

# Stow-on-the-Wold

## Town Housing Needs Survey Report

June 2012



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## 1. INTRODUCTION

1.1 In February 2012 Stow-on-the-Wold Town Council agreed to engage the services of the Rural Housing Enabler to carry out a local Housing Needs Survey.

1.2 The Rural Housing Enabler (RHE):

- is employed by Gloucestershire Rural Community Council, which is part of the national network of Rural Community Councils (ACRE - Action with Communities in Rural England).
- works closely with rural communities, housing associations, local authorities, other community organisations (including community land trusts) and landowners to meet the affordable housing needs of rural communities.
- is an independent advisor, although, the post is funded through contributions from Cotswold District Council, Forest of Dean District Council, Stroud District Council, Cotswold District Council and four housing associations.

## 2. TOWN SUMMARY

- Gloucestershire County Council's Maiden 2009 mid-year estimate for Stow-on-the-Wold is 2063 population comprising 1103 households (according to Council Tax records as at May 2012). This equates to an average of 1.87 persons per household compared to approximately 2.5 for Gloucestershire as a whole.
- By road Stow-on-the-Wold is 4 miles from Moreton-in-Marsh, 4 miles from Bourton-on-the-Water and 9 miles from Chipping Norton. The nearest station on the national rail network is in Moreton.
- Stow-on-the-Wold has the following facilities: primary school, pubs, hotels, town hall, library, local shops, a national supermarket.

## 3. AIM

3.1 The purpose of the survey is to investigate and establish the affordable housing needs of people who live in or have close ties to Stow-on-the-Wold . By comparing the established needs with the existing supply of affordable housing and the number of re-lets, we can estimate the number of dwellings, house types and tenure of new units required to meet the town's needs.

3.2 **Housing needs** can be defined as the need for a household to obtain housing which is suitable to meet their requirements in terms of:

- House type and accessibility e.g. house, bungalow, flat etc
- Size and number of rooms

- Location e.g. in relation to employment, schools, family, shops and public services etc
- Affordability
- Tenure, including security

3.3 The aim of the survey is to provide Stow-on-the-Wold Town Council with an independent report of a robust nature based on evidence from reliable sources. This will assist the Town Council to respond to any planning proposal that may come forward for additional housing within the town.

#### **4. SURVEY DISTRIBUTION AND RESPONSE**

4.1 The parish council arranged for the delivery of questionnaires to all homes in the town during June 2012.

4.2 Householders were requested to return completed questionnaires in a collection box provided in Stow library.

4.3 Part A is entitled 'You and your household' and is for every household to complete. Part B is entitled Home Working and is for everyone to complete. And finally, Part C is entitled 'Housing Needs' and is for completion by households in need of more suitable accommodation. People were asked to provide their name and contact details if they would like further information in the event affordable housing being developed in Stow-on-the-Wold. Personnel details are neither presented in this report nor passed to a third party.

4.4 A total of 1103 questionnaires were distributed..

- Everyone was asked to complete Parts A and B of the form.
- If a household considered themselves in need, or likely to be in need of re-housing, they were invited to complete Part C of the form.
- Households were asked to forward the questionnaire to anyone they knew of who had moved away but might wish to return to live in Stow-on-the-Wold .

There was a response rate of 30% with 330 completed replies received (97 received in the ballot box and 233 received in free post). The rate of response is favourable compared to other similar surveys carried out in Gloucestershire, for example: Bourton-on-the-Water 27%; Oddington 31%; Ebrington 40%; Norton 36%; and Kempsford 22%). Whilst the survey provides no direct evidence of the needs of those who did not respond to the questionnaires there are other useful sources that inform of housing needs i.e. the District Council's housing register (Gloucestershire Homeseeker), District-wide Housing Needs Survey 2009 and Gloucestershire Strategic Housing Market Assessment.

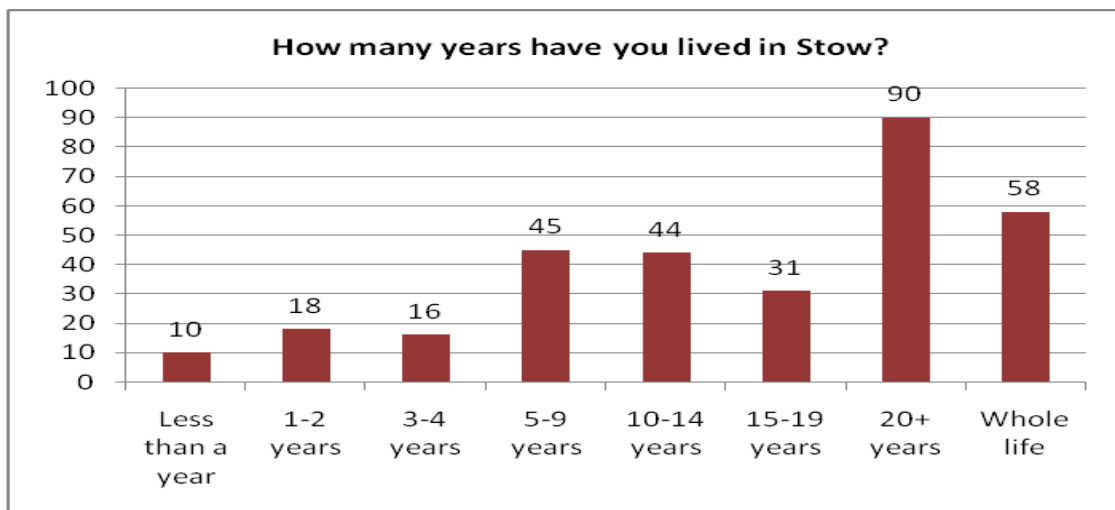
## 5. KEY FINDINGS

### Part A – You and your household

5.1 303 respondents reported that their home in Stow-on-the-Wold was their main home, 11 respondents reported it was their second home, 1 respondent stated it was both their main and second home, and 15 gave no reply.

