

ALLISON
HOMES

“Willow Heights Phase II” - Witheridge

Land south of Broomhouse Park and west of Willow
Rise, Witheridge, Devon, EX16 8FD

Community Update 13 March 2024

Introduction and Terms of Engagement:

Cllr Peter Jones

Meet the Teams:

Allison Homes:

- John Anderson – Chief Executive
- Steve Fowler – Managing Director
- Andy Cattermole – Planning Director

Legal and General Homes:

- Jake Lock – Senior Development and Commercial Manager
- Minty Oldham – Development and Commercial Manager
- Helen Smith – Rent and Nominations Manager
- Sarah McCormack – Deputy Head of Contract Management

Who are Allison Homes:



ALLISON
HOMES

Our Planning Permission:

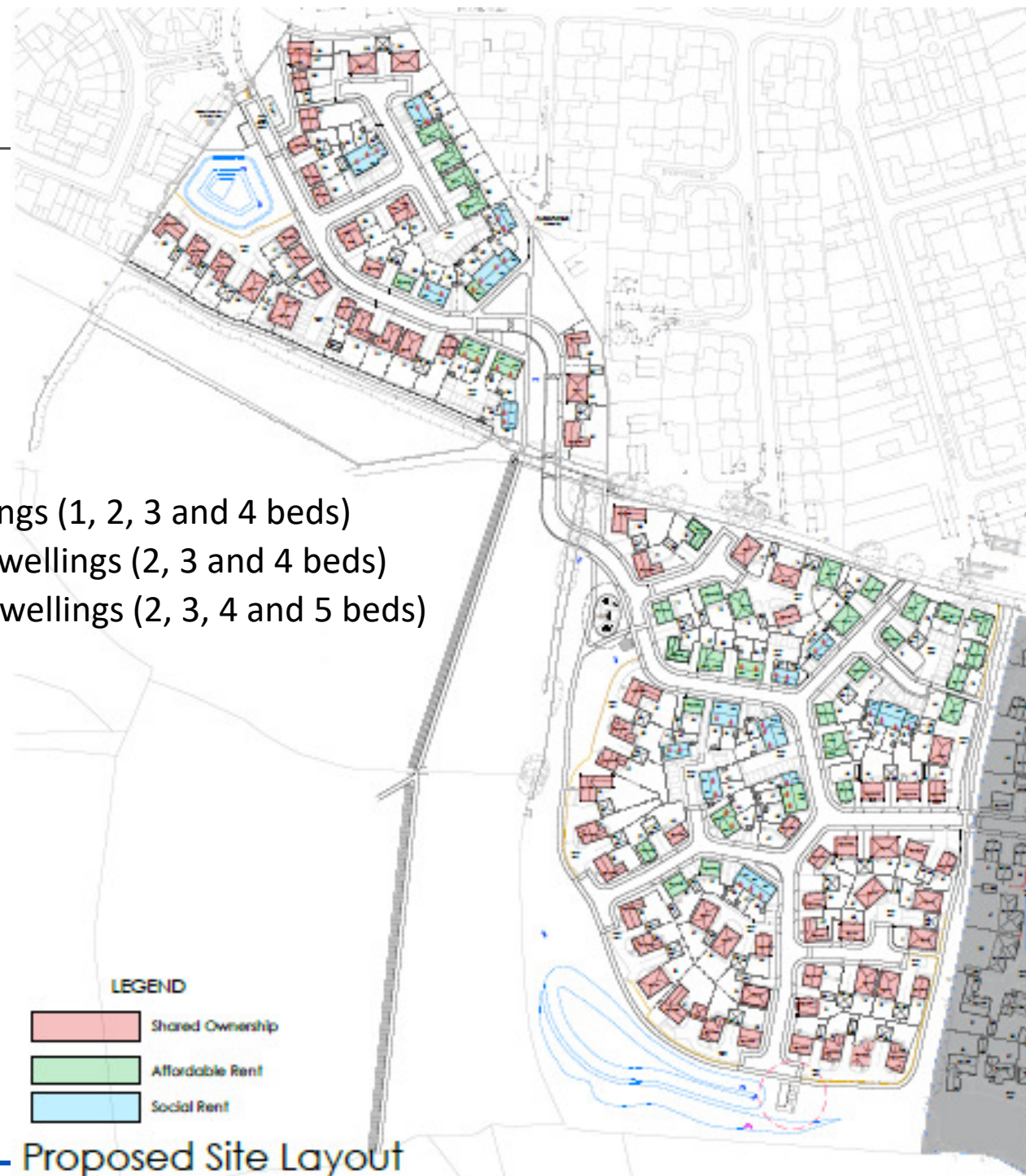
- Detailed permission for 155 dwellings (35 social rented; 11 shared ownership/rent and 109 private)
- Improvements to the existing footpath along Fore Street at the site entrance
- Delivery of areas for Biodiversity Net Gain, open space and a LAP
- A completed s106 agreement that delivers and that will continue to deliver the following contributions:
 - i. £20,000 to highways;
 - ii. £18,572 towards the NHS;
 - iii. £192,341 towards primary education;
 - iv. £110,409 towards secondary education; and
 - v. £400,678 total of which: £15,883 towards allotments, £54,424 towards play space equipment and £330,370 towards an all-weather pitch, and / or enhancement to skate park and/or facilities at Witheridge Tennis Club and/or facilities at Witheridge Village Hall

