Housing Needs Survey Report

Wootton

August 2017

Completed by Bedfordshire Rural Communities Charity

This report is the property of Wootton Parish Council

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1. Introduction

1.1 About this survey

The parish of Wootton is preparing a Neighbourhood Plan laying out its own local planning policies, which will come into force provided that the Plan passes an independent examination and is approved at a local referendum.

To inform the preparation of the Plan, the Wootton Neighbourhood Plan steering group requested for a Housing Needs Survey (HNS) to be carried out by BRCC. The survey aimed to assess the need of local people for either affordable housing or market housing in Wootton over the next 20 years.

1.2 Affordable housing

Affordable housing can be an affordable rented property (where rent is charged at up to 80% of market value), or it can be shared ownership in which people can own a share in the property and pay rent on the remainder. It is usually provided by Registered Providers such as housing associations.

Affordable housing in rural areas is often progressed through Rural Exception Site developments – this is where the planning authority accepts that there is a need for affordable housing in the parish, and is prepared to grant an "exception" to planning policy, providing that the development is for affordable housing that will be available to local people in perpetuity. A Neighbourhood Plan can contain a Rural Exception Site policy.

Households seeking affordable accommodation through any new exception site development would have to apply through the Bedfordshire Choice Based Lettings scheme, through which they would have to demonstrate both a housing need and a local connection to Wootton.

1.3 Market housing

The market housing policies for the Neighbourhood Plan (e.g. proposed numbers, size and type) would need to be based on a broad evidence base. This would include local housing need identified through this survey, although the wider housing market would also need to be taken into consideration, as there would be no restrictions placed on the sale of this housing.

2. About Wootton

2.1 Population and demographics

In 2011 in the parish of Wootton there were 1655 households containing 4155 residents[1]. Compared to 2001, this represents an increase of around 1% in terms of households (from 1643) and a decrease of 2% in terms of residents (from 4230).

The age profile in 2011 (compared to 2001, and then to Bedford Borough as a whole in 2011) is shown below.

Age	% Wootton 2011	% Wootton 2001	% Bedford Borough 2011
0 – 14	15.5	19.4	18.6
15 - 24	11.1	11.0	12.7
25 - 44	24.6	27.8	27.3
45 - 64	29.8	28.2	25.5
65 - 74	11.1	7.6	8.1
75 - 84	5.6	4.5	5.5
85+	2.2	1.6	2.2

There has been an increase on average age of the Wootton population over 10 years between 2001 and 2011. The proportion of those aged 45 + has risen from 41.9% in 2001 to 48.7% in 2011. There has also been a 3.9% decrease in the 0-14 year age group. The age profile of the parish is now slightly older than that of Bedford Borough as a whole.

Between 2014 and 2017, there have been 389[2] net completions on new homes built within the parish of Wootton. This will of course increase the population demographics within the parish. Unfortunately data on the number of residents within these households is not yet available.

2.2 Household Composition

	% Wootton	% Bedford Borough
1 person – pensioner	12.3	11.9
1 person – other	10.1	16.9
Couple – both 65+	12.2	8.2
Family – without dependent children	30.3	26.9
Family – with dependent child(ren)	30.4	28.5
Other	4.6	7.5

Wootton has more families, both with and without dependent children and couples that Bedford Borough average. There are also fewer 1 person

1 2011 census data – other data also from this source unless otherwise specified
2 Bedford Borough Council Housing Monitoring Report 2014-2015 / 2015-2016 / 2016-2017

households than the Borough average.

2.3 Housing Tenure

	% Wootton	% Bedford Borough
Owned outright	38.4	31.4
Owned with mortgage/loan	42.6	34.3
Shared ownership	0.5	1.0
Social rented	11.5	16.1
Private rented	5.9	15.9
Living rent free	1.1	1.3

Wootton has higher levels of owner occupation than the Bedford Borough average, and lower levels of social and private renting. There are a very small number of shared ownership properties in the parish, lower than the Bedford Borough average.

2.4 Dwelling Types

	% Wootton	% Bedford Borough
Detached house	43.5	27.4
Semi-detached house	33.4	32.2
Terraced house	18.0	21.9
Flat	4.9	17.6
Caravan/other temp. accommodation	0.2	0.9

There are considerably more detached houses and slightly more semi-detached houses with correspondingly fewer terraced houses and flats, in Wootton compared to Bedford Borough averages. This is likely to indicate a relative lack of affordable properties.

