

Investigation report

Priced out: the rising cost of rural homes

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Shelter

Summary

Rural life as we know it is under threat. The severe and growing shortage of affordable housing is polarising communities, forcing families out of the countryside, and removing a labour force needed to sustain rural life. There is a real danger that living in the countryside will become the preserve of the wealthy and that the diversity of rural communities will be undermined. Unless action is taken now to replace the affordable homes lost through Right to Buy and rocketing house prices, rural life, as we know it, will be lost.

- The number of households owning second homes has jumped by 15 per cent over the last year.
- Over the 15 years to 2001, nearly one quarter of all council homes in rural areas were lost through the Right to Buy.
- House prices rose faster in rural areas than in urban areas in 2002/03 – in six out of eight English regions, rural homes are much less affordable than in urban areas. (A regional breakdown is provided at Annex A.)
- 86 per cent of rural housing is owner-occupied or privately rented, in comparison with 77 per cent in urban areas.
- In 2003, 37 per cent of the rural population spent more than half their income on mortgage payments, compared to 26 per cent of urban residents.
- Between 1999/00 and 2002/03, the proportion of homeless households in rural areas increased by 24 per cent, and in remote rural areas by 30 per cent.

The Government's Rural Strategy 2004 has highlighted both the increasing problem of rural homelessness and the pressing need for affordable housing. Departments with responsibility for rural affairs are committed to action on the particular problems of shortages of affordable housing in rural areas and, in England, to work with the Office of the Deputy Prime Minister and Regional Housing Boards to agree strategies and targets on affordable housing. While this is welcome, the growing inequality in housing in rural areas is marginalising a whole section of society with consequences that are only just beginning to register in the political arena. A step change in policy and investment is needed now to halt this crisis, or thousands of families will continue to be forced out of the countryside.

Shelter has responded by embarking on a major investigation into the national housing crisis. Chaired by journalist Fiona Millar, a panel will be touring the country, visiting families suffering in bad housing and taking evidence from the professionals and politicians who see the reality of the housing crisis every day.

This research report is the second in a series of four to accompany Shelter's Housing Investigation, each tackling a different aspect of the housing crisis. The report clearly shows that a significant increase in investment in affordable housing is essential if rural life, as we know it, is to be maintained.

The crisis in rural housing in England and Scotland

'Our cottage is far too small for the family and uncomfortable in winter. We are just not able to afford better accommodation. The problem is the lack of housing in our village. Homes in this area are like gold dust.'

Shelter service-user; overcrowded household, renting privately in south-west England.

*'I find it increasingly frustrating that I also had to move away from my home village some years ago because of lack of 'council dwellings' available. I now find that it is still the same position as 20 years ago.'*¹

The lack of affordable housing in rural areas, particularly the lack of council and housing association homes for rent, forces many people on low incomes to live in unsuitable conditions or to move away from their village, including their support networks, families and friends. This can jeopardize the survival of mixed rural-communities and threaten the viability of local businesses and services, including schools and post offices.

There is consensus on this problem across government agencies and nations. In its report *Sustainable Communities - Building for the Future*, the Government identified that:

'[The] availability of housing, especially social and other affordable housing, is a critical issue in many rural areas. This is especially true in the south of England, but it also arises in other areas such as the Lake District where landscape conservation policies constrain housing supply. Rural housing is often in high demand from in-comers – long distance commuters, people moving in to retire, and owners of second homes and holiday homes. This can squeeze out local people on lower incomes.'²

According to the Countryside Agency:

¹ Local Housing Needs Survey, Gloucestershire Rural Community Council (GRCC), 2002- 2004

² *Making it happen: The Northern Way*, ODPM, 2004

'...people on modest incomes, including young and pensioner households and local first-time buyers, are being priced out of many rural districts. This has implications for the maintenance of viable, inclusive rural communities, with some areas becoming increasingly exclusive, comprising only wealthy households. The balance of communities is disrupted, families are separated, increased pressure is placed on many rural services, and the local economy may be forced into decline.'³

