

Housing Needs Survey Report

Ravensden

March 2016

Completed by Bedfordshire Rural Communities Charity



This report is the joint property of Bedford Borough Council and Ravensden Parish Council.

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1. Introduction

1.1 About this survey

Ravensden Parish Council requested for a Housing Needs Survey (HNS) to be carried out. The survey aimed to assess the need of local people for either affordable housing (see 1.2) or market housing (see 1.3) in Ravensden, as well as the general views of the local community.

A survey form (Appendix A) was delivered to all households in Ravensden, together with explanatory notes and a FREEPOST envelope to enable residents to return their completed survey to BRCC. Section 1 of the form (for completion by all respondents) aimed to gain views on overall housing needs in Ravensden (see chapter 4). Section 2 was for completion by or on behalf of any household member currently looking for different accommodation, or who would be looking within the next 3 years: the findings from this section are analysed in chapters 6 and 7.

We received 125 responses from around 300 distributed, a return rate of around 42%. This is a very good response rate for a housing needs survey (typical return rate is 20-25%).

1.2 Affordable housing

Affordable housing can be affordable rented property (where rent is charged at up to 80% of market value), or it can be shared ownership in which people can own a share in the property and pay rent on the remainder. It is usually provided by Registered Providers such as housing associations.

Affordable housing in rural areas is often progressed through Rural Exception Site developments – this is where the planning authority accepts that there is a need for affordable housing in the parish, and is prepared to grant an “exception” to planning policy, providing that the development is for affordable housing that will be available to local people in perpetuity. A Neighbourhood Plan can contain a Rural Exception Site policy.

Households seeking affordable rented accommodation through any new exception site development would have to apply through the Bedfordshire Choice Based Lettings scheme, through which they would have to demonstrate both a housing need and a local connection to Ravensden.

1.3 Market housing

The market housing policies for the Neighbourhood Plan (e.g. proposed numbers, size and type) would need to be based on a broad evidence base. This would include local housing need identified through this survey, although the wider housing market would also need to be taken into consideration, as there would be no restrictions placed on the sale of this housing.

2. About Ravensden

2.1 Population and demographics

In 2001 in the parish of Ravensden, there were 290 households containing 706 residents¹. The age profile (compared to Bedford Borough as a whole) is shown below.

Age	% Ravensden	% Bedford Borough
0 - 15	15.8	20.7
16 - 24	8.5	11.3
25 - 44	20.4	29.6
45 - 64	35.5	23.5
65 - 74	10.8	7.9
75 - 84	8.4	5.2
85+	0.7	1.8

The age profile in 2001 was significantly older than that of Bedford Borough as a whole, with the proportion of those aged 45+ in Ravensden being over 55%. This ageing trend continued in most Bedford Borough villages over the following 10 years, so it is likely that Ravensden's age profile is now older.

2.2 Household Composition

	% Ravensden	% Bedford Borough
1 person - pensioner	12.9	13.1
1 person - other	6.5	14.9
2 or more pensioners	16.0	8.8
Couple - no children	25.9	18.8
Couple + dependent children	19.7	22.2
Couple + non dependent children	9.9	6.2
Lone parent dependent children	3.1	5.4
Lone parent + non dependent children	1.0	2.8
Other	5.1	7.7

There are higher levels of 2 or more pensioner households than Bedford Borough as a whole, reflecting the figures in 2.1. There are also higher levels of couples without dependent children.

¹ 2001 census data - other data also from this source unless otherwise specified. It has not been possible to use 2011 census data due to the distorting effect of the Woodlands Park development, which at that time was part of Ravensden parish.

2.3 Housing Tenure

	% Ravensden	% Bedford Borough
Owner occupied	89.0	72.4
Social rented	3.1	14.4
Private rented (or living rent free)	7.9	11.8

The vast majority of households are owner occupiers in Ravensden, with much lower levels of social and private renting than the Bedford Borough averages.