The Current Deed of Variation Application:

- Application Submitted by Allison Homes to vary the wording of our s106 agreement in relation to affordable housing.
- The amendments **DO NOT** change the quantum of affordable housing.
- The amendments are ‘technical amendments’ to the wording for affordable housing and clarification re the use of Affordable Rented dwellings in accordance with North Devon Councils adopted Planning Guidance and the National Planning Policy Framework.
- The amendments being sought would be standard wording if we were to enter a s106 with North Devon Council in March 2024 compared to that which was utilised in April 2023 when the document was signed and sealed.

What is Proposed:

- 35 Social Rented Dwellings (1, 2, 3 and 4 beds)
- 42 Affordable Rented Dwellings (2, 3 and 4 beds)
- 78 Shared Ownership Dwellings (2, 3, 4 and 5 beds)



Site layout to be read in conjunction with site specific landscaping drawing

Where has the Build got to on site:



Who we are



Pioneering inclusive capitalism

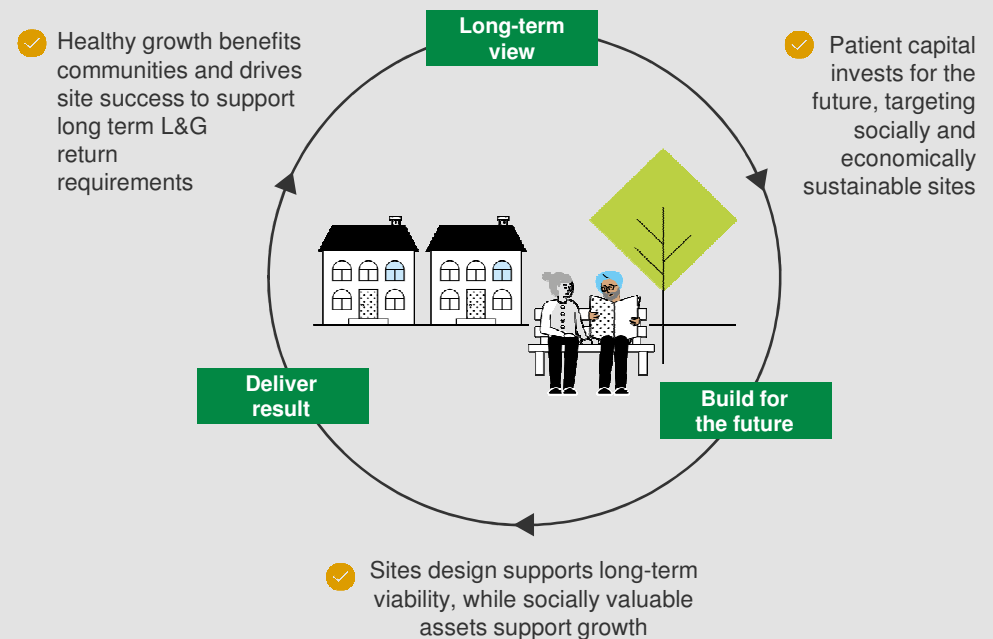
Our virtuous cycle of investing for the future drives long-term value and performance for our pension funds and partners.

