

# REPORT



The Surrey Hills:  
The Case for  
Affordable  
Rural Housing



SEPTEMBER 2019



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## 1. Foreword

A succession of high-profile national reports over recent years have highlighted a crisis in the countryside, and by a country-mile, the biggest challenge has always been the lack of affordable homes. Enhancing social wellbeing, tackling isolation, housing a workforce, improving rural service viability, enabling agricultural succession planning, and keeping together family networks – evidence suggests that these are all achieved by building just a handful affordable rural homes.

The research contained within this report intends to show the scale and impact of this issue within the Surrey Hills AONB area, whilst setting out a clear set of recommendations to help tackle this crisis locally.

Last year, the Kantar Public Opinion Monitor showed that one third of the public ranked housing as a top priority. The National Housing Federation's Rural Monitor 2017 tells us that over 65% of the rural population support building more affordable homes for local people. National policy targets unlocking land supply and delivering more homes in the communities where they are most needed, placing growing pressures on local planning authorities to agree sites and meet housing goals. The public support and policy framework exist to deliver more affordable rural homes, the responsibility now lies with housing associations, landowners and local authority partners to deliver.

The challenge within the Surrey Hills AONB is to site and develop new homes that meet the local social and economic needs, whilst at the same time respect the sensitive landscape, opinions of the local community, and have limited environmental impact.

As one of the foremost providers of affordable rural housing across the South of England, including 184 homes in villages across rural Surrey, English Rural has commissioned this research to help inform the debate amongst local partners. The research aims to quantify the scale of the rural housing crisis within the Surrey Hills AONB area and highlight the value secured for local communities when this is addressed by well-designed, small-scale, affordable housing developments that are built through a community partnership.

Known for quality of design, high service standard, and strength of community involvement, English Rural's ambition is to make financial resources available to invest in affordable rural homes across the Surrey Hills AONB. Achieving this ambition in partnership with parish, borough, and district councils – supported by the critical role of the Rural Housing Enabler.



Martin Collett  
*Chief Executive, English Rural Housing Association*

## 2. Executive Summary

- This report focuses on the 42 rural parishes that lie wholly or partly within the Surrey Hills AONB.
- The Surrey Hills is an Area of Outstanding Natural Beauty lying less than 30 miles from central London. It is the most expensive of the 46 English AONBs in which to buy a home due in part to its proximity to London, and large detached housing stock.
- The rural parishes within the Surrey Hills area have a population of around 85,000 people, living in approximately 33,000 households. The population is somewhat older than the population of the surrounding local authorities.
- The parishes within Surrey Hills have similar levels of affluence/deprivation to the surrounding areas, with a slightly higher rate of owner occupation but a considerably lower proportion of socially renting households.
- Properties in the Surrey Hills parishes are on average **34% more expensive** than those in surrounding local authorities. The ratio of **price to household earnings is 22.9**, versus 20.7 in surrounding areas.
- There is a dearth of entry level housing available in the Surrey Hills, with **only 14.1% of properties in the lowest three council tax bands**, as opposed to 24.4% in surrounding areas and 66.2% in England.
- Housing need surveys have been carried out in 60% of parishes. Evidenced housing need (if extrapolated to cover 100% of parishes) suggests that **1.87% of households in Surrey Hills are in housing need**. Local authority registers show that **2.15% of households are in housing need**.
- Using a conservative estimate of 2% of households being in housing need, this suggests that around 660 units of affordable rural housing are needed in Surrey Hills. Releasing small parcels of land for affordable housing through Rural Exception Sites to meet half the need would **equate to 330 units, or 8 units in each of the 42 parishes**.
- The consequences of not meeting the housing needs of residents are significant for individuals, for the future viability of rural communities, and for the local economy.

### 3. Methodology

The Surrey Hills AONB is not, in its own right, an administrative area. The AONB incorporates parts of the following five local authorities:

- Guildford Borough Council
- Mole Valley District Council
- Tandridge District Council
- Waverley Borough Council
- Reigate & Banstead Borough Council

This analysis excludes Reigate & Banstead borough, as practitioners actively involved in enabling and developing affordable rural homes did not consider it to be a 'rural' borough. This report therefore relates to the rural parts of Surrey Hills AONB where the Rural Housing Enabler works, incorporating 42 rural parishes (see *Figure 2*).

A challenge in preparing this report has been the availability of small area quantitative data. Use of the 2011 census has helped to resolve this, specifically the parish level data prepared by ACRE (Action for Communities in Rural England) for its 'Evidencing Rural Need' project. Data relating to each of the 42 rural parishes was extracted from ACRE's database and aggregated to provide the data within this report. The Surrey Rural Housing Enabler has supplied data on evidenced housing need for the 42 rural parishes and the housing teams at the four local authority areas made available data from respective housing waiting lists.

Qualitative data comes from a range of reports referenced in the bibliography.

### 4. About Surrey Hills

The Surrey Hills is regarded as one of the most attractive parts of England. Its beech woodlands, sandy heathland and open downland stretches from Farnham in the West to Oxted in the East, and it lies less than 30 miles south of central London. Famous beauty spots include Box Hill, Leith Hill and the Devil's Punch Bowl.

Surrey Hills is a 422km<sup>2</sup> Area of Outstanding Natural Beauty (AONB) which covers one quarter of the county of Surrey. The AONB was designated in 1958 and has equal landscape status and protection to a national park. The area is characterised by a high predominance of woodland, with 40% of the land having woodland cover, of which 14% is ancient woodland. Overall, 18% of land is designated as 'heath and commons', and 25% of land is open access.

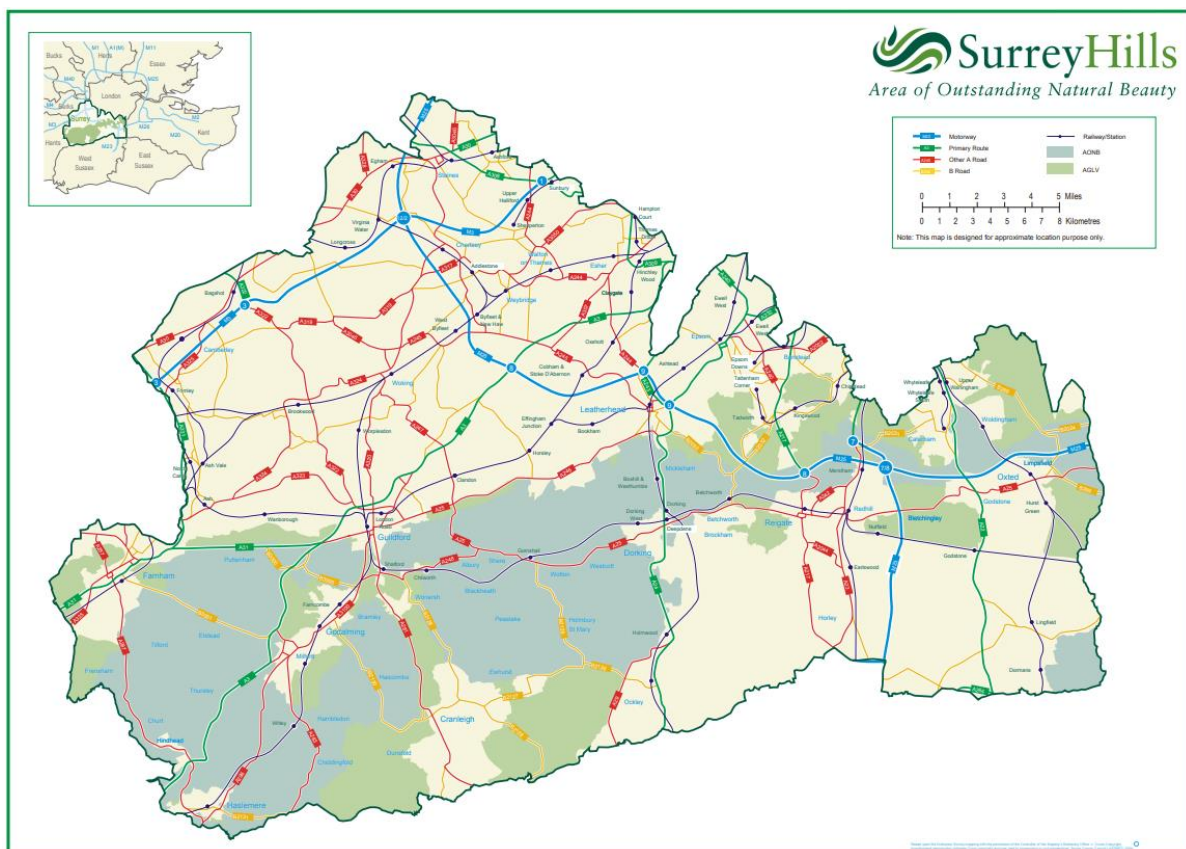
Surrey Hills is a popular destination for outdoor pursuits, with a plethora of walking, running, cycling and horse-riding trails. Arts and culture are also thriving. The area has inspired and been home to some of the UK's most influential and acclaimed artists, novelists, musicians and performers. The Surrey Hills also has a rich heritage which can be discovered through the abundance of castles, settlements, stately homes and museums.

