

APPENDIX 4: HOUSING NEEDS REPORT

Stathern Local Area Neighbourhood Plan

Housing Needs Report

August 2019

Prepared by *YourLocale*

STATHERN LOCAL AREA NEIGHBOURHOOD PLAN

HOUSING NEEDS

Introduction

This report provides an analysis of housing issues in the Stathern Parish to support its Neighbourhood Plan policies. The report draws on the latest available data from the Census, Land Registry, Valuation Office Agency, Office for National Statistics, small area model-based income estimates and local consultation exercises. The results outlined in this Housing Needs Survey Report and any future Housing Needs Survey will influence the policies of the Stathern local area Neighbourhood Plan.

Population Age Profile

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 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.

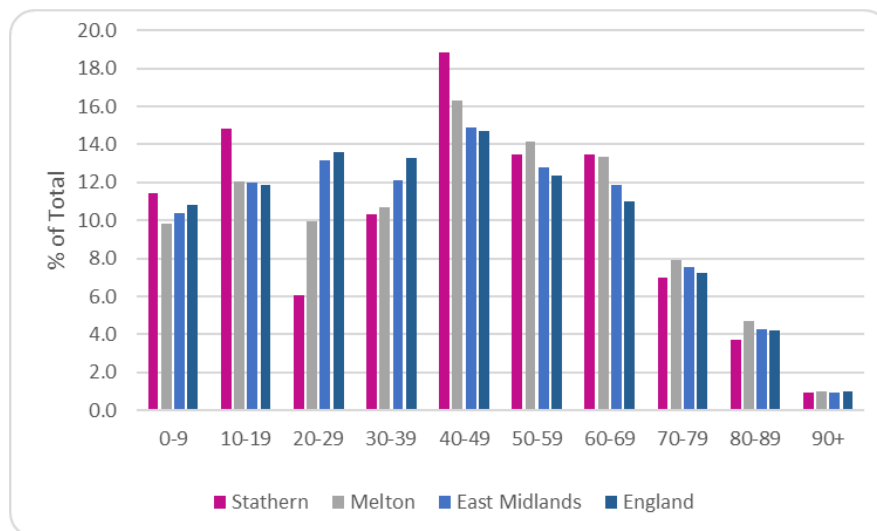
Table 1: Usual Residents by Age Band, 2011

	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 projections¹ suggest that Melton's 65 plus age group is forecast to grow by around 48% between 2016 and 2036.

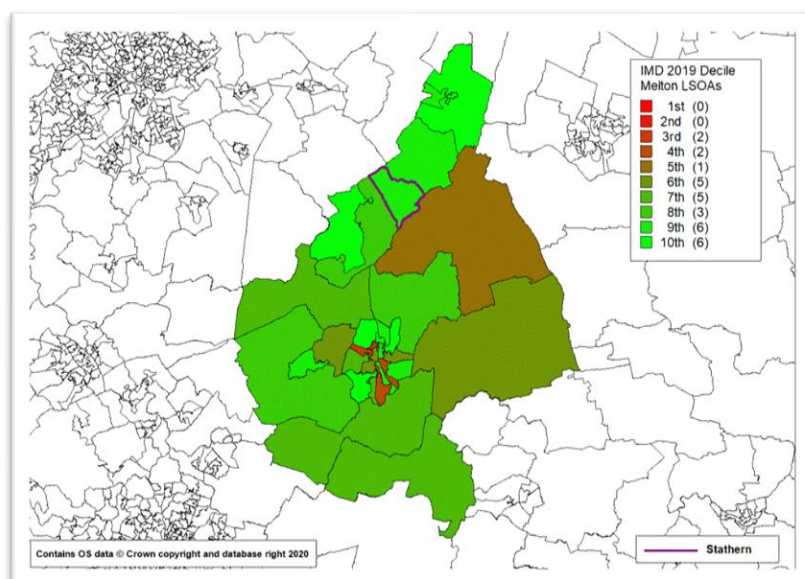
Deprivation

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 most deprived 10% of LSOAs) (IMD) shows that on the whole the local area displays relatively low levels of deprivation ranking in the 9th 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 (3rd decile) on the Barriers to Housing and Services domain which may indicate difficulty to access owner-occupation or the private rental market.

¹ Subnational Population Projections for Local Authorities in England: 2016 based

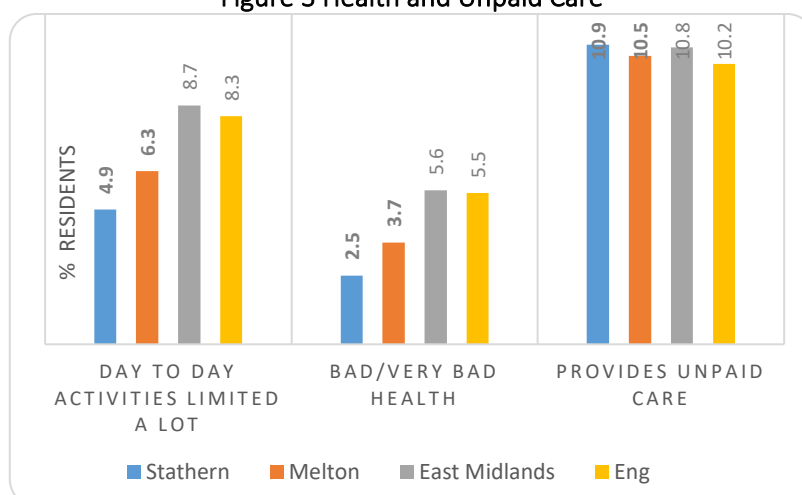
Figure 2 Index of Multiple Deprivation Deciles, 2019
Melton



