

**SCHEDULE ONE
AFFORDABLE HOUSING**

The Owner for themselves and their successors in title with the intention of binding the Application Land and each and every part of the Application Land covenants with the District Council as follows:

Affordable Dwellings	means a dwelling to be provided as Affordable Housing together with its curtilage and any parking space or garage allocated to it and reference to "Affordable Dwelling" shall mean any one of them;
Affordable Housing	means Social Rented Housing or Shared Ownership Housing provided for persons whose needs are not met by the market, where eligibility is determined with regard to local incomes and local house prices and which remains at an affordable price for future eligible households and as defined in the Annex 2 of the NPPF (or any such guidance that may replace or supersede it) and to be provided in accordance with the provisions of Schedule 1 and 2 of this Deed;
Affordable Housing Plan	means the drawing at Annexure 2 to this Deed showing the Affordable Housing to be constructed as part of the Development with drawing reference no. '1842 -1118- Rev D';
Affordable Housing Provisions	means the provisions relating to the Affordable Housing referred to in Schedule 1 and Schedule 2 of this Deed;
Affordable Housing Land	means the land or any part thereof on which the Affordable Dwellings are or are to be constructed and as shown on the Affordable Housing Plan;
Affordable Housing Scheme	means a written scheme for the provision of Affordable Housing as part of the Development, such scheme to be submitted to the Proper Officer in accordance with paragraph 1 of Schedule 1 and to include: (a) the tenure of the Affordable Dwelling(s);

	<p>(b) the size (including number of persons);</p> <p>(c) internal floor space (sqm);</p> <p>(d) any phasing details if appropriate;</p> <p>(e) anticipated start dates and completion dates; and</p> <p>(h) the name of the Registered Provider; and</p> <p>and such other information as may be reasonably required by the District Council;</p>
Affordable Rent	means a rent which does not exceed 80% of Open Market Rents (including service charges where applicable) for the North Devon District, as agreed in writing by the Proper Officer and which rent shall not exceed the Local Housing Allowance rate applicable to the North Devon Broad Rental Market Area;
Chargee	means any mortgagee or chargee of the RP or of the Affordable Dwellings or any administrator (howsoever appointed), fixed share receiver (including any receiver appointed pursuant to the Law of Property Act 1925), administrative receiver or any other person appointed under any security documentation to enable such mortgagee or chargee to realise its security (including the successors in title to such mortgagee or chargee or any administrator, receiver or manager);
Chargee's Duty	means the tasks and duties set out in Paragraph 8 of Schedule 1 hereto;
County	means the administrative area of Devon County Council;
Devon Home Choice	means the method or body agreed by the District Council for the allocation of affordable homes for rent to a person or persons in Housing Need in the District or any subsequent replacement system;
District	means the administrative area of North Devon District Council;
Dwelling	means any dwelling (including a house, bungalow, flat or maisonette) forming part of the Development;

Homebuy Agent	means Help to Buy South of Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD or such other organisation(s) as may be designated by Homes England or a successor body;
Homes England	means the central government agency (formerly the Housing Corporation and Homes and Communities Agency) which provides funding to and regulates registered housing providers and shall include any successor in function howsoever named or any organisation which is performing a similar function;
Housing Need	means a person who does not have available to them and could not afford (personally or jointly with other members of their household) to acquire or rent a home suitable for their needs and the needs of their household at the normal Open Market Value prevailing in the District;
Interest Rate	means the Law Society's Interest Rate calculated on a day to day basis;
Local Connection	means a connection with the District or the County (as appropriate) as follows: (a) at least one adult in the household was resident continuously in the qualifying area for a minimum of five years immediately prior to occupation; or (b) at least one adult of the household was resident in the qualifying area for five years within the previous ten years immediately prior to occupation; or (c) at least one parent, guardian, child or sibling of at least one adult in the household, has been resident in the qualifying area for a minimum of 5 years immediately prior to occupation; or (d) at least one adult in the household has been in continuous employment for at least 16 hours a week in the qualifying area for at least five years immediately prior to occupation;
Local Housing Allowance	means the rents applicable to the North Devon Broad Rental Market Area published by the Valuation Office Agency of H.M.

