



# A Housing Market Assessment for Solihull Metropolitan Borough Council

Final Report

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# Executive Summary

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The report provides the strategic housing market assessment (SHMA) for Solihull in accordance with government guidance and requirements. Solihull was included as part of the 'C1'<sup>1</sup> SHMA but this new report provides both updates and extensive additional information. The Solihull SHMA has also benefited from a survey of 1,450 households in the rural areas of the Borough, where there is a dearth of previous research and reliable data, especially given the development of new housing in Dickens Heath and to a lesser extent in other settlements.

Given the timing of the SHMA the results were not used to inform the regional housing allocations and the new build housing target for Solihull. The assessment will though be used to inform housing need by type and tenure, the requirement for affordable housing and the spatial distribution of housing within the Borough, as well as other housing strategy and policy issues.

In preparing the SHMA, linkages are made with existing strategies and policies including:

- Solihull Sustainable Community Strategy
- Solihull Unitary Development Plan
- Solihull Local Development Framework
- Solihull Housing Strategy
- Solihull Homelessness Strategy
- Solihull's Affordable Housing Supplementary Planning Guidance (2003)
- The North Solihull Strategic Framework and subsequent Review
- Solihull Town centre Study

## Solihull's Housing Markets

The SHMA breaks down Solihull's housing markets into three local housing markets, recognising both the inter-linkages between areas and smaller neighbourhood based housing markets within the local housing market areas. These are:

- **Regeneration** – The North Solihull wards of Chelmsley Wood, Smiths Wood, and Kingshurst and Fordbridge. This area is characterised by high levels of social housing and adverse socio-economic conditions (e.g. low average household incomes, low educational attainment and skills levels, high levels of worklessness) and is the Borough's main regeneration priority area.
- **Urban** – Includes Castle Bromwich, Elmdon, Lyndon, Olton, Silhill, Shirley East, South and West, and St Alphege wards. The Borough's two main retail areas, Solihull Town Centre and Shirley fall within this area. There are pockets of deprivation in Lyndon and Shirley East wards.
- **Rural** – Includes Bickenhill, Blythe, Dorridge and Hockley Heath, Knowle and Meriden wards. Much of this area is contained in the Green Belt but there are also sizeable rural settlements including Knowle and Balsall Common. The household survey suggests that some 40% of households have moved into this housing market area within the last ten years, including many from outside the Borough.

<sup>1</sup> Defined as Birmingham, Solihull, Tamworth and Lichfield

Much of the analysis within the SHMA is prepared for these local market areas, as well as the Borough overall.

## The Current Housing Market

Solihull's population is estimated at 203,600 (2007) a rise from the 2001 Census (199,521) but a lower rate than national (England and UK) rises. Solihull also has a higher proportion of households of retirement age than the national average. There are variations within the Borough, with the Regeneration Housing Market Area having a younger age profile.

There are 87,533 properties (2008) of which 78% are owner-occupied (and 44% without a mortgage), 16% are social housing and just under 4% private rented (the remainder is 'other' tenures). This is significantly different from the regional picture where 69% was owner-occupied at the time of the 2001 Census with higher proportions of social and privately rented housing.

Average house prices vary across the Borough from £116,580 in the Regeneration Housing Market Area to £231,080 (Urban) and £292,662 (Rural) (all figures 2008). Affordability ratios are highest in the Urban and Rural Housing Market Areas (ratios of 6.8 and 7 respectively - prices to median incomes ratio) but the Regeneration Housing Market Area is characterised by the lowest average household incomes (£23,495) making accessibility to housing markets and housing finance especially problematic.

There are significant overlaps with adjacent areas in terms of both migration and commuting patterns. Birmingham is a key source of employment attracting commuters from Solihull although the Borough has developed a strong commercial and retail base in recent years (most notably the Touchwood development) and houses three of the region's key employers (Birmingham International Airport, The National Exhibition Centre and Land Rover) all of which attract in-commuting to Solihull. In terms of migration there has been a net out-flow from the Borough and in the Urban and Regeneration Housing Markets (the opposite is true for the Rural Housing Market Area).

There are a range of existing housing issues identified in the SHMA including:

- Homelessness – though applications and acceptances have fallen recently, anecdotal evidence from the region suggests that homelessness is rising as a result of the recession
- Demand for affordable housing – council waiting lists have risen sharply since 2001 illustrating the growing number of households unable to afford to buy on the open market.
- Stock Condition – Previous stock condition surveys (2000, 2003) have highlighted significant levels of unfit and disrepair in the private stock, concentrated in parts of the Urban Housing Market Area. More recent data shows some improvements but still issues to resolve. There are also fuel poverty issues especially amongst the older age group households (backed up also by the rural housing survey).
- Right to Buy – the RTB process significantly reduced Solihull's social housing stock but this has slowed down, leaving though a disproportionate number of smaller units against a need for family units. With new RSL build having focused on the intermediate housing market there are gaps in RSL provision to rent.
- New Build – rates of build across all tenures slowed dramatically in 2008, in common with most other housing markets but still posing a problem in addressing current housing demand and need.
- Windfall Sites – conversions on windfall sites – mostly previously occupied by larger detached properties and their gardens - resulted in almost 2,000 new dwellings between 2001 and 2008. The concentration of

many of these sites in specific areas, especially within the Urban Housing Market Area has been contentious.

- Empty Properties – there were just over 2,500 (2.9%) empty properties in April 2008 with 1,350 as long term vacant (six months or more). These properties offer the potential of helping to meet housing demand and need although the void rates are below the regional average.

## Future Housing Markets and Housing Market Need

The Office for National Statistics projects Solihull's population to increase by approximately 33,000 people from 2006 to 2031 fuelled largely by natural change and internal migration. The number of households is set for a 23.8% increase to 2031 from 84,000 to 104,000.

The ongoing recession has seen a massive impact on the construction industry, leading to a considerable fall in both build starts and completions, stemming the supply of new housing stock to the private sector. Future build rates will be dictated, to a large degree, by the capacity of the industry to recover from its current slump. Wider economic conditions and growth may also dictate, and in some cases temper, issues of demand and affordability.

The revised new build targets in the Regional Spatial Strategy (RSS) call for a new increase of 10,500 dwellings (all tenures) up to 2026, which converts to a land requirement for 15,000 dwellings taking into account demolitions and conversions. New housing will be spread across all local housing markets but regeneration policies highlight North Solihull and Solihull Town Centre as a focal point for new build. The Regeneration Housing Market Area has been targeted as a key location for net housing growth, with the aim of achieving a tenure shift – towards owner occupation – without reducing the volume of social housing stock. Managed housing growth is also planned for the town centre although the reliance on the apartments market needs to be regularly reviewed given the current and future state of the market.

The SHMA has produced evidence based estimates of future housing need, for the Borough overall and the three housing market areas. The tables below summarise the calculations:

Estimate of housing demand (market and affordable housing) 2006-2011

	Single Households	Couple Households	Total Demand
Regeneration HMA	600	244	844
Urban HMA	529	398	927
Rural HMA	223	153	376

#### Estimate of Social Rented Housing Need 2006-2011

	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed+ House
Regeneration HMA	95	0	109	14	90
Urban HMA	94	0	150	177	143
Rural HMA	55	0	62	80	57

#### Estimate of Intermediate Housing Need 2006-2011

	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed+ House
Regeneration HMA	56	0	10	13	13
Urban HMA	39	0	0	44	21
Rural HMA	15	0	0	9	9

### Housing Requirements of Specific Groups

In terms of volume the housing needs of older people are the most significant specific group in Solihull.

Older households will increasingly make up a higher proportion of future households in Solihull. In 2006 there were 31,356 households occupied by people 60 and above with a concentration in the Urban Housing Market. This is projected to rise to 40,416 by 2026 partly resulting from demographic trends – an ageing population - and partly from a trend towards single person households with more older people living alone. This has implications for housing type and the need for adaptations and supporting services, both housing and social services.

Other specific groups with specific housing needs include:

- Householders with learning disabilities (some 136 cases anticipated 2009-14) requiring independent living but with support needs.
- Minority households (there are just under 4% 'non-white' households in Solihull, mostly within the Regeneration and Urban Housing Market Areas. These are drawn from different ethnic groups some with specific housing and locational needs (e.g. close to cultural facilities and places of worship)
- Approximately 300 gypsy and traveller households likely to grow by a further 27 by 2017
- Young people, especially those entering the housing market and facing the greatest difficulties in terms of affordability. This cohort is also more likely to be homeless and more likely to call on support and housing advisory services. The survey has identified specific issues for new householders in rural areas where the choice and availability of affordable housing is more limited
- Key workers, another group often facing problems of affordability. Some provision has been made under the First Time Buyer Initiative.

# 1.0 Introduction

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## 1.1 Purpose of the Assessment

This assessment is a technical exercise to determine the location and amount of market and affordable housing needed, for whom and within what timescale. Carrying out a Strategic Housing Market Assessment (SHMA) is a key requirement of Government's planning for housing policy, set out in Planning Policy Statement 3 (2006) and is concerned with understanding how housing markets operate. This Assessment provides robust evidence upon which the local authority and partner organisations can base planning and policy interventions that will help deliver better housing for those living in the Solihull Metropolitan Borough area.

It supplements and builds upon the C1 sub-regional Strategic Housing Market Assessment to achieve a greater understanding of Solihull's housing markets within the context of the other housing markets that surround it. It allows for a new perspective on the Borough's housing markets in the light of the credit crunch and the recession, which has, as elsewhere, impacted on local housing markets.

This Assessment takes account of the significant increase in household growth projections based on 2006 population projections from those based on the 2004 based projections upon which the C1 study was based. It includes a locally derived evidence base centred around the Borough's internal Housing Market Areas (HMAs) with an emphasis within the rural HMA on evidence gathered through the Rural Housing Survey, a bespoke survey of some 1,450 households conducted in 2009. This limited survey was undertaken to gain insights into localised affordability issues within the Rural HMA, to inform Village Plans and the Unitary Development Plan.

The Assessment has been carried out in full accordance with the official Government Guidance on Housing Market Assessments<sup>1</sup>. As envisaged by the Guidance this assessment will:

- Enable the local authority to think spatially about the nature and influence of the housing markets in respect of Solihull, and to enable regional bodies to develop long term strategic views of housing need and demand to inform regional spatial strategies and regional housing strategies;
- Provide evidence to inform policies aimed at providing the right mix and tenure of housing across the whole Borough and within the Borough's individual Housing Market Areas (HMAs);
- Provide evidence to inform policies about the level of affordable housing required, including the need for different sizes of affordable homes;
- Support the Borough in developing a strategic approach to housing through consideration of the housing need and demand in all housing sectors – owner occupied, private rented and affordable – by assessing the key drivers and relationships within the housing market;
- Provide evidence to inform strategies to meet the housing requirements of specific groups and communities and
- Draw together the bulk of the evidence required for the Borough to appraise strategic housing options and to ensure the most appropriate and cost-effective use of public funds.

<sup>1</sup> Strategic Housing Market Assessments – Practice Guidance, August 2007, Communities and Local Government

The (draft) West Midlands RSS Phase 2 Revision, containing housing provision targets per authority, concluded its Examination in Public (EiP) stage at the end of June with the Panel report published on 28<sup>th</sup> September. This Strategic Housing Market Assessment and the housing needs analysis it includes will therefore not have a bearing on the allocation of new build housing target numbers for the Authority. Instead, its primary function is to inform those parts of the housing policy framework which are to be determined through local policy setting, most notably the determination of housing need, the type and tenure of new build, the requirement for affordable housing to meet that need and inform decisions on the spatial aspect of new development.

## 1.2 Solihull Borough and its Housing Market Areas

### 1.2.1 The Metropolitan Borough of Solihull

Solihull borders the City of Birmingham and lies within the southerly edge of the West Midlands conurbation. It is a mixed urban and rural borough with its urban core sitting to north and west of the Borough next to the City of Birmingham, while the rural hinterland lies to its south and east. Some 67% of the Borough is within the Birmingham Metropolitan Green Belt. Good strategic road and rail links tie in with the location of the region's airport- Birmingham International- and the National Exhibition Centre and regional investment sites.

Solihull offers an attractive residential environment and high performing schools in the public and private sectors which has attracted professional and managerial households. Historically there has been a high level of demand for housing in the Borough which is reflected in higher than average house prices compared to the rest of the West Midlands region. Private sector rents are also higher than elsewhere in the West Midlands Metropolitan Boroughs with high levels of demand from company lettings and high earning short term contractors<sup>1</sup>. However, it is also a Borough of contrast, which displays a wide range of social and economic indicator scores across its Housing Market Areas. Indeed the gap between affluent communities within the south of the Borough and the rural areas, and the high levels of deprivation and worklessness in the north is one of the most pronounced of all English local authority areas outside of London.

### 1.2.2 Solihull's Housing Market Areas

Solihull's Housing Market Areas (HMAs) have been developed on a ward geography basis using a best fit approach. The HMAs cover three distinct areas and for the purposes of this report are referred to as:

- Regeneration HMA covers the three wards of Chelmsley Wood, Smith's Wood and Kingshurst and Fordbridge in the urban north of the Borough. The Regenerating North Solihull programme forms a focus for the area. The area contains significant numbers of affordable housing (social rent) built in the late 1960s/ early 1970s to provide overspill housing for the inner city areas of Birmingham. Culturally and economically, the HMA tends to have closer ties with the City of Birmingham to the west rather than the rest of Solihull to the South. The location of the NEC and Birmingham International Airport to the south add to the physical separation of North Solihull from the rest of the Borough (excluding Castle Bromwich, see below);
- Solihull Urban HMA covers eight wards that form the urban heart of the Borough centred around the Town Centre itself. It also includes the ward of Castle Bromwich, which sits to the north of Regeneration HMA, but

<sup>1</sup> Solihull Housing Strategy, 2008, Solihull Metropolitan Borough

exhibits similar characteristics to the rest of Solihull's urban core. The HMA is classically suburban in character, featuring a predominance of detached and semi-detached dwelling types. The Town Centre itself should be recognised as an important component of the Borough's housing market in its own right, fulfilling the role of its retail, leisure, cultural and administrative hub. A vibrant and attractive Town Centre, of which the quality of the residential offer forms an important part, is central to maintaining and enhancing the Borough's profile. A separate strategy for the Town Centre has been produced and will be referred within the context of this Assessment at Section 4.6.2.

- Solihull Rural HMA covers the five rural wards that sit within the Borough. The HMA sits under Green Belt designation, although containing a number of defined settlements within that designation, the largest of these being the grouping of the Knowle/Dorridge/Bentley Heath rural settlements, Balsall Common and the relatively new settlement at Dickens Heath. It also contains a number of smaller settlements and dwellings in open countryside.

Table 1.1 and Figure 1.1 set out the wards included within each of the three HMAs:

Table 1.1 Solihull Housing Market Area wards

Regeneration	Urban	Rural
Chelmsley Wood; Kingshurst and Fordbridge; Smiths Wood	Castle Bromwich; Elmdon; Lyndon; Olton; Silhill; Shirley East; Shirley West; Shirley South; St Alphege	Bickenhill; Blythe; Dorridge and Hockley Heath, Knowle; Meriden

Figure 1.1



Map of HMAs

### 1.2.3 Report Structure

The Solihull Strategic Housing Market Assessment report is structured as follows:

- Section 2- Policy Context. This Section sets out the key national, regional and sub-regional/ local policies and strategies that form the main strategic drivers for housing and planning policy development within the Borough and its internal Housing Market Areas (HMAs).
- Section 3- Current Housing Market. This Section examines the key trends and characteristics within the Borough and its HMAs. This includes a consideration and comparison of its demographic and economic profile, current housing stock profile and the operation of its housing markets. The conclusion reached through the assembly of this information will inform our assessment of the likely future direction and needs of the Borough and its internal HMAs.
- Section 4- The Future Housing market. This Section builds on housing market trends and characteristics identified within the previous section and draws on an analysis of population and household growth projections, economic forecasts and proposed housing forecasts to conclude the future direction of the Borough and its HMAs and make policy recommendations that will ensure the sustainability of future housing delivery.
- Section 5- Housing Needs. This Section outlines the technical aspect of the Study, which is the assessment of housing need by calculating the net annual housing need figure for the Borough, including a recommended split between social and intermediate sectors.
- Section 6- HMA split. This Section provides housing needs assessments in the same format as the previous Section across each HMA.
- Section 7- The Housing requirements of specific household groups. This Section considers the current and future housing requirements of specific household groups. It considers the current and future profile of these specific household groups and examines the need for current and future resource allocation, including the provision of specialist housing or certain housing types within both affordable and market sectors.
- Section 8- Monitoring and Updating. This section highlights the continual nature of the Assessment, sets out the key updateable data sources and suggests how the Borough could choose to update the SHMA on an annual basis in accordance with Department of Communities and Local Government (DCLG) guidance on strategic housing market assessments.

As previously stated, the SHMA process incorporated a survey of Rural Housing Needs. Whilst the findings of this survey are analysed and referred to within the SHMA, the main survey analysis is available in a separate report.

## 2.0 Policy Context

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### 2.1 Introduction

This section of the report provides a brief review of key national, regional and local housing related policy in order to provide the context for the remainder of the Assessment.

### 2.2 National Policy

The 2000 Housing Policy Statement, 2004 Housing Act, and 2005 Sustainable Communities: Homes for All provide the basis for more recent national housing policy as set out below:

#### 2.2.1 The Housing Reform Green Paper

The Government is currently working towards a housing reform green paper which will set out proposals to create a fairer and more effective system for those living in rented housing. The Paper will respond to some of the challenges set out in the Hills' Review of Social Housing, the Cave Review of Social Housing Regulation and the Rugg and Rhodes' Reviews of the Private Rented Sector<sup>1</sup>.

#### 2.2.2 The Housing Green Paper

The Housing Green Paper 'Homes for the Future – More Affordable, More Sustainable' was launched in 2007. The Paper sets out the Government's plans for three million homes by 2020 which include more homes, more social housing, building homes more quickly, more affordable homes, and greener homes<sup>2</sup>.

#### 2.2.3 The Housing and Regeneration Act

The Housing and Regeneration Bill was laid in parliament in November 2007 and received Royal Assent in July 2008. The Act is helping to deliver the commitments set out the Housing Green Paper in providing more and greener homes in mixed and sustainable communities. It is also implementing the changes proposed in the Paper to give councils more freedom and incentives to build new homes meeting the Code for Sustainable Homes, in addition to giving tenants more choice and say over how their homes are managed, and improvements to the way that housing services are provided. The Act also established the Homes and Communities Agency to focus on delivering new and affordable homes across all tenures and driving forward and investing in regeneration<sup>3</sup>.

<sup>1</sup> [www.communities.gov.uk/housing/strategiesandreviews/reformgreenpaper/](http://www.communities.gov.uk/housing/strategiesandreviews/reformgreenpaper/)

<sup>2</sup> [www.communities.gov.uk/housing/strategiesandreviews/housinggreenpaper](http://www.communities.gov.uk/housing/strategiesandreviews/housinggreenpaper)

<sup>3</sup> [www.communities.gov.uk/housing/strategiesandreviews/housingandregenerationbill/](http://www.communities.gov.uk/housing/strategiesandreviews/housingandregenerationbill/)

### 2.2.4 Planning Policy Statement 3: Housing

Planning Policy Statement 3: Housing<sup>1</sup> (PPS3) underpins the delivery of the Government's strategic housing policy objectives and provides the national policy framework for planning for housing. PPS3 was developed in response to recommendations in the Barker Review of Housing Supply in 2004 and the necessary step-change in housing delivery through a more responsive approach to land supply at the local level, in addition to a commitment to improving the affordability and supply of housing in all communities.

### 2.2.5 National Strategy for Housing in an Ageing Society

One of the greatest challenges for housing is an ageing society. The 2008 'Lifetime Homes, Lifetime Neighbourhoods' housing strategy for an ageing society seeks that homes are built to Lifetime Homes standards and the creation of Lifetime Neighbourhoods<sup>2</sup>.

### 2.2.6 National Homelessness Strategy

The 2005 Sustainable Communities – Settled Homes, Changing Lives homelessness strategy document outlines how the target to halve the number of households living in temporary accommodation to 50,500 by 2010 will be achieved through the following priorities:

- Encouraging homelessness prevention;
- Supporting vulnerable people;
- Tackling its wider causes and symptoms;
- Helping more people to move away from rough sleeping; and
- Providing more settled homes.

## 2.3 Regional and sub-regional Policy

The key housing strategies and planning documents in the West Midlands region include the 2005 Housing Strategy, the 2007 Housing Allocations Strategy, the 2005 Homelessness Strategy and Regional Spatial Strategy (RSS) and the RSS Phase 2 Revision set out below:

### 2.3.1 West Midlands Regional Spatial Strategy (RSS)

The West Midlands RSS was first issued as Regional Planning Guidance in 2004. The document identified a number of issues requiring further analysis, which were divided into three phases with each one forming a partial revision of the RSS. These phases are:

- Phase 1- The Black Country
- Phase 2- including housing and employment, and
- Phase 3- including environmental issues, minerals, and provision for gypsies and travellers
- The latest Strategy was published in January 2008, incorporating the Phase 1 Revisions approved by the Secretary of State. Of key importance in terms of guiding the Borough's future housing planning and delivery

<sup>1</sup> Planning Policy Statement 3: Housing, 2006, Communities and Local Government

<sup>2</sup> [www.communities.gov.uk/housing/strategiesandreviews/ageingsocietystrategy/](http://www.communities.gov.uk/housing/strategiesandreviews/ageingsocietystrategy/)

is the Spatial Strategy, which identified four major challenges for the Region. From the Borough's housing market perspective the challenges of both Urban Renaissance and Rural Renaissance resonate, given the dual nature of the Borough's spatial characteristics.

- The key 'challenges' facing the Metropolitan Urban Areas (MUAs) relate to the out-migration of people and employment due to the decline of the economic and social fabric. Linked to the out-migration from MUAs, is the decline of the 'traditional' rural economy, as attractive rural areas become destinations for commuting in-migrants with consequent impacts on housing affordability within 'desirable' rural areas.

### 2.3.2 West Midlands RSS Phase 2 Revision

The Regional Sustainability Strategy, A Sustainable Future for the West Midlands (2006), identified some of the key challenges facing the West Midlands Region:

- the movement of people and jobs away from the major urban areas
- increasing social exclusion and deprivation in the central urban neighbourhoods
- increasing housing costs in rural communities, with pockets of deprivation, particularly in more remote rural areas
- a shortage of affordable housing and significant problems with regard to the condition of housing, particularly in the private rented sector
- demanding national targets for new housing development
- growing impacts of climate change

Of particular issue for the Phase 2 Revision has been the proposed increase in housing numbers based on the latest household growth projections outlined in Section 4 of this report.

The West Midlands Regional Assembly proposed an annual average of 18,280 net additions to the housing stock for the period 2006 to 2026. This was considered too low by the Minister, Baroness Andrews, being below the National Housing and Planning Advice Unit's lower and upper supply range figures for the Region of 19,100 and 22,600 respectively.

The Government Office for the West Midlands commissioned Nathaniel Lichfield and Partners (NLP) to consider options for higher growth across the Region. This Study provided three scenarios to accommodate the additional dwelling numbers for the Region forecast by NHPAU. All scenarios proposed a significant increase in the allocation for Solihull, including one scenario which proposed the development of a new settlement within the Borough. Concerns were expressed by the Assembly about the report being pre-emptive of the statutory planning process. A sustainability appraisal review of the NLP housing study commissioned by the Assembly and conducted by URSUS Consulting also drew out a number of weaknesses within the NLP report on sustainability grounds.

The Examination in Public for RSS Phase 2 took place between April and June 2009. The Panel Report has now been published by the Government Office for the West Midlands and this recommends 398,000 new homes for the region until 2026, which is higher than the Assembly's preferred figure of 365,000, but lower than some advocates proposed. The Assembly's press release of the 28th September 2009 states that initial annual build numbers start at a lower trajectory than previously recommended with much of the "increased housing

being placed in major urban areas, in line with the Regional Spatial Strategy aim to promote urban and rural renaissance."<sup>1</sup>

For Solihull the Panel recommends a net housing allocation of 10,500 between 2006 and 2026 inclusive. This represents an increase of 2,900 dwellings from the Borough's provisional allocation. The report comments that the additional capacity has been substantially identified by the Local Planning Authority.<sup>2</sup>

### 2.3.3 C1 Strategic Housing Market Assessment (SHMA)

PPS3 refers to the requirement for local authorities in the preparation of their local development plan documents to carry out strategic housing market assessments. These assessments provide the evidence base required to underpin housing policies to meet the current and future housing needs, for both the affordable and market housing sectors. An SHMA differs from a traditional borough wide housing needs survey or assessment in that they are defined by sub-regional housing market areas not administrative boundaries and these sub-regions will tend to straddle a number of local authority areas.

The C1 SHMA is the sub-regional assessment for what is defined as the C1 Housing Market Area. This includes the Metropolitan Boroughs of Solihull and Birmingham and the District and Boroughs of Tamworth and Lichfield. It considers the broad housing market needs, characteristics and drivers across the identified sub-regional housing market area. As outlined in the Introduction, this report complements and updates the C1 Study from the Borough's perspective.

### 2.3.4 West Midlands Housing Strategy

The West Midlands Housing Strategy<sup>3</sup> was produced in 2005. The core aims of the Strategy are to:

- Create mixed, balanced and inclusive communities
- Assist in the delivery of the policies of the West Midlands Regional Spatial Strategy relating to urban and rural renaissance
- Influence the future development of new housing provision to facilitate and enhance the economic development of the West Midlands
- Address the variety of needs across a range of specific sectors of housing circumstances
- Work towards the success of the two Housing Market Renewal Area Pathfinders in Birmingham/Sandwell and North Staffordshire/Stoke and the regionally identified housing restructuring areas of East Birmingham/North Solihull and North Black Country/South Telford
- See that the Decent Homes standards are met in the municipal, social sectors, and for those in vulnerable circumstances in the private sector
- Achieve social and other affordable housing

<sup>1</sup> West Midlands Regional Assembly, New Release: 'Panel report reveals housing figures for the region', September 28<sup>th</sup> 2009.

<sup>2</sup> Government Office of the West Midlands, West Midlands Regional Spatial Strategy Phase Two Revision, Report of the Panel: Volume 1 – Report, September 2009.

<sup>3</sup> West Midlands Housing Strategy, 2005, West Midlands Regional Assembly

- Achieve sustainable access to minimise environmental resource consumption and traffic, and improve the quality of the environment

### 2.3.5 West Midlands Regional Housing Allocations Strategy

The West Midlands Regional Housing Allocations Strategy<sup>1</sup> identifies and prioritises regional housing issues for capital investment during the 2008 to 2011 period however investments will continue to be implemented through the 2005 Regional Housing Strategy.

### 2.3.6 Regional Homelessness Strategy

The first West Midlands Regional Homelessness Strategy<sup>2</sup> was published in 2005 to inform the Regional Housing Strategy; the document was refreshed in 2008. The purpose of the Strategy is to:

- Inform the Regional Housing Strategy;
- Build on Local Authority Homelessness Strategies;
- Incorporate the Government's homelessness targets;
- Secure involvements of key regional stakeholders; and
- Initiate a process of change.

## 2.4 Local Policy

There is a wealth of housing policy local to Solihull Borough as set out below:

### 2.4.1 Solihull Sustainable Community Strategy

The Sustainable Community Strategy for Solihull<sup>3</sup> One Borough: an equal chance for all has been produced by the Solihull Partnership, which includes representation from the Health and Welfare sectors; the Education, Skills and Training sectors; the Police and other crime prevention agencies; Regional Government and non-Government agencies; the Business sector; voluntary, community and regeneration sectors and the local authority.

The Strategy sets out a vision for Solihull in 2018 as place 'where everyone has an equal chance to be healthier, happier, safer, and prosperous'. The Strategy identifies four cross-cutting priorities for improvement focusing on building healthier, safer, stronger, and prosperous communities.

The Strategy states that in general, Solihull's housing market is good in terms of quality, condition and range of homes. It acknowledges that home ownership choices are somewhat limited in North Solihull and that there is a shortage of affordable homes for those on mid to low incomes in the rest of the Borough. It recognises that house prices are well above the regional average in the south and east of the Borough and as a result, Solihull suffers from severe housing affordability issues, which has a knock on effect for first time buyers. The Strategy

<sup>1</sup> Final Draft West Midlands Regional Housing Allocations Strategy 2008-2011, 2007, West Midlands Regional Assembly

<sup>2</sup> West Midlands Regional Homelessness Strategy, 2005, West Midlands Regional Assembly

<sup>3</sup> Sustainable Community Strategy for Solihull 2008-2018, 2008, The Solihull Partnership

also suggests that the demand for social rented housing is strong and growing, and that much of the planned growth in new housing has been identified to take place in North Solihull in order to diversify the housing offer in this area.

One of the Strategy's priorities – Building Prosperous Communities – states that the Solihull Partnership 'will ensure that everyone has the opportunity of a decent home and that new housing meets the needs of the whole community'. This target will be measured by the net additional homes provided; the number of affordable homes delivered; and the percentage of decent Council homes achieved.

#### 2.4.2 Solihull Unitary Development Plan

Solihull's Unitary Development Plan<sup>1</sup> covers the period 2001 to 2011 and was adopted in February 2006. Policy H1 relates to the provision of housing land and states that the Council will ensure that sufficient land is provided to meet the Regional Spatial Strategy (RSS) target of 4,000 new homes during the Plan period. The sources of supply to meet the requirements include land previously designated and approved, windfall sites, new brownfield sites, the reuse of land and buildings for housing, and houses to be demolished.

Policy H2 is concerned with the provision of safeguarded land, by stating that the Council will identify sites to help meet long-term housing needs. Policy H3 covers dwelling types and states that the Council will require developers submitting planning applications for housing development on both strategic and windfall sites to make provision for a range of sizes and types of dwelling.

Policy H4 relates to affordable housing and states that the Council will require developers of both strategic and suitable windfall sites to make a contribution to affordable housing on residential sites of 0.5 hectares or more or housing developments of 15 or more dwellings. Policy H4 states that the overall target will be 40% on sites of 0.5 hectares or more or delivering 15 or more dwelling units. Although affordable housing encompasses all forms of provision, including social rented housing, shared ownership and low-cost market housing, the key factor is whether such housing is genuinely affordable and will remain so in perpetuity. Consideration will be given to providing accommodation for key workers and for people with special needs.

