

Fairford

Housing Report
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1. INTRODUCTION

1.1 This report has been prepared by GRCC in order to provide a summary of the existing housing stock in Fairford to inform the town council's Neighbourhood Development Plan. The data is drawn from a number of sources:

- ACRE's Rural Evidence Reports which are based on the 2011 Census (ACRE = Action with Communities in Rural England)
- The 2011 Housing Needs Survey of Fairford
- Additional information on the current social housing stock provided by Cotswold District Council
- Information on current house sales and rent prices and volumes from www.rightmove.com and the Land Registry.

1.2 About GRCC:

GRCC is a charitable company which provides professional advice and support to Gloucestershire's communities in order to enable thriving and vibrant communities. This includes community led planning support, a Neighbourhood Development Plan consultancy service and a Rural Housing Enabler service.

2. TOWN SUMMARY

- According to the 2011 Census, the current population of Fairford is 3,235 comprising 1,375 households. This equates to an average of 2.35 persons per household which is identical to the average of 2.35 for Gloucestershire county as a whole (source: 2011 Census).
- By road Fairford is 9 miles from Cirencester and 5 miles from Lechlade.
- The nearest railway station on the national rail network is 13 miles away in Kemble.
- Fairford has a wide range of facilities typical of a small town: *There are daily bus services to Cirencester and Lechlade.*
- The [emerging Cotswold Local Plan](#) identifies Fairford as one of 17 key settlements in the district i.e... "Given a high number of outstanding commitments, and taking account of environmental constraints, the Preferred Development Strategy (PDS May 2013) proposed up to 260 dwellings for Fairford over the period April 2011 to March 2031. This level of house building over the Plan period would help to address the relatively high need for affordable housing in the Fairford area, as well as help to sustain existing facilities. Completions and planning permissions (to 30th September 2014) are expected to deliver 442 dwellings, far exceeding the scale of development envisaged in the PDS. Further potential sites have been considered through the Strategic Housing Land Availability Assessment (SHLAA 2014) and a detailed site allocation assessment. However, it was concluded that no further sites should be allocated for



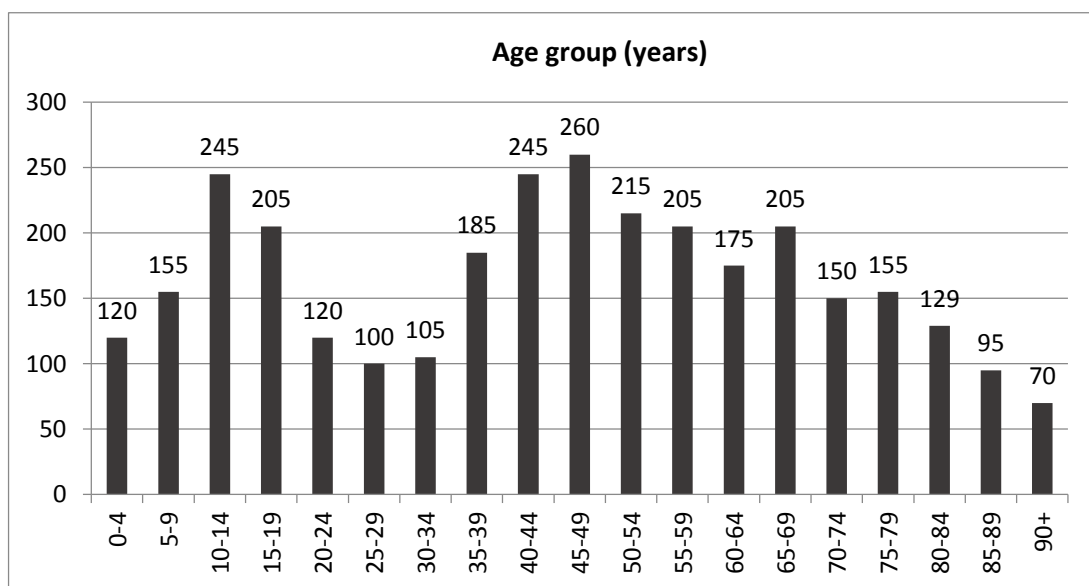
housing development in Fairford due to the high amount of dwellings already built or committed”.

