

# Wyre Forest District

## Housing Need Study 2018

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**Wyre Forest District Council**

Final Report

October 2018

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**Main Contact:** Michael Bullock  
**Email:** [michael.bullock@arc4.co.uk](mailto:michael.bullock@arc4.co.uk)  
**Telephone:** 0800 612 9133  
**Website:** [www.arc4.co.uk](http://www.arc4.co.uk)



## Table of Contents

<b>Executive Summary .....</b>	<b>8</b>
Introduction .....	8
Housing market context .....	8
Dwelling need, type and mix .....	9
The needs of other groups .....	11
<b>1. Introduction.....</b>	<b>12</b>
Background and objectives .....	12
Government policy and guidance .....	12
Definitions .....	14
Geography.....	15
Research methodology .....	18
Report structure.....	18
<b>2. Policy and strategic review .....</b>	<b>19</b>
National context.....	19
Strategic context .....	20
Local context .....	21
Neighbourhood Development Plans .....	21
Previous relevant studies .....	22
Concluding comments.....	22
<b>3. Understanding the housing market dynamics .....</b>	<b>24</b>
Introduction .....	24
House price trends .....	24
Relative affordability .....	29
Household migration.....	31
Travel to work trends .....	32
Housing market area .....	32
Concluding comments.....	32
<b>4. Housing stock review .....</b>	<b>34</b>
Introduction .....	34
Estimates of current dwellings in terms of size, type, condition, tenure .....	34
Housing development (past and planned).....	41
Property tenure.....	42
Owner-occupied sector.....	43
Private rented sector .....	44

Affordable sector .....	48
Concluding comments.....	49
<b>5. Affordable housing need and the needs of different groups.....</b>	<b>50</b>
Introduction .....	50
Affordable Housing Needs Assessment .....	51
Size of affordable dwellings .....	53
Tenure split .....	53
Relative affordability of housing tenure options .....	54
Household Groups with specific housing needs .....	64
Introduction .....	64
Families with children .....	65
Housing for older people .....	66
Future need for older person accommodation and residential care institutions.....	68
Wheelchair accessible dwellings.....	71
People with disabilities .....	71
Benefit claimants - disability living allowance (DLA) by disabling condition .....	73
Homeless households .....	78
Service families.....	79
Students .....	79
Need for self/custom build .....	79
Overcrowding/under-occupancy .....	82
Summary .....	83
<b>6. Housing need in Wyre Forest.....</b>	<b>85</b>
Introduction .....	85
Establishing housing need.....	85
Alternative demographic scenarios .....	90
<b>7. Dwelling type and mix.....</b>	<b>93</b>
Introduction .....	93
Starting points.....	93
Household aspirations.....	100
Concluding comments.....	102
<b>8. Conclusion: policy and strategic issues .....</b>	<b>103</b>
Housing need figure 2018-2028.....	103
Affordable housing need.....	103
Meeting the needs of older people and those with disabilities .....	103
Final comments.....	104

<b>Introduction to Technical Appendices .....</b>	<b>105</b>
<b>Technical Appendix A: Research methodology .....</b>	<b>106</b>
Overall approach .....	106
Estate and letting agent review .....	106
<b>Technical Appendix B: Policy review .....</b>	<b>107</b>
<b>Technical Appendix C: Housing need calculations .....</b>	<b>117</b>
Introduction .....	117
Stage 1: Current households in affordable housing need .....	120
Stage 2: Newly-arising affordable need .....	121
Stage 3: Affordable housing supply .....	122
Stage 4: Estimate of annual housing need .....	124
Total gross and net imbalance .....	125
Comparison with previous OAHN report .....	125
<b>Technical Appendix D: Agent review .....</b>	<b>126</b>
Key findings .....	126
Introduction .....	126
The spare room market .....	129

## List of Charts and Figures

Figure 3.1	Median house price trends 2000 to 2017: the Wyre Forest, the West Midlands and England .....	25
Figure 4.1	Dwelling completions compared with the annual Core Strategy target .....	42
Figure 4.2	Wyre Forest: tenure profile of occupied dwellings .....	42
Figure 5.1	Affordability by tenure .....	57
Figure 5.2	Distribution of household income .....	58
Figure 5.3	Percentage of all households who could afford alternative rental prices .....	64
Figure 5.4	Explanation of optional accessibility standard M4(2) .....	77
Figure 5.5	Explanation of optional accessibility standard M4(3) .....	77
Figure 6.1	Population change, annual dwelling and employment growth 2016-36 .....	92
Figure 7.2	Summary of dwelling types under baseline demographic and aspiration analysis .....	102

## List of Tables

Table ES1	Summary of dwelling mix by broad tenure group based on annual need .....	10
Table 3.1	Comparative house price change 2000-2017 with neighbouring local authority areas, the West Midlands and England .....	26

Table 3.4	Origin of moving households .....	31
Table 4.1	Dwelling stock by ward .....	35
Table 4.2	Dwelling type and size by ward.....	37
Table 4.3	Age of dwelling.....	38
Table 4.4	Dwelling stock condition in England and Wyre Forest estimates.....	40
Table 4.5	Net dwelling completions 2006/07 to 2017/18.....	41
Table 4.6	Lower Quartile and median price and income required to be affordable.....	43
Table 4.7	Comparative median rental price 2010-2017 .....	45
Table 4.8	Comparative lower quartile rental price 2010-2017 .....	45
Table 4.9	Comparative LHA Rates in neighbouring areas.....	48
Table 5.1	Affordable Needs Assessment Summary for Wyre Forest.....	52
Table 5.2	Affordable need by number of bedrooms .....	53
Table 5.3	Affordable tenure split.....	54
Table 5.4	Cost of alternative tenure options by ward .....	55
Table 5.5	Income required for alternative tenure options.....	55
Table 5.6	Assumptions in assessing income required for alternative tenure options .....	56
Table 5.6a	Households who can afford by tenure.....	59
Table 5.7	Households who cannot afford by tenure .....	59
Table 5.8	LHA rates .....	61
Table 5.10	Rental rates by Bedroom Size .....	62
Table 5.11	Income Required by Bedroom Size .....	62
Table 5.12	Affordability by Rental Option and Bedroom Size .....	63
Table 5.13	Family housing choices .....	65
Table 5.14	Older person housing choices .....	67
Table 5.15	Categories of older person accommodation .....	68
Table 5.16	Analysis of future need for specialist older person accommodation.....	70
Table 5.17	Likely level of property adaptation in Wyre Forest and future need for adaptations in the home .....	71
Table 5.18	Long-term health problem or disability.....	72
Table 5.19	Estimate of the number of people with a particular disability .....	73
Table 5.20	DLA claimants by age group .....	74
Table 5.21	DLA claimants by disabling condition.....	75
Table 5.22	Summary of accessible housing standards .....	76
Table 5.23	Homeless decisions and acceptances 2010/11 to 2016/17.....	78

Table 5.24	Self/Custom-build Location preference .....	80
Table 5.26	Under / Over Occupancy of Families and Lone Parents .....	82
Table 6.1	Household change under alternative household projections .....	87
Table 6.2	Affordability ratios and market signals uplift.....	87
Table 6.4	Components of the dwelling need calculation for Wyre Forest .....	88
Table 7.1	Age groups, household type and dwelling types used.....	94
Table 7.2	Illustration of the relationship between dwelling type/size and household type by age group (15 to 24-year age group used) .....	95
Table 7.3A	Change in number of households by age group 2016-2036.....	96
Table 7.3B	Change in number of households by age group 2016-2036.....	97
Table 7.4	Impact of change in households by age group on dwellings occupied .....	98
Table 7.5	Overall annual dwelling mix based on range of housing need .....	99
Table 7.6	Summary of dwelling mix by broad tenure group based on annual need .....	99
Table 7.7	Assumptions regarding the profile of affordable dwellings by no. bedrooms and dwelling type .....	100
Table 7.8	Summary of demographic trends and aspirations on future dwelling requirements.....	101
Table C1	CLG Needs Assessment Summary for Wyre Forest.....	118
Table C2	Indicative annual minimum affordable housing need by ward, parish, town and neighbourhood Planning Area .....	119
Table C3	Homeless decisions and acceptances 2010/11 to 2016/17.....	120
Table C4	Comparison between 2017 and 2018 affordable housing need assessment ..	125

## List of Maps

Map 1.1	Wyre Forest District geographical context.....	15
Map 1.2	Wards within Wyre Forest District .....	17
Map 3.1	Median house prices 2017 by ward .....	27
Map 3.2	Lower quartile house prices 2017 by ward .....	28
Map 4.1	Median rents 2017 by ward .....	46

Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column 'total' due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.

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Registered Address: arc4, 41 Clarendon Road, Sale Manchester M33 2DY

Email: [contact@arc4.co.uk](mailto:contact@arc4.co.uk) [www.arc4.co.uk](http://www.arc4.co.uk)

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Directors - Helen Brzozowski – Michael Bullock

# Executive Summary

## Introduction

The Wyre Forest District Housing Need Study (HNS) 2018 provides the latest available evidence to help to shape the future planning and housing policies of the area. This study updates the 2017 Objectively Assessed Housing Needs (OAHN) study but the terminology associated with housing policy has changed and Planning Practice Guidance now refers to 'housing need' rather than 'objectively assessed housing need'. This updated study will help inform the production of the Council's Local Plan and other strategies. It considers the need for affordable housing and the size, type and tenure of housing need for different groups within the community. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area.

The HNS 2018 update comprises:

- A review of existing (secondary) data;
- An online survey of stakeholders; and
- Interviews with estate and letting agents.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development, in accordance with Government policy and guidance.

## Housing market context

### House prices

Median house prices in Wyre Forest have been consistently similar to those for the West Midlands region, but below those for England as a whole<sup>1</sup>.

During 2017, median prices across the Wyre Forest were £174,000, compared with £179,500 across the West Midlands<sup>2</sup>.

### Dwelling stock

This 2018 study assumes a total of 46,912 dwellings<sup>3</sup>. There are 1,297<sup>4</sup> vacant properties, indicating a dwelling vacancy rate of 2.7%. There are an estimated 44,903 households living in Wyre Forest<sup>5</sup>.

Based on 2011 Census household data, the tenure profile of Wyre Forest is: 71.3% owner occupied (37.7% owned outright and 33.6% owned with a mortgage or loan or shared

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<sup>1</sup> Land Registry Price Paid Data

<sup>2</sup> Land Registry Price Paid Data

<sup>3</sup> Council Tax 2018

<sup>4</sup> Council Tax 2018

<sup>5</sup> 2016-based MHCLG household projections



ownership), 14.3% private rented or living rent free and 14.4% affordable (rented from a social landlord).

The latest 2017 Valuation Office Agency data reports that:

- 13.1% are 1 or 2 bedroom houses, 46.2% are 3 bedroom houses, 14% are 4 or more bedroom houses;
- 7% are 1 bedroom flats, 6% are 2 or more bedroom flats;
- 8.1% are 1 or 2 bedroom bungalows and 2.9% are 3 or more bedroom bungalows;
- 2.6% are other property types.

## Demographic drivers

The population of Wyre Forest District is projected to increase by 4.9% over the course of the Plan Period 2016-2036, from 100,000 in 2016 to 105,300 in 2036<sup>6</sup>. There will be a marked increase in the number and proportion of older residents. The population aged 65+years is expected to increase by 31.4% from 24,200 in 2016 to 31,800 in 2036<sup>7</sup>. This compares with an increase of 38% across the West Midlands and 45.1% across England over the period 2016-2036.

## Economic drivers

Across Wyre Forest, 60.8% of Household Reference People are economically active and in employment (2011 Census) and a further 29.7% are retired from work. 59.1% of residents in employment work within the Wyre Forest District, with the remainder commuting out of the District to work in areas such as Wychavon (7.8%), Dudley (5.7%), Worcester (5.5%) and Birmingham (5.4%). The ONS identifies that across the District incomes are similar to the regional average, but below the national average. Lower quartile earnings in 2017 were £16,644 (compared with £19,448 across the West Midlands) and median incomes were £21,832 (compared with £26,819 across the West Midlands)<sup>8</sup>.

## Dwelling need, type and mix

This HNS report considers future housing need based on the standard methodology outlined in National Planning Practice Guidance (PPG). Using the latest 2016-based household projections and affordability indicators, the minimum local housing need figure for Wyre Forest is 276 dwellings each year. Further scenario analysis has been prepared by Edge Analytics to verify that the dwelling need calculation using the standard methodology is appropriate for Wyre Forest. Employment-led scenarios consider whether the amount of new dwellings will sufficiently support economic growth and concludes that it is; and a

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<sup>6</sup> ONS 2016-based Subnational Population Projections

<sup>7</sup> ONS 2016-based Subnational Population Projections

<sup>8</sup> ONS 2017 Ratio of house price to workplace-based earnings

dwelling-led scenario has considered the impact of including vacant dwellings in dwelling need statistics.

The scale of affordable requirements has been assessed using latest (July 2018) housing register data. The overall net annual imbalance is calculated to be 158 affordable dwellings each year. It is expected that additional affordable housing delivery will help address the annual imbalance. It is recommended that a broad range of affordable dwellings are built to reflect a range of needs, with 34.1% one bedroom, 33% two bedroom, 27.7% three bedroom and 5.3% four or more bedroom. A broad tenure split of 65% rented and 35% intermediate tenure is suggested.

The overall market mix by dwelling type, size and tenure is summarised in Table ES1.

<b>Table ES1      Summary of dwelling mix by broad tenure group based on annual need</b>				
<b>Summary dwelling type/size</b>	<b>% new dwelling stock</b>	<b>Total</b>	<b>Market (75%)</b>	<b>Affordable (25%)</b>
1 Bed House	0.3	1	1	0
2 Bed House	9.6	26	21	5
3 Bed House	27.5	76	56	20
4 or more Bed House	7.6	21	18	3
1 Bed Flat	11.5	32	14	18
2 Bed Flat	10.0	28	15	13
3+ Bed Flat	0.8	2	2	0
1 Bed Bungalow	5.0	14	9	5
2 Bed Bungalow	19.5	54	49	5
3+ Bed Bungalow	7.0	19	19	0
1 Bed Other	0.3	1	1	0
2 Bed Other	0.7	2	2	0
3+ Bed Other	0.2	1	1	0
<b>Total</b>	<b>100.0</b>	<b>276</b>	<b>207</b>	<b>69</b>

## The needs of other groups

Over the period to 2036, the number of **older person households** is going to increase by around 4,900 and there will be a 31.4% increase in older people living in the district. The majority of older people want to stay in their home with help and support when needed but there is also a need to diversify the range of specialist older persons housing. Analysis suggests across Wyre Forest an increase of 1,640 units of specialist older person (C3) dwellings such as extra care and retirement housing (which is part of the overall housing need); and an increase in around 487 units of C2 residential care dwellings. For older people staying in their own home, at least 800 will need adaptations (in particular bathroom adaptations and grab rails) over the period to 2036.

Regarding **housing for people with disabilities**, it is estimated that 23.3% of all residents have an illness/disability and this is expected to increase to 25.7% by 2036. It is estimated there are 450 households requiring wheelchair accessible dwellings in Wyre Forest (although no data is available on the total stock currently available to these households).

Given the ageing population in Wyre Forest and the identified levels of disability amongst the population, it is recommended that a policy to provide new homes built to **accessibility standards** is included in the Local Plan. It is recommended (subject to financial viability testing) that a minimum of 1% of new dwellings should be built to M4(3) dwelling standard (wheelchair use dwellings) and 20% of new dwellings should be built to M4(2) dwelling standard (accessible and adaptable dwellings).

There is interest in **self and custom-build** and at March 2018, 60 people had registered for a self/custom build plot, with particular preferences for plots in rural locations and larger dwellings with 3 or more bedrooms.

# 1. Introduction

## Background and objectives

- 1.1 The Wyre Forest District Housing Need Study (HNS) 2018 has been commissioned by Wyre Forest Council ('the Council') to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The Wyre Forest HNS 2018 supports the requirements of the National Planning Policy Framework (NPPF, July 2018) and September 2018 Planning Practice Guidance (PPG), *Housing Need Assessment* which sets out the standard method for assessing housing need. This study updates the 2017 Objectively Assessed Housing Needs (OAHN) study but the terminology associated with housing policy has changed and the National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG) now refers to 'housing need' rather than 'objectively assessed housing need'.
- 1.3 This 2018 HNS study includes a review of the housing market, an assessment of future need, the identification of the housing needs of specific groups and a consideration of the requirement for affordable housing.
- 1.4 Collectively, the overall evidence base will satisfy the requirements of Government policy and guidance, as set out within 2018 NPPF and PPG.

## Government policy and guidance

- 1.5 The Revised National Planning Policy Framework (NPPF) was published in July 2018, following the Government's consideration of the consultation on the Draft Revised NPPF (March 2018).
- 1.6 The NPPF 2018 sets out the Government's planning policies for England and how these are expected to be applied. Paragraph 11 of the NPPF states that plans and decisions should apply a '*presumption in favour of sustainable development*'. As part of this, in relation to plan-making, it sets out that this means that '*strategic policies should, as a minimum, provide for objectively assessed needs for housing...*'<sup>9</sup>
- 1.7 Paragraph 59 provides an important context to the policy for housing delivery, as follows:  
  
*'To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.'*
- 1.8 It goes on to state (paragraph 60) that:

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<sup>9</sup> NPPF July 2018, Paragraph 11

*‘To determine the minimum number of homes needed, strategic plans should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.’*

- 1.9 The NPPF 2018 (paragraph 65) requires that strategic policy-making authorities should establish a housing requirement figure for their area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan Period. It also states that, within this overall requirement, strategic policies should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.
- 1.10 The NPPF 2018 (paragraph 61) states that the size, type and tenure of housing need for different groups in the community should be assessed and reflected in planning policies. This is identified as including, but not limited to:
- those who require affordable housing,
  - families with children,
  - older people,
  - students,
  - people with disabilities,
  - service families,
  - travellers,
  - people who rent their homes, and
  - people wishing to commission or build their own homes.
- 1.11 In addition, the NPPF 2018 sets out that,
- ‘Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required...’<sup>10</sup>*
- 1.12 The Localism Act 2010 introduced the ‘Duty to Co-operate’ as a replacement for Regional Spatial Strategy and this requirement is also established in National Planning Policy (NPPF 2018, paragraphs 24-27). Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring

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<sup>10</sup> NPPF 2018, paragraph 62

authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities.

## Definitions

1.13 Definitions relating to affordable housing have been updated in NPPF 2018 (Annex 2):

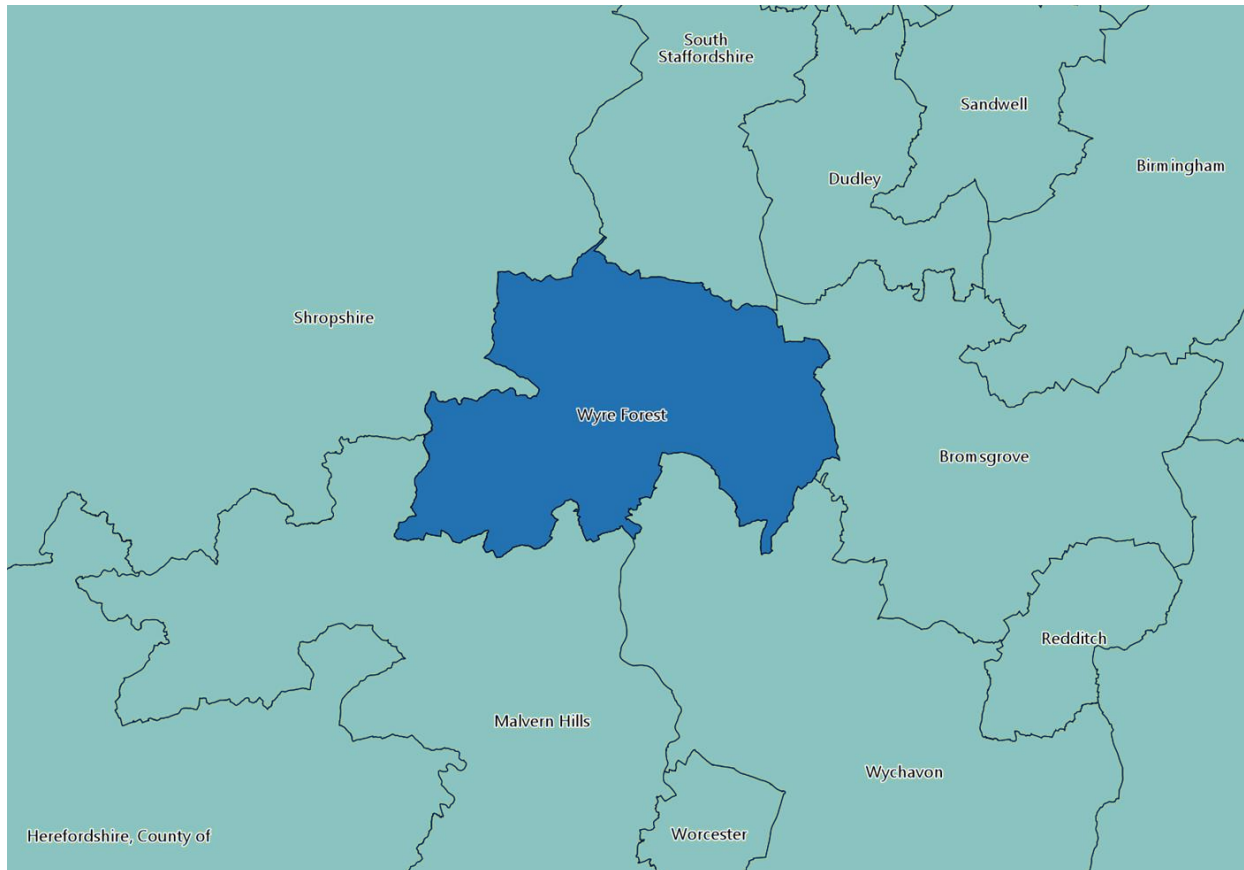
**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for social rent or affordable rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a build to rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For build to rent schemes, affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as affordable private rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

## Geography

- 1.14 Map 1.1 illustrates the geographical context of Wyre Forest and the neighbouring local authorities.

**Map 1.1 Wyre Forest District geographical context**



- 1.15 Wyre Forest District is located within the county of Worcestershire, in the West Midlands of England. The Worcestershire districts of Malvern Hills and Wychavon form the southern border of Wyre Forest District, and beyond the eastern boundary is the district of Bromsgrove (Worcestershire). To the west of Wyre Forest District is the unitary authority of Shropshire and to the north is South Staffordshire. The resident population of the District is estimated at around 100,600 people in 2018<sup>11</sup>.
- 1.16 Settlements within the District include Kidderminster, Stourport-on-Severn and Bewdley, along with parishes and villages.
- 1.17 2011 Census data is available down to postcode level and for the purposes of this report, data has been presented based on 12 wards, as shown by Map 1.2 and as follows:

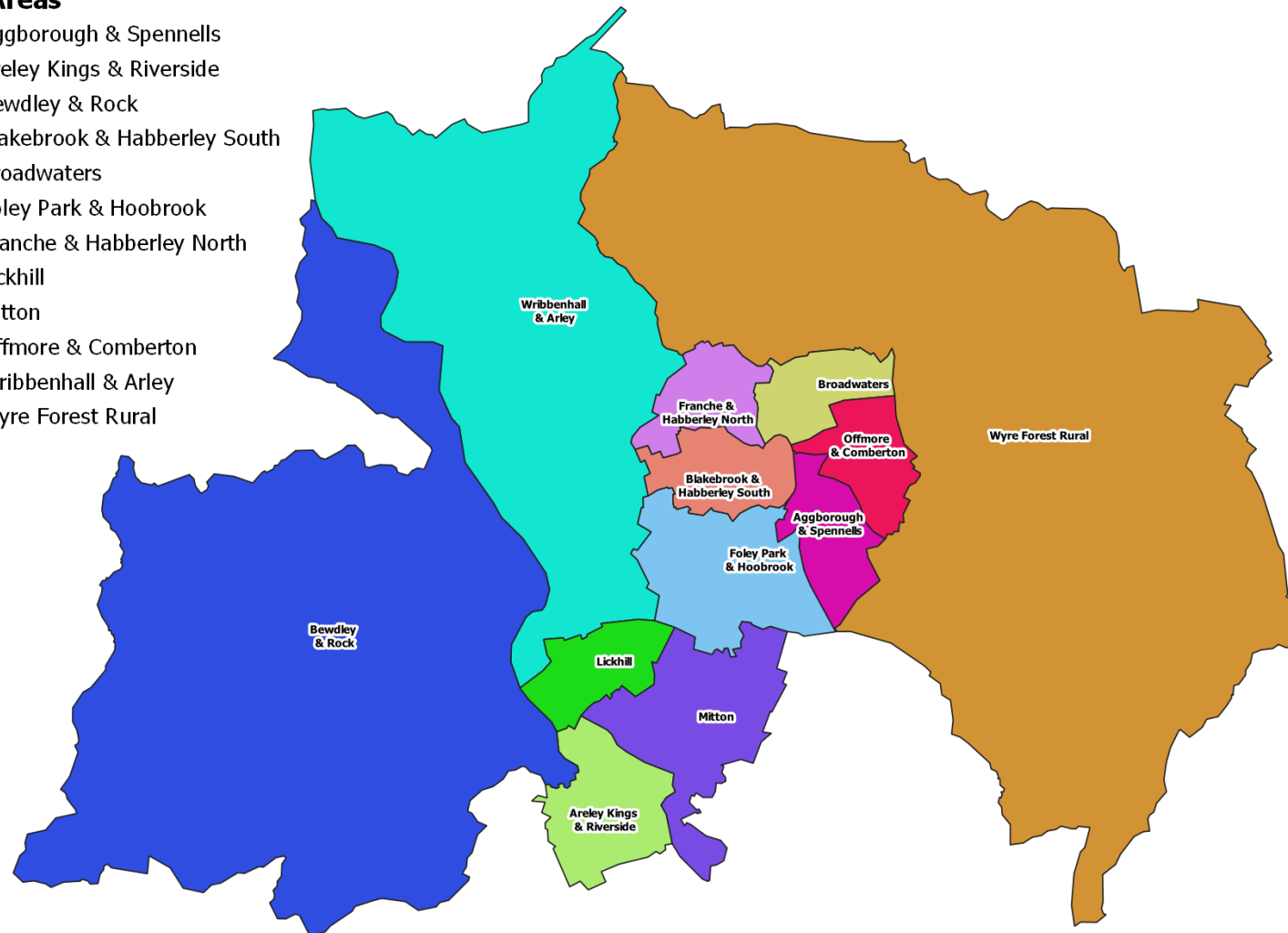
<sup>11</sup> 2016-based Subnational Population Projections (ONS)

- Aggborough and Spennells,
- Areley Kings & Riverside,
- Bewdley & Rock,
- Blakebrook & Habberley South,
- Broadwaters,
- Foley Park & Hoobrook,
- Franche & Habberley North,
- Lickhill,
- Mitton,
- Offmore & Comberton,
- Wribbenhall & Arley, and
- Wyre Forest Rural.



**Map 1.2**      **Wards within Wyre Forest District****Sub Areas**

- Aggborough & Spennells
- Areley Kings & Riverside
- Bewdley & Rock
- Blakebrook & Habberley South
- Broadwaters
- Foley Park & Hoobrook
- Franche & Habberley North
- Lickhill
- Mitton
- Offmore & Comberton
- Wribbenhall & Arley
- Wyre Forest Rural



## Research methodology

- 1.18 To deliver the Wyre Forest District OAHN 2018, a multi-method approach has been adopted, which comprises:
- A review of relevant secondary data including the 2011 Census, house price trends, 2016 ONS sub-national population projections and 2014 ONS household projections, CORE lettings data and DHCLG statistics;
  - Interviews with estate and letting agents operating within the District.
- 1.19 Further information on the research methodology is presented at Appendix A.

