

## Social Housing Market Analysis

This paper provides a brief overview of the social rented housing market in Solihull in the period up to April 2009.

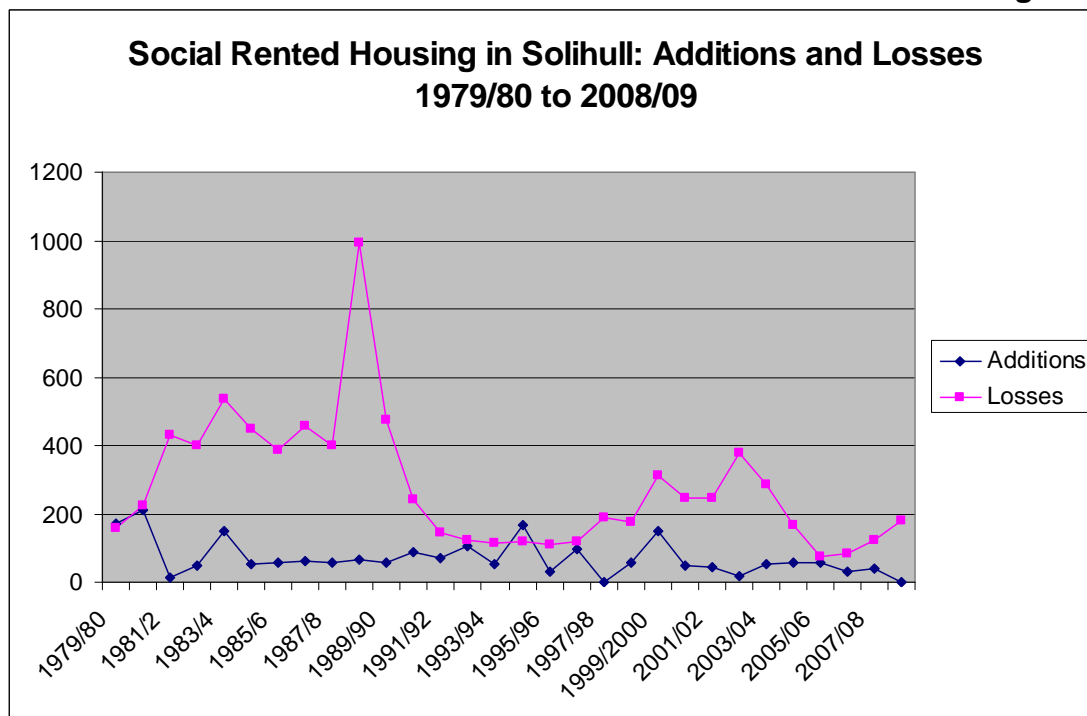
### 1. Property

#### 1.1 The Social Rented Stock

The social rented sector in Solihull comprises 16% of dwellings in the Borough (approximately 13,000 homes of which 83% is owned by the local authority and 17% is owned by housing associations). This compares to 18% of social housing for England as a whole, with 67% owned by local authorities and 33% owned by housing associations (*ODPM Housing in England: Part 1*).

Over the period since 1981 there has been a significant reduction of the total number of social rented homes in Solihull, caused largely by the Right to Buy (RTB). Between April 1981 and March 2009 RTB sales have totalled 7,525 and a further 820 properties have been demolished. Only 23% of these have been replaced by acquisition and new build of social rented homes (Council and housing associations) in the same period.

