

# Sutton Neighbourhood Plan



## Consultation Report

### Appendix CR10

## Housing Needs Survey Report (Redacted Version)

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# **Housing Needs Survey Report**

## **Sutton**

**February / March 2019**

*[Public (redacted) Version]*

*Completed by Bedfordshire Rural Communities Charity*



This report is the property Sutton Neighbourhood Plan Steering Group / Sutton Parish Council.

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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 aimed to assess the need of local people for either affordable housing or market housing in Sutton.

### **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 Sutton.

### **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 Sutton

A large amount of the data in this section of the report is based on census data. Upon examination of the 2001 and 2011 census data for Sutton, it is noted that the Parish of Sutton has been merged with the Parish Meeting of Eyeworth. As a result of this the data in this section of the report will have to be based on the combined data as this is the only available source.

### 2.1 Population and demographics

In 2011 (latest census information available) in the parish of Sutton there were 160 households containing 370 residents<sup>1</sup>. Compared to 2001, this represents an increase of around 4.5% in terms of households (from 153) but a decrease of 4% in terms of residents (from 385).

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

Age	% Sutton 2011	% Sutton 2001	% C Beds 2011
0 – 4	4.4	5.4	6.3
5-15	10.1	13.2	13.3
16-17	2.5	2.3	2.6
18-64	60.8	61.3	62.1
65-84	19.7	17.1	13.8
85+	2.5	0.8	1.8

The age demographics has got slightly older in Sutton over the 10 years between 2001 and 2011. The proportion of those aged 65+ has risen from 17.9% in 2001 to 22.2% in 2011. The age profile is also older than that of Central Bedfordshire as a whole.

### 2.2 Household Composition

	% Sutton	% Central Beds
1 person - pensioner	15.8	11.2
1 person - other	6.3	14.7
Couple – no children	31.0	20.5
Couple + dependent children	17.1	23.1
Couple + non-dependent children	8.9	7.3
Lone parent + dependent children	3.2	6.5
Lone parent + non-dependent children	1.9	3.1
All aged 65 and over	13.3	8.7
Other	2.5	4.9

There are higher levels of person pensioner households, households with couples and no children and households aged over 65 years than Central Bedfordshire as a whole. Households with dependent children were lower than Central Bedfordshire's averages.

### 2.3 Housing Tenure

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<sup>1</sup> 2011 census data – other data also from this source unless otherwise specified

	<b>% Sutton</b>	<b>% Central Beds</b>
Owned outright	36.7	31.6
Owned with mortgage/loan	34.8	40.9
Shared ownership	0.0	0.8
Social rented	13.9	13.4
Private rented	12.0	12.1
Living rent free	2.5	1.1

The majority of households are owner occupiers in Sutton, with higher levels of properties owned outright compared to Central Bedfordshire's averages but slightly lower levels of homes owned with a mortgage or loan. At the time of the data being recorded there were no shared ownerships properties in the parish. Levels of both social and private rented properties were on a par with that of Central Bedfordshire.

## **2.4 Dwelling Types**

	<b>% Sutton</b>	<b>% Central Beds</b>
Detached house	48.5	28.2
Semi-detached house	38.7	33.8
Terraced house	11.0	25.3
Flat	1.8	11.7
Caravan/other temp. accommodation	0.0	1.0

There are considerably more detached and slightly more semi-detached properties, with correspondingly fewer terraced houses and flats in Sutton compared to Central Bedfordshire averages.

## **2.5 Housing in poor condition**

	<b>% Sutton</b>	<b>% Central Beds</b>
Households in overcrowded conditions	1.3	4.6
Households without central heating	1.3	1.7
Households in fuel poverty (2011)	10.5	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 over-crowding counts as a housing need for households applying to join the Housing Register. In 2011 there were below 5 households in Sutton classified as being overcrowded, which works out as lower than the Central Bedfordshire average.

Where central heating is not present, fuel poverty is significantly more likely. Fewer than 5 households had no central heating, working out at just below the average for the district. Fuel poverty levels are slightly above that of Central Bedfordshire.

## **2.6 People on low incomes**

6.4% of all people in Sutton were classified as “experiencing income deprivation” in 2009, just under the Central Bedfordshire average of 8.0%. In 2007/08, 14.6% of households were calculated as receiving below 60% of the median income, below the Central Bedfordshire average of 15.7%.

