Havebury Homes

Development Strategy

2026 - 28

Scott Bailey
Director of Development










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Introduction

This strategy sets out how we'll deliver our plans to build new homes between 2026 and 2031. It explains our priorities and how we'll make decisions about the homes we build and the opportunities we pursue.

Developing new affordable homes is one of the four main objectives in our 2026-31 Purpose and Plan.

We're committed to building affordable homes that meet local needs. To do this, we'll:

- Continue to deliver new homes throughout the life of this plan
- Remain a trusted partner of Homes England
- Build in areas where we already work, supporting sustainable communities
- Explore land-led developments and Section 106 opportunities
- Deliver homes across different tenures to meet local demand
- Plan regeneration where homes and estates need significant investment



We've added a glossary on page 12 where you'll find the definitions of the words and terms with a * next to them.

Our development programme

Our current funded development programme aims to deliver 1,187 new affordable homes by March 2028. We've already completed 848 of these homes.

Our Business Plan sets out how we expect to deliver the remaining homes over the programme period. It includes a breakdown of the number of homes we plan to build, the types of homes we'll provide and how we'll secure the opportunities to build them.

This includes two main approaches:

Land-led development - buying or securing land and managing the development of new homes ourselves.

Section 106 - working with private developers to provide affordable homes as part of larger housing developments.

We aim for at least 22% of our development programme to be land-led. This may vary depending on the opportunities available and whether individual developments are financially viable.



The types of homes we need

Demand across our operating area is highest for one- and two-bedroom rented homes.

West Suffolk's latest housing evidence report sets out the level of demand for affordable rented and social rented homes, as shown below in table one. Table two shows the homes we own and manage as at 31 March 2026. It excludes sheltered housing, shared ownership and leasehold homes.

There is still a gap between the types of homes we have and the homes people need. When planning new homes on land we own or acquire, we'll consider local housing needs and how easy the homes will be to manage, particularly when building a large number of similar homes in one location.

Where possible and financially viable, we'll prioritise building houses over flats to better meet local demand and preferences.

Table one - level of demand

Home size	Number	Percentage
1-bed	1,012	50%
2-bed	564	28%
3-bed	324	16%
4-bed	116	6%
Not specified	6	0.3%
Total	**2,022**	**100%**

Table two - our homes

Home size	Number	Percentage
0-bed (bedsit)	132	1.8%
1-bed	1616	22.6%
2-bed	2687	37.5%
3-bed	2503	35%
4-bed	220	3.1%
Total	**7158**	

Where we build

We'll focus on building new homes in our core areas of West Suffolk, Mid Suffolk and Babergh.

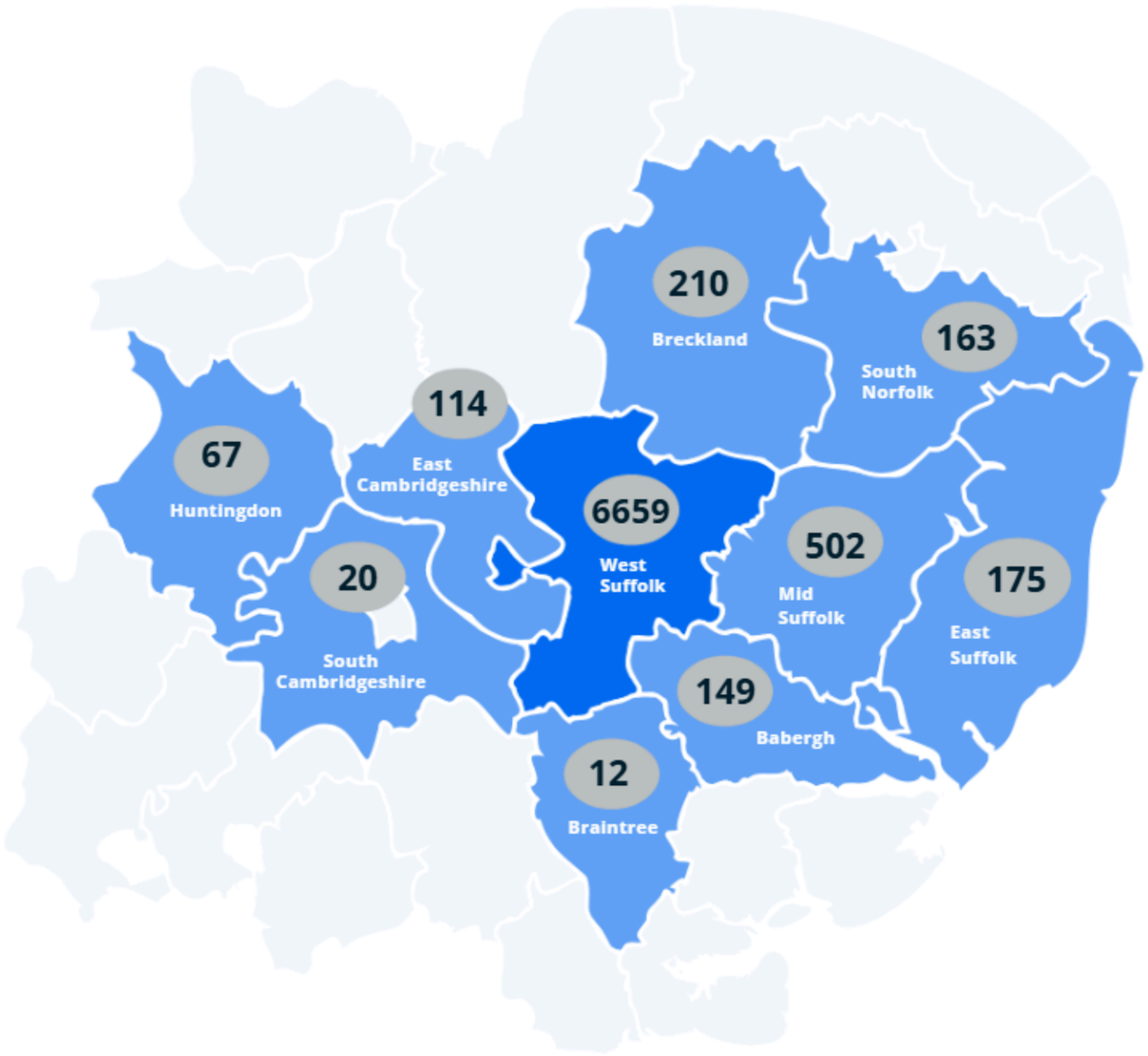
Outside these areas, we'll look for opportunities along key growth and transport routes, including:

- The A10 - as far as Ely
- The A14
- The A11

Any new development must be within a one-hour journey of our offices in Bury St Edmunds. We won't target city-centre developments in Ipswich or Norwich. Norwich will also be the limit for opportunities along the A11.

Where we don't already have homes within a ten-mile radius, we'll aim to build at least 50 homes in a new area. This will help us establish a strong local presence and make managing our homes more effective.

In exceptional circumstances, we may consider opportunities outside these areas. Any such proposal must be approved by our Homes and Investment Committee (HIC).



Standards and quality

All our new homes will meet Building Regulations* and any additional standards required by local planning authorities. If we receive grant funding from Homes England, our homes will also meet its requirements.

We'll focus on making our new homes energy efficient from the start. This is known as a 'fabric first*' approach. It means designing and building homes to keep heat in and reduce the energy needed to heat them.

Our Client's Brief sets out the quality standards we expect for our new homes. Where practical and financially viable, we'll aim to:

- Build homes on land we own or acquire to EPC A* energy efficiency standards, which means they meet the highest standard on the Energy Performance Certificate scale.
- Use renewable heating systems.
- Make our homes more energy efficient than Building Regulations* require.

For affordable homes delivered as part of Section 106s, we'll negotiate with developers to meet our Client's Brief as closely as possible.

We'll set targets to reduce the number of defects* found in our new homes and how long it takes to put them right. Our HIC will monitor our progress against these targets.



Tenure

We'll consider different ways of renting or owning homes when planning new developments. We'll take account of local authority requirements and our wider business needs.

The main options we'll consider are:

Social rent - homes let at lower rents, based on government guidelines.

Affordable rent - homes let at rents of up to 80% of local market rents, including any eligible service charges.

Shared ownership - homes that people can buy a share of and pay rent on the remaining share.

Any other type of tenure must be approved by HIC.

Where Homes England grant funding is available, we'll aim to make social rent our first choice for rented homes on funded developments.

Whatever the rent type, we'll assess whether the total cost of rent and service charges is affordable before approving a new development.

Social rent

We'll work closely with Homes England to secure funding for social rent homes in our planned developments.
Where financially viable, both for the individual development and for Havebury's overall finances, we'll prioritise social rent*.

Before approving a development for social rent, we'll assess local housing need and demand for these homes.

Affordable rent

We'll provide homes for affordable rent where this is required by a Section 106 agreement, or where a development on land we own or acquire would not be financially viable at social rent, but there is still a need for affordable rented homes in the area.

Unless a Section 106 agreement states otherwise, affordable rents will be set at 80% of the local market rent or the Local Housing Allowance rate, whichever is lower. This amount will include service charges.

In areas affected by the presence of United States Air Force (USAF) bases, we'll use formal property valuations based on the local domestic rental market, rather than the USAF rental market.

Before approving a development for affordable rent, we'll assess local housing need, demand for the homes and whether the rents and service charges are affordable.

Shared ownership

Shared ownership helps people buy a home by purchasing a share of it and paying rent on the share they don’t own.

Shared ownership will offer a minimum entry point of 25% or 10% first tranche sale, depending on the lease required to meet planning and Homes England requirements.

