

Cambridgeshire ACRE

Housing Need Survey Results Report for West Wrattling

Survey undertaken in
November 2012



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CONTEXT AND METHODOLOGY

Background to Affordable Rural Housing

Affordable housing is housing made available for either rent or shared ownership, based on the evidence of need, to those unable to afford market prices. One approach to delivering affordable homes in rural areas is through rural exception site policy. A rural exception site is a site used specifically for affordable housing in a small rural community that would not normally be used for housing because it is subject to policies of restraint.

Rural exceptions sites can only be used for affordable housing in perpetuity and planning conditions and legal agreements are used to restrict the occupation of property to people falling within categories of need and to those who can prove a local connection through family, residence or work.

To be eligible for rental properties, applicants must complete an application form to join the local Housing Register and they would then be able to bid for properties through the choice based lettings scheme. To be eligible for low cost shared ownership properties, applicants must apply to the local Housing Register and then apply directly through the local Homebuy Agent. You can read more about choice based lettings and low cost home ownership in Appendix 1.

Context

Cambridgeshire ACRE was commissioned to carry out a Housing Needs Survey in West Wrating Parish earlier this year. This survey was carried out on behalf of Hastoe Housing Association, an affordable homes provider, in partnership with South Cambridgeshire District Council and West Wrating Parish Council.

The aim of the survey was to gauge opinion on the value of developing affordable homes in the parish and to determine existing and future levels of affordable housing need.

Methodology

Survey packs were posted out to all 197 addresses in the parish in September 2012. The survey packs included a covering letter from Cambridgeshire ACRE, a letter of support from the Parish Council, a questionnaire and a postage paid envelope for returned forms. Copies of these documents are available upon request from Cambridgeshire ACRE.

The questionnaire was divided into two sections:

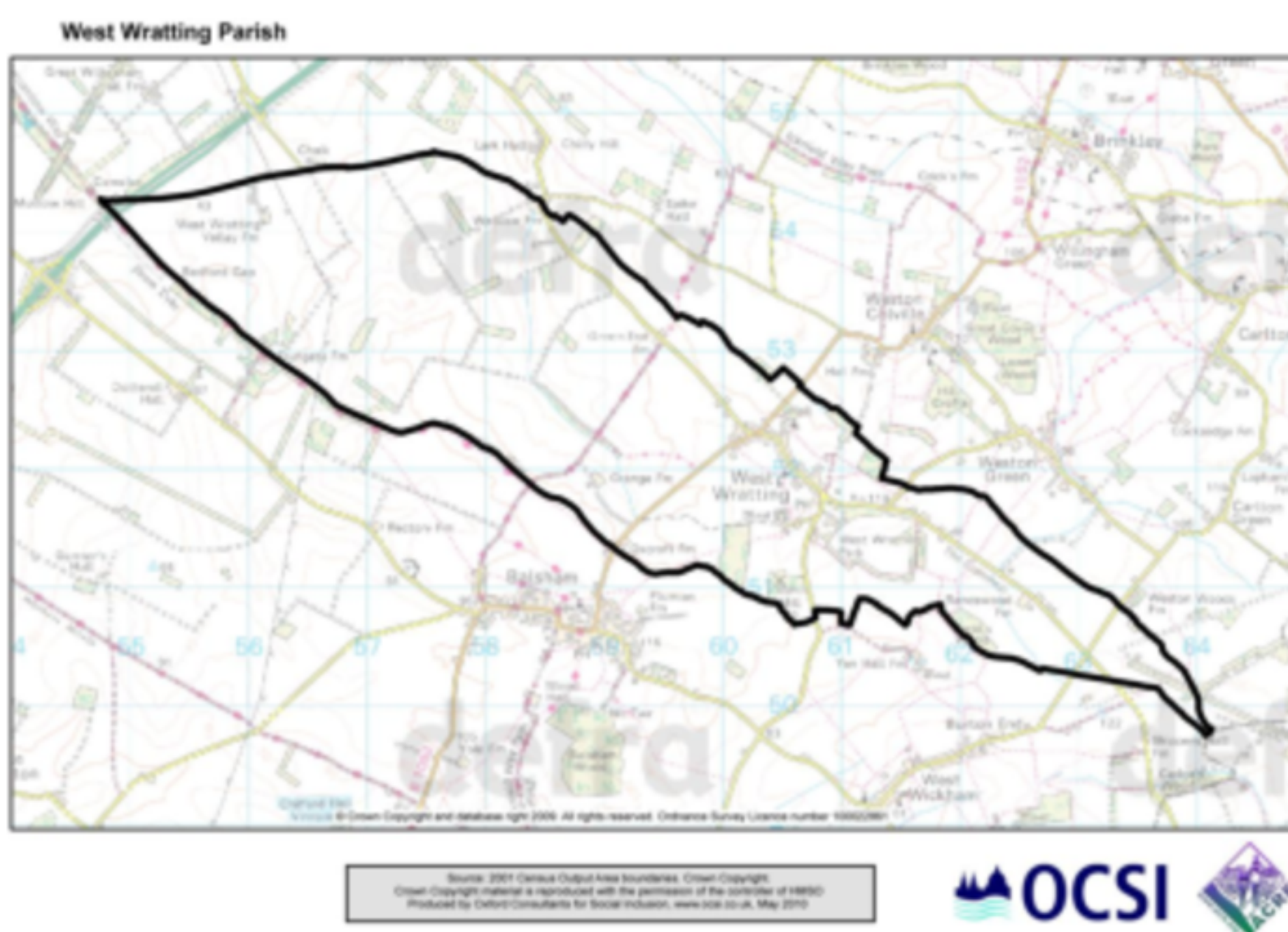
- Part One of the survey form contained questions to identify those who believe they have a housing need. Respondents were also asked if they supported the idea of building a small affordable housing development in the village. All households were asked to complete this section.

