

Alderton

Parish Housing Needs Survey

Survey Report

April 2010



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1. INTRODUCTION

1.1 At a meeting on 26th March 2010 between Alderton Parish Council, the Rural Housing Enabler (GRCC) and Tewkesbury Borough Council's Housing Enabling and Policy Manager it was agreed to it was agreed the Rural Housing Enabler would carry out a local Housing Needs Survey in consultation with the Parish Council.

1.2 The Rural Housing Enabler (RHE):

- is employed by Gloucestershire Rural Community Council, which is part of the national network of Rural Community Councils (ACRE - Action with Communities in Rural England).
- works closely with rural communities, housing associations, local authorities, other community organisations (including community land trusts) and landowners to meet the affordable housing needs of rural communities.
- is an independent advisor, although, the post is funded through contributions from Cotswold District Council, Forest of Dean District Council, Stroud District Council, Tewkesbury Borough Council and four housing associations.

2. PARISH SUMMARY

- The 2008 the mid-year parish estimate for Alderton is 704 population, comprising 334 households (according to the District Council's Council Tax records as at April 2010), this equates to an average 2.1 persons per household.
- By road Alderton is 6 miles from Tewkesbury, 11 miles from Cheltenham, and 8 miles from Evesham.
- The nearest railway station on the national railway network is 5 miles away in Ashchurch.
- The following facilities operate in Alderton: a village hall, recreation ground, church, shop & sub Post Office, school and public house.

3. AIM

3.1 The purpose of the survey is to investigate and establish the affordable housing needs of people who live in or have close ties to Alderton. By comparing the established needs with the existing supply of affordable housing and the number of re-lets, we can estimate the number of dwellings, house types and tenure of new units required to meet the parish's needs.

3.2 **Housing needs** can be defined as the need for a household to obtain housing which is suitable to meet their requirements in terms of:

- House type and accessibility e.g. house, bungalow, flat etc
- Size and number of rooms
- Location e.g. in relation to employment, schools, family, shops and public services etc
- Affordability
- Tenure, including security

3.3 The aim of the survey is to provide an independent report of a robust nature based upon evidence from reliable sources. The report is designed to be used as evidence that may be used in support of a planning application for affordable housing.

4. SURVEY DISTRIBUTION AND RESPONSE

4.1 The Parish Council delivered the questionnaires door to door to all dwellings in the parish over the weekend of 24th/25th April 2010.

4.2 To encourage a better response rate completed questionnaires were collected from door or people returned their questionnaires in the freepost envelope provided. Anonymity was assured with no reference to a household's name or address.

4.3

- A total of 334 questionnaires (not including questionnaires issued to former Alderton residents who wish to return) were distributed.
- Everyone was asked to complete Part 1 of the form.
- If a household considered themselves in need, or likely to be in need of affordable housing within the next five years, they were invited to complete Part 2 of the form.
- Households were asked to forward the questionnaire to anyone they knew of who had moved away from Alderton but might wish to return to live in Alderton.
- There was a response rate of 42% with 139 completed replies received. These figures provide a very high level of confidence in the reliability of the data in terms of representation, and compares favourably with other surveys of this type where respondents are usually asked to return their completed questionnaires in a freepost envelope to GRCC's offices in Gloucester (e.g. Sandhurst 50%; Ebrington 40%; Norton 36%; Kempford 22%).

