

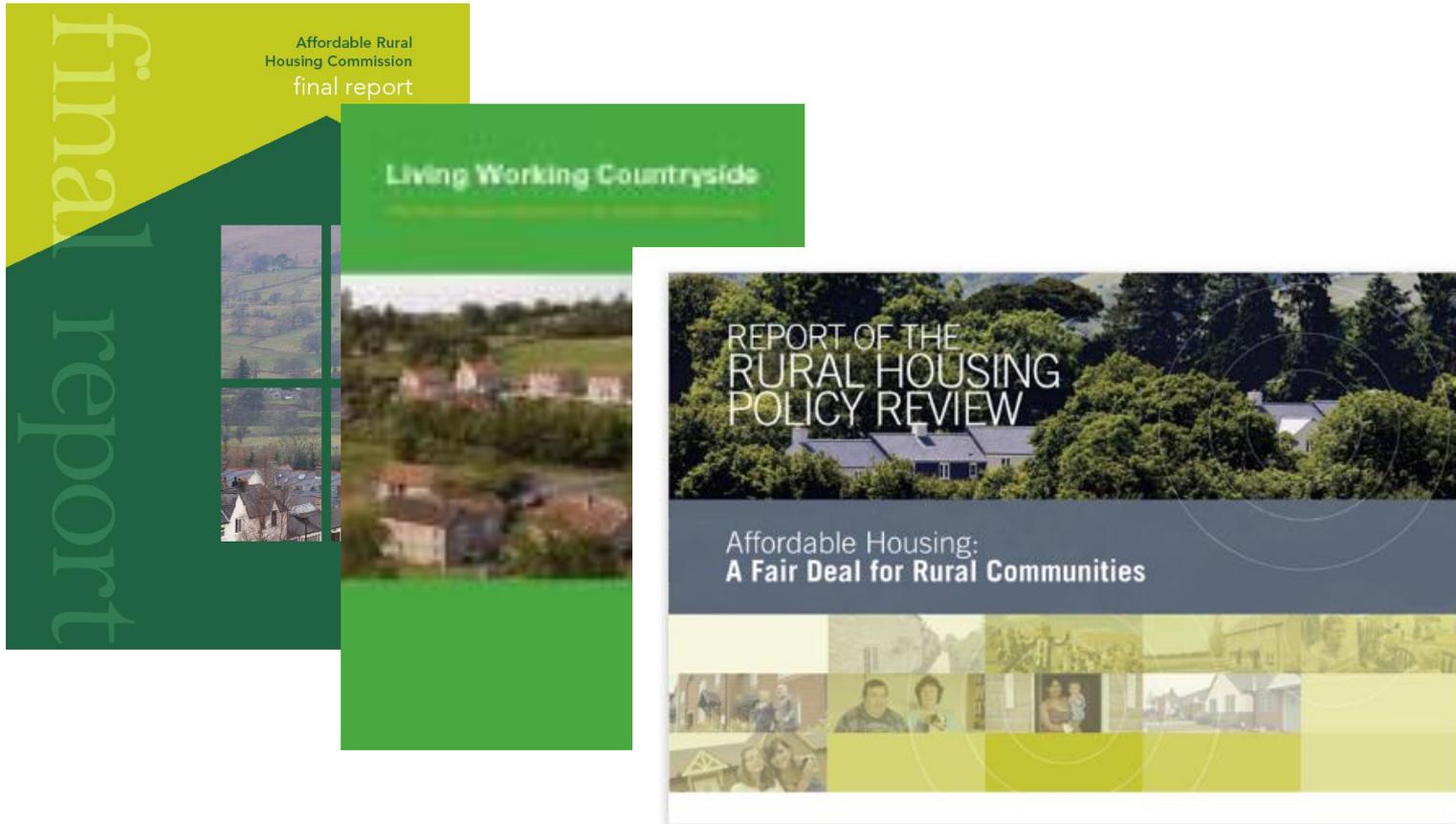
Newcastle University Institute for Social Renewal

Rural Housing: The Facts

Prof Mark Shucksmith OBE



The issues are well-known...