2.4 Households on Bedford Borough Council Housing Register

There are currently no Ravensden households on the Bedford Borough Council Housing Register. It should be noted that the difficulty of securing affordable housing, particularly in villages, can act as a significant deterrent to people in housing need from placing themselves on the register; so this does not necessarily mean that no residents are in affordable housing need. Furthermore, the criteria for the Bedford Borough Housing Register were tightened in 2014, due to a shortage of housing supply available to meet demand.

3. Housing Availability and Affordability in Ravensden

3.1 Housing affordability ratio

The 'affordability ratio' (median house prices as a ratio of median household earnings) for Ravensden in 2008/09 (latest data available) was 14.1. In other words, houses on the market cost on average 14.1 times annual incomes².

3.2 Dwellings in lower Council Tax Bands

6.7% of dwellings in Ravensden are in Council Tax Band A, and 5.8% in Band B, compared to 13.6% and 24.9% for Bedford Borough as a whole. This indicates a relative shortage of affordable housing for purchase in Ravensden.

3.3 Current property availability for sale in Ravensden

In April 2016, we found 8 properties for sale (or recently sold) in Ravensden:

Dwelling size / type	Number	Asking/sale price
2 bedroom park home	1	£105,000
3 bedroom park home	1	£190,000
2 bedroom house	1	£220,000
3 bedroom house	2	£250,000 - £425,000
4 bedroom house	3	£420,000 - £1,100,000

This represents around 2-3% of total private housing stock in the parish. None were being marketed as retirement properties.

3.4 Property sales over last 3 years

Property sales over the last 3 years can be broken down as follows³:

	2013	2014	2015	Total
£100,000 and under	0	0	0	0
£100,001 – 150,000	1	0	0	1
£150,001 – 200,000	1	3	0	4
£200,001 – 300,000	1	2	2	5
£300,001+	2	9	5	16
Total	5	14	7	26

Only 1 property sold for under £150,000 in the last 3 years, a flat for £107,000.

3.5 Current property availability for rent in Ravensden

In April 2016, we found no properties available for rent in Ravensden. People looking to rent within ¼ mile of the parish would need to look in Bedford, Wilden or Renhold, with prices starting at £850 per month.

² Data from community profile for Ravensden (Parish), © ACRE, RCAN, OCSI 2013

³ Data sourced from www.rightmove.co.uk

3.6 Household income required by first time buyers or renters in Ravensden

According to Department of Communities and Local Government (DCLG) guidance, “a household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households.”⁴ This is reflected in the fact that the average loan to income ratio in lending to first-time buyers in January 2016 was 3.45.⁵

According to the DCLG guidance, in order to purchase the cheapest property currently available in Ravensden (the 2 bedroom park home at £105,000) as a first time buyer, a single earner household would need an annual gross income of £30,000, and a dual-income household would need over £36,000. Only one other property has been available in this price range over the last 3 years. It should be noted that the median annual gross income of UK taxpayers stood at £21,900 in 2013/4⁶.

According to the same guidance, “A household can be considered able to afford market house renting in cases where the rent payable was up to 25% of their gross household income.” (The ‘Rent Payable’ figure is defined as the entire rent due, even if it is partially or entirely met by housing benefit.) To rent the cheapest property available near to Ravensden, a household’s gross income would therefore need to be over £40,000.

3.7 Minimum deposit required by first time buyers in Ravensden

Another major barrier to entry to the property market for first-time buyers is the high deposit needed for a competitive mortgage rate. The average loan to value for first time buyers nationally in December 2015 was 80.4%⁷, meaning that the average deposit was 19.6%.

Smaller deposit mortgages all but disappeared following the onset of the financial crisis. However, the government’s Help to Buy scheme has more recently facilitated a market in mortgages for first-time buyers at up to 95% loan to value. These mortgages are generally offered at higher rates of interest than for buyers with larger deposits.

At 95% loan to value, a first-time buyer household might be able to purchase the 2 bedroom park home highlighted above with a deposit of around £5,250. At the December 2015 average of 80.4% loan to value, a deposit of over £20,000 would be required.

