

**HARROGATE DISTRICT LOCAL DEVELOPMENT  
FRAMEWORK**

**HOMES FOR LOCAL PEOPLE DRAFT SUPPLEMENTARY  
PLANNING DOCUMENT**

**September 2011**

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## 1. INTRODUCTION

- 1.1 It is important that everyone living in the Harrogate District has the opportunity of a decent and affordable home. The Council is committed to helping local people who cannot afford to buy or rent homes on the open market in the District. To this end, the Council's corporate priority 'Supporting our Communities' looks to ensure that all housing needs are addressed. The availability of affordable housing impacts upon the retention of skills and talent in the District and has a major influence upon the local economy and quality of life.
- 1.2 House prices in the Harrogate District are significantly higher than national and regional averages. Median house prices were below £100,000 until 2001, but have more than doubled over the period to 2008. During 2007, median house priced reached £230,000. This is 60% higher than the regional median price and 16% above the English median price<sup>1</sup>. These statistics are reflected in the Harrogate District Strategic Housing Market Assessment 2008 (SHMA)<sup>2</sup>, which shows that many existing and newly forming households cannot afford to buy or rent open market housing.
- 1.3 The Council's own stock of land that is available for affordable housing is virtually exhausted. Therefore, under current Government policy, the Council can only deliver the Corporate Priority by requiring developers to provide affordable housing within new schemes in areas where the SHMA has revealed a need. Core Strategy policies HLP3 and HLP4<sup>3</sup>, together with policies HLP6 and HLP7 of the Sites and Policies DPD are the main planning policies by which the Council seeks to achieve this priority.
- 1.4 Once adopted this will be the Supplementary Planning Document to Policies HLP3, HLP4, HLP6 and HLP7 (set out in Appendix 1 to this Draft SPD) and form part of the Harrogate District Local Development Framework. The Draft SPD provides further guidance for landowners, developers, applicants, agents and decision takers on how these policies should be applied to proposals for new residential development. Preparation of the Draft SPD has been undertaken in accordance with the Town & Country Planning (Local Development) (England) Regulations 2004 (as amended). Consultation on the Draft SPD is being carried out for a period of six weeks, running from 9 September to 4 November 2011.
- 1.5 SPDs are not subject to Sustainability Appraisal, however where it is considered that the implementation of an SPD would have significant environmental effects there is a need to comply with the Strategic Environmental Assessment Regulations. In accordance with the requirements of the Directive and the Environmental Assessment of Plans and Programmes Regulations 2004 the Council has undertaken a screening process to determine whether the SPD would have any significant environmental effects. This was carried out in 2009 to support an earlier draft SPD, however it is considered that the circumstances have not changed and the determination is still valid. The Council has concluded that the SPD will not have any

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<sup>1</sup> Source CLG House Price Statistics

<sup>2</sup> A Sub-Regional SHMA is in preparation and information on house prices and implications of this will be included on receipt of the final report.

<sup>3</sup> The Inspector's Report on the Examination into Harrogate District Core Strategy concluded that Submission Core Strategy policies HLP1, HLP2 and HLP5 should be deleted and in so doing this would allow saved policy H5 to continue to operate using the Council's established procedures for delivering affordable housing through the planning system. Saved policy H5 will continue to operate until policy HLP7 in the Sites and Policies DPD is adopted.

significant environmental effects. The reasons for this are set out in the Determination at Appendix 1.

- 1.6 The Council is also required to carry out an assessment under Article 6(3) and 6(4) of the Habitats Directive 92/43/EEC to consider the impact of this Draft SPD against the conservation objectives of European Sites within Harrogate District and to identify whether it would adversely affect the integrity of those sites.

## **2.0 POLICY CONTEXT**

- 2.1 The national planning context for the affordable housing policies is provided primarily by *Planning Policy Statement 3 (PPS3): Housing* and its supporting document *Delivering Affordable Housing* (December 2006). These two documents set out the Government's objective to ensure high quality housing in mixed, sustainable communities for those who cannot afford market housing. They advise that the planning system should deliver a mix of market and affordable housing to support a wide variety of households in both urban and rural areas.
- 2.2 The draft North Yorkshire Housing Strategy (2008-2011) recognises that housing affordability is probably the greatest issue facing North Yorkshire. Policy H4 of the Regional Spatial Strategy advises that the Region needs to increase its provision of affordable housing. It provides a regional context for setting targets for affordable housing delivery. It recognises that the greatest challenge to affordable housing delivery will be in the rural areas and certain towns such as Harrogate. The Coalition Government has signalled its intention to abolish Regional Spatial Strategies but until such time that they do regard should be paid to policy at the regional level.
- 2.3 The adopted Core Strategy makes provision to deliver 390 new homes per year of which 160 of these will be affordable. The North Yorkshire Housing Strategy will be delivered locally through the Harrogate Local Action Plan. The actions identified in the Local Action Plan report are going to continue to be monitored through the Housing Service Plan and other existing service plans where appropriate.

## **3.0 LOCAL AFFORDABLE HOUSING NEED**

- 3.1 There is a need for affordable housing across all areas of the District. Details of what constitutes affordable housing is set out at appendix 2. This is shown in the SHMA<sup>4</sup>, which amongst other things identifies the number of local households who are in unsuitable housing and need to move in order to solve their housing problems, but who cannot afford to rent or buy a home even at lowest market prices. In total, there is a need amongst local households for 830 additional affordable homes in the District each year between 2006 and 2011. This figure is broken down to give the annual affordable housing need in each of 16 sub-areas. It is the sub-area figure that the Council uses to demonstrate need when negotiating affordable housing provision. The exception to this is windfall rural exception sites proposed under Policy HLP3, in which case it is generally the level of affordable housing need within the Parish that forms the basis for negotiations. Here, one off parish surveys will be undertaken where necessary.
- 3.2 Appendix 2 to this SPD lists the 16 sub-areas and their constituent parishes, which are mapped in Appendix 3. Appendix 4 identifies the level of affordable housing need in each of the sub-areas per year, by size of dwelling, whilst Appendix 5 shows

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<sup>4</sup> The work in the SHMA is being updated by virtue of a Sub-Regional SHMA. Any changes to the level of affordable housing need as a result of this will be reflected in the SPD.

the level of need in each parish over the period 2006-2011. Further details about affordable housing need in the District are provided in the SHMA, which is published on the Council's website ([www.harrogate.gov.uk/harrogate-5657](http://www.harrogate.gov.uk/harrogate-5657)).

