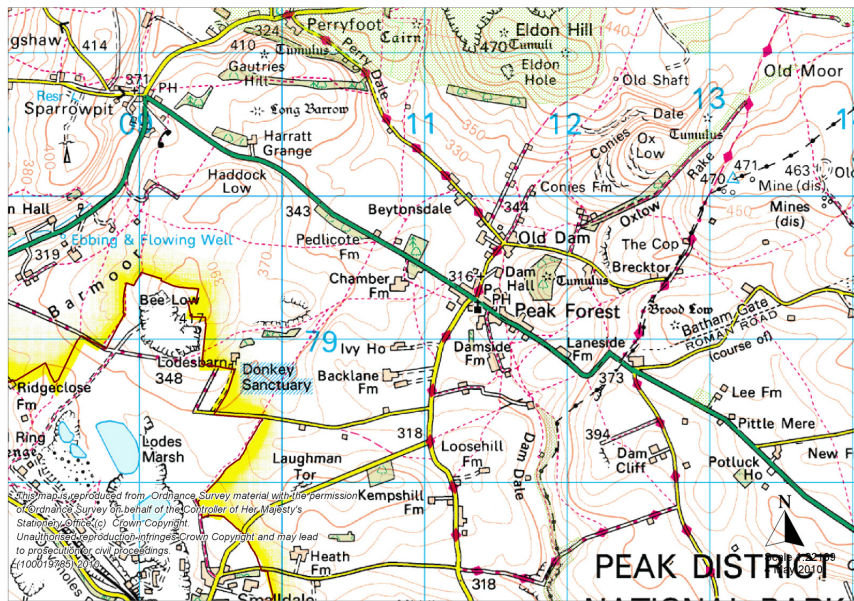


# Peak Forest Parish Housing Need Survey May 2010

Report prepared by Isabel Bellamy  
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## Peak Forest Parish Housing Needs Survey Results May 2010

### 1. Introduction

In March/April 2010, High Peak Borough Council posted out Housing Need Survey forms to every household in the town. 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 117 posted out, 42 survey forms were returned, a response rate of 36%.

### 2. Purpose of the survey

The survey was conducted in order to obtain clear evidence of the affordable housing need in the Parish of Peak Forest. 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 the current housing stock.

The returned forms can be categorised as follows:

Category	Number of forms
In housing need and in favour of a scheme	5
Not in housing need and in favour of a scheme	22
Not in housing need and not in favour of a scheme	12
Blanks/don't know	3
<b>Total number of forms returned</b>	<b>42</b>

### 3. Local Connection

2 of the 5 households in housing need are able to meet their own need by purchasing on the open market. The local connection of the 3 households in need of affordable housing is as follows.

Category	No. of Households	Ave Duration (years)
Currently live in the Parish	2	34
Currently relatives in the Parish	2	n/a
Have previously lived in the Parish	1	21

#### 4. Planning Context - outline description

The Parish of Peak Forest is in the Peak District National Park Authority (PDNPA). Please note that the following is not a complete description of the planning policies that apply locally.

In the PDNPA, 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).

#### 5. Key Housing Demand Information

The key housing demand information from the 3 households identified in housing need in the survey is outlined below:

- 1 respondent indicated an immediate housing need, another a need in 1-3 years time.
- 2 of the respondents indicated a tenure preference for owner occupation and 1 for rent.
- The housing need is predominantly composed of people in the 25-44 age groups. No need was identified in the over 60 age groups.
- The need is for 2 bed houses.
- 2 of the 3 respondents in need are currently in private rented accommodation
- The households in need are all adult couples without children
- 2 respondents indicated that their current homes are unsuitable because they need to be closer to family and 1 respondent stated their current home is too small.

#### 6. Home-Options Data – registered housing need

A further indicator of need is people on the Housing Register. There are currently 2 Peak Forest residents registered on Home-Options\* seeking accommodation who are in addition to the need identified in the survey. As there are no affordable homes in the Parish, this may affect the number of people who register on Home-Options. Combining the survey and Home-Options's information indicates that there are **5 households** (3 plus 2) in affordable housing need in Peak Forest.

\*Home-Options is High Peak Borough Council's choice-based lettings scheme which allows home-seekers to 'bid' for properties available. Further information is available at [www.home-options.org](http://www.home-options.org) or telephone 0845 129 7777.

## Peak Forest residents registered on Home-Options

Households type	Number of households
Single Person	1
Family with 3 children	1
<b>Total</b>	<b>2</b>

### 7. Existing affordable housing stock and turnover

Peak Forest does not have any affordable housing stock that is owned and managed by a housing association. Therefore the affordable housing need identified by this survey will not be met within the Parish.

### 8. Peak Forest's Housing Market and affordability

Housing in the Parish is beyond the means of many local people unless they have substantial equity or savings. The lower quartile house price to income ratio in **Hope Valley Ward** is **8:1**, yet the maximum amount a person would be able to borrow for a mortgage would be 3/3.5 times a household's income. \* *from Hometrack, a Housing Intelligence System*. Even if a person can afford to purchase their own home, there are very few properties available (see chart at Appendix A).