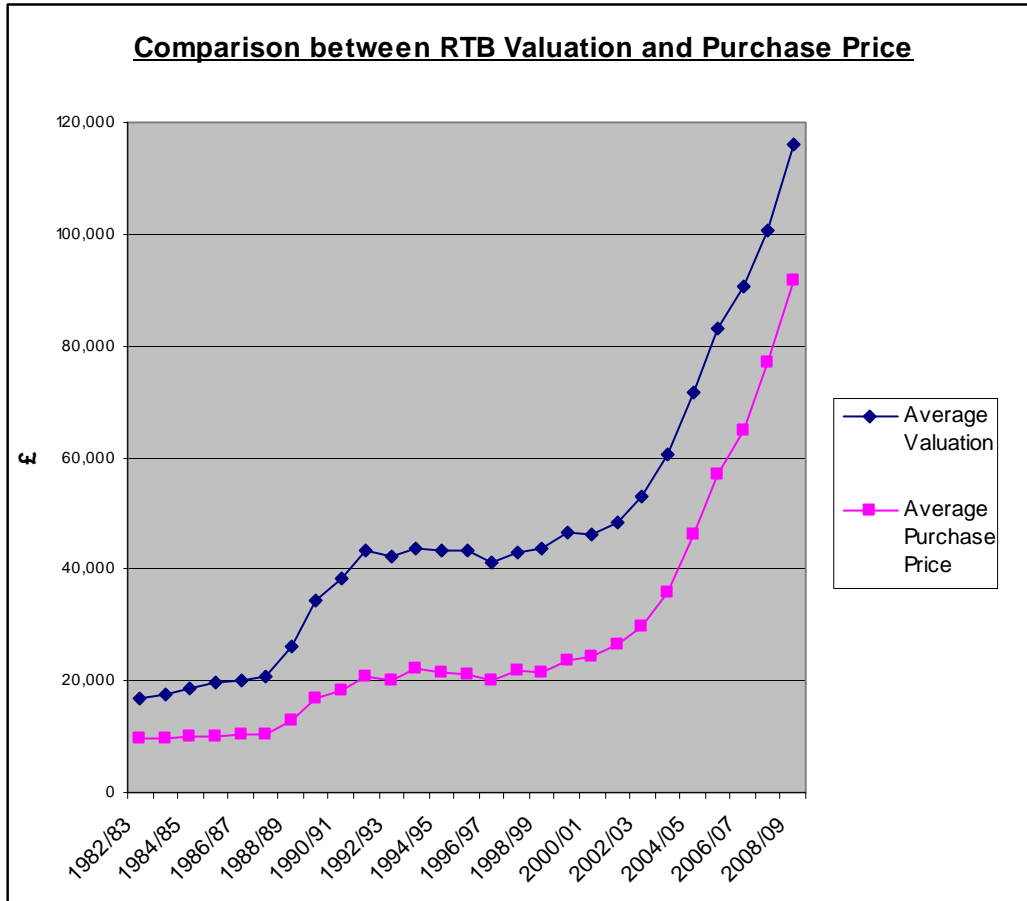
**Figure 1**



Source: Solihull Council Supply and Demand Statistics

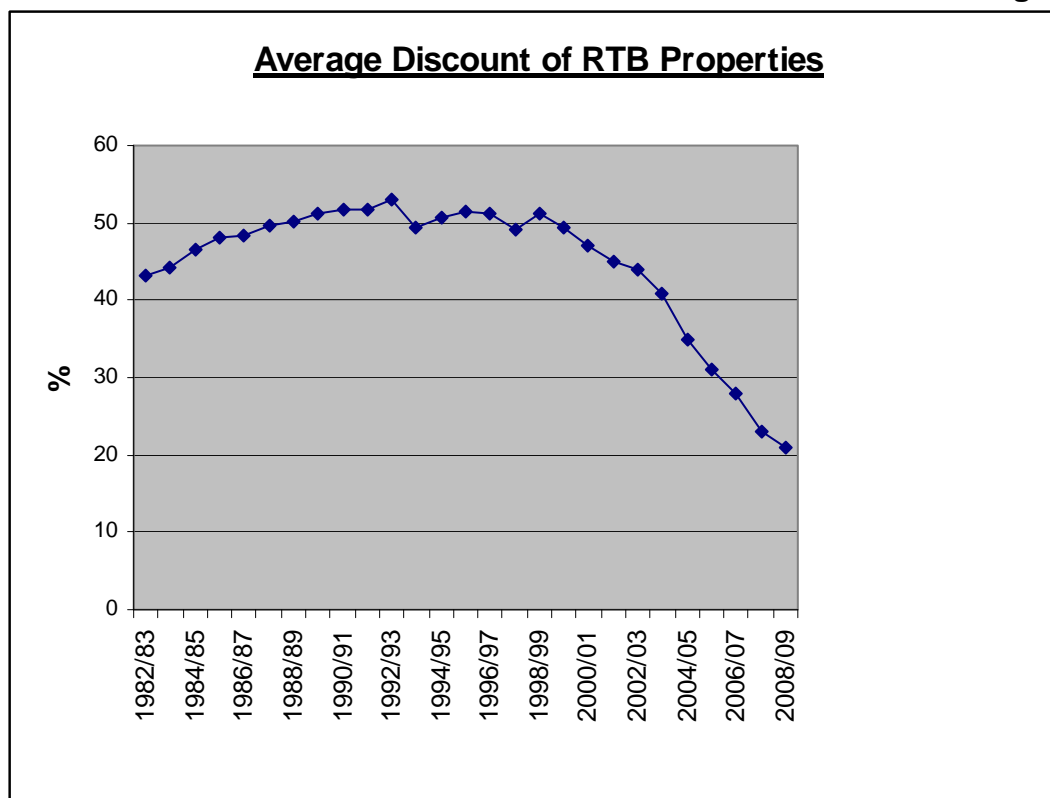
Over the past 5 years (2004-2009) the average purchase price of a property bought under the RTB has increased from £46,266 to £91,678. The average valuation has risen from £71,600 to £115,909. The average discount in the period has declined from 35% in 2004/05 to 21% in 2008/09. This has acted to significantly reduce the affordability of RTB for qualifying Council tenants.