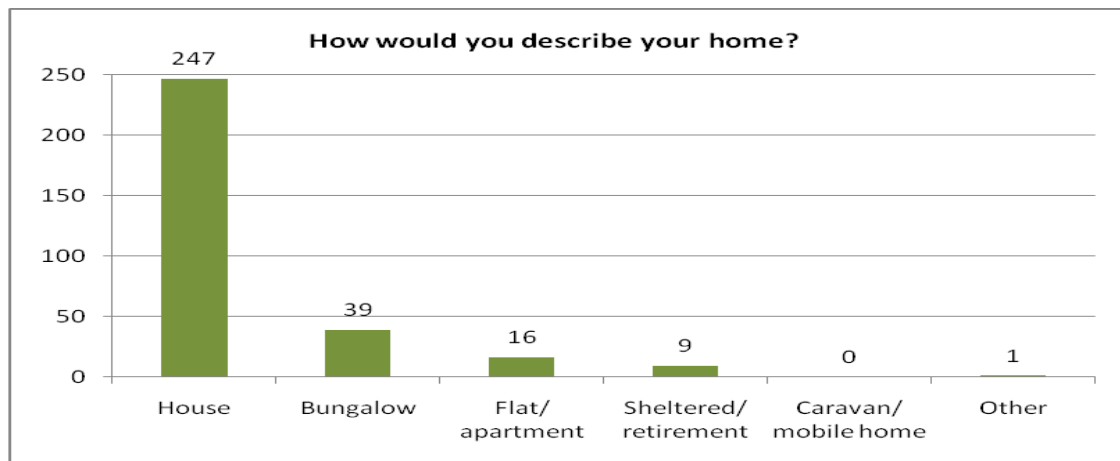
5.2 Table A below indicates the length of time respondents have lived in Stow-on-the-Wold. 48% of respondents have lived in the parish for 20 years or more or their whole life. 14% of residents have lived in Stow-on-the-Wold for 4 years or less.

Table A – How many years have you lived in Stow-on-the-Wold?



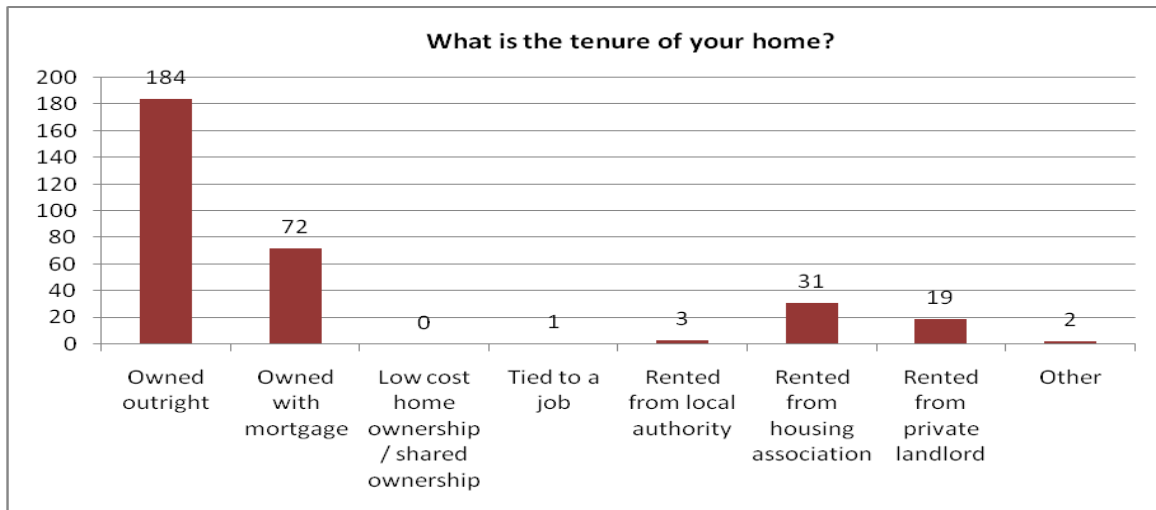
5.3 Question 3 asked people to describe their home in terms of house type. Table B below shows 79% of respondents live in a house, 13% live in a bungalow, 5% live in a flat/apartment, 3% live in sheltered accommodation, none live in a caravan/mobile home and less than 1% live in 'other'.

Table B - How would you describe your home?



