

FAREHAM'S AFFORDABLE HOUSING STRATEGY

DRAFT FOR CONSULTATION



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PURPOSE

To provide more affordable homes, ensuring they are the right homes in the right places for those in need of affordable housing.

Helping to deliver Housing Choices





A GREAT PLACE TO LIVE...

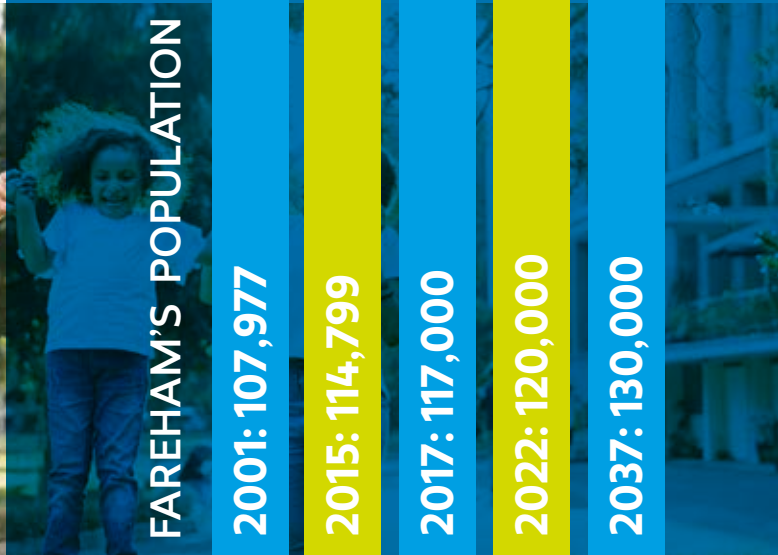
Located in an area of some 30 square miles along the south coast of Hampshire between Portsmouth and Southampton, Fareham is a popular and attractive place to live. It is well connected to the M27 motorway and has good rail links to London and the wider rail network. There is also easy access to ferry ports and Southampton airport.

Fareham is growing. Our population has steadily increased over the last 30 years and that trend is expected to continue. People are living longer and we have an increasingly ageing population.

For example, Fareham has experienced the largest rise in the number of residents aged 85+ in Hampshire during the last 20 years. By contrast the number of people of working age living in the Borough has reduced; particularly those aged between 25 and 39.

Consistent with the rest of the country the make-up of Fareham's households is changing. Around a quarter of people now choose to live alone so that adds to the number of smaller homes that we need. Additionally an increase in divorce and break ups means more homes are needed as there are now more 'blended families' living together than ever before. Minority ethnic groups make up a small, but slowly growing, proportion of the population.

Fareham has five distinct communities: **Fareham town; Portchester; Titchfield; Western Wards** and **Hill Head and Stubbington**. The development of **Welborne**, made up of around 6,000 homes, will create a new distinct community.



50,000 | THE APPROX NUMBER OF HOMES IN OUR BOROUGH AT PRESENT

4,200 | THE CURRENT APPROX NUMBER OF HOMES THAT FALL INTO THE CATEGORY OF AFFORDABLE HOUSING

At present there are around 50,000 homes in our Borough and most of these properties are either owned outright or mortgaged.

Just over 4,000 homes fall into the category of “affordable housing”. Over the next two decades, as the Borough grows, it is estimated that in the region of 10,000 new homes will be built, of which 3,500 will be affordable.

This document provides a definition of affordable housing and explores the level of housing needed in the Borough of Fareham. The Council’s housing waiting list provides a starting point for identifying the level of local need but should not be viewed in isolation. For example, the many people seeking shared ownership properties also form part of the affordable housing market.

This document explains how the need for affordable housing will be built into the Council’s planning and policy documents and how the majority of new affordable properties will be delivered by housing developers as part of the planning process.

As well as taking an overview and providing a policy framework for the provision of affordable housing, we also intend to build new Council houses.

This document identifies the main sites where Council housing can be delivered over the next five years, as well as setting out a vision for delivery of Council housing in the medium term.

WHAT IS AFFORDABLE HOUSING?

'Affordable Housing' is formally defined in the National Planning Policy Framework. This includes a number of different affordable tenures /types. Affordable Housing ranges in terms of how affordable it is and who it is intended for.

The average cost of buying a two-bedroom house in our Borough is around £230,000, whilst the average cost of renting such a property is around £840 per month.

