

## APPENDIX 5: AFFORDABLE HOUSING FOR SALE ASSESSMENT



# Stathern Parish Affordable Housing for Sale Assessment

June 2020

## Purpose

This report provides an assessment of the need for affordable housing for sale in the Parish of Stathern within the Borough of Melton in Leicestershire.

Affordable housing is not merely cheaper housing, but planning terminology meaning those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF), namely: social rent, affordable rent, affordable private rent and forms of affordable housing designed to offer affordable routes to home ownership.

This will help to inform the emerging Neighbourhood Plan in relation to the opportunities to both identify the need for affordable housing for sale and to see how the Neighbourhood Plan can address the issue.

## Context

According to the latest annual Halifax Rural Housing Review (Halifax, 2017), homes in rural areas across Great Britain are 20% more expensive on average than in urban areas. In financial terms, this percentage equates to £44,454.

However, regionally, these figures increase or decrease dramatically depending on the locality. For example, the West Midlands is the region that commands the highest rural premium across Great Britain. Here, the average house price in rural areas is 47%, or £89,272 higher than the region's urban areas, and in contrast, the East of England has the lowest rural housing premium of 9% or £27,765.

Data from the review shows that first time buyers have more or less found themselves priced out of rural areas. They account for 41% of all mortgaged products in rural areas, compared with 53% in urban areas. Affordability is the main reason for this.

In a local context, figures for the East Midlands show a 38% increase in rural average house prices in the period 2012 - 2017. This equates to a rural housing premium of £55,426, compared to urban locations.

Areas which are predominantly rural typically have higher house prices than urban locations, thus making them less affordable. In 2016, the average lower quartile house price was 8.3 times the average lower quartile earnings in rural areas, in comparison with 7 times in urban areas.

In 2018, the National Housing Federation stated that 'the housing crisis in rural England is acute, with the most affordable rural homes costing 8.3 times wages in rural areas (National Housing Federation, 2018).

# Stathern

Stathern Parish is within Melton Mowbray district in Leicestershire; 6 miles SSW of Bottesford.

The village has an Anglican church, St Guthlac's, listed Grade II\*. Parts date from the 13th and 17th centuries. It was restored in 1867–1868 under R. W. Johnson. Guthlac of Crowland was a Lincolnshire hermit-saint of the 7th–8th century. The church has a ring of five bells. It holds a family service at 10.30 am on the first Sunday in the month.

The village primary school in Water Lane dates back at least to 1868 and in some form to 1845.[6]

The public house, The Plough Inn, also acts as a restaurant and provides thrice-weekly post office services. There are garage services, a café and general store, and also bed-and-breakfast accommodation available in the village.

Two public bus services link Stathern to some neighbouring villages and towns where health, education, employment and other services are located. A recent cost-saving exercise by Leicestershire County Council has resulted in both services being retained, but with frequency of service much reduced. The junction of Main Street and Blacksmith End is used as a turning area by public transport and dedicated school buses alike, posing additional road-safety issues.

According to the 2011 Census, the Stathern Parish had an estimated population of 728 residents living in 294 households dispersed across 866 hectares, equating to a population density of 0.8 persons per hectare which is in lower than the borough (1.0), region (2.9) and England (4.1) averages. There were 7 vacant dwellings representing a 2.3% vacancy rate. It is estimated that the number of people living in the parish increased by 8.3% (56 people) between 2001 and 2011. During the same period the number of dwellings (occupied and vacant) increased by 5% (13 dwellings).

At the time of the 2011 Census, around 21% of residents were aged under 16 which was above borough (18%), regional (18%) and national (19%) rates. Around 62% of residents were aged between 16 and 64 which was lower than the borough (63%) and region (64%) and England (65%) rates.

Older people (aged 65+) accounted for 17% of total residents against 18% for the borough, 17% for the region and 16% for England as a whole. The median age of people living in the local area was 43 which is in line with the borough but above region (40) and England (39) rates.

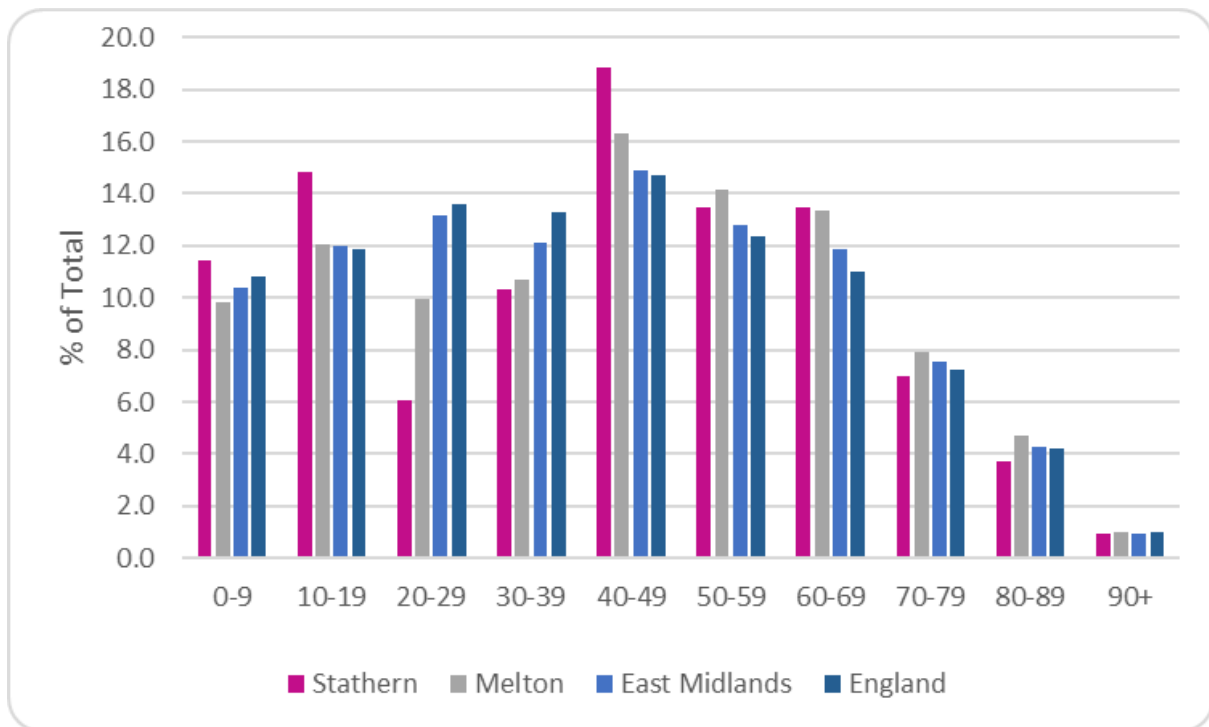
Table 1: Usual Residents by Age Band, 2011

