



Strategic Housing Market Assessment Part 2 – Objectively Assessed Need for Affordable Housing

HDH Planning and Development Ltd
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Strategic Housing Market Assessment – Part 2

The SHMA seeks to produce a breakdown of future housing need as required by the National Planning Policy Framework (NPPF) and follows the methodology in the Planning Practice Guidance (PPG). This includes the tenure and size, for all housing and a separate assessment of the need for affordable housing.

- It examines the socio-economic context, including the current age profile of the population, ethnicity, household composition, occupation structure, unemployment and incomes. Detail of current housing stock is presented.
- It looks at the cost and affordability of each type (tenure) of housing (housing costs relative to household incomes) in each local authority's area.
- It disaggregates the Objectively Assessed Need (OAN) for housing by size and tenure using the LTBHM model. This compares the current housing stock with the housing required by the future population to show the change that is required, including how much new housing of each size and tenure should be planned for.
- The need for affordable housing is calculated separately, as required by the PPG. Each authority is required to consider whether a housing target that is over and above the OAN could help to meet the need for affordable housing (bearing in mind this and wider information – such as viability). Based on the SHMA (but not the wider evidence such as viability) it is suggested that an uplift may be appropriate in South Staffordshire and in Dudley.
- Subject to consideration of deliverability (viability), the Black Country authorities should aim for 28.6% of new housing to be affordable housing (23.3% if Starter Homes are excluded) and South Staffordshire should aim for 28.5% of new housing to be affordable housing (21.6% if Starter Homes are excluded).

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1. Introduction

Purpose

- 1.1 This report follows from the Part 1 Study (Peter Brett Associates, February 2017) for Dudley, Sandwell, South Staffordshire, Walsall and Wolverhampton. Previous work¹ on the housing markets in the region identified the Black Country sub-market area as incorporating the aforementioned council areas and the Part 1 Study calculated the Objectively Assessed Need for housing (the OAN) across this sub-market area using the latest demographic and housing market data. This report forms Part 2 of the Strategic Housing Market Report. It is a Strategic Housing Market Assessment (SHMA) that focuses, principally, on the calculation of the level of affordable housing need (referred to as Affordable Need in this report) and the size and tenure of all dwellings required within the overall OAN calculated in Part 1 of the SHMA. The Housing Market Area (HMA) for this SHMA is the Black Country sub-market area outlined above.

Government Guidance

- 1.2 This report forms a component of a SHMA, alongside the Part 1 Study. National Planning Policy is set out in the National Planning Policy Framework (NPPF). Paragraph 159 of the NPPF (March 2012) sets out the role of a SHMA.

Local planning authorities should have a clear understanding of housing requirements in their area. They should:

- *Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:*
 - *meets household and population projections, taking account of migration and demographic change*
 - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and*
 - *caters for housing demand and the scale of housing supply necessary to meet this demand (para 28)*

- 1.3 The NPPF outlines how a SHMA fits into the wider housing policy framework and the Planning Practice Guidance (PPG) sets out how the various elements of a SHMA should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 5). The affordable housing need figure produced is an unconstrained figure set in the current housing market situation. It is not a component of

¹ Peter Brett Associates Greater Birmingham and Solihull LEP Black Country Local Authorities. Strategic Housing Needs Study Stage 3 Report, August 2015

the Objectively Assessed Need, but is entirely independent, calculated using a different approach and different data sources.

- 1.4 The report also includes the Long Term Balancing Housing Markets (LTBHM) model (Chapter 4) which, following the guidance set out in paragraph 021 of the PPG, breaks down the overall Objectively Assessed Need into the component household typology (tenure and size) of housing required.

Report coverage

- 1.5 This report is focused on detailing the future type and tenure of housing needed in the Black Country sub-market area and its constituent authorities. The report will also present results separately for the core Black Country area (the authorities of Dudley, Sandwell, Walsall and Wolverhampton grouped together). This report is therefore limited to:

- Examination of the latest data on the labour market and the resident population and a profile of the housing stock in the HMA and the changes that have occurred to it.
- Analysis of the price of property in the HMA and the affordability of housing for residents.
- Production of an analysis of the entire housing market within the long-term balancing housing markets model (LTBHM).
- Calculation of outputs for the affordable housing needs model in accordance with the PPG approach.
- An analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF and PPG.
- A conclusion summarising the implications of these results.

Stakeholder consultation

- 1.6 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used) stakeholders' views have been sought through the development of this study. A consultation event was held on the 8th September 2016, after which written comments were invited. Details of the stakeholder consultation that has taken place are presented in Appendix A1 to this report.

2. Socio-economic context

Introduction

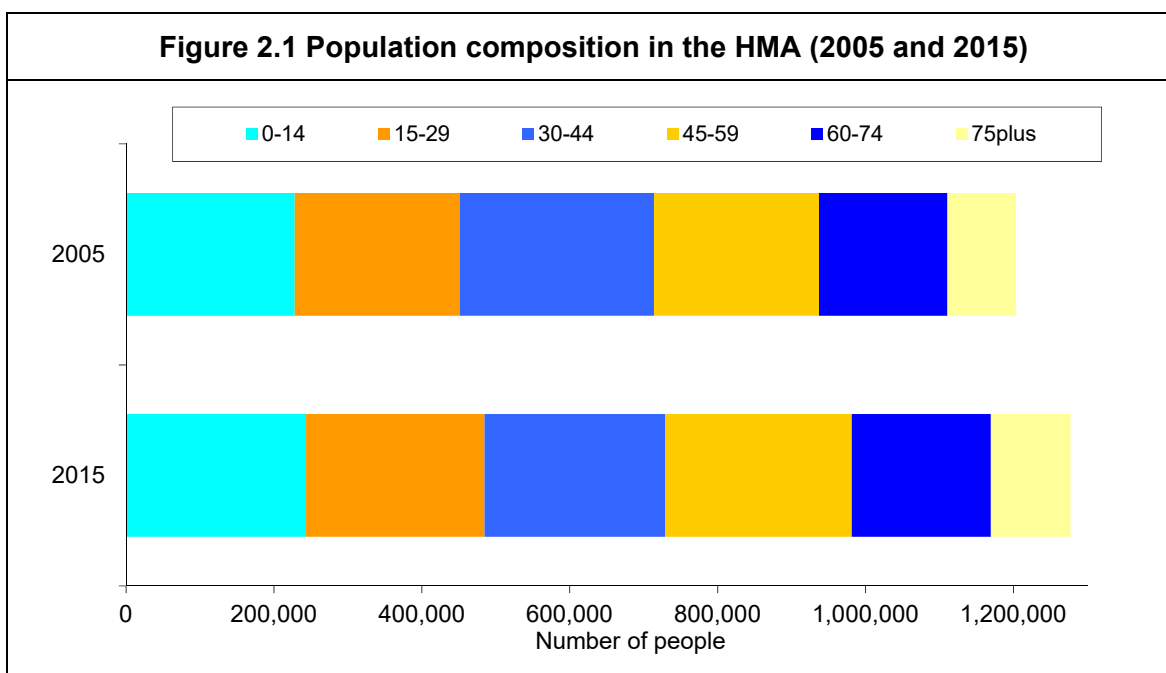
- 2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. This chapter uses the most recently available data to document the current socio-economic profile in the HMA and how it has changed.
- 2.2 Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including the 2011 Census, will be used to provide an overview of the housing stock in the HMA and a comparison to the regional and national situation will be presented where the data is available.

Demography

- 2.3 The 2015-based population estimates produced by the Office of National Statistics show the age profile of the population in the HMA and how it has changed over the last 10 years. Data from the 2011 Census is used to provide further detail on the demographic characteristics of the population in the HMA and how this compares to regional and national trends.

Population

- 2.4 The latest sub-national population estimates indicate that the resident population in the HMA in 2015 was 1,277,200 and that since 2005 the population had increased by 6.1%, around 73,700 people. In comparison, the population of the West Midlands region increased by 8.3% over the same period, whilst the population of England grew by 6.9%. For the individual authorities within the HMA, the population growth between 2005 and 2015 was 3.1% in Dudley, 10.0% in Sandwell, 3.8% in South Staffordshire, 7.1% in Walsall and by 5.3% in Wolverhampton.
- 2.5 The figure below illustrates the age composition of the population in the HMA in 2005 and 2015 according to the latest population estimates. It shows that since 2005 the number of people aged 45 or over has markedly increased. In contrast, the number of people aged between 30 and 44 has decreased. This figure is replicated for the constituent authorities of the HMA within the appendices to this report.

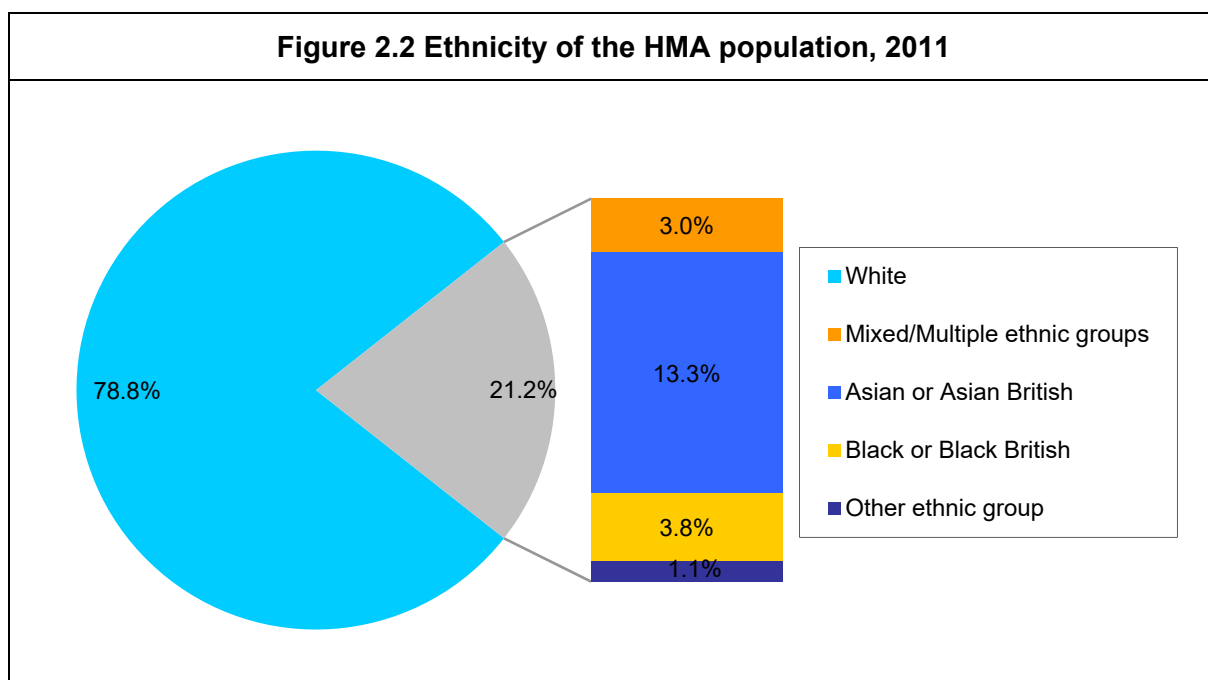


Source: ONS Population estimates, 2016

- 2.6 According to the Census, some 20.5% of the resident population in the HMA have a long-term health problem or disability, compared to 19.0% of residents in the West Midlands region and 17.6% of people across England.

Ethnicity

- 2.7 According to the 2001 Census, the proportion of Black, Asian and Minority Ethnic (BAME) (non-white) groups in the HMA was 14.0%, higher than that recorded for the West Midlands region (11.3%) and the national average (9.1%). The 2011 Census suggests that the BAME population has increased to 21.2% of the total population in the HMA, which is still notably larger than the regional and national figures (17.3% in the West Midlands region and 14.5% in England). In Dudley the BAME population constitutes 10.0% of the total population, 30.1% in Sandwell, 4.1% in South Staffordshire, 21.1% in Walsall and 32.0% in Wolverhampton.
- 2.8 The figure below presents the ethnicity of the population in the HMA in 2011. The 'Asian or Asian British' represents the largest BAME group in the HMA area (comprising 13.3% of total population). It should be noted that the 'White' group includes 'White Irish' (0.5%) 'White Gypsy and Traveller' (0.1%) and 'White Other' (2.0%) as well as 'White British' (76.2%). Figure 2.2 is replicated for the constituent authorities of the HMA within the appendices to this report.



Source: 2011 Census

- 2.9 The Census reveals that just 0.9% of the population of the HMA in 2011 had been resident in the UK for less than two years, compared to 1.3% in the West Midlands region and 1.8% across England. The overwhelming majority of the population of the HMA have resided in the UK for over 5 years (including those born in the UK); 97.6% in the HMA compared to 97.1% in the West Midlands region and 96.0% in England. Within the HMA, Wolverhampton records the highest proportion of the population that were resident in the UK for less than two years in 2011 (at 1.7%) followed by Sandwell (1.5%), Walsall (0.6%), Dudley (0.3%) and South Staffordshire (0.1%).

Number of households

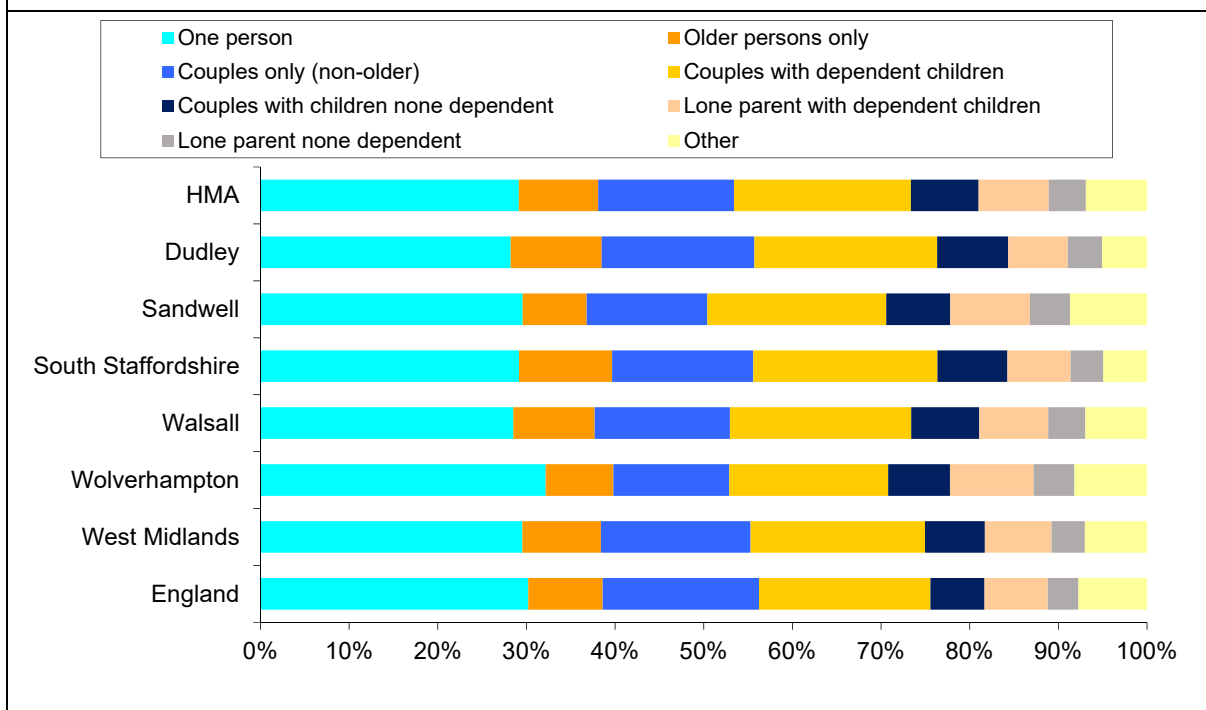
- 2.10 The 2011 Census revealed that the number of households in the HMA has increased by 5.2% since 2001, reaching 505,822 households in total. This compares to the regional average of 6.6% and the national figure of 7.9%. In the HMA the number of households has risen at broadly the same rate as the population in households between 2001 and 2011; this implies that the average size of households has remained the same across the HMA, as is illustrated in the table below. Across both the West Midlands region and nationally the population has increased at a slower rate than the number of households between 2001 and 2011, resulting in a falling average household size. Within the HMA, Dudley and South Staffordshire have recorded the number of households rising at a faster rate than the population between 2001 and 2011, with the reverse true in Sandwell. In Walsall and Wolverhampton population and household growth has been very similar.

Table 2.1 Change in average household size between 2001 and 2011		
<i>Location</i>	<i>Average household size in 2001</i>	<i>Average household size in 2011</i>
The HMA	2.44	2.44
Dudley	2.42	2.39
Sandwell	2.43	2.52
South Staffordshire	2.48	2.39
Walsall	2.48	2.48
Wolverhampton	2.40	2.40
West Midlands region	2.41	2.40
England	2.38	2.36

Source: 2001 & 2011 Census

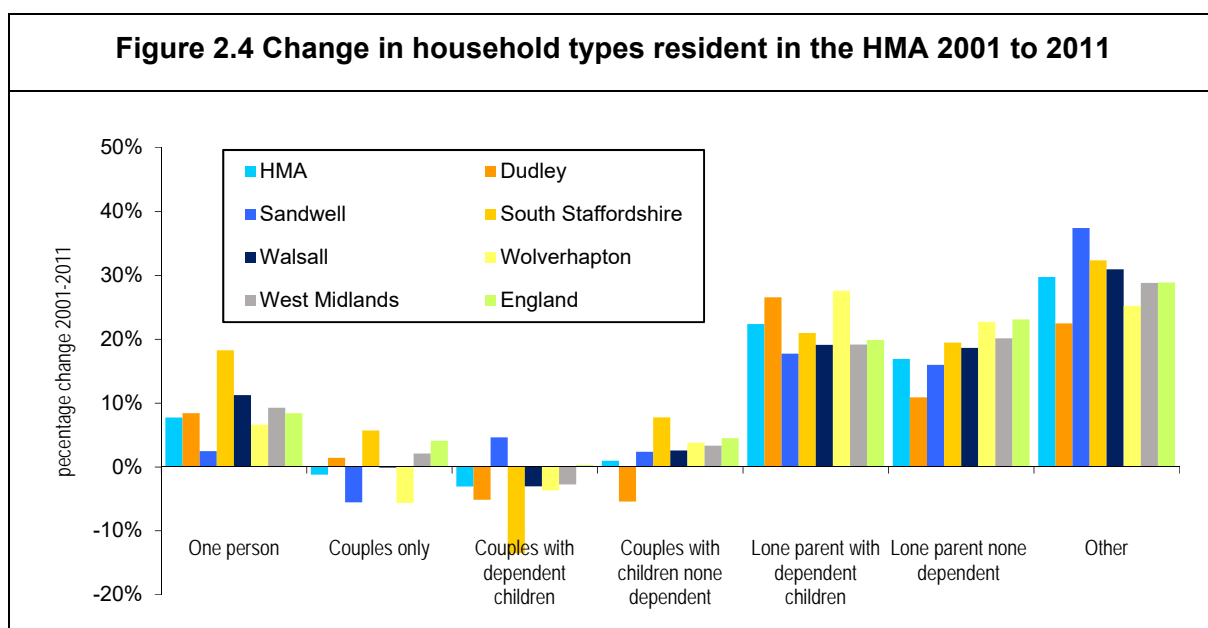
- 2.11 The figure below compares the household composition in the HMA in 2011 with that recorded for the West Midlands region and England. The data indicates that there are more lone parent households and fewer couple households with no children in the HMA than are recorded regionally and nationally. The overall household distribution across the HMA area does not differ notably from the regional and national averages. Wolverhampton records the most distinctive profile, with high levels of single person and lone parent households.

Figure 2.3 Household composition in the HMA, the West Midlands and England, 2011



Source: 2011 Census

- 2.12 The figure below shows the change recorded between the 2001 and 2011 Census for the different household groups in the HMA, the West Midlands and England. The figure shows that 'other' households have increased the most in the HMA (although from a very low base), followed by lone parent households. It is interesting to note that across the HMA households with only non-dependent children have increased, whilst the number of households with dependent children has decreased. This suggests that household formation rates amongst young adults may have reduced. The data indicates that within the HMA, one person households have increased notably in South Staffordshire, whilst Sandwell is the only authority to record an increase in couple households with dependent children.



Source: 2001 & 2011 Census

Economy

- 2.13 Considerable data is available on the economic context in the HMA, which enables a profile of the current local economy to be presented.

Employment in the HMA

- 2.14 NOMIS² data on 'job density' (this is a measure of the number of jobs per person of working age) for 2014 shows that there are 0.68 jobs per working age person in the HMA, compared to 0.78 jobs per working age person across the West Midlands region, and 0.83 for England as a whole.
- 2.15 Measured by the Office for National Statistics (ONS) Business Register and Employment Survey there were 471,500 employee jobs in the HMA in 2014. This is the highest level

² NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk

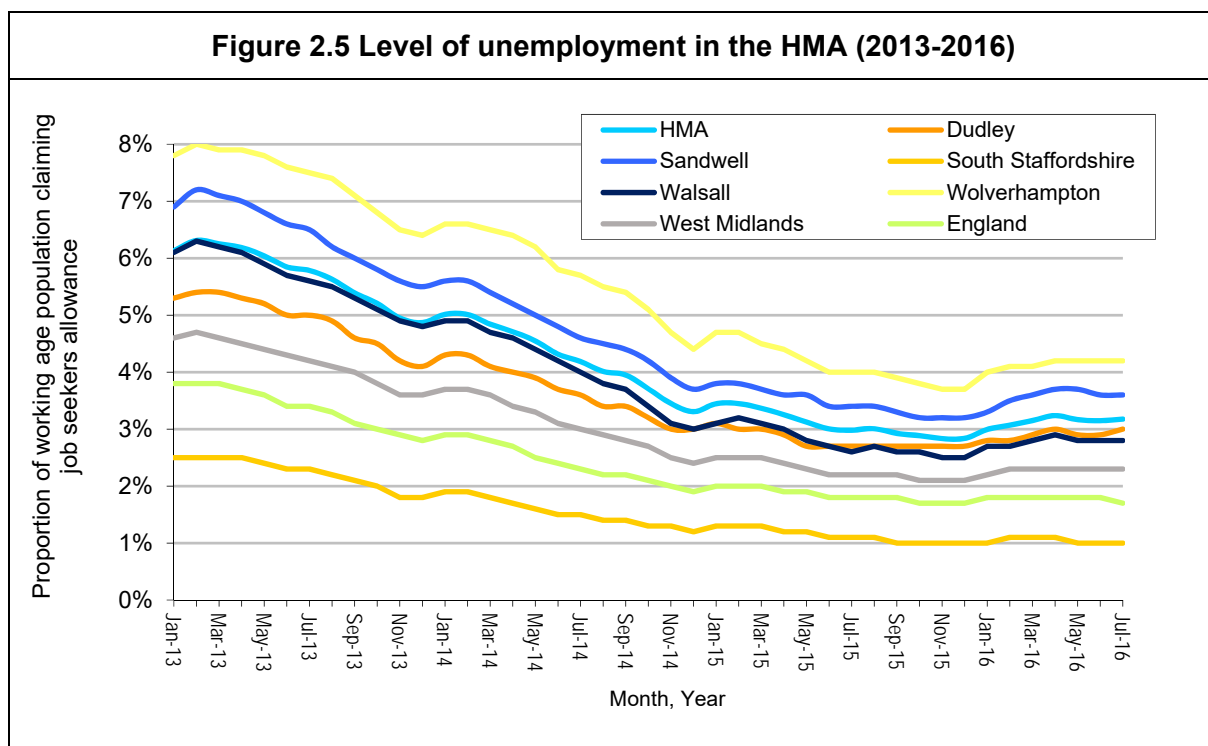
recorded since 2010 and is part of an ongoing increase since 2011. Overall the number of employee jobs in the HMA has increased by 3.1% between 2011 and 2014, which compares to an increase of 4.8% for the region and an increase of 5.1% nationally over the same time period. At the local authority level, Dudley recorded a decrease of 0.9% in employee jobs between 2011 and 2014, compared to an increase of 9.2% in Sandwell, a rise of 5.3% in South Staffordshire, a 5.6% growth in Walsall and a fall of 2.2% in Wolverhampton.

- 2.16 Information from the Annual Civil Service Employment Survey indicates that 1.1% of employee jobs in the HMA in 2015 were in the Civil Service, compared to 1.2% of employee jobs in the West Midlands and 1.5% of employee jobs in England. In Dudley 1.5% of employee jobs were in the Civil Service, which compares to 0.3% of employee jobs in Sandwell, 2.4% in South Staffordshire, 0.8% in Walsall and 1.4% in Wolverhampton. The proportion of employees in the HMA working in the civil service has fallen from 1.4% in 2010 to 1.1% in 2015 and this figure has decreased in each constituent authority over this period.
- 2.17 Data is also available from the ONS about the number of businesses in the area and how this has changed over the last few years (older data is not available as the format of the information collected changed in 2010). This can provide a good indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship.
- 2.18 The ONS indicates that in 2015 there were 34,245 enterprises across the HMA, with 9,160 located in Dudley, 7,680 in Sandwell, 4,060 in South Staffordshire, 6,975 in Walsall and 6,370 in Wolverhampton. A similar proportion of enterprises are micro (with 9 or fewer employees) across the HMA (86.3%), compared with the West Midlands (88.2%) and England (88.8%).

Employment profile of residents in the HMA

- 2.19 Although the overall economic performance of the HMA provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.
- 2.20 The Census provides an overview of the employment situation in the HMA in 2011. It shows that of all residents in work in the HMA (excluding those who are also students), 12.3% are self-employed, with 63.3% full-time employees and 24.4% part-time employees. The level of self-employment is lower than the regional (14.2%) and the national equivalent (15.7%), whilst part-time employment is higher than both the regional and national average (23.4% and 22.1% respectively). South Staffordshire records a particularly high level of self-employment (16.4% of residents in work), whereas self-employment is least common in Sandwell (just 10.6%).

- 2.21 Since the 2001 Census the number of part-time employees in the HMA has increased by 25.1% whilst the number of full-time employees has fallen by 2.4%. The number of self-employed residents in the HMA has increased by 25.4%.
- 2.22 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance (JSA) in the HMA, since January 2013. The figure indicates that the overall HMA unemployment level, whilst fluctuating notably, has been consistently higher than the level for the West Midlands region and the national level. Currently 3.2% of the working age population in the HMA are unemployed, higher than the level recorded nationally (1.7%) and the average for the West Midlands region (2.3%). Generally unemployment has been lowest in South Staffordshire, followed by Dudley and Walsall. In contrast, the level of unemployment has been highest in Wolverhampton followed by Sandwell.



Source: ONS Claimant Count

- 2.23 Over the last twelve months (July 2015 to July 2016) unemployment has increased across the HMA by 6.2% (from 23,510 people claiming JSA to 24,975) and the West Midlands region by 3.7% (from 79,120 people claiming JSA to 82,035), whereas it has fallen in England as a whole by 2.9% (from 616,535 people claiming JSA to 598,865). All authorities within the HMA other than South Staffordshire have also recorded a rise in unemployment over the last year; unemployment has increased by 9.5% in Dudley (from 5,210 people claiming JSA to 5,705), by 5.9% in Sandwell (from 6,755 people claiming JSA to 7,155), by 7.8% in Walsall (from 4,440 people claiming JSA to 4,785) and by 4.2% in Wolverhampton (from 6,375 people claiming JSA to 6,645). In contrast in South

Staffordshire unemployment has fallen by 7.4% over the last twelve months (from 740 people claiming JSA to 685).

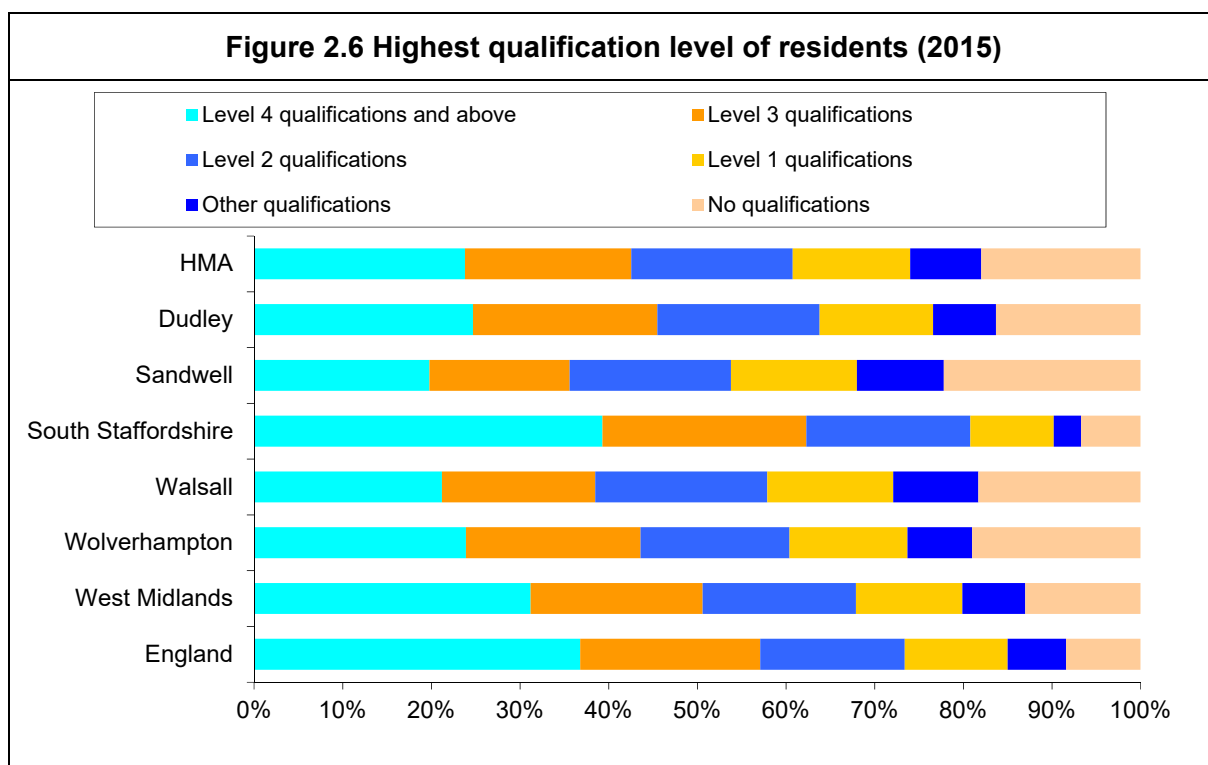
- 2.24 It is worth noting that the HMA has a high proportion of young people unemployed; 5.0% of 18 to 24 year olds in the HMA are unemployed compared to 3.3% at the regional level and 2.7% nationally. South Staffordshire is the only authority within the HMA with a relatively low level of young people unemployed (1.9% compared to 5.2% in Dudley, 5.4% in Sandwell, 4.5% in Walsall and just 5.8% in Wolverhampton).
- 2.25 The Annual Population Survey presents a 'Standard Occupation Classification' which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As the table below illustrates, some 34.0% of employed residents in the HMA work in Groups 1 to 3, notably lower than the figure for both the West Midlands region and the national one. The HMA has a higher proportion of the workforce in occupation Groups 6 to 7 than is found regionally and nationally. Further analysis shows that, since 2010, there has been a considerable increase in the number of people resident in the HMA employed within Groups 4 to 5 and Groups 8 to 9.
- 2.26 South Staffordshire records a higher proportion of employed residents working in Groups 1 to 3 and a lower proportion in Groups 8 to 9 than the regional and national average, whilst the distribution in Dudley and Walsall is very similar to the HMA average. Sandwell and Wolverhampton have a lower proportion of employed residents working in Groups 1 to 3 and a higher proportion working in Groups 8 to 9 than the other authorities within the HMA.

Table 2.2 Occupation structure (2015)					
<i>Occupation Groups</i>	<i>the HMA</i>	<i>West Midlands</i>	<i>England</i>	<i>Change in # of people employed in the HMA since 2010</i>	
Group 1-3: Senior, Professional or Technical	34.0%	40.3%	44.8%	5.5%	
Group 4-5: Administrative, skilled trades	25.2%	22.4%	21.1%	13.4%	
Group 6-7: Personal service, Customer service and Sales	19.0%	16.5%	16.6%	2.5%	
Group 8-9: Machine operatives, Elementary occupations	21.8%	20.3%	17.1%	13.3%	
Total	100.0%	100.0%	100.0%	-	
<i>Occupation Groups</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>
Group 1-3: Senior, Professional or Technical	34.7%	31.3%	48.2%	32.3%	29.8%
Group 4-5: Administrative, skilled trades	27.3%	22.9%	23.5%	25.0%	25.3%
Group 6-7: Personal service, Customer service and Sales	18.6%	19.9%	17.6%	18.4%	18.8%
Group 8-9: Machine operatives, Elementary occupations	18.9%	25.4%	10.6%	23.0%	24.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Annual Population Survey, 2015

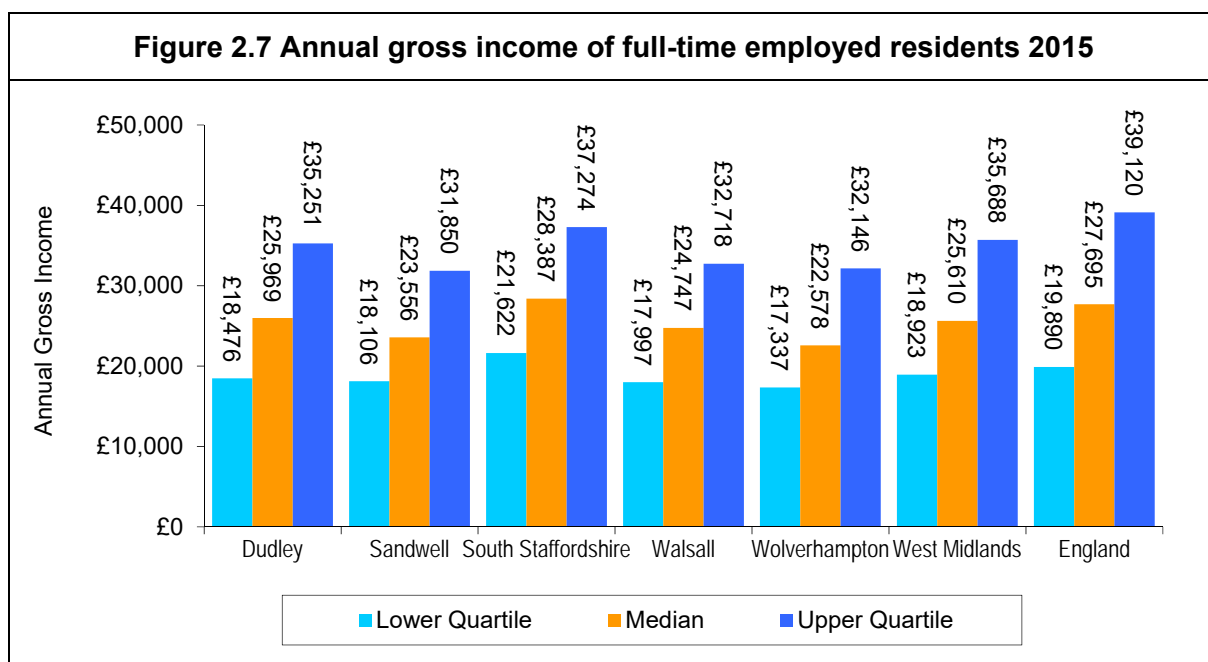
Qualifications

- 2.27 An important factor in the ability of any economy to grow is the level of skill of the workforce. The figure below shows the highest qualification level of the working-age residents of the HMA, compared to the regional and national equivalents as recorded in the Annual Population Survey. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher). The data indicates that almost a quarter (23.8%) of working-age residents in the HMA have level 4 or higher qualifications, lower than the figures for the West Midlands region (31.2%) and England (36.8%). The HMA also has more residents with no qualifications (at 18.0%). It is important to note however that, in the HMA, the proportion of working-age residents without qualifications has reduced notably since 2010. Within the HMA, South Staffordshire has the most qualified population and Sandwell the least qualified.



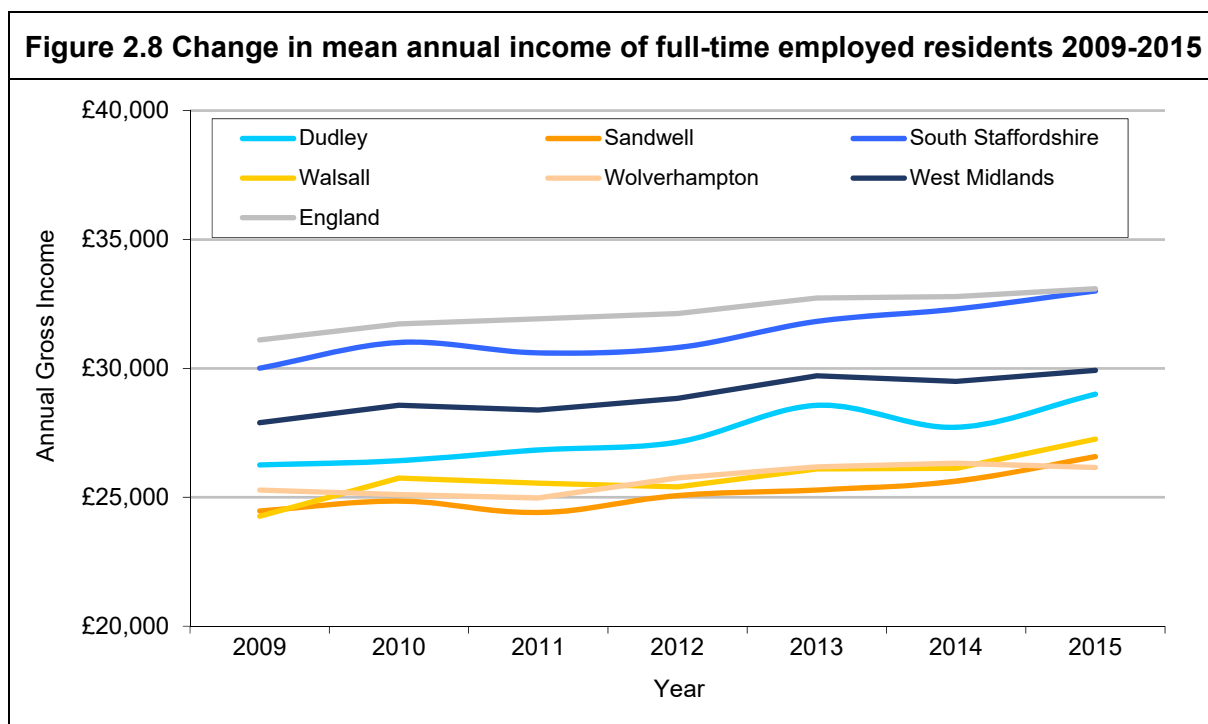
Income

- 2.28 Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned income for full-time employees resident in Dudley in 2015 was £29,000, according to the ONS Annual Survey of Hours and Earnings, whilst the equivalent figure for Sandwell was £26,577, for South Staffordshire it was £33,004, for Walsall it was £27,258 and for Wolverhampton it was £26,156. In comparison, the regional figure was £29,926 and the national average was £33,088. It is important to note that these figures assess individual incomes rather than household incomes.
- 2.29 As the figure below shows, at all points on the distribution, annual gross income in South Staffordshire is notably higher than the equivalent across the region. Dudley records the biggest difference between lower and upper quartile incomes, suggesting a large distinction between high and low earning people in the Borough. In contrast the smallest difference between high and low earning people within the HMA is found in Sandwell.



Source: ONS Annual Survey of Hours and Earnings (2015)

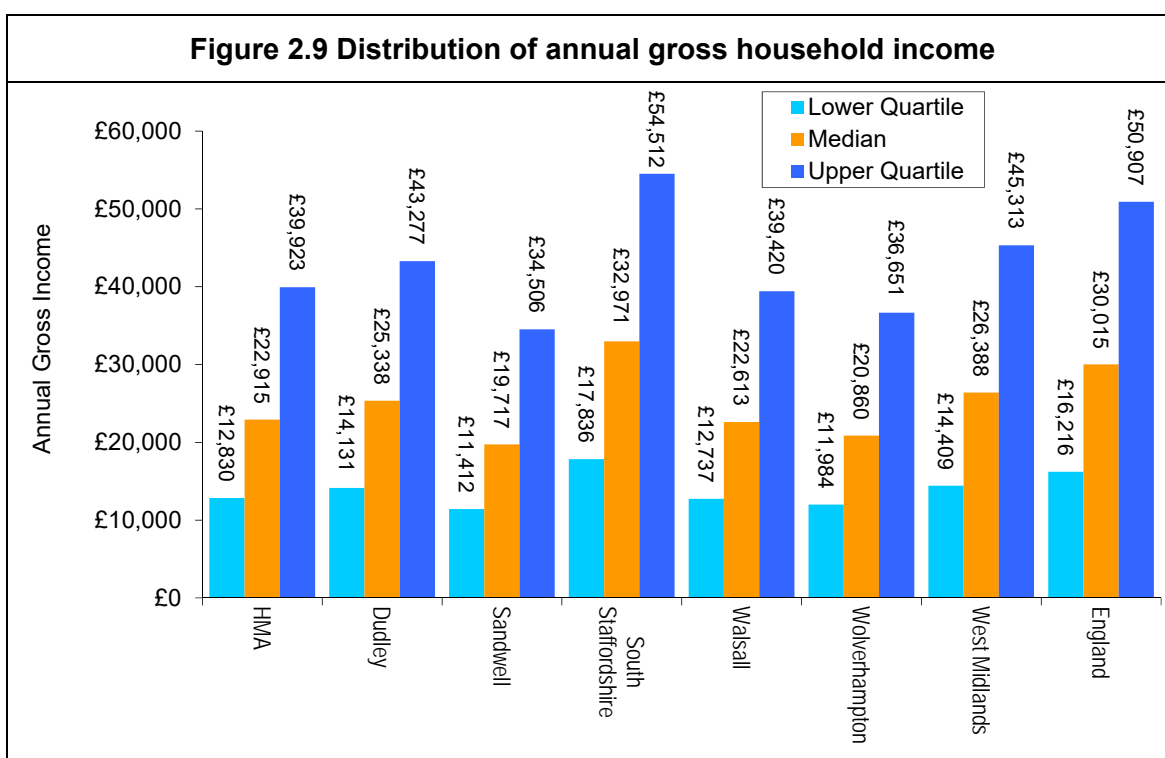
- 2.30 The figure below shows the change in the mean income of full-time employees resident in each authority in the HMA, the West Midlands region and England since 2009. Walsall has recorded the highest increase since 2008 within the HMA (at 12.3%) followed by Dudley (10.5%), South Staffordshire (10.0%), Sandwell (8.6%) and then Wolverhampton (3.5%). The comparative regional and national figures are 7.3% across the West Midlands and 6.4% for England.



Source: ONS Annual Survey of Hours and Earnings (2009-2015)

Household income

- 2.31 CACI Paycheck estimates that the mean gross annual household income in the HMA is £29,940, which is 11.9% below the regional equivalent (£33,985) and 21.4% below the figure for England (£38,077). The same data source indicates that the mean gross annual household income in Dudley is £32,338, whilst it is £25,778 in Sandwell, £40,577 in South Staffordshire, £29,655 in Walsall and £27,566 in Wolverhampton.
- 2.32 The figure shows how household income at various points on the income distribution for each local authority and the HMA itself compares with the region-wide and national equivalents. The data indicates that households in Sandwell are the least affluent in the HMA, followed by households in Wolverhampton, Walsall and then Dudley. Household incomes in South Staffordshire are not only notably higher than the other authorities in the HMA but also higher than the national and regional averages.



Source: CACI Paycheck, 2016

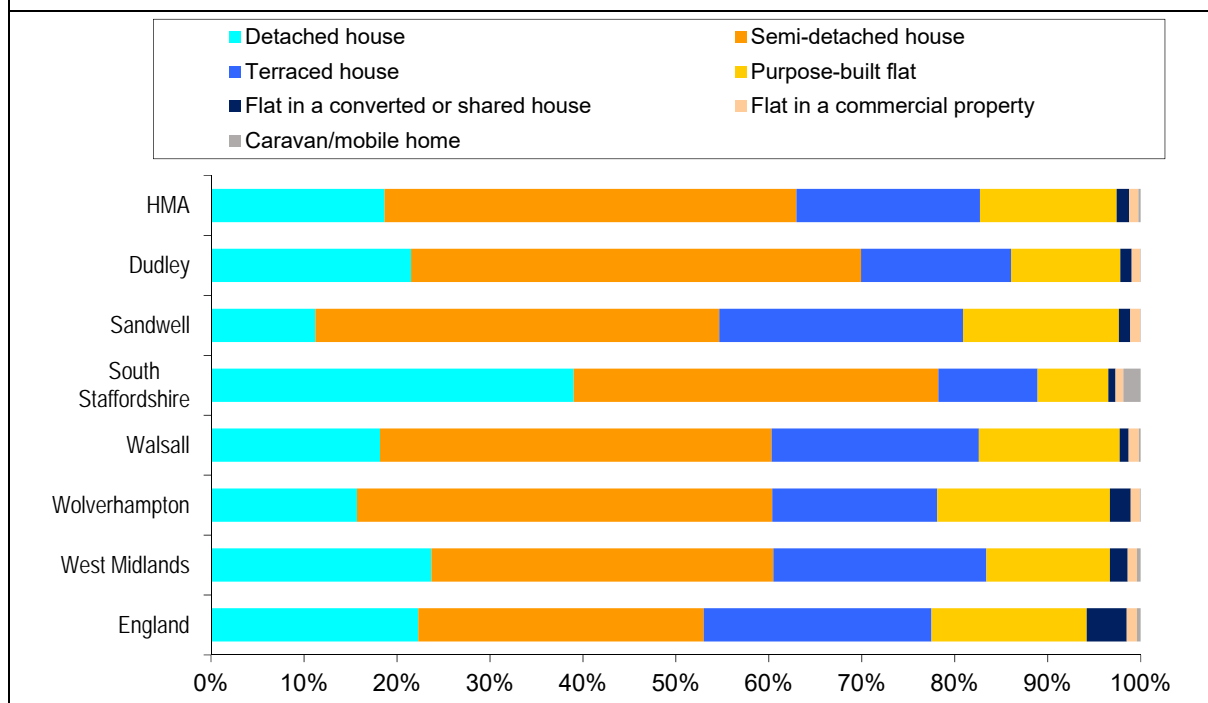
Dwelling stock

- 2.33 The Census indicates that there were 523,369 dwellings in the HMA in 2011, and that since 2001 the number of dwellings has increased by 5.3%, over 26,000 properties. In comparison, the dwelling stock in the West Midlands region increased by 6.7% between the 2001 and 2011 Census, whilst the dwelling stock of England increased by 8.3%. Within the HMA, South Staffordshire recorded the largest growth in dwellings (6.4%), followed by Sandwell (6.3%), Walsall (5.0%), Wolverhampton (4.9%) and Dudley (4.4%).

Accommodation profile

- 2.34 The figure below compares the type of accommodation in the HMA in 2011 with that recorded for the West Midlands region and England. The HMA contains more semi-detached houses and fewer detached houses than the regional and national averages. The most common property type across the HMA is semi-detached houses followed by terraced dwellings. There are some notable differences within the HMA; almost 40% of dwellings in South Staffordshire are detached houses, whilst they make up no more than a fifth of the stock in the other four areas. Wolverhampton and Sandwell record notably more flats (21.8% and 19.0% respectively) than Dudley and South Staffordshire (13.9% and 9.2% respectively).

Figure 2.10 Dwelling type in the HMA, the West Midlands region and England, 2011



Source: 2011 Census

- 2.35 The table below compares the size of accommodation (in terms of bedrooms) in the HMA, the West Midlands region and England. The table indicates that the HMA has a greater proportion of three bedroom properties and fewer larger homes (four or more bedrooms) than the West Midlands region and England as a whole. Overall, three bedroom homes account for over half of all dwellings in the HMA. Within the HMA, South Staffordshire records the lowest proportion of small dwellings (one or fewer bedrooms) and the highest proportion of larger homes. Wolverhampton has the largest proportion of small dwellings and Sandwell records the lowest level of large homes.