#### **4.0 CALCULATING THE AFFORDABLE HOUSING REQUIREMENT**

- 4.1 HLP7 requires the provision of 40% affordable housing on all new residential developments (subject to housing need in the sub-area) rising to 50% provision on those greenfield sites allocated in the Sites and Policies DPD. Where an applicant considers that the target provision is not viable on a particular scheme they will need to submit, alongside their application, a Financial Viability Appraisal. If the Council is satisfied that the requirement cannot be met then negotiations will take place to ensure that an appropriate level of provision is made. Further information on the financial appraisal is set out at section 5 and Appendix 5.
- 4.2 On schemes of 2 or more dwellings where the target results in a fractional amount of housing, the target will be rounded to the nearest whole number following the normal rounding convention (i.e. where a scheme results in 0.5 or above then it is rounded up and below 0.5 it is rounded down).
- 4.3 The 40% affordable housing target (or 50% where applicable) will be calculated based on the gross number of dwellings proposed. Dwellings to be redeveloped/replaced will therefore be included, (including single dwelling replacement schemes) but existing dwellings proposed to be retained, refurbished or extended will be excluded from the calculation. For example:
- if the proposal is for the conversion of 1 dwelling to 3, negotiations will be based on the 3 new dwellings to be provided and not the net difference of 2;
  - if the proposal is for the demolition of 2 dwellings and replacement with 3, negotiations will be based on the 3 new dwellings to be provided and not the net difference of 1;
  - if the proposal involves the retention of 1 dwelling and erection of a further 3, negotiations will be based on the 3 new dwellings.
- 4.4 Where the Council considers that the number of units proposed is inappropriate for the site area or the building to be converted, a revised scheme will be negotiated at the more appropriate density. This may increase (or decrease) the affordable housing requirement.
- 4.5 To avoid the site area being sub-divided, or otherwise reduced in area below the relevant on-site threshold, policy HLP7 will apply on the basis of the composite or naturally defined larger area. This will normally mean the curtilage of the property, which is defined as the area of land attached to a building and is regardless of ownership. In some cases there will be no naturally defined site boundary on the ground and a new curtilage will be created (e.g. some farm building conversions). In such cases a view will be taken on what is a reasonable area (e.g. for a garden) and a condition will be applied to ensure that this boundary is defined by permanent means on the ground.
- 4.6 The Council will calculate the affordable housing requirement based on the gross developable area of the red lined site boundary on a planning application. The gross developable area will exclude major distributor roads and existing private driveways. It will include access roads within the site, car parking areas serving the development, children's play areas and other areas of open space and landscape

areas. In mixed developments incorporating other non-residential uses (e.g. a school, crèche and offices) the area will be measured around the housing site and its access roads.

### **Agricultural/Forestry Worker, Service Family and Holiday Accommodation**

- 4.7 Proposals for agricultural / forestry worker housing, Service Family Accommodation and proposals for permanent self catering accommodation which are capable of normal residential use will be treated as applications for dwellings and provision of affordable housing will therefore be required.

### **Care and Retirement Accommodation**

- 4.8 Institutional care homes and nursing homes fall within Use Class C2 (Residential Institutions) of the Use Classes Order and therefore are not subject to a requirement to provide affordable housing under policy HLP7. However, sheltered and retirement housing falls within Use Class C3 (Dwellinghouses) and as such HLP7 will therefore apply as it will to self contained apartments linked to care eg Extra Care, Assisted Living.
- 4.9 In the case of self contained apartments linked to extra care provision the affordable housing requirement will generally be met by way of a financial contribution. In exceptional circumstances there may be instances where on-site provision would contribute to or meet the affordable housing requirement. Early discussions with the Council's Principal Development Officer on such schemes are encouraged.

### **Rural Exception Sites**

- 4.10 For both *allocated* and *windfall* rural exception sites coming forward under Policies HLP3 and HLP6, no more than 12 dwellings will normally be permitted on any one site. This is in the interests of promoting mixed and sustainable communities and minimising the impact of development upon the village and its landscape setting. In many instances schemes are much smaller.

## **5.0 FINANCIAL VIABILITY**

- 5.1 The Council commissioned Adams Integra to carry out detailed work on viability and the impact that various levels of affordable housing would have on deliverability and this work has directly informed the setting of target levels of provision in policy HLP7. At the levels set Adams Integra's work indicates that schemes are viable and deliverable. Nevertheless, the Council recognises that there may be instances where viability is affected by factors such as unforeseen high abnormal costs or substantial existing use values.
- 5.2 Where an applicant considers that the viability of a scheme is compromised then they must submit to the Council a Financial Appraisal. The Appraisal should cover all of the costs and expected receipts arising from the development to provide a net residual valuation. Appraisals will be evaluated by the Council's Valuation Surveyor and treated in the strictest confidence. Where it can be demonstrated that viability is affected to a critical point, the Council will consider a reduction in the amount of affordable housing provided in order that the scheme is delivered. Further guidance on Financial Appraisals is set out in Appendix 6.

## **6.0 TYPE, SIZE AND TENURE OF AFFORDABLE HOUSING**

6.1 In terms of the District as a whole, the SHMA has identified:

- an approximate split in affordable housing need of 35% intermediate affordable housing (which includes shared equity/ownership, discounted homeownership and intermediate rent) and 65% social rented housing;
- a predominant requirement for smaller 'general needs' housing; and
- very little need for additional affordable housing amongst elderly person households.

6.2 When negotiating the tenure, type or size of affordable housing to be provided on any one site, consideration will be given to the kind of housing most needed in the sub-area as evidenced by the SHMA (or future up-dates), together with the site's location and access to services, facilities and public transport. For *windfall* rural exception sites coming forward under Policy HLP3, the relevant area for consideration of need will be the parish or group of parishes. Whilst the SHMA indicates that smaller general needs housing is mostly required, the Council will also wish to ensure that a sufficient supply of larger family housing is also provided.

## **7.0 DELIVERING THE AFFORDABLE HOMES**

7.1 It is expected that affordable homes provided under policies HLP3, HLP4, HLP6, and HLP7 will be delivered in partnership with a Registered Provider (RP), to ensure long-term affordability of the homes or, should restrictions be lifted (e.g. where a tenant has a legal right to purchase the home), that secure arrangements are in place to recycle any subsidy for alternative affordable housing provision. Where alternative providers are proposed, the Council will wish to satisfy itself that equivalent arrangements are in place to secure the same management standards and a long term management presence.