	Stathern		Melton	East Midlands	England
	No	%	%	%	%
Aged 0-4	39	5.4	5.5	6.0	6.3
Aged 5-15	116	15.9	12.6	12.5	12.6
Aged 16-64	452	62.1	63.5	64.5	64.8
Aged 65+	121	16.6	18.4	17.1	16.3
All Usual Residents	728	100.0	100.0	100.0	100.0
Median age	43		43	40	39

Source: Census 2011, KS102

A more detailed breakdown of age bands reveals that at the time of the 2011 Census, Stathern had a high representation of residents aged between 40 and 49 compared with the national average. It has a lower share of people aged between 20 and 29 which may reflect lack of affordable and suitable accommodation for young people entering the housing market.

Figure 1 Population by 10-year age bands, 2011



Source: Census 2011, QS103

The Census data suggests evidence of an ageing population with the number of people aged 60 and over increasing by 26% (38 residents) between 2001 and 2011. Over 60s represented 22% of total population in 2001 compared with 25% by 2011. Research shows the number of older people will grow significantly in the future and relative growth will be highest in older cohorts. Latest available population projections<sup>1</sup> suggest that Melton's 65 plus age group is forecast to grow by around 48% between 2016 and 2036.

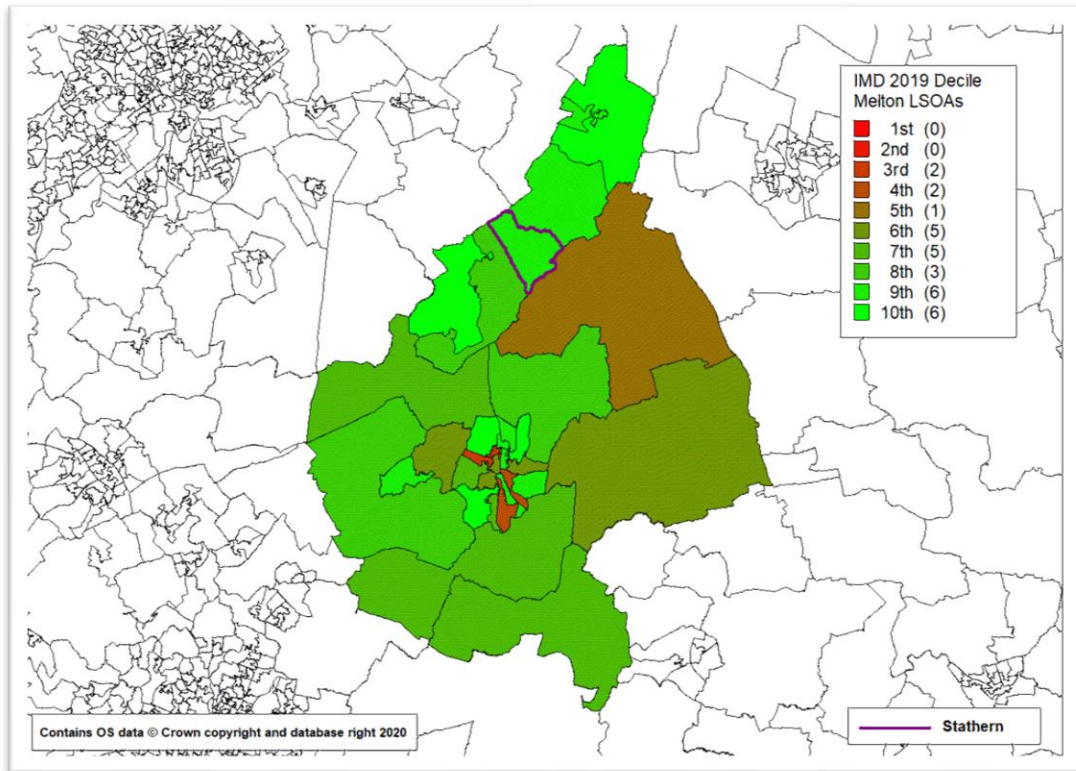
## Deprivation

The English Indices of Deprivation measure relative levels of deprivation in 32,844 small areas or neighbourhoods, called Lower-layer Super Output Areas (LSOAs) in England. The Stathern Parish is situated within one LSOA (E01025892) which also includes several other small settlements (Plungar, Barkestone and Redmile).

The overall Index of Multiple Deprivation Decile (where 1 is the most deprived 10% of LSOAs) (IMD) shows that, on the whole, the local area displays relatively low levels of deprivation, ranking in the 9<sup>th</sup> decile on the overall 2019 Index. The following map illustrates overall Index of Multiple Deprivation deciles within the Melton Borough. The Stathern Parish is denoted by a purple boundary to the north of the borough. However, on closer inspection of the IMD sub domains, the area ranks relatively high (3<sup>rd</sup> decile) on the Barriers to Housing and Services domain which may indicate difficulty to access owner-occupation or the private rental market.

