



Arthingworth Parish  
Affordable Housing for Sale Assessment  
February 2021



## Purpose

This report provides an assessment of the need for affordable housing for sale in the Parish of Arthingworth within the Daventry District of Northamptonshire.

Affordable housing is not merely cheaper housing, but planning terminology meaning those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF), namely: social rent, affordable rent, affordable private rent and forms of affordable housing designed to offer affordable routes to home ownership.

This will help to inform the emerging Neighbourhood Plan Review in relation to the opportunities to both identify the need for affordable housing for sale and to see how the Neighbourhood Plan can address the issue.

## Context

According to the latest annual Halifax Rural Housing Review (Halifax, 2017), homes in rural areas across Great Britain are 20% more expensive on average than in urban areas. In financial terms, this percentage equates to £44,454.

However, regionally, these figures increase or decrease dramatically depending on the locality. For example, the West Midlands is the region that commands the highest rural premium across Great Britain. Here, the average house price in rural areas is 47%, or £89,272 higher than the region's urban areas, and in contrast, the East of England has the lowest rural housing premium of 9% or £27,765.

Data from the review shows that first time buyers have more or less found themselves priced out of rural areas. They account for 41% of all mortgaged products in rural areas, compared with 53% in urban areas. Affordability is the main reason for this.

In a local context, figures for the East Midlands show a 38% increase in rural average house prices in the period 2012 - 2017. This equates to a rural housing premium of £55,426, compared to urban locations.

Areas which are predominantly rural typically have higher house prices than urban locations, thus making them less affordable. In 2016, the average lower quartile house price was 8.3 times the average lower quartile earnings in rural areas, in comparison with 7 times in urban areas.

In 2018, the National Housing Federation stated that 'the housing crisis in rural England is acute, with the most affordable rural homes costing 8.3 times wages in rural areas (National Housing Federation, 2018).

## Arthingworth Parish

The Village Design Guide describes Arthingworth as a small village situated within undulating ground in the West Northamptonshire Uplands, c. 5 miles to the south of Market Harborough and 10 miles to the north of Northampton.

It has been designated a 'Restricted Infill Village' due to its position in rolling countryside where, despite the location's reasonable proximity to the A508 and A14, it is relatively hidden and unknown in the locality. This is considered an advantage by most residents who enjoy the peace and quiet from the rural setting.

According to the 2011 Census, the Arthingworth Parish had an estimated population of 231 residents living in 96 households dispersed across 710 hectares. This equates to a population density of 0.3 persons per hectare which is lower than the borough (1.2), region (2.9) and England (4.1) averages. There were 5 vacant dwellings representing a 5% vacancy rate. There was one communal establishment providing accommodation for 4 residents.

It is estimated that the number of people living in the parish increased by 2.7% (6 people) between 2001 and 2011. During the same period the number of dwellings (occupied and vacant) increased by 1% (1 dwelling).

At the time of the 2011 Census, around 16% of residents were aged under 16 which was below the borough (19%), regional (18%) and national (19%) rates. Around 63% of residents were aged between 16 and 64 which was lower than the borough (64%) and region (64%) and England (65%) rates.

Older people (aged 65+) accounted for 22% of total residents which was higher than 17% for the borough, 17% for the region and 16% for England as a whole. The median age of people living in the local area was 48 which was somewhat older than the borough (43), region (40) and England (39) rates.

Table 1: Usual Residents by Age Band, 2011

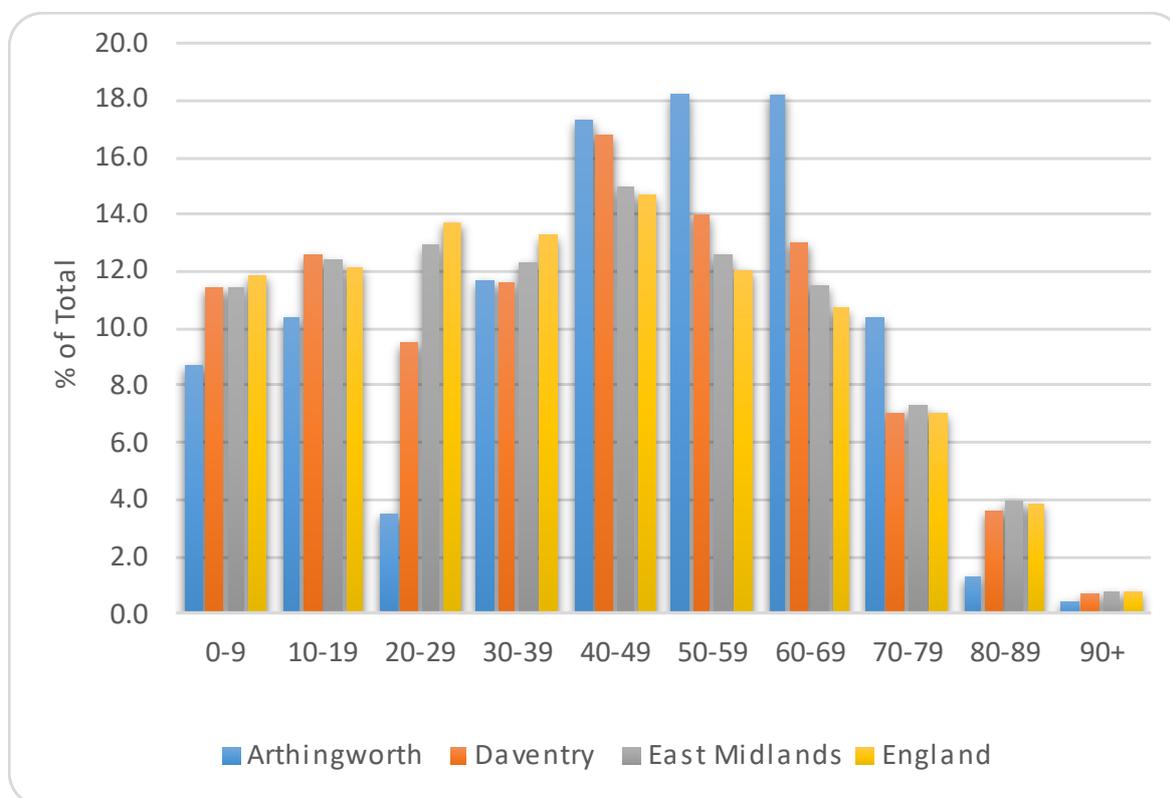
	Arthingworth		Daventry	East Midlands	England
	No	%	%	%	%
Aged 0-4	13	5.6	5.6	6.0	6.3
Aged 5-15	23	10.0	13.4	12.5	12.6
Aged 16-64	145	62.8	64.0	64.5	64.8
Aged 65+	50	21.6	16.9	17.1	16.3
All Usual Residents	231	100.0	100.0	100.0	100.0
Median age	48		43	40	39

