

Draft Housing Strategy 2026 to 2030
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Draft Housing Strategy 2026 to 2030

1. Introduction

This is a review of the Housing, Homelessness and Rough Sleeping Strategy 2018 to 2023. There is a statutory requirement for local housing authorities to produce a Homelessness Strategy, but not a housing strategy.

Although it is no longer a statutory requirement, the Housing Strategy remains the key policy document that underpins and links all the council's housing-related strategies and policies.

An up-to-date Housing Strategy is urgently needed to address new Government housing policies, the new Corporate Plan and the Draft Local Plan.

The Housing Strategy and Homelessness and Rough Sleeping Strategy have been separated into two strategic documents to enable the Homelessness and Rough Sleeping Strategy to be tailored to address the requirements of the Homelessness Reduction Act 2017.

This is an exciting time for the social/affordable housing sector, with renewed Government emphasis and financial support for the provision of new homes and a 10-year rent settlement.

However, there are also many challenges, including responding to findings of the Regulator of Social Housing, embedding the principles of Awaab's Law, health and safety compliance, improving the condition, quality and decarbonising existing homes, preparing to meet the new Decent Homes Standard, building new homes and affordability of accommodation in the district.

Local government devolution is expected within the next two to three years, which will result in the reorganisation of the current two-tier arrangements for local authorities. This document explains the council's strategic approach to housing for that period and aims to leave the new authority a sound legacy without fettering its discretion.

It is primarily aimed at an informed audience of councillors, council officers, planners, developers, Registered Providers, representative and advocacy groups rather than the public.

1.1 Purpose

The housing strategy is the council's vision for housing in the district, providing an overarching strategic framework for the council's housing related policies.

It supports the council's role as a place maker and leader of communities. Providing a clear understanding of local housing needs in all tenures, a vision for the kind of housing that is appropriate in the district and how it might be delivered, making an important contribution to the council's strategic framework and helping to achieve the social, economic and environmental objectives that shape a community and create a sense of place.

1.2 Links to other strategies

Although it is not a statutory requirement, the Housing Strategy links all housing-related strategies and plans, giving and receiving support to the following:

- € [Corporate Plan 2024 to 2028 | Canterbury City Council](#)
- € [Adopted Local Plan | Canterbury City Council](#)
- € [New Local Plan | Canterbury City Council](#)
- € [Housing homelessness and rough sleeping policy 2018-23](#)
- € [HRa Buisness Plan 2019](#)
- € [Housing allocations policy 2023](#)
- € [Tenancy strategy December 2020](#)
- € [Tenancy policy December 2020](#)
- € The report of the Councillor Working Group on Older Persons' Accommodation

2. Where we want to be

2.1 Vision

Everybody needs a decent home. Our vision is to improve choice, opportunity and quality of life for our communities by providing attractive, well designed council homes that achieve the highest modern standards of comfort, convenience, practicality & energy efficiency in desirable, welcoming, sustainable neighbourhoods at a price that local people can afford.

2.2 Aims

- To support the Corporate Plan
- To support the Local Plan
- To understand local housing needs in all tenures
- To identify local housing priorities
- To ensure that local housing markets meet local needs, and support the delivery of new homes, particularly affordable housing
- To promote efficient and effective use of the existing housing stock

3. Where we are now

3.1 Overview of Canterbury District

A description of the district, its demographics and economy are explained in the 2017 [Canterbury District Customer and Community Profile and 774d16c2cd8b06d7d5e53728462006a1 Housing Needs Assessment Update \(July 2025\).pdf](#).

Canterbury is the third largest local authority district in Kent, with an estimated population of 165,400 at mid-year 2019.

The city of Canterbury has seen significant levels of growth and planned infrastructure investment as part of the Canterbury District Local Plan 2017 and will continue to be the focus of growth as the economic hub of the district. The city is well placed to deliver further growth being well connected to London and the continent, with links to HS1 and the A2, and has a regionally significant economy, including its three universities.

With three universities, Canterbury's ratio of students (aged 18+) to permanent residents (aged 16-74) is one of the highest in England at 16.4%, resulting in a distinctive age profile and a high annual churn of population between domestic and international locations.

There is expected to be a substantial growth in the size of the resident population aged 65+.

Population forecasts 2022-2042

	Total	0-15	16-64	65+
2022	169,300	26,800	106,600	35,900
2027	181,200	27,400	114,000	39,900
2032	191,500	27,600	119,300	44,600
2037	195,900	28,700	119,000	48,200
2042	201,100	30,000	120,900	50,200

KCC Housing led forecast (2021) Kent Analytics, KCC

3.2 The local housing market

Council Tax statistics record a total of 68,846 dwellings, with a relatively high proportion of bungalows, flats and detached properties when benchmarked against the county, region and England totals.

The average household size is 2.3 people, slightly below the average for England and Kent, perhaps reflecting the high number of students in Canterbury.

Summary of Housing Tenure in Canterbury District 2021

	Canterbury		Kent		England	
All Households	63,792	100%	648,393	100%	23,436,085	100%
Owned: Owned outright	24,477	38%	227,729	35%	7,624,693	33%
Owned: Owned with a mortgage or loan	16,836	26%	201,054	31%	6,744,372	29%
Shared ownership (part owned and part rented)	586	1%	8,734	1%	235,951	1%
Social rented: Rented from council (Local Authority)	5,006	8%	35,782	6%	1,945,152	8%
Social rented: Other	2,794	4%	52,087	8%	2,060,511	9%
Private rented: Private landlord or letting agency	12,522	20%	108,543	17%	4,273,689	18%
Private rented: Other	1,502	2%	13,954	2%	521,200	2%
Living rent free	69	0.1%	510	0.8%	30,517	0.1%

Source: 2021 Census - Table TS054

Canterbury is considered a self-contained housing market area with four sub-areas:

- Canterbury City
- Whitstable and Herne Bay Coastal
- Rural North
- Rural South

There has been an average annual housing completion rate of +572 per year since 2001/02, although completion rates as percentage of dwelling stock have fallen below the Kent and regional averages since 2015.

3.3 Private sector housing

The private sector makes up the largest part of the housing market. In the 2011 Census, 67% of households were owner occupiers, falling to 64% by 2021, a trend similar to the rest of the county.

The private rented sector accounted for 20% in 2011, rising slightly to 22% by 2021, higher than the rest of Kent and England, a reflection of the student population.

The sector has some of the poorest housing conditions. In 2018 a private sector stock condition survey found:

- 5,167 dwellings in the owner occupied and rented private sector had category 1 Housing Health and Safety Rating System (HHSRS) hazards. This equated to 9% of all properties.
- 1,224 or 8% of dwellings in the private rented sector had category 1 HHSRS hazards.
- The highest concentrations of all HHSRS hazards in the private sector were found in the wards of Reculver, Chartham & Stone Street and Little Stour & Adisham.
- The highest concentrations of fuel poverty in the private sector were found in the wards of Little Stour and Adisham, Northgate and Chartham, and Stone Street.
- For excess cold, the highest concentrations were in Reculver, Chartham and Stone Street, Little Stour and Adisham.
- The average Standard Assessment Procedure or SAP rating for all private sector dwellings in Canterbury was 59, which is worse than both England (60) and South East (60).
- For owner occupied homes, the figure is 58 and for private rented accommodation it is 62. The SAP rating is expressed on a scale from 1 to 100, with higher scores indicating better energy efficiency and lower fuel costs.
- The total cost of mitigating category 1 hazards in Canterbury's private sector homes was estimated to be £15.2 million: £11.6 million in the owner-occupied sector, and £3.6 million in the private rented sector.
- There are an estimated 3,890 Houses in Multiple Occupation (HMOs), of which approximately 1,110 come under the mandatory licensing scheme, which applies to most properties used as HMOs in England which house 5 people or more in 2 or more separate households.
- 5.6% (3,332) of private sector dwellings and 4.5% (669) of private rented dwellings were estimated to have an EPC rating below band E.
- There were an estimated 16,397 private homes with uninsulated cavity walls and 10,523 with less than 100mm of loft insulation.
- Analysis of the energy efficiency variables indicates that owner-occupied properties have the highest average figures for all variables, such as CO₂, energy and heat demand, energy and heating cost.

The council's private sector housing service is focusing on key priorities:

- Implementation of the Renters Right Act 2025, which delivers the Government's manifesto commitment to transform the experience of private renting by giving renters much greater security and stability. All local authorities have a responsibility in ensuring that provisions in the Act are being implemented effectively and that landlords and agents who flout the rules are held to account. The council is currently working hard to prepare for implementation.
- Ensuring Houses in Multiple Occupation are safe, well managed, and comply with all relevant Management Regulations
- Tackling unlicensed HMOs
- Timely adaptations to support independent living within the community for those with medical vulnerabilities
- Ensuring mobile home sites are safe and well managed
- Addressing poor housing conditions, including disrepair, fire safety, no heating or hot water, damp and mould

The council prefers to engage, educate and support private landlords before resorting to enforcement action.

3.4 Empty homes and second homes

Empty homes are a valuable unused resource. Most empty homes are in the private sector. According to MHCLG statistics on 7 October 2024 there were:

- 2,466 vacant dwellings.
- 903 were vacant long term
- 82 council properties.
- 42 belonged to Registered Providers

To be classed as “long-term empty” a home must be liable for council tax and have been unfurnished and not lived in for over 6 months. This figure is increasing.

Some homes are empty, possibly long-term, but for which there is a reasonable explanation, for example, the owner is in care or has recently died and the property is held in probate, waiting to be transferred to a beneficiary. These are exempt from council tax.

