

## PART 2

### Affordable Housing

The following definitions shall apply in this Schedule 1:

#### 1. Definitions

<b>Adjoining Parish</b>	means Abbotsham and Bideford
<b>Advertising</b>	means the advertising for sale or letting of any interest in the relevant Shared Ownership Dwelling or Social Rented Dwelling in accordance with a scheme to be approved by the Council which scheme shall include (unless otherwise agreed with the Council) an advertisement on the website of Help to Buy South or any other similar organisation and such other advertising such as through local estate agents and social media channels as shall be agreed in writing by the Council and "Advertised" shall be construed accordingly.
<b>Affordable Dwellings</b>	means 8 of the Dwellings to be provided on the Site as Affordable Housing and reference to "Affordable Dwelling" shall mean any one of them.
<b>Affordable Housing</b>	means Social Rented Housing or Shared Ownership Housing provided to eligible households whose needs are not met by the market, where eligibility is determined with regard to local incomes and local house prices and which remains at an affordable price for future eligible households and as defined in Annex 2 of the NPPF.
<b>Affordable Housing Scheme</b>	means a scheme for the provision of the Affordable Housing to be submitted by the Owner to the Council which shall include (unless otherwise agreed with the Council): <ol style="list-style-type: none"><li>Arrangements for the provision of the Affordable Dwellings;</li><li>Location of the Affordable Dwellings to be shown on a plan with reference to the appropriate plot numbers;</li><li>Details of the unit size of the Affordable Dwellings; and</li><li>Arrangements for the transfer of the Affordable Dwellings to a Registered Provider</li></ol> and such other details as reasonably required by the Council.
<b>County</b>	means the County of Devon.
<b>Devon Home Choice</b>	means the method or body agreed by the Council in accordance with Department for Communities and Local Government guidance: - "Allocation of Accommodation: Choice Based Letting" (August 2008) for the allocation of Affordable Housing in the District.
<b>District</b>	means the administrative area of Torridge District Council.
<b>Help to Buy South</b>	means the method or body agreed by the Council for the nomination of Shared Ownership Housing available to buy in the District or such

successor body or organisation responsible for the nomination of Shared Ownership Housing available to buy in the District.

**Homes England (HE)**

means the agency so named and established under the Housing and Regeneration Act 2008 for the purpose of procuring and regulating the provision of Affordable Housing and any body that replaces it for the purpose of those functions.

**Housing Need**

means a person who does not have available to him and could not afford (personally or jointly with other members of his household) to acquire or rent a home suitable for his needs and the needs of their household at the normal market values prevailing in the District.

**Intermediate Housing**

means Affordable Housing made available for sale or rent as Shared Ownership Housing.

**Intermediate Housing Units**

means the Dwellings to be provided as Intermediate Housing and "Intermediate Housing Units" shall be construed accordingly

**Local Connection**

means a local connection calculated from the Start Date (defined in Part VII of the Housing Act 1996) with the District (or the Qualifying Area as appropriate) as follows:

- being permanently resident therein for six of the last twelve months, or three out of the last five years; or
- in permanent full-time or part-time (minimum 16 hour contract per week) work therein for 6 months. This may include the need to move to the District in connection with permanent employment (minimum 16 hour contract per week) where commuting from the person's existing home is accepted by the Council as unreasonable. In all cases there should be no break in the period of employment for more than 3 months over the relevant period; or
- have family connections in the District. Reflecting the Local Government Association guidelines this is normally defined as the applicant, or a member of their household has parents, adult children or brothers or sisters who have been resident in the District for at least the last 5 years; or
- having immediate relatives (i.e parents, non-dependent children, brother or sister) who have lived therein for at least 5 years and with whom there has been shown to have been frequent contact, commitment or dependency; or
- other categories or relationships may be considered by the Council including foster relationships where clear evidence of frequent contact, commitment dependency is shown
- other special circumstances which create a link to the District (not including residence in a hospital armed forces accommodation holiday let or person or rehabilitation facility) and having been first verified in writing by the Council as having such special

circumstances and this may include the need to reside medical support or (with the approval of the Council) some other form of special support.

