FAREHAM’S AFFORDABLE HOUSING STRATEGY
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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
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 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.
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.

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

- **£388** per month

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

- **£668** per month

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

- **£728** per month

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### New Affordable Homes

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.

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### Private Developers/Housebuilders
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.

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### Registered Providers
Registered Providers are also operating in the Borough with many different Housing Associations such as Fareham Housing, Amity Housing, or Sovereign Housing Trust, providing affordable housing.

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

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

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.
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.

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.

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)

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*(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.

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 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.

IN THE REGION OF

AROUND

NEW HOMES NEEDED IN FAREHAM BY 2036*

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.

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.

DEVELOPERS/ REGISTERED PROVIDERS

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

FAREHAM BOROUGH COUNCIL

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

DEVELOPERS/ REGISTERED PROVIDERS

FAREHAM BOROUGH COUNCIL

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 the 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.

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.
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.

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.

1. To provide at least 3,500 new affordable homes in the borough by 2036 to help address the affordable need
2. 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)
3. 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
4. To fund more new affordable homes directly by Fareham Borough Council in a financially sustainable way
5. 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
6. To address bespoke and particular needs such as wheelchair accessible homes or extra large family homes
7. To ensure Affordable Rent is truly affordable for those in need, and that more Social Rent properties are provided
8. To ensure policies and strategies used by the Council relating to Affordable Housing reflect the latest legislation/Acts.
To deliver more affordable homes through the planning system

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.

- 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
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.

- produce a policy that seeks to identify appropriate ‘green’ opportunities and solutions for Council owned housing stock (current and/or new).
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.

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