



**Middlezoy Parish
Housing Need Assessment
2017**

Final Report

AUGUST 2017

Middlezoy Parish Housing Need Assessment 2017



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Report Structure	Part 1 Executive Summary Part 2 The Context Part 3 Middlezoy Housing Picture Part 4 The 2017 HNA Assessment Rationale Part 5 HNA Summary and Recommendations Part 6 Affordable Housing Part 7 Addressing Future Affordable Housing Need in Middlezoy Part 8 Further Information
Sedgemoor Affordable Housing Development Team	The Sedgemoor District Council Affordable Housing Development Team (“AFHDT”) is a small-dedicated team with specific responsibility to oversee the delivery of new affordable housing. The team are part of the wider SDC Strategy and Development Service. This service is responsible for developing and implementing many of the Council's key strategies and policies. Building upon a successful track record of delivering affordable-homes in rural communities, the AFHDT provides support and advice to parish councils, landowners, developers and registered providers with the aim of developing new affordable-housing. The AFHDT has developed its own housing need assessment processes, which provide publically available independent and robust evidence for future housing growth in rural communities.

Part 1 Executive Summary - The 2017 Middlezoy Housing Need Assessment

Readers must remember that the conclusions within this report merely represent a snapshot in time into what (if any) unmet housing requirements exist in Middlezoy.

The Council's Housing Affordable Housing Development Team ("AFHDT") attended the Middlezoy Parish Council in September 2016, during which the topic of affordable housing was discussed. The members of Middlezoy Parish Council asked Sedgemoor District Council to undertake a new HNA in the parish.

The conclusions of this exercise will be formally presented to Middlezoy Parish Council in September 2017 and will subsequently be made freely available on the Sedgemoor District Council website.

Sedgemoor District Council sent out three-hundred and twenty-two (322) survey forms to every property in the parish of Middlezoy. A survey form was also sent to an additional five (5) households registered for affordable housing (in Middlezoy) on homefindersomerset CBL system (formerly known as the housing waiting list) who had stated that Middlezoy is their preferred place to live.

The personal data provided from survey responses have been assessed individually to ascertain each respondent's personal need/requirement.

Households Requiring an Affordable Home in Middlezoy

1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	
7					1		2								11

Part 2 The Context

The Housing Need Assessment (HNA) sought to investigate the scale existing and future housing need in Middlezoy. The HNA also sought to gauge views in terms of the future level of affordable housing provision.

Sedgemoor District Council has a programme to carry out Housing Need Assessments in Parishes that fall into the new Tier 3 and Tier 4 categories in the proposed draft Local Plan. Parishes that fall into the new Tier 3 and Tier 4 will be part of the 2017/18 programme.

The HNA will provide essential information to ascertain what, if any, housing need exists in these parishes.

Sedgemoor District Council ("SDC") Affordable Housing Development Team ("AFHDT") is a small-dedicated team with specific responsibility to oversee the delivery of new affordable housing. The team are part of the wider SDC Strategy and Development Service. Building upon a successful track record of delivering affordable homes in rural communities, the AFHDT provides support and advice to parish councils, landowners, developers and registered providers with the aim of developing new affordable housing. The AFHDT has developed its own housing need assessment process which provides publically available independent and robust evidence for further housing growth in rural communities.

Housing need in this context is defined as follows:

- For the purposes of this document "housing need" can be defined as the need for an individual or household to obtain housing which is suitable to their circumstances;
- It implies that there are problems or limitations with the household's current housing arrangements and that the household is unable to afford or to access suitable accommodation in the private sector;
- Such problems may be due to housing costs, size, location, layout, state of repair or security of tenure;
- This need may be immediate or anticipated in the near future.

Historically, the majority of responses in any survey of this kind come from:

- People who feel themselves to be in need of housing now or in the near future;
- Their relatives;
- People involved in some way in community affairs who probably have an appreciation of the problems affecting the community as a whole, even if they are not in housing need;
- People who feel strongly that there should be no more development in the village.