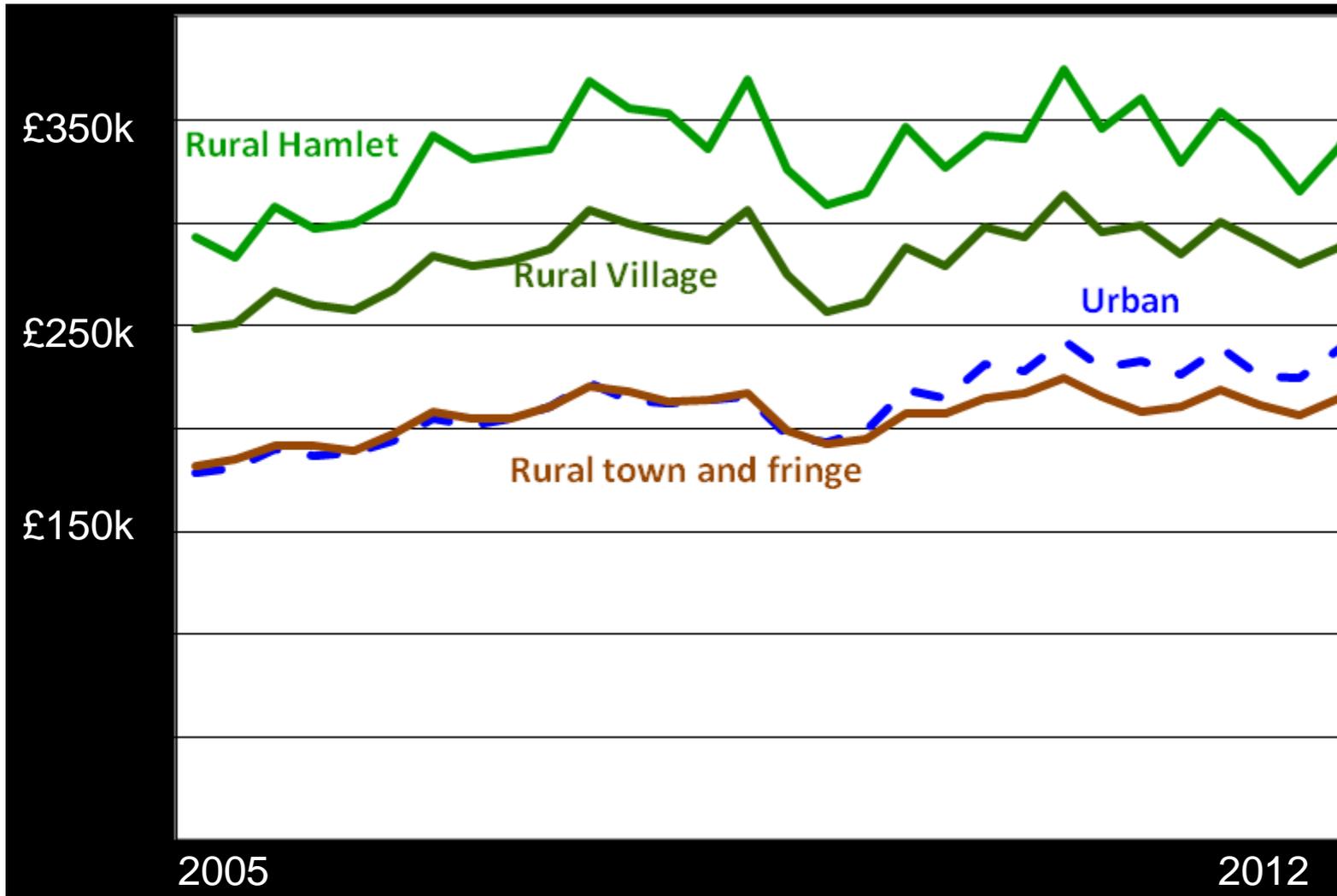
...Not to mention Shucksmith (1981) No Homes For Locals? !!!

ARHC: Main Recommendations

Minimum of 11,000 affordable homes pa in settlements <10,000 popn. (Update to 14,000 with new projections)

