

Shropshire  
Council

**“Build your own affordable home”**

## **Information Pack**



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## **Build your own affordable home: Single plot exceptions sites explained**

### **What are single plot exceptions sites?**

Shropshire Council positively encourages local people to build their own affordable home to meet their own housing needs - so long as the site is in a recognisable settlement and its future value is controlled so that it remains affordable to other local people in the future. Sites may be permitted outside of the main towns and villages as an exception to the normal planning policies that restrict housing development in such areas.

### **Is it only affordable housing which is allowed?**

Yes. We make an exception to normal planning policies only because there is a pressing need in Shropshire to help provide local people with affordable housing. Open Market housing development continues to be strictly controlled outside the towns and larger villages, as set out in the various adopted Local Plans.

### **So what is the catch?**

Single plot exceptions sites are only permitted with restrictions. These are:

- The value of the property is based on a standard cost of construction plus a nominal plot value. This typically works out at around 60% of open market value. A legal agreement is used to ensure that future sale of the property is capped at this percentage of market value, forever. The value of the affordable property will then rise (or fall) directly in proportion with the housing market.
- The property cannot be larger than 100 square metre gross internal floor area. This includes any attached garage. Normal permitted development rights will be removed so that express permission has to be sought for any future extensions.
- The house must be built to exacting quality and design standards, meeting the Lifetime Homes standard and satisfying the sustainable construction, energy and water efficiency aspects of level 3 of the Code for Sustainable Homes. It must be sympathetically designed in relation to its setting, particularly as it is being granted permission as an exception to normal planning policies.

### Can anyone apply?

To obtain planning permission, the applicant must satisfy Shropshire Council that:

- The site is in a suitable location

*and*

- The initial occupier of the affordable home is in housing need and has a strong local connection.

### How do I apply for planning permission?

The application should be made by the prospective occupier of the proposed affordable dwelling. You need to do some groundwork before you make the planning application, contacting the following in this order:

- 1 First, you should contact the Development Management team at your local Shropshire Council area office to establish whether your site is considered to be in a suitable location. Sites must be in locations that demonstrably form part of a recognisable named settlement. Please note that development in the open countryside, isolated from any recognisable settlement, will not be permitted.
- 2 If the site appears to have potential, you should then approach the Housing Enabling and Development team at Shirehall, who will arrange to interview you to establish whether you are in housing need and have a strong local connection. Existing homeowners with particular issues can still be eligible where it can be shown that their existing property is not suitable for their ongoing needs, and they have a strong local connection.
- 3 You will then be asked to approach your Parish or Town Council for confirmation of your local connection. At this stage, the Parish Council should limit itself to confirming facts about the applicant’s personal connection to the local area. When a planning application is made, the Parish Council will be asked separately for its comments on the proposed site and design.
- 4 Once you have obtained a preliminary “green light” from the above three, you have some assurance that it is worthwhile employing an architect or builder to draw up your building plans. It is sensible to discuss the emerging design with the Development Management Officer before making your planning application, to establish whether they are likely to be found acceptable.

Finally, you are ready to make a planning application.

## 2. The application process

### Who can apply?

Because planning permission is granted as an exception to normal policies, the Council must ensure that the affordable homes will genuinely meet local needs. To do so, the Council will assess the housing need and the local connection of the prospective occupier. Consequently, applicants must normally be the prospective occupiers of the proposed dwelling. This does not prevent the applicant from using an agent to help them to submit the planning application.

Speculative applications from landowners and developers will not be successful, because they cannot identify with certainty the prospective occupants. The eligibility of the occupants is critical to the decision to allow development as an exception to normal planning policies.

### Step 1: contact your relevant Development Management Team

#### North Shropshire Area

Wem office: 01939 237574

Oswestry office: 01691 677251

#### Central Shropshire Area

Shrewsbury office: 01743 252656 / 252659

#### South Shropshire Area

Bridgnorth office: 01746 713126

Ludlow office: 01584 838361

### Step 2: contact the Housing Enabling & Development Team

#### North Shropshire Area

Fiona Watson 01743 252427

#### Central Shropshire Area

still to be appointed – tel. 252427 / 255663

#### South Shropshire Area

David Garratt 01743 255663

### Step 3: contact your Parish or Town Council

Contact details of all parish councils can be found at  
[www.2shrop.net/Shropshire-Association-of-Local-Councils](http://www.2shrop.net/Shropshire-Association-of-Local-Councils)