Policy H5 relates to the density, design and quality of development and states that the Council will expect developers of both strategic and windfall sites to respect Government policy on the density of development in order to ensure the most sustainable use of land.

#### 2.4.3 Solihull Local Development Framework

The Council has consulted on the Core Strategy Issues and Options paper titled Challenges and Choices<sup>2</sup>. The consultation document sets out a number of issues facing Solihull including protecting Solihull's high quality environment, tackling inequality, providing sufficient new housing, providing the right type of housing, and the development of Birmingham International Airport.

The document highlights the Core Strategy vision:

<sup>1</sup> Solihull Unitary Development Plan 2001-2011 Written Statement, 2006, Solihull MBC

<sup>2</sup> Challenges and Choices – Core Strategy Issues and Options Consultation Document, 2008, Solihull MBC

'By 2026 Solihull will be continuing to build on its unique reputation as an attractive and advantageous location, with strong links to both the major urban areas of Birmingham and Coventry and to rural Warwickshire, and to be a Borough that is economically successful; healthy, safe and regenerated; meeting the needs of its increasingly diverse residents and businesses; accessible and able to support a well connected, well managed and integrated transport system; and offer a high quality, attractive, safe and well connected local environment – all of which is to be achieved in a sustainable way'.

Policy principles will focus on minimising carbon emissions, maintaining an effective green belt, protecting and delivering quality in the built environment, directing new employment to where it is most needed, meeting employment needs, meeting housing needs (e.g. affordable housing and Gypsy and Traveller sites), ensuring the town centres continue to thrive, supporting the North Solihull Regeneration Programme, and managing waste.

The consultation document puts forward three options: the consolidation of current development plan principles; locating development in sustainable and accessible locations along key public transport corridors; and creating strong and vibrant town centres via a cluster approach.

#### 2.4.4 Solihull Housing Strategy

Solihull's Housing Strategy<sup>1</sup> provides the overall framework for housing activity and investment by the Council and its partner organisations. It is concerned with all tenures of housing and links to more detailed strategies focusing on specific areas of the market such as council housing and supported housing. The purpose of the Housing Strategy is to enable the Council and partner agencies to develop clear objectives for housing activity, ensuring that these meet local, regional and national policy priorities. Integral to the Strategy is the Solihull Housing Vision, which sets out the following aims:

- Solihull's housing markets are efficient and effective.
- Solihull residents live in well maintained homes which meet modern-day expectations.
- Solihull residents live in attractive, clean and safe environments.
- All Solihull residents can access good quality housing services and housing advice.
- Vulnerable people are supported in the community.

Each of these aims are supported by the strategic housing objectives set out below, which seek to create and maintain sustainable communities throughout the Borough:

- Intervene in the working of local and sub-regional housing markets to improve their efficiency and effectiveness.
- Invest in the Borough's housing stock to improve its conditions and amenities.
- Invest in neighbourhoods to promote attractive, safe and healthy environments.
- Encourage the provision of good quality housing services.
- Ensure that vulnerable people are supported in the community

<sup>1</sup> Solihull Housing Strategy, 2008, Solihull Metropolitan Borough Council (MBC)

#### 2.4.5 Solihull Homelessness Strategy 2009-2011

The Borough's most recent Homelessness Strategy is informed by the analysis provided by the Homelessness Review (2009-2011). Its overall aim remains from the previous strategy and is 'to reduce homelessness in Solihull and provide a quality response to those affected by homelessness.' In line with the national agenda, there is an emphasis on homelessness prevention, effective joint working, provision of a broad range of housing options and improved service provision.

#### 2.4.6 Affordable Housing Supplementary Planning Guidance

Solihull's Affordable Housing document<sup>1</sup> was formally adopted as Supplementary Planning Guidance (SPG) in May 2003. Affordable housing can be defined as 'housing provided for local people at a cost that those in housing need can afford' and housing 'which is available to people who cannot afford to rent or buy houses generally available on the open market'. Rented and shared ownership housing provided through a housing association (low cost market housing) are likely to be the most effective forms of affordable housing provision in Solihull. The Council requires the provision of 40% affordable housing on sustainable sites of 15 or more dwellings or 0.5 hectares or more.

The aims of the Guidance are to:

- Improve the delivery and maximise the opportunities available for the provision of affordable housing to help meet the housing needs in the Borough;
- Provide a mechanism for securing affordable housing in response to Government guidance; and
- Reduce uncertainty, ensure a consistent approach and provide clear guidance for developers to follow in the provision of affordable housing.

#### 2.4.7 The North Solihull Strategic Framework

North Solihull forms one of the Housing Market Areas (Regeneration HMA) identified through this Study and its regeneration is one of the single largest projects of its type in the UK. It is an ambitious 20-year regeneration programme (2005-2025) and sits squarely with the government's Transforming Estates agenda. There is a clear vision for the area set out in the North Solihull Strategic Framework<sup>2</sup> document, the 'blueprint for regeneration' drawn up by the InPartnership team and Solihull MBC, and managed by the North Solihull Regeneration Partnership through an annual business plan.

The vision is of a:

'Solihull where there is no gap of inequality and where everyone has equality of access to education, health, employment, housing and other services'.

In order to achieve this vision, a number of key regeneration principles have been identified:

- To improve the quality of life in North Solihull through large-scale, holistic regeneration over the next 15-20 years.

<sup>1</sup> Affordable Housing Supplementary Planning Guidance, 2003, Solihull MBC

<sup>2</sup> North Solihull Strategic Framework, 2005, InPartnership/Solihull MBC/North Solihull Regeneration Partnership

- To deliver regeneration that the communities of North Solihull are involved in and committed to.
- To create high quality neighbourhoods, each with a distinctive sense of place.
- To create healthy, safe communities where all have equality of access.
- To increase prosperity through improved education, training, employment and transport.
- To deliver sustainable development in order that the quality of life of present and future generations is protected and enhanced.

The Strategic Framework sets out a number of objectives relating to interventions in the North Solihull housing market:

- To create long term sustainability in the housing market by extending tenure choice and accessibility.
- To reflect and where necessary raise the aspirations of all stakeholders particularly existing residents.
- To replace unpopular/unsuccessful housing.
- To meet the range of housing needs in the area.
- To provide flexibility to address changing needs/aspirations of the population.
- To generate funding for delivering wider regeneration objectives through private housing development and to secure linkages between new development and regeneration via planning obligations and/or other appropriate mechanisms for a range of initiatives such as the improvement of existing housing stock and economic development/social programmes.

#### 2.4.8 North Solihull Strategic Framework Review

The North Solihull Strategic Framework has been under review and has been subject to public consultation – a process driven by the impacts of the economic downturn. The review document has been produced in order to reiterate the key objectives, priorities and vision for the area; confirm the Partnership's business plan for 2009/10 and the duration of the programme; strengthen the Partnership's processes for undertaking regeneration programmes; and consolidate and respond to new data from baseline figures, therefore providing an accurate assessment of what the Partnership has achieved to date and looking forward in terms of longer term business planning.

#### 2.4.9 Solihull Town Centre Study

The Council commissioned a Study to develop options for future policy direction in respect of the Town Centre, encompassing the drivers for retail, leisure, commercial and residential growth. The Study is underwritten by the need to maintain and improve the competitiveness of Solihull Town Centre within the West Midlands, as a focus for the continued prosperity and vibrancy for the Borough and the wider area.

The Study following consultation has developed a 'Spatial Vision' to guide future development supported by 6 complementary objectives. These are:

- To develop an aspirational, but deliverable, strategy for Solihull Town Centre;
- To build upon the town's existing assets, including its heritage, to create a distinctive place to shop, work and live;
- To enhance the accessibility of the centre by all modes of transport through appropriate measures to reduce congestion and encourage travel by public transport

- To provide a framework for the phased delivery of key developments;
- To promote high quality and sustainable urban design and to make Solihull a special place by creating a distinctive and competitive town centre based around an appropriate mix of uses;
- To create a focus for long term investment and imaginative promotion of the town centre which secures wide support from all sections of the community within the Borough<sup>1</sup>

The Town Centre forms part of the Urban HMA, however attention will be paid to the Town Centre, due to its strategic importance within overall development of the Borough. This Study will therefore be further detailed throughout the report.

#### 2.4.10 Strategies for specific household groups

The Borough has produced a number of strategies in partnership with organisations such as the Solihull NHS Primary Care Trust and Solihull Community Housing- the Borough's Arms Length Management Organisation- that consider the needs of specific groups of residents, including their housing needs. Without referring to each document, it is important to highlight the importance the Borough places on the meeting the needs of all members of the community and to reference that key aspects of these strategies are drawn out within Section 7 where the report considers the housing requirements of specific household groups.

### 2.5 Key summary points

Nationally the key housing drivers are growth and sustainability. The Government has laid out its intention to enable increased housing supply to meet the housing needs of the increasing number of households projected to form over the next 20+ years. The Government has proceeded to reform the planning policy plan making system to enable the strategic allocation of housing development through Regional Spatial Strategies and through the Local Development Framework process. The West Midland RSS phase 2 intends to address and allocate the total and annual housing build requirements for each Local Planning Authority area. Additional housing allocation numbers for the Borough suggested through each of the scenarios developed by the NLP study could create significant pressure on the Borough's capacity to absorb sustainable development.

A key aspect of strategic and local plan making is the development of a robust evidence base in order to effectively plan to meet immediate and longer term housing needs. Identified sub-regional Housing Market Areas (HMAs) are required to undertake Strategic Housing Market Assessments which enable their constituent authorities to robustly estimate the type and tenure of the housing that needs to be developed within their respective HMAs. Local studies, of which this is one, will complement and build on sub-regional work to inform key decisions made at regional level and provide further evidence of the housing needs of the Borough.

The sustainability of new development is an important area of focus at national, regional and local level. This encompasses the development of sustainable communities by providing the type and tenure of housing to meet the growing needs of the whole community and the production of sustainable residential development through the adoption of environmentally friendly building and infrastructure processes.

<sup>1</sup> Solihull Town Centre Study (2009), GVA Grimley, Tibbalds and Mott Macdonald

Locally there are many areas of policy focus. In particular we can pick out the focus on regenerating North Solihull through one of the largest programmes of its kind in the country. The deprivation in North Solihull strongly contrasts with the general picture of relative affluence throughout the rest of the Borough. The regeneration of North Solihull resonates with the Community Strategy's 'equal chance' agenda. Other key areas of local policy focus include the regeneration of Town Centre, improvement in the efficiency and condition of the housing stock and meeting the needs of vulnerable people.

In tandem with the urban renaissance led through regeneration, the Housing Strategy refers to housing markets in Solihull making a 'positive contribution' to the rural renaissance within the West Midlands. A rural housing survey commissioned as part of this Study and appended to the report, highlights specific issues within the Rural HMA and will be referenced throughout the report.

The current economic climate cannot be ignored within the context of the policy drivers that underpin this Study, especially with regard to overall delivery of the housing growth agenda and the regeneration of North Solihull. The viability of potential housing allocations will be tested against emerging Core Strategy objectives before a draft Core Strategy is submitted to the Secretary of State.

## 3.0 Current Housing Market

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### 3.1 Introduction

This Section considers the operation, characteristics and trends of Solihull's housing market, its relationship with the housing markets that it interacts with and the Housing Market Areas (HMAs) within its boundaries. We will draw out trends by comparing data from the latest Government released estimates with the findings of the last Census and where possible draw comparisons through previous mid-year estimates back to the 1991 Census. We will examine the economic and demographic profile of the Borough and its internal HMAs, consider emerging trends and highlight areas that will have implications for future policy and strategies. The Section also analyses current stock profile and activity within the housing market. Finally, we comment upon the implications and impact of the current economic downturn on the Borough's housing markets.

### 3.2 The Demographic and Economic Context

#### 3.2.1 Demographic context

##### Population

The population of Solihull numbers 203,600 according to the 2007 mid-year population estimates released by the Office of National Statistics (ONS). The population of the Borough at the time of the Census 2001 was 199,521. In 1996 the population was in fact higher than the 2001 Census figure at 200,100 and higher still in 1991 at 200,400, according to the ONS mid-year estimate time series. However, in contrast to the historical trend, there has been an estimated increase of just over 2% in the Borough's population from the date of the Census 2001.

This estimated increase is slightly lower than the comparative regional increase of 2.2% and considerably lower than the comparative increases across the UK and England at 3.7% and just over 4% respectively. Section 4 considers future population projections and assesses whether population and household growth rates in Solihull and the West Midlands are projected to draw closer to the national averages.

As can be seen from Table 3.1, Solihull has a lower proportion of people of working age and a higher proportion of people of retirement age than the West Midlands and Great Britain as a whole. Contrasts are even more marked when comparisons are made with the West Midlands Metropolitan Boroughs' average. The attraction of Solihull as retirement destination of choice will need to be examined and the implications for the Borough's housing markets understood. It is also noticeable that the proportion of the population aged over 85 years is significantly higher in Solihull than regional and national averages.

Solihull's working age percentage population has remained constant since the Census but had dropped from levels prior to that. The percentage of the working age population was estimated at 60.7% in 1996 and 61.9% in 1992.

The figures show a drop in the proportion of under 16 year olds in Solihull from 20.9% at the 2001 Census. They also show an increase in the proportion of the population at retirement age from 19.5% in 2001. The proportion of the population of working age has remained constant.

Table 3.1 Proportion of population by age group

Area/ Age Group	Under 16	Working age	Retirement age	Of which aged 85 or over
Solihull MBC	19.55%	59.58%	20.87%	4.27%
West Midlands Met. Boroughs	20.69%	61.36%	17.95%	2.01%
West Midlands	19.55%	61.04%	19.43%	2.12%
Great Britain	18.8%	62.2%	19.03%	2.15%

Source: ONS mid-year population estimates 2007; 16 to 64 male; 16 to 59 female; 65+ male; 60+ female

The latest data at HMA and ward basis is provided by the Census 2001. Here we can see quite distinct differentials between the Regeneration HMA and the two others. Regeneration HMA has a far younger profile than the rest of the Borough.

Table 3.2 Population age by HMA

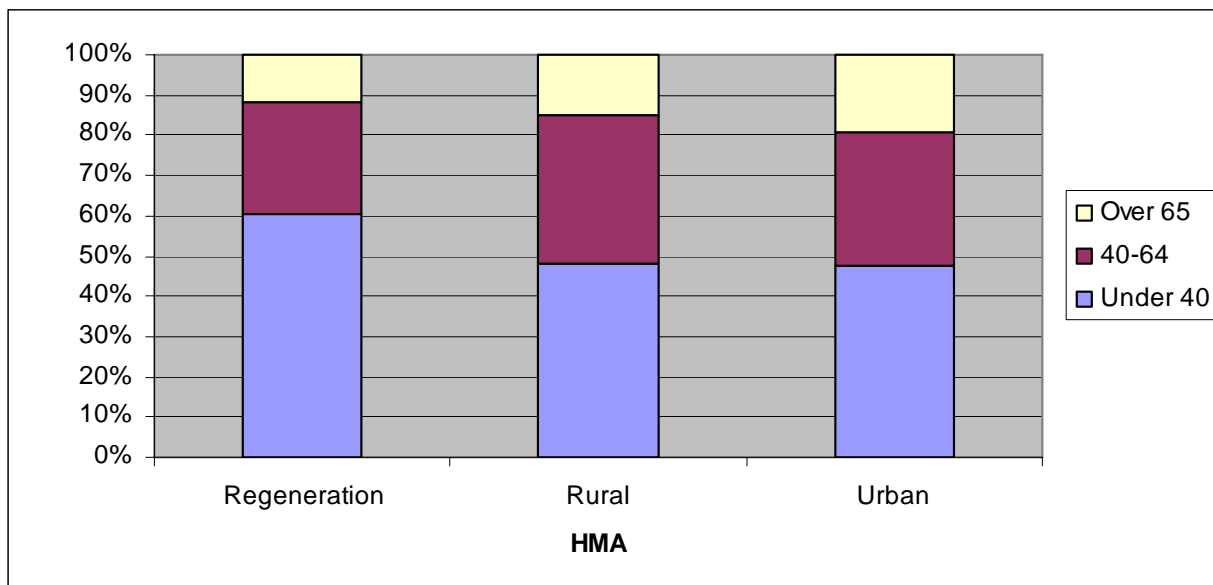
Age group/ HMA	Under 16	Working age	Retirement age	Of which aged 85 or over
Solihull Urban	19.32%	58.86%	21.83%	2.16%
Regeneration	26.52%	59.23%	14.26%	0.85%
Solihull Rural	20.24%	61.53%	18.22%	1.73%

Source: Census 2001

A comparison by age profile further illustrated by the graph below shows the contrast in demographic profiles between the Regeneration HMA and the rest of the Borough. Over 60% of the Regeneration HMA's population was under 40 in 2001. This is 10% more than the proportion within the other two HMAs. This indicates a higher proportion of young adults as well as a higher proportion of children with this HMA.

This would lead one to assume the in-Borough population and household growth would be greatest within this HMA. We will consider population and household growth and the key drivers within the next Section.

Figure 3.1 % Population breakdown by broad age band



Source: Census 2001

### Households

At the time of the Census, there were just under 81,000 households recorded as living within the Borough. Of these, as illustrated in Table 3.3 below, 31.5% have households with dependent children, which accords with regional and national proportions, as does the proportion of households without dependents at 39.4%. The Borough also has a slightly lower proportion of single person households.

Although the Borough averages are fairly consistent with regional and national averages, the contrasting household profile by HMA is more marked. For example, the Regeneration HMA has a markedly higher proportion of Lone Parents than the other HMAs as well as regional and national averages, whereas the Rural HMA has lower proportions of One Person Households.

Table 3.3 Household profile by HMA

	Regeneration	Solihull Rural	Solihull Urban	Solihull MBC	West Midlands	England & Wales
Couples or other with dependent children (married or co-habiting)	22.4%	27.8%	25.4%	25.4%	24%	22%
Couple with no dependents (Married or co-habiting)	26.7%	39.8%	38.2%	36.3%	35%	35%

	Regeneration	Solihull Rural	Solihull Urban	Solihull MBC	West Midlands	England & Wales
Lone parent with dependent children	14.7%	3.8%	4.1%	6.1%	7%	7%
Lone parent with no dependents	4.2%	2.6%	3.1%	3.2%	4%	3%
One person households	29.6%	23.3%	26.5%	26.3%	28.8%	30%
Multi-person household- other	2.0%	2.3%	2.3%	2.3%	2%	3%
Multi-person household – student				0.001%	0.036%	0.037%

Source: Census 2001

### 3.2.2 Migration and commuting

#### Travel to Work patterns (commuting)

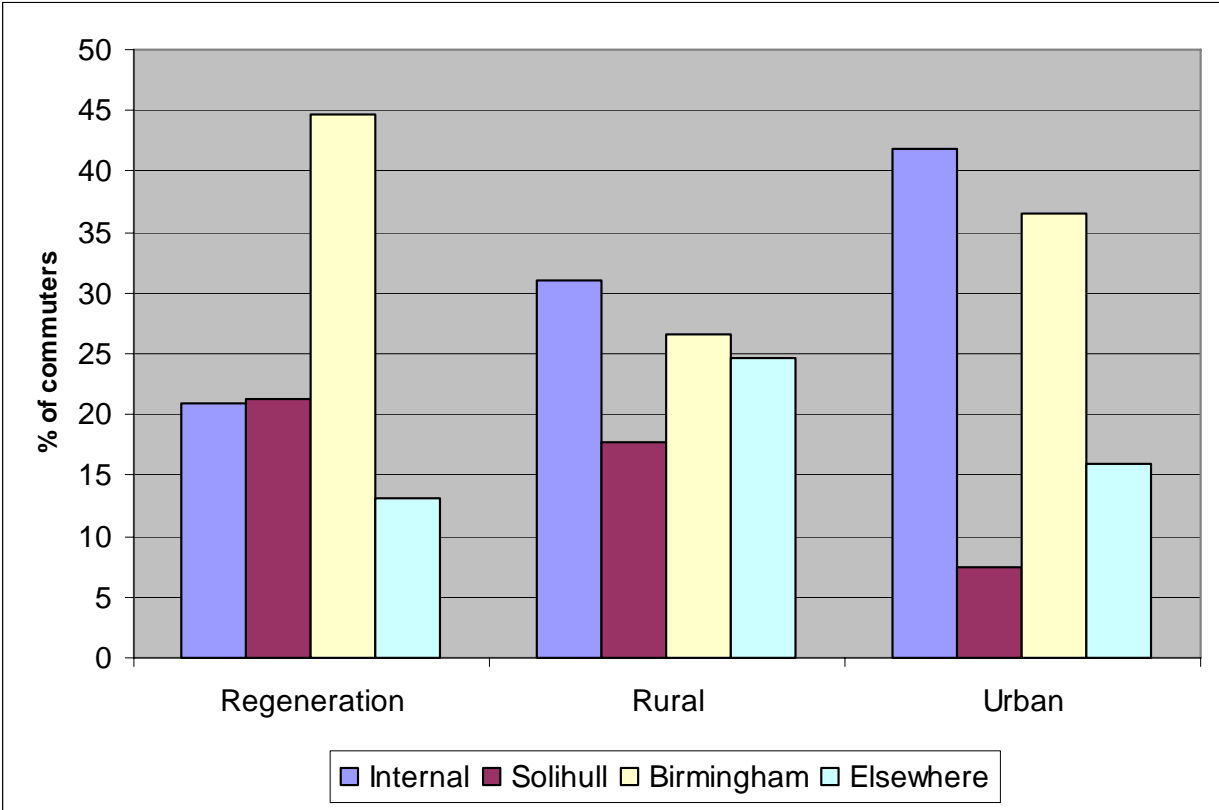
Figures 3.2 and 3.3 show patterns of 'employment destination' and 'residence origin' by proportion of workers commuting across the three HMAs. These vary quite significantly by HMA and further illustrate the contrasting characteristics of the Housing Market Areas. Regeneration HMA shows significant levels of net in-commuting, in particular from Birmingham. In-commuting from Birmingham tends to be quite localised with the South East Birmingham wards featuring strongly. Further analysis could examine the impact of HMA's employment pull on the development of the local workforce.

The Urban HMA also shows net numbers in-commuting from Birmingham (Figure 3.6) and net numbers out commuting 'elsewhere'. It also shows a significant proportion (just over 40%) of commuting occurring within its boundaries. This demonstrates the comparative strength of employment profile opportunities within the Urban HMA in comparison to that within the Regeneration area.

Many rural areas surrounding large urban areas often function as net exporters of labour, playing host to more affluent professionals working in the urban area. The Rural HMA, demonstrates a reasonable level of internal commuting. Approximately 26% of those resident in the Rural HMA travel to work within the HMA, accounting for over 30% of the Rural HMA's workforce. This may reflect the presence of the National Exhibition Centre, Birmingham International Airport and a number of Business Parks within its borders. The Rural HMA shows the highest proportion (approx 24%) of commuting to areas outside of both Solihull and Birmingham ('elsewhere') and also draws in the highest proportion of its workforce (approx 34%) from elsewhere. This illustrates the Rural HMA's strong spatial relationship with east and south facing markets, though many of the commutes recorded may show short distance movements from adjacent areas.

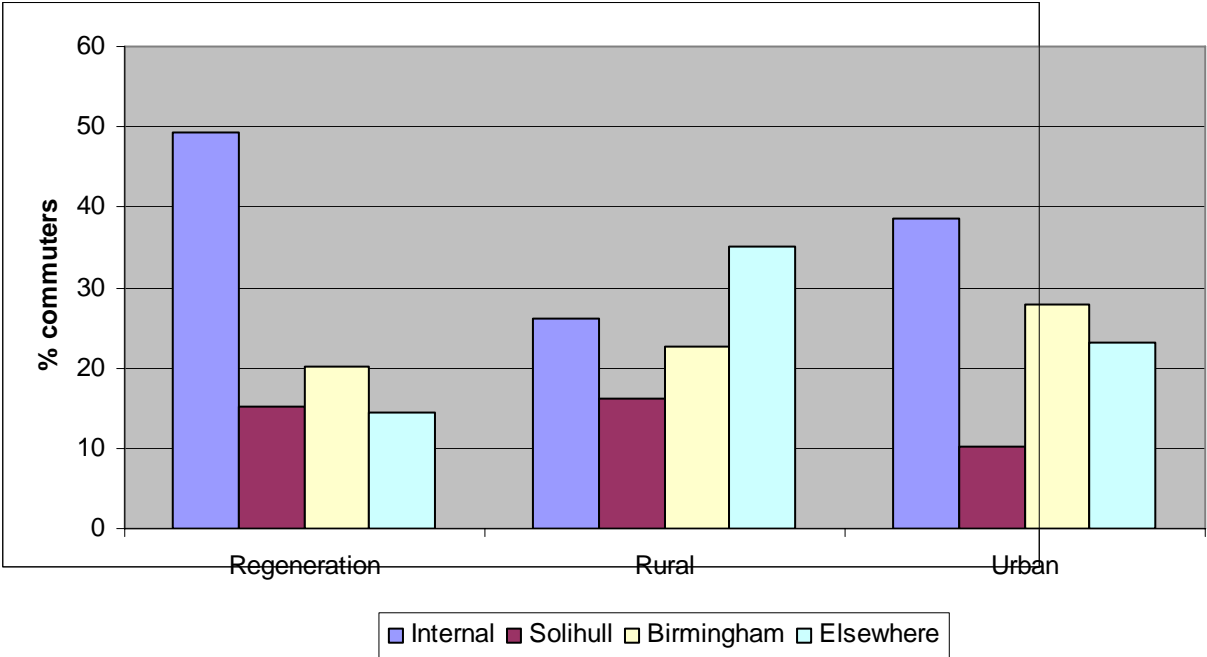
It must be remembered that these figures are based on 2001 Census data and therefore patterns may have changed over the intervening period.

Figure 3.2 Worker residence origin by HMA



Source: Census 2001

Figure 3.3 Employment destination by HMA

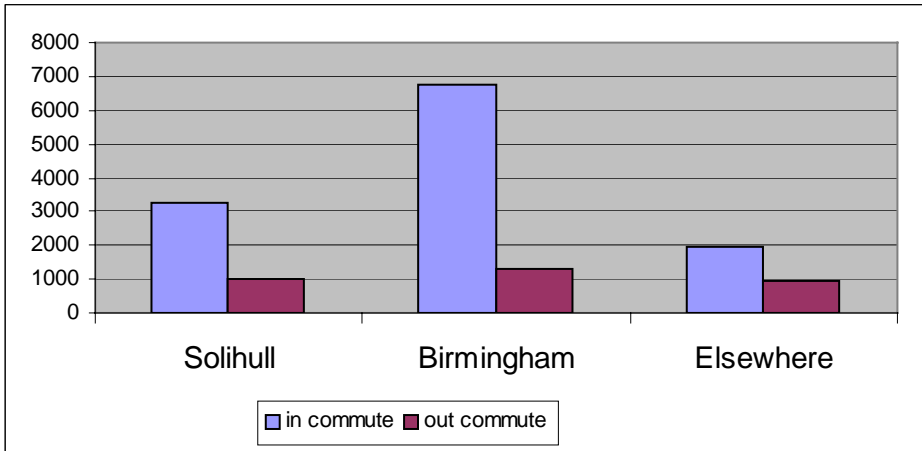


Source: Census 2001

Figures 3.4, 3.5 and 3.6 show net commuting figures for the three HMAs. As mentioned, the Regeneration HMA is a significant net importer of labour. The Rural and Urban HMAs show a closer balance between in and out commuting, although it is noticeable that both HMAs are net exporters of labour to outside of Birmingham and Solihull. This could signal the attractiveness of these HMAs to households needing to commute to other urban hubs, such as Coventry, Warwick and so on.

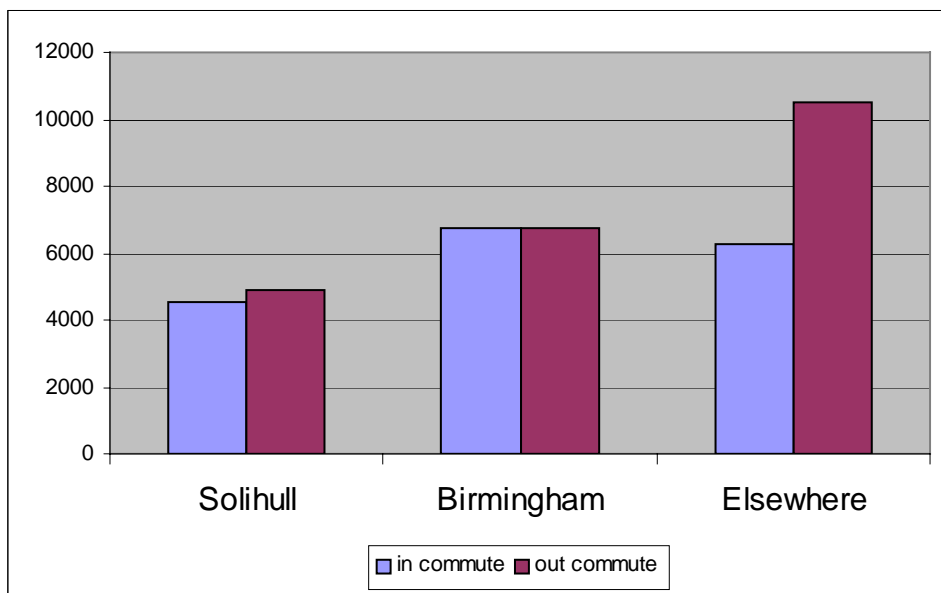
As mentioned, the Rural HMA exhibits an untypical level of internal and in-commuting for a rural area, especially in from and out to neighbouring authority areas. The employment draw of the NEC and the International Airport will likely skew the in-commuting and internal commuting numbers for the HMA.