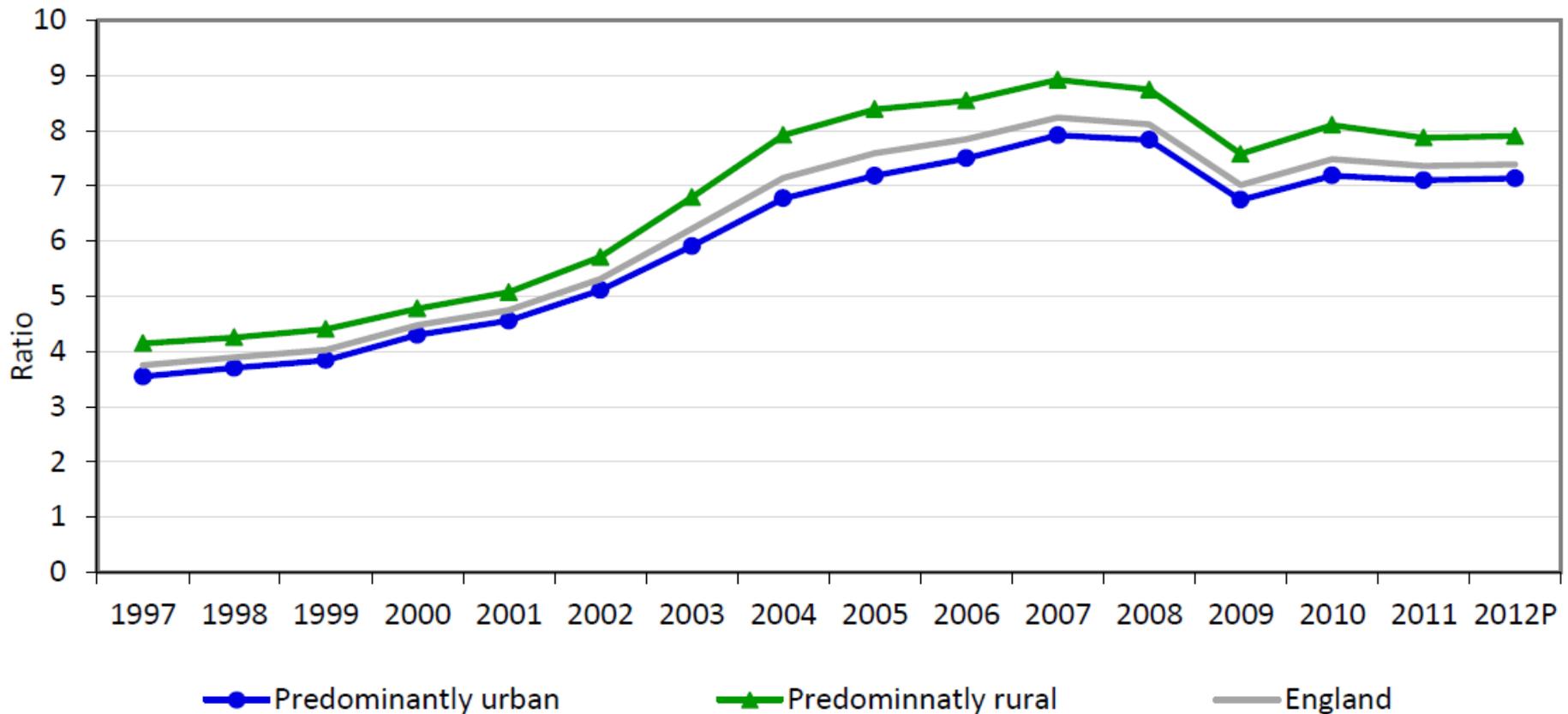
1. **Planning policies** must change, to encourage rather than prevent affordable rural housing. Plan-led approach.
2. Much more **finance** needed, from combination of public investment (HCA) and cross-subsidy. The fewer market houses are achieved, the less the scope for cross-subsidy and the greater the demands on the public purse.
 - 10% of funds for 19% of population in settlements with worst affordability and least social housing
 - Changes to RTB and RTA to retain affordable rural housing for future generations.
3. **Leadership** to make it happen and to explain the consequences of failing to address rural housing needs; and proper funding for Rural Housing Enablers.

