

A DETAILED INVESTIGATION INTO THE HOUSING NEEDS OF DUNCHURCH



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1. Introduction

Rural house prices have risen by an average of £69,000 over the last decade¹ forcing many local residents to move away from their towns and villages in order to find suitable and affordable homes. Over the past ten years the average price paid by first-time buyers has risen by 90% across rural Britain¹. The cost of getting onto the bottom rung of the property ladder is some 42% higher in rural areas compared to urban and just 12% of all homes being built are in rural areas². The number of people on waiting lists for affordable homes in rural England has soared to around 750,000³. Increasing house prices and the limited availability of appropriate properties has resulted in local people being unable to find a home within their community and this may be happening in Dunchurch.

Midlands Rural Housing (MRH) work with local authorities, town and parish councils, registered providers (housing associations/registered social landlords), private developers and local communities in order to investigate the need for, and provide, affordable homes in towns and villages throughout the Midlands. The first step in this research is to undertake a Housing Needs Survey which will give an overview of the current housing situation in a parish and provide details of the need for local housing.

The Dunchurch Housing Needs Survey questionnaires were delivered to every household in the Parish in mid August. The return date for the survey was 30th September and returns were made via a postage paid envelope directly to MRH. Survey forms were distributed to all households as well as to those who contacted MRH to say that they had moved away from Dunchurch, or had a strong connection to the Parish and wished to complete a form. In total 1206 survey forms were distributed.

2. Purpose of the Survey

The survey was conducted in order to obtain clear evidence of any local housing need for a range of affordable housing tenures for Dunchurch residents. This evidence will be made available to Rugby Borough Council and Dunchurch Parish Council; used to inform Housing Strategy; and provide clarity on what type and tenure of housing is required to meet local needs.

In addition, the information can be used positively in the planning process. It provides a foundation on which to negotiate 'planning gain' opportunities with developers. In short, it gives the planners evidence that can be used to obtain an element of 'local needs' housing in negotiations with house builders, should such possibilities arise in the village.

The information obtained from a Housing Needs Survey is also invaluable at the local level, particularly in relation to local authority and parish council activities. Such information can be acted upon locally and taken on board in the decision making process when housing issues arise.

¹ Halifax Rural Housing Review 2011 - " the average house price in rural Great Britain rose by 54%, or £69,170, from £127,146 in 2001 to £196,136 in 2011 - equivalent to a monthly increase of £576"

² Hometrack Sept 2011

³ National Housing Federation, Rural housing research report 2010

3. Respondent details

A total of 1206 survey forms were distributed and 281 were received in return, giving a return rate of 23% against the number distributed. In our experience this is an average level of response for a survey of this kind. It is usually only those who have a housing need or are interested in a local needs development and general village life that are likely to respond.

i) Household type

The questionnaire asked village residents to indicate the type of household they are. This enabled the charts below (fig 1.1), to be produced:

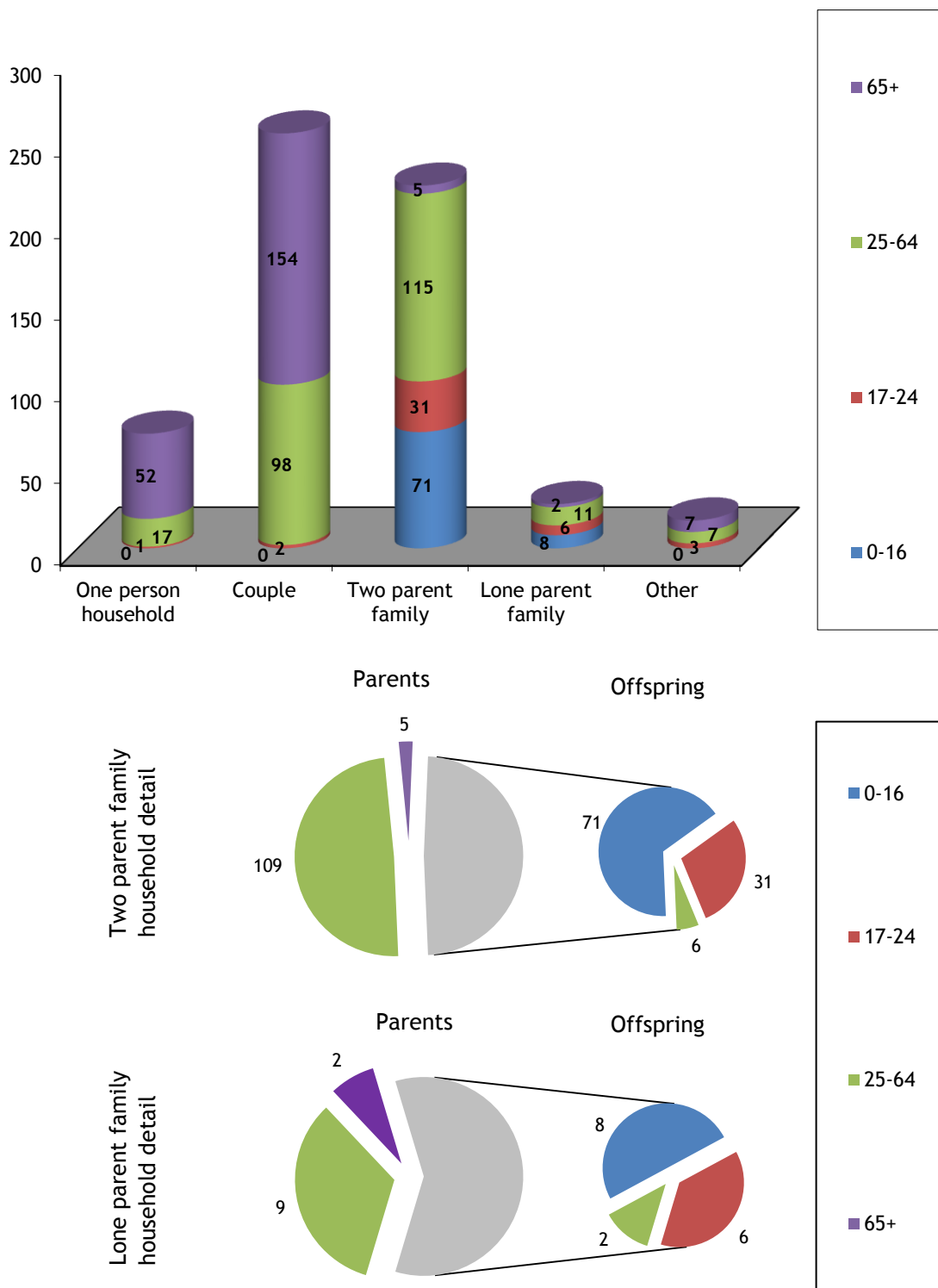


Fig 1.1 - Household type

Fig 1.1 on page 3 shows the age range breakdown of households that responded to the survey.

