

# Housing Services

What are affordable homes? And who can have one?



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### **Purpose of report**

To clarify how people get access to affordable homes for sale or intermediate rent.

### **What are affordable homes?**

Affordable homes are homes which can be bought at below open market value, or below open market rents, and which are within the means of households on typical or below average incomes for the area.

### **Affordable homes for sale**

These are aimed at people who can get a mortgage, but cannot afford a suitable home at open market prices. Affordable homes can be delivered through the planning system on new private housing developments; on Council-owned land; or by housing associations.

These are usually sold on a shared equity basis, with applicants purchasing a % share and the Council or housing association taking the remaining share up to the market value of the home as a second charge.

### **How do people find out what's available?**

People must put their details on the Council's Housing Choice Register. They can fill out a form or apply on the Council's website. We will then contact people by their preferred method (letter, email, text) when affordable homes are coming up in areas they have chosen. This applies to both homes for sale and for rent.

We will also publicise affordable homes on our website, in Carmarthenshire News, through press releases, on partner housing association websites, and through private developers where relevant.

### **Who can buy an affordable home?**

Applicants need to show that they cannot buy a home at full open market value, but that they can get a mortgage and have money for a deposit and legal fees.

Applicants' total household income before tax must be less than one third of the open market value price of the property.

- Applicants must be a Carmarthenshire resident, work full-time in the County or have a long standing local connection to Carmarthenshire such as immediate family within the area.

- Priority is given to Council and housing association tenants who live in Carmarthenshire
- We don't set limits on how much of the purchase price comes from a mortgage and how much from a deposit. Mortgage lenders will have minimum figures for a deposit.
- Applicants need to provide the Council with evidence that their savings and income are not enough to buy a suitable home for their needs on the open market.

Applicants will **not** be considered if they:

- currently own or have a share in another home.
- are unwilling to provide details of their income, savings and mortgage.
- are a cash buyer.

### Preference

We will try to make best use of affordable homes available.

We will do this in the following way:

We will specify a date by which people must tell us their income; any savings and demonstrate their ability to get a mortgage for the required amount. The date specified will be at least 2 weeks from the letter, but may be extended as appropriate, for example in the run-up to Christmas.

If there are unsold homes after the specified date, people will be nominated who meet the eligibility criteria on a first-come, first-served basis.

### Size of home

### Priority order

1 bed home	Couple or single person (equal priority)
2 bed home	1 <sup>st</sup> Couple or adult & 1 child or 1 other family member 2 <sup>nd</sup> Couple 3 <sup>rd</sup> Single person
3 bed home	1 <sup>st</sup> Couple or adult & 2 or more children or other family members 2 <sup>nd</sup> Couple or adult & 1 child or other family

	member or pregnant applicant  3 <sup>rd</sup> Couple
4 bed home	1 <sup>st</sup> Couple or adult & 3 or more children or other family members  2 <sup>nd</sup> Couple or adult & 2 or more children or other family members

In the event of two or more families having the same priority for a home, the family nominated will be the family that applied on the housing choice register first.

**Affordable homes for intermediate rent**

This scheme aims to provide a housing solution to people who are in regular work, but are unable to buy a house at the moment. This might be because they do not have a deposit, or because their income is not high enough, or there may be problems with their credit score.

Rents are above social rents normally charged by the Council and housing associations, but below open market rents. This is at or below 80% of the market rent, and normally within Local Housing Allowance for the type of property. This is needed as a safeguard in case the tenant loses their income – they will be entitled to full Housing Benefit if they are fully occupying the property.

This scheme could lead to low cost home ownership, as the housing association will sell for below the open market value in the future, as long as the value has increased above the cost of development.

To be eligible for the scheme, applicants must meet certain criteria – see below.

**Eligibility**

- You must be a resident or be working full time in the County, or have a long standing local connection to Carmarthenshire, such as immediate family within the area.
- Priority is given to Council and housing association tenants in Carmarthenshire
- Your income before tax should be a minimum of £15,000 a year. This figure can include benefits other than Housing Benefit.

We will use the same priority order for household size as for low cost home ownership. In the event of there being homes unallocated at the end of the marketing period, these should be allocated according to the normal access to social housing policy.