

# **Kempsford**

## **Parish Housing Needs Survey**

### **Survey Report**

**March 2009**



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<b>CONTENTS</b>	<b>page</b>
1. Introduction	3
2. Parish Summary	3
3. Aim	4
4. Survey distribution and response	4
5. Key findings	5
Part 1 – You and your household	5
Part 2 – Housing need	8
6. Affordability	9
7. Existing Affordable Housing Stock	12
8. Summary	13
9. Conclusions <i>(includes affordable housing requirements)</i>	14
10. Recommendations	14

## **1. INTRODUCTION**

1.1 A member of a family trust with land in Kempsford has entered into discussions with both Cotswold District Council and a locally based housing association with a view to the provision of affordable housing.

1.2 The Parish Council has enlisted the support of the Rural Housing Enabler (RHE) to carry out a Housing Needs Survey to determine the level of need for affordable housing in Kempsford.

- The 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).
- The RHE 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.
- The RHE 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 parish of Kempsford is in Cotswold District ward of Kempsford-Lechlade.

- There is a population of 1291, comprising 489 households (according to 2001 census), this equates to an average 2.6 persons per household.
- Kempsford is 4 miles from Fairford, 12 miles from Cirencester and 11 miles from Swindon.
- The following facilities operate in Kempsford: a Gloucestershire County Council Primary Education School, a village hall, a Post Office, a regular bus service Monday to Friday, a free bus service to Tesco's in Cirencester twice a week, a dial-a-ride bus service to Fairford on Fridays, public house and mobile library.

### **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 Kempford. 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 net 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 of a reliable source. 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 by hand together with the parish newsletter to all dwellings in the parish in January 2009.

4.2 To encourage a better response rate, each household was provided with a pre-paid return envelope and anonymity was ensured.

4.3 Householders were asked to return the completed questionnaires to GRCC offices in Gloucester by 16<sup>th</sup> February 2009.

- A total of 489 questionnaires (not including questionnaires issued to former Kempford residents who wish to return) were distributed.
- Everyone was asked to complete Part 1 of the form.
- If a household considered itself in need, or likely to be in need of affordable housing within the next five years, it was 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 Kempford but might wish to return to live in Kempford.
- There was a response rate of 23% with 114 replies received, which provides a high level of confidence in the reliability of the data, and compares favourably with other surveys of this type (e.g. Ebrington 40%; Norton 36%; Chedworth 21%).

