

## Taddington Parish Housing Needs Survey Results April 2009

### Introduction

In November 2008, Derbyshire Rural Community Council undertook a Housing Need Survey with the support of Taddington Parish Council and Derbyshire Dales District Council. The Parish Council organised for the survey forms to be hand-delivered to homes. The returned forms were then analysed by the Rural Housing Enabler for Derbyshire Dales and High Peak and form the basis of this report. Of the 201 forms posted out, 61 survey forms were returned, a response rate of 30%.

### Purpose of the survey

The survey was conducted in order to obtain clear evidence of the affordable housing need in the Parish of Taddington. The aim of the survey was to establish the type and tenure of housing required to meet local need, and the extent to which any housing need might be met by current housing stock.

The returned forms can be categorised as follows:

Category	No. of forms
In housing need and in favour of a scheme	8
Not in housing need and in favour of a scheme	42
Not in housing need and not in favour of a scheme	9
Don't know/voids	2
Total number of forms returned	61

### Planning Context – outline description

The Parish of Taddington is in the Peak District National Park Authority (P.D.N.P.A.). Please note that the following is not a complete description of the planning policies that apply locally.

In the P.D.N.P.A., new housing may exceptionally be allowed, in or on the edge of a settlement, where there is a proven need. The homes built must be 'affordable by size and type to local people on low or moderate incomes and will remain so in perpetuity' (LH1 Local Plan, Adopted 2001). Peak Park policy also defines the people that would qualify as having a local connection (LH2 Local Plan) (**see Appendix A**).

### Local Connection

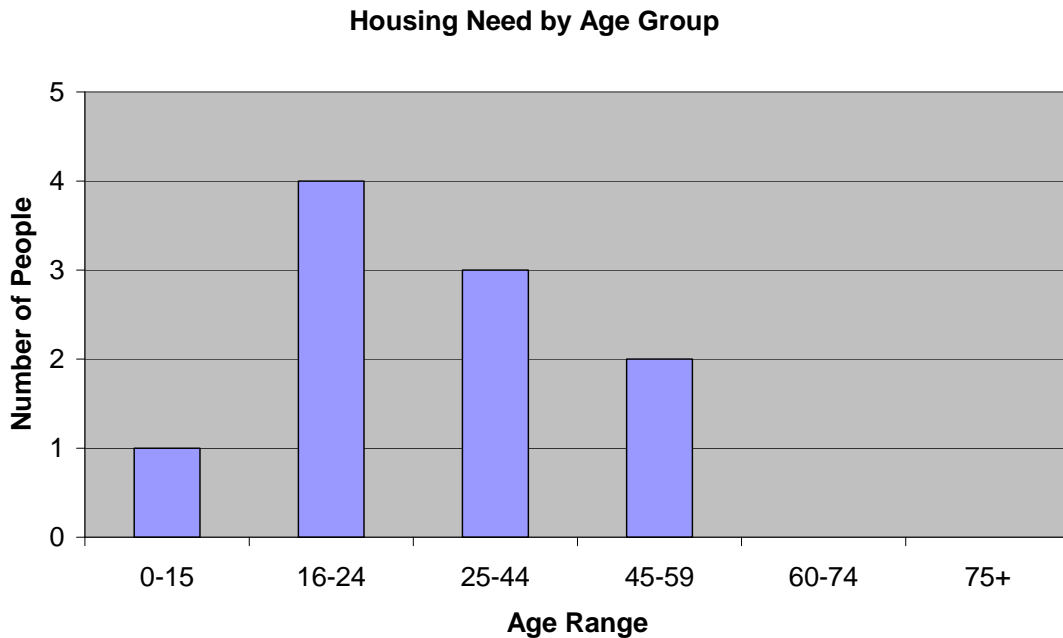
The local connection of those residents in housing need and in favour of a scheme can be summarised as follows:

Category	%	Average duration
Currently live in the village	100%	26 years
Currently work in the village	12.5%	N/A
Have relatives in the village	100%	N/A
Have previously lived in the village	25%	N/A

NB: The total percentage is greater than 100% in many of the tables and charts as some respondents fall into more than one category.

