

Housing Needs Assessment Update

Borough of Walsall



HNA Update Report

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RESEARCH

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Executive Summary

Introduction

- S1 A Housing Needs Assessment (HNA) was originally published for Walsall in March 2005, based on a household survey carried out in the Borough. This report assessed the local housing market, both in terms of meeting the need for affordable housing, and in maintaining a balanced housing market. It also provided a range of information about the local housing market, including a survey of prices and rents.
- S2 Since this time a number of changes have occurred both in the housing market and the policy environment requiring major updates. As is well known, the dynamics of the housing market have been substantially altered by the economic downturn. In addition, due to the change of government in May 2010 decision-making responsibilities with regards local housing policy are in the process of being transferred from the Secretary of State to local authorities such as Walsall, although this process is currently incomplete and subject to legal challenge. The new responsibilities will include setting targets for newbuild housing within their local area. This increases the importance to local authorities of having up to date information on their local housing market as a basis for housing policy.
- S3 In Walsall, the policy context is set by the Black Country Core Strategy (covering Walsall, Dudley, Sandwell and Wolverhampton), which was adopted in February 2011. This sets overall newbuild housing targets for the Black Country. However, the Strategy (in Policies HOU2 and HOU3) states that the mix and balance of dwellings (in terms of size and type) should be determined by Local Authorities on the basis of local evidence.

Methodology

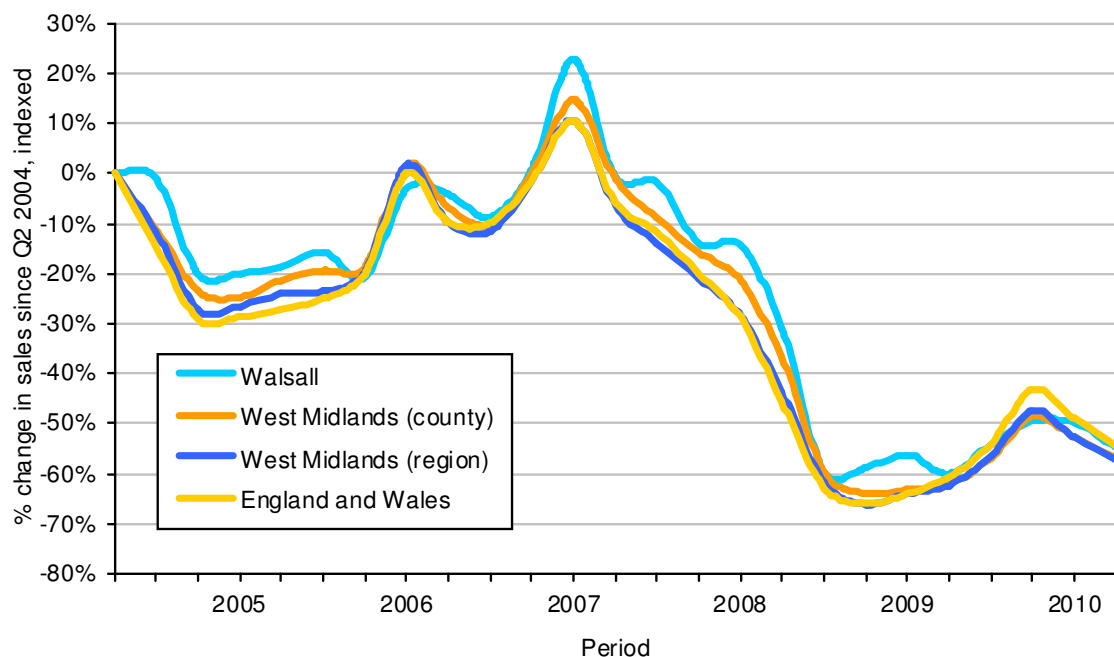
- S4 This update report seeks to complement the existing study by reviewing the outputs where more recent data is available. Most importantly, it will use the available secondary data to update the original dataset used in the 2005 HNA. It then uses this updated data to analyse the local housing market and suggest appropriate policy responses to the altered market and policy conditions.
- S5 The updating of the dataset is carried out through a comprehensive reweighting process which uses a variety of secondary data sources. It also updates the financial data contained in the dataset (income, savings and equity) to reflect the current economic situation. This process is detailed in Chapter 2 of the report.
- S6 In addition the report provides a series of analyses of the housing market, including the model of housing need endorsed by the relevant CLG Strategic Housing Market Assessment Practice Guidance (published in August 2007). It also uses a market model, not included in previous updates, to consider

a number of economic scenarios, outlining the implications for long term housing requirements in Walsall. This uses a combination of official ONS demographic projections and local data.

Prices and rents

- S7 In addition to this updating of the dataset, a survey was carried out of the current housing market in Walsall, including both prices and rents. This incorporated new data from the Land Registry and property sales websites.
- S8 Preliminary data from the Land Registry suggests that the mean house price in Walsall in the second quarter of 2010 was £138,820, lower than both the national and regional average. Dramatic changes have been recorded in the housing market since mid-2008, with rates of property sales remaining since then at about 50% of the long term average.

**Figure S1 Residential property sales, seasonally adjusted and indexed,
Q2 2004 – Q2 2010**



Source: CLG / Land Registry (2010), Fordham Research (2010)

- S9 Property prices have fallen less dramatically than sales, and have rebounded slightly to levels seen only a few months before the economic downturn. However, as sales show renewed falls, it is unclear if prices will reduce again in the coming months and years. The table below compares price changes in Walsall, the West Midlands and the nation since the original 2005 HNA.

Table S1 Change in average residential property prices

Area	Mean price Q2 2004	Mean price Q4 2006	Mean price Q2 2010*	Percentage change recorded	
				2004-2010	2007-2010
England & Wales	£176,033	£208,027	£230,695	+31.1%	+10.9%
West Midlands (region)	£148,218	£172,697	£174,153	+17.5%	+0.8%
West Midlands (county)	£135,767	£157,359	£155,102	+14.2%	-1.4%
Walsall	£123,316	£146,781	£138,820	+12.6%	-5.4%

Source: CLG / Land Registry (2010) * preliminary figures

S10 The entry level cost of housing by size was re-assessed for all tenures within the Borough, and for each of a number of sub-areas identified by the Council for analysis. Full details of this analysis are shown in Chapter 3. This showed a small decrease in the entry-level rents since the 2007 survey (carried out at the peak of the market) for most property sizes but a more significant decrease in entry-level prices to purchase, reflecting the increase in demand for rented property from those now unable to buy. This trend is particularly marked for large rented properties.

Table S2 Entry-level prices in Walsall

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms
2005 HNA	£63,500	£80,000	£97,000	£160,000	-
2007 update	£67,000	£103,000	£126,500	£176,000	-
2010 update	£65,200	£81,100	£97,800	£177,000	£219,000
Change since 2005	+ 3%	+ 1%	+ 1%	+ 11%	-

Source: Online survey of property prices (2007, 2010), interviews with estate agents (2005)

Table S3 Entry-level rents (per calendar month) in Walsall

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
2005 HNA	£320	£355	£395	£450
2007 update	£360	£485	£510	£575
2010 update	£360	£425	£495	£695
Change since 2005	+ 13%	+ 20%	+ 25%	+ 54%

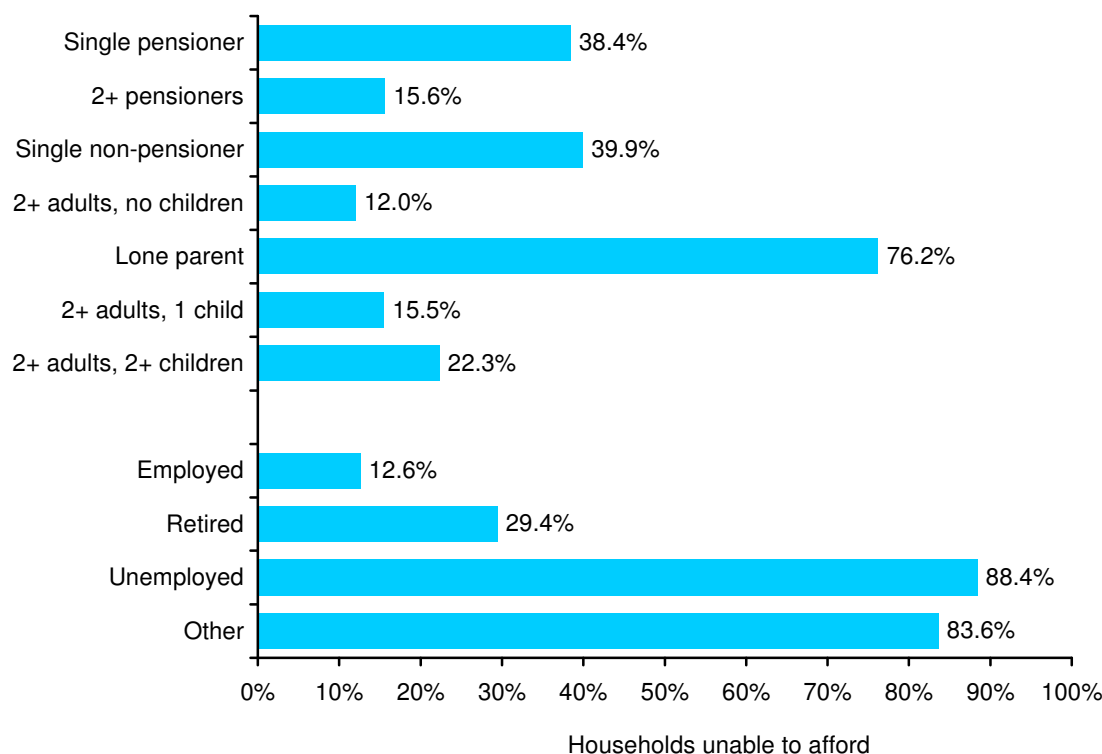
Source: Online surveys of private rental costs (2007, 2010), interviews with estate agents (2005)

Financial information

S11 The updated survey data, summarised in Chapter 4, suggests that the mean annual gross household income (including non-housing benefits) in Walsall is £25,410. This is an increase of 8.9% since the last HNA update in 2007. Since 2007 the mean savings levels have increased by 8.4% whilst the mean equity amongst owner-occupiers has decreased by 12.2%, reflecting falls in property values.

- S12 The ability of households to afford market housing has increased slightly since the 2007 update due to this fall in property prices, with the proportion unable to afford the monthly cost of market housing without assistance falling from 27.9% to 27.0%. However, this fall is small, and includes private renting. It does not take into account the increasing requirement for large deposits in order to buy housing.

Figure S2 Proportion of households unable to afford monthly costs of market housing in Walsall, 2010



Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Housing need assessment model

- S13 The update process included calculating revised housing need figures, based on the latest CLG Guidance. The model used closely follows 16 steps set out in Guidance, which has not changed substantially since the 2007 HNS. Overall it was calculated that the total (net) annual need estimate is 1,005. This is much higher than the figure of 305 recorded in the last HNS update. The increase since 2007 is principally due to increased difficulty in buying and renting found among newly forming households. More detail on this model is provided in Chapter 5.
- S14 The model also indicates that 19% of the net need for affordable housing could be provided for through intermediate housing without recourse to additional housing benefit payments.

Table S4 Social rented and intermediate housing requirements in Walsall per annum (CLG model)				
	Intermediate (with equity)*	Intermediate rented**	Social rented	Total
Gross annual need	17	230	3,023	3,271
Gross annual supply	59	36	2,171	2,266
Net annual need	-42	194	852	1,005
% of net shortfall	0%	19%	81%	100%

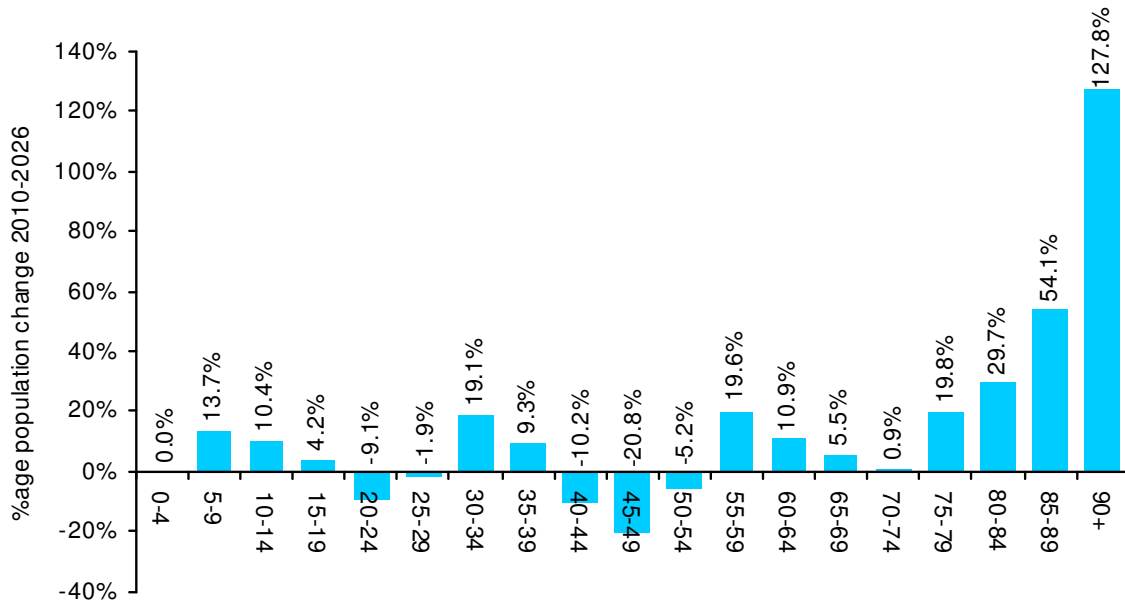
* e.g. shared ownership ** at 80% of median market rent

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

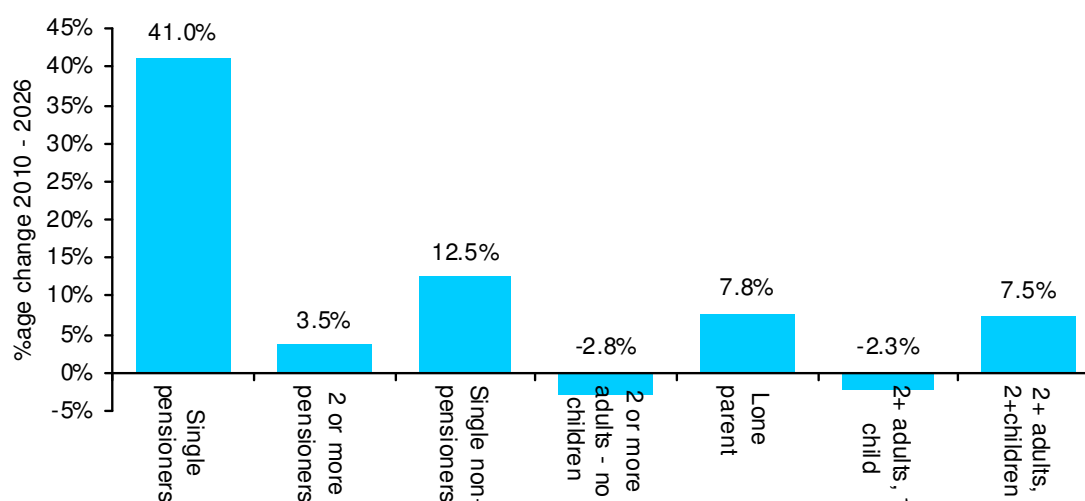
Long term market balance and economic scenarios

S15 The CLG model, although endorsed by Guidance, does not provide sufficient information to fulfil the requirements of PPS3, which requires evidence to support the sizes and types of housing to be built, not only for social housing but also market housing. It also does not provide a total target for construction of all housing. For this reason, the report includes a model developed by Fordham Research to meet these requirements. Full details of this model are provided in Chapter 6.

Figure S3 Forecast population change by age group in Walsall, 2010 - 2026



Source: ONS revised 2008-based sub-national population projections (2010)

Figure S4 Predicted change in household types over 2010 – 2026

Sources: ONS revised 2006-based sub-national population projections (2009), 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- S16 The model is primarily based on data from the updated household survey, combined with ONS household and population projections, shown in the charts above. Using the ONS demographic projections as a starting point, the model includes a number of scenarios, drawing on the detailed information about the requirements of different household types available in the dataset. In the case of Walsall, in consultation with the Council, the scenarios used were based on local employment generation, in order that Walsall can plan housing for a range of economic outcomes.
- S17 The model considers a range of employment scenarios, for 500 (A), 2,600 (B) or 5,900 (C) new jobs over the 2010-2026 period. It also considers the impact of a number of different assumptions about the people taking those new jobs – commuters, existing local unemployed people, or new people moving into the Walsall area. The combinations used are shown in the table below.

Table S5 Employment scenarios used in Walsall: Detail	
<i>Take-up of new employment</i>	
Scenarios A1, B1 and C1	19.4% to commuters, remainder split 75:25 between local unemployed and new residents
Scenarios A2, B2 and C2	29.0% to commuters, remainder split 50:50 between local unemployed and new residents
Scenarios A3, B3 and C3	38.7%* to commuters, remainder split 25:75 between local unemployed and new residents

Source: Fordham Research (2010) * from Census 2001

- S18 Applying these to the dataset generates a range of possible total newbuild targets. The variation in total targets is significant, with the highest employment scenario suggesting 15% more new housing than the lowest. Per year, the scenario outputs suggest a requirement for between 588 and 674 newbuild dwellings per annum in Walsall, minus any vacant properties brought back into use.

Table S6 Scenarios – newbuild targets, 2010-2026 (of which ordinary housing)

<i>Detailed scenarios</i>	<i>Basic scenarios</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
<i>A1/B1/C1</i>	+9,581 (9,112)	+9,731 (9,261)	+9,982 (9,511)
<i>A2/B2/C2</i>	+9,499 (9,030)	+9,875 (9,405)	+10,467 (9,996)
<i>A3/B3/C3</i>	+9,401 (8,932)	+9,937 (9,467)	+10,777 (10,306)

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- S19 The scenarios also have an impact on the proportion of affordable housing required. The amount of affordable housing expected to be required is substantially reduced if new jobs can be generated that employ primarily existing local people who are currently unemployed.

Table S7 Scenarios – proportion of affordable housing required in newbuild*

<i>Detailed scenarios</i>	<i>Basic scenarios</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
<i>A1/B1/C1</i>	48.6%	42.5%	33.0%
<i>A2/B2/C2</i>	48.6%	43.9%	37.2%
<i>A3/B3/C3</i>	48.5%	45.1%	40.4%

* excluding specialist housing (see below)

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- S20 Looking at the market in more detail, the model found that in the market sector two bedroom units are likely to be the most in demand in the long term, while in the affordable sector three bedroom units make up the largest proportion of the housing requirement. However, the largest requirement in comparison to the current stock is found for four bedroom social rented houses.

Additional analysis: particular groups

- S21 It is also possible to consider the housing need situation of a number of sub-groups of households in Walsall. The groups considered were support needs households, older person households and BME groups. Details of this analysis can be found in Chapter 7.

Housing targets

- S22 Finally, it is important to consider the policy implications of the findings of the report. While the housing market models do provide suggestions for housing targets, it is important to consider the practical constraints on implementation of targets in the current policy and economic context.