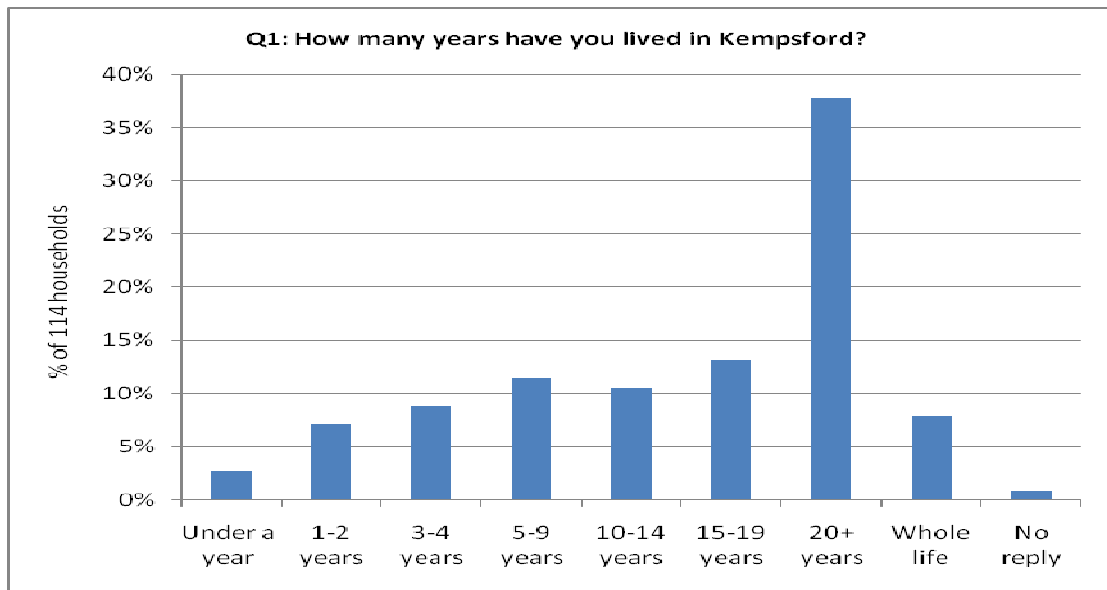
## 5. KEY FINDINGS

### Part One – You and your household

5.1 99% of respondents reported that their home in Kempford was their main home.

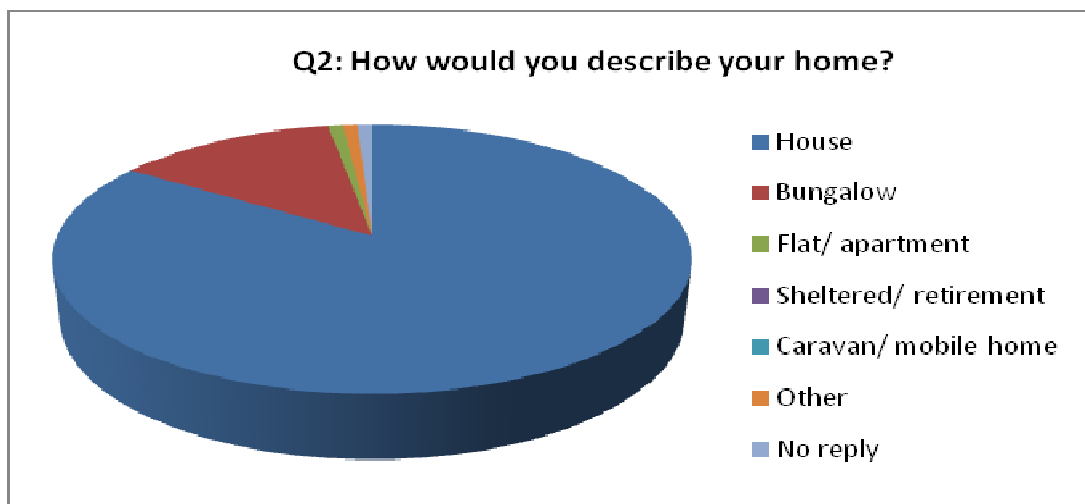
5.2 Table A below indicates the length of time respondents have lived in Kempford. It shows that the majority of respondents have lived in the parish for 15 years or more.

Table A



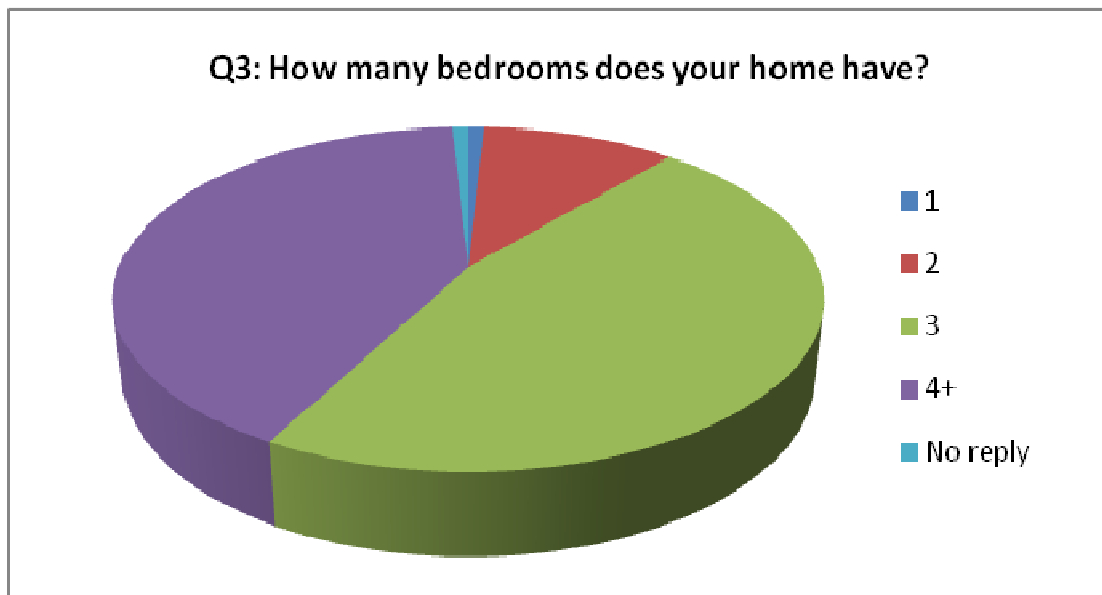
5.3 Question 2 asked people to describe their home in terms of house type. Table B below shows 83% of respondents live in a house. None of the respondents live in sheltered housing, caravan or mobile home.