2.5 Housing in poor condition

	% Wootton	% Bedford Borough
Overcrowded households	2.6	7.7
Households without central heating	0.7	2.0
Households in fuel poverty (2011)	8.0	11.3

Overcrowding counts as a housing need for households applying to join the Bedford Borough Housing Register. In 2011 the proportion of households in Wootton classified as overcrowded was lower than the Bedford Borough average.

Where central heating is not present, fuel poverty is statistically significantly more likely. The level of households in Wootton without central heating is under the Bedford Borough average, with the level of households affected by fuel poverty also being under the Bedford Borough averages.

2.6 People on low incomes

5.8% of people in Wootton are classified as “experiencing income deprivation”, well under the Bedford Borough average of 12.1%. In 2007/08, 12.8% of households were calculated as receiving below 60% of the median income, below the Bedford Borough average of 20%.

8.9% of working age people were claiming DWP benefits in August 2012, below the Bedford Borough average of 13.4%; and 16.0% of people over 65 were claiming pension credit, which is below the Bedford Borough average of 21.0%.

2.7 Households on Bedford Borough Council Housing Register

There are currently 38 Wootton households on the Bedford Borough Council Housing Register.

Of these 38 households, 17 are ‘active’ applications who have been allocated a priority rating and are waiting on the housing register for a suitable property to become available. The remaining 21 applicants are either awaiting assessment to determine their priority rating or they have been offered a property which they are awaiting.

It should be noted that the difficulty of securing affordable housing, particularly in villages, can act as a significant deterrent to people in housing need from placing themselves on the register; so this figure does not therefore necessarily represent the true number of residents in housing need.

2.8 Health and disability

Limiting illnesses and disabilities can affect the type of housing that people need in order to remain independent.

11% of those aged 65 and over in Wootton (around 85 people) are claiming Attendance Allowance (a non-means-tested benefit for severely disabled people aged 65 or over who need help with personal care), just under the Bedford Borough average of 15.7%. The proportion of the population in Wootton claiming Disability Living Allowance is 3.9%, just under the Bedford Borough average of 4.2%.

16.2% of people have a limiting long-term illness, just over the Bedford Borough average of 16.0%.

3. Housing Availability and Affordability in Wootton

3.1 Housing affordability ratio

The 'affordability ratio' (median house prices as a ratio of median household earnings) for Wootton in 2008/09 (latest data available) was 11.7. In other words, houses on the market cost on average 11.7 times annual incomes[2].

3.2 Dwellings in lower Council Tax Bands

4.6% of dwellings in Wootton are in Council Tax Band A, and 22.8% in Band B, compared to 13.6% and 24.9% for Bedford Borough as a whole.

3.3 Current property availability for sale in Wootton

In August 2017, we found 17 properties for sale in Wootton:

Dwelling size / type	Number	Asking/sale price
6 bedroom house	1	£500,000
5 bedroom house	3	£594,995 - £565,000
4 bedroom house	9	£1,000,000 - £360,000
3 bedroom house	4	£335,000 - £250,000

This represents just over 1% of total private housing stock in the parish.

3.4 Property sales over last 3 years

Property sales over the last 3 years can be broken down as follows[3]:

	2014	2015	2016
£100,000 and under	2	17	4
£100,001 – 150,000	2	4	1
£150,001 – 200,000	21	7	5
£200,001 – 300,000	59	66	83
£300,001 – 400,000	37	42	47
£400,000+	6	13	26
Total	**127**	**149**	**166**

3.5 Current property availability for rent in Wootton

[2] Data from community profile for Wootton (Parish), © ACRE, RCAN, OCSI 2013

[3] Data sourced from www.rightmove.co.uk

In August 2017, we found 2 properties available for rent in Wootton: both 3 bedroom houses priced at £1,150 and £1,250 per month.

3.6 Household income required by first time buyers or renters in Wootton

The Department of Communities and Local Government (DCLG) provides a guideline that "A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households."[4] This is reflected in the fact that the average loan to income ratio in lending to first-time buyers in May 2015 was 3.34.[5]

According to the DCLG guidance, in order to purchase the cheapest property currently available in Wootton (a 3 bedroom house at £250,000) as a first time buyer, a single earner household would need an annual gross income of over £71,400, and a dual-income household would need over £86,200. It should be noted that the median annual full-time wage in the UK stood at £26,884 in April 2013[6].

According to the same guidance, "A household can be considered able to afford market house renting in cases where the rent payable was up to 25% of their gross household income." (The 'Rent Payable' figure is defined as the entire rent due, even if it is partially or entirely met by housing benefit.) To rent the cheapest property currently available in Wootton (£1,150 per month), a household's gross income would therefore need to be over £55,200.

