Birmingham City Council

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Tamworth Borough Council

Solihull METROPOLITAN BOROUGH COUNCIL

Strategic Housing Market Assessment 2007-08

Final Report

December 2008

Outside consultants

WEST MIDLANDS
C1 HOUSING MARKET AREA

STRATEGIC HOUSING MARKET ASSESSMENT

CONTENTS

TABLES

FIGURES

FOREWORD

The authors are grateful to all the people who have co-operated and contributed to the West Midlands C1 Housing Market Area Strategic Housing Market Assessment.

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This report presents a Strategic Housing Market Assessment of the C1 Housing Market Area in the West Midlands. It should be read in conjunction with other studies that have been commissioned since this study commenced or that will be commissioned in the near future. Some members of the C1 Housing Market Area Strategic Group require separate work beyond the scope of this commission to understand better the local complexities of the sub-region, to provide a more detailed understanding of housing markets at a local level and to consider local patterns of housing requirement and supply in greater detail. Wherever possible, this separate work aims to build upon and augment the Assessment presented here.

The views expressed in this report do not necessarily represent the policies of the commissioning authorities or any other organisation in the sub-region or region.

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EXECUTIVE SUMMARY

APPROACH

1. In August 2007, C1 Housing Market Area Strategic Group (encompassing Birmingham City, Lichfield District, Solihull Borough and Tamworth Borough Councils) commissioned **Outside** to undertake a comprehensive Strategic Housing Market Assessment for the sub-region.

2. The Strategic Housing Market Assessment provides a detailed sub-regional market analysis of housing demand and housing need, identifying the key drivers in the C1 Housing Market Area. In addition it provides a robust evidence base for current and future requirements in terms of market and affordable housing to inform local policies and strategies.

3. The Strategic Housing Market Assessment methodology relies on the collation and analysis of a wide range of secondary data and relevant literature alongside qualitative inputs from stakeholders in the Housing Market Area.

4. The Assessment has been conducted within the framework of *PPS3: Housing* and the *Strategic Housing Market Assessment Practice Guidance*. In addition it has taken account of the Housing Green Paper, Regional Housing Strategy, Regional Spatial Strategy, West Midlands Economic Strategy and the agenda for New Growth Points.

DEMOGRAPHIC & ECONOMIC CONTEXT

5. The Central Housing Market Area (Housing Market Area), with a total population of around 3,348,000, contains 64% of the West Midlands region population. Within the Central HMA, C1 Housing Market Area has a **population** of 1,352,500 (25.6% of the West Midlands) in 538,774 **households** (25.0% of the West Midlands). Birmingham accounts for almost three quarters of people and households in the C1 Housing Market Area.

6. Between 1991 and 2001 the population of the C1 Housing Market Area contracted due to population decline in both Birmingham (2.0%) and Solihull (0.4%), driven primarily by significant migration out of the city. Since 2001 all four districts have experienced **population growth** and overall the C1 HMA has seen population growth of 2.2% (almost equal to the England & Wales and greater than the West Midlands as a whole). Birmingham is still experiencing high natural change and the rate of change due to migration has slowed down. Lichfield District has grown by 3.8% overall as a result of high levels of in-migration.

Growth in Solihull and Tamworth, although not as significant, has been due to both natural and migration change.

7.   In terms of **migration flows**, Birmingham is losing population through migration and its strongest link in the C1 HMA is with Solihull. Birmingham also loses population to the C3 HMA; notably Sandwell, Bromsgrove, Walsall and Dudley. Lichfield District gains population through migration, notably from Birmingham and Tamworth in C1 HMA and Walsall in C3 HMA. Lichfield District loses population to East Staffordshire and Stafford (North HMA) and South Derbyshire (East Midlands). The majority contributor of population to Solihull is Birmingham. The major net population losses are to Stratford-on-Avon and Warwick (South HMA) and North Warwickshire (C2 HMA). Like Birmingham, Tamworth lost overall population due to out-migration; primarily to South Derbyshire and North West Leicestershire (East Midlands) and Lichfield District. Tamworth gained population from Birmingham and Solihull.

8.   In terms of **tenure**, the distribution across the C1 HMA is extremely uneven with the proportion of social renting households ranging from 13.5% in Lichfield District to 27.7% in Birmingham. Owner occupation is significantly lower in Birmingham (60.4%) compared with the other C1 HMA authorities: Lichfield District has the highest rate of owner occupation at 79.3%, closely followed by Solihull at 78.6%. Overall, Birmingham accommodates 72.6% of the C1 HMA households, but 81.6% of the social renting households and 83.9% of the private renting households.

9.   In terms of the **age profile** of the population, C1 Housing Market Area as a whole has a much younger profile than the rest of the West Midlands, largely due to the influence of Birmingham, although Tamworth also has a younger profile. 29.4% of Birmingham's population is under 19 compared with just 24.0% in Lichfield District. 22.2% of Birmingham's population is aged 20-34 compared with only 16.4% in Solihull. This would suggest greater pressure for starter homes in Birmingham and Tamworth than elsewhere.

10. Tamworth has the greatest proportion of people aged 35-49 (22.5%). This coupled with the high proportions of 0-14 year olds would suggest greater demand for family housing in this area.

11. Both Lichfield District and Solihull have 1.8% of their population over 85; and Birmingham has 1.7%. In Solihull, 15.0% are 65-84. The relatively older population profile of Solihull and Lichfield District in particular combined with demographic trends towards the ageing of the general population has potential implications for future accommodation such as:

- Increased requirements for support to enable older people to stay at home

- Increased need for specialised accommodation for older people

- Under occupancy of larger stock, creating a potential blockage in the market which may force younger families to leave the area

12. The West Midlands region has the largest proportion of <u>black and minority ethnic communities</u> within its population of any region outside of London. The main BME population concentrations are within the Central Housing Market Area (Birmingham, the Black Country and Coventry) and to some extent the North (Stoke-on-Trent). 91% of the West Midlands Region's non-white BME population live in the Central Housing Market Area.

13. More than one in three (34.4%) of Birmingham's population is from a black and minority ethnic community, compared to only 3.0% in Lichfield District. The housing decisions of the BME communities, certainly within Birmingham, are therefore a core element of housing demand and supply within the conurbation.

14. Lichfield District (97.0%), Tamworth (96.4%) and Solihull (92.1%) have higher proportions of White British residents than the regional and national averages of 86.2% and 87.0% respectively.

15. The proportions of BME groups in the 2001 Census do not necessarily reflect some significant aspects of new patterns of increase. A challenge for understanding the impact of the BME population is that growth is partly made up of migrant workers, asylum seekers and refugees for whom numbers are not easily available.

16. In terms of <u>international migration</u>, there has been significant growth in population from A8 accessions states. Although nationally 25.9% of overseas nationals receiving NI numbers were from Poland, the proportion from Poland was much higher than this in the two smaller districts; in Tamworth, 63.5% of new migrants were from Poland and in Lichfield the proportion was 43.5%. The principal origins of new migrants into Birmingham were Poland (26.5%), India (8.6%), Pakistan (8.5%) and France (6.6%). In Solihull, 23.0% were from Poland and 12.3% were from India.

17. Research elsewhere in the West Midlands has shown that new arrivals tend towards employment in jobs that are low paid, casual and temporary, which has consequent implications for the type of housing they take up and its location. Often they find themselves in poorly maintained private rented homes, HMOs and even caravans. This will impact upon their decisions about when and where to establish longer term homes should their families be with them or be planning to join them.

18. The spatial patterning of **economic activity** in the West Midlands has been described as shifting away from Birmingham to a 'belt' encircling the conurbation, although it can be expected that the future growth of employment in the West Midlands will primarily be around the city centre of Birmingham, with further concentrations to the South and South West of the city.

19. There is significant variation in terms of economic output (GVA) per head of population. There are some areas, such as Birmingham, Solihull and Coventry that exceed UK average GVA per capita, while others fall someway short. Solihull, in particular, has experienced rapid growth in GVA per capita. Between 1995 and 2004 it was the fastest-growing sub-regional economy in the country (growth of 115% compared to growth of the whole UK economy of 58% over the same period).

20. The proportion of the total population that is of working age is at its lowest in Solihull (59.8%) and highest in Tamworth (64.2%). This fits with the age profiles that depict an older population in Solihull. The proportion of economically active members of the working age population differs far more: in Birmingham only 68.9% of the working age population are economically active compared to 86.5% in Lichfield District. The total Job Seekers Allowance claimants also show these differences; in Birmingham 5.2% are claimants, compared to 1.2% in Lichfield District.

21. Looking at the **employment structure** across the C1 Housing Market Area, almost half the Solihull working population (48.3%) consists of senior managers and professional occupations; Lichfield District is similar (46.7%). In comparison in Tamworth and Birmingham only 37.8% are in these occupational groups. One fifth (20.0%) of the working population in Tamworth are in elementary occupations; by far the highest occurrence in the C1 Housing Market Area (Birmingham 13.5% and Solihull 9.9%).

22. The **earnings** of full-time workers *living* in Birmingham are on average £1,461 per annum less than those *working* in Birmingham. This would imply that people living outside the city, in the wealthier areas of Solihull and Lichfield District for example, are doing many of the higher paid jobs. In Lichfield District, the people living there are earning 15.7% more on average than the people working there. In other words the residents are earning higher salaries outside the District, whilst lower paid employees are travelling in. This will add to affordability issues in the District if its housing is serving a significant commuter population. In Tamworth, as with Lichfield District, earnings by residence are 15.4% higher than earnings by workplace. In Solihull earnings by residence are almost the same as earnings by workplace, but they are the highest in the sub-region.

23. In terms of **mean household incomes** across the C1 Housing Market Area, the range at ward level starts with the lowest in Birmingham at £22,191 (Aston) and the highest in Lichfield District at £46,300 (Little Aston); a difference of £24,109. These stark differences have implications for house prices and affordability across the sub-region.

HOUSING STOCK

24. Birmingham has a high proportion of **social rented housing** stock with over a quarter (25.8%) rented from social landlords. This figure is high compared both to other C1 authorities and a regional average is 19.9%. Lichfield District has the lowest proportion of social housing stock with 13.4%, followed by Solihull with 15.6%.

25. All of the districts except Birmingham within the C1 Housing Market Area have a higher proportion of private housing than the regional average of 80.1%. Lichfield District with 86.6% and Solihull with 84.4% have higher proportions than for England (81.5%). All of the districts in the C1 Housing Market Area except Birmingham have a higher proportion of **owner occupied** housing than the regional or national averages of 69.6% and 68.7% respectively.

26. The proportion of **private rented** accommodation in Solihull, Tamworth and Lichfield remains notably lower than the regional average of 9.8% and the national average of 12.0%. Solihull has the lowest percentage of private rented accommodation with 5.2% of housing stock.

27. The predominant **dwelling type** in the C1 Housing Market Area is semi-detached housing ranging from 35.4% of housing stock in Birmingham to 39.6% of housing stock in Tamworth; all are higher than the England & Wales average of 31.6%. 37.9% of the housing stock in Lichfield District is detached, compared to only 8.4% in Birmingham. In Birmingham, 31.3% of stock is terraced housing whereas in Lichfield District it is only 13.6%. In addition, Birmingham has over a fifth of its housing stock as flats/apartment whereas Lichfield District has 9.7% and Tamworth 11.3%. The stock of terraces and flats in a district is often regarded as entry-level housing potentially accessible for first time buyers and lower income households, despite the fact that new build apartments can command higher prices (due primarily to location) than more traditional family housing in some parts of a district.

28. 18.1 % of dwellings in C1 Housing Market Area have four or more bedrooms, but this figure is as high as 29.5% in Lichfield District and 27.9% in Solihull. Birmingham, on the other hand, has 14.8% of dwellings with one bedroom compared to a regional average of 10.1%.

THE ACTIVE MARKET

29. The <u>cost of housing for sale</u> varies considerably across the C1 HMA. The highest overall mean price is in Solihull at £240,171, more than £83,000 higher than the lowest mean price in Tamworth of £156,827.

30. Solihull also has the highest mean price for a detached property at £400,566, where detached properties are in reasonable supply (these account for 27.7% of all detached sales in the C1 HMA and 4.0% of all sales). The mean detached price in Lichfield District (£328,463) and Birmingham (£323,802) are very similar while the mean detached price in Tamworth is significantly lower and accounts for just 9.8% of all detached sales in the C1 HMA.

31. Across the whole C1 HMA 34.3% of all sales in 2006/07 were of terraced houses, where the mean house price ranged from £124,096 in Tamworth to £164,257 in Solihull. Semi-detached property sales accounted for 33.2% of all C1 HMA sales and mean prices ranged from £144,520 in Tamworth to £213,813 in Solihull.

32. Between 2002 and 2006, overall house prices have grown at a similar rate in Birmingham (66.6%), Lichfield District (63.8%) and Tamworth (62.5%) well above the West Midlands average of 49.6%. In Solihull the growth in mean house prices has been slower at 50.7%.

33. The greatest price growth in Birmingham is concentrated in sales of terraced properties where prices increased by 86.1%. Solihull and Tamworth also saw big increases in the price of terraced properties. In Lichfield District the biggest increases in house prices were concentrated around semi-detached properties (81.6%) and flats (73.3%). In Tamworth there has been a very substantial increase in the mean price of flats of 102.4% between 2002 and 2006 when sales of flats increased as a proportion of all sales in Tamworth from 7% to 12%. In all areas and across the C1 HMA lower quartile prices (the proxy for entry-level housing) have risen more steeply than the mean and the median price. This is felt most acutely in small property types such as terraces and flats.

34. It is clear that across the C1 HMA that prices for all property types have increased substantially since 2001/2, but that since 2005 price growth has slowed down. The relative price of smaller properties in cheaper areas has risen the most which has implications for those entering the housing market for the first time; this will place increased pressure on affordability in these areas and reduce the supply of affordable housing in the market.

35.   Renting all dwellings, but particularly smaller dwellings, is considerably more costly in the private sector than in the social housing sector. <u>Private rents</u> in Solihull are considerably higher than all the other areas, which is not surprising as it is the highest house price area; in the case of two bed properties rents are almost double the equivalent housing association rents. One-bed properties rented privately are 180.4% of the cost of a housing association one bed property in Solihull. Birmingham has private rented costs closest to public sector costs. In fact in Birmingham, Lichfield and Tamworth private rented costs diverge less from housing association costs than for England & Wales. This would suggest that in Solihull the high house prices are driving high rental costs, but that in Lichfield this pattern is not so clearly manifested.

36.   Figures for 2007 place the average weekly <u>local authority rents</u> in Birmingham, Solihull and Tamworth as very close to each other (between £57.36 and £57.88). All three are below the national average of £61.30.

37.   In contrasts to rents for local authority stock, <u>RSL rents</u> (see Table 38 and Figure 33) are higher than the West Midlands average (£60.58); ranging from £65.23 in Lichfield District to £67.80 in Solihull.

38.   <u>Lower quartile house prices</u> vary considerably across the four areas of the C1 HMA with Solihull being £43,000 higher than Birmingham and show a much greater divergence than is evident in the C2 HMA. Tamworth is closer to Birmingham, while Solihull and Lichfield District are closer to Warwick and Stratford-on-Avon. The overall HMA lower quartile price is above the West Midlands mean.

2006 Lower quartile house prices		
	Price (£)	Index (C1 HMA = 100)
Birmingham	£107,000	91.4
Lichfield District	£137,000	117.0
Solihull	£150,000	128.1
Tamworth	£117,000	99.9
C1 (WM) HMA	£117,083	100.0
West Midlands	£110,000	94.0

Source: CLG Live Table 587

39.   The <u>gross annual income</u> required by a single income household to purchase an entry-level dwelling ranges from £30,571 in Birmingham to £42,857 in Solihull. The proportion unable to afford the entry-level dwelling is 64.5% in Birmingham, 65.1% in Lichfield District, 71.4% in Solihull and 61.8% in Tamworth.

40. The <u>ratio of lower quartile incomes to lower quartile house prices</u> is a good proxy for affordability issues. The ratio is currently highest in Solihull and Lichfield District (1:8.8). In Tamworth the ratio is 1:7.7 and in Birmingham it is 1:6.3. The ratio has grown since 1997 the most in Birmingham (by 114.1%). In the three other areas the change has been between 96.7% and 106.8%.

41. <u>Private rents are more affordable</u> in the C1 Housing Market Area than owner occupation, but this does little to alleviate housing need. As there is far less variation in Birmingham, Lichfield and Tamworth between the cost of privately renting a 2 bed property than in house prices the income required ranges from £21,836 (Lichfield) to £22,524 (Birmingham). In Solihull, a significantly higher salary is required: £26,487.

THE FUTURE HOUSING MARKET

42. The growth of population and households in the West Midlands is considered first as "unconstrained" (figures that derive from household-based projections produced by the Office of National Statistics) and second as policy-driven (figures that take account of Regional Spatial Strategy).

43. The unconstrained <u>number of households</u> in the C1 Housing Market Area is predicted to increase by slightly under the predicted growth for the West Midlands between 2006 and 2029:

   - 18.0 % growth (73,000 households) in Birmingham

   - 17.9 % growth (7,000 households) in Lichfield District

   - Solihull is predicted to grow by 12,000 households or 14.5%

   - Tamworth is predicted to grow by 4,000 households or 13.3%

44. Due to social and economic changes in the country the household change that will occur in the next twenty years does not necessarily run parallel to the population change. In population terms all four areas in the C1 HMA are predicted to grow to 2026. However, the number of households in the West Midlands is predicted to grow by a fifth (20.6%): both Lichfield District and Tamworth are expected to match that pattern of household growth, whereas Solihull (11.5%) is expected to be much slower and Birmingham will exceed that rate (26.8%).

45. These changes in growth patterns will have significant impacts upon housing markets in the four areas, not the least in Birmingham, but also in Lichfield District and Tamworth putting

increasing pressure on these areas to meet the needs of both their existing and increasing households.

46. The draft proposals for housing growth in the Regional Spatial Strategy differ from the unconstrained patterns of household change. Birmingham is consequently expected to deliver 50,600 dwellings, Lichfield District 8,000 dwellings, Solihull 7,600 dwellings and Tamworth 2,900 dwellings. These figures are minimum and could increase through examination in public in 2009.

47. In terms of <u>household types</u>, there will be a steady decline to 2026 in each area of married couple households, although the proportions are likely to stay above the regional average, except in Birmingham. Although there is a growth in cohabiting couple households it does not equal the decline in married couple households. Instead what we see is significant growth in one person households.

48. Social, economic and cultural factors are leading to marital breakdown at one point in the age spectrum at the same time as a growth in couples "living apart together" or "LAT". This will create increased demand for smaller properties, but not so small that they cannot accommodate overnight guests (e.g. children) or space to work at home (an increasing phenomenon as transport infrastructures become more and more clogged and the cost of travel increases); in other words at least 2 bedrooms.

49. A number of conclusions for growth and housing demand over the next twenty years can be drawn:

    - Birmingham sees a stark decline in married couple households which is matched by the growth of cohabiting couple households. The growth in household numbers is driven by the formation of over 55,252 one person households, accounting for 85.3% of household growth. This would suggest that Birmingham will continue to have a strong future market for smaller dwelling units of 1-2 beds.

    - In Lichfield District, the increase in the number of cohabiting couples exceeds the decline in married couple households by 675 households, and if one also includes multi-person households then by a further 248 (total 923). This would present a strong argument for ongoing development of medium sized family housing. In addition, one person households account for 76.5% of the district's growth.

    - In Solihull, the decline of married couple households is greater than the growth of cohabiting couple households by 278, although other multi-person households grow by 469. This would suggest a limited requirement for ongoing development of new family housing. 89.0% of growth in Solihull will be from one person households, and this would indicate strong future demand for smaller properties also.

    - In Tamworth there is greater growth of cohabiting couple households than decline in married couple households; the former exceeds the latter by 412 households.

This would present an argument for delivery of high quality family housing for the future. In addition 75.7% of growth will be from one person households.

HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

50. In terms of the housing needs of <u>older people</u>, both Lichfield District and Solihull have over a fifth of their residents aged over 60. Solihull has the highest percentage in the C1 Housing Market Area with 21.7%; above the regional and national average of 21.0% and 21.7% respectively. Tamworth has a smaller percentage of older residents compared to the regional and national average. The shifting demographic patterns across the age ranges 60-79 and over 80 have major implications for meeting the differing and evolving housing and support needs of these generations of older people.

51. Single pensioner households represent between 10.5% and 14.5% of the population in each of the four districts. The number of single pensioner households has implications for types of housing as well as care and support services within each district, as it suggests that the older person may not benefit from care and support within the home from another member of their household if the need arose. Nationally there is a growing trend of an increasing number of older people living alone.

52. The higher proportion of larger sized accommodation in Lichfield District and Solihull will mean significant levels of under occupation in properties owned by older people. Tamworth has smaller sized property and still considers under occupation affects approximately 41.3% of all households. In addition, a strong message voiced in the stakeholder consultation was the shortage of two bedroom houses in Tamworth:

> *"The ageing population is beginning to suffer because we haven't got enough bungalows and two bedroom houses for people to downsize into. Older people in a three bedroom house want to downsize to something smaller – they don't want to go into a flat, they want a bit of a garden".*

53. In Solihull, however, stakeholders commented there was provision of bungalows but these were not popular as they were too small. It was widely recognised that older people express a general preference for two-bedroom accommodation rather than one bedroom.

54. Demographic changes show there will be an increase in the number and proportion of older people from established black and minority ethnic communities. Population forecasts for Birmingham state that the number of ethnic minority residents aged 65 and older will increase from its current 21,000 to about 36,000 in the next two decades to 2026. The impact on services depends on how the care of the elderly is balanced within and outside the family.

55. In terms of **households with specific needs**, there are varying levels of households with *at least* one person with limiting long-term illness (LLTI) across the districts of the C1 HMA. Highest levels are for Birmingham (36.6%). Levels are lower for Tamworth (32.6%), Lichfield District (31.1%) and Solihull (30.7%). Among the older population (aged over 65) with one resident with LLTI, proportions are highest in Birmingham (11.9%) and Solihull (11.3%) followed by Lichfield District (10.5%) and then Tamworth (9.1%).

56. The housing needs and aspirations of **black and minority ethnic communities** cannot be identified within a single grouping as there is diversity within and between communities. Research has shown that there is no homogenous set of black and minority ethnic housing needs and aspirations. In addition to differences related to ethnicity and religion, significant differences are emerging related to factors such as age, income, education and style. Also, the concentration of BME communities within Major Urban Areas has sustained the housing market and prevented its collapse in some areas.

57. This diversity within the BME populations is reflected in tenure preferences. Where the Indian, Pakistani and Bangladeshi communities tend to be in owner occupation, Black Caribbean households in Birmingham are more likely to be in social housing, whilst the established communities in Lichfield District, Solihull and Tamworth they are more likely to be in owner occupation. Chinese and other ethnic groups show a higher proportion of households living in private rented accommodation.

58. Improving affordability for **young people** has been a concern at national and local level resulting in a number of different schemes for supporting households into home ownership over the years; intermediate housing options have been encouraged in Solihull with a strong take up of Homebuy in the district compared to other local authorities.

59. Affordability is not the only obstacle facing young people wanting to live independently. Young people looking to be first time buyers will focus mainly on smaller accommodation: terraced properties or flats. The housing stock in Lichfield District and Solihull is predominantly detached and semi-detached properties of larger sizes than the regional average. The need for appropriate property types is therefore a key concern.

60. For some young people home ownership may not be the most important factor influencing their housing choice. Security of tenure and the possibility of creating a home for themselves may be as significant. Social housing tenure can provide long-term security but the allocations policy may be seen as a barrier to young people if they are not considered to be in a priority grouping. Private renting offers the possibility of creating an independent home for young people but this can be perceived as a transient measure where

rents are too high and there is a lack of security. In addition there needs to be the availability of private rented stock and this is not evenly distributed across the Housing Market Area.

HOUSING MARKET SECTORS

61. Identifying the housing market sectors operating within the C1 sub-regional Housing Market Area has involved the analysis and bringing together of a number of different aspects of this study. The primary drivers for identifying these market sectors are:

- Population change and migration

- Local incomes and local house prices

- Affordability and entry-level housing

- Housing need and demand for social housing

- Stakeholder consultations

62. The first stage was to identify a suitable geography for analysis that could be applied to the various datasets analysed as part of the Strategic Housing Market Assessment. We decided that, despite boundaries that may appear arcane at times, electoral wards are the appropriate building block geography to provide outputs that are both robust and replicable. The second stage was to identify commonality in various identifiers (e.g. tenure, house price, income, affordability). The aim was to find areas where, from the perspective of the home purchaser, there was substitutability (either one dwelling for another, or one price for another) or a match in affordability. The third stage was to overlay the different elements (price, type, income) over one another to see where they correspond and where they diverge. The final stage was to compare this map of findings with the views of stakeholder to see to what extent the markets described qualitatively matched those defined quantitatively.

63. This analysis has consequently grouped the 93 wards in the C1 Housing Market Area into thirteen housing market sectors (which are presented in detail in Chapter 12 of the Strategic Housing Market Assessment). The key features of each sector are presented below.

C1 Housing Market Area housing market sectors		
	Name	Key features
1	Birmingham South	■ Dominance of semi-detached and terraced housing ■ High concentrations of two bed dwellings ■ Low owner occupation, small private rented sector and large social housing sector ■ Mean and lower quartile house prices are relatively low £140,654 and £106,949 respectively
2	Birmingham Central	■ High concentrations of flats/apartments ■ Large private rented sector ■ High mean house prices and high turnover of properties ■ Low rates of family housing and owner occupation
3	Birmingham South East & Shirley	■ Dominance of semi-detached and terraced dwellings ■ More than half of properties have three bedrooms ■ House prices and incomes close to sub-regional averages
4	Birmingham North West	■ Predominantly terraced, lowest rate of semi-detached and highest rate of one bed properties (21.6%) in the C1 Housing Market Area ■ Lowest rate of owner occupation and highest rate of social housing in the sub-region ■ Low incomes and lowest lower quartile house price ■ The most affordable sector in the Housing Market Area
5	Birmingham North	■ Mix of high priced owner occupation alongside social housing and deprived estates ■ House prices above the sub-regional averages ■ Lower than average rates of smaller properties ■ Affordability close to the C1 average
6	City of Lichfield	■ High proportion of detached housing and properties with four or more bedrooms ■ High incomes and high house prices ■ Turnover in private housing is relatively high ■ Under supply of smaller dwellings
7	Lichfield District North	■ Very high rates of owner occupation ■ More than half of all dwellings are detached ■ High house prices coupled with high household incomes ■ Very low rates of social housing and other affordable housing
8	Burntwood	■ High rates of owner occupation ■ The lowest rate of private renting in the sub-region ■ The highest occurrence of semi-detached housing ■ Turnover of private housing is the lowest in the sub-region

9	Lichfield District South & East	■ Very high priced detached housing, with mean and median house prices in parts over £500,000
		■ Lowest rate of one and two bed properties in the Housing Market Area
		■ Correspondingly low rates of terraces and flats/apartments
		■ Low supply of social housing
		■ The least affordable housing sector in the sub-region
10	Tamworth	■ Relatively small private rented sector
		■ Relatively fewer properties with one or two bedrooms
		■ Slight undersupply of smaller properties, particularly apartments
		■ More affordable than many other parts of the sub-region
11	Solihull rural	■ Strong ties to Warwick, Coventry and Stratford-on-Avon
		■ Mean house prices well over £300,000
		■ Predominantly detached housing (to the detriment of other housing types), four or more bedrooms and owner occupied
		■ Rate of three bedroom dwellings is the lowest in the sub-region
		■ Under supply of smaller dwellings
		■ Small private rented sector and social housing sector
		■ Acute affordability pressures
12	Solihull North & Birmingham East	■ Highest rate of three bed properties in the sub-region
		■ Low rates of detached and four bed plus properties
		■ Housing type is dominated by semi-detached and terraced dwellings.
		■ Incomes are low
		■ The sector has the lowest mean house price in the sub-region
		■ Social housing accounts for more than a third of stock
13	Solihull Central	■ Highest rate of owner occupation in the Housing Market Area
		■ Highest rate of dwellings with four or more bedrooms
		■ Highest incomes in the Housing Market Area
		■ Very little social housing and a small private rented sector
		■ Shortfall of smaller dwellings
		■ Acute affordability pressures

HOUSING REQUIREMENTS OF HOUSEHOLDS IN NEED

64.   The **housing needs model** for the C1 Housing Market Area uses the latest government guidance to calculate the shortfall of affordable housing in the four districts.   The model calculates the current housing need, the future arising need and the current and future supply to offset need.   The model draws data from a range of secondary sources as recommended in guidance.   The detailed working of the model is described step by step in Chapters 8, 9 and 10 of the main report.   The model implies a shortfall of affordable housing in all four districts of the C1 Housing Market Area.

Summary of net annual housing need by local authority				
	Birmingham	Lichfield District	Solihull	Tamworth
STAGE 1 CURRENT HOUSING NEED				
1.4 Current housing need (gross)	16777	1656	2412	1246
STAGE 2 FUTURE HOUSING NEED				
2.4 Annual newly arising housing need	6843	706	1011	347
STAGE 3 AFFORDABLE HOUSING SUPPLY				
3.1 Affordable dwellings occupied by households in need	2711	170	403	181
3.2 Surplus stock	0	0	0	0
3.3 Committed supply of new affordable housing	857	105	132	59
3.4 Units to be taken out of management	343	0	175	0
3.5 Total affordable housing stock available (3.1+3.2+3.3-3.4)	3225	275	360	239
3.6 Annual supply of social re-lets (net)	4662	398	507	342
3.7 Annual supply of intermediate housing available at sub-market levels	N/A	3	10	2
3.8 Annual supply of affordable housing (3.6 + 3.7)	4662	401	517	344
ESTIMATE OF NET ANNUAL HOUSING NEED				
((1.4 minus 3.5)* 20%) + 2.4 minus 3.8	4891	581	904	204
Shortfall as proportion of total households	1.2%	1.4%	1.0%	0.7%

65.   In terms of developing **affordable housing targets** in local development documents, the SHMA can provide indications of suitable targets.   The regional affordable housing targets and the level of housing provision required for each local authority area as set out in the Regional Spatial Strategy provide the framework.   The housing needs model implies

affordable housing targets of up to 100% across the different parts of the Housing Market Area; clearly this is neither appropriate nor desirable:

- Birmingham is expected to build on average 2,530 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 6,174 households per annum. The housing needs model (which is unconstrained) would imply affordable housing targets of between 79% and 100%.

- Lichfield District is expected to build on average 400 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 308 households per annum. The housing needs model would imply affordable housing targets of 100%.

- Solihull is expected to build on average 380 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 504 households per annum. The housing needs model would imply affordable housing targets of 100%

- Tamworth is expected to build on average 145 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 266 households per annum. The housing needs model implies affordable housing targets of between 77% and 100%.

66. As the figures suggested by the model are in most cases greater than the Districts' total completion targets for affordable housing and past performance on delivery of affordable housing, there is clearly a need to look very carefully at the sites coming forward in the future and their suitability for mixed, sustainable developments as the Councils may need to seek a considerably higher proportion of affordable housing than has been the target in the past.

67. By maintaining the model and updating annually, it will be possible to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing the shortfall across the HMA.

68. One way to assess the scope for **intermediate tenures** in an area is to calculate the ratio of entry-level market house prices to social rents; where the former is more than fourteen times annual social rents, there is likely to be scope for intermediate affordable housing. Also where there is a significant gap between social housing rents and private sector rents there may be scope for intermediate tenures, such as sub-market rents or shared equity. Evidence presented here suggests that there is a significant difference between social housing rents and private sector rents. Private sector rents range from 53.6% higher than social rents in Lichfield to 115.3% higher in Solihull.

69. Although **discounted housing** would result in reductions in housing costs for many households, households on median incomes could not afford a discounted property at 30%

(although the difference in income is narrowest in Birmingham). For those on lower quartile incomes, there are shortfalls ranging from 82.7% in Birmingham to 125.7% in Solihull. Consequently it would seem that discounted sale homes cannot be regarded as affordable dwellings in the C1 HMA for single income or dual income households, although they come closest to meeting some need at the most heavily discounted rate in Birmingham.

70. There is a role for <u>shared ownership</u> in the delivery of affordable housing in C1 HMA, although it may be limited. For Birmingham and possibly Tamworth only a home with an equity share of 30% would start to lift those on median incomes into the housing market. As with discounted sale housing, shared ownership reduces households' income requirements for entering the housing market. Shared ownership has a greater impact than discounted sale housing, although it would still not be an affordable option for many of those households identified as being in housing need.

71. It is only with a <u>shared equity home</u> at 30% of the market value that a household on lower quartile income could clearly afford in Birmingham and Tamworth, and possibly Lichfield, although it would be highly unusual for shared equity packages to be as low as 30% equity.

72. One approach to determining the <u>size of affordable housing</u> units suggests a balanced distribution of social housing dwellings would be 36.0% one bed, 52.0% two bed and 12.0% three bed or more. Analysis of the housing waiting lists and the number of lettings in each area suggests a strong need for smaller units, and a demonstrable need for larger units in all areas particularly in Birmingham and Solihull.

1   APPROACH

1.1   Purpose and objectives of the study

1.1.1   In August 2007, the C1 Housing Market Area Strategic Group (encompassing Birmingham City, Lichfield District, Solihull Borough and Tamworth Borough Councils) commissioned **Outside** to undertake a comprehensive Strategic Housing Market Assessment. The study comprises two separate Stages:

(i)   **Stage One** – collation of key information and data from the authorities, partner organisations and other external sources in the C1 sub-region

(ii)   **Stage Two** - to provide advice, to undertake analysis and to produce an analytical written report

1.1.2   The Strategic Housing Market Assessment needs to provide a detailed sub-regional market analysis of housing demand and housing need, identifying the key drivers in the C1 Housing market area. In addition it will need to provide a robust evidence base for current and future requirements in terms of market and affordable housing to inform local policies and strategies.

1.1.3   The study's key objectives can be summarised as follows:

(i)   to present findings for each local authority and housing market area

(ii)   to provide a thorough analysis and interpretation of the C1 Housing Market Area and areas within it

(iii)   to provide an overview of the demographic and migratory characteristics of the population, housing supply and conditions, and housing market areas

(iv)   to describe housing demand and cost in the C1 Housing Market Area and the local income profiles

(v)   to assess the likely affordability of local housing by tenure

(vi)   to outline geographical aspects of the housing market

(vii)   to maintain a clear distinction between the analysis of the current situation and projected trend

(viii) to identify matches and mismatches between households in need and housing supply by tenure, size and area for each local authority, HMA and sub-region

(ix) to inform each individual authority of all housing needs in its area, ranging from affordable, intermediate and market housing

(x) to provide to each authority a robust assessment of the annual need for affordable housing split by tenure

(xi) to identify the accommodation needs of particular groups

(xii) to assess the linkages between the housing market and the local economy

(xiii) to assess the buy-to-let market and identify issues in each HMA

(xiv) to undertake a qualitative assessment of housing need in rural areas with regard to the economic and social sustainability of those areas

1.2 Methodology

1.2.1 The Strategic Housing Market Assessment methodology relies on the collation and analysis of a wide range of secondary data and relevant literature alongside qualitative inputs from stakeholders in the Housing Market Area.

Literature review

1.2.2 There is a significant amount of housing research that has already been carried out in the West Midlands, in the Housing Market Area and in the districts, including:

- Completed housing needs studies

- Relevant local, sub-regional and regional research including studies on black and minority ethnic communities and Gypsies and Travellers

- Plans and strategies including existing RSS, RHS, Local Development Documents, and local Housing Strategies

- Estimate of Housing Need and Demand in the West Midlands 2006-26

- Other housing market assessments being undertaken in the Region, particularly in the Central Housing Market Areas and the completed work in the South Housing Market Area

Data analysis and statistical projections

- 2001 Census and related population estimates to capture indicators of household change and movement

- Housing register data for 2006-07 and lettings data for 2006-07 from major RSLs and LSVT providers

- Income and household information from housing needs studies and other local and sub-regional income data

- Data from online sources including NOMIS, National Statistics, Neighbourhood Statistics and the Land Registry on the labour market, earnings, demographics and house prices

- Internal data sources including the HSSA

- Information on housing costs and income from local research and national data sources

- Data on personal incomes and modelled household income data

1.2.3 Where information is drawn from these sources, their details are cited in footnotes.

Stakeholder consultation

1.2.4 The input of stakeholders into the study adds value to the research, as well as contributing to the process of validation. It is also a tried and tested approach to addressing the needs of hard-to-reach groups.

1.2.5 The purpose of the qualitative elements is:

(i) to gather qualitative information on key groups under-represented in the household survey

(ii) to ensure that the qualitative experience and knowledge of stakeholders is captured to inform and validate the quantitative analysis

(iii) to access key secondary data sources and inform our interpretation of the data

(iv) to ensure we are fully conversant with the issues around demand, needs and supply and the whole market in each of the districts and the sub-region

1.2.6 Specific research questions addressed through the stakeholder consultations (and secondary data analysis also), include:

(i) Barriers for entering the housing market particularly for specific groups such as black and minority ethnic communities, key workers and vulnerable people

(ii) The supply and demand for dwellings of different ages, sizes, tenure, type and location, including how existing stock can be better utilised and the influence of second homes

(iii) The characteristics that have been important in producing strong and weak housing market sub-areas – e.g. facilities, schools, stock market performance, employment, public transport etc

(iv)   The inter-connecting influences of districts examining the links between travel and employment (and hence housing) especially across different employment groups (e.g. managerial, manual etc)

(v)   The influence of transport connections in the region - both positive and negative and any potential benefits that are unrealised

1.2.7   A seminar was held on 11th December 2007 that was attended by developers, estate agents, RSLs and representatives of local and regional government. At the seminar initial findings from the SHMA were presented, followed by workshops that focused on the housing needs and the housing market issues prevalent in the C1 HMA.

1.3   Report structure

1.3.1   This Strategic Housing Market Assessment report is structured to reflect the SHMA guidance. Analysis is presented in six broad sections:

Policy context, including

- PPS3 & Strategic Housing Market Assessment Guidance
- Housing Green Paper
- Regional Spatial Strategy
- Regional Housing Strategy

The current housing market, including:

- The demographic and economic context
- The housing stock
- The active market

Future housing market, including:

- Macro-economic climate
- Household change
- Market change

Housing need, including:

- Current housing need
- Future need
- Affordable housing supply
- Housing requirements of households in need

Housing requirements of specific household groups, including:

- Older people
- Young people
- Minority and hard-reach groups
- Households with specific needs

Conclusion and recommendations

2 POLICY CONTEXT

2.1 Planning Policy Statement 3 (PPS3): Housing

2.1.1 Planning Policy Statement 3: Housing (PPS3), published in November 2006, provides a national policy framework for planning for housing and sets out what is required at regional and local levels to deliver housing within sustainable communities.

2.1.2 The objectives of PPS3 are:

(i) to achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community

(ii) to widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need

(iii) to improve affordability across the housing market, including by increasing the supply of housing

(iv) to create sustainable, inclusive, mixed communities in all areas, both urban and rural.

2.1.3 The planning system should deliver:

(i) A mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural

(ii) A sufficient quantity of housing taking into account need and demand and seeking to improve choice

2.1.4 PPS3 refers to the use of **sub-regional housing market assessments** and **housing land availability assessments** to be carried out by local authorities to develop consistent evidence bases to underpin the spatial strategies.

2.1.5 Sub-regional housing market assessments should help determine whether affordable housing is needed and **guide the size, type and location of affordable housing provision**. Based on the findings of Strategic Housing Market Assessments and other local evidence, LPAs should set out in Local Development Documents:

- The likely overall proportions of households that require market or affordable housing, for example, X% market housing and y% affordable housing

- The likely profile of households requiring market housing e.g. multi-person, including families and children (x%), single persons (y%) and, couples (z%)

- The size and type of affordable housing required.

2.1.6   PPS3 also confirms that low-cost market housing is not considered 'affordable' housing.

2.1.7   In planning at site level, LPAs should ensure that the proposed mix of housing on large strategic sites reflects the proportions of households that require market or affordable housing and achieves a mix of households as well as a mix of tenure and price. For smaller sites, the mix of housing should contribute to the creation of mixed communities having regard to the proportions of households that require market or affordable housing and the existing mix of housing in the locality.

2.1.8   LPAs should set:

- an overall target for the amount of affordable housing to be provided

- separate targets for social-rented and intermediate affordable housing where appropriate

- the size and type of affordable housing that is likely to be needed in particular locations and, where appropriate, on specific sites

- set out the range of circumstances in which affordable housing will be required

2.1.9   The presumption is that affordable housing should be provided on-site, but LPAs should set out the approach to seeking developer contributions where it can be robustly justified.

2.2   Strategic Housing Market Assessments

2.2.1   Housing needs do not exist within a vacuum; they have a symbiotic relationship with the wider housing market. For practical and structural reasons, housing needs are measured within the confines of a given local authority's borders, whereas housing markets are not similarly constrained.

2.2.2   The approach to housing market assessments used by **Outside** is based in government guidance and utilises an analytical framework that sets housing needs in their markets context. The starting point is to consider the operation and scope of the current housing markets, then identify key drivers within the housing system to assess the future housing market and subsequently assess the housing needs of the district(s).

2.2.3   Strategic Housing Market Assessments are crucial to decision-making and resource-allocation processes for local authorities. From a land-use planning perspective, housing

needs assessments are legally necessary to support affordable housing policies in local plans, particularly to secure developer contributions to affordable housing via s106 agreements.

2.2.4   Other reasons for undertaking Strategic Housing Market Assessments include:

- informing local and regional spatial planning and housing strategies

- assisting authorities with decisions on social housing allocation priorities, private sector renewal options and the valuation of new-build low cost home ownership units

- informing the development of housing policies on stock conversion, demolition and transfer

2.2.5   The role of housing assessments can be summarised thus:

> *"Assessments are…key to investment decisions; helping authorities to look at local housing markets when new settlements are planned, particularly where catchments cover several local authority areas. In these situations, understanding the housing market will help authorities to assess housing demand and need in relation to new settlements. It will also help authorities to justify a certain level of affordable housing whilst ensuring that the dwelling mix reflects the profile of local housing demand and need; and in relation to planning policies for affordable housing, aiding an appreciation of how housing need translates into different sizes and types of affordable housing (i.e. intermediate market, social rented) so that they can negotiate appropriate mixes on new sites."* [1]

2.2.6   In terms of both housing markets and housing need analysis, our approach has always been grounded in current government guidance. This includes:

- Bramley, G. et al, *Local Housing Needs Assessment: A Guide to Good Practice*, DETR, July 2000

- DTZ Pieda, *Housing Market Assessment Manual*, ODPM, February 2004

- *Local Housing Systems Analysis Best Practice Guide*, Communities Scotland, 2004

- *Local Housing Market Assessment Guide*, Welsh Assembly Government, 2006

- Draft guidance including *Local Housing Assessment, A Practice Guide (Discussion Draft),* March 2005 and *Housing Markets Assessments*, Draft Practice Guidance, ODPM, December 2005

- *Strategic Housing Market Assessments: Practice Guidance Version 1 and Version 2*, Communities and Local Government, March 2007 and August 2007

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[1] *Local Housing Assessment, A Practice Guide (Discussion Draft),* March 2005, p8

2.2.7   It is significant that the Guidance provides greater defence to challenge by defining the terms that ensure a robust set of outputs:

> *...a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2 (see Table 1 and Table 2 below). In such circumstances there is no need for the approach used to be considered at the independent examination* [2]

2.2.8   Furthermore the Guidance states that:

> *...strategic housing market assessments will not provide **definitive estimates** of housing need, demand and market conditions. However, they can provide valuable insights into how housing markets operate both now and in the future. They should provide a fit for purpose basis upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.* [3]

Table 1: Core Outputs	
1	Estimates of current dwellings in terms of size, type, condition, tenure
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market
3	Estimate of total future number of households, broken down by age and type where possible
4	Estimate of current number of households in housing need
5	Estimate of future households that will require affordable housing
6	Estimate of future households requiring market housing
7	Estimate of the size of affordable housing required
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.

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[2] *Strategic Housing Market Assessments: Practice Guidance Version 2*, CLG, August 2007, p9

[3] *ibid*, p9

Table 2: Process Checklist	
1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region
2	Housing market conditions are assessed within the context of the housing market area
3	Involves key stakeholders, including house builders
4	Contains a full technical explanation of the methods employed, with any limitations noted
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner
6	Uses and reports upon effective quality control mechanisms
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken

2.3 Housing Green Paper

2.3.1 The Government's proposals for housing policy are set out in the Green Paper *Homes for the Future: More Affordable, More Sustainable*. The Green Paper is based on three main Government objectives:

- more homes to meet growing demand

- well-designed greener homes, linked to good schools, transport and healthcare

- more affordable homes to buy and rent

2.3.2 Amongst the 'headlines' are the following:

- Higher targets for the number of new homes (2 million by 2016 and 3 million by 2020)

- An £8 billion investment programme for affordable housing in the period 2008-11

- Support for existing and creation of new Growth Points

- A development role for local authorities and ALMOs

- New funding for infrastructure, including a £300m community infrastructure fund

- At least five freestanding eco-towns

- A new Housing and Planning Delivery grant for local authorities that meet PPS3 targets for the identification of levels of housing land supply

- New guidance supporting PPS3 to assist local authorities in identifying land for the next 15 years

- Mini-review of Regional Spatial Strategy

- The establishment of new 'Local Housing Companies' to deliver shared ownership homes for first time buyers

2.3.3 However, the Green Paper does not fully acknowledge the challenges facing areas in the North and the West Midlands in achieving housing growth, while also remodelling and regenerating areas with obsolete and very poor quality older private housing, and poor quality and poorly laid out social housing estates. In addition, some would question whether the Green Paper gives enough emphasis to ensuring that existing housing is utilised to enable enhanced access to housing of choice and requirement. The Paper very much concentrates on capital spending on new house building and contains little reference to supporting revenue investment that is needed to help meet personal housing needs and requirements of many vulnerable households which are essential in building communities.

2.3.4 There is a need to be realistic in terms of meeting the Government's household projections and creating mixed and balanced communities. Concerns have been expressed regarding the conflicting demands for high density due to the housing growth projections balanced with the need for family housing and also the need to build aspirational housing, particularly in the Major Urban Areas in the West Midlands to stem the outflow of higher income groups.

2.3.5 The achievement of housing growth also brings challenges in terms of land release and sequencing. PPS3 gives priority to previously developed land but green field land can be released if it is more sustainable. However, brownfield sites tend to be smaller and tend to have high development costs leading to developers seeking to protect their returns by building apartments rather than a mix of housing types.

2.3.6 There is little support in the Green Paper to the provision of sub-market rented housing. Many working households on below average incomes can increasingly neither afford to buy nor rent privately, and would not have priority need for social rented housing. There is a large gap between social and market rents and support should be given to housing associations or other agencies to provide mid-market rented housing. If local housing markets are to operate effectively it is essential that there is a continuum in the provision of housing of a range of costs.

2.3.7 It is the Government's intention to offer social housing tenants more opportunity to buy a stake in their home through Social Homebuy, but as with the Right to Buy (RTB), Social Homebuy takes the property out of the lettings pool. Therefore any expansion must be linked to real and significant increases in the social housing stock to replace stock lost through RTB and Homebuy.

2.3.8   The Green Paper contains proposals for assisting first time buyers and a drive for more homes under shared ownership and shared equity with encouragement to the private sector to play a greater role in offering shared equity mortgages or shared ownership homes. Although the Paper promotes social housing provision and shared ownership homes in villages and rural areas, there are concerns that shared equity/shared ownership may still be unaffordable in some village areas, even at 17.5% levels proposed.

2.3.9   The WMRA's Regional Housing Partnership and the South and West sub-regional Housing Market Area Partnerships have expressed concerned regarding shared ownership products being unaffordable, particularly in some rural areas in the South and West of the Region. Some parts of the Region would require the purchase percentage to be below 50% due to the combination of low incomes and exponential increases in house prices.

2.3.10 Proposals for consideration being given to small towns and villages are welcome, however, the problems of developing housing in rural settings are significant and not always fully appreciated. The lead in time can be considerable and the range of consultation and efforts to achieve local 'buy-in' substantial. Rural housing is still likely to fare less well when compared with the demands of urban areas.

2.4   Regional Housing Strategy

2.4.1   The West Midlands Regional Housing Strategy (RHS) identifies four sub-regional Housing Market Areas (HMAs) in the West Midlands Region: North, South, Central and West. The Central HMA has been divided into three areas: C1, C2 and C3 (see Table 3).

2.4.2   The analysis that developed this construct identified areas where similar dwellings command similar prices and where there is sufficient evidence of a functional connection as demonstrated through travel to work and other interactions.[4] The statistical work repeatedly exposed similar patterns of sub-regional variation, showing considerable stability in the way house prices are formed across the Region and, despite expectations to the contrary, a remarkably good fit with the administrative boundaries of the Region and travel to work patterns.

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[4] West Midlands Regional Housing Strategy 2005, June 2005, p29

Table 3: West Midlands Housing Market Areas			
Central	North	South	West
<u>C1</u> Birmingham Lichfield District Solihull Tamworth <u>C2</u> Coventry North Warwickshire Nuneaton & Bedworth Rugby <u>C3</u> Cannock Dudley Sandwell South Staffordshire Telford & Wrekin Walsall Wolverhampton	East Staffordshire Newcastle-under-Lyme Stafford Staffordshire Moorlands Stoke-on-Trent	Bromsgrove Malvern Hills Redditch Stratford-on-Avon Warwick Worcester Wychavon Wyre Forest	Bridgnorth Herefordshire North Shropshire Oswestry Shrewsbury South Shropshire

Figure 1: West Midlands Housing Market Areas
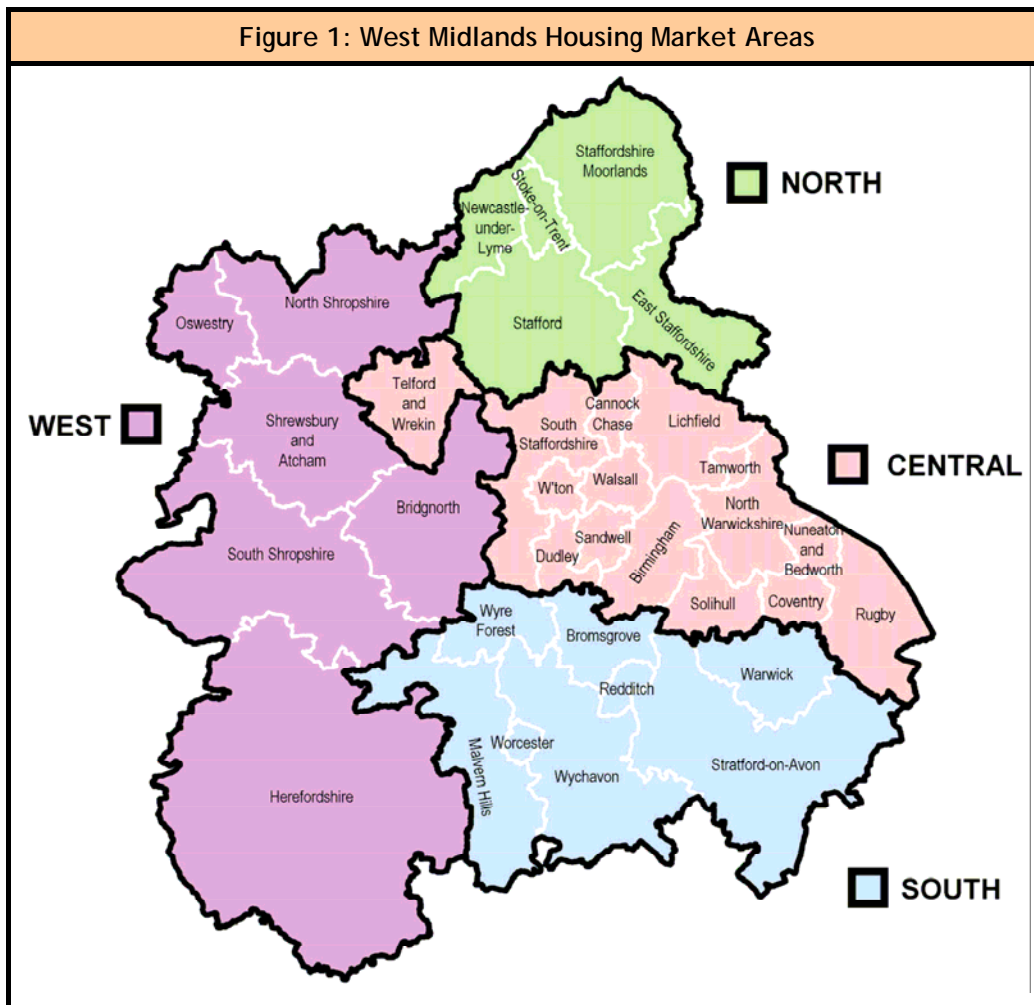
2.4.3   In particular, the analysis identified:

- a dominant Central HMA centred on the conurbation

- a second HMA centred on North Staffordshire

- the rural West, although not strongly centred, clearly separated from the conurbation

- a South HMA with separate house prices in Stratford, Warwick and Wychavon, aligning them more clearly with Oxfordshire and Gloucestershire

2.4.4   Other key findings included:

- The distinctiveness of the west of the Region stands in sharp relief to other areas in housing market terms and in levels of workplace attachment

- Highly different housing market conditions characterise the north and south of the Region, but aspects of both are found in the interface with the central area where the conurbation is located

- Workplace attachment in and around the conurbation provides a distinctive focus for this area, servicing both the conurbation and a wider ring of settlements around it

- Specific workplace attachments are weaker elsewhere in the Region, and in rural areas are virtually non-existent by comparison

2.4.5   The empirical work underpinning the RHS established that there were four sub-regional housing markets in the West Midlands Region. Since 2005, the Central HMA Partnership has opted to work in three sub sets, commonly referred to as:

- C1 - Birmingham, Lichfield, Solihull and Tamworth

- C2 - Coventry, North Warwickshire, Nuneaton & Bedworth and Rugby

- C3 – Cannock Chase, Dudley, Sandwell, South Staffordshire, Telford & Wrekin, Walsall and Wolverhampton

2.4.6   The primary reason for this had been the difficulty in managing the size of the Central HMA Partnership. However whilst this approach has delivered useful input to Regional Housing Executive work, the forthcoming agenda in the transitional period under the Government's Sub-National Review and the benefit of experience has suggested that the merits of whole Partnership working would be preferable for the foreseeable future.