- Part Two of the survey form contained questions on household circumstances and housing requirements. This part was only completed by those households who are currently, or expecting to be, in need of housing.

The closing date for the survey was 19 October 2012. Fifty eight completed forms were returned giving the survey a 29 per cent response rate.

West Wratting Parish

West Wratting is a small village with a population of 480 and 190 dwellings.¹ There has been virtually no growth in either over the last ten years. There is currently planning permission for only one further dwelling in the village.²



West Wratting lies to the south east of Cambridge, midway between Cambridge, Newmarket and Haverhill. It nestles within a cluster of similar villages to the east of the A11. West Wratting, generally, is a wealthy community with household income levels above the Cambridgeshire average. Unemployment and benefit recipient levels are low and those in employment are well qualified. About half work in managerial or professional roles. There

¹ Cambridgeshire Population and Dwelling Stock Estimates: 1991 – 2010, Cambridgeshire County Council (July 2011)

² Housing Development in Cambridgeshire 2002-2012 (Table H2.2), Cambridgeshire County Council (August 2012)

are very few jobs in the village with most workers commuting to nearby employment centres such as Cambridge.³

There are very few services in the village. The catchment schools are in Balsham and Linton. The village does retain a pub, village hall and recreation ground.

West Wratting's housing stock is typical of a Cambridgeshire village. Over 60 per cent of dwellings are detached houses with most of the remainder being semi-detached houses. Almost three quarters of properties are owner-occupied with only 14 per cent social rented and seven per cent private rented. Both these figures are below the England average. There is also a small amount of 'tied property'.

Local Income Levels and Affordability

Buying on the Open Market

The average asking price of property in West Wratting is a little higher than in South Cambridgeshire as a whole. Prices are considerably higher than the nearest town, Haverhill. Prices reflect the attractive character of the village and its location. Prices are broadly similar to nearby villages. Table 1 compares the average asking price of properties for sale on the open market in West Wratting with other local areas. With the fluid house market situation prices are changing every month and the prices referred to in this report should be treated as illustrative only. Particular caution is required when looking at smaller, particularly one-bedroom, properties as there is a much lower number of transactions from which to calculate 'average' prices.

Table 1: Average Property Prices, November 2012⁴

No. of bedrooms	West Wratting Parish	South Cambridgeshire	Haverhill	Cambridge City
1	£125,000	£120,000	£85,000	£124,000
2	£197,000	£189,000	£148,000	£185,000
3	£295,000	£268,000	£214,000	£262,000
4	£405,000	£420,000	£335,000	£407,000

Another indicator of house prices and the proportion of houses that may be suitable for new households is Council Tax Band data. In West Wratting only 18 per cent of properties fall into the lowest three bands (A-C). This compares with 63 per cent across Cambridgeshire.⁵

³ Parish Profile for West Wratting, ACRE/ OCSI (January 2012)

⁴ Source: www.nestoria.co.uk

⁵ Parish Profile for West Wratting, ACRE/ OCSI (January 2012)

A review of properties currently for sale in West Wrating found only three properties available on the open market.⁶ All were four bedroom properties. The cheapest asking price was £332,950. There is only one property available to rent (at £1,295 per calendar month) although this is actually also one of the properties that is available for sale.

Table 2 takes the current property price data for different sized houses in West Wrating and estimates the annual income that would be required in order to be able to secure a mortgage on such a property.

For a household to be able to purchase a two bedroom house (at the average price) in West Wrating, a household income of £49,250 would be required. The most recently available Paycheck data reveals that 68% of West Wrating's population earn less than £45,000.⁷ In fact, 40 per cent earn less than £30,000. The median household income in West Wrating Parish is £34,800 per annum. This is above the county average (£32,500) but below the South Cambridgeshire average (£36,000).