Some empty homes have not been unfurnished and empty for longer than 6 months but may become long-term empties soon.

Second homes are not used as somebody's primary residence. They may, in some circumstances, be used as weekend or holiday homes for their owners, but they may also be used as investments, kept vacant, accruing value for their owner.

Holiday lets are an extension of second homes: not used as primary residences but used to make profit for their owners, short let for several weeks or months of each year, blocking them from becoming a permanent home. In many cases owners 'flip' to business rates which may be cheaper than paying council tax.

Action on Empty Homes analyses Government data on long-term empty homes:

Canterbury council taxbase data overview of empty homes

Council Taxpaying Empty Homes including long-term empties	1,908
Second homes /furnished empties	1,343
Council Tax Exempt empty homes	684
Total vacant homes	3,935
Total Homes 2024	72,443
Total vacancy %	5.4%
1 in every 'x' homes out of use	18

Source: Action on Empty Homes using MHCLG statistics

Canterbury homes not in residential use on a long-term basis

Long Term Empty Homes 2024	903
Long Term Empty Homes 2025	1,073
Long Term Empty Homes change	170
Long Term Empty Homes % change	+19%
Second homes 2024	1,636
Second Homes 2025	1,343
2nd Homes change	-293
2nd Homes change %	-18%
2025 data Total Homes	72,443
Long Term Empty Homes occurrence %	1.48%

Second Homes occurrence %	1.85%
Total Number not in use	2,416
Total % not in Primary Residential Use	3.34%
1 in every 'x' homes out of use	30
National average of 1 in every 'x' homes out of use	51

Source: Action on Empty Homes using MHCLG statistics in November 2025

Canterbury is classified as a “medium” performer by Action on Empty Homes.

Second homes and holiday homes are important in seaside towns like Whitstable and Herne Bay. Their presence contributes to the local visitor economy. However, large numbers of second homes change the character of a town, reducing the number of permanent residents and affecting the viability of local businesses that provide year-round everyday necessities. The number and percentage of second homes identified in the table seem less than might have been expected.

Also, student accommodation is exempt from council tax if it is owned, let or managed by an educational institution, so data for the purpose-built student accommodation in Canterbury is not featured in these statistics.

In response to this data, the council aims to:

- Encourage the permanent occupation or use of existing homes within the district and
- Increase the supply of homes, particularly affordable housing, and enhance the sustainability of local communities

From 1 April 2025, a council tax premium of 100% is applied to an empty and furnished property, which is not used as someone's main home. The premium increases the council tax payable to 200%.

To address long-term empty homes, from 1 April 2025, a council tax premium is charged when a property has been empty and unfurnished for one year or more. The following premiums apply:

- For properties that have been empty and substantially unfurnished for one year, but less than five years, the premium is 100%
- For properties that have been empty and substantially unfurnished for five years, but less than 10 years, the premium is 200%
- For properties that have been empty and substantially unfurnished for 10 years or more, the premium is 300%

There are some exceptions to these rules.

3.5 Council housing

On 31 March 2025, the Council owned 5,130 homes.

Summary of council homes on 31 March 2025

Type of Property	Number of bedrooms				Total
	One	Two	Three	Four+	
Flats - low rise	1,108	350	10	0	1,468
Flats - medium rise	309	351	65	2	727
Flats - high rise	63	68	0	0	131
Houses & bungalows	362	915	1,391	114	2,782
Hostel places	20	2	0	0	22
Totals	1,862	1,686	1,466	116	5,130

CCC Draft Statement of Accounts 2024 to 2025

Many of the council's homes are over 50 years old and need significant investment to address important priorities, such as health and safety compliance, Awaab's Law, much-needed improvements to the condition and quality of existing homes, decarbonising the housing stock and preparing to meet the new Decent Homes Standard.

The Regulator of Social Housing carried out an inspection in July 2025, publishing in October.

The council was graded as C3, meaning it is not compliant, with weakness or serious failings in one or more areas, requiring significant improvement.

The regulator recognised that the council has an action plan in place to fix the failures and is engaging constructively.

It praised recent improvements to the repairs and maintenance service including better appointment times, the way the council deals with anti-social behaviour and the fact the council treats tenants and prospective tenants with fairness and respect.

The regulator found the council:

- Does not have up to date information on the condition of most of its homes
- Needs to continue to make progress around health and safety compliance
- Needs to improve the adaptations service
- Needs to strengthen reporting and monitoring of hate-related anti-social behaviour
- Needs better data about its tenants so it can engage with all tenants effectively and services are accessible and equitable
- Needs to publicise repair target timescales
- Needs to continue to make progress on dealing with tenant complaints

Cabinet agreed to set up an all-party Cabinet Advisory Committee to oversee, monitor and scrutinise the council's service improvement action plan and report back to Cabinet. The committee will include two council tenants.

The draft housing revenue and capital budget 2026/27 has been prepared to address the Regulator's findings and ensure that resources are available to support the implementation of the action plan. Some elements of the budget may need to be amended mid-year.

The full regulatory judgment can be found at [Canterbury City Council \(29UC\) - Regulatory Judgement: 15 October 2025 - GOV.UK](https://www.gov.uk/government/publications/canterbury-city-council-29uc-regulatory-judgement-15-october-2025).

3.6 CCC's older persons' accommodation

1,053 (21%) of the council's homes are designated for older people, of which:

£ 585 properties (11.5%) were sheltered housing or Sheltered Plus for people over 60, accommodating approximately 645 residents and consisting of:

 £ 458 properties in 12 sheltered schemes and adjacent satellite sites operating under the "Independent Living" brand.

 £ 127 properties in four Sheltered Plus schemes of sheltered housing with additional services.

£ 468 properties (9%) are non-sheltered independent living with minimal services for the over 55s. This designated older persons' accommodation is not included in this review.

£ Most schemes contain about 30 properties, which is fairly small compared to many modern developments and makes it difficult to achieve any economies of scale.

A cross-party Councillor Working Group on Older Persons' Accommodation conducted a

thorough review of the council's landlord services in older persons' accommodation between 2022 and 2025.

Many sheltered schemes are over 40 years old and require capital investment for repairs, maintenance and modernisation of £8.74 million over the next 10 years. In addition, there is an immediate need to spend approximately £2 million on a new roof and recladding of 12-storey Windsor House.

The accommodation feels dated. 65% of properties do not meet internal space standards and 21% are small, unpopular studios. There is no Wi-Fi or electric vehicle charging points.

Society has changed dramatically since the schemes were designed and they no longer meet the aspirations of many of today's over-60s, which is reflected in limited demand from eligible housing applicants.

Properties were vacant for long periods, with an average relet time of 133 days (19 weeks) in 2023/24 and 2024/25, resulting in a loss of rent and service charge income of £278,808. These findings have spurred a concerted effort to reduce vacancy times.

The four Sheltered Plus schemes were among the worst performers for relet times for vacant properties, and the amount of rent and service charges lost as a result.

Housing need is increasing, and the council must make best use of its scarce supply of affordable housing for the benefit of local households of all ages and consider repurposing, remodelling or redeveloping less popular sheltered accommodation to address unmet need.

The full cost of the Sheltered Plus service is unaffordable to many prospective tenants because key elements of the service, such as the night reassurance and laundry services do not qualify for Housing Benefit, as they are personal care and not accommodation related.

The unfunded costs have been met by the HRA, which is not what it is intended for and, with the other financial pressures on the HRA, the situation is unsustainable and jeopardises the ability of the HRA to deliver key priorities.

The working group produced their recommendations, which included the redesign of services in the four Sheltered Plus schemes to provide a consistent service across the whole sheltered portfolio based on the sheltered housing service model, which includes replacing night reassurance and laundry services with alternative ways of service delivery and a medium- to long-term programme to appraise future options for each site based on the principles established in this report.

3.7 Registered Providers

For many years, Registered Providers (RPs) have produced the greatest number of new affordable homes.

Registered Provider completions in Canterbury District 2016/17 to 2024/25

	Social rent	Affordable rent	Shared Ownership	First Homes	Total
2016/17	0	38	10	0	48
2017/18	0	9	36	0	45
2018/19	0	19	37	0	56
2019/20	44	40	55	0	139
2020/21	0	35	22	0	57
2021/22	43	77	23	0	143
2022/23	31	57	70	0	158
2023/24	76	71	101	0	248
2024/25	29	213	289 *	4	535
			*202 provided non s.106		

Total	223	559	643	4	1,429
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Since around 2022, RPs have displayed less appetite for buying s.106 affordable homes. This trend appears to have started on smaller sites that had borderline financial viability and were difficult for regionally based organisations to manage effectively. It has since spread to sites of all sizes.

Even when RPs have bought s.106 homes in the early phases of development, they have been unwilling to purchase more in later phases. Crucially s.106 homes do not attract Homes England grant funding.

RPs in Kent have made representations to the Government for some flexibility, even on a temporary basis, to allow grant funding to support s.106 acquisitions.

The increasing number of flats and smaller homes for rent on s.106 sites seem less attractive to the sector, even though the housing needs assessment identifies a clear need for this type of accommodation.

The House Builders Federation Report Winter 2024 (31 developers surveyed) found that nationally 139 sites with full planning permission were stalled, with approximately 17,332 affordable homes. Although the issues are nationwide, they are particularly acute in London and South East.

Since 2023, most RPs working locally have scaled back their plans, consolidating their activities close to their origins.