Rural House Prices 2005-12



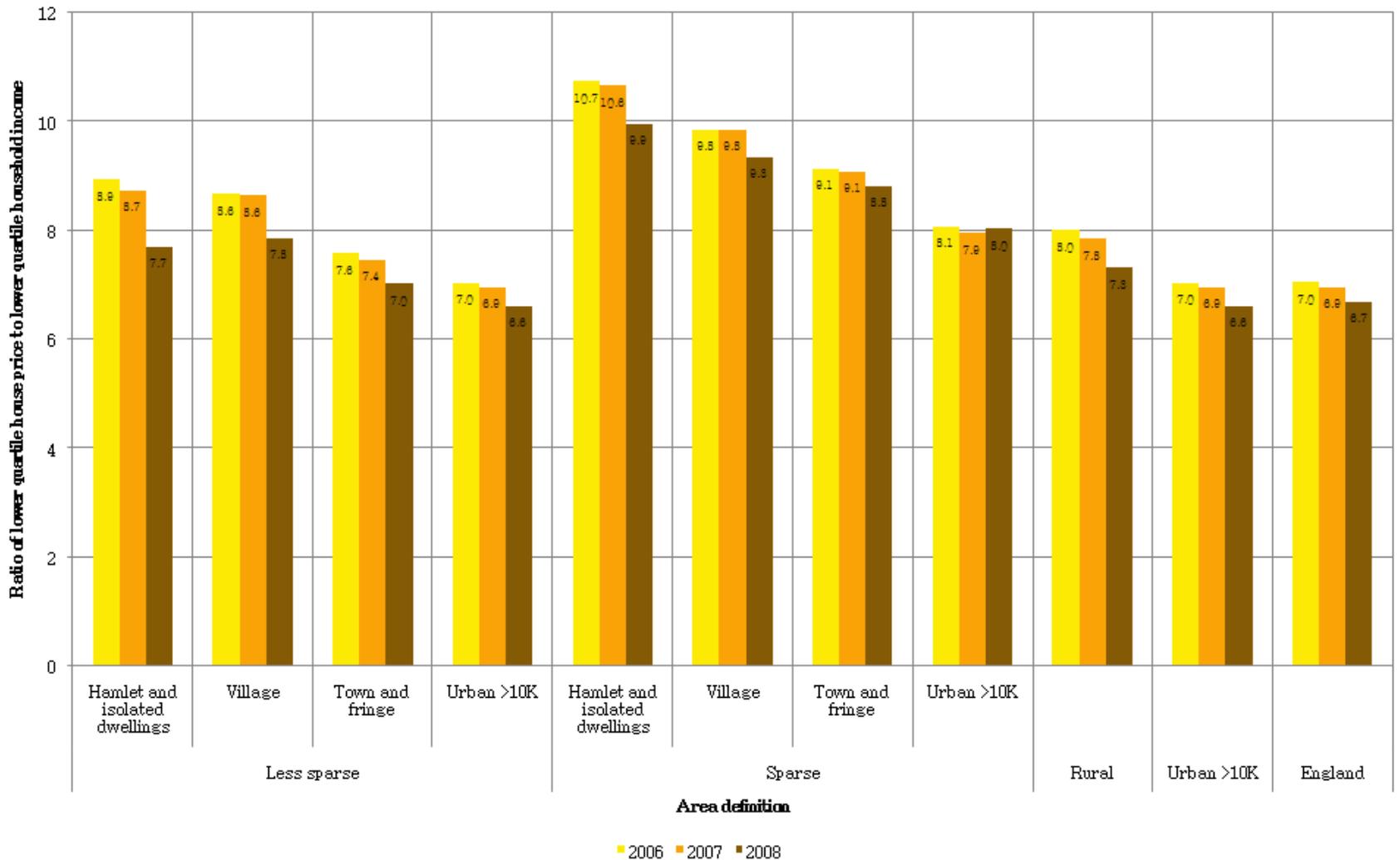
Housing Affordability

Ratio of lower quartile house prices to lower quartile earnings, by Local Authority Classification, in England, 1997 to 2012



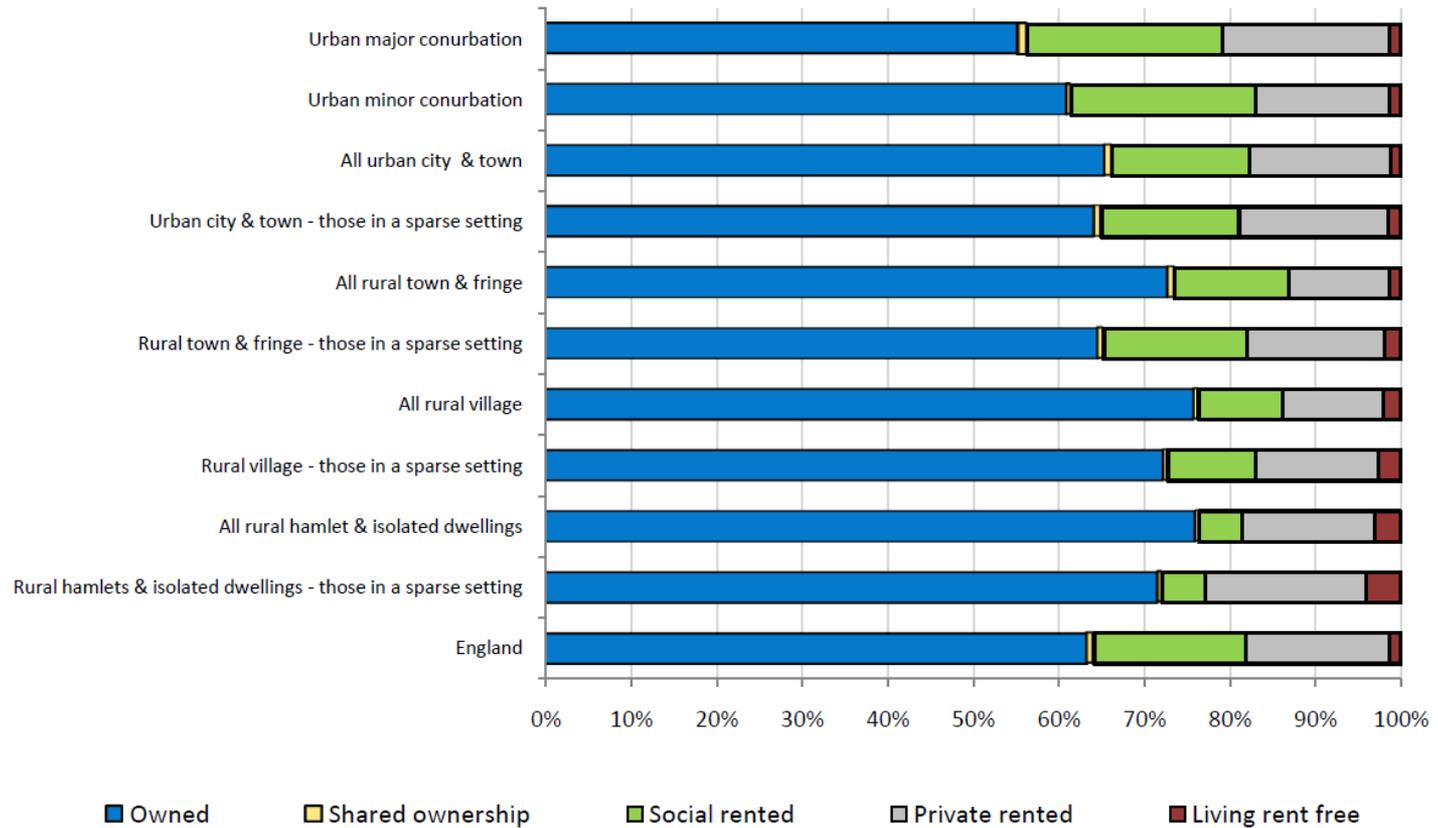
Housing Affordability, 2006-08

Ratio of lower quartile house price to lower quartile household income by area definition, 2006 to 2008 (National)