The largest number of responses were from those living in couple only households; a total of 127 responses were received from this type of household. 61% of people in those households were 65 years and over and 39% were 25-64 years old.

57 responses came from two parent family homes. The parents of these households were mostly aged between 25-64 years old (96%). The remaining 4% of parents were aged 65 years and over. The offspring living in the two parent family households were of varying ages. 66% of the offspring were under 16 years old; 29% were 17-24 years old; and 6% were aged 25-64. *(n.b. the % figure for the offspring equals just over 100% due to rounding)*

There were 70 responses from one person households. 74% of them were from those 65 and over. 24% of responses were from people aged 25-64, and 1% were from those aged between 17-24 years old. *(n.b. the % figure for the offspring equals just under 100% due to rounding)*

11 responses were from lone parent family households. 82% of the parents were 25-64 years old and 18% were aged 65 and over. Lone parent family offspring fell into three age range categories; 50% were under 16 years of age, 37% were 17-24 years old, and 13% were 25-64 years old.

ii) Tenure of all respondents

The current household tenure of respondents is given in the chart below (fig 1.2):

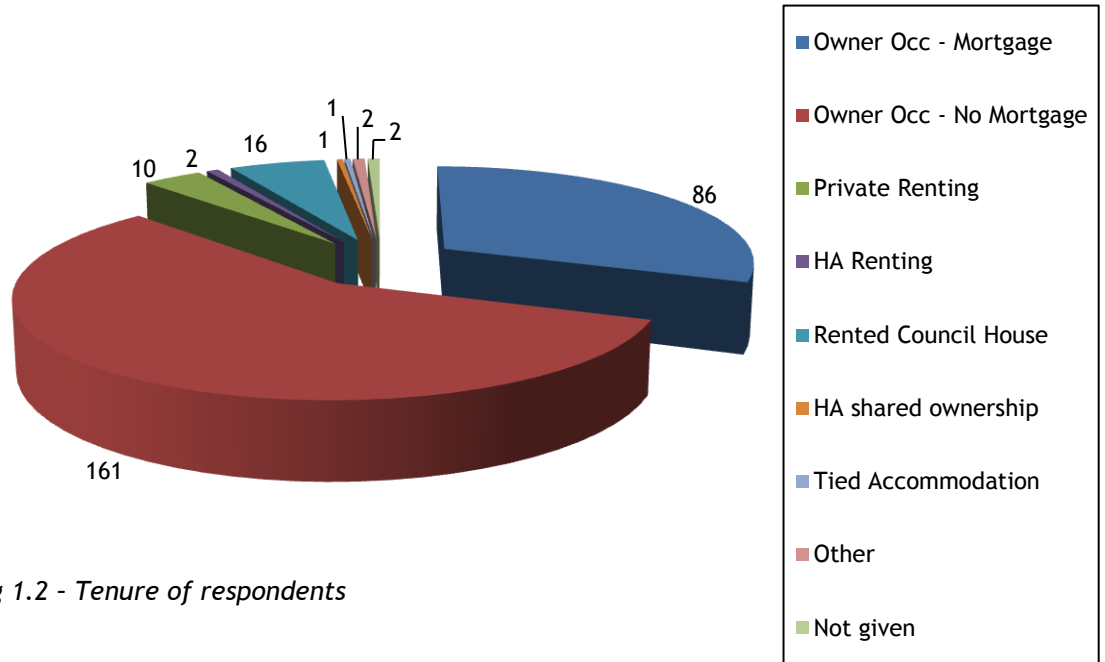


Fig 1.2 - Tenure of respondents

It shows that owner-occupiers were by far the largest tenure group accounting for 88% of replies (57% of total survey respondents have no outstanding mortgage on their property and 31% have a mortgage on their home).

10% of respondents live in rented accommodation (6% rent from the Council, 3% rent privately, and 1% rent from a housing association).

iii) Property Types

The following chart (fig 1.3) details the type of property that respondents currently reside in:

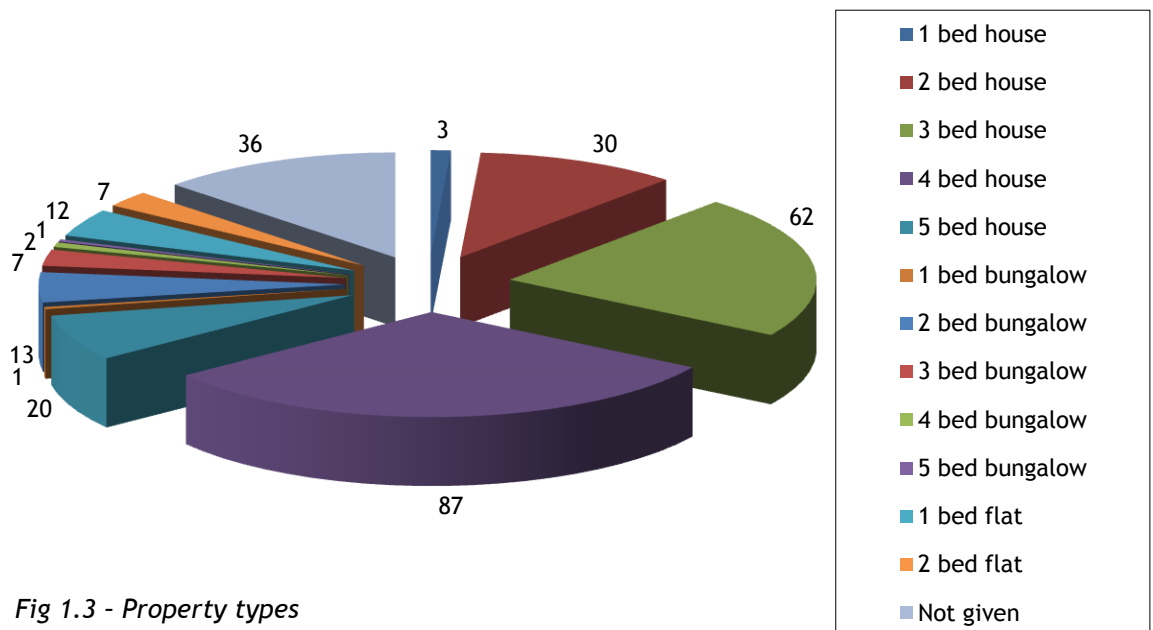


Fig 1.3 - Property types

Those living in 4 bedroom houses were the largest group (31% of responses), followed by those living in 3 bedroom houses (22%) and 2 bedroom houses (11%). 9% of responses were from people living in a bungalow and 7% from people living in flats.

