

Rural Housing National Conference 2014

Retention of Affordable Housing by Landowners

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AGENDA

- CLA
- Housing issues for Rural Landowners
- Proposed methods of Affordable Housing delivery
- Affordable Housing Taxation Issues
- OUR LOBBYING: Tackling the Housing Crisis



The CLA

- Membership organisation – lobbying and advice
- Over 33,000 members
- Own and or manage over 50% of all rural land in England and Wales
- Professional firms, Large Estates, Farmers, Pony and Paddock, over 250 Rural Businesses
- Head office London plus SW, SE, East, Midlands and North Offices plus Wales
- Activities: Agriculture, Conservation, Forestry, Heritage, Planning, Housing, Renewable Energy, Taxation, Legal advice

HOUSING ISSUES FOR RURAL LANDOWNERS

- **Lack of access to Rent Act stock - multiple succession rights, capped rents, pre 1919 stock, minimum energy performance.**
- **Loss of Council Tax exemptions for vacant housing undergoing repair**
- **Capital Taxation on units let at sub-market rents**
- **Empty property business rates – holiday cottage oversupply**
- **AHA bed blocking.**
- **Welfare Reform – lack of range.**
- **Lack of ability to retain affordable units – enfranchisement issues**
- **Lack of rural site allocations by LPA's**
- **Poor cross subsidy allowance on exception sites**
- **Lack of employee and retirement housing, loss of “bronze” categories**
- **Aging population, local school and other services suffering**



2004 CLA Policy: Housing the Rural Economy

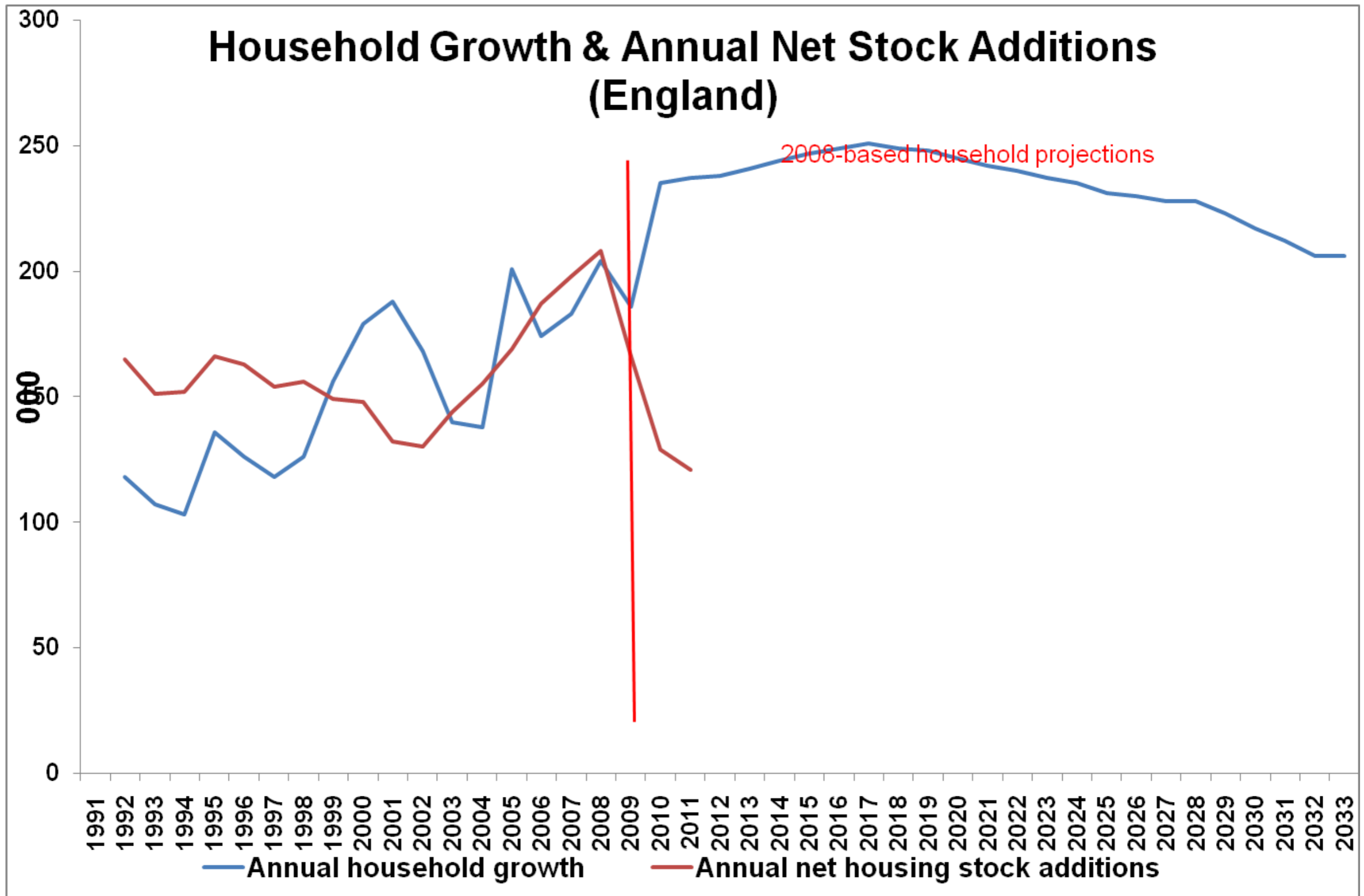
- NPPF paras – 17,23,28,29,54,55,152, 158,186
- Cross Subsidy on rural exception sites (54)
- Removal of need to put all new hsg in rural service centres (55)
- Plan making should be “creative” (152)
- Robust evidence base requirement (158)
- Positive approach required in decision taking (186)
- Permitted development rights
- **RHAG – Rural Housing Advisory Group (DCLG, DEFRA, HCA, Hastoe, CPRE)**



