

Housing Needs Survey Report

Northhill

July 2015

Completed by Bedfordshire Rural Communities Charity



This report is the joint property of Bedford Borough Council, Central Bedfordshire Council and Northhill Parish Council.

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1. Introduction

1.1 About this survey

The parish of Northill 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.

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

1.2 Affordable housing

Affordable housing can be 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 rented 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 Northill.

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 Northill

2.1 Population and demographics

In 2011 in the parish of Northill there were 923 households containing 2,270 residents¹. Compared to 2001, this represents an increase of around 4% in terms of households (from 887) but a slight decrease of 1% in terms of residents (from 2,289).

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

Age	% Northill 2011	% Northill 2001	% C Beds 2011
0 – 15	18.0	21.5	19.6
16 – 24	8.1	8.2	10.0
25 – 44	20.4	26.3	26.8
45 – 64	32.8	29.8	27.9
65 – 74	12.4	8.5	8.6
75 – 84	6.3	4.1	5.2
85+	2.1	1.7	1.8

There has been a clear ageing on average of the Northill population over 10 years between 2001 and 2011 (the proportion of those aged 45+ has risen from just under 45% to nearly 55%). The age profile is now significantly older than that of Central Bedfordshire as a whole.

2.2 Household Composition

	% Northill	% Central Beds
1 person - pensioner	13.0	11.2
1 person - other	8.0	14.7
Couple – no children	23.7	20.5
Couple + dependent children	22.0	23.1
Couple + non-dependent children	7.2	7.3
Lone parent + dependent children	4.6	6.5
Lone parent + non-dependent children	3.1	3.1
All aged 65 and over	13.7	8.7
Other	4.8	4.9

There are higher levels of pensioner households than Central Bedfordshire as a whole, reflecting the figures in 2.1.

¹ 2011 census data – other data also from this source unless otherwise specified

2.3 Housing Tenure

	% Northill	% Central Beds
Owned outright	43.8	31.6
Owned with mortgage/loan	36.7	40.9
Shared ownership	0.0	0.8
Social rented	11.7	13.4
Private rented	6.5	12.1
Living rent free	1.3	1.1

The majority of households are owner occupiers in Northill, with higher levels of properties owned outright, and lower levels of social and private renting, than the Central Bedfordshire averages.

2.4 Dwelling Types

	% Northill	% Central Beds
Detached house	50.8	28.2
Semi-detached house	35.5	33.8
Terraced house	11.3	25.3
Flat	2.0	11.7
Caravan/other temp. accommodation	0.3	1.0

There are considerably more detached houses, with correspondingly fewer terraced houses and flats, in Northill compared to Central Bedfordshire averages. This is likely to indicate a relative lack of affordable properties.

2.5 Housing in poor condition

	% Northill	% Central Beds
Households in overcrowded conditions	1.5	4.6
Households without central heating	2.1	1.7
Households in fuel poverty (2011)	10.3	9.2

The highest levels of non-decent homes (that do not pass the Housing Health & Safety rating system) are found in smaller rural communities, particularly those more isolated areas. This is often due to the age of properties, with older housing (more common in rural areas) most likely to be in this condition.

Overcrowded housing can highlight areas with pressing needs for more affordable housing, and overcrowding counts as a housing need for households applying to join the Housing Register. In 2011 there were 15 households in Northill classified as being overcrowded (figures are rounded), which works out as lower than the Central Bedfordshire average.

Where central heating is not present, fuel poverty is significantly more likely. 20 households had no central heating, working out at above the average. Fuel poverty levels are also just over the Central Bedfordshire average.

2.6 People on low incomes

3.3% of all people in Northill were classified as “experiencing income deprivation” in 2009, under the Central Bedfordshire average of 8.0%. In 2007/08, 12.2% of households were calculated as receiving below 60% of the median income, below the Central Bedfordshire average of 15.7%.

7.0% of working age people were claiming DWP benefits in August 2012, under the Central Bedfordshire average of 9.5%; and 11.9% of people over 65 were claiming pension credit, below the Central Bedfordshire average of 17.7%.

2.7 Households on Central Bedfordshire Council Housing Register

There is currently 1 household resident in Northill on the Central Bedfordshire Council Housing Register. This household was assessed as being in Band 2 (lower priority) and needing 3 bedrooms.

In addition, there are 5 households on the Register who work or have close relations living in Northill: 2 with a 1 bed need, 2 with a 2 bed need, and 1 with a 3 bed need. 4 of these households are interested in living in Northill.

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 applying to the Register; so this figure does not therefore necessarily represent the true number of local households in housing need. Furthermore, allocations to rural exception sites are now dealt with separately from the Housing Register in any case, so households assessed as being ineligible for the Register could still be eligible for rural exception site housing.