3.7 Minimum deposit required by first time buyers in Wootton

Another major barrier to entry to the property market for first-time buyers is the high deposit needed for a competitive mortgage rate. The average loan to value for first time buyers nationally in May 2015 was 81%[7], meaning that the average deposit is 19%.

Smaller deposit mortgages all but disappeared following the onset of the financial crisis. However, Phase 2 of the government's Help to Buy scheme has more recently facilitated a market in mortgages for first-time buyers at up to 95% loan to value. These mortgages are generally offered at higher rates of interest than for buyers with larger deposits.

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[4] Strategic Housing Market Assessments: Practice Guidance Version 2 (DCLG 2007)

[5] Council of Mortgage Lenders, July 2015

[6] HMRC, December 2013

[7] Council of Mortgage Lenders, July 2015

At 95% loan to value, a first-time buyer household would need a deposit of around £12,500 to purchase the cheapest property currently on the market in the parish. At the current average of 81% loan to value, a deposit of around £47,500 would be required.

4. Survey process and response

To study the need for affordable housing in Wootton, a survey form (appendix A) was delivered to all households within the parish boundary, together with a FREEPOST envelope to enable residents to return their completed survey to BRCC. The survey form also gave the contact details to request additional survey forms in the event of there being more than one case of housing need in the household.

The survey form was in two parts. Section 1 was for completion by all residents and aimed to gain their views on overall housing needs in Wootton (see chapter 5). Section 2 was for completion by or on behalf of any household member currently looking for different accommodation, or who would be looking within the next 20 years. The findings from this section are analysed in chapters 6 and 7.

We received 532 responses from around 2300 distributed, a return rate of around 23%. This is a very good response rate for a housing needs survey, typical return rate is approximately 20-25%. Of the 532 forms, 3 were returned either blank or with comments written on the questionnaire which did not answer the questions asked, we have been unable to include these in the analysis.

5. Views on housing needs in Wootton

Only 30% of respondents thought that there was a need for one or more types of new housing in the parish (Q1). The % of respondents in favour of each specific type of housing was as follows: (respondents could tick more than one option)

Housing type	**% of respondents**
Flats	4.0
Smaller houses (1-2 bedrooms)	19.8
Larger houses (3+ bedrooms)	8.0
Bungalows / retirement housing	26.2
No new housing needed in Wootton	70.0

The majority of respondents felt that there was no need for any additional housing in the parish. Of those respondents who felt there was a need for a particular type of housing, there was a clear preference for bungalows / retirement housing and smaller (1-2 bedroom) houses.

The % of respondents in favour of each type of tenure (Q2) was as follows: (respondents could tick more than one option)

Housing type	**% of respondents**
Purchase on the open market	65.7
Shared ownership (part owned, part rent) with local people given priority	51.4
Private rent / buy to let	6.8
Affordable rent (through a housing association), with local people given priority	36.4

The highest level of support amongst respondents was for properties available to purchase on the open market. There was also a high level of support for shared ownership properties and a fairly high level of support for affordable rental properties.

The provision of a small development of affordable housing (up to 10 homes) based on identified local need (Qu 3) was supported by 60% of respondents, with 40% not supporting the idea.

6. Analysis of housing needs – affordable rent and shared ownership

157 respondents indicated that they would be looking for new housing in the parish of Wootton over the next 20 years. These respondents are therefore regarded in principle as being in some form of housing need.

Out of these, 133 respondents were existing owner occupiers who were either only looking to buy on the open market or their current savings/equity level was too high to be considered for affordable housing. These respondents will be considered in Chapter 7.

The other 24 respondents were either considering rent, shared ownership or a home bought under the starter home initiative or were not currently owner occupiers. The 24 respondents will be considered in this chapter.

6.1 Nature of local connection

Local needs affordable housing would usually be made available in the first instance to people with a strong local connection. All 24 respondents identified a strong local connection (Q6) as follows (respondents could tick more than one):

Nature of local connection	No. of households
Currently living in Wootton	19
Previously lived in the Wootton	3
An immediate family member (parent, child, or sibling) lives in Wootton	8
Have permanent employment in Wootton	0

6.2 Current housing circumstances of households in need

The current housing circumstances of the 24 respondents (Q7) broke down as follows:

Housing tenure	No. of households
Living with parent(s) in their home	9
Renting	14
Owner occupier	0
Other	1

The majority of respondents were currently renting a property with the rest living with parents in their home.