Sedgemoor District Council sent out three-hundred and twenty-two (322) survey forms to every property in the parish of Middlezoy. A survey form was also sent to an additional five (5) households registered for affordable housing (in Middlezoy) on homefindersomerset CBL system (formerly known as the housing waiting list) who had stated that Middlezoy is their preferred place to live.

The personal data provided from survey responses have been incorporated to assess each respondent's personal need/requirement.

Past experience shows that local people are often apathetic to register for affordable housing and fill out a survey form prior to any housing development project. This is mainly because they feel that there is no prospect of an affordable home in the locality. The numbers on the housing register spike at key stages of new affordable housing build projects. The most notable of these triggers tend to be firstly when planning permission is secured, secondly when construction activity can be seen on site and thirdly, when the new homes are nearing completion.

Key stages of new affordable housing build projects. The most notable of these triggers tend to be firstly when planning permission has been secured, secondly when construction activity can be seen on site and thirdly, when the new homes are nearing completion.

A covering letter and pre-paid envelope was enclosed with the HNA form; the survey form consists of a four-page form. Copies of these documents are available upon request from Sedgemoor District Council.

The HNA form is divided into the sections set out below.

1. Current housing circumstances
2. Details of those requiring housing
3. Unsuitability of applicant's current home
4. Type and tenure of new home required
5. Financial information
6. Local connection
7. How to register for affordable housing
8. Personal details
9. Additional information

There were three hundred and twenty-seven (327) surveys' sent out.

Sixteen (16) surveys were returned.

Of those returned three (3) of the surveys were not completed, two (2) of the survey's respondents were deemed as not in housing need, and the remaining eleven (11) have been assessed in this HNA report.

When assessing a respondent's suitability to homeownership or private renting on the open market the following criteria is used.

Home Ownership - purchase price based on multiplier of 3.5 time's gross annual income plus available deposit (minimum of 15% of purchase price).

The process below is used to ascertain respondent's suitability to homeownership.

Private rented – private renting affordability is calculated by multiplying monthly rent x 30, the total should be approximately the annual salary. This only looks at rent it does not include any bills.

Respondents who are unable access the open market (buy or rent) are assessed against eligibility for affordable rented or intermediate home ownership product. The respondent's income, savings and size of family are key factors for assessing their need for affordable housing.

The assessment of affordability looks at household incomes and savings, which are then measured against property prices, which suit the size and type, whether rented, or home ownership. Depending on tenure, additional factors are checked that will affect the cost of acquiring the property

For home ownership, these costs include mortgage interest rates, mortgage indemnity premium. Mortgage application fee, legal fees, stamp duty tax, legal fees and search fees etc.

For rent, these costs may include rent deposit and rent paid in advance.

Part 3

The Middlezoy Housing Picture

For the purpose of this survey, data from the Office for National Statistics (ONS) 2011 Census and other web based data sources have been accessed for information.

Middlezoy (the village) is considered a rural settlement. In the affordable housing arena, settlements with a population of less than 3000 are classed as villages. In Planning terms, Middlezoy is classed as one of Sedgemoor's Other Sustainable Settlement under the current adopted Core Strategy. The emerging Local Plan is suggesting Middlezoy be classed as a Tier 3 settlement.

There are 322 households and a population of 725 in Middlezoy parish (ONS 2011 census).

Owner Occupation: is the dominant tenure in the parish accounting for 80% of all homes (257 homes). This is much higher than the Sedgemoor district average of 71.3%

Private Rented: There are 27 private rented homes in the parish, which equates to 4.3% of the homes, which is significantly below the Sedgemoor district average of 14.5%.

Affordable Housing: There are 14 affordable homes in the parish, which equates to 4.3% of the homes. The impact of the "right-to-buy" has seen the numbers of affordable homes drop since the early 1980's. Vacancy rates are very low. The majority of the existing affordable homes do not have any form of local priority allocation criteria. This means that when vacancies do arise, local people must compete with other people from outside the village.

