

# Parish of Charlbury

## Housing Needs Assessment

### Executive Summary

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## Executive summary

### Introduction and study method

- 1.1 arc<sup>4</sup> was commissioned to undertake a housing needs assessment to inform the emerging Charlbury neighbourhood a plan.
- 1.2 Several methods are combined to estimate the quantity, size and type of housing needed by existing local households and households likely to form. Affordable housing estimates are based upon household survey information provided by the Town Council, and information from the local authority. This information is used in a standard model to provide a consistent basis for assessing affordable housing need. Market housing requirements are also based on this household survey information and secondary data to inform an arc<sup>4</sup> model that defines the mismatch between the supply created by moving households and demand from those households who plan to seek more suitable accommodation in the parish. The mismatch is quantified and defined in terms of number of bedrooms, house type and tenure needed.
- 1.3 This executive summary is in 4 parts:
  - key findings from the parish profile;
  - key findings from the market and affordability appraisal;
  - key findings from the household survey; and
  - conclusions.

### Key findings from the parish profile

- 1.4 Overall at census day 2011, 2,830 people lived in the parish within 1,298 households.
- 1.5 The housing profile of the parish differs from that of the district and England in important respects:
  - significantly more 5 or more bedroom homes;
  - a larger proportion of 1-bedroom homes than the district;
  - a larger proportion of detached homes than England and a larger proportion of semi-detached homes overall; and
  - a smaller proportion of terraced homes and flats than the other geographies.
- 1.6 The household profile tells us that almost 74% of homes are owner occupied. Most notable is the large proportion of home owners that own outright - without a mortgage. The parish has a larger proportion of social rented homes and a smaller proportion of private rented homes than the district.
- 1.7 The parish has a significantly larger proportion of people aged 45-89 years than the other geographies. There is mostly a similar proportion of children in all age groups compared to the other geographies.
- 1.8 The population of the district is estimated to grow by nearly 18,000 people over the 25 years an increase of 17%. The proportion of those aged 70-years and over will double

over the period. The proportion of older households that are infirm will increase with age both increasing demand for support services and for suitable housing.

- 1.9 The parish has a larger proportion of households that comprise of single person over age 65. 30.1% of parish households are over 65 single persons or couples. 64.1% of households have no children living with them. 9.1% of households have non-dependent children living with them.
- 1.10 Around 60% of home owners have 2 or more spare bedrooms. Around 8% of social tenants have 2 or more spare bedrooms and around 60% of social tenants have no spare rooms and some are living in overcrowded circumstances.
- 1.11 Overall the profile tells us that the majority of home owners are older people who under-occupy their homes.

### Key findings regarding the parish housing market

- 1.12 As at summer 2017, 25<sup>th</sup> percentile prices were £268,000 and median prices were £372,000.
- 1.13 Detached and semi-detached homes formed the majority of homes sold in the period January 2016 to June 2017 and they were priced between £230,000 and £825,000. Terraced houses and flats are mostly below median prices and 11 were below lower quartile prices.
- 1.14 More 3-bedroom homes were sold than their proportion of the dwelling stock suggesting that residents tend not to live in them for as long as other property sizes; the proportion of sales of 1, 4 and 5-bedroom homes is lower than the proportion of the stock.
- 1.15 In the same period, 25th percentile incomes were estimated at £35,000 p.a. and median incomes at £45,000 p.a. When spending power is compared to house prices, households that can raise the minimum deposit on 25th percentile income could not afford 25th percentile prices or any of the property sold recently at below 25th percentile prices.
- 1.16 Estate agents told us that the residential family market is driven by school catchment and that many younger residents seeking their first home are priced out of the market. We were told that older people would only downsize if housing met their requirements in terms of quality, living, garden and storage space. Market gaps were undoubtedly suitable housing for new families and elderly downsizers.

### Future housing requirements

- 1.17 A household survey, produced by the parish in 2016, was re-analysed for the purposes of quantifying the additional housing needed in the parish. The survey revealed that the main reason why households had left the parish or were unable to form was for affordability reasons.
- 1.18 The survey revealed that an additional 45 open market dwellings were needed over a 5-year period if local household aspirations were to be met.

