

ATLAS

PLANNING GROUP

AFFORDABLE HOUSING STATEMENT

Mulberry House, 1A Eldon Road, Reading, RG1 4DJ

MARCH 2018

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INTRODUCTION

- 1.1 This statement is provided in support of the full planning application for residential development at Mulberry House, 1A Eldon Road, Reading.
- 1.2 The aim of this statement is to confirm that the proposed development will make provision for affordable housing.
- 1.3 Discussions with the Planning Authority will be made during the determination of the planning with regards to finer details of the affordable housing contribution. However, it is anticipated that a proportion of affordable housing will be met through the provision of affordable housing on site by an appropriate housing association, whilst a financial contribution will make up the remainder in lieu of an on-site provision.

AFFORDABLE HOUSING PROVISION

- 1.4 The proposed development at Mulberry House, Reading, comprises 7 residential units. It is noted that the development will be required to deliver a proportion of affordable housing, in line with Policy DM6.
- 1.5 For schemes of 5-9 units, Policy DM6 seeks an onsite contribution of 20%. The required affordable housing contribution for the proposed scheme is therefore 1.4 units.

ON-SITE PROVISION

- 1.6 As outlined in Reading Borough Council's Affordable Housing Supply SPD, new development should include a range and mix of tenures of affordable housing (as appropriate depending on site size) to reflect local needs as indicated in the Berkshire Housing Market Assessment 2007 and the more recent Berkshire Housing Need Assessment (2012). The following targets for tenure types will be sought:
- o 50% social rented housing at target rents or Affordable Rent housing of no more than 50% market rents;
 - o 50% made up of a mix of
 - Intermediate housing e.g shared ownership; and
 - Affordable rent housing at rents of less than 80% market rent and, below the 80% market rent level.

1.7 The Berkshire Strategic Market Assessment sets out the estimated size of accommodation needed for both affordable houses and market houses for Berkshire and South Bucks between 2013-2036, as outlined in the tables below:

Figure 1: Extract from Berkshire (including South Bucks) Strategic Housing Market Assessment

Table 103: Estimated Size of Accommodation Type Required 2013 to 2036 – Affordable Housing – Berkshire and South Bucks

Size	2013	2036	Additional households 2013-2036	% of additional households
1 bedroom	18,704	29,761	11,057	43.5%
2 bedrooms	18,423	26,612	8,189	32.2%
3 bedrooms	17,195	22,684	5,490	21.6%
4+ bedrooms	2,268	2,973	706	2.8%
Total				

Figure 2: Extract from Berkshire (including South Bucks) Strategic Housing Market Assessment

Table 100: Estimated Size of Accommodation Type Needed 2013 to 2036 – Market Housing – Berkshire and South Bucks

Size	2013	2036	Additional households 2013-2036	% of additional households
1 bedroom	27,109	34,327	7,218	9.4%
2 bedrooms	72,270	93,528	21,258	27.9%
3 bedrooms	124,373	156,427	32,054	42.0%
4+ bedrooms	94,853	110,646	15,794	20.7%
Total	318,605	394,928	76,324	100.0%

Source: Housing Market Model

1.8 In terms of the provision of affordable housing, data suggests that there is a slight move towards a greater proportion of smaller homes being needed. The tables suggest that 43.5% of additional households will require 1-bedroom flat, in comparison to 9.4% for market housing.

1.9 The finer details of the affordable housing contribution will be discussed with the Planning Authority during the determination of the planning application, including agreeing the terms with a Section 106 Agreement. However, given the housing need assessment and the required contribution of 1.4 units, it is proposed that one of the 1-bedroom flats will be delivered to enable the delivery of affordable housing within the town.