LOCAL INCOME LEVELS AND AFFORDABILITY

Buying on the Open Market

Across Sedgemoor, there are a growing number of young adults unable to access the housing ladder and continue to live with parents or relatives. In rural areas, this is significant due to the affordability gap where rural house prices tend to be well above average, while rural incomes are significantly below average. Many locals are forced to leave the village. This adds to the increasing loss of younger adults and families who often support and contribute towards rural local communities.

SDC reviewed sales of homes over the past year in Middlezoy using the website Rightmove. Middlezoy has an overall average price of £272,613, which, was slightly more expensive than nearby Westonzoyland (£225,511).

Using "real house price data" and taking a conservative view on the average sold price of houses in the parish. The price at which someone could buy a property (entry level at which it would be feasible to get onto the housing ladder) has been taken to be circa £168,500 for a 2-bed property & circa £248,333 for a 3-bed property. These are average figures are based on sold prices from Rightmove and are only a guideline.

A comparison of house prices with neighbouring and the broader market area suggests Middlezoy is a relatively expensive village. Prices are higher or in line with nearby villages and above the average in the

Sedgemoor District Council area. Data tends to be less robust for smaller parishes as there are fewer records to compare. This particularly applies to one-bedroom properties in rural areas.

Table 1 below illustrates prices, deposits; mortgages and income levels, there are assumptions about deposits and mortgages to enable the calculation of salaries to meet the mortgage requirement.

Table 1: Annual income requirements for open market properties

House Price	Deposit (assume 15% required)	Mortgage required	Annual income required (based on 3.5 x income)
£150,000	£22,500	£127,500	£36,429
£170,000	£25,500	£144,500	£41,285
£200,000	£30,000	£170,000	£48,572

A household's ability to buy is dependent on having an appropriate deposit. The calculation presented in Table 1 assumes a mortgage to house value of 85%, i.e. the purchaser has saved a 15% deposit. It may be possible to secure a mortgage with a lower percentage deposit but this will require even higher income levels. Under new mortgage rules, which came into effect in April 2014, lenders must now obey strict guidelines to check whether a borrower can afford their mortgage repayments, not just at current interest rates, but also if interest rates shot up to 6 – 7 %.

Each household has its own set of circumstances; therefore, our assumption is used as a guide only.

Shared Ownership

To qualify for a shared ownership property the household income should be below £80,000 per year. Shared Ownership (also known as “part rent/part buy”) offers the opportunity to ‘part buy’ and ‘part rent’ the property. A percentage (%) ownership share in a property is offered, typically between 25% and 75% and a subsidised rent is collected on the remaining percentage (%) share. There is the opportunity to buy further percentage (%) shares in the property, usually up to an 80%. This is known as ‘staircasing’.

Table 2 Deposit, mortgage, rent & income - shared ownership based on purchasing a 40% share.

There are some assumptions about deposits and mortgages to enable the calculation of salaries to meet the mortgage requirement.

Property value	Deposit (assume 10% of 40% share)	Mortgage required (remaining equity in brackets)	Mortgage cost per calendar month approx. (assuming rate of 5% for 25yrs)	Rental on remaining equity per calendar month	Annual income required based on 3.5 x income
£120,000	£4,800	£43,200 (£72,000)	£253.00	£165.00	£12,343
£160,000	£6,400	£57,600 (£96,000)	£337.00	£220.00	£16,457
£200,000	£8,000	£72,000 (£120,000)	£421.00	£275.00	£20,571

Table 3 Market Rent, Affordable Rent, Social Rent & Local Housing Allowance (per week)

Comparison between the cost Market Rent, Affordable Rent, Social Rent & current Local Housing Allowance per week.

