



North Warwickshire
Borough Council



Coventry City Council



WEST MIDLANDS C2 HOUSING MARKET AREA

STRATEGIC HOUSING MARKET ASSESSMENT 2008

FINAL REPORT

April 2008



WEST MIDLANDS C2 HOUSING MARKET AREA

STRATEGIC HOUSING MARKET ASSESSMENT

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FOREWORD

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EXECUTIVE SUMMARY

APPROACH

1. In July 2007, the C2 Housing Market Area Strategic Group (encompassing Coventry, Rugby, North Warwickshire and Nuneaton & Bedworth Councils) commissioned **Outside** to undertake a comprehensive Strategic Housing Market Assessment. The study comprises two separate Stages:
 - **Stage One** - collation of key information and data by staff of the authorities and partner organisations in the C2 sub-region
 - **Stage Two** - to provide advice, to undertake analysis and to produce an analytical written report
2. The Strategic Housing Market Assessment provides a detailed sub-regional market analysis of housing demand and housing need, identifying the key drivers in the C2 Housing market area. In addition it provides a robust evidence base for current and future requirements in terms of market and affordable housing to inform local policies and strategies.
3. The Strategic Housing Market Assessment methodology relies on the collation and analysis of a wide range of secondary data and relevant literature alongside qualitative inputs from stakeholders in the Housing Market Area.
4. The Assessment has been conducted within the framework of *PPS3: Housing* and the *Strategic Housing Market Assessment Practice Guidance*. In addition it has taken account of the Housing Green Paper, Regional Housing Strategy, Regional Spatial Strategy, West Midlands Economic Strategy and the agenda for New Growth Points.

DEMOGRAPHIC & ECONOMIC CONTEXT

5. The Central HMA, with a total population of around 3,348,000, contains 64% of the West Midlands region population. Within the Central HMA, C2 HMA has a population of around 579,800; 10.8% of the West Midlands.
6. Between 1991 and 2001 the population of the C2 HMA grew slightly by 0.7%, driven primarily by natural change in the sub-region. Since 2001 all four districts have experienced population growth and overall the C2 HMA has seen population growth of 1.5% (almost equal to the West Midlands as a whole), fuelled in part by positive net migration. Coventry has grown such that its population is now 0.9% higher than in 1991. North

Warwickshire, Nuneaton & Bedworth and Rugby are also experiencing relatively rapid growth. Rugby's population in 2006 was 6.1% larger than in 1991, with significant natural change and growth fuelled by in-migration.

7. In terms of migration flows Coventry has significant ties beyond the West Midlands, most notably to London, from where it gains population. However, the city loses population in significant numbers to Warwick, Nuneaton & Bedworth and Rugby. North Warwickshire's pull is fairly localised in comparison, reflecting its size and its rural nature. In-migration comes from Birmingham, Tamworth, Nuneaton & Bedworth and Solihull and net gains are also made from Coventry. In terms of in-migration, one could say that Coventry dominates population growth in Nuneaton & Bedworth; this dwarves the growth from North Warwickshire, the East Midlands and Birmingham. Rugby has ties across the West and East Midlands, setting it in its own market on this analysis. Rugby makes both population gains and losses to some parts of the East Midlands and significant gains from Coventry, Warwick, Nuneaton & Bedworth, Stratford-on-Avon and Birmingham.
8. In terms of tenure, owner occupation is significantly higher in the less urban districts: Nuneaton & Bedworth (77.1%), Rugby (76.6%) and North Warwickshire (75.4%). The proportion of households in social rented housing is comparatively highest in Coventry (18.2%) and slightly lower in North Warwickshire (15.6%), with the lowest proportion in Rugby (14.5%). The proportion of households in private rented housing ranges from 12.6% in Coventry to 7.5% in Nuneaton & Bedworth.
9. In terms of the age profile of the population, Coventry and Nuneaton & Bedworth have the highest proportions of 0-14 year olds. Overall Coventry has a much younger age profile than the other three districts with half (49.7%) of the population under 34, compared to 42.7% in North Warwickshire, 45.1% in Nuneaton & Bedworth and 43.4% in Rugby. Furthermore, North Warwickshire, Nuneaton & Bedworth and Rugby all have a smaller proportion of 20-34 than the West Midlands and England & Wales averages. This would suggest greater pressure for starter homes in Coventry than elsewhere.
10. In contrast, North Warwickshire, Nuneaton & Bedworth and Rugby have greater proportions of 35-49 year olds. This coupled with the high proportions of 0-14 year olds in Nuneaton & Bedworth would suggest greater demand for family housing in this area.
11. Coventry, North Warwickshire and Nuneaton & Bedworth have fewer people 65 and over than in the West Midlands or England & Wales. However, in Rugby the proportion of over 65s is much higher than its C2 partners and above the regional and national averages.

12. The relatively older population profile of Rugby growth combined with demographic trends towards the ageing of the general population, has potential implications for future accommodation such as:
 - Increased requirements for support to enable older people to stay at home
 - Increased need for specialised accommodation for older people
 - Under occupancy of larger stock, creating a potential blockage in the market which may force younger families to leave the area
13. The black and minority ethnic population is significantly larger in Coventry than in the other areas. This population has been characterised as highly segregated, running in a north-eastwards direction across the city centre. The proportion of Asian population runs from 11.3% in Coventry to 0.5% in North Warwickshire.
14. The proportions of BME groups in the 2001 Census do not necessarily reflect some significant aspects of new patterns of increase. A challenge for understanding the impact of the BME population is that growth is partly made up of migrant workers, asylum seekers and refugees for whom numbers are not easily available.
15. In terms of international migration, there has been significant growth in population from A8 accessions states. Although nationally 25.9% of overseas nationals receiving NI numbers were from Poland, the proportion from Poland was much higher than this in all four districts. Proportions were highest in North Warwickshire (57.9%); Rugby (46.5%); Nuneaton & Bedworth (45.3%) and Coventry (32.1%).
16. Research elsewhere in the West Midlands has shown that new arrivals tend towards employment in jobs that are low paid, casual and temporary, which has consequent implications for the type of housing they take up and its location. Often they find themselves in poorly maintained private rented homes, HMOs and even caravans. This will impact upon their decisions about when and where to establish longer term homes should their families be with them or be planning to join them.
17. The spatial patterning of economic activity in the West Midlands has been described as shifting away from Birmingham to a 'belt' encircling the conurbation. The city of Coventry has been described as a centre with its own economic linkages and dependent commuters, while Rugby is also an important though smaller economic centre, and a net importer of employment.
18. The C2 HMA includes the former coalfield area of North Warwickshire, where the mining industry declined leaving only one working pit, and the districts of Nuneaton, Rugby and

Coventry, where a higher degree of choice than elsewhere is provided for low-income families, while there is a challenge of attracting and retaining higher income groups and developing more expensive aspirational housing in the city.

19. Coventry has the highest proportion of those people aged 50 and over claiming benefits (27%) and the highest proportion of those people aged 25-49 claiming benefits (17%). Nuneaton & Bedworth also has a high proportion of people aged over 50 claiming benefits (23%).
20. There is a big difference between lower quartile earnings in Coventry and the other three authorities in the C2 HMA. In North Warwickshire, Nuneaton & Bedworth and Rugby lower quartile earnings have increased by well over 20% and above the West Midlands and England and Wales increases, whilst Coventry lower quartile incomes have gone up by just 7.3%. Changes in median incomes are more even over the time period, with all four C2 districts showing increases above the West Midlands and England and Wales levels.