Surrey Hills is also a place of business and commerce. The area includes a large part of the county’s natural capital, with land designated as agricultural making up 40% of the AONB landscape and this supports 418 full or part-time farmers. Seven market towns sit within the AONB, acting as important centres to service the needs of the 42 parishes. Remarkably, 43% of households have a registered director in residence. Tourism and leisure are a growing and important part of the local economy, with 30 million visitor days to the AONB annually.

The Surrey Hills AONB has an important role to play in supporting the Surrey Place Ambition, which aims to make sure the county continues to play a full part in the economic success of the country over the next 30 years. The Surrey Hills AONB is a key driver of growth, innovation, and skills in the regional economy.

Research conducted by Knight Frank found that the Surrey Hills was the most expensive of the 46 AONBs in the country in which to buy a house. In their ‘*Sales Market Insight – 2017*’, they write “...As an Area of Outstanding Natural Beauty the tighter planning rules mean new supply is often limited and this has underpinned pricing. Meanwhile, the nature of the housing stock, which leans towards large, detached properties with land, drives demand among up-sizers and families relocating from London attracted by the space, excellent schooling and given the immediacy of London, the remarkably unblemished countryside.”

Figure 1 – Map of Surrey Hills



Map downloaded from [www.surreyhills.org](http://www.surreyhills.org) (August 2019)



## 5. Place

The Surrey Hills AONB area straddles five local authorities:

- Guildford Borough Council
- Mole Valley District Council
- Tandridge District Council
- Waverley Borough Council
- Reigate & Banstead Borough Council<sup>1</sup>

This report relates to the 42 rural parishes shown below, that lie within, or largely within the Surrey Hills AONB.

Figure 2 – Rural parishes within Surrey Hills AONB

<b>Borough</b>	<b>Parish</b>	<b>Borough</b>	<b>Parish</b>
<i>Guildford BC</i>	<i>Albury</i>	<i>Tandridge DC</i>	<i>Bletchingley</i>
<i>Guildford BC</i>	<i>Artington</i>	<i>Tandridge DC</i>	<i>Chelsham &amp; Farleigh</i>
<i>Guildford BC</i>	<i>Compton</i>	<i>Tandridge DC</i>	<i>Dormansland</i>
<i>Guildford BC</i>	<i>East Clandon</i>	<i>Tandridge DC</i>	<i>Limpsfield</i>
<i>Guildford BC</i>	<i>East Horsley</i>	<i>Tandridge DC</i>	<i>Tatsfield</i>
<i>Guildford BC</i>	<i>Effingham</i>	<i>Tandridge DC</i>	<i>Woldingham</i>
<i>Guildford BC</i>	<i>Puttenham</i>	<i>Waverley BC</i>	<i>Bramley</i>
<i>Guildford BC</i>	<i>Seale &amp; Sands</i>	<i>Waverley BC</i>	<i>Busbridge</i>
<i>Guildford BC</i>	<i>Shackleford</i>	<i>Waverley BC</i>	<i>Chiddingfold</i>
<i>Guildford BC</i>	<i>Shere</i>	<i>Waverley BC</i>	<i>Churt</i>
<i>Guildford BC</i>	<i>St Martha</i>	<i>Waverley BC</i>	<i>Cranleigh</i>
<i>Guildford BC</i>	<i>Wanborough</i>	<i>Waverley BC</i>	<i>Elstead</i>
<i>Guildford BC</i>	<i>West Clandon</i>	<i>Waverley BC</i>	<i>Ewhurst</i>
<i>Guildford BC</i>	<i>West Horsley</i>	<i>Waverley BC</i>	<i>Frensham</i>
<i>Mole Valley DC</i>	<i>Betchworth</i>	<i>Waverley BC</i>	<i>Hambledon</i>
<i>Mole Valley DC</i>	<i>Brockham</i>	<i>Waverley BC</i>	<i>Hascombe</i>
<i>Mole Valley DC</i>	<i>Buckland</i>	<i>Waverley BC</i>	<i>Peper Harow</i>
<i>Mole Valley DC</i>	<i>Headley</i>	<i>Waverley BC</i>	<i>Thursley</i>
<i>Mole Valley DC</i>	<i>Holmwood</i>	<i>Waverley BC</i>	<i>Tilford</i>
<i>Mole Valley DC</i>	<i>Mickleham</i>	<i>Waverley BC</i>	<i>Witley</i>
<i>Mole Valley DC</i>	<i>Wotton</i>	<i>Waverley BC</i>	<i>Wonersh</i>

Throughout this report, Guildford Borough, Mole Valley District, Tandridge District, and Waverley Borough will often be referred to as “the four local authorities” or “the four LAs”.

<sup>1</sup> As outlined in the methodology section, Reigate & Banstead Borough has been excluded from this analysis because it is not considered to be rural.

