

Planning Policy Wales

Technical Advice Note

## 2: PLANNING AND AFFORDABLE HOUSING



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4.2 Local authorities should calculate affordability for each of the housing markets that may be operating in their area (and those of neighbouring authorities, if appropriate)<sup>8</sup>. It can then be used, along with other data from the development plan preparation process, to calculate the amount of affordable housing required from new build housing over the plan period.

4.3 'Affordability' is one of the key factors influencing housing demand and need. Information on affordability will therefore be an important factor in developing policies for affordable housing, both for housing strategies and development plans.

## 5.0 Affordable housing and land use planning (Policy Map Step 2)

5.1 The definition of 'affordable housing' for the purpose of the land use planning system as described in this Technical Advice Note is housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. However, it is recognised that some schemes may provide for staircasing to full ownership and where this is the case there must be secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing. (Also see Glossary at Annex B). Affordable housing includes:

- Social rented housing;
- Intermediate housing.

5.2 Social rented housing is that provided by local authorities and registered social landlords. Intermediate housing is that where prices or rents are above those of social rent but below market housing prices or rents.

5.3 All other types of housing are referred to as "market housing" - that is private housing for sale or rent where the price is set in the open market and their occupation is not subject to control by the local planning authority.

5.4 The strong presumption is that affordable housing will be provided on the application site so that it contributes to the development of socially mixed communities.

## References

8 Further guidance on housing markets is provided in the *Local Housing Market Assessment Guide*