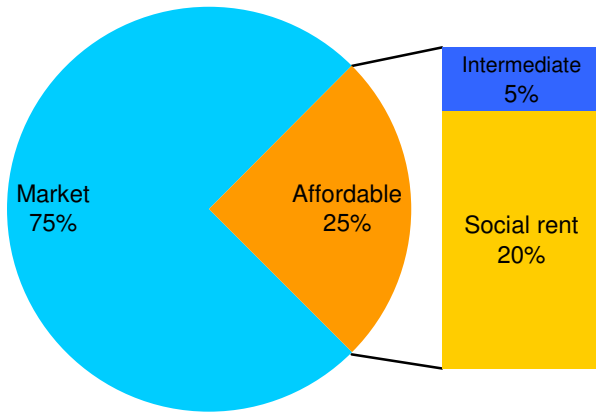
- S23 It is clear from the CLG model that housing need has increased quite substantially in Walsall since the last update of the study in 2007. This is because of a reduced ability among households to afford housing, both due to rising private rents and increasing deposit requirements. However, the requirement for 1,005 new affordable dwellings per annum generated by the CLG model is not a practical policy option. This exceeds both the total rate of increase in households expected in Walsall, and the rate at which new homes could realistically be built.
- S24 The outputs of the long term BHM model (and economic scenarios) provide a more realistic basis for setting targets. Taking the mid-range assumptions on the likely sources of employees for any new jobs generated, the long term BHM model suggests building between 564 and 625 units per annum for ordinary housing, depending on the level of employment generated, with an additional 29 or so units of specialist housing (i.e. housing for people requiring some form of support, including for example frail elderly households and disabled people).
- S25 All the scenarios in question suggest that more than 25% of newbuild housing should be affordable. However, viability studies carried out in the Black Country (and endorsed by an Examination in Public) suggest that in current conditions it is unlikely that a development containing more than 25% affordable housing would be viable in the area. The outputs of the model have therefore been adjusted to fit a 25% target for affordable housing. Further discussion of this and other relevant policy issues can be found in Chapter 8.

Table S8 Reallocation of housing requirements, Scenario B2

<i>Tenure</i>	<i>Before reallocation</i>	<i>After reallocation</i>	<i>New % of total</i>
Market	+ 5,273	+ 7,051	75.0%
Intermediate	+ 510	+ 510	5.4%
Social rented	+ 3,623	+ 1,844	19.6%
Total	+ 9,405	+ 9,405	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

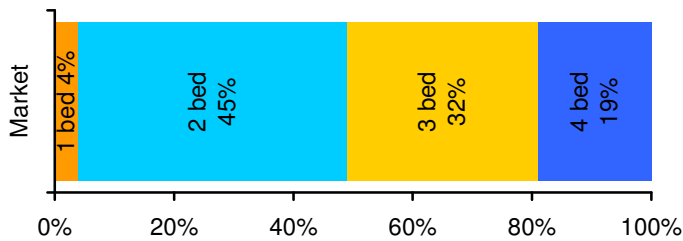
Figure S5 Estimated PPS3 requirements: Walsall



Mix of housing required

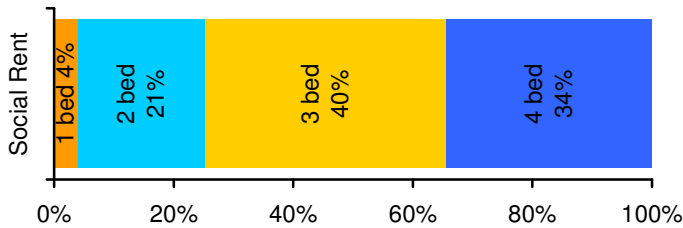
75% of new housing should be market and 25% affordable, although if future economic viability allows, this could be increased to as much as 45%.

Within the affordable sector, this could be broken down to 20% intermediate and 80% social rented, making social rented housing 20% of the total construction.



Market housing demand

The estimated requirement is distributed fairly evenly between two, three and four bedroom properties. There is very little further demand for one bedroom units.



Affordable housing requirement

The requirement for sizes of property in the affordable sector is very similar to that in the market sector, but with a greater emphasis on large properties.

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

1. Introduction

Summary

- i) This study provides an update to the original Housing Needs Assessment (HNA) produced for Walsall in 2005 and, using updated demographic projections, includes additional analysis to consider the long term requirements for housing in the Borough.
- ii) The report documents the changes that have been recorded in the Borough since 2005 as a result of the economic downturn and other changes, and identifies the appropriate policy response. The results produced are calculated in accordance with the Strategic Housing Market Assessment (SHMA) Practice Guidance and meet the requirements of PPS3 and PPS12.

Context

- 1.1 A Housing Needs Assessment (HNA) was originally published for Walsall in March 2005. This HNA assessed the local housing market, both in terms of meeting the need for affordable housing, and in maintaining an even balance of types and sizes of housing appropriate to the requirements of the local population. It also provided a range of information about the local housing market, including a survey of prices and rents. It was based upon a household survey completed by 2,806 households across the Borough.
- 1.2 The first update to the 2005 HNA was published in November 2007, providing updated information on the need for affordable housing, prices and rents, and market balance. However, since this time a number of changes have occurred both in the housing market and the policy environment requiring major updates. As is well known, there have been significant changes in the housing market due to the economic downturn.
- 1.3 In addition, due to the change of government in May 2010 decision-making responsibilities with regards local housing policy are in the process of being transferred from the Secretary of State to local authorities such as Walsall, although this process is currently incomplete and subject to legal challenge. The new responsibilities will include setting targets for newbuild housing within their local area. This increases the importance to local authorities of having up to date information on their local housing market as a basis for housing policy.

- 1.4 In Walsall, the policy context is set by the Black Country Core Strategy (covering Walsall, Dudley, Sandwell and Wolverhampton), which was adopted in February 2011. This sets overall newbuild housing targets for the Black Country. However, the Strategy (in Policies HOU2 and HOU3) state that the mix and balance of dwellings (in terms of size and type) should be determined by Local Authorities on the basis of local evidence.

Report outputs

- 1.5 This update report seeks to complement the existing study by reviewing the outputs where more recent data is available. Most importantly, it will use the available secondary data to update the original 2005 dataset, and use this to assess the local impact and the appropriate policy response to the altered market and policy conditions. This is done through a reweighting process using secondary data (detailed in Chapter 2), and also through a new survey of prices and rents in the Borough (Chapter 3).
- 1.6 In addition the report provides a series of analyses of the housing market, including the model of housing need endorsed by the relevant CLG Strategic Housing Market Assessment Practice Guidance (published in August 2007). It also uses a new model using the household survey dataset to consider a number of scenarios for the long term housing needs of Walsall, using a combination of official population projections and local data.
- 1.7 The report also contains additional analysis of the housing situation of a number of subgroups of households in Walsall, including older people and those with support needs.

2. Methodology

Summary

- i) Some of the analysis of the local housing market presented in the original report was based on a household survey of 2,806 households in Walsall, including both postal questionnaires and face-to-face interviews. For the purpose of this report, this household dataset has been updated through two processes: re-weighting the data and updating the financial profile. This provides an estimated profile of all households in the Borough of Walsall as of October 2010.

Introduction

- 2.1 In addition to documenting the changes that have been recorded in Walsall since the original HNA, a new analysis of the housing market will be facilitated by updating the primary household dataset. A household survey was completed in October 2004 through a series of postal questionnaires and personal interviews. The sample for the survey was drawn at random from the Council Tax Register, covering all areas and tenure groups in the Borough of Walsall. In total, 502 interviews were completed, and 2,304 completed postal surveys returned. This is significantly in excess of the 1,500 recommended by the Practice Guidance and allows reliable analysis of the housing market in the Borough.
- 2.2 The primary data has been updated using two measures: re-weighting the data to take account of the latest secondary data available on households and housing in Walsall, and updating the financial profile of households to reflect the changes recorded since the original HNA. It is worth noting that the base for the updating process is the original dataset from the October 2004 survey (used for the 2005 HNA), not the 2007 updated dataset. This avoids anomalies which could be created by repeated layered re-weighting of the dataset. This chapter will describe the approach used for these two processes.

Re-weighting the dataset

- 2.3 Weighting a dataset is a process whereby every response to the survey is assigned a number, equivalent to the number of real households in the Borough it is taken to represent. Where a type of household is thought to be over-represented in the response to the survey, the number attached to this group of respondents (the “weight”) is lower. On the other hand if a type of household is thought to be under-represented in the survey response, they are assigned a higher weight.
- 2.4 This process uses secondary data to determine the real numbers of households in particular categories. For example, the number of households living in social rented housing is known by the Council, and so the data can be ‘weighted’ to reflect this, compensating for this group having a lower or higher response rate than average.
- 2.5 It is particularly important to determine the total number of households in the Borough. The original SHMA estimated that there were a total of 102,400 households in the Borough. To determine the number of households in 2010, we used the average of two sources – the ONS 2006-based household projections (published in 2009) and the number of occupied dwellings from the Housing Strategy Statistical Appendix (HSSA). The estimated total number of households in 2010 in Walsall used by the report is therefore 105,611.
- 2.6 The other variables used to weight the data are listed below, alongside an indication of the secondary data source the appropriate profile was derived from. Secondary data sources are projected forward where possible to produce estimated figures for 2010.
- **Tenure:** Walsall Council Housing Strategy Statistical Appendix (HSSA) (2010), Tenant Services Authority Regulatory and Statistical Return (TSA RSR) (2009), Census (2001), Survey of English Housing (SEH) (2008)
 - **Ward:** Walsall Council Tax Register (2010)
 - **Household type:** ONS 2006-based household projections (2009), Census (2001)
 - **Population age groups:** ONS 2008-based population projections (2010), Census (2001)
 - **Accommodation type:** Census (2001), Survey of English Housing (2008)
 - **Car ownership:** Census (2001), National Travel Survey (2009)
 - **Ethnicity:** Census (2001), ONS Mid-Year Population Estimates by Ethnic Group (2007)
- 2.7 It should be noted that the ONS 2006-based household projections have been used for the weighting (alongside the 2008-based population figures) because the ONS 2008-based household projections are delayed in publication, and therefore were not available in time for the data analysis.
- 2.8 As an example, the table below shows an estimate of the current tenure split in Walsall along with the tenure distribution recorded in the original report. The data shows that in 2010 around 66.5% of households are owner-occupiers with 24.8% living in the social rented sector and 8.7% resident in private rented accommodation.

Table 2.1 Number of households in each tenure group: changes since the 2005 HNA

Tenure	2010 Update		2005 HNA	
	Total number of households	% of households	Total number of households	% of households
Owner-occupied (no mortgage)	35,236	33.4%	31,410	30.7%
Owner-occupied (with mortgage)	34,980	33.1%	39,334	38.4%
Social rented	26,210	24.8%	26,714	26.1%
Private rented	9,185	8.7%	4,942	4.8%
Total	105,611	100.0%	102,400	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 2.9 The most notable trend is the dramatic increase in private renting over the time period, about 86% since the original survey. In comparison with the October 2004 base, the proportion of households in the private rented sector has increased from 4.8% to 8.7%. This very large increase in the private rented sector in Walsall corresponds to the regional (and national) trend recorded by the Survey of English Housing (SEH). The number and proportion of owner-occupiers with a mortgage has decreased significantly (from 38.4% to 33.1%), reflecting the increased difficulty in securing a mortgage, while the number of households owning their house outright has shown a small increase. The number of social rented households has also shown a gradual decrease over time, as might be expected given continued Right-to-Buy purchases.

Updating the financial profile

- 2.10 As the survey data has been updated from its October 2004 base it has been necessary to make an estimate of the likely change in income levels since this time (and indeed changes in savings and equity). The principle of updating the financial profile is not to update the situation of the particular household that responded to the initial questionnaire, but to present an accurate representation for an equivalent household that exists currently. Households' financial information was updated via an indexing approach, as there are time-series secondary data available at a local level that record changes in the relevant variables. A separate method was used for the three variables that were updated – income, savings and equity.
- 2.11 The only up-to-date secondary data on income available at a local level is that presented in the Annual Survey of Hours and Earnings (ASHE), which is the earned income of employed individuals. The changes recorded in the ASHE data were applied to the dataset to generate an income profile for late 2010.

- 2.12 As ASHE regional data provides values at a range of points on the earnings distribution, it is possible to update income separately for each decile of the income distribution, adjusted to fit the overall local change in incomes. Since the October 2004 survey, incomes in full time employed households were estimated to have risen by around 21.6% in absolute terms. Those households dependent on pensions were assumed to have increases approximately in line with inflation (14.6% since the original report), and changes in income for those receiving benefits were calculated using DWP data on total expenditure on relevant benefits per claimant in Walsall, indicating an average increase of about 0.5% per claimant since the original survey.
- 2.13 Household savings were updated in line with inflation, in the absence of specific reliable secondary data on savings levels. This suggested an increase of 14.6% since the original survey. This increase has been applied to the survey data to bring it up to an April 2010 base.
- 2.14 For affordability purposes it is also important to consider changes in household equity. The Land Registry provides the best source of information on the value of property at a local level, with data on the price of all home sales for every quarter of the year. Analysis of Land Registry data suggests that overall average house prices within Walsall have increased by 2.5% since the original survey. This increase was applied to the survey dataset, generating a slightly increased ability among existing owner-occupiers to afford to move property.

3. The current housing market

Summary

- i) According to preliminary data from the Land Registry, the mean house price in Walsall in the second quarter of 2010 was £138,820, lower than both the national and regional average. Dramatic changes have been recorded in the housing market since mid-2008, with rates of property sales remaining since then at about 50% of the long term average. Prices have fallen less dramatically, and have rebounded slightly to levels seen only a few months before the economic downturn. However, as sales show renewed falls, it is unclear if prices will reduce again in the coming months and years.
- ii) The cost of housing by size was re-assessed for all tenures within the Borough, and for each of a number of sub-areas identified by the Council for analysis. This showed a small decrease in the entry-level rents since the 2007 survey (carried out at the peak of the market) for most property sizes but a more significant decrease in entry-level prices to purchase, reflecting the increase in demand for rented property from those now unable to buy.

Introduction

- 3.1 This chapter describes the downturn in the housing market that has been recorded nationally before examining the extent of the downturn in Walsall and specifically its effects on the housing market within the Borough. Subsequently it re-assesses the entry-level costs of housing in Walsall, to document how this has changed since the original 2005 HNA report, and the subsequent 2007 update. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist – this enables the viability of products within these gaps to be assessed.

The situation in Walsall

- 3.2 The most recent house price data available at the time of the last HNA update was from the fourth quarter of 2006. The original HNA contained data from the second quarter of 2004. The Land Registry has now published data for the second quarter of 2010. It is therefore possible to assess the changes recorded in Walsall over this period, alongside national and regional equivalents. This analysis is shown in the table below. Please note that figures vary slightly from those in the original HNA reports due to the figures used in those reports being from preliminary releases.

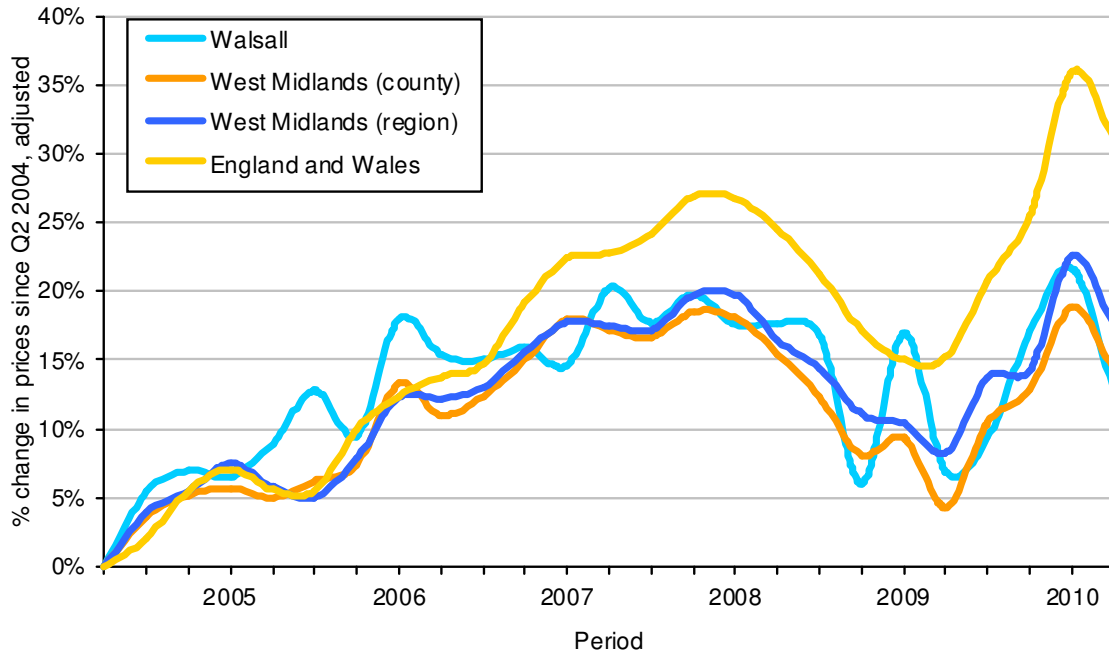
- 3.3 The table shows that prices have fallen slightly in Walsall since the 2007 HNA update. However, they remain higher than at the time of the original study. The increase in prices in Walsall is well below that experienced nationally and the regional average.

Table 3.1 Change in average residential property prices					
Area	Mean price Q2 2004	Mean price Q4 2006	Mean price Q2 2010*	Percentage change recorded	
				2004-2010	2007-2010
England & Wales	£176,033	£208,027	£230,695	+31.1%	+10.9%
West Midlands (region)	£148,218	£172,697	£174,153	+17.5%	+0.8%
West Midlands (county)	£135,767	£157,359	£155,102	+14.2%	-1.4%
Walsall	£123,316	£146,781	£138,820	+12.6%	-5.4%

Source: CLG / Land Registry (2010) * preliminary figures

- 3.4 The chart below shows trends in prices on a quarter by quarter basis, adjusted to remove seasonal variations that occur each year, and indexed to 2004 price levels. It therefore shows only comparative trends in prices, not the actual price levels. It can clearly be seen that the West Midlands broadly tracked national house price trends until 2007, at which point a discrepancy started to appear, with the increases (and decreases) in prices tracking well below the national average.
- 3.5 It can be seen that prices experienced a considerable rebound in late 2009 / early 2010 after the falls of 2008, although less pronounced in the West Midlands than in England and Wales generally. However, data for Q2 2010 seems to suggest the start of a renewed fall in prices. Trends in prices in Walsall fluctuate slightly around the West Midlands average (due to the small number of property sales involved), but overall no difference can be seen.

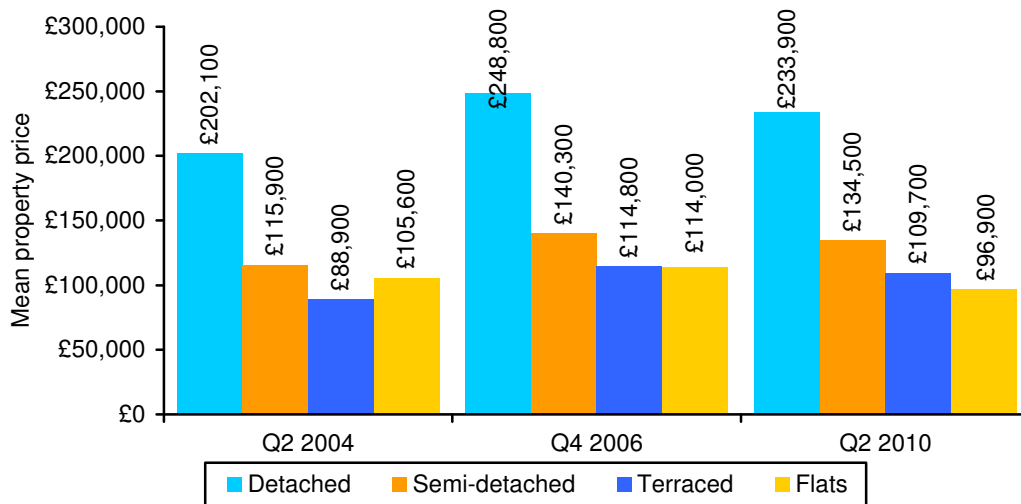
Figure 3.1 Residential property sale prices, seasonally adjusted and indexed, Q2 2004 – Q4 2010



Source: CLG / Land Registry (2010), Fordham Research (2010)

3.6 The chart below shows how the change in prices by property type in Walsall, using data sourced directly from the Land Registry. It is clear that the largest fall in prices has been for flats, which have gone from commanding higher prices than terraced houses to being the cheapest property type in the Borough, showing a fall of 8% since Q2 2004. All other property types are more costly than in Q2 2004, on average, but cheaper than in Q4 2006. Terraced houses are 23% more expensive than Q2 2004, and detached and semi-detached properties have risen in cost by 16% over the same period.