## Report structure

- 1.20 The Wyre Forest District OAHN 2018 report is structured as follows:
- **Chapter 2** reviews the national and strategic policy context within which the research needs to be positioned;
  - **Chapter 3** considers the main features of the housing market dynamics, including house price and rental trends, migration and travel to work patterns;
  - **Chapter 4** reviews the current housing market and provides a detailed analysis of the main tenures;
  - **Chapter 5** reviews demographic and economic data, including market drivers and local trends;
  - **Chapter 6** considers the need for all types of housing, including affordable housing need and a consideration of household groups with particular housing requirements;
  - **Chapter 7** sets out an assessment of dwelling type and mix for future housing development within the District; and
  - **Chapter 8** concludes the report with a summary of findings and a consideration of strategic issues.
- 1.21 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the OAHN. The technical appendix material includes:
- General methodology (Appendix A);
  - Policy review (Appendix B);
  - Housing need calculations (Appendix C);
  - Agent review (Appendix D).

## 2. Policy and strategic review

- 2.1 The purpose of this chapter is to set out the policy and strategic context for housing delivery in the Wyre Forest.

### National context

- 2.2 Under the previous Coalition Government, the period 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- 2.3 This agenda continued to be pursued under the leadership of David Cameron following the election of a majority Conservative Government in May 2015. Further welfare reforms were accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The Housing and Planning Act 2016 was intended to provide the legislative basis for a number of Conservative Manifesto commitments, including the flagship Starter Homes scheme. The Act also made provisions for other aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- 2.4 The European Union Referendum of June 2016 resulted in significant changes in the political climate at a number of levels. Changes in Government leadership – with the appointment of Theresa May as Prime Minister – quickly led to discussions regarding the direction of housing and planning policy. Alongside significant delays (and in some cases abandonment) in the implementation of secondary legislation relating to aspects of the Housing and Planning Act 2016; conference speeches, ministerial statements and the Housing White Paper (February 2017) indicated a change in attitude towards housing policy. The 2016-17 Administration signalled a broader ‘multi-tenure’ housing strategy, including support for a range of tenures in addition to home ownership. The Neighbourhood Planning Act 2017 was passed with the intention of strengthening neighbourhood planning by ensuring that decision-makers take account of well-advanced neighbourhood development plans and giving these plans full legal weight at an earlier stage.
- 2.5 The snap General Election of June 2017 created a new wave of political change and uncertainty, although the overall Government leadership remains under Conservative control and ministers appear keen to keep housing as a key domestic policy priority.
- 2.6 A detailed national policy review is presented at Appendix B.

## Strategic context

- 2.7 Wyre Forest District sits within two Local Enterprise Partnership (LEP) areas<sup>12</sup>. Whilst the LEPs have no statutory land use planning powers, they are responsible for determining local economic priorities and undertaking activities to drive economic growth and local job creation.
- 2.8 The Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) includes the nine council areas of Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth and Wyre Forest. The GBSLEP Strategy includes three strategic priorities to position Greater Birmingham as a leading, global region by 2030:
- Innovation and creativity – becoming a world leader in innovation and creativity;
  - Global connections – exploiting our role as an international gateway; and
  - Creating growth – spreading opportunity and prosperity to all sections of society.
- 2.9 The Strategic Economic Plan 2016-30<sup>13</sup> aims to deliver the following headline targets:
- Create 250,000 jobs by 2030 and be the leading Core City LEP for private sector job creation,
  - Grow the economy by £29bn (GVA) by 2030 and be the leading Core City LEP for output per head,
  - Increase the percentage of the working age population qualified to NVQ3+ to the national average by 2025,
  - Increase labour productivity (GVA per capita) to the national average by 2030,
  - Decrease the unemployment rate to the national average by 2020 and have the lowest unemployment amongst the LEP Core Cities by 2030, and
  - To be recognised as the leading Core City LEP for Quality of Life by 2030.
- 2.10 The Worcestershire LEP (WLEP) includes the authority areas of Bromsgrove, Redditch, Wychavon, Malvern City and Malvern Hills, along with Wyre Forest. WLEP's Vision is:
- "To build a connected, creative, dynamic economy that delivers increased prosperity for all those who choose to live, work, visit and invest in Worcestershire."*
- 2.11 The WLEP has the Vision to create the following by 2025:
- 25,000 new jobs,
  - Increase GVA by 2.9bn, and
  - 21,500 new homes.

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<sup>12</sup> Note that LEP areas could be changing and LEP review was published in July 2008 <https://www.gov.uk/government/news/government-proposes-shake-up-of-local-enterprise-partnerships>

<sup>13</sup> <https://gbslep.co.uk/wp-content/uploads/2017/06/SEP-2016-30.pdf>

## Local context

- 2.12 The Wyre Forest Core Strategy was adopted in December 2010, followed by the Site Allocations and Policies Local Plan and Kidderminster Central Area Action Plan in July 2013.
- 2.13 The Core Strategy sets out the broad strategy and vision for development within the District up to 2026. The Vision covers a range of topics, including housing:
- “The District’s population has a choice of housing, catering for the needs of family and single households, the elderly and those with special needs. Vulnerable people have a choice of alternative forms of accommodation. Attractive, affordable housing with low carbon emissions, supported by reliable infrastructure, is available in the three towns and to meet local needs within the rural settlements.”* (Vision 3.6)
- 2.14 A series of Development Objectives are set out; these have been designed to address the key challenges facing future development to deliver the Vision. The first Development Objective is:
- “To provide a range of high-quality, highly energy efficient, market and affordable housing options for residents of all ages and needs to achieve sustainable communities.”*
- 2.15 Four cross-cutting themes emerge from the Development Objectives and these have been used as a basis to develop the Core Policies. The second theme is *“A desirable place to live”*, from which the following Core Policies come:
- CP04: Providing Affordable Housing,
  - CP05: Delivering Mixed Communities,
  - CP06: Providing Accommodation for Gypsies, Travellers and Travelling Showpeople, and
  - CP07: Delivering Community Wellbeing.
- 2.16 Wyre Forest District Council is currently preparing a new Local Plan for the area, which will replace the adopted Core Strategy and other Development Plan Documents. The Council produced an Issues and Options Paper in 2015 as the first stage in the preparation of the Local Plan. A Preferred Options stage was consulted on in the summer of 2017. Public consultation on a Pre-Submission Plan is expected to take place later in 2018 and submission of the Local Plan to the Secretary of State in August 2019.
- 2.17 The new Local Plan will have a plan period of 2016-2036.

## Neighbourhood Development Plans

- 2.18 The 2011 Localism Act introduced a new type of planning which allows local people to come together to decide how they want their area to develop. Once adopted, Neighbourhood Development Plans form part of the statutory development plan for the area and must be taken into consideration when determining planning

applications. Across Wyre Forest there are currently five neighbourhood planning areas:

- Chaddesley Corbett Neighbourhood Area (covering Chaddesley Corbett Parish and Plan made in 2014);
- Churchill and Blakedown Neighbourhood Area (plan made covering 2016-2026);
- Cookley and Caunsall Neighbourhood Area (part of the Parish of Wolverley and Cookley that includes Cookley and Caunsall approved as a Plan Area September 2018);
- Upper Arley Neighbourhood Area (covering Upper Arley Parish approved as a Plan Area July 2015); and
- Bewdley Neighbourhood Area (covering Bewdley Parish approved as a Plan Area June 2015).

2.19 Some key data relating to these Neighbourhood Planning Areas is presented at Appendix E.

## Previous relevant studies

- 2.20 In May 2016, an 'Objective Assessment of Housing Need (OAHN) for Wyre Forest' report was published, undertaken by Amion Consulting, Edge Analytics and arc<sup>4</sup>. This was based upon the policy context of NPPF 2012 and the related PPG. Taking into account differing assumptions relating to employment changes, economic activity, unemployment, commuting ratios and migration, it was proposed that the OAHN be set at 254 dwellings per annum over the period 2016-2032. Affordable housing needs assessment suggested a net imbalance of 149 affordable dwellings per year across Wyre Forest.
- 2.21 In April 2017 an Updated OAHN report was published, taking into account new data releases and methodological reviews. A range of between 199 and 332 dwellings per year resulted, with a recommendation that the emphasis should be towards the upper end of the ranges suggested for migration, headship rates and economic activity. An OAHN of 300 dwellings per annum was concluded. Affordable housing needs analysis suggested a net imbalance of 229 affordable dwellings per year across the District (see Appendix C for further discussion regarding this figure).

## Concluding comments

- 2.22 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. The Government has established its housing and planning priorities within the context of local decision-making and accountability, reduced capital expenditure on housing, fundamental changes to welfare, a changing role for social rented housing, and a need for future housing investment to support economic growth.

- 2.23 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate and taking into account updated National Planning Policy, this HNS 2018 provides the Council with an excellent range of material to inform the new Local Plan and shape local and sub-regional strategic housing priorities.

## 3. Understanding the housing market dynamics

### Introduction

- 3.1 The purpose of this chapter is to assess the geographical context of the housing market in the Wyre Forest District and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the dynamics of the Wyre Forest housing market emerges. This chapter considers house price trends, relative affordability, household migration, travel-to-work patterns and dwelling completions data for the Wyre Forest. This provides a clear overview of the housing market dynamics of the area, providing the key evidence needed to determine the appropriate approach to assessing housing need.

### House price trends

- 3.2 Figure 3.1 shows how house prices in the District area have changed over the period 2000 to 2017, based on full-year Land Registry price paid data. This is compared with the West Midlands region and England as a whole.
- 3.3 Median house prices in the Wyre Forest have been consistently similar to those for the West Midlands region, but below those for England as a whole. Median house prices in the Wyre Forest more than doubled in the period 2000-2007, rising from £69,000 in 2000 (West Midlands median was £67,000) to £155,000 in 2007 (West Midlands median was £147,000). The next period up to 2014 saw price stagnation, again reflecting regional, with prices fluctuating and only rising to the 2007 median price (£155,000) by 2015. However, the rate of growth has accelerated in the last three years.



**Figure 3.1** Median house price trends 2000 to 2017: the Wyre Forest, the West Midlands and England

Source: Data produced by Land Registry © Crown copyright 2018

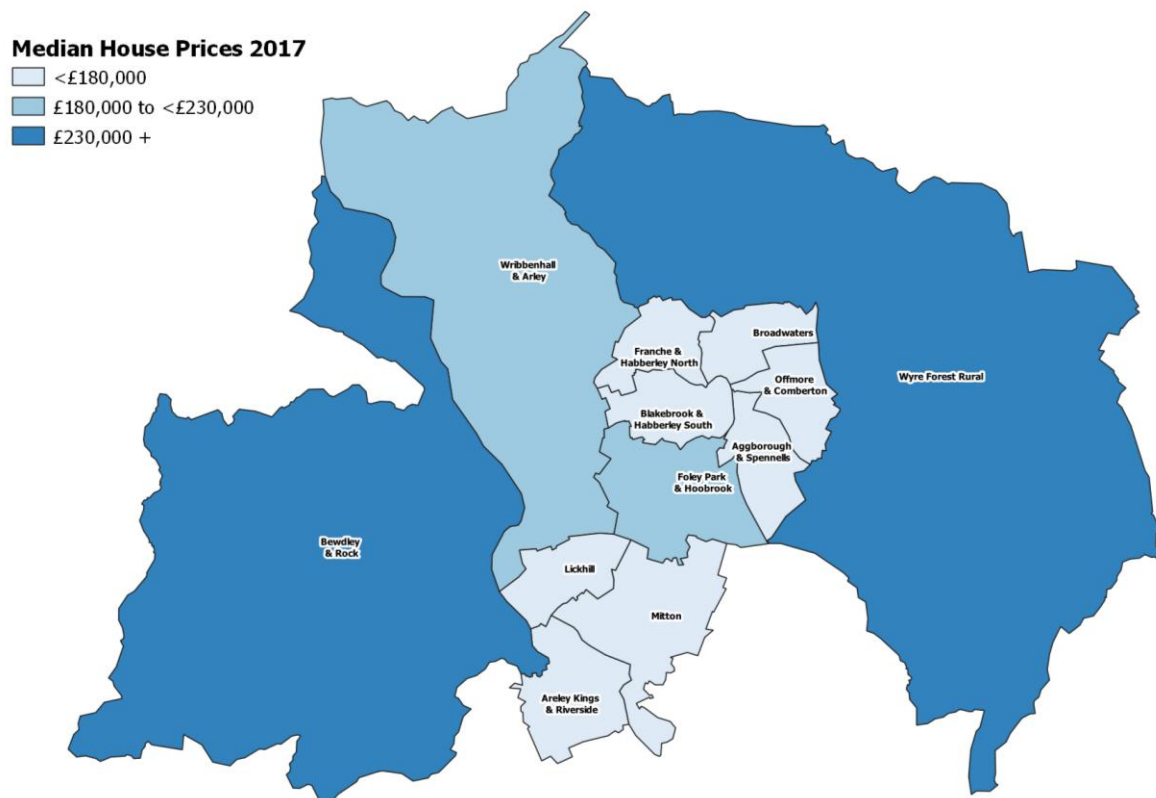
- 3.4 Overall, median prices have increased from £69,000 in 2000 to £174,000 in 2017, an increase of 152%. Table 3.1 sets out comparative house price change over this period, ranked in order of percentage change from highest to lowest. This indicates that the rate of growth in Wyre Forest has been comparable with the neighbouring areas of South Worcestershire but lagged behind the growth experienced in the West Midlands and England as a whole.

**Table 3.1 Comparative house price change 2000-2017 with neighbouring local authority areas, the West Midlands and England**

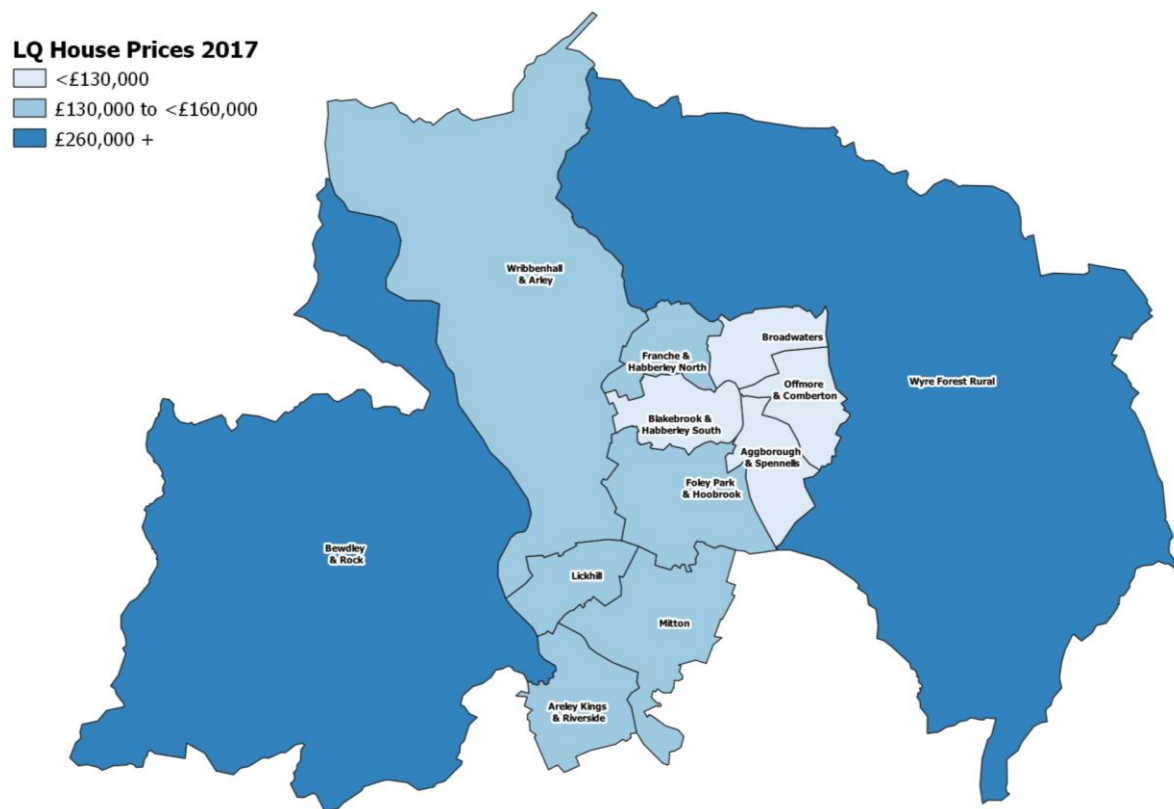
Location	Median price (£)		% Change 2000-2017
	2000	2017	
Birmingham	£59,500	£170,000	185.7
England	£82,000	£230,000	180.5
Shropshire	£76,000	£209,950	176.3
West Midlands	£67,000	£179,500	167.9
South Staffordshire	£82,000	£213,000	159.8
Malvern Hills	£100,000	£256,625	156.6
Dudley	£60,475	£155,000	156.3
Wychavon	£102,000	£258,400	153.3
<b>Wyre Forest</b>	<b>£69,000</b>	<b>£174,000</b>	<b>152.2</b>
Worcester City	£75,950	£187,000	146.2
Redditch	£77,995	£190,000	143.6
Bromsgrove	£111,000	£262,475	136.5

Source: Data produced by Land Registry © Crown copyright 2018

- 3.5 During 2017, median prices across the Wyre Forest District were £174,000 and lower quartile prices were £130,000. The distribution of median and lower quartile house prices during 2017 is illustrated in Maps 3.1 and 3.2. These indicate relatively higher prices to the west and east of the District in Bewdley & Rock and Wyre Forest Rural. They also show relatively lower prices in several urban wards.

**Map 3.1**      **Median house prices 2017 by ward**

Source: Data produced by Land Registry © Crown copyright 2018

**Map 3.2 Lower quartile house prices 2017 by ward**

Source: Data produced by Land Registry © Crown copyright 2018

Note: No wards had a lower quartile price between £160,000 and less than £260,000

## Relative affordability

- 3.6 The relative affordability of open market dwellings in Wyre Forest District is compared with neighbouring local authorities in the West Midlands and England in Tables 3.2 and 3.3. These tables are produced by the MHCLG, based on a ratio of earnings to house prices using Land Registry Price Paid and ONS workplace-based and resident-based Annual Survey of Hours and Earnings data.
- 3.7 In terms of relative affordability (ranked based on 2017 least-to-most affordable), Wyre Forest District is the fifth most affordable local authority area of the 11 neighbouring local authority areas listed, with a lower quartile house price to income ratio in 2017 of 7.81, i.e. lower quartile house prices are 7.81x lower quartile gross earnings. This compares with a regional figure of 6.68 and national figure of 7.26. Note that under residence-based data, the affordability ratio is lower (indicating that properties are more affordable).

**Table 3.2 Relative affordability of lower quartile (LQ) prices by local authority area**

Area	Workplace-based			Resident-based		
	2015	2016	2017	2015	2016	2017
Malvern Hills	9.25	10.79	10.67	8.89	9.24	8.65
Bromsgrove	10.84	11.56	10.34	7.45	8.30	8.45
Wychavon	8.81	9.34	9.44	8.95	9.15	10.06
Shropshire	7.99	8.16	8.52	7.50	7.79	7.70
South Staffordshire	7.4	8.29	8.2	7.25	7.14	7.30
Redditch	7.79	7.53	7.89	8.16	7.52	7.91
<b>Wyre Forest</b>	<b>7.05</b>	<b>7.32</b>	<b>7.81</b>	<b>6.56</b>	<b>6.62</b>	<b>7.17</b>
Worcester City	8.06	7.78	7.49	7.24	7.78	7.46
England	7.11	7.16	7.26	7.11	7.16	7.26
West Midlands	6.49	6.54	6.68	6.50	6.53	6.65
Dudley	6.45	6.23	6.67	6.15	5.97	6.00
Birmingham	5.56	5.78	6.04	6.08	6.17	6.44

Sources: ONS Ratio of house price to earnings

- 3.8 In terms of relative affordability based on median prices, Wyre Forest is the sixth most affordable local authority area compared with its 11 neighbours, with a median income to house price ratio in 2017 of 7.79 as illustrated in Table 3.3. This is again based on Land Registry Price Paid and ONS Annual Survey of Hours and Earnings data. This compares with a regional figure of 6.60 and national figure of 7.91. Note that under residence-based data, the affordability ratio is lower (indicating that properties are more affordable).

**Table 3.3 Relative affordability of median prices by local authority area**

Area	Workplace-based			Resident-based		
	2015	2016	2017	2015	2016	2017
Malvern Hills	9.68	10.37	10.63	8.63	9.02	7.73
Bromsgrove	10.33	10.39	10.24	7.60	8.07	8.00
Wychavon	8.84	9.35	9.36	8.25	8.74	8.88
Shropshire	7.62	7.81	8.39	7.14	7.12	7.61
England	7.52	7.72	7.91	7.53	7.72	7.91
<b>Wyre Forest</b>	<b>7.08</b>	<b>7.35</b>	<b>7.79</b>	<b>6.12</b>	<b>6.41</b>	<b>6.78</b>
South Staffordshire	7.41	7.74	7.72	6.63	6.82	7.00
Redditch	7.32	7.15	7.52	8.02	7.66	7.48
Worcester City	7.00	6.94	6.61	6.57	6.88	6.45
West Midlands	6.27	6.38	6.60	6.29	6.40	6.59
Dudley	5.96	5.95	6.09	5.66	5.59	5.69
Birmingham	5.07	5.33	5.59	5.67	5.77	6.03

Sources: ONS Ratio of house price to earnings

## Household migration

- 3.9 Data reported in the 2011 Census suggests that 66.1% of households who moved in the year preceding the Census originated from within Wyre Forest District itself. Table 3.4 summarises the origins of households based on 2011 Census data. Of the 8,352 households who moved into a new residence in Wyre Forest during the year preceding the Census, 9.9% originated from the Worcestershire districts (Bromsgrove, Redditch, Malvern Hills, Worcester and Wychavon), 4.8% originated from Dudley, 2.9% from Birmingham, 1.5% from Sandwell, 1.9% from Shropshire, 0.6% from South Staffordshire, 2.8% from elsewhere in the West Midlands and 9.5% from elsewhere in the UK.

Table 3.4 Origin of moving households		
Place of Origin	Number	%
Wyre Forest	5,524	66.1
Bromsgrove	187	2.2
Redditch	65	0.8
Malvern Hills	148	1.8
Worcester	175	2.1
Wychavon	247	3.0
Birmingham	246	2.9
Dudley	400	4.8
Sandwell	124	1.5
Shropshire	161	1.9
South Staffordshire	49	0.6
Elsewhere West Midlands	235	2.8
Elsewhere UK	791	9.5
<b>Total</b>	<b>8,352</b>	<b>100.0</b>

Source: 2011 Census

## Travel to work trends

- 3.10 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Wyre Forest District travel to other areas together with details of how many people commute into the area.
- 3.11 The 2011 Census identified the following travel to work patterns of 43,031 working individuals who live in Wyre Forest District. Of these:
- 25,419 (59.1%) lived and worked in the Wyre Forest (including those who work at home);
  - 3,377 (7.8%) commuted into Wychavon,
  - 2,473 (5.7%) commuted into Dudley,
  - 2,387 (5.5%) commuted into Worcester,
  - 2,318 (5.4%) commuted into Birmingham, and
  - 1,186 (2.8%) commuted into Bromsgrove.
- 3.12 In addition, the 2011 Census reports a base of 34,171 individuals who work in Wyre Forest District. Of these:
- 25,419 people (74.4%) also live in the Wyre Forest,
  - 1,924 (6.7%) of the workforce commutes into the District from Dudley,
  - 1,043 (3.6%) of the workforce commutes from Wychavon, and
  - 1,037 (3.6%) of the workforce commutes from Shropshire.

## Housing market area

- 3.13 The previous OAHN reports established that Wyre Forest is a largely self-contained housing market area in terms of migration but it is part of a wider functional economic area which extends across Worcestershire in particular. This was based on 2011 Census migration data which suggests that 66.1% of households move within Wyre Forest District area and 59.2% of residents in employment work within the District.
- 3.14 The previous OAHN reports commented that it was appropriate for Wyre Forest District to be considered to be a housing market area for the purposes of Local Planning Policy. The evidence also had regard to the fact that there are strong interactions with other areas of Worcestershire, both in terms of net in-migration and travel to work patterns.

## Concluding comments

- 3.15 The purpose of this chapter has been to consider the general housing market context of Wyre Forest and its inter-relationships with other areas. By reviewing house prices, relative affordability, migration, travel to work patterns and dwelling completions, a picture of the market dynamics of the District emerges.



- 3.16 House prices in Wyre Forest remain very similar to those for the West Midlands region as a whole and below those for England. In 2017, the median house price in Wyre Forest was £174,000 compared to £179,000 across the West Midlands. The lower quartile house price in the District was £130,000 compared to £129,999 across the West Midlands.
- 3.17 Relative affordability, taking account of average earnings, shows a similar trend. Wyre Forest is less affordable than the England and West Midlands average and compared with its 11 neighbouring authorities, it is the 5th most affordable.
- 3.18 2011 Census migration data indicates a significant number of local moves. 66.1% of households who moved in the year before the Census moved from within Wyre Forest District. In terms of travel-to-work patterns, the 2011 Census indicates that 59.1% of those residents of the District who are employed work within the District area, including working from home. This means that around 40.9% of the employed population commute out of the District to their place of work. By contrast, of the individuals who work in the District, 74.4% also live within Wyre Forest. It has been established in previous OAHN reports that Wyre Forest is a largely self-contained housing market area in terms of migration, but it is part of a wider functional economic area which extends across Worcestershire in particular.

## 4. Housing stock review

### Introduction

- 4.1 The purpose of this chapter is to explore the characteristics of the Wyre Forest housing stock focusing on the current stock profile, condition and tenure characteristics. This includes a detailed analysis of the major tenures: owner occupation, the private rented sector and affordable accommodation.

### Estimates of current dwellings in terms of size, type, condition, tenure

- 4.2 There are several sources of data that provide an estimate of dwelling stock, stock attributes and households across Wyre Forest. According to the latest (2018) Council Tax data there are a total of **46,912** dwellings across Wyre Forest and of these 1,297 are vacant. The vacancy rate of 2.7% compares with a vacancy rate of 2.8% across England. This is slightly below the 'transactional vacancy level' of around 3%, which represents the proportion of stock which would normally be expected to be vacant to allow movement within the market.
- 4.3 2017 Valuation Office Agency data report a total of 46,370 dwellings. VOA data provides a detailed breakdown of property type and number of bedrooms by sub-area and has been presented in this chapter.
- 4.4 Baseline dwelling statistics for each of the ward areas are set out in Table 4.1 based on 2018 Council Tax data.