<sup>1</sup> Subnational Population Projections for Local Authorities in England: 2016 based

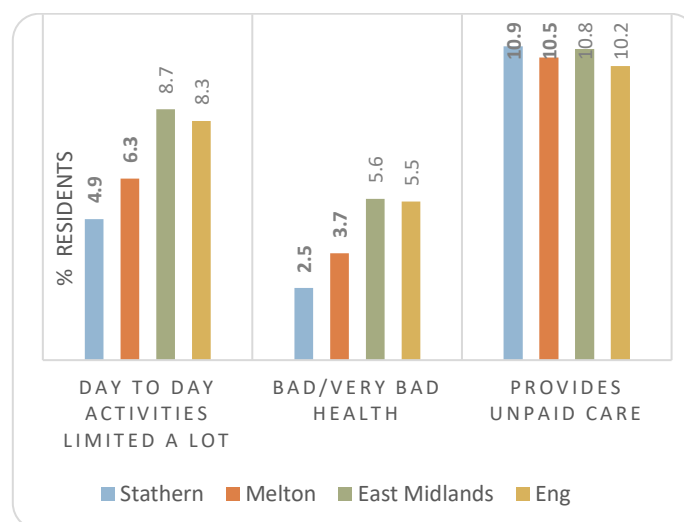
Figure 2 Index of Multiple Deprivation Deciles, 2019 Melton



## Health

The Census highlights ill health and disability is an issue for some residents. Figure 3 shows that at 2.5% the proportion of residents reporting to be in bad or very bad health was below the borough (3.7%), region (5.6%) and England (5.5%) rates. Around 11% of residents are more likely to be providing unpaid care.

Figure 3 Health and Unpaid Care



Source: Census 2011

## Economic Activity

The following table illustrates the working status of residents aged 16 to 74 and accounts for 71% of the population. At 77% the Parish economic activity rate is higher than borough (73%), regional (69%) and national (70%) rates. It has a higher than average share of self-employed residents. At the time of the 2011 Census the unemployment rate was low.

**Table 2: Economic Activity and Inactivity, 2011**

	Stathern		Melton	East Midlands	England
	No	%	%	%	%
All Usual Residents Aged 16 to 74	520	100.0	100.0	100.0	100.0
<b><i>Economically Active Total</i></b>	<b>399</b>	<b>76.7</b>	<b>73.5</b>	<b>69.3</b>	<b>69.9</b>
Employee, Part-time	81	15.6	13.9	38.8	38.6
Employee, Full-time	204	39.2	44.6	14.4	13.7
Self Employed	83	16.0	8.9	8.7	9.8
Unemployed	9	1.7	3.6	4.2	4.4
Full-time Student (econ active)	22	4.2	2.5	3.3	3.4
<b><i>Economically inactive Total</i></b>	<b>121</b>	<b>23.3</b>	<b>26.5</b>	<b>30.7</b>	<b>30.1</b>
Retired	86	16.5	14.7	15.0	13.7
Student (including Full-Time Students)	16	3.1	3.9	5.8	5.8
Looking After Home or Family	16	3.1	3.5	4.0	4.4
Long-Term Sick or Disabled	-	0.0	2.8	4.1	4.0
Other	3	0.6	1.5	1.9	2.2

Source: Census 2011, QS601E

## Household Size

At the time of the 2011 Census, the average household size in the Stathern Parish was 2.5 people which was above the borough (2.3), region (2.3) and England (2.4) rates. The average number of rooms per household stood at 6.9 which was above the borough (6.1), region (5.6) and England (5.4) rates.

The average number of bedrooms per household stood at 3.4 which was higher than the borough (3.0), region (2.8) and England (2.7) rates.

# National Planning Policy Context

The National Planning Policy Framework (NPPF - updated in 2019) confirms the Government's commitment to home ownership, whilst recognising the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.

The 2019 update of the NPPF broadens the definition of affordable housing from merely social and intermediate housing to include a range of low-cost housing opportunities for those wishing to own a home, including starter homes.

Annex 2 defines affordable housing in the following terms:

**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement.



Paragraph 62 of the NPPF says ‘where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site’ unless off-site provision or a financial contribution can be robustly justified; or an alternative approach contributes to the objective of creating mixed and balanced communities.

In paragraph 64 of the NPPF, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”. In line with Planning Practice Guidance, the assumption is that a ‘major housing development’ can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

Paragraph 77 supports opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs.

The NPPF defines self-build housing as ‘housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act’.

The NPPF (paragraph 61) requires local planning authorities to plan for a mix of housing needs, including for older people and people with disabilities.

Neighbourhood Plan policies are required to have regard for national planning policies.

## Local Planning Policy context

Stathern is identified as a Service Centre in the Melton Local Plan. Service Centres are described in the Local Plan as ‘villages that act as a local focus for services and facilities in the rural area. They have the essential services and facilities (primary school, access to employment, fast broadband, community building) and regular public transport, as well as a number of other important and desirable services such that they are capable of serving basic day to day needs of the residents living in the village and those living in nearby settlements. These villages should have all four of the Essential services and a good range of important and other facilities.’

A strategic objective of the Local Plan is to ‘Help provide a stock of housing accommodation that meets the needs of the community, including the need for affordable housing’ (Housing Objective 1 on page 18).

Policy C1 (A) identifies housing allocations in the Local Plan. These include two sites at Stathern – Point Farm Main Street and Land adjacent to Lavesley House for a total of 75 dwellings.

In addition, a reserve site is identified at land west of Blacksmith End for a further 45 dwellings should certain prescribed circumstances apply Policy C1 (B).

Policy C1 (A) supports housing proposals where, amongst other things, they provide affordable housing in accordance with Policy C4.

Policy C2 addresses issues relating to Housing Mix and requires development 'to balance the current housing offer, having regard to market conditions, housing needs and economic viability, taking account of site-specific circumstances and the housing mix information set out in Table 8 or in any future update of the housing mix evidence.

'Residential proposals for developments for 10 or more dwellings should seek to provide an appropriate mix and size of dwellings to meet the needs of current and future households in the Borough including extra care and accessible housing, having regard to the latest evidence of housing need. Residential developments which include bungalows will be particularly supported'.

The narrative before the policy states 'Affordable housing is split between intermediate housing and social/affordable rented, to reflect the difference in the housing mix requirements of each. The housing mix table will be applied having regard to the particular characteristics of a scheme when providing advice on planning applications or where planning permission is sought'.

The section on Affordable Housing in the Local Plan 'seeks to maximise the amount of affordable housing possible on qualifying private housing sites without undermining overall scheme viability. Smaller sites do not 'qualify' for affordable housing under National Planning Guidance so provision is sought from sites of 11 or more units and/or where the floorspace exceeds 1000 m<sup>2</sup>'.