	Revenue and Customs (or any successor body responsible for setting the applicable rate);
Marketing Criteria	means the criteria requiring any proposed tenant or purchaser of an Affordable Dwelling to have a Local Connection and be in Housing Need and to meet the marketing timescale requirements set out in Schedule 2;
Occupation	means occupation of a Dwelling or part of a Dwelling for residential purposes (which for the avoidance of doubt shall exclude occupation for the purposes of construction, fitting out, decoration, marketing and site security operations) and cognate expressions shall be construed accordingly;
Open Market	means an open market for the sale or rent of real property assuming willing sellers and buyers and assuming that none of the obligations or restrictions contained in this Deed applies;
Open Market Dwelling	means a Dwelling constructed pursuant to the Planning Permission that is not an Affordable Dwelling and not subject to the terms of Schedule 1 of this Deed;
Open Market Rent	means rent at a level which is set by the Open Market and is not subject to any of the restrictions which are contained in this Deed;
Open Market Value	means the value that any Affordable Dwelling would have on the Open Market if it were not subject to any of the restrictions which are contained in this Deed, such value being determined by a suitably qualified Valuer in agreement with the District Council or by the District Valuer;
Protected Tenant	means any tenant who: has exercised the right to acquire pursuant to the Housing Act 1996 or any statutory provision for the time being in force (or any equivalent contractual right) in respect of a particular Affordable Dwelling; has exercised any statutory right to buy (or any equivalent contractual right) in respect of a particular Affordable Dwelling;

	has been granted a shared ownership lease by a transferee RP (or similar arrangement where a share of the Affordable Dwelling is owned by the tenant and a share is owned by the transferee RP) in respect of a particular Affordable Dwelling and the tenant has subsequently purchased from the transferee RP all the remaining shares so that the tenant owns the entire Affordable Dwelling.
Registered Provider (RP)	means a registered provider of social housing (as defined in Section 80 of the Housing and Regeneration Act 2008) registered with the Home and Communities Agency (or successor body) as a non-profit organisation in accordance with section 115 (1) (a) of that Act, nominated by the Owner and notified to the Proper Officer in writing within the Affordable Housing Scheme;
Relevant Disposal	means the grant or transfer of any interest in an Affordable Dwelling that carries with it the right to occupy the Affordable Dwelling excluding a charge or mortgage and which for the avoidance of doubt excludes any transfer to an RP;
Rented Housing	means Affordable Housing let at an Affordable Rent or Social Rent;
Shared Ownership Housing	means Affordable Housing where a person in Housing Need can buy a share in a property up to a maximum of 100% and pays a rent to the freehold owner in proportion to the share of the equity retained by that owner pursuant to a lease based on the appropriate form of Shared Ownership Lease;
Shared Ownership Lease	means a Shared Ownership lease in the form as published by Homes England as amended to comply with this Deed or as approved by the Proper Officer;
Shared Ownership Dwelling	means an Affordable Dwelling sold on the basis of a Shared Ownership Lease;
Social Rent	means a rent at the same level or equivalent of target rent levels using the methodology as set by the Homes England or as approved by the Proper Officer;

Social Rent Dwelling	means an Affordable Dwelling to be let in accordance with Schedule 1 at a rent not exceeding the Social Rent;
Social Rented Housing	means Affordable Housing let at a Social Rent;
Staircasing and Staircase	means the exercise by a tenant of a Shared Ownership Dwelling of the right to increase his or her share of the equity in the Affordable Dwelling;
Staircasing Payment	means a payment made by the tenant under a Shared Ownership Lease to the Landlord for the purchase of an additional share of the equity in the Shared Ownership Dwelling;
Valuer	means an independent expert who is a member or fellow of the Royal Institution of Chartered Surveyors and approved in writing by the District Council and in the absence of agreement as nominated by the President (or other appropriate person) of the RICS on the application of either party.

1. PART ONE- AFFORDABLE HOUSING

- 1.1. Unless otherwise agreed in writing between the District Council and the Owner and subject to the provisions of this Schedule 20% of the Dwellings shall be provided as Affordable Housing.
- 1.2. The Owner shall not Commence Development until the Affordable Housing Scheme (has been submitted to the District Council and agreed in writing by the Proper Officer (and in considering whether to agree the Affordable Housing Scheme the Proper Officer may have regard to the views of any RPs interested or likely to be interested in acquiring the Affordable Dwellings)).
- 1.3. Pursuant to Clause 1.2 above the tenure of the proposed Affordable Dwellings, which shall be in accordance with the following:
- 1.3.1. at least 75% (rounded up to give a whole number of Dwellings) of the Affordable Dwellings shall be Social Rented Dwellings;