**Table 4.1 Dwelling stock by ward**

Ward	Total Dwellings	Total Vacant
Aggborough & Spennells	3,975	27
Areley Kings & Riverside	4,145	265
Bewdley & Rock	4,250	462
Blakebrook & Habberley South	4,592	68
Broadwaters	4,167	24
Foley Park & Hoobrook	4,483	57
Franché & Habberley North	4,265	23
Lickhill	1,144	5
Mitton	4,575	150
Offmore & Comberton	4,496	34
Wribbenhall & Arley	2,627	66
Wyre Forest Rural	4,193	128
<b>Wyre Forest District Total</b>	<b>46,912</b>	<b>1,297</b>

Source: Wyre Forest Council Data 2018

### Property size and type

- 4.5 Table 4.2 shows the breakdown of dwelling stock by type and size of property.
- 4.6 Smaller one- and two-bedroom houses account for 13.3% of overall dwelling stock and the proportion is highest in Wribbenhall & Arley (19.2%). Three-bedroom houses account for 46.2% of overall dwelling stock and the proportions are highest in Franché & Habberley North (68.6%) and Lickhill (63.6%). Largest homes (with four or more bedrooms) account for 14% of overall dwelling stock and the proportions are highest in Wyre Forest Rural (22.8%) and Aggborough & Spennells (22.4%).
- 4.7 Flats account for 13% of dwelling stock (7% have one bedroom and 6% have 2 or more bedrooms) and the proportions are highest in Aggborough & Spennells at 21.9% and 19.6% in Foley Park & Hoobrook.
- 4.8 Bungalows account for 11% of dwelling stock (1.8% have one bedroom and 9.2% have two or more bedrooms) and the proportions are highest in Wribbenhall & Arley (21.5%) and Bewdley & Rock (20.5%).

- 4.9 Other property types include HMO properties, caravans and houseboats. Across Wyre Forest these account for 2.6% of dwellings but in Bewdley & Rock the proportion is 10.7%.

**Table 4.2 Dwelling type and size by ward**

Dwelling type	Ward (%)											
	Aggborough & Spennells total	Bewdley & Rock	Blakebrook & Habberley South	Broadwaters	Foley Park & Hoobrook	Franchise & Habberley North	Lickhill	Mitton	Offmore & Comberton	Wribbenhall & Arley	Wyre Forest Rural	District Total
1 Bed House	2.2	0.9	0.5	1.3	0.3	0.2	0.0	0.4	0.3	0.4	0.2	0.7
2 Bed House	14.1	9.6	17.3	14.5	8.3	5.6	7.8	17.2	12.2	18.2	12.6	12.6
3 Bed House	33.7	31.0	48.7	53.5	55.4	68.6	63.6	37.3	54.4	33.9	33.2	46.2
4 or more Bed House	22.4	18.6	11.0	9.0	9.0	6.0	13.2	15.1	11.6	14.9	22.8	14.0
1 Bed Flat	12.2	4.7	9.4	6.2	11.9	4.7	3.1	7.2	7.6	2.5	4.4	7.0
2 Bed Flat	9.5	3.5	6.8	10.1	6.4	3.3	0.0	7.2	4.9	4.1	4.1	5.8
3+ Bed Flat	0.2	0.5	0.3	0.0	1.3	0.0	0.0	0.4	0.0	0.0	0.0	0.2
1 Bed Bungalow	0.0	1.4	1.0	0.5	4.2	2.7	2.3	0.6	2.1	3.3	2.7	1.8
2 Bed Bungalow	3.7	10.0	3.7	4.1	2.9	7.3	5.4	7.5	5.1	12.8	8.5	6.3
3+ Bed Bungalow	2.0	9.1	1.3	0.8	0.3	1.6	2.3	2.3	1.9	5.4	5.1	2.9
Other	0.0	10.7	0.0	0.0	0.0	0.0	2.3	4.8	0.0	4.5	6.5	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base (valid data)	4100	4290	3820	3870	3120	4490	1290	4830	6320	2420	4130	42680

Source: Wyre Forest VOA Data 2017

## Property age

- 4.10 The age profile of dwelling stock in Wyre Forest District is summarised in Table 4.3. The majority of the District's dwellings have been built since the end of the Second World War, with the highest rates between 1945 and 1964 (20.3%) and between 1965 and 1982 (26.4%).

Table 4.3 Age of dwelling		
Age of Dwellings	Number	%
pre-1919	7,460	16.1
1919-44	5,860	12.6
1945-64	9,380	20.3
1965-82	12,250	26.4
1983-99	5,460	11.8
post 1999	5,920	12.8
<b>Total</b>	<b>46,320</b>	<b>100.0</b>
<b>Unknown</b>	<b>340</b>	
<b>Grand Total</b>	<b>46,660</b>	

Source: Valuation Office Agency 2017

## Property condition

- 4.11 The English Housing Survey produces national data on dwelling condition. Applying national trends to the stock profile of Wyre Forest would suggest that around 19.8% of dwelling stock is non-decent, which is slightly lower than the national average of 20.6% (Table 4.4). The number of dwellings likely to fail the minimum standard of decent homes criteria is estimated to be 11.0% (compared with 11.9% nationally).
- 4.12 A full definition of what constitutes a decent home is available from MHCLG<sup>14</sup> but in summary a decent home meets the following four criteria:
- It meets the current statutory minimum for housing;
  - It is in a reasonable state of repair;
  - It has reasonably modern facilities and services; and

<sup>14</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7812/138355.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf)

- d. It provides a reasonable degree of thermal comfort.
- 4.13 A report by the Building Research Establishment for Wyre Forest District concluded that 20% of properties have a Category 1 Housing, Health and Safety Rating System hazard<sup>15</sup> and 10.1% of private sector dwellings are estimated to have an EPC<sup>16</sup> rating below band E.

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<sup>15</sup> HHSRS is a risk assessment tool to help local authorities identify and protect against potential risks and hazards to health and safety related deficiencies in dwellings and covers 29 hazards.

<sup>16</sup> Energy Performance Certificate presents the energy efficiency of domestic properties on a scale of A (most efficient) to G (least efficient)

Table 4.4 Dwelling stock condition in England and Wyre Forest estimates								
England		Fails decent homes criteria					All dwellings in group (000s)	% dwellings
Dwelling age (ehs)	-	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919	-	40.1	28.7	11.2	3.9	11.9	4,648	20.0
1919-44	-	24.1	13.1	7.6	1.7	7.6	3,930	16.9
1945-64	-	16.6	8.0	3.6	2.0	5.7	4,505	19.4
1965-80	-	17.5	8.8	1.8	1.9	7.6	4,757	20.5
1981-90	-	17.6	4.7	*	.9	13.5	1,953	8.4
post 1990	-	1.5	1.5	*	*	*	3,460	14.9
<b>Total</b>		<b>20.6</b>	<b>11.9</b>	<b>4.6</b>	<b>1.9</b>	<b>7.5</b>	<b>23,254</b>	<b>100.0</b>
Wyre Forest		Fails decent homes criteria (estimate)					All dwellings	% dwellings
Dwelling age (ehs)	Dwelling age (voa)	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919	pre-1919	2,993	2,140	836	288	890	7,460	16.1
1919-44	1919-44	1,410	768	443	100	445	5,860	12.7
1945-64	1945-64	1,561	747	342	183	536	9,380	20.3
1965-80	1965-82	2,139	1,073	224	233	927	12,240	26.4
1981-90	1983-99	961	258	*	51	735	5,460	11.8
post 1990	post 1999	86	86	*	*	*	5,880	12.7
<b>Total</b>		<b>9,149</b>	<b>5,073</b>	<b>1,844</b>	<b>855</b>	<b>3,534</b>	<b>46,280</b>	<b>100.0</b>
<b>% of all stock in Wyre Forest</b>		<b>19.8</b>	<b>11.0</b>	<b>4.0</b>	<b>1.8</b>	<b>7.6</b>		
<b>National % (as above)</b>		<b>20.6</b>	<b>11.9</b>	<b>4.6</b>	<b>1.9</b>	<b>7.5</b>		

Source: English Housing Survey 2013 data applied to 2016 Valuation Office Agency dwelling stock age profile

Note ‘\*’ indicates sample size too small for reliable estimate



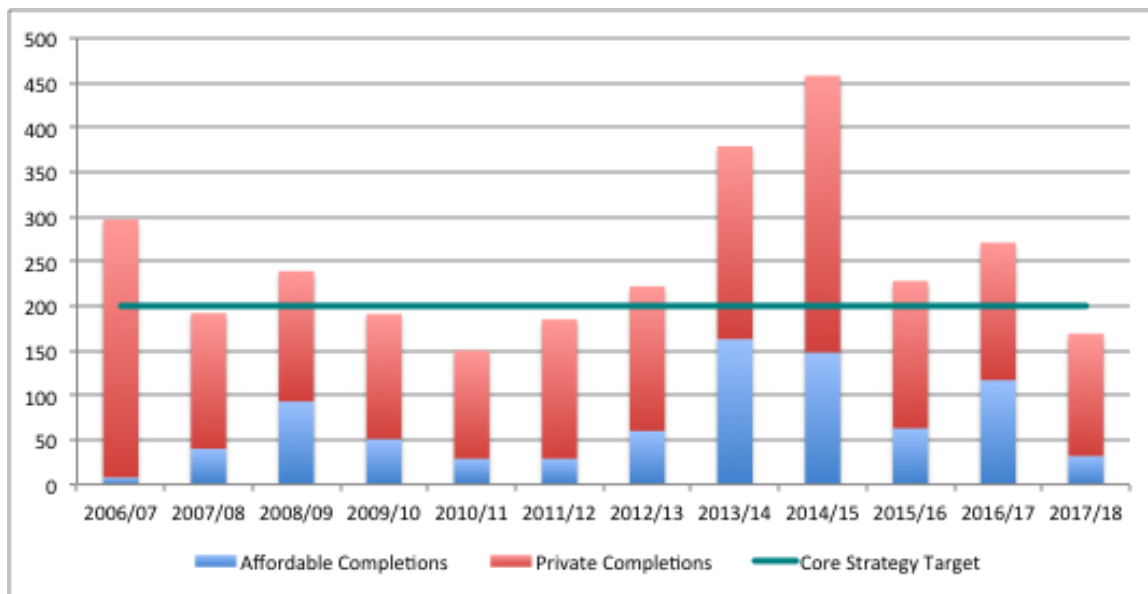
## Housing development (past and planned)

### Past trends in housing delivery

- 4.14 Over the ten years, 2006/07 to 2017/18 there has been an average of 248 completions (net) per year across Wyre Forest (Table 4.5). Of these, an average of 69 have been affordable dwellings and 179 have been private dwellings.
- 4.15 These completions compare with Core Strategy Policy DS01 which requires the provision of 4,000 dwellings over the period 2006 to 2026, equating to an annualised target over the period of 200 dwellings per year during the Plan Period.
- 4.16 A comparison of net annual completions and the adopted Core Strategy annual target is set out in graphical form in Figure 4.1.

Table 4.5 Net dwelling completions 2006/07 to 2017/18			
Year	Affordable Completions	Private Completions	Total Dwelling Completions
2006/07	8	289	297
2007/08	40	152	192
2008/09	93	146	239
2009/10	51	140	191
2010/11	29	121	150
2011/12	29	156	185
2012/13	60	162	222
2013/14	163	216	379
2014/15	148	310	458
2015/16	63	164	227
2016/17	117	154	271
2017/18	32	137	169
<b>12-year Total</b>	<b>833</b>	<b>2,147</b>	<b>2,980</b>
<b>Annual Average</b>	<b>69</b>	<b>179</b>	<b>248</b>

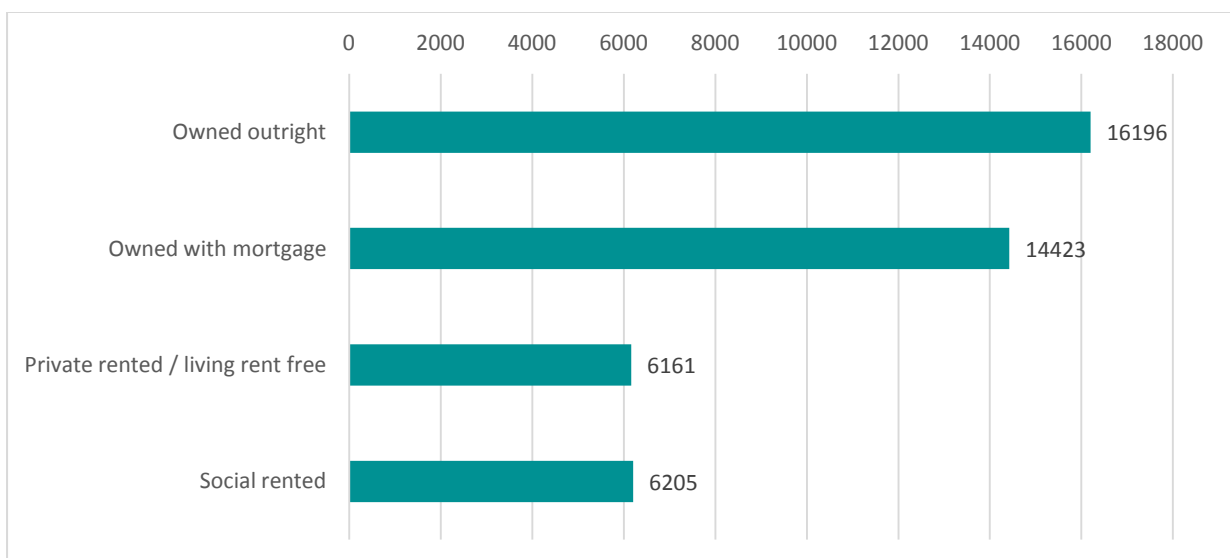
Source: Housing Delivery in Wyre Forest District 2015/16 and Council data

**Figure 4.1 Dwelling completions compared with the annual Core Strategy target**

Source: Housing Delivery in Wyre Forest District 2015/16 and Council data

## Property tenure

- 4.17 Based on the 2011 Census, the tenure profile of Wyre Forest District is summarised in Figure 4.2. Overall, 71.3% of occupied dwellings are owner-occupied, 14.4% are rented from a social housing provider and 14.3% are private rented (including tied accommodation).

**Figure 4.2 Wyre Forest: tenure profile of occupied dwellings**

Source: 2011 Census

## Owner-occupied sector

- 4.18 According to the 2011 Census, 71.3% of households across Wyre Forest District are owner occupiers. 37.7% of all households (16,196) own outright and 33.6% of all households (14,423) have a mortgage or loan.
- 4.19 In terms of the property characteristics of owner occupied stock, 94.5% of properties are houses or bungalows, of which 38.6% are detached, 39.6% semi-detached and 16.2% terraced. 5.5% of owner occupied dwellings are flats/apartments. In terms of property size, 2.6% of dwellings have one bedroom, 21.2% have two bedrooms, 52.5% have three bedrooms and 23.7% have four or more bedrooms<sup>17</sup>.
- 4.20 Over the period 2000 to 2017, Land Registry data reveals that lower quartile, median and average house prices across the Wyre Forest increased dramatically. This is summarised in Table 4.6. As shown in Table 3.1, house price change in Wyre Forest (+152%) has been similar to that experienced in neighbouring South Worcestershire Districts of Wychavon (153%), Worcester City (146%) and Malvern Hills (157%) but lagged behind regional (168%) and national (181%) price increases.
- 4.21 It is interesting to note that in 2000, a household income of £13,886 was required for a lower quartile price to be affordable; by 2017 this had increased to £33,429. In comparison, an income of £17,743 was required for a median priced property to be affordable in 2000 compared with £44,743 in 2017.

Table 4.6 Lower Quartile and median price and income required to be affordable				
Wyre Forest	House Price (£)		Income to be affordable*	
	2000	2017	2000	2017
Lower Quartile	£54,000	£130,000	£13,886	£33,429
Median	£69,000	£174,000	£17,743	£44,743

Source: Data produced by Land Registry © Crown copyright 2018

\*Assuming a 3.5x income multiple and a 10% deposit is available

- 4.22 A range of socio-economic and demographic information on residents has been obtained from the 2011 Census. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 27.0% of owner occupiers are older (65 or over) singles and couples, 22.3% are couples (under 65 with no children), 18.9% are couples with children under 18, 11.8% are singles (under 65), 3.4% are lone parents with

<sup>17</sup> 2011 Census data

adult children, 3.4% are lone parents with children under 18 and 4.7% are other household types;

- 64.1% of Household Reference People (Heads of Household) living in owner occupied dwellings are in employment and a further 32.5% are wholly retired from work;
- 34% of households in owner occupation are aged over 65. 65.2% are aged under 64, with 31.4% being between the ages of 50 and 64 and 26.4% aged between 35 and 49.

## Private rented sector

- 4.23 The Government's Housing Strategy (November 2011)<sup>18</sup>, set out the Government's plans to boost housing supply. It recognised an increasingly important role for the private rented sector, both in meeting people's housing needs and in supporting economic growth by enabling people to move to take up jobs elsewhere and to respond to changing circumstances.
- 4.24 The private rented sector in England is growing; the Census figures for 2011 confirmed that the sector totalled 16.8%, an increase from 8.8% in 2001. Increasing house prices pre-2007 and the struggling sales market when the down turn came are both factors that have underpinned the growth of the rental market for both 'active choice' renters and 'frustrated would-be' homeowners. Tenure reform and less accessible social rented housing are also likely to be an increasing factor to the growth in the private rented sector and the sector clearly now plays a vital role in meeting housing needs as well as providing an alternative to homeownership.
- 4.25 Local authorities have an important role in ensuring that the private rented sector meets both these requirements. Balancing good quality supply with demand will help to stabilise rents and encouraging good quality management will improve the reputation of the sector and encourage longer term lets and lower turnover. However, this is a challenging task where existing partners need to be encouraged to participate and new partners and investors need to be identified.
- 4.26 The private rented sector accommodates around 14.3% (6,161) of households across the Wyre Forest. Discussions with lettings agents confirms that there is strong demand for private rented accommodation across Wyre Forest, but supply is being affected by small-scale landlords disinvesting and a lack of new investors into the sector. The growth in households letting rooms through internet portals such as spareroom.co.uk is also noted.
- 4.27 Around two-thirds (66.7%) of private rented stock consists of houses or bungalows, of which 13.3% are detached, 25.2% are semi-detached and 28.1% are terraced. One third (33.3%) of private rented properties in Wyre Forest District are flats or

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<sup>18</sup> *Laying the Foundations; A Housing Strategy for England, 2011*

apartments. In terms of property size, 21.1% of private rented dwellings have one bedroom, 38.9% have two bedrooms, 33.2% have three bedrooms and 6.7% have four or more bedrooms<sup>19</sup>.

- 4.28 In terms of the cost of renting, Tables 4.7 and 4.8 set out the comparative median and lower quartile rents for the Wyre Forest, West Midlands and England as a whole.
- 4.29 The tables indicate that 2017 median (£550 pcm) and lower quartile (£485 pcm) rental prices are lower in the District than the region and national levels.
- 4.30 Comparing the rental price in 2017 with that in 2010 indicates that there has been an inflation increase of around 5.0% in median and 8.7% increase in lower quartile rental prices in the Wyre Forest during the period. The rate of increase in median rentals is lower in Wyre Forest than across the West Midlands and England but shows a slightly higher increase for lower quartile rentals than in the West Midlands.

**Table 4.7** Comparative median rental price 2010-2017

Location	Median price by year (£)		% change 2010-2017
	2010	2017	
Wyre Forest	524	550	+5.0%
West Midlands	546	641	+17.4%
England	<b>893</b>	<b>1,101</b>	<b>+23.3%</b>

Source: Zoopla PPD 2018

**Table 4.8** Comparative lower quartile rental price 2010-2017

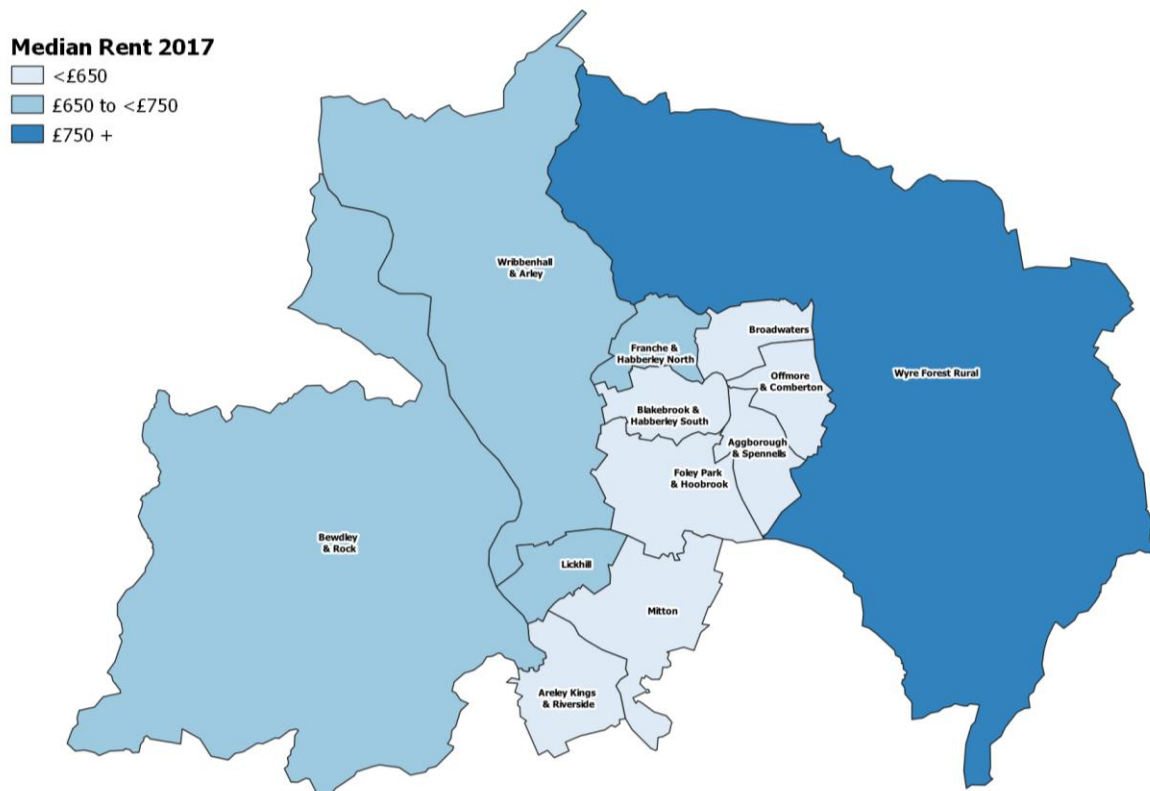
Location	Lower quartile price by year (£)		% change 2010-2017
	2010	2017	
Wyre Forest	446	485	+8.7%
West Midlands	472	498	+5.5%
England	<b>598</b>	<b>676</b>	<b>+13.0%</b>

Source: Zoopla PPD 2018

<sup>19</sup> 2011 Census data

- 4.31 In terms of spatial variation, Map 4.1 shows 2017 median rents across the wards. This indicates that private rents tend to be highest in Wyre Forest rural ward in the part of the District, and lower across urban wards.
- 4.32 Estate agents report strong demand for private rented accommodation, but supply is constrained due to the relative unattractiveness of the asset class to potential investors, with taxation, stamp duty and rising prices given as factors affecting investors moving into the sector.

**Map 4.1**      **Median rents 2017 by ward**



Source: Zoopla PPD 2018

- 4.33 The Local Housing Allowance rates for Wyre Forest were also examined. Wyre Forest is within the Worcester North and Worcester South Broad Rental Market Areas (BRMA)<sup>20</sup>:

Worcester North BRMA:

- Shared accommodation rate - £61.45 per week
- 1-bedroom rate - £92.05 per week
- 2-bedroom rate - £117.70 per week
- 3-bedroom rate - £133.32 per week
- 4-bedroom rate - £176.56 per week

Worcester South BRMA:

- Shared accommodation rate - £70.32 per week
- 1-bedroom rate - £99.06 per week
- 2-bedroom rate - £128.19 per week
- 3-bedroom rate - £153.02 per week
- 4-bedroom rate - £193.98 per week

- 4.34 We also examined the adjoining local authority LHA rates for a comparison with Wyre Forest rates. Table 4.9 highlights the LHA rates per week applicable in Wyre Forest and adjoining BRMAs.

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<sup>20</sup> A Broad Rental Market Area is an area 'within which a person could reasonably be expected to live having regard to facilities and services for purposes of health, education, recreation, personal banking and shopping, taking account of the distance of travel, by public and private transport and from those facilities and services'. A BRMA must contain 'residential premises for a variety of types, including such premises held on a variety of tenures' PLUS 'sufficient privately rented residential premises, to ensure that, in the rent officer's opinion, the LHA for the area is representative of the rents that a landlord might reasonably be expected to obtain in that area' Source: VOA BRMA statistics

<b>BRMA</b>	<b>Shared accom. rate</b>	<b>1 bed rate</b>	<b>2 bed rate</b>	<b>3 bed rate</b>	<b>4 bed rate</b>
<b>Worcester North</b>	61.45	92.05	117.7	133.32	176.56
<b>Birmingham BRMA</b>	57.34	98.87	123.9	132	173.41
<b>Coventry BRMA</b>	67.62	92.05	111.48	128.19	170.67
<b>Black Country BRMA</b>	60	86.3	104.89	120.29	151.5
<b>Herefordshire BRMA</b>	58.2	92.05	117.37	135.19	168.05
<b>Shropshire BRMA</b>	67.89	87.41	109.32	129.47	170.67
<b>Solihull BRMA</b>	73.25	116.53	149.59	172.6	230.14
<b>Staffordshire North BRMA</b>	53.58	80.55	90.9	109.32	139.84
<b>Warwickshire South BRMA</b>	74.02	122.66	154.87	181.8	246.5
<b>Worcester South BRMA</b>	70.32	99.06	128.19	153.02	193.98

Source: VOA / LHA rates per week

4.35 Census 2011 data on private rented tenants suggests that:

- There are around 7.6% of older (65 or over) singles and couples living in private rent, 32.8% are singles aged under 65, 19.4% are couples (under 65 with no children), 18.1% are couples with children, 16.4% are lone parents and 7.7% are other household types;
- 70.7% of Household Reference People (Heads of Household) living in private rent are in employment and a further 6.4% are unemployed;
- 37.3% of households in private rent are aged between 16 and 34, 33.2% are aged between 35 and 49. Only 12.4% are aged over 65.

## Affordable sector

4.36 The 2011 Census found that there are around 6,205 households who live in an affordable (social rented) property across Wyre Forest District, accounting for 14.4% of all occupied dwellings.

4.37 Of affordable housing stock across Wyre Forest, 64.5% of dwellings are houses or bungalows, of which 3.2% are detached, 39.4% are semi-detached and 21.9% are terraced. 35.5% of affordable dwellings are flats or apartments. In terms of property size, 31.6% of affordable dwellings have one bedroom, 32.7% have two bedrooms, 32.8% have three bedrooms and 2.9% have four or more bedrooms.



- 4.38 Within the affordable sector, around 36.0% of heads of households are aged over 65, 17.4% are aged between 16 and 34 and around 47% are aged between 35 and 64.
- 4.39 Around 36.0% of Heads of Households within the affordable sector are in employment. 7.9% are unemployed, 32.8% are wholly retired from work and 13.1% are long-term sick or disabled.
- 4.40 Around 27.0% of households contain singles or couples aged over 65, 19.1% are lone parent households, with 77% of these having children aged under 18. 18.5% of households are couples with children and 8.9% are couples with no children. 21.5% are single occupants aged under 65 and around 5.0% are 'other' household types.

## Concluding comments

- 4.41 The purpose of this chapter has been to explore the current housing market dynamics affecting and influencing the housing market within the Wyre Forest. This chapter has provided detail on the current profile of dwellings by type, tenure and size along with property condition and property prices.
- 4.42 2017 Council Tax data majority of properties in Wyre Forest District are houses (75.7%), 11.3% are bungalows and 13.2% are flats/apartments. 9.3% have one bedroom, 25.4% have two bedrooms, 50.6% have three bedrooms and 14.8% have four or more bedrooms.
- 4.43 While 71% of households live in owner occupation and a further 14.3% in private rented accommodation, an analysis of house prices and private rental costs indicates that open market housing has become more expensive in the District in recent years.

