

# EAST BUDLEIGH WITH BICTON HOUSING PROFILE

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## Demographic Profile

### Population 2011

922 resident population (140 Bicton Parish and 782 East Budleigh Parish) (Source: 2011 Census).

East Budleigh is a within an AONB and has a population under 3000 inhabitants per hectare and is therefore a rural area defined under Section 17 of the Housing Act 1996. These characteristics enable housing associations discretion to decline the right to buy on properties in the Parish.

### Age Structure 2011

| Age group | East Budleigh with Bicton | East Devon | England |
|-----------|---------------------------|------------|---------|
| 0-15      | 114(12.4%)                | 15.3%      | 18.9%   |
| 16-19     | 32(3.5%)                  | 4.4%       | 5.1%    |
| 20-29     | 48(5.2%)                  | 8.1%       | 13.7%   |
| 30-44     | 108(11.7%)                | 15.5%      | 20.6%   |
| 45-64     | 300(32.5%)                | 28.3%      | 25.2%   |
| 65+       | 320(34.7%)                | 28.2%      | 16.4%   |

(Source:- 2011 Census)

This shows that the Parish has a higher proportion of older people (aged 45+) than East Devon and England which creates different needs in the community.

There are also implications for retaining young people as they leave their family home and for attracting young families to create a balanced community.

### Resident Households 2011

| Household type | East Budleigh with Bicton | East Devon | England |
|----------------|---------------------------|------------|---------|
| 1 person       | 136(30.8%)                | 30.9%      | 30.2%   |
| 2 person       | 206(46.6%)                | 40.9%      | 34.2%   |
| 3 person       | 48(10.9%)                 | 12.7%      | 15.6%   |
| 4 person       | 33(7.5%)                  | 10.7%      | 13.0%   |
| 5+ persons     | 19(4.3%)                  | 4.9%       | 7.1%    |

(Source:- 2011 Census)

The Parish has a higher proportion of 1-2 person households than in the District and nationally and is reflective of the higher than average retired population.

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## Property Value

| Council Tax Band | East Budleigh with Bicton | East Devon | England |
|------------------|---------------------------|------------|---------|
| A                | 14( 2.7%)                 | 9.1%       | 24.8%   |
| B                | 40( 7.8%)                 | 19.4%      | 19.6%   |
| C                | 69(13.4%)                 | 22.1%      | 21.8%   |
| D                | 126(24.5%)                | 18.5%      | 15.3%   |
| E                | 105(20.4%)                | 15.3%      | 9.4%    |
| F                | 76(14.8%)                 | 9.2%       | 5.0%    |
| G                | 68(13.2%)                 | 6.1%       | 3.5%    |
| H                | 2(0.4%)                   | 0.3%       | 0.6%    |
| I                | 0(0.00%)                  | 0.0%       | 0.0%    |

(Source: 2011 Census)

Nearly half of properties (48.8%) are within the higher valuation bands (Bands E and above). This compares to 30.9% in East Devon and 18.5% in England.

## Dwelling Type

Owner occupation is high in the Parish, well above the equivalent level for England. In particular, a very high proportion of residents own their properties outright. By contrast, the proportion of those living in social rented housing is low compared to the East Devon district and England. However privately rented accommodation is higher than the equivalent level across the East Devon district and similar to that for England.

| Tenure                      | East Budleigh with Bicton Parish | % East Devon | % England |
|-----------------------------|----------------------------------|--------------|-----------|
| Owned outright              | 227 (51.4%)                      | 47.1         | 30.6      |
| Owned with mortgage or loan | 100(22.6%)                       | 27.8         | 32.8      |
| Shared Ownership            | 0(0%)                            | 0.5          | 0.8       |
| Social rented               | 24(5.4%)                         | 9.3          | 17.7      |
| Privately rented            | 79(17.9%)                        | 13.6         | 16.8      |
| Living Rent free            | 12(2.7%)                         | 1.5          | 1.3       |

(Source 2011 Census)