Source: Census 2011, KS102

A more detailed breakdown of age bands reveals that at the time of the 2011 Census, Arthingworth had a high representation of residents aged between 40 and 79 compared with the national average and this reflects the presence of a residential educational establishment

in the local area. It has a lower share of people aged between 20 and 29 which may reflect lack of affordable and suitable accommodation for young people entering the housing market.

Figure 1 Population by 10 year age bands, 2011



Source: Census 2011, QS103

The Census data suggests evidence of an ageing population with the number of people aged 65 and over increasing by 117% (27 residents) between 2001 and 2011. Over 65s represented 10% of total population in 2001 compared with 22% by 2011.

More recent small area population estimates<sup>1</sup> suggest the number of residents in the parish has remained relatively unchanged but fell by 2% between 2011 and 2019. However, the number of older people has continued to increase, rising by 10% during the same period. Furthermore, research shows the number of older people will grow significantly in the future and relative growth will be highest in older cohorts. Latest available population projections<sup>2</sup> suggest that Daventry’s 65 plus age group is forecast to grow by around 57% between 2018 and 2038.

<sup>1</sup> Population Estimates – Small Area Based, ONS (NOMIS)

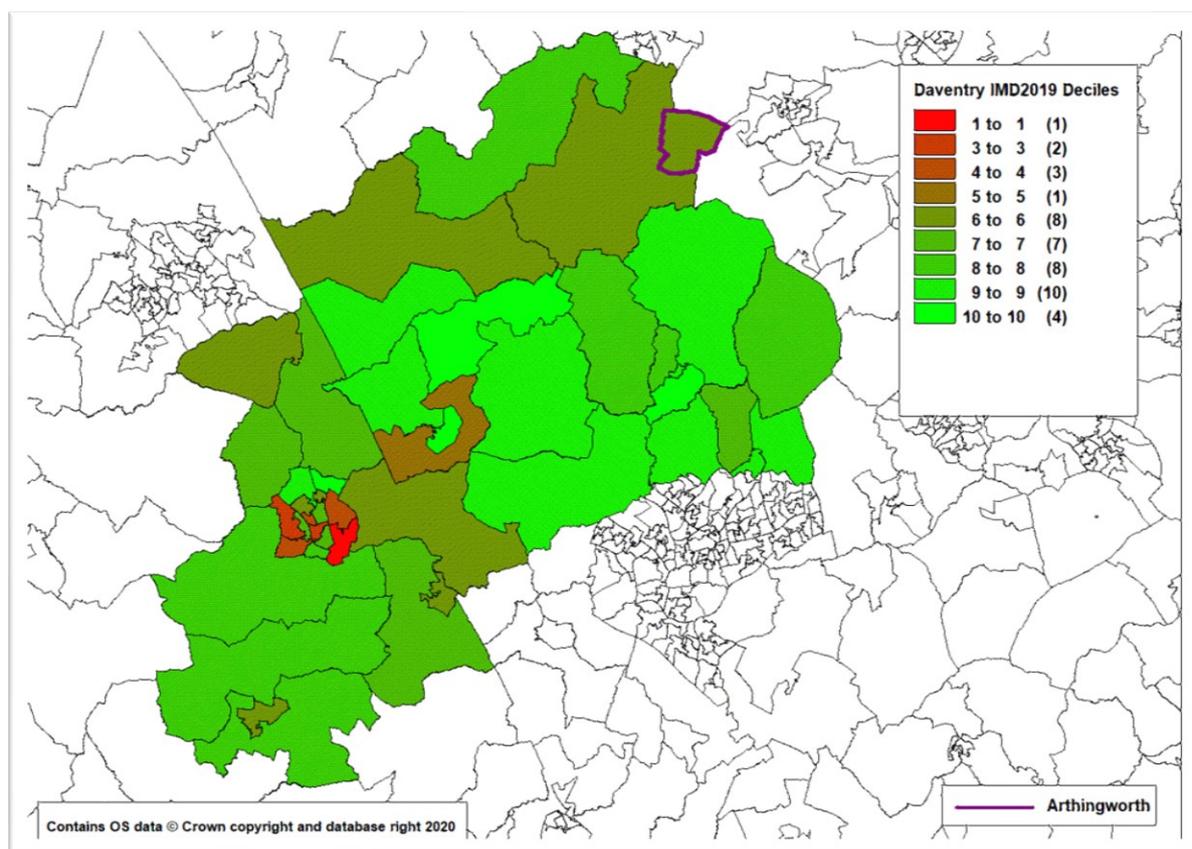
<sup>2</sup> Subnational Population Projections for Local Authorities in England: 2018 based

## Deprivation

The English Indices of Deprivation measure relative levels of deprivation in 32,844 small areas or neighbourhoods, called Lower-layer Super Output Areas (LSOAs) in England. The Arthingworth Parish is situated within one LSOA (E01027005) which also includes several other small settlements (Great Oxenden, Clipston, Kelmarsh, Naseby, Haselbech).

The overall Index of Multiple Deprivation Decile (where 1 is most deprived 10% of LSOAs) (IMD) shows that on the whole the local area displays relatively low levels of deprivation ranking in the 6<sup>th</sup> decile on the overall 2019 Index. The following map illustrates overall Index of Multiple Deprivation deciles within the Daventry borough. The Arthingworth Parish is denoted by a purple boundary in the north of the borough. However, on closer inspection of the IMD sub domains, the area ranks relatively high (1<sup>st</sup> decile) on the Barriers to Housing and Services domain which measures the physical and financial accessibility of housing and local services. Physical distance from services and facilities and accessibility to affordable housing presents a problem in rural areas such as Arthingworth and as such the geographical barriers sub-domain has a very different pattern across the county to the other domains of deprivation.