More established “not for profit” RPs with older, existing homes face competing demands for investment in planned maintenance, modernisation, addressing issues of damp and mould, recladding of high-rise buildings, inflation and high interest rates.

Those RPs that are still developing prefer to purchase larger sites that enable significant additioality, subject to oversubscribed grant funding. The council has been supportive of this approach.

Diverse financial arrangements, refinancing options, and funding arrangements with investors have possibly changed the focus of the type of development that RPs are willing to consider, and they seem keener to provide intermediate products, particularly shared ownership.

More “for profit” RPs express an interest in providing homes in the district. At present, they are flexible about the type of developments and properties they are willing to consider, but it is unclear whether this will continue in future. There have already been instances of proposed rent levels being unaffordable.

4. The Housing Needs Assessment

[Canterbury Housing Needs Assessment Update \(July 2025\).pdf](#) is a key piece of evidence for the Housing Strategy and the draft Local Plan. It estimates housing needs in the district, assesses affordability and calculates the number of new affordable homes that are needed using the latest Government guidance and methodology.

The Housing Strategy references key parts of the Housing Needs Assessment but avoids unnecessary duplication of a lengthy and detailed study.

4.1 Housing affordability

Canterbury appears affluent, masking housing need in the district. Relatively low earned incomes and high housing costs make it difficult for many households to rent or buy a home on the open market.

For many years, property prices and market rents have outstripped local earnings. Understanding how much someone needs to earn to pay their rent or mortgage is a key factor when modelling affordable housing needs. It is generally assumed that 30% of income is spent on housing based on English Housing Survey.

In September 2020, Canterbury's median house price was £312,750, and £350,000 for new homes. Affordability in Canterbury is low, with the district having a relatively high house price-to-earnings ratio, resulting in over 90% of households unable to afford to purchase a home.

Rental costs are also relatively high compared to the England average, but lower than the rest of Kent and the South East.

4.2 Private sector rents

In Canterbury, 2025 ONS data suggested that the median private rent was £950 per month and lower quartile £655 per month. These figures seem comparatively low compared to the South East and may be influenced by the inclusion of student lettings.

In December 2024, listings of rental properties online suggest a lower quartile range of between £940 and £1,100 per month and a median range of £1,300 to £1,700 per month (excluding student lets, retirement properties and house shares).

These figures are higher than the ONS rent statistics for Canterbury, Kent, the South East and England, as well as being higher than the Local Housing Allowance (LHA) rate.

Private Rental Costs

Source	Geography	Lower Quartile Private Rent	Median Private Rent
ONS Private Rental Market Statistics (October 2022-September 2023)	Canterbury District	£655	£950
	Kent	£750	£950
	South East	£850	£1,050
	England	£650	£850
LHA Rate	Canterbury BRMA	£692	£951
Rightmove, Zoopla, On the Market	Canterbury District	£940 - £1,100	£1,300 - £1,700

Source: VOA, Rightmove, Zoopla, On the Market, ONS.

Given the range and uncertainty in the rental data, an average of the various sources has been used to assess affordability. This produces lower quartile rental levels of £875 per month and a median rental cost of £1,092 per month.

The estimated lower quartile rent of £875 per calendar month or £10,500 per year is higher than the Kent figure of £750 per month and the South East average of £850 per month.

If 34% of a private renter's household income is spent on housing costs, the minimum household income needed to afford a lower quartile rent is £30,880.

On average, private renters earn 84% of the 'all households' average. It is estimated that 68% of private rent households cannot afford lower quartile rents.

Of owner-occupiers, who on average earn 115% of the 'all households' average, approximately 41% cannot afford lower quartile open market rents.

4.3 Council and Registered Provider rents

The council and RPs provide the cheapest accommodation in the district.

Rent is the primary source of income to pay for housing management, maintenance, capital expenditure for planned maintenance and new homes.

The council and RPs are tightly constrained by Government policy about the rents they can charge, either:

- Social Rents which are assessed according to a rigid formula and equate to about 40% to 50% of market rents exclusive of service charges or
- Affordable rents which are 60% to 80% of market rents inclusive of service charges.

Government rent policy provides the framework for rents to increase by CPI+1% and this settlement will remain in place for 10 years from April 2026 to provide financial certainty.

CPI is based on the rate for September 2025. The rent increase rarely keeps pace with costs.

In 2025, the Government consulted on the reintroduction of rent convergence, which would allow rents for Social Rent properties that are currently below 'formula rent' to increase by an additional amount each year, over and above the CPI+1% limit, until they 'converge' with formula rent.

The details of precisely how, and at what level, convergence will be implemented was expected in the Autumn Budget on 26 November 2025 but has been delayed until January 2026, which creates considerable uncertainty.

Rent convergence is important to the council's Housing Revenue Account (HRA) because in 2025/26, 4,835 tenants pay less than the target rent, reducing income by £43,760 per week

The council cannot increase rents by more than CPI+1% plus convergence but may agree a lower figure. However, this would have a serious impact on the long-term financial sustainability of the HRA.

Rent initiatives by previous Governments significantly reduced income to the HRA with no mechanism for the council to claw back the shortfalls in subsequent financial years. If the council opts to increase rents by less than CPI+1%, it will never be able to recover the lost income.

75% of council tenants receive either full or partial Housing Benefit or Universal Credit to help pay their rent.

Comparison of rental costs and incomes needed

Housing option	Monthly	Annual cost	% of income spent on rent	Income needed
Median Rent	£1,092	£13,107	34%	£38,550
Lower Quartile Rent	£875	£10,500	34%	£30,880
Lower Quartile Rent (Kent)*	£750	£9,000	34%	£26,470
Affordable Rent	£710	£8,524	30%	£28,410
Social Rent	£460	£5,516	30%	£18,390

4.4 Property prices

The median house price in Canterbury on 31 March 2023 was £365,000, with properties more expensive than across Kent (£357,500), but cheaper than the South East average of £380,000.

Over the last five years, median property prices in the district averaged 11.2 times the median annual earnings but have recently fallen to 9.6.

House price to earnings ratios in Canterbury District 2021–2023

	2020	2021	2022	2023	2024	5-year average
Median house price	£315,000	£344,995	£350,000	£360,000	£340,000	£341,999
Median gross annual earnings	£27,891	£26,515	£33,116	£31,597	£35,607	£30,945
House price to earnings ratio	11.3	13.0	10.6	11.4	9.6	11.2

Source: ONS House price to workplace-based earnings ratio

To purchase an entry-level (lower quartile) property, at a price of £275,000, an income of £66,790 is required (assuming a loan to income ratio of 3.5 and a mortgage deposit of 15%).

Property prices and incomes needed

Housing option	House price	Deposit	Income multiplier	Income needed
Median House Price	£365,000	15.%	3.5	£88,640
Lower Quartile House Price	£275,000	15%	3.5	£66,790

Affordability by housing option

Housing Option	Income Needed	% of all households unable to afford
Social Rent	£18,390	18%
Affordable Rent	£28,410	46%
Lower Quartile Rent (Kent)	£26,740	40%
Lower Quartile Rent	£30,880	53%
Lower Quartile House Price	£66,790	95%

The affordability data does not take account of Housing Benefit or Universal Credit to help with housing costs. 75% of the council's tenants receive either full or partial Housing Benefit or Universal Credit to help pay their rent and make it more affordable.

4.5 Housing needs

Estimates of the need for social and affordable rent housing is derived from a combination of sources, including the CCC Housing Needs Register (HNR), homelessness and temporary accommodation statistics, priority need indicators, overcrowded and concealed households and newly forming households.

The Housing Needs Assessment Update of July 2025 estimates that 1,347 households are in housing need.

In October 2024, there were 2,107 households on the Housing Needs Register (HNR), including 1,186 active housing applications and 921 'suspended' applications.

Households on the CCC Housing Register by bedroom need in October 2024

Assessed Band	Total	Bedroom Need					
		1	2	3	4	5	6
Band A: Critically urgent needs	22	13	6	1	1	1	0
Band B: Serious needs	79	32	16	6	22	2	1
Band C: Higher preference needs	481	106	96	215	59	5	0
Band D: General housing needs	604	464	89	44	6	1	0
Total	1,186	615	207	266	88	9	1
% Share	100%	52%	17%	22%	7%	1%	0%

Source: CCC HNR 2024

Number of households on the Housing Needs Register & waiting times in December 2024

Band	Active applications on HNR	Current average waiting time	Minimum waiting time for 2024	Maximum waiting time for 2024
Band A	17	607 days	135 days	2432 days
Band B	63	451 days	72 days	1244 days
Band C	474	833 days	40 days	6756 days
Band D	602	472 days	15 days	2054 days

In 2023/24 2,094 households approached Canterbury City Council for homeless advice and assistance. This is higher than previous years, and between 1 April and 13 September 2024

there were 763 approaches.

Finding temporary accommodation remains challenging, with competition from Social Care, Probation, the Home Office and other local authorities. The council aims to place households within Canterbury district, but this is not always possible, and sometimes accommodation must be sourced elsewhere.

On 31 August 2024, 171 households were in temporary accommodation, with an average stay of 252 days and the longest just over three years. Of these, 111 households had to be placed outside the district, all but three in Kent.

