

TEIGNBRIDGE DISTRICT COUNCIL

**EXECUTIVE MEMBER(S) DECISION**

LEADER: Cllr Alan Connett

EXECUTIVE MEMBER(S): Cllr Martin Wrigley

**PART A – FOR OFFICER COMPLETION**

**SUBJECT:** St Mary Magdalane Close,  
Cockhaven Road, Bishopsteignton  
Designated Protected Areas

**DATE:** 12<sup>th</sup> May 2021

**REQUEST OF:** Housing Needs and Development Manager

**REQUEST TO:** Councillor Martin Wrigley,  
Executive Member for Communities and IT.

**PART I**

**PROGRESS BOX**

Stage number	Stage description	Progress - requesting officer to mark with <b>completed</b> or <b>current</b> if “live” stage	Date
1	First draft	Completed	16 <sup>th</sup> March 21
2	BL/BM consultation	Completed	16 <sup>th</sup> March 21
3	Discussion with EM	Completed	27 <sup>th</sup> April 21
4	Initial local members / Chair(S) O&S comments	Completed	4 <sup>th</sup> May 21
5	MO/151 consulted	Completed	11 <sup>th</sup> May 21
6	Check – any objections from stages 4 & 5	Document amended	11 <sup>th</sup> May 21
7	EM approved for consultation?	Yes	11 <sup>th</sup> May 21
		Democratic Services to complete subsequent stages	
8	All Councillors consulted		12.05.21
9	Call in completed		18.05.21
10	Originating Officer advised		18.05.21
11	Filed and placed on web		18.05.21
12	Signed copy filed		

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### 1. PROPOSED DECISION

The consent of Councillor Martin Wrigley as the relevant Executive Member is sought to allow the Housing Needs and Development Manager to apply to Homes England for the Designated Protected Area status to be lifted for the affordable homes at St Mary Magdalane Close, Cockhaven Road, Bishopsteignton. This would affect two shared ownership properties only in the current shared ownership of Live West Housing Association, one of Teignbridge District Council Preferred Partnership Registered Providers

I do not consider this a key decision. The Ward Members will also be consulted.

### 2. BACKGROUND

The background to this matter is contained with a report to the Executive on 31<sup>st</sup> October 2019. In summary Designated Protected Area status (DPA) caps the level of ownership that a shared owner can purchase from the Registered Provider to 80% to prevent the risk of the loss of the affordable home to the open market. The Executive agreed to the lifting of this restriction in urban areas such as Newton Abbot, Teignmouth, Dawlish and South West Exeter but agreed that justification would be needed to concede to the restriction being lifted in rural areas.

However Members acknowledged that “Restrictions on staircasing limits the availability of mortgages for most applicants, and some potential buyers will find it harder to secure a mortgage or at less favorable interest rates”

**This request is made regarding two shared ownership dwellings built in 2010. One resident purchased a 40% share in 2010 and later staircased to 60%. They now wish to move and sell the property. They marketed with the Help to Buy agency in October 2019 and also with an Estate Agent in July 2020. The property is valued at £265,000 with the 60% share being £159,000.**

**Due to the staircasing restriction there are no interested purchasers as they perceive the property will be difficult to sell in the future. The restriction means lenders require prospective purchasers to provide a 15% deposit, this reduces to 5% without the restriction.**

**2 purchasers are interested if the restriction is lifted.**

### 3. MAIN IMPLICATIONS

The implications that Members need to be aware of are as follows. The lifting of the restriction opens up the two dwellings to the risk of being purchased outright and lost as affordable housing. However 100% staircasing is extremely rare. Previous surveys put the level at approx. 2%.

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Retaining the restriction leaves the shared owner in a situation where they are currently unable to sell.

Officers are reluctant to lift the DPA restriction but it is felt that 18 months of marketing demonstrates the dilemma. Live West do not feel that the property is overvalued and the DPA status is the reason for the inability to sell.

#### 4. GROUPS / INDIVIDUALS CONSULTED

Ward Members.

#### 5. TIME-SCALE

As soon as possible

#### 6. JUSTIFICATION

Retaining the restriction leaves the shared owner with an inability to sell in the current market. This decision is therefore justified on the basis of assisting the current shared owner in the knowledge that should the prospective purchaser, at a later point in time “staircase” to 100% and thus outright sale the proceeds received by the Housing Association would be reinvested in the provision of alternative affordable housing within Teignbridge.

**Officer**            **Graham Davey**  
**Designation**    **Housing Needs and Enabling Manager**

<b>Wards affected</b>	Bishopsteignton
<b>Contact for more information</b>	Graham Davey Housing Enabling and Development Manager 01626 215412 Graham.davey@teignbridge.gov.uk
<b>Background Papers (For Part I reports only)</b>	Executive Report 31 <sup>st</sup> October 2019
<b>Key Decision</b>	No
<b>In Forward Plan</b>	No
<b>In O&amp;S Work Programme</b>	No

### PART B (TO BE COMPLETED BY DEMOCRATIC SERVICES)

Decision No.....

Date of Implementation ..... Subject to call in

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**PART C FOR MEMBER COMPLETION**

DECISION: I confirm the decision as set out in paragraph 1 above

REASONS FOR DECISION: I agree with the justification set out in paragraph 6 above.

I have no conflict of interest in making this decision having considered the provisions of the Teignbridge Code of Conduct.

Signed..... Dated: .....

**Cllr ..**  
**(EXECUTIVE MEMBER for ..)**