Policy C4 confirms this approach to managing the delivery of affordable homes by stating 'It will do this by applying a target for affordable homes within housing developments on all sites of 11 or more units and/or where the floor space exceeds 1000 m<sup>2</sup>, having regard to market conditions, housing needs, housing mix (in regard to tenure, type and size), economic viability and other infrastructure requirements based on the following percentages for different value areas'.

For Stathern, this minimum percentage is 32%

Policy C5 provides for affordable housing through exception sites. The Policy says:

'To enable the provision of affordable housing in the rural areas, the Council will consider proposals for 100% affordable housing on sites which would not normally be acceptable for general market housing, where there is a demonstrable need from people with a local connection. This 'Rural Exceptions' housing shall remain 'affordable' in perpetuity to continue to meet local need. Starter Homes will not be provided on rural exception sites as they cannot be held in perpetuity in the same way as affordable housing. Rural Exceptions schemes will be considered in settlements with a population of fewer than 3,000 where a demonstrable need exists. Provision may also be made where groups of villages can demonstrate a combined local need. In some circumstances (most likely due to viability), it will be acceptable to provide an element of market housing on rural exception sites, to cross subsidise the affordable housing'.

## Approach

The approach undertaken was to consider a range of local factors in the context of the NPPF and the Melton Local Plan. These included assessments of local demographic data relating to existing property types and tenures (taken from the 2011 Census), house prices in Stathern Parish (Land Registry figures); comments made at a local engagement event; analysis of Housing Needs Surveys undertaken in December 2014 and January 2020; and consideration of housing need in Stathern Parish in conjunction with strategic affordable housing officers from Melton Borough Council.

The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

This evidence will allow Stathern Parish to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The aim of this is to provide the Parish Council with robust evidence on the types and sizes of dwellings needed by the local community. This will ensure future development truly reflects what residents need.

## Research findings

### Existing property types and tenures – Census 2011 data

What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.

This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.

Home ownership levels are very high with around 81% of households owning their homes outright or with a mortgage or loan. This is higher than the borough (72%), regional (67%) and national (63%) rates. Around 10% of households live in private rented accommodation which

is lower than the borough (14%), region (15%) and England (17%) averages. Just 7% of households live in social rented accommodation which is lower than the borough (11%), regional (16%) and national (18%) rates.

**Table 3: Tenure, 2011**

	Stathern		Melton	Eat Midlands	England
	No	%	%	%	%
All occupied Households	294	100.0	100.0	100.0	100.0
Owned; Owned Outright	130	44.2	36.0	32.8	30.6
Owned; Owned with a Mortgage or Loan	108	36.7	36.2	34.5	32.8
Shared Ownership (Part Owned/Part Rented)	-	0.0	0.9	0.7	0.8
Social Rented; Rented from Council (Local Authority)	21	7.1	8.4	10.1	9.4
Social Rented; Other	-	0.0	2.7	5.7	8.3
Private Rented; Private Landlord or Letting Agency	24	8.2	12.7	13.6	15.4
Private Rented; Other	6	2.0	1.5	1.3	1.4
Living Rent Free	5	1.7	1.6	1.3	1.3

*Source: Census 2011, KS402EW*

### Accommodation Type

Data from the 2011 Census shows the majority (61%) of residential dwellings were detached which is somewhat higher than the borough (41%), regional (32%) and national (22%) shares. Semi-detached housing accounted for 25% of the housing stock against 36% for the borough, 35% for the region and 31% nationally. Terraced housing, flats and apartments provide just 13% of accommodation spaces which is lower than the borough (23%), region (32%) and national (47%) shares.

Table 4: Accommodation Type, 2011

	Stathern		Melton	East Midlands	England
	No	%	%	%	%
All household spaces (occupied + vacant)	301	100.0	100.0	100.0	100.0
Detached	185	61.5	40.6	32.2	22.3
Semi-Detached	76	25.2	35.9	35.1	30.7
Terraced	33	11.0	15.7	20.6	24.5
Flat, Maisonette or Apartment	7	2.3	7.6	11.7	22.1
Caravan or Other Mobile or Temporary Structure	-	0.0	0.3	0.4	0.4

Source: Census 2011, KS405EW

### Number of Bedrooms and Occupancy Rates

Around two fifths (40%) of households live in houses with four or more bedrooms which is higher than the borough (26%), regional (20%) and national (19%) averages. There is an under representation of housing for single people with just 2% of dwellings having one bedroom against 6% for the borough, 8% for the region and 12% for England as a whole.

