



edge^{analytics}

Report

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Worcestershire Strategic Housing Market Assessment

Appendix 7 – Wyre Forest SHMA Overview Report

February 2012

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For and on behalf of GVA Grimley Ltd

1. Introduction to the Wyre Forest SHMA Overview Report

- 1.1 This appendix document should be read in conjunction with the Worcestershire Strategic Housing Market Assessment (SHMA) – Main SHMA Report.
- 1.2 The main SHMA Report presents the SHMA analysis for the County as well as each Local Authority and should be used as the principal document to inform the development of policy and strategy. The analysis presented within this Appendix document serves to complement the main SHMA report providing additional narrative and ward level detail. The full details of the modelling and research methodologies used to arrive at the conclusions presented within this Overview Report are documented in full within the main SHMA Report alongside a full glossary of terms.
- 1.3 The report uses a similar structure to the main SHMA Report with the analysis presented under two sections:
- [Section 2: The Current Housing Market](#)
 - [Section 3: The Future Housing Market](#)
- 1.4 Within this framework the findings are presented under the headings of the Core Outputs as set out within the DCLG SHMA Guidance.
- 1.5 This Overview Report does not include a separate detailed analysis of the housing requirements of specific groups. The analysis within the Future Housing Market section provides analysis of the different types and ages of households which complements the analysis presented in section 8 of the main SHMA Report.
- 1.6 The Overview Report concludes with a 'Bringing the Evidence Together' section. This draws together the conclusions for the local authority and incorporates a section examining the implications for future policy and strategy development.

Introducing Wyre Forest

- 1.7 Wyre Forest is located within North Worcestershire bounded by Bromsgrove to the East and the northern parts of Wychavon and Malvern Hills to the south. To the north the authority also borders Shropshire.
- 1.8 The authority includes three larger towns, Kidderminster, Stourport-on-Severn and Bewdley which sit relatively centrally in the authority and are surrounded by villages

and rural settlements. Kidderminster is the principal town in the District and has the main employment centre and the best access to public transport facilities, with the main railway station in the District. The town grew up around the industries associated with carpet manufacturing and is still, experiencing an economic restructure as a result of the decline in activity of these industries. Both Stourport-on-Severn and Bewdley are classified as market towns and have active retail and employment centres.

- 1.9 A substantial part of the authority is classified as Green Belt, with the West Midlands Green Belt covering all of the countryside to the east and as far west as the River Severn.

The Policy Context

- 1.10 The Wyre Forest Core Strategy was adopted in December 2010. It is a key strategic level document within the LDF and sets out the broad strategy and vision for development within the District up until 2026. Given the recent adoption of the Core Strategy it is not anticipated that any review of the recommendations are required in the near future.
- 1.11 Policy DS01 (Development Locations) indicates that 4,000 net additional dwellings are required between 2006 and 2026, reflecting the WMRSS Panel Report (2009) requirement.
- 1.12 In locating new housing development, the following sequential approach will be adopted:
- Key regeneration sites within the Kidderminster Central Area Action Plan boundary
 - Other major (> 1hectare (ha)) brownfield sites within Kidderminster and Stourport-on-Severn urban areas
 - Smaller infill brownfield sites within Kidderminster, Stourport-on-Severn and Bewdley
 - Brownfield sites within rural settlements

2. The Current Housing Market

- 2.1 This section summarises the SHMA analysis of the current housing market for Wyre Forest. The section is structured around the DCLG core outputs 1 and 2.
- 2.2 The section provides a more locally tailored narrative of the 'housing stock' position, the 'active market' and the 'key drivers of the housing market'. Wherever possible data has been mapped to provide a greater understanding of variance and relative performance at a sub-local authority level.
- 2.3 The key findings for Wyre Forest are included up front for each DCLG Output for easy reference.

DCLG Output 1 – Estimates of current dwellings in terms of size, type, condition, tenure

- 2.4 A synopsis of the authority's current stock position is summarised through the following:
- Wyre Forest has a total of 44,777 dwellings, 1,087 of these are currently classified as vacant, equating to 2.4% of total stock¹;
 - A total of 3,043 houses have been built within Wyre Forest since 2001². This represents an average of 304 per annum over the ten years. However, over this time period levels of completions have varied. Delivery over the last couple of years has reduced markedly in line with national trends, indeed only 154 dwellings were delivered in 2010/11;
 - The profile of the housing by type shows 33.3% of homes are detached, 41.5% are semi-detached (the largest proportion in the County), 18.1% are terraced, 5.6% are flats with the remainder being classified as other³. This profile is reflected in the size of properties, with 52.2% of properties having 5-6 rooms⁴ and 25.8% having 4 rooms or less. Only 22% of properties in Wyre Forest have 7 or more rooms⁵.

¹ Source: DCLG Live Tables, 2011 (vacant as of October 2010)

² Source: Worcestershire County Council Planning Data, 2011 – Gross Housing Completions

³ Other includes people living in an 'unshared dwelling caravan or other mobile or temporary structure' or a 'shared dwelling'

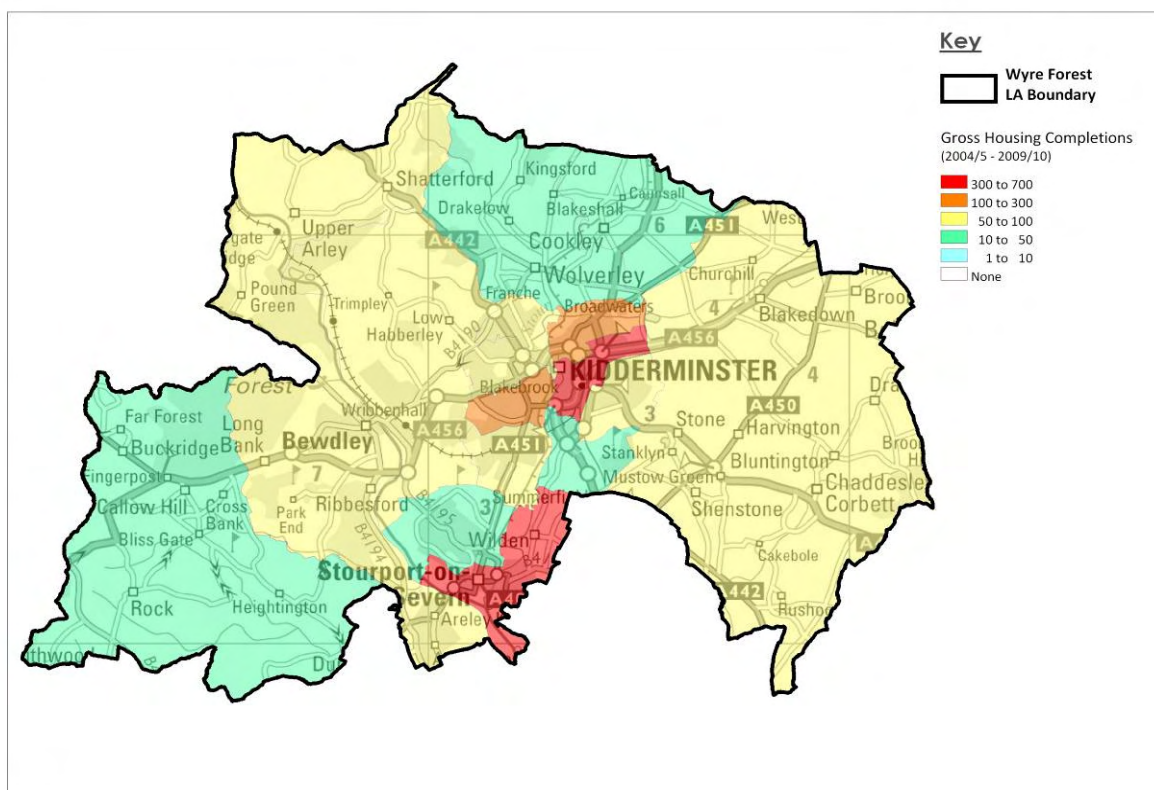
⁴ Note: Census Definition - The count of the number of rooms in a household's accommodation does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms and studies are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted. The count is not available for unoccupied household spaces.

⁵ Source: Statistics sourced from the 2001 Census

- The latest stock condition data shows that 37.9% of the private stock across the authority is classified as unfit⁶; and
- According to the latest data recorded through the Housing Strategy Statistical Appendix (HSSA), 2010, Wyre Forest has 15% of its stock classified as affordable housing. This has remained relatively consistent over recent years and reflects the fact that Wyre Forest has delivered on average 73 affordable housing units per annum over the period 2004/05 – 2010/11⁷. This has been balanced as the authority has continued to see a reduction in obsolete stock and loss of stock through right to buy.

2.5 The distribution of new stock has not been evenly distributed across the authority. The following plan uses data supplied by the local planning authority to illustrate the spatial distribution of development at a ward level between 2004 and 2010.

Figure 2.1: Completions at a Ward Level 2004 – 2010⁸



Source: Local Authority Planning Data, 2011

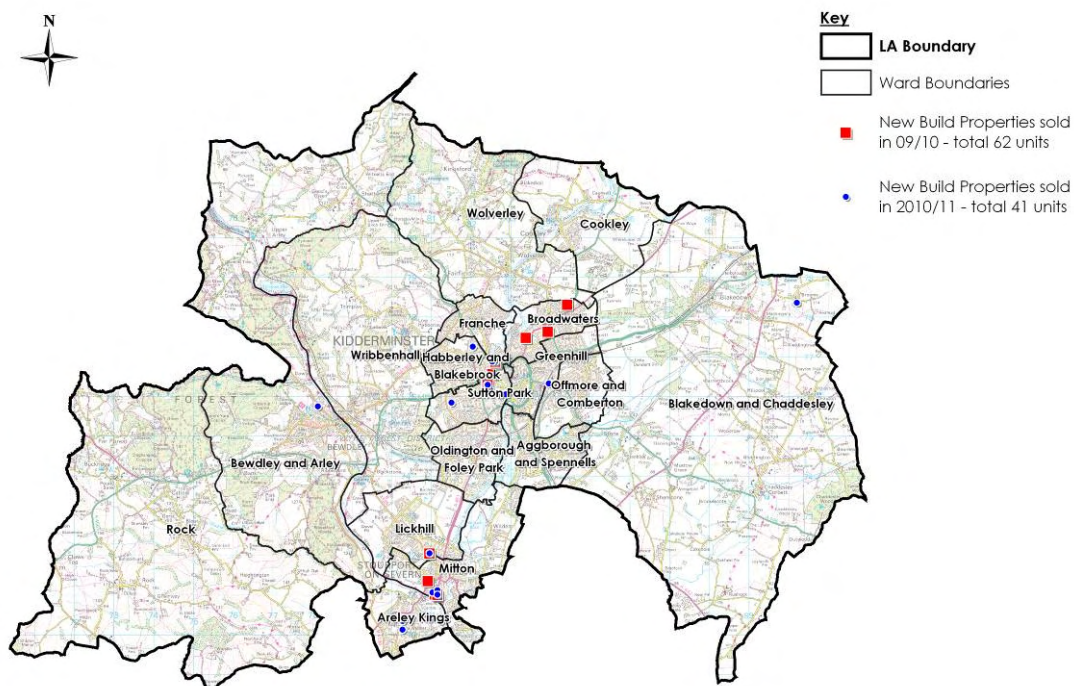
⁶ Source: BRE Private Sector Stock Condition Survey update for the West Midlands Kickstart Partnership (2011)

⁷ Source: HSSA 2010/11, Local Authority Completions data, 2011

⁸ Note: Whilst authority level statistics were available for 2011 a consistent dataset for 2011 was not available at ward level

2.6 Data on new-build sales sourced from the Land Registry also serves to illustrate the location of new-build development over the last couple of years⁹. This is primarily driven by the availability of deliverable land although it also serves to illustrate where demand is perceived by house builders to exist.

