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Solihull Housing and Economic Development Needs Assessment

Final Report

ICENI PROJECTS LIMITED ON BEHALF OF SOLIHULL BOROUGH COUNCIL

Iceni Projects Limited on behalf of

Solihull Borough Council

October 2026

Solihull Housing and Economic Development Needs Assessment

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1. Executive Summary

1.1 Solihull Metropolitan District Council commissioned Iceni Projects to prepare an update to the Housing and Economic Development Needs Assessment ("HEDNA"). This HEDNA aims to provide an evidence base on housing need and mix, as well as employment land[1] which will inform local planning policy.

1.2 This assessment does not set targets but provides robust evidence to inform those in the Local Plan.

1.3 The report is based on the best and most up-to-date information available at the time of drafting – this was around June 2026; as such, it reflects the previous National Planning Policy Framework.

Demographics

1.4 As of mid-2025, the population of Solihull is estimated by the ONS mid-year population estimates to be 221,400; this is an increase of around 9,800 people over the previous decade (a 4.6% increase), which is lower than seen across the other areas studied.

1.1 The Borough has fewer people aged in their late teens and early 20s, which will be linked to people moving away for higher education.

1.2 Around 22% are aged 65 or over compared to 19.1% nationally. This confirms the Borough's relatively old population profile.

1.3 Natural change has generally been dropping over time, with more deaths than births over the past six years)

[1] For office, industrial and warehouse use

1.4 Migration is highly variable. This is mostly high levels of net internal (domestic) migration and low levels of international net migration. However, this position reversed in the 2021-24 period, and has reversed again since.

1.5 The analysis also shows ONS had previously underestimated population change, although at a modest rate compared to elsewhere.

Housing Need

1.6 The housing needs assessment studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need.

1.7 This shows a need for 1,289 dwellings per annum. This is based on 0.8% of the current stock of 96,333 (771 per annum) and a 67% affordability uplift.

1.8 A bespoke population and household projection has been developed to look at the implications of delivering 1,289 dpa from 2026 to 2043. This projects that the population might increase by 37,300 people over the 17 years (a 17% increase).

1.9 It was further estimated that population growth might be able to support somewhere in the region of 27,000 and 30,500 additional jobs.

Affordable Housing Need

1.10 The analysis has taken into account local housing costs (to both buy and rent) along with estimates of household income. The evidence indicates an acute need for affordable housing in the Borough.

1.11 The majority of need is from households who are unable to buy OR rent and therefore points particularly towards a need for rented affordable

housing rather than affordable home ownership. However, certain products (such as shared ownership) could potentially be made available to households at a cost below private renting. They would therefore meet some of the need from those unable to access any form of market housing (without subsidy).

1.12 Despite the level of need being high, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs.

1.13 The link between affordable need and overall need (of all tenures) is complex, and in trying to make a link, it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). In addition, the private rented sector provides benefit-supported accommodation for many households. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.

1.14 The analysis suggests there will be a particular need for social rented housing. Social rents are more affordable and could benefit a wider range of households; therefore, social rents could be prioritised where delivery does not prejudice the overall delivery of affordable homes.

1.15 The study also considers different types of Affordable Home Ownership (AHO – notably First Homes/discounted market housing and shared ownership) as each may have a role to play.

1.16 Shared ownership is likely to be suitable for households with more marginal affordability (e.g. those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. There was no evidence of a need for First Homes or discounted market housing more generally.

1.17 Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as

‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.

1.18 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

1.19 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. However, this report does not set an affordable housing target; delivery will be limited to what can viably be provided. The evidence does, however, suggest that affordable housing delivery (particularly social rents) should be maximised where opportunities arise.

Private Rental Sector

1.20 The Private Rented Sector (PRS) plays a significant role in meeting housing needs in Solihull, for households unable to access home ownership.

1.21 Rental costs in Solihull are higher than the West Midlands average, with median rents reaching £1,260 per month in 2026.

1.22 Rent growth has also been strong, increasing by almost 35% over the last five years, outpacing both regional and national growth.

1.23 Despite this, there is a growing affordability challenge for larger family homes, where rents are substantially above Local Housing Allowance (LHA) rates.

1.24 As a result, many benefit-dependent, lower-income households face significant shortfalls between LHA rates and actual rental costs.

1.25 The HMO market forms another part of the lower-cost housing offer. Solihull is estimated to contain around 180 HMOs, with 102 licensed properties accommodating up to 618 occupants.

1.26 HMOs are distributed across all wards, although concentrations are evident in areas such as Elmdon, Bickenhill, Lyndon, Smith's Wood and Chelmsley Wood.

1.27 While HMOs provide an important source of affordable accommodation for workers and smaller households, the report notes that excessive concentrations can affect local character and community balance. Such impacts will require further investigation in the case of Solihull.

1.28 Build to Rent and Co-Living are also considered to be emerging opportunities to diversify housing provision. Although Solihull currently has no completed BTR or Co-Living schemes, the 346-unit Holbeach Place development is under construction, and evidence suggests a well-established market in neighbouring Birmingham.

1.29 Evidence suggests Solihull could support both higher-density multi-family BTR and Co-Living developments in urban locations and single-family BTR housing in more suburban areas.

1.30 The recommended policy response is for the Council to continue monitoring the HMO sector while considering policy support for BTR.

1.31 Any future BTR policy should address matters such as design, tenure, management standards and affordable housing provision. In line with national guidance, around 20% of units in BTR schemes should be delivered as Affordable Private Rent homes at discounted rents, helping to broaden the supply of affordable rented housing across the borough.

Housing Mix

1.32 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population.

1.33 The proportion of households with dependent children in Solihull is fairly average, with around 30% of all households containing dependent children in 2021. However, there are notable variations across areas (notably the high proportion in North Solihull, including a large proportion of lone-parent households).

1.34 There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation. In contrast, lone parents are particularly likely to live in social and private rented accommodation.

1.35 There is a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.

1.36 The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes; this takes account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock by not fully projecting forward levels of under-occupancy (which is notable in the market sector).

1.37 In all sectors, the analysis points to a particular need for 2- and 3-bedroom accommodation, with varying proportions of 1- and 4+-bedroom homes. For rented affordable housing, there is a clear need for a range of home sizes, including at least 35% 3-bedroom homes and at least 10% 4+-bedroom homes. Our recommended mix is set out below:

Table 1.1 Suggested size mix of housing by tenure – Solihull

	Market	Affordable home ownership	Rented affordable housing
1-bedroom	5-10%	10-15%	25-30%
2-bedrooms	30-35%	45-50%	30-35%
3-bedrooms	40-45%	30-35%	25-30%
4+-bedrooms	15-20%	5-10%	10-15%

Source: Iceni analysis

1.38 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households.

1.39 The conclusions also recognise the limited flexibility 1-bedroom properties offer to changing household circumstances, which feeds through to higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and the size requirements shown on the Housing Register.

1.40 The mix identified above could inform strategic policies, although a flexible approach should be adopted. For example, in some areas, affordable housing registered providers have difficulty selling 1-bedroom affordable home ownership (AHO) homes; therefore, the 1-bedroom element of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices, there are potential difficulties in making AHO genuinely affordable (particularly for larger homes).

1.41 The Council should also consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers, which may help encourage households to downsize. However, the downside of providing bungalows is that they are relatively land-intensive for the amount of floorspace they create.

1.42 Specifically for 2-bedroom homes, there is a case to seek houses rather than flats where possible. The Borough already has a high proportion of flats of this size across tenures and data from the Housing Register suggests 65% of households contain children (and would be more suited to a house with outside space).

1.43 Although the strategic mix is recommended Borough-wide, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

1.44 Locally specific issues might include the large proportion of 3-bedroom homes in the market in North Solihull and Castle Bromwich and the high proportion of 1-bedroom social rents in the Urban area – potentially seeking to diversify stock from the current mix.

1.45 The Council should also monitor the mix of housing delivered to identify if any particular shortfalls could be addressed on future sites.

Older and Disabled Persons

1.46 The data shows that Solihull has a slightly older age structure than is seen regionally and nationally. Generally, lower age-specific levels of disability compared with the regional and national position.

1.47 The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (79% of all older person households are outright owners).

1.48 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase. Key findings for the 2026-43 period include:

- a 20% increase in the population aged 65+ (potentially accounting for 26% of total population growth);
- a 35% increase in the number of people aged 65+ with dementia and a 29% increase in those aged 65+ with mobility problems;
- a need for around 700 housing units with support (sheltered/retirement housing) – with around three-fifths in the market sector;
- a need for around 400 additional housing units with care (e.g. extra-care) – all in the market sector;
- a need for additional nursing and residential care bedspaces (around 200 in the period) although there is currently a notable surplus; and
- a need from around 3,500 wheelchair user households by 2043

1.49 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings as well as providing specific provision of older persons housing.

1.50 Given the evidence, the Council could consider (as a starting point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around 10% in the affordable sector).

1.51 Where the authority has nomination rights, the supply of M4(3) dwellings would be wheelchair-accessible dwellings (constructed for immediate occupation), and in the market sector they should be wheelchair-user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user).

1.52 It should, however, be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances). So any policy should be applied flexibly.

1.53 In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. Use

Class C2 vs Use Class C3) and requirements for affordable housing contributions (linked to this, the viability of provision).

1.54 There may also be practical issues to consider, such as whether any individual development can be delivered as mixed tenure, given how care and support services are paid for.

Custom and Self Build

1.55 In Solihull, as of the end of Base Period 9, a total of 10 households/individuals sat on Part 1 of the self-build register. This reflects a revised list, including a local connection and financial standing test. Secondary data suggests the demand could be higher.

1.56 As a general rule, the Council should be supportive of opportunities for Self and Custom Build development within the Local Plan. It could require a proportion of plots on larger schemes to be marketed for Self- or Custom-Build use.

1.57 Other local authorities have sought 5% of serviced plots on sites over 70 units to be marketed for self and custom build use for a period of 6 months before reverting back to general housing if interest does not transpire.

Specific Groups

1.58 Solihull's looked-after children cohort has fallen since 2023, reaching 491 children by 31 March 2025, including 42 UASC/separated children. The Council aims to reduce this to 385 children by 2026/27.

1.59 Although the overall care cohort is declining, residential placements have increased, reflecting sufficiency pressures, complex needs and market conditions.

1.60 There has been significant growth in Ofsted-registered independent children's homes in the Borough, alongside the Council's emerging in-house provision, which will provide nine beds when fully operational.

1.61 Most of the 39 Solihull children in external residential care are placed outside the Borough, and 11 moved from fostering into children's homes in 2024/25, indicating both increasing complexity and limited specialist local capacity.

1.62 The evidence points to three key sufficiency gaps: in-borough provision to reduce external placements; specialist homes for children with complex needs; and step-down or supported lodgings accommodation for older adolescents moving on from residential care.

1.63 The Council may also wish to explore opportunities to access future independent sector supply for local children and increase in-house residential capacity. The Local Plan should therefore support applications that would meet local need.

1.64 There are no notable student or service family numbers in the borough; therefore, a Local Plan policy addressing these groups would be unnecessary.

Economic Baseline

1.65 Overall, Solihull has a relatively strong and resilient economic baseline, supported by:

- High levels of economic activity and comparatively low economic inactivity.
- Strong resident earnings and a skilled workforce.
- A productivity level that is above the West Midlands average and broadly comparable with the UK average.

1.66 Solihull's skills profile supports higher-value employment, although degree-level attainment remains slightly below the England average. This means continued upskilling and workforce attraction will be important to sustain growth in professional services, finance, advanced manufacturing and digital sectors.

1.67 Economic output is concentrated in a small number of high-value sectors, and these sectors account for the majority of Solihull's economic output, with the largest contributors to GVA being:

- Professional and other private services
- Manufacturing
- Public services
- Construction
- Finance

1.68 Employment has also grown substantially over the long term, driven by Professional and other private services, Transport and Storage, Public Services and Accommodation, Food services and Recreation.

1.69 Recent labour market indicators point to emerging pressures, such as rising unemployment and an increase in the claimant count.

1.70 The business base has remained broadly stable rather than strongly expansionary, with enterprise numbers dipping before recovering and micro-businesses continuing to dominate the local economy.

1.71 The key takeaway is that Solihull enters the plan period from a position of economic strength. Still, future growth will depend on maintaining labour market resilience, improving skills supply, supporting high-value sectors and ensuring that the right mix of employment land and premises is available to accommodate both local business growth and wider strategic opportunities.

Commercial Market Assessment

Office Market

1.72 Solihull's office market continues to face challenges arising from changing occupier requirements and hybrid working patterns, with demand generally driven by lease events and business reorganisation rather than expansion.

1.73 Office vacancy rates have increased significantly since 2019 and reached 15.5% in Summer 2026, substantially above the West Midlands average of 8.3% and the England average of 9.1%, reflecting weaker demand for larger office buildings.

1.74 Average office rents stood at £22.76 per sq.ft in Summer 2026, remaining above the regional average of £17.36 per sq.ft and reflecting Solihull's strong connectivity, high-quality business locations and attractive out-of-centre offer.

1.75 Net absorption has been consistently negative since 2022, reflecting occupier downsizing and the ongoing impact of hybrid working. No significant office development has been delivered since 2021 due to viability constraints.

1.76 Demand remains strongest for smaller suites, flexible workspace and town centre locations, whilst larger office buildings continue to experience weaker and more unpredictable occupier demand.

1.77 Evidence from agents suggests that the key market challenge is not an overall shortage of office floorspace, but a shortage of affordable and flexible workspace suitable for smaller businesses, start-ups and growing firms.

1.78 Overall, the market remains polarised, with high-quality, flexible and refurbished accommodation continuing to attract occupiers, whilst larger and older office buildings face ongoing leasing challenges.

Industrial Market

1.79 The exceptional market conditions experienced during 2021-22 have eased, with occupiers taking longer to make decisions and negotiating more actively, although demand remains strong across most sectors.

1.80 Solihull remains one of the strongest industrial locations in the West Midlands, benefitting from excellent connectivity, a strong local business base and sustained occupier demand.

1.81 Industrial vacancy rates remain exceptionally low at 2.7%, well below regional and national averages, indicating a highly constrained market and limited occupier choice.

1.82 Average industrial rents reached £11.33 per sq.ft in Summer 2026, significantly above the regional average of £8.31 per sq.ft, with prime rents reportedly achieving £15-15.50 per sq.ft in locations such as Cranmore.

1.83 Demand remains strongest for modern, high-quality industrial accommodation, particularly smaller units, with evidence of substantial unmet demand from local businesses seeking to expand or relocate within the Borough.

1.84 Overall, the evidence indicates that industrial market activity is constrained by a lack of available space rather than a lack of demand, with supply shortages continuing to place upward pressure on rents and occupancy levels.

Economic Forecasts

1.85 Experian forecasts suggest an overall employment growth of 12.4% over the 2025-43 period, equivalent to 19,700 jobs. This is significantly below the 10- and 20-year historical trend.

1.86 The largest growth sectors are forecast to be Admin and support (7,000 jobs), Professional & Scientific Services (+3,500 jobs), Accommodation and food (+1,900 jobs), Health (+1,600 jobs) and Transport and storage (+1,500 jobs). The Manufacturing sector is forecast to see the largest decline in employment, with a loss of 1,900 jobs.

1.87 The labour supply scenario explores the potential impact of housing and demographic growth on employment linked to the standard method. This scenario indicates a potential growth of 29,235 jobs over the 2025-43 period. This is above the baseline forecast.

1.88 The long-term outlook is likely to be above the baseline forecast due to the delivery of Arden Cross, but not enough is known about the plans for this to be certain about the future employment profile and count. At this point it is uncertain whether this will exceed the labour supply position.

Overall Employment Land Need

Office

1.89 The range for office need in Solihull ranges from -16.1 ha under the net absorption model to 18.4ha in the gross completions model.

1.90 The gross completion trend is driven by years of higher delivery pre-pandemic. In reality, the post-pandemic office market is challenging, with new-build development unviable. Transactions for larger ‘out-of-town’ traditional HQ premises have been limited, with a shift toward town-centre, high-quality space with strong amenity access.

1.91 Future demand for office space is likely to be ad hoc and, as expressed by agents, is circumstantial rather than driven by a continued demand for office space. The office market vacancy rate is 15%, indicating excess supply.

1.92 It would be appropriate to plan for **34,000 sq.m or 6.8ha of office** space over the plan period, derived from the net completions model. This should be a 'gross' requirement, allowing for the loss or repurposing of office space in less desirable out-of-town locations and new provision provided within more desirable town centre locations.

1.93 New build office development is likely to be unviable given market conditions, and so delivery of new space is likely to come through refurbishment and subdivision of existing premises. Arden Cross represents an exception to this general market position, given its scale, strategic location and wider mixed-use nature, which provide a different development proposition and greater potential to support viable new-build office provision.

1.94 Arden Cross will also provide office space which will meet both local and wider strategic needs, potentially attracting occupiers from the region and nation. It would be reasonable to consider Arden Cross commercial space as helping to meet local needs as defined here.

Industrial and Warehousing

1.95 Industrial and warehousing requirements are formed of two components – local and strategic needs. For local industrial and warehousing there is a modelled range of 33.9 to 60.1ha under the net completion and gross completion models.

1.96 Labour demand models typically underestimate industrial and warehousing employment needs due to negative jobs outlook on the manufacturing sector and the declining jobs to floorspace relationship due to demand increasingly being driven by automation, mechanisation, operational requirements and the need for modern premises rather than workforce expansion.

1.97 The purpose of including the 'replacement demand' element of the model is to help in counteracting weaknesses in the labour model.

1.98 Analysis within section 14 shows that historically Solihull's industrial market has been persistently supply constrained, with vacancies below 5% for much of the past decade.

1.99 This constrained supply position is reflected in above-average rental growth, prime rents exceeding £15 per sq.ft, the absence of vacant strategic units, and agent feedback consistently identifying shortages of available premises across a range of unit sizes.

1.100 Recent take-up (net absorption) trends are likely to reflect a lack of available supply rather than a lack of occupier demand, and therefore risk understating future requirements, however a 5-year margin has been applied, which increases the requirement by 42%, thus acting as a compensatory mechanism.

1.101 It is recommended that Solihull plan for between **44.1 and 60.1ha,** derived from the net absorption and gross completions models respectively, as this provides the most appropriate representation of underlying market demand and future growth potential.

1.102 The net absorption model may under-estimate future need as historic take-up has been constrained by limited supply. Conversely the gross completions model may overstate the requirement as it does not account for the extent to which future redevelopment could be accommodated through the redevelopment and recycling of existing employment land, therefore planning for a range between the two scenarios is appropriate.

1.103 Regarding strategic sites need, this has been established within the WMSESS 2024 study and indicates a gross requirement of **92-167ha**.

1.104 Overall, this points to a total industrial and warehousing requirement of **136 to 227ha.**

1.105 The table below summarises the employment land supply in Solihull. Total office supply is 0.2ha and local industrial supply is 11.8ha. No

strategic site supply is included, as withdrawn draft allocations such as Damson Parkway are not included in the supply at this stage.

Table 1.2 Employment Supply Summary (Ha)

	Office	Local Industrial	Strategic Sites
Allocations	0	0	0
Commitments	0.2	10.1	0
Vacant Plots	**0**	**1.7**	**0**
Total	**0.2**	**11.8**	**0**

Source: Iceni analysis

Supply and Demand Balance

1.106 The table below draws together the employment need recommendations and supply to identify an employment supply-demand balance.

Table 1.3 Supply-Demand Balance (Ha)

	Office	Local Industrial	Strategic Sites
Recommended Need (2025-43)	6.8	44.1 - 60.1	92-167
Supply (April 2025)	0.2	11.8	**0**
Balance	**6.6**	**32.3 - 48.3**	92-167 (50-125ha inc Damson Parkway)

Source: Iceni analysis

1.107 There is a shortfall of office equivalent to 6.6ha – as noted previously, this is unlikely to be met within new build office development given questions around viability.

1.108 There is a shortfall of local industrial land equivalent to 32.3 to 48.3ha. Drawing on market feedback, space is under-provided across all unit sizes, so future allocations should accommodate a range of units.

1.109 There is a strategic requirement of 92-167ha; however, assuming that phases 2 and 3 of Damson Parkway are allocated and permitted results in a residual strategic sites need of 50-125ha

1.110 It is reasonable to assume that Arden Cross will deliver a level of employment development by 2043. However, given the long lead-in times associated with major infrastructure projects and the wider evolving masterplanning process, uncertainty remains about the timescales for bringing the development forward.

1.111 On this basis, the allocation of an additional employment site would provide flexibility and resilience, increase occupier choice and ensure employment land needs are being met in the earlier stages of the plan period.

2. Introduction

2.1 Solihull Metropolitan District Council commissioned Iceni Projects to prepare an update to the Housing and Economic Development Needs Assessment ("HEDNA"). This HEDNA aims to provide an evidence base on housing need and mix, as well as employment land[2] which will inform local planning policy.

2.2 This document will be brought together with other evidence-based documents to inform the future strategy for the scale and distribution of housing and employment growth within the Borough, with reasonable alternatives tested through the plan-making and Sustainability Appraisal process.

2.3 This assessment does not set targets but provides robust evidence to inform those in the Local Plan.

2.4 The report is based on the best and most up-to-date information available at the time of drafting – this was around June 2026; as such, it reflects the previous National Planning Policy Framework.

2.5 In any case, the intention is for the Solihull Local Plan to be submitted to the inspectorate in 2026 for examination. Therefore, it would be examined under the legacy system and 2024 NPPF.

National Planning Policy Framework

2.6 The Government published the previous adopted version of the National Planning Policy Framework (NPPF) in December 2024. The

[2] For office, industrial and warehouse use

NPPF set out the Government's planning policies for England and how these are expected to be applied.

2.7 Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. Paragraph 9 then states that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but, in doing so, should take local circumstances into account to reflect the character, needs, and opportunities of each area.

2.8 Paragraph 17 of the NPPF states that development plans must include strategic policies to address each local planning authority's priorities for the development and use of land in its area.

2.9 Paragraph 20 states that strategic policies should, as a minimum, *"set out an overall strategy for the pattern, scale and design quality of places and make sufficient provision for…homes (including affordable housing), employment, retail, leisure and other commercial development"*

2.10 Paragraph 11 reiterates that

"strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless…the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area."

2.11 To support the Government's objective of significantly boosting the supply of homes, Paragraph 61 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, and that the needs of groups with specific housing requirements are addressed. That land, with permission, is developed without unnecessary delay.

2.12 Paragraph 62 sets out that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

2.13 Paragraph 63 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, looked after children, older people (including those who require retirement housing, housing-with-care and care homes), students, people with disabilities, service families, people who rent their homes and people wishing to commission or build their own homes.

2.14 Paragraphs 64-68 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

2.15 Paragraph 65 states that the provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas.

2.16 Paragraph 66 sets out that *"Where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures."*

2.17 The NPPF's Glossary (Annex 2) provides an updated definition of affordable housing, as well as definitions of Build to Rent development,

local housing need, older adults, and self-build and custom housebuilding.

2.18 In relation to economic growth, Chapter 6 sets out how the framework seeks to achieve building a strong competitive economy. In Paragraph 85, it explains this as "Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt". It adds that the "*approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.*"

2.19 Paragraph 86 provides more specific advice stating that "*Planning policies should:*

- *a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the National Industrial Strategy and any relevant Local Industrial Strategies and other local policies for economic development and regeneration;*
- *b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- c*) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;*
- *d) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- *e) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and enable a rapid response to changes in economic circumstances."*

2.20 The government published a new National Planning Policy Framework in August 2026. Our initial review suggests there are no substantial changes that would affect this work. Where that is the case, such as M4(2) and M4(3) accommodation, this is flagged at the appropriate location.

Levelling Up and Regeneration Act (2023)

2.21 The Levelling-up and Regeneration Bill was introduced to the House of Commons on 11 May 2022 and received Royal Assent on 26 October 2023, and in doing so became the Levelling Up and Regeneration Act (LURA).[3]

2.22 Although the Act initiated several laws which affect planning, none of these laws directly impact the production of this report in relation to the overall need.

2.23 However, it did impact specific groups, including those wishing to self- or custom-build their own home.

The Planning Practice Guidance

2.24 The Government's Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing and economic need. This sub-section summarises the relevant sectors.

2.25 Guidance on Housing and Economic Needs Assessments[4] explains that housing need is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this, such as site allocations.

2.26 The guidance also examines affordable housing need (as does the PPG relating to the Housing Needs of Different Groups). The PPG sets out how to assess affordable housing need.

[3] https://www.legislation.gov.uk/ukpga/2023/55/enacted

[4] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

2.27 The PPG makes clear that affordable housing need (and the housing needs of individual groups) may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method, as these will often be calculated having consideration to the whole population as opposed to new households.

2.28 The PPG for Housing for Older and Disabled People[5] describes the need to provide housing for older people as critical, given that people are living longer and the older population is increasing. It states that the health, lifestyle, and housing needs of older people will differ greatly, ranging from accessible, adaptable general-needs housing to specialist housing with high levels of care and support.

2.29 The PPG provides guidance on how the housing needs of older and disabled people can be assessed and sets out that this should inform clear policies within plans, which may include specific site allocations to provide greater certainty to developers.

2.30 Separate guidance is provided on optional technical standards[6] including accessible and adaptable housing, the use of national space standards, and wheelchair-accessible housing.

2.31 Separate PPGs have also been prepared, which address Build to Rent[7] and Self-Build and Custom Housebuilding[8]. The Build-to-Rent Guidance requires authorities to assess need and, where need is identified, to include a planning policy setting out the circumstances and locations in which build-to-rent development will be encouraged.

2.32 The Self-Build Guidance sets the requirements of the Self-Build and Custom Housebuilding Act 2015 (as amended), including the

[5] https://www.gov.uk/guidance/housing-for-older-and-disabled-people

[6] https://www.gov.uk/guidance/housing-optional-technical-standards

[7] https://www.gov.uk/guidance/build-to-rent

[8] https://www.gov.uk/guidance/self-build-and-custom-housebuilding

requirement for Councils to maintain a Register of those interested in self-build housing and to grant consents to meet the need shown. It also sets out that needs assessments can consider other secondary data sources.

2.33 For economic growth, the PPG states that local authorities are to determine the type of employment land that is needed by preparing

"a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions. National economic trends may not automatically translate into particular areas with distinct employment bases. Where appropriate, local planning authorities can use their Authority Monitoring Report and the plan review process to ensure that their evidence base remains up to date."

2.34 Policy-making authorities are to prepare and maintain evidence about business needs by gathering evidence to plan for business uses, adding that:

> *"strategic policy-making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy, to understand their current and potential future requirements. They will need to assess:*
>
> - *the best fit functional economic market area*
> - *the existing stock of land for employment uses within the area;*
> - *the recent pattern of employment land supply and loss – for example, based on extant planning permissions and planning applications (or losses to permitted development);*
> - *evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*

- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site from being used effectively."*

2.35 In relation to the Market Signals to be used to forecast need, the PPG goes on to say that this should be:

"based on a range of data which is current and robust such as:

- *"Sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);*
- *demographically derived assessments of current and future local labour supply (labour supply techniques);*
- *analysis based on the past take-up of employment land and property and/or future property market requirements; and*
- *consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.*

2.36 The PPG goes on to advise that *"Authorities will need to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios".*

Other Legislation

2.37 Wider legislation affecting housing need includes the 1996 Housing Act (as amended), the Housing and Social Care Act 2012, the 2014 Care Act and the 2017 Homelessness Reduction Act.

2.38 The 2014 Care Act sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support.

2.39 Under the Act, local authorities must assess anyone who appears to require care and support and focus the assessment on the person's needs and how they impact their well-being, and the outcomes they want to achieve.

2.40 Local authorities must also consider other things besides care services that can contribute to the desired outcomes (e.g., preventive services, community support and specialised housing needs).

2.41 The Homelessness Reduction Act 2017 places legal duties on English Councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help.

2.42 Local Authorities have a duty to produce homelessness strategies to prevent homelessness in their respective areas.

3. Housing Market Area

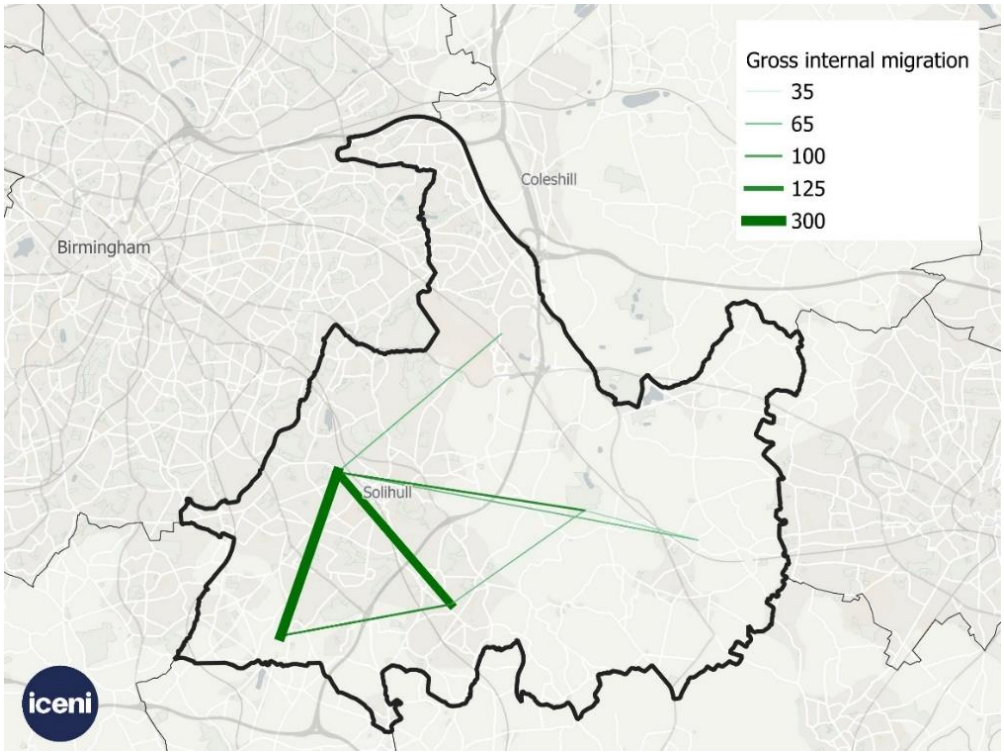
3.1 This section of the report examines migration and commuting patterns at a local level as well as house price differentials across the borough to test whether the previous sub-areas remain valid.

Migration

3.2 Our migration analysis is aggregated to ONS Built Up Areas within the borough. As well as Solihull itself, the BUAs that are wholly within the borough are: Meriden, Hampton in Arden, Catherine-De-Barnes, Eastcode, Ballsall Common, Dickens Heath and Cheswick Green. A further 12 BUAs are partially within the Borough, including Coventry and Birmingham.

3.3 We have initially looked at internal migration. This shows strong flows within the town of Solihull, while movement is lower between the north and rural parts of the borough and the town itself.

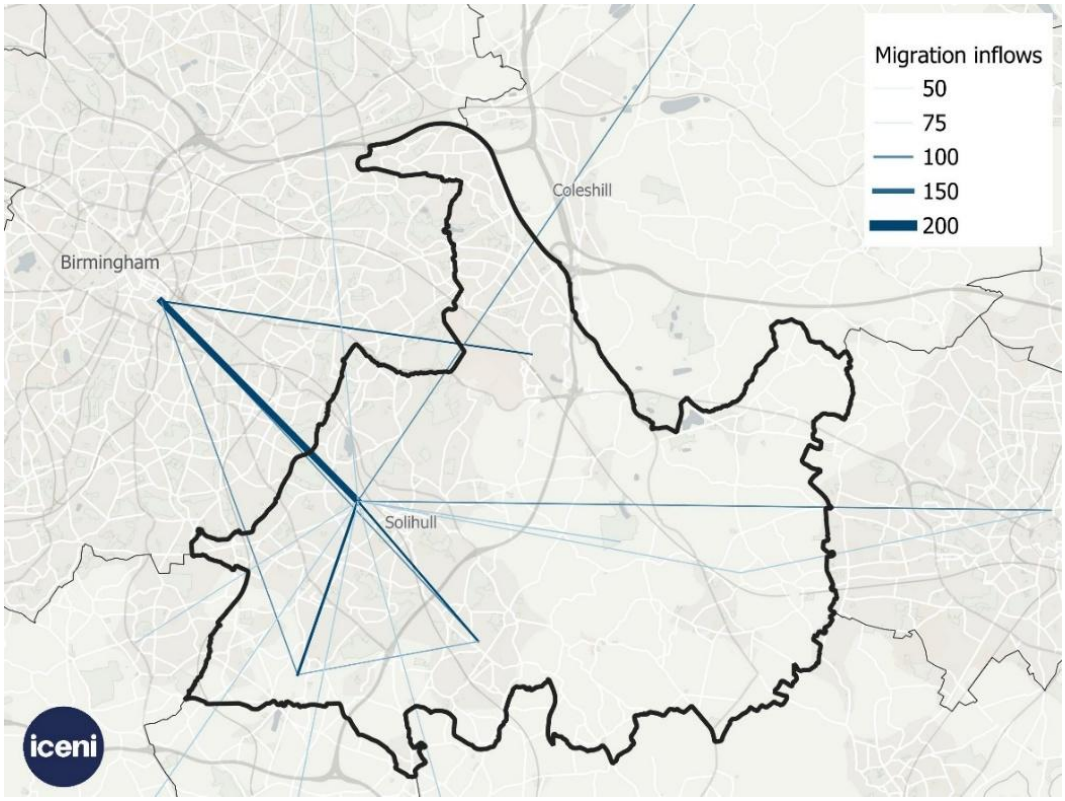
Table 3.1 Internal Migration (2021)



Source: ONS, Census 2021

3.4 The largest inflow of domestic migration is from Birmingham and principally to Solihull Town, although there is also a flow to Marston Green. Other inflows are from Coventry, and these are to both Solihull Town and Ballsall Common and the eastern parts of the borough.

Table 3.2 Migration Inflows



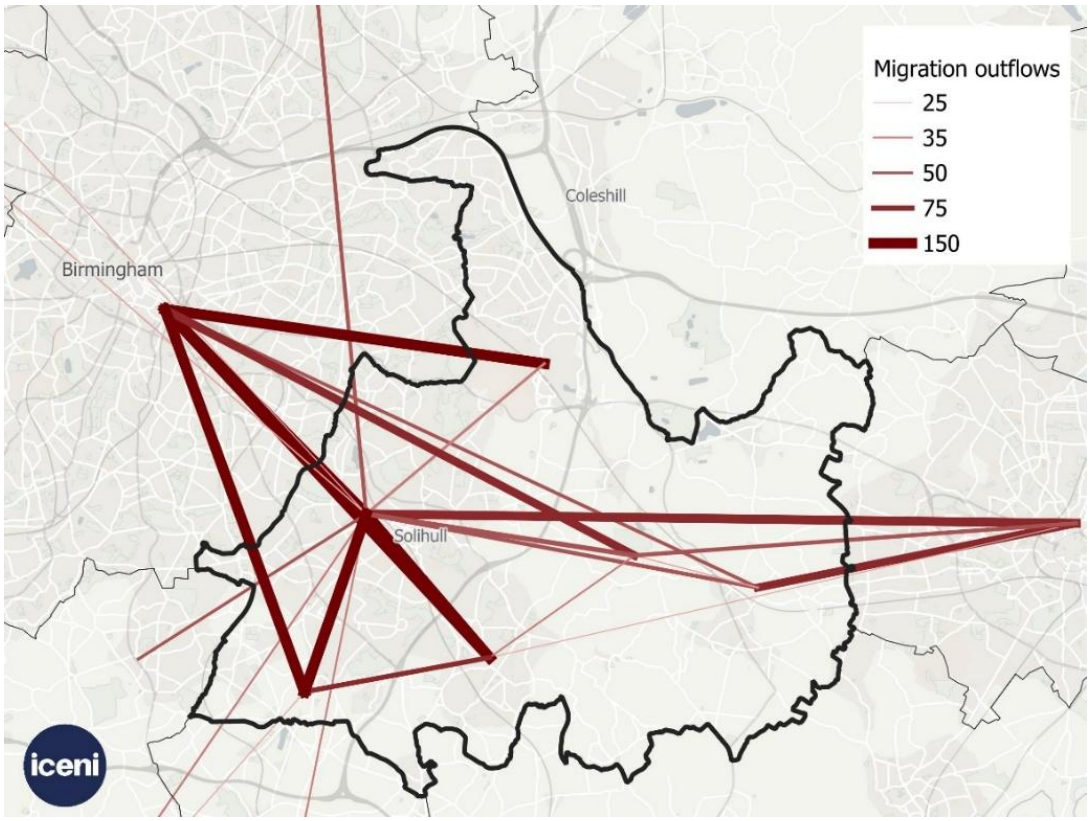
Source: ONS, Census 2021

3.5 There are also longer-distance moves from Nottingham as well as from Stratford, Warwick/Leamington and Nuneaton.

3.6 The relationships with Birmingham and Coventry are also evident with outflows. The flow to Birmingham comes from many parts of the borough. Similarly to the inflow, the relationship with Coventry is with Solihull town and the east of the Borough.

3.7 The large flow going north is to Sutton Coldfield; there are also flows south to Redditch and Hollywood (Bromsgrove) and the northern reaches of Stratford Upon Avon.

Table 3.3 – Migration Outflows (2021)



Source: ONS, Census 2021

3.8 The major relationships with Birmingham and, to a lesser degree, Coventry reconfirm Solihull's position within the wider West Midlands conurbation.

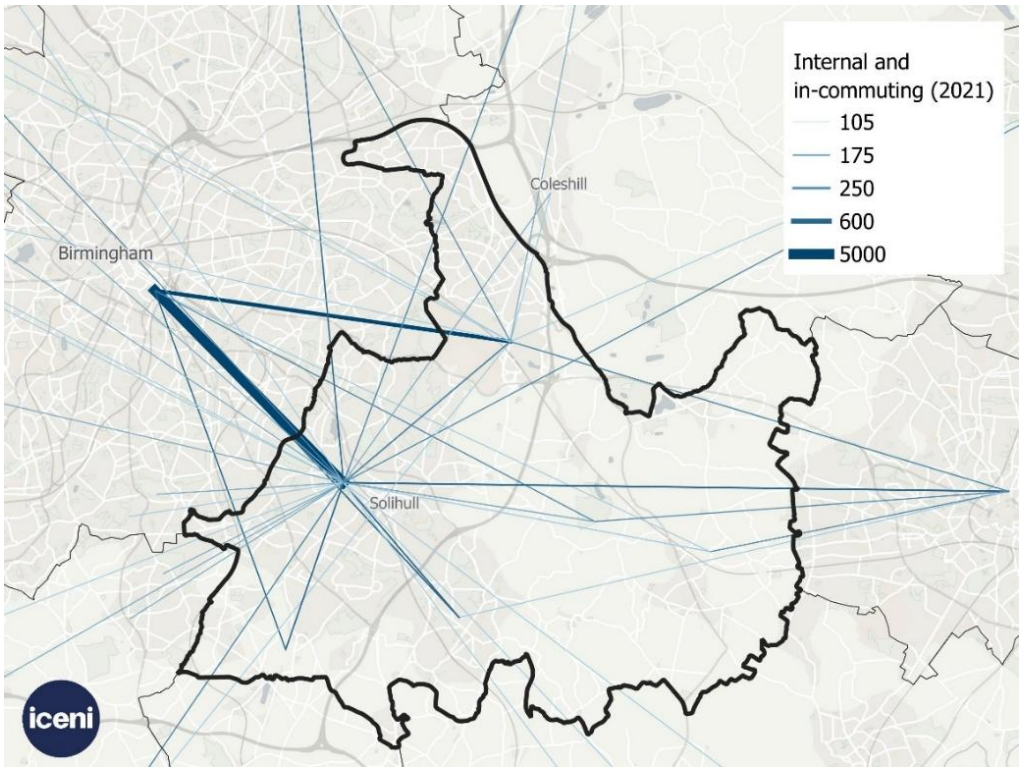
3.9 At a more local level, there are clearer, stronger relationships with the North of the Borough with Birmingham and the eastern parts with Coventry.

Commuting

3.10 Similar patterns emerge with both in and out-commuting. The first map illustrates internal commuting and in-flows. Once again, we see large numbers commuting from Birmingham to the area around the airport in the north of the borough, as well as to central Solihull.

3.11 There are also flows from Coventry to all parts of the borough, albeit in lower numbers than those from Birmingham. There is also limited commuting between the rural parts of Solihull and Northern Solihull, and vice versa.

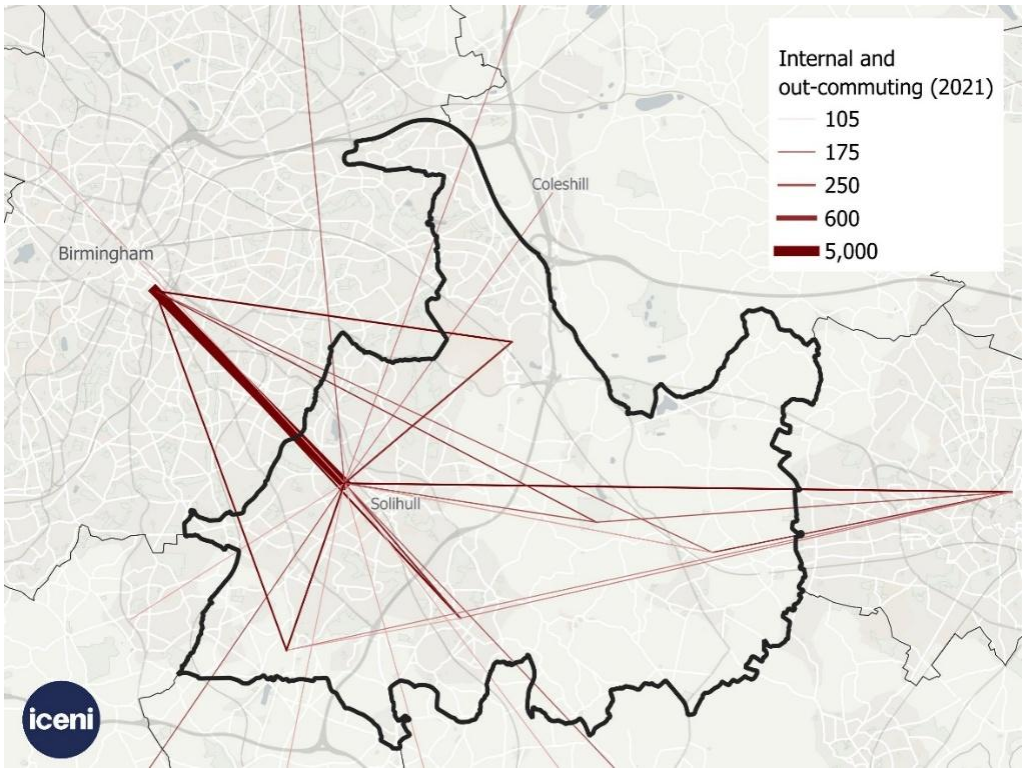
Table 3.4 Internal and In-Commuting (2021)



Source: ONS, Census 2021

3.12 Very similar patterns occur with out-commuting, with high numbers going to Central Birmingham. There's also slightly higher out-commuting to Coventry.

Table 3.5 Internal and Out-Commuting (2021)

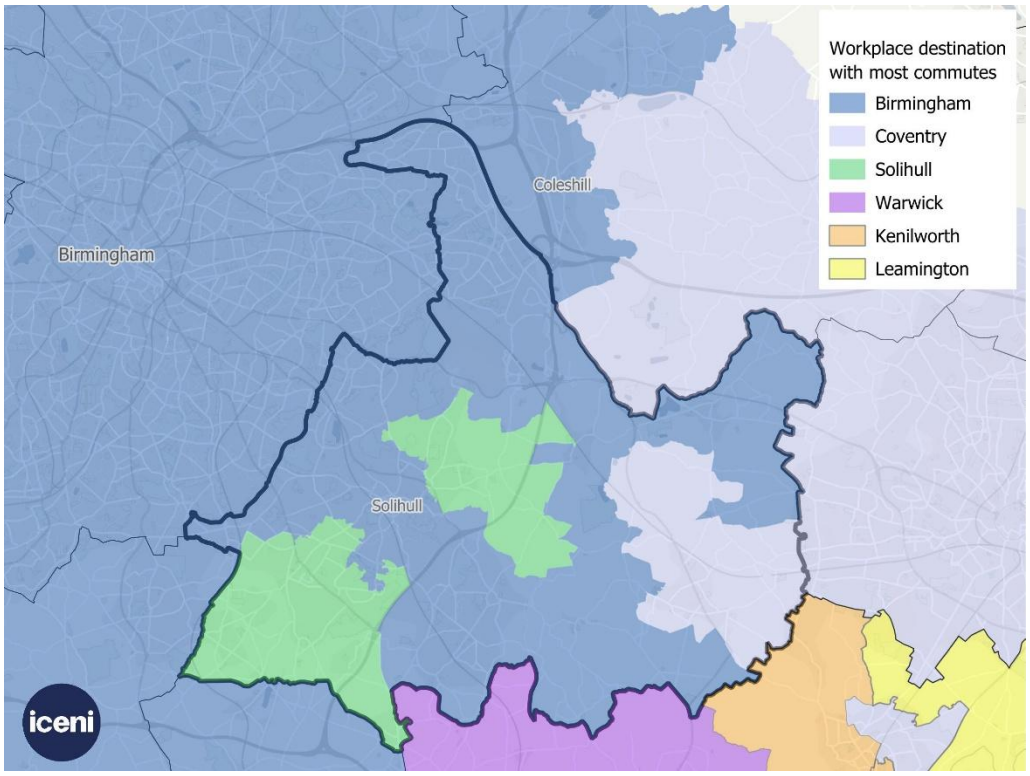


Source: ONS, Census 2021

3.13 The map below aggregates this data up to the major employment centres. This shows that the eastern parts of the borough, including Berkswell and Ballsall Common, are more closely related to Coventry.

3.14 The northern parts of the borough, including Castle Bromwich, are more closely related to Birmingham, whereas the south and west of the borough, including Solihull and Shirley, have a mix of internal commuting and commuting to Birmingham.

Table 3.6 Most Commutes excluding working from Home (2021)



Source: ONS, Census 2021

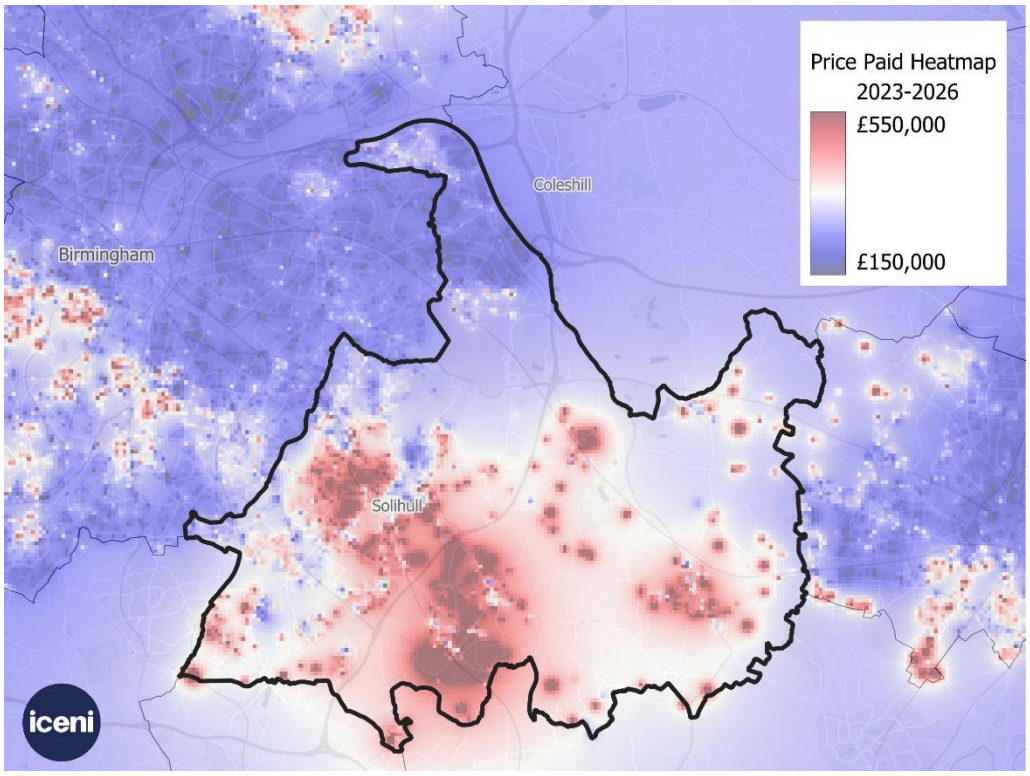
3.15 Again, this confirms the borough's location within the wider West Midlands conurbation straddling Birmingham and Coventry's area of influence.

3.16 As with commuting, there are also clearer, stronger relationships with the North of the Borough with Birmingham and the eastern parts with Coventry.

House Prices

3.17 The house price heat map provides the clearest indication of differences within the borough. North Solihull has clearly lower prices than the rest of the Borough, although Castle Bromwich has slightly higher values than places such as Chelmsley Wood.

