

Leicester and Leicestershire Strategic Housing Market Assessment

Summary Findings – Rural areas

This element of the SHMA outputs gives brief summaries and key conclusions relevant for housing strategy and policy for the rural areas.

11% of the housing in rural settlements is in the social sector, this figure drops to 9% in the villages and hamlets. This is well below the average of some 16% for the Housing Market Area overall.

In 2006 -07

- 529 properties came onto the market in the lower quartile price range. This is a turnover of 0.6%
- 13 properties were available and affordable to people on lower quartile earnings across the rural area
- 215 social housing properties (3%) became available for relet in the rural areas

The SHMA rural report demonstrates a significant shortage of affordable housing in rural areas, with an estimated need for around 250 new affordable homes per year in the rural communities of the Leicestershire HMA.

Since 1999, approximately 152 new affordable homes have been provided in the rural settlements of the SHMA. Supply is uneven over that period of time, but this works out as an average of 16 units per annum.

The rural population is ageing with a very low number of people in the age group where new households typically emerge (18 -29). While not all people in this age group will want to live in a rural community there will be those for whom living in rural areas is a choice and in some cases a necessity. The data for the Leicestershire SHMA suggests that the housing market is failing to provide opportunities for this group.

Migration and self containment patterns illustrate that whilst managerial high income groups will move longer distances to live in a rural community, the moves of those in lower paid employment are more local. In terms of self containment, 75% of moves are within the sub-market area, a pattern which is repeated in many non rural communities, so providing a range of housing within rural communities does not necessarily simply increase the amount of long distance commuting. The ability of lower income groups to travel significant distances between home and work are more limited, indicating a need to provide housing to meet need where it arises

Policy options and development

Existing policies using a hierarchy of settlements based on their level of service provision has reduced the development of market housing and opportunities to secure affordable housing in many rural communities. In

most Leicestershire authorities policies are in place to allow local needs housing to come forward in lower order communities through the Rural Exception Site approach, but this has resulted in relatively little additional affordable provision. The SHMA provides a basis for reviewing existing approaches and adopting a more positive and pro-active approach to providing rural affordable housing, utilizing the mechanisms made available in PPS 3. These could include:-

Adoption of the RSS housing numbers as a minimum – the SHMA indicates a pressing need for more housing development in rural areas of the sub-region. The RSS housing numbers are often directed to larger developments. Supply in rural areas could be additional to these targets to meet this specific need.

Strategic Housing Land Availability Assessments. Following CLG guidance this should not be limited to sites in urban areas or brownfield sites but should include potential rural sites. As part of this process partners could undertake an **asset management review** of their land and property holdings with a view to releasing some of the surplus to meet requirements for affordable housing.

Lowering thresholds and increasing proportion of affordable housing sought in rural areas. Where viable and practical, allocation of sites solely for affordable housing. Use of the rural exception site policy, specifically for affordable housing in smaller rural communities, to provide affordable housing in perpetuity.

Securing an appropriate mix of market and intermediate housing – the SHMA shows a very low supply of housing coming onto the market that would be available to households on lower quartile incomes, and even in the lower quartile house price range. Using the SHMA and economic viability study the sub-regional rural group/local authorities could test options for securing appropriate housing from new private development for this part of the market.

Building skills and capacity to secure affordable housing. The SHMA recommends that rural areas would constitute a better basis for monitoring and understanding housing markets, and for planning. A rural sub-group could also commission a rural focussed **economic viability study** to underpin the definitions of lower thresholds and higher affordable housing contributions that could be adopted in rural areas.

Set up a rural delivery partnership – To make the best use of the resources available, draw together land and funding, reduce build costs and maximize sustainable development benefits from rural affordable housing, the group could consider setting up a rural delivery partnership. The RHE steering group potentially provides a nascent organisation of this form

The full report, appendices and data models are available on line at :-
http://www.blinehousing.info/LeicSHMA/Leicester_SHMA.htm or
<http://tinyurl.com/6dnl4j>