

Charlesworth

Parish Housing Needs Survey Results December 2010

**Report prepared by Isabel Bellamy
Rural Housing Enabler for Derbyshire Dales and High Peak**

Contact information

Isabel Frenzel
Rural Housing Enabler Derbyshire Dales and High Peak
Derbyshire Dales District Council
Town Hall
Bank Road
Matlock
Derbyshire
DE4 3NN.

Direct Dial: 01629 761256
Email: Isabel.Frenzel@derbyshiredales.gov.uk

Contents

Introduction	3
Purpose of the survey	3
Planning Context – outline description	3
Local Connection	4
Housing Need by Age Group	4
Timescale for housing requirements	5
Tenure preferences	5
Accommodation requirements	6
Current Accommodation	6
Home-Options Data – registered housing need	7
Existing stock and turnover	8
Affordability – ability to purchase a property on the open market	9
Affordability – forms of ownership involving equity share	13
Affordability – ability to rent a private property	14
Conclusion	15
Appendix A - Annual turnover by property type for St. John's Ward	16
Appendix B - Number of sales by price band in St. John's Ward	17

Charlesworth Parish Housing Needs Survey Results December 2010

Introduction

In October 2010, the Rural Housing Enabler for Derbyshire Dales and High Peak and High Peak Borough Council undertook a housing need survey with the support of Charlesworth Parish Council. Survey forms were posted out to every household in the Parish. Of the 970 forms posted out, 277 survey forms were returned, a response rate of 29%.

Purpose of the survey

The survey was conducted in order to obtain clear evidence of the affordable housing need in the Parish of Charlesworth. The aim of the survey was to establish the type and tenure of housing required to meet local need, and the extent to which any housing need might be met by current housing stock.

The returned forms can be categorised into 4 main groups as follows:

Category	No. of forms
In housing need and in favour of a scheme	10
Not in housing need and in favour of a scheme	143
Not in housing need and not in favour of a scheme	111
Don't know/blanks/depends	13
Total number of forms returned	277

55% of respondents would be in favour of a small development of affordable homes for local people in the Parish.

Planning Context – outline description

The Parish of Charlesworth is in the High Peak Planning Authority area. Please note that the following is not a complete description of the planning policies that apply locally.

High Peak Borough Council's Local Plan (adopted March 2005) allows new development within the development boundary of a settlement. The Council currently requires 30% of developments over 15 dwellings in urban areas and 30% of developments over 5 dwellings in rural areas to be affordable housing. Any new affordable housing would be subject to the Home-Options's Allocations Policy meaning people with a local connection to High Peak would be given priority over the other local authorities in the scheme.

New housing may also exceptionally be allowed on the edge of a settlement, where there is a proven local need for affordable housing. The key aim of this rural 'exceptions' policy is to maintain balanced communities. People would need to have a strong local connection to the village or nearby village to qualify.

Local Connection

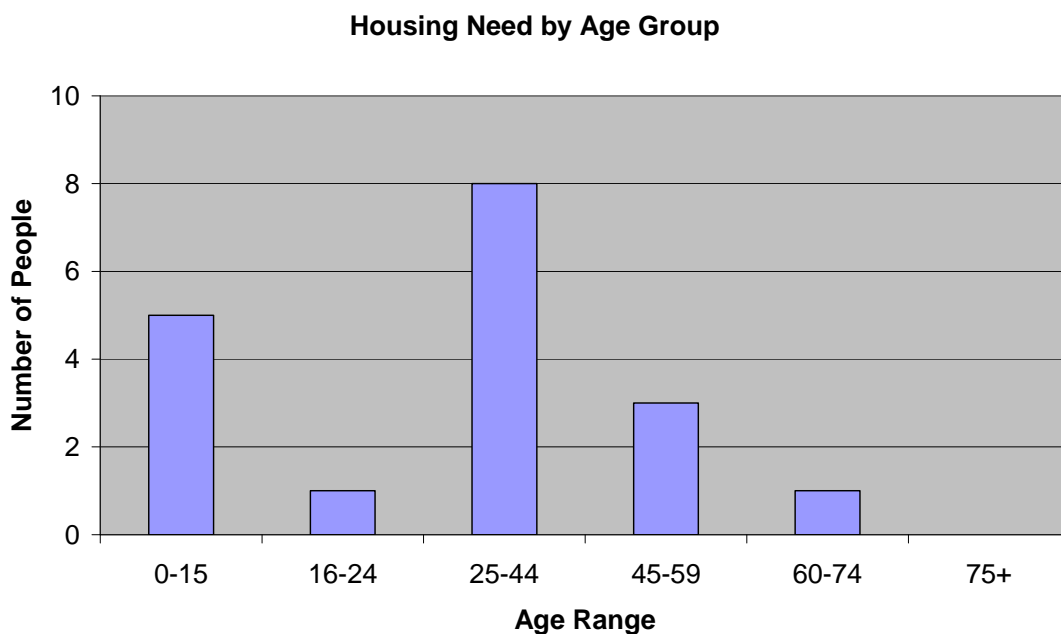
The local connection of those residents in housing need and in favour of a scheme can be summarised as follows:

Category	%	Ave Duration (years)
Currently live in the village	100	24
Currently work in the village	10	n/a
Have relatives in the village	60	n/a

NB: The total percentage is greater than 100% in many of the tables and charts as some respondents fall into more than one category.

