

A GUIDE TO DEVELOPING AFFORDABLE HOMES IN RURAL COMMUNITIES



English Rural Housing Association – Millbrook, Bough Beech, Chiddingstone, Sevenoaks

Foreword

[The Kent & Medway Housing Strategy 2025 – 2030](#) includes an ambition to provide affordability and choice in housing across Kent and Medway, including our rural communities, which meets residents' needs and aspirations. Housing affordability is a key issue in Kent and Medway. Although the area is broadly in line with the rest of the South East of England, it is substantially worse than the rest of England.

For information about house prices and income in your local area visit the following [Housing statistics - Kent County Council](#)

Over 80% of the land area of Kent and Medway is classed as rural. With around 1 in 3 of its residents living in a rural area, compared to 1 in 5 nationally, Kent has one of the largest rural populations of any county in England. Priced out households will often move from their local rural area to towns and cities where there is a larger private rented sector or greater availability of affordable housing.

Over the last 40 years, the number of affordable homes has shrunk. Many Council-owned homes have been sold under the statutory Right to Buy, introduced in 1980, and this right still exists with many affordable homes in rural areas being sold under this legislation. It was not until 2012 that a requirement was introduced for homes sold under the Right to Buy to be replaced on a one for one basis, but many such replacements have yet to be provided.

The delivery of new rural affordable housing for local people enables people to remain in their communities, providing security and affordability and allowing support networks to be maintained. It also helps to keep villages alive and thriving through having a mixed community and more residents using local services and amenities. Owing to high property prices, the primary tenure of affordable housing needed in our rural areas is [Social Housing](#).

Many barriers exist to getting new affordable homes built, particularly in rural areas, including availability of land, higher development costs in rural areas and local opposition. The aim of this Guide is to provide information and advice to those who are concerned about the lack of affordable housing in their rural communities and are keen to deliver new affordable homes for local people.

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New rural affordable rented homes at Bough Beech, Sevenoaks. Built on a rural exception site. Photo courtesy of English Rural Housing Association.

Factsheet 1

About this Guide

Introduction

This guide is formed of a series of factsheets about delivering new affordable housing for local people in rural communities. It sets out:

- how new homes can be delivered;
- the important role of landowners;
- guidance about how these homes can be funded;
- the parties who may be involved in the development of these homes; and
- how these homes are allocated and protected.

The focus of this guide is to provide clear, concise information for those who believe there is a need for new affordable homes for local people in their local community.

Local housing needs surveys undertaken by Kent's Rural Housing Enabler consistently show a need for an average of 10-13 homes in rural Parishes. New affordable housing is vitally important to help those who have been priced out of the open market to remain living in the communities where they have strong connections.

Predominantly rural areas contribute an estimated **£315 billion in Gross Value Added (GVA)** to England's economy, representing **16.2% of the national total**. These areas host **549,600 registered businesses**—23% of all businesses in England—and employ around 4 million people. This vibrant economic landscape extends far beyond agriculture, with thriving sectors in manufacturing, real estate, and professional services¹

The overall aim of this guide is to:

- Ensure the continued delivery of high-quality affordable housing in rural areas
- Support and enable Kent's rural economy through sustainable growth in rural areas
- Raise awareness and understanding amongst rural communities about how to develop new affordable housing for local people
- Share good practice and develop innovative ways to encourage delivery of new homes
- Support and encourage local authorities to have robust affordable housing policies for rural areas

"Small scale affordable rural housing developments help to rebalance communities, keeping families together whilst providing a boost for local services." **HRH The Princess Royal Patron of English Rural Housing Association**

¹ Reigniting Rural Futures: Rural communities' capacity to boost economic growth. Rural Housing Network. Pragmatix Advisory

Factsheet 2

What is 'Affordable Housing'?

The term affordable housing is widely used to refer to different types and tenures of housing that is available to people who cannot afford to rent or buy a suitable home on the open market. However, the term is also used in a wider context, to refer to entry level housing/smaller housing for outright sale, often to first time buyers. In this guide the definition set out by central Government in the [National Planning Policy Framework](#) 2024 (NPPF) is used and it is in this context that this Guide is written.

The NPPF defines affordable housing as:

housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) **Social Rent:** meets all the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

b) **Other affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

c) **Discounted market sales housing** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) **Other affordable routes to home ownership** are housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative

affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement.

Please see the [Glossary](#) for user-friendly descriptions of the various tenures of affordable housing, including Social Housing.



Rural affordable rented housing in Hernhill, Swale

Factsheet 3

How new rural affordable housing is provided

New affordable housing in rural areas is normally provided in three ways - built on sites allocated for housing development in the [Local Plan](#), on [windfall sites](#) or on [Rural Exception Sites](#).

Rural Exception Sites

Rural exception sites are often the only means of delivering new affordable housing for local people in rural communities. Parish Councils are a key partner and can instigate developments by commissioning/supporting local housing needs surveys and helping to find suitable land. The homes must only be occupied by people with strong local connections to the village in which they are built (see Factsheet 4 for more information).

The NPPF sets out that rural exception sites are:

“Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding.”