According to the then Highlands and Islands Enterprise Chair Dr Jim Hunter, housing is the number one priority in rural areas:

'I used to think that jobs came first: If you could enable jobs to be created, people would come and build houses and communities. I now believe that the reverse is true. If you get the housing right, economic development will flow. If there is one action that we can take, that is absolutely fundamental, it is to get houses built.'⁴

Demand and supply

*'I have lived in the village for 50 years and have seen the young people who are born and bred here - growing up and attending local schools etc.; and then when they reach adulthood having to move out of the village because of the lack of affordable housing. It is very sad when you are talking to these youngsters, as they are so upset at having to move out of the village. We need to encourage the young locals to stay in the village as well as to welcome new people in to make sure the village continues to evolve, otherwise it will surely die without the young people and their families growing up.'*⁵

Rural areas suffer a shortage of affordable housing. There is a lower proportion of social housing for rent and a growing demand for housing from other groups, such as retired households and those looking to buy second homes and holiday homes, which pushes up prices in the market and makes homes unaffordable.

- In England, 86 per cent of rural housing is privately owned in comparison with 77 per cent in urban areas. The corresponding figures for Scotland are 79 per cent and 66 per cent.⁶

³ *State of the Countryside*, the Countryside Agency, 2004

⁴ Speaking at Highland Council's Population Summit in May 2004

⁵ Local Housing Needs Survey, Gloucestershire Rural Community Council (GRCC), 2002- 2004

⁶ Scottish House Condition Survey 2002

- In England, between 1981 and 2002, the rural population grew by more than 81,000 (0.7 per cent) a year on average, compared with some 48,000 (0.1 per cent) a year in urban areas.
- Net migration from urban to rural districts is estimated at 115,000 people a year in the 12 months to June 2002.⁷

These trends are particularly strong in East Anglia, the south-west, the south-east and the East Midlands. This is also true for Scotland, where much of the land mass is rural and includes some of the most remote communities in Europe.

A regional breakdown of the proportion of social-housing stock in England, including council and housing association housing in both rural and urban areas, is available at Annex A, Table 4.

Affordability trends

*'If we were purchasing a property now we would not have afforded local prices even though we sold two houses. As it was, our house was in poor repair. I feel very sorry for so many with young families who are being forced out of the village by massive rents. This is a great village, one of the few still boasting a shop, post office and two pubs but I can see it in the next 20 years becoming another holiday cottage land.'*⁸

- House prices in 2002/03 rose faster in rural areas than in urban areas.
- Recent analysis by Steve Wilcox for ROOF magazine shows that, in the south-west, the market is projected to be nearly 60 per cent less affordable than ten years ago, which is worse than London and the east (56 per cent) and the south-east (47 per cent).
- In 2003, there were 1.4million 'low-income households' in rural areas in England⁹.
- In 2003, 37 per cent of the rural population spent more than half their income on mortgage payments, compared to 26 per cent of urban residents.¹⁰
- Since the second quarter of 2002, median house prices in rural districts have been rising faster than urban house prices. The median house price for accessible rural districts continues to be the highest of all districts in England.¹¹

⁷ *State of the Countryside*, the Countryside Agency, 2004

⁸ Local Housing Needs Survey, Gloucestershire Rural Community Council (GRCC), 2002- 2004

⁹ *State of the Countryside*, the Countryside Agency, 2004

¹⁰ Ibid

¹¹ Ibid

- Whilst there was a slight improvement in housing affordability in rural districts of south-east England from 2002/03, affordability in rural districts elsewhere worsened.¹²

A regional breakdown of the increases in median house prices in rural and urban areas in England is available at Annex A, Table 5.

A regional breakdown of the proportion of people living in rural areas in England, who spend more than 50 per cent of their incomes on their mortgage, is available at Annex A, Table 6.