The following charts set out the key housing demand information from the survey for the 10 households identified in housing need.

Housing Need by Age Group

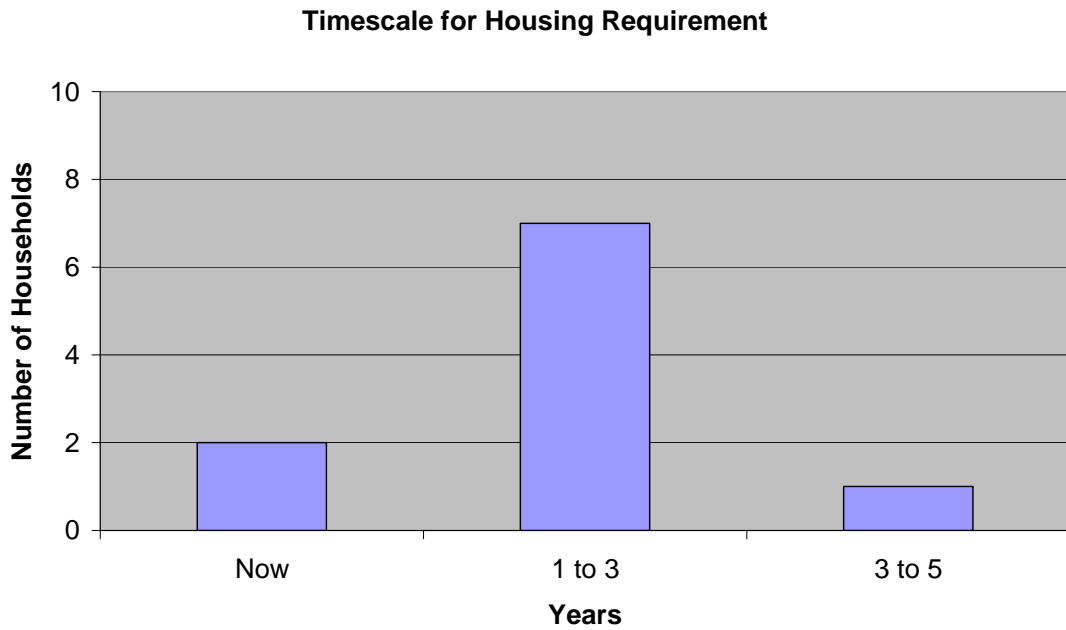


The survey identified that the 10 households in need are predominantly made up of people in the 25 to 44 and 0-15 age groups. There is also a lesser need in the 45-59, 16-24 and 60-74 age groups.

The household types of the 10 households in housing need are as follows:

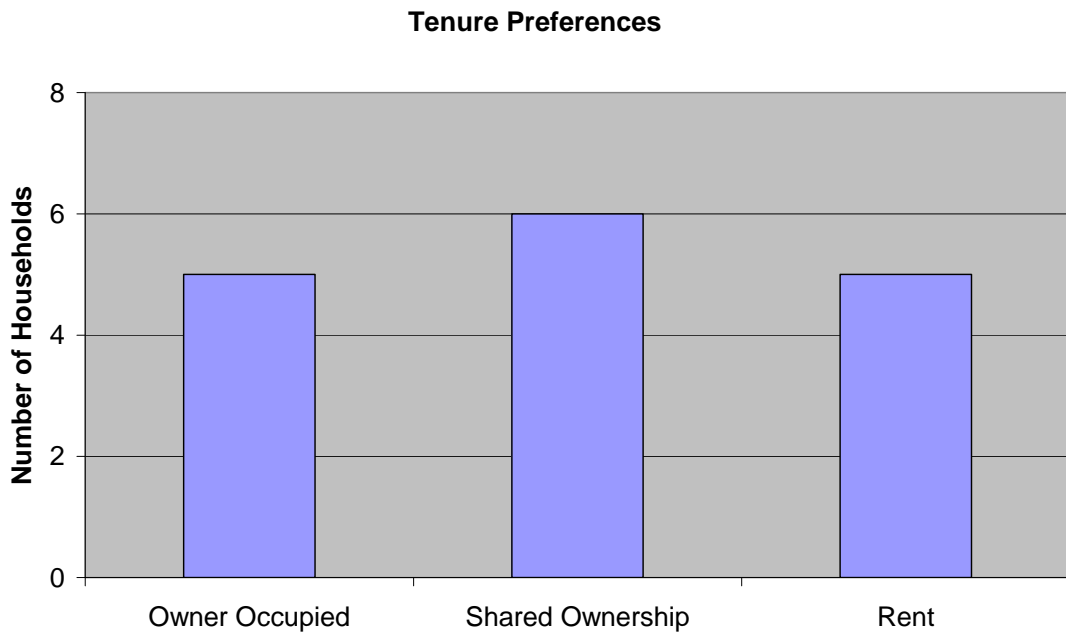
Family with children	3 (1 x 1 child, 2 x 2 children)
Single adult	2
An adult couple	5

