

REPORT TO SHEVINGTON PARISH COUNCIL POLICY COMMITTEE
MAY 5TH 2016.

Starter Homes Regulations: Technical Consultation

This consultation seeks views on the details for the regulations to support the starter homes clauses in the Housing and Planning Bill. This consultation closes on May 18th. The Bill is in its final stages and the House of Lords have made a number of amendments. One of these relating to Starter Homes places a restriction requiring repayment of the 20% discount, reduced by 1/20th for each year of occupation by the purchaser, for a period of 20 years. The original clause only required the discount to be paid back if the house was sold within five years. If these amendments are accepted by the Government they may have a direct bearing on the form of regulations required.

The Bill (currently before Parliament) proposes a new statutory framework for starter homes, including:

- a statutory definition of a starter home;
- a general duty on local planning authorities to promote the supply of starter homes when carrying out their planning functions;
- the ability to set a starter homes requirement, meaning that local planning authorities may only grant planning permission for residential development if the starter homes requirement is met;
- reporting arrangements to ensure local communities, and especially first time buyers, are aware of what action local planning authorities are taking to support the delivery of starter homes; and
- powers for the Secretary of State to intervene if local planning authorities fail to carry out their functions related to starter homes.

Questions

What is a Starter Home?

Q1: Do you support restrictions on the sale and sub-letting of starter homes for 5 years following initial sale? Do you support allowing individuals to sell at a higher proportion of market value as the number of years they have lived in the home increases? If not, what other approaches can we adopt to meet our objectives?

Answer: No. Individuals should not be allowed to benefit from sale at full market value after only five years they should return a proportion of the subsidy for up to 20 years.

Q2: Do you agree that flexibility over the age 40 restriction should be given when joint purchasers are looking to buy a starter home, one purchaser being under 40 years old but the other older than 40?

Answer: Yes

Q3: Do you agree that there should be an exemption from the age 40 restriction for injured military services personnel and those whose partner has died in service?

Answer: Yes

The Starter Homes Requirement.

Q4: Would a site size of 10 units or more (or 0.5 ha) be an appropriate minimum threshold for the starter home requirement? If not, what threshold would be

appropriate and why?

Answer: This should be determined locally according to the area's housing needs.

Q5: Should the minimum percentage requirement be applied uniformly on all sites over 10 units to provide a single requirement across the country?

Answer: No should be determined locally according to the area's housing needs.

Q6: If so, do you agree that 20% represents a reasonable requirement for most areas?

Answer: No comment.

Q7: Do you support an exemption from the Starter Homes requirement for those developments which would be unviable if they had to deliver any affordable housing including Starter Homes? If so, how prescriptive should the viability test be in the regulations?

Answer: No. Many developers would argue lack of viability just to get out of a commitment to provide starter homes. If adopted the viability test would have to be stringent.

Q8: Do you support the proposed exemptions from the starter homes requirement (such as Student Housing)? If not, why not?

Answer: Yes

Q9: Should group custom build developments and developments with a very high level of affordable housing such as estate regeneration schemes be exempt? If not, why not?

Answer: Yes

Q10: Are any further exemptions from the starter homes requirement warranted, and why?

Answer: No comment.

Q11: Do you support the use of commuted sums to deliver starter homes where the local planning authority agrees?

Answer: Yes but not to the exclusion of other types of affordable housing.

Q12: Do you support the proposal that private rented sector housing (for institutional investment) and specialist older people's housing should meet the requirement through off-site contributions?

Answer: Yes to private rented housing no to specialist older people's housing.

There are no comments on Monitoring and Reporting (questions 13-18)

CONCLUSION AND RECOMMENDATION

It has been difficult to fully comment because at the time of writing we were not aware of the final form of the Housing and Planning Bill. It is recommended that the comments in this report are conveyed to the Department of Communities and Local Government.

Barry King
27th April 2016