Leire Parish
Affordable Housing for Sale Assessment

February 2020
Purpose

This report provides an assessment of the need for affordable housing for sale in the Parish of Leire within the Harborough District of Leicestershire.

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 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).
Leire

According to the 2011 Census, the Leire Parish had an estimated population of 587 residents living in 229 households dispersed across 448 hectares, equating to a population density of 1.3 persons per hectare. This compares with 1.4 for Harborough, 2.9 for East Midlands and 4.1 for England as a whole. There were 10 vacant dwellings representing a 4.2% vacancy rate. There were no communal establishments situated in the local area boundary. There was negative population growth between 2001 and 2011 with the number of residents declining by 2%. However, there is evidence of an ageing population with the number of those aged 60 and over increasing by 56% (40 people).

During the same period the number of dwellings (occupied and vacant) increased, rising by 4 (1.7%).

At the time of the 2011 Census, around 17% of residents were aged under 16 which was below the district (19%), regional (18%) and national (19%) rates. Around 64% of residents were aged between 16 and 64 which was in line with the region, lower than the England (65%) rate and slightly above the district (63%) rates.

There is a high representation of older people (aged 65+) accounting for 19% of total residents which was above the district (18%), regional (17%) and national (16%) rates. The median age of people living in the local area was 48 which is older than the district (43), region (40) and national (39) rates.

<table>
<thead>
<tr>
<th>Table 1: Usual Residents by Age Band, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leire</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Aged 0-4</td>
</tr>
<tr>
<td>Aged 5-15</td>
</tr>
<tr>
<td>Aged 16-64</td>
</tr>
<tr>
<td>Aged 65+</td>
</tr>
<tr>
<td>All Usual Residents</td>
</tr>
<tr>
<td>Median age</td>
</tr>
</tbody>
</table>

Source: Census 2011, KS102

A more detailed breakdown of age bands reveals that at the time of the 2011 Census, Leire had a high representation of residents aged 50 to 69 when compared with the national average. It has a lower share of people aged been 20 and 39 which may reflect lack of affordable and suitable accommodation for young people entering the housing market.
There is further evidence of an ageing population with the proportion of residents aged 65 and over increasing from 12% in 2001 to 19% in 2011. The Census shows the number of residents aged 65+ rose by 56% (40 people) during this period.

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 suggest that Harborough’s 65 plus age group is forecast to grow by around 65% between 2014 and 2034.

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 Leire Parish is situated within one LSOA (E01025777) and also includes the neighbouring settlements of Frolesworth, Duton Basset, Ashby Magna and Ashby Parva.

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 8th decile on the overall 2015 Index. On closer inspection of the IMD sub domains, this area ranks relatively high (2nd decile) on the Barriers to Housing and Services domain which may indicate difficulty to access owner-occupation or the private rental market. The following map illustrates overall Index of Multiple Deprivation deciles within the Harborough district. The Leire Parish is denoted by a black boundary to the south west of the district.

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1 Subnational Population Projections for Local Authorities in England: 2014 based
Economic Activity

The following table illustrates the working status of residents aged 16 to 74. In the Leire Parish this accounts for 55% of the population. At 72% Leire’s economic activity rate is marginally lower than the district (73%), but above the regional (69%) and national (70%) rates. It has a higher than average share of retired residents which reflects the higher prevalence of older residents. At the time of the 2011 Census the unemployment rate was low.
### Table 2: Economic Activity and Inactivity, 2011

<table>
<thead>
<tr>
<th>No</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Usual Residents Aged 16 to 74</td>
<td>448</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Economically Active Total</strong></td>
<td>324</td>
<td>72.3</td>
<td>73.5</td>
<td>69.3</td>
</tr>
<tr>
<td>Employee, Part-time</td>
<td>53</td>
<td>11.8</td>
<td>13.9</td>
<td>38.8</td>
</tr>
<tr>
<td>Employee, Full-time</td>
<td>188</td>
<td>42.0</td>
<td>44.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Self Employed</td>
<td>60</td>
<td>13.4</td>
<td>8.9</td>
<td>8.7</td>
</tr>
<tr>
<td>Unemployed</td>
<td>10</td>
<td>2.2</td>
<td>3.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Full-time Student (econ active)</td>
<td>13</td>
<td>2.9</td>
<td>2.5</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Economically inactive Total</strong></td>
<td>124</td>
<td>27.7</td>
<td>26.5</td>
<td>30.7</td>
</tr>
<tr>
<td>Retired</td>
<td>75</td>
<td>16.7</td>
<td>14.7</td>
<td>15.0</td>
</tr>
<tr>
<td>Student (including Full-Time Students)</td>
<td>22</td>
<td>4.9</td>
<td>3.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Looking After Home or Family</td>
<td>14</td>
<td>3.1</td>
<td>3.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Long-Term Sick or Disabled</td>
<td>6</td>
<td>1.3</td>
<td>2.8</td>
<td>4.1</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>1.6</td>
<td>1.5</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Source: Census 2011, QS601E

### Household Size

At the time of the 2011 Census, the average household size in the Leire Parish was 2.6 people which was below the region (2.3), national and district (2.4) rates. The average number of rooms per household stood at 7.2 which was above the district (6.3), regional (5.6) and England (5.4) rates.

The average number of bedrooms per household stood at 3.5 which was higher than the district (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**

Leire is identified in the ‘Other Villages and Rural Settlements’ category in the Local Plan for Harborough District and as such, is outlined as a settlement that is amongst the least sustainable for growth.

Development will be limited to ‘housing to meet an identified need (either through a housing needs survey or neighbourhood plan), housing to meet the needs of a rural worker, rural exception sites, isolated homes in the countryside in accordance with NPPF paragraph 79, and replacement dwellings’.

Other Villages and Rural Settlements are defined as ‘rural villages and settlements that do not meet the criteria for identification as Selected Rural Villages due to their size and/or level of services’. They will have less than two of six key services including a primary school, shop, post office, library, GP Surgery or pub. Leire has a pub only.

Policy GD3 permits development outside Selected Rural Villages where it is required for:

a) agriculture, horticulture, woodland management or other similar uses appropriate to a rural area, including uses which would help to diversify the rural economy, such as:
   i. local food initiatives, including farm shops and small-scale food and drink processing,
   ii. tourist attractions and facilities that respect the character of the countryside,
   iii. tourist accommodation, if it is of a scale that is proportionate to the identified tourism need and subject to Policies RT2 Town and local centres and RT4 Tourism and leisure,
   iv. equestrian uses;

b) outdoor sport and recreation and associated buildings;

c) minerals and waste development;

d) renewable energy production;

e) where it is necessary for the continuation of an existing enterprise, facility or operation that is compatible with its setting in the countryside;

f) rural housing in accordance with Policy GD4 New housing in the countryside;

g) the conversion or re-use of permanent and substantial buildings, including proposals for the optimum viable use of a heritage asset;

h) minor extensions to existing dwellings and to other buildings that are subordinate in scale and appearance to the existing building;

i) facilities to enable the delivery of digital connectivity at speeds and reliability levels comparable with urban areas;

j) the provision or diversification of a public house, village shop or post office in accordance with Policy HC3 Public house, post offices and village shops;

k) other services and facilities that improve the sustainability of settlements; or

l) other uses which justify and are compatible with a countryside location.

Policy GD4 addresses the issue of housing in the countryside. It says:
Outside Market Harborough, Key Centres, the Principal Urban Area, Rural Centres and Selected Rural Villages, but excluding Green Wedges, new residential development will only be permitted either where it is in accordance with Policy GD2, or where it is for:

a. Housing on small sites of no more than 4 dwellings which are within or physically and visually connected to settlements and which meet a local need for housing of a particular type, including small dwellings for the elderly and starter homes, providing this has been evidenced through a rural housing needs survey or a neighbourhood plan;

b. Housing to meet the needs of a rural worker, providing that:

   i. there is an established existing functional need for a full time worker that is directly related to the commercial enterprise or operation concerned;
   
   ii. the business has been established for at least three years, has been profitable for at least one of them, is financially sound and has a clear prospect of remaining so;
   
   iii. the need cannot be met by any existing residential accommodation at the business or in the locality which is suitable and available to the worker;
   
   iv. there are no available dwellings, or buildings that are suitable for conversion to dwellings, that have recently been sold separately from the rural business unit that could address the need;
   
   v. the size of the dwelling is commensurate with the financial need and is not unusually large in relation to the functional needs of the unit;
   
   vi. its location is suitable to meet the functional need and well-related to any existing farm buildings, dwellings or other buildings linked to the commercial enterprise or operation concerned; and
   
   vii. it will be kept available to meet the functional need in perpetuity through being subject to an appropriate occupancy condition;

   c. the re-use of redundant or disused buildings that results in enhancement to their immediate setting;

   d. the subdivision of an existing dwelling;

   e. a design of exceptional quality, in that it is truly outstanding or innovative and would significantly enhance its immediate setting; or

   f. the rebuilding or replacement of an existing dwelling providing that the resultant dwelling preserves or enhances the character and appearance of the countryside.

Meanwhile, Policy H1 identifies the need for a minimum of 3,975 new dwellings up to 2031 across the District. Leire has no formal housing requirement.

A key objective of the Local Plan is to ‘meet the housing requirements of the District in full by providing a range of market and affordable housing types, tenures and sizes in appropriate and sustainable locations to meet local needs. Recognise the specific accommodation requirements of the young and the elderly populations, including starter homes to help first
time buyers, shared ownership and rented housing to help those who cannot afford to buy, and specialist housing such as sheltered and extra care accommodation’.

The Local Plan vision states ‘New housing will reflect local needs in terms of type, size and tenure and enable equality of access to suitable accommodation. Older people will have increased access to accommodation to suit their changing needs and affordable homes will have been delivered to enable a new generation of home owners to get onto the housing ladder and to meet the needs of those unable to afford market housing for sale’.

Under the section on specialist housing, paragraph 5.7.5 says ‘The provision of properties suitable for older people in the villages is also important, as many villages have even higher age profiles. Neighbourhood plans are well placed to identify local need and include provision in neighbourhood plan policies’.

Local Plan policy H2 specifies the affordable housing requirements. These are:

a) 40% affordable housing will be required on housing sites:
   i. of more than 10 dwellings; or
   ii. with a combined gross floorspace of more than 1,000 square metres.

b) The tenure split for the affordable housing will be as follows:
   i. about 75% affordable or socially rented; and
   ii. about 25% low cost home ownership products; or
   iii. a variation on the above mix which is shown to be justified by reference to the latest assessment of affordable housing need.

c) Where on-site provision is demonstrated to be impractical, off-site commuted sums of an equivalent value will be made in lieu of on-site provision.

d) Where small housing developments (of 10 or fewer dwellings or with a combined gross floorspace of 1,000 square metres or less) are proposed within five years of each other on sites that have a spatial relationship (such as a shared access or being located adjacent to each other), or on adjacent sites that are (or have been within the five year period) in the same ownership, affordable housing will be required where a cumulative total of more than 10 dwellings or a combined gross floorspace of more than 1,000 square metres is proposed.

e) Proposals which do not meet the above policy requirements will be acceptable where it is demonstrated to the Council’s satisfaction that a different level or mix of affordable housing is required to make the development viable and the approach contributes towards creating mixed and balanced communities.

The explanation for policy H2 states that the required affordable housing tenure split must reflect evidence of the relative need for different affordable housing products. The tenure split set out in the policy conforms with national policy requirements for housing sites to deliver a minimum of 10% affordable home ownership units. However, Policy H2 allows for a different tenure split to be provided to reflect the latest evidence of need. Provision of a different tenure
split would require agreement with the Council, following liaison with the relevant registered providers. The make-up of provision type within these tenures will be determined by the Council on a site-by-site basis according to the latest evidence of local need’.

Policy H3 allows for affordable housing on sites which would not otherwise be considered suitable for residential development. It says:

a) Development proposals for affordable housing on small sites in rural areas that would not normally be permitted for housing, will be approved as rural exception sites where:
   i. the development would meet clearly evidenced local affordable housing need;
   ii. the housing remains affordable in perpetuity;
   iii. the site is proportionate in scale to, closely related to, and in safe and reasonable walking distance of a rural settlement; and
   iv. the development respects the character, form and appearance of the immediate vicinity and surrounding rural area.

b) Small numbers of market homes may be permitted on rural exception sites where they:
   i. are essential to enable the delivery of affordable units;
   ii. meet an identified and proven element of local need, such as starter homes or units to enable ‘downsizing’; and
   iii. constitute no more than 20% of the number of dwellings proposed, the exact percentage being determined by the viability of each scheme.

The intention of the policy is that rural exception sites will remain as affordable housing for local people in perpetuity. This will be secured through a Section 106 legal agreement which is specific to the site concerned.

Policy GD8 includes reference to ‘making provision for the needs of specific groups in the community such as the elderly and those with disabilities

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 Harborough Local Plan. These included assessments of local demographic data relating to existing property types and tenures (taken from the 2011 Census), house prices in Leire Parish (Land Registry figures); comments made at a local engagement event; results of a community questionnaire undertaken as part of the process of preparing the neighbourhood plan and consideration of housing need in Leire Parish in conjunction with strategic affordable housing officers from Harborough 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 Leire 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 are high with around 83% of households owning their homes outright or with a mortgage or loan. This is somewhat higher than the district (78%), regional (67%) and national (63%) rates. Around 10% of households live in private rented accommodation which is lower than the district (11%), region (15%) and national (17%) rates. Just 5% of households live in social rented accommodation which was lower than the district (8%), regional (16%) and national (18%) rates.
Table 3: Tenure, 2011

<table>
<thead>
<tr>
<th>Accommodation Status</th>
<th>Leire</th>
<th>Harborough</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>All occupied Households</td>
<td>229</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Owned; Owned Outright</td>
<td>111</td>
<td>48.5</td>
<td>38.4</td>
<td>32.8</td>
</tr>
<tr>
<td>Owned; Owned with a Mortgage or Loan</td>
<td>80</td>
<td>34.9</td>
<td>39.7</td>
<td>34.5</td>
</tr>
<tr>
<td>Shared Ownership (Part Owned/Part Rented)</td>
<td>-</td>
<td>0.0</td>
<td>1.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Social Rented; Rented from Council (Local Authority)</td>
<td>1</td>
<td>0.4</td>
<td>1.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Social Rented; Other</td>
<td>11</td>
<td>4.8</td>
<td>7.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Private Rented; Private Landlord or Letting Agency</td>
<td>21</td>
<td>9.2</td>
<td>10.1</td>
<td>13.6</td>
</tr>
<tr>
<td>Private Rented; Other</td>
<td>3</td>
<td>1.3</td>
<td>1.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Living Rent Free</td>
<td>2</td>
<td>0.9</td>
<td>1.1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: Census 2011, KS402EW

Accommodation Type

Data from the 2011 Census shows that the majority (73%) of residential dwellings were detached which is somewhat higher than the district (48%), regional (32%) and national (22%) shares. Semi-detached housing accounted for 19% of the housing stock against 29% for the district, 35% for the region and 31% nationally. Terraced housing, flats and apartments provide just 8% of accommodation spaces which is lower than the district (23%), region (32%) and national (47%) shares.

Table 4: Accommodation Type, 2011

<table>
<thead>
<tr>
<th>Accommodation Type</th>
<th>Leire</th>
<th>Harborough</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>239</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Detached</td>
<td>175</td>
<td>73.2</td>
<td>47.7</td>
<td>32.2</td>
</tr>
<tr>
<td>Semi-Detached</td>
<td>45</td>
<td>18.8</td>
<td>28.6</td>
<td>35.1</td>
</tr>
<tr>
<td>Terraced</td>
<td>16</td>
<td>6.7</td>
<td>15.2</td>
<td>20.6</td>
</tr>
<tr>
<td>Flat, Maisonette or Apartment</td>
<td>2</td>
<td>0.8</td>
<td>8.1</td>
<td>11.7</td>
</tr>
<tr>
<td>Caravan or Other Mobile or Temporary Structure</td>
<td>1</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Source: Census 2011, KS405EW
Number of Bedrooms and Occupancy Rates

More than half (51%) of households live in houses with four or more bedrooms which is in somewhat higher than the district (34%), regional (20%) and national (19%) averages. There is an under representation of housing for single people with just 4% of dwellings having one bedroom against 6% for the district, 8% for the region and 12% for England as a whole.

