

Affordable Housing Guide

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1. Introduction

This document has been produced to help explain what affordable housing is, the different tenures available and the different methods for delivering affordable housing. It is specifically aimed at helping individuals, community groups and parish councils who are interested in understanding and exploring the opportunities for providing new affordable housing within communities.

If you'd like to discuss anything in this document further, please do not hesitate to contact the strategic housing team at; housing.development@westsuffolk.gov.uk

People need access to suitable housing that is affordable to establish a settled home and achieve their ambitions for family life, career development and fulfilling retirement and other goals. As set out in [West Suffolk's Strategic Priorities 2024-2028](#), the increased and improved provision of affordable, available and decent homes in West Suffolk in both our towns and rural areas is one of our strategic priorities. The [Housing, Homelessness Reduction and Rough Sleeping Strategy](#) reflects this priority with the vision for improvement in the quality and delivery of housing to meet local needs, not just for now, but with the future in mind too.

The latest [West Suffolk Local Plan](#) (Adopted in July 2025), and all related policy documents, including guidance and Supplementary Planning Documents further this aim with policies that increase the delivery of affordable housing across West Suffolk.

2. What is affordable Housing?

When considering housing it is important to bear in mind that there are different types and tenures of affordable housing available. Affordable housing can mean different things to different people but no longer means simply providing social housing or council housing. Rents and home prices are rising faster than the average wage which means the prospect of renting or owning your own home is becoming increasingly out of reach for many people in West Suffolk. This means we need a wider choice of homes so that everyone has the option to access housing that best suits their circumstances and is affordable to them.

The Government defines affordable housing "*as housing for sale or rent, for those whose needs are not met by the market*" within the [National Planning Policy Framework](#) (NPPF). To provide a range of affordable housing types to meet a household's needs, we encourage developers to deliver several different tenures such as affordable rent, social rent, shared ownership, and low-cost homes ownership.

3. Securing affordable housing

Affordable housing in West Suffolk is mainly provided through Section 106 agreements (on open market developments which deliver 10 or more dwellings) or through developments led by a Registered Provider (RP) also known as Housing Associations.

On residential developments of 10 or more dwellings, the Council's planning policy requires that a percentage of all new homes built need to be affordable homes. In West Suffolk, the current policies stipulate that 40% affordable housing should be provided on greenfield Sites and 30% affordable housing on brownfield. The affordable dwellings are secured within a S106 agreement.

3.1. Section 106 Agreements

Section 106 agreements are legally binding agreements between the local authorities and housing developers. These agreements contain planning obligations that the developer must meet for planning permission to be granted. Section 106 agreements can also contain conditions, for example on a development brought forward as an exception site, eligibility for who can occupy the affordable housing can be included. This enables the local authority to restrict these homes to households with a local connection to a particular village.

The developer will then sell the affordable dwellings to an RP who will own and manage the homes.

3.2. Registered Providers (RPs)

Registered Providers (RPs) are organisations which provide and manage affordable homes. To provide affordable or social rented housing on a development an agreement with a registered provider must be in place.

West Suffolk Council was a stock holding authority up until 2004 when our housing stock was transferred to Havebury Housing Partnership (former St Edmundsbury area) and Flagship Homes (former Forest Heath area). The Council is, therefore, no longer a landlord of affordable housing. The Council only provides temporary and emergency accommodation.

4.Types of affordable rented housing

There are two different types of affordable rented housing available which are provided at a lower cost compared to open market private rented homes.

The different types of affordable rented housing are as follows:

4.1.Social rent

These are homes where rent is typically around 45% of open market private rents. Previously social rent primarily applied to those homes where the tenancy commenced before 2011. However, there will be a greater focus on social rent as the announcement of the [2026-2036 Social and Affordable Homes Programme \(SAHP\)](#) introduced a target to deliver 60% of homes under the programme as social rent.

