

**Portfolio Holder for Housing and Homelessness Decision –
4 February 2026**

**Proposed Purchase of Fifty-Seven Affordable Homes for
Rent and Shared Ownership**

Purpose	For Decision
Classification	Report – Public Appendix 1 – Non Public – by virtue of para 3 of Part 1 of Schedule 12A of the Local Government Act 1972
Executive Summary	This report seeks the approval of the Housing and Homelessness Portfolio Holder to acquire the freehold interest in fifty-seven new-build residential properties within the District. Forming part of the same development, all of the homes will meet a Planning S106 requirement. Due to the pre-contract nature of this decision and the associated commercial sensitivity, financial and site-specific information has been set out within Confidential Appendix 1.
Recommendation(s)	That in accordance with adopted strategic housing and development objectives, it is recommended that the Council enters a Sale and Development Agreement with the house builder to acquire the freehold interest of the fifty-seven new-build homes for the sum disclosed within Confidential Appendix 1.
Reasons for recommendation(s)	The fifty-seven ‘S106’ affordable homes contribute to a planning requirement imposed upon the approved development to include a percentage of affordable housing under policy HOU2 of the Local Plan (July 2020). By acquiring the homes from the Developer, the Council is enabling the Planning Obligation to be partially fulfilled. The acquisition of the fifty-seven homes will meet the Corporate Plan People Priority 3 (Meeting Housing Needs) through the Council providing increased numbers of affordable homes, and by demonstrating how the Council is working with developers and landowners to bring

	forward opportunities for wider housing provision to meet the needs of our communities through shared ownership and other tenures. Opportunities will also arise through the development which are likely to contribute towards and reduce pressures on Priority 1 (Helping those in our community in the greatest need)
Ward(s)	All
Portfolio Holder(s)	Councillor Steve Davies – Portfolio Holder for Housing and Homelessness
Strategic Director(s)	Peter Matthew, Interim Strategic Director - Housing and Communities. Alan Bethune, Strategic Director of Corporate Resources and S151 Officer
Officer Contact	Tim Davis Service Manager Housing Strategy and Development 02380 285899 tim.davis@nfdc.gov.uk

Introduction

- 1 New Forest District Council has been given the opportunity to purchase fifty-seven 'S106' affordable homes from a Developer to meet part of a legal planning obligation for a wider scheme incorporating two hundred and sixty-nine properties with a 35% affordable housing requirement. The negotiated purchase price reflects what can be paid for the homes WITHOUT GRANT, based upon current and future rental income and capital receipts that may be received in the case of homes for shared-ownership.

Background

- 2 As part of its development programme the Council has purchased and provided a total of 84 affordable homes over the last 6 years resulting from 'S106' opportunities and is in contract for a further 139 to be delivered over the next three years.
- 3 When private developers start looking to fulfil their S106 planning obligations competitive offers are invited from Registered Providers (including the Council) to acquire and deliver affordable homes as specified. N.B. Price expectations for S106 homes are materially

below open market values being based upon their restricted use as affordable housing without Grant.

- 4 During the spring and summer of 2025 the Council was approached and invited to bid for the 57 x S106 affordable homes in two separate parcels, both of which form part of a Strategic Site within the District.
- 5 Following careful financial analysis, and with support from Members of the Housing Development Panel¹, conditional offers for each element were submitted and accepted by the Developer, and thereafter moved forward as a combined package.
- 6 Since then Officers and the Council's appointed Solicitor have been progressing negotiations and checks to ensure that the proposal represents acceptable value for money, that the Council's interests will be protected, that the proposed terms of a legal Sale and Development Agreement for constructing the homes - and the final build and finish specification - are acceptable.

The Proposal

- 7 If approved the recommendation within this report will permit the Council to enter a sale and development contract with the house builder whereby the fifty-seven homes will be constructed to a standard that has been negotiated and agreed with the Council. The recommendation follows a formal valuation of the properties, detailed contract negotiations and legal due diligence checks. The homes will benefit from individual new-build warranties and are timetabled for delivery between Spring 2026 and Winter 2028 as the Developer builds-out the scheme.
- 8 In due course the homes for rent will be allocated to households with a local connection to the New Forest District in line with the Council's Housing Allocation Policy. Homes for Shared Ownership will be offered for sale in accordance with the requirements of the S106 legal planning agreement and the Council's shared ownership policy.
- 9 Financial details are contained within the confidential Appendix 1 however an external RICS Valuer has confirmed that the purchase price for the S106 units is significantly below open market value.

¹ Portfolio Holder for Housing and Homelessness; Portfolio Holder for Finance; Chairman of the Housing Communities Overview and Scrutiny Panel; Strategic Director of Housing and Communities; Strategic Director of Finance.

Corporate plan priorities

- 10 The fifty-seven acquisitions will meet the Corporate Plan 'People' Objective 3 (Meeting housing needs) and indirectly assist and reduce pressures related to Objective 1 (Helping those in our community in the greatest need).

