

**Hammersmith & Fulham Council**

**Home Buy Allocation  
Scheme**

DRAFT

**June 2015**

## **Home Buy Allocation Scheme Consultation**

The Council is seeking your views on this Draft Home Buy Allocation Scheme.

### **What is the Home Buy Allocation Scheme**

This Home Buy Allocation Scheme sets out the 'rules' by which affordable intermediate housing available to the council is allocated to applicants on the Council's Home Buy Register. Intermediate housing is usually for working people on low to medium incomes who don't qualify to access the housing register social or affordable rented housing but can't afford to buy a home on the open market. The most common forms of intermediate housing are shared ownership and discount market sale but there are other types which are explained in this document.

To access this Draft Home Buy Allocation Scheme electronically, go to [www.lbhf.gov.uk/housingconsultation](http://www.lbhf.gov.uk/housingconsultation)

If you:

- Want a paper copy of the Home Buy Allocation Scheme document
- Have any questions about this Home Buy Allocation Scheme document and would like to discuss them
- Want a clearer explanation of what we are proposing
- Want to meet someone from the Council to discuss the Draft Scheme or would like someone to attend a meeting
- Want to send a response

please contact Aaron Cahill, Interim Housing Strategy Manager on 020 8753 1649 or email [housingconsultation@lbhf.gov.uk](mailto:housingconsultation@lbhf.gov.uk) and we will respond as soon as we can. You can also write to us at the office address below.

The Council will collate responses from:

- Consultation survey responses (written and electronically)
- Interviews and discussions with individuals and group meetings
- Written submissions received from individuals and organisations
- Notes from consultation meetings

If you want a paper copy of the Home Buy Allocation Scheme document, call or email us using the contact details above.

If you want to submit a paper copy of any response you want to make, please send it to:

Housing Strategy Team  
Housing Department  
First Floor, 145 King St  
London W6 9XY

Submissions in response to this consultation process must be made by **Wednesday 16 September 2015**

## Housing Strategy Consultation Process January - March 2015

We consulted with interested parties during early 2015 on the Housing Strategy, seeking views on the 'direction of travel' that we wanted to take. We have now adopted our Housing Strategy and have undertaken to consult further on the detail of individual documents. The other documents we are consulting on are the Housing Allocation Scheme and the Tenancy Strategy. People took some time and effort to respond to what we published and we have set out below some of what they said. The comments below relate to the Council's proposed approach to the Home Buy Allocation Scheme.

### We asked you two questions:

**The First Survey Question was:** To what extent do you agree with the proposal to allocate homes for low-cost home ownership equally between three income bands in future?

The background to the question was as follows:

The Council intends to consult on changes to the Home Buy Allocation Scheme. This scheme allocates the homes available for low-cost ownership according to applicants' income and priority ranking. The Mayor of London's London Plan says low-cost home ownership should be open to people earning between £21,100 and £66,000 (or £80,000 for 3-bed homes)\*. In future, the council is proposing to allocate homes for low-cost ownership equally between three income bands:

- Up to £29,000 gross income
- £29,001-£43,550 gross income
- £43,551-£50,550 gross income

\* Note: The Mayor of London has since increased the income floor to £21,500 and the income caps to £71,000 and £85,000 since the consultation process.

**Responses to the Survey:** Over a half (56%) of the respondents agreed with the proposal while a third (33%) disagreed.

### Comments included:

"This will help the lowest income population on the housing ladder." – *male, council tenant, unable to work, W12*

"Good idea, otherwise sales of LCHO homes will be solely market-driven i.e. will go those most able to afford, which undermines mixed communities"

"I would have thought that there should more preference given to people in the lower income brackets, rather than share out the opportunity equally to all three bands." – *owner outright, retired, W6*

“This would be fair to all groups that can't get on to the housing list.” – *female, council tenant, part-time work, W12*

“Would like to own my own home and any incentive to buy either my current home or a new build would certainly help me and others like me.” – *female, council tenant, full-time work, W12*

“LBHF should be providing cheap rentals not propping up the cost of ownership by being involved in any kind of ownership scheme.” – *private rented, full-time work, W6*

“The Council's three bands seem more realistic (i.e. better reflecting existing need) than the Mayor's.” – *female, owner outright, retired, W14*

“People earning £80,000 need help buying a home? I think they may need lessons in financial planning. Home ownership is not an inalienable right.” – *male, owner with a mortgage or loan, full-time work, SW6*

“Agree that it should be distributed across those income bands, but believe the focus should be much more on rented accommodation than ownership.” – *female, owner outright, part-time work, SW6*

“You live where you can afford.”