9.9% of working age people were claiming DWP benefits in August 2012, just over the Central Bedfordshire average of 9.5%; and 12.3% of people over 65 were claiming pension credit, below the Central Bedfordshire average of 17.7

## **2.7 Households on Central Bedfordshire Council Housing Register**

There are currently 2 Sutton households on the Central Bedfordshire Council Housing Register. There are 2 main priority bands which housing register applicants are assessed and placed within, both households on the register are in the second priority band.

Of those 2 applicants on the housing register, 1 would be eligible for a 1 bedroom property and the other 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.

Applicants to the register are no longer asked where they would prefer to live, so it is not possible to know whether the above household would wish to remain in Sutton.

## **2.8 Health and disability**

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

8.6% of those aged 65 and over in Sutton (around 5 people) were claiming Attendance Allowance (a non-means-tested benefit for severely disabled people aged 65 or over who need help with personal care) in August 2012, under the Central Bedfordshire average of 13.9%. 3.3% of the population were claiming Disability Living Allowance, in line with the Central Bedfordshire average of 3.4%.

11.2% have a limiting long-term illness, under the Central Bedfordshire average of 14.4%.

### 3. Housing Availability and Affordability in Sutton

#### 3.1 Housing affordability ratio

The 'affordability ratio' (median house prices as a ratio of median household earnings) for Sutton in 2008/09 (latest data available) was 15.1. In other words, houses on the market cost on average 15.1 times annual incomes<sup>2</sup>.

#### 3.2 Dwellings in lower Council Tax Bands

1.3% of dwellings in Sutton are in Council Tax Band A, and 12.8% in Band B, compared to 8.6% and 20.4% for Central Bedfordshire as a whole. The lower level of Band A and B properties indicates a relative shortage of affordable housing for purchase in Sutton.

#### 3.3 Current property availability for sale in Sutton

In February 2019, we found 3 residential properties for sale in Sutton parish:

No. of bedrooms	Number	Asking price (range)
5 bedrooms house	1	£599,950
4 bedrooms house	0	N/A
3 bedrooms house	1	Offers in excess of £280,000
2 bedrooms house	1	£300,000
1 bedroom house	0	N/A

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

#### 3.4 Property sales over last 3 years

Property sales over the last 3 years in Sutton parish can be broken down as follows<sup>3</sup>:

	2016	2017	2018
<b>£100,000 and under</b>	0	0	0
<b>£100,001 – 150,000</b>	0	0	0
<b>£150,001 – 200,000</b>	0	0	0
<b>£200,001 – 300,000</b>	1	0	0
<b>£300,001- 400,000</b>	1	1	1
<b>£400,000 +</b>	0	2	2
<b>Total</b>	<b>2</b>	<b>3</b>	<b>3</b>

Only 1 property has sold for under £300,000 in the last 3 years.

The cheapest property to be sold in the last year, was a 2 bedroom house for £307,000.

The average price of a house sold in Sutton in 2018 was £497,333.

<sup>2</sup> Data from community profile for Sutton (Parish), © ACRE, RCAN, OCSI 2013

<sup>3</sup> Data sourced from [www.rightmove.co.uk](http://www.rightmove.co.uk)

### **3.5 Current property availability for rent in Sutton**

In February 2019, there were no residential property available for rent in the parish of Sutton. When we looked within half a mile of the parish, 2 properties were available for rent within Potton, a 1 bedroom apartment for £685pcm and a 3 bedroom house for £1,000pcm.

### **3.6 Household income required by first time buyers or renters in Sutton**

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."<sup>4</sup> This is reflected in the fact that the 'average income multiple' in lending to first-time buyers in October 2017 was 3.6.<sup>5</sup>

According to the DCLG guidance, in order to purchase the cheapest property currently available in Sutton (a 3 bedroom house for offers in excess of £280,000) as a first time buyer, a single earner household would need an annual gross income of over £80,000 and dual-income household would need over £96,500. It should be noted that the median annual full-time wage in the UK stood at £28,200 in April 2016<sup>6</sup>.

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 cheapest available property within half a mile of the parish (a 1 bedroom apartment at £685 pcm), a household's gross income would therefore need to be over £32,800. If a small 1 bedroom apartment was not suitable for the household, such as a young family, then an income of £48,000 would be required to afford the 3 bedroom terraced house available for rent, also in Potton.

### **3.7 Minimum deposit required by first time buyers in Sutton**

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%<sup>7</sup>, 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 on the market in the parish (3 bedroom house) at £280,000, would require a deposit of around £14,000. At the current average of

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<sup>4</sup> Strategic Housing Market Assessments: Practice Guidance Version 2 (DCLG 2007)

<sup>5</sup> Council of Mortgage Lenders

<sup>6</sup> HMRC, December 2013

<sup>7</sup> Council of Mortgage Lenders

84.7% loan to value, a deposit of over £42,800 would be required.