Rent will be charged on the unsold equity at 2.75%.

We shall target achieving a minimum of 30% first tranche sales.

We’ll only consider building shared ownership homes where there is clear evidence of demand and the homes will be affordable for the people likely to apply. We’ll assess demand and affordability before approving each development.

We’ll also assess the financial risks and agree what we would do if shared ownership homes could not be sold as planned. Our usual approach will be to consider converting these homes to rented homes instead.

Our HIC will receive regular updates on the performance of our shared ownership programme and demand for these homes.



Market sale, commercial and private rent

Our market sale subsidiary, Four Sail Homes, is currently dormant. However, in exceptional circumstances, we may consider building homes for sale on the open market if this is needed to make a development financially viable or sustainable.

Private rented homes or commercial space may also be considered where there is clear demand, and they are needed as part of a development.

Any development that includes a type of tenure other than social rent, affordable rent or shared ownership must be approved by both HIC and our Board.

Remodelling and regeneration

We'll consider opportunities to remodel existing homes or buildings where this meets local housing needs, supports the regeneration of a community and provides good quality homes.

We don't expect remodelling to make up more than 20% of our land-led development programme.

When deciding whether to continue investing in our existing homes or regenerate them, we'll use our Asset Investment Model alongside an assessment of future demand for the homes.

Supported and older people's housing

We'll consider developing supported housing (excluding care and extra care housing) where there is a specific request from a relevant strategic organisation or a need identified within the business.

Before approving a development, we'll need a clear plan for how the building could be used if it was no longer needed for supported housing. In most cases, we expect this would involve converting it into general needs housing for people who don't require specialist support. We'll also need a documented guarantee that the income needed to run the scheme will be available.

All supported housing developments must be approved by our HIC.

Rural homes

We'll aim for at least 15% of our development programme to be in rural communities, provided the homes can be built without needing a shared sewage treatment plant* or oil-fired central heating.

These systems can make homes more expensive for residents to run.

Buying land

We'll usually look to buy land once planning permission has been granted for development.

Any purchase of land without planning permission being in place must be approved by HIC.

If land prices fall significantly, we may consider buying land to develop at a later date. This is known as land banking and would require approval from HIC.



Partnership working

We'll work with local authorities to gain their support for all our affordable housing developments. Our Development team and consultants will work closely with planning officers to prepare planning applications that have the best possible chance of being recommended for approval.

If a planning application is refused or a decision takes longer than the legal timeframe, we'll seek independent expert advice on whether an appeal is likely to succeed.

Our Executive team can decide whether to appeal if the development falls within its delegated authority.

Procurement

All developments will follow our Procurement Policy unless our Executive team or HIC approves an exception.



Viability

We'll assess all developments against the financial targets set out in our appraisal model*. HIC will review and approve these limits each year.

At every meeting, the committee will receive updates on the financial viability of our overall development programme and individual developments.

Charging

We will target that all new developments achieve Market Value Subject To Tenancy* (a higher value than Existing Use Value Social Housing*) when approved as part of the securitisation* process.

Approvals

The approval levels and decision-making responsibilities for development are set out in our Schedule of Delegated Authority* and Terms of Reference.

Collaboration

We'll consider providing development services and Homes England administration services to other registered providers* and local authorities.

Any proposal must be supported by a business case and approved by our Board.

Monitoring and responsibilities

Our HIC is responsible for overseeing the implementation of this Development strategy and monitoring how effective it is.

Scott Bailey, our director of development, is responsible for reporting on development matters to both the HIC and the Board.

Glossary

- **Building Regulations –** Legal requirements for the design and construction of buildings.
- **EPC A –** The highest energy-efficiency rating on an Energy Performance Certificate.
- **Fabric first –** Improving a building's insulation and construction before relying on heating technology.
- **Local Housing Allowance –** Government-set limits used to calculate housing benefit for private renters.
- **Asset Investment Model –** A tool for assessing whether investment in existing homes is worthwhile.
- **Land banking –** Buying or holding land for possible future development.
- **Procurement –** The process of buying goods and services or appointing contractors.
- **Market Value Subject to Tenancy –** The estimated market value of a property with a tenant in place.
- **Existing Use Value for Social Housing –** The value of a property in its current social-housing use.
- **Delegated authority –** Permission for an individual or committee to make specified decisions on behalf of the organisation.
- **Registered provider –** An organisation registered to provide social housing.
- **Commercial space –** Premises intended for business use.
- **Remodelling –** Altering an existing building or home to meet different needs.
- **Shared sewage treatment plant –** A system that treats wastewater from multiple homes.
- **Securitisation -** The financial practice of pooling contractual debt obligations and selling their associated cash flows to investors.
- **Appraisal model –** The financial tool used to assess a development against set limits.



Havebury House, Western Way,
Bury St Edmunds, Suffolk, IP33 3SP

0300 3300 900

www.havebury.com

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