iv) **Length of residence in Parish**

The length of time that respondents have lived in Dunchurch is given in the chart below (fig 1.4):

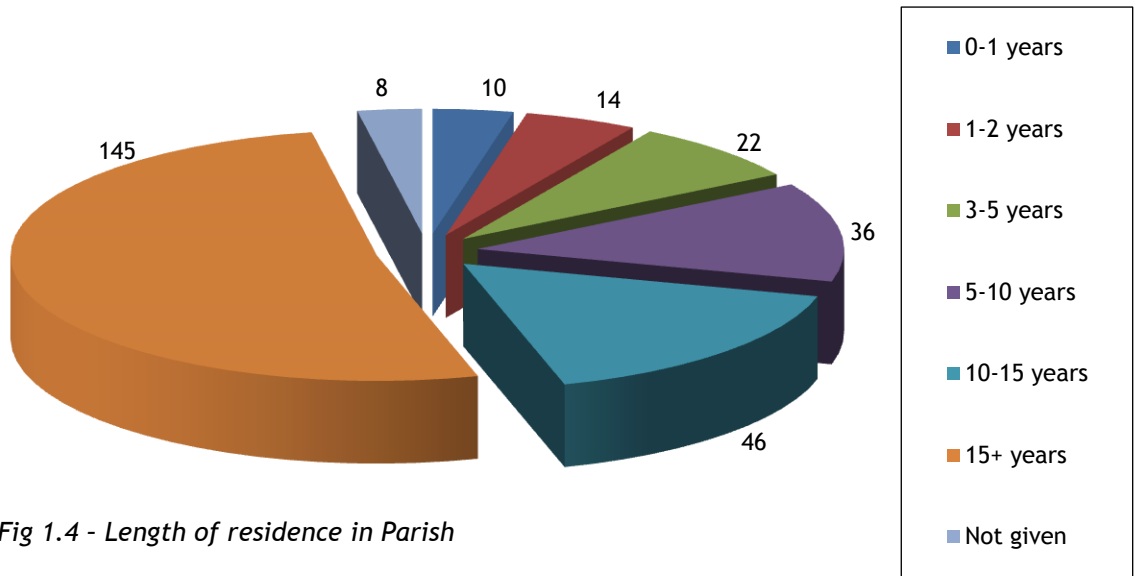


Fig 1.4 - Length of residence in Parish

It shows that over half of respondents (52%) have lived in the Parish for in excess of 15 years.

16% of respondents have lived in Dunchurch for between 10 and 15 years, and 13% have been there for between 5 and 10 years. 16% of responses came from those who have lived in the village for less than 5 years.

v) **Anticipated next home move - tenure**

The following chart (fig 1.5) shows the tenure that respondents expect to move into in their next home move:

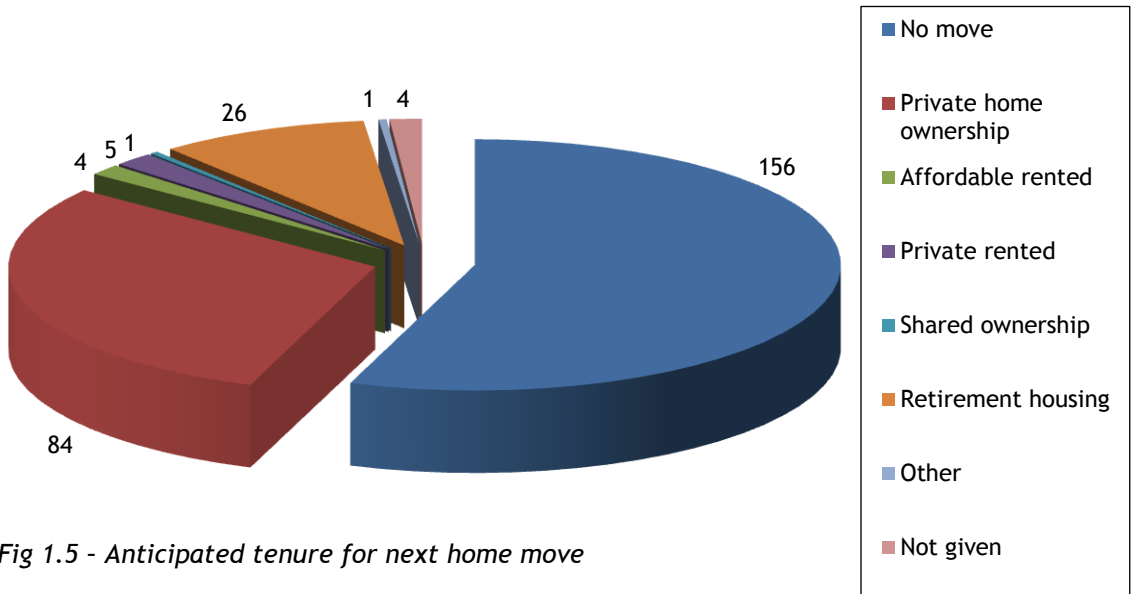


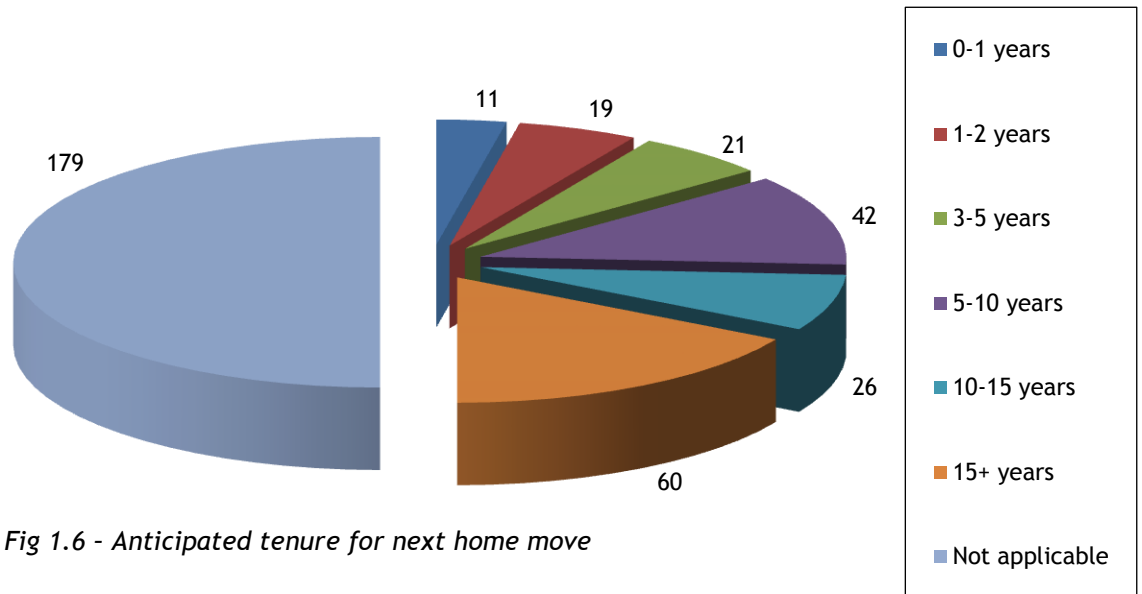
Fig 1.5 - Anticipated tenure for next home move

56% of completed questionnaires came from villagers who do not expect to move home again. 30% of people anticipate their next property being a privately owned home and 9% believe they will move into retirement housing.

Anticipated moves into affordable housing (affordable rented and shared ownership) totalled 2%. The same percentage of respondents also thought that they would move into privately rented accommodation.

vi) **Anticipated next home move - time**

The timescale for the anticipated next move for respondents is detailed below (fig 1.6):



74% of responses came from households that expect their next home move to be in more than 10 years or not at all.

18% anticipate moving in 3-10 years time, whilst 8% of respondents expect to move within 2 years.

vii) **Life in the Parish**

The following two charts detail respondents' answers to the 'life in the Parish' questions.

The views expressed allow a picture of life within the Parish to be built up. This information can help assess whether any homes that are subsequently provided in the village will be 'sustainable.' Ensuring that people will want to take up tenancies and live in a village both now and in the future are important factors when considerations around the provision of new homes take place.

The first question asked Parish residents how they felt about the 'positive' factors of life in the Parish.

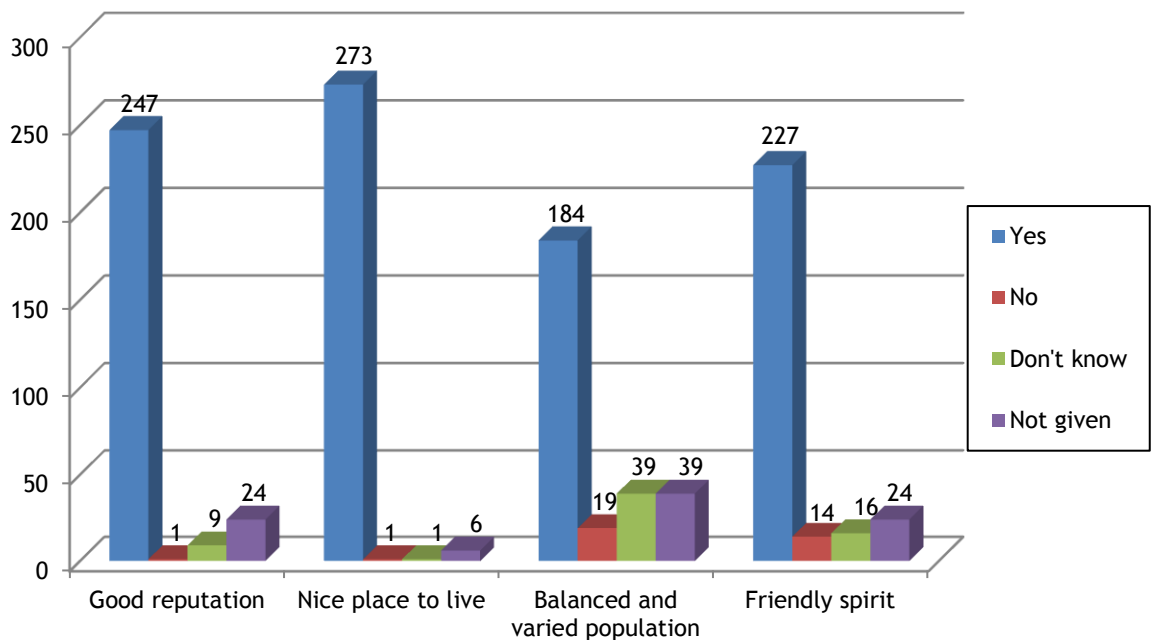
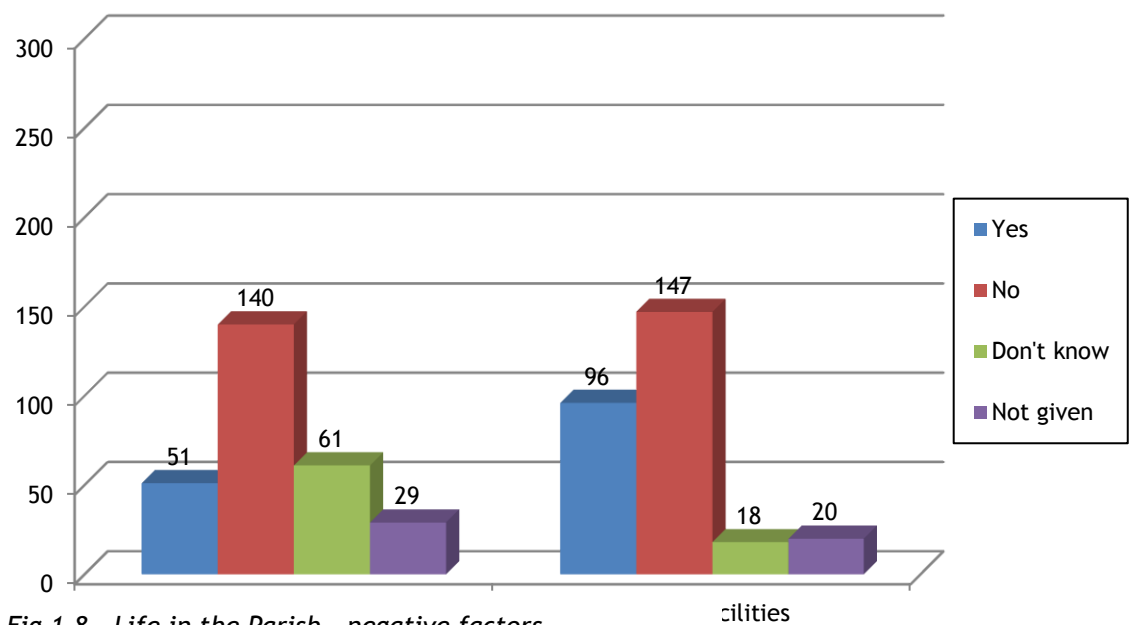


Fig 1.7 - Life in the Parish - positive factors

From fig 1.7, above, it can be seen that the majority of respondents are very positive about life in Dunchurch. 88% believed that the Parish has a good reputation and 97% thought that it is a nice place to live.