The NPPF also makes explicit provision for rural exception sites to be delivered in the Green Belt, as one of the Green Belt exceptions is the following:

“limited affordable housing for local community needs under policies set out in the development plan (including policies for rural exception sites)”

Local Authorities will usually have their own Rural Exception Site policies, contained within the Local Plan. Each Local Authority will deal with Rural Exception Sites slightly differently but some key requirements may be as follows:

- the housing needs of the local community have been identified, often an application is supported by an independent survey (e.g. carried out by the Rural Housing Enabler) which is less than 5-years old;
- the local housing need cannot be met by any other means, e.g. through the development of non-Green Belt sites;
- a thorough sites search has been carried out, where there is more than one site available a sequential test of sites may be undertaken by the local planning authority;

- the affordable homes will be held in perpetuity to meet the housing needs of the local community; and
- eligibility for the homes, including the [local connection](#) criteria, is set out within the S106.

On rural exception sites the land stays outside the development framework boundary, in the Green Belt and/or National Landscape even when the new homes are built. To protect the openness of these areas of land, development rights for extensions and outbuildings is often removed.

For site specific queries regarding delivery of affordable rural housing please contact the relevant Local Planning Authority.

Allocated Sites

Each local planning authority is required to have an adopted [Local Plan](#) for its area, which sets out where new homes may be built. Government policy states that sites of 5 or more homes (the minimum threshold) can be allocated in the Local Plan for residential development. The NPPF sets out that an element of new affordable housing can be sought on major development sites (defined as 10 homes or more or 0.5 hectares or more).

Local Plans will also set policies for the percentage of new homes to be provided as affordable housing on development sites. The percentage of affordable homes required will vary between local authorities but tends to range from 30% to 40% of the total number of homes on the development. The amount of affordable housing is then subdivided between the different affordable tenures. The new NPPF paragraph 157 sets out certain Golden Rules applying to “Grey Belt” sites (certain qualifying sites in the Green Belt), including a requirement to provide up to 50% affordable housing. As this Protocol is published, the policy applying to Grey Belt sites is in its infancy.

For those sites comprising 6-9 homes located in [Designated Rural Areas](#), the NPPF allows local planning authorities to seek a commuted sum payment for affordable housing in lieu of on-site provision. If adopted, this requirement will be set out in the Local Plan.

A legal agreement known as a Section 106 agreement ([S106](#)) is a mechanism under the Town and Country Planning Act 1990, which makes a development proposal acceptable in planning terms. The delivery of affordable housing is generally secured through a S106. The S106 will specify the number, type and tenure of affordable housing to be provided or the amount of commuted sum to be paid. The S106 is a formal document that is binding on the land in perpetuity. It does not matter if the land changes hands as the S106 is registered as a local land charge. Any potential buyer will request a “search” of the land and the requirements of the S106 will be flagged.

For allocated sites, the landowner will select their preferred delivery partner (e.g. [Registered Provider](#)) to deliver the new affordable housing (excluding any Discounted Market Sales housing). A number of local housing authorities have preferred Registered Provider partners

who have met certain eligibility criteria set by the local authority. Any Registered Provider selected by the landowner would be required to meet this criteria.

Unless a Neighbourhood Plan is being undertaken a Parish Council's opportunity to impact allocated sites is limited. However, with Parish Council support, local housing authorities can seek approval to implement a Local Lettings and Sales Plan which would give applicants with a local connection to the Parish priority in the allocation of some or all of the new affordable homes. Such plans can be in place for first lets/sales only or continue for subsequent lettings/sales.

Windfall Sites

A windfall site is a site which has not been identified or allocated within a local authority's Local Plan. Many rural settlements will have few, if any, sites allocated in their Local Plan as the available sites fall below the Government's minimum threshold of 5 or more homes. Smaller sites comprising 1 – 4 homes, may come forward as "windfall sites". Under the NPPF, they are not generally required to provide any affordable housing. However, the advice of the [local planning authority](#) should be sought as there may be scope for a financial contribution to be sought on these smaller sites.

Rarely, larger windfall sites of 10+ homes may come forward and these would be subject to Local Plan policy relating to affordable housing provision. A S106 would be required, and development of the site would follow the process set out above for allocated sites.

Factsheet 4

Who can help deliver new rural affordable homes?

Parish Council

The Parish Council represents the grass roots of local democracy and its [elected councillors](#) often have a long and intimate knowledge of the parish.

If an allocated/windfall site is required to deliver new affordable housing, the Parish Council is unlikely to have any say on the type of housing required, the number of affordable homes to be provided or the Registered Provider partner who will deliver the new homes. However, the Parish Council is a “statutory consultee” who considers all planning applications within their area and can make their comments/requests as part of this process, e.g. if they would like to see a [local lettings and sales plan](#) put in place.

A Parish Council may be concerned about the lack of affordable homes for local people in their community and can ask for a parish-wide [housing needs survey](#) to be carried out by the Rural Housing Enabler. This is the starting point if new homes are to be delivered through rural exceptions housing policy. The Parish Council has a critical role of engagement with the local community to ensure residents understand why a survey is being undertaken and to encourage participation in the survey.

If a local housing need is identified and rural exceptions housing is considered the best way of delivering the required new homes, the Parish Council may be aware of potential sites and can feed these into the local search for sites. The Parish Council will also select which Registered Provider partner they wish to work with to deliver the new affordable homes, although many local housing authorities will encourage the use of rural specialist [Private Registered Providers](#).

Some Parish Councils may decide to form a Community Land Trust (CLT) to deliver new affordable homes. The wider community can join and shape the CLT to enable the development of new affordable housing. See below for more details about Community Land Trusts.

Rural Housing Enabler

Kent’s Rural Housing Enabling Service is provided by [RACE](#) (Rural and Community Housing Enabling). RACE is an independent non-profit service hosted by the Kent Housing Group. It provides expertise and works directly with communities, largely through Parish Councils to deliver housing that matches local need. RACE also supports community-led housing groups to achieve their aims.

The Rural Housing Enabler (RHE) works in partnership with the local housing authority, Parish Council, local community and other stakeholders who have an interest in local needs housing. The RHE works with and on behalf of rural communities to try to address the shortage of

affordable homes within the Parish. The RHE can also consider other unmet housing needs, i.e. homes for older owner occupiers to downsize, specialist housing, etc. The work undertaken by the RHE involves identifying the local need for housing, usually through a housing needs survey commissioned by the Parish Council and/or local authority.

The RHE can also undertake a local sites search with the Parish Council to identify potential development sites for rural exceptions housing. They will make initial contact with local landowners whose sites have been put forward under the local sites search. They can also act as an independent body and engage with local residents when a development process is underway. The RHE can also assist with a call for sites.

In November 2016 and updated in 2024, the [National Network of Rural Housing Enablers](#) produced a [Housing Needs Survey Principles and Guidance Document](#). The aim of this document is to set a standard to which all housing needs surveys should adhere across the network. This document is used for all surveys undertaken across Kent.

Elected Councillors

[Elected Members](#) of the local council (District, Borough or Medway Unitary) represent defined areas known as “Wards”. They represent their local Ward constituents and will have a key role providing local leadership on housing, advocating the benefits of affordable housing and working with the Parish Council to engage with the wider local community.

Local Housing and Planning Authorities

Each local planning authority in Kent (District, Borough or Medway Unitary) is expected to have an adopted Local Plan in place to secure delivery of new housing including the provision of affordable and specialist housing. Many local housing authorities hold a list of preferred Private Registered Provider partners to deliver new affordable housing. For rural exceptions housing schemes, a rural specialist, such as English Rural Housing Association, may be promoted due to their expert knowledge and experience in this field.

Every local housing authority has an adopted housing allocations policy in place for the allocation of Social Housing in their area. However, it is the Registered Provider or local authority, as the owner of the homes, who actually allocate homes in compliance with the adopted policy. Where a Local Plan allows for rural exceptions housing, the housing allocations policy will reference any specific local connection criteria applying to the allocation of these homes.

Where the need for rural exceptions housing has been evidenced through a parish survey or other approved independent data, the local housing authority will work with the Parish Council, Elected Members, the RHE and the selected Registered Provider to ensure that a potential scheme is sympathetic to existing/surrounding settlements and fits with adopted housing strategy. The local planning authority can carry out a sequential test of sites that have been identified in the local search for sites. Through the Development Control function, they can provide pre planning advice on a potential site, including the suggested design and the quality of the proposed development. The local planning authority is responsible for determining all planning applications and securing a S106 that is required.

Neighbourhood Plans

Through the [Localism Act](#) 2011, Neighbourhood plans are a way for communities to influence the future of the places where they live and work. They are able to:

- identify where they want new homes, shops and offices to be built
- have their say on what those new buildings should look like and what infrastructure should be provided

Neighbourhood planning is optional, not compulsory. Neighbourhood Plans can identify the need for new affordable housing, assist with the instigation of parish needs surveys, identify deliverable Rural Exception Sites, and implement a policy commitment to the delivery of Rural Exception Sites to meet the identified local need.

Registered Providers

Private Registered Providers of Social Housing are commonly known as Housing Associations. They provide affordable housing to people for rent or sale at below open market levels. They include not-for-profit Registered Providers and occasionally for-profit Providers. All Private Registered Providers are registered with the government agency the Regulator of Social Housing and many are also investment partners of Homes England and are eligible to apply for grant funding.

Where local authorities have retained their housing stock (Council housing) they too are able to provide new affordable housing in their local areas. Council housing is referred to as [Local Authority Registered Providers](#) in this Guide.

The Private or Local Authority Registered Provider is responsible for allocating homes and will manage the housing scheme once built and occupied, dealing with all tenancy management issues and the upkeep of any communal land.

If an allocated/windfall site is required to deliver new affordable housing, the Registered Provider will work with the local planning authority to deliver the homes specified in the S106.

For rural exception sites, the Registered Provider may be selected by the Parish Council.

Other Providers

Some local authorities in Kent have set up independent local housing companies to deliver new affordable homes. In future, a [local housing company](#) could be selected to deliver new rural affordable housing. The local housing company would be bound by the terms of the S106 attached to the planning permission, in exactly the same way as a Registered Provider.

There are several major landowners in Kent who have acted as custodians of land for centuries and who have provided affordable housing on this land, e.g. tied cottages for farm workers. In other parts of the Country, major landowners are developing and managing new affordable homes, e.g. the Blenheim Estate in West Oxfordshire District Council. Subject to complying with the S106 and meeting any eligibility criteria for providers set out by the local housing authority,

a landowner could work with the Parish Council and other stakeholders to deliver new affordable housing.

Private developers may provide homes in rural areas in the form of [discounted market sales Housing](#). Provision would have to meet the tenure requirements set out in the S106.

Community Land Trusts

Community Land Trusts (CLTs) are democratic non-profit community organisations that own and develop land for the benefit of the community. They are run by volunteers and typically develop affordable homes, community gardens, workspaces, community facilities and other assets that help meet the needs of communities. Sometimes a Parish Council will decide to form a CLT to deliver rural exceptions housing, but it can also be set up by the community, a landowner or developer

CLTs can work alone or in partnership with a Registered Provider to develop and manage their homes. The Registered Provider funds the build, but the CLT retains the freehold of the land. The Registered Provider collects rents from the tenants and manages the properties.

Once developed, homes built through or with a CLT will remain affordable for the local community ‘in perpetuity’

The NPPF includes a definition of ‘community-led development’ and a ‘community-led exception site policy’ and requirements for councils to seek opportunities for small sites for community-led development and that local policies and decisions generally support rural community-led development that meets local needs.

Cohousing

Cohousing is a form of community-led development. Cohousing focuses on design to enable a way of living that truly connects neighbours, allowing them to live in their own self-contained homes but with shared outside spaces and facilities and ideally a common house for get-togethers and activities. There is no set formula but generally its aims include sharing, reducing consumption, living more sustainably and reducing loneliness and isolation. Residents have control, managing their own community by looking after maintenance etc.

Cohousing can be intergenerational, for older people or specific groups. Originating in Denmark in the 1960s, there are now several cohousing communities in the UK, providing a mix of tenures but most often outright ownership. In rural areas, they may be appropriate for older homeowners seeking to downsize/move to more suitable housing for their needs but stay living in or near their community.

Housing Co-operative

Housing Co-operatives are not-for-profit and democratic organisations run for and by their members. They can be large properties and developments where people live collectively or in

individual homes in close proximity. Residents can self-manage the homes in a democratic way; they have security and pay fairer costs. The co-operative approach works for both buying and renting.

The co-operative movement's values are deep-rooted. They are: self-help, self-responsibility, democracy, equality, equity and solidarity:

- Residents are in control
- Residents self-manage the homes in a democratic way
- Residents have security
- Residents pay fairer costs

The co-operative approach can be used in various ways:

- where residents own property/properties as a collective by paying into one mortgage
- where residents are both the tenants and landlords

No two co-operative housing schemes are the same. Part of what makes it successful is its ability to enable local people to develop housing in the way that is right for them.



Shepherdswell Community Land Trust (CLT). Kent's first CLT, developed in partnership with English Rural Housing Association in 2024 on a rural exception site. Pictures include three members of the CLT Board, new residents and HRH Princess Royal at the official opening event.

Factsheet 5

Rural Exceptions Housing – land and landowners

Sometimes, local interest in providing new affordable housing in rural communities for local people comes about when a landowner indicates they wish to make land available for this purpose. These sites are often outside the development framework boundary, in the Green Belt or have other planning constraints and so would not normally be permitted for development. However, they may be considered suitable for rural exceptions housing. The starting point for the development of rural exceptions housing is to understand the local housing need and this is done through a household survey of the Parish and other approved independent data. Although it is the Parish Council who generally instigates a survey, a landowner or any other individual may also commission a survey. In Kent & Medway, surveys are undertaken by [RACE](#).

If a survey identifies there is a need for new affordable housing for local people, the next step would be for a local site search to be carried out. The Parish Council and the Local Authority may have sites in their ownership or are aware of other sites that might be available. Sometimes it is not clear who owns a piece of land, in which case, the Rural Housing Enabler can assist with a Land Registry search. The Rural Housing Enabler will contact the owners of all suggested sites to find out if their land could be made available for sale or long lease to enable the delivery of new rural exceptions housing. The Rural Housing Enabler can also assist the Parish Council to undertake a site search by identifying areas of land that might be suitable for development.

The Registered Provider will carefully consider the available sites to assess which, in their expert opinion, are suitable for development. The Registered Provider will maintain regular communication with the Local Authority and ensure relevant Rural Exception Site Local Plan policy is being followed, including if a Sequential Test is required. The Parish Council and Registered Provider may host an information event for local residents to set out which sites are being considered. The Parish Council and Registered Provider partner will select their preferred site(s) for the development of new rural exceptions housing.

The Parish Council/Registered Provider are encouraged to have early conversations with landowners regarding potential Rural Exception Sites to ensure that landowner aspirations on land value align with Rural Exception Site values. Due to the exceptional nature of these sites in planning terms, land values will be much lower than on allocated/windfall sites. As a guide, the typical price a landowner can expect is £10,000 per affordable home. As per [Factsheet 7](#) it is very unlikely tenants or shared owners/lessees will be able to buy their homes outright. It is hoped these restrictions will reassure landowners that no one is ever going to “profit” from their land being provided at exception site values.

The NPPF contains a policy which allows a small element of [open market housing](#) on rural exception sites for cross subsidy purposes where it is necessary to make a scheme possible. Cross

subsidy can make a site for rural exceptions housing more viable for the Registered Provider as well as incentivising landowners to make their land available. [Custom or self-build](#) plots can also be delivered for cross subsidy purposes on rural exception sites.

It is very important landowners discuss expected land values with the Registered Provider at the outset so that the Registered Provider can assess scheme viability and hold preliminary discussions with the relevant planning authority.



This rural exception site is in good proximity to the rest of the village. It is next to the village hall, a 10-minute walk to the train station and a 5-minute walk to the village shop. It is connected to the national footpath network providing an easy walk to the village centre.

Factsheet 6

How are new affordable homes financed?

Allocated and larger windfall sites

Where a proportion of affordable housing is required under the S106 to be provided on site, the developer subsidises the cost of the new affordable homes. This is generally achieved through the provision of land at nil or minimal cost to the Registered Provider who then contributes their own resources (including private borrowing) to fund the build and other associated costs of development.

Funding from Homes England

On certain new developments, Registered Providers may be able to secure public grant funding from the central Government agency, Homes England, via the Affordable Homes Programme. This funding will subsidise development costs and ensure that when built, the homes are genuinely affordable. However, the Registered Provider will still be required to use their own resources to fund the majority of the cost of development.

Funding from the local authority

Some local authorities own land in the rural areas. If this land is no longer needed (“surplus to requirements”) it may be suitable for the development of new homes. The local authority may decide to sell the land to a Registered Provider at nil or minimal value, providing a subsidy to the overall costs of development.

Some local authorities have capital grants or S106 affordable housing commuted sum monies available, which can be allocated to fund some of the cost of development. Commuted sum monies are paid by Developers in lieu of on-site affordable housing and are intended for the provision of additional affordable housing.

The Registered Provider will still be required to use their own resources to fund the majority of the development costs.

Lower land values

Rural Exception Sites have lower land values by nature as they are not usually available for development. This makes them more viable for Registered Providers. See [Factsheet 5](#).

Cross subsidy

Where permitted under Local Plan policy on rural exceptions sites, cross subsidy from the provision of open market homes can secure the overall viability of the development for the Registered Provider. See [Factsheet 5](#).

Community led housing schemes

Community Land Trusts and other community led housing projects may have access to funding and loans. Initial guidance should be sought from the RHE.

Factsheet 7

Eligibility and allocation of new rural homes

Eligibility, allocation and protection of new affordable homes in rural areas will be dependent on the nature of the development site e.g. whether it is an allocated site/larger windfall site or rural exception site

One of the key benefits and principles of Rural Exception Sites is that they are protected in perpetuity and will always be allocated to people with strong local connections to the parish. This is different to affordable homes that come forward via Allocated/larger windfall sites which are usually be allocated to applicants on the housing register who have the highest housing need.

Rural Exceptions Sites

Eligibility and allocation of Rural Exception site housing

As set out in the S106, priority is always given to applicants with a local connection to the parish. Applicants for Social Housing need to be on the local authority's Housing Register. Different eligibility rules may apply to applicants wishing to join the Housing Register for rural exceptions housing only. If an applicant is only interested in rural exceptions housing, they must make this clear on their Kent Homechoice application. By doing so, this should avoid them being refused the right to join the housing register because they are otherwise considered to be adequately housed, e.g. someone living in private rented housing in the Parish which is considered adequate for their needs; someone living outside the Parish in housing which is considered adequate for their needs but they wish to return to the parish due to a close family connection; an applicant who is working in the parish in a job that is vital to the local community.

Those interested in any Shared Ownership homes should contact the Registered Provider to register their interest. For Discounted Market Sales housing, contact should be made with the housebuilder.

The specific local connection criteria for all forms of affordable housing is set out in the S106, but commonly used criteria include:

1. Resident of the parish
2. Length of residency in the parish
3. Employment within the parish
4. The need to live in the parish to give care or support to immediate family
5. Family connections in the parish
6. Provides a community service in the parish which requires residency within the parish.

Protection of Rural Exception homes in perpetuity

Homes are very likely to be protected from being sold on the open market, in perpetuity. This means homes can be protected to always meet local housing needs. It also means no one can “profit” from the landowner having made their land available at rural exception site values (see [Factsheet 5](#))

Social Housing

If developed by a Private Registered Provider, tenants will not have the statutory Right to Acquire because rural exceptions housing is only developed in those geographical locations where the statutory Right to Acquire does not arise. These measures ensure homes remain available to meet local housing needs in perpetuity.

If developed by a Local Authority Registered Provider, eligible tenants may have the statutory Right to Buy. The Housing Act 1985 does provide some ‘rural safeguards’, limiting re-sales with either the local housing authority having first right of refusal to buy back the home or a requirement that the home is sold on to someone else with a local connection. However, it is highly unlikely new homes on a rural exceptions site will be developed by a Local Authority Registered Provider as homes cannot be protected in perpetuity.

Affordable homes for sale

Shared ownership homes for people with a local connection, will be subject to either a maximum share purchase (stair casing) cap of 80% ownership or, where 100% staircasing is permitted, the Registered Provider will have first refusal to buy back the home so that it can be allocated to another applicant who meets the local connection criteria.

Homes for Discounted Market Sales Housing will be sold and continue to be occupied according to the local connection criteria set out in the S106 unless specific circumstances apply, see the Glossary for more information.

These measures ensure homes for sale remain available to meet local housing needs in perpetuity unless a mortgage lender has to foreclose. The provisions applying to foreclosure (“mortgagee in possession”) are set out in the S106. These provisions are required by mortgage lenders and are non-negotiable.

Allocated/ larger windfall sites

The S106 legal agreement will require new affordable homes to be subject to a nominations agreement whereby the local housing authority will generally have up to 100% nomination rights at first letting and up to 75% nomination rights thereafter.

Eligibility and allocation of homes

All applicants for Social Housing need to be included on the local housing authority’s [Housing Register](#). Normally this means an applicant can demonstrate some form of housing need as set out in the local authority’s housing allocation policy and have a limited income.

For affordable homes for sale, the Government has set national eligibility criteria for [Shared Ownership housing](#) and some forms of [Discounted Market Sales housing](#). Local housing authorities may have also set local eligibility criteria for these tenures.

Social Housing

When homes become available for letting, they are normally advertised on [Kent Homechoice](#). This will show where the home is located, its size, the amount of rent payable and any other features. A Local Lettings & Sales Plan can give preference to applicants from the housing register who have a local connection to the parish. If a Local Lettings and Sales Plan applies, the advertisement on [Kent Homechoice](#) will give details of the local connection criteria that will be applied.

Homes will be allocated to applicants who meet the parish connection criteria set out in the Local Lettings and Sales Plan who are in the highest need, as set out in the local housing authority's allocation policy.

The Registered Provider will take great care when advertising and allocating these homes to ensure the criteria is met by the successful applicant.

Affordable homes for sale

All shared ownership homes will be advertised by the Registered Provider. Homes may also be advertised on the national [Share to Buy](#) website and promoted locally by the Parish Council. Government policy requires priority is given to applicants who are military personnel. For a limited period of time, a Local Lettings & Sales Plan can give priority to applicants who have a local connection to the parish.

All Discounted Market Sales housing will be advertised by the house builder at first sale and by the homeowner (via an Estate Agent) for subsequent sales. Local authority-wide local connection criteria applies at first and subsequent sales.

Affordable homes that come forward via Allocated Sites are vulnerable to be lost to the open market via the statutory Right to Acquire/ Right to Buy and the staircasing Shared Ownership homes to 100% ownership. This is not the case for Rural Exception Sites where affordable homes are protected in perpetuity and this is a key benefit and motivator for communities to deliver Rural Exception sites.

Factsheet 8

What can you do?

Local communities can take responsibility for instigating the delivery of new affordable housing in rural areas. They appreciate how a lack of affordable housing options can restrict family networks and stifle local economic enterprise. In the first instance, local communities may look to good practice examples of how other community groups have worked together to deliver new rural affordable housing. Examples of these can be found on the useful contacts /links factsheet and through the Rural Housing Enabler. Local communities can form Community Land Trusts to secure and deliver new affordable housing. See [Factsheet 4](#).

Individual residents may be concerned about the lack of affordable homes. They may have personal experience of family members who cannot afford to live locally or they may themselves be an older resident who is keen to downsize and stay in the village but is unable to do so due to lack of suitable housing. They can contact the Rural Housing Enabler to ask for advice and support. Alternatively, residents can contact their Parish Council or form their own local community group to look into options for meeting the identified local housing need.

If a parish needs survey is undertaken to establish the local housing need, it is important for all residents to take part and encourage others to do so. The level of response can greatly impact the likelihood of new affordable homes being developed. The role of the Parish Council in encouraging participation is key.

When a Rural Exceptions Site scheme is worked up by the selected Registered Provider, some local residents may have concerns, e.g. the location of the scheme, the number of affordable homes, the scheme design, etc. Local residents are encouraged to discuss these concerns with the Parish Council and Registered Provider, as there may be ways to resolve these concerns. Once a scheme is submitted as a planning application, local residents can provide comments to the Local Planning Authority. Site notices and the local authority's website planning portal will give details on how comments can be submitted.

Amongst the Elected Councillors of the District/Borough Council, there may be a lead Councillor for housing ([housing portfolio holder](#)), who will be responsible for housing matters and who can champion the delivery of rural affordable housing. Please contact the Democratic Services Team at your local authority for contact details.

Parish Councils can also shape the delivery of new affordable housing in their area by adopting a Neighbourhood Plan, see [Factsheet 4](#).

Factsheet 9

Frequently Asked Questions

Q. How is affordable housing need assessed?

A survey of all local households will be undertaken to identify the number, size and tenure of homes that are needed in a rural community (normally a Parish) for those people who cannot afford to rent or buy on the open market. The survey may be supplemented by other approved independent data.

To ensure an independent and impartial assessment of housing needs, the survey is normally carried out by the Rural Housing Enabler. The survey is generally commissioned by the Parish Council, but others can also commission and pay for a survey themselves, e.g. community groups and landowners. Housing need is also assessed through supplementary data, eg information from the local authority's housing register, the Registered Provider/Parish Council maintaining a local registration of interest in new affordable homes.

Q. How are the new homes allocated?

See [Factsheet 7](#).

All Social Housing is generally advertised on Kent Homechoice. This is a choice based lettings system whereby people registered on their local authority's housing register can bid for (express an interest in) a home. The local housing authority will shortlist applicants and the Registered Provider will allocate the homes.

Shared Ownership homes are advertised by the Registered Provider who is building the new homes. The Registered Provider will allocate the homes.

On rural exceptions sites, applications may also be verified by the Parish Council (in anonymised form) to confirm a local connection to the parish. Under no circumstances are personal details of individual applicants divulged to the Parish Council.

The final decision on who is allocated a home rests with the Registered Provider.

Q. Should I join the Housing Register?

It is recommended that if a person/household considers themselves to be in housing need they should apply to join their local authority housing register. This is usually in the District or Borough where they currently live or have a local connection to. Applications to join the appropriate housing register are made on line via [Kent Homechoice](#) Their website provides guidance on how to complete the form and what information to provide to support an application.

The applicant should make very clear on their application form if they are only interested in rural exceptions housing.

Social Housing will only be allocated to applicants from the housing register.

Q. What does local connection mean?

Each local housing authority maintains a housing register of applicants who are in housing need. An applicant's eligibility to join the housing register is set out in the local authority's Housing Allocations Policy. The Policy will set out eligibility criteria relating to local connection to the District/Borough in question.

For rural exceptions housing the S106 will set out specific parish-level local connection criteria. For example, length of residency in the Parish, employment in the Parish, family connection to the Parish.

Q. How can we find out if affordable homes are needed in the parish and where they could be built?

The first step is to find out what number, tenure and size of homes are needed by local people. The Rural Housing Enabler can undertake a local housing needs survey and seeking supplementary needs data from the local housing authority.

Q. Who is responsible for looking after the homes?

For Social Housing, the landlord (e.g. the Registered Provider) will be responsible for repairs and maintenance, however this does not absolve a tenant from taking responsibility for the upkeep of their home.

Repairs and maintenance for Shared Ownership and Discounted Market Sales housing will generally be the responsibility of the homeowner. If there are shared/communal spaces, these are the responsibility of the landlord and the homeowner contributes to the cost of these through an estate charge or service charge.

Q. What happens if there are not enough truly local people eligible to occupy all the homes built?

The purpose of a housing needs survey (together with any supplementary information) is to understand and determine the local need for affordable housing. It is often the case that fewer homes are built than are identified through the survey.

For a rural exception site, there will be a 'cascade' whereby priority is given to people with a local connection to the parish where the homes are built. In the very unlikely event some homes remain unallocated, people with a local connection to neighbouring parishes specified in the S106 will be considered

Q. Can people end up buying these homes?

Please see [Factsheet 4](#) – “Protection of new rural homes in perpetuity”.

Rented homes developed by Private Registered Providers cannot be purchased on rural exceptions sites.

Discounted Market Sales housing will be sold to eligible buyers at the prescribed discount unless specific circumstances apply, see glossary for more information.

Q. Are these houses ‘council houses’?

Some local housing authorities are building homes again so new council housing is being built. In this Guide these local housing authorities are referred to as Local Authority Registered Providers.

Q. How long do the schemes take to build?

With a S106 site, the affordable housing will be built as part of the overall development once planning permission is granted. Generally, permissions must be implemented within 3 years, otherwise the permission lapses.

If bringing forward a rural exception site, the time taken can vary depending on a number of factors. Schemes can be developed in 2 – 5 years on average but can take much longer. Often finding and securing a suitable site can take the longest period of time.

Q. Who decides what the new housing will look like?

The scheme will be designed by the house builder and/or the Registered Provider. For a rural exceptions site, the Parish Council and Registered Provider may hold a community event prior to submitting a planning application to give local people the opportunity to comment on the design. Neighbouring properties to the site, as well as the Parish Council, will be consulted as part of the formal planning process once the planning application is submitted.

The final design will be decided as part of the planning application process.

Factsheet 10

Glossary

Affordable Housing	Housing which is either for sale or for rent, or a combination of both, and provided at less than open market values, to specified Eligible Persons whose needs are not met by the open market.
Affordable Rent	Housing let by Registered Providers on an Assured Tenancy to Eligible Persons, at rents of up to 80 per cent of open market rents (inclusive of service charges). Many local housing authorities have agreed with their Registered Provider partners to cap rents at lower levels, to ensure they are affordable to those in receipt of Housing Benefit/Universal Credit.
Area of Outstanding Natural Beauty/Natural Landscapes	An area of countryside in England, Wales or Northern Ireland which has been designated for conservation due to its significant landscape value.
Community Right to Build	Enables communities to take forward local development without applying for planning permission if there is overwhelming community support and minimum criteria are met.
Commuted Sum	Money paid to the Local Planning Authority by a developer under a S106 in lieu of the provision of on-site affordable housing
Custom and Self Build Housing	Custom and self-build housing is where an individual, or an association or collection of individuals are seeking a serviced plot of land to build their own home(s)
Designated Protected Area (DPA)	Established under the Leasehold Reform Act 1967 and enacted by Order 2008 in 2009. If a shared ownership home is located within a DPA, the maximum share that can be purchased is either limited to 80% and the Registered Provider retains the remaining 20% share. Alternatively, a shared ownership lessee can purchase 100% of the home but the Registered Provider has first refusal to buy back the home at point of sale. This means the Registered Provider can influence and manage the future occupancy of the home ensuring, on rural exceptions sites, it is retained as affordable housing in perpetuity. DPA status can adversely impact the availability of mortgage lending on these homes. A local housing authority can agree to release homes from their DPA status if requested by the Registered Provider. Homes located on a rural exceptions site would not be agreed for release from the DPA
Designated Rural Area (DRA)	Areas prescribed under the Housing Act 1985 section 157, including Natural Landscapes, where the resale of homes purchased under the statutory right to buy is restricted. If a site is located in a DRA, Local Plan policy can require payment of a commuted sum for planning applications comprising 6 – 9 homes
Discounted Market Sales Housing	Homes sold to eligible persons at discount of at least 20% of the open market value. Whenever the home is resold as DMSH, the discount will continue to apply in perpetuity. The discount is set out in the S106 and is secured by a Local Land Charge. Providers including housebuilders can provide this tenure as set out in a S106. First