One of the largest investors and managers of UK property

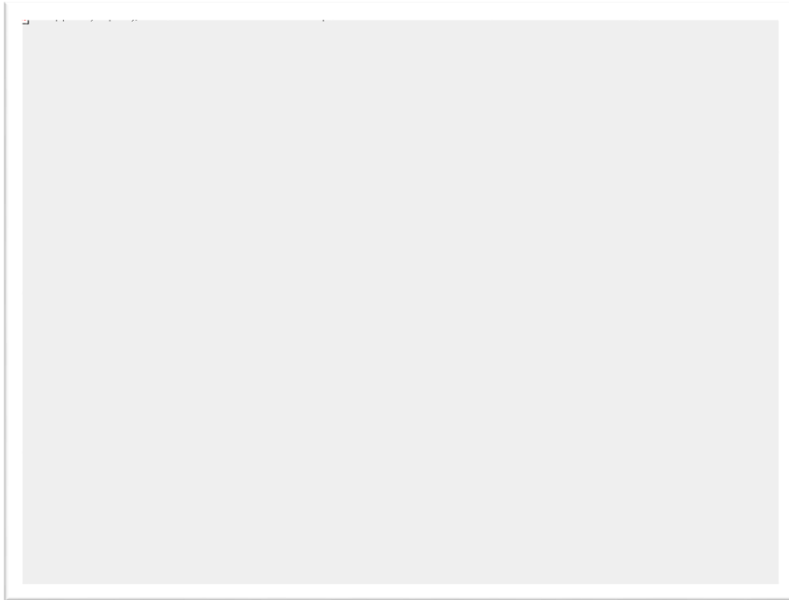
- Creating world leading partnerships to accelerate growth, we have c£30bn invested in 15 UK towns and cities
- Legal & General have so far committed £1.8bn towards building affordable homes across the UK and a further £1.8bn in homes for rent.
- We adhere to an inclusive capitalism ethos, whereby our investment is both economically successful and socially useful.
- L&G invests for the life of its assets, from building the homes to curating the communities, enhancing long-term growth.
- Income generated from the homes is matched to L&G's pension liabilities in perpetuity, making designing for the future our primary objective.

The virtuous cycle of investing for growth to drive long-term returns means L&G prioritise:

- Collaborating with the Masterplan owner to design better places.
- Curating long-lasting, thriving communities.
- Targeting Net-Zero Carbon homes by 2030.
- Scaling our climate & energy portfolio across low-carbon heat, transport, and power to create value and address climate change



Homes and Management



By the end of 2023 we welcomed our 4,000th customer into their new home. This is a huge achievement for a business which has only been in operation for 4 years.



We plan to grow our pipeline by 3,000 homes a year nationally.

**A Strategic Partner of
Homes England**

2022-26 programme.

**13 Management
Providers**

Onboarded and mobilised
into the business

7,200 Homes

Secured across c135
locations throughout
England and have 4,000
homes in occupation.

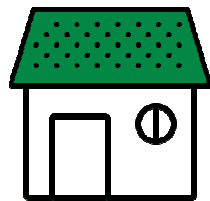
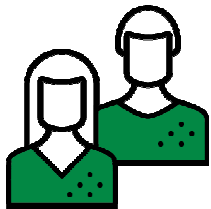
£1.8bn

of new, long-term capital
committed to the delivery
of new affordable housing.