Figure 2.2: New Build Sales 2009/10 & 2010/11



Source: Land Registry, 2011¹⁰

DCLG Output 2 – Analysis of past and current housing market trends and understanding of key drivers underpinning the housing market

2.7 The analysis addressing this output can be split under two separate areas, socio-economic drivers which have an important bearing on the operation of the housing market and the active market which incorporates, for example, market fluctuations in price and responds to the longer-term drivers of change (for example population change and the relative health of the economy).

⁹ Note: this data does not include transactions of conversions or sub-divisions of properties but just properties classified as 'new build'.

¹⁰ Note: Records of sales are accurate to 6-digit postcode level which means that markers may not be located in the exact location of development, particularly in more rural areas

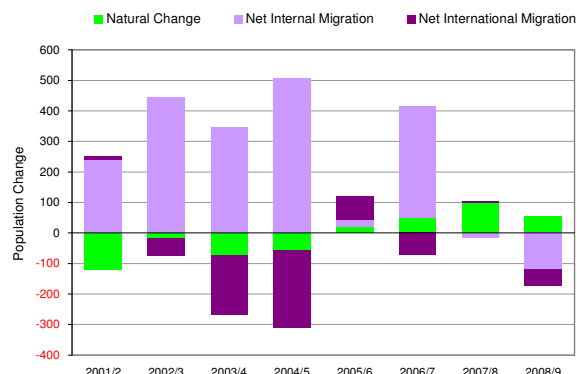
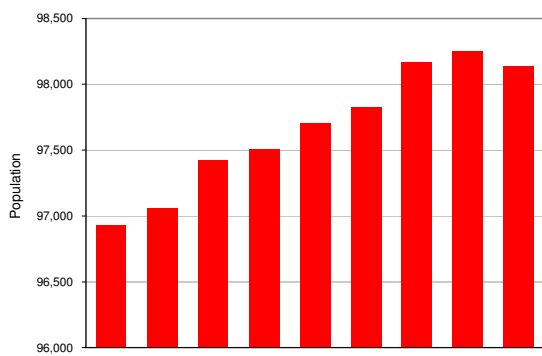
Demographic Drivers

2.8 A summary of the demographic trends influencing the operation of the housing market in Wyre Forest are set out below:

- Wyre Forest has seen its population rise by approximately 1,200 people between 2001 and 2009¹¹. The drivers of this change have varied over recent years within the authority as illustrated in the following chart which shows the net drivers of change in relation to migration and natural change. In the first half of the time period presented internal migration from other parts of the UK had a net positive effect, offsetting negative trends in natural change and international migration. However, over the last couple of years the picture has been less clear with migration having a negative effect with this being slightly offset by natural change. This population is estimated to make up 42,620 households in 2009¹².

Figure 2.3: Population Components of Change 2001 – 2009

Wyre Forest



Source: ONS Mid-Year Estimates, 2010

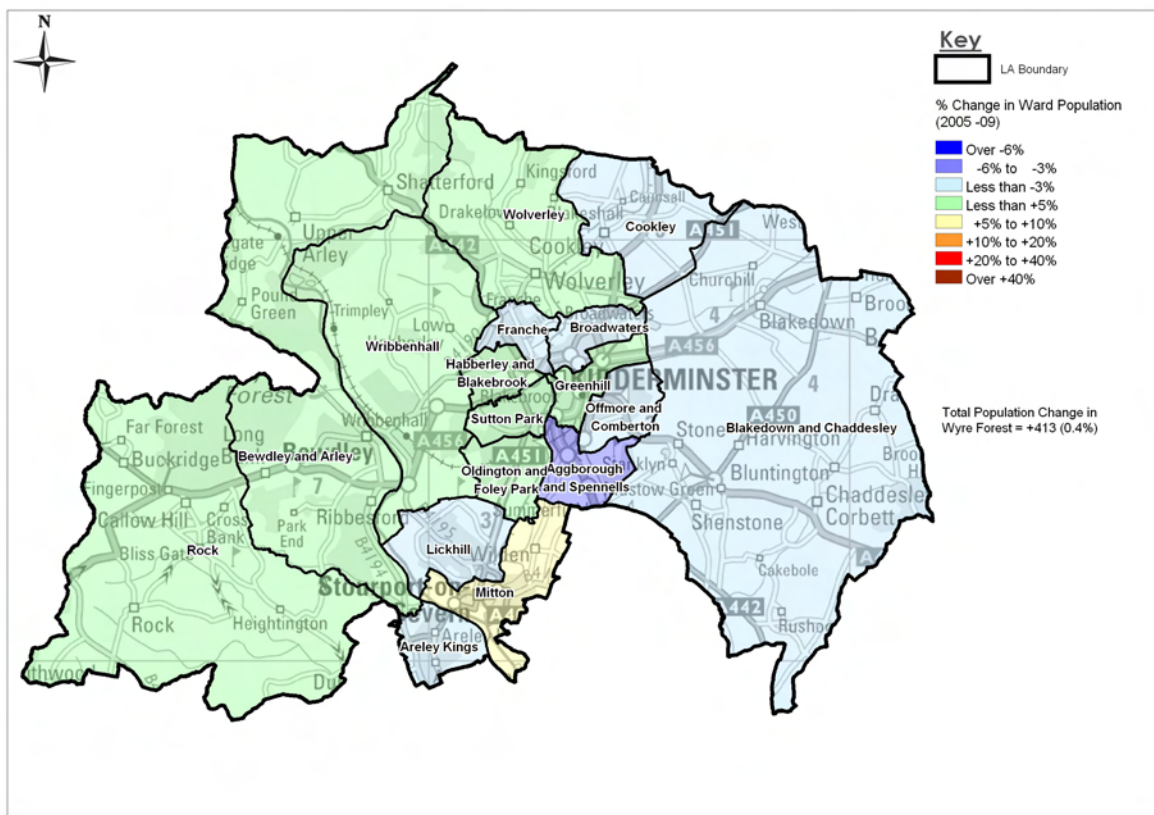
- The distribution of population growth has not been distributed evenly across the authority. In part this is intrinsically linked to the development of new stock and this is illustrated through the following plan which shows the change in population at a ward level¹³. A further plan is included which shows the role of migration in driving these levels of population change.

¹¹ Source: Data has been sourced from the analysis undertaken by Edge Analytics which integrates the 08/09 ONS Mid Year Estimate data

¹² Source: Edge Analytics modelled data using the SNHP 2008 base assumptions applied to the 2009 population

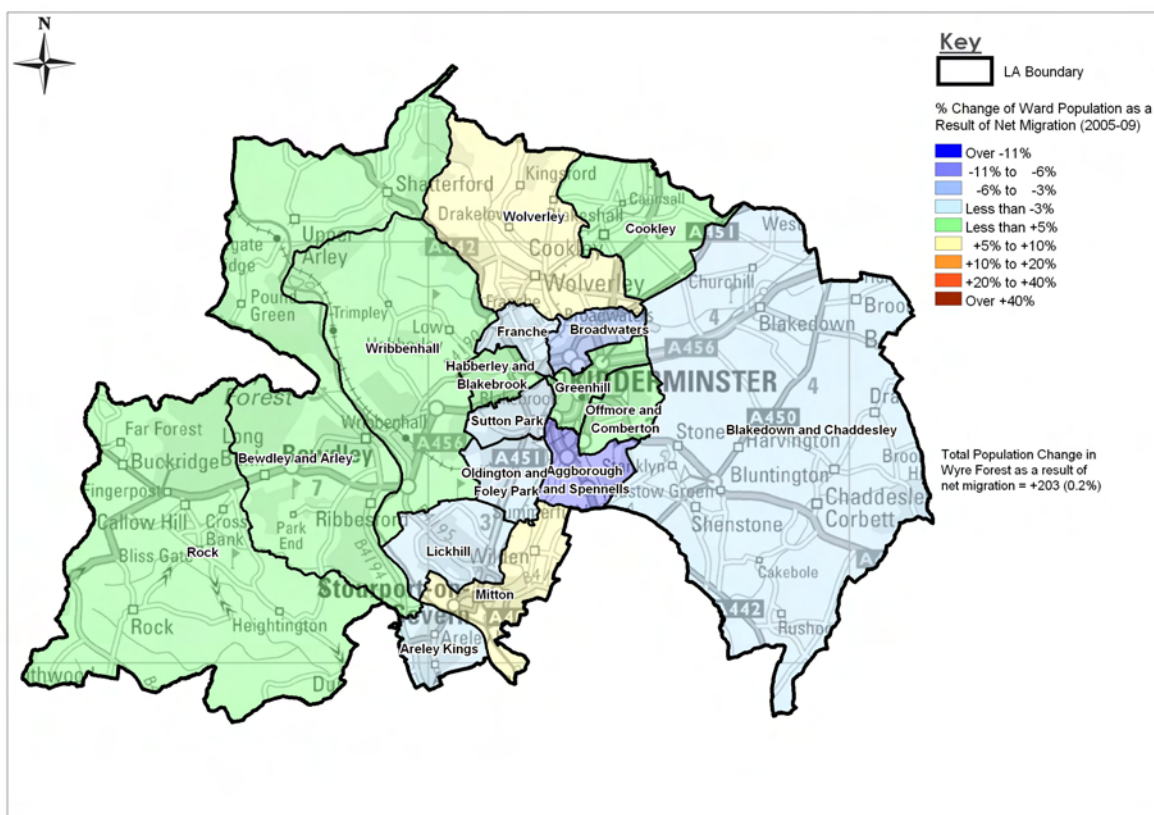
¹³ Source: the ward level analysis utilises ONS Mid Year Population Estimates data available at the time of modelling. This data is analysed using the POPGROUP software.