Table 3.7 House Price Heatmap (2023-2026)

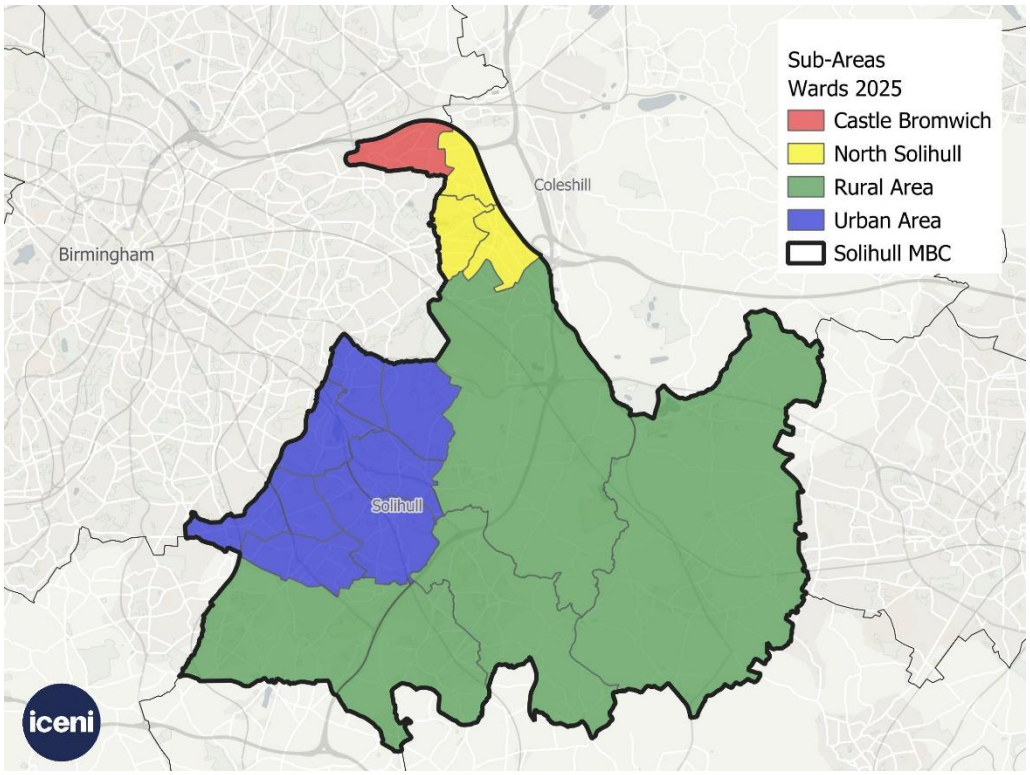


Source: ONS, Census 2021

3.18 The highest house prices are found in Dorridge and Shirley and, to a lesser degree, the smaller settlements in the east of the borough such as Hampton in Arden and Balsall Common.

3.19 This analysis would reconfirm the previous Housing Market Sub-Areas within the borough. As shown in the table below, these have been redrawn to reflect the most recent ward boundaries.

Table 3.8 Sub-Areas based on 2025 Wards



Source: ONS, Census 2021

Housing Market Area – Summary

4. Demographic Update

4.1 This section of the report provides an updated demographic position for the borough. It largely draws on ONS' mid-year population estimates (MYE).

Population

4.2 As of mid-2025 (the latest date for which ONS has published MYE), the population of Solihull is estimated to be 221,400; this is an increase of around 9,800 people over the previous decade (a 4.6% increase), which is lower than seen across the other areas studied.

Table 4.1 Population change (2015-25)

Location	2015	2025	Change	% Change
Solihull	211,697	221,449	9,752	4.6%
West Midlands	5,756,287	6,205,854	449,567	7.8%
England	54,808,676	58,834,812	4,026,136	7.3%

Source: ONS Mid-year population estimates

4.3 The table below shows the population in each of the sub-areas. This information is for 2024, as this is the most recent data published below local authority level. The analysis shows that nearly half the population lives in the urban area and 30% in Rural locations.

Table 4.2 Population by sub-area (2024)

	Population	% of population
Castle Bromwich	11,655	5.3%
North Solihull	39,770	18.0%
Rural Area	65,207	29.5%
Urban Area	104,610	47.3%
TOTAL	221,242	100.0%

Source: ONS Mid-year population estimates

4.4 The table below shows population change over the 2014-24 decade for each area. This shows the strongest growth in percentage terms in the Rural area, with the lowest growth in Castle Bromwich. All areas saw weaker population growth than the national average over this period.

Table 4.3 Population change by sub-area (2014-24)

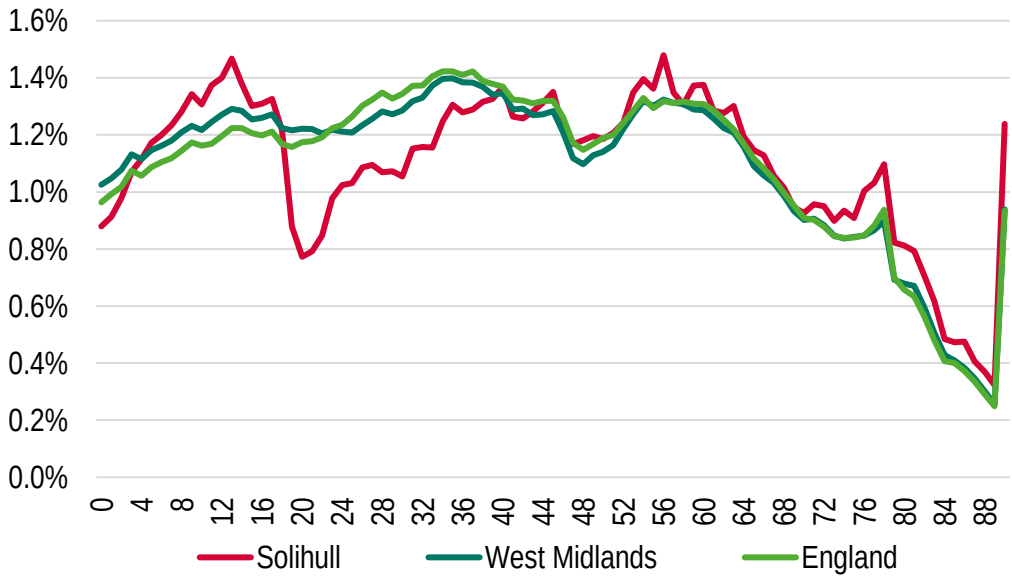
	Population (2014)	Population (2024)	Change	% change
Castle Bromwich	11,443	11,655	212	1.9%
North Solihull	38,574	39,770	1,196	3.1%
Rural Area	60,591	65,207	4,616	7.6%
Urban Area	100,597	104,610	4,013	4.0%
TOTAL	211,205	221,242	10,037	4.8%

Source: ONS Mid-year population estimates

Age Structure

4.5 The population age distribution in Solihull is slightly older when compared with that of the West Midlands or England, as illustrated in the figure below. The Borough has fewer people in their late teens and early 20s, linked to people moving away for higher education, although many return over time.

Figure 4.1 Population age distribution (2025)



Source: ONS Mid-year population estimates

4.6 The analysis below summarises the above information by assigning population to three broad age groups, which can generally be described as a) children, b) working age and c) pensionable age.

4.7 Children (i.e. aged under 16) make up 19% of Solihull's population, people of working age (16-64) make up 59%, and 22% are aged 65 or over. This analysis confirms the Borough's relatively old population profile compared with regional and national averages.

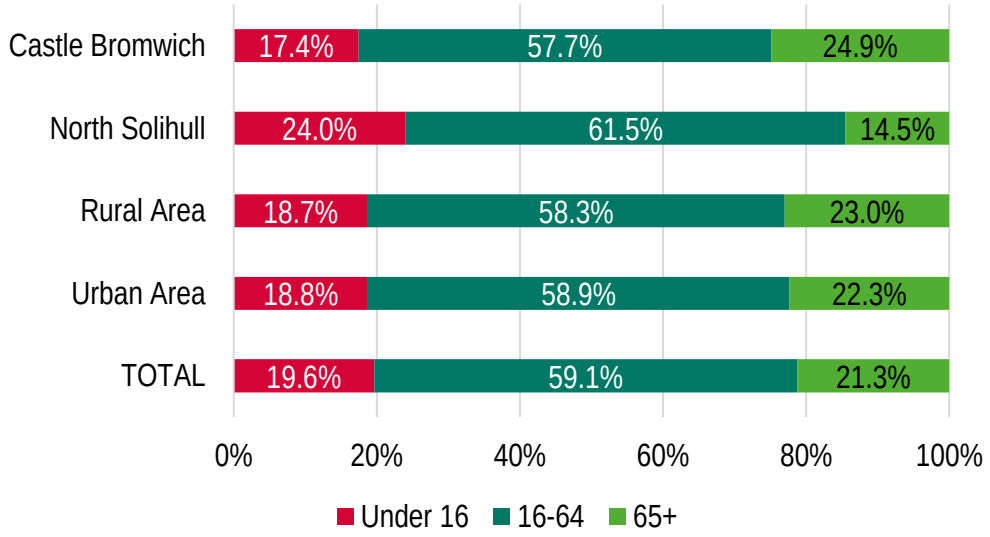
Table 4.4 Population profile (2025) – summary age bands

	Solihull		West Midlands	England
	Population	% of population	% of population	% of population
Under 16	42,999	19.4%	18.9%	17.9%
16-64	130,788	59.1%	62.0%	63.0%
65+	47,662	21.5%	19.1%	19.1%
All Ages	221,449	100.0%	100.0%	100.0%

Source: ONS Mid-year population estimates

4.8 The figure below shows the population profile by sub-area (for 2024). This shows some differences between locations – particularly about the proportion of the population aged 65 and over – this ranges from 14% in North Solihull, up to 25% in Castle Bromwich.

Figure 4.2 Population profile by sub-area (2024)



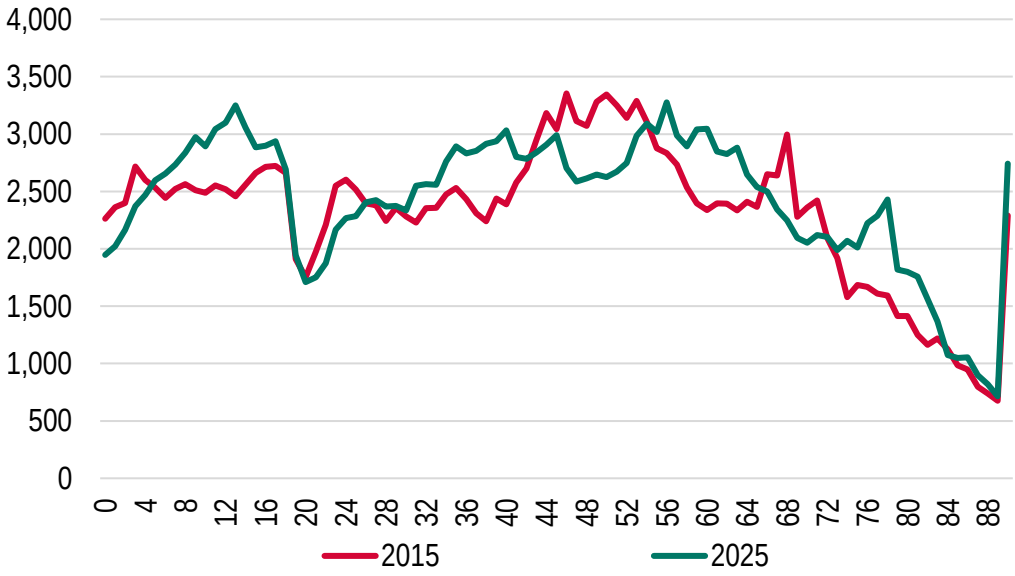
Source: ONS Mid-year population estimates

Age structure changes

4.9 The figure below shows how the age structure of the population has changed in the 10 years from 2015 to 2025 – the data used is based on population, so it will also reflect the increase seen in this period.

4.10 There have been some changes in the age structure, though the pattern has remained broadly the same over time. Where differences occur, they are often due to cohort effects (i.e., smaller or larger cohorts ageing over time).

Figure 4.3 Population age structure (people) (2015 and 2025) – Solihull



Source: ONS Mid-year population estimates

4.11 In the table below, this information is again summarised into three broad age bands to ease comparison. There have been population increases across all age bands, with the highest increase among those aged 65 and over – this age group increasing by 3,800 people (a 9% increase). This increase is, however, somewhat lower than the national change; between 2015 and 2025, the number of people aged 65 and over in England rose by 16%.

Table 4.5 Change in population by broad age group (2015-25) – Solihull

	2015	2025	Change	% change
Under 16	40,152	42,999	2,847	7.1%
16-64	127,671	130,788	3,117	2.4%
65+	43,874	47,662	3,788	8.6%
TOTAL	211,697	221,449	9,752	4.6%

Source: ONS Mid-year population estimates

Components of change

4.12 The table below considers the drivers of population change from 2011 to 2025. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).

4.13 There is also an Unattributable Population Change (UPC), which is a correction made by ONS upon publication of Census data if the population has been under- or over-estimated (this is only calculated for the 2011-21 period).

4.14 There are also ‘other changes’, which are variable (sometimes positive and sometimes negative but generally small in size). These changes often relate to armed forces personnel, prisons, or boarding school pupils.

4.15 The data shows natural change to be dropping over time generally, and for the past six years there have been more deaths than births in the Borough. Migration is highly variable; in the early part of the period studied there were high levels of net internal (domestic) migration and low levels of international net migration. This position reversed in the 2021-24 period, although the last period for which data is available (2024-25) shows higher internal migration and lower international migration.

4.16 The analysis also shows (for the 2011-21 period a positive level of UPC (totalling around 1,400 people over the 10 years). This suggests that when the 2021 Census was published, ONS had previously underestimated population change – this level of UPC is fairly modest compared to many areas.

4.17 Overall, the data shows a continuing trend of population growth throughout the period studied, but at a varying rate year-by-year.

Table 4.6 Components of population change, mid-2011 to mid-2025 – Solihull

	Natural change	Net internal migration	Net intern-ational migration	Other changes	Other (unattri-butable)	Total change
2011/12	521	359	-34	-1	28	873
2012/13	176	1,174	-14	27	23	1,386
2013/14	393	1,554	59	16	68	2,090
2014/15	292	13	118	-8	77	492
2015/16	322	721	198	4	119	1,364
2016/17	181	943	-25	26	144	1,269
2017/18	164	278	-71	10	190	571
2018/19	239	1,097	-151	18	219	1,422
2019/20	-272	284	-164	12	249	109
2020/21	-246	229	-42	-14	318	245
2021/22	-224	-202	1,475	-4	0	1,045
2022/23	-435	-22	2,012	26	0	1,581
2023/24	-316	217	1,092	3	0	996
2024/25	-287	980	438	19	0	1,150

Source: ONS Mid-year population estimates

Demographic Update – Summary

4.18 As of mid-2025, the population of Solihull is estimated to be 221,400; this is an increase of around 9,800 people over the previous decade (a 4.6% increase), which is lower than seen across the other areas studied.

4.19 The Borough has fewer people aged in their late teens and early 20s, which will be linked to people moving away for higher education.

4.20 Around 22% are aged 65 or over compared to 19.1% nationally. This confirms the Borough's relatively old population profile.

4.21 Natural change has generally been dropping over time, with more deaths than births over the past six years)

4.22 Migration is highly variable. This is mostly high levels of net internal (domestic) migration and low levels of international net migration. However, this position reversed in the 2021-24 period, and has reversed again since.

4.23 The analysis also shows ONS had previously underestimated population change, although at a modest rate compared to elsewhere.

5. Housing Need

Standard Method

5.1 The NPPF specifies that the Standard Method should be used to calculate the local housing need, and that plans should aim to provide a sufficient supply of housing to meet this need where this is consistent with achieving sustainable development.

5.2 The standard method for calculating housing need is defined and set out by the Government in Planning Practice Guidance. Later in this section, projections have been developed to consider the demographic implications of housing delivery in line with this number.

5.3 The two-step process is set out in the figure below and worked through below.

Table 5.1 Overview of the Standard Method for calculating local housing need



5.4 The steps are as follows:

- **Step one** seeks to grow the baseline level of housing (as captured in MHCLG Live Table 125) by 0.8% per year. For Solihull, there is a baseline of 96,333 dwellings in 2025, leading to a step one figure of 771 additional dwellings per annum;

- **Step two** is an affordability uplift which uses an average of the median workplace-based affordability ratio results over the last five years according to the formula below. For Solihull, the average affordability ratio of 8.54 between 2020-2024 yields an adjustment factor of 67%

$$\textbf{Adjustment Factor} = \frac{\textbf{Affordability Ratio} - \textbf{5}}{\textbf{5}} \times \textbf{0.95} + \textbf{1}$$

5.5 As a result, the Standard Method now shows a housing need in Solihull of 1,289 dpa. How this figure is derived is set out in the table below.

Table 5.2 Standard Method housing need calculation, Solihull

	Solihull
Total dwellings stock (2025)	96,333
Annual dwelling stock increase (0.8%)	0.8%
Step 1: Baseline starting point	771
Average affordability ratio (2021-2025)	8.54
Adjustment factor	67%
Step 2: Housing need (per annum)	1,289

Source: Iceni analysis

5.6 Under the provisions of the December 2024 NPPF, this should be regarded as the annual local housing need. Between 2026 and 2043, this would imply a total housing need of 21,913 dwellings across the Borough.

5.7 The use of the standard method to calculate housing need is now essentially mandatory. An alternative approach is permissible only in specific circumstances, as outlined in paragraph 2a-014-20241212 of the PPG on Housing and economic needs assessment. These principally relate to data availability or boundary issues, and none of the situations described is relevant to Solihull.

5.8 The Council will need to keep the calculation above under review, reflecting any national data updates, until the point of submission of a new Local Plan. (New stock and affordability data is published annually, each Spring).

Population projections

5.9 A demographic model has been developed to look at the potential implications of the delivery of 1,289 dwellings per annum in the 2026-43 period.

5.10 This considers the levels of migration likely to be needed to fill homes and also the possibility of seeing higher levels of household formation in younger age groups (where there is evidence of a historical constraint in formation). The key assumptions in the modelling are:

- Taking the 2022-based subnational population projections (SNPP) as a start point – this includes data on birth and death rates as well as migration;
- Updating this projection to take account of mid-year population data to 2025 (looking at more recent data about births, deaths and migration);
- Rolling this forward to a 2026 start point;
- Data about the communal population and household formation is taken from the 2021 Census, with the formation rates for the population aged under 45 assumed to return to the levels seen in 2001 – this age group having seen a decline in household representation when compared with 2001;
- It is assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock). This means that for 1,289 dpa it is assumed there would be household growth of approximately 1,251 per annum; and
- Modelling then flexes migration estimates so there is a sufficient population to fill the additional homes (i.e. population required to generate 1,251 additional households per annum over 17 years).

5.11 In developing this projection, the population is projected to increase by 37,300 people over the 2026-43 period, with this increase being particularly strong in the 16-64 age group. However, the greatest proportionate change is projected in the 65 and over age group (26% of the growth is projected to be in age groups 65 and over, with this group increasing by 20%). The number of children is also projected to increase modestly.

5.12 The two tables below show projected changes by age -the first table shows broad age bands and the second is in 5-year bands.

Table 5.3 Projected population change 2026 to 2043 by broad age bands – Solihull

	2026	2043	Change in population	% change
Under 16	42,807	44,137	1,330	3.1%
16-64	131,028	157,173	26,145	20.0%
65 and over	48,219	58,010	9,791	20.3%
Total	222,054	259,320	37,266	16.8%

Source: Iceni analysis

Table 5.4 Projected population change 2026 to 2043 by 5-year age bands – Solihull

	2026	2043	Change in population	% change
0-4	10,724	13,026	2,303	21.5%
5-9	13,553	13,844	290	2.1%
10-14	15,449	14,359	-1,090	-7.1%
15-19	13,562	13,640	78	0.6%
20-24	10,160	13,105	2,945	29.0%
25-29	11,680	15,759	4,079	34.9%
30-34	12,631	17,157	4,527	35.8%
35-39	14,482	17,828	3,347	23.1%
40-44	14,563	16,425	1,862	12.8%
45-49	13,873	17,815	3,943	28.4%
50-54	13,630	17,636	4,007	29.4%
55-59	15,092	16,386	1,293	8.6%
60-64	14,437	14,328	-109	-0.8%
65-69	12,098	12,134	36	0.3%
70-74	10,201	12,827	2,626	25.7%
75-79	10,729	12,072	1,343	12.5%
80-84	7,923	9,895	1,972	24.9%
85 & over	7,269	11,082	3,813	52.5%
Total	222,054	259,320	37,266	16.8%

Source: Iceni analysis

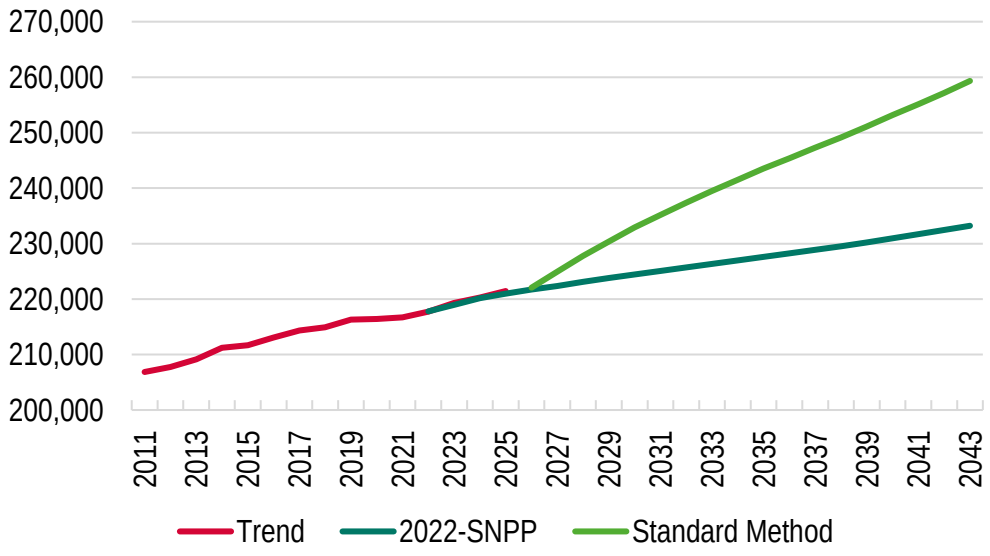
5.13 Below are a series of charts showing past trends and projected population growth and key components of change for each of the projections linking to the Standard Method.

5.14 For comparison, data has also been provided from the 2022-based SNPP. The first figure examines overall population growth before considering natural change and net migration.

5.15 The analysis suggests the population of Solihull could rise to 259,300 by 2043 (up from 222,100 in 2026 (estimated)), a 17% increase, or 1.0% per annum – an average increase of 2,200 each year.

5.16 For comparison, between 2011 and 2024, the population increased by an average of around 1,000 per annum, with a similar figure if looking at the last 5 years. The Standard Method is therefore projected to potentially drive a notably higher level of population growth than recent past trends. The data also suggests higher growth than the latest ONS projections.

Figure 5.1 Past trends and projected population – Solihull

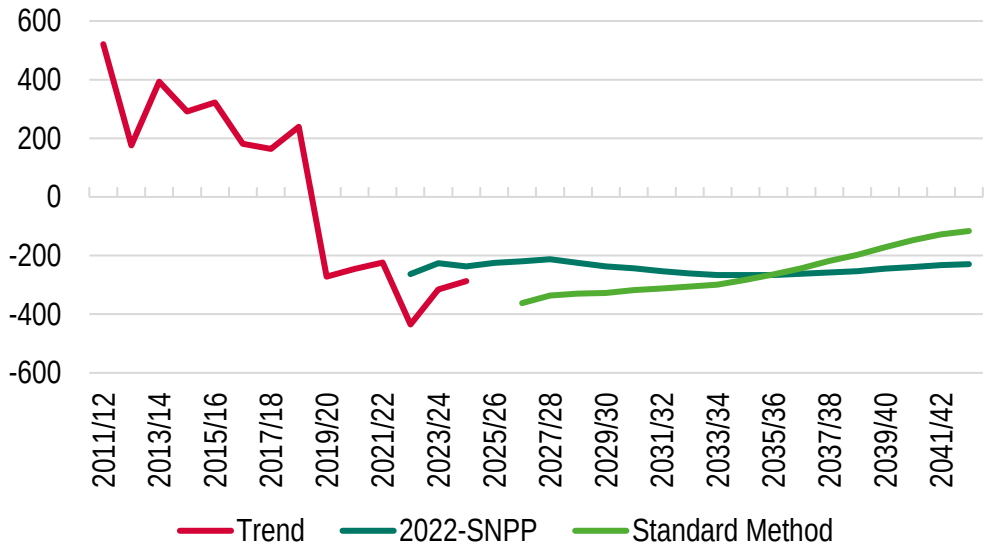


Source: ONS and Iceni analysis

5.17 The figures below show projected natural change and net migration under the scenarios. Focussing on net migration, the analysis suggests that with higher delivery linked to the Standard Method, net migration

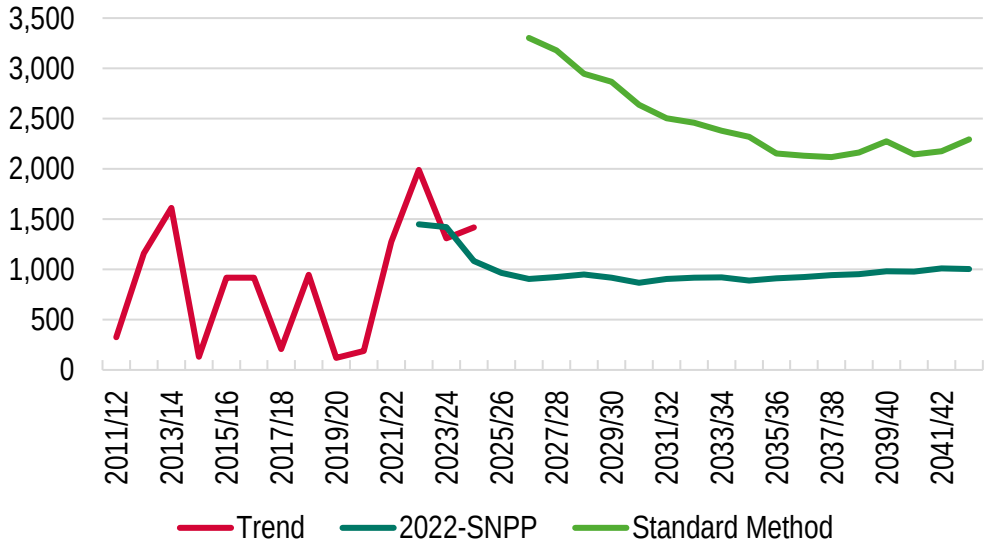
would be at a level substantially higher than trends and higher than figures seen for any year going back at least 14 years.

Figure 5.2 Past trends and projected natural change – Solihull



Source: ONS and Iceni analysis

Figure 5.3 Past trends and projected net migration – Solihull.



Source: ONS and Iceni analysis

Jobs Supported

5.18 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). To assess estimates of job growth to be supported, a series of stages is undertaken. These can be summarised as:

- Estimate changes to the economically active population (this provides an estimate of the change in labour supply);
- Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour Supply

5.19 Economic activity rates measure the proportion of the working-age population that is either in employment or actively seeking work. In statistical terms, it is the share of people in a given age group who are part of the labour force, meaning they are economically active rather than economically inactive (e.g., students not seeking work, retirees, long-term sick, or carers).

5.20 The approach taken in this report is to derive a series of age-specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop.

5.21 This is a fairly typical approach with data being drawn in this instance aligned to the Office for Budget Responsibility's (OBR's) March 2025 Economic and Fiscal Outlook.

5.22 The OBR data shows changes in economic participation by age over time. The incremental changes forecast have been applied to the 2021

Census data on economic participation (by age) to forecast future changes for the Borough.

5.23 The OBR forecasting approach uses a cohort-based model to provide an initial baseline for how population participation rates could evolve and data on historical changes to economic participation for men and women from the ONS Labour Force Survey.

5.24 It additionally takes account of changes in State Pension Age which may result in the timings of workforce exits as people leave the labour force changing relative to historical behaviour; but models that the impacts of this will be greater for those cohorts which are further from retirement as the changes are implemented.

5.25 The result is a forecast for the participation rate which sits midway between assuming no state pension age changes; and a full impact of state pension age changes on participation.

5.26 OBR then applies several sense checks in concluding, considering trends in inactivity (including long-term sickness) which mean, for instance, that its implied changes to participation rates for those aged 50-64 remain below its pre-pandemic forecasts.

5.27 The figures also forecast higher numbers of women in the workforce linked to falling birth rates and policy measures to support childcare provision.

5.28 The table below shows the assumptions made for the Borough. The analysis shows that the main changes to economic activity rates are projected to be in the 65-69 age group – this will, to a considerable degree, be linked to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Table 5.5 Projected changes to economic activity rates (2026 and 2043) – Solihull

	2026	2043	Change
16-19	31.7%	31.7%	0.0%
20-24	76.9%	76.3%	-0.6%
25-29	83.8%	82.8%	-1.0%
30-34	85.8%	83.9%	-1.9%
35-39	83.8%	83.2%	-0.6%
40-44	86.1%	86.2%	0.1%
45-49	87.7%	88.8%	1.0%
50-54	85.3%	87.5%	2.2%
55-59	77.0%	79.9%	2.9%
60-64	60.5%	66.5%	6.0%
65-69	30.0%	40.5%	10.5%
70-74	10.4%	16.6%	6.2%
75-89	3.5%	4.7%	1.2%

Source: Based on OBR and Census (2021) data

5.29 Working through an analysis of age- and sex specific economic activity rates, it is possible to estimate the overall change in the number of economically active people in the area – this is set out in the table below and shows the increase in the economically active population is projected to be 26,100 (a 25% increase).

Table 5.6 Estimated change to the economically active population (2026-43)

	Solihull
Economically active (2026)	106,186
Economically active (2043)	132,319
Total change in economically active	26,133
% change	24.6%

Source: Iceni Analysis

Linking Changes in Resident Labour Supply to Job Growth

5.30 The analysis above has set out potential scenarios for the change in the number of economically active people. However, it is arguably more useful to convert this information into an estimate of the number of jobs

this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute, it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);

- Double jobbing – some people hold down more than one job, and therefore the number of workers required will be slightly lower than the number of jobs; and

- Unemployment – if unemployment were to fall, then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

5.31 The table below shows summary data about commuting to and from Solihull from the 2011 and 2021 Census. Data from both sources are used, as the 2011 data is quite old, but the COVID-19 pandemic may influence the 2021 data.

5.32 The balance between in-commuting and out-commuting is shown in the commuting ratio in the final row of the table. This ratio is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live). A ratio above one means more resident workers than people working in the LA (i.e. net out-commuting), while a ratio below one means more people working in an area than resident workers (i.e. net in-commuting) – this is shown as the commuting ratio in the final row of the table.

5.33 Data from the 2011 Census shows a modest level of net in-commuting (around 2% fewer people living in the Borough and working than work in the Borough); by 2021, this figure was higher (at 12%).

5.34 When comparing the two sources, it is worth reflecting on a significant increase in the number of home workers (or those of no fixed workplace) in 2021 compared with 2011. In 2011, a total of 17,000

people were recorded as home workers or with no fixed workplace; in 2021, this figure had nearly tripled (to 46,600).

5.35 As the country has moved away from the pandemic, it is possible this figure has started to reduce slightly, with possible implications on commuting dynamics. However, it has probably not fully reverted to 2011 levels.

Table 5.7 Commuting Patterns – Solihull

	2011	2021
Live and Work in Borough	32,114	21,193
Home Workers or No Fixed Workplace	17,010	46,586
In Commute	51,403	43,156
Out Commute	49,415	30,181
Total Working in LA	100,527	110,935
Total Living in LA and Working Anywhere	98,539	97,960
Commuting Ratio	0.980	0.883

Source: Census 2011, 2021

5.36 The analysis below looks at both sets of Census data with a further sensitivity of a balanced (1:1) commuting ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

5.37 The analysis also considers that several people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs.

5.38 Data from the Annual Population Survey (available on the NOMIS website) for the past 5 years (for which data exists) suggests across Solihull that typically about 3.1% of workers have a second job. It has therefore been assumed that around 3.1% of people will have more than one job moving forward – this means the number of jobs supported by the workforce will be around 3.1% higher than workforce growth. It

has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

5.39 The last analysis, when looking at the link between jobs and resident labour supply, is a consideration of unemployment. Essentially, this is about whether there is any latent labour force that could return to employment to take up new jobs.

5.40 The latest model-based unemployment data from the Annual Population Survey (for the year to March 2026) puts unemployment at around 5.4%; this is a level only slightly above the national average of 4.6%. Based on this data, it is considered unlikely that there is any significant latent labour supply. So no further adjustment is made to the data to take account of unemployment.

Jobs Supported by Growth in the Resident Labour Force

5.41 The table below shows how many additional jobs might be supported by population growth under the different scenarios. It is estimated that between 27,000 and 30,500 additional jobs could be supported, depending on the assumptions made about commuting, all figures for the 2026-43 period.

5.42 In each case a figure has been given for each commuting ratio – i.e. commuting behaviour in line with the 2011 census, 2021 census and a 1:1 ratio between local resident workers and jobs.

Table 5.8 Jobs supported by demographic projections (2026-43) – Solihull

Commuting ratio	Total change in the economically active	Allowance for double jobbing	Allowance for net commuting (=jobs supported)
2021	26,133	26,969	30,541
2011	26,133	26,969	27,513
1:1	26,133	26,969	26,969

Source: Iceni analysis

Housing Need – Summary

5.43 The housing needs assessment studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need.

5.44 This shows a need for 1,289 dwellings per annum. This is based on 0.8% of the current stock of 96,333 (equating to 771 per annum) and a 67% affordability uplift.

5.45 A bespoke population and household projection has been developed to look at the implications of delivering 1,289 dpa from 2026 to 2043. This projects that the population might increase by 37,300 people over the 17 years (a 17% increase).

5.46 It was further estimated that population growth might be able to support somewhere in the region of 27,000 and 30,500 additional jobs.

6. Affordable Housing Need

6.1 This section provides an assessment of the need for affordable housing in Solihull. The analysis follows the methodology set out in Planning Practice Guidance (Sections 2a-018 to 2a-024). It considers households unable to buy OR rent housing in the market without some form of subsidy (e.g. either needing to claim Housing Benefit/Universal Credit or needing some form of discounted/subsidised housing).

6.2 The analysis also looks at households who might be described as in the 'gap' between renting (privately) and buying. These households do not technically have an affordable need but may be assisted by forms of affordable home ownership (AHO) to allow them to access the 'housing ladder'.

Affordable Housing Sector Dynamics

6.3 The 2021 Census indicated that 14% of households in Solihull lived in social or affordable rented homes, with the sector accommodating around 12,500 households.

6.4 Data from the Regulator of Social Housing (RSH) for 2025 indicates that the Council and Registered Providers (RPs) owned 14,200 properties in the Borough, of which 88% were for general needs rent; 6% supported housing or housing for older people; and 6% low-cost home-ownership homes (such as shared ownership properties). The vast majority of general needs homes are rented out at social rents (95% of all homes) and the rest at Affordable Rents.

Table 6.1 Stock Owned or Managed by Local Authority and Registered Providers – Solihull (2025)

	LA	RP	Total	% of stock
General needs rented	9,686	2,866	12,552	88.5%
Supported/older persons housing	74	744	818	5.8%
Low-cost home ownership	68	751	819	5.8%
Total	9,828	4,361	14,189	100.0%

Source: RSR Geographical Look-Up Tool

6.5 As of April 2025, there were 3,293 households on the Council's Housing Register. In addition, MHCLG data for December 2025 show that 203 households were accommodated in temporary accommodation (some 89% (181 households) of these were households with children).

Overview of Method

6.6 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). In summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised to meet the current need over a period of time);
- Projected newly forming households in need;
- Existing households falling into need; and
- Supply of affordable housing from existing stock

6.7 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

Affordable Housing Definitions

Social Rented Homes – are homes owned by local authorities or private registered providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). They are low-cost rented homes.

Affordable Rented Homes – are let by local authorities or private registered providers to households who are eligible for social housing. Affordable rents are set at no more than 80% of the local market rent (including service charges).

Rent-to-Buy – where homes are offered, typically by housing associations, to working households at an intermediate rent which does not exceed 80% of the local market rent (including service charges) for a fixed period after which the household has the chance to buy the home.

Shared Ownership – a form of low-cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a registered provider owning the remainder, on which they pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households, with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of market value. Councils are able to set the discounts and local eligibility criteria out in policies.

Affordability

6.8 An important first part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

6.9 The table below shows estimated current prices to both buy and privately rent a lower quartile home in the Borough (excluding newbuild sales when looking at house prices). Across all dwelling sizes, the analysis indicates a lower-quartile price of £230,000 and a private rent of £1,050 per month.

Table 6.2 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Solihull (July 2026)

	To buy	Privately rent
1-bedroom	£115,000	£825
2-bedrooms	£160,000	£1,050
3-bedrooms	£260,000	£1,300
4-bedrooms	£435,000	£1,800
All dwellings	£230,000	£1,050

Source: Land Registry and Internet Price Search

6.10 The table below shows how prices and rents vary by location. The analysis shows some variation in prices, with these estimated to be highest in the Rural sub-area and notably lower in North Solihull – particularly for homes to buy.

Table 6.3 Lower Quartile Prices and Market Rents, by sub-area

	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Castle Bromwich	£230,000	£1,050
North Solihull	£160,000	£950
Rural Area	£280,000	£1,150
Urban Area	£255,000	£1,100
TOTAL	£230,000	£1,050

Source: Land Registry and Internet Price Search

6.11 Next, it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy).

6.12 Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes. Data has also been drawn from the Annual Survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

6.13 Overall, the average (mean) household income across Solihull is estimated to be around £66,900 (as of mid-2026), with a median income of £53,200; the lower quartile income of all households is estimated to be £28,900. There are some notable differences between areas, with the range of median incomes going from £37,600 in North Solihull, up to £66,000 in the Rural sub-area.

Table 6.4 Estimated average (median) household income

	Median income	As a % of the Borough average
Castle Bromwich	£47,200	89%
North Solihull	£37,600	71%
Rural Area	£66,000	124%
Urban Area	£55,000	103%
TOTAL	£53,200	-

Source: Iceni analysis

6.14 To assess affordability, two different measures are used: firstly, to consider what income levels are likely to be needed to access private rented housing, and secondly, to consider what income level is needed to access owner occupation.

6.15 This analysis, therefore, brings together the data on household incomes with the estimated incomes required to access private sector housing. For the purposes of analysis, the following assumptions are used:

- Rental affordability – a household should spend no more than 35% of their income on rent; and
- Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

6.16 The choice of 35% is to some extent based on professional judgment. However, it is consistent with the figure typically used in studies of this nature – the figure being close to the typical average paid in the private rented sector nationally (34% as of the latest English Housing Survey). For mortgage affordability, the assumption of 4.5 times income is based on typical mortgage lending practice, although it is noted that this could vary on a case-by-case basis.

Need for Affordable Housing

6.17 The sections below work through the various stages of analysis to estimate the need for affordable housing in the Borough and sub-areas.

Final figures are provided as annual need (including an allowance to address current need). As per 2a-024 of the PPG, this figure can then be compared with the likely delivery of affordable housing.

Current Need

6.18 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems (housing suitability).

6.19 The table below sets out the categories in the PPG and the sources of data being used to establish numbers.

Table 6.5 Main sources for assessing the current need for affordable housing

	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Statutory Homelessness data	Households in temporary accommodation at the end of the quarter
Households in overcrowded housing	2021 Census table RM099	Analysis undertaken by tenure (updated by reference to the English Housing Survey)
Concealed Households	2021 Census table RM009	Number of concealed families with children
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	Excludes overcrowded households

Source: PPG [Paragraph: 020 Reference ID: 2a-020-20190220]

6.20 The table below sets out estimates of the number of households within each category. This shows an estimated 5,100 households as living in 'unsuitable housing', with around two-fifths of these being in the Urban

area. Around 860 of those in 'unsuitable housing' (across the Borough) currently have no accommodation (homeless or concealed households).

Table 6.6 Estimated number of households living in unsuitable housing (or without housing)

	Concealed and homeless house-holds	House-holds in over-crowded housing	Existing affordable housing tenants in need	House-holds from other tenures in need	TOTAL
Castle Bromwich	60	92	10	77	239
North Solihull	178	966	149	256	1,550
Rural Area	204	350	44	501	1,100
Urban Area	419	830	77	840	2,165
TOTAL	861	2,239	279	1,675	5,054

Source: Iceni analysis

6.21 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households it is assumed incomes will be low and households would be unlikely to be able to afford to rent privately.

6.22 The table below shows around half of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 2,641 households (this includes both households unable to rent or buy and those in the gap between renting and buying).

Table 6.7 Estimated housing need and affordability by tenure

	Number in unsuitable housing	% unable to afford	Current need after affordability
Owner-occupied	1,480	5.0%	74
Affordable housing	1,376	75.6%	1,040
Private rented	1,337	49.8%	665
No housing (homeless/concealed)	861	100.0%	861
TOTAL	5,054	52.3%	2,641

Source: Iceni analysis

6.23 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 1,601 (2,641-1,040).

6.24 For the purposes of analysis, it is assumed that the Council would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2026 to 2043, the need is annualised by dividing by 17 (to give an annual need for around 94 dwellings).

6.25 This does not mean that some households would be expected to wait 17-years for housing as the need will be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

6.26 The table below shows this data for sub-areas – this is split between those unable to rent OR buy and those able to rent but NOT buy. Given the pricing of housing in the Borough, this analysis shows a more modest need for those able to rent but not buy and in all cases the number unable to rent OR buy is notably higher.

Table 6.8 The estimated current affordable housing need by affordability

	Number in need (excluding those in AH)	Annualised		
		TOTAL	Unable to rent OR buy	Able to rent but NOT buy
Castle Bromwich	90	5	5	0
North Solihull	320	19	19	0
Rural Area	379	22	19	3
Urban Area	812	48	42	6
TOTAL	1,601	94	84	10

Source: Iceni analysis

Projected Housing Need

6.27 Projected need is split between newly forming households who are unable to afford market housing and existing households falling into need.

Newly-forming households

6.28 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously, to provide an estimate of gross household formation. This approach is consistent with the CLG guidance of 2007 which is the last guidance published on this topic[9].

6.29 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household

[9] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance (see pages 19-20 of Annexes)

formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g., due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

6.30 In assessing the ability of newly forming households to afford market housing, data has been drawn from analysis of English Housing Survey data at a national level. This establishes that the average income of newly forming households is around 87% of the figure for all households.[10]

6.31 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 87% of the all-household average. In doing this it is possible to calculate the proportion of households unable to afford market housing.

6.32 Overall, it is estimated that 1,750 new households would form each year and just over half will be unable to afford market housing (to buy or rent privately); this equates a total of 901 newly forming households will have a need per annum on average – the majority are households unable to rent OR buy.

[10] Raw data from the 2018-19 and 2020-21 EHS has been analysed

Table 6.1 Estimated Need for Affordable Housing from Newly Forming Households (per annum)

	Number of new house-holds	% unable to afford	Annual newly forming house-holds unable to afford	Unable to rent OR buy (per annum)	Able to rent but NOT buy (per annum)
Castle Bromwich	89	55.8%	50	39	11
North Solihull	385	49.8%	192	192	0
Rural Area	472	48.8%	230	159	71
Urban Area	805	53.3%	430	317	112
TOTAL	1,750	51.5%	901	707	194

Source: Iceni analysis

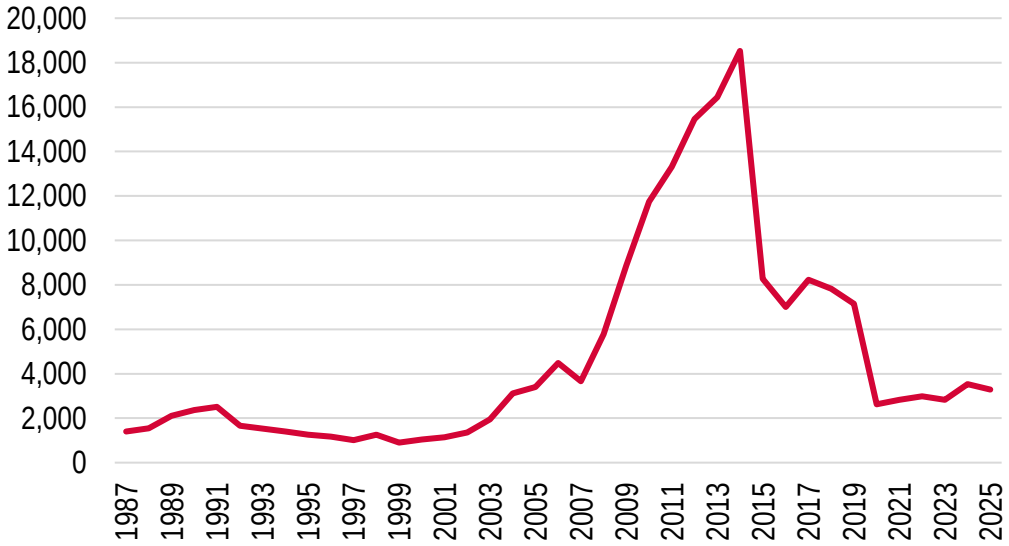
Existing households falling into affordable need

6.33 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).

6.34 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'*.

6.35 In addition, analysis has considered trends in the Housing Register, recognising an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa). The figure below shows the number of households on the Housing Register going back to 1987. Over this period, the number of households on the Register has been variable, but with no clear trend over the past 5-years or so. Therefore no further adjustments have been made from estimates based on past lettings.

Figure 6.1 Past trends and projected net migration – Solihull.



Source: MHCLG Live Table 600

6.36 Following the analysis through suggests a need arising from 210 existing households each year – again most are households unable to buy OR rent.

Table 6.9 Estimated Need for Affordable Housing from Existing Households Falling into Need (per annum)

	Total Additional Need	Unable to rent OR buy	Able to rent but NOT buy
Castle Bromwich	7	6	1
North Solihull	37	37	0
Rural Area	57	44	13
Urban Area	108	89	19
TOTAL	210	176	33

Source: Iceni analysis

Supply of Affordable Housing Through Relets/Resales

6.37 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focuses on the annual supply of social/affordable rent relets.

6.38 Information from MHCLG's Continuous Recording of Lettings and Sales (CoRe) and Local Authority Housing Statistics (LAHS) has been used to establish past patterns of social housing turnover. Data for three years (2022-23 to 2024-25) has been used.

6.39 The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes.

6.40 These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Based on past trend data, it has been estimated that 441 units of Social/Affordable Rented housing are likely to become available each year.

Table 6.10 Analysis of Past Social/Affordable Rented Housing Supply, 2022/23 – 2024/25 (average per annum) – Solihull

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2022/23	755	94.0%	710	59.6%	423
2023/24	729	95.6%	697	62.8%	438
2024/25	756	94.8%	717	64.6%	463
Average	747	94.8%	708	62.3%	441

Source: CoRe/LAHS

6.41 It is also possible to consider whether there is any supply of affordable home ownership products from the existing stock of housing. One source is likely to be resales of low-cost home ownership products (LCHO), with data from the Regulator of Social Housing showing a total stock of 819 in 2025.

6.42 If these homes were to turnover at a rate of around 6% (which is roughly the turnover of owner-occupied housing (those with a mortgage), as evidenced by the English Housing Survey), then they would be expected to generate around 49 resales each year. These properties would be available for these households and can be included as the potential supply. The total estimated supply is therefore 490 units per annum (441 + 49). The table below shows the estimated supply of affordable housing from relets/resales in each sub-area.

Table 6.11 Estimated supply of affordable housing from relets/resales of existing stock by sub-area (per annum)

	Social/ affordable rented	LCHO	TOTAL
Castle Bromwich	15	4	18
North Solihull	236	6	242
Rural Area	70	22	92
Urban Area	121	18	138
TOTAL	441	49	490

Source: CoRe/LAHS/Census 2021

6.43 In the affordable home ownership sector, there is arguably an additional (and significant) source of supply from resale market homes below a lower quartile price.

6.44 Data from Land Registry shows around 2,452 resales of homes in the year to September 2025; therefore, 613 homes were sold at or below the lower quartile price and could contribute to meeting the needs of those in the 'gap' between renting and buying. However, a supply from this source has not been included in the analysis below but is considered when drawing conclusions.

6.45 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation.

6.46 These have, however, not been included within the modelling in this report. Firstly, there is no evidence of a substantial stock of vacant homes (beyond what might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this, as netting off new housing would fail to show the full extent of the need. However, in monitoring, it will be important to net off these dwellings as they are completed.

Net Need for Affordable Housing

6.47 The table below shows the overall calculation of affordable housing need. The analysis shows a need for 714 dwellings per annum across the Borough. The analysis does not show any notable need in North Solihull, this is related to lower housing costs and a higher relet supply in this area. The net need is calculated as follows:

Net Need = Current Need (allowance for) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 6.12 Estimated Need for Affordable Housing (per annum)

	Current need	Newly forming house-holds	Existing house-holds falling into need	Total Gross Need	Relet/ resale supply	Net Need
Castle Bromwich	5	50	7	62	18	44
North Solihull	19	192	37	247	242	5
Rural Area	22	230	57	310	92	218
Urban Area	48	430	108	585	138	447
TOTAL	94	901	210	1,204	490	714

Source: Iceni analysis (numbers may not sum due to rounding)

6.48 This can additionally be split between households unable to afford to BUY or rent and those able to rent but not buy. For this analysis, it is assumed that the LCHO supply would meet the needs of the latter group, although in reality there will be a crossover between categories.

