



Outline Housing Strategy for the Borough

Foreword

- ‘In 2025 we will be helping enable more housing choices for residents and those who work in our borough than they are getting today’

1. Borough Housing Market

- The borough housing challenge is considerable. It is driven by a combination of housing costs, land values, earnings, employment opportunities and population growth.
- Market housing costs are high with an average house price of £428,088¹. In terms of property type, the average flat price is £266,738, terraced home is £369,580 and semi-detached home is £452,368.
- Affordability remains an issue for many households. The current borough affordability ratio, assessed as average house prices and median borough incomes, is now 11.58. The affordability ratio has risen from 6.87 in 2002, with the sharpest rises over the last five years.
- Private renting is often the only option for those unable to afford to buy. It is an expensive option, particularly for single people, with the median private sector monthly rent² for a one bedroom property £825, a two bedroom property £1,075 and a three bedroom property averaging £1,350.

2. Delivering through Planning

- The Core Strategy target is to deliver at least 6,900 additional homes, of which a minimum of 1,500 are expected to be affordable units, between 2012 and 2027. The borough continues to meet or exceed the Core Strategy annual average target of 460 additional homes a year.
- The Core Strategy target to deliver 1,500 affordable homes at an average of 100 a year to 2027 is being met.
- By 2018, 583 affordable homes³ had been delivered in the borough of which overall 50% were rented homes and 50% intermediate tenures, mainly shared ownership. Over the last three years the proportion of affordable rented homes delivered has declined to 25%.
- Site viability continues to be an issue on a number of urban sites and means that the full affordable housing requirement cannot always be secured.

3. Housing Need and Demand

- The housing affordability challenge continues to drive the need for more housing across all tenures. Residents and those who work here seek a variety of housing options. There is a need for low cost homeownership products, private rented options, social housing tenures and emergency accommodation.

¹ Land Registry December 2018

² Valuation Office Agency Private Rental Market Statistics December 2018

³ Housing Delivery Monitor 2018

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- The Council is aware of the following target areas of need that require further exploration:

3.1. Low income & young families

- As house prices have risen sharply the numbers of lower to moderate income households able to enter the market has reduced. This shift has been accompanied by more demand for private rented housing and a consequential increase in costs.
- In recent years, the rise in private sector rents is being experienced by more households occupying the cheapest homes.
- Some households are just about managing in private rented housing and others are waiting for the offer of a social housing tenancy. In 2016/17 181 households were offered family size homes. During 2017/18 the number assisted fell to 159 family sized homes.

3.2 Single people

- Single people of all ages are impacted by affordability including young people, young professionals, those single as a result of relationship breakdown, but the availability of high quality shared housing and high quality discounted market rent homes is limited.

3.3 Aspiring homeowners

- Homeownership is an aspiration for many households despite the challenges posed by house price rises and higher deposit levels.
- Many aspiring younger homeowners are part of 'generation rent' and the main difficulty they face is saving for a deposit whilst paying a market rent level. Lower private rents would enable more households to save for a deposit.

3.4 Older people

- In common with the overall national picture of an ageing society, the borough's population aged over 65 will increase by 26% in the next ten years.
- Specialist older people developers continue to deliver older person's accommodation here indicating an ongoing demand for this type of housing.
- Information indicates around 750 social rented homes are occupied by over 65s with no dependents.

3.5 Homelessness

- In March 2018, 140 households were living in emergency and temporary accommodation, including over 230 children. All but seven of these were families.
- Time spent in temporary accommodation is dependent on the availability of other options. A lack of social housing tenancies means families will live in self-contained temporary accommodation for 2-4 years whilst waiting for a social tenancy.
- The insecurity of the private rented sector in its current form is the main trigger for risk of homelessness.
- The affordability of the private rented sector is another risk factor. Rental values are high. This impact is felt by many working households on moderate incomes.

3.6 Single people with complex needs

- Whilst single people with complex needs are a relatively small group, our experience suggests that the group is increasing in size, with more people with mental health / drug / alcohol / offending history and debt presenting to the Housing Service.

- Accommodation options are extremely limited or non-existent for this group but the Council retains a responsibility for them and arranges nightly paid accommodation.

4. Housing Delivery Priorities

- Our Council ambition is to deliver more housing that is affordable for local people. We recognise that there are many different household types all at different points in their housing journey and all with different challenges.
- Our aim is to enable households to enter the housing cycle they need at the time it is needed. For some this will be private rented accommodation, for others a social housing tenancy, many seek a foot on the property ladder and others would like a room in a good quality house share.
- Intervening in the housing market is complex and is driven by many linked factors around demand, land costs, investment interest, capital resources and planning. A variety of housing delivery approaches will maximise the numbers and diversity of housing options that can be delivered.

