

RESPONSE TO STARTER HOMES REGULATIONS TECHNICAL CONSULTATION

Introduction

The Highbury Group is an independent group of specialists from public, private and independent sectors from housing, planning and related professions which prepares proposals for Government and other agencies on policy options for optimising the output of housing including affordable housing. The current membership is set out in a footnote to this submission

The Group has responded to previous consultations on the Starter Homes Initiative and to consultation on Proposed Changes in Planning Policy, which included reference to the Starter Homes Initiative.

We wish to reiterate the Group's support for initiatives which increase the overall supply of new homes and specifically initiatives which increase the supply of new housing which is affordable by low and middle income households. We do not support the Starter Homes Initiative in the form as proposed by the Government as a mandatory national programme imposed on Local Planning Authorities.

To respond to the specific questions in the consultation paper:

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?

We consider that restrictions on subletting should apply in perpetuity. The discount should be applied in perpetuity with sales on the basis of 20% discount in relation to market value. Sales should be limited to households nominated by the local authority where the purchaser can demonstrate that they cannot afford to access housing on the open market. Purchasers should be required to demonstrate that the home is an appropriate size for their household needs and that the home will neither be over-crowded nor under occupied. Purchasing households should need to demonstrate that the home will be their sole residence and that on

completion of purchase they will not own, or have an interest in, any other residential property.

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?

We do not support any age restriction on this programme. Any age restriction is discriminatory.

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

We oppose any age restriction. Consequently no special treatment of injured military services personnel is required.

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?

We support the removal of any site size threshold for the application of planning policy for the provision of affordable homes. We do not support the Government's recent reintroduction of a 10 unit threshold.

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

No. Targets should be determined by Local Planning Authorities based on the evidence of effective demand for this product relative to other housing products based on their Strategic Housing Market Assessment.

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

No. The Government has produced no evidence basis for its 20% target.

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?

All planning applications which are not compliant with the Local Planning Authority's policy should be subject to a full and disclosable viability assessment.

Q8: Do you support the proposed exemptions from the starter home requirement? If not, why

not?

Starter homes should not be required on any site where the Local Planning Authority can demonstrate that there is a greater need for other forms of housing provision. This may include specialist provision including supported housing and obligations to replace demolished social rented housing within estate redevelopment schemes.

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?

There should be no general exemption. Any requirement for starter homes on any site, including sites on a small sites custom build register, should be based on assessment of the need for different types of housing within a specific area.

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

See comments above.

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

The use of commuted sums for a range of affordable housing projects may be appropriate where provision cannot be made on site. However priority should be given to the provision of housing at costs below the Starter Homes Initiative thresholds where there is evidence of a need for such provision.

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?

The previous comments apply. This is an issue for determination by the Local Planning Authority in the context of their assessment of the priority to be given to different forms of housing provision within a specific context.

Q13: Do you agree that Starter Homes monitoring reports should be an annex to the Authority Monitoring Report?

AMRs should differentiate between different forms of housing provision including the new category of Starter Homes schemes. Monitoring reports should also include sale price in relation to market price and average local household incomes.

Q14: Do you agree that these reports establish the key actions taken to support starter home delivery and the outcomes in terms of permissions granted and completions?

Reports should relate to actions to support different types of affordable housing provision and not limited to the Starter Homes programme.

Q15: Do you agree that April 2017 is a reasonable date for the first report to be published? If not, do you have alternative suggestions and why?

Yes. A national template for AMRs is required to allow for comparative analysis of planning outcomes between local authority areas.

Q16: Do you support a transitional provision for the starter home regulations?

As the programme should be determined locally, it is for each LPA to determine the phasing of the introduction of any new planning policies within their LPA. Any changes to local housing targets and policy require an evidence based justification prior to adoption through the core strategy review process including public consultation and Examination in Public.

Q17 Is there further evidence we should be considering in our assessment of equalities implications?

Introduction of any new policy by a Local Planning Authority requires a demonstration that the policy has no negative equalities impact. Any programme or policy which includes an age qualification is discriminatory.

Q 18 (i): How do you anticipate the open market value of Starter Homes would compare to other affordable housing products such as social rent, affordable rent and affordable home ownership?

