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Date: 27 February 2020

Our Ref: JR M15/0715-319

By email only:
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Dear Sir/Madam

RE: EAST DEVON AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT

Thank you for the opportunity to comment on the updated draft of the East Devon Affordable Housing Supplementary Planning Document (the SPD). We represent **Rentplus UK Ltd**, an innovative company providing **affordable rent-to-buy housing** for hard-working people aspiring to home ownership. Rentplus provides an accessible route to achieve their dream through the rent - save - own model. Households rent the property for a defined period at an affordable rent and then receive a gifted 10% deposit upon purchase. Rentplus has recently been recognised by the National Housing Awards as the Most Innovative Home Ownership Solution for 2019.

Rentplus has delivered homes across the South West region including in East Devon at Woodbury and Axminster. Rentplus is working closely with authorities, developers and registered providers to increase the delivery of affordable rent to buy properties and welcomes the opportunity to work with East Devon to deliver this innovative form of tenure in the district.

Rentplus has previously commented on the 2019 draft SPD. These comments are intended to be constructive and Rentplus would welcome the opportunity to discuss these with the Council. These comments and suggested changes will ensure that the SPD is effective and can facilitate the delivery of the widest possible range of affordable housing.

Introducing Rentplus

The Rentplus model of affordable rent-to-buy aims to help those hard-working families and households unable to access ownership either through shared ownership, starter homes or homes on the open market, to overcome the mortgage 'gap'. This is achieved through a defined period of affordable Intermediate Rent at no more than 80% of local market value (including service charge) during which all Rentplus residents are able to save towards a deposit.

It is important to note that in 2018 the National Planning Policy Framework (the 'Framework') was revised to incorporate a wider definition of affordable housing, now providing four categories; rent-to-buy is included within category d) Other affordable routes to homeownership.

The revised Framework also expanded the scope of 'Affordable housing for rent' to include not just 'traditional' affordable and social rented housing, but any scheme which meets criteria where the rent is at least 20% below local market rents, where the landlord is a registered provider, and where any public subsidy is recycled for future provision. Rentplus (working with its partner Registered Providers)

meets each of these criteria; it does not rely on public subsidy and therefore there is no requirement to recycle it.

In this context, the Rentplus model is a hybrid and falls within both categories of affordable housing, as either part of the 'affordable housing to rent' element, or as an 'affordable route to home ownership'. This has also been recognised by several councils such as Plymouth, West Devon, South Hams, Mid Devon, Dorset, South Somerset, Sedgemoor, Cotswolds, Cherwell, Northampton, Wellingborough and Fenland Councils, all of whom Rentplus has worked with to deliver homes in recent years.

Comments on the draft SPD

Paragraph 2.1 now sets out the broad categories of affordable housing and footnote 5 explains that they could be updated in future revisions of national policy. This is welcome as it allows the SPD to respond to changing circumstances should the Framework be amended in the future. As a point of clarification, footnote 5 is currently positioned after bullet point d) Other affordable routes to home ownership. To the reader this might suggest that footnote 5 only applies to that category. Therefore, **footnote 5 should be moved** to the end of the sentence "There are four broad types of affordable housing" to make it clear to the reader that the footnote applies to all four categories.

Footnote 6 has been updated to clarify the status of Registered Providers; this is welcomed.

Chapter 3 deals with instances where viability issues means the affordable housing proportion is reduced. Paragraphs 3.6 to 3.8 explain the proportions of affordable housing that will normally be sought on qualifying sites. Paragraph 3.9 onwards explain what will happen where the full proportion cannot be achieved. The SPD 'misses out a step' in this respect, since it does not cover the potential to change the mix of tenures first. Rentplus notes from recent experience that Councils have accepted adjustments to the overall mix of tenures, to ensure that the full proportion of affordable housing can be delivered. For example, some authorities have accepted Rentplus in place of affordable rented housing since the Rentplus model meets the Framework's definition of 'affordable housing to rent' (the only difference being the expectation of purchase by all parties) but generates higher rates of return than some other affordable products, therefore supporting development viability.

