



## THE DIFFERENT TYPES OF AFFORDABLE HOUSING

It's a confusing landscape!

With the same words – Affordable Housing, Starter Homes etc – meaning different things to different people. Here are the main types:

### RENTED HOUSING

1. **SOCIAL RENT:** These rents are set by a Govt formula based on local earnings and property values. They are generally 50%-60% of open-market rents.
2. **AFFORDABLE RENT:** 80% of open-market rents.

### HOUSING FOR SALE

1. **SHARED OWNERSHIP:** People buy a share of the property's value, typically 20%-50% initially. The remaining share is owned by a Housing Association, and the buyer pays rent on this share, typically 2.75% per year. Buyers can "staircase" up to own a bigger share, but in rural areas stair-casing is often capped at 80%.
2. **DISCOUNTED MARKET SALE:** People buy the property, typically for 60%-80% of its open-market value. They own the whole property, but when they sell they can only do so at the same level of discount at which they bought it.
3. **OTHER LOW-COST HOME-OWNERSHIP ARRANGEMENTS:** There are lots, but generally not widespread.

---

*The provision of affordable housing for Thorverton's local people in perpetuity*