

# Stonehouse

## Housing Report

July 2015



**Karen Phimister**  
**Rural Housing Enabler**

**Gloucestershire Rural Community Council**  
**Community House, 15 College Green,**  
**Gloucester GL1 2LZ**

**Tel: 01452 528491    Fax 01452 528493**

**Email: [karenp@grcc.org.uk](mailto:karenp@grcc.org.uk)**

## **CONTENTS**

**page**

1. Introduction	3
2. Town summary	3
3. Key findings	4
4. Affordable rented housing	6
5. Affordability	8
6. Summary	13

## 1. INTRODUCTION

1.1 This report was prepared by the Stroud Rural Housing Enabler in order to provide a summary of the existing housing stock in Stonehouse. In this instance it was decided not to carry out a full housing need survey (HNS) and, instead, the data was drawn from ACRE's Rural Evidence reports which are based on the 2011 Census. Although this data may be considered less up-to-date than that gathered from a more recent housing need survey, because the Census includes all households, it is perhaps more representative than a HNS which would only represent the proportion of households who respond – usually between 25-40%. Additional information on the current social housing stock was provided by the Housing Strategy Office at Stroud District Council and information on current house sales and rent prices and volumes were obtained from [www.rightmove.com](http://www.rightmove.com) and the Land Registry.

### 1.2 The Rural Housing Enabler (RHE):

- is employed by Gloucestershire Rural Community Council, which is part of the national network of Rural Community Councils (ACRE - Action with Communities in Rural England).
- Works closely with rural communities, housing associations, local authorities, other community organisations (including community land trusts) and landowners to meet the affordable housing needs of rural communities.
- is an independent advisor, although, the post is funded by Stroud District Council.

## 2. TOWN SUMMARY

- According to the 2011 Census, the current population of Stonehouse is 7,725, comprising 3,195 households. This equates to an average of 2.42 persons per household which is slightly higher than the average of 2.35 for Gloucestershire county as a whole (source: 2011 Census).
- By road Stonehouse is 4 miles from Stroud, and 9.5 miles from Gloucester.
- Stonehouse has its own railway station connecting it into the national railway network through Stroud or Gloucester.
- Stonehouse has a wide range of facilities typical of a small town: *a Town hall, a Community hall, 5 churches of different denominations, 2 primary schools, 1 senior school and 2 independent schools, 3 GP's surgeries, a Post Office and a variety of shops (many independent), cafes and pubs. Local employment for over 4,000 people is provided at the industrial estates located to the west of the town. There are daily bus services to Stroud and Gloucester and Cheltenham.*
- The draft Local Plan for Stroud District categorises Stonehouse as a 1<sup>st</sup> tier settlement ie 'one of the District's main towns. These towns are the primary focus for growth and development to safeguard and enhance their

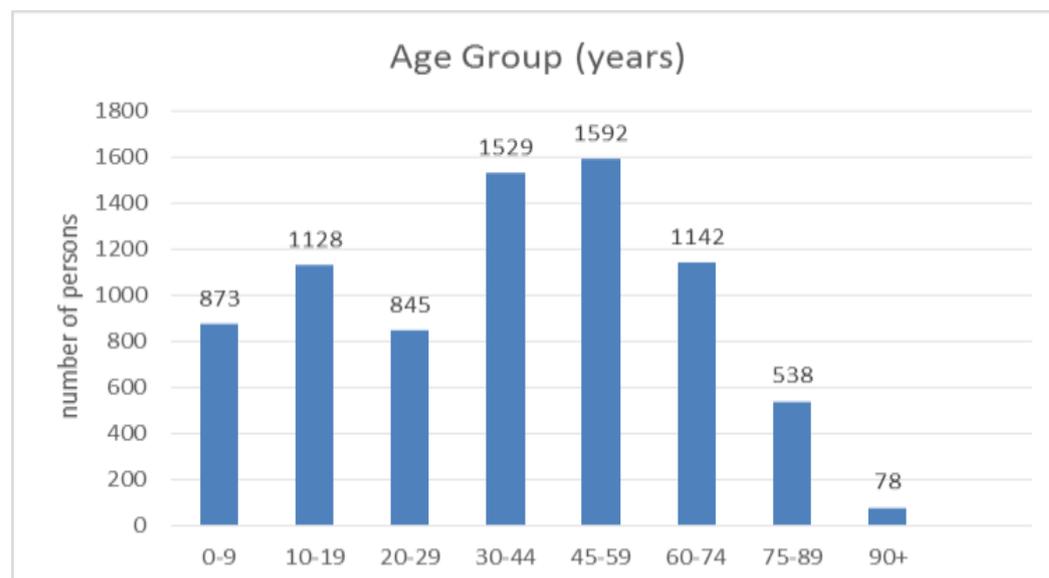
strategic roles as employment and service centres. They will continue to provide significant levels of jobs and homes, together with supporting community facilities and infrastructure to meet their economic potential in the most sustainable way.’ (p30)