65% of completed questionnaires came from those who believed that Dunchurch enjoys a balanced and varied population (only 7% did not), whilst 81% said that the Parish has a friendly spirit.

The second question sought village residents' perceptions on the potentially negative aspects of life in the Parish.



As can be seen from fig 1.8, above, 50% of respondents believed that there is not a lack of adequate housing in Dunchurch whilst 18% of returned surveys felt that there is. 32% of completed questionnaires came from people who did not know or did not respond with regard to this question.

Villagers' perception on whether Dunchurch is well served by facilities saw 52% of respondents stating that there is not a lack of facilities in the Parish whilst 34% of responses said that there is.

Comments detailing respondents perceived problems in the Parish (besides housing) were mainly focused around two issues:

- Lack of shops / variety of shops (52 comments)
- Poor transport links / public transport (27 comments)
- Also mentioned - lack of children/youth activities; lack of library; lack of facilities for the elderly; lack of a 'no fee' cash machine.

viii) **Migration**

The survey also asked whether respondents knew of people who had been forced to leave the Parish because of a lack of suitable or affordable accommodation.

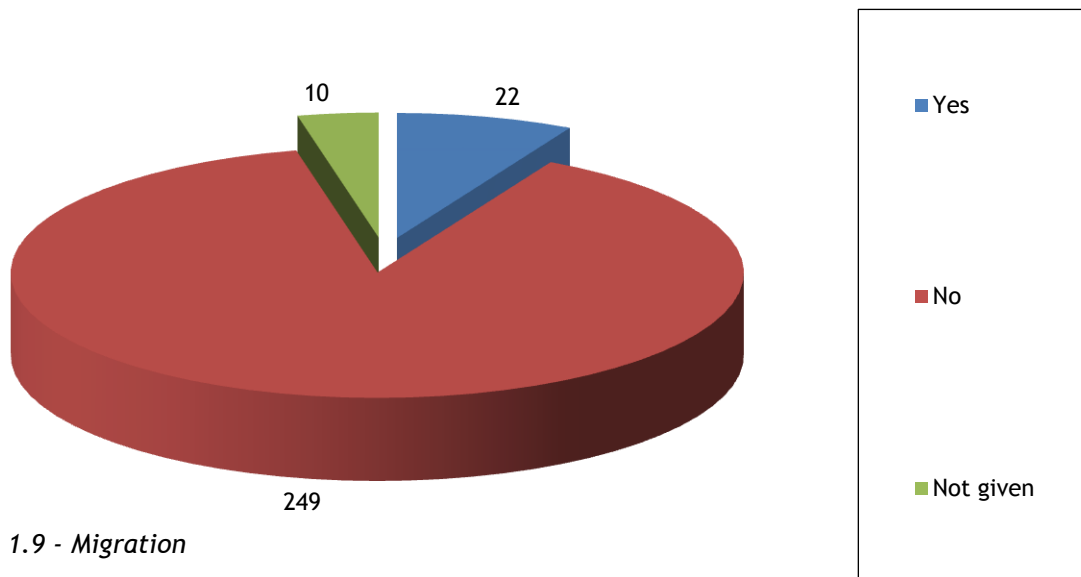


Fig 1.9 - Migration

Fig 1.9 shows that only 8% of Parish residents who returned questionnaires were aware of others who have had to leave the Parish in the last 5 years due to a lack of suitable or affordable accommodation.

However, these 22 respondents knew of some 49 people in total who have had to leave Dunchurch for this reason. Obviously some/many of these ‘leaving’ people/families will have been ‘double counted’ within this figure, but the number is still noteworthy.

ix) **Support for an affordable housing scheme for local people**

One of the fundamental questions in the survey is that which asks whether people are in favour of a small scheme of affordable homes in the village for local people.

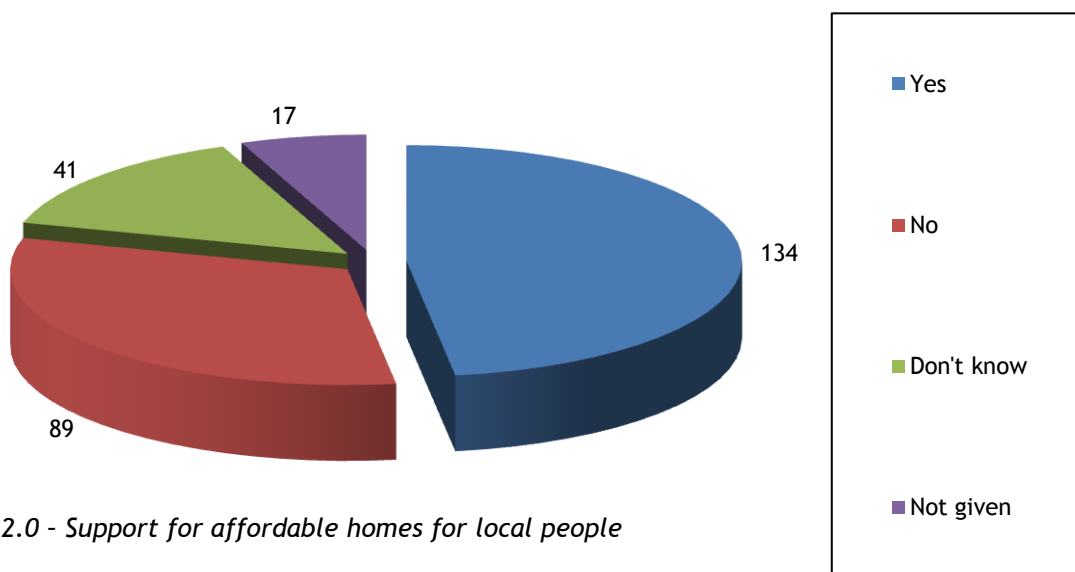


Fig 2.0 - Support for affordable homes for local people

Fig 2.0, above, shows that 48% of respondents are in favour of an affordable housing scheme for local people, while 32% said that they are not in favour.