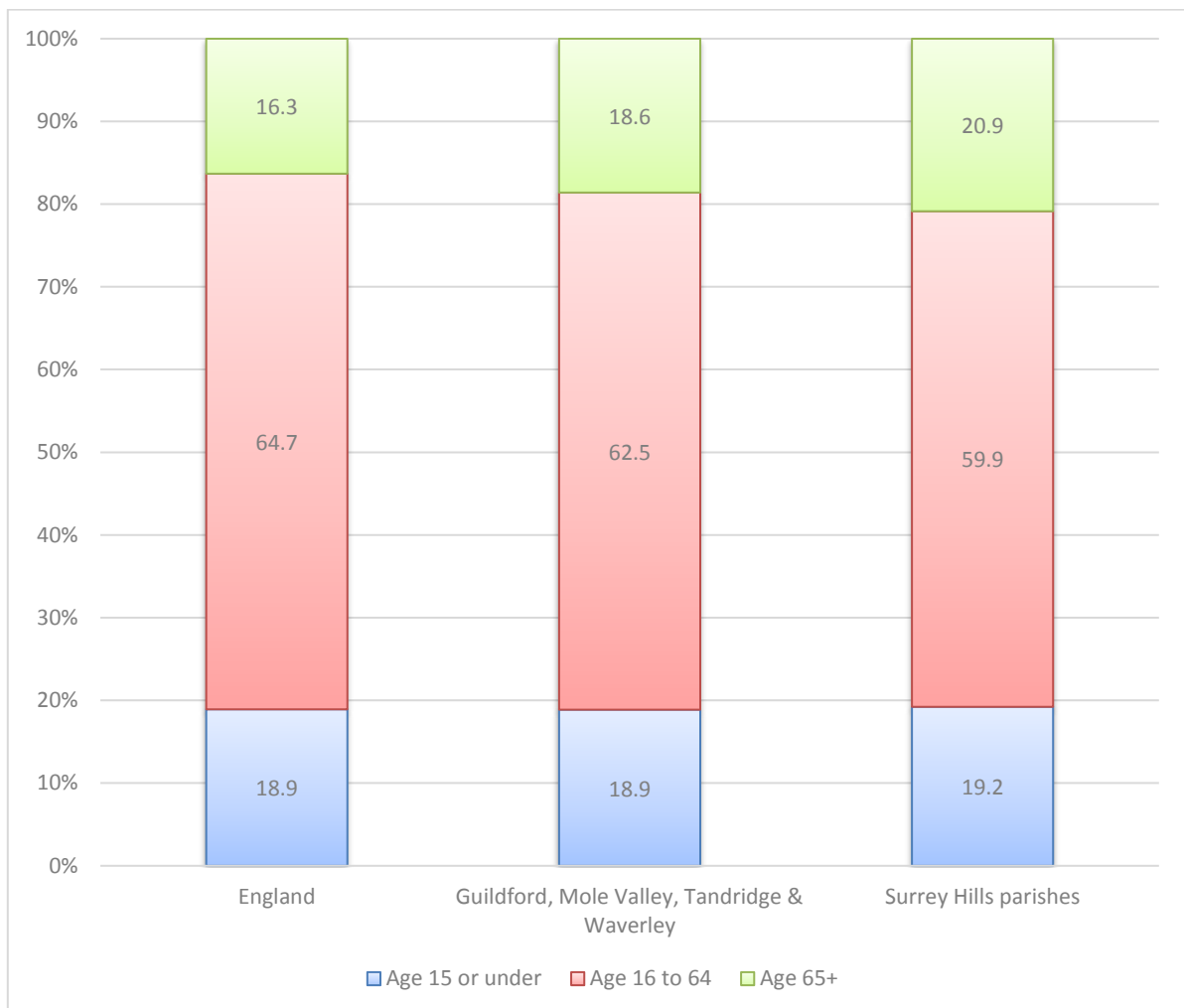
## 6. People

The rural parishes within the Surrey Hills area have a population of around 85,000 people, living in approximately 33,000 households<sup>2</sup> within 42 parishes. (See Appendix 1)

### 6.1 Population

The age range of the Surrey Hills population is broadly the same as that of the four local authorities (Guildford, Mole Valley, Tandridge & Waverley). There is a slightly higher proportion of over 65s within Surrey Hills (20.9% vs 18.6%); a lower proportion of working age people (59.9% vs 62.5%), and a slightly higher proportion of children (19.2% vs 18.9%). (See Figure 3 below)

Figure 3 – Population of Surrey Hills by age category



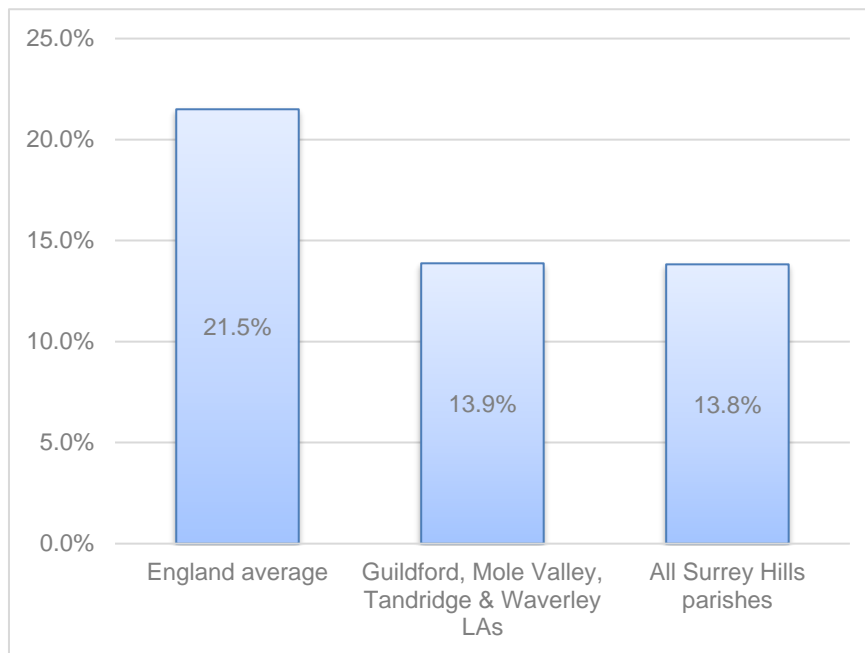
Data from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data

<sup>2</sup> NB. The most up-to-date and robust 'small area' population figures currently available are from the 2011 census. As this data is now eight years old, it should be treated with some caution. It is possible that populations have changed, development taken place, and some parish boundaries changed.

## 6.2 Affluence and Deprivation

By most indicators, the Surrey Hills population is on average no more-or-less affluent than the population of the four local authorities. However, localised strategic housing market assessments undertaken by some of the four local authorities have suggested that the disparity of wealth is greater, with a concentration of very high-income households distorting the average. The result of which is that deprivation is hidden within statistical analysis and therefore can be easily over-looked or discounted by public policy. Accepting this hidden deprivation exists and using the data that is readily available, in broad terms, people living in this part of Surrey are more affluent than the English national average. (See Figure 4 below).

Figure 4 – Households below 60% of median income



Data from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data

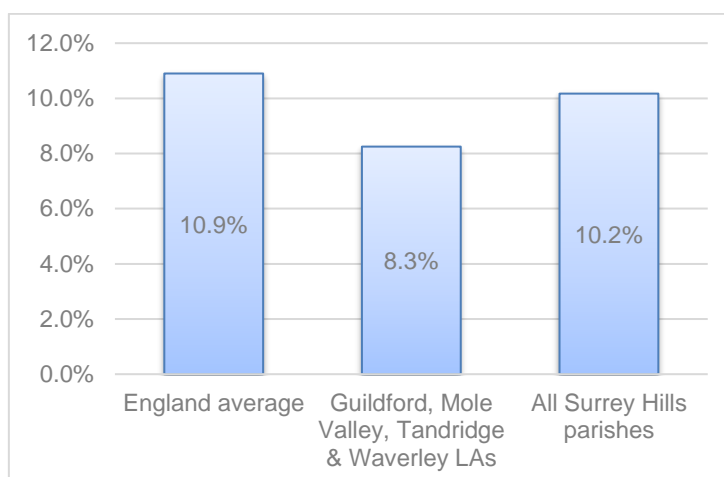
There are a few indicators that do highlight a difference between Surrey Hills and the four local authorities. These are - fuel poverty, households without central heating, and vacant household space.

