

National Assembly for Wales

Communities, Equality and Local Government Committee

CELG(4) HB 31

Inquiry into barriers to home building in Wales

Response from : Snowdonia National Park Authority

The National Park Authority welcomes this opportunity to contribute to the inquiry into barriers to home-building in Wales. Our specific comments are as follows:

### **Increasing the social housing grant**

Several affordable developments aimed at meeting local needs have been delivered via the use of the social housing grant within Snowdonia National Park over recent years. It is regrettable that the level of public subsidy is decreasing annually, as this will make it much more difficult to meet needs within our rural communities. We question whether other options—for example, intermediate renting—would be appropriate to meet needs in our rural communities. There are no regional developers operating within the National Park area as it is a rural area with such small-scale sites; therefore, there are not many options for developing affordable homes as part of broader developments on the open market. The Government should increase the social housing grant, particularly at this time, when the private housing market is so stagnant and likely to stay that way for some years in the wake of the recession.

### **The costs of developing rural areas**

It is vital that the number of affordable homes that are developed match local needs and reflect the size of rural villages. In rural areas, this means developing exception sites comprised of three to five affordable units. It is apparently more expensive to develop smaller sites because there is no gas supply and more travelling for workers, and so forth. A number of areas within the National Park have been placed in the level 2 band (Acceptable Cost Guidance, Welsh

Government). There should be additional remuneration in rural areas/on smaller sites to take account of issues such as infrastructure, site conditions and so forth.

### **More collaboration needed between local authorities, registered social landlords, financial institutions and housebuilders**

We feel that financial lenders use local need affordable housing as an excuse not to lend in cases where the true risk is no higher than it is in relation to loans for houses on the open market. This problem is worse in rural communities, where there are fewer cheap homes available on the open market and, in general, fewer major builders that are active in the market. It appears that cooperation with financial institutions has improved recently (see the February 2013 release, 'Securing Mortgage Access for Affordable Housing: A good practice note for planning and housing practitioners), but there is a need to bolster this. A large number of lenders still refuse to provide mortgages for local need affordable housing under Section 106 agreements. The Welsh Government needs to do more to overcome the barriers to lending in relation to Section 106 agreements.

There is a need to collaborate in terms of developing new financial models and in terms of looking at approaches that are not dependent on public grants and that are appropriate in rural areas.

### **Taking full advantage of alternatives to public subsidies**

Certainly, more needs to be done with the existing housing stock. There is a need to cooperate with private owners and landlords, targeting this work in areas where there are no opportunities to develop new homes.

Another option would be to levy an additional tax on second homes, using the extra money to provide affordable homes in the community.

There is a need to improve the use of empty homes and the current housing stock, such as through loan schemes and enforcement powers.

There is also a need to look at the distinction between local housing and affordable local housing. This distinction is obvious in the policies of national parks in England, such as the Lake District. Why, therefore, can a similar distinction not be drawn in Wales? Making this kind of distinction would increase the local housing stock for local people and, to an extent, would overcome lending problems.

The notion of a community land trust has existed for some time, but I am not aware of any developments that have been completed in Wales thus far. I understand that a lot of expertise and skills are needed in communities in order to ensure that projects can progress. Is there any scope for using the expertise of housing associations to develop community trusts in partnership with the local community, with money used to fund these kinds of projects?

There is a need to bolster economic/social/community regeneration in rural areas in order to ensure that local salaries increase in step with future house prices.