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## Build your own affordable home: Single plot exception sites

- 2.1 In view of the critical need for affordable housing across Shropshire, the Council wishes to increase the supply of rural affordable homes. The single plot exceptions scheme is a self-help solution that enables families to use their own resources to provide affordable housing that meets their needs within their community. The construction of affordable housing is funded from householders’ own resources, which can include the sale of existing property as well as through a commercial mortgage. By utilising the resources of those families who are able to provide new affordable housing to meet their own needs, the local community benefits over the long term from an increased stock of local affordable homes.
- 2.2 Therefore, as an exception to normal policies controlling new housing development in rural areas, the Council will allow the development of single affordable dwellings within and adjoining settlements in the rural areas, including outside the development boundaries of settlements as identified in adopted Local Plans, provided all of the following criteria are met:
- The site is in a location considered suitable for the development of a single affordable dwelling. Such dwellings need to be within or adjoining an existing recognisable settlement and not constitute isolated or sporadic development.
  - The design and layout of the proposal are appropriate to the character and appearance of the surrounding area.
  - The household is in housing need, has strong local connections (confirmed and supported by the Parish or Town Council) and is unable to afford a suitable home currently available in the area.
  - The dwelling is affordable to the applicant, and will remain affordable to subsequent occupiers in perpetuity. This will be achieved through a section 106 legal agreement.
- 2.3 Applicants will normally be the prospective occupiers of the proposed affordable dwelling. Speculative development is not permitted.
- 2.4 The future re-sale value of the affordable home is fixed below market value (typically 60% market value) to ensure that it remains affordable for subsequent occupiers.

## Suitability of location

- 2.5 Whilst wishing to address affordable housing needs in the rural areas, the Council must balance this with the need to promote sustainable patterns of development and to protect the open countryside from widespread development. In this respect, the Council considers that there will be cases where these wider environmental sustainability interests will take precedence over the economic and social sustainability issues surrounding affordable housing.
- 2.6 The Council will therefore not permit the development of single plots for affordable housing on sites which: -
- Would undermine policies relating to the Green Belt;
  - Detract from the visual amenities of the Shropshire Hills Area of Outstanding Natural Beauty or the Areas of Special Landscape Character;
  - Are in completely open countryside, isolated from any recognisable named settlement by open land;
  - Are situated within or adjoining a recognisable named settlement, but in an elevated, exposed or other prominent position which adversely affects the appearance of the countryside and/or the visual amenity and rural character of the settlement;
  - Harm the character or appearance of a Conservation Area;
  - Harm the setting of a Listed Building;
  - Harm species or sites of nature conservation interest;
  - Are at risk from potential flooding, as identified in the Shropshire Strategic Flood Risk Assessment.
- 2.7 To satisfy these criteria, a site for a single plot exception affordable dwelling needs to be in a location that demonstrably forms part of a “recognisable named settlement”. Such settlements will normally have a name on the Ordnance Survey map, and meet at least one of the following criteria:
- has some local service(s) or facility(ies), or
  - is within safe walking distance, a short walk of a bus stop that has at least a daily bus service, or within a short car journey of a larger settlement benefiting from some local services or facilities, or

- is accessible (within 3 km) of a rural enterprise employing at least 3 people provided that the initial occupier of an affordable dwelling has a contract of employment there.

## Design and layout

- 2.8 Proposals for single plot exception sites will need to comply with current District Council adopted Local Plan policies and relevant supplementary guidance on design, but also the detailed design criteria set out in this guidance. They will also need to take into account any relevant Village Design Statements adopted by the respective Councils.
- 2.9 As these potential sites will usually be outside the areas normally considered suitable for residential development, it is especially important to achieve an appropriate design. In this respect, full applications will be required for single plot exception sites. An early dialogue with Planning Officers is therefore essential.
- 2.10 Development of the site will need to successfully blend in with the pattern of surrounding development. This will require attention to the plot size, the layout of the plot, the design of the dwelling, and its materials of construction.
- 2.11 Where the applicant owns land which could provide a number of possible sites, the Council will seek to utilise the most environmentally sustainable and appropriate site as advised by the Council. Applicants are therefore strongly advised to discuss the alternatives at an early stage, and follow the advice given by the case Planning Officer.
- 2.12 The dwelling size should not exceed 100sq.m. gross internal floor space (i.e. a simple measurement of floor space between internal walls) and overall plot size must be appropriate in terms of the general pattern of development in the surrounding area, but not normally exceeding 0.1 ha. Sites which form part of the curtilage of an existing property must provide an appropriately sized plot for the new dwelling. In this respect, it will be important to achieve a ratio of dwelling size to overall plot size which is in keeping with surrounding properties. Such sites must also respect the existing character and setting of the original property, so as not to adversely alter that character or create a cramped form of development.
- 2.13 In addition to adopted policies within existing Local Plans, the following requirements in terms of design of the proposed dwelling and the appearance of the curtilage around it must be met: -
- Standardised, “off the peg” designs of the type found on large estates will not be accepted. Design elements – chimneys, eaves,