Table 2.3 Size of dwelling stock in the HMA, the West Midlands region and England, 2011

<i>Property size</i>	<i>HMA</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>	<i>West Midlands</i>	<i>England</i>
No bedrooms	0.2%	0.2%	0.3%	0.2%	0.2%	0.3%	0.2%	0.2%
1 bedroom	9.6%	9.1%	10.9%	5.8%	8.1%	12.2%	9.6%	11.8%
2 bedrooms	24.6%	24.3%	24.9%	24.1%	25.2%	24.4%	25.3%	27.9%
3 bedrooms	52.3%	53.1%	54.5%	44.5%	53.3%	51.2%	47.0%	41.2%
4 bedrooms	10.7%	11.3%	7.5%	20.4%	10.5%	9.6%	13.9%	14.4%
5 or more bedrooms	2.5%	2.1%	1.9%	4.9%	2.7%	2.4%	4.0%	4.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

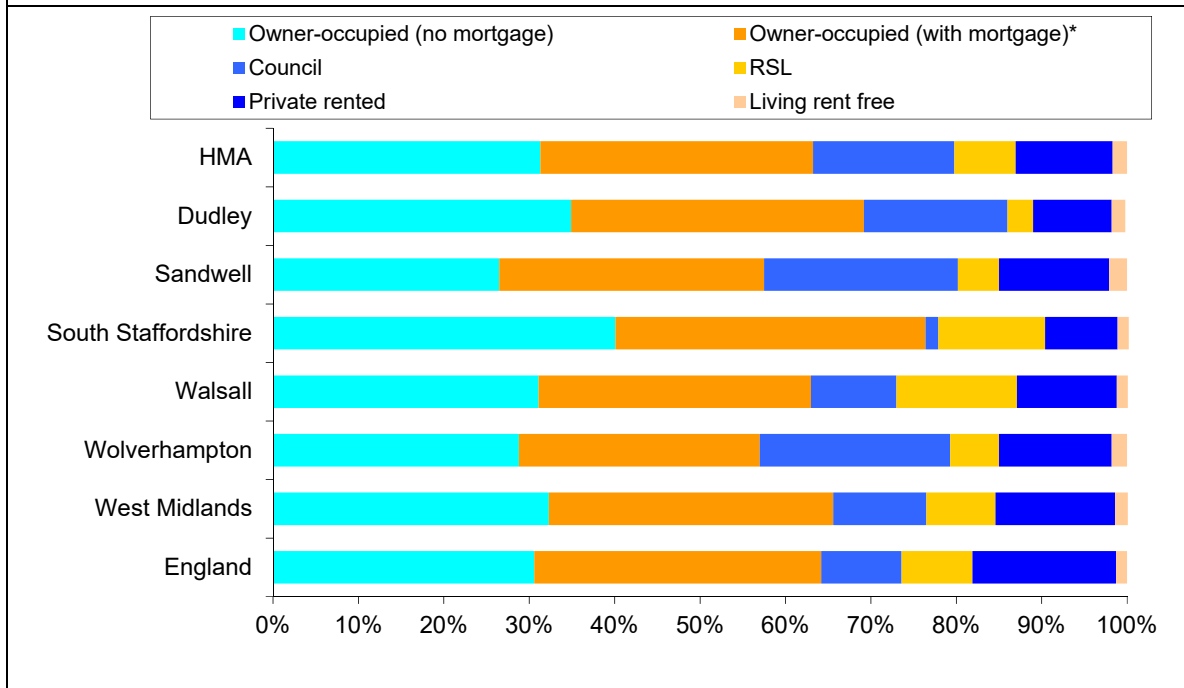
Source: 2011 Census

- 2.36 It is interesting to note that the average household size of 2.44 people compares to an average of 2.6 bedrooms per household in the HMA according to the 2011 Census. The 2011 Census also indicates that 68.4% of households in the HMA had at least one bedroom more than they require (as opposed to 64.2% in the West Midlands and 68.7% across England). Within the HMA, South Staffordshire records the greatest proportion of households with at least one spare room (79.5% (35,349 households)) followed by Dudley (71.3% (92,922 households)), Walsall (69.3% (74,699 households)), Wolverhampton (64.5% (65,881 households)) and Sandwell (63.3% (76,906 households)).

Tenure

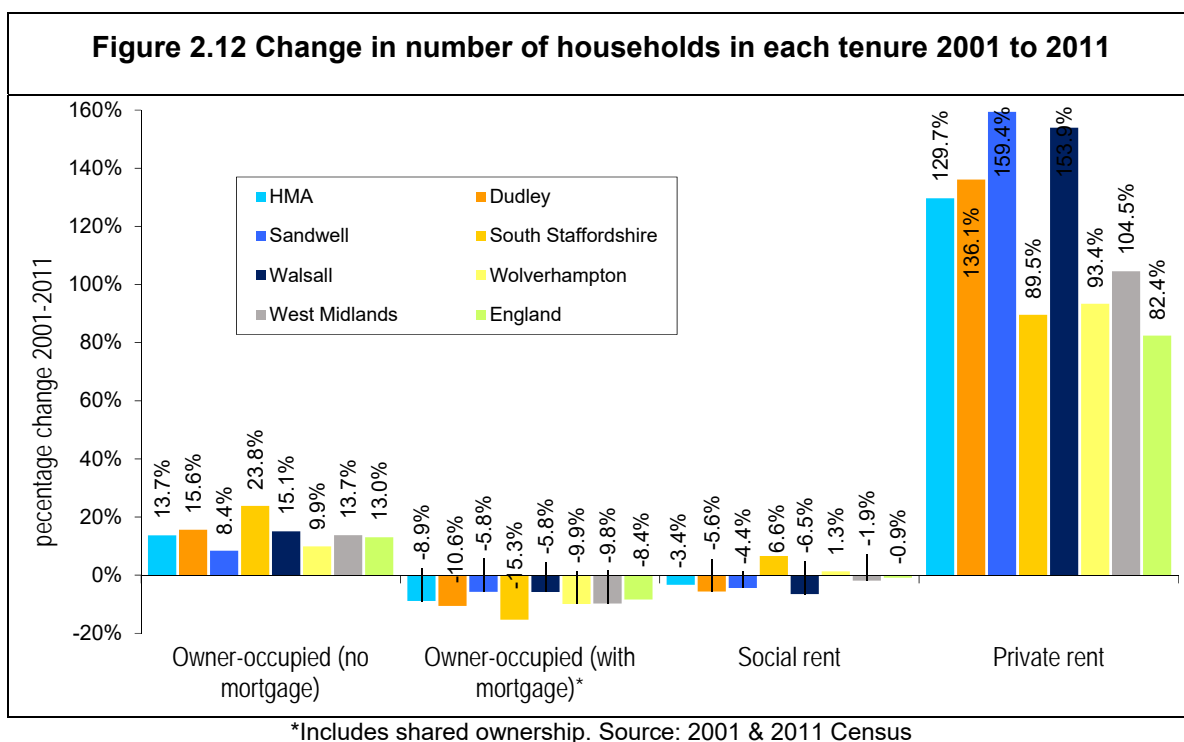
- 2.37 The figure below compares the tenure of households in the HMA in 2011 with that recorded for the West Midlands region and England. The data indicates that 31.3% of households in the HMA are owner-occupiers without a mortgage, compared to 32.3% in the region and 30.6% nationally. The proportion of owner-occupiers with a mortgage in the HMA (31.9%) is lower than both the regional (33.3%) and national average (33.6%). Some 23.7% of households in the HMA are resident in the Social Rented sector, notably higher than the figure for the West Midlands region (19.0%) and England as a whole (17.7%). Finally, some 11.4% of households in the HMA live in private rented accommodation, compared to 14.0% in the West Midlands region and 16.8% across England. Within the HMA, South Staffordshire records by far the largest level of owner-occupiers with no mortgage (40.1%) and a very small Social Rented stock (13.5%), Sandwell and Wolverhampton record the largest Social Rented sector (28.0% and 27.5% respectively) and the greatest private rented sector (13.2% and 12.9% respectively). The tenure profiles in Dudley and Walsall are most similar to the regional average and can be considered as well balanced within this context.

Figure 2.11 Tenure profile in the HMA, the West Midlands region and England, 2011



Source: 2011 Census *Includes shared ownership

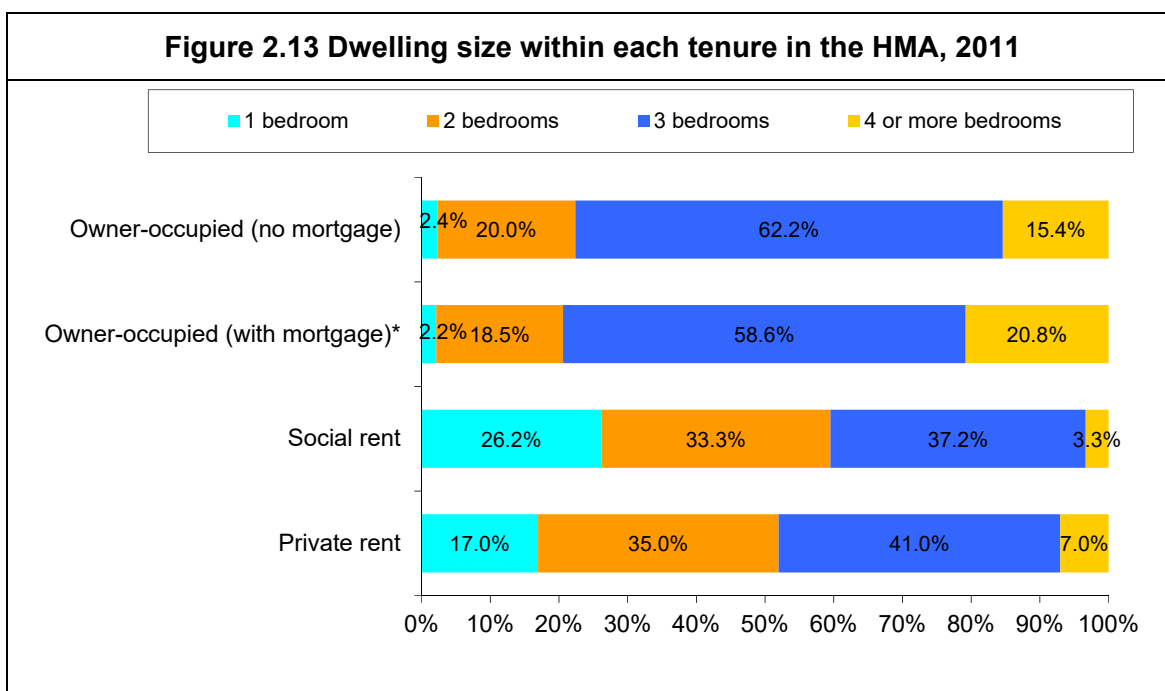
- 2.38 The figure below shows the change in the size of each tenure between the 2001 and 2011 Census. The figure shows that in all areas the private rented sector has increased dramatically and the number of owner-occupiers with no mortgage has also grown. In comparison, the number of owner-occupiers with a mortgage has decreased. The Social Rented sector has generally shown the smallest change.



- 2.39 It should be noted that whilst the owner-occupied (with mortgage) sector has decreased, the number of shared ownership properties has increased, rising by 10.7% between 2001 and 2011 in the HMA (although from a low base).

Tenure by bedroom

- 2.40 Finally it is useful to understand the size of accommodation within each tenure as recorded in the 2011 Census. This is shown in the figure below. The data indicates that, in the HMA, rented accommodation is smaller on average than owned dwellings. This figure is replicated for the constituent authorities of the HMA within the appendices to this report.



Source: 2011 Census *Includes shared ownership

3. The cost and affordability of housing

Introduction

- 3.1 An effective SHMA is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter describes the changes in the housing market that have been recorded in the HMA. Subsequently, it assesses the entry-level costs of housing across the different price markets in operation. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally, the chapter will report changes in affordability as well as the affordability of housing for different groups of the population currently.

Relative prices

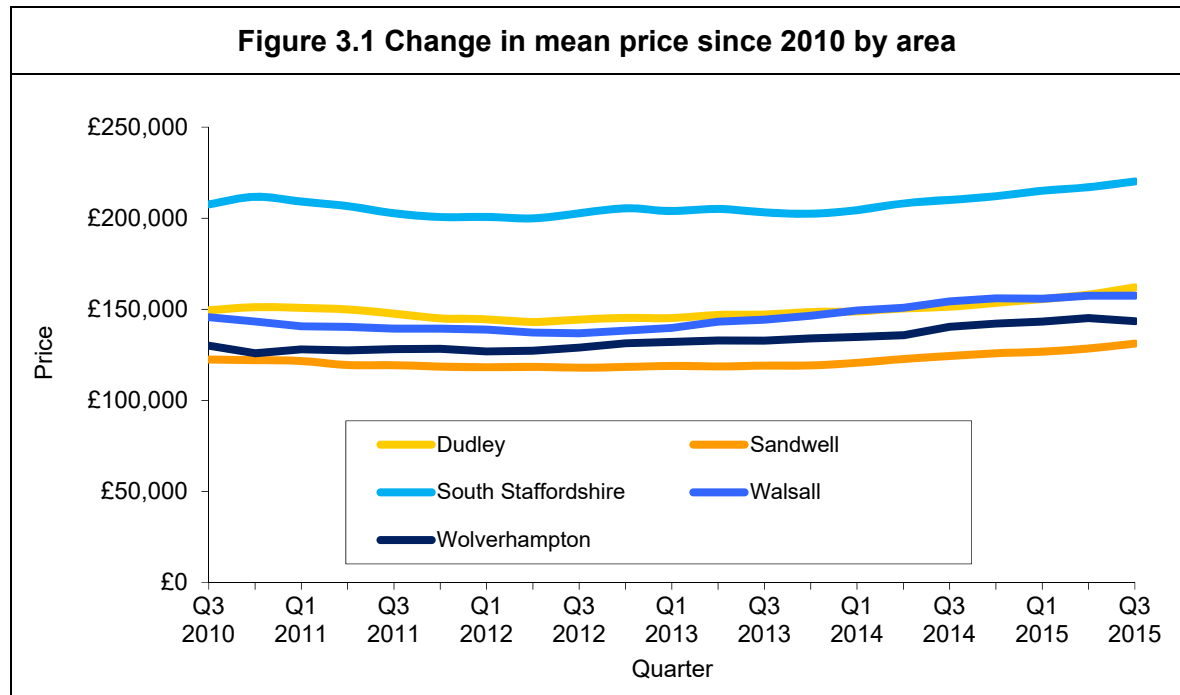
- 3.2 Recent house price data from the Land Registry, from the third quarter of 2015, is presented for the five authorities within the HMA, the West Midlands region and England as a whole in the table below. The prices recorded for the third quarter of 2010 are also presented and the change in mean price over the last five years is shown.
- 3.3 The table indicates that Sandwell recorded the lowest average price of dwellings in Quarter 3 2015, followed by Wolverhampton, Walsall and Dudley. Prices in these four areas are considerably lower than both the regional and national averages. Average prices in South Staffordshire are notably higher than the other authorities within the HMA and are also higher than the average for the West Midlands. The table also shows that between 2010 and 2015 average prices have increased fastest in Wolverhampton, followed by Dudley, Walsall, Sandwell and South Staffordshire. All price rises recorded for the HMA authorities were below the region-wide and national equivalents.

Table 3.1 Change in mean property prices 2010-2015			
<i>Location</i>	<i>Mean price Jul - Sep 2010</i>	<i>Mean price Jul - Sep 2015</i>	<i>Percentage change recorded 2010-2015</i>
Dudley	£149,484	£162,049	8.4%
Sandwell	£122,450	£131,164	7.1%
South Staffordshire	£207,608	£220,201	6.1%
Walsall	£145,639	£157,488	8.1%
Wolverhampton	£130,045	£143,506	10.4%
West Midlands Region	£175,517	£194,220	10.7%
England	£234,965	£272,847	16.1%

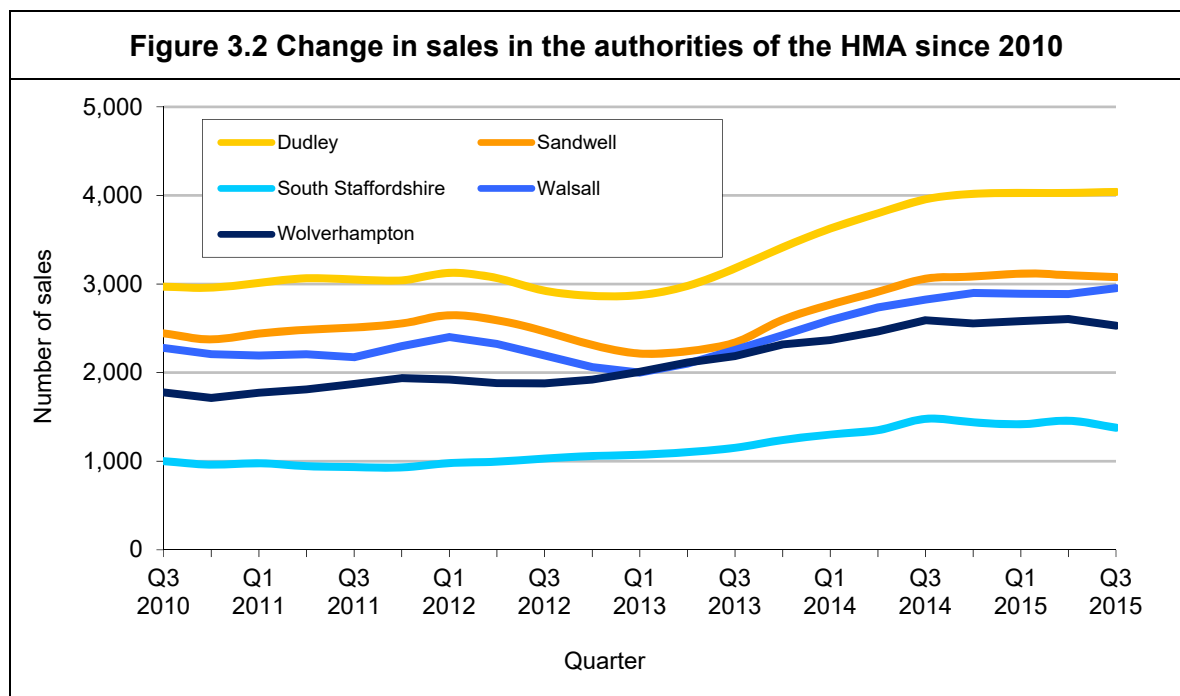
Source: Land Registry

- 3.4 The figure shows the change in mean property price in each Council area in the HMA since Quarter 3 of 2010. The figure shows that prices in South Staffordshire and Walsall dipped

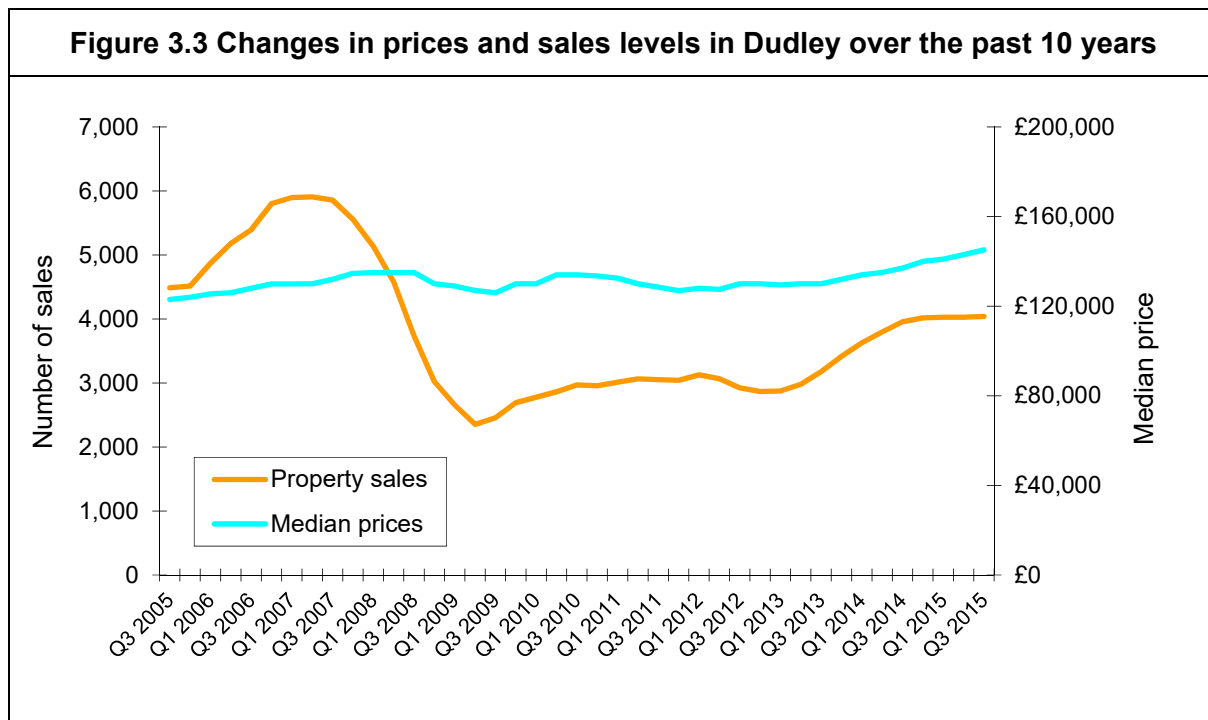
a little between 2011 and 2012, whilst prices in Wolverhampton have continued to rise steadily.



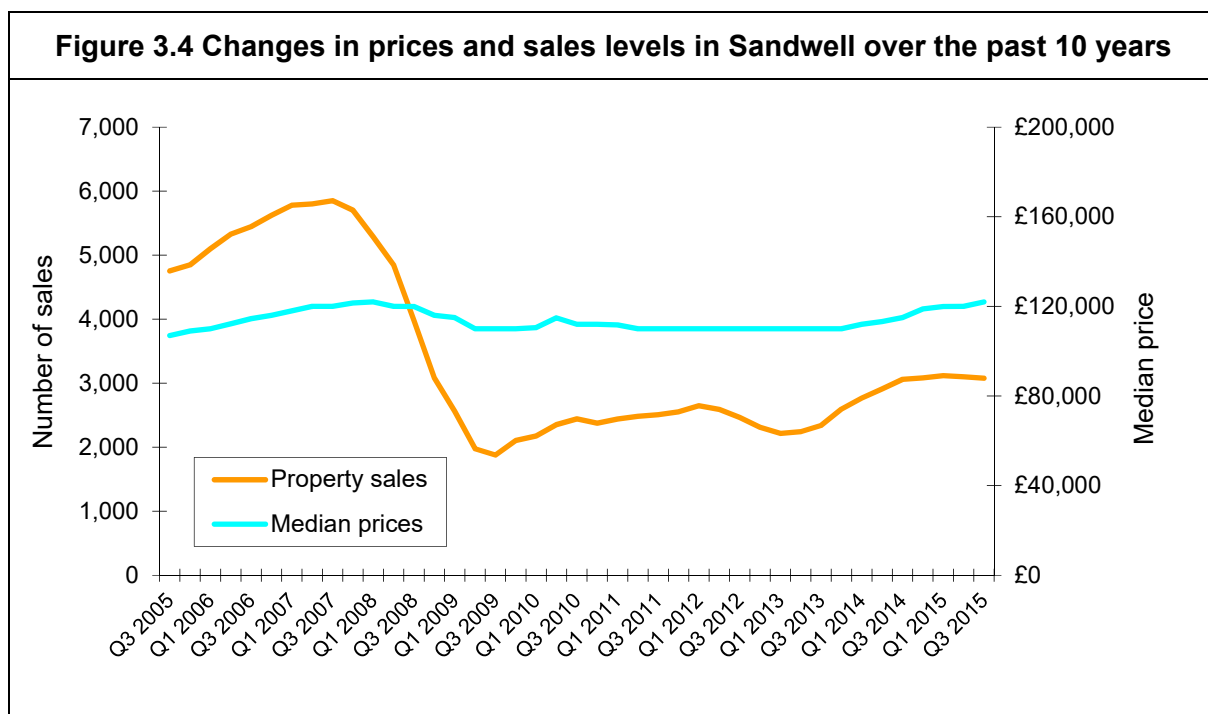
- 3.5 The figure below shows the change in the number of property sales since the third quarter of 2010 for the council areas in the HMA. The figure suggests that Dudley records the highest level of sales every quarter and South Staffordshire the lowest. The data also indicates that sales levels in all five authorities are higher now than they were in 2010.



- 3.6 It is useful to briefly review housing market activity over a longer period to consider influences on property price changes. The figure below shows the variation in median prices and property sales levels since 2005 in Dudley. The data suggests that property prices remained relatively stable over the last ten years despite property sales declining dramatically for part of that period (Summer 2007 to Summer 2009). Figures 3.4 to 3.7 repeat this analysis for the other four authorities in the HMA.

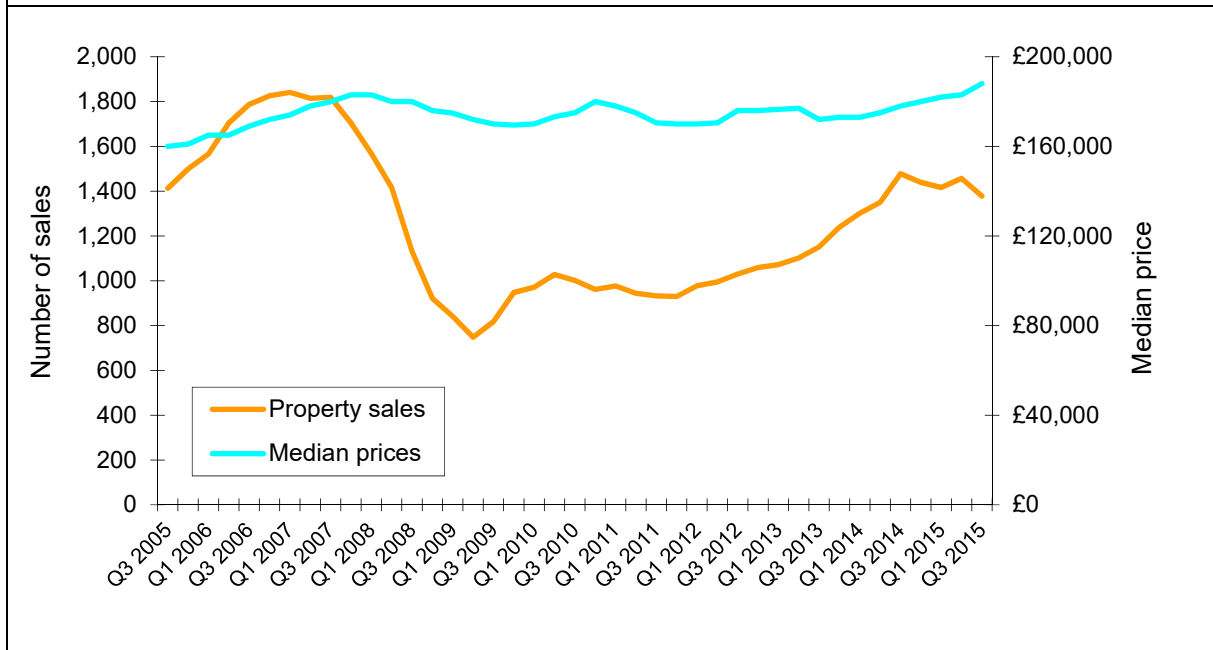


Source: Land Registry



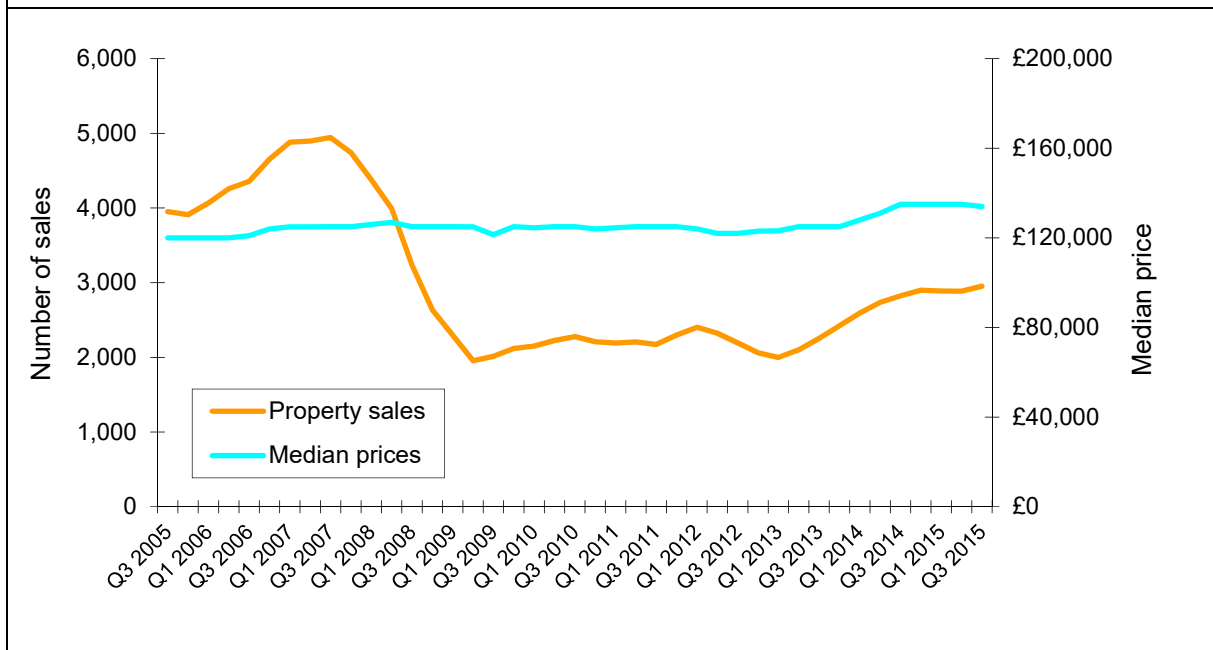
Source: Land Registry

Figure 3.5 Changes in prices and sales levels in South Staffordshire over the past 10 years



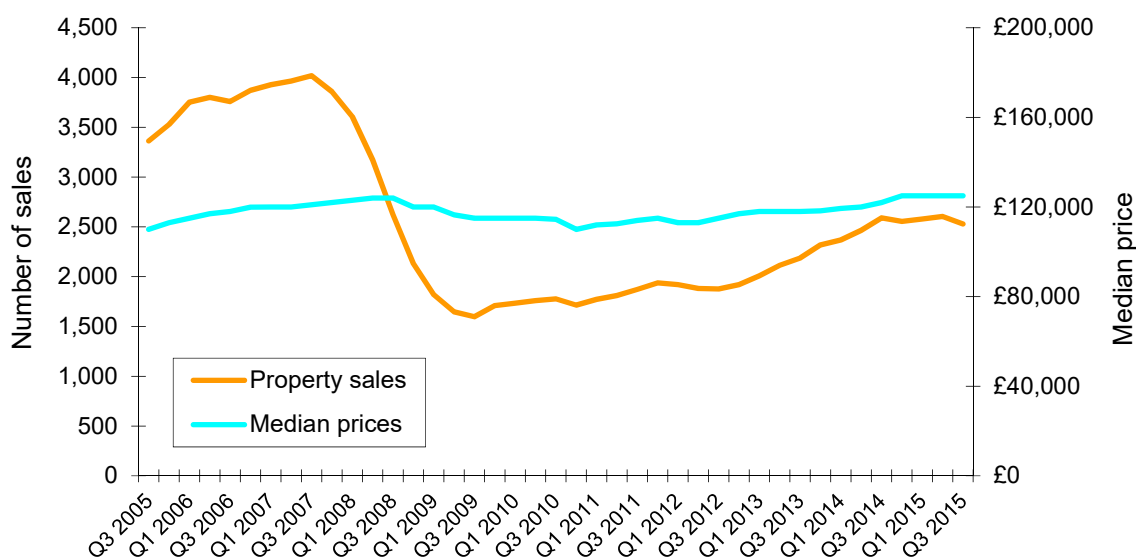
Source: Land Registry

Figure 3.6 Changes in prices and sales levels in Walsall over the past 10 years



Source: Land Registry

Figure 3.7 Changes in prices and sales levels in Wolverhampton over the past 10 years

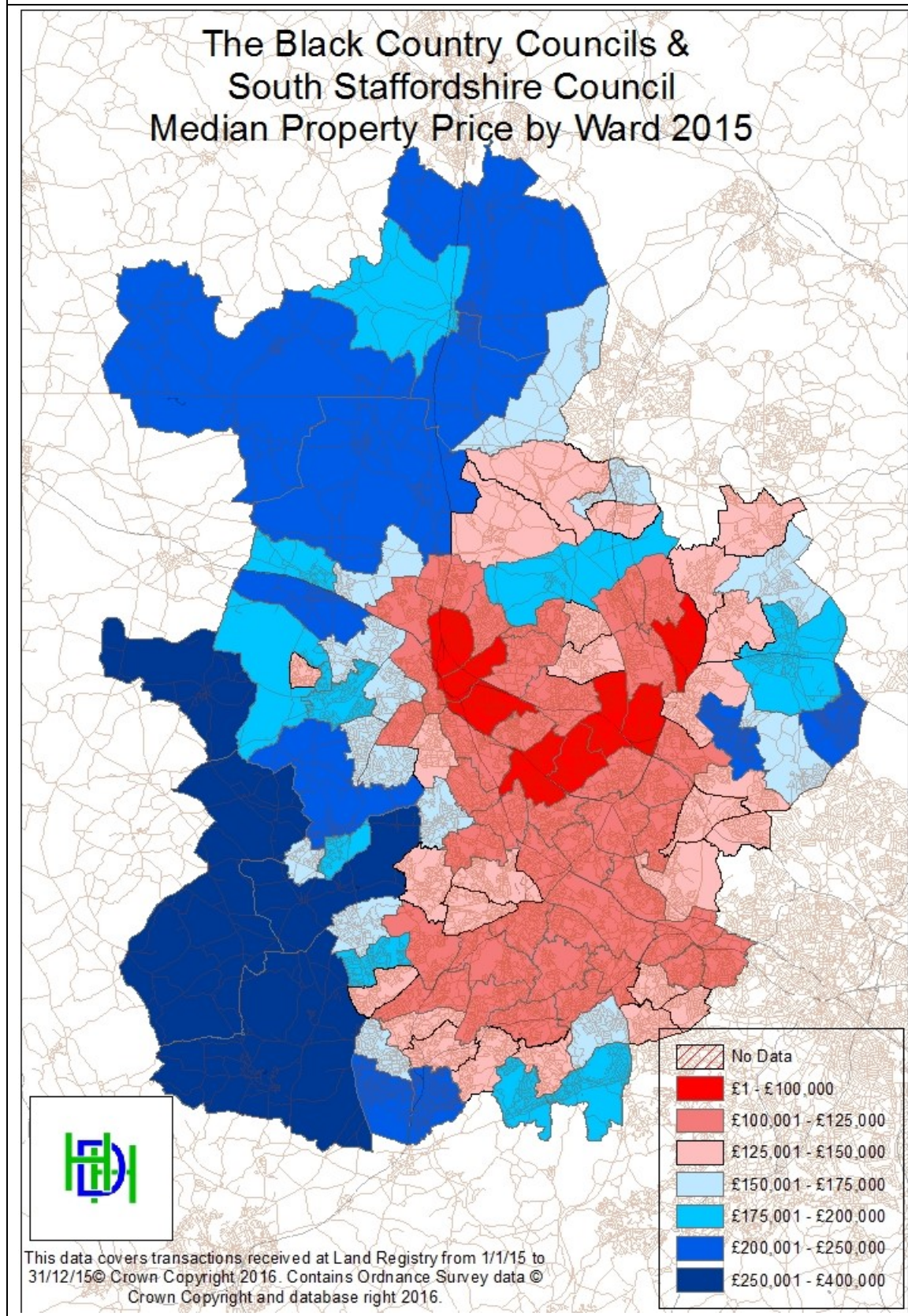


Source: Land Registry

The cost of housing

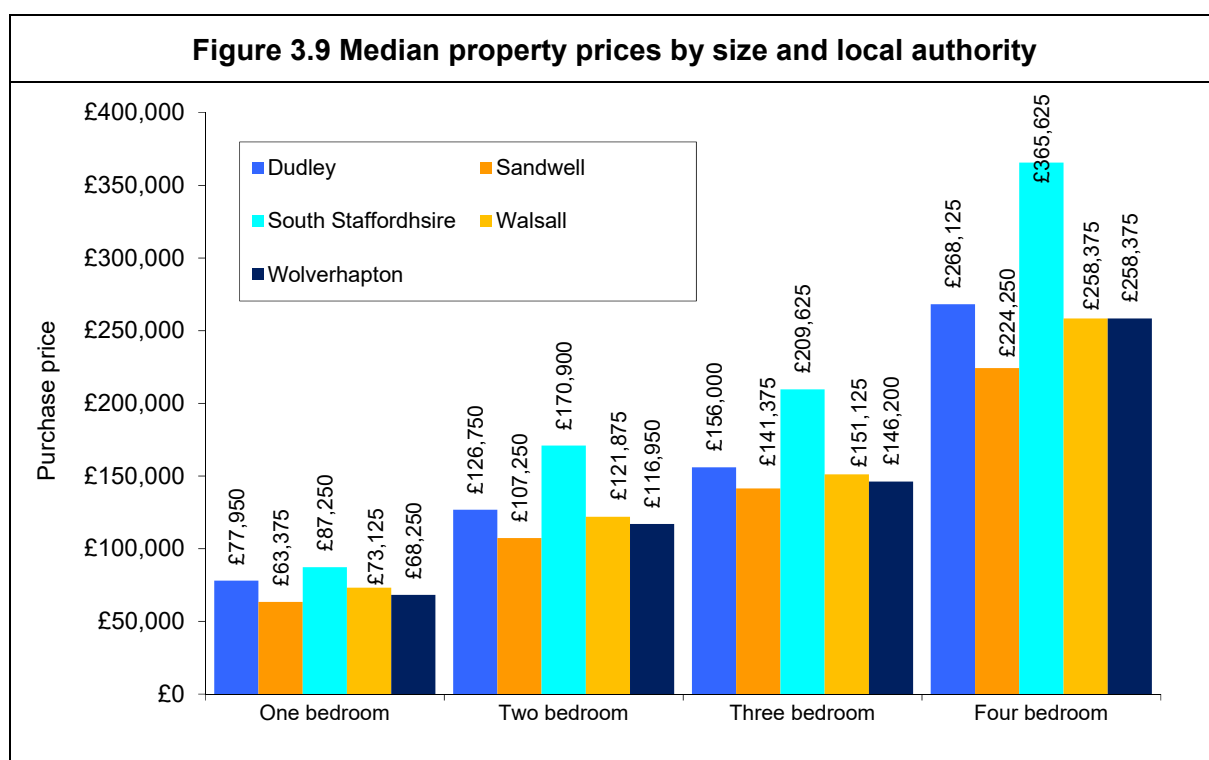
- 3.7 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in the HMA. The figure below shows the variations in the cost of housing across the HMA and illustrates that there are clear distinctions, with the prices in the southern part of South Staffordshire the most expensive and the prices in the urban core of Wolverhampton and Walsall the cheapest. In addition to South Staffordshire, some of the outer parts of Dudley and Walsall record more expensive than average house prices.

Figure 3.8 Variation in property prices across the Housing Market Area



Source: Land Registry, 2016

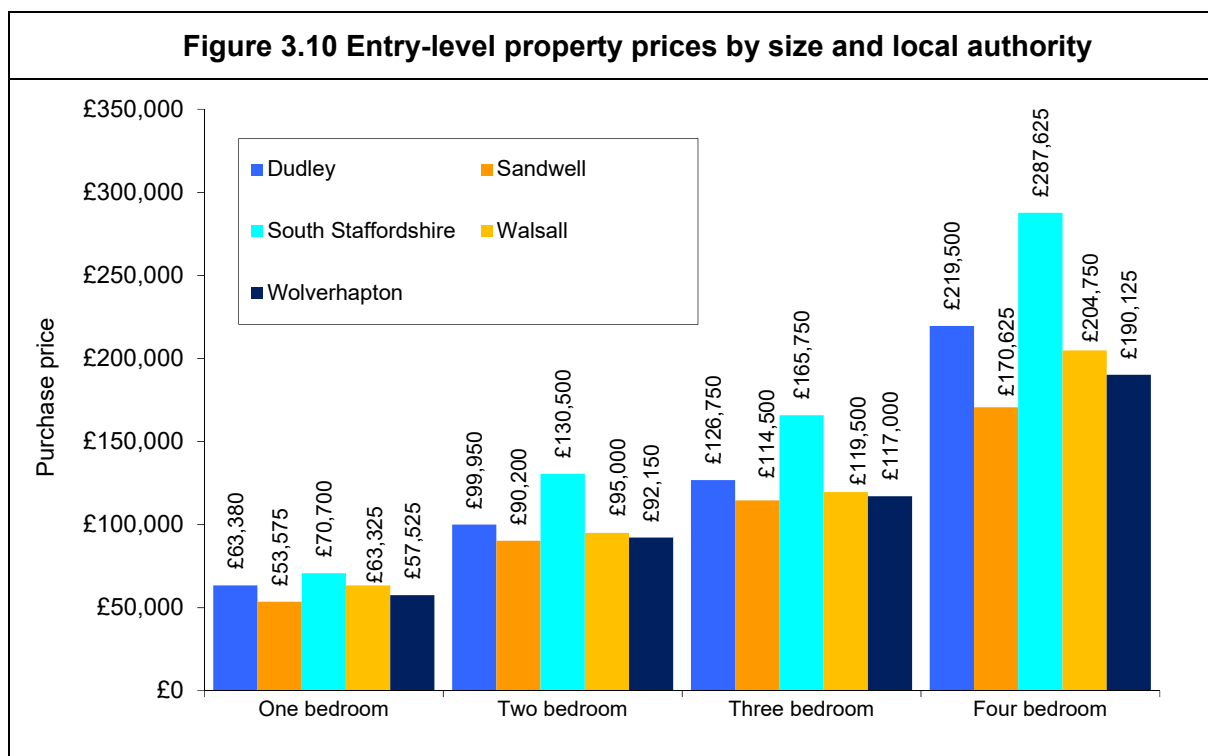
- 3.8 Variations in prices across the HMA were examined and it was established that there were sub-markets that existed at the sub-area level within each Council area. These are discussed in more detail in Appendix A3. The analysis presented in this chapter will focus on the price level across each local authority as a whole.
- 3.9 Median property prices by number of bedrooms were obtained in each local authority area via an online search of properties advertised for sale during August 2016. The results of this online price survey are presented in the figure below. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower).
- 3.10 The figure shows that prices are highest in South Staffordshire and lowest in Sandwell. In all authorities the difference between two and three bedroom homes is smallest and the difference between three and four bedroom homes is largest. In terms of market availability, the analysis showed that three bedroom properties are most commonly available to purchase in all Council areas, with two bedroom homes the next most widely available in all areas other than South Staffordshire, where four bedroom homes are the next most widely available dwelling size. In all Council areas, one bedroom homes (including one bedroom flats) are most scarce.



Source: Online estate agents survey August 2016

- 3.11 The online survey also collected information at different points of the price distribution. Entry-level property prices for each price market are presented in the figure below. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 025 Reference ID: 2a-025-20140306). The figure indicates that entry-level prices in the

HMA range from £53,575 for a one bedroom home in Sandwell up to £287,625 for a four bedroom property in South Staffordshire.

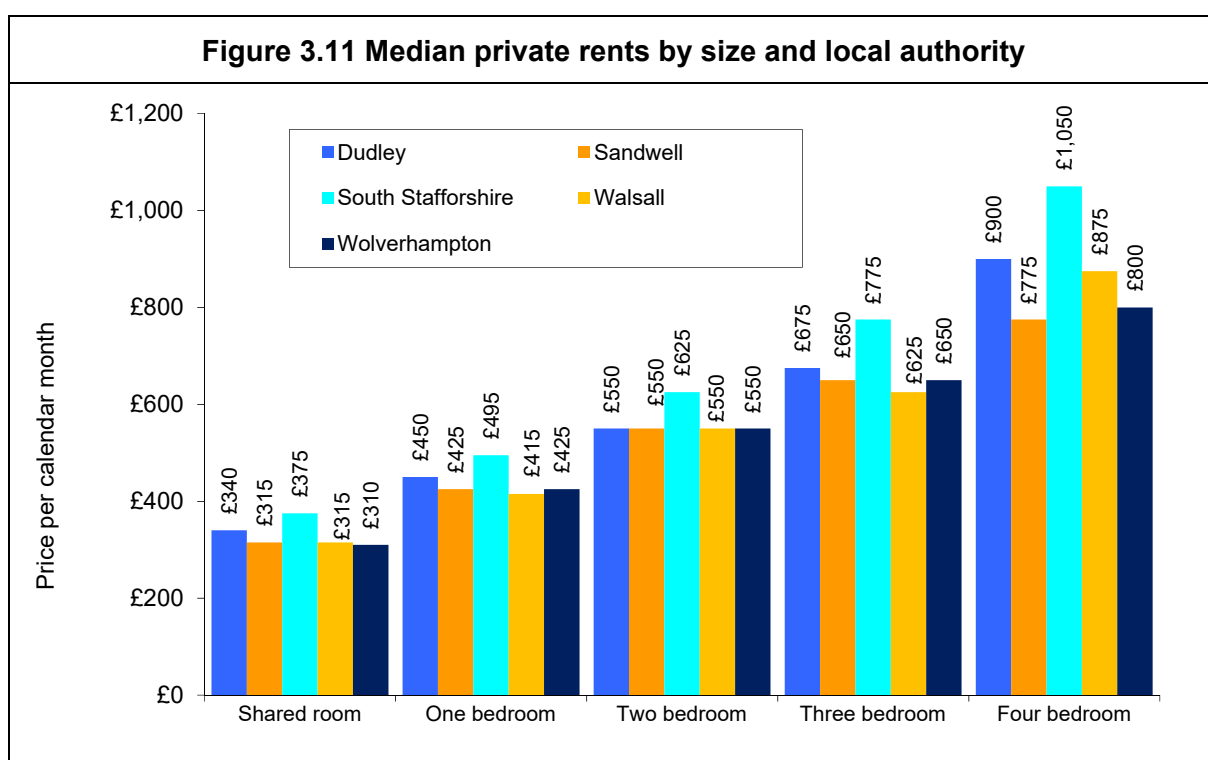


Source: Online estate agents survey August 2016

Private rents

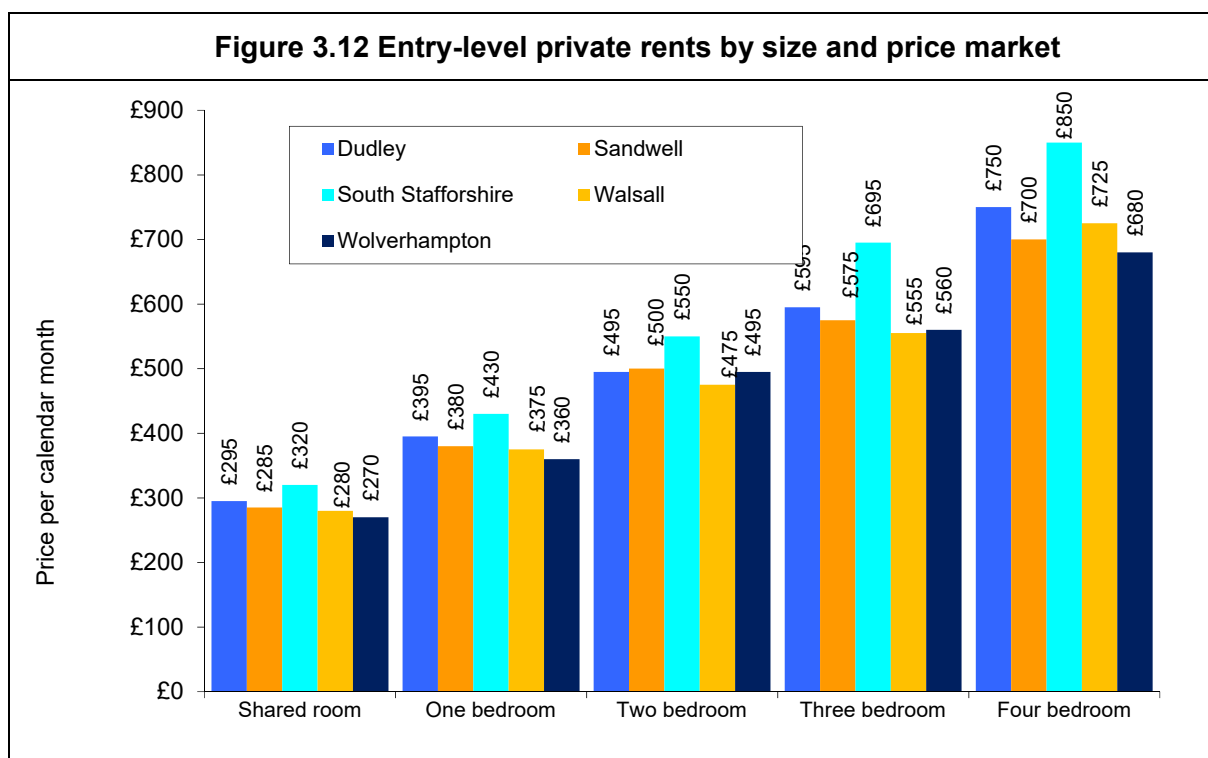
- 3.12 Whilst private rent levels vary by price market across the HMA, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as condition and situation of the property. The median price for private rented accommodation by property size in each local authority is presented in the figure below. The figure also includes the cost of a shared room within the private rented sector. The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person household 35 or under and this groups of households will be tested against their ability to afford this in the affordable housing needs model set out in Chapter 5. This assumption was discussed at length during the stakeholder consultation event and whilst the consensus was that the approach taken was logical and reflected the market locally, concern was raised that the logic had yet to be accepted by a Planning Inspector and therefore it would be advisable to also present results where all single person households are tested against their ability to afford one bedroom accommodation. This further analysis is presented in Appendix A7.