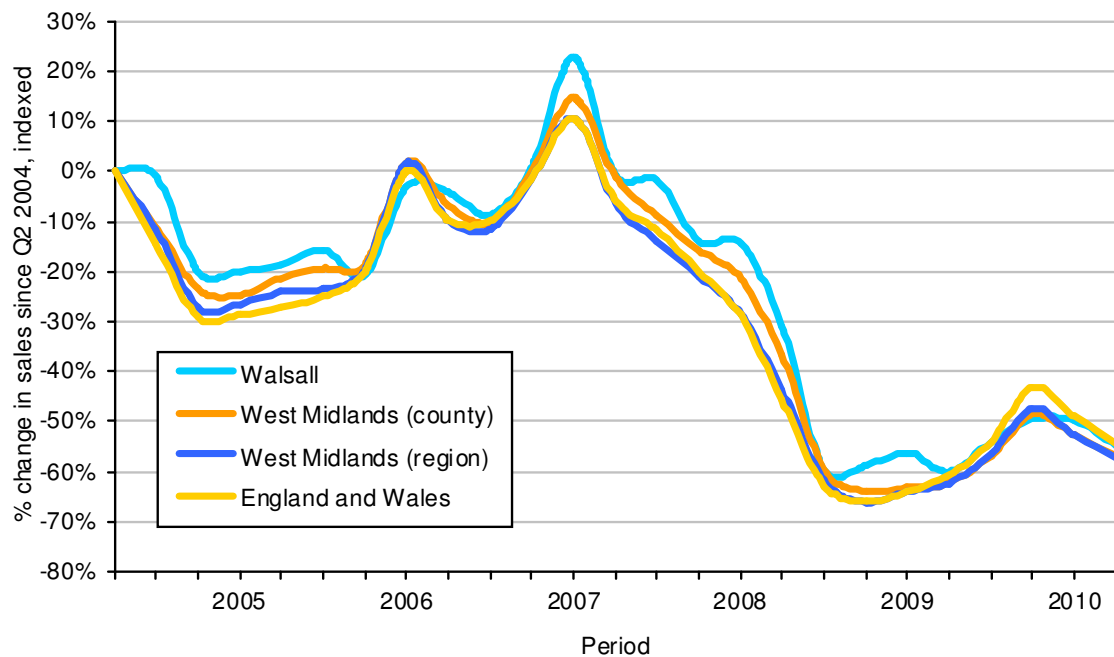
Figure 3.2 Prices by dwelling type in Walsall



Source: Land Registry (2004, 2006 and 2010)

- 3.7 The chart below shows the change in sales levels since the original survey, seasonally adjusted and indexed to show changes since Q2 2004. It can be seen that in terms of property sales, Walsall's situation tracks the national and regional trends very closely. As can be seen the number of sales has fallen substantially since the last HNA update was carried out in 2007. There was an upsurge in sales in late 2009, but the data now suggests this has since fallen back significantly.

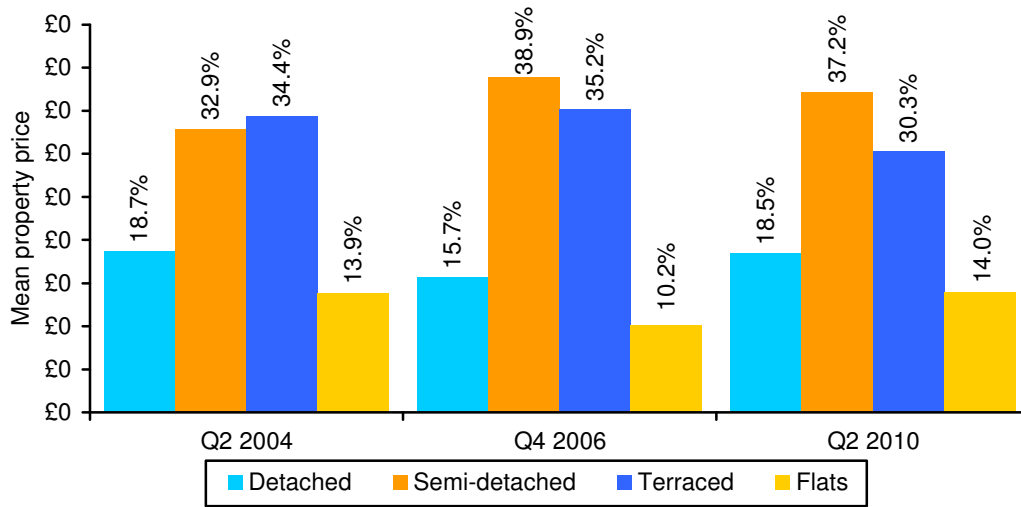
Figure 3.3 Residential property sales, seasonally adjusted and indexed, Q2 2004 – Q2 2010



Source: CLG / Land Registry (2010), Fordham Research (2010)

- 3.8 In addition, the chart below shows the proportion of sales by dwelling type in Walsall, between 2004 and 2010. It shows a slight shift from terraced to semi-detached dwellings, but otherwise the distribution of sales remains similar.

Figure 3.4 Proportion of sales being of each dwelling type in Walsall

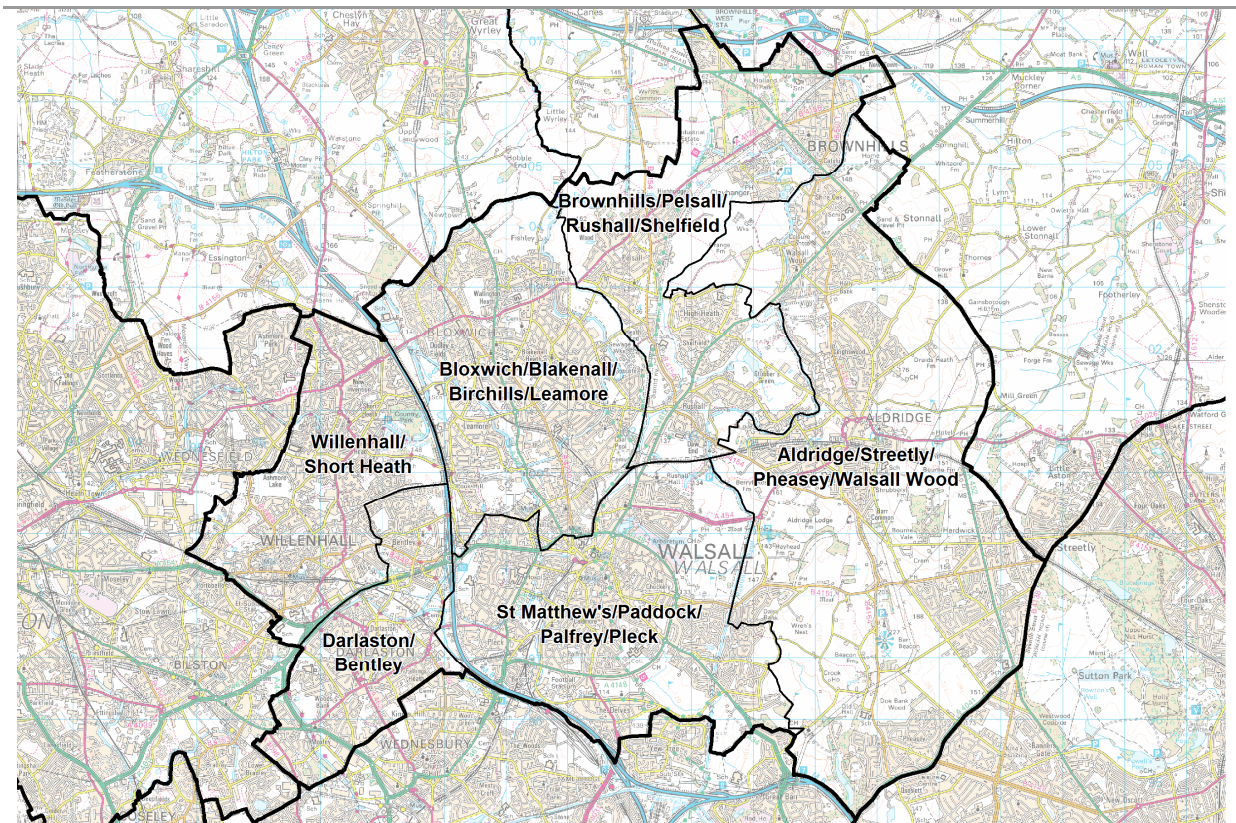


Source: Land Registry (2004, 2006 and 2010)

Updated entry-level costs

- 3.9 To fully understand the affordability of housing within a price market 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 as determined by the bedroom standard. However, no secondary data contains this information.
- 3.10 As part of this study we have undertaken an updated price survey to assess the current cost of 'entry level' housing in the Borough. Data on property prices was gathered according to area partnership, as shown in the map below.

Figure 3.5 Area partnerships in Walsall



Area 1: Brownhills / Pelsall / Rushall / Shelfield

Area 2: Aldridge / Streetly / Pheasey / Walsall Wood

Area 3: Bloxwich / Blakenall / Birchills / Leamore

Area 4: St. Matthew's / Paddock / Palfrey / Pleck (includes central parts of Walsall)

Area 5: Darlaston / Bentley

Area 6: Willenhall / Short Heath

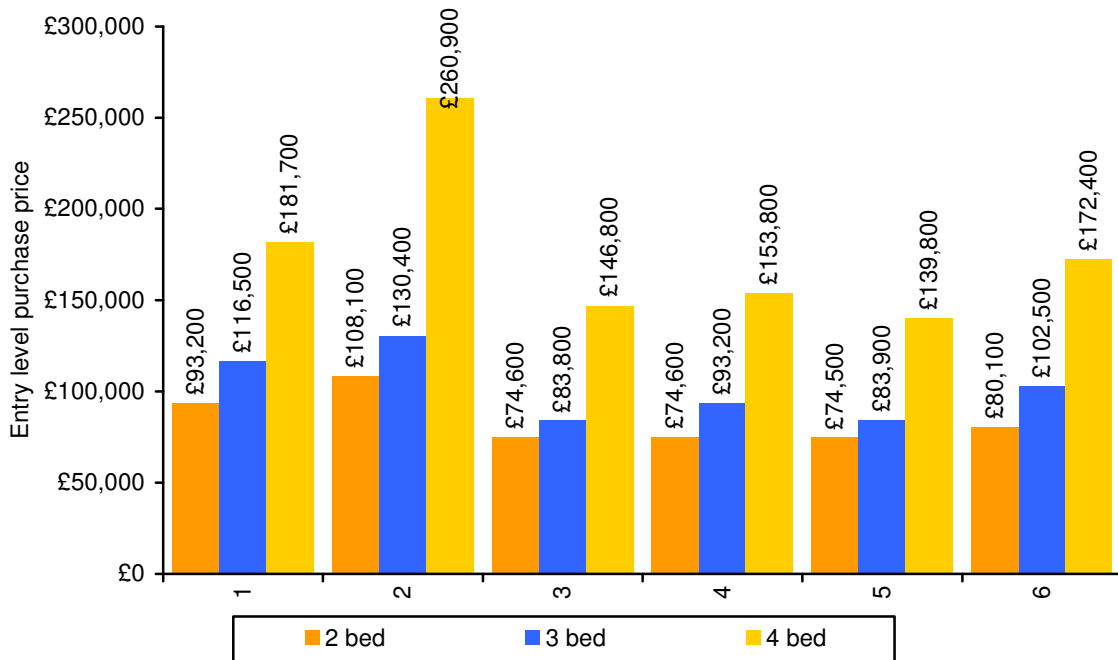
Source: Online survey of prices 22/10/10

Entry-level prices

- 3.11 Updated entry-level property prices and rental costs by number of bedrooms were obtained in each sub-area via an online search of properties advertised for sale in late October 2010. A reduction was made to account for the likely difference between advertised and actual sale prices, based on published Hometrack statistics of the percentage of asking price achieved (93.2% as of September 2010). In accordance with the Practice Guidance (and to replicate the approach used in the original report), 'entry-level' prices are based on lower quartile prices.
- 3.12 It should be noted that this methodology is different to that used in the original survey, of contacting estate agents for opinions on likely entry level prices. This is due to advances in the availability of accurate online data on the property market. The more advanced method also allows for entry level prices to be determined for smaller areas.

- 3.13 The entry-level price for owner-occupied property in each sub-area of Walsall is presented below. Due to the small number of one bedroom properties available to buy (rather than rent) in the Borough, prices for one bedroom properties are not shown at area partnership level.
- 3.14 The lowest overall prices were found in the Darlaston/Bentley area partnership (5), closely followed by Bloxwich/Blakenall/Birchills/Leamore (3). The highest prices for all sizes of dwelling, by a clear margin, were found in the Aldridge/Streetly/Pheasey/Walsall Wood area partnership (2).

Figure 3.6 Entry-level property prices by size and area partnership



Source: Online survey of prices 22/10/10

- 3.15 The table below shows the overall entry level prices found in the Borough in 2010, based on property available in all six area partnerships. The entry level prices are little different to those found in 2005, but lower than 2007, reflecting the falls in market prices since 2007. The only property type retaining its 2007 entry level price is four bedroom property, suggesting that the market for the largest homes remains buoyant. The improved methodology used for the 2010 price survey for the first time allows an entry level price for five bedroom housing to be calculated, at about 24% higher than the four bedroom price.

Table 3.2 Entry-level prices in Walsall

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms
2005 HNA	£63,500	£80,000	£97,000	£160,000	-
2007 update	£67,000	£103,000	£126,500	£176,000	-
2010 update	£65,200	£81,100	£97,800	£177,000	£219,000
Change since 2005	+ 3%	+ 1%	+ 1%	+ 11%	-

Source: Online survey of property prices (2007, 2010), interviews with estate agents (2005)

- 3.16 The table below shows the overall entry level rents found in the Borough in 2010, based on property available in all six area partnerships. These could not be broken down by area due to the smaller sample size available.
- 3.17 Entry level rents have fallen somewhat since 2007 for two and three bedroom units, but remained stable for one bedroom housing and increased markedly for four bedroom properties. This may reflect a change in the nature of this market. In the downturn, market conditions have made it more financially attractive for some larger, more expensive houses to be rented out rather than sold into a falling market. Given the small total size of the low cost rental market for such larger properties, these type of properties may now make up a large proportion of the market for four bedroom houses, pushing up the lower quartile rent.

Table 3.3 Entry-level rents (per calendar month) in Walsall				
	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
2005 HNA	£320	£355	£395	£450
2007 update	£360	£485	£510	£575
2010 update	£360	£425	£495	£695
Change since 2005	+ 13%	+ 20%	+ 25%	+ 54%

Source: Online surveys of private rental costs (2007, 2010), interviews with estate agents (2005)

- 3.18 The cost of social rented accommodation by dwelling size in Walsall can be obtained from Continuous Recording (CORE) which is a national information source on social rented lettings. Table 3.4 illustrates the rental cost for lettings to new social rented properties in Walsall in 2009/10. As can be seen the costs are significantly below those for private rented housing indicating a significant potential gap between the social rented and market sectors.

Table 3.4 Social rented cost in Walsall	
Bedrooms	Rent (per month)
1 bed	£289
2 bed	£309
3+ bed	£355

Source: CORE Walsall LA Area Lettings Report (2009/10)

- 3.19 The table below shows the estimated cost of intermediate rented housing in Walsall. Recent government policy suggests that this should be priced at 80% of market rents. This has therefore been applied to the online survey of private rental costs to get the figures presented in the table below.

Table 3.5 Intermediate rented cost in Walsall (per month)		
Bedrooms	Median open market rents	Estimated intermediate rent*
1 bed	£391	£313
2 bed	£475	£380
3 bed	£525	£420
4 bed	£750	£600

* 80% of open market rents Source: Online survey of rental costs (2010)

Analysis of housing market 'gaps'

- 3.20 Housing market gaps analysis has been developed to allow easy comparisons of the costs of the tenure range, in order to facilitate the testing of different newbuild proposals, and to show generally the nature of the housing ladder in a particular locality.
- 3.21 Table 3.6 illustrates the housing ladder that exists for properties of each size in Walsall. The price to purchase a home is converted into a weekly cost to permit comparison with rental costs. This is done by applying a typical fixed rate available for mortgages currently to the cost of the home to derive the weekly payment required. The price of intermediate housing is derived as described above.
- 3.22 It can be seen that purchasing is cheaper than renting for most sizes of property. This is because interest rates are currently quite low. The conversion to a weekly cost is based on a mortgage from Nationwide in November 2010, charged at an initial rate of 4.79% for properties under £75,000 and 4.39% for properties over £75,000. It should be remembered that deposits are the major barrier to accessing mortgages at the current time, and that mortgage lenders also typically have a ceiling in terms of the price of the property compared to a buyer's income when approving a mortgage.

Table 3.6 Weekly costs of two bedroom housing in Walsall				
Bedrooms	Social rent	Intermediate rent*	Entry-level private rent	Entry-level purchase
1 bedroom	£67	£72	£83	£69
2 bedrooms	£71	£87	£98	£82
3 bedrooms	£82	£97	£114	£99
4+ bedrooms	£82	£140	£160	£179

* 80% of open market rents

Source: Online estate and letting agents survey, CORE Area Lettings Report for Walsall (2009/10)

- 3.23 It should be noted that the affordability test used elsewhere in the report (for the housing market models) does not rely on the weekly cost for assessing ability to afford owner-occupation, but on multiples of income.

Overcrowding and under-occupation

- 3.24 As part of the household survey, details were gathered on household size and composition, and also on the number of bedrooms in each property surveyed. This allows an estimate of overcrowding to be produced. The results of this analysis, weighted to the new 2010 household and population profiles, are shown in the table below.
- 3.25 The number of bedrooms required is calculated using the bedroom standard (see Glossary), which is endorsed by CLG for purposes of the assessment of housing need.

Table 3.7 Overcrowding and under-occupation

Number of bedrooms required	Number of bedrooms in home				Total
	1	2	3	4+	
1 bedroom	9,309	17,712	27,635	3,604	58,260
2 bedrooms	1,177	8,094	16,660	3,889	29,820
3 bedrooms	187	856	10,074	3,009	14,126
4+ bedrooms	118	211	1,778	1,298	3,404
Total	10,790	26,873	56,147	11,801	105,611

KEY: Overcrowded households Under-occupied* households

* Under-occupied refers to households with two or more bedrooms in excess of the bedroom standard

n.b. The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – e.g. they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but be currently occupying a four bedroom property

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 3.26 Overall, there are estimated to be 4,642 overcrowded households in Walsall (4.4%), and 36,017 (34.1%) under-occupied households (with two or more 'spare' bedrooms according to the bedroom standard). As the table below shows, the largest proportions of overcrowding are found in area partnerships 3, 4, and 5, representing the wider Walsall, Bloxwich and Darlaston areas. Under-occupation, in contrast, is found most frequently in area partnership 2, which covers Aldridge, Streetly, Pheasey and Walsall Wood.