dormers, doors and windows for example – will be expected to reflect the site’s unique context.

- Attached garages will count against the 100sqm. Detached garages may be permitted, subject to suitable conditions. Garages should reflect the local rural vernacular in both style and materials.
- Materials of construction should be sympathetic to those in use locally.
- Important features such as trees, hedgerows and boundary walls which contribute to the character of the site or the area in general, must not be lost or substantially altered as a result of the development.
- Any new boundaries created must utilise locally native species of hedgerow. Landscaping proposals which involve the introduction of any clearly non-native (eg leylandii) planting that is designed to “hide” the development will not be acceptable. This can quickly become unsightly and alien in its own right.
- The Council will be looking to avoid the introduction of alien features such as brick walls defining visibility splays and entrances, and the use of suburban style close-boarded fencing to define boundaries.
- Driveways will need to be constructed in a permeable material appropriate to the area. Natural finishes will always be preferred to brick paviors and plain or coloured tarmacadam.

2.14 A Design and Access Statement must clearly justify the proposed design, and may include plans and photographs of the area and surrounding properties, which illustrate how the design has evolved. The approach to the elements discussed above will need to be fully explained within the Design and Access Statement submitted with the planning application. Crucially, the design will need to have been the subject of extensive discussion and agreement with Planning Officers prior to submission.

### **Housing need and strong local connection**

2.15 Applicants will need to demonstrate that they are unable to afford a suitable home currently available in the locality.

2.16 Housing need is demonstrated if the household unit has no home of its own, or is renting from a housing association but would like to become an owner-occupier, or is in unsuitable accommodation. For example, the current housing may be too large or too small for the household; be in a poor state of repair; be too costly for the household to maintain or sustain.

It may be in a location that is a long way from existing employment, schools or support networks and that the cost or availability of transport is prohibitive to the particular household.

- 2.17 Strong local connections with the settlement in question will need to be demonstrated by the household (Appendix B). These include working locally, residing locally, or having family members who need support in the local area.
- 2.18 Assessments of whether a household is in housing need, has strong local connections and is unable to afford a suitable home in the locality will be made by the Council’s Housing Enabling and Development Officers, following completion of a standard form and submission of supporting documentation. Applicants will be expected to be proactive in obtaining confirmation of their ‘local connection’ from the local Parish or Town Council.
- 2.19 Purchasers of the property in the future must also meet the local needs criteria in Appendix B. As a requirement of the section 106 legal agreement, the property cannot change hands without the written consent of Shropshire Council. This will only be forthcoming if the Council is satisfied that the new purchaser has a strong local connection as defined in the section 106 legal agreement.

### **Affordable in perpetuity**

- 2.20 Exception sites are permitted in order to benefit the long term sustainability of the community, and as such it is important that the property remains affordable for successive occupiers, preferably for the lifetime of the building. To achieve this, the model section 106 legal agreement in Appendix C puts a Restriction on the Title of the property, to the effect that the property cannot change hands without the written consent of Shropshire Council. The Land Registry will effectively enforce this provision, as it will not be possible for a solicitor to register a new ownership with the Land Registry without the appropriate letter from Shropshire Council.
- 2.21 A draft section 106 legal agreement should be submitted with the planning application, with agreed heads of terms in accordance with those attached at Appendix C. The section 106 agreement must be ready for all parties to sign by the time the application is ready for decision by the Council.
- 2.22 The “formula price” of the affordable property will be determined by the cost of construction as set out in Appendix H plus a nominal plot value of £10,000, expressed as a percentage of open market value. Extraordinary construction costs will only be taken into account at the discretion of the

local planning authority, where such costs can be robustly justified as unavoidable.