- 3.13 The data indicates that whilst South Staffordshire again contains the most expensive homes, the difference in the private rent levels between the other four authorities is much smaller than the distinctions recorded for owner-occupation. The figure also shows that the smallest difference is between the cost of two and three bedroom homes in Sandwell, Walsall and Wolverhampton, whilst the difference between one and two bedroom homes is smallest in Dudley and the difference between a room in shared accommodation and a one bedroom home is smallest South Staffordshire. The difference between the cost of three and four bedroom accommodation is less marked in the private rented sector than for owner-occupation. In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent in all Council areas.



Source: Online estate agents survey August 2016

- 3.14 Entry-level private rents for each Local Authority are presented in the figure below. The figure indicates that entry-level rents in the HMA range from £360 per month for a one bedroom home in Wolverhampton up to £850 per month for a four bedroom property in South Staffordshire.



Source: Online letting agents survey August 2016

Social Rents

- 3.15 The cost of Social Rented accommodation by dwelling size in each council area can be obtained from the Homes & Communities Agency's Statistical Data Return dataset for the RSL sector and from the Local Authority Housing Statistics data return for the council sector. The table below illustrates the cost of Social Rented dwellings across each local authority in the HMA. As can be seen, the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the Social Rented and market sectors.

Table 3.2 Social Rented costs (per month)					
Bedrooms	Dudley	Sandwell	South Staffordshire	Walsall	Wolverhampton
One bedroom	£310	£307	£329	£329	£301
Two bedrooms	£355	£343	£374	£359	£339
Three bedrooms	£398	£391	£424	£400	£374
Four bedrooms	£440	£437	£462	£433	£416

Source: HCA's Statistical Data Return 2015, Council LAHS 2015

Affordable Rent

- 3.16 Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of

affordable housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but a new form of affordable housing for rent that coexists with the existing Social Rent tenure. Whilst there remain long-standing Social Rent tenancies, the majority of new rented affordable accommodation in the HMA is as Affordable Rent; both re-lets from the existing stock and new Affordable Rented accommodation added to the stock. Due to its different cost level, detail will be presented on its relative affordability in comparison with Social Rent where this is possible (in Chapter 5). Affordable Rents can be set at up to 80% of open market rents, implying there is flexibility as to what they may cost.

- 3.17 The Homes & Communities Agency (HCA)'s Statistical Data Return details the Affordable Rent levels charged in the HMA and these are set out in the table below. A comparison with median market rents indicates that Affordable Rent levels are around 65% to 80% of median market rents, although one bedroom Affordable Rents in Dudley, Sandwell, Walsall and Wolverhampton alongside three bedroom Affordable Rents in Sandwell and four bedroom Affordable Rents in Wolverhampton are priced at higher than 80% of current median private rent levels. Affordable Rents in South Staffordshire are the lowest relative to entry-level market costs and the Council have worked with partners to deliver them at less than 80% of market rent on affordability grounds.

Table 3.3 Affordable Rented costs (per month)					
<i>Bedrooms</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	£386	£352	£357	£362	£342
Two bedrooms	£416	£431	£438	£431	£420
Three bedrooms	£504	£544	£487	£478	£472
Four bedrooms	£554	£569	-*	£556	£647

*There were no four bedroom Affordable Rented homes in South Staffordshire in April 2015, when the data was compiled. Source: HCA's Statistical Data Return 2015

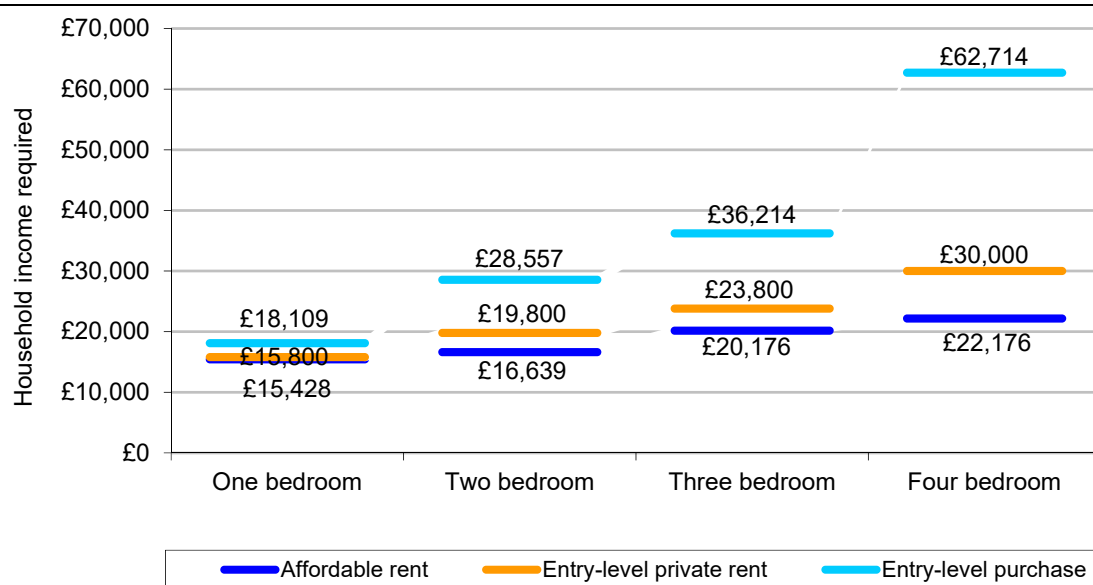
Analysis of housing market 'gaps'

- 3.18 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. Figures 3.13 to 3.17 show the housing ladder that exists for different sizes of property for each authority within the HMA. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price by 3.5 to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by 3.333 in the core Black Country authorities and by 2.857 in South Staffordshire to produce a comparable figure. This latter step was carried out for both affordable and market rents. These approaches assume a household spends no more than a 30% of gross household income on rent in the core Black Country authorities and no more than 35% in South Staffordshire – this assumption is used to

enable a comparison of the different housing costs, however the appropriate affordability threshold within the HMA is discussed in more detail in Chapter 5 (paragraph 5.8).

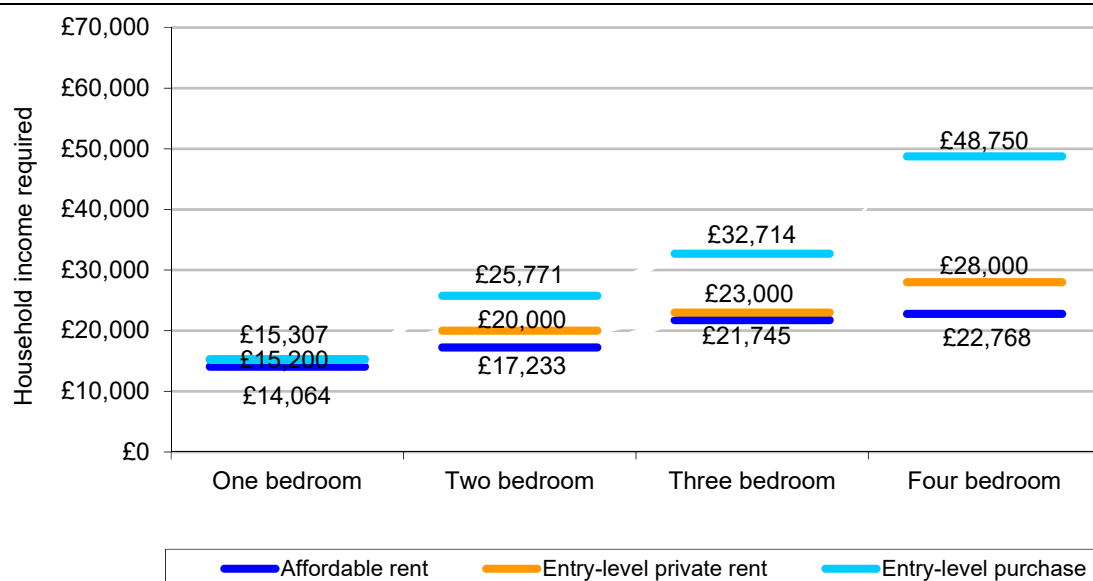
- 3.19 The figures shows a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

Figure 3.13 Household income required to access housing in Dudley, by number of bedrooms



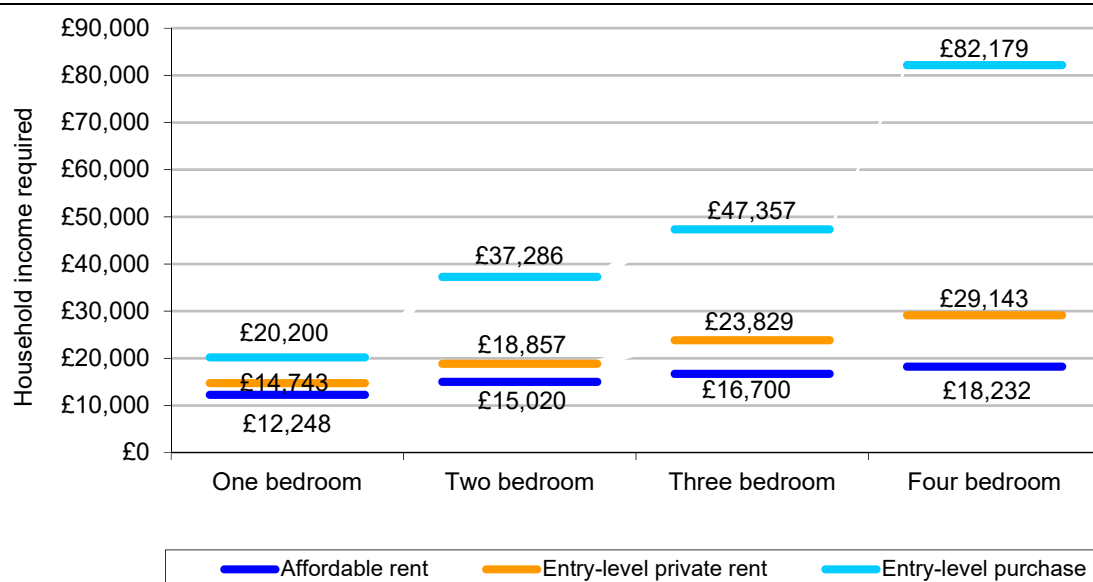
Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.14 Household income required to access housing in Sandwell, by number of bedrooms



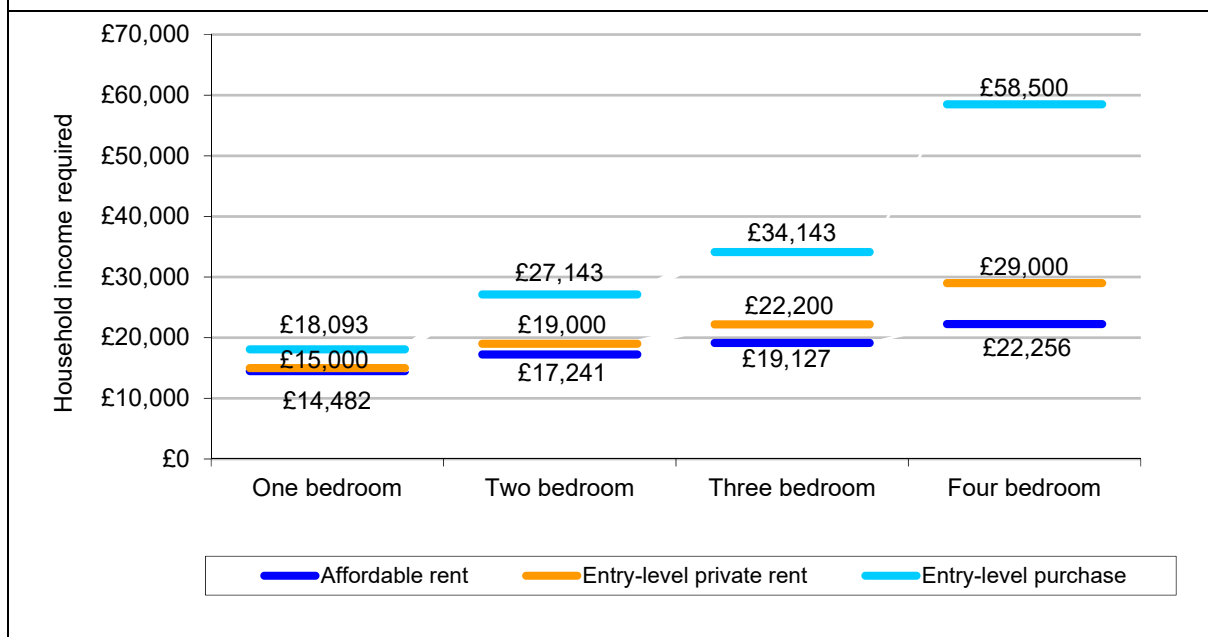
Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.15 Household income required to access housing in South Staffordshire, by number of bedrooms



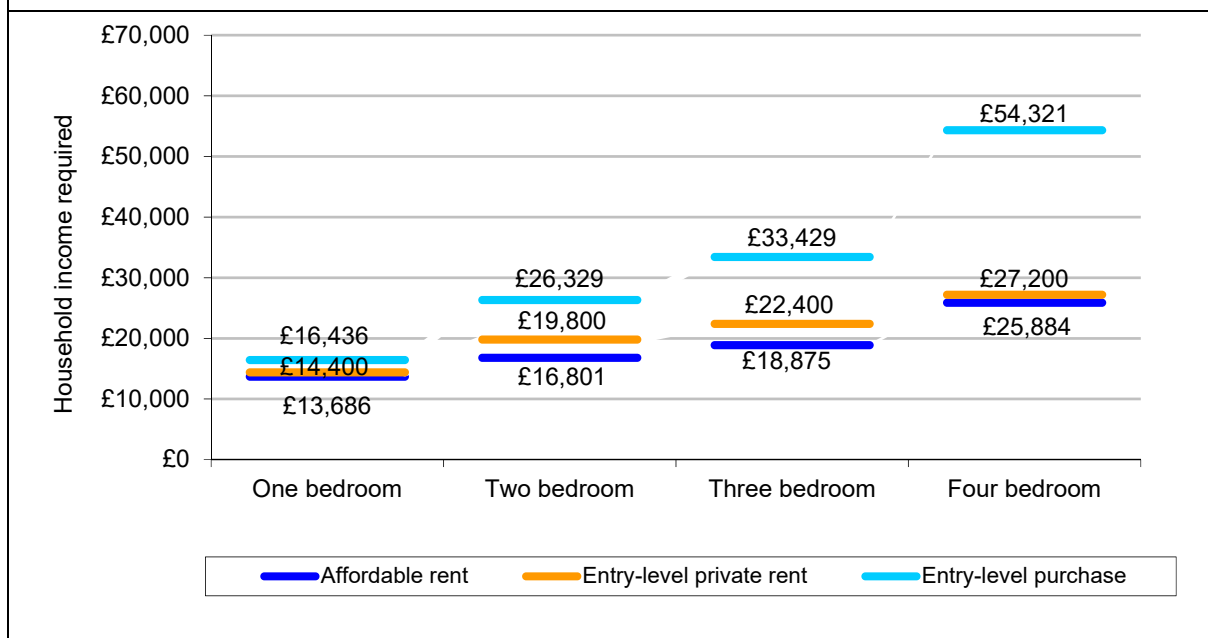
*As there is no four bedroom Affordable Rent currently, the cost is modelled from the cost of four bedroom Social Rent. Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.16 Household income required to access housing in Walsall, by number of bedrooms



Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.17 Household income required to access housing in Wolverhampton, by number of bedrooms



Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

- 3.20 The figures above indicate that for all dwelling sizes in each Council area, the gap between Affordable Rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are large; in South

Staffordshire an additional £12,700 per year is required to access a four bedroom private rented home over the cost of a four bedroom Affordable Rented property, with a further £48,200 required to move to an owner-occupied home.

- 3.21 Table 3.4 shows the size of the gaps for each dwelling size for each authority within the HMA. The table indicates, for example, that three bedroom market entry rents in Dudley are 18.0% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for a large number of households. The very large gap between market entry rents and market entry purchase in almost all cases indicates notable potential demand for part-ownership products for households in this gap.

Table 3.4 Scale of key housing market gaps		
Dudley		
<i>Property size</i>	<i>Affordable Rent/entry-level rent</i>	<i>Entry-level rent/entry-level purchase</i>
One bedroom	2.4%	14.6%
Two bedrooms	19.0%	44.2%
Three bedrooms	18.0%	52.2%
Four bedrooms	35.3%	109.0%
Sandwell		
<i>Property size</i>	<i>Affordable Rent/entry-level rent</i>	<i>Entry-level rent/entry-level purchase</i>
One bedroom	8.1%	0.7%
Two bedrooms	16.1%	28.9%
Three bedrooms	5.8%	42.2%
Four bedrooms	23.0%	74.1%
South Staffordshire		
<i>Property size</i>	<i>Affordable Rent/entry-level rent</i>	<i>Entry-level rent/entry-level purchase</i>
One bedroom	20.4%	37.0%
Two bedrooms	25.5%	97.7%
Three bedrooms	42.7%	98.7%
Four bedrooms*	59.8%	182.0%
Walsall		
<i>Property size</i>	<i>Affordable Rent/entry-level rent</i>	<i>Entry-level rent/entry-level purchase</i>
One bedroom	3.6%	20.6%
Two bedrooms	10.2%	42.9%
Three bedrooms	16.1%	53.8%
Four bedrooms	30.3%	101.7%
Wolverhampton		
<i>Property size</i>	<i>Affordable Rent/entry-level rent</i>	<i>Entry-level rent/entry-level purchase</i>
One bedroom	5.2%	14.1%
Two bedrooms	17.9%	33.0%
Three bedrooms	18.7%	49.2%
Four bedrooms	5.1%	99.7%

*As there is no four bedroom Affordable Rent currently, the cost is modelled from the cost of four bedroom Social Rent. Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Intermediate products

- 3.22 A range of intermediate options are available for households in the HMA, the costs of these are profiled below.

Intermediate Rent/Rent-to-buy

- 3.23 Rent to Buy homes are let to working households at an Intermediate Rent to give them the opportunity to save for a deposit to buy their first home. It is planned that by landlords providing a discounted rent for tenants for a minimum of 5 years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available with a range of tenancy options and was made available to tenants on the same basis as Social Rent.
- 3.24 The table below sets out the modelled costs of Intermediate Rent in the HMA, presuming that the rent is set as 80% of median market rents. The table shows that in all instances Intermediate Rent is cheaper than market entry rent and can be considered an affordable product. In the majority of instances it is more expensive than the Affordable Rent currently charged within the HMA, however there are a few cases where it is cheaper than this product as set out in paragraph 3.16 above. Only in those instances in which Intermediate Rent is more expensive than Affordable Rent (and is therefore serving a separate portion of the housing market) will it be considered for its suitability for meeting those in housing need in Chapter 5.

Table 3.5 Estimated cost of Intermediate Rent in the HMA (monthly cost)			
<i>Bedrooms</i>	<i>Dudley</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£360	£395	£386
Two bedrooms	£440	£495	£416
Three bedrooms	£540	£595	£504
Four bedrooms	£720	£750	£554
<i>Bedrooms</i>	<i>Sandwell</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£340	£380	£352
Two bedrooms	£440	£500	£431
Three bedrooms	£520	£575	£544
Four bedrooms	£620	£700	£569
<i>Bedrooms</i>	<i>South Staffordshire</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£396	£430	£357
Two bedrooms	£500	£550	£438
Three bedrooms	£620	£695	£487
Four bedrooms	£840	£850	.*
<i>Bedrooms</i>	<i>Walsall</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£332	£375	£362
Two bedrooms	£440	£475	£431
Three bedrooms	£500	£555	£478
Four bedrooms	£700	£725	£556
<i>Bedrooms</i>	<i>Wolverhampton</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£340	£360	£342
Two bedrooms	£440	£495	£420
Three bedrooms	£520	£560	£472
Four bedrooms	£640	£680	£647

Source: Online survey of property prices August 2016; HCA's Statistical Data Return 2015. *There were no four bedroom Affordable Rented homes in South Staffordshire by April 2015, when the data was compiled.

Shared Ownership

- 3.25 The table below presents the estimated costs of shared ownership housing in the HMA as obtained from the online estate agent survey. The open market values are based on newbuild prices at the time of the estate agent survey. The monthly costs of purchasing the property with a 40% equity share and 25% equity share are both presented as these are the most commonly available options in the HMA. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 3.94% paid on the equity share owned and a rent payable at 3% on the remaining equity. The table shows that 25% equity share

shared ownership is cheaper than market entry rent in all instances other than a four bedroom homes in Dudley and South Staffordshire and can be considered an affordable product. The only instances in which 40% equity share shared ownership is cheaper than market entry is two bedroom homes in Dudley and one bedroom accommodation in Walsall. In all other instances it is more expensive than entry-level market accommodation either to rent or buy. Only in those instances in which shared ownership is cheaper than market-entry will it be considered for its suitability for meeting those in housing need in Chapter 5. Analysis of its wider potential demand for shared ownership with a 40% equity share from households currently in the private rented sector is considered at the end of this chapter.

Discounted home ownership / Starter Homes

- 3.26 Discounted home ownership is based on selling a home for a proportion of the market value with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. In the HMA the typical proportion of market value sold is 80%. In 2016 the Government announced its Starter Homes Initiative whereby the Government is offering concessions for housebuilders who construct new homes specifically to be sold as discount market houses (with a discount of at least 20%) for first-time buyers under 40 years old. This has been formalised in the Housing White Paper published in February 2017. The discounted price of these homes should be no more than £250,000 outside London and the maximum income of potential purchasers should be £80,000 (outside London). Eligible first-time buyers will also be required to have a mortgage in order to ensure cash buyers aren't able to speculatively acquire this product. There will also be a 15 year repayment period for a Starter Home.
- 3.27 As it is not possible to separate the potential market for this product from just those under 40 and therefore identify those suitable specifically for a Starter Home rather than a broader discount home ownership home, discounted home ownership and Starter Homes equate to the same product for the purposes of this report.
- 3.28 The table below presents the estimated costs of discounted home ownership in the HMA. These are based on the same open market values as were used for shared ownership. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 3.94% paid on the equity share owned.
- 3.29 Discounted home ownership with an 80% share is more expensive than entry-level market accommodation (private rent) and shared ownership accommodation. It is also more expensive than entry-level home ownership, with the exception of two and four bedroom homes in South Staffordshire and four bedroom homes in Dudley, Walsall and Wolverhampton. It is also worth noting that the price at which discounted home ownership properties would be for sale (at 80% the value of newbuild home ownership) would be under the cap of £250,000 for all dwelling sizes in the HMA with the exception of four bedroom homes in South Staffordshire. As it costs more than market accommodation it will not be considered for its suitability for meeting those in housing need in Chapter 5, however analysis of its potential demand from households currently in the private rented

sector is considered at the end of this chapter and the requirement for the product over the plan-period is modelled in Chapter 4.

Table 3.6 Estimated cost of intermediate housing in the HMA (monthly cost)						
<i>Bedrooms</i>	<i>Dudley</i>					
	<i>Open market value</i>	<i>Shared ownership – 40% equity</i>	<i>Shared ownership – 25% equity</i>	<i>Discount home ownership</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£110,000	£386	£345	£443	£395	£359
Two bedrooms	£140,000	£492	£439	£563	£495	£503
Three bedrooms	£185,000	£650	£580	£745	£595	£638
Four bedrooms	£245,000	£860	£767	£986	£750	£1,104
<i>Bedrooms</i>	<i>Sandwell</i>					
	<i>Open market value</i>	<i>Shared ownership – 40% equity</i>	<i>Shared ownership – 25% equity</i>	<i>Discount home ownership</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£105,000	£369	£329	£423	£380	£344
Two bedrooms	£140,000	£492	£439	£563	£500	£454
Three bedrooms	£170,000	£597	£533	£684	£575	£576
Four bedrooms	£215,000	£755	£674	£865	£700	£858
<i>Bedrooms</i>	<i>South Staffordshire</i>					
	<i>Open market value</i>	<i>Shared ownership – 40% equity</i>	<i>Shared ownership – 25% equity</i>	<i>Discount home ownership</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£125,000	£439	£392	£503	£430	£401
Two bedrooms	£160,000	£562	£501	£644	£550	£656
Three bedrooms	£210,000	£738	£658	£845	£695	£834
Four bedrooms	£300,000	£1,054	£940	£1,207	£850	£1,447
<i>Bedrooms</i>	<i>Walsall</i>					
	<i>Open market value</i>	<i>Shared ownership – 40% equity</i>	<i>Shared ownership – 25% equity</i>	<i>Discount home ownership</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£101,500	£356	£318	£408	£375	£359
Two bedrooms	£142,250	£500	£446	£572	£475	£478
Three bedrooms	£176,000	£618	£551	£708	£555	£601
Four bedrooms	£225,000	£790	£705	£905	£725	£1,030
<i>Bedrooms</i>	<i>Wolverhampton</i>					
	<i>Open market value</i>	<i>Shared ownership – 40% equity</i>	<i>Shared ownership – 25% equity</i>	<i>Discount home ownership</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£97,500	£342	£305	£392	£360	£326
Two bedrooms	£137,000	£481	£429	£551	£495	£464
Three bedrooms	£165,000	£580	£517	£664	£560	£589
Four bedrooms	£215,000	£755	£674	£865	£680	£956

*The monthly cost of entry-level owner-occupation presuming a 25-year repayment mortgage with an interest rate of 3.94%. Source: Online estate agents survey, August 2016

- 3.30 It was accepted by stakeholders that discounted home ownership where the price is reduced from the open market value by 20%, as modelled in the table above, is not available at a level below market entry costs. It was also agreed that a discount home ownership home is a higher quality dwelling than is available at the lower end of the market and the product would provide households with the ability to access a high quality (brand new) owned home, that would not otherwise be able to afford it. It was requested that the level of discount required to make the product lower than market entry costs be established. This is set out in the table below. It is presumed that the monthly cost of discount home ownership is £10 per month lower than market entry. The table shows that a discount of between 30% and 40% from open market value would be required for discount home ownership to become a genuine affordable product.

Table 3.7 Level of discount required to make discount home ownership affordable					
<i>Bedrooms</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	36.9%	36.8%	37.8%	31.6%	35.5%
Two bedrooms	30.0%	37.0%	32.9%	35.0%	34.2%
Three bedrooms	37.1%	33.9%	35.2%	38.4%	33.7%
Four bedrooms	40.0%	36.2%	44.3%	36.8%	38.1%

Source: Derived from online estate agents survey, August 2016

Local Housing Allowance

- 3.31 Local Housing Allowance (LHA) has been brought in to replace Housing Benefit outside of the Social Rented sector. It is designed to make up the shortfall in people's ability to pay for their housing. Households unable to afford all of their rent are entitled to LHA to make up the difference, so long as the rent does not exceed the LHA cap for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. Table 3.8 sets out the monthly LHA caps that apply in the HMA, which is covered by four BRMAs. Dudley and Wolverhampton are located entirely within the Black Country BRMA, whilst Sandwell and Walsall are covered mainly by the Black Country BRMA, but are also partly within the Birmingham BRMA. South Staffordshire falls across the Black Country, Birmingham, Shropshire and Mid-Staffordshire BRMAs.
- 3.32 A comparison with the Affordable Rent levels in the HMA (set out in Table 3.3) indicates that the local Affordable Rents are currently cheaper than the LHA caps across the HMA other than one bedroom Affordable Rents in Dudley and three bedroom Affordable Rents in Sandwell. A comparison with the LHA caps indicates that Affordable Rents are generally around 90-95% of the respective LHA caps within the HMA.

Table 3.8 Local Housing Allowance Cap (per month)				
<i>Bedrooms</i>	<i>Black Country BRMA</i>	<i>Birmingham BRMA</i>	<i>Mid- Staffordshire BRMA</i>	<i>Shropshire BRMA</i>
Shared room	£260	£248	£289	£298
One bedroom	£374	£428	£394	£379
Two bedrooms	£455	£521	£494	£474
Three bedrooms	£521	£572	£561	£561
Four bedrooms	£657	£751	£740	£740

Source: Valuation Office Agency 2016

- 3.33 It is worth noting that during the Spending Review on 25th November 2015, the Government announced that housing benefit within the Social Rented sector, including the Shared Accommodation Rate for single claimants aged under 35 without dependent children, is to be capped at the relevant LHA rates for new tenants.

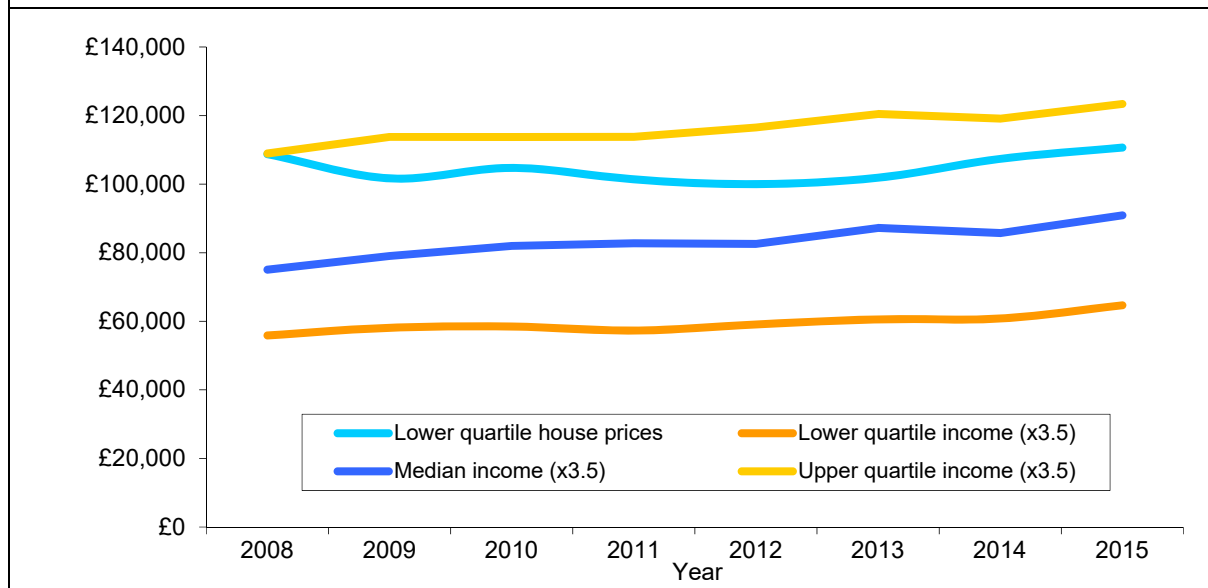
Affordability of housing

- 3.34 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market.
- 3.35 The affordability of housing in an area is measured by the ratio of market housing costs to income in that area. Initially the general authority-wide entry-level cost of market housing will be compared to different points on the earnings distribution of residents in the area to consider affordability in historical terms. This will be followed by an analysis that assesses the ability of households in the HMA to afford market accommodation of the size they require, using data on the household income distribution and the household composition in each council area.

General affordability

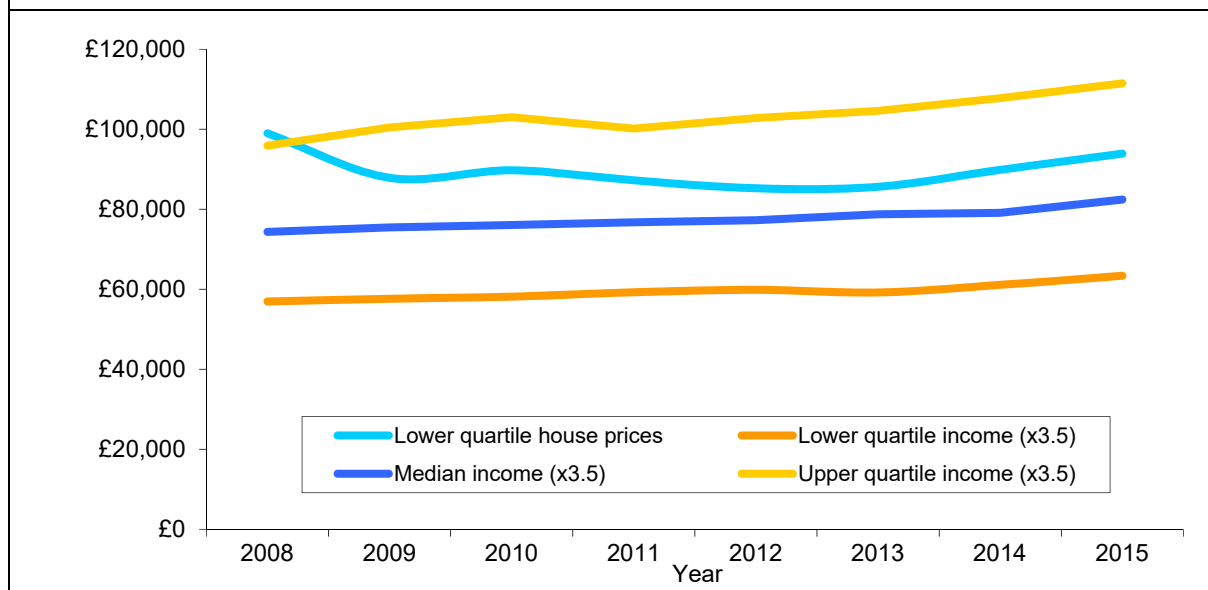
- 3.36 Figures 3.18 to 3.22 show the lower quartile, median and upper quartile income of full-time workers in each local authority (as set out in Chapter 2) multiplied by 3.5 (the income multiple typically used by mortgage lenders) compared to the overall lower quartile prices in each Council area (for all properties sold rather than the lower quartile price of a particular bedroom size). The figures show that full-time workers with earnings at the upper-quartile level in Dudley, Sandwell, Walsall and Wolverhampton would be able to purchase an entry-level property in the authority, whilst those with earnings at the upper-quartile level in South Staffordshire would not be able to purchase. In all areas full-time workers with earnings at the lower quartile or median level would require substantial additional income or a capital sum to deduct from the purchase price to be able to afford a lower quartile property.

Figure 3.18 Earnings compared with lower quartile prices in Dudley



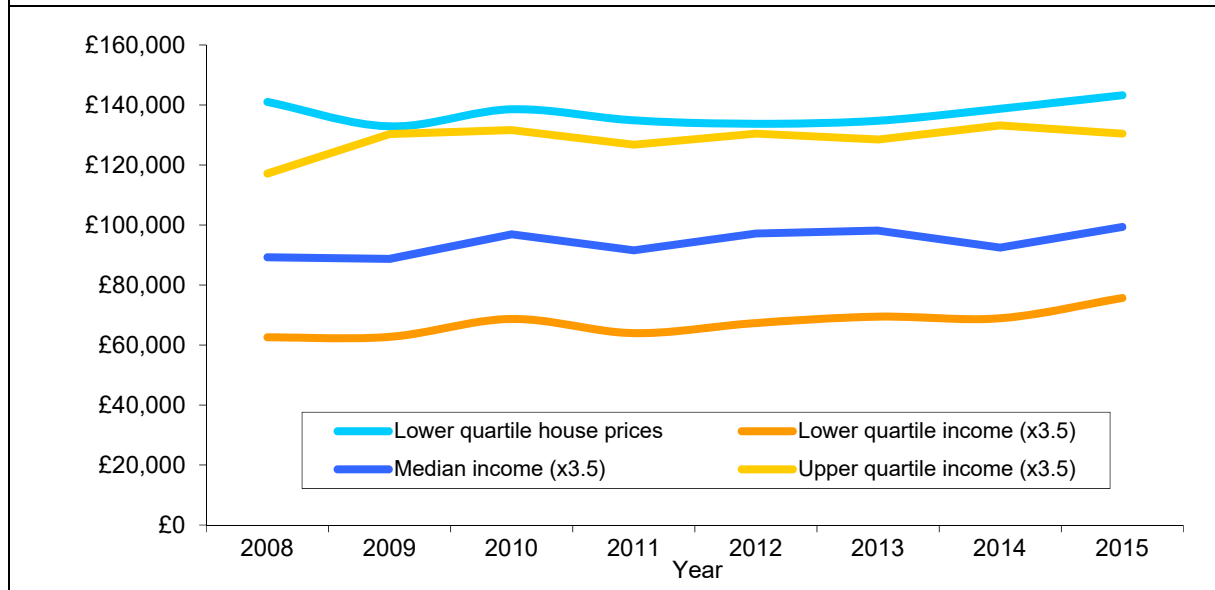
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.19 Earnings compared with lower quartile prices in Sandwell



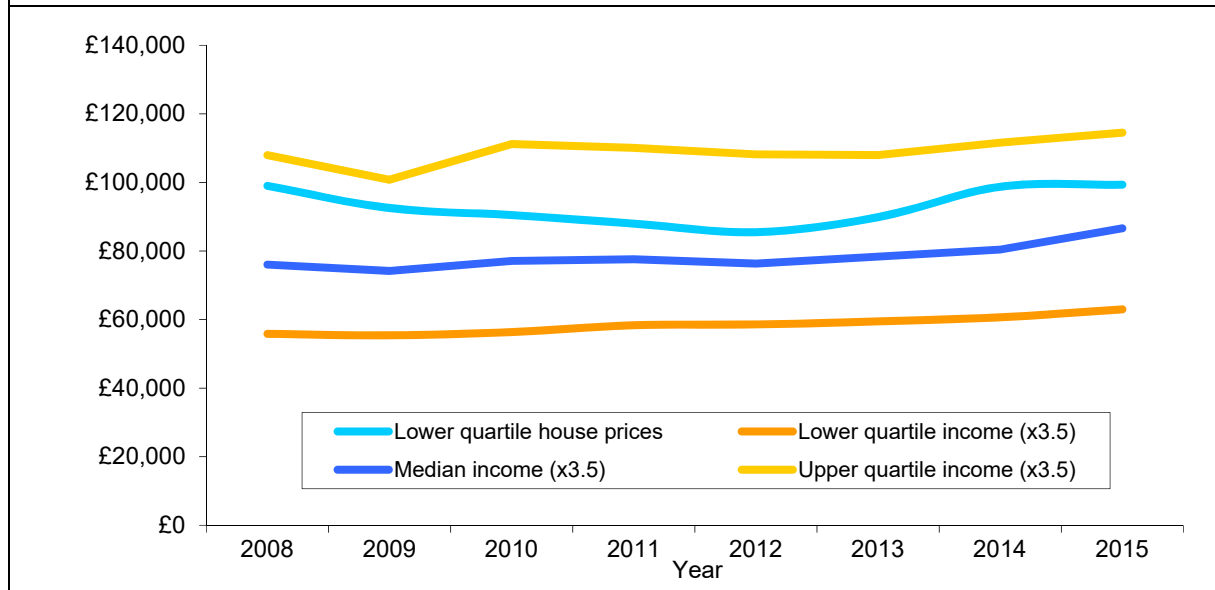
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.20 Earnings compared with lower quartile prices in South Staffordshire

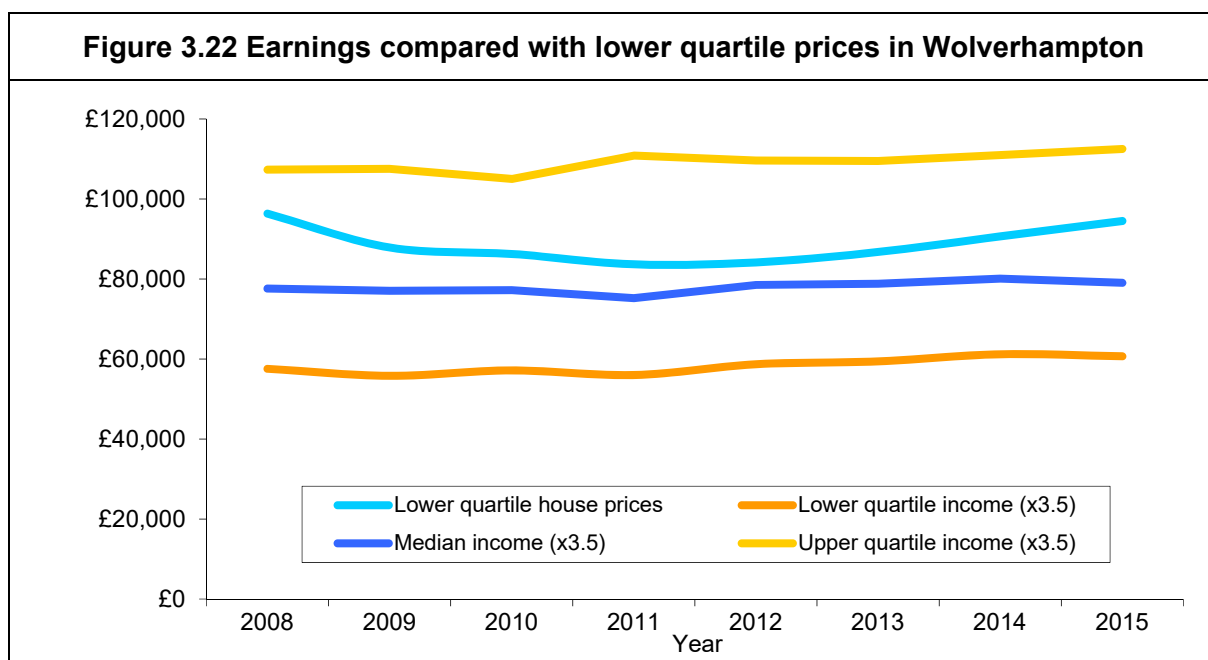


Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.21 Earnings compared with lower quartile prices in Walsall



Source: Land Registry via CLG; Annual Survey of Hours and Earnings

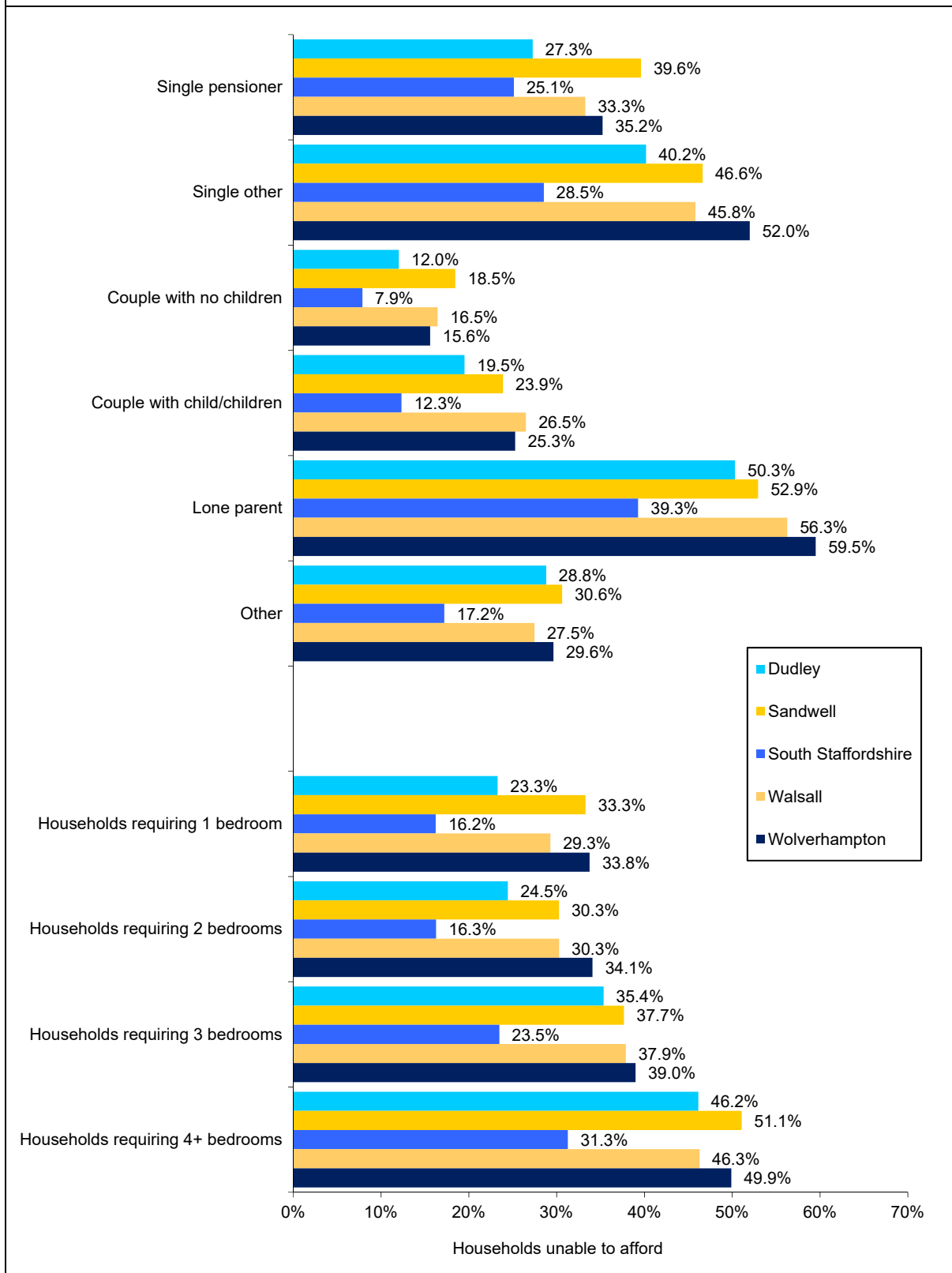


Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Specific theoretical affordability

- 3.37 The household income distribution referred to in Figure 2.9 differentiated by household type can be used to assess the ability of households in each authority to afford the size of home that they require (according to the bedroom standard). The entry-level cost of housing by bedroom size is presented in Figures 3.10 and 3.12 and the test is based on the affordability criteria discussed above.
- 3.38 The figure below shows the current affordability of households in the HMA by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move.
- 3.39 The data indicates that 50.3% of lone parent households in Dudley would be unable to afford market housing (if they were to move home now), as would 52.9% of lone parent households in Sandwell, 39.3% of lone parent households in South Staffordshire, 56.3% of lone parent households in Walsall and 59.5% of lone parent households in Wolverhampton. Single non-pensioner households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in all parts of the HMA. Households requiring a four bedroom home are least likely to be able to afford this size market housing in all constituent Council areas.