“I think the Mayor's income levels are too high. For instance public sector incomes are rarely found to be much more than £40k more likely to be less than £30k. Other income level such as shop workers, earn nothing like these salaries.” – *male, owner outright, retired, W12*

“Looks good in writing but will it come to plan.” – *female, council tenant, full-time work, SW6*

“I think it's a really good idea to allow people to buy - but if the homes are heavily discounted then it should be on a leasehold basis only (no more than 90 years or life-term)” – *female, owner with a mortgage or loan, part-time work, W12*

“Disagree with Home Ownership Schemes. Council is there to provide social housing for those in need. Property prices are expensive in the private sector but that should not be the concern of the Council.” – *male, owner with a mortgage or loan, full-time work, W14*

“If it is administered without interference it could work.” – *female, private rented, unable to work, W6*

“Priority should be given to those at the lower end.” – *female, owner outright, retired, W12*

“Would like to see more priority for low-income families.” – *male, owner outright, retired, W6*

“Should be a higher proportion for lower earners.” – *female, council tenant, full-time work, SW6*

“All these groups need help to buy somewhere to live.” – *female, owner outright, full-time work, W12*

“The current Shared Ownership salary cap of £66,000 for 2 bedrooms properties makes it increasingly difficult to find a market for higher value units (which are becoming increasingly common in London following a price rise over the past 18 months) due to mortgage lenders’ restrictions on the amount that purchasers can borrow. By further restricting the income criteria you will make it impossible to sell certain units through the Shared Ownership model to anyone other than those parties with very large deposits.” – *housing association tenant*

**The Second Survey Question was :** To what extent do you agree with the current priority order in which the council ranks people seeking low-cost home ownership?

The context to the question was as follows: At the moment, the council ranks people seeking low cost home ownership in the following priority order: 1. social tenants (council or housing association who would be vacating their home); 2. armed services / (ex-armed services personnel); 3. police officers living or working in the borough; 4. homeless working households in temporary accommodation; 5. disabled applicants; 6. households living for 12 consecutive months in the borough; 7. households working for 12 consecutive months in the borough; 8. households living or working in the borough with an income within a certain limit; 9 households with an income above a certain limit.

**Responses to the Survey:** Over a half (51%) of the respondents agreed with the current priority order while a quarter (25%) disagreed.

**Comments included:**

“Want to see the proposed detail. However given the density of the borough. The high property values. It seems to me that building the rental market in a fair way may be more prudent than passing resources to the private sector. If rents were fair and affordable then as in the past, people would be able to save for home ownership. Subsidising home ownership is a cost to the borough from which it is likely to achieve no return on investment.” – *male, council tenant, unable to work, SW6*

“People born or educated in the borough” – *owner outright, full-time work, SW6*

“I would add in health service workers and care workers.” – *female, owner outright, retired, W12*

“Living in the borough for 12 months is not long enough.” – *female, council tenant, part-time work, W12*

“Very difficult to prioritise the different categories” – *female, owner outright, retired, W14*

"Police/Firemen/Armed Service Personnel/Nurses should be very high priority. I would also include teachers and carers, but not as high." – *male, owner with a mortgage or loan, full-time work, SW6*

"Once again the provision appears to apportion on a fair basis." – *male, housing association tenant, retired, SW6*

"Key workers should be added. Key worker definition needs to be agreed but should include the police for instance, but should include health workers and other providing vital public services." – *male, owner outright, retired, W12*