Figure 2.4: Population Change at a Ward Level (2005 – 2009)



Source: GVA, Edge Analytics, 2011

Figure 2.5: % Change in Ward Population as a Result of Net Migration (2005 – 2009)



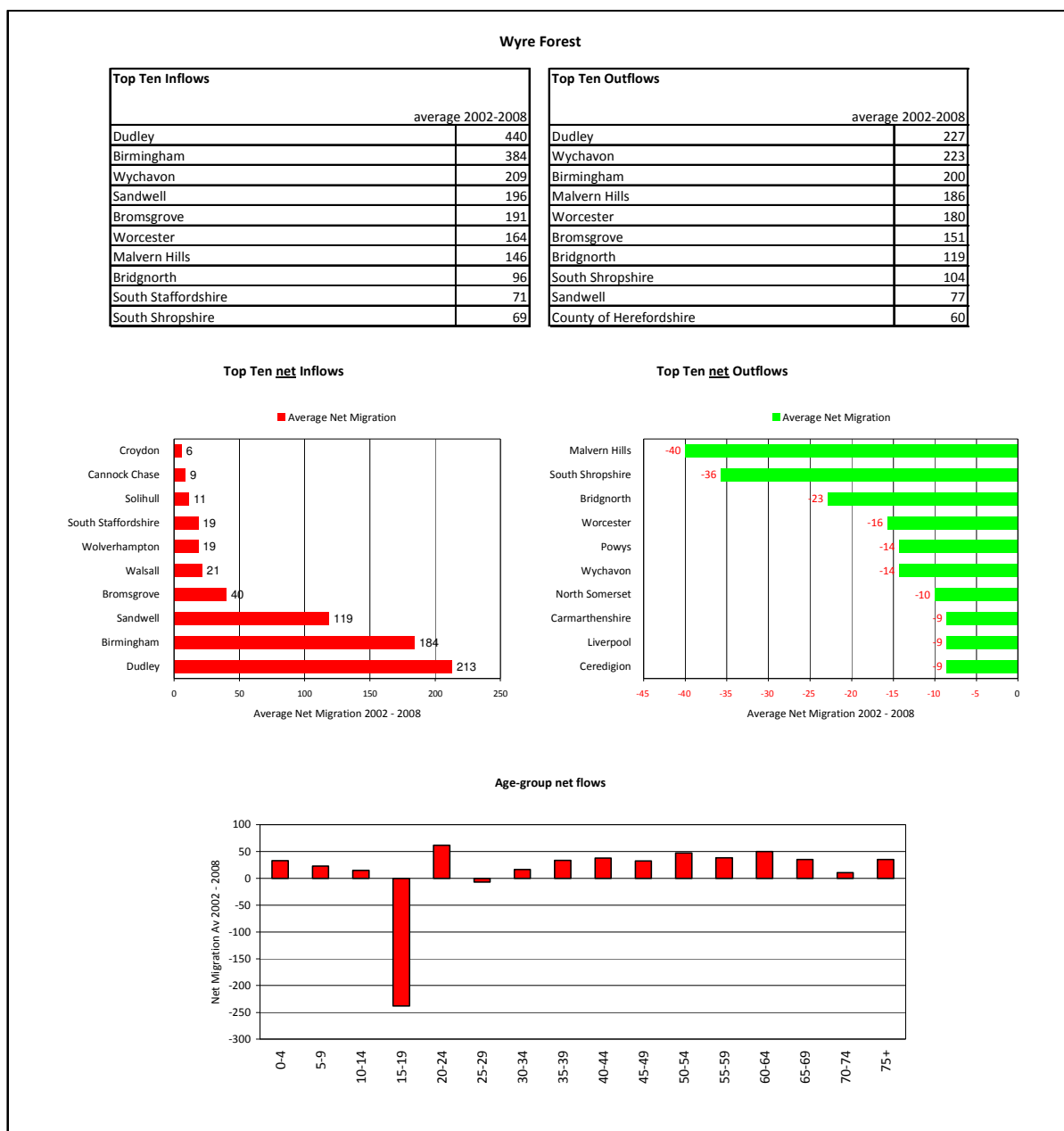
Source: GVA, Edge Analytics, 2011

2.9 Growth in population as a result of net migration has been focussed in a number of wards including Wolverley and Mitton. The latter was the only ward which saw a notable increase in population between 2005 and 2010 i.e. between 5 and 10% increase. There has been significant declines in population as a result of net migration within a number of the wards within Kidderminster, with Aggborough and Spennells and Broadwater wards witnessing a notable reduction in population.

- The age profile of migrants into Wyre Forest has an important impact on the operation of the housing market as has the origin of flows. The following chart shows the average net inflows and outflows by age group between 2002 and 2008 as well as the top ten net inflows and outflows¹⁴.

¹⁴ The data presented here have been drawn from the Patient Registration statistics published annually by ONS and used as the basis for estimating internal migration flows in the mid-year population estimates

Figure 2.6: 2002 – 2008 Average Age of Migrants Net Inflows / Outflows & the Directional Nature of inflows and outflows from other authorities



Source: ONS Mid Year Estimates, 2010

- Wyre Forest has an internal migration profile similar to Malvern Hills. Largest net inflows are experienced from Dudley, Birmingham and Sandwell. Smaller net outflows are evident to Malvern Hills and South Shropshire. The age profile is again one of net outflows for 15-19 year olds and net inflows for the majority of other age-groups

- The ethnic mix of the population of Wyre Forest is shown in the following table. This illustrates that currently BME groups represent a relatively small proportion of the overall population at 3.7%, a proportion which is below the national average, which stands at 11.8%.

Figure 2.7: Ethnic group proportions, 2007

Authority	Total Persons	% White British	% White Irish	% White Other White	% Mixed	% Asian or Asian British	% Black or Black British	% Chinese or other Ethnic Group
Wyre Forest	98,600	94.0%	0.7%	1.4%	0.9%	1.7%	0.5%	0.5%

Source: ONS ethnic population estimates, 2010

Economic Drivers

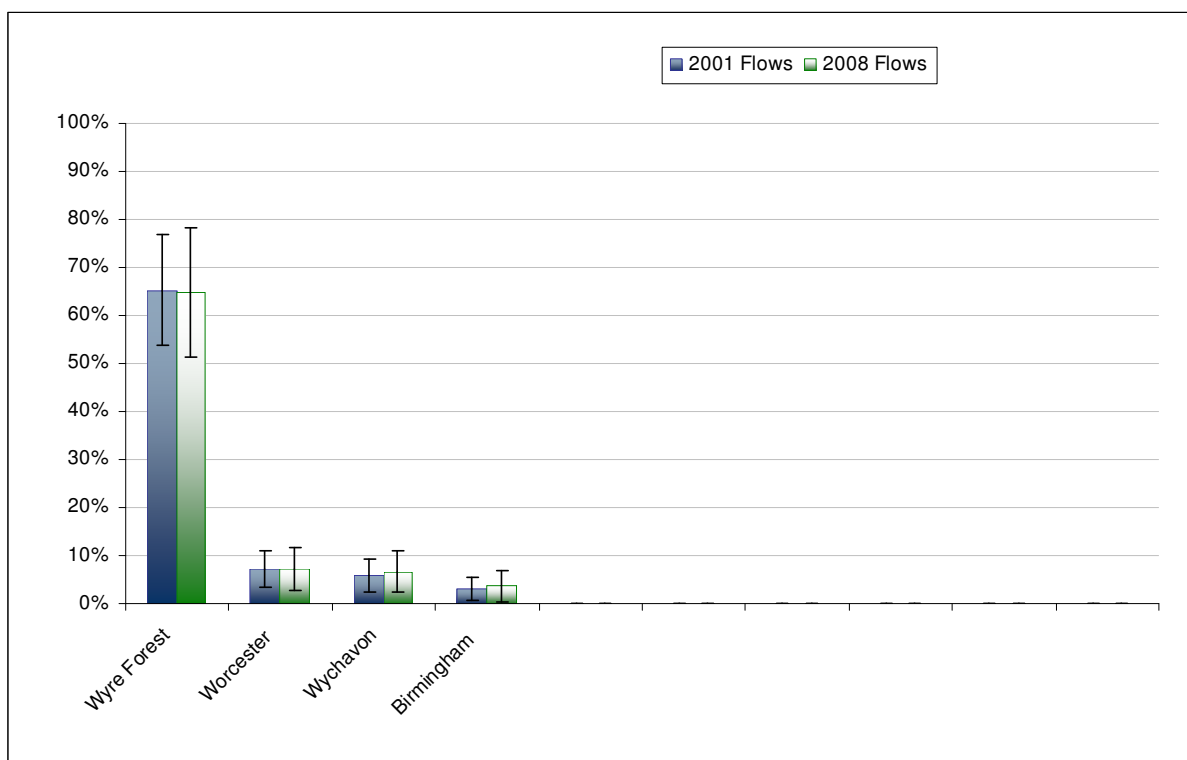
- Wyre Forest is a net exporter of labour with the 2001 Census showing a commuting ratio¹⁵ of 1.28.
- In terms of commuting flows Wyre Forest has strong links with Wychavon and Worcester in Worcestershire with notable flows also recorded out to Birmingham¹⁶. These flows appear to have remained consistent in terms of the updated 2008 dataset¹⁷.

¹⁵ Commuting Ratio = Employed Residents in Area / Jobs in the Area
 = ((live and work in e.g. Wyre Forest) + (live in e.g. Wyre Forest, work elsewhere)) / jobs in area

¹⁶ Source: Census 2001

¹⁷ Source: ONS 2008 Updated Travel to Work Dataset – utilising data from the Labour Force Survey)

Figure 2.8: Local Authority of Work for Wyre Forest Residents – Ten Biggest Flows



Source: ONS Commute APS model, 2010 (Labour Force Survey) ¹⁸

- The economy of Wyre Forest is characterised by relatively high unemployment and a relatively weak employment base. The key sector within the District is manufacture of carpets. Unemployment is relatively high compared to the other authorities in Worcestershire at 3.7%. The occupational structure of the economy is dominated by Process Plant and Machine Operatives (11%) and Skilled Trades Occupations (15%). There are lower than average proportions of Professional Occupations, Elementary Occupations and Administrative, Clerical and Secretarial Occupations¹⁹.
- The latest economic forecasts produced by Advantage West Midlands²⁰ suggest that total employment in Wyre Forest will decline steeply over the first part of the plan period, with a slight recovery towards the end, however employment is still likely to decline by around 5.6% to 2031. The distribution of employment by occupation is projected to change with increases in the proportions of Personal

¹⁸ Confidence intervals are displayed on the chart

¹⁹ Source: Nomis, 2011 and GVA Analysis, 2011

²⁰ Source: AWM Labour Force Market Future Profiles, 2010 and GVA Analysis, 2011

Service Occupations, Managers and Senior Officials and Associate Technical and Professional Occupations. There are projected to be significant reductions in the proportions of Skilled Trades Occupations, Elementary Occupations and Process Plant and Machine Operators.