Figure 3.23 Theoretical affordability of market housing in the HMA



Source: Modelled from the 2011 Census, the English Housing Survey and the income profile for each authority provided by CACI Paycheck, 2016

Potential demand for discount home ownership (including Starter Homes)

- 3.40 Paragraphs 3.25 to 3.27 of this report introduce the discount home ownership product available locally. It costs more than market entry rent and is also more expensive than entry-level owner-occupation other than for two and four bedroom homes in South Staffordshire and four bedroom homes in Dudley, Walsall and Wolverhampton. It is therefore likely to be principally targeted at households in the private rented sector aspiring to purchase a home.
- 3.41 To try and establish the potential demand for these products from households in the private rented sector, the household income distribution differentiated by household type has been adjusted to reflect that nationally the median income of private rented households is 98.9% of the median figure for all households (according to the English Housing Survey). Applying this affordability profile to the number of households moving to a private rented home each year allows the number of these households that could afford discounted home ownership to be identified. This represents the potential annual demand³ for this product and is set out in the table below, disaggregated by local authority and bedroom size requirements. These figures include households eligible for the 'Starter Home Initiative' (first-time buyers under 40) but it is not possible to separate out this specific demand. It should be noted that this represents just the potential demand for this product, it is not possible to determine the tenure preferences of these households. In addition, many of these households would also be able to afford entry-level home ownership.

Table 3.9 Potential annual demand for discount home ownership					
<i>Bedrooms</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	15	12	4	14	16
Two bedrooms	24	22	10	21	28
Three bedrooms	18	24	13	20	32
Four bedrooms	5	4	3	7	11
Total	62	62	30	62	87

Source: Modelled from the 2011 Census, the English Housing Survey and the income profile for each authority provided by CACI Paycheck, 2016

Potential demand for shared ownership housing

- 3.42 As discussed in paragraph 3.24, shared ownership with a 40% equity share is more expensive than entry-level market housing in the majority of instances, however it is also cheaper than entry-level owner-occupation in a number of cases. It is therefore likely to

³ Whilst the figure is theoretically an annual estimate, once a household has moved into a discounted home ownership dwelling they are removed from the number of households that would typically be moving within the private rented sector in future years and therefore the potential pool for future demand for discount home ownership would reduce. This means that these annual figures are likely to reduce over time, but the numbers indicate potential initial demand.

provide an opportunity for home ownership for households in the private rented sector aspiring to purchase a home as an alternative to discount home ownership.

- 3.43 Using the same approach as described in paragraph 3.38 above, the table below sets out the potential annual demand for this product⁴, disaggregated by local authority and bedroom size requirements. These figures include households able to afford discount home ownership. It should be noted that this represents just the potential demand, it is not possible to determine the tenure preferences of these households.

Table 3.10 Potential annual demand for shared ownership with 40% equity share					
<i>Bedrooms</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	56	50	10	49	26
Two bedrooms	60	78	18	59	73
Three bedrooms	59	70	22	76	100
Four bedrooms	22	29	6	30	32
Total	197	227	56	214	231

Source: Modelled from the 2011 Census, the English Housing Survey and the income profile for each authority provided by CACI Paycheck, 2016

⁴ Whilst the figure is theoretically an annual estimate, once a household has moved into a shared ownership (with 40% equity) home they are removed from the number of households that would typically be moving within the private rented sector in future years and therefore the potential pool for future demand for shared ownership (with 40% equity) would reduce. This means that these annual figures are likely to reduce over time, but the numbers indicate potential initial demand.

4. Type and tenure of future housing needed

Introduction

- 4.1 Paragraph 021 of the PPG is clear that *'once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size'*. This chapter describes the long-term balancing housing markets (LTBHM) model which uses secondary data to determine the future demand for housing by size and tenure based on the profile of households resident in the HMA in 2036. This will then be compared to the current housing stock and a profile of new accommodation required will be determined.
- 4.2 The model is set out in more detail subsequently, however this chapter initially presents the demographic changes that will occur in the HMA over the Local Plan period (2014 to 2036) as set out in the projections used to calculate the Objectively Assessed Need (addressed within the Part 1 Study). The change in the household composition indicated within these projections drives the size and tenure demand profiles generated by the model.

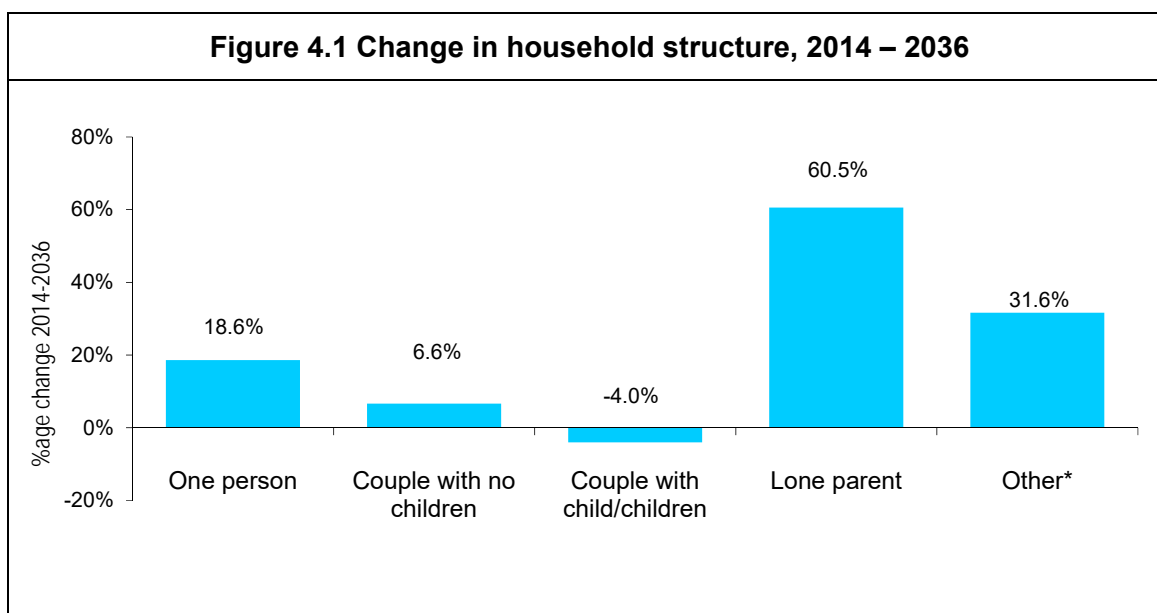
Demographic projections

- 4.3 The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups to facilitate this analysis. The table below sets out the number of households that will be resident in the HMA in 2036 disaggregated by broad household type. The 2014 household profile is also presented as a reference point, as 2014 is the base date for this model as this is when the plan-period began.

Table 4.1 Projected household population in the HMA in 2036 by household type			
<i>Household type</i>	<i>2014 Number</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	150,879	178,972	29.9%
Couple with no children	121,590	129,655	21.7%
Couple with child/children	143,933	138,163	23.1%
Lone parent	65,681	105,441	17.6%
Other	34,506	45,414	7.6%
Total	516,590	597,645	100.0%

Source: Peter Brett Associates, 2017

- 4.4 The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in the HMA, followed by other households. Couples with children are projected to decrease in number.



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Peter Brett Associates, 2017

Methodology of the model

- 4.5 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in each local authority in the HMA in 2011. This has been adjusted⁵ to reflect the changes since 2011 to provide an accommodation profile in 2014.
- 4.6 The 2011 Census also provides detail on the occupational patterns of different household groups in each authority, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in the HMA alongside the changes in the size of accommodation occupied within each tenure) and models their continuation through to 2036. In addition, a further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model. This means that the future housing stock will better reflect the requirements of the future population in the area.
- 4.7 This profile of suitable accommodation for each household type is applied to the size of the household group in 22 years' time. The accommodation profile required in 2036 is then compared to the current accommodation profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households so the figures are based on the change in number of households identified

⁵ Using the latest data from the Homes & Communities Agency's Statistical Data Return and the LAHS datasets and trends indicated within the English Housing Survey and by the Census.

within the OAN calculations. However, the overall Objectively Assessed Need figure calculated in the OAHN Study presumes that the requirement for new dwellings is greater than the projected growth in households in accordance with the approach set out in the PPG. Chapter 7 below will therefore convert the household based results from this chapter into dwelling based equivalents. The following section presents the outputs of this model.

Tenure of housing required

- 4.8 Table 4.2 shows the projected tenure profile for the HMA in 22 years' time. The data shows that in 2036 the housing stock across the HMA should comprise 60.1% owner-occupied dwellings, 15.4% private rented homes, 1.3% shared ownership properties and 23.1% Social Rented/Affordable Rented accommodation.

Table 4.2 Projected tenure profile in 2036		
<i>Tenure</i>	<i>Number</i>	<i>Percentage</i>
Owner-Occupied	359,336	60.1%
Private Rented	92,215	15.4%
Shared Ownership	7,946	1.3%
Social Rent/Affordable Rent	138,148	23.1%
Total	597,645	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

- 4.9 Table 4.3 shows the tenure profile required by households resident in the HMA in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 55.6% of new housing should be owner-occupied, 21.2% private rented, 6.8% should be shared ownership and 16.4% Social Rent/Affordable Rent.

Table 4.3 Tenure of new accommodation required in the HMA over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile (2014)</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-Occupied	314,269	359,336	45,067	55.6%
Private Rent	75,060	92,215	17,155	21.2%
Shared Ownership	2,425	7,946	5,521	6.8%
Social Rent/Affordable Rent	124,836	138,148	13,312	16.4%
Total	516,590	597,645	81,055	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

Discount home ownership/Starter Homes

- 4.10 The analysis of the likely cost profile of discount home ownership/Starter Homes in the HMA, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. Although it is a product that has only recently been introduced into the market and therefore can't be modelled using the same trend data as is utilised for the rest of the LTBHM model. However, the potential demand for this new product over the plan period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing informed by the affordability analysis described at the end of Chapter 3. This approach identifies that between 2014 and 2036 there would be a requirement for 4,309 discount home ownership dwellings across the HMA. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 4,309 discount home ownership dwellings identified using this process should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

- 4.11 The model is also able to provide detail on the size of new dwellings required within each tenure. Table 4.4 presents the size of owner-occupied accommodation required in the HMA in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 46.0% of new owner-occupied dwellings should be three bedroom homes, with 26.6% having four or more bedrooms, 20.4% should be two bedroom units and 7.1% one bedroom accommodation.

Table 4.4 Size of new owner-occupied accommodation required in the HMA over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	7,029	10,214	3,186	7.1%
Two bedroom	57,773	66,949	9,176	20.4%
Three bedroom	186,017	206,749	20,732	46.0%
Four or more bedrooms	63,450	75,424	11,974	26.6%
Total	314,269	359,336	45,067	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

- 4.12 This analysis can be repeated for private rented housing and is presented in Table 4.5. The data indicates that of the 17,155 private rented dwellings required within the HMA, 38.3% should be three bedroom properties with a further 26.9% should be two bedroom homes. Some 13.5% of dwellings should be single bedroom accommodation and 21.3% should have four or more bedrooms.

Table 4.5 Size of new private rented accommodation required in the HMA over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	12,056	14,367	2,311	13.5%
Two bedroom	26,300	30,910	4,610	26.9%
Three bedroom	30,854	37,433	6,579	38.3%
Four or more bedrooms	5,850	9,505	3,656	21.3%
Total	75,060	92,215	17,155	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

- 4.13 Table 4.6 sets out the equivalent analysis for shared ownership/discounted home ownership housing. The data indicates that of the 5,521 shared ownership/discounted home ownership dwellings required within the HMA, 33.5% should be two bedroom properties with a further 27.9% three bedroom accommodation. Some 26.0% should have one bedroom and 12.7% should have four or more bedrooms.

Table 4.6 Size of new shared ownership accommodation required in the HMA over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	491	1,924	1,433	26.0%
Two bedroom	937	2,787	1,850	33.5%
Three bedroom	724	2,262	1,538	27.9%
Four or more bedrooms	273	973	700	12.7%
Total	2,425	7,946	5,521	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

- 4.14 Table 4.7 shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that of the 13,312 additional Affordable Rented units required within the HMA over the next 22 years, 31.7% should have four bedrooms, 24.7% one bedroom, 22.7% three bedrooms and 20.8% two bedrooms.

Table 4.7 Size of new Social Rent/Affordable Rent required in the HMA over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	33,024	36,310	3,286	24.7%
Two bedroom	41,355	44,130	2,774	20.8%
Three bedroom	47,231	50,257	3,026	22.7%
Four or more bedrooms	3,226	7,452	4,226	31.7%
Total	124,836	138,148	13,312	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

- 4.15 Table 4.8 shows the size of discount home ownership/Starter Home that would be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the demand from households likely to move into this alternative product has been deducted, is also set out in the table. The table indicates that that 40.3% of the discount home ownership units required should have three bedrooms, 24.3% two bedrooms, 17.8% four bedrooms and 17.6% one bedroom.

Table 4.8 Size of new Discount Home Ownership/Starter Home required in the HMA over the next 22 years		
<i>Dwelling size</i>	<i>Starter Homes required</i>	<i>Residual private rented homes required</i>
One bedroom	760	1,552
Two bedroom	1,045	3,564
Three bedroom	1,738	4,840
Four or more bedrooms	767	2,889
Total	4,309	12,845

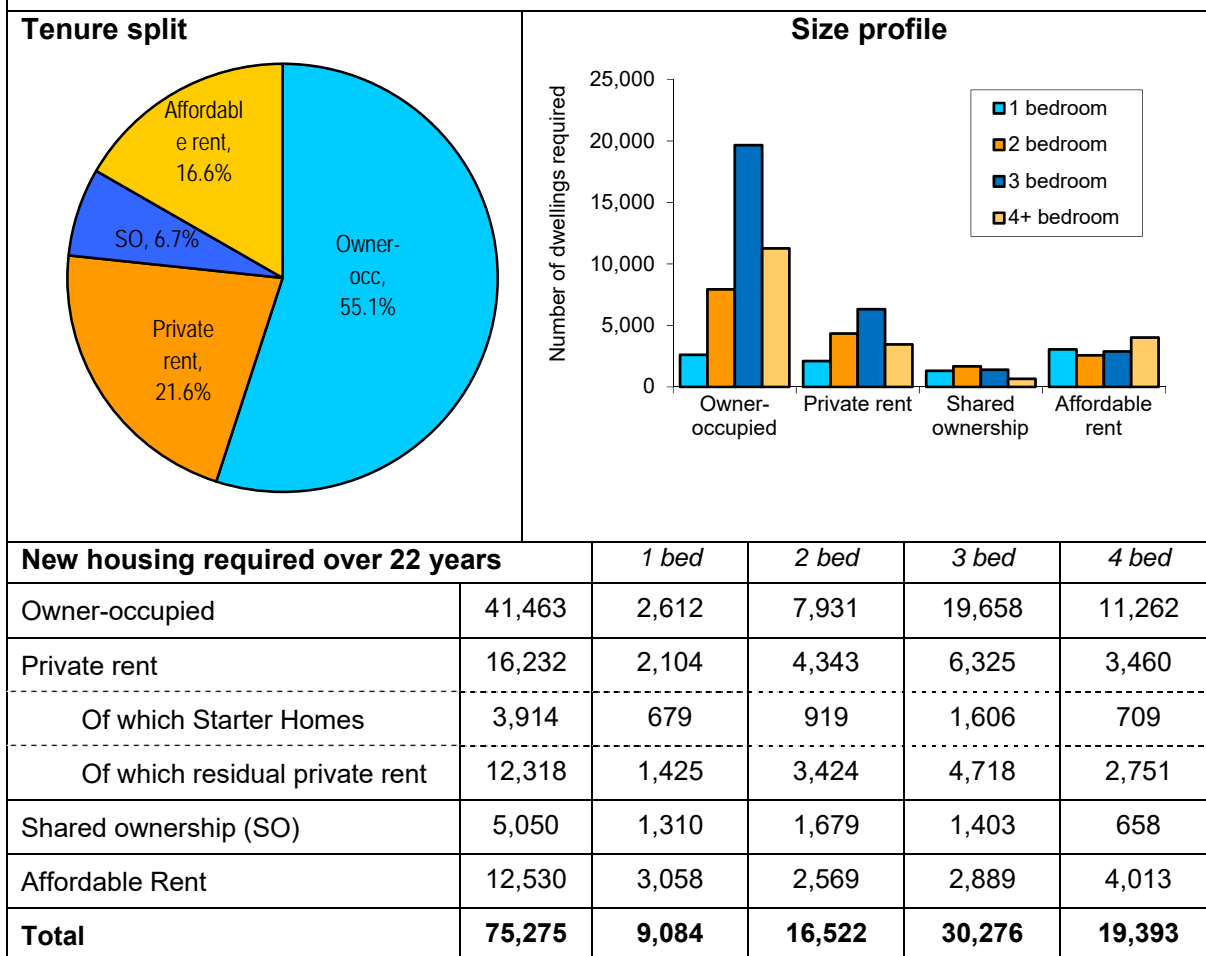
Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

- 4.16 These outputs are replicated for the constituent authorities of the HMA in the appendices to this report.

Results for the Black Country Core area

- 4.17 The figure below summarises the equivalent results for the new housing required for the authorities within the Black Country Core area (Dudley, Sandwell, Walsall and Wolverhampton).

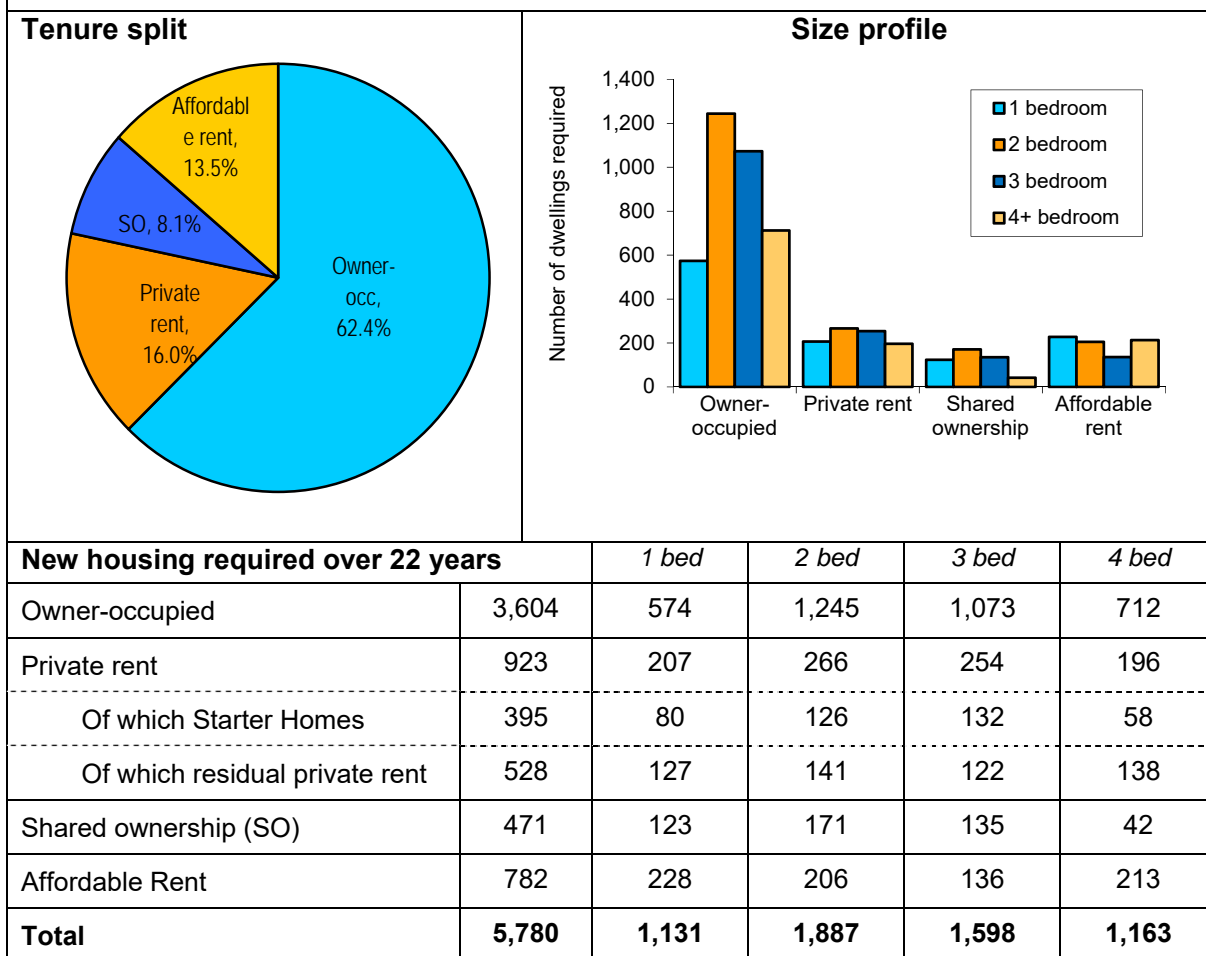
Figure 4.2 Profile of new accommodation required in Black Country Core authorities



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

- 4.18 The figure below summarises the equivalent results for the new housing required in South Staffordshire. Detail for how these figures were derived is set out in Appendix A4.

Figure 4.3 Profile of new accommodation required in South Staffordshire



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

5. Affordable housing need

Introduction

- 5.1 It is necessary to undertake a separate calculation of affordable housing need (the previous model has a limited capacity to assess resident households' ability to afford appropriate local housing). Paragraph 22 (Reference ID: 2a-022-20140306) to Paragraph 29 (Reference ID: 2a-029-20140306) of the *Housing and economic development needs assessments* section of the PPG details how affordable housing need should be calculated. It defines affordable housing need as *'number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market'*.
- 5.2 The PPG goes on to set out the types of households to be considered in housing need:
- *'homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);*
 - *households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);*
 - *households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
 - *households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;*
 - *households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.'*
- 5.3 This chapter presents the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This chapter presents details of how each of these stages is calculated using locally available data for each individual local authority. An annual estimate of the affordable housing need in the HMA is calculated and the tenure and size of accommodation most appropriate to meet this need is discussed.

Stage 1: Current unmet gross need for affordable housing

- 5.4 The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing, and are therefore in current need.
- 5.5 The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the table below, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double-counting

between them has been taken into account. Households can be unsuitably housed for more than one reason so it is important that they are only counted once.

- 5.6 The table shows that there are 38,727 households currently in unsuitable housing or lacking their own housing in the HMA and the most common reason for unsuitability is overcrowding. This figure of 38,727 represents 7.4% of all households in the HMA.

Table 5.1 Current households who lack their own housing or live in unsuitable housing in the HMA

<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	Each individual Council's housing register as of Spring 2016.	564	564
Households in temporary accommodation	Section E6 of the Council's P1(E) return for 1 st quarter of 2016 from Dudley, Sandwell, Walsall and Wolverhampton alongside homelessness data from South Staffordshire showing the number of homeless households accommodated in temporary accommodation in the HMA at the end of the quarter.	61 ⁶	0 ⁷
Overcrowded households	2011 Census modelled to Spring 2016. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) in the HMA recorded in each authority between the 2001 and 2011 Census (set out in tables S053 Household composition by tenure and occupancy rating and table DC4104EW1a Tenure by occupancy rating (rooms) by household composition). The five-year change for each tenure recorded from this source was averaged against the latest five-year change for each tenure recorded nationally by the English Housing Survey (set out in table FA1421 Trend in overcrowding rates by tenure). This average five-year change was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2016 (set out in table DC4105EW1a - Tenure by occupancy rating (bedrooms) by household composition).	27,465	27,465
Concealed households*	2011 Census modelled to Spring 2016. This was done by calculating the annual change in the number of concealed households recorded in each authority between the 2001 and 2011 Census (set out in table S058 - Households in a shared dwelling and amenities and household size by central heating and number of rooms and in table DC4205EW - Dwelling type by type of central heating in household by occupancy rating (rooms) by ethnic group of Household Reference Person (HRP)) and applying this the number of concealed households identified in the 2011 Census (DC1110EW1a - Concealed family by family type by dependent children in family by age of Family Reference Person).	10,000	4,923 ⁸
Other groups	Each individual Council's housing register as of Spring 2016. Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	5,775	5,775
Total		43,865	38,727

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register *According to the Practice Guidance, concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

⁶ This only includes households living in non-self-contained temporary accommodation i.e. B&B and hostels.

⁷ All households in temporary accommodation are also on the Council's Housing Register, although the type of accommodation they occupy is not separately distinguished so this is obtained from the P(1)E form.

⁸ The 2011 Census indicated that 56.3% of concealed households were also overcrowded in Dudley, 52.8% in Sandwell, 16.7% in South Staffordshire, 44.6% in Walsall and 57.6% in Wolverhampton.

Affordability

- 5.7 Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing of the appropriate size (set out in Figures 3.10 and 3.12) is therefore tested. The waiting list details the size of accommodation required by homeless households and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for the HMA, is adjusted to reflect that nationally the income of overcrowded households is 98.6% of the figure for all households (according to the English Housing Survey). Similarly, for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of Social Rented households is 52.0% of the figure for all households (according to the English Housing Survey).
- 5.8 These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in the core Black Country authorities and where the cost of housing can constitute up to 35% of gross income and still be affordable in South Staffordshire⁹.
- 5.9 The impact of using other thresholds is examined at the end of this chapter. The table below shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point. The number of households that are therefore in current need is shown in the final column.

⁹ This affordability test is used in preference to the affordability test of 25% of gross income on housing which was the suggested starting point in the, now cancelled, 2007 Practice Guidance (although the Guidance did note that this threshold should be determined locally), as these are the most appropriate figures when the affordability of local housing is considered based on practice in the market. This was discussed in detail during the stakeholder consultation event (see Appendix A1) and it was agreed that a threshold of 30% was reflective of the situation in Dudley, Sandwell, Walsall and Wolverhampton and that the housing market in South Staffordshire was distinct and notably more expensive, with a higher threshold of 35% the reality of the market there. It should be noted that the final affordability threshold used was altered from the initial draft in response to these stakeholder comments. As this study is seeking to make a 'policy off' assessment of the housing market an assumption that reflects the workings of the market should be used – and stakeholders agreed that these assumptions were correct.

Table 5.2 Affordability of households in unsuitable housing			
<i>Number of bedrooms required</i>	<i>Unsuitably housed households</i>	<i>Percentage unable to afford entry-level market housing</i>	<i>Households in current need</i>
One bedroom	6,677	57.9%	3,868
Two bedroom	13,571	42.5%	5,774
Three bedroom	10,708	43.1%	4,612
Four or more bedrooms	7,771	49.2%	3,827
Total	38,727	46.7%	18,080

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016

- 5.10 Overall 46.7% (18,080 households) of unsuitably housed households or households lacking their own housing in the HMA are unable to afford market housing and are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and shared ownership accommodation that are not living with another household currently), and other households. It is estimated that some 10,458 households in need currently live in affordable housing that would become available for reuse¹⁰.

Total current need

- 5.11 The table below summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 18,080 households in current need in the HMA.

Table 5.3 Stage 1: Current unmet gross need	
<i>Component</i>	
Homeless households and those in temporary accommodation	560
Overcrowded and concealed households	13,565
Other groups	3,955
Total current housing need (gross)	18,080

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016

¹⁰ For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of households in each category, but also their current tenure (alongside the type of household they were and the size of home they required). This was obtained from the original data sources detailed in Table 3.1. The final tenure profile of households in need, and the figure of 10,458 in affordable accommodation derived, accounts for the different affordability profiles of these different groups of households who lack their own housing or live in unsuitable housing groups.

Stage 2: Newly arising affordable housing need

5.12 In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This is split, as per the PPG, into two categories:

- new household formation (\times proportion unable to buy or rent in market).
- existing households falling into need.

Need from newly forming households

5.13 The headship rate for each 5 year age cohort between the ages 15 and 49 was calculated using information in the Census on the number of people and number of household heads within each age cohort. This headship rate was then applied to the population projections associated with the calculation of the Objectively Assessed Need figure. This identified the projected number of households likely to form in the HMA. This figure is then averaged to provide an annual estimate for the number of newly forming households.

5.14 Using this methodology it is estimated that 10,775 new households will form per year in the HMA. This represents a household formation rate of 2.1%, slightly higher than the figure of 1.7% recorded nationally by the English Housing Survey. To assess the ability of these households to afford entry-level market housing of the appropriate size, it is presumed that these new households will have the same composition as the profile for new households recorded in the English Housing Survey, from which the appropriate size requirement profile can be determined. To test newly forming households ability to afford market housing, the income distribution for each dwelling size requirement (identified using the CACI income profile for the each individual authority) is adjusted to reflect that nationally the income of newly forming households is 72.9% of the figure for all households (according to the English Housing Survey).

5.15 The table below shows details of the derivation of newly arising need from newly forming households. The table shows that 62.2% of newly forming households will be unable to afford market housing in the HMA, which means that there will be an annual affordable housing requirement from 6,701 newly forming households.

Table 5.4 Newly arising need from new household formation (per annum)	
<i>Component</i>	
Number of newly forming households	10,775
Proportion unable to afford entry-level market housing	62.2%
Number of newly forming households requiring affordable accommodation	6,701

Source: Peter Brett Associates, 2017, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016

Existing households falling into need

- 5.16 The PPG recommends that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the re-lets of affordable accommodation within each Council area over the last three years (Spring 2013 to Spring 2016) indicates that there were 17,334 households in need that were placed in affordable housing over the last three years. Annualised this is 5,778 (17,334/3) households per year in affordable housing need.
- 5.17 This figure will include newly forming households, which have featured in the previous step. The CORE LA Area Lettings Reports¹¹ provide an estimate of the proportion of Social Rented lets each year taken by newly forming households in each authority within the HMA. It shows that an average of 26.5% of lettings in the HMA were to newly forming households over the last three years. It is assumed therefore that 1,530 (26.5% of 5,778) of the households in need are newly forming households. The resultant number of existing households falling into need in the HMA is 4,248 (5,778-1,530) households per annum.

Total newly arising need

- 5.18 The table below summarises the second stage of the assessment of affordable housing need as set out by the PPG. It indicates that 10,949 (6,701+4,248) households will be in newly arising need per annum in the HMA.

Table 5.5 Stage 2 Newly arising need (per annum)	
<i>Component</i>	
New household formation (gross per year)	10,775
Proportion of new households unable to buy or rent in the market	62.2%
Existing households falling into need	4,248
Total newly arising housing need (gross per year)	10,949

Source: Peter Brett Associates, 2017, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015

Stage 3: Current affordable housing supply

- 5.19 The PPG indicates that the stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

¹¹ CORE (COntinuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

Current occupiers of affordable housing in need

- 5.20 It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 5.9), there are 10,458 households currently in need already living in affordable housing in the HMA.

Surplus stock

- 5.21 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Dudley records a vacancy rate in the affordable sector of 2.3%, whilst it is 0.9% in Sandwell, 0.7% in South Staffordshire, 1.1% in Walsall and 1.5% in Wolverhampton. As the vacancy rate is lower than the 3% benchmark, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing.

Committed supply of new affordable units

- 5.22 The PPG indicates that '*the committed supply of new affordable units (Social Rented and intermediate housing) at the point of the assessment*' be taken into account within the model. The Councils have indicated that there are 1,415 new affordable homes currently committed across the HMA.

Planned units to be taken out of management

- 5.23 The PPG states that the '*net number of units to be taken out of management (demolition or replacement schemes that lead to net losses of stock)*' should be quantified. The Councils have indicated that the only affordable stock to be taken out of management that will not be fully replaced is in Sandwell and Dudley, with 48 dwellings to be lost in the former and a replacement scheme leading to the loss of 180 affordable dwellings in the latter.

Total current affordable housing supply

- 5.24 Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the table below. The data shows that there are an estimated 11,645 affordable homes currently available in the HMA area.

Table 5.6 Stage 3 Current affordable housing supply	
<i>Component</i>	
Affordable dwellings occupied by households in need	10,458
Surplus stock	0
Committed supply of affordable housing	1,415
Units to be taken out of management	228
Total affordable housing stock available	11,645

Source: Paragraph 5.9; HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

- 5.25 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector.

The future supply of Social/Affordable Rented housing

- 5.26 This is an estimate of likely future re-lets from the affordable stock. The PPG suggests that the estimate should be based on past trend data over the last three years. CORE data provides an indication of the number of lettings in the Social Rented / Affordable Rented sector and the results for the last three years are presented in the table below. The average number of lettings across the social and Affordable Rented sector over the three-year period was 10,297 per annum in the HMA.
- 5.27 It should be noted that the model assesses affordable housing need at a particular point in time and there is no mechanism within the model for accounting for ongoing structural changes to the affordable housing stock, such as a continuing decrease in the number of relets, the loss of stock through Right-to-Buy or the necessary sale of high-value stock to generate revenue which mean that future re-let rates may be lower than those achieved in the past.

Table 5.7 Analysis of past housing supply (Social Rented/Affordable Rented sector)						
<i>Year</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>	<i>HMA</i>
2012/13	2,066	2,753	426	2,331	1,894	9,470
2013/14	2,513	3,143	463	2,785	2,593	11,497
2014/15	1,904	3,097	404	2,425	2,095	9,925
Average	2,161	2,998	431	2,514	2,194	10,297

Source: CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015

Supply of intermediate housing

- 5.28 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case across the HMA). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social Rented sector¹² (7.9% in Dudley, 8.3% in Sandwell, 6.6% in South Staffordshire, 9.1% in Walsall and 7.6% in Wolverhampton) to the estimated stock for each form of intermediate housing in each Local Authority. This is set out in the table below. It is estimated that around 204 units of intermediate housing will become available to meet housing needs from the existing stock each year in the HMA.

Table 5.8 Estimated intermediate supply		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Low cost home ownership	46	3
Shared ownership	2,460	201
All intermediate lettings	-	204

Source: HCA's Statistical Data Return 2015

Annual future supply of affordable housing

- 5.29 The total future supply of affordable housing is the sum of the Social Rented supply and the intermediate supply as set out in the table below.

Table 5.9 Stage 4 Future supply of all affordable housing (per annum)	
<i>Component</i>	
Annual supply of social/Affordable Rented re-lets	10,297
Annual supply of intermediate housing available for re-let or resale at sub-market levels	204
Annual supply of all affordable housing	10,501

Source: : CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015

Estimate of net annual housing need

- 5.30 The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable

¹² This is calculated by dividing the total number of relets as set out in Table 5.7 by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2015.

housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).

- 5.31 The second step is to convert this total net current need figure into an annual flow. The PPG is not specific as to how this should be done. For the purposes of this study the period of 20 years will be used to fit in with the remaining timeframe of the Local Plans (through to 2036)¹³. The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). The table below sets out this process. It leads to a total need for affordable housing of 770 per year in the HMA. The summary results set out below alongside the subsequent analysis of households in need is presented for the constituent authorities of the HMA, and the Black Country core grouping, in the appendices to this report.

Table 5.10 Results of the affordable housing needs model¹⁴	
<i>Stage in calculation</i>	<i>the HMA</i>
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	18,080
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	10,949
Stage 3: Current affordable housing supply (Total) (Table 5.6)	11,645
Stage 4: Future housing supply (Annual) (Table 5.9)	10,501
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	6,435
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	322
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	770
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	11,853
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	11,083

Source: Various secondary sources as detailed under each individual table

Overall households in affordable housing need by type (gross)

- 5.32 The table below gives a breakdown of the gross annual households in need, by household type in the HMA. The table shows that some 4.3% of 'other' households are in housing need compared to 1.4% couple with children households. Overall, one person households comprise 31.0% of all households in need.

¹³ The base date for this model is 2016 as this is when the data on households in current need, provided by the Housing Register, is available from.

¹⁴ The results are aggregated results for the five component authorities based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in the core Black Country authorities and up to 35% in South Staffordshire, reflecting what was agreed by stakeholders. The results vary if different affordability thresholds are used as set out in Table 5.14.

Table 5.11 Annual need requirement by household type					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	3,678	149,286	152,965	2.4%	31.0%
Couple with no children	2,575	119,662	122,237	2.1%	21.7%
Couple with child/children	2,060	143,057	145,117	1.4%	17.4%
Lone parent	2,016	65,510	67,526	3.0%	17.0%
Other	1,523	34,048	35,571	4.3%	12.8%
Total	11,853	511,562	523,415	2.3%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH 2016

Size of accommodation required

- 5.33 The table below shows the size of accommodation required by households in housing need in the HMA. The supply distribution for Social Rented and intermediate homes is derived from average profile of re-lets of affordable accommodation over the last three years as supplied from the Councils. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.
- 5.34 The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12 Size of additional units required to meet housing need					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	6,253	6,023	231	30.0%	96.3%
Two bedrooms	2,795	2,672	122	15.9%	95.6%
Three bedrooms	1,649	1,492	157	20.4%	90.5%
Four or more bedrooms	1,156	896	259	33.7%	77.6%
Total	11,853	11,083	770	100.0%	93.5%

Source: Disaggregation of secondary data sources set out above, HDH 2016

Type of affordable home required

- 5.35 As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in the HMA. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

- 5.36 As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in the HMA are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.
- 5.37 The table shows that of the 11,853 households in gross need each year in the HMA, 0.2% could afford shared ownership with a 40% share, 11.7% could afford Shared Ownership with a 25% share, 11.5% could afford Intermediate Rent and 16.5% could afford Affordable Rent. Overall some 77.1% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13 Size and type of affordable home required by those in need (per annum)						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	19	4	0	0	23	0.2%
Shared Ownership – 25% equity share	695	400	211	80	1,386	11.7%
Intermediate Rent	229	503	354	276	1,362	11.5%
Affordable Rent	132	768	457	597	1,954	16.5%
Social Rent / Requires Assistance	5,452	2,027	1,123	532	9,134	77.1%
All households	6,253	2,795	1,649	1,156	11,853	100.0%

Source: Disaggregation of secondary data sources set out above, HDH 2016

Sensitivity analysis - affordability threshold

- 5.38 The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in the core Black Country authorities and up to 35% in South Staffordshire, reflecting what was agreed by stakeholders. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across the HMA where the cost of housing could constitute no more than 25% of gross household income in all authorities, 30% of gross household income across the whole HMA and 35% of gross household income in all authorities.

Table 5.14 Impact of different affordability assumptions on affordable housing requirement in the HMA				
	<i>Rent payable constitutes no more than:</i>			
	<i>Affordability threshold</i>	<i>35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	18,080	16,976	18,204	19,365
Stage 2: Newly arising need	10,949	10,290	11,039	11,794
Stage 3: Current supply	11,645	11,228	11,668	12,376
Stage 4: Future supply	10,501	10,501	10,501	10,501
Stage 5.1 Net current need	6,435	5,747	6,537	6,989
Stage 5.2 Annual net current need	322	287	327	349
Stage 5.3 Total annual need	770	76	865	1,643

Source: Disaggregation of secondary data sources set out above, HDH 2016

- 5.39 The table indicates that the net requirement would be 76 affordable homes per year in the HMA if 35% of gross household income could be spent on housing costs across the HMA. If 30% was the universal threshold across the HMA, the requirement would be for 865 affordable homes per year and if the threshold were to be 25% throughout the study area, there would be a requirement for 1,643 affordable homes per annum.

6. Requirements of specific groups of the population

Introduction

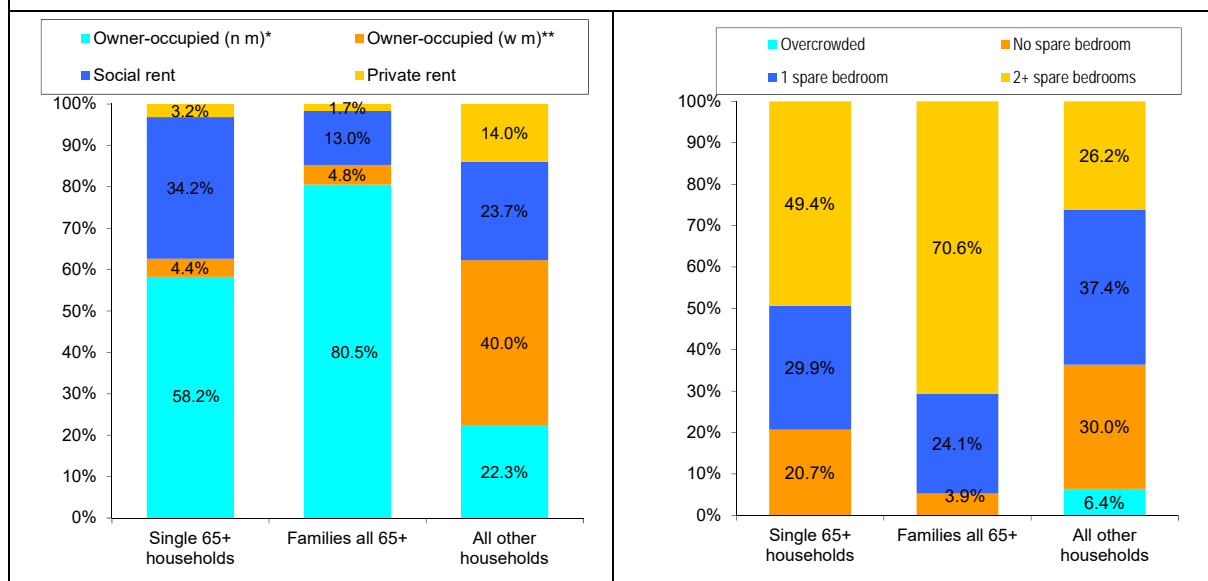
- 6.1 The NPPF indicates that a SHMA should ensure all subgroups of the population are addressed. Whilst the LTBHM considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. This chapter considers the specific profiles of the following groups of the population, which are suggested in the PPG and have an appreciable impact on the housing market within the HMA:
- Older persons
 - People with disabilities
 - Family households
 - Service families
 - Students
- 6.2 Service families were considered, but there is no Ministry of Defence base within the HMA, so this group has not been profiled in detail. This chapter will also examine the private rented sector in more detail and comment on the level of demand from people wishing to build their own homes.

Housing Needs of Older People

Current situation

- 6.3 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. The Census indicates that 21.9% of households in the HMA were older person only households (households where all members are 65 or over), compared to 21.5% regionally and 20.5% nationally. Within the HMA, South Staffordshire records the largest proportion of older persons only households (25.6%) followed by Dudley (23.5%), Walsall (22.0%), Wolverhampton (20.5%) and Sandwell (20.1%). Of these older person only households in the HMA in 2011, 59.2% contained only one person, a higher proportion than that recorded in the West Midlands region (58.7%) but lower than the figure for England (60.0%).
- 6.4 The figure below shows the tenure profile of older person only households in the HMA in 2011 compared to the remainder of the household population. The figure also sets out the occupancy level of these groups. The results show that both of the older person groups show a higher level of owner-occupation than other households. Older person households were also more likely than average to have multiple spare bedrooms in their home.

Figure 6.1 Profile of accommodation for older person households in the HMA



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership.

Future requirement

- 6.5 The Objectively Assessed Need projections indicate that the population aged 65 or over is going to increase dramatically over the plan period from 176,900 in 2014 to 267,000 in 2036, a rise of 50.9%.
- 6.6 The Projecting Older People Information System (POPPI) website uses information on recent trends in the health and occupation patterns of those age 65, and applies them to the latest sub-national population projections to provide an indication of the potential future profile of older persons in each authority in the country. This source suggests that the proportion of older persons living alone in the HMA will increase from 36.8% in 2015 to 37.8% in 2030 (the furthest date that the POPPI website projects to).
- 6.7 The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in the HMA in 2036 arising from that model.

Table 6.1 Type of accommodation required for pensioner households in 2036					
<i>Dwelling size</i>	<i>Owner-occupation</i>	<i>Private rented</i>	<i>Shared ownership</i>	<i>Social Rent/ Affordable Rented</i>	<i>Total</i>
One bedroom	12.4%	1.7%	0.6%	16.8%	31.6%
Two bedrooms	17.3%	3.2%	0.5%	6.0%	27.0%
Three bedrooms	31.1%	0.6%	0.0%	1.2%	32.9%
Four or more bedrooms	8.3%	0.3%	0.0%	0.0%	8.6%
Total	69.1%	5.8%	1.1%	24.0%	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

Specialist accommodation

- 6.8 Given the dramatic growth in the older population and the higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. It is therefore useful to consider the ability of specialist accommodation to meet the requirements of this group. To do this we use the Strategic Housing for Older People tool developed by the Housing Learning and Improvement Network¹⁵. It should be noted that this tool is only driven by demographic changes and does not take into account peoples' aspirations as to what form of accommodation they would prefer.
- 6.9 The table below shows the current supply of specialist housing for older people. At present it is estimated that there are 7,751 units in the HMA; this is equivalent to 73 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level. Within the HMA, the ratio varies, from 56 per 1,000 in Sandwell and 57 in Walsall, to 74 in Wolverhampton and 78 in South Staffordshire, to 95 in Dudley. It is also worth noting that some 81.7% of this accommodation is in the affordable sector, despite the overwhelming propensity of older persons only households to be owner-occupiers.
- 6.10 Table 6.2 also shows the amount of specialist accommodation that will be required by the population in 2036 if the current rate of occupation across the HMA is maintained (73 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is notably lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also to consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth column of the table

¹⁵ <http://www.housinglin.org.uk/>

therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2 Specialist accommodation required in the HMA over the next 22 years						
Type and tenure of specialist accommodation		Current profile (2014)	Future requirement based on current usage ratio of 73 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
			Profile 2036	Additional units required	Profile 2036	Additional units required
Sheltered housing	Market	1,254	1,980	726	5,343	4,089
	Affordable	4,275	6,480	2,205	18,710	14,435
Extracare housing	Market	161	240	79	288	127
	Affordable	2,061	3,241	1,180	3,860	1,799
Total		7,751	11,942	4,191	28,201	20,450

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015.
This table is replicated for the constituent authorities of the HMA within the Appendices to this report.

- 6.11 If it is presumed that occupation patterns remain at current levels then there is a requirement for 4,191 additional specialist units of which 2,932 should be sheltered housing and 1,259 extracare housing. The requirement for 4,191 additional specialist units for older people represents 5.4% of the total (interim) household growth for the period 2014 to 2036. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 20,450 additional specialist units are required which constitutes 26.2% of the total (interim) household growth. As varying the occupation rate has such a dramatic effect on the overall requirement, it may be appropriate for the Councils to pursue the lower of these two figures, which is closer to the current expectations of older households and monitor how usage patterns develop over time. The Councils have indicated that demand currently matches supply, with no real issues with vacancies in affordable sheltered housing in the majority of the HMA, although older persons' bedsit accommodation in Dudley is affected by low demand, as are one bedroom affordable sheltered units in Coven and Wombourne within South Staffordshire (although this also may reflect a lack of awareness of these facilities, or the need for the facilities to be improved) and finally sheltered flatted accommodation in Wolverhampton, although in this instance the Council feel that the low demand may reflect a lack of awareness rather than a lack of people who need this type of accommodation.
- 6.12 The model identifies that some 80.2% of this additional specialist accommodation should be affordable with the remainder market housing. However, the Census indicates that almost three-quarters of all older person households in the HMA in 2011 were owner-occupiers and it would be expected that the majority of these households would be able to afford specialist accommodation in the market sector if it was required. In addition the LTBHM model indicates that three-quarters of older person households in 2036 would be most suitably housed in market accommodation.