## Number of Bedrooms

| Number of bedrooms in dwellings | East Budleigh with Bicton Parish | % East Devon | % England |
|---------------------------------|----------------------------------|--------------|-----------|
| No bedrooms                     | 0(0%)                            | 0.1          | 0.2       |
| 1 bedroom                       | 14(3.2%)                         | 7.6          | 11.8      |
| 2 bedrooms                      | 112(25.3%)                       | 30.0         | 27.9      |
| 3 bedrooms                      | 187(42.3%)                       | 39.2         | 41.2      |
| 4 bedrooms                      | 89(20.1%)                        | 17.1         | 14.4      |
| 5+ bedrooms                     | 40(9.0%)                         | 5.9          | 4.6       |

(Source: - 2011 Census)

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The Parish has an above average number of four and five bedroom properties compared to East Devon District and England. It also shows lower than average levels of smaller properties (1 and 2 bed properties). This suggests to redress the imbalance in house types the principal need in the village based on the current evidence is for 1-2 bedroom dwellings.

## Social Housing Stock

| Type of housing            | Council Stock | Housing Association Stock |
|----------------------------|---------------|---------------------------|
| 1 bed bungalow (sheltered) | 5             | 0                         |
| 2 bed bungalow (sheltered) | 7             | 0                         |
| 2 bed house                | 1             | 2                         |
| 3 bed house                | 5             | 2                         |

(Source:- FOI request to EDDC June 2016)

There are 22 socially rented properties in East Budleigh with Bicton Parish, a reduction of 2 socially rented dwellings from the figure recorded in the 2011 Census. Under the Housing and Planning Act 2016 higher value Council property is likely to be sold when it becomes vacant reducing socially rented stock in the village further, particularly the remaining few family houses available on a social rent in the Parish.

## Waiting List for East Budleigh

In June 2016(FOI to EDDC) there were 3 people on the waiting list with a preference to be located in East Budleigh (1 with an East Budleigh postcode). 2 households require 1 bed properties(with 1 and 2 people in the household respectively) and 1 households a 2 bed property(2 people and a 1 child in the household)

## Housing Need Survey

A Housing need survey was conducted by Clinton Devon Estates in November 2015. In East Devon the criteria for local connection to be assessed as being need required a household to be a resident in the Parish group or have a local connection with the Parish group because of family ties or a need to be near their workplace. 14 households with a local connection suggested they had a need although only 3 of these households were assessed as not being able to afford an open market dwelling in the next 5 years (2 more suggested they may have a need but no details were provided).

The identified affordable housing need was for:-

- one 1 bed dwelling for a single occupier (probable shared ownership dwelling with an equity share of around 50%) on an income of £20-25,000.

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- one 2 bed socially rented dwelling for a family with children on an income of £10-15,000
- one 3 bed dwelling for a family with children (rented or possibly shared ownership with 30-35% equity share) on an income of £25-30,000.

Information from the 14 households (some reasons mentioned more than once) on why they may need to move immediately or in the future was as follows:-

- Health reasons and the need for an adapted home (mentioned by 3 households)
- Living in tied accommodation/insecure tenure in relation to private property (mentioned by 4 households)
- Poor condition of property (mentioned by 2 households)
- Young person leaving family home wanting to rent or buy (mentioned by 1 household)
- Person wishing to buy a home rather than rent (mentioned by 1 household)
- Requirement for bigger property (mentioned by 1 household)
- Wish to move back to Parish due to family connection (mentioned by 1 household)

## Older People

21 households of residents aged over 55 expected to move (8 in next 5 years) with 10 expected to move within East Budleigh with Bicton Parish. The survey did not suggest any of these households needed affordable dwellings. However this finding suggests single storey accommodation adapted to

meet the needs of the elderly/disabled could meet a future need within the Parish. However given that a high % of bungalows in the Parish it is possible this need could be met within the current housing stock in the Parish

## Services

Community Shop, Village Hall, Church Hall, 2 Public Houses, All Saints Church, Salem Chapel, Garage.