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It is clear from the data presented here that many young families and adults looking to leave the parental home will have little chance of being able to afford a home in their village community. And this assumes that there are actually some properties available. There have been nine properties sold in the parish in the last two years and four of these were below £300,000. The lowest selling price was £246,500.⁸

It should be remembered that a household's ability to buy is also dependent on them having saved an appropriate deposit. The calculations presented here assume a mortgage to house value of 75%. In other words, the purchaser can raise a deposit of 25%. It may be possible to secure a mortgage with a lower deposit but this will require even higher income levels.

Households with insufficient income and deposit saved to afford their desired property may have to amend their expectations.

⁶ Source: www.rightmove.co.uk (as at 7-Nov-2012)

⁷ Source: CACI Paycheck 2009

⁸ Source: www.rightmove.co.uk (as at 7-Nov-2012)

Table 2: Annual Income requirements for open market properties

No. of bedrooms	House Price	Deposit required (assume 25% required)	Annual income required (based on mortgage lending principle of 3 x income)	Monthly salary needed for purchasers
1	£125,000	£31,250	£31,250	£2,604
2	£197,000	£49,250	£49,250	£4,104
3	£295,000	£73,750	£73,750	£6,146
4	£405,000	£101,250	£101,250	£8,438

Buying in Shared Ownership

Shared ownership gives the opportunity to 'part buy' and 'part rent' a home. This means if a household can't afford to buy a property outright they may be able to afford to buy a share in a property, typically 30%, 50% or 75%. At a point when the household can afford to, they can choose to buy a further share of the property. Where a property has been built on a rural exception site, the maximum percentage that can be owned is 80% so that the property always remains available as affordable housing and can never be sold on the open market.

Table 3: Cost of purchasing a 25% share of a shared ownership property⁹

Property Value	Deposit required (Assume 10%)	Mortgage required (Subsidy required shown below in brackets)	Mortgage cost pcm (Assume rate of 5% for 25 yrs)	Rent / equity loan interest charge pcm	Total pcm	Household income required
£120,000	£3,000	£27,000 (£90,000)	£157.21	£206.25	£363.46	£13,185
£180,000	£4,500	£40,500 (£135,000)	£235.81	£309.38	£545.19	£19,788

Shared ownership housing schemes are tailored for people who cannot afford to buy a suitable home by outright purchase, and who are in housing need. When someone moves

⁹ Source: Figures used taken from Orbit Homebuy Agents Comparison Tables, July 2011. Although these figures are based on a 25% share it is now more common to start at 30%.

out of a shared ownership property, their property will either be offered to the housing association to find a buyer or it may be advertised in the local estate agents.

Shared ownership affordability can be estimated by assuming the householder will purchase a 25% share of the property. To buy this 25% share, the householder would need at least a 10% deposit. Rent would be paid on the unsold equity at a rate of 2.75%. It is likely that a small service charge would also be applicable. Table 3 estimates shared ownership affordability.

Should a household not be able to afford shared ownership, then they could opt for a rental property.

Renting

Table 4 shows the typical cost for renting privately and compares this with the typical rental cost of a new Housing Association property. The Government has recently taken steps to bring social housing rents closer to private sector ones, with rents for new tenants set at up to 80% of the amount you would have to pay in the private sector. Recent estimates by Cambridgeshire County Council suggest that the Local Housing Allowance would be sufficient to cover the cost of a one-bed or two-bed property but not a three-bed property in Balsham ward at the maximum affordable rent.¹⁰

Table 4: Comparison of property rental costs in Balsham ward¹¹

No. of Beds	Private	Housing Association
	Average rent per week	Maximum affordable rent per week (80% of median market rent)
1 (or bedsit)	£125 - £149	£100 - £124
2	£150 - £174	£100 - £124
3	£200 - £224	£150 - £199