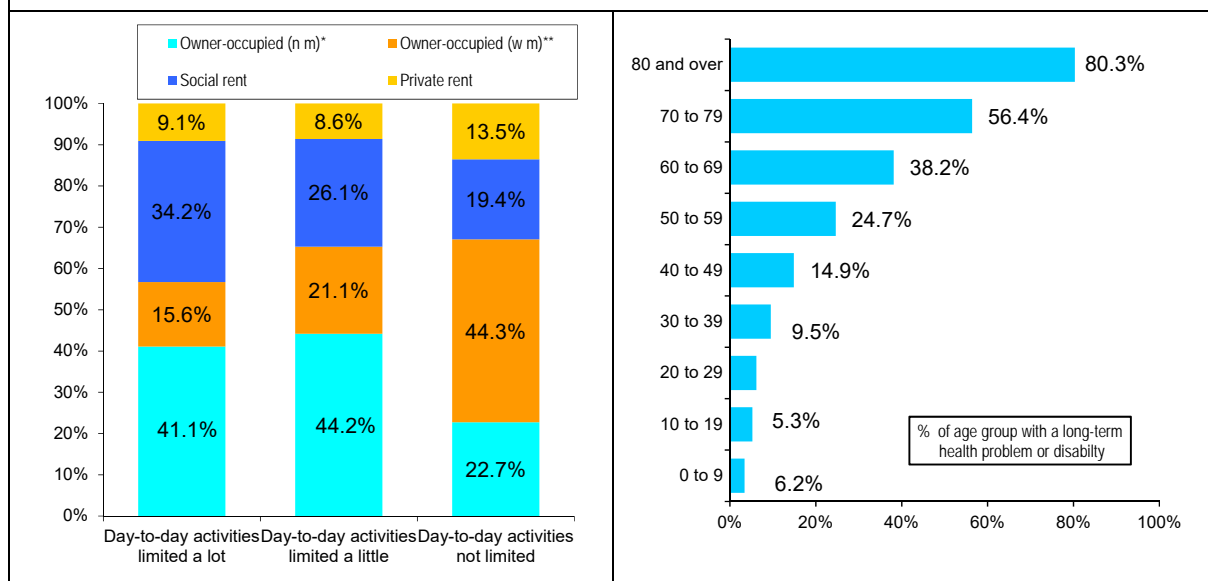
- 6.13 It is therefore suggested that the market/affordable ratio for total specialist accommodation in 2036 derived from the Strategic Housing for Older People tool (based on the current HMA ratio) be averaged with the overall market/affordable ratio for all housing for older persons in 2036 derived from the LTBHM model. This leads to a recommended split of 47% of new specialist accommodation as affordable and 53% within the market sector. It should be noted that this requirement for 1,969 affordable and 2,222 market specialist units forms part of the overall Objectively Assessed Need required over the Local Plan period in the HMA.
- 6.14 As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 8,786 spaces in nursing and residential care homes in the HMA currently. Presuming the current occupation rate by age in the HMA is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 13,767 spaces in the HMA in 2036, suggesting an additional 5,001 spaces will be required over the next 22 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need. (On a practical point it would not be appropriate to increase the housing requirement to meet this need (as it is not housing) – although it may be appropriate to plan for the provision of this need separately).

Households with specific needs

Current situation

- 6.15 Paragraph 2.6 indicates that, in 2011, some 20.5% of the resident population in the HMA had a long-term health problem or disability. Within the HMA the proportion of the population with a long-term health problem or disability is, 20.3% in Dudley, 20.9% in Sandwell, 18.7% in South Staffordshire, 20.7% in Walsall and 20.6% in Wolverhampton. Further analysis shows some 49.5% of all residents with a long-term health problem or disability in the HMA had a condition that limited day-to-day activities a lot, with 50.5% having a condition that limited activities a little.
- 6.16 The figure below shows the tenure profile of people with a long-term health problem or disability in the HMA in 2011 compared to the remainder of the population. The figure also sets out the prevalence of a long-term health problem or disability in the different age groups of the population. The results show that whilst people with a long-term health problem or disability are more likely than average to be owner-occupiers with no mortgage, they are also more likely than average to reside in the Social Rented sector. The analysis also reveals a strong correlation between age and long-term health problem or disability.

Figure 6.2 Tenure and age profile of people with a long-term problem or disability in the HMA



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership.

Projected health of the future population

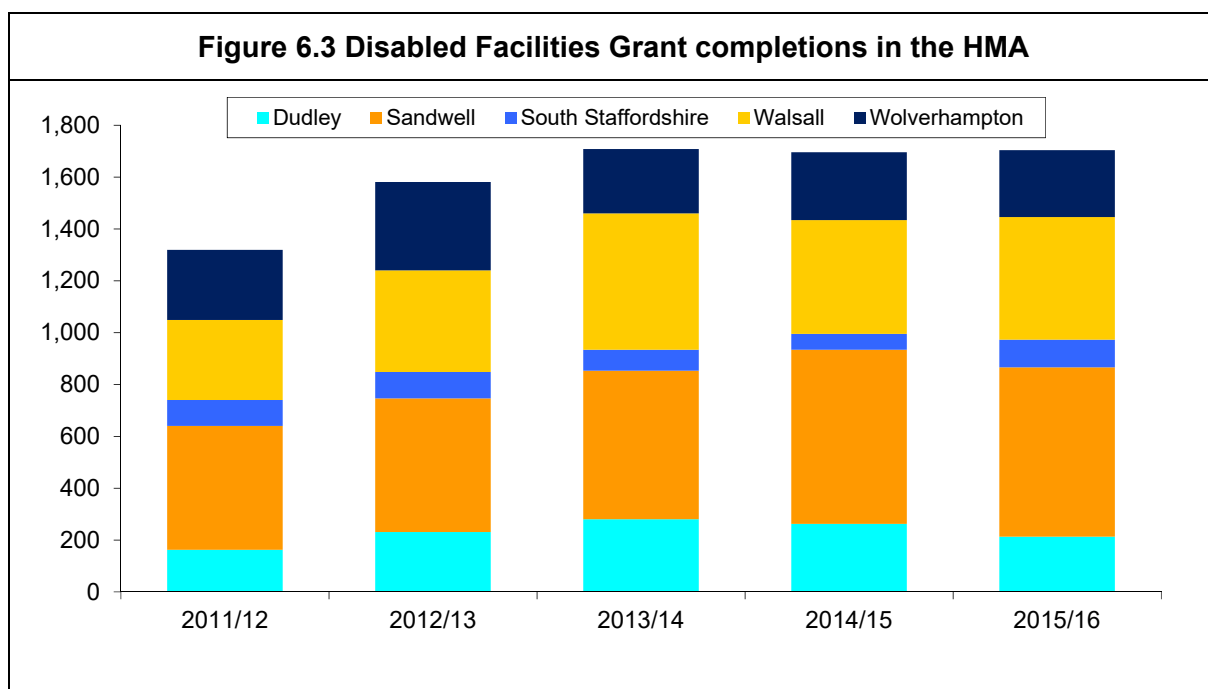
- 6.17 The Projecting Older People Information System (POPPI) website and the parallel Projecting Adult Needs and Service Information (PANSI) model the likely future incidence of a range of health issues for each authority in England. The table below sets out the number of people projected to have one of four health issues over the next fifteen years in the HMA. The four issues chosen are broad health categories presented to provide the most useful general information for this report. The data from PANSI and POPPI is based on current and recent prevalence rates and whilst these may vary in the future, the figures provide a useful baseline estimate.
- 6.18 The table shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 31.7% between 2015 and 2030 across the HMA. This compares to a decrease of 5.6% in the number of people aged 18-64 with a serious physical disability, a decrease of 1.4% in the number of people aged 18-64 with a common mental health disorder and an increase of 5.1% in the number of people with a moderate or severe learning disability.

Table 6.3 Number of people with particular health issues projected in the HMA over the next 15 years				
People aged 65 and over with an illness*				
	2015	2020	2025	2030
Dudley	17,668	19,434	21,439	23,601
Sandwell	17,018	18,115	19,691	21,907
South Staffordshire	5,703	6,558	7,483	8,406
Walsall	15,452	16,733	18,269	20,135
Wolverhampton	12,911	13,785	14,943	16,514
HMA	68,752	74,625	81,825	90,563
People aged 18-64 with a serious physical disability				
	2015	2020	2025	2030
Dudley	4,375	4,473	4,572	4,457
Sandwell	4,114	4,395	4,634	4,694
South Staffordshire	1,641	1,660	1,649	1,564
Walsall	3,643	3,806	3,920	3,877
Wolverhampton	3,363	3,466	3,544	3,505
HMA	17,136	17,800	18,319	18,097
People aged 18-64 with a common mental health disorder				
	2015	2020	2025	2030
Dudley	29,776	29,615	29,494	29,138
Sandwell	31,014	32,070	33,030	33,710
South Staffordshire	10,175	9,898	9,698	9,343
Walsall	25,930	26,247	26,458	26,522
Wolverhampton	24,769	24,730	24,721	24,689
HMA	121,664	122,560	123,401	123,402
People with a moderate or severe learning disability (all ages)				
	2015	2020	2025	2030
Dudley	1,203	1,204	1,210	1,224
Sandwell	1,211	1,254	1,301	1,350
South Staffordshire	420	416	414	415
Walsall	1,032	1,049	1,066	1,092
Wolverhampton	973	977	984	1,004
HMA	4,839	4,900	4,975	5,085

*A limiting long-term illness that limits them a lot. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2015

Adaptations and support

- 6.19 In addition to specialist accommodation, the Councils help people to remain in their current home by providing support and assistance. The figure below shows the number of Disabled Facilities Grants that have been completed between 2011/12 and 2015/16 in each authority within the HMA. The figure shows that the requirement for these services has increased over this period, most notably in Sandwell and Walsall. It is important to note however that the figures for Disabled Facilities Grant completions are more likely to reflect the budget available to meet the requirements identified, rather than the full requirement for these facilities.



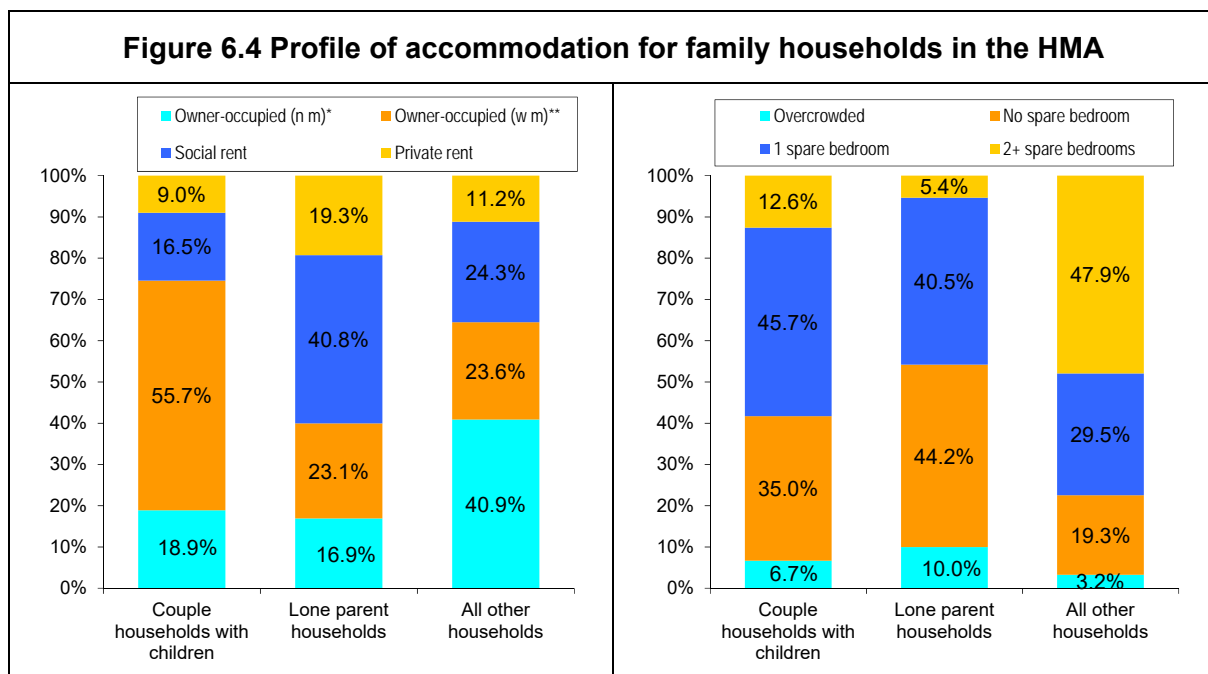
Source: HMA Councils, 2016

Families with children

Current situation

- 6.20 Figure 2.3 showed the household composition recorded at the time of the Census. This indicated that 39.7% of the household population were families with children, a figure higher than the regional figure (37.7%) and the national average (36.0%). Within the HMA, Sandwell and Walsall record the largest proportion of family households (40.9% and 40.1% respectively), followed by Dudley (39.2%), Wolverhampton (38.9%) and finally South Staffordshire (38.2%).
- 6.21 The figure below shows the tenure profile of the two main types of 'family with children' households in the HMA in 2011 compared to the remainder of the household population. The figure also sets out the occupancy level of these groups. The data shows that whilst there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in the HMA, the proportion of this group in

the social and private rented sector is lower than recorded for other households. Lone parents however are notably more likely than other households to be in both Social Rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied than other households in the HMA.



*Owner-occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership. Source: 2011 Census

Future requirement

- 6.22 The Objectively Assessed Need projections indicate that the total population of families with children in the HMA is going to rise from 209,617 in 2014 to 236,404 by 2036 and the proportion of lone parent families within this group will grow from 31.3% in 2014 to 43.3% in 2036. The table below shows the projected accommodation profile for family households in the HMA in 2036 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation.

Table 6.4 Type of accommodation required for households with dependent children in 2036					
Dwelling size	Owner-occupation	Private rented	Shared ownership	Social Rent/ Affordable Rented	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	7.5%	0.9%	0.4%	7.9%	16.7%
Three bedrooms	39.2%	3.4%	0.6%	18.1%	61.2%
Four or more bedrooms	17.5%	1.9%	0.5%	2.3%	22.1%
Total	64.1%	6.2%	1.4%	28.3%	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

Students

- 6.23 Wolverhampton University is situated in the HMA and has campuses in Wolverhampton (City Campus), Walsall and Telford. The University was contacted and asked about the current accommodation provision for its students, what expectations it has for future growth and where this growth will be accommodated. The response received is summarised below.

Current profile

- 6.24 There are currently approximately 23,000 students studying at Wolverhampton University including those based both on-site and off-site, part-time and full-time students and both undergraduate and postgraduates. Students based at the City Campus in Wolverhampton either reside in Halls of Residence within the campus or one of five private halls around the centre. There are also a number of private rented properties for let at the City Campus (predominantly Whitmore Reans and Pennfields areas). Students at the Walsall and Telford campuses overwhelmingly live on-site rather than in the wider housing market, although there is a concentration of students in private rented accommodation around the Broadway area of Walsall.
- 6.25 As far as the University is aware, much of the private rented accommodation available to students are provided by specialists in the sector, with 150 landlords that deal with students alone. Many student landlords have recently diversified into the migrant worker market as student demand for shared properties has diminished and supply massively outweighs demand at the moment.
- 6.26 The current housing problems experienced by the students of the University relate to paying rent on a student income (where state benefits are no longer guaranteed). The University is currently offering pre-enrolment budgeting sessions to all applicants to try and help with this and minimise this problem in the future.

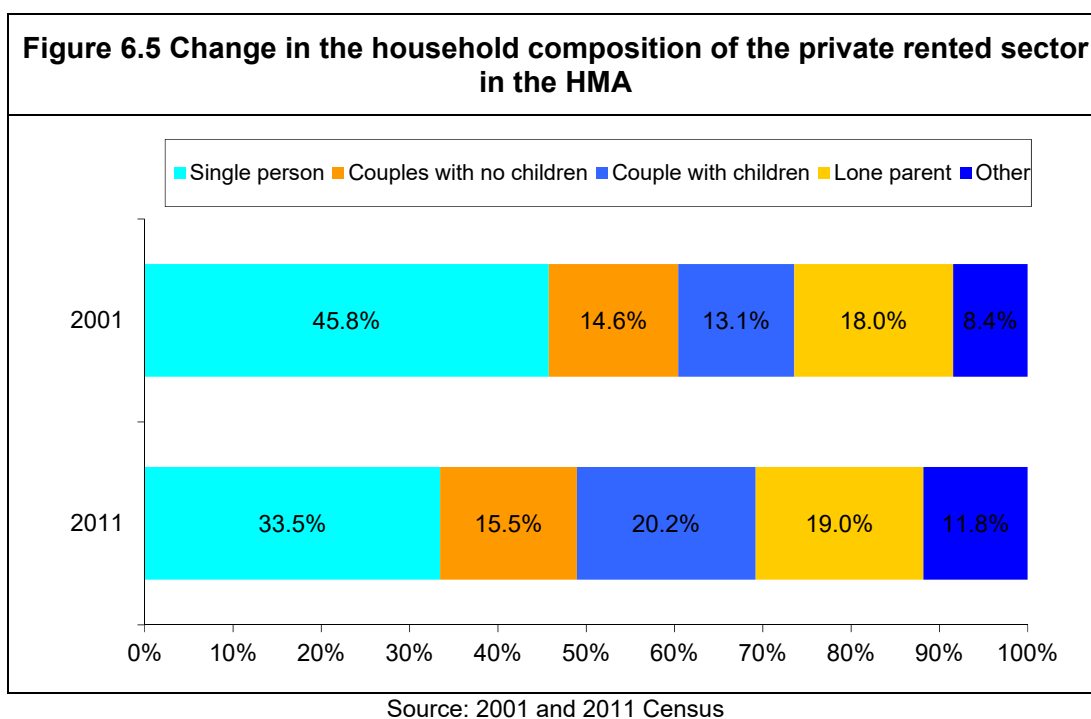
Plans for growth

- 6.27 Whilst there is no longer a cap on the numbers of students the University can recruit, there are no significant changes planned in the short term and were student numbers to grow it is likely that they would come from the local population and therefore there will be no need for additional accommodation.

The private rented sector

Growth

- 6.28 The current tenure profile in the HMA was modelled as part of the LTBHM model. This estimated that there are 75,061 private rented households in the HMA in 2014, which represents 14.5% of households in the HMA. The private rented sector is becoming increasingly important in the HMA; as shown in Figure 2.12, the Census indicates that it increased by 129.7% in the HMA between 2001 and 2011. The figure below compares the household composition of the private rented sector in the HMA in 2001 to the profile of households resident in this tenure in the HMA in 2011. The data shows that not only has the private rented sector expanded, but the households in it have diversified.



Current trends

- 6.29 To assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. Table 6.5 shows the change in private rents over the last three years at both the median and lower quartile level. This data is disaggregated by accommodation size and location. The table shows for example that between 2011/12 and 2014/15 two bedroom lower quartile rents increased by 2.2% in Dudley. Overall the data

suggests that the private rented sector is fairly stable in the HMA when compared to the changes recorded at regional and national level. The data does suggest that four bedroom rents are the most volatile in the market and that rents in South Staffordshire have risen the most with rents in Walsall most likely to have decreased. Rents in Sandwell have been most stable over the most recent three year period.

Table 6.5 Change in private rents charged in the HMA, the West Midlands and England between 2011/12 and 2014/15				
Lower quartile prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Dudley	2.7%	2.2%	4.8%	3.1%
Sandwell	1.4%	2.2%	0.0%	0.0%
South Staffordshire	3.9%	5.3%	5.3%	-1.3%
Walsall	-0.6%	-1.6%	5.1%	5.4%
Wolverhampton	0.5%	0.0%	1.0%	8.3%
West Midlands	3.9%	5.6%	4.8%	9.0%
England	6.3%	4.2%	0.0%	3.8%
Median prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Dudley	0.0%	1.0%	3.5%	7.6%
Sandwell	1.3%	2.1%	1.8%	-6.7%
South Staffordshire	15.9%	6.8%	8.3%	-3.9%
Walsall	0.0%	0.0%	4.2%	1.3%
Wolverhampton	0.0%	4.2%	0.0%	0.0%
West Midlands	5.9%	10.0%	5.0%	11.8%
England	6.1%	5.3%	3.8%	6.8%

Source: Valuation Office Agency, 2012-15

The benefit-supported private rented sector

- 6.30 The report 'Who Lives in the Private Rented Sector' published in January 2013 by the British and Social Housing Foundation estimates that nationally around a quarter of private tenants are in receipt of Local Housing Allowance. In the HMA the figure is 44.2%, with notable variation between the constituent authorities (30.3% in South Staffordshire, 35.4% in Sandwell, 43.4% in Wolverhampton, 49.4% in Walsall and 55.6% in Dudley). Further analysis shows that the number of private rented tenants in receipt of Local Housing Allowance across the HMA has decreased by 2.9% between April 2011 and April 2016, with all component authorities other than South Staffordshire recording only a marginal change (a decrease of 5.7% in Dudley, a fall of 2.5% in Sandwell, a decrease of 0.1% in Walsall and a fall of 1.5% in Wolverhampton compared to a drop of 10.2% in South Staffordshire). It should be noted that in all five authority areas the number of private

tenants in receipt of Local Housing Allowance was highest in 2013 and 2014, before starting to reduce in 2015.

- 6.31 It is important to recognise that the role of the benefit-supported private rented sector plays in alleviating the pressure on the affordable housing stock, by housing some households that would otherwise be resident within the sector; however, it is not an official form of affordable housing as defined by the NPPF. Similarly, not all households living in the benefit-supported private rented sector are automatically in housing need, they can however be in housing need for one of the other PPG defined reasons. The model that we set out in this report (in Chapter 5) conforms to these two assumptions (which also comply with the NPPF).

People wishing to build their own homes

- 6.32 It should be noted that the NPPF specifically refers to *people wishing to build their own homes* within the examples cited in paragraph 159. Each of the individual HMA Councils have launched a list for people interested in undertaking a self-build development to register themselves, however take up has been low so far – no one has yet joined the register in Dudley, there has been one registration in Walsall, two in Sandwell, eight people have joined the register in Wolverhampton and there are two individuals that have joined the register in South Staffordshire.

7. Conclusion

- 7.1 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 4), which disaggregates the OAN calculations to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population, and the affordable housing need model (Chapter 5), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing market and is only used to indicate whether a housing target over and above the OAN should be set. On completion of the calculation of the need for affordable housing the PPG says at Reference ID: 2a-029-20140306:

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

- 7.2 It is clear that Planning Authorities should consider whether or not the housing target in the Local Plan should be increased to assist with meeting the need for affordable housing. Once this has been established the future mix of all housing required over the plan period should be identified. In accordance with para 021 of the PPG this is derived using a separate approach.
- 7.3 This chapter will, for each constituent Council, consider the requirement for an uplift of the OAN to meet affordable housing need, identify any additional provision required to address the requirements of specific groups and determine the size and tenure of new housing required over the plan period (as derived from the LTBHM model). The chapter will also consider these issues for the Black Country Core area as a whole.

Dudley

- 7.4 The total annual affordable housing need in Dudley of 216 households per year (as set out in Appendix 5) represents 40.3% of the annual projected household growth in the Borough between 2014 and 2036 (536 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears difficult to deliver in Dudley, so the Council may want to consider an uplift to the OAN to help provide more affordable housing. However, it is important to consider the conclusions of the report into the Stroud Local Plan where the inspector said¹⁶

'The need for affordable housing is certainly a policy consideration that could influence housing targets, particularly in view of affordability issues, but it is distinct from the overall objective assessment of housing need, since the methodology and numbers are not compatible. Although a

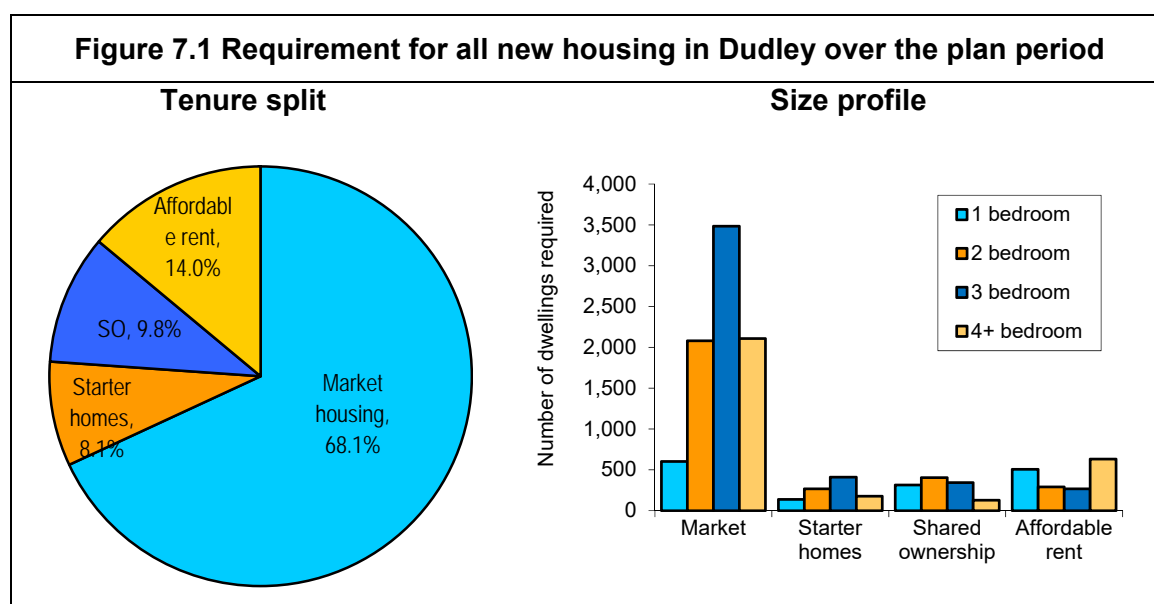
¹⁶ Report to Stroud District Council by Stephen J Pratt BA (Hons) MRTPI, 2nd November 2015.

modest increase in the overall housing requirement could be considered, to seek to deliver all the affordable housing needed through the provision of market housing would result in unrealistic and undeliverable rates of housing development.’ (para 48)

- 7.5 When setting an affordable housing target in the Plan the Council will need to consider the full range of evidence (including the viability assessment) and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).
- 7.6 Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the Borough that have an impact on the housing market. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Dudley an additional 554 sheltered and extracare housing units should be provided over the plan period within the identified OAN.
- 7.7 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used. This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.4 above), is produced solely to inform the consideration of modifying the OAN.
- 7.8 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy rate of 3.1% (the difference between the household growth total of 536 per year between 2014 and 2036 and the total OAN for Dudley over the plan period of 553 per year).
- 7.9 Figure 7.1 sets out the size and tenure requirement for the 12,160 dwellings (553 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper published in February 2017 is clear that there is an expectation that Local Authorities should ‘*deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets*’. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however the NPPF may be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include shared ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the requirement for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those

that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through shared ownership and Affordable Rented products).

- 7.10 The overall requirement for 13.9% of housing to be Affordable Rented and 18.0% affordable home ownership (9.8% should be shared ownership¹⁷ and 8.1% Starter Homes) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide this subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.11 The profile set out is a guide to the overall mix of accommodation required in the Borough and it is acknowledged that the Council may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites and market conditions for particular products at different points in time. It should also be noted that the requirement for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Sandwell

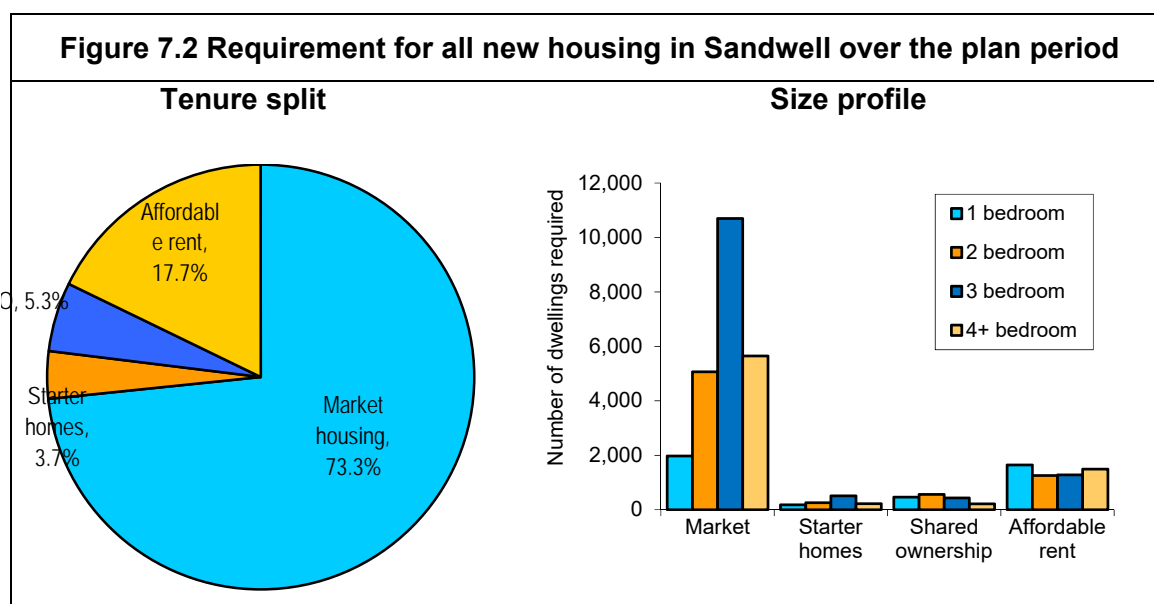
- 7.12 The total annual affordable housing need in Sandwell of 244 households per year (as set out in Appendix 5) represents 17.6% of the annual projected household growth in the Borough between 2014 and 2036 (1,385 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to

¹⁷ Shared ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

deliver in Sandwell. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and a higher housing target is not required.

- 7.13 Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the Borough that have an impact on the housing market. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Sandwell an additional 1,165 sheltered and extracare housing units should be provided over the plan period within the identified OAN.
- 7.14 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used. This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.12 above), is produced solely to inform the consideration of setting a housing target over and above the OAN.
- 7.15 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy rate of 4.5% (the difference between the household growth total of 1,385 per year between 2014 and 2036 and the total OAN for Sandwell over the plan period of 1,450 per year).
- 7.16 Figure 7.2 sets out the size and tenure requirement for the 31,898 dwellings (1,450 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper published in February 2017 is clear that there is an expectation that Local Authorities should *‘deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets’*. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however the NPPF may be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include shared ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the requirement for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through shared ownership and Affordable Rented products).

- 7.17 The overall requirement for 17.7% of housing to be Affordable Rented and 9.0% affordable home ownership (5.3% should be shared ownership¹⁸ and 3.7% Starter Homes) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide this subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.18 The profile set out is a guide to the overall mix of accommodation required in the Borough and it is acknowledged that the Council may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites and market conditions for particular products at different points in time. It should also be noted that the requirement for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

South Staffordshire

- 7.19 The total annual affordable housing need in South Staffordshire of 92 households per year (as set out in Appendix 5) represents 35.1% of the annual projected household growth in the District between 2014 and 2036 (263 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears challenging to deliver in South Staffordshire, so the Council may want to consider an uplift to the OAN to

¹⁸ Shared ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

help provide more affordable housing. However it is important to consider the conclusions of the report into the Stroud Local Plan where the inspector said¹⁹

'The need for affordable housing is certainly a policy consideration that could influence housing targets, particularly in view of affordability issues, but it is distinct from the overall objective assessment of housing need, since the methodology and numbers are not compatible. Although a modest increase in the overall housing requirement could be considered, to seek to deliver all the affordable housing needed through the provision of market housing would result in unrealistic and undeliverable rates of housing development.' (para 48)

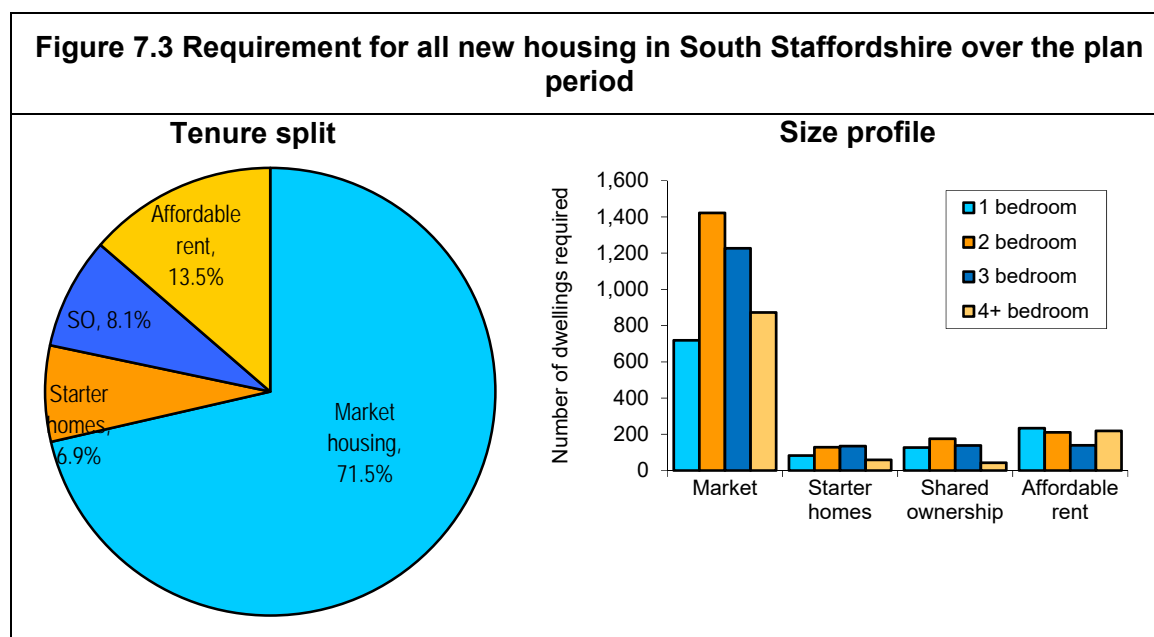
- 7.20 When setting an affordable housing target in the Plan the Council will need to consider the full range of evidence (including the viability assessment) and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).
- 7.21 Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the District that have an impact on the housing market. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in South Staffordshire an additional 628 sheltered and extracare housing units should be provided over the plan period within the identified OAN.
- 7.22 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used. This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.19 above), is produced solely to inform the consideration of modifying setting a housing target over and above the OAN.
- 7.23 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy rate of 2.6% (the difference between the household growth total of 263 per year between 2014 and 2036 and the total OAN for South Staffordshire over the plan period of 270 per year).
- 7.24 Figure 7.3 sets out the size and tenure requirement for the 5,933 dwellings (270 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper published in February 2017 is clear that there is an expectation that Local Authorities should *'deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets'*. There is no mandatory requirement for a

¹⁹ Report to Stroud District Council by Stephen J Pratt BA (Hons) MRTPI, 2nd November 2015.

proportion of all new dwellings to be Starter Homes, however the NPPF has been adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include shared ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the requirement for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through shared ownership and Affordable Rented products).

- 7.25 The overall requirement for 13.5% of housing to be Affordable Rented and 15.0% affordable home ownership (8.1% should be shared ownership²⁰ and 6.9% Starter Homes) reflects the mix of housing that would best address the needs of the local It does not take into account the funding that will be available to help provide this subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.26 The profile set out is a guide to the overall mix of accommodation required in the District and it is acknowledged that the Council may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites and market conditions for particular products at different points in time. It should also be noted that the requirement for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

²⁰ Shared ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

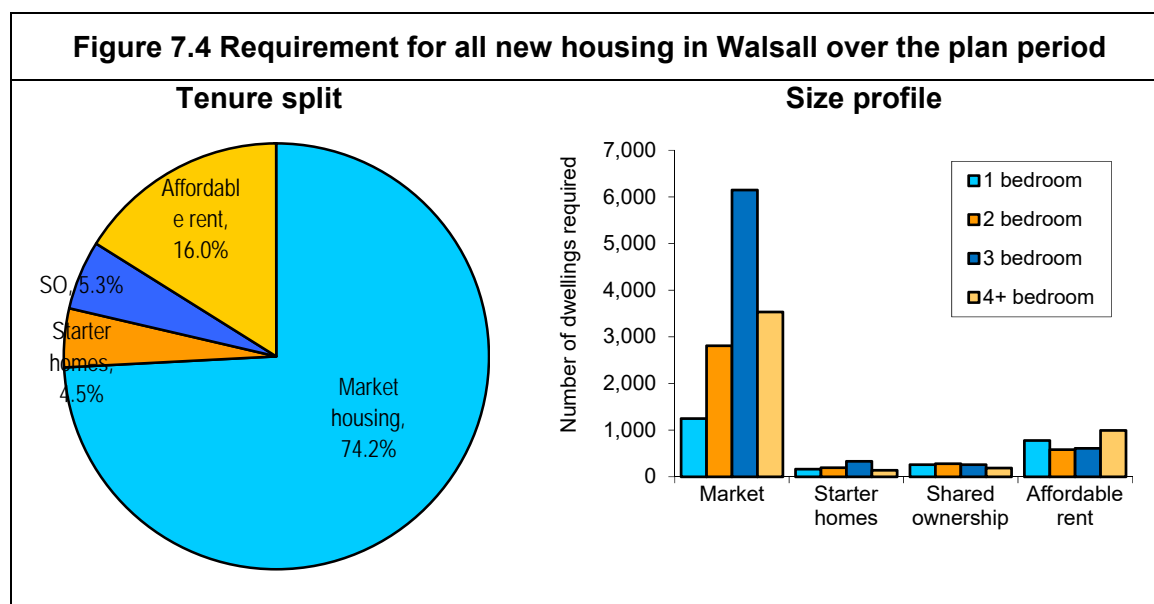
Walsall

- 7.27 The total annual affordable housing need in Walsall of 86 households per year (as set out in Appendix 5) represents 10.5% of the annual projected household growth in the Borough between 2014 and 2036 (817 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to deliver in Walsall. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- 7.28 Chapter 6 considered the impact of subgroups of the population on the housing target. Wolverhampton University, which has a campus within Walsall, has indicated that there is no significant growth planned in student numbers and were student numbers to grow it is likely that they would come from the local population and there will be no need for additional accommodation. Therefore no adjustment is required to the OAN due to the student population in the Borough. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Walsall an additional 1,195 sheltered and extracare housing units should be provided over the plan period within the identified OAN.
- 7.29 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used. This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in

paragraph 7.27 above), is produced solely to inform the consideration of setting a housing target over and above the OAN.

- 7.30 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy rate of 2.9% (the difference between the household growth total of 817 per year between 2014 and 2036 and the total OAN for Walsall over the plan period of 842 per year).
- 7.31 Figure 7.4 sets out the size and tenure requirement for the 18,519 dwellings (842 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper published in February 2017 is clear that there is an expectation that Local Authorities should *'deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets'*. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however the NPPF may be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include shared ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the requirement for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through shared ownership and Affordable Rented products).
- 7.32 The overall requirement for 16.0% of housing to be Affordable Rented and 9.8% affordable home ownership (5.3% should be shared ownership²¹ and 4.5% Starter Homes) reflects the mix of housing that would best address the needs of the local It does not take into account the funding that will be available to help provide this subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.33 The profile set out is a guide to the overall mix of accommodation required in the Borough and it is acknowledged that the Council may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites and market conditions for particular products at different points in time. It should also be noted that the requirement for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

²¹ Shared ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Wolverhampton

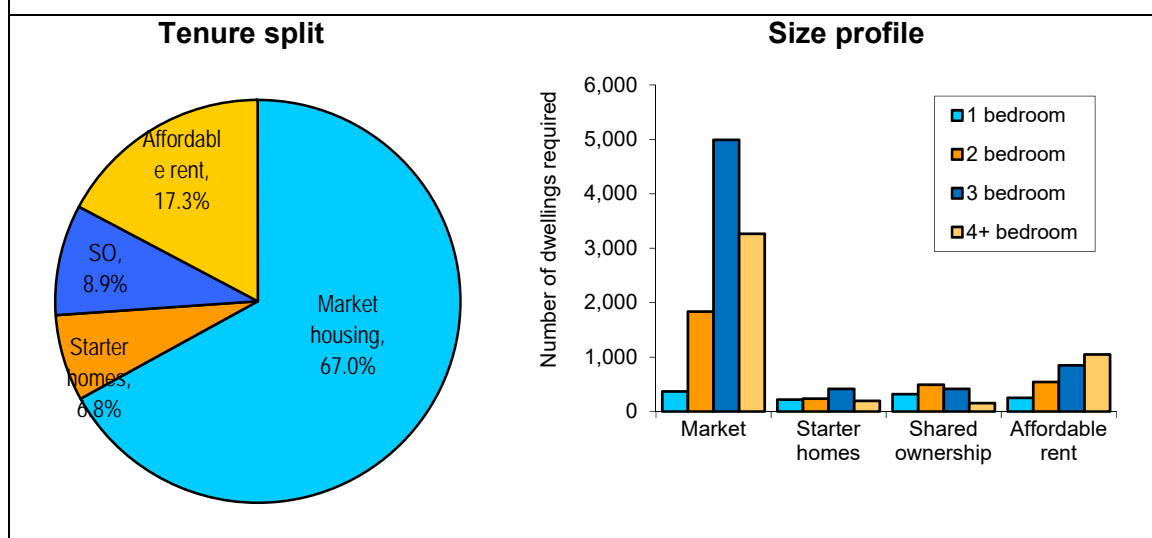
- 7.34 The total annual affordable housing need in Wolverhampton of 131 households per year (as set out in Appendix 5) represents 19.2% of the annual projected household growth in the City between 2014 and 2036 (683 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to deliver in Wolverhampton. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- 7.35 Chapter 6 considered the impact of subgroups of the population on the housing target. Wolverhampton University, which has main campus within the City, has indicated that there is no significant growth planned in student numbers and were student numbers to grow it is likely that they would come from the local population and there will be no need for additional accommodation. Therefore no adjustment is required to the OAN due to the student population in the City. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Wolverhampton an additional 649 sheltered and extracare housing units should be provided over the plan period within the identified OAN.
- 7.36 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used. This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in

paragraph 7.34 above), is produced solely to inform the consideration of setting a housing target over and above the OAN.

- 7.37 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy rate of 3.7% (the difference between the household growth total of 683 per year between 2014 and 2036 and the total OAN for Wolverhampton over the plan period of 710 per year).
- 7.38 Figure 7.5 sets out the size and tenure requirement for the 15,613 dwellings (710 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper published in February 2017 is clear that there is an expectation that Local Authorities should *'deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets'*. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however the NPPF may be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include shared ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the requirement for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through shared ownership and Affordable Rented products).
- 7.39 The overall requirement for 17.3% of housing to be Affordable Rented and 15.7% affordable home ownership (8.9% should be shared ownership²² and 6.8% Starter Homes) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide this subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.40 The profile set out is a guide to the overall mix of accommodation required in the City and it is acknowledged that the Council may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites and market conditions for particular products at different points in time. It should also be noted that the requirement for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

²² Shared ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

Figure 7.5 Requirement for all new housing in Wolverhampton over the plan period



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Black Country Core Authorities

- 7.41 The Councils of Dudley, Sandwell, Walsall and Wolverhampton and working together to produce a single Local Plan across the four authorities. It is therefore important to consider the policy implications at this scale.
- 7.42 The total annual affordable housing need in the Black Country Core authorities of 677 households per year (as set out in Appendix 5) represents 19.8% of the annual projected household growth in the Local Plan area between 2014 and 2036 (3,422 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to deliver across the Black Country Core authorities. It is clear that the Councils can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- 7.43 Chapter 6 considered the impact of subgroups of the population on the housing target. Wolverhampton University, which has campuses in both Wolverhampton and Walsall, has indicated that there is no significant growth planned in student numbers and were student numbers to grow it is likely that they would come from the local population and there will be no need for additional accommodation. Therefore no adjustment is required to the OAN due to the student population in the Black Country Core authorities. In addition, there is no Ministry of Defence base in the Local Plan area, that would potentially impact on the housing market. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that across the Black Country Core authorities an additional 3,563 sheltered and extracare housing units should be provided over the plan period within the identified OAN.

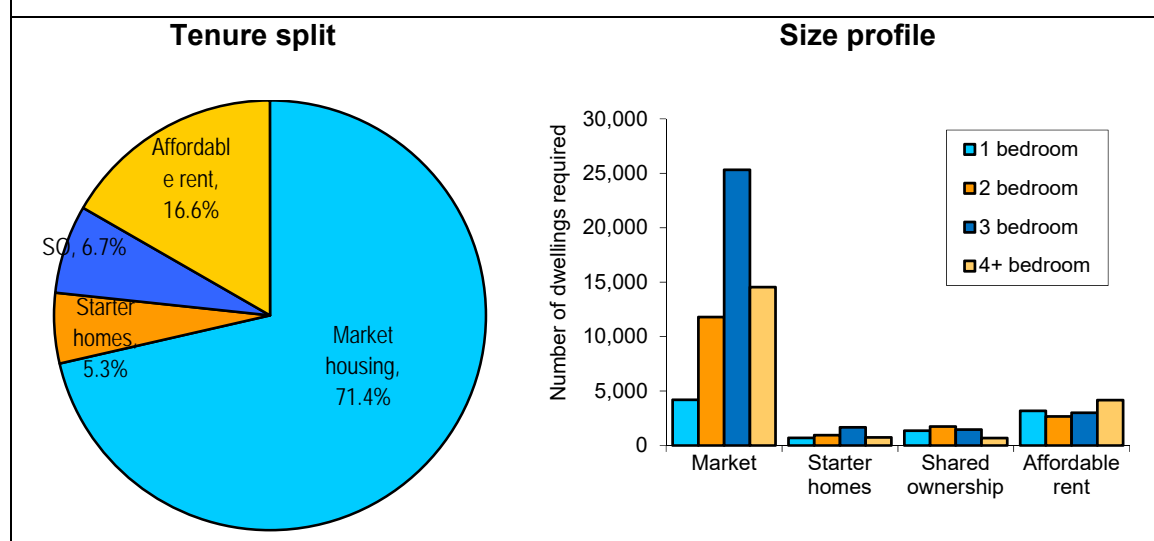
- 7.44 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used. This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.44 above), is produced solely to inform the consideration of setting a housing target over and above the OAN.
- 7.45 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures. This is done at a Local Authority level with vacancy rates in the Black Country Core authorities being 3.1% in Dudley, 4.5% in Sandwell, 2.9% in Walsall and 3.7% in Wolverhampton. Application of these vacancy rates converts the household growth total of 3,422 per year between 2014 and 2036 to the total OAN for the Black Country Core authorities over the plan period of 3,554 per year.
- 7.46 Figure 7.6 sets out the size and tenure requirement for the 78,190 dwellings (3,554 per annum) required across the Black Country Core authorities over the plan period (between 2014 and 2036). The Housing White Paper published in February 2017 is clear that there is an expectation that Local Authorities should *'deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets'*. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however the NPPF may be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include shared ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the requirement for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through shared ownership and Affordable Rented products).
- 7.47 The overall requirement for 16.6% of housing to be Affordable Rented and 12.0% affordable home ownership (6.7% should be shared ownership²³ and 5.3% Starter Homes) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide this subsidised

²³ Shared ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in chapter 3.

housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.

- 7.48 The profile set out is a guide to the overall mix of accommodation required across the Black Country Core authorities and it is acknowledged that the Councils may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites and market conditions for particular products at different points in time. It should also be noted that the requirement for discount home ownership/starter homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

Figure 7.6 Requirement for all new housing in the Black Country Core authorities over the plan period



Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Appendix A1. Summary of stakeholder consultation

Introduction

This appendix describes the process of consulting with stakeholders – who was contacted and the nature of the consultation. It also describes the consultation event that took place, including what was discussed. Finally the appendix sets out the comments that were received and the response to them.

Stakeholder workshop

A consultation event on the draft HMA-wide findings of this study, took place on 8th September 2016. A wide range and breadth and number of organisations were invited to attend to observe the preliminary outputs of the study and to discuss the methodological assumptions used to derive the estimates. In total 36 individuals were invited from a wide range of organisations including developers and planning professionals. Table A1.1 lists all of the stakeholders that were invited alongside those that attended.

The event was well attended (28 people), with a diversity of stakeholders represented. The event was a presentation of the relevant national guidance which provides the framework for the study, an overview of the purpose of the report and the two main models used to obtain the outputs, the assumptions used within the models (principally focusing on the affordable housing need model), and the initial HMA-wide outputs of the study that had been derived. It was made clear that the calculation of the OAN was a separate piece of work that would not be covered in the discussion. It was also clarified that some of the findings, especially the LTBHM outputs, were draft and would change as the OAN calculations were finalised. Questions were encouraged throughout and a few topics identified for more in depth discussion – the cost of housing, the role of the private rented sector, the appropriate affordability threshold to use and how to deal with single people under 35 potentially in housing need.