Figure 3.4 In/ out commuting: Regeneration HMA



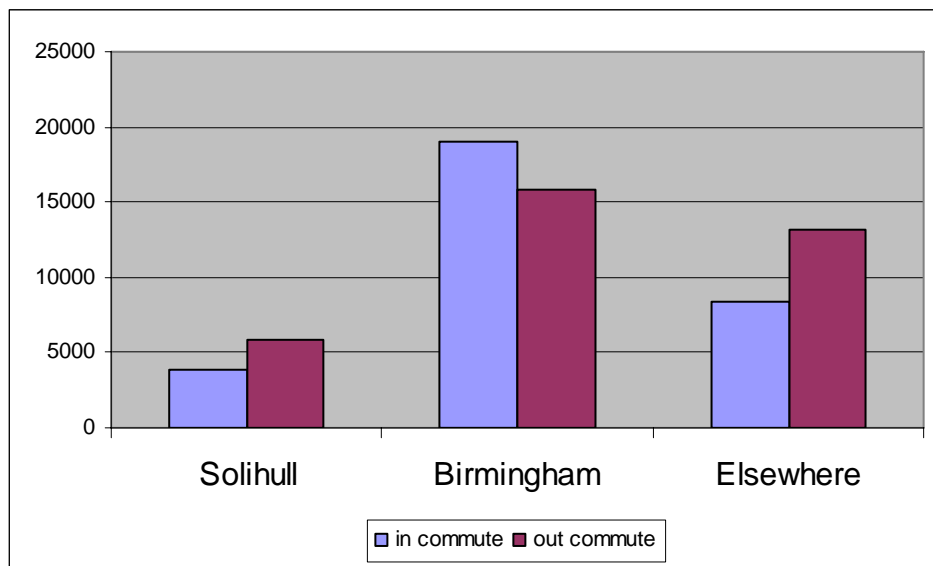
Source: Census 2001

Figure 3.5 In/ out commuting: Rural HMA



Source: Census 2001

Figure 3.6 In/ out commuting: Urban HMA



Source: Census 2001

Migration

The latest ONS internal migration figures for the mid-2006 to mid-2007 period show a marginal net in-flow of 400 persons or 0.2% of the current population estimate. This compares with a regional net outflow of 7,900 persons (0.15%) and a net Birmingham outflow of 8,400 persons (0.83%).

The Rural HMA Survey revealed that just over 40% of respondent households had moved within the last ten years. Of these, half had lived outside of the HMA.

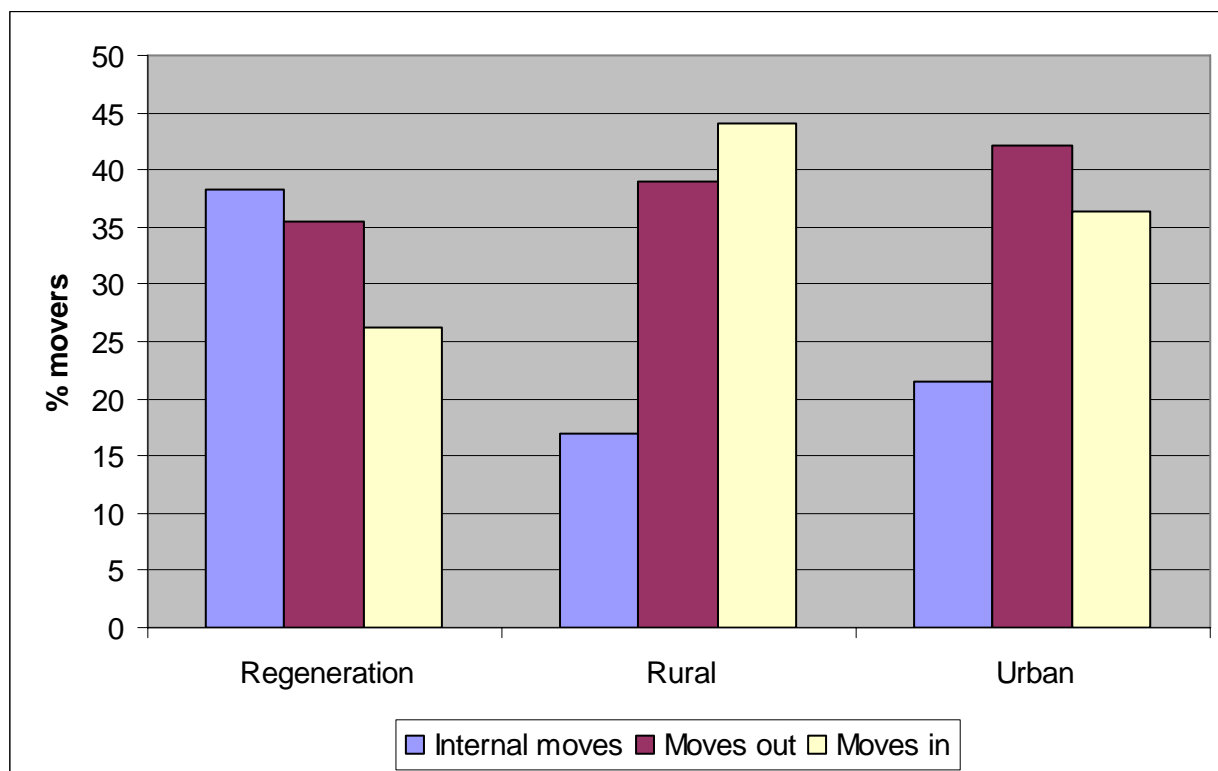
Households migrating to the HMA fall across all age ranges in a fairly even spread, excepting the 35-44 age group which accounted for 32% in-movers. Over 65s were the next highest group, although not significantly, at 20% of in-movers. The Rural Housing Needs Survey report (Annex 1) discusses the Rural Housing Survey in more detail.

The Census 2001 provided data on people's last house move over 12 months prior to the Census collection day. It only provides information on those persons resident in the UK at the time of the Census, however it provides the most robust data in respect of trends in internal population movements.

The Regeneration HMA saw the highest proportion of internal moves, not untypical of areas with high proportions of social housing and lower value private sector housing where people's area based choices are more limited because of their economic situation. The HMA nonetheless saw a net outflow of house movers, although the majority of these moves were to neighbouring wards within Solihull and Birmingham. This could be partially due to the lack of housing choice in the HMA, in particular the lack of larger dwellings.

Rural and Urban HMAs saw less internal moves with a net in-flow to the Rural HMA and a net out-flow from the Urban HMA. Proportionally, the Urban HMA saw fairly high net in-migration from Birmingham, in spite of an overall net out-migration for the HMA. The Rural HMA saw relatively high proportions in-migrating from both the rest of Solihull and Birmingham.

Figure 3.7 House movers by HMA



Source: Census 2001

Table 3.4 Occupational group

Occupational Group	Solihull (%)	Regeneration (%)	Solihull Rural (%)	Solihull Urban (%)	Solihull (%)	West Midlands (%)	Great Britain (%)
1. Managers and Senior Officials	18	7.47	22.83	18.19	18.3	14.5	15.5
2. Professional Occupations	12.52	3.3	16.16	13.38	15.7	11.8	13.0
3. Associate professional & technical	12.95	7.86	13.87	13.96	11.8	12.9	14.6
4. Administrative & Secretarial	15.94	14.03	15.43	16.73	12.8	11.6	11.4
5. Skills trades occupations	10.23	14.32	8.23	10.03	8.3	11.8	10.9

Occupational Group	Solihull (%)	Regeneration (%)	Solihull Rural (%)	Solihull Urban (%)	Solihull (%)	West Midlands (%)	Great Britain (%)
6. Personal service occupations	5.86	8.57	4.99	5.51	6.6	8.0	8.1
7. Sales and customer service	3.39	9.46	6.11	7.43	8.5	7.6	7.5
8. Process plant & machine ops	2.21	15.13	4.33	6.36	6.4	8.6	7.1
9. Elementary occupations	1.9	19.85	7.09	8.42	11.5	12.8	11.5

Source: <sup>1</sup>Census 2001, <sup>2</sup>Annual Population Survey (Oct 2007/Sept 2008)

## Income

According to CACI PayCheck data the median annual gross household income (referred to as 'household income') in Solihull in 2008 was £34,195 with lower quartile levels at £22,692.

Within the Borough's internal Housing Market Areas, there are significant differences between household incomes. Caci PayCheck figures reveal the Regeneration HMA has the lowest household income across the Borough at £23,495. This reflects the HMA's relative position of disadvantage. Given the high proportion of affordable housing within the HMA, it also reflects the relationship between incomes and tenure. Household income within the Rural HMA stood at £41,751<sup>1</sup>. This is considerably higher than the Borough average and reflects the appeal of the rural wards to higher salaried commuter households.

The Rural Housing Survey indicates that a broad range of salaries and relatively high numbers at both the lower and higher end of the salary ranges. 21% of respondent households earned more than £52,000 per year whereas 22% earned less than £16,000. In spite of high household incomes, the fact that just under a quarter of Survey respondent households earned less than £16,000 per year illustrates the pockets of disadvantage that may be masked by the overall levels of affluence.

<sup>1</sup> CACI PayCheck, 2001, CACI

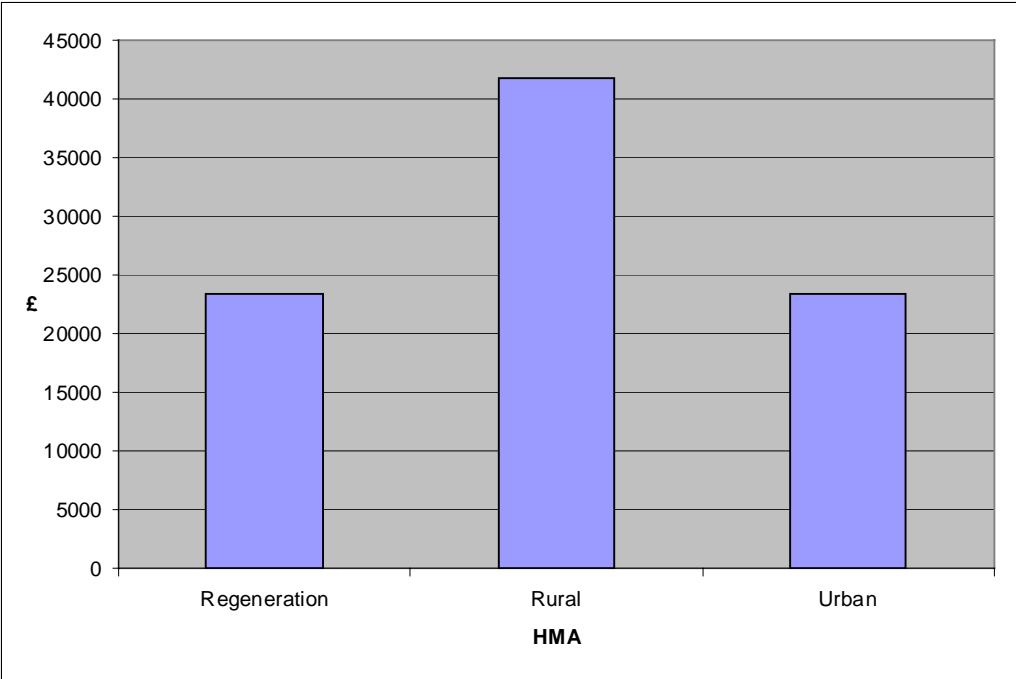
The highest household incomes are found within the Town Centre ward while the remainder of the Urban HMA wards show household incomes lower than the Borough average at £32,551. The household income for the Urban HMA as a whole was £33,965.

The APS provides details on employee residence and workplace earnings. This data is useful in indicating whether an area is net exporter or importer of higher salaried workers. Popular commuter areas are typically characterised by higher residence salaries, as higher earning workers commute to the urban centres for employment.

Solihull has residence based median weekly earnings of £548 compared to workplace weekly earnings of £525. The Borough is net exporter of higher salaried workers and this especially marked within the Rural HMA. However workplace salaries are still significantly higher than the West Midlands and GB medians of £449 and £479 respectively. This demonstrates that Solihull provides significantly higher value employment as well as proving an attractive location for commuting households.

Slightly over 35% of households in Solihull have an annual mean gross income of less than £25,000 and just under 40% of Solihull households earn between £25,000 and £50,000. Finally, 25% of Solihull households earn more than £50,000 per year, of these 3.2% earn over £100,000.

Figure 3.8 Average median annual salary



Source: CACI PayCheck

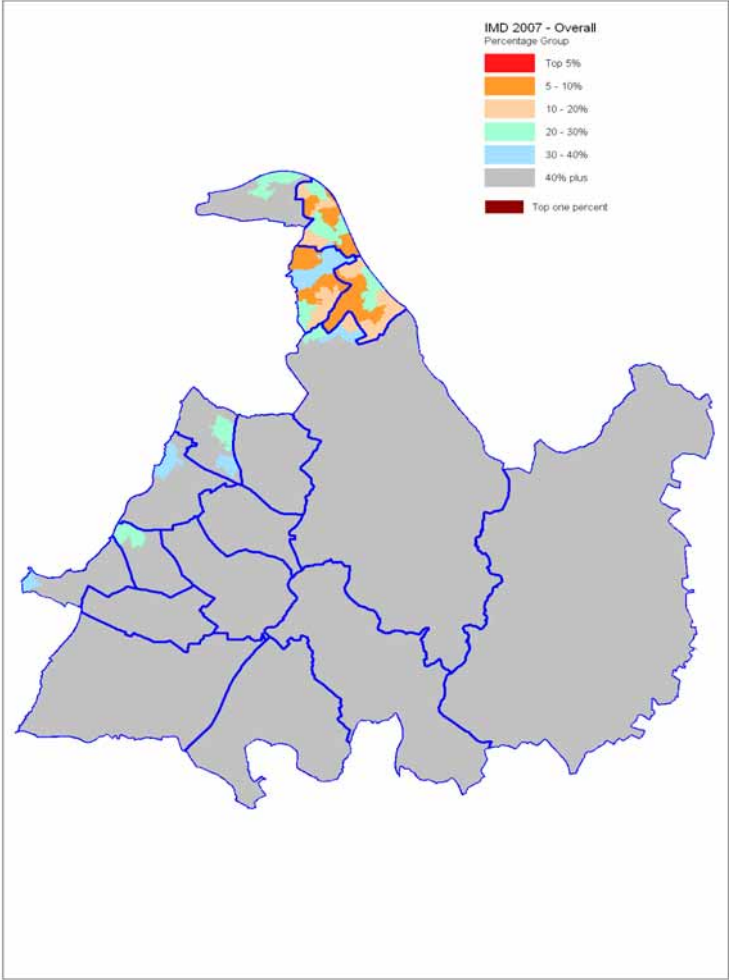
Deprivation

According to the most recent (2007) Indices of Multiple Deprivation, Solihull is ranked at 199 out of 354 English authorities in terms of overall deprivation (where 1 is the most deprived and 354 the least). Although the Borough is below average in terms of overall deprivation, as mentioned previously, this masks contrasting levels of affluence and deprivation across the Housing Market Area. The contrasting levels of deprivation have a clear spatial dynamic within the Regeneration HMA, as can be seen graphically in Figure 3.9. However, the relatively

low levels of deprivation across the whole Borough has made it difficult for the disadvantaged areas, such as the Regeneration HMA, to draw in certain funding streams, such as Working Neighbourhoods Funds.

As outlined in 3.2.1, nearly half the combined Black and mixed Black and White populations of the Borough live in these three wards, which highlight the relative disadvantage of these groups. At Super Output Area level, 10 Super Output Areas (SOAs) in the Borough are within the 10% most deprived SOAs in England. This represents 7.5% of the Borough's total SOAs. As can be seen from the map below, these are confined to three wards of Chelmsley Wood, Kingshurst and Fordbridge and Smith's Wood within the Solihull North HMA. A further 15 SOAs fall within the 25% most deprived SOAs in England.

Figure 3.9 Indices of Multiple Deprivation 2007

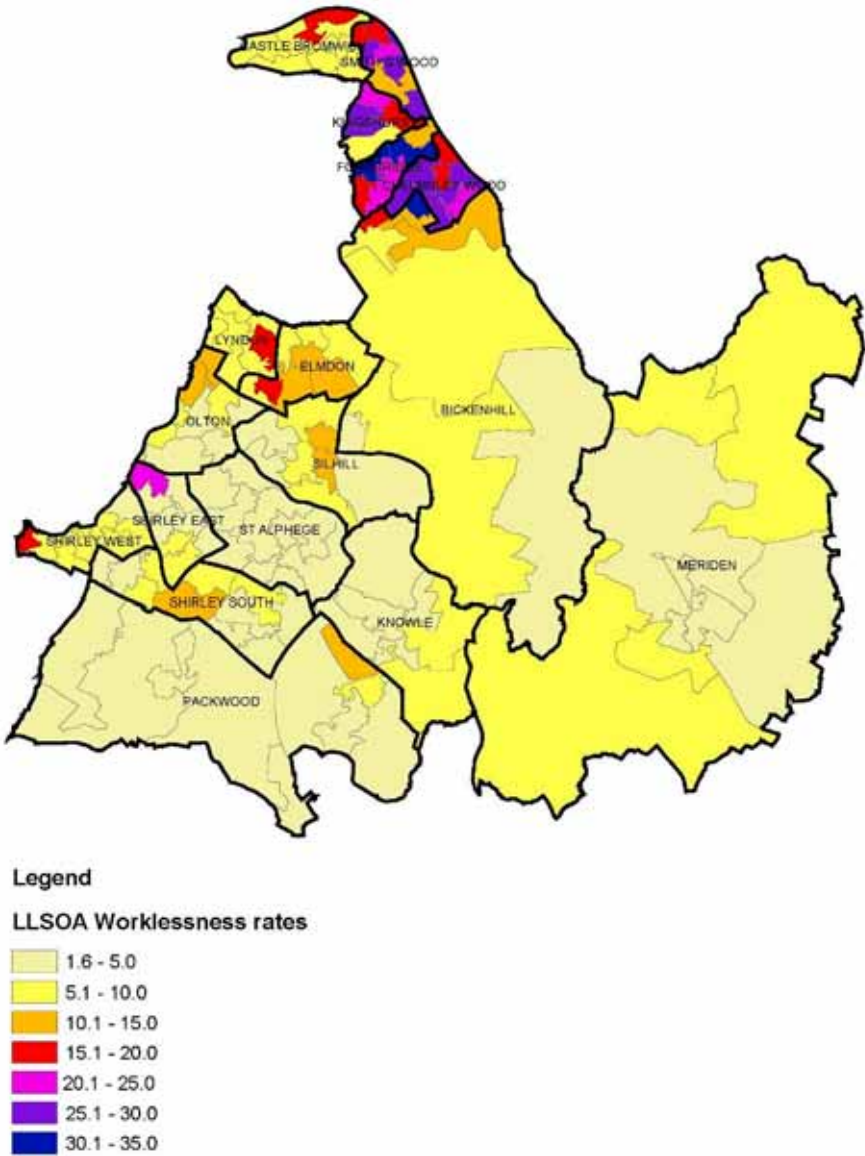


Source: ECOTEC drawn from Communities and Local Government (CLG) data (2007 IMD)

The latest figures on worklessness rates paint the same picture by socio-economic disadvantage across the HMAs with the highest incidence within the Regeneration HMA Super Output Areas (SOAs), although there are

SOAs outside of the Regeneration that experience relative high levels of worklessness- within the Bickenhill ward (Rural HMA) and within the Shirley East & West, Lyndon and Elmdon wards (Urban HMA). It is noticeable two thirds of these SOAs border higher deprivation wards.

Figure 3.10 Worklessness rates in Solihull



Source: SMBC, 2009

**N.B.** The definition includes Incapacity Benefit (IB), Severe Disability Allowance (SDA), Income Support (IS) and Job Seekers Allowance (JSA). To date April 2009 data is only available for JSA clients.

## 3.3 The Housing Stock

### 3.3.1 Current Housing Stock Profile

#### Housing Tenure Distribution

As of April 2008 there were 87,553 properties in Solihull. This breaks down as 78% owner occupied (44% of which is owned without a mortgage), 16.2% social rent and 3.6% rented from a private landlord. A further 2% live in other tenures, which may include intermediate affordable accommodation and tied accommodation.<sup>1</sup>

This compares with Census 2001 figures of 69% owner occupation and 21% affordable housing across the rest of the West Midlands. The proportion of private rental stock in Solihull is almost half that of the Census figure for the West Midlands, which stood at 7%. The levels of owner occupation and un-mortgaged home ownership are also higher than the national average and reflect both the prosperity and higher age profile of the Borough.

However, in contrast to the Borough wide profile, the wards within the Regeneration HMA - Chelmsley Wood, Kingshurst & Fordbridge and Smith's Wood - show very high proportions of affordable housing at 48% of the HMA's collective stock. The Regeneration HMA contains 72% of the Borough's social rented stock.<sup>2</sup> These wards show a very low proportion of private rental dwellings.

The Solihull Rural Housing needs survey indicated a differing profile within the Rural HMA, with 88% of respondent households owner occupying. Of these, 57% own their property without a mortgage. This is considerably higher than the Borough average and of these households 29% are in employment and 60% are retired. 87% of respondents who own their property without a mortgage are over 55 years of age, thus those still in work are liable to be coming toward the end of their working life.

The commentary on Fuel Poverty and Stock Condition within Section 3.3 indicates issues around the ability of some of un-mortgaged owner occupiers to adequately heat and maintain their dwellings. These households are typically described as 'capital rich, revenue poor' but will often be discouraged from releasing their capital by the paucity of housing options for elderly householders and the lack of trust in equity release schemes.

Only 5% of respondent households live in affordable housing (with a split of 80% socially rented and 20% shared ownership) and 5% were renting privately. The Survey found that those renting from private landlord were most likely to be in the younger (>35) age groups. The private rental proportion is higher than the Borough average given rural areas generally have lower levels of all rental sectors.

#### Housing Type

In comparison to the West Midlands region, the Solihull Housing Market Summary 2009 (the Summary) suggests that the Borough has almost double the number of detached dwellings and around 10% less terraced properties. Much of the Borough's terraced housing is situated within the Regeneration HMA where it is the majority housing type, although being of 1960s and 1970s municipal housing build type, as opposed to turn of the century build typical of much of the UK's terraced housing.

<sup>1</sup> Solihull Housing Market Summary, January 2009, Solihull MBC

<sup>2</sup> Solihull Housing Strategy, 2008, Solihull MBC

This HMA was also characterised by 42 residential tower blocks, which contrasts the low rise feel of the rest of the Borough. Originally, the Regeneration North Solihull programme sought to demolish the majority of these blocks, however this could not be achieved without a significant detrimental impact on densities and, as such, a reduced number are now earmarked for demolition with others scheduled for refurbishment and tenure change.

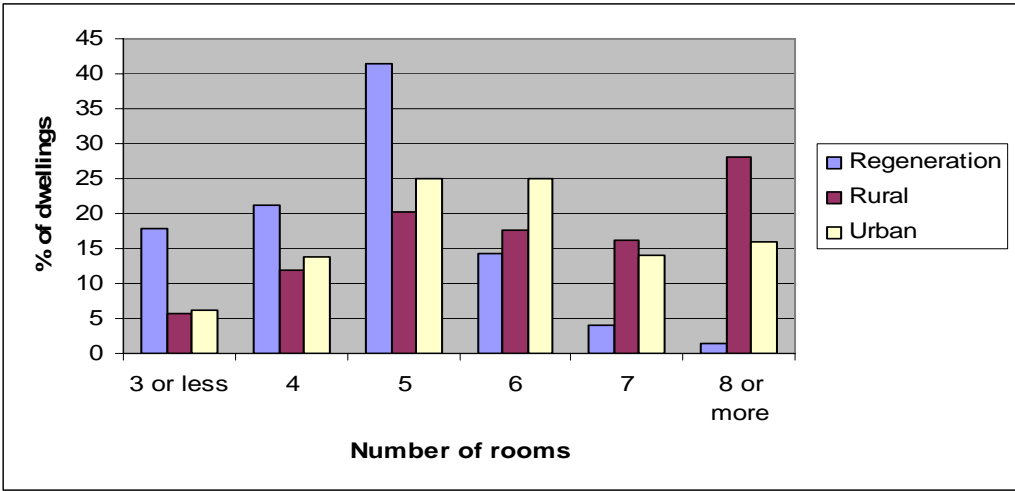
The Census provides details on the number of occupied rooms per dwelling. This includes kitchens, living rooms and bedrooms, but does not include bathrooms and toilets, storage areas and through areas (halls, landings). The data doesn't specify the number of bedrooms, however one can assume that the number of bedrooms within a dwellings is likely to be number of total occupied rooms less two. Hence a 3 room dwelling is likely to be a 1 bedroomed property.

Figure 3.4 illustrates the contrasting proportions of dwelling size (by rooms). The Regeneration HMA has far more dwellings at the smaller sizes. Over 15% of the HMA has dwellings with 3 or less occupied rooms. This is liable to represent 1 bedroomed dwellings and below. There is a spike of 5 (likely 3 bedroomed dwellings) roomed dwellings, which is liable to represent small terraced family dwellings in the social or privately owned sectors common to the HMA. There is a paucity of larger family dwellings.

Conversely, the other two HMAs have relatively small numbers of smaller stock (commonly 1 and 2 bedroomed properties). This can create supply and demand imbalances for new forming households and have an adverse impact on entry level house prices. Noticeable also is the large proportion of dwellings with 8 or more occupied rooms in the Rural HMA. This accounts for over 25% of the stock within this HMA.

47% of household respondents to the Rural Survey live in a detached house. Just over 45% of respondents lived in properties which have 4 or more bedrooms. A further 30.5% of respondents live in 3 bedroomed properties. This highlights the lack of smaller 1 and 2 bedroomed properties within the Rural HMA. Of those looking to move within the next five years, 25% stated that their current home was too big and 24% stated that there current home was too small.

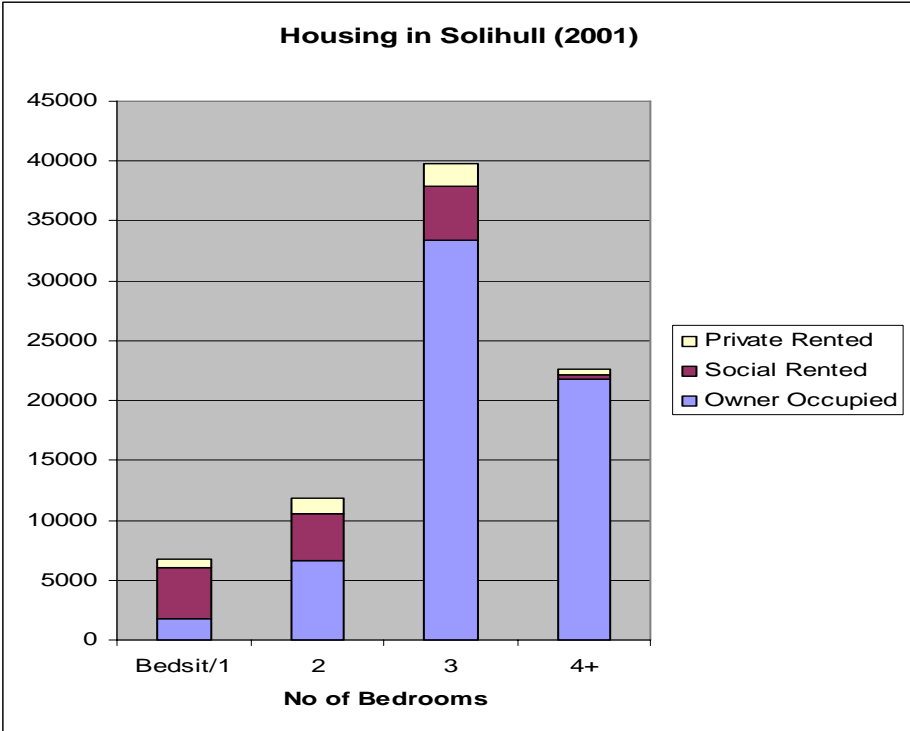
Figure 3.11 % of dwellings by number of rooms



Source: Census 2001

Figure 3.12 below converts the number of rooms per dwelling into assumed number of bedrooms. This is broken down by tenure. Clearly the owner occupied sector is weighted toward the larger bedroomed dwellings. The social sector is quite evenly spread at the low to mid bedroomed range, however there is a distinct shortage of larger bedroomed dwellings. The private rental sector has a fairly large proportion of 3 bedroomed dwellings, contrasting with a 'typical' private rental sector profile featuring a predominance of smaller dwellings. This accords, however, with the profile of the private rental market referred to at Section 1.2.1

Figure 3.12 Housing in Solihull



Source: Census 2001

The Summary states that the Urban HMA is characterised by typical suburban semi-detached and detached dwellings. Detached housing forms the majority dwelling type within the Rural HMA.

The Rural Survey revealed that detached or semi-detached houses accounted 69% of properties represented. Those renting were most likely to occupy flats, which represented 7% of the stock surveyed. Bungalows formed 10% of stock representation and formed the most frequently found stock type amongst social rented property. This could be accounted for by restrictions on Right to Buy applied to property designated for elderly persons.

The Summary indicates that homes in Solihull are also predominantly in higher Council Tax bandings compared to elsewhere in the region. The North of the Borough (Regeneration HMA) demonstrates significant differences in the distribution of homes by Council Tax banding in that 89% of properties are in Bands A and B compared to the Borough average of 29% in those bands.

According to the HSSA return 2007/08, there were only 91 Houses in Multiple Occupation (HMO) within the Borough. This is a very small proportion of the Borough's stock and reflects the Borough's established suburban nature. The Borough has no student campus in close proximity, reflected in the household profile shown at Table 3.3 with a very low student population, a typical occupier of HMOs. The small BME population, and the location of the majority of large houses (usually prime for HMO conversion) in higher income areas, also contribute to this low level.

#### Housing Density

The Annual Monitoring Report (AMR) states that overall housing densities have been slightly lower over the past year (2007-2008). This is due to an increase in developments of less than 30 dwellings per hectare, which tend to be smaller schemes, such as the replacement of one dwelling for another where it is not possible to achieve the higher target densities. Current Policy H5 sets a minimum density target of 30 dwellings per hectare on 95% of developments. From 2001 to 2008, 79% of developments were built at densities rates of >30 dwellings per hectare. However the AMR concludes that 'the UDP sets an unrealistic density target that cannot be met given the number of small developments where a higher density would be inappropriate'. Density targets will be reviewed through the Local Development Framework (LDF) Monitoring Framework.

#### House Design and Quality

The Council's Annual Monitoring Report states that a need for detailed advice relating to specifically to 'backland' sites, e.g. the area behind existing buildings such as rear gardens and private open space has been identified. This is in order to guard against unsympathetic and unsustainable development on in-fill sites within the context of the surrounding environs.

The North Solihull Regeneration Partnership Design Review Panel has started to use the Building for Life approach in assessing development proposals within the Regeneration area. The Panel intends to evaluate one of the schemes against the standard and use the findings to inform future design.

