

The Case for Affordable Rural Housing

People, Policy, and Place



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About Lingleigh Foundation

Lingleigh Foundation are a grant-making charity working to create opportunities for social housing residents to thrive, on their own terms.



About Stonewater

Stonewater is one of the UK's largest social housing providers, dedicated to creating places that people can truly call home.



About the Fusion21 Foundation

The Fusion21 Foundation was set up in 2015 as a registered charity, to help build brighter futures for the communities that Fusion21 operates in.

This report represents the research and views solely of the author.



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Executive Summary

Social and affordable housing is critical to rural communities. Building new rural homes makes significant contributions to economic growth and prosperity, including job creation, taxation revenue, and savings to health care and welfare services (Pragmatix Advisory, 2020). Social housing is also vital to the wellbeing and tenure security of tenants. Yet, there remains a significant need to urgently increase the supply of social and affordable rural homes.

The Government has recently announced ambitious housing targets, with an aspiration to build 1.5m homes across its parliamentary term. This is underpinned by commitments to increasing funding for housing development through the Affordable Homes Programme and a newly established National Housing Bank. However, within these measures there is no explicit commitment to increasing rural housing provision, despite the importance of affordable housing to the sustainability of rural communities and its significant economic contribution.

The objective of this study was to provide an overview of issues and challenges associated with the development of rural social and affordable housing. The research is based on 21 qualitative interviews with representatives of Registered Providers, local planning authorities, research and policy experts, and community representatives.

This research provides an overview of barriers to delivering new rural social and affordable housing. Set in the context of recent Government policy reform, the study highlights that rural housing providers continue to face challenges associated with the costs of acquiring and developing land, an under-resourced planning system, and a lack of prioritisation of rural housing in funding and policy frameworks. The study identifies significant opportunities to enhance the provision of rural social and affordable housing through reformed planning processes that can simplify and derisk development, new mechanisms to enable rural housing providers to acquire land, and funding measures that provide consistent support to rural housing enablers and rural housing providers.

As the Labour Government passes its first-year anniversary, the study calls upon Government departments and agencies to recognise both the urgent social need and significant economic potential that can be unlocked by providing consistent, long-term support and resources for the planning and development of rural social and affordable housing.

Executive Summary Continued

Based on the findings of this study, the authors make the following recommendations:

Recommendation		Responsibility
1	Undertake a feasibility study and consultation into the introduction of a Community Right to Buy land for social and affordable rural housing.	Ministry of Housing, Communities and Local Government
2	Reflect on the outcomes of the outputs of the Country Land and Business Association's landowner incentives taskforce to consider further incentives for land release.	Ministry of Housing, Communities and Local Government
3	Develop and implement the Rural Exception Site Planning Passport.	Ministry of Housing, Communities and Local Government with local and combined authorities
4	Reform site thresholds for affordable housing contributions, giving rural planning authorities flexibility to reduce thresholds.	Ministry of Housing, Communities and Local Government
5	Extend funding eligibility for the Level 7 Chartered Town Planner apprenticeship beyond the recently announced restrictions.	Department for Education and Skills England
6	Ensure annual monitoring of rural housing delivered within Established Mayoral Strategic Authorities, assessing rural housing delivery as a proportion of the overall housing units delivered and against housing need.	Homes England, Established Mayoral Strategic Authorities, and the Ministry of Housing, Communities and Local Government.
7	Provide long-term, consistent funding for rural housing enablers, ensuring broad national coverage.	Department for Environment, Food and Rural Affairs / Ministry of Housing, Communities and Local Government
8	Reopen the Community Housing Fund to provide revenue and capital funding to community-led housing groups.	Ministry of Housing, Communities and Local Government and Homes England
9	Disseminate case studies and innovative practice in rural housing delivery, including the involvement of Strategic Partners in enabling community-led development.	National Housing Federation
10	Commission research that enables cross-learning about rural housing planning and affordability instruments in different UK jurisdictions.	Bodies involved in research commissioning, including charitable funders, the Rural Housing Network, the Economic and Social Research Council, and Government departments.

1. Introduction

1.1 There is a significant need to increase the supply of social and affordable housing provision in rural England. There are major shortages of affordable homes in rural communities when compared to urban areas and rural homelessness has grown as a result. Affordable rural housing provision is also vital to economic growth. Analysis shows the significant economic benefits of building new rural social housing, including positive effects on job creation, government revenue, and savings to healthcare and welfare services (Pragmatix Advisory, 2020; CEBR, 2024).

1.2 The Government has recently announced ambitious housing targets, with an aspiration to build 1.5m homes across its parliamentary term. This is underpinned by commitments to increasing funding for housing development through the Affordable Homes Programme and a newly established National Housing Bank. However, there is no explicit commitment to increasing rural housing provision within this, despite the importance of affordable housing to the sustainability of rural communities, and despite the significant economic contribution that new homes will make to the country's prosperity.

1.3 The objective of this study was to provide an overview of issues and challenges associated with the development of rural social and affordable housing. The research findings are based on 21 qualitative interviews with representatives of Registered Providers, local planning authorities, research and policy experts, and community representatives.

1.4 The report next provides an overview of recent research and policy development related to rural housing delivery. It then outlines the research methods used and presents research findings in relation to land acquisition, the planning system, funding for housing, community engagement and delivery, and devolution. The report makes a series of recommendations targeted at Government departments and their associated agencies.

2. Background Review

2.1 The case for social and affordable housing in rural communities

2.1.1 The role and value of social and affordable housing in rural communities can be categorised according to three perspectives.

2.1.2 First, there is an economic case for social and affordable housing. This sees such housing as an economic infrastructure that supports labour markets and that ultimately returns investment into its development through the promotion of economic wellbeing, including the relief of household debt and financial stress. A lack of social and affordable housing in rural communities can create labour market problems, including residents being unable to live near employment (NHF, 2024). McKee et al (2017) highlighted that restricted housing opportunities can perpetuate labour market precarity for young people in rural areas. Hence, the economic case for social and affordable housing is one that conceives of housing as supporting local economies. Research conducted by Pragmatix Advisory (2020) has highlighted significant fiscal benefits that accrue from investment in rural affordable homes, including job creation and significant government tax revenue. The study calculated that building ten new rural homes can inject £1.4m into local economies (Pragmatix Advisory, 2020). Rural social and affordable housing is therefore important for the economic growth and sustainability of communities, as well as the provision of shelter for households.

2.1.3 Second, there is a social value argument for affordable homes. Such housing supports social and community cohesion. Many rural communities are negatively affected by the exclusion and displacement of low-income households and young people unable to access affordable housing in rural locations. This perspective is detailed by Gallent (2023), highlighting the ‘intergenerational inequality’ that can occur in rural housing access and drawing on ideas of wellbeing and quality of life to make the case for investments in affordable housing or in the correction of housing market function. This is summarized by the argument that high quality rural affordable housing is “materially important for home life; it situates people in important social networks and is therefore a net contributor to social life” (Gallent, 2023: 211). Studies have shown how community-led housing initiatives, which are often found in rural villages, help to alleviate loneliness by building social connections through sustainable, community-led solutions (Scanlon et al, 2021).