This will vary between areas. In some situations a 20% discount on new build market homes may not be as affordable as comparable homes in the second hand market. In other cases, development of homes at a 20% discount will not be viable for developers, even taking in account exemption from s106 obligations and CIL.

(ii): How do you envisage the market value of Starter Homes when compared to the market value of full priced new build homes bought by first time buyers?

This will be variable by area.

(iii): What is your view on the proportion of sites that would be able to deliver 20% Starter Homes without viability being affected? How would this affect other developer contributions?

This is for individual developers to make their own judgements.

(iv): Do you agree that in most instances s106 negotiations occur on residential sites of 10 or more units, regardless of whether a s106 agreement is ultimately put in place? And do you agree that before the April 2015 pooling restrictions on Section 106, infrastructure contributions (as a proportion of development activity) tended to be higher in authorities that secured relatively low s106 affordable housing contributions?

CLG needs to collect detailed information on this issue before reaching any conclusion on the matter.

(v) To what extent do you think the starter home requirement and associated exemptions will affect site viability, if at all?

Clearly in some cases a Starter Home requirement replacing a requirement for social rent, affordable rent or shared ownership will increase developer viability, while reducing the supply of these alternative and more affordable tenures. This is a negative outcome in terms of the Local authority's ability to provide housing to meet the full range of assessed housing needs as required by the NPPF and other Government guidance.

(vi) We would welcome (a) any estimates of the costs incurred by developers in negotiating s106 agreements on sites of different sizes, for example time costs, consultants or legal fees, and (b) views on the extent these costs might change as a result of the 20% starter homes requirement.

This is for individual developers to provide.

Other points.

We note with concern that the consultation paper does not cover the following issues:

a) The process for assessing the sale price of individual units provided under the SHI are sold at a minimum discount of 20% in relation to full market value, and the powers of the LPA to either revoke planning consent, enforce price reductions or fine developers for any breach of the discount requirement.

- b) The arrangements for exemption from planning obligations in relation to affordable housing and or Community Infrastructure Levy.
- c) No proposals relating to the introduction of different price caps by local planning authority or housing market area.
- d) No provision for varying price caps by size of unit, for example distinguishing between studio flats and 4 bedroom or larger houses.
- e) Clarification of eligibility restrictions in relation to nationality or length of residence of purchaser
- f) No specification in relation of regulations in relation to occupation of dwellings to ensure effective use.

Footnote

The Highbury Group is an independent group of specialists from public, private and independent sectors from housing, planning and related professions which prepares proposals for Government and other agencies on policy options for optimising the output of housing including affordable housing.

The group was established in 2008. The group now meets at the University of Westminster, London. It comprises the following core members: Duncan Bowie -University of Westminster (convener); Stephen Ashworth – SRN Denton ; Julia Atkins - London Metropolitan University; Bob Colenutt - Northampton Institute for Urban Affairs ; Kathleen Dunmore - Three Dragons ; Michael Edwards - Bartlett School of Planning, UCL; Deborah Garvie SHELTER ; Stephen Hill - C20 Futureplanners ; Angela Housham - Consultant ; Andy von Bradsky -PRP ; Seema Manchanda – planning consultant; Tony Manzi - University of Westminster; James Stevens - HomeBuilders Federation ; Peter Studdert – Planning consultant ; Janet Sutherland - JTP Cities; Paul Watt - Birkbeck College ; Nicholas Falk- URBED; Catriona Riddell – Planning Officers Society; Richard Donnell – Hometrack; Pete Redman – Housing Futures; Richard Simmons - independent consultant; Richard Blyth /Joe Kilroy – RTPI ; Shane Brownie – National Housing Federation; Stephen Battersby- Pro-Housing Alliance; Roger Jarman – Consultant/ Housing Quality Network; Richard Bate- Green Balance; Eric Sorensen; Ken Bartlett; David

Waterhouse- Design Council/CABE; Martin Crookston; Chris Shepley; Kath Scanlon – LSE; Nicky Morrison – University of Cambridge; Glen Bramley- Heriot Watt University; Tim Marshall – Oxford Brookes University. Alisdair Chant- Berkeley Group; Chris Knowles- Tonbridge and Malling BC.

The views and recommendations of the Highbury Group as set out in this and other papers are ones reached collectively through debate and reflect the balance of member views. They do not necessarily represent those of individual members or of their employer organisations.

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