¹⁰ Source: <http://atlas.cambridgeshire.gov.uk/Housing/LHA/atlas.html>

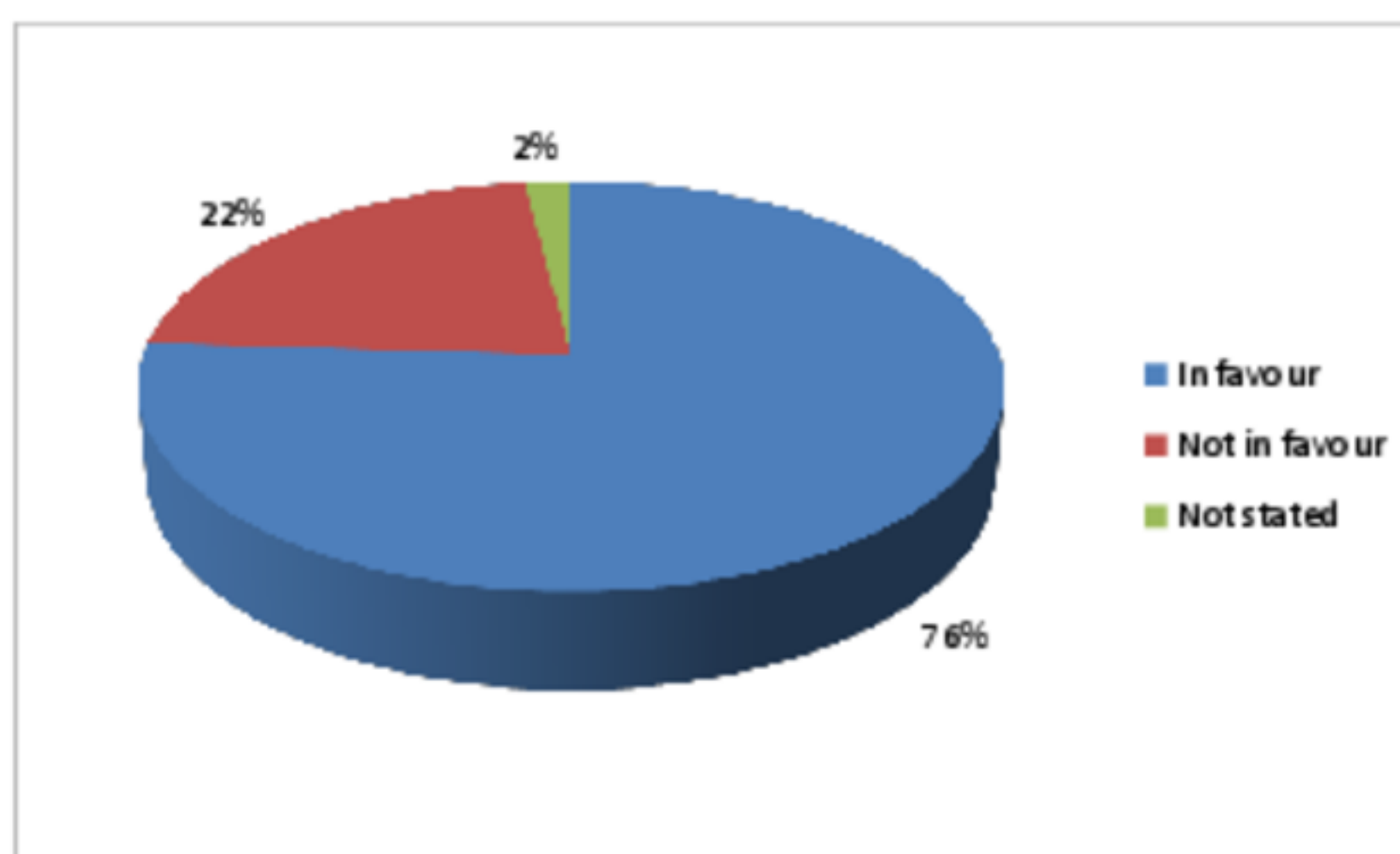
¹¹ Source: <http://atlas.cambridgeshire.gov.uk/Housing/LHA/atlas.html> (for electoral ward of Balsham which includes the parish of West Wrattling alongside the parishes of Balsham, Carlton, Castle Camps, Horseheath, Shudy Camps, West Wickham and Weston Colville)

RESULTS FROM PART ONE – VIEWS ON AFFORDABLE HOUSING DEVELOPMENT AND IDENTIFYING THOSE IN HOUSING NEED

Views on Affordable Housing Development in West Wrattling

All respondents to the survey were asked if they would be in favour of a small development of affordable homes for local people within the parish. Seventy six per cent of respondents stated that they would support such a development whilst 22 per cent were opposed. Two per cent did not state an opinion. This is illustrated in Figure 1.

Figure 1: Attitude towards affordable housing development



Respondents were also asked how they felt about the possibility of a small development that included both private housing and affordable homes. This model is potentially attractive to Housing Associations as the sales generated from the private housing can help to fund the development of the affordable houses. Support was slightly lower for this option with 71 per cent in favour, 26 per cent opposed and three per cent not stating an opinion.

Many respondents chose to include additional comments to qualify their answers. A selection is presented here, grouped by theme. They highlight some of the key issues in the minds of local people.