15% of respondents did not know whether they would be in favour or not, and 6% did not give a response.

x) Respondents' comments

Many respondents made additional comments on their returned form. They are summarised below:

(It is not appropriate to include certain comments which make specific reference to particular areas of the village or to identifiable elements of the community)

Supportive of affordable housing development to meet local needs

*There were **45** general comments highlighting a lack of affordable / low cost / rented / shared ownership / council housing; for the young / elderly / families / disabled / first-time buyers and those on low and average incomes.*

“Provided affordable housing remains as such and is not sold to speculators as has happened in the past.”

“If such a need is established, I don’t feel I should stop other people living here. Rates still high for low income families though.”

“So long as it was built in keeping with the village.”

Not supportive of affordable housing development to meet local needs

“Why should we have affordable homes to rent etc. when to live here has cost the majority of home owners a lot of money?”

“Dunchurch is a lovely perfect sized village and would certainly NOT benefit from any developments of low cost housing!”

“My concern is that the priority being for local people may eventually change and it may become rental homes, which may have a negative effect.”

Other comments regarding housing, development and life in Dunchurch

“With unavoidable “not in my back yard” mentality the results of this survey are so predictable!!!”

“Dunchurch has been ruined enough - it’s losing its village identity unlike 54 years ago.”

“The village has already seen development of housing. It lacks local work. The lack of this forces people to relocate!”

“We live in a village environment and want it to stay that way. Building extra housing will mean loss of countryside which we moved here to be alongside.”

“Keep Dunchurch a village.”

“Over the last few years several new developments have been built (some large) and the village is now being spoilt and more crime is being committed.”

“The only sure way of ruining a village is to keep expanding it.”

“We don’t need anymore development in Dunchurch.”

“Dunchurch is a village and needs to remain as such. Any further housing will be making this impossible. Leave Dunchurch alone.”

“Not in favour of any large housing developments in and around Dunchurch. Use the masts site.”

“It would depend on the location of the scheme.”

“It depends where it would be built, it is important to preserve the green areas/rural nature of the village.”

4. Housing Need Analysis

Of the 281 returns, 275 were from people who felt that they were adequately housed at present. These respondents completed a form primarily to offer their support, objection or thoughts towards 'local needs' housing as well as to give their comments regarding life in the Parish. These were, therefore, discounted from the rest of the analysis.

As far as the requirement for housing, 6 returns indicated a need for housing within the next two years.

i) Local Connection

The survey form is made available to those who currently live in the Parish and those who have a previous residency or a strong local connection to the Parish, such as a job or close family in the Parish. Of the 6 respondents who indicated a housing need all of them currently satisfy Rugby Borough Council's local connection criteria (5 year permanent residency in the Parish; 5 out of the past 20 years permanent residency in the Parish; requirement to live close to another person who satisfies the previous criteria and is in essential need of frequent attention and/or care due to age, ill health and/or infirmity; essential functional need to live close to work in the Parish).

The local connection links are shown in the chart below (fig 2.1):

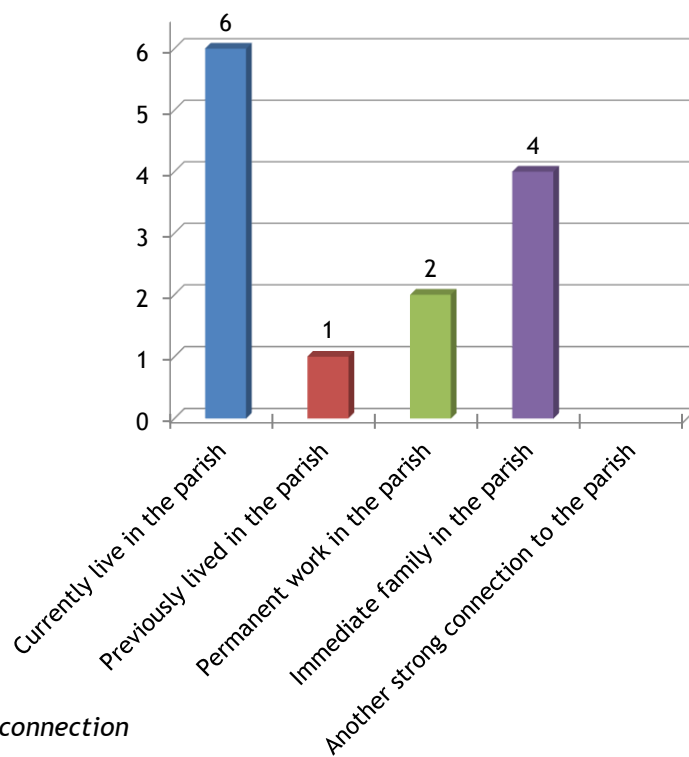


Fig 2.1 - Local connection

All 6 returns were from people who currently live in Dunchurch. All of them have done for over five years. 1 of the respondents has also previously lived in the Parish; 4 also have immediate family in the Parish and 2 respondents also have permanent work in the Parish.

In total, there were 13 local connections given by the 6 respondents. This is more than the total number of responses in housing need as most households had more than one connection to Dunchurch.

ii) Reasons for housing need

Respondents were asked to state why they felt they were in need of alternative accommodation. The chart below (fig 2.2), shows the reasons that were given:

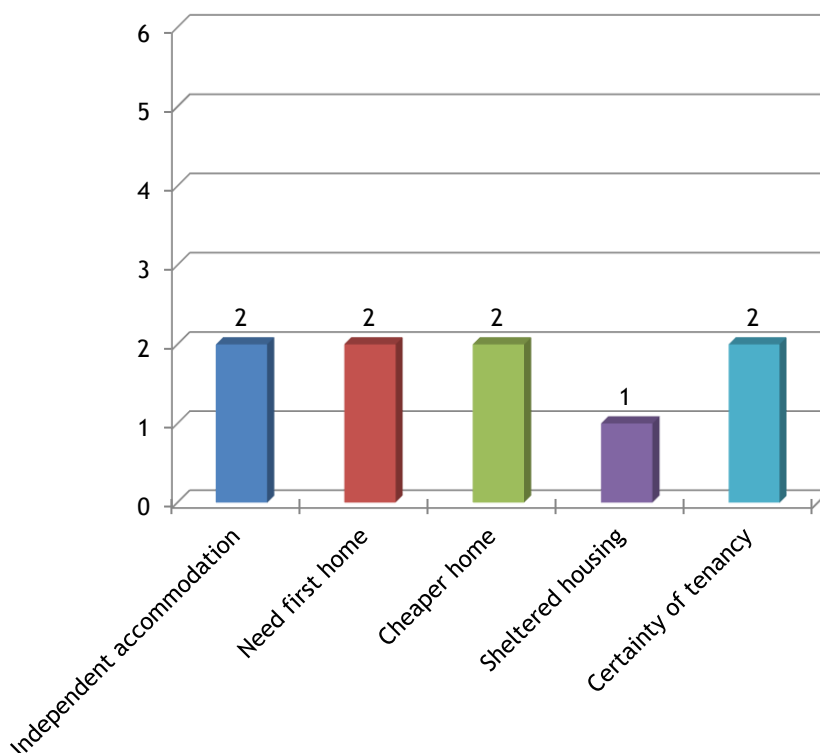


Fig 2.2 - Reasons for housing need

It can be seen that the reasons for seeking alternative accommodation are varied. The most popular reasons are the need for a first home, independent homes, cheaper home and certainty of tenancy (2 counts each).

iii) Respondent analysis

The following table lists details of those respondents who stated that they are in housing need. Respondents were asked to identify what they felt is needed in terms of property type and size together with a preferred tenure type. In reality it may not be possible to meet the aspirations of each respondent. Incomes and likely property prices are considered in order to ensure that any proposed scheme would indeed meet the needs of those to be housed. Therefore a ‘reality tenure’ is suggested to outline realistic provision.

Those marked with a * indicate that the respondent has been suggested a ‘reality tenure’ of a two bed property, but this could be changed to a one bed property dependant upon the Local Authority’s ‘under-occupation’ policies. A two bed property means that a single person or a couple would not be ‘filling’ the property, but in reality the homes built need to be sustainable over a period of years. Building one bed properties may limit their use in terms of future lettings. It is often felt that it is better to house a single person/couple who can benefit from a spare room so that the property is more ‘flexible’ when it comes to a change in their circumstance or for future residents and their circumstances.

For the purpose of this analysis, 2 bedroom properties have been recommended for single people and couples for reasons of long term sustainability.

Those marked with a ** indicate that the respondent is currently housed in Housing Association/Council accommodation which would be available to other people in need on waiting lists if the current residents were able to be re-housed in a more suitable property.

Within next 2 years

Ref	RESPONDENT	WHAT REQUIRED	REALITY TENURE
RESPONDENTS BELOW HAVE AN IMMEDIATE NEED AND MEET THE LOCAL CONNECTION CRITERIA			
57	One person household (1 adult, 25-64 years old), currently living with family in the Parish (has lived in the Parish for 15+ years and has family in the Parish). Needs independent accommodation.	1 bed flat - Social rented home	2 bed house - Social rented home *
97	One person household (1 pensioner, 65+ years old), currently living in house with no mortgage in the Parish (has lived in the Parish for 5-10 years and has family in the Parish). Needs sheltered housing and to avoid harassment.	Sheltered housing	Sheltered housing

Ref	RESPONDENT	WHAT REQUIRED	REALITY TENURE
102	Two parent family household (2 pensioners, 65+ years old), with 1 adult son/daughter who is carer (25-64 years old), currently living in privately rented home in the Parish (have lived in the Parish for 5-10 years). Need cheaper, better quality home with security of tenure.	2 / 3 bed house / bungalow - Social rented home / Shared ownership home / Market rent level home / Open market home	2 bed house - Social rented home
221	Lone parent family household (1 adult, 25-64 years old), with 2 children (0-16 years old), currently living in privately rented house in the Parish (have lived in the Parish for 5-10 years). Need security of tenancy.	2 bed house - Shared ownership home / Open market home	2 bed house - Shared ownership home
226	One person household (1 young adult, 17-24 years old), currently living with family in the Parish (has lived in the Parish for 15+ years, has permanent work in the Parish and has family in the Parish). Needs independent accommodation.	2 / 3 bed house - Social rented home / Shared ownership home	2 bed house - Social rented home *
259	One person household (1 young adult, 17-24 years old), currently living with family in the Parish (has lived in the Parish for 15+ years, has permanent work in the Parish and has family in the Parish). Needs first home.	2 bed house - Shared ownership home / Open market home	2 bed house - Shared ownership home

iv) **House price data**

The tables, below (figs 2.3 and 2.4), detail the house prices and household type breakdown for the CV22 area. They are taken from www.landregistry.gov.uk and www.upmystreet.com. Unfortunately more detailed data at Parish level is not available but further local context is given on page 21 with regard to properties that are/have been for sale and rent in Dunchurch itself.

Quarter	Property type			
	Flats	Terraced	Semi	Detached
Jul-Sep 2011	£175,000 (1 sales)	£0 (0 sales)	£196,667 (8 sales)	£278,000 (4 sales)
Apr-Jun 2011	£83,750 (8 sales)	£121,946 (14 sales)	£153,491 (58 sales)	£258,974 (23 sales)
Jan-Mar 2011	£127,944 (9 sales)	£133,423 (15 sales)	£141,736 (43 sales)	£291,607 (28 sales)
Oct-Dec 2010	£170,417 (8 sales)	£122,762 (17 sales)	£153,834 (38 sales)	£280,211 (46 sales)