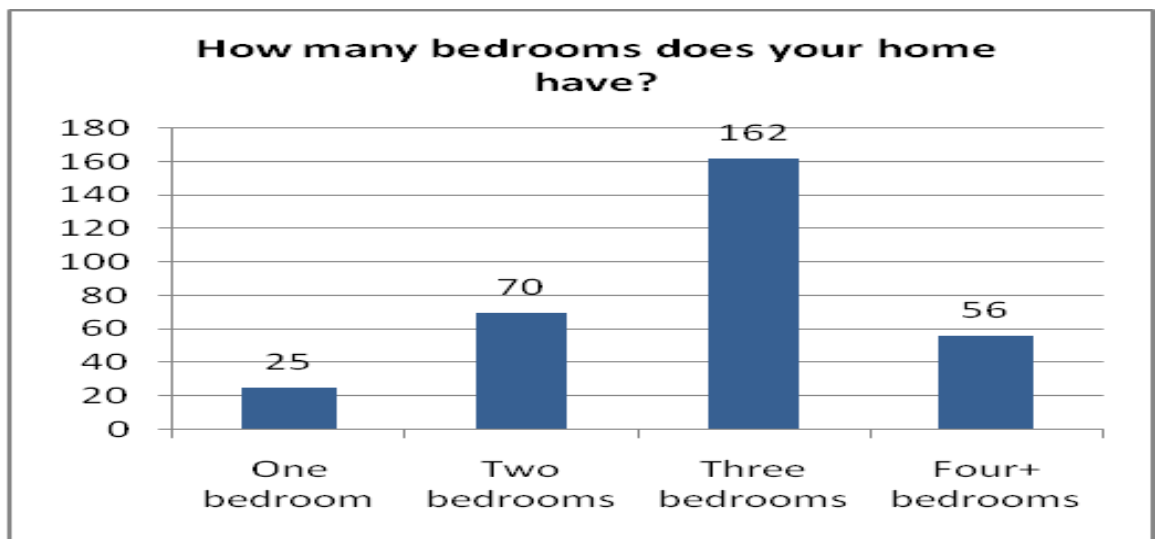
5.4 Question 4 asked the tenure of people’s homes. Table C below shows 82% of respondents in Stow-on-the-Wold are owner-occupiers, nearly three quarters of whom have no mortgage, and a little over one quarter own their home with a mortgage. 6% live in private rented, none live in shared ownership, none live in tied accommodation, 10% live in housing association rented and 1% live in local authority rented.

Table C – What is the tenure of your home?



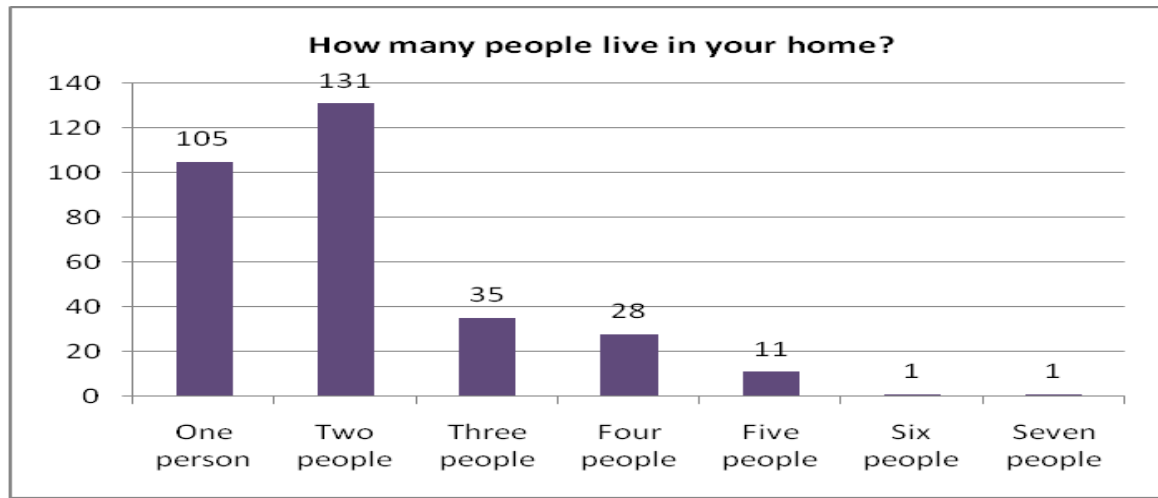
5.5 Table D below shows 70% of homes have three or more bedrooms, 22% of homes have 2 bedrooms, and 8% of homes have one bedroom according to the survey response.

Table D – How many bedrooms does your home have?



5.6 Question 5 asked how many people live in your home. Table E below shows 76% are 1 or 2 person households, 20% are 3 or 4 person households, and 4% are 5 person households. The survey received one response from 6 and one response from 7 person households.

**Table E – How many people live in your home?**



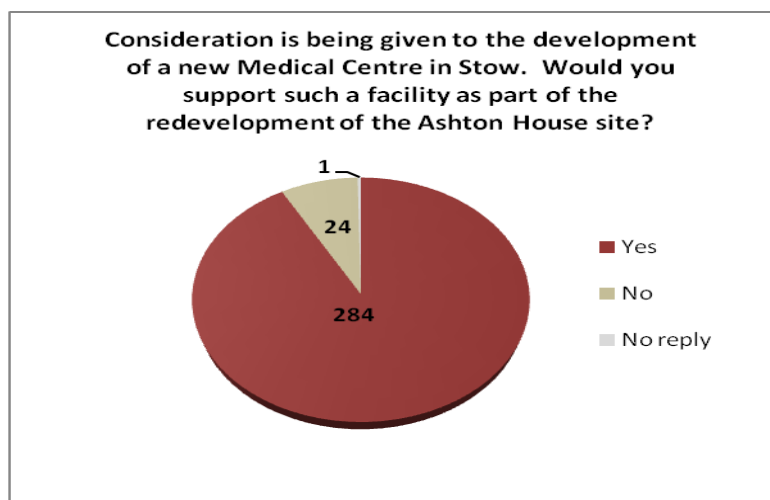
5.7 50 respondents said their home had been adapted to increase physical accessibility.

5.8 Question 8 asked... *Has anyone from your family moved away from Stow in the last 5 years to difficulty finding an affordable home locally?* 41 people answered 'yes', 265 answered 'no'.