Paragraph 3.9 should therefore be amended, and suggested wording is set out below:

The Council recognises that viability considerations may justify a departure from the affordable housing target and tenure mix expressed in Local Plan Strategy 34. Development proposals which seek to depart from these targets and tenure mix must be supported by evidence that explains why the affordable housing target is "not viable or otherwise appropriate" (Local Plan Strategy 34). If this is the case, the applicant should notify EDDC as early as possible through pre-application discussions. In the first instance, the Council will consider adjustments to the tenure mix where this will maximise the overall proportion of affordable housing.

Paragraphs 4.4 and 4.5 sets out the Council's approach to the delivery of affordable routes to home ownership. We welcome the inclusion of reference to rent to buy and Rentplus within paragraph 4.4 as this is helpful to applicants who are considering tenure mix.

Unfortunately, **paragraph 4.5** has not been amended since the previous consultation and remains unhelpful in supporting delivery of the full range of affordable housing tenures. It is correct that the Strategic Housing Market Assessment does not reflect the updated Framework definitions of affordable housing; we urge the Council to commission an updated SHMA that addresses these. Rentplus has worked with Lichfields to produce a methodology for assessing needs for rent to buy, which we are happy to share with the Council.

In the interim, paragraph 4.5 suggests that the Council will prioritise delivery of shared ownership, relevant equity loan products, and low cost homes for sale. The paragraph implies that this is because the SHMA simply has not assessed the need for other affordable products. We cannot support this approach. There are other sources of evidence, such as local housing need surveys, that can provide an up-to-date, locally specific evidence base to justify the provision of affordable housing and the mix of tenures to be achieved. As paragraph 2.24 notes, the Council commissions some of these directly, but it also explains that landowners, developers and agents etc may also choose to commission their own. Rentplus works with Rural Housing Partnerships on a regular basis.

Paragraph 4.5 requires rewording; a suggested form of words is set out below:

The inclusion of some of these products within the definition of affordable housing (namely low cost market housing, starter homes, rent to buy) post-dates the Strategic Housing Market Assessment, so there is currently a lack of evidence regarding the need for these types of affordable housing in East Devon. The Council will therefore take account of up-to-date evidence such as local housing needs assessments when considering development proposals.

The template Section 106 agreement is helpful but only refers to 'traditional' forms of affordable housing such as affordable housing for rent, and shared ownership. In order to fully reflect the Framework, it **should refer to other affordable tenures** such as rent to buy.

Paragraph 64 of the Framework requires decisions and policies to deliver 10% of the *total* number of dwellings secured on qualifying sites to be for affordable home ownership. This is largely reflected through the SPD, which is welcome. Clarification is however needed at paragraph 2.14 and 4.6, both of which refer to the 10% only applying to the affordable homes, which is incorrect. **Paragraph 2.14 should be reworded** as follows "*As part of the overall affordable housing contribution on major sites, at least 10% of the total number of homes on the site should be available for affordable home ownership [...]*". The last sentence of **paragraph 4.6** should be reworded similarly as follows: "*As part of the overall affordable housing contribution on major development, national policy states that at least 10% of the total number of homes on the site should be available for affordable home ownership, subject to certain exemptions*".

Summary and Conclusion

Rentplus can assist in meeting local need, allocating all of its residents through the Housing Allocation Scheme; by enabling real savings to be built while renting at an affordable rent the Council can help meet the needs of low and middle income households, providing greater choice and flexibility in the planning system.

We trust the above comments are of assistance to the Council. Should the Council wish to discuss how affordable housing delivery and rent-to-buy can best meet local needs in East Devon, please get in touch. We would like to be notified of further consultations; please notify **Tetlow King Planning** as agents of Rentplus by email only to [REDACTED]

Yours faithfully

[REDACTED]

JAMIE ROBERTS MPlan MRTPI
PRINCIPAL PLANNER
For and On Behalf Of
TETLOW KING PLANNING

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