For some people, these costs are simply too high, and we have a responsibility to ensure that they have access to a range of 'affordable housing' alternatives.

Eligibility for affordable housing is determined by many factors, but mainly it is the level of household income.

Various affordable housing schemes exist including Starter Homes and Rent to Buy, but the main options available in our Borough are:

- Homes for Social Rent
- Homes for Affordable Rent
- Shared Ownership

This page describes what these options might cost for a two-bedroom property.

£230,000

THE AVERAGE COST TO BUY A TWO-BEDROOM PROPERTY IN FAREHAM (Typically over £1,000 per month mortgage repayments).

SOCIAL RENT

Social Rent properties are provided by the council or a housing association.

 **£388**

THE AMOUNT YOU WOULD TYPICALLY PAY PER MONTH

AFFORDABLE RENT

Affordable Rent properties are provided by the council or a housing association.

 **£668**

THE AMOUNT YOU WOULD TYPICALLY PAY PER MONTH

SHARED OWNERSHIP

Shared Ownership properties are provided by the council or a housing association.

 **£728**

THE AMOUNT YOU WOULD TYPICALLY PAY PER MONTH

WHO CAN PROVIDE AFFORDABLE HOUSING?



On nearly all large developments housebuilders need to provide a proportion of the homes as affordable housing as part of the planning process and in order to get planning permission.

In many cases they will use a Registered Provider (e.g. a Housing Association) to provide and manage the affordable homes. The number, mix and specific location of affordable homes on a development site is normally secured through a legal agreement which the developer has to sign up to before a planning permission is issued.

At the beginning of 2019 there were approximately 800 new affordable homes in the pipeline on development sites approved or in the planning process



Sometimes called Housing Associations, there are a number of different Registered Providers operating in the Borough, who own and manage affordable homes.

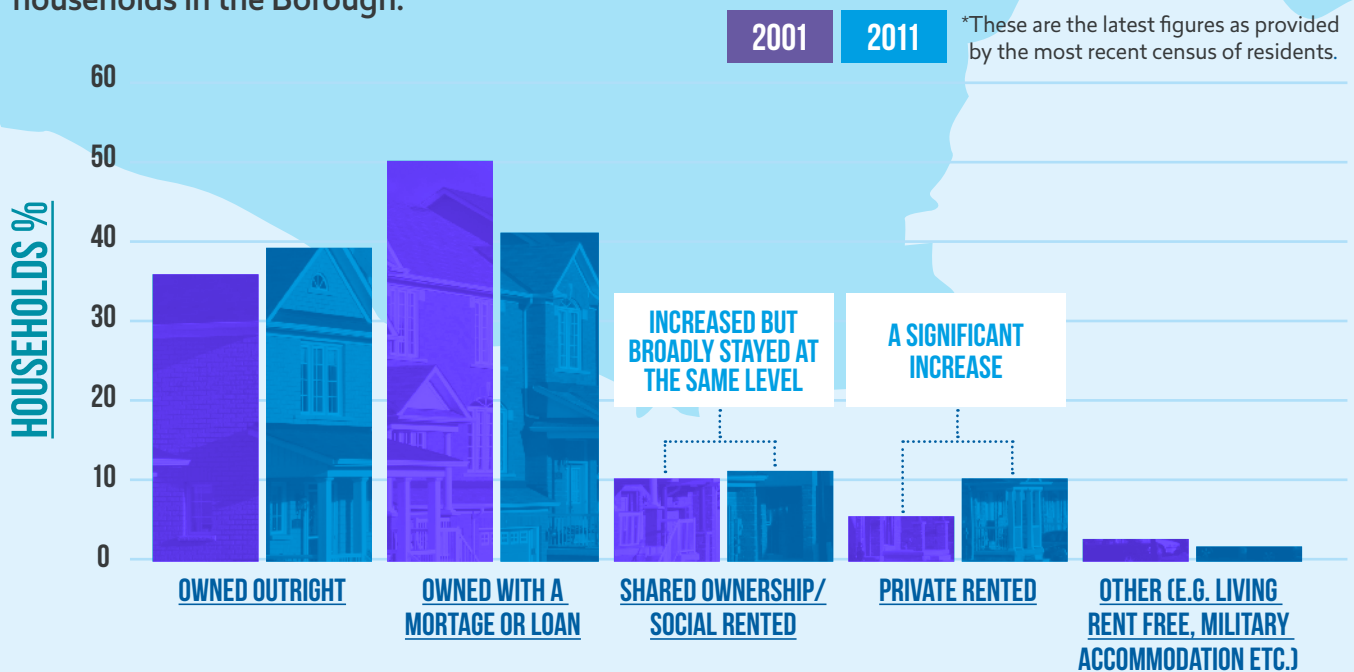
They mainly offer homes for reduced rent (known as Affordable Rent), Social Rent or Shared Ownership. Registered Providers (such as Vivid or Radian Homes) tend to deliver/ manage the affordable housing provided on private developments and/or bring forward their own sites. In most instances the Council nominate households from the waiting list to the new affordable homes for rent provided by Registered Providers.