2.4.7   It should be noted that none of the HMA boundaries intersect local authority boundaries. For pragmatic reasons and for the development of policy, the consultation process suggested the importance of maintaining the integrity of local authority boundaries whilst acknowledging that the strategic housing market issues do not stop at these boundaries.

The issues presented across local authorities in adjacent HMAs are most significant in the following areas:

- The similarity of housing market conditions between south Solihull and the South HMA

- The relationship between the conurbation (Central HMA) and Bromsgrove/Redditch (South HMA)

- Bridgnorth and its interface with the Central HMA (Telford and South Staffordshire)

- The western part of Malvern Hills (Tenbury Wells) and the West HMA and

- Telford's interface with the West HMA

2.5   Regional Spatial Strategy

2.5.1   The current planning policy framework for the Housing Market Area is Regional Planning Guidance for the West Midlands (RPG11), which was adopted in June 2004 and became Regional Spatial Strategy (RSS) with the commencement of the Planning and Compulsory Purchase Act 2004.

2.5.2   Some aspects of the current RSS are being reviewed and the second phase of that review – housing, employment, transport and waste – is now under way. This does not change the vision and objectives, but it does affect decisions about where new development should occur, in what form and on what scale.

2.5.3   A considerable degree of background technical work has already been completed and a Spatial Options paper was published on 8th January 2006. On 22nd October 2007, the Regional Planning Partnership approved the Preferred Option for the RSS Phase Two Revision, which was submitted to the Secretary of State in December 2007. Further consultation on the Preferred Option will take place in 2008 and the Examination in Public and Panel Report are anticipated in 2009, leading to Adoption in 2010.

2.5.4   The Review has to reflect the Government's aim for a one third increase in the level of house building by 2016. This is in response to the new 2003 based household projections, which give higher increases in the West Midlands than in many other parts of the country. It also needs to reflect the monitoring evidence of the extent to which the key aims and objectives of the RSS are being met so far:

- There is early evidence that the rate of migration from the conurbation has slowed down, and that the required changes to the patterns and levels of housing development are beginning to take place

- Provision of affordable housing has failed to show any progress towards the doubling that would be required to meet the RSS target of 6,000 to 6,500 p.a.

2.5.5 Following the submission of the preferred options to the Government in December 2007, the West Midlands Regional Assembly received a letter from Baroness Andrews expressing concern over the amount of additional housing proposed in light of the Government's agenda to increase house building. In response to this letter the Government Office commissioned a study to present options with higher house building targets to the examination in public in 2009.

2.5.6 The implications of the housing growth discussed in background papers for the RSS and the outcomes in terms of the Preferred Option are discussed in Chapter 6, *The Future Housing Market*.

2.6 West Midlands Economic Strategy

2.6.1 *Delivering Advantage*, the West Midlands Economic Strategy for 2004-2010[5], sets out a Vision for transforming the West Midlands into a world-class region by 2010. An updated West Midlands Economic Strategy was published in 2007, which will look forward to 2020 and establish what more the region needs to do to continue to improve its economic performance.

2.6.2 The key challenges facing the Region that relate to housing include:

(i) to link housing availability and quality to employment opportunities to support the creation of conditions for growth

(ii) to regenerate communities through economic inclusion, particularly in areas of the region experiencing social exclusion and underperforming economies, such as North Staffordshire and the Black Country

2.6.3 Regenerating Communities is a key pillar in the strategy, driving actions to counter unemployment, poor skills, low income, poor housing, high crime rates, poor quality environment and all areas of economic inclusion. To facilitate this, partners will link opportunity to need, and develop capacity and sustainability for communities.

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[5] *Delivering Advantage: The West Midlands Economic Strategy and Action Plan 2004-10*, WMRA/Advantage West Midlands

2.7 New Growth Points

2.7.1 Announced in December 2005, the New Growth Points initiative[6] is designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing, through a partnership with Government.

2.7.2 The Government invited local authorities to submit strategic growth proposals which were sustainable, acceptable environmentally and realistic in terms of infrastructure to be assessed by Government and its agencies.

2.7.3 29 areas have been named as New Growth Points across the East, South East, South West, East Midlands and West Midlands. If all of the proposed growth is realised New Growth Points would contribute around 100,000 additional dwellings by 2016, an increase of around 32 per cent on previous plans for housing supply in these areas.

2.7.4 They have shared in £40m in 2007/08 for a first round of infrastructure projects and to support growth-related studies, master planning and capacity-building in the New Growth Points. This money will help overcome local infrastructure problems, unlock sites for new housing and enhance the local environment.

2.7.5 New Growth Points status is not a statutory designation but is about a relationship between central government and local partners. It is built on four principles:

(i)   early delivery of housing as part of the growth plans

(ii)   supporting local partners to achieve sustainable growth

(iii)   working with local partners to ensure that infrastructure and service provision keep pace with growth

(iv)   ensuring effective delivery

2.7.6 Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are sustainable, acceptable environmentally and realistic in terms of infrastructure.

2.7.7 There are five new Growth Points identified in the West Midlands, one of which is in the C1 Housing Market Area:

(i)   Birmingham and Solihull

(ii)   East Staffordshire – Burton-upon-Trent

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[6] Communities and Local Government, Housing, New Growth Points

       (iii)   Coventry

       (iv)   Hereford

       (v)   Shrewsbury & Atcham

2.7.8   Birmingham and Solihull have seen steady growth over recent years, but there is a need to step up the rates of house building and to provide a wider choice of quality housing in order to meet the diverse needs of existing residents and those of the substantial number of households that are projected to form over the next decade. Beyond the expanding Birmingham city centre, plans are focused on the revitalisation of local centres to allow more people to live in vibrant urban neighbourhoods with good access to jobs and services. In Solihull, growth will be focused on the North Solihull regeneration area.

2.7.9   In supporting Birmingham and Solihull as a New Growth Point, the Government is entering into a long-term partnership with Birmingham City Council and Solihull Metropolitan Borough Council, recognising their ambitions for growth, subject to the statutory regional and local planning process.

2.7.10   Local partners' ambitions for Birmingham and Solihull include:

- a minimum of 40,000 new homes 2006-2021[7]

- renewal of areas currently dominated by social rented housing to deliver quality housing in a wider variety of tenures including 'intermediate' housing to allow more people to enjoy the benefits of home ownership

- a programme to strengthen local centres through development, initially in East Birmingham and North Solihull

- a detailed and co-ordinated scheme to ensure sustainable building practice (including energy efficiency and on-site generation) is adopted across East Birmingham and North Solihull thereby delivering better homes with less impact on the environment and a stimulus to the local economy and jobs

- important studies (including masterplanning, option appraisal, financial and market testing, design guidance and an open space strategy) that will guide development in South West Birmingham and complement similar work already underway in North Solihull

- delivery within Birmingham of complementary refurbished and new build homes planned as part of the Urban Living Housing Market Renewal Pathfinder area (which also covers part of Sandwell Metropolitan Borough Council's area)

2.7.11   Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are

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[7] The figure of 40,000 new homes is net additions to stock, which includes replacements for demolitions

sustainable, acceptable environmentally and realistic in terms of infrastructure. For Birmingham and Solihull future work will include using the findings of a Strategic Flood Risk Assessment to inform decisions on levels and locations of growth; working with Severn Trent Water on water efficiency measures; further work on the delivery of Green Infrastructure and mitigation of adverse impacts across the City Region and working with the Department for Transport to assess the impacts of growth proposals on the transport network and to develop sustainable transport solutions.

2.7.12 Achieving these ambitions will depend on a range of public and private funding programmes, including developer contributions. Government will work with local partners to achieve sustainable growth to get the best outcomes from this investment and to help overcome obstacles to delivery. In support of Birmingham City Council and Solihull Metropolitan Borough Council's growth ambitions the Government allocated around £4.22m in 2007-08 from the first year's funding pot, subject to detailed negotiation and appraisal. The CLG Growth Fund allocation for 2008-09 is £5.43m with a further indicative allocation of £10.07m 2009-11.[8]

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[8] Instead of funding individual projects from April 2008, the Growth Fund will provide unringfenced block funding to local authorities and partnerships based on an assessment of their Programmes of Development

3 THE DEMOGRAPHIC AND ECONOMIC CONTEXT

Table 4: Summary of demographic and economic data [9]		
Step	Principal data sources	Data items
1.1 Demography and household types	Census data, ONS mid-year estimates, NHS registration data, ONS social trends	Population by ethnicity, age and numbers of households by type (e.g. families, couples, lone parents, etc.), tenure and household representative rates, migration estimates
1.2 National and regional economic policy	Local authority economic development teams, regional development agencies/regional observatories	Interest rate trends, levels of housing benefit, Government funding for regeneration, economic growth rates
1.3 Employment levels and structure	Labour Force Survey, Annual Business Inquiry, Business Register and Employment Survey, Census	Employees in each industrial sector (SIC) and by occupational classification, commuting patterns
1.4 Incomes and earnings	Inland Revenue personal incomes, CACI Paycheck, Experian, CORE, Annual Survey of Hours and Earnings, local surveys	Individuals and households by income band, distribution of income by age

3.1 Introduction

3.1.1 This chapter examines the demographic, economic and employment trends that affect the housing markets in the C1 HMA. Sections 3.2 to 3.6 provide an analysis of recent demographic and household trends in the housing market areas, including the impact of national and international migration. Sections 3.7 to 3.8 examine economic, employment and income patterns in the housing market areas.

3.2 Population change

3.2.1 The Central HMA, with a total population of around 3,348,000, contains 64% of the West Midlands region population. Within the Central HMA, C1 HMA has a total population of around 1,352,500 (25.6% of the West Midlands) in 538,774 households (25.0% of the West

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[9] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p19

Midlands). Birmingham accounts for almost three quarters of people and households in the C1 Housing Market Area (see Table 5 below).

Table 5: Population and households				
	Population		Households	
Local authority	No.	%	No.	%
Birmingham	984,700	72.8%	390,541	72.5%
Solihull	199,800	14.8%	81,064	15.0%
Lichfield District	93,300	6.9%	37,593	7.0%
Tamworth	74,700	5.5%	29,576	5.5%
C1 HMA	1,352,500	100.0%	538,774	100.0%
WEST MIDLANDS	5,282,700		2,154,614	

Source: ONS Mid-year estimates

3.2.2   The components of change 1991-2006 of the population in the C1 HMA are shown in Table 6 and Table 7.

3.2.3   Between 1991 and 2001 (Table 6) the population of the C1 HMA contracted due to population decline in both Birmingham (2.0%) and Solihull (0.4%), driven primarily by significant migration out of the city. The fact that live births in Birmingham outstripped deaths ("natural change") by almost two to one, did not compensate for the numbers of people leaving the city. Elsewhere in the sub-region, there was overall population growth in Tamworth (5.7%) and to a lesser extent in Lichfield District (0.2%). At the same time the Region experienced population growth of 1.0% and England & Wales grew by 3.2%.

3.2.4   Since 2001 (Table 7), the picture has changed somewhat. All four districts have experienced population growth and overall the C1 HMA has seen population growth of 2.2% (almost equal to the England & Wales and greater than the West Midlands as a whole). Birmingham is still experiencing high natural change and the rate of change due to migration has slowed down. Lichfield District has grown by 3.8% overall as a result of high levels of in-migration. Growth in Solihull and Tamworth, although not as significant, has been due to both natural and migration change.

<table>
<tr><th colspan="11">Table 6: Population change 1991-2001 (thousands)</th></tr>
<tr>
<th></th>
<th>Mid-1991 population</th>
<th>Live births</th>
<th>Deaths</th>
<th>Natural change</th>
<th>% of net change</th>
<th>Net migration & other changes</th>
<th>% of net change</th>
<th>Net change</th>
<th>Rate of growth/ decline</th>
<th>Mid-2001 population</th>
</tr>
<tr><td>Birmingham</td><td>1,004.5</td><td>152.3</td><td>106.1</td><td>46.2</td><td>41.1%</td><td>-66.1</td><td>-58.9%</td><td>-19.8</td><td>-2.0%</td><td>984.6</td></tr>
<tr><td>Lichfield District</td><td>93.1</td><td>10.0</td><td>9.8</td><td>0.1</td><td>25.0%</td><td>-0.3</td><td>-75.0%</td><td>0.2</td><td>0.2%</td><td>93.2</td></tr>
<tr><td>Solihull</td><td>200.4</td><td>22.4</td><td>18.4</td><td>4.2</td><td>44.7%</td><td>-5.2</td><td>-55.3%</td><td>-0.8</td><td>-0.4%</td><td>199.6</td></tr>
<tr><td>Tamworth</td><td>70.5</td><td>10.2</td><td>5.6</td><td>5.0</td><td>89.3%</td><td>-0.6</td><td>-10.7%</td><td>4.0</td><td>5.7%</td><td>74.6</td></tr>
<tr><td>C1 HMA</td><td>1368.5</td><td>194.9</td><td>139.9</td><td>55.5</td><td>43.5%</td><td>-72.2</td><td>-56.5%</td><td>-16.4</td><td>-1.2%</td><td>1352</td></tr>
<tr><td>West Midlands</td><td>5,229.7</td><td>669.0</td><td>562.0</td><td>107.1</td><td>65.6%</td><td>-56.1</td><td>-34.4%</td><td>51.1</td><td>1.0%</td><td>5,280.7</td></tr>
<tr><td>England & Wales</td><td>50,748</td><td>6,474</td><td>5,555.0</td><td>918.4</td><td>57.0%</td><td>693.5</td><td>43.0%</td><td>1,612.1</td><td>3.2%</td><td>52,360.0</td></tr>
</table>

Source: Office for National Statistics

<table>
<tr><th colspan="11">Table 7: Population change 2001-2006 (thousands)</th></tr>
<tr>
<th></th>
<th>Mid-2001 population</th>
<th>Live births</th>
<th>Deaths</th>
<th>Natural change</th>
<th>% of net change</th>
<th>Net migration & other changes</th>
<th>% of net change</th>
<th>Net change</th>
<th>Rate of growth/ decline</th>
<th>Mid-2006 population</th>
</tr>
<tr><td>Birmingham</td><td>984.6</td><td>77.0</td><td>47.8</td><td>29.3</td><td>79.8%</td><td>-7.4</td><td>-20.2%</td><td>21.9</td><td>2.2%</td><td>1006.5</td></tr>
<tr><td>Lichfield District</td><td>93.2</td><td>4.6</td><td>4.9</td><td>-0.4</td><td>-9.3%</td><td>3.9</td><td>90.7%</td><td>3.5</td><td>3.8%</td><td>96.7</td></tr>
<tr><td>Solihull</td><td>199.6</td><td>9.9</td><td>9.2</td><td>0.6</td><td>18.2%</td><td>2.7</td><td>81.8%</td><td>3.3</td><td>1.7%</td><td>203</td></tr>
<tr><td>Tamworth</td><td>74.6</td><td>4.6</td><td>2.9</td><td>1.7</td><td>68.0%</td><td>-0.8</td><td>-32.0%</td><td>0.7</td><td>0.9%</td><td>75.4</td></tr>
<tr><td>C1 HMA</td><td>1352</td><td>96.1</td><td>64.8</td><td>31.2</td><td>95.1%</td><td>-1.6</td><td>-4.9%</td><td>29.4</td><td>2.2%</td><td>1381.6</td></tr>
<tr><td>West Midlands</td><td>5280.7</td><td>320.3</td><td>269.9</td><td>50.5</td><td>58.7%</td><td>35.5</td><td>41.3%</td><td>86</td><td>1.6%</td><td>5366.7</td></tr>
<tr><td>England & Wales</td><td>52,360.0</td><td>3,127.8</td><td>2,618.1</td><td>509.8</td><td>37.2%</td><td>859.3</td><td>62.8%</td><td>1,369.0</td><td>2.6%</td><td>53,728.8</td></tr>
</table>

Source: Office for National Statistics

3.3 Migration

3.3.1 Analysis of migration patterns across the United Kingdom provides an insight into the strength and scale of links that one district has with another. Figure 2 to Figure 5 show the in and out migration for each of the four districts in the C1 HMA between 2001 and 2006, focusing, for clarity, on the areas that accounted for more than 50% of the inflows and outflows.[10]

Figure 2: Birmingham in/out migration 2001-06

Source: Office of Public Sector Information 2007

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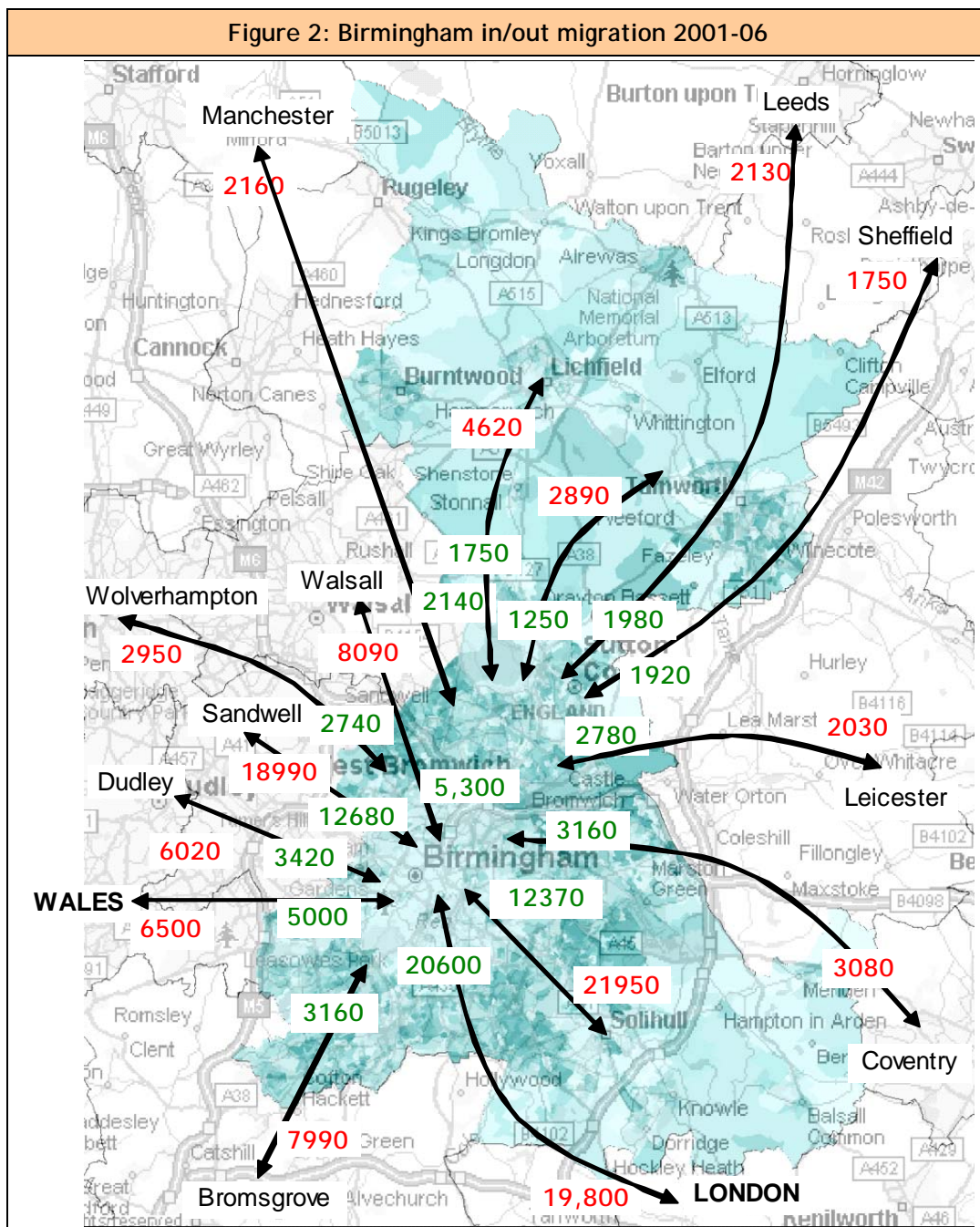
[10] In the diagrams, the numbers in green represent inflows and those in red represent outflows

3.3.2   Overall Birmingham lost 46,500 people between 2001 and 2006 due to migration. Birmingham (Figure 2) has the most dispersed pattern of migration with the top 50% of in-migration coming from 12 districts plus London and Wales. After London (from which Birmingham gains population), Solihull and Sandwell have the strongest migration relationships (both in and out) with Birmingham which records net losses 9,580 and 6,310 respectively.   Birmingham also loses population in significant numbers to Bromsgrove (4,830), Walsall (2,790) and Dudley (2,600).

Figure 3: Lichfield District in/out migration 2001-06

Source: Office of Public Sector Information 2007
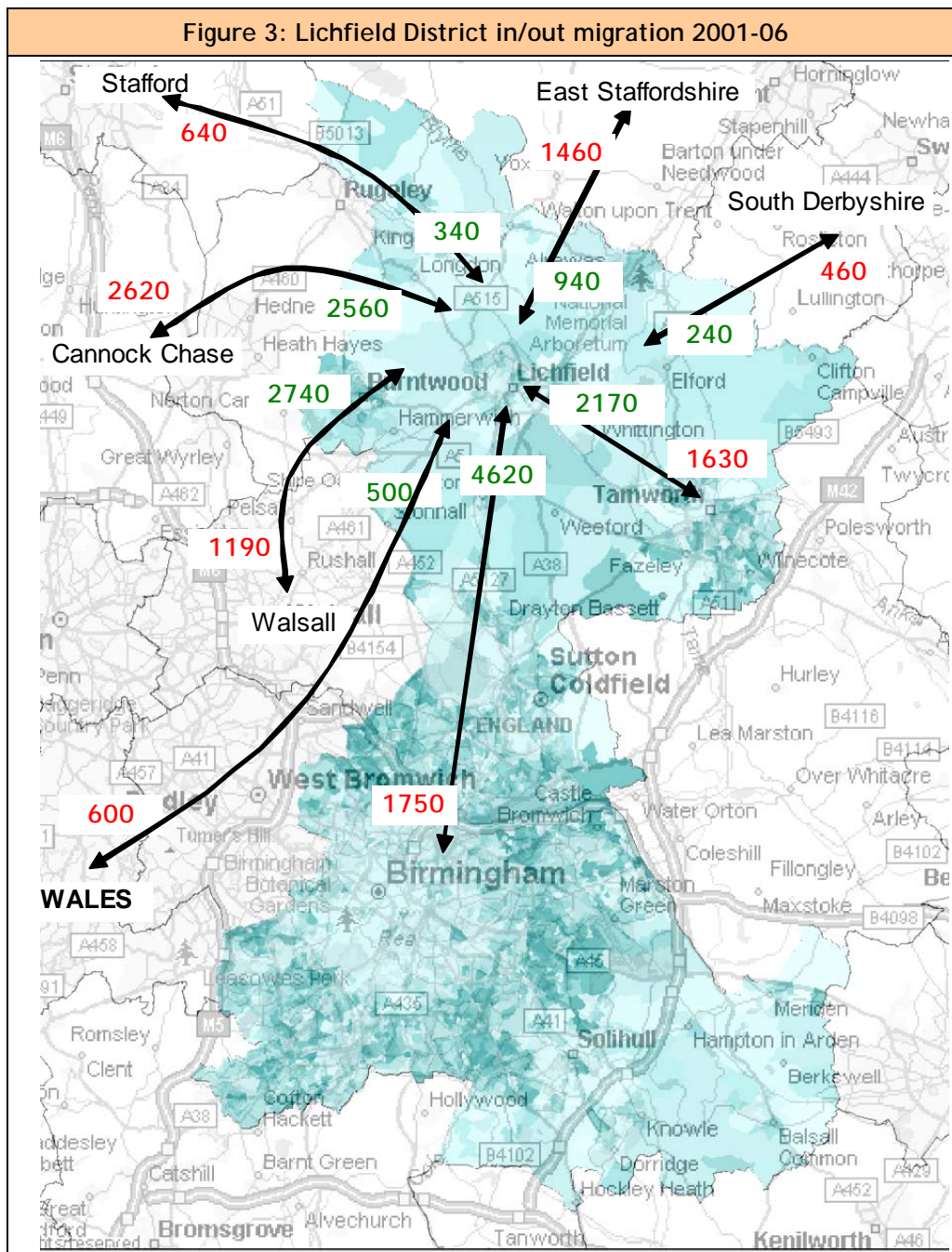
3.3.3   The migration patterns of Lichfield District are more focussed than those of Birmingham (Figure 3). Overall the District gained 4,200 people in the period. Birmingham is the

largest net contributor of population (2,870), followed by Walsall (1,550) and Tamworth (540). The main areas to which Lichfield District loses population are East Staffordshire (520), Stafford (300) and South Derbyshire (220).

3.3.4 Solihull (Figure 4) is quite unique in that more than half (51.5%) of its population gain comes from Birmingham alone; in comparison the second biggest contributor is Coventry which accounts for only 2.6% of in-migration. During the period, Solihull gained 1,500 people overall. The major net population losses were to Stratford-on-Avon (1,190), Warwick (920) and North Warwickshire (840).

Figure 4: Solihull in/out migration 2001-06
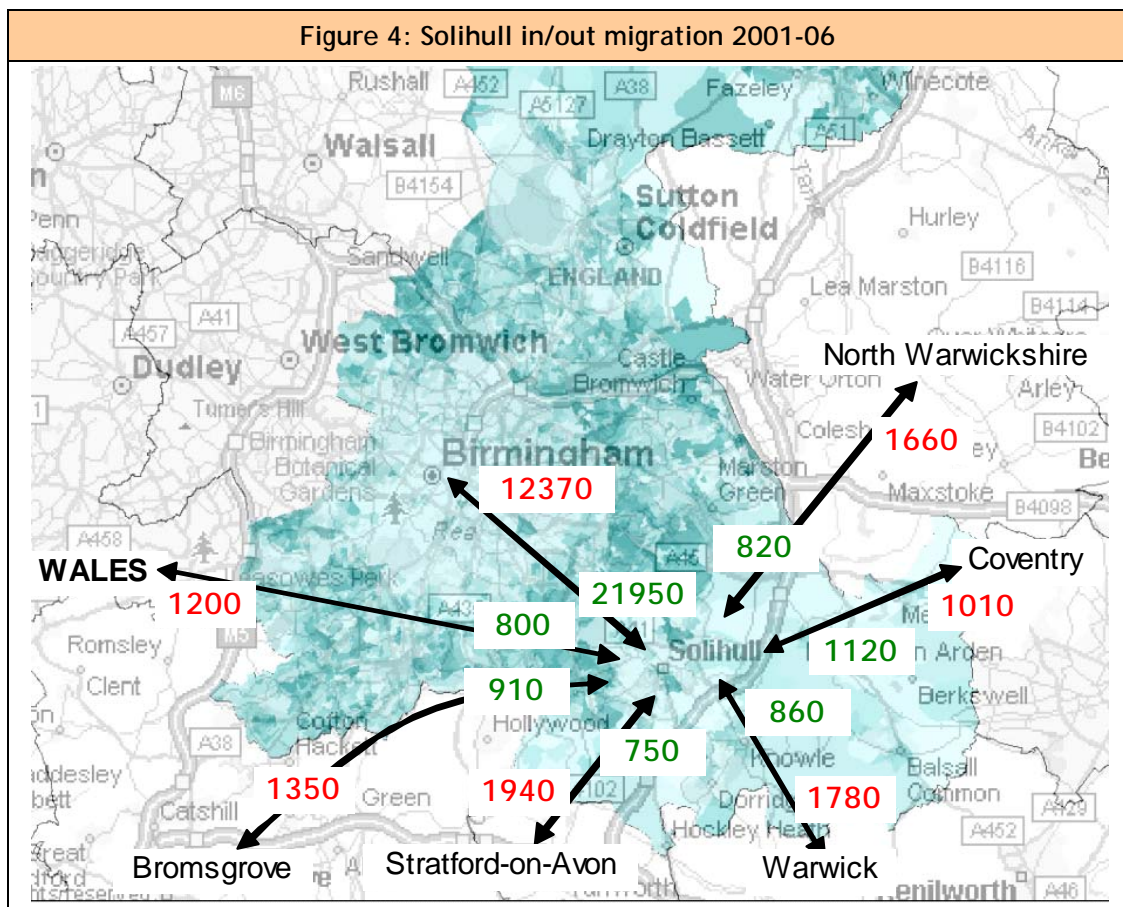
Source: Office of Public Sector Information 2007

3.3.5 Like Birmingham, Tamworth (Figure 5) lost overall population through migration in the period 2002-6 (900). The major net population losses were to South Derbyshire (680) and Lichfield (540) and North West Leicestershire (320). Tamworth gained population from Birmingham (1,640) and Solihull (280).

Figure 5: Tamworth in/out migration 2001-06

East Staffordshire

280

South
Derbyshire

960

180

2170

1630

280

NW
Leics

540

400

220

2890

1980

500

590

1990

WALES

1250

North
Warwickshire

310
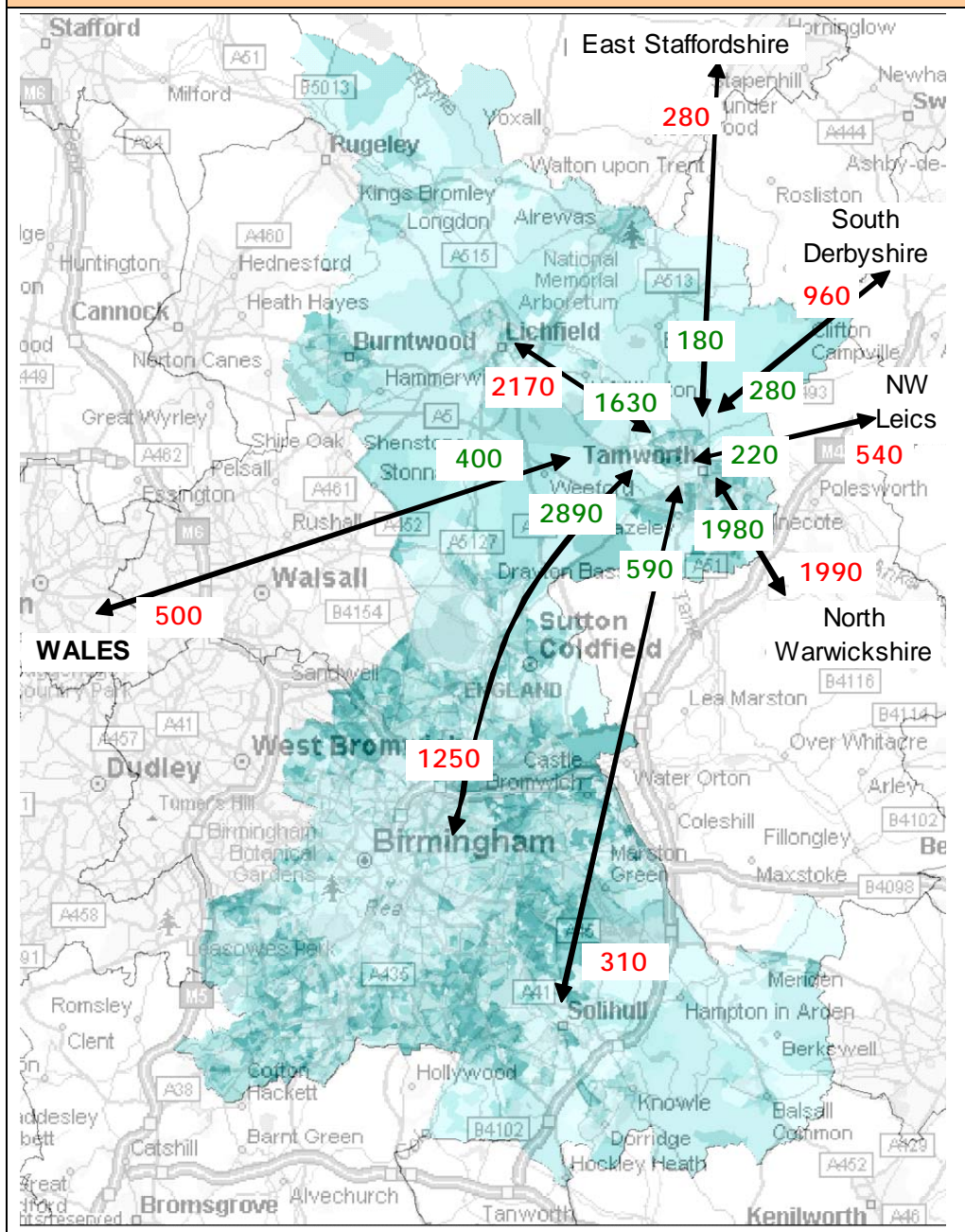
Source: Office of Public Sector Information 2007

3.3.6   In summary, the migration analysis indicates:

(i)   Birmingham is losing population through migration and its strongest link in the C1 HMA is with Solihull. Birmingham also loses population to the C3 HMA; notably Sandwell, Bromsgrove, Walsall and Dudley.

(ii)   Lichfield District gains population through migration, notably from Birmingham and Tamworth in C1 HMA and Walsall in C3 HMA. Lichfield District loses population to East Staffordshire and Stafford (North HMA) and South Derbyshire (East Midlands).

(iii)   The majority contributor of population to Solihull is Birmingham. The major net population losses are to Stratford-on-Avon and Warwick (South HMA) and North Warwickshire (C2 HMA).

(iv)   Like Birmingham, Tamworth lost overall population due to out-migration; primarily to South Derbyshire and North West Leicestershire (East Midlands) and Lichfield District. Tamworth gained population from Birmingham and Solihull.

3.4   Household structure

3.4.1   The total household numbers and corresponding proportions by tenure within each district at the time of the Census 2001 are shown in Table 8. The tenure breakdown across the C1 HMA is extremely uneven with the proportion of social renting households ranging from 13.5% in Lichfield District to 27.7% in Birmingham. Owner occupation is significantly lower in Birmingham (60.4%) compared with the other C1 HMA authorities. Lichfield District has the highest rate of owner occupation at 79.3%, closely followed by Solihull at 78.6%. Overall, Birmingham accommodates 72.6% of the C1 HMA households, but 81.6% of the social renting households and 83.9% of the private renting households. 2.5% of C1 HMA households live rent-free and 85.3% of these are in Birmingham.

3.4.2   In terms of the rented sectors Tamworth has a relatively high level of social renting households at 21.2% with a very low level of private renting at just 3.9%. Lichfield District has the lowest level of social renting households at 13.5% and a private renting level of 5.5%. Solihull has a relatively high level of social renting at 16.2% compared with the level of private renting at just 4.2%.

3.4.3   Further discussion of housing tenure and type is set out in Chapter 4 section 4.2.

Table 8: Tenure by district										
	Owner-occupied		Social rented		Private rented		Rent free		Total	
Area	No.	%	No.	%	No.	%	No.	%	No.	%
Birmingham	236209	60.4	108429	27.7	34508	8.8	11646	3.0	390792	100.0
Lichfield District	29733	79.3	5059	13.5	2060	5.5	648	1.7	37500	100.0
Solihull	63586	78.6	13094	16.2	3400	4.2	850	1.1	80930	100.0
Tamworth	21493	73.2	6234	21.2	1147	3.9	506	1.7	29380	100.0
C1 HMA total	351021	65.2	132816	24.7	41115	7.6	13650	2.5	538602	100.0

Source: Census 2001 - Tenure – households UV63

3.4.4 The household composition within each district is shown in Table 9. Across the whole C1 HMA 30.9% of households were single person households at the time of the Census 2001. In Birmingham 33.2% of households were single person households compared with 23.2% of Tamworth and 23.7% of Lichfield District households. In Solihull 26.3% of households were made up of single people. In Lichfield District and Solihull over half the single person households were pensioner households. Tamworth and Birmingham have proportionally more younger single person households.

3.4.5 Households with non-dependent children (potential new forming households) were more dominant in Tamworth at 11.4% and Lichfield District and Solihull at 11.1% compared with 9.5% in Birmingham. In Birmingham 13.5% of households were headed by a single parent, compared with 10.8% in Tamworth, 9.3% in Solihull and 7.7% in Lichfield District.

Table 9: Household composition (%)					
Household type	Birmingham	Lichfield District	Solihull	Tamworth	C1 HMA
Single pensioner	14.5	12.7	14.2	10.5	14.1
Single other	18.7	11.0	12.1	12.7	16.8
All pensioner household	7.0	9.8	10.8	7.0	7.8
Couple, no children	12.5	22.7	17.6	20.3	14.4
Couple with dependent children	19.2	23.9	23.6	26.6	20.6
Couple with non dependent children	5.6	8.2	7.9	7.7	6.2
Lone parent & dependent children	9.6	4.8	6.1	7.1	8.6
Lone parent & non dependent children	3.9	2.9	3.2	3.7	3.7
Other with dependent children	4.1	1.5	1.8	1.8	3.5
Other - student	0.9	0.0	0.0	0.0	0.6
Other – all pensioner	0.4	0.3	0.4	0.2	0.4
Other	3.7	2.2	2.3	2.4	3.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Census 2001 – Standard Table S56 (ONS Crown Copyright Reserved [from Nomis on 7 February 2008])

3.4.6   The age profile of residents in each of the four districts is shown in (Table 10 and illustrated in Figure 6). The C1 Housing Market Area as a whole has a much younger profile than the rest of the West Midlands, largely due to the influence of Birmingham, although Tamworth also has a younger profile.   29.4% of Birmingham's population is under 19 compared with just 24.0% in Lichfield District.   22.2% of Birmingham's population is aged 20-34 compared with only 16.4% in Solihull.   This would suggest greater pressure for starter homes in Birmingham than elsewhere.

Table 10: Population by age %						
Age group	Birmingham	Lichfield District	Solihull	Tamworth	C1 HMA	West Midlands
0-14	22.0	18.1	19.6	21.1	21.3	19.5
15-19	7.4	5.9	6.1	7.0	7.1	6.5
20-34	22.2	16.7	16.4	20.8	20.9	19.6
35-49	19.3	21.8	21.5	22.5	20.0	20.7
50-64	14.5	22.0	19.5	17.5	15.9	17.8
65-84	12.8	13.7	15.0	10.1	13.0	14.2
85+	1.7	1.8	1.8	1.1	1.7	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Census 2001 Standard Table 1 – All people - ONS Crown Copyright Reserved [from Nomis on 7 February 2008]

3.4.7   Tamworth has the greatest proportion of people aged 35-49 (22.5%). This coupled with the high proportions of 0-14 year olds would suggest greater demand for family housing in this area.

Figure 6: Population by age %
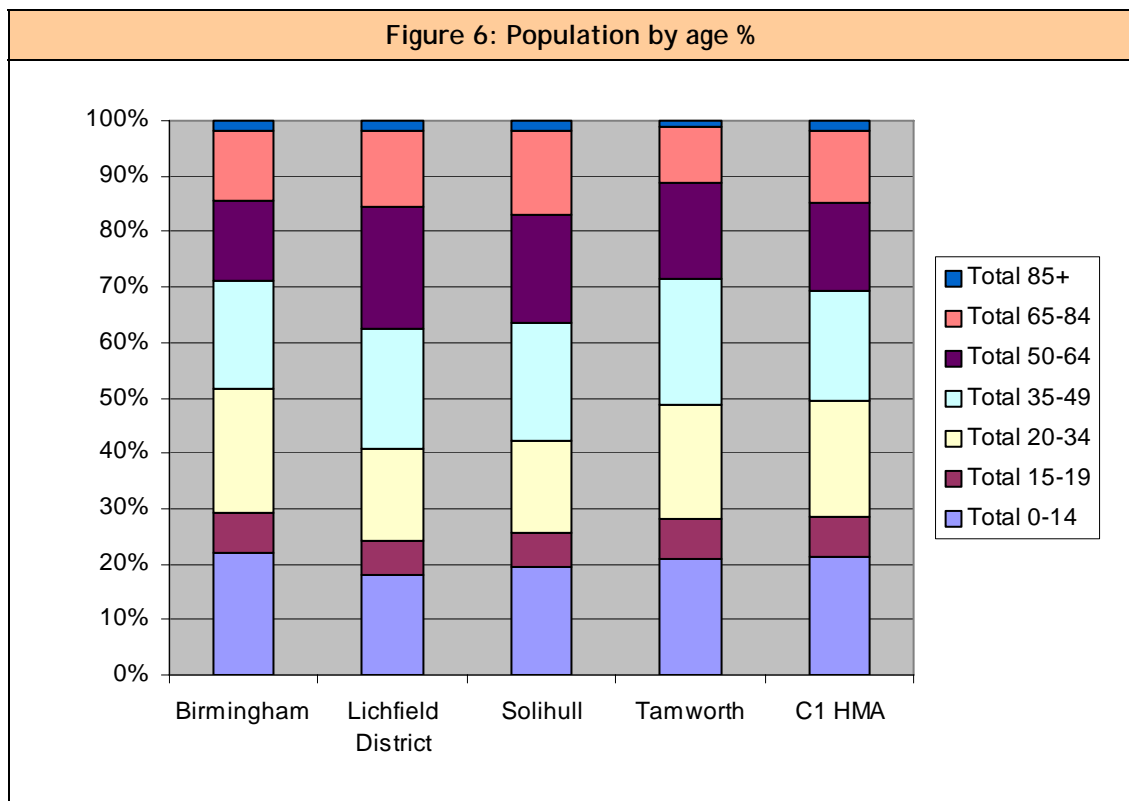
Source: Census 2001 - Standard Table 1 – All people - ONS Crown Copyright Reserved [from Nomis on 7 February 2008]

3.4.8   Both Lichfield District and Solihull have 1.8% of their population over 85; and Birmingham has 1.7%. In Solihull, 15.0% are 65-84. The relatively older population profile of Solihull and Lichfield District in particular combined with demographic trends towards the ageing of the general population has potential implications for future accommodation such as:

- Increased requirements for support to enable older people to stay at home

- Increased need for specialised accommodation for older people

- Under occupancy of larger stock, creating a potential blockage in the market which may force younger families to leave the area

3.5   Black and minority ethnic communities

3.5.1   The West Midlands region has the largest proportion of black and minority ethnic communities within its population of any region outside of London (11.3% in 2001[11]). The main BME population concentrations within the West Midlands are within the Central HMA

[11] Census 2001

(Birmingham, the Black Country and Coventry) and to some extent the North (Stoke-on-Trent). The West Midlands Regional Housing Strategy [12] describes differentiation between and within different BME communities. Pakistani and Bangladeshi communities, among the poorest of BME communities, do not have as significant a presence in moderate and high value housing markets, with little spatial movement across the region. These communities value proximity to social and cultural networks but aspirations may be changing generationally. Black Caribbean households are relatively disproportionately housed in social housing. Indian communities show much greater dispersal, apparently driven by improved educational outcomes, increased prosperity and desire to be closer to public services.

3.5.2   91% of the West Midlands Region's non-white BME population live in the Central HMA, 4.2% live in the North, 4.0% in the South and less than 1% in the West. [13] Table 11 details the proportion of the population belonging to different ethnic groupings in the four districts of the C1 Housing Market Area and provides comparators to the regional and national percentages. Data has been grouped for purposes of summarising the profile across many different ethnic categories. The proportions illustrate an uneven spread with the main concentration of BME communities in the major conurbation, Birmingham, reflecting traditional settlement patterns.

3.5.3   More than one in three (34.4%) of Birmingham's population is from a black and minority ethnic community, compared to only 3.0% in Lichfield District. The housing decisions of the BME communities, certainly within Birmingham, are therefore a core element of housing demand and supply within the conurbation.

3.5.4   Lichfield District (97.0%), Tamworth (96.4%) and Solihull (92.1%) have higher proportions of White British residents than the regional and national averages of 86.2% and 87.0% respectively. Solihull has a higher percentage of White Irish and White Other population, 4.0%, compared to the regional average of 2.6%, but this is consistent with the national average.

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[12] West Midlands Regional Housing Strategy, June 2005

[13] ibid

Table 11: Ethnic groups by district						
Ethnic Group	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands	England
White British	65.6	97.0	92.1	96.4	86.2	87.0
White Irish/Other	4.7	1.8	4.0	2.0	2.6	4.0
Mixed	2.9	0.2	0.5	0.4	1.4	1.3
Asian	19.5	0.5	1.8	0.4	7.3	4.6
Black	6.1	0.3	1.1	0.6	2.0	2.3
Chinese or Other	1.2	0.2	0.5	0.2	0.6	0.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: 2001 Census

3.5.5   Further discussion of the housing issues for different black and minority ethnic communities are set out in Chapter 10, section 10.5.

3.5.6   The proportions of BME groups in the 2001 Census do not necessarily reflect some significant aspects of new patterns of increase.   Certain ethnic groups are under-represented through the ethnic categories used in Census data.   A challenge for understanding the impact of the BME population is that growth is partly made up of migrant workers for whom numbers are not easily available.

3.6   International migration

3.6.1   Much has been made of the impact of international migration, particularly from European Union A8 accession states in recent years, upon the sub-regional economy.

3.6.2   Obtaining accurate data on new arrivals and migrant workers is problematic as there are significant limitations on the quality of the data:

(i)   Migrant workers transient nature and sometimes short term stays mean they are much less likely to show up on official data

(ii)   A worker's place of work rather than residence is recorded

(iii)   There is no record of movement beyond the initial entry point

3.6.3   Table 12 shows the distribution of new residents in the HMA from overseas between 2005 and 2007. In total, 28,150 new NI registrations were recorded in the C1 HMA in the period, 91.0% of whom registered in Birmingham (whereas only 72.8% of the current C1 population resides in Birmingham).

3.6.4   Although nationally 28.6% of overseas nationals receiving NI numbers were from Poland, the proportion from Poland was much higher than this in the two smaller districts; in Tamworth, 63.5% of new migrants were from Poland and in Lichfield the proportion was 43.5%.

3.6.5   The principal origins of new migrants into Birmingham were Poland (26.5%), India (8.6%), Pakistan (8.5%) and France (6.6%). In Solihull, 23.0% were from Poland and 12.3% were from India.

Table 12: NI Number allocations to overseas nationals 2005-07					
	Birmingham	Lichfield District	Solihull	Tamworth	UK
ALL	25610	690	1,220	630	1,375,840
Poland	26.5%	43.5%	23.0%	63.5%	28.6%
India	8.6%	2.9%	12.3%	0.0%	6.9%
Slovak Rep	2.7%	2.9%	2.5%	4.8%	4.3%
Pakistan	8.5%	0.0%	3.3%	3.2%	3.8%
Australia	1.2%	1.4%	4.1%	0.0%	3.5%
Rep of Lithuania	1.2%	1.4%	2.5%	3.2%	3.5%
France	6.6%	2.9%	3.3%	0.0%	3.1%
South Africa	1.1%	1.4%	4.1%	0.0%	2.5%
Germany	1.6%	8.7%	3.3%	1.6%	2.1%
China Peoples Rep	2.2%	2.9%	3.3%	1.6%	1.9%
Italy	0.9%	1.4%	2.5%	1.6%	1.9%
Nigeria	2.3%	0.0%	1.6%	0.0%	1.8%
Czech Rep	1.2%	0.0%	1.6%	1.6%	1.7%
Rep of Latvia	0.9%	8.7%	0.8%	1.6%	1.6%
Portugal	0.7%	0.0%	0.0%	0.0%	1.6%
Hungary	0.8%	0.0%	1.6%	0.0%	1.6%
Spain	1.1%	1.4%	3.3%	1.6%	1.5%
USA	0.6%	1.4%	1.6%	0.0%	1.5%
Bangladesh	3.3%	0.0%	1.6%	0.0%	1.4%
Rep of Ireland	0.8%	1.4%	2.5%	0.0%	1.4%

Source: DWP 2005/6 + 2006/7

3.6.6   Research elsewhere in the West Midlands has shown that new arrivals tend towards employment in jobs that are low paid, casual and temporary (see Table 13), which has consequent implications for the type of housing they take up and its location.   Often they find themselves in poorly maintained private rented homes, HMOs and even caravans. This will impact upon their decisions about when and where to establish longer term homes should their families be with them or be planning to join them.

Table 13: Main occupations of A8 arrivals	
Occupation	Total
Process operative (other Factory worker)	928
Warehouse operative	278
Packer	74
Cleaner, domestic staff	47
Leisure and theme park attendants	34
Welder	29
Care assistants and home carers	29
Security Guard	27
Driver, bus	22
Labourer, building	21
Kitchen and catering assistants	21
Driver, HGV (Heavy Goods Vehicle)	21

Source: Market Intelligence, Renew

3.6.7 Recent research on the housing pathways of new immigrants to the United Kingdom highlights the different experiences of groups from different parts of the world.

> *The housing careers of migrant workers arriving from Poland paralleled the well-trodden path taken by many new immigrants who arrive into the UK and are reliant upon their own resources to secure and maintain accommodation.*
>
> *In contrast, refugees have a right of access to social housing and this opportunity was found to have proved critical to the efforts of new immigrants from Somalia and Liberia to secure longer term, permanent accommodation. These respondents tended to be living in relatively unpopular, low-demand accommodation on peripheral local authority estates, in a clear break with the settlement patterns of previous immigration streams into the city.*
>
> *The settlement patterns of new immigrants arriving into the UK from Pakistan on a spouse visa were found to be reinforcing the established settlement patterns of this long-standing immigrant population – respondents moving in with a spouse and his/her family.* [14]

3.6.8 The situations endured and experiences by these new immigrants were consistent with established understanding of the problems encountered living in temporary accommodation. However, while Liberian respondents typically lived in these situations for a matter of days and Polish respondents often reported choosing to 'put up' with such situations (to minimise costs and maximise capital accumulation), Somali respondents were forced to endure these circumstances for, on average, 13 months, while their asylum application was being processed.

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[14] *The housing pathways of new immigrants*, David Robinson, Kesia Reeve and Rionach Casey, Sheffield Hallam University, 2007

3.6.9   These problems often continued after new immigrants had moved into more secure, long-term accommodation (for example, a social housing tenancy). At the point when it might be presumed that new immigrants had finally secured a settled situation and targeted support and assistance were no longer required, participants were reporting problems of insecurity and poor living conditions. Basic material needs were often not satisfied and security of tenure often proved to be an illusion, with new immigrants struggling to maintain, and in some cases losing, their place in the housing system and becoming homeless.

3.6.10   In addition, whatever the new immigrants' attitude towards the location in which they arrived, place proved to be a critical determinant of their experiences; more extreme problems arose for new immigrants settled in locations with little previous history of accommodating diversity and difference. A key conclusion was the need to recognise the benefits of settlement in established areas of diversity and the challenges raised by dispersal to locations with little previous history of accommodating difference.

3.7   Economic indicators

3.7.1   It is recognised in the Regional Economic Strategy[15] that there are disparities in economic performances and circumstances at local levels across the HMAs. For example, there has been a shift towards the South HMA with the growth of professional and managerial occupational groups in that area, and concentrations of high tech and computer-based employment in that area contributing to high affordability issues. It can be expected that the future growth of employment in the West Midlands will primarily be around the city centre of Birmingham, with further concentrations to the South and South West of the city.