## 6.3 Fuel Poverty

Rates of fuel poverty are significantly higher in Surrey Hills than in the four local authorities. Fuel poverty levels are often greater in rural areas due to the higher heating costs and less energy efficient housing stock. (See Figure 5 below)

*"Solid walls leak heat much more quickly than modern double wall constructions – in rural areas, 20.6% of households are given F and G ratings for energy efficiency, compared with just 2.8% in urban areas. Households in rural areas need to spend more than £190m extra to keep their home warm. Many rural areas have no access to cheaper fuels like gas and rely on heating oil or electricity." Peter Smith, National Energy Action.*

**Figure 5: Households experiencing fuel poverty**

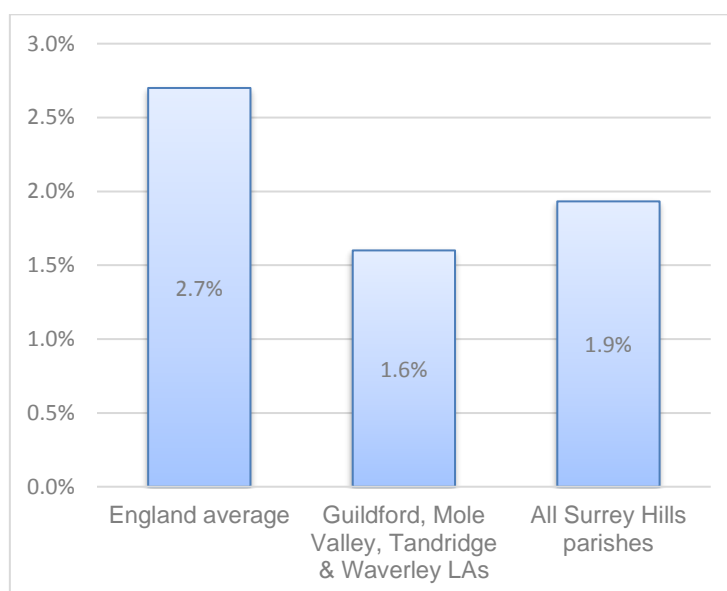


Data from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data

#### 6.4 Central Heating

When compared to the four local authorities, a greater proportion of houses in Surrey Hills do not have central heating (see Figure 6 below). This is a common situation in rural areas, where housing stock tends to be older and access to the mains gas network less readily available.

**Figure 6: Households with no central heating**



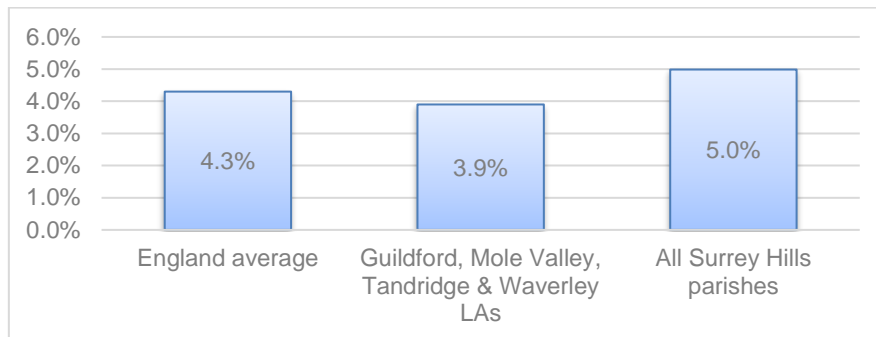
Data from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data

#### 6.5 Vacant Household Space

In the Surrey Hills 5% of houses are classed as 'vacant', as opposed to 3.9% in the four local authorities (see Figure 7 below). It is likely that this level of household vacancy is due to a higher number of second homes within the Surrey Hills AONB. This assumption is in part supported by prime estate agents who report an increased

interest in the area from second home owners, often with a primary residence in London. In 2015 Savills reported that they had seen the level of interest from second home buyers double.

**Figure 7: Vacant household space (empty homes)**

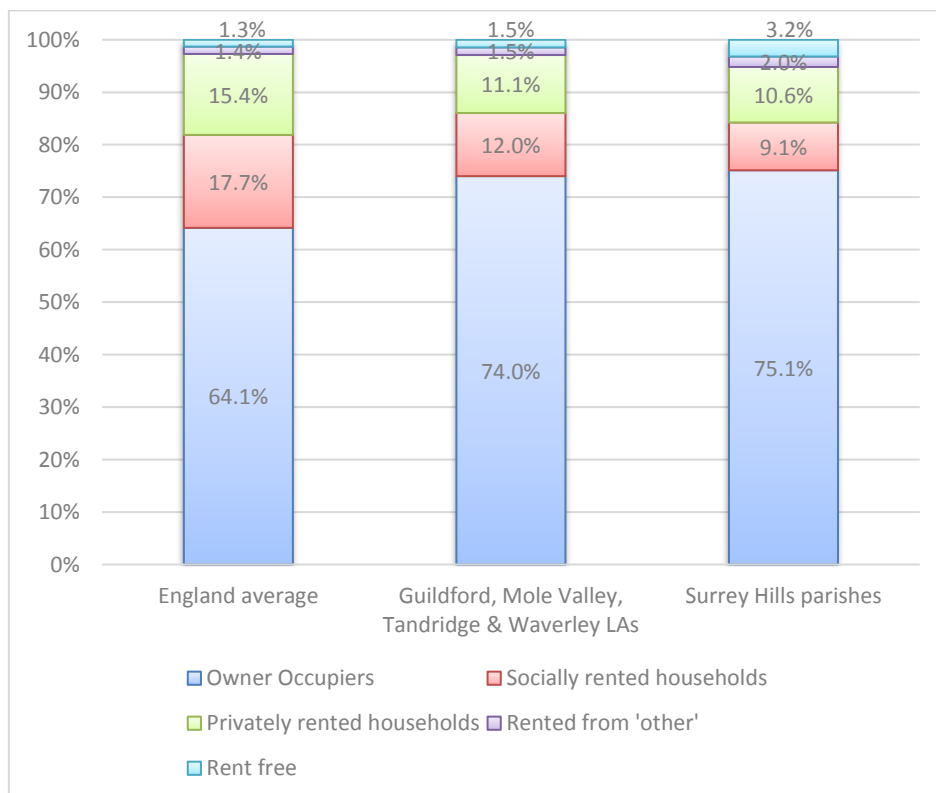


*Data from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data*

## 7. Housing Tenures

The Surrey Hills parishes have a slightly higher rate of owner occupation (75.1% vs 74%), 'other' rental (2% vs 1.5%), and rent-free living (3.2% vs 1.5%). It seems likely that this rent-free living is largely due to tied housing, but data was not available to confirm or refute this assumption.

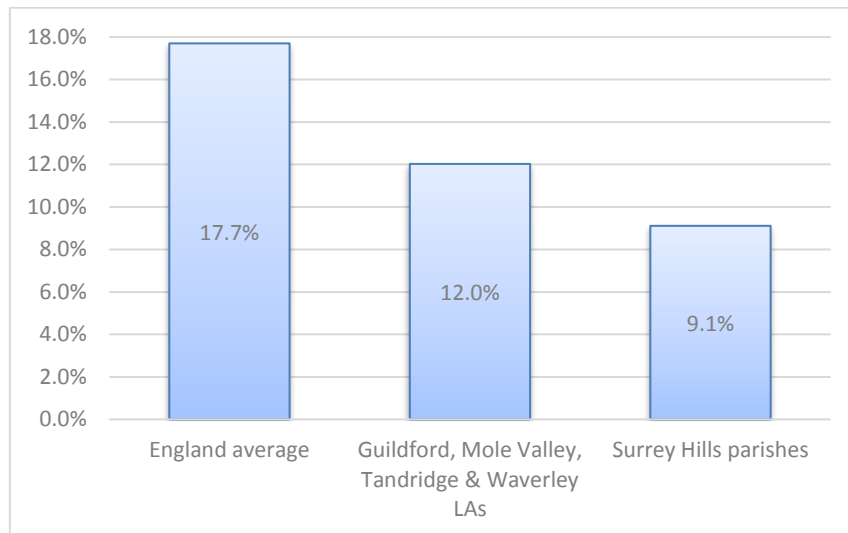
**Figure 8: Housing tenures**



*Data from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data*

The most significant difference between the Surrey Hills parishes and the rest of the four local authorities however, is the lower rate of social rental in Surrey Hills (9.1% vs 12%). The proportion of socially rented households in the four local authorities is significantly lower than the English average (12% vs 17.7%), with Surrey Hills parishes being another 3% lower.