HOUSING STOCK

21. Rugby has the lowest percentage of social housing stock in the C2 Housing Market Area with 12.7%. The three districts of North Warwickshire, Rugby and Nuneaton & Bedworth have a lower percentage of social housing stock compared to the C2 HMA average of 16.0%. Coventry, an urban area, has the highest percentage with 17.8% RSL stock.
22. All of the districts in the C2 Housing Market Area except Coventry have a higher percentage of owner occupied accommodation than the regional or national averages of 69.6% and 68.7% respectively. Nuneaton & Bedworth has the highest proportion of owner occupied property with 77.1%.
23. There has been a decrease in social rented housing in three districts over the last six years. The proportion of private rented accommodation in Coventry, 12.6%, is higher than the regional average of 9.8% and the national average of 12.0%. Nuneaton & Bedworth has the lowest percentage of private rented accommodation with 7.5% of housing stock.
24. The predominant dwelling type in three of the districts of the C2 Housing Market Area is semi-detached housing with North Warwickshire 40.0%, Nuneaton & Bedworth 38.6% and Rugby 35.5%. However the predominant type of housing in Coventry is terraced, with almost half the dwelling stock, 47.4%, terraced property. The highest percentage of flats is in Coventry, 15.4%, whereas North Warwickshire has only 7.4%.

25. 34.2% of dwellings in C2 HMA have three bedrooms in compared to the regional average of 29.9%.

THE ACTIVE MARKET

26. The cost of housing for sale varies considerably across the C2 HMA. The highest overall mean price is in Rugby at £181,903, more than £42,000 higher than the lowest mean price in Nuneaton & Bedworth.
27. Prices of detached homes in some of the HMAs' rural wards are acting independently of the rest of the area. This is particularly true of areas bordering the West Midlands higher priced zones that include Solihull and Stratford-on-Avon. Prices in Rugby and North Warwickshire are converging although they differ in character as much as they converge; apart from which they do not share a common border. They are not part of the same housing market. Prices in Nuneaton & Bedworth are significantly lower than elsewhere in all housing types and across all wards, with prices occupying a narrower range than elsewhere. Coventry's house prices range from the highest in the south and west of the city (bordering Warwick and Solihull) to the lowest being in the inner city with low levels of owner occupation.
28. Between 2002 and 2006, overall house prices have grown fastest in Coventry (61.0%) than elsewhere and above the West Midlands average. In North Warwickshire, Nuneaton & Bedworth and Rugby the growth in price has been led by flats/apartments whereas in Coventry it has been terraces and semi-detached prices that have dominated. Flats/apartments in Rugby and Coventry are similarly priced on average, whereas in North Warwickshire they cost up to £10,000 more and in Nuneaton & Bedworth £10,000 less.
29. it is clear that across the C2 HMA that prices for all property types have increased substantially since 2001/2, but that since 2005 price growth has slowed down. The relative price of smaller properties in cheaper areas has risen the most which has implications for those entering the housing market for the first time; this will place increased pressure on affordability in these areas and reduce the supply of affordable housing in the market.
30. Renting all dwellings, but particularly smaller dwellings, is considerably more costly in the private sector than in the RSL sector. Private rents in Coventry are higher than all the other areas, which is surprising as it is not the highest house price area. This would suggest that in Coventry demand in the private rented sector is much stronger than in the owner occupied sector and is resulting in rents that are outstripping its neighbours.

31. Figures for 2006 place the average weekly local authority rents in North Warwickshire as £53.14, in Nuneaton & Bedworth as £50.04 and in Rugby as £55.14. All three are below the national average of £57.01; Rugby and North Warwickshire are above the West Midlands average of £52.82.
32. With the exception of Coventry, the average RSL rent was higher in the C2 HMA than in the West Midlands; Nuneaton & Bedworth and Rugby were above the England average also. LSVT in Coventry pushed RSL rents below the regional average and they remain below still.
33. In all areas and across the C2 HMA lower quartile prices have risen more steeply than the mean and the median price. This is felt most acutely in small property types such as terraces and flats and in the cheaper house price zones of Coventry and Nuneaton & Bedworth.
34. Lower quartile prices vary across the four areas of the C2 HMA with Rugby being £22,500 higher than Nuneaton & Bedworth. There appears to be some confluence between Coventry and Nuneaton & Bedworth, whereas the geographical divide between North Warwickshire and Rugby would imply that the price convergence is not the result of a shared market. The overall HMA lower quartile price is below that for the West Midlands.

Lower quartile house prices 2006		
	Price (£)	Index (C2 HMA = 100)
Coventry	£101,500.00	94.9
North Warwickshire	£118,000.00	110.3
Nuneaton & Bedworth	£100,000.00	93.5
Rugby	£122,500.00	114.5
C2 (WM) HMA	£106,941.21	100.0
West Midlands	£110,000.00	102.9

35. The gross annual income required by a single income household to purchase an entry-level dwelling ranges from £34,483 in Nuneaton & Bedworth to £40,690 in North Warwickshire. The proportion unable to afford entry-level dwelling is 57.3% in Coventry, 66.0% in North Warwickshire, 56.4% in Nuneaton & Bedworth and 68.3% in Rugby.
36. The ratio of lower quartile incomes to lower quartile house prices is a good proxy for affordability issues. The ratio is currently highest in Rugby (1:7.1). Nuneaton & Bedworth and North Warwickshire are similar (1:6.4 and 1:6.5 respectively) and Coventry is somewhat lower (1:5.8). The ratio has grown since 1997 by 144.8% in Rugby from the lowest ratio

(i.e. the “most” affordable) in the HMA (1:2.9) in 1997 to the highest (1:7.1). In comparison North Warwickshire has only changed by 62.6%.

37. **Private rents are much more affordable** in the C2 HMA than owner occupation. As there is far less variation in private rents for a 2 bed property than in house prices the income required ranges from £20,157 (Nuneaton & Bedworth) to £20,030 (Rugby).

THE FUTURE HOUSING MARKET

38. The growth of population and households in the West Midlands is considered first as “unconstrained” (figures that derive from household-based projections produced by the Office of National Statistics) and second as policy-driven (figures that take account of Regional Spatial Strategy).
39. The unconstrained **number of households** in the C2 Housing Market Area is predicted to grow between 2006 and 2029 by:
- 31% growth (12,000 households) in Rugby
 - Coventry is expected to grow the most in real terms; 16,000
 - Nuneaton & Bedworth is predicted to grow by 9,000 households or 18%
 - North Warwickshire is predicted to grow by 4,000 households or 15%
40. Due to social and economic changes in the country the household change that will occur in the next twenty years does not necessarily run parallel to the population change. In population terms all four areas in the C2 HMA are predicted to grow to 2026, with Nuneaton & Bedworth and Rugby growing above the West Midlands average (8.3% and 15.9% respectively).
41. These changes in growth patterns will have significant impacts upon housing markets in the four areas, putting increasing pressure on both Nuneaton & Bedworth and Rugby to meet the needs of both their existing and increasing populations.
42. The proposals for housing growth in the Regional Spatial Strategy differ from the unconstrained patterns of household change. Coventry is consequently expected to grow by 33,500 dwellings, Rugby and Nuneaton & Bedworth both by 10,800 dwellings and North Warwickshire by 3,000 dwellings. It is these policy-based figures that will drive development to 2026.

