

Housing Needs Survey Report

Kensworth

**Survey carried out November 2013
Report produced December 2013**

*Completed on behalf of Kensworth Parish Council by
Bedfordshire Rural Communities Charity*



This report is the joint property of the Housing Provider who funded it and the local housing authority and parish council to which it relates. Should another Housing Provider want to use the survey findings to develop an affordable housing scheme, it shall reimburse the Housing Provider who originally funded the survey for the actual cost of the survey based on submitted paid invoice evidence.

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1. Introduction

Kensworth Parish Council agreed for a Housing Needs Survey (HNS) to be carried out to assess the need in the parish for affordable housing for local people who cannot afford to buy or rent houses available on the open market.

Development in rural areas is generally restricted to designated Settlement Policy Areas. Outside Settlement Policy Areas, affordable housing in rural areas can be progressed on 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 their general policy of not allowing any new development within the parish, providing that the development is for affordable housing that will be available to local people in perpetuity.

Affordable housing aims to meet not only current needs but also future need, with government guidelines that regulate its price, eligibility criteria and resale. It is usually provided by Registered Providers such as housing associations. 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.

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 Kensworth. In 2013 a new Local Lettings Policy for Rural Exception Sites was adopted by Central Bedfordshire Council, which lays out the order of priorities under which applicants would be considered.

2. About Kensworth

2.1 Population and demographics

In 2011 in the parish of Kensworth there were 610 households containing 1,460 residents¹. Compared to 2001, the number of households has remained the same, but there has been a slight fall in the resident population from 1,504.

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

Age	% Kensworth 2011	% Kensworth 2001	% C Beds 2011
0 – 15	17.0	19.5	19.6
16 – 24	9.3	9.4	10.0
25 – 44	21.3	25.8	26.8
45 – 64	32.1	28.2	27.9
65 – 84	17.7	15.6	13.8
85+	2.5	1.5	1.8

There has been a significant ageing of the population on average over the last 10 years, with just over half of the population now being over 45. Compared to Central Bedfordshire as a whole, there is likely to be a particular need in Kensworth for housing suitable for older people.

2.2 Household Composition

	% Kensworth	% Central Beds
1 person - pensioner	13.8	11.2
1 person - other	11.4	14.7
Couple – no children	22.1	20.5
Couple + dependent children	18.4	23.1
Couple + non-dependent children	8.1	7.3
Lone parent + dependent children	5.2	6.5
Lone parent + non-dependent children	4.6	3.1
All aged 65 and over	11.2	8.7
Other	5.0	4.9

There are higher levels of single and multiple pensioner households than Central Bedfordshire as a whole, reflecting the figures in 2.1. There is a significantly lower proportion of single adults under 65 living alone, which may reflect a shortage of suitable accommodation.

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

2.3 Housing Tenure

	% Kensworth	% C Beds
Owned outright	35.5	31.6
Owned with mortgage/loan	37.5	40.9
Shared ownership	0.2	0.8
Social rented	19.6	13.4
Private rented	6.2	12.1
Living rent free	1.1	1.1

The majority of households are owner occupiers in Kensworth, generally reflecting Central Bedfordshire averages. Levels of social renting are quite high for the area, with correspondingly lower rates of private renting.

2.4 Dwelling Types

	% Kensworth	% Central Beds
Detached house	44.7	28.2
Semi-detached house	24.8	33.8
Terraced house	23.0	25.3
Flat	6.3	11.7
Caravan/other temp. accommodation	1.3	1.0

As with a number of Bedfordshire villages, there are relatively more detached houses, and relatively fewer semi-detached and terraced houses, and flats, in Kensworth. This will mean that there is a relative shortage of cheaper properties in the parish.

2.5 Housing in poor condition

	% Kensworth	% Central Beds
Households in overcrowded conditions	3.3	4.6
Households without central heating	1.1	1.7
Households in fuel poverty (DECC 2011)	9.8	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 through the Choice Based Lettings scheme. In 2011 there were 20 households in Kensworth classified as being overcrowded (figures are rounded), which works out as less than the Central Bedfordshire average.

Where central heating is not present, fuel poverty is significantly more likely. The levels of households without central heating are below the Central Bedfordshire average, while levels of fuel poverty in Kensworth are slightly over the average.

2.6 People on low incomes

80 people in Kensworth are classified as "living in income deprivation" (figure is rounded to nearest 5). At 7.5% of all people, this is just under the Central Bedfordshire average of 8.0%.

13.1% of working age people were claiming DWP benefits in August 2012, above the Central Bedfordshire average of 9.5%; and 18.7% of people over 65 were claiming pension credit, above the Central Bedfordshire average of 17.7%.