1.3.2. the remaining 25% (rounded up to give a whole number of Dwellings) of the Affordable Dwellings shall be provided as Shared Ownership Dwellings;

1.4. The Dwellings forming part of the Development which are proposed to be Affordable Dwellings and comprising a mix of Dwellings in the following proportions (unless otherwise agreed in writing by the District Council):

Tenure	No of Dwellings	Property/ Beds
Social Rent	7	Ground Floor 1b2p flats
Social Rent	7	First Floor 1b2p flats
Social Rent	1	M4 Disabled Unit 2b4p
Social Rent	6	Houses 2b4p
Social Rent	5	Houses 3b5p
Social Rent	2	Houses 4b6p
Shared Ownership	3	Ground Floor 1b2p flats
Shared Ownership	3	First Floor 1b2p flats
Shared Ownership	3	Houses 3b5p

1.5. Subject to the provisions of this Schedule the Affordable Dwellings to be delivered pursuant to paragraphs 1.1-1.4 shall be designated as Affordable Housing which shall not be occupied other than as Affordable Housing.

2. Construction and Disposal of the Affordable Dwellings

2.1. Not to market or otherwise invite or seek offers or occupy or sell or permit the Occupation or sale of more than 50% of the Open Market Dwellings until such time as the Affordable Dwellings have been completed in accordance with the agreed Affordable Housing Scheme and in accordance with paragraph 2.2 below,

connected to all main services and made available and fit for Occupation and advertised with the Homebuy Agent or Devon Home Choice (as appropriate).

2.2. The Affordable Dwellings shall be constructed in accordance with the agreed Affordable Housing Scheme and using the same materials as the Open Market Dwellings, so as to be indistinguishable from the Open Market Dwellings so far as practicable and to any enhanced standards of construction as set out by Homes England from time to time.

2.3. The Affordable Dwellings shall be constructed and completed to the same internal and external base specifications as an equivalent type of Open Market Dwelling.

2.4. Notwithstanding paragraph 2.1 of this Schedule, if the Affordable Housing Scheme identifies that the Affordable Dwellings will be transferred to a Registered Provider then

2.4.1 no more than 30% of the Open Market Dwellings shall be marketed or otherwise offered for sale or occupation nor sold or occupied until such time as the Owner has transferred 50% of the Affordable Dwellings

2.4.2 no more than 50% of the Open Market Dwellings shall be marketed or otherwise offered for sale or occupation nor sold or occupied until such time as the Owner has transferred 75 % of the Affordable Dwellings; and

2.4.3 no more than 75% of the Open Market Dwellings shall be marketed or otherwise offered for sale or occupation nor sold or occupied until such time as the Owner has transferred 100% of the Affordable Dwellings.

to an RP on the following terms:-

2.4.4. the transfer shall be of the unencumbered freehold of the Affordable Dwellings and their curtilages (save for any encumbrances (not being financial charges) existing prior to the date of this Deed) with full title guarantee and vacant possession; and

2.4.5. the transfer shall grant all rights and easements (if any) as are required to give pedestrian and vehicular access between the Affordable Dwellings and the public highway and as are required to connect all sewers, drains pipes cables and all other conducting media serving the Affordable Dwellings to the relevant networks AND any such transfer to an RP shall not be deemed to be a Relevant Disposal.