Table 3.8 Location of overcrowded and under-occupied households				
<i>Area partnership (see Figure 3.5 for key)</i>	<i>Overcrowded</i>		<i>Under-occupied</i>	
	<i>Number</i>	<i>% of all hh's</i>	<i>Number</i>	<i>% of all hh's</i>
Area 1	313	2.1%	5,658	38.2%
Area 2	513	2.4%	9,387	44.0%
Area 3	1,374	6.4%	6,310	29.4%
Area 4	1,297	6.1%	6,943	32.7%
Area 5	673	6.3%	3,071	28.8%
Area 6	474	2.9%	4,647	28.9%
Total	4,642	4.4%	36,017	34.1%

* Assumed to be priced at usefully affordable point

Source: Online estate and letting agents survey, CORE Area Lettings Report for Walsall (2009/10)

4. Financial information

Summary

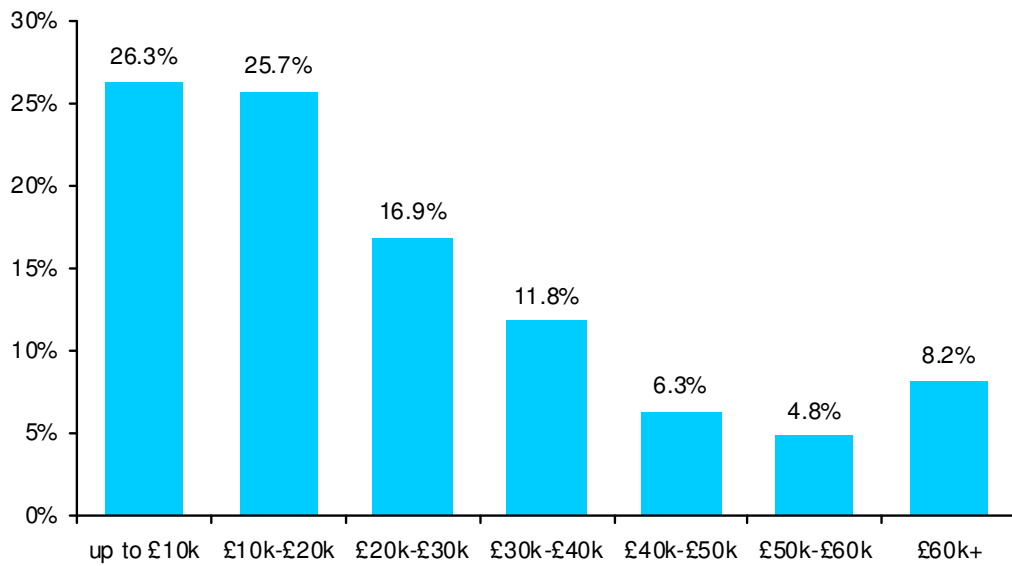
- i) The updated survey estimates that the mean annual gross household income (including non-housing benefits) in Walsall is £25,410. This is an increase of 8.9% since the last HNA update in 2007. Since 2007 the mean savings levels have increased by 8.4% whilst the mean equity amongst owner-occupiers has decreased by 12.2%, reflecting falls in property values.
- ii) The ability of households to afford market housing has increased slightly since the 2007 update due to this fall in property prices, with the proportion unable to afford the monthly cost of market housing without assistance falling from 27.9% to 27.0%. However, this fall is small, and includes private renting. It does not take into account the increasing requirement for large deposits in order to buy housing.

Introduction

- 4.1 This chapter describes how the financial profile of each sample household within the primary dataset has been updated. This chapter presents the current financial situation of households in Walsall recorded as a result of the updating process. The chapter considers each of the elements that constitute financial capacity (income, savings and equity). These results are then combined with the analysis of the local housing market, presented in the previous chapter, to make an assessment of affordability for households in Walsall.

Household income

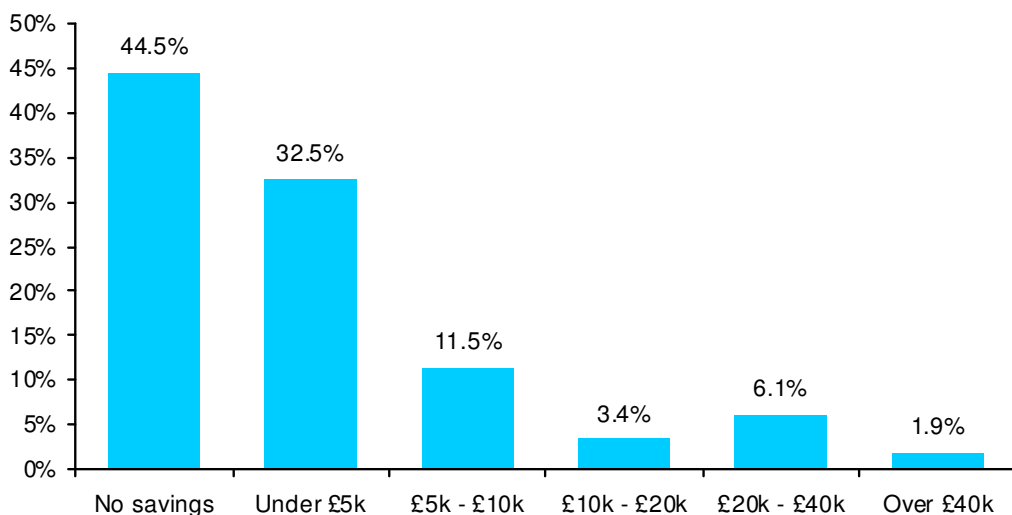
- 4.2 The updated dataset estimates that the mean household income in Walsall is £25,410, which is an increase of 8.9% since the last HNS update in 2007. The median household income is noticeably lower at £18,997, an increase of 6.7% since 2007. Since the mean is increasing faster than the median, this suggests a small increase in overall inequality.
- 4.3 Figure 4.1 shows the distribution of income in the Borough. It is clear that there is a significant range of incomes, with 52.0% having an income of less than £20,000, and 8.2% of households having an income in excess of £60,000.

Figure 4.1 Distribution of annual gross household income

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Household savings and equity

- 4.4 The mean household savings in Walsall in 2010 is £6,438, which is an increase of 8.4% from the figure recorded in 2007. The median figure for household savings is currently £2,012. Figure 4.2 shows the distribution of savings in the Borough. Households with no savings also include those in debt.

Figure 4.2 Distribution of household savings

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 4.5 The mean amount of equity that all owner-occupiers (both those with and without mortgages) have in their property is estimated to be £108,289. This is a decrease of 12.2% since 2007. The median value of £97,433 is lower than the mean value.

Theoretical affordability of market housing

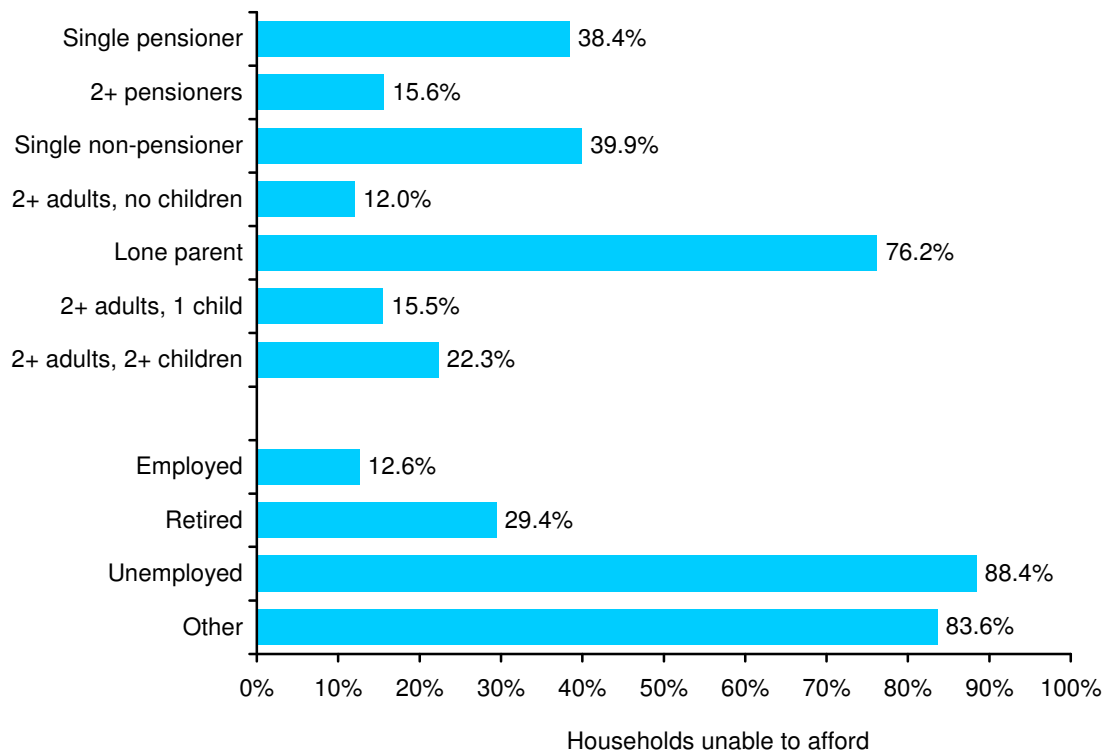
- 4.6 This information on the income, savings and equity held by households, alongside data on the cost of entry-level housing in Walsall, can be used to examine the ability of households to afford housing locally, based on the affordability criteria set out in the Practice Guidance, shown in the box below.

Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times gross household income. Allowance is also made for any access to capital that can be used towards home ownership (e.g. savings or equity).

Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

- 4.7 These criteria do not include an assessment of a deposit; however, market housing here is taken to include both owner-occupation and private rented housing. In practice, there are very few households (even without a deposit test) who are able to afford to buy housing that could not also afford a private rent. Housing-related benefits are excluded from the income statistics.
- 4.8 Figure 4.3 shows the proportion of each household type estimated to be able to afford market housing, and the location of employment of household head. This is the theoretical affordability of households as the analysis considers all households in the Borough and does not take into account their intention of moving. It therefore is not directly comparable with figures in the CLG model, which considers the ability to afford of only those households actually requiring to move.
- 4.9 The data indicates that 76.2% of lone parent households in the Borough would be unable to afford market housing (if they were to move home now). Single person households are also relatively unlikely to be able to afford. Households that contain two or more adults are most likely to be able to afford market housing in Walsall.
- 4.10 The data is also broken down by the employment group of the household. A total of 12.6% of households containing an employed person are estimated to be unable to afford market housing, and 29.4% of retired households (containing no employed people, but at least one retired person). Of those households containing no employed or retired people, nearly nine out of ten would be unable to afford market housing without assistance.

Figure 4.3 Proportion of households unable to afford monthly costs of market housing in Walsall, 2010



Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 4.11 Overall, some 27.0% of all households in Walsall are theoretically unable to afford market accommodation of an appropriate size at the present time, a reduction from the 27.9% recorded in the 2007 HNS update. This change primarily reflects falling property prices.

5. Housing need assessment model

Summary

- i) This chapter followed the 16 steps set out in the Practice Guidance to calculate the annual estimate of housing need. Overall it was calculated that the total (net) annual need estimate is 1,005. This is much higher than the figure of 305 recorded in the last HNS update. This increase since 2007 is principally due to increased difficulty in buying and renting found among newly forming households.
- ii) The model also indicates that 19% of the net need for affordable housing could be provided for through intermediate housing without recourse to additional housing benefit payments.

Introduction

- 5.1 Chapter 5 of the 2007 HNS update report contained a housing needs assessment model, based on CLG Guidance published in 2007. This chapter aims to provide an update to that assessment, providing as an output a total 'need' figure for affordable housing, broken down by tenure. The figure is an estimate of how much additional new affordable housing would need to be provided each year to reduce housing need to zero over five years. This is an ambitious goal, and produces ambitious built targets. An assessment of how best to meet housing need within various policy and environmental constraints is provided later in the report, using Fordham's Long Term Balancing Housing Markets (long term BHM) model.
- 5.2 While the Guidance was not finalised until late in 2007, the draft and final Guidance were sufficiently similar that the calculation of need shown below (based on the Strategic Housing Market Assessments: Practice Guidance Version 2, August 2007, CLG) is identical to that in the 2007 report. However, this was a significant revision on the BNAM (Basic Needs Assessment Model) included in the 2005 report, so only some steps of the need assessment are comparable to the original 2005 HNS.
- 5.3 The calculation of housing need follows the 16 steps outlined in the Practice Guidance separated into three broad stages. Each of these stages will be calculated separately before the overall annual requirement for affordable housing is derived. In addition to determining the extent of housing need in Walsall the chapter will also ascertain the type of accommodation most appropriate to meet this need.

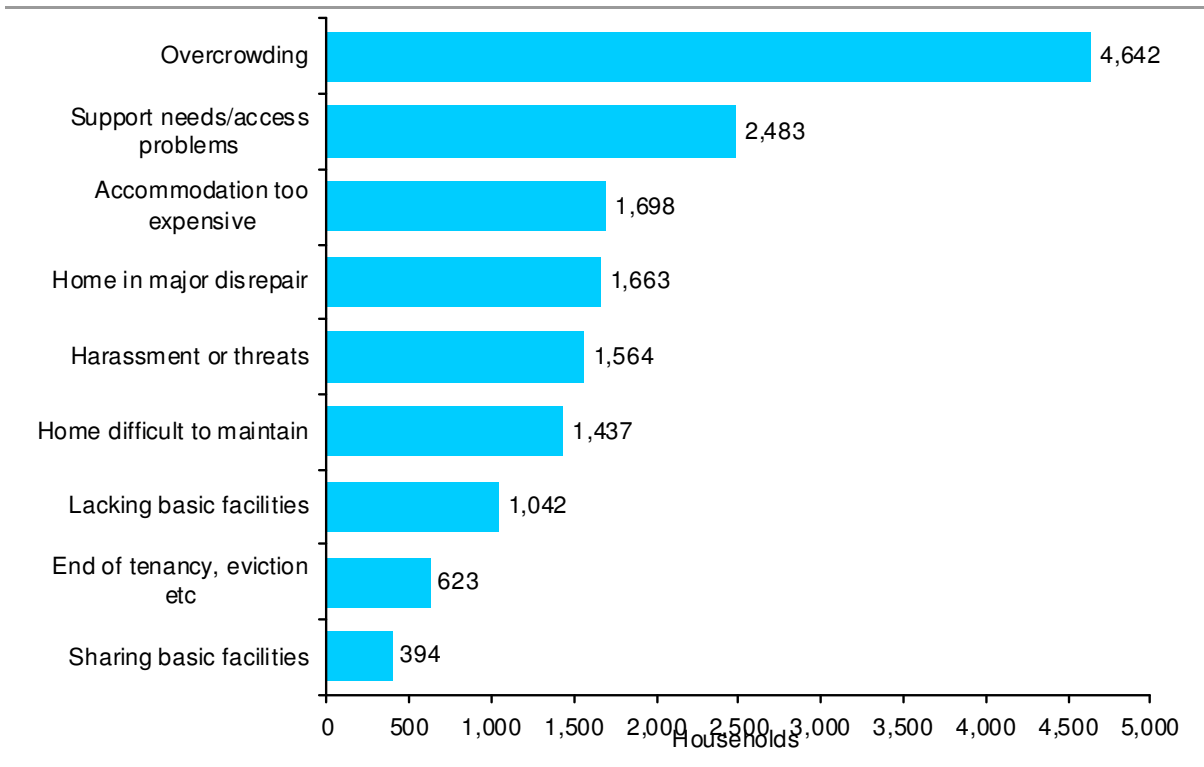
Current need

- 5.4 The first stage of the model assesses current need. This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross).

Unsuitable housing

- 5.5 A key element of housing need is an assessment of the suitability of a household's current housing. The Practice Guidance sets out a series of nine criteria for considering housing to be unsuitable, which have been used in this report. Based on the updated Walsall household survey dataset, in Walsall it is estimated that a total of 11,021 households are living in unsuitable housing (this represents 10.5% of all households in the Borough).
- 5.6 This is very similar to the 11,169 households (10.8%) found to be in unsuitable housing in 2007, but below the 2005 level of 12,054 (12.2%). The apparent fall in numbers of people in unsuitable housing from 2005 to 2007 was largely due to changes in the methodology, caused by changes in CLG Guidance.
- 5.7 The chart below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total of reasons for unsuitability shown in the chart is greater than the total number of households in unsuitable housing, as some households have more than one reason for their housing being unsuitable.
- 5.8 The main reason for unsuitable housing is overcrowding, followed by problems relating to support needs and accessibility (e.g. household members having difficulty using steps or stairs).

Figure 5.1 Summary of reasons for housing being unsuitable



Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

5.9 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in private rented accommodation are the most likely to live in unsuitable housing, with 23.8% of private renters in unsuitable housing. However, due to the relatively small size of the private rented sector overall, it accounts for only 19.8% of all unsuitable housing, with 35.8% found in the social rented sector and 44.4% in owner-occupied housing.

Table 5.1 Unsuitable housing and tenure

Tenure	Unsuitable housing			
	In unsuitable housing	Number of households	% of tenure made up of unsuitable housing	% of unsuitable housing found in tenure
Owner-occupied (no mortgage)	2,631	35,219	7.5%	23.8%
Owner-occupied (with mortgage)	2,265	34,980	6.5%	20.6%
Social rented	3,941	25,883	15.2%	35.8%
Private rented	2,184	9,185	23.8%	19.8%
Total	11,021	105,267	10.5%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

'In-situ' solutions

- 5.10 The survey has highlighted that 11,021 households are in unsuitable housing. However it is probable that some of the unsuitability can be resolved in the households' current accommodation. Households living in housing deemed unsuitable for the following reasons were not considered to have an in-situ solution: end of tenancy, accommodation too expensive, overcrowding, sharing facilities, and harassment.
- 5.11 The survey data therefore estimates that of the 11,021 households in unsuitable housing, 7,715 (or 70.0%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

- 5.12 The ability of each of these 7,715 households to afford entry-level market housing of an appropriate size can be tested using the affordability criteria described in the glossary. The dataset indicates that there are 4,194 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to alternative accommodation). This represents 4.0% of all existing households in the Borough.
- 5.13 These 4,194 households are considered to be in current housing need. The equivalent figure recorded in the original 2005 report was 1,561 households, and 3,639 in the 2007 update. The reason for the lower figure in 2005 was a significant methodology change (caused by changes in the Guidance). In the 2005 methodology only households stating that they needed to move immediately were considered to be in housing need.
- 5.14 The table below shows the tenure of the households currently estimated to be in housing need. The results show that households in the private rented sector are most likely to be in housing need (14.1% in total). Of all households in need, 46.2% currently live in social rented accommodation and 30.9% in private rented housing.

Table 5.2 Housing need and tenure				
<i>Tenure</i>	<i>Housing need</i>			
	<i>Households in need</i>	<i>Households in tenure</i>	<i>% of those in tenure in housing need</i>	<i>% of housing need found within tenure</i>
Owner-occupied (no mortgage)	446	35,236	1.3%	10.6%
Owner-occupied (with mortgage)	517	34,980	1.5%	12.3%
Social rented	1,936	26,210	7.4%	46.2%
Private rented	1,295	9,185	14.1%	30.9%
Total	4,194	105,611	4.0%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

5.15 For the purposes of later calculations in the housing needs assessment model, households considered to be in housing need must be split into two categories: current occupiers of affordable housing in need, and households from other tenures in need. It is estimated that some 1,936 households in need currently live in affordable housing (there were none in shared ownership housing), and 2,258 reside in other tenures.

Homeless households

5.16 The housing needs assessment is a ‘snapshot’ that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the assessment and should also be included within any calculation of backlog need.

5.17 To assess the number of homeless households we have used information contained in the Council’s P1(E) Homeless returns. The main source of information used is Section E6: Homeless households accommodated by your authority at the end of the quarter. This is a snapshot of homelessness at the end of the time period shown. The latest information available for Walsall at the time of the assessment is shown in the table below.

Table 5.3 Homeless households accommodated by Walsall authority at June 2010	
<i>Category</i>	<i>Accommodated as of 30/06/10</i>
<u>Bed and breakfast (including shared annex)</u>	<u>0</u>
<u>Hostels (including women refuges)</u>	<u>0</u>
LA/RSL stock	24
Private sector accommodation leased by LA or RSLs	0
Other	0
Total	24

Source: Section E6, Walsall Council P1(E) form (Quarter 2 2010)

5.18 Not all of the categories in the above table are added to our assessment of current need. This is because, in theory, they will be part of our sample for the household survey. For example, households housed in Council or RSL accommodation should already be included as part of the housing need – such household addresses should appear on the Council Tax file from which the dataset sample was derived.

5.19 Those categories of homelessness that would be expected to fall outside the main survey sample have been underlined in the table above. In Walsall, none of these categories contained any households as of the end of the last quarter. Therefore of the homeless households identified in the P1E form, none are added to the total current housing need.