#### Stock Condition and Fuel Poverty

The Council commissioned its first private sector stock condition survey in 2000. The survey revealed significant levels of unfitness and disrepair across the Borough, in particular within the wards of Lyndon, Olton and Elmdon which are within the Urban HMA.<sup>1</sup> This led to a funding and assistance programme targeted at these three wards. In 2003, the Council commissioned a further survey (excluding the above wards). This provided the following baseline data to inform the Council's private sector stock intervention strategies.

The survey revealed that, 5% of Borough's private sector homes (excluding the targeted wards) were assessed as having a Category 1 hazard under the Housing Health & Safety Rating System (HHSRS). It revealed that 30% of vulnerable households living in the private sector were living in non-decent properties and the energy efficiency Standard Assessment Procedure (SAP) rating for the private sector stock stood at 53 (1 is least efficient, 120 most efficient).

<sup>1</sup> Report to Cabinet Member for Regeneration, Private Sector House Condition survey- Outcome findings, 2004, Solihull MBC

The latest Housing Strategy Statistical Appendices- HSSA & BPSA- 2007/08 state that the number of private sector dwellings assessed as having Category 1 hazard is 1,197 and the Borough's SAP rating for private sector housing stood at 56, whilst the SAP rating for the Council's stock stood at 66.19 an improvement from a recorded rating of 46 in 2003/04.

The Rural Housing Survey indicated that a fairly high proportion of respondents were able to keep their home at a warm and comfortable temperature, however 19% of respondent households spent more than 10% of their income on fuel- the defining criteria for households in fuel poverty. They were more likely to be in rented accommodation and over 65 years of age. It is noticeable that the Survey found that one in three households containing someone with a disability is living in fuel poverty. Again, the general affluence of the HMA can be seen to mask areas of poverty and disadvantage.

This is further evidenced by the fact that of those who own their own home without a mortgage, 22% spend more than 10% of their income on fuel (i.e. determinant of being in fuel poverty), which is higher than those owning their own home with a mortgage at just under 12%. The % of the working population who are mortgage free reflects the economic profile and relative affluence of many households living within the Rural HMA.

### 3.3.2 Changes to the Housing Stock

A key change in stock profile has been the comparative reduction in the social sector. According to the Solihull Housing Strategy 2008, since 1981 Right to Buy (RTB) sales have amounted to 7,109, reducing the social stock by around 35% in gross terms. A further 523 units have been demolished. A proportion of these losses have been replaced by local authority and Registered Social Landlord (RSL) new build and acquisition programmes. However, this has only amounted to 20% of the lost stock. A key pledge of the North Solihull Regeneration Framework is to maintain the overall numbers of affordable housing within the regeneration programme area. Recent changes to RTB legislation, the 'creaming off' of the most attractive stock and the current downturn in the housing market has reduced the level of RTB sales in recent years.

Just over half the Borough's Council housing are flats and the Housing Strategy states that one impact of Right to Buy has been to imbalance the social stock and leave Solihull with a high proportion of flats and smaller sized properties (bedsits, one and two bedroomed properties), including designated elderly persons accommodation (sheltered housing) exempt from Right to Buy.

A significant proportion of RSL new build between 2004 and 2007 has been intermediate tenure, predominantly shared ownership, so the net loss within the social rental sector has been greater than the overall loss of affordable housing.

The Council's Annual Monitoring Report states that 65% of all new dwellings built between 1991 and 2001 were three bedroom properties or larger. 59% of all new dwellings built since 2001 have one or two bedrooms and the remaining 41% have three or more bedrooms. Of all new dwellings built between 2001 and 2008, 53% are flats, 14% terraced, 11% semi-detached, and 22% detached. This picture accords with national trends over the last few years in urban areas for higher density, predominantly flatted, development.

### 3.4 The Active Market

#### Housing Affordability

The Housing Market Summary 2009 recognises that the affordability of housing is a significant issue in Solihull, reflecting the shortage of affordable housing within the Borough. Solihull has one of the most severe affordability problems in the West Midlands region with a house price to income ratio of 7:1. Average prices for detached properties are particularly high and reflect the Borough's luxury market, where properties on some streets can market in excess of £900,000 even in the current market<sup>1</sup>.

Following the housing market downturn property prices fell later in Solihull than other areas, but that they are now on a downward spiral<sup>2</sup>. According to the Land Registry, the average property price in January 1999 was £92,485, increasing to £192,708 over ten years later in January 2009. Property prices reached a high in August 2007 with average prices of £215,021 and have fallen subsequently from mid-2008 onwards to an average of £192,708.

According to the Land Registry figures, average property prices reached their lowest point in May 2009 when they fell to £177,349. Average property prices have been increasing ever since and the latest land Registry figures for September 2009 show average property prices standing at £187,491.

The following table sets out the average property prices for all household types in Solihull over the ten year period from January 1999 to January 2009. It also details the average prices for August 2007, which saw price levels reach an all time high.

Table 3.5 Average property prices by house type: time series

Household type	January 1999	August 2007	January 2009
Detached	£174,145	£404,872	£362,859
Semi- detached	£90,324	£209,995	£188,204
Terraced	£65,677	£152,693	£136,849
Maisonette/ flat	£61,375	£142,697	£127,886
Average	£92,485	£215,021	£192,708

Source: Land Registry, © Crown Copyright 2009

<sup>1</sup> Rightmove.co.uk, 2009

<sup>2</sup> West Midlands Housing Markets Research, 2009, ECOTEC Research & Consulting

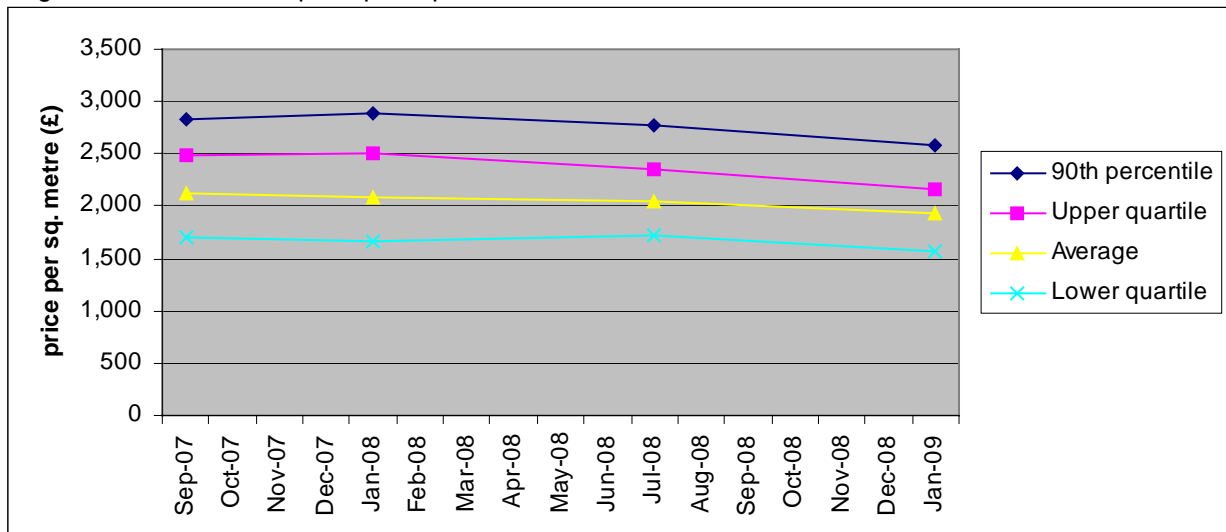
Figure 3.13 House price and sales volume



Source: Land Registry, © Crown Copyright 2009

Figure 3.14 shows the fall in house sales calculated to a per square metre rate for the dwellings. As with Figure 3.13, the drop in per square metre sales prices becomes apparent from July 2008 with both average and lower quartile per metre prices holding up until that time. This reflects the findings that house prices fell later in the Borough than other areas highlighted at the start of this Section.

Figure 3.14 House sale price per square metre

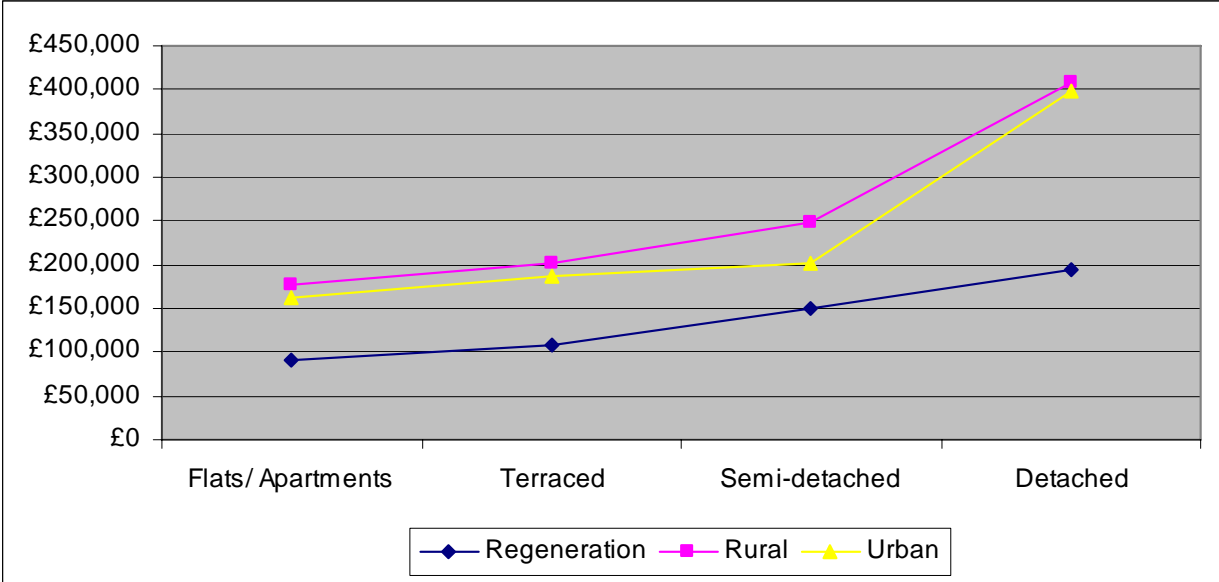


Source: Hometrack Data System Ltd, 2009

Figure 3.15 shows comparative property prices by house type across the three HMAs. These figures represent November 2008 Land Registry published data (sales 01/01/08 to 30/10/08), so take a different timeline from the data above and are really designed to show the comparative house values across the HMAs. Unsurprisingly, the Regeneration HMA shows the lowest house values, while the other two HMAs show reasonable consistency. What is noticeable is the rate of increase by house type, which consistent across types with the Regeneration HMA, but shows an accelerated increase between semi-detached and detached within the other two HMAs.

These figures may be skewed in part by some very high value property at the top of the market, but may also reflect a heightened demand for detached, low density dwellings characteristic of the Rural and Urban HMAs. Current density standards and the land pressure to accommodate strategic housing allocations will reduce the volume of larger 'footprint' detached builds, potentially further heightening demand and increasing the relative values of the remaining stock.

Figure 3.15 Average property prices by house type and HMA



Source: Land Registry, © Crown Copyright 2008

Table 3.6 assesses affordability ratios by HMA by considering the ratio of median average incomes multiples to house prices, using the 2008 income data referenced at 3.2.3 and house price data averaged across January to November 2008 (inclusive). Naturally there are other factors that determine households actually ability to access the housing market and this is explored within Section 5, however this exercise paints a general picture of the imbalance between house prices and salaries within the Borough.

Table 3.6 Affordability ratios by HMA - Average house price/ Av median incomes

	Regeneration	Rural	Urban
Average	£116,580	£292,662	£231,080
AV Median household income	£23,495	£41,751	£33,965
Ratio	5.0:1	7.0:1	6.8:1

Source: CACI Paycheck; Land Registry, © Crown Copyright 2008

Table 3.7 uses the same base data as Table 3.6 to assess affordability ratios by considering the ratio of the median average incomes of newly forming households to lower quartile house prices. The multiples at the entry level are fairly consistent with average price to income multiples and significantly higher than 3.5 times income multiple generally accepted as the affordable mortgage benchmark for single person households

Table 3.7 Affordability ratios by HMA - Lower quartile house prices/ New forming household income

	Regeneration	Rural	Urban
Lower Quartile	£92,000	£177,000	£157,000
Av Median Income of new forming households *	£15,789	£28,057	£22,824
Ratio	5.8:1	6.3:1	6.9:1

Source: CACI Paycheck; Land Registry, © Crown Copyright 2008

Median salaries multiplied by 0.675 as SEH 2004/06 shows that newly forming households earn 67.2% of all households

#### Housing Supply

According to the Housing Market Summary 2009, the supply of properties for sale in Solihull has fallen over the last 12 months by 51% from 4,533 in 2007 to 2,236 sales in 2008. The number of new build sales has fallen even more steeply by 74% from 402 in 2007 to 104 in 2008. The average number of weeks it takes to sell a home stood at just under 11 weeks in June 2009, which is an improvement in sales turnaround from the 13.6 weeks in December and 12 weeks in October 2008.<sup>1</sup>

Land Registry data for the 10 months from January to November 2008 shows sales volume by HMA. Extrapolating numbers across a year and analysing sales as a proportion Census stock data, annual sales volumes can be estimated by HMA. It should be noted that the Regeneration HMA has a very high proportion of

<sup>1</sup> Hometrack Data Systems Ltd, 2009.

social stock (48%), of which there were very few sales under Right to Buy over the period. This means that sales volumes within the private sector stock alone within this HMA will be higher.

Table 3.8 Sales numbers and estimated volumes by HMA

HMA	Regeneration	Rural	Urban
Sales (Jan- Nov)	326	597	1160
Sales volumes %	2.63	3.45	2.92

Source: Census 2001; Land Registry, © Crown Copyright 2008

Windfall housing sites have been a significant land supply source in Solihull. Between 1st April 2001 and 31st March 2008, 1,835 dwellings were built on windfall sites, which is 41% of all dwellings built during that period<sup>1</sup>. Demolition of large detached houses and replacement apartments are typical examples of windfall developments within the Borough. There are a number of examples of such high specification developments on the main property websites<sup>2</sup>.

The Council's Annual Monitoring Report states that the minimum UDP housing land provision target has been consistently exceeded over the first seven years of the Plan (2001-2008), and the national requirement to maintain five years housing land supply has also been met. At 1st October 2008, Solihull's five year housing land requirement was 369 compared to a supply of 3,476 dwellings. The target has been significantly exceeded to date as a result of the shift in Government policy towards encouraging better use of previously developed land and increasing development densities. However windfall sites are not providing as much affordable housing as anticipated because most developments fall below the affordable housing threshold.

At 1st April 2008, the Borough had a total of 2,519 empty homes. This amounted 2.87 % of the Borough's stock at that time. This is slightly below the vacancy rate for the West Midlands of 3.10%. Of these some 1,350 dwellings had been empty for over 6 months (for reasons other than regeneration purposes).

**Housing Demand**

According to Land Registry data, the volume of property sales in November 1998 was 294, which decreased to 119 sales ten years later in November 2008. The highest volume of property sales in the Borough was in June 2007 with 509 sales. The demand for social housing has subsequently increased particularly given the current economic climate.

**Housing Stress**

The housing market in Solihull has followed national trends in that many households in existing properties would not be able to afford them based on mortgages of three times their current household income. There are

<sup>1</sup> Solihull Local Development Framework Annual Monitoring Report 2007-2008, Solihull MBC

<sup>2</sup> Rightmove.co.uk, 2009.

therefore issues for first time buyers in Solihull who do not have any equity from previous house sales or equity built up in their existing home from property price rises. Other households are finding it difficult to move to larger properties and this is creating less movement in the housing market. Based on figures from the Solihull Housing Market Summary 2009, 72% of first time buyer households living in flats or terraced houses were essentially priced out the market in December 2008, based on three times their household income levels.

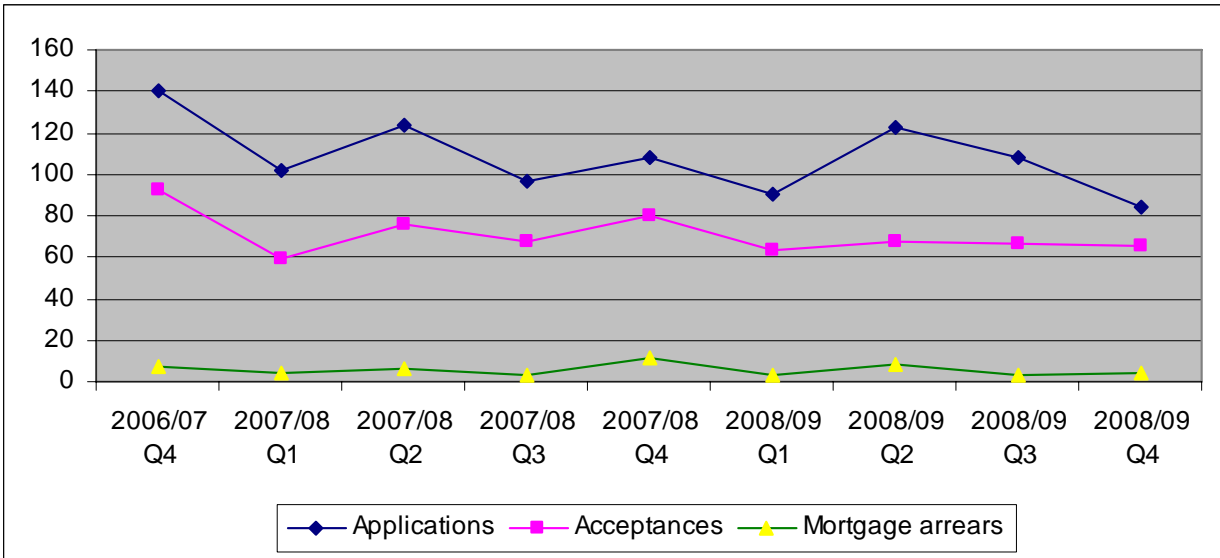
Homelessness

The Summary illustrates that homelessness in Solihull has fallen sharply in recent years. In 2002 there were some 1,200 homelessness applications made in Solihull, halving to 600 by 2006/07. In 2007/08 applications for the year stood at 431 and statutory acceptances at 283. For 2008/09 the figures were 405 and 263 respectively although anecdotal evidence from the region suggests that homelessness is rising as a result of the recession.

The Council's Homelessness Strategy Review (2009) highlights how the Borough has restructured its service to focus more on prevention and fully exploring the range of housing options available to Clients. Clients are referred to the Homelessness Assessment Team only once all housing options have been explored.

Figure 3.16 below shows the breakdown by quarter of applications and statutory acceptances. It can be seen that acceptances have levelled out at around 60 per quarter. The Graph also illustrates the numbers of households accepted as homeless due to mortgage possession in light the economic downturn. Current figures do not show any 'exceptional' increases due to mortgage repossession. It is important, however, to be mindful of the potential 'delayed impact' on homelessness and homelessness as a result of house repossessions.

Figure 3.16 Recent homelessness applications and acceptances



Housing Need

The need for affordable housing is growing and although the Council is committed to developing more affordable homes, the availability of land and financial capacity is limited and many windfall developments fall below the affordable housing threshold. This issue will be reviewed through the development of the Council's Core Strategy. The Summary also demonstrates that the number of households on Solihull's housing waiting list has grown from just over 1,000 in 2001 to slightly under 6,000 (excluding Council tenants needing to transfer) and just under 10,000 including transfer applicants in 2008. This high demand from those in need of housing indicates the growing number of households unable to afford the price of housing on the open market.

According to the Housing Register at December 2008, of all those listed, minimum number of bedrooms required is within Table 3.9. As the Solihull Housing Market summary points out 'the number of households on the Housing Register is now far in excess of the number of yearly lettings available to meet it' and the affordable housing completions, especially social rented dwellings, are not coming close to bridging that gap.

Table 3.9 Minimum bedroom size requirements

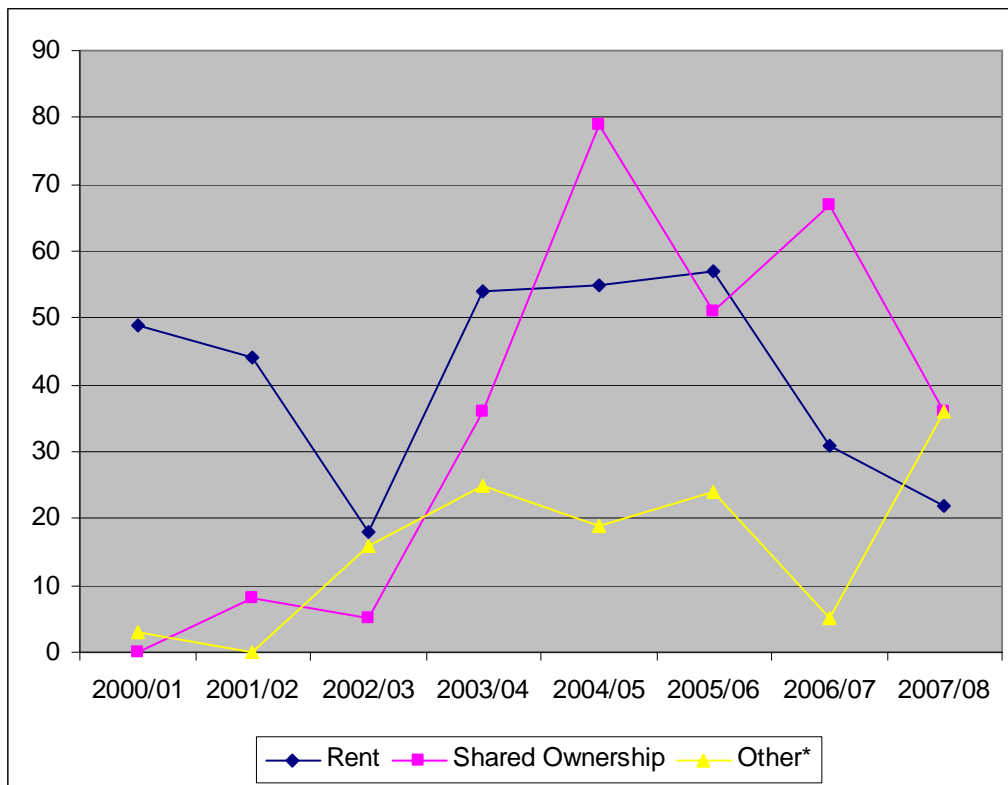
Min no bed of beds	1 bed	2 bed	3 bed	4 bed
Number	5227	2968	1391	313
%	52.86	30.01	13.97	3.17

Source: Solihull MBC Housing Register

The 2001 Housing Needs Survey estimated a need for the provision of 886 affordable dwellings (88 dwellings per year) over the UDP period and the Housing Strategy 2004-2008 set target of 550 new dwellings over a five year period from 2004/05 to 2008/09. Affordable housing delivery from 2004/05 to 2007/08 was 482.

The Council has appointed four development partner RSLs to lead the delivery of affordable housing within the Borough. Figure 3.17 shows the delivery of affordable housing over the period stated. The level of shared ownership delivery increased significantly from 2003/04, but dropped back in 2008. Shared ownership sales have been impacted by slowdown in the housing market with many RSLs nationally seeking tenure conversions of recently built and pipeline units. The overall impact of the slowdown in residential development on affordable housing delivery will still need to be seen. Although affordable housing delivery has benefited by market conversions within committed and 'stalled' schemes, the appetite for starting new sites is undoubtedly diminished and this hiatus will in time feed through to the overall delivery of affordable housing.

Figure 3.17 Affordable housing delivery, 2000-2008



Source: Solihull Housing Strategy 2008

### 3.5 Bringing the Evidence Together

#### 3.5.1 Solihull Borough

- Solihull has a current estimated population of over 200,000 people and is seeing a steady increase in population. It is an attractive, generally affluent Borough that provides both urban/suburban and rural environments. However, the overall picture of prosperity masks the level of deprivation experienced by the wards within the Regeneration HMA in the north of the Borough.
- Solihull has seen an increase in internal migration, especially from Birmingham<sup>1</sup>. Solihull is a destination of choice for households moving from the urban core. Consequently, there are residential development pressures exerted as a result of the housing demands of aspiring in-migrants.
- Internal and external demand pressures and the attractiveness of the area have always resulted in higher house prices relative to the rest of the region. Many Solihull wards and settlements have long drawn affluent purchasers from outside of the Borough. This creates affordability issues within the Borough, especially for new forming households within low and medium income bands.

The Borough's population profile shows a higher proportion of people of retirement age than the regional and national average. This relative disproportion is accelerated at higher age bands with the proportion of over 85's

<sup>1</sup> West Midlands C1 Housing Market Area Strategic Housing Market Assessment, 2008, Outside Consultants

estimated at over twice the regional and national averages. A key issue for the Borough is planning to meet the needs of the increasingly ageing population.

Solihull has a strong economic base. It has excellent communication links and the high ranking 'quality of life' indicators to attract and retain higher earning professionals. This in turn provides a draw for hi-tech and knowledge based industries. However, there has been a decline in the manufacturing sector.

Average salaries within the Borough are relatively high reflecting the spread of the workforce towards the higher level occupational groups relative to the region as a whole.

### 3.5.2 Internal Housing Market Areas

#### Regeneration HMA

The key characteristics, profile and drivers of the Regeneration HMA can be summarised as follows:

- It has the highest incidence of relative deprivation within the Borough and can be seen as deprived in a regional and national context with 10 of its Super Output Areas (SOA) falling within the 10% most deprived in England.
- Its population is relatively 'young' with 60% under the age of 40 at the time of the Census. It has a markedly high proportion of lone parent families compared to the rest of the Borough and regional and national averages.
- Due to position and relative economy, the HMA has a stronger relationship with East Birmingham. It is a net importer of workers, predominantly from Birmingham, although a relatively high proportion of the Borough's workers commute internally.
- Average median incomes are significantly lower than the rest of the Borough, at £23,495 per annum in 2008, as well as regional and national averages. This reflects the social and economic position of the HMA's residents, their occupational category and potentially the lower age profile of the HMA resulting in less established work and career histories
- There are relatively high levels of social housing, the HMA containing just under half of the Borough's social housing stock
- The HMA has high numbers of both terraced housing and social rented flats. It is home to 42 tower blocks. The HMA is dominated by small and medium sized dwellings, and has very little larger stock.
- Average house prices are the lowest in Borough by some margin at £116,580 across 2008, however affordability remains an issue with lower quartile house prices being just under 6 times lower quartile salaries.

The housing markets drivers revolve around the relationship between the HMA's stock and its economic and demographic profile. It has a high proportion of social housing and lower value private sector housing, much of which is former Council stock bought under Right to Buy, which accords with the economic profile of its residents. The market is therefore self-contained and contrasts with the rest of Solihull. The area has an active housing market, with sales as a proportion of the private housing stock being robust in relative terms. There is very little 'low demand' or 'difficult to let' social stock with the HMA. So although the HMA needs significant investment to address its social and economic disadvantage, it is far from being a failing market and there is market demand and housing needs addressed by the operation of the HMA housing market.

The HMA is the focus for regeneration through the Regenerating North Solihull programme, referred to within the local policy context, and whose future plans and priorities we expand upon in Section 4.6.

#### Urban HMA/ Town Centre

The key characteristics, profile and drivers of the Urban HMA can be summarised as follows:

- The HMA has low levels of deprivation with the majority of SOAs falling within the 60% least deprived. There are pockets of more deprived SOAs (20 to 30% most deprived) within the wards of Lyndon and Shirley East.
- The HMA has the highest proportion of its population over 65 and over 85 years of age.
- A relatively high proportion of the HMA's workers live in the Borough.
- HMA is relatively affluent with average median household incomes standing at £33,965 in 2008 and a relatively high proportion of residents in the highest two occupational groups.
- The HMA is characterised by a high proportion of semi-detached and detached dwellings and a relatively low number of smaller dwellings.
- Average house prices stood at £231,080 over 2008.
- Affordability is an issue with average house prices at 6.8 times average median incomes and lower quartile house prices at 6.9 times lower quartile incomes.
- The Town Centre provides a focus as a commercial, leisure and retail hub for the Borough with an important emphasis on residential development. The Town Centre Study is expanded upon in Section 4.6.
- The housing market drivers of the Urban HMA are focused around the demand for the high quality residential accommodation, environments and facilities characteristic of the HMA. Demand and stock profile mean the availability appropriate housing and affordability of its housing becomes an issue for younger new forming households. A key driver and opportunity is therefore the redevelopment of the town centre which provides the opportunity to both enhance the appeal and vitality of Solihull's administrative, retail and leisure and balance its housing market through the residential development opportunities the overall redevelopment offers.

#### Rural HMA

The key characteristics, profile and drivers of the Rural HMA can be summarised as follows:

- The HMA has low levels of deprivation with all SOAs, apart a couple in the north of the Bickenhill ward bordering the Regeneration HMA, being in the 60% least deprived.
- The Rural HMA has the highest proportion of people of working age and of under 16s.
- The HMA has greater commuting relationship with areas outside of Solihull or Birmingham than the other two HMAs. This reflects the HMAs spatial to the south and east of the Borough.
- The HMA has attracted significant net in-migration. The Rural Housing Survey revealed that of those respondents who had moved within 10 years, 50% had moved into the HMA from elsewhere.
- It is the most affluent HMA with average median salaries at £41,751 and the highest proportion of workers in the highest two occupational groups (over 30%).
- The HMA also has a lower level of existing affordable stock and a general housing stock profile which has proportionately the highest levels of detached housing and the lowest levels of smaller dwellings within the Borough.

- Average house prices stood at £292,662 over 2008, the highest within the Borough.
- Affordability is a key issue with average house prices at 7 times average median incomes in 2008 and lower quartiles house prices at 6.3 times lower quartile incomes.

The housing market drivers of the Rural HMA revolve around the attractiveness of the housing and environmental offer. It is a destination of choice for would be commuter households and given its location and transport, it provides a commuter hinterland for a number of urban hubs, aside from Solihull and Birmingham. Sustainability and the longer term impact on the existing population is a policy driver in respect of this HMA. There is a need to ensure enough affordable housing for the percentage of residents who are on lower incomes, as well as addressing fuel poverty and housing condition.

## 4.0 Future Housing Market

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### 4.1 Introduction

This Section considers the future direction and focus of the Borough's housing markets by examining estimated population and household growth, and the individual components that make up those projections. Within the overall context of housing growth, the report comments on economic growth projections and the impact of current economic climate. The report specifically considers two areas of regeneration focus to comment on future plans for these areas.