3. Marketing, Allocation and Occupation of Affordable Dwellings

- 3.1. Subject to Clauses 3.2 and 3.3 below no person shall Occupy an Affordable Dwelling unless that person:
- 3.1.1. is a person in Housing Need and who has a Local Connection at the time of first Occupation of the Affordable Dwelling; and
 - 3.1.2. shall have been nominated through Devon Home Choice or the Homebuy Agent (as appropriate);
 - 3.1.3. the Marketing Criteria has been met;
 - 3.1.4. occupies the Affordable Dwelling as his or her sole residence and was a person in Housing Need at the time of their first occupation of the Affordable Dwelling; or is a member of the household of and living with a person who was a person in Housing Need at the time of their first occupation of the Affordable Dwelling (but nothing in this paragraph shall require any person who satisfied such a requirement when they first occupied an Affordable Dwelling to vacate the Affordable Dwelling if they cease to qualify under this Paragraph 3.1.4 of this Schedule 1 by virtue of the death or hospitalisation of, or the breakdown of a relationship with, the person who qualified under Paragraph 3.1.1, 3.1.2 and 3.1.3 of this Schedule.
- 3.2. Where the owner of an Affordable Dwelling is an RP the Affordable Dwelling may also be occupied in accordance with any nomination and management agreement in effect between the District Council and that RP.
- 3.3. The District Council and the Owner agree that all nominations of persons in Housing Need shall be made in accordance with Devon Home Choice and for Rented Housing throughout the existence of Devon Home Choice, in accordance with the Department of Communities and Local Government Guidance "Allocation of Accommodation"; or through the Homebuy Agent where a disposal is by way of Shared Ownership Lease, and all subsequent guidance, and any subsequent replacement scheme that may be introduced and agreed to by the District Council.
- 3.4. In the event that all subsequent replacement schemes cease to operate, the District Council shall be responsible for nominating persons in Housing Need.

4. **Social Rent Dwellings**

- 4.1. Where an Affordable Dwelling is shown within the Affordable Housing Scheme as intended to be disposed of as a Social Rent Dwelling the Social Rent Dwelling shall not be let at a rent that exceeds the Social Rent.

5. **Shared Ownership Dwellings**

- 5.1. Where an Affordable Dwelling is shown within the Affordable Housing Scheme as intended to be disposed of as a Shared Ownership Dwelling:
- 5.1.1. the Shared Ownership Dwelling shall only be disposed of by way of a Shared Ownership Lease, that shall give the purchaser the right (but no obligation) to acquire additional equity shares,
- 5.1.2. the initial share of the equity in the Shared Ownership Dwelling that a purchaser may purchase shall be restricted to 10-75% of the equity in the Shared Ownership Dwelling as per the Shared Ownership Lease,
- 5.1.3. the rent payable shall not exceed two decimal point seven five per cent (2.75%) of the Open Market Value of the equity retained by the landlord.
- 5.2. The Shared Ownership Lease shall provide that Occupation of the Affordable Dwelling is restricted to the purchaser(s) and members of their household and that the lease can be assigned only to persons in Housing Need who comply with the requirements of paragraph 3 of this schedule 1.

6. **Staircasing Payments – RPs**

- 6.1. In respect of any Shared Ownership Dwellings owned and managed by an RP in the Development:-
- 6.1.1 any Staircasing Payment received by the RP shall be applied by the RP to the provision of additional Affordable Housing within the administrative area of the District Council.

7. **Chargee's Duty**

- 7.1. The Affordable Housing Provisions set out in Schedule 1 and Schedule 2 to this Deed shall not be binding on a mortgagee or chargee (or any receiver including an administrative receiver) appointed by such mortgagee or chargee or any other person appointed under any security documentation to enable such mortgagee or chargee to realise its security or any administrator (howsoever appointed)

including a housing administrator (each a Receiver) of the whole or any part of the Affordable Dwellings or the Affordable Housing Land (as applicable) or any persons or bodies deriving title through such mortgagee or chargee or Receiver PROVIDED THAT:

- 7.1.1. such mortgagee or chargee or Receiver shall first give written notice to the District Council of its intention to dispose of the Affordable Dwelling(s) and shall have used reasonable endeavours over a period of three months from the date of the written notice to complete a disposal of the Affordable Housing Dwelling(s) to another registered provider or to the District Council for a consideration not less than the amount due and outstanding under the terms of the relevant security documentation including all accrued principal monies, interest and costs and expenses; and
- 7.1.2. if such disposal has not completed within the three month period, the mortgagee, chargee or Receiver shall be entitled to dispose of the relevant Affordable Dwelling(s) free from the obligations in this Deed which provisions shall determine absolutely.

8. Protected Tenants

8.1 The Affordable Housing Provisions set out in Schedule 1 and Schedule 2 to this Deed shall cease to apply in respect of any Affordable Dwelling in circumstances where an Occupier:

8.1.1. acquires a freehold or leasehold interest pursuant to a statutory right to acquire or equivalent contractual right or voluntary scheme operated by the Registered Provider; or

8.1.2 Staircases out by acquiring a 100% equity share in an Affordable Dwelling;

AND for the avoidance of doubt this paragraph 8 shall extend to include the mortgagees and successors in title of those set out in paragraphs 8.1.1 and 8.1.2 above.