Table 5 Households by number of bedrooms, 2011

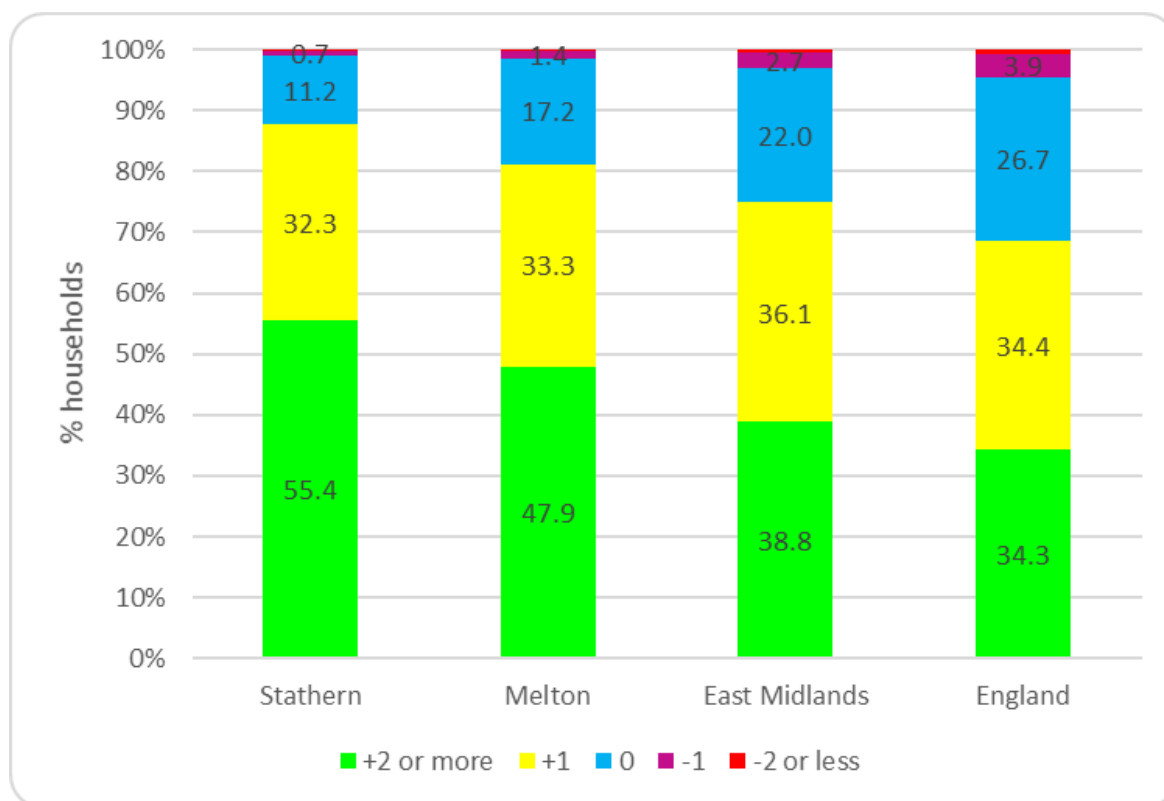
Bedrooms	Stathern		Melton	East Midlands	England
All occupied Household Spaces	294	100.0	100.0	100.0	100.0
No Bedrooms	-	0.0	0.1	0.2	0.2
1 Bedroom	5	1.7	5.9	8.1	11.8
2 Bedrooms	56	19.0	21.7	26.5	27.9
3 Bedrooms	116	39.5	46.3	45.4	41.2
4 Bedrooms	73	24.8	19.5	15.4	14.4
5 or More Bedrooms	44	15.0	6.5	4.4	4.6

Source: Census 2011, LC4405EW

There is evidence of under occupancy in the local area (having more bedrooms than the notional number recommended by the bedroom standard). Analysis of the 2011 Census shows that around 55% of all occupied households in Stathern have two or more spare bedrooms and

around 32% have one spare bedroom. Under occupancy is higher than borough, regional and national averages.

Figure 4: Bedroom Occupancy Rates, All Households, 2011



Source: Census 2011, QS412EW

Under occupancy in the local area is particularly evident in larger properties with around 60% of households with 4 or more bedrooms occupied by just one or two people. This is higher than borough (48%), regional (43%) and England (41%) rates.

Table 6 Households with 4 or more bedrooms by household size, 2011

	Stathern		Melton	East Midlands	England
HHs with 4 or more bedrooms	294	100.0	100.0	100.0	100.0
1 person in household	80	27.2	11.5	10.4	10.6
2 people in household	97	33.0	36.3	32.3	30.3
3 people in household	38	12.9	17.9	18.8	18.3
4 or more people in household	79	26.9	34.3	38.5	40.8

Source: Census 2011, LC4405EW

Census data also suggests that older person households are more likely to under-occupy their dwellings. Data from the 2011 Census allows us to investigate this using the bedroom standard. In total, around 63% of pensioner households have an occupancy rating of +2 or more (meaning there are at least two more bedrooms that are technically required by the household) and is somewhat higher than the 53% non-pensioner household rate.

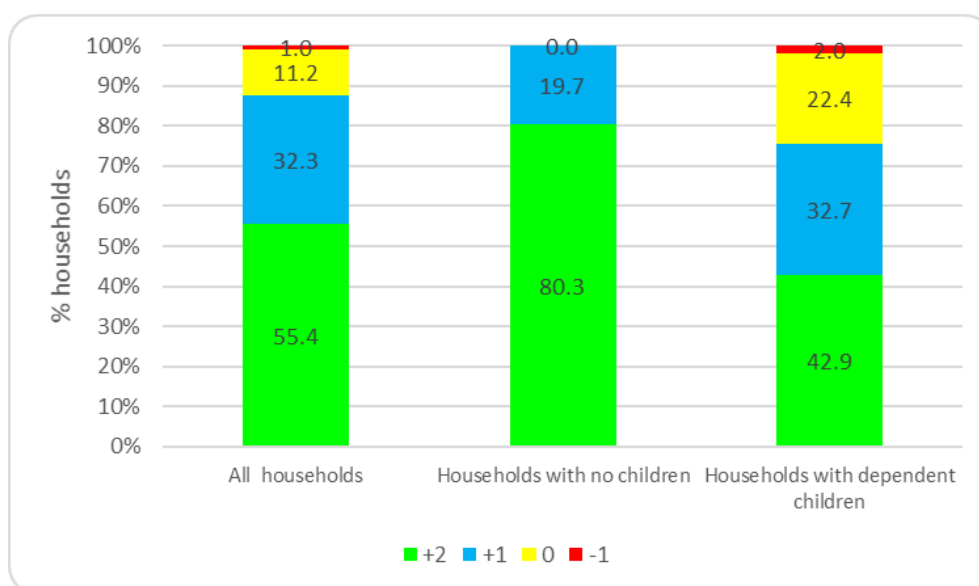
Figure 5: Bedroom Occupancy rating of Older Person Households, Stathern Parish, 2011



Source: Census 2011, LC4105EW

Overcrowding is not a significant issue in the local area; however, research shows that households with dependent children are more likely to be overcrowded. The Census implies there is some evidence of a small number of families with dependent children living in overcrowded households in Stathern.