6.49 For example, it is likely in some cases that the cost of shared ownership will have an outgoing below that for privately renting and could meet some of the needs of households unable to buy or rent – the issue of access to deposits would still be a consideration.

6.50 The table below shows the affordable need figure split between the two categories. Across the whole Borough, the analysis shows around 74% of households are unable to buy or rent.

Table 6.13 Estimated Need for Affordable Housing (per annum) – split between different affordability groups

	Unable to buy OR rent	Able to rent but not buy	TOTAL	% unable to buy OR rent
Castle Bromwich	35	8	44	81%
North Solihull	12	-6	5	215%
Rural Area	152	66	218	70%
Urban Area	327	120	447	73%
TOTAL	526	188	714	74%

Source: Iceni analysis

6.51 These figures can also be standardised based on the size of each location (in this case linked to the number of households shown in the 2021 Census). This shows the highest need in the Urban Area although all areas (other than North Solihull) show a broadly similar standardised need.

Table 6.14 Standardised level of affordable housing need

	Net Need	Households (2021)	Net need per 1,000 households
Castle Bromwich	44	4,777	9.2
North Solihull	5	16,562	0.3
Rural Area	218	26,225	8.3
Urban Area	447	41,914	10.7
TOTAL	714	89,478	8.0

Source: Iceni analysis

6.52 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the area as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

Affordable Need and Overall Housing Numbers

6.53 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG (housing and economic needs) Ref ID 2a-024 states:

"The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes"

6.54 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015[11].

6.55 PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are several reasons why the two cannot be 'arithmetically' linked.

6.56 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation, and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is, therefore, no net additional need arising.

6.57 The modelling also contains 'newly forming households'; these households are a direct output from demographic modelling and are therefore already included in overall housing need figures (a point also made in the PAS advice note – see paragraph 9.5).

[11] https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf. While the technical note produced by PAS is arguably becoming dated, there is no more up-to-date guidance on this matter from a Government source and the remarks remain valid.

6.58 The analysis estimates an annual need for 526 affordable homes from households unable to buy OR rent housing. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

6.59 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below, which identifies that meeting these needs would lead to an affordable need for 316 homes per annum across the Borough – around 60% of the figure when including those with housing.

6.60 This figure is, however, theoretical and should not be seen to be minimising the need (which is clearly acute). That said, it does serve to show that there is a difference in the figures when looking at overall housing shortages.

6.61 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included in demographic projections, so demonstrating a need for this group again should not be seen as additional to the overall figures from those projections.

Table 6.15 Estimated Need for Affordable Housing (households unable to buy OR rent), excluding households already in accommodation

	Including existing households	Excluding existing households
Current need	84	51
Newly forming households	707	707
Existing households falling into need	176	0
Total Gross Need	967	757
Re-let Supply	441	441
Net Need	526	316

Source: Iceni analysis (numbers may not sum due to rounding)

6.62 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households that would be expected to have a need in any given year (i.e., needing to spend more than 35% of income on housing).

6.63 In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis.

6.64 One example would be a newly forming household with an income level that means they spend more than 35% of their income on housing. As the household's income rises, they may pass the affordability test and therefore have no affordable need.

6.65 Additionally, there is the likelihood, when looking over the longer term, that a newly forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.

6.66 It also needs to be remembered that the affordability test used for analysis is based on assuming a household spends no more than 35%

of their income on housing (when privately renting). In reality, many households will spend more than this, so would be picked up by modelling as in need, but in fact are paying for a private-sector tenancy. ONS research[12] for 2024 estimates, private tenants are paying an average of 36% of their income on housing, which would imply that around half are spending more than the affordable level assumed in this report (if this figure were applicable to Solihull).

6.67 A further consideration is that some 188 of the 714 per annum affordable need is a need from households able to rent in the market (but not buy).

6.68 Technically, these households can afford market housing (to rent) and historically would not have been considered as having a need in assessments such as this – until recently, only households unable to buy OR rent would be considered as having a need for affordable housing. For these reasons, these households have not been included in the analysis looking at households with and without accommodation.

6.69 Finally, it should be recognised that Planning Practice Guidance does not envisage that all needs will be met (whether this is affordable housing or other forms of accommodation such as for older people). Paragraph 67-001 of the housing needs of different groups PPG states:

"This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people. This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method".

12 https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2024

The Role of the Private Rented Sector (PRS)

6.70 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall housing provision.

6.71 However, it is worth briefly thinking about how affordable need works in practice and what housing types are available to those who are unable to access market housing without receiving Housing Benefit.

6.72 In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

6.73 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent, which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need.

6.74 The Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.

6.75 Data from the Department for Work and Pensions (DWP) has been used to look at the number of Housing Benefit-supported private rented homes. As of February 2026, approximately 4,900 benefit claimants were in the Private Rented Sector in Solihull. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims.

6.76 Whilst the PRS is providing housing for some households, there are, however, significant risks associated with future reliance on the sector to meet an affordable housing need. The last couple of years have seen rents increase whilst Local Housing Allowance (LHA) levels have remained static.

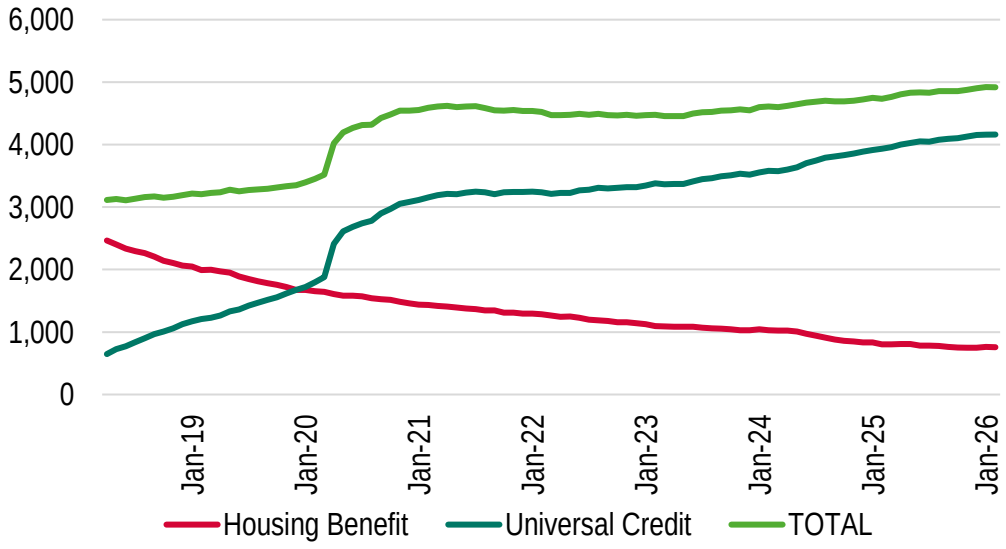
6.77 In the Autumn Statement 2023, the then Government increased the LHA rent to the 30th percentile of market rents (although this is based on existing rents and not rents likely to be payable by those moving home).

6.78 Moving forward, the Renters Right Act (2025) may also have some impact in restricting future supply of PRS properties to those in need; emphasising the need to support delivery of genuinely affordable homes.

6.79 The figure below shows the trend in the number of claimants in the Borough. This shows there has been an increase since March 2020, likely related to the Covid-19 pandemic.

6.80 However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically in excess of 3,000 households).

Figure 6.2 Number of Housing Benefit/Universal Credit claimants in the PRS



Source: Department for Work and Pensions

6.81 The data about the number of claimants does not indicate how many new lettings are made each year in the PRS. However, data from the English Housing Survey (EHS) over the past three years indicate that,

nationally, around 7% of private-sector tenants are new to the sector each year.

6.82 If this figure is applied to the number of households claiming HB/UC, then this would imply approaching 350 new benefit-supported lettings in the sector each year.

6.83 Whilst we would not recommend including PRS supply as part of the modelling, not least as it is uncertain whether the availability of homes will remain at this level, as well as concerns about the security of tenure, it is the case that the sector does provide housing. Again, the analysis does not indicate a need to increase overall provision.

Other Affordable Housing Provision

6.84 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivering affordable housing; and the Council should also continue to work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.

6.85 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply, the two do not measure the same thing, and when interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing and therefore do not generate an overall net need for an additional home.

6.86 Further issues arise as the need for affordable housing is complex, and additionally, the extent of concealed and homeless households needs to be understood, as well as the role played by the private rented sector.

6.87 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that the provision of new

affordable housing is an important and pressing issue across the Borough. It should, however, be stressed that this report does not set an affordable housing target; the amount of affordable housing delivered will be limited to what can be viably provided.

6.88 As noted previously, the evidence does, however, suggest that affordable housing delivery should be maximised where opportunities arise.

Types of Affordable Housing

6.89 The analysis above has clearly pointed to a need for affordable housing, and particularly for households who are unable to buy OR rent in the market. There is a range of affordable housing options that could meet the need, including rented forms of affordable housing (such as Social or Affordable Rents) and products that might be described as intermediate housing (such as shared ownership or discounted market housing/First Homes). These are discussed in turn below.

Social and Affordable Rented Housing

6.90 The table below shows current rent levels in the Borough for a range of products along with relevant local housing allowance (LHA) rates. Most of Solihull falls within the Solihull Broad Rental Market Area (BRMA) with parts of the Borough within the Birmingham BRMA; the range of values from these areas has been used for comparative purposes.

6.91 Data on average Social and Affordable Rents have been taken from the Regulator of Social Housing (RSH), and these are compared with lower-quartile market rents. This analysis shows that Social Rents are lower than Affordable Rents and that Affordable Rents are well below the lower quartile market rents.

6.92 The LHA rates for all sizes of home are below the lower quartile market rents for all sizes of accommodation. This does potentially mean that

households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

Table 6.16 Comparison of rent levels for different products – Solihull

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Birmingham/ Solihull)
1-bedroom	£393	£530	£825	£693-£698
2-bedrooms	£450	£624	£1,050	£748-£823
3-bedrooms	£510	£670	£1,300	£823-£997
4-bedrooms	£584	£694	£1,800	£1,097-£1,371
ALL	£449	£614	£1,050	-

Source: RSH and VOA

6.93 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another, and this is shown in the tables below. Focusing on 2-bedroom homes, the analysis shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 59% of a current lower quartile rent.

Table 6.17 Difference between rent levels for different products – Solihull

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	74%	48%	64%
2-bedrooms	72%	43%	59%
3-bedrooms	76%	39%	52%
4-bedrooms	84%	32%	39%
ALL	73%	43%	58%

Source: RSH and VOA

6.94 The table below suggests that around 17% of households who cannot afford to rent privately could afford an affordable rent at 80% of market

rents, with a further 22% being able to afford current affordable rents. Although it should be noted that when affordable rental properties are relet, they are often relet at 80% of affordable rent which may make them unaffordable to some.

6.95 There are also an estimated 19% who can afford a social rent (but not an affordable one). A total of 41% of households would need some degree of benefit support (or spend more than 35% of income on housing) to be able to afford their housing (regardless of the tenure). This analysis points to a clear need for social rented housing.

Table 6.18 Estimated need for affordable rented housing (% of households able to afford to buy OR rent)

	% of households able to afford
Afford 80% of market rent	17%
Afford current affordable rent	22%
Afford social rent	19%
Need benefit support	41%
All unable to afford market	100%

Source: Iceni analysis

6.96 The analysis indicates that provision of around 60%-85% of rented affordable housing at social rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence. Higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs. The lower end of the concluded range is also based on assuming new affordable rents would be provided at less than 80% of current lower quartile rents.

Intermediate Housing

6.97 As well as rented forms of affordable housing, the Council could seek to provide forms of intermediate housing, with the analysis below considering the potential affordability of shared ownership and discounted market sale housing (which could include First Homes).

6.98 Generally, intermediate housing will be a newbuild product, sold at a discount (or on a part buy, part rent arrangement with shared ownership) and will therefore be based on the Open Market Value (OMV) of a new home.

Discounted Market Sale

6.99 To be affordable to a household unable to buy or rent housing, the cost to buy should be equivalent to the cost affordable to a household who can afford private rented housing. An example is given below:

- A lower quartile 3-bedroom home is estimated to have a rent of £1,300 per month;
- If a household spends 35% of their income on housing, then their income will be approximately £44,600 (£1,300/0.35*12); and
- With an income of £44,600, a household could be expected to be able to afford a home costing around £223,000 (based on having a 10% deposit and a 4.5 times mortgage multiple).

6.100 The table below therefore sets out a suggested maximum purchase price for affordable home ownership/First Homes by size. It works through first (on the left-hand side) what the affordable price would be (based on a 10% deposit and a mortgage at 4.5 times' income). The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount (by way of an example).

6.101 Focusing again on 3-bedroom homes, it is suggested that an affordable price is no more than £223,000 and therefore the open market value of homes would need to be in no more than £319,000 (if discounted by 30%).

6.102 For 1- and 2-bedroom homes the equivalent house price when linked to the cost of privately renting is higher than the lower quartile price for

those sizes of accommodation. The cost included in the first column is therefore the lower quartile price for those sizes of home.

Table 6.19 Affordable home ownership prices – Solihull

	What households able to rent but not buy could afford	Open Market Value (OMV) of Home that would need a 30% Discount
1-bedroom	£115,000	£164,000
2-bedrooms	£160,000	£229,000
3-bedrooms	£223,000	£319,000
4+-bedrooms	£309,000	£441,000

Source: Iceni analysis

6.103 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site to site and will be dependent on a range of factors such as location, built-form and plot size. We have, however, looked at newbuild schemes currently advertised on Rightmove, with the table below providing a general summary of existing schemes.

6.104 This analysis is interesting as it shows the median newbuild price for all sizes of homes is at or above the top end of the OMV required to make homes affordable to those in the gap between buying and renting (for sizes where sufficient data was available). That said, homes at the bottom end of the price range could be discounted by 30% and still be considered affordable (for 2-bedroom homes only).

6.105 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of (for example) 30% will not automatically mean it becomes affordable housing.

Table 6.20 Estimated newbuild housing cost by size – Solihull

	No. of homes advertised	Range of prices	Median price
1-bedroom	3	£175,000-£315,000	-
2-bedrooms	17	£225,000-£600,000	£290,000
3-bedrooms	15	£500,000-£725,000	£600,000
4+-bedrooms	10	£525,000-£850,000	£700,000

Source: Iceni analysis from Rightmove

6.106 An alternative way of looking at the data is to ask what level of discount is required to make homes genuinely affordable, and this is shown in the table below. The figures are based on the median newbuild prices and show the discount needed to achieve the affordable price previously calculated.

6.107 The table shows that typically a discount of around 50%+ would be needed to make homes affordable. Whilst it is arguably possible for discounts of this level to be provided, this would essentially be a subsidy that could potentially be spent in other ways (such as to support provision of social rented housing).

6.108 However, there may be specific circumstances where discounted market housing might be considered (e.g. to support viability or to provide a wider mix on site). In addition, it needs to be remembered that the analysis in this report is based on estimated prices at a particular point in time; it is possible for new housing to become more affordable relative to the existing market over time. There may also be specific schemes that are affordable relative to general costs across the area.

6.109 Overall, and on balance, it is considered the evidence does not support any need for discounted market products in a local context due to the cost of newbuild housing. However, there may be specific schemes where this type of housing could be supported – this would need to be dealt with on a site-by-site basis.

Table 6.21 Discount required to make affordable home ownership a 'genuinely affordable' product – Solihull

	Affordable price	Median newbuild	Discount required
1-bedroom	£115,000	-	-
2-bedrooms	£160,000	£290,000	45%
3-bedrooms	£223,000	£600,000	63%
4-bedrooms	£309,000	£700,000	56%

Source: Iceni analysis

Shared Ownership

6.110 The analysis below moves on to consider shared ownership. For this analysis, an assessment of monthly outgoings has been undertaken, with the core assumption that outgoings should be the same as for private renting, to make this tenure genuinely affordable.

6.111 The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 10%, 25% and 50% share. To work out outgoings, the mortgage part is based on a 10% deposit (for the equity share) and a repayment mortgage over 25 years at 5% with a rent at 2.75% per annum on unsold equity.

6.112 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing.

6.113 By way of an explanation of this table (focusing on 2-bedroom homes), if a 50% equity share scheme came forward, then it is estimated the OMV could not be above £278,000 if it is to be genuinely affordable (due to the outgoings being in excess of the cost of privately renting). However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share but a much higher OMV of £406,000.

6.114 Although affordability can only be considered on a scheme-by-scheme basis, it is notable that we estimate a median 2-bedroom newbuild to cost around £290,000. This points to shared ownership at roughly a 50% equity share level as genuinely affordable (in this example), although lower shares could increase the number of households able to afford it.

Table 6.22 Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – Solihull

	50% share	25% share	10% share
1-bedroom	£218,000	£272,000	£319,000
2-bedroom	£278,000	£346,000	£406,000
3-bedroom	£344,000	£429,000	£502,000
4-bedrooms	£477,000	£593,000	£696,000

Source: Iceni analysis

6.115 Another way of looking at this data is to see what level of equity share might be needed to make shared ownership affordable, and this is shown in the table below. Overall, this suggests all dwelling sizes apart from 2-bedrooms might need a share below 10% and again points to difficulties in making shared ownership 'genuinely affordable'. This analysis should be treated as indicative, as it is based on a specific set of data at a particular point in time.

Table 6.23 Estimated equity share required to make shared ownership affordable

	'Affordable' equity share
1-bedroom	-
2-bedroom	45%
3-bedroom	-4%
4-bedrooms	9%

Source: Iceni analysis

6.116 One additional advantage of shared ownership is a lower deposit requirement. For example, the data above suggests that a median 2-bedroom new build costs around £290,000, and with a 10% deposit, this would equate to a need for £29,000 in capital. If such a home were

sold at 50% shared ownership, the deposit would halve (to around £14,500) and would be around £2,900 at a 10% equity share.

6.117 Although there is no locally specific data on savings, we can look at national data from the English Housing Survey to show the likely difficulty households that are not already owners have in raising deposits. For 2023-34, the EHS records that 48% of private tenants have no savings, and 72% of those living in social rented housing.

6.118 Of those with any savings, only 36% of private renters and 17% in social rented housing have more than £16,000. This suggests that fewer than a fifth of households in the PRS have £16,000 or more in savings, which will clearly be a barrier to home ownership – particularly where the deposit will need to be higher, such as for a full-market purchase rather than a smaller equity share.

Rent-to-Buy

6.119 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years, although it could be longer), the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate).

6.120 The expectation is that the discount provided in that first five years is saved to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households, as it allows for a smaller ‘step’ to be taken onto the home ownership ladder.

6.121 At the end of the initial period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these, then the property is vacated, or the rental term may be extended.

6.122 To access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property. However, the cost of accommodation will be that of affordable rent.

6.123 The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes, there is a direct read-across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products set out in the NPPF.

Essential Local Workers

6.124 Annex 2 of the NPPF also includes the needs of essential local workers *'Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers'*.

6.125 Essential local workers are defined as 'Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'.

6.126 To indicate the number of essential workers in Solihull, an analysis has been undertaken looking at Standard Industrial Classification 2007 (SIC) categories – this shows employment sectors based on industry.

6.127 For this analysis, the public administration, education, and health industries have been used to represent 'essential workers'.

6.128 The analysis shows that around 30% of resident workers are considered 'essential workers' in the Borough – this figure is similar to that seen regionally and nationally.

Table 6.24 Number and proportion of essential workers in a range of areas (2021)

	Solihull		West Midlands	England
	Resident workers	% of workers	% of workers	% of workers
Agriculture, energy and water	2,182	2.2%	2.5%	2.3%
Manufacturing	9,495	9.7%	10.3%	7.3%
Construction	8,486	8.7%	8.4%	8.7%
Distribution, hotels and restaurants	17,114	17.5%	20.9%	19.9%
Transport & comms	9,627	9.8%	9.3%	9.8%
Financial, Real Estate, Professional & Administration	18,256	18.6%	14.0%	17.4%
Public administration, education and health	29,154	29.8%	30.5%	30.2%
Other	3,623	3.7%	4.0%	4.6%
All industries	97,937	100.0%	100.0%	100.0%

Source: 2021 Census

6.129 The table below shows how the number of essential workers varies across the sub-areas, with fairly similar numbers being seen in different locations (very slightly higher in the Urban Area).

Table 6.25 Number and proportion of essential workers – sub-areas

	Resident essential workers	% of workers in the area	% of resident workers
Castle Bromwich	1,498	28.2%	5.1%
North Solihull	4,384	28.3%	15.0%
Rural Area	8,648	28.9%	29.7%
Urban Area	14,624	31.0%	50.2%
TOTAL	29,154	29.8%	100.0%

Source: 2021 Census

6.130 The 2021 Census also enables analysis to be conducted as to the tenure of workers by industry. As shown, essential workers see a fairly standard profile including a similar proportion of owner-occupiers and a very slightly higher proportion in the social rented sector (although not substantially different from the average). This indicates that for most current essential local workers, there is no specific barrier to market or affordable housing.

Table 6.2 Housing tenure by industry of employment (2021) – Solihull

	Owner-occupied	Social rented	Private rented
Agriculture, energy and water	82.0%	4.3%	13.7%
Manufacturing	78.4%	7.2%	14.4%
Construction	77.3%	6.4%	16.4%
Distribution, hotels & restaurants	67.2%	13.9%	19.0%
Transport and communication	76.0%	6.5%	17.5%
Financial, Real Estate, Professional and Admin	79.4%	5.2%	15.4%
Public administration, education and health	74.8%	9.7%	15.5%
Other	68.0%	9.6%	22.3%
All industries	75.3%	8.4%	16.3%

Source: 2021 Census

6.131 It is also possible to consider the affordability of housing for essential workers by considering local salaries. An online assessment of local

jobs for key groups was undertaken in August 2026, with the following bullet points highlighting the key findings:

- According to Indeed, the average salary for a registered Nurse at University Hospital Solihull NHS Foundation Trust is £34,995 per year;
- According to the "School Teachers' Pay and Conditions Document 2025 and Guidance on School Teachers' Pay and Conditions (July 2025)", teachers in the main pay range are paid between £32,916 and £45,352 in England, excluding London;
- The West Midlands Police website suggests that the starting salary for Police Officers in the County is £31,164;
- According to the West Midlands Fire Service website, "Competent" Firefighters have an annual salary of £40,358, although trainees only receive £31,539.
- According to the MOD website for army recruitment, the starting rate of pay for recruits and privates is £27,282, increasing to £35,310 for a Lance Corporal. However, it is expected that subsidised accommodation will be provided to junior recruits.
- According to Indeed, the average base salary for a care worker in the Borough is £25,420, and for a childcare worker it is £26,361.

6.132 Therefore, the minimum income for essential local workers in the Borough who do not receive subsidised accommodation is £25,420 for a care worker. However, most other essential roles earn more than £31,000.

6.133 With a salary of £31,000, an individual might be able to buy a home for around £153,450 (based on a 10% deposit and 4.5 times mortgage multiple) and with two salaries at this level, the household would be able to afford over £300,000.

6.134 This latter figure would allow households access to much of the market in the Borough, but a single income would make home ownership difficult, particularly if requiring more than one bed. Based on income levels alone (i.e., no account for savings), essential local workers could be a potential target for affordable home-ownership products.

6.135 In addition, it appears that essential local worker incomes will often sit in the gap between being able to buy and rent (given the study estimates an income of around £28,000 is needed to rent a 1-bedroom home privately without the need for subsidy, or spending more than 35% of income on housing).

6.136 Overall, however, the analysis does not point towards there being a particular need for affordable housing for essential workers. Such workers make up a broadly similar share of the workforce as in other areas, and they are currently slightly more likely to be owner-occupiers.

6.137 However, based on local incomes, access to the owner-occupied sector may be restricted by income, particularly for younger or junior staff, and it may be appropriate to consider whether or not some affordable properties should be set aside for essential local workers.

6.138 The previous First Homes PPG did state that “authorities can therefore prioritise key workers for First Homes, and are encouraged to do so”. Whether this could be extended to other forms of affordable home ownership remains to be seen.

6.139 Several local authorities (e.g. Manchester) and regional bodies (e.g. Greater London Authority) do promote key worker accommodation for those in eligible occupations; therefore, if there was a demonstrable need, then such housing could be explicitly allocated to key workers/Essential Local Workers.

6.140 Whilst this analysis does not conclude any specific need for affordable housing for essential local workers, it may be that specific other (non-affordable) products might be suitable for particular groups.

6.141 This might include build-to-rent housing, which, for example, might have a specific target of NHS staff on rotation (staff who seek higher quality accommodation close to work but would not be looking to buy due to the possibility of moving to another location in the future).

6.142 Build-to-rent housing (and other rented products) are discussed later in this report when considering the private rented sector. But engagement with local agents does reveal a demand for this type of accommodation

Policy Response

6.143 It is not possible through the housing needs assessment to set out the amount of affordable housing to be required through policy, as this will largely depend on the viability of provision.

6.144 Although not adopted, the Draft Submission Plan of October 2020 proposed a general target of 40% with a tenure split of 65% as social rent and 35% to be provided as shared ownership.

6.145 It is considered that a 40% overall target could provide a good starting point for viability testing and that this report provides additional advice on the tenure split, particularly in light of the December 2024 NPPF, which says (in paragraph 64) that 'planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required)'.

6.146 Overall, it is recommended that the Council consider seeking a split between rented and intermediate housing in an 80:20 ratio. This is justified because households that need rented products are more likely to have acute needs and fewer options in the housing market.

6.147 Whilst the main analysis in this report identified a split of 74:26 between those unable to buy OR rent and those able to rent but not buy, it was noted that these figures do not include the sizeable amount of market housing available for sale at a price below the lower quartile and which could be available for some households in the latter group.

6.148 In terms of more specific types of affordable housing, the analysis indicates that there is a high need for social rented housing in the Borough. As a start point, the Council should seek 100% of rented

provision as social rents. However, if the Local Plan viability work shows that this would not be viable for all types of sites, some affordable rent could be considered to ensure that the overall delivery of affordable homes is not prejudiced.

6.149 The analysis also suggests there is unlikely to be a role for discounted market housing (including First Homes), with the main focus likely to be on shared ownership (and possibly rent-to-buy housing). Even for shared ownership, the analysis was not definitive about how affordable this is in a local context (particularly for larger (3+-bedroom) homes). However, it is noted that the analysis in this report is at a point in time and could change.

6.150 The following table sets out a suggested tenure split based on the evidence in this report. This would still be subject to viability and also the potential for alternative choices to be made by the Council – for example, it is possible that increasing levels of intermediate housing would increase overall delivery and this may be considered preferable to providing homes at social rents (of course the opposite could also be the decision made – more social rents, fewer homes overall).

6.151 Overall, the recommendation is for an 80:20 split, with all rented housing at social rents where viable; intermediate housing focuses on shared ownership and rent-to-buy; no targets are suggested for discounted market sale. The categories used in the table below are consistent with the affordable housing definitions set out in Annex 2 of the NPPF.

Table 6.26 Suggested mix of affordable housing by tenure

Type of affordable housing	Recommended Target (subject to viability)
a) Social Rent	80%
b) Other affordable housing to rent	0%
c) Discounted market sales housing	N/A
d) Other affordable routes to home ownership (Shared Ownership, Rent to Buy)	20%

Source: Iceni analysis

6.152 Given the need for social rents, it will be appropriate to focus on delivering this tenure as the only rented provision on sites where it is economically viable to do so (also noting that it may be difficult to develop sites with both social and affordable rented products due to having a different rent for essentially the same home). Affordable rents could be delivered only on sites where it is necessary due to viability issues.

Affordable Housing Need - Summary

6.153 The analysis has taken into account local housing costs (to both buy and rent) along with estimates of household income. The evidence indicates an acute need for affordable housing in the Borough.

6.154 The majority of need is from households who are unable to buy OR rent and therefore points particularly towards a need for rented affordable housing rather than affordable home ownership. However, certain products (such as shared ownership) could potentially be made available to households at a cost below the cost of privately renting. They would therefore meet some of the need from those unable to access any form of market housing (without subsidy).

6.155 Despite the level of need being high, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need

and overall need (of all tenures) is complex, and in trying to make a link, it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). In addition, the private rented sector is providing benefit supported accommodation for many households. That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.

6.156 The analysis suggests there will be a particular need for social rented housing. Social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.

6.157 The study also considers different types of Affordable Home Ownership (AHO – notably First Homes/discounted market housing and shared ownership) as each may have a role to play. Shared ownership is likely to be suitable for households with more marginal affordability (e.g. those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. There was no evidence of a need for First Homes or discounted market housing more generally.

6.158 Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.

6.159 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

6.160 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important

and pressing issue in the area. It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to what can viably be provided. The evidence does however suggest that affordable housing delivery (and particularly social rents) should be maximised where opportunities arise.

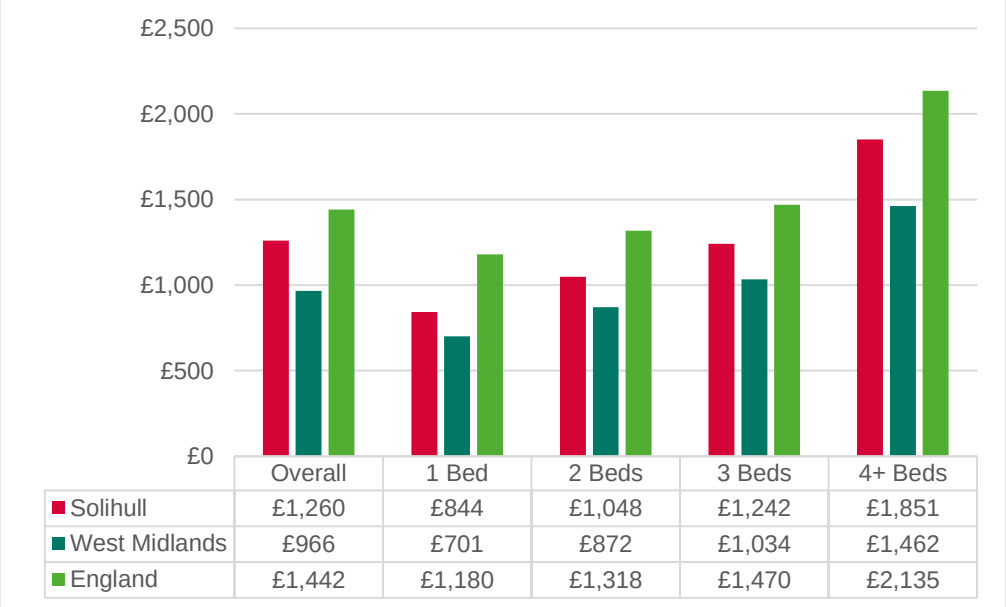
7. Private Rental Sector

PRS

7.1 The Private Rental Sector (PRS) makes an important contribution to the housing market, particularly for those people who cannot afford to buy, including those in affordable housing need.

7.2 The figure below shows the median rental costs per calendar month in each area for the year to May 2026. Median rents in Solihull are £1,260, which is £294 pcm higher than the regional median and but £182 less than the national figure.

Figure 7.1 Median Rental Costs (pcm, year ending May 2026)



	Overall	1 Bed	2 Beds	3 Beds	4+ Beds
Solihull	£1,260	£844	£1,048	£1,242	£1,851
West Midlands	£966	£701	£872	£1,034	£1,462
England	£1,442	£1,180	£1,318	£1,470	£2,135

Source: ONS

7.3 In Solihull, median rents for all types of properties are higher than the West Midlands average. The greatest disparity is for 4+ bedroom properties, where median rents are 10% higher than the West Midlands average, which suggests the need for larger affordable units is not being met.

Rental Change

7.4 The figure below shows how rents have changed over time. Historically, Solihull has seen lower rental prices than England; however, since 2020, prices have converged slightly, with costs in Solihull increasing at a faster rate than across the country.

Figure 7.2 Change in Average Prices (2016- 26)



Source: ONS

7.5 This is summarised in the table below, which shows that while growth over the 5-year period, from May 2021, has been strongest in Solihull at 34.6%. Growth over the two-year period, from May 2024, has been strongest in the West Midlands region.

Table 7.1 Rental Growth over 2 and 5 years

	2 Year Change		5 Year Change	
	Absolute Change	%	Absolute Change	%
Solihull	£85	7.2%	£324	34.6%
West Midlands	£98	11.3%	£242	33.4%
England	£140	10.8%	£363	33.6%

Source: ONS

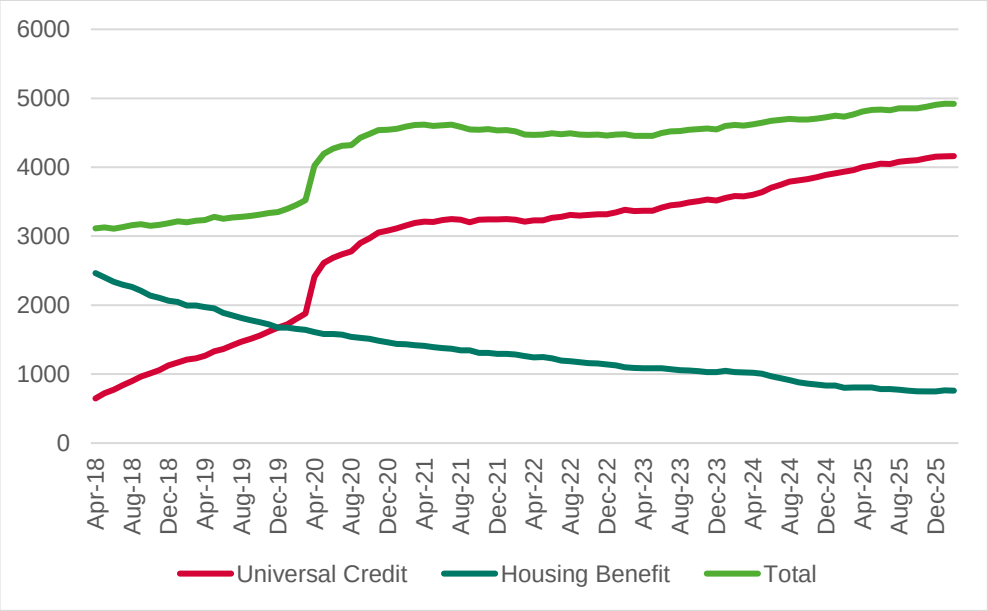
Benefit Supported Private Sector

7.6 Many properties within PRS will be occupied by tenants who receive a form of housing benefit to support the payment of their rent. This effectively illustrates how PRS addresses affordable housing need.

7.7 The figure below shows the change in tenants within PRS who are supported by either Housing Benefit or Universal Credit with a housing element over time. In February 2026, a total of 4,920 households in the private rental sector in Solihull were supported by benefits.

7.8 The number of claimants jumped by around 22% between March and July 2020 as a result of the Covid-19 lockdown, and many workers lost their jobs or saw their income decrease. This number has not declined notably since and has risen further, although more steadily, increasing by 4% between February 2025 and 2026.

Figure 7.3 Benefit-Supported Private Rented Households



Source: Department for Work and Pensions

7.9 The amount of housing-related benefits a person can claim is determined by the Local Housing Allowance (LHA) in their Broad Rental Market Area (BRMA), which considers the average cost of rental housing in the area. Two BRMAs cover Solihull: Solihull and

Birmingham. The table below shows the standard LHA rates for different-sized properties. These can change depending on the claimant's personal circumstances.

Table 7.2 Local Housing Allowance per week (2025/26)

BRMA	Shared Room	1-bed	2-beds	3-beds	4-beds
Solihull	£94.93	£161.10	£189.86	£230.14	£316.44
Birmingham	£78.61	£159.95	£172.60	£189.86	£253.15

Source: VOA

7.10 The table below shows the difference between the LHA rates and current median rental costs in each area (no data is available for shared rooms). As shown, there is a clear disconnect between LHA rates and current median rental costs, particularly for households that need larger properties of 4 or more bedrooms, who could need to source around £800 per month in northern Solihull and Castle Bromwich to make up the difference.

Table 7.3 LHA rates vs median rental costs

Solihull vs	1-bed	2-beds	3-beds	4-beds +
Solihull	-£199.60	-£288.56	-£321.44	-£585.24
Birmingham	-£204.20	-£357.60	-£482.56	-£838.40

Source: Iceni analysis

Houses in Multiple Occupation (HMOs)

7.11 This section of the report examines the market for housing in multiple occupation (HMOs) within the study area. A small HMO (use class C4) is a property let to between three and six people who form more than one household[4] and share a toilet, bathroom, or kitchen facilities. Where more than six unrelated individuals share amenities, this is termed a large HMO (Use Class Sui Generis).

7.12 At present, large HMOs require planning permission while small HMOs are permitted development when they are converted from an existing large home. Solihull Council are actively investigating the introduction of an Article 4 Direction (A4D) which would require any change of use of properties to an HMO to apply for planning permission.

7.13 The HMO market is broad and technically includes entry-level housing, and smaller households of friends sharing as well as unrelated adults.

7.14 Data relating to HMOs is incomplete; this stems from not all HMOs requiring a licence, only those occupied by five or more people. There will also be incidences where HMOs of five or more people are not registered, and the extent of this illegal activity is not known.

7.15 We have sought to draw together data from a range of sources as well as consult with local letting agents to get a better understanding of the scale of demand in the study area.

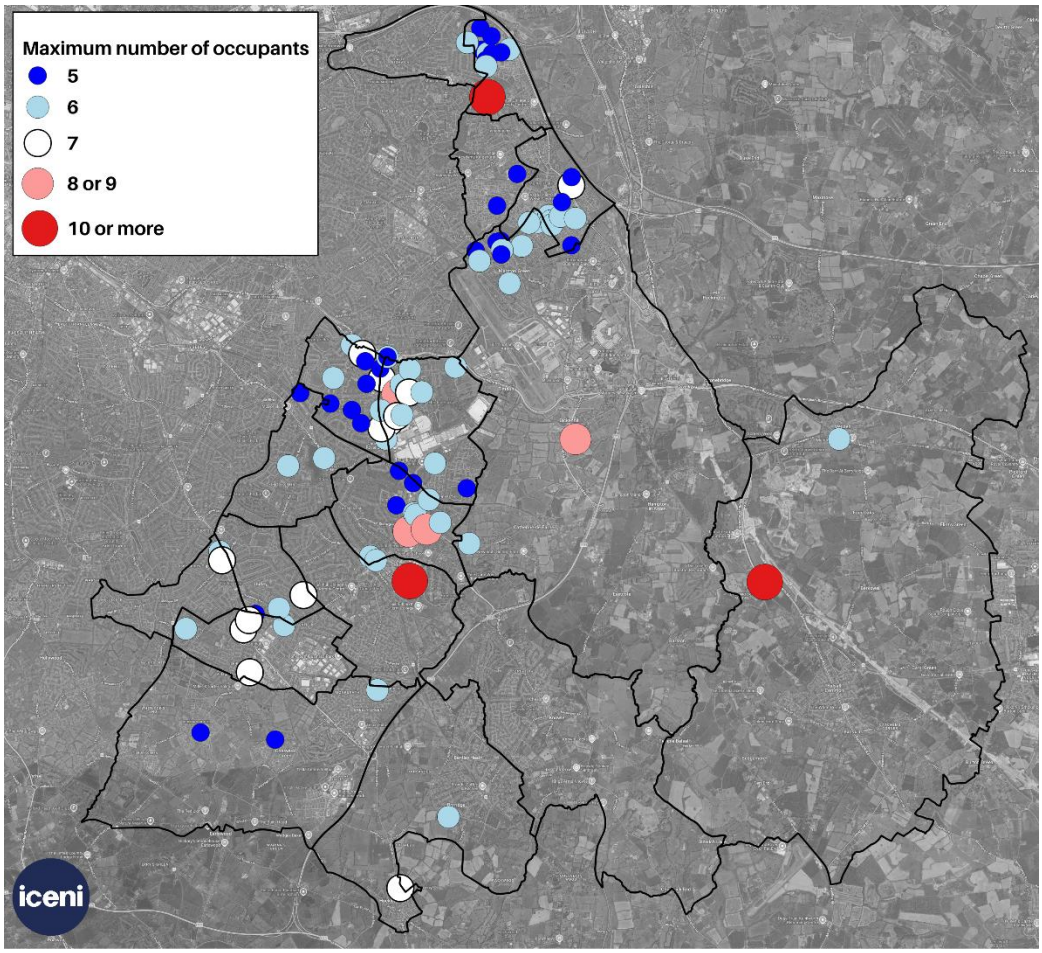
Scale of HMOs

7.16 According to Council data, 102 dwellings are currently registered as HMOs within the area. In the 2024-25, Local Authority Housing Statistics, the Council estimated that there were 180 HMOs within Solihull, many of which will be small enough not to require a license.

7.17 The figure below shows the distribution of Licensed HMOs across Solihull; Solihull town centre appears to see a concentration of units, as do areas to the north of it around Wells Green and Ulverley Green. Marston Green and Chelmsley Wood also see a concentration of HMO’s as does Smiths Wood in the north of the Borough.

7.18 In terms of size, 82 of the HMO’s in Solihull can house 5 or 6 occupants, and a further 20 can house 7 or more occupants. Only 3 HMO’s can house 10 or more occupants.

Figure 7.4 Licensed HMO distribution



Source: Iceni analysis of council licensing data

7.19 The table below shows the distribution of Licensed HMOs by Ward, showing the actual number of licenses as well as the maximum number of occupants that are permitted to live within them. All wards have at least two licensed HMOs.

7.20 Elmdon sees the highest number at 14 licenses with a maximum number of 89 occupants. This is followed by Bickenhill and Lyndon at 13 licenses each, with a maximum of 76 and 73 occupants respectively.

Table 7.4 Licensed HMOs by ward

Ward	Licenses	Maximum Occupants
Bickenhill	13	76
Blythe	3	16
Chelmsley Wood	11	64
Dorridge and Hockley Heath	2	13
Elmdon	14	89
Kingshurst and Fordbridge	2	10
Lyndon	13	73
Meriden	2	19
Olton	3	17
Sheldon	2	11
Shirley East	3	18
Shirley South	6	39
Shirley West	3	18
Silhill	11	68
Smith's Wood	12	72
St Alphege	2	15
Grand Total	**102**	**618**

Source: Council Data

Policy Response

7.21 HMO presence in Solihull is varied, and while data isn't available for the total number of HMOs within Solihull, the Council's best estimate from 2024/25 is 180, which is not a significant number.

7.22 While HMOs can meet specific needs for workers and those who are on lower incomes, high concentrations can lead to an erosion of the character of an area and impact community cohesion. They can also have environmental and economic impacts, which are often referenced by local communities as part of planning applications and enforcement cases. As such, planning controls can be introduced to manage their presence in the authority area, however this has not been case thus far within Solihull.

7.23 There is also a wider need within the NPPF to ensure mixed and balanced communities; therefore, high concentrations of housing of a particular type, not just HMOs, should be avoided.

7.24 At present, planning controls can limit the delivery and occupation of newly built dwellings as HMOs. However, subject to certain conditions, the change of use from a dwelling house to a small HMO is a permitted development, meaning it does not require planning permission.

7.25 Councils do have the power, through the use of an Article 4 Direction, to introduce the requirement for planning permission for small HMOs and therefore remove permitted development rights. Note, this is not a power to restrict small HMOs but rather to require them to get planning permission.

7.26 Such a policy will allow the Council to better manage where new HMOs can be permitted to maintain a balance of housing types across the study area. Based on the evidence within this study however, we would advise that further review of the HMO market would be required to support such a policy to be applied in or across Solihull.

7.27 Other potential responses are to ensure a greater supply of smaller one-bed and studio flats, as this will divert some of the demand. This can be delivered through build-to-rent developments, which can also deliver affordable private rent. This ensures a supply of smaller, affordable homes in each area as an alternative to HMOs.

Build to Rent and Co-Living

7.28 Concerning Build to Rent, the Housing White Paper (February 2017) set out that the then Government wanted to build on earlier initiatives to attract new investment into large-scale housing which is purpose-built for market rent (i.e., Build to Rent).

7.29 The then Government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation

for families, particularly as access to ownership has become more challenging.

7.30 The NPPF sets out that the needs of people who rent their homes (as separate from affordable housing) should be assessed and reflected in planning policies. The NPPF glossary also includes a definition for Build to Rent development:

> *"Purpose-built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development."*

7.31 It therefore represents development which is constructed with the intention that it will be let rather than sold.

Benefits of Build-to-Rent/Co-Living

7.32 The benefits of Build to Rent are best summarised in the former Government's "A Build to Rent Guide for Local Authorities" which was published in March 2015. The Guide notes the benefits are wide-ranging but can include:

- Helping local authorities to meet the demand for private rented housing whilst increasing tenants' choice "as generally speaking tenants only have the option to rent from a small-scale landlord."
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
- Helping to increase housing supply, particularly on large, multiple-phased sites as it can be built alongside build-for-sale and affordable housing; and
- Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

7.33 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

7.34 Over recent years, there has been rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Savills' UK Build-to-Rent Market Update[13] for Q1 2025 states that the BTR market now has 127,000 completed units, 50,000 under construction and 110,000 in the development pipeline, a total of 287,000 units.

7.35 However, much of this stock is in the largest cities of London, Manchester, Birmingham and Leeds.

The Profile of Tenants

7.36 The British Property Federation ("BPF"), London First and UK Apartment Association ("UKAA") published (November 2022) a report[14] profiling those who live in Build to Rent accommodation in England. Whilst this is focused on more urban locations, it helps understand the broad profile of tenants.

7.37 According to their research around 40% of residents were aged between 25 and 34, which is broadly similar to the wider private rented sector.

7.38 The survey identified that incomes are similar to those in private rented sector accommodation with 18% earning between £26,000 and £32,000

[13] https://www.savills.co.uk/research_articles/229130/376156-0

[14] https://bpf.org.uk/our-work/research-and-briefings/who-lives-in-build-to-rent-2022/

per annum, and 23% earning between £32,000 and £44,000 per annum.

7.39 The report also noted that Build to Rent has comparable levels of affordability but is notably more affordable for couples and sharers.

Potential Demand in Solihull

7.40 Data collected by the HomeViews website[15] on Build-to-Rent development suggests that there are no existing BTR or Co-Living schemes in Solihull.

7.41 There is however one BTR scheme under construction, this is Holbeach Place[16] which is being developed by Muse in Solihull town centre. It is a high density, flatted multi-family scheme that when completed will bring forwards 346 units.

7.42 It is worth noting that despite the lack of active BTR/Co-Living schemes in Solihull at this time, neighbouring Birmingham is home to a significant number of BTR/Co-Living units; the Bidwell's (May 2025[17]) Market Snapshot for Birmingham estimates that 7,421 BTR/Co-Living units are operational in the City.

7.43 Even though there is only one BTR scheme in the Solihull pipeline at the moment, the scale of the sector in Birmingham indicates that there is likely to be further interest from the development industry in promoting BTR and Co-Living development in the area. This might increase further with the development of HS2

[15] Interactive Build to Rent Map - HomeViews Business Hub
[16] Holbeche Place, Solihull | Build to Rent | BTR Directory

[17] https://thearl.org.uk/wp-content/uploads/2025/06/250529-Monthly-Rental-Update-Birmingham-v1.pdf

7.44 In terms of BTR, Solihull has the potential to support both single-family and multi-family Build to Rent provision. Multi-family BTR is likely to be most appropriate in more urban locations, including Solihull town centre and other areas where flatted development is already a common part of the built form; the same is true for Co-Living, which is exclusively in high-density flatted development.

7.45 By contrast, single-family BTR may be better suited to more suburban locations, where provision would typically take the form of conventional houses and therefore integrate more readily with the surrounding residential character.

The Recommended Policy Response

7.46 The PPG on Build to Rent recognises that where a need is identified, local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent.

7.47 In recognition of the potential growth of the sector, the Council may consider including a policy on Build-to-Rent development to set out parameters (such as design, contract lengths, space standards, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc.), regarding how schemes would be considered on planning application.

7.48 This policy should also deal with how affordable housing policies would be applied. An example of this can be found in the London Plan 2021 and associated Affordable Housing and Viability Supplementary Planning Guidance.

7.49 Given that the sector is still evolving, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development.

7.50 While the recommended size mix outlined within this report works as a good starting point the Council should work with developers to understand what mix can viably be delivered on each site.

7.51 The mix on each site should be reflective of the type of development proposed, for example, proposed multi-family (flatted schemes) are unlikely to deliver 4 bed properties, as well as the location of the scheme.

7.52 The NPPF's definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.

7.53 The Council will also need to consider affordable housing policies specifically for the Build-to-Rent sector. The viability of Build-to-Rent development will, however, differ from that of a typical mixed tenure development in that returns from the Build-to-Rent development are phased over time. In contrast, a typical mixed tenure scheme generates capital receipts as units are sold.

7.54 In general terms, it is expected that a proportion of Build to Rent units will be delivered as 'Affordable Private Rent' housing. Planning Practice Guidance[18] states that:

> *"The National Planning Policy Framework states that affordable housing on build-to-rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build-to-rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build-to-rent landlord.*

[18] ID: 60-002-20180913

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build-to-rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development"

7.55 The Council should have regard to the PPG on Build-to-Rent developments. This states that at least 20% of the units within a Build-to-Rent development should be let as Affordable Private Rented units at a 20% discount to local market rents. The Council might consider capping these at LHA rates, subject to viability.

Private Rental Sector - Summary

7.56 The Private Rented Sector (PRS) plays a significant role in meeting housing needs in Solihull, for households unable to access home ownership.

7.57 Rental costs in Solihull are higher than the West Midlands average, with median rents reaching £1,260 per month in 2026.

7.58 Rent growth has also been strong, increasing by almost 35% over the last five years, outpacing both regional and national growth.

7.59 Despite this, there is a growing affordability challenge for larger family homes, where rents are substantially above Local Housing Allowance (LHA) rates.

7.60 As a result, many benefit-dependent, lower-income households face significant shortfalls between LHA rates and actual rental costs.

7.61 The HMO market forms another part of the lower-cost housing offer. Solihull is estimated to contain around 180 HMOs, with 102 licensed properties accommodating up to 618 occupants.

7.62 HMOs are distributed across all wards, although concentrations are evident in areas such as Elmdon, Bickenhill, Lyndon, Smith's Wood and Chelmsley Wood.

7.63 While HMOs provide an important source of affordable accommodation for workers and smaller households, the report notes that excessive concentrations can affect local character and community balance.

7.64 Build to Rent and Co-Living is also considered to be an emerging opportunity to diversify housing provision. Although Solihull currently has no completed BTR or Co-Living schemes, the 346-unit Holbeach Place development is under construction, and evidence suggests a well-established market in neighbouring Birmingham.

7.65 Evidence suggests Solihull could support both higher-density multi-family BTR and Co-Living developments in urban locations and single-family BTR housing in more suburban areas.

7.66 The recommended policy response is for the Council to continue monitoring the HMO sector while considering policy support for BTR.

7.67 Any future BTR policy should address matters such as design, tenure, management standards and affordable housing provision. In line with national guidance, around 20% of units in BTR schemes should be delivered as Affordable Private Rent homes at discounted rents, helping to broaden the supply of affordable rented housing across the borough.

8. Housing Mix

8.1 This section considers the appropriate mix of housing across Solihull, with a particular focus on the sizes of homes required in different tenure groups.

8.2 This section looks at a range of statistics related to families (generally described as households with dependent children) before moving on to examine how the number of households in different age groups is projected to change.

Background Data

8.3 The number of families in Solihull (defined for this assessment as any household which contains at least one dependent child) totalled around 26,900 as of the 2021 Census, accounting for 30% of households; this proportion is very slightly higher than seen across the wider comparators, although the proportion of married couples with dependent children is higher than in other locations.

Table 8.1 Households with Dependent Children (2021)

	Solihull		West Midlands	England
	No.	%	%	%
Married couple	14,699	16.4%	14.2%	14.4%
Cohabiting couple	3,658	4.1%	4.8%	4.5%
Lone parent	6,438	7.2%	7.4%	6.9%
Other households	2,110	2.4%	3.0%	2.7%
All other households without Children	62,581	69.9%	70.6%	71.5%
Total	89,486	100.0%	100.0%	100.0%
Total with dependent children	26,905	30.1%	29.4%	28.5%

Source: Census (2021)

8.4 The table below shows the same information for each of the sub-areas. The proportion of households with dependent children varies, highest in North Solihull (34% of households) and lowest in Castle Bromwich (25%). North Solihull also has a notably higher proportion of lone-parent households.

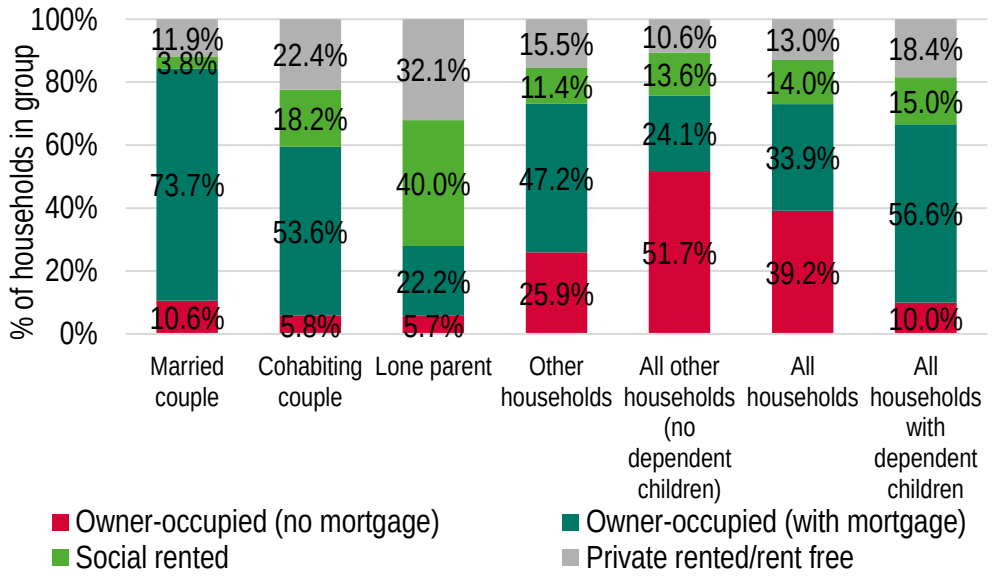
Table 8.2 Households with dependent children (2021) – sub-areas

	Castle Brom-wich	North Solihull	Rural Area	Urban Area	TOTAL
Married couple	13.5%	9.4%	18.9%	18.0%	16.4%
Cohabiting couple	5.0%	6.5%	3.3%	3.5%	4.1%
Lone parent	4.5%	15.7%	5.5%	5.2%	7.2%
Other households	2.5%	2.7%	1.9%	2.5%	2.4%
All other households	74.5%	65.7%	70.4%	70.8%	69.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total with dependent children	25.5%	34.3%	29.6%	29.2%	30.1%

Source: Census (2021)

8.5 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type, with lone parents having a very high proportion living in the social and private rented sectors. Across the Borough, only 28% of lone-parent households are owner-occupiers compared with 84% of married couples with children.

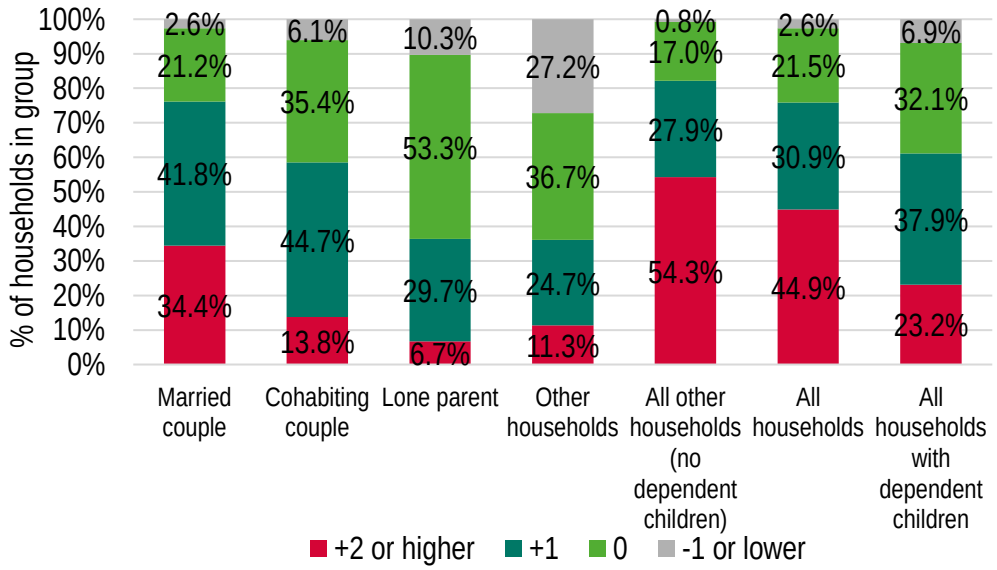
Figure 8.1 Tenure of households with dependent children (2021) – Solihull



Source: Census (2021)

8.6 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children, with 10% of all lone parents and 27% of 'other' households being overcrowded. Overall, some 7% of households with dependent children are overcrowded, compared with less than 1% of other households. Levels of under-occupancy (positive figures) are also notably lower in households with dependent children.

Figure 8.2 Occupancy rating of households with dependent children (2021) – Solihall



Source: Census (2021)

The Mix of Housing

8.7 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. The data include information on household ages and the typical sizes of the homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much.

8.8 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is possible to assess the profile of housing needed over the 2026-43 period.

8.9 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up 84% of the total in this tenure group, a higher proportion than seen both nationally and across the West Midlands).

8.10 The profile of the social rented sector is slightly smaller than other areas (more 1-bedroom homes and fewer with 3+-bedrooms) whilst the private rented sector is generally slightly larger, with a relatively high proportion of 3-bedroom homes. Observations about the current mix feed into conclusions about the future mix later in this section.

Table 8.3 Number of Bedrooms by Tenure, 2021

		Solihull	West Midlands	England
Owner-occupied	1-bedroom	2%	2%	4%
	2-bedrooms	13%	19%	21%
	3-bedrooms	48%	52%	46%
	4+-bedrooms	36%	27%	29%
	Total	100%	100%	100%
	Ave. no. beds	3.19	3.04	3.01
Social rented	1-bedroom	37%	29%	29%
	2-bedrooms	33%	35%	36%
	3-bedrooms	27%	32%	31%
	4+-bedrooms	3%	4%	4%
	Total	100%	100%	100%
	Ave. no. beds	1.97	2.12	2.10
Private rented	1-bedroom	13%	17%	21%
	2-bedrooms	36%	37%	39%
	3-bedrooms	40%	37%	29%
	4+-bedrooms	11%	10%	11%
	Total	100%	100%	100%
	Ave. no. beds	2.48	2.40	2.30

Source: Census (2021)

8.11 The table below shows the same information by sub-area. In the owner-occupied sector, there are clear differences, with homes in the Rural area typically much larger (over half with 4+ bedrooms). The owner-occupied stock in North Solihull and, to a lesser extent, Castle Bromwich is dominated by 3-bedroom homes.

8.12 In the social rented sector, the Urban area sees a very high proportion of 1-bedroom homes, with Castle Bromwich seeing a high proportion of homes with 2-bedrooms. For private rented housing, North Solihull has

the highest average dwelling size, and 3-bedroom homes again dominate this sector.

Table 8.4 Number of Bedrooms by Tenure, 2021 – sub-areas

		Castle Brom-wich	North Solihull	Rural Area	Urban Area
Owner-occupied	1-bedroom	3%	3%	2%	2%
	2-bedrooms	9%	11%	14%	14%
	3-bedrooms	65%	74%	33%	50%
	4+-bedrooms	24%	12%	51%	35%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.09	2.96	3.33	3.16
Social rented	1-bedroom	26%	31%	37%	48%
	2-bedrooms	47%	37%	32%	24%
	3-bedrooms	25%	28%	26%	25%
	4+-bedrooms	2%	4%	4%	3%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.03	2.04	1.97	1.83
Private rented	1-bedroom	17%	11%	15%	13%
	2-bedrooms	35%	21%	41%	39%
	3-bedrooms	40%	60%	29%	39%
	4+-bedrooms	8%	7%	15%	10%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.40	2.64	2.44	2.45

Source: Census (2021)

Overview of Methodology

8.13 The method to consider future housing mix looks at the ages of the Household Reference Persons (HRP) and how these are projected to change over time. The following subsections describe some key analyses.

Understanding How Households Occupy Homes

8.14 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided.

8.15 The main reason for this is that in the market sector, households can buy or rent any size of property (subject to what they can afford). Therefore, knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

8.16 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it; hence, projecting an increase in single-person households does not automatically translate into a need for smaller units.

8.17 That said, issues of supply can also impact occupancy patterns; for example, it may be that a supply of additional smaller-level access homes would encourage older people to downsize, but in the absence of such accommodation, these households remain living in their larger accommodation.

8.18 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria), where households are allocated properties which reflect the size of the household.

8.19 However, there will still be some level of under-occupation moving forward with regard to older persons and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy (‘bedroom tax’)).

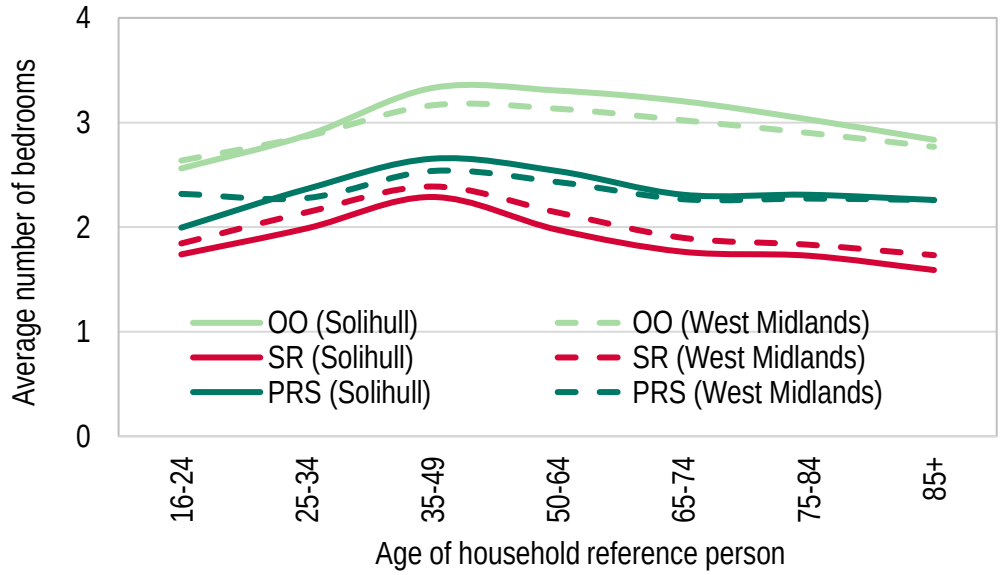
8.20 The approach used is to interrogate information derived in the projections about the number of HRPs in each age group and apply this

to the profile of housing within these groups (data being drawn from the 2021 Census).

8.21 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Solihull and the West Midlands region. In all sectors, the average size of accommodation increases over time, typically peaking around age 50. After peaking, the average dwelling size decreases slightly, as some households typically downsize as they get older.

8.22 The analysis also shows that Solihull has broadly similar average dwelling sizes across many age and tenure groups compared with regional data (generally slightly larger in the owner-occupied sector and smaller for social rented housing).

Figure 8.3 Average Bedrooms by Age and Tenure in Solihull and the region



Source: Census (2021)

8.23 The analysis uses the existing occupancy patterns at a local and regional level as a starting point for analysis. It applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the market sector (i.e. owner-occupiers and the private rented sector);

- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and

- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

8.24 The table below presents the projected change in households by age of household reference person under the Standard Method. This shows growth is expected across all age groups, including high changes for those aged Under 25 and 25-34 – this is in part due to an assumption that household formation could improve over time.

Table 8.5 Projected Change in Households by Age of HRP in Solihull

	2026	2043	Change in Households	% Change
Under 25	1,258	2,526	1,268	100.8%
25-34	9,794	14,436	4,642	47.4%
35-49	23,393	28,874	5,481	23.4%
50-64	26,082	29,084	3,001	11.5%
65-74	12,837	14,424	1,586	12.4%
75-84	12,970	15,286	2,316	17.9%
85+	5,644	8,623	2,979	52.8%
TOTAL	91,978	113,252	21,274	23.1%

Source: Iceni Analysis

Modelled Outputs

8.25 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level.

8.26 The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will, to some extent, reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

8.27 The table below shows the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 8.6 Initial Modelled Mix of Housing by Size and Tenure – Solihull

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	23%	47%	23%
Affordable home ownership	17%	38%	36%	9%
Affordable housing (rented)	32%	36%	28%	4%

Source: Housing Market Model

Rightsizing

8.28 The analysis above sets out the potential need for housing if occupancy patterns remain the same as they were in 2021 (with differences from the current stock profile being driven by demographic change).

8.29 It is, however, also worth considering that the 2021 profile will have included households that are overcrowded (and therefore need a larger home than they actually live in) and those that under-occupy (have more bedrooms than they need).

8.30 There is a case for seeking new stock to match actual size requirements more closely. Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector), it is the case that in seeking to make the most efficient use of land, it would be prudent to look to reduce this over time. Further analysis has been undertaken to take account of overcrowding and under-occupancy (by tenure).

8.31 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers).

8.32 This shows a high number of households with at least 2 spare bedrooms that are living in homes with 3 or more bedrooms. There are also several overcrowded households.

8.33 In the owner-occupied sector in 2021, there were 57,400 households with some degree of under-occupation and around 800 overcrowded households – some 88% of all owner-occupiers have some degree of under-occupancy.

Table 8.7 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Solihull

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	17,908	19,241	37,149
+1 spare bedroom	0	7,252	9,329	3,717	20,298
0 "Right-sized"	1,425	1,292	3,653	700	7,070
-1 too few bedrooms	50	124	461	195	830
TOTAL	1,475	8,668	31,351	23,853	65,347

Source: Census (2021)

8.34 For completeness, the tables below show the same information for the social and private rented sectors. In both cases, there are more under-occupied households than overcrowded households, but the differences are less marked than those seen for owner-occupied housing.

Table 8.8 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Solihull

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	859	158	1,017
+1 spare bedroom	0	1,556	929	135	2,620
0 “Right-sized”	4,367	2,070	1,294	111	7,842
-1 too few bedrooms	210	510	299	37	1,056
TOTAL	4,577	4,136	3,381	441	12,535

Source: Census (2021)

Table 8.9 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Solihull

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	1,299	717	2,016
+1 spare bedroom	0	2,452	1,945	361	4,758
0 “Right-sized”	1,432	1,571	1,220	142	4,365
-1 too few bedrooms	103	160	176	26	465
TOTAL	1,535	4,183	4,640	1,246	11,604

Source: Census (2021)

8.35 In using this data in the modelling, an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns it to a ‘+1’ occupancy.

8.36 This does need to be recognised as an assumption, but can be seen to be reasonable as they do retain some (considerable) degree of under-occupation (which is likely). It also seeks to model a better match between household needs and home size.

8.37 For overcrowded households, a move in the other direction is made; in this case, households are moved up as many bedrooms as are needed to resolve the problems (this is applied for all overcrowded households).

8.38 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following tables. It can be seen that this suggests a slightly different profile of homes is needed (compared to the initial modelling), including an increase in the need for 4+-bedroom homes in the rented affordable housing sector due to levels of overcrowding.

Table 8.10 Modelled Mix of Housing by Size and Tenure – Solihull

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	31%	45%	18%
Affordable home ownership	15%	41%	35%	9%
Affordable housing (rented)	31%	35%	28%	6%

Source: Housing Market Model

8.39 Across the Borough, the analysis points to approaching a third of the social/affordable housing need being for 1-bedroom homes, and it is of interest to see how much of this is due to older person households. In the future, household sizes are projected to drop, whilst the population of older people will increase.

8.40 Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impact that older people have on the demand for smaller stock is outlined in the table below.

8.41 This indeed identifies a slightly larger profile of homes needed for households where the household reference person is aged under 65, with a concentration of 1-bedroom homes for older people.

8.42 This information can be used to inform the mix of housing for older people (e.g., age-restricted), although it should be noted that not all older people would be expected to live in homes solely for older people.

8.43 The 2-, 3-, and 4+-bedroom categories have been merged for the purposes of older persons, as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2 bedrooms in the rented affordable housing sector.

Table 8.11 Modelled Mix of Housing by Size and Age – affordable housing (rented) – Solihull

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	25%	39%	30%	6%
65 and over	49%	51%		
All affordable housing (rented)	31%	35%	28%	6%

Source: Housing Market Model

8.44 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of accommodation of different sizes.

8.45 This links back to estimates of need in the previous section (an annual need for 526 dwellings per annum from households unable to buy OR rent) with additional data from CoRe about the sizes of homes let over the past three years.

8.46 This analysis shows the low supply of larger homes relative to the need for 4+-bedroom accommodation in particular, where it is estimated the supply is only around a quarter of the need arising each year. In

contrast, for 1- and 2-bedroom homes, around half of the need can be met.

Table 8.12 Need for rented affordable housing by number of bedrooms – Solihull

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	358	197	161	30.7%	54.9%
2-bedrooms	352	167	185	35.2%	47.4%
3-bedrooms	215	66	149	28.3%	30.8%
4+-bedrooms	42	11	31	5.8%	27.0%
Total	967	441	526	100.0%	45.6%

Source: Iceni analysis

Indicative Targets for Different Sizes of Property by Tenure

8.47 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take into account a range of factors, including the modelled outputs and an understanding of the stock profile and the levels of under-occupancy and overcrowding.

8.48 The analysis (for rented affordable housing) also draws on data from the local authority Housing Register with regard to the profile of need, as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

8.49 The Housing Register data below shows a pattern of need focussed on 1-bedroom homes, but with approaching a third needing 3+-bedroom accommodation, including 9% needing 4+-bedrooms.

Table 8.13 Size of Social/Affordable Rented Housing Needed – Housing Register Information (April 2025)

	Number of households	% of households
1-bedroom	1,181	36%
2-bedrooms	1,064	32%
3-bedrooms	768	23%
4+-bedrooms	280	9%
TOTAL	3,293	100%

Source: LAHS

Social/Affordable Rented

8.50 Bringing together the above, several factors are recognised. This includes recognising that it is unlikely all affordable housing needs will be met, and that households needing larger homes will have greater priority (as they are more likely to have children). The following mix of social/affordable rented housing is therefore suggested:

- 1-bedroom: 25-30%
- 2-bedrooms: 30-35%
- 3-bedrooms: 25-30%
- 4+-bedrooms: 10-15%

8.51 If a development is to include housing specifically for older people (e.g. forms of age-restricted housing), then broadly a 50:50 split between 1- and 2-bedroom homes is recommended.

8.52 The inclusion of some 2-bedroom homes is considered sensible with the aim of promoting the opportunity for older person households to downsize – a 2-bed offering being more likely to encourage this than 1-bed homes.

8.53 Also, whilst technically most older person households will only have a 'need' for a 1-bed home, a larger property remains affordable as the bedroom tax/spare room subsidy does not impact most older person households.

8.54 It should be noted that the above recommendations are to a considerable degree based on projecting the need forward to 2043 and will vary over time.

8.55 It may be at a point in time that Housing Register data identifies a shortage of housing of a particular size/type, which could lead to the mix of housing being altered from the overall suggested requirement.

Affordable Home Ownership

8.56 In the affordable home ownership sector, a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples.

8.57 The conclusions also take account of the earlier observation that it may be difficult to make (particularly larger) homes genuinely affordable for AHO due to newbuild prices. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 10-15%
- 2-bedrooms: 45-50%
- 3-bedrooms: 30-35%
- 4+-bedrooms: 5-10%

Market Housing

8.58 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to reduce levels of under-occupancy slightly).

8.59 We have also had regard to the potential for rightsizing but also recognise that in the market sector there is limited ability to control what households purchase. This sees a slightly larger recommended profile compared with other tenure groups.

- 1-bedroom: 5-10%
- 2-bedrooms: 30-35%
- 3-bedrooms: 40-45%
- 4+-bedrooms: 15-20%

8.60 Although the analysis has quantified this based on the market modelling and an understanding of the current housing market (including the stock profile in different tenures as set out earlier in this section), it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Borough) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

8.61 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

8.62 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein.

8.63 Site location and area character are also relevant considerations as to what the appropriate mix of market housing is on individual development sites.

Built-form

8.64 A final issue is a discussion of the need/demand for different built-forms of homes. In particular, this discussion focuses on bungalows and the need for flats vs houses.

Bungalows

8.65 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does, however, provide estimates of the number of bungalows (by bedrooms), although no tenure split is available.

8.66 The table below shows only a small proportion of homes in Solihull are bungalows (6% of all flats and houses), with 39% of these having 2 bedrooms, and a further 31% 1 bedroom; a higher proportion (9%) of homes across England are bungalows.

Table 8.14 Number of dwellings by property type and number of bedrooms (March 2025) – Solihull

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	1,660	2,110	1,260	350	30	5,400
Flat/ Maisonette	6,580	10,920	1,250	30	270	19,070
Terraced house	120	3,470	11,260	1,250	270	16,370
Semi-detached house	40	2,770	24,390	3,410	190	30,800
Detached house	10	390	7,530	15,080	450	23,460
All flats/houses	8,410	19,660	45,690	20,120	1,210	95,100
Annexe	-	-	-	-	-	130
Other	-	-	-	-	-	220
Unknown	-	-	-	-	-	520
All properties	-	-	-	-	-	95,950

Source: Valuation Office Agency

8.67 Bungalows are often the first choice for older people seeking suitable accommodation in later life, and there is generally a high demand when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support). There may also be a demand from households containing someone with a disability (across all age groups).

8.68 The demand for bungalows can be seen in the pricing of this dwelling type, with an internet search of homes for sale suggesting a median asking price for a 2-bedroom bungalow to be around £390,000, compared to £215,000 for 2-bedroom homes of other built-forms (suggesting a 'bungalow premium' of around 81% - although a range of factors such as location will influence this).

8.69 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich),

which may help encourage households to downsize. However, the downside to providing bungalows is that they are relatively land-intensive.

8.70 Bungalows are likely to meet a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger 'family-sized' accommodation (with 3+-bedrooms).

Flats versus houses

8.71 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.

8.72 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Solihull, the region and England. This shows a relatively high proportion of flats in Solihull (55% of all 2-bedroom homes), which would arguably point to the majority of 2-bedroom homes in the future being flats. The analysis also shows a higher proportion of flats in the social and private rented sectors (around two-thirds of 2-bedroom homes in these sectors are flats).

Table 8.15 Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

	Solihull	West Midlands	England
Owner-occupied	43%	16%	25%
Social rented	66%	45%	48%
Private rented	69%	40%	52%
All (2-bedroom)	55%	30%	38%

Source: 2021 Census

8.73 For completeness, the table below shows the proportion of flats in Solihull for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats.

Table 8.16 Proportion of homes that are a flat, maisonette or apartment (by tenure and dwelling size) – Solihull

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	78%	43%	2%	0%
Social rented	67%	66%	9%	4%
Private rented	86%	69%	8%	3%
All	73%	55%	3%	0%

Source: 2021 Census

8.74 The analysis suggests the flatted market in Solihull is well established, and for 2-bedroom homes a mix of flats and houses in new developments could be expected.

8.75 In the market sector, the demand for houses versus flats is notable through analysis of house prices, with an average (median) asking price of a 2-bedroom flat being around £190,000, compared with £300,000 for other dwelling types.

8.76 In the social rented sector, the analysis shows 66% of 2-bedroom homes are flats whilst analysis of the Housing Register points to 65% of households as containing children, therefore needing at least 2-bedrooms and ideally some outside space.

8.77 Therefore, the Council should encourage houses rather than flats for 2-bedroom development across all tenures where this is feasible. However, it is recognised that some sites will be more suited to flatted development.

Smaller-area Housing Mix

8.78 The analysis above has focused on overall Borough-wide needs with conclusions at the strategic level. However, there will be variations in need within the area because locations have different roles and functions, and local households have specific characteristics (which can also vary over time).

8.79 This report does not seek to model smaller-area housing mix. However, data is available to help inform specific local issues (including data about household composition, current housing mix, and overcrowding/under-occupation). Below are some points for consideration when looking at needs in any specific location:

a) Whilst there are differences in the stock profile in different locations, this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
c) That said, some areas may have relatively few small/cheaper homes, and so consideration needs to be given to diversifying the stock; and
d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in central locations may be more suited to flatted development (as well as recognising the point above about role and function). In contrast, a more suburban site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.

8.80 Overall, it is suggested that the Council should broadly seek the same mix of housing in all locations as a starting point in policy, but would be flexible to a different mix where specific local characteristics suggest (such as site characteristics and location).

8.81 That said, some localised characteristics should be recognised; this includes the very high proportions of 3-bedroom market homes in North Solihull and Castle Bromwich, and so some diversification away from this size might be appropriate – although it should be recognised that a newbuild product might be very different from existing housing.

8.82 Additionally, in the affordable sector, it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type, which could lead to the mix of housing being altered from the overall suggested requirement.

8.83 For example, the Solihull Urban area sees a high proportion of 1-bedroom social rented homes; given this, and the high number of households with children on the Housing Register, a greater proportion of 2+-bedroom homes in this area would be appropriate where possible.

Housing Mix Summary

8.84 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population.

8.85 The proportion of households with dependent children in Solihull is fairly average, with around 30% of all households containing dependent children in 2021. However, there are some notable variations across areas (notably the high proportion in North Solihull, including a large proportion of lone parent households).

8.86 There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of

owner-occupation. In contrast, lone parents are particularly likely to live in social and private rented accommodation.

8.87 There is a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.

8.88 The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes; this takes account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock by not fully projecting forward levels of under-occupancy (which is notable in the market sector).

8.89 In all sectors, the analysis points to a particular need for 2- and 3-bedroom accommodation, with varying proportions of 1- and 4+-bedroom homes. For rented affordable housing, there is a clear need for a range of different sizes of homes, including at least 35% with 3-bedrooms and at least 10% with at least 4-bedrooms. Our recommended mix is set out below:

Table 8.17 Suggested size mix of housing by tenure – Solihull

	Market	Affordable home ownership	Rented affordable housing
1-bedroom	5-10%	10-15%	25-30%
2-bedrooms	30-35%	45-50%	30-35%
3-bedrooms	40-45%	30-35%	25-30%
4+-bedrooms	15-20%	5-10%	10-15%

Source: Iceni analysis

8.90 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and

management issues. The conclusions also take account of the current mix of housing by tenure and the size requirements shown on the Housing Register.

8.91 The mix identified above could inform strategic policies, although a flexible approach should be adopted. For example, in some areas, affordable housing registered providers have difficulty selling 1-bedroom affordable home ownership (AHO) homes; therefore, the 1-bedroom element of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices, there are potential difficulties in making AHO genuinely affordable (particularly for larger homes).

8.92 The Council should also consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers, which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

8.93 Specifically for 2-bedroom homes, there is a case to seek houses rather than flats where possible. The Borough already has a high proportion of flats of this size across tenures and data from the Housing Register suggests 65% of households contain children (and would be more suited to a house with outside space).

8.94 Although the strategic mix is recommended Borough-wide, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

8.95 Locally specific issues might include the large proportion of 3-bedroom homes in the market in North Solihull and Castle Bromwich and the high proportion of 1-bedroom social rents in the Urban area – potentially seeking to diversify stock from the current mix.

8.96 The Council should also monitor the mix of housing delivered to identify if any particular shortfalls could be addressed on future sites.

9. Older and Disabled Persons

9.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability.

9.2 It responds to the Planning Practice Guidance on Housing for Older and Disabled People published by the Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Older People

9.3 The table below provides baseline population data about older persons in Solihull and compares this with other areas. The table shows the Borough has a slightly older age structure than that seen across the region and nationally – 22% of the population being aged 65 and over. The proportion of people aged 75 and over (at 11.6%) is also slightly above the equivalent regional and national figure.

Table 9.1 Older Persons Population, 2025

	Solihull		West Midlands	England
	No.	%	%	%
Under 65	173,787	78.5%	80.9%	80.9%
65-74	22,059	10.0%	9.5%	9.6%
75-84	18,326	8.3%	7.0%	6.9%
85+	7,277	3.3%	2.6%	2.6%
Total	221,449	100.0%	100.0%	100.0%
Total 65+	47,662	21.5%	19.1%	19.1%
Total 75+	25,603	11.6%	9.7%	9.5%

Source: ONS

9.4 The table below shows the same data for sub-areas. This is based on the 2024 mid-year population estimates (MYE) and is therefore slightly different to the 2025 MYE, as shown above.

9.5 The analysis points to some variation in the proportion of older people, this being notably lower in North Solihull, where just 14% of the population is aged 65+. All other areas see at least 22% of the population in this age group.

Table 9.2 Older Persons Population, 2024 – sub-areas

	Castle Bromwich	North Solihull	Rural Area	Urban Area	TOTAL
Under 65	75.1%	85.5%	77.0%	77.7%	78.7%
65-74	12.2%	7.4%	10.6%	10.1%	9.9%
75-84	9.4%	5.7%	9.1%	8.3%	8.1%
85+	3.3%	1.4%	3.3%	3.9%	3.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total 65+	24.9%	14.5%	23.0%	22.3%	21.3%
Total 75+	12.7%	7.1%	12.4%	12.2%	11.4%

Source: ONS

Projected Future Change in the Population of Older People

9.6 Population projections can next be used to indicate how the number of older persons might change in the future, with the table below showing that Solihull is projected to see a notable increase in the older person population – the projection is based on the Standard Method.

9.7 For the 2026-43 period, a projected increase in the population aged 65+ of around 20% is shown – the population aged under 65 is, in contrast, projected to see a more modest (but still significant) increase (of 16%).

9.8 In total population terms, the projections show an increase in the population aged 65 and over of 9,800 people. This is against a backdrop of an overall increase of 37,300 – population growth of people aged 65 and over; therefore, it accounts for 26% of the total projected population change.

Table 9.3 Projected Change in Population of Older Persons, 2026 to 2043 – Solihull

	2026	2043	Change in population	% change
Under 65	173,835	201,310	27,475	15.8%
65-74	22,299	24,961	2,662	11.9%
75-84	18,652	21,967	3,315	17.8%
85+	7,269	11,082	3,813	52.5%
Total	222,054	259,320	37,266	16.8%
Total 65+	48,219	58,010	9,791	20.3%
Total 75+	25,921	33,049	7,129	27.5%

Source: Iceni Analysis

Characteristics of Older Person Households

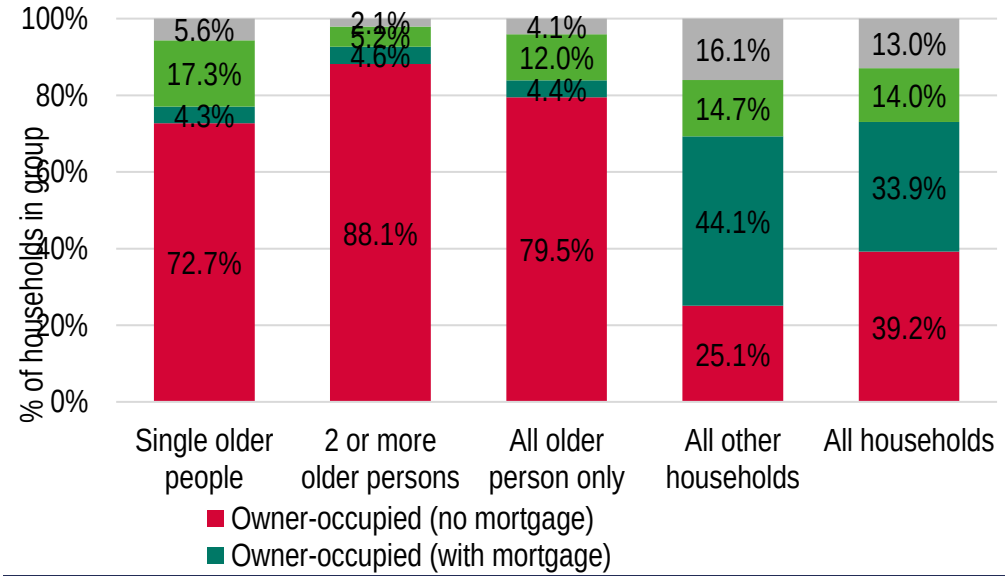
9.9 The figure below shows the tenure of older person households. The data has been split between single-person older-person households and those with two or more older people (which will largely be couples).

9.10 The data shows that the majority of older persons' households are owner-occupiers (84% of older persons' households), and indeed most are owner-occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home.

9.11 Some 12% of older persons' households live in the social rented sector, and the proportion of older persons' households living in the private rented sector is relatively low (about 4%).

9.12 There are also notable differences for different types of older person households, with single older people having a lower level of owner-occupation than larger older person households – this group also has a higher proportion living in the social rented sector.

Figure 9.1 Tenure of Older Persons Households in Solihull, 2021



Source: 2021 Census

9.13 The table below shows the tenure of older person households by sub-area (figures are for all older person households). This shows some differences across areas, with a range from 62% of older persons being owner-occupiers in North Solihull to 86%-89% in all other areas.

9.14 Figures for the proportions living in social rented housing show the opposite pattern, varying from 7% in Rural Areas, up to 35% in North Solihull. There is relatively little variance in the proportions living in the private rented sector – figures ranging from 3% to 4%.

Table 9.4 Tenure of Older Persons Households, 2021 – sub-areas

	Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Social rented	Private rented	TOTAL
Castle Bromwich	84.6%	3.7%	8.4%	3.3%	100.0%
North Solihull	58.7%	3.2%	34.5%	3.5%	100.0%
Rural Area	83.9%	5.0%	6.7%	4.4%	100.0%
Urban Area	81.8%	4.5%	9.7%	4.1%	100.0%
TOTAL	79.5%	4.4%	12.0%	4.1%	100.0%

Source: 2021 Census

Disabilities

9.15 The table below shows the proportion of people who are considered disabled under the definition within the 2010 Equality Act[19], drawn from 2021 Census data, and the proportion of households where at least one person has a disability.

9.16 The data suggests that some 32% of households in the Borough contain someone with a disability. This figure is similar to the national figure and slightly below the West Midlands average. The figures for the population with a disability show the same pattern in comparison with other areas – some 17% of the population having a disability.

Table 9.5 Households and People with a Disability, 2021

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Solihull	28,758	32.1%	37,234	17.2%
West Midlands	820,676	33.8%	1,077,479	18.1%
England	7,507,887	32.0%	9,774,510	17.3%

Source: 2021 Census

9.17 The table below shows the same information for sub-areas; this shows notable variation in the proportion of the population and households with a disability across areas – figures being significantly higher in North Solihull and lower across all other areas.

[19] The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

Table 9.6 Households and People with a Disability, 2021 – sub-areas

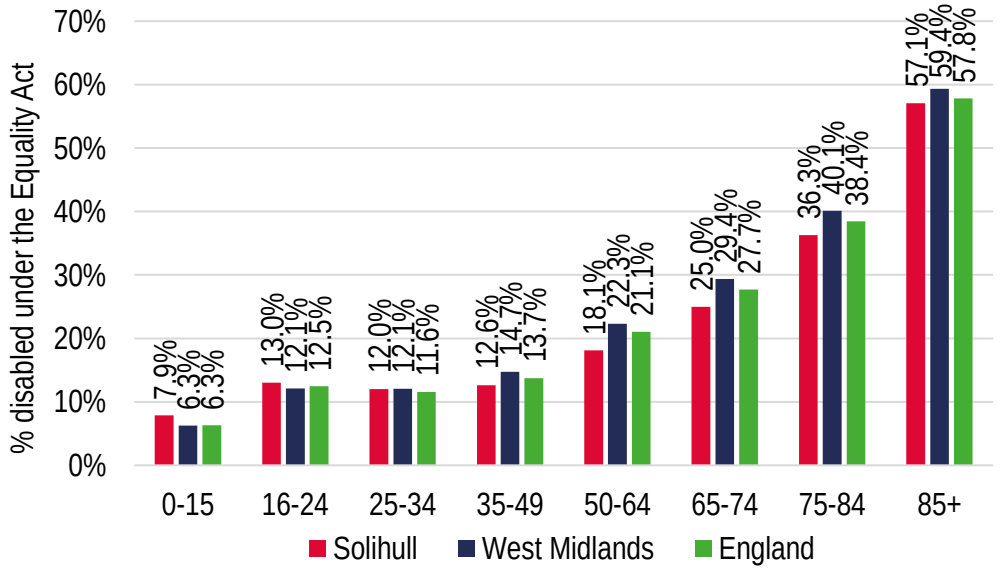
	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Castle Bromwich	1,521	31.8%	1,934	16.9%
North Solihull	7,177	43.3%	9,545	24.1%
Rural Area	7,240	27.6%	9,352	14.7%
Urban Area	12,819	30.6%	16,406	16.1%
TOTAL	28,757	32.1%	37,237	17.2%

Source: 2021 Census

9.18 As noted, it is likely that the age profile will impact the number of people with a disability, as older people tend to be more likely to have a disability.

9.19 The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows typically slightly lower age-specific levels of disability when compared with the national and regional position.

Figure 9.2 Population with Disability by Age



Source: 2021 Census

Health Related Population Projections

9.20 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups. It draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age-specific health/disabilities previously shown.

9.21 The first row of the table models the Census prevalence rates (related to disability under the Equalities Act) – this shows a projected increase of 7,700 people with a disability over the 2026-43 period, a 20% increase – the number of people with a disability reaching 46,400 by 2043.

9.22 When looking at specific disabilities (linking to POPPI and PANSI data), the large increases in the number of older people with dementia (increasing by 35% from 2026 to 2043 and mobility problems (up 29% over the same period) are most notable.

Table 9.7 Projected Changes to Population with a Range of Disabilities – Solihull

Disability	Age Range	2026	2043	Change	% change
All disabilities (Equalities Act)	All	38,695	46,390	7,695	19.9%
Dementia	65+	3,505	4,734	1,230	35.1%
Mobility problems	65+	8,904	11,515	2,612	29.3%
Impaired mobility	16-64	1,148	1,393	245	21.4%
Autistic Spectrum Disorders	18-64	423	505	82	19.3%
	65+	3,066	3,663	597	19.5%
Learning Disabilities	15-64	950	1,141	191	20.1%
	65+	6,938	7,819	882	12.7%

Source: Iceni analysis

9.23 Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population.

9.24 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who choose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

9.25 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability.

Need for Specialist Accommodation for Older People

9.26 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of housing for older persons that are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

9.27 The analysis below is split between a need for self-contained accommodation (housing with support and housing with care) and care bedspaces (nursing and residential).

Housing with support and housing with care

9.28 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply.

9.29 The approach taken below considers a range of publications from Housing LIN (including that mentioned in the PPG) to derive a series of prevalence rates.

9.30 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice), and in 2011, a further suggested set of rates was published (rates which were repeated in a 2012 publication).

9.31 In 2016, Housing LIN published a review document which noted that the 2008 rates are 'outdated' but also noted that the rates from 2011/12 were 'not substantiated'. The 2016 review document, therefore, set out a series of proposals for new rates to be taken forward onto the Housing LIN website.

9.32 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past few years as if it is these rates which typically inform their own analysis (subject to evidence-based localised adjustments).

9.33 For clarity, the table overleaf shows the base prevalence rates set out in the various documents described above. For the analysis in this report, the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Table 9.8 Range of suggested baseline prevalence rates (units per 1,000 people aged 75 and over) by source

Type/Rate	SHOP@ (2008)[20]	Housing in Later Life (2012)[21]	2016 Housing LIN Review[22]
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')

Source: Housing LIN

9.34 In interpreting the different potential prevalence rates:

- The prevalence rates used should be considered and assessed, taking account of an authority's strategy for delivering specialist housing for older people;

- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable, taking account of how the market is developing, funding availability, etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing

[20] Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

[21] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

[22] https://edocs.elmbridge.gov.uk/IAM/IAMCache/3793607/3793607.pdf

recent private sector interest and involvement in the sector, particularly in extra care, and

- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing, with better levels of health likely to mean residents can stay in their own homes for longer.

9.35 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care, with a particular focus, where possible, on providing households with care in their own homes, such as through Technology Enabled Care.

9.36 This could, however, be provision of care within general needs housing, but also care which is provided in a housing with care development, such as in extra care housing.

9.37 We consider that the prevalence rates shown in the 2016 Housing LIN Review are an appropriate starting point, but that the corollary of lower care home provision should be a greater focus on delivery of housing with care.

9.38 Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).

9.39 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population.

9.40 This has been based on Census data about the proportion of the population aged 75 and over who have a long-term health problem or disability (LTHPD) compared with the England average.

9.41 A second local adjustment has been to estimate a tenure split for the housing-with-support and housing-with-care categories. This again draws on suggestions in the 2016 Review, which indicate that less-deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. This adjustment is based on the Borough's overall deprivation ranking, derived from the 2019 Index of Multiple Deprivation (IMD).

9.42 The following prevalence rates for Solihull take into account the Borough's Health and Deprivation and are expressed as a need per 1,000 people aged 75 and over, have been used in the analysis:

- Housing with support (market) – 59 units;
- Housing with support (affordable) – 61 units;
- Housing with care (market) – 29 units;
- Housing with care (affordable) – 15 units;

9.43 It is also important to understand the supply of different types of specialist accommodation, with the table below showing various categories of accommodation.

9.44 Figures are expressed as a total and as a proportion of the population aged 75 and over (estimated to be 25,900 in 2026).

9.45 The analysis shows a total of around 3,280 units of housing with support, which represents around 127 per 1,000 people aged 75 and over – some 53% of this is in the affordable sector. For housing with care a lower current supply is shown (1,061 units) – with this broadly split between market and affordable housing.

Table 9.9 Current supply of housing for older people (housing with care and housing with support) – Solihull

		Current supply	Supply per 1,000 aged 75+
Housing with support	Market	1,529	59
	Affordable	1,751	68
Total (housing with support)		3,280	127
Housing with care	Market	546	21
	Affordable	515	20
Total (housing with care)		1,061	41

Source: EAC

9.46 Taking the supply forward and using the prevalence rates suggested the tables below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).

9.47 The analysis shows there is currently a sufficient supply of housing with support (e.g. sheltered/retirement housing) in both the market and affordable sectors, although a shortfall is estimated when projecting forward to 2043. By 2043, an estimated need for around 700 units is estimated, with about three-fifths being for market housing.

9.48 For housing with care (e.g. extra-care) the analysis suggests a current surplus in the affordable sector and a shortfall for market housing. The surplus in the affordable sector remains when projecting forward to 2043, although the analysis suggests a shortfall of around 400 market homes by this date.

Table 9.10 Specialist Housing Need for Older Persons (housing with support and housing with care), 2026-43 – Solihull

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	59	1,529	1,540	11	424	435
	Affordable	61	1,751	1,591	-160	438	278
Total (housing with support)		121	3,280	3,131	-149	861	712
Housing with care	Market	29	546	746	200	205	405
	Affordable	15	515	381	-134	105	-29
Total (housing with care)		43	1,061	1,127	66	310	376

Source: Iceni analysis/EAC

Residential and nursing care bedspaces

9.49 To analyse the need for additional residential and nursing care bedspaces, the analysis again draws on publications by Housing LIN. In this case a study for Essex County Council in 2025[23] (see para 9.110). The method used draws on Census data about the proportion of age groups who live in a care home and use this along with the projections to estimate current and future need.

9.50 The Housing LIN method has been developed through this report to include adjustments for the relative health of the population in Solihull (by age) and also to split figures between residential and nursing care – the Housing LIN review discussed above suggests a split of all care homes in roughly a 47:53 ratio between residential care and nursing care.

9.51 The analysis again begins by looking at current supply, again drawing on EAC data. This shows there are currently 1,655 bedspaces in the

[23] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/Supported-and-Specialist-Housing-and-Accommodation-Need-Assessment-2025.pdf

Borough, split broadly between residential and nursing care. In total, the number of bedspaces represents 64 per 1,000 people aged 75+.

Table 9.11 Current supply of housing for older people (residential and nursing care bedspaces) – Solihull

	Current supply	Supply per 1,000 aged 75+
Residential care bedspaces	800	31
Nursing care bedspaces	855	33
Total bedspaces	1,655	64

Source: EAC

9.52 The prevalence rates used are split into three age groups, with adjustments based on the relative health of each of these compared to the national position. The assumptions used are shown below:

- Age 65-74 – 0.57%
- Age 75-84 – 2.25%
- Age 85+ - 10.93%

9.53 The table below shows calculations of need based on these prevalence rates and the supply data. This shows a current surplus of both residential and nursing care and by 2043 an expected modest shortfall of around 200 bedspaces – around two-thirds for nursing care.

Table 9.12 Specialist Housing Need for Older Persons (care bedspaces), 2026-43 – Solihull

	Current supply	Current demand	Current shortfall/ surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Residential care	800	631	-169	238	69
Nursing care	855	710	-145	268	123
Total bedspaces	1,655	1,341	-314	507	192

Source: Iceni analysis/EAC

Engagement with Adult Social Care

9.54 In assessing accommodation needs for older and vulnerable adults, Adult Social Care (ASC) draws upon Census data, POPPI and PANSI projections and ONS healthy life expectancy datasets to understand demographic and affordability trends between Census periods.

9.55 The Council only directly observes those meeting Care Act eligibility and financial thresholds and, given the scale of the self-funder market in Solihull, only sees a proportion of overall need.

9.56 The existing offer comprises a mixture of affordable and aspirational provision, with the latter generally catering for less complex needs.

9.57 Section 106 contributions of specialist units remain uncommon. However, notable examples exist, including the Solihull Village Extra Care Charitable Trust site in Shirley, which comprises 261 apartments with the Council holding nomination rights over 52 units alongside private Extra Care and Shared Ownership provision.

9.58 ASC officers wish to secure a greater proportion of specialist accommodation through S106, but developer preferences for single-tenure schemes constrain delivery.

Demand, Market Preferences and Geography

9.59 Expectations regarding the type, quality and location of older persons' accommodation are rising, with growing demand for residential, nursing and dementia care.

9.60 Officers anticipate continued growth in demand for Extra Care Housing, while traditional warden-supported sheltered housing is in long-term decline.

9.61 There is a clear mismatch between existing supply and consumer expectations. Under-occupation within larger family homes remains

widespread, yet older people with the means to pay are often reluctant to move into smaller apartments.

9.62 This has contributed to above-expected levels of vacancy within parts of the retirement housing stock, including some newer schemes.

9.63 Many older residents are asset-rich and cash-poor, with strong emotional attachments to the family home; single older people in particular find it difficult to give up long-established lifestyles and community networks.

9.64 Where individuals do move into Extra Care, the Council considers this a positive outcome as it enables care to be organised and delivered more effectively and provides a ready-made community that can promote increased independence and reduce loneliness.