2.8 Health and disability

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

10.0% of those aged 65 and over in Northill (around 45 people) were claiming Attendance Allowance (a non-means-tested benefit for severely disabled people aged 65 or over who need help with personal care) in August 2012, under the Central Bedfordshire average of 13.9%. 2.4% of the population were claiming Disability Living Allowance, under the Central Bedfordshire average of 3.4%.

14.4% have a limiting long-term illness, equal to the Central Bedfordshire average.

3. Housing Availability and Affordability in Northill

3.1 Housing affordability ratio

The 'affordability ratio' (median house prices as a ratio of median household earnings) for Northill in 2008/09 (latest data available) was 14.2. In other words, houses on the market cost on average 14.2 times annual incomes².

3.2 Dwellings in lower Council Tax Bands

2.9% of dwellings in Northill are in Council Tax Band A, and 9.3% in Band B, compared to 8.6% and 20.4% for Central Bedfordshire as a whole. This indicates a relative shortage of affordable housing for purchase in Northill.

3.3 Current property availability for sale in Northill

In May 2015, we found 11 residential properties for sale in Northill parish:

No. of bedrooms	Number	Asking price (range)
2 bedrooms	2	£250,000 - £300,000
3 bedrooms	5	£190,000 - £425,000
4 bedrooms	3	£285,000 - £750,000
5 bedrooms	1	£770,000

This represents just over 1% of total private housing stock in the parish. None were being marketed as shared ownership or retirement properties.

3.4 Property sales over last 3 years

Property sales over the last 3 years in Northill parish can be broken down as follows³:

	2012	2013	2014
£100,000 and under	0	0	0
£100,001 – 150,000	2	1	1
£150,001 – 200,000	7	4	3
£200,001 – 300,000	10	12	14
£300,001+	6	3	14
Total	25	20	32

Only 4 properties sold for under £150,000 in the last 3 years. The cheapest of these (a 2 bedroom cottage) went for £125,000 in 2013.

² Data from community profile for Northill (Parish), © ACRE, RCAN, OCSI 2013

³ Data sourced from www.rightmove.co.uk

3.5 Current property availability for rent in Northill

In May 2015, we found 2 residential properties currently or recently available for rent in the parish of Northill: both 3 bedroom houses for £850 and £1,100 per month respectively.

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

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 income multiple' in lending to first-time buyers in March 2015 was 3.36.⁵

According to the DCLG guidance, in order to purchase the cheapest property currently available in Northill (a 3 bedroom house at £190,000) as a first time buyer, a single earner household would need an annual gross income of over £54,000, and a dual-income household would need over £65,000. For the cheapest property available over the last 3 years (the 2 bedroom cottage at £125,000), these figures would fall to nearly £36,000 and over £43,000 respectively. It should be noted that the median annual full-time wage in the UK stood at £26,884 in April 2013⁶.

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 or recently available in Northill, a household's gross income would therefore need to be over £40,000.

3.7 Minimum deposit required by first time buyers in Northill

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 March 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.

At 95% loan to value, a first-time buyer household might be able to purchase the 2 bedroom bungalow highlighted above with a deposit of around £13,500. At the current average of 81% loan to value, a deposit of over £50,000 would be required.

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

⁵ Council of Mortgage Lenders

⁶ HMRC, December 2013

⁷ Council of Mortgage Lenders

4. Survey process and response

To study the need for affordable housing in Northill, a survey form (Appendix A) was mailed to all households on the Council Tax register, together with a FREEPOST envelope to enable residents to return their completed survey to BRCC. The survey form also gave contact details to request additional 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 respondents and aimed to gain their views on overall housing needs in Northill (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 3 years. The findings from this section are analysed in chapters 6 and 7.

We received 331 responses from around 975 distributed, a return rate of around 34%. This is a very good response rate for a housing needs survey (typical return rate is 20-25%), particularly for a larger parish (where lower response rates are common).

5. Views on housing needs in Northill

79% of respondents thought that there was a need for one or more types of new affordable housing in the parish (Q1). The % of respondents in favour of each specific type of housing was as follows:

Housing type	% of respondents
Flats	7
Smaller houses (1-2 bedrooms)	58
Larger houses (3+ bedrooms)	26
Bungalows	53

There was a clear preference for smaller houses and bungalows.

The % of respondents in favour of each type of tenure (Q2) was as follows:

Housing type	% of respondents
Purchase on the open market	54
Shared ownership (part owned, part rent)	53
Private rent / buy to let	11
Affordable rent, with local people given priority	61

There was an unusually high proportion of people in favour of affordable rent, with local people given priority. There was little support for more private renting.

The provision of a small development of affordable housing (up to 10 units) based on identified local need (Q3) was supported by 78% of respondents, with only 22% not supporting the idea.