Based on the financial information provided by respondents in the survey, two households in housing need would be able to meet their housing need by purchasing on the open market. Two further households expressed a desire for home ownership but would struggle to meet their needs on the open market, but may consider owning a home on a part rent part buy scheme. A further household requires rented accommodation. Insufficient financial information is available to assess the 2 households registered on Home-Options.

The table below lists all the properties advertised for sale on [www.rightmove.co.uk](http://www.rightmove.co.uk) in Peak Forest on one particular day.

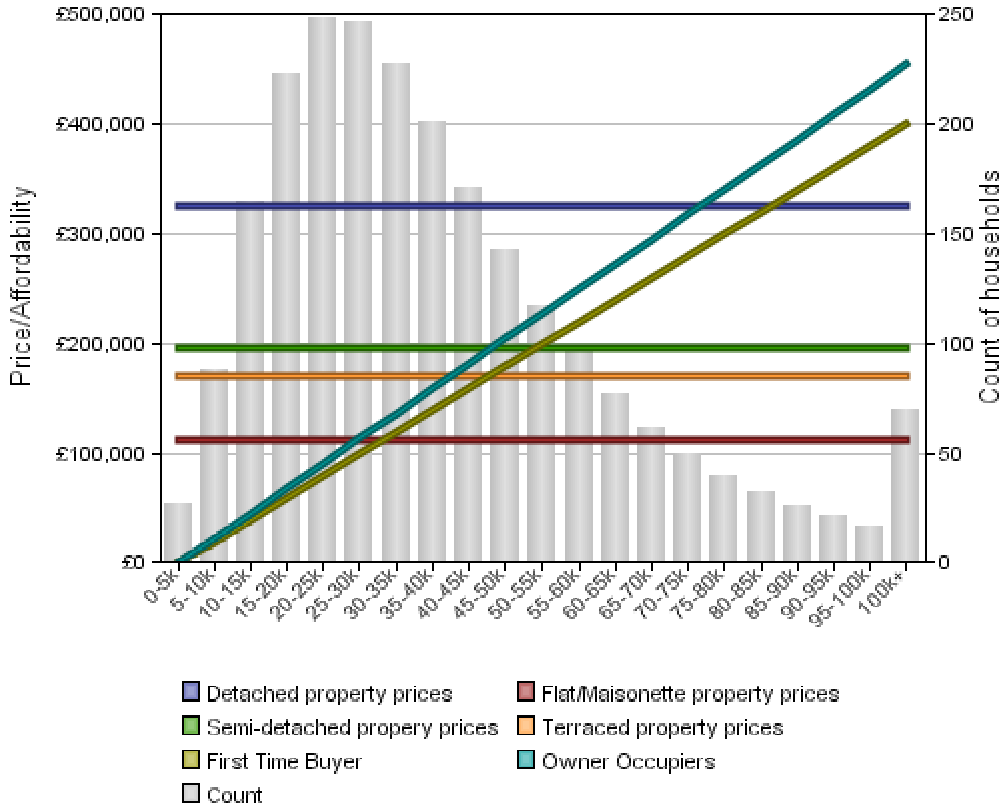
#### **All properties available for sale in Peak Forest on the 4 May 2010**

<i>Property Type</i>	<i>Cost range</i>
3 bed detached house	£750,000
4 bed detached house	£699,950
5 bed detached house	£850,000

### Chart: Affordability in the Hope Valley Ward

The chart below shows that a first-buyer living in the Hope Valley Ward, having put down a substantial deposit of 25%, would need to earn £45,000-£50,000 per annum to buy their first home.

#### 3 times income



#### 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 macro-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.

#### Metadata

Source	Hometrack	Bank of England	CACI
Timespan	Mar 2009 to Feb 2010	Feb 2010 to Apr 2010	Jan 2009 to Dec 2009
Last updated	Mar 2010	Apr 2010	Feb 2010
Data level	Ward	National	Ward

## 9. Private rented properties

At the time of writing, no properties are advertised for rent on [www.rightmove.co.uk](http://www.rightmove.co.uk) in Peak Forest. Local Housing Allowance rates (L.H.A. has replaced Housing Benefit for people on low incomes who require help with their rent) for the area show that £412 per calendar month is the maximum that would currently be paid for a 1 bed self-contained property and £494 pcm for a 2-bed property in Peak Forest. This gives an indication of the rental levels in the area.

One respondent indicated that they could afford a rent of £500-£550 per calendar month. However, this respondent is likely to struggle to meet their housing need in the private rented sector within the Parish due to the small number of private rented properties available (9 at the time of the Census). Private rented properties are also traditionally seen as a tenure that helps a mobile workforce rather than as a long-term solution to a community's housing needs.