### **Joint Commissioning**

7.2 Joint commissioning arrangements are currently under review. Further details will be provided here in due course.

### **On-Site and Off-Site Provision**

7.3 Irrespective of the affordable housing tenure, a nominated RP will purchase completed homes from the developer at specified prices that are within limits set by the Homes and Communities Agency (HCA) and affordable to those in housing need (based on an analysis of incomes from those households identified by the SHMA). Current transfer prices to developers for a range of standard house types and sizes are given below. These will vary according to the size of dwelling. If design/site constraints mean there is a variation from the 'target' size for a property with a set number of bedrooms, the Council will consider negotiating the target prices up or down, based on an appropriate price per square metre for a dwelling of that size. The price per square metre for a three-bed dwelling will be adjusted to calculate an appropriate price per square metre for four-bed (or larger) dwellings.

7.4 It should be noted that the sizes in the table below are the minimum anticipated dwelling sizes to meet HCA Quality Standards. Therefore, where prices relate to properties which are to be affordable rented or sale dwellings, the Council will not normally be able to negotiate down on property sizes. Prices in the table below will

be reviewed in accordance with the SHMA and the latest figures will be posted on the Harrogate Borough Council website ([www.harrogate.gov.uk/housing](http://www.harrogate.gov.uk/housing)).

Table 1: Transfer prices for affordable homes

Unit type	Size (sq ms)	Price to developer (£)
1 bed	50	53,061
2 bed	70	65,871
3 bed	90	79,230

### Financial Contributions

- 7.5 Government guidance stresses that, in the interests of creating mixed, well-balanced and sustainable communities, affordable housing should be provided on-site and integrated with the market housing on the same site wherever possible. However it is acknowledged that in occasional exceptional circumstances, to satisfy other planning requirements, it may be acceptable to take a commuted sum in lieu of part or all of the affordable housing provision on a site. A commuted sum will also be payable on sites below 5 units in Harrogate, Knaresborough and Ripon, and below 3 units elsewhere.
- 7.6 Where a commuted sum is payable in lieu of on-site provision, the principle of “broadly equivalent value” as set out in PPS 3 para 29 applies. This value will be derived by deducting the appropriate affordable housing transfer price from the market value of an equivalent unit on the same development site. Where a commuted sum is payable in respect of sites below the on-site target, the resultant value (as above) will be multiplied by 40% (this being the District-wide target for qualifying sites) to arrive at the appropriate payment. (See Appendix ?? for worked examples.)
- 7.7 The commuted sum will be payable at the same time that the affordable housing would otherwise be delivered, usually after 50% of the market units on the site have been sold or occupied. In the case of single dwelling developments, the commuted sum will be payable on first sale.

### Rural Exception Sites

- 7.8 Rural Exception Sites are developed on land that, due to planning constraints, is not appropriate for open market housing. Because of this and the requirement that the houses are affordable in perpetuity, the value of the land is more than agricultural value but significantly less than open market housing land. Historically these sites have normally been delivered by a landowner transferring the land to an RP, who will then develop it for affordable housing. The price that an RP could pay for an exception was up to a maximum of £5,000 per plot or per home (under current HCA policy).
- 7.9 In recognition of the importance to the overall provision of affordable housing in rural areas of delivering rural exception sites the Council has introduced a new approach to delivery, whilst still ensuring that the homes developed are 100% affordable in perpetuity. For both allocated and windfall sites, these will be developed as 50% social rented/shared ownership housing and 50% ‘Rural Discount Homes’ (rounded down where the site includes an odd number of units). This approach will only apply to exception sites.

- 7.10 Local people on a range of incomes will be eligible to occupy Rural Discount Homes. None will be able to afford market housing in their local area and all will have a housing need. Occupation will be overseen and monitored by an RP who will retain a financial interest in 50% of the site. The landowner will be able to refer potential purchasers for the Rural Discount Homes, provided they meet the qualifying criteria. Purchasers may therefore include both family members and employees. Whilst the Council will not nominate to these homes, the RP will still ensure that they are only made available to qualifying households.
- 7.11 As 106 legal agreement (and subsequent local land charge) will set out the restrictive covenants on size, value and local connection. This procedure will be protected by a requirement to have a Deed of Covenant with each successive eligible occupier directly between the RP (with the interest in the rest of the site) and such occupier. A restriction will be placed on the title that no disposal of the property would be registered unless there was a certificate in writing from the RP or its conveyance that the necessary Deed of Covenant had been entered into and the terms of the original transfer complied with. This is the mechanism by which the affordability of the property and the eligibility of the occupiers will be protected in perpetuity.

#### ***Acquisition and Development of the Site by a Registered Provider***

- 7.12 As is current practice, an RP may still buy the site and develop all the homes. However, to date land price has been fixed at £5,000 per plot by the Homes and Communities Agency. Under the model proposed, 50% of the land (Rural Discount Homes) will be sold at a price determined by the capped value of the properties and is likely (whilst still not approaching market value) to be considerably in excess of £5,000 per plot.

#### ***Acquisition and Development of the Site by a Private Developer***

- 7.13 With this model, an exception site may also be developed by a private developer. In this instance, a developer would acquire the land at a value that reflected the housing mix. The dwellings would be built and 50% sold on completion as Rural Discount Homes to eligible occupiers. The remaining 50% would be sold to an RP at the Council's approved Affordable Housing Transfer prices and made available by the RP as rented and shared ownership housing. Transfer prices currently range from £67,000 for a two-bed property to £79,000 for a three bed, subject to size. As with Rural Discount Homes sold by an RP, these homes will include the Deed of Covenant on the title, restricting occupation to qualifying occupiers in perpetuity and enforced by the RP who owns and manages the rest of the site.
- 7.14 Landowners who are interested in developing a piece of land as a Rural Exception Site are encouraged to contact the Council's Rural Housing Enabler.

## **8.0 DEVELOPMENT EXPECTATIONS**

### **Integration of Affordable Housing**

- 8.1 In order to integrate different tenures, on larger developments (of 15 units or more) the Council will not support the principle of grouping all affordable housing units together in one part of the site (unless the development comprises flats – see paragraph 8.2). Instead, new residential developments should be designed so that the affordable housing is well integrated within the open market housing. Clusters of

between 5 and 8 affordable homes located throughout the development will be considered appropriate.

- 8.2 In the case of flatted developments, the affordable units should usually be located together in one block. This is to ensure that service charges, insurance etc can be managed by the RP so that the flats remain affordable.
- 8.3 Applicants are advised to contact the Principal Development Officer (Housing) at the pre-application stage to discuss the appropriate level of integration for their proposed development (see section 13.0 below for contact details).