3.7.2   There is significant variation in terms of economic output (GVA) per head of population. There are some areas, such as Birmingham, Solihull and Coventry that exceed UK average GVA per capita, while others fall someway short. Solihull, in particular, has experienced rapid growth in GVA per capita. Between 1995 and 2004 it was the fastest-growing sub-regional economy in the country (growth of 115% compared to growth of the whole UK economy of 58% over the same period).[16]

3.7.3   The Birmingham and Solihull 'sub-region' has particularly high levels of GVA per head, the employment rate of the resident population is quite low and there are significant communities experiencing deprivation and worklessness.

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[15] *Connecting to Success*, West Midland Regional Economic Strategy 2007

[16] *Connecting to Success*, West Midland Regional Economic Strategy 2007, p28

3.7.4   The Regional Economic Strategy, *Connecting For Success,* emphasises a spatial focus on areas of multiple market failure (e.g. the major urban areas of Birmingham/Solihull, the Black Country, North Staffordshire, and Coventry), concentrations of knowledge assets (including the High Technology Corridors), Birmingham (as the major economic driver within the West Midlands economy), market towns and locations facing economic change or responding to opportunity.

3.7.5   Table 14 sets out the differences across the C1 HMA in terms of the working age population and economic activity. First, the proportion of the total population that is of working age is at its lowest in Solihull (59.8%) and highest in Tamworth (64.2%). This fits with the profiles shown at Table 9 and Table 10 depicting an older population in Solihull.

3.7.6   The proportion of economically active members of the working age population differs far more: in Birmingham only 68.9% of the working age population are economically active compared to 86.5% in Lichfield District. The total Job Seekers Allowance claimants also show these differences; in Birmingham 5.2% are claimants, compared to 1.2% in Lichfield District.

Table 14: Working age population 2006 (%)						
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands	Great Britain
Working age population[17]	62.1	60.5	59.8	64.2	61.2	62.2
Economically active of working population	68.9	86.5	82.0	82.5	77.3	78.5
Total JSA claimants (December 2007)	5.2	1.2	1.9	1.8	2.9	2.1

Source: NOMIS Labour Market Profile

3.7.7   Table 15 depicts the employment structure across the C1 Housing Market Area. Almost half the Solihull working population (48.3%) consists of senior managers and professional occupations (SOC 2000 groups 1-3), which is higher than the Great Britain average (42.3%). Lichfield District is similar with 46.7% of the working population in SOC 2000 groups 1-3. In comparison in Tamworth and Birmingham only 37.8% are in this higher classification.

3.7.8   Birmingham has the highest incidence of the working population in administrative, secretarial and skilled trades (SOC 2000 major groups 4 and 5): 23.4% compared to 21.3% in Solihull, 20.7% in Tamworth and only 17.0% in Lichfield District.

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[17] % is a proportion of total population

3.7.9　Interestingly, Lichfield has a much higher incidence of working population in sales and customer services (SOC 2000 group 7): 11.0% compared to 8.4% in Birmingham and 7.8% in Solihull.

3.7.10　One fifth (20.0%) of the working population in Tamworth are in elementary occupations (SOC 2000 group 9): by far the highest occurrence in the C1 HMA (Birmingham 13.5% and Solihull 9.9%).

Table 15: Employment by occupation (%)[18]						
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands	Great Britain
SOC2000 major group 1-3	37.8	46.7	48.3	37.8	38.6	42.3
1 Managers & senior officials	12.6	18.4	17.5	14.4	14.3	15.1
2 Professional occupations	13.8	16.0	17.7	12.4	12.2	13.0
3 Associate professional & technical	11.4	12.4	13.2	10.9	12.1	14.3
SOC2000 major group 4-5	23.4	17.0	21.3	20.7	23.9	22.9
4 Administrative & secretarial	12.9	11.1	13.8	7.2	11.9	12.0
5 Skilled trades occupations	10.5	5.9	7.6	13.5	12.0	10.9
SOC2000 major group 6-7	16.1	18.8	15.1	11.5	15.7	15.7
6 Personal service occupations	7.7	7.9	7.3	8.8	8.0	8.1
7 Sales and customer service	8.4	11.0	7.8	2.7	7.7	7.6
SOC2000 major group 8-9	21.9	17.4	15.0	29.9	21.4	18.7
8 Process plant & machine operatives	8.4	11.3	5.1	10.0	9.3	7.2
9 Elementary occupations	13.5	6.1	9.9	20.0	12.1	11.5

Source: NOMIS Labour Market Profile – ASHE 2007

3.7.11　Table 16 compares the gross weekly pay for full-time workers by residence and by workplace. There are some stark differences to note. First full-time workers living in Birmingham are earning on average £1,461 per annum less than those who work in Birmingham. This would imply that people living outside the city, in the wealthier areas of Solihull and Lichfield District for example, are doing many of the higher paid jobs. In Lichfield District, the people living there are earning 15.7% more on average than the people working there. In other words the residents are earning higher salaries outside the District, whilst lower paid employees are travelling in. This will add to affordability issues in the District if its housing is serving a significant commuter population. In Tamworth, as with Lichfield District, earnings by residence are 15.4% higher than earnings by workplace. In Solihull earnings by residence are almost the same as earnings by workplace, but they are the highest in the sub-region.

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[18] % is a proportion of all persons in employment 16+

Table 16: Gross weekly pay for full-time workers by residence and workplace (£)[19]						
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands	Great Britain
Earnings by residence	427.20	462.30	488.50	467.20	430.40	459.00
Earnings by workplace	455.30	399.40	490.90	404.70	430.00	458.60

Source: NOMIS Labour Market Profile – ASHE 2007

3.8 Income and earnings

3.8.1 Evidence drawn from the ONS Annual Survey of Hours and Earnings for 2002 and 2006, in Table 17, shows how earnings have increased overall from 2002-2006 in the C1 HMA, in terms of both lower quartile and median earnings. Because of the size of the data sample the lower quartile earnings data for Lichfield District, Solihull and Tamworth is less reliable than that for Birmingham and the West Midlands and England data. It would appear that Birmingham shows a greater increase in median earnings than in lower quartile earnings compared with the rest of the West Midlands and England and Wales.

Table 17: Lower quartile and median earnings 2002 to 2006						
Local authority	Lower quartile earnings			Median earnings		
	2002	2006	% change	2002	2006	% change
Birmingham	£10,480	£11,716	11.8%	£16817	£19,055	13.3%
Lichfield District	£10,314	£13,317	29.1%	£17698	£21,030	18.8%
Solihull	£10,450	£13,292	27.2%	£18569	£22,047	18.7%
Tamworth	£9,535	£11,892	24.7%	£16823	£19,157	13.9%
West Midlands	£10,000	£11,772	17.7%	£16,243	£18,781	15.6%
England and Wales	£10,285	£11,935	16.0%	£17,182	£19,712	14.7%

Source: ASHE 2002 and 2006 - Table 8.7a Annual pay - Gross (£) - For all employee jobs

3.8.2 The big difference between lower quartile earnings in Birmingham and the rest of the C1 region is similar to that seen between Coventry and the other three authorities in the C2 HMA and reflects both the difference in data quality and the role of a major urban centre with a younger population profile. Median earnings in each of the C1 HMA authorities are above the West Midlands figure, but in Birmingham and Tamworth the increase in median earnings over the period from 2002 to 2006 is well below the West Midlands average.

3.8.3 With CACI modelled income data it is possible to look at the distribution of mean incomes across the wards of the C1 HMA. Figure 7 shows the mean household income for each ward in the Birmingham district. Aston (£22,191), Washwood Heath (£22,301) and Nechells

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[19] Median earnings in pounds for employees living/working in the area

(£22,339) are the wards with the lowest mean household income. At the other end of the scale Sutton Four Oaks households have the highest mean income (£38,138) followed by Sutton Vesey (£36,559), Sutton New Hall (£35,920) and Sutton Trinity (£35,806). There is a difference of £15,947 between the ward with the lowest mean income and the ward with the highest.

Figure 7: Mean income by ward - Birmingham
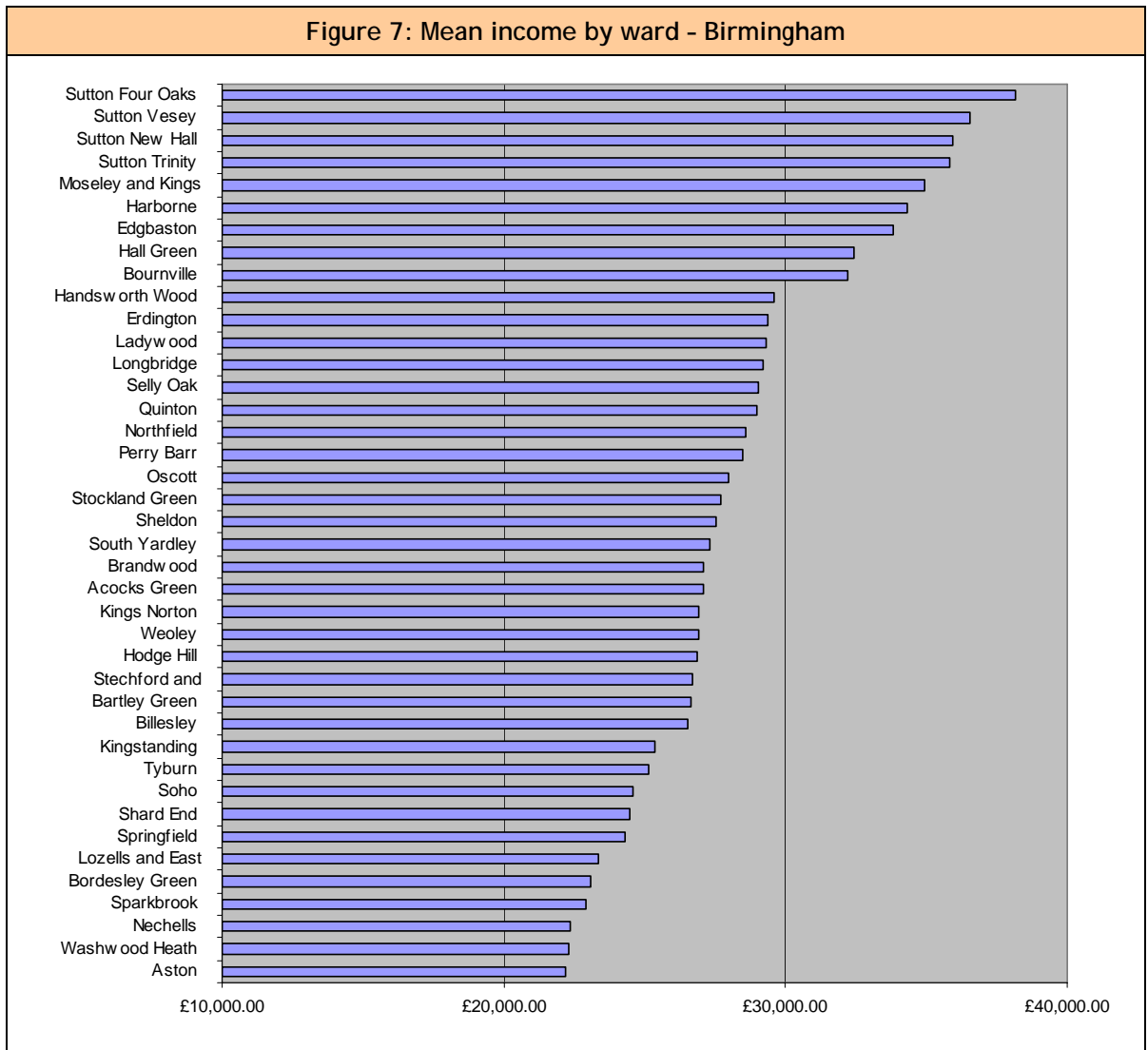
Source: CACI 2006 for Birmingham wards

3.8.4   Two of the Lichfield District wards, Chasetown and Chase Terrace, do not appear in Figure 8 as there is no CACI data for these postcodes in the 2006 West Midlands dataset. Amongst the other wards in Lichfield District the ward with the lowest mean household income is Summerfield (£25,525) and the ward with the highest mean household income is Little Aston (£46,300), a difference of £20,775 between the two wards.

Figure 8: Mean income by ward – Lichfield District
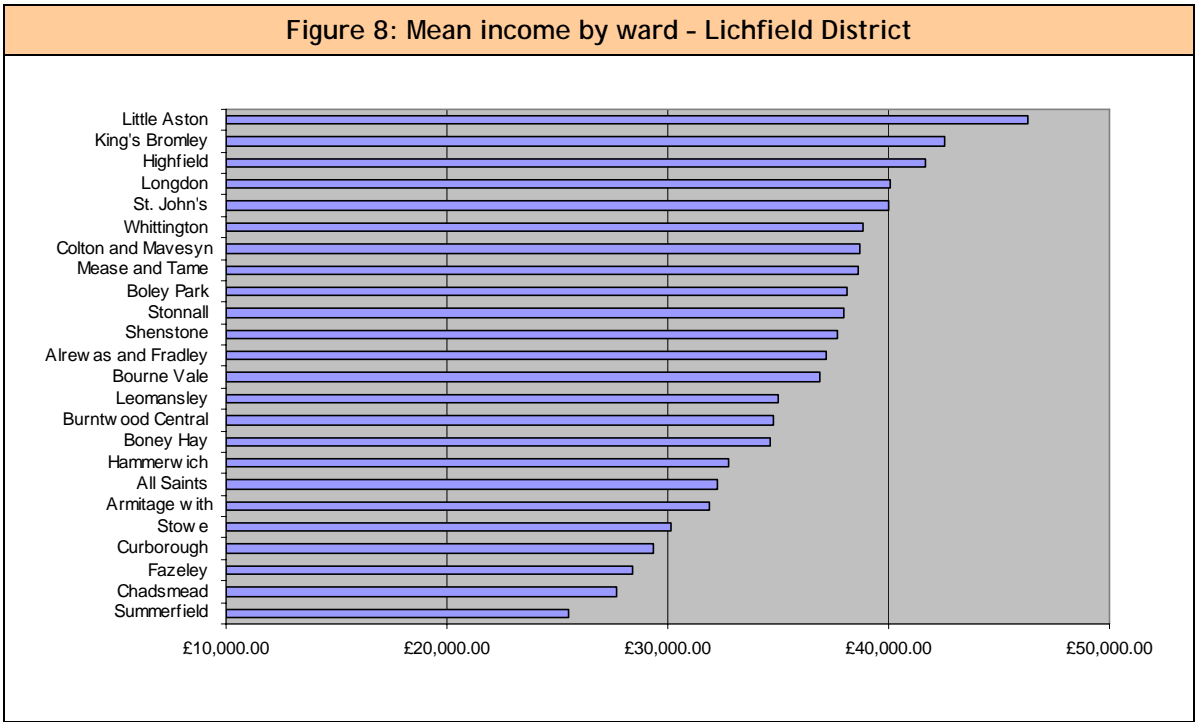
Source: CACI 2006 for Lichfield District wards

3.8.5   The mean household income by ward in Solihull is shown in Figure 9. Chelmsley Wood (£23,870), Kinghurst and Fordbridge (£24,240) and Smith's Wood (£24,316) have much lower mean household incomes than the other wards in Solihull, the next lowest ward being Lyndon (£30,662). The two wards with the highest mean household incomes are Blythe (£45,367) and St Alphege (£45,319). The difference between the highest and lowest ward mean incomes is £21,497.

Figure 9: Mean income by ward – Solihull
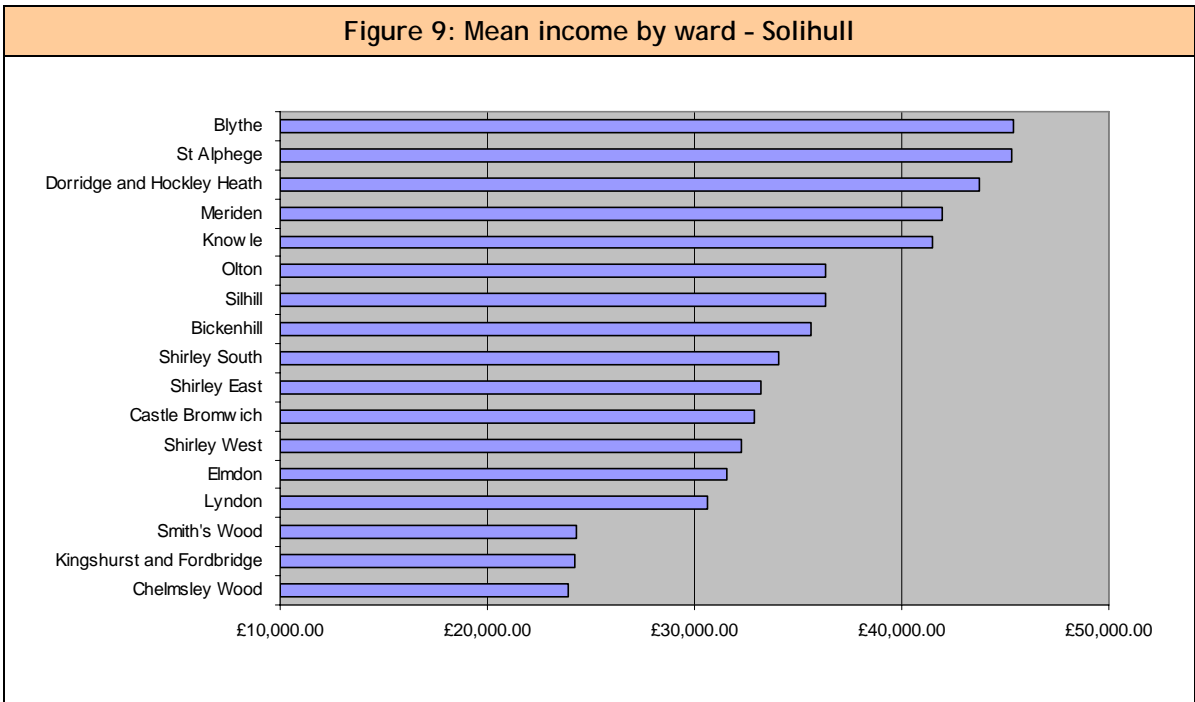
Source: CACI 2006 for Solihull wards

3.8.6   In Tamworth (Figure 10) the difference between household mean incomes is less pronounced than in the other C1 HMA authorities, ranging from Glascote (£27,843) to Trinity (£35,926), a difference of £8,083 between highest and lowest.

Figure 10: Mean income by ward – Tamworth
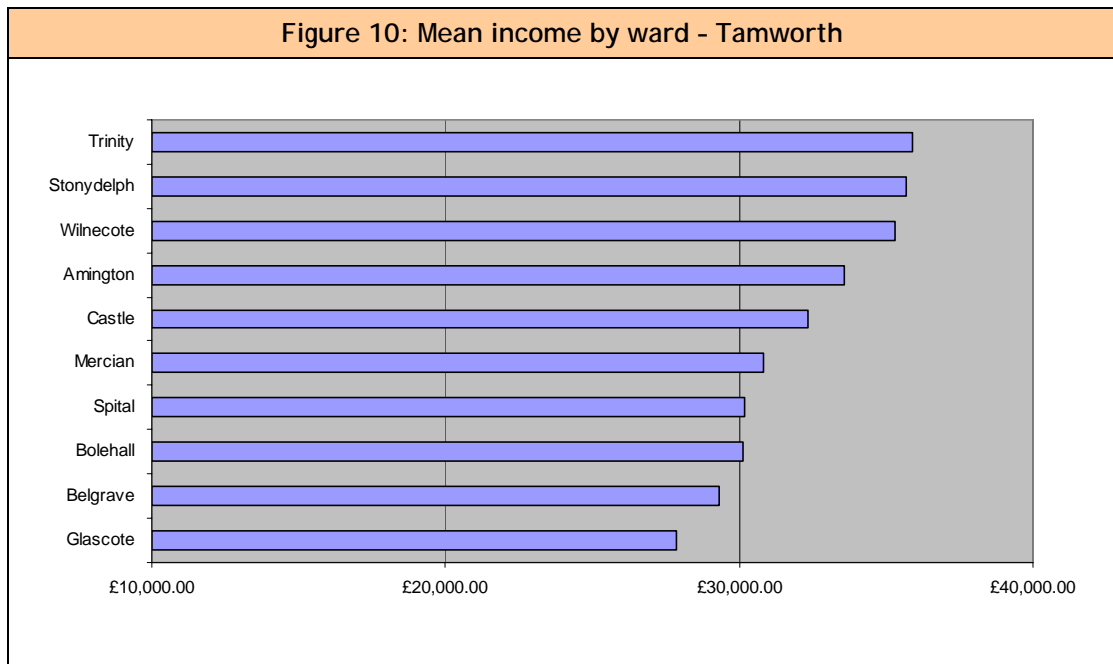
Source: CACI 2006 for Tamworth wards

3.8.7   Across the whole C1 HMA, the range in mean household incomes evident at ward level starts with the lowest in Birmingham at £22,191 (Aston) and the highest in Lichfield District at £46,300 (Little Aston), a difference of £24,109. The relationship between mean household incomes and mean house prices by ward is discussed in Chapter 5 section 5.5 below.

4 THE HOUSING STOCK

Table 18: Summary of housing stock datasets [20]		
Step	Principal data sources	Data items
2.1 Dwelling profile	National Register of Social Housing (NROSH), Housing Strategy Statistical Appendix (HSSA), Business Plan Statistical Appendix (BPSA), Regulatory Statistical Return (RSR), Census, Dwelling Stock by Council Tax Band NeSS Dataset, Council Tax Register	Number of dwellings in the area by size, type, location and tenure
2.2 Stock condition	NROSH, HSSA,BPSA, RSR, Stock condition surveys, Decent Homes Modelled Data and Census	Condition of stock (unfit, in need of major/minor repairs) by tenure and location
2.3 Shared housing and communal establishments	Census, Student accommodation services, Voluntary sector and key informants, LA Registers of Licensed Houses in Multiple Occupation, NeSS Licensed HMO dataset, Local surveys	Estimated numbers of households living in shared houses and communal establishments

4.1 Introduction

4.1.1 This chapter looks at the current supply of market and social housing, including privately rented accommodation. It looks at the current stock profile by size, type, tenure and location and highlights changes in dwelling type over the last ten years.

4.1.2 The condition of the housing stock is examined with reference to the decent homes standard and the new Housing Health and Safety Rating System (HHSRS).

4.1.3 The provision of shared accommodation is also detailed with particular reference to houses in multiple occupation.

4.2 Dwelling type and tenure

4.2.1 The latest Housing Investment Programme Housing Strategy Statistical Appendix for each Local Authority provides details of the total number of dwellings in the area on 1 April

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[20] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p23

2007. Table 19 illustrates the number of dwellings, and the proportion this represents, in each district by ownership. The lower half of the table compares public and private ownership. Private ownership includes owner occupation and private rented property.

Table 19: Housing stock profile										
	Birmingham		Lichfield District		Solihull		Tamworth		C1HMA	
Ownership	No.	%	No.	%	No.	%	No.	%	No.	%
Local authority	66676	16.0	0	0.0	11117	12.8	4613	14.6	82406	14.3
RSL	40036	9.6	5577	13.3	2377	2.7	1565	4.9	49555	8.6
Other public	637	0.1	30	0.1	57	0.1	0	0.0	724	0.1
Total public	107349	25.8	5607	13.4	13551	15.6	6178	19.5	132685	23.0
Private	308424	74.2	36259	86.6	73555	84.4	25423	80.6	443661	77.0
Total	415773	100.0	41866	100.0	87106	100.0	31601	100.0	576346	100.0

Source: HSSA 2007

4.2.2   Lichfield District Council is the only authority to have transferred all its stock to Registered Social Landlords. Birmingham City Council has recently carried out an Options Appraisal consultation with tenants resulting in a stated preference to retain the management and ownership with the council. Solihull Metropolitan Borough Council retains ownership of council housing with an Arms Length Management Organisation (ALMO) created in 2004 to carry out the management function. Following Tamworth tenants voting "no" to proposals to transfer the Council stock to a new social landlord, the Council is currently undertaking a reassessment of available resources and a review of its landlord services in order to ensure identified priorities are met. The Council will subsequently develop a strategy for the retention of ownership of the Housing Stock including a long-term financial plan by September 2008.

4.2.3   Birmingham has a high percentage of social housing, compared to other C1 authorities, with over a quarter of housing stock, 25.8%, rented from social landlords. Although regional and national figures for 2007 taken from completed Housing Strategy and Statistical Appendices are not yet available as comparators, this figure represents a high proportion of social housing stock given the regional average for 2006 was 19.9%. Lichfield District has the lowest proportion of social housing stock with 13.4%, followed by Solihull with 15.6%, both percentages considerably lower than the C1HMA average of 23.0%.

4.2.4   All of the districts except Birmingham within the C1 HMA have a higher percentage of private housing than the regional average for 2006 of 80.1%. Lichfield District with 86.6% and Solihull with 84.4% have a higher proportion than the average for England for 2006 of 81.5%. The relatively low proportions of social housing do not appear to impact

disproportionately upon the future requirement for affordable housing as shown in Chapter 12.

4.2.5   Table 20 shows the type of housing by tenure within each district as proportions of the total housing stock (residents in caravans and mobile structures have not been included and residents living rent free are included in the private rented section). Table 21 allows comparison to the type and tenure of dwellings at the time of the 1991 Census.

Table 20: Dwelling type by tenure 2001							
	Type	Detached	Semi-detached	Terraced	Flat	Shared dwelling	Total
Birmingham	Owner occupied	9.4	26.9	19.6	4.6	0.1	**60.4**
	Social rented	1.1	6.1	7.9	12.6	0.1	**27.7**
	Private rented	0.8	2.4	3.8	4.6	0.2	**11.8**
	Total	**11.2**	**35.4**	**31.3**	**21.8**	**0.4**	**100.0**
Lichfield District	Owner occupied	37.7	29.4	9.3	2.9	0.0	**79.2**
	Social rented	0.6	5.5	3.0	4.6	0.0	**13.6**
	Private rented	1.3	2.2	1.4	2.3	0.1	**7.2**
	Total	**39.5**	**37.0**	**13.6**	**9.7**	**0.1**	**100.0**
Solihull	Owner occupied	28.1	34.1	11.0	5.4	0.0	**78.5**
	Social rented	0.6	3.6	4.4	7.6	0.0	**16.2**
	Private rented	0.8	1.6	0.7	2.1	0.0	**5.2**
	Total	**29.5**	**39.3**	**16.0**	**15.1**	**0.0**	**100.0**
Tamworth	Owner occupied	25.9	31.8	13.1	2.2	0.0	**73.1**
	Social rented	0.6	6.2	7.3	7.2	0.0	**21.4**
	Private rented	0.5	1.5	1.7	1.9	0.0	**5.6**
	Total	**27.0**	**39.6**	**22.1**	**11.3**	**0.1**	**100.0**

Source: Census 2001

4.2.6   All of the districts in the C1 Housing Market Area except Birmingham have a higher percentage of owner occupied accommodation than the regional or national averages of 69.6% and 68.7% respectively. These percentages relate to the dwelling stock at the time of the Census 2001. Lichfield District has the highest proportion of owner occupied property with 79.2%.

Table 21: Dwelling type by tenure 1991						
	Type	Detached	Semi-detached	Terraced	Flat	Shared dwelling	Total
Birmingham	Owner occupied	7.9	25.3	22.8	4.5	0.0	60.5
	Social rented	0.2	3.9	13.0	15.1	0.0	32.3
	Private rented	0.4	1.2	2.8	2.8	0.2	7.3
	Total	**8.4**	**30.3**	**38.6**	**22.5**	**0.3**	**100.0**
Lichfield District	Owner occupied	36.3	29.2	9.3	2.9	0.0	77.8
	Social rented	0.2	6.1	4.7	5.3	0.0	16.3
	Private rented	1.4	1.6	1.3	1.5	0.0	5.8
	Total	**37.9**	**37.0**	**15.3**	**9.7**	**0.1**	**100.0**
Solihull	Owner occupied	26.1	34.6	10.6	5.4	0.0	76.6
	Social rented	0.1	2.8	7.6	8.5	0.0	19.0
	Private rented	0.7	1.5	0.6	1.5	0.0	4.3
	Total	**27.0**	**38.9**	**18.8**	**15.4**	**0.0**	**100.0**
Tamworth	Owner occupied	21.4	32.9	13.6	1.8	0.0	69.8
	Social rented	0.1	6.2	12.7	7.8	0.0	26.8
	Private rented	0.4	0.9	1.1	0.9	0.1	3.4
	Total	**21.9**	**40.0**	**27.5**	**10.6**	**0.1**	**100.0**

Source: Census 1991

4.2.7   The proportion of private rented accommodation in Solihull, Tamworth and Lichfield remains notably lower than the regional average of 9.8% (at the time of the Census 2001) and the national average of 12.0%. Solihull has the lowest percentage of private rented accommodation with 5.2% of housing stock.

4.2.8   The predominant dwelling type in C1 Housing Market Area is semi-detached housing with semi-detached properties representing a minimum of 35.4% of housing stock in Birmingham and a maximum of 39.6% of housing stock in Tamworth. All districts are higher than the national average of 31.6% (at the time of the Census 2001).

4.2.9   Detached and semi-detached housing combined constitute more than three quarters of housing stock in Lichfield District, 76.5%, with detached housing representing almost two out of five properties, 39.5%. Conversely Birmingham has just over one in ten properties, 11.2%, detached. Tamworth and Solihull property type profile is also predominantly semi-detached and detached housing.

4.2.10   The proportion of terraced housing stock varies across the four districts. In Birmingham, terraced housing represents 31.3% of stock whereas in Lichfield District it is 13.6%. Similarly Birmingham has over a fifth of its housing stock as flatted properties whereas

Lichfield District has 9.7% and Tamworth 11.3%. The stock of terraces and flats in a district is often regarded as entry-level housing potentially accessible for first time buyers and lower income households, despite the fact that new build apartments can command higher prices (due primarily to location) than more traditional family housing in some parts of a district.

4.2.11 Over the ten-year period 1991 to 2001 (Table 20 and Table 21) the trend towards greater home ownership is evident in Lichfield District, Solihull and particularly Tamworth, rising from 69.8% to 73.1% in the latter. Birmingham district shows a slight decrease in owner occupation from 60.5% to 60.4%.

4.2.12 The proportion of dwellings in the social rented sector decreased in all districts. The greatest change in the proportion of social dwellings in relation to all dwellings occurred in Tamworth with 5.4% less social rented property by 2001.

4.2.13 The proportion of dwellings in the private rented sector increased in all districts over the ten-year period with the most significant increase in Birmingham where private rented properties rose by 4.5%, from 7.3% to 11.8% of housing stock.

4.2.14 Semi-detached housing has remained the predominant dwelling type over the ten-year period. The most significant change however has been the increase in detached properties in all districts, particularly in Tamworth rising from 21.9% in 1991 to 27.0% in 2001, coupled with the decreasing proportion of terraced housing in all districts. Birmingham witnessed a 7.3% drop in terraced housing as a proportion of all housing stock over this ten-year period.

4.2.15 The proportion of flatted properties rose in Tamworth from 10.6% to 11.3% whereas the other districts in C1 HMA either experienced no change in the proportion of flats (Lichfield District) or a decrease. Comparing the Census from 1991 to 2001 does not show the changes in house building since 2001. Since 2001 over 4,000 new dwellings have been built in Solihull of which 52% have been flats and in Lichfield 765 out of a total of 3308 (23.1%) completions have been flats.

4.2.16 Table 22 provides some further information on the owner occupied sector. The table illustrates the proportion of owner-occupiers owning their property outright in 1991 and in 2001. In all districts the percentage has risen. More than 43.0% of all owner-occupiers in Birmingham, Lichfield District and Solihull at the time of the Census 2001 owned their property outright. Tamworth's lower proportion of outright owner-occupiers may be due to the town's younger population and a lesser proportion of the population having had time to pay off their mortgage or loan.

4.2.17   It is also interesting to compare the percentage of owner-occupiers with shared ownership across the C1 Housing Market Area. The figures provide a basis from which to compare future changes in the proportions of intermediate housing tenure in the districts. At the time of the Census 2001, Birmingham had the highest percentage of shared ownership within the owner-occupied sector with 1.5%.

Table 22: Changes in owner occupation (%)			
	% of owner occupiers who own outright		% of owner occupiers in shared ownership
	1991	2001	2001
Birmingham	37.0	43.6	1.5
Lichfield District	31.3	43.3	0.7
Solihull	34.7	43.8	0.6
Tamworth	22.9	33.3	0.5

Source: Census 2001 and Census 1991

4.3   Dwelling size

4.3.1   Table 23 illustrates the size of dwellings by the number of bedrooms in a property. Tamworth has the highest proportion of three bedroom properties (56.1%) which is above the C1 and West Midlands average; Birmingham is also slightly higher than both averages.

Table 23: Bedroom size of dwellings						
No of rooms	Birmingham	Lichfield District	Solihull	Tamworth	C1 Housing Market Area	West Midlands
One bed	14.8	6.7	8.4	8.7	12.9	10.1
Two bed	17.7	15.1	14.6	15.5	16.9	17.6
Three bed	52.8	48.7	49.1	56.1	52.1	52.5
Four bed or more	14.7	29.5	27.9	19.7	18.1	19.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Census 2001

4.3.2   Solihull and Lichfield District have significantly higher proportions of larger properties (i.e. four bed or more) than the C1 or West Midlands average: 29.5% of Lichfield District's housing stock and 27.9% of Solihull's housing stock has four bedrooms or more compared to the regional average of 19.8%.

4.3.3   Birmingham has higher proportions of one bed (32.5%) and two bed (17.7%) properties compared to the C1 and West Midlands averages. Lichfield District has the lowest proportion of one bed dwellings (6.7%).

4.4 Distribution of dwelling types

4.4.1 The spatial distribution of each dwelling type across the C1 Housing Market Area is shown in Figure 11 to Figure 14. The deeper concentration of colour represents a higher proportion of that type of dwelling in the locality. The high proportion of semi-detached property across the C1 Housing Market Area is represented by the strong blue shading of Figure 12. Deeper concentrations of detached housing are also shown in Figure 11 particularly in Lichfield District and Solihull and more rural areas. Birmingham shows a high concentration of semi-detached properties outside the centre but little detached property, although there are pockets of detached housing across the city (e.g. Sutton, Moseley, Hodge Hill).

4.4.2 The maps highlight the main urban concentrations in the C1 Housing Market Area with Birmingham, Tamworth and Lichfield District exhibiting the highest concentration of terraced properties. Small pockets of flatted housing are also indicated at Solihull. The higher prevalence of terraced property to flatted property in the C1 Housing Market Area is shown by the greater spread of colour in Figure 13 compared to Figure 14.

Figure 11: Distribution of detached dwellings

Proportion of households living in detached properties

- 90 to 100
- 80 to 89.99
- 70 to 79.99
- 60 to 69.99
- 50 to 59.99
- 40 to 49.99
- 30 to 39.99
- 20 to 29.99
- 10 to 19.99
- 0 to 9.99

Source: 2001 Census

Figure 12: Distribution of semi-detached dwellings
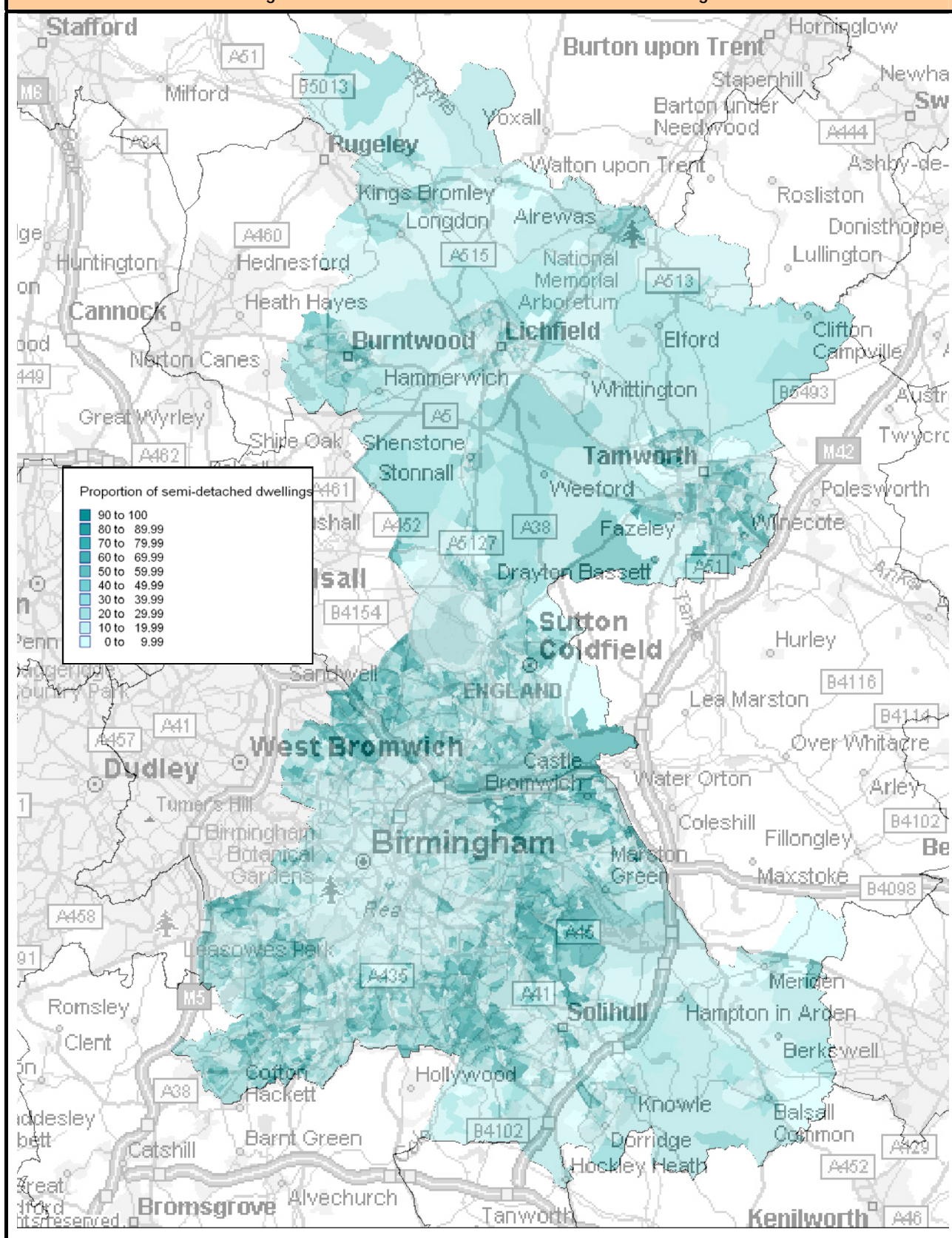
Source: 2001 Census

Figure 13: Distribution of terraced dwellings

Proportion of households living in terraced properties

- 90 to 100
- 80 to 89.99
- 70 to 79.99
- 60 to 69.99
- 50 to 59.99
- 40 to 49.99
- 30 to 39.99
- 20 to 29.99
- 10 to 19.99
- 0 to 9.99
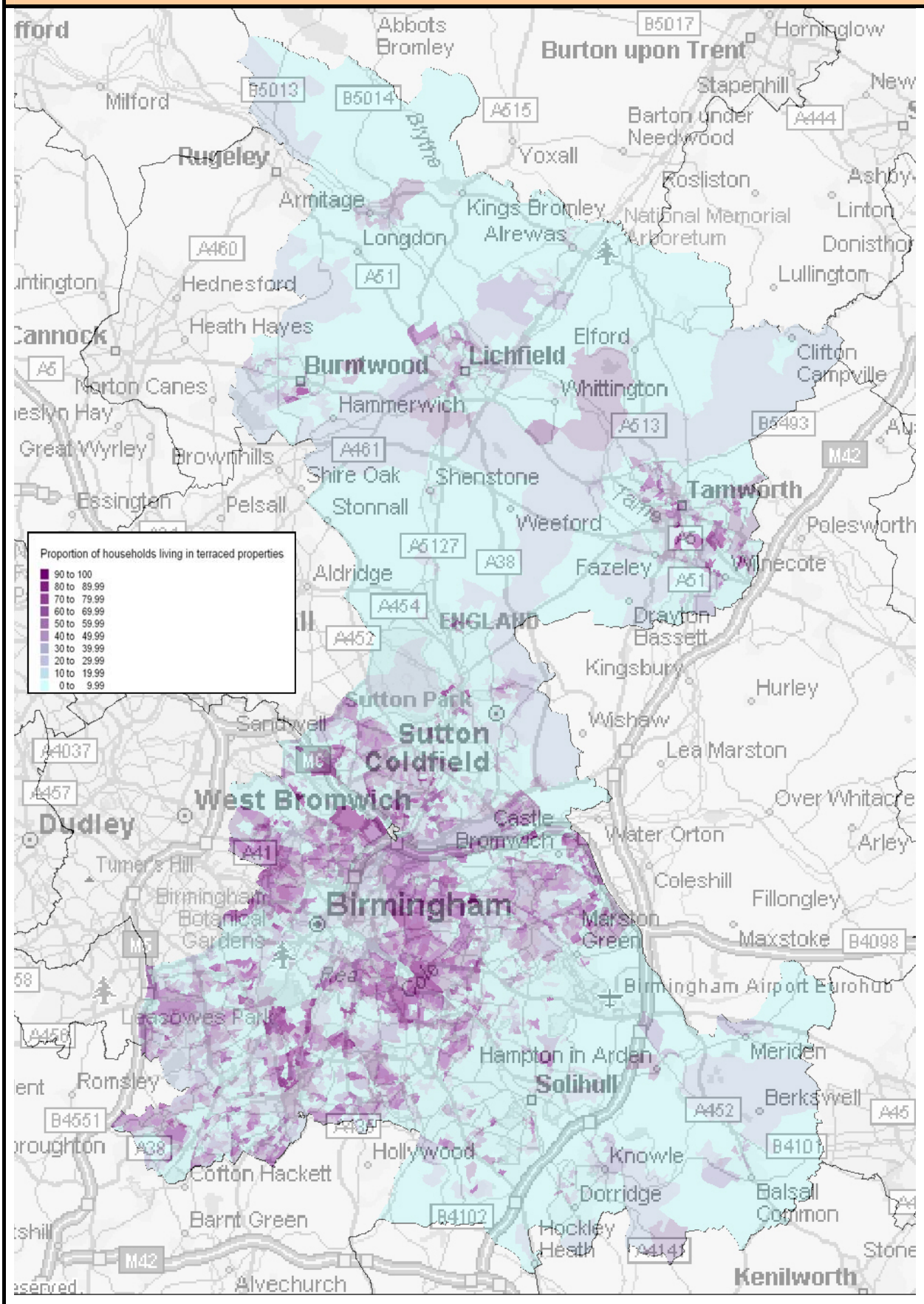
Source: 2001 Census

Figure 14: Distribution of flats/apartments

Proportion of flats (2001 Census OA geography)

- 90 to 100
- 80 to 89.99
- 70 to 79.99
- 60 to 69.99
- 50 to 59.99
- 40 to 49.99
- 30 to 39.99
- 20 to 29.99
- 10 to 19.99
- 0 to 9.99
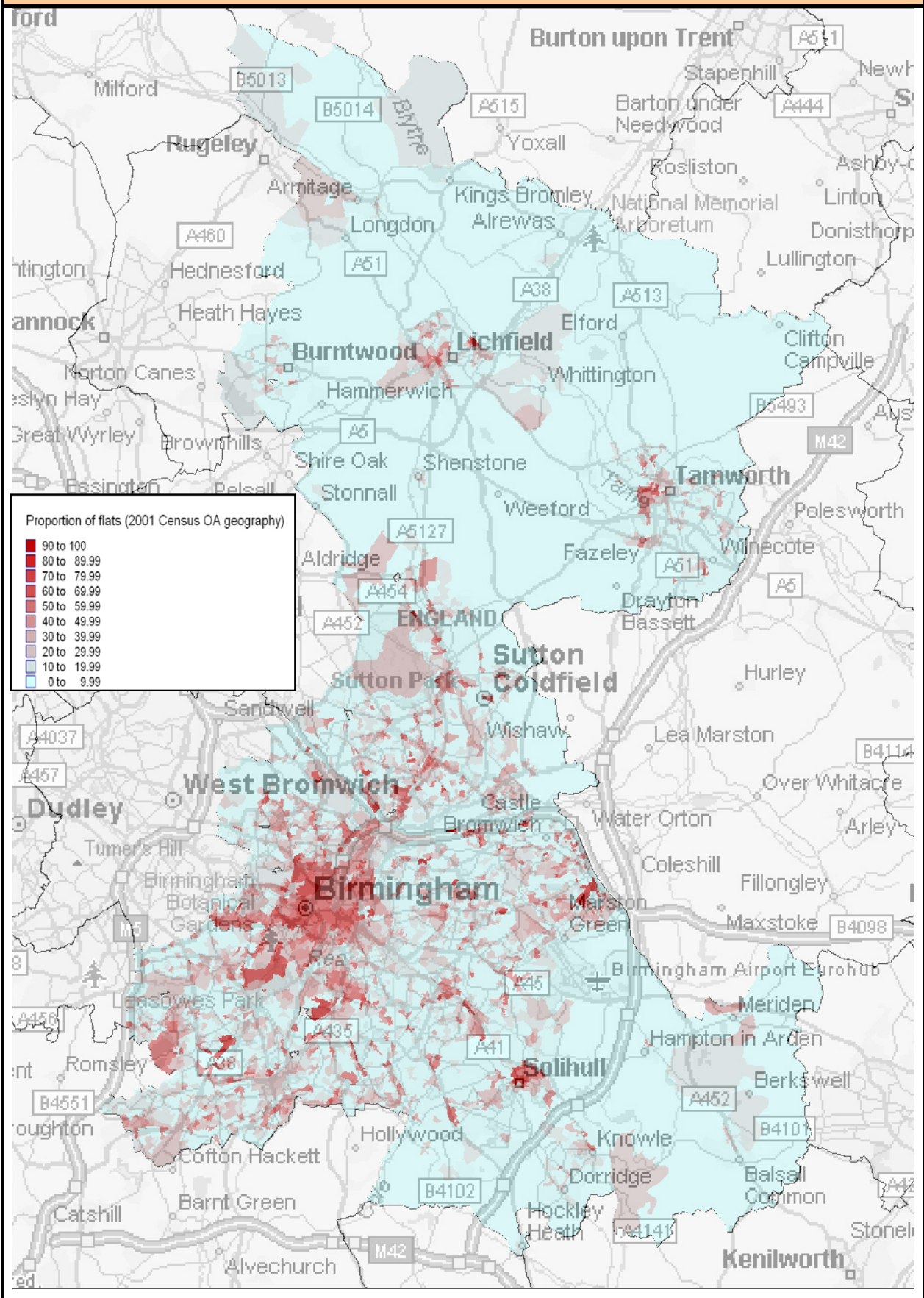
Source: 2001 Census

4.5   Shared housing and communal establishments

4.5.1   Shared housing and communal establishments include homeless hostels, older people's specialist accommodation and student housing.

4.5.2   Table 20 illustrates the proportion of shared dwellings in relation to total housing stock at the time of the Census 2001. Birmingham had the largest proportion of shared dwellings with 0.4% of total stock increasing from 0.3% in 1991 (see Table 21). Lichfield District and Tamworth both had 0.1% of shared dwelling stock in 2001 remaining constant from 1991. Solihull has a very small proportion of shared dwellings not reaching 0.1% in either the 1991 Census or the 2001 Census.

4.5.3   There is a statutory requirement[21] for local authorities to inspect, register and license properties which are three storeys and above with five or more bed spaces. There are minimum conditions to address including fire safety requirements. Other houses in multiple occupation (HMOs) do not currently require a license.

4.5.4   Table 24 details the number of houses in multiple occupation in each district. Birmingham has the highest number of houses in multiple occupation reflecting its status as city conurbation.

Table 24: Number of houses in multiple occupation	
	No.
Birmingham	3426
Lichfield District	29
Solihull	91
Tamworth	50

Source: HSSA 2007

4.5.5   The Department for Communities and Local Government is currently introducing a new system to collect detailed information about licensed properties through the Register of Licensed Houses in Multiple Occupation (ROLHMO). This facility is not yet available. Birmingham[22] however estimates 2,900 properties meet the mandatory criteria whereas Tamworth considers the majority of HMOs in its district will not require licensing.

4.5.6   In Tamworth ongoing work on HMOs has revealed an increase in the numbers of complaints about HMOs and housing migrant workers, with complaints mainly related to overcrowding

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[21] Housing Act 2004

[22] Birmingham Housing Strategy 2005/6

and lack of washing facilities. In 2005/06 no complaints were received about/from migrant workers living in Tamworth, in 2006/07 two complaints were received and 2007/08 twenty-two complaints were received about HMOs housing migrant workers. Twenty-three HMOs are currently under investigation, all of which may need to be licensed. Current estimates indicate now between fifty and a hundred HMOs in the Borough.

4.6   Stock condition

4.6.1   The condition of housing stock within these four districts can be assessed by different measures. The Housing Health and Safety Rating System[23] replaced the Fitness Standard as a criterion of the Decent Homes Standard on 6th April 2006.

> *'A home should be above the current statutory minimum standard for housing, in a reasonable state of repair, have reasonably modern facilities and provide a reasonable degree of thermal comfort'* (HMA Guidance)

4.6.2   The Housing Health and Safety Rating System (HHSRS*)* process identifies defects within a dwelling and scores the potential risk of this hazard to the health and safety of persons using the building. Key hazards considered within an assessment include the risk of falls, hot surfaces and materials positioned inappropriately, above average risk of fire, damp and mould growth and excessive cold. Unlike the fitness standard the HHSRS takes into account the likely risk to possible occupiers of the building. Housing stock, which is classed as being subject to a Category 1 Hazard require a mandatory response from a Local Authority as they are considered to have an unacceptably high risk of serious injury or mortality.

4.6.3   Table 25 provides details of dwellings with Category 1 hazards in each district as a proportion of total dwellings of that type. The details of dwellings with Category 1 hazards in Lichfield District are not available. Figures for the number of dwellings failing to meet the fitness standard In Lichfield District are available (898 unfit private sector properties representing 2.5% of private sector stock, and 2 unfit RSL properties representing less than 0.1% of social rented stock[24]). These percentages are not directly comparable with the figures below.

4.6.4   The housing need model discussed in Chapter 7 uses historical records (2003 to 2006) of the fitness standard in order to find comparable measures across the C1 HMA authorities. This data shows a general decline across the West Midlands in the level of unfitness over the four-year period.

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[23] The Communities and Local Government Housing Health and Safety Rating System 2005

[24] HSSA 2007

Table 25: Dwellings with Category 1 hazards (HHSRS)								
	Birmingham		Lichfield District		Solihull		Tamworth	
Ownership	No.	%	No.	%	No.	%	No.	%
Local authority	0	0.0	N/k		2	0.0	0	0.0
RSL	19	0.0	N/k		0	0.0	0	0.0
Other public	0	0.0	N/k		0	0.0	0	0.0
Total public	19	0.0	N/k		2	0.0	0	0.0
Private	63529	20.6	N/k		1227	1.7	1709	6.7
Total	63548	15.3	N/k		1229	1.4	1709	5.4

Source: HSSA 2007

4.6.5   The levels of dwelling stock in the public sector with Category 1 hazards are very low.   In the private sector however the number and percentage of properties increases significantly.   Birmingham estimates over a fifth, 20.6%, of its private sector stock has a Category 1 hazard totalling 63,529 properties.

4.6.6   National and regional comparators for Category 1 hazards will not be available until final analysis of all local authorities Housing Strategy Statistical Appendices 2007 is completed by the Department of Communities and Local Government later in the year.

4.6.7   Table 26 shows the estimated cost of removing Category 1 hazards from housing stock in the private sector in each district.   The sums are based on estimates from private sector stock condition surveys carried out at different times as detailed in the final column.   The varying dates make comparison problematic.   Although Solihull has a lower number of properties with Category 1 hazards in 2007 (1,227) than Tamworth (1,709), Solihull estimates the cost of removing these hazards at £10,077,000 compared to £2,000,000 for Tamworth.   The difference in cost may in part be due to the two-year difference in the survey date used as the basis for the estimate.   The cost of remedying Category 1 hazards in Birmingham is estimated at over £274 million.

Table 26: Cost of removing Category 1 hazards from the private sector (non RSL)		
Local Authority Area	Estimated cost (£)	Survey date as basis of estimate
Birmingham	274,475,000	2006
Lichfield District	N/k[25]	
Solihull	10,077,000	2004
Tamworth	2,000,000	2006

Source: HSSA 2007

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[25] Lichfield estimates the cost of making fit the unfit private sector at £11m based on survey in 2003

4.6.8   The government Decent Homes Standard provides a means of assessment to ensure the property is in a reasonable state of repair, has adequate modern facilities and provides a reasonable degree of warmth to its occupiers. Initially introduced as a requirement for all Local Authorities and Registered Social Landlords to make all their dwellings decent under these criteria by the end of 2010, the provision was extended in 2004 to include vulnerable people[26] in the private sector. Table 27 provides details of the most recent data for each district on achievement of the decent homes standard by tenure. Information is taken from district housing strategies and the latest private sector house condition surveys.