**Figure 9: Socially Rented Households**

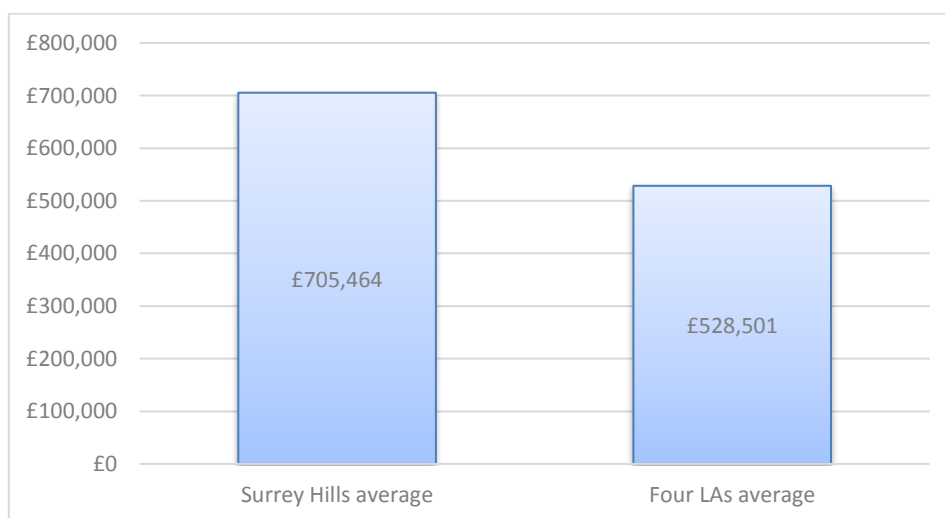


Data from ACRE’s “Evidencing Rural Need” dataset, drawn from 2011 census data

## 8. Housing Affordability

In the Surrey Hills area, properties are substantially more expensive than in the rest of the four local authorities. Across all types and sizes of homes, average house prices are **34%** higher in Surrey Hills than surrounding areas (see Figure 10).

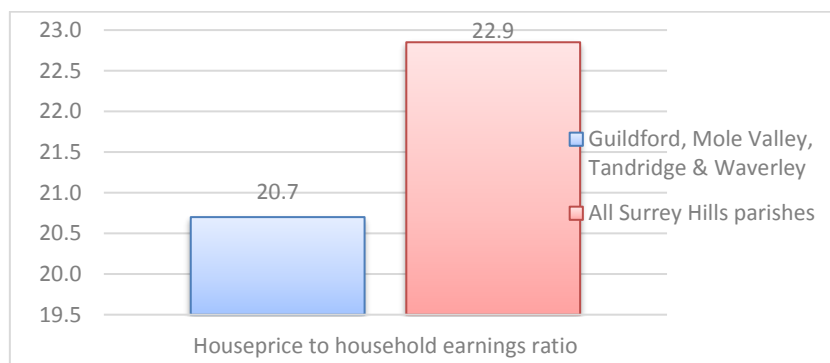
**Figure 10: Average house prices in Surrey Hills and 4 Local Authorities (across all sizes and types)**



Data from Land Registry (Average sold prices period 1 Jan 2018 – 31 Dec 2018)

This differential does not however appear to be counterbalanced by higher average incomes (compared to the four local authorities). Whilst in the four local authorities, house prices are on average **20.7** times household earnings; in Surrey Hills, house prices are almost **22.9** times household earnings.

**Figure 11: House price to household earnings ratio**



Data from ACRE’s “Evidencing Rural Need” dataset, drawn from 2011 census data

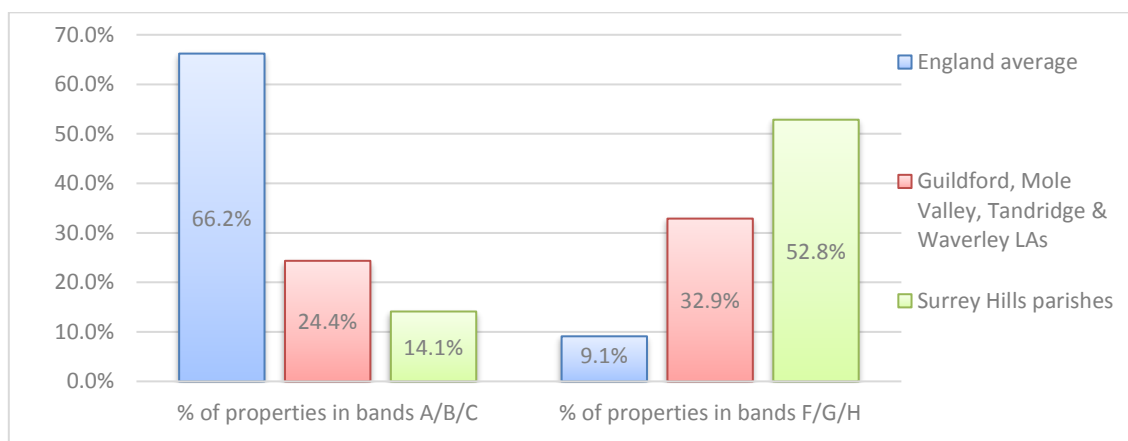
## 9. Housing Availability

In the Surrey Hills area, there is a significantly lower proportion of housing in the lower (i.e. cheaper) A/B/C Council Tax bands, and a significantly higher proportion of housing in the most expensive Council Tax bands (F/G/H). This likely reflects that many homes are larger detached properties, with homes that were originally modestly sized cottages having been extended.

In the Surrey Hills area, over **50%** (vs 32.9% in the four LAs) of the current housing stock is in the highest three council tax bands, and only **14.1%** (vs 24.4%) is in the lower bands. This means that people on lower incomes will find it far more difficult to find a home within their price range (see Figure 12 below).

**Figure 12: Housing in lower/higher Council Tax bands**

*(Bands A, B & C are lowest cost housing, whilst F, G & H are highest cost housing)*



Data from ACRE’s “Evidencing Rural Need” dataset, drawn from 2011 census data

The differential is particularly great in Guildford Borough, but there is a similar though slightly less extreme picture in the other local authorities. (See Appendix 2)

While this is of course linked to the high cost of housing in Surrey Hills, it is also an issue in terms of what housing stock is available. Smaller or more modest homes, which would typically also be more affordable, will fall into the lower council tax brackets, and if there is a lack of this 'entry level' housing available, newly formed households on low or medium incomes are unlikely to be able to afford a home in the area.

This is also a significant issue for 'right-sizers'. For many older people (who may own their own home outright), affordability may not be an issue. However, availability of suitable housing stock certainly is. If you live in a village primarily composed of 4/5 bed roomed homes with large gardens, it will be challenging or impossible to find the two bed roomed bungalow that will meet your needs. National research commissioned by retirement housing specialists McCarthy & Stone in 2016 'Generation Stuck', highlighted the challenges facing many older households considering a move. Lack of and inadequate supply for older households means that the UK has one of the lowest moving rates amongst its older population compared to other developed countries. For example, in 2011, only 1% of the population aged 60+ in the UK had moved into retirement properties, while 17% of those in the United States and 13% of those in Australia and New Zealand had done so. This issue is perhaps more acute in rural areas where housing supply of all types is already much lower.

## 10. What is known about housing need in Surrey Hills?

The Rural Housing Enabler has carried out a Housing Need Survey in around 60% of the parishes in Surrey Hills. The four local authority housing registers can be used to supplement this information.

Housing Need Surveys secure a 'snapshot' of need at a given time. Household circumstances and plans change and their needs change alongside. Anecdotal evidence also suggested that only a proportion of households will complete and return the survey, on the basis that many feel that their housing needs are unlikely to be addressed so choose not to engage. But these surveys can be relied upon to offer a good indication of the typical housing needs facing the community. Similarly, the local authority's housing register can be considered dynamic, as households join or are taken off the register as their circumstances change. Despite these flaws, the data sources offer the best available indicators of housing need in rural parishes.