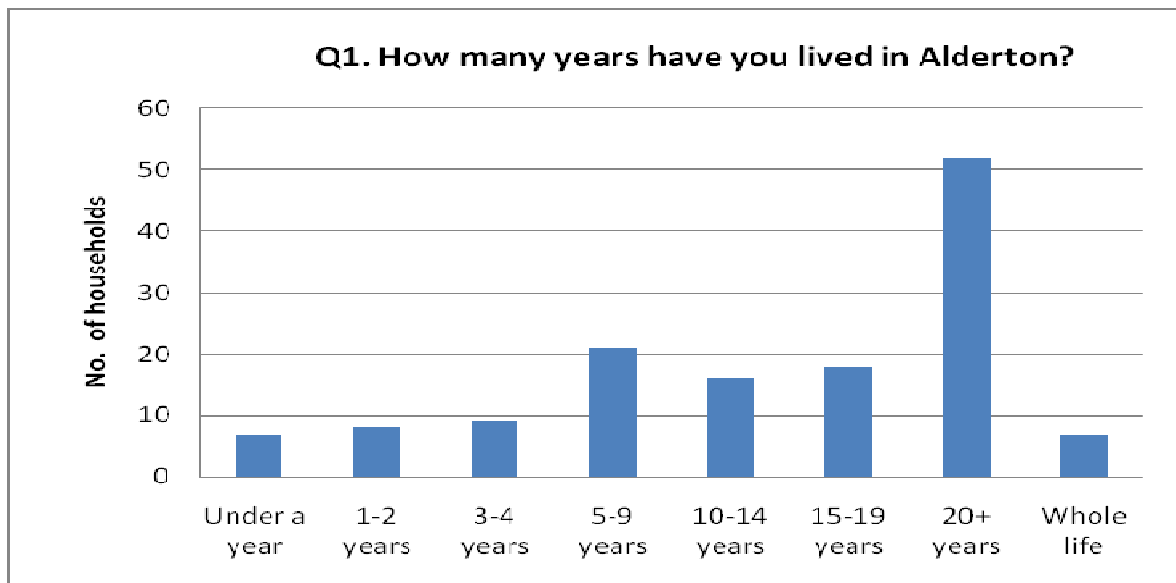
5. KEY FINDINGS

Part One – You and your household

5.1 133 respondents reported that their home in Alderton was their main home. 1 household reported it was their second home.

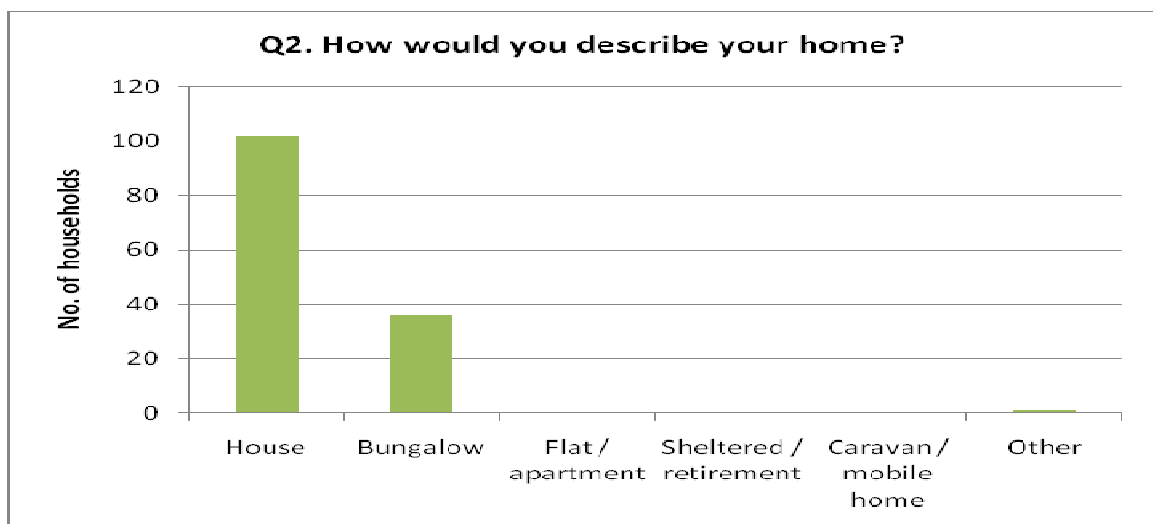
5.2 Table A below indicates the length of time respondents have lived in Alderton. It shows that nearly two third of respondents have lived in the parish for 10 years or more or their whole life.