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

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

Out of these, 48 respondents were existing owner occupiers who were only looking to buy on the open market. These respondents will be considered in Chapter 7.

The other 35 respondents were either considering rent or shared ownership or were not currently owner occupiers; they will be considered in this chapter.

6.1 Timescale of housing need

The timescale in which these 35 respondents would be looking for different accommodation (Q5) was as follows:

Timescale	No. of households
Within 0-3 years	19
Within 3-5 years	8
Within 5-10 years	3
Within 10-20 years	5

6.2 Household composition

Respondents were asked (Q6) which of a number of basic situations best described them:

Situation	No. of households
A young single adult/couple without dependent children	9
A young single adult/couple planning to start a family	5
An older single adult/couple without dependent children	14
A family with dependent child(ren) or other dependent(s)	7
Other	0

6.3 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 35 respondents identified a strong local connection (Q7) as follows (respondents could tick more than one):

Nature of local connection	No. of households
Currently living in Northhill	32
Previously lived in Northhill and wish to return	1
An immediate family member (parent, child, or sibling) lives in Northhill	7
Permanently employed in the parish	4
Other	0

6.4 Current housing circumstances of households in need

The current housing circumstances of the 35 respondents (Q8) broke down as follows:

Housing tenure	No. of households
Living with parent(s) in their home	14
Renting from a Housing Association	5
Renting privately	9
Owner occupier	7
Housing provided with job	0
Other	0

Owner occupiers would not normally be eligible for affordable rented or shared ownership housing through a rural exception site, however they have been included as they were seeking retirement properties and might have medical or disability grounds.

6.5 Size, type and tenure of housing sought

The housing type, size and tenure sought by the households in need (Q9) broke down as follows (respondents could tick more than one):

Housing tenure	No. of households
Rent	23
Buy on the open market	15
Buy on a shared ownership basis	17
Type of property	
Flat	7
House	22
Bungalow / retirement property	14
Size of property	
One bedroom	7
Two bedrooms	27
Three bedrooms	10
More than three bedrooms	3

15 respondents wanted to buy on the open market, although 10 of these were also interested in rent and shared ownership, and the other 5 would not currently be able to afford to buy in Northill based on the financial data provided. Most of the demand was for 2 bedroom houses or retirement properties.

6.6 Location(s) sought

The location(s) sought by the 35 respondents broke down as follows:

Northill	26	Ickwell	18
Upper Caldecote	19	Lower Caldecote	1
Budna	4	Hatch	7
Thorncote Green	6		

6.7 Reason for housing need

The reasons for housing need identified by the 35 respondents (Q11) can be summarised as follows (respondents were able to identify more than one):

Need	No. of households
Present home too small	5
Present home too large	6
Want to move out of the family home	15
Want to get on housing ladder	11
Medical reasons / disability	7
At risk of losing current home	2
Need to be closer to family or carer support	4
Financial reasons	6

The need was mainly divided between younger households wanting to move out of the family home and/or get on the housing ladder; existing or prospective families seeking more living space; and older owner occupiers wanting to downsize, and/or having financial reasons for moving.

6.8 Gross income of households in need

We saw in Chapter 3 that, in order to purchase the cheapest property available in Northill (a 3 bedroom house at £190,000) as a first time buyer, a single earner household would need an annual gross income of over £54,000, and a dual-income household would need over £65,000. To rent the only property currently available (3 bedroom house) would require an annual gross income of over £40,000.

The current gross annual income of anyone responsible for paying the rent/mortgage for the 35 households under analysis breaks down as follows:

Current gross income	No. of households
Less than £30,000 / yr	24
£30,000 to £40,000 / yr	5
£40,000 to £50,000 / yr	1
More than £50,000 / yr	2
No response	3

Based on the data provided, at least 30 households could not currently afford to purchase on the open market in Northill.

6.9 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 in Northill is over £50,000. The minimum (under a 95% Loan to Value deal) would be around £13,500.

The savings or other equity that these 35 households could use to contribute towards a mortgage breaks down as follows:

Savings/equity	No. of households
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Below £20,000	26
£20,000 - £50,000	1
Above £50,000	2
No response	6

At least 26 respondents would not 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. 5 of the other households did not currently have high enough income.

7. Analysis of need – market housing

7.1 Timescale of housing need

Chapter 7 will consider the 48 owner occupier households (mentioned in chapter 6) looking to purchase housing on the open market in Northhill over the next 20 years.

