

Housing Needs Survey Report

Riseley

July / August 2019
(version 1.1)

Completed by Bedfordshire Rural Communities Charity



This report is the property of Riseley Parish Council and Riseley Neighbourhood Plan steering group
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1. Introduction

1.1 About this survey

The Housing Needs Survey (HNS) is being carried out by BRCC to identify the housing needs of local people over the next 10 years. The survey aims to assess the need of local people for either affordable housing or market housing in Riseley.

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.

Starter Homes initiatives are also available where homes are offered for sale at a minimum of 20% below its open market value to first time buyers.

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.

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 Riseley.

1.3 Market housing

The demand for market housing 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 Riseley

2.1 Population and demographics

In 2011 (latest census information available) in the parish of Riseley there were 520 households containing 1286 residents¹. Compared to 2001, this represents an increase of around 7% in terms of households (from 486) and also a small increase of 2% in terms of residents (from 1264). Figures provided by Riseley Parish Council show the number of households in 2019 to be around 560, an increase of around 8%, in the number of households since the 2011 census.

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

Age	% Riseley 2011	% Riseley 2001	% Bedford Borough 2011
0 – 4	4.0	4.4	6.3
5-15	15.2	16.7	14.3
16-17	2.6	3.3	2.6
18-64	58.7	60.0	61.7
65-84	17.0	12.5	13.1
85+	2.4	3.0	1.8

The age demographics has got slightly older in Riseley over the 10 years between 2001 and 2011. The proportion of those aged 65+ has risen from 15.5% in 2001 to 19.4% in 2011. The age profile is also older than that of Bedford Borough as a whole.

2.2 Household Composition

	% Riseley	% Beds Borough
1 person - pensioner	10.0	11.9
1 person - other	11.0	16.9
Couple + dependent children	22.3	20.9
Couple + non-dependent children	32.9	23.5
Lone parent + dependent children	5.6	7.6
Lone parent + non-dependent children	3.1	3.4
All aged 65 and over	11.3	8.2
Other	3.8	7.5

There are higher levels of households with dependent and non-dependent children and also households where occupants are aged over 65 years when compared to Bedford Borough as a whole.

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

2.3 Housing Tenure

	% Riseley	% Beds Borough
Owned outright	42.3	31.4
Owned with mortgage/loan	36.5	34.3
Shared ownership	0.4	1.0
Social rented	12.7	16.1
Private rented	6.5	15.9
Living rent free	1.5	1.3

The majority of households are owner occupiers in Riseley, much higher levels of properties are owned outright compared to Bedford Borough averages and also slightly higher levels of homes owned with a mortgage or loan. The levels of shared ownership properties in the parish is below the average figure for Bedford Borough. Levels of both social and private rented properties were much lower than the Bedford Borough averages.

2.4 Dwelling Types

	% Riseley	% Beds Borough
Detached house	57.7	27.4
Semi-detached house	26.3	32.2
Terraced house	15.1	21.9
Flat	0.9	17.6
Caravan/other temp. accommodation	0.0	0.9

There are significantly more detached properties, with correspondingly fewer semi-detached, terraced houses and flats in Riseley compared to Bedford Borough averages.

2.5 Housing in poor condition

	% Riseley	% Beds Borough
Households in overcrowded conditions	1.9	7.7
Households without central heating	2.1	2.0
Households in fuel poverty (2011)	12.6	11.3

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 over-crowding counts as a housing need for households applying to join the Housing Register. In 2011 there were 10 households in Riseley classified as being overcrowded (figures are rounded), which is lower than the Bedford Borough average.

Where central heating is not present, fuel poverty is significantly more likely. 10 households had no central heating, working out at just above the average for the district. Fuel poverty levels are also slightly higher than the Bedford Borough average.

2.6 People on low incomes

6.0% of all people in Riseley were classified as “experiencing income deprivation” in 2009, under the Bedford Borough average of 12.1%. In 2007/08, 12.3% of households were calculated as receiving below 60% of the median income, below the Bedford Borough average of 20.0%.