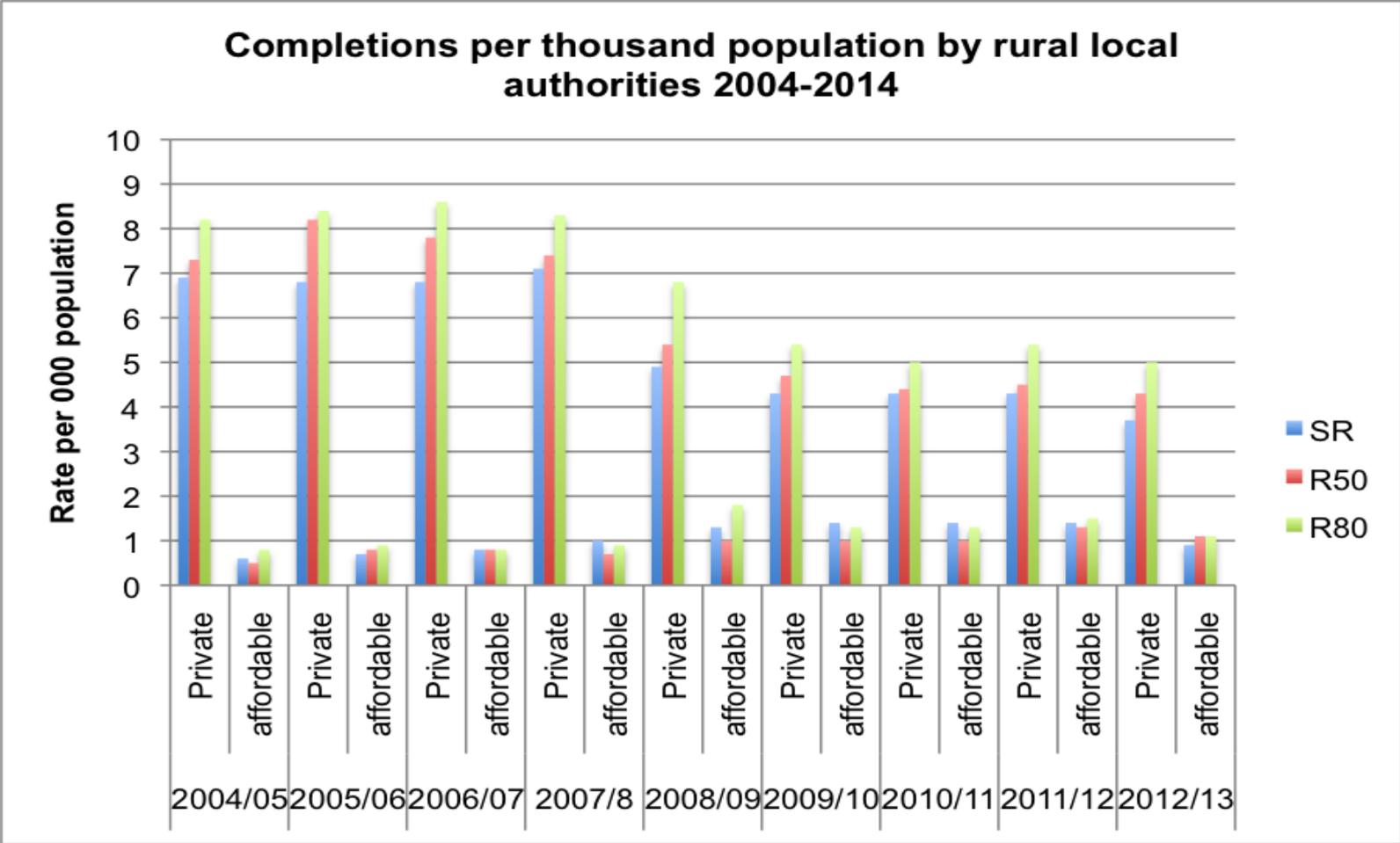


Housing Tenure, 2011

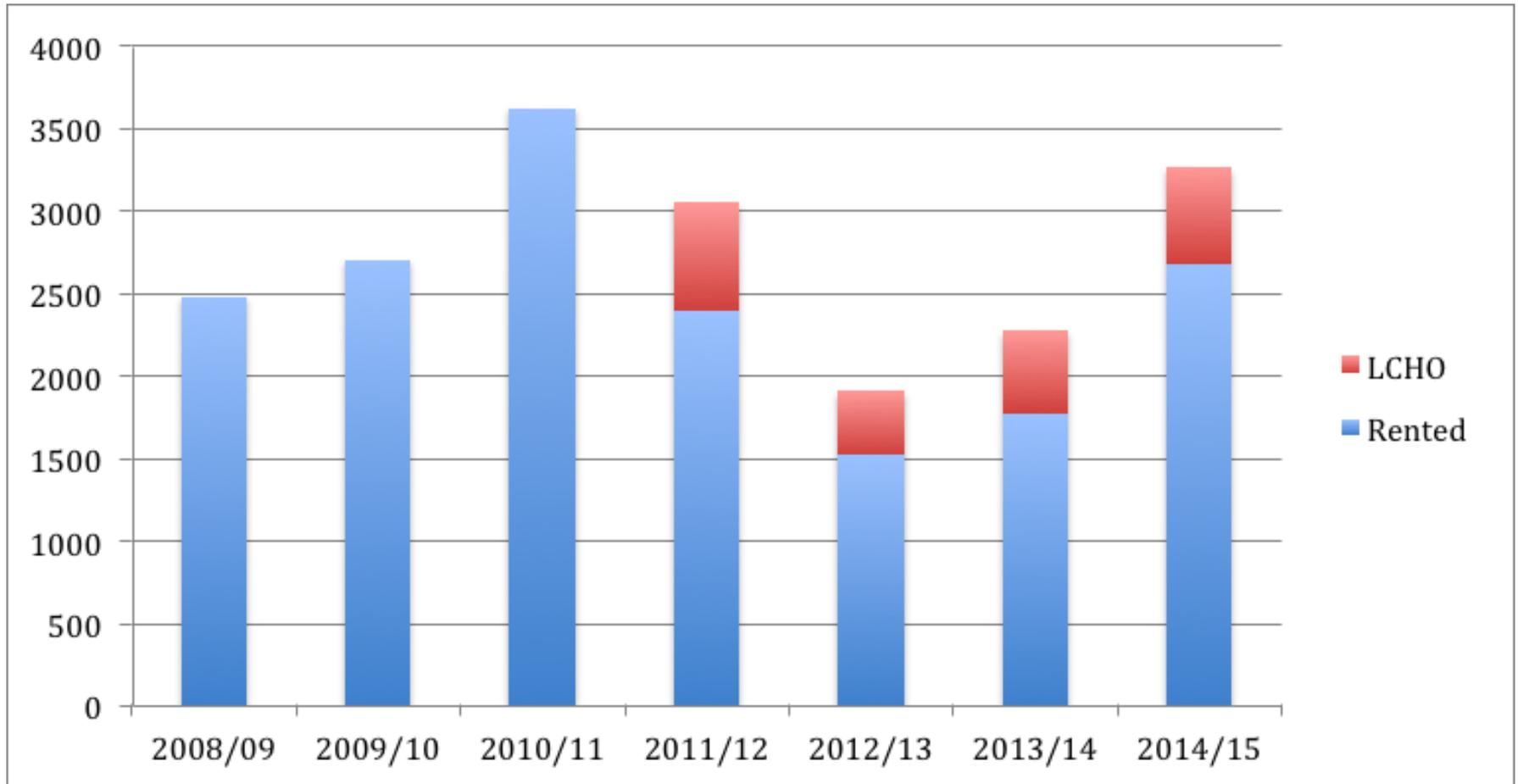
Percentage of households in 2011, by tenure and settlement type, England



Rural completions per 1,000 popn



Rural Completions HCA AHP



Compare with ARHC figure of 11,000 pa minimum (or 14,000pa) needed.

Where to next?

- Section 106 quotas
 - Abolished for schemes of fewer than 10 houses