### **Design Issues**

- 8.4 As with all other forms of residential accommodation, the Council expects affordable housing to be built to a high standard of design and amenity. In the interests of delivering sustainable and integrated communities, the affordable homes should be indistinguishable from the open market housing in terms of style, quality of specification and finish, and materials. The units should be designed to suit the affordable housing type that is required and built to HCA quality and space standards, or such variation as may be agreed with a partner RP.
- 8.5 As with open market housing, affordable homes should be provided with car, motorcycle and cycle parking spaces in accordance with the Council planning policies and with consideration to the location and accessibility of the site to services and employment etc. For example, the level of car parking may be reduced to take account of the proximity to public transport services, essential facilities (e.g. shops, schools) and employment. However, an appropriate number of car parking spaces should be located close to the affordable housing units to meet the needs of people with disabilities. Developments with the potential to generate significant traffic implications may be required to prepare a Transport Assessment and submit this with the planning application.
- 8.6 All affordable homes (including curtilages and parking) should be constructed to current HCA quality and space standards applicable to the property type. In addition affordable homes should meet the Code for Sustainable Homes standard as required by Core Strategy Policy EQ1. Affordable homes for both rent and low cost home ownership should meet and preferably exceed these standards. For details of current standards please refer to the HCA website ([www.homesandcommunities.gov.uk](http://www.homesandcommunities.gov.uk)).
- 8.7 All housing projects must also be compliant with Secured by Design (SBD). Information about this security standard is available from [www.securedbydesign.com](http://www.securedbydesign.com). Police Architectural Liaison Officers should be contacted at the earliest possible design stage and all reasonable steps taken to ensure that projects acquire SBD certification. Harrogate Borough Council and the HCA strongly support the use of Secured by Design as a cost effective preventative approach to crime reduction and security, and developers must demonstrate that they have effectively engaged with this process.

### **Layout Plans**

- 8.8 For full planning applications, the location and number of affordable housing units/plots should be specified on layout plans, together with parking provision. Details of the size and number of bedrooms within each dwelling should also be

clearly marked up and different colours used to identify the different affordable housing tenures (if relevant).

- 8.9 In the case of outline planning applications, the delivery of affordable housing must be agreed in principle. The Council will require details of the numbers and types of affordable homes to be provided and, once agreed, this will be set out in a Section 106 Agreement.

## **9.0 CONTROLLING THE OCCUPANCY OF AFFORDABLE HOMES**

- 9.1 The Council's preferred approach to controlling the occupancy of affordable homes provided is by an RP.
- 9.2 To qualify for an affordable home provided through policies HLP3, HLP4, HLP6 and HLP7 a household must have an identified housing need and meet at least one of the following occupancy criteria:
- a) currently live in the area and have lived there for at least 2 years; or
  - b) have close family ordinarily resident in the area, for a minimum period of 5 years previous (family is defined as children, parents and siblings); or
  - c) have previously lived in the area for a continuous period of at least 10 years; or
  - d) be in permanent employment in the area.
- 9.3 The 'area' will initially be the housing needs sub-area within which the site is situated, unless it is a windfall rural exception site when the 'area' is the parish (as defined by the SHMA – see Annex 1 for details of sub-areas). If the affordable home remains unallocated after an appropriate period, the area will be extended to the District as a whole.
- 9.4 A legal agreement between the landowner, Council and RP will be used to ensure that the homes are retained as affordable and only occupied by people in housing need who meet one of the above criteria upon every future re-sale or re-let, for as long as there is an affordable housing need in the sub-area, or, should restrictions be lifted (e.g. where a tenant has a legal right to purchase the home), that secure arrangements are in place to recycle any subsidy for alternative affordable housing provision.
- 9.5 In terms of affordable homes provided on windfall rural exception sites under Policy HLP3, a household will qualify for occupancy if it has an identified housing need and a 'local connection' to the parish. Where necessary the Council will consult the Parish Council to establish a household's local connection, based on the criteria in paragraph 9.2 above. Any departure from these criteria will be subject to approval by the Cabinet Member (Housing). The criteria will be enforced using a legal agreement, which will also ensure that the dwellings remain affordable and only available for people in housing need and with a local connection in perpetuity.

## **10.0 PLANNING PROCEDURES**

- 10.1 Developers and landowners are expected to consider the overall cost of development, including any required planning obligations and potential abnormal costs prior to negotiating on the sale or purchase of land (or an option in respect of land). To help developers make informed land purchase arrangements, the Council encourages applicants to engage in pre-application discussions with the Principal Development Officer (Housing) on the scale and type of affordable housing provision required (see section 13.0 below for contact details). The Council wishes to avoid

situations where the developer purchases land without taking the requirement to provide affordable housing into account. Developers should not expect that the requirement to provide affordable housing will be waived where this has not been accounted for in the land purchase price.

- 10.2 In the interests of speeding up the application process, where a proposed development gives rise to a requirement for affordable housing under HLP7, the applicant is required to complete an Affordable Housing Proposal form, giving details of the financial contribution / affordable housing that he/she proposes to deliver. Details on the Affordable Housing Proposals Form should be agreed in consultation with, and the form countersigned by, the Principal Development Officer. The Affordable Housing Proposal form should then be submitted to the Planning Division as part of the planning application.
- 10.3 The Affordable Housing Proposal form is available to download from the Council's website ([www.harrogate.gov.uk/planning](http://www.harrogate.gov.uk/planning)). Whilst the Council will validate a planning application where there is a requirement to provide an element of affordable housing under policy HLP7 and the application is not accompanied by a completed and countersigned Affordable Housing Proposal form this will be noted in the committee report and may constitute a reason for refusal. The Council's preferred route for securing the provision of affordable housing is by condition.

## 11.0 CONTACTS AND PUBLICATIONS

- 11.1 Should you require any further assistance or clarification of affordable housing policy, please contact the Forward Planning Unit or Department of Community Services detailed below. If your query relates to a specific planning application, your first contact should be the Development Control Case Officer dealing with the proposal/application on their direct dial telephone number, or calling Planning Enquiries on 01423 556666 if this is not known.

