

## **Revised definition of affordable housing in Annex B of Planning Policy Statement 3**

### **Affordable Housing**

Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

#### **Social rented housing is:**

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

#### **Affordable rented housing is:**

Rented housing provided by registered providers of social housing, that has the same characteristics as social rented housing except that it is outside the national rent regime<sup>3</sup>, but is subject to other rent controls that require it to be offered to eligible households at a rent of up to 80 per cent of local market rents<sup>4</sup>.

#### **Intermediate affordable housing is:**

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.

The definitions replace those given in previous editions of Planning Policy Statement 3 (2006 and 2010) and related guidance.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households.

'Affordable housing' refers to particular products outside the main housing market.

<sup>3</sup> The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001).

<sup>4</sup> There is further guidance on Affordable Rent in the Homes and Communities Agency Affordable Homes Rent Framework document.