



# **Ashcott Parish Housing Needs Assessment**

**2013**

## **Final Report**

**NOVEMBER 2013**

## Ashcott Parish Housing Need Assessment (2013)

FINAL REPORT	
	
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REPORT STRUCTURE
Executive Summary
Report Purpose (Methodology, Assumptions, Processing the Assessment)
Assessment Findings
Recommendations
The Ashcott Housing Market (Background Information)
Affordable Housing (Definitions)
Local Planning Policies
Statistical Information from Assessment (Separate Report)
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**Executive Summary**  
**Affordable Housing Need**

**Ashcott Affordable Housing Need: 7 units**

**One (1) x 2-bed flat for rent;**  
**One (1) x 2-bed bungalow for rent;**  
**Five (5) x 2-bed houses for rent;**

All these were able to demonstrate a strong local connection with Ashcott in the form of; current residency, recent previous residency, strong family connection with a current parish resident or other strong connection such as local employment.

**No Obvious Housing Need or Unable to Complete Assessment:**

Five (5) households felt they had no obvious unmet housing need of any nature;

One (1) respondent felt they had some form of unmet need. After assessing their circumstances, it appeared that these people did not have an unmet need.

One (1) respondent. It was not possible to accurately assess the housing position of one respondent because the respondent failed to provide important information. The respondent has been contacted on several occasions and I believe there may be an unmet need for two households, but do not have the evidence to support this.

## **Original Timetable for Ashcott (2013) Housing Need Assessment**

<b>Spring 2013</b>	Stage 1 Expression of Interest Survey forms delivered to each property in Ashcott parish.
<b>Wednesday 7<sup>th</sup> August 2013</b>	Stage 2 Housing Needs Survey forms sent to all those people who had completed a Stage 1 form.
<b>Thursday 5<sup>th</sup> September 2013</b>	Closing date for the Stage 2 Housing Needs Survey to be returned.  All survey responses inputted into electronic format and analysis of data started.
<b>Tuesday 24<sup>th</sup> September 2013</b>	Outline of responses reported to Ashcott Neighbourhood Plan Steering Group. Presentation about affordable housing and Q&A's.
<b>Sept/Oct 2013</b>	Assessment of data. Contact with people returning the survey forms. Assessment of mortgage products available and rent levels.
<b>Wednesday 6<sup>th</sup> November 2013</b>	Full report presented to Ashcott Neighbourhood Plan Steering Group

The results of this survey sought to provide an insight into what (if any) unmet housing need existed within the parish from local people with a strong connection with Ashcott.

The survey investigated whether there was a need for affordable housing and other forms of housing, such as housing for general sale or the need for some form of specialist housing.

The assessment was completed by Sedgemoor District Council's Affordable Housing Unit.

A total of fourteen responses were returned, nine of which felt that they had some form of unmet housing need.

## **Report Purpose**

This report provides a statement on the unmet housing need in Ashcott Parish. The results and recommendations contained within this report flow from the findings of the 2013 Ashcott Housing Need Survey undertaken as part of the Neighbourhood planning process. The results of the assessment are of course a snap-shot in time, but provide a useful indication of what unmet housing need exist in Ashcott.

## **The Assessment Rationale**

In 2013, Ashcott Neighbourhood Planning Steering Group supported by Sedgemoor District Council decided to look into what (if any) unmet housing need existed in Ashcott. The assessment took the form of a two-stage survey. A Stage 1 Expression of Interest form was distributed with the Neighbourhood Plan survey. The assessment (survey) of local people (including people with a local connection with the village) began in spring 2013. A survey form was sent to all household in the parish of the Ashcott and to those people registered with Homefinder Somerset. Additional survey forms were available by request allowing non-residents of the Ashcott to submit information if they wanted to.

A Stage 2 survey was subsequently sent to all those who had returned a Stage 1 Expression of Interest form.

The results of this survey sought to provide an insight into what (if any) unmet housing need existed within the parish from local people with a strong connection with Ashcott and sought to identify all and any unmet local housing need, not just the need for affordable housing. The survey investigated whether there was a need for affordable housing and other forms of housing, such as housing for general sale or the need for some form of specialist housing.

The housing assessment was undertaken by Sedgemoor District Council's Affordable Housing Development Unit.

## **Survey Methodology**

The assessment (survey) of local people (including people with a local connection with the village) began in spring 2013. A survey form was sent to each household in the parish of the Ashcott. Additional survey forms were available by request allowing non-residents of the Ashcott to submit information if they wanted to. Forms were also sent to people on the homefindersomerset register ("housing waiting list").