Table A



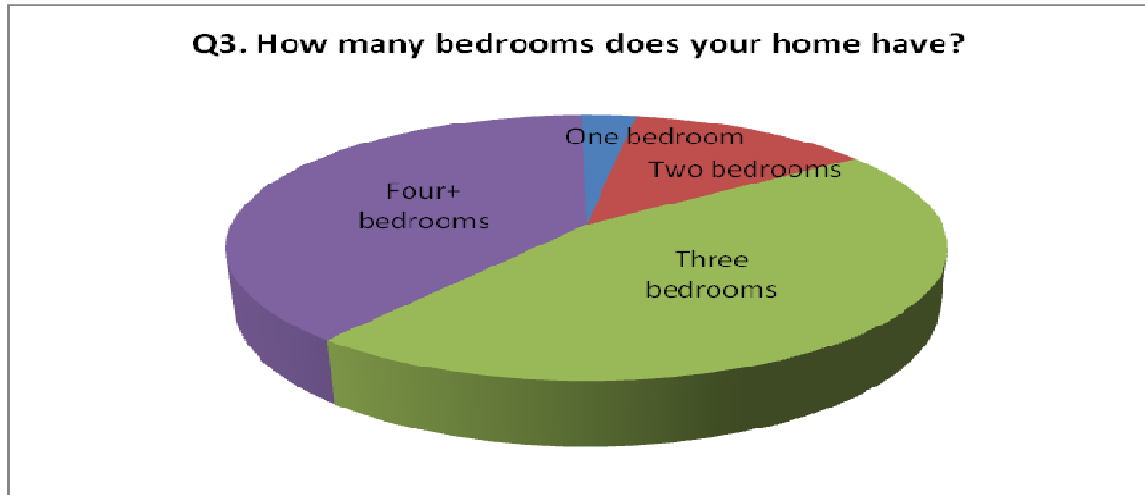
5.3 Question 2 asked people to describe their home in terms of house type. Table B below shows 73% of respondents live in a house, 26% live in a bungalow, and 1% live in other.

Table B



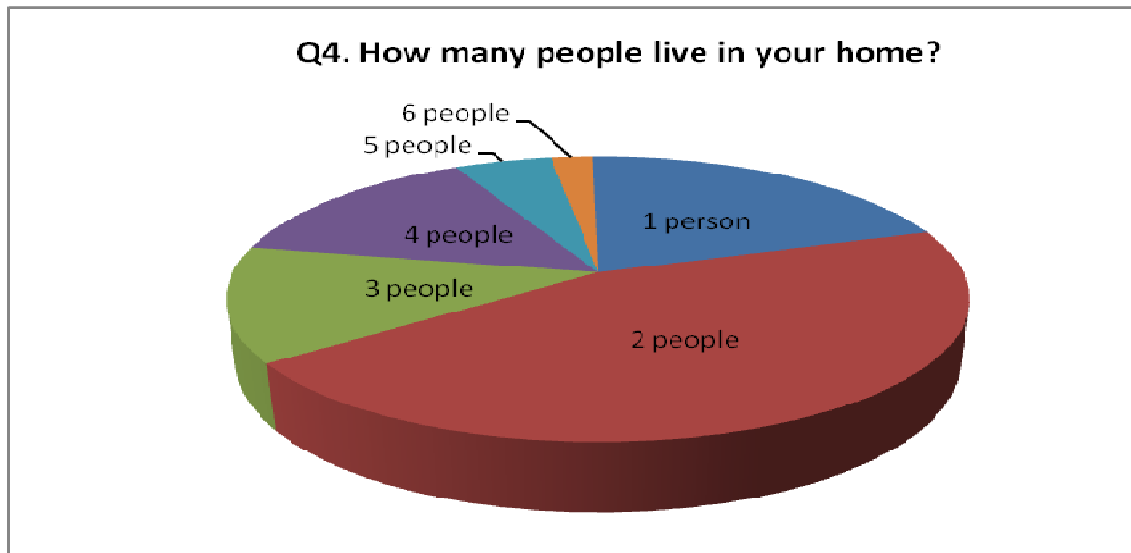
5.4 Table C below shows 84% of homes have three or more bedrooms. 13% of homes have 2 bedrooms. 3% of the respondents reported they live in a one bedroom property.