In total, 24 of the 42 rural parishes within the Surrey Hills area have undertaken a Housing Need Survey. Within these parishes, **324** households have evidenced that they are in need of affordable housing. Extrapolating these figures across the area, this equates to **1.87%** of households in Surrey Hills. It is worthy of note that another 201 households (extrapolated to 1.75% of households) have declared a wish to downsize, but that there is a lack of suitable property. (See appendix 3)

The housing need registers for the local authorities suggest that **449** households are in housing need, which equates to **2.15%** of households in Surrey Hills. While there



will be significant overlap between these two lists, many households only appear on one list or the other.

*“...we have far fewer homes in the Surrey Hills area so anyone in these areas hoping to stay in the area would have a very long time to wait. As an indication, current waiting time across the borough is between 5-6 years depending on the bedroom size needed. But this would be to reach the top of the list for a property anywhere in the borough.” Local Authority Housing Officer*

If we use a conservative estimate of **2%** of households being in housing need, this suggests that within the Surrey Hills there should be around **660** units of affordable housing available. Releasing small parcels of land for affordable housing through Rural Exception Sites to meet half the need would **equate to 330 units, or eight units in each of the 42 parishes**. With a site density of around 30 homes per hectare, these eight homes would need a site of approximately 0.26 hectares, or just over half an acre to be developed.

## **11. The consequences of high housing costs**

The consequences of high housing costs reach far beyond just the housing market.

At the personal level, high housing costs can be a cause of poverty, deprivation, debt and social isolation. Being forced (by lack of access to housing) to leave a community and support networks can be equally damaging to the health and wellbeing of families.

At a community level, if people cannot access affordable homes, they will move away, essential services will close, and some villages will risk terminal decline. And at an economic level, employers in rural areas can struggle to address skills gaps and find employees in the absence of local labour, poor transport links and long commutes.

## **12. Retaining mixed communities**

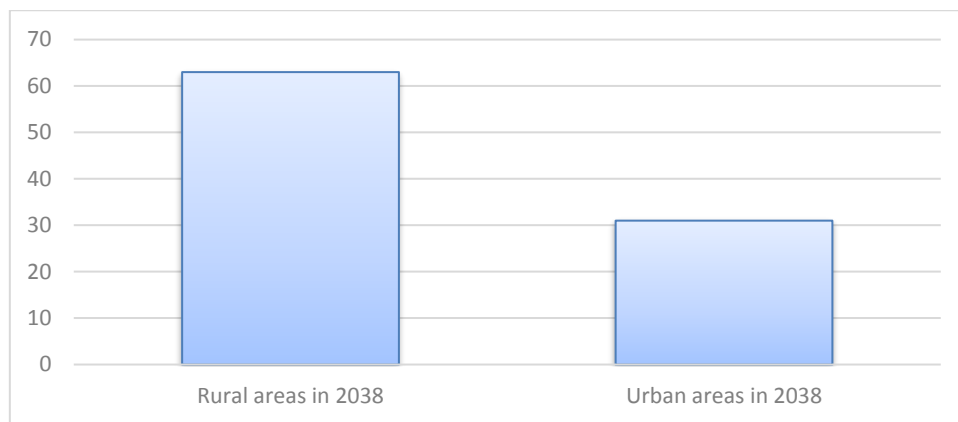
*“A thriving rural community in a living, working countryside depends, in part, on retaining local services and community facilities such as schools, local shops, cultural venues, public houses and places of worship. Rural housing is essential to ensure viable use of these local facilities.” Section 50 of the National Planning Practice Guidance (PPG)*

Providing a balanced housing stock (including affordable homes for local people) helps rural villages to remain mixed and thriving communities.

England’s rural areas are set to see significant reductions in their working age populations over the coming decades. Between 2014 and 2038, the working age population in rural areas is projected to decline by 75,000 people while the population aged over 65 will grow by around 1.5 million. By 2038, there will be 63 people aged over 65 for every 100 working aged people, 24 more than in 2014. (IPPR 2018). Given that the Surrey Hills AONB area is already ‘older’ than its

surrounding four local authorities, the picture in the Surrey Hills of 2038 may become even more extreme.

Figure 13: Projected number of over 65s per 100 working age adults in 2038



*Data from "A New Rural Settlement", Institute of Public Policy Research*

Alongside this trend towards rural ageing, the socio-economic profile of many villages is changing. For most people on an average income, the cost of housing in Surrey Hills is unattainable. Villages are therefore at risk of becoming an enclave of wealthy people, who (anecdotal evidence suggests) may be less likely to work locally, shop locally and use village services such as local state schools. This can be compounded by second home ownership, where homes are often left vacant for much of the year.

Housing Need Surveys tell us repeatedly that there is an increased appetite among rural communities for affordable housing. Indeed, the National Housing Federation's Rural Monitor 2017 tells us that over 65% of people in rural communities now support the development of affordable homes for local people.

This highlights a substantial change of opinion as housing pressures become more evident and affect more households. Rural housing providers tell us that previously, many rural residents felt that affordable housing was a 'poor people's problem' and that affordable housing should only be built in towns and cities. Today however, the narrative from local people is very different, as is evidenced by responses to housing need surveys. Rural communities typically support the small-scale development of **affordable housing for local people** because they see the problem affecting their own families and community. People want their families to remain together for both emotional and practical reasons, for example, for grandparents to provide childcare while parents are working and for children to support their parents as they age. The issue of high rural housing costs now affects all but the most affluent.

Feedback from affordable housing practitioners working in the Surrey Hills area was that when there is local opposition to affordable housing developments it is usually because of concerns over conservation or limited local service provision. The experience of most communities who successfully deliver some affordable homes is that these concerns can be overcome with good communication and by working transparently with the right partners.

### **13. Keeping essential rural services viable**

An established principle understood by those working in and for rural communities is that if local people can stay in their home communities, this secures wider social and economic value. A good example that illustrates this is the Social Return on Investment in the Housing Sector, undertaken by English Rural in 2013, which showed that for every £1 invested by English Rural in rural housing over £30 of social value is created over the proceeding five years. When young, economically active people leave rural communities it can heighten the challenges facing vital services and business, leading to the closures and severely damaging the community potential to thrive (*IPPR 2018*). A lack of access to such services makes living in rural communities difficult for those who rely on them, such as families with children who need to access schools or elderly and low-income families with limited transport options.

One growing problem is the ageing population in rural areas, there is a concern about how older rural dwellers will access services that help them remain independent. This research illustrates the challenge, the scale of which facing the parishes within the Surrey Hills AONB is considerable. A higher proportion of older residents leads to the concentration of health care problems in rural communities with accompanying challenges in delivering social care, due, among other factors, to remoteness and a lack of family members living locally who can offer or coordinate support (*LGA 2017*).

There are good examples of how this can be tackled through affordable housing developments, where homes are designed and built to meet the needs of those with mobility needs. English Rural has also successfully trialled some mixed-tenure developments where bungalows were built for sale alongside the affordable homes, for older local households to buy and live in. This innovative model also reduced the investment of public subsidy into the affordable homes as any surplus income generated from the market sales was re-invested.

The most recent National Housing Federation Rural Life Monitor stated that "... over the last five years [2012-2017], 52 rural schools shut their doors to pupils – roughly one a month. Post offices are closing at a similar rate. And between March 2013 and December 2016, 1,365 rural pubs closed – that is seven pubs a week serving their last ever orders.