Table 27: Non-decent dwellings by tenure		
District	Local Authority or RSL (if stock transfer)	Private sector
Birmingham	34.4% (2007)	52.0% (2007)
Lichfield District	4.3%[27]	30.0% (2001)[28]
Solihull	36.0% (2004)	33.0% (2004)
Tamworth	29.0% (2006)	18.0% (2006)

Source: Housing Strategies and Private Sector House Condition Surveys

4.6.9   Comparing these figures to the English House Condition Survey 2001 national figure of 38.0% non-decency rate for local authority properties, the rates of non-decency for Birmingham, Solihull and Tamworth are lower, but still represent substantial investment required in order to achieve the government target by 2010.

4.6.10   The level of non-decent dwellings owned by Registered Social Landlords in Birmingham is far less than the level of council housing non-decency, as they are generally newer properties. This was estimated at 9.0% in April 2006. Birmingham is ahead of target to meet its decent homes commitment by 2010. Failure rates for 2005/06 were 51.3%, but 2 years later this is much improved. A similar picture is the case in Solihull, Tamworth and Lichfield District.

4.6.11   Following Tamworth tenants voting "no" to proposals to transfer the housing stock the Council is now required to develop (by September 2008) a strategy for the retention of ownership of the Housing Stock including a long-term financial plan. The forecasts of resources indicate extreme challenges if the Council is to maintain the Governments Decent Homes standard and deliver housing services. Currently available forecasts indicate that maintaining revenue spending and delivering limited investment in the stock will lead to a

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[26] Vulnerable households are defined as households in receipt of a means tested or disability benefit

[27] 242 units

[28] Lichfield Housing Strategy 2006-2009

£12.76m deficit by 2017/2018. However, current available forecasts will need to be updated to reflect new information. Solihull has been carrying out a planned programme for achievement of the decent homes standard by 2010 following the creation of the ALMO in 2004. Birmingham is on target to meet the Decent Homes standard.

4.6.12 Tamworth and Lichfield District in Table 27 have lower levels of non-decent dwellings in the private sector compared to the national figure of 32.0% from the English House Condition Survey 2001. The better than average condition of private sector stock in Tamworth is probably due to the higher than average number of newer properties. The current figure for housing association decent homes is 91.2% as at April 2007.

4.6.13 There is insufficient data available to assess whether all these districts are likely to reach the government target for 70.0% of vulnerable households in the private sector to be living in decent homes by 2010. Tamworth estimated in 2006 that a further 106 homes occupied by vulnerable households needed to be made decent by 2010 and they expressed confidence in reaching this target. Lichfield District estimates 67.0% of vulnerable households in the private sector are living in decent homes in its housing strategy of 2006 – 2009 suggesting they are likely to meet the government target by 2010. Solihull's Housing Strategy 2004 – 2008 states that this government target has already been met. Birmingham however estimated in 2001 that 47.0% of vulnerable households were living in non-decent homes.

4.6.14 An indication of the level of activity towards meeting the decent home standard in the private sector is shown in Table 28. This illustrates trends in recent and planned levels of private sector renewal assistance through Disabled Facilities Grants; owner-occupiers principally receive these. Figures for 2007/08 and 2008/09 are planned expenditure.

Table 28: Private sector renewal assistance 2003-08 (£)					
Year	Birmingham	Lichfield District	Solihull	Tamworth	Total C1 HMA
2003/04	8,277,000	358,000	320,000	68,000	9,023,000
2004/05	1,386,000	205,000	787,000	84,000	2,462,000
2005/06	3,465,000	77,000	639,000	145,000	4,326,000
2006/07	3,752,000	32,000	257,000	52,000	4,093,000
2007/08	9,124,000	245,000	552,000	50,000	9,971,000
2008/09	3,231,000	247,000	552,000	140,000	4,170,000

Source: HSSA 2007

4.6.15 The highest expenditure in the C1 Housing Market Area is planned for 2007/08 with £9,971,000 total renewal assistance of which £9,124,000 is planned for Birmingham.

Lichfield District and Solihull are planning increased amounts of financial assistance in the next two years and Tamworth aims to increase expenditure in 2008/09. Other forms of encouragement and engagement with the private sector will also be needed.

5 THE ACTIVE MARKET

Table 29: Summary of active market datasets[29]		
Step	Principal data sources	Data items
3.1 The cost of buying or renting a property	Land Registry, Estate & Letting Agents, Rent Service, HSSA	Average and lower quartile prices and rents by tenure, sizes, types and location
3.2 Affordability of housing	Outputs of Step 3.1 and Step 1.4	Mapping of which areas and property types are most and least affordable
3.3 Overcrowding and under-occupation	Census, Local surveys	Dwelling and household size, overcrowding, under-occupancy
3.4 Vacancies, turnover rates and available supply by tenure	Outputs from Step 2.1, NROSH, HSSA returns, Council tax register, LA/HA records, Land Registry transactions, Estate and letting agents, Survey of Mortgage Lenders	Vacancy rates by tenure, size, type and location, transactions data, turnover, and an indication of available supply by tenure, type, size and location

5.1 Introduction

5.1.1 This chapter examines the outputs of housing supply and demand in terms of certain macro-level indicators:

- The cost of buying and renting, including the entry-level property price

- Social housing

- Affordability

- Over crowding and under-occupation

- Vacancies, supply and turnover

5.2 The cost of housing for sale

5.2.1 Mean overall prices within the C1 Housing Market Area for the period April 2006 to March 2007 are presented in Table 30.

5.2.2 Average prices in the different areas of the C1 HMA vary considerably. The highest overall mean price is in Solihull at £240,171, more than £83,000 higher than the lowest mean price in Tamworth of £156,827. Solihull also has the highest mean price for a detached property

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[29] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p26

at £400,566, where detached properties are in reasonable supply (these account for 27.7% of all detached sales in the C1 HMA and 4.0% of all sales). The mean detached price in Lichfield District (£328,463) and Birmingham (£323,802) are very similar while the mean detached price in Tamworth is significantly lower and accounts for just 9.8% of all detached sales in the C1 HMA.

5.2.3 Across the whole C1 HMA 34.3% of all sales in 2006/07 were of terraced houses, where the mean house price ranged from £124,096 in Tamworth to £164,257 in Solihull. Semi-detached property sales accounted for 33.2% of all C1 HMA sales and mean prices ranged from £144,520 in Tamworth to £213,813 in Solihull.

Table 30: Mean house price 2006/7					
	Detached	Semi-detached	Terrace	Flat	All
Birmingham	£323,802	£161,792	£132,192	£143,106	£160,856
Lichfield District	£328,463	£179,336	£150,616	£154,450	£223,938
Solihull	£400,566	£213,813	£164,257	£165,960	£240,171
Tamworth	£227,186	£144,520	£124,096	£126,761	£156,827
C1 HMA	£336,515	£170,499	£136,033	£146,837	£178,326

Source: Land Registry house sales 01/04/06 to 31/03/07

5.2.4 The distribution of house prices across the C1 HMA is depicted in Figure 15. The important point to note is the price at which the peak (and the bulk) of sales occur, as opposed to the volume of sales as this will partly reflect the dwelling profile.

5.2.5 In Birmingham the vast majority of sales occur between £100,000 and £175,000; peaking between £125,000 and £150,000. The peak in Lichfield District falls between £150,000 and £175,000 and in Solihull the peak is around £175,000 to £200,000. The Tamworth sales peak is the same as Birmingham around £125,000 to £150,000. All four authorities have another slight peak of sales at the higher band £225,000 to £250,000.

Figure 15: Distribution of house sales 2006/7 (%)
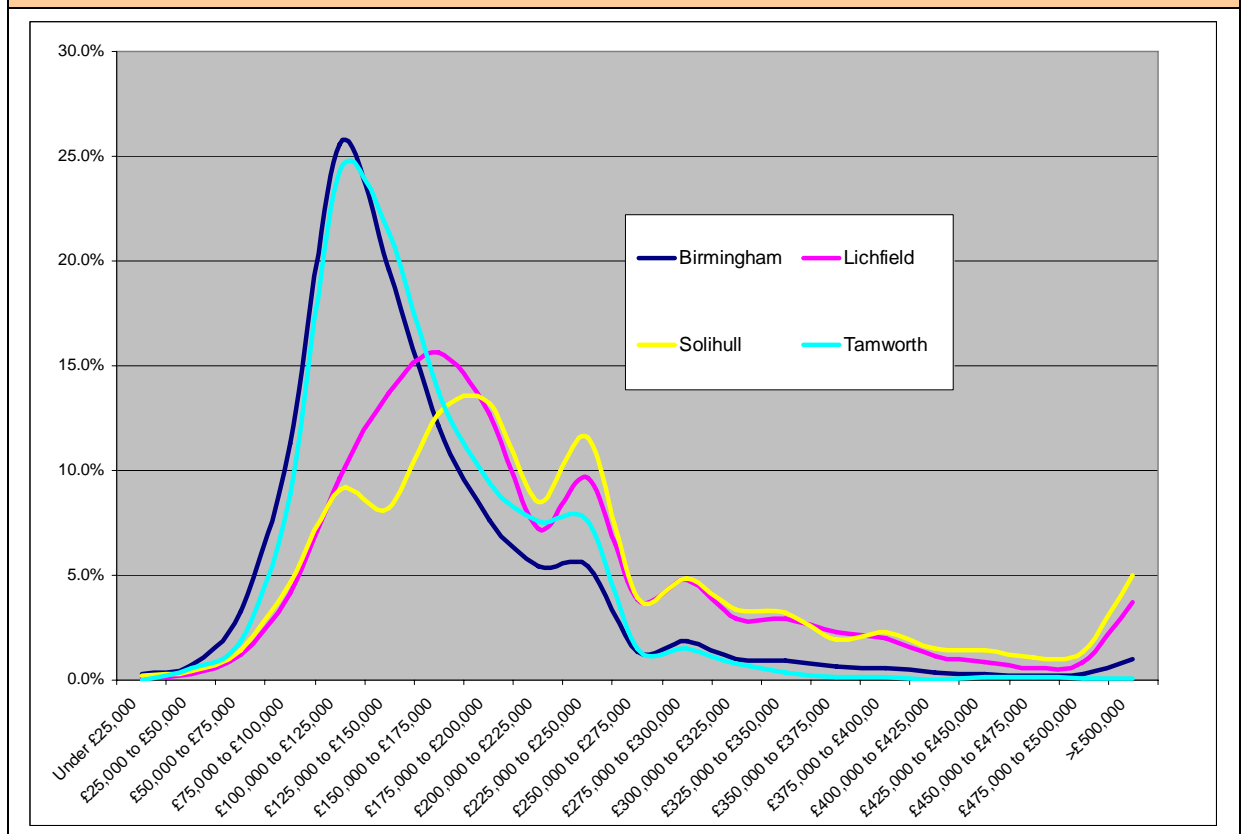
Source: Land Registry

5.2.6   The variation in mean house prices across the C1 HMA is shown in Figure 16 to Figure 19 by district in Birmingham and by ward in Lichfield District, Solihull and Tamworth. Although the data can be mapped by Census Output Area, the numbers of house sales in a high proportion of Output Areas are too small to be used as reliable indicators of average price.

5.2.7   For Birmingham a distribution of house price by ward is available, but due to the high number of wards a graphical presentation of the data is difficult to interpret. The districts shown in Figure 16 are groups of wards. Edgbaston district (£201,664) and Sutton Coldfield (£240,735) are the two districts with the highest mean house prices and the lowest mean house prices are found in Hodge Hill (£127,159) and Erdington (£128,340). In terms of individual wards the lowest mean house price is found in Shard End (£111,043), Kingstanding (£112,774) and Soho (£113,725) with the two highest mean prices for wards by a long way being Sutton Four Oaks (£297,315) and Edgbaston (£294,039).

5.2.8   In Lichfield District the highest mean house price in any ward in the C1 HMA is found in Little Aston ward at £530,554. The next highest mean house price at ward level, whilst considerably lower than Little Aston, is still well above any other ward in the whole C1 HMA and is found in Bourne Vale at £421,188. The lowest mean house prices at ward level are found in Summerfield (£137,708), Chasetown (£144,724) and Burntwood Central (£147,128).

Lichfield District has the greatest range in mean house prices at ward level of all the C1 HMA authorities with a difference of £392,846 between the lowest and the highest ward level mean price.

Figure 16: Birmingham – Mean overall house price by districts (£): 2006/7

Source: Land Registry

Figure 17: Lichfield District - Mean overall house price by ward (£): 2006/7
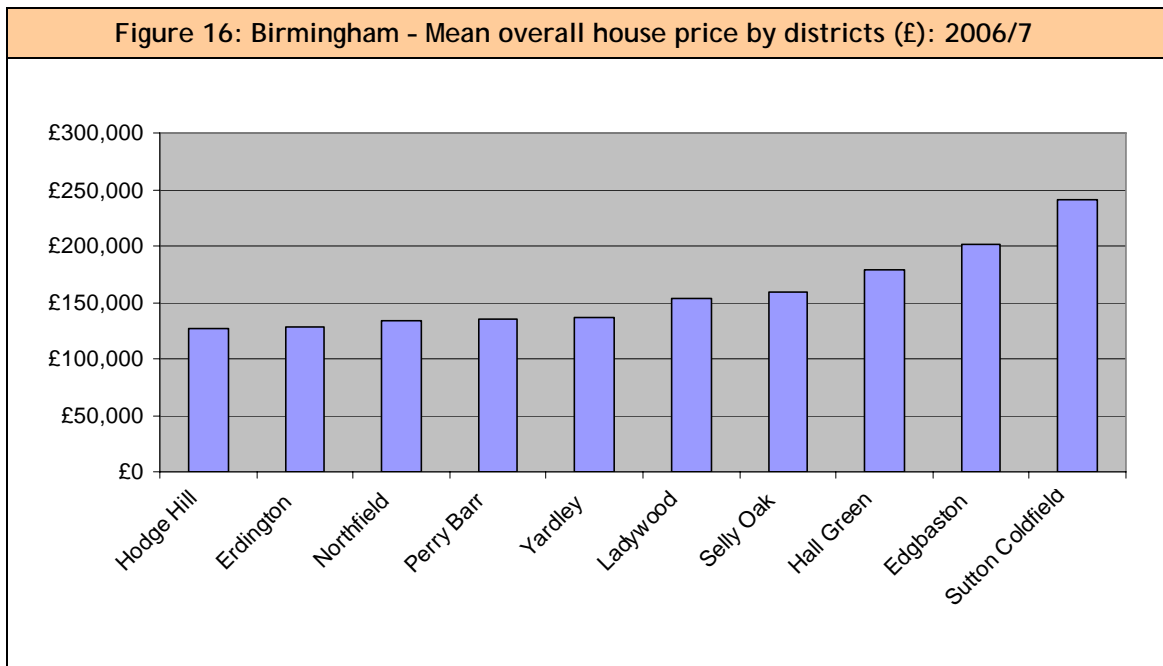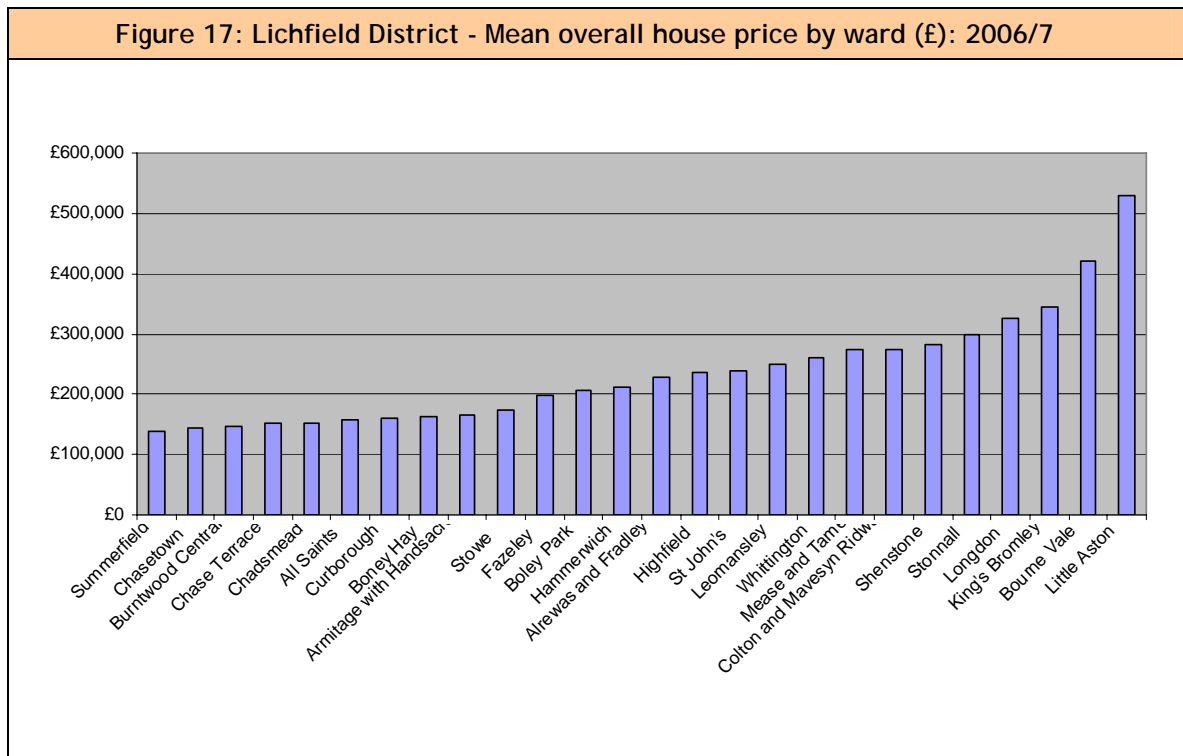
Source: Land Registry

5.2.9   Solihull also has a great disparity in mean house prices across the wards, ranging from £103,748 in Smith's Wood ward to £375,352 in St Alphege ward, a difference of £271,604. The three wards with the lowest mean house prices are Smith's Wood, Chelmsley Wood

(£118,286) and Kingshurst and Fordbridge (£119,998). There is quite a jump in mean house prices to the next ward Lyndon (£180,963). This is also evident at the other end of the price spectrum where there is a jump from the mean price in Meriden ward (£322,154) to the top three wards Knowle (£374,755), Dorridge and Hockley Head (£375,296) and St Alphege.

Figure 18: Solihull - Mean overall house price by ward (£): 2006/7
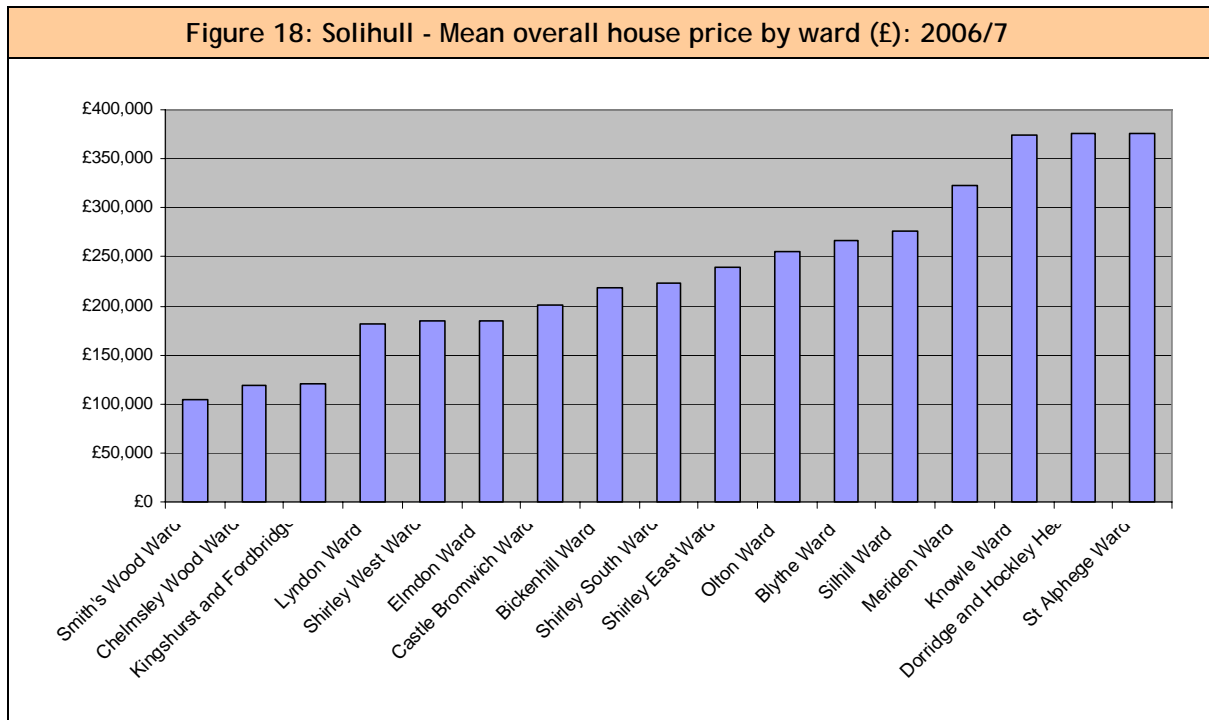
Source: Land Registry

5.2.10   Mean house prices across the Tamworth wards are more even than amongst the other authorities in the C1 HMA ranging from £121,385 in Glascote to £184,594 in Trinity, a difference of £63,209. Belgrave is the next lowest ward with a mean house price of £124,574. These ward mean prices are higher than the lowest mean prices in Birmingham and Solihull wards. The top ward level mean price in Tamworth is well below that found in the top wards in the other C1 HMA authorities.
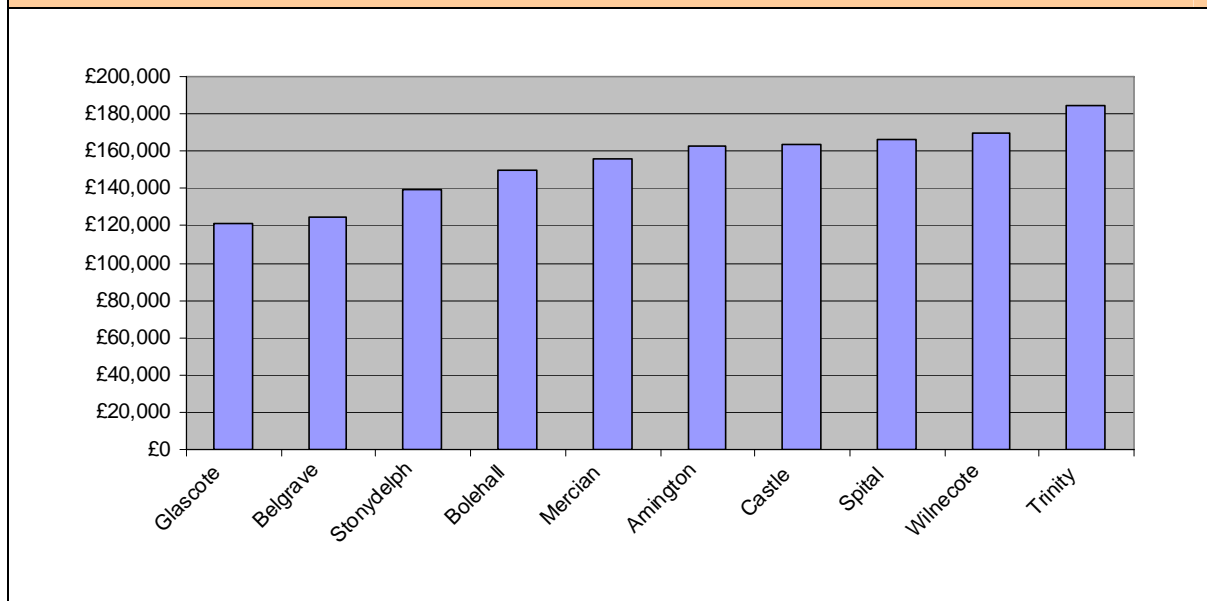
Source: Land Registry

5.3 House price change

5.3.1 Table 31 and Figure 20 show price changes by property type from 2002 to 2006 for each area.

5.3.2 Between 2002 and 2006, overall house prices have grown at a similar rate in Birmingham (66.6%), Lichfield District (63.8%) and Tamworth (62.5%) well above the West Midlands average of 49.6%. In Solihull the growth in mean house prices has been slower at 50.7% much closer to the regional average.

5.3.3 The greatest price growth in Birmingham is concentrated in sales of terraced properties where prices increased by 86.1%. Solihull and Tamworth also saw big increases in the price of terraced properties. In Lichfield District the biggest increases in house prices were concentrated around semi-detached properties (81.6%) and flats (73.3%). In Tamworth there has been a very substantial increase in the mean price of flats of 102.4% between 2002 and 2006 when sales of flats increased as a proportion of all sales in Tamworth from 7% to 12%.

5.3.4 These price changes in smaller properties are being driven by two factors:

(i) The change in stock and the disproportionate growth in new build apartments whilst increasing the supply of flats is also driving up the price of flats as they are being built to meet different requirements than existing stock.

(ii)   The growth of three storey townhouses (both as terraces and semi-detached) is altering perceptions of family housing and consequently impacting upon prices in this part of the market.

Table 31: House price change 2002-06			
	2002	2006	Change
Birmingham			
Detached	£200,106	£323,802	61.8%
Semi-detached	£95,534	£161,792	69.4%
Terraced	£71,029	£132,192	86.1%
Flat	£95,376	£143,106	50.0%
Overall	£96,550	£160,856	66.6%
Lichfield District			
Detached	£203,958	£328,463	61.0%
Semi-detached	£98,745	£179,336	81.6%
Terraced	£89,578	£150,616	68.1%
Flat	£89,100	£154,450	73.3%
Overall	£136,689	£223,938	63.8%
Solihull			
Detached	£260,524	£400,566	53.8%
Semi-detached	£132,153	£213,813	61.8%
Terraced	£97,786	£164,257	68.0%
Flat	£106,509	£165,960	55.8%
Overall	£159,412	£240,171	50.7%
Tamworth			
Detached	£143,295	£227,186	58.5%
Semi-detached	£83,147	£144,520	73.8%
Terraced	£71,366	£124,096	73.9%
Flat	£62,639	£126,761	102.4%
Overall	£96,482	£156,827	62.5%
West Midlands[30]			
Detached	£187,780.15	£278,866.13	48.5%
Semi-detached	£95,723.27	£153,593.13	60.5%
Terraced	£74,339.33	£125,439.34	68.7%
Flat/maisonette	£83,580.03	£125,565.03	50.2%
Overall	£111,348.33	£166,627.95	49.6%

Source: Land Registry

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[30] West midlands prices based on Calendar years rather than financial years

Figure 20: Mean overall house price change 2002 - 2006
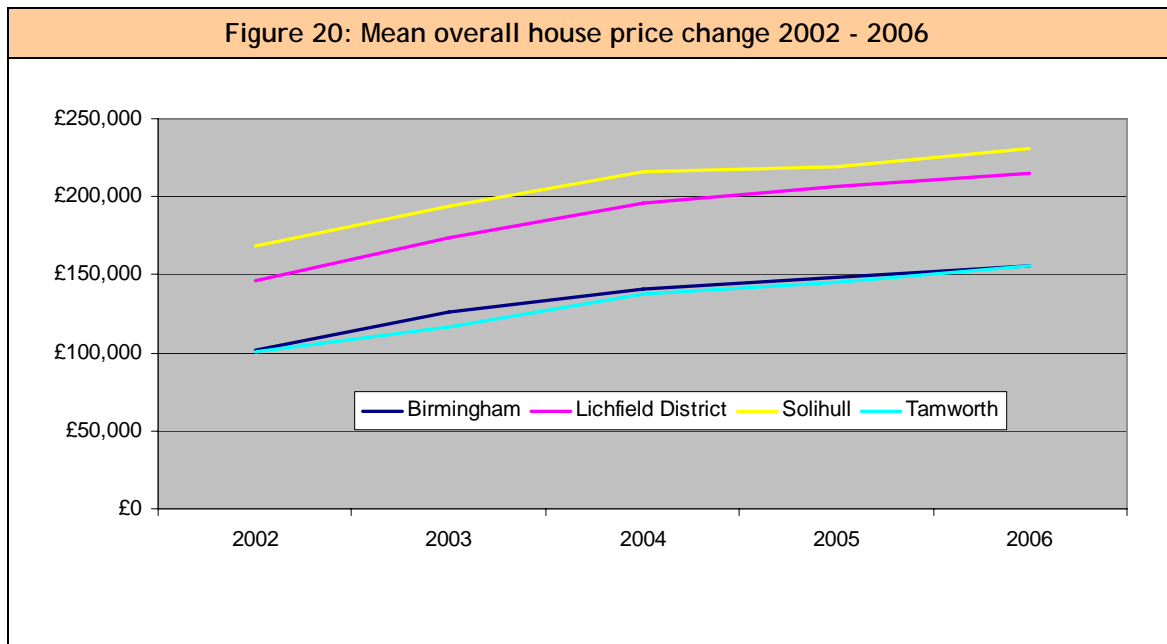
Source: Land Registry

5.3.5 Within Birmingham (Figure 21) the steepest mean price rises have been in Hodge Hill and Perry Barr. The greatest price growth has been in the lower priced areas. The three wards with the lowest mean price rises are Ladywood (18.0%), Sutton Trinity (47.3%) and Sutton New Hall (53.0%). In contrast mean house prices in the wards of Handsworth Wood, Bordesley, Sparkbook, Aston, Soho, Lozells and East Handsworth and Nechells all rose by greater than 100%.

5.3.6 In Lichfield District (Figure 22), the steepest mean price rise has been in Bourne Vale (121.3%), one of the higher priced areas and Summerfield (101.0%), the lowest priced area. The lowest mean price rises were evident in Mease and Tame (34.7%) and Little Aston (36.6%).

5.3.7 In Solihull (Figure 23) the sharpest rises have been in Kingshurst and Fordbridge (105.7%) and Chelmsley Wood (114.6%), two of the lower priced wards. Silhill ward one of the higher priced areas experienced the slowest mean price rise, a growth of 38.0%. Shirley West and Shirley South, mid priced areas, also saw lower mean price rises 45.0% and 46.2% respectively.

5.3.8 In Tamworth (Figure 24) the lowest priced and the highest priced ward both experienced slower rates of mean price rises, 49.4% in Trinity and 61.4% in Glascote. The highest mean price rises were in Bolehall and Castle, although these rises are not as high as some of those experienced in other wards within the C1 HMA.

Figure 21: Birmingham - House price change 2001/2 - 2006/7
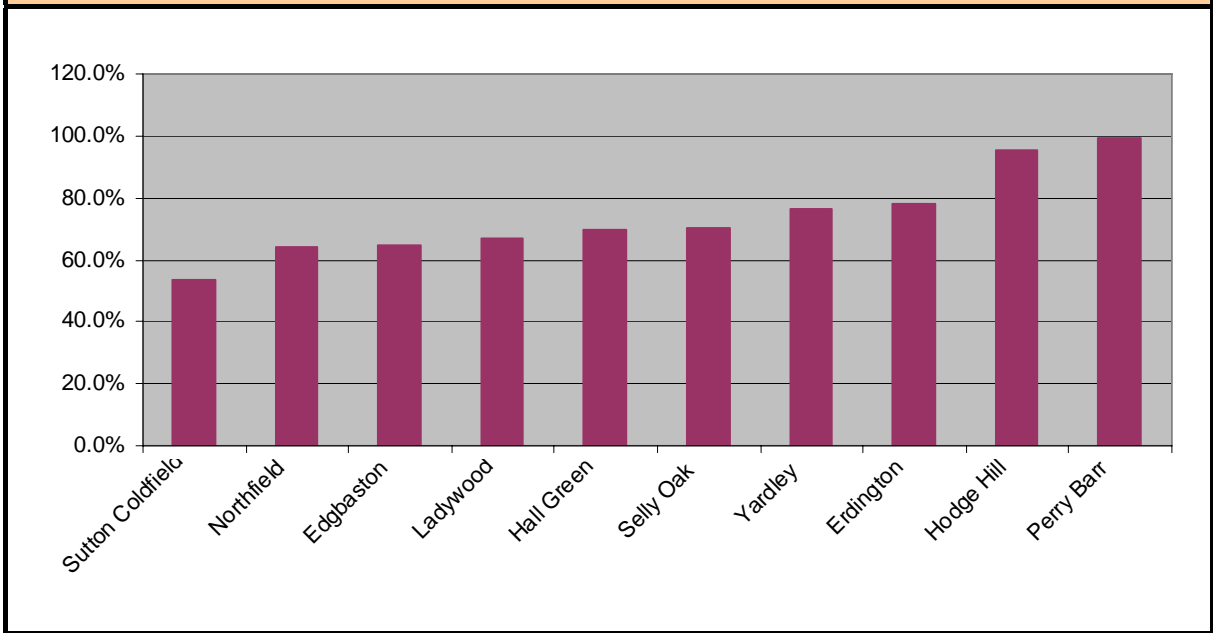
Source: Land Registry

Figure 22: Lichfield District - House price change 2001/2 - 2006/7
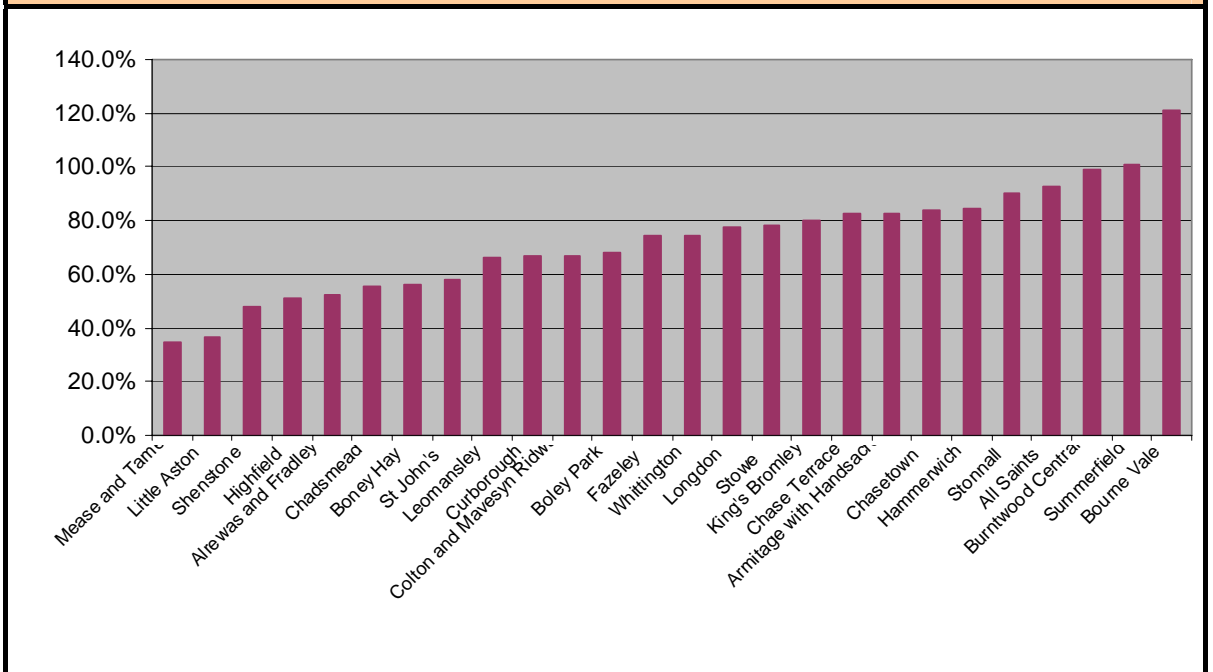
Source: Land Registry

Figure 23: Solihull - House price change 2001/2 - 2006/7
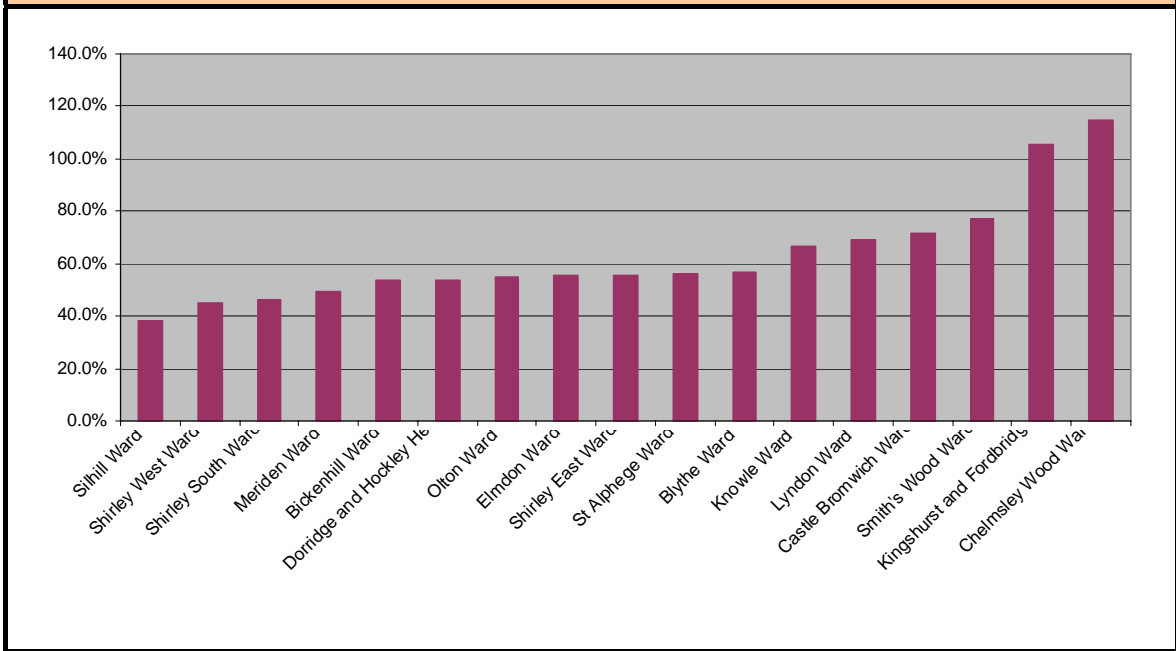
Source: Land Registry

Figure 24: Tamworth - House price change 2001/2 - 2006/7
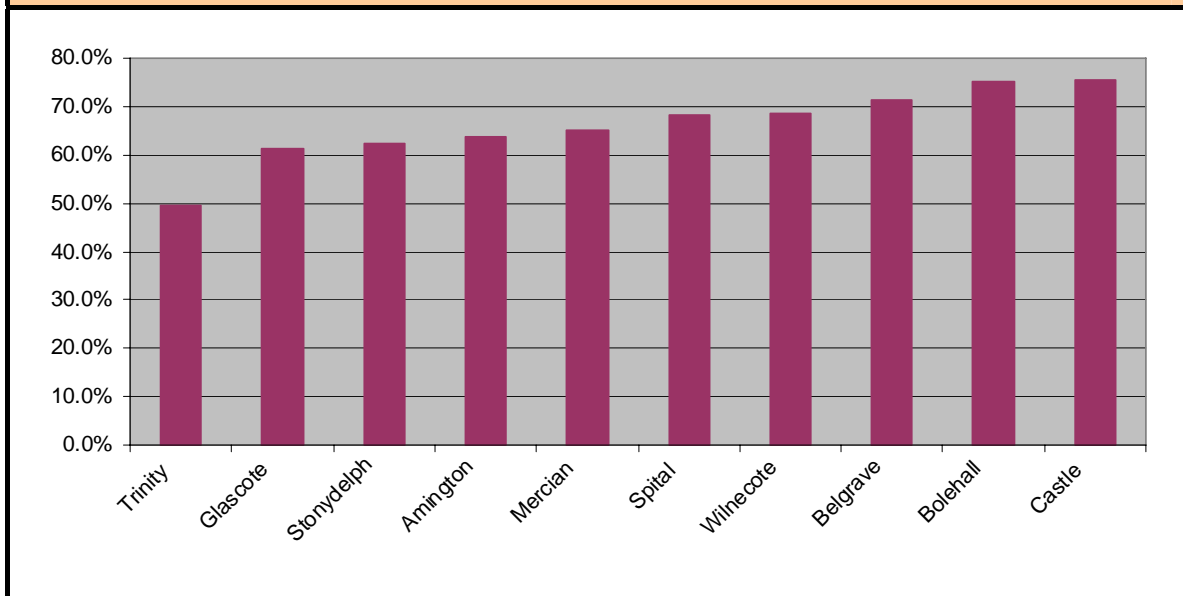
Source: Land Registry

5.3.9   Table 32 shows how different market segments have changed in price during the five-year period 2002-06 (inclusive). In all areas and across the C1 HMA lower quartile prices (the proxy for entry-level housing, discussed at Section 5.8) have risen more steeply than the mean and the median price. This is felt most acutely in small property types such as terraces and flats.

Table 32: Mean, median and lower quartile house price change – 2002-06 (%)						
		Birmingham	Lichfield District	Solihull	Tamworth	C1 HMA
Detached	Mean	61.8%	61.0%	53.8%	58.5%	59.0%
	Median	60.5%	60.5%	45.8%	61.3%	56.8%
	Lower quartile	65.5%	74.6%	49.7%	66.7%	64.8%
Semi-detached	Mean	69.4%	81.6%	61.8%	73.8%	68.9%
	Median	72.9%	88.5%	57.6%	77.3%	72.2%
	Lower quartile	85.0%	90.5%	60.0%	77.1%	81.4%
Terraces	Mean	86.1%	68.1%	68.0%	73.9%	82.9%
	Median	92.1%	74.7%	70.2%	74.8%	89.3%
	Lower quartile	110.2%	91.1%	86.8%	74.6%	105.9%
Flats	Mean	50.0%	73.3%	55.8%	102.4%	53.0%
	Median	70.6%	94.8%	66.9%	102.1%	69.8%
	Lower quartile	93.1%	127.9%	67.1%	93.8%	90.7%
Overall	Mean	66.6%	63.8%	50.7%	62.5%	62.5%
	Median	74.4%	69.8%	50.7%	71.0%	70.7%
	Lower quartile	93.3%	85.9%	59.6%	74.9%	91.0%

Source: Land Registry

5.3.10 In summary:

(i) it is clear that across the C1 HMA that prices for all property types have increased substantially since 2001/2, but that since 2005 price growth has slowed down

(ii) the relative price of smaller properties in cheaper areas has risen the most which has implications for those entering the housing market for the first time; this will place increased pressure on affordability in these areas and reduce the supply of affordable housing in the market

5.3.11 The relative affordability of property and location are examined in more detail in section 5.5 below.

5.4 Sales and turnover

5.4.1 In all four local authority areas, the volume of sales was higher in 2006 than in 1996 outstripping the growth in households. Tamworth experienced the lowest growth in Sales over this ten-year period, where the volume of sales has only increased by 13.5%. Birmingham was the only area where sales grew at a greater rate than for the West Midlands overall and the England average.

Table 33: Volume of sales 1996 to 2006						
Local Authority	1996		2006		% Change	
	Households	Sales	Households	Sales	Households	Sales
Birmingham	390,000	13,507	405,000	18,904	3.8	33.3
Lichfield	36,000	1,707	39,000	2,183	8.3	23.4
Solihull	80,000	3,716	83,000	4,324	3.8	16.4
Tamworth	28,000	1,411	30,000	1,639	7.1	13.5
West Midlands	210,3000	87,392	224,5000	108,606	6.8	24.3
England	19,727,000	948,810	21,519,000	118,7605	9.1	25.2

Source: DCLG Live Table 588

5.4.2   The trend in sales can be seen more clearly in Figure 25 below. All areas experienced a drop in sales during 2005 and a sharp rise in 2006. National indications suggest that there is a slowing in the housing market and the volume of sales may well fall again in 2007 through to 2008.

Figure 25: Sales as a proportion of total households 1996-2006
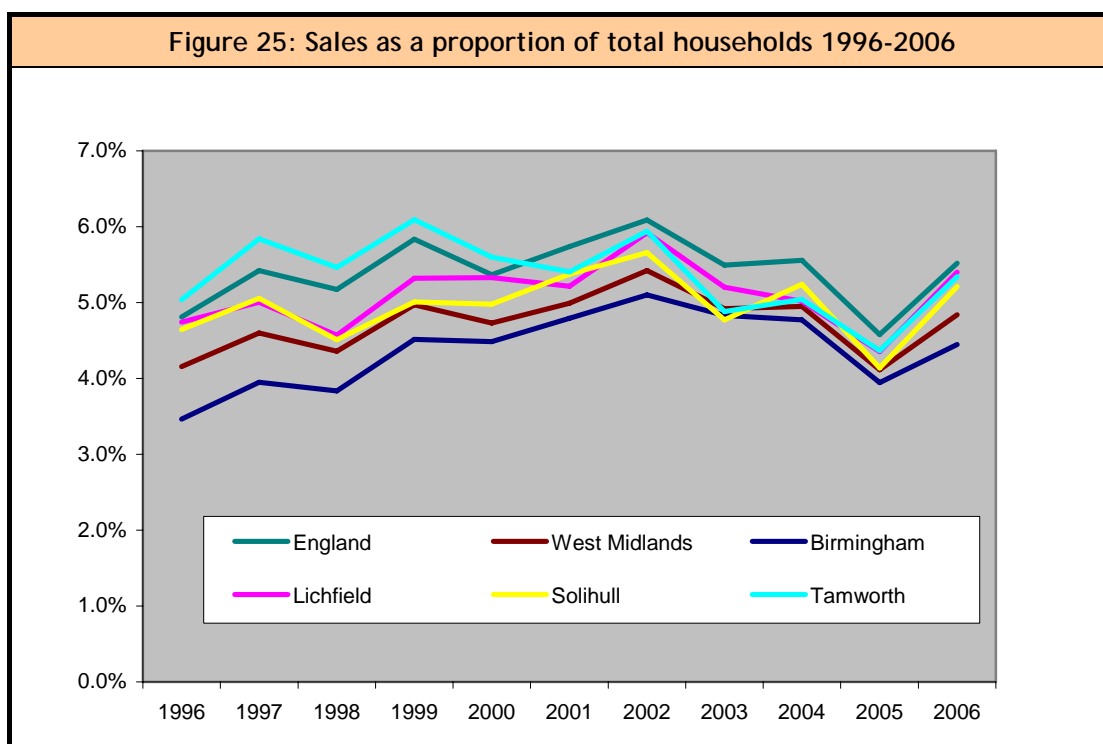
Source: DCLG Live Table 588 and 406

5.4.3   Table 34 and Figure 26 show the turnover of owner occupied homes over the last five years. Despite the high rise in house prices over the last five years there has been little change in the turnover of private dwellings for sale, with evidence of a slight drop overall. Most areas experienced a dip in sales in 2005 followed by a sharp climb in 2006.

Table 34: Turnover of private sector dwellings 2002-2006					
	2002	2003	2004	2005	2006
Birmingham	7.1%	6.6%	6.4%	5.3%	6.2%
Lichfield	6.7%	5.7%	5.5%	4.8%	6.1%
Solihull	6.6%	5.5%	6.0%	4.7%	6.2%
Tamworth	8.1%	6.4%	6.1%	5.3%	6.6%

Source: CLG Live Table 588, HSSA

Figure 26: Turnover of private sector dwellings 2002-2006
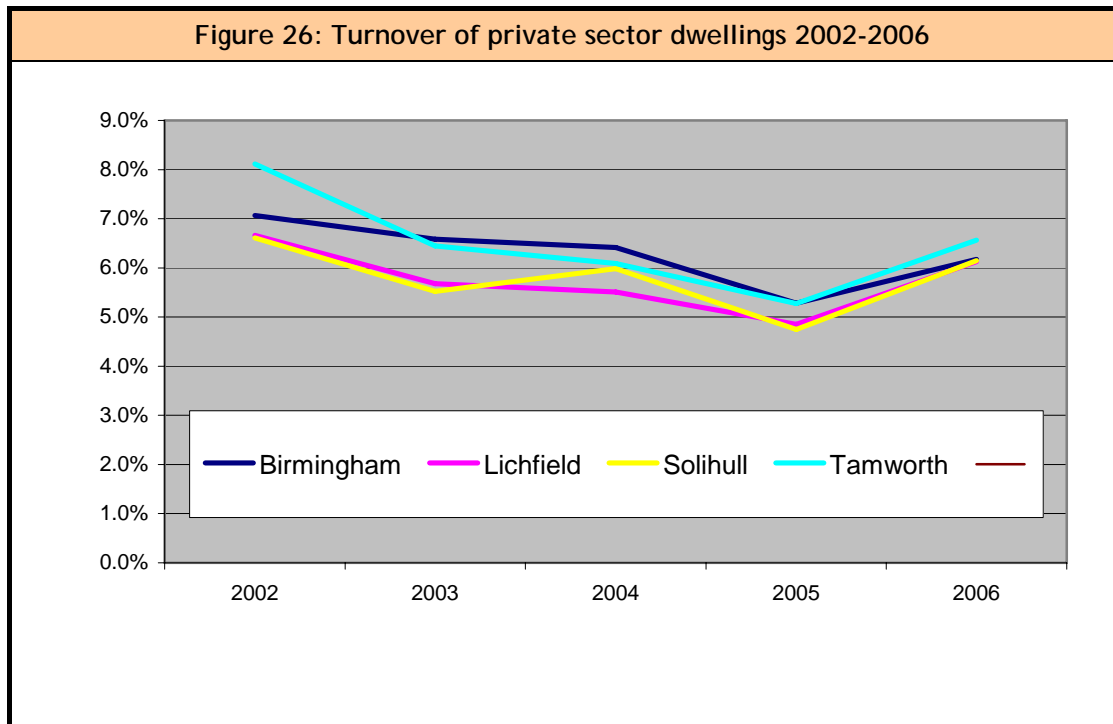
Source: DCLG Live Table 588 and HSSA

5.4.4   Overall it is clear that the pattern of sales in the C1 HMA mirrors the pattern nationally and as such changes in macro-economic policy in terms of interest rates, stamp duty and related taxes, borrowing and consumer confidence all contribute to the supply of housing for sale and the consequent demand for housing.

5.5   Local incomes and local house prices

5.5.1   To build up a picture of how incomes at a local level relate to local house prices, analysis has been done that compares mean incomes (detailed at Section 3.8 above) to mean house prices to calculate the variation in the ratios between the wards in each local authority in the C1 HMA. This is the lowest level geography that would facilitate a meaningful analysis due to the limited number of property sales in some parts of the HMA.

5.5.2   In Birmingham's wards the ratio of mean income to mean house varies between Longbridge Ward at 1:4.36 and Edgbaston Ward at 1:8.69 (Figure 27). On this scale the implication is that Longbridge is the ward that is most affordable and Edgbaston the least affordable. If the ratio of lower quartile incomes to lower quartile house prices is considered, Bartley Green ward at 1:6.54 is the most affordable and Ladywood Ward at 1:9.21 is the least affordable (in part because it incorporates the city centre which attracts high prices for new apartment developments).

5.5.3   Moving onto a city-wide affordability perspective, Sutton Four Oaks presents the highest average house price and income, whilst Shard End has the cheapest average house price. But, only residents on an average income living in Edgbaston or the four Sutton wards could afford to buy a property here. Clearly the majority of Birmingham's residents on an average income cannot afford to buy an average priced property within the city. Also, within each ward an average income cannot purchase an average priced property.

