

APPENDIX A – Response to Affordable Housing SPD Pre-Consultation

Viability - From comments received, it's clear that viability remains a key barrier to the delivery of affordable housing for both developers and registered providers, particularly with the cost of land and competing requirements of national and local planning policies. The availability of suitable sites remains a challenge, and scarcity drives up the land price, which has to be balanced against rising costs. Together this presents significant challenges in enabling developers and registered providers to compete for new opportunities.

Lack of Registered Providers able or willing to take on affordable housing - Developers also reported that they're finding it difficult to find a registered provider to take ownership of affordable homes. Registered providers and developers cite many reasons for this, including viability, design, and other factors.

Housing Type and Tenure - In terms of housing type, developers indicated that they wouldn't look to deliver bungalows because they require more land and this impacts on viability. More flexibility is needed and the tenure should be led by the applicant according to one developer. Regarding tenure, all respondents suggest that it varies from site to site depending on size and location, but a mix of tenures and shared ownership tend to be most preferred options due to ease of management. Responses indicate that homeowners are inclined to take more responsibility for maintaining their properties which is less resource intensive for registered providers and better for community cohesion.

Commuted Sums - With regard to on-site and off-site provision, comments indicate that there is a need for more flexibility. One developer expressed that they prefer to deliver on site affordable homes on very large sites, but off-site provision is preferred on smaller sites. Given that developers are finding it difficult to find a registered provider to take on the management of affordable homes, the need for a flexible approach is becoming more apparent within the wider region too. Rushcliffe Borough Council are reporting similar issues with this and are reviewing their approach.

Section 106 agreements - All respondents report a need for more flexibility in the drafting of section 106 agreements as this can cause difficulties later in the process i.e., the need to renegotiate/revise agreements. Examples of issues include:

- s106 agreement does not meet registered provider requirements in terms of mortgagee in possession and they ask for subsequent variations to meet their ability to charge their homes following completion. They are careful to ensure any nomination agreements are acceptable to satisfy their sales team.
- requirements for flexibility on local connection
- schemes affected by Designated Protected Area status (DPA) – some registered providers would seek to agree a waiver with the Council where possible.

Specialist Housing - Unsurprisingly, developers are not keen to support the delivery of affordable housing on specialist housing sites (Use Class C2) due to cost implications. There are also implications for registered providers in terms of management. However, responses from registered providers do recognise and emphasise the need to deliver this type of housing and their preference is for self-contained units as they are easier for management and charging fees for communal areas.