Table 5 Households by number of bedrooms, 2011

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Leire</th>
<th>Harborough</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>All occupied Household Spaces</td>
<td>229</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>No Bedrooms</td>
<td>1</td>
<td>0.4</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>10</td>
<td>4.4</td>
<td>5.8</td>
<td>8.1</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>25</td>
<td>10.9</td>
<td>22.5</td>
<td>26.5</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>75</td>
<td>32.8</td>
<td>37.3</td>
<td>45.4</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>85</td>
<td>37.1</td>
<td>25.7</td>
<td>15.4</td>
</tr>
<tr>
<td>5 or More Bedrooms</td>
<td>33</td>
<td>14.4</td>
<td>8.5</td>
<td>4.4</td>
</tr>
</tbody>
</table>

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 62% of all occupied households in Leire have two or more spare bedrooms and around 26% have one spare bedroom. Under occupancy is higher than district, regional and national averages.

Figure 3: Bedroom Occupancy Rates, All Households, 2011

Source: Census 2011, QS412EW
Under occupancy in the local area is particularly evident in larger properties with more than half (51%) of households with 4 or more bedrooms occupied by just one or two people. This is above district (44%), regional (43%) and England (41%) rates.

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

<table>
<thead>
<tr>
<th></th>
<th>Leire</th>
<th>Harborough</th>
<th>East Midlands</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHs with 4 or more bedrooms</td>
<td>118</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1 person in household</td>
<td>9</td>
<td>7.6</td>
<td>9.2</td>
<td>10.4</td>
</tr>
<tr>
<td>2 people in household</td>
<td>51</td>
<td>43.2</td>
<td>35.2</td>
<td>32.3</td>
</tr>
<tr>
<td>3 people in household</td>
<td>23</td>
<td>19.5</td>
<td>18.0</td>
<td>18.8</td>
</tr>
<tr>
<td>4 or more people in household</td>
<td>35</td>
<td>29.7</td>
<td>37.6</td>
<td>38.5</td>
</tr>
</tbody>
</table>

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 69% 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 somewhat higher than the 62% non-pensioner household rate.
Overcrowding is not a significant issue in the local area, however, research shows that households with dependent children are more likely to be overcrowded. The Census implies there is some evidence of a small number of families with dependent children living in overcrowded households in Leire.
Housing Market

Council Tax Bands
The chart below provides a breakdown of the proportion of dwellings in the Leire area by council tax band compared to the district, region and national averages at 2017. Domestic properties with Council Tax Band E make up the largest group (approximately 27% of the total) in the area. It has a higher proportion of properties with high value council tax bands with 38% of dwellings having a Council Tax Band F or above against 16% for the district, 5% for the region and 9% for England as a whole. According to data supplied by Harborough Council some 15 new properties were added to the Council Tax register between 2006 and 2016.

Figure 6: Dwelling Stock by Council Tax Band
2016/17

Residential Sales
Land Registry price paid data shows around 161 residential property sales were recorded in the Leire Parish between 1995 and 2017. At 77% detached housing accounted for the majority of sales, 18% were semi-detached and 8% terraced. 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.

\[ \text{Leire data source: Harborough Council FOI 31.11.16} \]
\[ \text{Harborough, East Midlands and England source: Council Tax Table CTSOP 4.1, Stock of Properties, England and Wales, 2017 VOA} \]

\[ \text{FOI request, Harborough Council, 16.11.16} \]
As outlined above, there is evidence of a small supply of new build housing in the local area with 10 new build residential sales recorded between 1995 and 2017, representing 6% of total sales recorded by the Land Registry in the area. Figure 8 below shows the volume of sales together with the overall annual average house price.

During this period, the majority (90%) of new build residential sales were detached (Figure 10). It should be noted that not all new builds will be captured in the Land Registry price paid data, e.g. some conversions and social housing units will be excluded.
Housing Affordability

The publication of ONS House Price Statistics for Small Areas presents an opportunity for housing affordability analysis.

The data reveals the cost of an entry-level\(^3\) property on average across England and Wales has increased by almost 20% in the last decade, to £140,000 (year ending June 2016). For new properties, the price was nearly £180,000. The data\(^4\) also shows that home-ownership prospects vary across the country.