Number of Bedrooms	Typical Market Rent (approx.)	Affordable Rent (approx.)	Social Rent (approx.)	Local Housing Allowance (April 2017 – March 2018)
1	£110.00	£88.00	£71.50	£92.05
2	£146.00	£116.80	£94.90	£120.82
3	£162.00	£129.60	£105.30	£145.67

Part 4 The 2016 HNA Assessment Rationale

As with any housing survey, the exercise is not an exact science.

As far, as has been practical, the assessment evaluated fact and was specifically designed to avoid it being a local opinion poll on housing.

In reality, the assessment sought to answer a simple, yet fundamental question, “was there any unmet local housing need from local people in Middlezoy?” rather than “I think there is a need for housing”.

It is not the purpose of the assessment to gauge local opinion on the merits or otherwise of the future provision of any new Middlezoy housing.

This assessment and recommendations contained within this report deal with need rather than desired or perceived future housing requirements in Middlezoy. This report includes a clear statement “recommendations” on the unmet housing need in Middlezoy.

The conclusions reported offers and a strong insight into the likely affordable housing need in Middlezoy.

The HNA Assessment Methodology

The personal data provided from the HNA responses have been used to assess each respondent’s personal need / requirement. For each respondent, the assessment has tried to answer questions such as: “Is the respondent in housing need or not?” The assessment also clarifies “what type, size and tenure of housing does the respondent need and what can they afford?”

The HNA looked at each household to determine whether they were firstly **IN HOUSING NEED**, secondly whether that household was capable of **RESOLVING THEIR HOUSING PROBLEM** in prevailing housing market and thirdly what **STRENGTH OF LOCAL CONNECTION** the household had with Middlezoy

A household fitting one or more of the following criteria might be said to be **IN HOUSING NEED**:

- Containing people with a particular social need, which cannot be resolved except through a move.
- Who cannot afford market properties and have a need to move.
- Homeless people, who those living in insecure housing (this will include housing that is too expensive compared to the household’s disposal income).
- Where there is a mismatch between the housing need the current home (overcrowding or under occupation).
- Where there someone with a physical (or other medical) impairment living in unsuitable housing.
- Where the property lacks basic facilities and places, which are subject to major repair.

Part 5 HNA Summary and Recommendations

This report has been informed by primary data from the Housing Needs survey, as well as secondary data from local house price and income data (web based), Office for National Statistics (2011 census data) and Homefinder Somerset (CBL) system (Housing waiting list). The results of the survey will alter with increasing/decreasing values of housing, policies of lenders, the economic climate, and demographic changes in the community as individual's situations change.

KEY HEADLINE FINDINGS

A total of sixteen (16) completed HNA forms were returned.

It is important to note and acknowledge that completed forms were only returned by people who felt that they had some form unmet housing need now or the foreseeable future.

Of these ELEVEN (11) respondents were assessed as had a strong connection with Middlezoy and were considered to be in housing need and requiring help to access an affordable home in the village.

CURRENT HOUSING CIRCUMSTANCES

All of the ELEVEN (11) respondents had a strong connection with Middlezoy and are considered to be in housing need, requiring help to access an affordable home in the village.

MOVING TIMESCALE

In Housing Need – Moving Timescale	Number of Respondents
Need to move within 12 months	3
Need to move in the next 2 years	2
Need to move in the next 2 – 5 years	6

LOCAL CONNECTION

In Housing Need – Local Connection	Number of Respondents
Live in the Parish	9
Previously lived in the Parish	2
Strong family connection with Parish	0

UNSUITABILITY OF CURRENT HOME

In Housing Need – Reason for Move	Number of Respondents
Insecure Tenancy	1
Need Independence	5
Too expensive	3
Other reason	1
Health reasons	1

FUTURE HOUSING REQUIREMENTS & FINANCIAL INFORMATION

Respondents were asked to indicate the preference of tenure, type of accommodation and number of bedrooms they would prefer and provided financial information for us to determine affordability potential. When looking at the type of affordable housing, which will fit each respondent's requirements, the information provided is based on actual need rather than the respondent's aspirations. If finances are assessed to be insufficient to purchase on the open market or to buy a percentage of a shared ownership property, rented tenure has been recommended. Further information provides us with what is stopping the respondent either buying or renting on the open market. The findings from the survey showed that ten (10) respondents we would recommend affordable rented tenure and one (1) respondent we would recommend Shared Ownership.