#### **4. Survey process and response**

To study the need for affordable housing in Sutton, 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 Sutton (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 5 years. The findings from this section are analysed in chapters 6 and 7.

We received 48 responses from around 123 distributed, a return rate of around 39%. This is a really good response rate for a housing needs survey (typical return rate is 20-25%).

#### **5. Views on housing needs in Sutton**

69% of respondents would support a small or medium development of affordable homes specifically for people with a local connection to the parish (Q1).

10% 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**

4 respondents indicated that their current home is not suitable for their households needs now or within the next 10 years, by completing the second section of the questionnaire.

Out of these, 2 respondents were existing owner occupiers who were only looking to buy on the open market. These respondents will be considered in Chapter 7.

The other 2 respondents were either considering affordable rent, shared ownership or a starter scheme or were not currently owner occupiers; they will be considered in this chapter.

*In order to protect respondent confidentiality, detailed responses for section 6 have been redacted due to the small number of respondents (owing to the size of the parish). A brief summary is included here instead:*

*Both respondents would be looking for different accommodation (Q5) within the next 5 years and have a strong local connection. The demand identified was mainly for 2 bedroom houses.*

*Based on the data provided, only 1 of the 2 households could potentially afford to purchase or rent the cheapest property available on the open market in Sutton and that is only if their income is significantly higher than the top level of £50,000 within the questionnaire.*

[Detailed responses for the following sections have been redacted due to the small number of respondents:

- 6.1 Timescale of housing need
- 6.2 Household composition
- 6.3 Nature of local connection
- 6.4 Current housing circumstances of households in need
- 6.5 Size, type and tenure of housing sought
- 6.6 New household composition
- 6.7 Gross income of households in need
- 6.8 Savings or equity of households in need]

## **7. Analysis of need – market housing**

### **7.1 Timescale of housing need**

Chapter 7 will consider the 2 owner occupier households (mentioned in chapter 6) looking to purchase housing on the open market in Sutton over the next 10 years.

*In order to protect respondent confidentiality, detailed responses for section 7 have been redacted due to the small number of respondents (owing to the size of the parish). A brief summary is included here instead:*

*The timescale in which these 2 respondents indicated that they would be looking for different accommodation (Q5) was between 5 and 10 years. Based on the responses, there appears to be a small demand for both houses and bungalows / retirement housing with 2-3 bedrooms.*

[Detailed responses for the following sections have been redacted due to the small number of respondents:

- 7.2 Household composition
- 7.3 Sizes and types of house required]

## **8. Conclusions and recommendations**

### **8.1 Affordable housing**

Analysis of the data considered in Chapter 6 has identified a very small need for affordable housing within Sutton from households resident in (or with strong links to) the parish, that is unlikely to be met by normal market provision. This need is split between young adults/couples who want to move out of the family home and/or get on the housing ladder and families wanting housing more suitable for their needs.

Affordable rented and shared ownership housing for local people in Sutton could be provided by including a rural exception site policy within the Neighbourhood Plan, which would provide affordable housing for which households with a local connection would take priority.

Based on data supplied by respondents, up to 2 households with a local connection

would be suitable for housing within a rural exception site development, whether for rent, shared ownership or as part of a starter homes scheme. 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. Based in this identified need a recommendation of **2 units** of affordable housing would be made.

Our assessment from the data is that the 2 units could be broken down as follows:

1 x 3 bed house (rent)

1 x 2 bed house (shared ownership or starter homes initiative)

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 very small need for **2 bed bungalows or retirement properties** (e.g. houses built to Lifetime Homes criteria) if Sutton is to meet the identified current and future needs of existing owner occupier residents wishing to stay in the parish.

The evidence for this is as follows:

- The relative shortage of cheaper properties in Sutton, as well as an apparent shortage of properties targeted at older people.
- The 2 owner occupier respondents who would be looking for smaller or more suitable properties at some point over the next 5-10 years.

If suitable smaller properties were more widely available, this would be likely to address under-occupation and free up larger houses for growing families to purchase as they work their way up the housing ladder.

It should be noted that there is no guarantee that housing sold on the open market will be bought by people with a local connection to Sutton. 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 2 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 or as part of a rural exception site, with the market housing cross-subsidising the affordable housing.