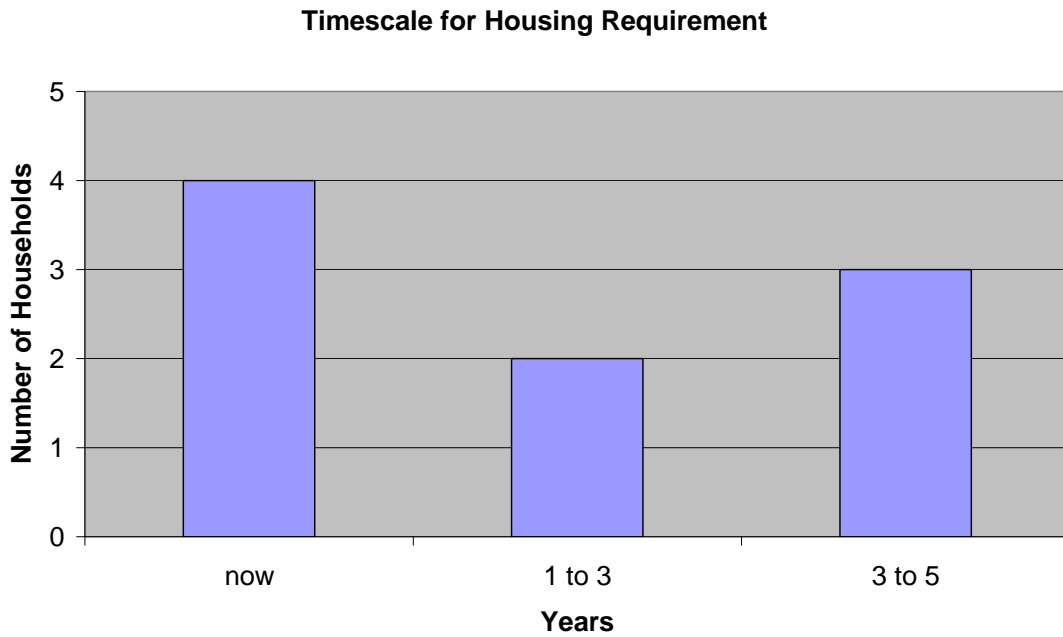
The following charts set out the key housing demand information from the survey for the 8 households identified in housing need.

**Housing Need by Age Group**



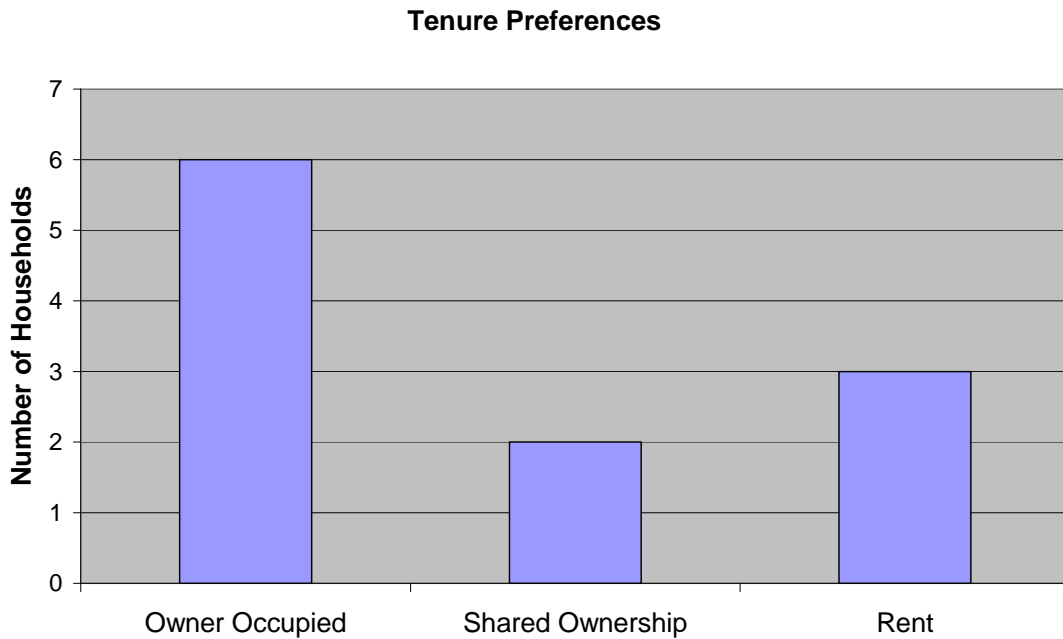
The survey has identified that the predominant need is for people in the 16-24 and 25-44 age groups, with some need also in the 45-59 age group. No need was identified in the 60+ age groups.

