The average earnings for a male is £560 per week (£29,120 per annum) and a female is £372 per week (£19,344 per annum).

Average Earnings

AREA	AVERAGE EARNINGS PER ANNUM £
RUTLAND	20,176
SOUTH KESTEVEN	18,408
EAST NORTHAMPTONSHIRE	21,528
EAST MIDLANDS	22,667
UNITED KINGDOM	27,600

The Property Price Range in Rutland

The property price range shows the number of sold properties in a given price range between October 2017 – September 2018) in Rutland. The price range identifies a cluster of sale from the £150,000 to the £400,000 as being the greater number of properties sold in the Rutland area. This gives an indication of the type and size of dwellings currently being available and sold on the open market. Taking the £150,000 value a potential purchaser, with a 10% deposit (£15,000) would need to secure a mortgage of £135,000 divide by 3.5 multiplier an income of £38,500 would be required.

Property Price Range	Market Share	Sales Volume
£50-£100k	0.6%	4
£100-£150k	9.8%	66
£150-£200k	21.6%	145
£200-£250k	18%	121
£250-£300k	13.4%	90
£300-£400k	14.4%	87
£400-£500k	9.1%	61
£500-£750k	8.6%	58
£750-£1M	3.4%	23
Over £1M	1%	7

Every Type of Home is Affordable to Someone

Some people can afford a market home. For others, the only thing they will be able to afford is an affordable rented home. Government policy around housing is to encourage home ownership from outright home ownership to affordable home ownership (Starter Homes, Shared Ownership, Shared Equity, Discounted Open Market, Rent to Buy).

Access to the home rental market can also be complicated from full open market rent to affordable rent (intermediate rent, affordable rent and social rent). To further complicate the housing market there are the cost associated with housing whether home ownership or rent eg. deposits, mortgages, stamp duty, rent in advance, types of ownership and tenancies, housing benefit, universal credit, local housing allowance.

It is not easy to negotiate the housing market, or know which sector of the housing market to choose. This choice is driven by 'affordability' and 'availability'- can they afford to access their chosen tenure in the area of their choice.

This final point is the area being investigated within this document – affordability in a high value housing market area and whether **local incomes** can support **local people** wishing to access the **local housing market**.

Below are a couple of examples identifying both 'affordability and availability issues. Average house prices for every settlement in Rutland are detailed in Appendix A as at January 2019.

(The calculations are made on the industry standard of 3.5 times income). The type of mortgage (eg. variable, fixed, tracker, discount) will also play a role in determining the repayments). Not all mortgages are offered at 95%, the majority are offered at 70/80% of the property value.

CASE STUDY A

Couple living outside of the Rutland area earning between them £65K.

Wish to move closer to their employment in Oakham, Rutland from Corby, Northants. Currently living in a one bedroom apartment which they have a mortgage of £70k. Travelling to employment costs approximately £60 per week (£260.00 per month) each (£520.00) and takes from 35-45 minutes to travel to work each trip. They wish to purchase a three bedroom house and be near family in Belmesthorpe, Ketton, South Luffenham, Greetham, Great Casterton or Barrowden.

Mortgage could be 3.5 times their income (£227,500)

Average Three Bedroom House price in:

Belmesthorpe	£350,000 OMV
Ketton	£373,571 OMV
South Luffenham	£329,750 OMV
Greetham	£311,248 OMV
Great Casterton	£325,000 OMV
Barrowden	£575,000 OMV

Taking the lowest average value of £311,248 for a three bedroom house in Greetham and with a 10% deposit (£31,000) would require a mortgage of £280,248 divide by 3.5 multiplier this young couple would require an income of £80,070 or a deposit of roughly £84,000

Despite this young couple earning what would be classed as a very good income for the area, they are unable to look to purchase a three bedroom house in their areas of choice. The chosen areas are all small villages/medium sized villages built in keeping with the local area and in some cases the villages developed as housing for estate workers being either large farm houses or small estate cottages adding to the desirability of the area. In some instances this has led to properties being used as 'second homes'. Some of the properties may also be 'listed'. Housing development in these areas have been restricted for many years, therefore the high house prices reflect the low number of houses coming to the market, the distinct makeup of these areas of individual properties of a historic nature and any new properties are on very small developments or individually developed. In such areas the properties are above average houses prices and demand outstrips supply, which further inflates the open market value of any properties bought to the market.