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West Grove Road  
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[jenny.wood@harrogate.gov.uk](mailto:jenny.wood@harrogate.gov.uk)

Extra Care Strategic Development  
North Yorkshire County Council  
County Hall  
Northallerton  
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Tel: 07791 200891

Useful publications include:

- Harrogate District Strategic Housing Market Assessment. ARC4, on behalf of Harrogate Borough Council. [www.harrogate.gov.uk/ldf](http://www.harrogate.gov.uk/ldf)
- Planning Policy Statement 3: Housing. DCLG, 2006. [www.communities.gov.uk](http://www.communities.gov.uk)
- Delivering Affordable Housing. DCLG, 2006. [www.communities.gov.uk](http://www.communities.gov.uk)
- Housing for Local People in Rural Areas: A Guide for Parish Councils, Landowners and Local Communities. Harrogate Borough Council, 2007. [www.harrogate.gov.uk/housing](http://www.harrogate.gov.uk/housing)

**THE ENVIRONMENTAL ASSESSMENT OF PLANS AND  
PROGRAMMES REGULATIONS 2004**

**REGULATION 9 SCREENING DETERMINATION**

**SUPPLEMENTARY PLANNING DOCUMENT: HOMES FOR LOCAL PEOPLE**

Harrogate Borough Council has prepared a Draft Homes For Local People Supplementary Planning Document (SPD). The Draft SPD looks to provide further guidance on the implementation of Homes for Local People Policies set out in the Core Strategy and Sites & Policies DPD. In accordance with Regulation 9 of the Environmental Assessment of Plans and Programmes Regulations 2004 the Council has determined that an environmental assessment of the SPD is not required as it is unlikely to have any significant environmental effects. In making this determination the Council has had regard to Schedule 1 of the Regulations and carried out consultation with the consultation bodies.

Reason for determination:

The Draft SPD provides further guidance on how policies HLP3, 4 6, and 7 of the will be applied to proposals for new residential development. These policies have been subject to a Sustainability Appraisal. The focus of the SPD is on the process of providing affordable housing, it is therefore considered that there are no significant environmental impacts.

An assessment against Schedule 1 of Regulations and comments made by the Consultation bodies are set out below.

**THE ENVIRONMENTAL ASSESSMENT OF PLANS AND  
PROGRAMMES REGULATIONS 2004: SCHEDULE 1**

**Criteria for determining the likely significance of effects on the environment**

<b>Criteria</b>	<b>Assessment</b>
<b>1. The characteristics of plans and programmes, having regard, in particular to:</b>	
(a) degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources	No significant effect. The SPD amplifies the Homes for Local People Policies. It is these policies which set the framework
(b) degree to which the plan or programme influences other plans and programmes including those in a hierarchy	No significant effect. SPDs are at the bottom of the planning policy hierarchy. The influence on other plans and programmes is therefore limited.
(c) relevance of the plan or programme for the integration of environmental considerations in particular with a view to promoting sustainable development	No significant effect. The process of providing affordable housing is a social and economic issue and the focus is not on environmental issues.
(d) environmental problems relevant to the plan or programme	No significant effect. Affordable housing is a social and economic issue. Environmental problems have therefore not been identified.
(e) relevance of the plan or programme for the implementation of Community legislation on the environment (eg plans and programmes linked to waste management or water protection)	The SPD will have no relevance for the implementation of Community legislation.
<b>2. Characteristics of the effects and of the area likely to be affected, having regard, in particular to:</b>	
(a) probability, duration, frequency and reversibility of effects	An element of affordable housing will be negotiated on qualifying residential schemes where a need is identified in the Housing Needs Assessment. The effects will be social and/or economic. Significant environmental effects have not been identified.
(b) cumulative nature of the effects	Any cumulative effects that arise will be social and/or economic. There will not be any significant environmental cumulative effects
(c) transboundary nature of the effects	There will be no trans-boundary effects.
(d) risks to human health or the environment	There will be no risks to human health or the environment
(e) magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected)	Spatial effect will be across the District. 830 additional affordable homes are required per annum across the District. The effects are social and/or economic. No significant environmental effects are assumed.
(f) value and vulnerability of the area likely to be affected due to : - special characteristics or cultural heritage - exceeded environmental quality standards or limits - intensive land use	No significant effect. The process of providing affordable housing is a social and economic issue and the focus is not on environmental issues.
(g) effects on areas or landscapes which have a recognised national, community or international protection status	No significant effects. The SPD is concerned with the process of providing affordable housing within schemes and not housing per se. Housing allocations will be subject to environmental assessment.

## Responses from the Consultation Bodies

Before making a determination under Regulation 9, the following Consultation Bodies were consulted:

- Natural England
- Environment Agency
- English Heritage

The responses received are set out below.

Environment Agency	The Environment Agency agrees with that there will be no significant environmental effects associated with the Homes for Local People SPD, and therefore SEA is not required.
English Heritage	On the basis of the information supplied, and in the context of the criteria set out in Schedule I of the Environmental Assessment Regulations, English Heritage concurs with the Council's Draft Supplementary Planning Document is unlikely to have any significant environmental effects.
Natural England	No comments.

**FORMS OF AFFORDABLE HOUSING****Affordable Housing Definition (taken from PPS3)**

Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

The following tenures are classed as affordable housing.

**Social Rented**

This is housing owned and managed by local authorities and registered providers, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed 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 as a condition of grant.

**Affordable Rented**

Recently introduced this is housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime<sup>5</sup> but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent<sup>6</sup>

**Intermediate Affordable Housing**

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products, other low cost homes for sale and intermediate rent but does not include affordable rented housing.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

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<sup>5</sup> The national rent regime sets the rents of tenants in social housing

<sup>6</sup> Local market rents are calculated using the Royal Institute of Chartered Surveyors approved valuation methods.

## **POLICIES TO DELIVER HOMES FOR LOCAL PEOPLE**

### **Adopted Core Strategy Policy HLP3: Affordable Housing Provision: Rural Exception Sites**

The Site Allocations (Homes and Jobs) DPD will allocate small rural exception sites within or on the edge of Group B and C settlements listed in Policy SG1. These sites will be solely for the provision of affordable housing to meet the needs of local people from within the housing needs sub-area.

Planning permission will also be granted for the release of small rural exception sites for 100% affordable housing where all of the following criteria are met:

- the site is within or on the edge of a Group B settlement, Group C settlement or the main built-up form of another rural settlement not listed in Policy SG1;
- a need has been identified in the parish, or in one or more neighbouring parishes, for the type and scale of development proposed and shows that the scheme will meet the need that has been identified;
- the proposed development is sympathetic to the form, character and landscape setting of the village and is in accordance with normal policy requirements relating to design, scale, access, parking, landscaping and highway safety;
- the site is not protected for recreation, amenity, nature conservation, landscape or heritage value.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available in perpetuity to local people in affordable housing need. This will normally include a legal agreement between the Developer, the Landowner and the Council.