Table A1.1 Stakeholder consultation event attendee list					
<i>Contact</i>	<i>Organisation</i>	<i>Attended</i>	<i>Contact</i>	<i>Organisation</i>	<i>Attended</i>
Mark Elliot	Barratt homes	Yes	Hannah Watson	Richborough Estates	Yes
Sam Stafford	Barratt homes	No	Warren Williams	Sandwell MBC	Yes
Chris O'Hanlon	Bellway Homes West Midlands	Yes	Neville Rowe	Sandwell MBC	Yes
Oliver Thompson	Bellway Homes West Midlands	Yes	Matthew Crucefix	Stonewater	No
Julie Smith	Cerda Planning	Yes	Tom Armfield	Turley	Yes
Debbie Farrington	Cerda Planning	Yes	Neil Hollyhead	Walsall MBC	Yes
Andrew Leigh	Dudley MBC	Yes	Mike Smith	Walsall MBC	Yes
Joanne Forbes	Dudley MBC	Yes	John Collier	Wates Living Space homes	No
Phil McConnachie	First City Ltd	No	Martyn Hopkins	Wates Living Space homes	No
Tony Bunney	Galliford Try	Yes	Steve Swan	Wrekin Housing Trust	Yes
Sue Green	Home Builders Federation Ltd	Yes	Kenny Aitchinson	Wolverhampton City Council	Yes
Cath Bradbury	Housing & Care 21	No	Anna Papazoglou	Turley	Yes
Jamie Lindon-Lewis	Housing & Care 21	Yes	Richard Pitt	IM Properties PLC	Yes
Richard Moore	Keepmoat	Yes	Gerard Abbiss	DDP Ltd	Yes
Graham Nolan	Keepmoat	Yes	Martin Dando	Dudley MBC	No
Joy Taylor	Keepmoat	Yes	Patricia McCullagh	Sandwell MBC	Yes
Kirstie May-Jones	RCA Regeneration Ltd	Yes	Grant Mitchell	South Staffordshire Council	Yes
Rob Condor	RCA Regeneration Ltd	No	Michele Ross	Wolverhampton City Council	Yes

Source: The Black Country & South Staffordshire Strategic Housing Market Assessment

Summary of discussion

A summary of the discussion that took place at the event is presented below:

Cost of Housing

HDH explained that the affordability test used was based on households accessing lower-quartile properties in both the rental and ownership markets. He stated that there was an argument for using the lower-decile figure rather than the lower-quartile. However, this was deemed not suitable as many of the properties in the lower-decile are in a poor condition and in need of repair. Also, there is relatively little difference in price between lower-quartile and lower-decile averages. Comments on the prices presented were welcomed.

It was agreed that the lower quartile was the correct entry-point and that the prices displayed were representative of the lower quartile cost. Similarly the Affordable Rent and Social Rented costs presented reflected the knowledge of the market of the practitioners present.

Starter Homes

HDH stated that they will provide analysis around Starter Homes in the report. Need to consider that if Starter Homes are more expensive than entry level owner occupation who can afford them and whether they will help meet the need for affordable housing. Alternatively are they just a way for people in the private rented sector to afford housing.

Whilst it was agreed that Starter Homes are more expensive than entry-level market accommodation, it was pointed out that Starter Homes, like all newbuild homes, are not a premium product, but a higher quality dwelling than is available at the lower end of the market and the initiative would provide households with the ability to access a high quality (brand new) owned home, that would not otherwise be able to afford it. It was requested that the level of discount required to make the product lower than market entry costs be considered.

It was asked how the Starter Homes need estimate would impact on our affordable housing target. HDH responded that this will depend on the Starter Homes guidance, which should come out soon.

Affordability test

HDH outlined the affordability test used. For households to afford their housing the draft report has assumed that no more than 35% of the household income will be spent on housing. HDH thought that it may be more appropriate however to use a lower threshold in the Black Country core area to South Staffordshire. The old guidance assumed 25%. Research conducted locally with agents suggests that 30 – 35% household income is spent on housing, with some households in rented accommodation spending up to 50%. HDH questioned whether everyone thought 35% was an appropriate assumption?

There was a consensus that the figure of 35% was too high, other than maybe in South Staffordshire which is a markedly different housing market. After some discussion amongst participants, it was agreed that a figure of 30% would be suitable in Dudley, Sandwell, Walsall and Wolverhampton and 35% in South Staffordshire, to reflect the notably higher cost of housing in that District.

Under 35 single person households

HDH outlined assumptions made concerning the treatment of the under 35s. Under 35s have been tested against their ability to afford a room in a shared house - the Census shows how younger people are living in shared houses. It is not the intention to exclude this group, just reflect existing practice in the market. Also, if this group applied for benefits they would receive it at a shared rate, unless they had other needs. HDH asked if there were any comments.

An attendee agreed that whilst the approach was logical, it would be prudent to also show the outputs without this group being excluded from the calculations in light of other discussions on the subject at Local Plan Inquiries that they had attended, where it was clear that inspectors either did not understand the assumption or believed it to be making a policy-on judgement.

The Private Rented Sector (PRS)

The PPG at para 23 does not mention the PRS, however we can acknowledge the role of the PRS in meeting affordable need. It is necessary to consider how to deal with the PRS in this study. PRS is frequently used as affordable housing, so it is logical to count PRS as a supply of affordable housing – the Council can discharge its duty in this way. However as the PRS doesn't meet the definition of affordable in the PPG it won't be counted as part of the overall affordable supply.

There was universal agreement that it was not appropriate to include the benefit-supported PRS as a supply of affordable housing and it was commented that the size of this sector had decreased notably from over 50% to 25% of the PRS in the HMA.

The affordable housing need model

It was advised that the figures showing the planned demolitions in Dudley and the size profile of affordable homes available for re-let in Wolverhampton would need to be altered.

LTBHM results

The draft results were presented and a delegate indicated that the tenure and size breakdown, didn't appear to closely match with perceived local demand / needs. HDH indicated that the outputs would be updated as the OAN is finalised across all five authorities. It was also clarified that the report does not say these should be translated directly into local plan targets, but should be used to provide guidance.

Written consultation

This summary of the discussion and a copy of the presentation slides were sent to all of the attendees, as well as those originally invited that were unable to attend. All recipients were encouraged to feedback their views, particularly regarding the small number of variables that can influence the outputs of the study and are not prescribed in relevant national planning guidance (the affordability threshold, the treatment of single persons under 35 and the role of the private rent sector in meeting affordable housing need). The deadline for the consultation responses was 22nd September (a two week period).

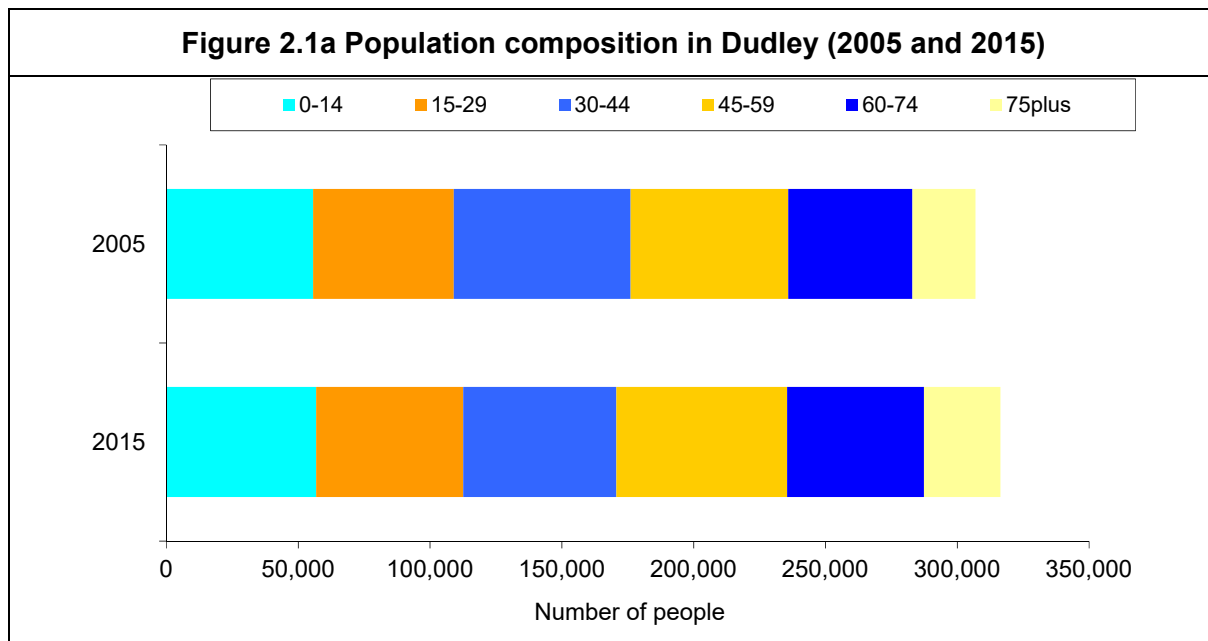
Consultation responses

In total one organisation submitted a formal response to the consultation documents. A summary of the points raised by them and how they have been addressed is set out in Table A1.2.

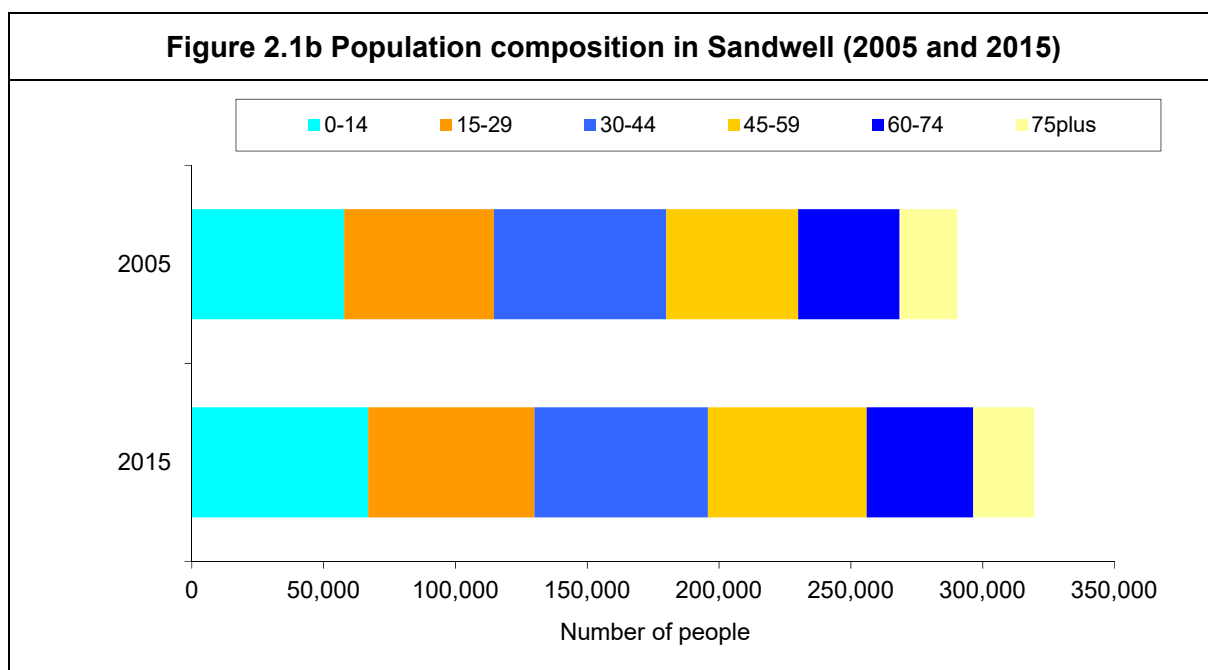
Table A1.2 Comments received through formal consultation and a how they have been addressed		
Respondent	Summary of comment	Response to comment
Cerdo Planning	As a specialist in developing brownfield sites, they are concerned that the affordable housing requirement does not make the site unviable, especially as they are typically associated with notable upfront costs and the drainage policy requirement is onerous.	Noted, although it has no impact on the report.
Cerdo Planning	Whilst the provision of Starter Homes is welcomed in principle and is considered an effective scheme to help deliver affordable homes to increase the supply of housing and improve prospects of home ownership, we have concern at the mechanisms proposed to put into place to secure this option.	Noted, although it has no impact on the report.
Cerdo Planning	It is our view that the definition of affordable housing should include Private Rental Sector (PRS) or at least allow for affordable housing to be off-set against PRS. PRS is effectively a more accessible/affordable housing tenure as it removes the initial costs of deposits and legal fees and provides flexibility.	Whilst the market may operate in this fashion there is no scope within the PPG to use the benefit-supported PRS as a source of affordable supply and reduce the level of affordable housing need. Furthermore, where this has been tried in SHMAs, Planning Inspectors have indicated it is not appropriate. The section on the private rented sector in Chapter 6 has been expanded to include more commentary on the role of the benefit-supported part.

Source: The Black Country & South Staffordshire Strategic Housing Market Assessment

Appendix 2. Further local authority-level detail on socio-economic situation

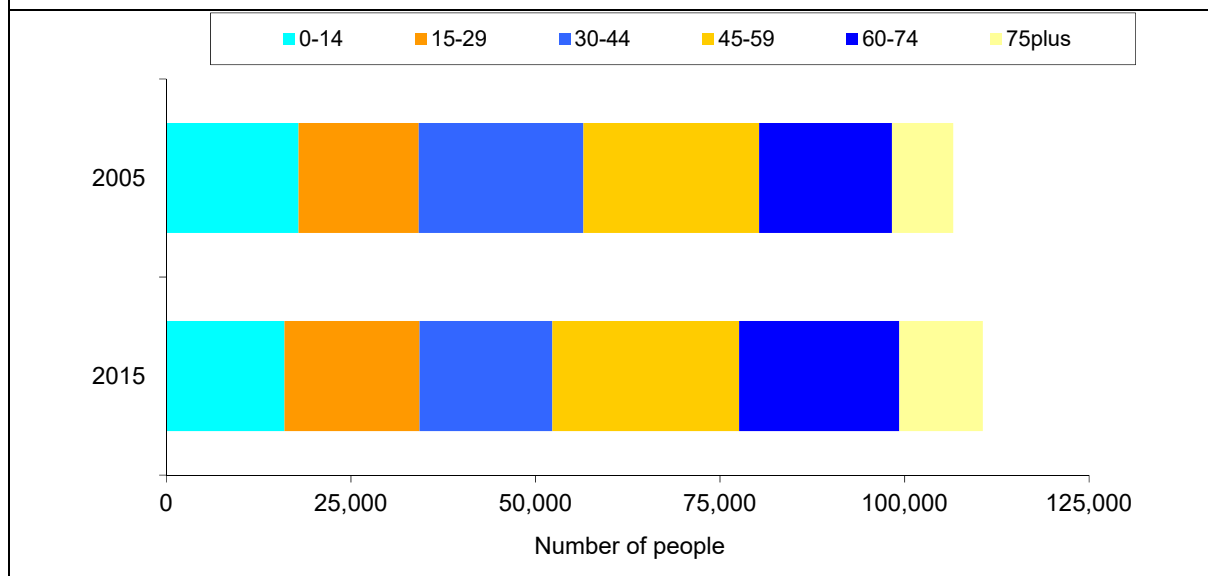


Source: ONS Population estimates, 2016



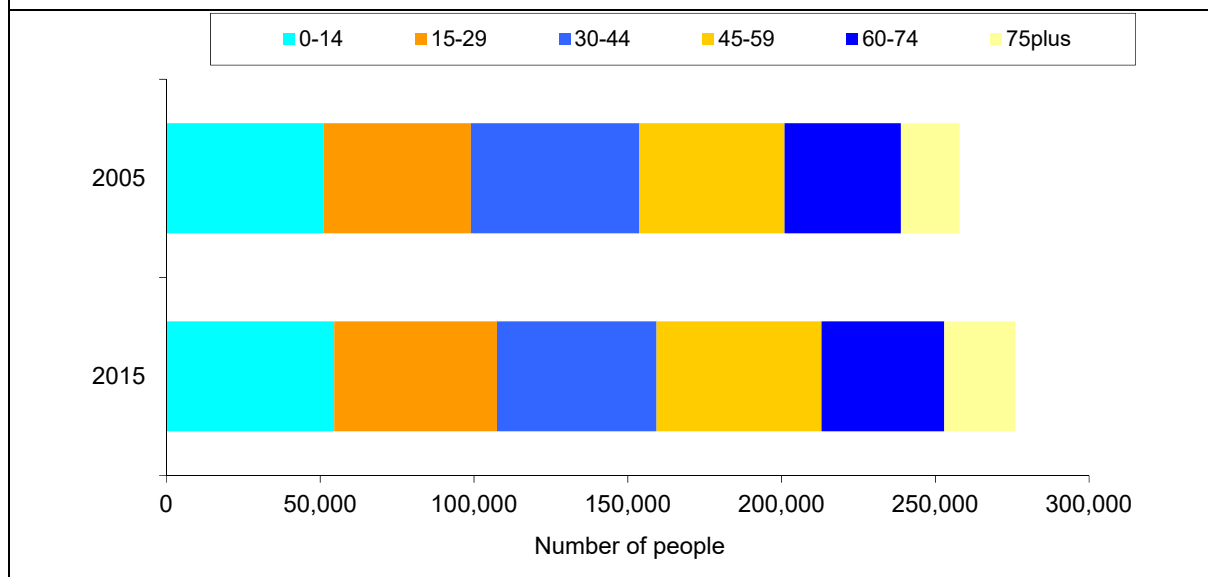
Source: ONS Population estimates, 2016

Figure 2.1c Population composition in South Staffordshire (2005 and 2015)



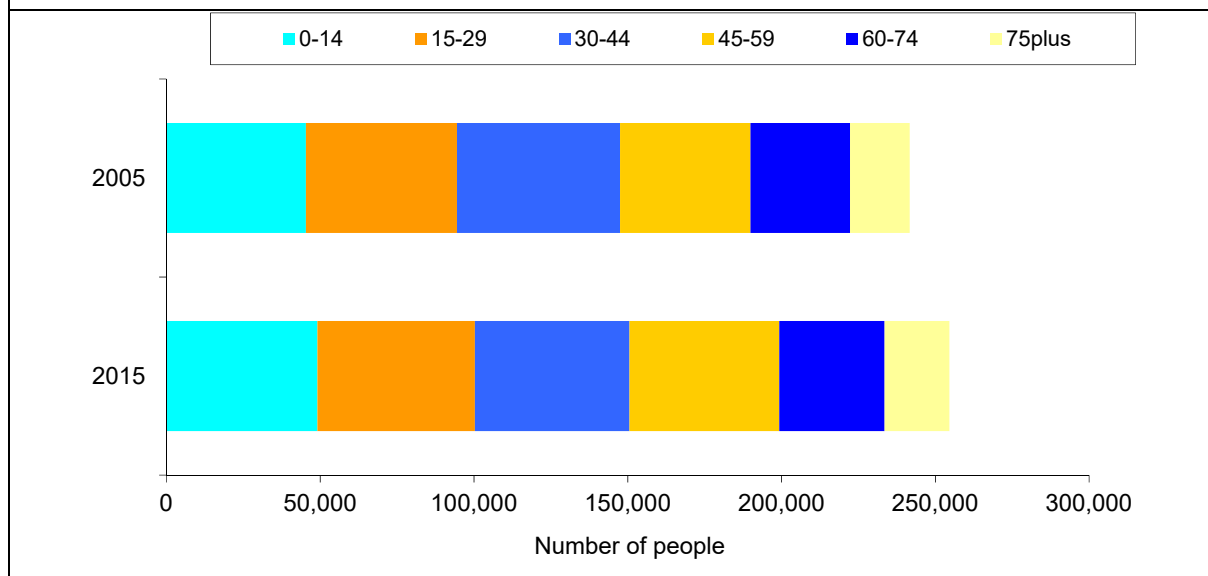
Source: ONS Population estimates, 2016

Figure 2.1d Population composition in Walsall (2005 and 2015)



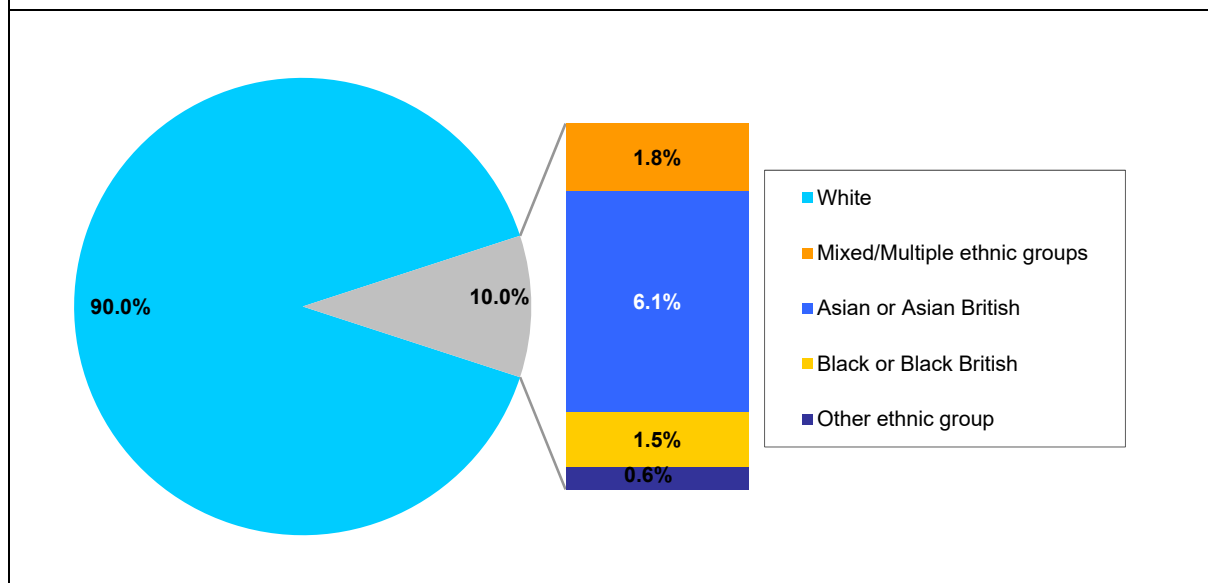
Source: ONS Population estimates, 2016

Figure 2.1e Population composition in Wolverhampton (2005 and 2015)



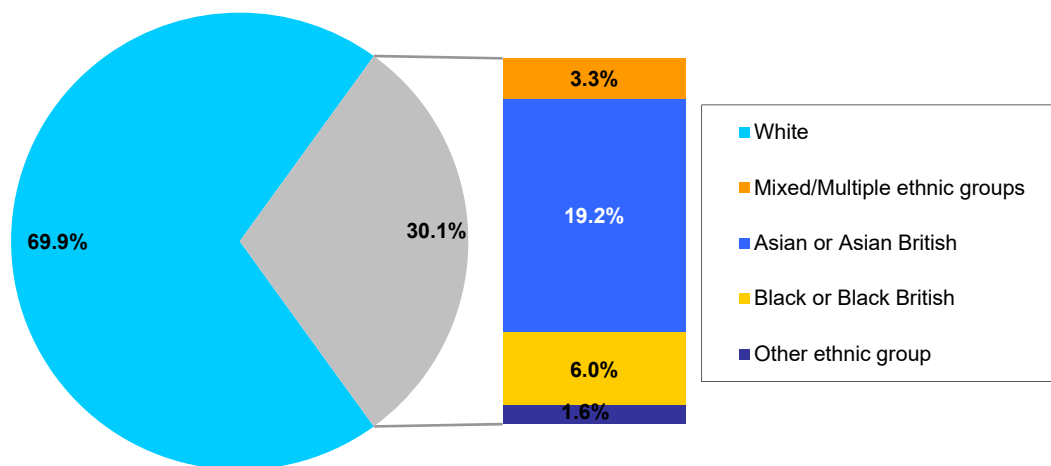
Source: ONS Population estimates, 2016

Figure 2.2a Ethnicity of Dudley population, 2011



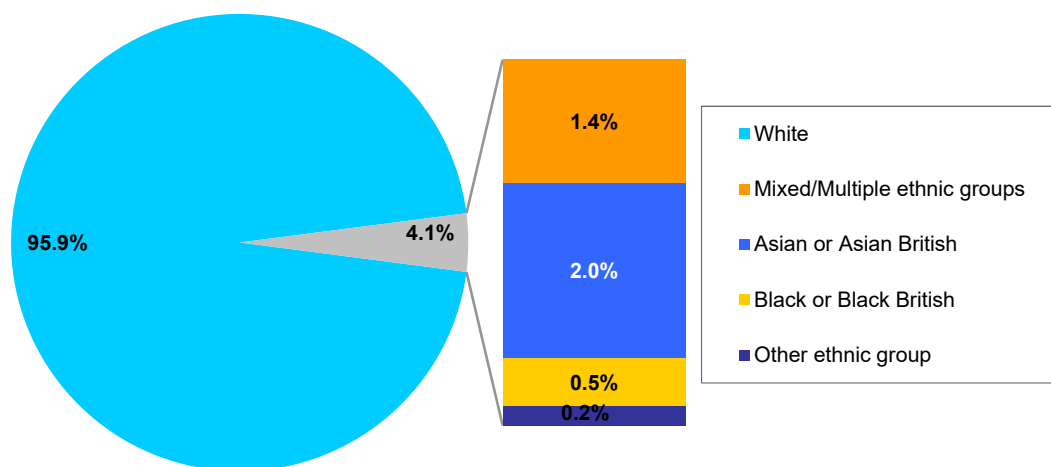
Source: 2011 Census

Figure 2.2b Ethnicity of Sandwell population, 2011



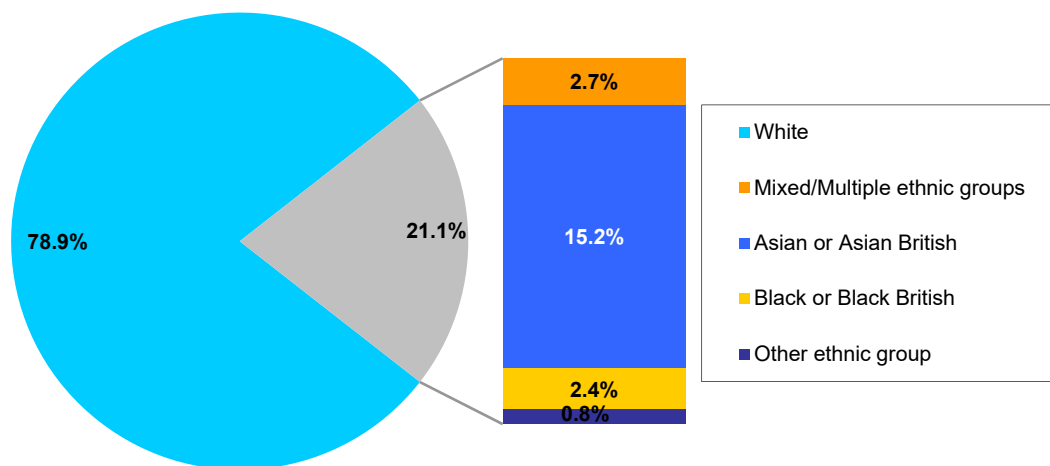
Source: 2011 Census

Figure 2.2c Ethnicity of South Staffordshire population, 2011



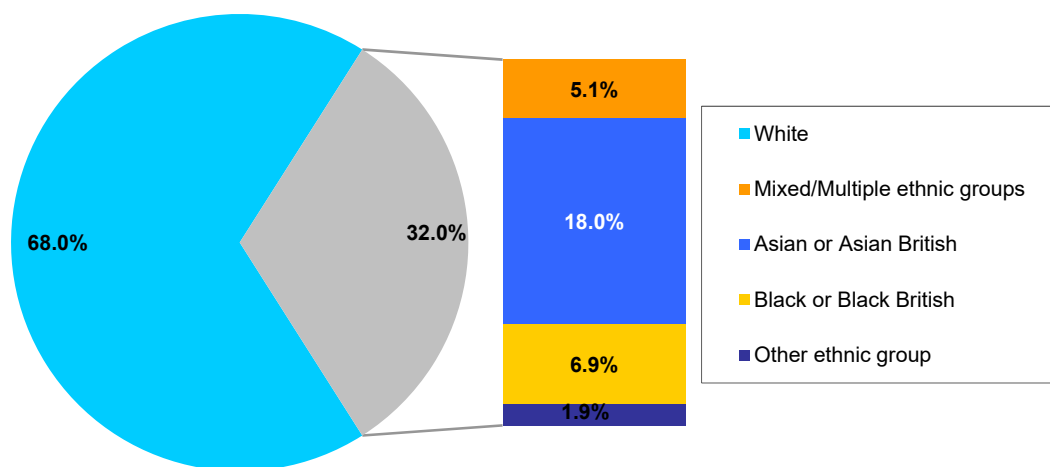
Source: 2011 Census

Figure 2.2d Ethnicity of Walsall population, 2011



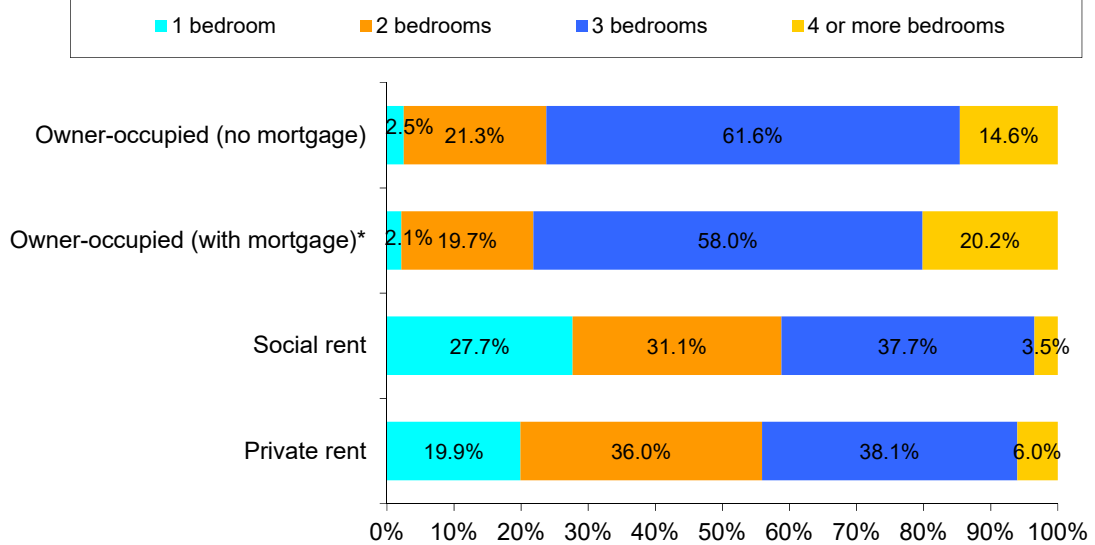
Source: 2011 Census

Figure 2.2e Ethnicity of Wolverhampton population, 2011



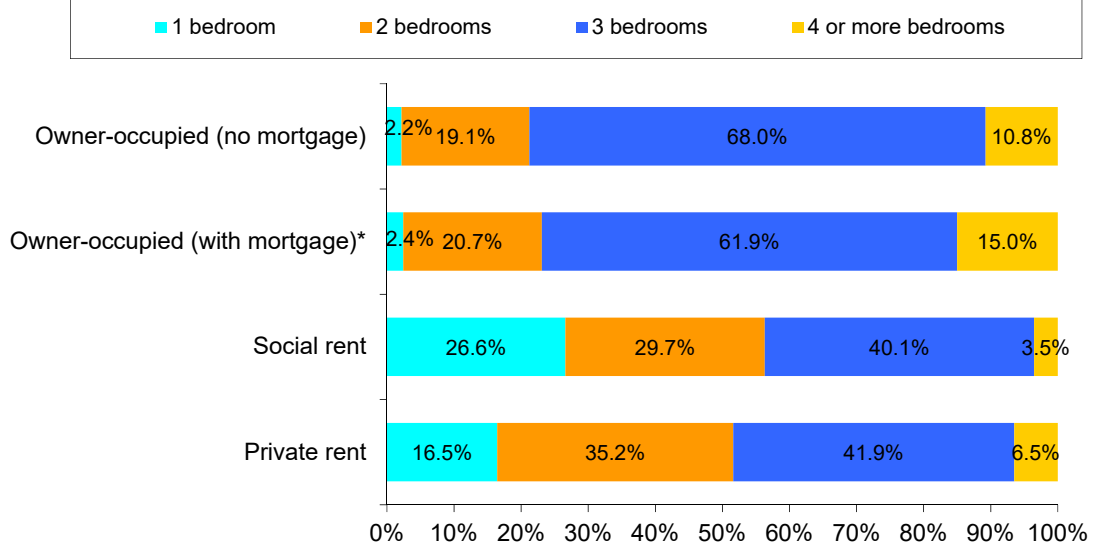
Source: 2011 Census

Figure 2.13a Dwelling size within each tenure in Dudley, 2011



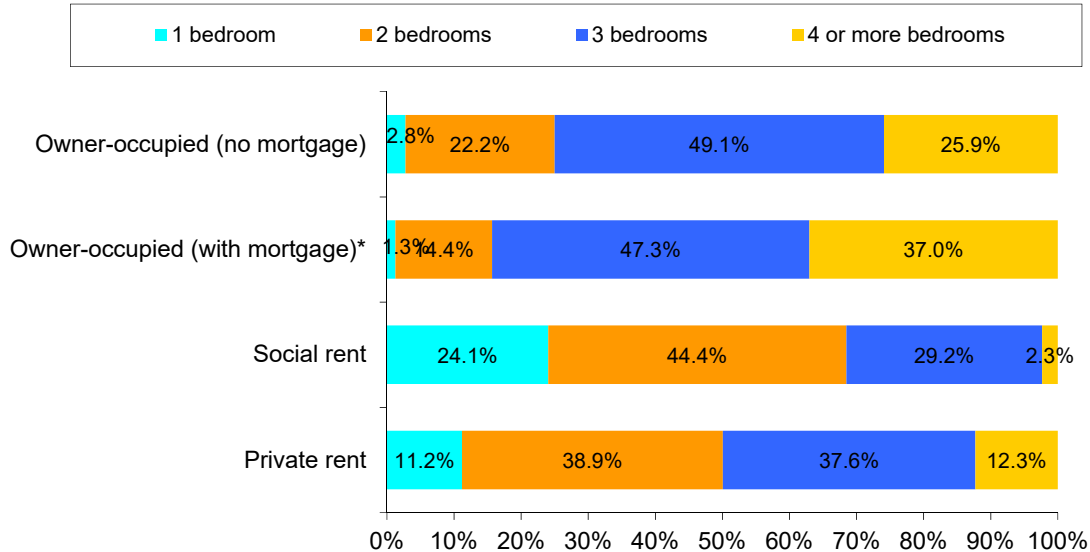
Source: 2011 Census *Includes shared ownership

Figure 2.13b Dwelling size within each tenure in Sandwell, 2011



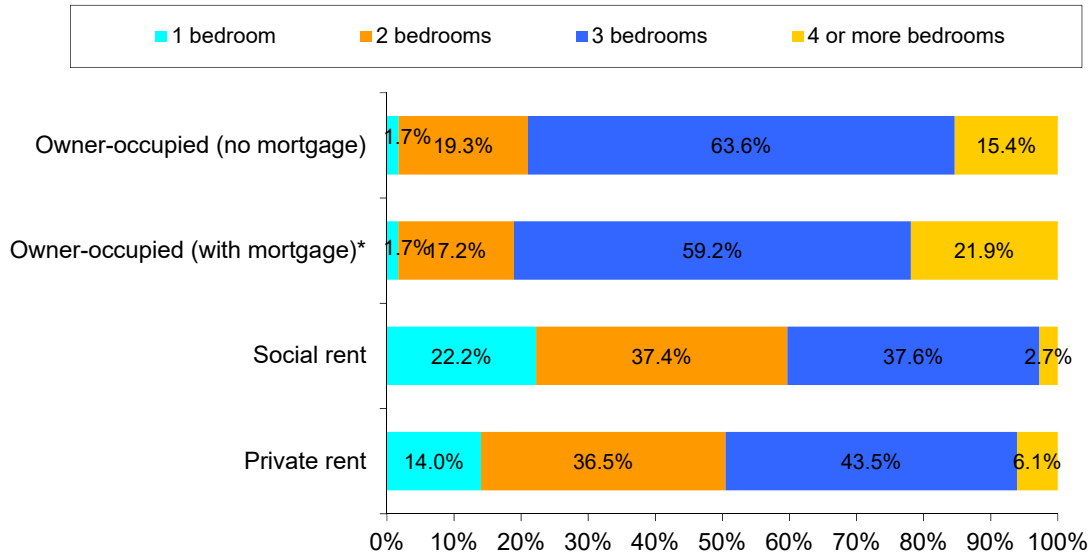
Source: 2011 Census *Includes shared ownership

Figure 2.13c Dwelling size within each tenure in South Staffordshire, 2011

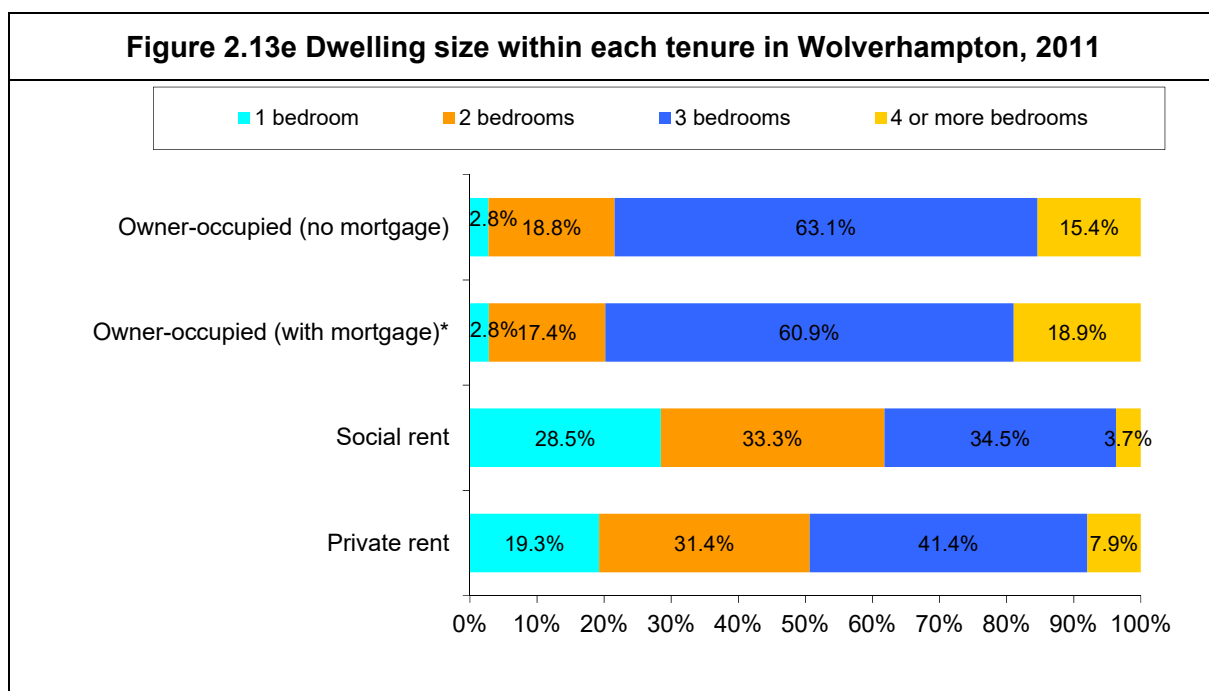


Source: 2011 Census *Includes shared ownership

Figure 2.13d Dwelling size within each tenure in Walsall, 2011



Source: 2011 Census *Includes shared ownership



Source: 2011 Census *Includes shared ownership

Appendix 3. Purchase price and rental costs by sub-area

This appendix includes the median and entry-level costs for home ownership and private rented accommodation data for the sub-areas in Dudley, South Staffordshire, Walsall and Wolverhampton. The table below sets out the wards that comprise each of the sub-areas in Dudley, South Staffordshire and Walsall. The sub-areas used in Wolverhampton were not based on ward boundaries, a map showing the location of the five sub-areas used in Wolverhampton is set out in the figure below.

Figure A3.1 Sub-area map for Wolverhampton

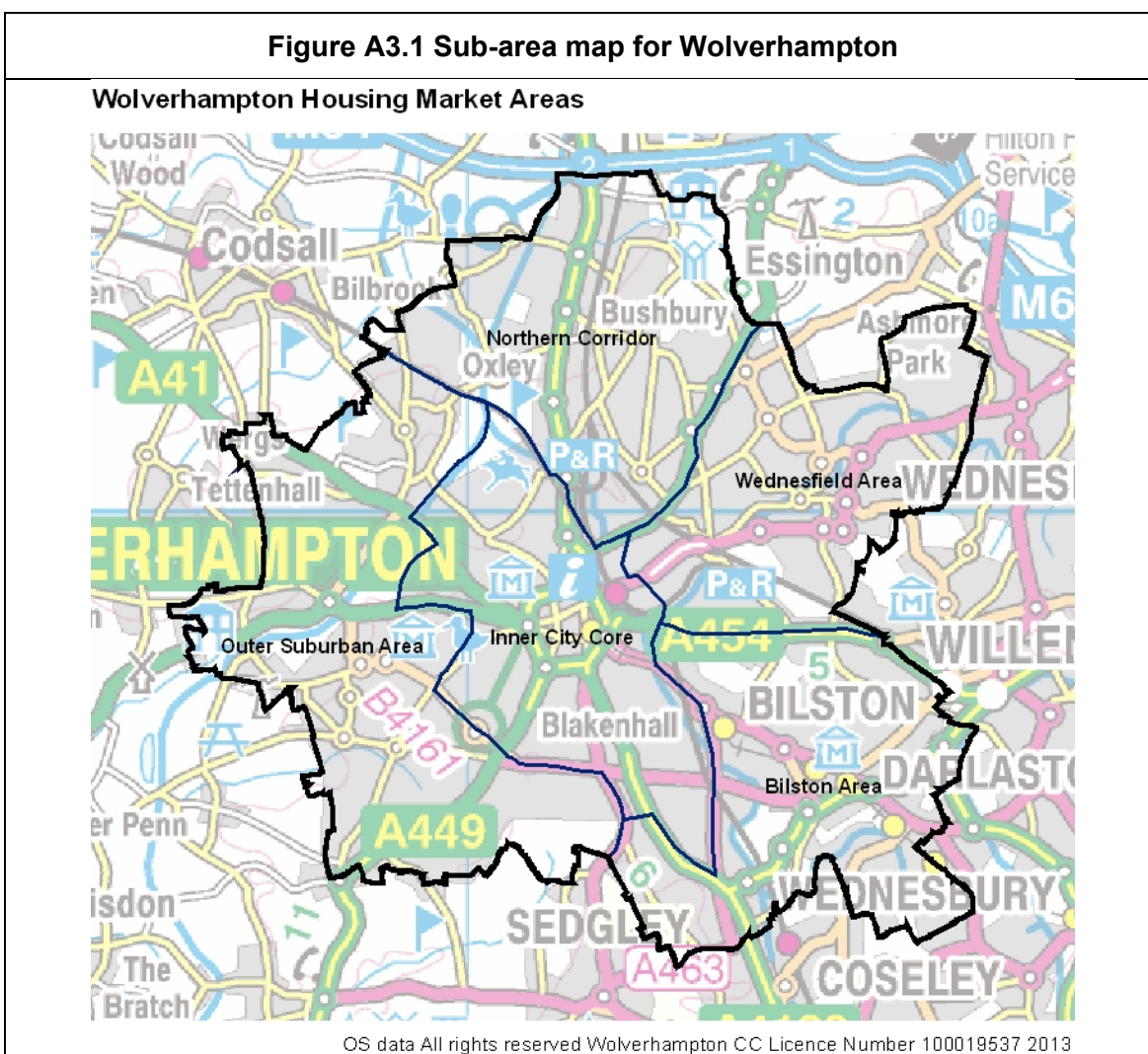
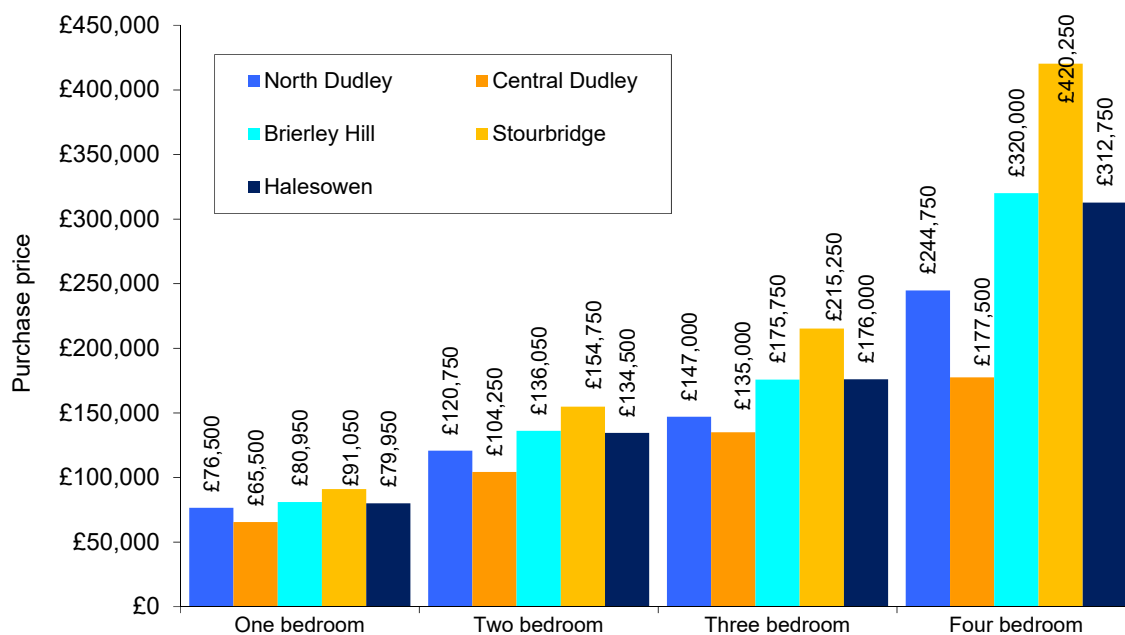


Table A3.1 Wards that comprise each sub-area	
Dudley	
<i>Sub-area</i>	<i>Composite wards</i>
North Dudley	Sedgley, Gornal, Upper Gornal and Woodsetton, Coseley East
Central Dudley	Castle and Priory, St James's, St Thomas's, Netherton, Woodside and St Andrew's, Quarry Bank and Dudley Wood
Brierley Hill	Brierley Hill, Wordsley, Brockmoor and Pensnett, Kingswinford North and Wall Heath, Kingswinford South
Stourbridge	Amblecote, Wollaston and Stourbridge Town, Lye and Stourbridge North, Norton, Pedmore and Stourbridge East
Halesowen	Cradley and Wollescote, Hayley Green and Cradley South, Belle Vale, Halesowen North, Halesowen South
South Staffordshire	
<i>Sub-area</i>	<i>Composite wards</i>
Northern	Penkridge North East and Acton Trussell, Penkridge West, Penkridge South East, Huntington and Hatherton
North Western	Brewood and Coven, Wheaton Aston, Bishopswood and Lapley
North Eastern	Cheslyn Hay North and Saredon, Featherstone and Shareshill, Essington, Cheslyn Hay South, Great Wyrley Town, Great Wyrley Landywood
Central	Codsall North, Codsall South, Bilbrook, Perton Dippons, Perton Lakeside, Perton East, Pattingham & Patshull
Southern	Wombourne North & Lower Penn, Wombourne South West, Wombourne South East, Himley and Swindon, Trysull and Seisdon, Kinver
Walsall	
<i>Sub-area</i>	<i>Composite wards</i>
East of Borough	Aldridge Central and South, Aldridge North and Walsall Wood, Streetly, Pheasey Park Farm, Paddock
North of Borough	Brownhills, Pelsall, Rushall-Shelfield
Central Area	Birchills Leamore, Blakenall, St Matthews, Palfrey, Pleck, Bloxwich East, Bloxwich West
West of Borough	Bentley and Darlaston North, Darlaston South, Willenhall South, Willenhall North, Short Heath