The assessment took an analytical assessment of each and every individual respondents housing need. As far as has been practical, the assessment evaluated fact and was specifically designed to avoid it being a local "opinion poll" on housing.

In reality, the assessment sought to answer a simply, yet fundamental question, "was there any unmet local housing need from local people in Ashcott?" rather than "I think there is a need for housing". It is not the purpose of the assessment to gauge local opinion on the merits or otherwise of the future provision of any new Ashcott housing.

**This assessment and recommendations contained within this report deal with need rather than desired or perceived future housing requirements in Ashcott.** This report includes a clear statement "recommendations" on the unmet housing need in Ashcott. The report conclusions are justified within the body of this report.

## **The Assessment Assumptions**

The personal data provided from survey responses has been used to assess each and every respondent's personal need-requirement. For each and every respondent, the assessment has tried to answer questions such as "Is the respondent in housing need or not?" The assessment also tried to clarify "what type, size and tenure of housing does the respondent need and what can they afford?"

## **The Housing Affordability Assessment (What Can Someone Afford For Their Housing)**

Sold house prices and current open market prices have been used as markers to assess those who can afford open market housings and those in need of affordable housing. This review investigated the recent sale of homes in Ashcott This investigation found that there had been twenty nine homes sold in the parish over the past twenty-four months (2-year period) with an average price of £232,887 (Rightmove).

By using "real house price data", and taking a conservative view on the current average house price of houses in the parish, the price at which someone can buy a property (entry level at which it would be feasible to get onto the housing ladder) has been taken to be circa £148,000 for a two bedroom property, circa £200,000 for a three bedroom property and circa £324,000 for a 4 bedroom property. These figures are only a guideline.

Shared Ownership is an affordable-housing tenure designed to help people into homeownership. I have made a judgement in terms of what people can afford to buy a share of an affordable shared ownership or shared equity property. An estimate of £70,000 has been used as the being affordable for shared-ownership housing. There are currently (November 2013) two lenders willing to lend mortgages on shared ownership properties.

To determine whether households could afford to buy a house on the open market in the parish, weekly household income has been used, along with additional income, savings and current equity holdings (income + savings + equity).

Whilst mortgage lenders offer a broad range of mortgage types ("products"), with variable deposit requirements), this report assumes that mortgage lenders commonly require deposits in the range of 10% - 25%. Assuming a requirement for a 10% deposit, a property worth £150,000, the applicant would need a minimum of £15,000 to secure a loan. *(November 2013 Halifax Bank has announced some mortgages available with a 5% deposit. It is usual for other banks to follow. The deposit on a £150,000 home would be £7,500-there is one household to have completed the survey which have this as a deposit, but would not be able to afford mortgage repayments).* The table below shows the notional purchasing power (assuming 10% and 25% deposits). Where there is only one household income, an earnings multiplier of 3 has been assumed. In households with more than one income an earning multiplier of 3.5 has been assumed. Whilst it is likely that individual households will have different mortgage product, interest charges and repayment periods. For the purpose of this assessment, it has been assumed the interest rate is 5% and 25 year repayment period.

				Interest (APR) Term (years)		5% 25			
Income Epa	Mortgage multiplier	Deposit	Mortgage Obtainable	Purchasing Power	Monthly mortgage cost	Deposit	Mortgage Obtainable	Purchasing Power	Monthly mortgage cost
£10,000	3	25%	£30,000	£40,000	-£169	10%	£30,000	£33,333	-£169
£15,000	3	25%	£45,000	£60,000	-£253	10%	£45,000	£50,000	-£253
£20,000	3	25%	£60,000	£80,000	-£337	10%	£60,000	£66,667	-£337
£25,000	3	25%	£75,000	£100,000	-£421	10%	£75,000	£83,333	-£421
£30,000	3	25%	£90,000	£120,000	-£506	10%	£90,000	£100,000	-£506
£35,000	3	25%	£105,000	£140,000	-£590	10%	£105,000	£116,667	-£590
£40,000	3	25%	£120,000	£160,000	-£674	10%	£120,000	£133,333	-£674
£45,000	3	25%	£135,000	£180,000	-£759	10%	£135,000	£150,000	-£759
£50,000	3	25%	£150,000	£200,000	-£843	10%	£150,000	£166,667	-£843

  