### **Adopted Core Strategy Policy HLP4: Affordable Housing Provision: New Build Associated with Rural Conversion Schemes**

Outside the development limits of Group A, B and C Settlements, new-build affordable housing may be permitted as part of schemes to convert existing rural buildings, provided that it complies with the criteria set out in Policy SG4.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available initially and successively to local people in affordable housing need, for as long as the local need exists. This will normally include a legal agreement between the Developer, the Landowner and the Council.

### **Draft Policy HLP6: Rural Exception Sites**

The following sites, as identified on the Proposals Map, are allocated for Rural Exception Sites. Development of these sites should be in accordance with the site specific development guidelines

*(Preferred Options for Rural Exception Sites were previously consulted on during October-November 2010 and are not being re-consulted on at this time. There will be a further opportunity to comment on these sites during Spring 2012).*

Development Guidelines will cover the following issues where appropriate:

- High Quality and locally distinctive design

- Protection of important hedgerows and trees
- Indicative dwelling numbers/phasing
- Access arrangements – vehicular, pedestrian and cycle
- Landscape requirements
- Meeting the Code for Sustainable Homes Standard
- Addressing flood risk issues

### **Draft HLP7: Affordable Housing**

All proposals for new residential development (including mixed use schemes and conversions) will be expected to contribute towards meeting the affordable housing need of the District.

- In Harrogate, Knaresborough and Ripon on proposals of 5 or more dwellings, 40% of the dwellings should be affordable and provided on-site. On proposals of 1-4 dwellings a financial contribution in lieu of on-site provision will be required.
- In all other areas on proposals of 3 or more dwellings, 40% of the dwellings should be affordable and provided on-site. On proposals of 1-2 dwellings a financial contribution in lieu of on-site provision will be required.
- Allocated Greenfield sites for residential development (including mixed use schemes) will be required to meet a higher target of 50% on-site provision of affordable housing in order to address the scale of need.

All targets are subject to viability and the local need for affordable housing. On schemes falling short of the target it will be for the applicant to clearly demonstrate the reasons for a lower affordable housing contribution.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available initially and successively to eligible households unless these restrictions are lifted, in which case any subsidy will be recycled for alternative affordable housing provision

In very exceptional circumstances it may be appropriate to take a financial contribution on sites above the on-site threshold where doing so would meet wider planning objectives.

## SUB-AREAS AND PARISHES

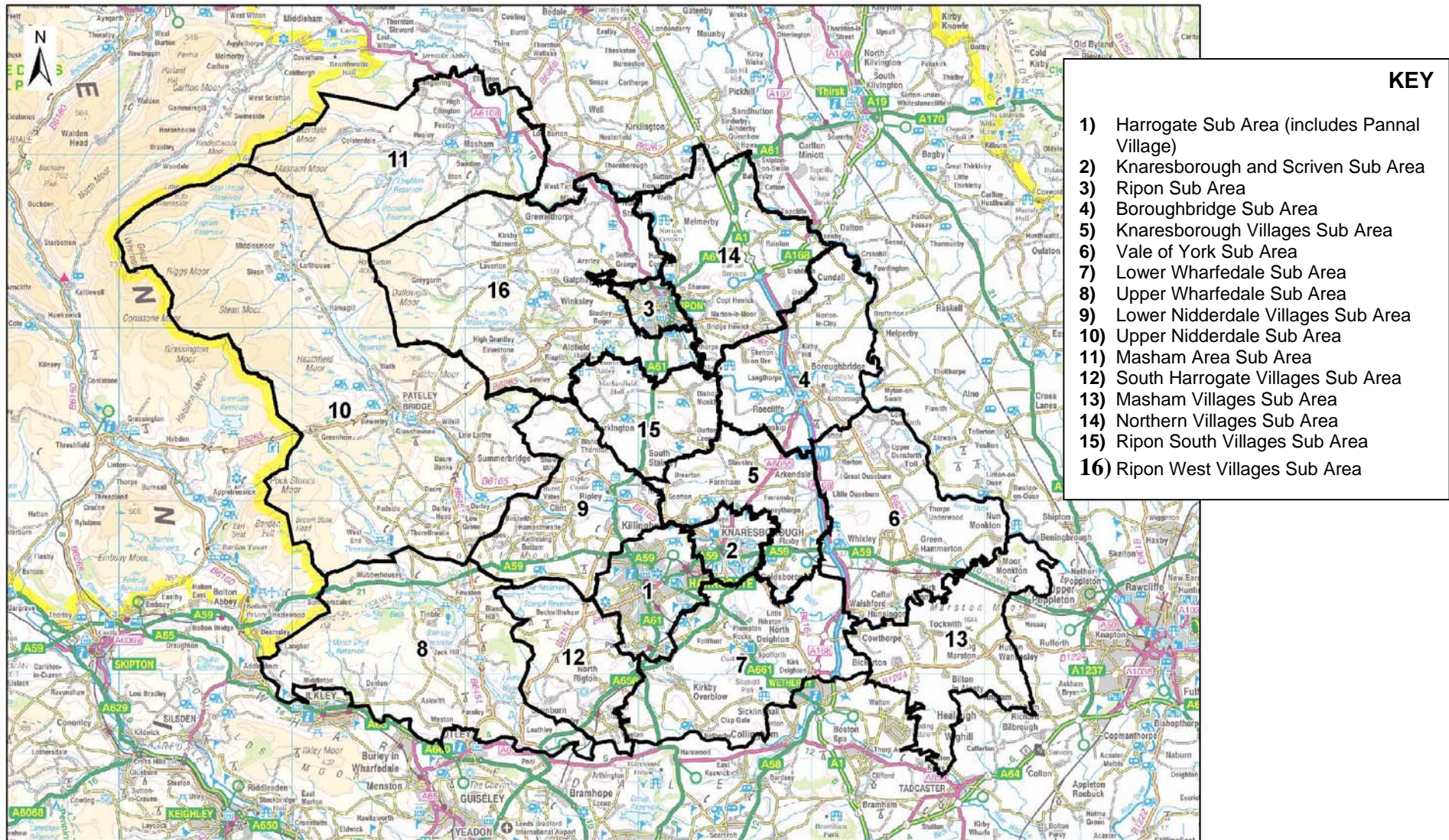
The table below provides a breakdown on the composite parishes/wards contained within each of the 16 sub-areas used in the analysis of the Strategic Housing Market Assessment