## 5. Affordable housing need and the needs of different groups

### Introduction

- 5.1 The National Planning Policy Framework (NPPF, July 2018) (Paragraph 61) requires that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policy. It sets out that these should include, but not be limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 5.2 The NPPF (Paragraph 62) also states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required.
- 5.3 The 2018 PPG considers how the housing need of particular groups relates to overall housing need calculated using the standard model:

*'The need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is on the basis that the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.'*

*When producing policies to address the need of specific groups strategic policy-making authorities will need to consider how the needs of individual groups can be addressed within the constraint of the overall need established.*

*The standard method for assessing housing need does not breakdown the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*

*The household projections that form the baseline of the standard method are inclusive of all households including Gypsies and Travellers as defined with Planning Policy for Traveller Sites'<sup>21</sup>*

- 5.4 In considering the need for different types of housing, the 2018 PPG makes specific reference to: affordable housing, housing for older people, housing for people with disabilities, the private rented sector, self-build and custom housebuilding and student housing.

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<sup>21</sup> PPG 2018 Paragraph 020 Reference ID: 2a-004-20180913

- 5.5 This chapter uses secondary data sources to assess affordable housing requirements in the borough. It also considers the needs of particular groups to equip the Council and its strategic partners in making policy decisions regarding future housing development.

## Affordable Housing Needs Assessment

- 5.6 As set out in the NPPF, a robust and defensible assessment of affordable housing need is essential for the development of housing policies.
- 5.7 The NPPF defines affordable housing as follows:  
*‘housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)...’* (Annex 2)
- 5.8 The NPPF provides detailed definitions of different forms of affordable housing; this is set out in Chapter 1 of this report.
- 5.9 This section therefore considers affordable housing need for those households who cannot afford to meet their needs in the open market through home ownership or private rental. A range of secondary data are used to provide the robust and transparent evidence base required to assess housing need across the Wyre Forest area. This is presented in detail at Appendix C of this report.
- 5.10 PPG 2018 states *‘all households whose needs are not met by the market can be considered (to be) in affordable housing need’*<sup>22</sup>
- 5.11 A detailed analysis of the following factors determines the extent to which there is a shortfall of affordable housing: -
- households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need); and those who can afford private rent but cannot afford to buy;
  - new households forming who cannot afford to buy or rent in the market;
  - existing households expected to fall into need; and
  - the supply of affordable housing through social/affordable renting and intermediate tenure stock.
- 5.12 Table 5.1 summarises the various stages of the analysis. A detailed discussion of the modelling is presented at Appendix C along with further breakdowns of affordable need data by ward and parish.

<sup>22</sup> PPG 2018 Paragraph 021 Reference ID: 2a-004-20180913

**Table 5.1 Affordable Needs Assessment Summary for Wyre Forest**

		WYRE FOREST TOTAL
	<b>Stage1: CURRENT NEED</b>	
<b>1.1</b>	<b>TOTAL in need and cannot afford open market (buying or renting)</b>	2,727
<b>1.2</b>	<b>of which: can afford private renting, cannot afford to buy but wants to</b>	1,808
	<b>Stage 2: FUTURE NEED</b>	
2.1	New household formation (gross per year)	707
2.2	Number of new households requiring affordable housing	77.6%
2.3		549
2.4	Existing households falling into need	Included in Stage 1
<b>2.5</b>	<b>Total newly-arising housing need (gross each year)</b>	549
	<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>	
3.1	Affordable dwellings occupied by households in need	798
3.2	Surplus stock	0
3.3	Committed supply of new affordable units	1,020
3.4	Units to be taken out of management	0
3.5	Total affordable housing stock available	1,818
3.6	Annual supply of social re-lets (net)	560
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	12
3.8	Annual supply of affordable housing	572
	<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>	
4.1	Total backlog need	909
4.2	Quota to reduce over plan period	20%
4.3	Annual backlog reduction	182
4.4	Newly-arising need	549
4.5	Total annual affordable need	730
4.6	Annual affordable capacity	572
<b>5.1</b>	<b>Net annual imbalance</b>	<b>158</b>

- 5.13 The above analysis indicates a net imbalance of 158 affordable dwellings each year over the next five years across Wyre Forest District based on the latest available data from the housing register.

## Size of affordable dwellings

- 5.14 Regarding the size of affordable dwellings to be built, the housing register evidence would suggest a skew towards smaller dwellings as this is based on the allocation policy recognised position on housing needs rather than wants or aspirations. However, analysis of general housing need (explored in Chapter 7) suggests a broader distribution of need across different property sizes. It is therefore suggested that the recommended mix of affordable dwelling sizes is based on an average of the two sets of data. This allows for a broad mix of affordable dwellings to be built to support different sections of the community (Table 5.2).

Table 5.2 Affordable need by number of bedrooms			
No. Bedrooms	% based on housing register	% based on general housing need (Table 7.5)	% Recommendation
1 bed	51.0	17.1	34.1
2 bed	26.2	39.8	33.0
3 bed	19.9	35.5	27.7
4 bed +	2.9	7.6	5.3
Total	100.0	100	100.0

- 5.15 The assumptions underpinning each stage of the needs assessment model are presented in Appendix C.

## Tenure split

- 5.16 In order to consider an appropriate affordable housing tenure split, the housing need study considers national policy, past trends in delivery and the relative affordability of alternative tenure options. Household income is not available from the housing register, but CAMEO household income data has been used to investigate the relative affordability of different tenure options. The NPPF also states that 10% of dwellings on larger sites should be made available for affordable home ownership.
- 5.17 Table 5.3 sets out the tenure split based on committed development and the relative affordability of tenure options based on local household incomes using 2017 house price, income and rental data. These two benchmarks establish a broad range to determine appropriate tenure split, and the average column represents a reasonable indicator of a tenure profile based on this data. These data suggest a 60% rented / 40% intermediate tenure split. The tenure split has been further tested through economic

viability work and this concludes that a tenure split of 65% rented and 35% intermediate is appropriate for Wyre Forest.

**Table 5.3 Affordable tenure split**

Tenure option	% based on committed supply	% based on affordability comparing local household incomes to price*	Economic Viability assessment
Social/Affordable rented	60.0	61.0	65.0
Intermediate	40.0	39.0	35.0

Source: Council supply data

\* Analysis has considered the relative affordability of social/affordable renting and the average affordability across a range of intermediate tenure options. 77.6% of all households could afford social/affordable renting and 50% could afford intermediate options (the average who could afford starter homes, help to buy, shared ownership at 25% and shared ownership at 50%). The proportions who could afford renting and intermediate tenures are indexed to 100% which results in the 61/39% split

## Relative affordability of housing tenure options

- 5.18 The relative cost of alternative housing options across Wyre Forest and the ward areas is explored in Table 5.4. This includes affordable and market rent options and intermediate tenure options, including shared ownership. Table 5.5 shows the income required for alternative tenure options to be affordable and Table 5.6 presents the assumptions underpinning the analysis.
- 5.19 This analysis indicates that for open market housing at District-level the minimum income required is £23,280 for rent (for lower quartile or entry-level renting) or £33,429 for buying (for lower quartile or entry-level house prices). These amounts do vary by area, for example income requirements for entry-level renting range between £19,968 in Offmore & Comberton and £32,448 in Lickhill. For entry-level home ownership, income requirements range between £27,000 in Blakebrook & Habberley South and £46,286 in Bewdley & Rock.

**Table 5.4 Cost of alternative tenure options by ward**

Tenure option	Price (2017)												
	Aggborough & Spennells	Areley Kings & Riverside	Bewdley & Rock	Blakebrook & Habberley South	Broadwaters	Foley Park & Hoobrook	Franchise & Habberley North	Lickhill	Mitton	Offmore & Comberton	Wribbenhall & Arley	Wyre Forest Rural	WYRE FOREST TOTAL
Social Rent (average)	£387	£387	£387	£387	£387	£387	£387	£387	£387	£387	£387	£387	£387
Affordable Rent (average)	£396	£396	£396	£396	£396	£396	£396	£396	£396	£396	£396	£396	£396
Market Rent - Lower Quartile	£494	£550	£563	£451	£520	£451	£598	£676	£516	£416	£650	£650	£485
Market Rent - Median	£550	£594	£711	£498	£598	£576	£693	£676	£576	£550	£702	£901	£550
Market Rent - Upper Quartile	£598	£711	£901	£550	£750	£672	£702	£693	£650	£650	£793	£1,352	£693
Market Sale - Lower Quartile	£118,400	£135,000	£180,000	£105,000	£120,000	£132,500	£153,250	£156,000	£135,000	£124,000	£160,000	£175,000	£130,000
Market Sale - Median	£152,000	£175,000	£250,000	£130,000	£155,000	£191,520	£168,000	£176,000	£172,000	£160,000	£204,600	£274,975	£174,000
Market Sale - Average	£176,082	£205,085	£302,260	£204,265	£174,624	£209,692	£187,419	£180,178	£220,134	£161,178	£249,779	£370,704	£222,237
Starter Home	£121,600	£140,000	£200,000	£104,000	£124,000	£153,216	£134,400	£140,800	£137,600	£128,000	£163,680	£219,980	£139,200
Shared ownership (50%)	£76,000	£87,500	£125,000	£65,000	£77,500	£95,760	£84,000	£88,000	£86,000	£80,000	£102,300	£137,488	£87,000
Shared ownership (25%)	£38,000	£43,750	£62,500	£32,500	£38,750	£47,880	£42,000	£44,000	£43,000	£40,000	£51,150	£68,744	£43,500
Help to buy	£152,000	£175,000	£250,000	£130,000	£155,000	£191,520	£168,000	£176,000	£172,000	£160,000	£204,600	£274,975	£174,000

Source: Data produced by Land Registry © Crown copyright 2018, Zoopla 2018, HCA

**Table 5.5 Income required for alternative tenure options**

Tenure option	Income required (2017)												
	Aggborough & Spennells	Areley Kings & Riverside	Bewdley & Rock	Blakebrook & Habberley South	Broadwaters	Foley Park & Hoobrook	Franchise & Habberley North	Lickhill	Mitton	Offmore & Comberton	Wribbenhall & Arley	Wyre Forest Rural	WYRE FOREST TOTAL
Social Rent	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576	£18,576
Affordable Rent (average)	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020	£19,020
Market Rent - Lower Quartile	£23,712	£26,400	£27,024	£21,648	£24,960	£21,648	£28,704	£32,448	£24,768	£19,968	£31,200	£31,200	£23,280
Market Rent - Median	£26,400	£28,512	£34,128	£23,904	£28,704	£27,648	£33,264	£32,448	£27,648	£26,400	£33,696	£43,248	£26,400
Market Rent - Upper Quartile	£28,704	£34,128	£43,248	£26,400	£36,000	£32,256	£33,696	£33,264	£31,200	£31,200	£38,064	£64,896	£33,264
Market Sale - Lower Quartile (assumes 10% deposit)	£30,446	£34,714	£46,286	£27,000	£30,857	£34,071	£39,407	£40,114	£34,714	£31,886	£41,143	£45,000	£33,429
Market Sale - Median (assumes 10% deposit)	£39,086	£45,000	£64,286	£33,429	£39,857	£49,248	£43,200	£45,257	£44,229	£41,143	£52,611	£70,708	£44,743
Market Sale - Average (assumes 10% deposit)	£45,278	£52,736	£77,724	£52,525	£44,903	£53,921	£48,193	£46,331	£56,606	£41,446	£64,229	£95,324	£57,147
Starter Home	£31,269	£36,000	£51,429	£26,743	£31,886	£39,398	£34,560	£36,206	£35,383	£32,914	£42,089	£56,566	£35,794
Shared ownership (50%)	£29,583	£33,805	£47,573	£25,544	£30,134	£36,838	£32,520	£33,989	£33,254	£31,051	£39,239	£52,158	£33,621
Shared ownership (25%)	£24,534	£27,993	£39,269	£21,226	£24,985	£30,476	£26,940	£28,143	£27,541	£25,737	£32,443	£43,024	£27,842
Help to buy	£21,714	£25,000	£35,714	£18,571	£22,143	£27,360	£24,000	£25,143	£24,571	£22,857	£29,229	£39,282	£24,857

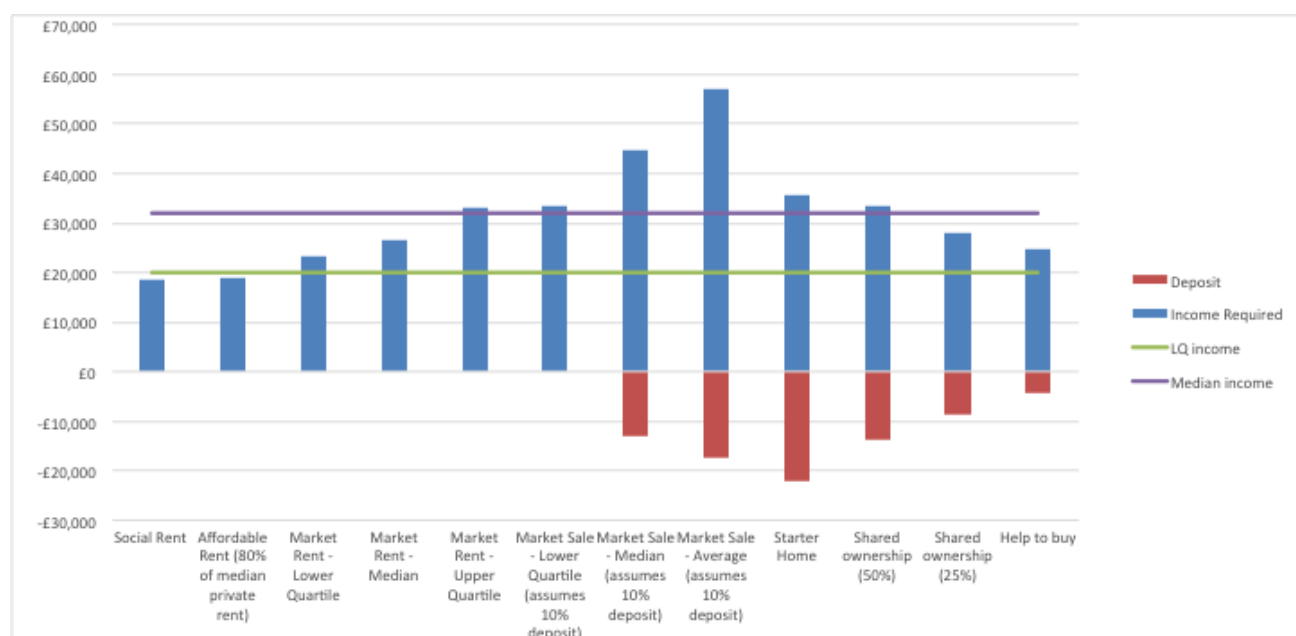
Source: Data produced by Land Registry © Crown copyright 2018, Zoopla 2018, HCA

<b>Tenure</b>	<b>Tenure price assumptions (and data source)</b>	<b>Affordability assumptions</b>
Social rent	Latest prices (HCA 2017 Statistical Data Return)	Affordability 25% of income
Affordable rent	Latest prices (HCA 2017 Statistical Data Return)	Affordability 25% of income
Market Rent – lower quartile	2017 prices (Land Registry)	Affordability 25% of income
Market Rent – median	2017 prices (Land Registry)	Affordability 25% of income
Market Rent – upper quartile	2017 prices (Land Registry)	Affordability 25% of income
Market Sale – lower quartile	2017 prices (Land Registry)	90% LTV, 3.5x income
Market Sale – median	2017 prices (Land Registry)	90% LTV, 3.5x income
Market Sale – average	2017 prices (Land Registry)	90% LTV, 3.5x income
Starter Home	20% discount on full value (assumed to be median), 10% deposit on discounted portion, remainder mortgage based on 3.5x income	90% LTV, 3.5x income
Shared ownership (50%)	Total price based on median price and 50% ownership. Mortgage based on 40%. 10% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Shared ownership (25%)	Total price based on median price and 25% ownership. Mortgage based on 20%. 5% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Help to buy	Total price based on median price. Mortgage based on 75% equity. 20% loan and deposit of 5%. Loan fee of 1.75% in year 6 of outstanding equity loan increasing annually from yr7 at RPI+1%	70% LTV, 3.5x income



- 5.20 Figure 5.1 below summarises in graphical form the relative affordability of alternative tenures at the District level, setting out the income and deposit required for different options set against prevailing lower quartile and median earnings. It uses lower quartile and median earnings derived from CAMEO for 2018.

**Figure 5.1 Affordability by tenure**



Source: Data produced by Land Registry © Crown copyright 2018, Zoopla 2018, CLG, HCA, CAMEO 2018

Note: The deposit requirements are shown on the figure as a negative number

- 5.21 This indicates that social rent and affordable rent is affordable for households on lower quartile incomes. Households on median incomes can afford a higher proportion of housing options including affordable and market rent and open market sale options at the lower quartile level, shared ownership (25%) and Help to Buy. By comparison, the majority of people – on lower quartile or median incomes – could not truly afford properties for sale on the open market at the average and 75<sup>th</sup> percentile level and starter homes. The data shows the particular problem faced by households who do not have either existing equity or savings.
- 5.22 Ward-level household income data has been sourced for Wyre Forest using CAMEO data. The distribution of household income is summarised in Figure 5.2. This indicates considerable variation in income distribution by ward, with the proportion of households with lower incomes (less than £20,000 each year) highest in the wards of Foley Park & Hoobrook (56.0%) and Broadwaters (47.4%). High income households were particularly prevalent in Wyre Forest Rural (where 38.8% had an income of £50,000 or more), Bewdley & Rock (30.5%) and Wribbenhall & Arley (30.0%).
- 5.23 Table 5.6a summarises the proportion of households who could afford different types of tenure based on CAMEO household income data and Table 5.7 summarises the proportion who could not afford different tenures. Overall across Wyre Forest, 77.6% of households could afford social renting and 70.8% could afford affordable renting.

Although 66.3% could afford lower quartile rents, median rents were affordable to just under 60% of households. Just under half (43.4%) of households could afford lower quartile market prices based on a 3.5x household income ratio, however the proportion who could afford median and average prices reduces dramatically. Around 40.0% could afford median prices and 16.5% average prices. Around half of households could afford intermediate tenure products including shared ownership (42.9% for 50% shared ownership) and Help to Buy (63.0%).

**Figure 5.2**      **Distribution of household income**

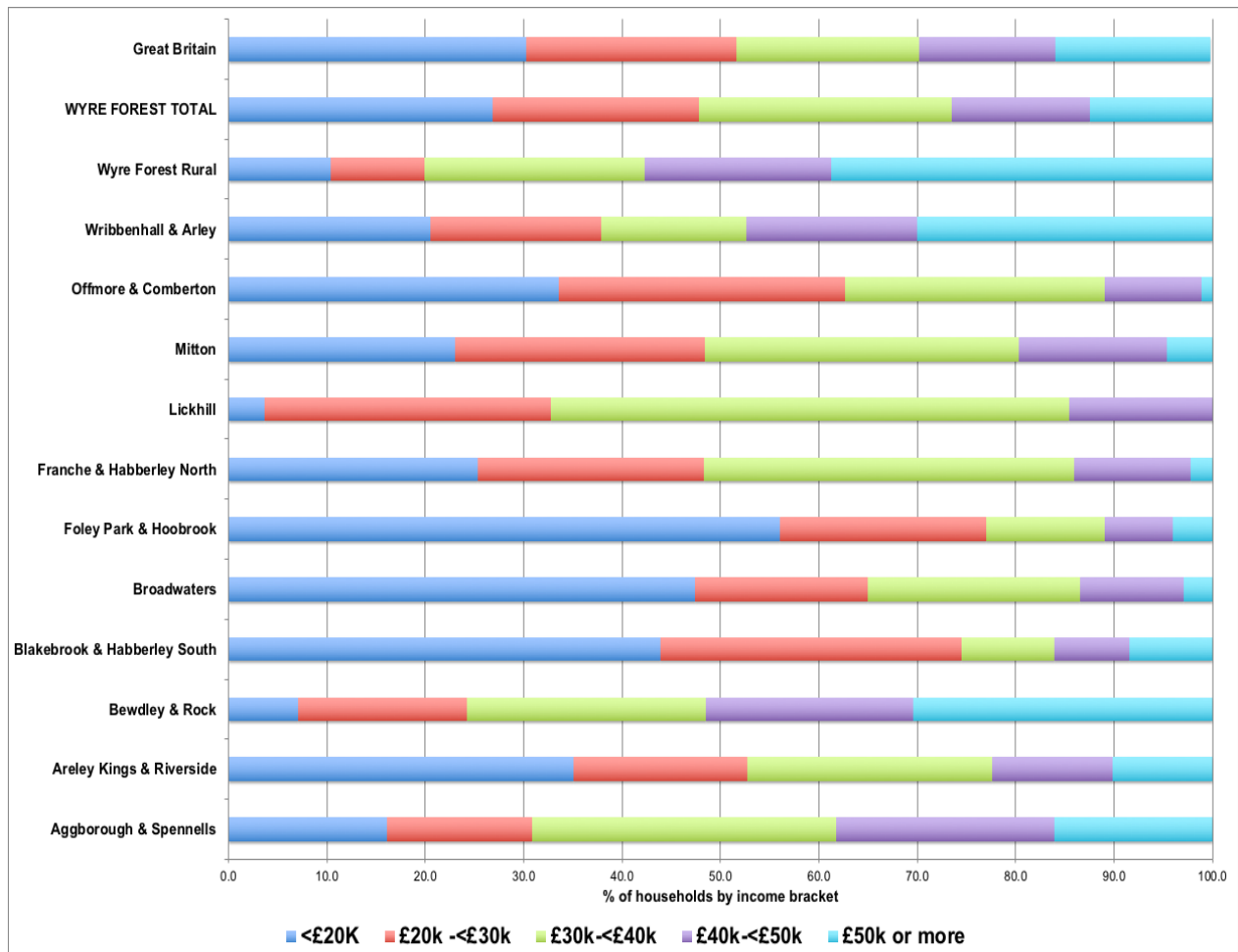


Table 5.6a Households who can afford by tenure

% CAN Afford different market options	WARD												
	Aggborough & Spennells	Areley Kings & Riverside	Bewdley & Rock	Blakebrook & Habberley South	Broadwaters	Foley Park & Hoobrook	Franchise & Habberley North	Lickhill	Milton	Offmore & Comberton	Wribbenhall & Arley	Wyre Forest Rural	WYRE FOREST TOTAL
Social rent	86.6	71.5	93.9	62.9	60.5	53.0	78.4	96.7	80.9	72.2	82.4	91.5	77.6
Affordable rent	82.2	80.0	80.4	28.2	47.4	39.6	59.5	79.0	71.6	63.2	68.0	85.2	70.8
Market Rent - lower quartile	78.4	53.6	80.5	51.1	43.9	40.5	54.7	89.2	64.9	37.5	77.4	88.5	66.3
Market Rent - median	74.4	49.9	85.9	44.2	37.4	27.9	67.2	89.2	57.6	47.8	73.1	86.5	59.8
Market Rent - average	71.0	57.7	87.3	36.5	42.1	39.3	86.2	86.9	74.0	63.0	65.5	85.0	43.8
Market Sale - LQ	67.8	35.5	60.5	18.9	33.2	18.1	16.3	66.7	36.6	32.4	60.4	68.9	43.4
Market Sale - median	41.1	34.8	65.3	22.2	13.8	12.0	39.6	39.6	38.1	34.3	58.3	78.5	40.0
Market Sale - average	26.6	19.0	35.3	14.1	8.3	8.3	4.4	5.3	9.8	9.6	40.0	47.7	16.5
Starter Home	65.2	57.2	27.3	28.5	31.0	11.8	34.5	34.6	34.5	29.7	43.7	21.2	37.3
Shared ownership (50%)	69.7	37.8	35.6	39.1	34.8	14.9	42.2	46.2	41.3	34.6	48.5	33.0	42.9
Shared ownership (25%)	86.0	52.3	53.3	33.7	43.9	22.5	58.7	72.7	57.9	49.8	58.5	52.0	56.7
Help to buy	81.4	56.1	61.9	60.9	48.9	28.6	65.5	81.4	65.4	58.2	63.4	59.3	63.0

Source: Cameo 2018

Table 5.7 Households who cannot afford by tenure

% CANNOT Afford different market options	WARD												
	Aggborough & Spennells	Areley Kings & Riverside	Bewdley & Rock	Blakebrook & Habberley South	Broadwaters	Foley Park & Hoobrook	Franchise & Habberley North	Lickhill	Milton	Offmore & Comberton	Wribbenhall & Arley	Wyre Forest Rural	WYRE FOREST TOTAL
Social rent	13.4	28.5	6.1	37.1	39.5	47.0	21.6	3.3	19.1	27.8	17.6	8.5	22.4
Affordable rent	17.8	40.0	19.6	71.8	52.6	60.4	40.5	21.0	28.4	36.8	32.0	14.8	29.2
Market Rent - lower quartile	21.6	46.4	19.5	48.9	56.1	59.5	45.3	10.8	35.1	62.5	22.6	11.5	33.7
Market Rent - median	25.6	50.1	14.1	55.8	62.6	72.1	32.8	10.8	42.4	52.2	26.9	13.5	40.2
Market Rent - average	29.0	42.3	12.7	63.5	57.9	60.7	33.6	13.1	26.0	37.0	34.5	15.0	56.2
Market Sale - LQ	32.2	64.5	39.5	81.1	66.8	81.9	83.7	33.3	63.4	67.6	39.6	31.1	56.6
Market Sale - median	58.9	65.2	34.7	77.8	86.2	88.0	60.4	60.4	61.9	65.7	41.7	21.5	60.0
Market Sale - average	73.4	81.0	64.7	85.9	91.7	91.7	95.6	94.7	90.2	90.4	60.0	52.3	83.5
Starter Home	34.8	#	#	#	#	#	#	65.4	#	#	56.3	78.8	62.7
Shared ownership (50%)	30.3	62.2	64.4	60.9	65.2	85.1	57.8	53.8	58.7	65.4	51.5	67.0	57.1
Shared ownership (25%)	14.0	47.7	46.7	66.3	56.1	77.5	41.3	27.3	42.1	50.2	41.5	48.0	43.3
Help to buy	18.6	43.9	38.1	39.1	51.1	71.4	34.5	18.6	34.6	41.8	36.6	40.7	37.0

Source: Cameo 2018



- 5.24 Table 5.8 shows the Local Housing Allowance (LHA) rates that apply to Wyre Forest which is located in the Worcester North Broad Rental Market Areas (BRMA). The table also shows the incomes required to afford to rent at these rates.

**Table 5.8 LHA rates (monthly)**

<b>LHA Rates</b>	
<b>WORCESTER NORTH BRMA</b>	
Shared Accommodation	£266
1 bedroom rate	£399
2 bedroom rate	£510
3 bedroom rate	£578
4 bedroom rate	£765
<b>Income Required</b>	
<b>WORCESTER NORTH BRMA</b>	
Shared Accommodation	£12,768
1 bedroom rate	£19,152
2 bedroom rate	£24,480
3 bedroom rate	£27,744
4 bedroom rate	£36,720

Source: VOA LHA rates

- 5.25 Table 5.9 shows the relative affordability of Local Housing Allowance rates in the district, along with the proportion of households who can/cannot afford based on CAMEO income data (2018). Table 5.9 highlights the proportions of households who can afford each LHA category and those who cannot. The data shows that the shared accommodation rate is affordable for the majority of households at 88.6% in the North. However, the affordability decreases as the number of bedrooms increases, with around 65% of households in the North Worcester BRMA and 74.0% in the South unable to afford the 4-bedroom rate.