CASE STUDY B

Couple living outside of the Rutland area earning between them £55K. The couple have four children between them and they need the room to be able to accommodate them.

Wish to move closer to their employment in Oakham, Rutland from Stamford, Lincolnshire. Currently living in a three bedroom house which they privately rent. They need to live in a larger three bedroom house as a minimum. They would like to purchase their first home together and be near to family for help and support in Edith Weston, Ketton, Tinwell, Great Casterton and North Luffenham

Mortgage could be 3.5 times their income (£192,500)

Average Three Bedroom House price in:

Edith Weston	£775,000 OMV
Ketton	£373,571 OMV
Tinwell	£496,667 OMV
North Luffenham	£400,000 OMV
Great Casterton	£325,000 OMV

Taking the lowest average value of £325,000 for a three bedroom house in Great Casterton and with a 10% deposit (£32,500) would require a mortgage of £292,500 divide by 3.5 multiplier this young couple would require an income of £83,571 or a deposit of roughly £132,000.

The couple work in the Rutland area and are on what would be considered a good income, however compounding the affordability issue is their requirement for a larger house to accommodate the children, be closer to their employment but more importantly their extended family who will be able to assist with child care in school holidays and on occasions when a family member may be ill. As with case study A their chosen areas are not the main urban centres in Rutland but where their respective families reside. The couple wish to purchase a home and leave the private rented sector. As with Case A, the popularity of the villages, the very slow turnover of housing in these locations coupled with this family requiring a larger home and less disposable income means that they are unable to purchase a home in these villages.

CASE STUDY C

Couple living in Rutland area earning between them £45K. The couple have two children between them and they are looking to purchase their first home.

Wish to live in Uppingham to be close to their employment and schools for the children. Currently living in a three bedroom house which they privately rent.

Mortgage could be 3.5 times their income (£157,500)

Average Three Bedroom House price in:

Uppingham	£308,091 OMV
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Taking the lowest average value of £308,000 for a three bedroom house in Uppingham and with a 10% deposit (£30,800) would require a mortgage of £277,200 divide by 3.5 multiplier this couple would require an income of £79,200 or a deposit of roughly £30,800

With the potential of a 'Starter Home' the proposed open market value of the average property in Uppingham would £308,000 @ 80% OMV = £246,400 with a 10% deposit £24,640 = would require a mortgage of £221,760 or a deposit of £24,640

The above case studies are very simplistic because of the different mortgage packages available ie. 'interest only' but they do give an idea of the levels of income required to buy a property in the Rutland area.

Attached as Appendix C are some examples of affordable shared ownership dwellings currently on the market as a first step to analyzing affordable home ownership in Rutland.

Kendrew Barracks, Cottesmore

The Welfare Teams at the Kendrew Barracks have provided information which shows that both single persons and families leaving the service wishing to enter the home ownership market look to Melton Mowbray and Grantham for housing as they are more likely to be successful in being able to afford to purchase a property in these areas. The Welfare Team are currently conducting a survey at the Kendrew Barracks part of which will include questions on housing and future housing. The findings are due to be published in May

and will be able to form supplemental information to this document. The Ministry of Housing, Communities and Local Government are currently consulting on 'Improving Access to Social Housing for Members of the Armed Forces, Veterans and their Families'. This consultation document confirms the 'priority' that should be given to servicemen and women and their respective families to be able to seek affordable housing in the areas that they choose to live in.

