



Development Plan Team
Falkirk Council,
Abbotsford House
Davids Loan
Falkirk
FK2 7YZ

By email only

21 December 2018

Consultation Response to SG12 Affordable Housing (Revised)

Dear Sir / Madam,

Homes for Scotland welcomes the opportunity to comment on the draft revised Supplementary Guidance. This consultation response has been prepared and agreed with input from Homes for Scotland's East Central Committee. Whilst we note the extent of the changes is limited, the reason for the changes are in some instances not explained and appear not to be necessary.

Overall, we consider that it is important that the guidance is applied in a manner which is sensitive to viability considerations. This is particularly so as a number of allocated sites in Falkirk are brownfield sites and/or in areas where the market is weaker.

It is unclear why the term 'Discounted Sale' has been substituted in place of 'Entry Level Housing for Sale (Unsubsidised)'. The reason and evidence for the introduction of lower price ceilings is also unclear. The SPP definition of affordable housing, quoted in the draft guidance defines affordable housing as of a reasonable quality that is affordable to people on modest incomes. This does not imply a discount on market prices would always be necessary so we consider that the original definition of Entry Level Housing For Sale (Unsubsidised) is more appropriate and should be retained. Accordingly, consequential changes should be made to the terminology in paragraph 4.3 and 5.9.

At the foot of the 'Discounted Sale' paragraph a link is provided to benchmark Scottish government figures in Annexe E Open Market Shared Equity Scheme (OMSES) Administrative Procedures. These figures are significantly lower than those currently referred to in the adopted guidance, as set out in the table below

Property Size	Price Ceilings	
	Adopted SPG based on LHS 2011-16	Draft SPG based on OMSES
1 bed	£75,000	£65,000
2 bed	£95,000	£80,000
3 bed	£120,000	£100,000
4 bed	£190,000	£160,000

These changes would have a significant impact upon whether this type of affordable housing product could be viably delivered. In our view the proposed thresholds would not allow such housing to be viably delivered in the overwhelming majority of cases and so would have a detrimental impact on the delivery of new affordable housing. Furthermore, we consider that the use of the OMSES benchmarks are not suitable, as it is available to assist with the

purchase of both new and second-hand properties and as such the benchmarks are based on the whole market.

As the 2016 HNDA shows there is a substantial difference in the sale prices of new build homes compared with second hand stock. It states that

“The median price for a resale property in the Falkirk council area in 2013 was £95,750 and for a new build property was £187,000.

The lower quartile price for a resale property in the Falkirk Council area in 2013 was £68,000 and for a new build was £149,995” (Page 13).

These are substantial differences and the benchmark figures needs to be based on appropriate comparable data which should be new build home sales values not sales values across the whole market.

Entry Level Housing for Sale is already under construction in Falkirk. We consider it has an important role to play in adding variety to affordable housing provision and providing choice for households on sites where it can viably be provided. However, it is essential that the benchmarks set for sale prices are properly evidenced. We do not consider the proposed OMSES rates are appropriate.

We are grateful for the opportunity to comment on the draft and would welcome the opportunity to work with Officers further on setting benchmark values.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Joe Larner', written in a cursive style.

Joe Larner

Senior Planning Advisor