

Cambridgeshire ACRE

# Housing Need Survey Results Report for Litlington

Survey undertaken in January  
2012



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## CONTEXT AND METHODOLOGY

### Background to Affordable Rural Housing

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

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

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

### Context

Cambridgeshire ACRE was commissioned to carry out a Housing Needs Survey in Litlington Parish last year. This survey was carried out on behalf of Circle Anglia Housing Association, an affordable homes provider, in partnership with South Cambridgeshire District Council and Litlington Parish Council.

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

### Methodology

Survey packs were posted out to all 349 addresses in the Parish in November 2011. The survey packs included a covering letter from Cambridgeshire ACRE, a letter of support from the Parish Council, a questionnaire and a postage paid envelope for returned forms. Copies of these documents are available upon request from Cambridgeshire ACRE.

The questionnaire was divided into two sections:

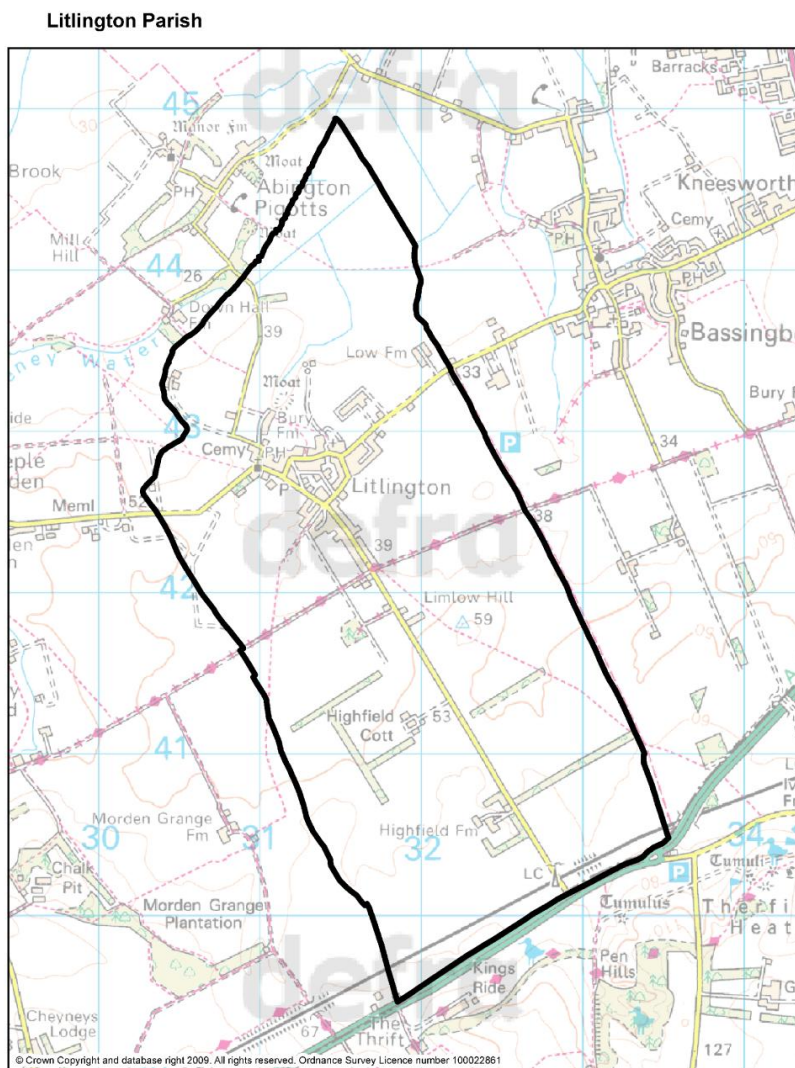
- Part One of the survey form contained questions to identify those who believe they have a housing need. Respondents were also asked if they supported the idea of building a small affordable housing development in the village. All households were asked to complete this section.

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

The closing date for the survey was 12 January 2012. 87 completed forms were returned giving the survey a 25 per cent response rate.