### 4.2 Demographic trajectory

#### 4.2.1 Household profile of population change

According to the latest Office National Statistics (ONS) 2006-based sub national population projections, Solihull's population will increase from a base of 203,600 in 2006 by approximately 26,000 people from 2006 to 2026 and just under 33,000 people from 2006 to 2031. This represents a population increase of 12.8% over the period to 2026. This compares with an 11.4% projected increase for the West Midlands as a whole and 10.4% for the West Midlands Metropolitan Boroughs over the same period. As such, Solihull is projected to see population growth over and above the West Midland average and the components of this growth are considered within the next sub-section.

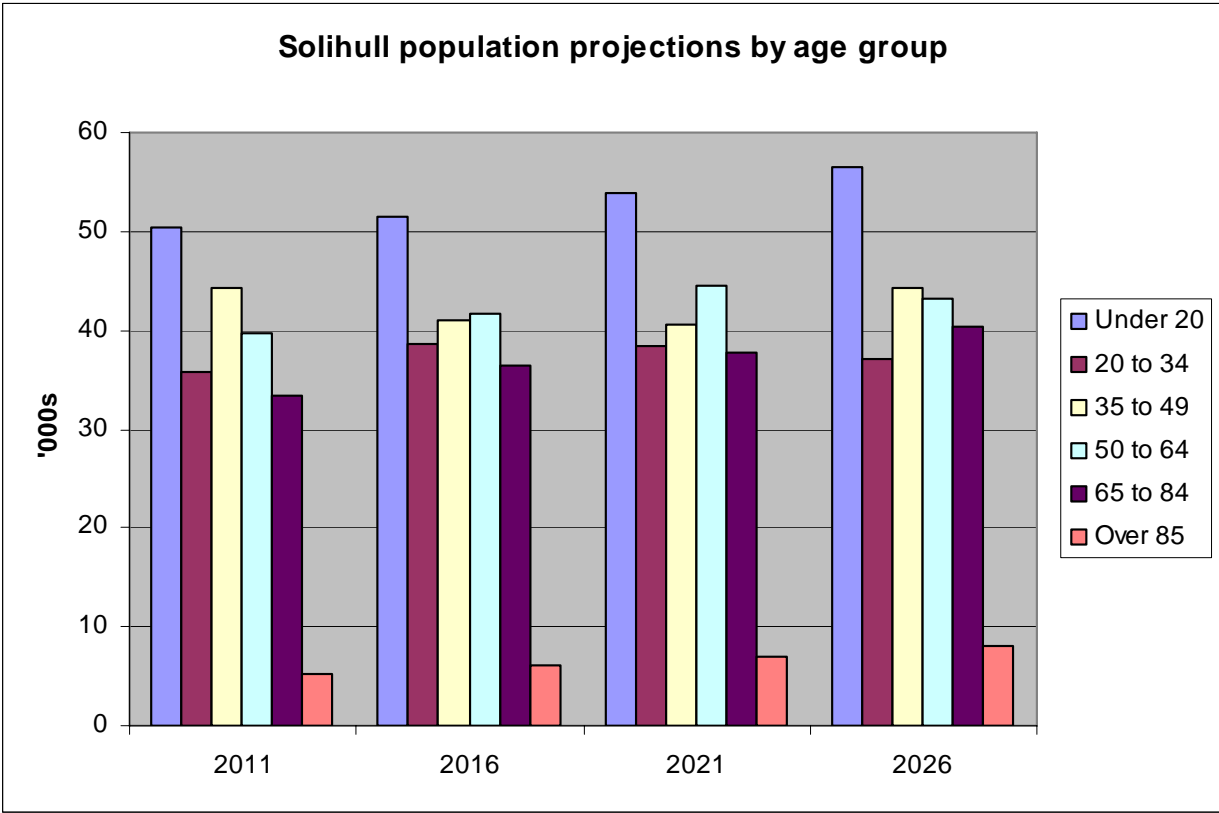
The graph below illustrates the projected change in population by age group. Those groups seeing consistent increases over the period are the under 20, 65 to 84 and over 85 age groups. It is noteworthy that these age groups are at both extremes of the age range. The mid range age groups see smaller and inconsistent changes in population. The 35 to 49 age group actually sees a fall in numbers to 2021.

However, the West Midlands Regional Assembly (WMRA) commissioned report considering the implications of the economic downturn on the West Midlands<sup>1</sup> argued that the 'assumptions on which demographic projections are based may be worthy of review'. Basically, it was felt that the current economic downturn could lead to a lower level of both population and household growth. The report identified three components of potential change due to economic circumstances, which are:

- Reduction in international migration and out-flow of existing international migrants;
- Reduction in household formation (setting up home together) due to increased economic insecurity;
- Reduction in household break-up due to financial issues around sustaining separate households.

<sup>1</sup> The implications of the downturn for regional housing markets, 2009, ECOTEC

Figure 4.1 Population projections by age group



Source: ONS 2006-based sub national population projections (2008)

4.2.2 Components of population change

The projections indicate that the birth rate will exceed the death rate within the Borough over the period, leading to annual population growth from 'natural change' at around 470 persons per year or 11,800 over the period from 2006 to 2031. Natural change accounts for 5.8% of the Borough's projected population increase to 2031. This is significantly lower than the 17% projected increase in population due to natural change across the whole of the West Midlands Metropolitan Boroughs (WMMB).

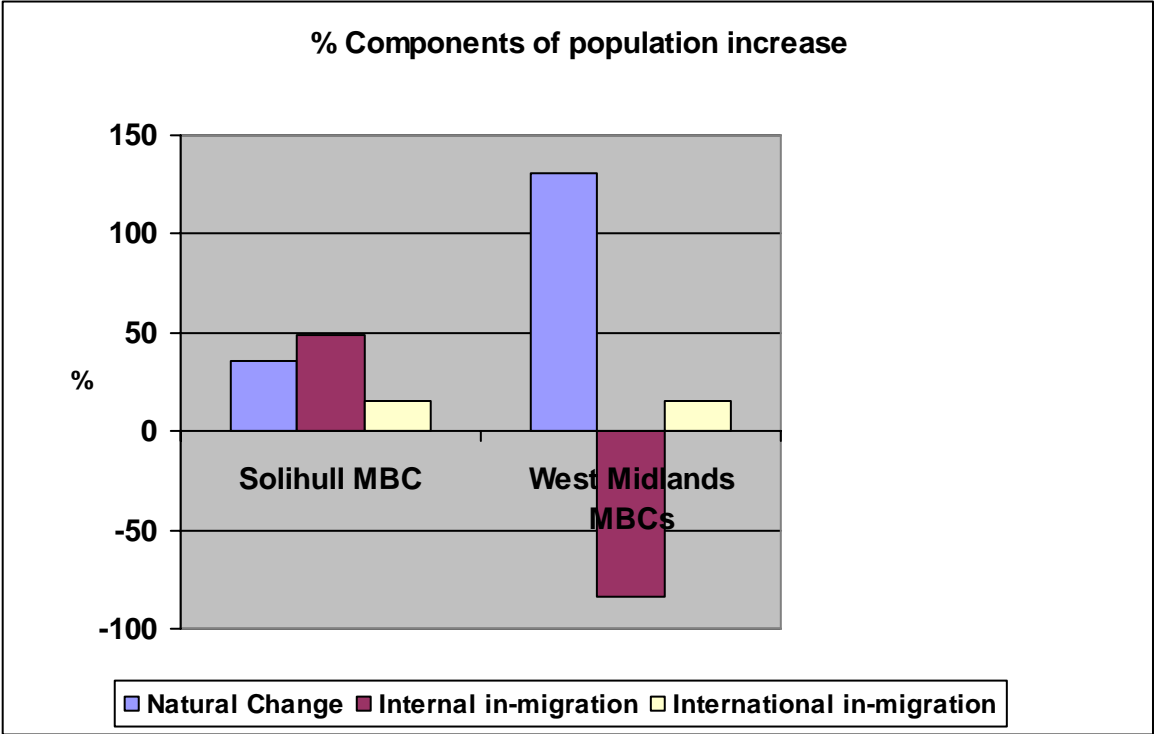
Population projections are not broken at ward level, therefore we cannot explicitly express population projections at individual HMA area. However, given the lower age profile of the Regeneration HMA, it is reasonable to assume that a higher proportion of population growth through natural change will occur in this HMA.

The estimated increase in population due to in-migration is greater for Solihull than for the WMMBs as a whole. Solihull is projected to see an increase in population due to in-migration of 10.3% over the period, of this 6.8% is projected to be 'internal' (meaning migration within the UK's borders) in-migration. As a contrast, the WMMBs as a whole are projected to see a migratory outflow of population of 127,200 people (4.9%) over the period. This is in spite of a projected international in-migration to the Metropolitan Boroughs of 241,100 people. This is due to the fact that, internal out-migration from the WMMBs is projected to total 368,600 people over the period. The

C1 SHMA<sup>1</sup> highlights Birmingham is losing population through out-migration and the strongest link is with Solihull.

Internal out-migration and the housing aspirations of out-migrants from the urban cores will place significant demands on the housing supply within the surrounding housing market areas, such as Solihull.

Figure 4.2 Components of population increase (%)



Source: ONS 2006-based sub national population projections (2008)

### 4.2.3 Household projections

Household projections are provided at local authority, regional and national level and are produced by applying projected household representative rates to the population projections published by the ONS. The latest household projections released in 2008 are based on the 2006 population projections and replace the 2004 based projections.

It should be noted, however, that the ONS households projections apply assumptions of household formation and life cycles based on past national trends, tempered by a 'top down' regional adjustment. Although providing a useful guide to trends in household formation and likely housing pressures within a local authority, some caution should be introduced when predicting actual housing needs and demand at a local level using household projections. Assumptions around household growth should also take on board the potential impact of the economic downturn on population and household growth highlighted at 4.2.1.

<sup>1</sup> West Midlands C1 Housing Market Area Strategic Housing Market Assessment, 2008, Outside Consultants

The 2006 based projections (2008) predict a 29% increase in households in England above that projected by the 2004 based projections or 6.3 million additional households by 2031. This an extra 35,000 households projected per year between 2006 and 2026. The number of households in England is projected to grow to 27.8 million by 2031.

One person households are projected to amount to two thirds of this increase. Population growth is quoted as the main driver for household growth, accounting for three quarters of the increase.

Solihull is projected to see an increase in the number of households of 16,000 and 20,000 from the 84,000 households in 2006 to 2026 and 2031 respectively. As such, Solihull will see percentage household increases of 19% to 2026 and 23.8% to 2031.

### 4.3 Economic trajectory

#### 4.3.1 Impact of the economic downturn

The current economic downturn has had a particular impact on the construction industry, which had seen 70% employment growth since 2000, the second highest employment sector growth within the Borough<sup>1</sup> A report commissioned by the West Midlands Regional Assembly (WMRA)<sup>2</sup> examining the impact of the economic downturn has revealed that house-building activity has slowed considerably since the advent of the downturn.

The Regenerating North Solihull programme has a significant housing led focus with an objective to effect tenure change through increased private sector residential provision. The programme's Strategic Framework sets an objective to 'generate funding for delivering wider regeneration objectives through private housing development'.<sup>3</sup> The programme has suffered from the downward valuation of land and the cessation of private sector house building nationally. It is recognised that, progress of the programme may be slower than originally intended and is ultimately dependent on the upturn in the economy and housing markets. RSL (affordable) build is ensuring some momentum is retained during the market downturn and the Homes and Communities Agency has resourced the sector as well as private house builders, to enable them to do this.

Most commentators agree that it will be some time before large scale residential development picks up. The affordable sector is seen by the Government as a vehicle to maintain some house building and retain industry skills, however without private and intermediate tenures providing tenure balance, there is reluctance to undertake extensive social rented build programmes. When the housing market does pick up, the speed of future house building programmes will be dictated, to a large degree, by the capacity of the house building sector to recover from its current slump. In the meantime, the rate of housing completions in Solihull has been supported by the on-going Regeneration programme.

<sup>1</sup> An Economic Development Strategy for Solihull 2008-11, 2008, Solihull MBC

<sup>2</sup> The Implication of the Economic Downturn for regional housing targets, 2009, ECOTEC Research & Consulting GVA Grimley

<sup>3</sup> North Solihull Strategic Framework- Supplementary Planning Guidance, 2005, Solihull MBC

### 4.3.2 Future economic growth and profile

The longer term growth and prosperity of the Borough and its housing markets, and its ability to remain relatively buoyant through economic downturn is centred on its ability to build on its strengths and address areas of poor economic output and performance. Solihull has the following key strengths, which provide a strong for future investment, namely:

- High quality employment sites and business premises;
- Strong communication links by road, rail and air;
- Highly qualified workforce, as highlighted in Table 3.4; and
- High 'quality of life' indicators within the Borough,

There are some issues that need to be considered namely:

- Affordability- the ability of the Borough to retain lower salaried staff within a high housing cost Borough that are vital to maintaining the support and service sectors within the local economy;
- Economic imbalance- the social and economic disadvantage experienced by communities within the north of the Borough (the Regeneration HMA); and
- The environmental impacts and sustainability of economic growth.
- The Borough has recognised its strengths and challenges within its Economic Development Strategy and is supported in its endeavours by the West Midlands Regional Economic Strategy.

## 4.4 Future housing supply

The West Midlands Regional Assembly is currently reviewing regional and local authority housing land provision targets. A draft preferred option has been published and if adopted will change Solihull's housing land provision target from 4,000 dwellings (gross 2001-2011) and 4,700 dwellings (gross 2011-2021) to 7,600 dwellings (net of losses through demolition and change of use, 2006-2026). This means that the Council will be required to provide land for approximately 13,000 new dwellings (2006-2026) to ensure that the number of dwellings anticipated to be lost through demolition and conversion are replaced.

A key aim of the Regional Spatial Strategy (RSS) is to increase the proportion of new housing provided within the Major Urban Areas (MUA) to assist regeneration and ensure more sustainable patterns of development. The Council's Annual Monitoring Report states that the proportion of new dwellings built within Solihull's MUA is increasing. However, a significant proportion of new housing is still being provided outside of the MUA. This is due to the previously designated sites outside of the MUA that are still being developed.

Although the Regional Spatial Strategy will identify Solihull's housing requirement figure, the Borough itself will assess the suitability of sites proposed to meet the housing land requirement through its Strategic Housing Land Availability Assessment currently underway and what action will need to be taken to ensure suitable sites can be developed and the numbers allocated can be delivered.

## 4.5 House prices

The January 2009 Nationwide house price report indicated that house prices fell by 1.3% in January and that the annual rate of house price inflation contracted further from 15.9% in December to 16.6% in January. Commenting on the figures Martin Gahbauer, Nationwide's Senior Economist concluded that the deepening economic recession and financial market turbulence continued to weigh on housing market sentiment and activity. However there were some positive signs; the 3-month on 3-month rate of change improved for the fourth consecutive month from -4.2% in December to -4.0% in January. However, it is too early to say that this marks the start of a sustained improvement in the short term trend.

The report reflects on subdued housing market activity, mortgage approvals for house purchase having fallen to a low of 27,000 in November, with little improvement since then. However an increasing level of enquiries between November and January suggests that activity levels have a reasonable chance of recovering from their recent lows once an end to the recession is in sight and/or the recent government interventions lead to an improvement in the availability of credit.

In line with Nationwide, the Halifax reported a 2.2% decline in average UK house prices between December and January. Martin Ellis, Halifax Chief Economist commented that low level of mortgage availability and pressure on incomes are expected to exert further downward pressure on the market over the coming months. However he also pointed to two key factors that are expected to support future demand.

- The house price to earnings ratio – a key affordability measure - is at its lowest for five and a half years
- Estate agents reported the first increase in newly agreed sales for 18 months in November and the first rise in new buyer enquiries since October 2006.

## 4.6 Future regeneration focus

### 4.6.1 The Regeneration HMA

The regeneration of the North Solihull (Regeneration HMA) is an important focus for future planning and intervention. The relative and absolute deprivation of the HMA is clearly illustrated throughout the report. The area also affords opportunities to deliver residential growth both playing a role in accommodating the Borough's designated housing allocation and enabling a readjustment of the area's tenure balance without reducing number of affordable dwellings.

The North Solihull Partnership (NSP) is a private/ public sector delivery body leading the regeneration programme, which includes Inpartnership, Bellway Homes, Solihull MBC and Whitefriars Housing Group. The Regenerating North Solihull website declares that 'it is a project investing £1.5 billion, set out over 15 years, to work with the local community and improve the lives of over 20,000 people.'

Because of the affluence of the Borough overall, it has struggled to attract central Government funds for regeneration. The funding model therefore has been centred around the disposal of Council land and assets for development and linkages with the Building Schools for the Future capital funding programmes.

The drop in land values has created pressures on the model, and the impact and implications of economic downturn features heavily in the North Solihull Strategic Framework Review, which reviews and reaffirms the visions, objectives and priorities for the area.

It is recognised that reliance on land and asset sales is flawed in the current economic climate. In response to economic downturn, the Review Consultation Document (2009) focuses its attention on the 'key infrastructure required for comprehensive regeneration' so that the area will 'be in a leading position to benefit from the eventual return of favourable market conditions'. Affordable housing delivery will 'front end' residential development activity with support from the Homes and Communities Agency (HCA).

The Review supported the Strategic Framework's objectives, Vision and Regeneration Principles and has sought to translate lessons learned, achievements to date within the current context to identify the actions to take forward within the Framework's key themes.

A revised Spatial Strategy will focus regeneration activity around large-scale investments, such as schools and community hubs, and has developed nine Strategic Investment Clusters, following an identified need for the neighbourhood planning process to more successfully bring sites forward and allow a more integrated approach to investment and development.

A revised Spatial Strategy will deliver a Spatial Masterplan for each cluster and establish an 'integrated programme of work that delivers phases of high quality projects which set the tone, context and regeneration ambitions for a cluster'<sup>1</sup>.

- In respect of the Housing key theme, the overall approach, as recognised, must take account of the revised spatial approach, the increased demand for social housing and demise of private sector residential development. The Review proposes social and intermediate housing leading residential development, reiterating the commitment for '1 to 1' social housing replacement and working with the HCA to consider innovative funding mechanisms.

#### 4.6.2 Town Centre

A clearly defined, attractive and accessible town centre with a high quality and diverse retail, leisure and residential offer is crucial in maintaining and enhancing the Borough's focus and identity. The Town Centre is therefore an area of continued growth and regeneration focus and the Council has published a Town Centre Study that reflects this.

While Town Centre development will be retail driven, the importance of developing the commercial, leisure and residential offer is recognised within the Strategy. Secondly, the Town Centre study boundary is broader than the area identified within the Borough's UDP and the report will need to consider the development and integration of adjacent transitory areas much of which will include a residential aspect.

It is advised that the a co-ordinated and managed approach to the Town Centre growth would be preferable as opposed to a market led or 'consolidation' (minimal growth) approach, not least because current capacity of the

<sup>1</sup> North Solihull Strategic Framework Review- Consultation document, 2009, North Solihull Partnership

transport networks is constraining. Therefore broader Town Centre development needs to be co-ordinated and linked with the development of an integrated transport strategy through a strategically managed process.

The consultants have developed a phasing Strategy- linking retail, commercial, residential development with transport infrastructure improvements. This has identified residential capacity for up to 1270 apartments in total phased into four five year blocks for 240 apartment units in Phase 1 within the mixed use redevelopment of Mell Square. Within Phase 2, the report identifies residential capacity for 165 apartment units within a mixed use redevelopment of the Dominion Court carpark and 285 apartment units along Station Road/ Lode Lane. Within Phase 3B, the report identifies 220 - 375 apartment units through the development of the Monkspath Hall Road carpark. Phase 4 identifies capacity for 100 apartments through the potential relocation of the bus and rail stations and for 105 apartments through the redevelopment of Morrisons supermarket and the Council's multi-storey car park.

Allocated residential development sites within Town Centre could contribute toward the Borough's overall housing requirement, alleviating development pressures elsewhere. However, there is a reliance on the apartment market to provide the required density of residential development and secondly, there is a reliance on planning obligations and receipts from the disposal of public sector assets to provide much of the infrastructure and public realm enhancements. These two aspects could prove challenging within the current climate.

#### 4.7 Bringing the Evidence Together

- The Borough is projected to see an increase in population of just under 33,000 from 2006 to 2031. This is a significant advance on previous estimates. Interestingly, population increases due to natural changes in Borough's current population is a lesser component of projected growth with the majority of population growth estimated to come from internal (UK based) in-migration. So to an extent, the estimates pre-assume the Borough's housing markets' ability to absorb that level net in-migration.
- It is not within the remit of the ONS in calculating estimates of internal in-migration from urban to suburban and rural housing markets to take account of the policy drivers and strategic initiatives directed at urban renaissance, including strategic aims of retaining household within urban environment and stemming the drift to suburban and rural locales. However, local and regional policy makers need to develop strategic policy that balances housing markets rather than policy that is determined through the extrapolation of past trends.
- The variable population growth rates vary by age group with higher levels of growth predicted at a higher and lower age ranges. The Borough's ageing of population has been referenced throughout the Study as well as within the Borough's strategies. This will be a future issue for policy makers in terms of providing the right type and quality of elderly person's accommodation and support services.
- The under 20 age group is expected to grow quite significantly to 2026. The implication here is that either birth rates relative to death rates will increase (population growth due to natural has been minimal to date) or the Borough's under 20 age group is estimated to increase due to in migration of families to the Borough.
- The number of households is also expected to increase, predominantly driven by population growth. Interestingly, the WMRA commissioned study<sup>1</sup> on the implications of the economic downturn on housing

<sup>1</sup> The Implication of the Economic Downturn for regional housing targets, 2009, ECOTEC Research & Consulting GVA Grimley

markets suggested that the current economic climate could exert a restraining influence on both population and household growth. The rationale is threefold, first the net reduction of international migration as employment opportunities dry up; secondly, the reluctance of younger people to form new households with the degree of financial uncertainty and thirdly; the increased pressure on existing households to stay together because of their financial position. Population projections and actual population growth will need to be monitored carefully given the implications for planned housing growth.

- The economic downturn has had a significant impact on housing with house prices, sales volumes and housing starts all falling over the last year and a bit. There is some evidence of the market bottoming out and if lending conditions improve, this could improve prospects of accessing the housing market for first time buyers and other households currently unable to move. The future housing market is uncertain, however what is certain for the Borough is that relative affordability will always be an issue in areas of the Rural and Urban HMAs. Conversely, the longer term issue for Regeneration HMA is around stimulating sustainable housing market demand as part of its regeneration focus.
- The adopted Regional Spatial Strategy will eventually provide the housing allocation numbers for the Borough. Given the delivery constraints and the importance of preserving the integrity and character of both the Green Belt areas and other attractive rural and urban neighbourhoods, residential site allocations will need to be carefully considered.
- The regeneration of North Solihull and the continued growth of the Town Centre are both important in absorbing housing requirements and facilitating the Borough's Growth Point status. The economic downturn and impact on development values will require the strategic adjustment demonstrated by the Borough with the emphasis switching to master planning, infrastructure provision and affordable led residential development.

# 5.0 Calculating Need

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## 5.1 Introduction

Calculating housing need is the most technical part of any Strategic Housing Market Assessment. The approach taken by ECOTEC for the C3 SHMA between January and March 2008, and followed here for Solihull follows the official government guidance (Strategic Housing Market Assessments Practice Guidance, CLG August 2007). The guidance states that secondary data should be used where possible to arrive at robust output. The ECOTEC work has done this, using a combination of secondary data sources.

According to the definition given in PPS3 housing need is 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'. Households in need are those who are inadequately or inappropriately housed and can't afford to solve their problems in the open market. The basic formula for calculating this is as follows:

$$\begin{aligned} &\text{Reduction of Backlog Need} \\ &+ \\ &\text{Newly Arising Need} \\ &- \\ &\text{Supply of Affordable Housing} \\ &= \\ &\text{Net Annual Housing Need} \end{aligned}$$

The technical calculations are set out step by step in this document, which should be read in conjunction with the tables contained in the Excel file 'Solihull Needs Calculation.xls' which is referred to in the text.

## 5.2 Current Housing Need

The first stage concerns existing or 'backlog' need. For this we have used a combination of SMBC P1E Homelessness figures (A1), Households on the Housing Register recorded as having at least one bedroom too few as Overcrowded/Concealed households (A2), and Other Households on the Housing Register (Bands A-E) to calculate Total current housing need (A); Housing Register data marked as 'Transfer', to give a figure for current occupiers of affordable housing (B) as shown in Table 5.1 below.

Table 5.1 Current housing need (gross) - January 2009

		Solihull
A <sup>1</sup>	P1E Homeless	51
A <sup>2</sup>	Concealed/Overcrowded Households	1,046
A <sup>3</sup>	Other Households on Housing Register	3,957
A	Total current housing need	5,054
B	Of which current occupiers of affordable housing	1,277
C	Backlog need (A-B)	3,777

(A) refers to all households currently in need. Some of these (B) are housed in unsuitable social housing, and the guidance states that these households will have their needs met through transfers within the social sector (or in-situ solutions) and must therefore be taken out of the equation. The remainder (C) are existing households in need not currently housed in the social sector, and we call this 'backlog need'.

### 5.3 Newly Arising Need

The second stage concerns newly arising need which has 2 components:

- Newly forming households who can't afford in the open market (F);
- Existing households falling into need (G).

The headline figures are given in Table 5.2 below.

Table 5.2 Newly forming households

		Solihull
D	Gross new hh formation per annum 2006-2011	1,544
E	Share newly forming HH unable to afford market housing	70%
F	Newly forming HH unable to afford	1,077
G	Existing households falling into need	267
H	Total newly arising need (F+G)	1,344

The figure for existing households falling into need (G) has been calculated using New Tenancy lettings figures for Solihull for the previous 12 months, representing existing households entering the register and being housed within the year. To arrive at figures for (D), (E) and (F) a number of underlying calculations have been made, these are explained in the following sub-sections.

### 5.3.1 Gross Household Formation

The approach here is based on secondary data, namely 2004 based district level household projections. The raw data originates from CLG but was supplied to ECOTEC by Mark Sproston, Planning Information and Research Officer at Staffordshire County Council, as part of the C3 work. ECOTEC's approach is advocated by the Guidance and assistance was provided by Stephen Russell of Midland Heart who had previously applied the methodology to the West Midlands South SHMA.

A problem with the above household projections is that while they do distinguish between married couples and unmarried couples, no distinction is made concerning whether these couples have children or not. This is a fundamental distinction which must be made in the calculation of housing need.

The first step therefore concerns adding married and un-married couples together and splitting them into those that have children and those that don't. The latter is done using census data which provides percentages for three (wide) age bands. The percentages for Solihull were converted (through modelling) to provide proportions for 5-year age bands. These are presented in sheet 1 of Solihull Needs Calculation.xls. These percentages are applied to the raw household projection figures (sheet 2) to arrive at new household projection figures (sheet 3).

The Guidance states unequivocally that gross household formation must be measured, this being the total number of newly forming households as opposed to net household growth which takes into account household dissolution. This involves tracking the development of each cohort at 5 year intervals to see whether it has grown. An increase in the size of the cohort is then ascribed to households newly forming.

For example according to the projections data there were 629 single parent households aged between 20 and 24 in Solihull in 2006. By 2011 there are projected to be 813 single parent households aged between 25 and 29 in the Borough. This means there would be 184 households of this type forming during the 5 years 2006-2011, or 37 per year.

Newly forming households in age cohorts older than 39 years have been excluded as it is assumed that middle aged and older households will have already found suitable accommodation and if not will be measured as existing households falling into need. This is consistent with the approach taken in the WM South SHMA.

These calculations are shown in sheet 4 (scroll down to line 46). The results have been annualised (divided by 5, as they represent a 5 year period) to arrive at the table presented in sheet 5. The total figures on line 9 of this table, covering all household types for the period 2006-2011, are the ones that have been used in (D) of the housing needs calculation.

Next step taken was to re-distribute the 'other multi-person households' pro rata over the other household types. These households, making up 3.7% of all newly forming households in Solihull, contain two or more people usually living together, but not in couple or parent-child relationships with each other. These households are

diverse in profile, have widely varying incomes at their disposal and, as a result, exercise demand for a range of different housing types which overlap greatly with those of the other household types. Justification for the redistribution was to simplify the equation, and a lack of income data adequately covering this group was another contributing reason. By doing this on a pro rata basis it is felt that there will be no significant distortion to the overall calculation. The 2nd and 3rd tables on sheet 5 show the results of this redistribution.

### 5.3.2 Income distribution of newly forming households

The next step requires these newly forming households to be matched with their gross income profiles, including those receiving benefits. Borrowing from the approach taken for the WM South SHMA, this is done using SEH data which shows that newly forming households earn around 67% of the median deciles of all households. This factor is applied to the average district incomes given by the CACI dataset. The SEH data also provides details of the average income and income distribution (in deciles) for each type of newly forming household. By applying this distribution to the CACI data, we arrive at an approximation of the income profile of newly forming households in Solihull by type. These figures are given in sheet 6 and in Table 5.3 below.

Table 5.3 Solihull – Median household incomes (CACI 2008)

Income deciles	One-person household	Couple Household- children	Couple Household- no Children	Single Parent Household
10	3,046	18,265	6,219	3,047
20	3,109	24,801	9,136	3,111
30	9,328	29,501	12,437	9,142
40	9,328	31,081	18,272	9,142
50	15,228	36,530	20,266	9,142
60	15,547	42,618	24,363	9,142
70	21,319	43,513	31,093	9,334
80	27,985	54,795	34,202	15,236
90	34,204	61,851	48,735	15,556
100	51,774	80,811	76,302	27,425

### 5.3.3 Market entry price levels

The housing need calculation requires the minimum price at which home buyers and renters are able to access the market to be ascertained. To allow a match to be made with the specific requirements of the various household types it is necessary to determine market entry prices by dwelling type and number of bedrooms. Market entry is equated to the lower quartile price.

The prices for home buyers are based on 2008 Land Registry “Price Paid” data. Because this dataset does not provide a figure for number of bedrooms it has been necessary to model this on the relationship between bedroom number and price distilled from properties advertised for sale on Rightmove at the time of calculation.

The figures for the private rented sector are based on Rightmove data collated in January 2009. This dataset contained 805 records distributed fairly evenly throughout the Borough, both in the urban and rural area. The lower quartile lettings prices were taken as the market entry prices.