The Housing Needs Assessment Update 2025 identifies a need over the Local Plan period of 2024/25 - 2042/43 for:

- **1,215 homes per year in all tenures, a total of 23,085 new homes over the period**
- **695 new affordable homes per year**

The new Local Plan Viability Study shows that proposals for student accommodation and sheltered housing can viably make provision for affordable housing contributions:

- Student accommodation (excluding shared living housing): 30%
- Sheltered housing: 30%
- Extra-care housing (excluding brownfield sites): 20%

4.6 Preferred tenure and bedroom mix

The Corporate Plan, the Local Plan, and the Housing Strategy are all committed to increasing the supply of affordable rental housing and addressing the home ownership gap.

Policy HD2 in the Local Plan 2017 seeks provision of 30% affordable housing on all residential developments consisting of 11 or more units, or which have a combined gross floor area of more than 1,000 square metres, other than on sites in the Area of Outstanding Natural Beauty where commuted sums will be sought on developments of between 6 to 10 units.

The target affordable housing tenure mix is 70% rented and 30% intermediate tenure. The council negotiates the exact tenure and type of homes to reflect local needs and the requirements of this Housing Strategy, on each site through pre-application discussions.

The affordable housing and tenure policies are currently being reviewed as part of the draft Canterbury District Local Plan, which is due to be considered for Regulation 19 stage in March 2026 ahead of its Examination later in 2026.

The council's preferred option is for affordable housing to be provided on-site. Where it can be demonstrated that on-site provision is not suitable, a financial contribution will be sought.

[The Social and Affordable Homes Programme 2026 to 2036](#) (SAHP) provides grant funding from Homes England to support the capital costs of developing affordable housing.

Social Rent is a key priority, and SAHP aims for at least 60% of all affordable homes funded by the programme to be Social Rent, which is an aspiration that the council supports in principle.

However, building homes for Social Rent is only financially viable with substantial capital grants, which are not within the council's control.

A larger capital subsidy towards the cost of construction does not overcome the problem that social rents are too low to meet long-term costs of maintenance, modernisation, health and safety and carbon reduction.

Recommended bedroom mix by tenure

Bedrooms	Market housing	Affordable home ownership	Social & affordable rent
1 bed	4%	16%	43%
2 beds	26%	43%	26%
3 beds	40%	37%	23%
4+ beds	30%	4%	8%

Source: Canterbury Housing Needs Assessment Update 2025

4.7 Rural housing needs

The Housing Needs Assessment is district wide. However, housing need exists in the rural parts of the district, with a shortage of accommodation that many local people can afford, with implications for the sustainability of rural settlements and local facilities, such as schools, shops and employment.

The adopted Local Plan generally considers rural housing developments to be unsustainable and are only be supported in very limited circumstances where the rural character and appearance of the countryside is protected.

The Local Plan sets out clear criteria for assessing proposals for affordable housing and community-led housing schemes in rural areas, which must be supported by a recent local housing needs survey and be located directly adjacent to a settlement boundary.

4.8 People with disabilities

The most recent study on the housing needs of people with disabilities is the Housing Needs Assessment September 2021. It found that the prevalence of disability in Canterbury's household population, and the limitations on daily activities associated with it, is heavily skewed towards older age groups.

A disproportionate share of the population with long-term health and disability issues live in social housing.

Population projections indicate substantial growth in the at-risk population over the next 20 years.

Meeting the disability needs of Canterbury's ageing population will require both adaptations to existing housing stock, and the delivery of appropriately designed new dwellings.

By 2040, it is estimated there will be 13,400 people in Canterbury whose activities are 'limited a lot' by their condition (+1,660 from 2020). For those also suffering from 'bad or very bad health', a total of 7,000 people is estimated for 2040 (+874 from 2020).

By 2040, an additional 2,200 homes (across all ages and tenures) could require some form of adaptation in Canterbury (around 17% of total household growth), predominantly to meet individual needs resulting from the growth in the older age population.

The current proportion of wheelchair users within the district is estimated to be around 2.4% (4,000 people) with the highest usage found in the 50–64 age range (4.9%), closely followed by those aged over 65 (4.5%), including those living in care homes. This evidence, alongside the projected population and household change driven by growth in the older age groups, means wheelchair usage could increase by 700–1,000 by 2040, with an additional 400 households with a wheelchair user by 2040, around 3.5% of all households.

Local Plan Policy DBE5 on inclusive design expects 20% of homes on major developments and strategic sites to meet the accessibility and adaptable dwellings regulations M4(2). Based on the projected growth in the number of homes requiring some form of adaptation, it is recommended this target is maintained by the council, with consideration given to an increase in the M4(2) proportion to provide greater choice of housing options for people with disabilities.

Because most disabled residents of the district are older people, their housing needs have been considered in the analysis of the housing needs of older people.

4.9 Older persons' housing needs

Canterbury Housing Needs Assessment Update of July 2025 forecasts a 66% growth in the population aged 75+, rising from 18,138 in 2023 to 26,168 by 2043.

However, that does not necessarily mean an automatic increase in demand for the council's sheltered accommodation because other factors are important when people choose a home, such as aspirations, locality, proximity to family, availability, tenure and ability to pay.

The council's sheltered housing portfolio is part of a mixed economy of accommodation for older people.

When the housing market was surveyed, there were seven other registered providers managing about 380 rented sheltered housing properties in the district on social rents. However, this is a snapshot in time and may change.

There are also at least 20 private sheltered schemes in the district aimed at the over 55s or over 60s, covering a wide range of price points, either leasehold or market rent, with services that include scheme manager, alarm and communal lounge.

Service charges are similar to the council's sheltered schemes and lower than Sheltered Plus.

- £ Market values from £80,000 to £420,000
- £ Most priced below £200,000
- £ Rental alternative was £975 per month
- £ Ground rent £200 to £400 per year
- £ Service charge £2,000 to £2,800 per year

This accommodation is probably beyond the financial reach of many applying for council accommodation.

Also, changes in society and people's self-perception means that many people are still working and do not consider themselves elderly at the age of 60.

They have a different lifestyle and aspirations, which is reflected in a diminishing number of applications to the council's Housing Needs Register for sheltered housing and the length of time it takes to relet vacant properties.

Housing Needs Register data

	1 December 2021		4 April 2025	
	No.	%	No.	%
No. of households on Housing Needs Register	2961	100%	1356	100%
No. of households on HNR that qualify only for general needs housing	2438	83%	934	69%
No. of households on HNR that qualify for older persons housing	513	17%	422	31%
No. of households on HNR waiting for sheltered or Sheltered Plus	291	10%	165	12%

Meanwhile, many younger households who are not eligible for these properties are in desperate need of a home and some are obliged to live in temporary accommodation outside the district at great expense.

Some less popular sheltered accommodation could potentially be repurposed to meet these housing needs.

Although the popularity of sheltered housing seems to be diminishing among eligible applicants on the Housing Needs Register, feedback from tenants reveals that it is valued by existing residents and some applicants who prefer a quieter lifestyle among people of a similar age.

Therefore, the council will continue to provide some accommodation designated for residents over 60 years of age, but this is likely to reduce in quantity to better reflect housing needs and demand.

The [Canterbury Housing Needs Assessment Update \(July 2025\).pdf](#) identifies the following need for older persons' accommodation by 2043:

Older Persons' Housing Needs

Summary of Net Additional Needs by Tenure and Typology

Type	Tenure	Net Additional Need by 2043
Age Exclusive	Social Landlord	225
	Ownership	145
Sheltered Housing	Social Landlord	297
	Ownership	-107
Enhanced Sheltered Housing	Social Landlord	-111
	Ownership	89
Extra Care 24/7 support	Social Landlord	483
	Ownership	1,835
Nursing Beds		750
Residential Care Beds		1229
Total		4,835

Source: [Canterbury Housing Needs Assessment Update \(July 2025\).pdf](#)

The Housing Needs Assessment concludes that in terms of future needs for older persons housing in Canterbury:

- The need to address the provision of specialist housing for older persons is “critical”.
- There is a specific and immediate need for Age Exclusive and Extra Care housing, mainly for market tenure properties, even after the current pipeline supply is taken into account.
- By 2038 there will be a net additional need for residential care and nursing home beds.
- The release of family housing resulting from the provision of Extra Care housing has long been an aim of the council.
- The health and well-being benefits of delivering specialist older persons housing is also an important consideration when developing policy.
- Meeting specialist older persons housing needs for social rented accommodation will also assist in meeting the overall affordable housing needs.

The study shows an increased need for sheltered housing, but a diminishing need for enhanced sheltered housing, such as Sheltered Plus.

In respect of a future policy response, Kent County Council's preferred approach is to enable older people to remain in their homes for longer to reduce the number of residential care homes and nursing homes required.

The evidence demonstrates a need for specialist forms of older persons housing. The study

therefore recommends that consideration is given to identifying sites suitable for specialist older persons housing, such as Extra Care, ensuring that larger strategic site allocations in the Local Plan deliver a proportion of new specialist older persons housing, where appropriate.

Most of the council's existing sheltered schemes consist of about 30 properties, which is small compared to most modern developments and makes it difficult to achieve the economies of scale required to deliver efficient, cost-effective services. This mitigates against existing schemes being repurposed to provide alternative specialist older persons' housing, such as Extra Care.

The council fully supports the need for additional Extra Care accommodation and discussions with KCC are ongoing.

4.10 Young persons' housing needs

Only a modest increase in the general population of younger people is forecast to 2040 compared to older age groups. The housing needs of most younger people account in part for the increased housing needs assessment for 1-bedroom accommodation. However, the housing needs of students, care leavers, and unaccompanied asylum-seeking children are addressed separately because of the social implications or their impact on the local housing market.