Total current need (gross)

- 5.20 The table below summarises the first stage of the overall assessment of housing need as set out by the CLG. The data shows that there are an estimated 4,194 households currently in need in Walsall. This is an increase of 14.7% on the situation in 2007, reflecting not just the increase in the total number of households, but also recent changes in the economic circumstances of local households.
- 5.21 This particular figure cannot be meaningfully compared with the 2005 situation, due to significant changes in the CLG model methodology, which followed from changes in the Guidance between 2005 and 2007.

Table 5.4 Backlog of housing need		
Step	Notes	Number
1.1 Homeless households and those in temporary accommodation		0
1.2 Overcrowding and concealed households	Two steps taken together	4,194
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	4,194

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Future need

- 5.22 In addition to Current Need, there will also be Future Need. This forms the second stage of the housing needs assessment model. This is split, as per CLG guidance, into two main categories. These are as follows:
- New households formation (× proportion unable to buy or rent in market)
 - Existing households falling into need

New household formation

- 5.23 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households stating likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need.
- 5.24 The table below shows details of the derivation of new household formation. The table begins by establishing the number of newly forming households over the past two years – an affordability test is then applied.

Table 5.5 Derivation of newly arising need from new household formation		
<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
Number of households moving in past two years		17,963
Minus households NOT forming in previous move	-11,964	5,999
Times proportion unable to afford		43.2%
Estimate of newly arising need		2,592
Annual estimate of newly arising need		1,296

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

5.25 The table above shows that an estimated 5,999 households are newly formed within the Borough over the past two years (3,000 per annum). The survey estimates that 43.2% of newly forming households are unable to afford market housing without some form of subsidy in Walsall. This results in an annual estimate of the number of newly forming households falling into need of 1,296. This figure represents an increase of 43.2% from the estimate of 1,296 households documented in the 2007 update report, and a further increase on the 1,062 identified in the original 2005 HNS. This reflects the significantly increased difficulty faced by first time buyers and renters in affording housing.

Existing households falling into need

5.26 This is an estimate of the number of existing households who will fall into housing need over the next two years (and then annualised). The basic information for this is households who have moved home within the last two years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household moving to private rented accommodation that has to either claim housing benefit or spend more than a quarter of their gross income on housing (or both) is considered to be unable to afford.

5.27 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves between affordable properties. Households falling into need in the affordable sector (either social rented or other tenures such as intermediate rent) will tend to have their needs met through a transfer to another affordable property, hence releasing their existing affordable property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of ‘transfers’ and so the additional needs arising from within the social rented stock will be net zero.

5.28 The table below shows the calculation of existing households falling into need from the dataset.

Table 5.6 Derivation of newly arising need from existing households

<i>Aspect of calculation</i>	<i>Number</i>	<i>Sub-total</i>
Number of households moving in past two years	17,963	
Minus households forming in previous move	-5,999	11,964
Minus households transferring within affordable housing	-3,165	8,799
Times proportion unable to afford	25.8%	
Estimate of newly arising need	2,272	
Annual estimate of newly arising need	1,136	

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 5.29 The table above shows that a total of 8,799 existing households are considered as potentially in need (4,400 per annum). Using the standard affordability test for existing households it is estimated that 25.8% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 2,272 households over the two-year period or 1,136 households per annum. This figure is 11.7% higher than the equivalent estimate recorded in the 2007 update report of 1,017 households. Due to changes in the methodology, this stage of the calculation is not comparable with the 2005 HNA figure.

Total future need (gross)

- 5.30 The data from each of the above sources can now be used in the needs assessment as illustrated in the table below. It indicates that additional need is expected to arise from a total of 2,432 households per annum.

Table 5.7 Future need (per annum)

<i>Step</i>	<i>Notes</i>	<i>Number</i>
2.1 New household formation (gross per year)		3,000
2.2 Proportion of new households unable to buy or rent in the market		43.2%
2.3 Existing households falling into need		1,136
2.4 Total newly arising housing need (gross per year)	2.1×2.2+2.3	2,432

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Affordable housing supply

- 5.31 The supply of affordable housing to meet housing need comprises the third stage of the housing needs assessment model. The affordable housing supply stage is split between existing stock that is available to offset the current need and the likely future level of supply.

Available stock to offset current need

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

Affordable dwellings occupied by households in need

- 5.33 Firstly, 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 no overall effect in terms of housing need. As already established in stage 1, there are currently 1,936 households currently in need already living in affordable housing, none of which are resident in shared ownership accommodation.

Surplus stock

- 5.34 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The Practice Guidance suggests that if the vacancy rate in the affordable stock is in excess of 3% then some of the vacant units should be considered as surplus stock which can be included within the supply to offset needs. According to TSA data, Walsall records a vacancy rate in the social rented sector of 1.4% and is well below the maximum suggested vacancy rate of 3%.

Committed supply of new affordable units

- 5.35 The Practice Guidance recommends that this part of the assessment includes 'new social rented and intermediate housing which are committed to be built over the period of the assessment'. For the purposes of analysis we have taken Housing Strategy Statistical Appendix (HSSA) data showing the number of planned and proposed affordable units for the period 2010-2012 as a guide to new provision.
- 5.36 The 2010 HSSA data does not yet contain information for 2011/12. However, it shows that there are 587 affordable dwellings planned or proposed for 2010/11 (of which 401 are social rented, 119 intermediate rent and 67 shared ownership). If this build rate continued, it would result in a total of 1,174 affordable dwellings constructed over the 2010-2012 period.

Units to be taken out of management

- 5.37 The Practice Guidance states that this stage 'involves estimating the numbers of social rented or intermediate units that will be taken out of management'. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting the proposed number of affordable dwellings expected to be 'taken out of management' in the future was unknown and hence a figure of zero has been used in this step of the model.

Total available stock to offset current need

- 5.38 Having been through a number of detailed stages in order to assess the total available stock to offset current need in the Borough we shall now bring together all pieces of data to complete this part of the needs assessment. This is presented in the table below. The data shows that there are an estimated 3,110 properties available to offset the current need in Walsall.

Table 5.8 Current supply of affordable housing		
<i>Step</i>	<i>Notes</i>	<i>Number</i>
3.1 Affordable dwellings occupied by households in need		1,936
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		1,174
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	3,110

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Future supply of affordable housing

- 5.39 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 rented housing

- 5.40 The Practice Guidance suggests that the estimate of likely future re-lets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. The table below shows the number of lettings (excluding transfers from other social rented properties) over the past two years. There were no Local Authority lets since stock transfer to the RSL sector has been completed in Walsall. The average for the two-year period is 1,586 per annum.

Table 5.9 Analysis of past housing supply (RSL sector)			
	<i>2008/09</i>	<i>2009/10</i>	<i>Average</i>
LA – mobility arrangements	0	0	0
LA – new secure tenants	0	0	0
LA – introductory tenancies	0	0	0
LA – other tenancies	0	0	0
(minus) LA – transfers from RSL	0	0	0
RSL – total lettings	2,183	2,368	2,276
(minus) RSL – transfers within affordable sector	(649)	(730)	(690)
Total	1,534	1,638	1,586

Source: Walsall Borough Council HSSA 2010, CORE Walsall LA Area Lettings Reports (2008-09, 2009-10)

Intermediate supply

- 5.41 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in Walsall). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.
- 5.42 Therefore we include an estimate of the number of shared ownership units that become available each year. Applying the re-let rate for social rented housing to the estimated stock of intermediate housing (from the TSA Regulatory and Statistical Return 2010) it is estimated that around 46 units of shared ownership housing and 12 units of intermediate rented housing will become available to meet housing needs from the existing stock of such housing.

Total future supply

- 5.43 This step is the sum of the previous two. The total future supply is estimated to be 1,644 comprised of 1,586 units of social re-lets and 58 units of intermediate housing as is shown in Table 6.10.

Table 5.10 Future supply of affordable housing (per annum)		
Step	Notes	Number
3.6 Annual supply of social re-lets (net)		1,586
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		58
3.8 Annual supply of affordable housing	3.6+3.7	1,644

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Estimate of net annual housing need

- 5.44 Table 6.11 brings together the 16 steps that were calculated within the housing needs assessment model.

Table 5.11 Housing needs assessment model for Walsall		
Stage and step in calculation	Notes	Number
STAGE 1: CURRENT NEED (Gross)		
1.1 Homeless households and those in temporary accommodation		0
1.2 Overcrowding and concealed households	Two steps taken together	4,194
1.3 Other groups		
1.4 Total current housing need (gross)	1.1+1.2+1.3	4,194
STAGE 2: FUTURE NEED		
2.1 New household formation (gross per year)		3,000
2.2 Proportion of new households unable to buy or rent in the market		43.2%
2.3 Existing households falling into need		1,136
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	2,432
STAGE 3: AFFORDABLE HOUSING SUPPLY		
3.1 Affordable dwellings occupied by households in need		1,936
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		1,174
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	3,110
3.6 Annual supply of social re-lets (net)		1,586
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		58
3.8 Annual supply of affordable housing	3.6+3.7	1,644

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 5.45 The Practice Guidance states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available (Step 3.5) from the gross current need (Step 1.4). This produces a net current need figure of 1,084 (4,194 – 3,110).
- 5.46 The second step is to convert this net backlog need figure into an annual flow. The Practice Guidance acknowledges that this backlog can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Practice Guidance will be used. Therefore to annualise the net current need figure, it will be divided by five. This calculation results in a net annual quota of 217 (1,084 ÷ 5) households who should have their needs addressed.
- 5.47 The final step is to sum the net annual quota of households who should have their needs addressed with the total newly arising housing need (Step 2.4) and subtract the future annual supply of affordable housing (Step 3.8). This leads to a total (net) annual need estimate of **1,005** (217 + 2,432 – 1,644).

Table 5.12 Summary of housing needs assessment model (CLG model)

<i>Element</i>	<i>Annual estimate</i>
Current need	839
Current supply	622
Net current need	217
Future need	2,432
Future supply	1,644
Net future need	788
Total net annual need	1,005
Total gross annual need	3,271
Total gross annual supply	2,266
Total net annual need	1,005

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 5.48 This figure of 1,005 is higher than the total (net) annual need estimate of 622 recorded in the original HNS report in 2005, and more than triple the 2007 update estimate of 305. This represents an increase of 230%, but the large percentage change is partly due to the very low level of need registered in 2007. It should be remembered that since the previous reports there have been considerable changes both in the economic circumstances of households in Walsall and in the prices and rents of housing. In addition, the 2005 HNS was carried out using a slightly different methodology due to changes in the Guidance.
- 5.49 Supply has remained relatively constant over this time period; in the 2005 report the estimated gross supply was 2,564 units per annum, falling slightly to 2,347 in the 2007 update, and is again slightly lower at 2,266 in this update. Of course, it is likely that there will be significant changes in supply trends in the coming years due to changes in national policy; however the situation is not yet clear enough to take these changes into account.
- 5.50 Since supply has remained more or less constant, we must conclude that the key changes between 2007 and 2010 have been in the level of gross need. This has increased from 2,653 in 2007 up to 3,271 in 2010. The component of need showing the largest increase is that from newly forming households, reflecting the recently increased difficulty of buying or renting a property for new households. Need levels have also increased significantly in other quarters, however, including in the level of need in the existing population.

Locations of affordable housing required (area partnerships)

5.51 Table 5.13 shows the current location of households generating housing need. The figures shown are gross need (including both backlog and newly arising need) and do not take into account the distribution of the supply of affordable housing. The figures are compared with data about the estimated number of households in each area, to give an impression of the relative level of need in each of the six areas.

<i>Area partnership</i>	<i>Gross annual need</i>	<i>Total households in area</i>	<i>Need as % of households</i>
Brownhills/Pelsall/Rushall/Shelfield (1)	247	14,811	1.7%
Aldridge/Streetly/Pheasey/Walsall Wood (2)	232	21,331	1.1%
Bloxwich/Blakenall/Birchills/Leamore (3)	853	21,458	4.0%
St. Matthew's/Paddock/Palfrey/Pleck (4)	1,171	21,252	5.5%
Darlaston/Bentley (5)	331	10,662	3.1%
Willenhall/Short Heath (6)	438	16,098	2.7%
Total	3,271	105,611	3.1%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 5.52 The data suggests that need is likely to arise in all parts of the Borough. In particular the area partnerships in the central part of the Borough (Area 4, which includes the centre of Walsall, and Area 3, to the north) show high levels of need although it should be noted that need does tend to arise where there are already large concentrations of low income households in housing, whether private rented or social rented. This is because need is attributed to the area where the household generating it currently lives.
- 5.53 It may not always be appropriate to meet housing need in the exact area where it arises, for a variety of reasons. The most important of these is that meeting all need very close to where those in need already live risks creating or reinforcing concentrations of low income or unemployed households. In addition, need frequently arises in places where space for new development is limited.

Type of affordable accommodation required

- 5.54 The type of affordable products available to meet this housing need can be grouped into two broad categories – social rented housing and intermediate products. The suitability of these products to meet housing need can be determined using survey data.
- 5.55 All households in housing need are tested for their ability to afford more than social rent levels. Any household that is able to afford more than social rent is potentially suitable for intermediate housing. Any household that is unable to afford intermediate housing is assumed to require social rented accommodation. Table 5.14 presents the results of this analysis.

5.56 Table 5.14 also shows the estimated supply of the different types of affordable accommodation. This profile is derived within stage three of the housing needs assessment model, which differentiated the affordable housing supply between these affordable housing types.

Table 5.14 Social rented and intermediate housing requirements in Walsall per annum (CLG model)				
	<i>Intermediate (with equity)*</i>	<i>Intermediate rented**</i>	<i>Social rented</i>	<i>Total</i>
Gross annual need	17	230	3,023	3,271
Gross annual supply	59	36	2,171	2,266
Net annual need	-42	194	852	1,005
% of net shortfall	0%	19%	81%	100%

* e.g. shared ownership ** at 80% of median market rent

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

5.57 The table shows that only 247 (7.6%) households in gross housing need can afford intermediate housing in the Borough, based on spending 25% of their income on housing, and without support from housing benefits. However, the vast majority of affordable supply currently comes from the social rented sector (95.8%), mostly from turnover, meaning that it is more likely that a household requiring a social rented property will have their needs met. This is reflected in the overall net requirement recorded.

5.58 The table suggests that of the total additional affordable housing to be provided in Walsall to meet housing need, 81% should be social rented housing and 19% intermediate accommodation. However, it should be noted that the net requirement for intermediate housing with a significant equity component (defined for the purposes of this analysis of a component requiring a deposit of £5,000 or more) is negative. This negative figure does, of course, include a large component of future proposed supply, and so is not suggesting a reduction in the total existing stock.

5.59 In addition, this negative need reflects the fact that shared ownership housing, while subsidised and nominally affordable, caters to very few households who are classified as in housing need. More usually it caters to people who are able to afford private rented housing, but unable to access the housing ladder. That it does not cater to housing need does not imply that it does not fulfil a useful purpose or should not be built. However, it does highlight that increasing the provision of shared ownership housing is unlikely to result in a reduction in housing need.

5.60 In the 2007 HNS update report, a need for 26 units of shared ownership per annum to cater for households in need was identified. The reduction in requirement reflects an increase in supply, and an increased requirement for people seeking mortgages to provide significant deposits. Since intermediate renting was not an established concept at the time of the 2007 HNS, no figures were provided in 2007 for a requirement for this type of housing and no comparison is possible.

6. Long term market balance and economic scenarios

Summary

- i) This section assesses pathways to long term market balance in Walsall, using a model based on the ONS demographic projections and the updated Walsall household survey dataset. It considers the implications of a number of economic scenarios, and produces outputs in terms of the mix of tenures and dwelling sizes required in Walsall.
- ii) The scenario outputs suggest a requirement for between 588 and 674 newbuild dwellings per annum in Walsall (minus any vacant properties brought back into use).
- iii) Between 33.0% and 48.6% of new housing is required to be affordable, assuming that Walsall maintains the number of households supported by LHA in the private rented sector at the current level.
- iv) There is very little requirement for new one bedroom units of any tenure. In the market sector, two bedroom units are likely to be the most in demand in the long term, while in the affordable sector three bedroom units make up the largest proportion of the housing requirement.
- v) However, the largest requirement in comparison to the current stock is found for four bedroom social rented houses.

Introduction

- 6.1 The 2005 HNS report and the 2007 update both contained a Balancing Housing Markets (BHM) analysis that identified the amount and type of additional accommodation required to rebalance the housing stock in the Borough to address the future demand for housing over the short-term. This update report does not replicate this analysis but instead considers what accommodation is required to provide housing market balance over the long-term.
- 6.2 This approach is appropriate for two reasons. Firstly, the information on moving intentions in the household survey dataset is now some years old and demand patterns may have changed as a consequence of the market downturn. Secondly, the use of a long-term timescale corresponds better with the time frame used by planners – there is a lag in the planning system, which means that it is not possible to respond immediately to imbalances between the nature of accommodation required and the stock currently available. It is therefore appropriate to consider the intervention required to the housing stock over the long-term to enable future action to be planned effectively.

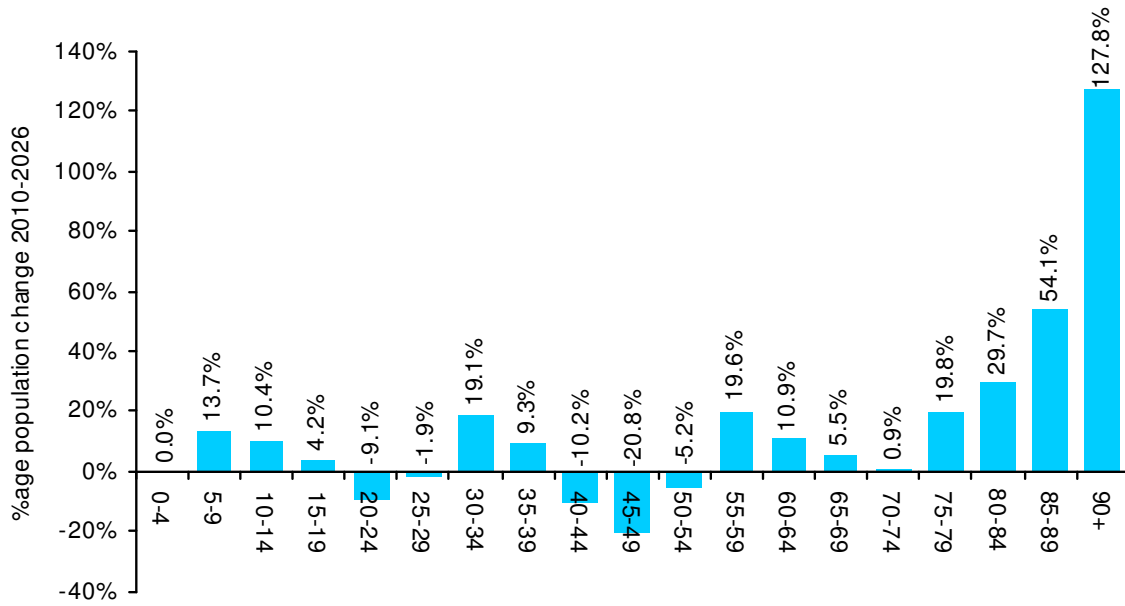
Methodology

- 6.3 The model used here combines ONS demographic projections with the household survey dataset to compare the current housing stock in Walsall against the stock of housing expected to be required in the future. The purpose of this model is to identify the new accommodation required to adequately house the future population in the Borough and ensure that the housing market is balanced. The results are equivalent to those produced by the Balancing Housing Markets analysis in the original SHMA report, although the methodology used is different.
- 6.4 This chapter will initially present the ONS population projections for Walsall and describe the changes that are predicted to happen, in terms of both the population size and composition. We then consider a range of scenarios, based upon possible future employment trends in the Borough.
- 6.5 The outputs from the model quantify the nature of housing required to provide the future population with a housing stock balanced to meet their needs, in terms of numbers of dwellings, dwelling tenure and size.
- 6.6 It should be noted that the model, like any that attempts to predict future trends, does have some limitations. It cannot take into account possible changes in house prices. These are affected by many factors, local, national and international and as such cannot be projected into the future. The model therefore assumes that the ratio of the earnings of employed households to house prices remains constant to 2026.