The resulting 2008 market entry price levels for each dwelling type are given in sheet 7 and in Table 5.4 below.

Table 5.4 Market entry prices 2008

Dwelling type	Solihull
<b>Buyers</b>	
1 bed flats	£81,000
2 bed flats	£120,000
2 bed house	£125,000
3 bed house	£170,000
<b>Renters (monthly)</b>	
1 bed flats	£421
2 bed flats	£550
2 bed house	£541
3 bed house	£696
1 bed flats	£421

This sheet also shows the matching of household type to dwelling type, as well as the income to loan ratios used. Applying this ratio to the lower quartile house prices gives the income level required to gain entry to the free market. The calculation for renters is based on a maximum of 25% of gross monthly income being spent on rent. This is converted to annual income by applying the factors x 4 (converts 25% to 100%) and x 12 (converts 1 month to 12 months). The income levels required to gain market entry are given in the bottom table in sheet 7 and in Table 5.5 below.

Table 5.5 Market entry incomes 2008

Dwelling type	Solihull
<b>Buyers</b>	
Single Person	£23,143
Couple, no child.	£41,379
Couple with child.	£58,621
Lone Parent	£35,714
<b>Renters (monthly)</b>	
Single Person	£20,208
Couple, no child.	£26,400
Couple with child.	£33,408
Lone Parent	£25,968

These figures assume income multiples of x3.5 for single person and lone parent households, and x2.9 for couple and families. The figures also discount any savings or deposits that may exist, working purely on 'earned' income. Assumptions are also made in allocating dwelling types to households: one bed flats are allocated to single persons, two bed flats are allocated to couples without children, 2 bed houses allocated to lone parent households and 3+ bed houses allocated to couples with children.

#### 5.3.4 Newly forming households in need

The next step is to ascertain which proportion of households can and can't afford to buy and rent on the open market. This is done in sheet 8, in which the household income deciles data (sheet 6) are expanded to show percentiles 1 to 99 (an even incremental increase between deciles is assumed), and the percentage corresponding to the affordability thresholds are noted.

These figures are then used in the table in sheet 9 (Tables 5.6 and 5.7 below), which also contains the total newly forming households as seen in sheet 5. The table provides output for the number of households who can't buy but can rent (Table 5.8) and for those who can't buy or rent (Table 5.9).

Table 5.6 Annual newly forming households

HH Type		Solihull
<b>Single person</b>	Newly forming HH	351
	% who cant buy	72%
	% who cant rent	68%
	Cant buy but can rent	14
	Cant buy or rent	239
<b>Couples no children</b>	Newly forming HH	253
	% who cant buy	57%
	% who cant rent	23%
	Cant buy but can rent	86
	Cant buy or rent	58
<b>Couples with children</b>	Newly forming HH	659
	% who cant buy	93%
	% who cant rent	77%
	Cant buy but can rent	106
	Cant buy or rent	508
<b>Single Parent</b>	Newly forming HH	281
	% who cant buy	99%
	% who cant rent	97%
	Cant buy but can rent	6
	Cant buy or rent	273
<b>All house-holds</b>	Newly forming HH	1,544
	% who cant buy	83%
	% who cant rent	70%
	Cant buy but can rent	211
	Cant buy or rent	1,077

Table 5.7 Newly forming households in need

Households	Solihull
Single person	22%
Couples no children	5%
Couples with children	47%
Single parent	25%
Single person	239
Couples no children	58

Households	Solihull
Couples with children	508
Single parent	273
Total	1,077

Table 5.8 Newly forming households able to afford in the market

Households	Solihull
Single person	24%
Couples no children	42%
Couples with children	32%
Single parent	2%
Single person	112
Couples no children	194
Couples with children	152
Single parent	8
Total	467

Table 5.9 Newly forming households able to afford in the market

Households	Solihull
Can afford to rent only	
Single person	14
Couples no children	86
Couples with children	106
Single parent	6
Can afford to buy and rent	
Single person	98
Couples no children	109
Couples with children	46
Single parent	3
Total	467

The total number of households who can't afford to rent or buy (all 4 household groups added together) is the figure used at (F) of the core calculation table. (E) is then calculated retrospectively.

## 5.4 Supply

Stage 3 concerns the supply of affordable housing. The Guidance states that this consists of several components, the most important of which is annual re-lets to new tenants entering social housing. The figures are given in the Table 5.10.

Table 5.10 Supply of affordable housing re- lets to new tenants

		Solihull
I <sup>1</sup>	Annual supply of social sector re-lets	909
I <sup>2</sup>	Annual supply of intermediate sector re-lets	8
I	Annual supply of re-lets	917
I <sup>1</sup>	Annual supply of social sector re-lets	909

The Social Sector re-lets figures are based on 2 sources: Housing Strategy Statistical Appendix (HSSA) and CORE data. HSSA provides the figures for LA re-lets to new tenants, meaning tenants moving in from outside the social sector rather than tenants transferring from other social sector dwellings. The data are provided in HSSA Section D numbers 4, 5 and 6. The sum of these 3 figures, highlighted in blue in sheet 10, is taken further in the calculation.

CORE provides the figures for RSL re-lets to new tenants, with annual reports (downloadable from internet) giving data for each district. All RSL General Needs lettings and Supported Housing lettings are added together. Those lettings to tenants whose previous tenure was a renting from LA, renting from RSL and Supported Housing are subtracted resulting in the figure for re-lets to tenants newly entering the social sector. These figures are also highlighted in blue in sheet 10.

New LA and RSL lettings are added together to arrive at total new re-lets per (financial) year. This is done for the 5 years 2003/04 to 2007/08, and this is then graphed to see if the numbers are trending up, trending down, fluctuating or staying level. Based on this trend analysis a decision is made on an appropriate number of years to average out to determine the final re-let figure to be used in the Needs equation.

This averaging takes place in the bottom table on sheet 10 and figures arrived at constitute (I1) in the core calculation.

Local data from Intermediate Housing providers suggest an annual re-let figure for Intermediate Housing of 8 units (I2).

These figures combine to give an overall re-let supply figure of 917 units per annum (I).

## 5.5 Calculating the bottom line figure

This is simply a case of putting the various components of the calculation together, as set out in the Table 5.11. It is assumed that backlog will be eliminated over a period of 5 years (a commonly used rate, although WM South SHMA used 10 years for this) therefore this is a 5 year projection for 2009-2014.

Table 5.11 Bringing the evidence together

		Solihull
C	Backlog need	3,777
J	Annual quota of backlog reduction (C÷5)	755
H	Total newly arising housing need	1,344
I	Annual supply of re-lets	917
K	Net annual housing need (J+H-I)	1,183

The core calculation tables as presented in this document can be viewed in sheet 11.

## 5.6 Housing needs in terms of dwelling size

Specifying the size of dwellings required to meet need is an important output to be used to inform housing and development policies. To do this the bedroom requirements of households in need have to be measured and then matched against the availability of social stock (re-lets) to arrive at an indication of shortfall or surplus of affordable dwellings of various sizes.

First step is to establish what the household profile is of each of the three components of need – backlog, newly forming and existing households falling into need. Different sources were utilised to do this. The household profile of backlog need was based on Council Housing Register data supplied by each district. The composition of newly forming households was provided by the so-called ‘cohort method’ (see 4.2 above) while the breakdown of existing households falling into need was based on HSSA data. The combined results of this step are given below in Table 5.12.

Table 5.12 Backlog and future arising need

Households	Solihull
Single person	732

Households	Solihull
Couples no children	133
Couples with children	696
Single parent	539
Total	2,099

The second step involves determining the various dwelling requirements of these households in terms of house type and bedroom size. For single people and childless couples the match used for the affordability calculation is applied – one and two bedroom flats respectively. This is not to say that these household types would be inappropriately housed were they to be offered a house rather than a flat, rather a flat is considered to be the minimum dwelling required.

Households with children are matched in a slightly different way than in the affordability calculation. 63% of couples with children are matched with a three bed house and the remaining 38% with a 4+ bed house. 68% of single parents are matched with a 2 bed house, 18% with a three bed house and 15% with a 4+ bed house. These parameters are based on CORE data on actual household sizes of new tenants entering the social sector in the sub-region.

The third step is to break down re-let supply by dwelling type and bedroom size. This is also done using CORE data covering general needs lettings to new tenants entering the social sector. Lettings to tenants transferring within the social sector were excluded as these lettings show a different pattern with regard to bedroom size. Table 5.13 contains the re-let data broken down by dwelling/bedroom type.

Table 5.13 Bedroom distribution of social sector lettings to new tenants

Dwelling type/ size	Solihull
1 bed (flat/house)	34%
2+ bed flat	32%
2 bed house	8%
3 bed house	24%
4+ bed house	1%
1 bed (flat/house)	315
2+ bed flat	293
2 bed house	77
3 bed house	223
4+ bed house	9
All lettings	917

Based on CORE 2007/08, weighted to re-let figure used in housing need calculation

The final step in the calculation is to subtract the supply side from the demand side to show shortfall or surplus by dwelling size. The results are presented Table 5.14 below, with a negative number indicating a shortfall in available stock.

Table 5.14 Housing needs translated into dwelling/ bedroom requirement

		Solihull
1 Bed flat	Total need	732
	Available supply	315
	Supply - need	-416
	Supply ÷ need	43%
	Shortfall/surplus	SHORTFALL
2 Bed flat	Total need	133
	Available supply	293
	Supply - need	160
	Supply ÷ need	221%
	Shortfall/surplus	Surplus
2 Bed house	Total need	364
	Available supply	77
	Supply - need	-287
	Supply ÷ need	21%
	Shortfall/surplus	SHORTFALL
3 Bed house	Total need	526
	Available supply	223
	Supply - need	-303
	Supply ÷ need	42%
	Shortfall/surplus	SHORTFALL
4+ Bed house	Total need	345
	Available supply	9
	Shortfall/surplus	-336
	Supply ÷ need	3%
	Shortfall/surplus	SHORTFALL
All dwelling types	Total need	2,099
	Available supply	624
	Supply - need	-1,182
	Supply ÷ need	44%
	Shortfall/surplus	SHORTFALL

The table shows a shortfall in all types of accommodation apart from two bedroom flats. Overall there is a shortfall of 1,182 affordable units.

The figures indicate that the absolute size of the annual shortfall is highest for smaller dwellings and lowest for larger dwellings. However supply as a percentage of demand is lowest for 2 and 4+ bed houses, due to the fact that the level of 'churn' is much lower for these larger dwelling types. Less than 10 4+ bed houses become available each year for re-let.

In effect this means that households in need requiring larger dwellings have a smaller chance of acquiring a suitable home than households requiring smaller dwellings, and will therefore generally face longer waiting times before their needs are met. This is an important policy conclusion, especially given that this group consists of households with children. Although single person households are more numerous, the housing need they face is generally less acute due to the high number of re-lets of smaller dwellings combined with the fact that they tend to have more options at their disposal, including staying with parents and moving in with others to form multi-person households in houses of multiple occupation.

In recognition of this point and the unlikelihood of raising the level of new build completions sufficiently to meet all identified need, prioritising the provision of new dwellings to address the most acute need is a sensible policy response. This would involve targeting new build activity to boost the supply of those dwelling types with the lowest supply to need ratios. In this way the longest waiting times would be reduced. This approach is set out in Tables 5.15, 5.16 and 5.17 showing the additional supply required annually to ensure that a minimum of 25%, 50% and 75% of need is met for each dwelling type.

Table 5.15 Prioritising additional affordable housing supply to meet 25% of need

		Solihull
Number of Units required	1 bed flats	0
	2 bed flats	0
	2 bed houses	14
	3 bed houses	0
	4+ bed houses	77
	Total	91
Share	1 bed flats	0%
	2 bed flats	0%
	2 bed houses	15%
	3 bed houses	0%
	4+ bed houses	85%

Table 5.16 Prioritising additional affordable housing supply to meet 50% of need

		Solihull
Number of Units required	1 bed flats	51
	2 bed flats	0
	2 bed houses	105
	3 bed houses	40

		Solihull
	4+ bed houses	163
	Total	359
Share	1 bed flats	359
	2 bed flats	14%
	2 bed houses	0%
	3 bed houses	29%
	4+ bed houses	11%

Table 5.17 Prioritising additional affordable housing supply to meet 75% of need

		Solihull
Number of Units required	1 bed flats	234
	2 bed flats	0
	2 bed houses	196
	3 bed houses	171
	4+ bed houses	250
	Total	850
Share	1 bed flats	27%
	2 bed flats	0%
	2 bed houses	23%
	3 bed houses	20%
	4+ bed houses	29%

These tables show the number of new affordable dwellings required annually to 'top up' re-let supply so that 25%, 50% and 75% of Need is met. For example annual Need for 4+ bed houses has been calculated to be 345 (Table 5.14). 50% of this is 172.5. Re let supply of this dwelling type is 9 (also Table 5.14). Therefore 163.5 (172.5 minus 9) additional 4+ bed affordable houses are required each year to meet 50% of Need (figures are subject to a degree of rounding).

## 5.7 Intermediate housing

PPS3 Annex B defines intermediate affordable housing as housing at prices and rents above those of social rent but below market price or rents, and which meet the criteria set out for affordable housing noted in 4.0 above. These can include shared equity (e.g. Homebuy) and other low cost homes for sale and intermediate rent. The DCLG good practice guidance 'Delivering Affordable Housing' (November 2006), which was released to complement PPS3, elaborates that the types of housing between market and social rented housing include:

- Intermediate rented homes are provided at rent levels above those of social rented but below private rented. The Government offers these to some key workers who do not wish to buy.

- Discounted sale homes have a simple discount for the purchaser on its market price, so the purchaser buys the whole home at a reduced rate.
- Shared equity is where more than one party has an interest in the value of the home e.g. an equity loan arrangement or a shared ownership lease. There may be a charge on the loan, and restrictions on price, access and resale.
- Shared ownership is a form of shared equity under which the purchaser buys an initial share in a home from a housing provider, who retains the remainder and may charge a rent. The purchaser may buy additional shares ('staircasing'), and this payment should be 'recycled' for more affordable housing. In most cases, a purchaser may buy the final share ('staircase out') and own the whole home, though this may be restricted in some rural areas.

'Delivering Affordable Housing' goes on to state that homes of any of these types should only be considered intermediate affordable housing if they meet the criteria in the definition. If they do not, even if offered at less than market price, they should be considered 'low cost market housing', outside the definition of affordable housing. For example, a shared ownership home is likely to be affordable if access is restricted to households from a target group at a price they can afford. The purchaser may staircase out, but there should be secure arrangements for subsidy to be recycled to provide more affordable homes or buy back the home if needed.

The SHMA Practice Guidance states on page 57 that 'A household can be considered able to afford intermediate affordable housing when rental payments (on the landlord's share) and mortgage payments (on the part they own) constitute up to 25% of gross household income.' Whether any service charges payable should be included in the housing costs that must be covered by the maximum figure of 25% of gross income is a debatable point.

A common approach to analysing the intermediate market is to start with lower quartile prices, calculating the shared ownership cost and thus income required to purchase this product. However this method fails to adequately recognise the fact that in practice most shared ownership dwellings are new builds which have a significantly higher open market value than lower quartile prices of existing stock.

An analysis of recent Intermediate Housing transactions within Solihull was undertaken. Due to the relatively small numbers of transactions, data was averaged over three years by size and type of dwelling. Where no transactions for a particular type or size of dwelling had occurred, lower quartile market prices for that type of dwelling were used.

The intermediate affordability model uses the actual offer as the point of departure. It calculates the actual costs of shared ownership of 1 bed flats, 2 bed flats, 2, 3 and 4 bed houses for 25%, 50% and 75% equity splits. These products are then matched to corresponding household types to find out the proportion of households able to afford them. Finally, this is then compared to the proportion able to afford in the open market.

Table 5.18 The cost of shared ownership

Product	Solid equity	Annual mortgage re payments	Annual rent on unsold share	Combines annual cost	Gross income required
<b>1 bed new build flat</b>		<b>Market value</b>	<b>£141,325</b>		
25% share	£35,331	£2,764	£3,180	£5,944	£23,775
50% share	£70,663	£5,528	£2,120	£7,648	£30,590
75% share	£105,994	£8,292	£1,060	£9,351	£37,406
<b>2 bed new build flat</b>		<b>Market value</b>	<b>£147,500</b>		
25% share	£36,875	£2,885	£3,319	£6,203	£24,813
50% share	£73,750	£5,769	£2,213	£7,982	£31,927
75% share	£110,625	£8,654	£1,106	£9,760	£39,040
<b>2 bed new build house</b>		<b>Market value</b>	<b>£153,700</b>		
25% share	£38,425	£3,006	£3,458	£6,464	£25,856
50% share	£76,850	£6,012	£2,306	£8,317	£33,269
75% share	£115,275	£9,018	£1,153	£10,170	£40,681
<b>3 bed new build house</b>		<b>Market value</b>	<b>£184,000</b>		
25% share	£46,000	£3,598	£4,140	£7,738	£30,954
50% share	£92,000	£7,197	£2,760	£9,957	£39,827
75% share	£138,000	£10,795	£1,380	£12,175	£48,701
<b>4 bed new build house</b>		<b>Market value</b>	<b>£270,000</b>		
25% share	£67,500	£5,280	£6,075	£11,355	£45,421
50% share	£135,000	£10,561	£4,050	£14,611	£58,442
75% share	£202,500	£15,841	£2,025	£17,866	£71,464

The model rests on a number of calculations and underlying assumptions. Firstly, intermediate prices have been determined with reference to the data held by Solihull Council. Annual mortgage repayments are based on a 100% mortgage at 6% interest over an amortisation period of 25 years. Annual rent payments have been calculated at 3% of unsold equity. The affordability criterion used to determine the gross income required is that the household income must be at least 4 times the combined annual cost of the product, meaning that a maximum of 25% of household income will be spent. A 5% down payment on the purchased share and any additional transaction costs have not been factored into the calculation. These combined extra costs are likely to range between £ 3,000 and £15,000 depending on the scenario. It is assumed that all households have funds available to cover this.

The next step is to match the 'gross income required' figures with income profiles of newly forming households to determine the proportion of households able to afford intermediate housing. This proportion is then compared to the share able to access open market housing which was determined in the housing needs calculation. If the percentage able to afford new build shared ownership housing is higher than the percentage able to afford lower quartile open market housing (existing stock) then it can be concluded that some of those in housing need can be catered for by shared ownership products. If on the other hand, the percentage able to afford shared ownership housing is lower than the percentage able to afford lower quartile open market housing then it can be concluded that no households in housing need will be able to access shared ownership products.

The comparison is given in Table 5.19. This is based on current shared ownership products and example tranches.

Table 5.19 Comparing shared ownership with regular market entry

Household & product	Share of ownership	% able to afford shared ownership	% able to enter the regular market: PRS	% able to buy in the regular market
Single person buying 1 bed flat	25% share	27%	32%	28%
	50% share	16%	32%	28%
	75% share	9%	32%	28%
Couple without children buying 2 bed flat	25% share	80%	77%	43%
	50% share	59%	77%	43%
	75% share	46%	77%	43%
Single parent household being 2 bed house	25% share	3%	3%	1%
	50% share	0%	3%	1%
	75% share	0%	3%	1%
Couple with children buying 3 bed house	25% share	31%	23%	7%
	50% share	17%	23%	7%
	75% share	11%	23%	7%
Couple with children buying 4 bed house	25% share	13%		0%
	50% share	7%		0%
	75% share	3%		0%

The results show that the potential size of the current intermediate market is greatest for single person households buying a small property and a small equity stake. As the property gets larger and the equity stake gets larger, the impact of the intermediate sector is weakened as it is no longer cheaper than renting or purchasing at the lower quartile price. In its current form therefore shared ownership schemes are limited in the extent to which they address housing need.

As inferred above, a reason for this is that current shared-ownership products are new build dwellings for which a premium must be paid. If these dwellings come up for re-sale in the future (assuming they are not "staircased" out) then the price of subsequent sales may be more affordable to first time buyers, at a level below lower quartile market prices. Furthermore, if house prices were to continue to fall (as they have done since late 2007) then shared-ownership may become a more attractive proposition to a greater number of households.

Although in the main not being offered below market entry prices, shared ownership does allow a number of households with modest incomes who are not in need to get a toehold on the property ladder by offering them an alternative to private renting and in some cases low cost market housing. It therefore increases choice for this group, which could be considered to be a positive policy outcome in its own right.

Other positive policy outcomes may be seen as a result of shared ownership, for example households are offered a greater choice of location (e.g. South Solihull rather than areas with lowest lower quartile prices), thereby promoting mixed communities. Additionally, some households may be income poor but capital/equity rich (eg separating households) and shared ownership can help them stay in an area (maintaining schooling, social networks, etc.)

## 5.8 Sector split

The tables above can be collated to suggest a sector split between the Social Rented Sector and Intermediate Housing (based on a 25% sold equity share) in order to address annual need for affordable housing. This is presented in Table 5.20 below.

Table 5.20 Sector Split

	Social Rented Sector	Intermediate Housing	Total
1 Bed Flat	73%	27%	100%
2 Bed Flat	20%	80%	100%
2 Bed House	97%	3%	100%
3 Bed House	69%	31%	100%
4+ Bed House	87%	13%	100%

This sector split for affordable housing can be translated to a unit need by type and size as shown in Table 5.21 below. Also included in this table is the need for Market Housing to address those in need but able to afford in the Market (these were netted off the needs calculation in Table 5.2).

Table 5.21 Annual need by sector split

	Social Rented Sector	Intermediate Housing	Total Affordable Housing Units	Market Housing Units	Total Units
1 Bed Flat	304	112	416	112	528
2 Bed Flat	0	0	0	194	194
2 Bed House	278	9	287	5	292
3 Bed House	209	94	303	96	399
4+ Bed House	292	44	336	59	395
<b>Total</b>	<b>1,082</b>	<b>260</b>	<b>1,342</b>	<b>466</b>	<b>1808</b>

The total figure of 1,342 affordable units shows higher than the overall need (1,182) for affordable housing due to the effect of the surplus of two bedroom flats (160 units) as shown in Table 5.14. Table 5.21 therefore reflects this surplus as zero need for 2 bedroom flats in the social and intermediate sectors, as to include a minus figure may confuse the issue. This surplus may be used to adjust the need for one bedroom flats or two bedroom houses. Any adjustment will subsequently reduce the overall need for units from 1,808 pa to 1,648pa.

# 6.0 HMA Split

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## 6.1 Introduction

The housing need calculations presented in section 5 above give the Borough-wide picture of need for affordable housing. However, Solihull Borough is diverse in its make up and distribution of housing types, tenures and values, household composition and incomes.

Section 6 presents the need calculations for the three HMAs discussed in section 1:

- Solihull Regeneration HMA
- Solihull Rural HMA, and
- Solihull Urban HMA

The figures presented below for the three HMAs are calculated using the same methodology as that used for the Borough-wide figures. The calculations use, where possible, localised data, or calculated apportionment of that data used in section 5.

The apportionment of district level data and a localised focus of other datasets, however, can give rise to seemingly anomalous figures.

For example, average house prices and incomes for the borough will be different to those for the three individual HMA, producing varying affordability differentials. When needs are calculated based on these, the resultant figures, when aggregated, may not equal those presented for the borough.

The HMA Newly Forming Households figures incorporate the Household Projection figures used for the Borough-wide calculations, apportioned to the HMAs using 2001 Census proportioning. The method used inevitably results in rounding of numbers at various stages of the calculation. This rounding can lead to inflation of numbers when aggregated. Where possible, calculations have been rounded down in order to minimise the inflation effect of aggregation, referred to as the Modifiable Areal Unit Problem (MAUP)<sup>1</sup>.

Rather than rehearse the calculation of each table below, previously discussed in Section 5, key issues are raised where appropriate.

<sup>1</sup> [http://en.wikipedia.org/wiki/Modifiable\\_areal\\_unit\\_problem](http://en.wikipedia.org/wiki/Modifiable_areal_unit_problem)

## Regeneration HMA

Table 6.1 Current housing need (gross)

		Regeneration HMA
A <sup>1</sup>	P1E Homeless	28
A <sup>2</sup>	Concealed/Overcrowded Households	612
A <sup>3</sup>	Other Households on Housing Register	2,126
A	Total current housing need	2,766
B	Of which current occupiers of affordable housing	953
C	Backlog need (A-B)	1,813

Table 6.2 Newly forming households

		Regeneration HMA
D	Gross new hh formation per annum 2006-2010	334
E	Share newly forming HH unable to afford market housing	84%
F	Newly forming HH unable to afford market housing (DxE)	279
G	Existing households falling into need	201
H	Total newly arising need (F+G)	480

Table 6.3 Median household incomes

	One-Person Household	Couple Household - No Children	Couple Household - With Children	Single Parent Household
10	2,093	12,550	4,273	2,094
20	2,136	17,041	6,277	2,138

	One-Person Household	Couple Household - No Children	Couple Household - With Children	Single Parent Household
30	6,409	20,270	8,545	6,281
40	6,409	21,355	12,554	6,281
50	10,463	25,099	13,924	6,281
60	10,682	29,283	16,739	6,281
70	14,648	29,898	21,363	6,413
80	19,228	37,649	23,500	10,469
90	23,501	42,497	33,485	10,689
100	35,573	55,524	52,426	18,844

Table 6.4 Market entry prices 2008

Dwelling Type	Regeneration HMA
<b>Buyers</b>	
1 bed flats	£79,500
2 bed flats	£80,000
2 bed house	£103,000
3 bed house	£107,000
<b>Renters</b>	
1 bed flats	£439
2 bed flats	£525
2 bed house	£579
3 bed house	£578

Table 6.5 Market entry incomes 2008

Dwelling Type	Regeneration HMA
<b>Buyers</b>	
Single Person	£22,714
Couple, no child.	£27,586
Couple with child.	£36,896
Lone Parent	£29,428
<b>Renters</b>	
Single Person	£21,072
Couple, no child.	£25,200
Couple with child.	£27,744

Dwelling Type	Regeneration HMA
Lone Parent	£27,792

Table 6.6 Annual newly forming households in need 2006-2011

		Regeneration HMA
<b>1 bed flat</b>	Total need	354
	Available supply	202
	Supply - need	-151
	Supply ÷ need	57%
	Shortfall/surplus	SHORTFALL
<b>2 bed flat</b>	Total need	41
	Available supply	190
	Supply - need	149
	Supply ÷ need	463%
	Shortfall/surplus	SURPLUS
<b>2 bed house</b>	Total need	167
	Available supply	48
	Supply - need	-119
	Supply ÷ need	29%
	Shortfall/surplus	SHORTFALL
<b>3 bed house</b>	Total need	170
	Available supply	143
	Supply - need	-27
	Supply ÷ need	84%
	Shortfall/surplus	SHORTFALL
<b>4+ bed house</b>	Total need	115
	Available supply	12
	Shortfall/surplus	-103
	Supply ÷ need	10%
	Shortfall/surplus	SHORTFALL
<b>All dwelling types</b>	Total need	846
	Available supply	595
	Supply - need	-251
	Supply ÷ need	70%
	Shortfall/surplus	SHORTFALL

Table 6.7 Newly forming households in need

Households	Regeneration HMA
Single person	25%
Couples no children	6%
Couples with children	38%
Single parent	29%
Single person	71
Couples no children	18
Couples with children	107
Single parent	83
Total	279

Table 6.8 Newly forming households able to afford in the market

Households	Regeneration HMA
Single person	25%
Couples no children	33%
Couples with children	38%
Single parent	1%
Single person	14
Couples no children	18
Couples with children	21
Single parent	1
Total	54

Table 6.9 Newly forming households able to afford in the market

Households	Regeneration HMA
Can afford to rent only	
Single person	4
Couples no children	2
Couples with children	10
Single parent	1
Can afford to buy and rent	
Single person	10
Couples no children	16
Couples with children	11
Single parent	0
Total	54

Table 6.10 Supply

		Regeneration HMA
I1	Annual supply of social sector re-lets	593
I2	Annual supply of intermediate sector re-lets	2
I3	Average social sector demolitions	
I	Annual supply of re-lets	595

Table 6.11 Bringing the evidence together

		Regeneration HMA
C	Backlog need	1,813
J	Annual quota of backlog reduction (C÷5)	363
H	Total newly arising housing need	480
I	Annual supply of re-lets	595
K	Net annual housing need (J+H-I)	248

Table 6.12 Backlog + future arising need

Households	Regeneration HMA
Single person	354
Couples no children	41
Couples with children	203
Single parent	246

Households	Regeneration HMA
Total	844

Table 6.13 Bedroom distribution

Dwelling type/size	Regeneration HMA
1 bed (flat/house)	34%
2+ bed flat	32%
2 bed house	8%
3 bed house	24%
4+ bed house	2%
1 bed (flat/house)	202
2+ bed flat	190
2 bed house	48
3 bed house	143
4+ bed house	12
All lettings	595
Based on CORE 2007/08, weighted to re-let figure used in housing need calculation	

Table 6.14 Housing need translated into dwelling/ bedroom requirement

Regeneration HMA		
<b>1 bed flat</b>	Total need	354
	Available supply	202
	Supply - need	-151
	Supply ÷ need	57%
	Shortfall/surplus	SHORTFALL
<b>2 bed flat</b>	Total need	41
	Available supply	190
	Supply - need	149
	Supply ÷ need	463%
	Shortfall/surplus	SURPLUS
<b>2 bed house</b>	Total need	167
	Available supply	48
	Supply - need	-119
	Supply ÷ need	29%
	Shortfall/surplus	SHORTFALL
<b>3 bed house</b>	Total need	170
	Available supply	143
	Supply - need	-27
	Supply ÷ need	84%
	Shortfall/surplus	SHORTFALL
<b>4+ bed house</b>	Total need	115
	Available supply	12
	Shortfall/surplus	-103
	Supply ÷ need	10%
	Shortfall/surplus	SHORTFALL
<b>All dwelling types</b>	Total need	846
	Available supply	595
	Supply - need	-251
	Supply ÷ need	70%
	Shortfall/surplus	SHORTFALL

The SHMA needs calculations for the borough show a shortfall in the number of affordable units of all types against need by household type. In the Regeneration HMA, the figures show a surplus of two bedroom flats when compared to need.

