

Ingleby Arncliffe Parish Circular

An update on our proposed re-development of the former primary school site

July 2021



Over the last few months, we have been working to ensure that the proposed scheme remains commercially viable. We have experienced both reductions in projected income and increases in costs which have been a struggle to contend with to ensure that we can still deliver this much needed development within the parish. In particular, the fall of the land on the site and its impact on drainage has been a particularly costly problem to resolve.

In October 2020, your local District Council committed £220k to support the development, which at the time led to a proposed scheme of 7 open market homes (originally 10) and 11 affordable homes (originally 8).

However, despite our best efforts to ensure the scheme remains deliverable with the decreased income and increased costs projected, we have had to seek more grant from Homes England to achieve this. This means that, because Homes England are unable to provide grant funding for outright sale properties, all the housing will be offered as affordable rent or for affordable sale. Many of the affordable sale options allow for the purchaser to become the freeholder over time which is equivalent to purchasing outright.

We understand that not being able to offer traditional outright sale properties from day one may be disappointing. However, we have continued with the development because we believe that it offers much of what the parish requires for new housing and that, within a reasonable time frame, homes should be available to purchase freehold.

We have decided to proceed with the development because:

- It brings a range of smaller house sizes to the parish, including 6 two bedroomed bungalows and 6 two bedroomed houses.
- All homes will initially be offered to residents who either live in the parish or have a local connection through family or work.
- Many of the tenures continue to hold the 'local link' requirements well into the future which safeguards long term access to affordable housing in the parish.
- Our community presentation held in November 2019 received a very favorable reaction from residents.
- Parish residents who have indicated an interest in affordable housing previously have been approached again and the number of people still interested corresponds with the number of homes to be built.
- Homes will be offered on a range of different tenures including affordable rent, rent to buy, shared ownership and low-cost home ownership.
- Under several tenures, tenants and purchasers will have the opportunity of becoming either a freeholder or long-term leaseholder.

We have included an information sheet on the different tenures proposed and we would like to offer the opportunity to hold a drop-in session at the Village Hall to answer any questions or concerns you may have about the proposals. If you feel this would be beneficial, please register your interest and provide any questions to our project manager for the scheme, Ben Briggs by email to ben.briggs@beyondhousing.co.uk or telephone 07773008688.

Our next steps are to work with our preferred contractor, Engie to commence the development in Late Summer 2021 and we expect the site will take 12 months to complete.



Proposed Tenure Information Sheet

Affordable Rent

- Secured long-term tenancy
- Restricted to parish residents or those with a connection to the area
- Rents will be set at 80% of market rental values (independently assessed)
- After holding a tenancy for 5 years, customers have the Right to Acquire their home at a discount
- Any future sales would need to be to those with a local connection to the area

Rent to Buy

- For either first time buyers or those not currently owning a house
- Initial rents will be set 80% of market rental values (independently assessed)
- Within the first 5 years, the customer can purchase incremental shares of the property or the outright freehold
- After 5 years the customer can decide to purchase the freehold at the then market price
- If the customer chose not to purchase at year 5, the property would revert to affordable rent

Shared Ownership

- For those not currently owning a home
- The purchaser can initially buy from 10% to 75% of the property and buy further shares up to 100% ownership, this is known as staircasing
- Up to 100% ownership, the property will be long leasehold (990 years), once 100% is purchased, the property becomes owned freehold
- The purchaser will pay rent at 2.75% of the market value for the share they do not own

Shared Ownership (Over 55)

- If you're retired and looking to downsize, but don't want to reinvest as much of your savings or equity from the sale into another property, then this scheme providing you are over 55, is worth considering.
- The purchaser would not have to own their own home
- The purchaser can own up to 75% of the property but will pay no rent on the remaining 25%.
- The property will be owned on a 990-year lease.

Discounted Sale

- Suitable for owner occupiers who may be "equity rich" but be living on retirement incomes, so rely on equity from the sale of their existing property more than current income to secure a property more suitable to their needs.
- The purchaser would have to not own their own home, or it could be "sold subject to contract".
- Property would be acquired freehold at a 20% discount to market price
- A covenant on the title deed would allow a sale at 80% of the market price at the time of sale
- A local connection would have to be maintained on sale
- If after a 6-month period, a new local connection was not forthcoming the property could be sold on the open market