The Active Market – Past and Current Housing Market Trends

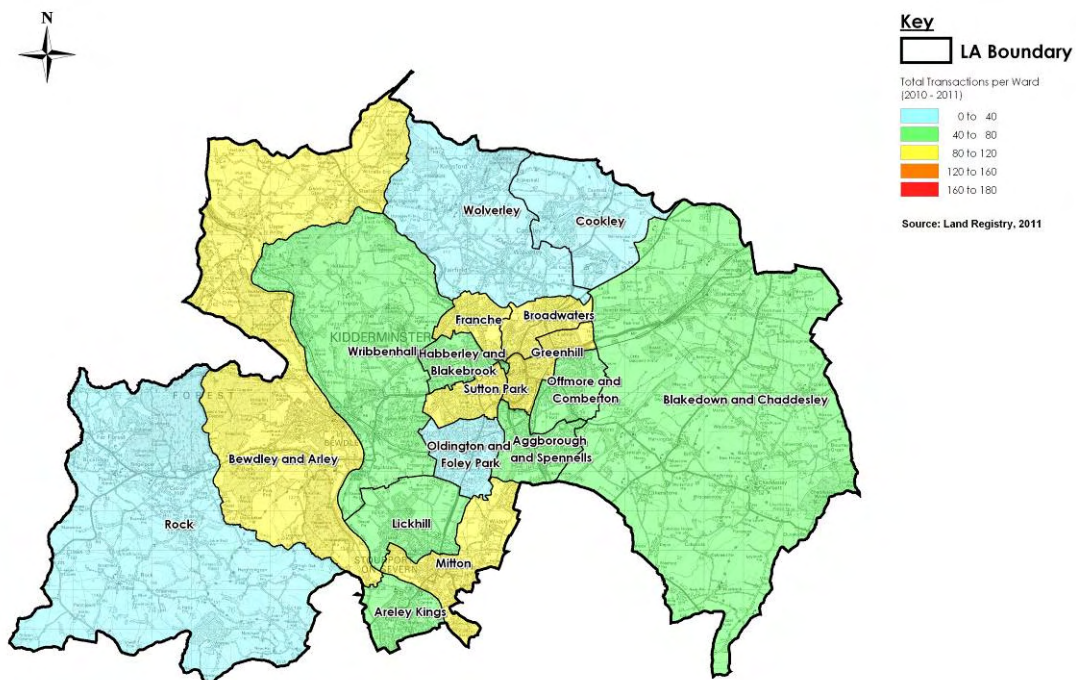
2.10 The following observations summarise the operation of the active market in Wyre Forest. The analysis illustrates the way in which the housing market has changed over recent years²¹:

- House prices within Wyre Forest have remained fairly constant over recent years in comparison to the County and National averages which have both fallen during the same period. In Wyre Forest between 2006/07 and 2010 house prices have remained constant²².
- In order to assess the most recent movements in the housing market the following plans show the spatial distribution of average house prices in 2010 and 2011. This shows a strengthening of house prices in the western, more rural areas of the District, whilst prices in Kidderminster have remained constant.

²¹ Note: Given the slow-down in the housing market at a ward level analysis may be based upon relatively few transactions.

²² Source: DCLG Live Tables, 2011

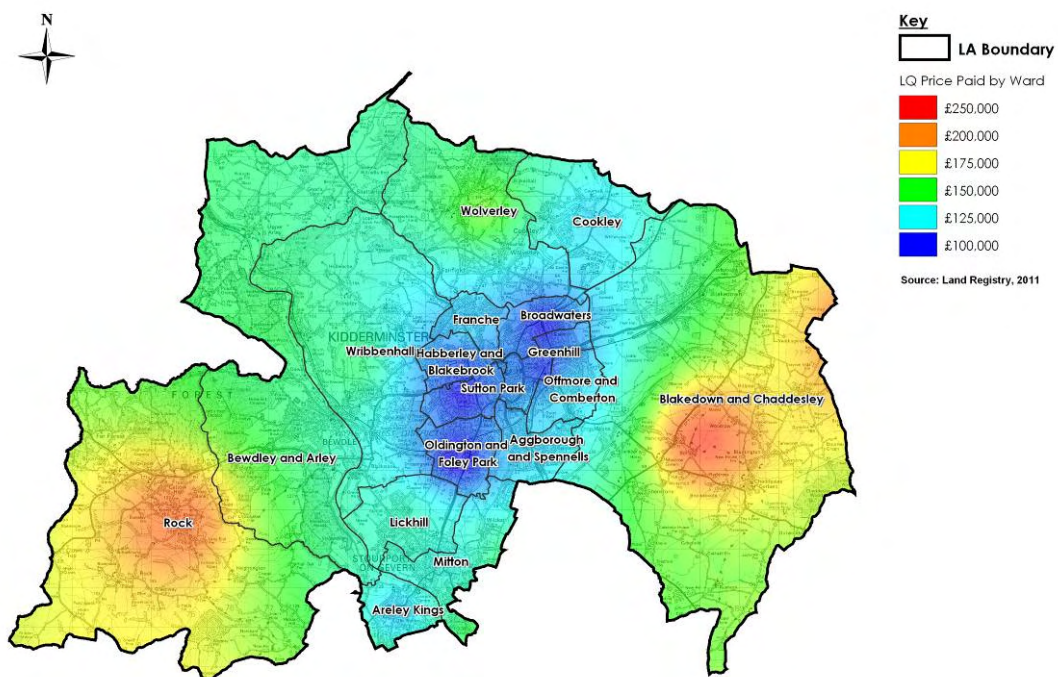
Figure 2.10: Total Transactions per Ward (2010 – 2011)



Source: Land Registry, 2011

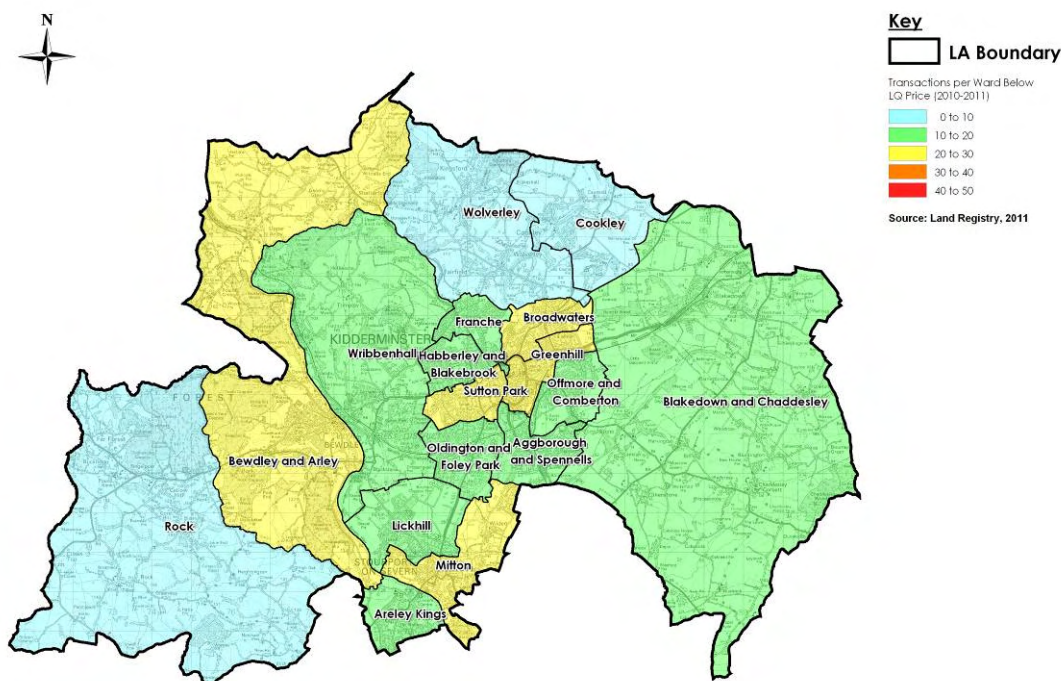
- Lower Quartile house prices are used in the main SHMA analysis to represent entry level properties in the market, an important part of assessing affordability issues. Within Wyre Forest the average lower quartile price for all properties was £113,000 in 2010, which is the lowest in the County. As with overall house prices there are considerable variance in the lower quartile price across the authority, this is illustrated through the following plans.

Figure 2.11: Geographical Distribution of Lower Quartile House Prices – 2010/11



Source: Land Registry, 2011

Figure 2.12: Transactions per Ward below Lower Quartile Price for the authority – 2010/11



Source: Land Registry, 2011

- Analysis of the rental market shows that average rental prices within Wyre Forest are generally below the County averages for different property types. Rental prices for a 1 bed apartment are £400 per calendar month (pcm), whilst for a 2 bed apartment they are around £499 pcm. In terms of the housing market, rental prices for 2, 3 and 4 bed houses within Wyre Forest are £501, £608 and £795 pcm respectively²³.
- Analysis of waiting list data²⁴ shows a sustained demand for affordable housing in the current market across Wyre Forest. In total there are 5,210 households on the waiting list, 986 of which, or 19%, are classified as in 'significant need'²⁵.

²³ Source: www.rightmove.co.uk (summer 2011)

²⁴ Home Choice Plus

²⁵ For a full definition of how 'significant need' is attributed see Section 5 of the main SHMA Report. The level of households in 'significant need' presented includes households transferring between social dwellings in the authority.

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- Of those on the full waiting list there are a high proportion within the private rented sector, at 22%, and already in social rented housing, at 26%. Comparably lower proportions of households are in owner-occupation or sharing/lodging, at 12% and 6% respectively. The analysis of the waiting list within Wyre Forest also showed high concentrations of both families and single person households registered on the waiting list – representing 38% and 31% of the total waiting list respectively.
 - The sustained pressure on affordable housing, as a result of current market circumstances, is further illustrated through the benchmarking of the levels of income required to access different housing tenures within Wyre Forest. An income of over £29,000 is required to purchase a lower quartile property (assuming a 3.5 income / mortgage ratio and a 10% deposit). In order to afford an average 2-bed apartment within the authority an income of almost £24,000 is required (assuming that 25% of income is spent on rent) and an income exceeding £23,000 is required to afford a 2-bed apartment when charged at the Affordable Rent level (upper limit of 80% of average market rent). This is illustrated in the following table which shows the different entry level incomes required to access different sizes of properties.

Figure 2.13: Affordability Benchmarking – Access to different tenures and sizes of properties

Authority	Affordability Benchmarks - Annual Income Required						% of All Households Earning Less than £30,000
	To purchase LQ House (3.5 * income - 10% deposit)	Renting Average 2-bed Apartment (25% income)	Renting Average 3-bed House (25% income)	Affordable Rent (80% Market Rent) 2-bed Apartment (25% Income)	Affordable Rent (80% Market Rent) 3-bed House (25% Income)	Social Rented (25% income)	
£29,057	£23,947	£29,160	£19,157	£23,328	£16,214	55%	£29,057

Source: GVA,, 2011

3. The Future Housing Market

- 3.1 Understanding how the operation of the housing market will change in the future represents an important part of the main SHMA Report analysis. A number of models are utilised within the main SHMA Report to project forward future demand.
- 3.2 This includes examining the long-term pressures for new housing resulting from a growing population and household base, and the impact this will have on the types of housing that new and existing households will require through the plan period.
- 3.3 It also includes an assessment of the current and short-term future need for affordable housing, again with a breakdown by size of property. The analysis also considers the role of the three different types of affordable housing described within PPS 3 in meeting the identified future levels of need for affordable tenures. The results of these modelling processes are summarised within this section. Sections 6 and 7 of the main SHMA Report include a detailed methodology for each of the modelling processes which are not replicated in this Overview Report but should be used to reference and clarify technical points.

