

The Affordability of Community-Led Homes



Case Study: The Stretham Model

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Securing land at low costs, and/or capturing the uplift in value when land is permissioned, can be a potent method for reducing development costs. These reduced costs can then be translated into lower rents and prices to make homes genuinely affordable on local incomes. Such an approach has been developed by Stretham and Wilburton CLT, who operate in an area of high housing costs and where there is significant pressure on housing supply as a result of Cambridge's booming labour market and wider demographic changes. House prices were 10.58 times local incomes in this area in 2022, putting it in the second highest decile of price-to-incomes in England and Wales. Recent studies suggest that an estimated 215 affordable rented homes are required in this area each year.¹

In the face of these acute local problems, the "Stretham Model" has been developed to capture the value of land permissioned for housing in order to create affordable homes. This has been made possible by the creation of a CLT, alongside a local authority receptive to the use of rural exception sites

to create affordable housing, and through the use of a local supplementary planning document (SPD). This SPD provides general planning support where community-led schemes are outside of development envelopes, but where certain conditions are met (such as ensuring the scale of housing meets local needs, and where it does not harm the character or setting of the area).

In practice, this entails the CLT identifying land for housing, often in agricultural use, and then working with landowners to explore the potential for development. The landowner is presented with the option of selling their land at significantly more than its agricultural value (approximately ten times more), but at less than the value if it was permissioned without the exception site conditions (approximately 70-100 times agricultural value). This is appealing to many landowners as 1) it can release land and receipts much quicker than other planning processes, 2) it often relates to a small part of their holding and therefore has a limited effect on their other activities, and 3) working with



Source (above and right): Stretham and Wilburton CLT

¹ GL Hearn (2021) Housing Needs of Specific Groups. Accessed at: <https://cambridgeshireinsight.org.uk/wp-content/uploads/2021/10/CWS-Housing-Needs-of-Specific-Groups-Oct21.pdf>



Source: Stretham and Wilburton CLT

a CLT offers the opportunity to support the local community and to provide much needed affordable homes (the landowner may also become an investor in their scheme to derive financial returns). Planning permission is sought jointly by the landowner, the CLT and a developer using rural exception site policy, and the community-led development SPD.

On the granting of planning consent, a requisite number of plots (30-40 per cent) are transferred to the CLT at low/nil cost. The remaining plots are valued for private sale and after subtracting the agricultural value from the value of the land with planning consent, 40 per cent of that uplift is paid in cash to the CLT. This provides significant financing for the development of the CLT homes – which can equate to as much as 50 per cent of the development costs. The other 50 per cent of the costs are secured through debt finance with a lender.

What has emerged in Stretham and Wilburton is a model for development in areas with high housing and land prices, but which requires minimal affordable housing grants. Other benefits are posited, such as creating local buy-in to development by foregrounding community control,

and ensuring homes address specific local needs. Many, including government officials, view the success of community-led housing as resting on whether it can provide homes additional to other forms of supply (i.e., homes that would not otherwise have been developed). The Stretham model exemplifies this in delivering homes on sites otherwise unavailable for development, and through a financial model that requires minimal grant.



Source: Stretham and Wilburton CLT

Further information

The Nationwide Foundation is an independent charity that aims to improve the lives of those most in need in the UK through grant-making and influencing work. This research forms part of its mission to understand how alternative housing models could help provide decent, affordable homes for all.

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