⁴ Strategic Housing Market Assessments: Practice Guidance Version 2 (DCLG 2007)

⁵ Council of Mortgage Lenders, July 2015

⁶ HMRC, March 2016

⁷ Council of Mortgage Lenders, July 2015

4. Views on housing needs in Ravensden

76% of respondents thought that there was a need for one or more types of new affordable housing in the parish (Q1). The % of respondents in favour of each specific type of housing was as follows:

Housing type	% of respondents
Flats	2
Smaller houses (1-2 bedrooms)	50
Larger houses (3+ bedrooms)	22
Bungalows	48
Sheltered accommodation	17

There was a clear preference for smaller houses and bungalows.

The % of respondents in favour of each type of tenure (Q2) was as follows:

Housing type	% of respondents
Purchase on the open market	75
Shared ownership (part owned, part rent) with local people given priority	42
Private rent	14
Affordable rent (through a housing association), with local people given priority	41

Purchase on the open market was the most popular, with reasonable proportions in favour of affordable rent and shared ownership, with local people given priority. There was little support for more private renting.

The provision of a small development of affordable housing (up to 10 units) based on identified local need (Q3) was supported by 78% of respondents, with only 22% not supporting the idea.

40 respondents took the opportunity to provide additional comments (Q4), which are attached as Appendix B.

Respondents were then asked which of the following best described them in terms of their future plans with regards to housing (Q5):

Future plans	No. of respondents
I need to find a new home in Ravensden in the next 20years (these respondents were asked to complete Section 2 also)	29
I am unlikely to need a new home in Ravensden in the next 20 years	85
I am considering / planning to move away from Ravensden in the next 20 years	7
No response	4

5. Analysis of housing needs – affordable rent and shared ownership

29 respondents indicated that they would be looking for new housing in the parish of Ravensden over the next 20 years all of which provided their name and address. These households are therefore regarded in principle as being in some form of housing need.

Out of these, 17 respondents were only looking to buy or rent on the open market, 16 of whom were owner occupiers. These respondents will be considered in Chapter 6.

The other 12 respondents were either considering affordable rent or shared ownership; they will be considered in this chapter.

5.1 Nature of local connection

Local needs affordable housing would usually be made available in the first instance to people with a strong local connection. All 12 respondents identified a strong local connection (Q6) as follows (respondents could tick more than one):

Nature of local connection	No. of households
Currently live in Ravensden	12
Previously lived in Ravensden and wish to return	0
An immediate family member (parent, child, or sibling) lives in Ravensden	2
Permanently employed in the parish	1

5.2 Household composition of households in need

Respondents were asked (Q7) which of a number of situations best described them:

Situation	No. of households
A young single adult/couple without dependent children	3
A young single adult/couple planning to start a family	2
An older single adult/couple without dependent children)	6
A family with dependent child(ren) or other dependent(s)	1

5.3 Current housing circumstances of households in need

The current living arrangements by the 12 respondents (Q8) broke down as follows:

Housing tenure	No. of households
Living with parent(s) in their home	4
Renting from a Housing Association	2
Renting privately	2
Owner occupier	4
Housing provided with job	0

Owner occupiers would not normally be considered for affordable housing, although these 4 respondents appeared to have particular needs to do with disability and/or advancing age, or financial reasons, that might qualify them in certain circumstances.

5.4 Reason for housing need

The needs identified by the 12 respondents (Q9) can be summarised as follows (respondents were able to identify more than one need):

Need	No. of households
Present home too small	1
Present home too large	2
Want to move out of the family home	4
Want to get on housing ladder	3
Medical reasons / disability	3
At risk of losing current home	1
Need to be closer to family or carer support	0
Financial reasons	3
Other (need sheltered accommodation / bungalow / more suitable property for older person)	3

The need was mainly divided between younger adults still living with their parents; and older people seeking more suitable accommodation.