4.1 Explore opportunities to set up housing delivery vehicles on a site specific basis and review the option to establish a Council owned Local Housing Company to deliver additional housing:

- Delivery of the Council's ambition to deliver more housing affordable to local households requires a different approach to partnership working. A range of housing delivery vehicle options exist and can include partnerships with Registered Providers / private developers / private investors / local authorities. Partnership offers access to experienced development teams, greater capacity to identify development opportunities and projects, as well as shared resources and risks.
- The Council is committed to investigating all housing delivery vehicle options on a site specific basis to secure investment and maximise development opportunity.
- In addition, Local Housing Companies have the ability to attract private investment and undertake commercial activities in a different manner from Local Authorities.
- The Council will fully investigate the operation and funding arrangements required to set up a local housing company to identify whether this is a viable housing delivery route and could assist in delivery of the Council's housing priorities. Deliberation will be given to the potential for a company to intervene on section 106 development sites to secure the delivery of affordable housing on marginal schemes, opportunities to provide additional high quality private market rent housing, discount private market housing and market homes.

4.2 Deliver supported housing for single homeless people with complex needs:

- Whilst single people with complex needs are a relatively small group, our experience is that the group is increasing whilst accommodation options remain extremely limited or non-existent. These households require safe accommodation with intensive support. The Council is committed to working in partnership with supported housing providers to deliver suitable accommodation for single complex needs households in the borough.



4.3 Maximise opportunities to work in partnership with public and private land owners to redevelop redundant or underused land and / or sites into mixed tenure housing schemes or mixed use development schemes:

- The need for more housing affordable to local people is an issue which affects all public authorities. Within the borough public authorities have sites and land with development potential which are currently either vacant, underused or require redevelopment. The Council is keen to progress a partnership approach to the redevelopment of sites to maximise their potential to deliver the right type of housing and tenure housing for local households.

4.4 Complete a housing capacity study of Council owned land with the purpose of identifying the quantum of housing and tenures that can be delivered, opportunities to deliver in partnership and options to acquire other land:

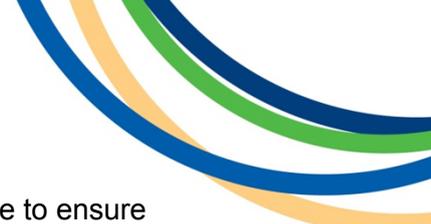
- The Council owns land in a variety of locations across the borough, whilst most is unsuitable for development, such as common land, parks and other public open space, other sites may have potential to deliver small scale housing projects. We have already embarked on the development of Pitwood Park, Tadworth a redundant industrial site to deliver affordable homes and the redevelopment of a building in Cromwell Road, Redhill to deliver market homes, lower cost market homes and retail units. A detailed review of Council owned land will be undertaken to assess development potential, deliverability and viability.

4.5 Review the Core Strategy housing delivery targets in accordance with revised government guidance:

- The Government is committed to significantly boosting the supply of housing nationally and has published changes to the assessment of local needs to facilitate reviews of housing delivery targets at a planning authority level.
- Our Core Strategy, adopted in 2014, will be subject to a review over the next few years. A significant element of the review will be a re-assessment of the annual housing delivery target and the need to undertake further strategic land assessments to ensure that we have a robust strategy to bring forward a blend of sites, in the right locations, which are capable of delivering choice to meet the range of housing needs in the borough.

4.6 Undertake a review of development density levels across the borough to maximise housing delivery numbers whilst maintaining a balance with between good design of buildings and the physical environment:

- The numbers of homes that must be delivered in the borough will rise in the future as a result of growing demand and national requirements. We are committed to maintaining the attractiveness of the local area and to ensuring residents enjoy living in a quality environment.
- Identifying more land for development, and making better use of it will be necessary to meet rising delivery targets and it is essential that new development delivers wider benefits to the communities within which it is located. This means balancing higher



densities with exemplary building design and good quality amenity space to ensure national space standards are met and communities are sustainable into the future.

5. Resources

- A full range of funding options will be explored including accessing Homes England funding and investment programmes, private investment opportunities and partnership delivery investment options.
- The Council will assess how it can use its own resources to deliver housing including investment of capital receipts, redevelopment of some of our land where appropriate and use of developer contributions.
- Commitments arising from this strategy will be taken into account when developing the Capital Investment Strategy, the new strategic framework for managing the Council's capital resources.
- Additional staff resources and skills and external consultant support will be needed for feasibility work and to enable delivery of the Council's housing priorities.