### 3. KEY FINDINGS

#### 3.1 Population distribution by age:

According to the 2011 Census, 26 % of people in Stonehouse are currently under the age of 20, 11% are aged 20 and 29 years, 20% are aged between 30 and 44, 21% are aged between 45 and 59 whilst 23% are aged 60+.

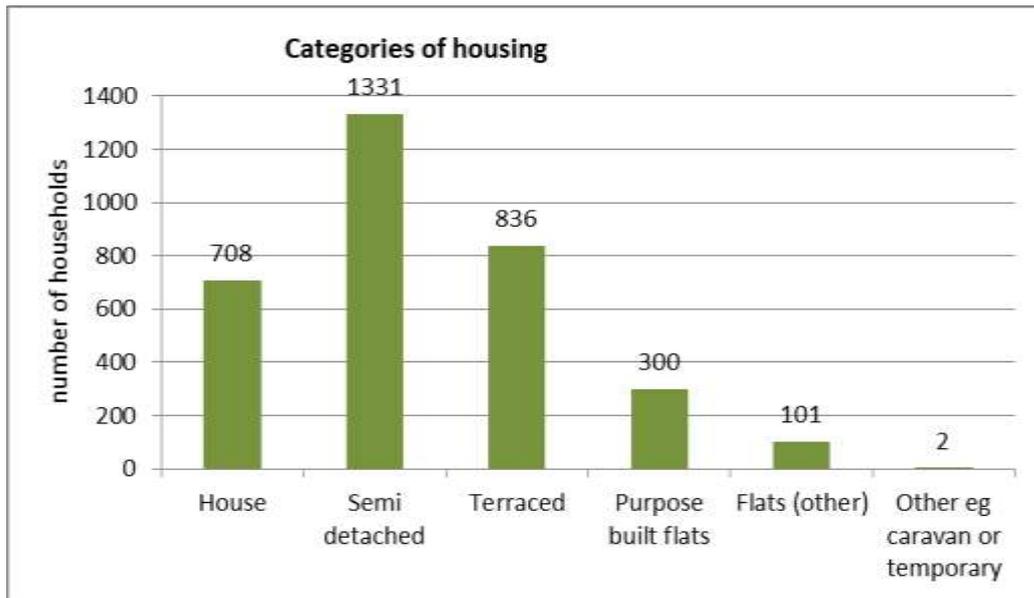
Table A - Age distribution in Stonehouse



#### 3.2 Categories of Housing:

Table B below shows that 21.6% of people in Stonehouse live in a detached house, 40.6% live in a semi-detached house, 25.5% live in a terraced house and 12.3% live in a flat.

