



Committee report

COMMITTEE	CORPORATE SCRUTINY
DATE	12 JULY 2022
TITLE	AFFORDABLE HOUSING
REPORT OF	DEPUTY LEADER AND CABINET MEMBER FOR DIGITAL TRANSFORMATION, HOUSING, HOMELESSNESS AND POVERTY

SUMMARY

1. Corporate Scrutiny has asked for an update on actions taken by the council in relation to the provision of affordable housing and combatting the increasingly critical issue of housing need.

BACKGROUND:

2. On the Island, the average cost of a new-build dwelling is **£373,663** (Source – Jan 2022 - UK House Price Index – HM Land Registry Open Data: Accessed 20/05/22)
3. In 2010 the average sale price of a new build was £189,742 this is a 96.9% increase and means that in the last ten years, average house prices have almost doubled.
4. Unsurprisingly, this market price is not affordable for most Island residents. In fact, the Isle of Wight Council considers an income of more than **£62,400¹** would be required to buy a new build house at this price without assistance this also assumes they have a 10% deposit of £37,366.
5. As a useful comparator, the median house price on the Isle of Wight as of June 2021 was £255,000, with properties cheaper than across the South East and England. Lower quartile (entry-level) properties cost £188,000, more expensive than across England, but cheaper than the regional averages
6. At an income needed of **£62,400** this equates to only **16.8%²** of the population of the Island able to afford new build properties based on household earnings. Or, put another way, **83.2%** per cent of Island residents cannot afford a new-build home on the open market on their incomes alone.
7. The council's housing strategy³ (2020-2025) has four overarching themes of People, Properties, Place and Partnerships and sets out six strategic housing priorities:
8. *Priority One:* New housing supply – Ensuring the right supply and mix of new homes and increasing 'affordable' housing through the efficient use of land and capital resources including those the council owns or has control of.

¹ **Price** £373,663 **Deposit** £37,366 **Rate** 2.8% = **Monthly repayments:** £1,560 * 12 = £18,720 / 30 (30% of income) * 100 (100% total income needed) = **£62,400**

² 11,102 out of 65,056 households have a household income of £62,400 or over.

³ [Viewing Document: Isle of Wight Housing Strategy 2020-2025 \(iow.gov.uk\)](https://www.iow.gov.uk)

9. *Priority Two: Housing affordability* – We have defined “affordability” on the Island through detailed research of both incomes and housing costs to inform both planning and housing policies going forward.
10. *Priority Three: Private sector housing* – Ensuring that the private housing sector provides enough good quality market housing through support for landlords and, where necessary, robust quality control and regulation.
11. *Priority Four: Homelessness and housing need* – Reducing homelessness and rough sleeping through effective prevention work and build a new homeless pathway through expanding our accommodation options and linked support services.
12. *Priority Five: Special housing needs and vulnerable people* – Ensuring that specialist accommodation is available for vulnerable people including primarily extra-care housing for older people, and those with special housing needs including young people and people with disabilities.
13. *Priority Six: Partnerships* – Enabling Housing associations and our other partners to build more new ‘affordable’ homes for Island residents whilst maintaining their current homes to a high standard.
14. To deliver these priorities against these priorities the strategy includes an action plan and the actions and activities included within that plan are attached as Appendix 1 of this paper.
15. To summarise, the activity listed falls within 3 specific areas:
 - Understanding need
 - Enabling delivery
 - Direct delivery

APPENDICES ATTACHED

16. Appendix 1 – Housing Strategy Action Plan

BACKGROUND PAPERS

[Isle of Wight Council Housing Strategy 2022-2025](#)

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