Local Context

Management Providers

- We work closely with 13 Management Providers (MP's) around the country
- Pinnacle is our preferred management provider in North Devon
- Rigorous tender process puts the emphasis on the customer
- Comprehensive mobilisation with MP on each scheme
- Monthly and Quarterly performance returns to LGAH



Local Schemes:

- 11 homes in Butt's Close (8 SR & 3 SO)
- 26 homes in Northfield Lane, Barnstaple (20 SR & 6 SO)
- 17 homes at North Road, South Molton (13 SR & 4 SO)
- All North Devon LPA



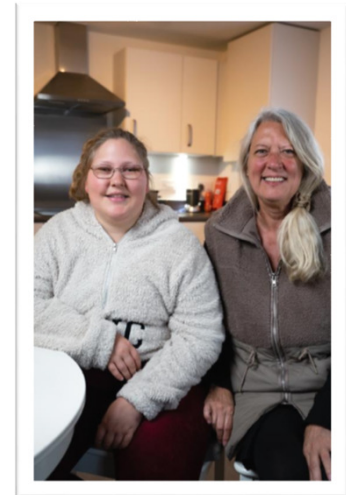
Rented Homes

Affordable Rent Housing

- This type of affordable housing is subject to rent controls that require the rent to not exceed 80% of the local market rate
- Affordable housing is let by private registered providers such as LGAH or local authorities

Social Rent Housing

- This is a government-subsidised rent for people on low incomes and have a housing need
- There are 35 Social Rent homes being delivered in total, unchanged from the planning approval



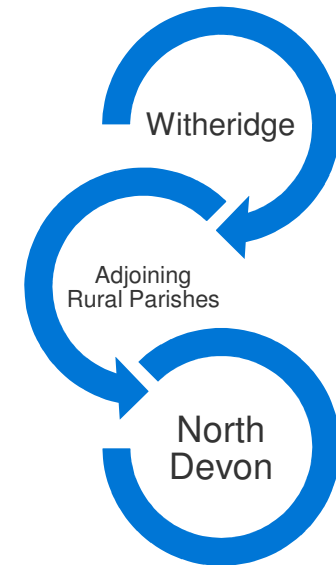
Rented Homes

Eligibility & Local Connection

- The rented homes will be advertised to Devon Home Choice and priority is given to applicants with a local connection criteria. There is a cascade in place for local connection and parishes.
- Local demand data has been reviewed – this provides detail on applicants currently living within an area in need of housing and as such does not provide confirmation of verified local connection and eligibility or capture applicants living outside of the area but still with the local connection.
- Many applicants who are seeking rented accommodation with a local connection may not realise that they would be eligible to apply.

Advertising & Marketing

- Just before the first homes available for rent are completed, Legal & General Affordable Homes will look to market and increase local awareness to encourage any eligible households to apply to join the Devon Home Choice site. This could include flyers or local drop in events.

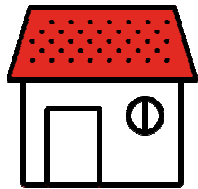


Shared Ownership (SO) Homes

- This type of affordable housing is available to help purchasers who may struggle to afford the deposit and mortgage payments for a home on the open market. It is also an enabler for home ownership for customers who have a large deposit (possibly from divorce settlements or inheritance) but do not have the overall income to pay a mortgage on the full remaining value
- Purchasers of a SO home will be able to acquire a share between 10% and 75% of the total open market value which they will generally have a mortgage on. They will then pay rent to the registered provider on the remaining portion
- SO homes are available to purchasers who don't own any other property at the time of legal completion, including first time buyers and downsizers, with a deposit of 5% of the share value
- Where staircasing restrictions don't apply, purchasers will be able to staircase their initial share to 100% home ownership, at which point they will own the property outright
- Shared Owners can sell their home at any time. There is a time period where the property is targeted to be sold on as Shared Ownership, after this time the property can be sold on the Open Market

Local Affordability

Private Sale versus Shared Ownership



Private Sale:

Mortgage: £1994
 Rent: £0
 Service Charge: £30

Total Monthly Outgoings: £2,024

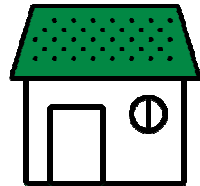
Household Income required: **£71,030**

Private Sale (PS) Average 3 Bed House

Private Sale: £340,000
 10% deposit required: £34,000
 Interest rate: 6%
 Mortgage required: £306,000
 Monthly outgoings: £2,024
 Household debt to net income (based on £49,000 gross household income): **65%**
 Household income required to purchase a Private Sale Home: **£71,030**

Shared Ownership (SO) Average 3 Bed House

25% minimum share: £85,000
 10% deposit required: £8,500
 Interest rate: 6%
 Mortgage required: £76,500
 Monthly outgoings: £1,113
 Household debt to net income (based on £49,000 gross household income): **>45%**
 Household income required to purchase as Shared Ownership: **£39,040**



Shared Ownership:

Mortgage: £499
 Rent: £584
 Service Charge: £30

Total Monthly Outgoings: £1,113

Household Income required: **£39,040**

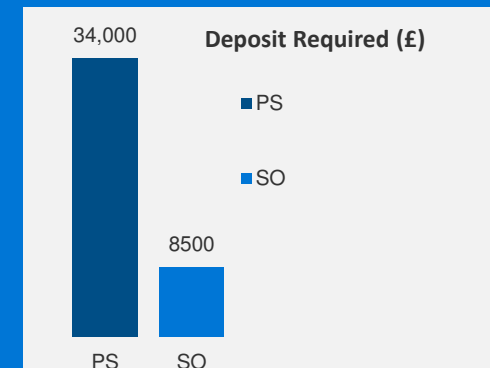
As of mid-January 2024, there are only 5 houses on the market in Witheridge under £600k. The proposed SO homes range between £275k for a 2-bedroom house to £590k for a 5-bedroom house. All these homes will be available to purchase for a share of between 10% and 75% of the open market value.

The comparison assumes:

- A household income of **£49,000** based on data from HIS
- Seeking to buy a 3 bed home with an open market value of £340,000

% of Households:

- Based on household income data from HIS, **18.0%** of local households would be able to afford the Private Sale 3 bed home
- This increases to **35%** if the home is offered as Shared Ownership.



*The above figures are indicative and based on an average 3 bedroom house on the site

Community Projects:

- Allison Homes have pledged to provide a contribution of £100 per dwelling on this site to local charity and good causes and this will be negotiated with the Parish Council;
- Our phase 1 development delivered contributions of £385,488 towards the local community of Witheridge that was spent on bus stops, school transport, parks and open space, a school crossing scheme and an extension to the Fore Street 30mph limit;
- We have been approached by The Firs Care Home for some topsoil to create a croquet lawn which we will provide when we have the right material available;
- We are engaging with the local football team regarding funding the provision of equipment for them;
- We are committed to reviewing the pump track adjacent to our phase 1 development to understand if we can refurbish the same.
- We are engaging with the Doctors surgery re facilitating a review of the 8 parking spaces we are providing them to enable the provision of the parking spaces and the formation of a patient garden / allotment.

Summary:

- Planning permission exists for 155 dwellings that is still being implemented:
 - The scheme will still deliver 35 Social Rented Dwellings in the same location as indicated on the planning application.
 - The scheme will still deliver almost £750,000 of s106 contributions which will be paid within three months if the L&G deal completes ie 4 years early on some elements
 - The scheme will still deliver all on site play and open space
 - The scheme will deliver the Allison Homes pledge of £15,500 to local good causes
 - Will result in the development being completed by Autumn 2026 whereas current forecast with no deal is likely to be Winter 2028 ie 2 years ahead of existing program.
 - Will deliver additional benefits to the local community including the aforementioned local community projects
 - A scheme that is more affordable to more people.

Any Questions:
