



South  
Cambridgeshire  
District Council

# Rural Exception Site Leaflet

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# Rural Exception Site Leaflet

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# Rural Exception Site Leaflet

## What is an exception site?

A rural exception site is a special type of land used to build affordable homes for local people, that lies outside of the development framework boundary. This land can be developed only when there is a clear need for affordable housing, and a legal agreement ensures these homes remain affordable and available to locals who need them.

Planning permission for building homes on these sites is granted only if there is a proven need for affordable housing in the local area, a legal agreement (a s106 agreement) to keep the homes affordable in perpetuity and homes are allocated to people who have a strong local connection to the village, for example:

- The applicant has been in paid employment in the village for the last 12 months for 16 hours or more per week
- The applicant has lived in the village for at least 5 years out of the last 8 years
- The applicant has family members who are living in the village and have lived there for a period of 5 years or more
- The applicant has special circumstances such as, a significant role as a carer for a resident of the village in question.



Figure 1: Map showing a development framework boundary

## Why an exception site?

With the huge disparity between property prices and income many young families have had to move away from the area as they are unable to afford to stay within their community. An exception site can provide homes for local people to be able to live near their families or work.

As land on rural exception sites is cheaper since it's outside the usual development zones and therefore not eligible for development by another form of planning application. This lower cost makes it possible to build more affordable homes for the local community, rather than focus on making profit for a developer.

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## Affordability in South Cambridgeshire

The affordability ratio indicates the number of times the median income must be multiplied to equal the median house price. A higher ratio means that housing is less affordable for the average person, as they need more years of their income to buy a house.

The affordability ratios for South Cambridgeshire show that housing is much less affordable than the ideal ratio of 3.5 times the average income. This high cost of housing relative to income presents significant challenges for residents, impacting their ability to purchase homes and maintain financial stability.

The table shows the affordability ratios for different local authorities in terms of how many times the average local income is needed to buy a median-priced house. The ratios are given for four different points in 2023.

Table 1: Median house price to income ratio (Rounded)

Local Authority	March 23	June 23	Sept 23	Dec 23
Cambridge	9.8	9.8	9.2	9.3
South Cambridgeshire	8.9	8.9	8.3	8.3
East Cambridgeshire	7.7	7.8	7.5	7.6
Peterborough	7.0	7.0	6.5	6.4

This data shows that the average resident trying to buy a property may experience:

- High housing costs: Residents of South Cambridgeshire need to spend 8.3 to 8.9 times their annual income to buy a median-priced house, which is more than double the recommended affordability ratio
- Financial Strain: Homebuyers may need to take on larger mortgages relative to their income.
- Barrier to homeownership: Difficulty buying a home or acquiring a mortgage, potentially excluding lower and middle income households from the private market.
- Housing market challenges: High ratios can contribute to less disposable income leading to instability and less risk taking from residents, which can have an impact on the local economy and community.

## Types of affordable housing

### Social Rented

Social rented housing is owned by local authorities and Registered Providers, for which guideline target rents are determined through the national rent regime. The rent is calculated using a set formula that takes into account the value of the property, the average earnings in the area and the number of bedrooms. Social Rented properties are the most affordable tenure type, typically around 60% of an open market rent. Housing Benefit is available to qualifying households where they are unable to pay their Social Rent.

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## Affordable Rented

Affordable Rented housing is let by local authorities or Registered Providers to households who are eligible for Social Rented housing. The majority of tenancies are offered as fixed term tenancies or assured tenancies for no less than five years.

In South Cambridgeshire District Council (SCDC) Annex 11 of the Affordable Rents Policy states that the rent for Affordable Rented housing (inclusive of eligible property related service charges) should not exceed 70% of gross median market rent in SCDC for that size of property, location type and service provision, or the current Local Housing Allowance rate, whichever is the lower.

## Intermediate Rent

An Intermediate Rent is aimed at people who have difficulty affording market rents on the open market and for those who lack a mortgage deposit and therefore cannot buy a home just yet. Intermediate Rents are generally set around 80% of the market rate and are normally offered on an Assured Short-hold Tenancy with an initial commitment of six months.

## Shared Ownership

Shared ownership is a scheme that enables households to buy a share in a property (*usually between 10% and 75% of the home's full market value*). A subsidized rent is payable on the remaining share held by the Registered Provider, with the ability to purchase additional shares. The combined monthly cost of mortgage and rent will normally be less than if purchasing a property outright.

## Rent to Buy

A Registered Provider may offer some homes for rent for around 20% less than the market rent values (similar to an Intermediate Rent). The tenant(s) will have the option to purchase shares in the property in the future using the shared ownership model. This is aimed at those who do not have a deposit to put down on a property but would like to buy their own home in the future.

## First Homes

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for a type of intermediate . The homes must be given a discount of at least 30% on a property costing no more than £250,000.

To be eligible the applicant must be a first time buyer and meet the First Homes eligibility criteria.

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## Rural Exception Site Process

### **1. Affordable Housing**

Discussion on the affordable housing needs of the village, looking at the South Cambridgeshire Housing Register and sites recently built in the village.

### **2. Housing Needs Survey (HNS)**

A HNS is distributed to every household in the Parish by Cambridgeshire Acre, this HNS is commissioned by the Council or a Registered Provider. Findings are reported back to the Parish.

### **3. Site Identification**

If no site has been identified, Cambridgeshire Acre may organize a walk-about the village with the Local Parish Council to look for sites.

### **4. Finding a Registered Provider**

If a Registered Provider (RP) has helped with the HNS they will be the RP on the site with the developer, or one will be sought.

### **5. Scheme Design and Planning Application**

Pre-app with a member of the Housing Strategy Team and planning officer to make sure the housing will reflect the findings of the HNS.

### **6. Planning Approval and Start on Site**

Key milestones agreed for providing affordable housing and the RP is responsible for updating the Strategic Housing team on their progress.



**For more information on affordable  
housing please email  
[Strategic.housing@scambs.gov.uk](mailto:Strategic.housing@scambs.gov.uk)**