Registered sale prices of houses sold in Scotland, issued by myhouseprice.com, show staggering annual house-price inflation in rural areas, such as: Argyll and Bute (31 per cent); Scottish Borders (25 per cent); and Dumfries and Galloway (23 per cent).¹³

The number of second homes

A government survey has estimated the number of English households owning a second home in England in 2003/04 to be 295,000, an increase of 15 per cent on the previous year¹⁴. The English second-homes market is dominated by the south-west, where 22 per cent of second homes are located.¹⁵ Table 1 (below) shows the districts with the largest proportions of second homes in their district.

Table 1

District	% of all household space in rural district taken up by second residences and holiday homes
Isles of Scilly (south-west)	24.9
Berwick-upon-Tweed (north-east)	14.1
South Hams (south-west)	12.9
South Lakeland (north-west)	11.5
Penwith (south-west)	9.5
North Cornwall (south-west)	9.4
Scarborough (Yorkshire and the Humber)	9.3
Eden (south-west)	8.3
North Norfolk (east)	8.0
North Devon (south-west)	7.1

Source: *State of the Countryside*, the Countryside Agency 2004 (Census Output Area information from ONS, 2004)

¹² Ibid

¹³ Press release from myhouseprice.com, September 2004

¹⁴ Survey of English Housing Provisional Results: 2003 -2004, ODPM

¹⁵ Roger Blitz, UK Affairs Editor, *Financial Times*, published: September 10 2004

Second homes can have a detrimental impact on the local community: depriving them of a scarce housing resource; inflating local house prices; and contributing to under-use or limited seasonal-use of vital local services.

In 2003 the Scottish Executive estimated that there were 66,500 properties receiving second-home council tax discount – around three per cent of the overall stock. However, in some rural areas, more than half of houses are second, or holiday, homes.

Local authorities have new powers to reduce council tax discounts. Authorities can reduce the discount on second homes from 50 per cent to ten per cent, and can opt to reduce or remove the discount on long-term empty properties.

The private-rented sector

Similar affordability problems apply to the private-rented sector. Although the private-rented sector can be larger in rural areas than urban areas, in our experience it is often beyond the reach of low-income households.

Similar to home ownership, increased demand has forced up rents, making fewer properties available to the local population. A large proportion of private-rented properties are also seasonal lets, and are not available for use all year round. In addition, many agricultural workers lived in 'tied' accommodation that was attached to their employment. Renting 'tied' accommodation has declined in recent years as agricultural employment has decreased. Instead of offering this accommodation for rent, increased house prices have persuaded many landowners to sell this accommodation off on the open market.

People on low incomes are often further excluded from rental markets in rural villages and towns because housing benefit will not cover the higher rents. This is because claimants are entitled to a maximum of the average market rent for an appropriate-sized property across a large 'locality'. The size and boundaries of the locality are typically drawn to include several small towns, numerous villages or hamlets, and large, sparsely populated, areas. For example, in Kent, the locality covers the expensive towns of Seven Oaks and Tonbridge Wells as well as cheaper coastal areas and towns. In the Highlands of Scotland, the entire area north of Inverness is treated as one locality despite stretching north and west for over a hundred miles. Within that vast area, there are pockets of prosperity and pockets of decline that will produce quite different local rent levels. This means that people can be excluded from more prosperous areas and towns.

The impact of the Right to Buy

In England, over the past 15 years to March 2001, 23 per cent of local-authority dwellings in rural areas have been sold under the Right to Buy.¹⁶ The Countryside Agency calculates that between 1985 and 1990 alone, 91,000 homes were sold. Between 1998/99 and 2001/02, over 30,000 properties were sold through Right to Buy by local authorities in rural areas.¹⁷ Analysis by Shelter and Rural Forum showed that for every three new, affordable rented homes, built in rural Scotland, ten were sold.¹⁸

In its Rural White Paper, published in 2000, the Government acknowledged that the Right to Buy scheme has had serious consequences in rural areas:

‘It has been a costly scheme and in the absence, under the previous government, of sufficient investment to replace housing being sold, has led to the removal of more desirable homes from the social rented sector. This has left local authorities with a smaller stock of poorer-quality properties in which to house people who need affordable housing for rent, particularly in small rural areas with only a few homes for rent.’¹⁹

The social-housing stock is not being replaced by new build; between 1989 and 2002, only 22,000 units were built in England, primarily by housing associations. While the Housing Corporation is now committed to provide around 3,500 affordable homes over the years 2004/05 and 2005/06, in settlements below 3,000 people, it is clear that this is insufficient to address the crisis in rural housing.

In England, social-rented housing accounts for 13.4 per cent of total housing in rural areas, compared with 22.4 per cent in urban areas.²⁰

Shelter has been lobbying to restrict Right to Buy in rural areas, as part of our work on the English Housing Bill. Proposals put forward include suspending the Right to Buy in high-demand rural areas and reducing the discount in line with Right to Acquire.²¹ Assimilating Right to Buy with Right to Acquire was also a recommendation made by the Home Ownership Taskforce Report (England).²²

¹⁶ House of Commons, Official Report 13 May 2002: Column 444W

¹⁷ House of Commons, Hansard Written Answers for 18 June 2003: Column 218W

¹⁸ *Scotland's Rural Housing*, Shelter Scotland and Rural Forum Scotland, 1997

¹⁹ *Our Countryside: The Future – A Fair Deal for Rural England*, DEFRA, 2000

²⁰ Ibid

²¹ The Right to Acquire provides certain housing association tenants with a discount to buy their own home. This scheme currently carries greater restrictions than the Right to Buy for local-authority tenants. This includes restrictions in rural areas with populations of 3,000 people or less, as designated by order of the Secretary of State.

²² *A home of our own*, The Report of the Government's Low cost home ownership taskforce – November 2003

In Scotland, councils now have the power under the Housing (Scotland) Act 2001 to apply to Ministers to suspend Right to Buy in pressured areas. One authority with a large rural hinterland, South Ayrshire Council, is the first to announce its intention to do so.

Table 2 (below) shows the provision in rural areas with a population of less than 3,000 only.

Table 2

England	1998/99	1999/00	2000/01	2001/02
Right to Buy in rural areas**	7,212	9,556	8,137	7,744
New social-housing provision in settlements of less than 3,000 people*	1,283	1,058	847	975

*The Housing Corporation, 2003 Housing completions in settlements below 3,000 population

** House of Commons Hansard Written Answers for 18 June 2003

Table 3 (below) shows overall Right to Buy losses against new provision and the percentage of rural districts within each region.

Table 3

Regional Right to Buy sales overall against social housing completions in England			
2003/04	RTB sales	Social-housing completions	% of districts defined as rural
North-east	7,968	596	26
North-west	10,555	1,871	30
Yorkshire and the Humber	12,382	1,399	42
East Midlands	6,345	1,439	50
West Midlands	8,353	1,878	38
East	4,536	1,900	46
London	12,778	7,344	-
South-east	4,139	3,318	31
South-west	2,521	2,386	69
ENGLAND	69,577	22,131	41

Sources: ODPM Housing Statistics, Housing Corporation ADP (includes Newbuild, Rehab and Homebuy completions)

The impact on communities

Affordable housing is essential to the survival of rural communities since it sustains the local work force, benefiting the local economy as well as helping to maintain a mix of residents in terms of age, skills, and needs. When young people cannot afford to rent or buy a home in their town or village, they are forced out of the area. This disrupts the balance of the community and can result in communities with high numbers of people of retirement age and more wealthy people, who only live there for part of the year in second homes. This then impacts on the delivery of essential local services, and the local economy goes into decline. The shortage of affordable accommodation pushes families

into poor-quality housing, and means they have to spend a disproportionately high percentage of their income on housing and basic services, which exacerbates child poverty.

