

PURBECK AFFORDABLE HOUSING

Wool Rural Approach To Housing

This short paper has been prepared to clarify what “Affordable” means when it comes to providing housing for local people living in Purbeck. The term affordable is not a useful word when debating and discussing the provision of future housing stock for local people with developers and local government.

WoolRATH completely accepts that Wool needs some housing stock for its people.

WoolRATH calculates that no more than 100 houses are required in the Wool area over a period of years.

WoolRATH requires that housing stock needs to cater for young & old.

Local Average Income

In Purbeck, a sensible starting point, therefore, should be incomes, which are the main factor determining how much people can afford to pay for housing. Average full-time weekly earnings in Purbeck for 2015 were *£603 for males & *£449 for females. The weighting applied to calculate the earnings for two wage earners in a household is 0.67 of the primary wage & 0.33 of the secondary wage, giving an average household income of **£552**. Using the same data source, the figure for Poole Unitary Authority is £519. *Source – Office of National Statistics (2015)

Converted into pre-tax annual earnings at 52 ¼ weeks per year this equates to an annual household salary of **£28,842**.

Current Mortgage Policy

Banks & Building societies have tightened lending over the last 10 years, since the latest financial crisis. The salary multiple varies on average from 3.0 – 4.5 times salary. This would give a Purbeck household borrowing capacity of £86,526 - £129,789. The average deposit that a financial institution requires is 16% which translates into an affordable buying price range of **£103,007 - £154,511**.

Affordable

So, the local consensus is that a house costing around **£150,000** is within the grasp of local people.

How?

Six Simple Steps:

1. Purbeck District Council should do all in their power to identify small pockets of land that could support a cluster of 10 houses at most, to blend with the local environment. High priority should be in-fill and brown field sites before any consideration of using pristine green field sites.
2. These sites need to be provided at no more than 1/3 of the house price, i.e. a maximum of £50,000.
3. Purbeck District Council should engage with innovative local architects with the vision to design houses costing £100,000 to build – to include the developer's profit.
4. Purbeck District Council needs to work with local developers that can work within this framework – it is unlikely that large national developers will be happy to work within such a budget constraint.
5. Purbeck District Council needs to formulate a binding policy so that these new houses are only available to be sold on to people working & living in the local community.
6. Purbeck District Council needs to evaluate infrastructure changes and formulate a cohesive plan to provide for the local people if, and when, the population increases.

Result

An environmentally sensitive solution, meeting local needs, that would demonstrate how our Public Authority can work with its' people to address the Purbeck housing need for decades to come.