

**Affordable Housing Briefing Note
Appendix 4**

Tenure or Product	Description	Advantages	Disadvantages
Rent:			
Intermediate Rent (<i>Private developer</i>)	Rental is at 80% of the open market rent and/or no more than the Local Housing Allowance (including service charges). Allocated through HomesChoice.	Enables rental of a property at a more affordable level to open market rent. Remains affordable in perpetuity through a Section 106.	Difficult to monitor/enforce lettings and rents levels. Short term lets. Landlord may not be regulated
Affordable Rent (<i>Housing Association</i>)	Rental is capped at 80% of the open market rent and/or no more than the Local Housing Allowance (including service charges). Allocated through HomesChoice	Enables rental of a home at a more affordable level. Long term lets and Bona fide housing provider. Remains affordable in perpetuity through a Section 106.	Not as affordable as former social rent
Sale:			
Shared ownership	Owner buys a minimum of 25% share and pays rent on the remainder. Owner can buy further percentage as they can afford it. All applicants must be registered with Help to Buy SW.	Enables an affordable way of getting onto the home ownership ladder. Very low deposit requirements. Receipts are recycled into other affordable housing. Limiting the staircasing to 80% enables the property to stay affordable in perpetuity.	Paying mortgage and rent still works out quite expensive. The owner of the share has the responsibility of fully maintaining the property. Some organisations only allow to staircase up to 80% ownership.
Discounted (Intermediate) sale	Property bought at a discount of between 30% - 65% of the Open Market Value (dependent on the value zone and affordability calculator). All applicants must be registered with Help to Buy SW	Enables the purchaser to get onto the home ownership ladder at a more affordable cost. Purchaser has full ownership of property Remains affordable in perpetuity through a Section 106.	Can be difficult to gain a mortgage as there are a limited number of mortgage companies willing to lend. Higher than normal deposits typically 20%
Self Build (including individual local needs dwellings)	Either provided as serviced plots for people that meet S106 criteria to build out or homes can be built out to be self-finished by purchasers. Eligibility checked through Help to Buy SW	Enables people with a local connection and need to build their own affordable restricted home. Remains affordable in perpetuity.	Mortgages are extremely difficult to secure and come with higher level of restrictions. Many permissions are not implemented. Applications to lift the s.106 restrictions are common.
Government Starter Homes	New product introduced in Housing and Planning Act 2016. Proposals is for first time buyer to buy at a 20% discount of the open market value capped at £250,000. Would remain as such for a period of time which is to be established.	Enables buyers to get on to the home ownership ladder.	New Dwellings only, first time buyers. Does not remain affordable in perpetuity At 20% discount, unlikely to be as affordable in moderate/high value areas.
Community Land Trust (CLT) delivery	A CLT is developed with a primary purpose to bring forward housing to meet a recognised need. However a CLT can also have other aims and objectives. It is a non-profit making community based organisation. They can provide intermediate/affordable rent, intermediate sale and shared ownership products. Allocation needs to be through HomeChoice/Help to Buy SW.	Community led development responding to need. Bringing forward sites when there may not be a developer to do so. Can attract funding for different elements of the planning applications. Cornwall wide and National CLT network for support.	Funding for main build can be difficult. Requires a committed group of self builders and local body to oversee the scheme – with the necessary time, skills or knowledge to develop a scheme.