2.1.4 Third, there is also a social justice case for building more affordable and social housing, which follows from the social value case. Rural communities are sites of housing market exclusion, particularly for younger households that wish or need to live in rural areas but struggle to access suitable housing (CPRE, 2023), and where high rates of second home ownership can influence the outmigration of younger households (Gallent et al, 2022). Their displacement can negatively impact the retention of skills required for rural economies and industries (such as tourism and agriculture) as well as skills required for the functioning and sustainability of key rural services. Providing rural social and affordable housing can therefore contribute to the protection and development of rural services, economies and industries for the benefit of all residents, and can mitigate the perceived gentrification of the countryside (Sheppard and Pemberton, 2023).

2.1.5 Taken together, these views construct a social and economic case for investment in rural social and affordable housing, justified based on both social and economic benefits to households and communities.

2.2 Issues affecting social and affordable housing delivery

2.2.1 Despite the social and economic arguments in favour of increasing the supply of rural social and affordable housing, there are several barriers to achieving this.

2.2.2 These include the **cost and availability of land**. The price of land is a key factor in determining its availability for housing development. Land values are generally at their highest when allocated for residential development in local plans devised by local planning authorities – in essence, value is partly created by state-led designation and rationing of land for development. Landowner expectations of land values in these situations, and aspirations of unallocated land being included in future allocations, can be significant barriers to the acquisition and delivery of land for rural social and affordable housing built to tight financial margins (Stirling et al, 2024).

2.2.3 Rural exception sites are an important mechanism through which land cost and availability is tackled. Exception sites allow for the ‘exceptional’ development of majority affordable housing for local needs on land that has not been allocated for residential development. As the land is unallocated (and the landowner essentially acknowledges that it will not become allocated in the near future), its value is ordinarily significantly lower, supporting the negotiation of a price for the land between developers and landowners that enhances project viability.

Exception sites frequently rely on cooperation between rural housing enablers, communities (usually represented by Parish Councils), a Registered Provider or community-led organisation seeking to develop the site, and a landowner willing to dispose of sites at values that support affordable housing delivery (Gallent et al, 2024). Access to funding is critical, frequently provided through Homes England grants given to Registered Providers, as well as the ability of Registered Providers to secure loans. However, despite their effectiveness in delivering social and affordable housing, only 1 in 6 rural planning authorities make use of the policy (Gallent et al, 2024). Even where land is acquired at low or nil cost, expectations of value recovery from landowners can undermine project viability – for example, the expectation of expensive or unusual incentives for land release, such as homes being built by the Registered Provider for the land owner’s family members.

2.2.4 Reform of the planning system is a key priority of the Government. This includes mechanisms through which new housing can be brought forward. While exception sites are the principal tool for rural housing, the new designation of ‘grey belt’ land in Green Belt areas may also contribute. This is defined as land in the Green Belt that includes previously developed land and/or land that does not deliver against the statutory purposes of the Green Belt. However, the planning system is also negatively affected by **under-resourcing and a lack of capacity**. Local planning authorities in England are under-resourced. Central funding for planning services has dropped, affecting staffing and impacting the strategic functions of authorities, including plan making and longer periods of decision-making for applications. Gallent and Purves (2024) recently conducted a survey of how resourcing has impacted rural housing delivery, identifying limited engagement with rural exception sites, reliance on rural enablers or housing colleagues to run community consultations, and a prioritisation of larger sites against the backdrop of resource constraints. It was recognised by the Competition and Markets Authority’s work on housebuilding in 2024 that under-resourcing of the planning service in England is a significant barrier to housing delivery (CMA, 2024). Government has committed to recruiting 300 additional local authority planners during this parliament. This is less than 1 new post in every authority, with an expectation that these will be concentrated in urban areas where the pressure to deliver big schemes (that will make the biggest contribution to Government’s overall housing delivery target) is greatest. There is a risk that rural authorities will lose out, falling further behind in terms of resources.

2.2.5 Community opposition is sometimes cited as a barrier. The label of ‘NIMBY’ has often been used to describe opposition to development, where new housing is perceived to negatively affect the landscape of an area or change the social composition of a community (Sturzaker, 2010). However, research has also argued for a more nuanced understanding of ‘NIMBYism’. Gallent and Robinson (2011) showed that opposition to development and desires for local influence on new housing can be motivated by dissatisfaction with official, ‘top-down’ perspectives on the nature of rural housing problems and solutions. Sturzaker (2011) showed that communities that may have otherwise opposed new rural housing developments were in fact supportive when they were comprehensively engaged in decision-making over new developments. This logic underpinned many of the Conservative Government’s localism reforms that encouraged Neighbourhood Planning for land use in communities. Moore’s (2021) work on community land trusts also reaffirmed this; community members involved in setting up land trusts were often those who would have otherwise opposed development but were motivated by the opportunity to lead development processes and influence allocation criteria. Opportunities to define housing allocations for rural social and affordable housing have been identified as a motivating factor for much community participation in planning for rural housing (Gallent and Robinson, 2012), though there are potential exclusionary effects where ‘localness’ is defined narrowly to exclude others (see also Sturzaker, 2010).

2.2.6 Gaining community support is a prerequisite for the delivery of small rural housing schemes and is often contingent on winning the argument that social and affordable housing is key to economic and community vitality (Gallent et al, 2024). Rural housing enablers are often fundamental to this process. Enablers act as honest brokers between communities (represented by Parish Councils), the Registered Provider, the local housing and planning authorities, and land owners. They proactively work with communities on identifying need, recruiting a suitable Registered Provider to potentially deliver against that need, and bridging to the local planning authority to test the viability of sites and broker conversations with landowners. They stay with projects as they progress, maintaining energy and momentum, and are fully embedded in the process. Enablers are key to ensuring that the ambitions of community members align with planning and development possibilities, and to overcoming scepticism or distrust that can occur in rural communities when new housing is planned.

2.2.7 There are two types of rural enabler. The first are independent enablers that sit within the ACRE (Action with Rural Communities in England) network. Network members, usually at a county level, have received funding from DEFRA to support enabling activity. They are currently in receipt of 2 years' funding, worth about £60,000 pa to each ACRE member. This is used to support an enabler. The second type of enabler is an officer attached to a local authority. A recent paper by Gallent et al (2024) has studied the enabling support provided by the York, North Yorkshire and East Riding Strategic Housing Partnership, which is regarded as an innovative mechanism through which enablers can be funded. Registered Providers operating in the area make annual contributions and pay a fee for each affordable home added to their portfolio through the programme, supplementing contributions from local authorities in the area to provide continuity in funding arrangements. The Government has recently (March 2025) announced further funding for rural housing enablers as part of the Rural England Prosperity Fund.

2.2.8 Community engagement in the planning and development of housing is also supported by community-led housing (CLH) initiatives, including community land trusts (CLTs). CLH is where local residents form and develop non-profit organisations with the purpose of acquiring land for the development of new affordable housing that meets local needs. Those that form and develop CLTs are often motivated by strong attachments to place and are rarely, if ever, the direct beneficiaries of the homes they provide (Moore, 2021). They share similar legal forms and often deliver similar types of rental housing to Registered Providers but distinguish themselves through their community governance and claims to local rootedness. Of 350 incorporated CLTs, 106 are found in rural communities (CLT Network, 2023), with the majority forming in the last 10-15 years. A formal institutional structure has grown to support CLT development in this time. Prior to 2011, CLTs were largely grassroots initiatives supported by individual consultants. Since then, a national advocacy body has been created to lobby for favourable policy and funding regimes, and a network of regional enabler hubs has emerged to support development in specific locations. CLTs have often been found in rural villages of high amenity value and those particularly affected by high demand for seasonal tourist accommodation and/or by counter-urbanisation flows. The tenure of homes can vary – while they often provide affordable rental housing, many CLTs are also oriented towards providing forms of affordable home ownership (e.g. where resale values are restricted by percentages of market value or equity share).