**Table 5.9 Affordability of LHA rates**

<b>% CAN Afford LHA</b>	
	<b>Worcester North BRMA</b>
Shared Accommodation	88.6
1 bedroom rate	75.0
2 bedroom rate	63.8
3 bedroom rate	56.9
4 bedroom rate	34.9
<b>% CANNOT Afford LHA</b>	
	<b>Worcester North BRMA</b>
Shared Accommodation	11.4
1 bedroom rate	25.0
2 bedroom rate	36.2
3 bedroom rate	43.1
4 bedroom rate	65.1

Source: CAMEO 2018 Income Data

- 5.26 Further examination into the rental options in the District, produced the following data tables (Tables 5.10 to 5.12) which highlight the costs, income required and affordability of all rental options.

**Table 5.10 Rental rates by Bedroom Size**

Rental Option	Shared Accommodation	1 bedroom	2 bedrooms	3 bedrooms
Social Rent		£312	£376	£420
Affordable Rent (80% of Median PRS)		£340	£440	£500
LHA Rent		£399	£510	£578
Shared Accommodation	£266	-	-	-
Private Rent		£425	£550	£625

Source: HCA (SDR) 2017 and VOA rental statistics 2017

**Table 5.11 Income Required by Bedroom Size**

Income required	Shared Accommodation	1 bedroom	2 bedrooms	3 bedrooms
Social Rent		£14,976	£18,048	£20,160
Affordable Rent		£16,320	£21,120	£24,000
LHA Rent		£19,152	£24,480	£27,744
Shared Accommodation	£12,768			
Private Rent		£20,400	£26,400	£30,000

Source: CAMEO Income 2018

**Table 5.12 Affordability by Rental Option and Bedroom Size**

Rental Options	Shared Accommodation	1 Bedroom	2 Bedrooms	3 Bedrooms	
Social Rent		83.9	77.4	72.9	Can Afford (%)
		16.1	22.6	27.1	Cannot Afford (%)
Affordable Rent		81.0	70.8	64.8	Can Afford (%)
		19.0	29.2	35.2	Cannot Afford (%)
LHA Rent		75.0	63.8	56.9	Can Afford (%)
		25.0	36.2	43.1	Cannot Afford (%)
Private Rent		72.4	59.8	52.2	Can Afford (%)
		27.6	40.2	47.8	Cannot Afford (%)
Shared Accommodation	88.6				Can Afford (%)
	11.4				Cannot Afford (%)

Source: Calculated Using HCA (SDR) And VOA 2017 Data Against Cameo Income 2018 Data

- 5.27 Based on CAMEO Income statistics (2018) for the District, affordable rents (at 80% of the median private rental rates) are more affordable than the LHA rates for the District across all bedroom sizes.
- 5.28 Social rents and private rents for a 1-bedroom property are at a similar affordability level, but social rents then become more affordable for the larger size properties.
- 5.29 The following graph shows the levels of affordability by bed-size.

**Figure 5.3** Percentage of all households who could afford alternative rental prices

Source: HCA (SDR), VOA 2017 Data and Cameo Income 2018 Data

## Household Groups with specific housing needs

### Introduction

- 5.30 The NPPF (2018) (Paragraph 61) acknowledges that there are a range of household groups who have particular housing requirements. It sets out that the needs of different groups should be assessed and reflected in planning policy in terms of the size, type and tenure of housing. It states that these households include, but are not limited to: those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 5.31 The needs of those who require affordable housing have been addressed in the previous section of this chapter. The following sections look at other groups and consider their particular housing needs.
- 5.32 The PPG<sup>23</sup> states *'The need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is on the basis that the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. When producing policies to address the need of specific groups strategic policy-making authorities will need to consider how the needs*

<sup>23</sup> Paragraph: 020 Reference ID: 2a-020-20180913



*of individual groups can be addressed within the constraint of the overall need established’.*

- 5.33 The PPG makes specific reference to: housing for older people; housing for people with disabilities; the private rented sector; and self-build and custom housebuilding. The following sections look at other groups and consider their particular housing needs in the light of the NPPF and specific PPG considerations.

### Families with children

- 5.34 The 2011 Census found that families (that is couples and lone parents) with all children account for 55.7% of households across the Wyre Forest. Of these, 42.5% of households are families with dependent children and 13.3% of all households are couples and lone parents with adult children (aged 18 or over) living with them.
- 5.35 According to the 2014-based CLG household projections, the number of households with children is expected to increase by around 700 over the period 2016-2036. Arc4 national data (Table 5.13) indicates that families require the following range of dwellings, with a particular emphasis on the delivery for three- and four-bedroom stock. Nationally, 75.3% of families live in three- and four-bedroom dwellings. There is a particular aspiration towards living in a four-bedroom dwelling but families tend to expect to move to a three bedroom dwelling.

Table 5.13 Family housing choices			
	Current Dwelling (%)	Aspiration (%)	Expectation (%)
1/2 Bed	17.5	7.7	16.4
3 Bed House	45.7	37.8	45.3
4 or more Bed House	29.6	44.4	28.0
1/2 Bed Flat	4.0	1.9	3.5
3+ Bed Flat	0.6	0.8	0.7
1/2 Bed Bungalow	0.7	2.5	2.9
3+ Bed Bungalow	1.6	3.6	2.2
Other	0.2	1.2	1.1
TOTAL	100.0	100.0	100.0
Base	304451	70433	68425

Source: arc4 national surveys

## Housing for older people

- 5.36 PPG notes that ‘the need to provide housing for older people is critical as people are living longer lives and the proportion of older people in the population is increasing’<sup>24</sup>. A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the District’s older population. The number of people across the Wyre Forest aged 65 or over is projected to increase significantly during the Plan Period, from 24,200 in 2016 to 31,800 by 2036 (31.4% increase)<sup>25</sup>. The increase in the population aged 80 or over is considerable, rising from 5,900 to 11,200 persons during the period 2016-2036 (89.8% increase).
- 5.37 According to 2014-based household projections<sup>26</sup>, the number of households headed by someone aged 60 and over is expected to increase by 4,900. Arc4 national household survey evidence indicates that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. However, it is important to diversify the range of older persons’ housing provision.
- 5.38 Arc4 national data (Table 5.14) indicates that older people are particularly living in three- and four-bedroom houses but there are strong aspirations and expectations towards bungalows and smaller houses. Given the likely increase in older person households, it is important that the Council recognises the impact this will have on the range of dwelling types and sizes being developed over the plan period.

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<sup>24</sup> Paragraph: 020 Reference ID: 2a-020-20180913

<sup>25</sup> ONS 2016-based Subnational population projections

<sup>26</sup> CLG 2014-based household projections are the latest available at the time of drafting this report. More detailed household information will be published in December 2018

Table 5.14 Older person housing choices			
	Current Dwelling (%)	Aspiration (%)	Expectation (%)
1/2 Bed House	14.2	14.0	10.8
3 Bed House	36.3	19.2	18.2
4 or more Bed House	15.7	7.0	5.5
1/2 Bed Flat	14.4	16.1	19.7
3+ Bed Flat	0.5	0.7	1.1
1/2 Bed Bungalow	12.4	25.3	28.0
3+ Bed Bungalow	5.8	13.7	11.1
Other	0.7	3.9	5.7
TOTAL	100.0	100.0	100.0
.Base	436735	43855	38615

Source: arc4 national surveys

- 5.39 The PPG indicates that *'The health and lifestyles of older people will differ greatly, as will their housing needs. Strategic policy-making authorities will need to determine in relation to their plan period the needs of people who will be approaching or reaching retirement as well as older people now'*. It continues *'Strategic policy-making authorities will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services and providing more options for older people to move could also free up houses that are under occupied.'*

The PPG recommends the following are considered in an assessment of older persons' need:

- The future need for specialist accommodation (e.g. sheltered, enhanced sheltered, extra care, registered care), broken down by type and tenure;
- The need for care in residential institutions (C2); and
- The role of general housing and in particular bungalows and homes that can be adapted to meet a change in needs.

## Future need for older person accommodation and residential care institutions

- 5.40 Table 5.15 sets out the categories of older person accommodation as expressed by the Elderly Accommodation Counsel (EAC). The EAC website provides an excellent source of information regarding the current range of older persons' provision in the district.

Table 5.15 Categories of older person accommodation		
Category	Number of units	Description
Age-exclusive housing	52	Schemes or developments that cater exclusively for older people, usually incorporate design features helpful to older people, and may have communal facilities such as a residents' lounge, guest suite and shared garden, but do not provide any regular on-site support to residents.
Care homes	300	A residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. Since April 2002 all homes in England, Scotland and Wales are known as 'care homes', but are registered to provide different levels of care.  A home registered simply as a <b>care home</b> will provide personal care only - help with washing, dressing and giving medication.
Care home with nursing	442	A home registered as a <b>care home with nursing</b> will provide the same personal care but also have a qualified nurse on duty twenty-four hours a day to carry out nursing tasks. These homes are for people who are physically or mentally frail or people who need regular attention from a nurse.
Enhanced sheltered/close case	12	Sheltered housing that provides more in facilities and services than traditional sheltered housing but does not offer the full range of provision that is found in an Extra Care housing scheme.
Retirement housing	2,276	Housing developments of a similar type to sheltered housing (see below), but built for sale, usually on a leasehold basis.
Extra Care housing	160	Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home.

Sheltered housing	1,787	Sheltered housing means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors.
Total	5,029	Combines data from the EAC database and 2017 SDR Return. The SDR identified 2,142 units of older person housing. The EAC database includes 355 units so the net difference of 1,787 is included in the table under sheltered housing

Source: EAC database [www.housingcare.org.uk](http://www.housingcare.org.uk); 2017 SDR Return Table 48

- 5.41 Across Wyre Forest, there are around 3,242 units of older persons' accommodation reported on the EAC database which includes 742 units of residential care (C2) dwellings. The majority of older persons stock in the EAC database (64.6%) is owned by charities/non-profit organisations, a further 15.3% is owned by private companies, 11% by Registered Providers/Council and 9.1% by small/family businesses. Most of the retirement housing is owned by charities/non-profit organisations but the EAC data does not include detailed tenure information.
- 5.42 In addition to the specialist provision, there are 2,142 units of accommodation for older people owned by Registered Providers. Some of this (355) is already included in the EAC database, resulting in an estimated 1,787 units of additional social /affordable rented housing available for older people. The total stock of older persons housing is therefore estimated to be 5,029 units.
- 5.43 Table 5.16 considers the ratio of older people to current provision and then applies this ratio to future household projections. This results in the need for 1,642 additional units of older persons accommodation, 1,174 units of sheltered accommodation (C3) (included within the overall requirement of 276 per annum) and 487 additional units of residential care provision (C2) over the plan period to 2036.

Table 5.16 Analysis of future need for specialist older person accommodation				
Current provision	Number of units 2018	Number aged 75 and over 2018	Number aged 75 and over 2036 (projected)	Change in need
	-	10,200	16,900	
	-	Ratio of population to current provision	Ratio applied to 2036 population	
Specialist older person	2500	0.24510	4,142	1,642
Residential Care	742	0.07275	1,229	487
Sheltered accommodation	1,787	0.17520	2,961	1,174
Total	5,029		8,332	3,303

### The role of general housing and in particular bungalows and homes that can be adapted to meet a change in needs

- 5.44 PPG comments that ‘Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities will therefore need to identify the role that general housing may play as part of their assessment.’ Having established the likely profile of dwellings occupied by older person households, it is evident that around one half live in three- and four or more bedroom houses. There are also around 4,700 bungalows in Wyre Forest accounting for 11% of overall stock and 5,910 flats accounting for 12.8% of stock which will be providing accommodation for older people.
- 5.45 Given that the majority of older people want to remain in their own homes with help and support when necessary, there will be an increasing need to adapt existing homes. The actual scale of existing adaptations in the home nationally has been explored in the 2015/16 English Housing Survey (Table 5.17). This identifies that, adaptations to bathrooms and grab rails are most frequently found in existing dwellings. Table 5.17 estimates the number of households likely to have adaptations in Wyre Forest<sup>27</sup> based on national data.

<sup>27</sup> Note the 2016 BRE Integrated Dwelling Level Housing Stock Modelling and Database 2 for Wyre Forest DC and the Worcestershire 2018 Joint Strategic Housing Needs Assessment have no data on the level of property adaptation in Wyre Forest

Table 5.17 then factors in the likely change in older person households (a 24.6% increase by 2036 of 4,900 households) to establish the likely increase in the need to adapt existing dwellings.

Table 5.17 Likely level of property adaptation in Wyre Forest and future need for adaptations in the home				
Type of adaptation	% dwellings with adaptations	Wyre Forest expected adaptations 2018	Wyre Forest expected adaptations 2036	Change in number of dwellings needing adaptations
Adapted bathroom	6.9	3245	4043	798
Grab rails	6.6	3115	3881	766
Adapted kitchen	2.8	1315	1638	323
Electrical modifications	2.1	962	1199	237
Stair lift	1.7	785	978	193
Ramps	1.6	757	943	186
Hoists	0.5	246	307	61
Base	23.542	46,912		

Source: English Housing Survey 2015-16

### Wheelchair accessible dwellings

- 5.46 According to the English Housing Survey 2015/16, nationally 3.4% of households include wheelchair user: 1% use the wheelchair inside the home and 2.4% use a wheelchair only outside. Applying these proportions to Wyre Forest, there are 450 households requiring wheelchair accessible dwellings. There is no source data stating the actual number of wheelchair accessible dwellings currently in Wyre Forest, but it is recommended that 1% of new dwellings should be built to be accessible for someone with a wheelchair. This proportion should be monitored over the Plan Period to assess whether there is increasing need for wheelchair adapted dwellings, particularly in the light of the ageing population profile.

### People with disabilities

- 5.47 A range of data are available which can be used to estimate the number of people in Wyre Forest including the Census, national disability prevalence rates applied to the local population and the number receiving Disability Living Allowance.

## Census 2011 data

- 5.48 The Census records a baseline of broad measures of disability across the population. Table 5.18 reports that across Wyre Forest, 5.8% of residents stated they were in bad or very bad health (and particularly associated with older age groups) and a further 15% were in 'fair' health. The majority (79.2%) were in 'very good or good health'. Overall, the 2011 census estimated that around 20,100 residents were in fair or bad/very bad health.

Table 5.18 Long-term health problem or disability			
Age Group	Measure of health (%)		
	Very good or good health (%)	Fair health (%)	Bad or very bad health (%)
Age 0 to 15	97.2	2.2	0.6
Age 16 to 24	94.1	4.9	1.0
Age 25 to 34	91.0	6.8	2.2
Age 35 to 49	85.3	10.7	4.1
Age 50 to 64	72.3	19.2	8.5
Age 65 to 74	61.3	28.4	10.3
Age 75 to 84	42.7	41.9	15.4
Age 85 and over	27.0	48.4	24.6
All categories: Age	79.2	15.0	5.8
Base	76,800	14,500	5,600

Source: 2011 Census Table DC3302EW

- 5.49 The Census also reported that 9,000 (9.2%) Wyre Forest residents reported that their daily activities were limited 'a lot' and 10,500 (10.7%) 'a little'. This compares with slightly lower figures for England (8.3% and 9.3% respectively).

## National disability prevalence rates applied to Wyre Forest

- 5.50 The ONS Family Resources Survey provides national data on the number of people with disabilities by age group and the nature of the disability (Table 5.19). This can be



applied to population projections by age group to establish the likely number of residents who have a disability at the start of the Plan Period and how this is likely to change over the Plan Period 2016-2036. Although the number of people does not necessarily translate to a specific housing need, it provides a further insight into the likely range of disabilities experienced by residents in Wyre Forest. The baseline of around 22,500 people with an illness/disability is comparable with that reported in the 2011 census (those with fair or bad/very bad health). Overall, this analysis estimates that 23.3% of residents in households have a disability and this is expected to increase to 25.7% by 2036.

Table 5.19 Estimate of the number of people with a particular disability			
Disability	Estimated of residents with Disability		
	2016	2036	Change
Mobility	12097	14097	2000
Stamina/breathing/fatigue	8995	10482	1487
Dexterity	6514	7591	1077
Mental health	5118	5964	846
Memory	3800	4428	628
Hearing	3412	3976	564
Vision	3024	3524	500
Learning	3102	3615	513
Social/behavioural	1783	2078	295
Other	3489	4066	577
Base (total in households with disability)	23263	27109	3846
<b>% of population with disability</b>	23.3%	25.7%	

Source: ONS Family Resources Survey 2016/17 and ONS 2016-based population projections

## Benefit claimants - disability living allowance (DLA) by disabling condition

- 5.51 The Department of Work and Pensions (DWP) publishes information about the number of people receiving Disability Living Allowance (DLA) and the conditions associated with the claim. Table 5.20 indicates that 2.2% of the population receive

DLA, with 4.7% of all residents under 16 and 5.1% of all residents aged 65 and over in receipt of DLA. The disabling conditions reported by Wyre Forest residents in receipt of DLA are shown in Table 5.21 and indicates that the most prevalent conditions are arthritis and learning difficulties.

Table 5.20 DLA claimants by age group				
Age group	Number of claimants	% of claimants	Population 2018 est	% population DLA claimant
Under 16	770	34.7	16500	4.7
16-24	40	1.8	9600	0.4
25-49	80	3.6	29100	0.3
50-64	60	2.7	20400	0.3
65 and over	1270	57.2	24900	5.1
Total	2220	100.0	100500	2.2

Source: NOMIS

Table 5.21 DLA claimants by disabling condition				
Disabling Condition	Age Group			
	<65	65+	Total	Total %
Total	950	1,270	2,220	
Arthritis	10	460	470	21.2
Learning Difficulties	350	30	380	17.1
Hyperkinetic Syndromes	130	~	130	5.9
Disease of the Muscles, Bones or Joints	30	80	110	5.0
Unknown / Transfer from Attendance Allowance	80	30	110	5.0
Back pain - other / Precise diagnosis not Specified	10	70	80	3.6
Neurological Diseases	50	40	90	4.1
Behavioural Disorder	90	~	90	4.1
Spondylosis	0	80	80	3.6
Heart Disease	10	60	70	3.2
Cerebrovascular Disease	0	70	70	3.2
Psychoneurosis	30	20	50	2.3
Chest Disease	0	50	50	2.3
Psychosis	20	40	60	2.7
Blindness	10	30	40	1.8
Diabetes Mellitus	20	20	40	1.8
Trauma to Limbs	0	20	20	0.9
Epilepsy	10	10	20	0.9
Multiple Sclerosis	0	30	30	1.4
Deafness	20	~	20	0.9
Parkinsons Disease	0	20	20	0.9
Malignant Disease	10	10	20	0.9
Asthma	0	10	10	0.5
Cystic Fibrosis	10	~	10	0.5
Peripheral Vascular Disease	0	10	10	0.5
Chronic Fatigue Syndromes	0	10	10	0.5
Dementia	0	10	10	0.5
Renal Disorders	0	10	10	0.5
Multi System Disorders	0	10	10	0.5
Severely Mentally Impaired	10	~	10	0.5
Terminally Ill	0	10	10	0.5
Total	950	1,270	2,220	

~ These figures are nil or negligible.

Source: Nomis and DWP 2018

## Recommendations for optional accessible building standards

- 5.52 In 2015, the Government introduced new optional accessibility standards for dwellings that could be required through the planning process if requirements are incorporated into planning policy. Leeds City Council have produced a helpful paper setting out their approach to understanding optional accessible building standards<sup>28</sup> which forms the basis for material in this section of the report.
- 5.53 Three national accessibility standards are contained within Part M Volume 1 of the Building Regulations<sup>29</sup> as set out in Table 5.22. The M4(1) visitable dwelling is the mandatory minimum standard applied to all new dwellings. Only one accessible housing standard can apply to any dwelling. The M4(2) accessible and adaptable dwelling standard is based on, and in 2015 effectively replaced, the 'Lifetime Homes' standard.

Table 5.22 Summary of accessible housing standards			
Standard Label	Standard title	Level of accessibility provided	Mandatory or optional
M4(1)	Visitable dwellings	Level access not necessarily provided into the dwellings – few accessibility features	Mandatory
M4(2)	Accessible and adaptable dwellings	Level access is provided into the dwelling – easy to adapt to make more accessible – not suitable for most wheelchair users	Optional
M4(3)	Wheelchair user dwellings	Dwellings suitable for wheelchair users: either wheelchair accessible or wheelchair adaptable	Optional

Source: Leeds City Council Core Strategy Selective Review: Accessible housing need assessment background paper February 2018

<sup>28</sup> Leeds City Council Core Strategy Selective Review: Accessible housing need assessment background paper February 2018

<sup>29</sup> [https://www.planningportal.co.uk/info/200135/approved\\_documents/80/part\\_m\\_-\\_access\\_to\\_and\\_use\\_of\\_buildings](https://www.planningportal.co.uk/info/200135/approved_documents/80/part_m_-_access_to_and_use_of_buildings)

- 5.54 Figures 5.4 and 5.5 below define these optional accessibility standards. They are taken directly from the Government's practice guidance.

**Figure 5.4 Explanation of optional accessibility standard M4(2)**

In the Secretary of State's view, optional requirement M4(2) will be met where a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users. Reasonable provision is made if the dwelling complies with all of the following.

- a. Within the curtilage of the dwelling, or of the building containing the dwelling, it is possible to approach and gain step-free access to the dwelling and to any associated parking space and communal facilities intended for the occupants to use.
- b. There is step-free access to the WC and other accommodation within the entrance storey, and to any associated private outdoor space directly connected to the entrance storey.
- c. A wide range of people, including older and disabled people and some wheelchair users, are able to use the accommodation and its sanitary facilities.
- d. Features are provided to enable common adaptations to be carried out in future to increase the accessibility and functionality of the dwelling.
- e. Wall-mounted switches, socket outlets and other controls are reasonably accessible to people who have reduced reach.

**Figure 5.5 Explanation of optional accessibility standard M4(3)**

In the Secretary of State's view, optional requirement M4(3) will be met where a new dwelling makes reasonable provision, either at completion or at a point following completion, for a wheelchair user to live in the dwelling and use any associated private outdoor space, parking and communal facilities that may be provided for the use of the occupants. Reasonable provision is made if the dwelling complies with all of the following.

- a. Within the curtilage of the dwelling or of the building containing the dwelling, a wheelchair user can approach and gain step-free access to every private entrance to the dwelling and to every associated private outdoor space, parking space and communal facility for occupants' use.
- b. Access to the WC and other accommodation within the entrance storey is step-free and the dwelling is designed to have the potential for step-free access to all other parts.
- c. There is sufficient internal space to make accommodation within the dwelling suitable for a wheelchair user.
- d. The dwelling is wheelchair adaptable such that key parts of the accommodation, including sanitary facilities and kitchens, could be easily altered to meet the needs of a wheelchair user or, where required by a local planning authority, the dwelling is wheelchair accessible.
- e. Wall-mounted switches, controls and socket outlets are accessible to people who have reduced reach.

- 5.55 Given the ageing population in Wyre Forest and the identified levels of disability amongst the population, it is recommended that a policy to provide new homes built to accessibility standards is included in the Local Plan. On the basis of available evidence, it is therefore recommended that:

- A minimum of 1% of new dwellings should be built to M4(3) dwelling standard based on national proportions of households where a resident uses a wheelchair inside the home;
- A minimum of 20% based on the proportion of households in Wyre Forest who would currently benefit from M4(2) accessible housing (evidence indicates that 20.8% of residents are in fair/bad health); 23.3% of residents in households are estimated to have a disability and 19.9% of residents in households have their activities limited in some way.

5.56 It should be noted however that any percentage requirements for accessible housing are subject to cumulative viability testing. It is also recommended that needs are monitored closely given the ageing population over the Plan Period.

### Homeless households

5.57 Ministry of Housing, Communities and Local Government (MHCLG) Homelessness Statistics for the year 2017/18 indicate that a total of 207 decisions were made on households declaring themselves as homeless across the District (Table 5.23). Of these households, 150 were classified as homeless and in priority need. Over the eight years 2010/11 to 2017/18, an annual average of 244 decisions were made across the District and an average of 144 households each year were declared as homeless and in priority need. The overall trend has been towards an increase in the number of households being accepted as homeless each year.

**Table 5.23 Homeless decisions and acceptances 2010/11 to 2016/17**

Year	Decisions made	Accepted as homeless
2010/11	252	96
2011/12	226	141
2012/13	245	151
2013/14	236	134
2014/15	289	141
2015/16	262	168
2016/17	233	169
2017/18	207	150
Total	1950	1150
<b>Annual Average</b>	<b>244</b>	<b>144</b>

Source: MHCLG Homelessness Statistics

## Travellers

- 5.58 The 2011 Census identified 373 households of Gypsy and Traveller ethnicity. 307 of these households lived in bricks and mortar accommodation and 56 lived in a caravan or other mobile or temporary structure. Caravan Count data for January 2018 showed a total of 128 Gypsy and Traveller caravans located on private authorised (67), social rented (44) and unauthorised (17) sites. The Travelling Showperson Caravan Count (January 2018) identified 6 Travelling Showperson caravans, all on private site(s).
- 5.59 The 2014 Worcestershire Gypsy and Traveller Accommodation Assessment identified an overall need for 100 pitches, with a current supply of 84 pitches. Excluding turnover, the study evidenced a need for 16 pitches but if turnover is included the study indicated that there were sufficient pitches relative to need.

## Service families

- 5.60 Any housing need arising from service families should be picked up through the housing register.

## Students

- 5.61 There is limited need for bespoke student accommodation in Wyre Forest.

## Need for self/custom build

- 5.62 The Council maintains a register of households interested in self and custom-build properties.
- 5.63 This is a summary of information from the Council's monitoring report 2016-2018. The source of data is the Council's self and custom build register as at March 2018.
- 5.64 As at the 1<sup>st</sup> March 2018, 60 people had registered and a total of 60 plots were sought.
- 5.65 It is important to understand the desired location of plots. The Council collected this information on a multiple choice basis, therefore the following summary location sums to more than 60. Nevertheless, this is useful information to gauge potential demand for individual areas (Table 5.24). It is clear from this table that the greater number of preferences are for rural locations with the exception of the town of Bewdley.

<b>Table 5.24 Self/Custom-build Location preference</b>	
<b>Location</b>	<b>Number of choices</b>
Far Forest	32
Wolverley	32
Bewdley Town	31
Arley	30
Rock	29
Shatterford	28
Chaddesley Corbett	26
Blakedown	24
Churchill	24
Low Habberley	23
Cookley	21
Stone	21
Wribbenhall	21
Harvington	17
Franchise	11
Habberley	11
Rushock	11
Barkhill	9
Hales Park	9
Worcester Road	9
Arley Kings	8
Wilden	8
Comberton	7
Lickhill	6
Broadwaters	5
Offmore	5
Stourport Town	5
Kidderminster Town	4
Hurcott Road	3
Lark Hill	3
Newtown	3
Sutton Farm	3
Charles St / George St	2
Hoobrook / Aggborough	2
Spennells	2
Baxter Gardens	1
Birchen Coppice	1
Juniper Court	1
Park Street	1
Rifle Range	1
Walshes	1
Wood St Estate	1



- 5.67 Table 5.25 sets out preferences by number of bedrooms and it is clear that there is a preference for 3-bedroom homes as well as larger homes, 4-bedrooms or more.