Table B



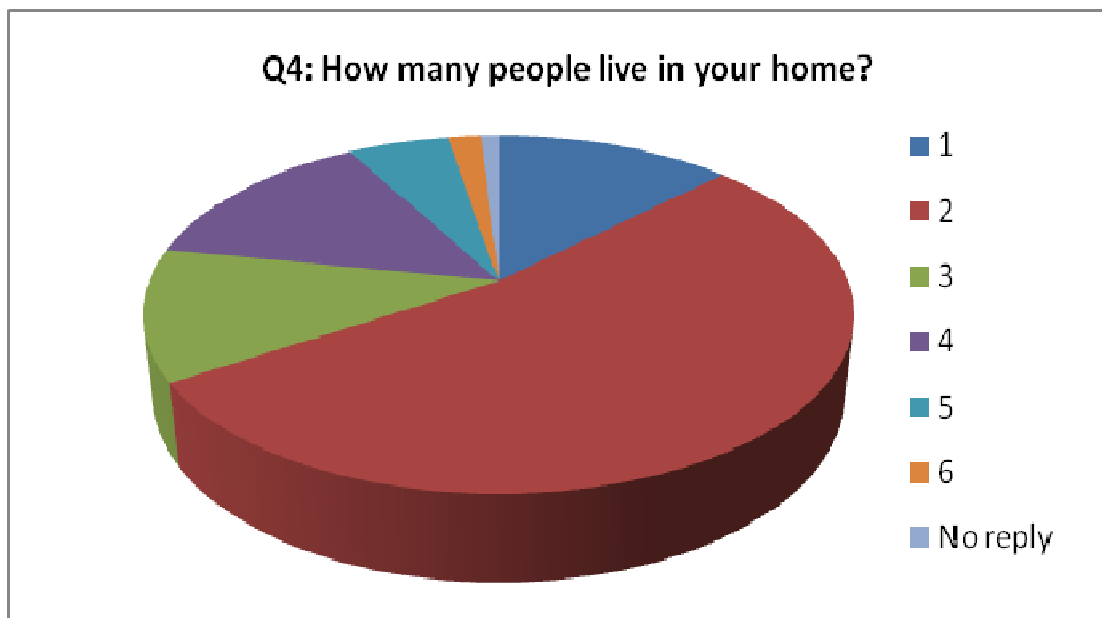
5.4 Table C below shows 87% the homes have three or more bedrooms.