Figure 27: Ratio of mean income to mean house price by ward - Birmingham
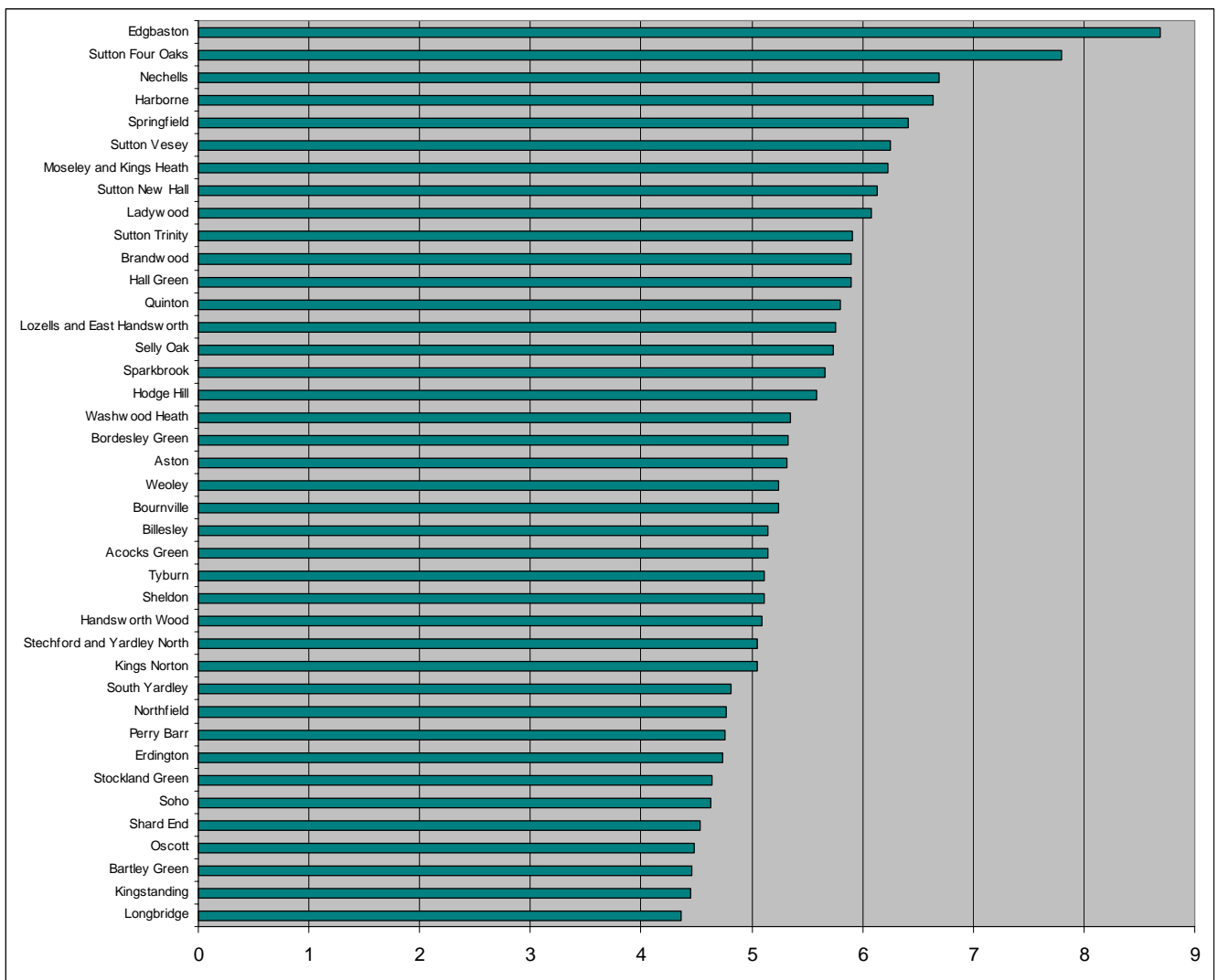
Source: CACI 2006 & Land Registry 2006/7

5.5.4   In Lichfield District's wards the ratio of mean income to mean house price varies between Burntwood Central Ward at 1:4.23 and Little Aston Ward at 1:11.46 (Figure 28). On this scale the implication is that Burntwood Central is the ward that is most affordable and Little Aston the least affordable.

Figure 28: Ratio of mean income to mean house price by ward - Lichfield District
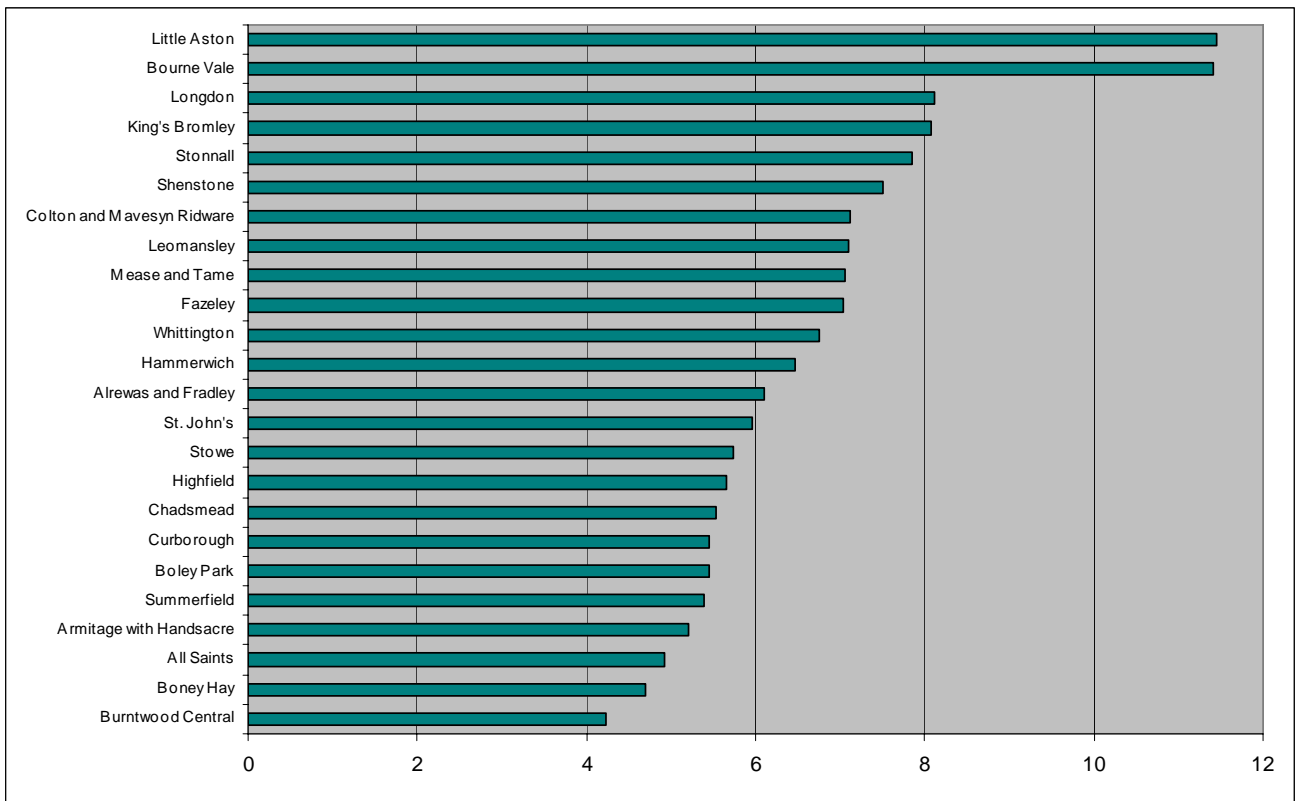
Source: CACI 2006 & Land Registry 2006/7

5.5.5   In Solihull's wards the ratio of mean income to mean house varies between Smith's Wood Ward at 1:4.27 and Knowle Ward at 1:9.03 (Figure 29). On this scale the implication is that Smith's Wood is the ward that is most affordable and Knowle the least affordable. If the ratio of lower quartile incomes to lower quartile house prices is considered, Smith's Wood and Knowle still hold the extremes, but there are some differences in the positioning of other wards, for example Bickenhill is the next most affordable ward at 1:6.70 and Shirley East Ward at 1:10.80 is the next least affordable.

Figure 29: Ratio of mean income to mean house price by ward – Solihull
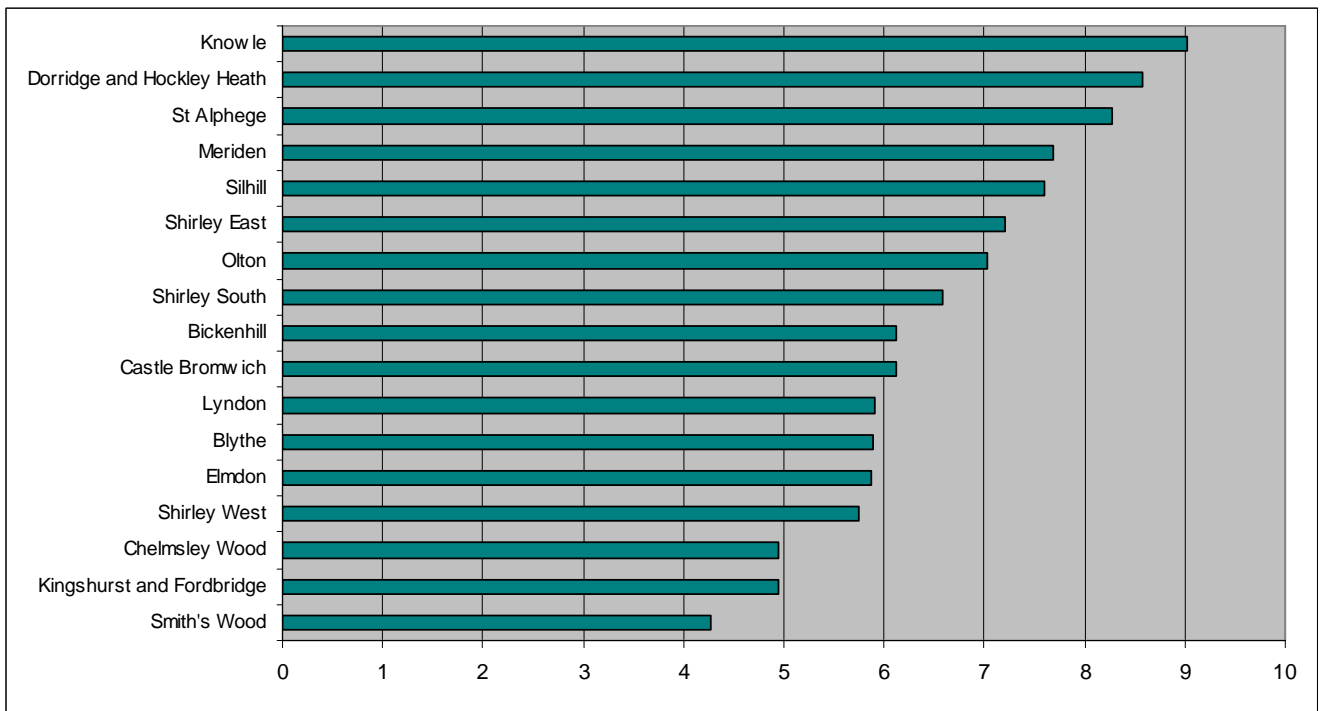
Source: CACI 2006 & Land Registry 2006/7

5.5.6   In Tamworth's wards the ratio of mean income to mean house varies between Stonydelph Ward 1:3.92 and Spital Ward at 1:5.50 (Figure 30). On this scale the implication is that Stonydelph is the ward that is most affordable and Spital the least affordable. If the ratio of lower quartile incomes to lower quartile house prices is considered, Stonydelph Ward is still the most affordable but Castle Ward at 1:8.16 becomes the least affordable.

Figure 30: Ratio of mean income to mean house price by ward – Tamworth
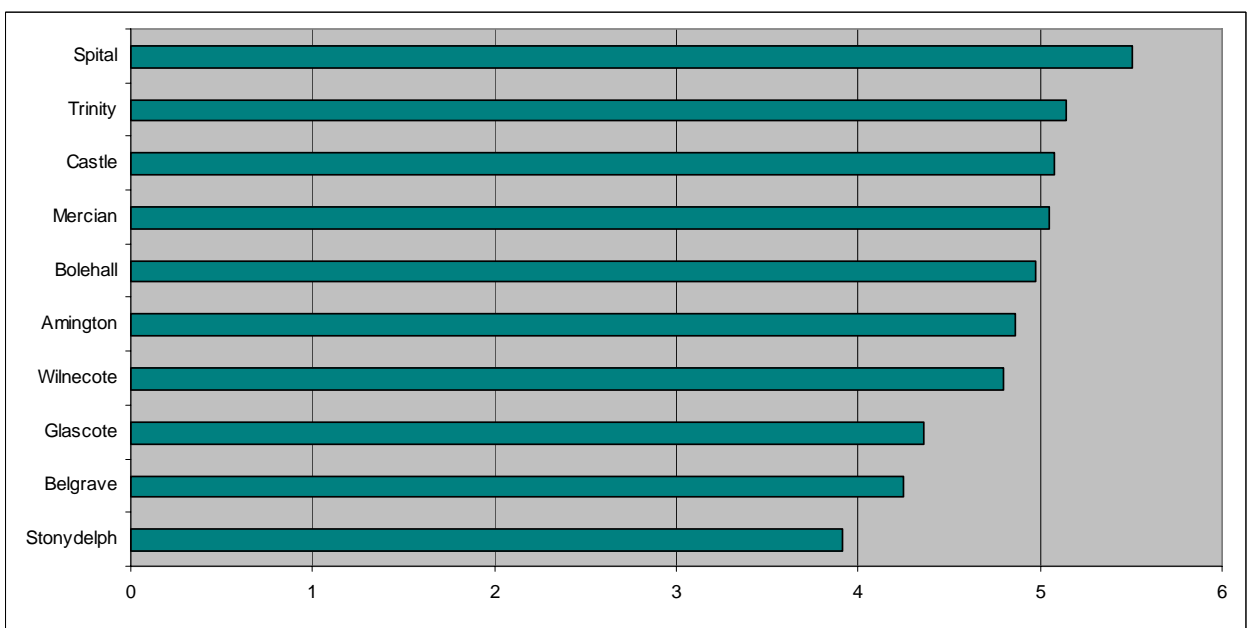
Source: CACI 2006 & Land Registry 2006/7

5.5.7 Across the whole C1 HMA, Lichfield District contains the wards that are the least affordable whether that is the relationship between mean incomes and mean house prices or the relationship between lower quartile incomes and lower quartile house prices. Tamworth contains the most affordable wards in the C1 HMA and shows the most consistency with the narrowest gaps between least and most affordable wards.

5.6 The cost of private rented housing

5.6.1 Private rents are a function of the price of market housing i.e. landlords charge more when the acquisitive price of a given property is of a greater cost to them, and demand is such that they are able to. Given market conditions at the present time, therefore, costs will be high for households wishing or requiring rent in the private sector within the C1 Housing Market Area.

5.6.2 Figure 31 shows the trend in mean monthly rents for private tenancies in the West Midlands and England over an eleven-year period. The rents have been calculated over 2 year periods (e.g. from April 2004 to March 2006) and clearly show rents in the West Midlands to be well below the national average. Given the relationship between house prices and private rents, one might expect that private rents in Solihull and Lichfield would be above the West Midlands average and in Birmingham and Tamworth they would be similar or below the regional pattern. However, the data below (Table 35) shows there are other demand and supply factors at work.

5.6.3 Following a period of relative stability from the mid 1990's, Figure 31 shows private rents to have increased from the late 1990's both regionally and nationally, which is a reflection of house price inflation during this period and the growth in the buy-to-let market.

Figure 31: Mean Monthly Rent of Private Tenancies (£)
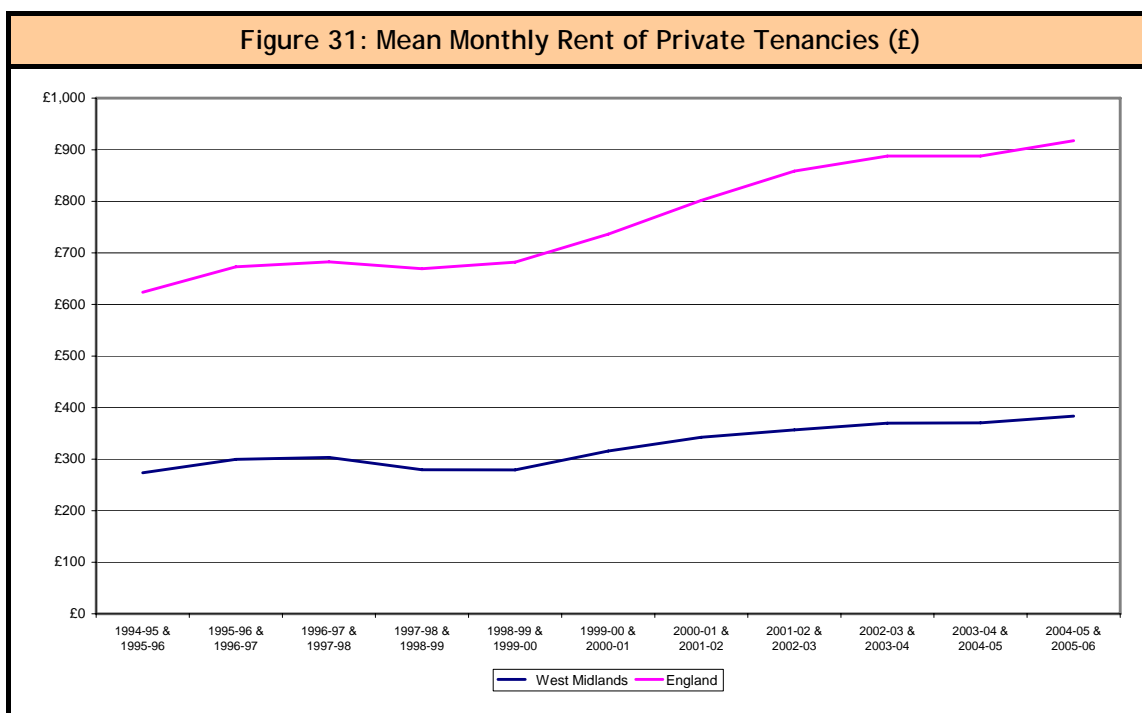
Source: CLG Live Table 734

Table 35: RSL and PRS rents 2005/6									
	One bed			Two bed			All properties		
	HA	LA	PRS	HA	LA	PRS	HA	LA	PRS
Birmingham	£61.63	£47.19	£91.27	£65.04	£53.50	£108.29	£66.54	£54.51	£101.13
Lichfield District	£58.00	LSVT	£92.18	£63.47	LSVT	£104.98	£63.61	LSVT	£97.68
Solihull	£59.24	£50.18	£106.84	£66.38	£54.48	£127.34	£67.09	£55.05	£118.55
Tamworth	£59.97	£47.49	£97.56	£65.79	£53.73	£107.47	£66.81	£54.63	£98.71
England & Wales	£59.69	£51.42	£101.15	£65.78	£57.74	£122.69	£66.20	£57.97	£111.47

Source: Dataspring

Table 36: PRS rents compared to HA rents			
	One bed	Two bed	All properties
Birmingham	148.1%	166.5%	152.0%
Lichfield District	158.9%	165.4%	153.6%
Solihull	180.4%	191.8%	176.7%
Tamworth	162.7%	163.4%	147.7%
England & Wales	169.5%	186.5%	168.4%

Source: Dataspring

5.6.4   Table 35 and Table 36 show the cost of private renting compared to renting from an RSL (housing association or local authority) in the C1 HMA. Renting all dwellings, but particularly smaller dwellings, is considerably more costly in the private sector than in the RSL sector. Private rents in Solihull are considerably higher than all the other areas, which is not surprising as it is the highest house price area; in the case of two bed properties rents are almost double the equivalent housing association rents. One-bed properties

rented privately are 180.4% of the cost of a housing association one bed property in Solihull. Birmingham has private rented costs closest to public sector costs. In fact in Birmingham, Lichfield and Tamworth private rented costs diverge less from housing association costs than for England & Wales.

5.6.5   Lichfield District is dominated by larger properties (3 bedrooms or more) and the cost of private renting these dwellings is second only to Solihull. The weekly rent for a four bed dwellings in Lichfield District is on average 20.2% higher in Tamworth.

5.6.6   This would suggest that in Solihull the high house prices are driving high rental costs throughout the market, whereas in Lichfield District demand is stronger for larger rental properties.

5.7   The cost of social rented housing

5.7.1   In economic terms the role of the social housing sector is to provide subsidised, affordable housing to those households unable to afford housing in the private sector. Rents are therefore significantly lower than in the private sector, and indeed should remain so in order to fulfil this role. Places are allocated through an administrative system rather than through market mechanisms, with the result that imbalances between supply and demand are evident in a rising waiting list rather than higher prices.[31]

Figure 32: Local authority weekly rents (£)
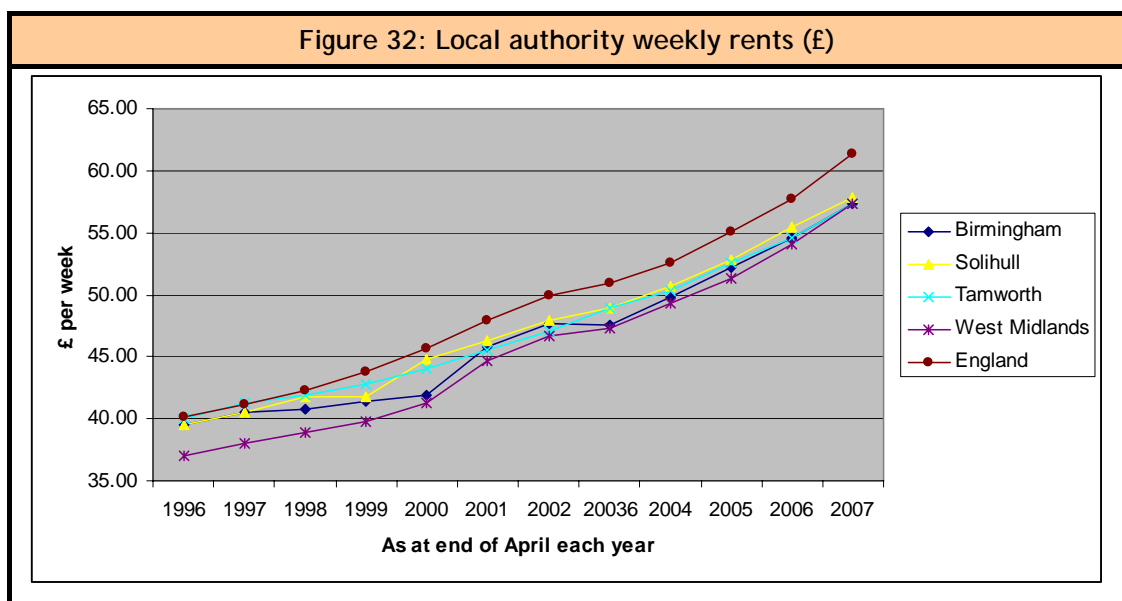
Source: CLG Live Table 702

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[31] There may be other contributory factors to a rising waiting list, such as changes to marketing of social housing or eligibility rules

5.7.2   Figures for 2007 place the average weekly local authority rents in Birmingham, Solihull and Tamworth as very close to each other (between £57.36 and £57.88). All three are below the national average of £61.30 (see Table 37 and Figure 32).[32]

5.7.3   In the three areas that still hold housing stock, local authority rents have risen more slowly in the last ten years than the West Midlands and national average (see Table 37).

Table 37: Change in local authority rents 1997-2007 (£)			
Local authority	1997	2007	% change
Birmingham	40.49	57.36	41.7%
Lichfield	LSVT		-
Solihull	40.57	57.88	42.7%
Tamworth	41.27	57.39	39.1%
West Midlands	37.96	57.37	51.1%
England	41.17	61.30	48.9%

Source: CLG Live Table 702

5.7.4   In contrasts to rents for local authority stock, RSL rents (see Table 38 and Figure 33) are higher than the West Midlands average (£60.58); ranging from £65.23 in Lichfield District to £67.80 in Solihull.

Figure 33: RSL weekly rents (£)
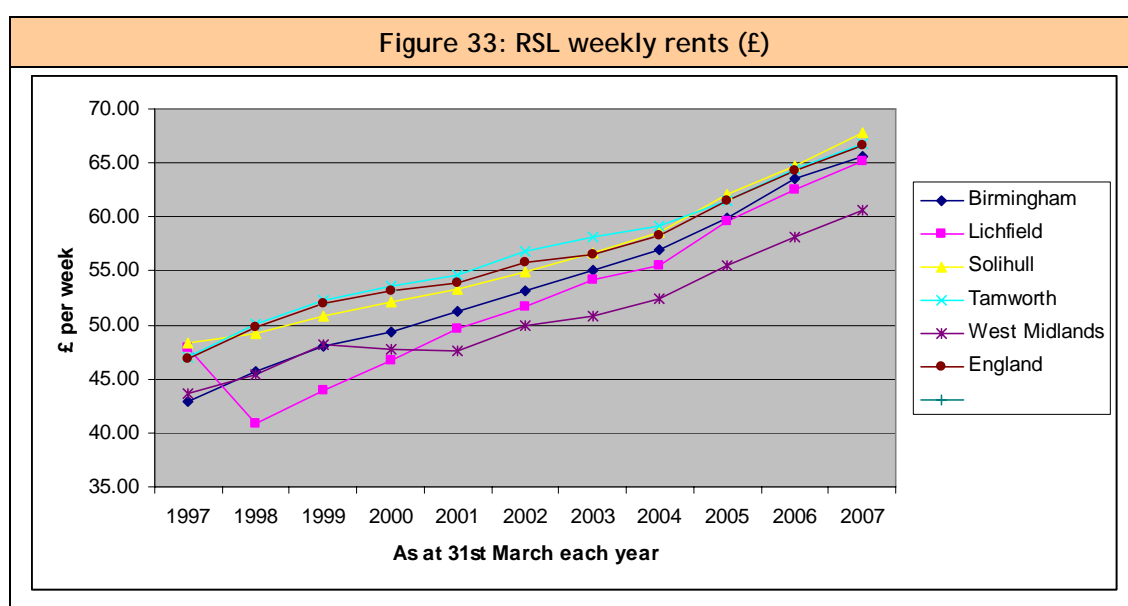
Source: CLG Live Table 704

5.7.5   Although historically, RSL rents were above the West Midlands average (with the exception of Birmingham), the rate at which they have risen in the period 1997-2007 (with the exception of Lichfield District) has been greater than regionally and nationally (except Solihull, which still has the highest RSL rents and local authority rents).

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[32] Lichfield District is an LSVT authority

Table 38: Change in RSL rents 1997-2007			
Local authority	1997	2007	% change
Birmingham	42.88	65.61	53.0%
Lichfield	47.87	65.23	36.3%
Solihull	48.31	67.80	40.3%
Tamworth	46.96	66.71	42.1%
West Midlands	43.57	60.58	39.0%
England	46.81	66.58	42.2%

Source: CLG Live Table 704

5.8   Entry-level housing

5.8.1   Table 39 shows the lower quartile house prices for the four authorities in the C1 Housing Market Area based on 2006 Land Registry record of property sales. The CLG guidance recommends that the lower quartile house price should be taken as a proxy for indicating entry-level property prices. One advantage of using this indicator is the ability to apply a consistent measure across all areas and allow meaningful comparison between areas. The entry-level property price is important for determining affordability for an assessment of housing need.

Table 39: 2006 Lower quartile house prices		
	Price (£)	Index (C1 HMA = 100)
Birmingham	£107,000	91.4
Lichfield District	£137,000	117.0
Solihull	£150,000	128.1
Tamworth	£117,000	99.9
C1 (WM) HMA	£117,083	100.0
West Midlands	£110,000	94.0

Source: CLG Live Table 587

5.8.2   Lower quartile prices vary considerably across the four areas of the C1 HMA with Solihull being £43,000 higher than Birmingham and show a much greater divergence than is evident in the C2 HMA. Tamworth is closer to Birmingham, while Solihull and Lichfield District are closer to Warwick and Stratford-on-Avon. The overall HMA lower quartile price is above the West Midlands mean. The mean lower quartile price for the overall C1 HMA is calculated on the basis of a weighted mean taking account of the volume of sales in each of the four districts. Birmingham accounts for 69.5% of sales in the C1 HMA.

5.8.3   The yearly and monthly gross income that would be required for a mortgage on an entry-level property, as priced in Table 39 are shown below in Table 40. As per the CLG Guidance the calculations assume a 100% mortgage of 3.5 times annual household income for single income households, and 2.9 times annual household income for two income households. In the recent past many households have been able to access the housing market with a range of mortgage offers based on more generous multipliers and with mortgages greater than 100%. However recent market changes have resulted in lenders withdrawing many of these deals and multipliers have returned to the lower levels used in this report. At the same time although the number of lenders still offering 100% mortgages has fallen considerably, there are still some offers available. Without the benefit of a household survey, it is extremely difficult to assess robustly the capital or savings that buyers have to offset their mortgage and, in our view the advantages of sticking to the affordability calculations proposed by CLG outweigh the disadvantages of relying on less comparable measures. In addition our approach here ensures that the housing needs model errs once again on the conservative side and cannot be seen to inflate the needs in an area.

5.8.4   An indicator for household income is to look at annual earnings from the ONS Annual Survey of Hours and Earnings. One limitation of using this data source is that it does not take account of non-earning households. Nevertheless it is useful to look at the ratio of median and mean earnings to lower quartile house prices as a guide to affordability issues.

Table 40: Required gross income for entry-level mortgage (£)				
	Two income		Single income	
Local Authority	Annual	PCM	Annual	PCM
Birmingham	£36,896.55	£3,074.71	£30,571.43	£2,547.62
Lichfield District	£47,241.38	£3,936.78	£39,142.86	£3,261.90
Solihull	£51,724.14	£4,310.34	£42,857.14	£3,571.43
Tamworth	£40,344.83	£3,362.07	£33,428.57	£2,785.71
West Midlands	£37,931.03	£3,160.92	£31,428.57	£2,619.05
England	£42,068.97	£3,505.75	£34,857.14	£2,904.76

Source: Lower quartile house prices (CLG Live Table 587)

5.8.5   A comparison of mean and median annual earnings to lower quartile house prices for 2006 is shown in Table 41 and for 2002 in Table 42. The ratio of median earnings to lower quartile house prices has increased across the West Midlands Region from 3.82:1 in 2002 to 5.86:1 in 2006.

5.8.6   Although it is true to say that the pattern in all areas is similar to that of the West Midlands this conceals some remarkable differences in the changes in affordability. The change in

the West Midlands 2002-2006 is similar to England with affordability ratios diverging by a further 53.4% (England = 51.9%).

Table 41: Ratio of earnings to lower quartile house prices - 2006					
Local Authority	2006 lower quartile house prices	2006 median annual earnings	2006 mean annual earnings	Ratio of house price to median earnings	Ratio of house price to mean earnings
Birmingham	£107,000	£19,055	£21,596	5.62	4.95
Lichfield District	£137,000	£21,030	£25,815	6.51	5.31
Solihull	£150,000	£22,047	£28,529	6.80	5.26
Tamworth	£117,000	£19,157	£21,274	6.11	5.50
West Midlands	£110,000	£18,781	£22,047	5.86	4.99
England	£122,000	£19,849	£25,008	6.15	4.88

Source: ONS ASHE 2006, CLG Live Table 587

Table 42: Ratio of earnings to lower quartile house prices - 2002					
Local Authority	2002 lower quartile house prices	2002 median annual earnings	2002 mean annual earnings	Ratio of house price to median earnings	Ratio of house price to mean earnings
Birmingham	£60,000	£16,817	£19,632	3.57	3.06
Lichfield District	£81,438	£17,698	£20,627	4.60	3.95
Solihull	£100,125	£18,569	£23,258	5.39	4.30
Tamworth	£70,375	£16,823	£18,733	4.18	3.76
West Midlands	£62,000	£16,243	£18,864	3.82	3.29
England	£70,000	£17,299	£21,189	4.05	3.30

Source: ONS ASHE 2002, CLG Live Table 587

5.9   Affordability of housing for sale

5.9.1   For the purposes of estimating the need for affordable housing it is important to determine what proportion of households living in each district are likely to be able to afford to access appropriate housing.   This calculation is based on an assumption of the proportion of households that have incomes below the level required for a single income household to secure a mortgage on a lower quartile priced house at a borrowing ratio of 3.5 time annual income.   Lower quartile house prices for each district are set out in Table 39 above and the required income to secure borrowing at this price is set out in Table 40.

5.9.2   Using the distribution of CACI modelled household income data for each of C1 HMA local authorities, shown in Figure 34, it is possible to calculate the proportion of households that have incomes below the access level. This is shown by the dotted lines in Figure 34. This approach allows the differences in lower quartile house prices to determine affordability in each area. House price data is drawn from data on actual house sales provided by the Land Registry for the 2006/07 financial year. The proportion of households with incomes below the access point produced by this method is shown in Table 43 below.

Figure 34: Income distribution
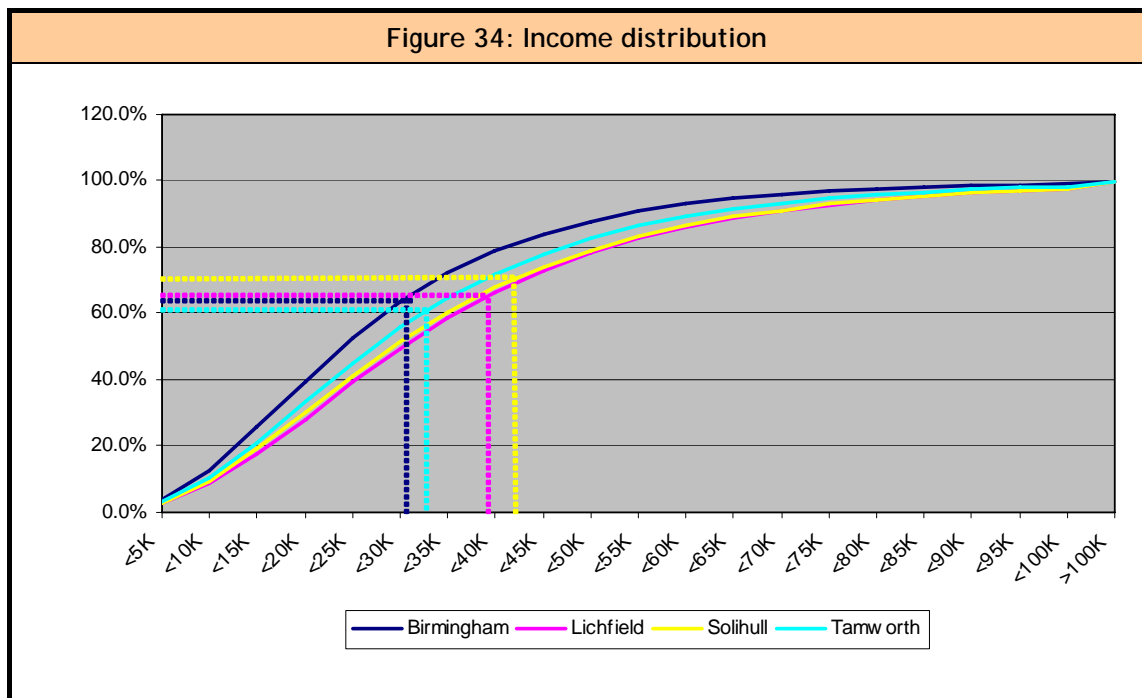
Source: CACI 2006

5.9.3   The affordability threshold percentages shown in Table 43 above are used in the housing need models discussed in Chapters 7, 8 and 9 and appear in the housing need summary (Table 117).

Table 43: Proportion unable to afford entry-level dwelling (%)			
Local authority	Lower quartile house price	Income required	% income below required income
Birmingham	£107,000	£30,571.43	64.5
Lichfield District	£137,000	£39,142.86	65.1
Solihull	£150,000	£42,857.14	71.4
Tamworth	£117,000	£33,428.57	61.8
West Midlands	£110,000	£31,428.57	62.0

Source: CACI 2006 West Midlands income distribution, Land Registry 2006/07

5.9.4   Because the affordability thresholds determined above are so crucial to the housing need models described below it is important to look at other indicators of affordability in order

to validate the chosen methodology. The ratio of lower quartile incomes to lower quartile house prices is a good proxy for affordability issues and has been discussed in relation to individual wards in section 5.5 above. What Table 44 shows is that the ratio is currently highest in Solihull (1:8.83); above the England average (1:7.12). Lichfield District is very similar at 1:8.81 (although Lichfield District contains the wards with the highest ratios to be found in the whole C1 HMA). The ratio in Tamworth (1:7.74) is higher than that found in Birmingham (1:6.36), although the ward analysis above in section 5.5 shows Tamworth wards to be generally more affordable than Birmingham wards. Birmingham has a much greater divergence between the lowest and highest ratios for wards within the authority boundary than Tamworth.

5.9.5   It is also interesting to look at the change in the ratio of lower quartile incomes to lower quartile house prices in the period between 1997 and 2006 (Table 44). The ratio has grown by 114.1% in Birmingham and in each authority has grown at a greater rate than the West Midlands Region and the England average.

5.9.6   The ratios of lower quartile incomes to lower quartile house prices uses data on earnings from the ONS ASHE survey, which is different from the modelled income data produced by CACI. The main difference on affordability between the ratios shown in Table 44 below and the thresholds calculated in Table 43 above is for Lichfield District and Tamworth where the ratio implies a greater affordability problem. The ward analysis above in section 5.5, which also uses CACI data, implies less of an affordability issue in Tamworth, but it is possible that the calculation shown in Table 43 underestimates the affordability issues experienced in Lichfield District; in which case the need for affordable housing shown in Table 117 would also imply a conservative estimate.

Table 44: Ratio of lower quartile house prices to lower quartile incomes 1997 to 2006			
Local Authority	1997	2006	% Change
Birmingham	2.97	6.36	114.1
Lichfield District	4.48	8.81	96.7
Solihull	4.27	8.83	106.8
Tamworth	3.80	7.74	103.7
West Midlands	3.47	6.78	95.4
England	3.65	7.12	95.1

Source: CLG Live Table 576

5.9.7   The trend described in Table 44 above is further illustrated in Figure 35 below.

Figure 35: Ratio of lower quartile house prices to lower quartile incomes from 1997
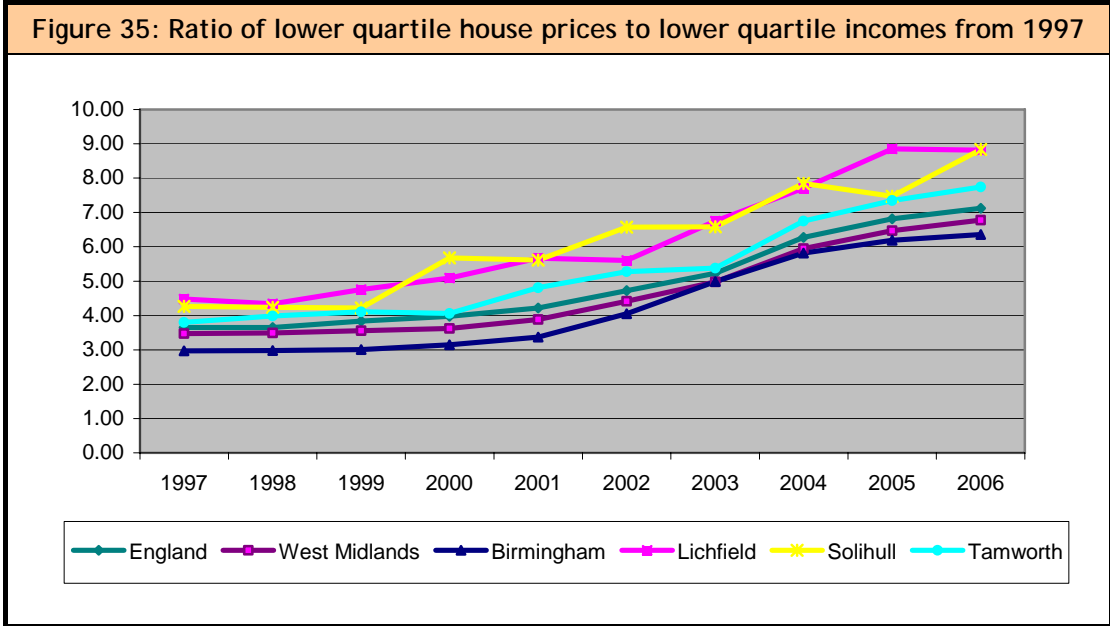
Source: CLG Live Table 576

5.10 Affordability of private rented housing

5.10.1 Private rents are much more affordable in the C1 HMA than owner occupation. As there is far less variation in Birmingham, Lichfield and Tamworth between the cost of privately renting a 2 bed property than in house prices the income required ranges from £21,836 (Lichfield) to £22,524 (Birmingham). In Solihull, a significantly higher salary is required: £26,487.

5.10.2 At the very least this means that a single income household wanting to rent privately rather than purchase would require a salary of 51.0% less in Lichfield, 48.1% in Solihull, 39.3% in Tamworth and 37.9% less in Birmingham. [33]

Table 45: Required gross income for private sector rent (£)				
	1 bed		2 bed	
	Annual rent	Required income	Annual rent	Required income
Birmingham	£4,746.04	£18,984.16	£5,631.08	£22,524.32
Lichfield	£4,793.36	£19,173.44	£5,458.96	£21,835.84
Solihull	£5,555.68	£22,222.72	£6,621.68	£26,486.72
Tamworth	£5,073.12	£20,292.48	£5,588.44	£22,353.76
West Midlands	£4,575.48	£18,301.92	£5,341.96	£21,367.84
England	£5,259.80	£21,039.20	£6,379.88	£25,519.52

Source: Dataspring

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[33] Comparing the salary for a single income household to buy an entry-level house with the income requirement to rent a one bed dwelling

5.10.3 Private renting represents a more affordable option across the C1 HMA than owner occupation. Although rents are much higher in Solihull, due to the distributions of income across the C1 HMA, it is Birmingham as a whole where private renting appears the least affordable (46.2%); Solihull is not affordable to 44.3% of households. Clearly though there are areas of Birmingham where the cost of private renting is much more closely aligned to the distribution of incomes and consequently the offer will be more affordable.

5.10.4 In contrast, private renting at first appears most affordable in Lichfield District, which combines higher incomes with lower private rents (32.3%) in smaller properties. Data from estate agents collected by Lichfield District Council suggests that in fact rents in the District are higher than has been quoted here, which would mean that the District is no more affordable than its neighbours. In addition:

(i) these relatively low rents in smaller properties do not negate the fact that there are households on lower incomes for whom the private rented sector is still unaffordable;

(ii) households *working in* Lichfield have been shown to be on lower incomes than those *living in* Lichfield District (see paragraph 3.7.11 above) and this will create extra commuting pressure as people wanting to live *and* work in Lichfield District are prevented from doing so.

5.10.5 This assumes that those with the higher incomes want to live in the private rented sector and potentially masks those who cannot afford private rented sector rent levels.

Table 46: Comparison of proportions unable to afford entry-level dwelling (%)		
Local authority	Private renting (2 bed)	Owner occupation (entry-level)
Birmingham	46.2	64.5
Lichfield	32.3	65.1
Solihull	44.3	71.4
Tamworth	38.8	61.8

Source: Source: CACI 2006 West Midlands income distribution, Land Registry 2006/07, Dataspring

6 THE FUTURE HOUSING MARKET

6.1 Market commentary

6.1.1 Events following the Bank of England acting as lender of last resort to Northern Rock created headlines around the world; the run on the bank came about due to funding problems, associated with dislocations to asset-backed securities as a result of problems in the US sub prime market, rather than the quality of credit on its book.[34] Since the summer of 2007 there has been a significant downturn in the housing market, the ramifications of which are now starting to emerge.

6.1.2 The problems faced by the US sub prime market, which were initially driven by credit quality issues, initially appeared far less intense in the UK. The UK had not seen risk layering or teaser rates being discounted to the same extent as in the US, so the payment shock from coming off fixed rate deals were not nearly as severe. Although it is difficult to make direct comparisons, most evidence points to considerably higher default rates in the US. Additionally, with falling house prices in the US, many are faced with negative equity and a deteriorating position due to continued declines. However, stories of negative equity in the UK are starting to emerge as house prices fall. Although the housing market has not yet matched the turmoil of the early 1990s, a body of evidence is emerging to suggest that a similar picture is developing.

6.1.3 There is evidence of a slowing in mortgage activity and approvals for other loans, mainly further advances, fell to their lowest level in six years in June 2008. Estate agents have reported easing in prices and falling off in viewings. According to the Halifax, Britain's biggest mortgage lender, prices fell seven months out of nine between October 2007 and June 2008. The level of site visitors viewing new homes has tailed off and builders are raising incentives to entice buyers.

6.1.4 However, there are numbers of factors providing underlying support to the market. The expected path for interest rates has reversed since the financial market turbulence appeared. The Bank rate had been expected to rise by another 0.25% before the end of 2007. Although the financial markets expected the next move in rates to be down, the Bank of England left interest rates steady at 5.75% amid growing speculation that a weaker housing market and continuing turmoil in credit markets will soon force it to ease policy.

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[34] Council of Mortgage Lenders, October 2007; Business Guardian, October 4th 2007; Guardian Money 16th Jan 2008

By April 2008, the base rate had been reduced to 5.0% and it has been held at this rate for the last two months. Analysts are not in agreement about the medium-term trajectory of interest rates with some forecasting that borrowing costs could fall again, possibly ending the year as low as 4%, whilst others are predicting a recession that will force the Bank of England to raise rates.

6.1.5 The UK economy and employment situation remain critical supporting factors. Economic growth in 2007 was above trend and employment growth was strong, while unemployment has been on a downward trend. However, in April 2008, the Bank of England reported[35] that growth prospects in the UK economy had weakened but inflationary pressures had increased. UK GDP growth was expected to fall back markedly in early 2008 before picking up during 2009. At the same time, global inflationary pressures have intensified due to rising food energy and commodity prices. Oil prices, for example, have risen by over 30% since the October 2007 Report to above US$100 a barrel and over the same period, The Economist all-items commodity price index has risen by over 20%.

6.1.6 Meanwhile, supply to the market is edging up. The balance of surveyors reporting a rise in new properties to sell turned positive for the first time since May. The RICS said the looser supply was partly due to the extension last month of home information packs to cover all properties as homeowners brought forward sales of their homes to avoid extra costs.

6.1.7 In part, the impact of the slow down in the housing market, which was inevitable considering the unsustainable rate of house price inflation that investors had come to expect and lenders had promoted, will be to stabilise prices at a more sustainable level and may serve to diminish some of the more extreme examples of unaffordability across the country. On the other hand, there will be an impact upon homeowners who have taken out mortgages that are close to 100% (or more in some cases) of their home's value should interest rates rise and they find themselves in negative equity. There is already evidence of rising numbers of repossessions (particularly in the sub-prime sector), which is a good indicator of the real impact of the housing market turbulence.

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[35] Financial Stability Report, Bank of England, April 2008

6.2 Population and household change

6.2.1 Updated household projections were published by CLG in March 2007, based upon ONS 2004 based population projections; these are shown in Table 47 and illustrated in Figure 36. [36] These projections are used below in Chapter 8 to estimate future housing need.

6.2.2 The number of households in all four C1 HMA authorities is predicted to increase by slightly under the predicted growth for the West Midlands (18.4%), between 2006 and 2029. Birmingham and Lichfield District have greater predicted growth, 18.0% and 17.9% respectively compared with Solihull (14.5%) and Tamworth (13.3%). In terms of numbers, Birmingham households are predicted to grow by 73,000 between 2006 and 2029, Lichfield District by 7,000, Solihull by 12,000 and Tamworth by 4,000 over the same period.

Table 47: Household projections to 2029 (thousands)							
	2004	2006	2011	2016	2021	2026	2029
Birmingham	399	405	422	438	455	470	478
Lichfield District	39	39	41	43	44	45	46
Solihull	82	83	86	88	91	94	95
Tamworth	30	30	31	32	33	34	34

Source: New projections of households for England and the regions to 2029, CLG Release 2007/0045, Table F: Sub regional Household Projections, England - 2004 based

Figure 36: Household projections to 2029
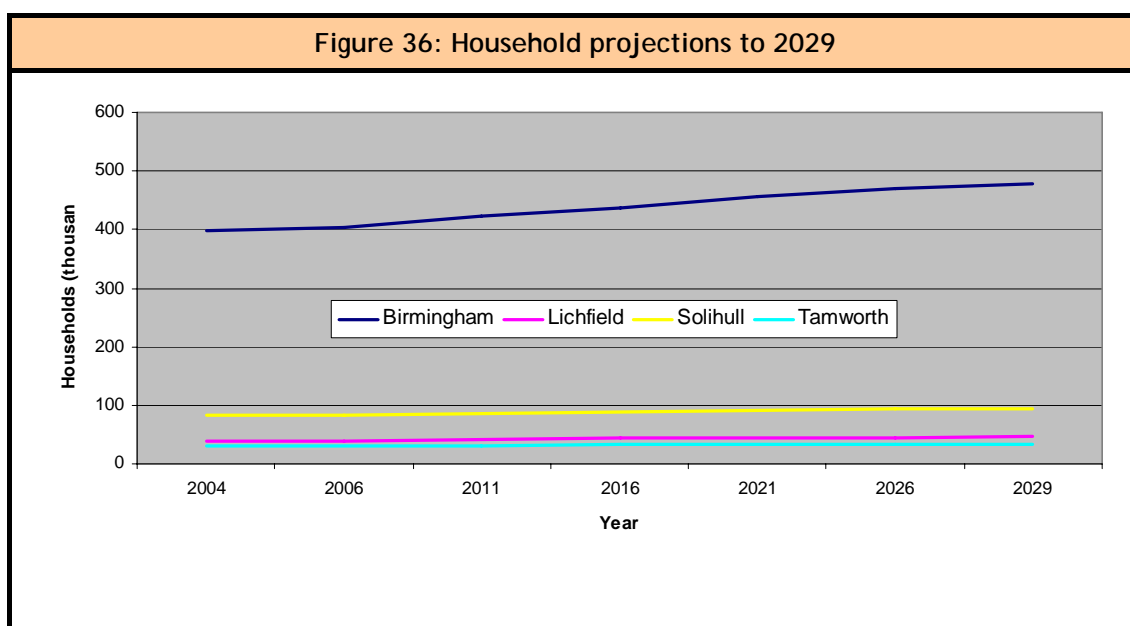
Source: New projections of households for England and the regions to 2029, CLG Release 2007/0045, Table F: Sub regional Household Projections, England - 2004 based

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[36] The households projections used here are those that have been agreed and adopted at a regional level for the purposes of both the Regional Spatial Strategy and sub-regional Strategic Housing Market Assessments

6.2.3   Significant work has been done to support the RSS revision, which draws upon recent population and household projections. It is valuable to look at these here since they provide the backdrop for the Preferred Option.

6.2.4   Due to social and economic changes in the country the household change that will occur in the next twenty years does not necessarily run parallel to the population change.

6.2.5   In population terms (Table 48) all four areas in the C1 HMA are predicted to grow to 2026. However that growth varies considerably from only 1.2% in Solihull to 12.3% in Birmingham (which is the only district in C1 HMA predicted to grow above the regional rate).

Table 48: Population change 2001-26				
	2001 population	2026 population	2001-26 change	2001-26 % change
Birmingham	984,700	1,105,400	120,700	12.3%
Lichfield District	93,300	99,000	5,700	6.1%
Solihull	199,800	202,200	2,400	1.2%
Tamworth	74,700	77,100	2,400	3.2%
C1 HMA	1,352,500	1,483,700	131,200	9.7%
Major Urban Areas	2,808,900	2,920,200	111,300	4.0%
Other Areas	2,473,800	2,730,400	256,600	10.4%
WEST MIDLANDS	5,282,700	5,650,600	367,900	7.0%

Source: WMRA Housing Demand Paper, January 2007, p34

6.2.6   The number of households (Table 49) in the West Midlands is predicted to grow by a fifth (20.6%) to 2026.[37]   Both Lichfield District and Tamworth are expected to match that pattern of household growth, whereas Solihull (11.5%) is expected to be much slower and Birmingham will exceed that rate (26.8%).

Table 49: Household change 2001-26				
	2001 households	2026 households	2001-26 change	2001-26 % change
Birmingham	390,541	495,343	104,802	26.8%
Lichfield District	37,593	45,344	7,751	20.6%
Solihull	81,064	90,403	9,339	11.5%
Tamworth	29,576	35,531	5,955	20.1%
C1 HMA	538,774	666,621	127,847	23.7%
Major Urban Areas	1,135,677	1,327,391	191,714	16.9%
Other Areas	1,018,937	1,270,898	251,961	24.7%
WEST MIDLANDS	2,154,614	2,598,289	443,675	20.6%

Source: WMRA Housing Demand Paper, January 2007, p42

[37] This includes both natural change and migration

6.2.7   These changes in growth patterns will have significant impacts upon housing markets in the four areas, not the least in Birmingham, but also in Lichfield District and Tamworth putting increasing pressure on these areas to meet the needs of both their existing and increasing households.

6.3   Housing demand

6.3.1   The total amount of new housing required is the combined projection of:

(i)   the net growth in the number of households within each district (taking account of both formation and dissolution), plus

(ii)   the net effect of in-migration and out-migration of existing households

6.3.2   A measure of total potential housing demand can be deduced from sub-national household projections; the RSS Spatial Options paper shows the effect of projecting past trends forward in Appendix One Table 2. For the C1 Housing Market Area the estimate of housing demand is shown in Table 50.