Although there was a strong level of support for a scheme this was caveated with the requirement for any development to be appropriate to the needs of the village. Target audience, scale and design were recurring themes:

- *The village needs more diversity. Young and old.*
- *Yes - if small. We had a "come and have your say" day in January. The view of villagers is that they do not want to change/expand the village much but recognise there may be a need for a small number (no more than 5) of smaller/more affordable homes for downsizing.*

- *We need a small development of homes for rent, shared-ownership and other LCHO schemes. There are good sites at the top of the village. In recent years, most 'normal' houses in the village have been bought by speculators and bulldozed to make way for more expensive homes. However, we also need a bus service and shop to cater for the village, especially if starter homes are to come here.*
- *Small means less than 10. Local people as defined on first page.*
- *So long as it is for the benefit of 'locals' first and foremost as you set out on first sheet.*
- *Small houses and small bungalows to downsize.*
- *Only if the development was totally in keeping with existing housing in the village and houses were of appropriate size and character. Only for local people. I do not want West Wratting turning into a suburb of Haverhill.*

A number of respondents were concerned about the capacity of the existing infrastructure to cope with further development:

- *No facilities in village, no bus service to speak of. All residents require at least 1 vehicle therefore any development will increase the strain on local transport i.e. Substandard roads that are too narrow etc. No local employment, so assume any residents will be on benefits.*
- *Any development in West Wratting must be undertaken sympathetically. Any development also needs to be carefully considered as there are no shops, nor are there schools, so children need to be bussed to Balsham and now 16-18 education is compulsory, to Cambridge. As buses have been cut, those on lower incomes may find themselves isolated in rural communities such as West Wratting.*
- *I would not wish for the character of the village to be altered by any additional development and would be dismayed if green spaces were built upon. I would also comment that there is little point in providing affordable housing (for low income families) if public transport links continue to be reduced, if not completely removed.*

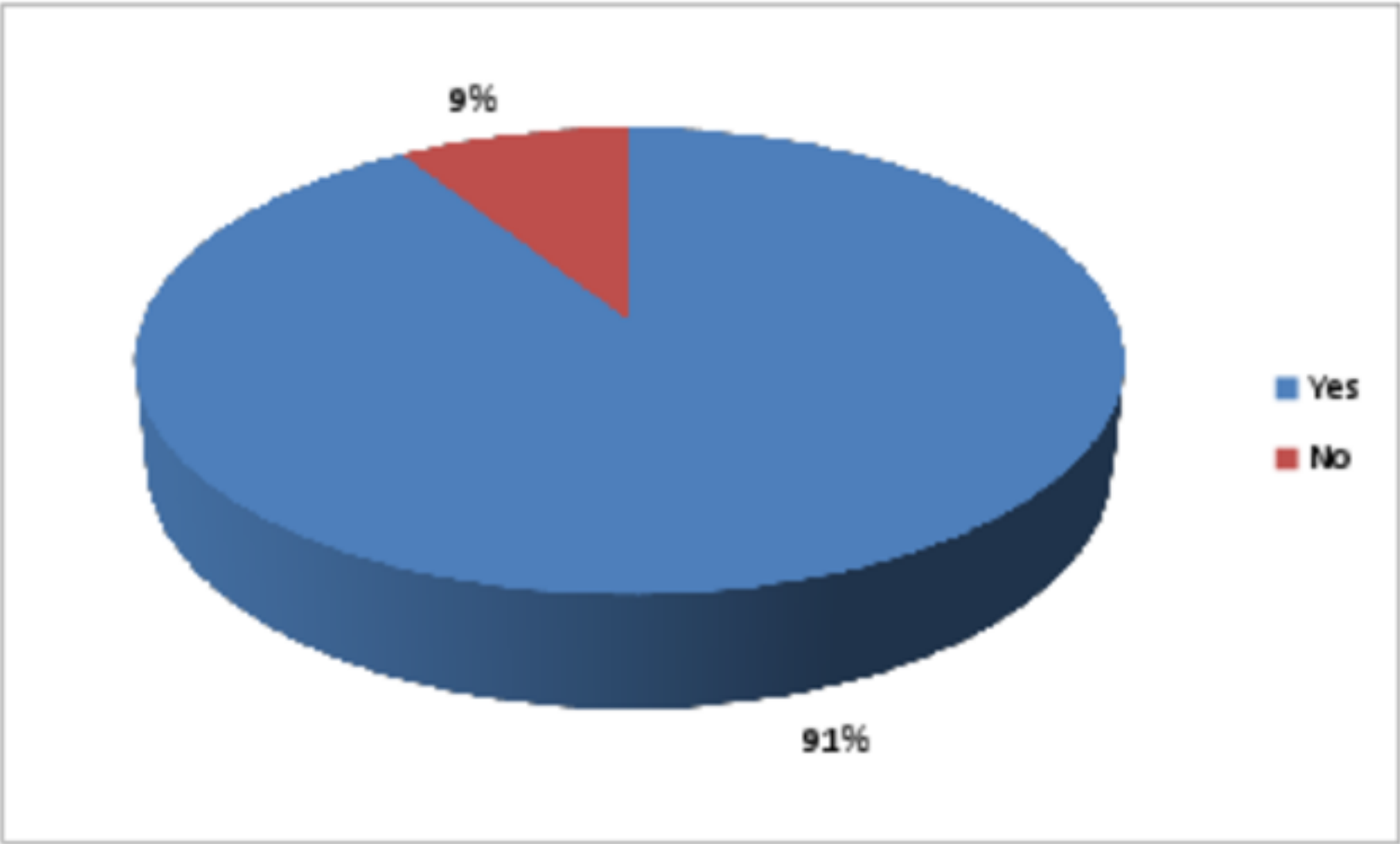
A few respondents were simply opposed in principle to further development in the village:

- *The village is crammed with enough houses already. To build affordable housing would destroy the village.*
- *Transport issues need addressing as very limited access without car, also shop and school access. It will be interesting to see the result - can never quite grasp that we can only live where we can afford but if on a low income you seem to have a right to live where you want. I would like to live in a nice home closer to Cambridge and amenities - can I?*

Suitability of Current Home

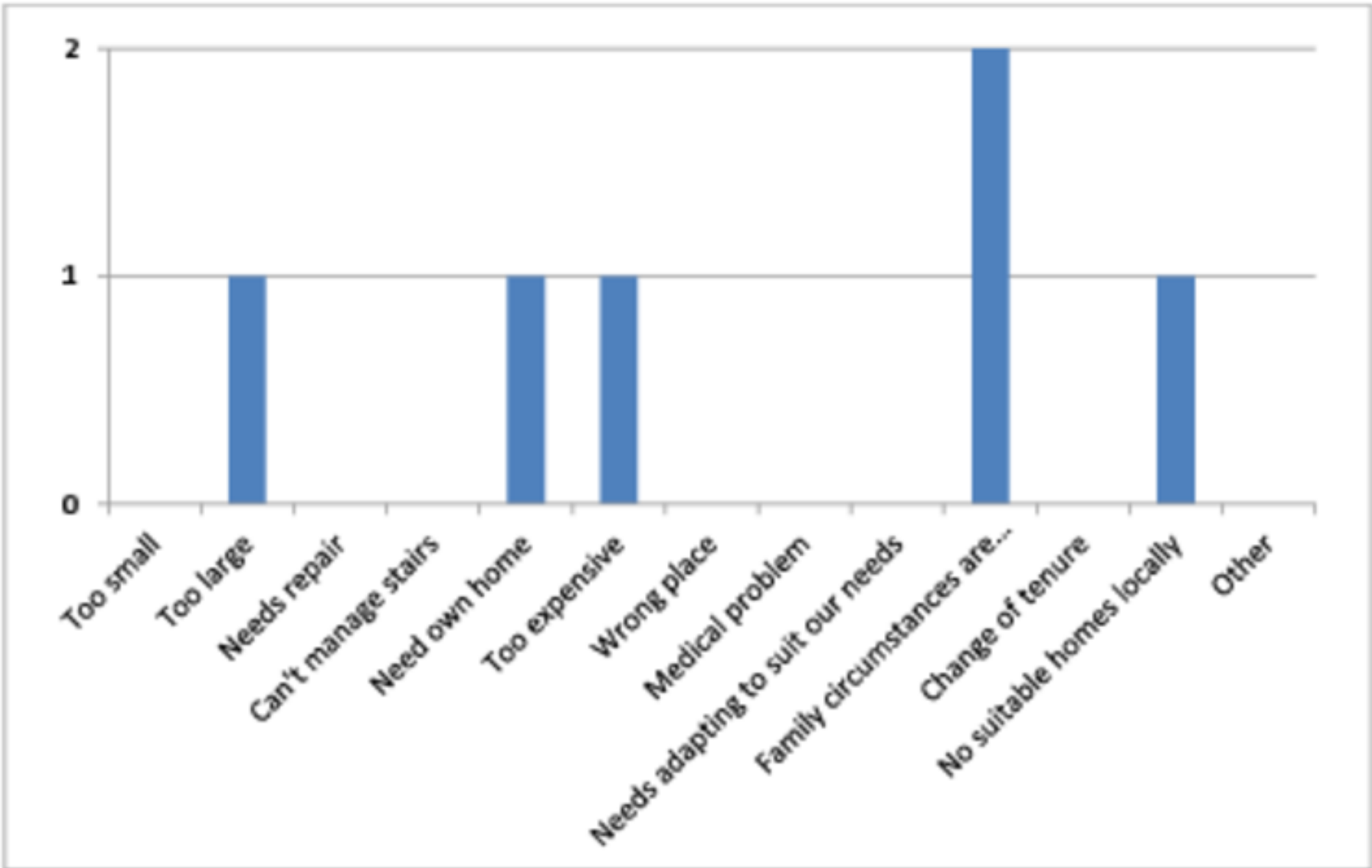
Respondents were asked to indicate whether or not their current home was suitable for their household's needs. Figure 2 shows that 91 per cent of respondents felt their current home was suitable for their household needs, with nine per cent indicating that their current home is unsuitable for their needs.