Table C



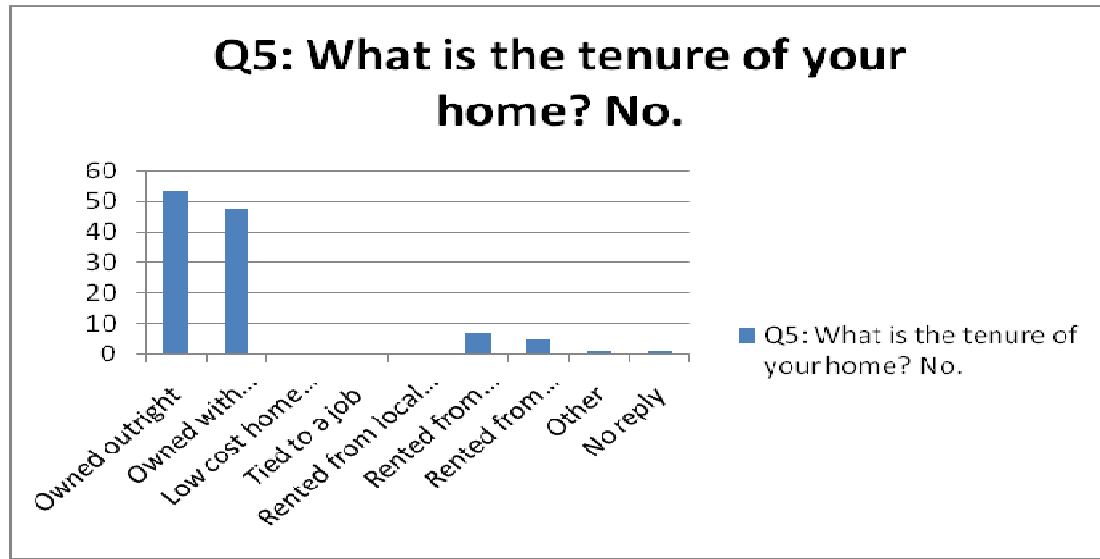
5.5 Question 4 asked how many people live in your home. Table D below shows two thirds have one or two members in its household.

Table D



5.6 Table E below shows 87% of respondents in Kempford are owner-occupiers, approximately half of whom have a mortgage, and half own their home outright.

Table E



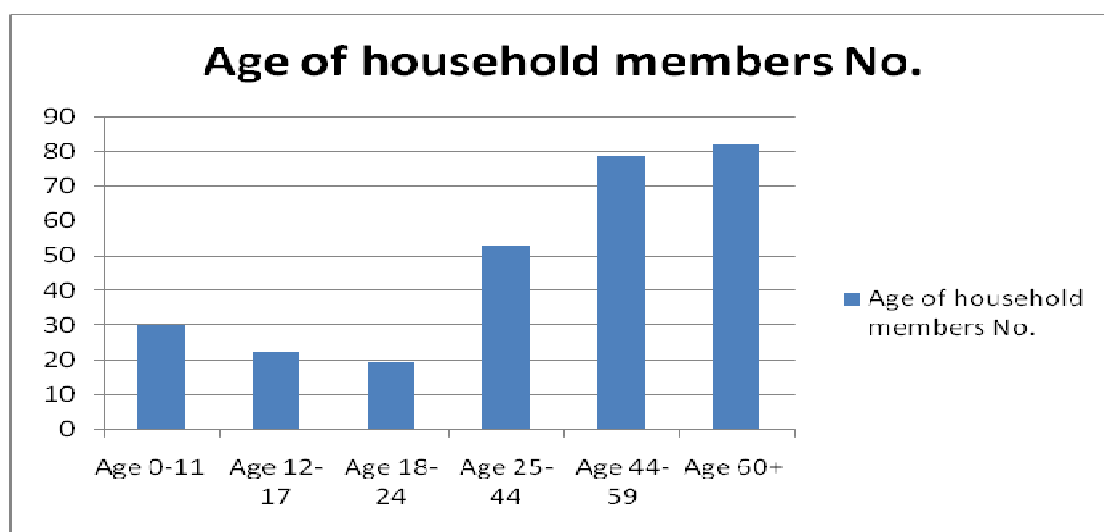
5.7 9% of respondents said their home had been adapted to increase physical accessibility.

5.8 7% of 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 79% of respondents said they are in favour of a small development of affordable homes.

5.10 Table F below shows the majority of respondents are aged 44 or above.

Table F



5.11 According to data obtained from Registered Social Landlords regarding the number of existing affordable dwellings in the parish, there was an underrepresentation of housing association tenants responding to the survey, which would have the effect of inflating the figures in the owner occupied sector. Disproportionately low rates of response from private and social renting tenants are typical for this type of survey.

## **Part Two – Housing needs**

5.12 15 households completed Part 2: Housing Needs of the survey questionnaire.

5.13 According to returns on income, 2 households are deemed as financially able to afford market housing to meet their needs. Therefore, it is the needs of *13 households in need of affordable housing* that are the focus of this report.