DETAILED SUMMARY AND RECOMMENDATION

When preparing this HNA each respondent's circumstances have been assessed to determine whether they were firstly **IN HOUSING NEED**, secondly whether the respondents are capable of **RESOLVING THEIR HOUSING PROBLEM** in the prevailing housing market and thirdly what **STRENGTH OF LOCAL CONNECTION** the household has with Middlezoy.

For the purposes of the HNA, respondent's local connection with the parish was determined by the following criteria:

1. Lives or has lived in the parish for a reasonable period
2. Permanently employed 16+ hours a week
3. Strong family connections

PRE EXISTING EVIDENCE FROM HOMEFINDER SOMERSET (HOUSING REGISTER)

Homefinder Somerset (Housing Register) data is a useful additional indicator of potential affordable housing demand. Housing applicants who register via Homefinder Somerset are only able to select one preferred location for housing. Although Housing applicants choose a preferred location they are able to bid for vacant affordable homes in any location. The number of Homefinder Somerset applications who have Middlezoy as their preferred area of choice is likely to be greater than the figures described below.

People are often apathetic to register for affordable-housing in rural villages (prior to a project) because they often feel there is no prospect of a home, this is normally due to the fact there has been no housing development in the village for a number of years. Homefinder Somerset registrations spike at key stages of any new affordable housing project. The most notable of these triggers tend to be firstly when planning permission has been secured, secondly when construction activity can be seen on site and thirdly, when the new homes are nearing completion.

The table below sets out the data from Homefinder Somerset (Housing Register) (Source: Homefinder Somerset June 2017), showing the current number of applicants and their bedroom requirement who have registered an interest in living in Middlezoy. Whilst Homefinder Somerset data is a useful indicator of potential affordable housing demand, it would be inadvisable to use this information as a definitive assessment of true unmet housing need in Middlezoy. This is because we are not able to carry out an assessment on these applicants. Five (5) of the eleven (11) applicants who are registered on Homefinder Somerset replied to the survey.

CBL Affordable Housing Demand	Maximum Bedroom Requirement				Total
	1 bed	2 bed	3 bed	4 bed	
Total number of CBL applicants selecting Middlezoy preferred area of choice or have a Middlezoy address	4	4	3		11

POSSIBLE SCALE OF AFFORDABLE HOUSING NEED IN MIDDLEZOY

By combining the evidence gathered from the survey and the number of Homefinder Somerset applicants who failed to respond to the survey, the number of households in housing need would be greater. Whilst acknowledging that those registered on Homefinder Somerset cannot be classed as in housing need, the figures are useful to ascertain the potential affordable housing demand in Middlezoy. The table below shows the total possible scale of affordable housing need if the findings are combined.

Middlezoy 2017 Housing Need Survey	11
Middlezoy CBL applicants (not counted in survey)	5
TOTAL	16

HOUSING NEED SURVEY ANALYSIS

After assessing each completed HNA form individually, we have determined there are Eleven (11) household's considered to be in need of some form of affordable housing in Middlezoy. We have assessed the breakdown of accommodation they require in table format below.

AFFORDABLE RENTED ACCOMMODATION

The table below represents respondents that we have recommended for Affordable Rented Accommodation, with the required bedroom size and property type. These respondents are in housing need, but do not have the financial suitability for a home ownership product.

Affordable rented accommodation required															
1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	
7				1			2								10

(F – Flat, H – House, B – Bungalow)

AFFORDABLE HOME OWNERSHIP - SHARED OWNERSHIP/LOW COST HOME OWNERSHIP

The table below represents households we have recommended for Affordable Home Ownership, with the required bedroom size and property type. These respondents are in housing need, who have income for a mortgage and savings for a deposit.