Income Epa	Mortgage multiplier	Deposit	Mortgage Obtainable	Purchasing Power	Monthly mortgage cost	Deposit	Mortgage Obtainable	Purchasing Power	Monthly mortgage cost
£10,000	3.5	25%	£35,000	£46,667	-£197	10%	£35,000	£38,889	-£197
£15,000	3.5	25%	£52,500	£70,000	-£295	10%	£52,500	£58,333	-£295
£20,000	3.5	25%	£70,000	£93,333	-£393	10%	£70,000	£77,778	-£393
£25,000	3.5	25%	£87,500	£116,667	-£492	10%	£87,500	£97,222	-£492
£30,000	3.5	25%	£105,000	£140,000	-£590	10%	£105,000	£116,667	-£590
£35,000	3.5	25%	£122,500	£163,333	-£688	10%	£122,500	£136,111	-£688
£40,000	3.5	25%	£140,000	£186,667	-£787	10%	£140,000	£155,556	-£787
£45,000	3.5	25%	£157,500	£210,000	-£885	10%	£157,500	£175,000	-£885
£50,000	3.5	25%	£175,000	£233,333	-£983	10%	£175,000	£194,444	-£983

In summary, where it is considered that the household's affordability potential is insufficient to purchase on the open market or shared ownership, affordable rent or social rent has been recommended.

### The Housing Need Assessment (“Is the household suitably or unsuitably housed”)

#### Accommodation Mismatch

- Overcrowded according to the bedroom standards (including caravans).
- Difficult to maintain (e.g. too large) even with equity release.
- Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps), which cannot be made suitable insitu.

#### Current Home Facility and Condition

- Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit.
- Sharing a kitchen, bathroom or WC with another household.
- Subject to major disrepair or unfitness and household does not have the resources to make fit.

#### Social Reasons

- Need to live independently or need housing due to divorce/separation.
- Needs to live near immediate family/friends to give or receive support.
- Harassment from other living in the vicinity which cannot be resolved except through a move.
- Inaccessibility of accommodation to employment.
- Households with tenure under notice, real threat of notice or lease coming to an end;
- Housing is too expensive for households.

#### Is the household unable to afford to rent or buy on the open market?

- There is a demonstrable disparity between the family income and/or assets and local house prices or rents.

Where a 1 bed unit is requested for rent (and in light of the 2012 Welfare Reforms), it is assumed that a 1 bedroom unit is appropriate. If a single person or a couple have expressed a need for a house or a flat - this is accepted. If a preference was not given, then a house is given as the preferred recommended option. If it is a family, a house has been recommended. Bungalows have been recommended for older households, over 55 or for those who state they have mobility concerns. If a bungalow has been requested without justification, a level access property has been recommended.

## **Key Findings**

A total of fourteen responses were returned, nine of which felt that they had some form of unmet housing need.

### **Identified Affordable Housing Need:**

Based on the survey date, Ashcott has an affordable housing need for an additional seven units specifically for local people who have a connection with Ashcott. A strong local connection with Ashcott was considered to be a current residency, recent previous residency, strong family connection with a current parish resident or other strong connection such as local employment.

### **No Obvious Housing Need or Unable to Complete Assessment:**

Five households felt they had no obvious unmet housing need of any nature;

One respondent felt they had some form of unmet need. After assessing their circumstances, it appeared that these people did not have an unmet need.

It was not possible to accurately assess the housing position of one respondent because the respondent failed to provide important information. The respondent has been contacted on several occasions and I believe there may be an unmet need for two households, but do not have the evidence to support this.

## **Recommendations and Observations**

It is important to note that the Ashcott Housing Needs Assessment offers a snap shot of the housing situation in the parish at the time of the survey. These will alter with increasing/decreasing values of housing, policies of lenders, and the economic climate, demographic changes in the community and as individuals situations change.

### **Affordable Housing Need:**

The following tables show our assessment of the **7** respondents in need of affordable housing, with a strong connection and specifying what type of housing each requires (“need”).

### Households "In Need" of Affordable Housing

(\*) Could afford shared-ownership (no deposit), therefore rented recommended

Ref No's	Respondent Reason for Needing Housing	What Connection Local	Respondent Desired Housing	Affordability Potential	Number Household in	Recommend Tenure AFH	Recommend Bedroom(s)
1	Home in poor condition	Live and work in the parish. 10+ years	Rent or SO	£109,200	3	Rent	2 House
3	Home too small	Born and live in the parish. 10+ years	Buy	£46,800	1	Rent	2 House
6	Medical reasons	Relation lives in the parish	Rent	£46,800	2	Rent	2 House
10	House not suitable	Live in the parish. 10+ years	Rent	£15,600	1	Rent	2 Bungalow
11	Home too small	Born and live in the parish. 10+ years	Buy	£15,600	2	Rent	2 House
12	Set up home for the first time	Live in the parish. 3+ years	Buy open market	£20,600	1	Rent	2 Flat
15	Home too small, too expensive, need more security and to give or receive family support	5+ years	Rent or SO	£15,600	2	Rent	2 House