### Timescale for housing requirements



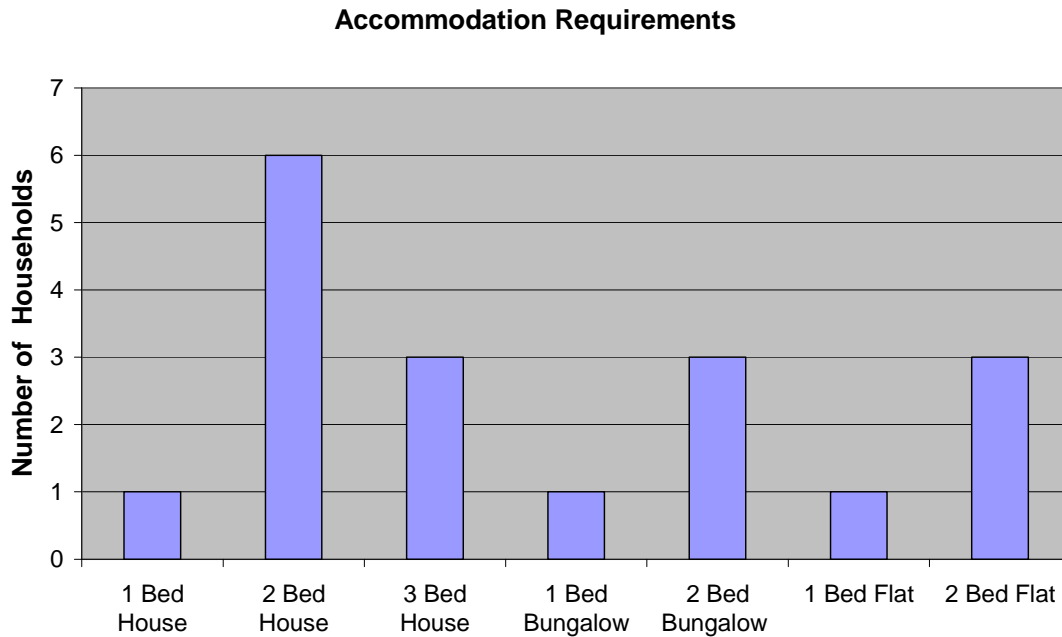
In response to the question "When is this housing going to be needed", 50% of respondents stated "now", 25% stated in "1 to 3 years" and 38% needed housing in "3 to 5 years time".

### Tenure preferences



Respondents stated that their tenure preference was predominantly for owner occupied (75%), with then a fairly equal preference for rent (38%) and shared ownership (25%).

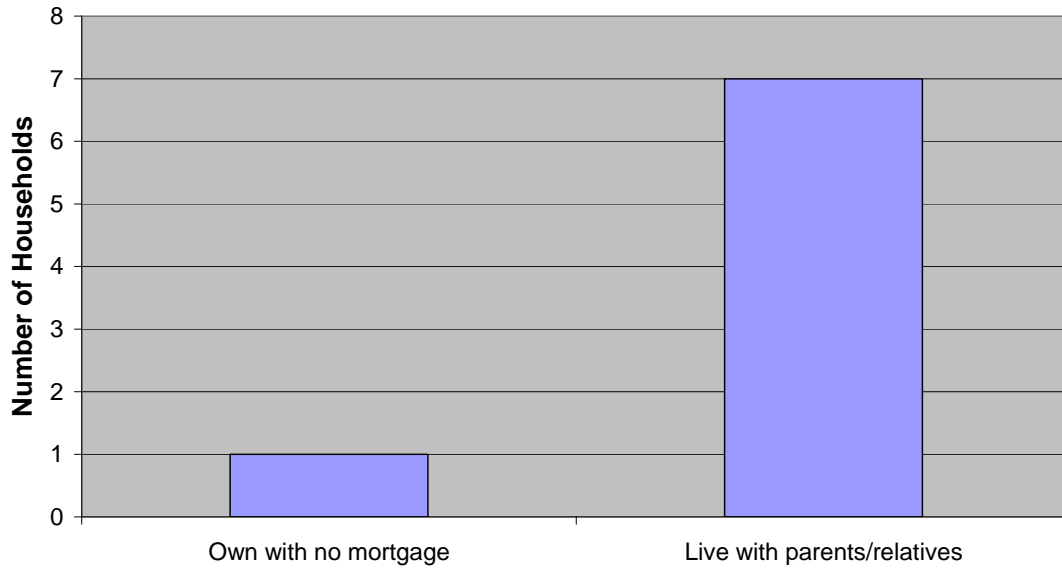
## Accommodation requirements



The survey indicated a predominant need for 2 bed houses, and for 3 bed houses, 2 bed bungalows and 2 bed flats. The household types of those in need are 6 single adults, a parent with one child and an adult couple. In terms of actual need, only the parent with a child would require a 2 bedroom house. However, developers are no longer keen to develop one bedroom accommodation as they lack flexibility in the rural context. 2 bedroom accommodation is therefore required.