In the Leire local area\(^5\) a low to mid-priced property costs on average £215,000 which is somewhat higher than the national average. Assuming a 15% deposit\(^6\), those entering the property market in the area would require a household income of £40,611 (£26,444 E&W average) and savings of £36,050.

Prospective buyers would require an estimated £2,000 for legal and moving costs and £32,250 for a 15% deposit, £1,800 for stamp duty coming to £36,050 in total which is a challenge for many entry level households.

Open Event

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\(^1\) 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.

\(^2\) 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.

\(^3\) The Leire Local area area is based on MSOA best fit (E02005372) which also takes in neighbouring villages.

\(^4\) 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.
An open event took place in Leire on 26 September 2018 as part of the process of preparing a Neighbourhood Plan. 40 people attended the event. Comments in relation to affordable housing included the following:

Housing:

- Affordable housing. 1 agreed
- Downsizing bungalows; affordable housing; less detached extra housing
- More bungalows please to cater for people who require level access
- Limits need to be expanded to allow starter homes to be built but not more executive houses needed

Community Questionnaire

The Questionnaire was distributed to residents in the autumn 2018. There were 155 responses from residents, representing 32% of the adult population.

In answer to the question ‘what type of homes do you think are needed’, the predominant view of respondents when considering the type of homes in the Parish is that smaller, affordable homes are needed, for local people starting on the property ladder and for older people downsizing. Eco-homes too are considered important by a large percentage of respondents. There is neutrality over the addition of homes with 4+ bedrooms, whilst luxury executive housing is not supported.

<table>
<thead>
<tr>
<th>Type of Home</th>
<th>NO</th>
<th>NOT SURE</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Family Homes up to 3 beds</td>
<td>14.58%</td>
<td>6.94%</td>
<td>78.47%</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>10</td>
<td>113</td>
</tr>
<tr>
<td>Eco Friendly Homes</td>
<td>16.08%</td>
<td>13.99%</td>
<td>69.93%</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>Smaller homes for people who are downsizing</td>
<td>15.83%</td>
<td>16.55%</td>
<td>67.63%</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>23</td>
<td>94</td>
</tr>
<tr>
<td>Detached</td>
<td>20.00%</td>
<td>16.30%</td>
<td>63.70%</td>
</tr>
<tr>
<td></td>
<td>27</td>
<td>22</td>
<td>86</td>
</tr>
<tr>
<td>Affordable homes for sale to be offered to parishioners first</td>
<td>24.14%</td>
<td>18.62%</td>
<td>57.24%</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>27</td>
<td>83</td>
</tr>
<tr>
<td>Semi Detached</td>
<td>22.39%</td>
<td>19.40%</td>
<td>58.21%</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>26</td>
<td>78</td>
</tr>
<tr>
<td>Starter Homes</td>
<td>28.06%</td>
<td>19.42%</td>
<td>52.52%</td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>27</td>
<td>73</td>
</tr>
</tbody>
</table>
However, when asked what sort of housing is needed, a different response was received.

Owner occupied housing is believed to be the sort needed by 89% of those responding. This is the only form of tenure to receive majority support. 61% do not support social housing, whilst only 17% support it.

**Q3 What sort of housing do you think we need?**

When asked ‘Do you have any other thoughts on housing that you would like to highlight?’ 45 very thoughtful comments were received.

They include concern about the affordability of housing in Leire and, for this reason the desire to see smaller homes built. Several responses make clear a wish to see no new development at all, explaining the need to retain the rural and historic feel of the village and the Parish. There is concern about the ability of roads and drainage to accommodate more homes. There is also a desire to see homes built that allow an increased number of older people to downsize within the Parish.
Discussions with Harborough District Council strategic housing team

It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority as a starting point. As the Leire Parish Neighbourhood Area is located within Harborough’s planning area, it is relevant to examine the Harborough Strategic Housing Market Assessment (SHMA) 2016.

For the purpose of this paper, data from Harborough’s own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Area and has been referenced as appropriate.

The Housing Services team at Harborough District Council maintain a register of those in need of affordable housing for rent in the Parish. This is managed through a process known as ‘Choice Based Lettings’. No affordable homes are allocated, as such, rather they are advertised once they become available and eligible people are invited to express an interest.

