

05 July 2016 at 7.00 pm

Conference Room, Argyle Road, Sevenoaks
Despatched:



Scrutiny Committee

At the above stated meeting the attached presentations were given for the following item

5. **Presentations by Moat and West Kent Housing on the provision of housing** (Pages 1 - 16)

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Sevenoaks District Council Scrutiny Committee

July 2016



Moat – delivering homes, developing communities, making a difference

- Moat is an innovative social business, providing high quality homes and services to over 20,000 homes across South East England
- We house people across various tenures – including social and affordable homes for rent and a very strong focus on low cost home ownership
- Since 2010, we have delivered 2,650 homes with no new grant from government, utilising recycled capital grant from shared ownership sales and staircasing
- Today, we are more heavily reliant on private sector borrowing



2015/16 programme

- In 2015/16 we invested £85m in building new homes across a range of tenures
- 664 homes completed:
 - 122 for social rent
 - 268 for affordable rent
 - 274 for low-cost home ownership
- New homes in the region 2015/16:
 - Kent – 172
 - Sevenoaks - 18



Our ambition is to end housing need

- We will do this by:
 - being focussed on growth
 - being easy to do business with – looking for new partnership opportunities
 - offering the right experience for our customers and being brilliant at doing the basics
 - building on our reputation as an innovative and creative business



Homes in Sevenoaks

- Current homes in the Sevenoaks area 969
 - Discounted or affordable 28
 - Social rented 383
 - Sheltered and supported 80
 - Shared ownership 78
 - Average purchaser age is 36
 - Average value of property is £227,268
 - Average gross household income is £28,649
- Open market shared ownership (2015/16) 7



Development pipeline

- London Road, Sevenoaks £3m
 - Ten 1 bed apartments for shared ownership in partnership with Berkeley Homes
 - Estimated completion December 2018
- St Andrew's Court, Swanley £4m
 - Twenty eight older people's apartments, 1 and 2 bed
 - On site and completion due January 2017



Voluntary Right to Buy

- Due to be introduced by the end of the year
- 5 pilot schemes nationwide
- Findings of a high level of fraudulent activity
- Demonstrably working better in low value areas
- Pilot explicitly excludes homes built under Section 106
- Going forward presumption that housing associations will sell, but be able to exclude certain properties
- Element of portability of the discount, although not clear how this will work
- 3 year timeframe for 1:1 replacements – replacements can be property already in the pipeline. Replacement must be an affordable home, which includes starter homes and shared ownership
- Not HA specific – it's about working together regionally

Shared ownership

- Shared Owners purchase a stake of between 25% and 75% of the property, using a deposit and a mortgage. They then pay a rent of up to 3% of the remaining share, which is owned by the local housing association
- Due to the lower deposits required, shared ownership helps families onto the property ladder – *14 properties in the Sevenoaks area purchased through the re-sales process with a deposit less than £10k*
- Shared owner can then save to buy a further share of the property, in increments of no less than 10%, gradually 'staircasing' up to 100%



Challenges

- Present Government policy for low cost home ownership – between 2016 and 2021, £4.7 billion allocated to deliver:
 - 135,000 homes for Help to Buy: Shared Ownership (88.3%)
 - 10,000 homes for Rent to Buy (6.5%)
 - 8,000 homes for specialised housing (5.2%)
- No grant funding available for affordable or social rent
- Competing products, such as Starter Homes and equity loans
- Affordable homes requirement 40%, 20% of which will be Starter Homes
- Land/property values amongst the most expensive in the UK
- Affordability issues, with those on low to middle incomes being out-priced, having to rent privately or move to cheaper areas



The Vales, The Moor Road, Sevenoaks



West Kent Housing Association

The future as we know it



Places to live. Space to grow.



Long Term Strategy

To be the leading community provider of
affordable homes in Kent

WestKent

Places to live. Space to grow.



Places to live. Space to grow.

Long Term Strategy

- Kent only
- Sevenoaks remains main local authority
- Building 200 homes a year
- Focus on our Older People's Strategy
- Dealing with the impact of welfare reform
- Value for money and efficiencies
- Channel Shift and independence

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Voluntary Right to Buy

- Not a new concept for us
- Still to decide on exclusions or not – as portable discount will just mean the loss of another home
- S106 – 85 have ‘in perpetuity’ clauses
- Planning for 50 per year
- Replacements may not be like for like, but based on current and future needs
- Land and price are constraints on replacing in Sevenoaks



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‘Squeezed Middles’

- Who are ‘squeezed middles’?
- Shared Ownership
- Private market or intermediate market rent
- Rent to Buy
- Education especially around deposits and credit history



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