## Current Accommodation

Where do you currently live?



Almost all the households in need are people who are living with their parents or relatives (88%). Only one respondent owns a home with no mortgage.

**Why is your current accommodation unsuitable?**



The survey identified that the key reason why respondents' current housing is unsuitable is due to the "need to live independently" (88% of households). One respondent also stated that their current accommodation was "too big". These results link to the above chart "Where do you currently live?" which shows that virtually all the respondents in need are currently living with parents or relatives.

**Existing affordable housing stock and turnover**

In considering the housing need information it is also important to consider the level of existing provision and turnover within that stock.

At the time of the 2001 Census, there were 182 households in the Parish of Taddington. The tenure of these properties at the time of the Census was 145 owner occupied, 12 owned by Dales Housing Limited or a Housing Association/Registered Social Landlord and 25 owned by the private rented sector. From council tax records (April 2009) there is currently 1 holiday let, 11 long-term empties and 9 second homes in Taddington.

In the 8 years since the Census, the affordable housing stock in Taddington has decreased to 9 from 12 due to the Right to Buy.

In the Parish of Taddington, nearly half the affordable housing is older person's accommodation. Of the 9 affordable homes available, only 1 x 2 bedroom bungalow for older people has become available in the past 2 years as shown in the table below. The very limited turnover in the current affordable

housing makes it unlikely that current stock can meet the need identified in this survey.

**Table showing the affordable housing stock owned and managed by Dales Housing Limited in Taddington by dwelling type and turnover rates**

Dwelling Type	Current Affordable Housing Stock	Additional information	Turnover since March 2007	Housing Association
3 bed house	5		0	Dales Housing
2 bed bungalows	4	Older Persons Not sheltered. 60+ age restriction, preference for local connection to Taddington	1	Dales Housing
<b>Total</b>	<b>9</b>		<b>1</b>	

**Taddington's Housing Market and affordability**

The table below lists the properties advertised for sale on rightmove.co.uk in Taddington on one particular day (22 April 2009). These house prices are beyond the means of local people unless they have substantial equity or savings. The house price to household disposable income ratio in Hartington and Taddington Ward is 6.5:1 (in Derbyshire Dales as a whole it's 7.4 to 1), yet the maximum amount a person would be able to borrow for a mortgage would be 3/3.5 times a household's income.

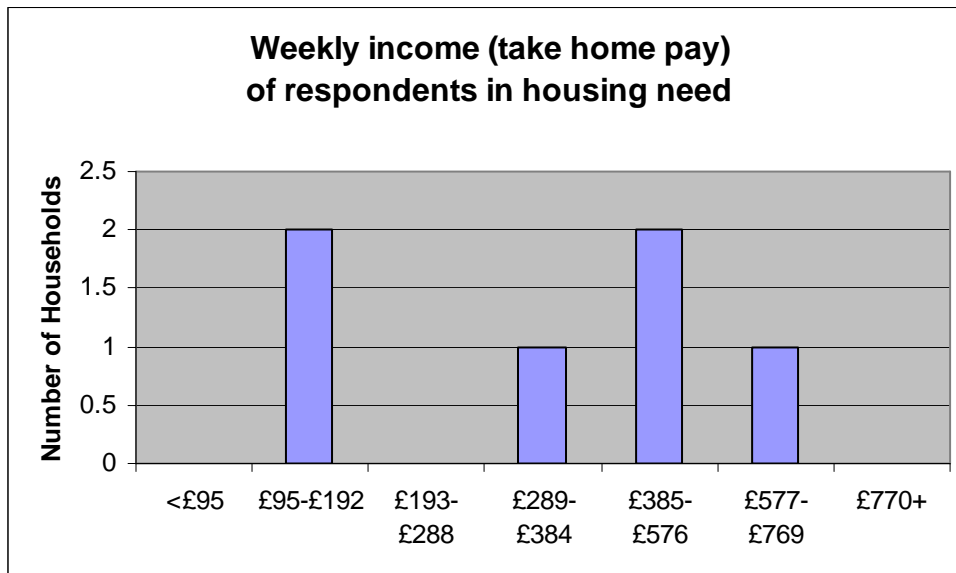
In order for a couple setting up home for the first time to be able to afford the 1 bedroom house of £145,000 (table below), they would need a 18% deposit (£26,100) and a weekly mortgage repayment of £174 per week on the remaining £118,900 (or £752 per calendar month) (based on repayment period of 25 years and an interest rate of 5.68%).