 - In tight public spending context, cross-subsidy is crucial to affordable rural housing provision.
- Exception sites
 - Not feasible if RTB extended to HAs, because of land supply, planning policy, community support, financial risk
- Community land trusts
 - Would these become subject to RTB?

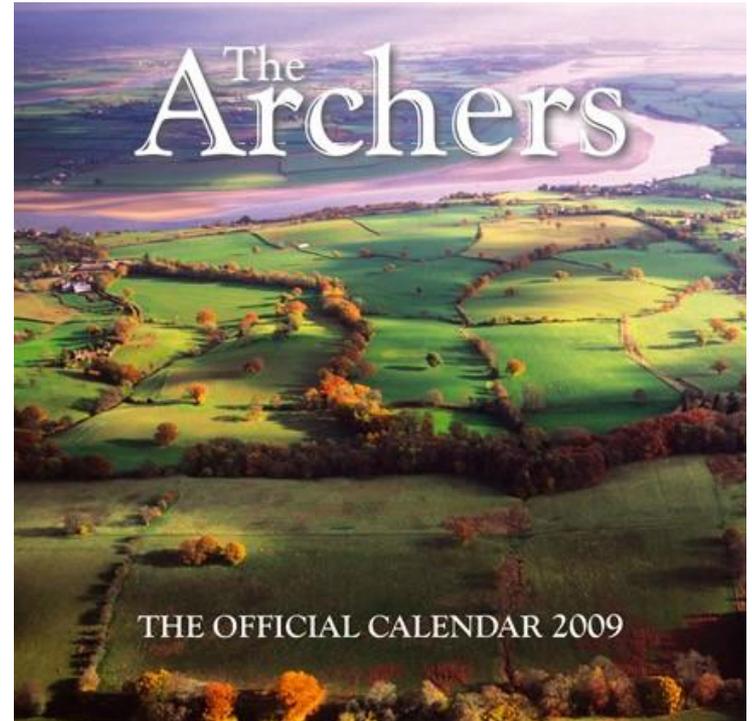
How will anyone but the most wealthy be able to afford to live in an ever more 'exclusive countryside'?