"Anyone who works, but has a low income, should be supported." – *female, owner with a mortgage or loan, part-time work, SW6*

"The time living in the borough is far too short to qualify for subsidised housing." – *owner outright, retired, W6*

"I don't see why armed forces or Police officers should get preferential treatment here. Disabled applicants should get priority to appropriate properties but not as a general policy." – *male, owner with a mortgage or loan, full-time work, W12*

"Young adults coming from the care system" – *female, owner with a mortgage or loan, full-time work, W12*

"Not sure about Armed Services / Ex Armed Services Personnel." – *female, private rented, full-time work, W6*

"There is no mention of key workers such as hospital staff." – *female, owner with a mortgage or loan, full-time work, W14*

"Nurses, NHS staff should be ranked at or above the same level as police officers. London Transport drivers should also be on the list, although not Tube Drivers."

"Why should MY tax money be used to pay for somebody's housing just because they have worked in the borough for 12 months? What is the Tube for?" – *male, owner with a mortgage or loan, part-time work, SW6*

"Add medical personnel to this list - in principle the benevolent who give to society should receive back from society." – *male, shared ownership, full-time work, SW6*

"Armed service and police personnel need to be lower down as they earn far more than a lot of people. Disabled and homeless and those living/ working in borough should be higher up instead." – *female, private rented, full-time work, W6*

"The borough is losing lots of teachers/ police officers because of housing." – *male, full-time work, W12*

"Likewise I don't think the police should have higher priority than other public services." – *female, council tenant, full-time work, W6*

“I think teachers who work in special schools who do many out of hours social activities.” – *female, council tenant, unable to work, W12*

“Police officers living or working in the borough should not be given priority.”  
- *Advice Centre*

“We do not agree that certain professions should be offered priority over others, nor do we believe that it is necessary to restrict the Shared Ownership market to those parties who live or work in the Borough. As such we would recommend that these criteria are removed from the list above.” – *housing association tenant*

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## **Home Buy Allocation Scheme**

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## **1. What is the Home Buy Allocation Scheme and why have one**

1.1 The Home Buy Allocation Scheme sets out the Council's overall approach to allocating homes available to applicants on the Home Buy Register. These will be applicants who cannot afford to access open market housing in Hammersmith & Fulham and do not otherwise qualify to access affordable for rent housing that can be accessed under the Housing Allocation Scheme.

1.2 In more detail, the Home Buy Allocation Scheme seeks to:

**Firstly**, make clear to applicants seeking Home Buy opportunities what criteria needs to be met to access the Home Buy register and what products are available.

**Secondly**, make clear to developers and housing associations (also known as Private Registered Providers) what the Council's approach to Home Buy is, particularly in respect of affordability.

**Thirdly**, to align the Council's approach to allocating homes under the Home Buy Scheme with the approach the Council has adopted for social housing, as set out in the Housing Allocation Scheme which is being revised at the same time, with specific reference to Local Lettings Plans.

1.3 There are more detailed associated documents that address specific issues regarding registration and the kind of information that applicants need to provide the Council in order to access the Home Buy Register. These are available from the Council's Home Buy team whose details can be found at the end of this document.

## **2. What intermediate housing products are available**

2.1 The rationale for intermediate housing is a very simple one: it is for people who do not qualify for social housing and who cannot afford to buy a home on the open market and in some instances not able to rent privately either. It is normally the case that the cost of intermediate housing will be lower than the cost of open market housing (including private rented housing) but higher than the cost of social/affordable rented housing. It relies on a discount which is achieved through public subsidy; discounted land; or through a 'planning obligation' whereby the developer provides the affordable housing as part of a planning agreement.

2.2 Intermediate housing tend to have three characteristics:

- The rent on the home is discounted
- The purchase cost of the home is discounted
- Both the rent and the purchase cost of the home is discounted

Service charges (e.g., cleaning and maintenance of communal and environmental areas; communal heating; management costs, etc) will be an additional cost, making up total 'housing costs'.