1.10 Appendix A highlights which 1 bed flat will be provided as affordable housing.

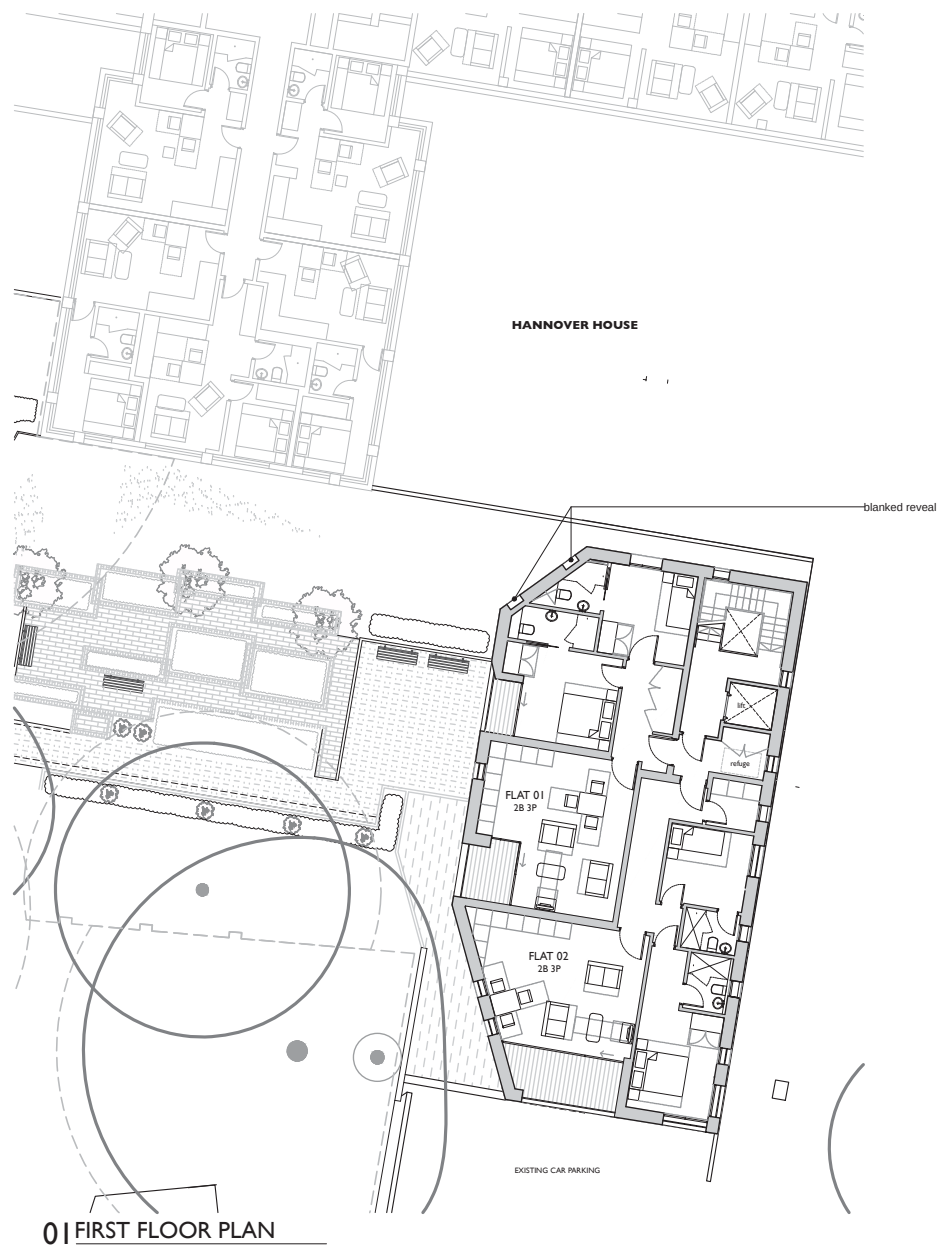
FINANCIAL CONTRIBUTION IN LIEU OF ON-SITE PROVISION

- 1.11 The Affordable Housing SPD notes in Appendix 4 that any financial contribution should be broadly equivalent to the contribution that would have been made to provide housing on-site. To be able to provide a dwelling, the registered provider (RP) will require a financial subsidy equal to the proportion of the market value that it cannot afford. The financial contribution being sought in lieu of on-site provision will be broadly equivalent to this amount and is based on the general ability of an RP to purchase in the current market.
- 1.12 It is noted that a RP would generally need a financial contribution of 50% of the market value to provide each unit.
- 1.13 A scheme of 7 houses is equivalent to 1.4 units, equating to 1 unit on site and 40% of 1 unit in the form of a financial contribution.
- 1.14 The units are worth £400 per sq.ft each as private sales. 40% of a unit therefore equates to 5.7% ($0.4/7 \times 100$) of the GDV of the proposed development.
- 1.15 With the GDV of the proposed development being £1,842,364 (4605 sq. ft at £400), 5.7% equates to £105,014.75. The resulting financial contribution, at 50%, would therefore amount to £52, 507.40.

CONCLUSION

- 1.16 For schemes of 5-9 units, Policy DM6 seeks an onsite contribution of 20%. The required affordable housing contribution for the proposed scheme is therefore 1.4 units.
- 1.17 As demonstrated in Appendix A, the applicant is willing to provide 1 unit for affordable housing on site. Moreover, the applicant is willing to contribute £52,507.40 as a financial contribution.

A



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Status: Planning
Scale: 1:200 @ A3

NOTE: This drawing is to be scaled for planning purposes only

Drawing: First and Second Floor Plan
Dwg No: 186-D-06

Date: 26.03.2018

Project: Mulberry House
Address: 1a Eldon Road, Reading,
Berkshire, RG1 4DJ

Client: Mr Trevor Jenkin

ob
architecture.

The Dispensary, 5-6 The Square, Winchester, Hants SO23 9ES
01962 865344 obarchitecture.co.uk info@obarchitecture.co.uk