Table 50: C1 Estimate of housing demand 2001-26[38]			
	Total demand	Demand from local need	Demand from migration
Birmingham	154,344	188,433	-34,089
Lichfield District	7,690	3,750	3,940
Solihull	12,594	18,714	-6,120
Tamworth	6,637	8,858	-2,221
Major Urban Areas	314,224	392,450	-78,225
Other Areas	261,040	139,250	121,790
WEST MIDLANDS	575,264	531,699	43,565

Source: West Midlands RSS – Housing Background Paper: Appendix 1, Table 2

6.3.3   It is important to note that these estimates of housing demand in the West Midlands are "unconstrained" in that they derive from household-based projections of population and households that do not take account of Regional Strategy.

6.3.4   The significant issues that emerge from this analysis are:

(i)   Birmingham will experience significant demand from natural change and local need in the area, despite major population losses through migration

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[38] This table uses 2003-based household projections

(ii)   The total demand in Lichfield District almost matches the predicted change in household numbers and is driven as much by migration as internal demand

(iii)   Demand in Solihull is greater than the predicted household change in the period, driven by demand from local need

(iv)   Demand in Tamworth is greater than the predicted household change in the period also driven by demand from local need

6.3.5   It does not follow that all growth and migration demand should, or even could, be fully provided for within each district. After adjustments to accord with the aims and objectives of the RSS, the numbers proposed in the Preferred Option[39] are shown in Table 51.

6.3.6   These two tables give an indication of the market pressures that are likely to be exerted as a consequence of the differences between the identified demand and the proposed targets for each district. The RSS Preferred Option grants Lichfield District more than its total predicted demand in the next twenty years, whereas it does not meet all demand in Solihull (60.3%), Tamworth (43.7%) or Birmingham (32.8%)

Table 51: C1 housing proposals 2006-26			
	Proposal total (net)	Total as % of total demand	Indicative annual average
Birmingham [40]	50,600	32.8%	2,530
Lichfield District [41]	8,000	98.8%	400
Solihull	7,600	60.3%	380
Tamworth	2,900	43.7%	145
Major Urban Areas[42]	169,100	53.8%	8,455
Other Areas	196,500	75.3%	9,825
WEST MIDLANDS	365,600	63.6%	18,280

Source: RSS Phase Two Revision: Preferred Option, Agenda Item 6, 22/10/2007, Table 1

6.4   Newly arising need

6.4.1   A recent study by the Cambridge Centre for Housing and Planning Research[43] has estimated unconstrained figures for housing demand and newly arising need in the West Midlands (see Table 52).

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[39] RSS Phase Two Revision: Preferred Option, Agenda Item 6, 22/10/2007, p41-2

[40] Of the total provision for Birmingham, around 700 dwellings will be provided at Longbridge, in Bromsgrove District

[41] Of the figure of 8,000 for Lichfield, dependant upon the outcome of further local studies, some of the allocations could be made relating to Tamworth and Rugeley

[42] Includes the Newcastle urban area

Table 52: Net housing demand and need in the West Midlands 2006-2026[44]				
	Market sector	Intermediate sector	Social sector	Total
Whole period (20 years)	227,000	60,000	103,000	390,000
Annual average	11,350	3,000	5,150	19,500
Percentage shares	58.2	15.4	26.4	100.0

Source: CCHPR

6.4.2   This study indicates a need for affordable housing to meet newly arising need (i.e. not including current or backlog need) of 8,150 dwellings per annum in the West Midlands, 63.2% of which should be social rented housing.   The paper goes on to break down these figures for each of the authorities in the region (see Table 53).

Table 53: Net housing demand and need in the West Midlands 2006-2026[45]				
	Market sector	Intermediate sector	Social sector	Total
Birmingham	33900	14200	18100	66200
Annual average	1695	710	905	3310
% shares	51.2%	21.5%	27.3%	100.0%
Lichfield District	4100	1000	1600	6700
Annual average	205	50	80	335
% shares	61.2%	14.9%	23.9%	100.0%
Solihull	5800	3000	2800	11600
Annual average	290	150	140	580
% shares	50.0%	25.9%	24.1%	100.0%
Tamworth	2600	800	1100	4500
Annual average	130	40	55	225
% shares	57.8%	17.8%	24.4%	100.0%

Source: CCHPR

6.4.3   What the analysis shows is that there will be different pressures across the sub-region in terms of the demand and newly arising need. In Lichfield District there will be greater demand in the market sector (61.2%), whereas the other three areas are below the regional average.   Demand in the social rented sector ranges from 23.9% (Lichfield District) to 27.3% (Birmingham) of newly arising need. In terms of demand for intermediate tenures

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[43] *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007

[44] *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007, p16, Table 8

[45] *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007, p18, Table 9

Solihull is expected to have the greatest capacity to meet need in this way (25.9%), whereas the analysis suggests a range of 14.9% to 21.5% in the three other areas.

6.5 Future household types

6.5.1 Household projections broken down by household type are only available at regional level[46] although current household composition numbers are available at local authority level[47]. The following analysis has taken these two data sources to provide an indication of the changes in household types in each of the C1 HMA districts over the next twenty years.[48]

6.5.2 Table 54 shows the household type breakdowns in 2006. With the exception of Birmingham, all the areas have a greater proportion of married couple households than in the West Midlands, with the proportion in Lichfield District being 10% higher than the regional average and in Birmingham being almost 10% lower. Only Tamworth has a rate of cohabiting couple households above the regional average.

6.5.3 Birmingham has significantly higher proportions of one person households and lone parent households compared to partners in the C1 HMA and the regional averages.

Table 54: Household types 2006 (%)					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
Married couple households	36.4%	55.5%	51.7%	49.9%	45.7%
Cohabiting couple households	8.3%	9.2%	8.3%	12.3%	9.6%
Lone parent households	10.9%	6.1%	7.5%	8.7%	8.1%
Other multi-person households	9.3%	4.1%	4.6%	4.5%	6.1%
One-person households	35.2%	25.2%	27.9%	24.6%	30.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

6.5.4 Table 55 and Table 56 show how these proportions start to change over time. There is a steady decline in each area of married couple households, although the proportions in Lichfield District, Solihull and Tamworth are likely to stay above the regional average. Although there is a growth in cohabiting couple households it does not equal the decline in married couple households. By 2026, 38.5% of Birmingham households will be married or cohabiting couples compared to 57.5% in Lichfield District, 52.7% in Solihull and 56.1% in

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[46] New projections of households for England and the regions to 2029, CLG Release 2007/0045, Table F: Sub regional Household Projections, England - 2004 based

[47] Census 2001, Table KS20

[48] There may well be some rounding errors that will mean that the final numbers do not precisely match household numbers quoted elsewhere in this report

Tamworth. In addition, what we see is significant growth in one person households. By 2026, over two fifths of Birmingham households (42.1%) will be one person households.

Table 55: Household types 2016 (%)					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
Married couple households	31.3%	49.4%	45.8%	43.9%	39.9%
Cohabiting couple households	9.9%	11.3%	10.2%	15.1%	11.7%
Lone parent households	11.0%	6.4%	7.8%	9.0%	8.3%
Other multi-person households	9.0%	4.1%	4.6%	4.4%	6.1%
One-person households	38.7%	28.7%	31.6%	27.7%	34.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Table 56: Household types 2026 (%)					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
Married couple households	28.0%	45.2%	41.7%	39.9%	36.1%
Cohabiting couple households	10.5%	12.3%	11.0%	16.2%	12.5%
Lone parent households	10.6%	6.4%	7.7%	8.8%	8.1%
Other multi-person households	8.8%	4.1%	4.6%	4.4%	6.0%
One-person households	42.1%	31.9%	35.0%	30.6%	37.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

6.5.5 Social, economic and cultural factors are leading to marital breakdown at one point in the age spectrum at the same time as a growth in couples "living apart together" or "LAT".[49] This will create increased demand for smaller properties, but not so small that they cannot accommodate overnight guests (e.g. children) or space to work at home (an increasing phenomenon as transport infrastructures become more and more clogged); in other words at least 2 bedrooms.

6.6   Implications for the future housing market

6.6.1 Table 57 sets out the numbers implied by these changes in household types. A number of conclusions for growth and housing demand can be drawn:

(i)   Birmingham sees a stark decline in married couple households (-15,785); which is matched by the growth of cohabiting couple households (15,648). The growth in

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[49] The common definition of a LAT relationship is a couple, that does not share household, each of the two lives in his or her own household, in which other persons also might live, but they define themselves as a couple

household numbers is driven by the formation of over 55,252 one person households, accounting for 85.3% of household growth. This would suggest that Birmingham will continue to have a strong future market for smaller dwelling units of 1-2 beds.

(ii)   In Lichfield District, the increase in the number of cohabiting couples exceeds the decline in married couple households by 675 households, and if one also includes multi-person households then by a further 248 (total 923). This would present a strong argument for ongoing development of medium sized family housing. In addition, one person households account for 76.5% of the district's growth which indicates a need for smaller dwelling types (though not necessarily one bed as explained in paragraph 6.5.5)

(iii)   In Solihull, the decline of married couple households is greater than the growth of cohabiting couple households by 278, although other multi-person households grow by 469. This would suggest a limited requirement for ongoing development of new family housing. 89.0% of growth in Solihull will be from one person households, and this would indicate strong future demand for smaller properties also.

(iv)   In Tamworth there is greater growth of cohabiting couple households than decline in married couple households; the former exceeds the latter by 412 households. This would present an argument for delivery of high quality family housing for the future. In addition 75.7% of growth will be from one person households.

Table 57: Household change 2006-26					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
Married couple households	-15785	-1271	-3706	-1393	-82,000
Cohabiting couple households	15648	1946	3428	1805	110,000
Lone parent households	6008	475	1017	403	31,000
Other multi-person households	3651	248	469	154	18,000
One-person households	55252	4545	9727	3023	294,000
Total	64774	5942	10934	3992	371,000

7 CURRENT HOUSING NEED

Table 58: Summary of data required for current housing need[50]	
Step	Data items
1.1 Homeless households and those in temporary accommodation	Homeless agencies data, Priority homeless households in temporary accommodation
1.2 Overcrowding and concealed households	Census, Survey of English Housing, Local Housing Registers
1.3 Other groups	Housing Register, Local Authority and RSL transfer lists, Hostel move-on needs
1.4 Total current housing need (gross)	1.1 + 1.2 (+ 1.3)

7.1 Assessing the need for affordable housing

7.1.1 Following the latest CLG guidance[51], Chapters 7, 8 and 9 set out step by step the three stages to developing a model for assessing the net annual housing need per annum in each of the four districts of the C1 (West Midlands) HMA. Chapter 12 brings the evidence together in a summary table that sets out the overall estimate of net annual housing need for the model.

7.1.2 This, the first of these chapters, looks at current housing need and presents evidence for the first three steps of the model. Chapter 8 presents evidence for estimating the level of future housing need, step by step for the model. Chapter 9 considers the supply of affordable housing in each district.

7.1.3 Throughout, the text and tables follow the convention of referring to the CLG guidance stepped approach:

- Current housing need - steps 1.1, 1.2, 1.3 and 1.4

- Future housing need - steps 2.1, 2.2, 2.3 and 2.4

- Affordable housing supply - steps 3.1 to 3.8

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[50] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p43

[51] Ibid

7.2   Defining housing need and unsuitable housing

Housing need

7.2.1   Overall, one can talk of the housing requirements of a district and these requirements are made up of both demand and need. Households that can enter the general market without intervention of any sort are defined as demand. This is the same as the economic definition of demand in that demand will become apparent in the general housing market and has a cost relationship with supply. On the other hand, households that are unable to enter the general market without some form of intervention by public service providers are defined as need. PPS3 defines housing need as:

> *The quantity of housing required for households who are unable to access suitable housing without financial assistance[52]*

7.2.2   Consequently the guidance states that:

> *For the purposes of assessment, this means partnerships need to estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.[53]*

7.2.3   From the point of view of social housing providers, need is more significant. From the point of land use planning, both demand and need are relevant.

7.2.4   Need in this case, may also necessitate an understanding of aspirations. Much of recent government policy, not only in housing, seeks to empower citizens by taking into account the needs they identify for themselves, as opposed to those identified by "experts". These aspirations are recognised as a legitimate basis for policy-making and should be taken into account, if possible, when assessing the housing requirements of an area. However, this can only realistically be achieved through the use of primary data collection methods such as bespoke household surveys.

7.2.5   **Outside** takes a pragmatic approach towards identifying housing need and demand that focuses on transparency and a clear audit trail to provide defensible data. This accords with the latest guidance, which states that:

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[52] *Planning Policy Statement 3 (PPS3): Housing*, Communities and Local Government, November 2006, p27

[53] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p41

No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature.[54]

7.2.6   The Housing Needs Model is a dynamic tool that both measures progress towards achieving policy aims and balancing housing markets and facilitates "what-if" scenarios to measure impacts of market change or market intervention.

7.2.7   The Model calculates the current housing need, future housing need and affordable housing supply as annual flows to arrive at a net figure for the number of additional affordable dwellings required in a District. This model is based upon the latest DCLG guidance. Table 59 outlines the key stages in the model.

Table 59: Housing needs assessment model
CURRENT HOUSING NEED (gross backlog) (times a yearly quota)
Plus
FUTURE HOUSING NEED (gross annual estimate)
Minus
AFFORDABLE HOUSING SUPPLY
Equals
ESTIMATE OF NET ANNUAL HOUSING NEED

7.2.8   Each line in the model is explained in detail with supporting information.   Modelling housing needs is as much an art as a science and is very sensitive to the assumptions and interpretations made in the analysis. Our practice is to ensure that these assumptions are transparent in order that they are understood and agreed with the client before being finalised.

7.2.9   Having identified the scale of housing need, we can determine the range of appropriate responses to the need including the breakdown of social housing and intermediate tenures such as shared ownership and shared equity products.

Unsuitable housing

7.2.10   Those in unsuitable housing are defined in the guidance through a series of criteria, presented in Table 60. Households who are not in housing need but would like affordable housing are excluded from this modelling section of the Housing Market Assessment.

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[54] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p11

Table 60: Unsuitable housing[55]	
Main category	**Sub-divisions**
Homeless households or insecure tenure	Homeless households
	Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	Overcrowded according to the bedroom standard
	Too difficult to maintain (e.g. too large) even with equity release
	Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps)which cannot be made suitable in-situ
Dwelling amenities and condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
	Subject to major disrepair or unfitness, and household does not have the resources to make fit (e.g. through equity release or grants)
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move

7.2.11   It is not necessary to use the affordability measures to test whether households can afford their existing accommodation. Only households in arrears or in receipt of housing benefit should be regarded as being in housing need, on the grounds that their accommodation is too expensive. Otherwise, households should be assumed to be managing to afford their current housing.

7.3   Total current housing need per annum

7.3.1   For the purposes of assessing current housing need based on secondary data it is possible to review a number of different data sources as set out in Table 58 above. Without use of a primary data source such as a household survey, it is difficult to avoid making broad assumptions from the available data and the possibilities of under/over and double counting are increased. Whilst data has been looked at from a variety of sources, **Outside** has taken the view that the best secondary source of data in assessing current housing need is to make use of local housing registers.

7.3.2   District housing registers are an important and objective indicator of unmet housing need. It depends on the quality of individual housing registers, but in principle, all applicants are subject to detailed scrutiny as to their circumstances. It is not unreasonable to assume

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[55] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p41

that applicants are in housing that is unsuitable for their present or imminent circumstances, through their current accommodation being too expensive, insecure, defective, too small, or through problems of internal and external accessibility and that they are unable to either find in situ solutions to their difficulties or are unable to afford to access appropriate market housing.

7.3.3   Having examined the housing registers of each authority, there are clear differences between authorities in terms of the management of the registers and the apportioning of points and priority status. There are four ways forward:

(i)   To accept the total number on the register as recorded on the HSSA 2006/07 return as at the 31st March 2007 (step 1.4a Table 61)

(ii)   To assume that a proportion of the households on the register will be able to find alternative accommodation either through private rent or access to home ownership and that a proportion be discounted based on the CACI modelled income distribution data for West Midlands and the lower quartile house prices giving an estimate of affordability for each of the four C1 HMA districts as presented at Table 43 above (step 1.4b Table 61)

(iii)   To only count those households on the register that are defined on the HSSA 2006/07 as being "in a reasonable preference category" (step 1.4c Table 61)

(iv)   To only count those households on the register that have been allocated housing need points or priority banding (step 1.4d Table 61)

7.3.4   At this stage, having considered the available data, step 1.4d is recommended for Birmingham, Lichfield District and Solihull. The Tamworth housing register data did not indicate either a points allocation or priority banding and so step 1.4d is not possible. The next most viable alternative for Tamworth is to take step 1.4b, the number on the register multiplied by an assumed proportion of households unable to afford access to market housing.

7.3.5   It is not recommended to use step 1.4c due to the inconsistency between areas where the definition of households on the register "in a reasonable category" has been interpreted differently. 71.4% of all households on the register in Birmingham and 70.6% of households on the register in Solihull were categorised as being in a reasonable category compared with 25% of households on the register in Tamworth and 25.5% in Lichfield District classed as being in a reasonable category.

7.3.6   Further analysis of the housing registers is recommended in order to refine this analysis. The data provided on Birmingham's register implies a far higher number on the register than recorded in the HSSA, although this is probably accounted for by the data being drawn at different points in time. As far as possible all transfer applicants have been excluded from the register counts, as have applicants with zero points allocated. With Lichfield District the proportion of applicants deemed to be transfer applicants is an estimate based on the average proportion of transfer applicants on the waiting lists across the previous two years, 15.9%.

7.3.7   Table 61 shows the numbers at step 1.4 recommended for each authority. If the number at step 1.4 is shown as a proportion of total households in each district, Tamworth, Birmingham and Lichfield District are very similar at around 4%. Solihull has proportionally fewer households defined by this approach as being in current housing need at 2.8%, which may reflect a tougher priority banding system than is in operation in the other districts.

Table 61: Current Housing Need per annum				
	Birmingham	**Lichfield District**	**Solihull**	**Tamworth**
Step 1.4a - total	14747	3104	3670	2015
Step 1.4b – can't afford	9507	2020	2619	1246
Step 1.4c –reasonable category	10529	791	2591	504
Step 1.4d - need points/bands	15024	1656	2412	N/A
Recommended step 1.4	**15024** *(+1753 RSL)*	**1656**	**2412**	**1246**
Proportion of total households	4.1%	4.0%	2.8%	4.2%

Source: HSSA 2007 Numbers on housing register 2006/07

8   FUTURE HOUSING NEED

Table 62: Summary of data required for future housing need[56]	
Step	Data items
2.1 New household formation (gross per year)	Census, SEH (from Chapters 3 and 4)
2.2 Proportion of new households unable to buy or rent in the market	Entry level rents/property prices identified in Chapter 3, SEH, Mortgage lenders, LA/RSL databases
2.3 Existing households falling into need	Housing register, LA/RSL data, tenants surveys
2.4 Total newly arising housing need (gross per year)	(2.1 x 2.2) + 2.3

8.1   New household formation

8.1.1   In a secondary data based methodology, there are two broad approaches to estimating future housing need, one based on household projections and one based on an assessment of the number of households that join the housing register each year. As with all methods there are advantages and disadvantages associated with both approaches and neither tells the full story. All methods necessarily predict future need on the basis of past activity. The methodology chosen as most appropriate for the C1 Housing Market Area is to assess recent activity in each local housing register.

8.2   Total newly arising housing need per annum

8.2.1   The local housing registers represent a middle ground between primary research and secondary research. Each waiting list is in effect a primary and up to date source of data that records the reality of households in need and monitors the rate of growth in demand and the turnover of demand. For these reasons it is felt that a better alternative to estimating newly arising need based on household projections is to look at the number of households joining the housing register in the previous year. The housing register includes both new forming households and existing households falling into need. The applicants on each register exclude households already living in social housing and applying for transfers.

8.2.2   The applicants on each register exclude households already living in social housing and applying for transfers (an estimate has been assumed of 15.9% transfer applicants for Lichfield District based on the average transfer applicants across the previous two years).

8.2.3   As with the analysis of the housing register under current housing need, there are different ways to interpret the data on recent applicants. Table 63 shows the total number of applicants on the housing registers in each district during the 2006/07 financial year that remain on the register at the year-end. Not all the applicants have the same level of need and it is not unreasonable to assume that a proportion may be able to access appropriate housing through their own resources. One approach, shown in step 2.4a is to apply the same affordability threshold as applied under current housing need. An alternative approach shown in step 2.4b is to count only those applicants that are defined as high priority on the housing register.

Table 63: Future Housing Need per annum					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
Applicants 06/07	8930 (+1098 RSL)[57]	940	1323	561	
Proportion unable to afford	64.5%	65.1%	71.4%	61.8%	
Number in high priority	6135	706	1011	N/A	
Step 2.4a	6465	612	944	347	
Step 2.4b	6135 (+708 RSL)	706	1011	N/A	
Recommended step 2.4	6843	706	1011	347	
% of total households	1.7%	1.7%	1.2%	1.2%	

Source: Local housing register data

8.2.4   It has a considerable significance, where the line for priority status is drawn. The number of applicants to the register within the preceding year is an important indicator of need. Each one of these households will have been individually assessed in order to be accepted on to the list and as such represents the most accurate and up to date assessment of demand for social housing. This is an area of housing information that should be invested in and improved in order to provide better monitoring and updating into the future.

8.2.5   There are two main criticisms raised about use of housing register data in terms of defining housing need:

(i)   The register exaggerates the level of need as it contains people who have found other solutions to their housing need and should no longer be on the list. Further analysis of the housing registers in the four districts will help to determine the quality of the data and whether it falls within acceptable limits. Factors to consider will be the proportion of old records, procedures for monitoring, updating

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[56] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p45

[57] RSL figures are estimated based on assumptions made to account for duplicate applicants and transfer applicants

and cleaning up the data and the use of points/priority rating. In terms of estimating newly arising need it is important to note that only the recent applicants are considered, which ensures greater currency and accuracy of information. The tendency to over-estimate numbers is countered by discounting a proportion of households either through a priority rating system or through application of an affordability threshold. The affordability threshold is likely to be too low (without some adjustment to take account of the income distribution of applicants) for the households on the waiting list and is potentially going to under-estimate the proportion in need. It would be preferable to have a better indication of the proportion of recent applicants that are categorised in higher priority. Many of these criticisms are removed by the adoption of Choice Based Lettings systems, as used in Lichfield District.

(ii) At the same time, it is also often stated that housing registers tend to under-represent the level of need especially in areas with very limited supply of social housing. It is assumed that many households do not bother to register their need in the unlikelihood that their needs will be met. This is probably true, but there will always be hidden undiscoverable need and in this case in the C1 (West Midlands) HMA the housing register indicates higher numbers in need than the household projections would imply.

9 AFFORDABLE HOUSING SUPPLY

Table 64: Summary of data required for affordable housing supply[58]	
Step	Data items
3.1 Affordable dwellings occupied by households in need	Housing Register, Local Authority and RSL transfer lists, Over-crowding data
3.2 Surplus stock	Local Authority and RSL records
3.3 Committed supply of new affordable housing	Development programmes of affordable housing providers (RSLs, developers, LAs), Regeneration\ Pathfinder Schemes, including conversions and intermediate housing products
3.4 Units to be taken out of management	Demolition and conversions programmes of LAs, RSLs, Regeneration\Pathfinder Schemes
3.5 Total affordable housing stock available	3.1 + 3.2 + 3.3 – 3.4
3.6 Annual supply of social re-lets (net)	Lettings/voids system for providers, LA and RSLs, CORE data for RSLs, HSSA data
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	LA, RSL and other providers' lettings/voids system and data on re-sales of sub-market LCHO or shared equity schemes
3.8 Annual supply of affordable housing	3.6 + 3.7

9.1 Affordable dwellings occupied by households in need

9.1.1 It is first necessary to estimate the number of dwellings vacated by current occupiers that are fit for use by other households in need. This is an important consideration in establishing the *net* levels of housing need, as the movement of these households within affordable housing will have a nil effect in terms of housing need.

9.1.2 Consequently it is necessary to rule out transfers within the stock that have a nil net effect on the availability of affordable housing.

9.1.3 Table 65 shows an estimate of the number of social housing lets that were let to existing tenants of social housing stock over the last three years. This combines both RSL and LA transfer lets as recorded in the 2006/07 HSSA and estimates the proportion of RSL lets that are made to existing social housing tenants based on CORE data for 2006/07. For the purposes of completing step 3.1 of the model, an average of the three previous years is used in order to even out potential anomalies in the data.

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[58] *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, August 2007, p47

Table 65: Lettings to existing social housing tenants (Step 3.1)				
	Birmingham	Lichfield District	Solihull	Tamworth
Lets to existing LA tenants 2004/5	2004	0	357	115
Lets to existing LA tenants 2005/6	1819	0	288	154
Lets to existing LA tenants 2006/7	1686	0	400	162
3 year average LA lets	1836	0	348	144
Annual RSL lets to existing tenants 2004/07*	875	170	54	37
Step 3.1	2711	170	403	181

Source: HSSA 2006/07, RSL and LA combined transfer lets - *(HSSA D1+D2+D3a+(D9 times estimate of RSL transfers taken from CORE data 2006/07))*
*An average of the last 3 years RSL lets (HSSA D9 multiplied by proportion of RSL lets going to tenants of existing social housing taken from CORE data 2006/07)

9.2   Surplus stock

9.2.1   If there is surplus social housing stock this needs to be accounted for in the assessment. A certain level of voids is normal and allows for transfers and works on properties. However, where the rate is in excess of 3 per cent and properties are vacant for considerable periods of time, these should be counted as surplus stock.

9.2.2   Table 66 sets out the total social housing stock and the number of vacant dwellings in each district. None of the C1 authorities have vacant stock above 3%.

Table 66: Surplus social housing stock (Step 3.2)				
	Birmingham	Lichfield District	Solihull	Tamworth
Housing stock	107,349	5,607	13,551	6,178
Vacant dwellings	1,551	103	280	58
% Vacant dwellings	1.4%	1.8%	2.1%	0.9%
Proportion > 3%	0.0	0.0	0.0	0.0
Total surplus	0	0	0	0

Source: HSSA 2006/07

9.3   Committed supply of new affordable units

9.3.1   It is important to take account of the new (i.e. new build and conversions) social rented and intermediate affordable dwellings that are committed at the point of the assessment. Where possible this number should be recorded with information on size also.

9.3.2   Past activity is used as an indicator of future activity and therefore as the number of completions each year fluctuates up and down an average over the last four years is used as an estimate of future annual completions in the housing need models.

Table 67: Additional affordable dwellings (Step 3.3)					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
2003/4	805	149	127	36	2862
2004/5	680	91	153	94	3411
2005/6	1172	135	144	36	3595
2006/7 (outturn)	770	45	103	68	N/A
Average outturn over 4 years	857	105	132	59	
2007/8 (planned)	1082	63	112	94	N/A

Source: HSSA 2006/07

9.4   Units to be taken out of management

9.4.1   Local authorities and RSLs should have information about planned demolitions or redevelopment schemes that lead to net reductions in stock. The CLG Guidance suggests that the number of social-rented or intermediate affordable housing units to be taken out of management should not include Right-To-Buy sales as authorities are not required to re-house these households. Some authorities disagree with this methodology and argue that the loss of stock through Right-To-Buy sales has a significant effect on reducing the ability to meet housing need. In Lichfield District the figures for 2006/7 are 9 Right-To-Buy sales and 1 staircasing, in 2005/6 there were 9 Right-To-Buy sales, in 2004/5 there were 23 Right-To-Buy sales and 1 staircasing and in 2003/4 there were 41 Right-To-Buy sales.

9.4.2   At this point in time, local evidence for areas that have plans to demolish or redevelop stock that will result in net reductions in supply is only available for Solihull Council.

9.4.3   Table 68 shows the demolition estimates that are set out in Appendix 1 Table 8 of the West Midlands RSS. This includes demolition estimates across all tenures, but represents the best information available at present for estimating stock reduction in the C1 Housing Market Area. An assumption has been made in the table to estimate the proportion of demolitions that are reducing the social housing stock. This is based on applying the

overall proportion of social housing to the overall demolition estimate. This is likely to under represent the level of demolitions in social housing stock.

Table 68: Estimated demolitions 2001-2026[59]			
	Total demolitions 2001-2026	Total demolitions annualised	Assumed proportion social housing* (Step 3.4)
Birmingham	32774	1311	343
Lichfield District	60	2	0
Solihull**	175 (estimated demolitions of social housing)		
Tamworth	21	1	0

Source: Appendix 1 Table 8 West Midlands RSS
*Based on proportion of total dwellings that is social housing in HSSA 2006/07
**Data provided by Solihull district council

9.5 Total affordable housing stock available per annum

9.5.1 This is the sum of:

- Dwellings currently occupied by households in need

- Surplus stock

- and committed additional housing stock

- minus units to be taken out of management

Table 69: Total affordable housing stock available per annum (Step 3.5)					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
Dwellings currently occupied by households in need	2711	170	403	181	
Surplus stock	0	0	0	0	
Committed additional housing stock	857	105	132	59	
Units to be taken out of management	343	0	175	0	
Total at Step 3.5	3225	275	360	239	

Source: compiled from Table 65, Table 66, Table 67 and Table 68 above

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[59] Demolition estimates incorporating data from the 2004 Regional Urban Capacity Study and the Metropolitan Authorities and Telford and Wrekin 2006 Refresh are set out in Appendix 1 Table 8 of the West Midlands RSS

9.6 Future supply of social re-lets (net)

9.6.1 In order to provide a figure for social re-lets that avoids one-off changes that can distort the number, it is advisable to calculate this on the basis of past trends; usually the average number of re-lets over the previous three years is taken as the predicted annual level. This excludes internal transfers, mutual exchanges and transfers of tenancies to other household members; only properties that come up for re-let to a new household are counted.

9.6.2 The numbers in Table 70 are a composite of both local authority and RSL lettings.

Table 70: Annual supply of social re-lets					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
2004/5	5225	351	497	164	7491
2005/6	4574	366	552	405	6550
2006/7	4187	477	472	458	6191
Mean 2004-07	4662	398	507	342	
Mean turnover	4.3%	7.1%	3.7%	5.5%	

Source: HSSA 2007[60]

9.6.3 These different turnover rates across the HMA will both reflect the population differences in the sub-region and the nature of the supply on offer (e.g. the size of dwellings available). Obviously though they will also have an impact on the need for affordable housing, and demand for market housing, as they represent a constraint or otherwise on supply.

9.7 Future supply of intermediate affordable housing

9.7.1 The number of intermediate affordable housing units that come up for re-let or re-sale will increasingly play a role in the overall supply of affordable housing. Where operators of intermediate housing schemes monitor this, it is useful to include it in the supply figures. However, it should only include those properties that meet the definition of intermediate affordable housing as set out in PPS3. It should not include properties that are no longer affordable, such as social rented homes bought under the Right-to-Buy or shared equity homes where the purchaser has entirely bought out the landlord's share.

9.7.2 Where homes are bought back as affordable housing by a RSL, or the money received by the landlord is used to fund future shared equity schemes through the recycling of capital grant, these units should be counted under the supply of new affordable housing (step 3.3).

9.7.3 At this point in time, the evidence of intermediate affordable housing units that have come up for re-let or re-sale and that will result in net reductions in supply is limited.

9.8 Future supply of affordable housing units per annum

9.8.1 This is the sum of:

- Social rented units, and

- Intermediate affordable units

9.8.2 Steps 3.6 and 3.7 are brought together in Table 71. As a proportion of the total number of households in the respective authorities Solihull has proportionally fewer affordable units with 0.6% (and 517 units) compared with Birmingham (1.1%), Tamworth (1.1%) and Lichfield District (1.0%) with units of 4662, 344 and 401 respectively.

Table 71: Future supply of affordable housing units per annum				
	Birmingham	Lichfield District	Solihull	Tamworth
Social rented units	4662	398	507	342
Intermediate units	N/A	3	10	2
Total (Step 3.8)	4662	401	517	344
% of total households	1.1%	1.0%	0.6%	1.1%

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[60] *Total social housing relets = HSSA D4+D5+D6-D7a2+D9-N9a-D3a*

10 HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

10.1 Introduction

10.1.1 This chapter looks at the housing requirements of specific household groups. The following sections focus on the housing requirements of black and minority ethnic households, older people and households with specific needs, young people and homeless households.

10.2 Changing Lives

10.2.1 Changing Lives is Staffordshire County Council's change programme which aims to improve services for older people and people with disabilities. The Changing Lives vision is to promote independence, inclusion and well-being for older or disabled residents, by enabling them to:

- have more control over their lives

- live safe, healthy and fulfilled lives

- have an active role in a stronger and prosperous community, and

- access the support they need in order to be as independent as they choose

10.2.2 There are three main drivers to change in this area. First and most important is what older people and people with disabilities have said about how they want to live and about the support they need. Second is the Government's White Paper *Our Health, Our Care, Our Say* which sets out requirements for community-based services that help people remain in their own home. The third and final driver is the predicted increase in the number of older people who will require support, and the financial pressures this will bring.

10.2.3 The programme will lead to a fundamental move away from the current limited range of services to a menu of services offering a greater focus on prevention, rehabilitation and support, to promote each individual's independence.

10.2.4 The Changing Lives programme will take around six years to be fully implemented. It will require the re-provision of residential care homes and day centres operated by the County Council. These will be replaced by a range of new and expanded services such as direct

payments, rehabilitation, various therapies, adult placement, flexible respite care, intermediate care, day and night time care and support, and preventative services.

10.3 Older people

10.3.1 This section looks at the housing needs of older people referring both to general housing and specialist accommodation across the four districts in West Midlands C1 HMA. Changing demographics show that the absolute number of older people is increasing and the proportion of older people within the population is also increasing. It is no longer a rarity for people to live past 100 and so the housing needs of older people can span two or more generations. There are inevitable differences in needs, demands and aspirations between and within these groups.

10.3.2 Effective housing is central to enabling improved quality of life for older people. The home is recognised as a key factor in determining a person's quality of life with research suggesting older people spend between 70 – 90% of their time in the home[61].

10.3.3 Table 72 details the percentage of the total population of each district aged over 60 at the time of the Census 2001. Both Lichfield District and Solihull have over a fifth of their residents aged over 60. Solihull has the highest percentage in the C1HMA with 21.7%, above the regional and national average of 21.0% and 21.7% respectively. Tamworth has a smaller percentage of older residents compared to the regional and national average.

Table 72: Percentage of total population aged over 60	
District	Percentage
Solihull	21.7
Lichfield District	20.9
Birmingham	18.6
Tamworth	15.2
Regional	21.0
National	20.7

Source: Census 2001

10.3.4 Table 73 provides a profile of the population aged over 60 in each district by age group and by housing tenure. The percentages are calculated for each district to enable comparison.

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[61] Baltes, M.M., Wahl, H-W, Schmid-Furstoss, U. (1990) The daily life of the elderly at home. Activity patterns, personal control and functional health. Journal of Gerontology Social Sciences, 45, 173-179, cited in A Sure Start to Later Life: Ending Inequalities for Older People, ODPM, 2006

The age bandings within the table provide for analysis based on a 'younger' older generation represented in the first two rows aged 60 – 74, and an 'older' older generation represented in the third and fourth rows, aged 75 and over.

Table 73: Tenure by age group over 60			
			Tenure
	Owned	Social rented	Private rented/ living free	Total
Birmingham			
60 – 64	16.8	5.3	1.3	23.5
65 – 74	28.5	10.0	2.3	40.9
75 – 84	17.1	8.1	2.4	27.5
85+	4.7	2.4	1.0	8.2
Total	67.2	25.8	7.1	100.0
Lichfield District			
60 – 64	25.4	3.0	1.1	29.5
65 – 74	33.8	5.8	1.7	41.2
75 - 84	16.8	4.6	1.7	23.4
85+	3.9	1.4	0.7	5.9
Total	79.8	15.0	5.2	100.0
Solihull			
60 – 64	20.7	2.7	0.5	23.9
65 - 74	36.3	5.2	0.9	42.4
75 – 84	20.7	4.8	1.0	26.5
85+	5.1	1.6	0.5	7.2
Total	82.8	14.3	2.9	100.0
Tamworth			
60 – 64	23.2	4.9	0.8	28.9
65 - 74	30.3	9.5	1.5	41.3
75 - 84	14.7	7.8	1.6	24.1
85+	3.1	2.0	0.7	5.7
Total	71.2	24.2	4.6	100.0

Source: Census 2001

10.3.5   Changes within the health and social care sector have meant greater emphasis is given to preventative measures and maintaining a healthy population into older age is seen as a key priority. The 60+ age group is seen as the target population where there is most to gain by improving health and reducing inequalities and focusing on preventative measures. The older older generation aged over 75 still require these preventative measures, but they are

the population most likely to be frailer and have increasing demand for health and social care services affecting their housing needs and choices.

10.3.6   Lichfield District has the highest proportion of people aged 60 – 64 with 29.5% of the over 60 population, followed by Tamworth with 28.9%. Both these districts have more than 70.0% of their older population in the 'younger' age group of 60 – 75 resulting in population forecasts of an increasing older population, both in absolute numbers and proportionately and suggesting that service provision should include a key target of engaging with the younger older population moving into their older life and keeping them fit and healthy.

10.3.7   This is recognised in Tamworth's Housing Strategy[62] where Priority 3 is 'Meeting the needs of an ageing population' and in Lichfield District's Housing Strategy[63]. Both strategies include an action plan for further research to deliver an Older Persons' Accommodation Strategy which will provide fuller details of future levels of housing and support needs and the gaps in provision which need to be addressed.   Solihull has already produced an accommodation strategy for older people, All Our Tomorrows[64] and Birmingham has produced the Plan for Birmingham's Older People[65] that includes a chapter on housing issues.

10.3.8   The highest proportions of the older older population in C1HMA are found in Birmingham, with 35.7% of the over 60 population aged over 75 including 8.2% aged over 85, and in Solihull with 33.7% aged over 75 and 7.1% aged over 85.

10.3.9   Looking at housing tenure, Table 73 shows the majority of older people in all districts are owner-occupiers. 82.8% of the older population in Solihull and 79.8% in Lichfield District are owner-occupiers. This represents four out of five older people are living in owner occupied accommodation and illustrates the importance of policies directed at enabling older people to continue to live in their own home as recognised by housing strategies within the C1HMA.

10.3.10 Giving older people the choice to continue to live in their own homes for as long as they can requires partnership working between housing, primary care, community health services, social services as well as a variety of voluntary organisations. Services will include the provision of timely adaptations to the home, support services for health and social care as well as organisations to assist older people to maintain their homes.

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[62] Tamworth's Housing Strategy 2007 - 2010

[63] Lichfield District's Housing Strategy 2006 - 2009

[64] All Our Tomorrows 2005 - 2010

[65] Birmingham's Plan for Older People, 2003

Examples include Birmingham's HouseProud service and Solihull's Safe and Sound and Home Improvement Service which are designed to provide practical support to older people with repairs and improvements required to their property.

10.3.11   The preference to continue to live in owner occupied accommodation is strongly shown still in the cohort aged 85 and over. 71.8% of this age group in Solihull and 66.1% in Lichfield District are living in owner occupied property.   The percentage lowers to 57.3% in Birmingham and 54.4% in Tamworth but these are still more than half the population in that age group.   These figures reflect the need for the majority of service provision to be directed at enabling older people to remain in their own homes.

10.3.12   Birmingham has the highest percentage of the older population living in social rented accommodation with 25.8%, followed by 24.2% in Tamworth. Birmingham's Plan for Older People[66] notes older people are disproportionately represented in the council's housing stock with research suggesting 34.0% of council tenants are aged over 60.   Repair programmes to meet Decent Homes standards will need to take account of the negative health and well being impact of such work on older residents.

10.3.13   The West Midlands Regional Supporting People Strategy[67] notes the population of the region's rural communities is ageing, generating specific issues in relation to housing and related support needs. This will be more relevant to Lichfield District and Solihull within the C1HMA. Suggested approaches include:

- More use of floating support, recognising increased cost of these services and incentives may be needed to attract these providers

- Assistive technology

- Telecare and community alarm services and

- Joint commissioning to achieve economies of scale in extra care.

10.3.14   The proportion of the total population that consists of single pensioner households is shown in Table 74. Single pensioner households represent over 10.0% of the population in all four districts rising to 14.2% in Solihull and 14.5% in Birmingham. The information on household composition is important in assessing current and future housing needs of older people. The number of single pensioner households has implications for types of housing as well as care and support services within each district, as it suggests that the older person may not benefit from care and support within the home from another member of their household if

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[66] Birmingham's Plan for Older People, 2003

[67] The West Midlands Regional Supporting People Strategy, Secta Starfish, 2005

the need arose.   Nationally there is a growing trend of an increasing number of older people living alone.

Table 74: Single pensioner households by tenure as % of all households			
Area	Owned	Social rented	Private rented/ living free	Total
Birmingham	7.4	5.5	1.7	**14.5**
Lichfield District	8.3	3.2	1.2	**12.7**
Solihull	9.7	3.7	0.7	**14.2**
Tamworth	5.4	4.3	0.9	**10.5**

Source: Census 2001

10.3.15   The higher proportion of larger sized accommodation in Lichfield District and Solihull (see Housing Stock chapter) will mean significant levels of under occupation in properties owned by older people.   Tamworth has smaller sized property and still considers under occupation affects approximately 41.3% of all households[68].

10.3.16   In addition, a strong message voiced in the stakeholder consultation was the shortage of two bedroom houses in Tamworth.

> *"The ageing population is beginning to suffer because we haven't got enough bungalows and two bedroom houses for people to downsize into.   Older people in a three bedroom house want to downsize to something smaller – they don't want to go into a flat, they want a bit of a garden".*

10.3.17   In Solihull, however, stakeholders commented there was provision of bungalows but these were not popular as they were too small.   It was widely recognised that older people express a general preference for two-bedroom accommodation rather than one bedroom.

10.3.18   Housing preferences regarding size and type and location of accommodation for the older population will require further research. Districts hoping for older people to move out of larger properties will need to ensure suitable alternatives are available.   Consultation in Solihull has indicated that residents may want to downsize, but there are only apartments being built that are often more expensive with high service charges and therefore do not meet their needs/demands.

10.3.19   The demographic changes show there will be an increase in the number and proportion of older people from established BME communities.   Population forecasts for Birmingham[69] state:

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[68] Tamworth's Housing Strategy 2007 - 2010

[69] CCSR: population forecasts for Birmingham, 2007

- The number of ethnic minority residents aged 65 and older will increase from its current 21,000 to about 36,000 in the next two decades to 2026. The impact on services depends on how the care of the elderly is balanced within and outside the family.

10.3.20 Regional research[70] into Black and Minority Ethnic Housing found evidence of a gradual breakdown of extended family structures in communities where this has been prevalent resulting in demands for new services to meet the needs of the older population.

10.3.21 In order to respond to the particular needs and aspirations of individual older people from different minority ethnic groups, service providers need to develop culturally sensitive approaches to consultation and service delivery.

10.3.22 Specialist housing provision is also required for older people including sheltered housing, extra care housing, nursing and residential care. A recent report for Birmingham[71] included the following comments:

- A review of traditional sheltered housing in the district with a view to increasing the provision of extra-care and enhanced sheltered housing with an emphasis on mixed tenure and leasehold schemes. The north of the city was cited as an area with current low provision but expected high demand for leasehold retirement schemes

- There is a shortage of housing with care for older people with dementia

- There is under provision of nursing homes compared to the over 75 population.

10.3.23 Tamworth has carried out a review of its sheltered housing and concluded existing sheltered schemes should be used to provide a 'hub' for the delivery of support services. The Housing Strategy notes the provision of extra care accommodation is seen as a high priority for the district and expects this provision to be achieved through remodelling of existing accommodation rather than new build.

10.3.24 Solihull's strategy 'All Our Tomorrows'[72] includes the following principle regarding provision:

- Give relative priority to the development of extra care housing in order to maximise older people's independence and to reduce the use of care homes by frail ambulant older people. Extra care housing schemes allow people to be tenants in their own right and receive a flexible package of domiciliary care and housing related support

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[70] Black and Minority Ethnic Housing in the West Midlands, Ecotec, 2005

[71] Old Enough to Live Independently in Birmingham in the 21st Century

[72] All Our Tomorrows 2005 - 2010

- Housing provision will be met by a combination of bungalows built to mobility standard, sheltered accommodation, floating support services, extra care housing and continuing care schemes.

10.3.25 The key preference of older people to stay in their own home requires a partnership approach in order to enable older people to maintain their independence, choice and control. Enabling older people to remain independent in their existing accommodation has implications in terms of: maintenance of the property; heating; timely adaptations and equipment as necessary; support and assistance if greater need arises and wider accessible services in the area to encourage continuing independent living. In addition the older persons housing market requires a range of choice and housing options with accessible information on the different services and housing provision available. The large proportions of younger older people who are owner occupiers and live in large properties present challenges in future years and continuing consultations are needed to explore with them options for older age, for example concerning preferences for property size, location and tenure options, (taking account of the high proportion of lone pensioners over 75), including private sheltered housing.

10.4 Households with specific needs

10.4.1 There is no single source for identifying the unmet needs of those people with special needs who may require housing to be purpose built, specially adapted or are in need of support services to enable them to continue to live independently in their home. The previous sections will clearly overlap with issues raised here. The Housing Strategies of all four districts within the C1HMA however recognise the importance of providing for households with specific needs as this is stated as a strategic priority in each area.

10.4.2 This section uses information about people with long-term limiting illness and disabled facilities grants data to provide indicative information about levels of potential need and delivery of adaptations.

10.4.3 An indication of the proportions of the household population who may have a requirement for adaptations to their home is provided by the Census 2001 data on Households with a person with a limiting long-term illness (LLTI) and their age, as Table 75 shows. The data provides indications for comparison across Local Authorities of levels of disability, although not all people included here would have required adaptations to their home. The data shows varying levels of households with *at least one* person with LLTI across the districts of the C1 HMA (aggregating percentages with 1 resident with a LLTI, and those with at least 2 residents with a LLTI). Highest levels are for Birmingham (36.6%). Levels are lower for

Tamworth (32.6%), Lichfield District (31.1%) and Solihull (30.7%). Among the older population (aged over 65) with one resident with LLTI, proportions are highest in Birmingham (11.9%) and Solihull (11.3%) followed by Lichfield District (10.5%) and then Tamworth (9.1%).

Table 75: Households with a person with LLTI								
	Birmingham		Lichfield District		Solihull		Tamworth	
Households	No.	%	No.	%	No.	%	No.	%
No people with LLTI	242590	62.1	25407	67.7	55109	68.1	19458	66.2
1 resident with LLTI	111005	28.4	9101	24.3	19661	24.3	7457	25.4
0 to 15	6047	1.5	394	1.1	923	1.1	442	1.5
16 to 44	24682	6.3	1615	4.3	3385	4.2	1619	5.5
45 to 59	24099	6.2	2139	5.7	4406	5.4	2028	6.9
60 to 64	9716	2.5	993	2.6	1782	2.2	680	2.3
65 to 74	19084	4.9	1696	4.5	3650	4.5	1215	4.1
75+	27377	7.0	2264	6.0	5515	6.8	1473	5.0
2+ residents with a LLTI	31903	8.2	2554	6.8	5194	6.4	2122	7.2
All households	390792	100.0	37502	100.0	80927	100.0	29384	100.0

Source. Census 2001

10.4.4 Information from the HSSA 2007 about the numbers of mandatory disabled facilities grants completed and the total expenditure on mandatory grants over a four-year period for the four Local Authorities is shown in Table 76. The table also shows planned expenditure for 2007 – 2008 and proposed expenditure for the following year. Expenditure in Birmingham on mandatory disabled facilities grants has been decreasing since 2004/5 and is expected to decrease further in 2008/9, whereas expenditure in Lichfield District, Solihull and Tamworth is planned to increase from 2005 /6. The Housing Strategies of all the authorities state high levels of demand for Disabled Facilities Grants.

Table 76: Mandatory Disabled Facilities Grants								
	Birmingham		Lichfield District		Solihull		Tamworth	
Year	No	£000	No	£000	No	£000	No	£000
2003-04	5340	12042	89	613	109	1087	48	163
2004-05	6865	15973	91	356	134	1045	41	160
2005-06	799	6880	42	250	105	1195	29	203
2006-07	1217	5986	55	232	154	907	23	187
2007-08 (planned)	1197	5922	90	540	105	1064	20	200
2008-09 (proposed)	842	4235	90	500	110	1500	30	250

Source. HSSA Appendix 2007

10.4.5   The capacity of people with special needs to live with maximum independence in housing depends on levels of support.   One key mechanism for delivering housing related support services to vulnerable people is through the Supporting People Programme.

10.4.6   The West Midlands Regional Supporting People Strategy[73] notes that areas where the housing stock is predominantly older private sector terraced housing, including private rented, accommodate disproportionately high numbers of resident with potential support needs.   Birmingham's housing stock (see Housing Stock chapter) is comprised of almost a third terraced housing and Tamworth's is just over a fifth whereas Lichfield District and Solihull have 13.6% and 16.0% terraced dwelling stock.

10.4.7   Rural need for floating support services and supported housing provision was highlighted as an area needing further consultation and provision.   This will be particularly relevant to Lichfield District and Solihull.   The report states:

   ▪ Service delivery is difficult in terms of both costs and practicality because of geographic spread, sparse population, lack of housing for move-on or for support staff and problems protecting service users' privacy and anonymity

10.4.8   The report also refers to new models of provision using floating support, extra care and more independent forms of accommodation.   This was particularly noted for people with learning disabilities following the agenda set out in Valuing People[74], which encourages alternative models of support to enable people with learning disabilities to live more independently.

10.4.9   Key themes running through the Supporting People Strategies and Housing Strategies of the four districts of the C1HMA are:

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[73] West Midlands Regional Supporting People Strategy, Secta Starfish 2005

[74] Valuing People, a new strategy for learning disability for the 21st century, Department of Health, 2001

- Provision of further floating support services to enable vulnerable people to continue to live at home. Different districts identify a range of client groups requiring enhanced services.

- For example Lichfield District considers priority should be focused on increasing provision to ex-offenders and those with mental health problems, those with learning difficulties and people with drug and alcohol problems. Birmingham identifies a wider spread of needs which includes these groups, along with refugees, young people at risk and teenage parents. Tamworth views future provision focused on young people, people with a physical or sensory disability, substance misuse problems, mental health difficulties, ex-offenders and homeless people.

- Partnership working including councils, health services, voluntary and independent organisations. Tamworth's Housing Strategy states the intention to work with a range of partners to deliver coordinated special needs housing projects and support services in the Borough.

- Development of additional supported housing.

10.4.10 It is also notable that Solihull's Supporting People Programme is small compared to other authorities and the district has established a Disabled Housing register keeping details of social housing properties that have been adapted.

10.5 Black and minority ethnic communities

10.5.1 The West Midlands region has the largest proportion of black and minority ethnic communities within its population of any region outside of London (11.3% in 2001[75]). The main BME population concentrations within the West Midlands are within the Central HMA (Birmingham, the Black Country and Coventry) and to some extent the North (Stoke-on-Trent). The West Midlands Regional Housing Strategy [76] describes differentiation between and within different BME communities. Pakistani and Bangladeshi communities, among the poorest of BME communities, do not have as significant a presence in moderate and high value housing markets, with little spatial movement across the region. These communities value proximity to social and cultural networks but aspirations may be changing generationally. Black Caribbean households are relatively disproportionately housed in social housing. Indian communities show much greater dispersal, apparently driven by improved educational outcomes, increased prosperity and desire to be closer to public services.

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[75] Office of National Statistics

[76] West Midlands Regional Housing Strategy, June 2005

10.5.2   91% of the West Midlands Region's non-white BME population live in the Central HMA, 4.2% live in the North, 4.0% in the South and less than 1% in the West.[77] Table 11 in Chapter 3 above details the proportion of the population belonging to different ethnic groupings in the four districts of the C1 Housing Market Area and provides comparators to the regional and national percentages. Data has been grouped for purposes of summarising the profile across many different ethnic categories. The proportions illustrate an uneven spread with the main concentration of BME communities in the major conurbation, Birmingham, reflecting traditional settlement patterns.

10.5.3   Table 77 to Table 80 below show tenure by ethnic group for households within the C1 Housing Market Area. The tables reflect a wide diversity of minority ethnic communities across the four districts. The figures refer to the household reference person (i.e. head of household) rather than all individuals in the HMA area. The owner occupiers section includes data for shared ownership properties.

10.5.4   At the time of the Census 2001, 28.5% of Birmingham's total population were from BME communities, although more recent figures from Birmingham City Council suggest this figure is now as high as 34,5% (see section 3.5 above). The absolute numbers in Table 77 show the largest minority ethnic population is Pakistani followed closely by Black Caribbean. White Irish and then the Indian population are the next largest communities.

