

Affordable Housing Statement: Proposed Development at Wellington Way, Waterlooville

Planning Policy Position

- 1.1 Policy CS9 (Housing) of the Havant Borough Core Strategy (2011) includes that sites of 15 dwellings or more should provide 30-40% of affordable housing, unless a lesser requirement has been justified due to viability.
- 1.2 Emerging Policy H2 (Affordable Housing) of the Draft Local Plan for Havant Borough Council reduces this requirement to 20% rented and intermediate affordable housing for the town centre of Waterlooville.

Quantum of Affordable Housing

- 1.3 This planning application is accompanied by an Economic Viability Assessment. This concludes that only by undertaking the project on significantly reduced development profit can the project be delivered. Therefore, the inclusion of any additional planning gain contributions would prevent the project coming forward.
- 1.4 It is not possible to meet the affordability housing standard set out in the Core Strategy or the emerging Local Plan. However, it is considered that due to the nature of the proposal, all proposed units will be more affordable than typical market housing.

Rental Affordability

- 1.5 The nature of the build-to-rent model is that a more affordable product is provided. Research has shown that this development model is more affordable for occupiers than either owner occupation or traditional private rented housing.
- 1.6 With the average salary in Havant at £27,636 per annum, and the average private rent in Havant at £785 per month; the average rent to income ratio in Havant is 34%.
- 1.7 Priced at £600 per month for a studio, the proposed development at Wellington Way would be more affordable than the average rent to income ratio.
- 1.8 Even for a newly-qualified nurse (the lowest professional salary considered in the research), the proposed development provides a lower rent to income ratio than the average rent to income ratio. For the average earner in Havant, it will be dramatically (24%) more affordable, with 26% of income going on rent.
- 1.9 These statistics are provided by Figure 1 overleaf.

<u>Affordability of the Development</u>					
Median Gross Earnings	Nationwide	South East	Havant		
	£550	£575	£531 PW		
	£2,385	£2,491	£2,303 PCM		
	£28,621	£29,895	£27,636 PA		
Median Rent as a % of Gross Earnings	27%	34%	34%		
Forecast Median Development Rent	£600 PCM				
Havant Median Private Rent	£785 PCM				
Affordability of the Development by Profession - Single Occupancy	Salary Gross PA	Salary Gross PCM	Rent as a % of Gross Earnings	Salary Net PCM	Left to Spend PCM
Newly Qualified Nurse	£22,128	£1,844	33%	£1,527	£927
Newly Qualified Teacher	£22,917	£1,910	31%	£1,572	£972
Trainee Firefighter	£22,017	£1,835	33%	£1,521	£921
Newly Qualified Firefighter	£29,345	£2,445	25%	£1,936	£1,336
"The Average Earner"	£28,621	£2,385	25%	£1,894	£1,294
"The Average South East Earner"	£29,895	£2,491	24%	£1,968	£1,368
"The Average Havant Earner"	£27,636	£2,303	26%	£1,840	£1,240
<u>Sources</u>					
ONS Annual Survey of Hours and Earnings: 2017 provisional and 2016 revised results					
ONS Housing Summary Measures 2016					

Figure 1: Affordability of the Development