

AFFORDABLE HOUSING IN HAVANT

Operations and Place Shaping Board

20th March 2019

Q. The gap between figures for the number of properties purchased by HA's v the number on the Hampshire Home Choice waiting list seems to have widened in the past year. If true is there a reason and how can it be tackled?

Hampshire Home Choice



Backed by
HM Government

Help to Buy
South

APPENDIX B

What is Affordable Housing?

The New National Planning Policy Framework (July 2018) has recently broadened the definition of affordable housing to include Starter Homes, Rent to Buy, and Build to Rent; see appendix 1 for full details.

Important to note:

- new affordable housing development can consist of different tenures so when we talk about the number of homes that HA's buy that will consist of varying types of homes; there will be a mixture of sizes, and a mixture of tenures.
- Different tenures have varying mechanisms for allocation
 - Social/Affordable rented- Hampshire Home Choice (HHC)
 - Shared Ownership- Help to Buy South, our local Help to Buy Agent
 - Starter Homes and Discounted Market Sale Homes- developer led schemes
 - Rent to Buy- Housing Association led but outside of HHC

Historically in Havant the tenures of choice were Social Rent, Affordable Rent and Shared Ownership.

To help inform the Draft Havant Borough Local Plan 2036 we conducted some analysis of the Hampshire Home Choice (HHC) waiting list to determine what tenures would continue to meet the needs of the borough considering both demand, and affordability.

That analysis revealed that, Social/Affordable Rented, and Shared Ownership, should remain our preferred tenures when negotiating affordable housing delivery on new developments.

Development of new affordable housing

Current planning policy requirements, i.e. Core Strategy policy CS9. 2, the Havant Borough Housing SPD (July 2011), the governments Ministerial Statement published during the summer of 2016, the Local Plan Housing Statement, and the emerging Havant Borough Local 2036 mean that developments of 11 units or more would be required to provide 30-40% affordable housing on site, and the preferred tenure split is 70/30 in favour of rented units over Shared Ownership homes. Should the viability of the development be an issue we can take a flexible approach and agree to look at variations to the tenure mix.

E.g. Land West of Horndean Road, Emsworth, currently under construction, 125 new units in total, 30% affordable housing requirement = 38 units. 25 rented homes, and 13 Shared Ownership homes.

In Havant most, new affordable housing delivery is obtained through sites developed by national housebuilders that have a policy requirement for affordable housing due to the size of the site. This requirement is agreed at a very early stage of the planning application process and forms part of a legal agreement, a Section 106 agreement, that is signed by all parties.

Housing associations will then be asked to make an offer for the units and once that offer is accepted by the developer, and a contract is agreed, those units will be transferred to the association on completion.

APPENDIX B

Table 1 shows the number of brand new affordable homes over the last three years.

Table 1

	Social Rent	Affordable Rent	Intermediate Rent	Shared Ownership	Rent to Buy	Total
2015/16	3	83	1	64		151
2016/17	2	92	19	39	16	168
2017/18		53	5	17	1	76
Total	5	228	25	120	17	395

Development of new Affordable Housing 1st April to 31st March

The delivery of a housing site takes several years from purchase of the land, through planning, getting into contract with an HA for the affordable units, and final delivery.

New homes, including affordable ones, being completed now, could have been in the negotiation stage up to 5 years ago, and during that time there have been many changes surrounding levels of government funding. The current programme, Shared Ownership and Affordable Housing Programme 2016-2021 offers grant levels that are up to 60% lower than those available prior to the significant government cuts in 2010; these levels of funding have remained low ever since.

The costs of building a new home have increased by approximately 42% in less than a decade, and today, on average, only 12% of the development costs of an affordable housing unit is met by grant, the rest is funded through loans, reserves and sales income.

Good news came from the Secretary of State for Communities on the 28th June 2018 when he announced a boost for affordable housing in the form of a £1.67bn fund for an additional 23000 homes which would include 12500 for Social Rent. Some of our local housing associations, including VIVID and The Guinness Partnership (TGP) have been successful in their bids for this grant; TGP have secured a site at Woodcroft Copse and will be delivering 43 new affordable homes over the next couple of years comprising 25 Shared Ownership units, and 18 Social Rent homes which will be advertised to those applicants registered with Hampshire Home Choice.

Brexit has sparked fears in the housing market and recently one London housing association reported in Inside Housing 22nd February that it had 400 unsold homes amid the downturn; this is affecting both Shared Ownership and market sale properties as people are unwilling to commit to a purchase worried that a no deal exit from the EU could trigger an economic crash.

Despite these uncertainties, to the end of Q3 of this financial year (October- December 2018) more brand new affordable homes have been delivered (79) than for the previous year and we are hopeful that next year 2019/20 will see a similar figure.