2.2.9 Rural CLTs were given a particular boost in 2016 through a Government-backed Community Housing Fund. The first tranche of funding particularly benefited rural CLTs as it targeted funding at areas significantly affected by high rates of second home ownership, which were commonly (though not exclusively) associated with rural locations. Further waves of funding were more generally targeted at rural and urban CLTs. A new £20m Government investment into community-led housing was announced in March 2025, with funds to be distributed to groups by a social finance provider, Resonance Community Developers.

2.2.10 CLTs have encountered similar barriers to rural housing delivery to Registered Providers and also benefit from similar enabling factors, such as the rural exception site policy. Some CLTs claim to have unlocked land that would have otherwise not been made available for housing development, with local landowners that share strong attachments to place more willing to release land to a hyper-local community organisation than a Registered Provider that meets more general needs (Paterson and Dayson, 2011; Moore, 2021). CLTs have encountered an additional barrier in terms of funding developments, as Homes England grant is only available to Registered Providers. Many community-rooted groups have struggled with the registration process. To overcome this, many rural CLTs have entered into partnerships with Registered Providers. These partnerships typically involve a marriage between the local knowledge and rootedness of a CLT and the technical expertise of a Registered Provider. The CLT will typically own the land and lease it to the Provider, who will obtain the grant from Homes England and build out and manage the properties upon it in close consultation with the CLT. These partnerships have been particularly beneficial in remote rural areas where communities are keen to see affordable homes provided and where Registered Providers may be particularly keen to secure local support (Moore, 2018). The CLT Network has estimated a pipeline of 1,172 homes to be delivered through CLT and Registered Provider partnerships (CLT Network, 2023).

2.2.11 Rural CLTs have also benefited from the creation of enabler hubs, often operating across a county or multiple counties. These hubs are typically staffed by professionals with expertise in housing, planning or community development. In many ways they mirror the work of rural housing enablers, though they have a specific remit of supporting community-led development and, in addition to their work on particular developments they undertake local lobbying and influencing work to create favourable policy conditions for community-led housing in local and combined authorities. These hubs have been found to be critically important in the growth of community-led housing around the country (Arbell et al, 2022). One of the first of its kind was founded in Cornwall, set up with substantial support from Cornwall Rural Housing Association, and where significant amounts of CLT housing has been provided. However, many hubs have encountered financial difficulties due to the termination of grant programmes, resulting in closure or rescaling of work (Arbell et al, 2022).

2.2.12 Rural housing is also affected by climate and environmental considerations. Many Registered Providers have a responsibility to retrofit older stock which is no longer suitable, yet rural homes are more likely to have been constructed in ways that are challenging to upgrade (e.g. having solid walls or designs unsuitable for contemporary energy sources) (UK Parliament, 2025). Planning for new housing developments may involve modelling of nutrient pollution to avoid harm to existing habitats, while new residential development is required to achieve at least a 10% net gain in biodiversity. While these are important for environmental sustainability, they also potentially affect the cost of development.



3. Research methods

3.1 The objective of this study was to provide an overview of issues and challenges associated with the development of rural social and affordable housing. The aim was to provide a high-level refresh of barriers to new supply, situated within contemporary policy change and reform. Qualitative research was undertaken with 21 representatives of Registered Providers, local planning authorities, research and policy experts, and community representatives. This reflected a purposive sampling approach, where individuals actively lobbying and campaigning for rural housing policy change with expertise related to specific areas were identified and invited to take part. Within this, the study aimed to account for different geographical expertise by interviewing Registered Providers in different regions. However, it should be emphasised that the study does not seek to be representative of all experiences and views. There may be variation in regional experiences that further, locally-engaged research would be helpful to explore.

3.2 Interviews were conducted between April and June 2025. This included interviews with 7 rural housing providers, 6 individuals and groups that advocate and lobby for rural housing in different capacities (through research and advisory capacities or representation of member organisations), 5 representatives of local and regional authorities, and 3 interviews representing resident and community perspectives. In addition, a steering group was convened, it was composed of Registered Providers, tenant representatives, research and technical advisory experts, and representatives of membership organisations. The research team is grateful to all members of the steering group for their contribution.

3.3 The identities of interviewees are not revealed in this report, in line with the University of Liverpool's research ethics policy that offers anonymity and confidentiality to research participants. As such, the research findings presented on the pages that follow are written in a thematic and generalised manner, using specific anonymised quotes to illustrate key arguments.

Qualitative research was undertaken with 21 representatives of Registered Providers, local planning authorities, research and policy experts, and community representatives.

4. Research findings

4.1 Land acquisition and designation for social and affordable housing

4.1.1 The effectiveness of rural exception sites: Rural exception sites are an important mechanism for the delivery of social and affordable housing. Our interviews with rural housing associations, community-led housing organisations, and strategic stakeholders that enable and facilitate rural housing reaffirmed their importance to delivery in many parts of the country. One housing association specialising in rural delivery described exception sites as “an essential cog in the wheel of sustainable communities – ensuring a mix of tenure, in turn ensuring a vibrant rural economy”, while another argued that exception sites are “the easiest sites for communities to develop because [...] they are locked from outsider development activity”. Exception sites are an important element of the policy framework, brought together by partnerships of rural housing enablers, landowners, communities, and, as one interviewee described, “a willing developer who knows the region well to deliver consistently”. Within this, rural housing enablers were cited by one Registered Provider as “the key piece of infrastructure to ensure delivery”, with significant value placed on their ability to broker relationships between communities, Registered Providers, landowners and planning authorities. This ‘honest broker’ role (Duncan and Lavis, 2018) plays a significant part in bringing rural housing forward, but particularly in the case of exception sites given the need to build a strong evidence case for an exceptional planning permission.

4.1.2 Despite this, rural exception sites are not widely used across England. Gallent et al’s (2024) recent research highlighted that only one in six rural local authorities make use of exception sites, with this under-utilisation attributed to the limited capacity of planning authorities, rising land costs, and local community opposition. Some of these themes are returned to further in this report. In addition to these barriers, interviewees felt that some developers did not have an interest in developing exception sites. One community-led housing representative felt that larger Registered Providers are generally disinterested in exception sites because of the perception that the number of units developed is too small relative to expenditure, particularly in a period where many Registered Providers have recently encountered other demands on their budget, such as retrofitting existing stock and the impact of a real terms decline in social housing rents (NHF, 2024). However, other interviewees highlighted good practice, including partnerships between Strategic Partners and CLTs in Devon, where the former play a significant role in rural housing delivery and in supporting community-led development. Work nationally has highlighted that Homes England’s Strategic Partners are often less likely to be focused on rural developments due to a focus on programme delivery targets (Lavis and Bennion, 2024). However, the experience in Devon highlights that such partnerships are possible, particularly where a replicable model of delivery has been established between CLTs and Registered Providers.