Timescale for housing requirements



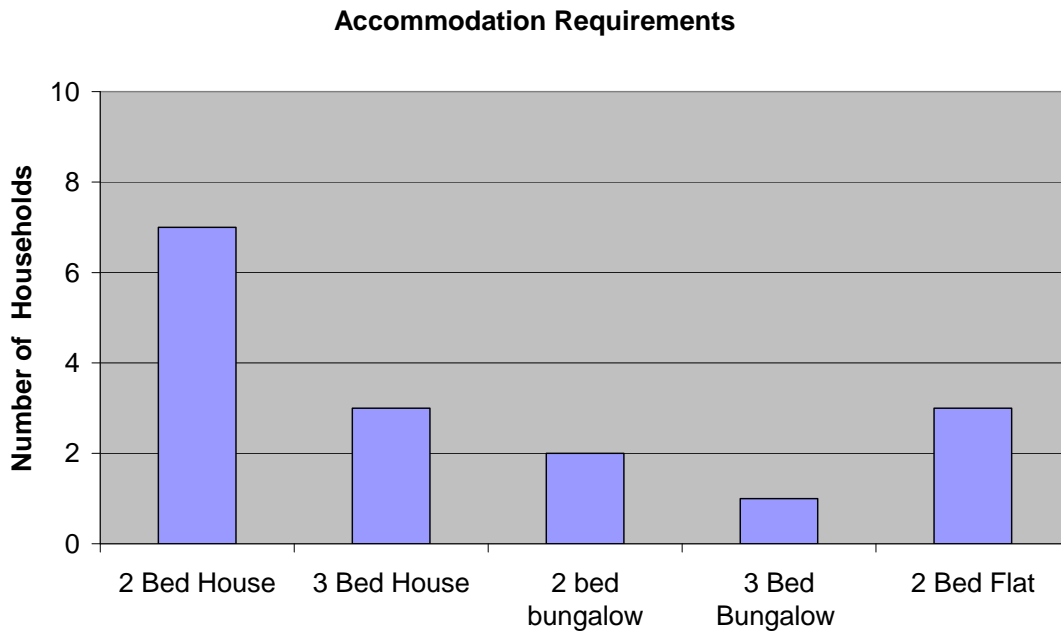
In response to the question “When is this housing going to be needed”, 70% of households stated in “1 to 3 years”, 20% stated “now” and 10% needed housing in “3 to 5 years time”.

Tenure preferences



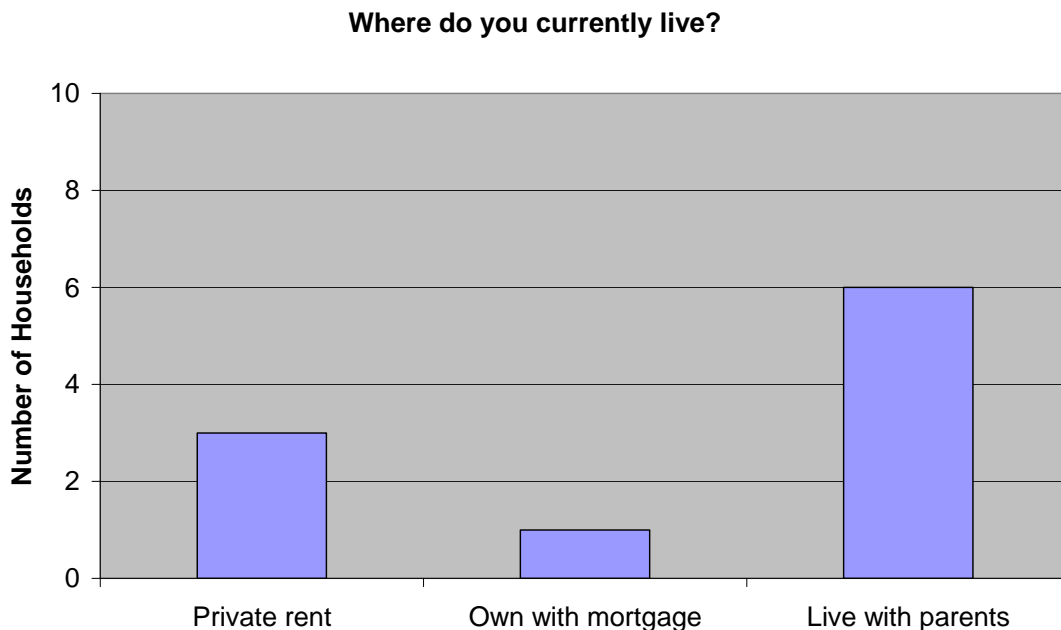
Respondents’s tenure preference was virtually evenly distributed between owner occupied, rented and shared ownership.