Options appraisal

- 11 In accordance with the terms of the S106 legal planning agreement the District Council was made aware of the Developer's intention to secure a contract for the delivery of the affordable homes through a Register Provider. The Council was invited to submit offers for the affordable housing and did so knowing that the Developer would not be duty bound to accept them; that they could be refused, and that offers from another Registered Provider might be accepted.
- 12 The Council has therefore not been under any legal obligation to make an offer for the fifty-seven homes, nor has the Developer been bound to accept it. Nonetheless both parties have reached a mutually accepted position where the Council is willing to purchase, and the Developer is willing to sell to the Council.
- 13 If the Council decided not to proceed to purchase then the Developer would need to pursue options with other Private Registered Providers. Should another willing Registered Provider not be found, or acceptable terms could not be agreed, the Developer would likely challenge the Council's HOU2 Planning Policy requirements. A situation that would undermine the Council's Affordable Housing Planning Policies and likely result in a significant reduction in the number of affordable homes being achieved on this site, as well as their affordability and the housing need being met.

Consultation undertaken

- 14 The proposal has been evaluated by senior housing managers and the Members of the Housing Development Panel, including Strategic Directors of Finance and Housing.

Financial and resource implications

- 15 In February 2025 Council approved a three-year capital programme budget of £15.2m per annum for the Housing Acquisition and Development Programme. The same is proposed for approval in February 2026. This provides the required assurance that the budget is in place over the period covered by this report. Decisions on individual sites or properties are made by the Housing and Homelessness Portfolio Holder. The acquisitions proposed in this report will have a financial impact on the current year and future years as homes within the scheme reach completion.

Legal implications

- 16 S17 (1) (a) and (b) of the Housing Act 1985 provide statutory powers for the Council to (a) acquire land as a site for the erection of houses and (b) acquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings. The Council has therefore the legal power to make the proposed decision.
- 17 Due to the pre-contract nature of this decision and the associated commercial sensitivity, financial and site-specific information has been set out within Confidential Appendix 1. This is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the local Government Act 1972, and that the public interest in maintaining the exemption outweighs the public interest in disclosing it.
- 18 The contractual agreement negotiated by the Council's external specialist housing development solicitor mitigate and manage the risks and protect the Council's interests as set out in the paragraphs 19 – 21 below.

Risk assessment

- 19 The nature of the procurement method for this scheme means that the detailed land, build, delivery and specification of the homes are contained within a legal Sale and Development Agreement.
- 20 Informed and negotiated by the Council's external development solicitor – and based upon industry standard documentation – the Agreement will contain comprehensive details on all aspects of the scheme, the specification, the development programme and mechanisms to protect the Council's interests in the event that unforeseen risks should arise.
- 21 Prior to completion, the most significant risks relate to insolvency of the Developer or delays that might arise in the development programme. In terms of insolvency an independent financial assessment of the Developer has indicated that risks are within acceptable parameters, whilst additional measures have been built into the legal agreement which will give wider protection if such a situation should arise. In terms of delays, the Development Agreement includes a programme setting out the various phases of delivery with conditions and end-stop dates which will protect the Council's interests in the event that target timescales are not met.

Environmental / Climate and nature implications

- 22 As new-build homes all fifty-seven will be built to current Building Regulation standards. The homes are to be fitted with gas fired central heating and have been predicted to achieve EPC B.

Equalities implications

- 23 Homes for rent will be allocated in accordance with the requirements of the S106 legal planning agreement and the Council's Housing Allocation Policy. This policy recognises housing need, vulnerabilities and those requiring specific accommodation due to disabilities or other impacts to their daily life. The Council takes this needs data in to account when making strategic decisions to procure housing. The continued provision of new affordable housing supports the Council's corporate Plan priorities to provide housing to meet the diverse needs of its residents.
- 24 Homes for Shared-Ownership will be marketed and sold in accordance with the S106 legal planning agreement and the Council's Shared Ownership Policy.

Crime and disorder implications

- 25 There are no implications to consider.

Data protection / Information governance / ICT implications

- 26 There are no implications to consider.

Conclusion

- 27 The opportunity to provide the fifty-seven properties mentioned in this report has resulted from the Council's Local Plan HOU2 policy and will provide homes for Rent and Shared-Ownership tenures. Between 2026 and 2028 the scheme will make a significant contribution to the Council's own housing development targets whilst also meeting district-wide housing needs for those who cannot afford to rent or buy on the open market.

Appendices:

Appendix 1: Confidential – financial and site-specific information

Portfolio holder endorsement

I have agreed to the recommendations of this report.

Sign: Cllr Steve Davies

Date: 4 February 2026

Date on which notice given of this decision – 4 February 2026

Last date for call in – 11 February 2026