

## HARAH

### 1. Overview of HARAH

The Hampshire Alliance for Rural Affordable Housing (HARAH) was formally set up in 2005, developing from an existing steering group for the work of the Hampshire Rural Housing Enablers.

HARAH is a partnership of 5 rural Hampshire Local Authorities (East Hants DC, Hart DC, New Forest DC, Test Valley BC and Winchester CC); Hampshire County Council; two National Park Authorities- New Forest and South Downs; the charity Action Hampshire, and 5 Registered Providers (housing associations)- Hastoe, English Rural, Winchester HT, PHA and New Forest Villages.

Our main aim is to increase the supply of affordable housing in the rural villages of Hampshire, to ensure local people are able to afford to live in the places where they were brought up, work, or have family connections, and in doing so to help strengthen rural communities

**Our vision is: 'To ensure that communities are sustainable and inclusive by enabling an increase in the supply of affordable housing to meet needs.'**

We build small groups of affordable homes in rural villages for local people, to enable households with strong local connections to a parish to remain or return there.

Officers within the HARAH partnership work as a team, together with the local community, usually represented by the Parish Council. The Rural Housing Enablers are the main link with the local community and Parish Council at the start of the process. They work closely with the Local Authority officers in housing and planning and with Hampshire Village Homes, who are the developers. Once the site is chosen and the proposals start being drafted, Hampshire Village Homes play the key role, liaising closely with the community, the planners and the contractors.

We specifically work on Rural Exceptions Sites, where planning is only given because there is a demonstrable need for affordable housing in that area. The planning consent gained on these sites restricts the housing to local people in housing need. Through planning conditions set out in a Section 106 agreement, the housing must remain affordable housing for local people, in perpetuity.

By the end of 2018, HARAH will have provided over 500 homes in more than 50 villages across Hampshire. Without the involvement of HARAH it is unlikely many of these homes would have been built. Schemes range from 2 homes to 25 homes in number. Most schemes are around the 8-10 home mark. The majority of properties are 2 or 3 bedroomed houses. Most homes are for rent, but HARAH also offers shared ownership homes where this meets the assessed local need.

Over £70 million has been invested in affordable housing in Hampshire through HARAH. The homes are financed through a combination of Homes England grant (over £10M to date) and private finance secured by the Registered Providers.

These homes provide accommodation for over 2000 local people. A continuous review of the allocation of HARAH homes confirms that 99% of initial residents have a proven local connection to the parish, and a housing need.

## **HARAH target/ role for others**

*HARAH is a local success story with a national profile, providing much needed new affordable homes across rural Hampshire. HARAH's current partnership ends in March 2020. Work has already begun to set out a model for taking the partnership forward beyond 2020. HCC is a valued partner with a key strategic role to play in ensuring housing need is met- a commitment from the County to HARAH post 2020 is essential.*

## **2. Keeping communities alive**

**Key issue: On average, every month across Britain, 11 rural schools, 3 rural post offices and 1.5 village GP surgeries close\*. New affordable homes provide new customers and job opportunities to help keep Hampshire schools, shops, post offices and pubs open and vibrant.**

\*Source: National Housing Federation 2018

### **Local examples of the role of housing in the community**

#### Ropley (EHDC)

- As part of new scheme residents were given shares in the village shop via HARAH's then development partner, Hyde
- The village shop is a community interest company
- Everyone working in the shop lives in the village

#### Boldre (NFDC)

- Residents began a village football team for the kids and joined the local league
- Visiting teams used the local services such as shop & garage, which Parish Council felt helped to keep the village alive

#### Upham (WCC)

- The school governors were so confident housing was the key to keeping local people in the village that they offered a site to ensure a scheme was developed.

### **NIMBYism?**

- 73% of the English population back new affordable housing in their local area\*
- 65% of people living in rural areas are supportive of new affordable home\*
- HARAH has found community opposition to exception site development can be a challenge
- Although some opposition will remain, HARAH's experience is that rural communities are more supportive of local housing for local people with a connection to the area
- Rural planning & housing authorities should therefore be supported in continuing to implement local connections criteria where justified

\*Source: National Housing Federation 2018

### **Economic benefits**

- Housing brings investment into the community, directly & indirectly
- New homes can include new infrastructure such as play areas; pathways to bus stops
- New homes help retain local employees for industries such as agriculture
- New homes provide increased custom for local business

- Strong communities, with high levels of social capital/volunteering/support have benefits both to the communities & in cost savings to statutory services.
- New and emerging industries such as viticulture require new employees- affordable housing allows local people to benefit from new employment opportunities

### **HARAH target/ role for others**

*Housing is key to the sustainability of Hampshire's rural communities and needs to be embedded into all discussions about the economic and social future of the county, with HARAH being involved as a key stakeholder.*

### **3. Affordability of rural homes**

**Key issue: Rural homes in Hampshire are expensive. Rural communities need a wide mix of tenures and prices to support a vibrant rural community and to ensure that people can afford to live and work close to their communities. Young people are often priced out of the local market creating an unbalanced community. In late 2017/ early 2018, HARAH partners looked at the issue of affordability, especially in relation to HARAH's own homes.**

#### **Increase in salary needed to buy a home across the HARAH rural council areas**

LA area	Average (mean) house prices in 2017	Mean annual earnings at April 2017	Income required for 80% mortgage (80% at 3.5x)	% pay rise needed to afford average home
East Hants	£416,877	37,700	95,286	152.7%
Hart	£450,945	35,454	103,073	190.7%
New Forest	£355,412	26,754	81,237	203.6%
Test Valley	£332,248	32,531	75,942	133.4%
Winchester	£466,574	42,515	106,645	150.8%

Source: National Housing Federation 2018

Within HARAH/ Hampshire, there are 2 National Parks. Research suggests properties within National Parks attract a 22% price premium over otherwise identical properties, citing the New Forest as the most expensive National Park in which to live with an average property price of £525,000\*, and research from Lloyds even puts it at £581,448

\*Nationwide House Price Index, July 2017

#### **Affordability for those who in receipt of benefits**

- BRMAs (Broad Rent Market Areas) are the area over which a rent level is set for benefits
- 9 BRMAs cover the HARAH area
- 3 BRMAs impact on at least half the LAs- Basingstoke, Southampton and Winchester
- All HARAH LAs are covered by at least 3 BRMAs. EHDC is covered by 5 BRMAs
- The rate for a 3b home in late 2017 varied from £172pw in the Southampton & Portsmouth BRMAs to £268pw in the Guildford BRMA
- Issues reported where an area is covered by BRMA that is largely based in another LA and that outside area skews the figures/ doesn't meet local private rents

- High private rents that aren't met by benefits impacts on people's ability to meet their own needs within a community

Source: HARAHAffordability Review 2018

### Rent levels in social (Registered Provider & LA council) homes

- All RPs (housing associations) in the area have adopted the Affordable Rent (AR) model
- AR is capped at 80% of private rents or at the LHA rate, whichever is lower
- RP rent range in late 2017: 1b £117-140/ 2b £154-177/ 3b £180-211/ 4b £207-265
- Average across HARAHA area: 1b £128/ 2b £165/ 3b £191/ 4b £235
- Not enough information to summarise AR rents for new build council properties
- WCC have adopted AR for their own new build- but are now moving towards adopting a Living Rent model (1 bed 70% of market rent, 2 bed 75%, 3 bed 75%, 4 bed 60%)
- NFDC- continuing with Social Rent (a lower rent) on their new build schemes

Source: HARAHAffordability Review 2018

### Income levels across HARAHA

- HARAHA council's judge affordability of rent as being 28-33% of income
- Median income range in late 2017 £28,550- 36,821 in HARAHA LAs. Average across HARAHA- £31,911
- Lower quartile information only available from 4 LAs
- Lower quartile income range £22,409- 23,972. Average £23,209
- No common approach by LAs- some using ASHE, some CACI. Issue that one is individual income, the other household...however doesn't appear to be any significant difference reported
- 4 LAs could provide income data for their Housing Register (HR) applicants
- For working only households, the ranges are 1b £22,500-31,000/ 2b £30,000-31,000/ 3b £29,500- 32,000/ 4b £23,000 (lower than combined with benefit figure)- £28,500
- HR recorded incomes across the LAs broadly fall between the average lower quartile income and the average median income
- Larger working households do not have recorded larger incomes than smaller households, yet rents are higher for larger homes

Source: HARAHAffordability Review 2018

### Affordability of Registered Provider homes across HARAHA (late 2017)

Bed size	Annual rent based on RP average across LAs	Income required for average RP rent (based on 33% affordability)	Within reported HR income level	Within median income	Within lower quartile
1b	• 6,656	• 19,968	Yes	Yes	Yes
2b	• 8,580	• 25,740	Yes	Yes	No
3b	• 9,932	• 29,796	Yes	Yes	No
4b	• 12,220	• 36,660	No	Yes	No

- Figures are broad averages but does show that problem is acutest at 4b level
- Only limited savings data- average savings were minimal, with only 1b average being (just) above £1k- would not be even enough for a PRS deposit
- Across HARAH around 30% of HR applicants are reliant on benefits

Source: HARAH Affordability Review 2018

**HARAH target/ role for others**

*HARAH partners have reached an agreement that the aim should be for new rents to be 28-33% of incomes levels in order to be affordable*

*Funding from Homes England needs to reflect the true cost of developing small affordable schemes in rural areas, which can be higher than building large urban schemes. This would help boost affordable housing supply, especially if there was ring fenced national grant funding specifically for rural homes. Supply offers local communities options beyond private renting and home ownership.*