4.1.3 The cost of land acquisition has been identified as a barrier to the delivery of exception sites; Registered Providers usually aim to pay approximately £10,000 per plot for exception site land, with this lower land cost supporting the delivery of social rented housing and reducing borrowing requirements (Gallent et al, 2024). In our work, some Registered Providers argued that paying £10,000 per plot is no longer realistic and that higher prices are necessary, particularly for land with obvious development potential and appeal (e.g. plots with existing road frontages). While land value was highlighted as a barrier to delivering social and affordable housing, representatives of Registered Providers nuanced this by highlighting that additional costs associated with planning, building, and infrastructure were also challenging. One interviewee in the North of England argued that “Getting land isn’t the biggest challenge, but being able to afford to deliver a scheme. The cost of delivery. Not so much land value but making things stack up with nutrient neutrality and infrastructure costs.” Another Registered Provider highlighted that “Planning constraints and the time taken to resolve these can dwarf the cost of land”. Clearly, perceptions of the relative significance of each cost – land acquisition, build cost, infrastructure provision, planning compliance – will vary according to the local context. In some areas, where paying £10,000 per plot may be more realistic, financial challenges may be more associated with difficulties in achieving economies of scale and in complying with other aspects of the planning process in rural locations, while others may encounter the additional problem of affordable land acquisition.

4.1.4 Rural exception sites can be used for a variety of housing options. While principally associated with the development of social and affordable housing, there has been an evolution in their use, including the introduction of cross subsidy mechanisms in the 2012 National Planning Policy Framework – where market homes can be developed to cross-subsidise the affordable element – and the allowance of discounted market sale products such as ‘First Homes’ in non-designated rural areas (outside National Parks and National Landscapes and excluding those designated in the 1985 Housing Act).



Interviewees had mixed views as to the appropriateness of cross-subsidy on exception sites. Some Registered Providers see it as a core element of delivering mixed communities and in enhancing the financial viability of schemes, particularly in the absence of economies of scale and infrastructure costs. Others argued for a clearer or more ‘pure’ definition of exception sites that focused on the social and affordable housing element at the expense of forms of discounted market ownership. One strategic stakeholder acknowledged that cross-subsidy can play an important role in making schemes viable, but that its use can cause confusion given the wide variation in levels used and, anecdotally, concern over the reputation of schemes and the future acceptance of exceptional permissions if market units are built out before affordable units. Previous studies have highlighted “the critical role of tailored cross-subsidy policies that reflect local market realities” (Gallent et al, 2024). While our interviewees reflected this broad spectrum of perception and opinion, there does appear to be a need to better understand the acceptance of models for cross-subsidy.

4.1.5 Interviewees also stressed the importance of meeting social housing need in rural communities. Waiting lists for social housing in rural areas have grown. Tenants commented positively on the role that social housing plays in their lives, including the affordability of social housing and the tenure security that it provides. One tenant reflected that their lifetime tenancy means “I can stay here until I pass away”, valuing the security that this gave them.

Similarly, social housing provided tenants with stability and certainty over housing costs. A tenant commented that “It gives you some security living in social housing. You haven’t got to worry about the big repairs”, valuing the management approach of their specialist rural housing provider, and felt that they could develop feelings of being ‘at home’ within social housing due to the security of tenure.



Social housing was contrasted with ‘affordable housing’, including affordable rent let at 80% of market value, with tenants expressing concern that this still represents a significant housing cost relative to social housing. Interviews with tenants argued that the concept of ‘affordability’ should not be understood in relation to market rents. The ability of housing associations to provide social rather than affordable housing can be affected by grant rates and other planning and development costs. However, tenant perspectives reflected a concern that social housing is squeezed out at the expense of affordable rental housing at higher rates, missing an opportunity to expand the pool of social housing properties.

4.1.6 Opportunities presented by planning reform and housing targets: The Labour Government has recently introduced the concept of ‘grey belt’ land, defined as land in the Green Belt that includes previously developed land and/or land that does not deliver against the statutory purposes of the Green Belt. The majority of interviewees – particularly those from rural housing providers – did not perceive this as a significant opportunity to enhance the supply of rural housing. Most interviewees highlighted that the rural exception site policy already gives the opportunity of ‘exceptional’ development in areas where development is strongly controlled. Others argued that the policy could even have unintended consequences, including the possibility that “this may distract landowners into thinking that they can get a higher price for their land – a larger development, even an allocated site.” Other representatives of local authorities and housing associations reported a perceived change in landowner behaviour in light of both the grey belt policy and the ambitious housing targets set by the national Government. One argued that “The new targets have had an impact, as landowners are thinking their sites have more potential to fill the gap in numbers between the Plan and the new target”.

4.1.7 Some interviewees felt that the public commitment to increasing house building may affect the willingness of landowners to release land at viable rates for the delivery of rural exception sites, and the development of social and affordable housing generally. Yet, landowners remain crucial partners in many rural communities. Interviewees cited arrangements where landowners had sold land at a viable rate for social and affordable housing development, particularly where they held strong attachments to place and regarded themselves as members of a community whose sustainability they could support. Similarly, even in the context of new housing targets and potential planning deregulation, land allocations in local plans can take a long time to come to fruition, especially where land is subject to a designation, and rural exception sites continue to represent an opportunity for landowners to work in tandem with a housing association, rural housing enabler and community while realising a return on the land. Therefore, while the above perceptions regarding the ways in which recent policy reforms and ambitions may alter behaviours, they should not be interpreted as undermining the significant potential of exception sites.

4.1.8 A few interviewees addressed the incentives available to landowners that might encourage them to release land for rural housing projects, especially using the planning exceptions mechanism. This is potentially a divisive topic. Land sold for affordable housing will achieve many multiples of existing use value, if the land's existing use is solely agriculture. However, it will not achieve the same price as land allocated in a local plan for market housing. This reality can lead to a reluctance amongst some landowners to release land: they may either believe the current achievable price (without allocation) is insufficient, or that they should hold out for future allocation and the possibility of building homes for sale.

Interviewees addressed the incentives available to landowners that might encourage them to release land for rural housing projects, especially using the planning exceptions mechanism.

Whether either of these positions, a higher price now or allocation in the future, is realistic is not important. What is important is the potential effect on landowner participation. Whilst many landowners are willing partners in rural housing projects, contributing significantly to the supply of affordable homes, others may need an extra 'push'. Whilst some interviewees suggested that this should come in the form of incentives (permissions for market homes on plots adjacent to exception sites or relief from capital gains tax for land sales involving affordable homes), others supported an extension of compulsory purchase powers, enabling local authorities and their partners to acquire land at a price that would support the delivery of affordable homes from reticent landowners who they saw as simply speculating on a higher future price. Again, this is a divisive topic, but Government might look at a combination of measures, from the tax liabilities on land sold for affordable housing to the powers of local government to bring land into public ownership.



4.2 Planning

4.2.1 Capacity and resourcing: Under-resourcing of local planning authorities is recognised as a barrier to the delivery of new housing (CMA, 2024). Previous work has acknowledged that authorities may struggle to recruit and retain experienced staff and that larger housing schemes may be prioritised at the expense of smaller projects (Gallent and Purves, 2024).

4.2.2 Many housing providers in our study felt that a lack of capacity in their local planning authorities negatively affected the planning and delivery of rural social and affordable housing. This included difficulties in engaging some authorities in identifying and progressing rural exception sites, particularly where authorities lacked prior experience in the delivery of exception sites, and perceptions that larger allocated sites that can deliver a greater number of housing units may be prioritised. One housing association representative argued that “there’s not enough planners or resource, so they’ll prioritise numbers, and numbers aren’t going to be in the most-needed small villages. They’ll be in the main towns where they can approve a couple of hundred homes.” Under-resourcing was also felt by respondents to have affected the ability of planning officers to negotiate local resistance to development that can occur in rural communities and in balancing conflict between the immediate needs of local communities and broader regional needs and requirements, for instance the tension between the need for new housing development and environmental issues.