9.65 A pronounced north-south divide exists across the Borough, with limited willingness amongst residents to relocate across the A45. The northern part of Solihull is more deprived and densely developed, offers few opportunities for new provision and faces viability challenges associated with lower land values.

9.66 The Council owns eight tower blocks which are dedicated for over 55s but which have no additional support or services within them and an Extra Care development in the north of the borough.

9.67 Despite pockets of vacancy, market commentators continue to identify accommodation with care, particularly care homes in Solihull, as a strong area for investment, and the Council continues to receive a significant number of applications for care homes and Extra Care schemes.

Strategy and Specialist Accommodation

9.68 The Council's strategic approach is to provide meaningful choices before residents reach the point of requiring residential care, delaying or avoiding entry into institutional settings.

9.69 Officers indicated that residential care solutions typically become necessary where individuals require approximately 28 to 30 hours of weekly care including overnight support, or where the physical characteristics of their existing housing become prohibitive – for example, the absence of a downstairs toilet, an inability to accommodate a stairlift, or narrow corridors. This can lead to further under-occupation of homes and people needing greater support within the home unless and until they can be supported to move

9.70 Reflecting the age profile of the population and its aging, the Council wishes to see greater delivery of accommodation meeting M4(2) and M4(3) standards.

9.71 For younger adults, the Council's preference is for smaller-scale supported living schemes of approximately three to eight self-contained units; larger schemes tend to take on the character of a care home.

9.72 Self-contained provision is generally preferred to shared housing, given the difficulties of matching unrelated individuals requiring support and the relative ease of managing independent apartments.

9.73 Traditional sheltered housing is in decline, with landlords increasingly withdrawing from the sector; the product is considered to sit awkwardly between general needs and Extra Care, offering less support than residents expect.

9.74 The Council does not directly provide care within sheltered accommodation and would generally prefer to support individuals with care needs into Extra Care where they need to move to more appropriate housing.

9.75 Landlords who want to provide enhanced accommodation have accordingly repositioned to serve younger adults with support needs, survivors of domestic abuse and individuals experiencing substance misuse, with no new applications for traditional sheltered housing received in recent times.

Supported Exempt Accommodation

9.76 There is a steady flow of landlords offering accommodation to the Council in conjunction with support providers on a rental basis for tenants, often at relatively high cost, much of which falls within the Supported Exempt Accommodation (SEA) category.

9.77 Some providers are establishing SEA within Solihull to accommodate individuals originating from Birmingham; ASC would not typically endorse such arrangements and often only becomes aware of them through housing benefit records.

9.78 Emerging community tensions have been observed, particularly on individual streets in quieter and more affluent areas and where residents in receipt of support display visible distress.

9.79 The Council itself uses SEA where appropriate, currently accommodating approximately 245 to 250 adults across SEA placements, of which around 160 are within Solihull and the remainder placed elsewhere to secure the most appropriate match.

9.80 In terms of supported accommodation more broadly, the Council owns a small number of buildings but does not directly manage them; it operates one 60-unit Extra Care scheme (Saxon Court) and retains ownership of the eight tower blocks. The private sector delivers the remainder of the provision across the Borough.

Numbers in Care and Quality of Stock

9.81 ASC supports approximately 3,000 adults at any given point in time, a figure that has grown in recent years but stabilised over the past two years. Underlying churn is significant, with around 5,000 individuals passing through ASC services annually.

9.82 Current placements include approximately 300 older adults in residential care and 260 in nursing care, 245 in supported living, 155 in Extra Care Housing and six or seven in Shared Lives. Amongst

working-age adults with a disability, around 170 are in residential care and 40 in nursing care.

9.83 Waiting times for Extra Care vary according to individual preference, with flexible applicants typically placed relatively quickly.

9.84 Concerns were raised regarding the quality and longevity of the existing older persons' care stock. Two homes have closed recently as they reached the end of their economic life among other issues, and the wider portfolio includes older properties, some within listed buildings reliant on oil-fired heating.

9.85 Around 10 of the Borough's 30 care homes could reach the end of their economic life within the next 10 to 15 years, potentially resulting in the loss of approximately 150 bedspaces if replacement provision is not secured.

9.86 Several smaller individual homes face additional risk due to cost-of-living pressures. While further supply is progressing through the planning system, officers considered additional provision necessary to prevent future gaps.

9.87 Complex dementia represents the most difficult category of need to accommodate, particularly amongst younger individuals exhibiting peripatetic or distressed behaviours, and capacity pressures are compounded by difficulties in recruiting and retaining nursing staff, with care roles struggling to compete with hospital settings on pay, conditions and career progression.

Working Age Adults Requiring Support

9.88 There is some demand for supported accommodation for working age adults. This comes from a combination of younger adults transitioning from children's social care, and individuals typically in their mid-forties whose ageing parents can no longer cope with their need. This latter group generates a need for between 10 and 20 units per year.

9.89 Where Care Act eligibility is not met, the Council supports moves into independent accommodation; where it is met, individuals are placed within the most independent supported housing setting capable of meeting their assessed needs.

Planning, Location and Workforce Considerations

9.90 The Council saw a lot of redevelopments along Stratford Road in Shirley, which has seen some local resistance based on concerns about the area's character. The need is probably elsewhere, although demand here continues.

9.91 Most planning applications relating to older persons' accommodation are submitted in outline form, providing limited certainty regarding future operators, tenures or care models, and officers noted that some schemes have subsequently operated in a very different manner from that indicated at the planning stage.

9.92 Levels of care are not routinely addressed within the planning process; ASC is consulted on a list of relevant applications, which are frequently accompanied by developer-commissioned needs assessments.

Preferred Supply

9.93 Officers expressed strong support for development consistent with the principles of the 15-minute neighbourhoods, locating new provision close to public transport, services and community facilities to support independence and wellbeing over the longer term.

9.94 Rural or Green Belt release sites were considered inappropriate unless accompanied by supporting services and infrastructure such as shops and GP surgeries.

9.95 The cost of living within Solihull also has significant implications for the ASC workforce, with the Borough reliant upon importing staff from Birmingham and Coventry; genuinely affordable accommodation for

working-age adults is required to enable the care workforce to live locally.

9.96 Reflecting continued anticipated growth in demand for Extra Care Housing and the need to secure replacement capacity, officers are actively considering whether a further scheme comparable to Saxon Court (60 units) should be brought forward.

Wheelchair User Housing

9.97 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future.

9.98 Estimates of need produced in this report draw on data from the English Housing Survey (EHS), mainly the 2020/21 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

9.99 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.1% of households contain a wheelchair user – with around 1% using a wheelchair indoors.

9.100 There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Table 9.13 Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheelchair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
24 and under	99.4%	0.4%	0.0%	0.1%	100.0%
25-34	99.4%	0.1%	0.1%	0.3%	100.0%
35-49	97.9%	0.4%	0.3%	1.4%	100.0%
50-64	97.1%	0.5%	0.2%	2.2%	100.0%
65 and over	94.3%	1.3%	0.5%	4.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

9.101 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population.

9.102 The data estimates a total current need of 2,900 wheelchair user households in 2026, and that this will rise to 3,500 by 2043.

Table 9.14 Estimated number of wheelchair user households (2026-43) – Solihull

	Preval-ence rate (% of house-holds)	House-holds 2026	House-holds 2043	Wheel-chair user house-holds (2026)	Wheel-chair user house-holds (2043)
24 and under	0.9%	1,258	2,526	11	22
25-34	0.7%	9,794	14,436	65	96
35-49	2.0%	23,393	28,874	459	566
50-64	2.3%	26,082	29,084	597	665
65 and over	5.5%	31,451	38,333	1,728	2,106
All households		91,978	113,252	2,859	3,455

Source: Iceni analysis

The Need for Accessible Housing

9.103 The existing minimum standard for accessible housing (M4(1)) has four main requirements that make homes accessible and visitable for most people, including wheelchair users: level access to the main entrance; a flush threshold; sufficiently wide doorways and circulation space; and a toilet at entrance level. The M4(1) standard could be described as 'visitable' homes.

9.104 The higher M4(2) standard requires additional features including having a living area at entrance level and step-free access to all entrance level rooms and facilities, wider doorways and corridors, as well as clear access routes to reach windows. It also includes further features to make homes more easily adaptable over time for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users, for example sanitary provisions that can be adapted easily for installation of grab rails and stairs designed to allow easy fit of a stair lift.

9.105 The M4(3) requirement is achieved when a new dwelling provides reasonable provisions for a wheelchair user to live in the dwelling and have the ability to use any private outdoor space, parking and communal facilities. The table below provides a summary of key features for M4(2) and M4(3) dwellings.

Table 9.15 M4(2) and M4(3) – Key Features

Standard	Key Features
M4(2) – Accessible and Adaptable Dwellings	*Step-free access to the dwelling* *Wider doorways and corridors (typically 850mm doors, 900mm corridors)* *Space in bathrooms and kitchens for future adaptations*

	Reinforced walls for grab rails *Living space on the entrance level*
M4(3) – Wheelchair User Dwellings *Two types:* M4(3)2a – *Adaptable - Can be modified later* M4(3)2b – *Accessible – Fully usable from day one.*	*Larger circulation spaces (corridors ≥1050mm, turning circles of 1500mm)* *Step-free access throughout* *Space for through-floor lifts or stairlifts* *Bathrooms with level-access showers and sufficient transfer space* *Storage/charging space for wheelchairs*

Source: Building Regulations 2015

9.106 Determining a need for M4(2) and M4(3) will depend on the quality of the current stock, as well as estimates of need from households containing someone with a disability. It is difficult to determine the quality of stock at a local level, and even national data does not match the standards set out in Planning Practice Guidance (and Building Regulations).

9.107 Currently, it is estimated that only 13% of homes in England[24] have all four basic accessibility criteria that help make a home visitable for most people, namely:

1. A toilet at entrance level
2. Sufficiently wide doorways and circulation space for a wheelchair
3. Level access to reach the front door
4. A flush threshold with no obstructions that create a trip hazard or make it difficult for a wheelchair to cross

[24] https://www.housinglin.org.uk/Topics/type/The-state-of-accessible-housing-Accessible-Homes-Factsheet-2025/

9.108 This is essentially only 13% of homes even meeting the most basic M4(1) standards and therefore proportions meeting higher M4(2) and M4(3) will undoubtedly be much lower. This suggests a potential need for a higher proportion of new homes to meet higher standards.

9.109 That said, it is possible some homes could be adapted to meet the M4 standards. Again, data on this is difficult to find. However, the 2014-15 English Housing Survey[25] did show the number of homes that could be brought up to a visitable standard (albeit this would just be the M4(1) standard) and the amount of work required. This is shown in the table below.

Table 9.16 Level of work required to homes in England to achieve all four visitability standards

	Number of homes ('000s)	% of homes
No work (has all visitability features)	1,667	7.1%
minor work only	2,587	11.1%
moderate work only	9,785	41.9%
major/problematic	3,330	14.2%
Not feasible	6,002	25.7%
TOTAL	23,371	100.0%

Source: Survey of English Housing

9.110 This data would suggest it is likely to be very difficult to even get to an M4(1) standard for around 40% of homes, with another 40% or so still requiring a 'moderate' amount of work. Notably, the EHS also pointed to only 7% of homes in England as having all visitability features (although, as noted above, this figure is now estimated at 13%).

9.111 For wheelchair user households, the data was slightly more positive, with 16% of homes including all four visitability features and a lower proportion of homes needing major work or where work is not feasible.

25 https://assets.publishing.service.gov.uk/media/5a8056e240f0b62302692eb5/Adaptations_and_Accessibility_Report.pdf

That said, these figures are to bring homes up to an M4(1) standard and would fall well short of M4(3).

Table 9.17 Level of work required to homes in England to achieve all four visitability standards – wheelchair user households

	Number of homes ('000s)	% of homes
No work (has all visitability features)	129	15.8%
minor work only	99	12.1%
moderate work only	387	47.5%
major/problematic	59	7.2%
Not feasible	141	17.3%
TOTAL	814	100.0%

Source: Survey of English Housing

9.112 From this analysis, it can be seen how difficult it is to estimate the quality of current stock (when set against the optional technical standards) and therefore to numerically estimate what proportions of new stock should be of different categories.

M4(2)

9.113 Starting with M4(2), a working assumption is that this is only a slightly higher standard than M4(1); this seems reasonable given the M4(1) already includes four visitability criteria and it is also the case that various publications suggest the cost difference between building to M4(1) and M4(2) standards is fairly minor.

9.114 In a 2020 consultation[26] it was stated that *'the estimated additional cost per new dwelling is approximately £1,400 for units which would not already meet M4(2)'*. Whilst this is an additional cost, it is unlikely in most cases to be a large enough difference to compromise the viability of a development unduly.

[26] https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version

9.115 In terms of an overall need for M4(2) dwellings, it is difficult to completely match this to any of the range of disabilities set out previously. Looking at the number of people with a disability under the Equalities Act, it can be seen that this is estimated to reach around 46,400 by 2043. Furthermore, Census data suggests there are around 37,200 people with a disability (in 2021) living in 28,800 different households. This would suggest a household need in 2043 from around 35,800 households – this compares with a Standard Method housing figure over the plan period of 21,913 dwellings.

9.116 Whilst it is acknowledged some households will already live in a home that meets the standard and some will live in a home that could be improved to the standard; this data does point to the Council potentially seeking all homes to be at M4(2) standards as a start point.

9.117 In looking at a start point of all dwellings as M4(2), it should be noted that the December 2025 consultation version of the NPPF considers this and states that at least 40% of new housing should be delivered to M4(2) standards over the course of the plan period. This might point to a lower figure as a target; however, as not all homes will be capable of meeting this level, a higher target is reasonable (as long as viability is not unduly compromised).

M4(3)

9.118 With M4(3), the analysis suggests there may be 3,500 wheelchair user households in the Borough in 2043 – this notionally represents 16% of the Standard Method figure. Again, there will be some households living in a home that is already fully adapted, as well as some where full adaptation is possible. However, a proportion of new homes will need to be built to M4(3) standards.

9.119 There is also likely to be a different need depending on the tenure of the home. Information in the EHS (for 2020/21) shows, at that time, around 6.7% of social tenants were wheelchair users (including 1.8% using a wheelchair indoors/all the time), compared with 2.6% of owner-

occupiers (0.8% indoors/all the time). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Table 9.18 Proportion of wheelchair user households by tenure of household reference person – England

	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	97.4%	0.6%	0.2%	1.8%	100.0%
Social sector	93.3%	1.3%	0.5%	4.9%	100.0%
Private renters	98.6%	0.2%	0.2%	1.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

9.120 With M4(3) homes, viability is likely to be more of an issue than for M4(2). Although slightly dated, at the time of the housing: optional technical standards PPG, a report was published, written by EC Harris[27] - this estimated the costs of achieving M4(3)2b in new homes would vary from £10,600 for a 1-bedroom home, up to £25,300 for homes with four bedrooms; this standard is likely to apply to homes provided in the affordable sector (where the authority has nomination rights). For market housing, delivery is likely to be M4(3)2a, which might be described as having 'future adaptability'. In this case the additional costs are estimated to be much lower (in the range of £8,100 to £10,200 depending on size and built-form).

9.121 As a start point, it is suggested the Council could seek a proportion (potentially up to 5%) of all new market homes to be M4(3) compliant

27 https://assets.publishing.service.gov.uk/media/5a7ebf1bed915d74e33f228b/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

and potentially a higher figure in the affordable sector (potentially up to 10%). In the market sector, these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

9.122 For both M4(2) and M4(3) homes, it does additionally need to be noted there may be other reasons why the standard cannot be met (in addition to viability); this might include built-form, topography or flooding.

Older and Disabled Persons - Summary

9.123 The data shows that Solihull has a slightly older age structure than is seen regionally and nationally. Generally, lower age-specific levels of disability compared with the regional and national position.

9.124 The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (79% of all older person households are outright owners).

9.125 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase. Key findings for the 2026-43 period include:

- a 20% increase in the population aged 65+ (potentially accounting for 26% of total population growth);
- a 35% increase in the number of people aged 65+ with dementia and a 29% increase in those aged 65+ with mobility problems;
- a need for around 700 housing units with support (sheltered/retirement housing) – with around three-fifths in the market sector;
- a need for around 400 additional housing units with care (e.g. extra-care) – all in the market sector;

- a need for additional nursing and residential care bedspaces (around 200 in the period) although there is currently a notable surplus; and
- a need from around 3,500 wheelchair user households by 2043

9.126 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings as well as providing specific provision of older persons housing.

9.127 Given the evidence, the Council could consider (as a starting point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around 10% in the affordable sector).

9.128 Where the authority has nomination rights, the supply of M4(3) dwellings would be wheelchair-accessible dwellings (constructed for immediate occupation), and in the market sector they should be wheelchair-user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user).

9.129 It should, however, be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances). So any policy should be applied flexibly.

9.130 In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. Use Class C2 vs Use Class C3) and requirements for affordable housing contributions (linked to this, the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being delivered as mixed tenure, given the way care and support services are paid for.

10. Self and Custom Build Homes

10.1 In line with the 2015 Self and Custom Housebuilding Act from the 1st April 2016 relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area to build their own self-build and custom houses.

10.2 Furthermore, in line with the continued Government drive to support the self and custom-build sector, the latest National Planning Policy Framework (paragraphs 71 and 73(b), December 2024) duly recognises that it is important that a sufficient amount and variety of land can come forward where it is needed and that the needs of groups with specific housing requirements are addressed.

10.3 As part of this, the Framework (paragraph 63) states that:

> *"the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including…people wishing to commission or build their own homes" (our emphasis)*

10.4 The Self-Build and Custom Housebuilding Planning Practice Guidance is a material consideration and draws on legislation set out under the 2015 Act and the 2016 Act but provides wider guidance on assessing demand and supporting self-build development.

10.5 In line with the legal duty placed on local authorities by the 2016 Act, the PPG reminds us that relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area.

10.6 The level of demand is established by reference to the number of entries added to an authority's register during a 'base period'.

10.7 The first base period began on the day on which the register is established. Each subsequent base period is 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31st October to 30th October each year.

10.8 At the end of each base period, relevant authorities have 3 years in which to meet their legal duty and grant permission for an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

10.9 The PPG states that local planning authorities should use the demand data from the registers in their area, but this should also be supported as necessary by additional data from secondary sources, to understand and consider future need for this type of housing in their area when preparing housing needs assessments.

10.10 Concerning what a 'duty to grant planning permission etc' means, the PPG states that:

> *"Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period."*

10.11 In respect of what having a 'duty as regards registers' means, the PPG states that:

> *"Section 2(1) of the Self-build and Custom Housebuilding Act 2015 places a duty on relevant bodies to have regard to each self-build and custom housebuilding register, <u>including Part 2 of the register (where a register is in two parts)</u>, that relates to their area when carrying out their planning, housing, land disposal and regeneration functions."* (our emphasis)

10.12 The PPG[28] is clear that self-build or custom build helps to diversify the housing market and increase consumer choice. Self-build and custom housebuilders choose the design and layout of their homes and can be innovative in both their design and construction.

Levelling Up and Regeneration Act (2023)

10.13 The Levelling Up and Regeneration Act (2023) made some amendments to the 2015 Self and Custom Housebuilding Act which advised how the supply and demand of self and custom build housing plots can be assessed.

10.14 When assessing demand, the LURA inserted in section 6 of the 2015 Act the following:

"(a) the demand for self-build and custom housebuilding in an authority's area in respect of a base period is the aggregate of—

(i) the demand for self-build and custom housebuilding arising in the authority's area in the base period; and

(ii) any demand for self-build and custom housebuilding that arose in the authority's area in an earlier base period and in relation to which—

(A) the time allowed for complying with the duty in subsection (2) expired during the base period in question, and

(B) the duty in subsection (2) has not been met;

(aa) the demand for self-build and custom housebuilding arising in an authority's area in a base period is evidenced by the

[28] Paragraph: 16a Reference ID: 57-016a-20210208

number of entries added during that period to the register under section 1 kept by the authority;"

10.15 As a result, although each authority still has 3 years to meet the need that arises from the register, this need must now be counted cumulatively. For example, the need as of the 30th of October 2024 will be the cumulative demand shown in all base periods prior to the 30th of October 2021.

10.16 When considering the supply of plots LURA removes section 6(c) of the 2015 Act which read:

"development permission is "suitable" if it is permission in respect of development that could include self-build and custom housebuilding"

10.17 This change means that the Council will therefore need to demonstrate that serviced plots have resulted in self and custom-build development rather than what could be self and custom-build plots, for example, on the assumption of a CIL exemption.

10.18 Essentially, this means that in order for planning permissions to be counted towards the supply of self and custom build homes, there needs to be evidence to show that this is what the development is for.

10.19 The exact detail of what can be considered appropriate evidence of a dwelling or planning application being specifically for self and custom build is still to be confirmed, but appeal case law gives some indication of what this may be.

10.20 Evidence that would confirm that a development is specifically for self and custom-build may include:

- Planning Condition attached to approval requiring the development to be carried out for self-build; or

- Confirmation through S106 agreement for self-build; or
- Requirement for the self-build nature of the scheme to be included within the description of the development.

10.21 On historic permissions, further evidence will likely be required to demonstrate that the development was self and custom-built, often this will be in the Design and Access Statement.

10.22 Although the regulations of the evidence for what constitutes an appropriate permission for self-build are not yet known. It can be expected that regulations will reflect the 2015 Act and existing PPG and demonstrate that the applicant/occupant has had “primary input” into the design of the scheme.

10.23 It is also likely that applications to replace existing dwellings with new self-build properties will constitute a fair proportion of the self-build supply, even though they do not result in a net gain of housing.

10.24 Going forward, the Authorities will need to continue to monitor applications for self-build dwellings in Solihull. Ensuring that all supply permissions are evidenced to be self-build will also be important to ensure that an assessment on whether the duty is properly met can be made.

10.25 It may also be prudent for the Council to retrospectively assess supply permissions to properly ascertain which permissions are specifically for the carrying out of self and custom-build development.

Council Register

10.26 The Council introduced a Local Connection test, a Financial Viability test and an administration fee to the register on the 6th of October 2023. The Local Connection Test requires applicants to demonstrate that:

- They have been a permanent resident of the Borough for a continuous period of two years, prior to application OR;

- They are in the service of the regular armed forces of the Crown (defined within the meaning of section 374 of the Armed Forces Act 2006) or have left regular service within the past 2 years.

10.27 The Financial Viability Test requires applicants to provide evidence to demonstrate they have sufficient funds to purchase a plot of land and fund the construction of a self-build project.

10.28 Solihull Council requires evidence for this as follows:

- An offer for a self-build mortgage from a verifiable lender.
- Written confirmation and evidence from a qualified financial advisor with active membership of a verifiable and appropriate professional body.
- Any other information which demonstrates that the applicant has sufficient resources to purchase land for their own self-build and custom housebuilding.

10.29 The council undertook a full review of the register after the introduction of the Local Connection and Financial Tests. This removed those from Part 1 of the register who did not meet those requirements. **As of the 30th of October 2024, there were 10 entries on Part 1 of the register.**

Supply Monitoring

10.30 As discussed earlier, changes made by the Levelling Up and Regeneration Act (2023) have amended how supply permissions can be counted.

10.31 Going forward, we recommend that the Council consider monitoring receipts of CIL Self-Build Exemption Form 7 **Part 1 and Part 2** if received, as well as counting permissions given through the development management process.

10.32 This may be aided by requiring self-build developments to submit a Self-Build Delivery Statement at validation stage or during the decision making process that confirms a development will be being brought forwards as a self and custom build development. Examples of this include in Mid-Sussex[29] as well as in East Suffolk[30].

10.33 Supply permissions should be able to demonstrate that they will result in the delivery of a self and custom build dwelling, legal agreements such as Unilateral Undertakings and S106 agreements can also confirm this, as can conditions attached to the planning permissions and descriptions of development specifying self and custom build.

Broader demand evidence

10.34 To supplement the data from the Council's register(s), we have looked to secondary sources as recommended by the PPG, which, for this report, is data from NaCSBA – the National Custom and Self-build Association.

10.35 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested.

10.36 Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over.

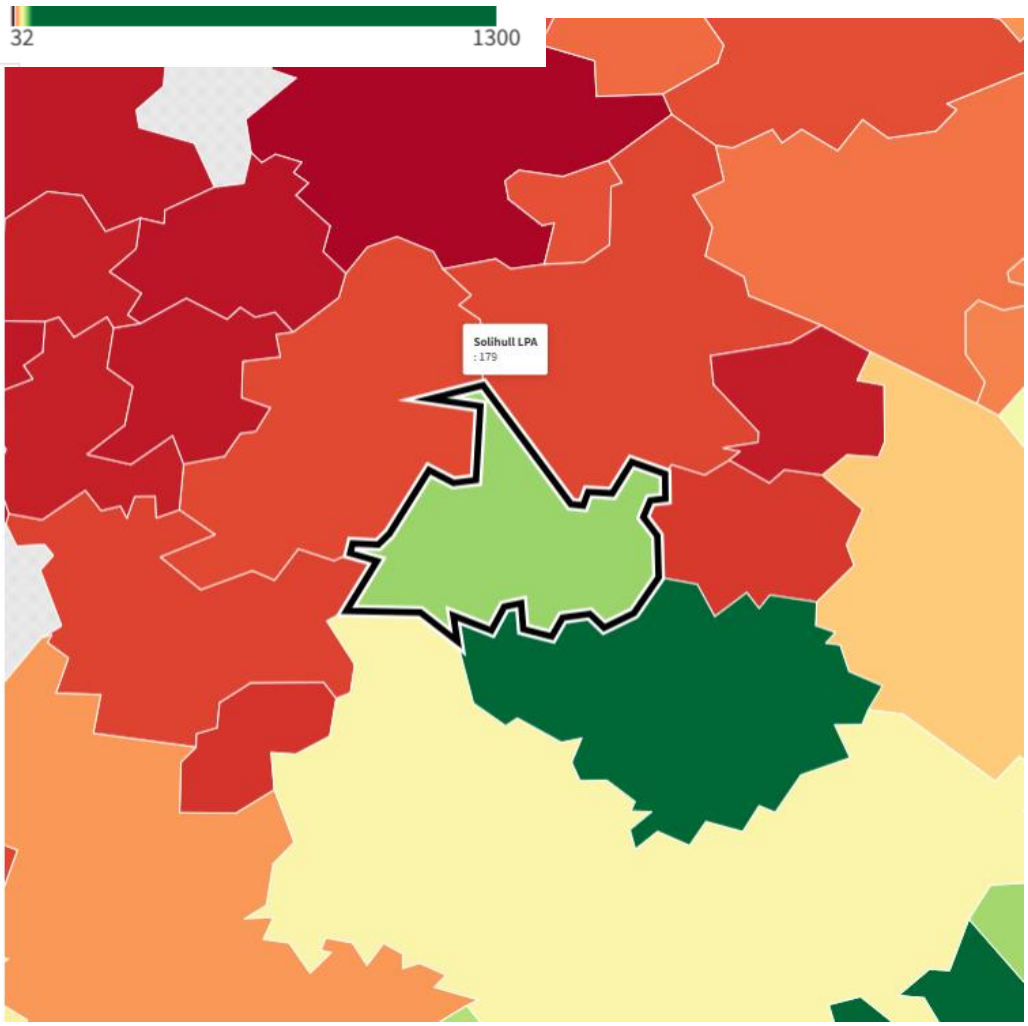
10.37 This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.

[29] Self-build and Custom Build Statement
[30] Custom-and-Self-build-Delivery-Statement-Template.pdf

10.38 Secondly, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Solihull in relative terms. The association published an analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020.

10.39 This document includes an output on the demand for serviced plots as a proportion of the total population relative to all other local authorities across England (see Figure below).

Figure 10.1 Total registrations per 100,000 population in Solihull in 2020



Source: NaCSBA

10.40 This shows that the demand in Solihull was 179 per 100,000 population. Based on Solihull's 2024 population (221,242), this equates to a need for around 396 serviced plots.

10.41 Despite the figure from NaCSBA being higher than the level of demand shown on the register, the Council are only required to permit enough plots for self and custom build as indicated by the register.

Policy Response

10.42 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.

10.43 The PPG[31] is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward.

10.44 There are several measures which can be used to do this, including but not limited to:

- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested; and

[31] Paragraph: 025 Reference ID: 57-025-20210508

- working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

10.45 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies in their respective Local Plans to encourage delivery, promote and boost housing supply.

10.46 There are also several appeal decisions in the context of decision-making which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application.

10.47 A specific policy would typically express support for self-build and custom housebuilding and require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders as custom-build plots and/or allocated solely for their use.

10.48 This is often known as the “Teignbridge Rule” after the first District Council to adopt the first self-build policy. In this instance, 5% of all developable housing land is allocated for custom and self-build on larger sites.

10.49 We consider that to respond to demand in the sector, and in response to the PPG’s requirements, the Council should support, through planning policy, the submission and delivery of self-build and custom housebuilding sites, where land opportunities arise and where such schemes are consistent with other planning policies.

10.50 If the Council do not wish to pursue an approach seeking contributions from larger sites, then given typical build-out rates, it should only seek to enforce such plots on larger sites.

10.51 This could be applied to sites of 70 dwellings or more based on average annual completions on sites with one outlet at 69 units. This means that

anything above this threshold would deliver over a longer period than 12 months.

10.52 In applying this policy, the Council should be mindful of the supply of sites of this scale and the likely aggregate contributions from them. This approach will ensure a longer-term supply of suitable custom and self-build plots, while remaining flexible if demand falls.

10.53 These plots should be marketed appropriately for 6/12 months, and then the developer can revert to delivering these sites as market accommodation without significantly elongating the build-out period.

10.54 The Council may also wish to consider making the first three months of marketing these plots to those with a local connection or on the custom and self-build register, with the remaining time widening it out to anyone else.

10.55 A further consideration for the Council is that, when demonstrating supply to meet this demand, the Levelling Up and Regeneration Bill makes it harder for Councils to count CIL exemption sites.

10.56 They now must demonstrate that these homes are specifically for self or custom-built occupiers. The Council should therefore adapt its monitoring accordingly.

Custom and Self Build - Summary

10.57 In Solihull, as of the end of Base Period 9, a total of 10 households/individuals sat on Part 1 of the self-build register. This reflects a revised list, including a local connection and financial standing test. Secondary data suggests the demand could be higher.

10.58 As a general rule, the Council should be supportive of opportunities for Self and Custom Build development within the Local Plan and could

potentially require a proportion of plots on larger schemes to be marketed for Self or Custom Build use.

10.59 Other local authorities have sought 5% of serviced plots on sites over 70 units to be marketed for self and custom build use for a period of 6 months before reverting back to general housing if interest does not transpire.

11. Other Specific Groups

Children In Care

11.1 This section of the report draws on published data and strategies along with consultation with the Council's children's team. Although this section refers to Children in Care, this group is referred to internally as "Children we care for".

11.2 The Care Standards Act 2000 defines a Children's Home stating *'an establishment is a children's home… if it provides care and accommodation wholly or mainly for children'*. 'Wholly or mainly' means that most of the people who stay at a home must be children.

- Key legislation relating to the accommodation and maintenance of a looked-after child is defined and outlined in Sections 22A to 22D of the Children Act 1989. The legislation provides a framework within which decisions about the most appropriate way to accommodate and maintain children must be considered:

- Section 22A of the Children Act 1989 imposes a duty on the responsible authority when a child is in their care to provide the child with accommodation.

- Section 22B of the Children Act 1989 sets out the duty of the responsible authority to maintain a looked-after child in other respects apart from providing accommodation.

- Section 22C of the Children Act 1989 sets out how a looked-after child is to be accommodated.

- Section 22D of the Children Act 1989 imposes a duty on the responsible authority to formally review the child's case before making alternative arrangements for accommodation.

- Section 22G of the Children Act 1989 requires local authorities to take strategic action with respect to those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their own local authority area.

11.3 Under paragraph 63 of the December 2024 NPPF, local authorities are required to assess the housing needs of looked-after children and reflect these in planning policy.

11.4 In a Written Ministerial Statement[32] (WMS) made in May 2023, the Housing and Planning Minister reminded local authorities of their requirement to assess the housing need of different groups in the community, including “accommodation for children in need of social services care”.

11.5 The WMS statement said, “Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs and all parties in the development process should work together closely to facilitate the timely delivery of such vital accommodation for children across the country”.

11.6 The Children’s Social Care National Framework (December 2023) provides statutory guidance for local authorities and partner agencies in England setting out the purpose, principles, enablers and outcomes that the children’s social-care system must deliver.

11.7 The fourth outcome is most relevant to children’s homes and requires “children in care and care leavers have stable, loving homes“. The framework details expectations for practice to achieve this outcome, including sufficiency planning and working with partners to provide care options that meet children's future needs.

11.8 The Keeping Children Safe, Helping Families Thrive Policy Statement (November 2024) sets the current government’s strategic direction for reforming children’s social care.

[32] https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795

11.9 It emphasises supporting families so fewer children need care, prioritising kinship and foster placements where safe, and ensuring the provision of high-quality residential care only when needed.

11.10 The Policy Statement commits to reforming planning processes to make it easier to set up care homes where they are most needed. This includes the changes in the December 2024 NPPF, as well as potential further changes to support the delivery of small children's homes.

11.11 It also commits to rebalancing the market in response to large numbers of private providers, encouraging providers such as charities and those in the voluntary sector.

11.12 Potential reforms to allow regional planning and commissioning for care places are also highlighted, improving the ability of local authorities to shape the market.

Council Evidence

11.13 This section examines the need for children's care homes drawing on the Council's 2025-2029 Children's Care Sufficiency Strategy, the Delivery Plan report to CPH Children and Education (January 2026), the Delivery Plan appendix, and the Q4 2024/25 update to the Children Looked After Strategy.

11.14 Solihull MBC Children's Care Sufficiency Strategy 2025-2029, approved in September 2025, and its accompanying Delivery Plan set out how the Council intends to meet this duty over the plan period.

Looked After Children

11.15 The number of looked after children by Solihull Council peaked at 580 in November 2023, equivalent to a rate of 121 per 10,000 population aged under 18 — significantly above regional and national comparators.

11.16 Concerted work through the Council's Families Together edge-of-care service, refreshed thresholds, the Family Support Helpline, and closer

scrutiny of new episodes of care has since delivered a sustained reduction.

11.17 By 31 March 2025, the total cohort had fallen to 491 children (a rate of 102 per 10,000), comprising 449 "local" children and 42 unaccompanied asylum-seeking children (UASC/separated children). It had declined further to 483 by May 2025.

11.18 The Council is working towards a trajectory of 385 looked after children — approximately 90 per 10,000 — by the end of 2026/27, reflecting continued investment in early help, permanency and revocation of Care Orders where children have safely returned home.

11.19 At 31 March 2025, of the 491 children in care, 58 were placed with parents, 112 were with connected carers, 62 were with internal Solihull foster carers and 164 with Independent Fostering Agencies. A further 33 young people, predominantly UASC and 17+ care leavers, were in supported accommodation.

11.20 Critically for this assessment, 40 children — 1 in an in-house home and 39 externally — were placed in residential children's homes by the borough.

11.21 Whilst the overall cohort of children in care has been falling, the residential element has been growing: external residential placements rose against the 2024/25 trajectory of 27, and the strategy attributes this directly to "issues of sufficiency and complexity of need, as well as market forces".

Provision

11.22 There has been a marked expansion of the residential children's home market inside the Borough over the last five years. The number of independent Ofsted-registered children's homes in Solihull has grown from one in April 2020 to eight by September 2025, providing a combined 29 beds.

11.23 Alongside this, the Council opened its first in-house home, The Chapters, in Spring 2024. A second Council home is registered with Ofsted and a third — Pippins — was progressing to registration during 2025/26, subject to recruitment of Residential Managers and care staff.

11.24 Pippins will be a supported breaks accommodation (aka respite care) which will allow children and their families a break while further support or alternative accommodation is found. It therefore does not increase the capacity.

11.25 When fully operational, the in-house portfolio will provide 9 beds within Solihull, one of which is intended as a step-down bed to support young people preparing for independence.

11.26 Notwithstanding this growth, the evidence points to a significant mismatch between the location of homes in Solihull and the children they accommodate.

11.27 As at 31 March 2025, only 22 per cent of the beds in independent children's homes located within Solihull were occupied by Solihull-responsible children, meaning that approximately four-fifths of the borough's residential capacity is meeting the sufficiency duties of other local authorities.

11.28 Conversely, of the 39 Solihull children in external residential care, the majority were placed outside the Borough, and 11 children stepped up from a fostering placement to a children's home during 2024/25 — a reflection of complexity of need and the shortage of specialist local provision.

11.29 The Council's records show that "external residential placements remain high and have increased" and that a targeted programme of case review is now in place, chaired by the Head of Service, to identify children who could "step across" to foster care or move into internal residential provision as it becomes available.

11.30 This is consistent with the strategy's stated priority to "review and challenge all children's homes and those homes more than 20 miles from their family home".

11.31 On 31 March 2025, three young people were in illegal (formerly "unregulated") arrangements. However, by August 2026 this number had fallen to zero. This is an issue the Council committed to eliminating, but its sporadic use reflects acute shortages of appropriate registered provision for adolescents with the most complex presentations.

11.32 The Solihull position mirrors, but is more acute than, national trends. Department for Education statistics for the year ending 31 March 2024 show that 45 per cent of all children looked after in England were placed outside their responsible authority's boundary (up from 40 per cent in 2015) and that 31 per cent were placed more than 20 miles from home.

Need

11.33 Drawing the evidence together, three specific sufficiency gaps emerge for children's residential care in Solihull that the Council's strategy explicitly seeks to close over the plan period.

11.34 First, there is a need for more complex in-borough capacity to enable Solihull children currently placed externally to return closer to home. Bringing the third in-house home (Pippins) to Ofsted registration will provide capacity to support other care arrangements rather than long-term provision.

11.35 Still, even at full capacity, the in-house portfolio (9 beds) will accommodate only a minority of the 39 children currently placed outside the borough.

11.36 Second, there is a specific need for homes that can meet the needs of children with the most complex presentations, including Autistic Spectrum Disorder, learning disabilities and acute mental health needs.

The Delivery Plan commits the Council to working with local providers through to 2027 to develop specialist provision for these children.

11.37 Third, there is a need for accommodation that supports the transition of older adolescents out of residential care, in particular through step-down and supported lodgings arrangements.

11.38 Joint commissioning with Solihull Community Housing (SCH) and the registration of Council-run training flats forms a discrete but significant strand of the sufficiency agenda that overlaps with wider housing need considerations for young single-person households, care leavers and vulnerable young adults.

11.39 Furthermore, the Council is aware of 35 additional homes that have either received planning approval or are in the planning process. If these were delivered, supply would far exceed the need for children's homes for Solihull children.

11.40 This comes at a time when the Children's team is seeking to reduce the number of children in care. This is through recruiting foster carers who can deal with complex care. Stepping out those in residential care to foster care and also providing alternative packages to reduce the number of children coming into care.

11.41 The reduction in need is coming at the same time as an increase in supply, and the Council intends to explore with planning how it can stop the increase in independent provision, including through planning conditions.

Policy Implications

11.42 The evidence indicates that, whilst Solihull hosts a growing residential children's home market, it is disproportionately serving children from other authorities. At the same time, the Council itself continues to experience a shortage of the right local provision to meet the needs of its own children in care, especially those with the most complex presentations.

11.43 While the Council is aiming to reduce the overall number of looked after children, there is an identified need to increase the availability and range of specialist residential provision capable of meeting more complex needs locally. This includes ambitions to increase in-house residential capacity from one to three homes, alongside appropriate expansion of independent sector provision.

Quantifying future need

11.44 It is difficult to derive a specific requirement for additional children's homes across the whole plan period. Demand for residential care is inherently dynamic, reflecting changes in the number and characteristics of children entering care, placement pathways, commissioning arrangements and the availability of alternative forms of care.

11.45 Importantly, the complexity of need amongst children requiring residential placements is also changing. Future requirements are therefore unlikely to be adequately expressed simply as a fixed number of additional bedspaces or homes. The type, scale and specialist nature of provision required is as important as the overall quantity of provision.

11.46 The Local Plan should consequently adopt a flexible approach to enable additional residential children's homes and specialist accommodation to come forward in response to the Councils strategy in regards to children in care as well as evidenced need as it develops over the plan period, rather than seeking to establish a fixed quantitative requirement for the entire period.

11.47 The Councils own Children's Social Care Sufficiency Strategy will provide such evidence of need as well as consultation with the Children's Social Care team.

11.48 There may be opportunities for the Council to make greater use of future independent sector supply for local children in Solihull rather than out-of-area placements. This could be achieved through planning or

licensing regulations forcing operators to give first refusal to local children. Lancaster City Council is using such an approach. This would ensure that local children have priority access to new accommodation.

11.49 Other local authorities have also sought a planning condition requiring the eventual provider, rather than an anonymous developer, to submit any application. This will allow the council to control provider quality.

11.50 The Local Plan should recognise the role that small-scale residential children's homes play and support applications that would meet local need as identified by the Council. As per the WMS: *"Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs"*.

11.51 When considering future supply, the Council should seek to include such accommodation as part of wider, appropriately located, housing allocations or larger permissions. Typically, these are "ordinary homes."

11.52 Such sites should align with the most appropriate locations according to Ofsted's Location Assessment[33] for such accommodation. In summary, this includes ensuring safeguarding concerns are met and that children have access to services.

11.53 The Council should also seek to avoid over-concentration of provision in a manner that would prejudice the "homely" character of settings that Solihull's own children and young people have told the Council they value.

11.54 Further considerations relates to unregistered children's homes within Solihull that are operating illegally, and the Children's team wants a way

33 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/339545/Children_s_homes_regulations_amendments_2014.pdf

to tackle them. Ideally, they would like the planning team to take enforcement action against these unregistered homes where possible.

11.55 A number of these homes across the country have links to organised crime, and the team would like to implement further checks on those providers within the borough.

11.56 This will involve liaising with other local authorities that place children in the area and working with the police to conduct police checks on operators.

Service Personnel

11.57 There are no major military establishments in Solihull. In April 2025, MoD statistics show no personnel based in the borough.

11.58 Despite this, according to 2021 Census data, around 3.3% of the Solihull population is former service personnel. However, this is below both England (3.8% and the West Midlands Region (3.5%).

11.59 This particularly relates to regular forces rather than reservists or those who have served in both the regular forces and the reserves. In total, 5,851 people living in Solihull have served in the UK regular and/or reserve armed forces.

Table 11.1 Former Service Personnel (2021)

	Solihull		West Midlands	England
	Number	%	%	%
Previously served in the UK regular forces	4,335	2.5%	2.6%	2.9%
Previously served in the UK reserve forces	1,288	0.7%	0.7%	0.7%
Previously served in both	228	0.1%	0.2%	0.2%

Not previously served	168,650	96.6%	96.5%	96.2%
All usual residents (Aged 16+)	174,501	100%	100.0%	100.0%

Source: Census (2021) – Table TS071

11.60 Overall, the presence of regular forces in Solihull is not considered to be significant and is unlikely to have any specific local implications.

Policy Implications

11.61 Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation falls within the definition of affordable housing. Depending on their incomes, this group will already be accounted for within the affordable housing need and will largely not be additional to it.

11.62 The Planning Practice Guidance for First Homes also allows local authorities to set out their own criteria for accessing such housing. One such criterion could be a key worker requirement, including service personnel. If the council seeks First Homes (which is unlikely), it may wish to maintain this stipulation.

11.63 The PPG also stipulates that “local connection criteria should be disapplied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces”.

11.64 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces, as well as existing personnel who are seeking to buy in Solihull.

11.65 Low-Cost Home Ownership could play a part in meeting this demand as it would provide a discounted route to home ownership. Although, as

noted previously, this could be at the expense of others in more acute need.

11.66 In addition, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.

11.67 This means that ex-service personnel would not suffer a disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy.

11.68 The Consultation Draft NPPF (December 2025) also includes a definition of Military Affordable Housing which is a form of affordable housing which "meets all of the following conditions: (a) the rent is submarket military rent as determined by the Ministry of Defence; and (b) it includes provisions to remain as affordable housing for future eligible households, service personnel and veteran households (including widowed partners and spouses of service personnel), or for the subsidy to be recycled for alternative affordable housing provision."

11.69 The draft NPPF also sets out that such housing should not be required to provide the mix of affordable housing tenures as per the Local Plans. Still, they should demonstrate evidence of unmet need (as provided by the MOD) and meet development plan requirements for the proportion of affordable housing on the site. This includes where military affordable housing is the only form of affordable housing provided, or where it forms part of a mix.

11.70 Through the NPPF Consultation Roadmap the government also stated that it "intends to provide further guidance on how authorities should establish the need for military affordable housing." That guidance has not yet been published.

11.71 The Council therefore may wish to add this caveat to any policy requirement seeking affordable housing.

Students

11.72 There are no major higher education providers/facilities in Solihull. According to the 2021 Census, only 4% of students over 18 live in all-student households in the borough.

11.73 As shown in the table below, among full-time students over 18, the vast majority (75.6%) live with their parents; the next-largest group was another household type (17.3%).

Table 11.2 Accommodation of Full-Time Students (2021)

	Under 18s	%	Over 18s	%	All Students	%
Living with parents	34,389	98.6%	3,831	75.6%	38,220	109.6%
Communal establishment: University	0	0.0%	0	0.0%	0	0.0%
Communal establishment: Other	0	0.0%	13	0.3%	13	0.0%
All student households	11	0.0%	209	4.1%	220	0.6%
Living alone	6	0.0%	137	2.7%	143	0.4%
Living in another household type	465	1.3%	877	17.3%	1,342	3.8%
Total	34,871	100.0%	5,067	100.0%	34,872	100.0%

Source: Census 2021 – Table RM129

11.74 Given the lack of higher education facilities and the accommodation choices of full-time students in the Borough, there is no justification for a specific policy relating to student housing.

Specific Groups – Summary

11.75 Solihull's looked-after children cohort has fallen since 2023, reaching 491 children by 31 March 2025, including 42 UASC/separated children. The Council aims to reduce this to 385 children by 2026/27.

11.76 Although the overall care cohort is declining, residential placements have increased, reflecting sufficiency pressures, complex needs and market conditions.

11.77 There has been significant growth in Ofsted-registered independent children's homes in the Borough, alongside the Council's emerging in-house provision, which will provide nine beds when fully operational.

11.78 Most of the 39 Solihull children in external residential care are placed outside the Borough, and 11 moved from fostering into children's homes in 2024/25, indicating both increasing complexity and limited specialist local capacity.

11.79 The evidence points to three key sufficiency gaps: in-borough provision to reduce external placements; specialist homes for children with complex needs; and step-down or supported lodgings accommodation for older adolescents moving on from residential care.

11.80 The Council may also wish to explore opportunities to access future independent sector supply for local children and increase in-house residential capacity. The Local Plan should therefore support applications that would meet local need.

11.81 There are no notable student or service family numbers in the borough; therefore, a Local Plan policy addressing these groups would be unnecessary.

12. Economic Policy Review

12.1 This section reviews the main policy, strategies and planning documents relevant to Solihull's economy. It identifies and summarises policies, plans, and projects that affect economic growth, employment, and land demand & supply.

12.2 A summary of the documents which form part of this review is outlined below:

- NPPF, December 2024
- NPPF 2026 (although the Solihull Plan will be examined under the 2024 NPPF if submitted in 2026)
- West Midlands Plan for Growth, July 2022
- West Midlands Strategic Employment Sites Study, 2024
- West Midlands Futures Green Paper, April 2025
- The UK's Modern Industrial Strategy, June 2025
- The West Midlands Growth Plan, July 2025
- Solihull Economic Strategy 2023-32
- UK Central Solihull – Urban Growth Company
  - UK Hub Framework Plan
  - UK Central Growth and Infrastructure Vision
  - Destination Management Plan 2024-29

National Planning Policy Framework, December 2024

12.3 The adopted NPPF states inter alia: (*amendments vs 2023 NPPF underlined)*

Para 8: *Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives):*

a) an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;

Para 86: *Planning policies should:*

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies and other local policies for economic development and regeneration;

b) set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

c) pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

d) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

e) be flexible enough to accommodate needs not anticipated in the plan, and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.

Para 87. *Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for:*

a.) *clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections)*

b.) *storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and*

c.) *the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.*

Para 88: *Planning policies and decisions should enable:*

a.) *The sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed, beautiful new buildings;*

b.) *The development and diversification of agricultural and other land-based rural businesses;*

c.) *Sustainable rural tourism and leisure developments which respect the character of the countryside; and*

d.) *The retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.*

Para 89: *Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. In these circumstances, it will be important to ensure that development is sensitive to its surroundings, does not have an unacceptable impact on local roads, and exploits opportunities to make a location more sustainable (for example, by improving access on foot, by cycling, or by public transport). The use of previously developed land and sites physically well connected to existing settlements should be encouraged where suitable opportunities exist.*

12.4 As previously set out, a revised standard method was introduced alongside the NPPF in December 2024. The Government's ambition is to increase housing delivery, delivering 1.5 million homes across England over the next 5 years, with growth in all areas of the country. The PPG sets out the revised standard method in the section on *Housing and Economic Development Needs Assessments.*[34]*.*

NPPF 2026

12.5 The intention is for the Solihull Local Plan to be submitted to the inspectorate in 2026 for examination, and therefore it would be examined under the legacy system and 2024 NPPF.