## Litlington Parish

Litlington is located about 4 miles north west of Royston. It is a small parish with a population of about 850 and 340 dwellings.<sup>1</sup> There has been relatively little growth over the



Source: 2001 Census Output Area boundaries. Crown Copyright.  
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Produced by Oxford Consultants for Social Inclusion, www.oci.co.uk, May 2010

last 20 years.

The village retains a shop/ post office but residents have to travel further afield for most services.

<sup>1</sup> *Cambridgeshire Population and Dwelling Stock Estimates: 1991 – 2010*, Cambridgeshire CC, July 2011

Litlington’s age profile differs slightly from Cambridgeshire as a whole. About one in five are of pensionable age with a similar proportion below 16. Both these are above average with a correspondingly low proportion of working age people.

Economic activity rates are high with low levels of work related benefit recipients. More than one in five employed people work in managerial or other senior roles.

The split between owner occupation and renting is in line with the Cambridgeshire average. However, there is a relatively high amount of social renting with a correspondingly lower level of private renting. Detached and semi detached houses account for almost 4 in 5 dwellings with terraced houses making up most of the remainder. There are very few flats in Litlington.

**Local Income Levels and Affordability**

**Buying on the Open Market**

The average asking price of property in Litlington is a little higher than in South Cambridgeshire and North Hertfordshire as a whole. Table 1 compares the average asking price of properties for sale on the open market in Litlington with those in surrounding areas. With the fluid house market situation prices are changing every month and the prices referred to in this report should be treated as illustrative only. In particular, the relatively low price for one-bed properties in Litlington should be treated with caution as there are very few such properties in the village

*Table 1: Average Property Prices, December 2011<sup>2</sup>*

No. of bedrooms	Litlington Parish	South Cambs	North Herts	Cambridge City
1	£104,000	£139,000	£115,000	£149,000
2	£208,000	£188,000	£164,000	£188,000
3	£306,000	£277,000	£255,000	£279,000
4	£584,000	£414,000	£410,000	£407,000

A review of properties currently for sale in Litlington <sup>3</sup> found six properties available on the open market; 1 two-bed property, 3 three-bed properties and 2 four-bed properties. The cheapest asking price was £215,000. There were also two building plots for sale but no properties available for private rent.

<sup>2</sup> Source: [www.nestoria.co.uk](http://www.nestoria.co.uk)

<sup>3</sup> Source: [www.rightmove.co.uk](http://www.rightmove.co.uk) (as at 18-Jan-2012)

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

For a household to be able to purchase a two bedroom house (at the average price) in Litlington, a household income of £52,000 would be required. The most recently available Paycheck data<sup>4</sup> reveals that 69% of Litlington’s population earn less than £50,000. On this basis 27% of households in Litlington earn insufficient to afford even a one-bed property. The median income in Litlington Parish is £37,100 per annum.

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

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

*Table 2: Annual Income requirements for open market properties*

No. of bedrooms	House Price	Deposit required (assume 25% required)	Annual income required (based on mortgage lending principle of 3 x income)	Monthly salary needed for purchasers
1	£104,000	£26,000	£26,000	£2,167
2	£208,000	£52,000	£52,000	£4,333
3	£306,000	£76,500	£76,500	£6,375
4	£584,000	£146,000	£146,000	£12,167

**Buying in Shared Ownership**

Shared ownership gives the opportunity to 'part buy' and 'part rent' a home. This means if a household can't afford to buy a property outright they may be able to afford to buy a share in a property, typically 25%, 50% or 75%. At a point when the household can afford to, they can choose to buy a further share of the property. Where a property has been built on a rural exception site, the maximum percentage that can be owned is 80% so that the property always remains available as affordable housing and can never be sold on the open market.