4.2.3 These issues are critical as planning remains important to the formal identification of sites for housing. One community-based housing organisation enjoyed good relationships with their local planning department and saw them as key partners to successful delivery, especially where land for potential development sat in Council ownership and required internal coherence within the local authority to access and build out. Similarly, while exception sites are under-utilised nationally, in many communities they represent vital opportunities for social and affordable housing delivery that is sensitive to community needs and aspirations. Planners, alongside rural housing enablers, are key to delivering these sites that by their very definition are an ‘exception’ to land allocations in development plans. One interviewee commented that:

“We’ve worked well with planners to bring forward exception sites where planners appeared to be available. Elsewhere, they’re decent people but don’t have time to look at it.”

4.2.4 In identifying local planning departments as overstretched and under-resourced, interviews with housing providers felt this had implications for the efficient delivery of schemes and confidence in the planning process. Delays with processing and determining planning applications can affect local support for development, in addition to negative cost implications where costs increase during delays to the planning process. Many local planning authorities have outsourced aspects of the planning process to planning consultancies to fill resource gaps. While recognising the pressure that planning authorities are under, some rural housing providers felt that this can undermine local decision-making and control and the relationship between planning and place. Some respondents spoke of outsourced planning decisions that failed to reflect a sense of place and understanding of local dynamics. For instance, one interviewee referred to an application for a small infill site for which planning permission had been denied, despite perceived local acceptance of the suitability of the site for much-needed rural housing.

4.2.5 Interviewees also perceived that many more experienced planners have moved from the public to the private sector, reflecting national trends, and that this left many planning departments with difficulties in recruiting and retaining qualified staff. In June 2025, the Government announced that funding for Level 7 Chartered Town Planner apprenticeships will be restricted to individuals aged 16-21, narrowing the eligibility criteria for the training of new planners. This is likely to compound resourcing pressures in the planning profession and could particularly impact rural authorities given that there is significant pressure on urban authorities to grow capacity to deliver large housing schemes to deliver on the Government’s overall housing delivery target. Interviews conducted prior to the June decision highlighted the value of Level 7 apprenticeships, offering rural authorities a way of growing their own planning capacity.

4.2.6 Improving the planning process: Interviewees representing rural housing providers desired the planning process to be simplified and sped up, responding to concerns that this can be a lengthy and unpredictable process. These concerns are one consequence of an under-resourced planning system, where Local Plans are not adopted or clear in the position of the planning authority's approach towards exception sites, and where applications may take longer to determine due to insufficient capacity within planning authorities.

4.2.7 Interviewees also felt that there is uncertainty and risk associated with planning rural housing. This was attributed to different factors. First, a lack of familiarity with rural exception sites within some planning authorities means that a lot of time is expended by housing associations and rural housing enablers in explaining and progressing exception site proposals. One representative of a rural housing association commented that “it feels like we go into planning applications for rural exception sites with far less chance of success” with a high bar for gaining approval. Second, in some areas of the country there are significant requirements associated with environmental compliance, including the need to research and model nutrient pollution to avoid harm to habitat sites in areas of proposed development. This activity comes at a cost to registered providers, who face a risk of bearing additional professional fees and costs for applications that can be denied. Previous studies have also identified that these cost pressures may affect rural housing development (Lavis and Bennion, 2024).

4.2.8 Recognising that the cost, risk and time it takes to gain planning permission for rural exception sites is a barrier to delivery, Rural Housing Solutions and the Country Land and Business Association has developed, in consultation with key stakeholders, a bespoke Rural Exception Site Planning Permission in Principle, aka the ‘Rural Exception Site Planning Passport’ (also see Lavis and Bennion, 2024).

4.2.9 This proposal takes inspiration from existing mechanisms in the planning system, such as the Permission in Principle route. This involves a two-stage process, where the in-principle suitability for development of a site is established in stage one, and detailed development proposals are assessed in stage two. Proponents of this idea argue that applying a similar idea to rural housing can reduce time, cost and risk associated with developing rural exception sites. These views were supported by rural housing associations in our study. One interviewee, based in the South East, argued that “the ‘planning passport’ could be a game changer with the expectation for approval ... [it] would give presumption of approval ... we don’t go into it blindly, we put it forward assuming it fits with planning policy.” This insight suggests that an opportunity to gain planning permission in principle, subject to assessment of and compliance with key technical details, would be attractive in providing more certainty to rural housing providers. .

This was supported by another interviewee who commented that “Money’s tight [on rural housing proposals]; the planning passport might de-risk it”, a view shared by a strategic stakeholder who argued that “having a planning passport would make a big difference to the cost of a potential application. Permission in principle, granted for the tenure mix and community engagement, before going to the cost of hiring architects and facing the full cost of any application.” While our interviews evidenced clear support for this idea, it is also important to emphasise that such policy will only be effective if local planning authorities have the resource to make it so, linking to the critical need to enhance the capacity of the planning system discussed above

4.2.10 It is clear that viability and risk are concerns for rural housing associations. Rural housing development is subject to tight margins, exacerbated by the difficulty of achieving economies of scale on very small developments and by costs often found in rural areas, such as compliance with nutrient neutrality. There may also be benefits for local planning authorities, as an initial assessment of the suitability of a site at stage one may ease pressure in the processing and later determination of a planning application if a baseline acceptance of suitability has been achieved, though it remains important to address critical resourcing issues.



4.2.11 Section 106 planning obligations have been one of the most significant contributors to national social and affordable housing numbers over the last 20 years. However, their scope and potential in rural communities is limited. The site threshold, from which affordable housing contributions are derived, is set at 10 dwellings, except in some designated rural areas where the National Planning Policy Framework permits policies that set out a lower threshold of five units or fewer. This currently means that developers of market housing can provide rural housing developments of a certain size (below 10) without any requirement to provide on-site affordable housing contributions, or contributions in lieu, such as commuted sums that can be used to support rural delivery elsewhere. This overlooks an important mechanism for delivery and is especially key in predominantly rural counties where demand for all types of housing may be high. Even in the absence of on-site provision, interviewees highlighted the benefits that contributions in lieu could create through supporting rural housing enabling and/or exception site delivery elsewhere in local authority areas.

4.3 Finance

4.3.1 In interviews, Registered Providers drew attention to funding challenges associated with both pre-development work and the capital cost of developing social and affordable housing. The cost of meeting environmental obligations and ensuring the right infrastructure is in place to provide for new homes can be a major challenge for rural housing development. For example, rural exception sites are by their nature often more complex in planning terms, requiring detailed site analysis and environmental considerations prior to and during the planning permission process. This greater complexity can add to development costs in mitigating environmental impacts. Interviewees highlighted the difficulties in achieving economies of scale and the additional ‘land charges’ that planning rural housing can incur, for instance, the cost of achieving nutrient neutrality. In addition, by its nature, rural housing is often developed on sites that require innovation in planning and delivery, often affected by topographical features of land that can further affect costs. Development in rural areas is therefore often more costly than building in urban centres and the recent inflationary environment has also affected costs (see also Moore et al, 2024). In 2024, the Housing Forum (2024, p. 12) highlighted “high abnormal costs” and “few economies of scale” as distinct barriers to developing 100% affordable rural exception sites.