## 10. Tenure of affordable housing

The tenure options with affordable housing are rented or forms of ownership involving equity share, mainly shared ownership.

2 respondents, who expressed a desire for owner occupation, provided figures on their maximum mortgage borrowing capability stating that they could afford a mortgage of £55,000-£60,000 and £100,000-£105,000. Based on the financial information provided, 1 of the respondents could afford a 50% share in a property valued at £150,000 (based on a comparable scheme in the table below). However, they are unlikely to have the savings for the substantial deposit of 25% required by first time-buyers in the current market.

**Table: The Cost of shared ownership based on purchasing a 50% share in a comparable settlement**

Unit Type	Market value	Initial share	Monthly mortgage	Monthly rent	Total monthly housing cost	Minimum salary required (30% gross income)
3 bed terrace	£150,000	50%	£425*	£160.33	£585.33	£23,413

\*The financial figures in the table above are based on a mortgage rate of 6.25%, 25 year repayment mortgage and 100% mortgage. Although 100% mortgages are not available on the market at the moment (25% deposits are currently required for first time buyers), this table serves as an indicative guide.

In this difficult financial climate, alternative models are being devised that may assist people into part ownership in the medium term. The 'rent to buy' 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.

## **11. Conclusion**

36% of residents in the Parish of Peak Forest responded to the Parish Housing Need Survey, with 64% of respondents indicating that they are in favour of a small scheme of affordable homes for local people.

Although a number of people in the Parish want to buy a home, only two respondents could afford to do so. Even shared ownership is beyond the means of local people given the size of the deposit that is required.

Adding together the figures from the survey and Home-Options, we should be providing for a total affordable housing need of 5 and therefore aiming to develop 2 new homes. The survey indicates a predominant need for 2 x 2 bed houses for rent.

This survey has been undertaken with the support of Peak Forest Parish Council. These conclusions are based on information provided by residents of the Parish of Peak Forest 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.

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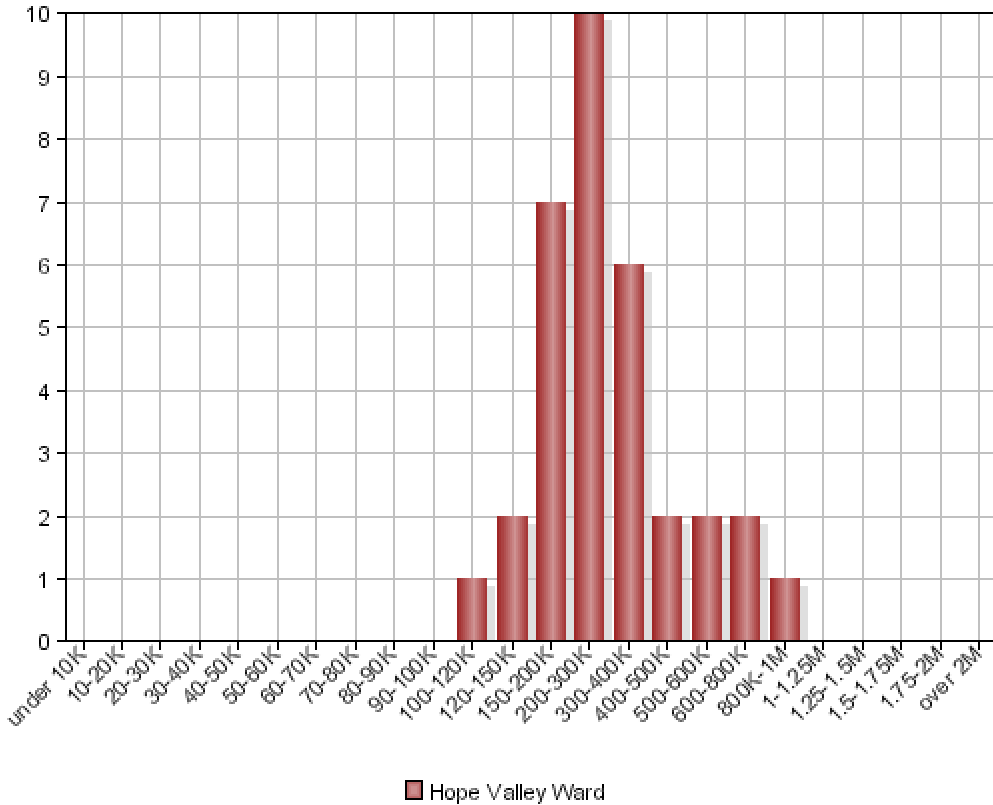


## Appendix A

### Turnover of open market properties in the Hope Valley Ward

The chart shows that only 33 properties sold in the Hope Valley Ward in 2009. Only 3 properties sold for less than £150,000, with most of the properties selling in the £200,000-£300,000 price bracket.

#### Turnover in 2009



#### Note

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

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#### Metadata

Source	HM Land Registry
Timespan	Jan 2009 to Dec 2009
Last updated	Mar 2010
Data level	Ward