6.3 Household composition

Respondents were asked (Q10) which of a number of basic situations best described them:

Situation	No. of households
A single person or couple without dependent children	10
A single person or couple planning to start a family	2
An single person/couple with dependent child(ren) or other dependent(s)	12
Other	0

6.4 Size, type and tenure of housing sought

The housing type, size and tenure sought by the households in need (Q8) broke down as follows (respondents could tick more than one):

Housing tenure	No. of households
Private Rent	5
Affordable Rental	11
Buy on the open market	7
Shared ownership (part own & part rent)	8
Starter home (home to buy at 20% below market price up to £250,000)	11

Type of property	
Flat	3
House	20
Bungalow / retirement property	5
Size of property	
One bedroom	4
Two bedrooms	10
Three bedrooms	11
More than three bedrooms	3

7 respondents stated they would consider buying on the open market, although all of these were also interested in either, affordable rental, shared ownership or starter homes. Most of the demand was for 2 or 3 bedroom houses with a smaller demand for bungalows / retirement properties. There was the highest demand for affordable rental properties and properties available to purchase on the starter homes scheme, followed by shared ownership properties.

6.5 Reason for housing need

The reasons for housing need identified by the 24 respondents (Q9) can be summarised as follows (respondents were able to identify more than one):

Need	No. of households
Present home too large / wish to downsize	1
Present home too small	8
Want to move out of the family home	7
First time buyer	10
Medical reasons / disability	2
Risk of losing current home	2
Need property more suited to older people	1
Need to live closer to family or carer	1
Present home too expensive	3
Other	5

The largest need was from first time buyer households, but there was also some demand from households that were in need of more space. The 5 respondents that selected ‘other’, were all currently living in rented accommodation and were concerned about how long this would be affordable due to rises in the cost of rent.

6.6 Gross income of households in need

We saw in Chapter 3 that, in order to purchase the cheapest property currently available for sale in Wootton (a 3 bedroom house at £250,000) as a first time buyer, a single earner household would need an annual gross income of over

£71,400, and a dual-income household would need over £86,200. To rent the cheapest property currently available (a 3 bedroom house) households would require an annual gross income of over £55,200.

The current gross annual income of anyone responsible for paying the rent/mortgage for the 24 households under analysis breaks down as follows:

Current gross income	No. of households
Less than £20,000 / yr	13
£20,000 to £30,000 / yr	8
£30,000 to £40,000 / yr	0
More than £40,000 / yr	1
No response given	2

Based on the data provided, only 1 household could possibly afford to purchase the cheapest property currently available for sale in Wootton, and that is only if there income is far in excess of the £40,000 highest amount outlined in the question.

6.7 Savings or equity of households in need

As we saw in Chapter 3, the average deposit required for a first-time buyer to purchase the cheapest property currently available on the open market in Wootton is £47,500. The minimum (under a 95% Loan to Value deal) would be round £12,500.

The savings or other equity that these 24 households could use to contribute towards a mortgage breaks down as follows:

Savings/equity	No. of households
Below £25,000	17
£25,000 - £50,000	0
Above £50,000	0
No response	7

None of the respondents who provided their financial information would have enough savings or equity currently to buy a property on the open market as a first time buyer, except at high Loan to Value.

7. Analysis of need – market housing

Chapter 7 will consider the 133 owner occupier households (mentioned in chapter 6) looking to purchase housing on the open market in Wootton over the next 20 years.

7.1 Household composition

Respondents were asked (Q10) which of a number of situations best described them:

Situation	No. of households
A young single person or couple without dependent children	77
A single person or couple planning to start a family	6
An single person or couple with dependent child(ren) or other dependents(s)	36
Other	7
No Response	7

7.2 Sizes and types of house required

The preferred future housing type of the 133 respondents (Q8) breaks down as follows (respondents could tick more than one):

Housing type	Number
Flat	5
House	59
Bungalow / retirement housing	81

Based on these figures, there is a demand for open market houses as well as bungalows / retirement housing.

The preferred future house size of the 133 respondents in terms of number of bedrooms (Q8) breaks down as follows (respondents could tick more than one):

Number of bedrooms	Number
1 bedroom	8
2 bedrooms	67
3 bedrooms	38
More than 3 bedrooms	31

The highest demand was for 2 bedroom properties, with a fairly large demand for 3 bedroom and more than 3 bedroom properties.