2.7 Residents on Central Bedfordshire Council Housing Register

There are currently 11 residents of Kensworth on the Central Bedfordshire Council Housing Register, all requiring 1 and 2 bedroom properties. 2 of these were assessed as being in Band 2 (high need); 4 in Band 3 (medium need); and 5 in Band 4 (low priority).

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.

Applicants to the register are no longer asked where they would prefer to live, so it is not possible to know how many of the above would wish to remain in Kensworth.

2.8 Health and disability

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

35 people (11.6% of those aged 65 and over) in Kensworth are claiming Attendance Allowance (a non-means-tested benefit for severely disabled people aged 65 or over who need help with personal care), under the Central Bedfordshire average of 13.9%. 60 people (4.1% of the population) are claiming Disability Living Allowance, above the Central Bedfordshire average of 3.1%.

230 people (15.7%) have a limiting long-term illness, above the Central Bedfordshire average of 14.4%.

3. Housing Availability and Affordability in Kensworth

3.1 Home purchase

Housing affordability ratio

The 'affordability ratio' (median house prices as a ratio of median incomes) for Kensworth in 2008/09 (latest data available) was 17.1. In other words, houses on the market cost on average 17.1 times annual incomes².

Dwellings in lower Council Tax Bands

7.0% of dwellings in Kensworth are in Council Tax Band A, and 2.4% in Band B, compared to 8.6% and 20.4% for Central Bedfordshire as a whole. This indicates a shortage of affordable housing for purchase in Kensworth.

Snapshot of current housing market in Kensworth

In December 2013, we found 17 properties for sale in Kensworth as follows³.

Dwelling size	Number	Asking price range
3 bedrooms	4	£287,500 – £595,000
4 bedrooms	9	£225,000 – £900,000
5/6 bedrooms	4	£460,000 – £900,000+

This represents around 3.5% of total private housing stock in the parish.

There were no properties available with 1 or 2 bedrooms, or for less than £225,000; although 4 properties (all with 3 bedrooms) had recently been sold (subject to contract) for between £180,000 and £220,000.

Property sales over last 3 years

Property sales over the last 3 years can be broken down as follows⁴:

	2011	2012	2013 (to date)
Under 150,000	1	1	1
150,001 – 200,000	2	4	3
200,001 – 300,000	6	6	2
300,001 – 400,000	2	1	1
400,001+	6	4	2
Total			

Only 3 properties for under £150,000 have been available to purchase in the parish in the 3-year reference period.

Minimum household income required by first time buyers in Kensworth

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

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

³ Data sourced from www.rightmove.co.uk

⁴ Data sourced from www.rightmove.co.uk

household income for dual-income households.”⁵ This is reflected in the fact that the ‘average income multiple’ in lending to first-time buyers in September 2013 was 3.39.⁶

According to the DCLG guidance, in order to purchase the cheapest property currently available in Kensworth (a 4 bedroom family house at £225,000), a single earner household would need an annual gross income of just over £64,000, and a dual-income household would need just over £77,500. It should be noted that median annual household income in the UK was last calculated as £26,572⁷.

Minimum deposit required by first time buyers in Kensworth

The biggest barrier to entry to the property market for first-time buyers is the high deposit needed for a good mortgage rate, particularly over the last few years. The average loan to value for first time buyers nationally in September 2013 was 80%⁸, roughly unchanged for over 2 years, and this figure remains the benchmark for most mortgages.

Smaller deposit mortgages have all but disappeared since the onset of the financial crisis, and where they are offered have tended to come with interest rates of almost double those charged to borrowers with larger deposits⁹. However, Phase 2 of the government’s Help to Buy scheme, which has recently been launched, is now encouraging lenders to offer up to 95% mortgages at lower rates of interest by providing a seven-year taxpayer guarantee covering 15% of the loan value. Early signs are that these mortgages will be more competitive, but still at higher rates of interest than for buyers with larger deposits.

Under Help to Buy, a first-time buyer household might be able to purchase the 4 bedroom house highlighted above with a deposit of £11,250. Otherwise a deposit of £45,000 would be required.

3.2 Home rental

In December 2013, we found 1 property available for private rent in Kensworth¹⁰: a 5 bedroom cottage at £2,500 per month. No smaller properties were (or had recently been) available. People looking for cheaper rental properties within a 3 mile radius would currently need to look in Luton (where 1 bedroom ‘house shares’ begin at around £250 per month) or Dunstable (where 1 bedroom flats begin at around £500 per month).

According to the above DCLG 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 5 bedroom cottage above, a household’s gross income would therefore need to be £120,000.

