



The Government has [announced](#) in a ministerial statement changes to planning policy guidance in regards to [First Homes](#) and [exception sites](#) which will come into effect on 28 June 2021.

Developer contributions

First Homes will be considered to meet the definition of planning for affordable housing. **A minimum of 25% of all affordable housing units secured through developer contributions should be First Homes.** Social rent should be prioritized after having secured the 25% First Homes requirement. This will have implications for the tenure mix of affordable housing in Local Plans and Neighbourhood Plans.

First Homes Criteria

First Homes must be discounted at a minimum of 30% against market value and its sale price cannot rise above £420,000 in Greater London, and £250,000 for the rest of the country. The discount will apply in perpetuity. Local authorities will be able to set higher discounts and lower price caps if there is a demonstrable need.

Eligibility

First Homes will be eligible solely for first time buyers from a household earning a combined household income below £80,000 or £90,000 for Greater London. Additional eligibility criteria may be set by local authorities and neighbourhood planning groups. Locally set criteria will apply for the first three months a property is on the market.

The Government will develop model section 106 obligations for securing First Homes at the planning stage.

Exception sites

The existing approach to exception sites will be replaced by a *First Homes exception sites* policy. Rural exceptions sites can be used to deliver First Homes where there is evidence of need.

Transitional arrangements

The policy requirement changes for First Homes will not apply to Local Plans and Neighbourhood Plans submitted for examination prior to **28 June 2021** and plans at the publication stage by the same date, which will be submitted for examination before 28 December 2021. Planning inspectors are encouraged to consider through the examination whether a requirement for an early update of the Local Plan might be appropriate. The First Homes requirements will not need to be applied for planning applications where plans adopted are under these transitional arrangements.

For Local Plans and Neighbourhood Plans which do not fall under these transitional arrangements, the ministerial statement explains that the “local planning authority should make clear how existing policies should be interpreted in the light of First Homes requirements using the most appropriate tool available to them”.

The new requirement will not apply to sites with full or outline planning permissions already in place or determined or where a right to appeal against non-determination has arisen, before 28 December 2021, or 28 March 2022 if there has been significant pre-application engagement.