Table 6.15 Prioritising additional affordable housing supply to meet 25% of need

		Regeneration HMA
Number of units required	1 bed flats	0
	2 bed flats	0
	2 bed houses	0
	3 bed houses	0
	4+ bed houses	17
	Total	17
Share	1 bed flats	0%
	2 bed flats	0%
	2 bed houses	0%

		Regeneration HMA
	3 bed houses	0%
	4+ bed houses	100%

Table 6.16 Prioritising additional affordable housing supply to meet 50% of need

		Regeneration HMA
Number of units required	1 bed flats	0
	2 bed flats	0
	2 bed houses	36
	3 bed houses	0
	4+ bed houses	45
	Total	81
Share	1 bed flats	0%
	2 bed flats	0%
	2 bed houses	44%
	3 bed houses	0%
	4+ bed houses	56%

Table 6.17 Prioritising additional affordable housing supply to meet 75% of need

		Regeneration HMA
Number of units required	1 bed flats	63
	2 bed flats	0
	2 bed houses	78
	3 bed houses	0
	4+ bed houses	74
	Total	215
Share	1 bed flats	29%
	2 bed flats	0%
	2 bed houses	36%
	3 bed houses	0%
	4+ bed houses	34%

Table 6.18 The costs of shared ownership

Product	Sold equity	Annual mortgage payments	Annual rent on share	Combines annual cost	Gross income required

Product	Sold equity	Annual mortgage re-payments	Annual rent on unsold share	Combines annual cost	Gross income required
<b>1 bed new build flat</b>		<b>Market value</b>	<b>£105,000</b>		
25% share	£26,250	£2,053	£2,363	£4,416	£17,664
50% share	£52,500	£4,107	£1,575	£5,682	£22,728
75% share	£78,750	£6,160	£788	£6,948	£27,791
<b>2 bed new build flat</b>		<b>Market value</b>	<b>£104,000</b>		
25% share	£26,000	£2,034	£2,340	£4,374	£17,496
50% share	£52,000	£4,068	£1,560	£5,628	£22,511
75% share	£78,000	£6,102	£780	£6,882	£27,527
<b>2 bed new build house</b>		<b>Market value</b>	<b>£109,000</b>		
25% share	£27,250	£2,132	£2,453	£4,584	£18,337
50% share	£54,500	£4,263	£1,635	£5,898	£23,593
75% share	£81,750	£6,395	£818	£7,213	£28,850
<b>3 bed new build house</b>		<b>Market value</b>	<b>£125,000</b>		
25% share	£31,250	£2,445	£2,813	£5,257	£21,028
50% share	£62,500	£4,889	£1,875	£6,764	£27,057
75% share	£93,750	£7,334	£938	£8,271	£33,085
<b>4 bed new build house</b>		<b>Market value</b>	<b>£150,000</b>		
25% share	£37,500	£2,934	£3,375	£6,309	£25,234
50% share	£75,000	£5,867	£2,250	£8,117	£32,468
75% share	£112,500	£8,801	£1,125	£9,926	£39,702

Table 6.19 Comparing shared ownership with regular market

Household & product	Share of ownership	% able to afford shared ownership	% able to enter the regular market: PRS	% able to buy in the regular market
Single person buying 1 bed flat	25% share	37%	16%	12%
	50% share	28%	16%	12%
	75% share	21%	16%	12%
Couple without children buying 2 bed flat	25% share	92%	50%	45%
	50% share	84%	50%	45%
	75% share	75%	50%	45%
Single parent household buying 2 bed house	25% share	8%	1%	1%
	50% share	4%	1%	1%
	75% share	0%	1%	1%
Couple with children buying 3 bed house	25% share	49%	16%	9%
	50% share	36%	16%	9%
	75% share	24%	16%	9%
Couple with children buying 4 bed house	25% share	13%		0%
	50% share	7%		0%
	75% share	3%		0%

Table 6.20 Sector split

	Social Rented Sector	Intermediate Housing	Total
1 Bed Flat	63%	37%	100%
2 Bed Flat	8%	92%	100%
2 Bed House	92%	8%	100%
3 Bed House	51%	49%	100%
4+ Bed House	87%	13%	100%
Total	100%	100%	100%

Table 6.21 Annual need by sector split

	Social Rented Sector	Intermediate Housing	Total Affordable Housing Units	Market Housing Units	Total Units
1 Bed Flat	95	56	151	14	165
2 Bed Flat	0	0	0	18	18
2 Bed House	109	10	119	1	120
3 Bed House	14	13	27	13	40
4+ Bed House	90	13	103	8	111
Total	308	92	400	54	454

Due to the calculated over-supply of affordable two bedroom flats compared to need previously stated, this type has been removed from the calculation of units needed. To incorporate this over-supply in the overall number of units required would effectively reduce this total, masking the requirement for units of other types.

The Borough-wide needs calculation states that there is a surplus of two bedroom flats across the Borough. In order to reconcile the figures for the three HMAs as closely as possible with those for the Borough (whilst accounting for the complexities of this discussed earlier), the need for two bedroom flats should be a zero value.

Rural HMA

Table 6.22 Current housing need (Gross)

		Regeneration HMA
A <sup>1</sup>	P1E Homeless	7
A <sup>2</sup>	Concealed/Overcrowded Households	127
A <sup>3</sup>	Other Households on Housing Register	530
A	Total current housing need	664
B	Of which current occupiers of affordable housing	116
C	Backlog need (A-B)	548

Table 6.23 Newly forming households

		Regeneration HMA
D	Gross new hh formation per annum 2006-2010	404
E	Share newly forming HH unable to afford market housing	61%
F	Newly forming HH unable to afford market housing (DxE)	250
G	Existing households falling into need	18
H	Total newly arising need (F+G)	268

Table 6.24 Median household incomes

Income deciles	One-Person Household	Couple Household - No Children	Couple Household - With Children	Single Parent Household
10	3,718	22,301	7,593	3,721
20	3,797	30,282	11,155	3,799

Income deciles	One-Person Household	Couple Household - No Children	Couple Household - With Children	Single Parent Household
30	11,390	36,020	15,185	11,162
40	11,390	37,949	22,309	11,162
50	18,592	44,602	24,744	11,162
60	18,983	52,036	29,746	11,162
70	26,029	53,128	37,963	11,396
80	34,169	66,903	41,759	18,603
90	41,762	75,518	59,504	18,994
100	63,214	98,668	93,162	33,485

Table 6.25 Market entry prices 2008

Households	Regeneration HMA
<b>Buyers</b>	
1 bed flats	£110,000
2 bed flats	£140,000
2 bed house	£167,500
3 bed house	£225,000
<b>Renters</b>	
1 bed flats	£455
2 bed flats	£568
2 bed house	£575
3 bed house	£750

Table 6.26 Market entry incomes 2008

Households	Regeneration HMA
<b>Buyers</b>	
Single Person	£31,428
Couple, no child.	£48,275
Couple with child.	£77,586
Lone Parent	£47,857
<b>Renters</b>	
Single Person	£21,840
Couple, no child.	£27,264
Couple with child.	£36,000
Lone Parent	£27,600

Table 6.27 Annual newly forming households in need 2006-2011

HH Type		Rural HMA
<b>Single Person</b>	Newly forming HH	91
	% who cant buy	76%
	% who cant rent	64%
	Cant buy but can rent	11
	Cant buy or rent	58
<b>Couples no children</b>	Newly forming HH	68
	% who cant buy	54%
	% who cant rent	16%
	Cant buy but can rent	26
	Cant buy or rent	10
<b>Couples with children</b>	Newly forming HH	170
	% who cant buy	94%
	% who cant rent	67%
	Cant buy but can rent	46
	Cant buy or rent	113
<b>Single Parent</b>	Newly forming HH	73
	% who cant buy	100%
	% who cant rent	95%
	Cant buy but can rent	4
	Cant buy or rent	69
<b>All house-holds</b>	Newly forming HH	402
	% who cant buy	84%
	% who cant rent	62%
	Cant buy but can rent	87
	Cant buy or rent	250

Table 6.28 Newly forming households in need

Households	Rural HMA
Single person	23%
Couples no children	4%
Couples with children	45%
Single parent	27%
Single person	58
Couples no children	10
Couples with children	113
Single parent	69
Total	250

Table 6.29 Newly forming households able to afford in the market

Households	Rural HMA
Single person	21%
Couples no children	38%
Couples with children	37%
Single parent	2%
Single person	33
Couples no children	58
Couples with children	57
Single parent	4
Total	152

Table 6.30 Newly forming households able to afford in the market

Households	Rural HMA
Can afford to rent only	
Single person	12
Couples no children	27
Couples with children	47
Single parent	4
Can afford to buy and rent	
Single	21
Couples no children	31
Couples with children	10
Single parent	0
Total	152

Table 6.31 Supply

		Rural HMA
I1	Annual supply of social sector re-lets	94
I2	Annual supply of intermediate sector re-lets	3
I3	Average social sector demolitions	
I	Annual supply of re-lets	97

Table 6.32 Bringing the evidence together

		Rural HMA
C	Backlog need	548
J	Annual quota of backlog reduction (C÷5)	109
H	Total newly arising housing need	268
I	Annual supply of re-lets	97
K	Net annual housing need (J+H-I)	280

Table 6.33 Backlog + future arising need

Households	Rural HMA
Single person	124
Couples no children	18
Couples with children	135
Single parent	99
Total	376

Table 6.34 Bedroom distribution of social sector lettings to new tenants

Dwelling type/ size	Rural HMA
1 bed (flat/house)	57%
2+ bed flat	21%
2 bed house	7%
3 bed house	14%
4+ bed house	1%
1 bed (flat/house)	55
2+ bed flat	20
2 bed house	7
3 bed house	14
4+ bed house	1
All lettings	97



Table 6.35 Housing need translated into dwelling/bedroom requirement

		Rural HMA
1 bed flat	Total need	125
	Available supply	55
	Supply - need	-70
	Supply ÷ need	44%
	Shortfall/surplus	SHORTFALL
2 bed flat	Total need	19
	Available supply	20
	Supply - need	2
	Supply ÷ need	110%
	Shortfall/surplus	BALANCED
2 bed house	Total need	68
	Available supply	7
	Supply - need	-62
	Supply ÷ need	10%
	Shortfall/surplus	SHORTFALL
3 bed house	Total need	103
	Available supply	14
	Supply - need	-89
	Supply ÷ need	13%
	Shortfall/surplus	SHORTFALL
4+ bed house	Total need	67
	Available supply	1
	Shortfall/surplus	-66
	Supply ÷ need	1%
	Shortfall/surplus	SHORTFALL
All dwelling types	Total need	382
	Available supply	97
	Supply - need	-285
	Supply ÷ need	25%
	Shortfall/surplus	SHORTFALL

The SHMA needs calculations for the borough show a shortfall in the number of affordable units of all types against need by household type. In the Rural HMA, the figures show a slight surplus of two bedroom flats when compared to need.

Table 6.36 Prioritising additional affordable housing supply to meet 25% of need

		Rural HMA
Number of units required	1 bed flats	0
	2 bed flats	0
	2 bed houses	10
	3 bed houses	12
	4+ bed houses	16
Share	Total	38
	1 bed flats	0%
	2 bed flats	0%
	2 bed houses	27%
	3 bed houses	32%
	4+ bed houses	41%

Table 6.37 Prioritising additional affordable housing supply to meet 50% of need

		Rural HMA
Number of units required	1 bed flats	7
	2 bed flats	0
	2 bed houses	27
	3 bed houses	38
	4+ bed houses	33
Share	Total	105
	1 bed flats	7%
	2 bed flats	0%
	2 bed houses	26%
	3 bed houses	36%
	4+ bed houses	31%

Table 6.38 Prioritising additional affordable housing supply to meet 75% of need

		Rural HMA
Number of units required	1 bed flats	38
	2 bed flats	0
	2 bed houses	45
	3 bed houses	63
	4+ bed houses	49
Share	Total	196
	1 bed flats	20%
	2 bed flats	0%
	2 bed houses	23%
	3 bed houses	32%
	4+ bed houses	25%

Table 6.39 The costs of shared ownership

Product	Sold equity	Annual mortgage re-payments	Annual rent on unsold share	Combines annual cost	Gross income required
<b>1 bed new build flat</b>		<b>Market value</b>	<b>£160,000</b>		
25% share	£40,000	£3,129	£3,600	£6,729	£26,916
50% share	£80,000	£6,258	£2,400	£8,658	£34,633
75% share	£120,000	£9,387	£1,200	£10,587	£42,349
<b>2 bed new build flat</b>		<b>Market value</b>	<b>£182,143</b>		
25% share	£45,536	£3,562	£4,098	£7,660	£30,641
50% share	£91,072	£7,124	£2,732	£9,856	£39,425
75% share	£136,607	£10,686	£1,366	£12,052	£48,210
<b>2 bed new build house</b>		<b>Market value</b>	<b>£210,000</b>		
25% share	£52,500	£4,107	£4,725	£8,832	£35,328
50% share	£105,000	£8,214	£3,150	£11,364	£45,455
75% share	£157,500	£12,321	£1,575	£13,896	£55,583
<b>3 bed new build house</b>		<b>Market value</b>	<b>£290,000</b>		
25% share	£72,500	£5,671	£6,525	£12,196	£48,786
50% share	£145,000	£11,343	£4,350	£15,693	£62,771
75% share	£217,500	£17,014	£2,175	£19,189	£76,757
<b>4 bed new build house</b>		<b>Market value</b>	<b>£400,000</b>		
25% share	£100,000	£7,823	£9,000	£16,823	£67,291
50% share	£200,000	£15,645	£6,000	£21,645	£86,581
75% share	£300,000	£23,468	£3,000	£26,468	£105,872



Table 6.40 Comparing shared-ownership with regular market entry

Household & product	Share of ownership	% able to afford shared ownership	% able to enter the regular market: PRS	% able to buy in the regular market
Single person buying 1 bed flat	25% share	22%	36%	24%
	50% share	10%	36%	24%
	75% share	6%	36%	24%
Couple without children buying 2 bed flat	25% share	63%	84%	46%
	50% share	46%	84%	46%
	75% share	26%	84%	46%
Single parent household buying 2 bed house	25% share	0%	5%	0%
	50% share	0%	5%	0%
	75% share	0%	5%	0%
Couple with children buying 3 bed house	25% share	10%	33%	6%
	50% share	6%	33%	6%
	75% share	0%	33%	6%
Couple with children buying 4 bed house	25% share	13%		0%
	50% share	7%		0%
	75% share	3%		0%

Table 6.41 Sector Split

	Social Rented Sector	Intermediate Housing	Total Units
1 Bed Flat	78%	22%	100%
2 Bed Flat	37%	63%	100%
2 Bed House	100%	0%	100%
3 Bed House	90%	10%	100%
4+ Bed House	87%	13%	100%
Total	100%	100%	100%

Table 6.42 Annual Need by Sector Split

	Social Rented Sector	Intermediate Housing	Total Affordable Housing Units	Market Housing Units	Total Units
1 Bed Flat	55	15	70	33	103
2 Bed Flat	0	0	0	58	58
2 Bed House	62	0	62	4	66
3 Bed House	80	9	89	35	124
4+ Bed House	57	9	66	22	88
Total	254	33	<b>287</b>	152	<b>439</b>

Due to the calculated over-supply of affordable two bedroom flats compared to need previously stated, this type has been removed from the calculation of units needed

Urban HMA

Table 6.43 Current housing need (gross)

		Urban HMA
A <sup>1</sup>	P1E Homeless	16
A <sup>2</sup>	Concealed/Overcrowded Households	308
A <sup>3</sup>	Other Households on Housing Register	1,301
A	Total current housing need	1,625
B	Of which current occupiers of affordable housing	208
C	Backlog need (A-B)	1,417

Table 6.44 Newly forming households

		Rural HMA
D	Gross new hh formation per annum 2006-2010	832
E	Share newly forming HH unable to afford market housing	71%
F	Newly forming HH unable to afford market housing (DxE)	594
G	Existing households falling into need	48
H	Total newly arising need (F+G)	642

Table 6.45 Median household incomes

Income deciles	One-Person Household	Couple Household - No Children	Couple Household - With Children	Single Parent Household
10	3,025	18,142	6,177	3,027
20	3,089	24,635	9,074	3,090
30	9,266	29,303	12,353	9,080
40	9,266	30,872	18,149	9,080
50	15,125	36,284	20,130	9,080
60	15,443	42,332	24,199	9,080
70	21,175	43,221	30,884	9,271
80	27,797	54,427	33,972	15,134

Income deciles	One-Person Household	Couple Household - No Children	Couple Household - With Children	Single Parent Household
90	33,974	61,435	48,407	15,452
100	51,426	80,268	75,788	27,241

Table 6.46 Market entry prices 2008

Dwelling type	Urban HMA
<b>Buyers</b>	
1 bed flats	£105,000
2 bed flats	£122,500
2 bed house	£158,500
3 bed house	£183,000
<b>Renters</b>	
1 bed flats	£419
2 bed flats	£579
2 bed house	£619
3 bed house	£777

Table 6.47 Market entry incomes 2008

Dwelling type	Urban HMA
<b>Buyers</b>	
Single Person	£30,000
Couple, no child.	£42,241
Couple with child.	£63,103
Lone Parent	£45,285
<b>Renters</b>	
Single Person	£20,112
Couple, no child.	£27,792
Couple with child.	£37,296
Lone Parent	£29,712

Table 6.48 Annual newly forming households in need 2006-2011 (age 15-39 years)

HH Type		Urban HMA
<b>Single Person</b>	Newly forming HH	193
	% who cant buy	83%
	% who cant rent	68%
	Cant buy but can rent	29
	Cant buy or rent	131
<b>Couples no children</b>	Newly forming HH	149
	% who cant buy	70%
	% who cant rent	26%
	Cant buy but can rent	66
	Cant buy or rent	38
<b>Couples with children</b>	Newly forming HH	334
	% who cant buy	94%
	% who cant rent	82%
	Cant buy but can rent	40
	Cant buy or rent	273
<b>Single Parent</b>	Newly forming HH	154
	% who cant buy	99%
	% who cant rent	99%
	Cant buy but can rent	0
	Cant buy or rent	152
<b>All house-holds</b>	Newly forming HH	830
	% who cant buy	88%
	% who cant rent	72%
	Cant buy but can rent	135
	Cant buy or rent	594

Table 6.49 Newly forming households in need

Households	Urban HMA
Single Person	22%
Couple, no child.	6%
Couple with child.	45%
Single Parent	25%
Single Person	131
Couple, no child.	38
Couple with child.	273
Single Parent	152
Total	594

Table 6.50 Newly forming households able to afford in the market

Households	Urban HMA
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Households	Urban HMA
Single Person	26%
Couple, no child.	47%
Couple with child.	25%
Single Parent	0%
Single Person	62
Couple, no child.	111
Couple with child.	61
Single Parent	2
Total	236

Table 6.51 Newly forming households able to afford in the market

Households	Urban HMA
Can afford to rent only	
Single Person	30
Couple, no child.	67
Couple with child.	41
Single Parent	1
Can afford to buy or rent	
Single Person	32
Couple, no child.	44
Couple with child.	20
Single Parent	1
Total	236

Table 6.52 Supply

Households	Urban HMA
Single Person	297
Couple, no child.	58
Couple with child.	340
Single Parent	232
Total	927

Table 6.53 Bringing the evidence together

		Rural HMA
C	Backlog need	1,417
J	Annual quota of backlog reduction (C÷5)	283
H	Total newly arising housing need	642
I	Annual supply of re-lets	224
K	Net annual housing need (J+H-I)	701

Table 6.54 Backlog + future arising need

Households	Urban HMA
Single person	297
Couples no children	58
Couples with children	340
Single parent	232
Total	927

Table 6.55 Bedroom distribution of social sector lettings to new tenants

Households	Urban HMA
1 bed (flat/house)	73%
2+ bed flat	10%
2 bed house	3%
3 bed house	14%
4+ bed house	0%

Households	Urban HMA
1 bed (flat/house)	164
2+ bed flat	22
2 bed house	7
3 bed house	31
4+ bed house	0
All lettings	224

Table 6.56 Housing need translated into dwelling/bedroom requirement

		Urban HMA
1 bed flat	Total need	297
	Available supply	164
	Supply - need	-133
	Supply ÷ need	55%
	Shortfall/surplus	SHORTFALL
2 bed flat	Total need	58
	Available supply	22
	Supply - need	-36
	Supply ÷ need	38%
	Shortfall/surplus	SHORTFALL
2 bed house	Total need	157
	Available supply	7
	Supply - need	-150
	Supply ÷ need	4%
	Shortfall/surplus	SHORTFALL
3 bed house	Total need	252
	Available supply	31
	Supply - need	-221
	Supply ÷ need	12%
	Shortfall/surplus	SHORTFALL
4+ bed house	Total need	164
	Available supply	0
	Shortfall/surplus	-164
	Supply ÷ need	0%
	Shortfall/surplus	SHORTFALL
All dwelling types	Total need	928
	Available supply	224
	Supply - need	-704
	Supply ÷ need	24%

Table 6.57 Prioritising additional affordable housing supply to meet 25% of need

		Urban HMA
Number of units required	1 bed flats	0
	2 bed flats	0
	2 bed houses	32
	3 bed houses	32
	4+ bed houses	41
Share	Total	105
	1 bed flats	0%
	2 bed flats	0%
	2 bed houses	30%
	3 bed houses	30%
	4+ bed houses	39%

Table 6.58 Prioritising additional affordable housing supply to meet 50% of need

		Urban HMA
Number of units required	1 bed flats	0
	2 bed flats	7
	2 bed houses	72
	3 bed houses	95
	4+ bed houses	82
Share	Total	256
	1 bed flats	0%
	2 bed flats	3%
	2 bed houses	28%
	3 bed houses	37%
	4+ bed houses	32%

Table 6.59 Prioritising additional affordable housing supply to meet 75% of need

		Urban HMA
Number of units required	1 bed flats	59
	2 bed flats	22
	2 bed houses	111
	3 bed houses	158
	4+ bed houses	123
Share	Total	473
	1 bed flats	12%
	2 bed flats	5%
	2 bed houses	23%
	3 bed houses	33%
	4+ bed houses	26%

Table 6.60 The costs of shared ownership

Product	Sold equity	Annual mortgage payments	Annual rent re-on share	Combined annual cost	Gross income required
<b>1 bed new build flat</b>		<b>Market value</b>	<b>£131,300</b>		
25% share	£32,825	£2,568	£2,954	£5,522	£22,088
50% share	£65,650	£5,136	£1,970	£7,105	£28,420

Product	Sold equity	Annual mortgage payments	Annual rent on share	Combined annual cost	Gross income required
75% share	£98,475	£7,703	£985	£8,688	£34,753
<b>2 bed new build flat</b>		<b>Market value</b>	<b>£151,820</b>		
25% share	£37,955	£2,969	£3,416	£6,385	£25,540
50% share	£75,910	£5,938	£2,277	£8,215	£32,862
75% share	£113,865	£8,907	£1,139	£10,046	£40,184
<b>2 bed new build house</b>		<b>Market value</b>	<b>£177,000</b>		
25% share	£44,250	£3,462	£3,983	£7,444	£29,776
50% share	£88,500	£6,923	£2,655	£9,578	£38,312
75% share	£132,750	£10,385	£1,328	£11,712	£46,848
<b>3 bed new build house</b>		<b>Market value</b>	<b>£209,286</b>		
25% share	£52,322	£4,093	£4,709	£8,802	£35,207
50% share	£104,643	£8,186	£3,139	£11,325	£45,301
75% share	£156,965	£12,279	£1,570	£13,848	£55,394
<b>4 bed new build house</b>		<b>Market value</b>	<b>£270,000</b>		
25% share	£67,500	£5,280	£6,075	£11,355	£45,421
50% share	£135,000	£10,561	£4,050	£14,611	£58,442
75% share	£202,500	£15,841	£2,025	£17,866	£71,464

Table 6.61 Comparing shared-ownership with regular market entry

Household & product	Share of ownership	% able to afford shared ownership	% able to enter the regular market: PRS	% able to buy in the regular market
Single person buying 1 bed flat	25% share	29%	32%	17%
	50% share	19%	32%	17%
	75% share	10%	32%	17%
Couple without children buying 2 bed flat	25% share	79%	74%	30%
	50% share	57%	74%	30%
	75% share	44%	74%	30%
Single parent household buying 2 bed house	25% share	0%	1%	1%
	50% share	0%	1%	1%
	75% share	0%	1%	1%
Couple with children buying 3 bed house	25% share	20%	18%	6%
	50% share	13%	18%	6%
	75% share	8%	18%	6%
Couple with children buying 4 bed house	25% share	13%		0%
	50% share	7%		0%
	75% share	3%		0%

Table 6.62 Sector Split

	Social Rented Sector	Intermediate Housing	Total Units
1 Bed Flat	71%	29%	100%
2 Bed Flat	21%	79%	100%
2 Bed House	100%	0%	100%
3 Bed House	80%	20%	100%
4+ Bed House	87%	13%	100%
Total	100%	100%	100%

Table 6.63 Annual need by sector split

	Social Rented Sector	Intermediate Housing	Total Affordable Housing Units	Market Housing Units	Total Units
1 Bed Flat	94	39	133	62	195
2 Bed Flat	0	0	0	111	111
2 Bed House	150	0	150	2	152
3 Bed House	177	44	221	38	259
4+ Bed House	143	21	164	23	187
Total	564	104	<b>668</b>	236	<b>904</b>

Despite the calculation of supply against need showing a need for approximately 36 affordable two bedroom flats, the figure has been discounted in the calculation of all units needed. As discussed previously, the Borough-wide needs calculation states that there is a surplus of two bedroom flats across the Borough. In order to reconcile the figures for the three HMAs as closely as possible with those for the Borough (whilst accounting for the complexities of this discussed earlier), the need for two bedroom flats should be a zero value. This need

for two bedroom flats in the Urban HMA is offset fourfold by the apparent surplus of that housing type in the Regeneration HMA.

This does not necessarily preclude the building of two bedroom flats in the Urban HMA, but it is suggested that this type of housing is considered a lower priority in terms of new development than other housing types.

## 7.0 Housing Requirements of Specific Groups

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### 7.1 Introduction

This section of the report looks at specific household groups within Solihull including families; older people; households with specific needs; minority and hard to reach households; rural communities; first time buyers and young people; key workers; and the private rented sector, in terms of their impact on housing requirements and associated outcomes on housing policy, in addition to the scope for addressing demand through the provision of low cost market housing and the scope for addressing need through the provision of intermediate affordable housing.

### 7.2 Housing Requirements of Specific Groups

#### 7.2.1 Families

PPS3 stresses the importance of providing housing for families, especially those with children. Family household projections for Solihull are set out in the table below.

Table 7.1 Family household projections

Household	2006	2011	2016	2021	2026
Couple with a child/children	25,644	24,792	23,956	23,220	22,719
Lone parent with a child/children	6,197	6,470	6,634	6,788	6,986
Family households	31,841	31,262	30,590	30,008	29,705
All households	83,545	86,086	88,918	91,750	94,326

Source: CLG household projections

The table above demonstrates that couples with a child/children are set to decrease over the 20 year period 2006-2026, whilst lone parents with a child/children are set to increase over the same period. Family households are estimated to decrease to 2026 whilst all households are set to increase quite considerably by some 10,781 from 83,545 to 94,326.

However, it should be noted that such general household projections may be different to those projections relating to the need for affordable family units as shown in Table 21 (Annual Need by Sector Split).

In respect of North Solihull, there is set to be no net loss in the number of social rented homes over the lifetime of the regeneration programme and a particular commitment has been made to provide more houses for families<sup>1</sup>. When North Solihull was designed in the mid 1960's it incorporated very little housing choice, so schemes such as Chapel Walk in the Regeneration HMA have provided three and four bedroom family houses, in addition to local recreational improvements, in direct response to the high demand of local people who expressed a desire to stay in the area but needed a larger home to cater for the size of their family<sup>2</sup>.

7.2.2 Older people

Nationally the UK's population is ageing, as people aged 60 and over become a greater proportion of the population. This is mainly as a result of greater life expectancy, but also due in part to falling birth rates, although the 'younger' population has been boosted in some areas by recent increases in international migration, in particular from the European Union Accession countries.

Solihull has seen older people, defined as people aged 60 years and over, increase as a proportion of the population from 15.7% in 1981 to 21.7% in 2001. More markedly, the proportion of people aged over 75 years has increased from 3.84% in 1981 to 7.65% in 2001. The ONS mid year population estimates the proportion of the Borough's population aged 85 years and over at 4.27%. This is over double the 2001 Census figure of 1.8%. Solihull's Housing Strategy estimates that older people (65+) will rise from 17.3% in 2006 to 20.8% by 2021.

Household projections for older people in Solihull are set out in the table below.

Table 7.2 Household projections for older people

Period	60-64	65-69	70-74	75-79	80-84	85+
2006	7,341	5,841	5,531	5,464	4,162	3,017
2011	7,823	6,989	5,599	5,147	4,464	3,702
2016	6,823	7,461	6,690	5,288	4,367	4,319
2021	7,924	6,507	7,182	6,319	4,568	4,769
2026	8,974	7,525	6,286	6,820	5,501	5,310

Source: CLG household projections

<sup>1</sup> Solihull Housing Strategy, 2008, Solihull MBC  
<sup>2</sup> [www.northsolihull.com/news/housing](http://www.northsolihull.com/news/housing)

The table above illustrates that Solihull will experience an ageing population to 2026 and this is evident for each age grouping of older people. Increases in the older population, in particular those within the 75+ age group, will have future implications on the provision of care services and specialist housing provision.

At the time of the 2001 Census, Solihull Borough had an older population of 21.7% of whom 82.2% owned their home, 14.3% rented socially and 2.9% rented privately. The following table shows the tenure by age group of older people.

Table 7.3 Tenure by age group of older people

	Owned	Social rented	Private rented / other	Total
60-64	20.7	2.7	0.5	23.9
65-74	36.3	5.2	0.9	42.4
75-84	20.7	4.8	1.0	26.5
85+	5.1	1.6	0.5	7.2
Total	82.8	14.3	2.9	100.0

The above table demonstrates that four in five older people in Solihull were living in owner occupied accommodation at the time of the 2001 Census.

Nationally there is a growing trend of older people living alone. Single pensioner households represent 14.2% of the population. In Solihull, 9.7% of single pensioner households own their own home, 3.7% rent socially, and 0.7% rent privately. The number of single pensioner households has implications on housing type in addition to care and support services. The higher proportion of larger sized properties in Solihull will mean that those owned by older people will tend to be under-occupied.