Table 5.25 Proposed number of bedrooms	
Number of bedrooms	Preference
1	Nil
2	3
3	30
4	17
5	3
5 plus	4
Did not answer the question	3

- 5.68 Self and custom builders have a number of options for the building process ranging from 'hands on' or DIY self-build through to commissioning others to design and build. The industry has also responded by making home available in kit form.
- 5.69 The majority of individuals who have registered their interest indicated a preference for DIY custom build (43) with further interest in a self-finish custom build (33). There was also significant interest in fully commissioned 'full turn key' construction (26).
- 5.70 There were also 14 individuals who selected a preference for affordable custom build which may necessitate the involvement of a housing association in the project.
- 5.71 Further information was requested from individuals about other options and previous experience:
- would consider joining a co-housing project - 32;
  - would consider a custom-build plot / home that was part of a new build housing development - 40;
  - would consider the conversion of an existing building as an alternative to building a new property - 51;
  - with history of custom build / general house building - 25; and
  - expressing interest in eco homes / environmentally low impact - 13.
- 5.72 It is noteworthy that interest was high in converting an existing building and/or considering a plot as part of a wider new build housing development.
- 5.73 It is interesting that there are high levels of interest expressed for village locations, away from the larger towns and for plots that would be part of a wider new build

development. In order to turn these preferences into more tangible demand it would be worth undertaking further research as and when a development opportunity arises.

### Black, Minority, Ethnic Households

- 5.74 Census 2011 data reveals that the proportion of 'white' residents within the district is 97.2%, with 97.4% of that category being white British. Asian/Asian British residents account for 1.4% of the district's population, 1.0% are of mixed/multiple ethnicity and 0.3% are of other ethnic origin.
- 5.75 The main tenure category of the BME households in the district is owner occupation (around 63%, compared with 71.2% of all households). 22.1% live in the private rented sector (13.2% across all households) and around 15.0% in the social rented sector (14.4% of all households).

### Overcrowding/under-occupancy

- 5.76 In relation to occupancy, lone parents showed the highest level of over occupation (7%), families with children showed a 3% level of over occupancy (Table 5.26). In comparison, families with no children showed an under-occupancy level (+2 bedrooms) of around 68.0%, and around 26% for +1 bedroom.

**Table 5.26 Under / Over Occupancy of Families and Lone Parents**

	Families without Children	Families with Children	Lone Parents
Under Occupied (+2 bedrooms)	68.0%	21.0%	8.0%
Under Occupied (+1 bedroom)	26.0%	48.0%	41.0%
Balanced	6.0%	28.0%	43.0%
Over Occupied	0.0%	3.0%	7.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Census 2011

## Summary

- 5.77 This chapter has set out the affordable housing need in Wyre Forest and presented evidence relating to a broad range of needs groups as set out in the NPPF. It is expected that the overall development of housing in line with the housing requirement will support these groups. Particular attention should be paid to considering the needs of older people when developing future housing given that this group is a key driver in the housing market.
- 5.78 A need for affordable housing has been established and the latest housing register evidence and lettings data indicates there is a net annual imbalance of 158 affordable dwellings across the District. Based on housing register need and a broader analysis of household need, it is recommended that 34.1% of new affordable dwellings have one bedroom, 33.0% two bedrooms, 27.7% three bedrooms and 5.3% four or more bedrooms. Future delivery of affordable housing will help address this imbalance, but the actual scale of delivery will be determined by Local Plan policies, the economic viability of delivery, the development programmes of Housing Association partners, opportunities for private developers to build affordable homes and the ability of the Council to build its own affordable homes.
- 5.79 This chapter has also considered household group with specific needs and in summary:
- The needs of families should be met through general development, with a particular need for three and four bedroom dwellings. However, there are only expected to be around 700 additional families over the period 2016-36 living in the District;
  - The number of older person households is expected to increase by around 4,900 over the period 2016-36. There are particular aspirations across this group for bungalows, flats and smaller houses. Given the demographic changes taking place and the ageing of the population, delivering an appropriate range of new dwellings for older people needs to be a strategic priority for the Council. Widening the choice in alternative housing options for older people would also help the overall operation of the housing market. This would provide the ability of households to trade up into properties released by older people;
  - A range of data has been assembled which sets out the likely number of people with disabilities. According to the 2011 census, around 20,100 residents were in fair or bad/very bad health. The daily activities of around 19,500 were limited by their health. The application of national disability estimates to the local population in 2016 indicated that around 23,000 residents had a disability and this is expected to increase to around 27,000 by 2036 (an increase of around 3,800). Not all residents with a disability will require alternative housing or significant support in the home. The update of Disability Living Allowance indicates that around 2.2% of the population receive DLA and this is mainly associated with arthritis (amongst people aged 65+) and learning difficulties (amongst under 16 year olds). According to available supported CORE (social/affordable housing) lettings data, most lettings were to older people with support needs;

- This report recommends that the Council consider introducing optional accessibility standard for both M4(2) and M4(3) dwellings and that M4(2) standards are likely to meet the needs of most current and future residents over the Plan Period. It is recommended that as a minimum 1% of newbuild dwellings meet M4(3) standard and 20% meet M4(2) standard.

## 6. Housing need in Wyre Forest

### Introduction

- 6.1 This chapter sets out the evidence of housing need to inform the preparation of the Local Plan that covers the period 2016-2036. 2018 PPG defines housing need as *‘an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure, and preparing policies to address this such as site allocations’*<sup>30</sup>.
- 6.2 This evidence updates that presented in the Objectively Assessed Housing Need report which was published in April 2017 and established a need for 300 dwellings each year over the Plan Period. Since this was published, a new method for calculating housing need has been proposed by the MHCLG and a number of new datasets have been released. The need based on this new method and data is set out along with a broader range of demographic evidence prepared by Edge Analytics which considers:
- The potential employment growth associated with the MHCLG figure for Wyre Forest; and
  - The potential housing growth associated with the employment growth identified in the ELR.
- 6.3 The new datasets that have been considered in the Edge Analytics work relate to demography and employment:
- 2016 and 2017 mid-year population estimates (MYE) and components of change (births, deaths and migration) from the ONS;
  - Revisions to the 2012–2016 mid-year population estimates (MYEs) by the ONS;
  - 2016-based sub-national population projection (SNPP) from the ONS;
  - 2017 labour market analysis from the Office for Budget Responsibility (OBR);
  - 2016 and 2017 unemployment rates from ONS.
- 6.4 This chapter should be read in conjunction with the report ‘Wyre Forest Demographic Update’ which has been prepared by Edge Analytics (July 2018).

### Establishing housing need

- 6.5 The 2018 NPPF (Paragraph 60) states *‘to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment,*

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<sup>30</sup> PPG 2018 paragraph 001 Reference ID:2a-001-20180913

*conducted using the standard method in national planning guidance - unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for'. 2018 PPG states 'the NPPF expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need. The standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. The standard method...identifies a minimum annual housing need figure. It does not produce a housing requirement'<sup>31</sup>.*

- 6.6 The standard method comprises three steps: setting the baseline, an adjustment to take account of affordability and capping the level of increase with reference to the current status of relevant strategic policies for housing.
- 6.7 Initial data were published by the MHCLG in September 2017 and this established that under the MHCLG standard methodology, the minimum dwelling need for Wyre Forest was 246 each year.
- 6.8 Further demographic analysis has been prepared by Edge Analytics to verify that the dwelling need calculation using the standard methodology is appropriate for Wyre Forest with reference to future jobs growth.

### Step 1: Setting the baseline

- 6.9 2018 PPG states that the baseline should be set '*using national household projections for area of the local authority area. Taking the most recent projections, calculate the projected annual average household growth over a 10-year period (this should be 10 consecutive years, with the current year being the first year)*'<sup>32</sup>.
- 6.10 2018 PPG comments '*using household projections as the baseline ensures that the process begins with a clear and transparent assessment of anticipated household growth for every area. The Office for National Statistics' projections for numbers of households in each local authority are the most robust estimates of future household growth. The household projections are trend-based, meaning that they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not predict future growth.*'<sup>33</sup>
- 6.11 For Wyre Forest, over the period 2018-2028, the total number of households under the DCLG 2014-based household projections is set to increase from 44,354 to 46,344, a total change of 1,990 households or 199 each year (Table 6.1).

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<sup>31</sup> PPG 2018 paragraph 002 Reference ID: 2a-001-20180913

<sup>32</sup> PPG 2018 Paragraph 004 Reference ID: 2a-004-20180913

<sup>33</sup> PPG 2018 Paragraph 005 Reference ID: 2a-004-20180913

Table 6.1 Household change under alternative household projections				
Projection	2018 households	2028 households	2018-28 household change	Annual change
DCLG 2014-based	44,354	46,344	1,990	199
DCLG 2016-based	44,903	47,133	2,230	223

### Step 2: An adjustment to take account of affordability

- 6.12 2018 PPG states *'then adjust the average annual projected household growth figure (generated in step 1) based on the affordability of the area. The most recent median workplace-based affordability ratios published by the ONS at a local authority level should be used'*<sup>34</sup>.
- 6.13 The affordability ratios and resulting adjustment for the district is set out in Table 6.2.

Table 6.2 Affordability ratios and market signals uplift		
Year	Median price to income affordability ratio	Adjustment factor*
2016	<b>7.35</b>	1.2094
2017	<b>7.79</b>	1.2369

\* Adjustment factor is  $1 + ((\text{Local Affordability Ratio} - 4)/4) * 0.25$

Source: ONS Ratio of house price to workplace-based earnings

- 6.14 The reason for the affordability adjustment is set out in PPG 2018:  
*'An affordability adjustment is applied as household growth on its own is insufficient as an indicator of housing demand because:*

<sup>34</sup> PPG 2018 Paragraph 004 Reference ID: 2a-004-20180913

- *household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and*
- *people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.*

*The affordability adjustment, at the level proposed, is applied in order to start to address the affordability of homes, and is intended to slow down the rate at which local affordability ratios are increasing.*<sup>35</sup>

- 6.15 Table 6.4 sets out the components of the dwelling need calculation using 2018 as a base and applying the latest available (2017) affordability ratios. The basic demographic need under the 2014-based DCLG and 2016-based HMCLG household projections are presented along with the affordability adjustment to establish the total annual dwelling need using the standard methodology.

<b>Base Year 2018</b>	<b>Baseline demographic need</b>	<b>Affordability Adjustment</b>	<b>Total dwelling need under standard methodology</b>
DCLG 2014-based	199	47	246
DCLG 2016-based	223	53	276

### Step 3: Capping the level of any increase

- 6.16 According to 2018 PPG, a cap may be applied which ‘limits the increase in the minimum annual housing need figure an individual authority can face’<sup>36</sup>. This is because ‘the standard methodology may identify a minimum local housing need figure that is significantly higher than the number of homes currently being planned for. The cap is applied to help ensure that the minimum local housing need figure calculated using the standard methodology is as deliverable as possible’<sup>37</sup>. How the cap is calculated ‘depends on the current status of relevant strategic policies for housing’<sup>38</sup>.
- 6.17 The Wyre Forest Core Strategy (2006 to 2026) was adopted in December 2010. This established a need for 4000 dwellings over the period 2006 to 2026 or 200 each year.

<sup>35</sup> PPG 2018 Paragraph 006 Reference ID: 2a-004-20180913

<sup>36</sup> PPG 2018 Paragraph 004 Reference ID: 2a-004-20180913

<sup>37</sup> PPG 2018 Paragraph 007 Reference ID: 2a-004-20180913

<sup>38</sup> PPG 2018 Paragraph 004 Reference ID: 2a-004-20180913



As the strategic policy was more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10-year period identified in Step 1); or
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies.

6.18 Therefore, under PPG 2018, it is recommended that the figures presented in the 2010 Core Strategy are compared with the outputs of the standard methodology calculation in determining an appropriate cap for the district:

- The average annual housing requirement figure in the existing relevant policies (2010 Core Strategy) is 200 each year;
- The minimum annual local housing need figure is 223 (from Step 1)
- The minimum annual local housing need figure is 276 (from Step 2)
- The cap is set at 40% of the above housing requirement figure in existing policies:

$$\text{Cap} = 200 + (40\% \times 200) = 200 + 80 = \mathbf{280}$$

### Housing need using the standard methodology

6.19 Based on the standard methodology and 2017 affordability ratios, the minimum local housing need for Wyre Forest is 276 dwellings each year. As the capped figure is greater than the minimum annual local housing need figure, it does not apply.

### Housing need uplift

6.20 PPG 2018 also considers where a higher figure than the standard methodology may need to be considered:

*'The standard method for assessing local housing need provides the minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where actual housing need may be higher than the figure identified by the standard method.'*

*Where additional growth above historic trends is likely to or is planned to occur over the plan period, an appropriate uplift may be considered. This will be an uplift to identify housing need specifically and should be undertaken prior to and separate from considering how much of this need can be accommodated in a housing requirement figure. Circumstances where this may be appropriate include, but are not limited to:*

- *where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to*

*support growth or funding is in place to promote and facilitate growth (e.g. Housing Deals);*

- *where strategic infrastructure improvements are planned that would support new homes;*
- *where an authority has agreed to take on unmet need, calculated using the standard method, from neighbouring authorities, as set out in a statement of common ground;*

*In addition authorities should also consider:*

- *previous delivery levels. Where previous delivery has exceeded the minimum need identified it should be considered whether the level of delivery is indicative of greater housing need ; and*
- *recent assessments of need, such as a Strategic Housing Market Assessments (SHMA). Where these assessments suggest higher levels of need than those proposed by a strategic policy-making authority, an assessment of lower need should be justified.*<sup>39</sup>

## Alternative demographic scenarios

- 6.21 In addition to calculating need using the standard methodology, Edge Analytics has developed scenarios to consider<sup>40</sup>: the potential employment growth associated with the housing need figure under PPG methodology; and the potential housing growth associated with the employment growth identified in the Employment Land review (ELR).
- 6.22 Three employment-led scenarios have been prepared which consider whether there will be sufficient economically active people in Wyre Forest to support economic growth in the District. As the MHCLG methodology does not take account of a vacancy rate, a further scenario has been run (the Dwelling-led scenario) to consider the impact this would have on overall housing need.
- 6.23 The scenario modelling considers the following population data: headship rates (that is the proportion of people by age group who are 'Household Reference People' or 'Heads of Household'); communal populations (e.g. the number of people in residential care); and the dwelling-led scenario considers the impact of a 4.5% vacancy rate on housing need.

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<sup>39</sup> PPG 2018 Paragraph 010 Reference ID: 2a-004-20180913

<sup>40</sup> Wyre Forest Demographic Update October 2018

## Employment-led scenarios and outcomes

- 6.24 The three employment-led scenarios consider the estimated migration, population and dwelling growth associated with economic forecasts used to inform the Council's Employment Land Review (ELR). The ELR is assuming an increase of 1,100 jobs over the Plan Period. These scenarios consider the impact of economic activity, commuting and unemployment rate on the size of the workforce:
- Economic activity rates determine the number of people in the 'working age' population who are in the labour force. This takes into account the changing retirement age;
  - Unemployment rate determines the proportion of the labour force that is unemployed. Actual data to 2017 has been used and then fixed at 3.9% over the Plan Period;
  - Commuting ratio is the balance between the number of resident workers in Wyre Forest and the level of employment available. The ratio from the 2011 Census is 1.24 which means that there is a net out-commute and there is a greater number of resident workers than employment in the District.
- 6.25 Edge analytics have run three scenarios:
- Employment-led (past trend) in which the annual change in employment is applied in each year of the Plan Period based on past trends;
  - Employment-led (baseline ELR) in which the annual change in employment is applied each year of the forecast period (i.e. from 2017/18 onward), in line with Experian forecasts used in the emerging ELR for Wyre Forest;
  - Employment-led ('policy on') in which the annual change in employment is applied each year of the forecast period (i.e. from 2017/18 onwards) in line with the 'Policy On' forecast used in the emerging ELR for Wyre Forest.
- 6.26 All scenario growth outcomes are presented for the Council's 2016-2036 Plan Period, with includes an additional two years to the Council's previous OAN (2017) Plan Period 2016-2034.
- 6.27 Under the employment-led scenarios, there would be sufficient dwelling growth to meet the workforce requirements as set out in the ELR.

## Dwelling-led (HNF) scenario and outcome

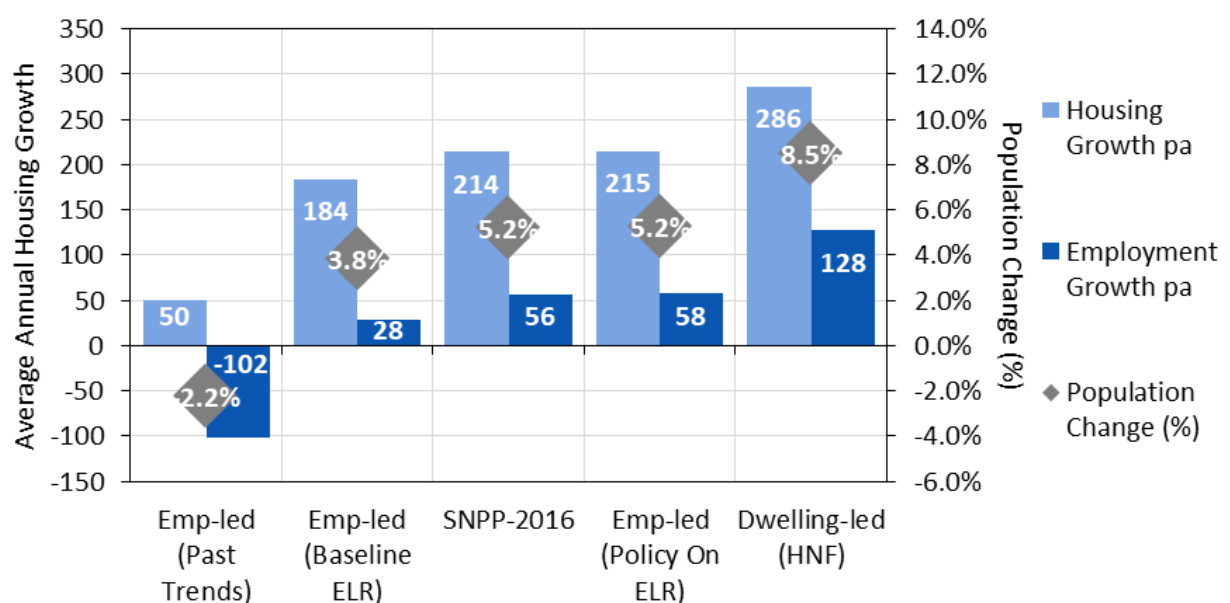
- 6.28 This scenario considers the relationship between households and dwellings. The MHCLG figure of +276 is based on household change and does not factor in an allowance for vacant properties. The 2011 census reported that 4.5% of dwellings were vacant. Using the +276 as a dwelling figure, this scenario considers the relationship between annual dwelling growth and population change, using

assumptions on headship rates, communal establishment populations and a vacancy rate.

- 6.29 When this scenario is run, the higher household formation rates under the 2016-based household projections would support a larger labour force than estimated under the employment-led scenarios, resulting in an annual average employment growth of +128 (2016-2036).

- 6.30 The outcomes of the scenarios tested are summarised in Figure 6.1.

**Figure 6.1 Population change, annual dwelling and employment growth 2016-36**



Source: Edge Analytics Report Figure 1

- 6.31 The annual dwelling growth of +276 would be sufficient to support the dwelling requirements for the employment-led scenarios and no further adjustment is necessary to support economic growth.
- 6.32 **It is therefore recommended that the updated MHCLG dwelling need figure of 276 is an appropriate starting point for planning future housing development across Wyre Forest based on the MHCLG standard methodology using the latest available (2016-based) household projections and 2017 affordability ratios.**

## 7. Dwelling type and mix

### Introduction

- 7.1 The purpose of this section is to set out the methodology to establish future dwelling type and size mix across Wyre Forest. It presents the baseline data used as a starting point for the analysis and how data are interpreted to establish a reasonable view on dwelling type and mix at county and sub-county level.

### Starting points

- 7.2 There are three main data sources which provide the starting point for the analysis: household projections, dwelling stock information and national estimates of the relationships between households and dwellings derived from arc<sup>4</sup> household surveys.

### CLG Household projections

- 7.3 These are used to establish the number of households by Household Reference Persons (HRP) and household type using the latest (currently 2014-based) data and how this is expected to change over a specified period. The analysis focuses specifically on Local Plan periods and therefore analysis has been run using household projection data for 2016 to 2036.
- 7.4 The change in the number of households over this period can be established and, assuming that the dwelling needs of these households do not change significantly over the Plan Period, the potential impact on type/size of dwellings can be determined.

### Dwelling stock

- 7.5 The latest Valuation Office Agency (VOA) data provides a summary of dwelling type (house, flat, bungalow) and size (number of bedrooms) as at September 2017.

### Relationship between households and dwellings

- 7.6 arc<sup>4</sup> has prepared data on the relationship between the age of Household Reference Person, household type and dwellings occupied by type and size. This is a unique secondary data source and has been derived from amalgamating household survey data from around 40,000 households. The data available is summarised in Table 7.1.

**Table 7.1** Age groups, household type and dwelling types used

Age group of Household Reference Person	Household (HH) type	Dwelling type	Dwelling size
15_24	One Person	1 Bed House	1 Bedroom
25_34	Couple only	2 Bed House	2 Bedrooms
35_44	HH with 1/2 Child(ren)	3 Bed House	3 Bedrooms
45_59	HH with 3 Children	4 or more bed House	4+ Bedrooms
60_84	Other Multi-person	1 Bed Flat	All
85+	All	2 Bed Flat	
All		3+ Bed flat	
		1 Bed Bungalow	
		2 Bed Bungalow	
		3+ Bed Bungalow	
		All	

Source: arc<sup>4</sup> household surveys

- 7.7 For each age group, the proportion of HRP's by household type living in different type/size and size of dwelling has been calculated. Table 7.2 provides an example of the data for the 15-24 age group. Further analysis considers the relationship between age and household type with what moving households within those groups would like/aspire to move to and expect to move to.

### Applying the data at district level

- 7.8 Applying the data at district level is done in a systematic way. Firstly, the change in the number of households by age group and household type is established from household projections. Assuming that the dwelling needs of these households do not change over the Plan Period, the overall impact on type/size of dwellings can be determined. Table 7.3 presents the baseline demographic data for Wyre Forest. This illustrates that the total number of households is expected to increase by around

3,650 over the Plan Period using 2014-based DCLG household projections<sup>41</sup>. Analysis however indicates an absolute decline in households where the HRP is aged 25-34, 45-59. The most substantial growth is in households where the HRP is aged 60 or over and in particular those where the HRP is aged 85 and over.

**Table 7.2 Illustration of the relationship between dwelling type/size and household type by age group (15 to 24-year age group used)**

HRP Age group	Dwelling type/size	Household type					Total
		One Person	Couple only	HH with 1/2 Children	HH with 3 Children	Other Multi-person	
15-24	1 Bed House	0.4	3.0	0.0	0.0	0.0	1.0
	2 Bed House	13.4	22.1	58.1	18.9	14.6	25.7
	3 Bed House	14.1	17.0	27.3	72.6	11.0	18.5
	4/4+ Bed House	0.0	1.2	0.9	6.9	46.9	12.7
	1 Bed Flat	63.5	27.5	0.2	0.0	0.0	22.0
	2 Bed Flat	6.1	26.3	13.0	0.0	24.1	17.8
	3+ Bed Flat	0.2	0.1	0.3	1.6	3.5	1.1
	1-2 Bed Bungalow	2.4	0.3	0.0	0.0	0.0	0.6
	3+ Bed Bungalow	0.0	0.0	0.1	0.0	0.0	0.0
	1 Bed Other	0.0	0.0	0.0	0.0	0.0	0.0
	2 Bed Other	0.0	2.4	0.0	0.0	0.0	0.7
	3+ Bed Other	0.0	0.0	0.0	0.0	0.0	0.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
HRP Age group	Dwelling type/size	Household type					Total
		One Person	Couple only	HH with 1/2 Children	HH with 3 Children	Other Multi-person	
15-24	1	64.3	30.6	0.2	0.0	0.0	23.1
	2	21.4	51.0	71.1	18.9	38.6	44.6
	3	14.3	17.2	27.7	74.2	14.5	19.6
	4/4+	0.0	1.2	0.9	6.9	46.9	12.7
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: arc<sup>4</sup> surveys

<sup>41</sup> Note that comparable 2016-based household projection data is due for publication in December 2018

**Table 7.3A Change in number of households by age group 2016-2036**

Age group	Household Type	Year		Change in households 2016-2036
		2016	2036	
<b>15-24</b>	One Person	316	417	101
	Couple only	92	23	-69
	HH with 1/2 children	396	508	112
	HH with 3 children	18	12	-6
	Other Multi-person	63	40	-23
	<b>Total</b>	<b>885</b>	<b>1000</b>	<b>115</b>
<b>25-34</b>	One Person	1050	1121	71
	Couple only	839	439	-400
	HH with 1/2 children	1730	1345	-385
	HH with 3 children	349	235	-114
	Other Multi-person	235	242	7
	<b>Total</b>	<b>4203</b>	<b>3382</b>	<b>-821</b>
<b>35-44</b>	One Person	1456	1964	508
	Couple only	748	720	-28
	HH with 1/2 children	3458	3689	231
	HH with 3 children	648	465	-183
	Other Multi-person	310	285	-25
	<b>Total</b>	<b>6620</b>	<b>7123</b>	<b>503</b>
<b>45-59</b>	One Person	2842	3039	197
	Couple only	2716	1605	-1111
	HH with 1/2 children	3866	4470	604
	HH with 3 children	388	412	24
	Other Multi-person	2524	1770	-754
	<b>Total</b>	<b>12336</b>	<b>11296</b>	<b>-1040</b>
<b>60-84</b>	One Person	6378	6028	-350
	Couple only	8491	9908	1417
	HH with 1/2 children	378	706	328
	HH with 3 children	21	34	13
	Other Multi-person	2394	2480	86
	<b>Total</b>	<b>17662</b>	<b>19156</b>	<b>1494</b>
<b>85+</b>	One Person	1449	3064	1615
	Couple only	483	1567	1084
	HH with 1/2 children	20	120	100
	HH with 3 children	0	0	0
	Other Multi-person	271	871	600
	<b>Total</b>	<b>2223</b>	<b>5622</b>	<b>3399</b>

Continued overleaf/...



**Table 7.3B** Change in number of households by age group 2016-2036

Age group	Household Type	Year		Change in households 2016-2036
		2016	2036	
<b>ALL</b>	One Person	13493	15634	2141
	Couple only	13368	14263	895
	HH with 1/2 children	9848	10839	991
	HH with 3 children	1424	1159	-265
	Other Multi-person	5796	5687	-109
	<b>Total</b>	<b>43928</b>	<b>47582</b>	<b>3654</b>

Source: DCLG 2014-based household projections (subject to rounding). Note that comparable 2016-based household projection data will be published in December 2018

- 7.9 Table 7.4 applies the national data on dwelling occupancy to the demographic trends in Wyre Forest. The two right hand columns indicate the likely change in demand for dwelling types and sizes and how this translates to an overall percentage change in dwelling requirement. Analysis indicates that the majority of need will be for 2-bedroom (39.8%) and 3-bedroom (35.5%) followed by one bedroom (17.1%) and 4 or more-bedroom dwellings (7.6%). Regarding dwelling type, analysis suggests a broad split of 45% houses, 31.5% bungalows (or level-access accommodation), 22.3% flats and 1.2% other (for instance self/custom build and specialist accommodation).