4.2.Affordable rent

Affordable rents are charged at 80% (or less) of the local open market value rents. This type of housing was introduced in 2011 to encourage RPs to deliver new affordable homes without the need for public subsidy. As these rents are higher than social rents West Suffolk Council aims to ensure that the rents do not exceed the nationally set Local Housing Allowance (LHA). The LHA is the maximum amount of benefit that it is considered reasonable to pay towards a household's rent in West Suffolk. LHA rates can be found [here](#).

5. Housing allocations

To be considered for an affordable or social rented home you must be on West Suffolk's housing register known as Home-Link. Home-Link is the online system used by the Council, together with partners across the Cambridge Housing Sub-region, to assess an applicant's housing need in line with the Council's [lettings policy](#). As there is limited social and affordable housing, the Lettings Policy ensures that applicants with the highest level of housing need are prioritised.

Applications can be made via [Home-Link](#)

5.1. The housing register

When an applicant is successful in registering on Home-Link and has been accepted onto the register, they will be allocated a band based on their need.

The bands used to prioritise applicants with A being the highest and D the lowest. Further information on the banding and how they are assigned is contained within [West Suffolk Council Lettings Policy](#).

5.2. Affordable private rent

Affordable private rent is provided on [build to rent](#) schemes as part of the affordable housing provision. Rent levels are set at a minimum of 20% lower than the private market rents. Affordable private rent and private market rent homes are professionally managed by a single build to rent landlord. The process for managing affordable rent homes will be set out in the S106. There is not a requirement to let these homes to those on the housing register.

5.3. Bedroom allocation

The number of bedrooms needed by an applicant will also be assessed. It is important to note that this is based on their need rather than what a household may desire. One bedroom will be allocated for each of the following according to local housing allowance (LHA) guidelines:

- a. every adult couple
- b. any other household member aged 16 or over
- c. any two children (aged under 16) of the same sex
- d. any two children, regardless of sex, under the age of 10
- e. any other child aged under 16
- f. a non-resident carer (claimant/partner or child have disability and need overnight care).

6. Affordable housing for sale (Intermediate Housing)

Affordable housing for sale assists people in taking the first steps into home ownership. Rising house prices mean many people cannot afford to buy a home or struggle to secure a deposit.

In terms of affordable housing for sale, there are a number of types available to make buying a home more affordable. These can include shared ownership, shared equity, discounted market sale, first homes and other low-cost homes for sale that are provided at a price equivalent to at least 20% below the local market value.

6.1. Shared ownership

Shared ownership is the Council's preferred choice for low cost home ownership. It supports households who cannot afford a mortgage on the full market value of a home. Instead, they are able to buy a share of their home which usually means a smaller deposit is required. Rent is then paid to the RP on the remaining share. The initial share the householder owns will usually be between 25% and 75%.

The householder will have the chance to increase the share of the home they own up to 100% when they can afford to, which means they will own the home outright. This is referred to as "staircasing". However, purchasing additional shares will be based on the value of the home at the time and not the initial cost of the home.

Shared Ownership homes are advertised individually by RP's; You can find details of which RP's are active in West Suffolk and how to view their available shared ownership homes [on the government website](#).

To be eligible for a shared ownership home both of the following must be true:

- your household income is £80,000 a year or less (£90,000 a year or less in London)
- you cannot afford all the deposit and mortgage payments for a home that meets your needs

One of the following must also be true:

- you're a first-time buyer
- you used to own a home but cannot afford to buy one now
- you're forming a new household - for example, after a relationship breakdown
- you're an existing shared owner, and you want to move
- you own a home and want to move but cannot afford a new home that meets your needs

For some homes you may have to show that you live in, work in, or have a connection to the area where you want to buy the home.

6.2. Other affordable home options for sale

There are several other affordable home ownership types which can be marketed directly by a developer building new homes.

6.2.1. Shared equity housing

This is where an affordable home is purchased by the householder, directly from the developer, typically at 75% of the open market value on a freehold basis and a second charge or restrictive covenant is placed on the home for the remaining 25% share. No interest is paid on the share which is usually retained by the local authority or registered provider. After first five years the householder will have the option to increase their equity share by a minimum of 5% at a time until they achieve full ownership, subject to council approval.