Table 77: Tenure by ethnic group – Birmingham (%)						
						Tenure
Ethnic Group	Owned	Social rented	Private rented	Rent free	Total %	Total Number
White British	62.3	26.9	7.8	2.9	100.0	279564
White Irish	57.8	32.7	6.1	3.4	100.0	18579
White Other	50.3	20.8	25.3	3.6	100.0	6329
Total White	**61.8**	**27.1**	**8.1**	**3.0**	**100.0**	**304472**
Mixed White & Black Caribbean	29.4	58.1	9.1	3.4	100.0	3169
Mixed White & Black African	34.1	44.5	18.1	3.2	100.0	431
Mixed White & Asian	41.5	37.9	16.1	4.5	100.0	1413
Mixed Other	39.8	38.9	17.3	4.0	100.0	1071
Total Mixed	**34.4**	**49.0**	**12.8**	**3.7**	**100.0**	**6084**
Indian	77.3	10.2	10.6	1.9	100.0	15837
Pakistani	66.9	17.6	12.2	3.3	100.0	24317
Bangladeshi	44.0	36.4	15.6	4.0	100.0	4570
Other	61.0	18.9	15.8	4.3	100.0	3038
Total Asian	**67.8**	**17.0**	**12.3**	**3.0**	**100.0**	**47762**
Black Caribbean	44.2	47.9	5.7	2.3	100.0	24107
Black African	28.5	40.6	26.7	4.2	100.0	2536
Black Other	32.3	56.3	7.4	4.1	100.0	2080
Total Black	**41.9**	**47.8**	**7.7**	**2.6**	**100.0**	**28723**
Chinese	49.6	23.9	21.9	4.6	100.0	1822
Other Ethnic Group	32.1	29.6	32.2	6.1	100.0	1912
Total Chinese or Other	**40.7**	**26.8**	**27.2**	**5.4**	**100.0**	**3734**
ALL Households	**60.4**	**27.7**	**8.8**	**3.0**	**100.0**	**390775**

Source: 2001 Census

10.5.5 The BME population in Lichfield District is 3.0% of the total population. Table 78 details the established ethnic groups of White Irish, White Other followed by Indian and Black Caribbean communities.

Table 78: Tenure by ethnic group – Lichfield District (%)						
						Tenure
Ethnic Group	Owned	Social rented	Private rented	Rent free	Total %	Total Number
White British	79.4	13.6	5.3	1.7	100.0	36372
White Irish	76.8	15.9	3.8	3.5	100.0	345
White Other	72.0	7.6	16.9	3.5	100.0	314
Total White	**79.3**	**13.6**	**5.4**	**1.7**	**100.0**	**37031**
Mixed White & Black Caribbean	75.0	12.5	12.5	0.0	100.0	24
Mixed White & Black African	50.0	50.0	0.0	0.0	100.0	12
Mixed White & Asian	76.9	0.0	23.1	0.0	100.0	26
Mixed Other	82.4	17.6	0.0	0.0	100.0	17
Total Mixed	**73.4**	**15.2**	**11.4**	**0.0**	**100.0**	**79**
Indian	90.9	4.2	4.9	0.0	100.0	143
Pakistani	80.0	0.0	20.0	0.0	100.0	15
Bangladeshi	62.5	18.8	18.8	0.0	100.0	16
Other	65.4	23.1	11.5	0.0	100.0	26
Total Asian	**84.5**	**7.5**	**8.0**	**0.0**	**100.0**	**200**
Black Caribbean	81.8	6.8	11.4	0.0	100.0	88
Black African	100.0	0.0	0.0	0.0	100.0	6
Black Other	100.0	0.0	0.0	0.0	100.0	4
Total Black	**83.7**	**6.1**	**10.2**	**0.0**	**100.0**	**98**
Chinese	78.3	6.5	8.7	6.5	100.0	46
Other Ethnic Group	63.6	0.0	18.2	18.2	100.0	33
Total Chinese or Other	**72.2**	**3.8**	**12.7**	**11.4**	**100.0**	**79**
ALL Households	**79.3**	**13.5**	**5.5**	**1.7**	**100.0**	**37487**

Source: 2001 Census

10.5.6   The BME population in Solihull represents 7.9% with significant populations of White Irish, White Other, Indian and Black Caribbean communities as shown in Table 79.

10.5.7   Tamworth's BME population is 3.6% of the total population. The largest communities are White Irish, White Other, Black Caribbean and Indian as shown in Table 80.

Table 79: Tenure by ethnic group – Solihull (%)						
						Tenure
Ethnic Group	Owned	Social rented	Private rented	Rent free	Total %	Total Number
White British	79.1	16.2	3.7	1.0	100.0	74522
White Irish	77.2	18.2	3.5	1.1	100.0	2236
White Other	66.2	10.5	20.5	2.8	100.0	1031
Total White	**78.9**	**16.2**	**3.9**	**1.0**	**100.0**	**77789**
Mixed White & Black Caribbean	36.4	55.3	3.9	4.4	100.0	206
Mixed White & Black African	35.7	53.6	10.7	0.0	100.0	28
Mixed White & Asian	69.0	23.3	4.7	3.1	100.0	129
Mixed Other	68.1	15.3	16.7	0.0	100.0	72
Total Mixed	**51.3**	**39.1**	**6.7**	**3.0**	**100.0**	**435**
Indian	85.2	2.9	11.4	0.5	100.0	1027
Pakistani	83.1	4.8	10.8	1.2	100.0	249
Bangladeshi	58.6	20.7	20.7	0.0	100.0	29
Other	90.8	3.8	3.1	2.3	100.0	130
Total Asian	**84.8**	**3.7**	**10.7**	**0.8**	**100.0**	**1435**
Black Caribbean	62.8	33.5	2.3	1.5	100.0	744
Black African	64.9	22.1	7.8	5.2	100.0	77
Black Other	50.0	44.0	6.0	0.0	100.0	50
Total Black	**62.2**	**33.1**	**3.0**	**1.7**	**100.0**	**871**
Chinese	77.3	10.2	9.7	2.8	100.0	216
Other Ethnic Group	36.8	5.4	51.4	6.5	100.0	185
Total Chinese or Other	**58.6**	**8.0**	**28.9**	**4.5**	**100.0**	**401**
ALL Households	**78.6**	**16.2**	**4.2**	**1.0**	**100.0**	**80931**

Source: 2001 Census

Table 80: Tenure by ethnic group – Tamworth (%)						
						Tenure
Ethnic Group	Owned	Social rented	Private rented	Rent free	Total %	Total Number
White British	73.2	21.3	3.8	1.7	100.0	28320
White Irish	68.4	25.2	3.8	2.5	100.0	393
White Other	66.5	16.7	13.3	3.4	100.0	203
Total White	**73.1**	**21.3**	**3.9**	**1.7**	**100.0**	**28916**
Mixed White & Black Caribbean	61.5	26.9	11.5	0.0	100.0	52
Mixed White & Black African	50.0	25.0	25.0	0.0	100.0	12
Mixed White & Asian	65.7	25.7	8.6	0.0	100.0	35
Mixed Other	70.0	30.0	0.0	0.0	100.0	10
Total Mixed	**62.4**	**26.6**	**11.0**	**0.0**	**100.0**	**109**
Indian	82.2	5.9	5.9	5.9	100.0	101
Pakistani	56.3	43.8	0.0	0.0	100.0	16
Bangladeshi	0.0	0.0	0.0	0.0	100.0	0
Other	100.0	0.0	0.0	0.0	100.0	6
Total Asian	**79.7**	**10.6**	**4.9**	**4.9**	**100.0**	**123**
Black Caribbean	85.6	14.4	0.0	0.0	100.0	146
Black African	83.3	16.7	0.0	0.0	100.0	18
Black Other	57.1	42.9	0.0	0.0	100.0	7
Total Black	**84.2**	**15.8**	**0.0**	**0.0**	**100.0**	**171**
Chinese	81.3	0.0	9.4	9.4	100.0	32
Other Ethnic Group	52.6	31.6	15.8	0.0	100.0	19
Total Chinese or Other	**70.6**	**11.8**	**11.8**	**5.9**	**100.0**	**51**
ALL Households	**73.1**	**21.2**	**3.9**	**1.7**	**100.0**	**29370**

Source: 2001 Census

10.5.8 It is recognised that analysis based on 2001 Census data lacks information on emerging BME communities amongst recent arrivals of migrant workers, asylum seekers and refugees. Comments in the stakeholder consultations suggested that significant numbers of new arrivals from Poland were impacting on the private rented sector in Tamworth and leading to an increasing number of Houses in Multiple Occupation but the overall impact on local housing markets was unclear (see paragraph 4.5.6 above).

10.5.9 The housing needs and aspirations of the BME community cannot be identified within a single grouping as there is diversity within and between communities. A recent in-depth

study into Black and Minority Ethnic Housing in the West Midlands[78] highlighted key issues including:

- There is no homogenous set of BME housing needs and aspirations. In addition to differences related to ethnicity and religion, significant differences are emerging related to factors such as age, income, education and style

- The concentration of BME communities within Major Urban Areas has sustained the housing market and prevented its collapse in some areas

10.5.10 This diversity within the BME populations is reflected in tenure preferences highlighted in Table 77 - Table 80.

- The Indian community is predominantly housed in owner occupied accommodation in all four districts

- The Pakistani community also shows a high percentage of owner occupation across all four districts with the lowest percentage of 56.3% in Birmingham

- Bangladeshi households are also most represented in owner occupied properties but there is an increased percentage of households in social housing compared to the Indian and Pakistani populations particularly in Birmingham

- The largest population of Black Caribbean households are located in Birmingham where the highest proportion, 47.9%, live in social housing. The established communities of Black Caribbeans in Solihull, Lichfield District and Tamworth are however predominantly in owner occupied accommodation

- The broad ethnic grouping of Chinese and Other Ethnic Groups show a higher proportion of households living in private rented accommodation across all four districts compared to other ethnic groupings.

- Mixed populations show a higher proportion of households living in social housing and private rented properties in all four districts compared to the proportion for each tenure of all households in a district.

10.5.11 The location preferences of different communities is detailed in the regional study[79] providing the following generalisations:

- The Indian population is now widely spread across the central conurbation from Wolverhampton to Solihull and is evident in some higher value housing market areas

- In contrast, the Pakistani and Bangladeshi communities are more concentrated, and located within low value areas where housing conditions are worse

- The Black Caribbean population is spread within the central conurbation but is not found in higher value housing markets

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[78] Black and Minority Ethnic Housing in the West Midlands, Ecotec Research and Consulting, 2005

[79] Black and Minority Ethnic Housing in the West Midlands, Ecotec Research and Consulting, 2005

- The Black African community is not widely dispersed and tends to live in tight clusters near concentrations of the Black Caribbean community

- The Chinese Community is widely dispersed across the West Midlands region with some distinct clusters

- Refugee communities (Somali, Kurdish, Iraqi, Iranian) are present in Birmingham and Solihull through the National Asylum Seeker Service dispersal programme

- Emerging minority ethnic communities are moving into the accommodation vacated by the increasing dispersal patterns of established minority ethnic populations.

10.5.12 A recent study[80] among the South Asian community in Birmingham suggested the younger generation were as interested in living in or near to vibrant city and town centres as in being close to culturally specific facilities and amenities. This suggests generational changes are occurring within established minority ethnic communities affecting housing decisions and creating new directions from the traditional patterns.

10.5.13 The availability of appropriately sized accommodation is an important factor for some minority ethnic communities. Household forecasts[81] for Birmingham suggest larger extended households more common among the Indian, Pakistani and Bangladeshi populations will be a larger proportion of the total population in 2026. These larger family units of Asian households[82] require provision of larger sized accommodation. Inner city accommodation rarely provides sufficient supply of larger properties leading to overcrowding.

10.5.14 Birmingham has higher proportions of one bed and two bed dwellings compared to the rest of the C1 Housing Market Area and the region (see Table 23 and section 4.3 above on p74). Large properties of four or more bedrooms are disproportionately low in Birmingham (14.7%) and disproportionately high in Lichfield District and Solihull (29.5% and 27.9% respectively). The type of accommodation in Birmingham is also predominantly smaller: 38.6% terraced dwellings and 22.5% flats/apartments.

10.5.15 Tamworth Housing Strategy[83] notes the requirement for larger sized accommodation to meet the needs of the BME communities. It also notes the higher than average incidence of households containing a member with a disability or limiting long-term illness in the BME communities suggesting a need for adaptations within the accommodation or support services.

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[80] Bains, 2006 cited in Understanding and responding to housing market change, JRF, 2007

[81] Household forecasts for Birmingham, with an ethnic group dimension, CCSR, 2007

[82] average household size: Pakistani 4.2, Bangladeshi 4.5, Indian 3.5 in 2001 cited in above

[83] Tamworth Housing Strategy 2007 - 10

10.5.16 The condition of housing stock occupied by BME households is a further key area for housing policy. Poor quality private sector accommodation tends to be more prevalent in the Pakistani and Bangladeshi communities.

10.5.17 Alongside mainstream housing, the regional study[84] on Black and Minority Ethnic Housing explored the concept of culturally sensitive housing provision. The findings, detailed below, illustrate concerns for each of the four districts to consider in future BME housing provision.

- The design of dwellings to provide two reception rooms and a sufficient number of bedrooms for larger households

- The location of dwellings in areas that are perceived by BME communities are safe and from which access to community facilities, including places of worship, can be retained

- The employment of a workforce that is representative of the BME population and has skills in community languages

- Provision of housing related care and support that for example meets the cultural, dietary and religious needs of ethnic elders

- Employment of operatives sensitive to the culture of residents who avoid, for example, moving religious artefacts or eating culturally sensitive foods e.g. bacon/ham.

10.5.18 A recent report[85] considering amongst other issues the impact of the housing decisions of the growth in numbers of emerging minority ethnic communities on the housing market, concluded that there was a lack of knowledge and further information was needed relating to:

- The extent to which in-migrants interact with existing households from their country of origin or whether they settle in different neighbourhoods

- Whether this group is composed of single men looking for accommodation, or whether affordability barriers mean in-migrants club together to form households

- How closely initial moves into the city-region are followed by 'adjustment' moves, possibly to smaller settlements outside the main 'reception' markets.

10.5.19 The housing decisions of the BME community, particularly in Birmingham, have been a key component affecting the housing market. This influence will increase in significance as population numbers grow. Housing policy needs to take into account the diversity within and between minority ethnic communities including preferences relating to location,

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[84] Black and Minority Ethnic Housing in the West Midlands, Ecotec Research and Consulting, 2005

[85] Understanding and responding to housing market change, JRF, 2007

tenure and size of accommodation. The level of non-decent homes within some sections of the BME community needs also to be addressed. Continuing dialogue and engagement with BME communities on changing aspirations relating to mainstream housing as well as more culturally sensitive provision is required.

10.6   Young people

10.6.1   This section of the report explores the specific housing needs of young people looking to access their own independent accommodation. Issues relating to vulnerable young people are included in the following section on Households with specific needs.

10.6.2   The Government believes everyone should have the opportunity of a decent home, which they can afford to rent or buy, within a sustainable mixed community in an area where they want to live and work[86]. This means looking at not just the problems of affordability in an area but also looking at the range of housing options available to young people and whether these meet with the needs and aspirations of young people themselves.

10.6.3   For many young people there is a strong aspiration towards home ownership, which is seen as providing the security of a long-term home as well as providing the prospect of an asset appreciating in value over time. The housing market in recent years has demonstrated upwardly increasing property values and the younger generation will not be as aware of the housing markets' equal potential for a dramatic decline in the value of property as occurred in the early 1990s.

10.6.4   The increase in house prices relative to incomes over recent years has led to problems of affordability. Younger households will be more affected by this than older groups because they will not have had the same opportunities to accumulate wealth and will tend to have relatively lower incomes than the average[87].

10.6.5   Recent national research has shown that the average age of a first time buyer is now 34 and the proportion of new homes sold to first time buyers is the lowest since records began[88].

10.6.6   The problems of affordability for young people in the open market are recognised by all the districts in the C1HMA. It is a national concern and the government has recently announced new measures[89] which aim to build three million greener more affordable new homes by

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[86] Communities and Local Government

[87] Report of the Shared Equity Task Force, DCLG, 2006

[88] Affordability and the intermediate housing market, Joseph Rowntree Foundation, 2005

[89] New measures in the Housing and Regeneration Bill announced 16/11/07

2020 to help first time buyers including plans for a range of market, social and shared ownership housing developments.

10.6.7 Improving affordability for young people has been a concern at national and local level resulting in a number of different schemes for supporting households into home ownership over the years. Intermediate housing options have been encouraged in Solihull with the council stating[90] there has been a strong take up of Homebuy in the district compared to other local authorities in the area. Shared ownership levels are however considered to remain low.

10.6.8 Affordability is not the only obstacle facing young people wanting to live independently. Young people looking to be first time buyers will focus mainly on smaller accommodation – terraced properties or flats. The housing stock in Lichfield District and Solihull (see Housing Stock chapter) is predominantly detached and semi-detached properties of larger sizes than the regional average. The proportion of terraced accommodation is highest in Birmingham with 31.3% followed by Tamworth with 22.1%. The proportion of flatted stock is also highest in Birmingham with 21.8%, followed by Solihull with 15.1%. Tamworth has 11.3% and Lichfield District 9.7% flatted housing stock. The need for a greater number of smaller property types in Tamworth, Lichfield District and Solihull is recognised in their housing strategies.

10.6.9 Focusing further on the tenure of the smaller property types shows that the largest proportion of flats are socially rented, particularly in Birmingham and Tamworth and so not available to potential first time buyers. Owner occupied flatted accommodation accounts for 2.2% of all housing stock in Tamworth and 2.9% in Lichfield District. There is therefore a limited availability of suitable housing stock for young people in large parts of the C1HMA contributing to the difficulties they face in establishing a home.

10.6.10 For some young people home ownership may not be the most important factor influencing their housing choice. Security of tenure and the possibility of creating a home for themselves may be as significant. Social housing tenure can provide long-term security but the allocations policy may be seen as a barrier to young people if they are not considered to be in a priority grouping.

10.6.11 Private renting offers the possibility of creating an independent home for young people but this can be perceived as a transient measure where rents are too high and there is a lack of security. In addition there needs to be the availability of private rented stock.

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[90] Solihull Housing Strategy 2004 – 2008

10.6.12 The private rented sector (including residents living free) represents a small percentage of total housing stock in all the districts in the C1HMA. Birmingham has the largest percentage with 11.8% and Solihull the smallest percentage with 5.2%. The private renting opportunities for local young people in Solihull are minimised further by the high rent levels of private lettings in the area, which historically have been dominated by company relocations and high earners on short-term contracts.[91]

10.6.13 Lichfield District and Tamworth also recognise the need to engage further with potential private sector landlords to increase the size of the private rented sector. Tamworth's Housing Strategy prioritises widening housing choice in the district and also recommends a feasibility study to look at housing options outside the Borough.

10.6.14 Further considerations influencing young people's housing choice are the location of accommodation. Safety issues in the neighbourhood can be significant when young people set up home for the first time. At the same time there may be a greater pull to be close to central areas providing increased lifestyle choices.

10.6.15 A young person wanting to leave the parental home and access their own independent accommodation is therefore faced with a variety of obstacles relating not just to affordability and availability but also tenure preferences, location choices and once successful, being able to sustain their home. The role of local housing advice centres providing support and guidance on the different housing options and processes available is vital here. Lichfield District's latest Housing Strategy recognises a need to improve the housing advice service in the district.

10.6.16 To better understand the current housing requirements of young people, it is recommended that qualitative assessments involving young people and/ or stakeholders are undertaken to explore in greater depth some of the issues raised above.

10.7 Homeless households

10.7.1 Legislation places a responsibility upon Local Authorities to provide housing for individuals or households who are involuntarily homeless and in priority need.

10.7.2 Data on the number of homeless households and those in priority need from the Housing Strategy Statistical Appendix 2006 and the P1E quarterly return for the financial year 2006/07 is presented in Table 81, Table 82 and Table 83. There has been a marked fall in

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[91] Solihull Housing Strategy 2004 – 2008

recorded households accepted as homeless and in priority need across the whole West Midlands from 2003 and this is reflected in both Birmingham and Solihull. Lichfield District and Tamworth show an increase in the number of homeless acceptances over the same time period.

10.7.3 Each authority is doing all it can to reduce the need for social rented housing through their homelessness strategies and improved engagement with the private rented sector. All authorities have homelessness strategies that focus on homelessness prevention and providing improved support for vulnerable persons and each is committed to working with a range of partners and to implementing good practice in homelessness reduction that is identified both regionally and nationally. This is succeeding in reducing priority need homelessness across the C1 sub-region and enabling authorities to meet other significant housing needs more effectively.

Table 81: Households accepted as homeless and in priority need					
	Birmingham	Lichfield District	Solihull	Tamworth*	West Midlands
2003/4	5567	149	820	155	15780
2004/5	4663	150	774	157	14125
2005/6	N/A	216	583	162	11960
2006/7	2496	178	314	186	8740

Source: HSSA and P1E quarterly reports 2006/07/CLG Live table 627
*Tamworth data supplied from local monitoring information

10.7.4 Use of temporary accommodation in the West Midlands as a whole dropped significantly in all areas in 2006 (see Table 82). Trend data is limited for Tamworth, Solihull and Birmingham both show a drop in the number of households in temporary accommodation while Lichfield has maintained a fairly stable level over the last four years. Since 2004 Birmingham's policy has resulted in there being no households recorded as homeless at home.

Table 82: Homeless households in temporary accommodation (+homeless at home)					
31st March	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
2004	760 (+909)	19 (+11)	25 (+14)	N/A	4352
2005	903 (+0)	21 (+16)	17 (+51)	N/A	4355
2006	634 (+0)	19 (+0)	20 (+0)	N/A	2840
2007	448 (+0)	18 (+4)	8 (+15)	63 (+11)	2000

Source: P1E quarterly reports 2006/07 represented in CLG Live table 627

10.7.5 There has also been a decline in the number of dwellings let to homeless households since 2003/04 in all areas except Tamworth where lets to homeless households have increased

from 81 in 2003/04 to 231 in 2006/07. The picture in Lichfield District is more uneven with a higher number of recorded lets to homeless households in 2003/04 and 2005/06 and a lower number recorded in 2004/05 and 2006/07. The lets to homeless households in Tamworth have increased at a greater rate than the increase in households accepted as homeless and in priority need over the same time period. This may be partly explained by the number of households in temporary accommodation who are moved onto secure tenancies, which are recorded as new lets.

Table 83: Dwellings let to homeless households					
	Birmingham	Lichfield District	Solihull	Tamworth	West Midlands
2003/4	3662	125	467	81	10589
2004/5	3156	94	498	85	9802
2005/6	2132	128	421	79	8122
2006/7	1864	72	244	231	N/A

Source: HSSA 2007

11 DEMAND FOR SOCIAL HOUSING

11.1 Introduction

11.1.1 The following analysis looks at data from the housing registers of each of the four local authority areas in the C1 (West Midlands) HMA. Because of differences in the type of information recorded and in management practices the analysis is not directly comparable between areas. The aim of the chapter is to look at the households on the waiting lists in each area by the length of time on the register, the household characteristics of applicants and the requirement for social housing by size and type if known.

11.2 Birmingham

11.2.1 The following analysis of the Birmingham City Council housing register does not include data from other RSL registers in the District. The length of time applicants have been on the Birmingham housing register is shown in Table 84. The total applicants figure includes extra care applicants (412, 1.3%), extra care transfer applicants (51, 0.2%) and homeless permanent applicants (640 – 2.0%). Virtually all the applicants on the Birmingham register that have been analysed in this chapter have been registered for less than three years. Of those on the register proportionally more of the Transfer applicants have been waiting longer (51.9% over 2 years) than the general applicants (27.8% over 2 years). Just under a fifth of general applicants have been on the register for less than six months, which is a good indicator of the currency of the register data.

Table 84: Birmingham applicants by length of time on register						
Time on register	General applicants		Transfer applicants		All applicants	
	Number	Percent	Number	Percent	Number	Percent
<6 months	3976	18.9%	1153	12.7%	5451	17.4%
6 months to 1 year	4525	21.5%	1279	14.1%	5971	19.1%
1-2 years	6697	31.8%	1928	21.2%	9008	28.8%
2-3 years	5854	27.8%	4719	51.9%	10788	34.5%
3-4 years	5	0.0%	2	0.0%	20	0.1%
4-5 years	0	0.0%	2	0.0%	4	0.0%
5-6 years	0	0.0%	2	0.0%	2	0.0%
6-7 years	0	0.0%	1	0.0%	1	0.0%
>7 years	1	0.0%	2	0.0%	4	0.0%
Total	21058	100.0%	9088	100.0%	31249	100.0%

Source: Birmingham internal data – as at April 2007

11.2.2   Birmingham has the most ethnically diverse population of the four districts in the C1 HMA and the ethnic breakdown of housing register applicants is shown in Table 85. Black/Black British is the largest non-white group on the register representing 20.8% of general applicants and 14.7% of transfer applicants.   Black Caribbean is the largest black ethnic group represented on the register at 10.9% of general applicants and 8.8% of transfer applicants.   This is interesting when as shown in section 3.5 above, Black ethnic groups make up just 7.3% of the district population.

11.2.3   Asian applicants are similarly represented amongst general applicants at 19.9%, but less so amongst transfer applicants at 8.1%. Pakistani applicants make up the largest single non-white ethnic group amongst general applicants at 11.7%, although only representing 5.1% of transfer applicants.   As shown in section 3.5 above, Asian groups make up 12.2% of Birmingham district population.   Research done by University of Sheffield suggests Black groups are disproportionately represented in social housing and Asian groups are underrepresented in social housing.   The housing register data for Birmingham suggests that, whilst Black households maybe disproportionately over-represented on the waiting list, Asian groups are also well represented in terms of general applicants, if not transfer applicants.

11.2.4   As Table 85 shows, a significant number of general applicants are from Other ethnic groups (1,200 – 5.7%), the largest of which are Kurdish (1.0%), Afghani (0.7%), Iraqi (0.6%) and Iranian (0.5%).

Table 85: Birmingham applicants by ethnicity						
Ethnic group	General applicants		Transfer applicants		All applicants	
	Number	Percent	Number	Percent	Number	Percent
Asian Kashmiri	210	1.0%	23	0.3%	240	0.8%
Bangladeshi	738	3.5%	106	1.2%	868	2.8%
Indian	554	2.6%	82	0.9%	656	2.1%
Pakistani	2465	11.7%	467	5.1%	3022	9.7%
Any Other Asian Background	221	1.0%	61	0.7%	294	0.9%
Asian sub total	**4188**	**19.9%**	**739**	**8.1%**	**5080**	**16.3%**
Black African	1064	5.1%	307	3.4%	1404	4.5%
Black Caribbean	2295	10.9%	797	8.8%	3161	10.1%
Black Somalian	777	3.7%	135	1.5%	975	3.1%
Any Other Black Background	244	1.2%	100	1.1%	345	1.1%
Black sub total	**4380**	**20.8%**	**1339**	**14.7%**	**5885**	**18.8%**
Mixed Asian and Black	16	0.1%	60	0.7%	77	0.2%
Mixed White and Asian	107	0.5%	33	0.4%	142	0.5%
Mixed White and Black African	59	0.3%	26	0.3%	87	0.3%
Mixed White and Black Caribbean	623	3.0%	134	1.5%	782	2.5%
Any Other Mixed Background	113	0.5%	39	0.4%	155	0.5%
Mixed sub total	**918**	**4.4%**	**292**	**3.2%**	**1243**	**4.0%**
Afghani	144	0.7%	23	0.3%	169	0.5%
Albanian / Kosovan	23	0.1%	8	0.1%	31	0.1%
Any Other Ethnic Background	499	2.4%	94	1.0%	611	2.0%
Bosnian	5	0.0%	1	0.0%	6	0.0%
Chinese	70	0.3%	26	0.3%	96	0.3%
Gypsy / Roma	2	0.0%	0	0.0%	2	0.0%
Iranian	103	0.5%	25	0.3%	130	0.4%
Iraqi	120	0.6%	25	0.3%	147	0.5%
Kurdish	204	1.0%	28	0.3%	235	0.8%
Vietnamese	30	0.1%	4	0.0%	36	0.1%
Other sub total	**1200**	**5.7%**	**234**	**2.6%**	**1463**	**4.7%**
White British	8725	41.4%	4313	47.5%	13610	43.6%
Any Other White Background	381	1.8%	743	8.2%	1148	3.7%
Irish	244	1.2%	209	2.3%	495	1.6%
Traveller of Irish Heritage	1	0.0%	0	0.0%	1	0.0%
White sub total	**9351**	**44.4%**	**5265**	**57.9%**	**15254**	**48.8%**
Information Not Yet Obtained	746	3.5%	1205	13.3%	2028	6.5%
Refused	275	1.3%	14	0.2%	296	0.9%
Total	**21058**	**100.0%**	**9088**	**100.0%**	**31249**	**100.0%**

Source: Birmingham internal data – as at April 2007

11.2.5   The age and gender breakdown of applicants on the housing register is shown in Table 86. Female applicants are more dominant amongst the younger age groups, 16.6% of all applicants aged under 26 compared with 6.7% of all applicants being males aged under 26. Female applicants are also significantly more dominant amongst transfer applicants than general applicants, particularly amongst the younger age groups. General applicants have a younger profile than transfer applicants, where 14.0% are aged over 65 compared with just 3.7% of general applicants being aged over 65. This does not take account of the 412 Extra

care applicants, 269 of whom are female and 143 male. 195 of the female Extra Care applicants are aged over 75 (72.5%) compared with 69 of the male Extra Care applicants (48.3%).

Table 86: Birmingham applicants by age and gender (%)						
Age group of main applicant	General applicants		Transfer applicants		All applicants	
	Female	Male	Female	Male	Female	Male
Under 19	2.0%	0.7%	0.2%	0.0%	1.5%	0.5%
19-25	17.3%	8.4%	10.5%	1.7%	15.1%	6.2%
26-35	17.5%	14.7%	19.7%	6.8%	18.1%	12.0%
36-45	11.4%	10.9%	14.9%	8.3%	12.5%	10.0%
46-55	4.2%	5.4%	7.4%	6.2%	5.1%	5.5%
56-65	1.7%	1.9%	5.2%	5.0%	2.8%	2.8%
66-75	1.0%	1.3%	3.9%	3.9%	2.0%	2.2%
76-85	0.6%	0.5%	2.8%	2.0%	1.7%	1.1%
Over 85	0.2%	0.1%	1.0%	0.4%	0.7%	0.3%
Total	56.0%	44.0%	65.6%	34.4%	59.3%	40.7%

Source: Birmingham internal data – as at April 2007

11.2.6   Broad household categories are shown in Table 87. There is a lot of similarity between the profiles of general applicants and that of transfer applicants, the main difference being that single applicants are more dominant amongst general applicants (39.3% compared with 29.7%) and single applicants with children are more dominant amongst transfer applicants (10.9% compared with 7.7%).

Table 87: Birmingham applicants by household type						
Household type	General applicants		Transfer applicants		All applicants	
	Number	Percent	Number	Percent	Number	Percent
Couple	867	4.1%	578	6.4%	1506	4.8%
Couple with children	3282	15.6%	1405	15.5%	4836	15.5%
Couple + others	264	1.3%	177	1.9%	446	1.4%
Couple + with children	602	2.9%	308	3.4%	946	3.0%
Single	8278	39.3%	2698	29.7%	11439	36.6%
Single with children	5139	24.4%	2239	24.6%	7648	24.5%
Single + others	878	4.2%	522	5.7%	1429	4.6%
Single + with children	1631	7.7%	989	10.9%	2705	8.7%
Override need category	78	0.4%	159	1.7%	238	0.8%
N/A	39	0.2%	13	0.1%	56	0.2%
Total	21058	100.0%	9088	100.0%	31249	100.0%

Source: Birmingham internal data – as at April 2007

11.2.7 From the detailed household type categories it is possible to derive the number of people in each applicant household and these are shown in Table 88. This is not the same as being able to state how many bedrooms each household requires, but does give some guidelines as to the general size requirements. 6% (1,253) of general applicants and 7.8% (708) of transfer applicants represent households of more than five members.

Table 88: Birmingham applicants by household size						
Household size	General applicants		Transfer applicants		All applicants	
	Number	Percent	Number	Percent	Number	Percent
Single person	8278	39.3%	2698	29.7%	11439	36.6%
Two people	4739	22.5%	2083	22.9%	7063	22.6%
Three people	3407	16.2%	1727	19.0%	5249	16.8%
Four people	2151	10.2%	1192	13.1%	3415	10.9%
Five people	1230	5.8%	680	7.5%	1946	6.2%
Six people	623	3.0%	372	4.1%	1052	3.4%
Seven people	339	1.6%	180	2.0%	579	1.9%
Eight people	209	1.0%	111	1.2%	366	1.2%
Nine plus people	43	0.2%	32	0.4%	84	0.3%
N/A	39	0.2%	13	0.1%	56	0.2%
Total	21058	100.0%	9088	100.0%	31249	100.0%

Source: Birmingham internal data – as at April 2007

11.2.8 If the assumption is made that at least one bedroom in a household can be shared then a rough proxy for bedroom size requirements can be made (shown below in Table 131, p211). This will tend to over represent the size requirement at both ends of the spectrum with one bedroom properties derived by combining single and two person households and large households with multiple couples and children counted as only sharing one room. Despite these limitations, it is still clear that there is a significant requirement for housing with four or more bedrooms in the Birmingham district.

11.3 Lichfield District

11.3.1 Lichfield District operates a Choice Base Lettings (CBL) system and the following analysis is based on the details held against live applicants as at 1st April 2007. It has not been possible from the data available to distinguish between applicants currently living in social housing and applying for a transfer and other applicants.

11.3.2 The length of time Lichfield District applicants have been accepted as live on the waiting list is shown in Table 90. 36.4% of applicants have been live on the system for less than one

year, and the vast majority for less than three years, reflecting the currency of the waiting list data.

11.3.3   Lichfield District categorises applications into four bands. These are shown in Table 89.

Table 89: Lichfield District CBL bands	
Band 1	Property subject to a Closing Order
	Homeless Duty owed by Lichfield DC
	Lack of facilities
	Parents forced to live apart
	Child separated from parents
	High medical priority
	Domestic violence referrals
	Harassment including racial
	Statutory Overcrowding
	High Vulnerability (special needs)
Band 2	Homeless – no statutory duty
	Under-occupation
	Overcrowding
	Sharing facilities
	Vulnerability (special needs)
	To receive or provide support
	Medical
	Access to work
Band 3	No need/None of the above needs, but with a local connection
Band 4	No local connection

11.3.4   The split by bands shows that those applicants who have been waiting longer are in the lower bands, 43.9% of those in Band 4 have been on the list for more than two years compared with 17.7% of those in Band 1.

Table 90: Lichfield District applicants by length of time on register						
Time on register	All Live applicants at 01/04/07		Band 1	Band 2	Band 3	Band 4
	Number	Percent	Percent	Percent	Percent	Percent
<6 months	517	18.0%	33.3%	21.6%	17.8%	14.9%
6 months to 1 year	531	18.4%	22.2%	26.0%	17.6%	14.1%
1-2 years	788	27.4%	26.7%	31.9%	25.4%	27.1%
2-3 years	459	15.9%	4.4%	10.3%	13.6%	24.0%
3-4 years	377	13.1%	11.1%	7.5%	13.9%	15.7%
4-5 years	0	0.0%	0.0%	0.0%	0.0%	0.0%
5-6 years	1	0.0%	0.0%	0.0%	0.0%	0.1%
6-7 years	0	0.0%	0.0%	0.0%	0.0%	0.0%
>7 years	206	7.2%	2.2%	2.8%	11.6%	4.1%
Total	2879	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Lichfield District CBL register data – as at April 2007

11.3.5 The age and gender of applicants is shown in Table 91. Female applicants are more dominant than male applicants, particularly in the younger age groups. The only age group where male applicants are more numerous than female applicants is amongst those aged 56 to 75. Just over a fifth of all applicants are aged under 26.

Table 91: Lichfield District applicants by age and gender						
Age group of main applicant	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Under 19	10	0.3%	5	0.2%	15	0.5%
19 to 25	447	15.5%	178	6.2%	625	21.7%
26 to 35	470	16.3%	259	9.0%	729	25.3%
36 to 45	344	11.9%	236	8.2%	580	20.1%
46 to 55	169	5.9%	153	5.3%	322	11.2%
56 to 65	126	4.4%	133	4.6%	259	9.0%
66 to 75	77	2.7%	107	3.7%	184	6.4%
76 to 85	70	2.4%	50	1.7%	120	4.2%
Over 85	35	1.2%	10	0.3%	45	1.6%
Total	1748	60.7%	1131	39.3%	2879	100.0%

Source: Lichfield District CBL register data – as at April 2007

11.3.6 The ethnic breakdown of applicants, in Table 92 below, shows that the majority of applicants are either categorised as White or have no ethnicity data recorded. Amongst the Other white categories, Polish and Irish are the most dominant, although the numbers are still very low.

Table 92: Lichfield District applicants by ethnicity						
Ethnic group	All Live applicants at 01/04/07		Band 1	Band 2	Band 3	Band 4
	Number	Percent	Percent	Percent	Percent	Percent
Asian	10	0.3%	0.0%	0.0%	0.2%	0.8%
Black	31	1.1%	0.0%	0.8%	0.6%	2.0%
Other mixed	6	0.2%	0.0%	0.3%	0.2%	0.2%
Polish	11	0.4%	0.0%	0.5%	0.4%	0.3%
Irish	16	0.6%	0.0%	0.5%	0.3%	1.0%
White	2175	75.5%	77.8%	72.6%	75.9%	77.3%
Other white	20	0.7%	0.0%	0.2%	0.5%	1.3%
Not recorded	610	21.2%	22.2%	25.2%	21.9%	17.0%
Total	2879	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Lichfield District CBL register data – as at April 2007

11.3.7   Just over half the live applicants were assessed to need a one bedroom property and a third a two-bedroom property. Less than 1% of applicants are matched against a need for four or more bedrooms. Nearly a quarter of applicants are in Band 3 needing one bedroom accommodation.

Table 93: Lichfield District applicants by property size required						
Required bed rooms	All Live applicants at 01/04/07		Band 1	Band 2	Band 3	Band 4
	Number	Percent	Percent	Percent	Percent	Percent
One	1558	54.1%	0.8%	12.3%	24.3%	16.6%
Two	970	33.7%	0.5%	6.7%	15.9%	10.5%
Three	323	11.2%	0.2%	3.0%	4.2%	3.8%
Four	26	0.9%	0.0%	0.4%	0.0%	0.5%
Five	1	0.0%	0.0%	0.0%	0.0%	0.0%
Six	0	0.0%	0.0%	0.0%	0.0%	0.0%
Seven	1	0.0%	0.0%	0.0%	0.0%	0.0%
Total	2879	100.0%	1.6%	22.3%	44.5%	31.4%

Source: Lichfield District CBL register data – as at April 2007

11.4 Solihull

11.4.1   Applicants on the housing register in Solihull as at 1st April 2007 are shown below in Table 94 by the length of time they have been on the waiting list. The table is split between those households currently living in social housing (an indication that they are applying for a transfer) and those in other tenures (representing potential new tenants to social housing). The social housing applicants tend to have been on the waiting list for longer

than the other applicants, 28.6% over three years compared with 20.4%. 41.3% of other applicants have been on the list for less than one year and 31.1% of existing social housing tenants have been waiting for less than one year.

Table 94: Solihull applicants by length of time on register				
Time on register	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
<6 months	331	15.6%	754	25.0%
6 months to 1 year	330	15.5%	492	16.3%
1-2 years	495	23.3%	659	21.8%
2-3 years	363	17.1%	500	16.6%
3-4 years	304	14.3%	304	10.1%
4-5 years	95	4.5%	120	4.0%
5-6 years	56	2.6%	61	2.0%
6-7 years	37	1.7%	38	1.3%
>7 years	116	5.5%	92	3.0%
Total	2127	100.0%	3020	100.0%

Source: Solihull internal data – as at April 2007

11.4.2   There is a clear difference (Table 95) in the age and gender profiles of the two applicant groups, with young people in general being more common amongst other applicants than social housing tenants. 9.4% of female existing social housing applicants are aged over 65 compared with 4.8% of the other female applicants.

Table 95: Solihull applicants by age and gender								
Age group of applicant	Social housing applicants				Other applicants			
	Female		Male		Female		Male	
Under 19	1	0.1%	0	0.0%	54	2.9%	19	1.6%
19 to 25	277	17.1%	28	5.5%	568	30.5%	269	23.3%
26 to 35	521	32.2%	97	19.1%	540	29.0%	302	26.1%
36 to 45	387	23.9%	137	27.0%	395	21.2%	270	23.4%
46 to 55	170	10.5%	85	16.7%	132	7.1%	132	11.4%
56 to 65	109	6.7%	82	16.1%	86	4.6%	85	7.4%
66 to 75	67	4.1%	51	10.0%	51	2.7%	52	4.5%
76 to 85	68	4.2%	20	3.9%	30	1.6%	23	2.0%
Over 85	18	1.1%	8	1.6%	9	0.5%	3	0.3%
Total	1618	100.0%	508	100.0%	1865	100.0%	1155	100.0%

Source: Solihull internal data – as at April 2007

11.4.3   As evident with Lichfield District, the proportion of applicants that are neither classed as White or have no ethnicity recorded against them is fairly low, 7.8% of existing social housing tenants and 10.0% amongst other applicants (see Table 96). This compares with

the 2001 Census which identifies 7.9% of the population as being non-White. Black and Black British is the most significant non-White ethnic group represented on the waiting list.

Table 96: Solihull applicants by ethnicity				
Ethnic group of applicant	Social housing applicants		Other applicants	
Asian/Asian British	31	1.5%	85	2.8%
Black/Black British	76	3.6%	106	3.5%
Chinese/other	7	0.3%	27	0.9%
Mixed	50	2.4%	85	2.8%
White/White British	1565	73.6%	2102	69.6%
Not known/withheld	398	18.7%	615	20.4%
Total	2127	100.0%	3020	100.0%

Source: Solihull internal data – as at April 2007

11.4.4 There is a difference between the two applicant groups in terms of property size requirements, with 28.6% of existing social housing tenants needing one bedroom accommodation compared with 49.6% of other applicants. 4.3% of existing social housing tenants require four or more bedroom accommodation compared with just 0.9% of other applicants. Table 97 shows that overall, almost a fifth (19.8%) of all applicants on the waiting list require three or more bedroom accommodation.

Table 97: Solihull applicant requirement by size								
Current housing type	Bed room requirement							
	One		Two		Three		Four	
	No.	Row%	No.	Row%	No.	Row%	No.	Row%
Social housing applicant	608	28.6%	913	42.9%	513	24.1%	92	4.3%
Other applicant	1498	49.6%	1109	36.7%	387	12.8%	26	0.9%
Total	2106	40.9%	2022	39.3%	900	17.5%	118	2.3%

Source: Solihull internal data – as at April 2007

11.5 Tamworth

11.5.1 The following analysis looks at applicants on the Tamworth Borough Council waiting list. Data from the Waterloo RSL waiting list has been used in the assessment of housing need below in Chapters 7 and 8, but for reasons of incompatibility has not been included in this section.

11.5.2 As with Solihull above, the following tables split the applicants into those already living in social housing and those from other tenures in order to attempt to differentiate between

transfer and new applicants. In Table 98 there does not appear to be a very great difference between the two applicant groups in terms of the length of time they have been waiting on the list. 19.1% of existing social housing applicants and 15.0% of other applicants have been on the waiting list for over three years. 45.5% of existing social housing applicants and 48.7% other applicants have been on the waiting list for less than one year.

Table 98: Tamworth applicants by length of time on register				
Time on register	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
<6 months	107	26.0%	244	26.6%
6 months to 1 year	80	19.5%	203	22.1%
1-2 years	87	21.2%	200	21.8%
2-3 years	59	14.4%	135	14.7%
3-4 years	22	5.4%	43	4.7%
4-5 years	13	3.2%	19	2.1%
5-6 years	7	1.7%	13	1.4%
6-7 years	7	1.7%	8	0.9%
>7 years	29	7.1%	54	5.9%
Total	411	100.0%	919	100.0%

Source: Tamworth internal data – as at April 2007

11.5.3   As evident in the other authority waiting list data, there is a difference between the age and gender profiles of the two applicant groups as shown below in Table 99. Existing social housing applicants tend to be older, and although female applicants are dominant in both applicant groups, the male/female split is strongest amongst the younger social tenants (19 to 35).

Table 99: Tamworth applicants by age and gender								
Age group of applicant	Social housing applicants				Other applicants			
	Female		Male		Female		Male	
Under 19	0	0.0%	0	0.0%	15	3.2%	12	2.6%
19 to 25	42	16.2%	6	4.0%	156	33.6%	109	24.0%
26 to 35	68	26.3%	21	13.9%	125	26.9%	125	27.5%
36 to 45	42	16.2%	34	22.5%	66	14.2%	83	18.2%
46 to 55	34	13.1%	25	16.6%	44	9.5%	61	13.4%
56 to 65	37	14.3%	28	18.5%	24	5.2%	25	5.5%
66 to 75	14	5.4%	17	11.3%	17	3.7%	17	3.7%
76 to 85	9	3.5%	12	7.9%	6	1.3%	15	3.3%
Over 85	13	5.0%	8	5.3%	11	2.4%	8	1.8%
Total	259	100.0%	151	100.0%	464	100.0%	455	100.0%

Source: Tamworth internal data – as at April 2007

11.5.4 Table 100 shows that overall the two most significant household types on the waiting list are families and single people. Amongst existing social housing tenants, families represent 46.7% of household types, compared with 32.6% of other applicants. Amongst other applicants single person households represent 47.4% of applicants compared with 23.1% of existing social housing applicants.

Table 100: Tamworth applicants by household group				
Household group of applicant	Social housing applicants		Other applicants	
Applicant & Carer	0	0.0%	1	0.1%
Childless Couple	32	7.8%	80	8.7%
Couple OAP 60+	37	9.0%	41	4.5%
Family	192	46.7%	300	32.6%
OAP & Carer	0	0.0%	1	0.1%
Sharers	2	0.5%	8	0.9%
Single Applic 16-18	0	0.0%	14	1.5%
Single Applicant	95	23.1%	436	47.4%
Single OAP 60+	50	12.2%	30	3.3%
Single/C.C. +Access	3	0.7%	8	0.9%
Total	411	100.0%	919	100.0%

Source: Tamworth internal data – as at April 2007

11.5.5 Tamworth of all the C1 HMA authorities has the greatest assessed need for single bedroom accommodation. Table 101 indicates that overall, 60.6% of all applicants need one bedroom properties and only 10.0% of applicants require three or more bedrooms.

Table 101: Tamworth applicant requirement by size								
Current housing type	Bed room requirement							
	One		Two		Three		Four plus	
	No.	Row%	No.	Row%	No.	Row%	No.	Row%
Social housing applicant	194	47.2%	148	36.0%	56	13.6%	13	3.2%
Other applicant	612	66.6%	243	26.4%	44	4.8%	20	2.2%
Total	806	60.6%	391	29.4%	100	7.5%	33	2.5%

Source: Tamworth internal data – as at April 2007

12 BRINGING THE EVIDENCE TOGETHER

12.1 Housing market sectors in the C1 HMA

12.1.1 Identifying the housing market sectors operating within the C1 sub-regional Housing Market Area has involved the analysis and bringing together of a number of different aspects of this study. The primary drivers for identifying these market sectors are:

- Population change and migration

- Local incomes and local house prices

- Affordability and entry-level housing

- Housing need and demand for social housing

- Stakeholder consultations

12.1.2 We have consciously taken a different approach to the one used by Ecotec in 2006[92] for two reasons:

(i) If we simply re-analysed the same data we would undoubtedly come up with the same conclusions

(ii) If we took a more qualitative approach that placed greater emphasis on migration, house prices and housing needs, then if it concurred with their findings it would give greater ballast to both and if it differed it would provide a challenge for further discussion.

12.1.3 The process to identify the housing market sectors was as follows. The first stage was to identify a suitable geography for analysis that could be applied to the various datasets analysed as part of the Strategic Housing Market Assessment. Some datasets (e.g. house prices and incomes) are available at full postcode level, some are at Output Area, LLSOA or MLSOA level whilst others can only be obtained at local authority level. House prices are available at postcode level, but on the other hand if no sales occur within a given time period or few sales occur that are not representative of that geography, then analysis can be distorted at the small area level and inaccurate conclusions may be drawn. In addition,

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[92] *Study into the Identification and Use of Local Housing Market Areas for the development of the Regional Spatial Strategy,* Ecotec, June 2006

we are mindful of the requirement that all members of the Housing Market Partnership need to be able to maintain and update datasets in the future and that not all partners have access to mapping and statistical analysis or have the resources to undertake complex data mining and manipulation. Consequently, we decided that, despite boundaries that may appear arcane at times, electoral wards are the appropriate building block geography to provide outputs that are both robust and replicable.

12.1.4   The second stage was to identify commonality in various identifiers (e.g. tenure, house price, income, affordability – all of which are discussed in preceding chapters). The aim was to find areas where, from the perspective of the home purchaser, there was substitutability (either one dwelling for another or one price for another) or a match in affordability. A significant element in this stage, was obviously was geographical proximity; in other words a semi-detached home for £150,000 in Lichfield may be substitutable for one of the same price in Solihull, but that does not mean the substitute will be made.

12.1.5   The third stage was to overlay the different elements (price, type, income) over one another to see where they correspond and where they diverge.

12.1.6   The final stage was to compare this map of findings with the views of stakeholders to see to what extent the markets described qualitatively matched those defined quantitatively. A half-day seminar, held in December 2007, sought to illicit the views of stakeholders on the housing markets.

12.1.7   This analysis has consequently grouped the 93 wards in the C1 Housing Market Area into thirteen housing market sectors, which are described below (see Table 102). For each area we identify its electoral wards and a number of key housing market indictors. For comparison the same key indicators for the whole of the C1 Housing Market Area as a whole are shown Table 103 below.

12.1.8   The key indicators are from the following sources:

(i)   All house price data is from the Land Registry for sales 2006-07

(ii)   Income is from CACI Paycheck 2007

(iii)   Household numbers, tenure, type and bedroom numbers are from the 2001 Census

Key	Name	Local authority	Wards
	Table 102: C1 Housing Market Area housing market sectors		
1	Birmingham South	Birmingham	Bartley Green, Billesley, Brandwood, Kings Norton, Longbridge, Northfield, Quinton, Weoley
2	Birmingham Central	Birmingham	Bournville, Edgbaston, Harborne, Ladywood, Selly Oak,
3	Birmingham South East & Shirley	Birmingham	Acocks Green, Hall Green, Moseley & Kings Heath, South Yardley, Sparkbrook, Springfield
		Solihull	Lyndon, Olton, Shirley East, Shirley West
4	Birmingham North West	Birmingham	Aston, Handsworth Wood, Lozells & East Handsworth, Nechells, Soho
5	Birmingham North	Birmingham	Erdington, Kingstanding, Oscott, Perry Barr, Stockland Green, Sutton Four Oaks, Sutton New Hall, Sutton Trinity, Sutton Vesey, Tyburn
		Solihull	Castle Bromwich
6	City of Lichfield	Lichfield District	Boley Park, Chadsmead, Curborough, Leomansley, St John's, Stowe
7	Lichfield District North	Lichfield District	Alrewas & Fradley, Armitage with Handsacre, Colton & Mavesyn Ridware, King's Bromley, Longdon,
8	Burntwood	Lichfield District	All Saints, Boney Hay, Burntwood Central, Chase Terrace, Chasetown, Hammerwich, Highfield, Summerfield
9	Lichfield District South & East	Lichfield District	Bourne Vale, Little Aston, Mease & Tame, Shenstone, Stonnall, Whittington
10	Tamworth	Lichfield District	Fazeley
		Tamworth	Amington, Belgrave, Bolehall, Castle, Glascote, Mercian, Spital, Stonydelph, Trinity, Wilnecote
11	Solihull rural	Solihull	Bickenhill, Knowle, Meriden
12	Birmingham East & Solihull North	Solihull	Chelmsley Wood, Kingshurst & Fordbridge, Smith's Wood
		Birmingham	Bordesley Green, Hodge Hill, Shard End, Sheldon, Stechford & Yardley North, Washwood Heath
13	Solihull Central	Solihull	Blythe, Dorridge & Hockley Heath, Elmdon, Shirley South, Silhill, St Alphege

Table 103: C1 Housing Market Area key market indicators		
Number of households		538549
Tenure (%)	Owner occupied	64.4%
	Social housing	25.4%
	Private renting	10.2%
Type (%)	Detached	16.6%
	Semi-detached	36.0%
	Terraced	27.4%
	Flats/apartments	20.0%
Bed size (%)	1 bed	12.9%
	2 bed	16.9%
	3 bed	52.1%
	4 bed or more	18.1%
Household income	Mean income	£29,874
	Lower quartile income (LQ Y)	£15,889
House price, sales & turnover	Number of sales	27,223
	Mean house price (LQ HP)	£178,328
	Lower quartile house price	£131,090
	Turnover	7.8%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.3
	Ratio of C1 LQ Y to sector LQ HP	N/A

12.2 Birmingham South

12.2.1 Birmingham South is characterised by a number of factors. First there is a commonality of house type; predominantly semi-detached (41.5%) and terraced housing (29.1%). In addition it has the highest concentration of 2 bed dwellings in the Housing Market Area (20.0% of the housing stock) and the lowest proportion of 4 or more bed dwellings. More than half of all dwellings (56.7%) are three bed.