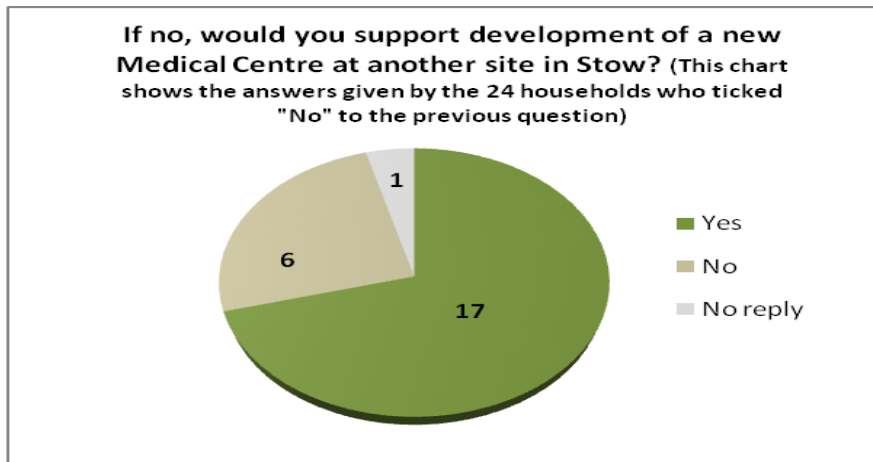
5.9 Question 9 asked...*Are you in favour of a small development of affordable homers or local people if there was a proven need?* 85% said 'yes', 10% said 'no' and 5% gave no reply.

### Medical Centre

5.10 Question 10 asked... *Consideration is being given to the development of a new Medical Centre in Stow. Would you support such a facility as part of the redevelopment of the Ashton House site?* 92% of respondents said 'yes', and 8% said 'no'.



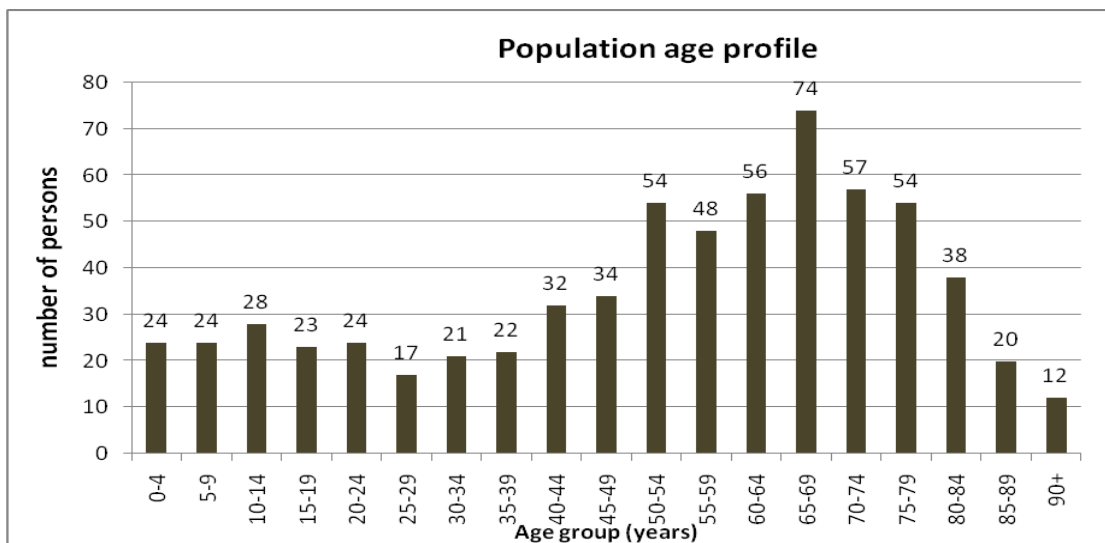
5.11 Question 11 asked.... *If no (in answer to question 10), would you support development of a new Medical Centre at another site in Stow?* 71% said 'yes', 25% said 'no', and 4% did not reply.



### Age profile of survey respondents

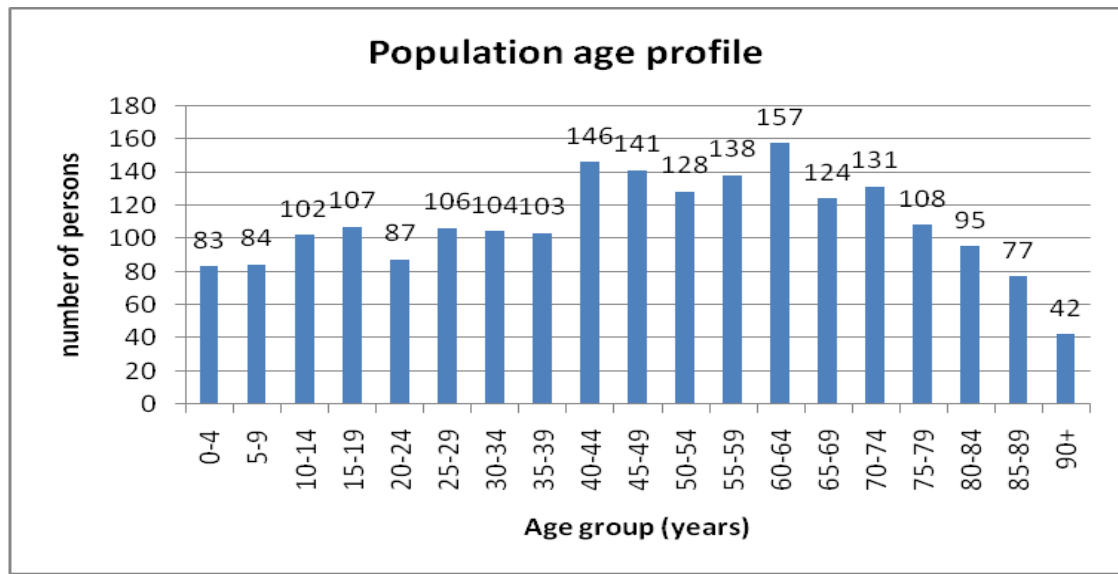
5.12 Tables F and G below compare age profiles between those who responded to the survey questionnaire Part A and Gloucestershire County Council's Maiden estimate for 2010.

