



Affordable Housing Statement: Cleator Mills, Cleator

About Gleeson Homes

Gleeson Homes are a specialist housebuilder operating throughout the North of England providing low cost housing to those on the lowest incomes in areas off social and economic deprivation. Last year Gleeson sold over 1,000 such low cost houses and have an aim to double this to 2,000 within three years.

Gleeson pride ourselves on enabling aspiring young home owners to achieve their dream. A few key statistics include:

- An average selling price of £122,700 compared to a national average property value of £240,325 (UK HPI June 2017).
- 86% of purchasers are first time buyers.
- Our average purchaser is 31 years of age, 85% are under the age of 40.
- Our average purchaser has a household income of £32,400.

Gleeson are all about low cost home ownership. To this end, Gleeson do not sell to landlords and in fact sales contracts with our customers include a “no rental” covenant, in perpetuity, without our express approval which is only given in exceptional circumstances.

The New NPPF

As of July 2018 the new NPPF published by Government includes within it a revised and expanded definition of Affordable Housing, including the following:

*“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.”*

This definition was included once more in the NPPF published in February 2019

Our Offer

Clearly Gleeson have been delivering a product very closely aligned to the new definition of ‘other low cost homes for sale’ for a number of years and are pleased that this has now been formally recognised in the new NPPF

Our offer for the site at Cleator Mill is therefore as follows:

- To sell a minimum of 10% or all properties on the development at the following initial discounted prices, being a 20% reduction from local market levels:
- These would be 12 semi-detached 2 bed units sold with parking space (not garage) at no more than £112,814. Compared to average sale price of semi detached homes in Copeland of £141,018 (Land Registry Data 4th November 2020). This demonstrates our 2 bed properties, that make up 10% of the total development, will be 20% below the local market value. It should be noted that this figure includes predominantly houses for resale on the 2nd hand market and leasehold properties.
- With the assistance of the government back Help To Buy and using current interest rates the mortgage payments for these properties will be £264.91 a month or £61.13 a week.
- We are happy to give nominations rights on these dwellings to the council, to ensure sale to local people in council housing, or on the council housing waiting list. Upon release for sale, nomination is available for 3 month exclusively, if no nomination is received through the council, the dwelling will be sold to the general public.
- We will provide evidence that the local market in the area sustains new build sales values at 20% above these prices.
- Such prices would be reviewed each year with an allowance to increase in line with the percentage increase in the national living wage in the same period. These prices would also exclude garages and any 'purchaser extras' which would be over and above the discount price.
- All units to be covenanted in the sale contract, that renting is to be prohibited.

Such provisions would be enforced by either a simple condition, or covered within a S106 agreement. A condition which would be happy with is as follows:

"A minimum of 10% of the dwellings on the development are to be Low Cost Homes for Sale in accordance with sub section (d) of the definition of Affordable Housing within the NPPF (2019)."