**All properties available for sale in Taddington on rightmove.co.uk on 22 April 2009**

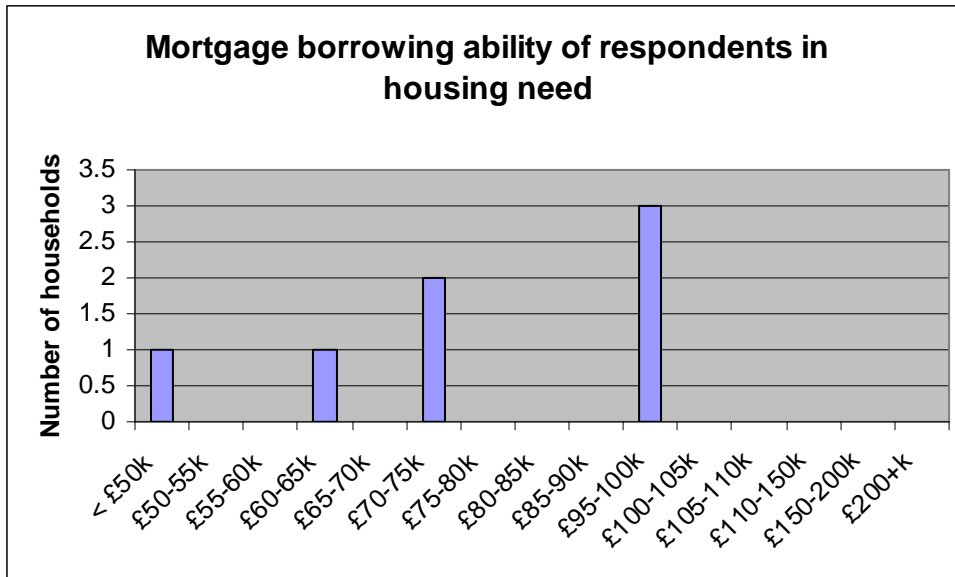
<i>To buy</i>	<i>Cost</i>
1 bedroom house	£145,000
3 bedroom detached house	£249,950
4 bedroom bungalow	£435,000
4 bedroom bungalow	£450,000
4 bedroom detached house	£450,000
5 bedroom detached house	£575,000

The survey asked respondents for financial information, including the level of mortgage and rent that they could afford. Although 75% of respondents indicated a preference for owner occupation, the survey showed that the 7 of the 8 households in housing need (currently living with parents in the Parish) would not be able to purchase a property on the open market. Another household, an owner occupier, is unlikely to be able to meet their need for a bungalow in the Parish based on the financial information provided and the lack of supply and affordability of this type of accommodation.

A general test for whether a household is able to afford their housing is if it costs less than 30% of their income. If we take the example given above of a 1 bed house for a first time buyer, having found a deposit of £26,100, they would then need a minimum net income of about £520 per week to afford the weekly mortgage payment of £174 on £118,900. The chart below shows that only respondents at the very top end of the weekly income scale may be able to afford this (if they have substantial savings for a deposit).



The chart below shows that 7 of the 8 households in housing need would not be able to purchase a property on the open market in the Parish.