The Rural Life Monitor report drew case studies from the Rural Housing Alliance, which is an informal group of 40 rural housing association working across England. The case studies illustrated the impact that just a few affordable rural homes can have on the local community, where these homes have been a catalyst for wider benefit and change, such as keeping schools open, financing the purchase of a community asset or securing a local labour force to both care to vulnerable households or sustain important local business.

## 14. Keeping the rural economy alive

For a local economy to thrive, it relies on a diverse workforce and customer base which can be lacking without the provision of affordable homes for local people living and working in the community. Examples of the local economy that rely on local labour and benefit from a local customer base include:

- Farming, forestry, tourism and leisure all need a skilled local workforce
- Shops, pubs and cafes need staff and customers
- Schools and nurseries need pupils and staff
- Local leisure activities (choirs, drama groups, fitness groups etc) need a customer base
- Retained fire services need on-call firefighters who live and work locally

In their report 'A new rural settlement: Fixing the affordable housing crisis in rural England', the IPPR writes that rural areas account for 16.4 per cent of Gross Value Added (GVA) including agriculture, tourism, advanced manufacturing, and energy. These sectors play a key role in meeting the government's industrial strategy objectives. However, a lack of affordable housing is likely to hamper efforts to achieve these objectives. Employers in rural areas struggle to address skills gaps and find employees in the absence of local labour, poor transport links and long commutes.

A decline in the working age population has the potential to intensify this problem, which is likely to accelerate if communities are not providing homes that local workers can afford.

This is occurring at a time when the rural economy is increasingly vulnerable due to national and international economic pressures and the UK's pending departure from the European Union. The latter means that the policy framework which has supported the rural economy and agriculture will need to be replaced. Analysis by the National Farmers Union (NFU) conducted prior to the referendum shows that leaving the EU is likely to have a negative effect on farm incomes. While this is only one aspect of the rural economy, it does demonstrate that at this time of uncertainty, government should be investing in rural communities, ensuring their economies are supported (*IPPR 2018*).

## 15. Conclusions and Recommendations

Properties within the Surrey Hills are beyond the means of all but the very wealthy local households, with an average home costing 23 times the average local income. The consequences of a lack of mixed housing (including affordable homes) reach far beyond just the housing market – impacting on individual families, the viability of rural communities, and the sustainability of local business and economy.

Surrey Hills has a well-evidenced need for affordable housing, with an estimated 660 household currently in need of an affordable home in the 42 parishes included within this research. There is also a significant and unmet need for older household wanting to right-size properties.

1. Housing need surveys and local authority registers evidence a significant level of affordable housing need, extrapolated to approximately 660 units of housing across the area. Local authorities should set themselves a goal to meet at least half this need through proactive use of the Rural Exceptions Site Policy within at least ten years;
2. Local authority planning and housing strategies developed to meet evidenced rural housing need and keep homes affordable and available to local people in perpetuity. This achieved through actively considering parish level housing needs through a rolling five-year survey carried out by the Rural Housing Enabler;
3. The delivery of affordable rural homes should be a strategic priority for the four local authorities and not seen as windfall, this including a strategic commitment to support well designed affordable rural housing planning applications using the Rural Exceptions Policy when they emerge through a community partnership;
4. Local authority planning and housing strategies should use the tools and planning framework available to address the needs of the whole community, including rural communities;
5. Rural affordable housing is part of the solution, but smaller units of market and discounted market housing are also necessary to meet the needs of the rapidly ageing population and aspiring home owners. Opportunities for meeting these and affordable housing needs on one site should be endorsed, learning from the innovative model already developed by English Rural;
6. Small dwellings planning policies could be implemented to ensure that the current stock of entry level properties are not over extended, and remain comparatively affordable.
7. Use planning policy and financial models creatively to enable and encourage landowners to bring land forward for development. (See Strutt & Parker 2017)
8. Create 'upfront' targets in local plans for affordable housing in the rural parishes;
9. On sites of less than 10 units, where commuted sums are accepted instead of onsite provision, the four local authorities should commit to invest these sums in affordable rural housing delivery;
10. Public bodies who own land in rural Surrey Hills should explore disposal models that support affordable housing delivery (in accordance with General Disposal Consent 2003) on the grounds that this will support economic, social and environmental wellbeing;
11. Councillors and councils should embrace the value of rural affordable housing to keep communities thriving into the future. This can be achieved by enhancing the role of the existing Surrey Rural Housing Group to develop a work plan that will implement the recommendations of this Report.

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## Appendix 1

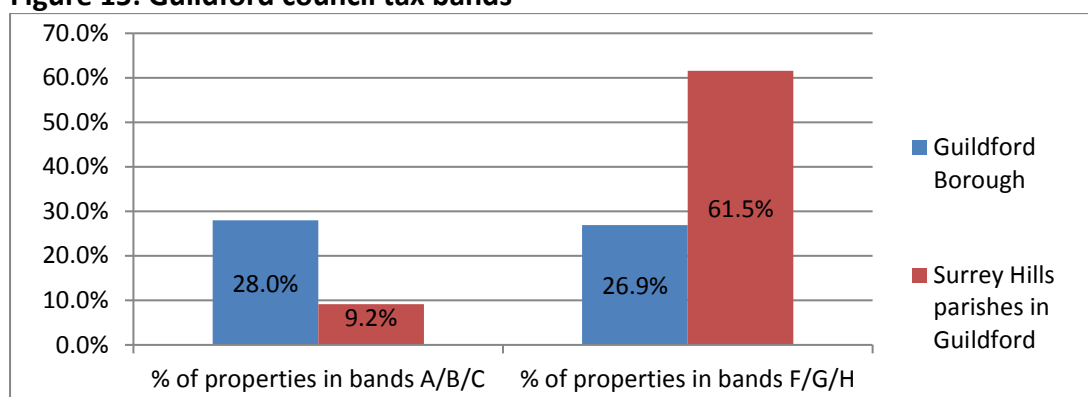
**Figure 14: Parish, population and households within the Surrey Hills**

<b>Borough</b>	<b>Parish</b>	<b>Population (2011 census)</b>	<b>Households (2011 census)</b>
Guildford BC	Albury	1,190	480
Guildford BC	Artington	360	125
Mole Valley DC	Betchworth	1,050	425
Tandridge DC	Bletchingley	2,975	1,235
Waverley BC	Bramley	3,560	1,395
Mole Valley DC	Brockham	2,870	1,190
Mole Valley DC	Buckland	560	235
Waverley BC	Busbridge	780	265
Tandridge DC	Chelsham & Farleigh	865	310
Waverley BC	Chiddingfold	2,960	1,120
Waverley BC	Churt	1,200	495
Guildford BC	Compton	1,155	385
Waverley BC	Cranleigh	11,490	4,780
Tandridge DC	Dormansland	3,520	1,260
Guildford BC	East Clandon	270	110
Guildford BC	East Horsley	4,290	1,695
Guildford BC	Effingham	2,710	1,055
Waverley BC	Elstead	2,555	1,085
Waverley BC	Ewhurst	2,480	925
Waverley BC	Frensham	1,690	650
Waverley BC	Hambledon	805	310
Waverley BC	Hascombe	305	130
Mole Valley DC	Headley	645	245
Mole Valley DC	Holmwood	895	370
Tandridge DC	Limpsfield	3,570	1,430
Mole Valley DC	Mickleham	585	175
Waverley BC	Peper Harow	185	65
Guildford BC	Puttenham	600	240
Guildford BC	Seale & Sands	905	360
Guildford BC	Shackleford	770	270
Guildford BC	Shere	3,630	1,475
Guildford BC	St Martha	675	295
Tandridge DC	Tatsfield	1,865	740
Waverley BC	Thursley	650	275
Waverley BC	Tilford	800	285
Guildford BC	Wanborough	335	120
Guildford BC	West Clandon	1,365	510
Guildford BC	West Horsley	2,830	1,110
Waverley BC	Witley	8,130	3,175
Tandridge DC	Woldingham	2,140	745
Waverley BC	Wonersh	3,410	1,375
Mole Valley DC	Wotton	585	245
	<b>Total</b>	<b>84,210</b>	<b>33,165</b>