**Figure 2**



Source: Solihull Council RTB Tables

Figure 3



Source: Solihull Council RTB Tables

Aside from the numerical fact, it is also significant to note that the effect of RTB, together with a low replacement rate, has been to leave Solihull with a high overall proportion of flats (51%) and smaller sized (bedsit, one and two bedroom) properties (69%)

These details are shown in Table 1 below.

Council Housing Stock April 2009

Table 1

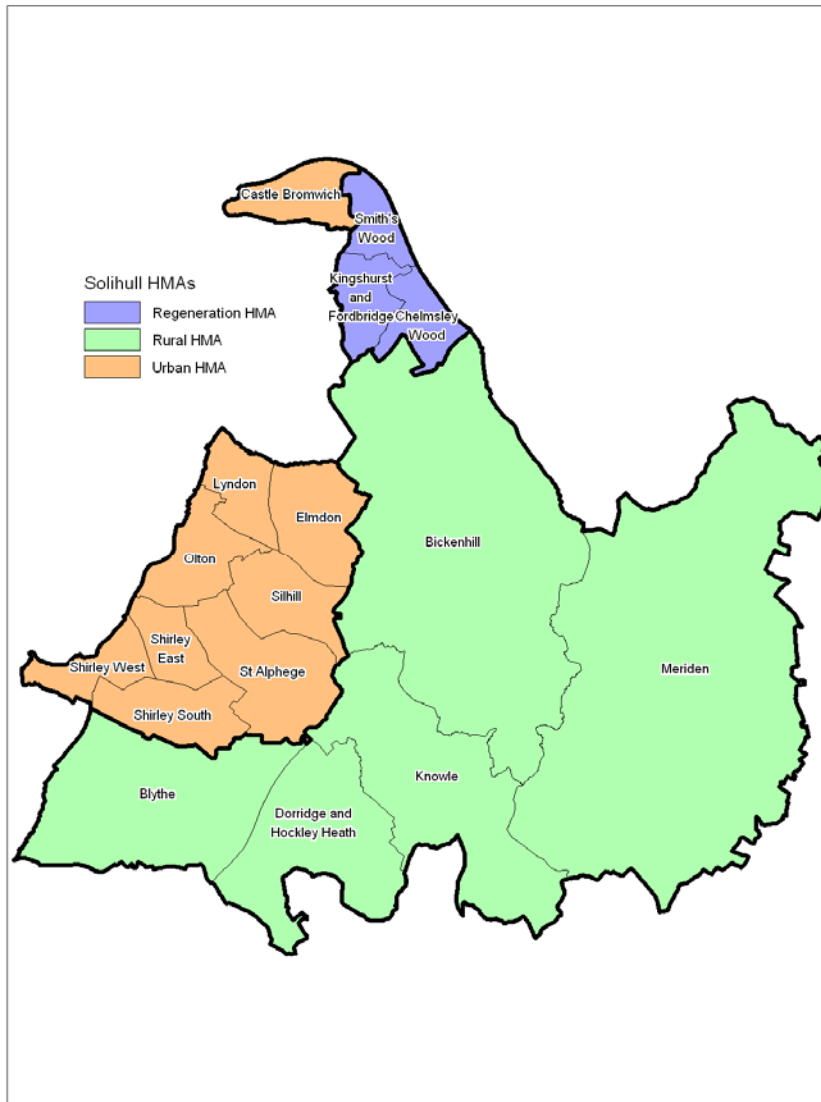
Property Type	Number of Beds				
	0-1	2	3	4+	
Bungalow	1,698	67	2	0	1,767
House	0	626	2,548	258	3,432
Low-Rise Flat	1,644	1,206	394	0	3,244
Multi-Storey Flat	880	1,183	2	0	2,065
<b>grand total</b>	<b>4,222</b>	<b>3,082</b>	<b>2,946</b>	<b>258</b>	<b>10,508</b>

Note: In addition there is one hostel (7 units, 22 bed spaces)

Source: Solihull Council housing stock tables, April 2009

Figure 4 shows the borough of Solihull and identifies three areas which have similar housing market characteristics.