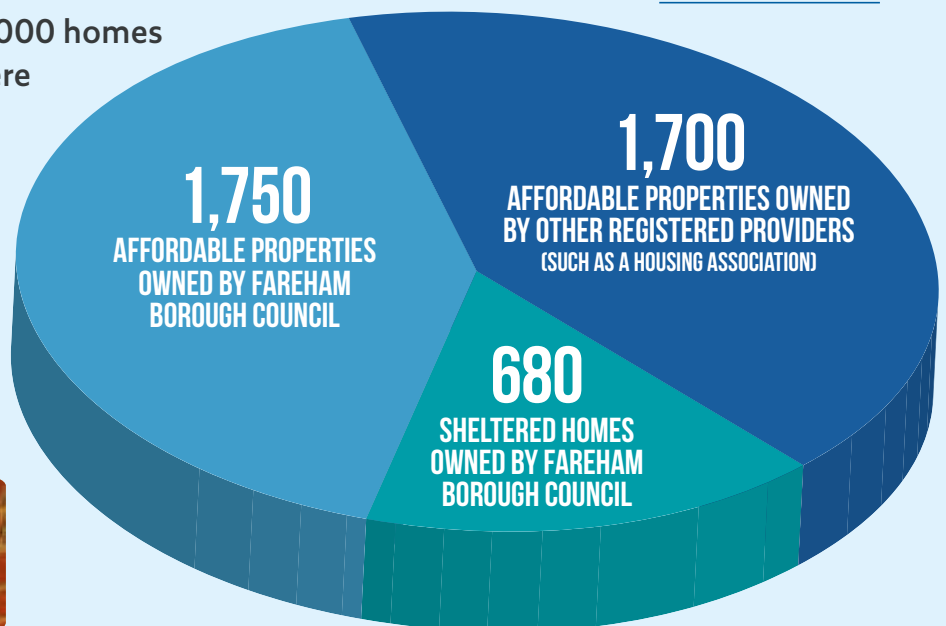
Fareham Housing currently provides Affordable and Social Rent properties, sheltered housing schemes, temporary accommodation and Shared Ownership properties.

AFFORDABLE HOUSING IN FAREHAM

In the Borough of Fareham most properties are either owned outright or mortgaged. Between 2001 and 2011* there was an increase in the number of properties rented privately or owned outright. The percentage of affordable properties has stayed in the region of 10% of households in the Borough.



In total there are around 50,000 homes in the Borough. Of these there are currently around 4,200 affordable homes. Nearly 60% of these are owned and managed by Fareham Borough Council with the remainder managed by Registered Providers.



Fewer than 60 homes in the Borough have been empty for over 2 years, many of these have been vacant for valid reasons.

FAREHAM'S AFFORDABLE HOUSING NEED

Our research indicates that the current level of need for affordable homes in the Borough is in the region of 3,000 households.

The waiting list currently stands at around 1,000 households, we know that a similar number of people are seeking intermediate products such as Shared Ownership homes. We also estimate that at least a further 1,000 households are privately renting or sharing parental homes because young families are priced out of homes ownership.



Within this affordable housing need is the need for homes for older people. Fareham Borough has experienced the largest rise in the number of residents aged 85+ in Hampshire during the last 20 years and over 20% of the Borough's population are over 65. There is also

an opportunity to improve the quality of some existing older person's affordable housing.

Other specific affordable housing need can also arise, such as very large family homes or homes fully accessible for the disabled.