	Homes fall within this tenure. The S106 will set out a cascade should a home be sold on the open market, requiring the homeowner to pay an amount equivalent to the % discount as a commuted sum to the local planning authority.
Elected Member	A member of the community elected at local authority level (District/Borough/Unitary) to represent the views of local people.
Eligible Persons	Those in need of affordable housing. For Social Housing this means those accepted onto the local authority housing register. For Shared Ownership housing, see the Government guidance . For Discounted Market Sales housing, please refer to the site specific S106 for the eligibility criteria.
Homes England	The non-departmental public body that funds new affordable housing in England and sponsored by the Ministry for Housing, Communities and Local Government. Registered Providers who are Investment Partners of Homes England are eligible to apply for grant funding to aid the delivery of new affordable homes
Housing Associations	See Private Registered Providers.
Housing Need Assessments	Studies carried out by local housing authorities to assess future local housing requirements, in particular in relation to affordable housing, and to inform their Local Plan.
Housing Needs Survey	A survey sent to all households in a specified area, normally a Parish, in order to identify and assess the housing needs of people with a local connection to that specific area.
Housing Portfolio Holder	The Portfolio Holder for Housing is an elected member of the local authority with responsibility for the development and delivery of the Council's housing services, including the provision of affordable homes.
Kent Homechoice	The choice-based lettings service for Social Housing owned by Registered Providers in Kent.
Kent Housing Group (KHG)	A Kent-wide forum which serves to represent the collective voice of Kent's housing bodies including all local housing authorities, Private Registered Providers and Kent County Council.
Local Authority	A local authority is an organisation that is officially responsible for all the public services and facilities in a particular area.
Local Authority Registered Providers	Local authority Registered Providers, i.e. those local housing authorities who have retained their council housing stock.
Local Connection	A prescribed connection to a local authority area as set out in the local housing authority's Housing Allocations Policy. For rural exceptions housing, local connection refers to a connection to a specific Parish as set out in the S106.
Local Housing Authorities	Authorities with a statutory housing duty. In Kent, this is the District and Borough Councils and Medway Unitary Authority.
Local Housing Companies	An independent, standalone housing organisation, wholly owned by the Local Authority.
Local Lettings and Sales Plans	Plans for the allocation of homes on a specific site. Often used for new developments to ensure that a sustainable community is achieved
Local Needs Affordable Housing	Another term for affordable housing provided on Rural Exceptions Sites
Local Plan	A plan adopted by the Local Planning Authority, that sets out the strategic and detailed policies for all development within the

	authority's jurisdiction, including rural exceptions housing. It guides most of the day-to-day planning choices and decisions.
Local Planning Authorities	Authorities with statutory duty for planning within their area.
Localism Act 2011	Legislation which devolves greater powers to local councils and neighbourhoods
National Network of Rural Housing Enablers	The National Network of Rural Housing Enablers is a voluntary membership group comprised of rural housing professionals in England, specifically Rural Housing Enablers and other professionals directly involved in working with rural communities to identify local housing needs and enable development of affordable house to meet local needs.
National Planning Policy Framework	National framework for the planning system in England, which has consolidated all previous national planning policies. Last updated in December 2024.
Neighbourhood Plans	General planning policies for the development and use of land in a neighbourhood produced by local communities and/or parish councils.
Open Market Housing	Homes that can be purchased on the open market at full market price.
Private Registered Providers	Non-local authority Registered Providers. Often referred to as housing associations.
Providers	Organizations that provide affordable housing, including homes for rent and low-cost home ownership options who are not Registered Provider, eg landowners, local housing companies, housebuilders
Registered Providers	Organisations who are registered with the Government agency – the Regulator of Social Housing
Right to Acquire	Introduced by Act of Parliament in 1996, a statutory scheme that enables certain eligible tenants of Private Registered Providers whose homes have been built or acquired since March 1997, to purchase their current home with a discount of up to £16,000. Under the Act (and set out in various Orders) certain geographical locations (DPAs) are exempt so that the Right to Acquire does not arise.
Right to Buy	Introduced by Act of Parliament in 1980, a statutory scheme that enables most council tenants to buy their council home at a discount.
Rural Exceptions Site	A development of affordable housing provided in response to an independently assessed evidenced need. The homes are provided for local people in perpetuity in locations where planning constraints (eg Green Belt) mean development would not normally be permitted. Also known as Local Needs Housing.
S106	A legally binding agreement or “planning obligation” between a local planning authority and a landowner. The purpose of a S106 is to mitigate the impact of the development on the local community and infrastructure. The agreement will set out the terms binding on the landowner and their successors in title to provide, facilitate or fund the provision of infrastructure, services or other measures that may be needed for the development to be acceptable in planning terms, including the provision of Affordable Housing
Social Housing	A term for Affordable Housing provided for Affordable Rent and Social Rent.ie where rents are between 50% and 80% of open market rent
Social Rent	The most affordable form of Affordable Housing. It comprises homes which are available to rent from a Registered Provider on an Assured

	Tenancy at a cost to the tenant of no more than the Regulator of Social Housing's target rent as determined by the National Rent Regime and which is let to Eligible Persons
Windfall Site	The National Planning Policy Framework (NPPF) defines windfall sites as: 'Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously developed sites that have unexpectedly become available.'

This protocol was reviewed in July 2025.

Factsheet 11

Useful Contacts/Link

[RACE – Rural and Community Housing Enabling Service](#)

[Rural Housing Alliance](#)

[ACRE – Action with Communities in Rural England](#)

[Community Land Trust Network](#)

[UK Cohousing Network](#)

[CDS Co-operatives](#)

[Affordable Rural Housing: A Practical Guide for Parish Councils](#)

[Local Needs Housing Video – English Rural Registered Provider](#)

[Kent Housing Group](#)

[Kent Homechoice](#)

[Homes England](#)

[Ashford Borough Council](#)

[Canterbury City Council](#)

[Dartford Borough Council](#)

[Dover District Council](#)

[Folkestone and Hythe District Council](#)

[Gravesham Borough Council](#)

[Maidstone Borough Council](#)

[Sevenoaks District Council](#)

[Swale Borough Council](#)

[Thanet District Council](#)

[Tonbridge and Malling Borough Council](#)

[Tunbridge Wells Borough Council](#)

[Medway Council](#)

Appendix 1. Process Map