**Figure 4**



The distribution of social rented housing by ward shows that 71% is in North Solihull. This, alongside the low levels of social rented and other affordable housing in South Solihull is a challenge to the wider objective of government policy, which is to develop mixed communities.

With this objective in mind, the North Solihull Regeneration programme is now underway. This will result in demolition of existing social rented tenure in parts of the Regeneration area. The social rented properties that are demolished will be replaced on a one-for one basis over the lifetime of the programme, but higher levels of new private housing will help create a better balance in the local housing market.

## 1.2 Rents

The average weekly rents of Council properties are shown in Table 2.

### Council Rent Levels, April 2009

**Table 2**

<b>No. of Bedrooms</b>	<b>Average Rent</b>
Bedsit / 1 bed	£61.57
2 bed	£63.43
3 bed	£70.95
4 + bed	£76.71
<b>Average</b>	<b>£67.40</b>

Source: Solihull Council housing stock tables, April 2009

The average weekly rents of housing association properties are shown in Table 3. Although average housing association rents are higher than those in the Council sector, allowance has to be made for the differences in the size, type and ages of properties.

### Housing Association Rent Levels, April 2009

**Table 3**

<b>No. of Bedrooms</b>	<b>Average Rent</b>
Bedsit	£53.76
1 bed	£64.74
2 bed	£69.00
3 bed	£79.78
4 + bed	£89.59
<b>Total</b>	<b>£74.20</b>

Source: Homes & Communities Agency, 2009

## 2. People

### 2.1 Length of Residence

The average length of time that Council tenants have lived in their home

### Length of Residence at April 2009

**Table 4**

	<b>Solihull (%)*</b>	<b>England (%)**</b>
< 1 year	2	9
> 1 year & < 3 years	17	16
> 3 years & < 5 years	20	13
> 5 years & < 10 years	19	21
> 10 years & < 20 years	23	21
Over 20 years	20	20

Source: Solihull Council Allocations Tables, April 2009\*  
 CLG Live Tables 2007/2008 (table 802)\*\*

## 2.2 Turnover

The term 'turnover' describes the frequency with which properties become available for re-letting. Turnover is important in two ways. On the one hand higher turnover means more housing need can be met by each social rented tenancy; the problem with this however is that it may reduce local community stability. Turnover of Council housing has generally been reducing in recent years. In 2006/7 there were 1,110 're-lets' reducing to 902 in 2007/8 and 828 in 2008/9: 8% of the total stock..

### Council Housing Turnover 2008/2009

**Table 5**

<b>Type &amp; Size</b>	<b>% Turnover (excluding transfers)</b>
House	
Two Bedroom	3%
Three Bedroom	13%
Four + Bedroom	2%
Bungalow	
Bedsit / One Bedroom	17%
Two Bedroom	0%
High Rise	
Bedsit / One Bedroom	13%
Two Bedroom	17%
Low Rise (inc. maisonettes)	
Bedsit / One Bedroom	15%
Two Bedroom	15%
<b>Total</b>	<b>100%</b>

Source: Solihull Council Allocations Tables, April 2009

## 2.3 Reason for Leaving

The main known reasons for leaving Council accommodation are shown in table 6 below. The main reason for people ending their tenancies with SMBC is following the death of the tenant, followed by transfer to another Council property. There is slight pattern between the length a tenancy and the reason for vacation. Those tenancies lasting between 1 – 3 years have the highest number of evictions, and tenancies over 10 years have the highest number of deceased tenants.

Reason for Vacating Council Housing 2008/9

**Table 6**

<b>Reason for Vacation</b>	<b>%</b>
Transfer to another Council dwelling	17
Deceased	22
Regeneration Decant	9
Mutual exchange	9
Evicted	12
Move to elderly persons home	7
Absconded	4
Other reasons	13
Move to Private Sector	6

Source: Solihull Council Allocations Tables, April 2009

Housing association 'Core' data provides different categories but shows a similar pattern.

Reason for Vacating Housing Association 2008/9

**Table 7**

<b>Reason for Vacation</b>	<b>%*</b>
Internal Transfer	11.6
Move to other LA	4.3
Move to other HA	2.9
Deceased	7.2
Absconded/Evicted	8.7
Move to Private Sector	40.6
New Let	24.5

Source: CORE 2008/9 Table 27

### **3. Housing Need**

#### **3.1 Housing Register**

At April 2009 there were 11,050 households on the Housing Register. The distribution of this need is shown below.