4.11 Student housing needs

Student housing analysis by the University of Kent shows that full-time University of Kent student numbers in Canterbury have declined from 18,000 in 2018/19 to around 15,000 in 2022/23. Internal forecasts by the University indicate a recovery by 2030, suggesting a need to monitor demographic shifts over time.

There has been a trend towards purpose-built student accommodation (PBSA), which is favoured over HMOs due to the quality, self-contained features, and cost certainty offered by PBSA options. En-suite, self-catered cluster bedrooms are especially in demand.

The council has supported the growth of PBSA. The level of student accommodation in the private rented sector distorts the local housing market and results in the loss of family accommodation, which is converted into student HMOs. The housing needs assessment indicates that small family accommodation is still an area of need.

To control the proliferation of HMOs, the council adopted an Article 4 Direction covering the urban area of the city of Canterbury and neighbouring parishes that requires planning permission for small HMOs, which primarily serve the student population. The evidence indicates it has had positive effects since being introduced.

A pipeline of approximately 1,500 PBSA rooms in the city centre indicates future supply growth. However, development remains constrained by factors such as rising rents, inflationary pressures, and regulatory challenges like nutrient neutrality restrictions.

Proposals for purpose-built student accommodation within higher and further education campuses will be supported. Where this is not achievable, proposals must be located within 10 minutes' walk of the relevant campus. In exceptional circumstances, where it can be demonstrated there are no suitable sites, locations with easy access to high frequency public transport may be considered.

4.12 Care leavers

Young people leaving care, aged between 16 and 21, should be supported by Kent County Council (KCC) through their Local Offer, which provides information for care leavers about what support they can receive from services.

As Corporate Parent, KCC has a statutory duty to make care leavers feel safe and supported and know how to access advice and services. The support covers a range of areas including

accommodation, money, health and well-being, housing, leisure, education, training and employment.

Care leavers are entitled to support up to the age of 21 (or longer, if they are in full-time education).

There is no information publicly available about the number of care leavers with a local connection to the district. However, Canterbury is an attractive location for young people because of employment opportunities and the concentration of universities.

Suitable accommodation may be difficult to access. It can take many forms, such as supported accommodation, shared houses, private renting, social renting, or student accommodation.

Although KCC has the primary responsibility, Canterbury City Council recognises the importance of safeguarding children and vulnerable adults.

Care leavers as defined by the Homeless Reduction Act 2017 may be able to join the council's Housing Needs Register via discretionary local connection.

The council is keen that young people have a good foundation for a stable and successful independent adult life. Therefore, it supports in principle the provision of appropriate accommodation for care leavers, particularly supported housing, commissioned by KCC in partnership with a specialist housing provider.

4.13 Unaccompanied asylum-seeking children

Canterbury District has a long and proud history of welcoming people fleeing violence, conflict, and persecution.

The council has an excellent track record in delivering integration services through the UK Resettlement Scheme, Afghan Resettlement Programme and Homes for Ukraine Scheme.

The council works closely with partners in the statutory and voluntary and community sectors, and there is a robust framework in place to support people in the best way possible.

In July 2023, the High Court ruled that the Home Office's routine use of hotels to house unaccompanied asylum-seeking children was unlawful, and that KCC must take every possible step to increase its capacity to accommodate and look after all unaccompanied asylum-seeking children arriving in the county.

The Court made this ruling because Section 20 of the 1989 Children Act requires local authorities to take into their care any child or young person who presents in their area and has no one with parental responsibility to look after them. This includes unaccompanied asylum-seeking children who arrive in small boats or on lorries into Kent, for example, and the Court has formally confirmed that it is KCC's responsibility to take all unaccompanied asylum-seeking children into their care regardless of their mode of arrival in Kent.

Based on its own and Home Office data, KCC anticipates that referrals of unaccompanied asylum-seeking children into its care will increase significantly, and so it must identify suitable accommodation to support unaccompanied asylum-seeking children as they arrive.

At present, KCC does not have sufficient placements in Kent to look after all new arrivals, even though significant numbers of unaccompanied asylum-seeking children are transferred to the care of other local authorities.

In Canterbury, young asylum seekers are supported by various organizations and services. KCC has designated Connors House as a site for unaccompanied asylum-seeking children, providing a temporary home for up to 50 young people aged 16 and 17. The facility is staffed 24/7 and is designed for a maximum 10-day stay before the children are moved to other parts of the country.

Although most unaccompanied asylum-seeking children are dispersed throughout the country, Canterbury, because of its situation and concentration of universities, is an attractive location. No data is publicly available to enable the council to assess the impact.

Many young people are placed in accommodation in the private rented sector or in supported accommodation managed by organisations other than RPs. This may distort the local housing market and risk placing vulnerable young people in largely unregulated, expensive accommodation.

Some of the supported accommodation is known as 'exempt' because it is exempt from the usual caps on housing benefit levels, which means that residents, and therefore providers, can receive higher amounts of housing benefit than for other types of accommodation, which has to be funded by the council, with serious financial implications.

The Supported Housing (Regulatory Oversight) Act 2023 came into force on 29 August 2023. The Act sets out to introduce changes to how supported exempt accommodation is regulated.

The Act allows the government to create National Supported Housing Standards, which will set out minimum standards for supported exempt accommodation and introduce licensing requirements for people who have control of or manage supported exempt accommodation.

Local authorities must carry out a review of supported exempt accommodation in their area, and following this publish a supported housing strategy.

The review must include the authority's assessment of the supported exempt accommodation available in its area and the expected needs for this accommodation in the next five years. The government will publish regulations stating the date by which local authorities must comply with this requirement.

Local housing authorities and social services departments must have regard to the supported housing strategy once it has been published.

Exempt accommodation tends to specialise in housing residents with a particular vulnerability. Unaccompanied asylum-seeking children are a significant client group, but this type of supported accommodation is also used for people with mental health issues or discharged prisoners, for example.

The council recognises that a coordinated, well managed and forward-looking approach is needed to safeguard the welfare of unaccompanied asylum-seeking children moving into the district and promote community cohesion and the council is committed to becoming a "District of Sanctuary."

The council is concerned that young people have a good foundation for a stable and successful independent adult life. Therefore, it supports in principle the provision of appropriate accommodation for appropriate numbers of unaccompanied asylum-seeking young people, particularly supported housing, commissioned by KCC in partnership with a specialist RP provider.

4.14 Gypsies & Travellers

The Canterbury District 2025 Gypsy and Traveller Accommodation Assessment Update (GTAA) provides the latest available evidence to identify the accommodation needs of Gypsies and Travellers and Travelling Showpeople across the Canterbury District.

Data has been carefully analysed to provide a picture of current provision across Canterbury District and an assessment of future need to provide an up-to-date and robust evidence base.

The 2021 Census identified a population of 383 people who identified as 'White: Gypsy or Irish Traveller' or 'Gypsy/Romany' plus 1 person identifying as 'Roma' living in Canterbury District and an estimate of 155 households where the household reference person identifies as being a Gypsy/Traveller.

Across Canterbury District there are a total of 36 Gypsy and Traveller sites with 100 pitches comprising:

- 1 Kent County Council site, 18 pitches
- 26 private authorised sites, 70 pitches
- private temporary authorised sites, 7 pitches
- 5 unauthorised sites, 5 pitches.

There is currently no Travelling Showpersons' yard in the district. No specific Travelling Showperson need was evidenced.

The latest eight bi-annual MHCLG Traveller caravan counts (July 2019 to January 2025) reported an average of 78 caravans across all sites (76% on private sites, 24% on public sites and none on unauthorised sites).

Following NPPF guidelines, there is an assessed overall cultural need for 43 additional Gypsy and Traveller pitches over the period 2025/26 to 2042/43. Of this, 22 are needed in the first five years and 21 over the period to 2042/43.

The Draft Local Plan is considering meeting this need by regularising sites that are not permanently authorised and additional pitch provision on existing sites.

5. Meeting our aims

5.1 Market housing

The owner-occupied sector is the largest part of the local housing market, so the role of market housing is critical to the successful delivery of this Housing Strategy, the Local Plan, the construction of new homes, the provision of affordable housing through s.106 agreements and new infrastructure.

5.2 The role of RPs

For many years, RPs have been the main producer of new affordable homes. The council has always supported this approach and will continue to do so.

Since around 2022, there has been less interest by RPs in purchasing s.106 Affordable homes. More established "not for profit" RPs with older, existing homes face huge demands for investment in planned maintenance, modernisation, addressing issues of damp and mould, recladding high-rise buildings, inflation and high interest rates.

Crucially s.106 homes do not attract Homes England grant funding, and RPs in Kent have asked the Government for some flexibility, even on a temporary basis, to allow grant funding to support s.106 acquisitions.

RPs now prefer larger sites which enable significant additioality, subject to oversubscribed grant funding.

The three or four RPs currently active in the area prefer to buy land, build themselves, or via a joint venture with a developer, which gives them more control, enabling them to tailor development schemes towards their own requirements and standards.

Diverse financial arrangements, refinancing options, and funding arrangements with investors have possibly changed the focus of the type of development that RPs are willing to consider, and they seem keener to provide intermediate products, particularly shared ownership.

On s.106 affordable housing schemes, there are more flats and smaller homes for rent. RPs seem less keen on providing and managing 1-bedroom properties even though the housing needs assessment identifies a clear need for that type of accommodation.

More "for profit" RPs are interested in providing homes in the district. At present, they are flexible about the type of developments and properties they are willing to consider, but it is

unclear whether this will continue in future. There have already been instances of proposed rent levels being unaffordable.

