

COMMUNITIES, HOMES & REGENERATION SCRUTINY COMMITTEE

1ST OCTOBER, 2024

SUBJECT:

LOW COST HOME OWNERSHIP OPTIONS FOR CARMARTHENSHIRE

Purpose:

The Purpose of the report is to:

- Confirm the range of low-cost home ownership options available in Wales;
- Offer a real alternative to the rental market for individuals and families who would like to own their own home but can't afford to purchase a home at open market values; and
- Recommend a way forward for the Council which ensures that we continue to offer a range of flexible affordable housing options that will help increase supply at pace.

THE SCRUTINY COMMITTEE IS ASKED TO:

Review and assess the information contained in the report and provide any recommendations, comments, or advice to the Cabinet Member and / or Director prior to the report's consideration by Cabinet, in relation to the following:

1. That additional Low Cost Home Ownership (LCHO) products are offered by the Council;
2. That all LCHO products will have strict eligibility criteria;
3. That Homebuy Wales is offered in Carmarthenshire with immediate effect, by working collaboratively with our Registered Social Landlord partners with recycled capital grant.
4. That HRA LCHO products are developed to use on selected Council new build sites where there is a clear need for LCHO. Approval will be sought from the Cabinet Member for Homes on a site by site basis.

Reasons:

- To ensure that we continue to be able to offer a range of affordable housing products for local people, including low cost home ownership
- To provide low cost home ownership products for young and working age people, helping them to remain in their communities and own their own home;
- To ensure that home ownership is a real possibility for residents, particularly in our rural communities where getting on the property ladder can be more difficult;
- To ensure that our Welsh language and culture is protected by helping local people remain in their communities;
- To provide access to home ownership which may help tenants move on from the social rented sector, freeing those homes up for people in most need;
- To help meet demand for LCHO as identified in the 2024 Local Housing Market Assessment for Carmarthenshire;
- To ensure that any LCHO options are only offered to people who are in most need and meet strict eligibility criteria;

CABINET MEMBER PORTFOLIO HOLDER:-

Cllr Linda Davies Evans, Deputy Leader & Cabinet Member for Homes

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EXECUTIVE SUMMARY
COMMUNITIES, HOMES & REGENERATION SCRUTINY
COMMITTEE
1ST OCTOBER 2024

SUBJECT:
LOW COST HOME OWNERSHIP OPTIONS FOR CARMARTHENSHIRE

This report sets out the options for increasing our Low Cost Home Ownership offer in Carmarthenshire.

Increasing the number of affordable homes in Carmarthenshire is a key strategic priority for the Council. We do this in a number of ways, including new build developments and acquisitions of private sector properties. Developing options for Low Cost Home Ownership (LCHO) will add to the ways in which we can increase the supply of affordable homes for our residents.

We know there is a demand for LCHO in Carmarthenshire from the Local Housing Market Assessment 2024. Offering LCHO options to our residents is an important mechanism in helping people who wish to exit the rental sector, and move on to home ownership. These products will help people who would like to buy their own home but could not afford a home at open market prices.

Low Cost Home Ownership schemes allow eligible person(s) to buy a home that meets their needs from the open market or from new-build sites at a subsidised rate. They will have full ownership responsibilities for the home, but a percentage of the equity. The owner's equity share in the home is usually fixed, but some products allow the share to increase (known as staircasing).

The report sets out what LCHO options are currently available in Carmarthenshire, what additional products are available for consideration, and makes recommendations as to future actions. The recommendations of the report are summarised above, and seek approval in principle to proceed with expanding our LCHO offer.

In order to ensure that the right people can access Low Cost Home Ownership, strict eligibility criteria will be applied around who can qualify for LCHO. Those that qualify need to be able to secure a mortgage and be able to afford the repayments and costs associated with buying a home. Eligible persons will also have to demonstrate a strong local connection to the area where they are seeking to buy a home, and this is set out in the attached report. This will help local people remain in their communities, thereby helping to protect the Welsh language and culture. Having these criteria in place will ensure that LCHO products are only available to those that need it.

Housing type, mix and tenure are carefully considered on each of our new build sites, to help meet housing need in the area. Where LCHO is considered suitable for any of our new build developments, Cabinet Member for Homes approval will be sought on a site by site basis before HRA funded LCHO products are made available.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **Jonathan Morgan** **Head of Housing & Public Protection**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
NONE	YES	YES	NONE	NONE	NONE	NONE	NONE

1. Legal

None at this stage, however any LCHO products developed and offered by the Council will be subject to the Council’s legal and procurement procedures.

2. Finance

LCHO schemes directly funded by the Council on its new build developments will be funded primarily from the Housing Revenue Account, some products may also be eligible for accounting through council fund. Each scheme will be assessed on their individual merits when fully developed to determine the most appropriate accounting mechanism.

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

YES

Include any observations here

The Cabinet Member for Homes is fully supportive of the development of LCHO options to supplement the delivery of additional affordable homes.

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE