

Ensuring the Supply of High-quality Homes

Our Commitments

- Secure the delivery of Council and affordable rented homes for those in priority housing need.
- Ensure that intermediate housing is accessible to those who want it.
- Utilise our partnerships to maximise housing development and place shaping potential in the borough.

We aim to enable people to access affordable housing to support all sections of our community and provide the basis for excellent neighbourhoods.

Our key priority is to ensure that we maximise the number of genuinely affordable social homes in the borough. This will allow us to address the area of greatest need and demand, with over 3,100 applicants in priority need on our waiting list for social housing.

We will continue to invest in the pace and scale of our own housebuilding programme Greenwich Builds. This will mean exploring opportunities to sustain our capacity to deliver new Council homes and exploring new models of delivery through the programme.

We will continue to work closely with registered providers and developers to increase the number of affordable homes delivered by partners.

Affordability Pressures

Using CACI Paycheck's data modelling, we understand that average (median) household income in the borough is approximately £30,778. We can then estimate that the average (median) market rent for a 2-bed property would account for 53% of the average household income before tax, service charges and expenditure on dependants, such as children.

This is far higher than any level that could be classified as affordable. Many households would be eligible for housing benefit to assist with the cost but it is unfair that average working families must be reliant on benefits to access housing at market levels.

Homeownership is even more unaffordable, with the average (median) price of a home to buy being 13 times higher than average household income. This makes homeownership near-impossible without assistance from family, friends or affordable home ownership schemes.

Market housing costs (for sale and rent) mean that many households will struggle to afford a home without assistance. We outline below how we plan to help these residents with the tools we have at our disposal.

Working in partnership will be key to delivering the homes that we need in the borough. We commit to strengthening our partnerships to learn from best practice within the sector and to inform our plans for housebuilding and place shaping.

To address the competing challenges in the borough and deliver the homes that are needed, we must deliver ambitious but pragmatic solutions. We set out below a variety of options to increase overall supply of new and existing homes and a multifaceted approach that will help to mitigate risks.

Secure the delivery of the Council and affordable rented homes for those in priority housing need

- Build circa 750 new Council homes and set out our future plans to sustain development.
- Utilise off-site manufacture construction on appropriate sites to accelerate the delivery of Council homes.
- Continue to meet our carbon neutrality commitment and high building safety standards.
- Aim to achieve the delivery targets for two and three-bedroom low-cost rented homes because this is the property type with the greatest demand for those in priority need.
- Target at least 35% on-site affordable housing units on schemes of ten or more homes and at least 50% on developments that are delivered on public sector land.
- Of these affordable homes, target 70% to be available at London Affordable Rent (LAR) or less, and 30% to be intermediate housing products. When planning applications do not meet these targets, we will negotiate with developers to maximise the number of homes offered at London Affordable Rent levels.
- Develop an active downsizing policy that makes it easier for those who want to move to do so.

The level of demand and affordability pressures for low-income households make securing low-cost rented homes for those in priority need our primary focus. We will achieve this through our own housebuilding programme and by securing affordable housing on other developments in Royal Greenwich.

For the most recent financial year for which figures are available (2019/20), there were 1,199 social housing units allocated through our social housing waiting list. In comparison, there are over 3,100 households in priority need on the waiting list. This highlights the mismatch between the supply and demand for affordable rented homes and the reason that this is our priority.

To tackle this, we will continue to build high-quality Council homes over the life of this strategy and will outline future plans for sustaining our housebuilding in the coming years. These new homes will continue to meet our commitments to carbon neutrality and building safety standards.

We aim to meet our targets for two and three-bedroom homes because the evidence shows that this is where there is the greatest need and the biggest mismatch between supply and demand. In 2019/20, for example, there were 228 social housing lets for three-bedroom homes through the waiting list, compared to over 900 households requiring a three-bed on the waiting list. We will continue to monitor the supply of new and existing affordable rented homes and the demand from those in priority need with the aim of redressing the balance within the social housing stock.

On housing developments delivered by partners and developers, we will target at least 35% on-site affordable housing units on schemes of ten or more homes. This target will increase to 50% of homes delivered on public sector land. Of these units, will continue to seek the maximum-allowed proportion of affordable rented units of 70%, at London Affordable Rent benchmark levels.

For the supply of existing social homes, we will develop an active downsizing policy to make it easier for people looking to move to smaller properties. This will help residents who wish to downsize and potentially open up opportunities for households who require family-sized accommodation and are in priority need to secure a home.

Ensure that intermediate housing is accessible to those who want it

- Develop our Intermediate Housing Policy that sets out our priorities for the tenure in the borough.
- Establish a process for matching intermediate homes with residents who want to access submarket rent and low-cost home ownership schemes.
- Identify the priority categories for intermediate housing to ensure that the homes are matched to households in demand.

Our plan is to establish a policy and process for matching the supply and demand for intermediate properties to help alleviate housing pressures in the borough and support the people who are in a position to afford them.

The extent of housing affordability pressures in Royal Greenwich means that even for households with above-average incomes, housing costs can be unaffordable and home ownership can be unobtainable without financial support. For example, the average (median) cost of a home in Royal Greenwich is now eight times higher than higher-than-average household incomes (upper quartile household income is approximately £52,000).

National planning policy requires that at least 30% of all newly-developed affordable housing is intermediate (e.g. submarket rent or shared ownership). This means that there is a steady supply of these types of homes, which are designed to help people onto the housing ladder. There is not currently a standardised process for matching people to intermediate homes so establishing this would help priority households find a home more easily.

Utilise our partnerships to maximise the housing development and place shaping potential in the borough

- Establish our future relationship with Meridian Home Start (MHS) as our preferred provider of Build to Rent housing in Royal Greenwich.
- Encourage partnerships to develop homes with non-profit organisations that are committed to meeting the needs of current and future residents.
- Review how we allocate Right to Buy funding to maximise take-up from registered providers.
- Work with NHS organisations to explore opportunities to develop key worker housing and lifetime homes alongside neighbourhood health and wellbeing hubs.
- Deliver two pilot sites for the community land trust model, which is a form of community-led housing that is set up and run by local people to develop and manage homes.
- Establish a standard for the supply of high-quality licensed and regulated accommodation with some shared facilities targeting young, single people.

Working in partnership with developers and other housing providers in Royal Greenwich will help us to bridge the gap between the supply and demand for high-quality homes and excellent places to live. We will work with partners with the aim of influencing decisions and outcomes to ensure there are beneficial outcomes for residents.

We encourage establishing new partnerships that are of clear benefit to the residents of Royal Greenwich. Examples include increasing the number of affordable homes, decreasing costs, enhancing physical or social infrastructure or shortening the development cycle. This will allow us to extend our influence and resident-focus beyond our own development programme.

Following the recent reforms to how income from Right-to-Buy (RTB) sales can be spent, we will review our policy for allocating this income stream to help facilitate the delivery of more affordable rented homes by partners. The reforms mean that RTB receipts can fund 40% of each new home (up from 30%) and the deadline to spend them has been increased from three to five years.

We will continue to work with our partners in health services to explore opportunities to develop key worker housing, implement lifetime homes standards and that there are neighbourhood health and wellbeing hubs. This will help to ensure that on new developments and estates, there is a focus on promoting the health and wellbeing of residents.

The Council established not-for-profit housing provider Meridian Home Start (MHS), which build and let properties at a blended rent of 65% of market rates. We plan to establish our future relationship with Meridian Home Start (MHS) as our preferred provider of Build to Rent housing in Royal Greenwich.