5.5 Housing tenure sought

The housing tenure sought by the households in need (Q10) broke down as follows (respondents could tick more than one):

Housing tenure	No. of households
Rent from a Housing Association	8
Rent privately	4
Buy on the open market	6
Buy on a shared ownership basis	6

All respondents were considering an affordable housing option (renting from a Housing Association or shared ownership).

5.6 Housing type sought

The housing type sought by the households in need (Q11) broke down as follows (respondents could tick more than one):

Type of property	No. of households
Flat	1
House	5
Bungalow / retirement property	8
Sheltered housing	3

There was a particular demand for housing more suitable for older people.

5.7 Housing size sought

The number of bedrooms sought by the households in need (Q12) broke down as follows (respondents could tick more than one):

Size of property	No. of households
One bedroom	4
Two bedrooms	10
Three bedrooms	4
More than three bedrooms	0

Most respondents were interested in 2 bedroom properties, although there was also some interest in 1 and 3 bedrooms.

5.8 Timescale of housing need

The timescale in which these respondents would be looking for different accommodation (Q13) was as follows:

Timescale	No. of households
Within 0-3 years	2
Within 3-5 years	7
Within 5-10 years	2
Within 10-20 years	1

All except 3 respondents would be looking for new housing over the next 5 years.

5.9 Gross income of households in need

We saw in Chapter 3 that, in order to purchase the cheapest property currently available in Ravensden (the 2 bedroom park home at £105,000) as a first time buyer, a single earner household would need an annual gross income of £30,000, and a dual-income household would need over £36,000. No rental properties were available.

The current gross annual income of anyone responsible for paying the rent/mortgage for the 13 households under analysis breaks down as follows:

Current gross income	No. of households
Less than £20,000 / yr	8
£20,000 to £30,000 / yr	2
£30,000 to £40,000 / yr	1
More than £40,000 / yr	0
No response	1

Based on the data provided, at least 10 households could not currently afford to purchase on the open market in Ravensden, even if suitable properties were available.

5.10 Savings or equity of households in need

As we saw in Chapter 3, the average deposit required for a first-time buyer to purchase the cheapest property currently available in Ravensden is over £20,000. The minimum (under a 95% Loan to Value deal) would be around £5,250.

The savings or other equity that these 12 households could use to contribute towards a mortgage breaks down as follows:

Savings/equity	No. of households
Below £20,000	6
£20,000 to £50,000	2
More than £50,000	0
No response	4

At least 6 respondents would not have enough savings or equity currently to buy a property on the open market as a first time buyer, except at high Loan to Value. Of the others, 4 had insufficient gross income.

6. Analysis of housing needs – market housing

17 respondents were only looking to buy or rent on the open market. All were currently living in Ravensden, and would therefore in most cases sell their current property on moving.

6.1 Household composition of households in need

Respondents were asked (Q7) which of a number of situations best described them:

Situation	No. of households
A young single adult/couple without dependent children	0
A young single adult/couple planning to start a family	2
An older single adult/couple without dependent children)	15
A family with dependent child(ren) or other dependent(s)	0

Nearly all of the need is coming from older people.

6.3 Current housing circumstances of households in need

The current living arrangements by these 17 respondents (Q8) broke down as follows:

Housing tenure	No. of households
Living with parent(s) in their home	0
Renting from a Housing Association	0
Renting privately	1
Owner occupier	16
Housing provided with job	0

All but one were owner occupiers.

6.4 Reason for housing need

The needs identified by these 17 respondents (Q9) can be summarised as follows (respondents were able to identify more than one need):

Need	No. of households
Present home too small	1
Present home too large	13
Want to move out of the family home	0
Want to get on housing ladder	0
Medical reasons / disability	3
At risk of losing current home	0
Need to be closer to family or carer support	0
Financial reasons	1
Other (move into a bungalow)	1

Nearly all of the need was associated with people wanting to move into smaller properties as they got older.