43. In terms of household types, there will be a steady decline in each area of married couple households, although the proportions are likely to stay above the regional average. Although there is a growth in cohabiting couple households it does not equal the decline in married couple households. Instead what we see is significant growth in one person households.
44. Social, economic and cultural factors are leading to marital breakdown at one point in the age spectrum at the same time as a growth in couples “living apart together” or “LAT”. This will create increased demand for smaller properties, but not so small that they cannot accommodate overnight guests (e.g. children) or space to work at home (an increasing phenomenon as transport infrastructures become more and more clogged); in other words at least 2 bedrooms.
45. A number of conclusions for growth and housing demand can be drawn:
- Coventry sees a stark decline in married couple households (6,899); which is not replaced by the growth of cohabiting couple households. Instead the growth in household numbers is driven by the formation of over 14,000 one person households. This would suggest that Coventry will have a strong future market for smaller dwelling units of 1-2 beds.
 - In North Warwickshire the increase in the number of cohabiting couples exceeds the decline in married couple households by 537 households and if one also includes multi-person households then by a further 169 (total 706). This would present a strong argument for ongoing development of medium sized family housing. In addition, one person households account for 75% of the district’s growth.
 - In Nuneaton & Bedworth the decline of married couple households is exceeded by the growth of cohabiting couple households by 757; suggesting a requirement for ongoing development of new family housing. 78% of growth in Nuneaton & Bedworth will be amongst one person households, and this would indicate strong future demand for smaller properties also.
 - In Rugby there is major growth of cohabiting couple households and a minimal decline in married couple households; the former exceeds the latter by 2528 households. This would present a strong argument for delivery of high quality family housing for the future. In addition 64% of growth will be from one person households.

HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

46. In terms of the housing needs of older people, Rugby has the highest proportion of population over 60, (21.3%) and the highest proportion of residents over 80. The shifting demographic patterns across the age ranges 60-79 and over 80 have major implications for

meeting the differing and evolving housing and support needs of these generations of older people.

47. Single pensioner households represent over 13.0% of the population in three out of four districts; Coventry has the highest proportion of single pensioner households, (14.8% of households), followed by Rugby (with 13.8%). The number of single pensioner households has implications for types of housing as well as care and support services within each district, as it suggests that the older person may not benefit from care and support within the home from another member of their household if the need arose. Nationally there is a growing trend of an increasing number of older people living alone.
48. For the most part, the proportions of the BME populations older than 60 are lower than the proportions of the British White population older than 60.
49. In terms of **households with specific needs**, there are varying levels of households with *at least* one person with LLTI across the districts of the C2 HMA. Highest levels are for Nuneaton & Bedworth (35.1%), compared to North Warwickshire (33.8%), and Coventry (33.1%). Levels are slightly lower for Rugby (30.8%). Among the older household population (aged over 65) with one resident with LLTI, proportions are highest in Nuneaton & Bedworth (11.6%) and Coventry (11.6%), followed by North Warwickshire (11.2%), then Rugby (11.1%).
50. People from **black and minority ethnic** groups do not on the whole regard social housing as a tenure of first choice. Issues around social housing included a perception of anti-social behaviour on council estates and long waiting times for council homes and a preference for owner-occupation. Intermediate tenures are also not considered particularly attractive and many people from BME groups are not aware of this tenure. In terms of tenure aspirations amongst people from BME groups, owner-occupation is the first choice. Housing pathways are needed that make it easier for people from BME groups to move away from crowded housing markets in urban areas and that housing associations should market their housing more, especially intermediate tenures.







HOUSING MARKET SECTORS

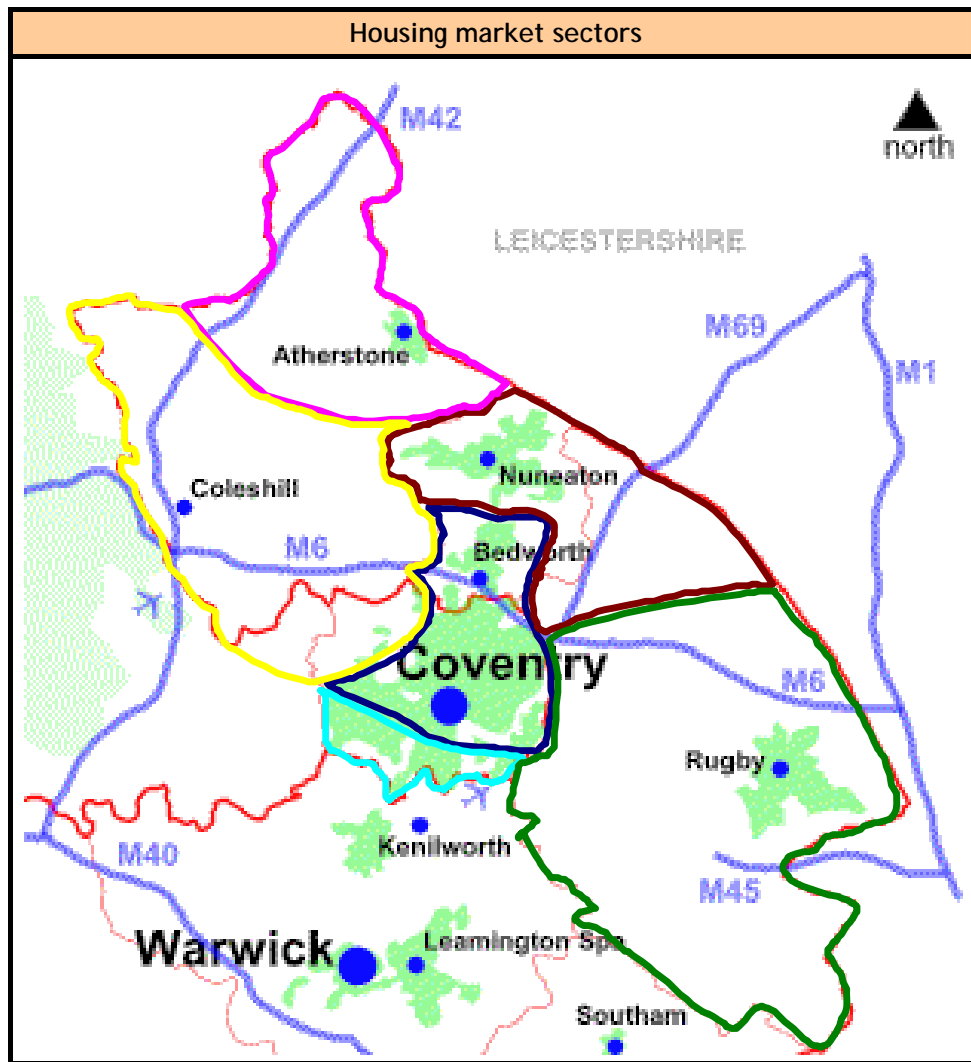
51. In order to identify the housing market sectors operating within the C2 sub-regional Housing Market Area has involved analysis and bringing together of a number of different aspects of this study. The primary drivers for identifying these market sectors are:
 - Population change and migration

- Local incomes and local house prices
- Affordability and entry-level housing
- Housing need and demand for social housing
- Stakeholder consultations

