



Matter 2 - Affordable Housing
Representor No. 8591

**JOINT CORE STRATEGY FOR BROADLAND,
NORWICH AND SOUTH NORFOLK**

EXAMINATION

MATTER 2 – AFFORDABLE HOUSING

**SUBMISSION ON BEHALF OF THE LEEDER
FAMILY**

CONTENTS:

Page No:

1.	VIABILITY STUDY	1
2.	FOCUSSED CHANGES	2

1. VIABILITY STUDY

- 1.1 The evidence base demonstrates that the requirement for affordable housing varies across the NPA. Accordingly, Policy 4 of the JCS is inflexible by suggesting the adoption of an affordable housing target of 40% across the NPA as a whole. We are, however, encouraged by the comment at Policy 4 that *“in negotiating the proportion and tenure of affordable housing, account will be taken of site characteristics and the economic viability of provision.”*
- 1.2 We remain sceptical with regard to the appraisals and conclusions contained within the Affordable Housing Viability Study (July 2010) produced for GNDP by Drivers Jonas Deloitte (EIP 52). In particular, we do not agree with the conclusion at page 34 of the AHVS that *“in our opinion a strategic policy wide target of 40% affordable housing is appropriate.”* However, we agree that there are *“several scenarios where this will not be viable, especially where private sales values are low and construction costs or benchmark values are high.”* We would question the relevance/validity of the AHVS in the light of local land values and the ‘benchmarks’ utilised by DJD.

2. FOCUSED CHANGES

- 2.1 Whilst we are wary of the AHVS, the policy wording contained within the Focused Changes (EIP 91) represents a more realistic/pragmatic consideration of the issue of affordable housing than the JCS. We have noted the comment at paragraph 4.1.1 of the Sustainability Appraisal Report on the FCs that *“an important decision has been taken to revise the requirements that are placed on developers in terms of the delivery of affordable housing. This decision has been taken because of evidence that suggests that a more stringent policy would be counter-productive as a result of making development non-viable and hence hindering development of housing of any sort (affordable or housing to be sold on the open market).”*
- 2.2 We welcome the comment at FC1 that *“the proportion of affordable housing sought may be reduced and the balance of tenures amended where it can be demonstrated that site characteristics, including infrastructure provision, together with the requirement for affordable housing would render the site unviable in prevailing market conditions, taking account of the availability of public subsidy to support affordable housing.”* The reason for FC1 given at page 3 of EIP 91 indicates that the policy approach gives more emphasis to the recognition *“that housing development viability is critical to the delivery of affordable houses on mixed tenure developments.”* The rationale for FC1 states that where the viability of a development is shown to be at risk, *“negotiations will include consideration of reducing the overall amount of affordable housing sought, and the balance of tenures within the affordable housing to restore the viability of the scheme.”*
- 2.3 FC2 recognises that the provision of affordable housing is dependent upon the overall viability of developments. We are still concerned at the emphasis placed upon 40% affordable housing when considered in the context of the AHVS produced by DJD. FC2 acknowledges the need to consider the provision of affordable housing within the framework of site viability in prevailing market conditions. In that particular context, we have noted the comment in FC2 regarding *“policy aims relating to the environmental standards of homes.”* It is not immediately clear how FC2 will be implemented within the background provided by Policy 3 of the JCS. Does the wording of FC2 mean that the GNDP objectives established in Policy 3 are overriding and will have an impact upon the amount of affordable housing that can be delivered in a particular scheme?

2.4 FC3 states that “*the policy target for affordable housing on qualifying sites takes account of local experience which suggests that 40% is the maximum achievable on sites without subsidy in normal market conditions.*” For the avoidance of doubt, replacement paragraph 5.28B should make it clear that the level of affordable housing sought in any one location will be based upon the approach in FC1. Paragraph 5.28B of EIP 91 suggests that the policy target will be kept under review in the light of information on housing need. FC1 indicates that provision will be based upon an evaluation of viability, not only information on housing need.