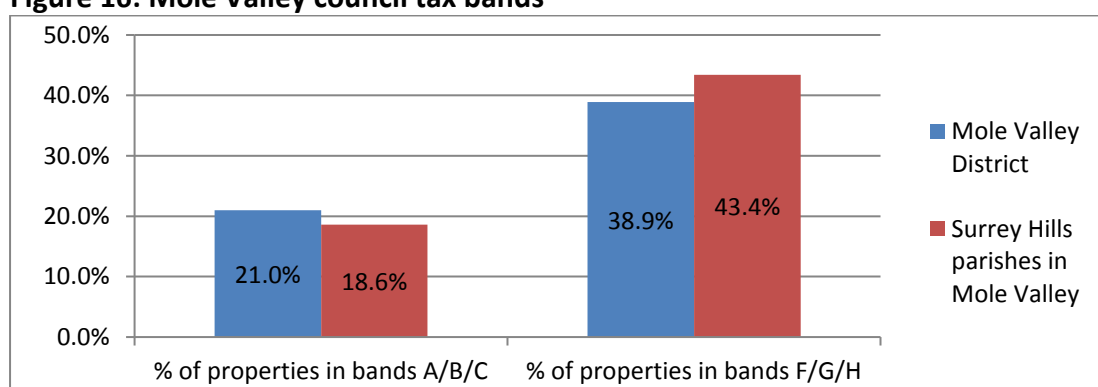
*Data taken from ACRE's "Evidencing Rural Need" dataset, drawn from 2011 census data*

## Appendix Two

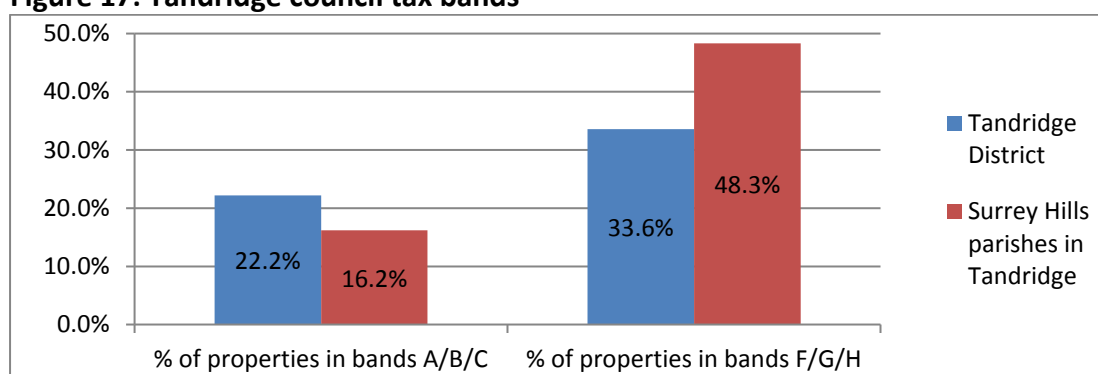
**Figure 15: Guildford council tax bands**



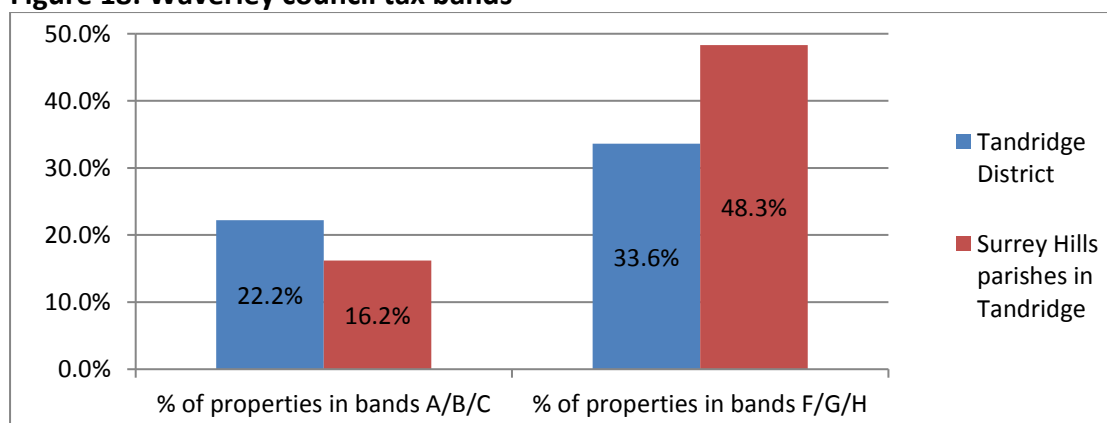
**Figure 16: Mole Valley council tax bands**



**Figure 17: Tandridge council tax bands**



**Figure 18: Waverley council tax bands**





## Appendix 3

**Figure 19: Housing need surveys and households on housing need register**

Parish	Population (2011 census)	Households (2011 census)	Housing need survey status	Households declaring a need	Local households on Housing Need Register	Downsizers (owner occupiers)
Albury	1,190	480	Completed	12	17	13
Artington	360	125	No	Not known	2	Not known
Betchworth	1,050	425	Completed	1	10	Not known
Bletchingley	2,975	1,235	Underway	Not known	5	Not known
Bramley	3,560	1,395	Completed	20	17	11
Brockham	2,870	1,190	Completed	19	32	Not known
Buckland	560	235	Completed	5	2	Not known
Busbridge	780	265	No	Not known	Not known	Not known
Chelsham & Farleigh	865	310	No	Not known	1	Not known
Chiddingfold	2,960	1,120	Completed	Not known	16	Not known
Churt	1,200	495	Completed	4	7	9
Compton	1,155	385	No	Not known	6	Not known
Cranleigh	11,490	4,780	No	Not known	91	Not known
Dormansland	3,520	1,260	No	Not known	0	Not known
East Clandon	270	110	Completed	1	3	2
East Horsley	4,290	1,695	Completed	9	6	Not known
Effingham	2,710	1,055	Completed	94	3	Not known
Elstead	2,555	1,085	Completed	25	14	31
Ewhurst	2,480	925	Completed	Not known	3	Not known
Frensham	1,690	650	Completed	9	1	8
Hambleton	805	310	Completed	16	1	Not known
Hascombe	305	130	Pre 2014	Not known	2	Not known
Headley	645	245	Completed	7	15	6
Holmwood	895	370	No	Not known	0	Not known
Limpsfield	3,570	1,430	No	Not known	4	Not known
Mickleham	585	175	No	Not known	32	Not known
Peper Harow	185	65	Completed	Not known	2	see Elstead
Puttenham	600	240	Completed	5	8	4
Seale & Sands	905	360	Completed	5	3	Not known
Shackleford	770	270	No	Not known	1	Not known
Shere	3,630	1,475	Completed	37	19	31
St Martha	675	295	Completed	0	54	Not known
Tatsfield	1,865	740	Completed	14	10	11
Thursley	650	275	Completed	6	2	3
Tilford	800	285	Completed	1	2	Not known
Wanborough	335	120	No	Not known	4	Not known
West Clandon	1,365	510	Completed	9	5	2
West Horsley	2,830	1,110	Completed	13	14	47
Witley	8,130	3,175	Pre 2014	0	34	0
Woldingham	2,140	745	No	Not known	0	Not known
Wonersh	3,410	1,375	Completed	12	0	23
Wotton	585	245	No	Not known	1	Not known
<b>TOTALS</b>	<b>84,210</b>	<b>33,165</b>		<b>324</b>	<b>449</b>	<b>201</b>