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

53. In the case of the housing market sectors in the C2 HMA, we have identified six sectors:

- | | | | | | |
|---|---|---------------------------|---|---|----------------|
|  | 1 | Rugby |  | 4 | South Coventry |
|  | 2 | Nuneaton |  | 5 | Coleshill |
|  | 3 | North Coventry & Bedworth |  | 6 | Atherstone |



54. The Rugby housing market sector is a fast rising area and one that has grown and will continue to grow into the future. Its position at the heart of a network of key roads (M1, M45, M69, M6, A45, A5) along with mainline rail services makes it an ideal location in the Midlands for access north, south, east and west. And although analysis has shown that it has important ties west to Coventry, south to Warwick and north to Nuneaton & Bedworth, it is also interconnected strongly with parts of the East Midlands (particularly Daventry by way of the A45).
55. Both mean and lower quartile house prices are higher than in the sub-region making this a less affordable housing market. Overall in terms of balance there is:
- A relative (but not acute) under supply of private rented housing
 - An under supply of mid-sized properties compared to the sub-region (particularly terraces)
 - High house prices and correspondingly affordability pressures

56. The Nuneaton housing market sector is characterised by having house prices close to the norm for the sub-region. This is despite high levels of home ownership and relatively small social housing and private renting sectors, along with relatively high distributions of larger dwellings. The market sector has strong links with Hinckley & Bosworth in Leicestershire.
57. Overall in terms of balance there is:
- A relative under supply of private rented housing and social housing
 - An over supply of larger properties compared to the sub-region (particularly detached and semi-detached) and corresponding relative under-supply of terraces and flat/apartments
 - High numbers of long-term vacant dwellings
58. In North Coventry & Bedworth there are clearly significant ties that link the urban centre and north of Coventry with Bedworth. First there are demonstrated strong patterns of migration between the two districts. Second, there is a commonality of house price across the centre/north/northeast of Coventry with Slough, Bede, Poplar, Heath and Exhall in Nuneaton & Bedworth. Third there are population overlaps in terms of household characteristics. Coventry as a centre of employment has a strong pull, which explains how it would connect more widely than within its own boundaries. Fourth there is a strong commonality of house type on the Coventry/Bedworth border (around the M6).
59. North Coventry & Bedworth has the lowest mean house price and lower quartile house price in the C2 HMA. Owner occupation is relatively low and the social housing and private rented sectors are relatively large. More than half of all housing in this market sector is terraced. Overall in terms of balance there is:
- Low rates of owner occupation, but a strong private rented sector
 - An under supply of large detached properties and to a lesser extent of mid-sized family units (semi-detached)
 - A strong supply of flats/apartments
 - The predominant supply of terraces and the relatively low prices, suggest an affordable housing market, but one that is overly reliant on one housing type
60. As has been identified by stakeholders and confirmed by house price analysis and migration patterns there are significant linkages between the South Coventry (Cheylesmore, Earlsdon, Wainbody and Westwood) and Warwick district, not least Kenilworth and Leamington Spa. It is these areas where a significant proportion of wealthier commuters to the Coventry employment centre live and increasingly there is a convergence between the high house prices common in Warwick and those experienced in the south of Coventry.

61. Overall in terms of balance there is:
- High rates of owner occupation, but a relatively small social housing sector
 - Although terraces are under-represented there is a strong supply of flats/apartments
 - Relatively high house prices making this the second least affordable sector in the sub-region
62. The south of the North Warwickshire district, centred around Coleshill and taking in Curdworth, Arley & Whitacre, Fillongley, has clear overlaps with the Solihull housing market and links to Birmingham. This is demonstrated most clearly in the convergence of house prices and migration patterns.
63. Also the significant transport routes (M6, M6 Toll and the M42) all make this area an attractive location for better off residents commuting to both Birmingham and Solihull at prices below those of Solihull. House prices here are the highest in the sub-region, which will create significant affordability pressures.
64. Overall in terms of balance there is:
- Very high rates of owner occupation, and a small social housing sector
 - A relatively small private rented sector
 - An over supply of large detached properties and a correspondingly low supply of flats/apartments
 - An exclusive housing market that creates significant affordability pressures
65. The northern sector of North Warwickshire, centred around Atherstone is clearly linked to Tamworth, Lichfield and South Derbyshire (East Midlands). Tamworth in particular acts as a central location in employment terms and residents would see the northern parts of the North Warwickshire district as the eastern hinterland of Tamworth. House prices are relatively high and the area demonstrates migration links with Tamworth. There is clearly commonality in terms of house types, particularly detached and to a lesser extent terraces.
66. Overall in terms of balance there is:
- The tenure balance is quite closely aligned with the sub-region as a whole, although the private rented sector is relatively weak
 - In terms of house type there is a dominance of larger units such as detached and semi-detached to the detriment of terraces and flats/apartments in particular
 - Despite the house types, the house prices correspond strongly with the sub-region as a whole

HOUSING REQUIREMENTS OF HOUSEHOLDS IN NEED

67. The housing needs model recommended for the C2 HMA implies a shortfall of affordable housing in all four districts.

Summary of net annual housing need				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
STAGE 1 CURRENT HOUSING NEED				
1.4 Total current housing need (gross)	3720	1133	1743	1202
STAGE 2 FUTURE HOUSING NEED				
2.4 Total newly arising housing need	1891	234	464	408
STAGE 3 AFFORDABLE HOUSING SUPPLY				
3.1 Affordable dwellings occupied by households in need	1837	50	281	201
3.2 Surplus stock	0	0	0	0
3.3 Supply of new affordable housing	192	28	55	58
3.4 Units to be taken out of management	305	11	3	0
3.5 Total affordable housing stock available (3.1+3.2+3.3-3.4)	1724	67	333	259
3.6 Annual supply of social re-lets (net)	1987	166	439	315
3.7 Annual supply of intermediate housing available at sub-market levels	0	0	0	0
3.8 Annual supply of affordable housing (3.6 + 3.7)	1987	166	439	315
ESTIMATE OF NET ANNUAL HOUSING NEED				
$((1.4 \text{ minus } 3.5) * 20\%) + 2.4 \text{ minus } 3.8$	304	281	306	245
Shortfall as proportion of total households	0.2%	1.1%	0.6%	0.7%

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

- Coventry is expected to build on average 1,675 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 1,128 households per annum. The housing needs models would imply affordable housing targets of between 18% and 27%.
- North Warwickshire is expected to build on average 150 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 206

households per annum. The housing needs models would imply affordable housing targets of 100%; clearly this is neither appropriate nor desirable.