- 1.19 Demand consisted mainly of 4-bedroom houses for up-sizers and 3-bedroom bungalows for down-sizers.
- 1.20 Information from the local authority and household survey information was used to estimate the need for affordable housing. The evidence would suggest that there is an annual shortfall of 9 affordable dwellings per annum or 45 over a 5-year period,

## Conclusions and policy implications

### Meeting future housing requirements

- 1.21 The evidence suggests that 90 additional homes, (45 affordable and 45 market), will be needed over the next 5 years.
- 1.22 According to the housing register the mix of affordable homes needed is overwhelmingly 1 and 2-bedroom homes.
- 1.23 The mix of market housing needed is particularly noteworthy. Evidence from the census and the household survey suggests that 3-bedroom semi-detached housing forms the largest group of homes in the parish. However, 4-bedroom homes and 3-bedroom bungalows are the types most needed.
- 1.24 There is supporting evidence from the household survey. Firstly, regarding the occupancy of housing. It is clear that a large proportion of housing is under occupied, fewer are balanced and a small proportion are potentially overcrowded. This evidences an important dynamic, irrespective of whether or not households plan to move home or are prevented from doing so. There are pressures on the housing supply from households needing more space and those needing to downsize where they find their present housing unmanageable. Further, according to the survey 128 households wish to move but are unable to do so many of which cannot afford to. Households prevented from moving for financial reasons are not necessarily seeking affordable housing.
- 1.25 Survey based findings are also consistent with the parish profile and evidence from estate agents.
- 1.26 Several factors are driving the findings. Firstly, estate agents pointed out that the residential family home market is driven by school catchment. Clearly households that have come to the area for this reason either have additional children or aspire to larger homes when finances permit. The second factor is that estate agents told us that older people tend to stay put and only downsize if suitable housing is available. The survey suggests that this would be in the form of a 3-bedroom bungalow. Many factors influence a household decision to downsize including the availability of suitable housing they can afford. Housing our Ageing Population: Panel for Innovation (HAPPI) has published many documents on this subject and in particular HAPPI report 3 provides further reading on this subject.
- 1.27 It is worth pointing out that although bungalows are perceived as particularly suited to older people, many are occupied by younger people and households who find them convenient to manage.

- 1.28 Thirdly, it is clear that newly forming households are at a financial disadvantage when seeking a place of their own whether for home ownership or market renting solutions. Those that might be able to afford to rent but not buy may opt for private rented sector housing. However, there is very little market rented supply in Charlbury compared to the district.
- 1.29 The second factor, older people is arguably the most significant factor due to demographic pressure. Older people are projected to form increasingly large proportions of the population over the next 25 years.
- 1.30 The following scenario is potentially damaging to Charlbury's community in the long term. If suitable additional housing is not provided, over time, many ageing households will stay put. Their reluctance to move home will prevent younger households moving into the area. If housing affordable to local newly forming households is not provided, then they will seek housing that they can afford elsewhere. Overall the population will become increasingly unbalanced across the age groups.
- 1.31 However, the building of 4-bedroom homes and bungalows is no guarantee that they will be occupied by families with children and older people respectively.

### Implications for neighbourhood plan policies

- 1.32 Much of the information used to assess future housing requirements is based on household survey information which invites households to reveal their intentions over a defined period of time, so caution needs to be exercised in extrapolating the information over a longer period of time.
- 1.33 However, the HNS provides a great deal of information that is relevant to the plan in the longer term. Firstly, throughout the HNS we have stressed the significance of the population projections. Secondly, we have used extensive profiling information to demonstrate that the conditions exist that will give rise to unmet housing requirements on an ongoing basis. Specifically, these conditions are the mismatch between the housing stock and the people it houses and the high price of local housing such that some households - especially newly forming households are priced out of the market locally. These conditions are unlikely to be reversed due to the character of the town, its setting, and because large scale housing development is not envisaged.
- 1.34 Neighbourhood plan policies must be in general conformance with local planning authority strategy. There is considerable scope for neighbourhood plans to work alongside the local authority planning strategies and policies to influence development proposals and fine tune them to help meet local needs and issues.
- 1.35 It is recommended that this housing needs assessment (HNA) should be regarded as an evidence base and is used to support both neighbourhood plan policy and inform consultations with the local planning authority. We suggest that a key feature of the HNA is that it does not just state the housing requirements that are apparent from the evidence, but it goes some way to explaining why these requirements have arisen. This is fundamentally the growing mismatch between the housing stock that is largely fixed and the circumstances of households that are constantly changing.

- 1.36 The key findings of the HNA are clearly stated in the previous section of this chapter and are based on evidence. Neighbourhood plan policy could address these issues by as far as possible ensuring that housing is provided that meets local needs at prices that local people can afford.
- 1.37 A risk is that housing will not be occupied by the people that it was intended for. Examples of this are:
- new build housing being occupied by incomers;
  - large family homes being occupied by households without children;
  - housing that is suited to the needs of older people being occupied by younger people; and
  - lack of new households coming into the housing market for affordability reasons to be the end point for conveyancing chains.
- 1.38 Some neighbourhood plans have addressed these problems by encouraging diversity in new build housing proposals and incorporating local occupancy clauses and age restricted housing as appropriate.

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