

# Longhope

## Parish Housing Needs Survey

### Survey Report

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**Martin Hutchings**  
Rural Housing Enabler

**Gloucestershire Rural Community Council**  
Community House, 15 College Green,  
Gloucester GL1 2LZ

Tel: 01452 528491 Fax 01452 528493

Email: [martinh@grcc.org.uk](mailto:martinh@grcc.org.uk)

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## 1. INTRODUCTION

1.1 Parish housing needs surveys have been undertaken in Longhope in 2004 and in 2009. Both surveys are out of date. Following the latter survey several potential sites for the provision of affordable housing in the village were identified jointly by representatives of the parish council and GRCC's Rural Housing Enabler.

1.2 The views of the District Council's planning officers supported two sites, one on the High Street and the other adjacent to The Wend. The owner of the former site declined to dispose of the site as an exception site for affordable housing.

1.3 Two Rivers Housing Association proposes to submit a planning application for affordable homes to meet local needs on land adjacent to The Wend, Longhope, possibly in September 2014, with a view to securing development funding from the Government's Affordable Homes Programme.

1.4 Despite representations to Longhope Parish Council, including a face to face visit with the Parish Council by the District Council's Housing Strategy & Enabling Officer, and GRCC's Rural Housing Enabler in February 2014, the parish council has declined to take up the offer of a parish housing needs survey.

1.5 It would usually take GRCC a minimum of 3 months to undertake a parish housing needs survey from beginning to end. On the basis it would be futile to undertake a full survey as it is unlikely the results would be published until after Two Rivers Housing Association submission of a planning application, at its meeting on 21<sup>st</sup> July 2014 Longhope Parish Council agreed:

- to support GRCC undertaking a review of the needs of those applicants on Gloucestershire Homseeker with a local connection with Longhope.

1.6 The Rural Housing Enabler (RHE) has written this report based on information obtained from Forest of Dean District Council's housing register, known as Gloucestershire Homseeker.

- The RHE is employed by Gloucestershire Rural Community Council, which is part of the national network of Rural Community Councils (ACRE - Action with Communities in Rural England).
- The RHE works closely with rural communities, housing associations, local authorities, other community organisations (including community land trusts) and landowners to meet the affordable housing needs of rural communities.
- The RHE is an independent and neutral advisor, although, the post is funded through contributions from Cotswold District Council, Forest of Dean District Council, Stroud District Council, Tewkesbury Borough Council and seven housing associations.

## **2. PARISH SUMMARY**

2.1 The parish of Longhope is in Forest of Dean District ward of Blaisdon & Longhope.

- The 2011 census tells us that there are 1490 people living in Longhope made up of 595 households.
- By road Longhope is 7 miles from Newent, 10 miles from Gloucester and 10 miles from Coleford.
- The following facilities operate in Longhope: a Gloucestershire County Council Primary School, a village hall, a Post Office, shop and 3 pubs.

## **3. AIM**

3.1 The purpose of the survey is to investigate and establish the affordable housing needs of people who live in or have close ties to Longhope. By comparing the established needs with the existing supply of affordable housing and the number of re-lets, we can estimate the number of dwellings, house types and tenure of new units required to meet the parish's needs.

3.2 **Housing needs** can be defined as the need for a household to obtain housing which is suitable to meet their requirements in terms of:

- House type and accessibility e.g. house, bungalow, flat etc
- Size and number of rooms
- Location e.g. in relation to employment, schools, family, shops and public services etc
- Affordability
- Tenure, including security

3.3 The aim of the survey is to provide an independent report of a robust nature based upon evidence from reliable sources. The report is designed to be used as evidence that may be used in support of a planning application for affordable housing that would meet local needs.

## **4. SURVEY FINDINGS**

4.1 Forest of Dean District Council provided information for households on Gloucestershire Homeseeker who are seeking accommodation in Longhope and who have a local connection. Details were provided anonymously i.e. people's names and addresses are excluded from this report.

### **Longhope parish - housing needs**

4.2 There are 19 households on Gloucestershire Homeseeker with a local connection and in need of affordable housing in Longhope.

4.3 According to information provided on applicants' registration forms, 18 households require rented housing, and one household requires intermediate housing i.e. shared ownership (part buy-part rent).

4.4 Of the 19 households in need of affordable housing, 18 applicants live in Longhope parish, and 1 household has close family living in Longhope and wish to return to Longhope.

4.5 Grounds for applicants needing to move home are:

- Require smaller accommodation x 2
- Require physically adapted accommodation x 3
- Require better security of tenure x 6
- Set up independent home x 3
- Financial reasons x 3
- Avoid harassment x 2

4.6 Analysing the results of those in need of rented accommodation shows the following:

- **There are 7 single person households (aged 25yrs; 27yrs; 47yrs; 56yrs; 60yrs; 75yrs; 85yrs) in need of rented accommodation;**
- **There are 4 couples (58 & 44yrs; 50 & 59yrs; both aged 61yrs; both aged 79 yrs) in need of rented accommodation;**
- **There are 7 families (2 families with 1 child, each requiring 2 bedrooms; 2 families with 2 children, 1 family requiring 2 bedrooms, the other family requiring 3 bedrooms; and 3 families with 3 children, each requiring 3 bedrooms) in need of rented accommodation.**

4.7 The level of income given by respondents suggests that one applicant could afford intermediate housing i.e below market rented or shared ownership (part buy/part rent):

- **There is 1 family (with 3 children requiring 3 bedrooms) who could afford intermediate housing.**

## **5. AFFORDABILITY**

5.1 Affordability is a key factor for measuring a household's need for affordable housing.

5.2 In simplistic terms the assessment of affordability requires household income and savings to be measured against prices of property of a suitable size, type and location, including private rented and home ownership. However, depending upon tenure there will be additional factors that will impact upon costs of acquiring the right to occupy the property.

5.3 For home ownership, these costs include: mortgage interest rates, mortgage indemnity premium, mortgage application fee, legal fees, stamp duty tax, legal fees and search fees etc.

5.4 For rented, these costs may include: rent deposit and rent paid in advance.

### **Home ownership**

5.5 In order to investigate affordability, further research has been carried out on house prices in the area.

5.6 Using information gained from HM Land Registry it is possible to obtain the average property prices in Longhope.

5.7 The average price of 41 houses sold in Longhope in 2 years up to May 2009 are shown in Table G below.

**Table G: Average Residential Property Prices in Longhope in 2 years up to May 2014 (according to HM Land Registry)**

| <b>Average House Prices in Longhope Parish (£)</b> |                 |                        |
|--|-----------------|------------------------|
| <b>House Type</b>                                  | <b>Price</b>    | <b>Number of Sales</b> |
| Detached   | £220,000        | 16                     |
| Semi-detached                                      | £169,000        | 12                     |
| Terraced   | £119,000        | 3                      |
| Flat   | £125,000        | 1                      |
| <b>All</b>   | <b>£184,000</b> | <b>32</b>              |

5.8 The number of house sales are for new and existing properties where the sale details registered with the Land Registry are for the postcodes defining the parish of Longhope.

- Figures were obtained from “www.rightmove.co.uk” with data supplied by HM Land Registry.
- There are sometimes delays in registrations especially for new build properties and this may result in under counting of property sales.

5.9 Unfortunately, it is not possible to split this information down to bedroom size of the property.

5.10 Also, these figures represent the average price for total number of  
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properties sold, and with a relatively low number of property sales, the average may be skewed by properties with a particularly high or low selling price.

5.11 For research purposes we are mainly concerned with the low end of the market, those properties that are accessible to households on lower incomes.

5.12 HM Land Registry tells us that the average price of residential properties sold in Gloucestershire was £178,138 in May 2014, a rise of 4.2% over the previous 12 months.

5.13 House sales volumes in Gloucestershire fell significantly from 921 in December 2007 to a low of 340 in January 2009, increasing to 797 in March 2014 (most recent month for which figures are available).

### **EXAMPLE CALCULATION FOR A MORTGAGE**

5.14 Typically, a household can obtain a mortgage of 3.5 times their gross annual income, and in today's financial market would expect to pay a deposit of at least 15% towards the total purchase price.

5.15 To afford a price (£125,000) of the only flat sold in Longhope over the past 2 years, a household would require at least £18,750 as a deposit, and their annual gross income for mortgage purposes would have to be at least £30,360.

5.16 At the time this report is published mortgage lenders currently offer first time buyers a standard variable annual rate interest rate from as low as 4.5%. Applying 4.5% interest to a mortgage of £106,250 would equate to £597.11 per month for a repayment mortgage over a 25 year period.

