

## **STARTER HOMES CONSULTATION AND IMPACT ON RETIREMENT HOUSING**

**APRIL 2016**

### **What are Starter Homes?**

Starter Homes have begun an important part of government housing policy and they are promoting various initiatives, legislation and amendments to policy to create these.

The emerging Housing and Planning Bill (Clause 2) defines a starter home as a new dwelling only available for purchase by qualifying first-time buyers and which is made available at price which is at least 20% less than its market value but which is below a price cap. A price cap of £250,000 outside Greater London and £450,000 in Greater London is specified in the Bill.

Restrictions are also placed on who can buy starter homes for example they must be under 40 and be a first time buyer, and the Government is likely to add to the eligibility criteria. They are intended for owner occupation and renting them out will be restricted within a defined period.

### **The Current Consultation**

The current planning policy consultation on starter homes ends on May 18<sup>th</sup>. The Consultation seeks views on the detailed regulations which will underpin starter homes in the Housing and Planning Bill and relate to England only.

### **Starter Homes and Affordable Housing**

Starter homes will be required to be provided on-site (in exceptional circumstances an off-site financial sum will be appropriate) in addition to affordable housing provision where it is considered to be viable and there is a demonstrable local need.

### **What sites will have to comply?**

Any site over 0.5 ha or 10 dwellings will need to comply with starter homes regulations.

### **What implications will it have for Retirement Housing?**

Some developments will be exempt from the requirement to provide starter homes. The consultation indicates that this will be based upon development viability but the document also states:

*“We propose that the requirement should not apply to dedicated supported housing which provides specialist accommodation for a particular group and which includes an element of support, such as residential care homes. A starter homes requirement would have an adverse impact on the viability of such developments and we propose that they are exempted.”*

The Government regulations will have to be very clear in order avoid confusion at a local level in applying them to developments. In reading the consultation, as it is worded currently there is an

element of ambiguity. However, it would appear that any development which provides care and support (i.e. falls within Use Class C2) would not be required to provide starter homes.

Tetlow King Planning would always argue that any retirement housing development carries with it abnormal costs associated with communal areas, higher specifications and non saleable floor area and therefore the provision of starter homes would not, in many cases be viable.

The Government say on the one hand within the National Planning Policy Framework (NPPF) that there is a need for specialist accommodation for the ageing population but then appear to be seeking to impose starter homes on specialist housing developments for older people (where there is no care and support). This is contradictory and has the potential to deter developers from seeking to provide such accommodation.

We are hopeful that the consultation will result in clear and concise regulations which clearly set out which developments will be required to provide starter homes and those which will be exempt due to higher development costs or the benefit that they bring to other groups.