Glossary of Housing terms

Affordable housing
Affordable housing includes social rented, affordable rented and intermediate housing, provided to households whose needs are not met by the market. (See explanations of these terms below). Once the Housing and Planning Act 2016 becomes law it will also include starter homes.

Affordable rented housing
Affordable rented housing is let by local authorities or private registered providers of social housing (housing associations) to those who are eligible and qualify for the Council's housing register. Rents are above target rents (see below), but are not in excess of 80 per cent of local market rent.

Assured shorthold tenancy
Usually found in the private rented sector, this type of tenancy, though very common, is less secure than other types of tenancy agreements.

Assured tenancy
This is the type of tenancy agreement usually offered by housing associations. Tenants can continue to live in the property for as long as they wish, as long as they do not break certain conditions set out in the Housing Act 1988.

Buy to leave
Residential property bought and deliberately left empty.

Buy to let
Residential property bought with the intention of letting it to someone else.

Brownfield
The term generally used to describe land that has been previously developed, and may be available for re-use.

Choice-based lettings (CBL)
Choice-based lettings schemes are designed to allow an element of choice for people applying for council and housing association homes and existing tenants who want a transfer. As properties become available for letting, full details are advertised on the Home Connections website and applicants assessed as needing to be rehoused can bid for available properties.

Compulsory purchase order (CPO)
A legal order that allows certain bodies to take over land or property against the wishes of the owner. There is a lengthy legal process involved and the majority of those directly affected receive compensation.

Common Housing Register (CHR) or Housing Register
The Council’s list of people applying for social housing including housing owned and/or managed by the Council and housing

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associations. People have to meet certain criteria to join the register and it only includes those in the greatest housing need.

**Community Infrastructure Levy (CIL)**
A charge that developers have to pay to local authorities when undertaking new building projects. The amount charged relates to the net increase in gross internal area floorspace arising from development. It is used to fund infrastructure that is needed to support development for example, creating additional school places or GP services.

**Communal gardens**
Gardens which are shared by residents of a designated block or blocks but are not open to the public.

**Community gardens**
Gardens which are managed or maintained by a local community or residents’ group.

**Decanting**
The process of moving residents from their homes while improvements are carried out. It also describes the process where a block or estate is to be completely redeveloped, and residents are moved to allow redevelopment to take place.

**Decent Homes Standard**
Introduced by government to ensure all social housing meets a minimum standard. The standard requires the property to be free of health and safety hazards, in a reasonable state of repair, having a reasonably modern kitchen, bathroom, boiler and adequate insulation.

**Equity loan**
A loan given to help buy a home. The loan is only repaid when the home is sold, and its value relates to the value of the home. So if a home rises in value, the amount to be repaid increases proportionally.

**Flexible tenancies**
These are fixed-term tenancies issued by councils and registered providers. The lengths of the tenancies vary. They are generally five years or more, but can be two years in exceptional circumstances.

**Freehold**
Where the property owner owns the land as well as the property situated on it. It gives the owner the right to occupy a property indefinitely.

**Garden squares**
Gardens which are shared by residents of designated housing but are not open to the public.

**Green belt**
A designated area of land around towns and cities where development is not permitted.
**Ground rent**
Regular payment leaseholders may make to the owner of the freehold.

**HomeBuy**
A range of government schemes designed to help people buy houses through devices such as shared equity, shared ownership, and other forms of low cost home ownership.

**Housing association**
A not-for-profit organisation set up to provide low cost housing. Housing associations range from small community-led groups to larger organisations involved in house building and development, often accessing funding through the Homes and Communities Agency, or private backers. Many help tenants through specialist housing, for example sheltered housing or housing with support services. Many housing associations also operate home ownership schemes such as shared ownership or HomeBuy. Housing associations are usually private registered providers of social housing (formerly known as registered social landlords) and regulated by the Tenants Services Authority.

**Housing revenue account (HRA)**
A record of income from housing and expenditure kept by local authority housing departments. This must be kept separately from the local authority’s other finances.

**Independent Tenant and Leaseholder Advisor (ITLA)**
A person or company that is appointed to provide a group of residents with independent advice about housing issues, usually where there is a possibility of housing being redeveloped. The service is usually paid for by the housing authority, but residents will oversee the work the ITLA does to be satisfied that the advice is truly independent.

**Inflation/deflation**
Inflation is the rate at which prices for goods and services are rising across the economy, decreasing the purchasing power of currency. Deflation is the opposite process - a general decline in prices. These processes have a specific significance to councils’ and housing associations’ finances, because the rents they charge are index-linked to the retail price index, the most commonly used measure of inflation. This means social rents rise or fall in line with inflation. Inflation/deflation is expressed as a percentage.

**Intermediate housing**
This is aimed at people who do not qualify for social housing, but cannot afford full market rents. Intermediate housing includes shared ownership, shared equity schemes and discounted market sales schemes. There are also intermediate rent products available (see below). To be eligible for intermediate housing a household’s income must be less than £71,000 per annum (for a one or two bedroom property) or £85,000 pa for a three bedroom or larger property. These figures are reviewed each year.
**Intermediate renting**
The rent charged for intermediate housing is above social rent but up to a maximum of 80 per cent of the market rent.

Intermediate rent tenancies are not social housing tenancies. A person living in an intermediate rent property will have an Assured Shorthold Tenancy (used in the private rented sector). The length of the tenancy is usually set between one and five years.

**Introductory tenancy**
A tenancy for a trial period of 12 months. Since 12 February 1997 introductory tenancies have been imposed on all new tenancies granted by local authorities and housing associations. They were introduced in law to give housing providers greater powers to deal with antisocial behaviour. They can be extended to a maximum of 18 months.

