



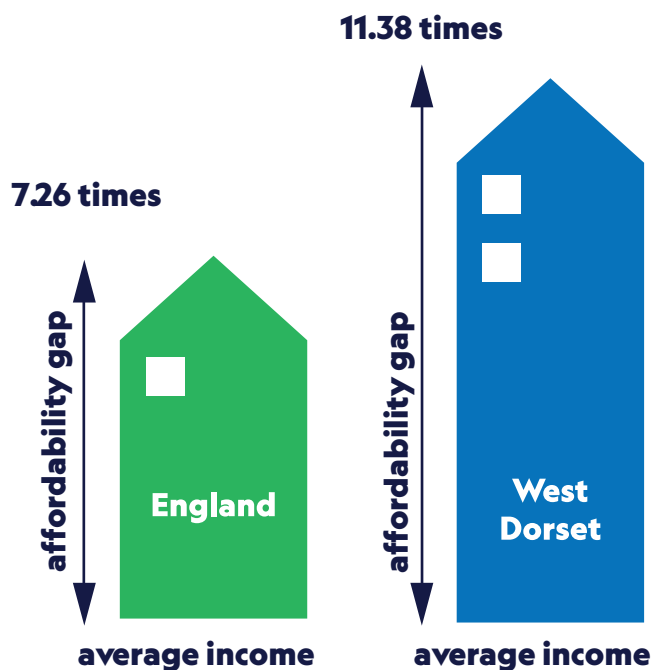
Homes for local people, affordable for ever

This is an introduction for local councillors, council officers, and supporters of Bridport Area Community Housing (BACH), to explore a possible affordable housing project, that might be developed in partnership with Raise the Roof.

### WHAT'S THE PROBLEM?

There is a real and growing need for affordable housing in the Bridport area, and the current system isn't delivering what the community needs.

The Bridport Area Housing Needs assessment demonstrated the affordability gap for those wanting to purchase, by identifying that most households would need to triple their income to buy a modest house on a mortgage. There is a big deficit in this 'intermediate' housing.



### COMMUNITY TAKING THE LEAD

BACH has been set up to provide a mechanism for community participation, partnership, and where appropriate, taking a lead in the development of affordable housing.

BACH is a Community Benefit Society open to all and will act as a Community Land Trust (CLT) that is able to hold land and property in perpetuity for the benefit of the community.

BACH can deliver affordable homes directly, and will work in partnership with Bridport Town Council, as well as housing associations, housing co-operatives, and other CLTs. BACH will work closely with the neighbourhood plan and the local plan.

#### BACH will enable the community to:

- Create higher levels of affordable housing,
- Gain greater control over housing design and the surrounding environment,
- And have a wider range of tenure options that meet different types of local need.



## WHAT IS THE OPPORTUNITY?

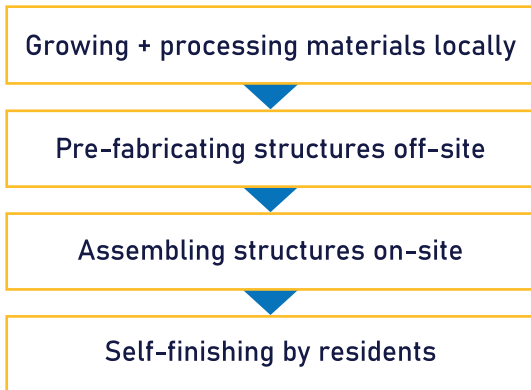
BACH aims to work with Raise the Roof to pilot new approaches to the development of affordable housing. The intention is to use timber, hemp, and other local sustainable materials to build a small row of four to five houses.

### Who is Raise the Roof?

Raise the Roof is a partnership between Bridport Town Council, Wessex Community Assets, Common Ground, Dorset Woodhub, The Arts Development Company, and design studio Assemble.

Raise the Roof intends to deliver structures that are rapidly assembled and then self-finished by a group of households working together. Self-finish allows tenants to earn 'sweat equity' by completing some of the minor building work themselves - this means they reduce the cost of the build, and so their rent or purchase cost.

There is an opportunity to deliver homes affordably and sustainably by:



Assemble Studio artist rendition of Bridport

The aim in the longer term is to influence what happens on the Vearse Farm development, where between 760 and 1000 houses will be built over the next ten years. BACH intends to play a key role in the delivery of the affordable housing, alongside Symene CLT and possibly other community-led housing groups.