4.3.2 While constraining land value through negotiated land prices can help mitigate these attendant barriers, such as through exception sites (where landowners are prepared to accept land values – e.g. £10,000 per plot – that support project viability), interviewees also felt that rural housing requires prioritisation in national and regional funding frameworks. Recent Government announcements have set ambitious targets of building 1.5m homes over the current parliament, supported by £39bn funding for the Affordable Homes Programme that has been described as a “potential gamechanger” for affordable housing development. However, within this, there is no prioritisation of rural needs. This is especially significant given that devolved powers may eventually be given to regional combined authorities to direct affordable housing investment in their areas.

Representatives of Registered Providers and strategic rural issues were in agreement that the lack of a clearly articulated target for rural delivery could result in a lack of explicit prioritisation and aspiration to meet rural needs, particularly in the context of a drive to deliver high numbers of housing units. Interviewees argued that an element of the new £39bn funding programme should be dedicated to rural opportunities, with clear guidance as to how a higher grant rate can be justified in order to reflect the higher development costs encountered by rural developers.

In July 2025, Matthew Pennycook – the Minister of State for Housing and Planning – confirmed that the programme “will not have numerical targets or ringfenced budgets for particular regions or types of homes”. However, while this may exacerbate the challenge of prioritising rural housing, the programme “will be designed with the flexibility necessary to support a greater diversity of social and affordable supply including council, supported, community-led and rural housing” and will emphasise the role of Established Strategic Mayoral Authorities in setting strategic direction for housing delivery. This suggests that there is both a need and opportunity to embed rural housing into the strategic priorities of Mayoral Authorities.

4.3.3 In addition to this, there are challenges associated with the availability of funding for pre-development work and enabling support. Community-led housing groups in particular encounter a shortage of pre-development funding to meet the costs of initial feasibility studies and professional fees. As detailed below, community-led housing plays a significant role in bringing social and affordable housing forward in some rural communities. However, access to pre-development funding is essential for their continued growth. Similarly, the crucial role of rural housing enablers was frequently identified in our interviews, a view shared by Registered Providers, community-based organisations, and strategic stakeholders. Enablers are important to rural housing development, built on strong relationships that are curated over time. But their work remains inconsistently funded with many enablers working on a part-time basis and/or funded by a patchwork of time-limited grant inputs from different partners. In March 2025, DEFRA announced that funding from the Rural England Prosperity Fund will be used to support rural housing enablers. More consistent, long-term and stable funding is required to support the rural housing enabling network. This should be reflected through clear prioritisation within the Ministry of Housing, Communities and Local Government as an integral component of the Government’s housing strategy.

4.4 Community engagement and delivery

4.4.5 The role of communities in the planning and delivery of rural affordable housing ranges from oppositional to supportive. While communities opposing new housing were often cast as ‘NIMBYs’, much research has argued that community support can be enhanced through proactive engagement between developers and local residents and through involvement in the planning process (Sturzaker, 2011).

4.4.6 There are several ways in which this involvement can occur. Rural housing enablers are vital conduits between communities and developers. They raise awareness of the need for affordable housing in rural communities, undertake housing needs surveys to evidence that need, and facilitate discussion as to how need can be met in accordance with community aspirations and other demands. Their role as an ‘honest broker’, as mentioned earlier, is fundamental to rural housing delivery: one interviewee described them as “independent, a go between for the community and all the other actors in the process, someone the community can trust and turn to.” Their local embeddedness is important to effective planning and delivery of rural housing and essential to supporting communities in accommodating new development.

4.4.7 Community-led housing is also a mechanism through which rural housing can be delivered. While community-led housing can take different forms, it refers to a process of planning and delivering housing that is initiated and led by local community members and usually distinguished from participative planning processes by the creation of an incorporated community organisation distinct from Parish Councils and Registered Providers. These organisations will often seek to acquire and hold assets on behalf of the community, for instance aiming to ensure that housing is retained on an affordable basis for community benefit. In many rural communities, community-led housing groups work in close partnership with Registered Providers. In these circumstances, a community-led housing group will own land and lease this to a Registered Provider, who in turn will finance, build and manage homes in accordance with mutually agreed allocation and management policies. This model has been attractive for community-led housing groups that often have aspirations to see new housing developed and retained for community benefit but do not wish to undertake long-term management of homes, while Registered Providers benefit from strong community representation and acceptance of development that can quell potential local opposition. There can also be independent forms of community-led housing and different types of partnership arrangement.

4.4.8 Some representatives of Registered Providers in our study questioned the additionality of community-led housing and argued that rural housing can be delivered through close engagement between Registered Providers and communities without necessitating the creation of a standalone community-led housing organisation. They also reflected upon the long-term sustainability of these organisations, which are often reliant on local volunteers. However, other representatives of Registered Providers worked closely with community-led housing groups and argued that they are needed in certain scenarios where Registered Providers may otherwise find it difficult to develop, such as in communities that may be oppositional to development and concerned about local impact and benefit. One interviewee highlighted a necessary trade-off in control and autonomy in the planning process and felt that ultimately, community-led housing enables their housing association to fulfil their mission of developing rural social and affordable housing through an additional mechanism to their direct delivery. Another interviewee commented that communities may sometimes have figurative ‘ownership’ of an idea for developing particular parcels of land in their local area and that housing development would benefit from their close involvement in this. This echoes previous research that has shown the willingness of some landowners to divest land to community land trusts in rural communities due to the perception that this will provide long-term community benefits, particularly for people with strong local connections to the community in question (Moore, 2021). While these local connections are important to rural communities in allocation processes, Registered Providers that work closely with community-led housing groups and tenant representatives, highlighted the importance of balancing local need with general economic need. More generally, and not unique to community-led housing, interviewees commented upon the challenges of achieving community acceptance of development by promising local benefit while simultaneously ensuring that they meet the needs of those who are ‘non-local’.

4.4.9 Community-led housing strongly benefits from dedicated enablers that work closely with groups to facilitate development. In addition to relationship building, these enablers often possess project management and specialist technical support skills to support both community-led housing groups and Registered Providers in formulating partnerships. This partnership model has especially proliferated in areas where there is both strong demand from community-led housing groups and Registered Providers, and where there is a ready supply of enabling support. However, there are significant funding challenges, including a shortage of pre-development funding for early-stage work. This funding is essential to establish feasibility and construct opportunities for community-led development. The Community Housing Fund provided important pump-priming funding for community-led housing between 2016 and 2021. Representatives of community-led housing groups highlighted this as significant for meeting both revenue and capital funding costs, though emphasised that the former is often overlooked when considering funding needs.

4.4.10 Registered Providers that specialise in rural housing development are also fundamental to broader community-engaged delivery of homes. As noted above, they work closely with rural housing enablers and with community-led housing groups to meet rural housing need. Whether it be through a Registered Provider or a community-led housing group, many interviewees commented on the importance of resident and community engagement in the planning, development and management of homes. One tenant commented that their rural-focused landlord has “more care and attention” and positively contrasted tenant engagement in these organisations with their experience of previously living in homes provided by larger, urban-based providers where tenant engagement was perceived as more limited.