Housing Register, April 2009

**Table 8**

<b>Bedroom Requirement</b>	<b>Existing Solihull Council Tenant</b>	<b>Applicant</b>	<b>Total</b>	<b>Total by bed size as %</b>
Bedsit/One Bed	801 (37%)	4,938 (55%)	5,739	52%
Two Bed	851 (39%)	2,584 (29%)	3,435	31%
Three Bed	414 (19%)	1,112 (13%)	1,526	14%
Four or more	109 (5%)	241 (3%)	350	3%
<b>Total</b>	<b>2,175</b>	<b>8,875</b>	<b>11,050</b>	<b>100%</b>

Data from Academy Tables (April 2009)

It is noteworthy that the size requirement among applicants is smaller than for existing tenants. This reflects the point that applicants are more likely to be newly forming (or reforming) households whereas existing tenants needing to transfer are more likely to be growing households. This is significant with regard to the potential of existing tenants to move up through the social rented sector and in terms of projected need for new affordable homes. While it is true that most need is for smaller properties, longer-term need is for larger ones. This is exacerbated by the differential rates of turnover by property size.

### 3.2 Housing allocation

The pattern of housing allocations in the Council and housing association sectors is shown in table 9 below.

#### Housing Lettings 2008/9

**Table 9**

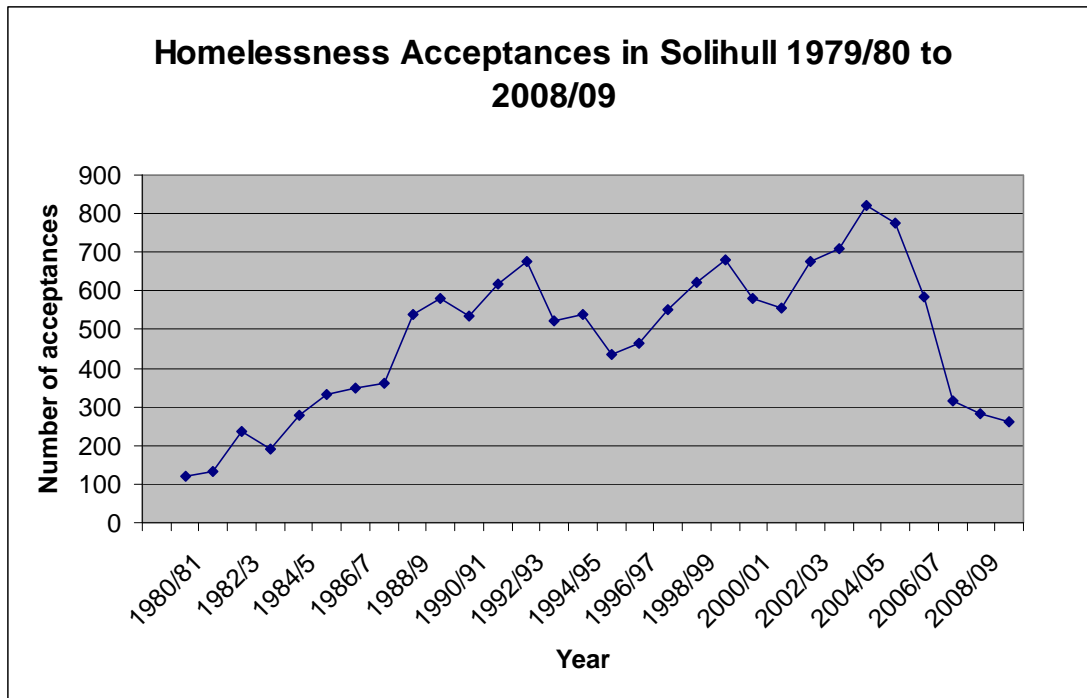
<b>Reason</b>	<b>Council %*</b>	<b>Housing association %**</b>
Transfers	26	4
Homeless	26	28
Applicants	48	69

Sources: Solihull Council Allocations Tables, April 2009\*  
Core Lettings Summary 2008/09 – Table 32\*\*

### 3.3 Homelessness

The Council has important statutory duties with regard to homeless households. In recent years Solihull Council and Solihull Community Housing have worked hard to introduce a range of initiatives to more effectively tackle homelessness and assist vulnerable persons. This has seen homelessness 'acceptances' falling from 774 cases (2004/5) to 263 in 2008/09. This positive trend has made it possible to let a higher proportion of Council properties to people on the Housing Register.

Figure 5



Source: Solihull Council 'P1E' returns made to central government each quarter (2009)