- Nuneaton & Bedworth is expected to build on average 540 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 430 households per annum. This would imply an affordable housing target of between 57% and 71%.
 - Rugby is expected to build on average 540 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 395 households per annum. The housing needs model implies affordable housing targets of between 45% and 62%.
69. As the figures suggested by the model are in most cases greater than the Districts' total completion targets for affordable housing and past performance on delivery of affordable housing, there is clearly a need to look very carefully at the sites coming forward in the future and their suitability for mixed, sustainable developments as the Councils may need to seek a considerably higher proportion of affordable housing than has been the target in the past.
70. By maintaining the model and updating annually, it will be possible to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing the shortfall across the HMA.
71. One way to assess the scope for intermediate tenures in an area is to calculate the ratio of entry-level market house prices to social rents; where the former is more than fourteen times annual social rents, there is likely to be scope for intermediate affordable housing. Also where there is a significant gap between social housing rents and private sector rents there may be scope for intermediate tenures, such as sub-market rents or shared equity. Evidence presented here suggests that there is a significant difference between social housing rents and private sector rents. Across the HMA, private sector rents range from 42.1% higher than social rents in Nuneaton & Bedworth to 87.7% higher in Coventry.
72. Although discounted housing would result in reductions in housing costs for many households, with the exception of Nuneaton & Bedworth, households on median incomes could not afford a discounted property at 30%. For those on lower quartile incomes, in Nuneaton & Bedworth there are shortfalls ranging from 64.3% to 99.1% in Rugby. Consequently it would seem that discounted sale homes cannot be regarded as affordable dwellings in the C2 HMA for single income or dual income households, although they come closest to meeting some need at the most heavily discounted rate in Nuneaton & Bedworth.
73. There is a role for shared ownership in the delivery of affordable housing in C2 HMA, although it may be limited. For Coventry and Nuneaton & Bedworth (and possibly Rugby)

only a home with an equity share of 30% would start to lift those on median incomes into the housing market. As with discounted sale housing, shared ownership reduces households' income requirements for entering the housing market. Shared ownership has a greater impact than discounted sale housing, although it would still not be an affordable option for many of those households identified as being in housing need.

74. It is only with a shared equity home at 30% of the market value that a household on lower quartile income could afford in all areas, although it would be highly unusual for shared equity packages to be as low as 30% equity.
75. In terms of the size of affordable housing units, the requirement for three or more bedrooms is greatest in Coventry and the requirement for one bedroom property is proportionately strongest in Nuneaton and Bedworth, but numerically greatest in Coventry.

1 APPROACH

1.1 Purpose and objectives of the study

1.1.1 In July 2007, the C2 Housing Market Area Strategic Group (encompassing Coventry, Rugby, North Warwickshire and Nuneaton & Bedworth Councils) commissioned **Outside** to undertake a comprehensive Strategic Housing Market Assessment. The study comprises two separate Stages:

- (i) **Stage One** - collation of key information and data by staff of the authorities and partner organisations in the C2 sub-region
- (ii) **Stage Two** - to provide advice, to undertake analysis and to produce an analytical written report

1.1.2 The Strategic Housing Market Assessment needs to provide a detailed sub-regional market analysis of housing demand and housing need, identifying the key drivers in the C2 Housing market area. In addition it will need to provide a robust evidence base for current and future requirements in terms of market and affordable housing to inform local policies and strategies.

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

- (i) to present findings for each local authority and local planning authority area
- (ii) to identify the functional local housing market areas that exist within the sub-region
- (iii) to put the C2 Housing Market Area in a wider policy context
- (iv) to give a thorough analysis and interpretation of the C2 Housing Market Area and areas within it
- (v) to provide an overview of the demographic and migratory characteristics of the population, housing supply and conditions, and housing market segments
- (vi) to describe housing demand and cost in the C2 Housing Market Area and the local income profiles
- (vii) to assess the likely affordability of local housing by tenure
- (viii) to outline geographical aspects of the housing market
- (ix) to maintain a clear distinction between the analysis and the consequences of policy choice

- (x) to carry out a housing market diagnostic to check 'balance' in the sub-regional housing market
- (xi) to identify the factors necessary to create balanced housing markets and sustainable communities
- (xii) to inform each individual authority of all housing needs in its area, ranging from affordable, intermediate and market housing
- (xiii) to assist authorities to make informed decisions about the targeting of housing resources and specifically to determine spending priorities
- (xiv) to assist authorities in developing their approach to flexible tenure arrangements,
- (xv) to provide to each authority a robust assessment of the annual need for affordable housing split by tenure
- (xvi) to identify the accommodation needs of particular groups
- (xvii) to provide an assessment of market needs of each relevant 'travel to work' area within the C2 Housing Market Area
- (xviii) to analyse the Supporting People programmes to inform their development and to identify the impact of these policies in each local authority,
- (xix) to identify the use and the impact of planning measures (i.e. section 106 agreements, occupancy controls) as a means of addressing housing needs
- (xx) to identify any adjacency issues with neighbouring local housing markets outside the boundary of the C2 Housing Market Area
- (xxi) to assess the linkages between the housing market and the local economy, including the influence of the investment market

1.2 Methodology

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

Literature review

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

- Relevant local, sub-regional and regional research including studies on black and minority ethnic communities and Gypsies and Travellers
- Plans and strategies including existing RSS, RHS, Local Development Documents, and local Housing Strategies
- Estimate of Housing Need and Demand in the West Midlands 2006-26
- Other housing market assessments being undertaken in the Region, particularly in the Central Housing Market Areas and the completed work in the South Housing Market Area

Data analysis and statistical projections

- 2001 Census and related population estimates to capture indicators of household change and movement
- Housing register data for 2006-07 and lettings data for 2006-07 from major RSLs and LSVT providers
- Income and household information from housing needs studies and other local and sub-regional income data
- Data from online sources including NOMIS, National Statistics, Neighbourhood Statistics and the Land Registry on the labour market, earnings, demographics and house prices
- Internal data sources including the HSSA
- Information on housing costs and income from local research and national data sources
- Data on personal incomes and modelled household income data

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

Stakeholder consultation

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

1.2.5 The purpose of the qualitative elements is:

- (i) to gather qualitative information on key groups under-represented in the household survey
- (ii) to ensure that the qualitative experience and knowledge of stakeholders is captured to inform and validate the quantitative analysis
- (iii) to access key secondary data sources and inform our interpretation of the data

- (iv) to ensure we are fully conversant with the issues around demand, needs and supply and the whole market in each of the districts and the sub-region
- 1.2.6 Specific research questions addressed through the stakeholder consultations (and secondary data analysis also), include:
- (i) Barriers for entering the housing market particularly for specific groups such as black and minority ethnic communities, key workers and vulnerable people
 - (ii) The supply and demand for dwellings of different ages, sizes, tenure, type and location, including how existing stock can be better utilised and the influence of second homes
 - (iii) The characteristics that have been important in producing strong and weak housing market sub-areas - e.g. facilities, schools, stock market performance, employment, public transport etc
 - (iv) The inter-connecting influences of districts examining the links between travel and employment (and hence housing) especially across different employment groups (e.g. managerial, manual etc)
 - (v) The influence of transport connections in the region - both positive and negative and any potential benefits that are unrealised
- 1.2.7 A seminar was held on 29th October 2007 that was attended by developers, estate agents, RSLs and representatives of local and regional government. At the seminar initial findings from the SHMA were presented, followed by workshops that focused on the housing needs and the housing market issues prevalent in the C2 HMA.
- 1.2.8 Comments from stakeholders are shown in “tan” boxes at various points through the report.

1.3 Report structure

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

Policy context, including

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

The current housing market, including:

- The demographic and economic context

- The housing stock
- The active market

Future housing market, including:

- Macro-economic climate
- Household change
- Market change

Housing need, including:

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

Housing requirements of specific household groups, including:

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

Conclusion and recommendations

2 POLICY CONTEXT

2.1 Planning Policy Statement 3 (PPS3): Housing

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

2.1.2 The objectives of PPS3 are:

- (i) to ensure that a wide choice of housing types is available, for both affordable and market housing, to meet the needs of all members of the community
- (ii) to deliver a better balance between housing demand and supply in every housing market and to improve accessibility where necessary
- (iii) to create sustainable, inclusive, mixed communities in all areas - developments should be attractive, safe and designed and built to a high quality, and located in areas with good access to jobs, key services and infrastructure

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

2.1.4 The regions should undertake a **sustainability appraisal** taking into account various sustainability criteria. PPS3 sets out seven criteria that should be taken into account when undertaking a sustainability appraisal on the distribution of housing:

- affordability
- household projections
- the impact of the proposals on affordability
- housing market assessments
- housing land availability assessments
- environmental, social and economic implications
- impact upon infrastructure.