4.5 Devolution

4.5.1 Successive governments have committed to extending devolution powers across England, including proposals to increase the number of combined and unitary authorities. The Labour Government’s Devolution White Paper, published in December 2024, proposes to give Established Mayoral Strategic Authorities the ability to shape the strategic direction of affordable housing programmes in their area, illustrating the importance and potential of devolution powers to housing delivery. This was reaffirmed in the Government’s Affordable Housing Programme announcements in July 2025, emphasising the role of Established Strategic Mayoral Authorities in setting strategic direction for housing delivery.

4.5.2 The rural housing associations that took part in this study reported variable experience with and perceptions of devolved regional governance. There was an aspiration that these platforms could spread good practice and develop policies that can enable rural development, for instance potentially creating consistency over criteria for use of rural exception sites. Others with experience of working in North Yorkshire cited the North Yorkshire and East Yorkshire Rural Housing Enabling Partnership as an important innovation, where funding for the RHE network is drawn from contributions from local authorities, national park authorities and Registered Providers (see Gallent et al, 2024 for a full discussion). This case was felt to be a good example of how regional devolution can enable local delivery, creating innovative funding mechanisms across a region to create local enabling resource.

4.5.3 Some interviewees in the South West also identified the Devon Housing Commission’s regional assessment of housing issues as an important exercise in imbuing rural housing issues with legitimacy and establishing an authoritative evidence base. A Devon Housing Taskforce was convened, involving all local authorities in the county and hosted by the University of Exeter, inviting evidence submissions from local organisations and members of the public.

The Commission reported in 2024, making several significant recommendations related to land acquisition, land value capture, financing, planning, and delivery mechanisms. One interviewee described the Commission's work as a potential "useful hook" for future planning and development of rural social and affordable housing and as providing an important resource for communities, councillors and Registered Providers that aspire to have more rural housing. Following publication of the Commission's evidence, it will be interesting to see whether local acceptance and strategy is enhanced because of its work.

4.5.4 While devolution has the potential to support rural housing delivery, interviewees also expressed concern as to whether and how this would work in practice at a local level. One stakeholder drew on experiences of existing unitary authorities to highlight variable practice, reporting some positive experiences of unitary authorities enabling rural housing but distinguishing this from elsewhere, where it was felt some unitary authorities "lack the local knowledge so essential for planning decisions." Similarly, others were concerned that the 'rural voice' could be diluted as forms of regional governance advance, particularly in areas subject to high housing targets where policy and activity may be focused on those schemes that deliver the largest number of homes. Another stakeholder argued for the importance of retaining an enabling function at a local scale to mitigate this, mirroring the approach in North Yorkshire and East Yorkshire. As noted elsewhere in this report, rural housing enablers are perceived as key to maintaining and enhancing the profile of rural housing in strategic policy discussions.



5. Discussion and Recommendations

5.1 The research findings presented above summarise the perceptions and experiences of 21 stakeholders involved in the planning, development and use of rural social and affordable housing.

5.2 Bringing land forward for development

5.2.1 Our findings reaffirm challenges associated with bringing land forward for the development of social and affordable housing in rural areas. While some landowners are willing and important partners to rural housing projects, contributing significantly to the supply of affordable homes through the sale of land to Registered Providers and community-led housing groups, others are more reticent. This issue, and debate as to the appropriateness of different mechanisms to resolve it, has endured in analysis of rural housing challenges. Reflecting on our findings and previous work in this field, we recommend that a range of measures are examined to bring more land forward for development.

5.2.2 To bring land forward for development, **we recommend that the Government undertake a feasibility study and consultation exercise exploring the introduction of a Community Right to Buy.** This would be a land acquisition tool that enables the compulsory purchase of land for social and affordable housing delivery where it can be demonstrated that this is in the interest of rural sustainable development, including local prosperity and the social and economic sustainability of local services and amenities.

5.2.3 This takes inspiration from the Right to Buy Land to Further Sustainable Development in the Land Reform (Scotland) Act 2016. This allows incorporated community bodies to apply for a right to purchase land, which is only granted if land is eligible (assessed on a range of criteria) and where the applicant has specific proposals that would further sustainable development and create local benefit. The mechanism does not require a willing seller. Rights can only be granted where the applicant has previously communicated with the landowner requesting a transfer of the land. Community bodies are deemed eligible provided they are incorporated as a particular legal entity, including Community Benefit Societies, which is a form often used by rural housing providers.

5.2.4 This mechanism could bring several benefits. Where landowners are reticent to sell land and affordable housing need is demonstrably high, it may incentivise landowners to enter into negotiations at an earlier stage. It would provide a mechanism through which land can be used for social and affordable housing in the public interest and support sustainable development of communities, including forms of community-led development. Such a policy could be designed to ensure that land is not purchased as means to block development, for instance by only granting rights to buy where proposals and partnerships with appropriate housing providers can be evidenced. This policy could be an important tool where land acquisition is a particular challenge. It could also be a valuable mechanism through which partnerships between Registered Providers and community land trusts can be scaled up, building on their success in Devon.

5.2.5 In addition to a Right to Buy land for housing, **further understanding of the appropriateness and scope of landowner incentives is required.** Many landowners are willing to release land for housing development where they are incentivised to do so, for instance through permissions of market homes on adjacent plots to exception sites used for affordable housing. Some interviewees identified the potential for tax reliefs for landowners where they sell land exclusively for affordable housing. This type of incentive would act as an additional mechanism through which land can be brought forward and act as a consistent incentive that can be clearly articulated to landowners, rather than relying on case-by-case individual negotiations. The Country Land and Business Association is currently convening a Landowner Incentives Taskforce that considers how landowners can be incentivised to bring forward land for rural exception sites.

5.3 Planning reform

5.3.1 Our study reaffirms longstanding concerns with the speed and capacity of the planning system. This includes limited use of rural exception sites, perceived delays with processing and determination of planning applications, and cost implications where costs of development increase during delays to the planning process. However, while identifying these as barriers to rural housing delivery, several interviewees also spoke of the important role of planners in delivering small rural housing projects and exceptional planning permissions, and in retaining a link between planning activity and place.

5.3.2 The Rural Exception Site Planning Passport, as promoted by Rural Housing Solutions and the Country Land and Business Association, has significant potential to tackle several barriers to rural housing delivery. This includes benefits for Registered Providers and their partners in providing greater certainty over delivery, clarity over the process and progression of exceptional planning permissions for rural planning authorities, and potentially more efficient progression of applications due to the clarity and consistency of the process. The latter benefit may be of particular benefit in the context of the resourcing pressures that bear down on many rural planning authorities. This process mirrors similar principles elsewhere in the planning system and could de-risk rural social and affordable housing delivery for Registered Providers. The clarity that this could bring to the planning and development of rural exception sites could be further enhanced by statements over permissible tenures with particular emphasis on social and affordable rental housing, given the extreme disparity between demand and supply of social housing in rural communities.

5.3.3 The site threshold from which affordable housing contributions are sought from the planning system is currently set at 10 dwellings except in some designated rural areas where the National Planning Policy Framework permits policies that set out a lower threshold of five units or fewer. This currently means that developers of market housing can provide rural housing developments of a certain size (below 10) without any requirement to provide on-site affordable housing contributions, or contributions in lieu, such as commuted sums that can be used to support rural delivery elsewhere. This overlooks an important mechanism for delivery and is especially key in predominantly rural counties. This means that there is a lost opportunity to obtain developer contributions in rural communities. Given the urgent need for more social and affordable housing, and the importance of this type of housing to rural economies, **rural planning authorities should be given flexibility to reduce thresholds in support of affordable housing contributions.** The Government is committed to reforming site thresholds, evidenced by a working paper published in May 2025, and this flexibility should feature as part of this reform.