Unaffordable rural housing

‘Only 22 of the 52 characters in the Archers could now afford to live in Ambridge.’

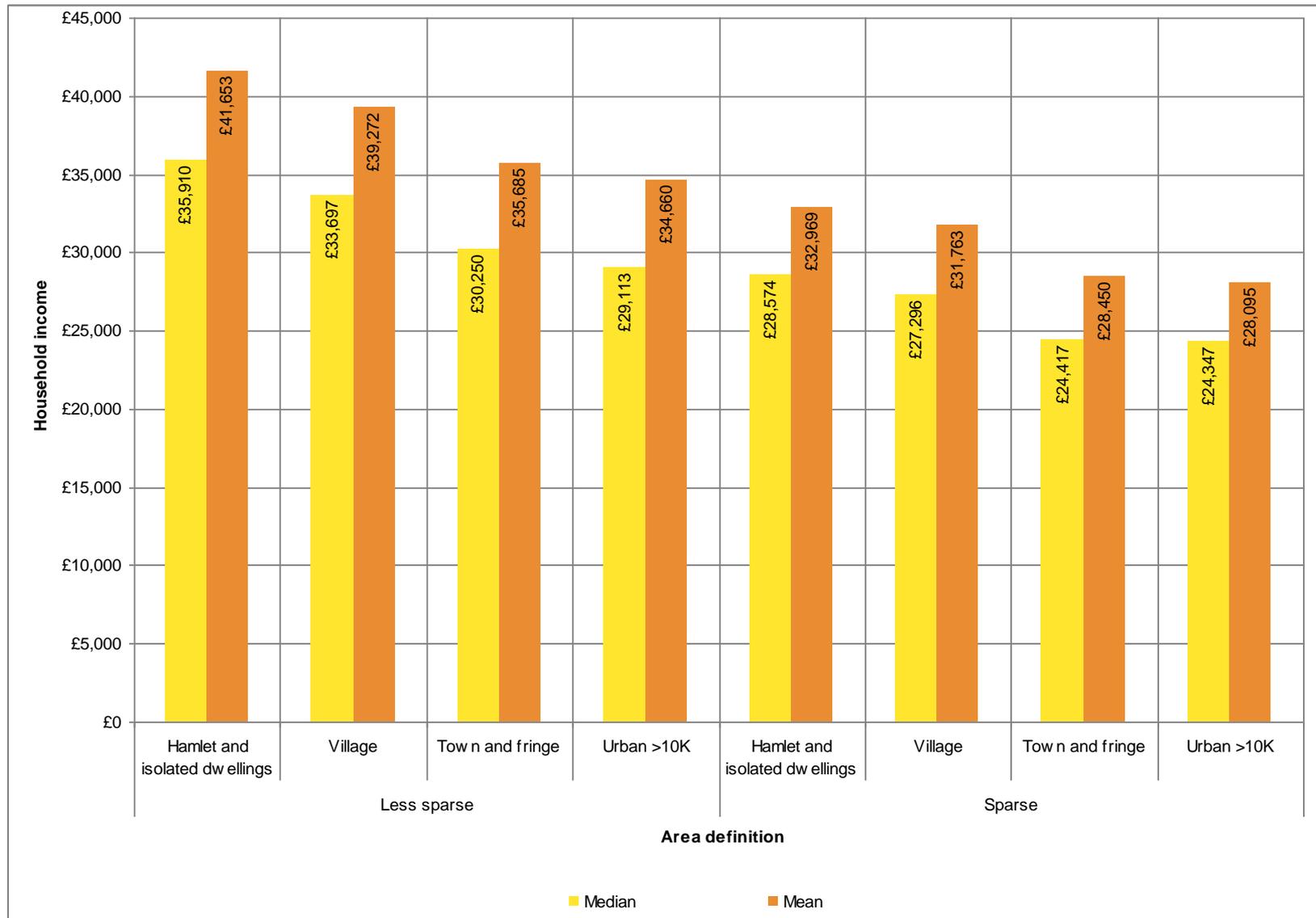
‘Only 1/3 of the characters in ITV’s Emmerdale Farm could live in Emmerdale.’

Research for NHF, October 2010



Our countryside is changing and becoming more exclusive.