Demographic projections

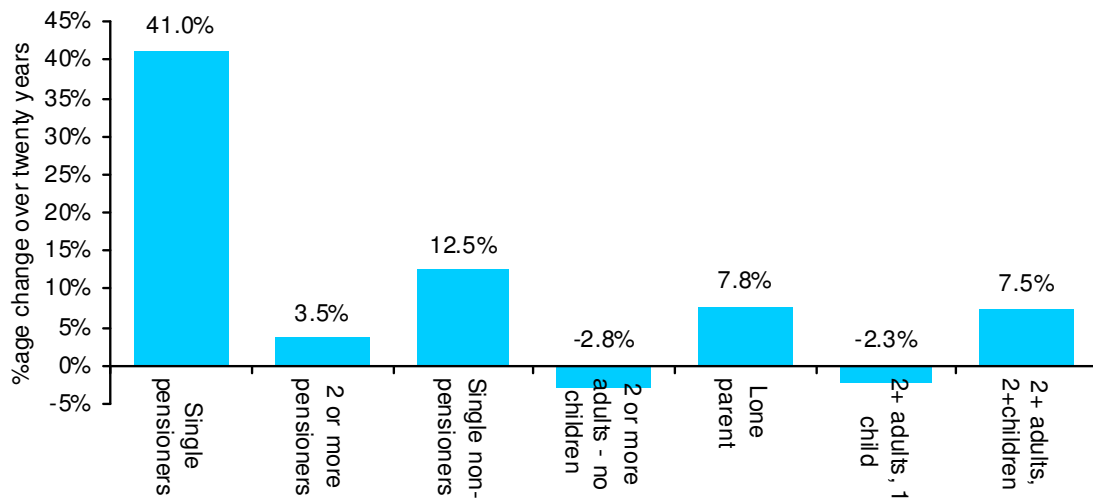
- 6.7 The most recently published population projections available at a local level are the 2008-based estimates from the Office of National Statistics (ONS). These projections indicate that the population within Walsall is projected to increase by 5.3% between 2010 and 2026 (an increase of some 13,700 people).
- 6.8 These projections present the data broken down by five-year age cohort. The following figure therefore shows the projected change within each age cohort between 2010 and 2026. The population projection data indicates a general trend of an ageing population in Walsall.

Figure 6.1 Forecast population change by age group in Walsall, 2010 - 2026



Source: ONS revised 2008-based sub-national population projections (2010)

- 6.9 The most recent household projections are also from ONS, but use 2006 as the base date. This is due to delays in the publication of the 2008-based household projections. These indicate that the total number of households is projected to increase by around 22,000 between 2010 and 2026 (9.1%). Average household size is anticipated to decrease slightly during this period from 2.40 in 2010 to 2.18 in 2030.
- 6.10 These population and household projections have been applied to the household survey dataset to provide an estimated household profile for 16 years time. The figure below shows the projected changes to the household population in the Borough over the next 16 years.
- 6.11 The figure shows that all household groups except single non-pensioner households are projected to increase over the next 16 years. Pensioner households are expected to show the biggest increase.

Figure 6.2 Estimated change in household types over 2010 – 2026

Sources: ONS revised 2006-based sub-national population projections (2009),
2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 6.12 Before the accommodation requirements of the future population are calculated it is important to describe the approach used to create an accommodation profile adequate for each of these household types.

Adequacy of the housing stock

- 6.13 For the purpose of this model, the housing market is considered balanced if the local population is adequately accommodated. It is therefore initially appropriate to assess the adequacy of the current accommodation to house the residents of Walsall. This is determined through response to the household survey.
- 6.14 A household is considered currently adequately housed unless the household has indicated that they need to move home now because the accommodation is inadequate for the household. This is ascertained from the reason cited for the household moving. Households whose moves are caused by the accommodation size, cost and services available within it being currently unsuitable for the resident are considered to be inadequately housed and to require alternative accommodation. The type, tenure and size of dwelling these households expect to achieve when they move are presumed to represent the nature of the accommodation that they require.
- 6.15 Some further adjustments are also made to remove over the long-term undesirable elements of market imbalance that exist currently:

- Households that are overcrowded are assumed to require a property large enough for overcrowding not to take place.
- Households resident in unsuitable housing (as defined by CLG for the purposes of the model in Chapter 5) and who cannot solve that unsuitability without moving (e.g. the housing costs are too high) are assigned to a tenure that they can afford according to the Practice Guidance affordability test.

6.16 The table below shows the proportion of each household type currently requiring alternative accommodation in order to be adequately housed. The table shows that some 7.8% of households are classified as inadequately housed currently. Lone parents are the household group least likely to reside in adequate accommodation, whilst households containing pensioners are least likely to be inadequately housed.

Table 6.1 Types of households inadequately housed currently			
<i>Household type</i>	<i>Number inadequately housed</i>	<i>All households</i>	<i>Proportion inadequately housed</i>
Single pensioner	66	16,898	0.4%
2+ pensioners	102	11,159	0.9%
Single non-pensioner	209	15,028	1.4%
2+ adults, no children	1,339	32,365	4.1%
Lone parent	2,770	8,121	34.1%
2+ adults, 1 child	1,644	9,767	16.8%
2+ adults, 2+ children	1,988	12,272	16.2%
Total	8,119	105,611	7.7%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Ordinary and specialist housing

6.17 One impact of the aging population discussed above is an increased requirement for sheltered and supported housing. This shows up clearly in the model, which refers to all these types of housing under the umbrella term 'specialist housing'. However, such housing is very different to ordinary housing. In particular, the funding sources are different, and being able to afford specialist housing without assistance is a very different matter to being able to afford ordinary market housing. The standard affordability test is therefore of limited use, although the results are included as an indicative guide.

6.18 In addition to this, the standard model for considering requirements for housing of different sizes breaks down for specialist housing. Most households in this situation appear to require a one bedroom unit according to the standard tests; however in reality additional space may be required for a carer or visitors, or the housing may be communal.

6.19 Because of these clear differences, specialist housing is separated from ordinary housing in the model outputs to avoid confusion. However, it does still count toward the total housing targets produced.

Modifying the projections: economic scenarios

6.20 The population projections outlined above can be integrated into the dataset, by re-weighting the data to the new profile of household types and age groups (see Chapter 2). However, this provides only a single scenario of the likely future demographic trends in Walsall. In reality, there are a number of unknowns, most obviously relating to local economic conditions. Changes in economic circumstances can change both the ability of local people to afford housing, and the level of migration into and out of the Borough.

6.21 In order to take this into account, this report considers three basic employment scenarios, considering the possible impact of net job generation over the projection period. This is not a comprehensive economic projection; Walsall's housing market is of course also affected by the economic prosperity of each of the surrounding areas and the nation as a whole, and these impacts cannot be taken into account here.

6.22 The three basic scenarios, provided by Walsall Council, are as follows:

- A) 500 net new jobs 2010 – 2026 (about 30 per annum)
- B) 2,600 net new jobs 2010 – 2026 (about 160 per annum)
- C) 5,900 net new jobs 2010 – 2026 (about 370 per annum)

6.23 However, the exact impact of employment provided on housing depends on the nature of the jobs. If jobs are provided which are likely to go to existing local unemployed people, this has a very different impact to jobs that are likely to primarily attract new employees from elsewhere in the UK. This has a considerable impact on the outcomes of the model, and therefore each scenario above has been split to consider three possible outcomes, as shown in the table of detailed scenarios below.

6.24 These scenarios take into account both local unemployment and commuting. In the 2001 Census (the latest available data on this issue), 38.7% of jobs located in Walsall were occupied by people from outside the Borough. For scenarios where jobs are aimed at local unemployed people, this proportion is assumed to reduce, whereas it remains the same when jobs are mainly aimed at attracting new people to the Borough.

Table 6.2 Employment scenarios used in Walsall: detail

<i>Take-up of new employment</i>	
Scenarios A1, B1 and C1	19.4% to commuters, remainder split 75:25 between local unemployed and new residents
Scenarios A2, B2 and C2	29.0% to commuters, remainder split 50:50 between local unemployed and new residents
Scenarios A3, B3 and C3	38.7%* to commuters, remainder split 25:75 between local unemployed and new residents

Source: Fordham Research 2010, * Census 2001

Scenarios: Total newbuild targets

6.25 The impact of employment on total newbuild targets in Walsall is relatively modest. This is partly because even in the high growth scenario, the level of job growth is not dramatic, at 5,900 jobs over 16 years (or about 370 per annum). In the base scenario, the production of 500 new jobs does not keep pace with the ONS projection, which suggests about 830 new jobs per annum would be required to maintain the current level of employment locally.

6.26 Also, as outlined above, it would not be expected for all of these jobs to attract new households from outside the Borough; some jobs will go to existing unemployed residents and some to commuters. This blunts the impact of additional job provision on total housing requirements, since unemployed people gaining employment will not generate significant additional demand for housing, although it will change the type of housing required. The impact of the scenarios on the proportion of people in employment and unemployed is shown in the table below.

Table 6.3 BHM scenarios – % unemployment at end of model, 2026 (2010 = 12.3%*)

<i>Detailed scenarios</i>	<i>Basic scenarios</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
<i>A1/B1/C1</i>	12.4%	11.1%	9.0%
<i>A2/B2/C2</i>	12.3%	11.5%	10.2%
<i>A3/B3/C3</i>	12.2%	11.8%	11.1%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010) * DWP model-based unemployment 2010

6.27 The table below shows the total newbuild targets that would be expected under each scenario, for total newbuild housing between 2010 and 2026. It is clear that varying the number of new jobs has an impact on total housing requirements, with 14.6% more new homes required under scenario C3 than scenario A3. The impact of new jobs on housing requirements is lesser in scenarios A1-C1. This is because under these assumptions 75% of the new jobs go to local unemployed people, leaving only 25% to attract new households from elsewhere.

Table 6.4 BHM scenarios – total newbuild targets, 16 years (of which ordinary housing)

<i>Detailed scenarios</i>	<i>Basic scenarios</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
<i>A1/B1/C1</i>	+9,581 (9,112)	+9,731 (9,261)	+9,982 (9,511)
<i>A2/B2/C2</i>	+9,499 (9,030)	+9,875 (9,405)	+10,467 (9,996)
<i>A3/B3/C3</i>	+9,401 (8,932)	+9,937 (9,467)	+10,777 (10,306)

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Scenarios: Affordable housing

- 6.28 The next table summarises the proportion of affordable housing required under each scenario. In this case, the impact of the types of jobs generated is more significant. Jobs that go to local people have a very substantial effect on the proportion of new affordable housing required. In Scenario C, if 75% of the new jobs go to local unemployed people, this reduces the proportion of affordable housing required to 33.0% of the total, instead of the 40.4% the model suggests if 75% of new jobs go to new households.
- 6.29 This also relates to the commuting assumptions; if the level of commuting into Walsall remains high for the new jobs (as in scenarios A3-C3), this results in some of the benefits of additional employment in Walsall being experienced by the surrounding areas instead.

Table 6.5 BHM scenarios – proportion of affordable housing required in newbuild*

<i>Detailed scenarios</i>	<i>Basic scenarios</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
<i>A1/B1/C1</i>	48.6%	42.5%	33.0%
<i>A2/B2/C2</i>	48.6%	43.9%	37.2%
<i>A3/B3/C3</i>	48.5%	45.1%	40.4%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010) * excluding specialist housing (see below)

- 6.30 We now move on to consider the detail of some of the scenarios shown above in terms of the sizes and types of accommodation required. Due to the amount of information produced by this process, it is not reasonable to consider the detailed implications of each scenario in turn. We have therefore focused on scenarios A2, B2 and C2, assuming some success at generating the types of jobs which would balance catering to local unemployment with attracting new households from elsewhere.

Tenures of housing required: Scenario A2

- 6.31 Rather than prescribing the accommodation required to address the current mismatch between the household population and the current stock, the profile of suitable accommodation for each household type is applied to the household population in 16 years time. The model therefore assumes that the pattern of accommodation required by each household type remains constant.
- 6.32 This scenario assumed the generation of only 500 net new jobs over the model period (2010-2026). This rate of job generation fails to keep up with the population increase forecast by ONS, and therefore unemployment would be expected to increase under this scenario.
- 6.33 The table below shows the “Ideal” tenure profile in Walsall in 16 years time under scenario A2 (if all households are to be adequately housed). The data shows that in this scenario, to meet housing requirements in 2026 the housing market in Walsall would need to be composed of 73.3% market dwellings, 1.0% intermediate and 25.7% social rented dwellings.

Table 6.6 Scenario A2: ‘Ideal’ tenure profile in 2026		
<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	83,219	73.3%
Intermediate	1,171	1.0%
Social rented	29,196	25.7%
Total (ordinary housing)	113,586	100.0%
<i>plus specialist housing</i>	<i>1,524</i>	-
<i>Total (all housing)</i>	<i>115,110</i>	-

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 6.34 The table below shows the tenure profile required by households resident in the Borough in 16 years time under scenario A2 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 9,499 additional homes are required in the Borough over the next 16 years. It also indicates that 51.4% of the new dwellings should be market accommodation with 43.1% social rented properties and just 5.5% intermediate housing.

Table 6.7 Scenario A2: Tenures of accommodation required

Tenure	Current tenure profile 2010	'Ideal' tenure profile 2026	Change required	% of new provision required
Market	78,577	83,219	+ 4,642	51.4%
Intermediate	671	1,171	+ 500	5.5%
Social rented	25,308	29,196	+ 3,888	43.1%
Total (ordinary)	104,556	113,586	+ 9,030	100.0%
Specialist housing	1,055	1,524	+ 469	-
Total (all housing)	105,611	115,110	+ 9,499	-

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Size of housing required within each tenure: Scenario A2

6.35 The table below presents the size of market accommodation required by households resident in the Borough in 16 years time under scenario A2 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 47.6% of new market dwellings should be two bedroom properties, with 28.2% containing three bedrooms and 19.6% having four bedrooms. Demand is relatively weak for one bedroom housing, at 4.7% of the total.

Table 6.8 Scenario A2: Sizes of new market accommodation required

Dwelling size	Current size profile 2010	'Ideal' size profile 2026	Change required	% of new provision required
One bedroom	3,637	3,854	+ 217	4.7%
Two bedroom	16,184	18,393	+ 2,209	47.6%
Three bedroom	47,354	48,663	+ 1,308	28.2%
Four bedroom or larger	11,401	12,310	+ 908	19.6%
Total	78,577	83,219	+ 4,642	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

6.36 This analysis can be repeated for affordable housing and is presented in the table below for scenario A2. The data shows a large requirement for larger housing with three and four bedrooms. This is particularly clear for four bedroom housing, where the existing stock is quite small (at just 399 units in 2010 compared with 1,839 units in the 'ideal' size profile for 2026).

Table 6.9 Scenario A2: Sizes of new affordable accommodation required

<i>Dwelling size</i>	<i>Current size profile 2010</i>	<i>'Ideal' size profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
One bedroom	6,356	6,547	+ 191	4.3%
Two bedroom	10,432	11,450	+ 1,019	23.2%
Three bedroom	8,793	10,531	+ 1,739	39.6%
Four bedroom or larger	399	1,839	+ 1,439	32.8%
Total	25,979	30,367	+ 4,388	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Tenures of housing required: Scenario B2

- 6.37 This model assumed a higher level of employment generation, at 2,600 net new jobs over the 16 year period.
- 6.38 The table below shows the 'ideal' tenure profile in Walsall in 16 years time under scenario B2 (if all households are to be adequately housed). The data shows that in this scenario, to meet housing requirements in 2026 the housing market in Walsall would need to be composed of 73.6% market dwellings, 1.0% intermediate and 25.4% social rented dwellings.

Table 6.10 Scenario B2: 'Ideal' tenure profile in 2026

<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	83,850	73.6%
Intermediate	1,181	1.0%
Social rented	28,931	25.4%
Total (ordinary housing)	113,962	100.0%
<i>plus specialist housing</i>	<i>1,525</i>	<i>-</i>
<i>Total (all housing)</i>	<i>115,486</i>	<i>-</i>

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 6.39 The table below shows the tenure profile required by households resident in the Borough in 16 years time under scenario B2 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.
- 6.40 The results show that 9,875 additional homes are required in the Borough over the next 16 years, just 4.0% more than in scenario A2. However, the additional jobs in this scenario are reflected by the clear increase in the total requirement for market housing, by about 13.5%, while the requirement for social rented housing has reduced by 6.8% (compared to scenario A2). The table indicates that 56.1% of new dwellings should be market accommodation, with 38.5% social rented properties and just 5.4% intermediate housing.

Table 6.11 Scenario B2: Tenures of accommodation required

<i>Tenure</i>	<i>Current tenure profile 2010</i>	<i>'Ideal' tenure profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
Market	78,577	83,850	+ 5,273	56.1%
Intermediate	671	1,181	+ 510	5.4%
Social rented	25,308	28,931	+ 3,623	38.5%
Total (ordinary)	104,556	113,962	+ 9,405	100.0%
<i>Specialist housing</i>	<i>1,055</i>	<i>1,525</i>	<i>+ 470</i>	-
<i>Total (all housing)</i>	<i>105,611</i>	<i>115,486</i>	<i>+ 9,875</i>	-

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Size of housing required within each tenure: Scenario B2

6.41 The table below presents the size of market accommodation required by households resident in the Borough in 16 years time under scenario B2 in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. Compared to scenario A2, the key difference is that the requirement for three bedroom units is slightly increased, at 31.6% compared to 28.2%. Demand remains relatively weak for one bedroom housing, at 4.4% of the total.

Table 6.12 Scenario B2: Sizes of new market accommodation required

<i>Dwelling size</i>	<i>Current size profile 2010</i>	<i>'Ideal' size profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
One bedroom	3,637	3,867	+ 229	4.4%
Two bedroom	16,184	18,541	+ 2,357	44.7%
Three bedroom	47,354	49,020	+ 1,666	31.6%
Four bedroom or larger	11,401	12,422	+ 1,021	19.4%
Total	78,577	83,850	+ 5,273	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

6.42 This analysis can be repeated for affordable housing and is presented in the table below for scenario B2. The data shows very similar trends to scenario A2, although the requirement for three and four bedroom units is slightly greater, at 74.8% of the total compared to 72.4%.

Table 6.13 Scenario B2: Sizes of new affordable accommodation required

<i>Dwelling size</i>	<i>Current size profile 2010</i>	<i>'Ideal' size profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
One bedroom	6,356	6,526	+ 170	4.1%
Two bedroom	10,432	11,306	+ 874	21.2%
Three bedroom	8,793	10,465	+ 1,672	40.5%
Four bedroom or larger	399	1,816	+ 1,417	34.3%
Total	25,979	30,112	+ 4,133	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Tenures of housing required: Scenario C2

- 6.43 This scenario assumed the highest level of employment generation, at 5,900 net new jobs over the 16 year period.
- 6.44 The table below shows the 'ideal' tenure profile in Walsall in 16 years time under scenario C2 (if all households are to be adequately housed). The data shows that in this scenario, to meet housing requirements in 2026 the housing market in Walsall would need to be composed of 74.1% market dwellings, 1.0% intermediate and 24.9% social rented dwellings.

Table 6.14 Scenario C2: 'Ideal' tenure profile in 2026

<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	84,851	74.1%
Intermediate	1,196	1.0%
Social rented	28,504	24.9%
Total (ordinary housing)	114,552	100.0%
<i>plus specialist housing</i>	<i>1,526</i>	<i>-</i>
<i>Total (all housing)</i>	<i>116,078</i>	<i>-</i>

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 6.45 The table below shows the tenure profile required by households resident in the Borough in 16 years time under scenario C2 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.
- 6.46 The results show that 10,467 additional homes are required in the Borough over the next 16 years, 10.2% more than in scenario A2, and 6.0% more than scenario B2.
- 6.47 Additional jobs in this scenario are also reflected by the clear increase in the total requirement for market housing, by 35.1% over scenario A2, while the requirement for social rented housing has reduced by 17.8%. The table indicates that 62.8% of new dwellings should be market accommodation,

with 32.0% social rented properties. Intermediate housing is relatively unaffected by the employment scenarios, again making up about 5% of the total requirement.