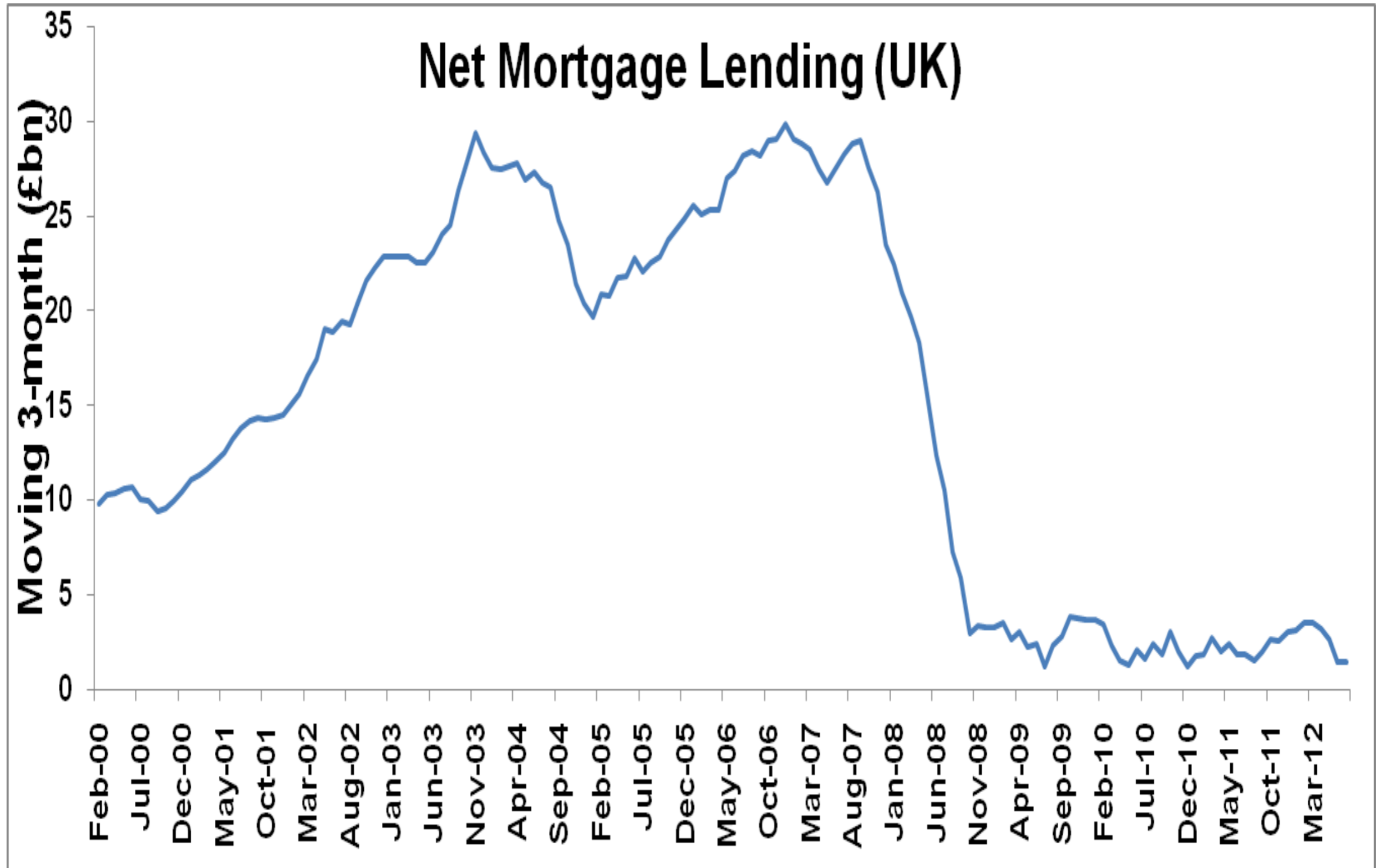
Jan 2014 CLA Housing Policy Launch: “Tackling the Housing Crisis”