Figure 6: Bedroom Occupancy rating of Family Households Stathern, 2011



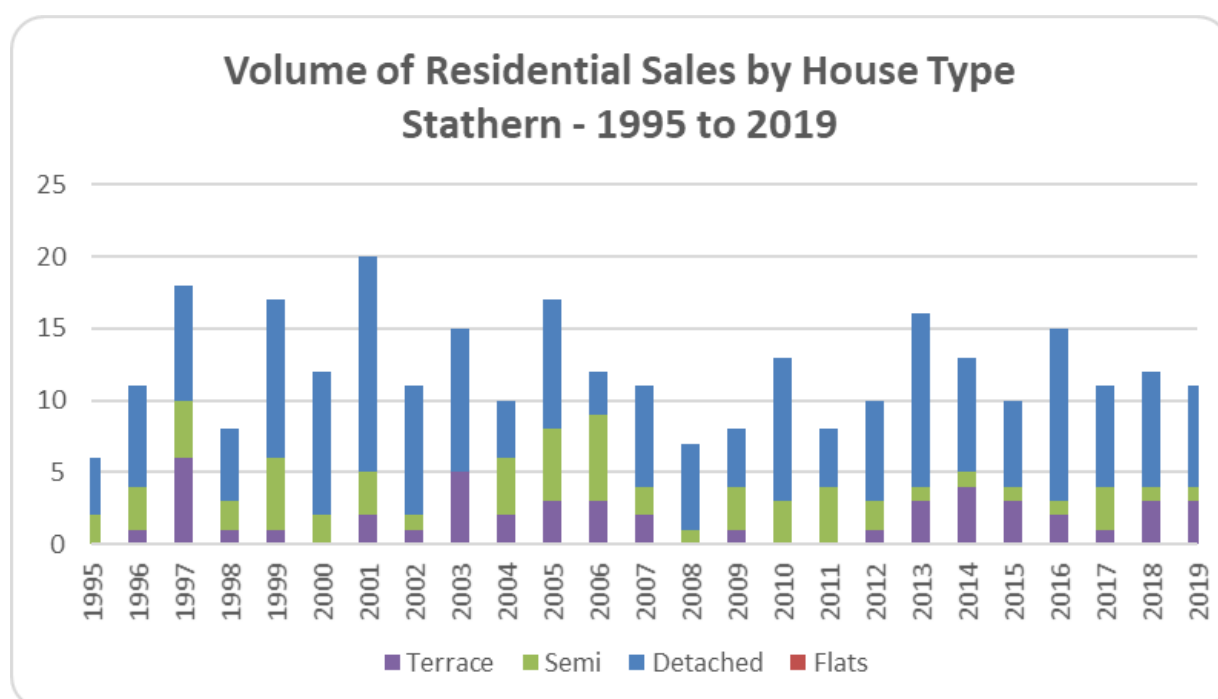
Source: Census 2011, LC4105EW

## Housing Market

### Residential Sales

Land Registry price paid data shows around 302 residential property sales were recorded in the Stathern Parish between 1995 and 2019. It should be noted however that at the time of writing (Feb 20) some transactions for 2019 may be awaiting to be added to the Land Registry records. At 64% detached housing accounted for the majority of sales, 20% were semi-detached and 16% terraced. It should be noted that some sales are not captured by the Land Registry, for example properties that were not full market value, right to buy and compulsory purchase orders will be excluded.

Figure 7

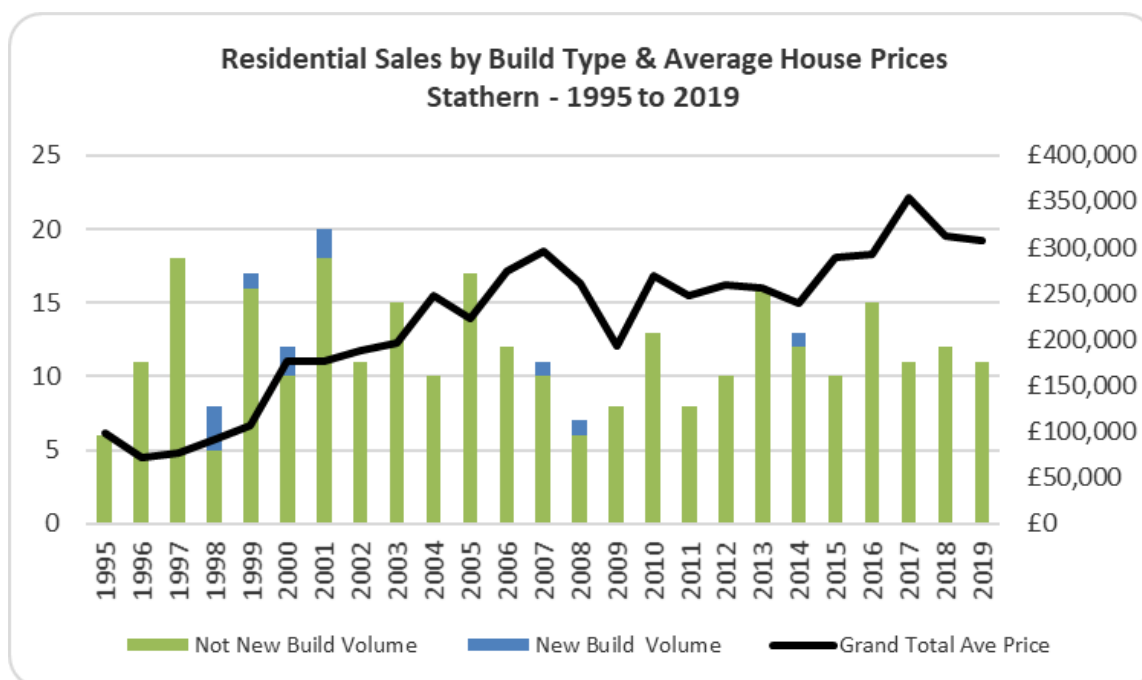


*Data produced by Land Registry © Crown copyright 2020 (data available at 22.2.20)*

There is evidence of some new build housing in the local area with 11 new build residential sales recorded between 1995 and 2019, representing 4% of total sales recorded by the Land Registry in the area. All new builds recorded on the Land Registry price paid data series during this time were detached. Figure 8 below shows the volume of sales together with the overall annual average house price.