6.5 Housing tenure sought

The housing tenure sought by the households in need (Q10) broke down as follows (respondents could tick more than one):

Housing tenure	No. of households
Rent from a Housing Association	1
Rent privately	2
Buy on the open market	17
Buy on a shared ownership basis	0

6.6 Housing type sought

The housing type sought by the households in need (Q11) broke down as follows (respondents could tick more than one):

Type of property	No. of households
Flat	1
House	10
Bungalow / retirement property	12
Sheltered housing	1

There was a particular demand for housing more suitable for older people.

6.7 Housing size sought

The number of bedrooms sought by the households in need (Q12) broke down as follows (respondents could tick more than one):

Size of property	No. of households
One bedroom	1
Two bedrooms	10
Three bedrooms	14
More than three bedrooms	2

Most respondents were interested in 2 or 3 bedroom properties.

6.8 Timescale of housing need

The timescale in which these respondents would be looking for different accommodation (Q13) was as follows:

Timescale	No. of households
Within 0-3 years	4
Within 3-5 years	3
Within 5-10 years	3
Within 10-20 years	6
Not specified	1

Only 7 respondents would be looking for new housing over the next 5 years.

7. Conclusions and recommendations

7.1 Affordable housing

Analysis of the data considered in Chapter 5 has identified a small need for affordable housing within Ravensden from households resident in the parish, which is unlikely to be met by normal market provision. This need generally comes from people currently in rented accommodation.

Affordable rented and shared ownership housing for local people in Ravensden could be provided through the development of a rural exception, which would provide affordable housing for which households with a local connection would take priority.

Based on data supplied by respondents, up to 12 households with a local connection would be suitable for housing within a rural exception site development, whether for rent or shared ownership. However, it must be recognised that this is a snapshot of current, self-assessed need: some respondents may withdraw, move, or be housed by other means during the planning and development of any future scheme. Some of these respondents aspired to buy on the open market only, however did not appear to have the financial means to do so within Ravensden.

In order to have reasonable confidence that any new housing provided through a rural exception site will be taken up by people with a local connection to Ravensden, our recommendation is to meet 50% of the need identified, which would be **6 units**.

Our assessment from the data is that the 6 units could be broken down as follows:

2 x 2 bedroom house (shared ownership)
4 x 1-2 bedroom bungalow (rent)

In making this assessment we consider a number of factors including household size and circumstances; the type and tenure being sought by respondents; and their financial means. This breakdown is explained further below:

2 x 2 bedroom house (shared ownership)

4 respondents were young single adults or couples currently living with parents who wanted to get on the housing ladder. They had insufficient financial means to buy on the open market in Ravensden, but were interested in shared ownership.

4 x 1-2 bedroom bungalow (rent)

8 respondents were a mix of owner occupiers and renters who were interested in 1 or 2 bedroom bungalows or retirement properties for affordable rent through a Housing Association, for reasons of disability/medical issues or advancing age.

7.2 Market housing

Analysis of the responses considered in Chapter 6 suggests that there is a need for **2 and 3 bed bungalows** or otherwise suitable retirement properties (e.g. houses built to Lifetime Homes criteria) if Ravensden is to meet the identified current and future needs of existing owner occupier residents wishing to stay in the village.

The evidence for this is as follows:

- The relative shortage of both cheaper properties and bungalows in Ravensden
- The relatively high proportion of people aged 50+ in the parish
- The 48% of respondents who believed that more bungalows were required in Ravensden
- The 15 respondents who would be looking for bungalows or retirement properties at some point over the next 20 years, most of whom were looking for a smaller property

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

Clearly there is no guarantee that housing sold on the open market will be bought by people with a local connection to Ravensden. It is therefore not possible to stipulate how much new housing would meet the needs of the 15 respondents identified above. However, it is reasonable to suggest that the provision of **5 to 10 units** would meet a reasonable proportion of the need while being in keeping with the size of the village. These could potentially be delivered alongside or as part of a rural exception site, with the market housing cross-subsidising the affordable housing.

It may also be worth considering a small number of 1-2 bedroom 'starter homes' targeted at younger adults, reflecting the desire of some respondents to get on the housing ladder in Ravensden and the shortage of smaller, cheaper properties.