6.2.2. Discounted market sale

Discounted market sale housing is low-cost housing sold at a discount, typically at least 20% below market value directly from the developer. The product is aimed at buyers with low to medium incomes who cannot afford a home at market value. As an affordable product, the home must remain discounted for future eligible buyers. This is achieved by applying the initial percentage discount to all future sales of the home.

6.2.3. First homes (Exception Sites only)

First homes are homes only available on first homes exception sites in West Suffolk for purchase by first time buyers. The homes will be sold at a minimum 30% discount against market value. The homes must be sold on at the same discount it is purchased for.

The Home must cost less than £250,000 and can be either

- a new home built by a developer
- a home you buy through an estate agent, which someone else bought before through the scheme

The following criteria must be met for a person to be eligible for a first home:

- be 18 or older
- be a first-time buyer
- be able to get a mortgage for at least half the price of the home
- not earn more than £80,000 a year before tax (£90,000 if the home is in London) - this is your income from the previous tax year

If you are buying the home with another person, both people will need to meet the above criteria.

Local eligibility criteria can also be applied to first homes at the discretion of the local authority. This can include prioritising key workers, people who already live in the area or those on lower incomes.

7. Alternative methods for delivering affordable housing

The Council also works with landowners and parish councils to bring forward new affordable housing. This could be on rural exception sites.

7.1.Rural exception sites (RES)

A lack of suitable affordable housing in rural communities has been a problem for many years and continues to be so. Incomes in rural areas tend to be lower than the regional average which makes it difficult for people working locally to live in the village where they work. High house prices also prevent people securing homes whether this is first-time buyers getting a foothold in the housing market, those looking to purchase a bigger home or someone trying to move into the area. A lack of suitable homes also prevents a number of people from downsizing into a property that may better meet their needs.

More affordable homes in small villages would support local people of all ages to live and work in rural areas and would support the creation of sustainable communities

7.1.1.What is a rural exception site?

Rural exception sites are small sites that are acquired for affordable housing where development would not otherwise be permitted. The aim is to provide housing for people who have a local connection to a particular village and who would otherwise be unable to afford market housing within that village. They are located adjacent to the existing village boundary but outside of the current settlement boundary. The sites are usually no bigger than 10 dwellings. In most cases, all dwellings will be affordable. However, a minimum amount of open market housing may be included, only if it is required to make the scheme financially viable.

7.1.2. Establishing need

For a rural exception site to be supported and approved, evidence of a proven and specific local need for affordable housing in the area is required. This is achieved by conducting a housing needs study or by analysing data from the local housing register. Establishing the need within an area will also help to guide how many and what type of dwellings should be built.

In West Suffolk a housing needs study is not always required by the Council. Housing needs studies have a cost implication and can quickly become outdated by the time land becomes available. However, if the housing register does not prove a great enough need for affordable housing, a housing needs study would be required.

Community Action Suffolk can assist any village wishing to commission a housing needs study to establish what the housing need is within their area.

More information is available at <https://www.communityactionsuffolk.org.uk/> or by contacting:

Sue Downs, Rural and Community Housing Enabler

Telephone: 01473 345379

Email: sue.downs@communityactionsuffolk.org.uk

West Suffolk currently has funding available, as part of our Housing, Homelessness Reduction and Rough Sleeping Strategy, to assist parish councils with the cost of undertaking a housing needs survey with Community Action Suffolk.

7.1.3.Acquiring land

Once a need for affordable housing has been established within an area, land will be required. Community Action Suffolk and the Council can help parish councils to identify a suitable plot of land but often it will need to be land acquired from a willing local landowner.

One reason these sites are suitable for affordable housing is that the land cost tends to be much lower than normal housing land. This is because it has not been allocated as being available for residential development as it is outside of the settlement boundary and tends to be restricted in terms of what can be developed on it.

7.1.4.Funding RES

In most cases, some public money is needed to subsidise affordable housing schemes and housing associations make applications to Homes England for grant funding to support the rural exception scheme.