Figure 8:



Data produced by Land Registry © Crown copyright 2018 (data available at 22.2.20)

## 1.1 Affordability

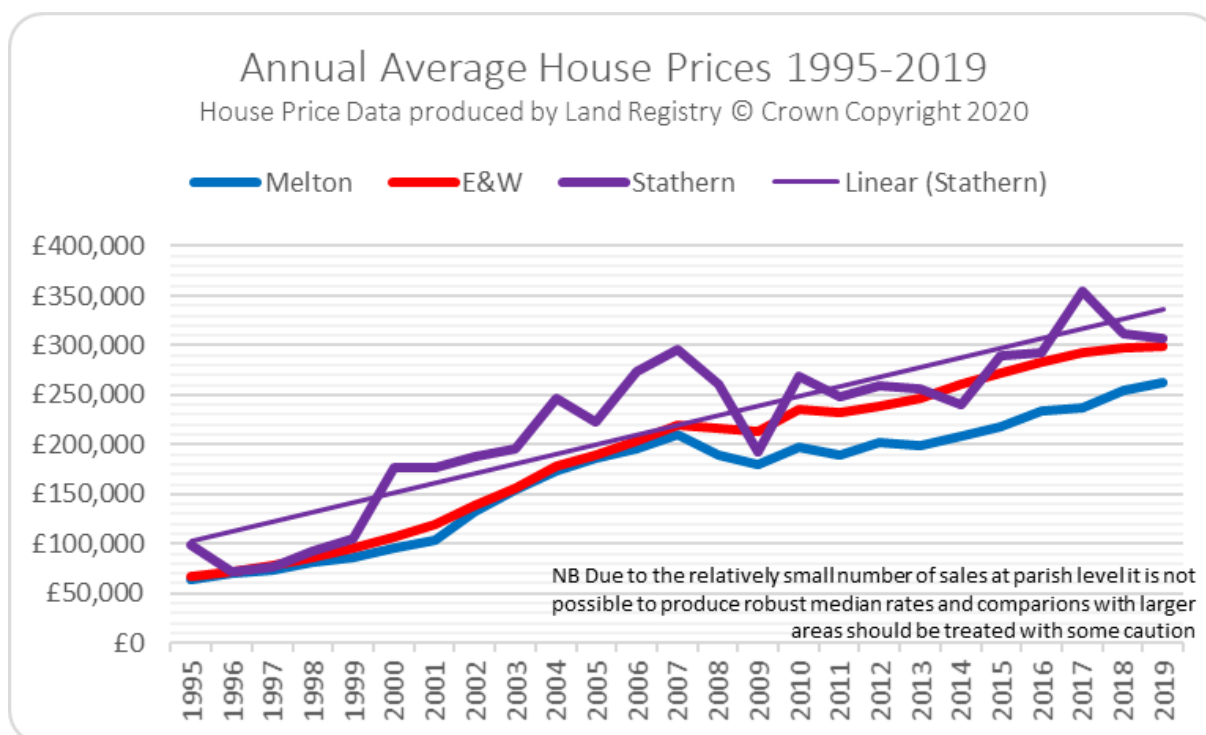
The latest housing affordability data for England Wales shows that on average, full-time workers could expect to pay an estimated 7.8 times their annual workplace-based earnings on purchasing a home in England and Wales in 2018. This affordability ratio<sup>2</sup> has increased by 0.8% since 2017, but this change is not statistically significant, however, median house prices increased faster than median gross annual full-time earnings (the price paid for properties rose by 3.3% while earnings rose 2.6%).

The housing affordability gap continues to widen between the most and least affordable areas. In Melton the gap has worsened with average house prices estimated at being 8.1 times workplace-based average annual earnings in 2018 compared with 3.6 times in 1998.

Workplace-based earnings are not available at parish level, but as the average 2018 house price in Stathern continues to be above district and national rates it is presumed the affordability gap also continues to widen. The following chart indicates the linear house price trajectory in Stathern when compared with the district and England and Wales averages. It should be noted, however, that comparisons against larger geographies should be treated with caution.

<sup>2</sup> Median housing affordability ratio refers to the ratio of median price paid for residential property to the median workplace-based gross annual earnings for full-time workers. [Housing affordability in England and Wales: 2018](#)

Figure 9



The latest available ONS House Price Statistics for Small Areas reveals the cost of an entry-level<sup>3</sup> property on average across England and Wales has increased by almost 20% in the ten-year period to June 2016 to £140,000. For new properties, the price was nearly £180,000. The data<sup>4</sup> also shows that home-ownership prospects vary across the country.

In the Stathern Parish area<sup>5</sup> in 2016 a low to mid-priced property cost on average £184,950 which was higher than the national average. Assuming a 15% deposit<sup>6</sup>, those entering the property market in the area would require a household income of £34,953 (£26,444 E&W average) and savings of £30,942 which is a challenge for many households.

With the average cost<sup>7</sup> of an entry-level home in the area being £184,950 prospective buyers would require an estimated £2,000 for legal and moving costs, £1,199 stamp duty and £27,743 for a 15% deposit, coming to £33,500 in total. The house price data used to create the affordability ratio estimates are based on the price paid for residential property only, so are not fully comprehensive for all housing as they only include those that have transacted.

<sup>3</sup> The term 'entry level' or 'low to mid-priced property' refers to the lower quartile price paid for residential properties. If all properties sold in a year were ranked from highest to lowest, this would be the value half way between the bottom and the middle.

<sup>4</sup> Property price data are for year ending June 2016 and are from [House Price Statistics for Small Areas](#). Income data are for financial year ending 2014 and are from [small area model-based income estimates](#).

<sup>5</sup> The Stathern Parish area is based on MSOA best fit (E02005391).

<sup>6</sup> [Data from the Council of Mortgage Lenders](#) suggest that the average deposit paid by first-time buyers in the UK was around 18% in December 2016.

<sup>7</sup> The price of an entry level property in a given neighbourhood was used to calculate the annual household income that could be needed to secure a mortgage in that area. By comparing this figure with the estimated household income for the same neighbourhood, we can see how affordable the area could be for those looking to buy an entry-level property. Calculations were based on a typical deposit of 15% and an assumption that mortgage lenders will offer 4.5 times an applicant's income.