- 2.3 As a guiding principle, the more the discount, the lower the housing costs. But this means the cost of providing the home is greater. Given the high house prices in Hammersmith & Fulham, the discount can be hundreds of thousands of pounds for one property, which means the subsidies involved or planning obligation provided are a significant financial consideration for the developer concerned.
- 2.4 There are four main intermediate housing products, with a number of variations within each one.
1. **Shared ownership:** Applicants purchase on a leasehold basis paying between 25 and 75 per cent of the property value, and pay a low rent on the remaining property value to a housing association. This means a tenancy is created. The applicant is responsible for 100 per cent of the maintenance, and is likely to pay service charges if the property is a flat. Purchasers can buy additional shares up to 100 per cent, known as 'staircasing', if their financial circumstances allow them to do so.
  2. **Discount Market Sale (DMS)** is a low cost home ownership product where a newly built property is purchased at a discounted price with the unsold equity held by the Council in perpetuity. The Council in effect gives the owner the free use of the Council's share. Should the home owner decide to sell the property, it is sold at the same percentage at the prevailing market value, ideally to another prospective purchaser from the Home Buy Register.
  3. **Intermediate Rent:** These are homes, typically let by housing associations, at below market rent, thereby enabling tenants to save for a deposit. Rents are usually charged at up to 80 per cent of market levels.
  4. **Shared equity/loan:** Applicants purchase the property outright with a conventional mortgage but with the assistance of a further loan, also secured against the title of the property. Interest is not typically charged on the loan for an initial period. There are no regular capital repayments required on the loan but the amount repaid is based on the property value at the time of redemption, reflecting any increase or decrease in the value of the home.

A further option is being considered by the Council.

5. **Equity Home Share** - The Council wants to take the best aspects of the products described above into something that is attractive for applicants; financially viable; and mortgageable. The DMS product is popular, but there is no scope for 'staircasing up' as per the shared ownership model, but nor is there an incentive to do so, apart from speculating on future house price rises. If the Council were to charge a rent for the unsold

equity, then this would involve creating a tenancy and would require a landlord (e.g., a housing association).

- 2.5 In summary, the Council is generally supportive of all the intermediate products described above, with the caveat that it is developing its approach to developing a fifth option. However, it will always to seek to ensure that any intermediate product that is developed is affordable to those seeking homes **and** that prospective applicants will be able to afford to sustain the housing costs in intermediate housing over the medium to long term.

### 3. **Who Provides Intermediate Housing?**

- 3.1 There are only a few organisations that provide intermediate housing. They are principally:

3.1.1 **Housing Associations** – also known as Private Registered Providers who have a strong record in delivering intermediate housing. Organisations such as Notting Hill; Peabody; Shepherds Bush; Catalyst (not an exhaustive list) all have a track record of delivering intermediate housing in the borough and outside it.

3.1.2 **Private Developers** – have in recent years delivered affordable products, principally Discount Market Sale housing. In this instance, the developer sells a proportion of the home to the applicant, with the remaining unsold proportion vested with the Council.

3.1.2 **Hammersmith & Fulham Council** – in its ‘direct delivery’ role had a programme of building new homes which in the past has led to the development of Discount Market Sale homes.

- 3.2 As a general principle, the Council will take responsibility for nominating households to Home Buy opportunities available in the borough. These will be structured through nomination agreements.

### 4. **Qualification and Priority**

- 4.1 When a New Build Home Buy property becomes available we alert all the people registered with h&f Home Buy via email. Once the property has been viewed and reservation fee lodged by those people who are seriously interested in moving to the property the council are sent a list of these people by the developing Housing Association or their agents from which we create a prioritised shortlist.

- 4.2 More people express an interest in low cost home ownership than we have available properties, so the council has to prioritise which people will be given the opportunity to purchase. Information on minimum and maximum income levels are specified in the next section of this document.