Lack of Housing Supply



Lack of Housing Supply



NPPG – 28th Feb?



Detailed guidance required for the SHMA eg:

- Clarify the extent through which neighbourhood plans can be fettered by the Local Plan
- Look at holiday cottage over-supply as part of housing supply calculation
- Don't use Statutory Housing Waiting list as means to assess housing need – Localism Act freedoms (accuracy)
- **NEW** ability for rural economy to grow should be recognised – contingency of housing windfall sites in rural areas
- Need for smaller units in the countryside should be recognised through SHMA
- Recognition that rural units uneconomic to bring up to E rating may contain households in housing need

NPPG – SHLAA

- Guidance should highlight the importance of rural site allocation linked to all rural settlements of all sizes (Growth and Infrastructure Act issues for Rural Exception sites)
- Guidance should include a requirement for LPA's to take account of future national infrastructure projects including rural broadband – deliver knowledge economy to regions (North South divide et al)
- Guidance should state the need to allocate land protected by designations where viability and housing need dictate the requirement to do so



Housing Launch



TACKLING THE HOUSING CRISIS IN ENGLAND

Head of Policy National Housing Federation
Lord Teveson Chair Rural Coalition
CLT Adviser – Jo Lavis



AFFORDABLE HOUSING DEFINITION - NPPF

Affordable Housing: 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 housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing: is owned by local authorities and private registered

providers (as defined in section 80 of the Housing & 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.



CLA POLICY PROPOSED METHODS OF DELIVERY

- S106 covenant on allocated rural site that you own
- S106 specifies open market/affordable split, rent levels, tenure of affordable housing, % or number of units, % or number 1,2,3,4 bed, parishes from where occupants will be drawn (local connection), reference to Local Lettings policy, monitoring process.
- Local Lettings policy appended to Choice Based Lettings Policy (S166A(6)(b) Housing Act 1996.
- Private Sector Offer (PSO) from LA dictating management service – Localism Act
- Annual return to Parish Council
- TAX!!



TACKLING THE HOUSING CRISIS IN ENGLAND

CLA Deputy President with FT



AFFORDABLE HOUSING TAXATION ISSUES

- No relief from Inheritance Tax or Capital Gains Tax even if property rented out at sub-market rents
- Owner who rents out housing is regarded as carrying on a business “wholly or mainly of making or holding investment” and therefore ineligible for Business Property Relief – unless “Balfour” applies
- CLA lobbying for CGT and IHT deferment for new build market rented and new build and existing affordable.
- Adaptation of Taxation of Chargeable Gains Act 1992 to provide a form of roll over relief
- Adaptation of Inheritance Tax Act 1984 s104 business property reliefs





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THANK YOU