Figure 2: Suitability of current home



The nine per cent of respondents who indicated that their current home is unsuitable for their needs equates to five households. Those stating their current home is unsuitable were asked to indicate the reasons why. Respondents were allowed to give more than one reason for unsuitability, so all responses are recorded. Figure 3 illustrates the reasons respondents gave for their current home being unsuitable. ‘Family circumstances are changing’ was the most common response. Other responses were ‘Home too large’, ‘Need own home’, ‘Too expensive’ and ‘No suitable homes locally’.

Figure 3: Reasons why current home is unsuitable



In general, the most frequently quoted reasons for the household's current home being unsuitable are:

The property is too small: If the family is getting larger through additional children, through blended families or through families merging to provide care and support, then the property may become too small for the family's needs

The property is too large: Large homes are expensive to heat and maintain

The property needs repair: Older properties can require significant repairs that can be prohibitively expensive

It needs a bathroom: This is usually a question of accessibility, with the bathroom being upstairs when the person can no longer use the stairs easily.

The property requires adaptations: To make the property more suitable for the occupants' needs (which relates to people having medical problems).

The property is too expensive: As family circumstances change, people no longer require large properties and think about 'downsizing' to a more appropriate home.

It is in the wrong place: Where people indicate that their current property is in the wrong location; usually this is an accessibility problem as people can no longer get to the shops or to visit their friends and family.

Medical problems: This may mean that a previously ideal property becomes unsuitable, for example, if an occupant can no longer manage the stairs or if they need access to a ground floor bathroom and their home has no such facility. These people's needs may be better met through a bungalow, but these properties are not always available within the same village.

The need to set up their own home: Usually people wishing to move away from the family home, for example young people living with their parents who wish to leave home.

Changing family circumstances: In this survey, this was the most popular reason given for households needing to move. Situations like divorce, a new baby or an elderly relative moving in could be factors in a home becoming unsuitable. These factors may dictate moving to a smaller, cheaper property or to a larger one to accommodate new members to the family.

Change tenure: This reason is usually given when people want to move from a privately rented property to a cheaper housing association property, or they may live in tied accommodation and are considering retirement or a change of employment which will oblige them to leave their current home

No suitable homes available locally: People wish to stay in the area due to family reasons, schools or work but are unable to find a home more suited to their needs. Larger family

homes and reasonably priced bungalows are the most commonly required properties and are often in short supply.

RESULTS FROM PART TWO – IDENTIFYING CIRCUMSTANCES AND REQUIREMENTS

Part Two of the Survey was only completed by those respondents who had indicated that their current home was unsuitable for their household's needs and who were therefore potentially in housing need. Responses to Part Two were made on behalf of five households.

An assessment of each response has been undertaken by Cambridgeshire ACRE and a decision made regarding whether the household can be considered a potential candidate for affordable housing in West Wrating based upon:

- particular medical and welfare needs,
- evidence of local connection,
- ability to gain access to and maintain suitable housing privately.

Following this assessment, two households were excluded leaving three households who were actually considered to be in need of affordable housing. One household was excluded because it planned to address its housing needs through the private housing market. Another household failed to provide sufficient information for any assessment of need to be made.

The remainder of this section sets out the overall findings regarding those found to be in need of affordable housing in West Wrating. It should be noted that the results are based on those households completing the Housing Needs Survey. It does not include details of other households identified through the Housing Register (set out in the Summary and Recommendation section).

Local Connection to West Wrating

Residence and family connections

Respondents were asked to indicate whether or not they currently lived in West Wrating or whether they had family connections to the village. All three households have lived in the village for at least ten years. However, they do not have strong family connections in the village.

Table 5: Length of time living in the village

	Frequency
Less than 1 year	0
1-5 years	0
5-10 years	0
10-15 years	1
More than 15 years	2
Not stated	0
Don't live in village	0
Total	3

Household Composition

The survey sought to understand the gender, age and status of those who might potentially live in any affordable housing built as a result of this survey.

Number of people who will make up the household

Table 6 sets out the number of people making up each household. All three households would be two-person households.

Table 6: Number of people in the household

	Frequency	No of people
1 person	0	0
2 people	3	6
3 people	0	0
4 people	0	0
5 people	0	0
6 people	0	0
7 people	0	0
Total	3 households	6 people

Gender and Age

Respondents were asked to identify the gender and ages of those people who would make up their household. All three households comprise couples aged 50+.

Table 7: Age profile of residents

	Frequency
Under 16	0
16 - 24 years	0
25 - 29 years	0
30 - 39 years	0
40 - 49 years	0
50 - 54 years	2
55 - 59 years	1
60 - 64 years	1
Over 65 years	2
Not stated	0
Total	6 people

Status

The survey sought to understand the employment status of those indicating a housing need. All three households have at least one person in employment. However, all are likely to be facing retirement in the next ten years or so. There is a particular issue with tied accommodation. Those in tied accommodation will need to find alternative accommodation when they retire or if they change job. There may be a timing issue with when people want to move.

