

What is affordable housing and who can be defined as in need of affordable housing?

The Guestling Parish Council Working Group looking at the possibility of affordable housing in the Parish has to base its consideration within the boundaries set by the national and local policies on affordable housing. The excerpts reproduced here are some of the key documents.

- *The Definition of Affordable Housing is taken from the National Planning Policy Framework which is referred to in all the excerpts.*
- *The Guidance Note is the most recent guidance issued by the Government.*
- *The House of Commons Library briefing note is intended to give some background and context to the policy issues and the development of the policy over time.*
- *The link to Rother District Council will take you to RDC's policies and considerations.*

There are, of course, many more articles and explanations and discussions around affordable housing to be found on the internet, but these below are not to be set aside in any consideration of affordable housing.

Definition of Affordable Housing: National Planning Policy Framework, Annex 2, Glossary

[National Planning Policy Framework - Annex 2: Glossary - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/426262/nppf-annex-2-glossary-guidance.pdf)

Affordable housing

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions: ⁸¹

(a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

(b) Starter homes: is as specified in [sections 2 and 3 of the Housing and Planning Act 2016](#) and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

(c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

(d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement.

Government Guidance

Fact Sheet 9: What is affordable housing? (November 2023)

<https://www.gov.uk/government/publications/new-homes-fact-sheet-9-what-is-affordable-housing/fact-sheet-9-what-is-affordable-housing>

What types of households are considered to be in affordable housing need?

All households whose needs are not met by the market can be considered in affordable housing need. The definition of affordable housing for planning purposes is set out in Annex 2 of the National Planning Policy Framework.

Paragraph: 018 Reference ID: 2a-018-20190220

How can affordable housing need be calculated?

Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments).

Paragraph: 019 Reference ID: 2a-019-20190220 Revision date: 20 02 2019

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:

- the number of homeless households;
- the number of those in priority need who are currently housed in temporary accommodation;
- the number of households in over-crowded housing;
- the number of concealed households;
- the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and
- the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Suggested data sources: Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding. The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey. Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.

Paragraph: 020 Reference ID: 2a-020-20190220 Revision date: 20 02 2019

How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?

Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.

Suggested data sources: Ministry of Housing, Communities and Local Government household projections, English Housing Survey, local authority and registered social landlords databases, and mortgage lenders.

Total newly arising affordable housing need (gross per year) = (the number of newly forming households x the proportion unable to afford market housing) + existing households falling into need

Paragraph: 021 Reference ID: 2a-021-20190220 Revision date: 20 02 2019

How can the current total affordable housing supply available be calculated?

There will be a current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply. Assessing the total affordable housing supply requires identifying:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- suitable surplus stock (vacant properties); and
- the committed supply of new net affordable homes at the point of the assessment (number and size).

Sources of data: Ministry of Housing, Communities and Local Government affordable housing supply statistics to show recent trends, and local authority and Registered Social Landlord records including housing register, transfer lists, demolition and conversion programmes, development programme of affordable housing providers.

Total affordable housing stock available = Dwellings currently occupied by households in need + surplus stock + committed additional housing stock – units to be taken out of management

Paragraph: 022 Reference ID: 2a-022-20190220 Revision date: 13 09 2018

What is the relationship between the current housing stock and current and future needs?

Strategic policy-making authorities will need to look at the current stock of houses of different sizes and assess whether these match current and future needs.

Paragraph: 023 Reference ID: 2a-023-20190220 Revision date: 20 02 2019

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.

Paragraph: 024 Reference ID: 2a-024-20190220 Revision date: 20 02 2019

From the House of Commons Library

<https://commonslibrary.parliament.uk/research-briefings/cbp-7747/>

No agreed definition of affordable housing

The most commonly referred to definition of affordable housing is set out in Annex 2 to the National Planning Policy Framework (NPPF). This is the definition used by local planning authorities when making provision within their areas to meet local demand and need for affordable housing. The NPPF definition incorporates social rent, as well as a range of intermediate rent and for-sale products. The Affordable Housing Commission (2020) concluded “many” of these products “are clearly unaffordable to those on mid to lower incomes.”

A crisis of affordability

Commentators increasingly refer to a crisis of affordability in England. In the foreword to the June 2017 IPPR report, [What more can be done to build the homes we need?](#), Sir Michael Lyons said: “We would stress that it is not just the number built but also the balance of tenures and affordability which need to be thought through for an effective housing strategy.” Home ownership has been difficult to access in recent years, particularly for first-time buyers, while access to social housing is constrained by limited supply. The private rented sector has benefited, it now houses more households than the social rented sector. Private sector rent levels in high pressure areas have increased in response to demand. One Government response has been to restrict assistance through Housing Benefit and the

housing element of Universal Credit. [Analysis by Crisis](#) (2022) found “housing benefit is no longer covering the cost of renting a modest property in most parts of England”.

Historically, homes for social rent (with rents at around 50-60% of market rents) and affordable home ownership have been the main source of new affordable housing. The introduction in 2011 of social sector units with rents of up to 80% of market rents has, in the view of some commentators, undermined the ability of even the social sector to supply housing that is truly affordable.

The [2021-26 Affordable Homes Programme](#) (AHP) programme is allocating £11.5 billion of grant funding over five years. This is expected to support up to 180,000 new homes, subject to economic conditions. The programme’s funding was to be split: 50% to fund homes at a discounted rent, and 50% for affordable home ownership products, but in February 2023 the department announced social rent was “[a priority for the fund](#)” meaning social rent-specific grant rates could be accessed in all parts of the country.

In February 2021, the Housing Minister at that time, Christopher Pincher said the AHP “[will deliver more than double the social rent than the current programme, with around 32,000 social rent homes due to be delivered.](#)” Crisis and the National Housing Federation (2018) [called for 90,000 units to be built in England in each year for fifteen years to meet new need and to address the backlog](#) (PDF).

There are widespread calls for increased support to develop more social rented housing. Cited benefits include potential to reduce pressure on Housing Benefit/Universal Credit expenditure and improved housing options for people on a low income without having to rely on benefit help. The [Levelling Up white paper](#) (February 2022) said:

The UK Government will also increase the amount of social housing available over time to provide the most affordable housing to those who need it. This will include reviewing how to support councils to deliver greater numbers of council homes, alongside Housing Associations.

Rother DC’s website page with links to further pages

<https://www.rother.gov.uk/planning-and-building-control/planning-policy/local-plan/background-evidence/homes-and-housing/>