12.6 Notwithstanding, key points from the 2026 NPPF are set out below.

Achieving Sustainable Development

12.7 The revised NPPF continues to identify sustainable development as the overarching purpose of the planning system. It states that achieving

[34] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments

sustainable development requires the planning system to pursue three interdependent objectives, including:

Economic Objective (Policy S1):

12.8 *"To help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure."*

Building a Strong, Effective Economy

12.9 The 2026 NPPF introduces a dedicated chapter on **Building a Strong, Effective Economy (Policies E1-E4)**. The revised framework places increased emphasis on economic growth, investment, productivity and supply chain resilience, whilst continuing to support the delivery of a sufficient supply of employment land and premises. References to the Government's Industrial Strategy, Local Growth Plans, AI Growth Zones, Industrial Strategy Zones, logistics development and emerging economic sectors have been strengthened.

12.10 The revised framework continues to require planning authorities to:

- support economic growth and productivity;
- positively plan for business expansion and investment;
- ensure the availability of sufficient employment land and premises to meet identified needs;
- recognise evolving sectoral requirements, including advanced manufacturing, digital industries, logistics, laboratories and innovation-led development;
- support freight and logistics networks and associated infrastructure;
- ensure plans remain sufficiently flexible to respond to unanticipated economic opportunities.

12.11 The framework emphasises that planning policies and decisions should give substantial weight to the economic benefits arising from commercial development that enables businesses to invest, expand and adapt.

Strategic Planning and Economic Growth

12.12 The revised plan-making framework introduces a greater role for strategic planning. Under **Policy PM1**, Spatial Development Strategies are expected to:

- provide a clear spatial framework for investment and growth;
- support economic growth through strategic investments;
- give spatial expression to Local Growth Plans and the Industrial Strategy;
- identify broad locations for growth, regeneration and strategic employment development; and
- coordinate transport, utilities, digital, energy and other infrastructure required to support growth.

12.13 This reflects a stronger expectation that economic development needs will be considered across functional economic areas and strategic geographies rather than solely within individual local authority boundaries.

Freight, Logistics and Strategic Employment Development

12.14 The 2026 NPPF provides a clearer national policy basis for freight and logistics development. Planning policies are expected to ensure suitable sites are available in locations with good access to strategic transport networks, while managing environmental impacts appropriately.

12.15 The framework also broadens references to emerging employment sectors, including:

- AI Growth Zones;

- Industrial Strategy Zones;
- advanced manufacturing;
- campus-style employment development;
- data-driven industries;
- last-mile delivery facilities;
- digital and communications infrastructure; and
- other forms of strategic employment development that support national and regional growth objectives.

Flexibility and Meeting Future Employment Needs

12.16 Consistent with previous versions of the NPPF, the revised framework seeks to ensure that plans remain flexible and capable of responding to changing economic circumstances. The Government's reforms place particular emphasis on identifying market signals, responding to shortages of employment land and premises, and ensuring that development plans can accommodate future economic opportunities that may not be fully anticipated at the outset of the plan period.

Implications for Economic Needs Assessments

12.17 The publication of the August 2026 NPPF reinforces the importance of a robust and up-to-date evidence base for employment land and premises. In particular, the revised framework strengthens the requirement for local authorities to:

- understand future economic growth opportunities;
- identify sufficient land and premises to meet business needs;
- recognise the locational requirements of strategic sectors;
- align employment growth with infrastructure investment;
- support logistics and supply chain resilience;

- consider strategic planning relationships across wider economic market areas; and
- maintain flexibility to respond to emerging investment opportunities and changing market conditions.

West Midlands Plan for Growth, 2022[35]

12.18 The West Midlands Plan for Growth identifies economic clusters which have the potential to support above-forecast levels of growth for the region. Eight primary clusters have been identified as existing, high-value areas where the West Midlands has a comparative advantage, business confidence, and further market opportunities. These are:

- Aerospace (inc. manufacturing alternative fuel)
- Creative content production and gaming
- Health Tech and medtech
- Logistics and distribution
- Manufacturing of electric light vehicles and associated battery storage devices
- Manufacturing of future housing
- Modern and low-carbon utilities
- Professional and financial services and supply chain

12.19 The report also highlights the need to proactively back clusters with exponential growth potential – 'Nascent clusters'. Examples identified include Very Light Rail (VLR), 5G adoption, eCommerce and space technology.

[35] https://www.wmca.org.uk/what-we-do/economy-and-innovation/plan-for-growth-a-vision-for-growth-in-the-west-midlands/

West Midlands Strategic Employment Sites Study 2024

12.20 This regional study looked at the need for large-scale industrial and warehousing employment sites. After accounting for existing regional supply, the recommended residual land need is 548-841 ha.

12.21 This was distributed across Table 12.2 in the West Midlands sub-markets/opportunity areas. No additional land requirement was identified in Birmingham, given its constrained nature. However, several sites were recommended on the urban fringe, including in Green Belt areas.

West Midlands Futures Green Paper

12.22 This paper sets out four significant areas of change on the horizon for the West Midlands and how regional stakeholders (led by the WMCA) are beginning to respond to them. For each area, the paper asks several questions that individuals, businesses, and local communities are invited to answer. The two areas most relevant to this HEDNA study are ‘Chapter 1 The West Midlands Growth Plan’ and ‘Chapter 2 Places and the Spatial Development Strategy’.

12.23 The paper proposes to divide the West Midlands Growth Plan into six parts. The West Midlands Growth Plan has since been published and is summarised in the next section.

12.24 The document highlights the importance of place, and states that WMCA have begun to identify a series of significant capital investment opportunities, starting with three major Investment Zone sites. It also states that work will be undertaken to advance key development sites and develop a new Spatial Development Strategy (SDS).

12.25 Based on direct engagement with WMCA, it is understood that the SDS is moving forward at pace, with a paper taken to the board in July, which initiates a five-stage process for development of the strategy.

12.26 The SDS will be a land-use planning strategy that will complement the West Midlands Growth Plan. It will indicate broad growth locations for housing and employment across the region.

12.27 The Green Paper outlines that local authorities' Place-Based Strategies each identify clear opportunities for growth and investment. Whilst the Green Paper does not list all of these, it goes on to highlight several regionally significant sites, including:

- HS2 Stations – including Curzon Street station, which is located in central Birmingham. The stations are described as "magnets for international investment and drivers of catalytic economic transformation".
- The West Midlands Investment Zone – anchored by three sites, one of which is the Birmingham Knowledge Quarter (130 ha of research and incubation-led activities in digital technology and med-tech)
- Growth Zone sites – including the strategic corridor from East Birmingham to North Solihull.
- Birmingham City Centre – including HS2's Curzon Street Station, which is adjacent to "one of the region's most successful Enterprise Zones", the Birmingham Knowledge Quarter and Birmingham Sports Quarter.
- Corridors of opportunity – potential for development along transport corridors, including between the two HS2 stations through East Birmingham and Solihull.

The UK's Modern Industrial Strategy, June 2025

12.28 The Government published the UK's Modern Industrial Strategy in June 2025. The strategy aims to "help seize the most significant opportunities and create the most favourable conditions in key UK sectors for the companies of the future to emerge here".

12.29 The strategy backs eight sectors in particular – the 'IS-8', which are identified as having the most significant potential:

- Advanced Manufacturing
- Clean Energy Industries
- Creative Industries
- Defence
- Digital and Technologies
- Financial Services
- Life Sciences
- Professional and Business Services

12.30 The West Midlands Growth Plan – explored in more detail below – outlines the West Midlands' strengths against these eight sectors.

The West Midlands Growth Plan, July 2025

12.31 The West Midlands Growth Plan sets out a vision to transform the region's economy over the next ten years and explains what the WMCA believes needs to be done to make this happen.

12.32 It states that the West Midlands is formally recognised in the Modern Industrial Strategy as a region of strength across all eight priority sectors. Building on the analysis underpinning the Plan for Growth, the Growth Plan identifies five future growth sectors and industry clusters that offer strong opportunities for growth and high-value jobs. These sectors and clusters are:

- Advanced engineering, light electric vehicles and batteries
- Clean Tech and Smart Energy Systems
- Health & medical devices, diagnostics and associated digital healthcare
- Digital, tech & creative

- Next generation services (business, professional and financial services)

12.33 The plan also sets out several corridors and zones that will be "gamechangers" for economic growth. It is noted that these will be set out in full in the region's capital investment pipeline, due to be published later this year. The opportunities relating specifically to Birmingham include:

- UK Central Gateway – This initiative connects Birmingham City Centre (including Digbeth, Smithfield, Curzon Street, and the city's Enterprise Zone) to the UK Central Hub in Solihull. It is expected to leverage at least £10.2 billion in private-sector investment across several key assets, unlock over 55,000 jobs, and generate an annual uplift of £1 billion to the regional economy.

- The West Midlands Investment Zone – including 210 hectares of research and incubation-led activities in digital technology and biotech at the Birmingham Knowledge Quarter.

- Birmingham City Centre - HS2's Curzon Street Station is adjacent to one of the region's most successful Enterprise Zones, attracting major firms and driving growth in creative industries. The Birmingham Knowledge Quarter lies north of Curzon Street and has ambitions to become a global innovation district. It is expected to have similar impacts in research and innovation as the King's Cross Innovation District. Birmingham Sports Quarter represents a £3bn commitment from Knighthead Group to develop a new stadium and leisure attraction. Digbeth is the heart of Birmingham's creative sector and one of the city's fastest-growing areas, with the opportunity to deliver 300,000 sq m of commercial floorspace.

- Port Loop - A transformational 17.4-hectare waterside regeneration in Ladywood, Birmingham, with a masterplan delivering around 1,150 homes, leisure, commercial, and cultural spaces.

13. Economic Baseline

13.1 This section of the report provides a review of the current economic picture and dynamics for Solihull.

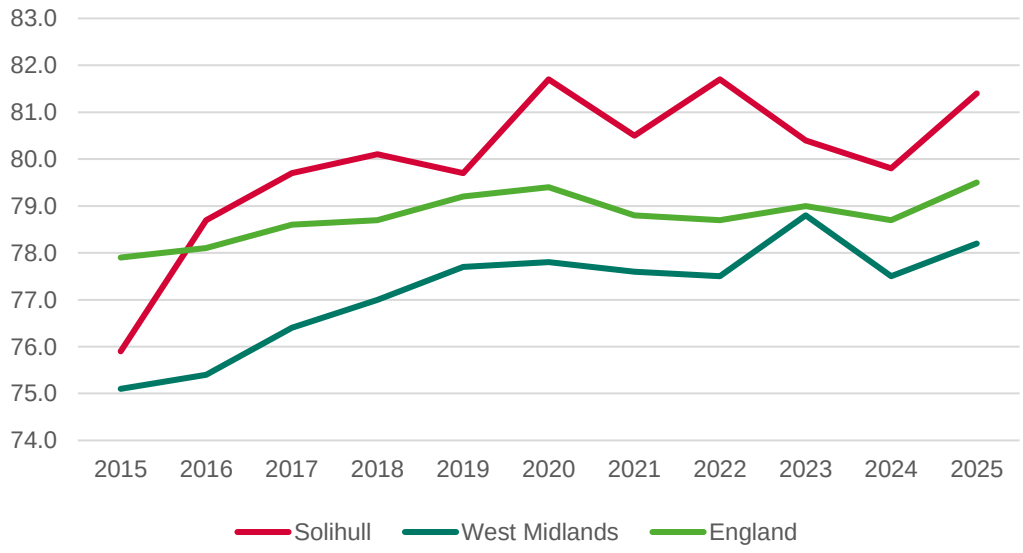
Labour Market

13.2 A key measure of an area's labour force is the rate of economically active population. This is defined as those in employment plus those who are unemployed.

13.3 In 2015, Solihull's economic activity rate was 75.9%, and the most recent rate in 2025 shows an 81.4% rate, with an overall increase of 5.5 percentage points. Solihull's economic activity rate declined between 2022 and 2024, from 81.7% to 79.8%, but has recently risen to 81.4%

13.4 Solihull's economic activity rate (81.4%) has for a decade been consistently higher than the region (78.2%) and England (79.5%).

Figure 13.1 Economic activity rate, 2015 to 2025

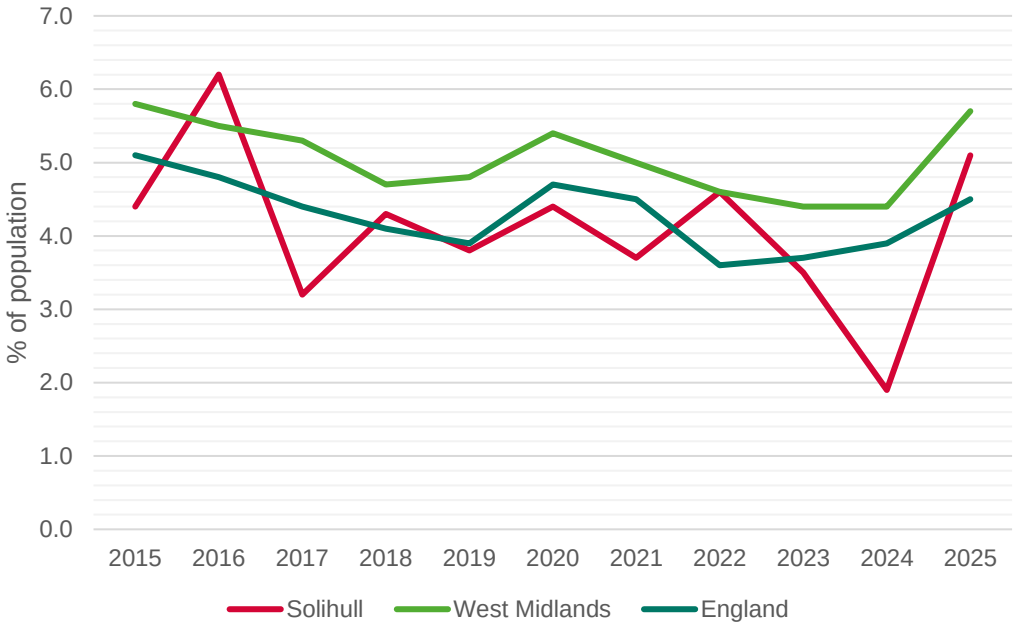


Source: ONS (Annual Population Survey), 2025

13.5 To complement the economic activity rate, the most universally observed figure of a labour force's dynamism is the unemployment rate. The headline measure of unemployment for the UK is the unemployment rate for those aged 16 and over. Unemployment rates are calculated as the number of unemployed people divided by the economically active population.

13.6 Solihull's unemployment rate has remained relatively consistent throughout the last 10 years. In 2024, Solihull reached its lowest recorded unemployment rate (1.9%), although this may reflect data consistency issues, before rising back to 5.1% in 2025, in line with the regional and national average.

Figure 13.2 Unemployment Rate, 2015 to 2025

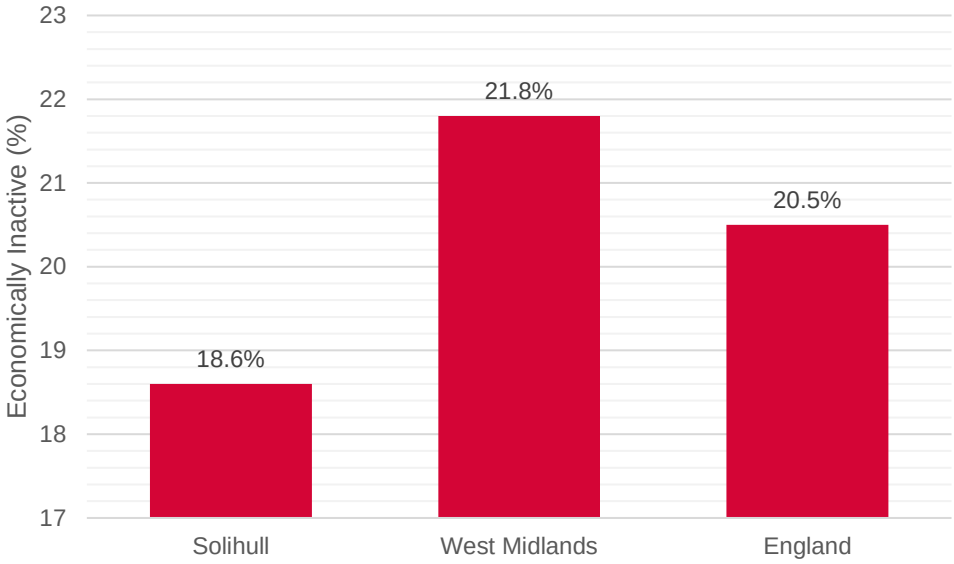


Source: ONS (Annual Population Survey), 2025

13.7 The chart below compares economic inactivity rates for Solihull, the West Midlands and England. Economic inactivity refers to working-age individuals who are neither employed nor actively seeking work.

13.8 Solihull's economic inactivity rate of 18.6% is lower than the West Midlands average of 21.8% and the national average of 20.5%.

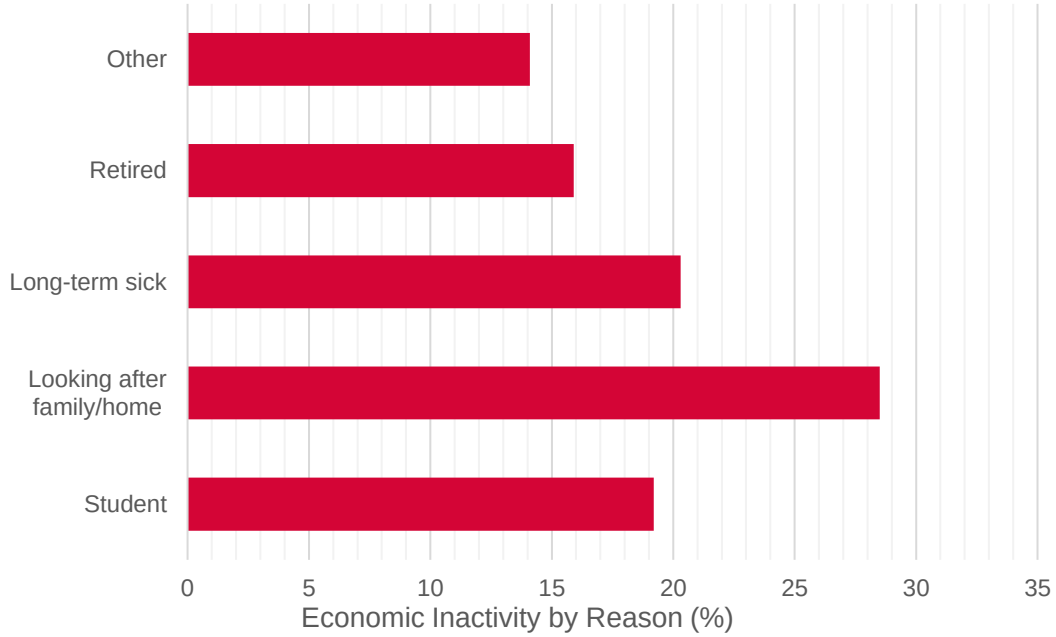
Figure 13.3 Economic Inactivity Rate, Oct 2024-Sep 2025



Source: ONS Annual Population Survey

13.9 The graph below suggests that Solihull's lower economic inactivity is supported by low worklessness, with inactivity more likely linked to structural reasons such as retirement, caregiving, study or long-term health rather than weak labour demand.

Figure 13.4 Economic Inactivity by Reason, Solihull (aged 16+), January 2025-December 2025

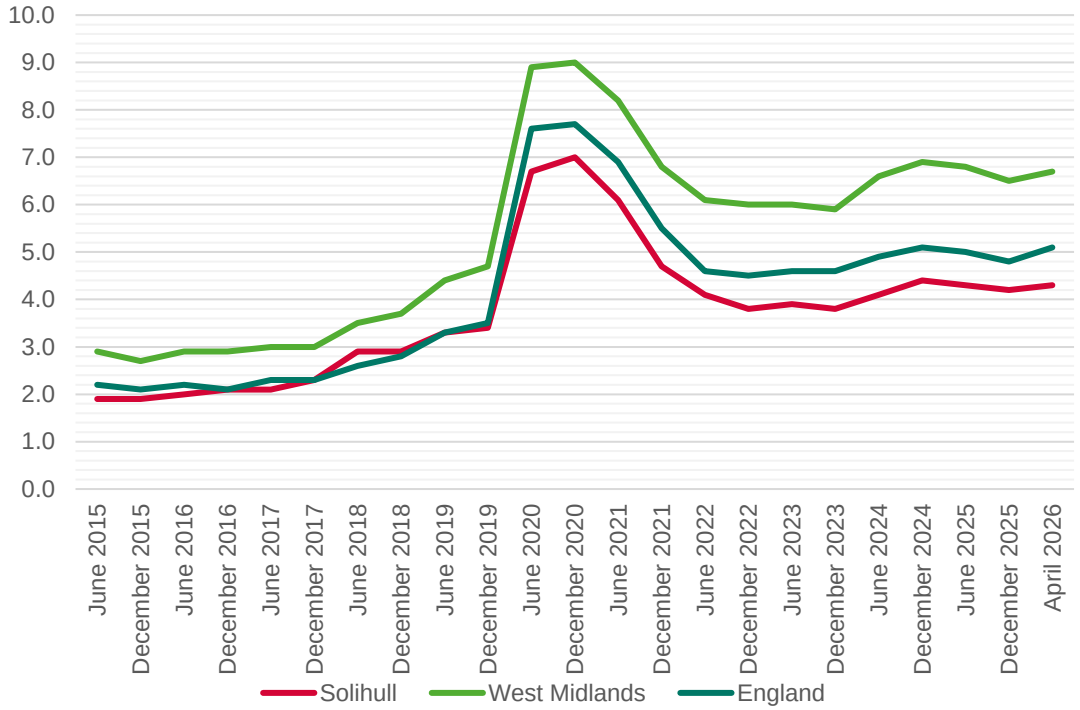


Source: ONS Annual Population Survey

13.10 Another measure of interest to contextualise the labour force is the claimant count.

13.11 The latest data (April 2026) available shows a rate of 4.3% for Solihull compared to 6.7% for the West Midlands Region and 5.1% for England as a whole. The chart below shows the change from the 2019-20 period after all areas were hit by the economic recession linked to the global pandemic. As of June 2026, Solihull's claimant rate remains lower than other comparators shown in the figure below.

Figure 13.5 Claimant Count (June 2015 – April 2026)



Source: ONS, 2025

13.12 The percentage of the population aged 16-64 qualified to at least RFQ4 (degree level) in Solihull is 43.8%, matching the West Midlands regional level (43.8%), but below the national level (48.0%)

13.13 Solihull has a comparatively strong skills base, with low levels of residents with no qualifications. The degree-level qualification rate is broadly comparable with the West Midlands, although slightly below England. This supports the borough's strong labour market outcomes and higher earnings profile. Still, it also highlights the importance of continued upskilling and workforce attraction if Solihull is to support long-term growth in higher-value sectors such as professional services, finance, advanced manufacturing and digital activities.

13.14 5.5% of the working age population in Solihull have no qualifications – this has marginally decreased since 2022 (6.0%) but since 2024 has increased from 4.7%. This remains below the regional and national average of the West Midlands (7.7%) and England (6.1%).

13.15 This marginally stronger skills profile is likely to be contributing to Solihull's long-term higher employment rates and lower levels of unemployment and economic inactivity, as individuals without qualifications typically face greater barriers to accessing sustained employment.

Figure 13.6 Qualification level of people aged 16-64 (Jan - Dec 2025)

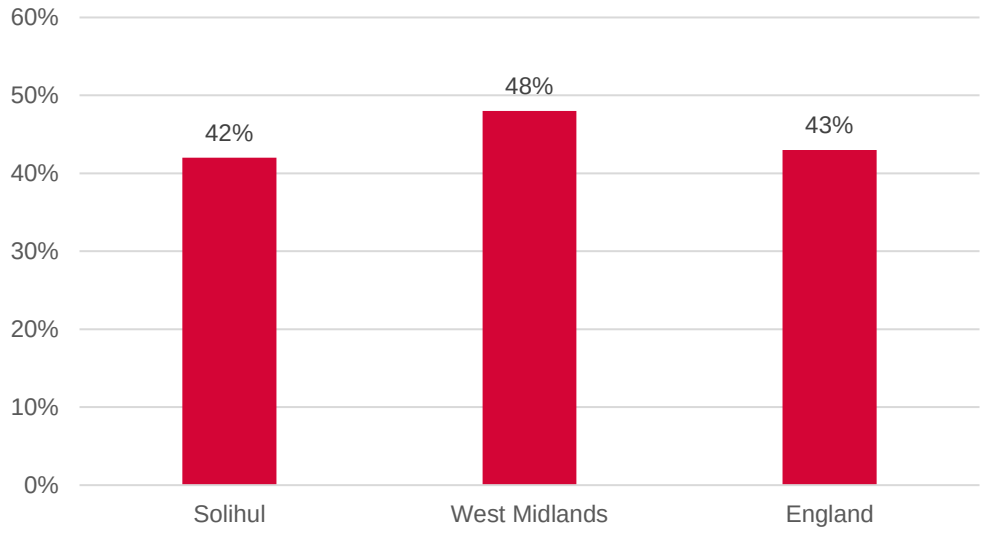


Source: ONS Annual Population Survey 2025

13.16 The qualifications breakdown of the Borough also influences the occupational split of the population. Those with higher qualifications tend to attract higher occupational groups, including managers, directors and senior officials, as well as second-tier professional occupations and third-tier associate professional and technical occupations.

13.17 As shown in the figure below, Solihull's (42%) proportion of the working age population within the top three occupational groups (the three tiers noted above) is marginally lower than the regional figure of the West Midlands (48%), and the national figure of 43%.

Figure 13.7 Employment in Top 3 Occupational Groups (March 2025)

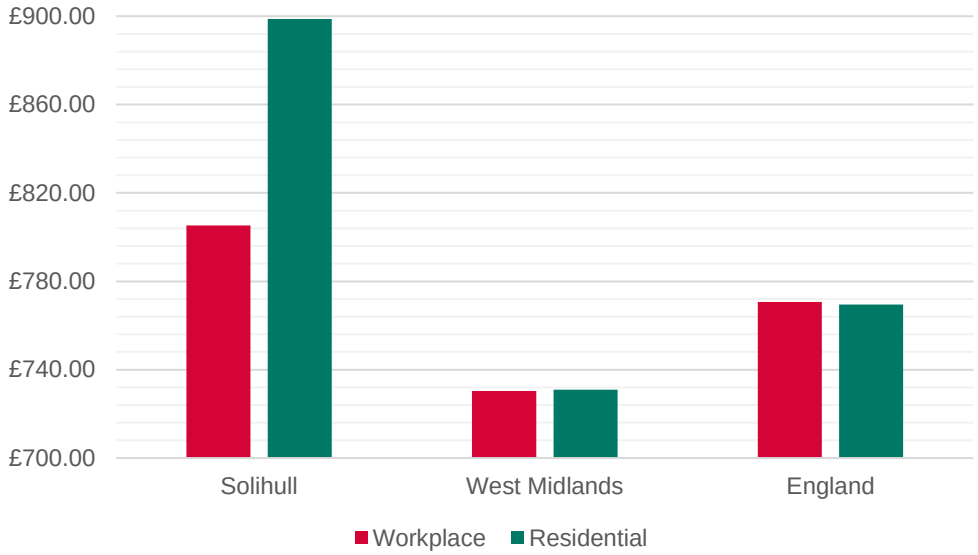


Source: ONS Annual Population Survey 2025

13.18 Solihull possesses lower workplace-based earnings (£805 per week) than residence-based (£899 per week), indicating that some residents commute outside of the area for higher paid work – which would include Birmingham City Centre.

13.19 However, those working in Solihull have higher median earnings than the wider West Midlands region and national averages. Those living in the area also have higher median earnings than the comparators.

Figure 13.8 Comparison of Residence- and Workplace-based Earnings (2024)

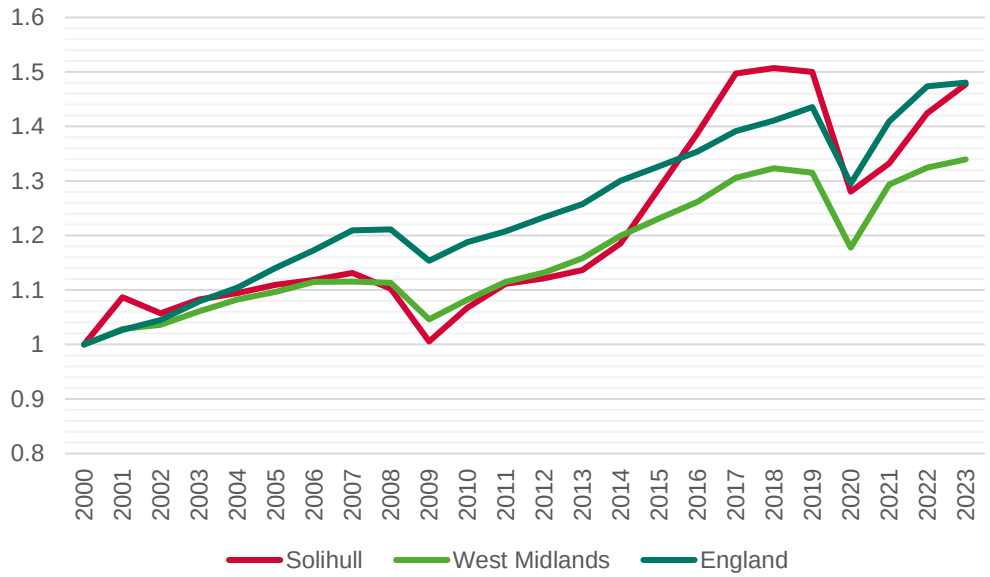


Source: ONS Annual Survey of Hours and Earnings

Economic Output & Productivity

13.20 The figure below shows indexed GVA growth, allowing the comparison of Solihull's economic growth against the wider region and England. Solihull's economic growth exceeded the regional and national rate from 2016 onwards. Since 2020, Solihull has grown by 13%, in line with the West Midlands and England.

Figure 13.9 Indexed GVA growth (2000=1)



Source: Experian (2025)

13.21 The difference in relative GVA per sector in the following graph shows which sectors dominate in Solihull in 2024 and how this differs from the national average. A distinct set of industries dominates Solihull's economy:

- Professional & Other Private Services, which represents 32% of total GVA, slightly higher than the national rate (28%), making it the largest sector in Solihull's economy

- Manufacturing, which represents 17% of total GVA compared to England's rate (9%) and will be supported by JLR

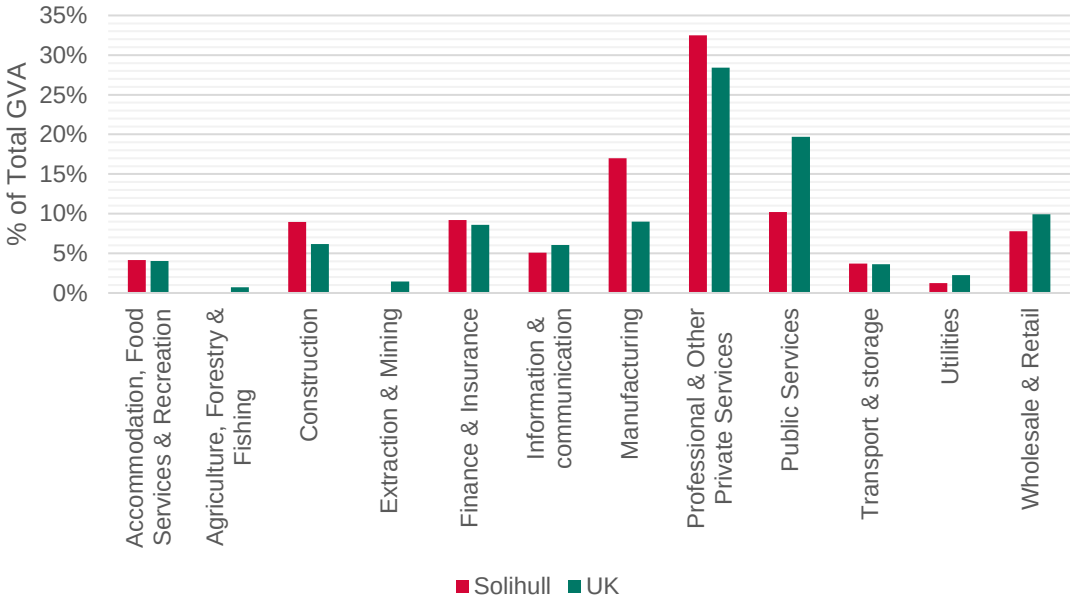
- Public Services, at 10%, is lower than the national rate (20%)

- Finance & Insurance, at 9%, broadly in line with the national rate (9%).

- Construction, at 9%, above the national rate (6%),

13.22 These five sectors account for approximately 78% of value added within Solihull's economy.

Figure 13.10 GVA, by industry (2024)



Source: ONS, 2024

13.23 The following table details how much each sector has grown in the last two decades, from 2004 to 2024. Over the past two decades, growth has been positive: most sectors recorded increases in Gross Value Added (GVA), while a smaller number of experienced declines.

13.24 Finance and insurance, ICT and professional services have grown significantly. In contrast, sectors including accommodation, food services and recreation, and utilities contracted over the same period.

13.25 Overall, Solihull's total GVA grew by 23%, reflecting the mixed sectoral performance. Overall, the strength of the fastest-growing sectors outweighed the weaker performance of other sectors.

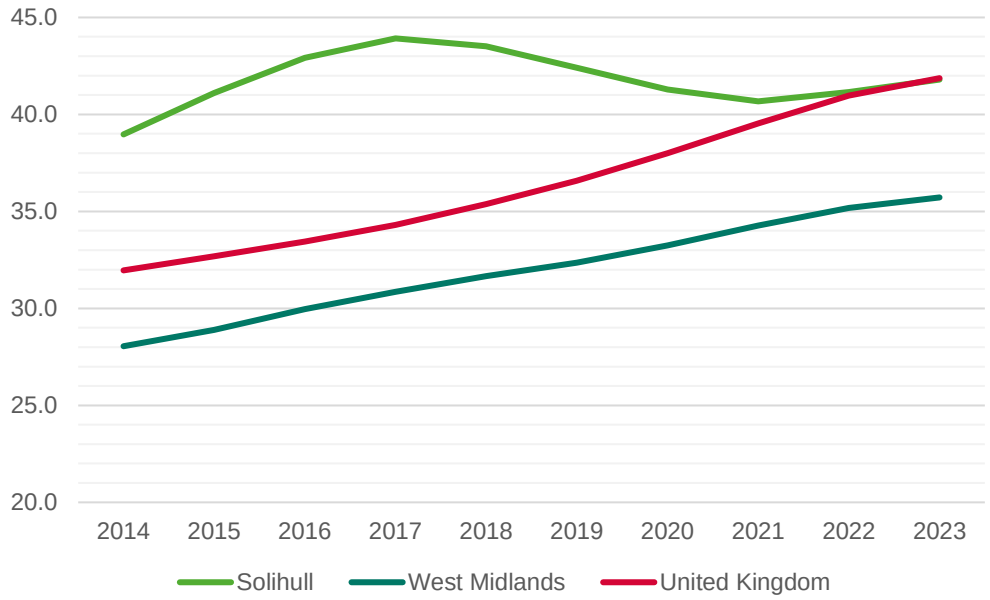
Table 13.1 GVA growth per sector in Solihull (£ million), 2004 to 2024

	2004	2014	2024	10-year change	20-year change
Accommodation, Food Services & Recreation	1045.4	778.6	429.7	-45%	-59%
Agriculture, Forestry & Fishing	5.4	15.4	12.8	-17%	137%
Construction	723.6	636.6	929.6	46%	28%
Extraction & Mining	6.9	2.1	2.7	29%	-61%
Finance & Insurance	228.7	327.2	955.5	192%	318%
Information & Communication	258.8	270.5	526.6	95%	103%
Manufacturing	1385.3	2005.2	1760.1	-12%	27%
Professional & Other Private Services	1770.2	2052.3	3367.7	64%	90%
Public Services	888.7	961.9	1058.6	10%	19%
Transport & storage	298.3	440.5	386.1	-12%	29%
Utilities	584.1	218.9	129	-41%	-78%
Wholesale & Retail	644	717.2	808.8	13%	26%
Total	7839.4	8426.4	10367.2	23%	32%

Source: Experian & Iceni Projects analysis

13.26 Productivity performance can be assessed using Gross Value Added (GVA) per hour worked. The figure below shows that productivity in Solihull has historically been higher than both the UK average and the West Midlands. While productivity in Solihull has slowed somewhat, and is now broadly comparable with the UK average, it continues to perform significantly above the West Midlands regional average.

Figure 13.11 GVA per Hour Worked (2014 – 2023)



Source: ONS Subregional Productivity (June 2025)

Employment

13.27 The figure below sets out the growth in jobs over the period since 2014 to 2025 according to Experian Data. Between 2014 and 2025, Solihull experienced a continuous increase in employment, with significant drops shown in 2019 and 2022. Growth has been at a significantly higher rate than the West Midlands region.

Figure 13.12 Indexed Employment Growth (2014-2025)



Source: Experian, 2025

13.28 The following table details how employment per sector has evolved in the last two decades, from 2004 to 2024.

13.29 Similarly to GVA, growth in employment over the past two decades has been polarised. Professional & Other Private Services, Public Services, Transport and storage, and Accommodation, Food Services and Recreation have grown significantly.

13.30 Most other sectors have seen significant contractions over the same period, with the greatest decline in employment within the Finance & Insurance, Utilities and Information and Communication sectors.

13.31 Overall, over the last two decades, Solihull's total employment grew by 13% with the last decade being particularly strong. Overall, the strength of the fastest-growing sectors outweighed the employment contractions in other sectors and Professional services making the greatest contribution.

Table 13.2 Employment per sector in Solihull (000s), 2004 - 2024

	2004	2014	2024	10-year change	20-year change
Accommodation, Food Services & Recreation	6.5	7.7	8.7	13%	34%
Construction	6.3	5.8	6.4	10%	2%
Finance & Insurance	3.5	2.9	3.6	24%	3%
Information & communication	5.2	5.5	7.1	29%	37%
Manufacturing	11.8	11.6	13.5	16%	14%
Professional & Other Private Services	18.7	26.4	45.9	74%	145%
Public Services	17.1	19.1	19.8	4%	16%
Transport & storage	6.7	7.7	10.2	32%	52%
Utilities	1.6	1.4	1.2	-14%	-25%
Wholesale & Retail	12.2	13.5	13.8	2%	13%
Total	**89.6**	**101.6**	**130.2**	**28%**	**45%**

Source: Experian, 2025

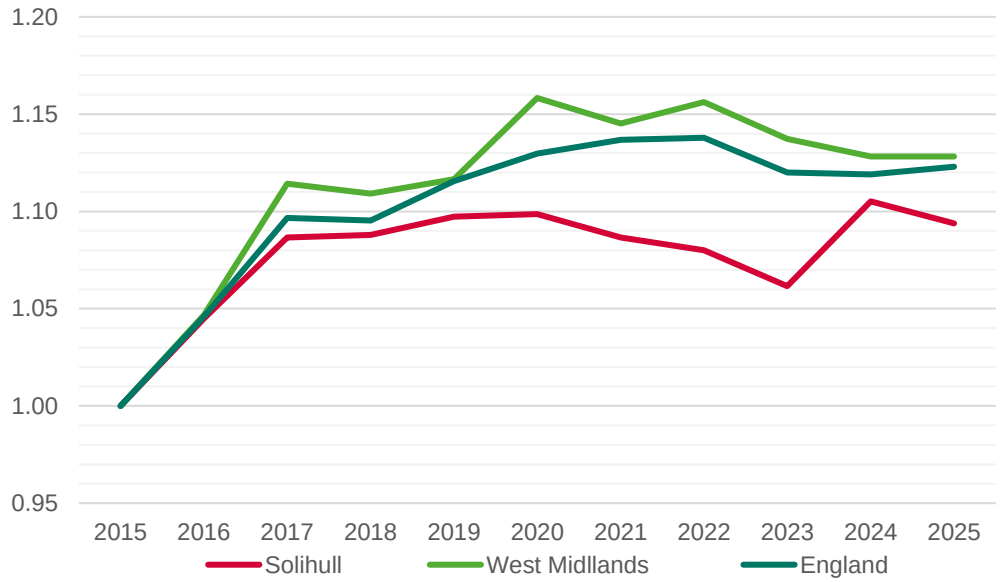
Business Base

13.32 According to ONS data seen in the figure below, the number of enterprises in Solihull remained relatively stable over the period, falling from 8,295 in 2018 to 8,025 in 2022, before recovering to 8,355 in 2023 and ending at 8,270 in 2024. Despite this recent recovery, Solihull ended slightly below its 2018 level. Growth has therefore been less consistent than the regional and national trends, with the West Midlands

ending broadly stable and England recording a slight increase over the same period.

13.33 The Business survival rate over one year in Solihull is 93.9%, marginally higher than the national rate (93.4%). The 5 Year survival rate is 44.4%, higher than England's average of 39.4% and far above the West Midlands' 34%, showing the area's economic strength.

Figure 13.13 Indexed Ten-Year Growth in Business Numbers



Source: ONS Business Counts Annual Survey

13.34 Solihull's business landscape is home to a dominance of micro enterprises, making up the majority (89%) in Solihull, in line with the national trend (89%).

13.35 Small businesses are a smaller proportion, accounting for 8% in Solihull, aligning closely with England's rate (8.7%). Large firms in Solihull are 0.7%, higher than the regional and national rate (0.4%). The balance between micro and larger firms in Solihull closely follows regional and national patterns.

Table 13.3 : Business Count by Size, 2025

	Solihull (No.)	Solihull (%)	West Midlands	England
Micro (0 To 9)	7,385	89%	88.8%	89.2%
Small (10 To 49)	665	8%	9%	8.7%
Medium (50 To 249)	155	2%	1.5%	1.6%
Large (250+)	60	0.7%	0.4%	0.4%
Total		**8,270**	**216,145**	**2,367,615**

Source: ONS, 2025

Economic Baseline – Summary

13.36 Overall, Solihull has a relatively strong and resilient economic baseline, supported by:

- High levels of economic activity and comparatively low economic inactivity.
- Strong resident earnings and a skilled workforce.
- A productivity level that is above the West Midlands average and broadly comparable with the UK average.

13.37 Solihull's skills profile supports higher-value employment, although degree-level attainment remains slightly below the England average. This means continued upskilling and workforce attraction will be important to sustain growth in professional services, finance, advanced manufacturing and digital sectors.

13.38 Economic output is concentrated in a small number of high-value sectors, and these sectors account for the majority of Solihull's economic output, with the largest contributors to GVA being:

- Professional and other private services
- Manufacturing
- Public services

- Construction
- Finance

13.39 Employment has also grown substantially over the long term, driven by Professional and other private services, Transport and Storage, Public Services and Accommodation, Food services and Recreation.

13.40 Recent labour market indicators point to emerging pressures, such as rising unemployment and an increase in the claimant count.

13.41 The business base has remained broadly stable rather than strongly expansionary, with enterprise numbers dipping before recovering and micro-businesses continuing to dominate the local economy.

13.42 The key takeaway is that Solihull enters the plan period from a position of economic strength. Still, future growth will depend on maintaining labour market resilience, improving skills supply, supporting high-value sectors and ensuring that the right mix of employment land and premises is available to accommodate both local business growth and wider strategic opportunities.

14. Commercial Market Assessment

14.1 This section considers separately the office and industrial / logistics sectors using a range of data and insight from VOA, CoStar and third party agency literature.

National Office Market Overview

14.2 CoStar reports that, following a robust recovery in demand in 2025, when absorption turned positive for the first time since 2019, and 1 million sq.ft more offices were occupied than vacated, demand losses have resumed in 2026. Rising uncertainty and geopolitical headwinds have impacted services sector confidence, which is leading to weaker demand for office space, although this is not expected to persist.

14.3 National office vacancies have nudged upwards accordingly. At 9.2%, the UK office vacancy rate is at a historically high level and double what it was when the pandemic struck. However, demand losses in 2025 were far lighter than in the preceding years, when cumulative demand losses totalled over 40 million sq.ft.

14.4 At 19.1 million sq.ft, the amount of office space under construction is at an 11-year low, and increasingly dominated by London, which accounts for a record three-quarters of all space under construction nationally.

14.5 Recent leasing trends indicate that the office revival may soon resume. While national take-up fell in H1 2026 after a strong end to 2025, data indicates that the second quarter of 2026 was stronger than the first. Larger firms, especially, continue to look beyond global tensions and are committing to space decisions.

14.6 Nationally, there were 12 new lettings for spaces exceeding 150,000 sq.ft in the 18 months to June 2026, up 33% from the previous 18 months, with four of these occurring in H1 2026.

14.7 While the overarching theme of recent years has been for firms to take less space when signing new leases, there have been some significant expansions recently, as the return-to-office trend gains momentum, particularly in the banking world, which is benefiting London especially.

14.8 Data from Remit Consulting shows that office attendance is at its highest level since the pandemic began.

14.9 Firms are increasingly compromising on office quality to get space in the right location. A growing shortage of top-quality space in the best locations, amid historically low levels of development, is prompting firms to act and driving up rents for high-quality space, even as the overall vacancy rate remains high.

14.10 Landlords and developers of best-in-class buildings have felt limited pain throughout the past few years as prime rents in popular city centre locations continue to rise.

14.11 However, older offices in secondary locations remain highly challenged in a polarised market. Landlords of better-quality buildings, or those with the ability and desire to refurbish, stand to benefit from a vast swathe of office stock becoming unlettable in the coming years as new energy performance regulations gradually come into force.

Birmingham Sub-Regional Office Market

14.12 CoStar identifies Solihull as falling within a wider ‘Birmingham’ office market (Birmingham, Solihull, Dudley, Sandwell, Walsall and Wolverhampton).

14.13 The Birmingham office market spans a defined CBD, centred on Colmore Row, Paradise, Snow Hill and New Street, alongside established mixed-use districts such as Brindleyplace and the Jewellery Quarter.

14.14 The broader out-of-town market includes Solihull and the M42 corridor. Connectivity is a key structural advantage, with Birmingham New Street, Snow Hill and Moor Street providing frequent national and regional rail services. Ambitious regeneration plans have attracted occupiers to Birmingham in recent years. The prospect of wider connectivity via HS2, its success hosting the Commonwealth Games and some high-profile business migrations from London, such as HSBC and Goldman Sachs, have added to its appeal.

14.15 Birmingham's office market is showing signs of stabilisation after several years of rising vacancy, as slower development activity and improving leasing help bring supply and demand into closer balance. However, vacancy remains elevated at a 12-year high.

14.16 Leasing activity during the first half of 2026 was subdued, with Birmingham city-centre take-up among the weakest levels seen in recent years. However, market participants report approximately 250,000 sq.ft of space currently under offer, alongside a healthy pipeline of active requirements, suggesting stronger activity ahead.

14.17 Demand remains heavily concentrated among best-in-class buildings. The Paradise estate has been the market's dominant leasing destination over the past year, securing a series of major professional services transactions.

14.18 EY committed to 88,400 SF at Three Chamberlain Square, while Eversheds agreed 45,700 SF at a record headline rent of around £52/SF. Deloitte and TLT also took space at One Centenary Way, reinforcing Birmingham's continuing demand for the best space. More recently, flexible workspace providers have also become increasingly prominent.

14.19 As opportunities to secure new-build accommodation diminish, demand for high-quality refurbished offices continues to strengthen. Squire Patton Boggs' move to 19 Cornwall Street remains one of the city's

most significant refurbishment lettings, while Brindleyplace has secured several occupiers.

Solihull Office Market Overview

14.20 KWB[36] report that following a steady return to form in the post-pandemic years since 2023, the M42 and Solihull office market has remained consistent in H1 2026, delivering a range of new deals, including 25,250 sq.ft purchased by Aybl at Blythe Valley.

14.21 They note that office market take-up has increased by 45% from H2 2025, with the Technology, Media, and Telecommunications (TMT) sector driving take-up at 25% of all space in H1 2026.

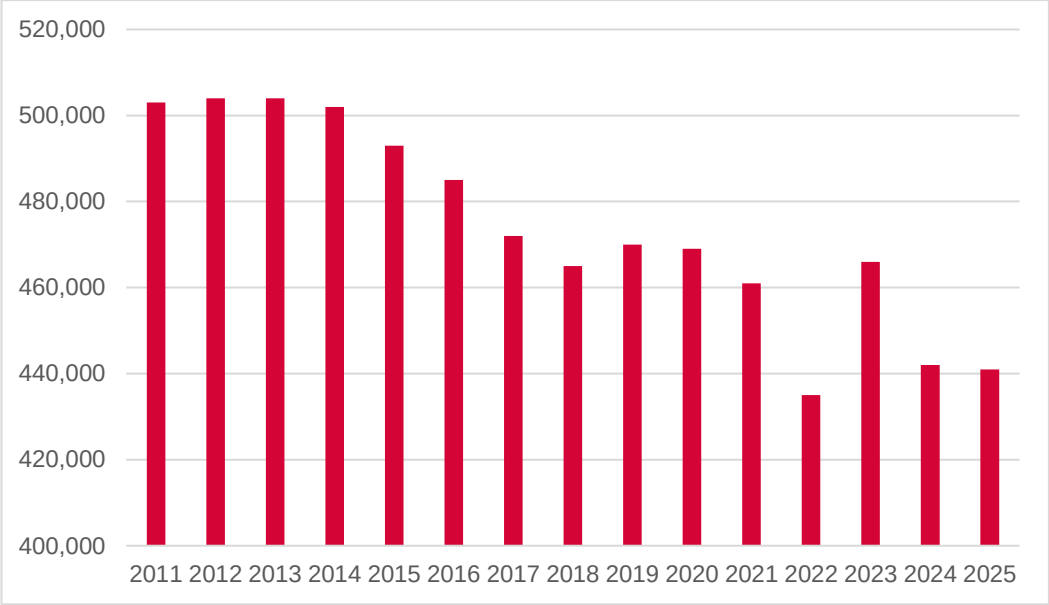
14.22 Activity is supported by freehold sales opportunities, with 5 out of 12 deals in Q2 2026 being freehold or long leasehold transactions. Long-term office investment is rarely found in city centres, so Solihull benefits from this. With a prominent business community, town centre amenities, and excellent road and rail connectivity, this region remains a strong choice for businesses seeking exceptional returns on investment.