7.1.5.Community Consultation

Community consultations can be held by a landowner, developer or registered provider. Consultation is a process to ensure local people are kept up to date with the development scheme as well as being able to contribute towards the initial design. Key participants in the consultation include councillors, the parish council, the local authority's housing strategy and enabling officers and residents of the village. Community consultations help to address any concerns regarding the project and clear up any misconceptions about the housing that is being provided.

7.1.6.Management

The registered provider for the development will be responsible for the allocation and management of the affordable homes. This includes when a home is let or sold. The parish council and local authority will be made aware so they can begin advertising the homes on the development. This provides the opportunity to circulate information about the home and to encourage anybody with a local connection to that village to apply on the housing register through Home-Link. When a resident decides they want to move, they have to inform the registered provider.

The registered provider will be given a list of nominees for the home and will allocate the home based on the strength of the local connection and housing need. As the home will remain affordable for future households, this process will be repeated each time a vacancy arises.

7.1.7. Allocating homes

To be considered for a home the prospective buyer or tenant must be registered on the housing register for an affordable rented home or meet the criteria for a shared ownership home.

Applicants with a local connection to the village will have priority when the homes are allocated. For example, if an applicant in Band D has a local connection to the village and an applicant in Band A does not, the home would be let to the applicant in Band D. West Suffolk Council considers a person with a local connection must meet one of the following to be considered for a home:

1. current residence in the parish for a minimum period of *two* years; or previous residence in the parish, for a period of not less than *five* years; then
2. a family connection through mother, father, brother or sister, son or daughter, being resident in the parish for a period of not less than *five* years
3. employment in the Parish, as a main place of work, on a time served basis
4. current residence; family connection, or an employment connection, where the time periods conditions referred to above have not been met.

Priority will be given in the order set out above. If no person with such a connection to the parish can be nominated a person with an equivalent relevant connection with the agreed parishes can be nominated.

If a local person in need of accommodation cannot be found to occupy the affordable home, a cascade mechanism will be used to widen the search area. The definitions of local connection will be set out in the Section 106 agreement, where applicable.

7.2. First Homes Exception sites

First Homes exception sites are sites which come forward outside of local plan or neighbourhood plan allocations to deliver primarily First Homes. A small number of market homes can be provided on the site if it can be demonstrated that their provision is necessary to ensure the overall viability of the site.

First homes exception sites cannot be delivered in designated rural areas as defined in Annex 2 of the NPPF where rural exception sites are the sole permissible type of exception sites

7.3. Community-led development

Community-led development is a method by which a not-for profit organisation, with the primary purpose of meeting the needs of its member or the wider local community.

The organisation should be created, managed and democratically controlled by its members. Membership is open to all beneficiaries and prospective beneficiaries of the organisation.

It may take any one of various legal forms including a co-operative society, community benefit society or company limited by guarantee depending on what is best suited to the aims of the organisation.

The organisation should own, manage or steward the development in a manner consistent with its purpose, potentially through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the community should be clearly defined and consideration given to how those benefits can be protected over time, including in the event of the organisation being wound up.

7.3.1. Community Land Trusts

Community Land Trusts (CLTs) are a form of community-led housing and the most commonly delivered. The CLT acquires land through purchase (by the community) or a gift and oversees the development of affordable housing to buy or rent. The housing remains affordable in perpetuity – the CLT is a not for profit group and acts as a long-term steward of the homes.

More information can be found at; <http://www.communitylandtrusts.org.uk>

[There are other models of community led housing such as co-operatives](#)

[Community-led development exception sites](#)

These are community-led developments on sites that would not otherwise be suitable as rural exception sites.

They should be on land which is not already allocated for housing and should:

- Comprise of community-led development that includes one or more types of affordable housing.
- be adjacent to existing settlements, proportionate in size to them, not compromise the protection given to areas or assets of particular importance, and comply with any local design policies and standards.