Table C



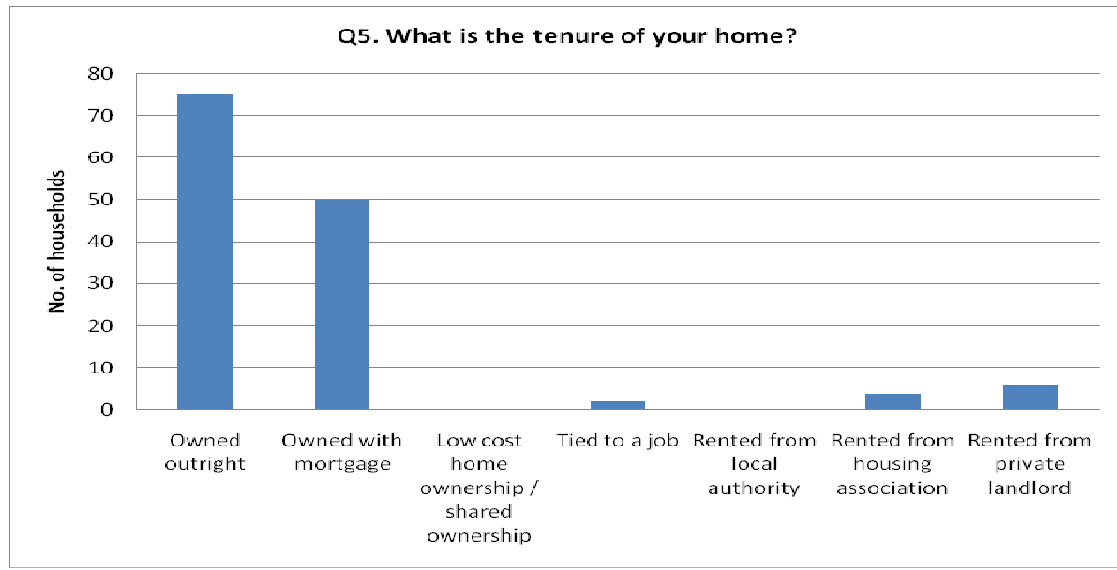
5.5 Question 4 asked how many people live in your home. Table D below shows 65% are one or two person households. 27% are 3 or 4 person households. And 7% are 5 person or more households.

Table D



5.6 Table E below shows 90% of respondents in Alderton are owner-occupiers, fewer than a half of whom have a mortgage, and the remainder own their home outright. 3% of respondents live in rented housing association or council accommodation. 1% live in tied accommodation and 4% live in private rented.

Table E



5.7 6 respondents said their home had been adapted to increase physical accessibility.

5.8 11 respondents said a member of their family had moved away from home in the past 5 years due to difficulty finding an affordable home.

5.9 73% of respondents said they are in favour of a small development of affordable homes.

5.10 Tables F and G below compare age profiles between those who responded to the survey questionnaire Part 1 and Gloucestershire County Council's Maiden estimate for 2007.

Table F – Age distribution according to respondents to survey

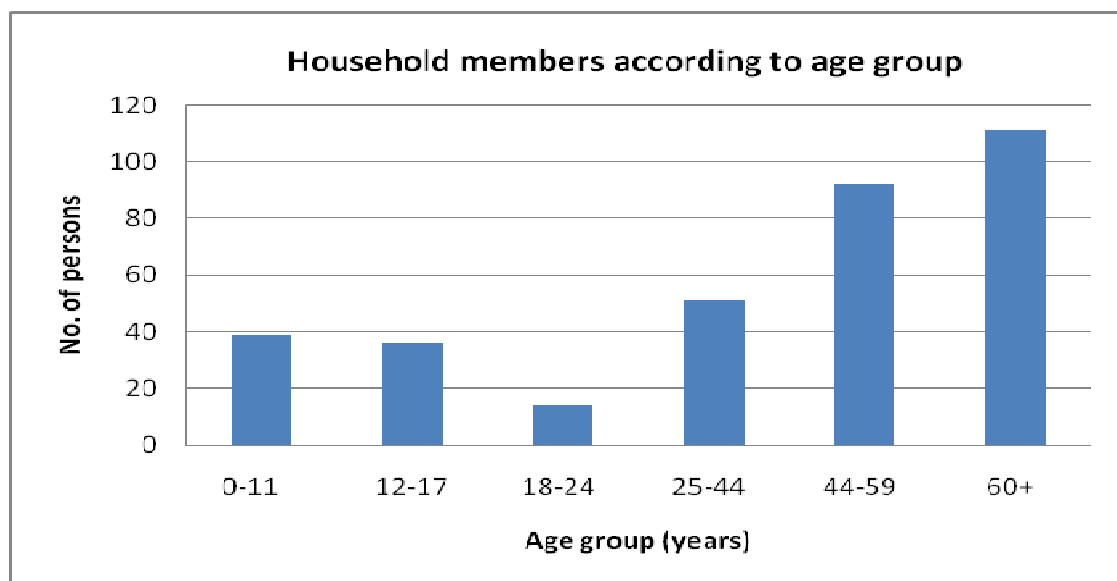
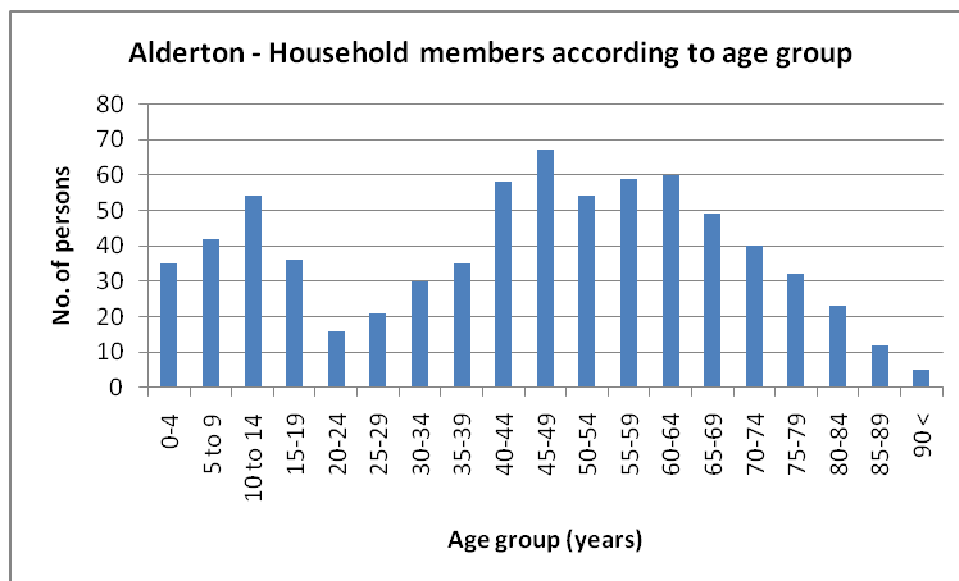