Accommodation requirements



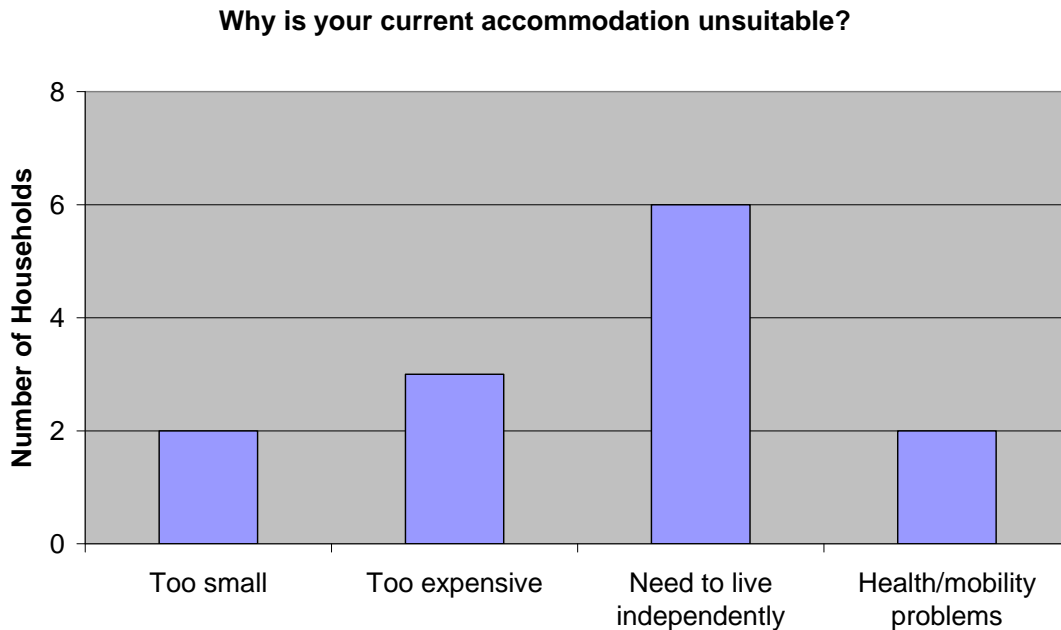
The survey indicated a predominant requirement for 2 bed houses, with a lesser need for 3 bed houses, 2 bed flats and 2/3 bed bungalows. Although it should be noted that 7 of the 10 households would, under normal circumstances, only be offered a 1 bed property or 2 bed flat through the Home-Option's scheme as they are single people or couples without children.

Current Accommodation



The greatest need for affordable housing is from people currently living with their parents (60%), a third are living in private rented accommodation and one household owns a home with a mortgage.

Why is your current accommodation unsuitable?



The survey identified that the key reason why respondents's current housing is unsuitable is due to the "need to live independently" (60% of households). A third of households's stated that their current accommodation is "too expensive", 20% of households had a family member with a health and or mobility problem and a further 20% stated their current home was "too small". These results link to the above chart "Where do you currently live?" which shows that most of the respondents are living with parents or are in private rented accommodation.

Home-Options Data – registered housing need

A further indicator of need is people registered on the Housing Register. There are currently 10 residents of Charlesworth Parish registered on Home-Options* seeking accommodation and none of the households identified in need in this survey are registered on Home-Options. It can therefore be taken that there are a further 10 additional households in need of accommodation who did not respond to the survey.

The figure of 10 Charlesworth residents registered on Home-Options is likely to be an under-representation of actual need as it does not include people with a local connection to the Parish who have moved away and may wish to return, and experience shows, that people in housing need may not be aware of Home-Options.

**Home-Options is High Peak Borough Council's choice-based lettings scheme which allows home-seekers to 'bid' for properties available. Further information is available at www.home-options.org or telephone 0845 1298075.*

The household types of these 10 people registered on Home-Options are outlined in the table below. Combining the survey and Home-Options's information indicates that there are **20 households** in housing need in Charlesworth.

Calculated Bedroom need of Charlesworth Parish residents on Home-Options

The 10 households registered on Home-Options require a home with the following number of bedrooms:

8 households x 1 bed
 1 household x 2 bed
 1 household x 3 bed

Age bands of Charlesworth Parish residents on Home-Options

Age band	Number of households
Under 25	2
25-39	2
40-45	1
45-49	2
50-54	1
60+	2
Total	10

In summary, the Home-Options' data reflects the housing needs identified in the survey. The need is predominantly for single adults and couples with a requirement also for some family housing (2/3 bed houses). The need is spread across the age bands.

Existing stock and turnover

High Peak Community Housing (H.P.C.H.) currently owns and manages 31 houses and flats in Charlesworth.

The dwelling types and turnover rates of the High Peak Community Housing are summarized in the table below.

Table summarising High Peak Community Housing's affordable housing stock

Dwelling Type	Current Affordable Housing Stock	Age Restrictions	Turnover since March 2007	Housing Association
1 bed flat	23	None	7	HPCH
2 bed house	5	None	1	HPCH
3 bed house	2	None	0	HPCH
4 bed house	1	None	0	HPCH
Total	31		8	

23 out of the 31 affordable homes are 1 bed flats (74% of the stock). The table above shows that there is some turnover in the 1 bed flats, as would be expected from predominantly starter accommodation, with 2 on average becoming available each year. 2 of the 7 were let to older people with a warden service. There is very limited family housing available (only 8 homes), with only 1 of these homes becoming available in the past 3 years. There is no accommodation available specifically for older people.

The Home-Options's bidding data shows strong demand for both the 1 bed flats and the 2 bed houses. 24 eligible households expressed an interest in the most recent flat (1st floor) that became available in April 2010 and 17 households for the 2 bed house in December 2009.

Even though the majority of households identified in need in this survey would, under normal circumstances, only be offered a one bed property or a 2 bed flat under the Home-Options allocations scheme as they are single people or couples without children, Charlesworth would benefit from more 2 bed houses to provide additional move-on opportunity from the one bed flats. Otherwise, young families will continue to leave the Parish to meet their housing need. Developers are also not keen to build one bed homes due to their lack of flexibility in a rural context.