<i>Tenure</i>	<i>Current tenure profile 2010</i>	<i>'Ideal' tenure profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
Market	78,577	84,851	+ 6,274	62.8%
Intermediate	671	1,196	+ 525	5.3%
Social rented	25,308	28,504	+ 3,196	32.0%
Total (ordinary)	104,556	114,552	+ 9,996	100.0%
<i>Specialist housing</i>	<i>1,055</i>	<i>1,526</i>	<i>+ 471</i>	-
<i>Total (all housing)</i>	<i>105,611</i>	<i>116,078</i>	<i>+ 10,467</i>	-

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Size of housing required within each tenure: Scenario C2

6.48 The table below presents the size of market accommodation required by households resident in the Borough in 16 years time under scenario C2 in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. There is substantially more requirement for three bedroom property in this scenario, making up 35.6% of the total compared to 28.2% in scenario A2. It is worth noting that combined with the total increase in market housing, the result is a requirement for 70.6% more new three bedroom dwellings than in scenario A2.

<i>Dwelling size</i>	<i>Current size profile 2010</i>	<i>'Ideal' size profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
One bedroom	3,637	3,889	+ 251	4.0%
Two bedroom	16,184	18,778	+ 2,594	41.3%
Three bedroom	47,354	49,586	+ 2,231	35.6%
Four bedroom or larger	11,401	12,599	+ 1,197	19.1%
Total	78,577	84,851	+ 6,274	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

6.49 This analysis can be repeated for affordable housing and is presented in the table below for scenario C2. The data shows very similar trends to scenario A2, although the requirement for three and four bedroom units is slightly greater, at 78.9% of the total compared to 72.4%.

Table 6.17 Scenario C2: Sizes of new affordable accommodation required				
<i>Dwelling size</i>	<i>Current size profile 2010</i>	<i>'Ideal' size profile 2026</i>	<i>Change required</i>	<i>% of new provision required</i>
One bedroom	6,356	6,496	+ 140	3.8%
Two bedroom	10,432	11,075	+ 644	17.3%
Three bedroom	8,793	10,352	+ 1,560	41.9%
Four bedroom or larger	399	1,777	+ 1,378	37.0%
Total	25,979	29,701	+ 3,722	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Implications for policy

- 6.50 These findings cannot be translated directly into housing targets. A number of other factors need to be taken into account, which are described in Chapter 8 of this report.

7. Additional analysis: particular groups

Introduction

7.1 This chapter of the report considers the housing need situation of a series of sub-groups of households of particular interest to the Council within Walsall.

Support needs households

7.2 Support needs households, for the purposes of this report, are defined as households containing one or more people likely to need support due to old age, or due to having a physical, mental or sensory impairment or disability. The table below shows the groups of support needs households measured by the survey, together with their estimated numbers in 2010 after the reweighting of the dataset.

7.3 Households were not assessed medically; the following data is based on households responding to the survey choosing to classify at least one of their members as being in one of the support needs categories listed on the survey form (and shown in the table below). Because a household can contain people with more than one support needs, adding up the total for each support need will not produce the total number of households with any support need.

7.4 As can be seen in the table below, 14.8% of all households in Walsall contain a person with a support need, with the largest group being those with a physical disability. Additional analysis reveals that 2.1% of households (2,205) contain more than one person with support needs, and 3.7% (3,933) of households contain a person with multiple support needs.

Table 7.1 Support needs households

<i>Support need type</i>	<i>Support needs households</i>	<i>% of Walsall households in this support needs group</i>
Physical disability	9,889	9.4%
Frail elderly	3,905	3.7%
Mental health problem	2,288	2.2%
Learning difficulty	1,715	1.6%
Severe sensory disability	1,582	1.5%
Vulnerable young people and children leaving care	88	0.1%
Other support need	1,616	1.5%
Any support need	15,363	14.8%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 7.5 For the remainder of this analysis, support needs households have been broken down into two groups: those containing people in the frail elderly group, and those not containing people in this group. This is because they show very different characteristics to other support needs groups, as can be seen in the table showing tenure groups below.
- 7.6 More than half of frail elderly households live in owner-occupation without a mortgage, whereas nearly half of households in other support needs groups are social renters. Both groups are more likely than average to live in social housing, and less likely to have a mortgage. Further analysis suggests that 23.6% of occupied social rented dwellings contain at least one person with a support need.

<i>Tenure</i>	<i>Frail elderly</i>		<i>Other support needs</i>		<i>All households</i>	
	<i>Number</i>	<i>% of group</i>	<i>Number</i>	<i>% of group</i>	<i>Number</i>	<i>% of total</i>
Owner-occupied (no mortgage)	2,047	52.4%	3,745	32.7%	35,236	33.4%
Owner-occupied (with mortgage)	293	7.5%	1,800	15.7%	34,980	33.1%
Social rented	1,206	30.9%	4,984	43.5%	26,210	24.8%
Private rented	358	9.2%	929	8.1%	9,185	8.7%
Any support need	3,905	100.0%	11,459	100.0%	105,611	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 7.7 The following table shows the location of the groups of support needs households. For support needs households which are not frail elderly, there is a clear east/west divide, with area partnerships 1 and 2 (the east, including Aldridge and Brownhills) containing relatively few households in this group. However, this does not hold true for frail elderly households, who tend to be found particularly in the east and in central Walsall, most likely due to the availability of services.

<i>Area partnership</i>	<i>Frail elderly</i>		<i>Other support needs</i>		<i>All households</i>
	<i>Number</i>	<i>% of area</i>	<i>Number</i>	<i>% of area</i>	<i>Number</i>
Area 1	621	4.2%	1,287	8.7%	14,811
Area 2	780	3.7%	1,879	8.8%	21,331
Area 3	418	1.9%	2,661	12.4%	21,458
Area 4	1,181	5.6%	2,446	11.5%	21,252
Area 5	282	2.6%	1,463	13.7%	10,662
Area 6	622	3.9%	1,722	10.7%	16,098
Total	3,905	3.7%	11,459	10.8%	105,611

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

7.8 The table below shows the situation in terms of income and savings for support needs households. Both groups have median income levels which are below the Borough average, although frail elderly households have above average savings.

Table 7.4 Support needs: financial situation (medians)		
<i>Need status</i>	<i>Income</i>	<i>Savings</i>
Frail elderly	£12,712	£3,918
Other support needs	£11,921	£1,716
All households	£18,997	£2,013

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

7.9 The table below shows housing need broken down for these two support needs groups. As can be seen, frail elderly support needs households are less likely to be in housing need than average, whereas those with other support needs are more likely than average to be in need. However, it should be noted that the standard housing need calculation does not take into account the special affordability problems associated with residential care, and so may understate the situation with regard to the needs of both these groups.

Table 7.5 Support needs: gross housing need			
<i>Need status</i>	<i>Number in housing need</i>	<i>% in housing need</i>	<i>% of total housing need</i>
Frail elderly	61	1.6%	1.9%
Other support needs	500	4.4%	15.3%
All households	3,271	3.1%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

7.10 There are also a variety of other ways in which support needs households typically require housing-related support beyond simple housing need, typically for adaptations and services to the home. Data on these was gathered in the survey. However, due to the time that has elapsed since the original survey, and the reweighting process being unable to take into account changes in service provision since that time (e.g. new or improved schemes to provide support needs adaptations such as stairlifts), it would be inappropriate to update this information to 2010.

Older person households

7.11 Older person households, for the purposes of this report, are defined as households containing one or more people of pensionable age (65 for men, 60 for women). The table below shows the groups of support needs households measured by the survey, together with their estimated numbers in 2010 after the reweighting of the dataset.

Table 7.6 Older person households		
<i>Age group</i>	<i>Number of households</i>	<i>% of Walsall households in this group</i>
No older people	68,252	64.6%
Some older people	9,301	8.8%
Only older people	28,057	26.6%
Total	105,611	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 7.12 The table below shows the tenure grouping of older person only households. Nearly two thirds of such households live in owner-occupation without a mortgage, with most of the remainder in social housing. They make up more than half of all owner-occupiers without a mortgage, but just 14.5% of the private rented sector.

Table 7.7 Older person households: tenure					
<i>Tenure</i>	<i>Older persons only</i>	<i>Other households</i>	<i>Total households</i>	<i>% with older persons</i>	<i>% of older person households</i>
Owner-occupied (no mortgage)	18,506	16,730	35,236	52.5%	66.0%
Owner-occupied (with mortgage)	1,005	33,975	34,980	2.9%	3.6%
Social rented	7,213	18,997	26,210	27.5%	25.7%
Private rented	1,332	7,852	9,185	14.5%	4.7%
Total	28,057	77,554	105,611	26.6%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)



- 7.13 Older person households are distributed fairly evenly across the Borough, although relatively few live in area 5 (wider Darlaston area) and more than average in Area 2 (wider Aldridge / Streetly area).

Table 7.8 Older person households: area partnership					
<i>Area partnership</i>	<i>Older persons only</i>	<i>Other households</i>	<i>Total households</i>	<i>% with older persons</i>	<i>% of older person households</i>
Area 1	3,537	11,274	14,811	23.9%	12.6%
Area 2	7,365	13,965	21,331	34.5%	26.3%
Area 3	5,477	15,982	21,458	25.5%	19.5%
Area 4	5,342	15,910	21,252	25.1%	19.0%
Area 5	2,233	8,428	10,662	20.9%	8.0%
Area 6	4,104	11,994	16,098	25.5%	14.6%
Total	28,057	77,554	105,611	26.6%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

7.14 The table below repeats the analysis of overcrowding found in Chapter 3, but for older person households only. This shows very few overcrowded households (just 0.2%), but a large amount of under-occupation, indicating significant scope for the reduction of under-occupation, releasing family housing for other households.

Number of bedrooms required	Number of bedrooms in home				Total
	1	2	3	4+	
1 bedroom	4,169	8,170	13,787	1,392	27,518
2 bedrooms	58	254	153	75	539
3 bedrooms	0	0	0	0	0
4+ bedrooms	0	0	0	0	0
Total	4,227	8,424	13,940	1,466	28,057

KEY:  Overcrowded households  Under-occupied* households
 * under-occupied refers to households with two or more bedrooms in excess of the bedroom standard

n.b. The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – e.g. they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but be currently occupying a four bedroom property

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

7.15 However, further investigation reveals that although 12.5% of this under-occupation (amounting to 1,906 dwellings) occurs in the social rented sector, 84.5% (or 12,885 dwellings) occurs in the owner-occupied sector. While there are considerable gains in theory from reducing under-occupation among older people, this would be difficult to achieve outside the social rented sector.

7.16 Whilst the provision of suitable small housing units might attract older people looking to downsize, it should be remembered that this group may be resistant to moving for a variety of reasons.

7.17 The table below shows the situation in terms of income and savings for older person households. As might be expected, such households have high levels of savings, but relatively low incomes.

Need status	Income	Savings
Older person only	£9,355	£4,785
Other households	£25,424	£1,538
All households	£18,997	£2,013

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 7.18 Older person households are particularly unlikely to be in housing need, with just 1.0% of housing need arising from this group, as might be expected given the high proportion of such households owning their own homes. However, those that are in housing need represent an important group, since they are likely to find it more difficult to cope with the insecurity of tenure in the private rented sector, and the consequent difficulty providing adaptations for the frail elderly should they become necessary.

Table 7.11 Older person households: gross housing need			
<i>Need status</i>	<i>Number in housing need</i>	<i>% in housing need</i>	<i>% of total housing need</i>
Older person	276	1.0%	8.4%
Other households	2,995	3.9%	91.6%
All households	3,271	3.1%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

BME Groups

- 7.19 The table below shows the estimated proportions of various ethnic groups in the dataset. Some ethnic groups have been combined in order to provide more statistically significant results. Nevertheless, results in this section should be treated with caution.

Table 7.12 BME households		
<i>Age group</i>	<i>Number of households</i>	<i>% of Walsall households in this group</i>
White British	92,236	87.3%
Asian	7,722	7.3%
Black	2,375	2.2%
Other*	3,278	3.1%
Total	105,611	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010) * includes White Other, Mixed and Chinese

- 7.20 The table below shows the tenure grouping of BME households. As can be seen, while most BME households own their own homes (66.0%), they are more likely than average to live in the private rented sector, occupying 21.9% of dwellings in this sector despite making up only 12.7% of the population. They are relatively unlikely to live in social housing, with only 18.9% of BME households in this tenure compared to 25.7% of White British households.

Table 7.13 BME households: tenure

<i>Tenure</i>	<i>BME households</i>	<i>White British</i>	<i>Total households</i>	<i>% in BME group</i>	<i>% of BME households</i>
Owner-occupied (no mortgage)	3,508	31,728	35,236	10.0%	26.2%
Owner-occupied (with mortgage)	5,326	29,654	34,980	15.2%	39.8%
Social rented	2,529	23,681	26,210	9.6%	18.9%
Private rented	2,012	7,173	9,185	21.9%	15.0%
Total	13,375	92,236	105,611	12.7%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 7.21 As the table below shows, more than half of BME households (51.6%) live in area partnership 4, which includes the central part of Walsall, where BME households make up 32.5% of the population. Very few live in area partnerships 1 and 2, which cover the east of the Borough.

Table 7.14 BME households: area partnership

<i>Area partnership</i>	<i>BME households</i>	<i>White British</i>	<i>Total households</i>	<i>% in BME group</i>	<i>% of BME households</i>
Area 1	810	14,001	14,811	5.5%	6.1%
Area 2	928	20,403	21,331	4.3%	6.9%
Area 3	2,162	19,296	21,458	10.1%	16.2%
Area 4	6,901	14,351	21,252	32.5%	51.6%
Area 5	1,356	9,306	10,662	12.7%	10.1%
Area 6	1,218	14,880	16,098	7.6%	9.1%
Total	13,375	92,236	105,611	12.7%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 7.22 The table below shows the situation in terms of income and savings for BME person households. At first glance, all groups of BME households appear to have higher incomes compared to White British households, although lower savings.
- 7.23 However, when the larger average size of BME households is taken into account, this advantage disappears for all but the 'Other' group (including White Other, Mixed and Chinese), with incomes and savings per head among both Black and Asian households being significantly lower than the Borough-wide averages.

Table 7.15 BME households: financial situation (medians)

<i>Need status</i>	<i>Income</i>	<i>(per head)</i>	<i>Savings</i>	<i>(per head)</i>
White British	£18,375	£9,155	£2,107	£958
Asian	£22,287	£6,189	£1,243	£315
Black	£23,201	£7,544	£1,154	£254
Other	£22,233	£9,764	£1,910	£791
Total	£18,997	£8,948	£2,013	£820

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

7.24 This lower level of overall incomes may be part of the cause of the higher levels of housing need found among BME groups, which are shown in the table below. BME groups account for a total of 34.0% of all housing need in Walsall, despite making up only 12.7% of the total population.

Table 7.16 BME households: gross housing need

<i>Need status</i>	<i>Number in housing need</i>	<i>% in housing need</i>	<i>% of total housing need</i>
White British	2,192	2.4%	67.0%
Asian	440	5.7%	13.5%
Black	261	11.0%	8.0%
Other groups	377	11.5%	11.5%
All households	3,271	3.1%	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

8. Housing targets

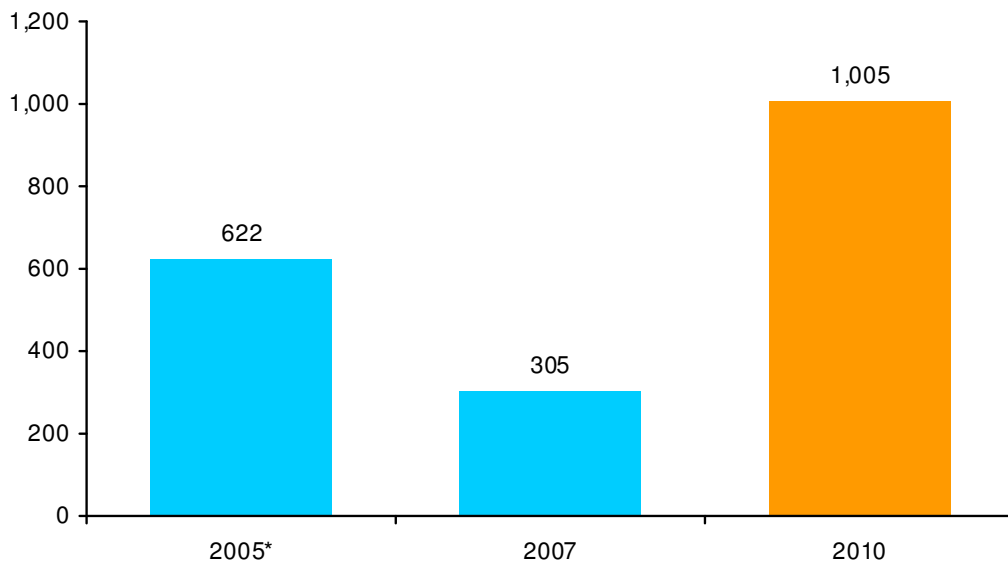
Introduction

8.1 In this chapter we review the outputs of the 2005 and 2007 reports, and compare them to the situation in 2010, to arrive at some suggestions for policy.

Housing need

8.2 The concept and method of measuring 'housing need' is defined by CLG Guidance. It is a snapshot assessment, providing information about a particular point in time.

Figure 8.1 Net housing need outputs: 2005 to 2010



Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

* measured under earlier Guidance methodology

8.3 As can be seen, the level of housing need is higher than in either 2005 or 2007. Analysis in Chapter 5 shows that this primarily reflects increased difficulty in buying and renting among newly forming households. This clearly suggests that there is substantial need for affordable housing in Walsall, and that this has increased since 2007.

8.4 However, a requirement for 1,005 new affordable dwellings per annum does not represent practical policy. The ONS demographic projections (2008 base) predict an increase in population of about 831 households per annum over the next 16 years. Building 1,005 new affordable dwellings each year would therefore exceed the total rate of household increase, leading to either population increase through migration or empty dwellings.

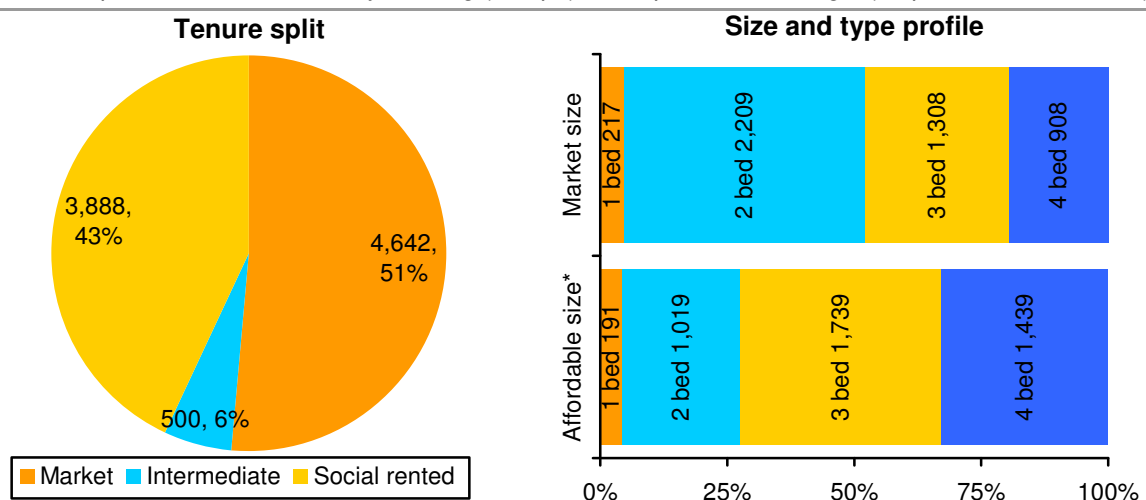
- 8.5 This difficulty is due mainly to the aspiration contained in the CLG model to end all housing need within five years. It also includes the assumption that the only method of meeting need is to build new social housing or intermediate housing. This would require radical change in the composition of the housing stock, with much more affordable housing. Since only a small amount of newbuild housing is developed each year, making huge changes to the stock only by building new houses requires very rapid total build rates.
- 8.6 Clearly building 1,005 additional new affordable dwellings each year is not a practical goal in the current circumstances, but it does underscore that there is a considerable level of housing need in Walsall, with about 10.5% of households (11,021) considered to be living in unsuitable housing by CLG standards.