5.14 Of the 13 households in need of affordable housing, 2 respondents have indicated that they used to live in Kempsford and wish to return.

5.15 Only 3 of these households indicated they were on Cotswold District Council's housing register.

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

- **There are 3 single adults requiring rented accommodation;** 2 of these are currently living at home with their respective parents, and need to set up independent accommodation, the third needs to move to smaller accommodation.
- **There are 2 couples requiring rented accommodation,** one who is currently living in private rented accommodation, has close family ties and wishes to return to Kempsford, the other couple live at home with parents, and are seeking independent living.
- **There are 6 families requiring rented accommodation;** 2 of these currently live with parents and need an independent home, 2 families need a larger home and 2 families seek a cheaper home.

5.17 The level of income given by respondents suggest that two respondents could afford intermediate housing i.e below market rented or shared ownership (part buy/part rent):



- **There is one couple expecting a baby requiring intermediate housing;** they are currently living in private rented accommodation and require a larger home.
- **There is one family requiring intermediate housing:** they are currently living in private rented and require more affordable accommodation of a minimum of three bedrooms.

5.18 For a full analysis of households actually looking for, or considering themselves to be in need of affordable housing, see appendices one and two.

5.19 There are a total of 209 households on the District Council's *Housing Register* stating Kempford as an area of choice. An applicant may state as many areas of choice as they wish, and does not necessarily have a local connection with all or any of the area(s) of their choice. 45 of the 209 applicants have a housing need to move to more appropriate accommodation. The remaining households have no recognised housing needs.

## **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 may include: mortgage interest rates, 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 the Land Registry it is possible to obtain the average property prices in Kempford and Fairford.

6.7 The average price of 9 owner occupier houses sold in Kempford and Fairford during 2008 are shown in Table G below.

**Table G: Average House Prices in Kempford and Fairford in 2008 (according to HM Land Registry)**

<b>Average House Prices in Local Area (£)</b>		
<b>House Type</b>	<b>Price</b>	<b>Number of Sales</b>
Detached	£234,333	3
Semi-detached	£214,237	4
Terraced	£159,500	2

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 parishes of Kempford and Fairford..

- Data was 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.

6.9 Unfortunately, it is not possible to split this information down to bedroom size of the property.

6.10 Also it must be pointed out that these figures represent the average price for total number of properties sold, and as with a relatively low number of property sales, may be skewed by a property with a particularly high or low selling price.

6.11 For research purposes we are mainly concerned with the low end of the market, those properties that are accessible to households on lower incomes.

6.12 HM Land Registry tells us that the average house price in Gloucestershire has fallen to £171,613 in December 2008, a fall of 13.1% over the previous 12 months.

6.13 House sales volumes in Gloucestershire have fallen significantly during 2008, from 921 in December 2007 to 494 in October 2008 (most recent month for which figures are available).

### **EXAMPLE CALCULATION FOR A MORTGAGE**

6.14 Typically, a household could 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 20% towards the total purchase price.

6.15 To afford the lowest average price (£159,500) of a terraced property in Kempford a household would require at least £31,900 as a deposit, and their

annual gross income for mortgage purposes would have to be at least £36,457.

6.16 At the time this report is published mortgage lenders currently offer standard variable annual rate interest rates of between 2.9% to 4%. Applying these rates of interest to a mortgage of £127,600 would equate to interest only mortgage repayments of between £308 to £425 per month. This does not include the cost of repaying the capital.

***Gross annual earnings for employees in local authority areas***

Area	Average gross annual earnings for employees (£)	Average gross annual earnings for residents (£)
Cotswold	21,729	23,468
Forest of Dean	22,139	25,919
Gloucester	25,026	22,151
Stroud	23,091	28,879
Cheltenham	26,175	28,384
Tewkesbury	26,178	26,326
Gloucestershire	24,388	25,944
South West	23,135	23,307
Great Britain	26,164	26,221