Table G - Age distribution according to Gloucestershire County Council Maiden estimate for 2007



Part Two – Housing needs

5.10 14 households completed *Part 2: Housing Needs* of the survey questionnaire.

5.11 For the purposes of this survey report six of the 14 respondents are regarded as having financial means to afford suitable housing in the private sector. Included within the 14 completed Part Two questionnaires was a late respondent who brought themselves to the attention of the Rural Housing Enabler at the public consultation event held on 14th September 2010. Six households are home owners, of whom five have a mortgage, and one does not. Therefore, the remaining *eight households in need of affordable housing* are the focus of this report.

5.12 Two households indicated they were on the Borough Council's housing register (Gloucestershire Homeseeker).

5.13 Some findings from the eight households in need:

- 3 households indicated a need to set up an independent home
- 1 household indicated a need for a larger home
- 2 households indicated a need for a cheaper home
- 1 household indicated a need to be closer to employment
- 3 households indicated a need to move to a more secure home

5.14 Analysing the results of those in need of rented accommodation shows the following:

- **There is 1 single person requiring rented accommodation: (living in private rented and seeks a cheaper home).**
- **There are 3 couples requiring rented accommodation: (1 couple is living in private rented and needs to be closer to employment, 1 couple live with family and is seeking to set up independent home, and the third couple is living in private rented seeking an independent home).**
- **There are 3 families requiring rented accommodation (2 x 3 bedroom house; 1 x 2 bedroom house).**

5.15 The level of income and property tenure given by respondents suggests that one of the 8 respondents in need of affordable housing could afford intermediate housing i.e below market rented or shared ownership (part buy/part rent):

- **There is 1 single person requiring intermediate housing: (living in private rented and seeks an independent home).**

6. AFFORDABILITY

6.1 Affordability is a key factor for measuring a person's need for affordable housing.

6.2 In simplistic terms the assessment of affordability requires household incomes and savings to be measured against prices of property of a suitable size, type and location, whether rented or home ownership. However, depending upon tenure there will be additional factors that will impact upon costs of acquiring the right to occupy the property.

6.3 For home ownership, these costs include: mortgage interest rates, mortgage indemnity premium, mortgage application fee, legal fees, stamp duty tax, legal fees and search fees etc.

6.4 For rented, these costs may include: rent deposit and rent paid in advance.

Home ownership

6.5 In order to investigate affordability, further research has been carried out on house prices in the area.

6.6 Using information gained from HM Land Registry it is possible to obtain the average property prices in Alderton.

6.7 The average price of 8 houses sold in Alderton between April 2008 and March 2010 are shown in Table G below.

Table G: Average Residential Property Prices in Alderton in the period April 2008 to March 2010 (according to HM Land Registry)

Average House Prices in Alderton Parish (£)		
House Type	Price	Number of Sales
Detached	£231,800	5
Semi-detached	£169,000	2
Terraced	£545,000	1
All	£255,250	8

6.8 The number of house sales are for new and existing properties where the sale details registered with the Land Registry are for the postcodes defining the parish of Alderton.