10.1% of working age people were claiming DWP benefits in August 2012, just under the Bedford Borough average of 13.4%; and 21.4% of people over 65 were claiming pension credit, slightly above the Bedford Borough average of 21.0%.

2.7 Households on Bedford Borough Council Housing Register

There are currently 2 Riseley households on the Bedford Borough Council Housing Register. Both of these would be eligible for a 2 bedroom property.

It should also 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.

16.1% of those aged 65 and over in Riseley (around 40 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, over the Bedford Borough average of 15.7%. 3.1% of the population were claiming Disability Living Allowance, below the Bedford Borough average of 4.2%.

14.5% have a limiting long-term illness, just below the Bedford Borough average of 16.0%.

3. Housing Availability and Affordability in Riseley

3.1 Housing affordability ratio

The 'affordability ratio' (median house prices as a ratio of median household earnings) for Riseley in 2008/09 (latest data available) was 14.1. In other words, houses on the market cost on average 14.1 times annual incomes².

3.2 Dwellings in lower Council Tax Bands

0.7% of dwellings in Riseley are in Council Tax Band A, and 12.7% in Band B, compared to 13.6% and 24.9% for Bedford Borough as a whole. The lower proportion of Band A and B properties when compared to district wide levels is likely to indicate a relative shortage of affordable housing for purchase in Riseley.

3.3 Current property availability for sale in Riseley

In July 2019, we found 10 residential properties for sale in Riseley parish:

No. of bedrooms	Number	Asking price (range)
5 bedroom house	3	£1,500,000 - £700,000
4 bedroom house	2	£495,000 - £350,000
3 bedroom house	4	£385,000 - £240,000
2 bedroom house	1	£280,000

This represents just over 2% of total private housing stock in the parish. None of these were being marketed as shared ownership / affordable or retirement properties.

3.4 Property sales over last 5 years

Property sales over the last 5 years in Riseley parish can be broken down as follows³:

	2014	2015	2016	2017	2018
£100,000 and under	0	0	0	0	0
£100,001 – 150,000	2	3	0	1	0
£150,001 – 200,000	6	6	6	1	1
£200,001 – 300,000	6	3	11	8	9
£300,001- 400,000	5	3	7	3	0
£400,000 +	5	7	3	2	6
Total	24	22	27	15	16

The number of properties sold on the open market in the parish has decreased slightly in recent years. The cheapest property to be sold in the last year, was a 2-bedroom semi detached property for £200,000.

The average price of a house sold in Riseley in 2018 was £376,635.

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

³ Data sourced from www.rightmove.co.uk

3.5 Current property availability for rent in Riseley

In July 2019, there was 1 residential property currently available for rent in the parish of Riseley, a 2 bedroom cottage for £700 pcm.

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

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 October 2017 was 3.6.⁵

According to the DCLG guidance, in order to purchase the cheapest property currently available for sale on the open market in Riseley (a 3-bedroom semidetached home at £240,000) as a first time buyer, a single earner household would need an annual gross income of over £68,500 and dual-income household would need over £82,750. It should be noted that the median annual full-time wage in the UK stood at £28,200 in April 2016⁶.

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.) In order for a household to be able to rent the only property currently available in Riseley (a 2-bedroom cottage at £700pcm), a household's gross income would therefore need to be over £33,600.

3.7 Minimum deposit required by first time buyers in Riseley

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 October 2017 was 84.7%⁷, meaning that the average deposit is 15.3%.

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 in order to purchase the cheapest property currently available on the market in the parish (3-bedroom semidetached house) at £240,000, would require a deposit of around £12,000. At the current average of 84.7% loan to value, a deposit of over £36,700 would be required.

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

⁵ Council of Mortgage Lenders

⁶ HMRC, April 2016

⁷ Council of Mortgage Lenders

4. Survey process and response

To study the need for affordable housing in Riseley, a survey form (Appendix A) was delivered to all households, 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 Riseley (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 10 years. The findings from this section are analysed in chapters 6 and 7.

We received 169 completed responses from around 560 distributed, a return rate of around 30%. This is a really good response rate for a housing needs survey (typical return rate is around 20 to 25%).