Defining affordability for planning purposes

The most commonly referred to definition of affordable housing is set out in Annex 2 to the National Planning Policy Framework (NPPF). This is the definition that local planning authorities apply when making provision within their areas to meet local demand/need for affordable housing. The most recent version of the NPPF was published, following consultation, in July 2018. The revised NPPF states that where major development includes the provision of housing, at least 10% of the housing provided should be for affordable home ownership, subject to some exceptions.

Alternative measures of affordability

The definition of affordable housing set out in the NPPF does not make reference to the proportion of a household's income or earnings that should be spent on housing costs. The Housing Cost to Income Ratio (HCIR) was referenced in *Planning Policy Guidance Note 3: Housing* (the guidance which was repealed and replaced by the NPPF) and is frequently used in research into housing affordability.

Housing costs can be compared to earnings (the amount of salary an employee earns before tax and benefits) or to household income (all the income a household receives, after tax and benefits). Earnings data is frequently used because it is readily available at local level. However, income data provides a more complete picture - it accounts for households with multiple earners, and those with a high proportion of their income coming from benefits.

Affordability and Tenure

Home ownership has become increasingly difficult to access, particularly for first-time buyers, as house price growth has outstripped growth in wages. Median house prices in England are now 7.9 times higher than median earnings. The decline in the affordability

of home ownership together with pressure on the social rented sector has prompted growth in private renting. As private rents rise, the private rented sector has experienced its own affordability issues.

Access to social housing is constrained by a lack of supply. The number of new homes provided for social rent declined from 39,560 in 2010-11 to 5,900 in 2016-17.

Following their introduction in 2011-12, the number of new homes for affordable rent initially increased rapidly: 40,830 new units were provided in 2014-15. However, the number of new affordable units in 2015-16 was lower at 24,390.

Comparing mean social and affordable rents with the median household income of social-sector renters indicates that affordable rents take up a larger proportion of household income than social rents.

Why do we actually need affordable housing?

There are three interlocking reasons. One: the UK's population has risen over the past 20 years. Two: housebuilding numbers during the same period have been at historic lows. Three: house prices and rents have shot up.

So how much are affordable rents?

The relative lack of affordable homes has also been a major factor in the rise of the government's housing benefit bill. It was assumed the government would be able to reduce the UK's housing benefit budget which now stands at £24bn if those in housing need left private rented accommodation to live in affordable rented homes. But indications are that this is not happening. The housing benefit bill under the coalition government was £21.4bn in 2010. The Housing Benefit Bill is forecast to rise to £27bn by 2018/19 (Office For Budget Responsibility)

(See Appendix A detailing private rental figures and Appendix C for the Local Housing Allowance Rates for Rutland)

The Rutland Need For Affordable Housing

The above three cases show that there is a need for new homes in smaller settlements as well as the urban areas of Oakham and Uppingham. Appendix A shows that the average house prices in Oakham and Uppingham are fractionally lower than most of the

villages, however with regards to local earnings/incomes and household costs ratios are still not affordable to the majority of local households.

There is a need for a plentiful choice of homes, not just open market homes but also 'Affordable Homes',

(NPPF 2018 Definition: 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:.....),

(The affordable housing tenures are described in Appendix B)

In order that everyone can find a home that is affordable for them (in terms of their income), in the area that they wish to reside and a tenure of their choice.

The Local Plan and the Strategic Housing Market Assessment are the guiding documents for the authority's area new builds, setting out where development should take place. Private developers in the area tend to focus on building large deluxe four and five bedroom properties when there is a need for smaller more affordable properties.