- Figures were obtained from “www.rightmove.co.uk” with data supplied by HM Land Registry.
- There are sometimes delays in registrations especially for new build properties and this may result in under counting of property sales.

6.9 Unfortunately, the number of bedrooms in each property is not specified.

6.10 Also, these figures represent the average price for total number of properties sold, and with records of only 8 properties sold over the past 2 years, the average price of properties sold may not reflect the average value of all properties in the parish.

6.11 HM Land Registry tells us that the average price of residential properties sold in Gloucestershire is £169,983 in January 2010, an increase of 1.2% over the previous 12 months, the first increase since April 2008.

6.12 The latest figures show that throughout England and Wales the downward movement in house prices ceased in July 2009, after which there has been a month on month increase. The 12 months leading up to May 2010 experienced the highest annual rate increase of 9.4% since June 2007. House sales volumes in Gloucestershire have fallen significantly from 1,402 in August 2007 to a low of 352 in January 2009 and increasing to 648 in March 2009 (latest month for which figures are available).

EXAMPLE CALCULATION FOR A MORTGAGE

6.13 Typically, a household can obtain a mortgage of 3.5 times their gross annual income, and in today’s financial market would expect to pay a deposit of at least 15% towards the total purchase price.

6.14 To afford the lowest price (£169,000) of a semi-detached two bedroom house in Alderton a household would require at least £25,350 as a deposit, and their annual gross income for mortgage purposes would have to be at least £41,042.

6.15 At the time this report is published mortgage lenders currently offer standard variable annual rate interest rates from 4.5% APR. Applying a 4.5% interest rate to a mortgage of £143,650 this would equate to £807.30 per month for a repayment mortgage over a 25 year period.

Gross annual earnings for residents and employees in local authority areas

Area	Median gross annual earnings for residents (£)	Median gross annual earnings for employees (£)
Cotswold	18,775	17,698
Forest of Dean	19,162	18,543
Gloucester	20,436	21,579
Stroud	22,715	20,249
Cheltenham	24,552	22,691
Tewkesbury	22,003	23,582
Gloucestershire	21,706	21,006
South West	20,210	19,875
Great Britain	21,455	21,418

Source: Annual Survey of Hours and Earnings 2009, Office of National Statistics

- As shown by the above table, the median (50th percentile) gross annual earnings of residents in Tewkesbury Borough (£22,139) is significantly higher than the regional (£20,210) and the national average (£21,455). Similarly, the average earnings of employees in Tewkesbury Borough (£23,582) is significantly higher than Gloucestershire (£21,006), the South West (£19,875), and the national average (£21,418).
- Considering the average prices of homes in Alderton a household on average income would be unable to purchase a property without a large deposit (by using savings or by releasing equity in an existing property).
- Many potential first time buyers struggle to meet the costs of buying their own home.
- In some cases intermediate housing (shared ownership, low cost market housing and rented housing at prices between rented social housing and market rented prices) would be a suitable option, whilst in other instances affordable rented accommodation would be appropriate.

Private rented

6.16 Information gained from 'Rightmove.com' tells us residential property for rent has achieved the following rents in 2009:

One bedroom flat (Tewkesbury) £300 per calendar month

Two bedroom semi-detached house (Alderton)..... £610 per calendar month

Three bedroom house (Tewkesbury).....£550 per calendar month

6.17 It is usually accepted that a household's housing costs should not exceed 25% of a household's gross income. Based upon this assumption a minimum gross annual income required to afford the above properties would be £14,400 for a one bedroom flat, £29,280 for a two bedroom semi-detached house (in Alderton) and £26,400 for a three bedroom semi-detached house. Of course, this does not include running costs e.g. council tax, fuel bills etc.

6.18 By comparing the monthly costs of private rented property with home ownership, it is substantially less expensive to rent than to buy a similar starter home.

What is affordable rented housing?

6.19 The levels of rent that Registered Social Landlords are able to charge are restricted by *Homes and Communities Agency* (formed on 1st December 2008 from the *Housing Corporation* and *English Partnerships*). These rents are known as *target rents* and are subject to the national Housing Benefit scheme, which is calculated taking into account a household's income, savings and other circumstances, may entitle a household to a financial contribution of a sum up to the entire rental charge.