Low Cost Home Ownership (LCHO) / Shared Ownership (SO) accommodation required															
1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	
					1										1

(F – Flat, H – House, B – Bungalow)

COMBINED AFFORDABLE HOUSING REQUIREMENT FOR MIDDLEZOY

We have amalgamated the tables above to give a combined affordable housing requirement.

Total number of households															
1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	
7					1		2								11

(F – Flat, H – House, B – Bungalow)

DETAILED RESPONDENT SPECIFIC INFORMATION FROM THE SURVEY

The table below provides detailed analysis of each individual respondent assessed as being in housing need from the survey.

Respondents reason for moving	Local connection	Respondents desired housing	Affordability potential (£)	Household numbers	Recommended Affordable Tenure	Recommended number of bedroom(s)
Need independence	Live 5+ years	2bh LCHO	?	1	Rent	1bh
Too expensive	Lived 5 out of last 10	3bh rent	£77,000	5	Rent	3bh
Health reasons	Live 1 – 5 years	2bh rent	£100,100	2	Rent (*)	1bf
Insecure tenancy	Live 5+ years	3bh rent	£87,500	5	Rent	3bh
Need independence	Live 5+ years	1bf LCHO	In education	1	Rent	1bf
Need independence	Live 5+ years	2bh H2B	£77,000	1	Rent	1bf
Need independence	Live 5+ years	2bh H2B	In education	1	Rent	1bf
Health reasons	Live 5+ years	2bb S/O	£157,500	2	S/O	2bb
Need independence	Live 5+ years	2bb OM	£15,750	1	Rent	1bf
Too expensive	Live 5+ years	1bb Rent	£74,200	1	Rent	1bf
Other reason	Live 5+ years	2bh LCHO	£73,500	?	Rent	2bf

KEY:

Rented	Recommended for affordable rented tenure only
Rented (*)	Could BUY affordable Home Ownership but has no deposit or would have difficulty obtaining a mortgage
Rented (**)	Unable to BUY due to age related mortgage restrictions
S/O	Shared Ownership
LCHO	Low Cost Home Ownership
OM	Open Market

The Housing Needs Survey reports a scale of need that is small but significant. The scale, design and location of any scheme will need to adhere to the planning policy contained within the Local Plan. Ongoing consultation between Sedgemoor District Council and the parish council will help inform details of any scheme brought forward. Careful consideration to the final scale and tenure mix of the scheme will ensure local occupancy is maximised.

Market Housing Provision in Middlezoy THE 2017 HNA exercise has not offered any obvious insight into the future scale and nature of market housing requirements for Middlezoy. Nevertheless, it would appear that Middlezoy would benefit from the provision of additional smaller units for sale and rent.

Part 6 Affordable Housing

Affordable housing is best described as housing provided at prices below the prevailing market value to people who are unable to find a suitable home on the open market (primarily due to its price). Affordable housing can be provided on a rental or homeownership basis. Affordable Housing will allow local people to access a suitable home, at a price they can afford; in the area they need to live in.

Affordable housing allows **LOCAL PEOPLE** to access a suitable home, at a price they can afford, where they were born / grew-up / have support and social networks or work in

Affordable housing is best described as housing provided at prices below the prevailing market value to people who are unable to find a suitable home on the open market (primarily due to its price).

Affordable housing can be provided on rental basis

Affordable housing can be provided on a homeownership basis.

Affordable housing can be provided by the public sector (the Council and-or housing associations)

Affordable housing can be provided by the private sector (volume house builders and private landlords)

Affordable housing can be provided by the community (CLT etc etc)

The HNS has highlighted a number of households who fit the description of people in need of affordable housing. Affordable housing is defined within the National Planning Policy Framework (as published on 27th March 2012) as including: social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices.