3. KEY FINDINGS

3.1 Population distribution by age:

According to the 2011 Census, 22.1% of people in Fairford are currently under the age of 20 years, 6.7% are aged 20 and 29 years, 16.3% are aged between 30 and 44 years, 20.8% are aged between 45 and 59 years, and 34% are aged 60+ years.

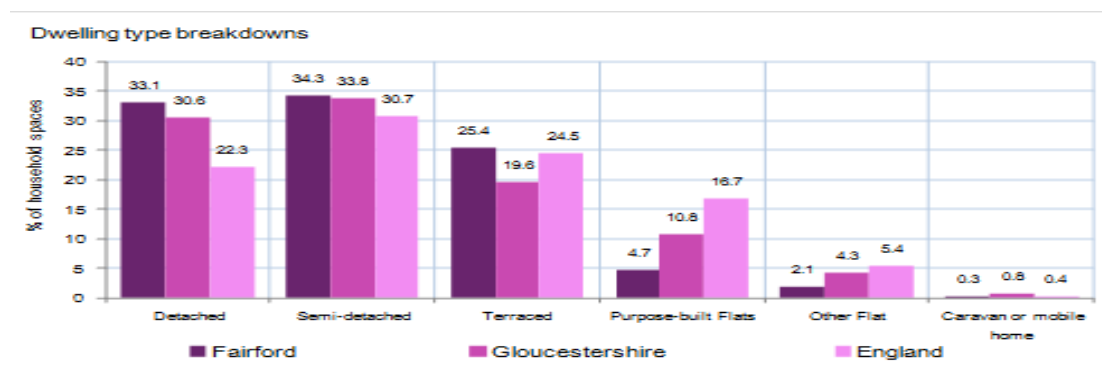
Table A - Age distribution in Fairford



3.2 Categories of Housing:

Table B below shows that 33.1% of people in Fairford live in a detached house, 34.3% live in a semi-detached house, 25.4% live in a terraced house, 6.8% live in a flat, and 0.3% live in a caravan or mobile home.

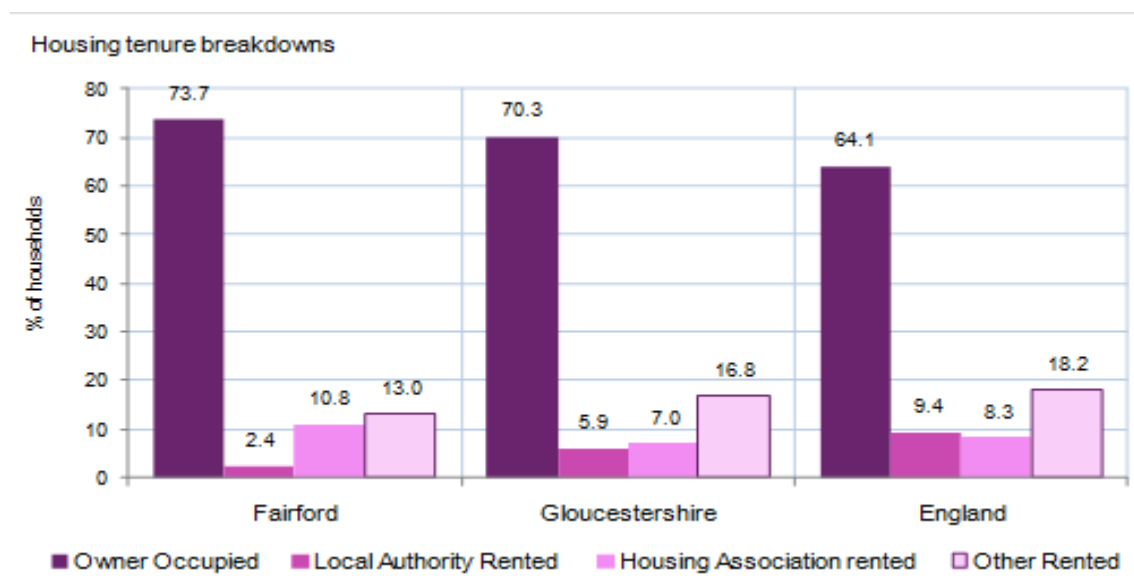
Table B – House type



3.3 Household tenure ie do people rent or own their homes?

Table C below shows that at the time of the 2011 Census, 73.7% of households in Fairford were owner occupiers which is significantly higher than the current proportion – 64% - for England as a whole (Office for National Statistics: Trends in the UK Housing Market, 2014). 13.2% of households lived in a home rented from the local authority or a housing association and 13% lived in privately rented properties.

