

Appendix 3 – Glossary & Definitions.

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions¹:

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used. [These have been replaced by First Homes see below]
- c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

First Homes: First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);

¹ This definition should be read in conjunction with relevant policy contained in the Affordable Homes Update Written Ministerial Statement published on 24 May 2021. (This related to First Homes also summarised within this appendix)

c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

Paragraph: 008 Reference ID: 70-008-20210524 of First Homes Guidance states:

As part of the section 106 agreements, local authorities or neighbourhood planning groups can apply eligibility criteria in addition to the national criteria described above. This may involve lower income caps (if this can be justified with reference to local average first-time buyer incomes), a local connection test, or criteria based on employment status. First Homes are designed to allow people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. Authorities can therefore prioritise key workers for First Homes, and are encouraged to do so, especially if they have an identified local need for certain professions. The definition of a key worker should be determined locally and could be any person who works in any profession that is considered essential for the functioning of a local area.

Local connections may include (but are not limited to) current residency, employment requirements, family connections or special circumstances, such as caring responsibilities. Authorities should consider the application of these discretions carefully and ensure they do not limit the eligible consumer base to the point that homes become difficult to sell.

Any locally set income caps should be considered with reference to mortgage requirements and loan-to-income ratios for appropriate homes for the area's identified target market for First Homes. Income caps should not be set at a level which would prevent a borrower from obtaining a 95% loan-to-value mortgage for the discounted price of suitable properties.

Any local eligibility criteria will apply for a maximum of 3 months from when a home is first marketed. If a suitable buyer has not reserved a home after 3 months, the eligibility criteria (including income caps) will revert to the national criteria set out above, to widen the consumer base.

In recognition of the unique circumstances of the Armed Forces, local connection criteria should be not be applied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.

Housing Register Policy (as at November 2023)

To join the housing register applicants and/or their partner combined, at the time of writing, must not normally have savings above the threshold of £16,000 (except where a lump sum has been paid to a current or former member of the armed forces as compensation), nor must their income exceed the following thresholds:

1-bedroom/studio property	£44,000
2-bedroom property	£55,000
3 & 4 bedroom property	£66,000

Applicants to the housing register must also have a local connection (with some exemptions) to Dacorum and, in some cases to named villages.

Subject to the exceptions outlined below, applicants must meet the local connection criteria by providing evidence of at least one of the following:

- A ten-year residency within the borough at some point in their lifetime;
- Family connection where an immediate family member (parents, children, siblings) who are over the age of 18 and are resident within the borough for ten years consecutively, immediately preceding the date of application and are still resident at point of allocation;
- Currently in permanent employment within the borough boundary, consisting of 16 hours a week or more, and which has been continuous for the last 24 months. Applicants who are home working must provide evidence that their main workplace is in Dacorum. The employment must be based on actual place of work and not where the head/ regional office is sited.
- Additional local connection criteria apply to certain villages within the borough; applicants will need to meet criteria above for the specific village and applicants with a connection to the specified village are given priority at the short-listing stage (see 5.2). There are, however, a number of circumstances which mean that an applicant may not need to meet the local connection criteria in order to qualify. These include:

Members of the armed forces where the application is made within five years of discharge (includes bereaved spouses and civil partners leaving service family accommodation following the death of their partner).