- 2.23 The future sale of the property will be subject to the fixed percentage of open market value as detailed in the section 106 agreement. There is no scope for it to enter into the open housing market without recycling of proceeds.
- 2.24 In order to ensure that dwellings approved under this Interim Planning Guidance are, and will remain, affordable, a dwelling size restriction will be imposed. The size of dwellings will normally be restricted to no more than 100sqm gross internal floor space, with a curtilage normally not exceeding 0.1ha.
- 2.25 Furthermore, permitted development rights to extend properties in the future will be removed by planning condition, in order to ensure that the Council retains control over the future affordability of the property. Future values will, in any event, be based on original floor space and exclude later additions.

## Standard conditions for “exception sites”

- 4.1 In order to provide a consistent and manageable approach to exception sites, Shropshire Council proposes to use standard conditions on all exception sites that ensure:
- Sustainable construction, energy and water efficiency aspects equivalent to level 3 of the Code for Sustainable Homes will apply to *all* schemes
  - Meeting the Lifetime Homes standard will apply to *all* schemes
  - Adequate open space/children’s play areas and amenity open space is provided as per Local Plan policy

### Standard conditions for single plot exception sites

- 4.2 In addition, standard conditions for *single plot* exception sites will include:
- Restrictions on the size of the property (to not exceed 100 sqm)
  - Removal of permitted development rights so that express permission has to be sought for any future extensions, including garage and carport extensions
- 4.3 In the majority of cases, 100 sqm is adequate for a family of five persons. Larger properties are, by definition, more expensive and run counter to the primary aims of ensuring affordability.
- 4.4 Permitted development rights of the affordable dwellings will normally be removed to ensure that properties are not extended or altered in any way as to increase values beyond an affordable level. Exceptions will only be made where clearly justified, for example where properties are deliberately designed for later extension and this is an explicit part of the original design concept. The removal of permitted development rights will not prevent consideration of adaptations or extensions in certain circumstances, for instance, where required by an occupant with disabilities or to accommodate appropriate extensions for family growth.
- 4.5 While households that can afford market properties are expected to meet their needs in the market, by moving house, the Council recognises there are genuine difficulties faced by households in affordable housing due to its chronic shortage in Shropshire. Consequently it may be acceptable to enlarge an existing affordable house in order to accommodate the needs of the existing household, but applicants should be aware that value will remain restricted.

Extracts from the Shropshire Interim Planning Guidance on Affordable Housing

- 4.6 The Council recognises that some households will need more space, for example to cater for very large families. Where an application is received to amend or remove a standard condition, the applicant will be expected to demonstrate that the household’s needs are genuine. The national definition of overcrowding (Appendix E) will be a factor in assessing what size of property is justified. The needs of disabled residents for physical space (for wheelchairs, etc) will also be taken into account.

## 4. Site suitability guidelines

The Interim Planning Guidance (IPG) enables Shropshire Council to say “Yes” to affordable housing on sites that would not obtain planning permission for open market housing, as an exception to normal planning policies.

In essence, the site must be in a location that demonstrably forms part of a recognizable named settlement. Sites that would constitute isolated or sporadic development, or which would adversely affect the landscape or rural character, are not considered acceptable and will be refused planning permission in line with existing Local Plan policies.

### 4.1 What constitutes a “recognizable named settlement”?

A settlement always comprises a group of houses occupied by households from different families. The group becomes a settlement due to the *number and proximity* of the houses in the group.

Most settlements contain sufficient homes to clearly qualify as a settlement. However, the situation is less clear where there are only a small number of homes, particularly where they are dispersed (for example, strung along a road). Each case is treated on its merits.



*Example of a borderline case: a linear pattern of development that may qualify as a settlement by virtue of a combination of the number of dwellings and their proximity.*

Recognizable settlements are also characterized by how local people refer to them – by a place name that is shared by a number of dwellings. This might not necessarily be reflected in the postal address. It will usually (but not always) be named on the Ordnance Survey map.

In contrast, the following would not constitute a “recognizable named settlement”:

- A cluster comprised of only a few buildings, with no known name

- A freestanding farm complex, where all (or almost all) of the buildings are linked through existing or past use to the farm enterprise. For example, a cluster of homes originally built around the farm as agricultural workers dwellings remain part of a farm complex, rather than a settlement in their own right. Likewise, a cluster of homes in converted agricultural buildings do not constitute a settlement, but rather a former farm complex.