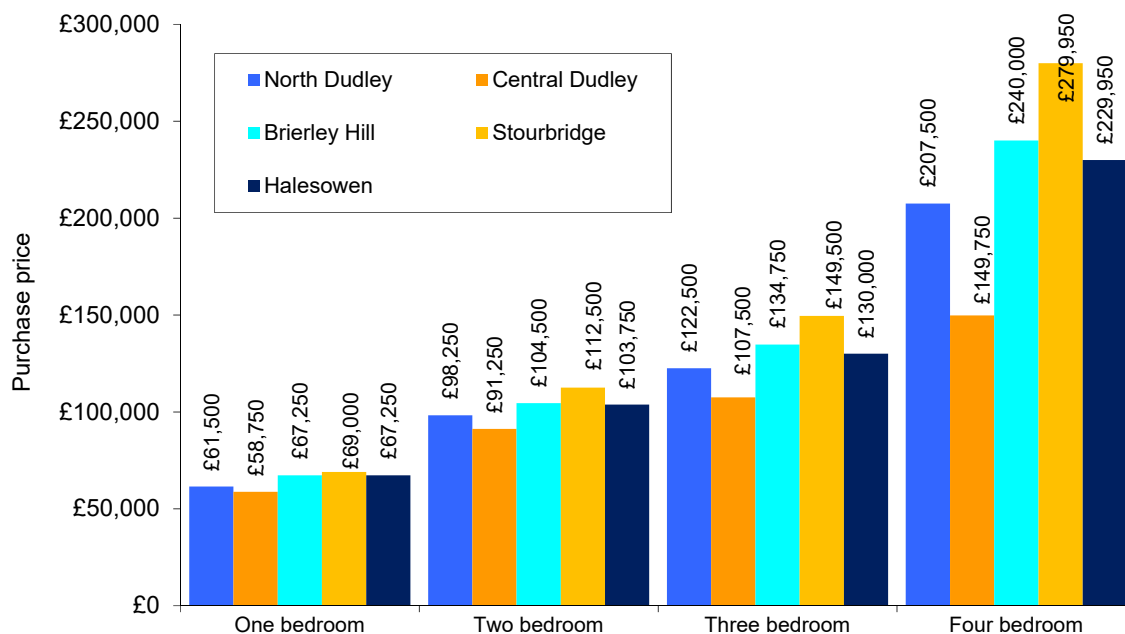
Source: Dudley, South Staffordshire and Walsall Councils, 2016

Figure 3.9a Median property prices by size sub-area in Dudley



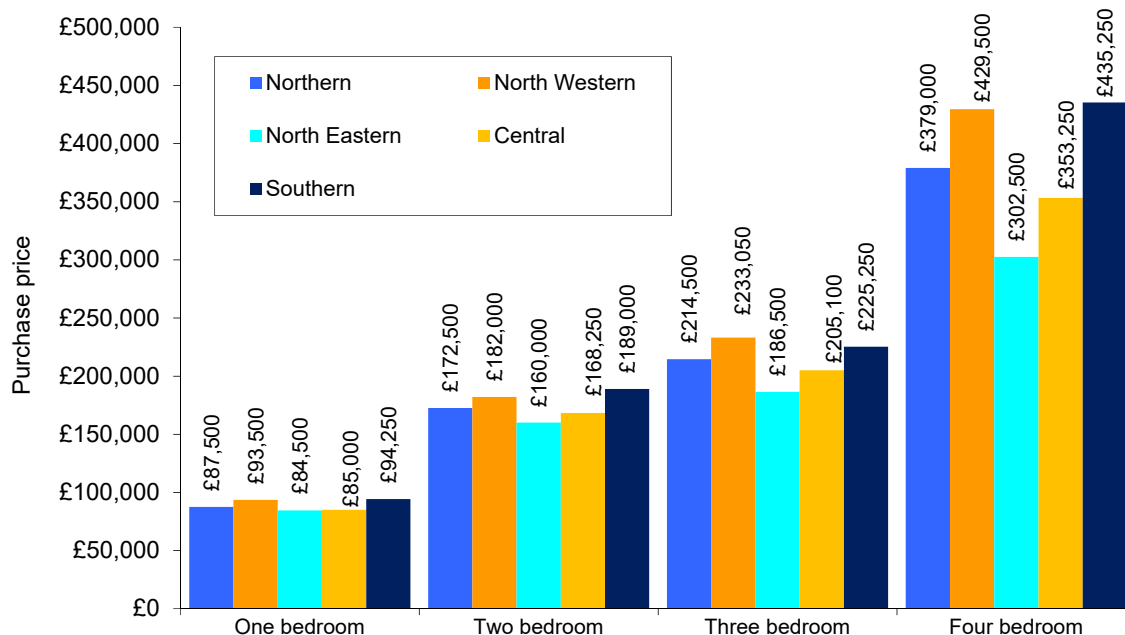
Source: Online estate agents survey August 2016

Figure 3.10a Entry-level property prices by size sub-area in Dudley



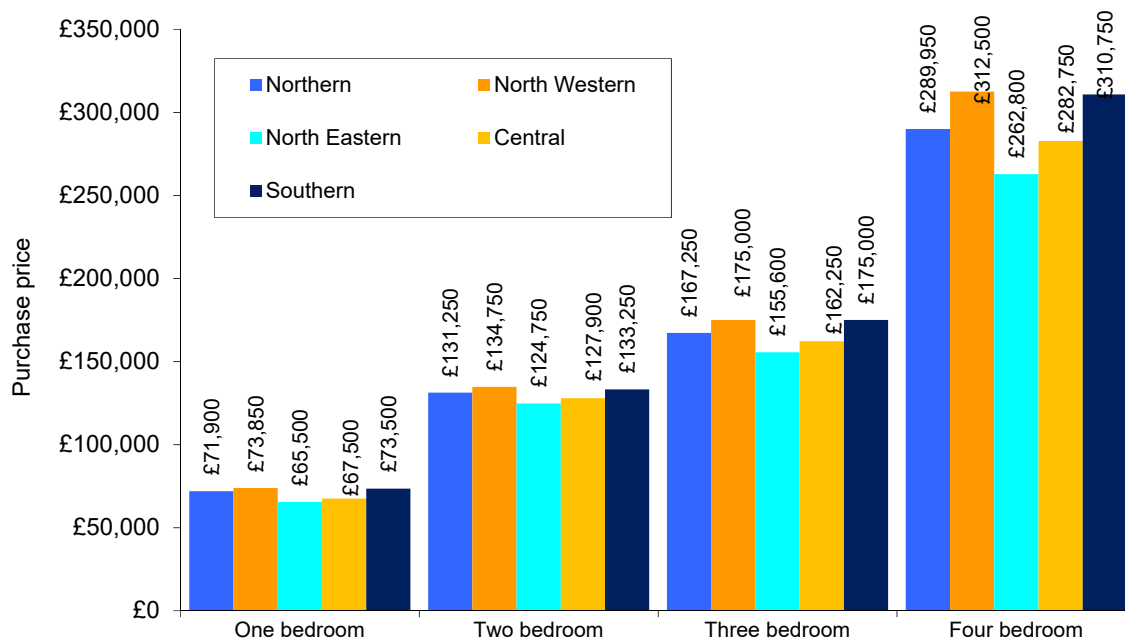
Source: Online estate agents survey August 2016

Figure 3.9b Median property prices by size sub-area in South Staffordshire



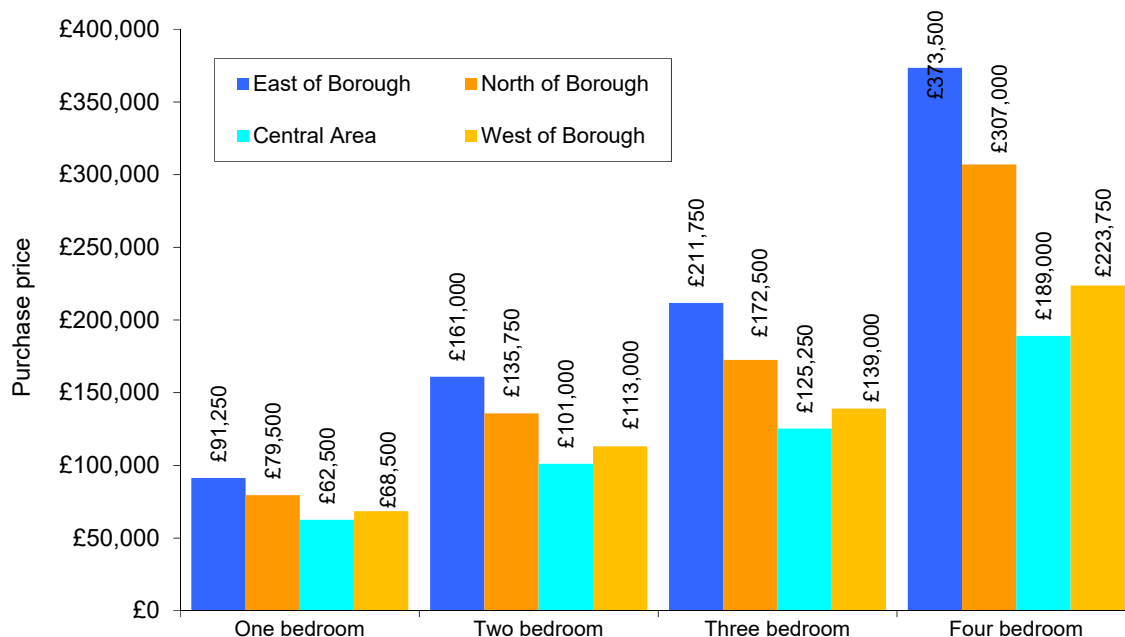
Source: Online estate agents survey August 2016

Figure 3.10b Entry-level property prices by size sub-area in South Staffordshire



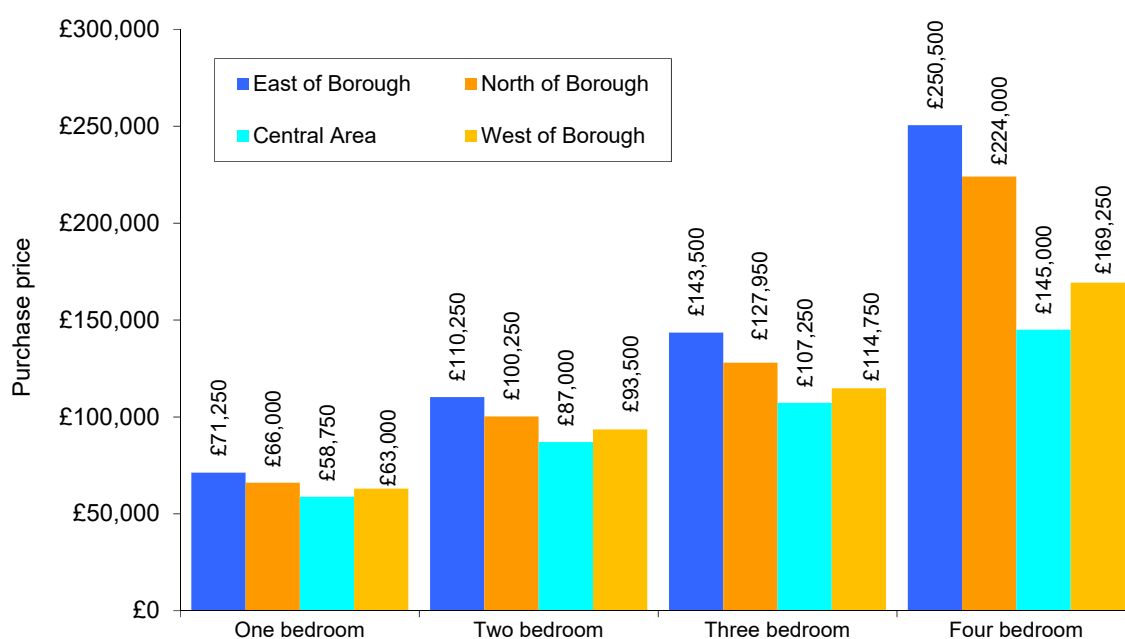
Source: Online estate agents survey August 2016

Figure 3.9c Median property prices by size sub-area in Walsall



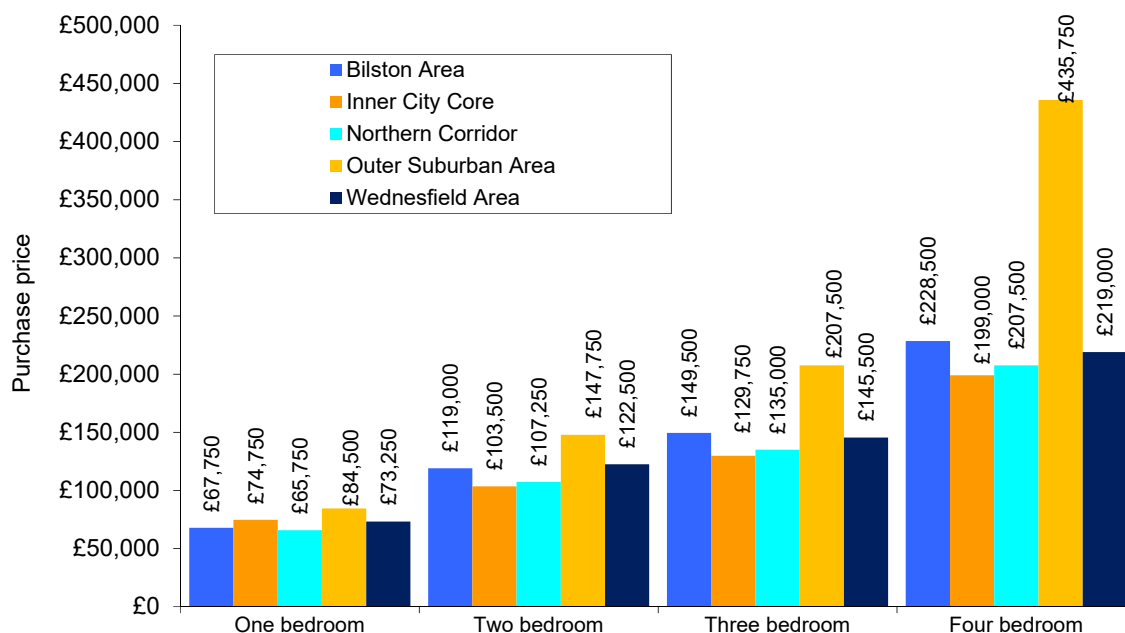
Source: Online estate agents survey August 2016

Figure 3.10c Lower quartile property prices by size sub-area in Walsall



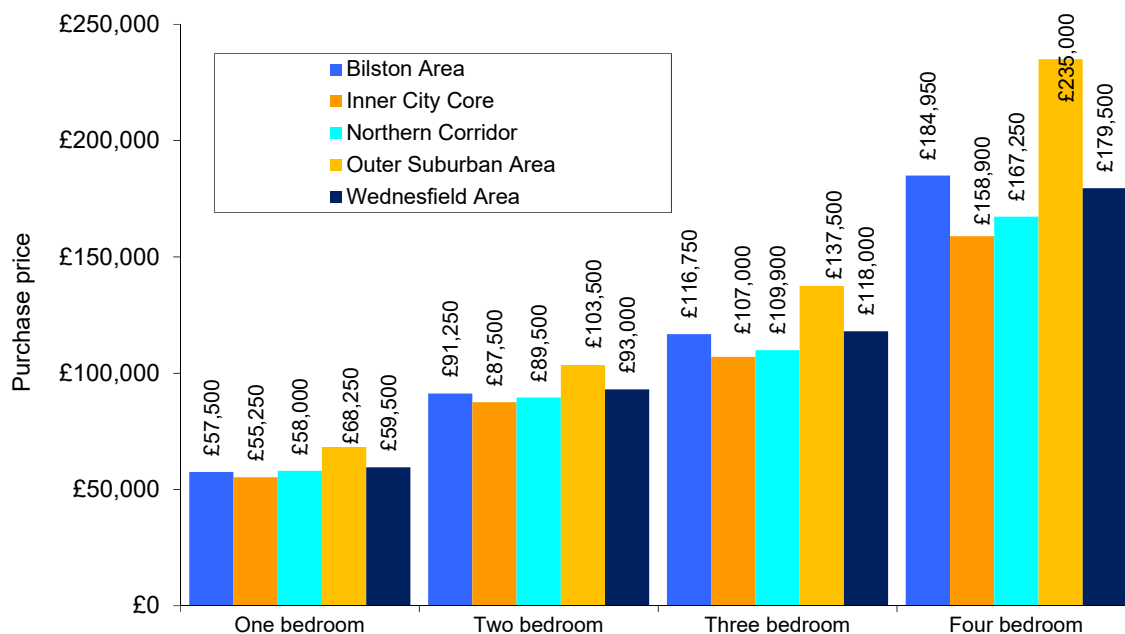
Source: Online estate agents survey August 2016

Figure 3.9d Median property prices by size sub-area in Wolverhampton



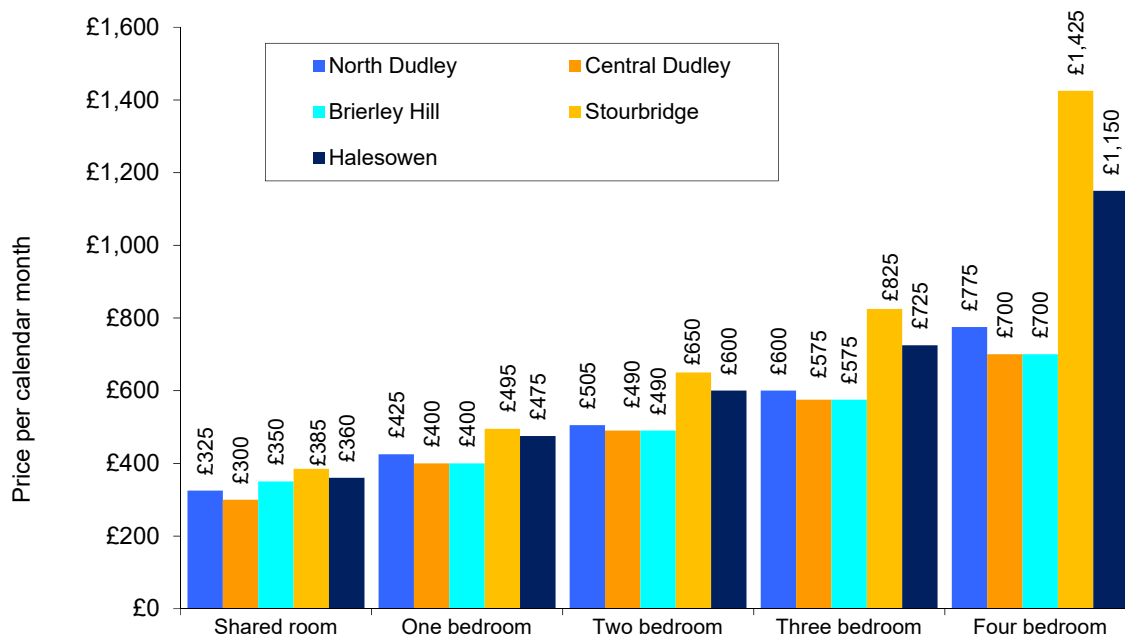
Source: Online estate agents survey August 2016

Figure 3.10d Lower quartile property prices by size sub-area in Wolverhampton



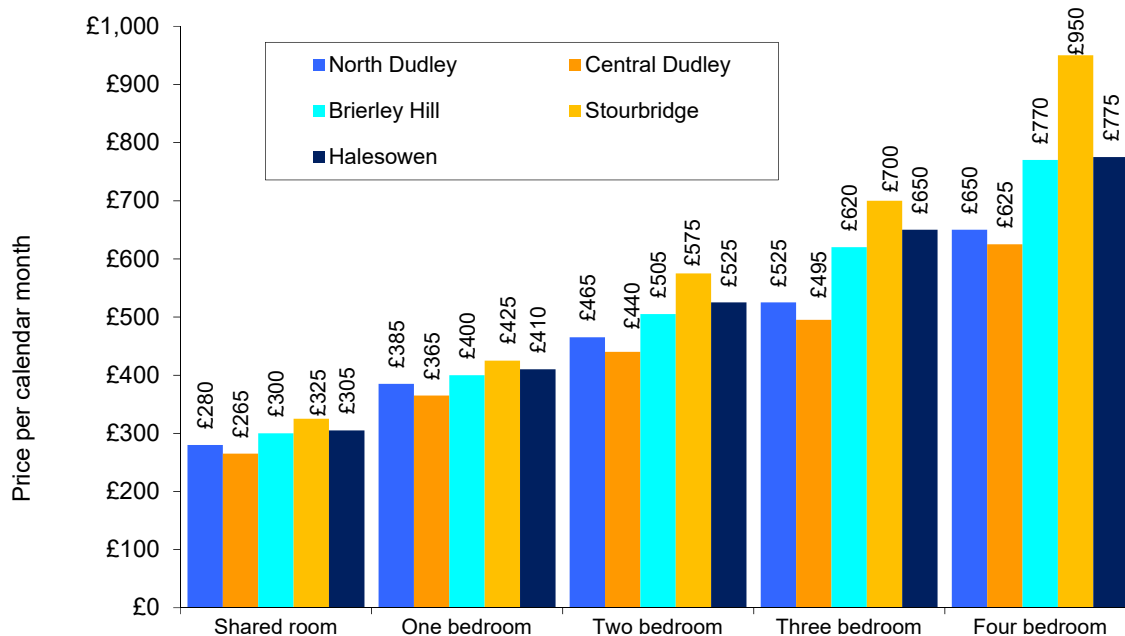
Source: Online estate agents survey August 2016

Figure 3.11a Median private rents by size and sub-area in Dudley



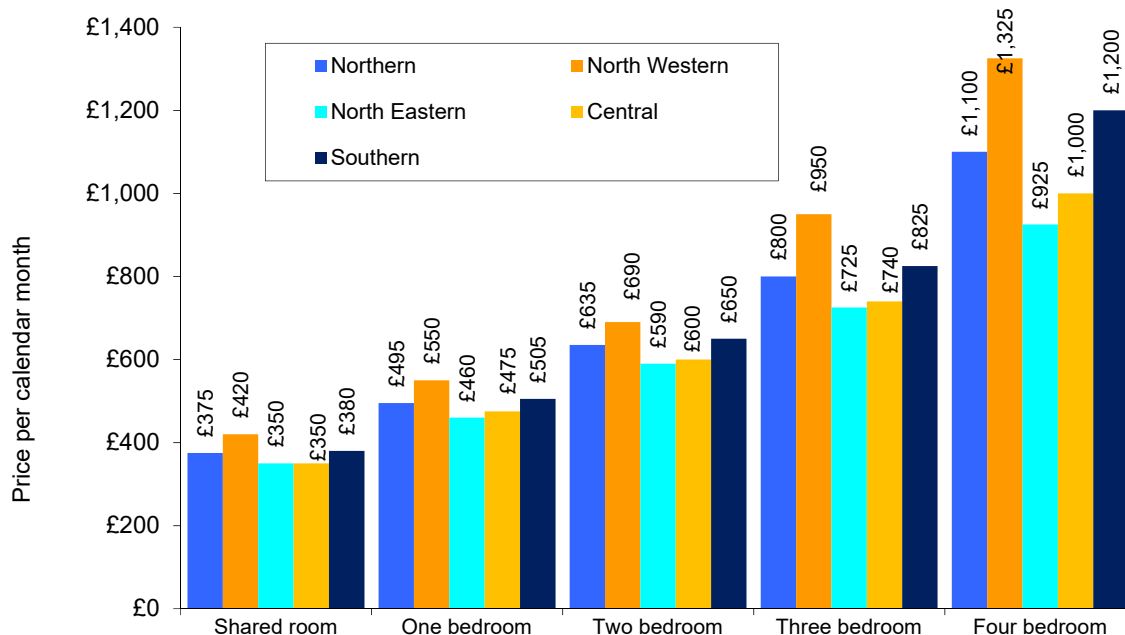
Source: Online estate agents survey August 2016

Figure 3.12a Entry-level private rents by size and sub-area in Dudley



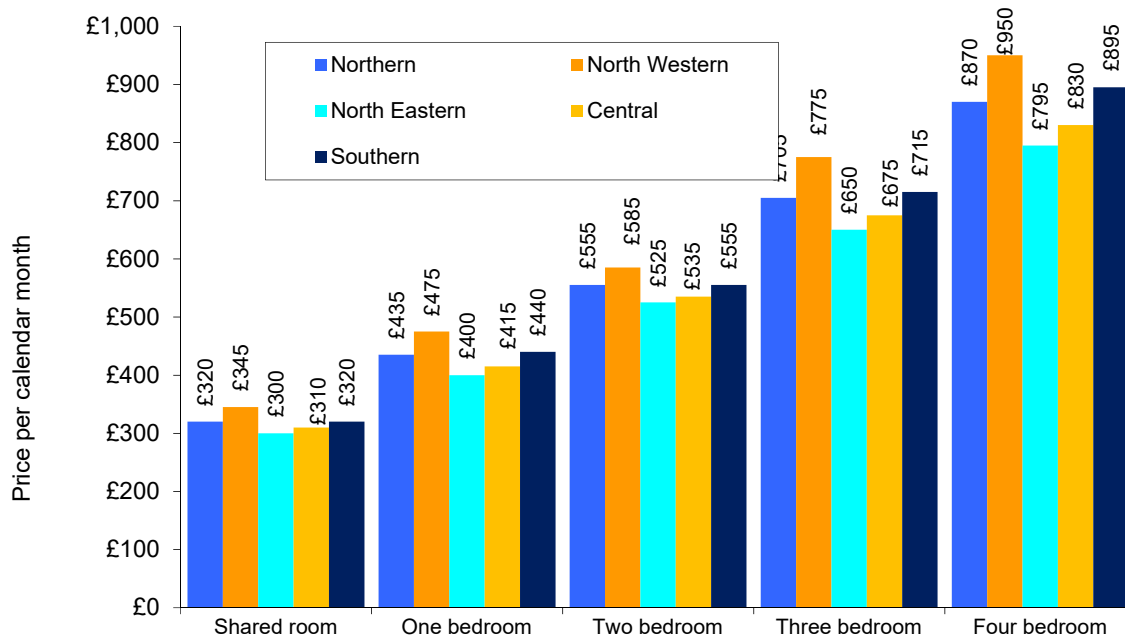
Source: Online estate agents survey August 2016

Figure 3.11b Median private rents by size and sub-area in South Staffordshire



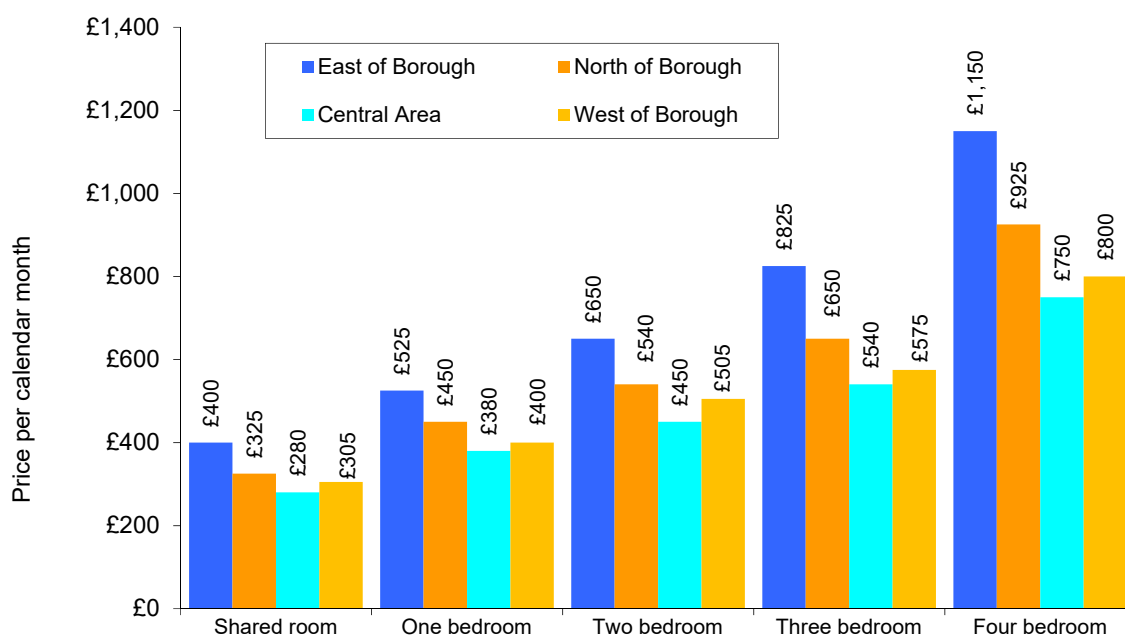
Source: Online estate agents survey August 2016

Figure 3.12b Entry-level private rents by size and sub-area in South Staffordshire



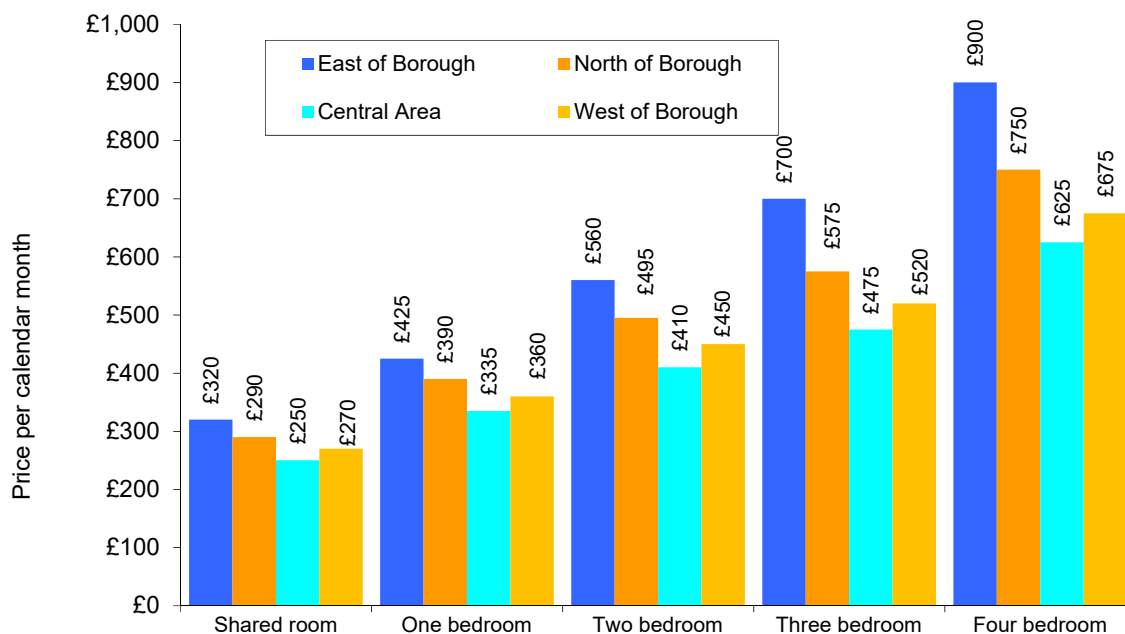
Source: Online estate agents survey August 2016

Figure 3.11c Median private rents by size and sub-area in Walsall



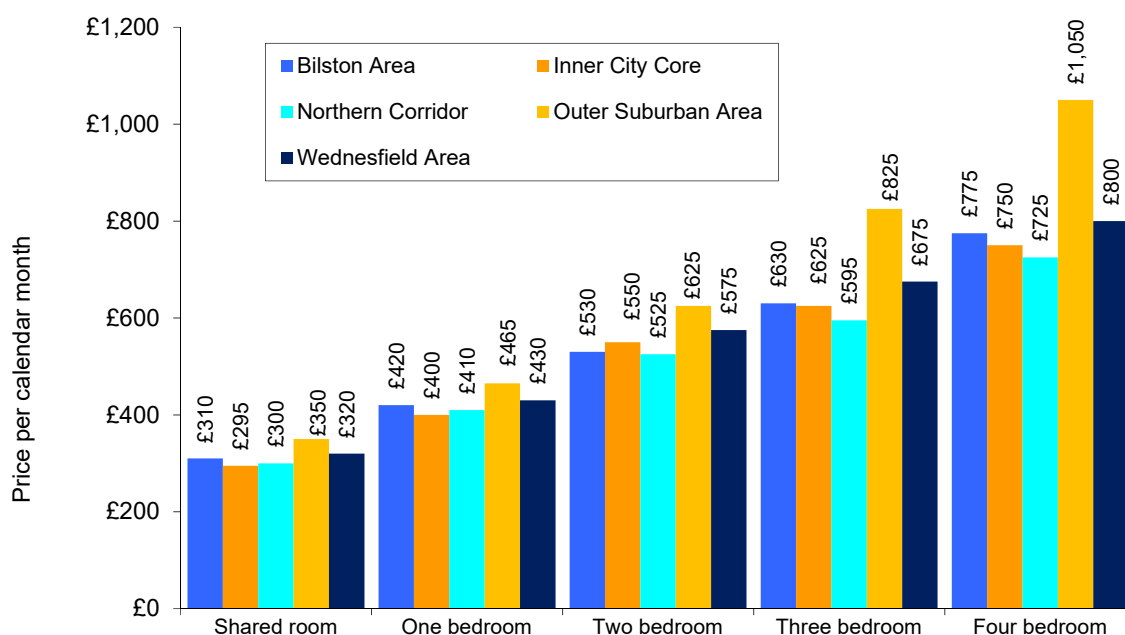
Source: Online estate agents survey August 2016

Figure 3.12c Entry-level private rents by size and sub-area in Walsall



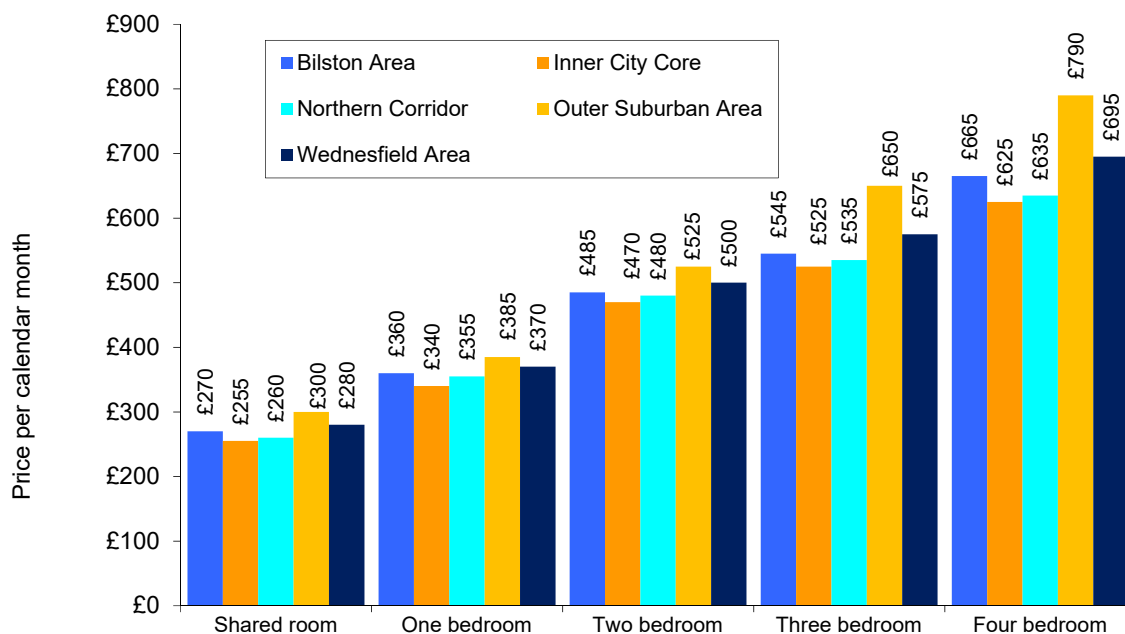
Source: Online estate agents survey August 2016

Figure 3.11d Median private rents by size and sub-area in Wolverhampton



Source: Online estate agents survey August 2016

Figure 3.12d Entry-level private rents by size and sub-area in Wolverhampton



Source: Online estate agents survey August 2016

Appendix 4. Local authority-level results for the type and tenure of future housing needed

Dudley

Demographic projections

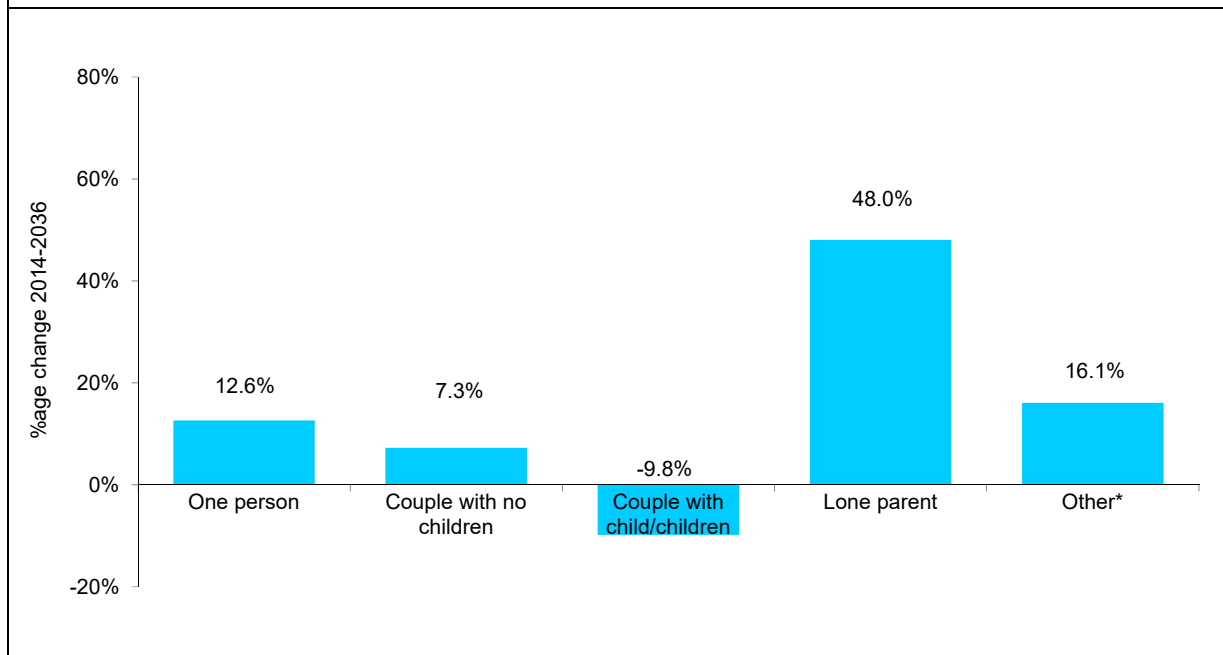
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Dudley in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1a Projected household population in 2036 by household type in Dudley			
<i>Household type</i>	<i>2014 Number</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	37,395	42,116	29.4%
Couple with no children	35,509	38,090	26.6%
Couple with child/children	36,481	32,895	23.0%
Lone parent	14,218	21,045	14.7%
Other	7,722	8,964	6.3%
Total	131,325	143,110	100.0%

Source: Peter Brett Associates, 2017

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in Dudley, followed by 'other' households. Couples with children are projected to fall in number.

Figure 4.1a Change in household structure, 2014 – 2036 in Dudley



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Peter Brett Associates, 2017

Tenure of housing required

The table below shows the projected tenure profile for Dudley in 22 years' time. The data shows that in 2036 the housing stock in Dudley should comprise 66.5% owner-occupied dwellings, 12.5% private rented homes, 1.3% shared ownership properties and 19.7% Social Rented/Affordable Rented accommodation.

Table 4.2a Projected tenure profile in 2036 in Dudley		
<i>Tenure</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	95,090	66.5%
Private rented	17,914	12.5%
Shared Ownership	1,878	1.3%
Social Rent/Affordable Rent	28,228	19.7%
Total	143,110	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the tenure profile required by households resident in Dudley in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 57.8% of new housing should be owner-occupied, 18.5% private rented, 9.8% should be shared ownership and 14.0% Social Rent/Affordable Rent.

Table 4.3a Tenure of new accommodation required in Dudley over the next 22 years

<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	88,282	95,090	6,808	57.8%
Private rent	15,738	17,914	2,176	18.5%
Shared ownership	722	1,878	1,156	9.8%
Social Rent/Affordable Rented	26,583	28,228	1,645	14.0%
Total	131,325	143,110	11,785	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The analysis of the likely cost profile of discount home ownership/Starter Homes in Dudley, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a requirement for 962 discount home ownership dwellings in Dudley. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 962 discount home ownership dwellings identified using this process should be treated as an indicative figure.

Size of housing required within each market tenure

The model is able to also provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Dudley in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4a Size of new owner-occupied accommodation required in Dudley over the next 22 years

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,033	2,530	497	7.3%
Two bedrooms	17,328	19,074	1,745	25.6%
Three bedrooms	52,002	54,801	2,800	41.1%
Four or more bedrooms	16,919	18,685	1,766	25.9%
Total	88,282	95,090	6,808	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5a Size of new private rented accommodation required in Dudley over the next 22 years

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,924	3,145	221	10.2%
Two bedrooms	5,702	6,233	531	24.4%
Three bedrooms	6,052	7,027	975	44.8%
Four or more bedrooms	1,060	1,509	449	20.6%
Total	15,738	17,914	2,176	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below sets out the equivalent analysis for shared ownership/discounted home ownership housing.

Table 4.6a Size of new shared ownership accommodation required in Dudley over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	107	412	305	26.4%
Two bedroom	312	705	393	34.0%
Three bedroom	237	571	334	28.9%
Four or more bedrooms	66	190	124	10.8%
Total	722	1,878	1,156	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7a Size of new Social Rent/Affordable Rent required in Dudley over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	7,474	7,965	491	29.8%
Two bedroom	8,210	8,492	282	17.2%
Three bedroom	10,112	10,371	259	15.7%
Four or more bedrooms	787	1,400	613	37.3%
Total	26,583	28,228	1,645	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of discount home ownership/Starter Homes that would be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the demand from households likely to move into this alternative product has been deducted, is also set out in the table.

Table 4.8a Size of new discount home ownership/Starter Homes required in Dudley over the next 22 years		
<i>Dwelling size</i>	<i>Starter Homes required</i>	<i>Residual private rented homes required</i>
One bedroom	134	87
Two bedroom	259	272
Three bedroom	397	577
Four or more bedrooms	171	277
Total	962	1,214

Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Sandwell

Demographic projections

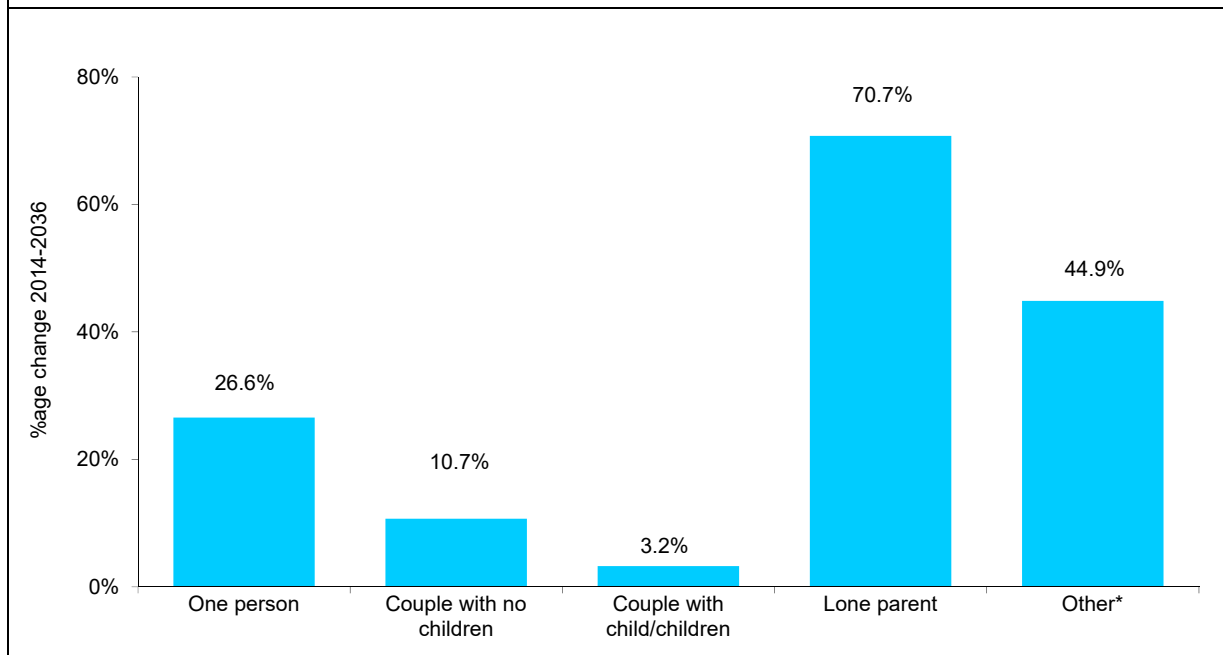
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Sandwell in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1b Projected household population in 2036 by household type in Sandwell			
<i>Household type</i>	<i>2014 Number</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	36,531	46,231	29.7%
Couple with no children	24,661	27,293	17.6%
Couple with child/children	36,414	37,596	24.2%
Lone parent	18,094	30,893	19.9%
Other	9,266	13,422	8.6%
Total	124,965	155,435	100.0%

Source: Peter Brett Associates, 2017

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in Sandwell, followed by 'other' households.

Figure 4.1b Change in household structure, 2014 – 2036 in Sandwell



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Peter Brett Associates, 2017

Tenure of housing required

The table below shows the projected tenure profile for Sandwell in 22 years' time. The data shows that in 2036 the housing stock in Sandwell should comprise 54.0% owner-occupied dwellings, 18.0% private rented homes, 1.4% shared ownership properties and 26.6% Social Rented/Affordable Rented accommodation.

Table 4.2b Projected tenure profile in 2036 in Sandwell

<i>Tenure</i>	<i>Number</i>	<i>Percentage</i>
Owner-Occupied	83,881	54.0%
Private Rented	28,013	18.0%
Shared Ownership	2,195	1.4%
Social Rent/Affordable Rent	41,346	26.6%
Total	155,435	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the tenure profile required by households resident in Sandwell in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 54.7% of new housing should be owner-occupied, 22.3% private rented, 5.3% should be shared ownership and 17.8% Social Rent/Affordable Rent.

Table 4.3b Tenure of new accommodation required in Sandwell over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-Occupied	67,218	83,881	16,664	54.7%
Private Rent	21,220	28,013	6,792	22.3%
Shared Ownership	594	2,195	1,601	5.3%
Social Rent/Affordable Rented	35,933	41,346	5,413	17.8%
Total	124,965	155,435	30,470	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The analysis of the likely cost profile of discount home ownership/Starter Homes in Sandwell, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a requirement for 1,114 discount home ownership dwellings in Sandwell. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 1,114 discount home ownership dwellings identified using this process should be treated as an indicative figure.

Size of housing required within each market tenure

The model is able to also provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Sandwell in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4b Size of new owner-occupied accommodation required in Sandwell over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,512	2,700	1,188	7.1%
Two bedrooms	12,817	15,992	3,175	19.1%
Three bedrooms	42,690	50,713	8,023	48.1%
Four or more bedrooms	10,199	14,476	4,277	25.7%
Total	67,218	83,881	16,664	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5b Size of new private rented accommodation required in Sandwell over the next 22 years

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	3,398	4,268	870	12.8%
Two bedrooms	7,476	9,385	1,909	28.1%
Three bedrooms	8,778	11,463	2,685	39.5%
Four or more bedrooms	1,568	2,897	1,329	19.6%
Total	21,220	28,013	6,792	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below sets out the equivalent analysis for shared ownership/discounted home ownership housing.