DCLG Output 3 - Estimate of total future number of households, broken down by age and type where possible

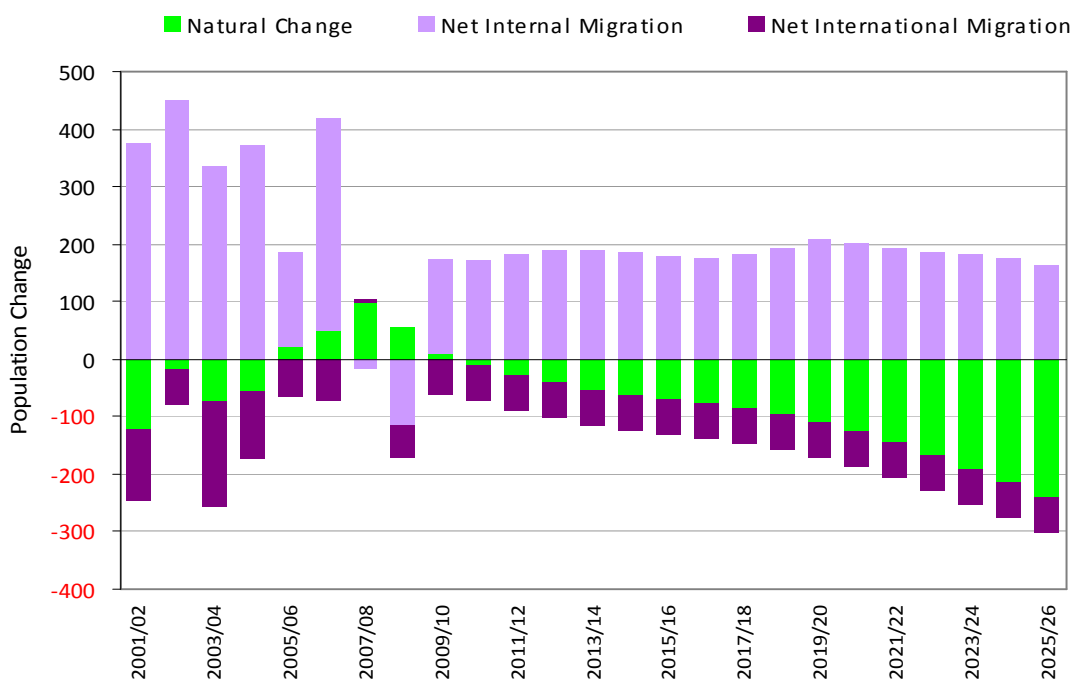
- 3.4 The main SHMA Report incorporates a substantial amount of modelling and analysis to determine the most likely range of future population levels based on scenario built projections.
- 3.5 These projections take account of demographic, economic, market and supply factors to arrive at a series of conclusions around how the population and number of households could change and what this means in terms of both the age and type of households.
- 3.6 For Wyre Forest the following conclusions are reached in relation to this output:
- The number of households is forecast to grow over the period 2006 and 2030 by between 4,280 and 7,980. The lower level of projected household growth is based upon a demographic trend based scenario which uses the latest data around levels of natural change and migration to project forward a continuation of recent historical dynamics. The higher level of household change is estimated through the application of an economic constraint on the demographic projections. Under this scenario the labour force in the authority is balanced against the projected total number of jobs and therefore identifies the levels of

household change required to create a greater balance between the population and the number of jobs forecast in the future in the authority.

- Within Wyre Forest migration into the authority represents a fundamental driver of the change in population. This positive trend of net in-migration from other parts of the UK is projected to be sustained going forward, albeit at a considerably moderated level than that seen between 2001 and 2007 reflecting the lower, and indeed negative levels, seen over the last couple of years. Natural change continues to offset the impact of this growth, with the net negative annual levels projected to become more pronounced towards the end of the projection period. This is illustrated in terms of the migration-led scenario (Scenario 3 within the main SHMA Report) with the projected change in these components of population change shown in the following chart.

Figure 3.1: Components of Change under the Migration-led Scenario

Wyre Forest



Source: Edge Analytics, 2011

- The impact of historical levels of development have clearly influenced the levels of population growth over the past, particularly at a local level, with this therefore impacting on the future levels of growth projected going forward. The analysis of demographic drivers has involved the construction of a model which is built from a ward level upwards. The following table shows the levels of private household population and household change projected for each of the wards between 2006 and 2030

Figure 3.2: Projected Change in Private Household Population²⁶, Households and Household Size by Ward 2006 – 2030

Scenario 3 - Migration-led	Private Household Population			Household Size			Households			
	2006	2030	Change 2006 - 2030	2006	2030	Change 2006 - 2030	2006	2030	Change 2006 - 2030	Annual Change (24 years)
Aggborough and Spennells	6,890	4,450	-2,440	2.47	1.84	-0.62	2,800	2,420	-380	-16
Areley Kings	5,870	4,920	-950	2.24	1.96	-0.28	2,610	2,510	-100	-4
Bewdley and Arley	6,310	6,730	420	2.15	1.97	-0.18	2,930	3,410	480	20
Blakedown and Chaddesley	4,020	3,630	-390	2.20	2.21	0.01	1,830	1,640	-190	-8
Broadwaters	8,240	7,830	-410	2.39	2.19	-0.20	3,450	3,570	120	5
Cookley	2,400	2,380	-20	2.15	1.99	-0.16	1,110	1,200	90	4
Franche	6,790	5,310	-1,480	2.32	1.94	-0.38	2,930	2,730	-200	-8
Greenhill	7,220	9,220	2,000	2.10	2.06	-0.04	3,440	4,470	1,030	43
Habberley and Blakebrook	6,400	5,930	-470	2.26	2.06	-0.20	2,830	2,880	50	2
Lickhill	6,900	5,800	-1,100	2.36	2.13	-0.23	2,930	2,720	-210	-9
Mitton	7,120	10,270	3,150	2.21	2.11	-0.10	3,230	4,880	1,650	69
Offmore and Comberton	6,510	5,700	-810	2.14	1.87	-0.27	3,040	3,040	0	0
Oldington and Foley Park	5,170	4,980	-190	2.55	2.16	-0.39	2,030	2,310	280	12
Rock	2,520	2,800	280	2.59	2.29	-0.29	970	1,220	250	10
Sutton Park	7,070	7,690	620	2.18	2.07	-0.11	3,250	3,720	470	20
Wolverley	2,130	2,150	20	2.30	2.11	-0.19	930	1,020	90	4
Wribbenhall	4,880	5,390	510	2.25	1.94	-0.31	2,170	2,780	610	25

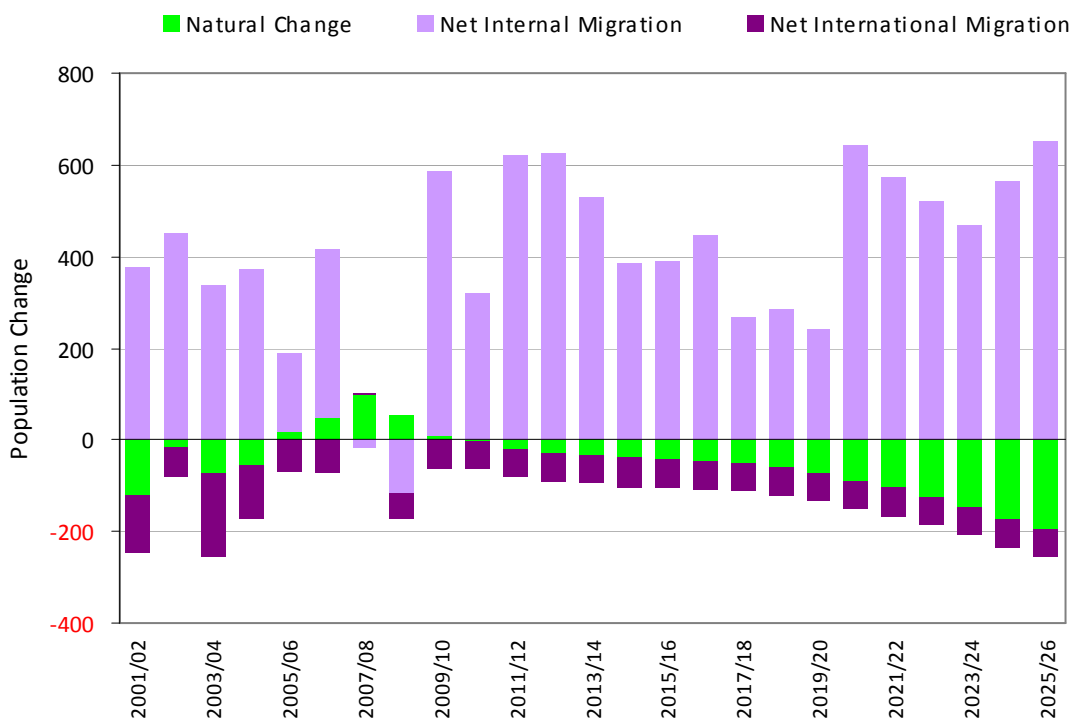
Source: GVA, Edge Analytics, 2011. Note the numbers do not add up to the exact authority total due to the way in which the model is constructed using local level statistics

²⁶ The ONS calculates the private household population by deducting the institutional population from the total population. The institutional population is the population wholly resident in communal establishments such as residential care homes, nursing homes and long stay hospitals, including resident staff

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- The ward of Mitton is projected to see the highest level of household growth with this reflecting the historic levels of migration into this ward over recent years, in part at least driven by the delivery of new housing. A number of other wards such as Wribbenhall and Greenhill are also forecast to see relatively strong growth. Some of the more rural wards, including Lickhill, are projected to see a decline in the number of households with this being driven by natural change factors and not being offset by migration. In reality this picture is unlikely to emerge, however it illustrates the impact of an ageing population within these parts of the authority.
 - The employment constrained scenario cannot be broken down to a ward level, however, at an authority level in order to align the two factors, the labourforce and the level of employment, the internal UK migration component of change is aligned annually. This is illustrated under the following components of change chart for Wyre Forest. It is important to note that whilst the UK migration component is the element which is altered this has an impact on the natural change component through the projection period as households are aged and enter different family cycles. The employment-constrained scenario illustrated below includes the application of updated economic activity rates for older person linked to changing working patterns and the increasing of pensionable ages, a full explanation for this is included within the main SHMA Report.