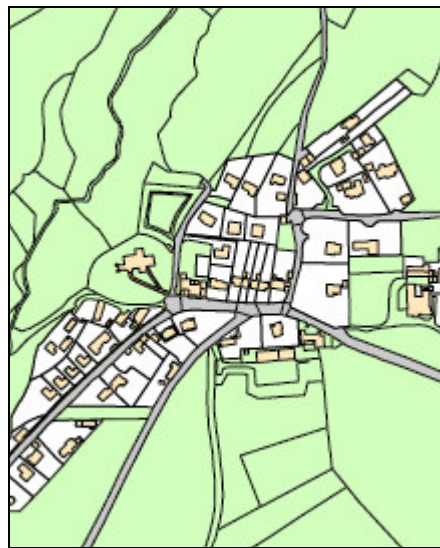
Although many villages may originally have started out as farm complexes, it takes several generations for a farm complex to become a new settlement.

#### 4.2 Where does a settlement end?

Because a settlement is a *relationship* between different properties, the limits of the settlement are defined by where the relationship peters out. This varies from settlement to settlement, depending on a number of factors. One factor is the character of the settlement. For example, a site a short distance from a loose-knit settlement may be considered “adjoining” while a similar distance in a tightly clustered settlement would not be.



Example of a loose-knit settlement



Example of a tight-knit settlement

Also relevant is the nature of the “edge” of the settlement, which is clearly defined in some settlements but much less so in others, particularly those settlements with “straggly” edges (see example on previous page).

In addition, the size of the settlement has an effect. Larger settlements have a wider “pull” or “sphere of influence” than small settlements. For example, a field width from a town *might* (depending on circumstances) be considered to be part of the town, whereas a site a field width from a small village would be less likely to be considered part of the village.

As each site is unique, all applications have to be assessed on an individual basis.

## 5. Housing need and strong local connection: do you meet the criteria?

If the site is suitable in principle, you should then approach the Housing Enabling and Development team, who will arrange to interview you to establish whether you are in housing need and have a strong local connection.

### Housing Enabling & Development Officers

North - Fiona Watson 01743 252427  
Central - to be appointed 01743 252427 / 01743 255663  
South - David Garratt 01743 255663

Applicants must qualify in each of the following three areas:

#### Local housing need:

- No home of your own – for example, are you living with your parents?  
*or*
- Is your current housing not suitable for existing or future needs –for example, due to its size, design or condition?  
*or*
- Are you renting from a housing association or registered provider but would like to become an owner-occupier?

#### Unable to secure a suitable home currently available in the locality:

- Your total household income is not large enough to buy or rent a suitable house on the open market in the local area (your mortgage or rent should not be more than 30% of your net income), *or*
- There are no suitable properties currently available in the area that meet your established local housing need

#### Strong local connections, on at least *two* counts:

- Parents were permanently resident in the area at the time of the applicant’s birth, *or*
- Applicant was a permanent resident of the area for five years as a child attending a local school, *or*
- Currently living in the area, *or*
- Lived in the area for 15 continuous years as an adult, *or*
- Currently employed in the area, *or*
- Has an offer of work in the area, *or*
- A parent is a permanent resident in the area, *or*
- If applicant is over 55, has a son/daughter living in the area, *or*
- Other strong local connection (evidence required)

“Area” means within 10km of the site (excluding any towns within 10km)

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## 6. The Lifetime Homes Standard

All affordable homes must be built to the lifetime homes standard, to ensure that they are accessible and can be easily adapted should their occupiers experience mobility difficulties in the future. Homes built to this standard are “future-proofed” not only for the potential needs of their occupiers, but also for the needs of visiting friends and relatives.

The Lifetime Homes standard requires the following:

1. Where car parking is adjacent to the home it should be capable of enlargement to 3.3m in width.
2. The distance from the parking space to the home should be kept to a minimum and should be level or gently sloping.
3. The gradient of the route to all entrances should be level or gently sloping.
4. All entrances should be illuminated, have level access over the threshold and have a covered main entrance.
5. Communal stairs should provide easy access and where homes are reached by a lift it should be fully accessible.
6. The width of internal doorways and halls should conform with Part M of the Building regulations, except where approach is not head on and the hallway is less than 900mm clear width, in which case the door should be 900mm rather than 800mm wide. Entrance level doorways should have a 300mm nib or wall space adjacent to the leading edge of the door.
7. There should be turning space for a wheelchair in reception rooms and adequate circulation space for a wheelchair elsewhere.
8. The living room should be at entrance level.
9. In homes of two or more storeys, there should be a space at entrance level that can be used as a convenient bed space.
10. In houses with three bedrooms or more there should be a wheelchair accessible toilet at entrance level with drainage provision enabling a shower to be fitted in the future. In two bedroom houses the downstairs toilet should conform to at least Part M of the Building Regulations.
11. Bathroom and toilet walls should be capable of supporting adaptations such as handrails.
12. The design should include provision for a future stair lift and space identified for a through the floor lift from the ground floor to upper floor.