The council will continue to support RPs' aspirations to develop new affordable housing in the district, particularly on sites that provide additionality in the numbers of affordable homes built.

5.3 Making more efficient use of existing council homes

There is significant under occupation across the social housing sector, though data is hard to source. Given the expense of building new council housing, the council and RPs must make the most efficient and effective use of existing homes.

In the past, the council could rely on sufficient turnover of its own and RP tenancies, to which it has nomination rights, to help meet the demands of both homelessness and the Housing Needs Register. However, as the number of council homes has dwindled because of the Right to Buy, the supply of relets has reduced.

The council wants to encourage household mobility that makes the best use of the existing homes by:

- € An effective Housing Allocations Scheme.
- € Relaxing the minimum age threshold for accommodation in sheltered, Sheltered Plus or designated older persons' accommodation if there are insufficient applicants.
- € Relaxing the property size eligibility criteria for hard to let properties.
- € Carefully managing successions and assignments.
- € Encouraging and facilitating mutual exchanges.
- € Enabling transfers through the Housing Needs Register.
- € Consider establishing an Assisted Moves Scheme.
- € Providing advice about private sector housing options during the review of Introductory Tenancies.
- € Addressing tenancy fraud to ensure council housing is available only to those that qualify and in greatest housing need.

5.4 Improving the quality of existing council homes

Many of the council's homes are over 50 years old and need significant investment to address important priorities, such as health and safety compliance, Awaab's Law, much-needed improvements to the condition and quality of existing homes, decarbonising the housing stock and preparing to meet the new Decent Homes Standard.

It is more efficient and better value for money to address these issues through a planned maintenance programme, which relies on good quality data about the condition of the housing stock that is not yet available.

The Safety and Quality Standard requires landlords to have an accurate, up-to-date and evidenced understanding of the condition of their homes that reliably informs the provision of good quality, well maintained and safe homes for tenants and to ensure that tenants' homes meet the requirements of the Decent Homes Standard (DHS). The Regulator identified serious failings in relation to this outcome in the recent inspection.

The council does not have accurate or up-to-date information on the condition of most of its homes. The last stock condition survey was undertaken in 2017/18 and did not include an internal inspection of every home. At the time of the regulatory inspection, only 27.5% of homes had been surveyed and the council does not know the number of homes that meet the DHS, which is a serious failing.

The stock condition surveys have therefore been outsourced, and the council has been assured that the data will be available by July 2026. It will then be analysed and turned into a costed programme of works, which is likely to have a noticeable impact on the housing budget from 2027/28.

The cost of reactive maintenance is high, so it is proposed to continue to prioritise health and safety, sustainability (insulation, for example), compliance, including the cladding of tower blocks, and the treatment of damp and mould. Awaab's Law requires the council to ensure that all homes meet the Decent Homes Standard, to be aware of any which do not meet the standard and undertake rapid remedial works within set timescales.

A costed, proactive, planned approach to maintenance, modernisation, improvement and retrofitting council homes is the primary aim, once the stock condition data is received and analysed.

5.5 Increasing the number of council homes

Housing need is growing, emphasising the council's important role as the strategic housing authority and the largest social housing landlord in the district, owning about 8% of all homes.

The [HRA Business Plan 2019](#) commits the council to maintaining current stock levels to counteract the loss of properties sold under Right to Buy (RTB).

The council is ambitious and is committed to increasing the number of council homes. However, the Housing Revenue Account (HRA) has been under considerable financial pressure for several years. Rental income has been squeezed by previous Government rent initiatives and diminishing stock numbers because of RTB.

The guiding principles for the council's new homes programme are:

- The new homes programme is not for profit.
- All developments or acquisitions must be financially viable to ensure the sustainability of each development and to protect the overall integrity of the HRA.
- The programme will not put other services at financial risk.
- Income from government grants and other sources of funding will be maximised.
- Existing council tenants will not contribute towards the cost of the programme.
- There will be no outward differentiation between new council homes and other tenures.
- New council homes are additional to those developed by other Registered Providers.
- New council homes will be energy efficient, achieving a minimum of EPC B, economical to live in.
- Thoughtfully designed with modern family life in mind.

5.6 Progress to date

RTB has reduced the number of council homes by 311 since 2010/11. With considerable effort, the council successfully acquired or built 232 homes since 2010/11 in the HRA, a net loss of 79 social homes.

Five flats were also bought by the General Fund in 2023/24 as temporary accommodation (TA). A further programme to acquire 20 homes as TA in the General Fund began in 2025/26. The business case shows that this is better value for money than sourcing expensive nightly-paid accommodation in the private rented sector and a more stable housing option for affected households.

The council has also been pursuing opportunities to develop its own land, but these sites tend to be small and constrained. The most cost-effective way to significantly increase the number

of council homes is to purchase homes direct from developers and more s.106 housing.

Efforts to increase the number of council homes			
Date	Location	Project	Outcome
2010/11	St Francis Close, Whitstable	New build on HRA land with grant funding.	6 x houses
2015/16 to 2017/18	Canterbury	£10m acquisition programme using RTB receipts, commuted sums & HRA working balances.	28 x flats 1 x 2-bed bungalow 3 x 2-bed houses 14 x 3-bed houses 1 x 4-bed house
2018 to 2020	Parham Road, Canterbury	£23.1m purchased & remodelled a portfolio of former student accommodation.	61 x permanent homes 20 x studio flats for TA
2019 to 2021	District-wide	230+ HRA plots assessed for development potential. Most too small for a dwelling. Some opportunities for sales to neighbours for modest capital receipts or single dwellings. Garage sites most suitable for 4 to 6 terraced houses. Capacity & viability issues. Capacity & viability studies commissioned for clusters on Hales Place estate. Some of these sites have been	0 to date
2022	Canterbury	16 garage sites with potential for redevelopment identified by small sites project & garage stock condition survey. All constrained with challenging viability.	0 to date
2023	Kingfisher Close, Canterbury	Bought from the General Fund as on-site affordable housing contribution.	5 x houses
2023/24	Canterbury & Herne Bay	Acquisition programme with grant from LAHF Rounds 1 & 2.	8 x 2 & 3-bed houses 1 x 2-bed bungalow 12 x 2 & 3-bed flats
2023/24	Canterbury	TA x 10 project funded by General Fund.	4 x 1-bed flats 1 x 2-bed house
2024	The Woodlands, Broad Oak	Acquisition of new homes for affordable rent built as part of the developer's s.106 on-site contribution for affordable housing.	10 x 1-bed flat 24 x 2-bed flat 4 x 2-bed house 29 x 3-bed house
2022 to 2024	Older Persons' Accommodation Review. District-wide	Phase 2 recommendation to commission options appraisals for every site. No proposals exist at present. Long-term project.	0 to date
Total number of additional homes built or acquired 2010/11 to 2024			232
Total number of RTB sales 2010/11 to 2023/24			311
Net loss of council homes 2010/11 to 2023/24			79

5.7 HRA development opportunities

The HRA is supporting the Local Plan 2042/43 by responding to the call for sites with seven of the most promising.

HRA sites included in the draft Canterbury District Local Plan 2042/43 as draft allocations

Site ref	Address	Current use	Yield
SLAA362	Long Meadow Way, Canterbury, CT2 7DF	Garages	5
SLAA363	Bawden Close, Canterbury, CT2 7DW	Grassed area	5
SLAA364	Copinger Close, Canterbury, CT2 7DJ	Grassed area	6
SLAA365	Jesuit Close, Canterbury, CT2 7DB	Garages	6
SLAA369	Suffolk Road, Canterbury, CT1 1SA	Garages	5
SLAA370	St Stephen's Road, Canterbury, CT2 7JN	Beverley House residential flats with associated garden & garages	12 additional homes + 6 existing
SLAA371	Whitehall Close, Canterbury, CT2 8BJ	Garages	7
Total	7 sites		46

HRA sites with existing planning permission

Address	Current use	Yield
Warwick Road, Canterbury, CT1 1RQ	Garages	11
East Street, Canterbury, CT1 1EE	Former Social Club, now derelict land	11
Total	2 sites	22

All the HRA sites included in the Local Plan as draft allocations or with planning permission are small and all but two are brownfield sites.

There is an ongoing project to identify potential development sites on council-owned land, which may come forward as windfall sites.

The primary purpose of identifying council sites suitable for housing development is for affordable housing, particularly new council homes. If any are assessed as unsuitable for affordable house building or if a capital receipt could be generated and reinvested in a more appropriate project, then the site will be disposed of at full market value, and one option may be as sites for self-build.

5.8 Urban Area and Estate Regeneration Opportunities

Many of the council's homes are over 50 years old. They need significant investment to improve and modernise them, to eliminate issues of damp and mould and improve energy efficiency. They are usually situated on housing estates built to low densities that do not make best use of the land.

Area regeneration is one of the options in the council's approach to building more council homes in volume on brownfield land near existing local facilities, amenities and transport links.

However, area regeneration is not a quick fix. It is complex, expensive and has a long lead-in time. Preparatory work needs to begin within the next three years. Tasks include:

- Identifying sources of funding. The Affordable Homes Programme normally provides grant for only for additional affordable homes.
- Increasing the organisation's capacity and recruiting staff with experience of this type of projects across services such as Property and Regeneration, Housing and Community, Case and Locality.
- Appraising appropriate delivery vehicles and opportunities for partnership working.
- Understanding issues of financial viability and modelling the financial implications.
- Procuring a range of consultants.