Figure 2 Index of Multiple Deprivation Deciles, 2019 Daventry

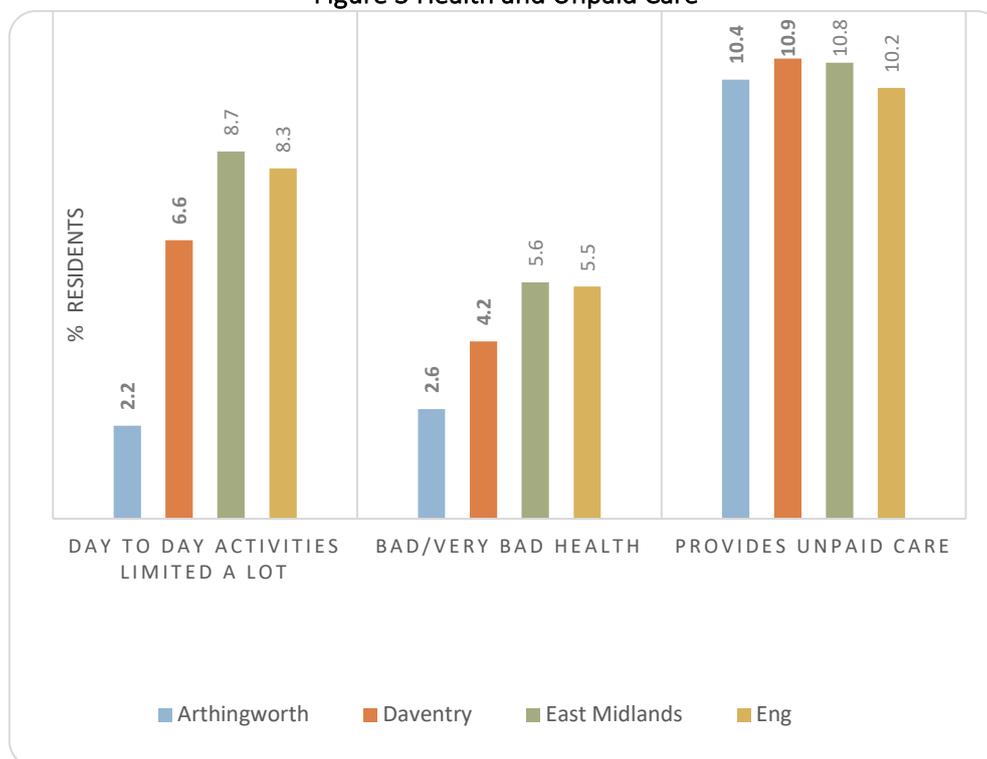


## Health

The Census highlights ill health and disability is an issue for some residents. Figure 3 shows that 2.6% of residents reported to be in bad or very bad health but this rate was below the borough

(4.2%), region (5.6%) and England (5.5%) rates. Around 10% of residents were providing unpaid care which was below the borough (10.9%), regional (10.8%) and England (10.2%) rates.

Figure 3 Health and Unpaid Care



Source: Census 2011

### Economic Activity

The following table illustrates the working status of residents aged 16 to 74 and accounts for 79% of the population. At 73% the Parish economic activity rate is higher than borough (73%), regional (69%) and national (70%) rates. It has a higher-than-average share of self-employed residents. At the time of the 2011 Census the unemployment rate was low.

Table 2: Economic Activity and Inactivity, 2011

	Arthingworth		Daventry	East Midlands	England
	No	%	%	%	%
All Usual Residents Aged 16 to 74	182	100.0	100.0	100.0	100.0
<b>Economically Active Total</b>	<b>141</b>	<b>77.5</b>	<b>73.5</b>	<b>69.3</b>	<b>69.9</b>
Employee, Part-time	29	15.9	13.9	38.8	38.6
Employee, Full-time	77	42.3	44.6	14.4	13.7
Self Employed	27	14.8	8.9	8.7	9.8
Unemployed	5	2.7	3.6	4.2	4.4
Full-time Student (econ active)	3	1.6	2.5	3.3	3.4
<b>Economically inactive Total</b>	<b>41</b>	<b>22.5</b>	<b>26.5</b>	<b>30.7</b>	<b>30.1</b>
Retired	29	15.9	14.7	15.0	13.7
Student (including Full-Time Students)	3	1.6	3.9	5.8	5.8
Looking After Home or Family	5	2.7	3.5	4.0	4.4
Long-Term Sick or Disabled	4	2.2	2.8	4.1	4.0
Other	-	0.0	1.5	1.9	2.2

Source: Census 2011, QS601E

## Household Size

At the time of the 2011 Census, the average household size in the Arthingworth Parish was 2.4 people which was in line with the borough and England rates and slightly higher than the regional average (2.3). The average number of rooms per household stood at 6.8 which was above the borough (6.2), region (5.6) and England (5.4) rates.

The average number of bedrooms per household stood at 3.2 which was higher than the borough (3.1), region (2.8) and England (2.7) rates.

## National Planning Policy Context

The National Planning Policy Framework (NPPF - updated in 2019) confirms the Government's commitment to home ownership, whilst recognising the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.

The 2019 update of the NPPF broadens the definition of affordable housing from merely social and intermediate housing to include a range of low-cost housing opportunities for those wishing to own a home, including starter homes.

Annex 2 defines affordable housing in the following terms:

**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the

market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement.

Paragraph 62 of the NPPF says ‘where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site’ unless off-site provision or a financial contribution can be robustly justified; or an alternative approach contributes to the objective of creating mixed and balanced communities.

In paragraph 64 of the NPPF, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”. In line with Planning Practice Guidance, the assumption is that a ‘major housing development’ can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

Paragraph 77 supports opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs.

The NPPF defines self-build housing as ‘housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act’.

The NPPF (paragraph 61) requires local planning authorities to plan for a mix of housing needs, including for older people and people with disabilities.