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13. The design and specification should provide a reasonable route for a potential hoist installation between main bedroom and bathroom.
14. The bathroom should be designed to provide ease of access to bath, toilet and basin.
15. Living room window glazing should begin no higher than 800mm above the floor and windows should be easy to open and operate.
16. Switches, sockets, heating and ventilation controls should be at a height usable by all.

Full details and technical specifications can be found at [www.lifetimehomes.org.uk](http://www.lifetimehomes.org.uk).

## 7. Calculating the formula price

Affordable housing that is granted as an exception to normal planning policies must remain affordable for ever. This is achieved through a section 106 legal agreement, which defines what the “formula price” is for the affordable property.

The formula price for affordable housing that is built on exception sites is calculated from standard construction costs and a nominal plot value. This is expressed as a percentage of market value to create the “formula price”.

The nominal plot (land) value applied by the IPG is £10,000 per building plot.

The standard Cost of Construction that the IPG applies is £1,300 per square metre.

These figures apply regardless of the actual build or land cost (pages 46-47 of the IPG).

The combined total of these figures is the initial affordable value.

The initial affordable value is then converted into a percentage of the property’s potential Open Market Value (ie. the property’s value if it were not subject to the affordability restrictions in the section 106 legal agreement). This percentage is the “formula price”.

The formula price determines how much the property could be sold for in the future. Because it is a percentage of open market value, it will go up, or down, in line with market prices.

### ***Worked example***

In this example, the affordable property is a 2-bed house of 70 square metres in size. The value is based on the gross internal floor space (ie. a simple measurement of the floor space between the internal walls. Each floor of the property is included – in our example, the ground floor is 35sqm and the first floor is 35sqm).

One builder has quoted £81,000, another builder has quoted £85,000, and a third builder has quoted £97,000. The actual construction price is irrelevant, because the property’s affordable value is based on a formula price as set out in the IPG. Instead the affordable value will be calculated as follows.

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The IPG formula for initial affordable value is:

$$\begin{aligned} & \text{(standard cost of construction x floorspace)} \\ & + \text{nominal plot value} \\ & = (\text{£1,300} \times 70\text{sqm}) + \text{£10,000} \\ & = \text{£91,000} + \text{£10,000} \\ & = \text{£101,000} \end{aligned}$$

Let us assume the market value for a 2 bed property in this location is £165,000 (actual value to be based on an independent surveyor's / estate agent's valuation of the property)

$$\begin{aligned} \text{Formula price} &= \text{nominal cost as a proportion of market value} \\ &= \text{£101,000} / \text{£165,000} \\ &= 61.2\% \end{aligned}$$

The section 106 legal agreement would therefore specify the formula price as 61.2% of open market value. Future sale of the property must be at 61.2% of whatever the open market value is at that point in time. Thus the property will go up, or down, in value in line with market prices.

## 8. If you need to sell in the future

The value of the property is set in the section 106 legal agreement, as a percentage of open market value.

Resale of the property must be to a marketing plan that has been agreed with the Council, as required by the legal agreement. It must be offered for sale at the formula price for six months. Persons wishing to purchase the property must meet the Council’s criteria for being in housing need (see part 5 of this information pack).

Over the six months, the pool of potential purchasers widens from the local area, then to Shropshire-wide, then to the Council or one of the Council’s nominated partners and finally to anyone else. This is known as the cascade mechanism. It’s details are specified in the section 106 legal agreement for the property.

In the highly unlikely event of an owner being unable to sell at the formula price in this six month period, he/she may apply to have the formula price removed. *If* the Council agree to its removal, then half of the difference between the affordable and the open market value will be recouped by the Council and used towards the provision of affordable housing elsewhere.

These requirements have been reached in discussion with mortgage lenders to ensure that they satisfy most mortgage lenders’ criteria. They provide a balance between trying to ensure that affordable properties remain affordable in perpetuity, prioritising local people, and minimising the financial risks for lenders.