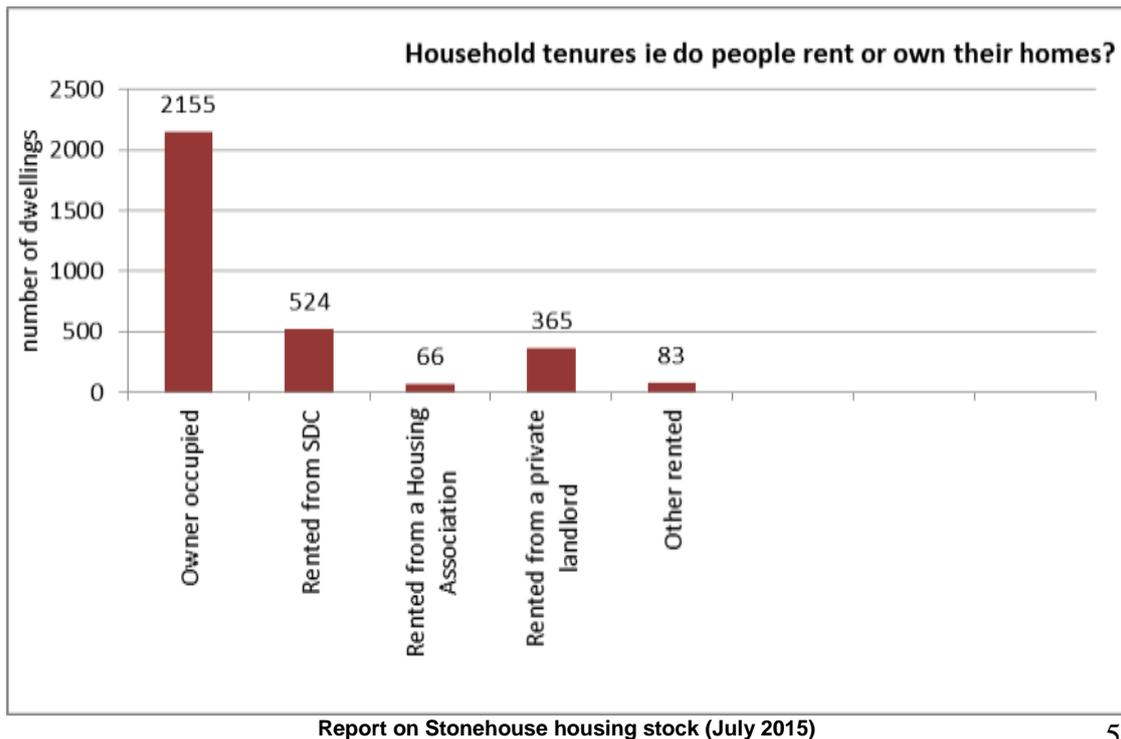
**Table B – House type**



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

Table C below shows that at the time of the 2011 Census, 67.5% of households in Stonehouse were owner occupiers which is slightly higher than the proportion – 64% - for England as a whole (Office for National Statistics). 18.5% of households lived in a home rented from Stroud District Council or a housing association and 11.4% lived in privately rented properties.

**Table C – Household Tenure**



### **3.4 Housing turnover:**

According to the 2011 Census, 980 people (12.9%) had moved house within the last 12 months.

## **4. AFFORDABLE RENTED HOUSING - general information**

4.1 Affordable rented housing is housing owned either by a local authority or a registered provider (usually/ie a housing association) and made available to people who cannot meet their needs on the open market. Stroud District Council is relatively unusual in that it continues to own and manage its original council housing stock of approximately 5,200 homes. A further 1500+ homes in Stroud District are managed by housing associations.

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

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

4.4 In 2011 the Coalition Government introduced *affordable* rents for council and some housing association rented properties. The *affordable* rents are up to 80 per cent of market rents. For many areas of rural Gloucestershire that means *affordable* rents are significantly higher than traditional *target (or social)* rent levels.

### **4.5 Existing affordable rented housing stock in Stonehouse**

*The following additional information on the social housing stock in Stonehouse has been provided by Stroud District Council and is up-to-date as of July 2015. Please note that the total figures are higher than indicated in Section 3.3 reflecting the additional social (and open market) housing which has been provided since 2011.*

Stonehouse currently has 696 affordable homes which represents approximately 20% of the total housing stock (being 3276 at the time of the 2011 Census + 73 new open market + 108 new affordable homes as at July 2015) This is higher than the proportion for Stroud District as a whole where social housing accounts for 15.5% of the 43,840 total homes.

Table D – Breakdown of Social Housing Stock

Property type	Bed	B	B	F	F	F	F	F	H	H	H	H	M	M	
No of bedrooms		0	1b	2b	Bed	1b	2b	3b	2b	3b	4b	6b	3b	4b	<b>TOTAL</b>
Housing Association	2			3		13	10		48	30	11				<b>117</b>
SDC		30	82	69	6	51	53	6	121	139	13	1	6	2	<b>579</b>
Of which number of units are sheltered housing		28	42	1	6	32	10								

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

#### **4.6 Numbers of households requesting an affordable home in Stonehouse:**

359 households who are currently registered on Gloucestershire Homeseeker have put Stonehouse as their first preference location to live. A further 154 households have put Stonehouse as their second preference and 190 have indicated it as their third preference. Please note that expressing a preference does not necessarily imply that applicants have a 'local connection' to Stonehouse.

#### **4.7 Turnover on affordable homes:**

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

The table below indicates the amount of turnover on the above social homes during the period 1/4/2011 to 31/3/2015.