Figure 3.3: Components of Change under the Employment-Constrained Scenario (Sensitivity 2 Scenario)

Wyre Forest



Source: Edge Analytics, 2011

- Under both scenarios the population of Wyre Forest is projected to age. The following table shows that within Wyre Forest the proportion of older person households (those over the current working age classifications used in the 2001 Census) is forecast to grow from 22% to between approximately 35% and 36% (the higher figure projected under Core Scenario 3 with Sensitivity Scenario aligning the working age population with employment opportunities). By contrast the proportion of the total population which is classified as working age is set to reduce over the projection period. In addition this is true of the younger age groups, with these linked to the numbers of family households within the authority. This is illustrated within the following table which shows the projected change in key age groupings under the two selected scenarios.

Figure 3.4: Projected Change in the Age of the Population 2006 – 2030

Wyre Forest	Core Scenario 3		Sensitivity Scenario 2
	% of Total Population		% of Total Population
Age Group	2006	2030	2030
0-4	5.0%	4.5%	4.7%
5-10	6.5%	5.7%	5.9%
11-15	6.1%	4.9%	5.0%
16-17	2.6%	2.0%	2.0%
18-59Female, 64Male	57.9%	47.0%	47.8%
60/65 -74	13.6%	17.1%	16.7%
75-84	6.1%	11.8%	11.4%
85+	2.3%	6.9%	6.7%
Total	100.0%	100.0%	100.0%

Source: Edge Analytics, GVA, 2011

- The types of household are also projected to change, with the ageing population noted above one influencing factor. Primarily the projections show a notable uplift in single person and couple households and a decline in family households. The projected decline in family households is less pronounced under Sensitivity Scenario 2 with the assumption being that more people of working-age migrate into the authority to take up employment opportunities forecast, particularly towards the end of the projection period. These trends are illustrated through the following tables which show the projected trends for both scenarios.

Figure 3.5: Projected Change in Household Type 2006 – 2030

Wyre Forest	Change in age of head of household 2006 - 2030 - Core Scenario 3									
Household Type	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-75	75-84	85+
One Person	0	-2	-1	-12	67	-66	139	249	2,581	2,893
Couple Household or Mixed Adult Household	0	-95	-154	-308	-715	-948	19	1,398	995	680
Family Household (Adults and Children)	0	-100	-471	-1,127	-424	74	100	16	17	14
Other Households	0	12	-48	-103	-169	-123	-62	-31	7	-19
Total	0	-186	-675	-1,551	-1,241	-1,062	195	1,631	3,600	3,568

Wyre Forest	Change in age of head of household 2006 - 2030 - Sensitivity Scenario 2									
Household Type	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-75	75-84	85+
One Person	0	25	160	227	218	1	219	362	2,794	3,088
Couple Household or Mixed Adult Household	0	-82	43	-198	-508	-828	189	1,673	1,073	725
Family Household (Adults and Children)	0	-84	-184	-518	-245	115	117	19	17	14
Other Households	0	24	-35	-97	-158	-116	-51	-17	16	-17
Total	0	-118	-16	-586	-692	-827	474	2,037	3,901	3,810

Source: Edge Analytics, GVA, 2011

- The projected trends identified above around the changing demographic profile of Wyre Forest are likely to alter the types and sizes of houses which will be required in the future. The analysis suggests that there may be a high demand for smaller properties suitable for meeting the needs of older person households within the authority. Whilst the number of family households is set to decline overall it is important to recognise that this is not true for all age groupings and therefore there is likely to be a sustained demand for traditional housing units (3 and 4 bedroom stock), recognising that moderate and larger properties represent the aspiration for many households of different ages.

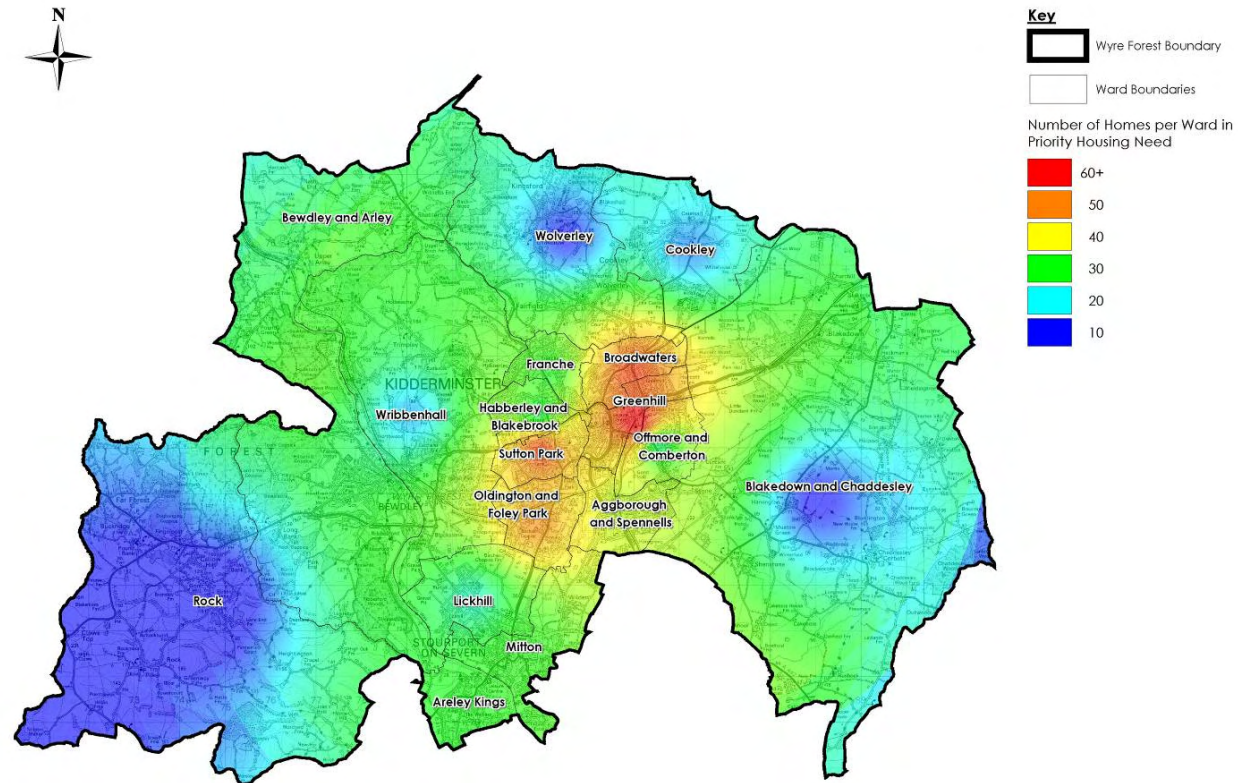
DCLG Outputs 4, 5 and 6

- 3.7 The analysis of DCLG Outputs 4, 5 and 6 are interlinked. They involve the assessment of the breakdown of future needs for different tenures of housing. The SHMA considers this in terms of both short and long-term (long-term covering the full plan period).

Output 4 – Estimate of current number of households in housing need

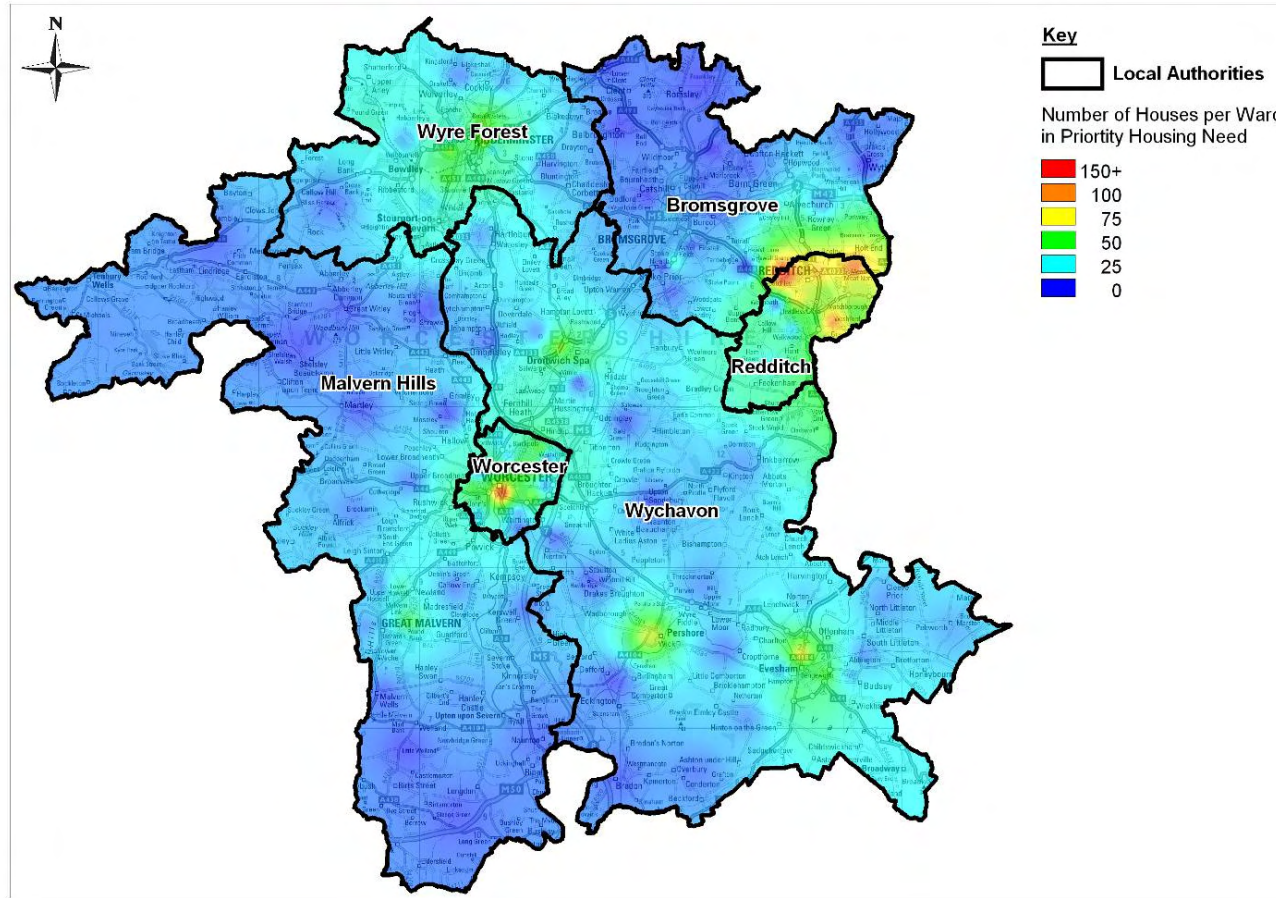
- 3.8 There is a recognition that the balance of tenures across the authority has not to date fully met the housing needs of households. The market position summarised in the Current Market section highlighted the affordability issues facing many households, in particular newly forming households.
- 3.9 Analysis of waiting list data has been used to understand the current backlog of unmet need for affordable housing within Wyre Forest. This has identified that:
- There are 47 households currently classified as statutorily homeless and/or in temporary accommodation;
 - In addition there are, based on the analysis of the waiting list, 939 households classified as in significant need, 321 of which are currently living in social rented accommodation. If those already living within social housing are removed - on the basis that their needs being met by another social house will free up their own property and therefore result in a zero gain supply / demand position – then this leaves a total of 665 (=47+939-321) households classified as in need currently within Wyre Forest.
 - This clearly represents a relatively high level of unmet need for affordable housing which remains an important priority for the authority to address.
 - This existing backlog of need is not distributed evenly across the authority – with the Greenhill, Broadwaters and Sutton Park wards demonstrating the highest concentration of households currently in significant need. This distribution is in large part a result of the current spatial distribution of the existing stock of affordable housing. The following plans illustrate the location of those households classified as in significant need across the authority and wider County.