5.3.4 Alterations to the planning process should be coupled with commitments to boosting the capacity of the planning system. **The Government should, as a matter of priority, review its decision to restrict funding eligibility for the Level 7 Chartered Town Planner apprenticeship.** Its decision to restrict this funding to people aged 16 to 21 will derail the Government's own commitment to grow the number of planners working in local planning authorities. Many rural planning authorities already encounter difficulties in attracting and retaining staff, an issue which may be exacerbated by diminished opportunities to recruit and train aspiring young planners.

5.4 Funding

5.4.1 Our study has identified a need for consistent and long-term revenue and capital funding to support the planning and development of social and affordable housing.

5.4.2 Interviews regularly spoke of a need for rural housing to be prioritised in national policy and in funding frameworks, including suggestions to allocate a quota of the Affordable Homes Programme to rural social and affordable housing delivery, including flexibility over higher development costs encountered by rural housing providers. While many interviewees were keen to see a target set for rural housing, the Government has confirmed that it will not set numerical targets or ringfenced budgets for particular types of housing. Therefore, **we recommend that the Government annual monitors rural housing delivery delivered by Established Mayoral Strategic Authorities, assessing rural housing delivery as a proportion of overall delivery.** It is encouraging that the Government has set out an ambition to deliver much-needed homes, but it must ensure that sufficient rural housing is delivered within regions and that there are appropriate resources to enable this.

5.4.3 Long-term, stable and consistent funding for rural housing enablers is critical for the future delivery of social and affordable housing. Even if the above mechanisms were adopted, the important role of enablers would remain. As ‘honest brokers’, they build the case for new housing locally, construct relationships between stakeholders, and mediate between different interests. However, their short-term, unpredictable funding is a barrier. While recent funding from DEFRA is welcome, it is critical that commitments to growing rural housing delivery are underpinned by funding for rural housing enablers to help make it happen. Short bursts of sporadic funding make it difficult to plan and enable rural housing development. Funding will also be supported if schemes can be progressed and completed more quickly utilising the proposed Rural Exception Site Planning Passport. The need to resource rural housing enablers is especially important given the Government’s emphasis on devolution to Established Mayoral Strategic Authorities, which will have the ability to set strategic direction for affordable housing delivery in their areas. Strengthening networks of support will be essential to ensure rural housing is prioritised in regional debates over where to build new homes.

5.4.4 Community-led housing has emerged as a vital contributor to rural housing delivery in many villages. In these circumstances, communities lead the planning and development and can enhance local acceptance of new housing. They are complementary to the role of rural specialist Registered Providers and often work in partnership with these larger organisations. However, their contribution is also supported by rural housing enablers – whose funding needs are discussed above – and technical advisors that offer important specialist pre-development and project management advice and support to communities and Registered Providers. There are currently limited opportunities for community-led housing groups to fund this work with no obvious source available since the closure of the Community Housing Fund. While recent investment into a Government social investment fund is welcomed, **Government should consider reopening the Community Housing Fund, whether through Homes England or through the newly announced National Housing Bank, to provide revenue funding for community-led housing groups in rural communities.**

5.4.5 This study has revealed that Strategic Partners are working effectively with community-led housing groups in Devon. **This innovative practice should be disseminated nationally** to show the mutual benefits that can be gained through these partnerships.

Government should consider reopening the Community Housing Fund, whether through Homes England or through the newly announced National Housing Bank, to provide revenue funding for community-led housing groups in rural communities.

5.4.6 There are opportunities for further research into the planning and development of rural housing across the UK. As planning and housing are devolved powers, there can be variance in approaches and mechanisms to plan and develop new homes. In Scotland, the Community Right to Buy represents a powerful tool through which barriers to land acquisition can be overcome. There are also opportunities for further research into mechanisms that create and maintain rural housing affordability. For instance, the ‘rural housing burden’ in Scotland is imposed on plots of land or buildings when they are first sold, allowing a rural housing body to have pre-emptive purchase rights of those properties when they are transacted. The purpose of this is to maintain the stock of affordable rural homes. While this study has focused on supply-side mechanisms of land acquisition and development, the retention of affordability for future generations is important for the sustainability of rural communities.

5.4.7 It is important to stress that there is no single ‘one size fits all’ solution to the rural housing crisis. Rather, a package of measures that addresses funding concerns, planning reform, rural housing enabling and land acquisition is required to enable a co-ordinated, strategic but locally flexible approach to meeting rural housing need.

It is important to stress that there is no single ‘one size fits all’ solution to the rural housing crisis.



Recommendation		Responsibility
1	Undertake a feasibility study and consultation into the introduction of a Community Right to Buy land for social and affordable rural housing.	Ministry of Housing, Communities and Local Government
2	Reflect on the outcome of the outputs of the Country Land and Business Association's landowner incentives taskforce to consider further landowner incentives for land release.	Ministry of Housing, Communities and Local Government
3	Develop and implement the Rural Exception Site Planning Passport.	Ministry of Housing, Communities and Local Government with local and combined authorities
4	Reform site thresholds for affordable housing contributions, giving rural planning authorities flexibility to reduce thresholds.	Ministry of Housing, Communities and Local Government
5	Extend funding eligibility for the Level 7 Chartered Town Planner apprenticeship beyond the recently announced restrictions.	Department for Education and Skills England
6	Ensure annual monitoring of rural housing delivered within Established Mayoral Strategic Authorities, assessing rural housing delivery as a proportion of the overall housing units delivered and against housing need.	Homes England, Established Mayoral Strategic Authorities, and the Ministry of Housing, Communities and Local Government.

Recommendation		Responsibility
7	Provide long-term, consistent funding for rural housing enablers, ensuring broad national coverage.	Department for Environment, Food and Rural Affairs / Ministry of Housing, Communities and Local Government
8	Reopen the Community Housing Fund to provide revenue and capital funding to community-led housing groups.	Ministry of Housing, Communities and Local Government and Homes England
9	Disseminate case studies and innovative practice in rural housing delivery, including the involvement of Strategic Partners in enabling community-led development.	National Housing Federation
10	Commission research that enables cross-learning about rural housing planning and affordability instruments in different UK jurisdictions.	Bodies involved in research commissioning, including charitable funders, the Rural Housing Network, the Economic and Social Research Council, and Government departments.

6. Conclusion

6.1 Social and affordable housing is critical to rural communities. Building new rural homes makes significant contributions to economic growth and prosperity, including job creation, taxation revenue, and savings to health care and welfare services (Pragmatix Advisory, 2020).

6.2 However, there remain significant barriers to providing urgently needed new homes. This research has highlighted the need to enhance the capacity of the planning system and its processes for bringing forward rural exception sites and the importance of appropriate funding to address higher costs of developing housing in rural communities, particularly in the context of the need to account for climate and environmental implications of development. The study also spotlights the opportunities for local innovation and leadership of rural housing development presented by devolution and community engagement.

6.3 In particular, the Rural Exception Site Planning Passport has significant potential to unlock barriers to rural housing delivery, particularly in providing clear and positive support for their use, and in encouraging local planning authorities to recognise them as an important – but so far under-utilised – tool to provide social and affordable housing.

6.4 The findings of this study are based on high-level interviews with rural housing stakeholders, with the aim of synthesising perceptions of recent policy reforms and experience of barriers to rural housing.



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