The survey and Home-Options data has identified the level of need for housing and the type of homes required, the next step is to look at affordability across the three tenures of open market, forms of ownership involving equity and rented.

Affordability – ability to purchase a property on the open market

The survey asked respondents for financial information, including the level of mortgage and rent that they could afford. Although 50% of respondents indicated a preference for owner occupation, only one of the households may be able to meet their housing need by purchasing a property on the open market (comparing mortgage borrowing ability and savings to the entry level price for a property in the Parish of £118,500).

The remaining 9 households do not have the household income or savings to meet their housing needs on the open market.

The tables below show the properties available for sale on rightmove.co.uk on a particular day in Charlesworth and in Chisworth.

Charlesworth - cheapest properties available for sale on rightmove.co.uk on 13 December 2010 (15 properties listed out of the 27 advertised in total)

<i>Property type</i>	<i>Cost</i>
2 bed house	£118,500
2 bed terrace	£135,000
2 bed terrace	£137,500
2 bed terrace	£142,000
3 bed terrace	£145,000
2 bed house	£145,000
2 bed terrace	£175,000
2 bed detached	£195,000
3 bed terrace	£195,000
3 bed terrace	£199,000
3 bed terrace	£215,000
2 bed bungalow	£224,995
3 bed bungalow	£229,950
3 bed bungalow	£247,500
4 bed house semi	£249,950

Chisworth – all properties available for sale on rightmove.co.uk on the 13 December 2010

<i>Property type</i>	<i>Cost</i>
2 bed cottage	£159,950
2 bed cottage	£175,000
2 bed cottage	£178,995
3 bed end terrace	£200,000+
3 bed semi	£310,000
3 bed cottage	£310,000
4 bed semi	£355,000
3 bed cottage	£430,000
3 bed detached	£599,950