## House Prices for East Budleigh with Bicton Parish (Postcode EX9 7)

### Average (mean) House Prices 2015/16

| Dwelling Type          | Average Price   |
|------------------------|-----------------|
| Detached               | £445,133.50     |
| Semi detached          | £282,458.50     |
| Terraced               | £225,129.00     |
| <b>Overall average</b> | <b>£335,609</b> |

(Source:- Land Registry)

Mean House Prices are 13x the average full time gross median salary in the District

### Average (median) House Price 2015/16

| Dwelling Type          | Average Price   |
|------------------------|-----------------|
| Detached               | £411,000        |
| Semi detached          | £280,000        |
| Terraced               | £200,000        |
| <b>Overall average</b> | <b>£320,000</b> |

(Source:- Rightmove sold house prices)

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Median House Prices are 12.5x the average full time gross median salary in the District

## Average House Price by number of bedrooms 2015/16

| Bedrooms | Lower Quartile | Median price | Mean price |
|----------|----------------|--------------|------------|
| 1 bed    | No date        | No data      | No data    |
| 2 bed    | £205,000       | £239,500     | £245,455   |
| 3 bed    | £305,000       | £320,000     | £316,667   |
| 4 bed    | £411,000       | £482,500     | £488,875   |

(Source:- Rightmove sold house prices)

## East Devon District Median Income Data 2015

|                  | Annual Gross Salary |
|------------------|---------------------|
| All              | £21,235             |
| Male             | £25,580             |
| Female           | £15,262             |
| Full time        | £25,503             |
| Part time        | £10,241             |
| Male full time   | £27,926             |
| Female full time | £22,043             |
| Male part time   | Insufficient data   |
| Female part time | £10,558             |

(Source:- 2015 Annual survey of hours and earnings - resident analysis)

The median district gross annual income in 2015 for adult full time employee's living in East Devon District was £25,503

| Income Level             | Gross Median Annual Income( full time worker) |
|--------------------------|---|
| Bottom 10% of population | £14,962                                       |
| Bottom 20% of population | £18,389                                       |
| Bottom 25% of population | £19,765                                       |
| Bottom 30% of population | £20,295                                       |
| Bottom 40% of population | £22,920                                       |
| Median (50%)             | £25,503                                       |
| Top 40% of population    | £29,240                                       |
| Top 30% of population    | £32,933                                       |
| Top 25% of population    | £33,861                                       |
| Top 20% of population    | £37,812                                       |

## Affordability

|  |          |
|--|----------|
| Lower Quartile House Price (2015/16)   | £237,250 |
| Average(Median) House Price (2015/2016)                                      | £320,000 |
| Average(Median) Gross Annual Salary 2015                                     | £25,503  |
| Ratio of house prices to income  |          |
| Median house price   | 12.5     |
| Lower quartile house price   | 9.3      |
| Income required for 80% Mortgage 2016 (80% x 3.5) on lower quartile dwelling | £54,229  |
| Income required for 95% mortgage 2016 (95% x 3.5) on lower quartile dwelling | £64,396  |

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## Affordability based on bedroom size

The table below provides a general guide to the income levels needed for a dwelling in the lower quartile for its dwelling type. Mortgages based on 5% deposit plus 3.5x income (no savings above a 5% deposit or equity taken into account)

### Affordability Benchmarks – Annual Income Required

|   | 2 bed dwelling | 3 bed dwelling |
|---|----------------|----------------|
| Open market dwelling (LQ house at 3.5x income and 5% deposit)               | £55,643        | £82,786        |
| Starter Home (LQ house at 3.5x income and 5% deposit)                       | £44,514        | £66,229        |
| Shared ownership house (75% share) (LQ house at 3.5x income and 5% deposit) | £41,732        | £62,089        |
| Shared ownership house (50% share) (LQ house at 3.5x income and 5% deposit) | £27,821        | £43,393        |
| Shared ownership house (25% share) (LQ house at 3.5x income and 5% deposit) | £13,911        | £20,696        |
| Private market rent LQ Dwelling(25% gross annual income)                    | £27,600        | £33,360        |

|   |         |         |
|---|---------|---------|
| Affordable rent LQ Dwelling(25% gross annual income)                | £22,080 | £26,688 |
| Socially rented dwelling(based on rents for Council dwellings EDDC) | £15,945 | £19,477 |

It is clear that with an average(median) gross annual income of around £25,503 many residents in East Budleigh with Bicton Parish will struggle to access anything other than social rented properties, affordable rented properties(2 bed) or shared ownership(25% equity share) without considerable deposits.