Affordable Rented

Social Rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable Rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). In rural communities, such as Middlezoy, we generally encourage a preference for social rent where possible. Social rent is considered the more affordable form of renting. However, the funding mechanism used to deliver any affordable homes will have a direct influence over whether or not social rented units can be provided.

Affordable Homeownership

There are different types of affordable homeownership under the global banner of affordable housing. This is because locally different types of households have different incomes and housing needs. Affordable housing is best described as housing provided at prices below the prevailing market value to people who are unable to find a suitable home on the open market (primarily due to its price). Affordable housing can be provided on a rental or homeownership basis. In addition to affordable rented housing, affordable homeownership is also encouraged.

The table below summaries the affordable-housing homeownership options potentially on offer across Sedgemoor.

Tenure	Description	Applying	Applicants information
Social Rent or Affordable Rent	Homes provided by both the Council and Housing Associations and in some cases by private landlords who charge rent below that charged on the open market.	You need to register with Homefinder Somerset. www.homefindersomerset.co.uk	These homes are ideal if you are unable to obtain a mortgage.

Tenure	Description	Applying	Applicants information
Shared Ownership	Homes are both new and resale properties and are provided by the Council and the Housing Associations. You buy between 25% and 75% of your home and pay a subsidised rent on the remainder. You may be able to buy up to 100% of your home.	<p>You need to register with Help to Buy.</p> <p>http://www.helptobuy.org.uk/other-housing-options/shared-ownership</p> <p>Re-sales can often be found with local Estate Agents.</p>	These homes are not limited to new builds and are ideal if you can find a deposit for the share that you are buying
Help to Buy	Government schemes offering a range of affordable home buy options. This includes a help to buy equity loan, which offers 10% - 20% equity loan on new build properties. This means you only require a 5% deposit and a 75% mortgage.	<p>You will need to register with Help to Buy. Developers will also advertise Help to Buy on new developments.</p> <p>www.helptobuysw.org.uk</p>	These properties are new build; the equity loan is interest free for the first 5 years. These homes are ideal if you don't have a large deposit and can obtain a mortgage.
Low Cost Home Ownership or Discounted Market Housing	Homes are new build or resale properties; you buy 100% of the property at 60% - 80% discounted from the market value. You will sell the property under the same basis.	<p>You will need to contact the developer direct - details of properties can be found on our website and re-sales can often be found with local Estate Agents.</p>	These homes are ideal if you are able to provide a deposit and mortgage.
Self-Build, Custom Build	Homes are built or commissioned, for those who want to build their own home on a serviced plot	<p>You will need to sign up to the Sedgemoor Self-Build Register www.sedgemoor.gov.uk/10755</p>	These homes are ideal if you would like to have a bespoke home

Part 7

Addressing Future Affordable Housing Need in Middlezoy

The Sedgemoor Core Strategy is the Local Plan relevant to Middlezoy. Sedgemoor District Council adopted this plan in 2011. The Local Plan sets out planning policy for the district over the period 2006 – 2027.

This plan is currently being reviewed with a new emerging Local Plan currently due for adoption in summer 2018.

Under the current Local Plan Policy S1 sets out the spatial strategy for Sedgemoor, identifying the distribution of housing across the district. The largest proportion of homes 70% (7,455) are identified to be built in Bridgwater, 15% (1,575) in Burnham on Sea and Highbridge, 12% (1,260) in Key Rural Settlements and the remainder 3% (315) in Other Sustainable Settlements. Middlezoy is classed as Other Sustainable Settlement under the current Local Plan. In terms of housing growth, the adopted local plan currently focusses on local growth that support community needs only.

In terms of future housing delivery beyond 2017, the emerging Local Plan (which has been submitted to the Secretary of State for inspection and is likely to be adopted by Sedgemoor District Council in summer 2018) suggest that Middlezoy would be classified as a Tier 3 Settlement.

