HARROW'S HOUSING EVIDENCE BASE
NEW SUPPLY

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Affordable Housing Supply

Although land for development in Harrow is in limited supply, the Council works hard with development and investment partners to improve the quantity and quality of new and existing affordable housing in the Borough.

The Greater London Authority (GLA) defines affordable housing as housing provided to eligible households whose needs are not met by the market and which should meet the needs of eligible purchasers or renters including availability at a cost low enough for them to afford, determined with regard to local incomes and local housing prices. There should be provision for the home to remain at an affordable price for future eligible purchasers or renters, or for the subsidy to be recycled for alternative affordable housing provision.

The GLA allocates funding to Registered Providers (RPs) for new affordable homes in London, and homes funded under the current funding programme are expected to be primarily composed of three affordable products:

- **London Affordable Rent** – This is housing that is required to be provided at a rent that is:

  (a) Including Service Charges, up to 80% of local market rents and (in London);

  (b) Excluding Service Charges, no higher than the benchmark rents published by the GLA annually in accordance with the Mayor's Funding Guidance.

  London Affordable Rent properties are allocated to households by the Council to meet housing need.

- **London Living Rent** – This offers Londoners on low to moderate incomes a below-market rent to enable them to save for a deposit to buy their own home. It is provided on a time-limited tenancy at rents not exceeding the relevant maximum rents published by the GLA annually, after which the renter can purchase the property on a shared ownership basis.

- **London Shared Ownership** – This is a 'part rent/part buy' arrangement where the purchaser takes out a mortgage on an initial share of the property (minimum 25%) and pays rent on the remaining share. They have the right to increase their share over time up to 100% ownership, or dispose of the unit on the open market. This housing is also aimed at low to moderate income households who wish to own their own home but cannot afford to purchase a property on the open market.

The GLA sets targets for average income requirements to ensure London Living Rent and London Shared Ownership housing is provided at an affordable level.

Targets and Delivery

London Plan Overall Housing Delivery Target

The current London Plan overall housing delivery target for Harrow is 593 dwellings per year, but the draft New London Plan (2019) proposes to increase this to 1,392 dwellings per year. This significant increase was challenged through the Examination in Public process. It is currently unclear what the figure will be in the final version of the New London Plan, as both the Mayor and the Government advocate a significant increase in housing targets and delivery across London.

The recently introduced Housing Delivery Test indicates that for the three years covering 2015/16 to 2017/18, 2,309 dwellings were completed in Harrow, compared to a target of 1,322 dwellings over that period. This meant that Harrow delivered 175% of its overall housing target, compared to the London-wide average of 94%.

The draft New London Plan proposes a strategic target of 50% affordable housing, with a minimum threshold of 35% on individual developments. Any provision less than 35% will be subject to viability testing, and grants will be used where possible to increase affordable housing above that rate. The 35% threshold is anticipated to increase over time as the development land market adjusts to reflect this policy requirement.

The Council's Affordable Housing Delivery Target

The Council's Core Strategy has set a target of 40% of all new housing from all sources to be affordable housing. This is sought through a range of sources, including those secured through the Planning system, housing provided as part of the Council's own housebuilding programme or those of RP partners and other sources. It should be noted that some housing delivery, from sources such as conversions and change of use (resulting in less than 10 units) and the Prior Approval Process, which contributes to the overall housing delivery figure, are not required by policy to include affordable housing.

The target of 40% is split by tenure, with a mix of 60% London affordable rent and 40% low cost home ownership (e.g. London Shared ownership / London Living Rent housing). Whilst we are meeting the tenure split mix, we have not met Harrow's 40% affordable housing target since 2013, with 16% gross affordable housing being secured on sites from all sources (12% net of demolitions). This figure rises to 24% gross (19% net) when calculated only against sites that trigger affordable housing policy requirements, and the low level of delivery (detailed below) has been due to market uncertainty and viability issues on individual schemes.

Completions

The number of completions varies considerably from year to year, but over the last 7 years just 12% of net completions[1] from all sources were affordable housing (fig 7.1). These include newly built properties plus completions achieved by conversions or change of use (including prior approval permitted development), which are not required by policy to deliver any affordable housing.

[1] Illustrations are based on 'net' housing units provided. This is calculated by subtracting the number of units replaced from the total number of units provided. Gross units provided is the total number of properties built.

Fig 7.1 Gross and Net Completions from all Sources

Year	Gross completions	Gross affordable completions	Net completions	Net affordable completions
2012/13	852	364	738	302
2013/14	355	33	283	15
2014/15	454	96	317	36
2015/16	1,238	161	1,091	68
2016/17	731	4	655	3
2017/18	841	92	738	67
2018/19	1,338	178	1,226	137
Total	**5,809**	**928**	**5,048**	**628**
Affordable % of completions	**16%**		**12%**	

Source: AMR reports

In comparison, 19% of net new build completions were affordable housing (fig 7.2), which is still well below the Core Strategy 40% target for affordable housing.

Fig 7.2 New Build Gross and Net Completions

Year	Gross new build completions	Gross affordable new build completions	Net new build completions	Net affordable new build completions
2012/13	767	364	687	302
2013/14	200	33	166	15
2014/15	294	96	193	36
2015/16	794	161	681	68
2016/17	388	4	365	3
2017/18	499	92	461	67
2018/19	872	178	822	137
Total	**3,814**	**928**	**3,375**	**628**
Affordable % of completions	**24%**		**19%**	

Source: AMR Reports

It should be noted that the Draft New London Plan sets a target of 69% of overall housing delivery in Harrow to come from small sites (less than 0.25 hectares in size) which may not trigger an affordable housing policy requirement, making delivery against the 40% affordable housing target from all sources extremely challenging.

Funding

Most of the supply since 2016 has come from affordable housing schemes where Harrow's RP partners have secured funding to develop sites they have acquired as either 100% affordable or as S016 contributions, usually with a mix of rented and shared ownership tenures. In some cases, private units are also developed to aid the overall viability of the scheme.

The Mayor has also set specific grant funding amounts for the delivery of affordable housing and is now offering increased funding levels to Approved Providers for additional affordable housing starts of £70,000 per unit for London Affordable Rental units and £38,000 per unit for London Shared Ownership and London Living rent units, giving more certainty to housing providers as to grant allocations.

Between 2016/17 and 2018/19, 1,648 net new build properties were built in Harrow (fig 7.2). Of these properties, 207 were affordable housing, the majority of which were secured through private developments, i.e. as part of a Section 106 contribution. 84 were delivered through the Council's own programme.

Density of New Developments

Housing density is measured using Habitable Rooms per Hectare (HRPH). Major developments (10+ dwellings) completed in Harrow between 2016/17 and 2018/19 achieved an average of 505 HRPH. The trend over this period of time was increasing density levels, with the average in 2016/17 being 407 HRPH compared to 718 HRPH in 2018/19. In year averages are, however, influenced by individual schemes, such as the 51 College Road development which is the Borough's tallest development to date and was completed in 2018/19. Excluding the 51 College Road development, the average density for 2018/19 was 512 HRPH.

In general terms, the density of new development across London has been at the upper end or above the relevant density ranges in the London Plan, and partly as a result of this, the draft New London Plan proposes to remove the density matrix and to rely on the design process to determine the most appropriate density for a development and its context.

Completions by Number of Bedrooms

The increased density of housing developments in Harrow has led to more one and two bedroom flats having been built in recent years, particularly in high density town centre developments. This provided more units of accommodation on each piece of land and offered the developers better viability.

Affordable rent units carry a lower value for the developer, which reduces scheme viability and impacts adversely on the number of larger affordable properties a development can viably support. In 2018/19 822 new build properties (net) were completed within the Borough, up from 461 the previous year (figure 7.2). In 2018/19, 137 net affordable units were completed and only 15% of these were larger family-sized properties with 3+ bedrooms, down from 33% in 2017/18. There were no 3+ bedroom properties in 2016/17.

The London Plan 2016 does not set a fixed target of delivery for family sized provision, but it does state that these larger units should be provided as a priority.

Pipeline Affordable Housing Completions

In order to plan for future affordable housing delivery, the Housing Regeneration Team keeps a record of likely future completions beyond the financial year. Information is compiled through dialogue with Planning colleagues and RP development contacts. It is expected that the number of affordable units completing over the next couple of years will rise above the level seen over the last 3 years, as some larger schemes come to completion and with traditional RP delivery being augmented by the Council's build and regeneration programme.

There has been a growth in Community Led Housing activity in the Borough in the last 2 years with 2 ongoing CLH projects and 1 Co-Housing project in their initial stages.

Planning Permission

From 2016/17 to 2018/19 the number of Affordable units granted planning permission increased each year, with fluctuations in line with wider economic and housing market concerns (fig 7.3).

Fig 7.3 Permissions for Affordable Housing by Year (Gross Units)

Monitoring Year	Proposed Total Number of Housing Units (Gross)	Proposed No. of Affordable Units (Gross)	% Gross Affordable Units	No. of Schemes
2016/17	1,443	257	17.80%	9
2017/18	2,480	340	13.70%	7
2018/19	2,251	579	25.70%	6
Total	6,174	1,176		22

Source: Economic Development, Regeneration, Planning & Enterprise

In 2014/15, 62.0% of housing capacity with planning permission was not under construction / being implemented. By 2018/19 this had decreased to 58.4%.

Council Building and Acquisition

Although 23% of London's population live in social housing, Harrow has the second lowest proportion at just 10% of its 90,000 households. At March 2019 there were 4,762 Council properties and 4,327 housing association properties. Harrow is ranked 287th out of 326 local authority areas in England and Wales where Rank 1 has the highest percentage of social housing.

In order to increase supply the Council is building new homes for the first time in decades. At September 2019, 98 new homes were either completed or under construction, with planning permission for a further 37 new homes on 'infill sites' on existing estates. Additional funding has been received for a total council house building programme of 639 new homes - 580 for social rent and 59 for shared ownership. This includes the regeneration of the Grange Farm estate, which will see 574 new homes built - 249 for social rent, 25 for shared ownership and 300 for private sale to offset costs.

The Council also launched an acquisition programme, with 100 homes bought on the open market between 2016/17 and 2017/18 to be used as Temporary Accommodation and 8 bought as permanent council housing. This programme is being expanded in 2019/20 by up to 32 additional properties, funding permitting.

The Housing Regeneration Team actively works with Planning colleagues as well as RP partners to maximise affordable housing delivery, and to progress the Council's own build programme, with priority being given to the provision of affordable rented units to meet the needs of those on the housing waiting list, which includes homeless households.

The Council will continue to investigate the feasibility of new delivery mechanisms such as private rental sector development, joint ventures, use of available GLA grant funding streams and Right to Buy retained receipts and the identification of surplus HRA land for affordable housing delivery. Harrow will seek to ensure best use of its existing recourses to bring forward new affordable housing development in the Borough.