The timescale in which these 48 respondents indicated that they would be looking for different accommodation (Q6) was as follows:

Timescale	Number
Within 0-3 years	14
Within 3-5 years	12
Within 5-10 years	15
Within 10-20 years	7

7.2 Household composition

Respondents were asked (Q6) which of a number of situations best described them:

Situation	No. of households
A young single adult/couple without dependent children	1
A young single adult/couple planning to start a family	3
An older single adult/couple without dependent children	22
A family with dependent child(ren) or other dependent(s)	11
Other	0
Not specified	1

7.3 Sizes and types of house required

The preferred future housing type of the 48 respondents (Q10) breaks down as follows (respondents could tick more than one):

Housing type	Number
Flat	1
House	24
Bungalow / retirement housing	29
Not specified	2

Based on these figures, there appears to be a significant demand for bungalows / retirement housing.

The preferred future house size of the 48 respondents in terms of number of bedrooms (Q11) breaks down as follows (respondents could tick more than one):

Number of bedrooms	Number
1 bedroom	2
2 bedrooms	25
3 bedrooms	12
More than 3 bedrooms	18

7.4 Location(s) sought

The location(s) sought by the 48 respondents broke down as follows:

Northhill	29	Ickwell	29
Upper Caldecote	28	Lower Caldecote	2
Budna	3	Hatch	9
Thorncote Green	9		

7.5 Reason for housing need

The needs identified by the 48 respondents (Q13) can be summarised as follows (respondents were able to identify more than one need):

Need	Number
Present home too small	11
Present home too large	23
Want to move out of the family home	2
Medical reasons / disability	7
At risk of losing current home	0
Be closer to family or carer support	0
Financial reasons	3
Other (retirement)	3

There is a particular demand for smaller 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 Northhill from households resident in (or with strong links to) the parish, that is unlikely to be met by normal market provision. This need generally comes from young adults/couples who want to move out of the family home and/or get on the housing ladder; older people wanting housing more suitable for their changing needs; and families.

Affordable rented and shared ownership housing for local people in Northhill 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 35 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. 8 respondents were not planning to look for new housing for over 5 years, by which time new housing would probably be allocated.

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 Northhill, our recommendation is to meet just over 50% of the need identified over the next 5 years, which would be **14 units**.

Our assessment from the data is that the 14 units could be broken down as follows:

- 2 x 1-2 bed bungalow (rent)
- 2 x 2 bed bungalow (shared ownership)
- 4 x 1-2 bed house (2 rent, 2 shared ownership)
- 4 x 2 bed house (3 rent, 1 shared ownership)
- 2 x 3 bed house (1 rent, 1 shared ownership)

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:

2 x 1-2 bed bungalow (rent)

6 respondents were older adults/couples wanting properties more suitable for their advancing age and seeking to rent. 3 of these would not be in need for over 5 years. An alternative to bungalows (which are expensive to build) would be houses built to Lifetime Homes criteria.

2 x 2 bed bungalow (shared ownership)

5 respondents were older adults/couples interested in 2 bed bungalows for shared ownership. 2 of these would not be in need for over 5 years.

4 x 1-2 bed house (2 rent, 2 shared ownership)

9 respondents were single adults/couples without dependent children, 7 living with parents and 2 renting privately. 5 wanted to rent, the others to buy only but without the financial means to buy on the open market. (These households would normally be allocated a 1 bedroom property based on need; however, it should be noted that, in order to help to ensure sustainability in rural areas, it is generally accepted that young people/couples should be allowed to under-occupy 2-bed properties in the first instance, as this enables them to remain in the parish if and when they decide to start a family. On the other hand, government welfare reforms may make it unaffordable for some people to under-occupy properties.)

4 x 2 bed house (3 rent, 1 shared ownership)

5 respondents were young single adults/couples planning to start a family, and a further 3 were single parents with a dependent child. 6 were living with parents and 2 renting privately. Most were looking for either rent or shared ownership.

2 x 3 bed house (1 rent, 1 shared ownership)

4 respondents were families with dependent children needing three or more bedrooms, 2 looking to rent and 2 to buy.

The most popular settlement in the parish was Northill, although many respondents were also interested in Ickwell and Upper Caldecote.

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 and 3 bed bungalows or retirement properties** (e.g. houses built to Lifetime Homes criteria) if Northill is to meet the identified current and future needs of existing owner occupier residents wishing to stay in the parish.

The evidence for this is as follows:

- The significant increase in the 65+ age group between 2001 and 2011 (chapter 2)
- The relative shortage of cheaper properties in Northill, as well as an apparent shortage of properties targeted at older people (chapter 3)
- The 23 older owner occupier respondents who would be looking for smaller properties at some point over the next 20 years
- The 29 owner occupier respondents who would be looking for bungalows or retirement properties over the same period

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 Northill. It is therefore not possible to stipulate how much new housing would meet the needs of the owner occupier respondents identified above. However, it is reasonable to suggest that the provision of **up to 10 units** would meet a reasonable proportion of the need while being in keeping with the size of the parish. These could be delivered alongside or as part of a rural exception site, with the market housing cross-subsidising the affordable housing.