**Nearly
1,000**
need Social
or Affordable
Rent properties
(allocated
through the
Council's
waiting list)

**Nearly
1,000**
want
intermediate
homes such
as Shared
Ownership
(registered
through Help
to Buy South)

**Just over
1,000**
further
households
are currently
privately renting
in Fareham
Borough and
priced out of
home ownership

**The
need for
affordable
homes will
continue to
grow as new
households
form**

FAREHAM BOROUGH COUNCIL'S WAITING LIST

The housing waiting list continually evolves as new customers join the list and others are housed or no longer need housing. The Council's waiting list is for those in need of Affordable or Social Rent

properties. Customers for other forms of affordable housing (such as Shared Ownership) are registered outside the Council, mainly through an organisation called 'Help to Buy South.'

1,000

CURRENT FAREHAM BOROUGH COUNCIL WAITING LIST FOR AFFORDABLE AND SOCIAL RENT HOMES

300 = 30%

**APPROXIMATE PROPORTION IN
GREATEST NEED**

The housing waiting list has not grown significantly in the last three years. This suggests new provision and re-lets of affordable housing is generally at pace with the rate of new customers joining the list.

Many households in need can only afford to pay Social Rent and have limited or no alternative housing options.

Many also have strong reasons for seeking properties in a particular area, for example, where children go to school, where their wider family live and access to work.

As we plan for more homes in the future, we will aim to deliver the right type of affordable homes to the right areas including the delivery of properties for Social Rent where the need is greater.





SHARED OWNERSHIP

For customers who don't meet the criteria to be included on the Council's waiting list, Shared Ownership offers an alternative affordable option to get a foot on the housing ladder.

Those interested in this option can register with a Government agency called 'Help to Buy South.' Shared Ownership is typically available to households who earn between £18,000 and £80,000, with savings of approximately £2,500 to cover legal and other costs.

Our research tells us that around 40% of households registered for a Shared Ownership home in our Borough, are currently renting privately, whilst a further 30% are living with family and friends.

Help to Buy South also facilitates the provision of Rent to Buy, another form of affordable housing where the rents are typically 80%

of market value with the expectation that the occupiers will purchase the home on a shared ownership basis at the end of the rental period.

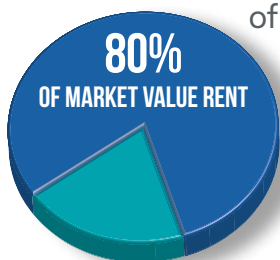


SHARED OWNERSHIP provides a middle ground between those unable to afford an open market house whilst not in need of an Affordable or Social Rent property



Available for households who earn between **£18,000 & £80,000** per annum and those households should also have savings in the region of **£2,500***

*(2018 Help to Buy South website)



LOCAL PLAN

The Borough's overall housing requirement (both affordable and open market) will be set out in the Council's new Local Plan.



- In July 2018 the Government introduced a new way to work out how many homes each area needs to build. This Standard Methodology calculation uses information about expected household growth to work out new housing numbers.
- The number of new homes needed in the Borough of Fareham is likely to be over 500 homes a year up until 2036 (in the region of 10,000 in total).
- The Local Plan will set out what percentage of these new homes should be affordable.
- We estimate that we will need around 3,500 new affordable homes between now and 2036. This is based on the 3,000 identified earlier in this document plus an allowance for growth as new households form.
- Most of these homes will be delivered within market developments, with a smaller number delivered directly by Registered Providers and Fareham Housing.

THE LOCAL PLAN AND PLANNING PROCESS ARE VITAL AS PART OF NEW AFFORDABLE HOME DELIVERY.

The majority of new affordable homes will be delivered alongside market housing, and secured through the planning application process.



**IN THE
REGION OF
10,000
NEW HOMES NEEDED
IN FAREHAM BY 2036***

**AROUND
3,500
NEW AFFORDABLE
HOMES TO BE BUILT IN
FAREHAM BETWEEN
NOW AND 2036**

*Final number to be determined by the Local Plan



THE LAST FIVE YEARS

We can point to a good track record of delivering new affordable homes in the Borough over the last five years.

FAREHAM BOROUGH COUNCIL

As a Council, we have built 40 new sheltered housing flats at Collingwood Court in North West Fareham, and 36 new sheltered housing flats at Sylvan Court in Coldeast.

We also constructed six eco-friendly (Passivhaus) homes in Sarisbury and an apartment block of 16 flats in Fareham Town Centre at Stevenson Court.

All of these new buildings fall under the category of affordable housing.



DEVELOPERS/ REGISTERED PROVIDERS

Meanwhile, over the last five years, developers and housing associations have provided in the region of 300 new affordable homes.