Neighbourhood Plan policies are required to have regard for national planning policies.

## **Local Planning Policy context**

Arthingworth falls within the Daventry District which is in turn covered by the West Northamptonshire Joint Core Strategy Local Plan Part 1 which was Adopted in December 2014.

The Joint Core Strategy makes it clear that ‘Quality and affordable housing must be delivered to create balanced communities and to meet the current and future needs of our communities, taking into account mix, size and tenure and including the requirements for specialised accommodation. Housing should be sustainable, flexible and well designed’ (para 4.57).

Policy H2 requires 40% Affordable Housing to be provided on all individual sites subject to an assessment of viability on a site-by-site basis. The policy says:

‘AFFORDABLE HOUSING SHOULD BE PROVIDED ON THE APPLICATION SITE AS AN INTEGRAL PART OF THE DEVELOPMENT.

IN EXCEPTIONAL CIRCUMSTANCES, OFF-SITE PROVISION AND/ OR COMMUTED PAYMENTS IN LIEU OF ON-SITE PROVISION MAY BE SUPPORTED WHERE THIS WOULD OFFER AN EQUIVALENT OR ENHANCED PROVISION OF AFFORDABLE HOUSING.

NORTHAMPTON RELATED DEVELOPMENT AREA NEEDS FOR AFFORDABLE HOUSING WILL BE SECURED THROUGH NOMINATION AGREEMENTS ON SITES WITHIN THE NORTHAMPTON RELATED DEVELOPMENT AREA.

THE TENURE MIX OF AFFORDABLE HOUSING SHOULD REFLECT LOCAL HOUSING NEED AND VIABILITY ON INDIVIDUAL SITES’.

Policy H3 considers the provision of Affordable Housing through rural exception sites. This is intended to address the issue of high average house prices.

The narrative in support of the policy says ‘It is expected that rural exception sites will be small in scale and normally be developed solely for affordable housing. In those cases where an element of market housing is required the scale should be the minimum required to secure the delivery of the affordable housing. The market housing itself may also meet local needs such as accommodation for older people who wish to remain within their local community, or live/work units for activities which are particularly suited to a rural area. Where affordable housing is provided under the provisions of Policy H3 this must remain affordable in perpetuity’.

Policy H3 says:

‘THE PROVISION OF AFFORDABLE HOUSING TO MEET IDENTIFIED LOCAL NEEDS IN RURAL AREAS ON 'EXCEPTION SITES' WILL BE SUPPORTED.

SCHEMES MUST EITHER BE PURELY AFFORDABLE HOUSING OR MIXED TENURE SCHEMES INCLUDING AN ELEMENT OF MARKET HOUSING WHERE THIS IS ESSENTIAL TO THE DELIVERY OF THE AFFORDABLE HOUSING. IT WILL BE A REQUIREMENT THAT THE MARKET HOUSING:

- 1) IS THE MINIMUM NECESSARY TO MAKE THE SCHEME VIABLE; AND
- 2) MEETS SPECIFIC LOCALLY IDENTIFIED HOUSING NEEDS.

IN ALL CASES THE FOLLOWING CRITERIA MUST BE MET:

- a) THE SITE IS WITHIN OR IMMEDIATELY ADJOINS THE MAIN BUILT-UP AREA OF A RURAL SETTLEMENT;
- b) THE FORM AND SCALE OF DEVELOPMENT SHOULD BE CLEARLY JUSTIFIED BY EVIDENCE OF NEED THROUGH A LOCAL HOUSING NEEDS SURVEY; AND
- c) ARRANGEMENTS FOR THE MANAGEMENT AND OCCUPATION OF AFFORDABLE HOUSING MUST ENSURE THAT IT WILL BE AVAILABLE AND AFFORDABLE IN PERPETUITY FOR PEOPLE IN LOCAL HOUSING NEED.

The Daventry Part 2 Local Plan was Adopted in February 2020.

Arthingworth is located within the 'Other Village' category in the settlement hierarchy. The Local Plan Part 2 says of Other Villages 'these villages have an even more limited range of services and are more reliant on the services of larger centres for day to day needs. The scope for development within these villages is likely to be limited to windfall infill development, although some housing to provide for local needs may be suitable'.

The Part 2 Local plan adds local detail to the Joint Core Strategy by requiring Rural Exception Sites to be located in settlements that are highest in the settlement hierarchy where they meet the needs of more than one community. This is effectively a sequential test.

Local Plan Policy HO7 says:

'When considering proposals for rural exception sites that meet the needs of more than one related settlement, priority will be given to sites at the relevant settlement that is in the highest category in the settlement hierarchy. Proposals in alternative settlements will need to demonstrate that;

- i. there are no suitable and available sites in a higher category settlement; and
- ii. the settlement is sequentially the next highest in the settlement hierarchy'.

Policy HO8 on housing mix proposes a target of housing types as follows:

Affordable Housing Target (Need)	Minimum %	Maximum %
22% 1-2 bedroom apartments	19%	25%
47% 2 bedroom dwellings	42%	52%
24% 3 bedroom dwellings	21%	27%
6% 4 bedroom dwellings	4%	8%
1% 5 + bedroom dwellings	1%	3%

It goes on to say that 'an alternative mix will be supported where this is evidenced by a more up-to- date and robust assessment of needs at an appropriate local level or is necessary to respond to particular local circumstances'.

Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.

## Approach

The approach undertaken was to consider a range of local factors in the context of the NPPF and the Joint Core Strategy/Part 2 Local Plan. These included assessments of local demographic data relating to existing property types and tenures (taken from the 2011 Census), house prices in Arthingworth Parish (Land Registry figures); results of a community questionnaire

undertaken as part of the process of preparing the initial neighbourhood plan; and consideration of housing need in Arthingworth Parish in conjunction with strategic affordable housing officers from Daventry District Council.

The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

This evidence will allow Arthingworth Parish to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The aim of this is to provide the Parish Council with robust evidence on the types and sizes of dwellings needed by the local community. This will ensure future development truly reflects what residents need.

## Research findings

### Existing property types and tenures – Census 2011 data

What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.

This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.