For those below median income socially rented properties are the only viable option(or affordable rented properties rented by the Council where the person qualifies for local housing allowance to cover the rent)

### Affordability levels of different dwelling types

#### Open Market Dwelling

|  | 2 bed    | 3 bed    | 4 bed    |
|--|----------|----------|----------|
| LQ House Price (2015/2016)               | £205,000 | £305,000 | £411,000 |
| Average(Median) Gross Annual Salary 2015 | £25,503  | £25,503  | £25,503  |
| Income required for                      | £65,007  | £86,857  | £130,964 |

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An LQ open market dwellings is above the median income for East Devon District for all size of dwellings.  
Even the those within the top 20% of income earners in East Devon District cannot afford an open market dwelling.

## Starter Home

Under the Housing and Planning Act 2016 a starter home is defined as a newly built property that must be sold to someone who is a first-time buyer below the age of 40, with a discount of at least 20 per cent off the market value. In East Budleigh the starter home sale price will be currently capped at £250,000

The 20 per cent discount on starter homes will be “subject to a restriction” if the property is sold. The discount will be paid back upon sale, with a reduction of 5 per cent a year for a period of 20 years.

|  | 2 bed    | 3 bed    | 4 bed          |
|--|----------|----------|----------------|
| <b>LQ House Price (2015/2016)</b>            | £205,000 | £305,000 | £411,000       |
| <b>20% off market price</b>                  | £164,000 | £244,000 | Above £250,000 |
| <b>Income required for 95% mortgage 2016</b> | £44,514  | £66,229  | Not relevant   |

The price of a starter home with a 20% discount is above the median income for East Devon District for all size of dwellings. Even the those within the top 20% of income earners in East Devon District cannot afford a starter home with a 20% discount

## Low cost (discounted) open market home

This is housing provided at a discount to the full market value, usually between 20% and 50% below market value. The re-sale price is required to be kept at an affordable level below market value in perpetuity through a legal agreement

As with starter homes a low cost (discounted) open market home is not affordable to 80% of residents even when a 50% discount is applied.

## Shared Ownership

Shared Ownership offers the chance to buy a share of a dwelling (between 25% and 75% of the home's value) with rent paid on the remaining share (typically at the equivalent of around 2.75% per annum of the market value of the unsold share. Bigger shares can be purchased up to a maximum of 80% in villages like East Budleigh.

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|                                   | 2 bed    | 3 bed    | 4 bed    |
|-----------------------------------|----------|----------|----------|
| <b>LQ House Price (2015/2016)</b> | £205,000 | £305,000 | £411,000 |
| <b>Income required 25% Share</b>  | £13,911  | £20,696  | £27,889  |
| <b>Income required 50% Share</b>  | £27,821  | £41,393  | £55,779  |
| <b>Income required 75% Share</b>  | £41,732  | £62,089  | £83,668  |

A 75% share is not affordable even to an individual within the top 20% of earners in the District for all sizes of dwelling.

A 50% share is not affordable to 80% of residents for 3 and 4 bed dwellings which a 2 bed dwelling with a 50% share is affordable to a person on median gross earnings for a full time worker and above.

A 25% share on a 4 bed dwelling is affordable to a household on or above median gross earnings. For a 3 bed dwelling a 25% share affordable to 70% of households and for a 2 bed dwelling a 25% share is affordable to most of the residents.

This affordability depending on whether the resident can raise a 5% deposit.

- a 45% share of a 2 bed dwelling based on the lower quartile open market price of a dwelling of this type.
- a 30% share of a 3 bed dwelling based on the lower quartile open market price of a dwelling of this type.
- They would not be able to afford a 25% share of a 4 bed dwelling based on the lower quartile open market price of a dwelling of this type

### Renting and affordability

Affordability is defined as a household who spends up to 25% of their gross household income on renting a property (Department for Communities and Local Government). In East Devon the EDDC Housing Review Board has however recognised the use of the Local Housing Allowance as a standard definition of affordability. The preferred baseline is that rents should be set at the level of social rent. Service charges, if applicable, will be additional and reflect the cost of the service provided to each tenant



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## Local Housing Allowance (May 2016)

|                           | Amount per week (£) |
|---------------------------|---------------------|
| Shared Accommodation Rate | £66.70              |
| 1 bed                     | £96.96              |
| 2 bed                     | £126.31             |
| 3 bed                     | £151.50             |
| 4 bed                     | £192.28             |