Long term balancing housing market model: outputs

- 8.7 As part of this update report, we have also carried out a long term balancing housing market model on the updated Walsall household survey dataset. This is detailed in Chapter 6, and provides a longer term view of the housing market, including both market and affordable housing in the same model, with the aim of tailoring housing to meet local needs over the long term.
- 8.8 In this case the model was run over a 16 year period (2010 – 2026), using three different basic employment scenarios, each assuming a different level of new employment generation. Assuming that the employment generated was targeted at a mixture of local unemployed people and new households moving into the area, the requirements in terms of total newbuild are shown in the charts below.

Figure 8.2 Profile of additional accommodation required: Scenario A2 (+500 jobs)

Total requirement: 9,030 ordinary housing (564 pa), 469 specialist housing** (29 pa, not shown below)

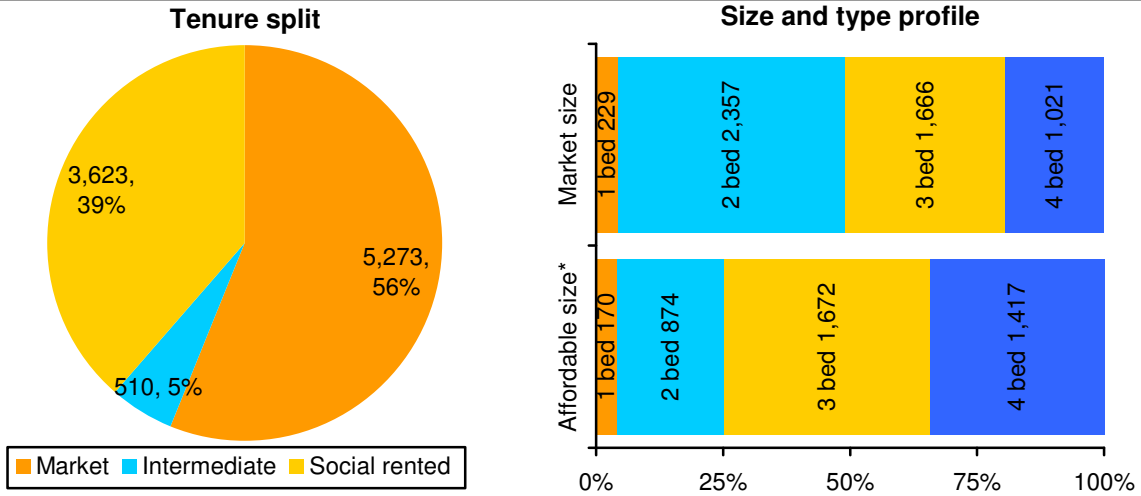


* includes both social rent and intermediate housing ** includes all types of specialist and supported housing

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Figure 8.3 Profile of additional accommodation required: Scenario B2 (+2,600 jobs)

Total requirement: 9,405 ordinary housing (588 pa), 470 specialist housing** (29 pa, not shown below)

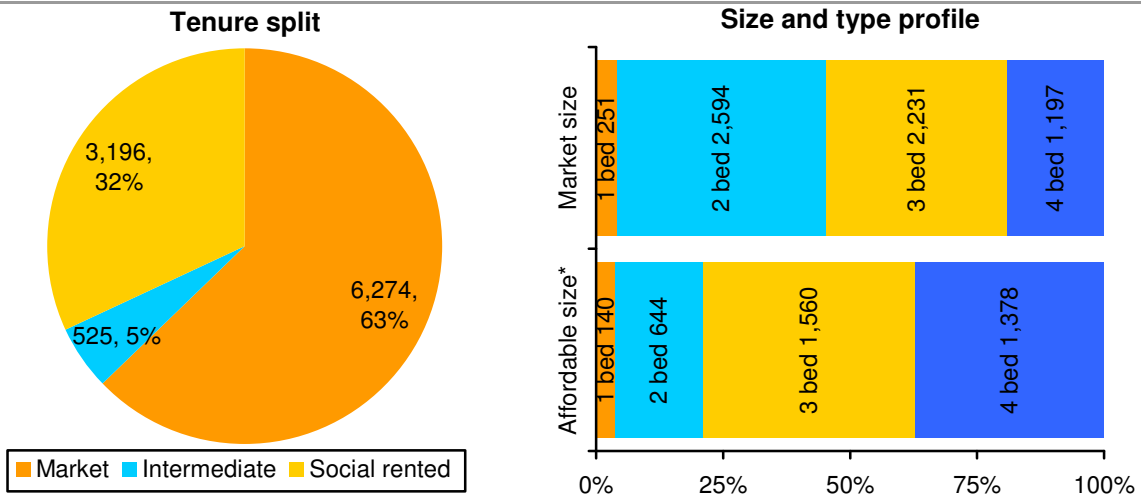


* includes both social rent and intermediate housing ** includes all types of specialist and supported housing

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Figure 8.4 Profile of additional accommodation required: Scenario C2 (+5,900 jobs)

Total requirement: 9,996 ordinary housing (625 pa), 471 specialist housing** (29 pa, not shown below)



* includes both social rent and intermediate housing ** includes all types of specialist and supported housing

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

8.9 The impact of employment on housing requirements can clearly be seen, not only in the overall requirement for newbuild housing, which increases by 11% in the high employment scenario, but also in the distribution of tenures and sizes of housing within the requirement. For example, 71% more three bedroom market housing is required in the high employment scenario (C2) than in the low employment scenario (A2), while the requirement for one bedroom affordable housing falls by 27%.

- 8.10 Overall, the model suggests that targets for total newbuild of housing could range between 564 and 625 units per annum for ordinary housing, with an additional 29 or so units of specialist housing (i.e. housing for people requiring some form of support, including for example frail elderly households and disabled people).
- 8.11 Within this, the model suggests between 37% and 49% of new housing could be of an affordable tenure (social rented or intermediate), depending on the level of economic improvement. Within this, between 12 or 15% of all affordable housing could be of an intermediate tenure (e.g. intermediate rent or shared ownership).
- 8.12 However, there are other issues that need to be considered. Firstly, the model is aiming to reduce housing need to zero over the full length of the model (16 years). In theory a faster rate of building affordable housing could be justified to meet housing need more quickly. This is especially true for four bedroom affordable dwellings, where the requirement is very large in comparison to the current stock.
- 8.13 Secondly, the models here are both based upon a standard affordability test suggested in CLG Guidance, which states that 25% of gross income (not net) is the maximum that should be spent on housing. This is perhaps a reasonable assumption for households with children (who account for 80.2% of gross housing need in Walsall, according to the updated survey dataset), but could be considered overly generous toward low income working households with fewer expenses, such as single households or couples without children.

Practical implications: viability

- 8.14 Although the long term BHM is more realistic than the CLG model in terms of the production of affordable housing, the results still suggest that the economic viability of building affordable housing is still likely to be the limiting factor in providing new affordable housing in Walsall, rather than need for affordable housing.
- 8.15 The outputs of this report suggest that it would be difficult for an oversupply of affordable housing to occur, unless a disproportionate number of new one bedroom units were built. Logically, therefore, the maximum proportion of affordable housing economically viable should be constructed. The Inspectors' Report into the Examination of the Black Country Core Strategy states that:

“The [JCS Sample Sites] viability study shows, to our satisfaction, that under more normal housing market conditions than prevailing over the last two years or so, 25% [affordable housing] would be generally achievable by private developers.”

- 8.16 The outputs of the long term BHM model have therefore been adjusted to fit a 25% target for affordable housing delivery.

Alternatives

- 8.17 In the current framework, where affordable housing is primarily provided and funded as part of new market housing developments, there are two ways of increasing the supply of affordable housing. One would be to build more new market housing. Although this would be in excess of requirements for market housing generated in Walsall, it could be justified on the grounds of catering to commuters working outside Walsall. This would reduce the proportion of affordable housing required on any one development in order to deliver the same total number of units. However, this requires an area near to Walsall where demand comfortably exceeds supply. The likely market for such commuter-targeted housing is difficult to assess without survey data being readily available for these areas.
- 8.18 It seems more likely that some of the need for affordable housing in at least the short to medium term will be met through the provision of Local Housing Allowance to support households to afford private rented housing. This approach does have drawbacks; private rented housing does not offer the security of tenure found in the social rented sector, and creates long term ongoing costs in terms of benefit payments.
- 8.19 Importantly, where households are awarded Local Housing Allowance (LHA), this will not cause the requirement for a new dwelling to disappear, but shift from the social rented sector into the market sector.

Final PPS3 outputs

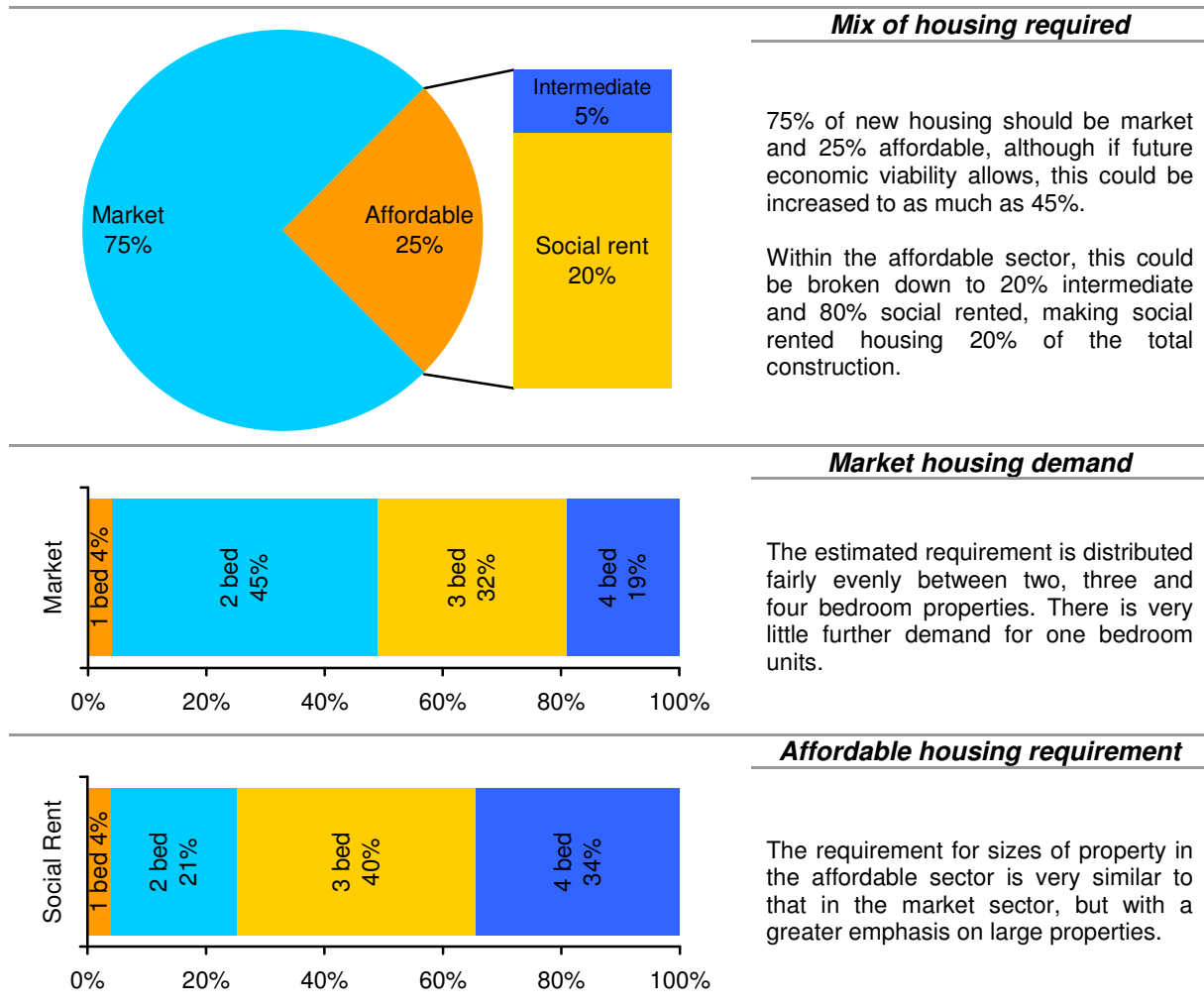
- 8.20 The table below shows the changes in the total housing requirement caused by assuming that 49.1% of the requirement for affordable housing will be met through LHA (if awarded) in the market sector.
- 8.21 The total requirement for specialist housing (1,525 units) remains unaffected. In addition, the requirement for intermediate housing likewise remains at 510 units (included in the affordable housing element). This is because this type of housing is more economically viable to provide, and therefore it makes sense to concentrate LHA on those households in need of social rented housing.

Table 8.1 LHA: reallocation of housing requirements from Scenario B2			
<i>Tenure</i>	<i>Before reallocation</i>	<i>After reallocation</i>	<i>New % of total</i>
Market	+ 5,273	+ 7,051	75.0%
Intermediate	+ 510	+ 510	5.4%
Social rented	+ 3,623	+ 1,844	19.6%
Total	+ 9,405	+ 9,405	100.0%

Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

- 8.22 Finally, the charts below show the breakdown of the requirement for housing by size and type in Walsall, as required by PPS3.
- 8.23 It is important to note again that should economic viability improve, the proportion of affordable housing could justifiably be increased beyond 25%. In that case the proportion of intermediate housing would revert to that shown in scenario B2 above (12% of affordable housing or 5% of all housing).

**Figure 8.5 Estimated PPS3 outputs, Walsall
(housing requirements, based on Scenario B2)**



Source: 2010 update of 2005 Walsall Housing Needs Survey, Fordham Research (2010)

Interpreting the figures

- 8.24 Firstly it is important to be clear what the outputs represent. They are based primarily on the long term BHM model, which does not take into account vacant homes. Therefore vacant homes successfully brought back into use will can be counted effectively as newbuild, going toward meeting the targets above. In addition, the figures do not take into account proposed new developments that are not occupied as of November 2010. Any new development occupied after this will also count toward these targets, even if already planned or built.

- 8.25 Most importantly, the outputs above also do not dictate policy, but inform it. This report is designed to show a pathway toward a housing market where the dwellings available are balanced equally to the needs and demands of all households. However, policy makers need not always take this route. For example, councils may choose to prioritise the provision of larger social housing on the grounds of prioritising families with children at a time when provision of affordable housing is increasingly difficult, or indeed might choose to follow the results from a different economic scenario than that suggested here.
- 8.26 It would also be possible to justify a lower or higher total rate of newbuild in the short term, due to short term constraints or priorities. As mentioned earlier, providing additional market housing that caters to requirements unable to be met in other local authority areas (where for example there is a shortage of building land) could also be justified. Although the suggestions above provide what we believe is the best long term pathway to market balance, it is important to remember that there is no single 'correct answer' to the question of how to best meet housing need and foster a healthy housing market in Walsall.

Glossary

Affordability

Affordability (or ability to afford) is a measure of whether households can access and sustain the cost of private sector housing. This can be assessed via mortgage or rental costs. Mortgage affordability is based on conditions set by mortgage lenders, usually using a standard mortgage multiplier of 3.5 times income. Rental affordability is defined as the total weekly outlay less than 25% of the household's gross weekly income, although this percentage may be varied.

Affordable housing

Affordable housing includes both social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below that of housing typically available in the open market and should be available at a sub-market price in perpetuity. This may include some Shared Ownership housing, but such schemes are not by definition affordable, since their overall cost to the purchaser is frequently above market entry level.

There is an ambiguity in PPS3; intermediate housing is defined as being 'below market price or rents', while 'affordable housing' is defined with reference to 'local house prices'. In principle, however, the Guidance defines affordable housing as being targeted at those households 'whose needs are not met by the market', and rationally speaking, this would suggest that all affordable and intermediate housing should be below the overall market entry level, including private rent.

Annual need

The combination of the net future need plus an allowance to deal progressively with part of the net current need (the backlog of need).

Average

The term 'average' when used in this report is taken to be a mean value unless otherwise stated.

Bedroom standard

The bedroom standard is that used by the ONS General Household Survey, and is calculated as follows: a separate bedroom is allocated to each cohabiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A household that currently lives within another household, but which has a preference to live independently.

Current need

Households in current need are those whose current housing circumstances fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Demand

This refers to market demand for housing, rather than simply aspirations. For the purposes of this study, a household is only considered able to create demand for housing if they have both the aspiration to buy or rent that type of housing and the financial capacity to do so.

Financial capacity

This is defined as 3.5 times household income, plus savings and equity (the value of the property owned by owner-occupiers, typically the family home, net of mortgage). This provides an indication of the amount which the household concerned could afford to pay for housing.

Grossing up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

Household

A household is defined as either one person living alone, or a group of people who have the address as their only or main residence, and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay.

Housing need

A household in housing need is defined as a household that lacks their own housing or lives in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing Register

A database of all individuals or households who have applied to a local authority or an RSL for a social tenancy or for access to some other form of affordable housing. Housing Registers, often called waiting lists, may include not only people with general needs but people with support needs or requiring access because of special circumstances, including homelessness.

Housing type

Refers to the physical built form of a dwelling, for example, a flat or a terraced house.

Income

The term 'income' can be taken to refer to gross household income exclusive of any housing-related benefits (but inclusive of all other benefits, pensions, dividends etc.) unless otherwise qualified.

Intermediate housing

PPS3 defines intermediate housing as '*housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products, other low cost homes for sale and intermediate rent.*' It should be noted, however, that a shared equity product (such as Low Cost Home Ownership) does not automatically become intermediate housing since it is possible for the cost of that product to be higher than entry level market rent.

Key workers

Nationally, key workers are usually defined as individuals in specific occupations considered critical for the smooth running of local infrastructure. Usually these are public sector workers, especially those in the emergency services, although there is no standard or universally agreed definition.

Lower quartile

The value below which one quarter of the cases in question fall. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive available in an area.

Mean

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

Median

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

Migration

The movement of people between geographical areas, usually measured as an annual number of households, living in one area at a point in time, who were not resident in that area one year earlier.

Net need

The difference between gross need and the expected supply of available affordable housing units (e.g. from the turnover of existing dwellings).

Newly arising need

Need generated by new households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing, taken together with need generated by other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Overcrowding

An overcrowded dwelling for the purposes of this study is one which has fewer rooms than are required for the occupants according to the Bedroom Standard (see above).

Primary data

Information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) carried out for this study.

Random sample

A sample in which each member of the population has an equal chance of selection.

Re-lets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Rounding error

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added the total may come to 2012. This is quite normal and is a result of the method of calculation; results are weighted to fit the estimated population and therefore an individual response to the survey will not normally be taken to represent an exact number of whole households. The usual practice is to use the stated total (in the above case 2011) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding after all the fractions are taken fully into account.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Secondary data

Existing information that has been collected for a different study or different purpose. For example, data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, Annual Business Enquiry).

SHMA (Strategic Housing Market Assessment)

The term SHMA derives from Government Guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

Social rented housing

PPS3 defines social rented housing as '*rented housing owned by local authorities and Registered Social Landlords, for which guideline target rents are determined through the national rent regime, the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.*'

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

Specialised housing

Refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Support needs

Relating to people who have specific additional housing needs, for example associated with a disability or long term illness.

Under-occupation

An under-occupied dwelling, for the purposes of this report, is one which exceeds the number of bedrooms required for the household according to the Bedroom Standard (see above) by two or more bedrooms.

Unsuitable housing

Housing inhabited by a household for which it is deemed unsuitable due to a set of fixed criteria taking into account its size, type, design, location, condition or cost. An individual household can have more than one reason for being in unsuitable housing. A household in unsuitable housing is not considered to be in housing need unless it is also found to be unable to afford suitable housing in the market either to buy or to rent.