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

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<sup>4</sup> Source: CACI Paycheck 2009

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

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

*Table 3: Cost of purchasing a 25% share of a shared ownership property*<sup>5</sup>

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

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

### **Renting**

Table 4 shows the typical cost for renting privately and compares this with the typical rental cost of a new Housing Association property. The Government has recently taken steps to bring social housing rents closer to private sector ones, with rents for new tenants set at up to 80% of the amount you would have to pay in the private sector. Recent estimates by Cambridgeshire County Council suggest that the Local Housing Allowance would be sufficient to cover the cost of a one-bed, two-bed and three-bed properties in Bassingbourn ward at the maximum affordable rent.<sup>6</sup>

<sup>5</sup> Source: Figures used taken from Orbit Homebuy Agents Comparison Tables, July 2011

<sup>6</sup> Source: <http://atlas.cambridgeshire.gov.uk/Housing/LHA/atlas.html>

*Table 4: Comparison of property rental costs in Bassingbourn ward<sup>7</sup>*

No. of Beds	Private Average rent per week	Housing Association Maximum affordable rent per week (80% of median market rent)
1 (or bedsit)	£125 - £149	£100 - £124
2	£150 - £174	£125 - £149
3	£175 - £199	£150 - £199

<sup>7</sup> Source: <http://atlas.cambridgeshire.gov.uk/Housing/LHA/atlas.html> (for electoral ward of Bassingbourn which includes the parish of Litlington)

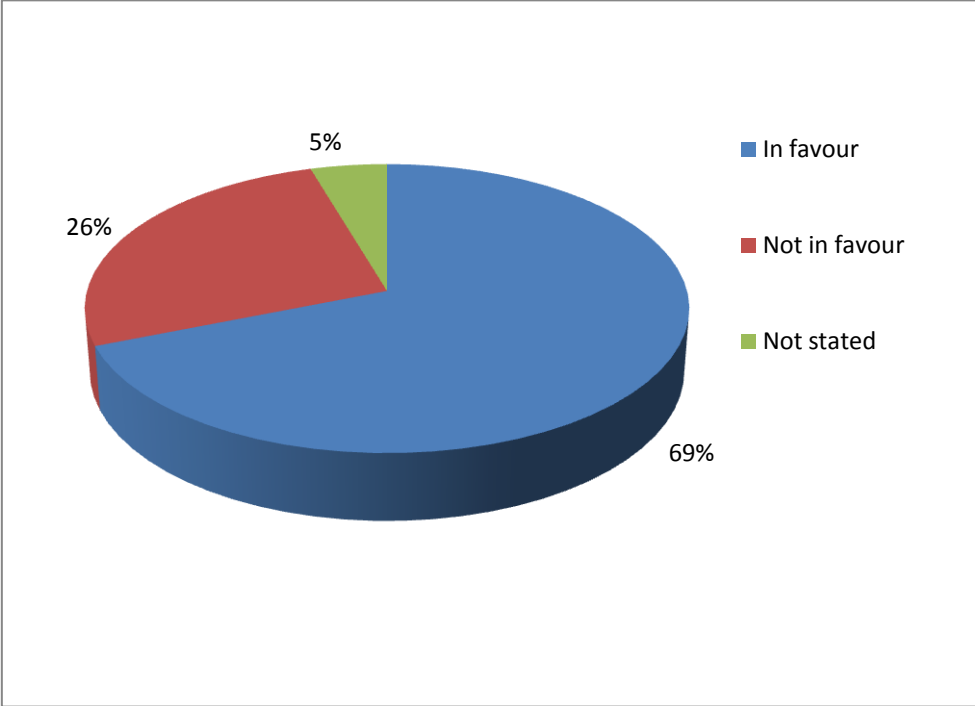


# RESULTS FROM PART ONE – VIEWS ON AFFORDABLE HOUSING DEVELOPMENT AND IDENTIFYING THOSE IN HOUSING NEED

## Views on Affordable Housing Development in Litlington

All respondents to the survey were asked if they would be in favour of a small development of affordable homes for local people within the parish. 69% of respondents stated that they would support such a development whilst 26% were opposed. 5% did not state an opinion. This is illustrated in Figure 1.

Figure 1: Attitude towards affordable housing development



Respondents were also asked how they felt about the possibility of a small development that included both private housing and affordable homes so that the sale of the private homes could finance the affordable homes development. Here, the numbers fell somewhat with only 57% being in favour of this idea, 37% being against it and 6% not stating an opinion.