A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

8. Glossary

Affordable housing - These are housing products which cater for those who are unable to afford a home at open market prices and therefore are not provided for by the open market. This includes social rented, affordable rented and intermediate housing.

Affordable rent – Affordable rents are charged at no higher than 80% of the open market rental value. Homes at affordable rent may be let by a registered provider to tenants eligible for social rented housing and must not exceed the Local Housing Allowance.

Build to rent – Developments with purpose-built housing that is typically 100% rented out. Schemes will usually offer long tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control.

Community Led Housing - A development taken forward by, or with, a not-for-profit organisation, that is primarily for the purpose of meeting the needs of its members or the wider local community, rather than being a primarily commercial enterprise. The organisation should be created, managed and democratically controlled by its members, and membership of the organisation should be open to all beneficiaries and prospective beneficiaries of that organisation.

Community-Led Development Exception Sites – Community-Led developments consisting of one or more types of affordable housing on sites that would not be suitable for delivery as a rural exception site. Sites are located outside of the settlement boundary but adjacent to an existing settlement and they must be less than one hectare or 5% of the existing settlement in size.

Discounted market sale housing – Housing sold at 20% less than the local market value. Eligibility for discounted housing is determined by local incomes and house prices. Provisions should be made to ensure the house remains at a discount for future eligible households.

First home – Houses that are sold at a minimum discount of 30% less than market value to first time buyers.

First Home exception site - A site which provides predominantly first homes. These sites will be adjacent to existing settlements and consist of one or more types of affordable housing. They cannot be in areas designated as Green Belt or designated rural areas as defined in Annex 2 of the NPPF.

First time buyer - A first time buyer is an individual or individuals who have never owned a residential home in the United Kingdom or anywhere else in the world and intends to occupy the home as their main residence.

Housing association- An independent, non-profit organisation who builds, improves and manages affordable housing. The housing association must be

registered with and adhere to the regulations of the current government regulating authority.

Local Housing Allowance (LHA) – Local Housing Allowance is used to provide housing benefit to those renting privately or from a registered provider. It relates to the area in which you make a claim, these areas are called broad rental market areas (BRMA) and LHA varies depending on which one you are situated within.

Local housing need survey – An assessment of the number of homes required within a specific area. It helps to establish how many homes need to be planned for in that area.

Open market housing – Housing that is for private rent or sale where the price is set by the open market. Affordable products are designed to be priced below the open market value.

National Planning Policy Framework (NPPF) – A document which sets out the Government's planning policies for England and how they are expected to be applied in practice.

Public Subsidy – Government financial support usually given in the form of a grant

Registered Provider (RP) – An independent, usually a non-profit organisation who builds, improves and manages affordable housing. The RP must be registered with and adhere to the regulations of the current government regulating authority.

Rural Exception Site (RES) – A Rural Exception Site is a small site used for affordable housing where housing would not normally be built. The sites seek to address the needs of the local community by meeting the needs of those already living in the area, who have a local connection to the area or are permanently employed in the area. These sites will remain affordable for the duration of their existence.

Section 106 (of the Town and Country Planning Act 1990) agreements – Referred to as "section 106" or "S106" agreements these are legally binding agreements between the parties involved in a development. This typically consists of the developer, a housing association, the local authority and the landowner. The agreements are planning obligations which must be fulfilled as a term of granting planning permission for the site. These obligations are linked to the land binding it and the owner.

Settlement Boundary – A line drawn on a plan around a village, which reflects its built form. Housing settlement boundaries represent the development limits or residential areas which development proposals would be acceptable, subject to complying with other policies contained in the Core Strategy.

Shared ownership – The purchaser buys a percentage of a home and pays rent of the remaining percentage that they do not own. This remaining percentage will be owned by a registered provider.

Social rent – Socially rented housing is owned and managed by local authorities and RPs. Guideline target rents are set through the national rent regime. Social rents are typically 40-60% of market rents.

Staircasing – The process of a person being able to acquire ownership of a greater percentage of their home in stages. This mainly applies to shared ownership homes when homeowners can afford a greater share of their home.