7. EXISTING AFFORDABLE HOUSING STOCK

7.1 Alderton currently has a total of 17 affordable dwellings, all for rent.

Tenure	1 bed bungalow	2 bed bungalow	2 bed house	3 bed house	Total
Rented	3	7	1	6	17
Shared ownership	0	0	0	0	0
Total	3	7	1	6	17

7.2 Between April 2008 and March 2010 there were 3 re-lets (1 x one bed bungalow; 2 x two bed bungalows). On average throughout the United Kingdom households move approximately every 7 years. The rate of re-lets in Alderton is significantly below the national average.

8. TEWKESBURY BOROUGH LOCAL PLAN TO 2011

8.1 Below is an extract from Tewkesbury Borough Local Plan to 2011 stating the borough's exception site policy for affordable housing.

'SUBJECT: AFFORDABLE HOUSING (EXCEPTIONS SCHEMES) POLICY HOU14

EXCEPTIONALLY THE LOCAL PLANNING AUTHORITY WILL PERMIT, SUBJECT TO A LEGAL AGREEMENT AND/OR PLANNING CONDITION, RESIDENTIAL DEVELOPMENT WHICH CAN BE DEMONSTRATED TO MEET IN PERPETUITY A PARTICULAR LOCAL NEED THAT CANNOT BE MET IN ANY OTHER WAY. PROPOSED SITES SHOULD BE SMALL IN SIZE AND LOCATED IN OR ADJOINING VILLAGES OR SETTLEMENTS WHERE THERE ARE ADEQUATE LOCAL FACILITIES, INCLUDING PUBLIC TRANSPORT SERVICES, FOR RESIDENTIAL SCHEMES WHERE THE OCCUPATION CAN BE CONTROLLED IN THE LONG TERM.'

9. SUMMARY

9.1 *Part 2* of this survey is aimed at persons who are seeking affordable housing (rented or shared ownership), and cannot afford suitable housing in the open market.

9.2 The information gained from this survey is a key element of assessing local needs. Other useful sources of information available to us include Cotswold District Council's Housing Register and the advice from allocation staff who manage the register.

- It is notoriously difficult to get accurate data on the housing need of single people, especially the under 25s, and surveys of this type tend to underestimate the figures.
- Those who have expressed a genuine need have been considered in the recommendations, rather than those with a wish to move but are considered to be able to afford appropriate market housing.
- Housing development in Alderton should take account of future anticipated housing need as well as the number of households in immediate need.
- There is a shortage of affordable properties in Alderton for rent and none available for shared ownership. As this survey has shown 84% of properties in the parish have 3 or more bedrooms. The results of the survey indicate that of households in need of affordable housing, there are 2 single people, 3 couples and 2 families in need of 1, 2, and 3 bedroom accommodation.

- Of those 14 respondents to the questionnaire who are in need to move to suitable accommodation, six households can afford open market, one household can afford shared ownership and seven households can afford social rented. In the current financial market potential purchasers, particularly first time buyers, are experiencing difficulties obtaining a mortgage. The Bank of England Base Rate has remained at an all time low of 0.5% for 12 months (last reviewed on July 8th 2010). However, mortgage lenders often charge high rates of interest to first time buyers and require substantial deposits, sometimes 15% or more of the purchase price as well as charging arrangement/administrative fees.

10. CONCLUSION

10.1 This survey has determined that there are **8 households in affordable housing need** with a local connection to Alderton.

10.2 In addition to those local households in need, turnover of the existing social housing stock in the parish should also be taken into consideration in determining the number, type and tenure of affordable dwellings. It should be noted that preference is not awarded to local persons upon allocation of the existing affordable housing; these properties are allocated to persons in greatest housing need with a connection to Tewkesbury Borough.

10.3 It is unusual to provide specifically for all those households identified as being need as households' needs may change and other households may fall into need. Any new development should be of a number of dwellings that is in keeping with the rest of the village and will be subject to the usual planning constraints as regards design and materials.

11. RECOMMENDATIONS

It is recommended that:

- a) Alderton Parish Council publicises the results of the survey in the parish news letter and anyone who is in need is encouraged to apply on the District Council's Housing Register.**
- b) The Borough Council is provided with the Housing Needs Survey report.**