To try and achieve this goal the Council needs to:-

- ✓ To promote housing growth that meets current and emerging needs
- ✓ Identify a range of sites in and on the edge of the towns and larger villages for housing development
- ✓ Consider the development of a new settlement
- ✓ Ensure the affordable housing policies in the emerging Local Plan and Supplementary Policy Document supports future affordable housing development
- ✓ Needs a proactive and enabling approach to tackle the housing issues in a growing and attractive rural area
- ✓ Establish itself as a 'first port of call' for partnership with developers working in the area
- ✓ Encourage developers to develop housing for both the buy and rental markets - these homes would range from small terraced houses and flats to large detached houses appropriate to an agreed local need
- ✓ Affordable (social rent/affordable rent) homes for rent for those that do not have the means to access open market rent and home ownership, including affordable home ownership and affordable private rent.
- ✓ Affordable home ownership for those whose incomes make open market housing beyond their reach but they have aspirations to gain a foothold on the home ownership ladder (shared ownership/shared equity/ discounted open market value, starter homes).

- ✓ New homes to be considered for both the two larger urban areas of Oakham and Uppingham but also villages, commensurate to the village size and location to facilities – Guidance information to be made available for each village on what would be an acceptable development, the number, sizes, tenures and any particular restrictions of letting and sales (controllable growth)
- ✓ Specialist accommodation (general elderly, extra care, etc) to promote movement within the housing market to more suitable accommodation, therefore releasing valuable younger persons/family housing

All the above can be used to create 'housing market churn' which would be beneficial to the housing market across the whole of Rutland.

Affordable housing

Affordable housing has many guises starting at the most affordable option,

- ✓ Social rented
- ✓ Affordable rented
- ✓ Intermediate rented
- ✓ Shared Ownership
- ✓ Shared Equity
- ✓ Rent to Buy
- ✓ Discounted Open Market
- ✓ Starter Homes

All the above should be available for eligible households whose needs are not met by the open market. Eligibility is determined with regard to local incomes (employment within the Rutland County Council area), local house prices and local connection. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

(Tenure Description in Appendix B)

Affordable Housing Sample Definitions

(a) Affordable housing that is provided:

below market prices

for people with a local connection to villages and towns in Rutland

for people who are unable to afford to purchase or rent houses generally available on the open market without financial assistance, as their only home

The recipients can include:

First time buyers and people who cannot afford to buy a suitable property on the open market

People who cannot afford to rent a suitable property on the open market

People who need properties that are adapted to meet their individual needs

People with support needs including those who have suffered abuse, experience learning disabilities or problems with mental health

Service men and women and their respective families

(b) Affordable housing that is available at a cost low enough, both rented and home ownership to meet the needs of *eligible households, taking into account local incomes, local house prices, local connection and housing needs/priority (homeless, special needs, adapted, elderly, service men and woman, unfit/unsuitable housing) which will remain at an affordable price for future eligible households or, if not, that the subsidy is recycled for alternative affordable housing provision.

Definition of Local Connection

'People who live, work or have a direct family connection to village/town/area (direct family connection means father, mother, brother, sister, son or daughter).

*for people with a local connection to villages and towns in Rutland

or people who are unable to afford to purchase or rent houses generally available on the open market without financial assistance, as their only home

APPENDIX A

RUTLAND HOUSE PRICES BY LOCATION -DECEMBER/JANUARY 2018/19 (Zoopla)