OO Owner occupation and purchase on the open market

SB Self-build

SO Shared ownership or low-cost homeownership

(\*) Could afford shared-ownership (no deposit), therefore rented recommended

No respondents have savings or equity over £5,000; therefore with no funds for a deposit it is not possible to recommend either a Low Cost home purchase or Shared Ownership purchase

### Households Considered As Not Being in Housing Need or Unable to Assess

Households Not Being In Housing Need	TOTAL
Unsuitably housed, insufficient evidence to determine a need	1
Unsuitably housed could satisfy needs on open market	0
Suitably housed, insufficient evidence to determine a need	0
Present accommodation suitable for needs	1
Not in need now or within next 5 years	5
Insufficient evidence to determine a need	0
Could satisfy needs on open market	0
<b>TOTAL</b>	<b>7</b>

Fourteen forms were returned

## The Local Ashcott Housing Market

There were 506 dwellings in Ashcott <sup>(2011 census data)</sup>. Owner occupation is the dominant tenure across the parish accounting for 80.4% of all homes. This is significantly higher than the Sedgemoor district average of 71.3%. At 9.6%, Ashcott has a small private rented housing supply, which is significantly below the Sedgemoor district average of 16%. There are 39 affordable homes in Ashcott. This equates to a mere 7.7% of the total housing stock across the parish.

With owner occupation being the overwhelming tenure in Ashcott means that the majority of properties in Ashcott remain unaffordable and out of reach for a significant number of local people (who are already not on the housing ladder and on local incomes) looking for a home in Ashcott.

**Current Supply of Affordable Housing and Turnover:** At present there are thirty affordable-homes in Ashcott. These are provided by Sedgemoor District Council or other providers such as housing associations. In terms of relets there have been two in the last two years consisting of 1 x 3 bed house and 1 x 1 bed supported bungalow. This is insufficient to keep pace with demand.

## Homefinder Somerset Information

Parish First Choice										CRM State										Parish Connection Family Joint App										Band										Parish Connection Live Joint App									
										Max Bed Size Override																																							
Local Authority										1	2	3	4	5	6	7	8	Total of Max Bed Size Override																															
Sedgemoor District Council										2587	1395	621	272	115	32	6	2	5030																															
Total of Local Authority										2587	1395	621	272	115	32	6	2	5030																															

### Sedgemoor requests as a total - November 2013

Parish First Choice										CRM State										Parish Connection Family Joint App										Band										Parish Connection Live Joint App									
										Max Bed Size Override																																							
Local Authority										1	2	3	4	5	Total of Max Bed Size Override																																		
Sedgemoor District Council										32	14	8	3	3	60																																		
Total of Local Authority										32	14	8	3	3	60																																		

### Ashcott requests as a total – November 2013

Eleven of the sixty applicants, requesting Ashcott as their parish of first choice, currently have a TA7 postal code. These eleven would be considered local by virtue of currently living in the parish.

**The Price of Homeownership in Ashcott:** This review looked investigated recent sale of homes in Ashcott. This information is summarised in the table below. This investigation found that there had been twenty nine homes sold in the parish over the past twenty-four months (2-year period) with an average price of £232,887 <sup>(Rightmove)</sup>.

<b>Housing Sales</b> <sup>(rightmove)</sup>							
<b>Ashcott Homes Sold in the Past Two Years</b>							
<b>Bed size not listed</b>	<b>Ave Price</b>	<b>2 bed</b>	<b>Ave Price</b>	<b>3 bed</b>	<b>Ave Price</b>	<b>4+ bed</b>	<b>Ave Price</b>
5	-----	3	£148,000	14	£200,321	7	£324,428

As at November 2013, there were 12 Ashcott properties on the open market for sale ranging from £185,000 to £700,000. The average asking price stood at £404,000. This average can be attributed to the number of larger homes on the market.

**Private Rented Accommodation:** At the time (November 2013) there was an only 1 private rental property available for rent in Ashcott on Rightmove. A large six bed detached home with a rent level of £3,200pcm. Rent levels are generally higher than the district average. There is small pool of private rented housing in Ashcott.