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

Much support for affordable homes centred on the needs of young people:

- *It is very sad that youngsters from the village cannot afford to stay living in the village*
- *Yes, as a lot of the properties arising in the home-link scheme seem to be being allocated to the 40+ and 60+ age groups. I am heavily pregnant in a 1st floor flat, privately renting which is becoming too expensive and I am still considered low risk on the home-link register*

- *My nieces cannot afford to come back to the village they grew up in!!!*

There was also recognition that many people simply can't afford current market prices and there was support for specifically addressing local need:

- *On a low income therefore unable to get a mortgage*
- *I would be in favour of a small development for local people as this area has had very little building of houses by the local authority for a long time, but there is building by private builders of large expensive houses. These are totally unaffordable for most locals, whose profession and pay prohibit purchase*
- *As long as it was for local people only, not just given to anybody from outside that have not lived in this area*

Some argued for strong environmental and design standards:

- *If development is permitted, all dwellings should meet the highest standards possible with the respect of the environment. They should also be of high architectural standard and design quality*
- *More houses should have solar panels to reduce dependence on fossil fuels - much cheaper than installing them later*

Finding the right location for any development may be a challenge:

- *The location of a small development would need to be in an area that did not impact on any other current village housing. I bought where I live for the views at the rear*
- *Not though within the centre of the village as that would spoil the area. At the edge of the village would be okay*

The capacity of Litlington's infrastructure to cope was questioned:

- *Litlington does not have the infrastructure to support affordable housing. A) no schools B) no jobs C) no train station d) very limited public transport*
- *Current infrastructure over-loaded. Small village roads can't cope with additional cars generated by more housing within the village*
- *There is little or no public transport in Litlington, meaning that anyone living here must own or have access to a car, which is expensive. Affordable housing has to look at the wider picture of available amenities*

The main arguments against further development on principle centred on retaining Litlington's existing small village character and that housing needs should be met in nearby larger settlements:

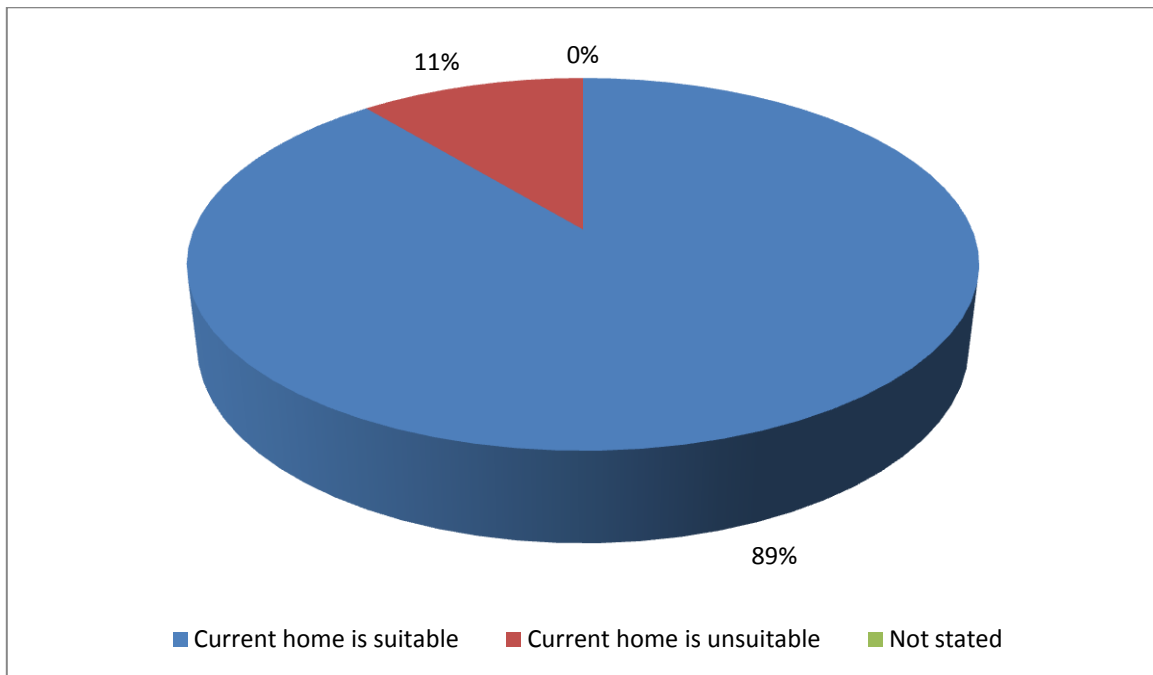
- *Do not wish to increase the size of the village*
- *There is no room in the village for more houses unless Green Belt land is used*
- *I struggle to see how any development within the village boundary could be built without a negative impact on the character of the village. I believe significant development underway in Royston and Bassingbourn should be sufficient to meet local need.*
- *I believe a 'small development' could lead to further growth and the small village atmosphere will be lost forever.*
- *In principle, I'm not in favour of building houses where there are no jobs, simply for the sake of family ties. Build the homes where the employment is and encourage*