7.3 Reason for housing need

The needs identified by the 133 respondents (Q9) can be summarised as follows (respondents were able to identify more than one need):

Need	Number
Present home too large / wish to downsize	56
Present home too small	25
Want to move out of the family home	3
First time buyer	5
Medical reasons / disability	20
At risk of losing current home	20
Need property more suited to older people	54
Need to live closer to family or carer	4
Present home too expensive	4
Other	11

The demand was predominately from households who wish to downsize and are looking for smaller homes. There is also high demand for homes more suited to older people.

8. Conclusions and recommendations

8.1 Affordable housing

Analysis of the data considered in Chapter 6 has identified a need for affordable housing within Wootton from households resident in (or with strong links to) the parish, which is unlikely to be met by normal market provision. The need identified is mainly from first time buyer households and also some demand from households who are in need of more space.

Affordable rented and shared ownership housing for local people in Wootton could be provided by including a rural exception site policy within the Neighbourhood Plan, which would provide affordable housing for which households with a local connection would take priority.

Based on data supplied by respondents, up to 24 households with a local connection would be suitable for housing within a rural exception site development, whether for rent or shared ownership. However, it must be recognised that this is a snapshot of current, self-assessed need: some respondents may withdraw, move, or be housed by other means during the planning and development of any future scheme.

In order to have reasonable confidence that any new housing provided through a rural exception site will be taken up by people with a local connection to Wootton, our recommendation is to meet 50% of the need identified, which would be **12 units**.

Our assessment from the data is that the 12 units could be broken down as follows:

1 x 1 bedroom bungalow (rent)
2 x 2 bedroom house / flat (rent)
4 x 2 bedroom house (2 shared ownership / 1 rent / 1 starter homes initiative)
1 x 3 bedroom bungalow (rent)
3 x 3 bedroom house (2 shared ownership / 1 rent)
1 x 4 bedroom house (rent)

In making this assessment we consider a number of factors including household size and circumstances; the type and tenure being sought by respondents; and their financial means. This breakdown is explained further below:

1 x 1 bedroom bungalow (rent)
2 respondents who were both older single adults / couples expressed a need for a 1 bedroom bungalow due to needing a property more suitable for older people and concern over the long term affordability of their current rental property. An alternative to bungalows (which are expensive to build) would be houses built to Lifetime Homes Criteria.

2 x 2 bedroom house / flat (rent)
4 respondents have been included within this criteria. 3 were young single adults / couples, currently living with parents and looking to move out of the family home. 1 respondent was an older single adult / couple, preferably looking for a bungalow but a well-designed ground floor property built to lifetimes homes criteria could meet their need, whilst being flexible to attract other respondents.

4 x 2 bedroom house (2 shared ownership / 1 rent / 1 starter homes initiative)
8 respondents were looking for a 2 bedroom house. 6 of these respondents were currently living with their parents and were looking to buy their own property, either through a shared ownership of starter homes scheme. 2 respondents were renting and either looking for a more affordable option or looking to move closer to family.

1 x 3 bedroom bungalow (rent)
2 respondents were looking for either a 2 or 3 bedroom bungalow. Both are looking for properties more suitable for retirement.

3 x 3 bedroom house (2 shared ownership / 1 rent)
6 respondents were looking for a 3 bedroom house. All were currently renting and were looking for a property that was more affordable due to increases in private rent or were looking to purchase their first family home.

1x 4 bedroom house (rent)
2 respondents both single adults / couples with dependents were looking to larger properties as they had outgrown their current homes.

8.2 Market housing

Analysis of the responses considered in Chapter 7, and other evidence considered in chapters 2 and 3, suggests that there is a need for **2-3 bed bungalows and houses** or otherwise suitable properties (e.g. houses built to Lifetime Homes criteria) if Wootton is to meet the identified current and future needs of existing owner occupier residents wishing to stay in the village.

The evidence for this is as follows:

- 133 respondents looking for a property to purchase on the open market at some point over the next 20 years.
- There were no 2 bedroom properties available for sale on the open market at the time of writing this report.
- There were a limited number of 3 bedroom properties for sale on the open market at the time of writing this report.
- There were no bungalows for sale or rent in Wootton at the time of writing this report.

If suitable smaller properties were more widely available, this would be likely to address under-occupation and free up larger houses for growing families to purchase as they work their way up the housing ladder.

It should be noted that there is no guarantee that housing sold on the open market will be bought by people with a local connection to Wootton. It is therefore not possible to stipulate how much new housing would meet the needs of the 133 respondents identified above. Some of these open market properties could be delivered alongside or as part of a rural exception site, with the market housing cross-subsidising the affordable housing.