The Solihull Urban HMA has the highest numbers of households with a pensioner with four wards within the HMA having the highest proportions within the Borough. Over 40% of households within the wards of Elmdon and Shirley East contain a pensioner. Conversely, the three wards of Smith's Wood, Kingshurst & Fordbridge and Chelmsley Wood within the Regeneration HMA have the lowest proportion of households with a pensioner.

Consultation as part of the West Midlands C1 Strategic Housing Market Assessment 2007/08 revealed that older people tend to prefer two-bedroom accommodation as opposed to one-bedroom, and that residents may wish to downsize but recent apartment style development does not tend to meet their needs.

Solihull has developed a partnership strategy titled 'The Future is Ours – A Quality of Life Strategy for Older People 2006 - 2013' which sets out the Borough's approach to addressing the challenges and issues facing older people. This includes the increasing pressure on services, the availability of suitable housing provision, and the changing profile of the Solihull's future older population.

- The predicted demographic change of the population of Solihull to that of an aging population means that different housing needs will be required. In light of this, Extra Care housing has been identified as a priority by the Solihull Care Trust. 'Extra Care Housing' provides Domiciliary Care and Housing Related Support services to vulnerable adults and older people who require housing choices that will enable them to remain independent with care and support tailored to meet their needs.
- Solihull's Extra Care Housing and Care Home Accommodation Strategy for Older People<sup>1</sup>, provides a review of the current situation in relation to extra care housing and care home accommodation in the Borough and sets out the future pattern of accommodation to 2010. The Strategy talks about the potential impact of the Borough's ageing population in that whilst only 1 in 20 people over 65 years use social care, 1 in 3 of people aged over 85 use social care services.
- The Solihull Care Trust are developing an Independent Living and Extra Care Housing Strategy which will take forward plans for the delivery of additional affordable extra care housing in Solihull. The need for this affordable extra care accommodation is in addition to the needs identified in section 5.0.
- The Strategy also suggests that relative priority is given to the development of extra care housing so that older people's independence can be maximised. It also states that housing provision will be met by a combination of bungalows built to mobility standards, sheltered accommodation, floating support services, extra care housing, and continuing care schemes.

The West Midlands Regional Supporting People Strategy<sup>2</sup> acknowledges that the region's rural population is ageing and suggests more use of floating support, assistive technology, telecare and community alarm services, and joint commissioning to achieve economies of scale in extra care. Solihull's 'Safe and Sound' and Home Improvement Service are designed to provide practical support to older people with repairs and enhancements needed to their property.

DCLG Household Forecasts suggest an increase of approximately 1,207 households aged 65+ in the period 2006-2011. 2001 Census data suggests that, across the Borough, around 85% of households of pensionable age are living in under-occupied accommodation. Assuming the same proportion applies over the 2006-2011 period, this would represent around 1,026 households living in under-occupancy. If these households were to downsize to smaller accommodation, the potential exists to release approximately 205 units to contribute towards satisfying housing need across all sectors.

Results from the Rural Housing Market Survey suggest that around 31% of respondents aged 65+ would look to move home due to their current accommodation being too big, with 19.5% citing difficulty getting around the home due to age/health/disability.

Of the respondents aged 65+, 33% stated a preference to move to a bungalow, with 22% stating a flat and 16% a detached house. Only 7% of respondents would like to move to Older Persons accommodation. 40% of respondents aged 65+ stated a preference for a two bedroom home (43% bungalow, 40% flat, 17% house), with 11.5% stating that they would prefer a one bedroom home (70% house, 20% bungalow, 10% flat).

<sup>1</sup> All Our Tomorrows: Extra Care Housing and Care Home Accommodation Strategy for Older People 2005-2010, February 2005, Solihull MBC; Solihull PCT; and Solihull Community Housing

<sup>2</sup> The West Midlands Regional Supporting People Strategy, 2005, Secta Starfish

In summary, there is a national trend towards older people preferring to live independently into later life. This will not only put increasing pressure on demand for home-help services but also specialist accommodation for older people. This group will generally have higher expectations than the current cohort of older people. Under-occupation, on the part of older social renters and owner occupiers, will become an increasingly important issue. The provision of attractive housing specifically for the older population, in order to 'free up' under-occupied housing, will be key to meeting future housing need and demand. New market products may also be needed to enable older homeowners, many with limited equity, to downsize to the homes and support that they need. This is something that is particularly relevant to Solihull and may require more detailed research around levels of under-occupation and tailored solutions in order to meet future housing need and demand.

### 7.2.3 Households with specific needs

Households with one or more members with a special need are more likely to be in housing need, more likely to be living in homes that are unsuitable for their needs, and less likely to be able to meet their needs in the housing market<sup>1</sup>.

According to the 2001 Census, 16.3% of all people in Solihull were suffering from a limiting long-term illness. This was some two percentage points below the national average of 18.2%. Of all people in the Borough aged between 16 and 74, 4.4% were classed as permanently sick or disabled which was again below the national average of 5.5%.

Research undertaken for Solihull's Housing Strategy and Supporting People Strategy identified gaps in service provision in the Borough in terms of supported accommodation and floating support for individuals with physical and/or sensory disabilities who require additional assistance and support to enable them to maintain their tenancy and live independently in the community<sup>2</sup>. One of the priorities of Solihull Primary Care Trust (PCT) and Solihull Council was to generate at least one specialist purpose built new housing scheme in the Borough by 2009 in order to promote independent living; and to work with housing providers to deliver specialist housing schemes, lifetime housing and encourage better use of adapted properties to meet needs.

The Solihull rural housing needs survey<sup>3</sup> reported that 13% of respondents have an illness or condition that is considered to be a disability. Of these, 37% live in social rented housing followed by 17% in private rented housing. Of these respondents, 51% have a mobility impairment followed by 31% who have a physical impairment.

An increased range and choice of housing options available to people with learning disabilities in Solihull is sought in order for this group to exercise choice and live as independently as possible. This is recognised by the Learning Disability Strategy for Solihull in that there will always be the need for affordable independent housing, supported living and housing related support services, extra care housing, registered residential and nursing care, through to 'step down' and secure accommodation<sup>4</sup>.

<sup>1</sup> Solihull Housing Needs Survey, DATE, Solihull MBC

<sup>2</sup> Enabled not Disabled – A Joint Strategy on Meeting the Needs of People with Physical and Sensory Disabilities 2004-2009, 2004, Solihull Primary Care Trust and Solihull Council

<sup>3</sup> Solihull Rural Housing Needs Survey, 2009, ECOTEC Survey

<sup>4</sup> Acknowledgement and Inclusion: A Learning Disability Strategy 2006-2013, December 2006, The Solihull Partnership

A range of locally accessible accommodation and housing options to meet the needs of people with learning disabilities are therefore sought; in addition to commissioning a range of accommodation and housing options to meet the needs of people with learning disabilities who also have additional needs; and working in partnership with others to ensure the safety of people and their homes. However a number of examples of good practice within the Borough can be cited including 'key-ring' – for people with individual council tenancies supported by a community living worker; supporting people floating support; shared ownership properties; and residential homes with a view to providing extra care services.

In December 2006, Solihull Care Trust (SCT) was meeting the accommodation needs of 264 people of whom the vast majority were in registered care. In June 2009, SCT carried out an analysis<sup>1</sup> of the housing needs of people with learning disabilities. They found that the total number of people requiring a move to alternative accommodation to the end of March 2014 would be 151. Of these, 136 people would need housing with domiciliary care/support. This can be broken down into two groups – 61 urgent cases (needing to move in 2009 or 2010) and 75 others (needing to move by the end of March 2014). Table 7.4 further illustrates this need:

Table 7.4 Housing Needs of People with Learning Disabilities 2009 to 2014

Housing Needed	2009 and 2010	2011 to 2014
Individual non-grouped 1 bed need	2	2
Individual non-grouped 2 bed need	22	16
Grouped or clustered 1 bed need	7	8
Grouped or clustered 2 bed need	0	6
Shared accommodation (including in most cases an additional room for sleep in staff)	30	43
Total housing need	61	75

<sup>1</sup> Solihull Housing Needs Analysis for People with Learning Disabilities, June 2009, Solihull Care Trust

In terms of mental health, a number of homecare mental health services and housing related support services are provided in Solihull including floating support and supported accommodation. The prevalence of mental illness is greatest (based on overall prescribing and admission rates, and community activity) in North Solihull, in addition to Castle Bromwich<sup>1</sup>. As with older people and those with learning disabilities, there is also a need for additional extra care affordable accommodation for people with mental health needs.

We have assumed that as the number of households increase in the Borough to 2026, the number of households with specific needs will also increase, which will have implications on the need for appropriate housing and support services.

7.2.4 Minority and hard to reach households

At the time of the 2001 Census, 91.3% of the Borough's population were of 'White British' ethnicity, 2.1% were of 'White Irish' ethnicity, 1.2% were 'White Other' and 5.4% were from a 'Black and Minority Ethnic' (BME) group. 47% of Solihull's BME population are of Asian ethnicity, the majority of which are of Indian ethnicity. Slightly less than 24% are of mixed ethnicity with the majority being of mixed Black and White ethnicity. The Black, Chinese and Other ethnicities account for 17.5%, 6.2% and 5.4% of the BME population respectively. Solihull's BME population is relatively small in comparison to some of the other West Midland's authorities where the BME population in the region accounts for some 11.3% of the population as a whole.

The following table illustrates housing tenure in Solihull broken down by ethnic group.

Table 7.5 Household Tenure in Solihull by ethnic group

Ethnic group	Owned	Social rented	Private rented	Rent free	Total %	Total no.
White	78.9	16.2	3.9	1.0	100.0	77,789
Mixed	51.3	39.1	6.7	3.0	100.0	435
Asian	84.8	3.7	10.7	0.8	100.0	1,435
Black	62.2	33.1	3.0	1.7	100.0	871
Chinese or Other	58.6	8.0	28.9	4.5	100.0	401
All households	78.6	16.2	4.2	1.0	100.0	80,931

<sup>1</sup> Solihull Mental Health Strategy 2005-2010, 2005, Solihull PCT; Birmingham and Solihull Mental Health NHS Trust; and Solihull MBC

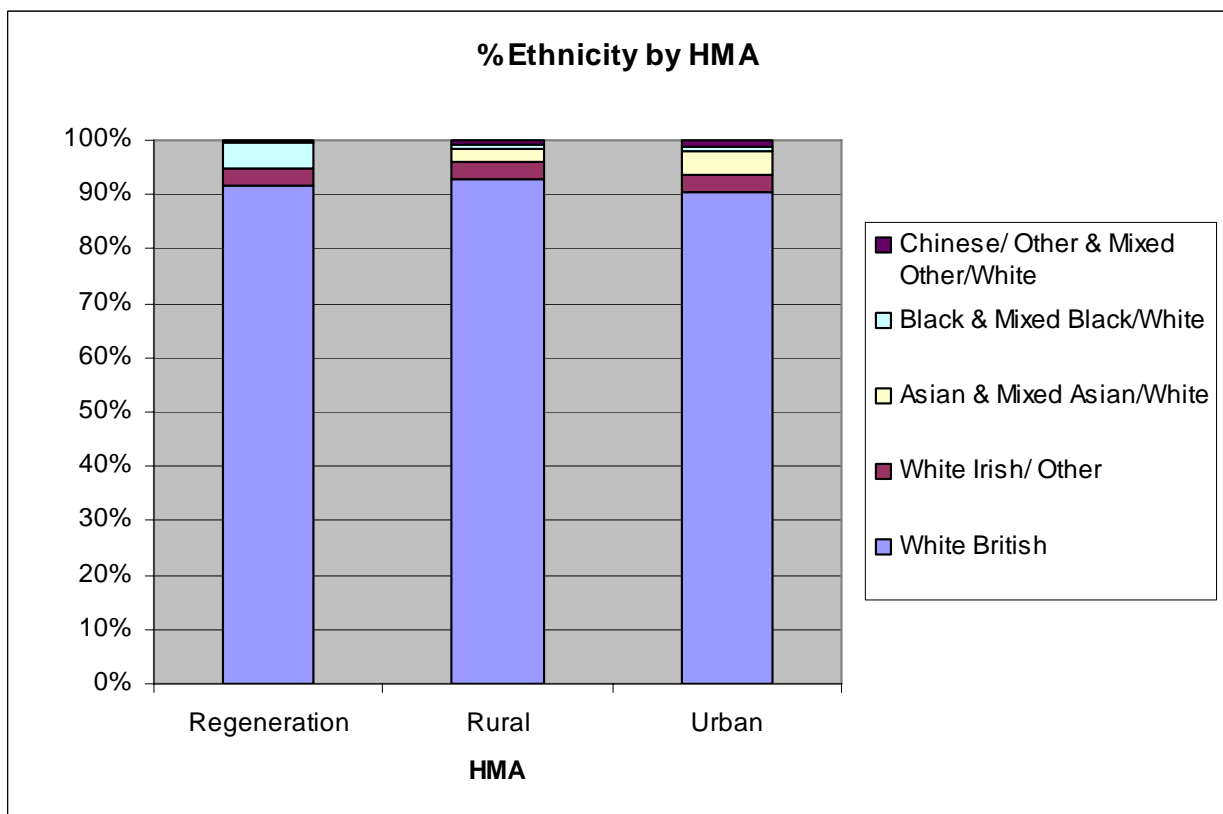
Source: Census 2001

According to the 2001 Census, wards within the Solihull North and Urban HMAs comprise the highest proportions of people from a BME background, except for the Blythe ward within Solihull's Rural HMA where 10% of Asian people live. However, as the Council's Housing Strategy points out: 'the population is diverse by BME group and local geography' and different BME communities tend to be concentrated within particular localities.

Proportionally more people of a Black or mixed Black and White ethnicity live in the Solihull North HMA. 43% of Black people and just over 50% of people of mixed Black and White ethnicity live in the three wards of Chelmsley Wood, Smith's Wood and Kingshurst & Fordbridge. Very few of the Asian or Other population live in this HMA. The ward in the Solihull North HMA with the highest proportion of BME population is Smith's Wood at 6.7%. However, this is not significantly higher than the overall proportion for the Borough.

Conversely, the Solihull Urban HMA contains the highest proportion of Asian and Other ethnicities, but very few people from a Black or mixed Black and White ethnicity. The Housing Strategy highlights that 91% of people of Asian or Chinese ethnicity live in the area to the south of the A45 Coventry Road.

Figure 7.1 Ethnic group by HMA



Source: Census 2001

It is assumed that as the number of households increase in the Borough to 2026, the number of BME households will also increase, which will have implications on the location, tenure and size of accommodation. Available household projections data do not detail the proportion of BME households, however it is assumed that this will be at least in line with 2001 Census.

On a ward specific basis, Shirley South contains the highest proportion of BME residents across the Borough at some 11% of the ward's population. A significant proportion of both White Irish ethnicity (9.4%) and White other (10.8%) also reside within the ward. Other wards with significant populations from Asian communities include Olton, Silhill and Shirley East.

The town centre ward of St Alphege accommodates just over 10% of the Asian population. It also contains 13% of the Chinese ethnic population and 17.5% of other ethnicities. The White Irish and White other communities are more dispersed, but tend to be more concentrated in wards with higher proportions of BME residents, such as Shirley South and Shirley East.

The 2001 Census data lacks information on emerging BME communities in respect of recent migrant workers, asylum seekers and refugees. Research undertaken by ECOTEC in 2005 on BME housing in the West Midlands region recognises that there is no homogenous set of BME housing needs and aspirations. Not only are there differences relating to ethnicity and religion, other factors such as age, income and education also need to be considered. The report suggests that the Indian population is widely spread across the central conurbation from Wolverhampton to Solihull and is evident in some of the higher value housing market areas. Refugee communities are present in Solihull as a result of the National Asylum Seeker Service dispersal programme.

The report looked at the concept of culturally sensitive housing provision in terms of considering future BME housing provision as follows:

- Dwellings to provide two reception rooms and a sufficient amount of bedrooms for larger households.
- Dwellings to be located in areas perceived by BME communities as safe and accessible to community facilities including places of worship.
- The presence of a local workforce that is representative of the BME population and has community language skills.
- The provision of housing related care and support that meets the cultural, dietary and religious needs of BME groups.
- The employment of operatives who are sensitive to the culture of BME residents.

Though not an immediate issue, continued growth in migrant communities may necessitate a focussed view on specialised housing provision in the future. This will, however also be affected by any potential changes in national immigration and border control policy.

The Joint Gypsy and Traveller Accommodation Assessment (GTAA) for Birmingham, Coventry and Solihull<sup>1</sup> aims to quantify the current and future need for Gypsy and Traveller accommodation in the study area.

The GTAA estimates that in terms of current accommodation provision there are slightly less than 300 Gypsy and Traveller households across the study area, two-thirds of whom live in bricks and mortar housing, and a third on sites. In Solihull, it is apparent that there are no local authority provided sites or pitches, however there are 37 private authorised pitches on 4 private authorised sites, and 9 long-term unauthorised pitches on 4 long-term unauthorised sites. Of the three local authority areas, Solihull represents the highest residential site provision of occupied pitches in the study area, followed by Coventry and then Birmingham.

The GTAA suggests that the requirement for additional residential pitches between 2007 and 2017 for Solihull stands at 26, as opposed to 19 for Birmingham and -1 for Coventry. The report also states that there is likely to be continuing demand for the development of private sites and the expansion of some existing family sites. It was felt that the expansion of Birmingham Airport could lead to the displacement of a site and further requirements not included in the above figures.

The report concluded that in Solihull (and Coventry), the formal provision of transit accommodation may not be necessary although the authorities should identify land for use and temporary stopping places; that travelling patterns and the incidence of encampments should be monitored; and that transit provision should be reviewed on a regular basis.

The report also suggests that family increase and possible inward migration will create a continuing need for housing for Gypsies and Travellers however it is considered that levels of need are likely to be insignificant relative to the size of the housing stock and therefore no particular policy responses are called for. It is felt that most need is likely to be met in the private sector however in the social sector sensitive allocation policies should ensure that Gypsies and Travellers are not isolated from their community.

The influence on housing decisions will increase in significance as the population of BME communities grow. Housing policy in Solihull will need to consider the diversity within and between BME groups particularly in respect of the location, tenure and size of accommodation. Continuing dialogue and engagement with BME communities in relation to their changing aspirations will therefore be required looking forward.

### 7.2.5 Rural communities

The Rural Housing Needs Survey (2009) identifies that 28% of respondents would be seeking to move within the next five years. They are most likely to be currently living in shared ownership properties or the private rented sector. Social housing tenants are least likely to move, and amongst home owners, it is those with mortgages who are more likely to move than those who own their property outright. The younger respondents are more likely to move than older ones. The survey results demonstrate a degree of correlation between age and tenure to support this.

<sup>1</sup> Joint Gypsy and Traveller Accommodation Assessment Birmingham, Coventry and Solihull Councils: Final Report, March 2008, Centre for Urban and Regional Studies University of Birmingham

The sample sizes vary considerably by area but those who live in Dickens Heath, followed by Hampton in Arden, and then Catherine de Barnes are most likely to be seeking to move. Of those looking to move in the next five years, the main issue for wanting to move appears to be the size of the property – 15% felt that their home was too big and 14% that it was too small. Those needing a larger home were mainly aged 45 and under, and those wanting to downsize were almost exclusively over 55.

More than half of all respondents said that there was nothing preventing them from moving home, but amongst the remainder, the most common barrier was affordability – 14% said that they 'can't afford a different home'. Those who cited affordability were more likely to be younger people under the age of 45 and those currently living in rented accommodation, although the issue still affected 20% of those with mortgages. Almost two thirds of those looking to move in the next five years thought that they faced some sort of barrier. This was most likely to be the lack of a suitable property or the ability to afford a new home. In addition, 13% of those actively seeking to move at the present time were unable to sell their current home.

In considering the nature and location of a new property, three bedrooms was the most popular size, required by 35% of potential movers. A further 22% said two, 19% wanted four bedrooms, and 7% needed five or more. The survey also asked rural residents about any new households to be formed in the next two years. The majority of these cases (89%) would be formed by children leaving home to become independent. The number of bedrooms needed by the new household is most likely to be two (40% of this group) or one (34%). The remainder would require three bedrooms. There is an indication that not all of those wanting to remain in 'their' village felt that would be able to do so. The majority aspire to become home owners but fewer than half of them expect to achieve this immediately.

### 7.2.6 First time buyers and young people

The housing and homelessness charity – Shelter – states that young people are amongst those most likely to be affected by the current housing crisis. It suggests that home ownership is far beyond the reach of most young people and recognises that private renting is expensive and usually calls for large sums of money up front<sup>1</sup>. This issue of affordability is particularly relevant to an area such as Solihull where house prices and rents are above the regional average. However there are a number of initiatives available in the Borough including a Rent Deposit Guarantee Scheme, which is further outlined in the private rented sector section below.

The housing stock in Solihull comprises in the main detached and semi-detached properties of larger sizes than the regional average. This poses somewhat of a problem for young people in that those looking to become first time buyers will primarily focus on smaller accommodation. The need for smaller property types is recognised in the Borough's Housing Strategy.

The role of local housing advice centres in providing young people with support and guidance on the various housing options available to them is important. A new scheme – HomeBuy Direct – was introduced in Solihull in January 2009. The scheme aims to help first time buyers into affordable home ownership and will provide opportunities for first time buyers to purchase properties in central and North Solihull<sup>2</sup>.

<sup>1</sup> [www.england.shelter.org.uk](http://www.england.shelter.org.uk)

<sup>2</sup> [www.solihull.gov.uk/housing/developments](http://www.solihull.gov.uk/housing/developments)

In 2007 a first time buyer initiative (FTBI) was launched in North Solihull enabling those with a household income of less than £60,000 to receive financial assistance in order to make it easier for them to get on to the property ladder. As of August 2007, most of the 31 properties (comprising houses and apartments) available under the then English Partnership's initiative had been sold, illustrating a high level of demand for the scheme. 50% of these homes were specifically available for key workers<sup>1</sup>.

In addition, house builders, such as Redrow, who were integral to the development of Dickens Heath, have provided a range of support measures for first time buyers in the form of, for example, help towards mortgage costs, covering additional expenditure such as stamp duty or legal fees, or providing carpets and furniture.

### 7.2.7 Key workers

Key workers are those people working in key public sector positions, including the following: clinical NHS staff; teachers and nursery nurses; police officers and community support officers; prison officers; probation service staff; social workers, educational psychologists and therapists; local authority planners; fire-fighters; Connexions personal advisors; Ministry of Defence staff; environmental health officers and practitioners; and Highway Agency traffic officers.

Solihull's Housing Strategy recognises that one of the main strengths of the Borough is its high quality residential environment which makes it a sought after location for businesses and residents. It states that the housing sector will contribute to Solihull's continuing economic success by improving housing choice, particularly homes that are affordable for people on average or below average earnings including key workers. The Council has adapted the Homebuy scheme to provide affordable housing for teachers and will respond to interest from other key worker groups to bring forward solutions where funding allows.

The Council also acknowledges that the Borough has a strong offer and reputation, with access to a highly qualified workforce, both locally resident and in a wide travel to work area which is facilitated by good road and rail transport links. As part of a collaborative approach to recruitment and retention, the Council is a member of the regional Public Sector Compact (led by the Learning and Skills Council) that enables public sector organisations to work together to raise the profile of the sector and make it an employer of choice for those seeking employment and career development<sup>2</sup>.

In North Solihull, 50% of the 31 homes made available under the First Time Buyer Initiative at Chapel Walk were made specifically available to key workers, with the other 50% being made available to other first-time buyer groups who could not otherwise afford to buy their first home.

### 7.2.8 Private rented sector

According to Solihull's Housing Strategy, 4% of the Borough's population live in private rented accommodation as opposed to 7% in the West Midlands, which is almost half the regional average. The Strategy also acknowledges that the private rented sector is mainly concentrated in the south and west of the Borough, with 4.9% of households in the Urban HMA, 4.5% in the Rural and only 2% in the Regeneration HMA privately

<sup>1</sup> [www.northsolihull.com/news/housing](http://www.northsolihull.com/news/housing)

<sup>2</sup> [www.audit-commission.gov.uk/localgov/goodpractice/useofresources](http://www.audit-commission.gov.uk/localgov/goodpractice/useofresources)

renting. Rent levels are generally higher in Solihull than elsewhere in the region and market demand is strong, particularly from company relocations and high earners on short-term contracts. Access to the private rented sector for people on lower incomes can therefore pose problems.

Solihull Community Housing, together with the Council, operates a Rent Deposit Guarantee Scheme to support those in housing difficulty secure accommodation in the private rented sector. This has already helped more than 120 people into the private rented sector since 2007 and there are plans to further develop the scheme<sup>1</sup>.

## **7.3 Low Cost Market Housing**

### **7.3.1 Addressing demand through low cost market housing**

Solihull has responded to demand through local cost market housing in the following ways:

- The HomeBuy Direct scheme aims to help first time buyers into affordable home ownership by providing opportunities for first time buyers to purchase properties in central and North Solihull.
- The first time buyer initiative in North Solihull enables those with a household income of less than £60,000 to receive financial assistance in order to make it easier to get on to the housing ladder.
- The Chapel Walk development in Chelmsley Wood has provided family homes in direct response to the high demand of local people wishing to stay in the area but needing a larger home to cater for the size of their family.
- By offering shared ownership options.

## **7.4 Intermediate Affordable Housing**

### **7.4.1 Addressing need through intermediate affordable housing**

In terms of intermediate affordable housing, Solihull's Housing Strategy states that the Borough has actively promoted the 'Homebuy' product in recent years and has experienced a strong take-up. Homebuy is considered to have been important in meeting housing need and helping to free up some social rented tenancies. Homebuy data in the three year period 2004-2007 shows that there were a total of 41 purchases by people in the Borough. 56% of people purchased a property within Solihull, of whom 87% purchased a property in the Regeneration HMA and 13% purchased in the 'suburban' HMA.

The Strategy also states that Solihull has a low level of shared ownership. The 2001 Census demonstrated that shared ownership tenure in Solihull was 0.48% compared to 1% for the West Midlands, which was around half the regional average at that time. Solihull does not currently have any intermediate rented tenure which is felt would compete with other forms of intermediate tenure and would not replace the provision of social rented tenure.

<sup>1</sup> [www.idea.gov.uk](http://www.idea.gov.uk)

## 7.5 Conclusions

The key conclusions that can be drawn from this section are as follows:

- Families – Although all households in Solihull are set to increase by 2026, family households are set to decrease which will have implications on the demand for family sized housing.
- Older people – The ageing population in Solihull will have future implications on the provision of care services and specialist housing provision. Older people are tending to want to live in their own homes, which is having implications on housing type. Further research on the size, location and tenure of housing for older people is required.
- Minority and hard to reach groups – Solihull's BME population is relatively small in comparison to other authorities in the region. There is a requirement for additional residential pitches for Gypsies and Travellers, and continuing demand for the development of private sites and the expansion of some existing family sites. Continuing dialogue and engagement with BME communities is needed looking forward.
- Rural – Around a third of rural households are looking to move in the next five years. Property size is the main issue with the most common barriers being affordability, a lack of suitable properties, and current issues with the housing market.
- First time buyers and young people – These groups are facing affordability issues and tend to require smaller properties. Support and guidance for these groups is important however there are initiatives in the Borough addressing this issue.

## 8.0 Monitoring and updating

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### 8.1 Introduction

A key feature of the SHMA Practice Guidance is its assertion that assessments should be continuing processes, not simply a production of a 'point in time' report. Any SHMA document will feature the most recent data available and put in place the methodology and framework to assess housing needs, markets and affordability. It is important, however, that there are mechanisms to monitor and update key information sets so that the 'live' assessment process can respond to on-going changes in the housing market. To this end, there is a general principle set out within the Guidance around the requirement for regular SHMA updates.

This is especially important during the current economic climate with so much uncertainty surrounding the housing market and the liable impacts of the recession on numerous householders. The Borough, and its key stakeholders and partners, need to take a view on most appropriate and effective processes through which the SHMA can be monitored and updated. This section will provide some guidance and options to inform the Borough's approach.

### 8.2 Monitoring

Monitoring is centred on the administration of reviewing changes in market drivers and indicators of housing need. An effective monitoring system will concentrate on key data sources, which are readily available and produced on a monthly or quarterly basis, such as house price data, homelessness data, Local Planning Authority residential starts and completions data, and Labour Force Survey data.

This will provide a good source of locally tailored data through which market trends and housing needs can be monitored. The SHMA Practice Guidance states that: 'Monitoring should be undertaken on a continuous, proactive basis...'. It makes sense for any monitoring system to dovetail with existing data collection arrangements.

The monitoring process per se does not automatically require an adjustment of affordability and housing needs assessments, in normal circumstances it simply provides 'ready made' trend based data to inform any formal review and update of the SHMA. However, should the key data sources show any extreme market behaviour, such as an exceptional rise in mortgage possession orders, it allows the statutory bodies and other parties to be pro-active in targeting strategic interventions.

### 8.3 Updating and review

The SHMA requires periodic updating, as well as monitoring. The Guidance states that local authorities and their partners will not need to undertake a comprehensive assessment less than every five years. However, as mentioned, an update of key indicators is required on a more regular basis. There is a strong rationale to

adopting an annual update and review. This is based on the publication of a number of key national datasets on an annual basis, such as ONS population projections, HSSA returns, Annual Population Survey.

Aside from the frequency of data availability, there are also drivers around the need to have up to date and market intelligence to support policy. In current climate, this is crucial in terms of the interface with development viability. An affordable housing viability assessment is required to support affordable housing planning policies. However, aside from this generalised assessment, there is an on-going requirement to take account of development viability on a site by site when applying planning policies. In the current market where land and residential development values are depressed, site viability becomes more of an issue in delivery terms. As the residential development and land values pick up, the authority will need a sound and up to date evidence base to properly assess the impact of changing market conditions.

#### **8.4 Market intelligence**

Obviously, one of the main purposes of an SHMA is provide housing market intelligence to inform policy and strategic interventions. The SHMA and subsequent reviews will be informed in part by the quantitative data sources available, some of which have been mentioned already. However, it also important to gather more qualitative market intelligence both from the operational perspective- through land and planning agents, estate and lettings agents, housebuilders and developers, Registered Social landlords and specialist providers- and from the strategic perspective- through Homes and Communities Agency, Regional Development Agency, Regional Assembly, Regeneration bodies representatives. These lists are not exhaustive, but highlight the value of qualitative dialogue at strategic and operational levels to paint the picture behind the statistics and provide a more detailed insight into the issues and dynamics of the Borough's housing markets.