<b>Mortgagee</b>	means a mortgagee or chargee of the Affordable Dwellings (or any receiver (including an administrative receiver) appointed by such mortgagee or chargee or any other person appointed under any security documentation to enable such mortgagee or chargee to realise its security or any administrator (howsoever appointed) including a housing administrator).
<b>Off-Site Affordable Housing Contribution</b>	means the sum of £8,125 (Eight Thousand One Hundred and Twenty Five pounds) to be applied towards the provision of Affordable Housing in the District.
<b>Open Market Dwellings</b>	means those Dwellings which are not being provided as Affordable Dwellings.
<b>Parish</b>	means the Parish of Northam
<b>Qualifying Area</b>	means the Parish, Adjoining Parish or District, as appropriate.
<b>Registered Provider (RP)</b>	means a body which is registered with HE as a provider of social housing under Part 2 of the Housing and Regeneration Act 2008 or such other class or body as may be constituted under any legislation replacing that provision.
<b>Shared Ownership Dwelling</b>	means an Affordable Dwelling sold on the basis of a Shared Ownership Lease and the rent under such lease may be increased by no more than the Retail Prices Index (All Items) plus 0.5% or other such amount as prescribed by Homes England. The maximum amount of equity to be purchased shall not exceed 80% of the Value.
<b>Shared Ownership Housing</b>	means Affordable Housing where a person can buy a share in the property and the remaining share is held by a provider of Affordable Housing under a lease based on the appropriate form of shared ownership as published by HE.
<b>Shared Ownership Lease</b>	means a Shared Ownership lease in the form as published by Homes England as amended to comply with this Deed or as approved by the Council's Planning Service
<b>Social Rent</b>	means a rent which does not exceed HE target rents for the area in which the Site is located as specified by the HE or other successor or replacement body which sets rent levels for Affordable Housing.
<b>Social Rented Dwelling</b>	means an Affordable Dwelling(s) let at a Social Rent.
<b>Start Date</b>	means the date immediately preceding the date on which the Affordable Housing Dwelling is Occupied by a person in Housing Need.
<b>Subsidy</b>	means social housing grant or similar provided by the Council and/or HE or such other body as may succeed it.

## 2. AFFORDABLE HOUSING

The Owner covenants with the Council as follows:

### Affordable Housing Scheme

- 2.1. To provide 8 of the total number of Dwellings to be constructed on the Site as Affordable Dwellings, the tenure of which shall be 75% Social Rent and 25% Intermediate Housing in accordance with the following (unless otherwise agreed in writing by the Council):

#### Social Rented Dwellings

Number of Bedrooms	Plot Numbers	Minimum size	Category M(4) 2 Dwellings
1 bedroom 2 person Flat	17, 18, 19 and 20	50 sqm	<p>Two Dwellings at ground floor will be provided as M4(2) (means Dwellings which are built to standards which require that</p> <p>(1) Reasonable provision must be made for people to:</p> <ul style="list-style-type: none"> <li>a) gain access to; and</li> <li>b) use, the Dwelling and its facilities.</li> </ul> <p>And</p> <p>(2) The provisions made must be sufficient to:</p> <ul style="list-style-type: none"> <li>a) meet the needs of occupiers with differing needs, including some older or disabled people; and</li> <li>b) to allow adaptation of the Dwelling to meet the changing needs of occupants over time as specified in the 'Optional Requirement M4(2) Category 2: Accessible and adaptable dwellings' section of the Building Regulations 2010 Approved Document M 2015 edition or such</li> </ul>

			similar standards and regulations that may replace these)
2 bedroom 4 person House	24 and 25	House 79sqm	N/A

#### Intermediate Units

Number of Bedrooms	Plot Numbers	Minimum size	Category M(4) 2 Dwellings
3 bedroom 6 person house	22 and 23	House 93 sqm	N/A

and to be constructed in accordance with the Affordable Housing Scheme to be submitted and approved by the Council pursuant to paragraph 2.2.

- 2.2. Prior to the Commencement of Development to submit the Affordable Housing Scheme to the Council.
- 2.3. Not to Commence Development until the Council has approved the Affordable Housing Scheme and to construct the Affordable Dwellings as approved.
- 2.4. Subject to the provisions of this Deed the Affordable Dwellings shall not be used for any purpose other than for the provision of the Affordable Housing as set out in this Deed and the Affordable Housing Scheme.

#### Construction of the Affordable Dwellings.

- 2.5. Not to cause or permit first Occupation of more than 10 Open Market Dwellings until such time as the construction of all of the Affordable Dwellings has been completed and the Affordable Dwellings are ready for Occupation and have been transferred in accordance with the approved Affordable Housing Scheme.
- 2.6. The Affordable Dwellings shall be constructed in accordance with the agreed Affordable Housing Scheme and using the same external materials as the Open Market Dwellings, so as to be indistinguishable from the Open Market Dwellings.
- 2.7. If the Affordable Housing Scheme identifies that the Affordable Dwellings will be transferred to a Registered Provider, the transfer of the Affordable Dwellings shall be on the following terms:-
  - 2.7.1. the transfer shall be of the unencumbered freehold of the Affordable Dwellings and their curtilages save for any encumbrances (not being financial charges existing prior to the date of this Deed) with full title guarantee and vacant possession;
  - 2.7.2. the transfer shall grant all rights and easements (if any) as are required to give pedestrian and vehicular access between the Affordable Dwellings and the public highway and as are required to connect all sewers, drains pipes cables and all other conducting media serving the Affordable Dwellings to the relevant networks.