Table 4.6b Size of new shared ownership accommodation required in Sandwell over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	131	574	443	27.7%
Two bedroom	248	787	539	33.7%
Three bedroom	159	574	415	25.9%
Four or more bedrooms	56	260	204	12.7%
Total	594	2,195	1,601	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7b Size of new Social Rent/Affordable Rent required in Sandwell over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	9,871	11,441	1,570	29.0%
Two bedroom	10,422	11,619	1,198	22.1%
Three bedroom	14,696	15,918	1,222	22.6%
Four or more bedrooms	944	2,368	1,424	26.3%
Total	35,933	41,346	5,413	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of discount home ownership/Starter Homes that would be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the demand from households likely to move into this alternative product has been deducted, is also set out in the table.

Table 4.8b Size of new discount home ownership/Starter Homes required in Sandwell over the next 22 years		
<i>Dwelling size</i>	<i>Starter Homes required</i>	<i>Residual private rented homes required</i>
One bedroom	174	695
Two bedroom	243	1,666
Three bedroom	485	2,200
Four or more bedrooms	211	1,117
Total	1,114	5,679

Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

South Staffordshire

Demographic projections

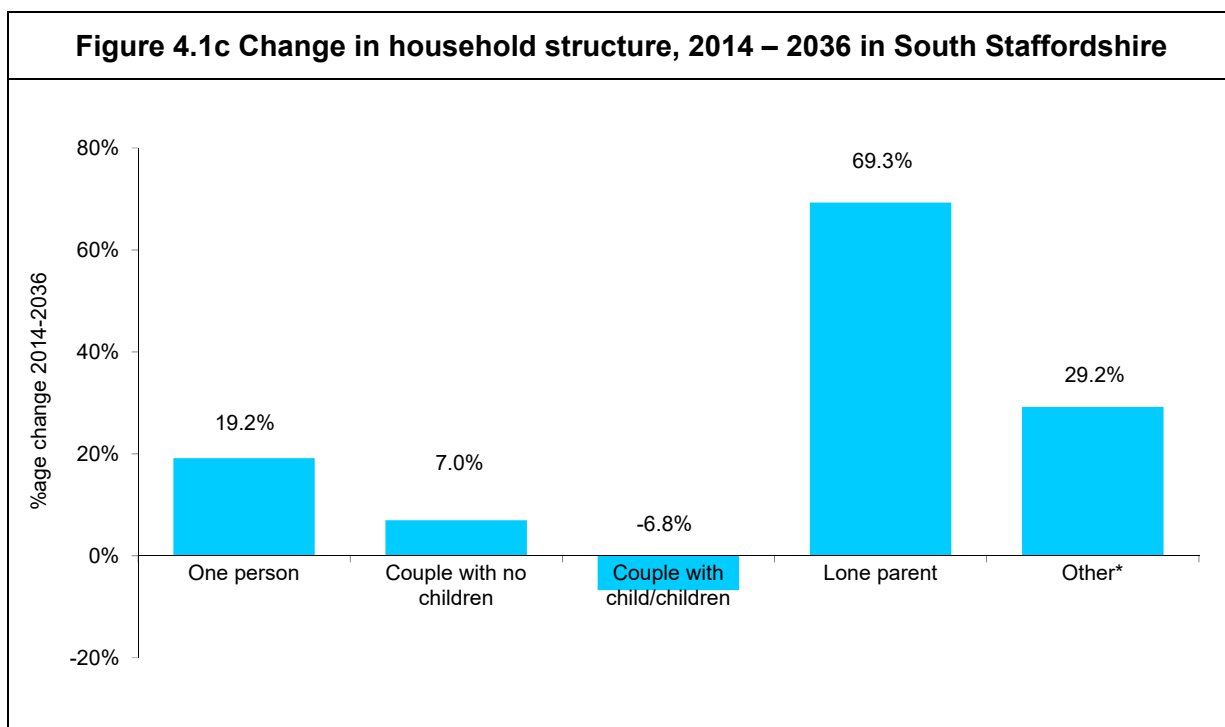
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in South Staffordshire in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1c Projected household population in 2036 by household type in South Staffordshire			
<i>Household type</i>	<i>2014 Number</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	12,040	14,345	27.6%
Couple with no children	14,808	15,840	30.5%
Couple with child/children	13,219	12,326	23.7%
Lone parent	3,871	6,553	12.6%
Other	2,237	2,891	5.6%
Total	46,175	51,955	100.0%

Source: Peter Brett Associates, 2017

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are

expected to increase the most in South Staffordshire, followed by 'other' households. Couples with children are projected to fall in number.



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Peter Brett Associates, 2017

Tenure of housing required

The table below shows the projected tenure profile for South Staffordshire in 22 years' time. The data shows that in 2036 the housing stock in South Staffordshire should comprise 74.0% owner-occupied dwellings, 10.8% private rented homes, 1.3% shared ownership properties and 13.9% Social Rented/Affordable Rented accommodation.

Table 4.2c Projected tenure profile in 2036 in South Staffordshire		
<i>Tenure</i>	<i>Number</i>	<i>Percentage</i>
Owner-Occupied	38,423	74.0%
Private Rented	5,607	10.8%
Shared Ownership	689	1.3%
Social Rent/Affordable Rent	7,236	13.9%
Total	51,955	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the tenure profile required by households resident in South Staffordshire in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 62.4% of new housing should be owner-occupied, 16.0% private rented, 8.1% should be shared ownership and 13.5% Social Rent/Affordable Rent.

Table 4.3c Tenure of new accommodation required in South Staffordshire over the next 22 years

<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	34,819	38,423	3,604	62.4%
Private rent	4,684	5,607	923	16.0%
Shared ownership	218	689	471	8.1%
Social Rent/Affordable Rented	6,454	7,236	782	13.5%
Total	46,175	51,955	5,780	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The analysis of the likely cost profile of discount home ownership/Starter Homes in South Staffordshire, set out in chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in chapter 4, identifies that between 2014 and 2036 there would be a requirement for 395 discount home ownership dwellings in South Staffordshire. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 395 discount home ownership dwellings identified using this process should be treated as an indicative figure.

Size of housing required within each market tenure

The model is able to also provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4c Size of new owner-occupied accommodation required in South Staffordshire over the next 22 years

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	721	1,295	574	15.9%
Two bedrooms	6,038	7,283	1,245	34.5%
Three bedrooms	16,403	17,476	1,073	29.8%
Four or more bedrooms	11,657	12,369	712	19.8%
Total	34,819	38,423	3,604	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5c Size of new private rented accommodation required in South Staffordshire over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	488	695	207	22.4%
Two bedrooms	1,803	2,069	266	28.8%
Three bedrooms	1,785	2,039	254	27.5%
Four or more bedrooms	608	804	196	21.2%
Total	4,684	5,607	923	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below sets out the equivalent analysis for shared ownership/discounted home ownership housing.

Table 4.6c Size of new shared ownership accommodation required in South Staffordshire over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	45	168	123	26.2%
Two bedroom	66	237	171	36.3%
Three bedroom	88	223	135	28.7%
Four or more bedrooms	19	61	42	8.9%
Total	218	689	471	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7c Size of new Social Rent/Affordable Rent required in South Staffordshire over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,519	1,746	228	29.1%
Two bedroom	2,949	3,155	206	26.3%
Three bedroom	1,899	2,035	136	17.4%
Four or more bedrooms	87	300	213	27.2%
Total	6,454	7,236	782	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of discount home ownership/Starter Homes that would be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the demand from households likely to move into this alternative product has been deducted, is also set out in the table.

Table 4.8c Size of new discount home ownership/Starter Homes required in South Staffordshire over the next 22 years		
<i>Dwelling size</i>	<i>Starter Homes required</i>	<i>Residual private rented homes required</i>
One bedroom	80	127
Two bedroom	126	141
Three bedroom	132	122
Four or more bedrooms	58	138
Total	395	528

Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Walsall

Demographic projections

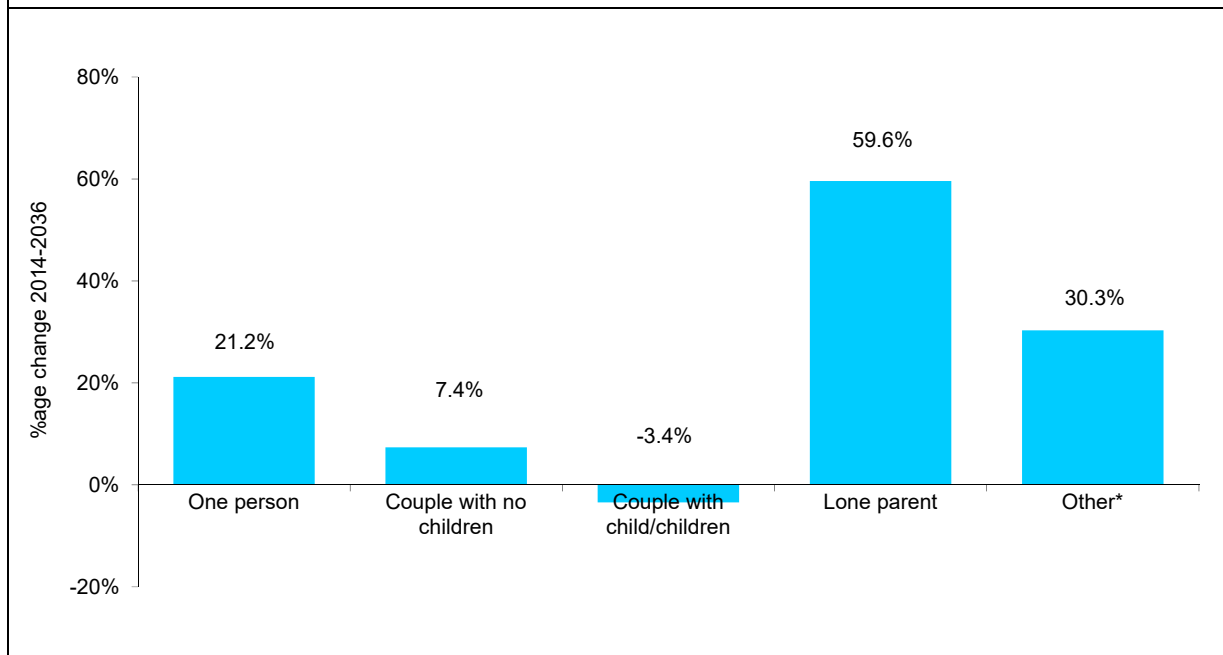
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Walsall in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1d Projected household population in 2036 by household type in Walsall			
<i>Household type</i>	<i>2014 Number</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	31,614	38,309	29.9%
Couple with no children	26,125	28,048	21.9%
Couple with child/children	31,388	30,311	23.7%
Lone parent	13,907	22,193	17.3%
Other	7,121	9,279	7.2%
Total	110,155	128,140	100.0%

Source: Peter Brett Associates, 2017

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in Walsall, followed by 'other' households. Couples with children are projected to fall in number.

Figure 4.1d Change in household structure, 2014 – 2036 in Walsall



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Peter Brett Associates, 2017

Tenure of housing required

The table below shows the projected tenure profile for Walsall in 22 years' time. The data shows that in 2036 the housing stock in Walsall should comprise 59.3% owner-occupied dwellings, 15.9% private rented homes, 1.2% shared ownership properties and 23.6% Social Rented/Affordable Rented accommodation.

Table 4.2d Projected tenure profile in 2036 in Walsall

<i>Tenure</i>	<i>Number</i>	<i>Percentage</i>
Owner-Occupied	75,948	59.3%
Private Rented	20,377	15.9%
Shared Ownership	1,550	1.2%
Social Rent/Affordable Rent	30,264	23.6%
Total	128,140	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the tenure profile required by households resident in Walsall in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 58.2% of new housing should be owner-occupied, 20.5% private rented, 5.3% should be shared ownership and 16.0% Social Rent/Affordable Rent.

Table 4.3d Tenure of new accommodation required in Walsall over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-Occupied	65,488	75,948	10,460	58.2%
Private Rent	16,689	20,377	3,689	20.5%
Shared Ownership	591	1,550	959	5.3%
Social Rent/Affordable Rented	27,387	30,264	2,877	16.0%
Total	110,155	128,140	17,985	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The analysis of the likely cost profile of discount home ownership/Starter Homes in Walsall, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a requirement for 808 discount home ownership dwellings in Walsall. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 808 discount home ownership dwellings identified using this process should be treated as an indicative figure.

Size of housing required within each market tenure

The model is able to also provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Walsall in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4d Size of new owner-occupied accommodation required in Walsall over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,144	1,954	810	7.7%
Two bedrooms	11,445	13,445	2,001	19.1%
Three bedrooms	39,325	44,207	4,882	46.7%
Four or more bedrooms	13,575	16,342	2,767	26.5%
Total	65,488	75,948	10,460	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5d Size of new private rented accommodation required in Walsall over the next 22 years

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,273	2,835	562	15.2%
Two bedrooms	6,017	6,935	917	24.9%
Three bedrooms	7,230	8,639	1,409	38.2%
Four or more bedrooms	1,168	1,968	800	21.7%
Total	16,689	20,377	3,689	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below sets out the equivalent analysis for shared ownership/discounted home ownership housing.

Table 4.6d Size of new shared ownership accommodation required in Walsall over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	145	399	254	26.5%
Two bedroom	207	479	272	28.4%
Three bedroom	151	402	251	26.2%
Four or more bedrooms	88	270	182	18.9%
Total	591	1,550	959	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7d Size of new Social Rent/Affordable Rent required in Walsall over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	6,027	6,781	754	26.2%
Two bedroom	10,276	10,840	565	19.6%
Three bedroom	10,538	11,131	593	20.6%
Four or more bedrooms	546	1,511	965	33.6%
Total	27,387	30,264	2,877	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of discount home ownership/Starter Homes that would be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the demand from households likely to move into this alternative product has been deducted, is also set out in the table.

Table 4.8d Size of new discount home ownership/Starter Homes required in Walsall over the next 22 years		
<i>Dwelling size</i>	<i>Starter Homes required</i>	<i>Residual private rented homes required</i>
One bedroom	160	403
Two bedroom	190	728
Three bedroom	323	1,086
Four or more bedrooms	136	664
Total	808	2,881

Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Wolverhampton

Demographic projections

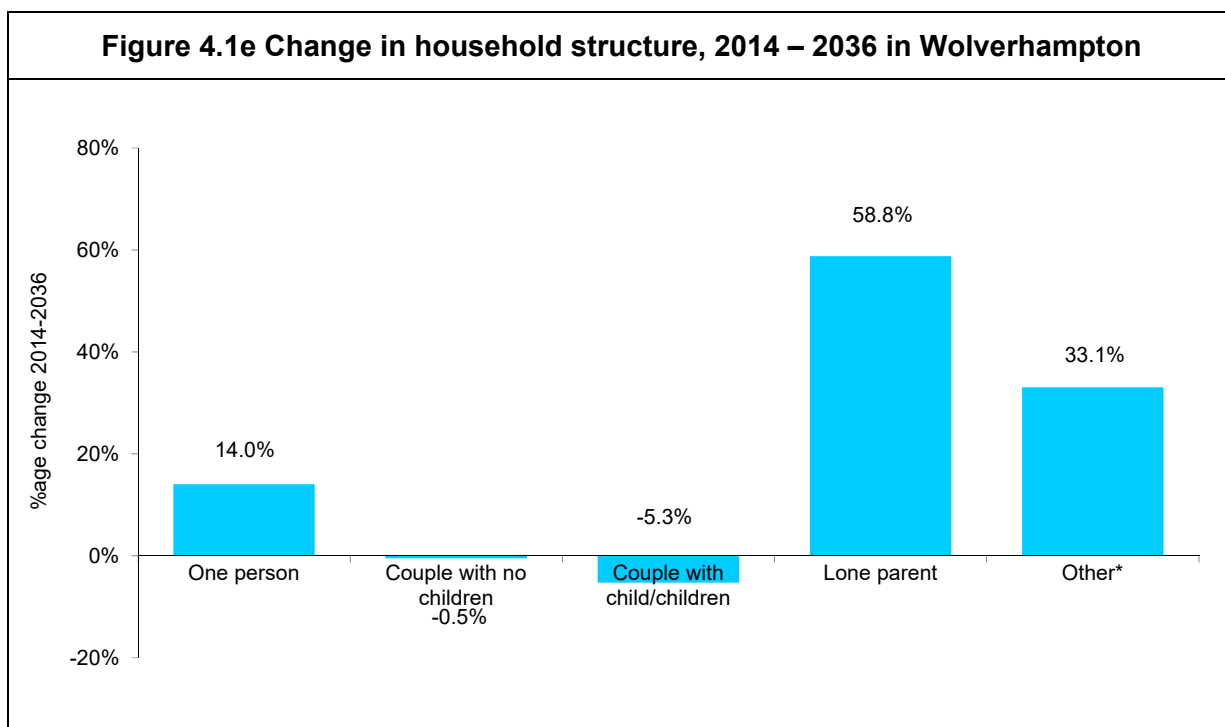
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Wolverhampton in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1e Projected household population in 2036 by household type in Wolverhampton			
<i>Household type</i>	<i>2014 Number</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	33,299	37,971	31.9%
Couple with no children	20,488	20,384	17.1%
Couple with child/children	26,431	25,035	21.0%
Lone parent	15,592	24,756	20.8%
Other	8,160	10,859	9.1%
Total	103,970	119,005	100.0%

Source: Peter Brett Associates, 2017

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are

expected to increase the most in Wolverhampton, followed by 'other' households. Couples with children and couples without children are projected to fall in number.



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: Peter Brett Associates, 2017

Tenure of housing required

The table below shows the projected tenure profile for Wolverhampton in 22 years' time. The data shows that in 2036 the housing stock in Wolverhampton should comprise 55.5% owner-occupied dwellings, 17.1% private rented homes, 1.4% shared ownership properties and 26.1% Social Rented/Affordable Rented accommodation.

Table 4.2e Projected tenure profile in 2036 in Wolverhampton		
<i>Tenure</i>	<i>Number</i>	<i>Percentage</i>
Owner-Occupied	65,994	55.5%
Private Rented	20,304	17.1%
Shared Ownership	1,633	1.4%
Social Rent/Affordable Rent	31,073	26.1%
Total	119,005	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the tenure profile required by households resident in Wolverhampton in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 50.1% of new housing should be owner-occupied,

23.7% private rented, 8.9% should be shared ownership and 17.3% Social Rent/Affordable Rent.

Table 4.3e Tenure of new accommodation required in Wolverhampton over the next 22 years

<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	58,462	65,994	7,532	50.1%
Private rent	16,729	20,304	3,575	23.7%
Shared ownership	300	1,633	1,333	8.9%
Social Rent/Affordable Rented	28,479	31,073	2,594	17.3%
Total	103,970	119,005	15,035	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The analysis of the likely cost profile of discount home ownership/Starter Homes in Wolverhampton, set out in chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in chapter 4, identifies that between 2014 and 2036 there would be a requirement for 1,031 discount home ownership dwellings in Wolverhampton. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 1,031 discount home ownership dwellings identified using this process should be treated as an indicative figure.

Size of housing required within each market tenure

The model is able to also provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Wolverhampton in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4e Size of new owner-occupied accommodation required in Wolverhampton over the next 22 years

<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,618	1,735	117	1.6%
Two bedrooms	10,145	11,155	1,010	13.4%
Three bedrooms	35,598	39,551	3,953	52.5%
Four or more bedrooms	11,100	13,552	2,452	32.6%
Total	58,462	65,994	7,532	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5e Size of new private rented accommodation required in Wolverhampton over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,973	3,425	451	12.6%
Two bedrooms	5,302	6,288	986	27.6%
Three bedrooms	7,009	8,265	1,256	35.1%
Four or more bedrooms	1,445	2,327	882	24.7%
Total	16,729	20,304	3,575	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below sets out the equivalent analysis for shared ownership/discounted home ownership housing.

Table 4.6e Size of new shared ownership accommodation required in Wolverhampton over the next 22 years				
<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	63	371	308	23.1%
Two bedroom	104	579	475	35.6%
Three bedroom	89	491	402	30.2%
Four or more bedrooms	44	192	148	11.1%
Total	300	1,633	1,333	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7e Size of new Social Rent/Affordable Rent required in Wolverhampton over the next 22 years

<i>Dwelling size</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	8,133	8,377	244	9.4%
Two bedroom	9,499	10,023	524	20.2%
Three bedroom	9,985	10,802	816	31.5%
Four or more bedrooms	862	1,872	1,011	39.0%
Total	28,479	31,073	2,594	100.0%

Source: Modelled from the 2001 and 2011 Census and the OAN projections undertaken by PBA, 2017

The table below shows the size of discount home ownership/Starter Homes that would be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the demand from households likely to move into this alternative product has been deducted, is also set out in the table.

Table 4.8e Size of new discount home ownership/Starter Homes required in Wolverhampton over the next 22 years

<i>Dwelling size</i>	<i>Starter Homes required</i>	<i>Residual private rented homes required</i>
One bedroom	212	240
Two bedroom	228	758
Three bedroom	401	855
Four or more bedrooms	190	692
Total	1,031	2,544

Source: Modelled from the 2001 and 2011 Census, the OAN projections undertaken by PBA (2017) and the income profile for the Borough provided by CACI Paycheck, 2016

Appendix 5. Local authority-level results for affordable housing need model

Dudley

Estimate of net annual housing need

Table 5.10a sets out the total need for affordable housing of 216 per year across Dudley.

Table 5.10a Results of the affordable housing needs model in Dudley	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	2,857
Stage 2: Newly arising affordable housing need (Annual)	2,381
Stage 3: Current affordable housing supply (Total)	1,754
Stage 4: Future housing supply (Annual)	2,221
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	1,103
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	55
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	216
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	2,524
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	2,308

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Dudley. The table shows that some 3.7% of 'other' households are in housing need compared to 1.3% couple with children households. Overall, one person households comprise 30.8% of all households in need.

Table 5.11a Annual need requirement by household type in Dudley					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	777	36,954	37,731	2.1%	30.8%
Couple with no children	576	35,150	35,727	1.6%	22.8%
Couple with child/children	478	35,833	36,311	1.3%	19.0%
Lone parent	403	14,143	14,547	2.8%	16.0%
Other	289	7,585	7,874	3.7%	11.4%
Total	2,524	129,666	132,190	1.9%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Dudley. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring two bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12a Size of additional units required to meet housing need in Dudley					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	1,354	1,284	70	32.4%	94.8%
Two bedrooms	608	579	29	13.2%	95.3%
Three bedrooms	323	280	43	20.1%	86.6%
Four or more bedrooms	240	166	74	34.3%	69.1%
Total	2,524	2,308	216	100.0%	91.4%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Dudley. As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Dudley are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,524 households in gross need each year in Dudley, 0.8% could afford shared ownership with a 40% share, 11.4% could afford shared ownership with a 25% share, 9.5% could afford Intermediate Rent and 20.4% could afford Affordable Rent. Overall some 74.6% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13a Size and type of affordable home required by those in need (per annum) in Dudley						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared ownership – 40% equity share	0	4	0	0	4	0.2%
Shared ownership – 25% equity share	124	147	18	0	289	11.4%
Intermediate Rent	0	142	77	21	240	9.5%
Affordable Rent	0	212	129	175	516	20.4%
Social Rent/requires assistance	1,230	396	194	65	1,884	74.6%
All households	1,354	608	323	240	2,524	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Sensitivity analysis - affordability threshold

The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income in Dudley and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Dudley where the cost of housing could constitute no more than 25% and 35% of gross household income, rather than 30% used in the base scenario.

Table 5.14a Impact of different affordability assumptions on affordable housing requirement in Dudley			
	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>
Stage 1: Current gross need	2,857	3,092	2,621
Stage 2: Newly arising need	2,381	2,568	2,195
Stage 3: Current supply	1,754	1,907	1,648
Stage 4: Future supply	2,221	2,221	2,221
Stage 5.1 Net current need	1,103	1,185	973
Stage 5.2 Annual net current need	55	59	49
Stage 5.3 Total annual need	216	407	23

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

The table indicates that the net requirement would increase from 216 to 407 affordable homes per year in Dudley if 25% of gross household income could be spent on housing

costs. However, if the income threshold was increased to 35%, the net requirement would reduce to 23 affordable dwellings per annum.

Sandwell

Estimate of net annual housing need

Table 5.10b sets out the total need for affordable housing of 244 per year across Sandwell.

Table 5.10b Results of the affordable housing needs model in Sandwell	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	6,033
Stage 2: Newly arising affordable housing need (Annual)	3,184
Stage 3: Current affordable housing supply (Total)	3,879
Stage 4: Future housing supply (Annual)	3,047
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	2,154
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	108
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	244
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	3,486
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	3,241

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Sandwell. The table shows that some 4.8% of 'other' households are in housing need compared to 1.5% couple with children households. Overall, one person households comprise 31.5% of all households in need.

Table 5.11b Annual need requirement by household type in Sandwell					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	1,098	36,085	37,184	3.0%	31.5%
Couple with no children	746	24,062	24,808	3.0%	21.4%
Couple with child/children	577	36,773	37,350	1.5%	16.6%
Lone parent	601	17,964	18,565	3.2%	17.2%
Other	464	9,170	9,634	4.8%	13.3%
Total	3,486	124,054	127,540	2.7%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Sandwell. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this profile of affordable accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently - with the Council having difficulty in letting one bedroom affordable homes (even with the removal of the spare bedroom subsidy). It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12b Size of additional units required to meet housing need in Sandwell					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	1,844	1,773	71	28.9%	96.2%
Two bedrooms	782	745	36	14.8%	95.4%
Three bedrooms	485	425	60	24.5%	87.7%
Four or more bedrooms	375	298	78	31.8%	79.3%
Total	3,486	3,241	244	100.0%	93.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Sandwell. As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Sandwell are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more

than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 3,486 households in gross need each year in Sandwell, 12.8% could afford shared ownership with a 25% share, 13.0% could afford Intermediate Rent and 13.0% could afford Affordable Rent. Overall some 80.2% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13b Size and type of affordable home required by those in need (per annum) in Sandwell						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared ownership – 40% equity share	0	0	0	0	0	0.0%
Shared ownership – 25% equity share	167	96	129	55	447	12.8%
Intermediate Rent	39	89	162	163	453	13.0%
Affordable Rent	0	134	93	227	454	13.0%
Social Rent/requires assistance	1,677	648	323	148	2,796	80.2%
All households	1,844	782	485	375	3,486	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Sensitivity analysis - affordability threshold

The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income in Sandwell and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Sandwell where the cost of housing could constitute no more than 25% and 35% of gross household income, rather than 30% used in the base scenario.

Table 5.14b Impact of different affordability assumptions on affordable housing requirement in Sandwell			
	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>
Stage 1: Current gross need	6,033	6,375	5,692
Stage 2: Newly arising need	3,184	3,336	3,032
Stage 3: Current supply	3,879	3,999	3,794
Stage 4: Future supply	3,047	3,047	3,047
Stage 5.1 Net current need	2,154	2,376	1,898
Stage 5.2 Annual net current need	108	119	95
Stage 5.3 Total annual need	244	407	80

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

The table indicates that the net requirement would increase from 244 to 407 affordable homes per year in Sandwell if 25% of gross household income could be spent on housing costs. However, if the income threshold was increased to 35%, the net requirement would reduce to 80 affordable dwellings per annum.

South Staffordshire

Estimate of net annual housing need

Table 5.10c sets out the total need for affordable housing of 92 per year across South Staffordshire.

Table 5.10c Results of the affordable housing needs model in South Staffordshire	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	730
Stage 2: Newly arising affordable housing need (Annual)	534
Stage 3: Current affordable housing supply (Total)	614
Stage 4: Future housing supply (Annual)	448
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	117
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	6
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	92
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	570
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	478

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in South Staffordshire. The table shows that some 4.1% of 'other' households are in housing need compared to 0.8% couple only households. Overall, one person households comprise 22.0% of all households in need.

Table 5.11c Annual need requirement by household type in South Staffordshire					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	125	12,126	12,252	1.0%	22.0%
Couple with no children	125	14,884	15,009	0.8%	22.0%
Couple with child/children	117	13,027	13,144	0.9%	20.4%
Lone parent	108	3,864	3,972	2.7%	19.0%
Other	95	2,203	2,298	4.1%	16.7%
Total	570	46,105	46,675	1.2%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in South Staffordshire. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for one bedroom homes, followed by four bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring two bedroom accommodation are most likely to have their need met from the current supply. It should be noted that the gross need is greatest for one bedroom homes, followed by two and three bedroom dwellings. It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12c Size of additional units required to meet housing need in South Staffordshire					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	251	209	42	45.1%	83.4%
Two bedrooms	178	166	12	13.3%	93.1%
Three bedrooms	90	75	15	16.7%	82.9%
Four or more bedrooms	51	28	23	24.9%	55.3%
Total	570	478	92	100.0%	83.8%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in South Staffordshire. As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in South Staffordshire are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 570 households in gross need each year in South Staffordshire, 17.2 % could afford shared ownership with a 25% share, 18.8% could afford Intermediate Rent and 60.5% could afford Affordable Rent. Overall some 38.8% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13c Size and type of affordable home required by those in need (per annum) in South Staffordshire						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared ownership – 40% equity share	0	0	0	0	0	0.0%
Shared ownership – 25% equity share	26	58	14	0	98	17.2%
Intermediate Rent	14	60	29	4	107	18.8%
Affordable Rent	132	142	71	0	345	60.5%
Social Rent/requires assistance	119	36	19	47	221	38.8%
All households	251	178	90	51	570	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Sensitivity analysis - affordability threshold

The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income in South Staffordshire and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across South Staffordshire where the cost of housing could constitute no more than 25% and 30% of gross household income, rather than 35% used in the base scenario.

Table 5.14c Impact of different affordability assumptions on affordable housing requirement in South Staffordshire			
	<i>Rent payable constitutes no more than:</i>		
	<i>35% of gross household income</i>	<i>25% of gross household income</i>	<i>30% of gross household income</i>
Stage 1: Current gross need	730	979	855
Stage 2: Newly arising need	534	721	625
Stage 3: Current supply	614	688	636
Stage 4: Future supply	448	448	448
Stage 5.1 Net current need	117	290	218
Stage 5.2 Annual net current need	6	15	11
Stage 5.3 Total annual need	92	288	188

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

The table indicates that the net requirement would increase from 92 to 188 affordable homes per year in South Staffordshire if 30% of gross household income could be spent

on housing costs. This would increase further to 288 affordable homes per year if 25% of income could be spent on housing costs.

Walsall

Estimate of net annual housing need

Table 5.10d sets out the total need for affordable housing of 86 per year across Walsall.

Table 5.10d Results of the affordable housing needs model in Walsall	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	3,724
Stage 2: Newly arising affordable housing need (Annual)	2,555
Stage 3: Current affordable housing supply (Total)	1,747
Stage 4: Future housing supply (Annual)	2,568
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	1,978
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	99
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	86
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	2,741
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	2,655

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Walsall. The table shows that some 5.3% of 'other' households are in housing need compared to 1.4% couple with children households. Overall, one person households comprise 30.3% of all households in need.

Table 5.11d Annual need requirement by household type in Walsall					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	829	31,286	32,115	2.6%	30.3%
Couple with no children	651	25,635	26,287	2.5%	23.8%
Couple with child/children	444	31,208	31,651	1.4%	16.2%
Lone parent	431	13,891	14,321	3.0%	15.7%
Other	386	6,940	7,326	5.3%	14.1%
Total	2,741	108,959	111,700	2.5%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Walsall. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for two bedroom homes, followed by three bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12d Size of additional units required to meet housing need in Walsall					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	1,481	1,467	14	16.6%	99.0%
Two bedrooms	599	570	29	33.9%	95.1%
Three bedrooms	399	377	22	25.7%	94.5%
Four or more bedrooms	263	242	20	23.8%	92.2%
Total	2,741	2,655	86	100.0%	96.9%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Walsall. As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Walsall are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also

includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,741 households in gross need each year in Walsall, 0.7% could afford shared ownership with a 40% share, 12.7% could afford shared ownership with a 25% share, 12.2% could afford Intermediate Rent and 12.5% could afford Affordable Rent. Overall some 78.3% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13d Size and type of affordable home required by those in need (per annum) in Walsall						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared ownership – 40% equity share	19	0	0	0	19	0.7%
Shared ownership – 25% equity share	251	78	3	17	349	12.7%
Intermediate Rent	176	91	44	23	334	12.2%
Affordable Rent	0	122	68	153	343	12.5%
Social Rent/requires assistance	1,230	477	331	110	2,147	78.3%
All households	1,481	599	399	263	2,741	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Sensitivity analysis - affordability threshold

The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income in Walsall and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Walsall where the cost of housing could constitute no more than 25% and 35% of gross household income, rather than 30% used in the base scenario.

Table 5.14d Impact of different affordability assumptions on affordable housing requirement in Walsall			
	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>
Stage 1: Current gross need	3,724	3,979	3,401
Stage 2: Newly arising need	2,555	2,787	2,323
Stage 3: Current supply	1,747	1,998	1,633
Stage 4: Future supply	2,568	2,568	2,568
Stage 5.1 Net current need	1,978	1,982	1,768
Stage 5.2 Annual net current need	99	99	88
Stage 5.3 Total annual need	86	318	-157

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

The table indicates that the net requirement would increase from 86 to 318 affordable homes per year in Walsall if 25% of gross household income could be spent on housing costs. However, if the income threshold was increased to 35%, the net requirement would reduce to a surplus of 157 affordable dwellings per annum.

Wolverhampton

Estimate of net annual housing need

Table 5.10e sets out the total need for affordable housing of 131 per year across Wolverhampton.

Table 5.10e Results of the affordable housing needs model in Wolverhampton	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	4,736
Stage 2: Newly arising affordable housing need (Annual)	2,294
Stage 3: Current affordable housing supply (Total)	3,652
Stage 4: Future housing supply (Annual)	2,217
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	1,084
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	54
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	131
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	2,531
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	2,400

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Wolverhampton. The table shows that some 3.4% of 'other' households are in housing need compared to 1.7% couple with children households. Overall, one person households comprise 33.5% of all households in need.

Table 5.11e Annual need requirement by household type in Wolverhampton					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	848	32,835	33,683	2.5%	33.5%
Couple with no children	476	19,930	20,406	2.3%	18.8%
Couple with child/children	444	26,217	26,661	1.7%	17.5%
Lone parent	473	15,648	16,121	2.9%	18.7%
Other	289	8,149	8,439	3.4%	11.4%
Total	2,531	102,779	105,310	2.4%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Wolverhampton. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring one and two bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12e Size of additional units required to meet housing need in Wolverhampton					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	1,324	1,290	35	26.4%	97.4%
Two bedrooms	628	612	16	12.3%	97.4%
Three bedrooms	352	335	16	12.4%	95.4%
Four or more bedrooms	227	163	64	48.9%	71.7%
Total	2,531	2,400	131	100.0%	94.8%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Wolverhampton. As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Wolverhampton are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,531 households in gross need each year in Wolverhampton, 8.0% could afford shared ownership with a 25% share, 9.0% could afford Intermediate Rent and 11.7% could afford Affordable Rent. Overall some 82.4% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13e Size and type of affordable home required by those in need (per annum) in Wolverhampton						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared ownership – 40% equity share	0	0	0	0	0	0.0%
Shared ownership – 25% equity share	127	21	47	8	203	8.0%
Intermediate Rent	0	121	42	65	228	9.0%
Affordable Rent	0	158	96	42	296	11.7%
Social Rent/requires assistance	1,197	470	256	162	2,085	82.4%
All households	1,324	628	352	227	2,531	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Sensitivity analysis - affordability threshold

The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income in Wolverhampton and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Wolverhampton where the cost of housing could constitute no more than 25% and 35% of gross household income, rather than 30% used in the base scenario.

Table 5.14e Impact of different affordability assumptions on affordable housing requirement in Wolverhampton			
	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>
Stage 1: Current gross need	4,736	4,940	4,532
Stage 2: Newly arising need	2,294	2,382	2,206
Stage 3: Current supply	3,652	3,784	3,539
Stage 4: Future supply	2,217	2,217	2,217
Stage 5.1 Net current need	1,084	1,156	992
Stage 5.2 Annual net current need	54	58	50
Stage 5.3 Total annual need	131	223	38

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

The table indicates that the net requirement would increase from 131 to 223 affordable homes per year in Wolverhampton if 25% of gross household income could be spent on

housing costs. However, if the income threshold was increased to 35%, the net requirement would reduce to 38 affordable dwellings per annum.

Black Country Core authorities

Estimate of net annual housing need

Table 5.10f sets out the total need for affordable housing of 677 per year across the Black Country Core authorities (Dudley, Sandwell, Walsall and Wolverhampton).

Table 5.10f Results of the affordable housing needs model in the Black Country Core authorities	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	17,350
Stage 2: Newly arising affordable housing need (Annual)	10,415
Stage 3: Current affordable housing supply (Total)	11,031
Stage 4: Future housing supply (Annual)	10,053
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	6,319
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	316
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	677
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	11,282
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	10,605

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015, HCA's Statistical Data Return 2015; Information provided by constituent Councils, 2016

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in the Black Country Core authorities. The table shows that some 4.3% of 'other' households are in housing need compared to 1.5% couple with children households. Overall, one person households comprise 31.5% of all households in need.

Table 5.11f Annual need requirement by household type in the Black Country Core authorities					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	3,553	137,160	140,713	2.5%	31.5%
Couple with no children	2,450	104,778	107,227	2.3%	21.7%
Couple with child/children	1,943	130,030	131,973	1.5%	17.2%
Lone parent	1,908	61,646	63,554	3.0%	16.9%
Other	1,428	31,845	33,273	4.3%	12.7%
Total	11,282	465,458	476,740	2.4%	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in the Black Country Core authorities. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing and the largest net need is for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom dwellings. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this analysis is presented to ensure that paragraph 28 (Reference ID: 2a-028-20140306) of the PPG is fulfilled, the appropriate mix of housing for the Council to plan for (including the size profile of affordable housing) is determined by the LTBHM model.

Table 5.12f Size of additional units required to meet housing need in the Black Country Core authorities					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	6,003	5,813	189	28.0%	96.8%
Two bedrooms	2,616	2,506	110	16.2%	95.8%
Three bedrooms	1,559	1,417	142	20.9%	90.9%
Four or more bedrooms	1,104	868	236	34.9%	78.6%
Total	11,282	10,605	677	100.0%	94.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in the Black Country core authorities. As the relative cost of each product is not always the same (for example in some instances shared ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in the Black Country core authorities are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 11,282 households in gross need each year in the Black Country Core authorities, 0.2% could afford shared ownership with a 40% share, 11.4% could afford shared ownership with a 25% share, 11.1% could afford Intermediate Rent and 14.3% could afford Affordable Rent. Overall some 79.0% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13f Size and type of affordable home required by those in need (per annum) in the Black Country Core authorities						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared ownership – 40% equity share	19	4	0	0	23	0.2%
Shared ownership – 25% equity share	669	342	197	80	1,288	11.4%
Intermediate Rent	215	443	325	272	1,255	11.1%
Affordable Rent	0	626	386	597	1,609	14.3%
Social Rent/requires assistance	5,334	1,990	1,104	484	8,912	79.0%
All households	6,003	2,616	1,559	1,104	11,282	100.0%

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

Sensitivity analysis - affordability threshold

The results presented this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income in the Black Country Core authorities and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across the Black Country Core authorities where the cost of housing could constitute no more than 25% and 35% of gross household income, rather than 30% used in the base scenario.

Table 5.14f Impact of different affordability assumptions on affordable housing requirement in the Black Country Core authorities			
	<i>Rent payable constitutes no more than:</i>		
	<i>30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>
Stage 1: Current gross need	17,350	18,386	16,245
Stage 2: Newly arising need	10,415	11,073	9,756
Stage 3: Current supply	11,031	11,688	10,614
Stage 4: Future supply	10,053	10,053	10,053
Stage 5.1 Net current need	6,319	6,698	5,631
Stage 5.2 Annual net current need	316	335	282
Stage 5.3 Total annual need	677	1,355	-16

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2016

The table indicates that the net requirement would increase from 677 to 1,355 affordable homes per year in the Black Country Core authorities if 25% of gross household income

could be spent on housing costs. However, if the income threshold was increased to 35%, the net requirement would reduce to a surplus of 16 affordable dwellings per annum.

Appendix 6. Specialist accommodation required in each local authority

Dudley

Table 6.2a shows the current supply of specialist housing for older people. At present it is estimated that there are 2,736 units in Dudley; this is equivalent to 95 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2a also shows the amount of specialist accommodation that will be required by the population in 2036 if the current HMA-wide rate of occupation is maintained (73 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2a Specialist accommodation required in Dudley over the next 22 years						
Type and tenure of specialist accommodation		Current profile (2014)	Future requirement based on current usage ratio of 73 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
			Profile 2036	Additional units required	Profile 2036	Additional units required
Sheltered housing	Market	440	550	110	1,487	1,047
	Affordable	1,934	1,780	-154	5,141	3,207
Extracare housing	Market	72	61	-11	73	1
	Affordable	290	898	608	1,069	779
Total		2,736	3,290	554	7,770	5,034

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2016

If it is presumed that occupation patterns remain at current levels then there is a requirement for 554 additional specialist units. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 5,034 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 2,078 spaces in nursing and residential care homes in Dudley currently. Presuming the current occupation rate by age across the HMA is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 3,794 spaces in Dudley in 2036, suggesting an additional 1,716 spaces will be required over the next 22 years.

Sandwell

Table 6.2b shows the current supply of specialist housing for older people. At present it is estimated that there are 1,292 units in Sandwell; this is equivalent to 56 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2b also shows the amount of specialist accommodation that will be required by the population in 2036 if the current HMA-wide rate of occupation is maintained (73 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2b Specialist accommodation required in Sandwell over the next 22 years						
Type and tenure of specialist accommodation		Current profile (2014)	Future requirement based on current usage ratio of 73 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
			Profile 2036	Additional units required	Profile 2036	Additional units required
Sheltered housing	Market	148	412	264	1,110	962
	Affordable	574	1,329	755	3,839	3,265
Extracare housing	Market	0	52	52	63	63
	Affordable	570	664	94	790	220
Total		1,292	2,457	1,165	5,803	4,511

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2016

If it is presumed that occupation patterns remain at current levels then there is a requirement for 1,165 additional specialist units of which 1,019 should be sheltered housing and 146 extracare housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 4,511 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 1,868 spaces in nursing and residential care homes in Sandwell currently. Presuming the current occupation rate by age across the HMA is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 2,833 spaces in Sandwell in 2036, suggesting an additional 965 spaces will be required over the next 22 years.

South Staffordshire

Table 6.2c shows the current supply of specialist housing for older people. At present it is estimated that there are 870 units in South Staffordshire; this is equivalent to 78 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2c also shows the amount of specialist accommodation that will be required by the population in 2036 if the current HMA-wide rate of occupation is maintained (73 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2c Specialist accommodation required in South Staffordshire over the next 22 years

Type and tenure of specialist accommodation		Current profile (2014)	Future requirement based on current usage ratio of 73 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
			Profile 2036	Additional units required	Profile 2036	Additional units required
Sheltered housing	Market	80	253	173	679	599
	Affordable	539	809	270	2,338	1,799
Extracare housing	Market	29	30	1	36	7
	Affordable	222	407	185	485	263
Total		870	1,498	628	3,538	2,668

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2016

If it is presumed that occupation patterns remain at current levels then there is a requirement for 628 additional specialist units of which 442 should be sheltered housing and 186 extracare housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 2,668 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 992 spaces in nursing and residential care homes in South Staffordshire currently. Presuming the current occupation rate by age across the HMA is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 1,727 spaces in South Staffordshire in 2036, suggesting an additional 735 spaces will be required over the next 22 years.

Walsall

Table 6.2d shows the current supply of specialist housing for older people. At present it is estimated that there are 1,305 units in Walsall; this is equivalent to 57 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2d also shows the amount of specialist accommodation that will be required by the population in 2036 if the current HMA-wide rate of occupation is maintained (73 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2d Specialist accommodation required in Walsall over the next 22 years						
Type and tenure of specialist accommodation		Current profile (2014)	Future requirement based on current usage ratio of 73 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
			Profile 2036	Additional units required	Profile 2036	Additional units required
Sheltered housing	Market	334	401	67	1,082	748
	Affordable	395	1,371	976	3,953	3,558
Extracare housing	Market	60	49	-11	59	-1
	Affordable	516	679	163	809	293
Total		1,305	2,500	1,195	5,902	4,597

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2016

If it is presumed that occupation patterns remain at current levels then there is a requirement for 1,195 additional specialist units of which 1,043 should be sheltered housing and 152 extracare housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 4,567 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 1,621 spaces in nursing and residential care homes in Walsall currently. Presuming the current occupation rate by age across the HMA is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 2,882 spaces in Walsall in 2036, suggesting an additional 1,261 spaces will be required over the next 22 years.

Wolverhampton

Table 6.2d shows the current supply of specialist housing for older people. At present it is estimated that there are 1,548 units in Wolverhampton; this is equivalent to 74 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2d also shows the amount of specialist accommodation that will be required by the population in 2036 if the current HMA-wide rate of occupation is maintained (73 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2e Specialist accommodation required in Wolverhampton over the next 22 years						
Type and tenure of specialist accommodation		Current profile (2014)	Future requirement based on current usage ratio of 73 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
			Profile 2036	Additional units required	Profile 2036	Additional units required
Sheltered housing	Market	252	365	113	985	733
	Affordable	833	1,191	358	3,438	2,605
Extracare housing	Market	0	47	47	57	57
	Affordable	463	593	130	707	244
Total		1,548	2,197	649	5,188	3,640

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2016

If it is presumed that occupation patterns remain at current levels then there is a requirement for 649 additional specialist units of which 471 should be sheltered housing and 177 extra care housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 3,640 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 2,207 spaces in nursing and residential care homes in Wolverhampton currently. Presuming the current occupation rate by age across the HMA is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 2,531 spaces in Wolverhampton in 2036, suggesting an additional 324 spaces will be required over the next 22 years.

Appendix 7. Sensitivity analysis – single person households under 35

Paragraph 3.12 of the report indicates that shared accommodation is considered as appropriate accommodation for single person household 35 or under. This reflects the market reality in the HMA currently. The Census (Table LC1109EW - Household composition by age by sex) indicates that 6.5% of adults aged 34 or under in the HMA in 2011 lived as a single person household – 93.5% form part of a larger household with other people. Therefore, the assumption that it is reasonable to expect those under 35 that can afford to share a home to actually do this corresponds with the current behaviour of this group and that the appropriate market boundary for under 35s is shared accommodation rather than a one-bedroom home.

Whilst this approach was agreed as appropriate by stakeholders, it was deemed advisable to also present the results without this assumption. This section will therefore consider the impact of varying this assumption on the overall requirement for affordable housing.

Table A7.1 profiles the number of single person households under 35 identified as being potentially in need each year within the affordable housing need model. This group is then disaggregated between those that are able to afford a one bedroom market home (indicated as the row in bold in the table), those able to afford a shared room in the private rented sector (the italicised row in the table) and those unable to afford any of these options (the underlined row in the table).

The household totals in bold are definitely not in housing need as they can afford a market solution. The underlined household totals are definitely in housing need as they cannot afford any form of market solution. For the purpose of this report we have presumed that italicised row are not in need as they could afford a market solution. However, if it were determined that all single person households under 35 unable to afford one bedroom market accommodation can be considered in need, it would mean there would be 1,758 single person households under 35 that require affordable housing each year across the HMA (as opposed to the 1,507 households presumed in the model currently). This increases the overall annual need for new affordable units across the HMA to 1,020 (from 770).

Table A7.1 Understanding the affordability of single under 35 year olds (figures represent annual number of households)						
	<i>Dudley</i>	<i>Sandwell</i>	<i>South Staffordshire</i>	<i>Walsall</i>	<i>Wolverhampton</i>	<i>Whole HMA</i>
All single person households under 35	862	741	193	621	573	2,989
Able to afford a one bedroom market home	362	279	110	213	268	1,232
<i>Able to afford a shared room in the private rented sector*</i>	86	56	17	42	50	250
<u>In need of affordable housing</u>	<u>413</u>	<u>406</u>	<u>66</u>	<u>367</u>	<u>255</u>	<u>1,507</u>

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register, English Housing Survey, the income profile for the each authority provided by CACI Paycheck, 2016, Peter Brett Associates, 2017, Council Housing Register approaches analysis HDH 2016

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- Future Housing Numbers Analysis (post RSS target setting)

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