Figure 3.6: Spatial Distribution of Current Housing Need (Significant Need) – ‘Hotspot’ Map, Wyre Forest



Source: Local Authority Waiting Lists, GVA Analysis, 2011 (Note: the key reflects a 'heat map' approach – the single values reflect a position within a spectrum which is reflected through graded colourings)

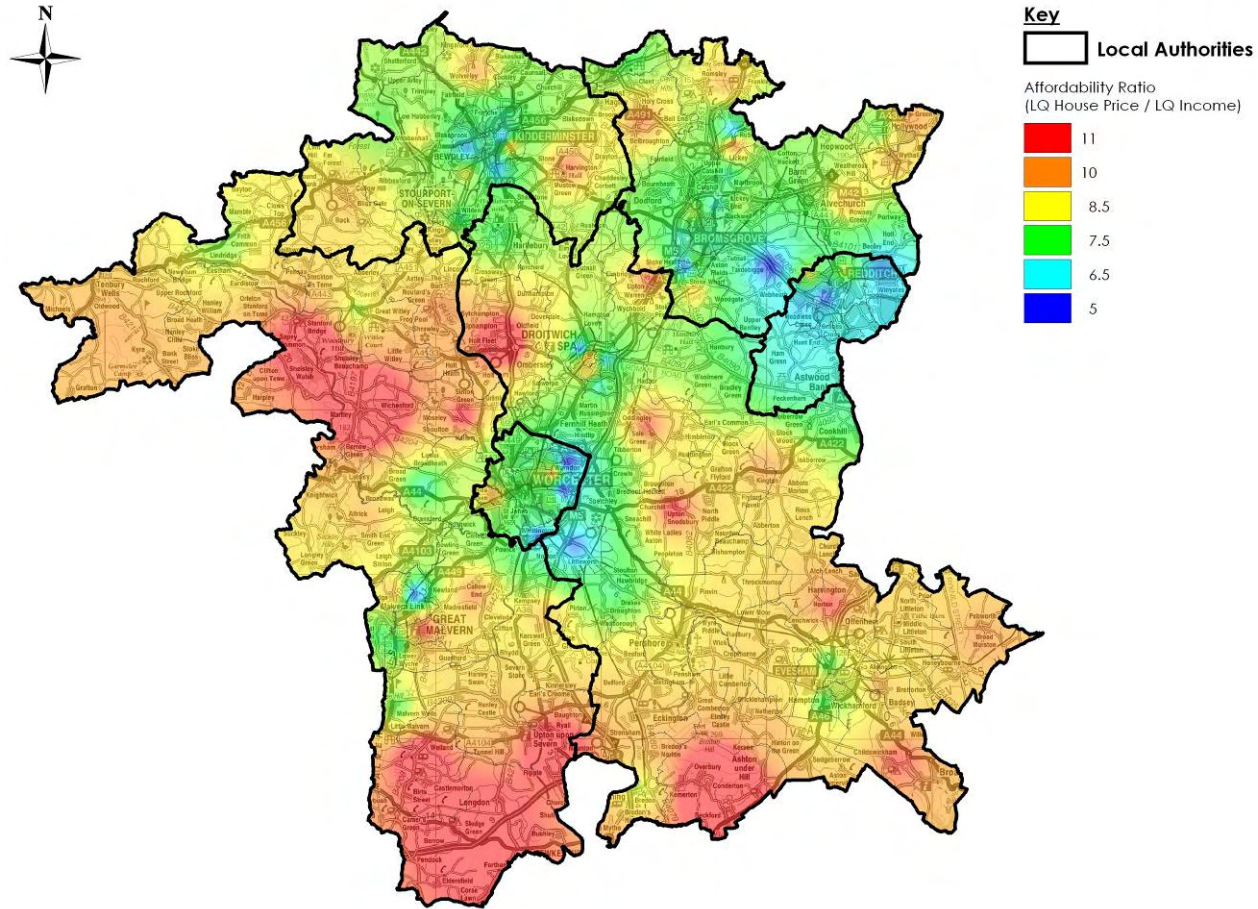
Figure 3.7: Spatial Distribution of Current Housing Need (Significant Need) – ‘Hotspot’ Map, Worcestershire



Source: Local Authority Waiting Lists, GVA Analysis, 2011

- Importantly this spatial analysis of current need only represents those households who have put themselves onto the waiting list and been identified as in significant need. The ratio between lower quartile house prices and incomes represents another important indicator of the potential concentration of households who are likely, as they form, in the future, to be facing a situation of housing need. This is illustrated in the following plan. This should be considered alongside the spatial analysis of the waiting list data to identify a composite picture of where pressures are greatest for affordable housing as a result of concentrations of existing and forming households in need.

Figures 3.8: Affordability Ratios – Lower Quartile House Prices and Incomes



Source: Land Registry, 2011, CACI, 2010

Output 5 – Estimate of future households that will require affordable housing

- 3.10 The overall calculation of the amount of households requiring affordable housing is undertaken using the DCLG model set out within the SHMA Guidance note. A similar approach has been adopted to that originally set out within the 2007 County SHMA and the subsequent updates.
- 3.11 The model takes account of the backlog of current need identified under the previous DCLG Output, however, it also factors in annual future need, existing supply and the annual future supply to arrive at an overall net number of households requiring an affordable dwelling over the next five years.
- 3.12 The full calculation of this level of need is set out in the table below.

Figure 3.9: Housing Needs Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)		
Step	Methodology / Source	Wyre Forest
1.1 Number of Homeless households and those in temporary accommodation	Local Authority - Statutory Homeless	47
1.2 Number of Overcrowding and concealed households	CBL Waiting List - 'significant need' (Taken as single Step)	939
1.3a Other Groups		
1.3b Other Groups - Transfers	Of which transfers - current occupiers of affordable housing in 'significant need'	321
1.4 Total current housing need (gross) = (1.1 + 1.2 + 1.3a) - 1.3b	(1.1 + 1.2 + 1.3a) - 1.3b	665

Stage 2 - Future Housing Need (Annual)		
Step	Methodology / Source	Wyre Forest
2.1 New Household formation (annual)	Household Projections (Gross Formation - Natural Change Scenario – aged 15-44 years)	903
2.2 Newly forming households in need (annualised)	Proportion of households unable to afford to purchase or rent in the open market (Assumes PRS absorbs need - LQ)	48%
	Number of households unable to afford to purchase or rent in the open market (Assumes PRS absorbs need - LQ)	435
2.3 Existing households falling into need	CBL Waiting List - Households registering as priority need (annual)	71
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	506

Stage 3 - Affordable Housing Supply (Annual)		
Step	Methodology / Source	Wyre Forest
3.1 Affordable dwellings occupied by households in need	Number of households identified in 1.3b which are transfers	Accounted for at Step 1.3b
3.2 Surplus Stock	Long-term Vacant (i.e. 6 months plus)	0
3.3 Committed supply of new affordable housing	Social Housing & Affordable Rent	152
3.4 Units to be taken out of management	Demolitions (programmed) and Right to Buy (trend)	69
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	3.1 + 3.2 + 3.3 - 3.4	83
3.6 Annual supply of social re-lets (annual net)	Lettings to households from other tenures (2010/11)	404
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	Intermediate dwellings committed for development (annualised across next 5 years)	8
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	412

Stage 4 - Total Housing Need (Net Annual)		
Step	Methodology / Source	Wyre Forest
Total net need = 1.4 - 3.5	1.4 - 3.5	582
Annual flow (20% of total net need)	20% of total net need (Assume five year period to relieve backlog of need)	116
Net annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	210

Source: GVA, 2011

- 3.13 The level of need identified through this SHMA illustrates a decrease against the comparable figure of 290 identified through the latest 2009/10 Annual Monitoring Update produced by Worcestershire County Council. However, the level of need for affordable housing remains high in Wyre Forest.
- 3.14 Importantly the SHMA has looked at the range of products now classified as affordable housing to understand the roles they can play in meeting the needs of the households identified as requiring this tenure of housing. These are considered below:
- **Social Rent** – This represents the traditional tenure of affordable housing. The analysis of the following two tenure products are considered against access to social rented housing which continues to represent the majority of 'affordable stock' across all authorities.
 - **Intermediate Housing** – The SHMA identified that in Wyre Forest this type of affordable housing could reasonably meet 27% of the overall level of need for

affordable housing identified. This is in part reflective of the capacity of the committed pipeline of intermediate affordable housing in each district to meet housing needs. Within Wyre Forest there is a limited annual supply of intermediate housing already committed for development within the district. It is also based on the capacity of households to afford access to this tenure based upon setting the upper limit for accessing intermediate products at the income required to access the private market (in line with the housing needs assessment). The lower limit was set at the income required to afford a 55% equity share in a small family house at the lower quartile price. This has been set to allow for a 50% equity purchase alongside a 5% deposit.

- Affordable Rent – This product remains in its infancy at the time at which this SHMA is being produced and therefore assumptions are likely to alter in the future, requiring careful monitoring. The analysis has used market rent information to assess the proportion of households in need for whom this type of product would meet needs. The following table sets out the proportion of households²⁷ unable to access affordable rent by different property sizes. It is evident that a substantial proportion of households potentially in need are unable to access affordable rent stock. This has an important bearing in reinforcing the important role that traditional social rental stock will continue to play in meeting needs going forward over the plan period.

Figure 3.10: Proportion of Households Unable to Afford Affordable Rent Housing

District	% Unable to Afford 80% Market Rent, 2-bed Apartment	% Unable to Afford 80% Market Rent, 3-bed House
Wyre Forest	34%	45%

Source: CACI, 2010, Rightmove, 2011, GVA Analysis, 2011

Output 6 – Estimate of future households requiring market housing

- 3.15 The analysis undertaken to inform Output 5 shows that in Wyre Forest 52%²⁸ of newly forming households are able to afford market housing of some form over the short-term. The table below shows the projected number of newly forming households (gross) anticipated over the next ten years by ward based upon the Natural Change population scenario (scenario 2 in the main SHMA Report). This provides an indication of wards where the growth of the local population will place increasing pressures on all forms of housing including affordable housing.