In terms of housing development in Tier 3 settlements such as Middlezoy, the emerging Local Plan policy will include opportunities for new build affordable housing:

Within Settlement Boundary

Housing proposals for redevelopment, infill, subdivision and conversion within existing settlement boundaries will be supported where appropriate to scale the scale, design and character of the existing community.

TCPA Planning Gain

This approach would see affordable housing provided through the TCPA planning system as part of private sector lead larger open market housing project and secured by s106 agreement. The precise level of affordable housing would vary from site to site. This approach would typically be on land within the village settlement boundary or land allocated by the local planning authority for new residential development. This approach only applies to new build residential developments of five (5) or more residential units.

There is no intelligence to suggest that a suitable site fitting this description will come forward in the near future in Middlezoy. This approach to new build affordable housing would not seem feasible in the foreseeable future.

Windfall Sites

It might be possible for an affordable housing provider to purchase a small site within the development line. However, the cost of purchasing a development site at full market cost is likely to make an affordable housing project unviable from the outset.

Furthermore, by its very nature, building affordable housing requires some form of subsidy support in order to make the homes affordable. Gap funding has in the past almost always been provided by the public sector (central or local government). Securing sufficient levels of public funds in support of new affordable housing has proved increasingly more difficult due to reductions in government expenditure.

Funds are available to bid for but this fund is likely to be over-subscribed nationally.

Even it was possible for an affordable housing provider to outbid a private sector builder for a site, the complete reliance on public sector funding support (and the oversubscribed demand on such funds) might significantly delay or even hinder a project in Middlezoy.

Whilst possible, this approach to new build affordable housing would not seem feasible in the foreseeable future.

Outside Settlement Boundary

The general rule of thumb is that residential development outside the settlement boundary would not be permitted. However, the emerging Local Plan (Policy T5) proposes to allow housing development outside the settlement boundaries, on sites specifically released for that purpose will be supported only where it is demonstrated that it meets all of the following:

Fulfills an identified local housing need for affordable and market housing as evidenced by an up to date assessment of local housing needs agreed with the District Council or delivers other local infrastructure priorities.

AND (amongst other requirements)

Are supported by a robust assessment of alternative sites.

The affordable housing provision will normally be a minimum of 40% of the total number of housing provided on site.

Affordable Housing Only Sites – Outside the Settlement Boundary

A policy such as this has been available to implement in Middlezoy under the current Local Plan.

Finding a suitable site has previously been problematic, given the restricted value of such land to the owner. Owners have been reluctant to release land at significantly below open market values.

Where land has been secured for a project of this nature, the building affordable housing would be required some form of subsidy support as described above (windfall sites).

Mixed Tenure Housing Sites – Outside the Settlement Boundary

This policy led approach has not previously been available for use in Middlezoy.

This approach can best be described as a cross subsidy delivery model.

The affordable housing provision will normally be a minimum of 40% of the total number of housing provided on site.

This approach would allow for the construction of both affordable housing and market housing outside the village development envelope.

Unlike the above approach, the building of these affordable housing does not require external public sector subsidy support. The gap funding required to fund the construction of the new affordable homes would come from the sale of the open-market homes.

If a cross subsidy project were to go ahead, the principle benefit arising from the sale of the market homes will be to generate the requisite surplus to fund the construction of the affordable homes (in lieu of grant). The developer would carry the risk of selling the open market homes, and quite rightly is entitled to make a reasonable profit. The landowner would secure a modest price for the site. The land value would be significantly below open market values, but marginally above agricultural values.

Open Market Homes at 60%	Affordable Homes at 40%	Total Homes
16	11	27
12	8	20
9	6	15

This cross subsidy approach is still considered the best option to bring forward new affordable housing in Middlezoy.

Part 8 Further Information

A limited number of copies of this report will be published. The report will be available on the Sedgemoor District Council web site www.sedgemoor.gov.uk

If you would like to receive a copy of this report, you should contact

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