#### ***Gross annual earnings for employees (full and part-time) in local authority areas***

| Area                  | Median gross annual earnings for employees (£) |
|-----------------------|--|
| Cotswold              | 18,214   |
| <b>Forest of Dean</b> | <b>22,316</b>                                  |
| Gloucester            | 19,904   |
| Stroud                | 23,591   |
| Cheltenham            | 23,168   |
| Tewkesbury            | 19,714   |
| Gloucestershire       | 21,299   |
| South West            | 20,095   |
| Great Britain         | 21,607   |

*Source: Annual Survey of Hours and Earnings 2012, Office of National Statistics*

- As shown by the above table, the average gross annual earnings of employees in the Forest of Dean District (£22,316) is higher than both the county (£21,299) and the national median (£21,607).
- Considering the average price of homes in Longhope it is unlikely that a household in receipt of a median income would be able to purchase a property without a large deposit (by using savings or by releasing equity in an existing property) and/or a substantial income.
- Many potential first time buyers struggle to meet the costs of buying their own home.

### **Private rented**

5.17 Information gained from 'Rightmove.com' tells us residential property for rent in the Longhope has achieved the following rents in 2009:

|  |                         |
|--|-------------------------|
| One bedroom flat (Blaisdon).....                 | £450 per calendar month |
| Two bedroom park home (Longhope).....            | £600 pcm                |
| Two bedroom semi-detached house (Mitcheldean)... | £575 pcm                |
| Three bed semi-detached house (Huntley).....     | £625 pcm                |

5.18 It is usually accepted that a household's housing costs should not exceed 25% of a household's gross income. Based upon this assumption a minimum gross annual income required to afford the above properties would be £21,600 for a one bedroom flat, £27,600 for a two bedroom semi-detached house and £30,000 for a three bedroom semi-detached house. Of course, this does not include running costs e.g. council tax, fuel bills etc.

5.19 By comparing the monthly costs of private rented property with home ownership, it is substantially less expensive to rent than to buy a similar starter home.

### **What is affordable rented housing?**

5.20 The levels of rent that Registered Social Landlords are able to charge are restricted by *Homes and Communities Agency*. These rents are known as *target rents* and are subject to the national Housing Benefit scheme, which is calculated taking into account a household's income, savings and other circumstances, may entitle a household to a financial contribution of a sum up to the entire rental charge.

## **6. EXISTING AFFORDABLE HOUSING STOCK**

6.1 Longhope currently has a total of 21 affordable dwellings, all for rent.

| Tenure           | 1 bed flat | 2 bed flat | 1 bed bung' | 2 bed bung' | 2 bed house | 3 bed house | 4 bed house | Total     |
|------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-----------|
| Rented           | 0          | 0          | 4           | 2           | 1           | 14          | 0           | 21        |
| Shared ownership | 0          | 0          | 0           | 0           | 0           | 0           | 0           | 0         |
| <b>Total</b>     | <b>0</b>   | <b>0</b>   | <b>4</b>    | <b>2</b>    | <b>1</b>    | <b>14</b>   | <b>0</b>    | <b>21</b> |

## 7. SUMMARY

7.1 This survey is aimed at persons who are seeking affordable housing (rented or shared ownership), and cannot afford suitable housing in the open market.

7.2 The information gained from this survey is a key element of assessing local needs. Unfortunately, owing to time constraints this survey does not offer the opportunity for persons who are not registered with Gloucestershire Homeseeker to make known their housing needs.

7.3 We have learnt from experience gained from similar surveys of this type informs us that there may be additional households with a connection with Longhope who have not applied to be on the housing register. In surveys of this type, the lack of vacancies arising in the village is sometimes stated as a reason for not registering in the first place, or stating a particular parish as an area of choice. As such, it is therefore considered that the number of households identified as being in housing need in this report is a minimum, and reflects the underlying long term trend of a need for affordable housing in Longhope.

7.4 Housing development in Longhope should take account of future anticipated housing need as well as the number of households in immediate need.

7.5 There is a shortage of affordable dwellings in Longhope largely for rent, but also for shared ownership.

## 8. CONCLUSION

8.1 This survey has determined that there are **19 households in affordable housing need** with a local connection to Longhope.

8.2 In addition to those local households in need, turnover of the existing social housing stock in the parish should also be taken into consideration in determining the number, type and tenure of affordable dwellings. It should be noted that preference is not awarded to local persons upon allocation of the

existing affordable housing; these properties are allocated to persons in greatest housing need with a connection to Forest of Dean District.

## **11. RECOMMENDATIONS**

**It is recommended that:**

- 1. Two Rivers Housing Association shares this survey report with Longhope Parish Council;**
- 2. Longhope Parish Council is asked to publicise the results of the survey in the parish newsletter and on the parish council's website.**