2.1.5 With reference to LPAs, site allocation development plan documents should always include at least **five years supply of land** for development from the date they are adopted. In

determining which sites to include in the five year land supply, LPAs should have regard to the sustainability appraisal of the site allocation development plan document. The priority for development, and beyond the five year land supply should the LPA choose to do this, is developable brownfield land.

- 2.1.6 LPAs should develop **density policies** for their plan. The presumption is that in developing density policies, the minimum should be no less than 30 dwellings per hectare. PPS3 sets out an approach which suggests minimum densities for city centre, urban, suburban and rural locations.
- 2.1.7 PPS3 says that LPAs should have regard to the relevant sub-regional housing market assessment and regional and local housing strategies in **determining the overall mix** of different household types and sizes. A broad mix of housing should be provided on large sites. On smaller sites, a mix should be provided that contributes to the creation of sustainable communities.
- 2.1.8 Sub-regional housing market assessments should help determine whether affordable housing is needed and **guide the size, type and location of affordable housing provision**. Separate targets for social rented and intermediate housing (shared ownership) should be set by LPAs where appropriate. PPS3 also confirms that low-cost market housing is not considered 'affordable' housing.
- 2.1.9 LPAs should set a **site size threshold** for the provision of affordable housing and take into account the level of affordable housing to be sought, site viability, the impact on the delivery of provision and the objective of creating mixed and sustainable communities. The presumption is that affordable housing should be provided on-site.
- 2.1.10 New development should be of **high quality inclusive design and layout** and be informed by its wider context, having regard not just to neighbouring buildings but to the townscape and landscape of the wider locality. PPS3 makes it clear that this does not mean that new development should replicate its surroundings; the key consideration is whether a development positively improves the character and environmental quality of an area and the way it functions. LPAs should encourage applicants to apply the principles of **sustainable and environmentally-friendly design** and construction to new developments, in particular referring to the *Code for Sustainable Homes*.

2.2 Strategic Housing Market Assessments

- 2.2.1 Housing needs do not exist within a vacuum; they have a symbiotic relationship with the wider housing market. For practical and structural reasons, housing needs are measured within the confines of a given local authority's borders, whereas housing markets are not similarly constrained.
- 2.2.2 The approach to housing market assessments used by **Outside** is based in government guidance and utilises an analytical framework that sets housing needs in their markets context. The starting point is to consider the operation and scope of the current housing markets, then identify key drivers within the housing system to assess the future housing market and subsequently assess the housing needs of the district(s).
- 2.2.3 Strategic Housing Market Assessments are crucial to decision-making and resource-allocation processes for local authorities. From a land-use planning perspective, housing needs assessments are legally necessary to support affordable housing policies in local plans, particularly to secure developer contributions to affordable housing via s106 agreements.
- 2.2.4 Other reasons for undertaking Strategic Housing Market Assessments include:
- informing local and regional spatial planning and housing strategies
 - assisting authorities with decisions on social housing allocation priorities, private sector renewal options and the valuation of new-build low cost home ownership units
 - informing the development of housing policies on stock conversion, demolition and transfer
- 2.2.5 The role of housing assessments can be summarised thus:

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

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

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

- Bramley, G. et al, *Local Housing Needs Assessment: A Guide to Good Practice*, DETR, July 2000
- DTZ Piedad, *Housing Market Assessment Manual*, ODPM, February 2004
- *Local Housing Systems Analysis Best Practice Guide*, Communities Scotland, 2004
- *Local Housing Market Assessment Guide*, Welsh Assembly Government, 2006
- Draft guidance including *Local Housing Assessment, A Practice Guide (Discussion Draft)*, March 2005 and *Housing Markets Assessments*, Draft Practice Guidance, ODPM, December 2005
- *Strategic Housing Market Assessments: Practice Guidance Version 1 and Version 2*, Communities and Local Government, March 2007 and August 2007

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

...a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2 (see Table 1 and Table 2 below). In such circumstances there is no need for the approach used to be considered at the independent examination²

2.2.8 Furthermore the Guidance states that:

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

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

³ *ibid*, p9

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

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

2.3 Housing Green Paper

2.3.1 The Housing Green Paper represents a commitment from central Government to address the affordability issues that are increasingly evident across the country and the need to achieve an increased level of housing supply at an appropriate mix. It sets out the need for housing growth and the Government's intention to deliver three million new homes by 2020 supported by a proposed increase in investment of approximately £3 billion and a significant increase in supply of affordable housing that this will bring.

2.3.2 However, the Green Paper does not fully acknowledge the challenges facing areas in the North and the West Midlands in achieving housing growth, while also remodelling and

regenerating areas with obsolete and very poor quality older private housing, and poor quality and poorly laid out social housing estates. In addition, some would question whether the Green Paper gives enough emphasis to ensuring that existing housing is utilised to enable enhanced access to housing of choice and requirement. The Paper very much concentrates on capital spending on new house building and contains little reference to supporting revenue investment that is needed to help meet personal housing needs and requirements of many vulnerable households which are essential in building communities.

- 2.3.3 Housing market renewal and restructuring is an essential part of achieving housing growth overall. The rapid price rises amongst some of the poorer stock in North Staffordshire led, in part, by speculative investment has left them unaffordable to first time buyers and unattractive to anyone except speculative investment landlords and less reputable landlords letting at the very bottom of the market.
- 2.3.4 The achievement of housing growth also brings challenges in terms of land release and sequencing. Policy currently is to release greenfield land only if brownfield land is insufficient to meet expected supply. However, brownfield sites tend to be smaller and tend to have high development costs leading to developers seeking to protect their returns by building apartments rather than a mix of housing types.
- 2.3.5 The Green Paper continues the target for 60% of new housing to be on brownfield land. There is a suggestion to replace the Planning Gain Supplement proposal with one for a Planning Land Charge. This may find a reasonable course between the interests of developers and feasibility of developments and avoiding indefensible gain from land uplift while enabling an additional source of funding for infrastructure.
- 2.3.6 There is little support in the Green Paper to the provision of sub-market rented housing. Many working households on below average incomes can increasingly neither afford to buy nor rent privately, and would not have priority need for social rented housing. There is a large gap between social and market rents and support should be given to housing associations or other agencies to provide mid-market rented housing. If local housing markets are to operate effectively it is essential that there is a continuum in the provision of housing of a range of costs.
- 2.3.7 The Green Paper contains proposals for assisting first time buyers and a drive for more homes under shared ownership and shared equity with encouragement to the private sector to play a greater role in offering shared equity mortgages or shared ownership homes. Although the Paper promotes social housing provision and shared ownership homes in

villages and rural areas, there are concerns that shared equity/shared ownership may still be unaffordable in some village areas, even at 17.5% levels proposed.