**Second Homes, Holiday Lets and Empty Properties:** Information from the 2011 census confirmed that there were zero unoccupied second homes-holiday lets in Ashcott. Again, the 2011 census also confirmed that there were twenty empty properties in Ashcott. Empty properties can have an extremely negative impact on a local community, as they deteriorate rapidly and as well as being unsightly can often become targets for vandalism and crime. Reducing empty properties is an important priority for Sedgemoor District Council, and they can provide advice and assistance to owners of empty properties which they would like to sell or rent out. Sedgemoor District Council has worked in partnership with owners and local Housing Associations to bring empty properties back into use, and also maintain a list of accredited private landlords. The Council has made some empty property funding available during 2012/14.

**Young People and Families:** Across Sedgemoor, it is noticeable that a growing number of adult children are unable to get on the housing ladder and continue to live with parents or relatives. Many wishing to remain in rural parishes, are priced out of the market or forced to leave the parish due to a lack of affordable housing, a situation heightened by an influx of wealthy commuters, second home buyers, holiday lets and retirees moving to the area. Rural house prices tend to be well above the average, while local rural incomes are below. This affordability gap continues to grow and adds to the increasing loss of younger adults and families who often support and contribute to local rural communities; shops, schools and transport services can be affected as young people and families are forced to look for more affordable places to live.

**An Ageing Population:** In line with the national picture, the percentage of people aged over 60 (living in Sedgemoor) is expected to rise over the coming decades. Ashcott has a population of 37% (2011 census) people aged 60 or over. Some older people may consider their home to be unsuitable for their needs, and may require alternative accommodation. Often as their home is a large asset they do not consider themselves eligible for affordable housing, however, it may be that they are in need of suitable local housing if none is available on the open market. The evidence arising from this assessment may bear testament to this statement.

**Returnees and Employees:** There is often frustration regarding the lack housing, affordable or market led, for people who have left the parish and wish to return, many to provide family support. Similarly, the lack of housing options affects individuals who are employed in the parish. They may be in need of affordable housing if they cannot afford to buy in the parish or if there is a lack of available market led housing. There was some evidence of this arising from the assessment.

## **Affordable Housing**

**Affordable Housing:** The housing assessment has highlighted a number of households who fit the description of people in need of affordable housing. Affordable housing is defined within the National Planning Policy Framework (as published on 27<sup>th</sup> March 2012) as including social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

The terms 'affordability' and 'affordable housing' have different meanings. "Affordability" is a measure of whether housing may be afforded by certain groups of households. "Affordable Housing" refers to particular products outside the main housing market (as described below).

Affordable-housing can be described as housing made available for people who cannot otherwise afford housing available on the open market. We are living through a period of economic uncertainty and changeable market conditions, the cost of housing can come down, it is better to consider affordable housing to be housing made available for those people who cannot otherwise afford housing in the prevailing market.

Affordable housing is secured by a Section 106 Agreement to ensure the housing is both affordable and secured in perpetuity; within the S106 Agreement there is usually a local connection definition.

## **Local Planning "Housing" Policies**

**The Sedgemoor Core Strategy and Affordable Housing:** The Core Strategy was formally adopted at the Full Council meeting on 12th October 2011 and has replaced the Sedgemoor District Local Plan 1991-2011 as the 'development plan' for the District. The adopted Core Strategy (CS) can be viewed via the following link [www.sedgemoor.gov.uk](http://www.sedgemoor.gov.uk)

The Core Strategy sets out a 20 year vision for the District and establishes the spatial strategy and spatial policies and outlines the key infrastructure and investment decisions required to deliver this. It is central to achieving the objectives of the Sustainable Community Strategy for Sedgemoor and the Council's identified priorities.

The Core Strategy 'joins up' town planning and land use issues with plans and strategies of other stakeholders and service providers that deal with community issues such as health, community safety, housing, employment, community development, education, transport, the environment and regeneration. This approach is called spatial planning, and ensures development and investment decisions are guided by the objectives and long-term vision for the District. Spatial planning is not limited to things that the District Council control, therefore working with other partners and agencies will be essential

In terms of affordable housing, Policy D6 deals with the delivery of affordable housing. Policy D7 deals with Rural Local Needs. Policy S1 has designated Ashcott as a Key Rural Settlement (KRS)

and as such there policy D7 allows for rural exception of small scale housing development in or adjacent rural settlements outside of Key and Local Service Centres where the housing is 100% affordable to meet an identified local housing need. A further CS policy (P4) allows for mixed tenure housing projects to come forward to address unmet local housing needs.

### **Further Information**

A limited number of copies of this report will be published.

If you would like to receive a copy of this report, you should contact

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**November 2013**