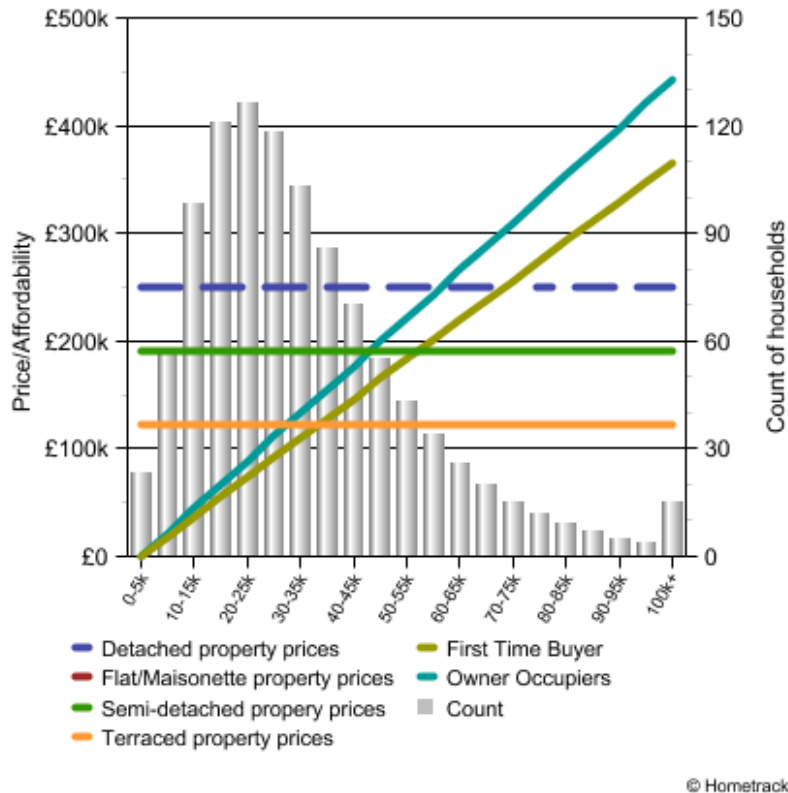


The chart below (from Hometrack) further highlights the unaffordability of homes for local people in the Hartington and Taddington Ward.

### Affordability Chart showing the income levels required for different housing tenures in Hartington and Taddington Ward

This chart is based on a mortgage of 3 times a household's income and assumes a loan to value rate of 82% for first time buyers and 68% for owner occupiers. It shows that a first time buyer would need to have an income of £35-40,000 to be able to afford a mortgage of £123,000 (having also put down a substantial deposit of 18% of the value of the property).

#### 3 times income



Source: Hometrack; CACI Paycheck

#### Note

This chart shows the number of households in different household income bands in the area (bars) compared to the lower quartile price for different property types in the same area (horizontal lines). The diagonal lines rising from left to right show the value of property that can be afforded at different income multiples by a first time buyer and former owner occupier. The affordability calculations are based on a multiple of the average household income adjusted by the average loan to value for the different types of buyer (see Marco-economic trends > Loan to Value for the latest figures). The house price data is based on data from the Hometrack Automated Valuation Model and the incomes data is supplied by CACI. Further details on these sources are available in the Help and Information section.

Source: Hometrack; © Hometrack

In addition to the problem of affordability, local people's ability to purchase in the market is further restricted by the very limited supply. The chart on **Appendix B** of this report shows all terrace housing sales by value for 2008/9 in Hartington and Taddington Ward and the chart in **Appendix C** shows house sales since 2005 for all property types in the Hartington and Taddington Ward.

### Private rented market

At the time of writing no properties are available for rent in Taddington on the Right Move website, and therefore local people would have difficulties meeting their housing need in the private rented sector. Monthly rental figures are given in the table below for the comparable village of Youlgrave to give an indication of monthly rental amounts in the area. Only 2 respondents gave financial information on the level of rent they would be able to afford, both indicating less than £300 per calendar month. Even if private rented was available, it would be beyond the means of the 2 respondents who expressed a preference for renting in the survey (without some form of subsidy).

#### All private rented properties advertised on rightmove.co.uk on 22 April 2009 in Youlgrave (only 5 properties available)

<i>To rent</i>	Cost – per calendar month
2 bed cottage	£475
2 bed house	£525
2 bed bungalow	£550
3 bed house semi	£550
3 bed detached	£1,000

### Tenure of affordable housing

The tenure options with affordable housing are rented or forms of ownership involving equity share, mainly shared ownership. 75% of respondents in the survey expressed a preference for owner occupation, although the financial information provided in the survey suggests that all the respondents in need would struggle to meet that need by purchasing locally.

In terms of shared ownership, the financial information in the survey indicates that some of the respondents at the top end of the income scale may be able to afford some form of shared equity housing such as shared ownership. Three of the households had savings which may be able to assist with a deposit.

The table below gives a recent financial cost estimate of a shared ownership property in a comparable settlement based on the purchase of a 50% share. Unfortunately the weekly income information provided by respondents's in the survey is not detailed enough to identify all respondents that would be able to afford this (the chart on pg.9 shows weekly net income).

To be able to afford a 50% share on a 2 bed shared ownership property, a household would need a weekly net income of at least £534 a week. 2 respondents had incomes of between £385-£576 per week, 1 had an income of between £577-£769 and another, requiring a bungalow, had equity in their current home to afford a part-share. Three of the households also had savings which could assist with a deposit.

The following financial figures are based on a mortgage rate of 6.25%, 25% repayment mortgage and 100% mortgage. No 100% mortgages are available on the market at the moment (18% deposits are required for first time buyers), but this table gives an indicative guide.