Table showing the mortgage borrowing ability of respondents in need

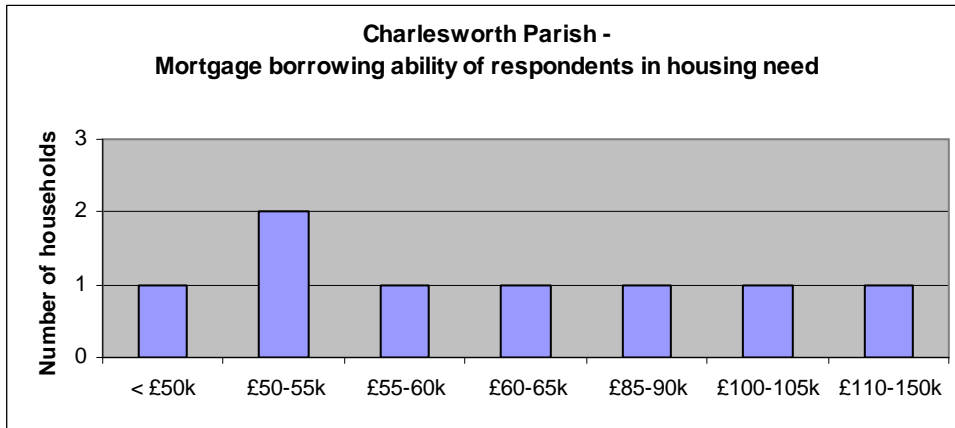


Table showing the weekly income (take home pay) of respondents in housing need

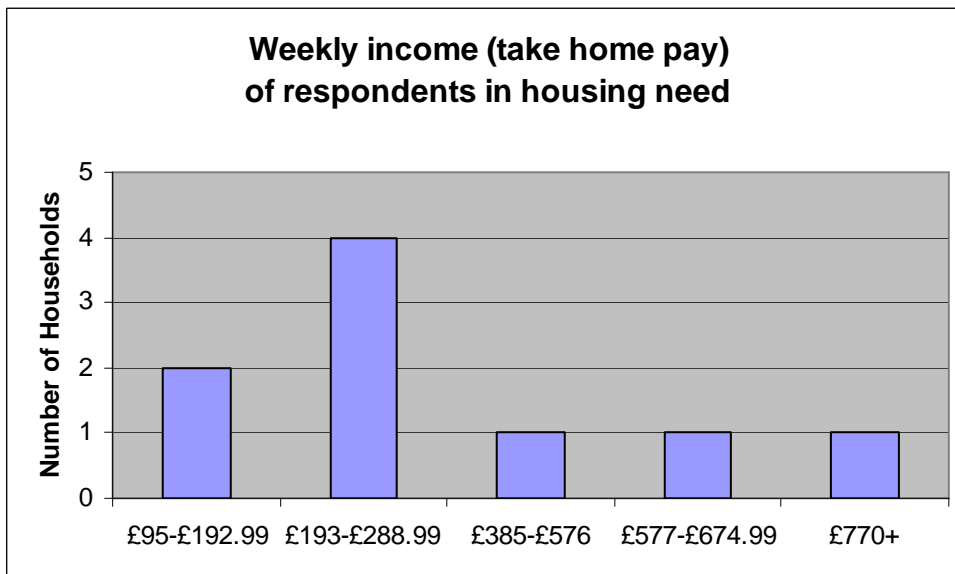
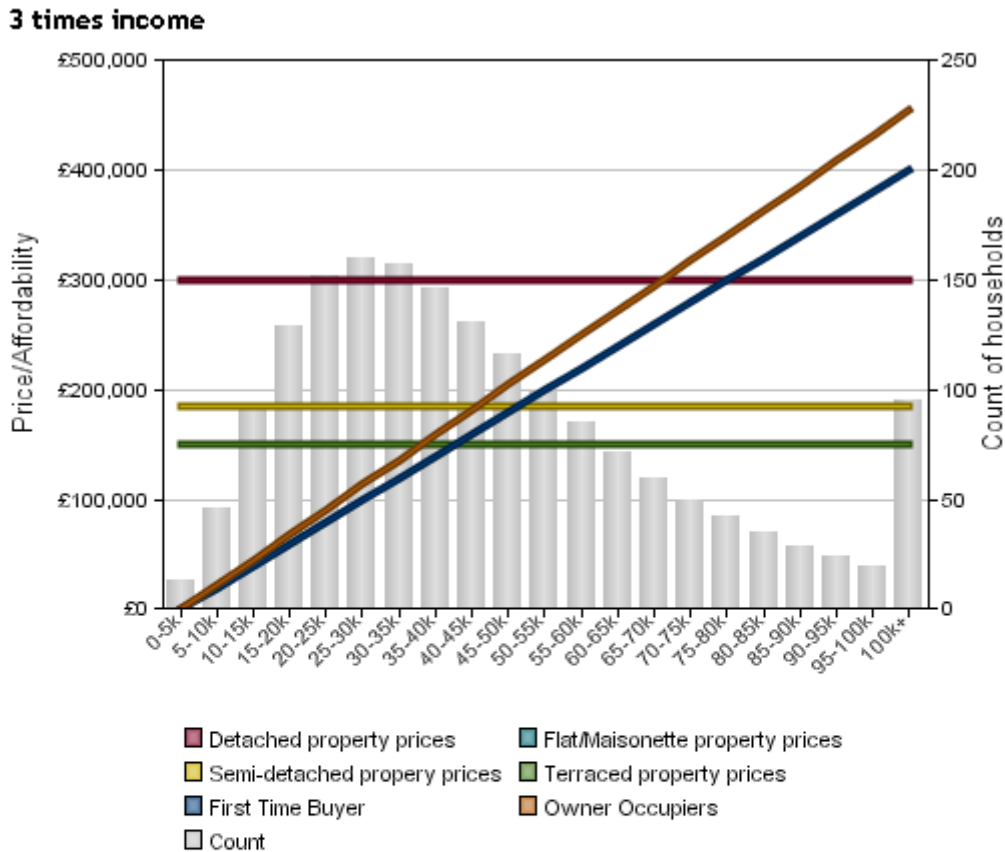


Chart showing affordability by income bands for Charlesworth (Hometrack)

The chart below shows that a first time buyer, would need an income of £40,000-£45,000 to purchase a terrace property in St John’s Ward, assuming a mortgage of 3 times household income. In addition to this level of income, lenders are requiring a 25% deposit from first time buyers.



Note

This chart shows the number of households in different household income bands in the area (bars) compared to the lower quartile price for different property types in the same area (horizontal lines). The diagonal lines rising from left to right show the value of property that can be afforded at different income multiples by a first time buyer and former owner occupier. The affordability calculations are based on a multiple of the average household income adjusted by the average loan to value for the different types of buyer (see macro-economic trends > Loan to Value for the latest figures). The house price data is based on data from the Hometrack Automated Valuation Model and the incomes data is supplied by CACI. Further details on these sources are available in the Help and Information section.

Hometrack Housing Intelligence provides housing data and analysis (www.hometrack.co.uk).

In addition to the problem of affordability, local people's ability to purchase in the market is further restricted by the very limited supply. The chart on **Appendix A** of this report shows annual turnover by property type for St. John's Ward since 2006, and the chart on **Appendix B** shows the number of sales by price band in St. John's Ward in 2010.

Affordability – forms of ownership involving equity share

The tenure of local affordable housing in High Peak is either rented or forms of ownership involving equity, predominantly shared ownership. Shared ownership* enables people to purchase shares in a property, up to a maximum of 80% in rural areas, and to pay rent on the remainder.

As well as the monthly payment for the mortgage, a rental amount (usually 2.5% of the unsold equity) would need to be paid to the housing association on the remaining 50% share. The table below gives examples of the total monthly outgoings.

Table showing the monthly costs and income required to own a 50% share in the most recent shared ownership schemes in High Peak.

Sub Area	Type/size	Share Purchased (50% share)	Monthly mortgage	Monthly rental	Total monthly outgoings	(30% gross) Income required	(25% gross) Income required
New Mills	2 bed flat	£60,000	£340	£106	£446	£17,840	£21,408
Glossop	2 bed house	£65,000	£368	£108	£476	£19,040	£22,848
Whaley Bridge	3 bed house	£80,000	£457	£60	£517	£20,680	£24,816

