

Affordable Housing Statement

Land off Macclesfield Old Road, Buxton

May 2013



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1.0 Introduction

The aspirations of the Government are for every member of a community to be able to afford a decent home. The provision of affordable properties is therefore important in creating a balanced and vibrant community.

This statement sets out Persimmon's proposals for the provision of affordable housing across the proposed development off Macclesfield Old Road.

Experience

Persimmon Homes has a proved track record in delivering affordable homes, working in partnership with Registered Providers. During 2011 Persimmon Homes built 1,789 new affordable homes across the country, through the Persimmon Homes, Charles Church or Westbury Partnership brands.

Persimmon Homes also assisted 2,600 customers onto the housing ladder last year through our own shared equity scheme – 'Helping Hand'. With Persimmon's Helping Hand scheme the customer typically pay 80% of the value, whilst owning 100% of the equity. The remaining 20% is paid back to the Company over a period of ten years, or when the customer sells the home.

Harpur Hill Site (Buxton)

Persimmon has for many years delivered affordable homes across High Peak. Our current development at Harpur Hill demonstrates our continued commitment to delivering affordable homes alongside market housing.

Harpur Hill has delivered 18 affordable properties comprising 12 social rented properties (4 x 2 bed and 8 x 3 bed) to be let as affordable rent and 7 shared ownership properties (7 x 3 bed). This equates to 30% of the properties across the site. The affordable properties are pepper potted through the development and are indistinguishable from the market properties (they are the same housetypes as the open market properties).

2.0 Housing Need

There is a shortfall of affordable housing across High Peak for newly forming households and existing households who are unable to meet their housing needs within the housing market.

The affordable housing need identified in the Housing Needs in the High Peak SPD (2007) outlines that there was to be an estimated shortfall of 317 affordable units per annum within the Borough over the next 5 years.

In 2006 the Affordable Housing Need was considered to be spread across dwelling sizes accordingly:

6% - 1 bedroom

60% - 2 bedroom

40% - 3 bedroom

2% - 4 bedroom

Viability

The provision of affordable housing is open to challenge where financial viability restricts such delivery. The Council accept that in some circumstances schemes are challenged by viability and in order to deliver new homes a compromise on the delivery of affordable housing may be necessary. Schemes which were purchased during the boom period (i.e. when house prices and sales rates were much higher) are likely to deliver reduced levels of affordable housing going forward or where there are significant abnormal costs associated with delivering the development.

In this case there are no viability issues which hinder the delivery of affordable housing.

3.0 Macclesfield Old Road Proposal

Persimmon Homes will work in partnership with an Affordable Housing Provider to deliver 32 percent of the total units on the development for affordable housing – this equates to 10 affordable homes. In accordance with the Council's adopted Local Plan.

Rented properties provide an important type of housing to the community for those considered to be in housing need. New Build Homebuy or shared ownership is an excellent way for those who are unable to purchase a property outright to get onto the housing ladder and into homeownership.

All affordable homes will be undistinguishable from the private sale properties.

The majority of the affordable housing will be two and three bed properties. The accommodation mix chosen is considered to reflect the needs of the local community as outlined within the Council's Housing Needs SPD (2007).

In addition to providing affordable homes secured through a Section 106 agreement, Persimmon will also make their own shared equity product available for the Macclesfield Old Road site. Our 'Helping Hand' scheme enables buyers to pay between 80% of the value of a new home, with Persimmon funding the remaining 20% with a shared equity loan. This scheme enables buyers to own their own home and repay the loan over a number of years.

We also understand that there are certain key groups of people that require additional support, such as those in the Armed Forces, who may not be able to access traditional forms of finance. During 2011 we undertook visits to personnel in the UK and overseas offering guidance and advice, including access to our shared equity schemes. As a result over 400 homes have been sold to service men and women through shared equity schemes, enabling them to plan for their future, whilst still serving their country.

Discussions with RSL's

Early consultation has taken place with local Affordable Housing Providers in order for their knowledge and expertise to benefit the scheme. A number of providers have been contacted and expressed an interest in the proposed affordable homes.

The phasing of the affordable housing will be carried out in line with development of the private sale units, a proportion of the affordable housing will be delivered in the early stages of the construction programme (see Chapter 4).

Our chosen affordable housing partner will not be reliant upon receipt of grant funding from the Homes and Communities Agency to complete the acquisition of the properties. Following our early discussions with the RSL's, Persimmon is confident that the disposal of the affordable units will not be problematic.

Pre Application Discussions

As part of our pre application discussions with the Council, we discussed our proposed affordable housing units, typical housetype layouts in relation to the number of bed spaces each housetype provides and considered the options of providing affordable housing on site or providing a commuted sum for the provisions of affordable housing off site.

Following discussions Persimmon are offering 7 x 2 storey 2 bedroom Moulton properties and 3 x 2 storey 3 bedroom Hanbury properties.

4.0 Securing Phasing and Delivery

In order to secure the provision of affordable housing Persimmon suggest the following obligations by way of a section 106 agreement:

- Not to occupy more than 12 open market properties until 50% of the affordable properties are transferred to a registered provider
- Not to occupy more than 18 open market properties until 100% of the affordable properties are transferred to a registered provider.

5.0 Conclusion

- There is a clear need for affordable housing in High Peak and specifically within Buxton
- The Council accept that viability does impact the ability of developers to provide affordable housing on certain schemes
- Development at Macclesfield Old Road will provide the Council with an opportunity to deliver much needed affordable housing and assist in plugging any gap in provision as a result of viability issues on other sites in High Peak
- In addition to the 30% provision of affordable homes, Persimmon will offer further incentives to help first time buyers onto the housing ladder
- Our proposals relating to phasing and delivery will ensure affordable housing is delivered alongside the market housing
- Whilst there has been concern from local residents regarding the principle of development, some agreed with the need for affordable housing specifically intermediate products which assist first time buyers.