## Open Event

An open event took place in Stathern Parish on 20 September 2019 as part of the process of preparing a Neighbourhood Plan. 70 people attended the event. Comments in relation to affordable housing included the following:

- We need more affordable housing in the village
- Need for affordable housing but keep green fields which make our village!
- Can we develop current housing and turn them into affordable properties? We do have a few houses not selling, yet we're keen to build more?
- Smaller and affordable housing to try and keep our young people in the village
- Need to have some more affordable housing so younger people can stay in the village – however still in keeping with village style. Nobody wants us to become a town
- Need to provide a variety of housing for all ages and those that may not earn a huge salary – keep youngsters able to live in the village
- 1 or 2 storey blocks of flats for first time buyers
- There is a definite need for bungalows for an ageing population
- Need for housing for both young people starting out and an ageing population
- Should be provision for 1 and 2 bedroom properties for single people for downsizing, young people buying their first property.
- Need smaller houses to encourage/allow people on to housing ladder.
- Housing for local workers and home workers. New homes not for long distance commuters
- The volume of houses for sale and timescale for selling demonstrates less demand
- Affordable housing – low quality everything?

This section drew a total of 25 comments. In the event of any development in the parish, the majority of respondents expressed a wish for affordable housing and housing to meet the needs of younger and older residents, sympathetically designed and of a limited number and scale.

## Housing Needs Survey 2014

A detailed study of the housing needs of Stathern Parish up to 2021 was undertaken in December 2014. This study has not only investigated the affordable housing need of the village, but also for market rent level housing and open market housing.

The survey identified a need for affordable and open market properties in need in the 5 years up to 2019 for those with a connection to Stathern Parish.

The result was a total of 8 households requiring affordable rented products; 0 requiring shared ownership and 8 requiring market homes.

## Housing Needs Survey 2020

A further survey was undertaken in January 2020 for Melton Borough Council.

Paper questionnaires were delivered to all 321 households in the village and an electronic survey was available as an alternative method of response. On combining the information arising from the survey with data held on Melton Borough Council's Housing Register, results show that there is a requirement for 12 affordable homes in order to enable local people to be suitably housed within their community.

Type of Unit	Affordable Rented Need	Affordable Home Ownership	Totals
1 Bed Home	8		8
2 bed house		1	1
3 bed house		1	1
1 bed bungalow	1		1
2 bed bungalow	1		1
3 bed bungalow			0
<b>Total</b>	<b>10</b>	<b>2</b>	<b>12</b>

## Discussions with Melton Borough Council strategic housing team

It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority as a starting point.

For the purpose of this paper, data from Melton's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Area and has been referenced as appropriate.

The level of need for Affordable Housing is as indicated in the table above.

## Discussion/analysis of the main issues

At the time of the 2011 Census, the Stathern Parish was home to around 728 residents living in 294 households. Analysis of the Census suggests that between 2001 and 2011 population in the local area grew by around 8% (56 people). During this period, it is estimated the number of dwellings increased by 5% (13).

There is evidence of an ageing population with the number of over 60-year-olds rising by 26% and up from 22% of total population in 2001 to 25% in 2011. In line with national trends the local population is likely to get older as average life expectancy continues to rise.

Home ownership levels are very high with around 81% of households owning their homes outright or with a mortgage or loan and at 7% the share of households living in social rented accommodation is very low when compared with regional and national rates.

There is evidence of under occupancy suggesting a need for smaller homes of one to two bedrooms which would be suitable for residents needing to downsize, small families and those entering the housing market. Providing suitable accommodation for elderly residents will enable them to remain in the local community and release under-occupied larger properties onto the market which would be suitable for growing families.

There is a predominance of large detached and an under representation of housing for single people with just 2% of dwellings having one bedroom.

Land Registry data indicates there has been some new build housing market activity over recent years, but this has been exclusively high value detached housing.

Deprivation is not a significant issue in the local area but IMD domain data suggests that some residents may find it difficult to access owner-occupation or access the private rental market.

Consultation with the community has indicated general support for more affordable housing across tenures.

Levels of housing need within Stathern Parish were identified through Housing Needs Surveys undertaken in 2014 and 2020. The results obtained showed there was a need (up to 2019) for up to 8 affordable homes and 8 open market (sale) homes for local people enabling them to be suitably housed within the community.

It was recognised that local needs affordable homes could be developed on a 'rural exception site', if available, and subject to local support some open market sale homes could be used to cross-subsidise the affordable homes. The alternative to this is that the local homes that are needed are developed as part of a larger development if the opportunity arises and if the needs cannot be met by existing properties.

The provision of affordable housing in settlements such as Stathern Parish is promoted through both the NPPF and the Melton Local Plan.

The results from this survey were updated through conversations with strategic housing personnel from Melton Borough Council.

## Conclusion

The high house prices in Stathern Parish, coupled with low levels of affordable housing (and NO ownership models of affordable housing) alongside current evidence of need demonstrate the importance of providing affordable housing for sale amongst a range of affordable housing products.

The high property prices locally mean that subsidised home ownership or rental products offering a discount of around 20% on current values would probably still be unaffordable to most people. Consideration should be given to developing shared ownership products which allow people to buy a share of the dwelling from around 25% of its value, with the ability to staircase up as circumstances change.

The availability of affordable housing for sale would enable older people as well as young families to access housing locally, potentially serving both to free up larger properties for families at one end, thus helping to sustain older people in the community for longer and reducing the levels of under-occupation in Stathern Parish, whilst also helping sustain local facilities and services by enabling people in low paid employment to live locally and to service local employment such as the School and public house.

## Next Steps

This Neighbourhood Plan affordable housing needs assessment aims to provide Stathern Parish with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood plan group should, as a next step, discuss the contents and conclusions with Melton Borough Council with a view to agreeing and formulating draft housing policies to be contained within the Neighbourhood Plan, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Melton Borough Council – in particular to confirming the tenure balance of affordable housing that should be planned for, as local evidence suggests a different tenure mix to that in the Adopted Local Plan;
- The views of local residents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land;
- The recommendations and findings of this study.

This assessment has been provided by YourLocale on the basis of housing data, national guidance, local consultation and other relevant and available information current at the time of writing.

Bearing this in mind, it is recommended that the Neighbourhood Plan Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Melton or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Gary Kirk

YourLocale