### **Marketing, Allocation and Occupation of Affordable Dwellings**

- 2.8. Not to permit allow or cause the Affordable Dwellings to be Occupied by a person unless that person:
- 2.8.1. is a person in Housing Need who has a Local Connection at the time of his first Occupation of the Affordable Dwelling; or
  - 2.8.2. is a member of the household of and living with a person in Housing Need at the time of his first Occupation of the Affordable Dwelling; and
  - 2.8.3. (in either case) occupies the Affordable Dwelling as his or her sole or main residence.
- 2.9. No person shall let any Social Rented Dwellings for a rent which exceeds the Social Rent.

### **Shared Ownership Housing**

- 2.10. Where an Affordable Dwelling is shown within the approved Affordable Housing Scheme as intended to be disposed of as a Shared Ownership Dwelling:
- 2.10.1. the Shared Ownership Dwelling shall only be disposed of by way of a Shared Ownership Lease;
  - 2.10.2. the minimum initial share of the equity in the Shared Ownership Dwelling that a purchaser may purchase shall be restricted to 25-75% of the equity as per the Shared Ownership Lease or such lower initial share as may be permitted under guidance issued by HE;
  - 2.10.3. the rent payable shall not exceed two decimal point seven five per cent (2.75%) of the open market value of the equity retained by the landlord.
  - 2.10.4. the maximum amount of equity that may be purchased is restricted to 80%.

### **Marketing - Social Rented Housing**

- 2.11. If within a period of 2 (two) weeks for initial lettings and 1 (one) week for subsequent lettings from the date that the Affordable Dwelling becomes available for Occupation no prospective occupier in Housing Need and with a Local Connection to the Parish wishes to Occupy the Affordable Dwelling then Occupation is permitted by a person in Housing Need and with a Local Connection as applied to the Adjoining Parish if no prospective occupier in Housing Need and with a Local Connection to the Adjoining Parish wishes to Occupy the Affordable Dwelling then Occupation is permitted by a person in Housing Need and with a Local Connection as applied to the District.

**PROVIDED THAT** throughout the periods specified in this paragraph 2.11 the Affordable Dwelling shall have been continuously Advertised within the Parish/Adjoining Parish and will be allocated in terms of priority to the Parish first and then the Adjoining Parish and finally the District

### **Marketing - Shared Ownership Housing**

- 2.12. If within a period of 12 (twelve) weeks for initial sales and 8 (eight) weeks for subsequent sales from the date that the Affordable Dwelling becomes available for Occupation no prospective occupier in Housing Need and with a Local Connection to the Parish wishes to Occupy or purchase the Affordable Dwelling then Occupation or purchase is permitted by a person in Housing Need and with a Local Connection as applied to the Adjoining Parishes if no prospective occupier in Housing Need and with a Local Connection to the Adjoining Parish wishes to Occupy

the Affordable Dwelling then Occupation is permitted by a person in Housing Need and with a Local Connection as applied to the District.

**PROVIDED THAT** throughout the periods specified in this paragraph 2.12 the Affordable Dwelling shall have been continuously Advertised within the Parish/Adjoining Parish and will be allocated in terms of priority to the Parish first and then the Adjoining Parish and finally the District

- 2.13. Where the owner of the Affordable Dwelling is a Registered Provider the Affordable Dwelling may also be Occupied in accordance with any nomination and management scheme in effect between the Council and that Registered Provider.
- 2.14. Any transfer for the sale or lease of the Affordable Dwellings should include such covenants and restrictions so as to ensure the future compliance with the planning obligations in this Part 2 of Schedule 1 subject to the exclusions contained in Part 2 of Schedule 1 and subject also to any subsequent amendment or variation to this Deed as agreed with the Council in writing to ensure that the Affordable Housing remains as such in perpetuity.

### **3. Mortgagee Exclusion**

- 3.1. Notwithstanding the other provisions of this Deed, the covenants, restrictions and obligations contained in this Part 2 of Schedule 1 shall not be binding on a Mortgagee or any purchaser from or successor in title to such Mortgagee or any other Mortgagee of any Affordable Dwelling(s) or part thereof or any purchaser from or successor in title to such Mortgagee **PROVIDED THAT:**
  - 3.1.1. the Mortgagee shall prior to seeking to dispose of the Affordable Dwellings (or any part thereof) pursuant to any default under terms of the relevant security documentation first give written notice to the Council of its intention to dispose of the Affordable Dwellings (or any part thereof) and shall have used reasonable endeavours over a period of 3 (three) months from the date of the written notice to complete a disposal of the Affordable Dwellings (or any part thereof) to another Registered Provider or to the Council for a consideration not less than the amount due and outstanding under the terms of the relevant security documentation including all accrued principal monies, interest and costs and expenses; and
  - 3.1.2. if such disposal has not completed with the 3 (three) month period, the Mortgagee shall be entitled to dispose of the Affordable Dwellings free from the affordable housing provisions in this Deed which provisions shall determine absolutely.

### **4. Off Site Affordable Housing Contribution**

- 4.1. To pay the Off-Site Affordable Housing Contribution prior to the Occupation of the first Dwelling.
- 4.2. Not to allow the occupation of the first dwelling until the Off- Site Affordable Housing Contribution is paid to the Council.