



## ENVIRONMENTAL SERVICES

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### Moray Council Affordable Housing Supplementary Planning Guidance

#### What is “affordable” housing in Moray?

Using the assumptions stated below, the Council regards the following housing costs as “affordable” to full time, lower quartile earners, without housing benefit:

- Maximum affordable rent **£65.53 per week**
- Maximum affordable purchase price = **£54,520**

At the time of writing, purchase of lower quartile priced properties (£105,000) are only affordable to single full-time earners of median salaries (approx £27K per year).

Households with part time earnings, temporary contracts of employment, or without access to mortgage deposits are particularly disadvantaged in the housing market. For these households, affordable housing rented from the Council or a Housing Association may be the only viable housing option.

#### Policy Context and Assumptions

Scottish Planning Policy 2014 states that “*affordable housing is defined broadly as housing of a reasonable quality that is affordable to people on modest incomes.*”<sup>1</sup>

**Moray Council regards lower quartile earnings as “modest”.**

The Housing Market Partnership has agreed to regard lower quartile incomes as “*modest incomes*” and has adopted the assumption that housing is “affordable” when housing costs are no more than 25% of household income i.e. a ratio of 4.

‘Market Rent payable’ is defined as the entire rent due, even if it is partially or entirely met by housing benefit. Other housing related costs, such as council tax and utility bills should not be included”. The assessment of housing affordability in the HNDA has been completed on this basis, using the following variables:

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<sup>1</sup> Scottish Planning Policy 2014 is available here:  
<http://www.gov.scot/Publications/2014/06/5823/0>

- Mortgage deposit requirements
- Mortgage interest rates
- Lower quartile house prices
- Lower quartile private rents
- Lower quartile full time gross earnings for Moray residents

The combined effect of changes in any of these variables will affect the affordability of housing in Moray. The maximum affordable rent and maximum affordable house purchase price will be updated annually, will be available from Council Officers and will be published on the Council's website.