## Qualification

- 4.3 Regarding qualification for the Home Buy Register, applicants, should:
1. Live or work within the Borough
  2. Not be a home owner at the time of nomination for a development (Note: exceptions to this rule will be where an applicant who is currently in a recognised low cost home ownership property and need to move to a larger home). Such applicants will have to have commenced the sale process of their existing home and must have at least reached the 'exchange of contract' stage before being considered for another LCHO property.
  3. Have a household income not exceeding the relevant limits (See Section 6)
  4. Not be able to purchase a comparable property on the open market
  5. Be eligible under the Housing Allocation Scheme (See Annex A)

## Priority

- 4.4 The council has followed government and local priorities when deciding who will be prioritised for Home Buy properties. Priority is given in the order listed below (the first two have joint priority):
1. Social tenants in either council housing or Private Registered Provider housing (i.e., housing association) accommodation, where the Council will gain the nomination of the vacated property vacated. This will include council tenants on 5 year flexible tenancies or 5 year housing association tenants on Assured Shorthold Tenancies.
  1. Armed Services (and Ex Armed Services) personnel (as defined by First Steps London\*) living (or previously living as an adult) for twelve consecutive months in the borough
  3. Police officers living or working in the borough
  4. Homeless Working Households in Temporary Accommodation
  5. Disabled applicants who are wheelchair users (See Section 5.8)
  6. Households **living** for twelve consecutive months in the borough
  7. Household **working** for twelve consecutive months in the borough
  8. Households living or working in the borough with an income within the relevant limit
  9. Households with an income above the levels specified in Section 6.3, expected to be mainly for resale of low cost home ownership products.

Note: Households will be prioritised in order of need for the type or bedroom size of the property and for family sized properties,

households with a need will be prioritised. As a general principle, an applicant's household bedroom need will have more weight than that of an applicant who wants, but doesn't need an additional bedroom irrespective of the priority grouping.

\* First Steps London definition of eligible armed (and ex-armed) services personnel is as follows:

*To be considered a priority, armed forces personnel must have completed basic (phase 1) training and fall into one of the following categories:*

- *Regular service personnel (including Military Provost Guards Service in the Army, Navy, Air Force)*
- *Clinical staff (excluding doctors and dentists)*
- *MoD police officers*
- *Uniformed staff in the Defence Fire Service*
- *Ex-regular service personnel (who have served in the Armed Forces for a minimum of six years and can produce a Discharge certificate, or similar document). Applications must be within 12 months of discharge*
- *The surviving partners of regular service personnel who have died in service may be eligible to be prioritised where they apply within 12 months of the date of being bereaved*

*The following roles are prioritised for Intermediate Rent only:*

- *Full Time Reserve Service (Full Commitment)*
- *Individuals who have not completed basic training*

5.5 The Council reserves the right to change the prioritisation model at any time without notice. This will be agreed by the Director of Housing responsible for Housing Options in consultation with the Cabinet Member for Housing.

5.6 There will be occasional schemes which have attracted specific funding which may require variations on the eligibility and qualifying criteria outlined above.

### **Shortlisting**

5.7 The Council currently has over 7,000 applicants on its Home Buy Register. This means that when schemes are marketed, they are often over-subscribed. The Council as part of its shortlisting process will assess the applicant's priority (as described in 5.4 above); their income; and their savings when considering who should be allocated a Home Buy Opportunity. In the case of two bedroom or more, priority will be given to households with children. The Council will also be mindful of its statutory equality duties to ensure that a suitably wide range of the Hammersmith & Fulham community accesses Home Buy opportunities.

## Housing for People with Disabilities

- 5.8 The Council as part of its planning approach requires that *all new build dwellings should be built to "Lifetime Homes" standards with 10% to be wheelchair accessible, or easily adaptable for residents that are wheelchair users* (Core Strategy Policy H4). Note: Reference to the Lifetime Homes Standard, wheelchair accessible or easily adaptable dwelling will be replaced by new Building Regulation Requirements on 1<sup>st</sup> Oct 2015 and the London Plan is currently being altered to ensure that these new optional requirements will be implemented in London.
- 5.9 Where the Council has secured affordable housing for Home Buy purposes which is accessible (or adaptable) for wheelchair users, such housing will be marketed in the first instance to Home Buy applicants who have indicated that they require such housing. The Council will seek to ensure that the marketing programme for such housing will be longer than that for general needs applicants.
- 5.10 Applicants who are wheelchair users will receive priority for accommodation which is wheelchair adapted/adaptable. A disabled applicant who uses a wheelchair at the time of application should be capable of independent living, allowing for any funded package of care and support. In the event that such accommodation is not allocated to a disabled applicant who uses a wheelchair, the Council may give priority to applicants who have moderate or severe disabilities (including learning disabilities) and be capable of independent living, allowing for any funded package of care and support. The Council may seek advice from its independent medical advisor to assess the severity of need to inform its decision.