Health

The Census highlights that ill health and disability are 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
Economically Active Total	399	76.7	73.5	69.3	69.9
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
Economically inactive Total	121	23.3	26.5	30.7	30.1
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.

Housing Characteristics

Tenure

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	East 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.

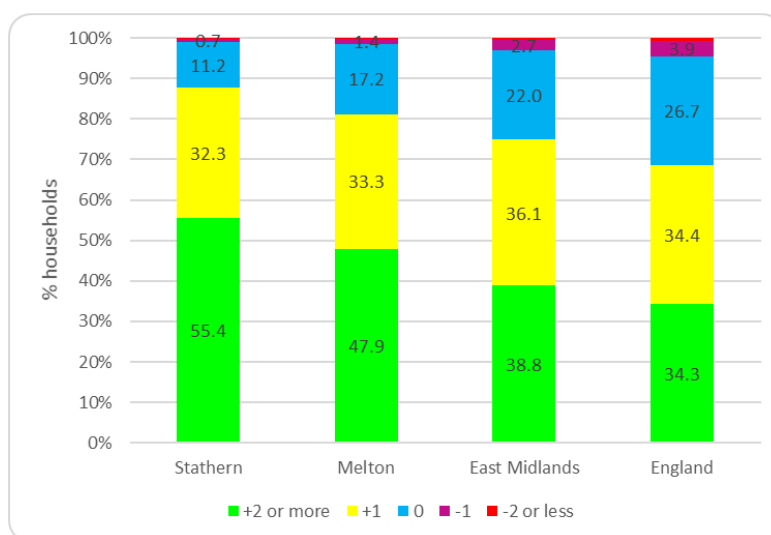
Table 5 Households by number of bedrooms, 2011

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.

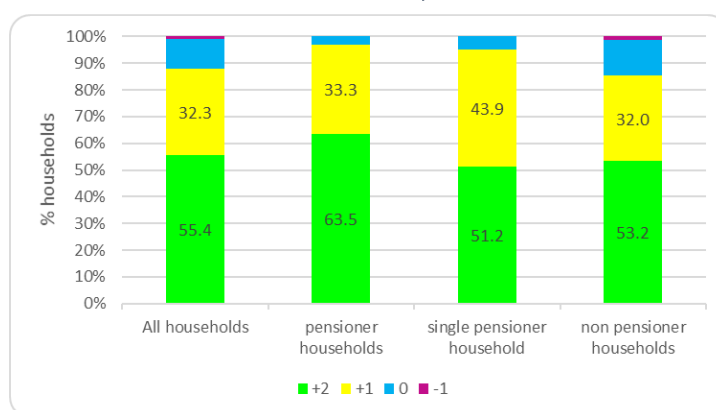
Table 6 Households with 4 or more bedrooms by household size, 2011

	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.

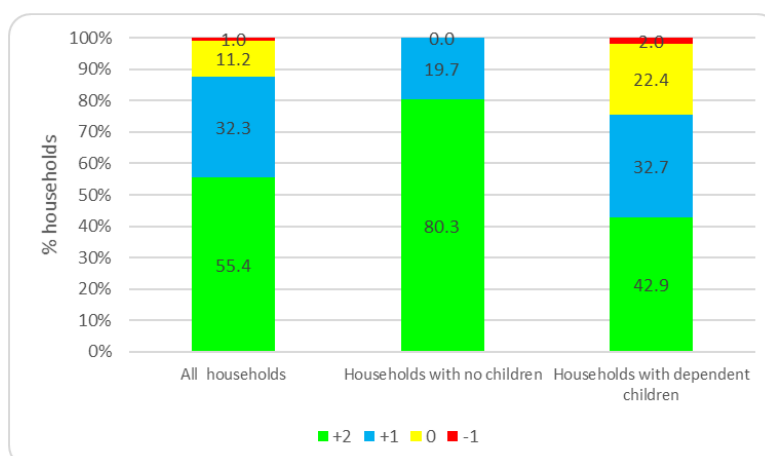
Figure 5: Bedroom Occupancy rating of Older Person Households, Stathern Parish, 2011