LOCATION	ONE BED FLAT	TWO BED FLAT	TWO BED HOUSE CURRENTLY ON MARKET	THREE BED HOUSE CURRENTLY ON MARKET	FOUR BED HOUSE CURRENTLY ON MARKET	FIVE BED HOUSE CURRENTLY ON MARKET	AVERAGE PRICE PAID OVER LAST 12 MONTHS	CURRENT AVERAGE VALUE	AVERAGE DETACHED HOUSE PRICE	AVERAGE SEMI DETACHED HOUSE PRICE	AVERAGE TERRACE HOUSE PRICE	AVERAGE FLAT PRICE	CURRENT RENTAL PRICES TWO BED HOUSE/ BUNGALOW	CURRENT RENTAL PRICES THREE BED HOUSE	CURRENT RENTAL PRICES FOUR BED HOUSE
	£	£	£	£	£	£	£	£	£	£	£	£	£ PCM	£PCM	£PCM
ASHWELL	0	0	0	0	0	0	253,000	565,432	694,965	218,735	403,930	0	0	0	0
AYSTON	0	0	0	0	0	0	1,606,000	1,318,680	1,656,786	0	0	0	0	0	0
BARLEYTHORPE	118,750	163,313	173,196	217,518	302,500	0	251,271	263,566	323,892	226,116	224,288	146,313	0	750	0
BARROW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BARROWDEN	0	0	0	575,000	550,000	0	451,417	570,626	611,619	389,250	169,182	81,700	0	0	0
BELMESTHORPE	0	0	0	350,000	0	1,395,000	499,995	526,868	549,855	396,353	0	0	0	0	0
BELTON IN RUTLAND	0	0	160,000	462,000	387,500	0	322,929	401,256	498,215	236,249	237,261	203,873	0	901	0
BROOKE	0	0	0	0	0	0	205,000	386,750	386,750	0	0	0	0	0	0
BRAUNSTON IN RUTLAND	0	0	0	350,000	0	0	400,000	509,231	660,318	293,810	323,622	0	0	0	0
BURLEY	0	0	0	500,000	895,000	0	577,500	753,853	911,199	698,596	477,776	426,701	0	0	0
CALDECOTT	0	0	0	350,000	0	0	243,750	349,692	404,523	254,782	213,479	100,923	0	0	0
CLIPSHAM	0	0	0	650,000	0	0	477,000	705,867	763,653	378,565	0	0	0	0	0
COTTESMORE	0	0	0	265,000	0	0	239,259	304,693	335,658	210,160	237,301	0	0	0	0
EDITH WESTON	0	0	0	0	0	0	775,000	420,761	696,164	225,149	228,661	0	0	650	0
EGLETON	0	0	0	0	875,000	0	591,000	651,085	670,857	0	0	0	0	0	0
EMPINGHAM	0	0	0	400,000	650,000	1,200,000	660,346	530,822	581,872	317,029	238,999	0	0	0	0
ESSENDINE	0	0	0	278,750	375,000	1,995,000	207,750	303,564	360,534	179,459	88,656	114,088	750	0	0
EXTON	0	0	240,000	159,950	0	0	428,600	401,791	544,261	206,500	206,772	0	0	0	0