Table F – Age profile of respondents according to the Stow-on-the-Wold survey





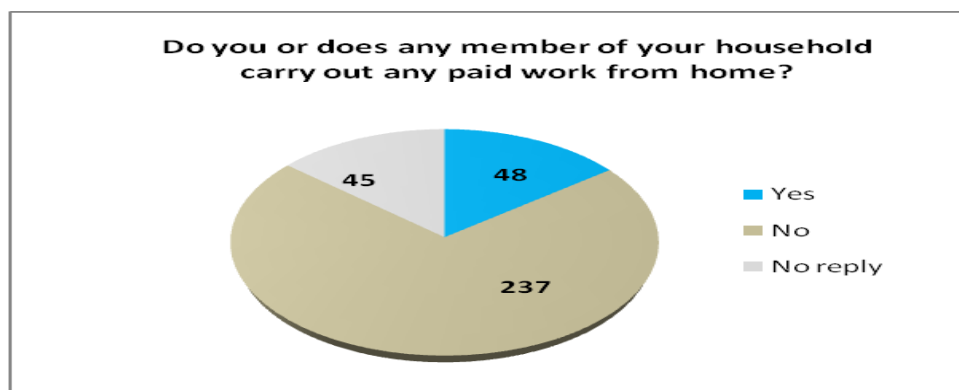
**Table G - Age profile distribution according to Gloucestershire County Council Maiden estimate for 2010**



5.13 The figures shown in Tables F and G demonstrate that people in the age bands 10-49 years and 85-89 years are significantly underrepresented in the survey i.e. less than 75% of overall response across people of all ages. And people in age bands 65-69 and 75-79 years are significantly overrepresented in the survey i.e. more than 125% of overall response across people of all ages.

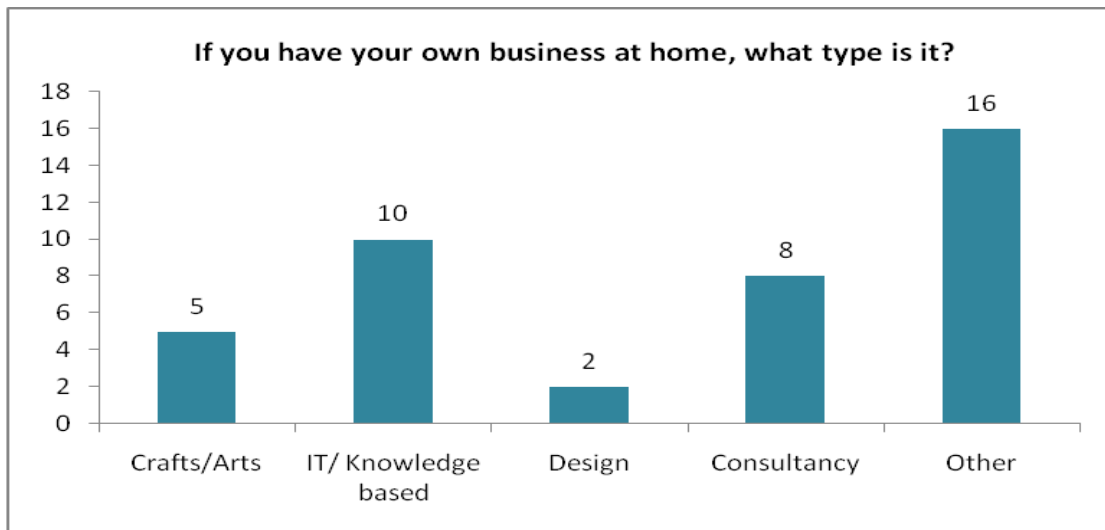
**Part B - Home Working**

5.14 Question B1 asks....*Does any member of your household carry out any paid employment from home?* 15% of respondents said 'yes', 72% said no, and 14% did not reply.



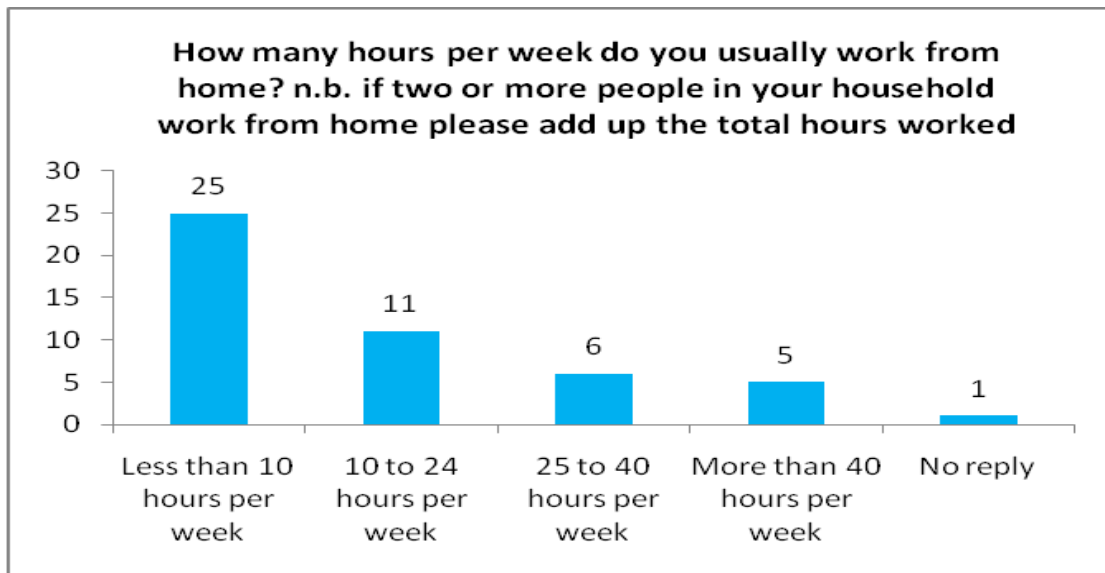
5.15 Question B2 asks...*Do you work for your employer or your own business?* Of the 48 respondents who answered 'yes' to the previous question, 14 said 'employer' and 37 said 'own business'. Three respondents ticked both boxes.