## Affordability and Income

- 5.11 It is important that applicants have sufficient income and saving to be able to both access the Home Buy products that the Council has available, but also to have the resources to sustain the occupancy of the home concerned. By this we mean be able to pay the housing costs, e.g., mortgage, rent, service charges and living expenses, in a managed fashion.

## Affordability

- 5.12 As guiding principles, a successful applicant will need to:
- be in sustainable employment
  - have the necessary savings for any deposit required (dependent on the Home Buy product)
  - have sufficient income to meet the housing (and associated) costs of sustaining occupation of the Home Buy product
- 5.13 Affordability is based on a mortgage multiplier of 3.5 x gross annual household income. This means if your gross household income is £50,000, then the mortgage that we consider likely that you will be able to attract for affordability purposes would be £175,000. The Council does not expect housing

costs to be greater than 40% of disposable income (i.e., after income tax), in line with guidance set by the Mayor of London.

### **Minimum Income Floor and Maximum Income Cap Levels**

- 5.14 Eligibility for intermediate housing is defined largely in relation to income and ability to purchase a suitable home without assistance. Applicants (i.e., a single applicants or joint applicants) must have an annual income of more than £21,500 although we will consider exceptions to this (e.g. where an applicant has a substantial deposit). This is an 'income floor'. The maximum income that a household can earn and still qualify for the Home Buy Register is £71,000 for a one bedroom or two bedroom home, increasing to £85,000 for those with dependents purchasing three-bedrooms or more, in order to reflect the higher cost of both developing and buying a family sized home in London. These income levels should be considered as 'income ceilings'. The income floor and income ceilings are drawn from the Mayor of London's Annual Monitoring Report which are usually published in Spring of each year.
- 5.15 This means the maximum income you can have if you are seeking to access a home available under the Home Buy Allocation Scheme. The one exception to these limits would be Priority 9 identified in Section 4.4 (9) of this report.

### **6. Affordability Bands for Home Buy Products**

- 6.1 The tenure, type and supply of affordable housing for Home Buy purposes comes from a number of sources and circumstances and it is therefore not possible to be certain about what will be available at a particular time. However, the Council is committed to increasing the supply and choice of affordable housing for Home Buy purposes as part of its wider objective to realise its regeneration and growth ambitions.
- 6.2 Where the Council is working with a private developer and/or a housing association on a scheme, the Council will seek to facilitate the delivery of intermediate housing which will be affordable to applicants on incomes set out below. bands:
1. 1/3 affordable to households on gross incomes of up to £29,000 (midpoint figure £25,250)
  2. 1/3 affordable to households on gross incomes of up to £43,550 (midpoint £36,275)
  3. 1/3 affordable to households on gross incomes of up to £50,550 (midpoint £47,050)
- 6.3 The reasoning behind the affordability bands is simple: the Council wishes to see as broad a range as possible of income earners accessing Home Buy opportunities. If the affordable housing concerned were only available to households on incomes at the Mayor of London's income caps of £71,000 and £85,000 as described in Section 4.2, this would clearly be restricting access to households in lower paid employment, particularly those who are currently resident in social rented housing. The Council is particularly keen to encourage these cohorts of need to access intermediate housing opportunities available under the Home Buy Allocation Scheme.