Home ownership levels in the parish are very high with around 77% of households owning their homes outright or with a mortgage or loan. This is higher than the borough (72%), regional (67%) and national (63%) rates. Around 16% of households live in private rented accommodation which is higher than the borough (12%), region (15%) but just below the England (17%) averages. Just 2% of households live in social rented accommodation which is somewhat lower than the borough (14%), regional (16%) and national (18%) rates.

Table 3: Tenure, 2012

	Arthingworth		Daventry	East Midlands	England
	No	%	%	%	%
All occupied Households	96	100.0	100.0	100.0	100.0
Owned; Owned Outright	35	36.5	33.3	32.8	30.6
Owned; Owned with a Mortgage or Loan	39	40.6	38.4	34.5	32.8
Shared Ownership (Part Owned/Part Rented)	-	0.0	0.9	0.7	0.8
Social Rented; Rented from Council (Local Authority)	1	1.0	4.1	10.1	9.4
Social Rented; Other	1	1.0	9.9	5.7	8.3
Private Rented; Private Landlord or Letting Agency	15	15.6	11.0	13.6	15.4
Private Rented; Other	-	0.0	1.1	1.3	1.4
Living Rent Free	5	5.2	1.4	1.3	1.3

Source: Census 2011, KS402EW

### Accommodation Type

Data from the 2011 Census shows the majority (63%) of residential dwellings were detached which is somewhat higher than the borough (43%), regional (32%) and national (22%) shares. Semi-detached housing accounted for 21% of the housing stock against 31% for the borough, 35% for the region and 31% nationally. Terraced housing, flats and apartments provide just 16% of accommodation spaces which is lower than the borough (26%), region (32%) and national (47%) shares.

Table 4: Accommodation Type, 2011

	Arthingworth		Daventry	East Midlands	England
	No	%	%	%	%
All household spaces (occupied + vacant)	101	100.0	100.0	100.0	100.0
Detached	64	63.4	42.7	32.2	22.3
Semi-Detached	21	20.8	31.2	35.1	30.7
Terraced	15	14.9	18.9	20.6	24.5
Flat, Maisonette or Apartment	1	1.0	7.0	11.7	22.1
Caravan or Other Mobile or Temporary Structure	-	0.0	0.2	0.4	0.4

Source: Census 2011, KS405EW

### Number of Bedrooms and Occupancy Rates

Over two fifths (44%) of households live in houses with four or more bedrooms which is higher than the borough (33%), regional (20%) and national (19%) averages. There is an under representation of housing for single people with just 5% of dwellings having one bedroom against 6% for the borough, 8% for the region and 12% for England as a whole.

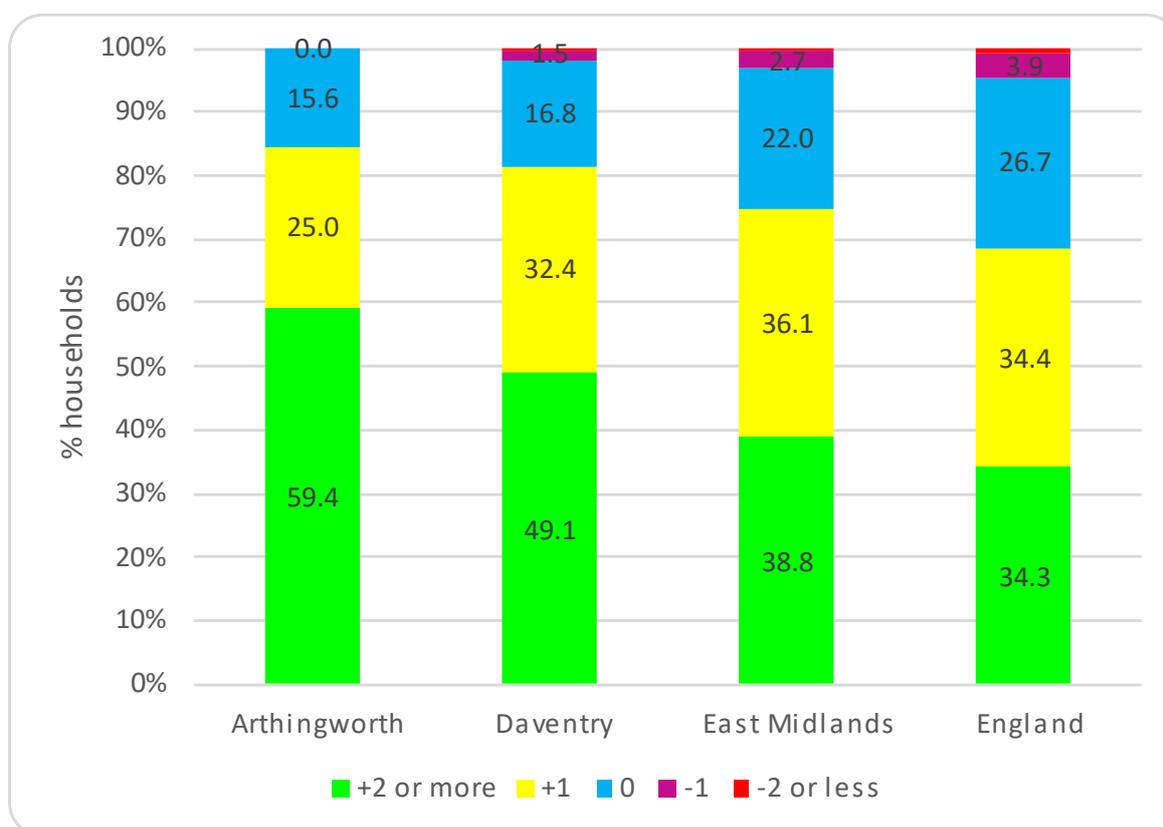
Table 5 Households by number of bedrooms, 2011

Bedrooms	Arthingworth		Daventry	East Midlands	England
All occupied Household Spaces	96	100.0	100.0	100.0	100.0
No Bedrooms	-	0.0	0.2	0.2	0.2
1 Bedroom	5	5.2	5.6	8.1	11.8
2 Bedrooms	24	25.0	21.6	26.5	27.9
3 Bedrooms	25	26.0	39.9	45.4	41.2
4 Bedrooms	32	33.3	24.6	15.4	14.4
5 or More Bedrooms	10	10.4	8.0	4.4	4.6

Source: Census 2011, LC4405EW

There is evidence of under occupancy in the local area (having more bedrooms than the notional number recommended by the bedroom standard). Analysis of the 2011 Census shows that around 59% of all occupied households in Arthingworth have two or more spare bedrooms and around 25% have one spare bedroom. Under occupancy is higher than borough, regional and national averages.

Figure 4: Bedroom Occupancy Rates, All Households, 2011



Source: Census 2011, QS412EW

Under occupancy in the local area is particularly evident in larger properties with around 62% of households with 4 or more bedrooms occupied by just one or two people. This is higher than borough (47%), regional (43%) and England (41%) rates.

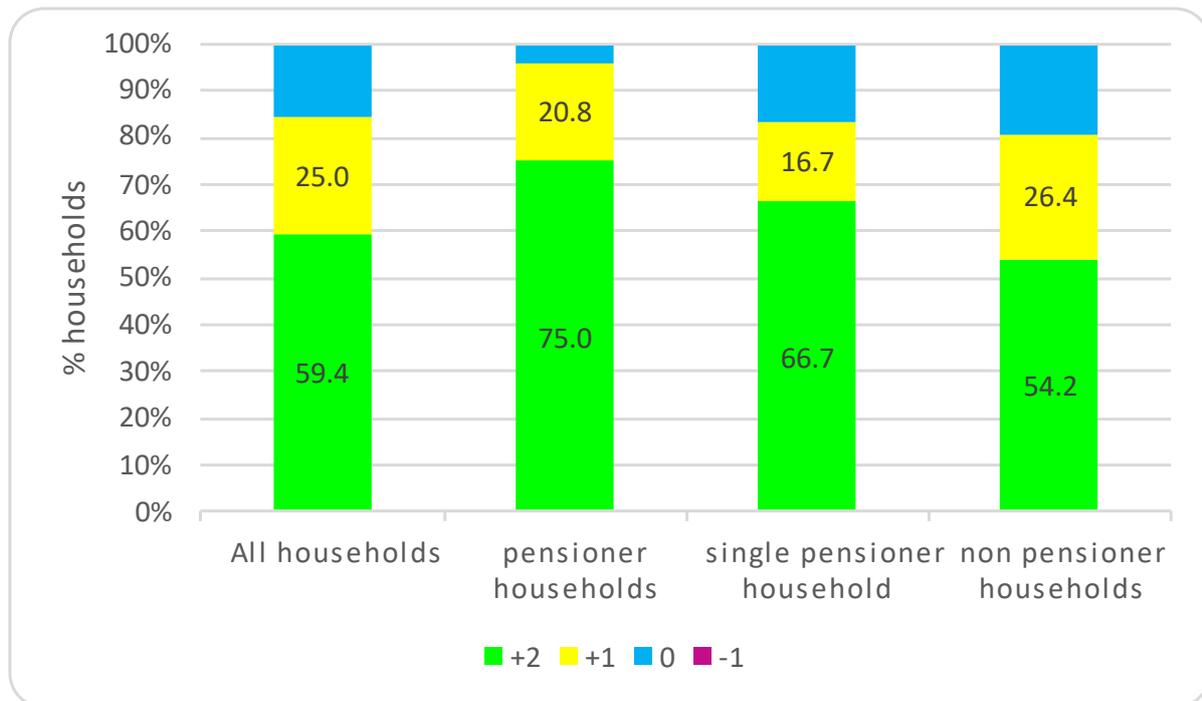
Table 6 Households with 4 or more bedrooms by household size, 2011

	Arthingworth		Daventry	East Midlands	England
HHs with 4 or more bedrooms	42	100.0	100.0	100.0	100.0
1 person in household	1	2.4	10.0	10.4	10.6
2 people in household	25	59.5	36.9	32.3	30.3
3 people in household	8	19.0	18.9	18.8	18.3
4 or more people in household	8	19.0	34.3	38.5	40.8

Source: Census 2011, LC4405EW

Census data also suggests that older person households are more likely to under-occupy their dwellings. Data from the 2011 Census allows us to investigate this using the bedroom standard. In total, around 75% of pensioner households have an occupancy rating of +2 or more (meaning there are at least two more bedrooms that are technically required by the household) and is higher than the 54% non-pensioner household rate.

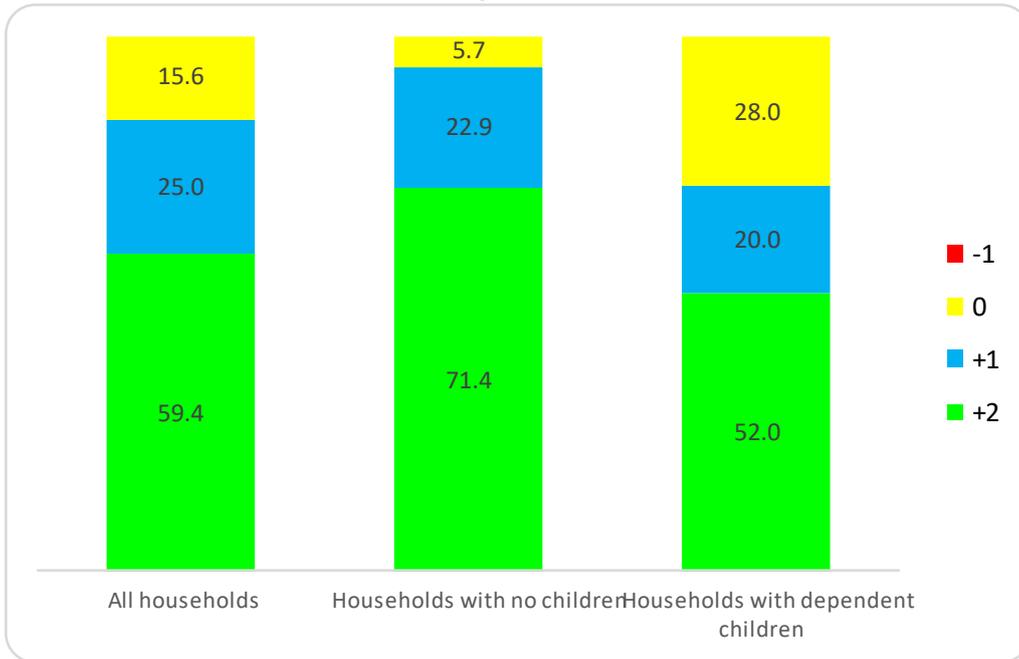
Figure 5: Bedroom Occupancy rating of Older Person Households, Arthingworth Parish, 2011



Source: Census 2011, LC4105EW

Overcrowding is not a significant issue in the local area; however, research shows that households with dependent children are more likely to be overcrowded.

Figure 6: Bedroom Occupancy rating of Family Households  
Arthingworth, 2011



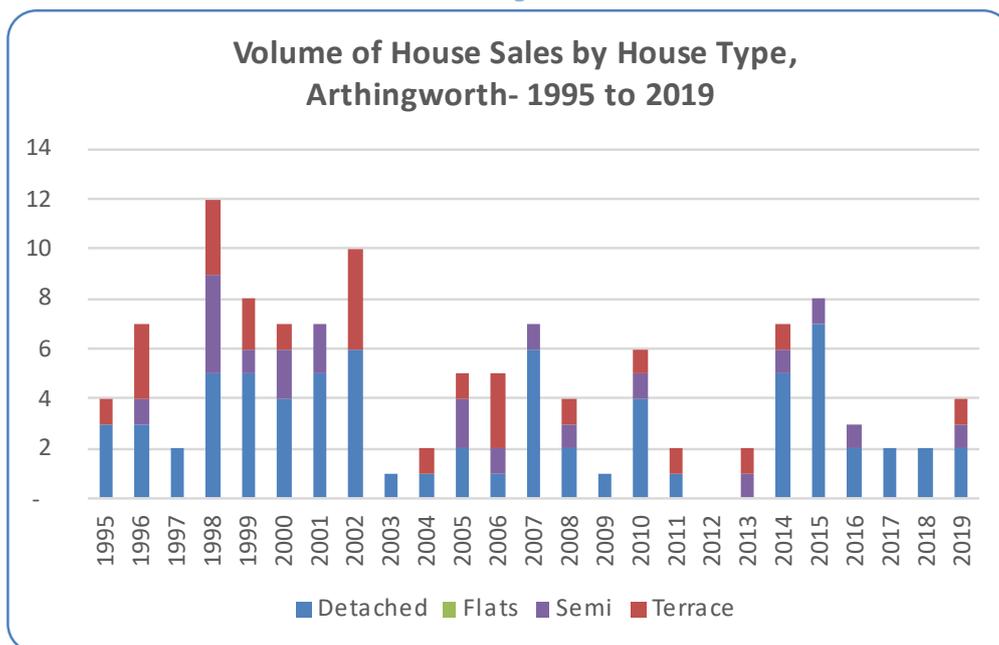
Source: Census 2011, LC4105EW

## Housing Market

### Residential Sales

Land Registry price paid data shows around 118 residential property sales were recorded in the Arthingworth Parish between 1995 and 2019. At 61% detached housing accounted for most sales, 21% were terraced and 18% semi-detached. It should be noted that some sales are not captured by the Land Registry, for example properties that were not full market value, right to buy and compulsory purchase orders will be excluded.

Figure 7



There is little evidence of new build housing sales in the local area with just one new build sale taking place in 1995.

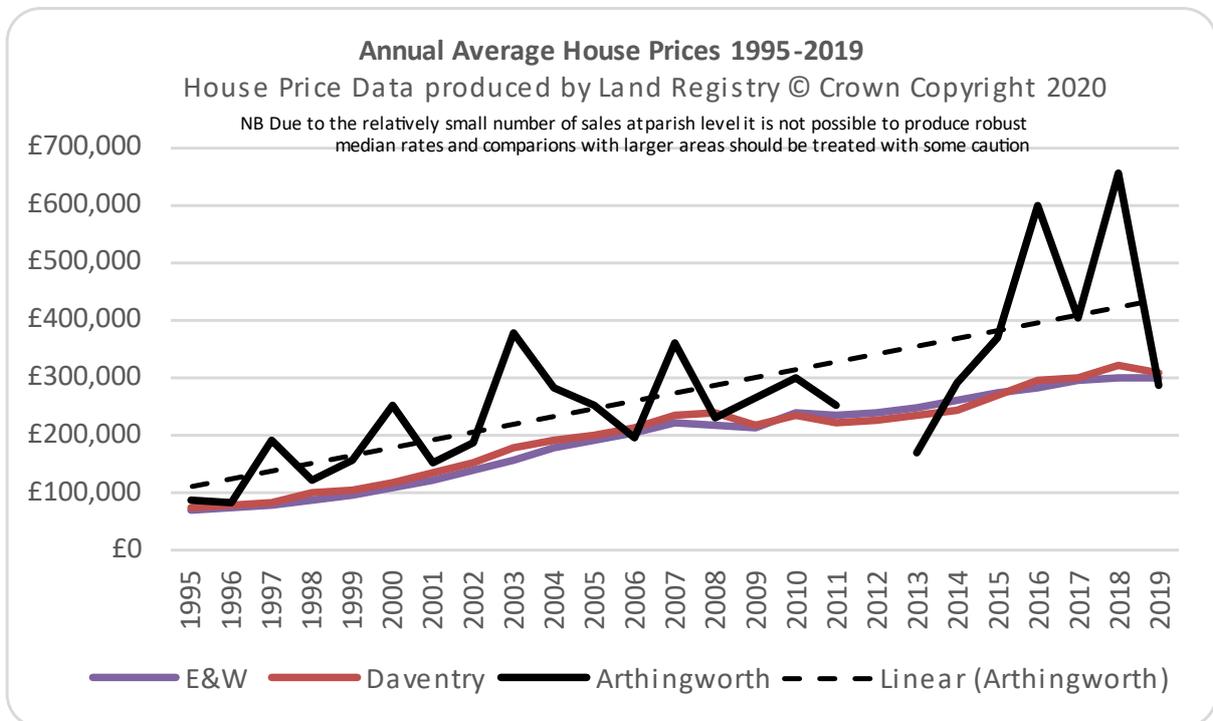
### 1.1 Affordability

The latest housing affordability data<sup>3</sup> for England Wales shows that on average, full-time workers could expect to pay an estimated 7.8 times their annual workplace-based earnings on purchasing a home in 2019. This is a significant improvement from the previous year when the ratio was 8.0.