These were mainly on larger housing developments such as the Coldeast site in Sarisbury and the Strawberry Fields site in Park Gate/Warsash.



400

The approximate number of new affordable homes provided by Fareham Housing and Registered Providers over the last five years.

**BUILDING
AFFORDABLE
HOMES:**

THE NEXT FIVE YEARS

Over the next five years, we plan to build more affordable homes, particularly social rent properties, in the Borough.

FAREHAM BOROUGH COUNCIL

HAMPSHIRE ROSE

Fareham
North West

18 Affordable homes

123 BRIDGE ROAD

Sarisbury

5 Affordable homes

STATION ROAD

Portchester
(sheltered housing)

**Over 15
Affordable homes**

COLDEAST SCOUT HUT

Park Gate

7 Affordable homes

STUBBINGTON LANE

Hill Head

11 Affordable homes

WYNTON WAY

Fareham
North West

**Over 10
Affordable homes**

Fareham Housing (i.e. the Council) has identified a number of sites that can be developed for Council housing.

Plans and funding are already in place for the Hampshire Rose site in North West Fareham and the Bridge Road site in Sarisbury.

The above lists are not exhaustive and further sites will come forward via private developers, Registered Providers and Fareham Housing.

DEVELOPERS/ REGISTERED PROVIDERS

A larger supply of new affordable homes will come through the planning system where planning policies have required a proportion of new homes on larger sites to be affordable.

When including sites with planning permission, or sites where decisions are expected to be issued shortly (i.e. where Planning Committee has resolved to grant the consent), nearly 800 new affordable homes will be provided. A significant proportion of these should be delivered in the next 5 years.

Some Registered Providers such as Vivid and Radian are also actively seeking and developing sites predominately for affordable housing.

CRANLEIGH RD & SEAFIELD RD

Portchester

67 Affordable homes

NORTH & SOUTH GREENAWAY LANE

Warsash

**Over 250
Affordable homes**

NORTH & SOUTH OF FUNTLEY RD

Funtley

33 Affordable homes

**AND MANY
MORE
APPROVED IN
THE PIPELINE**

THREE KEY OBJECTIVES



Fareham Borough Council will, through its planning and housing functions, deliver on the following three objectives.

As well as the Council directly providing more affordable homes it will be the policies and requirements through planning, and collaborative working between the Council, Registered Providers and developers, that will help meet the objectives.



To deliver more affordable homes through the planning system



To ensure those homes are the right homes in the right places and that they are truly affordable for those that need them.



To directly deliver more affordable homes by Registered Providers and Fareham Housing, especially targeting those in greater need.

THE KEY CHALLENGES



- To provide at least 3,500 new affordable homes in the borough by 2036 to help address the affordable need
- To ensure the Council works positively with developers and Registered Providers to get the right amount and type of affordable homes on development sites. This recognises the fact that the majority of newly built affordable homes are delivered alongside market housing on planning schemes (i.e. through the planning system)
- To provide more affordable homes for older people, recognising the ageing demographic of the borough, and improve the quality of existing affordable older person's provision
- To fund more new affordable homes directly by Fareham Borough Council in a financially sustainable way
- To ensure all new affordable homes consider the need, both in terms of size of properties, tenure and location. To support this there is a need to ensure on-going and improved analysis of the Council's waiting list to guide the delivery of new homes
- To address bespoke and particular needs such as wheelchair accessible homes or extra large family homes
- To ensure Affordable Rent is truly affordable for those in need, and that more Social Rent properties are provided
- To ensure policies and strategies used by the Council relating to Affordable Housing reflect the latest legislation/Acts.

ACTIONS

to achieve
objective 1

We will:

work positively with the developer(s) of Welborne Garden Village to ensure an appropriate amount and mix of affordable homes is provided

require developers to better match the affordable homes provided on a site to the local affordable need in terms of tenure and size of homes, having regard to the location of the site

continue to review, and where appropriate, critically assess any planning proposals where an affordable housing offer is made that does not match our policy and/or local need

be pragmatic, flexible when appropriate and justified, particularly where it facilitates addressing a specific or bespoke affordable need (i.e. more disabled accessible or extra large homes)

develop and progress a new **Affordable Housing Supplementary Planning Document (SPD)** that addresses affordable housing provision; this will be used in planning decisions

encourage appropriate alternative and innovative affordable housing approaches such as self build and modular construction