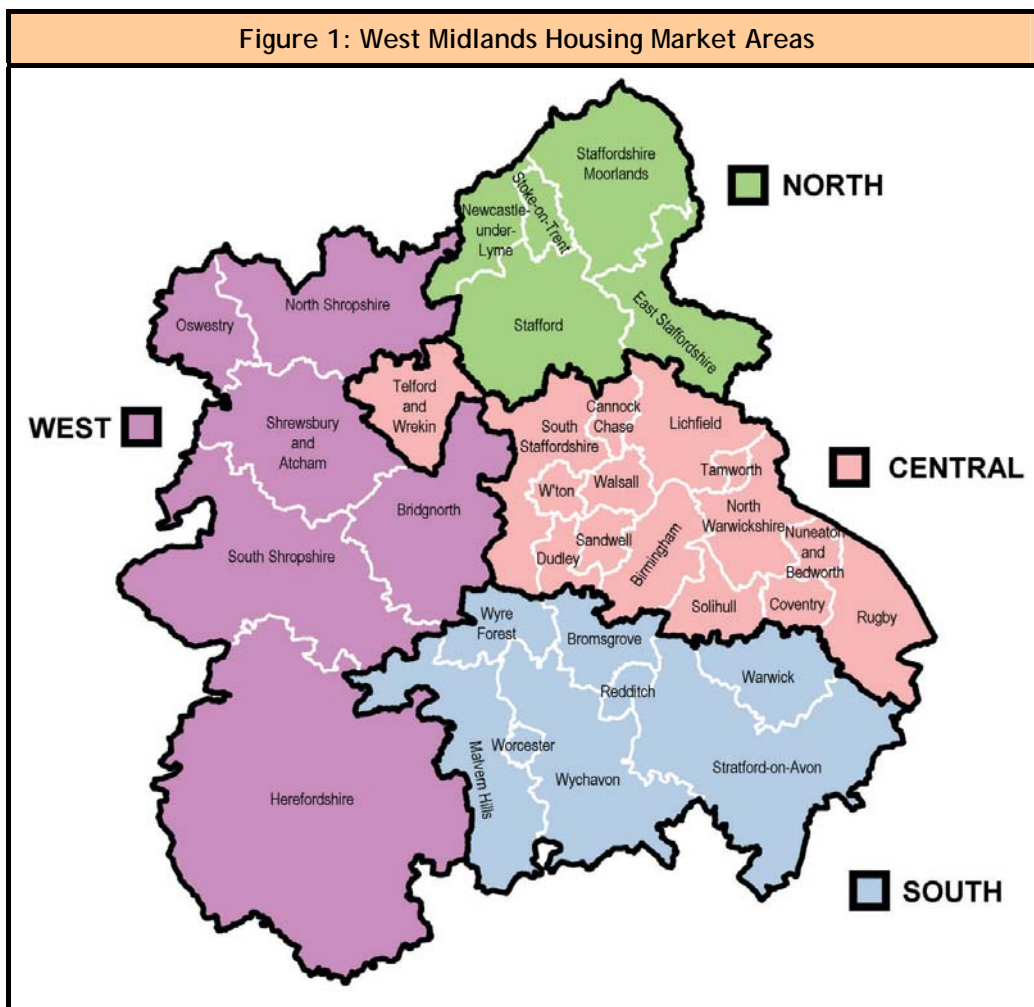
- 2.3.8 It is the Government's intention to offer social housing tenants more opportunity to buy a stake in their home through Social Homebuy, but as with the Right to Buy (RTB), Social Homebuy takes the property out of the lettings pool. Therefore any expansion must be linked to real and significant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

2.4 Regional Housing Strategy

- 2.4.1 The West Midlands Regional Housing Strategy identifies four sub-regional Housing Market Areas (HMAs) in the West Midlands Region: North, South, Central and West. The Central HMA has been divided into three areas: C1, C2 and C3 (see Table 3).
- 2.4.2 The analysis that developed this construct identified areas where similar dwellings command similar prices and where there is sufficient evidence of a functional connection as demonstrated through travel to work and other interactions.⁴ The statistical work repeatedly exposed similar patterns of sub-regional variation, showing considerable stability in the way house prices are formed across the Region and, despite expectations to the contrary, a remarkably good fit with the administrative boundaries of the Region and travel to work patterns.

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

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



2.4.3 In particular, the analysis identified:

- a dominant Central HMA centred on the conurbation
- a second HMA centred on North Staffordshire
- the rural West, although not strongly centred, clearly separated from the conurbation
- a South HMA with separate house prices in Stratford, Warwick and Wychavon, aligning them more clearly with Oxfordshire and Gloucestershire

2.4.4 Other key findings included:

- The distinctiveness of the west of the Region stands in sharp relief to other areas in housing market terms and in levels of workplace attachment
- Highly different housing market conditions characterise the north and south of the Region, but aspects of both are found in the interface with the central area where the conurbation is located
- Workplace attachment in and around the conurbation provides a distinctive focus for this area, servicing both the conurbation and a wider ring of settlements around it
- Specific workplace attachments are weaker elsewhere in the Region, and in rural areas are virtually non-existent by comparison

2.4.5 It should be noted that none of the HMA boundaries intersect local authority boundaries. For pragmatic reasons and for the development of policy, the consultation process suggested the importance of maintaining the integrity of local authority boundaries whilst acknowledging that the strategic housing market issues do not stop at these boundaries. The issues presented across local authorities in adjacent HMAs are most significant in the following areas:

- The similarity of housing market conditions between south Solihull and the South HMA
- The relationship between the conurbation (Central HMA) and Bromsgrove/Redditch (South HMA)
- Bridgnorth and its interface with the Central HMA (Telford and South Staffordshire)
- The western part of Malvern Hills (Tenbury Wells) and the West HMA and
- Telford's interface with the West HMA

2.5 Regional Spatial Strategy

2.5.1 The current planning policy framework for the Housing Market Area is Regional Planning Guidance for the West Midlands (RPG11), which was adopted in June 2004 and became

Regional Spatial Strategy (RSS) with the commencement of the Planning and Compulsory Purchase Act 2004.

- 2.5.2 Some aspects of the current RSS are being reviewed and the second phase of that review - housing, employment, transport and waste - is now under way. This does not change the vision and objectives, but it does affect decisions about where new development should occur, in what form and on what scale.
- 2.5.3 A considerable degree of background technical work has already been completed and a Spatial Options paper was published on 8th January 2006. On 22nd October 2007, the Regional Planning Partnership approved the Preferred Option for the RSS Phase Two Revision, which will be submitted to the Secretary of State in December 2007. Further consultation on the Preferred Option will take place in 2008 and the Examination in Public and Panel Report are anticipated in 2009, leading to Adoption in 2010.
- 2.5.4 The Review has to reflect the Government's aim for a one third increase in the level of house building by 2016. This is in response to the new 2003 based household projections, which give higher increases in the West Midlands than in many other parts of the country. It also needs to reflect the monitoring evidence of the extent to which the key aims and objectives of the RSS are being met so far:
- There is early evidence that the rate of migration from the conurbation has slowed down, and that the required changes to the patterns and levels of housing development are beginning to take place
 - Provision of affordable housing has failed to show any progress towards the doubling that would be required to meet the RSS target of 6,000 to 6,500 p.a.⁵
- 2.5.5 The implications of the housing growth discussed in background papers for the RSS and the outcomes in terms of the Preferred Option are discussed in Chapter 6, *The Future Housing Market*.

