



PINS NOTE 13/2015

To: All Inspectors, England

Relevancy: Planning appeals and Secretary of State casework; and local plans examinations

Date of Issue: 23 March 2015

Currency: review on 23 September 2015

STARTER HOMES

Action

1. Inspectors should be aware that on 2 March 2015 the government introduced a new national starter home exception site planning policy through a [written ministerial statement](#) to provide more discounted homes for young first time buyers. [Guidance](#) has been issued providing further details to support the implementation of the policy; this is expected to be incorporated into the Government's planning practice guidance (PPG).
2. The ministerial statement states that 'Where applications for starter homes come forward on such exception sites, they should be approved unless the local planning authority can demonstrate that there are overriding conflicts with the [National Planning Policy Framework](#) that cannot be mitigated. . . Exception sites may include a small proportion of market homes, at the planning authority's discretion, where this is essential to secure the required level of discount for the starter homes on the site.'

Background

3. Starter Homes exception sites are intended to help meet the housing needs of young first time buyers, by allowing Starter Homes to be offered to them at below their open market value. The exception site policy enables applications for development for Starter Homes on under-used or unviable industrial and commercial land that has not been currently identified for housing. It also encourages local planning authorities not to seek section 106 affordable housing and tariff-style contributions that would otherwise apply. Local planning authorities should work in a positive and proactive way with landowners and developers to secure a

supply of land suitable for Starter Homes exemption sites to deliver housing for young first time buyers in their area.

4. A Starter Home is expected to be well designed and suitable for young first time buyers. Local planning authorities and developers should work together to determine what size and type of Starter Home is most appropriate for a particular Starter Home exemption site reflecting their knowledge of local housing markets and sites. A Starter Home is not expected to be priced after the discount significantly more than the average price paid by a first time buyer. This would mean the discounted price should be no more than £250,000 outside London and £450,000 in London.

5. Local planning authorities should put in place planning obligations to ensure that Starter Homes are offered for sale at a minimum of 20% below its open market value of the property. Such properties are expected to be offered to people who have not previously been a home buyer and want to own and occupy a home, and who are below the age of 40 at the time of purchase.

6. To deliver the minimum 20% discount, local planning authorities should not seek section 106 affordable housing contributions, including any tariff-based contributions to general infrastructure pots, from developments of Starter Homes. Local planning authorities will still be able to seek other section 106 contributions to mitigate the impact of development to make it acceptable in planning terms, including addressing any necessary infrastructure. Local planning authorities will also be eligible for the New Homes Bonus on Starter Homes.

7. Please contact XXXX if you have any queries on this Note. Case-specific queries should be addressed to XXXX for planning appeals, or to XXXX for local plans.

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Acting Chief Planning Inspector