Table C - Household tenure



3.4 Housing turnover:

According to the 2011 Census, 345 people (10.7%) in Fairford had moved house within the last 12 months.

4. AFFORDABLE RENTED HOUSING - general information

4.1 Affordable rented housing is housing owned either by a local authority or a registered provider (usually a housing association) and made available to people who cannot meet their needs on the open market. Cotswold District Council transferred its housing stock by Large Scale Voluntary Transfer to a registered provider (Bromford Homes) in 1997.

4.2 Historically the levels of rent that local authorities and Registered Providers have been able to charge have been controlled by the *Homes and Communities Agency*. These rents are known as *target rents* and are subject to the national Housing Benefit scheme. They are calculated according to a formula based on relative property values and relative local earnings.

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

4.4 In 2011 the Coalition Government 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 (or social)* rent levels.

4.5 Existing affordable rented housing stock in Fairford

The following additional information on the social housing stock in Fairford has been provided by Cotswold District Council and is up-to-date as of September 2015. Please note that the total figures are higher than indicated in Section 3.3 reflecting 72 additional affordable dwellings provided since 2011.

Fairford currently has (according to CDC Housing as at September 2015) 254 affordable homes which represents approximately 16% of the total housing stock (1,586 dwellings in total according to CDC Council Tax as at 30th September 2015). This compares with 182 affordable dwellings, representing 12.4% of the total housing stock (1462 in March 2011 according Census 2011).

Table D – Breakdown of Social Housing Stock for Fairford

Property type	B	B	F	F	H	H	H	
No. of bedrooms	1b	2b	1b	2b	2b	3b	4b	TOTAL
Housing Association for rent	3	37	19	25	43	66	5	198
Housing association for older people	-	3	22	-	-	-	-	25
Shared ownership	-	-	3	-	6	22	-	31
Grand Total								254

Key to abbreviations: Bed = Bedsit, B = Bungalow, F= Flat, H = House, M = Maisonette

Numbers of households requesting an affordable home in Fairford:

4.6 116 households currently registered on Gloucestershire Homeseeker have put Fairford, or one of the adjoining parishes of Lechlade, Kempford, Quenington, Meysey Hampton and Hatherop, as their preferred location to live. However, please note that expressing a preference does not necessarily imply that applicants have a 'local connection' to Fairford.

4.7 In 2011 Fairford housing needs survey was undertaken by GRCC with the support of the Town Council. The survey revealed 37 households in need of affordable housing.



4.8 Turnover on affordable homes:

Social homes in Fairford which become available for letting are allocated according to need on a district-wide basis.

There were 28 affordable properties advertised on Glos Homseeker during the period 1/09/2014 to 31/08/2015 made up of 11 re-lets and 17 lettings of new properties.

Table E – numbers of re-lets on affordable homes in Fairford 1/09/14 to 31/08/15

	Re-lets	New builds	Total
flats	7	6	13
Houses	1	11	12
bungalows	3	0	3
Total	11	17	28