- Mapping the pattern of land ownership across multi-tenure estates.
- Engaging with a wide range of stakeholders.
- Valuing the privately owned land, homes and businesses.
- Negotiating with private owners to purchase their property.
- Modelling site capacity and master planning the area.
- Deciding on the preferred mix of tenures, property types and sizes.
- Understanding the costs and implications of large-scale demolition and site clearance.
- Considering issues such as flood risk, subsidence risk and decontamination.
- Quantifying home loss and disturbance payments.
- Preparing to use powers of compulsory purchase, if necessary.
- Sourcing acceptable alternative accommodation for both council tenants and owner occupiers, including practical assistance with removals.

The draft Local Plan policy identifies potential areas, such as Craddock Road Estate and Spring Lane Estate in Canterbury, but does not identify specific allocations or delivery requirements. Instead, it outlines areas that could come forward and opportunities on these sites will be proactively explored. Work is underway to identify more areas that would benefit from regeneration.

5.9 Supporting strategic development at Wincheap Commercial Area

The Wincheap Commercial Area is one of the key proposals in the Draft Local Plan as a strategic site with an allocation for 1,000 dwellings. The council is committed to the proposal, and this Housing Strategy fully supports it.

The area is an important commercial centre. The opportunity for redevelopment and expansion of retail floorspace at the Wincheap estate was identified in the Canterbury District Local Plan (2017). The Canterbury District Retail and Leisure Study (2020, 2022) has since identified a significant reduction in the amount of retail space required compared to the 2017 Local Plan. Therefore, the Draft Local Plan 2043 can take an alternative, more flexible approach to the redevelopment of Wincheap.

The Wincheap Commercial Area is a highly sustainable brownfield location, near the city centre, Canterbury East station and the Canterbury to Chartham riverside cycleway.

It complements, not competes, with the city centre, with its current focus on business, commercial and leisure space. The Draft Local Plan identifies Wincheap Commercial Area as a broad location for a mixed-use regeneration incorporating business, commercial, leisure and residential development.

The site presents exciting new opportunities for redevelopment and has been identified as a broad location for mixed use development, retaining the existing level of business, commercial and leisure floorspace and for residential development, which should be compatible with the commercial function of the site.

The council, as majority landowner, will work with promoters, key stakeholders and the local community to prepare a Supplementary Planning Document to support the redevelopment of the estate and to determine the detailed site requirements including development mix.

Across the site, the proposed development mix is likely to include:

- Approximately 1,000 new dwellings including affordable housing, older persons housing, accessible housing, self- and custom-built housing and an appropriate mix of property

types and sizes.

- Non-residential development:
 - Reprovide an equivalent level of business, commercial and leisure floorspace to that currently available.
 - Community and utilities infrastructure.
 - Consider the suitability of re-providing other existing appropriate uses (such as the waste depot)
- Proportionate contributions to community infrastructure.
- Open space.

The design and layout of the site should:

- Be an appropriate and optimal density and scale, which makes efficient use of land and has a distinct identity.
- Incorporate views to the city and World Heritage Site.
- Sustain and enhance the significance of nearby heritage assets including the World Heritage Site, Listed Buildings on Wincheap and the Canterbury Conservation Area.
- Ensure that residential development is carefully designed and located to ensure any potential conflicts with neighbouring commercial uses are minimised.
- Ensure that for any residential development recognises any flood risk.
- Protect and enhance landscape and green Infrastructure to protect the amenity and privacy of future residents and existing neighbouring residents on Wincheap.

The access and transport strategy for the site should:

- Provide safe and convenient pedestrian and cycle connectivity through the creation of new and improved routes including:
 - Connections to A28 Wincheap and Great Stour Way.
 - Connections to Canterbury East station.
 - Connections between neighbouring streets.
 - Improvements to the public rights of way network crossing and around the site.
 - Facilitate delivery of the Wincheap one-way gyratory scheme with a dedicated bus lane to provide access to the city centre; and
 - Minimise the need for use of private cars.

Wincheap provides a unique opportunity to provide a considerable number of homes in a variety of tenures close to the city centre.

Given its scale it is likely that some form of partnership or joint venture will deliver the project.

The council's HRA will support the development by acquiring affordable homes for rent under s.106 agreements or direct from developers which would help to provide investors with a degree of certainty about the deliverability of the site and the council's commitment. It is also possible that some of the council's larger RP partners may wish to become involved.

Preparatory work, like that described in the previous section on urban area regeneration is already underway.

5.10 Delivery vehicles for new council homes

The HRA is the primary mechanism for the council to provide homes for social/affordable

housing and is a requirement of the Local Government and Housing Act 1989. It is a ring-fenced account for income and expenditure arising from the provision of housing accommodation under Part II of the Housing Act 1985, which cannot be funded from or make contributions to the General Fund.

Other ways to develop housing perform complementary roles, such as the council's powers of redevelopment by the General Fund, the council's property company, partnerships and joint ventures or acquiring temporary accommodation through the General Fund. These may boost to the HRA's core provision but must be balanced against their administrative complexity, additional costs and resource requirements.

Mechanisms to deliver more council homes

Delivery vehicle	Project type	Advantages/disadvantages
Housing Revenue Account (HRA)	Social/affordable housing.	<p>Established legal & financial framework.</p> <p>Established systems for housing management & maintenance.</p> <p>Rents are highly regulated, limiting financial options.</p> <p>Capacity can be boosted by working in partnership with consultants, RPs, developers etc.</p>
General Fund (GF)	Regeneration of non-HRA council assets & acquisition of temporary accommodation.	<p>Established legal & financial framework.</p> <p>Appropriate for delivering certain types of projects.</p> <p>Not for ongoing housing management & maintenance.</p>
Canterbury Local Property Company	Commercially oriented housing or property ventures	<p>Need to act commercially.</p> <p>Requires agility, flexibility & quick decision making.</p> <p>Complex legal arrangements, different from LA norms.</p> <p>Set up & running costs.</p> <p>Resources.</p> <p>Full financial risk.</p>
Canterbury Lettings	Social lettings agency managing rented properties on behalf of private landlords	<p>Established legal & financial framework.</p> <p>Brings vacant properties into use.</p> <p>Provides reassurance to landlords.</p>

		<p>Improves standard of housing management & maintenance of private sector homes.</p> <p>Minimal risk.</p> <p>No additional homes generated.</p>
<p>Joint ventures & partnerships with Community-based social housing organisations</p> <p>RPs</p> <p>Developers</p>	<p>Infill/brownfield sites may suit community based social housing organisations or</p> <p>Larger scale area regeneration that require expertise &/or investment.</p>	<p>Issues of trust between partners.</p> <p>Need to act commercially.</p> <p>Requires agility, flexibility & quick decision making.</p> <p>Provides additional expertise, capacity & resources.</p> <p>Longer lead-in time to ensure projects are attractive to the market.</p>

5.11 Proposed approach to increasing the number of council homes

The table below summarises the proposed approach to increasing the number of council homes. However, the timetable for the restructuring of local government proposed in the English Devolution White Paper of December 2024 demands a focus on projects that are deliverable within the next two to three years, such as increasing temporary accommodation, rationalising poor performing properties and reinvesting capital receipts to acquire better quality homes, such as larger s.106 sites and new homes from developers.

With limited capacity and resources, the council is aiming for the maximum number of affordable homes of the right size and type, at the best price for the least effort and lowest risk as quickly as possible. It may be beneficial to engage a partner social housing organisation to provide extra capacity and skills.

Proposed approach to acquisition and development

Timescale	Option	Delivery mechanism
Immediate	Acquisition: <ul style="list-style-type: none"> • s.106 new homes • Non-s.106 "off the shelf" new homes 	HRA
	Acquisition of existing market housing for temporary accommodation	GF
	Promote the Social Lettings Agency	GF
	Infill/garage sites for modular TA on short term basis	HRA/GF with social housing development partner
Medium term (2 to 5 years)	Acquisition: <ul style="list-style-type: none"> • s.106 new homes on strategic Local Plan sites non-s.106 homes on strategic Local Plan sites Favouring CCC-owned sites e.g. Wincheap 	HRA HRA with partner of Homes England
	Infill/garage sites for permanent housing	HRA with social housing development partner

	Phase 2 recommendations of the Older Persons' Accommodation Working Group	HRA, CCC property company or joint venture
Long term (5 to 10 years)	Area and estate regeneration	HRA, CCC property company or joint venture

5.12 Funding new council homes

All developments or acquisitions must be financially viable to ensure the financial sustainability of each development and to protect the overall integrity of the HRA. Recently acquired financial viability assessment software facilitates this process, supported by an RICS valuation of each project's open market value, its value as affordable housing and a market rent valuation to enable the calculation of affordable rents.

Rent generated by new homes is the HRA's primary source of income to repay the loans required to build or buy them. Government rent policy permits the council to charge either social rents, which are calculated according to a strict formula and are approximately 40% to 50% of market rents, or affordable rents, which are between 60% and 80% of market rents inclusive of service charges. It limits rent increases to CPI + 1% per year with the possible addition of rent convergence, if it is reintroduced.

It is a basic principle that the rent paid by existing council tenants is not used to subsidise new council homes. Nearly all existing tenants pay social rents, which are barely sufficient to cover the management, maintenance and modernisation of their homes. They might consider it inequitable if they were asked to subsidise new modern homes that provide other tenants with better facilities and higher standards of accommodation than their own.