The housing affordability gap continues to widen between the most and least affordable areas. In Daventry, the gap has worsened with average house prices estimated at being 9.2 times workplace-based average annual earnings in 2019 compared with 4.6 times in 1999.

Workplace-based earnings are not available at parish level but as the average 2018 house price in Arthingworth is above the district, regional and national rates it is also presumed the affordability gap continues to widen. The following chart indicates the linear house price trajectory in Arthingworth when compared with the district and England and Wales averages. It shows that overall the average house price in Arthingworth has been above the borough, region and national rates. It should be noted, however, that comparisons against larger geographies should be treated with caution.

Figure 8



<sup>3</sup> [Housing Affordability in England & Wales 2019, ONS](#)

ONS House Price Statistics for Small Areas reveals the cost of an entry-level<sup>4</sup> property on average across England and Wales increased by almost 20% in the ten-year period to June 2016 to £140,000. For new properties, the price was nearly £180,000. The data<sup>5</sup> also shows that home-ownership prospects vary across the country.

In the Arthingworth Parish area<sup>6</sup> in 2016 a low to mid-priced property cost on average £220,000 which was higher than the national average. Assuming a 15% deposit<sup>7</sup>, those entering the property market in the area would require a household income of £41,556 (£26,444 E&W average) and savings of £36,900 which is a challenge for many households.

With the average cost<sup>8</sup> of an entry-level home in the area being £220,000 prospective buyers would require an estimated £2,000 for legal and moving costs, £1,900 stamp duty and £33,000 for a 15% deposit, coming to £36,900 in total.

The house price data used to create the affordability ratio estimates are based on the price paid for residential property only, so are not fully comprehensive for all housing as they only include those that have transacted.

## Discussion/analysis of the main issues

At the time of the 2011 Census, the Arthingworth Parish was home to around 231 residents living in 96 households. Analysis of the Census suggests that between 2001 and 2011 population in the local area grew by around 3% (6 people). During this period, it is estimated the number of dwellings increased by 1.

There is evidence of an ageing population with the number of over 65-year olds rising by 117% and up from 10% of total population in 2001 to 22% in 2011. In line with national trends the local population is likely to get older as average life expectancy continues to rise.

Home ownership levels are very high with around 77% of households owning their homes outright or with a mortgage or loan and at 2% the share of households living in social rented accommodation is very low when compared with regional and national rates.

There is evidence of under occupancy suggesting a need for smaller homes of one to two bedrooms which would be suitable for residents needing to downsize, small families and those entering the housing market. Providing suitable accommodation for elderly residents will enable them to remain in the local community and release under-occupied larger properties onto the market which would be suitable for growing families.

---

<sup>4</sup> The term 'entry level' or 'low to mid-priced property' refers to the lower quartile price paid for residential properties. If all properties sold in a year were ranked from highest to lowest, this would be the value half way between the bottom and the middle.

<sup>5</sup> Property price data are for year ending June 2016 and are from [House Price Statistics for Small Areas](#). Income data are for financial year ending 2014 and are from [small area model-based income estimates](#).

<sup>6</sup> The Anstey Parish area is based on MSOA best fit (E02005366).

<sup>7</sup> [Data from the Council of Mortgage Lenders](#) suggest that the average deposit paid by first-time buyers in the UK was around 18% in December 2016.

<sup>8</sup> The price of an entry level property in a given neighbourhood was used to calculate the annual household income that could be needed to secure a mortgage in that area. By comparing this figure with the estimated household income for the same neighbourhood, we can see how affordable the area could be for those looking to buy an entry-level property. Calculations were based on a typical deposit of 15% and an assumption that mortgage lenders will offer 4.5 times an applicant's income.

There is a predominance of larger and detached homes and an under representation of housing for single people with just 5% of dwellings having one bedroom.

Land Registry data indicates there has been just one new build residential sale between 1995 and 2019.

Deprivation is not a significant issue in the local area but IMD domain data suggests that some residents may find it difficult to access owner-occupation or access the private rental market.

## Conclusion

The high house prices in Arthingworth Parish, coupled with low levels of affordable housing (and NO ownership models of affordable housing) alongside current evidence of need demonstrate the importance of providing affordable housing for sale amongst a range of affordable housing products.

The high property prices locally mean that subsidised home ownership or rental products offering a discount of around 20% on current values would probably still be unaffordable to most people.

Consideration should be given to developing shared ownership products which allow people to buy a share of the dwelling from around 25% of its value, with the ability to staircase up as circumstances change.

The availability of affordable housing for sale would enable older people as well as young families to access housing locally, potentially serving both to free up larger properties for families at one end, thus helping to sustain older people in the community for longer and reducing the levels of under-occupation in Arthingworth Parish, whilst also helping sustain local facilities and services by enabling people in low paid employment to live locally and to service local employment such as the School and public house.

It is proposed that a balance of 60% Affordable Housing for Sale and 40% Affordable Housing for rent represents an appropriate approach on the basis of the evidence currently available.

## Next Steps

This Neighbourhood Plan affordable housing needs assessment aims to provide Arthingworth Parish with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood plan group should, as a next step, discuss the contents and conclusions with Harborough District Council with a view to agreeing and formulating draft housing policies to be contained within the Neighbourhood Plan Review, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the

Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;

- The views of Harborough District Council – in particular to confirming the tenure balance of affordable housing that should be planned for, as local evidence suggests a different tenure mix to that in the Adopted Local Plan;
- The views of local residents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any assessment work carried out through the Call for Sites that is taking place in Arthingworth Parish; and
- The recommendations and findings of this study.

This assessment has been provided by YourLocale on the basis of housing data, national guidance, local consultation and other relevant and available information current at the time of writing.

Bearing this in mind, it is recommended that the Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Harborough or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

**Gary Kirk**

**YourLocale**