There is currently no register held of people in need of Affordable Housing for Sale.

As of February 2020, the housing need data for Leire Parish is as follows:

<table>
<thead>
<tr>
<th>Ward</th>
<th>Total Households</th>
<th>1 bed under 55</th>
<th>1 bed over 55</th>
<th>2 bed</th>
<th>3 bed</th>
<th>4 bed</th>
<th>5 bed</th>
<th>6 bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dunton Ward</td>
<td>53</td>
<td>16</td>
<td>8</td>
<td>18</td>
<td>0</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Leire Parish</td>
<td>14</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

The District Council only collects affordable housing need data by Ward. Leire is within the Dunton Ward and has a population of 587 which is 27% of the total Ward population of 2159.

The figures for affordable housing need for Leire have therefore been estimated as a pro-rata share of the Ward total, which is an approach recommended by the District Council.

Meetings and correspondence with the Strategic Housing team at Harborough District Council confirmed the approach taken which is to promote the building of bungalows by considering the opportunity to count one bungalow as two units of affordable housing to recognise the additional development costs in constructing bungalows.

The Local Plan policy of supporting 75% rental affordable housing units and 25% Affordable Housing for Sale needs to be seen in the context both of availability in Leire Parish alongside demand.
Although there is clear demand for rental units, the lack of availability of any Affordable Housing for Sale in the Parish is something that needs to be addressed through development activity.

An appropriate balance of sale v rental units taking these factors into account is proposed as being around 60% for sale and around 40% rent. This proportion may change over time, and any policy in the Neighbourhood Plan must recognise the need to reflect the most up to date analysis of housing need in Leire Parish.

Through discussions with the Housing Strategy team it was also confirmed that all affordable housing must be visually indistinguishable from market dwellings and that clusters of units proportionate to the size of the development must be achieved to prevent potential ‘ghettoisation’ of the Affordable housing product.

The opportunity to make the dwellings available to local people is supported within bands of need determined by the local planning authority.

**Discussion/analysis of the main issues**

At the time of the 2011 Census, Leire was home to around 587 residents living in 229 households. Analysis of the Census suggests that between 2001 and 2011 the local area population decreased by around 2% (13 people). During this period, the number of dwellings rose by 4% (2%).

There is evidence of a higher than average representation of older residents living in the local area with over 19% of residents aged 65 which is higher than the district, region and national averages. There is also evidence that the population is ageing with the share of residents aged 65 and over increasing from 12% of the total population in 2001 to 19% in 2011. The Census shows that the number of residents aged 65+ rose by 56% during this period. 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 83% of households owning their homes outright or with a mortgage or loan and at 5% the share of households living in social rented accommodation is very low when compared with district, 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.

There is a predominance of large detached and high value housing. There is an under representation of housing for single people with just 4% of dwellings having one bedroom.

Land Registry and council tax data indicates there has been some new build housing market activity over recent years, but this has been predominantly high value detached housing.

Deprivation is not a significant issue in the local area but the area’s relatively high ranking in the Barriers to Housing and Services domain of the 2015 Indices of Deprivation suggests that
some residents may find it difficult to access owner-occupation or access the private rental market.

Consultation with the community has indicated general support for more affordable housing across tenures.

It was recognised that local needs affordable homes could be developed on a ‘rural exception site’, if available, and subject to local support some open market sale homes could be used to cross-subsidise the affordable homes. The alternative to this is that the local homes that are needed are developed as part of a larger development if the opportunity arises and if the needs cannot be met by existing properties.

The provision of affordable housing in settlements such as Leire Parish is promoted through both the NPPF and the Harborough Local Plan.

The Harborough Local Plan supports a tenure mix of 75% affordable housing for rent and 25% affordable home ownership but allows for a variation in this mix where there is local evidence to suggest an alternative ratio. The evidence of high property prices in Leire Parish, coupled with a complete absence of affordable housing for sale locally demonstrates the need for a better mix for new affordable housing to be 75% affordable home ownership and 25% affordable housing for rent.

The results from this survey were updated through conversations with strategic housing personnel from Harborough District Council.

Conclusion

The high house prices in Leire 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 Leire 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 Leire 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, 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 Leire 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 Neighbourhood Plan Advisory Committee 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