**Table 7.4 Impact of change in households by age group on dwellings occupied**

Dwelling type/size	Age group of Household Reference Person						Total	% change
	15-24	25-34	35-44	45-59	60-84	85+		
1 Bed House	1	-13	6	-13	15	14	10	0.3
2 Bed House	30	-213	89	-170	199	417	351	9.6
3 Bed House	21	-319	202	-407	552	953	1003	27.5
4 or more Bed House	15	-79	123	-252	245	227	279	7.6
1 Bed Flat	25	-78	34	-70	106	401	418	11.5
2 Bed Flat	20	-90	30	-60	98	367	366	10.0
3+ Bed Flat	1	-8	5	-7	8	32	30	0.8
1-2 Bed Bungalow	1	-12	5	-34	173	761	894	24.5
3+ Bed Bungalow	0	-4	6	-23	86	190	255	7.0
1 Bed Other	0	-4	1	-1	1	14	12	0.3
2 Bed Other	1	0	2	-2	5	18	24	0.7
3+ Bed Other	0	-2	1	-1	4	4	6	0.2
<b>Total</b>	<b>115</b>	<b>-821</b>	<b>503</b>	<b>-1040</b>	<b>1494</b>	<b>3399</b>	<b>3650</b>	<b>100.0</b>
Dwelling type/size	Age group of Household Reference Person						Total	% change
	15-24	25-34	35-44	45-59	60-84	85+		
1	27	-97	41	-91	158	587	624	17.1
2	51	-312	125	-259	440	1406	1452	39.8
3	23	-333	214	-438	650	1180	1295	35.5
4 or more	15	-79	123	-252	245	227	279	7.6
<b>Total</b>	<b>115</b>	<b>-821</b>	<b>503</b>	<b>-1040</b>	<b>1494</b>	<b>3399</b>	<b>3650</b>	<b>100.0</b>

Note totals by age group may vary slightly due to rounding errors

Source: DCLG 2014-based household projections and arc<sup>4</sup> survey data

- 7.10 This analysis can be applied to the housing need range established for Wyre Forest as set out in Table 7.5.

<b>Table 7.5 Overall annual dwelling mix based on range of housing need</b>		
		<b>Annual dwelling need</b>
		<b>276</b>
<b>Dwelling type and size</b>	<b>% Dwelling stock</b>	<b>No. of dwellings</b>
1 Bed House	0.3	1
2 Bed House	9.6	26
3 Bed House	27.5	76
4 or more Bed House	7.6	21
1 Bed Flat	11.5	32
2 Bed Flat	10.0	28
3+ Bed Flat	0.8	2
1 Bed Bungalow	5.0	14
2 Bed Bungalow	19.5	54
3+ Bed Bungalow	7.0	19
1 Bed Other	0.3	1
2 Bed Other	0.7	2
3+ Bed Other	0.2	1
<b>Total</b>	<b>100.0</b>	<b>276</b>
1-bedroom	17.1	47
2-bedroom	39.8	110
3-bedroom	35.5	98
4 or more	7.6	21
<b>Total</b>	<b>100.0</b>	<b>276</b>

Source: arc<sup>4</sup>

- 7.11 Table 7.6 then summarises dwelling type/size mix by market and affordable housing based on the annual need set out in Table 7.5. As the housing register only provides data on dwelling size, assumptions have been made regarding the range of dwellings by type for different bedroom sizes (Table 7.7)

<b>Table 7.6 Summary of dwelling mix by broad tenure group based on annual need</b>				
<b>Summary dwelling type/size</b>	<b>% new dwelling stock</b>	<b>Total</b>	<b>Market (75%)</b>	<b>Affordable (25%)</b>
1 Bed House	0.3	1	1	0
2 Bed House	9.6	26	21	5
3 Bed House	27.5	76	56	20
4 or more Bed House	7.6	21	18	3
1 Bed Flat	11.5	32	14	18
2 Bed Flat	10.0	28	15	13
3+ Bed Flat	0.8	2	2	0
1 Bed Bungalow	5.0	14	9	5
2 Bed Bungalow	19.5	54	49	5

3+ Bed Bungalow	7.0	19	19	0
1 Bed Other	0.3	1	1	0
2 Bed Other	0.7	2	2	0
3+ Bed Other	0.2	1	1	0
<b>Total</b>	100.0	276	207	69

**Table 7.7 Assumptions regarding the profile of affordable dwellings by no. bedrooms and dwelling type**

No. beds required	Dwelling type		
	House	Bungalow	Flat
1		20%	80%
2	20%	20%	60%
3	100%		
4	100%		

## Household aspirations

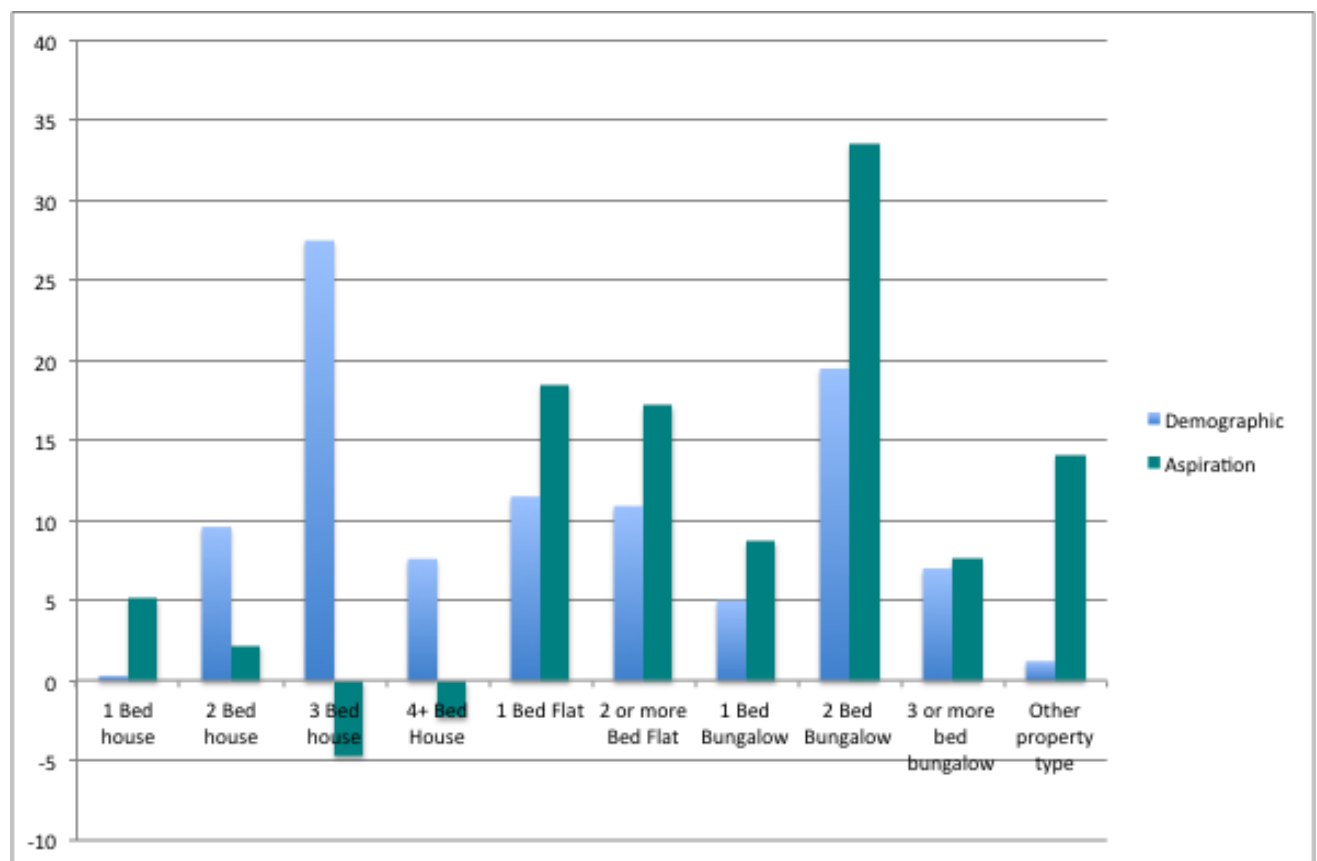
- 7.12 Analysis has also considered the aspirations (likes) of households planning to move, by age group and household type (Table 7.8). The result of this analysis is a dramatic skewing of need towards smaller dwellings instead, and a particular focus on bungalow/level access provision which is further illustrated in Figure 7.2. This is driven by the aspirations of an ageing population. This analysis points to the potential and dramatic impact of the housing requirements of an ageing population on delivery.

**Table 7.8 Summary of demographic trends and aspirations on future dwelling requirements.**

Dwelling size	Demographic	Aspiration
	%	%
1	17.1	40.2
2	39.8	55.2
3	35.5	6.9
4 or more	7.6	-2.3
<b>Total</b>	100.0	100.0
<b>Dwelling type/size summary</b>		
Dwelling type/size	Demographic	Aspiration
1 Bed House	0.3	5.1
2 Bed House	9.6	2.2
3 Bed House	27.5	-4.7
4+ Bed House	7.6	-2.3
1 Bed Flat	11.5	18.5
2 or more Bed Flat	10.9	17.2
1 Bed Bungalow	5.0	8.7
2 Bed Bungalow	19.5	33.5
3 or more bed bungalow	7.0	7.6
Other property type	1.2	14.1
<b>Total</b>	100.0	100.0

Source: CLG 2014-based household projections and arc<sup>4</sup> household survey data applied to household projections

7.13 Figure 7.2 presents the percentage data in table 7.8 as a chart.

**Figure 7.2** Summary of dwelling types under baseline demographic and aspiration analysis

Source: CLG 2014-based household projections and arc4 household survey data applied to household projections

## Concluding comments

- 7.14 This analysis draws upon evidence from household surveys carried out by arc<sup>4</sup> which establishes the link between household type, age group and the range of dwellings occupied. It also considers the impact of future aspirations on dwelling need and the particular impact of an ageing demographic on the range of dwellings appropriate for that population in particular.
- 7.15 We would commend this analysis for further consideration by the Council and the significance it may play in determining appropriate ranges of housing development over the Plan Period.

## 8. Conclusion: policy and strategic issues

- 8.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of existing and emerging Government policy and guidance.
- 8.2 The Wyre Forest HNS 2018 will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the HNS 2018 identifies the size, type and tenure of housing required by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across the District.
- 8.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets and key local strategic issues.

### Housing need figure 2018-2028

- 8.4 The Government's standard methodology establishes a minimum need for **276** dwellings each year over the period 2018-2028 based on the latest (2016-based) ONS household projections and latest (2017) affordability ratios.
- 8.5 Further scenario analysis has been prepared by Edge Analytics to verify that the dwelling need calculation using the standard methodology is appropriate for Wyre Forest. Employment-led scenarios confirm that the amount of new dwellings will sufficiently support economic growth; and a dwelling-led scenario has considered the impact of including vacant dwellings in dwelling need statistics.

### Affordable housing need

- 8.6 The scale of affordable requirements has been assessed using latest (July 2018) housing register data. The overall net annual imbalance is calculated to be 158 affordable dwellings each year. It is recommended that 34% of new affordable dwellings have one bedroom, 33% two bedrooms, 27.7% three bedrooms and 5.3% four or more bedrooms.

### Meeting the needs of older people and those with disabilities

- 8.7 Particular attention should be paid to considering the needs of older people when developing future housing given that this group is a key driver in the housing market. There are particular aspirations across this group for bungalows, flats and smaller houses. Given the demographic changes taking place and the ageing of the population, delivering an appropriate range of new dwellings for older people needs to be a strategic priority for the Council. Widening the choice in alternative housing options

for older people would also help the overall operation of the housing market. This would provide the ability of households to trade up into properties released by older people. Based on available evidence, it is identified that over the Plan Period:

- There is expected to be an increase in demand for older persons accommodation, with a need for 1,642 units of older person provision plus and 1,174 units of sheltered accommodation (C3) and 487 residential care units (C2)
- 8.8 It is also anticipated that there will be a need to adapt at least 800 existing dwellings over the Plan Period to meet the needs of older people.
- 8.9 A range of data has been considered to estimate the number of people with disabilities and overall it is estimated that 23.3% of residents have an illness/disability and this is expected to increase to 25.7% by 2036.
- 8.10 Given the ageing population in Wyre Forest and the identified levels of disability amongst the population, it is recommended that a policy to provide new homes built to accessibility standards is included in the Local Plan. It is recommended (subject to financial viability testing) that a minimum of 1% of new dwellings should be built to M4(3) dwelling standard (wheelchair use dwellings) and 20% of new dwellings should be built to M4(2) dwelling standard (accessible and adaptable dwellings).

## Final comments

- 8.11 The evidence presented in this Housing Needs Study suggests that there are three main policy areas that require particular attention from both a planning and housing policy perspective:
- the challenge of enabling the quantity and mix of housing that needs to be delivered;
  - the challenge of ensuring that the housing and support needs of older people are met going forward; and
  - ensuring that new development takes account of the particular needs across housing market sub-areas within Wyre Forest.



## Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Policy review
- Technical Appendix C: Housing need
- Technical Appendix D: Agent review

## Technical Appendix A: Research methodology

### Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Housing Needs Assessment for the Wyre Forest Council:
- A review of relevant secondary data including the 2011 Census, house price trends, population and household projections, CORE lettings data and DHCLG Statistics;
  - Interviews with estate and letting agents operating within the District.

### Estate and letting agent review

- A.2 Interviews were undertaken with estate and letting agents who operate in Wyre Forest District and the surrounding area. Their views were sought on the local housing market and related issues, and an analysis of the findings is reported at Appendix D.

## Technical Appendix B: Policy review

- B.1 The purpose of this Appendix is to set out the national policy agenda of relevance to this Housing Needs Assessment.

### Introduction

- B.2 Under the Conservative and Liberal Democrat Coalition Government, the period 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy. This was set within the context of national austerity and an economic policy of deficit reduction and public spending cuts following a period of recession and financial turbulence. The reforms championed localism, decentralisation and economic growth.
- B.3 This agenda continued to be pursued under the leadership of David Cameron following the election of a majority Conservative Government in May 2015. Further welfare reforms were accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The Housing and Planning Act 2016 was intended to provide the legislative basis for a number of Conservative Manifesto commitments, including the flagship Starter Homes scheme. The Act also made provisions for other aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.4 The European Union Referendum of June 2016 resulted in significant changes in the political climate at a number of levels. Changes in Government leadership – with the appointment of Theresa May as Prime Minister – quickly led to discussions regarding the direction of housing and planning policy. Alongside significant delays (and in some cases abandonment) in the implementation of secondary legislation relating to aspects of the Housing and Planning Act 2016; conference speeches, ministerial statements and the Housing White Paper (February 2017) indicated a change in attitude towards housing policy. The 2016-17 Administration signalled a broader ‘multi-tenure’ housing strategy, including support for a range of tenures in addition to home ownership. The Neighbourhood Planning Act 2017 was passed with the intention of strengthening neighbourhood planning by ensuring that decision-makers take account of well-advanced neighbourhood development plans and giving these plans full legal weight at an earlier stage.
- B.5 The snap General Election of June 2017 created a new wave of political change and uncertainty, although the overall Government leadership remains under Conservative control and ministers are keen to keep housing as a key domestic policy priority.

### 2010-2015 (Coalition Government)

- B.6 Following the Coalition Agreement of May 2010, the Localism Act 2011 was passed with the express intention of devolving power from central Government towards local people. The Localism Act set out a series of measures to seek a substantial and lasting shift of powers including:

- new freedoms and flexibilities for local government, including directly elected mayors and empowering cities and other local areas;
  - new rights and powers for communities and individuals;
  - reform to make the planning system more democratic and more effective, including the abolition of regional spatial strategies (RSS), the introduction of the 'Duty to Cooperate', neighbourhood planning, Community 'Right to Build', reforming the community infrastructure levy and reforming the Local Plan process; and
  - reform to ensure that decisions about housing are taken locally.
- B.7 In terms of housing reform, the Localism Act enabled more decisions about housing to be made at the local level. Local authorities were granted greater freedom to set their own policies about who can qualify to go on the waiting list in their area. In addition, the Act allowed for more flexible tenure arrangements for people entering social housing, with social landlords able to grant tenancies for a fixed length of term rather than lifetime tenancies for all. In respect to homelessness, the Act allowed local authorities to meet their homelessness duty by providing private rented accommodation, rather than in temporary accommodation until long-term social housing becomes available. The Act also reformed social housing funding, allowing local councils to keep the rent they collect and use it locally to maintain their housing stock.
- B.8 The **National Housing Strategy for England, *Laying the Foundations: A Housing Strategy for England***, was published in November 2011 under the Coalition Administration and it currently remains in place. The Strategy acknowledged some of the problems within the housing market and set out the policy response. The measures set out promote home ownership, including a new-build mortgage indemnity scheme (providing up to 95% loan-to-value mortgages guaranteed by Government) and a 'FirstBuy' 20% equity loan scheme for first-time buyers.
- B.9 The National Housing Strategy acknowledges the importance of social housing and the need for more affordable housing. However, the document reaffirms the programme of reforming this sector, including *'changes to the way people access social housing, the types of tenancies that are provided and the way the homelessness duty is discharged'*. The private rented sector is considered to play *'an essential role in the housing market, offering flexibility and choice to people and supporting economic growth and access to jobs'*. The document sets out an intention to support the growth of the private rented sector through innovation and investment, to meet continuing demand for rental properties.
- B.10 The National Housing Strategy set out the objectives of preventing homelessness, protecting the most vulnerable and providing for older people's housing needs. However, it also confirmed a radical package of welfare reforms, including a reduction in Housing Benefit, changes to the Local Housing Allowance (Housing Benefit in the private sector) and the introduction of 'Universal Credit' to replace other means-tested working age benefits and tax credits.
- B.11 The first **National Planning Policy Framework (NPPF)** was published in March 2012 but it has now been superseded by the NPPF 2018 (July 2018), as set out below.

- B.12 **National Planning Practice Guidance (PPG)** on a range of specific topics has been made available through an online system since March 2014. PPG topics include Duty to Cooperate, Housing and Economic Development Needs Assessments, Housing and Economic Land Availability Assessment, Housing - Optional Technical Standards, Local Plans, Neighbourhood Planning, Rural Housing and Starter Homes.
- B.13 Revisions to both NPPF and PPG were published for consultation in March 2018. Revised NPPF was published in July 2018, alongside some revisions to PPG, with further revisions anticipated.

### 2015-2016 (Conservative Government under David Cameron)

- B.14 Following the election of a majority Conservative Government in May 2015 under David Cameron, the Government's **Summer Budget 2015** was presented to Parliament by the then-Chancellor George Osborne. The Budget set out widespread reforms to the welfare system, including a four-year freeze on working-age benefits; a reduction in the household benefit cap; restrictions on Child Tax Credit; training requirements for those on Universal Credit aged 18 to 21; the removal of automatic entitlement to Housing Benefit for those on Universal Credit aged 18 to 21; and the removal of the Family Premium element of Housing Benefit for new claims from April 2016. Alongside these welfare cuts, it was announced that rents for social housing will be reduced by 1% per year for four years, while tenants on incomes of over £30,000, or £40,000 in London, will be required to pay market rate (or near market rate) rents. A review of 'lifetime tenancies' was confirmed, with a view to limiting their use to ensure the best use of social housing stock. Support for home ownership measures was reiterated with measures such as the extension of the Right to Buy to housing association tenants and the introduction of Help to Buy ISAs.
- B.15 Alongside the Summer Budget 2015 the Government published a 'Productivity Plan', ***Fixing the foundations: Creating a more prosperous nation*** (10th July 2015). This sets out a 15-point plan that the Government will put into action to boost the UK's productivity growth, centred around two key pillars: encouraging long-term investment and promoting a dynamic economy. Of particular relevance to housing was the topic regarding 'planning freedoms and more houses to buy'. This set out a number of proposals in order to increase the rate of housebuilding and enable more people to own their own home, including a zonal system to give automatic planning permission on suitable brownfield sites; speeding up local plans and land release, stronger compulsory purchase powers and devolution of planning powers to the Mayors of London and Manchester, extending the Right to Buy to housing association tenants, delivering 200,000 Starter Homes and restricting tax relief to landlords.
- B.16 The **Spending Review and Autumn Statement 2015 (November 2015)** continued the policy themes of the Summer Budget. This included:
- Plans to extend the 'Local Housing Allowance' to social landlords so that the Housing Benefit paid to tenants living in housing association properties will be capped at the LHA rate;

- A new 'Help to Buy Shared Ownership' scheme, removing restrictions on who can buy shared ownership properties to anyone with a household income of less than £80,000 outside London and £90,000 in London;
- 'London Help to Buy' – an equity loan scheme giving buyers 40% of the new home value (as opposed to 20% under the Help to Buy scheme);
- 200,000 'Starter Homes' to be built over the following five years;
- From 1st April 2016 an extra 3% in stamp duty to be levied on people purchasing additional properties such as buy-to-let properties or second homes;
- Right to Buy extension to housing association tenants;
- £400 million for housing associations and the private sector to build more than 8,000 new 'specialist' homes for older people and people with disabilities;
- Consulting on reforms to the New Homes Bonus, with a preferred option for savings of at least £800 million which can be used for social care; and
- A commitment to extra funding for targeted homelessness intervention.

B.17 In December 2015, DCLG published a **Consultation on proposed changes to national planning policy**, which was open for consultation until February 2016. This consultation sought views on some specific changes to NPPF in terms of the following:

- broadening the definition of affordable housing, to expand the range of low cost housing opportunities for those aspiring to own their new home;
- increasing residential density around commuter hubs, to make more efficient use of land in suitable locations;
- supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
- supporting the delivery of Starter Homes.

B.18 The March 2018 publication of a Draft Revised NPPF is set out below.

B.19 The 2015-16 Parliament saw several Acts passed with special relevance to housing and planning, implementing some of the policies set out in the preceding Budgets:

- The Cities and Local Government Devolution Act 2016 makes provision for the election of mayors for the areas of combined authorities established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009. It makes provision about local authority governance and functions; to confer power to establish, and to make provision about, sub-national transport bodies; and for connected purposes. This Act is central to the Government's devolution plans for England, facilitating its vision of a 'Northern Powerhouse'.
- The Welfare Reform and Work Act 2016 makes provisions relating to a range of welfare benefits and employment schemes, including the benefit cap, social security and Tax Credits, loans for mortgage interest, social housing rents and apprenticeships. Secondary legislation (Social Housing Rents Regulations, March 2016) sets out that the 1% cut to social housing rents will not apply to households with an income of £60,000 or more.

- The Housing and Planning Act 2016 sets out the legislative framework for the Starter Homes scheme and includes provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.20 The **Budget 2016 (March 2016)** continued the policy emphasis of promoting home ownership and facilitating first-time buyers to enter the market. A new 'Lifetime ISA' was announced, extending the principle of the Help to Buy ISA by incentivising saving for under-40s. Of relevance to the private rented sector were stamp duty increases for institutional investors and the withholding of capital gains reductions from companies investing in residential property. In seeking to deliver more homes for ownership, announcements were made of further planning reforms; releasing public land for development; and a £1.2 billion Starter Homes Fund for brownfield remediation. The anticipated 'duty to prevent' homelessness was not announced, but instead the Chancellor committed £115 million to preventing and reducing rough sleeping.
- B.21 A **Technical consultation on Starter Homes regulations (March 2016)** sought views on the framework to be established in the forthcoming regulations, including the restrictions that should be placed on Starter Homes, how age eligibility criteria should work, what threshold (size of site/development) should apply, what the percentage requirement should be, whether exemptions should apply and whether off-site payments should be acceptable. The consultation document set out that, in terms of the period within which Starter Homes should not be sold at full market value, the DCLG does not support a period of longer than 8 years. The paper proposed that the requirement to provide 20% of dwellings as Starter Homes should apply to sites of 10 dwellings or more (or 0.5 hectares). However, secondary legislation relating to Starter Homes has still not been published.

### Post EU-Referendum (Theresa May Administration)

- B.22 The resignation of David Cameron following the European Union Referendum of June 2016 and subsequent appointment of Theresa May as Prime Minister led to a Cabinet reshuffle and a change in the policy climate within Government. The **Autumn Statement (2016)** brought an important focus onto housing; provisions included:
- £1.4 billion of extra cash to build 40,000 affordable homes, with a relaxation of restrictions on grant funding;
  - £2.3 billion Housing Infrastructure Fund to pave the way for up to 100,000 new homes to be built in areas of high demand;
  - £3.15 billion of the Affordable Homes Programme will be given to London to deliver 90,000 homes;
  - New regional pilots of the Right to Buy extension, allowing more than 3,000 tenants to buy their properties;
  - £1.7 billion to pilot 'accelerated construction' on public sector land;
  - Letting agents in the private rented sector to be banned from charging fees; and
  - Confirmation that compulsory Pay to Stay will not be implemented for councils.

- B.23 The Autumn Statement indicated a clear shift in housing policy, away from an exclusive focus on homeownership and towards boosting overall housing supply. A removal of grant-funding restrictions will allow housing associations to increase the delivery of sub-market rented housing, including affordable rented, shared ownership and rent-to-buy homes.
- B.24 Many of the 'flagship' housing policies of the Cameron Administration have their legislative basis in the provisions of the Housing and Planning Act 2016, but require further secondary legislation. Their implementation has been subject to ongoing delay and seems increasingly unlikely to be carried forward in practice as originally envisaged. These schemes include the Voluntary Right to Buy, the higher asset levy (intended to fund the building of new homes) and Pay to Stay (no longer compulsory for councils).
- B.25 The **Housing White Paper, *Fixing our broken housing market***, was published in February 2017. The White Paper proposed a number of changes to reshape the approach to housebuilding and increase housing supply. These changes centred around the following four areas:
- Planning for the right homes in the right places, by making it simpler for local authorities to put Local Plans in place and keep them up-to-date, ensuring sufficient land is allocated to meet housing needs and building upon neighbourhood planning to ensure communities have control over development in their area. The White Paper aims to make more land available for homes by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing more small and medium sized sites, allowing rural communities to grow and making it easier to build new settlements. It reaffirms that the existing protections for the Green Belt remain unchanged and emphasises that authorities should only make exceptional amendments to Green Belt boundaries.
  - Building homes faster, by increasing certainty around housing numbers, aligning new infrastructure with housing, supporting developers to build more quickly and improving transparency. White Paper proposals include amending the NPPF to give local authorities the opportunity to have their housing land supply agreed on an annual basis and fixed for a one-year period, in order to create more certainty about when an adequate land supply exists. Authorities taking advantage of this would have to provide a 10% larger buffer on their five-year land supply. In addition, the White Paper suggests changing the NPPF to introduce a housing delivery test for local authorities. If delivery falls below specified thresholds extra land would be added onto the five-year land supply as well as further thresholds which would allow the presumption in favour of sustainable development to apply automatically.
  - Diversifying the market, by establishing a new Accelerated Construction Programme, supporting more Build to Rent developments, supporting housing associations to build more housing and boosting innovation. The White Paper proposes ensuring that the public sector plays its part by encouraging more building by councils and reforming the Homes and Communities Agency.



- Helping people through Help to Buy, Right to Buy, the Shared Ownership and Affordable Homes Programme (SOAHP), the new Lifetime ISA, amendments to Starter Homes requirements and the announcement of a new statutory duty on planning to meet the needs of older and disabled people.
- B.26 In April 2017 some of the welfare reform provisions came into effect. This included Universal Credit claimants aged 18-21 no longer being able to claim benefits to support their housing costs unless they fit into at least one of 11 exemption categories. However, the Government also announced that they were cancelling controversial plans to cap benefit for Supported Housing tenants at the LHA rates.
- B.27 During the 2016-17 Parliament there were two Acts that gained Royal Assent that have particular relevance to emerging housing policy:
- The Neighbourhood Planning Act 2017 aims to speed up the delivery of new homes by strengthening neighbourhood planning, limiting the use of pre-commencement planning conditions, use of the planning register and the reform of compulsory purchase. During its passage through Parliament, the Bill was subject to various amendments, including changes to the Local Plan process to allow the Secretary of State to intervene and invite county councils to prepare or revise Local Plans where districts have not delivered and to allow the preparation of joint Local Plans where there are cross-boundary issues between two or more local authorities. This followed the recommendations of the Local Plans Expert Group (LPEG) report of March 2016. Some of the provisions of the Act require secondary legislation. A commencement order introduced in July 2017 under the Act requires post-examination neighbourhood plans to be treated as 'material considerations' in the determination of planning applications.
  - The Homelessness Reduction Act 2017 requires councils to seek to prevent homelessness by starting work with households threatened with homelessness 56 days in advance of the date on which they are expected to become homeless (28 days earlier than under the previous legislation). It also requires the provision of advisory services to specified groups including (but not limited to) people leaving prison, young people leaving care, people leaving armed forces, people leaving hospital, people with a learning disability and people receiving mental health services in the community. The Act sets out that councils must assess and develop a personalised plan during the initial presentation to the service. In addition, they must help prevent an applicant from becoming homeless and take reasonable steps to help those who are eligible for assistance to secure accommodation for at least six months (during a 56 day period before a homeless decision can be made). The Act dissolves the local connections rules apart from a duty to provide care leavers with accommodation (under the Children Act 1989) to the age of 21.
- B.28 Following the snap General Election in June 2017, Theresa May's Conservative Government formed an alliance with the DUP and the Cabinet was subject to another reshuffle.
- B.29 **Planning for homes in the right places** was published for consultation in September 2017, setting out the Government's proposals for a standardised approach to assessing housing need. The overall rationale is that local authorities across England

currently use inconsistent methods to assess housing requirements, leading to long debates over whether local plans include the correct housing targets. The proposed new standardised approach to assessing housing need therefore aims to have all local authorities use the same formula to calculate their housing requirement. The standardised approach would set a minimum figure but local authorities would be able to increase their target from this baseline, for example if they plan for employment growth and want to provide an uplift in housing provision to account for this. The consultation document proposes that the new housing need calculation method would be applied for assessing five-year housing land supply from 31st March 2018 onwards.

B.30 The **Autumn Budget 2017** (November 2017) included a range of provisions focused on housing, although these were welcomed cautiously by some who would have preferred a greater emphasis on affordability. Provisions included:

- A commitment to be providing 300,000 new homes per year by the mid-2020s;
- A total of £15.3 billion of new capital funding, guarantee and loan-based funding;
- £1 billion of extra borrowing capacity for councils in high demand areas to build new affordable homes;
- £1.5 billion of changes to Universal Credit, including scrapping the seven-day waiting period at the beginning of a claim, making a full month's advance available within five days of making a claim and allowing claimants on housing benefit to continue claiming for two weeks;
- £125 million increase over two years in Targeted Affordability Funding for LHA claimants in the private sector who are struggling to pay their rents;
- Stamp duty scrapped on the first £300,000 for first-time buyers (on properties worth up to £500,000);
- New Housing First pilots announced for West Midlands, Manchester and Liverpool;
- Power to councils to charge 100% Council Tax premium on empty properties;
- Five new garden towns; and
- A review to look at land banking, including considering compulsory purchase powers.

B.31 In December 2017 the Government announced new measures to crack down on bad practices, reduce overcrowding and improve standards in the private rented sector. The measures have been introduced under the provisions of the Housing and Planning Act 2016.

B.32 The £5 billion Housing Infrastructure Fund is a Government capital grant programme to help unlock new homes in areas with the greatest housing demand, assisting in reaching the target of building 300,000 homes a year by the mid-2020s. Funding is awarded to local authorities on a highly competitive basis. The fund is divided into 2 streams, a Marginal Viability Fund (available to all single and lower tier local authorities in England to provide a piece of infrastructure funding to get additional sites allocated or existing sites unblocked quickly with bids of up to £10 million) and a

Forward Fund (available to the uppermost tier of local authorities in England for a small number of strategic and high-impact infrastructure projects with bids of up to £250 million). On 1<sup>st</sup> February 2018, the Minister for Housing, Communities and Local Government, Sajid Javid and Chancellor Philip Hammond announced that 133 council-led projects across the country will receive £866 million investment in local housing projects, the first wave of funding from the £5 billion Housing Infrastructure Fund. The finances will support vital infrastructure such as roads, schools and bridges. On 18<sup>th</sup> February 2018, Housing Minister Dominic Raab announced a £45 million cash injection into 79 key community projects across 41 local authorities to councils to combat barriers that would otherwise make land unusable for development. This will support building up to 7,280 homes on council-owned land.

- B.33 In March 2018 the Ministry of Housing, Communities and Local Government (MHCLG) published a **Draft Revised National Planning Policy Framework** (Draft Revised NPPF) for consultation. Alongside this the Government also published **Draft Planning Practice Guidance** (Draft PPG) on the following topics: Viability, Housing Delivery, Local Housing Need Assessment, Neighbourhood Plans, Plan-making and Build to rent.
- B.34 **Draft PPG: Housing Delivery** requires that authorities demonstrate a five-year land supply of specific deliverable sites to meet their housing requirements. The five-year land supply should be reviewed each year in an annual position statement. Areas which have or are producing joint plans will have the option to monitor land supply and the Housing Delivery Test over the joint planning area or on a single-authority basis. Draft PPG sets out that where delivery is under 85% of the identified housing requirement, the buffer will be increased to 20% with immediate effect from the publication of Housing Delivery Test results.
- B.35 **Draft PPG: Local Housing Need Assessment** sets out the expectation that strategic plan-making authorities will follow the standard approach for assessing local housing need, unless there are exceptional circumstances that justify an alternative. This approach is set out in three steps: setting the baseline using household projections; an adjustment to take account of market signals (particularly affordability); and the application of a cap on the level of increase required. The draft guidance states that the need figure generated by the standard method should be considered as the 'minimum starting point' in establishing a need figure for the purposes of plan production.
- B.36 The **Revised National Planning Policy Framework (NPPF)** was published in July 2018. It introduces a housing delivery test for local authorities, which will measure the number of homes created against local housing need. The Revised NPPF 2018 also introduces a new standardised method of calculating housing need; this approach uses the Government's household growth projections and applies an affordability ratio to the figures, comparing local house prices with workplace earnings to produce a need figure. The Government has said that it will consider adjusting the methodology in order to ensure it meets the target of delivering 300,000 new homes per year by the mid-2020s. The presumption in favour of sustainable development includes a requirement that strategic policies should, as a minimum, provide for objectively assessed needs for housing.

- B.37 **The Housing Delivery Test Measurement Rule Book** was also published in July 2018. This sets out the methodology for calculating the Housing Delivery Test (HDL) measurement. The HDL is the annual measurement of housing delivery performance, to commence in November 2018.

## Technical Appendix C: Housing need calculations

### Introduction

- C.1 The purpose of this section is to set out the affordable housing need calculations for the Wyre Forest District using the framework for analysis established in the 2018 PPG.
- C.2 All households whose needs are not met by the market can be considered (to be) in affordable housing need<sup>42</sup>. PPG 2018 then considers how affordable housing need should be calculated:

*‘Strategic policy-makers will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments).’<sup>43</sup>*

- C.3 Housing Register data and data on affordable housing lettings provides an appropriate source of data from which a robust assessment of need can be calculated.
- C.4 Housing needs analysis and affordable housing modelling has been prepared in accordance with PPG guidance at the district, ward and parish level. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
  - Stage 2: Newly-arising need
  - Stage 3: Likely future affordable housing supply
  - Stage 4: Total and annual need for affordable housing
- C.5 Table C1 provides an overall summary of needs analysis and a description of each stage of the model is then discussed in detail in this Appendix. Table C2 provides an indicative minimum affordable need by ward, parish and neighbourhood Planning Area.

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<sup>42</sup> Paragraph: 021 Reference ID: 2a-021-20180913

<sup>43</sup> Paragraph: 022 Reference ID: 2a-021-20180913

Table C1 CLG Needs Assessment Summary for Wyre Forest			
Step	Stage and Step description	Calculation	District Total
<b>Stage 1: CURRENT NEED</b>			
1.1	<b>TOTAL in need and cannot afford open market (buying or renting)</b>	<b>Total</b>	<b>2,727</b>
<b>Stage 2: FUTURE NEED</b>			
2.1	New household formation (Gross per year)	Based on 1.55% national household formation rate	<b>707</b>
2.2	Number of new households requiring affordable housing	% based on actual affordability of households forming	<b>77.6%</b>
2.2	Number of new households requiring affordable housing	Number cannot afford	<b>559</b>
2.3	Existing households falling into need	Annual requirement	<b>Captured in 1.1</b>
2.4	<b>TOTAL newly-arising housing need (gross each year)</b>	<b>2.2 + 2.3</b>	<b>549</b>
<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>			
3.1	Affordable dwellings occupied by households in need		<b>798</b>
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	<b>0</b>
3.3	Committed supply of new affordable units	Annual	<b>1,020</b>
3.4	Units to be taken out of management	None assumed	<b>0</b>
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	<b>1,818</b>
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	<b>560</b>
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	<b>12</b>
3.8	<b>Annual supply of affordable housing</b>	<b>3.6+3.7</b>	<b>572</b>
<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>			
4.1	Total backlog need	1.1-3.5	<b>909</b>
4.2	Quota to reduce over Plan Period (5%)		<b>20%</b>
4.3	Annual backlog reduction	Annual requirement	<b>182</b>
4.4	Newly-arising need	2.4	<b>549</b>
4.5	Total annual affordable need	4.3+4.4	<b>730</b>
4.6	Annual affordable capacity	3.8	<b>572</b>
4.7	<b>NET ANNUAL SHORTFALL (4.5-4.6)</b>	<b>NET</b>	<b>158</b>

Source: Council Data, RP Core Lettings and Sales data.

**Table C2 Indicative annual minimum affordable housing need by ward, parish, town and neighbourhood Planning Area**

<b>Ward</b>	<b>Annual minimum need</b>	<b>Parish</b>	<b>Annual minimum need</b>
Aggborough & Spennells	13	Broome	1
Areley Kings & Riverside	15	Chaddesley Corbett	3
Bewdley & Rock	16	Churchill and Blakedown	3
Blakebrook & Habberley South	16	Kidderminster Foreign	2
Broadwaters	13	Rushock	1
Foley Park & Hoobrook	16	Stone	1
Franche & Habberley North	14	Upper Arley	1
Lickhill	3	Wolverley and Cookley	2
Mitton	17	Other	1
Offmore & Comberton	15	<b>Towns</b>	
Wribbenhall & Arley	10	Bewdley	21
Wyre Forest Rural	10	Stourport on Severn	35
		Kidderminster	88
<b>WYRE FOREST TOTAL</b>	<b>158</b>	<b>WYRE FOREST TOTAL</b>	<b>158</b>

<b>Neighbourhood Planning Area</b>	<b>Annual minimum need</b>
Chaddesley Corbett	3
Churchill and Blakedown	3
Crookley and Causnall	2
Upper Arley	1

Source: Housing Register Data, RP Core Lettings and Sales data

## Stage 1: Current households in affordable housing need

- C.6 PPG 2018 suggests<sup>44</sup> how current unmet gross need for affordable housing should be calculated with reference to past trends and recording current estimates of:
- the number of homeless households;
  - the number of those in priority need who are currently housed in temporary accommodation;
  - the number of households in over-crowded housing;
  - the number of concealed households;
  - the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);
  - the number of households from other tenures in need and those that cannot afford their own homes, either to rent or to own if that is their aspiration.
- C.7 PPG 2018 notes that care should be taken to avoid double-counting and to only include those households who cannot afford to access suitable housing in the market.
- C.8 Using the latest (July 2018) Council housing register data, an up to date position on the number of households in overall need can be established.

## Homelessness

- C.9 Table C3 considers trends in decisions and acceptances of homeless households and indicates that an annual average of 144 households have been accepted as homeless.

Table C3 Homeless decisions and acceptances 2010/11 to 2016/17		
Year	Decisions made	Accepted as homeless
2010/11	252	96
2011/12	226	141
2012/13	245	151
2013/14	236	134
2014/15	289	141
2015/16	262	168
2016/17	233	169
2017/18	207	150
Total	1950	1150
<b>Annual Average</b>	<b>244</b>	<b>144</b>

Source: MHCLG Homelessness Statistics

<sup>44</sup> Paragraph: 023 Reference ID: 2a-021-20180913



## Overcrowding and concealed households

- C.10 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.
- C.11 The model takes account of households in need due to overcrowding.

## Total current housing need summary

- C.12 Analysis indicates a total of 2,727 households who are in housing need which represents 6.2% of all households (arc4 would expect between 5 and 10% of households in need based on our other studies). As accurate household income data is not available from housing register data, it is assumed that all households on the register are in need of affordable housing as the allocation policy restricts access to the housing register for those on a higher income. The relative affordability of alternative tenure options has been tested using CAMEO household income.

## Stage 2: Newly-arising affordable need

- C.13 The 2018 PPG considers how the number of newly-arising households likely to need affordable housing: *'Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current cost in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.'*<sup>45</sup>

## New household formation (gross per year)

- C.14 The national household formation rate reported in the English Housing Survey is currently 1.55% based on the latest three-year average national rate reported in the English Housing Survey over the period 2013/14 to 2015/16. Applying the gross

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<sup>45</sup> Paragraph: 024 Reference ID: 2a-021-20180913

national household formation rate, to household estimates, this establishes an annual household formation of 707.

- C.15 Accurate income data is not available from the housing register; therefore, we have tested the extent to which newly-forming households could afford lower quartile open market prices by utilising CAMEO income data (2018). Based on this data, modelling assumes 77.6% of newly-forming households require affordable housing (549).

### Existing households expected to fall into need

- C.16 The housing register will contain households who have fallen into need however it is difficult to isolate this figure from the data available, therefore, we expect that this is already captured in step 1.1.

### Total newly arising housing need (gross per year)

- C.17 Total newly arising need is calculated to be 549 households each year across the borough.

## Stage 3: Affordable housing supply

- C.18 The 2018 PPG states how the current stock of affordable housing supply should be calculated:
- *the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;*
  - *suitable surplus stock (vacant properties); and*
  - *the committed supply of new net affordable homes at the point of the assessment (number and size).<sup>46</sup>*
- C.19 The Ministry of Housing, Communities and Local Government (MHCLG) model reviews the supply of affordable units, taking into account how many households in need are already in affordable accommodation, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

### Step 3.1 Affordable dwellings occupied by households in need

- C.20 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.

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<sup>46</sup> Paragraph: 025 Reference ID: 2a-021-20180913

- C.21 A total of 798 households are current occupiers of affordable housing in need. Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the model assumes that these households will move in the next 5 years to address their housing need.

### Step 3.2 Surplus stock

- C.22 A proportion of vacant properties are needed to allow households to move within housing stock. Across the social rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus social rented stock across the district.

### Step 3.3 Committed supply of new affordable units

- C.23 Over the past five years period 2013/14 to 2017/18, a total of 345 affordable dwellings were built. Latest information from the Council indicates that there are **519** affordable dwellings which are due to be built 2018/19 onwards. However, the model assumes that over the plan period an annual average of around 69 dwellings will be built which is in line with recent trends. This equates to around 1,020 dwellings over the plan period.

### Step 3.4 Units to be taken out of management

- C.24 The model assumes there will be no social rented units taken out of management over the next five years.

### Step 3.5 Total affordable housing stock available

- C.25 It is assumed that there are 1,818 social (affordable) rented dwellings available arising from households moving within the stock and affordable newbuild.

### Step 3.6 Annual supply of social re-lets

- C.26 Over the period 2014/15 to 2016/17, there has been an annual average of around 560 affordable dwellings let.

### Step 3.7 Annual supply of intermediate re-lets/sales

- C.27 MHCLG affordable housing supply data indicates a total of 24 intermediate tenure dwellings have been built across the borough over the two years 2015/16 and 2016/17, resulting in an annual average of 12 being built.

### Summary of Stage 3

- C.28 Overall, the model assumes a stock of 1,818 affordable dwellings coming available from either existing households moving or newbuild. In addition, the model assumes there is an annual affordable supply through general lettings of 560 dwellings and the sale of 12 intermediate tenure dwellings.

## Stage 4: Estimate of annual housing need

### Overview

- C.29 Analysis has carefully considered how housing need is arising within the borough by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- C.30 This has been reconciled with the overall supply of affordable dwellings. Based on the affordable needs framework model, analysis suggests that **there is an overall annual net imbalance of 158 dwellings each year**.
- C.31 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

### Step 4.1 Total backlog need

- C.32 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.1 minus total affordable housing stock available (Step 3.5). The total backlog need is 908.

### Steps 4.2 to 4.6

- C.33 Step 4.2 is a quota to reduce the total backlog need which is assumed to be 20% (this was the standard modelling assumption in former CLG guidance).
- C.34 Step 4.3 is the annual backlog reduction based on Step 4.2 (182 each year).
- C.35 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (549 each year).
- C.36 Step 4.5 is the total annual affordable need based on Steps 4.3 and 4.4 (730 each year) (*this is also the gross need*).
- C.37 Step 4.6 is the annual social/affordable rented and intermediate tenure capacity based on Step 3.8 (572 each year).

## Total gross and net imbalance

- C.38 The overall gross imbalance across Wyre Forest is 730 affordable dwellings each year. After taking into account supply of affordable accommodation, the net imbalance is 158 each year.

## Comparison with previous OAHN report

- C.39 Table C4 compares the findings of the affordable housing needs analysis from the 2017 OAHN report and the 2018 Housing Needs Study. The main difference is that the 2018 HNS takes account of future affordable supply in its calculations. It should also be noted that the 2018 HNS analysis takes account of updated Planning Practice Guidance on assessing affordable need.

**Table C4 Comparison between 2017 and 2018 affordable housing need assessment**

	2018 HNS report	2017 OAHN report	Comment
Total backlog need	909	534	Higher backlog reported
Quota to reduce	20%	6.25%	2017 OAHN aligned need to plan period; 2018 HNS assumes need to be met over 5 years
Annual backlog reduction	182	33	Marked difference in annual backlog reduction due to quota assumptions
Newly-arising need	559	481	Higher figure based on higher household numbers
Total affordable need	730	514	Increase due to higher backlog need and newly-arising need
Affordable capacity	572	285	2018 includes supported lets
Net Annual Imbalance	158	229	Reduction in imbalance as 2018 figure take account of wider range of lettings coming available to help address need

## Technical Appendix D: Agent review

### Key findings

D.1 Interviews and observations revealed that:

- whilst Kidderminster, Stourport and Bewdley are closely connected and are regarded as the urban area of the District they are quite different in character;
- the boundary of the local housing market is not an exact fit due to the district boundary however this is not significant due to the rural nature of the boundary which is difficult to define;
- supply from re-sale and re-let market housing is constrained because of uncertainty arising from the Brexit process;
- markets are also constrained as currently there is little new build housing;
- whilst all towns are highly self-contained a proportion of higher priced housing would sell to incomers, particularly from Birmingham and the West Midlands;
- it is unlikely that current levels of investment in the private rented sector will keep up with demand.

### Introduction

D.2 The following information has been obtained from interviews with 8 estate and letting agents and from our observations when visiting the District. We have reported agent views and perceptions as stated by them. Our aim was to get a better understanding of housing market dynamics and the geography of sub markets. The following narrative is based upon the 3 main towns and the rural hinterland.

### Bewdley

- D.3 Bewdley is a picturesque small town with its character drawing from its Georgian architecture and its river crossing. It is a popular visitor destination which helps it to sustain its local economy.
- D.4 Agents told us that prices tend to be higher than in Stourport and Kidderminster. They told us that it was rare that first time buyers could purchase housing locally. A clear pattern exists in that younger people would leave the area when forming their households and seek to return later in life. Once established they tended to stay.
- D.5 Retirement living was a feature of the local market and our attention was drawn to several successful age restricted developments. The agent told us that there are purpose built small homes with small gardens, parking and level access to the town centre. Vacancies sold very quickly due to local people being aware of the change in circumstance prior to the house being advertised for sale.

- D.6 An explanation was given as to why some fine buildings appeared to be in disrepair. We were told that one was likely to be acquired and subdivided into apartments for sale.
- D.7 Agents told us that there was little interest from residential landlord investors as purchase prices were too high to enable an acceptable return on investment. However, we were told that some probate beneficiaries would choose to rent rather than sell especially if the dwelling had been the home of a close family member.
- D.8 We were told that there is currently little interest in converting dwellings to tourist accommodation whether self-catering or B&Bs. An agent told us that this may change with the development of the safari park to the west.
- D.9 We were told that there was strong interest from incomers especially from Birmingham and the West Midlands, many of whom had visited the town as tourists.

### Stourport

- D.10 This town grew significantly with the establishment of the canal network. It became a transport hub between the Birmingham and West Midlands canal and the River Severn. In consequence many warehouses were built. The canal basin is a busy marina today and there has been some newbuild development. It is a popular visitor destination catering for many families seeking holidays in discreetly located caravan holiday homes.
- D.11 Agents told us that supply of 3-bedroom detached and semi-detached housing at a £200,000 price point and smaller 4-bedroom homes at a £250,000 price point has become very limited. This is because a large proportion of the local supply was built in the 1960s and 1970s and many are still occupied by now elderly people and are not used as family homes. As a consequence, prices were rising. Agents agreed that new build could have a beneficial effect if it enabled older people to downsize, growing households to upsize, and first-time buyers to enter the market.
- D.12 With prices rising an increasing number of households were seeking valuations but not entering the market. This is due to lack of supply and the uncertainty caused by Brexit.
- D.13 We were told that a recent development of town houses near to the marina had this effect which was unintended. Family town houses were built but were occupied by older people. Families considered that the waterfront represented a safety risk to young children.
- D.14 Agents told us that the market mostly consisted of Stourport and Kidderminster residents trading up or down. Agents considered that the town enabled easy commuting to Worcester using local roads and other destinations via the M5. Around 15% of sales would be to incomers in a typical year. These were mostly from Birmingham and the West Midlands. Many were attracted to the area having visited as tourists. We were told that some Birmingham residents would regard Stourport and Bewdley as their seaside.
- D.15 Regarding residential lettings, we were told that there is a local gap of 2-bedroom homes, typically sought after by newly forming households whether younger people or established households separating. Historically local investors had built up portfolios

of 3-bedroom homes. As a consequence, 2-bedroom homes are the subject of many expressions of interest and let very quickly. The agent told us that some landlords will agree to let to households in receipt of benefits, but others are prevented from doing so due to mortgage conditions.

- D.16 Agents believed that growth in supply due to new investment would not keep up with demand. We were told that some client landlords were selling up, others could not make an acceptable return on new investment due to rising prices and tenants were tending to stay put rather than move around the sector. The reasons for selling up or not growing a portfolio were cited as retirement, stamp duty on purchases and changes to the taxation rules for landlords.

### Kidderminster

- D.17 Until the 1960s, carpet manufacturing was the major employer in this large industrial town. The industry has left a legacy of large factory buildings and small terraced housing, typical of all post manufacturing towns. Due to supply factors, prices and rents are weaker than Stourport and Bewdley.
- D.18 Like at Stourport, we came across little current new build however, we observed that a scheme had recently completed near to the leisure centre. Agents told us that the 2-bedroom homes on the scheme had sold quickly however the new build asking prices were a little more than many local first-time buyers could afford.
- D.19 Agents were of the view that the gap in supply was for affordable housing and shared ownership as local re-sale prices were such that many two income households could afford to become owners of terraced re-sale housing if they chose to and could find a deposit. According to Rightmove around one quarter of all homes offered for sale were terraced housing and the lower quartile asking price was around £120,000. None of these homes listed for sale had been on the market for more than a few months. These asking prices were close to land registry lower quartile selling prices for 2017 indicating no upward pressure on prices.
- D.20 Some ex local authority apartments in a high-rise block had very low asking prices (c£35,000). Some had had their asking prices reduced and others had been on the market for some time. The agent explained that this was because of high levels of service charges. Letting agents told us that they would rent easily.
- D.21 We were told that the town's housing market was highly self-contained with relatively few transactions being made by incomers. Agents told us that they were optimistic that the town's housing market would pick up. There were many factors in its favour including good road and rail communications. There was plenty of scope for new build housing which would help to revive a retail and service sector that was clearly in distress. Agents thought that this may not happen until there was an adjustment post Brexit and a more certain environment for investors.
- D.22 A specialist letting agent told us that the weak local economy and current uncertainties were leading to a disproportionate increase in demand for private rented housing. The agent described overwhelming demand for 2-bedroom homes. Apartments would let for £475pcm and houses for £525pcm. A significant aspect of the demand was continuing arrivals from eastern Europeans (Bulgarians and



Romanians) employed in the farming industry. We were told that there was little demand for shared housing of any type.

- D.23 We were told that local agents were reluctant to take on benefit claimants, although ultimately it was the landlord's not the agent's decision. He thought that landlords were exposed to avoidable risk as the benefit system was misaligned i.e. weekly benefit payments against calendar monthly rents, withdrawal of direct payments.
- D.24 We asked the specialist agent to consider if local landlords could keep up with rising demand on top of current high levels of demand. He thought not. He also thought it unlikely that institutional investors could be attracted to the town. He thought it perverse that government policy was leading to landlords disinvesting or leaving the industry whereas what was needed is a policy environment that encouraged investors.

### The rural hinterland

- D.25 Here we are describing the large rural area to the north east and west of the above towns. The area to the south is part of Malvern Hills District and Wychavon District. This area is agricultural and rural in nature. From an agent perspective the local housing market area boundary is fuzzy as there is an overlap with the local rural housing markets of Droitwich and Worcester.
- D.26 We visited all of the settlements noted on the Council's core strategy key diagram. Upper Arley clearly was a minor visitor destination. Others could be classed as either hamlets or villages with minor local services, connected in many cases by minor roads.
- D.27 We asked agents to describe the customer for current vacancies. According to Rightmove, these were typically detached 3 to 5-bedroom homes, many with large gardens (not small-holdings or equestrian). They were typically priced between £400,000 and £500,000. We were told that these were either aspiring local households or more wealthy households from Birmingham and the West Midlands. They were mostly economically active rather than retirees, seeking a clear separation between work and domestic life. These asking prices are close to land registry median prices from 2017.
- D.28 Agents told us that people tended to stay long term, even into old age as they could afford to self-fund home adaptations and transport into town. In some cases, annexes had been built to enable extended families to live together to provide care and support.
- D.29 We noted that there were 'demolish and rebuild' or 'improve and extend' projects underway in some villages. Agents told us that building plots were highly sought after but 'garden grabs' were against local planning policy.

### The spare room market

- D.30 Renting rooms is an option to taking tenancies of self-contained housing which is attractive to some, especially young people. We investigated this via the [www.SpareRoom.co.uk](http://www.SpareRoom.co.uk) portal. Other similar portals carried the same vacancies, so we have based our analysis on this portal only as it is one of the larger ones.

- D.31 Individuals letting spare rooms in their home attracts a tax break to landlords. We have observed a growing market in recent years; some will be self-contained, others will share facilities. Options are short and longer term lettings, week day lettings, whole house shares etc.
- D.32 There were only 36 vacancies advertised as at July 2018, most in Kidderminster. Most of these were located close to the railway station and were seeking young professionals, skilled workers or contractors.