5. Views on housing needs in Riseley

86% of respondents would support a small development (up to 12 homes) of affordable homes specifically for people with a local connection to the parish. 14% were not in favour of such a scheme (Q1).

16% of respondents stated that they have had family members move away from the parish due to not being able to find a suitable home locally (Q2).

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

40 respondents indicated that their current home is not suitable for their households needs either now or in the future, by completing the second section of the questionnaire.

Out of these, 20 respondents were existing owner occupiers who were only looking to buy on the open market or buyers who had the means to purchase on the open market. These respondents will be considered in Chapter 7.

The other 20 respondents were either considering affordable rent, shared ownership or a starter home initiative scheme or were not currently owner occupiers; they will be considered in this chapter.

6.1 Timescale of housing need

The timescale in which these 20 respondents would be looking for different accommodation (Q5) was as follows:

Timescale	No. of households
Within 0-3 years	14
3-5 years	5
5-10 years	0
No response	1

6.2 Household composition

Respondents were asked (Q4) who lives in their current home:

Situation	No. of households
Single person household / Couple (older person(s))	1
Single person household / couple	2
A single person or couple with dependent child(ren) or other dependent(s)	8
A single person or couple with dependent child(ren) and non-dependent / older child(ren)	9
No Response	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 20 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 Riseley	19
Previously lived in Riseley	2
An immediate family member (parent, child, or brother/sister) lives in Riseley	5
Have permanently employment in Riseley	1

6.4 Current housing circumstances of households in need

The current housing circumstances of the 20 respondents (Q7) broke down as follows (one respondent selected more than one option):

Housing tenure	No. of households
Living with parent(s) in their home	8
Owner Occupier	1
Shared Ownership Property	2
Renting from Private landlord	4
Renting from Housing association	5
Other	1
No Response	0

The majority of respondents in need of a property, were currently living with parents in their property, the majority of the remaining respondents were in rented accommodation, split between private rental properties and renting through a housing association. 1 respondent was a current owner occupier, who may not be eligible for affordable housing, but was stated a need due to a change in financial circumstances.

6.5 Reason for housing need

The reason for the housing need identified by the 20 respondents (Qu 8) 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	7
First time buyer / want to get on the property ladder	11
Medical reasons / disability	0
To be closer to family and / or carer support	2
Financial reasons	3
Other	4

6.6 Size, type and tenure of housing sought

The housing type, size and tenure sought by the households in need (Q10 a,b,c) broke down as follows (respondents could tick more than one):

Type of property	No. of households
Flat / Apartment	7
House	19
Bungalow / Retirement property	3
Size of property	
One bedroom	6
Two bedroom	10
Three Bedroom	10
More than Three bedrooms	3
Tenure of Property	
Private Rental	2
Affordable Rental (through a housing association)	7
Buy on the Open market	5
Shared Ownership (part own & part rent – through a housing association)	8
Starter home (home to buy at 20% below market price up to £250,000)	10

Most of the demand was for 2/3 bedroom houses, with a large interest in shared ownership properties and homes available on the starter homes initiative. 5 respondents wanted to buy on the open market, although 4 of these were also interested in purchasing a property through a shared ownership scheme or starter homes initiative. The 1 remaining respondent would unlikely have the financial means to purchase on the open market.

6.7 New Household Composition

When asked who would live in the new home they were seeking; out of the 20 respondents, 10 households seeking a new property would contain all the same

individuals currently living within their existing household. The remaining 10 responses were from young people aged 16-24 years wanting to move out of the family home and set up their own home.

6.8 Gross income of households in need

We saw in Chapter 3 that, in order to purchase the cheapest property available in Riseley (a 3-bedroom semidetached house at £240,000) as a first time buyer, a single earner household would need an annual gross income of over £68,500, and a dual-income household would need over £82,700. To rent a 2-bedroom cottage, the only available property in the village, a household would require an annual gross income of over £33,600.