*Source: Annual Survey of Hours and Earning 2008, Office of National Statistics*

- As shown by the above table, the average earnings of employees in the Cotswold District are significantly lower than the regional and the national average. However, the average earnings of residents in the Cotswold District are higher than those of the South West, and similar to those in Gloucestershire and Great Britain. This suggests that people commute into the district to work from surrounding areas with less expensive housing costs, such as Gloucester, Swindon and Stroud.
- Considering the average prices of homes in Kempford and Fairford it would be unlikely that a household would be able to purchase a property without a large deposit, some equity in an existing property or a substantial income.
- First time buyers would generally struggle to meet any of the criteria necessary for obtaining 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

6.17 Information gained from some local marketing agents advertising property for rent in the Kempford and Fairford area established the following prices:

One bedroom flat/maisonnette.....from £540-£565 per calendar month

Two bedroom house/flat.....from £595-£625 per calendar month

Three bed house.....from £645-£670 per calendar month

6.18 It is commonly 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 listed properties would be £25,920 for a one bedroom flat, £28,560 for a two bedroom house and £30,960 for a three bedroom house. Of course, this does not include running costs e.g. council tax, fuel bills etc.

6.19 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?

6.20 The levels of rent that Registered Social Landlords are able to charge are restricted by *Homes and Communities Agency* (created on 1<sup>st</sup> 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 Kempford currently has a total of 59 affordable dwellings.

Tenure	1 bed flat	2 bed flat	2 bed bung'	3 bed bung'	2 bed house	3 bed house	4 bed house	Total
Rented	4	16	9	1	3	23	3	59
Shared ownership	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>16</b>	<b>9</b>	<b>1</b>	<b>3</b>	<b>23</b>	<b>3</b>	<b>59</b>

7.2 Between January 2003 and December 2008 there were 13 re-lets. This figure is significantly lower than the national average. The national average length of residential occupancy is approximately 7 years, which equates to 42 re-lets in a 5 year period.

## 8. SUMMARY

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

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 Kempsford should take account of future anticipated housing need as well as the number of households in immediate need.
- There is a shortage of properties in Kempsford for affordable rent and shared ownership that are suitable for single people, couples, and families. As this survey has shown 87% of properties in the parish have 3 or more bedrooms. The results of the survey indicate there is a high proportion of singles/couples looking for one and two bedroom accommodation, with some families in need of family sized affordable accommodation.
- Cotswold District Council report that there are 209 households on the housing register wanting to reside in Kempsford; 45 of these have a need to move to more suitable housing. The remainder have no recognised need to move.
- Of those 15 respondents to the questionnaire who are in need to move to suitable accommodation, two households can afford open market, two households can afford shared ownership and nine 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 is at an all time low of 0.5%; however, mortgage lenders usually require substantial deposits, sometimes 20% or more of the purchase price and sometimes charge arrangement/administrative fees.

## 9. CONCLUSION

9.1 This survey has determined that there are **13 households in affordable housing need** with a local connection to Kempford. However, one of these is living outside of the parish and would only be able to return if suitable employment opportunities arose.

9.2 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 required to meet the local needs. 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 throughout Cotswold District.

9.2 It is not usual to provide specifically and exactly for the total identified need as some households may not be eligible for affordable housing provision and some respondents may withdraw, move away, or be housed by other means. "In-situ" solutions (e.g. extending property) may resolve some of the housing need. Any new development must be of a size that is in keeping with the rest of the village and will be subject to the usual planning constraints as regards design and materials.

9.3 The evidence provided by the survey supports the need for 13 additional affordable dwellings:

**11 rented units:**

- 3 x one bedroom dwellings*
- 3 x two bedroom dwellings*
- 4 x three bedroom dwellings*
- 1 x four bedroom dwelling*

**2 shared ownership units:**

- 1 x two bedroom dwelling*
- 1 x three bedroom dwelling*

## 10. Recommendations

It is recommended that:

- a) **Kempford Parish Council publicise the results of the survey in the parish news letter and encourage anyone who is in need to apply on the District Council's Housing Register.**
- b) **The District Council and Bromford Group is provided with the Housing Needs Survey report.**
- c) **Representatives of the Parish Council and the Rural Housing Enabler identify potential rural exception sites in the parish, and seek the comments of the District Council planners as to the suitability of each site for the provision of affordable housing.**