workers to migrate to it. Also, look at the amount of affordable housing being built in Royston: is this not sufficient to mop up demand?

## Suitability of Current Home

Respondents were asked to indicate whether or not their current home was suitable for their household's needs. Figure 2 shows that 87% of respondents felt their current home was suitable for their household needs, with 13% indicating that their current home is unsuitable for their needs.

Figure 2: Suitability of current home



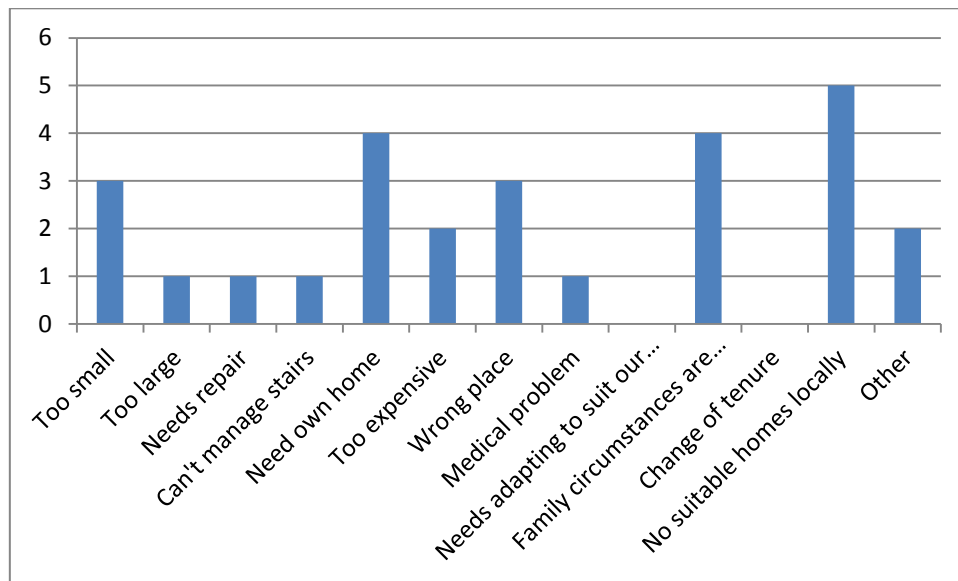
The 13% of respondents who indicated that their current home is unsuitable for their needs equates to 11 households. Those stating their current home is unsuitable were asked to indicate the reasons why. Respondents were allowed to give more than one reason for unsuitability, so all responses are recorded. Figure 3 illustrates the reasons respondents gave for their current home being unsuitable. 'No more suitable homes available locally', 'Family circumstance changing' and 'Need own home' were the most commonly cited reasons in Litlington.

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

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

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

Figure 3: Reasons why current home is unsuitable



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

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

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

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

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

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

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

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

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

**No suitable homes available locally:** People wish to stay in the area due to family reasons, schools or work but are unable to find a home more suited to their needs. Larger family homes and reasonably priced bungalows are the most commonly required properties and are often in short supply.

## RESULTS FROM PART TWO – IDENTIFYING CIRCUMSTANCES AND REQUIREMENTS

Part Two of the Survey was only completed by those respondents who had indicated that their current home was unsuitable for their household’s needs and who were therefore potentially in housing need. Responses to Part Two were made on behalf of 11 households.