**Joint venture (JV)**
This is the term used to describe where the Council is working in partnership with a developer or housing association to deliver new projects.

**Leasehold**
Tenure where the homeowner does not own the freehold, but instead has a long term lease. Leases are most often for 99 or 125 years. The homeowner pays ground rent to the freeholder.

**Local Plan**
The Local Plan sets out the Council’s planning policies in one document. This is sometimes referred to as the development plan (along with the London Plan) and contains a chapter on housing policies (currently chapter 35). All planning applications need to be determined in accordance with the Local Plan.

**London Housing Strategy**
Sets out the Mayor of London’s housing policies including policies to increase the supply of housing.

**London Plan**
This is the overall strategic plan for London. It sets out a fully integrated economic, environmental, transport and social framework for the development of the capital to 2031. London boroughs’ Local Plans need to be in general conformity with the London Plan. It forms part of the Council’s development plan and its planning policies are used to determine planning applications alongside the Council’s Local Plan.

**Low cost home ownership**
This covers a range of schemes intended to help those who cannot afford to buy a home on the open market to get onto the housing ladder, normally by buying a part share in a property through initiatives such as HomeBuy.
Mansion blocks
Purpose built blocks of flats positioned next to a road or street.

National Planning Policy Framework (NPPF)
Sets out the Government’s planning policies for England and how these are expected to be applied, alongside the Government’s requirements for the planning system.

National Planning Practice Guidance (NPPG)
Sets out practical guidance on the implementation of planning policy.

Negative equity
Financial term used to describe a situation where a loan becomes worth more than the asset it is secured against. In housing it typically applies to mortgages where the value of the property falls below the amount borrowed to buy it.

Pay to Stay
The proposed Government policy to charge social housing tenants with household incomes of £40,000 and above in London, and £30,000 and above in the rest of England, an increased level of rent for their accommodation if their rent is currently being subsidised below market rent levels.

Possession order
The court order that allows a landlord, or lender in the case of homeowners, to take possession of a property.

Private garden
A garden for the exclusive use of one household.

Public gardens
Green spaces which are open to everyone.

Registered social landlord or registered provider
An organisation registered with the social housing regulator, the Tenant Services Authority, under the Housing Act 1996. Most are housing associations, although housing cooperatives and local housing companies are also registered.

Right to Buy
The policy introduced under Margaret Thatcher's Conservative government that gave council tenants the right to buy their homes from the local authority at a discounted rate.

Section 106 agreement
This is a planning agreement between a local authority and a developer. The local authority only grants planning permission if the developer offers some benefit to the local community, for example low cost housing, education facilities or improved public spaces. The agreement applies to the land, not the developer, so future owners will need to take it into account.
**Secure tenancy**
Type of tenancy that is granted by local authorities. The minimum tenancy terms and conditions are set out in law. Tenants have a number of rights and can remain in a property unless the tenancy terms and conditions are broken and a court order has been obtained. In some circumstances the tenancy can be passed on to a relative.

There are now two basic types of secure tenancy: ‘periodic secure tenancy’ and ‘flexible secure tenancy’. A periodic secure tenancy is often called a permanent or lifetime secure tenancy. The resident can continue to hold their tenancy indefinitely, as long as they comply with the terms of their tenancy agreement.

Flexible secure tenancies were introduced in 2012. They are granted for a fixed term of a minimum of five years (or two years in certain circumstances). Towards the end of the five year term, the landlord carries out an assessment to decide whether to grant a further flexible tenancy. In most cases this is granted. Flexible secure tenants have the same rights as periodic secure tenants.

When a resident moves into a Council property, they may first be given an introductory tenancy (depending on the tenancy they held beforehand). More information on introductory tenancies is provided above. If the landlord does not take action to terminate an introductory tenancy it will automatically become a flexible secure tenancy.

**Service charge**
Charge paid to landlords or, in the case of leaseholders to the owner of the freehold, in exchange for maintaining communal areas of a development.

**Shared ownership**
Scheme that allows people to buy a part share in a home, if they are unable to buy the whole property, with another party – often a housing association – retaining the remainder. Shared owners can often increase or decrease their stake in the home, thorough a process known as staircasing. Shared ownership schemes are offered through Registered Providers, and are typically between 25 per cent and 75 per cent share of the home’s value. A capped rent is paid on the remaining share. Shared ownership properties are always leasehold.

**Social rented housing**
Rented housing owned and managed by local authorities, housing associations or Registered Providers. Also see target rent.

**Social Sector Size Criteria (under-occupancy charge/’spare bedroom tax’)**
Part of welfare reform that cuts the amount of benefit that people under pension credit age can get if they are considered to have a spare bedroom.

**Staircasing**
The process of buying some, or all, of the remaining shares in a shared ownership home.
Starter homes
These are homes which will be sold at a discount of at least 20 per cent. The only eligibility criteria are that purchasers must be under 40 and live in the UK.

Target rent
This is the rent charged for socially rented properties. Rent levels are worked out using a nationally set formula which is based on the value of the property, the number of bedrooms it has and average earnings for a manual job in the area.

Temporary accommodation (TA)
Housing such as Bed and Breakfast (B&B), hostel accommodation or privately leased accommodation that councils may use to accommodate households who are homeless.

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This glossary explains some of the terms used in connection with housing matter but is not intended to provide a detailed legal interpretation. It is designed for general information only and the housing legislation and policy may be subject to change from time to time. If you believe you have a legal issue you should seek specialist legal advice. In the event of discrepancy between the terms of this glossary and the relevant legislation and policy the latter shall prevail.