The current gross annual income of anyone who responsible for paying the rent/mortgage for the 20 households looking for a property, breaks down as follows:

Current gross income	No. of households
Less than £20,000 / yr	6
£20,001 to £30,000 / yr	6
£30,001 to £40,000 / yr	4
£40,001 to £50,000 / yr	0
More than £50,000 / yr	1
No response	3

Based on the data provided, only 1 of these households could potentially afford to purchase the cheapest property currently available on the open market in Riseley and that would only be if their household income was significantly higher than the top level of £50,000 mentioned in the questionnaire.

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 Riseley is £36,700. The minimum (under a 95% Loan to Value deal) would be around £12,000.

The savings or other equity that these 20 households could use to contribute towards a mortgage breaks down as follows:

Savings/equity	No. of households
None	2
Less than £10,000	9
£11,000 - £25,000	3
£26,000 - £50,000	0
More than £50,000	1
No response	5

Only 1 of the respondents would have enough savings or equity currently to buy a property on the open market as a first time buyer. 3 additional respondents, may be able to purchase at high Loan to Value.

7. Analysis of need – market housing

7.1 Timescale of housing need

Chapter 7 will consider the 20 owner occupier households (mentioned in chapter 6) looking to purchase housing on the open market in Riseley over the next 10 years.

The timescale in which these 20 respondents indicated that they would be looking for different accommodation (Q5) was as follows:

Timescale	Number
Within 0-3 years	13
Within 3-5 years	4
5 - 10 years	3
No response	0

7.2 Household composition

Respondents were asked (Q4) who lives in their current home:

Situation	No. of households
Single person household / Couple (older person(s))	9
Single person household / couple	4
A single person or couple with dependent child(ren) or other dependent(s)	3
A single person or couple with dependent child(ren) and non-dependent / older child(ren)	2
No Response	2

7.3 Sizes and types of house required

The preferred future housing type of the 20 respondents (Q10a) breaks down as follows (respondents couple tick more than one):

Housing type	Number
Flat / Apartment	2
House	4
Bungalow / Retirement housing	15

The demand is predominantly for bungalows or retirement suitable homes.

The preferred future house size of the 20 respondents in terms of number of bedrooms (Q10b) breaks down as follows (respondents can tick more than one option):

Number of bedrooms	Number
1 bedroom	1
2 bedrooms	8
3 bedrooms	11
More than 3 bedrooms	2

8. Conclusions and recommendations

8.1 Affordable housing

Analysis of the data considered in Chapter 6 has identified a need for affordable housing within Riseley from households' resident in (or with strong links to) the parish, that is unlikely to be met by normal market provision. This need is predominantly from young adults/couples who are currently living in their parents' home and want move into a rented property of their own or get on the housing ladder. There is also a demand from families who are currently in rented accommodation who would like to get on the property ladder.

Based on data supplied by respondents, up to 20 households with a local connection would be suitable for housing within a rural exception site development, whether for rent, shared ownership or under a starter homes initiative. 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 Riseley, our recommendation is to meet around 50% of the need identified over the next 5 years, which would be around **10 units**.

Our assessment from the data is that the 10 units could be broken down as follows:

2 x 1/2 bed Flat/house (1 rent / 1 shared ownership)
2 x 2 bed house (1 shared ownership / 1 starter homes initiative)
2 x 2 bed bungalow (1 shared ownership / 1 rent)
3 x 3 bed house (2 shared ownership / 1 rent)
1 x 4 bed 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.

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 market housing, if Riseley is to meet the identified current and future needs of existing owner occupier residents wishing to stay in the parish. The need identified is split between 2 and 3 bedroom properties, mainly bungalows (or accessible homes) but with a smaller demand for houses.

The evidence for this is as follows:

- There were no bungalows or retirement properties currently available for sale on the open market.
- The relative shortage of smaller properties for sale in Riseley. There was only

- 1, 2-bedroom property currently available for sale on the open market in Riseley.
- The 20 owner occupier respondents who would be looking for more suitable properties at some point over the next 10 years, 7 of these within the next 5 years.

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 Riseley. 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 suitable units** would meet a reasonable proportion of the need while being in keeping with the size of the parish. These could be delivered separately or alongside affordable housing as part of a rural exception site, with the market housing cross-subsidising the affordable housing.