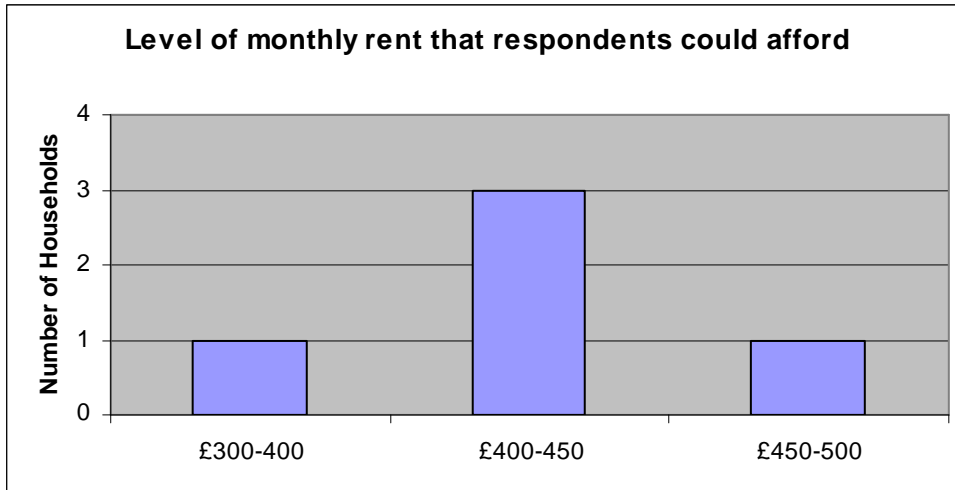
Source: Data taken from Table 9.7 'Low Cost Home Ownership – planned schemes in the Peak Sub-Region' Pg. 126, *Derbyshire Dales and High Peak Joint Housing Needs Survey Final Report March 2007*, John Herington Associates.

Based on the financial information provided by respondents, my best estimate is that 3 out of the 9 households in need could afford shared ownership based on a 50% share of 2 bed house valued at £130,000. These households also had savings which would assist with a deposit.

However it should also be noted that a recent District wide survey, which analysed affordable housing need on a much larger scale, recommended a 80% rented to 20% shared ownership split on new affordable housing schemes because of the large disparity between incomes and house prices.

Affordability – ability to rent a private property

In terms of renting, 5 respondents stated that they could afford a monthly rent of between £300 and £450 per month. A comparison of the local rental market indicates that the majority of these respondents may be able to afford private rented based on £450 pcm. However, supply is very limited with only one 2 bed property being advertised for rent on right-move at £450 in Charlesworth at the time of writing. Furthermore, traditionally private rented accommodation's role has been to assist a mobile workforce rather than as a long-term solution to addressing local housing shortages.



Charlesworth – all the properties available to rent on rightmove.co.uk on 13 December 2010 (only 4 advertised).

Please note no properties were available to rent in Chisworth on the same date.

<i>To rent</i>	Cost
2 bed terrace	£450
3 bed terrace	£575
4 bed semi- detached	£750
5 bed detached	£895

Conclusion

Combining the needs information from the survey and Home-Options's data, there are 19 households in need of affordable housing in the Parish.

The majority of households identified in affordable housing need would, under normal circumstances, only be offered a one bed property or 2 bed flat under the Home-Option's allocations scheme as they are single people or couples without children (14 of the 19 households). However, Charlesworth would benefit from 2 bed houses to provide additional move-on opportunity from the 1 bed flats. Otherwise, young families will continue to leave the Parish to meet their housing need. Developers are also not keen to build one bed homes due to their lack of flexibility in a rural context.

The survey has identified a need for 2 bed houses, with a lesser requirement for 3 bed houses, 2 bed bungalows and 2 bed flats. Although no strong need has been identified for bungalows, any new development resulting from this survey may want to include some bungalows as experience has shown that it can help release any under-occupied family housing.

The predominant need is for affordable rented accommodation, although the financial information (both savings and income) provided in the survey shows that 3 households may be able to afford a part-share (based on a 2 bed house valued at £130,000).

This survey has been undertaken with the support of Charlesworth Parish Council and High Peak Borough Council. These conclusions are based on information provided by residents of the Parish of Charlesworth as part of a paper-based survey. The views of the Parish Council and the community on the outcomes of this report are very much welcomed.