## HOW CAN WE DELIVER ON THIS OPPORTUNITY?

The aim is to support:

- the local economy through the creation of employment and training opportunities,
- local manufacturing through the adoption of modern off-site prefabrication processes,
- the environment through the cultivation and processing of sustainably produced local resources such as timber and 'woody fibres' (straw, hemp and flax).



*Hempcrete - a strong, insulative building material which locks in carbon and can be grown locally*

We are drawing on examples of self-finish community-led housing projects in the UK that have combined the use of sustainable materials with a self-finish approach, and have used different tenure models to ensure that the housing remains affordable in perpetuity.

One approach is a form of shared ownership, where the CLT holds covenants, to ensure that all future sales are at affordable levels.

The other approach is where the CLT leases land to a housing co-operative, which allows tenants to build up an equity share over time. This partnership is a Mutual Home Ownership Society (MHOS).



## INDIVIDUAL HOME OWNERSHIP THROUGH A SELF-FINISH APPROACH

The examples below demonstrate CLT schemes where the residents self-built or self-finished their homes. The result is a form of affordable home ownership, with safeguards put in place to ensure that the houses remain affordable in perpetuity.

### St Minver CLT

Rock, in the North Cornwall parish of St Minver, is a second-home hotspot. Rock is reputedly one of the most expensive places in the world to purchase a home. St Minver CLT has supported 20 self-finish homes in the parish for local people, helping them into home ownership whilst staying local.

A local farmer provided land for the initial 12 affordable self-finish homes. They are held in perpetuity for qualifying local people at less than a third of their open market value, through the use of a resale covenant. A further saving for the original self-build householders reflected their 'sweat equity' in the homes.

The original 12 self-build applicants were selected from local people in housing need, and the same criteria will apply to any future purchasers of the properties.



*Dingles Way, Rock - the first phase of housing developed in 2008 by the St Minver CLT*

### Broadhempston CLT

Broadhempston CLT is a Community Interest Company that was set up in 2012 to enable local people, in housing need, to develop affordable eco-housing.



*Easterways, Broadhempston - currently six houses all self-built by the tenants*

In the summer of 2014 Broadhempston CLT obtained planning permission from Teignbridge Council to develop 6 affordable, self-build, eco-houses. In October of 2014 Broadhempston CLT obtained funding to purchase the land and start the development.

Broadhempston CLT will own the freehold of the land and 25% of the value of the houses in perpetuity. This will ensure the houses remain affordable for local people with a housing need. The residents own 25% of the equity in their house by virtue of having put in the labour (sweat equity) to build it and can increase their equity over time. If residents wish to move on, they will only be able to sell their equity to people meeting the Allocation Policy.

The planning consent obtained by Broadhempston CLT is controlled by a section 106 agreement and is also supported by Broadhempston CLT's allocation policy which ensures that only local people with a housing need can occupy one of the houses.



## MUTUAL HOME OWNERSHIP THROUGH A SELF-FINISH APPROACH

Mutual Home Ownership approaches combine the benefits of a CLT - which holds land in perpetuity - and a housing co-operative, which gives democratic control to the residents. The co-operative leases land from the CLT.

Instead of owning an individual property, residents own equity shares in a mutual society owned by them and other residents. This model is very common across Europe and the US. This model provides 'intermediate market' housing that guarantees affordability in perpetuity.

There are two recent examples in the UK - YorSpace and LILAC.

### YorSpace

YorSpace is a CLT created to acquire land and lead the strategic development of community-led housing across York. The CLT will lease land to Mutual Home Ownership Societies (MHOS), which will deliver low-cost, environmentally sustainable, co-operative housing. The first will be Lowfield Green Housing Co-operative, which has planning permission on a site purchased from the city council.

### Funding

As a CLT, YorSpace was able to raise £420,000 in community shares, to finance the freehold purchase of land and early stage development works. This significantly reduced the amount

that the MHOS needed to raise through resident deposits and borrowing.

### LILAC

LILAC (Low Impact Living Affordable Community) was the first MHOS in the UK.



LILAC, Leeds - first MHOS completed development in 2013

LILAC are a co-housing community of 20 eco-build households in West Leeds. Building was completed and the first wave of residents moved in, May 2013.

### Affordability

The payment that leaseholders pay each month is set at no more than 35% of net income. Tenancies are long-term and secure, and can be flexible in response to changes in income. On leaving, members can reclaim some of the money paid towards equity shares. To avoid speculation, equity is linked to national earnings, *not* housing market prices.