The shortage of affordable housing has a greater impact on disadvantaged groups in rural areas, including: single people, young couples and families, older people, ethnic minorities, and disabled people.

Delivering affordable housing in rural areas

There is no nationally agreed figure for the level of housing need, and so there are no specific figures for the level of housing need in rural areas. Research for Shelter shows that we need to build 89,000 affordable houses a year to meet the housing need in England, and a significant proportion of these would need to be provided in rural areas. The Countryside Agency estimates that an additional 10,000 affordable rural homes per year are required to meet existing rural community needs, while the Rural Housing Trust estimate that there is a need for six to eight subsidised houses in each of the 8,000 small villages in England – a total of around 50,000 homes.

The Government recognises that there is a significant shortage of affordable housing, both nationally and, specifically, in the countryside, but its plans for meeting this need fall a long way short of the levels of need indicated above. There are a number of specific policies that are aimed at alleviating rural-housing need:

- targets for the Housing Corporation to fund a certain number of affordable homes in small settlements. Over 2004/5 and 2005/6, 3,500 homes will be provided in small settlements
- government policy on the planning system requires the use of brownfield (previously used) sites first. This reduces the size and number of sites available for housing development in rural areas. Although an exceptions policy²³ can apply, this is often slow to deliver
- local authorities can also only require developers to include affordable housing on large sites. Current government recommendations propose reducing the threshold to 15 units. However, many sites in rural settings are small and fall below these thresholds. In rural areas, the provision of just two or three affordable houses on a

²³ An exception policy enables the authority to grant planning permission for small sites, within and adjoining existing villages, which may be subject to policies of restraint, such as Green Belt, and which the local plan would not otherwise release for housing, in order to provide affordable housing to meet local needs in perpetuity. Local-planning policies should make clear that such sites would be released as an exception to normal policies for general housing provision in rural areas.

small site, in a village or market town, could make a significant difference to local people

- Regional Housing Boards are required to produce Regional Housing Strategies and make recommendations to Ministers, and, in doing so, they are expected to work with the Countryside Agency and ensure that their strategies address the particular housing needs of rural communities
- Rural Housing Enablers work with village communities to assess their housing needs, carrying out detailed surveys, and with housing providers to develop affordable village homes, identify and acquire suitable development sites, and help bring empty homes back into use; they also provide independent advice, information, and support for communities affected by the lack of affordable rural housing. In England, there are 36 Rural Housing Enablers funded by the Countryside Agency and the Housing Corporation.

Shelter Housing with Rural Communities (SHARC) is a Rural Housing Enabler for the rural south-west of Scotland that was set up in 2000. The SHARC development worker works directly with communities in settlements of less than 1,000 people to carry out assessment of housing need and to identify ways of addressing these needs. Its work has led to the provision of new affordable housing in areas that had previously not been identified as a priority. In addition, working with local community activists, SHARC has led to the formation of Dumfries and Galloway Small Communities Housing Trust, a unique new vehicle to acquire land and empty property to make available for local people in housing need.

Homelessness

Homelessness is often assumed to be a predominantly urban problem. While it is true that more people in towns and cities experience homelessness, it is still a significant problem in rural communities. Homelessness is currently increasing across England and Scotland as a whole. In 2000, research carried out by Scottish Homes and Shelter Scotland found that homelessness was not confined to urban areas of Scotland. Around one third (7,500) of all homeless households were in rural areas. In England, the problem is growing faster in rural areas than in urban areas: between 1999/00 and 2002/03, the proportion of homeless households in rural areas increased by 24 per cent; in remote, rural areas homelessness increased by just under 30 per cent over the same period; in urban areas, it increased by 21 per cent.²⁴ The particular problems of accessing affordable housing in

²⁴ *State of the Countryside*, the Countryside Agency, 2004

rural areas and a contraction of the supply of tied accommodation are significant underlying causes of homelessness in rural areas.²⁵

A regional breakdown of homelessness acceptances in England is available at Annex A, Table 7.

While the Government has been successful in meeting its target of reducing the numbers of people sleeping rough by two-thirds (from over 1800 in 1998 to below 600 by 2001), the 'street count' methodology, by which progress towards the target has been measured, is seriously limited because it only provides a snapshot that covers those areas where street counts are conducted. This means that the actual number of rough sleepers, at any one time, is likely to be significantly higher than the official figure. Recent research highlights the failure of official rough-sleeping counts to provide reasonable estimates of the extent of rough sleeping in rural areas in England.²⁶ The rough-sleeping counting method used in Scotland is much more comprehensive, as it is based on monitoring presentations to services over a weekly period rather than a snapshot taken on one given night.

It is important that the problem of rough sleeping in rural areas is not ignored, just because it has not been captured by the official street counts. The ODPM should encourage local authorities in rural areas to carry out rigorous assessments of rough sleeping and be prepared to conduct more in-depth monitoring of the issue, if anecdotal evidence from advice services and voluntary agencies suggest that people are sleeping rough in the district. Local authorities should involve their own relevant departments and external agencies to monitor and record levels of street homelessness.

These local authorities cover much larger geographical areas than urban authorities do, and the population is much more widely dispersed. This can present particular challenges for statutory and voluntary agencies to deliver advice and support services that are essential in preventing homelessness.

Rural areas of Scotland can be particularly remote and, therefore, present difficulties to agencies that are developing support services to be accessed by those who require them. As support is provided on a person-to-person basis, a considerable amount of staff time can be spent travelling to meet with service users, over and above the time spent

²⁵ Cloke, P., Milbourne, P., and Widdowfield, R., 2001. The Geographies of Homelessness in Rural England. *Regional Studies*, 35 (1), 23-37.

²⁶ D Robinson *Rough sleeping in rural England: challenging a problem denied*, The Policy Press, 2004

providing the support. Likewise, service users can often find it difficult to access support services if they live in rural areas.²⁷

Shelter's Young People's Service, based in Gloucestershire, provides us with a good example of the kind of approach that is helpful in addressing the particular challenges of delivering homelessness services in both urban and rural areas. Access for young people in the urban areas has proved to be straightforward; there are excellent transport links, and many partnership agencies are able to make active referrals. In the rural areas, however, resources are stretched to try to meet the needs of a dispersed population with significantly fewer transport links and fewer services. To address this problem, the project has piloted drop-in services in the North Cotswolds and they are working closely with the Youth Service in Churchdown, Brockworth, Chipping Camden and Lydney, and in partnership with Connexions.²⁸

Legal and housing advice – access and funding

Access to legal advice is also a problem in rural areas, where people are often more isolated from services. Despite the new planning mechanisms implemented by the Legal Services Commission, there is still an uneven distribution of housing advice services across England and Wales.²⁹ The responsibility given to Community Legal Service Partnerships for identifying advice needs, and developing strategies to meet these needs, has so far failed to translate into funding. They have also not been able to access any significant new funding for unmet, prioritised needs.³⁰ There are particular problems for housing advice at specialist level. Some rural areas, in particular, are experiencing chronic shortages.³¹ Since the advent of the Community Legal Service, there has been a decline in the number of contracts awarded in housing, with statistics for 2002/03 showing a reduction of six per cent during the past 12 months alone.³² The Law Society predicts that, during the period from 2002 to 2007, there will be a 38 per cent reduction in the number of private solicitors willing to undertake legal-aid work in the area of housing and landlord/tenant disputes.³³

²⁷ Report on rural housing support services submitted to The Homelessness Taskforce 2002 (Scotland), Shelter Scotland

²⁸ Alison Hendley, Shelter Young People's Service (Gloucestershire) Annual Report 2003/04

²⁹ Audit Commission (2003), *Homelessness - Responding to the New Agenda*, London: Audit Commission

³⁰ Matrix research and consultancy (2004), *Independent Review of the Community Legal Service*

³¹ Audit Commission (2003), *Homelessness - Responding to the New Agenda*, London: Audit Commission

³² Legal Services Commission Annual Report 2002/03 <http://www.legalservices.org.uk/>

³³ Law Society (2002), *Access Denied*, available on <http://www.lawsociety.org.uk/dcs/pdf/legalaid>

Through a survey of caseworkers in its housing-aid centres, Shelter has carried out its own research about the availability of legal services. The research demonstrates the significant gaps in provision that already exist, and the struggle that firms are experiencing to meet demand. These problems are particularly acute in rural areas. The survey found that there were no solicitors with housing contracts across the whole of Gloucestershire, North Somerset, or Northamptonshire.³⁴

Difficulties in accessing advice and legal representation increases the likelihood that people with housing problems end up losing their homes. It is essential that local authorities in rural areas carry out comprehensive reviews of housing-advice provision and that their homelessness strategies specify action that they will undertake to ensure people at risk of homelessness throughout their district can access timely and appropriate advice. The Office of the Deputy Prime Minister and the Department for Constitutional Affairs should consider funding innovative models for delivering legal advice in housing in rural areas, and should promote them to Community Legal Service Partnerships and local authorities.

With funding from the Legal Service Commission's Partnership Innovation Budget, Shelter runs three Housing Rights Promotion Projects (in Cumbria, Cheshire, and Lancashire). These projects have developed a publicity campaign, targeting people in greatest housing need in rural areas in these three counties. They also work jointly with local statutory and voluntary agencies, offering briefings, good-practice guidance, and written material on housing issues. These approaches help raise public awareness of housing issues, thereby making it more likely that people will seek help for their problems. In turn, this makes it easier for housing-advice services to provide support in the earlier stages of people's problems. Shelter is also setting up mobile services in Northumberland to reach more people in rural areas.

The impact on young people

The shortage of affordable housing in rural areas is a problem that affects young people, in particular. In comparison with urban areas, young people are more likely to continue living in the parental home in rural areas. They are less likely to be living as a single-person household in rural areas. Therefore, young people in rural areas seem to experience a more extended transition to independent living than those in urban areas do. Young people are concerned about the availability of housing; the costs, affordability, and

³⁴ Legal Services Provision in Housing Cases: a snapshot (May 2003)

sustainability of housing; housing conditions; access to housing, local priority for housing, and access to information about housing.³⁵

Shelter's Young People's Service based in Gloucestershire covers an area that is largely rural but has two major urban areas. The problems are a lack of affordable accommodation for young people in the more affluent rural areas and the absence of any temporary accommodation at all in most rural areas. The needs, priorities, and housing provision in the various districts are quite different, and it is a challenge to operate a consistent service across the county that also reflects and responds to wide-ranging local needs. The service works in partnership with other statutory and voluntary agencies, to raise awareness about homelessness among young people using Shelter resources such as Housemate, a teacher's guide and video, and The Housing Game, a young people's board game.

Policy recommendations

Shelter recommends the following ten-point plan to address the crisis in rural housing, by increasing the supply of affordable homes, and improving access to essential housing-related services. We recommend:

- that there is a significant increase in investment in affordable housing in rural areas
- that the proposed, new regional planning and housing bodies ensure their strategies and recommendations on funding allocations to Ministers reflect the housing needs of rural communities in their region
- that planning policy in rural areas must include the allocation of sites solely for affordable housing. We also recommend that minimum thresholds for the site size in relation to providing affordable housing from private developments should no longer apply
- that there is an increase in funding for community-led solutions to the housing crisis in rural areas, such as Rural Housing Enablers and Community Land Trusts to bank and manage land in isolated plots
- that there are further restrictions on Right to Buy in rural areas, including extending powers to suspend Right to Buy in pressured areas or reducing the current discounts available in line with Right to Acquire

