

Affordable Homes for Locals Forever FAQ's

1. What is Cornwall Community Land Trust?

Cornwall Community Land Trust (Cornwall CLT) is a not-for-profit charitable community benefit society, established in 2007. Over the last 13 years we have helped enable and deliver over 250 homes across Cornwall and the Isles of Scilly, all of which have been tailored to the needs of the local communities.

We are one of the most successful CLT's in the UK and pride ourselves in providing "Homes for Locals Forever". We do this by developing good quality affordable homes and maintain a long term stewardship role over to ensure that they can never be resold onto the open market or be disposed of to the detriment of the community interest. We are a Registered Provider of Social Housing, an Investment Partner of Homes England and a member of the National CLT Network.

2. What is affordable housing?

The Government defines affordable housing as "social rented, affordable rented and intermediate housing provided to specified eligible households whose needs are not met by the market". Eligibility is determined with regard to local incomes and local house prices, and detailed guidance about eligibility is published by Cornwall Council.

As a result of high property values there are three affordable housing 'products' that are best suited to rural areas, these are:

Shared Ownership

This is a part buy and part rent of an affordable home. The property's open market valuation is determined and the applicant purchases a proportion, usually between 25 and 75% and then pays rent on the remainder. The purchasers have the option to buy further shares.

Affordable Rent

Affordable homes are rented above social rent but below market rents and are set at either 80% of the market rent or capped at the local housing allowance. The Local Housing Allowance is something Cornwall Council have put in place to help work out and pay housing benefit. It is based upon how many people are within the household and where you live

Low Cost Housing For Sale (Discounted Sale)

These properties are built and sold at below market value by private developers. The initial sales price is anywhere between 40% and 70% of the open market value (depending upon whether the property is in a high or low value part of Cornwall).

You buy the property at a discounted price and own the freehold of the entire property. Unlike shared ownership, you don't have to pay rent on the remaining share of the property, as there is no remaining share.

When you come to sell the discounted property, a legal agreement requires you to sell the property at the same percentage of open market value as you bought for so that the property remains affordable. For example, if you pay £80,000 for an affordable property worth £100,000 and it rises in value to £110,000 by the time you sell it, the 20% discount would be passed on and you could sell it for £88,000. The legal agreements are enforced by the CLT.

3. Who is the affordable housing for?

Affordable housing is aimed at those who are either first time buyers, unable to buy a home on the open market or are looking to rent but cannot afford to pay market rents.

The eligibility criterion to qualify for an affordable home includes the following:

- Household income must be such that it is not possible to afford to buy or rent a property on the open market
- There must be a local connection to the immediate area

Applicants are assessed on their suitability to the scheme as each development is different.

4. Who can apply for these Homes?

Restrictions apply to our homes in order to prioritise local families. They can only be used to house people in need with a local connection to the 'Primary' Parish of St Dennis. (In the unlikely event that insufficient candidates come forward with a strong local connection the option will 'cascade' out to the adjoining parishes.

An applicant will be considered 'local' if they have at least one connections stated in the Section 106 Agreement:

The criteria are usually set out as follows:

- being permanently resident therein for a continuous period of at least three years immediately prior to Advertising;
- being formerly permanently resident therein for a continuous period of five years;
- having his or her place of permanent work (normally regarded as 16 hours or more a week and not including seasonal employment) for a continuous period of at least three years immediately prior to Advertising;
- having a connection through a close family member (normally mother, father, brother, sister, son or daughter) where the family member is currently resident



and has been so for a continuous period of at least five years immediately prior to advertising and where there is independent evidence that the family member is in need of or can give support for the foreseeable future or on an ongoing basis.

5. How much will these Homes cost?

Government regulations set rents for all new affordable homes at up to 80% of present market value.

The rent level for our properties will either be 80% of the market value or capped at the Local Housing Allowance (LHA) whichever is the lower.

The Local Housing Allowance is something Cornwall Council have put in place to help work out and pay housing benefit. It is based upon how many people are within the household and where you live.

St Dennis comes under Kernow West.

The current LHA rates are listed in the table below.

Area Name	1 Bed Shared	1 Bed Self Contained	2 Beds	3 Beds	4 Beds
Kernow West	£80.97	£113.92	£143.84	£169.15	£212.88
North Cornwall & Devon Borders	£73.50	£103.56	£134.63	£159.95	£195.62
Plymouth	£70.00	£97.81	£123.12	£149.59	£184.11

To note these are updated in April each year.

6. How is the Housing Need established?

Housing Need is established through Parish surveys and other housing need surveys, which provide data on housing needs at a local level. Housing need can also be established through data from the Cornwall Council Home Choice Registered and Help to Buy South.

7. Can the local community influence the development?

Yes, we want to keep the community involved in our schemes and hold community events where we provide local members the opportunity to view the scheme designs, provide their comments and feedback on them. We take these comments into consideration and where possible incorporate the comments in our proposal.

It is also an opportunity for people to find out how they can apply for the proposed homes and helps us to gauge the level of housing need within the area and the types of homes needed.

8. Who manages the affordable homes?

Cornwall CLT has considered the best way of ensuring that the long-term community interest of St Dennis is best preserved in the future management of the home and the amenity areas associated with this site. CCLT will retain ownership of the site but negotiate a long lease with a local Housing Association (most likely Aster Housing) which will build the homes and manage them. Although CCLT will manage the amenity area of the SSSI site adjacent to the homes it would be content to convey this land to the local community providing that it remains as a community amenity resource in perpetuity.

9. What is a Policy 9 Rural Exception Site?

As defined under the National Planning Policy Framework a Rural Exception Sites are:

“Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding.”

10. What is a Section 106 Agreement?

Planning obligations, also known as Section 106 agreements (based on that section of The 1990 Town & Country Planning Act) are private agreements made between local authorities and developers. Planning obligations run with the land, are legally binding and enforceable.

In affordable housing terms it amongst other things sets out the tenure and mix of affordable housing on the site and defines the local connection criteria and eligibility criteria for the purchase or tenant.

The Section 106 Agreement seeks to ensure that the affordable homes remain affordable. Where a Community Land Trust is involved they can also “safeguard” affordability by using resale price covenants or holding the freehold on rented dwellings in an asset lock. Where affordable homes do leak on to the open market through the shared equity mechanisms, then the revenue from these is recycled to provide more affordable housing.



CORNWALL CLT LIMITED

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