5. AFFORDABILITY

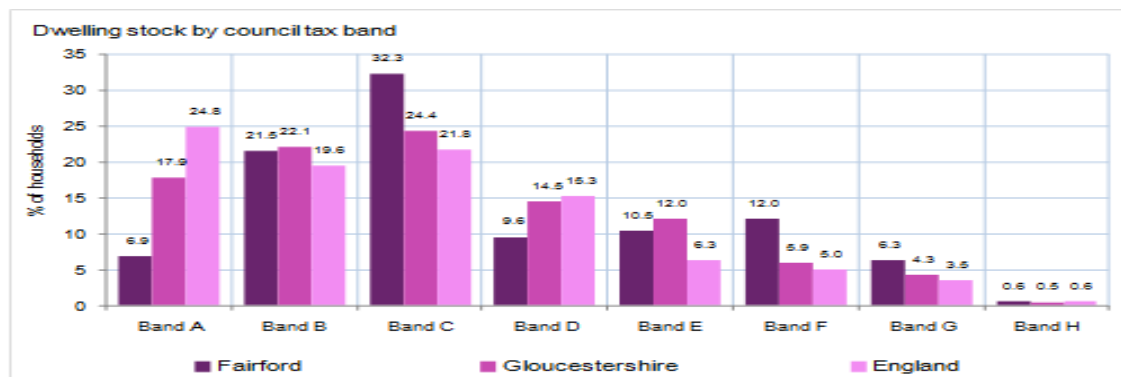
5.1 **Council tax bandings:** The following data shows the number (and proportion) of houses in Fairford in the lowest 3 council tax bands (total of 8 bands) according to Census 2011. This data is useful because it relates to **all** local properties not just those that have sold recently.

Table F – proportion of properties in lowest 3 council tax bands

Council Tax Band	Census 2011 – March 2011			As at 30 th September 2015	
	number	As a %	England average	number	As a %
A	100	6.9%	24.8%	102	6.4%
B	309	21.5%	19.6%	321	20.2%
C	465	32.3%	21.8%	501	31.6%



Table G below shows the proportions of properties in all council tax bands in Fairford in comparison to Gloucestershire & England.



Source: Council Tax Band (Valuation Office Agency 2011)

5.2 Cotswold District Council has provided figures for the number of residential properties in Fairford in each council tax band as at 30th September 2015.

Table H: number and proportion of all residential properties in Fairford according to CDC at 30th September 2015

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
102	321	501	185	198	192	81	6
6.4%	20.2%	31.6%	11.7%	12.5%	12.1%	5.1%	0.4%

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

5.4 In simplistic terms the assessment of affordability requires household incomes and savings to be 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.

5.5 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.

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

Home ownership

5.7 In order to investigate affordability, further research has been carried out on house prices in the area. Using information gained from HM Land Registry it is possible to obtain the average property prices in Fairford.



5.8 In the last 12 months 129 properties were sold within Fairford parish, the majority being semi-detached properties, selling for an average price of £191,211. Detached properties sold for an average of £282,043 whilst terraced properties fetched an average price of £172,897.

Table H: Average Prices of residential properties in Fairford sold in the 12-month period to end July 2015 (according to HM Land Registry)

Average House Prices in Fairford (£)			
House Type	Average Price	Number of Sales	number of bedrooms
Detached	£409,833	36	4 x 3 bed, 7 x 4 bed
Semi-detached	£230,500	6	1 x 2 bed, 3 x 3 bed, 1 x 4 bed
Terraced	£219,411	17	10 x 2 bed, 2 x 3 bed, 1 x 4 bed
Flats	£221,500	2	1 x 1 bed, 1 x 3 bed
All	£329,311	61	

**NB not all houses indicated the numbers of bedrooms in that property.*

5.9 The overall average of £329,311 is higher than the average for the county which, according to the Land Registry, was £185,696 in May 2015. In the past year house prices in Fairford were 6% up on the year before.

5.10 The number of house sales are for new and existing properties where the sale details registered with the Land Registry are for the postcodes defining Fairford Parish.

- 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.

5.11 The average price of properties sold does not necessarily reflect the average value of all properties in the parish.

5.12 House prices in Gloucestershire rose steadily during 2013 and 2014, increasing by 4.2% overall in the 12 months ending May 2015.

5.13 House sales volumes fell considerably following the credit crunch in 2008. However since the winter of 2013/14 Gloucestershire sales volumes have remained extremely buoyant, generally over 1000 per month and being on average 36% higher than the same month in the previous year. Although house sales were down again to 773 in May 2015.

EXAMPLE CALCULATION FOR A MORTGAGE

5.14 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.