The council would like to keep rent levels as low as possible to ensure that they are affordable for every household, but even with capital subsidy, recent projects are viable only because the council could charge affordable rents. Approximately 75% of the council's tenants receive either full or partial Housing Benefit or a contribution towards housing costs via Universal Credit, which cushions them from the higher cost of affordable rent. The Government would like more new homes built for social rent, but this is not financially viable without higher subsidy.

Capital subsidy, normally in the form of grant from Homes England or other government grant schemes, such as the Local Authority Housing Fund (LAHF), without which affordable housing is not financially viable.

The [Affordable Homes Programme 2021 to 2026: information for partners - GOV.UK](#) provided £7.39 billions of grant funding, usually allocated either to Strategic Partnerships with a track record of new housing delivery or on a scheme-by-scheme basis known as Continuous Market Engagement (CME). By mid-2024 all the funding for the 2021-26 programme had been allocated. CME bids are assessed for cost minimisation, deliverability and alignment with strategic objectives. Grant rates are not published, although it is generally assumed to be about 40% of the purchase price.

The Chancellor's announcement of an additional £500 million for in the Budget in October 2024 demonstrates the importance of housing to the government's agenda, but this sum will make only a modest impact.

To receive grant from Homes England the council must be a qualified Investment Partner, confirming that it is eligible to be a partner (for example, compliant with all standards set by the Regulator of Social Housing), has the financial and technical capacity to deliver its proposed scheme and has the full power and authority to enter into an agreement with Homes England. The council used to have Investment Partner status, but this was downgraded as no development programme existed.

Grant cannot be used to buy s.106 schemes.

HRA working balances or surpluses are just returning to prudent levels of £1.5 million and are not currently a realistic funding option.

Borrowing. The amount of debt and other liabilities the council can incur is no longer capped by an upper limit. Instead borrowing must conform to the Prudential Code which requires that borrowing be affordable and prudential.

Planning Obligations (commonly referred to as 'Section 106' or 's.106' obligations after Section 106 of the Planning Act) are planning tools that can be used to secure financial contributions or contributions in kind for affordable housing. On-site contributions are homes built as affordable housing and sold to an RP, usually at about 60% of open market value. s.106 schemes are not eligible for grant under the AHP.

Since the interest rate rises that were triggered by the mini budget of September 2022, RPs have been reluctant to commit to buying s.106 properties, instead preferring to develop their own sites. Without a willing RP, there is a risk that developments may stall.

Committed sums are off-site s.106 developer contributions for affordable housing and should equate to the purchase price of a fully serviced site for the number of affordable homes that could have been provided on site. These contributions are ringfenced for the provision of affordable housing in the district, subject to the terms of the s.106 agreement between the developer and the council. They may be used towards s.106 purchases or acquisitions and developments that do not attract AHP grant. On 17 February 2025 there was £1.45m available.

Retained RTB receipts. Their use is currently limited to 20 acquisitions per annum and cannot be used to:

- fund expenditure related to a s.106 agreement
- or be combined with other forms of grant i.e. from Homes England and certain other funding sources but
- may be used with off-site s.106 contributions (commuted sums).

However, the Government has just announced that local authorities will be permitted to keep 100% of RTB receipts, although details are awaited. The HRA capital budget for 2025/26 contains RTB receipts of £2.82m.

Other capital receipts such as from the sale of land or homes that are not fit for purpose and/or cannot be brought up to standard at reasonable cost. Proceeds from the sale of HRA homes and land are ringfenced for reinvestment in the HRA.

Savings on private sector temporary accommodation. Year on year the cost of providing temporary accommodation is rising. In 2022/23, the council spent £2,067,671 on private sector accommodation. In 2023/24 it rose to £2,634,815, and in 24/25 it is predicted to be £2,961,889. Income is collected to offset some of these costs but last year the total net expenditure exceeded £1.7 million and is predicted to be around £2 million this year. It is cheaper for the council to acquire properties to provide temporary accommodation than to use private sector alternatives. As this is revenue expenditure, it cannot be used to fund capital acquisitions, although the revenue that is freed up could contribute towards funding an acquisition and development team.

Cross-subsidise rented homes with other tenures such as shared ownership or market housing. However, it is not risk-free and imposes additional administrative burdens, requiring knowledgeable staff, marketing, legal and financial resources to support it, which the council does not possess. At present, it is recommended that the council focuses on providing rented accommodation. In relatively strong housing markets, such as Canterbury, it may be possible to build mixed tenure developments and sell market housing at a profit to cross-subsidise affordable housing. However, successful delivery of multi-tenure developments requires resources and expertise, which the council does not currently possess in-house. The council would also be exposed to financial risk if there was a downturn in the housing market.

Summary of potential eligible funding streams

Funding stream	Total at 7.2.25	S.106 on site	Non-s.106 purchases	Street purchases	Infill sites	Promote Social Lettings Agency	Stock renewal
Capital subsidy/grant	Bid process	N	Y	Depends on additionality	Y	N	Y
Working balances	£1.5m	Y	Y	Y	Y	N	Y
Loans		Y	Y	Y	Y	N	Y
Commuted sums	£1.45m	N	Y	Y	Y	N	Y
RTB receipts	£2.82m	N	Y	Y	Y	N	Y
Other receipts		Y	Y	Y	Y	N	Y
TA savings (revenue)	£100k p.a.	N	N	N	N	Y	N
Cross-subsidy	£0	Y	Y	N	Y	N	Y

A £5 million reserve has been established in the draft budget 2026/27 to facilitate the development or acquisition of new council homes, regeneration and disposals, which should in turn generate income.

5.13 Self-build and custom building

Under the [Self-build and Custom Housebuilding Act](#) 2015 the council must maintain a register of individuals seeking self-build plots and must ensure sufficient permissions are granted to meet demand identified in the register.

It is unlikely that self-build will ever be a viable route to provide a home for most people. There are significant obstacles, such as knowledge, skills, the availability of development land, project management, and financial viability.

In July 2025, the Canterbury self and custom-build register had 19 entries. Since 2016, 46 self and custom-build homes have been permitted, averaging 6 planning permissions annually. Registration does not guarantee a plot.

Recent national data indicates a 34% decline in registrations and a 23% decrease in planning permissions granted, suggesting constraints on availability rather than reduced demand for self-build plots.

The government continues to promote self-build housing through initiatives like the Help to Buy equity loan scheme, which allows for lower deposit requirements. Amendments to the Levelling Up and Regeneration Bill specify that planning permissions must be expressly designated for self-build to count towards meeting identified demand, necessitating careful monitoring of these permissions.

Based on average permissions, there is an indicative need for around 247 additional plots over the 2024–2043 plan period.

Finding appropriate development sites in Canterbury district is challenging. The council has spent several years sifting through its land holdings to identify development potential. The primary purpose is for affordable housing, particularly new council homes. Those assessed as unsuitable for affordable house building may be sold at full market value and thus become available for self-build.

5.14 Converting commercial premises into homes

Recent years have been challenging for High Streets. The trend of converting shops and offices into homes has surged, driven by the need for homes and the desire to repurpose commercial spaces.

Conversion is facilitated by the introduction of Permitted Development Rights, which allow landlords to change the use of commercial properties without full planning permission. This has created opportunities for landlords and developers to inject life into empty high streets by converting vacant shops and offices into homes.

One outcome has been the conversion into flats of office blocks in business parks on the edge of towns with limited local amenities or facilities.

The council is keen to retain productive shops and offices to safeguard employment opportunities whenever possible.

There are challenges to repurposing commercial premises into residential accommodation:

- It is a very resource-intensive way for the council or RPs to try to produce affordable housing, and there are more cost-effective ways to produce good quality homes, such as purchasing on-site s.106 developer contributions.
- Conversion can be expensive.
- The layout of residential accommodation is often compromised because commercial premises are not designed with residential use in mind.
- Independent access from the street.
- Safe means of escape in case of fire.
- Parking.
- The relationship between the freehold landlord and leaseholders or tenants to avoid conflict between commercial and residential uses.
- Opening hours of neighbouring commercial premises.
- The nature and use of neighbouring commercial premises may have more of an impact on residents' quiet enjoyment of their homes, such as smells, noises or clientele 'hanging around' outside.
- Some commercial premises have a higher risk of fire, such as a restaurant, fish and chip shop or other takeaway or security problems, which may adversely affect insurance premiums.
- If a shop is sold or ceases trading or another takes over, a new lease may come into effect with different legal agreements.
- If part of a building is commercial premises, tenants and leaseholders may not qualify for the right to manage, lease extension or freehold purchase depending on the ratio of commercial to residential parts of the building.
- Service charges on commercial buildings are usually more expensive than residential properties.
- Some lenders are reluctant to lend on flats above shops

6. Conclusion

This Housing Strategy reflects the significant changes in national and local policy since the Housing, Homelessness and Rough Sleeping Strategy 2018 to 2023.

There is no statutory requirement for local housing authorities to produce a housing strategy. However, there is a statutory requirement for the council to have a Homelessness Strategy.

Therefore, it has been decided to separate the Housing and Homelessness Strategies into separate documents.

This Housing Strategy recognises the crisis of housing affordability and aims to respond to the new opportunities to invest in more council homes to meet the housing needs of local people.

It recognises the challenges of improving services and the quality of peoples' homes, addressing health and safety issues and improving energy efficiency.

Local government devolution, which is expected within the next two to three years and will result in the reorganisation of the current two-tier arrangements for local authorities, brings new challenges and timescales.

This strategy seeks to ensure that the successor council inherits a portfolio of good quality homes with sound plans for improving existing homes and a programme of development opportunities to build new homes.