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

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

Following this assessment, 2 households were excluded leaving 9 households who were actually considered to be in need of affordable housing. The main reason for excluding households at this stage was that they planned to address their own housing needs through the private housing market.

The remainder of this section sets out the overall findings regarding those found to be in need of affordable housing in Litlington. It should be noted that the results are based on those households completing the Housing Needs Survey. In practice, the total level of housing need (set out in the Summary and Recommendation section) is often far greater due to the addition of Housing Register data. The composition of the households from the two sources may, and often does, vary.

### Local Connection to Litlington

#### Residence and family connections

Respondents were asked to indicate whether or not they currently lived in Litlington or whether they had family connections to the village. Seven of the 9 households currently live in the village. Table 5 below shows how long these 7 households have resided there. Most of the households have lived in the parish for over 15 years. Five households stated that they have a family connection to the parish.

Table 5: Length of time living in the village

	Frequency
Less than 1 year	1
1-5 years	1
5-10 years	0
10-15 years	0
More than 15 years	5
Not stated	0
Total	7

## Household Composition

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

### Number of people who will make up the household

Table 6 sets out the number of people making up each household. There is a balanced need across a range of household sizes.

Table 6: Number of people in the household

	Frequency	No of people
1 person	1	1
2 people	3	6
3 people	1	3
4 people	2	8
5 people	2	10
6 people	0	0
7 people	0	0
Total	9 households	28 people

### Gender and Age

Respondents were asked to identify the gender and ages of those people who would make up their household. There are slightly more males than females (15 males, 12 females, 1 not stated). Table 8 shows the age profile. Half of the residents would be aged under 25 with nobody aged over 55.

Table 8: Age profile of residents

	Frequency
Under 16	9
16 - 24 years	5
25 - 29 years	4
30 - 39 years	4
40 - 49 years	3
50 - 54 years	3
55 - 59 years	0
60 - 64 years	0
Over 65 years	0
Not stated	0
Total	28 people

### Status

The survey sought to understand the employment status of those indicating a housing need. Table 9 shows that virtually all people in the households seeking a new home are either in employment or below 16 years of age.

Table 9: Status of people in the household

	Frequency
Employed	16
Unemployed	3
Student	0
Child	9
Retired	0
Other	0
Not stated	0
<b>Total</b>	<b>28 people</b>

### Property Type, Size and Tenure

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

## SUMMARY AND RECOMMENDATION

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

### Pre-Existing Evidence from the Housing Register

The local Housing Register was searched for households in need of affordable housing who either live in Litlington or have a local connection to the Parish. There are 30 households on the Register that meet this criterion. This data was combined with the results of this survey in order to calculate overall need.

The properties that would need to be built and then let out through a Housing Association to accommodate those households on the Housing Register are as follows<sup>9</sup>:

1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	
	9	1		9	6		3			2					30

<sup>9</sup>Codes used are F (Flat), H (House) and B (Bungalow)



### Findings from Housing Needs Survey

The Housing Needs Survey conducted in Litlington identified 9 households in need of affordable housing. Five of these households were found to be already registered on the Housing Register and so were removed from the results, reducing the need identified through the survey to 4 additional households.

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

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

### Conclusion

There are 34 households identified as being in need of affordable housing who either live in, or have a local connection to, Litlington:

1 bed			2 bed			3 bed			4 bed			5+ bed			Total
F	H	B	F	H	B	F	H	B	F	H	B	F	H	B	34
	10	1		11	6		3			3					

### Recommendation

To fulfil all current and immediate housing need in Litlington, 34 new affordable homes would have to be built.

This scale of need is larger than the typical scale of rural exception site developments. It is therefore recommended that the size of the development should adhere to the Planning Policy contained within the Local Development Framework for South Cambridgeshire District Council on rural exception sites. Ongoing consultation between the Parish Council and Circle Anglia Housing Association should help to inform this decision.

## APPENDIX 1: CHOICE BASED LETTINGS AND LOW COST HOME OWNERSHIP

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

### Choice Based Lettings



Home-Link

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

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

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

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

### Low Cost Home Ownership



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

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

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