Department for Housing and Regeneration Adran Tai ac Adfywio



Mr Marcus Goldsworthy
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Eich cyf: Your ref P/DC/SR2/2013/01207/FUL

Ein cyf: Our ref

Dyddiad: Date 5 February 2014

Dear Marcus

Thank you for your letter of 28 January, about rural enterprise dwellings and their value and affordability when subject to occupancy restrictions. You also refer to an earlier correspondence addressed to Mr Spear of my Division about this matter, to which you are awaiting a response.

In relation to the letter you sent to Mr Spear we have been unable to locate any record of it in our systems. Please can you send a copy of that correspondence to us and we will address any outstanding points that are not covered in our response to your current letter.

National planning policy and advice does not define a specific percentage by which rural enterprise dwellings subject to an occupancy agreement should be valued below market price, neither does it define such a figure for affordable housing purposes. However, Technical Advice Note 2 Affordable Housing does explain how local authorities should go about determining housing affordability. Also, in section 8.28 of our Rural Enterprise Dwelling Practice Guide it states that 'traditionally agricultural dwellings have been marketed at prices generally between 70% and 75% of the open market value', and 'The valuation of properties will require professional advice and, in the case of affordability criteria, assistance from the local authority'. The percentages mentioned in the Practice Guide are not intended to be representative of all circumstances; they are typical values for Wales as a whole. It is for local planning authorities to determine an open market value for rural enterprise dwellings in their areas based on their knowledge of their local housing market. There will be instances where the value will be considerably lower than the 'typical' figure and occasions when it is higher; it is for local authorities to justify their position. The figures referred to by Mr Spear, of 75% to 80%, were intended to be viewed in this context.

I hope this helps clarify our position on the matter.



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Yours sincerely

Roseway & Thomas

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Prif Gynlluniwr/Dirprwy Gyfarwyddwr Adran Tai ac Adfywlo