³⁵ Ford, Quilgars, Burrows, *Young People and Housing*, Centre for Housing Policy, University of York, 1997

- that councils are given discretionary powers to increase second-home council tax levels, to double the normal rate. This would reflect the 'cost' to the local community in terms of the use of a scarce housing resource, the impact on house prices, and potential negative impacts on local businesses and services that could become under-utilised
- that housing benefit regulations are reformed, enabling people claiming benefits to access rented housing in their local area and to cover their rent. At the moment, people are excluded from private-rented housing in whole villages, hamlets, and small towns because of restrictions on the amount of rent that housing benefit will cover
- that local authorities in rural areas carry out comprehensive reviews of their housing advice and support provision, and that their homelessness strategies specify action they will undertake to ensure people at risk of homelessness throughout their district can access timely and appropriate advice and support
- that local authorities in rural areas are encouraged by the ODPM to carry out rigorous assessments of rough sleeping, and that they are prepared to conduct more in-depth monitoring of the issue if anecdotal evidence from advice services and voluntary agencies suggest that people are sleeping rough in the district. Local authorities should involve their own relevant departments and external agencies, to monitor and record levels of street homelessness
- that the ODPM and DCA fund innovative models for delivering legal advice in housing in rural areas, and that these models are promoted to Community Legal Service Partnerships and local authorities.

Annex A – the regional picture

A regional breakdown of the percentage of public-sector stock in England between rural and urban areas

Table 4

Percentage of public-sector stock for 2003		
	Rural	Urban
East of England	13.4	19.8
East Midlands	13.5	21.4
North-east	18	28.3
North-west	13.6	22.8
South-east	13.4	22.3
South-west	13	15.7
West Midlands	14	23.4
Yorkshire and Humberside	12.6	23.9

Source: the Countryside Agency

A regional breakdown of the increases in median house prices between rural and urban areas

Table 5

The percentage increase in median house prices between rural and urban areas				
Region	Rural		Urban	
	2003	% increase since 1997	2003	% increase since 1997
East of England	145969	128	152245	130
East Midlands	122590	113	93572	103
North-east	101371	83	68736	51
North-west	97415	82	81300	70
South-east	176993	125	193703	129
South-west	156693	145	139261	133
West Midlands	131461	105	106488	94
Yorkshire and Humberside	111344	85	76802	68

Source: the Countryside Agency - ODPM, 2004. Median house prices based on land registry data by district (statistics taken from the second quarter for each year)

A regional breakdown of the proportion of people living in rural areas who spend more than 50 per cent of their incomes on their mortgage.

Table 6 (below) shows the five regions where a proportion of people living in rural areas spend more than 50 per cent of their incomes on mortgages. Pressures on meeting housing costs are greatest, and have tended to increase, in rural areas.³⁶

Table 6

Percentage of population spending more than 50 per cent of their income on their mortgage			
		Urban	Rural
East of England	2002	27.5	17.6
	2003	27.5	12.6
South-east	2002	65.3	67.8
	2003	64.2	76.5
South-west	2002	28.6	53.6
	2003	31.4	64.4
West Midlands	2002	0	20
	2003	0	24.7
Yorkshire and Humberside	2002	0	0
	2003	0	4.9

Source: the Countryside Agency

A regional breakdown of homelessness acceptances in rural areas

Table 7

Accepted as homeless and in priority need in rural areas				
	1999-2000	2000-2001	2001-2002	2002-2003
East of England	3131	3685	3917	4041
East Midlands	2413	2488	2487	2715
North-east	126	214	211	260
North-west	1305	1333	1325	1546
South-east	4885	5372	5412	5982
South-west	4984	5455	5285	5574
West Midlands	1260	1278	1466	1888
Yorkshire and Humberside	1057	1196	1357	1792
Total	19161	21021	21460	23798

Source: the Countryside Agency

³⁶ In the other regions where information is not provided, in both urban and rural areas, the amount spent on mortgages has not reached this level.

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