<b>Sub-Area Name</b>	<b>Parish / Ward</b>	
<b>Harrogate</b>	Harrogate <sup>7</sup>	
<b>Knaresborough &amp; Scriven</b>	Knaresborough	Scriven
<b>Ripon</b>	Ripon	
<b>Boroughbridge</b>	Boroughbridge Ellenthorpe Kirby Hill Milby Norton-le-Clay Skelton on Ure Westwick	Cundall w Leckby Humberton Langthorpe Newby w Mulwith Roecliffe Thornton Bridge
<b>Knaresborough Villages</b>	Arkendale Coneythorpe & Clareton Farnham Flaxby Scotton Walkingham Hill w Occaney	Brearton Copgrove Ferrensby Goldsborough Staveley
<b>Vale of York</b>	Allerton Maul. w Hopperton Dunsforth Green Hammerton Kirby Hall Little Ouseburn Nun Monkton Thorpe Underwoods	Cattal Great Ouseburn Hunsingore Kirk Hammerton Marton cum Grafton Thornville Whixley
<b>Masham Area</b>	Burton-On-Yore Ellingstring Fearby Ilton-cum-Pott Swinton w Warthermarske	Colsterdale Ellington High & Low Healey Masham
<b>Lower Wharfedale</b>	Follifoot Kearby w Netherby Kirkby Overblow North Deighton Sicklinghall	Great Ribston w Walshford Kirk Deighton Little Ribston Plompton Spofforth w Stockeld
<b>Upper Wharfedale</b>	Askwith Castley Farnley Great Timble Lindley Middleton Newall w Clifton Weston	Blubberhouses Denton Fewston Leathley Little Timble Nesfield w Langbar Norwood

<sup>7</sup> Harrogate Sub-Area includes the village of Pannal/Burn Bridge/Spacey Houses

<b>Lower Nidderdale Villages</b>	Birstwith Clint cum Hamlets Hampsthwaite Nidd Part of Saltergate Ward	Bishop Thornton Felliscliffe Killinghall Ripley
<b>Upper Nidderdale</b>	Bewerley Fountains Earth High & Low Bishopside Stonebeck Down Thornthwaite w Padside Warsill	Dacre Hartwith cum Winsley Menwith w Darley Stonebeck Up Thruscross
<b>Marston Villages</b>	Bilton-in-Ainsty w Bickerton Moor Monkton Wighill	Long Marston Tockwith Wilstrop
<b>South Harrogate Villages</b>	Haverah Park North Rigton Weeton	Pannal (Parish) Stainburn Huby
<b>Northern Villages</b>	Asenby Bridge Hewick Dishforth Hutton Conyers Melmerby Norton Conyers Sharow	Baldersby Copt Hewick Givendale Marton-le-Moor Middleton Quernhow Rainton w Newby Wath
<b>Ripon South Villages</b>	Bishop Monkton Markingfield Hall South Stainley w Cayton	Burton Leonard Markington w Wallerthwaite
<b>Ripon West Villages</b>	Aldfield Eavestone Grewelthorpe Laverton Littlethorpe Sawley Studley Roger	Azerley Grantley Kirkby Malzeard Lindrick w Studley R. & Fountains North Stainley w Sleningford Skelding Winksley

## Housing Needs Sub-Areas in Harrogate District



## APPENDIX 5

**HARROGATE DISTRICT SHMA (2008): ANNUAL NEED FOR AFFORDABLE HOUSING BY SUB-AREA**

Sub-Area	General		Older Person	TOTAL
	Smaller (1/2 bed)	Larger (3/4 bed)	(1/2 beds)	
Harrogate <sup>8</sup>	359			<b>359</b>
Knaresborough & Scriven	111	13		<b>124</b>
Ripon	46	7		<b>53</b>
Boroughbridge	48	2	2	<b>52</b>
Knaresborough Villages	15	1		<b>16</b>
Vale of York	20	2		<b>22</b>
Lower Wharfedale	4	1		<b>5</b>
Upper Wharfedale	14	1	1	<b>16</b>
Lower Nidderdale Villages	33	3		<b>36</b>
Upper Nidderdale	51	4		<b>55</b>
Masham Area	15			<b>15</b>
South Harrogate Villages	10			<b>10</b>
Marston Villages	16	1		<b>17</b>
Northern Villages	15			<b>15</b>
Ripon South Villages	15		1	<b>16</b>
Ripon West Villages	14	5		<b>19</b>
<b>TOTAL</b>	<b>786</b>	<b>40</b>	<b>4</b>	<b>830</b>

<sup>8</sup> Harrogate Sub-Area includes the village of Pannal/Burn Bridge/Spacey Houses

### FINANCIAL APPRAISALS

To justify the provision of less than the target for affordable housing, the Council requires a Financial Appraisal to be submitted with the planning application. The information contained in the Appraisal will only be made available to the Planning Officer and advisors such as the Council's Valuation Surveyor, Principal Development Officer and Quantity Surveyor. It will not be placed on the public file nor made available to any third party.

The information to be supplied should include the value of the completed development proposed by this application, and all costs incurred or expected to be incurred in order to achieve this value. The information should ideally include the following as a minimum guide, but may also cover other items specific to the proposed development.

#### Value

- Gross internal area of houses excluding garages and conservatories. Habitable roof-space should be listed separately. For industrial buildings, supply gross internal area; for any shops or offices, net internal area.
- The value used per unit of area. Alternatively, valuations of the completed buildings.
- The cost of sales or lettings, broken down into marketing/estate agents' fees and legal fees.
- Affordable housing should be shown at the value to be paid by a Housing Association/RP as published on the Harrogate Borough Council website (and shown in the Table of Acquisition Prices in paragraph 7.10 of this SPD).
- Existing Use Value of the property. This means the value reflecting the existing physical state and use, which are authorised and require no consent to continue.

It may be useful to show more than one scenario.

#### Costs

- Build costs. Give the gross external area multiplied by the unit cost per square metre or square foot. State whether this is a tendered sum or an estimate.
- Preliminaries allowed for. State what is included.
- External works where applicable. Broken down, e.g. X ms of road @ £Y per m. Include boundary treatment, landscaping, demolition and site preparation costs as appropriate.
- Standard Planning Costs – Planning and Building Regulation fees, commuted sums.
- Professional fees – Architects, QS, CDM supervisor etc.
- Contingency allowance.
- Cost of finance. Indicate the period and interest rate.
- Community Benefits. If the scheme includes any exceptional benefits such as the restoration of a listed building or the provision of public open space above what is required, please state the cost of providing this.
- Abnormal costs if any. What are these (e.g. contaminated land remediation) and when you became aware that there were potentially abnormal costs and what the costs are anticipated to be?