Fareham Borough Council
and Fareham Housing





To deliver more affordable homes through the planning system

Registered Providers and Housing Associations

Housebuilders and Developers



- **Delivering on the actions will not be down to the Council alone. It will also involve housebuilders and Registered Providers, as they play a critical role in providing Affordable Housing. At times it could also involve working in partnerships**
- **The work of the Council will ensure, through policies and an understanding of local need, that the right affordable homes are provided in the right places for those in need of Affordable Housing. Alongside this Fareham Housing will also provide some new affordable homes directly**



ACTIONS

to achieve
objective 2

We will:

produce Key Information on Affordable Housing Need informed by the Housing Waiting List. This will be made available on the website and kept regularly up-to-date. It will focus on the location of need and the mix of size of homes required; this will help inform new affordable housing provision

ensure new Affordable Rents (i.e. up to 80% of market rent) do not exceed what could be received in benefits (i.e. a Local Housing Allowance cap)

seek to achieve some of the most affordable of affordable homes, such as Social Rent, both on Fareham Housing led sites and through the planning process. This will be particularly beneficial for those customers subject to the national Benefit Cap

produce a new Allocations Policy. This will include looking at the best way to allocate households to available affordable homes when considering their needs

continue to value partnerships with providers of Affordable Housing and other related supporting organisations to help address affordable housing need and homelessness.

Fareham Borough Council
and Fareham Housing



2

To ensure those homes are the right homes in the right places and that they are truly affordable for those that need them.

Registered Providers and Housing Associations

Housebuilders and Developers



ACTIONS

TO ACHIEVE OBJECTIVE 3

We will:

continue to progress existing Fareham Housing projects to provide approximately 70 new affordable homes across six sites

seek opportunities for larger new build projects, potentially through Aspect Building Communities Limited (the Council's Joint Venture housing delivery company) or in partnership with a Registered Provider

produce a Sheltered Housing Strategy and rolling Sheltered Housing Action Plan to deliver more Sheltered Housing properties for older people and, where required, aim to improve and update existing facilities. Assheton Court in Portchester will be one of the early projects to be addressed

produce a Direct Acquisition Plan outlining the approach to buying a small number of private market houses to be used as affordable homes, particularly when they help address specific needs, principally using Right to Buy receipts

maximise funding opportunities to help provide additional affordable homes

identify and progress regeneration and redevelopment opportunities on existing Fareham Housing land as part of a Fareham Housing Regeneration Strategy.

Fareham Borough Council
and Fareham Housing





To directly deliver more affordable homes by Registered Providers and Fareham Housing, especially targeting those in greater need.

Registered Providers
and Housing Associations

Housebuilders
and Developers



FUNDING AND DELIVERY

In the last few decades there has been a lot of change in how new affordable homes can be funded. Ideally there would be more money to build more.

Registered Providers organise their own funding streams to deliver affordable housing. Often this will involve cross-subsidy from other affordable products such as Shared Ownership or even through homes built for the private market.

Fareham Housing projects (i.e. new Council homes) can be funded from the following:

- CAPITAL DEVELOPMENT FUND.
- DEVELOPER CONTRIBUTIONS
- RIGHT TO BUY RECEIPTS
- HOMES ENGLAND GRANT FUNDING
- ADDITIONAL BORROWING ON THE HOUSING REVENUE ACCOUNT



TIME LINE



Draft Affordable Housing SPD out for a period of public consultation
New Allocations Policy out for a period of public consultation
Key Information on Affordable Housing need published on the Council's website
Development starts on two Fareham Housing sites
Planning applications on at least two further Fareham Housing sites
More new starts on new affordable homes.

2019/20

New Affordable Housing SPD adopted
New Allocations Policy in use
Work to complete on two Fareham Housing sites
Work to commence on at least two further Fareham Housing sites
Direct Acquisition Plan adopted and in use
Improved monitoring of Affordable Housing delivery, not just the number but the tenures/sizes provided and any bespoke need addressed

2020/21

New Sheltered Housing/Retirement Accommodation Strategy progressing
Regeneration Strategy work progressing with some short/medium term projects identified

2021/22 & BEYOND

Remaining Fareham Housing projects delivered and more in the pipeline
Increasing delivery of Social Rent compared to previous levels
Partnership approach, or delivery through Aspect, to provide more affordable homes
Regeneration of some existing stock (sheltered and general purpose)
Ultimately achieving at least 3,500 new affordable homes by 2036



FAREHAM
BOROUGH COUNCIL