APPENDIX B

Hampshire Home Choice

Hampshire Home Choice is our register for applicants wishing to live in rented housing owned and managed by a Housing Association that is let on either a Social Rent or Affordable Rent.

The Hampshire Home Choice Allocations Framework was reviewed and amended in April 2013 following the introduction of the Localism Act 2011 and The Armed Forces regulations 2012. The Localism Act allowed councils to better manage their waiting lists and because of this Band 5, with its 'no priority' status, was removed as it was felt that this distorted the numbers of applicants, and was not a true reflection of those who had an assessed need for social housing. This in turn reduced the overall number of applicants registered with the scheme.

Table 2 below shows that despite a fall in active applications in 2015/2016 (from the previous 2803 2014/2015) due to more robust monitoring and renewal processes the numbers have remained consistently between 1700 and 1800 in the last couple of years.

We are confident that the number of applicants currently on the register represents an accurate picture of the requirements within the Borough; regular reviews of the scheme ensure that we are housing those in greatest need.

Table 2

2015/16	2003
2016/17	1753
2017/18	1782

HHC waiting list- number of applicants as at 1st April taken from Hampshire Home Choice Annual Reports.

Up to date figures for 14th March 2019 are:

Table 3

1 bed	808
2 bed	541
3 bed	217
4+ bed	63
TOTAL	1629

HHC waiting list – applicant numbers as at 14/03/2019

There have been 941 Housing Association lets to applicants on HHC over the last three years. Some of these lets are the new Social/Affordable Rent properties bought by housing associations (see table 1), but the remainder are existing rented properties that become vacant and need a new tenant.

APPENDIX B

Table 4

2015/16	374
2016/17	339
2017/18	228

HHC total lets for the year 1st April to 31st March taken from Hampshire Home Choice Annual Reports

New affordable housing completions have fallen over the last year, but so have the number of existing housing association stock vacancies. New housing association properties represent an average of 24.66% of all HA lets and has been broadly consistent over the last 3 years.

Table 5

Period	New Social Rent/ Affordable Rent lets	Existing HA stock lets	Total HA lets	New development as % of total HA lets
2015/16	87	287	374	23
2016/17	94	245	339	28
2017/18	53	175	228	23

New lets/existing stock re-lets for 1st April to 31st March taken from Hampshire Home Choice Annual Reports

What are the possible reasons for this?

- General slowdown in the market affecting major housebuilder development, knock on effect is that there are not so many s106 site opportunities for housing associations to purchase affordable units.
- Several new sites in the pipeline but slow process through Planning system due to complexity of the developments.
- Affordability issues surrounding moves from social housing into home ownership.

Help to Buy South

Help to Buy South is our Help to Buy Agent for the South offering affordable options to buy or rent a home. This agent markets low-cost home ownership products such as Shared Ownership. It maintains a register for those interested in the Governments Help to Buy Equity Loan Scheme, and rented options such as Rent to Buy and Intermediate Rent.

As at 1st April 2018, the latest published data, there were 1031 applicants from the Havant area; over half of these (54%) were requesting a two-bedroom property.

APPENDIX B**Future housing development schemes and Partnership working****Future/ pipeline Schemes**

Scheme	Total units	Affordable Units	% of affordable units
Land West of Horndean Road, Emsworth	125	38	30
Woodcroft Farm Phase 1	135	40	30
Woodcroft Copse	43	43	100
Colt Site, New Lane	99	35	35
Land South of Bartons Road	175	53	30
Selangor Avenue, Emsworth	161	48	30
Forty Acres, Farlington	320	96	30
Land East of Castle Lane, Emsworth	69	21	30
Camp Field, Bartons Road, Havant	72	24	33
Padnell Grange	86	26	30

This list shows potential for at least 424 new affordable homes over the next few years.

In addition, large sites such as the Emsworth/ Denvilles strategic development, and Campdown could result in more than 3000 new homes for the borough and eventually include a further 900 affordable homes over the longer term.

Also, the West of Waterlooville Major Development Area will continue to deliver 40% affordable units at each new phase. Currently phase 3 of 13 is under construction. Future housebuilding will take place over the borough boundary into the Winchester City Council administrative area, however, as all planning applications are determined jointly with Havant Borough Council the resultant new affordable units are made available to both those on the Winchester and Havant registers.

APPENDIX B

We will continue to work closely with our local housing association partners e.g. Vivid, Aster, Radian, Guinness, and Grainger to ensure that the right type of affordable home is delivered to meet the assessed needs of the borough.

Appendix 1

Extract from National Planning Policy Framework July 2018

' Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions':

a) Affordable housing for rent: *meets all the following conditions:*

(a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable);

(b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and

(c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: *is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a maximum level of household income, those restrictions should be used.*

c) Discounted market sales housing: *is that sold at a discount of at least 20% below local market value. Eligibility is determined regarding local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

d) Other affordable routes to home ownership: *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or*

APPENDIX B

for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.