5.16 Question B3 asks...*If you have your own business at home, what type is it?*



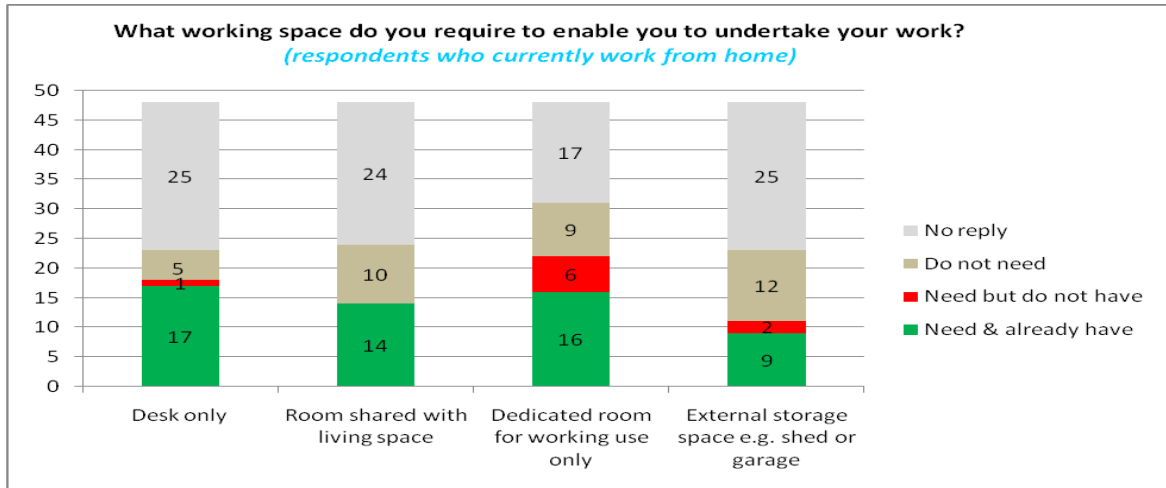
Other included: book keeping, building, child minder, complimentary therapy, delivery parcels, garden & handiman service, gardener herdsman, housekeeping, network marketing & direct sales & trade, office, rental management, sales, sales of greeting cards.

5.17 Question B4 asks...*How many hours per week do you normally work from home?*



5.18 Question B5 asks...*Would you like to work from home if you had the proper facilities to do so?* 35 respondents said 'yes'.

5.19 Question B6 asked...*Whether or not you currently work from home, what working space do you / would you require to enable you to undertake your work?*



## Part C - Housing needs

5.20 42 households completed *Part C: Housing Needs* of the survey questionnaire self identified themselves in need of more suitable housing in Stow-on-the-Wold.

5.21 15 of the 42 respondents needing to move home are regarded as having financial means to afford suitable housing in the private sector in Stow-on-the-Wold. Account is taken of a household's net monthly income, maximum monthly rent or mortgage afforded, and deposit afforded. There are 27 households in need of affordable housing.

5.22 Of the 27 households in need of affordable housing, 20 respondents indicated a need to move within 2 years, 5 respondents indicated a need to move between 2-5 years, 1 respondent indicated a need to move in more than 5 years, and 1 respondent indicated a not known in respect of when they might need to move.

5.23 13 of the 27 respondents in need of affordable housing indicated they were on the District Council's housing register (Gloucestershire Homeseeker). These are comments made by persons in need of alternative housing, not necessarily affordable, who answered 'no' and who were asked to explain why they were not on the housing register:

- Would seek to buy privately
- Because we own our flat so don't think we could be
- Just looking still living at home. Likelihood of obtaining local authority house is unlikely as single & others from outside of town are more likely to achieve
- As my third child is not born yet I would only be entitled to a 2 bed house
- Because we have always owned our house after saving very hard through university
- I would like to buy rather than rent
- No urgency. 7 years ago I returned to Stow, but both parents wish to move to a bungalow (without me) so I will apply on register
- Was not aware of it
- Not felt need
- I did apply when I lived in Warwickshire, & did not get a reply
- We own the property we are moving to
- We are not considered to be suitable
- Would prefer not to live on council estate
- I hope to register as soon as possible but have a tenancy agreement on this flat until January 2013

5.24 Respondents provided the following reasons for needing to move home (some people gave more than one reason for needing to move):

- 4 households indicated a need to move to larger accommodation

- 2 households indicated a need to move to smaller accommodation
- 5 households indicated a need for a move to cheaper accommodation
- 8 households indicated a need to set up an independent home
- 2 households indicated a need to move to physically adapted home
- 1 household indicated a need to move to avoid harassment
- 5 households indicated a need to move to more secure accommodation
- 1 household indicated a need to move for 'other' reasons

5.25 Analysing the results of those 18 households in need of rented accommodation shows:

- **7 single persons (aged 45 yrs, 47 yrs, 51 yrs, 54 yrs, 67 yrs & ages not stated)**
- **6 couples (59 & 60 yrs, 83 & 79 yrs, 58 & 66 yrs, 22 yrs & aged not stated, 65 & 66 yrs, 36 & 44 yrs)**
- **5 families (2 parents with daughters aged 1 & 2 yrs; 2 parents with son [aged not stated]; 1 parent with sons aged 4 & 8 yrs; 1 parent family [details not stated]; 2 parents with son aged 6 yrs)**