Fig 2.3 - Average property prices for CV22 Warwickshire - Oct 2010-Sep 2011

Property trends in CV22

Average property prices for CV22

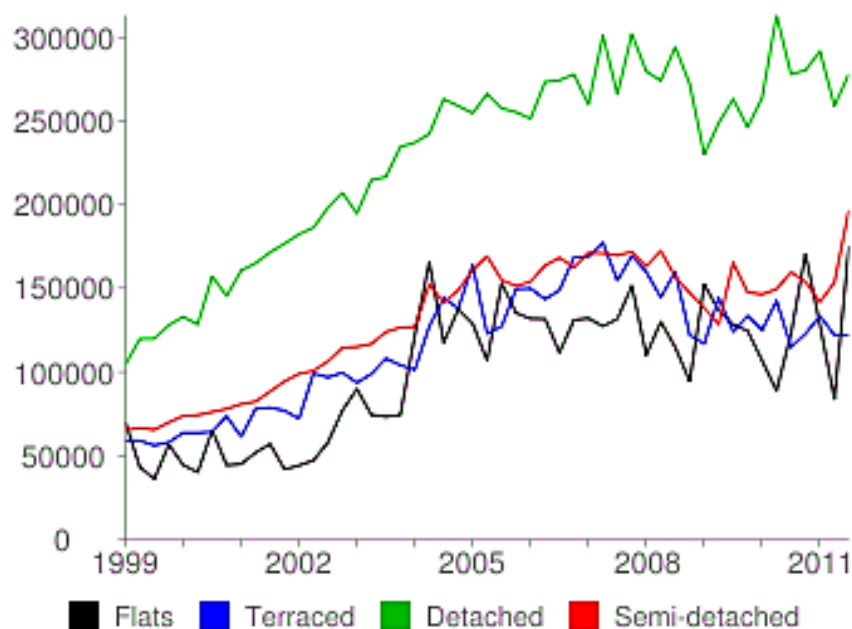


Fig 2.4 - Average property prices for CV22 Warwickshire - 1999-2011

The charts on the previous page (figs 2.3 and 2.4) show that property prices in Warwickshire and CV22 have, overall, increased over the past decade despite a general fall/stagnation in recent few years. Entry level housing (i.e. terraced properties or flats) had an average price of £126,000 (terraced) and £139,000 (flat) in the last year (it should be noted that the postcode CV22 does include areas other than the Parish of Dunchurch. House prices in the surrounding area may be higher or lower than those in Dunchurch itself, but given that this postcode includes large parts of the southern suburbs of Rugby it can safely be assumed that the average property prices in Dunchurch alone would be considerably higher).

Affordability is calculated using a mortgage multiplier of 3.5 times household income with a 10% deposit.

Based on the average local house price data for CV22 over the past year it would mean:

- a household wanting to access an average priced flat in the CV22 area over the last 12 months would require a deposit in excess of £13,500 and an income level in excess of £35,500 per annum. (It should be noted that of the 22 flat sales occurred during the last 12 months in CV22 only 2 of them were actually in Dunchurch).
- a household wanting to access an average priced terraced property in the CV22 area over the last 12 months would require a deposit in excess of £12,500 and an income level in excess of £32,000 per annum.

It should be noted that these affordability figures are based on prices for the CV22 area as a whole as more localised house price data for Dunchurch itself is not available in this format (please see page 19 for local context).

It should also be noted that the availability of mortgages at 3.5 times income with a 10% deposit may be limited in the current bank lending climate.

Finally, property prices are beginning to rise again so the income and deposit levels will also be rising. These two factors mean that more people may realistically be priced out of meeting their housing needs on the open market.

v) Local context

By way of local context, the table, below, shows prices of properties that were for sale or rent in Dunchurch in October 2011 (source: www.rightmove.co.uk). The table shows all properties that were offered for sale in Dunchurch priced under £400,000 and includes all properties that were available to rent under £1,000pcm.

Property	Price (£)	Property	Price (£)
3 bed linked detached	185,000	2 bed terraced house	550 pcm
3 bed detached house	199,950	3 bed apartment	750 pcm
3 bed detached house	199,950	2 bed apartment	995 pcm
2 bed apartment	199,950		
2 bed apartment	215,000		
5 bed cottage	225,000		
3 bed cottage	250,000		
4 bed cottage	275,000		
3 bed detached bungalow	279,950		
5 bed detached house	285,000		
4 bed detached house	295,000		
4 bed detached house	300,000		
2 bed apartment	315,000		
4 bed semi-detached house	320,000		
4 bed detached house	339,950		
5 bed detached house	345,000		
4 bed detached house	375,000		

It can be seen that the cheapest available property is a 3 bed linked detached house which is on the market for £185,000. Based on the affordability criteria explained in section iv this would require a deposit of £18,500 and an income in excess of £47,500 per annum. There are only four properties available under £200,000.

The private rental market is currently only offering three properties under £1,000 per calendar month and that is priced at £550 per calendar month.

With regard to actual sales, the table below shows properties that have been sold in Dunchurch over the past 12 months:

Year	Property	Price (£)
2011	Semi detached	162,000
2011	Semi detached	385,000
2011	Detached	270,000
2011	Semi detached	102,500
2011	Terraced	111,000
2011	Detached	205,000
2011	Detached	480,000
2010	Semi detached	205,000
2010	Detached	322,000
2010	Detached	280,000
2010	Detached	250,000
2010	Flat	160,000
2010	Detached	280,000
2010	Semi detached	170,000
2010	Detached	300,000
2010	Detached	285,000
2010	Detached	395,000
2010	Flat	290,000
2010	Semi detached	92,000
2010	Detached	249,500
2010	Detached	180,000
2010	Semi detached	375,000

The lower quartile property price for actual sales since July 2010 is £177,250. Based on the affordability criteria explained earlier this would require a deposit of £17,725 and an income in excess of £45,500 per annum.

It should be noted that there was only one property sold for less than £100,000 and only two sold for £100,000-£160,000 during the last twelve months.

5. Conclusion

MRH has conducted a detailed study of the housing needs of Dunchurch. This study has not only investigated the actual affordable housing need of the Parish, but also the need for market rent level housing and open market housing. In addition, the survey ascertained residents' views with regard to living in the Parish and support for affordable housing to help sustain local communities.

The survey has identified a need for properties to meet the immediate (i.e. those with a need within 2 years) affordable housing needs of those with a local connection. (It should be noted that many more households will be on housing registers wanting an affordable property in Dunchurch, but this survey ascertained those in need who have a local connection to the Parish).

The survey has also highlighted the needs for market level rent housing and open market housing as well asking about 'non immediate' needs that will arise in the future.

Of the 6 respondents who indicated a housing need within the next two years:

- **5 were assessed as being in need of affordable housing**

- 3 x 2 Bed house - social rented home

- 2 x 2 Bed house - shared ownership home

- **1 was assessed as being in need of sheltered housing**

- 1 x sheltered housing unit

Please note that this need may be able to be satisfied by existing sheltered accommodation in Dunchurch. There are a number of sheltered housing schemes in the Parish where recent relets have taken some time.

- **0 were assessed as being in need of open market housing**

THEREFORE, THERE IS AN IMMEDIATE IDENTIFIED NEED
OF 6 LOCAL HOUSING NEED DWELLINGS IN DUNCHURCH
FOR THOSE WITH A LOCAL CONNECTION

6. Contact information

Midlands Rural Housing

Whitwick Business Centre
Stenson Road
Coalville
Leicestershire
LE67 4JP



Telephone: 01530 278 080

Email: richard.mugglestone@midlandsrh.org.uk

Website: www.midlandsrh.org.uk