- 6.4 In addition, the Council will seek the mid-point of these income bands when negotiating with developers and housing associations which are set out in brackets above
- 6.5 The Council will review these income bands in the spring of each financial year with a view to uplifting them using the Office for National Statistics (ONS) Average Working Earnings index.
- 6.6 Homes available to buy under Shared Ownership are usually available to purchase at a minimum equity purchase of 25% of their open market value with a rental payment due on the remaining 75% of the unowned equity, with additional payment due for service charges. With the high open market values in Hammersmith & Fulham, the Council will expect developers to minimise the rental payment on the unowned equity (i.e., that part owned by the housing association which the occupier pays rent on) and also service charges. This will help keep the monthly housing cost outgoing to a minimum, as close as possible to the income bands described in Section 6.2, but the Council recognises that this will continue to be challenging, as it is elsewhere in central London locations.
- 6.7 In calculating affordable Intermediate Rents, developers should have regard to the Mayor of London's *London Rents Map* (which uses up to date housing cost information from the Valuation Office Agency) when calculating what intermediate rents (which will include service charges) are intended to be charged and their relationship with the income bands described above.
- 6.8 The Council be considering ways and means of making available affordable housing for people on the income bands described above and will welcome innovative approaches from developers which achieve that objective.
- 6.9 As is clear from the above, the Council's approach is based on the income affordability, and is not based on the market value of the property concerned. This is an important distinction. If the Council were to stipulate that all Home Buy products for sale (i.e., excluding Intermediate Rent opportunities) were to be priced at 50% of market value in the higher priced areas of the borough, then it is possible that very few homes would be affordable for applicants, even those on the higher income bands. What in effect happens is that applicants purchase a part of the home and have the use of the remainder. Some Home Buy Products such as Shared Ownership offer opportunities for applicants to buy the remainder at some point in the future as income and wealth increases which can happen as people's circumstances change.
- 6.10 Each scheme on which the Council works with a private developer and/or housing association will vary. There may be circumstances where it is not financially viable for affordable housing to be built which can be accessed by applicants on each of the income bands identified in Section 6.8.
- 6.11 For **Intermediate Rent** schemes, the Council expects housing costs (rent and services charges) to be no greater than 80% of local market rental costs (i.e., including service charges) and should be lower than this, given the high housing costs in Hammersmith & Fulham, and should be affordable to applicants on the income bands set out in Section 6.2.

## 7. Local Lettings Plans

- 7.1 The Housing Allocation Scheme (Dec 2012) gave the Council authority to adopt Local lettings Plans (LLPs) in accordance with government guidance. Any updated Scheme is likely to continue to feature the Council using this power. The purpose of LLPs is to adopt a different approach to lettings in an area where the Council wishes to achieve certain objectives, such as meeting specific housing needs, which may include alleviating overcrowding.
- 7.2 This approach may include letting housing association homes charged at Affordable Rents (charged at up to 80% of local market rents) on fixed term tenancies. The intention is to create an opportunity for working households to save money on their housing costs in order to access the low cost home ownership at some future point. This is part of the Council's wider '*Delivering the change we need*' approach. The Council will be exploring other ways of achieving this objective.
- 7.3 Separate qualification criteria will apply to those persons on the Home Buy Register who qualify for an allocation under a Local Lettings Plan.
- 7.4 More detail on the Council's approach to Local Lettings Plans can be found in the Housing Allocation Scheme and consultation will take place on individual proposed Local Lettings Plan proposals.
- 7.5 Home Buy Applicants will be asked to make clear whether they wish to be considered for a Local Lettings Plan opportunity when they apply or are refreshing their current application.

## 8. How to register for Home Buy

- 8.1 If you wish to register with the Council for accommodation under the Home Buy Allocation Scheme, make your first point of enquiry our website to appraise you of further information available.
- [www.lbhf.gov.uk/homebuy](http://www.lbhf.gov.uk/homebuy)
- 8.2 If you wish to make an appointment to see one of our specialists for a one-to-one meeting with an advisor, help with solicitors and finding an independent financial advisor:

call 020 8753 6464

or, email [h&fHome-Buy@lbhf.gov.uk](mailto:h&fHome-Buy@lbhf.gov.uk)

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