Table E – numbers of re-lets on social homes in Stonehouse

	<b>Bungalow</b>	<b>Flat</b>	<b>House</b>	<b>Maisonette</b>
<b>1bed, 1 person</b>	31	11	0	0
<b>1bed, 2 person</b>	36	37	0	0
<b>2bed, 2person</b>	0	9	0	0
<b>2bed, 3 person</b>	21	8	5	0
<b>2bed, 4 person</b>	3	17	31	0
<b>3bed, 4 person</b>	0	1	6	1
<b>3bed, 5 person</b>	0	1	25	6
<b>3bed, 6 person</b>	0	0	2	0
<b>4bed, 6 person</b>	0	0	9	0
<b>4bed, 7 person</b>	0	0	1	2
<b>Total</b>	<b>91 (49%)</b>	<b>84 (60%)</b>	<b>79 (22%)</b>	<b>8 (100%)</b>

## 5. AFFORDABILITY

**5.1 Council tax bandings:** The following data shows the number (and proportion) of houses in Stonehouse in the lowest 3 council tax. This data is

useful because it relates to **all** local properties not just those that have sold recently.

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

Council Tax Band	Total number	As a %	Compare with England average
<b>A</b>	707	21.4%	24.8%
<b>B</b>	1,127	34.1%	19.6%
<b>C</b>	785	23.8%	21.8%

Dwelling stock by council tax band

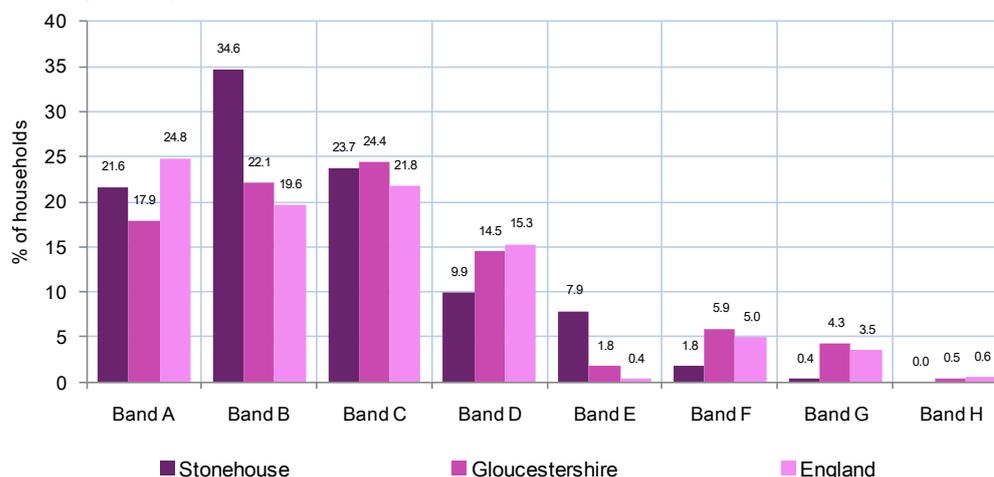


Table G below shows the proportions of properties in all council tax bands in comparison to Gloucestershire & England.

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

5.3 In simplistic terms the assessment of affordability requires household incomes and savings to be measured against prices of property of a suitable size, type and location, whether rented or home ownership. However, depending upon tenure there will be additional factors that will impact upon costs of acquiring the right to occupy the property.

5.4 For home ownership, these costs include: mortgage interest rates, mortgage indemnity premium, mortgage application fee, legal fees, stamp duty tax, legal fees and search fees etc.

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

### Home ownership

5.6 In order to investigate affordability, further research has been carried out on house prices in the area.

5.7 Using information gained from HM Land Registry it is possible to obtain the average property prices in Stonehouse.

5.8 In the last 12 months 129 properties were sold in Stonehouse, the majority being terraced properties, selling for an average price of £165,314. Detached properties sold for an average of £290,388, with semi-detached properties fetching £188,970.

Table H: Average Prices of residential properties in Stonehouse sold in the 12-month period to 30 May 2015 (according to HM Land Registry)

<b>Average House Prices in Stonehouse (£)</b>			
<b>House Type</b>	<b>Average Price</b>	<b>Number of Sales</b>	<b>Property sizes</b>
Detached	290,388	36	3 x 2bed, 6 x 3bed, 10 x 4bed, 6 x 5bed
Semi-detached	188,970	34	1 x 1bed, 8 x 2bed, 9 x 3bed, 4 x 4bed, 2 x 5bed
Terraced	165,314	51	3 x 1bed, 19 x 2bed, 13 x 3bed, 4 x 4bed
Flats	132,812	8	1 x 1bed, 3 x 2bed
<b>All</b>	<b>194,371</b>	<b>129</b>	<b>5 x 1bed, 33 x 2bed, 28 x 3bed, 18 x 4bed &amp; 8 x 5bed *</b>

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

The overall average of £194, 371 is higher than the average for the county which, according to the Land Registry, was £185, 696 in March 2015. Overall sold prices in Stonehouse over the last year rose by 7% from the previous year.

