**SCHEDULE 2**

**Affordable Housing**

**Defined terms**

In this Schedule, the following words and expressions have the following meanings:

“Affordable Home” means a home defined as affordable housing in Annex 2 Glossary of the National Planning Policy Framework or as permitted by subsequent legislation or national guidance brought in after the date of this agreement.

“Affordable Housing Scheme” means the scheme to be agreed under paragraph 1 of this Part and which shall include:

- details of the types, confirmation of tenures and locations of the Affordable Housing Units;

- the design of the Affordable Housing Units which shall include details which show the Affordable Housing Units designed in a way which is materially indistinguishable in external design and appearance from the Open Market Dwellings of similar size;

- provides for the construction of the Affordable Housing Units;

- details the transfer of the Affordable Housing Units to a Registered Provider and arrangements to ensure they remain Affordable Housing in perpetuity subject to paragraph 11 of this Schedule

- staircasing provisions required by planning policy in relation to the Parish of [xxxxx] to ensure the any Intermediate Housing is retained in perpetuity.

“Affordable Housing Unit” means any Intermediate Housing Units and Social Rented Units identified by or in accordance with the terms of this Deed and the term “Affordable Housing Units” shall be construed accordingly.

“Eligible Household”` means those households eligible for Affordable Housing because their needs are not met by the market. Such eligibility to be determined with regard to local incomes and local house prices

“Intermediate Units” means housing provided as either Shared Ownership Housing Units or by other forms of leasehold and/or other equity share scheme as approved by the Council’s Assistant Director Enterprise & Growth or any other scheme that satisfies the definition of Intermediate Housing in Annex 2 of the National Planning Policy Framework (March 2012 edition)

“Open Market Dwellings” means the Dwellings on the Site other than the Affordable Housing Units

“Person Who is in Housing Need” means a person forming or forming part of an Eligible Household

“Phase” a phase of the Development as identified on the phasing plan approved by the Council in accordance with the relevant planning condition of the Planning Permission.

“Qualifying Resident” means:

1. For the purposes of Affordable Housing Units the tenures of which do not involve the purchase of the Affordable Housing Units or a share thereof a Person Who is in Housing Need and
   1. who is ordinarily resident in the administrative area of the Council; or
   2. whose family is ordinarily resident in the administrative areas of the Council; or
   3. who is employed in the administrative area of the Council

If no such person qualifies pursuant to (a) – (c) above then any other Person Who is in Housing Need

“Registered Provider” a body registered under Section 2 of the Housing Act 1996 or any statutory provision amending, consolidating or replacing it for the time being in force;

“Social Rented Units” means those residential units comprised in

Development that come within the definition of social rented housing as defined in Annex 2 of the National Planning Policy (March 2012 edition).

The Owner covenants with the Council:

1. To ensure that a minimum of XX% of the Dwellings constructed as part of the Development are Affordable Housing Units.
2. To ensure that a minimum of 50% of the Affordable Housing Units in each Phase are to be Social Rental Units and a minimum of 50% of the Affordable Housing Units in each Phase are to be Intermediate Units unless otherwise agreed with the Council. Where an odd number of affordable housing units are to be provided, the odd unit is to be provided as social rent.
3. To provide xx% Affordable Housing Units within each Phase unless otherwise agreed with the Council the location type and mix to be agreed with the Council at the time of the date of the submission of the Reserved Matters Application in relation to that Phase.
4. Unless otherwise agreed with the Council not to Occupy or permit the Occupation of more than 30% of the Open Market Dwellings in a Phase until 50% of the Affordable Housing Units in that Phase have been constructed and offered for sale to a Registered Provider.
5. Unless otherwise agreed with the Council not to Occupy or permit the Occupation of more than 75% of the Open Market Dwellings in a Phase until 100% of the Affordable Housing Units in that Phase have been constructed and offered for sale to a Registered Provider.
6. Where transferred to a Registered Provider to ensure that each Affordable Housing Unit shall at all times be occupied and managed in accordance with the objectives of a Registered Provider.
7. In the event that a Registered Provider has not provided a reasonable offer to the Owner within 12 months of the date of the offer for sale by the Owner under paragraphs 4 or 5 above, and provided that the Council is satisfied that the owner has sufficiently marketed the Affordable Housing Units to Registered Providers to request offers for sale and has provided evidence to demonstrate this to the satisfaction of the Council then paragraphs 8, 9 and 11 shall apply.
8. The Owner will be able to dispose of any Affordable Housing Unit the subject of that offer on the open market for a price of no more than eighty per cent (80%) of the open market value provided the Affordable Housing Unit(s) is offered for sale to a Qualifying Resident at a price to be the average of two valuations provided by two independent estate agents.
9. If the Owner is unable to sell any Affordable Housing Unit(s) first having complied with paragraphs 8 above for not less than 3 months the Owner shall notify the Council in writing providing evidence of marketing of the Affordable Housing Units.
10. On the Council being satisfied of the marketing of the Affordable Housing Units in accordance with paragraph 9 above the Council shall notify the Owner in writing and the Owner shall be free to sell the Affordable Housing Units to any person in housing need at a price of more than 80% of the open market value and such value to be the average of two valuations provided by two independent estate agents.
11. The requirements of paragraphs 8 and 9 shall apply to each subsequent disposal of an Affordable Housing Unit and the Owner shall include a restriction on the Land Registry title to that effect.
12. The covenants contained in 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) of the whole or any part of the Affordable Housing Dwellings (hereinafter called “the Mortgaged Properties”) or any successors in title to such mortgagee or chargee or receiver PROVIDED THAT the following procedure shall have been followed in all respects:-

11.1 such 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) acting pursuant to any event of default shall first give written notice to the Council’s Assistant Director Enterprise and Growth of its intention to dispose of the Mortgaged Properties (“the Mortgagee’s Notice”); and

* 1. shall use its reasonable endeavours over a period of three months from the date of the Mortgagee’s Notice to complete a disposal of the Mortgaged Properties to a Registered Provider or to the Council for a consideration not less than the amount due and outstanding to the mortgagee or chargee under the terms of the mortgage or charge including all accrued principal monies, interest and costs and expenses incurred by the mortgagee or chargee in respect of the mortgage or charge;
  2. if the 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) has been unable within the said period of three months to dispose of the Mortgaged Properties in accordance with paragraph 10.2 then the mortgagee or chargee shall be entitled to dispose of the Mortgaged Properties free from all obligations, covenants and restrictions in the Third Schedule to this Deed which shall determine absolutely.
  3. The mortgagee or chargee shall provide an update on progress of any proposed disposals of the Affordable Housing Units to the Council upon any reasonable request to be made in writing to the Council’s Assistant Director Enterprise and Growth.

**PROVIDED ALWAYS THAT** at all times the rights and obligations in this Schedule shall not require the mortgagee or chargee in possession (or any receiver appointed thereby) to act contrary to their duties under the charge or mortgage and that the Council must give full consideration to protecting the interest of the mortgagee or chargee in possession (or any receiver appointed thereby) in respect of monies outstanding under the charge or mortgage.

12. The restrictions upon development and/or use of the Affordable Housing Units shall cease and not apply upon:

(a) the purchase of an Affordable Housing Unit pursuant to the exercise of any statutory right to buy or acquire; or

(b) the acquisition by an occupier of the whole of the interest in a shared ownership lease.