²⁷ Note: This uses the incomes of all households as recorded by the CACI dataset

²⁸ Note: Step 2.2 in Figure 3.9 shows that 48% of newly forming households cannot afford market housing, with 52% therefore able to afford these tenures (owner occupation and/or private rented)

Figure 3.11: Gross Household Change – Annual Projections under the Natural Change Scenario (Scenario 2)

Core Scenario 2 - Natural Change	Annual gross household formation 2011-2021 (aged 15 - 44)
Aggborough and Spennells	70
Areley Kings	50
Bewdley and Arley	48
Blakedown and Chaddesley	36
Broadwaters	95
Cookley	20
Franche	65
Greenhill	84
Habberley and Blakebrook	56
Lickhill	62
Mitton	70
Offmore and Comberton	95
Oldington and Foley Park	58
Rock	16
Sutton Park	82
Wolverley	14
Wribbenhall	39

Source: Edge Analytics, GVA, 2011. Note this informs stage 2.1 of the Calculation of the Need for Affordable Housing presented under Output 5

- 3.16 Looking at the longer-term the SHMA analysis considered the impact of changes to the economic structure of the authority and the breakdown of the tenure of housing that would be required to balance the housing market with the incomes of households. This is replicated in the following table²⁹.

Figure 3.12: Long-term (to 2031) breakdown of the tenure of properties required to respond to the changing economic profile

Authority	Long-term Tenure Requirement linked to Forecast Occupation Change	
	Market Housing	Affordable Housing
Wyre Forest	83%	17%

Source: GVA, 2011

²⁹ Note: as the caveats explain in the main SHMA report this does not factor in supply factors or house price and income changes. The analysis simply aligns the changing economic structure with the affordability benchmarking, therefore providing an indicative level of analysis only given the long-term forecast period and does not in any way replace the assessment of short-term need in Figure 3.9.

- 3.17 Figure 3.12 highlights that based upon the forecast changes to the economy the delivery of affordable housing will continue to be a priority in order to balance the supply of stock by tenure with future demand. Indeed with a high level of need over the next five years identified in figure 3.9 a sustained emphasis on delivering this tenure of housing will be required.
- 3.18 The analysis undertaken to inform Output 3 are used within the main SHMA report to identify a range of housing requirements needed to meet generated demand from a growing household base. This takes into account current levels of vacancy as well as recent levels of development from the base point of the household projections in 2006. The range of identified housing requirements for all tenures are shown in the table below.

Figure 3.13: Hypothetical Dwelling Requirements 2011 – 2030

Scenario	Forecast Household Change (2006-2030)	Forecast Dwelling Requirement - factoring in vacancy allowance of 3%	Housing Delivered Gross 2006 - 2011 (5 years)	Theoretical Dwelling Requirements 2011/12 - 2029/30 (19 years)	
				Net Dwelling Requirement (rounded)	Net Annual Average Dwelling Requirement (rounded)
Wyre Forest					
Core Scenario 3	4,280	4,410	1,176	3,230	170
Sensitivity Scenario 2	7,980	8,220	1,176	7,050	370

Source: GVA, 2011

DCLG Output 7 – Estimate of the size of affordable housing required

- 3.19 The main SHMA Report considered this aspect in detail within section 7. The final tables showing the assessment of the sizes of affordable housing required across the authority, when considered against the available turnover of lettings, are replicated below. A lower level of analysis has not been undertaken with the consideration of the supply and demand of different sizes of affordable housing more appropriately considered and planned for at a local authority level.

Figure 3.14: A breakdown of the size of affordable housing required across the district (short-term need)

District	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Wyre Forest	60%	29%	9%	2%

Source: Local authority waiting lists, GVA Analysis, 2011

Figure 3.15: A breakdown of the size of affordable housing supply across the district (annual supply 2010/11)

District	Annual Affordable Housing Lettings (2010/11) by Size			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Wyre Forest	50%	37%	12%	0%

Source: Local authority lettings data, GVA Analysis, 2011

3.20 Considering the size requirements of households in need against the availability of lettings to absorb this demand demonstrates the following:

- There is demand/need for homes across all sizes – with the majority of households in need requiring up to 2 bedrooms (89%) and is likely to be attributable to the high levels of single person and pensioner households in need within the authority.
- A smaller proportion of households require larger 3 bedroom and 4+ bedroom affordable housing – at 9% and 2% respectively. These proportions reflect the high level of families in need of affordable housing within the authority.
- When the lettings supply of affordable housing is considered, it is apparent that the higher rates of turnover in the smaller 1 and 2 bedroom dwellings, which enables them to more swiftly meet the needs of smaller households.
- The lower levels of lettings turnover in the larger 3 bedroom and 4+ bedroom family housing result in their being limited availability of such stock and highlight **the continued need to deliver new additional dwellings to boost supply for families.**

3.21 Overall, however, it is important to reflect that the housing needs assessment indicates that the turnover of social lettings alone within Wyre Forest is insufficient to meet the continued need for affordable housing. As a result, delivery of new affordable housing across all property sizes will be necessary if the authority is to meet the housing needs of its residents.

4. Conclusion – Bringing the Evidence Together

- 4.1 The analysis has been presented throughout the Appendix document to illustrate findings against the Core Outputs as set within the DCLG Guidance.
- 4.2 This section rather than reiterating these findings provides a short synopsis of the implications of the findings of the SHMA for the future monitoring of policy, recognising that the authority has an adopted Core Strategy, and strategy planning within the authority.

Ensuring a Balanced Housing Market

- 4.3 Over the plan period it is important that policy and strategy aid in delivering a housing market which matches the needs and requirements of the authorities current and future residents. The following conclusions of the research are therefore important in achieving this goal:
- The modelling of future population projections indicates that there will be a sustained need for new housing to meet the needs of a growing population linked to historic demographic trends and the future levels of jobs forecast to be created in the authority.
 - In total the SHMA suggests that there will be a requirement for between 3,240 and 7,050 dwellings between 2011/12 and 2029/30 to meet the demands generated by new household formation. This level of requirement factors in the historic supply of new housing between 2006 and 2011. The higher level of projected household growth and therefore dwelling requirement is generated as a result of a linking of forecast job growth with an ageing population. The population projection underpinning this level of growth therefore assumes a reversal of historic trends of a net out-migration of people from the authority and a net inflow in order to balance jobs and residents. The future review of policies will need to carefully consider the implications of meeting forecast job growth through new development and the continued role that commuting of residents into the authority may play if supported through the provision of sustainable infrastructure.
 - The analysis of the current need for affordable housing in the authority over the next five years indicates a high demand for this tenure. An annual need of 210 affordable properties is calculated as being required to meet the future needs over the next five years and the existing backlog. This reflects the impact of rising house prices over the first half of the last decade and the continued pressures on

wages as well as the availability of mortgage finance. It also reflects the fact that affordable housing makes up a relatively low proportion of the overall stock in Wyre Forest currently, approximately 15%, a proportion which is below the national average of 20%.

- The changing age profile of the projected population of the authority indicates that there will be a high demand for smaller properties able to meet the needs of older person households. Overall the number of older persons is projected to increase significantly, indeed the projections suggest that older persons will make up approximately 35% - 36% of the total population by 2030 compared to approximately 22% now.
- In addition to older person households the projections also indicate that in order to maintain a level of working age population to match employment opportunities that there will be a sustained need for family housing within the authority.
- Specifically in terms of affordable housing the analysis indicates that there will be a high demand for smaller properties, 1 – 2 bed, with need for this size of property making up approximately 90% of total need. Importantly, however, the lower levels of turnover in larger properties also suggests that in order to address future need and the current backlog new larger affordable properties will also be required.

Recognising the Impact of the Current Challenging Market Context

4.4 Whilst the SHMA sets out a detailed evidence base documenting demand and housing need drivers it also recognises the challenges posed by current market conditions.

4.5 Whilst the SHMA analysis has evidenced a sustained need for affordable housing tenures over the plan period the current market and finance context presents a significant potential obstacle to delivering sufficient numbers of affordable housing to address need. The following recommendations need to be considered in the setting of policy:

- The reduction, at least in the short term, in the availability of grant monies to aid in the delivery of affordable housing places greater pressure on delivering affordable housing tenures through traditional Planning Obligation approaches. This requires a pro-active and responsive approach to enabling more viable housing sites to come forward earlier in the plan period. A pro-active approach in encouraging the delivery of more viable housing sites will be important in

addressing the wider demand for all tenures of housing and assist in ensuring that the ability of households to purchase housing is not further worsened through a continued lack of supply, which is likely to continue to drive up house prices.

- A careful balance is required in terms of other competing requirements through Planning Obligations if the delivery of affordable housing is to be prioritised. This includes the future setting of CIL targets and the balancing of aspirations to deliver other linked improvements for example green space or off-site community benefits. Consideration needs to be given to the appropriate allocation of New Homes Bonus to local communities to ensure that the benefits of development are realised by affected areas without impacting on the viability of development and the capacity to deliver affordable housing.
- The recognition that the needs of households will need to be met through a spectrum of different affordable housing products. The SHMA analysis has indicated that whilst a notable proportion of households in need will require social housing other affordable products including Affordable Rental properties and Intermediate tenure properties will be able to address the needs of some households and should therefore form part of any new provision delivered across the authority.

Benchmarking and Monitoring Performance

- 4.6 The SHMA has drawn solely from secondary data sources. As with the 2007 SHMA this ensures that the authorities can collectively or individually monitor the performance of the housing market and the impact on the various models included in the analysis. Given the relatively unusual market and economic context in which this SHMA has been undertaken the monitoring of key indicators will be important in ensuring that the SHMA remains an up-to-date and robust source of evidence to underpin policy.
- 4.7 The following datasets or areas of analysis should form the focus of future monitoring:
- Annual analysis of waiting list data. The analysis of housing need in section 3 draws significantly upon analysis taken directly from the waiting list. The research has involved refining the method for filtering the waiting list data to provide a more representative analysis of households in 'significant need' using classifications used to assess applicant's relative position on the waiting lists. An annual update of this process will assist in understanding the impact of other market drivers on the need for affordable housing across the authority. It will be particularly important to monitor relative levels of need for different sizes of property over the next few years as new policy initiatives come into force including the proposed housing benefit reforms.

- Consideration of the release of ONS mid-year estimates against the level of projected population change within the range presented in section 3. The release of 2011 Census data counts will also serve as a vital 'check' for understanding the accuracy of national estimations of population change and the impact this has on the numbers of households in the authority. The authority can use the County's POPGROUP software to update the local authority and ward level analysis of population and household projections using the latest release of datasets and any updates to economic forecasts.
- Active market indicators. The affordability of different tenures is linked to the relative pricing of market housing and the availability of finance. Annual benchmarking checks should be made of average and lower quartile house prices and market rents alongside the costs of purchasing driven by the availability of mortgage products. These should be used, alongside the annually updated CACI income data to monitor the affordability benchmarking exercise included within the main SHMA report.