GREAT CASTERTON	0	0	235,000	325,000	400,000	642,500	401,031	423,912	459,074	315,429	179,374	0	0	0	1,101
GREETHAM	0	0	225,000	305,000	459,496	551,663	311,248	351,617	437,774	217,361	188,868	0	390	0	962
HAMBLETON	0	0	0	0	0	699,000	1,090,000	1,079,094	1,192,000	779,819	321,826	0	0	0	0
KETTON	0	0	239,995	373,571	504,975	580,000	428,472	444,026	496,047	320,837	242,239	143,138	0	1,140	1,994
LANGHAM	0	0	157,082	227,488	0	0	384,692	378	422,954	300,378	212,836	0	0	849	0
LITTLE CASTERTON	0	0	0	305,000	0	0	462,333	558,528	557,542	576,806	330,663	0	0	0	0
LYDDINGTON	0	0	0	475,000	0	0	555,714	550,405	616,145	365,145	369,063	0	0	0	0
LYNDON	0	0	0	0	0	0	720,000	560,648	560,648	0	0	0	0	0	2,500
MANTON	0	0	0	379,000	0	1,200,000	345,333	561,289	781,998	280,192	271,310	0	0	0	0
MARKET OVERTON	0	0	0	400,000	0	0	355,000	451,518	559,653	314,714	241,746	0	0	0	0
MORCOTT	0	0	0	295,000	425,000	475,000	801,250	465,590	559,112	301,816	178,679	0	0	0	1,352
NORTH LUFFENHAM	0	0	160,000	232,500	377,500	0	499,000	341,013	405,066	244,661	205,987	0	0	0	0
OAKHAM	150,000	160,000	185,284	243,878	339,177	594,143	327,403	355,203	468,682	264,823	229,494	164,747	700	718	0
PICKWORTH	0	0	0	0	0	0	871,451	871,451	990,000	0	0	0	0	0	0
PILTON	0	0	0	0	0	0	840,000	596,071	730,540	0	0	0	0	0	0
PRESTON	0	0	240,000	0	0	0	356,000	4,254,479	581,083	259,131	312,107	120,495	0	0	0
RYHALL	0	0	0	240,000	345,000	525,000	294,967	310,444	409,255	221,302	189,732	0	0	0	2,400
SEATON	0	0	0	475,000	0	0	550,838	589,782	770,972	0	0	0	0	0	0
SOUTH LUFFENHAM	0	0	209,000	254,950	0	0	329,750	426,276	547,358	238,488	231,140	0	0	0	0
STRETTON	0	240,000	190,000	0	0	0	284,890	331,689	452,500	208,763	158,132	299,008	0	0	0
TEIGH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
THISTLETON	0	0	0	0	475,000	0	467,142	372,247	423,980	245,791	0	0	0	0	0
TICKENCOTE	0	0	0	0	0	0	343,000	540,616	725,524	337,430	0	0	0	0	0
TINWELL	0	0	0	0	0	0	496,667	676,214	874,618	387,749	191,391	0	0	0	0
TIXOVER	0	0	0	0	0	0	500,000	300,504	583,328	2,396,045	199,859	195,452	0	0	0
THORPE BY WATER	0	0	0	0	0	1,295,000	405,000	727,160	727,160	0	0	0	0	0	0
TOLLBAR	145,000	195,754	198,000	296,859	440,995	762,860	455,000	309,808	465,438	260,633	280,946	176,429	741	948	1,767
UPPINGHAM	0	0	192,780	267,533	399,722	0	296,733	308,091	383,807	251,450	117,056	117,056	0	737	897
WARDLEY	150,000	160,000	192,025	274,007	446,090	725,000	360,000	607,753	468,682	264,822	299,494	164,747	645	700	1,070

WHISSENDINE	0	0	0	240,000	292,000	525,000	343,367	395,266	437,502	253,459	197,658	88,333	607	0	0
WHITWELL	0	0	0	450,000	0	0	590,000	480,428	484,668	0	0	0	0	0	0
WING	0	0	0	375,000	0	0	607,143	481,591	575,215	310,851	204,654	0	0	0	0

APPENDIX B

Description of Affordable Housing Categories from the National Planning Policy Framework 2018

Affordable Housing For Rent

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable Rented Housing

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable) but must not exceed the Local Housing Allowance levels for the area. Some housing associations charge 65% of the market rent on properties with three-bedrooms or more. Affordable rent tenancies are not for life in the way social rent tenancy agreements used to be.

Intermediate Rented Housing

Intermediate housing is homes for rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing Rent definition above.

Build to Rent

The landlord need not be a registered provider and the rent is expected to be the normal form of affordable housing provision and is known as Affordable Private Rent.

All the above must include provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

Affordable Housing For Sale

Shared Ownership

This allows people to buy a share of a home and rent the rest. The purchase share in a property can be between 25/80%, the registered provider will set the purchase share.

The remaining share is owned the registered provider and the purchaser pays rent on the remaining share. You can gradually increase your share, or equity, in the property to own it outright. This is called staircasing. The price at which you buy shares of equity in the house is determined by an independent surveyor at the time you increase your share. There are restrictions on income levels and maybe other eligibility criteria attached. On a 'Rural Exception site or specialist housing purchase shares will be restricted to 80% open market value. The scheme is regulated by Homes England.

Shared Equity

The purchaser can purchase up to 80% open market value with the developer retaining the remaining 20% share. There is no rent to pay to the developer for the remaining share. Should the purchaser sell the property any profit made is split between the purchaser and the developer on their respective percentage share. This tenure can be offered by local authorities, registered providers and private developers.

