

Jennikings Nursery, Manor Road, Chigwell

**Section 106 Agreement – Proposed Heads of Terms (Affordable Housing Elements Only)
(Subject to the approval of Moat’s Board)**

- (1) Moat Housing to be a signatory and party to the Section 106 Agreement.
- (2) 54 dwellings (79% of the total number) to be provided as affordable housing.
- (3) Subject to the agreement of the Homes and Communities Agency (HCA) to Moat utilising sufficient grant from its Recycled Capital Grant Fund (RCGF) or to the receipt of sufficient capital grant from the HCA:
 - (a) 32 (60%) of the affordable properties to be provided in the form of Affordable Rented Housing, at Affordable Rents, that meet the requirements of the HCA’s Affordable Rent Framework, with the following property mix:
 - 6 X 2 bedroom flats
 - 16 X 2 bedroom houses
 - 10 X 3 bedroom houses
 - (b) 22 (40%) of the affordable properties to be provided as shared ownership, with the following property mix:
 - 17 X 2 bedroom flats
 - 1 X 2 bedroom house
 - 4 X 3 bedroom houses
- (4) If HCA approval to the use of sufficient grant from Moat’s RCGF is not given, or if sufficient capital grant is not provided by the HCA:
 - (i) 18 (33%) of the affordable properties to be provided in the form of Affordable Rented Housing, at Affordable Rents, that meet the requirements of the HCA’s Affordable Rent Framework, with the following property mix:
 - 5 X 2 bedroom flats
 - 13 X 3 bedroom houses
 - (ii) 36 (67%) of the affordable properties to be provided as shared ownership, with the following property mix:
 - 18 X 2 bedroom flats
 - 1 X 2 bedroom house
 - 17 X 3 bedroom houses
 - (iii) No grant funding from either the HCA or Moat to be required as a result.
- (5) All the affordable housing to be provided by Moat.
- (6) All shared ownership properties to meet the Council’s Shared Ownership Policy, i.e.:
 - (i) The *average* initial equity share sold to shared owners across all the shared ownership homes within to development to be no more than 35%;

- (ii) Shared owners to be able to purchase a minimum equity share of 25% and a maximum equity share of 50% for shared ownership schemes;
 - (iii) Shared owners to be able to purchase additional equity shares (staircase) up to full 100% ownership; and
 - (iv) Shared owners to pay an initial rent of no more 2.5% of the unsold equity per annum, with subsequent rent increases determined in accordance with Moat's Rent Setting Policy.
- (7) The affordable housing to meet the HCA's design and quality standards.
 - (8) No more than 50% of the market housing on the development to be occupied until the developer (or subsequent developer) has entered into a legally binding agreement with Moat for the sale of the affordable housing to Moat.
 - (9) Moat to comply with its signed District-wide Nominations Agreement with the Council.
 - (10) The Council's usual provisions to be included within the S106 Agreement that release any mortgage in possession from the affordable housing requirements, in specified circumstances.

August 2011