14.23 The following section further considers Solihull's office market dynamics by interrogating key market indicators.

14.24 The figure below shows the level of office floorspace within Solihull since 2011. Office floorspace has been declining since 2014, driven by permitted development rights. As of 2025, there was 441,000 sq.m of office floorspace within the Borough.

[36] Solihull office market research, Redditch, Bromsgrove, M42

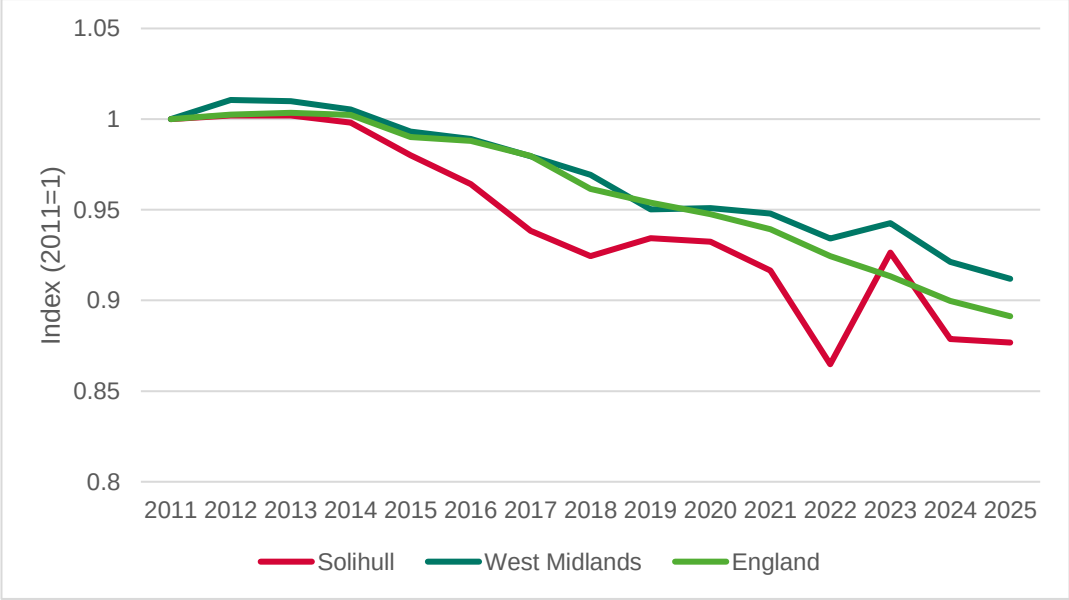
Figure 14.1 Office Floorspace (sq.m) – Solihull



Source: VOA

14.25 The figure below shows the indexed change of floorspace in Solihull since 2011 compared to the wider regional and England. Solihull has lost office floorspace at a faster rate than both the West Midlands and England.

Figure 14.2 Indexed Change in Office Floorspace

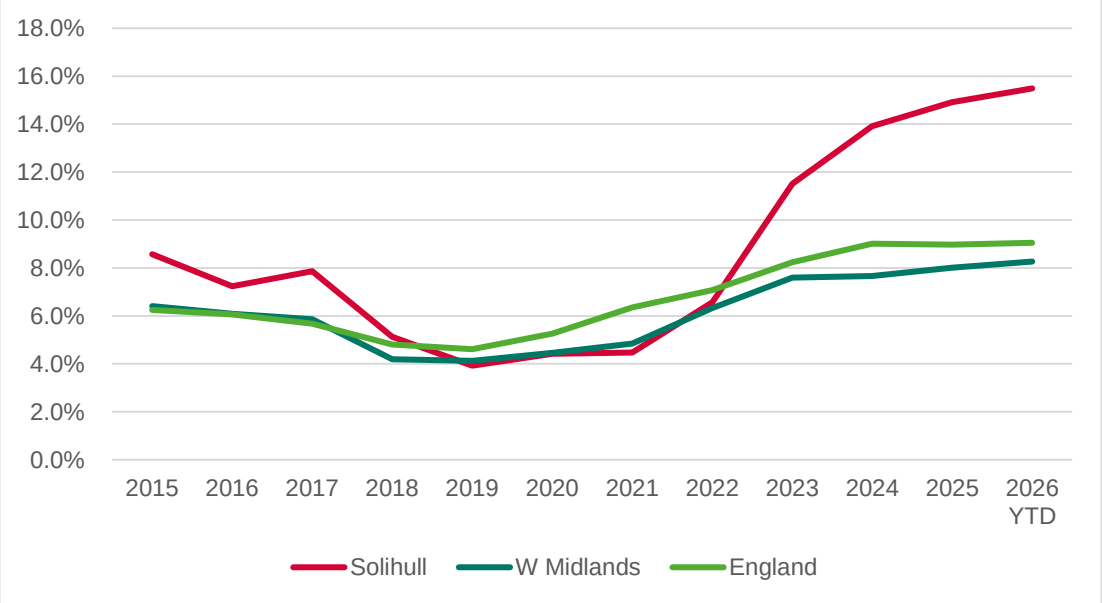


Source: VOA

14.26 The figure and table below show the office vacancy rate in Solihull compared to the region and England. The vacancy rate in Solihull has been rising since 2019, driven by the pandemic's impact on home and hybrid working patterns, which has dampened occupier demand. As of Summer 2026, the vacancy rate in Solihull reached 15.5%, a historical high. This compares to a regional average rate of 8.3% and 9.1% across England.

14.27 The higher vacancy rate reflects the nature of the office market within Solihull, with much of its stock in larger, HQ-style buildings which have seen a significant drop-off in demand since the pandemic.

Figure 14.3 Office Vacancy Rate



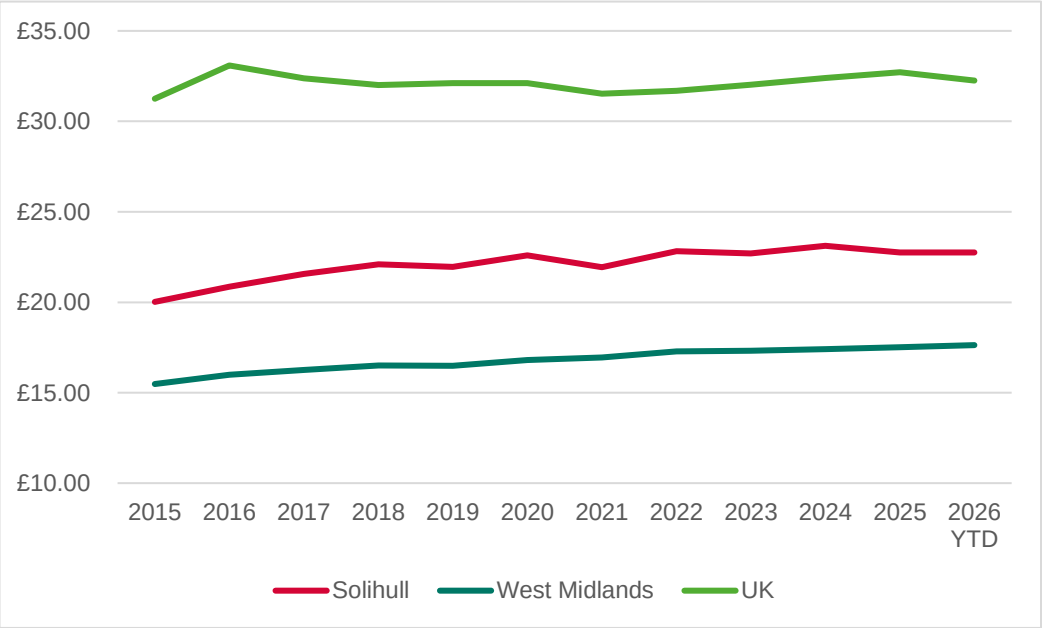
Source: Iceni Analysis of CoStar data

14.28 In summer 2026, average office rental prices in Solihull were £22.76, having declined since 2022, when adjusting for inflation. However, rents in Solihull are higher than the regional average of £17.36.

14.29 This rental premium reflects Solihull's distinct position within the West Midlands office market, supported by its high-quality business locations, strong connectivity to Birmingham, the strategic motorway network and

Birmingham Airport, and its ability to attract occupiers seeking a premium out-of-centre office offer.

Figure 14.4 Inflation-adjusted Office Rents (£/sq.ft)

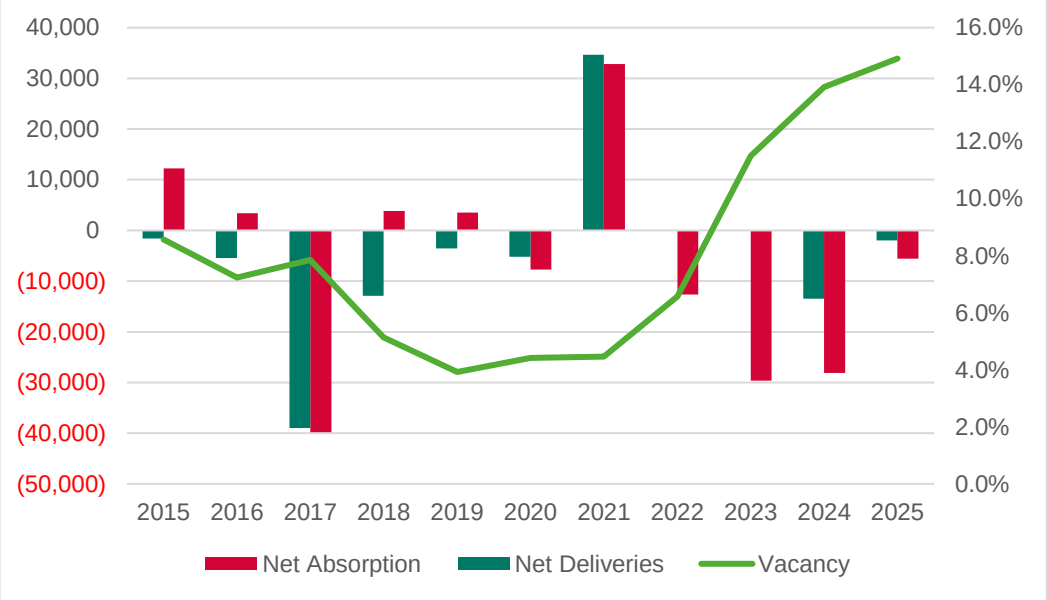


Source: Iceni Analysis of CoStar data

14.30 The following figure shows net absorption (i.e. leases of space minus space moved out of), net deliveries and the office vacancy rate since 2015. On average, absorption has been negative over the past decade, with the exception of 2021, which saw a take-up of 32,800 sq.m, supported by the delivery of new space at Blythe Valley Park.

14.31 Over the 2022-25 period, net absorption has averaged -19,000 sq.m as occupiers continue to downsize their premises, reflecting the impact of hybrid working, driving up vacancy rates year on year. No new office space has been delivered since 2021 because new-build office is unviable in the current market.

Figure 14.5 Office Net Absorption, Deliveries and Vacancy Rates - Solihull



Source: Iceni Analysis of CoStar data

Office Leasing Activity

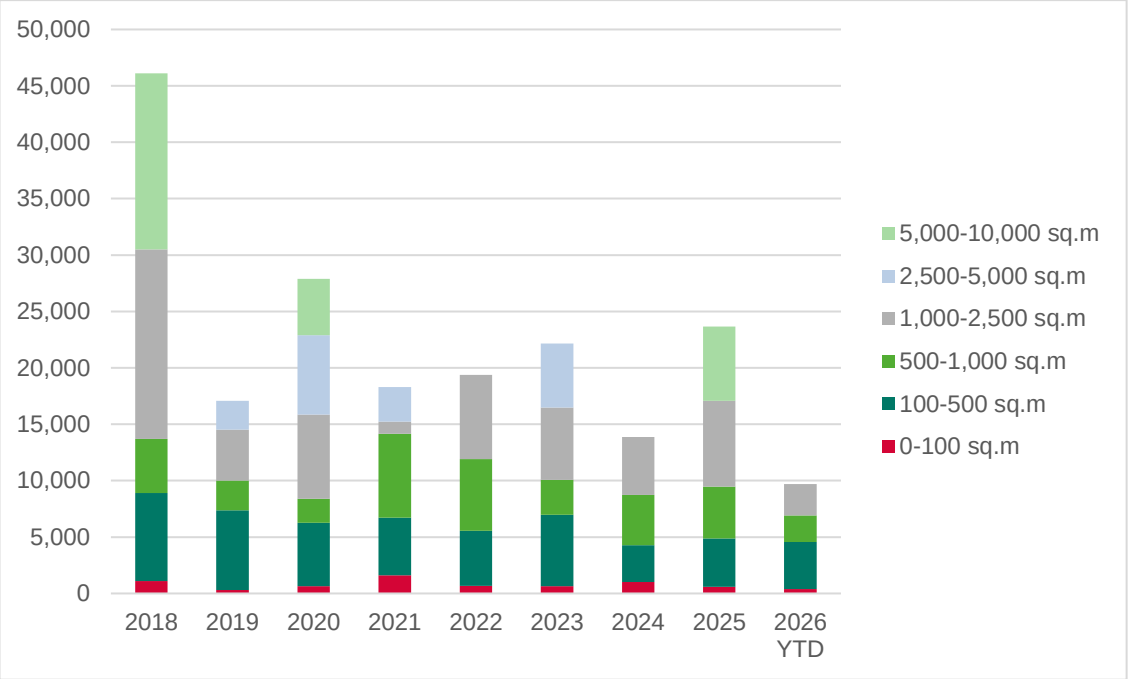
14.32 The figure below shows office leasing activity by size band since 2018. Activity has been healthy, but it doesn't show on the overall net absorption charts above because move-outs outweigh gross moves.

14.33 Since 2019, the scale of office space leased has remained fairly consistent at an average of 20,300 sq.m over the 2019-25 period.

14.34 In terms of the number of deals, leasing activity has been concentrated within the sub-500 sq.m market; however, there has also been a moderate level of activity within properties of 500 to 2,500 sq.m.

14.35 Over the period since 2018 there have only been 4 larger deals over 5,000 sq.m – this include nPower Business Solutions lease of 6,600 sq.m at Princes Way (town centre) in 2018 and subsequent renewal in 2025; Lounge leasing 5,000 sq.m at Blythe Valley in 2020 and Paragon Business Group leasing 9,000 sq.m at Paragon House (town centre) in 2018.

Figure 14.6 Office Leasing Activity by Size Band (Sqm) - Solihull



Source: Iceni Analysis of CoStar data

14.36 A recent sale in 2026, not captured within leasing data but noted by agents, was Abyls' freehold purchase of Blythe Valley Business Park's Juniper Building (2,350 sq.m).

14.37 KWB[37] note that H2 2026 saw 18 new deals completed, which is the most in one half since H1 2023 and a 45% uplift since H2 2025. This was driven by a number of freehold sales – in Q2 2025, 5 of the 12 deals were either freehold or long leasehold.

[37] Solihull office market 2026 H1 review - KWB research

14.38 As of Summer 2026, there were 79 available office properties in Solihull, totalling 115,200 sq.m (over 1m sqft). The table below summarises availability by size band, showing significant availability across all size bands.

Table 14.1 Office Availability by Size Band

Size Band	Floorspace (sq.m)	No. Properties
0-100 sq.m	546	8
100-500 sq.m	7,349	25
500-1000 sq.m	9,637	13
1,000-2,500 sq.m	34,130	21
2,500-5,000 sq.m	20,477	7
5,000-10,000 sq.m	19,536	3
10,000 sq.m+	23,568	2
Total	**115,244**	**79**

Source: CoStar 2026 (July 2026)

14.39 It is of note that over a third of available floorspace is concentrated within 5 properties over 5,000 sq.m, although one of them is a proposed scheme rather than existing available space:

- Fujitsu Services, Solihull Parkway – 12,500 sq.m
- Westgate Homer Road (proposed) – 11,100 sq.m
- Bio Building, Blythe Valley – 8,700 sq.m
- FLOW, Solihull Parkway – 5,200 sq.m

Agent Engagement

14.40 Feedback from agents suggests that the Solihull office market remains challenging, with demand being highly circumstantial, i.e. changing business operations or lease expiry rather than occupiers actively seeking higher quality space. Agents said this type of demand is making it increasingly difficult to close office transactions.

14.41 One agent said there are around 8 office properties available in the town centre, and even well-presented, high-quality office properties are struggling to let.

14.42 Occupiers are relocating from out of town locations into Solihull town centre as rental levels become more attractive, whilst agents noted a broader trend of businesses seeking modern, flexible accommodation as long leases signed before or during the pandemic begin to expire.

14.43 One agent cited a business relocating from a business park office into the town centre to support a new working culture and improve the attractiveness of its workspace to employees.

14.44 More broadly, stakeholders noted that the profile of office demand in Solihull has evolved in recent years. While business and professional services remain a key strength, occupiers linked to technology, software development, digital services, and health innovation are increasingly represented in the market.

14.45 There is also an emerging gym/lifestyle cluster at Blythe Valley with the presence of Gymshark, Lounge and most recently Abyl.

14.46 Some operators have introduced serviced and co-working office space, which have seen a strong level of demand. However, the cost of this accommodation can deter occupiers, resulting in some businesses moving into more affordable traditional office accommodation.

14.47 Nevertheless, a range of operators continue to operate successfully within the Borough, including Regus, the Blythe Valley Innovation Centre, Avon Business Centre, BizSpace at Cranmore and more recent flexible workspace provision at Birmingham Business Park.

14.48 Enginuity House (former Interserve Building) was cited as a successful example of flexible office provision and has recently secured a significant flexible workspace operator with Orega taking approximately 30,000 sq ft of a 120,000 sq ft building alongside traditional long-term office occupiers.

14.49 Stakeholders also noted examples of larger occupiers reassessing their space requirements. ZF Group, which occupies its own facility at Blythe Valley, was reported to be seeking to sub-let parts of its premises as a consequence of under-utilisation and wider cost pressures.

14.50 In terms of premises size, one agent noted that small office suites (<200 sq.m) continue to perform the strongest, with demand for larger premises purely circumstantial and unpredictable.

14.51 Another agent said activity in 2026 so far has been attributable to the 1,000-2,000 sq.m size band, with activity in the mid-tier bracket driven by the ongoing downsizing of space due to hybrid and flexible working arrangements, saving on operational costs.

14.52 Average rents for office spaces outside of the town centre are £12-18 per sq.ft.

14.53 The office market has also shown increasing evidence of subdivision and repurposing of larger buildings. One Central Boulevard has been refurbished and reconfigured to provide smaller suites and multi-occupier accommodation.

14.54 A recent refurbishment and reconfiguration of an office property on Cranmore Boulevard resulted in the successful lease of one 4,000 sq.ft suite and three 1,500 sq.ft suites.

14.55 Overall, there is a shortage of affordable workspace and start-up accommodation rather than a shortage of conventional office floorspace.

14.56 Existing innovation-focused provision, including the Blythe Valley Innovation Centre managed by the University of Warwick, was described as being in high demand, whilst stakeholders noted that affordability can represent a barrier for some occupiers.

National Industrial Market Overview

14.57 Lambert Smith Hampton[38] report that, set against a challenging backdrop of geopolitical upheaval, rising costs and lacklustre economic conditions, 2025 was a respectable year for occupier market activity. UK take-up rose 5% from 2024's 11-year low to a three-year high of 40.2m sq ft, driven by improving activity at the larger end of the market. The challenges appeared to weigh more heavily on the smaller mid-box segment, which suffered its weakest year of take-up since 2009.

14.58 While the global trade environment remains febrile under the US Trump Administration, 2026 has seen a tangible improvement in occupier sentiment.

14.59 Many requirements on hold due to Budget-related uncertainty have been revived, with greater clarity and confidence in the economic direction of travel driving transactions. Nationally, 2026 Q1 promises to deliver robust take-up across the big box market, with circa 7m sq ft known to be in advanced discussions at the time of writing.

14.60 With Amazon and an ongoing tide of 3PL activity making a meaningful contribution to demand, the net result is that take-up in 2026 is likely to surpass last 2025's total, with cautious optimism that circa 44m sq ft will be achieved for the year, or 10% above 2025's level. This improvement will also reflect stronger activity at the smaller end of the market, as more occupiers adjust to the more demanding tax burden.

14.61 Demand will remain overwhelmingly focused on quality space. Grade A space accounted for a substantial 73% of total 2025 take-up, with higher rental costs justified by improved operating efficiencies.

[38] https://www.lsh.co.uk/-/media/files/lsh/research/2026/lsh%20ilm%202026

14.62 Meanwhile, take-up of second-hand space fell to its lowest level on record in 2025. This pattern has been spurred by a healthy choice of spec-built Grade A options in many areas of the UK and also partly explains why build-to-suit take-up slipped to an eight-year low in 2025.

Solihull Birmingham Sub-Region Industrial Market Overview

14.63 Shepherd Commercial[39] report that for the Birmingham conurbation the exceptional conditions experienced during 2021 and 2022 have fully passed. Occupiers are taking longer to make decisions, and incentive packages are becoming more common, with landlords showing greater flexibility during negotiations.

14.64 However, enquiry levels remain strong across most sectors, particularly within the SME market; businesses are just carrying out more due diligence, negotiating harder and taking longer to commit.

14.65 Whilst major logistics transactions often dominate industry headlines, much of the activity within the West Midlands continues to come from smaller and mid-sized occupiers.

14.66 Shepherd Commercial's transactional data shows the strongest occupier demand remains concentrated within the 1,000 sq ft to 5,000 sq ft size bracket.

14.67 This is particularly evident across Birmingham, Solihull and the wider M42 corridor. The challenge is not a shortage of units but quality. Modern, well-presented industrial accommodation below 2,000 sq ft is reported to be in particularly short supply across much of the region

14.68 Occupiers are increasingly unwilling to compromise on specification, energy performance, loading arrangements and overall presentation. As

[39] https://shepcom.com/birmingham-industrial-market-h1-2026-report/

a result, quality stock continues to attract significant competition whilst secondary accommodation often struggles to generate the same levels of interest.

14.69 Shepherd Commercial reports that the West Midlands industrial market is entering a more mature phase. The urgency that characterised the immediate post-pandemic years has diminished, but the underlying fundamentals remain strong.

14.70 Occupiers are still expanding, and businesses are still relocating; the difference is that the market is becoming increasingly selective about property.

Solihull

14.71 Shepherd Commercial reports that whilst several locations across the West Midlands continue to perform strongly, Solihull remains one of the standout industrial markets. Limited supply, excellent connectivity and a strong local business base continue to support rental growth and occupier demand.

14.72 The market has demonstrated a willingness to pay a premium for quality accommodation, with rents now exceeding £15.50 per sq ft on smaller industrial units in certain locations.

14.73 Solihull benefits from a combination of factors that are difficult to replicate elsewhere. Businesses have immediate access to the motorway network, a skilled workforce and a strong commercial environment.

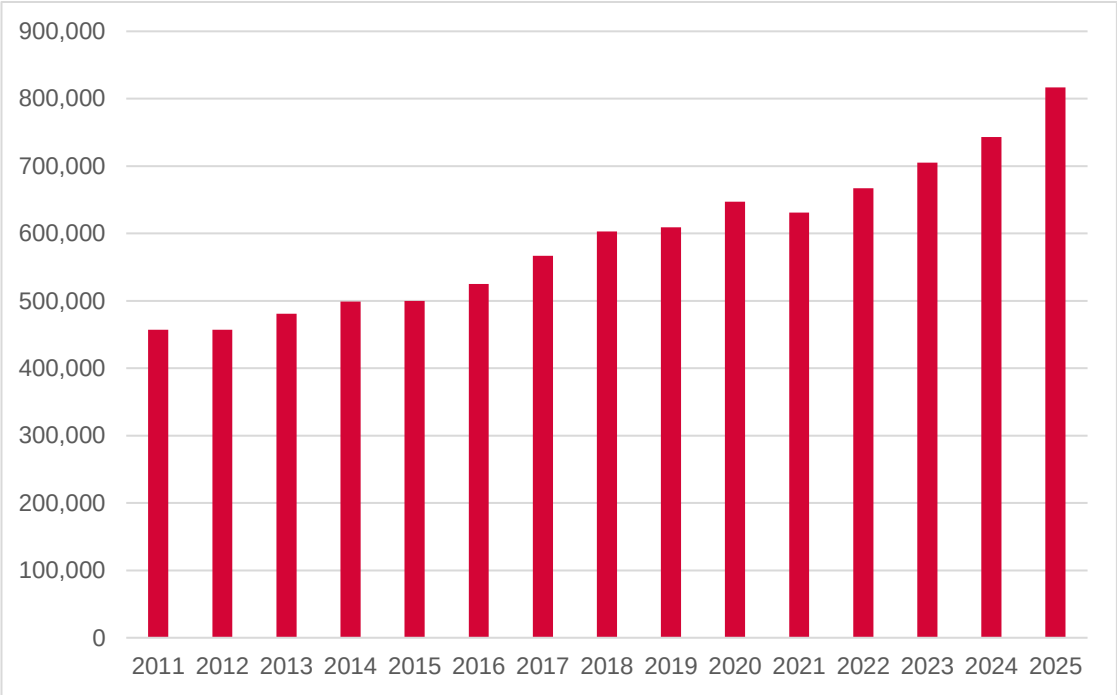
14.74 As a result, high-quality industrial accommodation typically experiences strong occupier interest when it becomes available.

Key Industrial Market Indicators

14.75 The following section further considers Solihull's industrial market dynamics by interrogating key market indicators.

14.76 The figure below shows the change in industrial floorspace within Solihull since 2011. Industrial floorspace has been increasing year on year over the period, from 457,000 sq.m in 2011 to 817,000 sq.m in 2025.

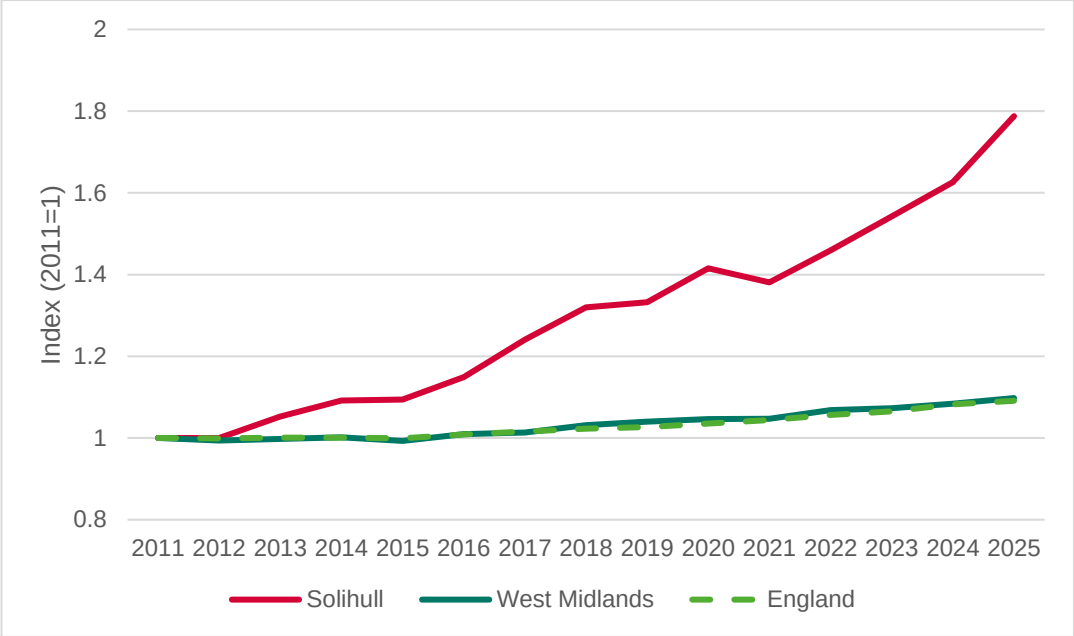
Figure 14.7 Industrial Floorspace (sq.m) – Solihull



Source: VOA

14.77 The figure below shows the indexed change of industrial floorspace in Solihull since 2011 compared to the wider region and England. While the chart shows that Solihull has seen a proportionally higher delivery of industrial floorspace than the wider region and nationally, this is inflated by Solihull being a much smaller market, with Solihull accounting for just 1.5% of the West Midlands' industrial stock.

Figure 14.8 Indexed Change in Industrial Floorspace

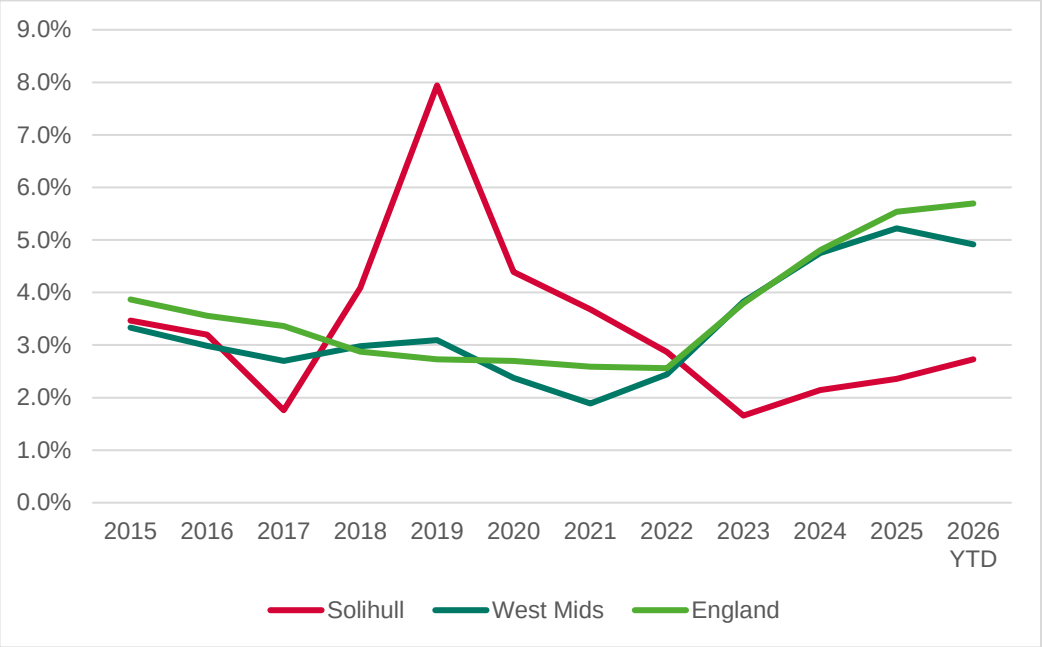


Source: VOA

14.78 The figure and table below shows the industrial vacancy rate in Solihull compared to the region and England. The vacancy rate in Solihull has declined since a 2019 peak of 7.9%, indicating persistent demand. As of summer 2026, the vacancy rate is 2.7% and has been below the 5-10% optimal rate since 2020, indicating prolonged market suppression.

14.79 The industrial vacancy rate in Solihull is significantly below the West Midlands average of 4.9% and national level of 5.7%, demonstrating the increased levels of demand Solihull sees compared to the wider region. This reflects the Borough's optimum location on the M42, its existing manufacturing cluster, and its accessibility to Birmingham Airport, which drives demand for the area.

Figure 14.9 Industrial Vacancy Rate



Source: Iceni Analysis of CoStar data

14.80 The figure below shows the vacancy rate specifically for strategic units (+100k sq.ft / 9,300 sq.m). Solihull has 17 strategic units, of which 5 have been delivered in the past decade, indicating that this market is relatively small compared with the wider West Midlands region, which has significant strategic stock in North Warwickshire and Rugby.

14.81 As of summer 2026, there are no vacant strategic units in the Borough, compared to a wider regional vacancy level of 3.8%. The Borough has seen a sub-5% strategic unit vacancy rate since 2020.

Figure 14.10 Strategic Unit (+9,300 sq.m) Vacancy Rates

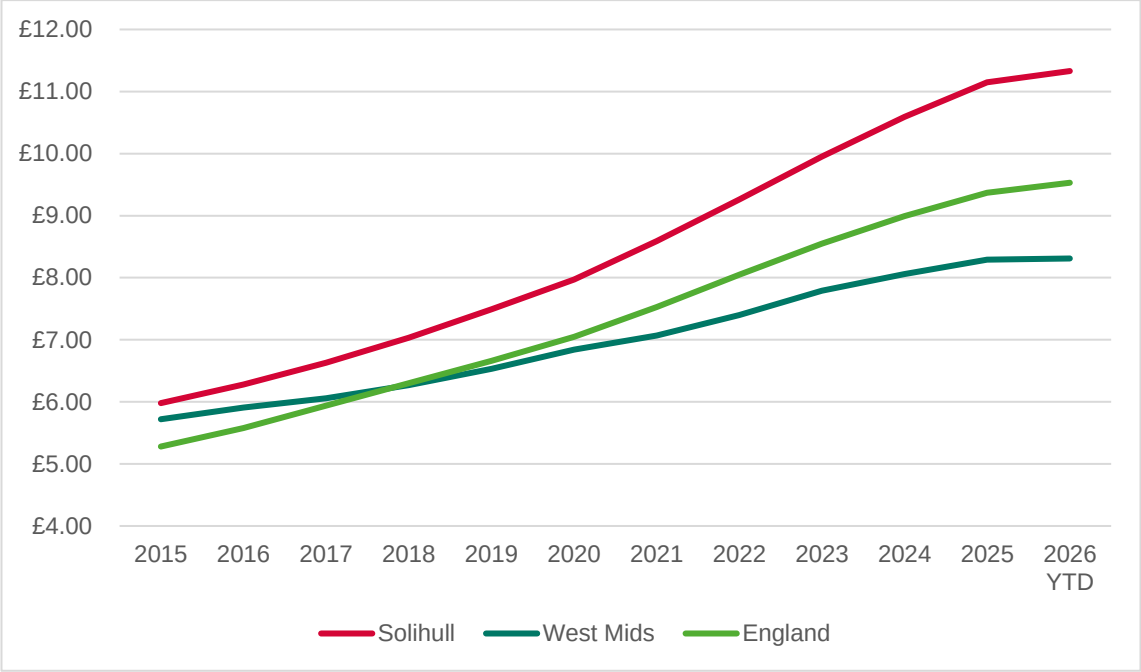


Source: Iceni Analysis of CoStar data

14.82 In summer 2026, average industrial rental prices in Solihull were £11.33, having consistently increased since 2015 when adjusting for inflation. Anecdotal evidence from agents revealed that industrial rents in Solihull have reached £15.50 per sq.ft in locations such as Cranmore Industrial Estate.

14.83 Rents in Solihull are notably higher than the regional average of £8.31 per sq.ft, reflecting the impact of a lack of supply constraining the market, driving up rents in this location. This is compounded by overflow demand from Birmingham.

Figure 14.11 Inflation-adjusted Industrial Rents (£/sq.ft)



Source: Iceni Analysis of CoStar data

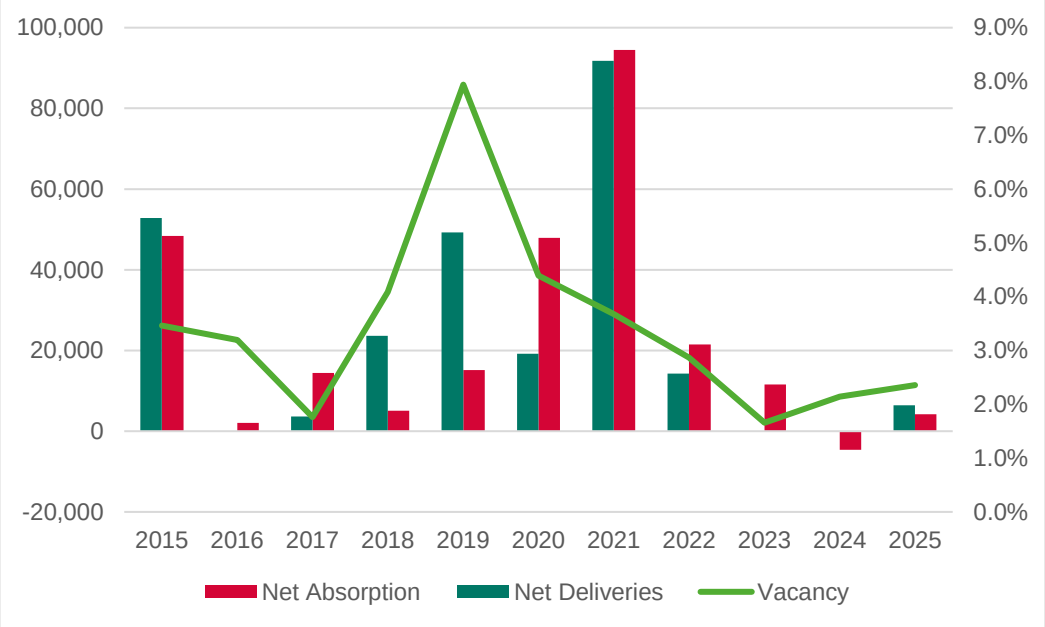
14.84 The following figure shows net absorption (i.e. leases of space minus space moved out of), net deliveries and the office vacancy rate since 2015. On average, net absorption has been positive over the past decade, except in 2024. Patterns of net deliveries and net absorption indicate that market take-up is constrained to newly delivered space.

14.85 The vacancy rate rose to 7.9% in 2019, supported by the delivery of space at Blythe Valley; however, this improvement in the vacancy rate was short-lived as the market absorbed space in the following year.

14.86 The spike in activity in 2021 can be attributed to the delivery and subsequent take-up of the JLR unit at Damson Parkway.

14.87 It is clear that since 2022, industrial take-up is being constrained by the sub-3% vacancy rates, well below the optimum 5-10% vacancy rate required to allow for occupier choice and market churn.

Figure 14.12 Industrial Net Absorption, Deliveries and Vacancy Rates - Solihull



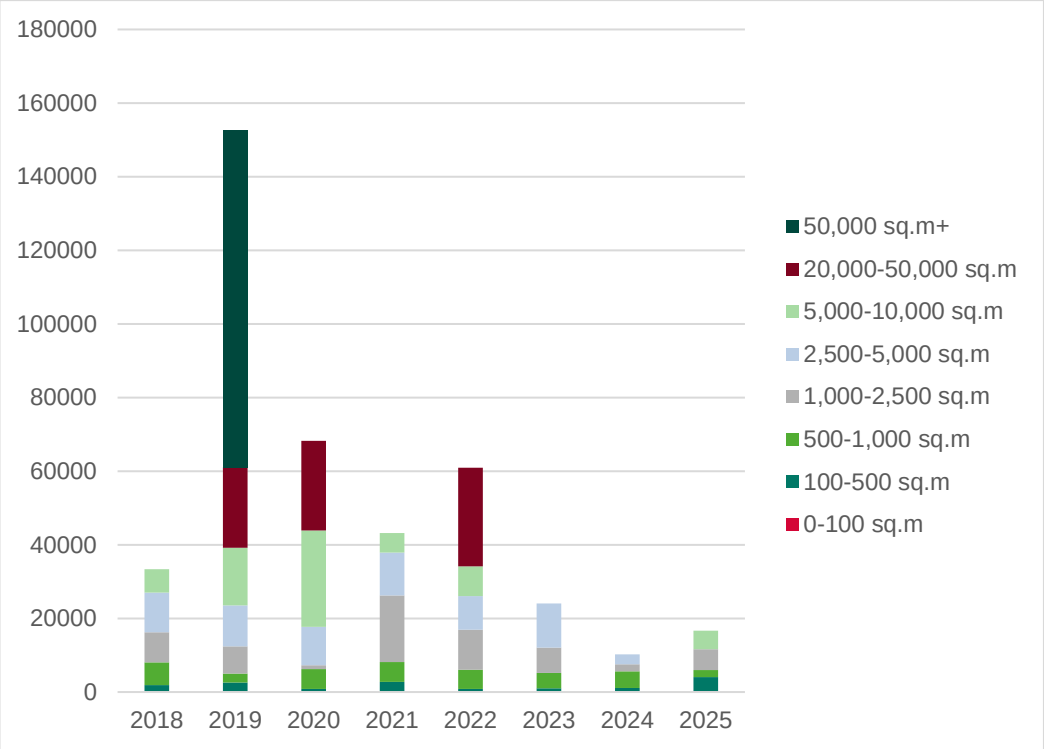
Source: Iceni Analysis of CoStar data

Industrial Leasing Activity

14.88 The figure below shows industrial leasing activity by size band since 2018. Industrial leasing activity has declined since 2020, averaging just 17,000 sq.m per annum over 2023-25, compared with 57,500 sq.m per annum in 2020-22. This illustrates the extent to which limited available industrial space is suppressing market activity.

14.89 A majority of deals have been concentrated within smaller units ranging from 100 to 2,500 sq.m. Take-up of units over 2,500 sq.m has declined since 2023; however, this is likely a product of what units were available rather than a pattern of demand, given low vacancy rates.

Figure 14.13 Industrial Leasing Activity by Size Band (Sqm) - Solihull



Source: Iceni Analysis of CoStar data

14.90 As of summer 2026, there were 32 available industrial properties in Solihull, totalling 32,100 sq.m, a stark comparison to the +100,000 sq.m of available office space. The table below summarises availability by size band, showing no units over 5,000 sq.m available. Availability is concentrated within the 100-500 sq.m market.

14.91 Two units in the 2,500-5,000 sq.m segment are in the Diamond scheme under construction at Birmingham Business Park (Plot 6700).

Table 14.2 Industrial Availability by Size Band

Size Band	Floorspace (sq.m)	No. Properties
0-100 sq.m	210	3
100-500 sq.m	2,708	13
500-1000 sq.m	5,194	7
1,000-2,500 sq.m	8,743	5
2,500-5,000 sq.m	15,240	4
5,000-10,000 sq.m	0	0
10,000 sq.m+	0	0
Total	**32,095**	**32**

Source: CoStar 2026 (July 2026)

Agent Feedback

14.92 Agent feedback indicates that the industrial market in Solihull has remained considerably stronger than the office sector, with rental growth accelerating sharply following the Covid-19 pandemic. While the rapid growth experienced between 2020 and 2022 moderated during 2023, rental levels remain significantly above pre-pandemic levels.

14.93 Stakeholders further noted that vacancy rates within Solihull are amongst the lowest in the country, underlining the attractiveness of the Borough as an industrial location. Industrial estates around Cranmore Way and Highlands Road were described as accommodating a diverse mixture of industrial, warehouse and office uses. However, fragmented ownership patterns can constrain opportunities for strategic redevelopment. Areas close to Birmingham Airport, such as Elton Trading Estate, continue to attract occupiers associated with aviation-related activities, whilst the wider attractiveness of the Borough is enhanced by excellent connectivity and continued investment in strategic infrastructure.

14.94 Agents noted that Solihull was among the first locations within the wider Birmingham market to experience notable rental growth, primarily as a consequence of its very limited availability of industrial premises and lack of new space delivered.

14.95 Several agents reiterated the persistent shortage of industrial stock across the entire Borough. Prime rents were cited at around £15 per sq.ft for units at Cranmore Business Park, reflecting the constrained supply conditions.

14.96 Stakeholders similarly noted that historically newly delivered industrial developments are frequently occupied very quickly, citing take-up at schemes such as Connexion 1 & 2. Occupiers reportedly include businesses such as Tesla, Gymshark and advanced manufacturing firms, demonstrating strong demand for modern industrial accommodation.

14.97 Owner-occupier demand rather than investors drives demand, given the premium investors have to pay to secure accommodation in the Borough.

14.98 Demand is particularly strong from local businesses seeking to expand or relocate within the Borough, reinforcing the importance of retaining an adequate supply of employment space to support indigenous business growth.

14.99 Agents also highlighted evidence of strong demand for smaller industrial accommodation. One example cited was Woodside Industrial Estate, where a scheme comprising 24 units of approximately 3,000 sq. ft each reportedly attracted a waiting list of around 55 prospective occupiers.

14.100 Demand was said to be driven predominantly by contractors and other local businesses seeking modern industrial space, illustrating the significant imbalance between supply and demand in this part of the market.

14.101 There is consistent demand from SMEs for flexible and affordable industrial premises, with businesses often requiring greater flexibility due to cash flow constraints.

14.102 Agents noted that demand is concentrated in higher-quality industrial and business space rather than traditional heavy manufacturing premises. Typical occupiers include firms operating in logistics, healthcare-related activities and high-technology manufacturing sectors.

14.103 Stakeholder discussions reinforced this position, highlighting Solihull's strengths in advanced engineering, automotive-related industries and higher-value manufacturing activities associated with Jaguar Land Rover.

14.104 Whilst logistics activity is present, particularly around the airport and motorway network, stakeholders suggested that Solihull has not historically operated as a major regional logistics hub, with demand tending to be focused on advanced manufacturing, engineering and specialist industrial occupiers.

14.105 These requirements are often specialised and niche in nature, reflecting Solihull's relatively affluent economic profile and proximity to major strategic assets such as Birmingham Airport, the NEC and the wider M42 corridor.

14.106 Agents also highlighted evidence of spillover demand from Birmingham and the wider West Midlands market. This overflow demand has added further pressure to an already supply-constrained market and has contributed to elevated rental levels across the Borough's industrial stock.

14.107 Overall, agents characterised the industrial market as fundamentally constrained by a lack of available premises rather than a lack of occupier demand.

Commercial Market Assessment - Summary

Office Market

14.108 Solihull's office market continues to face challenges arising from changing occupier requirements and hybrid working patterns, with demand generally driven by lease events and business reorganisation rather than expansion.

14.109 Office vacancy rates have increased significantly since 2019 and reached 15.5% in Summer 2026, substantially above the West Midlands average of 8.3% and the England average of 9.1%, reflecting weaker demand for larger office buildings.

14.110 Average office rents stood at £22.76 per sq.ft in Summer 2026, remaining above the regional average of £17.36 per sq.ft and reflecting Solihull's strong connectivity, high-quality business locations and attractive out-of-centre offer.

14.111 Net absorption has been consistently negative since 2022, reflecting occupier downsizing and the ongoing impact of hybrid working. No new office development has been delivered since 2021 due to viability constraints.

14.112 Demand remains strongest for smaller suites, flexible workspace and town centre locations, whilst larger office buildings continue to experience weaker and more unpredictable occupier demand.

14.113 Evidence from agents suggests that the key market challenge is not an overall shortage of office floorspace, but a shortage of affordable and flexible workspace suitable for smaller businesses, start-ups and growing firms.

14.114 Overall, the market remains polarised, with high-quality, flexible and refurbished accommodation continuing to attract occupiers, whilst larger and older office buildings face ongoing leasing challenges.

Industrial Market

14.115 The exceptional market conditions experienced during 2021-22 have eased, with occupiers taking longer to make decisions and negotiating more actively, although demand remains strong across most sectors.

14.116 Solihull remains one of the strongest industrial locations in the West Midlands, benefitting from excellent connectivity, a strong local business base and sustained occupier demand.

14.117 Industrial vacancy rates remain exceptionally low at 2.7%, well below regional and national averages, indicating a highly constrained market and limited occupier choice.

14.118 Average industrial rents reached £11.33 per sq.ft in Summer 2026, significantly above the regional average of £8.31 per sq.ft, with prime rents reportedly achieving £15-15.50 per sq.ft in locations such as Cranmore.

14.119 Demand remains strongest for modern, high-quality industrial accommodation, particularly smaller units, with evidence of substantial unmet demand from local businesses seeking to expand or relocate within the Borough.

14.120 Overall, the evidence indicates that industrial market activity is constrained by a lack of available space rather than a lack of demand, with supply shortages continuing to place upward pressure on rents and occupancy levels.

15. Economic Outlook

15.1 This chapter of the report examines the forecast employment growth. To do this, we draw on Experian forecasts and compare them with past trends. Employment forecasts and employment needs modelling use a 2025 base date because monitoring data is only available up to April 2025; therefore, a 2025 base date is required to derive a supply-demand balance, based on supply as of April 2025.

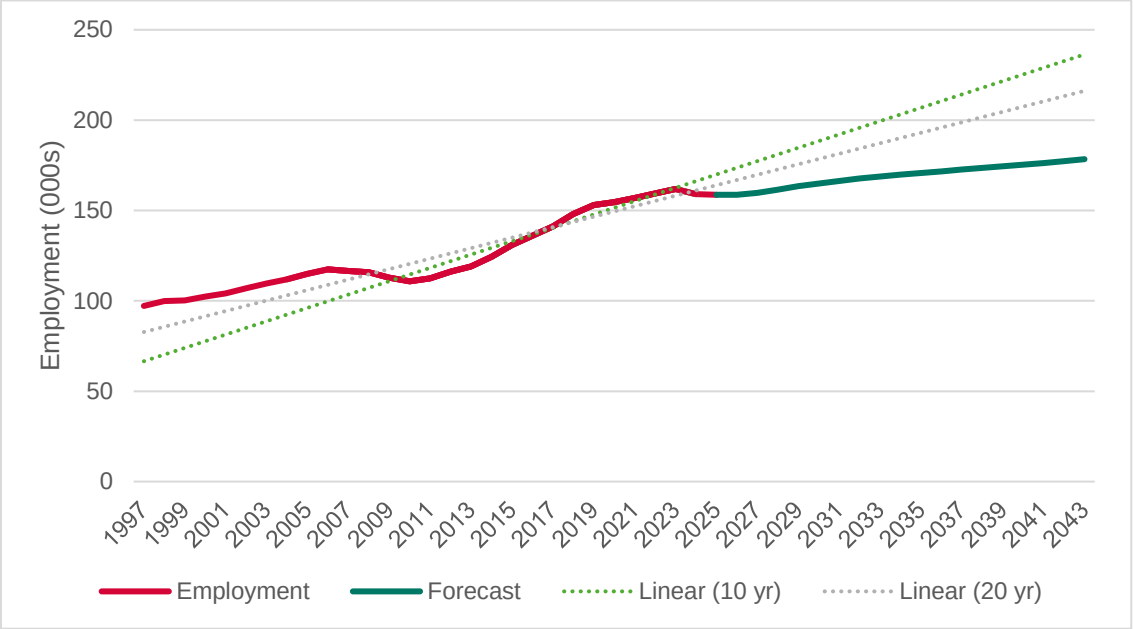
Baseline Forecasts

15.2 As illustrated in the chart below, the Experian forecasts for Solihull show a growth in employment of 19,700 jobs over the 2025-43 plan period, which equates to 12.4% and an average of 1,094 jobs per annum.

15.3 The Experian forecasts are significantly below the 10-year and 20-year historical trend, which has been projected forward over the plan period to 2043. This reflects the strong growth that the Solihull economy has seen over the past decade.

15.4 The forecasts are influenced by national and regional trends which have been pessimistic given macroeconomic and geopolitical issues and uncertainty.

Figure 15.1 Experian Projected Baseline Employment Growth



Source: Iceni analysis of Experian 2026

15.5 The table below provides an overview of the sectoral composition of the baseline forecast over the plan period 2025-2043.

15.6 The largest growth sectors are forecast to be Admin and support (7,000 jobs), Professional & Scientific Services (+3,500 jobs), Accommodation and food (+1,900 jobs), Health (+1,600 jobs) and Transport and storage (+1,500 jobs).

15.7 The Manufacturing sector is forecast to see the largest decline in employment, with a loss of 1,900 jobs. However, this does not necessarily indicate poor sectoral performance; rather, it reflects efficiency improvements, where the number of employees decreases while output rises because fewer workers are needed due to advances in technology, automation, and improved processes.

Table 15.1 Baseline Employment Forecast by Sector (2025-43)

	2025	2043	Change	% Change
Administrative & Supportive Services	37,000	44,000	7,000	19%
Professional Services	13,500	17,000	3,500	26%
Accommodation & Food Services	9,400	11,300	1,900	20%
Health	5,300	6,900	1,600	30%
Transport, Storage & Post	12,500	14,000	1,500	21%
Construction	9,200	10,500	1,300	14%
Residential Care & Social Work	6,400	7,600	1,200	19%
Public Administration & Defence	4,500	5,400	900	20%
Computing & Information Services	5,500	6,300	800	15%
Real Estate	4,400	5,200	800	18%
Education	10,100	10,800	700	7%
Recreation	2,800	3,100	300	11%
Other Private Services	3,100	3,400	300	10%
Utilities	1,100	1,300	200	18%
Retail	10,200	10,300	100	1%
Media Activities	500	500	-	0%
Telecoms	400	400	-	0%
Finance	3,300	3,200	-100	-3%
Wholesale	5,500	5,100	-400	-7%
Manufacturing	14,000	12,100	-1,900	-14%
Total	**158,700**	**178,400**	**19,700**	

Source: Iceni Analysis of Experian

Policy-on / Growth Scenario

15.8 There are several major growth opportunities in Solihull, including most notably Arden Cross, the new HS2 Hub, as well as related to JLR / Damson Parkway and the NEC.

15.9 The 2020 HEDNA developed a ‘Local Growth Scenario’ which uplifted forecasts reflecting historic past performance and a ‘UK Central Scenario’ which captured employment creation at Birmingham Airport, the National Exhibition Centre, Jaguar Land Rover, Birmingham Business Park and Arden Cross. This amounted to some 13,000 additional jobs above the baseline of 10,000 (p79 Solihull HEDNA 2020, GL Hearn).

15.10 A significant amount of Solihull’s potential future employment growth is still likely to be driven by development at Arden Cross. However, post-pandemic changes to plans for Birmingham Airport, the National Exhibition Centre, Jaguar Land Rover and Birmingham Business Park are likely.

15.11 The Damson Parkway site at JLR is now being promoted for industrial and logistics use, as are parts of the NEC. The scale of future employment growth at these locations is less clear than in 2020.

15.12 Engagement with the development partner for Arden Cross indicates potential to deliver 400,000 to 600,000 sq.m of commercial floorspace including an innovation district, anchored by the University of Warwick Health Tech Campus, consisting of office, R&D, industrial and warehousing, alongside leisure, retail and hotel.

15.13 However, due to the ongoing construction of HS2, the commercial land will not be released for development until 2030, with construction and occupation thereafter. In addition, the previous Arden Cross masterplan, relied upon within the 2020 Solihull HEDNA, is due to be refreshed and therefore subject to change in both scale and use and should not be relied upon.

15.14 Given the ongoing Arden Cross masterplan evolution and timescale changes since the 2020 evidence, it is not considered appropriate to model a specific scenario for employment growth given the lack of distinct evidence.

15.15 However, it is likely that across the Plan period to 2043, there will be significant employment growth above the baseline forecast which is likely to be more akin to the historical performance of jobs growth (equivalent to 233,000 jobs by 2043 under 10-year historical trend), although it may be focused later into the 2030s when Arden Cross construction and occupation progresses.

Labour Supply

15.16 The labour supply-led scenario seeks to model the inter-relationship between potential housing and demographic growth and the potential employment that this could support. Decisions on future housing requirements within the Local Plan will invariably influence this. However, at this stage, it is helpful to consider how an indicative labour supply scenario relates to other scenarios modelled.

15.17 Analysis in Section 5 looks at the potential growth in the labour supply in Solihull if additional dwellings are provided in line with the Standard Method, i.e. what level of population growth and change in the age structure might occur and how might this impact on the economically active and working population.

15.18 The table below indicates that the standard method could support 27,065 to 30,650 jobs depending on commuting assumptions.

Table 15.2 Jobs supported by demographic projections (2026-43) – Solihull Standard Method

	Total change in economically active	With allowance for double jobbing	Allowance for net commuting (= jobs supported)
2021 commuting	26,226	27,065	30,650
2011 commuting	26,226	27,065	27,611
1:1 commuting	26,226	27,065	27,065

Source: Iceni analysis

15.19 We have modelled a scenario linked to the new standard method for housing need, based on 2011 commuting patterns, due to the impact that the pandemic had on commuting during the 2021 Census.

15.20 The analysis points to a growth of 27,611 jobs in Solihull over the 2026-43 period. Given the employment needs modelling requires a start date of 2025, this has been pro-rated by one year, indicating a labour growth of 29,235 jobs. By comparison, the Experian baseline forecasts show a demand growth of 19,700 jobs. The labour supply therefore sits considerably above the baseline scenario.

15.21 The 2020 HEDNA policy on scenario saw an extra 13,000 jobs over 16 years, equivalent to 14,600 over 18 years for the current plan period. This would be 34,300 jobs overall, which exceeds the 29,235 jobs; however, there is no certainty that the known jobs for that scenario are still applicable, and it is likely an overestimate compared to the current profile.

Economic Forecasts - Summary

15.22 Experian forecasts suggest an overall employment growth of 12.4% over the 2025-43 period, equivalent to 19,700 jobs. This is significantly below the 10- and 20-year historical trend.

15.23 The largest growth sectors are forecast to be Admin and support (7,000 jobs), Professional & Scientific Services (+3,500 jobs), Accommodation and food (+1,900 jobs), Health (+1,600 jobs) and Transport and storage (+1,500 jobs). The Manufacturing sector is forecast to see the largest decline in employment, with a loss of 1,900 jobs.

15.24 The labour supply scenario explores the potential impact of housing and demographic growth on employment linked to the standard method. This scenario indicates a potential growth of 29,235 jobs over the 2025-43 period. This is above the baseline forecast.

15.25 The long-term outlook is likely to be above the baseline forecast due to the delivery of Arden Cross, but not enough is known about the plans for this for there to be certainty on the future employment profile and count.

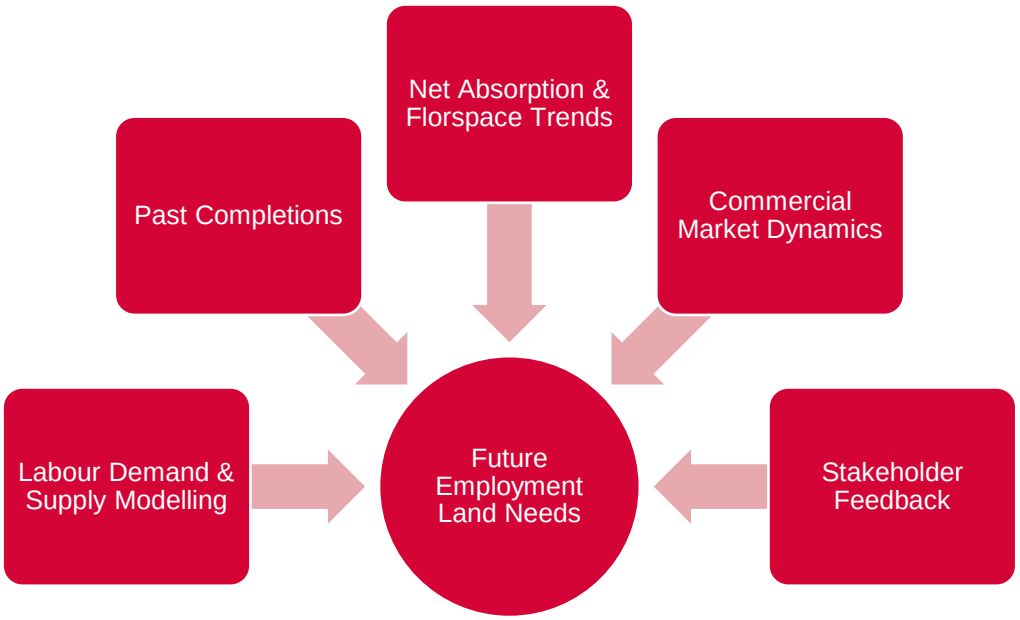
16. Employment Land Needs

16.1 In this chapter we consider future needs for employment land and floorspace over the period 2025-43. The analysis considers the need for office, industrial and warehouse/distribution uses.

16.2 The Planning Practice Guidance (PPG) on Housing and economic needs assessment provides broad guidance on assessing future needs, and outlines in Para 2a-027 a number of different approaches:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

Figure 16.1 Triangulating Different Forecasting Approaches



16.3 Different forecasting techniques have their advantages and disadvantages. Econometric forecasts account for differences in expected economic performance relative to the past.

16.4 However, a detailed model is required to relate net forecasts to use classes and estimate gross floorspace and land requirements. For office-based sectors, consider the impacts of trends in home working.

16.5 For industrial sectors, however, the relationship between floorspace needs and employment trends may be weak – influenced by productivity improvements – meaning that a decline in employment does not necessarily mean a reduction in space requirements.

16.6 In contrast, past take-up is based on actual delivery of employment development. Still, it does not account for the implications of housing growth and the associated growth in labour supply, nor any differences in economic performance/trends relative to the past. It is also potentially influenced by past land supply and/or policies.

16.7 Ultimately, therefore, an appropriate approach is to utilise a range of different forecasting techniques alongside local intelligence and an understanding of the merits of different approaches in concluding. This approach of triangulating different approaches and testing findings, which Iceni adopts, is consistent with the PPG.

Local vs Strategic Need

16.8 The West Midlands Strategic Sites Study 2024 (WMSESS) has identified an overall need for strategic sites across the West Midlands, for both B2 and B8 uses for unit sizes over 9,300 sqm / 100,000 sq.ft. It identified areas of opportunity for strategic sites and assigned them a notional quantum. One area of opportunity, Area 6: M42 / Solihull, falls entirely within Solihull Borough.

16.9 For the purpose of quantifying employment land requirements for Solihull, this study distinguishes between local and strategic need to avoid double counting. The employment needs modelling below provides a 'local' employment need consisting of office, R&D and industrial and warehousing units less than 9,300 sq.m (100,000 sq.ft). The strategic sites requirement set out in WMSESS 2024 is then in addition to local employment requirements. This section discusses the nature and scale of the strategic need.

16.10 The WMSESS 2024 considers the need for strategic employment sites across the West Midlands. WMSESS defines strategic sites principally by their scale, ability to accommodate large industrial and logistics units and relationship with the Strategic Road Network. The modelling within this HEDNA therefore focuses on the remaining 'local' requirement, with strategic-scale requirements considered separately through the WMSESS evidence.

16.11 However, this distinction is not a reflection of how occupier markets or individual sites operate. In practice, the characteristics of local and

strategic demand overlap. A larger unit may accommodate the expansion of an existing Solihull business and therefore meet locally generated demand, while a smaller unit associated with a regionally significant cluster or strategic sector may serve a wider-than-local market. Equally, larger strategic employment locations can provide a range of unit sizes and accommodate both indigenous businesses and inward investment.

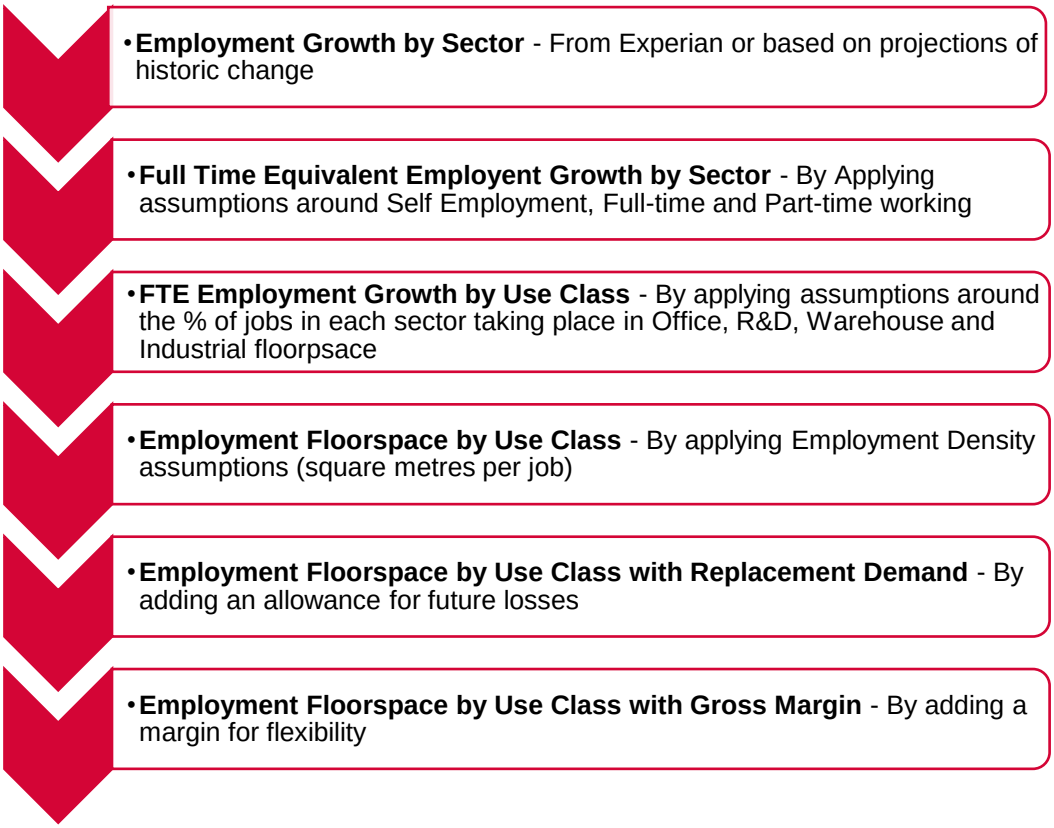
Labour Demand Model for Floorspace and Land Needs

16.12 Iceni has a standard model which considers how sectors relate to use classes, which is used to estimate the proportion of employment in different broad use classes – offices (Eg(i) and E(g)(ii)), industrial (E(g)(iii) and B2) and warehousing (B8).

16.13 We attribute changes in jobs to use classes first, using BRES data to estimate the sector-specific relationship between net changes in total employment and net changes in Full-Time Equivalent (FTE) jobs.

16.14 We then apply employment density assumptions to generate net floorspace change. We then include adjustments including a margin for choice and flexibility and a replacement adjustment to account for future losses. The modelling is segmented to consider office and industrial/warehouse development separately.

Figure 16.2 Overview of Labour Demand Modelling



16.15 The first step is to translate forecast employment growth into full-time equivalent (FTE) employment growth. This is required as the employment densities used relate to FTE jobs rather than total jobs. Iceni has used the current BRES ratios of part-time and full-time employment to generate the FTE outcomes. Table 16.1 shows the forecasted FTE jobs growth from 2025 to 2043.

Table 16.1 Total Jobs and FTE Jobs Growth by Model, 2025-43

Model	Total Jobs	FTE Jobs
Baseline	19,700	12,618
Labour Supply	29,235	18,753

Source: Iceni analysis of Experian / BRES data

16.16 The next step translates FTE employment growth by sector into FTE employment growth by use class. For this study, we proportioned the number of FTE jobs in each sector into jobs in Industrial, Warehouse, Office and R&D floorspace and non-employment space.

16.17 The labour demand modelling envisages that a majority of employment growth will be focused in sectors which typically do not require employment land such as accommodation and food, health, education, and construction.

16.18 Manufacturing employment is expected to contract (under the baseline forecasts - influenced by productivity improvements). Growth, however, is expected in sectors which require office space. Employment growth in warehousing/ distribution is expected to be modest, but this is not unreasonable in a sector in which an important demand driver is replacement demand – the delivery of new warehousing/distribution space which replaces older warehousing space (including older and smaller units).

Table 16.2 Change in FTE by Use Class 2025-43

	Office and R&D (E(g)(i/ii))	Industrial (E(g)(iii)/B2)	Warehousing (B8)	Non-B Uses
Baseline	3,838	-1,069	865	8,983
Labour Supply	5,219	-482	1,319	12,698

Source: Iceni analysis of forecast scenarios

16.19 The next stage in the modelling is then to apply employment densities to estimate the net change in floorspace. There are informed by the Homes and Communities Agency (HCA) Employment Density Guide Third Edition 2015. The employment density assumptions are set out below. These relate to the Gross External Area (GEA):

- Office – 14 sq.m per FTE job
- R&D – 60 sq.m per FTE job
- Industrial – 40 sq.m per FTE job
- Warehousing/ Distribution – 70 sq.m per FTE job

Home Working

16.20 We have also undertaken a sensitivity analysis for office space with greater levels of working from home. Iceni Projects' review draws on information published by real estate agency Savills, Remit Consulting and RICS on the occupancy of in-use office floorspace pre- and post-pandemic.

16.21 The pandemic has seen an increase in home working – in particular in office-based sectors – as well as hybrid working, whereby workers spend part of the week in the office and part at home, with the emergence of 3/2 and 2/3 working patterns.

16.22 Office market trends are responding and will potentially reinforce around good quality space designed to facilitate interaction and collaboration between staff; and locations which support social and leisure activities.

16.23 Offices may contain specific spaces for teams/zoom calls, and businesses may need to consider floorspace needs on the more popular, mid-week days.

16.24 ONS 2023 data showed that 40% of all UK working adults work from home at some point in the week, with 16% solely working from home. Based on this information, Iceni Projects has concluded that post-pandemic office occupancy is around 30% of pre-pandemic levels. Therefore, we have reduced levels of employment growth and replacement demand in the 'Post-Pandemic Working from Home' scenario by a 30% factor.

16.25 Data released by ONS[40] In 2023, ONS data indicates that in 2022 around 44% of workers nationally were either working from home (16%) or on a hybrid basis (28%). When looking at the West Midlands region specifically, this figure is 40%, with a slightly lower 15% only working from home and 25% hybrid.

16.26 More recent data from ONS[41] for April to June 2026 indicates that this figure has remained fairly static across the UK, with 40% of workers across the UK working from home all or some of the time (12% only at home, 28% hybrid). There has been a slight decrease in the West Midlands to 35% working from home all or some of the time, impacted by a slight decline in home-only working to 10%. Hybrid working remains at 25%.

16.27 Further data on days worked from home[42] indicates that of hybrid workers across the UK, approximately 60% of working days are spent working from home. If this is applied to the hybrid statistics mentioned above, it results in an overall home working rate of 30%.

16.28 Reflecting this evidence, a 30% downwards adjustment has been applied to the forecasted office floorspace requirement.

[40] Characteristics of homeworkers, Great Britain - Office for National Statistics

[41] Public opinions and social trends, Great Britain: working arrangements by personal characteristics - Office for National Statistics

[42] Home and hybrid working, Great Britain - Office for National Statistics

Margin for Flexibility

16.29 The need calculations also take into account a 'margin for flexibility.' This allows for the allocation of sufficient land to cover:

- inaccuracies in forecasting,
- helps to provide a choice of sites to facilitate competition (which normally is around 10% of stock), and
- allows for delays in any sites coming forward.

16.30 Based on experience and industry standards, we recommend that a 'margin for flexibility' equivalent to 2 years average gross completions for office and R&D and 5 years average gross completions for industrial and warehousing. The margin is increased for industrial and warehousing space because the sector is more active and vacancy rates have been consistently low in recent years, therefore warranting more choice to facilitate growth.

Replacement Demand

16.31 The modelled labour forecasts are net changes and do not take account of replacement demand, such as from existing companies requiring upgraded floorspace or for existing or allocated sites for employment lost to other uses such as residential. In considering how much employment land to allocate, it is therefore appropriate to consider this as an additional influence.

16.32 Usually we consider historic floorspace losses to be a good predictor of future losses. However, employment losses data was not available within Solihull's annual monitoring reports. An alternative measure is to consider what quantum of existing industrial stock will need replacement during the Plan period.

16.33 Most industrial units last 30-40 years, and stock built in the 1980s is now in many instances starting to reach the end of its useful life, although

smaller units can last for longer and provide space for businesses needing marginal rents. However, the issue is now exacerbated by anticipated changes in government minimum EPC ratings. Pre-1990s and potentially pre-2000s industrial stock is increasingly likely to require replacement by 2043, given the expected lifespan of stock.

16.34 Based on CoStar data, 59% of local industrial stock (<9,300 sq.m) in Solihull is dated pre-2000s. However, not all of this stock will need replacement due to its location or suitability. In many instances, stock will be replaced in situ. Whilst the Council does not have detailed monitoring of losses, ad hoc data and stakeholder feedback suggest that losses of industrial to other non-employment uses have been limited. It is considered appropriate to plan for the replacement of 25% of ageing stock given that much of it will be upgraded or replaced in situ. This is equivalent to 61,500 sq.m over the plan period, being 15% of local industrial stock.

Summary of Labour Demand Requirements

16.35 The table below draws together the various components to provide a full recommendation on labour demand-based modelling. The results below show an office and R&D requirement ranging between 45,600 and 82,100 sq.m and an industrial and warehousing requirement of 137,200 sq.m under the baseline labour demand model and 193,000 sq.m under the labour supply scenario.

16.36 The impact of the margin and replacement demand components is significant within the models, due to the strong gross completions trend and replacement demand factor, in particular in industrial and warehousing. This is considered justified as the B2/B8 premises aren’t typically driven by employment growth but rather the need for modern premises, which reflects the agent engagement.

Table 16.3 Baseline Labour Demand Modelling (2025-43) (sq.m)

Use Class	Net Requirement	Margin Allowance	Replacement Demand	Gross Requirement
Office & R&D	52,528	8,828	-	**61,356**
Office & R&D (WFH)	36,769	8,829	-	**45,598**
Industrial & Warehousing	23,398	52,289	61,500	**137,187**

Source: Iceni analysis of Experian

Table 16.4 Labour Supply Modelling (2025-43) (sq.m)

Use Class	Net Requirement	Margin Allowance	Replacement Demand	Gross Requirement
Office & R&D	73,268	8,828	-	**82,096**
Office & R&D (WFH)	51,287	8,828	-	**60,115**
Industrial & Warehousing	79,252	52,288	61,500	**193,040**

Source: Iceni analysis of Experian

Past Completions Trend

16.37 Next, we consider evidence of past development trends. Historical gross completions are based on Council monitoring data and net completions are based on a VOA trend. Both trends have been projected forward to indicate future floorspace needs:

- **Gross completions** are useful as they inherently take into account all demand, including on-site redevelopments. However, using gross completions may actually overestimate future need, given

some historic gross completions may have been on plots where the previous use was the same (i.e. redevelopment for the same use)

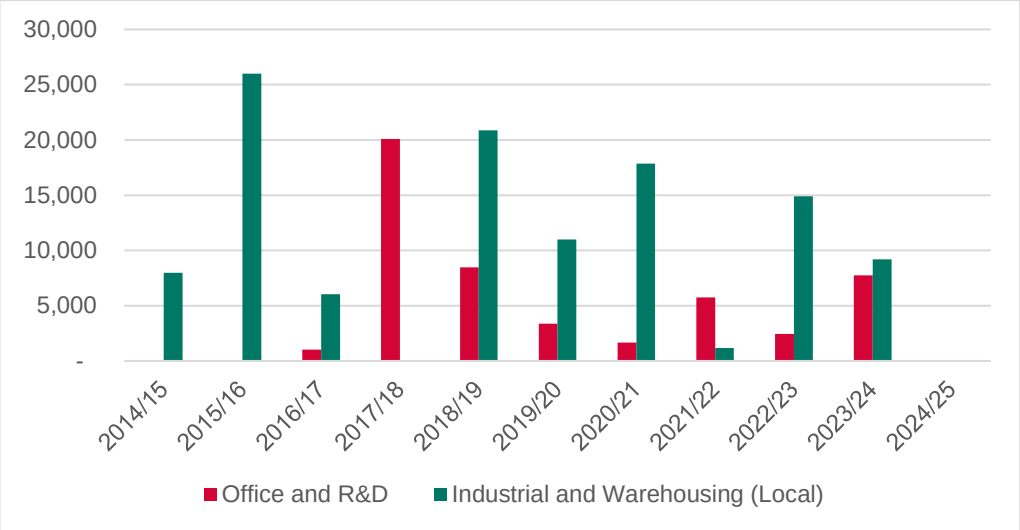
- **Net completions** take account of gains and losses, but may underestimate need for new sites if net change did not create sufficient market vacancy and choice historically.

16.38 Strategic unit completions have been removed from the gross completions trend to avoid double counting demand. The WMSESS 2024 separately assesses the need for strategic employment sites and includes a needs scenario which projects forward historic gross completions of strategic units. For consistency, completions of units over 9,300 sq.m have therefore been excluded from the gross completions trend used to inform the 'local' component of industrial and warehousing need.

16.39 It is not possible to remove strategic unit completions from the VOA net trend because the published data does not provide unit-level information.

16.40 The figure below shows gross completions by use class for the 2014/15 to 2024/25 period. There were no employment floorspace completions in 2024/25. A majority of employment floorspace completions have been within industrial and warehousing uses. The significant office completion in 2017/18 can be attributed to the redevelopment of Ingenuity House at Elmdon Trading Estate.

Figure 16.3 Gross Completions – Solihull (sq.m)



Source: Iceni analysis of local authority monitoring data 2024/25

16.41 The table below shows the 10-year average trend of gross and net completions for the 2014/15 to 2024/25 period by use class.

Table 16.5 Solihull Average Completions Per Annum (2014/15 to 2024/25) (sq.m)

	Average Gross Completions (Monitoring Data)	Average Net Completions (VOA)
Office and R&D	4,356	1,400
Industrial	2,221	1,200
Warehousing	8,237	

Source: Iceni analysis of Council Monitoring Data 2024/25, VOA 2025

16.42 The historic average completion rate for both gross and net completions has been projected forward over the 2025-43 period to estimate employment floorspace requirements. The results of the historic completions-based projections are presented in the table below.

16.43 As with the labour demand model, the **net completions** trend includes an allowance for replacement demand for industrial and warehousing. Both net and gross models include a margin for flexibility equivalent to 2

years gross average completions for office and 5 years average gross completions for industrial.

Table 16.6 Employment Floorspace Requirements by Completions Projection 2025-43 (sq.m)

	Gross Completions	Net Completions
Office and R&D	82,684	25,200
Industrial and Warehousing	188,238	21,600
Including margin for flexibility (equal to 2yrs gross completions for office and 5yrs for industrial and warehousing)		
Office and R&D	91,871	34,028
Industrial and Warehousing	240,527	73,888
Including replacement demand @ 25% of pre-2000s industrial and warehousing stock – net completions model only		
Office and R&D	91,871	34,028
Industrial and Warehousing	240,527	135,388

Source: Iceni analysis of Council Monitoring Data

Net Absorption Trend

16.44 A third demand-based calculation looks at past take-up of space occupied (rather than floorspace delivered), measured by net absorption using CoStar data.

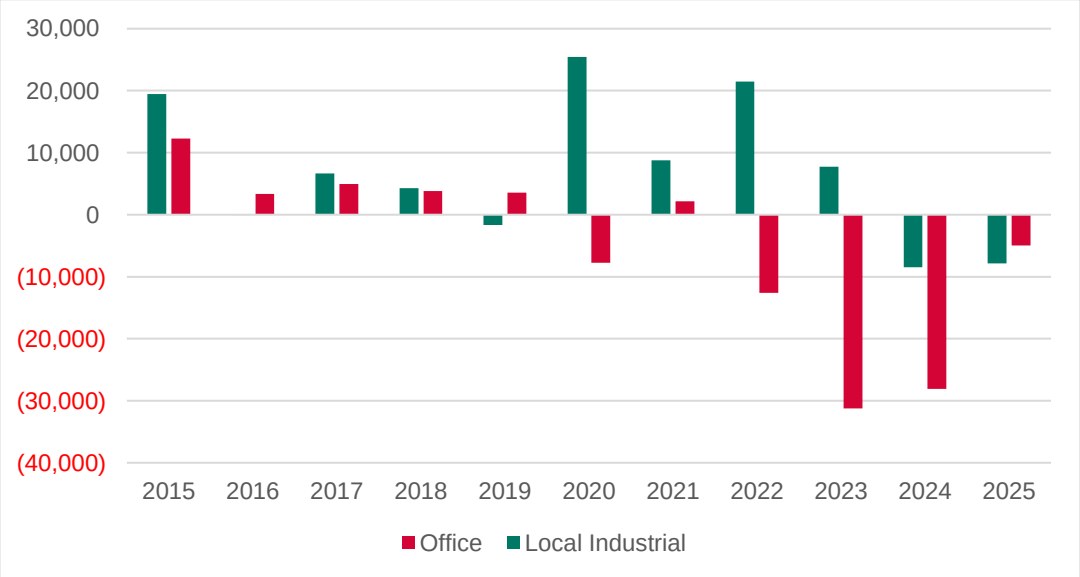
16.45 This is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move-ins – Move-outs), equating to the change in occupied space.

16.46 This differs from the net completions-based projections in that it predicts future floorspace requirements directly based on demand for floorspace rather than past completions of floorspace (which is a proxy for floorspace demand).

16.47 The figure below shows the annual net absorption for office (Class E(g)) and industrial and warehousing - CoStar does not differentiate between B2 and B8 use classes. The table below presents the 10-year average annual trend to be projected forward.

16.48 It is important to note that this excludes take-up for units over 9,300 sqm, which are captured in the strategic needs section below.

Figure 16.4 : Solihull Net Absorption (sq.m) (units up to 9,300 sqm)



Source: CoStar

Table 16.7 Average Net Absorption (sq.m)

Time Period	10-year average: 2015-25
Office	-4,958
Industrial and Warehousing	6,897

Source: CoStar

16.49 Projecting forward the 10-year trend results in a negative need for office floorspace of -80,400 sq.m and an industrial and warehousing floorspace need of 176,400 sq.m.

Table 16.8 Employment Floorspace Requirement by Net Absorption Projection 2025-43 (sq.m) (non-strategic units)

	Net Absorption Trend
Office	-89,241
Industrial and Warehousing	124,137
Including margin for flexibility (equal to 2 years' gross completions for office and 5 years for industrial and warehousing)	
Office	-80,413
Industrial and Warehousing	176,426

Source: CoStar

Strategic Sites Need

16.50 The WMSESS addresses the need for 'strategic sites' across the West Midlands region, ensuring sufficient land is available for businesses to grow and inward investment to take place. It notes that since the end of regional planning and Regional Spatial Strategies it has been challenging to bring forward large-scale investment sites in the West Midlands.

16.51 The WMSESS defines strategic sites as sites which are typically over 25 ha or above (or extensions to existing strategic sites of > 10 ha), can accommodate strategic sized industrial and logistics units of > 9,300 sq.m in size, and benefit from strong accessibility to the Strategic Road Network.

16.52 This would typically be sites which are within a 5-minute drivetime of SRN junctions. It is of note that the WMSESS did not seek to deal with the need for all strategic **units,** some of which go on smaller or individual sites, but rather for strategic sites.

16.53 It identified 9 areas of opportunity for future strategic sites of which Area 6: M42 Solihull falls entirely within Solihull. Having considered a market ranking, pipeline supply and other factors, WMSESS apportioned a residual need for additional strategic sites across the opportunity areas. These conclusions took into account extant commitments for strategic sites at the time of the WMSESS's preparation, which are set out in Appendix 3 WMSESS.

16.54 For Area 6, the study identified a residual need of 50-125ha of strategic employment land.

Table 16.9 WMESS Indicative Residual Need – Area 6: M42 Solihull

Type of Site	Indicative additional strategic site requirement at B8/mixed c.50ha; B1/B2 dedicated c.25ha	Indicative Land
B8 / Mixed	1-2	50-100
E(g)/B2	0-1	0-25
Total Residual Need		**50-125**

Source: WMSESS 2024

16.55 Drawing together the position regarding the strategic sites' need for the purpose of the Solihull Local Plan, it is important to distinguish between the **residual** requirement identified in WMSESS and the total **gross** scale of strategic employment need within the opportunity area.

16.56 WMSESS derived a residual requirement after taking account of committed strategic employment sites (as of April 2022). For Area 6 this included Phase 2 and 3 of Damson Parkway, with Phase 1 excluded as it had already been developed for JLR.

16.57 At the time WMSESS 2024 was prepared, this site was included within the supply as it was a draft allocation within the now withdrawn Solihull Draft Submission Local Plan. Consequently, the residual requirement of

50-125ha assumed that Damson Parkway would come forward in addition to the remaining strategic site requirement.

16.58 To understand the overall scale of strategic employment land need within Area 6, the committed Damson Parkway supply should therefore be added back to the residual requirement identified by WMSESS.

16.59 Recent engagement with the landowners indicated that the remaining gross area is 42ha (compared with 39ha assumed in WMSESS). On this basis, the total gross strategic site need for Solihull Area 6 is 92-167ha, comprising 42ha at Damson Parkway and the residual requirement of 50-125ha.

Table 16.10 Gross Strategic Site Need – Area 6: M42 Solihull

Type of Site	Indicative Land
Residual Need	**50-125**
Damson Parkway	42
Gross Need	**92-167**

Source: Iceni analysis of WMSESS 2024

Bringing the Evidence Together

16.60 We have undertaken a range of detailed modelling scenarios to consider the future employment land needs. The tables below summarise the total employment land need 2025-43 for each broad-use class across the various models discussed above.

Floorspace requirements have been converted to land requirements using a plot ratio of 0.5 for office and R&D and 0.4 for local industrial and warehousing and 0.35 for strategic sites.

Table 16.11 Range of Floorspace Needs 2025-43 (sq.m)

	Labour Demand	Labour Supply	Gross Completions	Net Completions (VOA)	Net Absorption
Office and R&D	61,400	82,100	91,900	34,000	-80,400
Office and R&D WFH	45,600	60,100			
Local Industrial & Warehousing	137,200	193,000	240,500	135,400	176,400
Strategic Sites	322,000 - 584,500				

Source: Iceni analysis Experian, VOA, CoStar

Table 16.12 Range of Employment Land Needs 2025-43 (Ha)

	Labour Demand	Labour Supply	Gross Completions	Net Completions (VOA)	Net Absorption
Office and R&D	12.3	16.4	18.4	6.8	-16.1
Office and R&D WFH	9.1	12.0			
Local Industrial & Warehousing	34.3	48.3	60.1	33.9	44.1
Strategic Sites	92-167				

Source: Iceni analysis Experian, VOA, CoStar

Conclusions on Overall Employment Land Need

Office

16.61 The range for office need in Solihull ranges from -16.1ha under the net absorption model to 18.4ha in the gross completions model.

16.62 The gross completion trend is driven by years of higher delivery pre-pandemic. In reality, the post-pandemic office market is challenging, with new build development being unviable.

16.63 There have been limited transactions for larger ‘out-of-town’ traditional HQ premises and a move towards town centre high-quality space with strong amenity access.

16.64 Future demand for office space is likely to be ad hoc and, as expressed by agents, is circumstantial rather than driven by a continued demand for office space. The office market has a vacancy rate of 15%, indicating that there is excess supply within the market.

16.65 It would be appropriate to plan for **34,000 sq.m or 6.8ha of office** space over the plan period, derived from the net completions model. This should be a ‘gross’ requirement, allowing for the loss or repurposing of office space in less desirable out-of-town locations and new provision provided within more desirable town centre locations.

16.66 New build office development is likely to be unviable given market conditions, and so delivery of new space is likely to come through refurbishment and subdivision of existing premises. Arden Cross represents an exception to this general market position, given its scale, strategic location and wider mixed-use nature, which provide a different development proposition and greater potential to support viable new-build office provision.

16.67 Arden Cross will also provide office space which will meet both local and wider strategic needs, potentially attracting occupiers from the region and nation. It would be reasonable for Arden Cross commercial space to be considered as helping to meet local needs as defined here.

Industrial and Warehousing

16.68 Industrial and warehousing requirements are formed of two components – local and strategic needs.

16.69 For local industrial and warehousing there is a modelled range of 33.9 to 60.1ha under the net completion and gross completion models.

16.70 Labour demand models typically underestimate industrial and warehousing employment needs due to a negative jobs outlook on the manufacturing sector and the declining jobs-to-floorspace relationship due to demand increasingly being driven by automation, mechanisation, operational requirements and the need for modern premises rather than workforce expansion. The purpose of including the 'replacement demand' element of the model is to help in counteracting weaknesses in the labour model.

16.71 Analysis within section 14 shows that historically Solihull's industrial market has been persistently supply constrained, with vacancies below 5% for much of the past decade.

16.72 This constrained supply position is reflected in above-average rental growth, prime rents exceeding £15 per sq.ft, the absence of vacant strategic units, and agent feedback consistently identifying shortages of available premises across a range of unit sizes.

16.73 Recent take-up (net absorption) trends are likely to reflect a lack of available supply rather than a lack of occupier demand, and therefore risk understating future requirements, however, a 5-year margin has been applied, which increases the requirement by 42%, thus acting as a compensatory mechanism.

16.74 It is recommended that Solihull plan for between **44.1 and 60.1ha,** derived from the net absorption and gross completions models, as this provides the most appropriate representation of underlying market demand and future growth potential.

16.75 The net absorption model may under-estimate future need as historic take-up has been constrained by limited supply. Conversely the gross completions model may overstate the requirement for additional land. as some future demand may be accommodated through the redevelopment and recycling of existing employment land, therefore planning for a range between the two scenarios is appropriate.

16.76 Regarding strategic sites need, this has been established within the WMSESS 2024 study and indicates a gross requirement of **92-167ha**.

16.77 Overall, this points to a total industrial and warehousing requirement of **136 to 227ha.**

17. Employment Land Supply

17.1 This section draws together Solihull's employment land supply based on existing employment allocations, unimplemented planning permissions and vacant land on protected employment sites identified through site assessments.

17.2 Iceni has undertaken site assessments of protected employment sites, existing allocations and potential employment sites (call for sites). The full suite of site assessments is in the separate Appendix 1: Solihull Employment Site Assessments.

17.3 These have been undertaken by professional staff in summer 2026 and consider the quality of individual sites, their performance and any development potential within them. The commentary on individual sites sets out recommendations on how Iceni consider that they should be treated in policy terms, based on the evidence available.

Extant Allocations

17.4 Paragraph 127 in the 2024 NPPF sets out that planning policies need to reflect changes in the demand for land and should be informed by regular reviews of both the land allocated for development in plans and land availability. It requires planning authorities to consider whether there is a reasonable prospect of an application coming forward for the uses identified within a plan.

17.5 The table below summarises the extant allocations within Solihull and provides a summary of the status of the sites. These extant allocations have been assessed within the site assessment appendix.

Table 17.1 Employment Allocations – Solihull Adopted Local Plan 2013

Site	Land Allocated	Land Available 2026	Notes
TRW Stratford Road, Shirley	18.5	0	Site being built out as mixed use – no B-class provision
Solihull Business Park, Highlands Road, Monkspath	6.0	0	Built out
Fore, Stratford Road, Adj. M42	2.0	0	Landowner does not intend to develop for employment; pending application for solar panels.[43]
Chep/Higginson, Bickenhill Lane, Bickenhill	4.0	0	In use for haulage – extant application for demolition of existing buildings and E(g)(iii)/B2/B8 development[44] - included within commitments
Land North of Clock Interchange Coventry Road	2.0	0	Although several vacant plots of land available, allocation is recommended for release – office development likely unviable and undeliverable.
Land adjacent Birmingham Business Park	9.0	0	Built out
Total		**0**	

Source: Iceni analysis, Solihull Local Plan 2013

Commitments

17.6 The table below summarises the employment commitments position in Solihull by use class as of April 2025. This includes commitments on allocated sites as noted above.

Table 17.2 Extant Employment Commitments (April 2025)

	Office	Local Industrial	Strategic Sites
Floorspace (sq.m)	996	40,328	0
Land (Ha)*	0.2	10.1	0

*plot ratio 0.5 for office and 0.4 for local industrial

Source: Iceni analysis of authority monitoring data

Existing Employment Sites

17.7 Site assessments were carried out on existing employment sites to identify opportunities for further development or intensification that were not existing allocations or have extant planning permission. The site assessments are in a separate appendix.

17.8 Two plots were identified (detailed in the table below) totalling 1.7ha and could contribute to meeting future employment need. No existing sites were recommended for release from protection; therefore, no reprovision is required for planned losses. A summary of the recommendations from the existing employment sites assessment is in the Appendix of this report.

[43] PL/2026/00907/PPFL

[44] PL/2022/02400/PPFL

Table 17.3 Vacant Plots of Existing Employment Sites

	Office	Local Industrial
Cranmore Industrial Estate	0	1.7
Total	**0**	**1.7**

Source: Iceni analysis

Potential Employment Sites

17.9 Within the site assessment appendix, several potential employment sites were assessed including the sites draft allocated in the withdrawn Local Plan Review and call for sites. These are summarised in the table below.

17.10 They have not been included within the supply

Table 17.4 Potential Employment sites

	Site Size (Ha)	Type	Summary
UK1 Arden Cross	140	Office, Local and Strategic Industrial	New masterplan is underway. Will contribute to meeting local and strategic needs in the longer term
UK2 Damson Parkway	94 (total) 42 (residual)	Strategic	Phase 2 – 142,000 sq.m; Phase 3 – 60,000 sq.m.
UK3 NEC	30 (brownfield car park)	Local and Strategic	Brownfield land – emerging proposals for 100,000 sq.m I&L and further event space
Arden Brickworks, Coventry Road - CFS/24/097	38.7	Local and Strategic	HS2 safeguarded – longer-term opportunity
Former Bacon's End Centre, Waterloo	0.5	Local Industrial	Pending application for drive-thru and self-store

Avenue, Kingshurst - CFS/24/113			
National Motorcycle Museum, Bickenhill, Solihull - CFS/24/150	21.9	Local and Strategic	Suitability subject to access arrangements.
Solihull Moors Football Club - CFS/24/200	3.5	Strategic	Part of wider Damson Parkway site – football club would require relocation
Land between Hodgetts Lane and Cromwell Lane - CFS/24/265	31.7	Local Industrial	Lack of connection to the SRN suggests that the site is not suitable for employment uses and would not be attractive within the market. Data centre suitability would need to be tested through power availability and landscape suitability.
Land at Nailcote Farm - CFS/24/269	41.7	Local Industrial	Lack of connection to the SRN suggests that the site is not suitable for employment uses and would not be attractive within the market. Data centre suitability would need to be tested through power availability and landscape suitability.
Land south of Kineton Lane, west of Stratford Road - CFS/24/302	51.5	Strategic	Potential future phase of northern plot (pending)

Land North Kineton Lane, west of Stratford Road - CFS/24/325	44.1	Strategic	Pending application[45] for E(g)(iii)/B2/B8 use

Supply Summary

17.11 The table below summarises the employment land supply in Solihull. Total office supply is 0.2ha and local industrial supply is 11.8ha. There is no supply of strategic sites, as withdrawn draft allocations such as Damson Parkway are not included in the supply at this stage.

Table 17.5 Employment Supply Summary (Ha)

	Office	Local Industrial	Strategic Sites
Allocations	0	0	0
Commitments	0.2	10.1	0
Vacant Plots	**0**	**1.7**	**0**
Total	**0.2**	**11.8**	**0**

Source: Iceni analysis

[45] Indurent – PL/2026/01046/POL

18. Supply-Demand Balance

18.1 The table below draws together the employment need recommendations and supply to identify an employment supply-demand balance.

Table 18.1 Supply-Demand Balance (Ha)

	Office	Local Industrial	Strategic Sites
Recommended Need (2025-43)	6.8	44.1 - 60.1	92-167
Supply (April 2025)	0.2	11.8	**0**
Balance	**6.6**	**32.3 - 48.3**	**92 - 167** (50-125ha inc Damson Parkway)

Source: Iceni analysis

18.2 There is a shortfall of office equivalent to 6.6ha – as noted previously, this is unlikely to be met within new build office development given questions around viability and should be focussed on repurposing larger vacant office premises to provide more flexible spaces. Arden Cross may also contribute to this in the future.

18.3 There is a shortfall of local industrial land equivalent to 32.3-48.3ha. Drawing on market feedback, there is an under-provision of space across all unit sizes, so future allocations should accommodate a range of units rather than purely mid and big box.

18.4 In particular, there is demand for smaller <500 sq.m flexible units, accommodating start-ups and SMEs. The success of schemes such as Woodside Industrial Estate, which saw excess demand, reinforces the importance of catering for smaller, local occupiers alongside more strategic inward investment occupiers.

18.5 Affordability is an issue in Solihull, particularly for local occupiers competing against overflow demand from Birmingham. Small-scale industrial space should be prioritised alongside strategic delivery, providing a mix of traditional industrial and light industrial space, alongside workshops, maker spaces and creative studios. This could be delivered within strategic sites through mixed-sized schemes which would provide a level of cross-subsidisation.

18.6 There is a strategic requirement of 92-167ha; however, as noted earlier within the report, the WMSESS 2024 assumed Damson Parkway was part of the committed supply, given its Regulation 19 status at the time. Assuming that phases 2 and 3 of Damson Parkway are allocated and permitted results in a residual strategic sites need of 50-125ha to be met on new sites.

18.7 It is important to recognise that there is a degree of overlap between local and strategic employment land requirements. In practice, sites do not exclusively serve either local or strategic markets, with many employment locations accommodating a range of occupiers operating at different geographic scales. As a result, historic take-up and future demand cannot always be clearly segmented between local and strategic requirements.

18.8 This is evident within Solihull, where a significant proportion of historic employment land delivery has occurred on sites with strategic characteristics.

18.9 Blythe Valley Business Park was a Regional Investment Site (RIS); however, much of this delivery has not comprised large-scale strategic logistics units but has instead accommodated office, industrial and business occupiers serving a range of markets, including demand generated from within the local economy.

18.10 The historic role of such sites demonstrates that strategic employment locations have contributed towards meeting both strategic and local

requirements. Consequently, treating local and strategic needs as wholly separate components of demand carries a risk.

18.11 As such, it would be appropriate for Solihull to consider its local and strategic site requirement jointly, reflecting a degree of crossover, rather than allocating separate sites for local and strategic employment uses.

18.12 Arden Cross has seen a substantial delay due to ongoing HS2 construction, with land for commercial development not available until 2030.

18.13 The preparation of a revised masterplan also creates uncertainty regarding the scale, mix and timing of employment development that will ultimately be delivered. It is assumed the site will meet local and strategic industrial need, alongside plans for the innovation campus.

18.14 It is reasonable to assume that Arden Cross will deliver a level of employment development by 2043.

18.15 However, given the long lead-in times associated with major infrastructure projects and the wider evolving masterplanning process, uncertainty remains about the timescales for bringing the development forward.

18.16 On this basis, the allocation of an additional employment site would provide flexibility and resilience, increase occupier choice and ensure employment land needs are being met in the earlier stages of the plan period.

18.17 Potential sites to meet the identified industrial local and strategic need include:

- Damson Parkway – 42ha, included within WMSESS 2024 as strategic site supply. Phase 2 to deliver 142,000 sq.m (est. 2029) with a later phase 3 of 60,000 sq.m.
- NEC – 30ha of brownfield land, capacity of c.100,000 sq.m with focus on strategic units
- Arden Cross – 400,000 to 600,000 sq.m of commercial floorspace.