Discounted Market Sales Housing

The property is sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provision should be made to ensure that the housing remains at a discount price for future households in perpetuity.

Starter Homes

As specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a Starter Home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision making. Where secondary legislation has the effect of limiting a household eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

Rent to Buy

This tenure has the intention of allowing the tenant the opportunity to purchase at a later date. The rent is to be provided as intermediate rent. There is no time restrictions on how long the potential purchaser can rent for.

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 the Government or the relevant authority specified in the funding agreement.

APPENDIX C



Rutland
County Council

APPENDIX C

Local Housing Allowance (LHA) Rates
April 2018 to March 2019



Weekly LHA Rates			
No. of Bedrooms	Leicester	Peterborough	Northants
Shared room rate	£61.38	£57.15	£53.81
1	£86.30	£92.05	£84.87
2	£109.32	£115.07	£109.12
3	£126.58	£132.32	£127.29
4*	£163.16	£168.41	£164.79

Monthly LHA Rates			
No. of Bedrooms	Leicester	Peterborough	Northants
Shared room rate	£265.98	£248.33	£233.18
1	£374.99	£399.98	£367.77
2	£475.02	£500.01	£472.85
3	£550.02	£574.96	£551.59
4*	£708.97	£731.78	£716.05

* The 4 bedroom rate is the maximum amount that we can use.

	Parishes in each LHA Area		
	Leicester	Peterborough	Northants
	Ashwell	Barrowden	Caldecott
	Ayston	Clipsham*	
	Barleythorpe	Edith Weston	
	Barrow	Empingham*	
	Beaumont Chase	Essendine	
	Belton-in-Rutland	Great Casterton	
	Bisbrooke	Greetham	
	Braunston-in-Rutland	Horn	
	Brooke	Ketton	
	Burley	Little Casterton	
	Cottesmore*	Morcott*	
	Egleton	Normanton	
	Exton*	North Luffenham	
	Glaston*	Pickworth	
	Gunthorpe	Ryhall	
	Hambleton	South Luffenham	
	Langham	Stretton	
	Leighfield	Thistleton	
	Lyddington*	Tickencote	
	Lyndon*	Tinwell	
	Manton	Tixover	
	Market Overton*		
	Oakham		
	Pilton		
	Preston		
	Ridlington		
	Seaton*		
	Stoke Dry		
	Teigh		
	Thorpe-by-Water*		
	Uppingham		
	Wardley		
	Whissendine		
	Whitwell		
	Wing		

* Parishes with this symbol next to them refer to the main part of the town or village only. Properties on the edge of the village or in the rural part of the parish may be in a different area. Please contact us if you are unsure which area a property is located in.

Appendix D

Examples of shared ownership properties for sale in Rutland

LOCATION	TYPE OF PROPERTY	OPEN MARKET PRICE	FOR SALE PRICE	PERCENTAGE SHARE	RENT PCM	DEPOSIT	TOTAL MORTGAGE EXCLUDING RENT	INCOME
		£	£		£	£	£	£
EMPINGHAM	TWO BED SEMI HOUSE	120,000	60,000	50%	257.58	6,000	54,000	15,428
EXTON	TWO BED SEMI HOUSE	165,000	132,000	80%	111.52	13,200	118,800	33,943
GREETHAM	THREE BED SEMI	240,000	84,437	35%	359.36	8,443	75,994	21,712
UPPINGHAM	TWO BED TERRACE HOUSE	180,000	54,000	30%	306.22	5,400	48,600	13,885

Example of a Two Bed Semi Detached Shared Ownership House in Oakham worked to Monthly Income

Percentage share of £30% = £57,000

(based on interest rate of 3% over 30 yrs)

Monthly Mortgage £306.97

Rent pm £261.25

Service Charges £38.11

Total £606.33 (x 12 = £7,275.96 pa)