⁵ Strategic Housing Market Assessments: Practice Guidance Version 2 (DCLG 2007)

⁶ Council of Mortgage Lenders, November 2013

⁷ Institute of Fiscal Studies, June 2012

⁸ Council of Mortgage Lenders, November 2013

⁹ From story on www.thisismoney.co.uk website, 21 November 2011

¹⁰ Data sourced from www.rightmove.co.uk

4. Survey process and response

To study the need for affordable housing in Kensworth, a survey form put together by BRCC (Appendix A) was delivered along with the parish newsletter to all households in late October 2013, together with a FREEPOST envelope to enable residents to return their completed survey to BRCC by 25th November 2013.

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 the parish (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. This part of the form included questions concerning motivation and income, designed to identify whether the need could be met through the open market and current household resources. The findings from this section are analysed in chapter 6.

A total of 105 responses were received for analysis in time for the deadline, out of around 600 forms distributed, providing a return rate of around 17.5%. This is a slightly low response rate for a housing needs survey (typical return rate is 20-25%).

5. Views on housing needs in the parish

67% 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
Smaller houses for first time buyers/young families to buy	54
Bungalows for older people to buy	31
Extra care housing	29
Bungalows for older people to rent through a housing association	22
Smaller houses to rent through a housing association	21
Larger family homes to buy	19
Flats for first time buyers to buy	17
Flats to rent through a housing association	12
Larger family homes to rent through a housing association	4

Smaller houses were the clear favourites, followed by bungalows. There was a preference also for properties to buy rather than for affordable rent, which would usually only be applicable to an exception site through shared ownership. Extra care housing scored surprisingly high.

The provision of a small development of affordable housing (up to 10 units) based on identified local need (Q2) was supported by 65% of respondents, with 35% not supporting the idea. This is generally in line with most housing needs surveys. 36 respondents chose to provide additional comments (Q4), attached as Appendix B. A number of people had concerns about overdevelopment, as well as existing social housing being allocated to outsiders rather than people from Kensworth.

7 respondents indicated having family or friends who have moved away from the parish within the last 5 years who would like to return (Q3). However, no further forms were requested from BRCC.

6. Analysis of housing needs

Housing needs are taken to mean needs within the next 3 years, as it is not unusual for a rural affordable housing scheme to take 3 years from inception to completion.

6.1 Number of households indicating a housing need

There were a total of 13 usable responses to Section 2 of the survey. These households are therefore regarded in principle as being in some form of housing need.

5 of these respondents indicated that they were looking for different accommodation in the parish now (Q5), and the other 8 indicated that they would be looking within the next 3 years.

6.2 Housing tenure of households in need

The housing tenure declared by the 13 respondents (Q6) breaks down as follows:

Housing tenure	No. of households
Owner occupier	7
Shared ownership	0
Live with parent(s)	3
Rented from a private landlord	3
Rented from a Housing Association	0
Provided with job	0

Owner-occupiers are unlikely to be prioritised for rented housing on an exception site (see Introduction) unless they have exceptional needs, particularly medical or extra care needs. 6 of the owner-occupier respondents did not identify any exceptional needs, and in any case, they were all seeking to buy on the open market only, so would be unlikely to apply for exception site housing in any case. These 6 will not be considered further in this report.

6.3 Composition of households in need

The composition of the 7 households still under consideration (Q13 & Q14) is as follows:

Household composition	No. of households
Single adult (1 bedroom need)	3
Couple without children (1 bedroom need)	1
Family with dependent child(ren) (2 bedroom need)	3

'Household' here refers just to the people requiring new accommodation (thereby forming a new household) rather than the entire existing household, which may be larger (i.e. two of the single adults are currently living with their parents).

Bedroom needs have been assessed against Choice Based Lettings criteria under the Central Bedfordshire Housing Allocations policy, based on data provided by respondents. Bedroom needs can change over time due to e.g. different sex children

growing older or new children joining the family.

6.4 Housing Register

No respondents indicated that they were already on a housing register (Q7). As noted in 2.7, this does not mean that they are not in housing need.

6.5 Nature of local connection

Exception site housing would be made available in the first instance to people with a strong local connection, and evidence of housing need must come from such people if an exception site is to progress. The local connections identified by the 7 respondents (Q11) were as follows (respondents could tick more than one):

Nature of local connection	No. of households
Currently living in settled accommodation in Kensworth	6
Previously lived in Kensworth for 10 years or more	0
Have an immediate family member (parent, child, or sibling) living in Kensworth	3
Have permanent employment in the parish	0

According to Central Bedfordshire Council's Local Lettings Policy for rural exception sites, current residents of a parish, and previous residents for at least 10 years, would be prioritised over other forms of local connection. All respondents fell into either of these categories.