Unit Type	Market value	Initial share	Weekly mortgage*	Weekly rent	Sub-total	Weekly service charge	Total housing costs/week
2 bed	£165,000	50%	£126.63	£43.48	£170.11	8	£178.11

If shared ownership or rent to buy\* is considered it should be noted that a recent District wide survey, which analysed affordable housing need on a much larger scale, recommended a 80% rented to 20% shared ownership split on new affordable housing schemes because of the large disparity between incomes and house prices.

#### **\*Rent to buy**

In this difficult financial climate, alternative models are being devised that may assist people into part ownership in the medium term. Some housing associations are considering 'rent to buy' schemes. The scheme allows people to rent a property for a period with the aim of them buying a share in the property at a later date. 'Rent to buy' is a useful interim solution to the current difficulties in obtaining mortgages, which are affecting shared ownership.

#### **Conclusion**

The survey shows that 8 households are in need of affordable housing in Taddington. It is normally assumed that a proportion of this need will satisfy its housing requirement over time, although the evidence suggests that this would be difficult in a small rural village like Taddington. If roughly a third of this figure is taken as a guideline of actual need, then a minimum of 3 households are in need of affordable housing.

There is very limited opportunity for local people to meet their housing need in Taddington by buying or renting a home on the open market, and the turnover of current affordable housing in Taddington will not be able to meet the identified need for affordable housing.

The predominant requirement is for 2 bedroom houses, and although respondent's expressed an interest in bungalows, no need was identified in

the over 60 age group. The household types of those in need are 6 single adults, a parent with a child and an adult couple. However, developers are no longer keen to develop one bedroom accommodation as they lack flexibility in the rural context. 2 bedroom accommodation is therefore required.

The main types of tenure for affordable housing are rent and shared ownership. A recent District wide survey, which analysed affordable housing need on a much larger scale, recommended a 80% rented to 20% shared ownership split on new affordable housing schemes because of the large disparity between incomes and house prices.

The financial information provided in the survey indicated that some respondents may be able to afford a part-share in a home, such as through shared ownership. However, due to the current financial climate affecting people's ability to access mortgages and large deposits being required (currently a first time buyer needs a deposit of 18%), I would suggest that, if shared ownership is considered, a further check is undertaken on people's incomes and savings as an affordable housing scheme progresses.

Even though house prices have shown a recent decrease, there is still a large gap between incomes and house prices, which will continue to have a significant impact on affordability. The current credit crunch is also making it more difficult for people to get on to the housing ladder, with fewer mortgages available, larger deposits and a good credit rating being required. There has also been a movement away from 100% mortgages and lending above 3 to 3.5 times a household's gross annual income.

This survey has been undertaken with the support of Taddington Parish Council and Derbyshire Dales District Council. These conclusions are based on information provided by residents of Taddington Parish as part of a paper-based survey. The views of the Parish Council and the community on the outcomes of this report are very much welcomed.

### **Contact information**

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## Appendix A

### Affordable Housing for Local People in the Peak Park – WHO IS LOCAL?

Exceptionally, planning permission is given for new homes for local people where there is a proven need. The Peak District National Park Authority defines people with a local qualification as:

1. A person (and his or her dependants) who have a minimum period of 10 years' permanent residence in the parish or an adjoining parish and is currently living in accommodation which is overcrowded or otherwise unsuitable

or

2. A person (and his or her dependants) who have a minimum period of 10 years permanent residence in the parish or an adjoining parish and is forming a household for the first time

or

3. A person not now resident in the parish but with a proven need and a strong local connection with the parish, including a period of residence of 10 years or more within the last 20 years.

or

4. A person who has an essential need to live close to another person who has a minimum of 10 years' residence in the parish, the essential need arising from age or infirmity.

or

5. A person who has an essential functional need to live close to his or her work in the parish, or an adjoining parish within the National Park