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

- Figures were obtained from “www.rightmove.co.uk” with data supplied by HM Land Registry.

- There are sometimes delays in registrations of sales and this may result in under counting of property sales.

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

5.11 House prices in Gloucestershire rose steadily during 2013 and 2014, increasing by 5% overall in the year since September 2013.

5.12 House sales volumes fell considerably following the credit crunch in 2008. However since the winter of 2013/14 Gloucestershire sales volumes have remained extremely buoyant, generally over 1000 per month and being on average 36% higher than the same month in the previous year. Although house sales were down again to 641 in January 2015 this dip reflects the usual pattern for sales during the winter months.

### EXAMPLE CALCULATION FOR A MORTGAGE

5.13 Typically, a household can obtain a mortgage of 3.5 times their gross annual income, and in today's financial market would expect to pay a deposit of at least 15% towards the total purchase price.

5.14 To afford a 2-bed terraced house (typical starter home) at the average price in Stonehouse last year of £148,941 a household would require at least £22,341 as a deposit, and their annual gross income for mortgage purposes would have to be at least £36,171.

5.15 At the time this report is published mortgage lenders currently offer first time buyers standard variable annual rate interest rates from 4.5% APR. Applying a 4.5% interest rate to a mortgage of £126,600 equates to £711 per month for a repayment mortgage (repayment of capital and interest) over a 25 year period.

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

Area	Median gross annual earnings (residents in local authority area) (£)	Median gross annual earnings (place of work in local authority area) (£)
Cotswold	18,099	18,224
Forest of Dean	21,151	19,178
Gloucester	20,456	19,880
<b>Stroud</b>	<b>22,239</b>	<b>21,921</b>
Cheltenham	24,208	21,530

Tewkesbury	23,468	24,264
Gloucestershire	21,727	20,778
South West	20,095	19,934
Great Britain	21,965	21,965

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

- As shown by the above table, the median (50<sup>th</sup> percentile) gross annual earnings of employees in Stroud District (£21,921) is higher than the regional median (£19,934) but comparable to the national median (£21,965).
- Considering the average prices of homes sold in Stonehouse Parish during the 12 months up to 30 May 2015 a household on a median income in Stroud District (£21,921) would be unable to purchase a property without a substantial deposit (by using savings or by using monies from the sale of current home).
- The Rural Evidence Report calculates an affordability ratio (median house prices as ratio of median incomes) of 18.2 in Stonehouse which is higher than the average for England of 15.4.
- Many potential first time buyers struggle to meet the costs of buying their own home.
- In some cases intermediate housing (shared ownership, low cost market housing and rented housing at prices between rented social housing and market rented prices) would be a suitable option, whilst in other instances traditional housing association rents known as target rents would be appropriate.

### Private rented

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

Two bedroom flat in neighbouring Leonard Stanley....	£610 per calendar month
Two bedroom flat at Ebley Wharf.....	£695 pcm
Two bedroom semi-detached bungalow (Leonard Stanley).....	£750 pcm
Three bedroom terraced house (Stonehouse).....	£775 pcm
Four bedroom house (Kings Stanley).....	£975 pcm

*Information provided by [www.rightmove.com](http://www.rightmove.com)*

5.17 Although there is currently no official definition of housing affordability, it is widely accepted that a household's housing costs should not exceed 25%

of a household's gross income. Based upon this presumption, a minimum gross annual income required to afford the above properties would be £29,280 for the cheapest two bedroom flat, £37,200 for a three bedroom house and £46,800 for the four bedroom house. Of course, the rent does not include running costs e.g. council tax, fuel bills etc.

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

## **6. SUMMARY**

- Stonehouse has a housing stock predominantly made up of houses, and in particular a high proportion of terraced and semi-detached houses. There are few bungalows and flats. The proportion of households who own their own homes is similar to the proportion for England. 129 properties (5% of the private housing stock) were sold in the last year.
- Stonehouse has a higher proportion of social housing than the District (15.5%) as a whole. In the last 4 years there has been quite a significant turnover of these homes and in addition 106 new affordable homes have been built. This represents an 18% increase on the overall total of social housing.
- Affordability is an issue for people looking to buy or rent in Stonehouse. At the time of writing there was a limited availability of properties to rent privately and to afford the cheapest property available a tenant would need to have an above average salary. For people looking to buy a property, despite a relatively wide availability and turnover of smaller, starter level homes, the affordability ratio was still extremely high and requiring above average salaries plus a considerable deposit.