6.6 Reason for housing need

Applicants for affordable rented housing through an exception site must demonstrate a clear housing need. The needs identified by the 7 respondents can be summarised as follows (respondents were able to identify more than one need):

Need	Number of households
Present home too small	1
Present home too large	1
Want to move out of the family home	3
First time buyer	2
Medical reasons / disability	2
Insecurity of tenure	2
Relationship breakdown	0
Need to be closer to family/carer support	0
Financial reasons	1

The fact that 2 respondents regarded themselves as first time buyers suggests that there might be a need for shared ownership properties as well as affordable rent.

6.7 Gross income of households in need

We saw in Chapter 3 that, in order to purchase the cheapest property currently available in Kensworth, a single earner household would need an annual gross income of just over £64,000, and a dual-income household would need just over £77,500. We

also saw that, to rent the only rental property recently available, a household's annual gross income would need to be £120,000.

The current gross annual income of anyone responsible for paying the rent/mortgage for the 7 households under analysis breaks down as follows:

Current gross income	No. of households
Less than £15,000	1
£15,000 to £20,000	2
£20,000 to £25,000	2
£25,000 to £30,000	0
£30,000 to £40,000	0
More than £40,000	2

Based on the data provided, at least 5 respondents could not afford to purchase or rent on the open market within Kensworth. It is impossible to know with the 2 respondents with an income of over £40,000; however, they will still be considered.

6.8 Savings or equity of households in need

As we saw in Chapter 3, the minimum deposit required for a first-time buyer to purchase the cheapest property currently available in Kensworth is £45,000, or potentially £11,250 under Help to Buy.

The savings or other equity that these 14 households could use to contribute towards a mortgage breaks down as follows:

Savings/equity	No. of households
No savings or equity	3
Below £10,000	1
£10001 - £20,000	2
£20,001 - £30,000	0
£30,001 - £40,000	1
Above £40,000	0

None of these respondents have enough savings or equity currently to buy on the open market, except under the Help to Buy scheme. 4 households could potentially contribute savings or equity to a mortgage under a shared ownership deal.

7. Conclusions and recommendations

7.1 Overall need for affordable housing in Kensworth

Analysis of the response to the survey has identified a need for affordable housing within Kensworth from those with strong links to the parish that is unlikely to be met by normal market provision.

Based on data supplied by respondents, 7 households with a local connection would be suitable for housing within an 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 an exception site will be taken up by people with a local connection to Kensworth, we typically make a recommendation to meet around 50% of the need identified. On this basis, our recommendation would be **4 units**.

A rural exception site development is unlikely to be feasible on this basis (usually 6 or more units would be required). If there was a wish to proceed with one, the 11 Kensworth households currently on the Central Bedfordshire Housing Register (see 2.7), none of which appear to have responded to the survey, could be cited as supporting evidence for a greater need than that produced by this survey. However, it is also recommended that an assessment of existing social or affordable housing supply in Kensworth be carried out, in order to ascertain whether any of the need could reliably be met through existing stock.

The National Planning Policy Framework provides for market housing units to be provided on rural exception sites if this is necessary to ensure their feasibility, and this could also be considered. From the data provided by owner occupiers, as well as the assessment of demographics and the local housing market in Chapters 2 and 3, it would appear that there may be a need for smaller houses or bungalows, particularly for older people.

65% of respondents indicated that they would support a small development of up to 10 units to meet this need (see 5). If the decision is taken to proceed with an exception site in Kensworth, it will be important to engage the local community in the process and raise awareness of the need for affordable housing for local people (as opposed to conventional market or social housing, which would be allocated on the basis of need to applicants across Central Bedfordshire).

7.2 Type of units required

Our assessment from the data is that the 4 units could be broken down as follows:

- 1 x 1-2 bed bungalow (rent or shared ownership)
- 1 x 1-2 bed house (rent or shared ownership)
- 1 x 2 bed house
- 1 x 3 bed house (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:

1 x 1 bed bungalow (rent or shared ownership)

2 respondent households were older and cited medical reasons or disability for needing new housing. Given Kensworth's demography, it is sensible to provide at least 1 unit suitable for somebody with limited mobility. (An alternative to bungalows would be retirement flats or houses built to Lifetime Homes criteria.) 1 of these respondents was interested in shared ownership and had sufficient financial means.

1 x 1-2 bed house (rent or shared ownership)

2 respondents were young single adults who wanted to leave the parental home, and

were interested in renting. (These respondents would require 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.) 1 of these respondents was interested in buying and had sufficient financial means for shared ownership.

1 x 2 bed house (rent)

1 respondent was a small family with a need for 2 bedrooms, with aspirations to buy without any savings or equity.

1 x 3 bed house (shared ownership)

2 respondents were families interested in larger properties, with sufficient financial means for shared ownership.

The final number of houses and mix of tenures (i.e. rented v shared ownership) would be agreed between the appointed Registered Social Landlord, Kensworth Parish Council and the local authority.