Table 8: Status of people in the household

	Frequency
Employed	4
Unemployed	0
Economically inactive	0
Student	0
Child	0
Retired	2
Not stated	0
Total	6 people

Property Type, Size and Tenure

The survey allowed respondents to indicate the type (e.g. house, bungalow, flat, etc.), size (in terms of number of bedrooms) and tenure they would prefer. However, in concluding what type, size and tenure of properties should actually be built, this report's recommendations are based on actual need rather than respondent aspirations. This analysis has been done by reference to South Cambridgeshire District Council's Lettings Policy Document.¹² The results are presented in the next section.

One distinctive feature of the West Wrating results is that although all the households would potentially qualify for a bungalow on age grounds none of the survey respondents requested this. All stated a preference for a house rather than a bungalow.

SUMMARY AND RECOMMENDATION

This report has been informed by primary data (the Housing Needs Survey) and secondary data (local house price and income data, Census data, Housing Register). The report has identified a small affordable housing need in West Wrating Parish.

Pre-Existing Evidence from the Housing Register

The local Housing Register was searched for households in need of affordable housing who either live in West Wrating or have a local connection to the Parish. There are three households on the Register that meet these criteria. This data has been combined with the results of this survey in order to calculate overall need.

The properties that would need to be built and then let out through a Housing Association to accommodate those households on the Housing Register are as follows¹³:

¹² See http://www.scambs.gov.uk/documents/retrieve.htm?pk_document=906206

¹³ Codes used are F (Flat), H (House) and B (Bungalow)

1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	3
		1			2										

Findings from Housing Needs Survey

The Housing Needs Survey conducted in West Wrating identified three households in need of affordable housing. One of these households was found to be already registered on the Housing Register and so was removed from the results, reducing the need identified through the survey to two additional households.

Both of these households would require a property let out through a Housing Association. The properties that need to be built to accommodate these households are as follows:

1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	2
					2										

No households were found who would potentially be candidates for shared ownership.

Conclusion

There are five households identified as being in need of affordable housing who either live in, or have a local connection to, West Wrating:

1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	5
		1			4										

All households have been allocated to bungalow accommodation as this is our practice for households including a person aged over 55. However, households identified through the Housing Needs Survey expressed no such preference and discussions should take place with the Parish Council as to the most appropriate housing form mix.

Recommendation

To fulfil all current and immediate housing need in West Wrating, five new affordable homes would have to be built.

This relatively small level of need is below the scale which some Housing Associations consider to be economically viable. Discussions will be needed between the Parish Council, Hastoe Housing Association and South Cambridgeshire District Council to see if a viable scheme can be delivered which meets the needs, and addresses the concerns, of the Parish Council.

APPENDIX 1: CHOICE BASED LETTINGS AND LOW COST HOME OWNERSHIP

Most people access affordable housing through either the Choice Based Lettings or Low Cost Home Ownership schemes. These prioritise people with the greatest level of need. Rural exception sites differ in that they prioritise local connections to a parish over level of need.

Choice Based Lettings



Home-Link is the Choice Based Lettings scheme for the Cambridge sub-region. Choice Based Lettings aims to make the application process for affordable rented housing easier and to give people more choice about where they live.

Housing is allocated on a 'needs basis'. In other words, those people that have the greatest level of need and have been in need for the longest time are given priority. Everybody on the Housing Register is assessed and placed into a band of need. Band A is the greatest level of need. Band D is the lowest.

The scheme means there is just one Housing Register for the Cambridge sub region with only one form to complete. When applicants are accepted onto the Register they are told what Band they have been assigned to, what size and types of property they can apply for and which areas they can apply in. Generally people can apply for properties within the Local Authority in which they reside. If the person has a local connection to other areas (through, for example, work) they may be able to apply in these areas as well. A small proportion of properties in every Local Authority are set aside for applicants living anywhere in the Cambridge sub region.

A distinctive feature of rural exception sites is that they have a 'local connection' condition attached to all affordable dwellings in perpetuity. This means that priority will always be given to people with a local connection to the parish even when their level of need is assessed to be lesser than other potential applicants.

Low Cost Home Ownership



Orbit HomeBuy Agent, the government-appointed HomeBuy Agent, responsible for marketing all low cost home ownership schemes in the Cambridge sub region, offers a Shared Ownership scheme called 'New Build HomeBuy'.

People buy a share in a property built by a housing association and pay a subsidised rent on the part that they do not own. They can buy an initial share of between 25% and 75% of the property and pay rent on the remaining share.

In some shared ownership schemes, the householder can buy additional shares until they own the property outright. This is known as 'staircasing'. However, on rural exception sites ownership is limited to 80% to ensure the dwellings remain 'affordable' in perpetuity. Again, priority is given to people with a local connection to the parish.