**Source:**

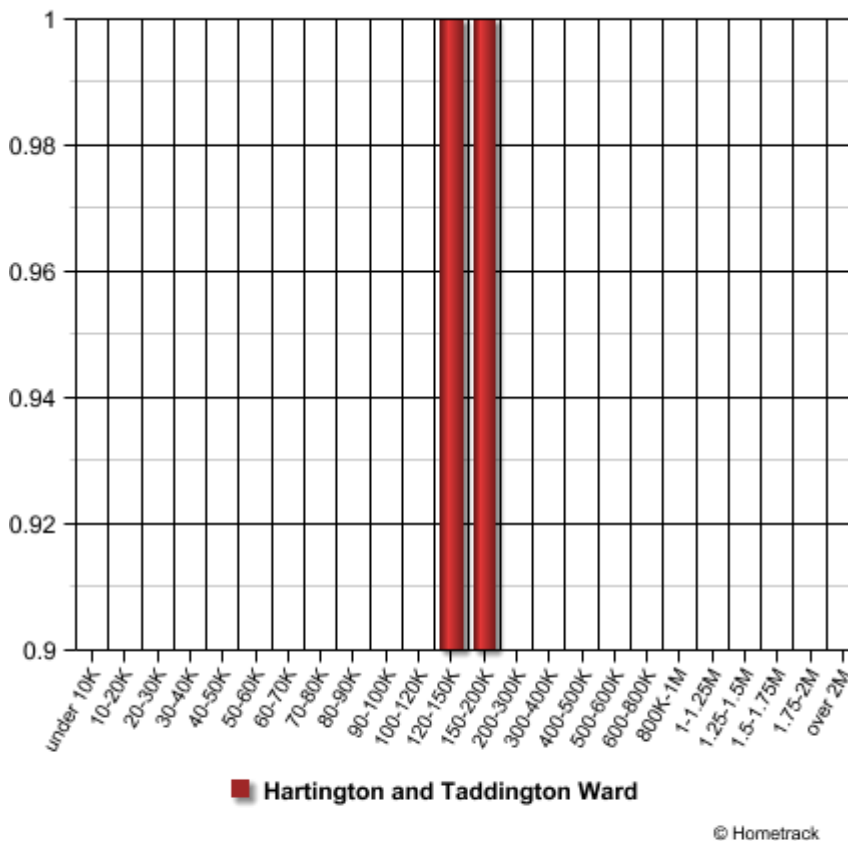
**Policy LH2 Definition of people with a local qualification, page 62, Peak District National Park Authority 'Local Plan' Adopted March 2001**

**Appendix B**

**Hartington and Taddington Ward – Profile of terrace house sales by value in the financial period 2008/9.**

The chart below shows that in 2008/9 financial year, only 2 terraced properties sold both between £120-200,000. In addition to the problem of affordability, local people’s ability to purchase in the market is further restricted by the very limited supply.

**Turnover in 2008**



**Note**

The chart shows the number of residential sales in the area by price band using data from HM Land Registry

This item includes information provided by Land Registry.

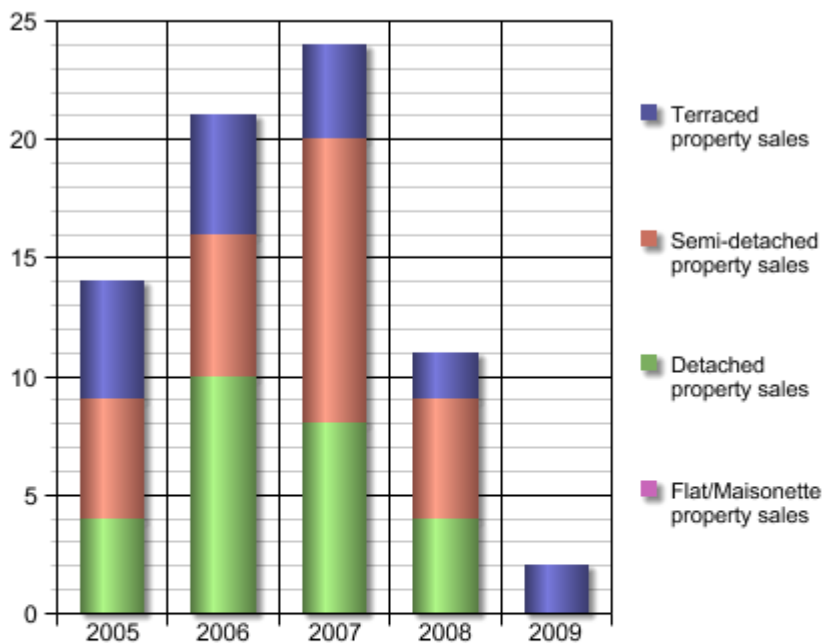
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## Appendix C

### Hartington and Taddington Ward

The chart below shows the large reduction in sales in the financial period 2008/9 of all property types. In addition to the problem of affordability, local people's ability to purchase in the market is further restricted by the very limited supply. Of the entry level properties, only 2 terrace properties were sold in 2008/9 in the Hathersage and Eyam Ward.

#### Annual turnover by property type



Source: Land Registry

#### Note

The chart shows the count of housing turnover each year split between property type using data from the Land Registry