- Developers Profit – the amount or percentage included.
- Acquisition price as appropriate

Any other relevant items should be clearly defined and costed.

**FINANCIAL CONTRIBUTIONS: WORKED EXAMPLES**

Commuted sums are intended neither to give the developer an advantage nor to penalise. The principle is to establish a financial sum equivalent to the developer contribution in the case of on-site affordable housing. This sum differs from site to site; where the differential between market values and affordable housing transfer prices is low, then the developer contribution is low compared with the contribution from a developer building on a high-value site. This is because the affordable housing transfer prices are a constant factor, reflecting not value, but what is affordable to local people unable to access the housing market without assistance. Where the differential between the transfer prices and the market value of the development is high, then the developer contribution is necessarily higher. This is the case when affordable units are provided on-site and should still be the case where affordable housing is provided via a commuted sum instead.

The current affordable housing transfer prices are as follows:

Transfer prices for affordable homes

Unit type	Size (sq ms)	Price to developer (£)
1 bed	50	53,061
2 bed	70	65,871
3 bed	90	79,230

To establish the appropriate commuted sum in lieu of on-site provision, the transfer price as above will be deducted from the market value of an equivalent unit on the same development. The types and numbers of units will be derived from local housing need as evidenced in the SHMA 2011. Where similar units are provided on-site as market housing, it is simple to establish market value. Where a sum is to be calculated for a dwelling type not provided on site, then the market value of these notional units is arrived at by using the Value Point table set out in the Adams Integra Economic Viability Assessment 2010.

**Figure 2: Summary of Value Points Adopted for Each Property Type (based on assumed floor areas, but also applicable to other dwelling types and sizes):**

Type \ Value Point	1-Bed Flat (50m <sup>2</sup> )	2-Bed Flat (67m <sup>2</sup> )	2 Bed House (75m <sup>2</sup> )	3 Bed House (85m <sup>2</sup> )	4 Bed House (100m <sup>2</sup> )	£ per m <sup>2</sup> (Houses)	£ per m <sup>2</sup> (Flats)
Value Point 1	£80,000	£107,200	£111,000	£125,800	£148,000	£1,480	£1,600
Value Point 2	£100,000	£134,000	£138,750	£157,250	£185,000	£1,850	£2,000
Value Point 3	£120,000	£160,800	£172,500	£195,500	£230,000	£2,300	£2,400
Value Point 4	£140,000	£187,600	£206,250	£233,750	£275,000	£2,750	£2,800
Value Point 5	£160,000	£214,400	£240,000	£272,000	£320,000	£3,200	£3,200
Value Point 6	£180,000	£241,200	£273,750	£310,250	£365,000	£3,650	£3,600
Value Point 7	£200,000	£268,000	£307,500	£348,500	£410,000	£4,100	£4,000
Value Point 8	£240,000	£321,600	£369,000	£418,200	£492,000	£4,920	£4,800

### Example 1

Site A – 16 homes, affordable housing target 40% (6.4 homes). Were the affordable housing provision to be made on-site, then the target would be rounded down to six affordable dwellings. Should it be agreed that a commuted sum would be payable instead, then the sum will represent the full 6.4 affordable homes. The development consists of ten 2-bed homes and six 3-bed homes. Sales prices average £160,000 for the 90sm 3-bed homes and £140,000 for the 70sm 2-bed homes. The commuted sum payment will be made in respect of 6.4 2-bed homes as follows:  
 $£140,000 - £65,871 \times 6.4 = £474,426$  (an average of £74,129 per affordable home).

### Example 2

Site B – 120 homes, affordable housing target 40% (48 homes). Agreed that 40 homes will be provided on-site and a commuted sum will be paid in respect of the other 8 homes. The SHMA shows that local need is 65% 2-bed homes, 15% 3-bed homes and 20% 1-bed homes. The development includes 2 and 3-bed market and affordable homes but no market 1-bed homes. Commuted sum payment will be made in respect of 5 x 2-bed homes, 1 x 3-bed homes and 2 x 1-bed homes.

The sales on the site to date have averaged £235,000 for the 90sm 3-bed dwellings and £195,000 for the 70sm 2-bed dwellings. The payments for the 2 and 3-bed affordable homes will be as follows:

$£235,000 - £79,230 \times 1 = £155,770$

$£195,000 - £65,871 \times 5 = £645,645$

The values of the market dwellings are broadly in line with Value Point 4 on the Adams Integra table. Therefore it can be deduced that a 1-bed dwelling on this site would be worth £140,000 and the commuted payment would be as follows:

$£140,000 - £53,061 \times 2 = £173,878$

The total commuted sum payable on this site in lieu of 8 affordable homes on-site would therefore be £975,293 (an average of £121,912 per affordable home).

### Example 3

Site C – 8 homes, affordable housing target 40% (3 homes). Agreed that a commuted sum will be paid in lieu of all the affordable homes on-site. The development comprises 8 x 6-bedroom homes of 200sm each, selling at £875,000.

Although the price per square metre devalues at £4375 – between Value Points 7 & 8 – this price is for very large houses and it is to be expected that a four-bedroom home of 100sm on the same site would sell for more than £437,500.

Therefore Value Point 8 is adopted as the basis for the calculation. In this location, the need is for 2no 2-bed and 1no 3-bed home. The commuted sum is worked out as follows:

\* $£442,800 - £79,230 \times 1 = £363,570$

\* $£344,400 - £65,871 \times 2 = £557,058$

Total sum payable £920,628 (an average of £306,876 per affordable home).

These hypothetical examples demonstrate how the sum payable reflects the relative value of the development, making this approach fair and equitable.

#### Example 4

Site D – four homes in Harrogate town centre, commuted sum payable at 40%, = 1.6. The development comprises four 4-bedroom houses selling for an average price of £325,000 each. The commuted sum is worked out as follows:

£325,000 is broadly equivalent to Value Point 5. The affordable housing requirement is for 2-bed houses.

$$*£224,000 - £65,871 = £158,129 \times 1.6 = £253,006$$

\*The Value Points for typical 2, 3 and 4-bed houses are predicated on certain sizes of unit. Where these differ from the affordable housing size of unit, the VP price per square metre has been used to work out an equivalent VP price for a house of similar size to an affordable unit. In example 3, for instance, the VP5 2-bed house is 75sm, £240,000. The 2-bed affordable house is based on 70sm, so the VP5 price per square metre (£3200) has been used to arrive at an equivalent market value of £224,000.