

DEFINITIONS OF AFFORDABLE HOUSING ACROSS HEREFORDSHIRE

For the purpose of delivering **AFFORDABLE HOUSING** across Herefordshire, the Council considers affordable housing for **LOCAL** people to be:

'housing provided at below market prices and allocated on the basis of need to people who live or work in Herefordshire or need to move to Herefordshire to receive/provide support and who are unable to purchase or rent houses generally available on the open market without financial assistance, as their only home'.

This is reinforced by the National Planning Policy Framework definition as follows:

Affordable Housing: *Social Rented, Affordable Rented* and *Intermediate* housing.

Who: Provided to eligible households whose **needs are not met by the market**. Eligibility is affordable housing for? is determined with regard to local incomes and local house prices. 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.

* Further information can be found at www.communities.gov.uk/publications/planningandbuilding/nppf

Social Rented: Rented housing usually owned and managed by housing associations, for which guideline target rents are determined through the national rent regime¹.

Affordable Rented: Rented housing usually owned and managed by housing associations BUT not subject to the national rent regime but is subject to other rent controls. This requires a rent of no more than 80% of the open market rent (including service charges, where applicable).

Intermediate: Homes for purchase and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include homes for *Shared Ownership, Low Cost Market and Intermediate Rental*, but not affordable rented housing.

Shared Ownership: Enables you to buy a share in a property and pay rent on the remaining share which is owned by a housing association. Usually the maximum share owned cannot exceed 80% of the property value.

Low Cost Market: Housing sold at a price lower than the open market value to households in housing need who could not otherwise afford to purchase, as determined within the Technical Data supporting the Planning Obligations SPD (2008).

Intermediate Rental Homes for rent provided at a cost above social rent, but below market levels. In Herefordshire, Intermediate Rents are set at 100% of the local housing allowance.

Other Government Home ownership Options For more details about alternative forms of Home Buy visit the local Home Buy agent at: www.orbithomebuyagents.co.uk

Note: *A Housing Association can be referred to as a Registered Social Landlord and also a Registered Provider.*

¹ The National Rent Regime is based on a formula that generates "target rents", with reference to local house prices and local earnings. The objective is for those target rents to be affordable for people in low paid employment or dependent entirely on state benefits.