5.26 Financial information provided on the respondents questionnaires indicates that the following 9 households might be able to afford intermediate housing i.e. low cost home ownership or *affordable rent* i.e. up to 80% market rent:

- **1 single person (aged not stated)**
- **5 couples (aged 59 & 61 yrs, 28 & aged not stated, 40 & 32 yrs, & 2 couples with ages not stated)**
- **3 families (2 parent family [details not stated]; 2 parents with daughter aged 2 yrs; 2 parents with 3 sons [ages not stated])**

### **15 households in need can afford open market housing**

5.27 As was stated in paragraph 5.13 above, there are 15 households who have been assessed as being able to afford open market housing which are made up as follows:

3 single persons - aged 66 yrs & ages of remainder not stated

5 couples - aged 39 & 39 yrs, 66 & 59 yrs, 68 & 69 yrs, and ages not stated

- 7 families - 2 parent family (details not stated), 2 parent family with child, 2 parents with sons aged 2 & years, 2 parents with son aged 12 yrs & daughter aged 13 yrs, couple and dependent, 2 parent family, 2 parents family with 2 sons & daughter.

## 6. AFFORDABILITY

6.1 A household's income, savings and the state of the housing market are key factors for assessing a person's need for affordable housing.

6.2 In simplistic terms assessment of how much a household can afford requires information on incomes and savings measured against prices of property of a suitable size, type and location, whether rented or home ownership. However, depending upon tenure there will be additional factors that will impact upon costs of acquiring the right to occupy the property.

6.3 For home ownership, these costs include: mortgage interest rates, mortgage indemnity premium, mortgage application fee, legal fees, stamp duty tax, legal fees and search fees etc.

6.4 For rented, these costs may include: rent deposit and rent paid in advance.

### Home ownership

6.5 In order to investigate affordability, further research has been carried out on house prices in the area.

6.6 Using information gained from HM Land Registry it is possible to obtain the average property prices in Stow-on-the-Wold .

6.7 The average price of properties sold in Stow-on-the-Wold in the 24 months to April 2012 are shown in Table H below.

**Table H: Average Prices of residential properties in Stow-on-the-Wold sold in the period 24 months to April 2012 (according to HM Land Registry)**

<b>Average House Prices in Stow-on-the-Wold Parish (£)</b>		
<b>House Type</b>	<b>Price</b>	<b>Number of Sales</b>
Detached	£415,720	17
Semi-detached	£281,200	12
Terraced	£362,083	15
Flats	£291,945	10
<b>All</b>	<b>£329,690</b>	<b>57</b>

6.8 The number of house sales are for new and existing properties where the sale details registered with the Land Registry are in Stow-on-the-Wold Town.

- Figures were obtained from “www.rightmove.co.uk” with data supplied by HM Land Registry.
- There are sometimes delays in registrations of sales and this may result in under counting of property sales.

6.9 Unfortunately, the number of bedrooms in each property is not specified.

6.10 The average price of properties sold does not necessarily reflect the average value of all properties in the town.

6.11 HM Land Registry tells us that the average price of residential properties sold in Gloucestershire is £170,281 in April 2012.

6.12 The latest figures show that for Gloucestershire there has been a small fluctuation in average house prices during 2011 so far in 2012, but up by 0.4% over the 12 months leading up to April 2012.

6.13 House sales volumes in Gloucestershire fell significantly from a peak of 1,475 in June 2007 to a low of 436 in January 2009. Sales numbers have recovered somewhat with 525 residential property sales in February 2012. Winter is traditionally a time of fewer of house sales.

### **EXAMPLE CALCULATION FOR A MORTGAGE**

6.14 Typically, a household can obtain a mortgage of 3.5 times their gross annual income, and in today’s financial market would expect to pay a deposit of at least 15% towards the total purchase price.

6.15 To afford the least expensive house (£165,000), other than shared ownership, sold during the past 2 years in Stow-on-the-Wold a household would require at least £24,750 as a deposit, and their annual gross income for mortgage purposes would have to be at least £39,785.

6.16 At the time this report is published mortgage lenders currently offer first time buyers standard variable annual rate interest rates from as low as 4.5% APR upwards. Applying a 4.5% interest rate to a mortgage of £171,700 equates to £964.94 per month for a repayment mortgage (repayment of capital and interest) over a 25 year period.

**Gross annual earnings for residents and employees in local authority areas**

Area	Median gross annual earnings for residents (£)	Median gross annual earnings for employees (£)
Cotswold	17,948	16,651
Forest of Dean	20,833	19,364
Gloucester	19,630	20,615
Stroud	22,403	19,753
Cheltenham	22,039	19,740
Cotswold	19,937	23,321
Gloucestershire	20,651	20,018
South West	20,000	19,831
Great Britain	21,342	21,324

Source: Annual Survey of Hours and Earnings 2010, Office of National Statistics

- The median (50<sup>th</sup> percentile) in the table above shows gross annual earnings of residents in Cotswold District (£17,948) is lower than the corresponding regional (£20,000) and national figures (£21,342). However, the median for earnings of employees in Cotswold District (£16,651) is significantly lower than the regional (£19,831), and the national figures (£21,324).
- Considering the average prices of homes sold in Stow-on-the-Wold Parish during the 24 months up to February 2012 a household on a median income living in Cotswold District (£17,948) would be unable to purchase a property without a substantial deposit.
- Many potential first time buyers struggle to meet the costs of buying their own home.