Contact information

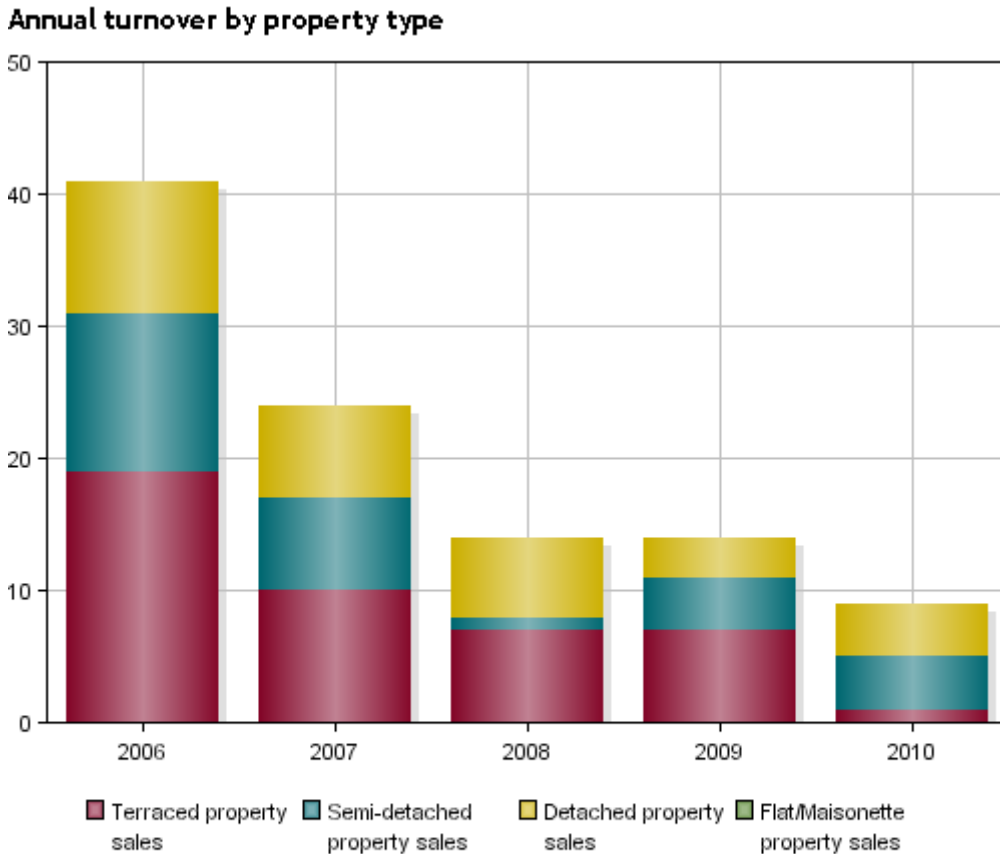
Isabel Frenzel
Rural Housing Enabler Derbyshire Dales and High Peak
Derbyshire Dales District Council
Town Hall
Bank Road
Matlock
Derbyshire
DE4 3NN.

Direct Dial: 01629 761256

Email: Isabel.Frenzel@derbyshiredales.gov.uk

Appendix A - Annual turnover by property type for St. John's Ward (Hometrack)

The chart below shows the dramatic reduction in sales over recent years, with only 9 properties selling last year in St. John's Ward. In addition to the problem of affordability, local people's ability to purchase in the market is further restricted by the very limited supply. Only 1 terraced property sold in 2010.



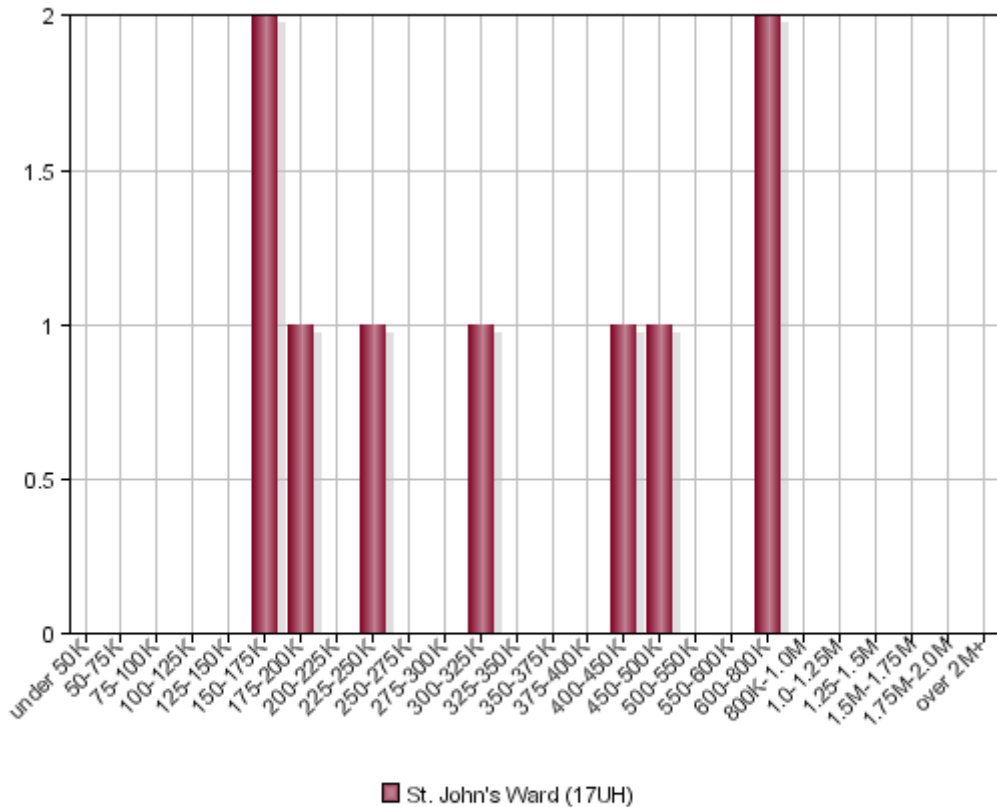
Note

The chart shows the count of housing turnover each year split between property type using data from the Land Registry

Appendix B - Number of sales by price band in St. John's Ward in 2010

The chart shows that on only 3 properties sold for £200,000 or less in 2010. No properties sold for less than £150,000, and only 9 properties were sold in total. The problems of affordability for local people are being compounded by very limited supply, particularly of entry-level housing.

Turnover in 2010



Note

The chart shows the number of residential sales in the area by price band using data from HM Land Registry

This item includes information provided by Land Registry.

© Crown copyright material reproduced with the permission of Land Registry.