## Monthly Market rents (Private rents)

|        | Mean | Lower Quartile | Median | Upper Quartile |
|--------|------|----------------|--------|----------------|
| Room   | £379 | £345           | £368   | £412           |
| Studio | £434 | £350           | £400   | £525           |
| 1 bed  | £503 | £450           | £500   | £550           |
| 2 bed  | £633 | £575           | £625   | £695           |
| 3 bed  | 777  | 695            | 750    | 850            |
| 4 bed  | 1118 | 895            | 1075   | 1250           |
| All    | 692  | 550            | 650    | 775            |

(Source:- Valuation Office, Private Rental Market Statistics)

Both a 2 bed and 3 bed privately rented dwelling within the LQ are affordable to a household on the median gross full time salary (unless in receipt of local housing allowance)

## Affordable rent

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are

eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

In East Devon this level of rent may be charged on new built council properties (not relets). East Devon will however charge affordable rent at levels no higher than the relevant Local Housing Allowance at the time. This should mean a person in receipt of local housing allowance should be able to afford an Council dwelling let on an affordable rent.

For housing association properties let on an affordable rent of 80% of the local market rent for a lower quartile property a 3 bed dwelling is not affordable (without local housing allowance) to a household on median earnings. A 2 bed property (in the LQ) would be affordable to an household on or just below the median income level.

## Social rented housing

This housing is usually owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime.

|                | Average weekly rent in 2016 in East Devon (£) |
|----------------|---|
| 1 bed bungalow | £77.56  |
| 2 bed bungalow | £87.71  |
| Sheltered      | £78.05  |
| 2 bed house    | £76.66  |
| 3 bed house    | £93.64  |

(FOI request EDDC June 2016)

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Socially rented dwelling rent levels for both 2 and 3 bed dwellings are set at below the median gross earnings for a full time worker and affordable to 75-80% of households ( before receipt of any housing allowance) and to all households once local housing allowance is taken into account

## Conclusions

- The Parish has a higher proportion of older people (aged 45+) than East Devon and England which creates different needs in the community. There are also implications for retaining young people as they leave their family home and for attracting young families to create a balanced community.
- There is a current imbalance in the housing stock of East Budleigh with Bicton Parish with 1 and 2 bed dwellings represented in lesser numbers than the District and nationally.
- There is an imbalance in the tenure of the housing stock in East Budleigh with Bicton Parish with a lower percentage of owner occupied dwellings and lesser percentage of socially rented dwellings compared to East Devon District and England.
- The valuation of properties as measured from Council Tax records shows nearly half of properties are in Bands E and above. This is substantially higher than the percentage for East Devon and nationally.
- The current ratio of the average (median) house price to median earnings is 12.5.
- The income and house price data suggest that for someone on median earnings an open market dwelling, starter home and discounted low cost home are unaffordable in the Parish.
- The only dwellings affordable for someone at the median income for East Devon would be: -
  - Socially rented accommodation.
  - Affordable rented accommodation (if Council let) and for a 2 bed housing association property. With local housing allowance both 2 bed and 3 bed properties may be affordable.
  - Shared ownership properties where the equity share is no more than 45% for a 2 bed dwelling and 30% for a 3 bed dwelling. A 4 bed dwelling is currently unaffordable to someone on median earnings.
- Based on the recent housing need survey of East Budleigh and the waiting list (households with an East Budleigh with Bicton postcode) the predominant need is for 1 or 2 bed rented dwellings.
- The housing need survey of residents of the Parish and those with a connection in 2015 showed a need for a 1 1 bed shared ownership dwelling (25% equity share), 1 2 bed socially rented dwelling and a 3 bed socially rented or potentially shared ownership property with a 30-35%

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equity share. The main demand was from households needing adapted accommodation and from households in insecure tenure.

**Overall East Budleigh with Bicton Parish can be illustrated to be an area of high house prices, low wages with an imbalance in housing stock in respect of socially rented dwellings and smaller dwelling types. Given the characteristics of the area the predominant affordable housing need is for socially / affordable rented properties or shared equity dwellings with a low equity share (30-45% share depending on dwelling size) purchased by the occupier (this dependent on being able to afford a 5% deposit)**

**This is consistent with the Adopted East Devon Local Plan target of 70% of affordable dwelling to be socially rented or affordable rented properties and 30% intermediate housing. In the case of East Budleigh with Bicton Parish the intermediate stock would consist of shared ownership dwellings (with a low equity share)**