**Private rented**

6.17 Information gained from 'Rightmove.com' tells us these are the starting prices of rents for the following property types in June 2012:

One bedroom flat (Stow).....£700 per calendar month

One bedroom terrace house (Stow).....£575 pcm

Two bedroom terrace house (Stow).....£725 pcm

Three bedroom house (Stow).....£795 pcm

6.18 It is generally recognised that a household's housing costs should not exceed 25% of a household's gross income. Based upon this assumption a minimum gross annual income required to afford the rent on the above properties would be £30,000 for a two bedroom house in Stow-on-the-Wold,



and £45,600 for a three bedroom house in Stow. Of course, the rent does not include running costs e.g. council tax, fuel bills etc.

6.19 By comparing the monthly costs of private rented property with home ownership, it is substantially less expensive to rent than to buy a similar starter-type home.

### What is affordable rented housing?

6.20 The levels of rent that Registered Providers are able to charge are restricted by *Homes and Communities Agency* (formed on 1<sup>st</sup> December 2008 from the *Housing Corporation* and *English Partnerships*). These rents are known as *target rents* and are subject to the national Housing Benefit scheme.

6.21 The *target* rents of properties let by Housing Associations are controlled by the Homes & Communities Agency for the Government. Rents are calculated according to a formula based on relative property values and relative local earnings.

6.22 A household's entitlement to housing benefit takes into account a household's size, income, savings and other circumstances, may entitle a household to a financial contribution of a sum up to the entire rental charge.

6.23 The Coalition Government has introduced *affordable* rents for council and some housing association rented properties. The *affordable* rents are up to 80 per cent of market rents. For many areas of rural Gloucestershire that means *affordable* rents are significantly higher than traditional *target* rent levels.

## 7. EXISTING AFFORDABLE HOUSING STOCK

7.1 Stow-on-the-Wold has a total of 187 affordable dwellings for rent.

### Affordable housing stock in Stow-on-the-Wold

Landlord	Tenure	1 bed bung'	2 bed bung'	1 bed flat	1 bed house	2 bed house	3 bed house	4 bed house	Older person 1 bed flat	Older person 2 bed flat	Older person 3 bed flat
Fosseway Living	rented	12	39	17	1	21	59	2	34	1	1

During the period April 2010 to March 2012 Fosseway Living had 20 re-lets including: 11 x 1 bed older persons' flats, 1 x 3 bed older persons' flat, 3 x 2 bed bungalows, 2 x 2 bed houses and 3 x 3 bed houses.

## 8. SUMMARY

8.1 *Part C* of this survey is aimed at persons who are seeking alternative housing, in particular those who cannot open market prices and therefore require affordable housing (rented or shared ownership).

8.2 The information gained from this survey is a key element of assessing local needs. Other useful sources of information include Cotswold District Council's Housing Register (known as Gloucestershire Homeseeker). Some key issues arising from the survey are:

- It is notoriously difficult to get accurate data on the housing need of young people, and surveys of this type tend to underestimate the figures.
- Those who have expressed a genuine need have been considered in the recommendations, rather than those with a wish to move but are considered to be able to afford appropriate market housing.
- Housing development in Stow-on-the-Wold parish should take account of future anticipated housing need as well as the number of households in immediate need.
- There is a shortage of affordable properties in Stow-on-the-Wold for rent and for shared ownership. This survey has shown 18% of properties in the parish have 4 or more bedrooms, and 52% have 3 bedrooms.
- Of those 42 respondents to the questionnaire who are in need to move to suitable accommodation, 27 households require affordable housing. The remainder have indicated that they can afford suitable open market housing. In the current financial market some potential purchasers, particularly first time buyers, are experiencing difficulties obtaining a mortgage. The Bank of England Base Rate has remained at an all time low of 0.5% since March 2009 (last reviewed on 7<sup>th</sup> June 2012). However, mortgage lenders often charge high rates of interest to first time buyers and require substantial deposits, sometimes 15% or more of the purchase price as well as charging arrangement/administrative fees.

### Households in need of rented

	Single persons	couples	Families with 1 child	Families with 2 children	Families with 3 children	Families - details not provided
1 bedroom general purpose i.e. flat/house/bungalow	6	5	-	-	-	-
2 bedroom house	-	-	2	-	-	1
3 bedroom house	-	-	-	2	-	
1 bedroom older persons accommodation	1	1	-	-	-	-

### Households in need of shared ownership/intermediate

	Single persons	couples	Families with 1 child	Families with 2 children	Families with 3 children	Couples with dependent	Families – details not provided
1 bedroom general purpose i.e. flat/house/bungalow	1	5	-	-	-	-	-
2 bedroom house	-	-	1	-	-	-	1
3 bedroom house	-	-	-	-	1	-	

### Households seeking to buy a home on the open market

	Single persons	couples	Couples with dependent	Family with 2 children	Families with 3 children	Family – details not provided
1 bedroom accommodation	3	5	-	-	-	-
2 bedroom house	-	-	1	-	-	3
3 bedroom house	1	5	-	2	-	
4 bedroom houses	-	1	-	-	1	

## **9. CONCLUSION**

9.1 This survey has determined that there are ***27 households with a local connection who have self identified themselves in need of affordable housing in the town.***

9.2 In addition to local households in need, consideration should be given to turnover of the existing social housing stock in the parish when determining the number, type and tenure of additional affordable dwellings required to meet the parish's need. Also, consideration may be given to forecasted changes in the demographics and the impact of Government policies e.g. housing benefit regulations. It should be noted that some existing affordable housing may be allocated to persons in greatest housing need throughout Cotswold District.

9.3 The survey does not attempt to identify Stow-on-the-Wold residents seeking to move to affordable housing outside of the parish.

## **10. RECOMMENDATIONS**

**It is recommended that:**

- a) the Rural Housing Enabler produces an executive summary of the survey report for publication in the local news letter for all to read.**
- b) Anyone who is in need is encouraged to apply on the District Council's Housing Register (Gloucestershire Homeseeker).**
- c) The District Council is provided with the Housing Needs Survey Report.**