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 Parish, 2011



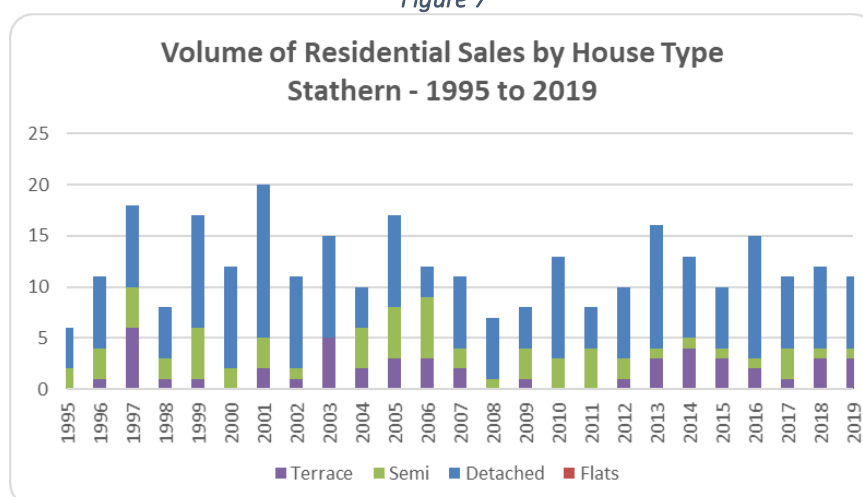
Source: Census 2011, LC4105EW

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 waiting 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.

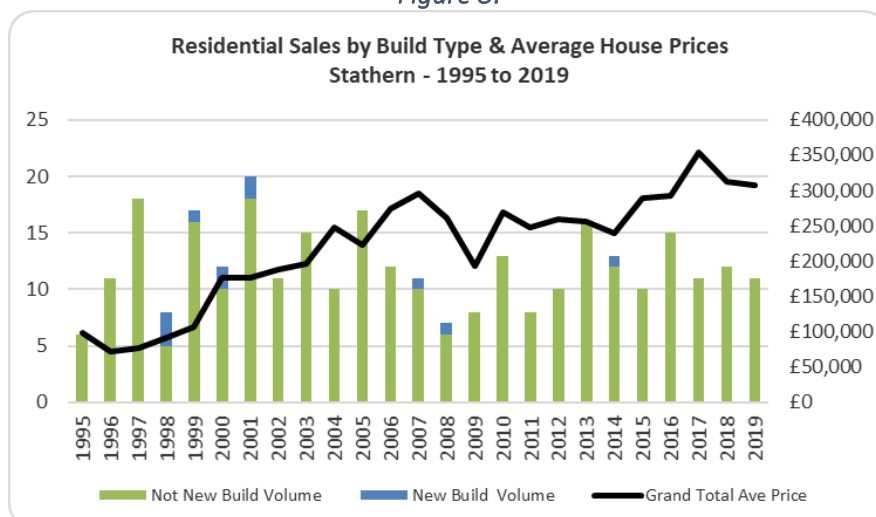
Figure 7



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)

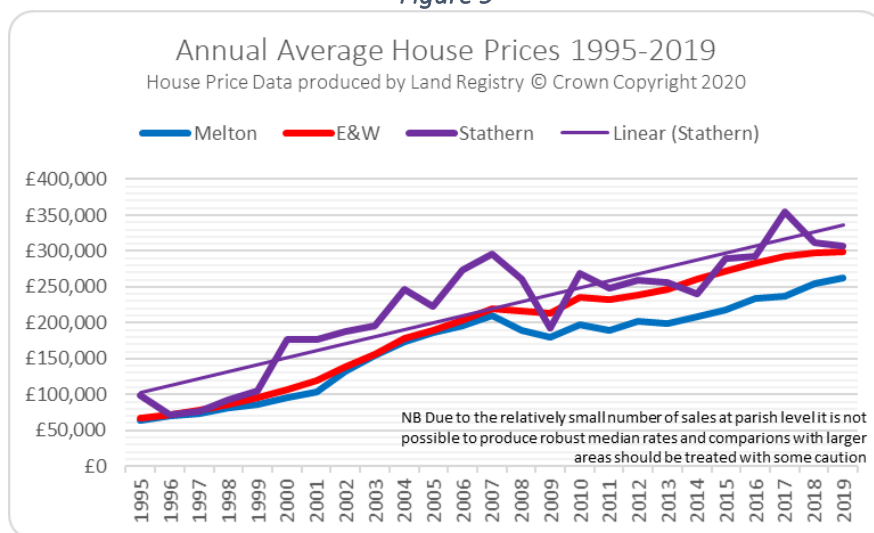
Affordability

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 ratio² 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.

Figure 9



The latest available ONS House Price Statistics for Small Areas reveals the cost of an entry-level³ 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 data⁴ also shows that home-ownership prospects vary across the country.

² 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](#)

³ 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.

⁴ 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](#).

In the Stathern Parish area⁵ in 2016, a low to mid-priced property cost on average £184,950 which was higher than the national average. Assuming a 15% deposit⁶, 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 cost⁷ 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.

Summary of Future Housing Need

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. 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.

⁵ The Stathern Parish area is based on MSOA best fit (E02005391).

⁶ [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.

⁷ 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.