**4. Availability of sites for new development**

**Key issue: Land is the key to delivering new sites. Without landowners releasing land for development, the new homes needed in our communities cannot be met. In 2017 HARAH carried out some research in to the barriers for landowners. This was fed through to a conference for landowners and agents in March 2018.**

**Landowner considerations around using land for affordable housing**

- Small number of attendees at the conference completed the questionnaire
- From those who responded, providing homes for workers or family had the lowest importance both in terms of 'positive' response (VI or I) and 'negative' response (NI and no response)
- Investment was rated as slightly more important than a capital receipt (but by a small margin)
- In summary, other than providing a home for workers or family, all considerations had relatively equal importance for those who responded

	Capital receipt/ price for land	Longer term investment/return (i.e. lease of land)	Legacy /influence on the scheme (i.e. design)	Providing homes for your workers/ family members	Ease of development/delivery of homes	Long standing benefit for your community
Very important (VI)	3	5	4	2	3	3
Important (I)	4	3	4	3	5	5

Not at all important (NI)	1	0	1	2	0	0
No response/ section not completed	5	5	4	6	5	5

- Feedback during the conference about barriers to development - majority indicated it was the planning system
- Only a small number indicated allocations was a problem (sometimes perceived as a bigger issue ie homes going to non local people)

When later asked what the perceived problems are with planning, answers from attendees were:

- 'We don't do it every day!'
- Timescales
- It's complicated- need a plethora of experts to get through it
- Needs to be simpler/ more transparent
- Too many people involved
- Pre-apps are without prejudice to final decision

Issue then is largely perception of the complexity- reality is HARAHA can assist landowners through each step

#### **HARAHA target/ role for others**

*To provide greater advice to landowners on the support available from HARAHA, and based on the improved understanding of the range of drivers for landowners for releasing land.*

*To work closely with Planners across the county to ensure an enabling environment is provided.*

*HCC and other large public landowners can help by releasing land, including previously developed brownfield land for development*

*To incentivise land owners to bring sites forward (and so increase the availability and supply of land for rural homes) the Government could exempt sales of land for Rural Exception Sites from Capital Gains Tax.*

#### **5. Maintaining the existing stock of rural affordable homes**

**Key issue: If existing rural homes are lost to local residents, either through the sale of affordable homes through the Right to Buy, or the use of private homes as second homes, then the available stock is reduced, and new homes provide a reduced net gain for their community. In many desirable rural locations such as the New Forest, second homes push up local house prices and prevent local families from being able to remain in their communities.**

## **HARAH target/ role for others**

*HCC and local organisation should encourage the Government to allow rural local authorities the discretion to repeal, suspend or reform the Right to Buy in their area to prevent the loss of existing homes in rural areas, otherwise new supply is not a net gain.*

*In addition, the piloted Voluntary Right to Buy poses a threat to new RP homes and goes against the main aim of many community led housing groups, to keep homes affordable in perpetuity. It could put many communities off starting a project, and landowners from bringing forward sites. HCC and other local organisations should encourage the Government to confirm that community led schemes are fully exempt from RTB*

*National measures to support local authorities who want to address a high prevalence of second homes and holiday homes in rural areas, should be promoted.*

## **6. Meeting the changing demographic needs of the population**

**Key issue: The population is aging. Almost a quarter of the population are aged 50-69. There are great inequalities between the richest and poorer older people. Unsuitable housing causes physical and emotional issues for older people and has a cost to wider society**

- By 2040, a third of older people could be privately renting their homes
- Currently 1 in 4 homes occupied by older people fail the Decent Homes Standard
- 1 in 4 falls involve stairs in the home- falls cost over £1B a year
- Postponing a move into residential care for 1 year saves society £26k
- 60% of older households live in multi bedroomed homes where there are no dependent children
- There will be a need for more carers- unless people in these low income jobs can live local, there will be greater need for carers to travel to rural locations
- Homes will need to be able to make best use of future technological developments in helping people remain independent for longer
- Rural locations are often typified with a housing stock that is older, with greater accessibility issues
- Isolation in rural communities can increase the likelihood of loneliness for older people
- 'Rightsizing' (an older person's active, positive choice to move as a means of improving their quality of life) is limited if suitable stock isn't available in the community the person lives in
- Hampshire Community Housing Partnership (close links to HARAH) has been investigating role of housing co-ops for older people

## **HARAH target/ role for others**

*A range of housing options needs to be available for older people in rural communities to enable them to remain in those communities, with the support opportunities that offers. 'Rightsizing' should be prioritised.*

*There will ultimately be cost savings to HCC and better health/care outcomes, so front funding for dedicated older person accommodation should be considered across rural Hampshire.*