5.15 To afford a 2-bed terraced house (typical starter home) at the average price in Fairford last year of £219,000 a household would require at least £32,850 as a deposit, and their annual gross income for mortgage purposes would have to be at least £53,185.

5.16 At the time this report is published mortgage lenders currently offer first time buyers standard variable annual rate interest rates from 4.5% APR. Applying a 4.5% interest rate to a mortgage of £186,150 equates to £1,046.14 per month for a repayment mortgage (repayment of capital and interest) over a 25 year period.

Gross annual earnings for employees (full and part-time) in local authority areas

Area	Median gross annual earnings (residents in local authority area) (£)	Median gross annual earnings (place of work in local authority area) (£)
Cotswold	18,099	18,224
Forest of Dean	21,151	19,178
Gloucester	20,456	19,880
Stroud	22,239	21,921
Cheltenham	24,208	21,530
Tewkesbury	23,468	24,264
Gloucestershire	21,727	20,778
South West	20,095	19,934
Great Britain	21,965	21,965

Source: Annual Survey of Hours and Earnings 2013, Office of National Statistics – revised and released 19th November 2014

- As shown by the above table, the median (50th percentile) gross annual earnings of employees in Cotswold District (£18,224) is lower than the regional median (£19,934) and the national mean (£21,965).
- Considering the average prices of homes sold in Fairford Parish during the 12 months up to 31st May 2015 a household on a median income in Cotswold District (£18,099) would be unable to purchase a property without a substantial deposit (by using savings or by using monies from the sale of current home).
- The Rural Evidence Report calculates an affordability ratio (median house prices as ratio of median incomes) of 18.2 in Fairford, which is significantly higher than the corresponding figures for England and Wales of 15.4.
- Many potential first time buyers struggle to meet the costs of buying their own home.
- In some cases intermediate housing (shared ownership, low cost market housing and rented housing at prices between rented social housing and market rented



prices) would be a suitable option, whilst in other instances traditional housing association rents known as target rents would be appropriate.

Private rented

5.17 Only one property was available to rent within Fairford town itself although there were several options within a 3-mile radius – see below:.

One bedroom cottage in Poulton.....	£635 per calendar month
Two bedroom flat in Fairford.....	£420 pcm
Two bedroom terraced cottage in Fairford.....	£850 pcm
Three bedroom terraced house in Fairford.....	£795 pcm
Four bedroom house in Lechlade.....	£900 pcm

Information provided by www.rightmove.com

5.18 Although there is currently no official definition of housing affordability, it is widely accepted that a household's housing costs should not exceed 25% of a household's gross income. Based upon this presumption, a minimum gross annual income required to afford the above properties would be £30,480 for the cheapest one bedroom cottage, £20,160 for a two bedroom flat, £38,160 for a three bedroom house, and £43,200 for a four bedroom house. Of course, the rent does not include running costs e.g. council tax, fuel bills etc.

5.19 Comparisons of monthly rental costs with monthly mortgage costs for a similar sized property reveal that it is usually cheaper to rent.

6. SUMMARY & CONCLUSIONS

The following conclusions may be a useful starting point for discussion by the Neighbourhood Development Plan Group:

- Completions and planning permissions (to 30th September 2014) are expected to deliver 442 dwellings, far exceeding the scale of development envisaged in the PDS for 2011-2031 (Preferred Development Strategy (PDS May 2013))
- Fairford has a housing stock predominantly made up of houses. Notably it has quite a high proportion of houses and a lower proportion of flats compared to England as a whole. The proportion of households which own their own homes (74%) is significantly higher than the proportion for England as a whole (64%).



- 61 properties (4% of the private housing stock) were sold in the last year. 28 affordable dwellings were either let as new build or re-let in the same period.
- At the time of the 2011 Census, 12.4% of Fairford's housing stock was affordable rented housing. This figure had increased to 16% in September 2015.
- The proportions of dwellings overall in Fairford subject to Council Tax bands A, B and C have reduced between Census 2011 and September 2015.
- Affordability is an issue for people looking to buy or rent privately in Fairford, where house purchase prices and rents are higher than average in England and incomes are lower.