Average Household Income 2010 (before housing costs)



Household incomes and wages by settlement size and sparsity, 2009/10

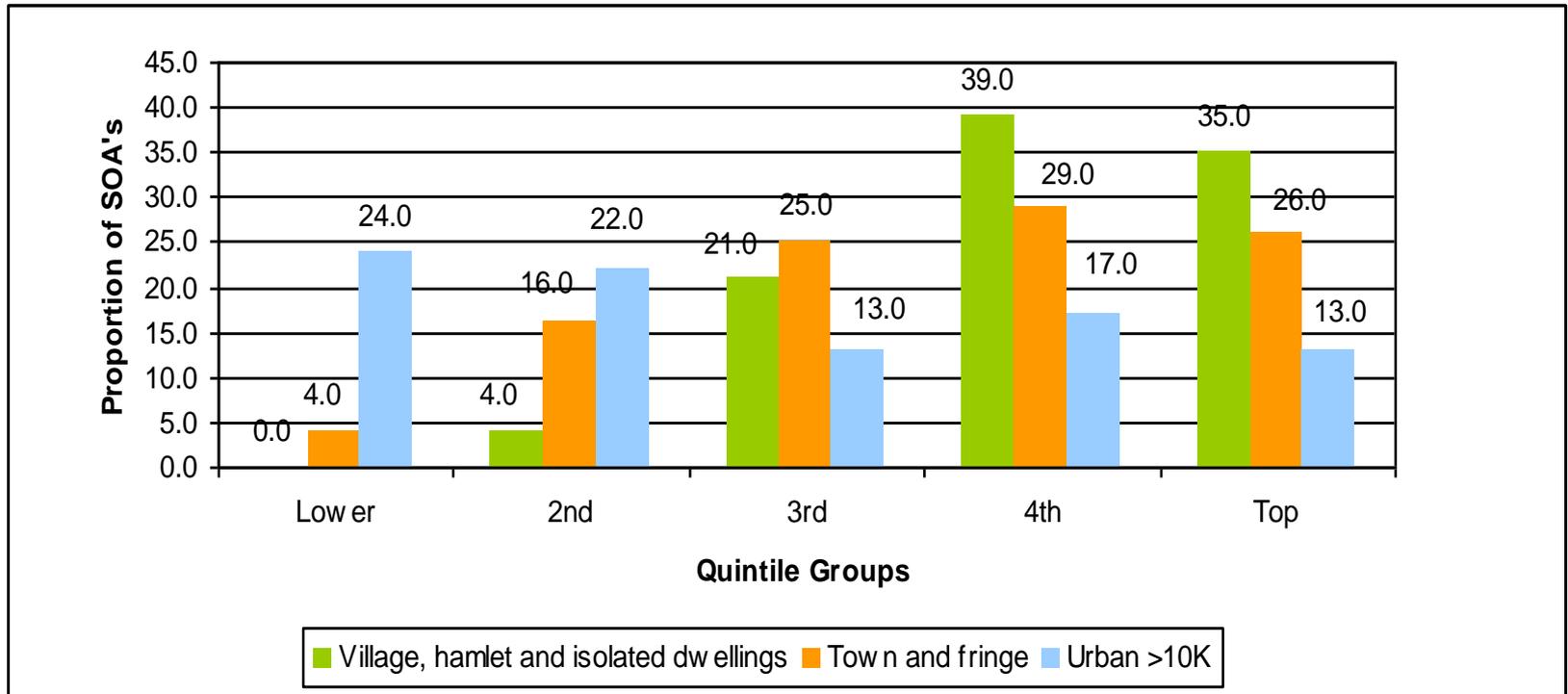
Sparsity	Settlement type	Household income £/week	Work-based wage £/week	Resident-based wage £/week
Less sparse	Urban settlements of >10k	666.54	496.90	483.80
	Town and Fringe	686.26	422.80	483.30
	Village	755.23	458.00	556.10
	Hamlet & Isolated Dwelling	801.01	470.30	580.90
Sparse	Urban settlements of >10k	540.28	350.50	334.40
	Town & Fringe	547.12	316.20	356.60
	Village	610.83	438.80	397.80
	Hamlet & Isolated Dwelling	634.01	350.60	436.10

Household incomes are systematically higher as settlement size decreases, as smaller settlements are colonised by richer households.

Richer people are moving into and poorer people are moving out of rural England in an ongoing gentrification which is particularly marked in villages & hamlets.

One Nation?

Area incomes by settlement size



This shows the proportion of Census Super Output Areas (SOAs) in each income quintile, for each size of settlement - eg. 35% of villages etc. were amongst the richest fifth of SOAs, 39% amongst the next richest fifth, etc.

Conclusion

- The exclusion of poor and middle-income groups from the countryside is now well established and well documented. How can we challenge this?
- Home ownership is less affordable; social rented and affordable rented are much less available.
- Expect proposed extension of RTB to HAs to deplete rural affordable housing further and to make it harder to provide in future.
- Where will the necessary supply of affordable homes in rural England come from?