12.2.2 Owner occupation is relatively low (58.5%) and the private rented sector relatively small (7.6%). Over a third (33.9%) of all housing in the sector is social housing.

Table 104: Key market indicators - Birmingham South		
Number of households		83,117
Tenure (%)	Owner occupied	58.5%
	Social housing	33.9%
	Private renting	7.6%
Type (%)	Detached	8.8%
	Semi-detached	41.5%
	Terraced	29.1%
	Flats/apartments	20.6%
Bed size (%)	1 bed	13.2%
	2 bed	20.0%
	3 bed	56.7%
	4 bed or more	10.1%
Household income	Mean income	£27,595
	Lower quartile income (LQ Y)	£14,543
House price, sales & turnover	Number of sales	3,478
	Mean house price (LQ HP)	£140,654
	Lower quartile house price	£106,949
	Turnover	7.1%
Affordability	Ratio of sector LQ Y to sector LQ HP	7.4
	Ratio of C1 LQ Y to sector LQ HP	6.7

12.2.3 Mean and lower quartile house prices are relatively low £140,654 and £106,949 respectively. Mean and lower quartile incomes are just below the C1 averages. Consequently, affordability ratios for those on lower quartile incomes both within the sector and in the wider C1 Housing Market Area are relatively low (1:7.4 and 1:6.7 respectively).

12.2.4 Birmingham South has significant ties that link it to the district of Bromsgrove; Birmingham has experienced a net loss of 4,830 people in the last five years.

12.2.5 Key issues in terms of balance are:

(i) Lower than average rates of detached housing and large (4 + bed) properties

(ii) Relatively lower rates of owner occupation and high rates of social housing

12.3 Birmingham Central

12.3.1 Birmingham city centre and the wards south of the city centre have a number of common characteristics. The sector has the highest concentration of flats/apartments: over one third (36.0%) of the housing stock and the largest private rented sector (21.4%). Coupled with high mean house prices (£194,533), in the current housing climate this dominance of house type may well make this part of the market vulnerable to rapidly falling prices and negative equity, leaving owners and landlords vulnerable. The sector also has the highest turnover: 12.6% of market properties changed hands in the last year.

12.3.2 Mean incomes for residents are high (£31,903), but there will also be a high level of income by workplace as a result of the financial and legal services in the city centre (who may well be using some of the apartment market as crash pads or second homes). This may well support the market through the next 12-24 months, but currently it makes this sector relatively unaffordable. Edgbaston in fact has the highest house price to income ratio in the city.

Table 105: Key market indicators - Birmingham Central		
Number of households		45,357
Tenure (%)	Owner occupied	50.8%
	Social housing	27.8%
	Private renting	21.4%
Type (%)	Detached	10.4%
	Semi-detached	22.9%
	Terraced	30.7%
	Flats/apartments	36.0%
Bed size (%)	1 bed	20.3%
	2 bed	19.3%
	3 bed	43.4%
	4 bed or more	17.1%
Household income	Mean income	£31,903
	Lower quartile income (LQ Y)	£16,532
House price, sales & turnover	Number of sales	2,915
	Mean house price (LQ HP)	£194,533
	Lower quartile house price	£134,331
	Turnover	12.6%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.1
	Ratio of C1 LQ Y to sector LQ HP	8.5

12.3.3   Key issues in terms of balance are:

(i)   High concentrations of flats/apartments

(ii)   Low rates of more traditional family housing

(iii)   Low rates of owner occupation and high rates of private rented housing with subsequent impacts upon sustainability

12.4   Birmingham South East & Shirley

12.4.1   As has been identified by stakeholders and confirmed by house price analysis and migration patterns there are significant linkages between Birmingham and Solihull.

12.4.2   Significant work, prior to this study, has already identified the importance of this relationship.   In the last five years over 50% of Solihull's in migration came from Birmingham, and Birmingham's highest net loss of population is to Solihull (-9,580).   There are already major interventions to address some of the common economic and housing market issues shared by Birmingham and Solihull.

Table 106: Key market indicators - Birmingham South East & Shirley		
Number of households		80,198
Tenure (%)	Owner occupied	66.5%
	Social housing	21.1%
	Private renting	12.5%
Type (%)	Detached	10.9%
	Semi-detached	37.9%
	Terraced	32.2%
	Flats/apartments	19.0%
Bed size (%)	1 bed	13.8%
	2 bed	15.0%
	3 bed	53.2%
	4 bed or more	18.0%
Household income	Mean income	£29,493
	Lower quartile income (LQ Y)	£15,634
House price, sales & turnover	Number of sales	4,006
	Mean house price (LQ HP)	£176,579
	Lower quartile house price	£134,594
	Turnover	7.5%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.6
	Ratio of C1 LQ Y to sector LQ HP	8.5

12.4.3   Housing is dominated by semi-detached (37.9%) and terraces (32.2%) and over half (53.2%) of dwellings have three bedrooms. Mean incomes and lower quartile incomes are comparable with the C1 averages as are mean and lower quartile house prices.

12.4.4   Key issues in terms of balance are:

(i)   Lower than average rates of detached housing for the sub-region

(ii)   Over supply of mid-sized properties (terraces and semi-deatched)

12.5   Birmingham North West

12.5.1   Birmingham North West contrasts starkly with the markets it borders (Birmingham Central and Birmingham North) and is an area of extremes compared to the rest of the sub-region.

12.5.2   Birmingham North West:

(i)   is predominantly terraced (40.7% the highest in the C1 Housing Market Area)

(ii)   has the lowest rate of semi-detached dwellings (21.6%) and highest rate of one bed properties (21.6%) in the C1 Housing Market Area

(iii)   has the lowest rate of owner occupation (44.0%) and the highest rate of social housing in the sub-region (40.8%)

(iv)   has the lowest mean income (£24,375) and the lowest lower quartile income (£13,208)

(v)   has the lowest lower quartile house price and consequently is the most affordable sector for residents in the C1 Housing Market Area (ratio of 1:6.4)

12.5.3   The area has strong links with Sandwell (Birmingham loses population to Sandwell; 6,310 in the last five years, so clearly there are strong links to the C3 HMA).

12.5.4   Key issues in terms of balance are:

(i)   Lower than average rates of detached housing for the sub-region

(ii)   Relatively lower rates of owner occupation

Table 107: Key market indicators - Birmingham North West		
Number of households		48,825
Tenure (%)	Owner occupied	44.0%
	Social housing	40.8%
	Private renting	15.2%
Type (%)	Detached	8.9%
	Semi-detached	21.6%
	Terraced	40.7%
	Flats/apartments	28.8%
Bed size (%)	1 bed	21.6%
	2 bed	16.4%
	3 bed	47.4%
	4 bed or more	14.6%
Household income	Mean income	£24,375
	Lower quartile income (LQ Y)	£13,208
House price, sales & turnover	Number of sales	1,926
	Mean house price (LQ HP)	£136,668
	Lower quartile house price	£101,706
	Turnover	9.0%
Affordability	Ratio of sector LQ Y to sector LQ HP	7.7
	Ratio of C1 LQ Y to sector LQ HP	6.4

12.6 Birmingham North

12.6.1 The Birmingham North housing market sector is quite mixed containing some high priced owner occupation (Sutton Coldfield) alongside social housing and one of the top 10% deprived estates in the country and one of the top 10% deprived wards in Birmingham, as well as significant communities within the most deprived neighbourhoods in England (IMD 2007).

12.6.2 Overall owner occupation is high (72.4%) and social housing relatively low (19.2%). Mean and lower quartile house prices are slightly above the C1 averages (£180,097 and £134, 503 respectively). 54.1% of housing is three bed and 42.1% is semi-detached. Affordability is close to the C1 average.

Table 108: Key market indicators - Birmingham North		
Number of households		99,706
Tenure (%)	Owner occupied	72.4%
	Social housing	19.2%
	Private renting	8.4%
Type (%)	Detached	18.7%
	Semi-detached	42.1%
	Terraced	21.5%
	Flats/apartments	17.7%
Bed size (%)	1 bed	10.4%
	2 bed	16.0%
	3 bed	54.1%
	4 bed or more	19.5%
Household income	Mean income	£31,138
	Lower quartile income (LQ Y)	£16,567
House price, sales & turnover	Number of sales	5,550
	Mean house price (LQ HP)	£180,097
	Lower quartile house price	£134,503
	Turnover	7.7%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.1
	Ratio of C1 LQ Y to sector LQ HP	8.5

12.6.3 Key issues in terms of balance are:

(i)   Lower than average rates of terraces and flats/apartments

(ii)   Lower than average rates of smaller properties i.e. one and two bedroom dwellings

12.7 City of Lichfield

12.7.1 The City of Lichfield has relatively high proportions of detached dwellings (35.4%) and low rates of all three other house types. Consequently the proportion of dwellings with four or more bedrooms is disproportionately high (27.9%).

12.7.2 Incomes are relatively high and so are house prices with the lower quartile house price over £151,000. Interestingly though, despite the high prices and large homes, turnover is relatively high at 9.9% compared with the C1 average.

Table 109: Key market indicators – City of Lichfield		
Number of households		11,709
Tenure (%)	Owner occupied	73.5%
	Social housing	18.9%
	Private renting	7.6%
Type (%)	Detached	35.4%
	Semi-detached	28.7%
	Terraced	18.5%
	Flats/apartments	17.4%
Bed size (%)	1 bed	10.3%
	2 bed	17.2%
	3 bed	44.6%
	4 bed or more	27.9%
Household income	Mean income	£33,491
	Lower quartile income (LQ Y)	£17,867
House price, sales & turnover	Number of sales	854
	Mean house price (LQ HP)	£211,921
	Lower quartile house price	£151,328
	Turnover	9.9%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.5
	Ratio of C1 LQ Y to sector LQ HP	9.5

12.7.3 Key issues in terms of balance are:

(i)   Lower than average rates of all housing types except detached housing

(ii)   Under supply of properties with 1, 2 or 3 bedrooms

12.8 Lichfield District North

12.8.1 The northern rural zone of Lichfield District conforms to many of the characteristics of rural areas in the West Midlands. Owner occupation accounts for four fifths (80.7%) of housing and more than half of all dwellings are detached (50.3%). The rate of flats/apartments is the lowest in the sub-region at 5.0%. 34.5% of dwellings have four or more bedrooms.

12.8.2 House prices are high as are incomes, so at first sight affordability is similar to the C1 average, but when compared to incomes across the Housing Market Area the sector becomes much less affordable.

12.8.3 Housing is predominantly detached and mean house prices are as high as £344,000 (although Armitage with greater housing density and smaller property types has mean house prices of £167,000). Mean incomes are over £40,000 in Kings Bromley and Longdon, which means that across the sector the affordability ratio is confined to 1:6 to 1:8.

Table 110: Key market indicators – Lichfield District North		
Number of households		6,036
Tenure (%)	Owner occupied	80.7%
	Social housing	11.3%
	Private renting	8.0%
Type (%)	Detached	50.3%
	Semi-detached	32.7%
	Terraced	12.0%
	Flats/apartments	5.0%
Bed size (%)	1 bed	5.0%
	2 bed	13.9%
	3 bed	46.6%
	4 bed or more	34.5%
Household income	Mean income	£36,508
	Lower quartile income (LQ Y)	£19,581
House price, sales & turnover	Number of sales	336
	Mean house price (LQ HP)	£234,993
	Lower quartile house price	£157,038
	Turnover	6.9%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.0
	Ratio of C1 LQ Y to sector LQ HP	9.9

12.8.4 The sector loses population to East Staffordshire and Stafford in the North Housing Market Area, but it is a stable market with turnover at 6.9%.

12.8.5 Key issues in terms of balance are:

(i) High rates of detached housing

(ii) A significant undersupply of smaller, more affordable properties

(iii) Very low rates of social housing and other affordable housing

12.9 Burntwood

12.9.1 Burntwood housing market sector has very high rates of owner occupation (82.7%), but the lowest rate of private renting (4.9%) in the sub-region. In addition it has the highest occurrence of semi-detached housing (45.9%).

Table 111: Key market indicators - Burntwood		
Number of households		11,619
Tenure (%)	Owner occupied	82.7%
	Social housing	12.4%
	Private renting	4.9%
Type (%)	Detached	34.3%
	Semi-detached	45.9%
	Terraced	13.1%
	Flats/apartments	6.8%
Bed size (%)	1 bed	5.7%
	2 bed	15.5%
	3 bed	57.3%
	4 bed or more	21.4%
Household income	Mean income	£35,113
	Lower quartile income (LQ Y)	£19,167
House price, sales & turnover	Number of sales	530
	Mean house price (LQ HP)	£166,841
	Lower quartile house price	£131,724
	Turnover	5.5%
Affordability	Ratio of sector LQ Y to sector LQ HP	6.9
	Ratio of C1 LQ Y to sector LQ HP	8.3

12.9.2 Although mean house prices are above the C1 average, the lower quartile price corresponds almost exactly to the sub-regional figure. Incomes are relatively high, making this sector

affordable to those already living there, but less so to those elsewhere in the sub-region. Turnover of private housing is the lowest in the sub-region.

12.9.3   Key issues in terms of balance are:

(i)   A small private rented sector and a limited supply of social housing

(ii)   High proportions of larger homes, particularly three bed semi-detached

12.10 Lichfield District South & East

12.10.1   The Lichfield District South & East housing market sector is dominated by very high priced detached housing, with mean and median house prices in Little Aston of over £500,000. Estate agents and other stakeholders identified this area as a clearly identifiable standalone housing market.

12.10.2   Over four fifths of housing (82.8%) is owner occupied and over half (51.8%) of the housing is detached.   The sector has the lowest rate of one and two bed properties (3.2% and 9.8% respectively) and correspondingly low rates of terraces and flats/apartments.

12.10.3   The mean house price and the lower quartile house price are both the highest in the sub-region; in fact the lower quartile price is higher than the mean price in ten of the other twelve sectors.

12.10.4   Incomes, whilst on average high (e.g. Little Aston has mean households incomes of over £46,000), cannot compensate for the extremely high house prices, and consequently the area experiences the highest affordability ratios of 1:10.3 locally and 1:14.1 compared to C1 lower quartile incomes.

12.10.5   The rural wards to the east of Lichfield town have strong ties to the East Midlands districts of South Derbyshire and North West Leicestershire, as well as to North Warwickshire.

Table 112: Key market indicators – Lichfield District South & East		
Number of households		6,224
Tenure (%)	Owner occupied	82.8%
	Social housing	7.8%
	Private renting	9.5%
Type (%)	Detached	51.8%
	Semi-detached	33.5%
	Terraced	8.0%
	Flats/apartments	6.7%
Bed size (%)	1 bed	3.2%
	2 bed	9.8%
	3 bed	40.7%
	4 bed or more	46.2%
Household income	Mean income	£39,594
	Lower quartile income (LQ Y)	£21,665
House price, sales & turnover	Number of sales	348
	Mean house price (LQ HP)	£335,069
	Lower quartile house price	£223,374
	Turnover	6.8%
Affordability	Ratio of sector LQ Y to sector LQ HP	10.3
	Ratio of C1 LQ Y to sector LQ HP	14.1

12.10.6 Key issues in terms of balance are:

(i) Low supply of smaller dwellings: one and two bed, terraces and apartments

(ii) Low supply of social housing

(iii) Very high affordability ratios

12.11 Tamworth

12.11.1 Tamworth can be seen as a self-contained housing market. Although there are differences across the town in terms of house type and house price, these are within fairly consistent parameters. Consequently, there would be little purpose within this study to breaking the market down at a lower geography, but there is good reason to include Fazeley (Lichfield District) within the housing market.

12.11.2 Clearly the Tamworth housing market does not stop at the council boundaries and as well as the ties to Lichfield District (e.g. Fazeley, Mile Oak to Hopwas round to Edingale, Clifton Campville to Wigginton), there are also links to North Warwickshire (e.g. Newton Regis, Austrey, Warton, Polesworth, Dordon, Kingsbury) in particular; Tamworth loses population

to these two districts in greater numbers than elsewhere. It also gains considerable population from Birmingham; demonstrating its historical roots with the city. There are also links beyond the West Midlands to South Derbyshire (Swadincote, Overseal, Netherseal) and North West Leicestershire (Coalville, Measham, Donisthorpe).

12.11.3 Mean house prices range between £120,000 and £185,000 and mean incomes between £28K and £36K; the entry-level house price is £120,044 which is the third lowest in the C1 Housing Market Area.

12.11.4 The private rented sector is relatively small and there are relatively fewer properties with one or two bedrooms. Tamworth is more affordable though than many other parts of the sub-region.

Table 113: Key market indicators - Tamworth		
Number of households		31,291
Tenure (%)	Owner occupied	72.5%
	Social housing	21.6%
	Private renting	5.9%
Type (%)	Detached	26.5%
	Semi-detached	40.3%
	Terraced	21.6%
	Flats/apartments	11.6%
Bed size (%)	1 bed	8.6%
	2 bed	15.8%
	3 bed	56.0%
	4 bed or more	19.6%
Household income	Mean income	£31,911
	Lower quartile income (LQ Y)	£16,622
House price, sales & turnover	Number of sales	1,707
	Mean house price (LQ HP)	£158,723
	Lower quartile house price	£120,044
	Turnover	7.5%
Affordability	Ratio of sector LQ Y to sector LQ HP	7.2
	Ratio of C1 LQ Y to sector LQ HP	7.6

12.11.5 Key issues in terms of balance are:

(i)   Slight undersupply of smaller properties, particularly apartments

(ii)   A relatively small private rented sector

12.12 Solihull rural

12.12.1 The rural wards in Solihull to the east of the M42 have strong ties to Warwick, Coventry and Stratford-on-Avon. They contain some of the highest house prices with mean house prices well over £300,000. The housing is predominantly detached (48.6%), to the detriment of other housing types, and owner occupied (83.6%). The rate of three bedroom dwellings is the lowest in the sub-region (39.2%). 41.4% of housing is four bed or more.

12.12.2 Both the private rented sector and the social housing sector are relatively small (6.0% and 10.5% respectively). In these regards it matches some of the characteristics of the South HMA in particular. Solihull loses population to Warwick and Stratford-on-Avon.

12.12.3 Although, as might be expected, incomes are relatively high (mean incomes are £39,590 p.a.), affordability is particularly acute, due to high house prices. In Knowle, for example the ratio of lower quartile income to lower quartile house price is 1:11.

Table 114: Key market indicators – Solihull rural		
Number of households		13,374
Tenure (%)	Owner occupied	83.6%
	Social housing	10.5%
	Private renting	6.0%
Type (%)	Detached	48.6%
	Semi-detached	25.7%
	Terraced	14.6%
	Flats/apartments	11.2%
Bed size (%)	1 bed	6.8%
	2 bed	12.7%
	3 bed	39.2%
	4 bed or more	41.4%
Household income	Mean income	£39,590
	Lower quartile income (LQ Y)	£21,214
House price, sales & turnover	Number of sales	816
	Mean house price (LQ HP)	£293,633
	Lower quartile house price	£186,909
	Turnover	7.3%
Affordability	Ratio of sector LQ Y to sector LQ HP	8.8
	Ratio of C1 LQ Y to sector LQ HP	11.8

12.12.4   Key issues in terms of balance are:

   (i)   Under supply of semi-detached houses, terraces and apartments

   (ii)   Under supply of one and two bed dwellings

   (iii)   Small private rented sector and social housing sector

12.13 Birmingham East and Solihull North

12.13.1   Many of the wards that make up the "Eastern Corridor" are contained with this housing market sector, which confirms again the overlaps between Birmingham and Solihull.

12.13.2   The sector has the highest rate of three bed properties (57.7%) in the sub-region and correspondingly low rates of four bed plus properties. Housing type is dominated by semi-detached and terraced dwellings. Both mean incomes and lower quartile incomes are low (£24,978 and £13,446 respectively) and the sector has the lowest mean house price in the sub-region. Social housing accounts for 34.4% of stock.

Table 115: Key market indicators - Birmingham East/Solihull North		
Number of households		73,575
Tenure (%)	Owner occupied	57.2%
	Social housing	34.4%
	Private renting	8.4%
Type (%)	Detached	5.7%
	Semi-detached	37.7%
	Terraced	35.0%
	Flats/apartments	21.5%
Bed size (%)	1 bed	13.7%
	2 bed	19.4%
	3 bed	57.7%
	4 bed or more	9.2%
Household income	Mean income	£24,978
	Lower quartile income (LQ Y)	£13,446
House price, sales & turnover	Number of sales	3,145
	Mean house price (LQ HP)	£127,682
	Lower quartile house price	£103,306
	Turnover	7.5%
Affordability	Ratio of sector LQ Y to sector LQ HP	7.7
	Ratio of C1 LQ Y to sector LQ HP	6.5

12.13.3 Key issues in terms of balance are:

(i)   Lower than average rates of detached housing and dwellings with four or more bedrooms for the sub-region

(ii)   Relatively lower rates of owner occupation and high rates of social housing

12.14 Solihull Central

12.14.1 Solihull Central has the highest rate of owner occupation in the C1 Housing Market Area (87.5%). As a consequence, there is very little social housing (only 6.5%) and a small private rented sector (6.0%) in the sector.

Table 116: Key market indicators - Solihull Central		
Number of households		27,518
Tenure (%)	Owner occupied	87.5%
	Social housing	6.5%
	Private renting	6.0%
Type (%)	Detached	45.3%
	Semi-detached	34.7%
	Terraced	9.9%
	Flats/apartments	10.0%
Bed size (%)	1 bed	4.9%
	2 bed	12.7%
	3 bed	42.2%
	4 bed or more	40.3%
Household income	Mean income	£39,178
	Lower quartile income (LQ Y)	£21,265
House price, sales & turnover	Number of sales	1,612
	Mean house price (LQ HP)	£279,867
	Lower quartile house price	£193,344
	Turnover	6.7%
Affordability	Ratio of sector LQ Y to sector LQ HP	9.1
	Ratio of C1 LQ Y to sector LQ HP	12.2

12.14.2 45.3% of housing is detached and the sector has the lowest rate of terraces; just 9.9%. In addition, the sector has the highest rate of dwellings with four or more bedrooms (40.3%) in the sub-region. Mean incomes, at £39,178, and lower quartile incomes, at £21,265, are the highest in the C1 sub-region. As a result the high house prices present less of an

affordability problem locally (ratio of 1:9.1) than they do to lower quartile income households across the sub-region (ratio of 1:12.2).

12.14.3 Key issues in terms of balance are:

(i)   High affordability ratios for households outside the sector

(ii)   Significant under supply of social housing and a relatively small private rented sector

(iii)   Under supply of properties with three or fewer bedrooms, in particular terraces and apartments

12.15 Housing requirements of households in need

12.15.1 A summary of the net annual housing need for each of the four districts of the C1 HMA is shown in Table 117. Table 117 shows the summary of net housing need based on the housing registers of each district to indicate the level of current housing need and the annual applicants to housing registers to indicate future arising housing need. The detailed working of the model is described step by step in Chapters 7, 8 and 9 above.

12.15.2 The model is presented in acknowledgement of the CLG view, with which we concur, that no one methodological approach or use of a particular dataset will result in a definitive assessment of housing need and demand.[93] Using data drawn from different sources facilitates informed debate about need for affordable housing and assists analysis and understanding of the best indicators of need in each area.

12.15.3 The model implies a shortfall of affordable housing in all four districts of the C1 Housing Market Area. Where the estimated shortfall of net annual housing need for each district is shown as a proportion of the total households in each district, there is reasonable consistency across the four authorities, with the shortfall proportion ranging from 0.7% in Tamworth to 1.4% in Lichfield District with Birmingham at 1.2% and Solihull at 1.0%.

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[93] *Strategic Housing Market Assessments: Practice Guidance Version 2*, CLG, August 2007, p11

Table 117: Summary of net annual housing need by local authority				
	Birmingham	Lichfield District	Solihull	Tamworth
STAGE 1 CURRENT HOUSING NEED				
1.4 Current housing need (gross)	16777	1656	2412	1246
STAGE 2 FUTURE HOUSING NEED				
2.4 Annual newly arising housing need	6843	706	1011	347
STAGE 3 AFFORDABLE HOUSING SUPPLY				
3.1 Affordable dwellings occupied by households in need	2711	170	403	181
3.2 Surplus stock	0	0	0	0
3.3 Committed supply of new affordable housing	857	105	132	59
3.4 Units to be taken out of management	343	0	175	0
3.5 Total affordable housing stock available (3.1+3.2+3.3-3.4)	3225	275	360	239
3.6 Annual supply of social re-lets (net)	4662	398	507	342
3.7 Annual supply of intermediate housing available at sub-market levels	N/A	3	10	2
3.8 Annual supply of affordable housing (3.6 + 3.7)	4662	401	517	344
ESTIMATE OF NET ANNUAL HOUSING NEED				
((1.4 minus 3.5)* 20%[94]) + 2.4 minus 3.8	4891	581	904	204
Shortfall as proportion of total households	1.2%	1.4%	1.0%	0.7%

12.15.4 Table 118 sets out the net annual housing need by each of the housing market sectors described above.

12.15.5 The distribution presented in Table 118 is calculated by:

(i) re-allocating the total housing needs model figures based on the current distribution of households in each sector

(ii) and then applying a weighting to take account of the affordability pressures, which is based upon the variance between the sector's lower quartile house price and the C1 overall lower quartile house price

12.15.6 Since the approach used in the C1 Housing Market Area for calculating the need for affordable housing (Table 117) is in part derived from data collected within formal local

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[94] Guidance recommends reducing the backlog of need over five years i.e. by 20% each year

authority boundaries it is not possible to create individual housing needs models for each of the housing market sectors.

	Table 118: Net annual housing by housing market sector	
Key	Name	Annual housing need
1	Birmingham South	868
2	Birmingham Central	595
3	Birmingham South East & Shirley	1026
4	Birmingham North West	485
5	Birmingham North	1302
6	City of Lichfield	214
7	Lichfield District North	114
8	Burntwood	185
9	Lichfield District South & East	168
10	Tamworth	219
11	Solihull rural	218
12	Solihull North & Birmingham East	725
13	Solihull Central	463

12.15.7 Consequently, we would recommend that the figures in Table 118 be used to inform and guide policy making rather than being adopted as fixed targets.

12.16 Targets for affordable housing

12.16.1 In the West Midlands Region during 2005/06, a total of 3,901 social/affordable housing units were completed, including intermediate housing.[95] This total equates to 19% of total completions, which represents an increase of 3 percentage points from last year, although the figure is still about 35% below the minimum number recommended by the RSS.

12.16.2 At April 2006, there were a total of 16,725 affordable housing commitments across the Region; a rise of 4,444 on the previous year. This figure does however include 1,388 commitments for Coventry.

12.16.3 Social/affordable housing completions across the Region continue to remain well below the estimated 6,000-6,500 affordable dwellings that RSS suggests are needed each year for the period 2001-2011. The work on Regional Housing Demand and Need (see Section 2.5 above) is proposing that 8,150 dwellings are required between 2006 and 2026: 3,000 intermediate tenures and 5,150 social rented dwellings.

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[95] WMRA Annual Monitoring Report 2006, p40

12.16.4 The Regional Housing Strategy[96] breaks down the total regional requirements between the four Housing Market Areas between 2006 and 2021. In the Central HMA, an indicative figure of 37,347 affordable dwellings is proposed of which 25,378 (68.0%), should be social rented housing (see Table 119).

Table 119: Affordable and social housing requirements by HMA 2001-21					
	2006/08	2006-11	2011-21	2001-21	2001-21 % share
Affordable (including social rented housing)					
Central	8874	22184	15163	45584	58.5
North	812	2031	131	3053	3.9
South	2246	5617	5145	16686	21.4
West	1530	3826	4698	12598	16.2
Totals	13464	33659	25137	77921	100.0
Of which social housing					
Central	6020	15048	10330	30711	66.0
North	612	1528	78	2196	4.7
South	1132	2830	2622	8434	18.1
West	634	1583	1933	5206	11.2
Totals	8396	20989	14963	46547	100.0

Source: West Midlands Regional Housing Strategy 2005

12.16.5 In terms of developing affordable housing targets in local development documents, the SHMA can provide indications of suitable targets. The regional affordable housing targets and the level of housing provision required for each local authority area as set out in the Regional Spatial Strategy provide the framework. As PPS3 explains, authorities need to consider other factors when determining affordable housing targets including:

- the policy definition of affordable housing

- an assessment of economic viability within the area

- the likely levels of finance available for affordable housing

12.16.6 Table 120 below compares the target number of total annual completions for the four authorities in the RSS Preferred Option with the estimate of annual housing need in Table 117 above. Table 121 compares the housing demand figures from the RSS with the annual estimate of housing need.

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[96] West Midlands Regional Housing Strategy 2005, June 2005, p47

Table 120: Affordable housing targets and the Preferred Option			
	Annual completion target (Preferred Option)	Estimate of annual housing need	Need as % of target
Birmingham	2530	4891	100%
Lichfield District	400	581	100%
Solihull	380	904	100%
Tamworth	145	204	100%

Table 121: Affordable housing targets and housing demand			
	Annual housing demand (p.a.)	Estimate of annual housing need	Need as % of target
Birmingham	6174	4891	79%
Lichfield District	308	581	100%
Solihull	504	904	100%
Tamworth	265	204	77%

12.16.7 <u>Birmingham</u> is expected to build on average 2,530 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 6,174 households per annum. The housing needs model (which is unconstrained) would imply affordable housing targets of between 79% and 100%.

12.16.8 <u>Lichfield District</u> is expected to build on average 400 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 308 households per annum. The housing needs model would imply affordable housing targets of 100%; clearly this is neither appropriate nor desirable.

12.16.9 <u>Solihull</u> is expected to build on average 380 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 504 households per annum. The housing needs model would imply affordable housing targets of 100%; clearly this is neither appropriate nor desirable.

12.16.10 <u>Tamworth</u> is expected to build on average 145 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 266 households per annum. The housing needs model implies affordable housing targets of between 77% and 100%.

12.16.11 As the figures suggested by the models are in most cases greater than the Districts' total completion targets for affordable housing as well as past performance on delivery of affordable housing, there is clearly a need to look very carefully at the sites coming

forward in the future and their suitability for mixed, sustainable developments as the Councils may need to seek a considerably higher proportion of affordable housing than has been the target in the past. By maintaining the model and updating annually, it will be possible to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing the shortfall across the HMA.

12.16.12 The Councils will need to take account of these findings to set a suitable planning target for future development that takes into account the need for affordable housing as well as the long-term requirement to maintain a sustainable housing market.

12.17 Intermediate tenures

12.17.1 Affordable housing is that housing which is provided to meet the *needs* of the local population. It includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. PPS3 states that affordable housing should:

> (i) *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*

> (ii) *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision[97]*

12.17.2 PPS3 goes on to define social rented housing as:

> *Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements…as agreed with the local authority or with the Housing Corporation as a condition of grant*

12.17.3 And defines intermediate affordable housing as:

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[97] *Planning Policy Statement 3 (PPS3): Housing*, Communities and Local Government, November 2006, p25

> *'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.*

12.17.4 The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

12.17.5 CLG Guidance suggests[98] two ways to determine whether there is scope for intermediate tenures in an area. The first method is to calculate the ratio of entry-level market house prices to social rents; where the former is more than fourteen times annual social rents, there is likely to be scope for intermediate affordable housing. Table 122, demonstrates this rule, showing that the equivalent mortgage accessible for those on social housing rents is significantly less than the lower quartile entry-level house price.

Table 122: Estimate of scope for intermediate housing (social rents)							
	Average social housing rent pw	Cost per annum		Income (assuming 25% affordability)		Mortgage accessible	
Birmingham	£54.51	£	2,834.52	£	11,338.08	£	39,683.28
Lichfield	£63.61	£	3,307.72	£	13,230.88	£	46,308.08
Solihull	£55.05	£	2,862.60	£	11,450.40	£	40,076.40
Tamworth	£54.63	£	2,840.76	£	11,363.04	£	39,770.64

Source: Dataspring

12.17.6 The second method states that where there is a significant gap between social housing rents and private sector rents there may be scope for intermediate tenures, such as sub-market rents or shared equity. Table 123 shows that there is a significant difference between social housing rents and private sector rents.

12.17.7 Across the HMA, private sector rents range from 53.6% higher than social rents in Lichfield to 115.3% higher in Solihull.

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[98] *Strategic Housing Market Assessments: Practice Guidance Version 2*, CLG, August 2007, p57

Table 123: Estimate of scope for intermediate housing (private rents)			
	Mean private sector rent per week	Cost per annum	Proportion of social housing costs
Birmingham	£101.13	£5,258.76	185.5%
Lichfield	£97.68	£5,079.36	153.6%
Solihull	£118.55	£6,164.60	215.3%
Tamworth	£98.71	£5,132.92	180.7%

Source: Dataspring

12.17.8 Clearly in some parts of the country, some forms of tenure are more appropriate than others and are better suited to the local housing market and the local political situation. The following sections consider the contribution that discounted sale homes, shared ownership and shared equity could make to the delivery of affordable housing in the C1 HMA.

Discounted sale homes

12.17.9 Table 124 below shows the difference in housing costs that would result from discounted sale housing at 10%, 20% and 30% of the entry-level dwelling.

Table 124: Housing costs for discounted market housing[99]							
Local authority	Entry-level property price (£)	10% discount	Income required	20% discount	Income required	30% discount	Income required
Birmingham	£107,000	£96,300	£27,514	£85,600	£24,457	£74,900	£21,400
Lichfield	£137,000	£123,300	£35,229	£109,600	£31,314	£95,900	£27,400
Solihull	£150,000	£135,000	£38,571	£120,000	£34,286	£105,000	£30,000
Tamworth	£117,000	£105,300	£30,086	£93,600	£26,743	£81,900	£23,400

Source: ASHE, Land Registry

12.17.10 In all areas, households on median incomes could not afford a discounted property at 30% (although the difference in income is narrowest in Birmingham). For those on lower quartile incomes, there are shortfalls ranging from 82.7% in Birmingham to 125.7% in Solihull.

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[99] For comparative purposes we have assumed an income to mortgage multiplier of 3.5

Table 125: Lower quartile earnings compared to income requirements for discounted housing			
Local authority	Lower quartile earnings	Difference between LQ earnings and required income for 30% discount	
		Amount (£)	%
Birmingham	£11,716.00	£9,684.00	82.7%
Lichfield	£13,317.00	£14,083.00	105.8%
Solihull	£13,292.00	£16,708.00	125.7%
Tamworth	£11,892.00	£11,508.00	96.8%

Source: ASHE

12.17.11 Consequently it would seem that discounted sale homes cannot be regarded as affordable dwellings in the C1 HMA for single income or dual income households, although they come closest to meeting some need at the most heavily discounted rate in Birmingham.

Shared equity

12.17.12 Table 126 below shows the difference in housing costs that would result from a shared equity dwelling where a purchaser bought at 30% or 50% of the price of the entry-level dwelling.

12.17.13 With a shared equity home at 30% of the market value a household on lower quartile income could clearly afford in Birmingham and Tamworth, and possibly Lichfield, although it would be highly unusual for shared equity packages to be as low as 30% equity.

12.17.14 In fact, shared equity tends not to be a widely available or necessarily a viable option as it is usually short-term (five years). Furthermore, funding for schemes is also limited and has been exhausted: with My Choice Homebuy the purchaser pays 1.75% from the start on the outstanding amount and the maximum offered is 50% equity loan with 50% mortgage. Ownhome (a Places for People scheme) is a maximum of 40% equity loan to a mortgage of 60% with an equity loan of 0% for 5 years then 1.75% for 5 years then 3.75% from year 11. Private sector schemes are also available but again it is usually for 75% mortgage.

Table 126: Housing costs for shared equity			
	Price	Required income	Difference to lower quartile income
Birmingham	£107,000.00	£30,571.43	-£18,855
50% equity share	£53,500.00	£15,285.71	-£3,570
30% equity share	£32,100.00	£9,171.43	£2,545
Lichfield	£137,000.00	£39,142.86	-£27,427
50% equity share	£68,500.00	£19,571.43	-£7,855
30% equity share	£41,100.00	£11,742.86	-£27
Solihull	£150,000.00	£42,857.14	-£31,141
50% equity share	£75,000.00	£21,428.57	-£9,713
30% equity share	£45,000.00	£12,857.14	-£1,141
Tamworth	£117,000.00	£33,428.57	-£21,713
50% equity share	£58,500.00	£16,714.29	-£4,998
30% equity share	£35,100.00	£10,028.57	£1,687

Shared ownership

12.17.15 Table 127 shows the housing costs of a shared ownership dwelling where the household purchased a 25% or a 50% share of an entry-level dwelling.

12.17.16 This demonstrates that the income requirements for a household purchasing a 50% share of their home are reduced by 29.0%. For a household purchasing a 25% share of their home their income requirements are reduced by 43.5%.

12.17.17 These housing costs compared to median and lower quartile incomes (Table 128) suggest that the role of shared ownership would be limited in the Housing Market Area. For Birmingham and Tamworth only a home with an equity share of 25% would start to lift those on median incomes into the housing market.

12.17.18 As with discounted sale housing, shared ownership reduces households' income requirements for entering the housing market. Shared ownership has a greater impact than discounted sale housing, although it would still not be an affordable option for many of those households identified as being in housing need.

Table 127: Housing costs for shared ownership dwelling					
	Price (£)	Unsold equity (£)	Rental charge on unsold equity[100] (£)	Mortgage (£)	Total monthly costs (£)	Gross income required (£)
Birmingham	£107,000.00	-	-	£636.90	£636.90	£30,571.43
50% equity share	£53,500.00	£53,500.00	£133.75	£318.45	£452.20	£21,705.71
25% equity share	£26,750.00	£80,250.00	£200.63	£159.23	£359.85	£17,272.86
Lichfield	£137,000.00	-	-	£815.48	£815.48	£39,142.86
50% equity share	£68,500.00	£68,500.00	£171.25	£407.74	£578.99	£27,791.43
25% equity share	£34,250.00	£102,750.00	£256.88	£203.87	£460.74	£22,115.71
Solihull	£150,000.00	-	-	£892.86	£892.86	£42,857.14
50% equity share	£75,000.00	£75,000.00	£187.50	£446.43	£633.93	£30,428.57
25% equity share	£37,500.00	£112,500.00	£281.25	£223.21	£504.46	£24,214.29
Tamworth	£117,000.00	-	-	£696.43	£696.43	£33,428.57
50% equity share	£58,500.00	£58,500.00	£146.25	£348.21	£494.46	£23,734.29
25% equity share	£29,250.00	£87,750.00	£219.38	£174.11	£393.48	£18,887.14

Table 128: Income for shared ownership compared to median and lower quartile earnings		
	Difference to median	Difference to lower quartile
Birmingham	-£11,516	-£18,855
50% equity share	-£2,651	-£9,990
30% equity share	£1,782	-£5,557
Lichfield	-£18,113	-£25,826
50% equity share	-£6,761	-£14,474
30% equity share	-£1,086	-£8,799
Solihull	-£20,810	-£29,565
50% equity share	-£8,382	-£17,137
30% equity share	-£2,167	-£10,922
Tamworth	-£14,272	-£21,537
50% equity share	-£4,577	-£11,842
30% equity share	£270	-£6,995

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[100] Rental charge per month is assumed to be 3% of the unsold equity divided by 12. The charge can vary between 2%-4%.

12.17.19 In order to assess the potential for intermediate tenures to meet some of the housing need in the C1 Housing Market Area, an additional illustration is presented that demonstrates the proportion of households that could potentially be helped by intermediate tenures rather than social rented housing. For the purposes of this illustration, a shared ownership product with a 25% initial equity is used, but it does not preclude other forms of intermediate housing.

12.17.20 The first step is to identify what proportion of households has a household income below that required for a 25% share, as shown in Table 127. The resulting proportions were:

- Birmingham – 32.0%

- Lichfield District – 32.9%

- Solihull – 39.6%

- Tamworth – 30.5%

12.17.21 The second step was to apply these affordability rates to current and future housing needs in the housing needs model (Table 117). This then resulted in new bottom line numbers for those in housing needs.

12.17.22 The difference between the numbers shown in Table 117 as being in housing need and the numbers generated by the different affordability rates, is assumed to the number who could potentially be able to afford a shared ownership product at 25% initial share should it be available.

12.17.23 As a result of this analysis, one could conclude that the proportion of need for affordable housing that could be met by this specific intermediate housing product would be:

- 35.3% in Birmingham

- 29.5% in Lichfield District

- 24.2% in Solihull

- 60.7% in Tamworth

12.17.24 Whilst, on the face of it, this would suggest a strong role for intermediate products, we would recommend that these proportions are treated with caution for the following reasons:

(i)   The housing needs model adopted by the C1 Housing Market Area uses an approach that relies upon housing register data and consequently does not readily lend itself to assumptions about different affordability rates

(ii)   The intermediate product chosen for the illustration is quite specific and clearly its feasibility and scope as a housing solution would depend on other factors such as development viability

(iii)   Shared ownership, despite many good schemes nationwide, remains in our view a niche product, which appears to attract limited interest and some confusion amongst those households for whom it may be financially appropriate

12.18 Balancing the housing market

12.18.1   PPS3[101] indicates that a Strategic Housing Market Assessment along with other evidence should enable Local Planning Authorities to set out:

(i)   Likely overall proportions of households that require market or affordable housing

(ii)   Likely profile of household types requiring market housing e.g. multi-person, including families and children, single persons, couples

12.18.2   In terms of the proportions of affordable and market housing, a considerable amount of evidence has already been gathered at the regional and sub-regional level.   This work, cited in section 6.4, based upon independent analysis of population projections, depicts the demand that will arise in the sub-region in the market sector.   Table 53 in particular suggests splits for the market, social and intermediate sectors, whilst section 12.17 above indicates the role for different forms of intermediate tenures.   Section 6.5, goes on to demonstrate how household types may change over the next twenty years.   The significant growth of single person households over the period will require the delivery of appropriate housing to meet that change.

12.18.3   Further evidence has also been cited that shows the disproportionate balance of housing types across the sub-region (see Section 4.4 above) with high concentrations of larger, detached homes in the rural areas, whilst the urban core leads the way in terms of smaller dwellings, particularly apartments.   With the growth of smaller households across the sub-region at the same time as the continued focus on brownfield sites, smaller dwellings may well be the appropriate direction for development, but only if at the same time there is development of larger city centre and town centre dwellings along with the infrastructure to make these centres sustainable for families and older people.

12.18.4   Likewise, what development that takes place in the more rural areas should not necessarily simply reflect the existing stock profile and should seek to balance the mix through the

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[101] *Planning Policy Statement 3 (PPS3): Housing*, Communities and Local Government, November 2006, p9

development of smaller, properties to encourage young and/or smaller households to remain in the rural settlements.

12.18.5 The work on housing needs presented in this report identifies possible targets for affordable housing (see 12.16 above), whilst at the same time making it clear that the scale of affordable housing identified is beyond what is achievable through current policy allocations.

12.18.6 Consequently, policy makers need to take account of all this evidence on growth, demand and needs in order to identify the appropriate policy responses to meet the market and affordable housing requirements in the different sub-regional sectors and local planning areas, bearing in mind the final allocations agreed in the Regional Spatial Strategy.

12.18.7 Whilst the size requirements of market housing are driven by household change (section above), the size requirements of affordable housing are considered below, based upon identified need.

12.19 Size requirements for affordable housing

12.19.1 Guidance does not recommend a method for estimating the appropriate size and type of dwelling required in a local authority area. One method for determining size is to consider the household size profile of lower quintile income households (i.e. those most in need). This would suggest that a balanced distribution of social housing dwellings would be: 36.0% one bed, 52.0% two bed and 12.0% three bed or more (see Table 129).

Table 129: Requirement by size - households on lower quintile incomes (%)				
		One	Two	Three +
Single adults	36.0	36.0		
Two or more adults	35.0		35.0	
1 adult with children	12.0		12.0	
2 adults with 1 child	5.0		5.0	
2 adults with 2 children	5.0			5.0
2 adults with 3 + children	4.0			4.0
3 or more adults with children	3.0			3.0
Total	100.0	36.0	52.0	12.0

Source: National Statistics: household size of those on lower quintile earnings

12.19.2 To move from this distribution of household size to an alternative and more locally specific method would start with an assessment of the demand from the Housing Register set

against the number of lets by bedroom size. This data is shown in Table 130 for Lichfield District and Tamworth.

Table 130: Social rented dwelling size analysis - Lichfield District and Tamworth								
	Bedrooms							
	One		Two		Three		Four plus	
	No.	%	No.	%	No.	%	No.	%
Lichfield District								
Demand on register 31/3/07	1558	54.1%	970	33.7%	323	11.2%	28	1.0%
Tamworth								
Demand on register 31/3/07	806	60.6%	391	29.4%	100	7.5%	33	2.5%

Source: Compiled from Table 93 and Table 101

12.19.3   Analysis from the housing waiting lists of each authority in the C1 HMA, described above, gives some indication of the requirement for social housing by size in the sub-region. However, this analysis does not take account of the specific supply of properties by size. Often there is a greater number of re-lets of existing one and two bedroom social dwellings (i.e. they turnover at a higher rate) and consequently the greatest pressure is on larger social housing units (mainly 3 bedrooms or more). Single person households (in all housing) tend to be more mobile, whereas larger family households tend to be more stable and consequently the limited supply of larger units is affected by their lower turnover.

12.19.4   Data from Birmingham and Solihull has facilitated further analysis that subtracts the number of social housing lettings from the demand to give an alternative perspective on the requirement by bedroom size (see Table 131).

Table 131: Social rented dwelling size analysis - Birmingham and Solihull								
	Bedrooms							
	One		Two		Three		Four plus	
	No.	%	No.	%	No.	%	No.	%
Birmingham								
Mean lets 2006-08	1995	46.0%	1360	31.3%	936	21.6%	48	1.1%
Priority demand on register 4/12/08	5803	34.4%	5894	34.9%	3082	18.3%	2094	12.4%
Ratio of demand to lets	1:3		1:4		1:3		1:44	
Solihull								
Mean lets 2004-7	617	48.0%	463	36.0%	193	15.0%	13	1.0%
Demand on register 31/3/07	2106	40.9%	2022	39.3%	900	17.5%	118	2.3%
Ratio of demand to lets	1:3		1:4		1:5		1:9	

Source: Compiled from Table 88, Table 97 and lettings data supplied by each local authority

12.19.5 Although there is strong need for smaller units, particularly in Lichfield District and Tamworth, there is also demonstrable need for larger units in all areas and 4 or more bed properties in Birmingham.

(i) In Lichfield District although there is a significant demand for small dwellings in particular, there is also strong demand for 2-3 bed dwellings

(ii) Like Lichfield District, Tamworth identifies a significant need for smaller dwellings in particular

(iii) For Birmingham the highest ratio of demand to lets is for four-bed dwellings (1:44). Demand for one, two and three-bed is significantly lower.

(iv) For Solihull the highest ratio of demand to lets is for four-bed dwellings (1:9), next is three-bed (1:5), followed by two and one bed.

13 RECOMMENDATIONS

1.   That the C1 Housing Market Partnership and the West Midlands Regional Assembly note the findings of this report with regards to any future re-examination of the housing market partnerships operating in the West Midlands.

2.   That the housing market linkages between Birmingham, Solihull, Lichfield District and Tamworth are noted in terms of resource allocation to ensure sustainable communities.

3.   To promote the development of:

   ▪ higher density dwellings in the housing market sectors disproportionately dominated by detached dwellings

   ▪ larger family housing (semis and detached) in the housing market sectors shown to be disproportionately dominated by smaller terraced dwellings

   ▪ an adequate supply of apartments where they can be shown to make a valuable contribution to mixed sustainable communities

4.   To support the private rented sector offer where it is contributing to the mix of occupied housing and encourage the growth of private rented accommodation in the C1 Housing Market Area in the housing market sectors where it is low and where it can be shown to contribute to sustainable communities.

5.   To note the changing household structures in the future (particularly the significant growth in smaller households) and ensure that future development is sustainable and mindful of the need for appropriate living space for these different household sizes, e.g.:

   ▪ one person households often need more than one bedroom whether they are young people "LAT", a single person with child care responsibilities (e.g. one half of a separated family) or an older person requiring space to accommodate family or carers

6.   To note the relatively high priced and unaffordable markets throughout the sub-region, and in particular that:

   ▪ Lower quartile house prices within parts of the C1 Housing Market Area (particularly in Solihull and Lichfield District) outstrip mean house prices in neighbouring sub-regions as well as sub-sectors of the Housing Market Area

   ▪ Rural areas are dominated by detached housing and a lack of smaller dwelling types

   ▪ There are acute affordability pressures in the rural areas and consequent shortfalls of affordable housing and social rented housing in particular and to a lesser extent affordable private rented housing

- The proximity of more affordable urban housing to very high priced rural housing sectors is both alleviating pressure in the rural areas whilst doing little to make the rural areas more affordable for those on median incomes and below

7. To note the findings of the housing needs model and use the evidence to support the adoption of robust planning policies that maximise the delivery of affordable housing, and social rented housing in particular, in all areas where affordability pressures and supply shortages are shown to be acute.

8. Across the C1 Housing Market Area, the housing needs model implies affordable housing targets of up to 100%. Consequently the evidence not only supports existing policies on affordable housing, but also supports any revisions that seek to maximise affordable housing supply as long as they do not make future developments unviable and consequently restrain supply.

9. For the purpose of determining planning applications, as a minimum, affordable housing is required on housing sites with 15 or more dwellings or greater than 0.5ha in area. The evidence would support consideration of lower thresholds and higher housing targets than those in PPS3.

10. To consider the range of housing pathways that are affordable and practical in the C1 Housing Market Area, but as an addition to, not a replacement for, social rented housing particularly in housing markets demonstrating acute affordability pressures.

11. In terms of the size of affordable housing units there is both a strong need for smaller units, but also a demonstrable need for two and three bed properties in most areas. In particular there is a demonstrable need for four bed properties in Birmingham, mid-sized dwellings in Solihull and smaller units in Lichfield District and Tamworth.

12. To consider the role for shared ownership and shared equity where it has been shown to be affordable in the C1 Housing Market Area, but since the analysis currently shows that this is limited, it should be as an addition not a replacement to social rented housing particularly in housing markets demonstrating acute affordability pressures.

13. That the high proportions of older people and particularly single pensioner households are noted to ensure that sufficient resources are allocated to appropriate care and support services for older people living alone.

14. That, in the light of the high proportions of older people in Lichfield District and Solihull in private housing, sufficient resources are allocated to support services (crucial for maintaining independence and preventing isolation) particularly for "asset rich - income

poor" homeowners in rural areas to assist them with maintenance and upkeep to enable them to remain in their own homes.

15. That local housing choices and specialised accommodation for older people are offered that:

   ■ enable older people to move on when they need to

   ■ but also seek to minimise the extent of under occupation of larger properties and ensure suitable alternatives are available that needs/demands

16. To undertake further research into the housing preferences of the older population regarding size, type and location

17. To address the perceptions held by some black and minority ethnic communities who regard social housing as a second choice due to perceptions of anti-social behaviour on council estates and long waiting times for council homes and who may disregard intermediate tenures due to lack of awareness.

18. In terms of the rural neighbourhoods in the C1 Housing Market Area they should meet the needs of all residents and seek a housing offer that provides a variety of homes including flats and family houses. Affordable housing supply could be increased rapidly through a targeted programme to reduce empty property in rural areas and there could be greater restrictions on Right-to-Buy in areas of acute rural housing pressure. The need for affordable rented homes is critical in some rural areas in the C1 Housing Market Area.

19. To maintain the evidence base and update key elements annually; particularly the housing needs model and the key housing market indicators to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing shortfalls across the Housing Market Area.

20. To consider the regular purchase of house price and income data at a sub-regional or regional level to facilitate regular and comparable updating of the housing needs model and other key housing market indicators.

21. To better understand the current housing requirements of young people, it is recommended that qualitative assessments involving young people and/ or stakeholders are undertaken to explore in greater depth some of the issues raised above.