Stakeholders on the planning system

- *Housing market has been constrained by government policy; it's not been a free market. Developers have been told where we can and cannot build - government policy has been to push development to city centres with higher densities. Not building a lot of houses, far more apartments. We're not building what the public wants. There are no rural developments at the moment - not allowed by government policy - no large development sites.*
- *Government policy does not let it be market led. If up to builder then they would only build what and where people want. In Rugby, Daventry*

⁵ A Strategic Housing Market Assessment for the South Housing Market Area, April 2007, p10

and North Warwickshire - zero build in villages - everything going into urban extensions because seen as sustainable. No one is elected on a "growth ticket".

- *Policy is keeping supply down and so pushing the price up. Need to release twice as much land as needed and then price will fall down. The planning system won't deliver the amount of land needed to bring land values down. Needs to be national approach not individual districts. We've created a monster with land values.*
- *Affordable housing requirement is a barrier to development. Development does not stack up.*
- *Planning applications are refused if density isn't high enough. The national situation we are in is that we have a national hierarchy that is totally inflexible. Locally we have to deliver what the national policy tells us to deliver. To me the lack of local flexibility, and local accountability and local accessibility is completely removed from that.*
- *Policy is the thing that stifles true negotiation and interaction.*

2.6 West Midlands Economic Strategy

2.6.1 *Delivering Advantage*, the West Midlands Economic Strategy for 2004-2010⁶, sets out a Vision for transforming the West Midlands into a world-class region by 2010. An updated West Midlands Economic Strategy is due to be published in 2007, which will look forward to 2020 and establish what more the region needs to do to continue to improve its economic performance.

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

- (i) to link housing availability and quality to employment opportunities to support the creation of conditions for growth
- (ii) to regenerate communities through economic inclusion, particularly in areas of the region experiencing social exclusion and underperforming economies, such as North Staffordshire and the Black Country

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

⁶ *Delivering Advantage: The West Midlands Economic Strategy and Action Plan 2004-10*, WMRA/Advantage West Midlands

2.7 New Growth Points

- 2.7.1 The New Growth Points initiative⁷, announced in December 2005, is designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing, through a partnership with Government.
- 2.7.2 The Government invited local authorities to submit strategic growth proposals which were sustainable, acceptable environmentally and realistic in terms of infrastructure to be assessed by Government and its agencies.
- 2.7.3 29 areas have been named as New Growth Points across the East, South East, South West, East Midlands and West Midlands. If all of the proposed growth is realised New Growth Points would contribute around 100,000 additional dwellings by 2016, an increase of around 32 per cent on previous plans for housing supply in these areas.
- 2.7.4 They will share in £40m in 2007/08 for a first round of infrastructure projects and to support growth-related studies, master planning and capacity-building in the New Growth Points. This money will help overcome local infrastructure problems, unlock sites for new housing and enhance the local environment.
- 2.7.5 New Growth Points status is not a statutory designation but is about a relationship between central government and local partners. It is built on four principles:
- (i) early delivery of housing as part of the growth plans
 - (ii) supporting local partners to achieve sustainable growth
 - (iii) working with local partners to ensure that infrastructure and service provision keep pace with growth
 - (iv) ensuring effective delivery
- 2.7.6 Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are sustainable, acceptable environmentally and realistic in terms of infrastructure.
- 2.7.7 There are five new Growth Points identified in the West Midlands
- (i) East Staffordshire - Burton-upon-Trent
 - (ii) Birmingham and Solihull
 - (iii) Coventry

⁷ Communities and Local Government, Housing, [New Growth Points](#)

- (iv) Hereford
- (v) Shrewsbury & Atcham

2.7.8 The City of Coventry has a population of over 300,000. Coventry makes up the South-Eastern end of the West Midlands metropolitan area and lies at the centre of the Coventry, Solihull and Warwickshire sub-region. The city also forms part of the developing Birmingham, Coventry and Black Country City Region. The City Council is developing ambitious proposals for the growth and prosperity of Coventry, concurrently with restructuring land use patterns, although these will need to go through full consultation and the political process. In supporting Coventry as a New Growth Point, the Government is entering into a long-term partnership with Coventry City Council, recognising their ambitions for economic and housing growth, subject to the statutory regional and local planning process.

2.7.9 Local partners' ambitions for Coventry include:

- at least an additional 33,500 homes between 2006 and 2026, the requirement for which would be enshrined within Regional Spatial Strategy⁸
- a new bus rapid transit, linking the city centre with nearby Kenilworth to the south, and Nuneaton to the north by 2012
- major regeneration schemes, providing 6,200 homes between them, as well as a new "learning quarter"
- railway Station Interchange redevelopment
- the UK's first city centre IKEA
- Belgrade Plaza redevelopment, including a Radisson Edwardian hotel

2.7.10 Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are sustainable, acceptable environmentally and realistic in terms of infrastructure. For Coventry future work will include using the findings of a Strategic Flood Risk Assessment and a Water Cycle Study to inform levels and locations of growth; working closely with Severn Trent to deliver water efficiency savings; assessing and mitigating the impacts of growth on local habitats and enhancing them where possible and working with the Department for Transport to assess the impacts of growth proposals on the transport network and to develop sustainable transport solutions.

⁸ Dependent on the capacity in Coventry and the outcome of further studies, some of the allocations could be made adjacent to Coventry within Nuneaton & Bedworth and Warwick District

2.7.11 Achieving these ambitions will depend on a range of public and private funding programmes, including developer contributions. Government is committing to work with local partners to achieve sustainable growth to get the best outcomes from this investment and to help overcome obstacles to delivery. In support of Coventry City Council's growth ambitions Government is allocating around £250,000 in 2007-08 from the first year's funding pot, subject to detailed negotiation and appraisal. Future funding is dependent upon the outcome of the Comprehensive Spending Review in 2007.

3 THE DEMOGRAPHIC AND ECONOMIC CONTEXT

Table 4: Summary of demographic and economic data ⁹

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

3.1 Introduction

3.1.1 This chapter examines the demographic, economic and employment trends that affect the housing markets in the C2 HMA. Sections 3.2 to 3.6 provide an analysis of recent demographic and household trends in the housing market areas, including the impact of national and international migration. Sections 3.7 to 3.9 examine economic, employment and income patterns in the housing market areas.

3.2 Population change

3.2.1 The Central HMA, with a total population of around 3,348,000, contains 64% of the West Midlands region population. Within the Central HMA, C2 HMA has a total population of

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

around 579,800; 10.8% of the West Midlands. The components of change 1991-2006 of the population in the C2 HMA are shown in Table 5 and Table 6.

- 3.2.2 Between 1991 and 2001 (Table 5) the population of the C2 HMA grew slightly by 0.7%, driven primarily by natural change in the sub-region. At the same time the Region experienced population growth of 1.0% and England & Wales grew by 3.2%.
- 3.2.3 Despite significant natural population growth, Coventry experienced an overall population decline (0.4%), which was due to population loss as a result of net migration. The other three districts all had some net population growth, with Rugby having the highest growth rate of 3.1% overall; this was due to the fact that it was the only district where the population grew due to net migration change.
- 3.2.4 Since 2001 (Table 6), the picture has changed somewhat. All four districts have experienced population growth and overall the C2 HMA has seen population growth of 1.5% (almost equal to the West Midlands as a whole), fuelled in part by positive net migration.
- 3.2.5 Coventry has grown such that its population is now 0.9% higher than in 1991. The rate of out migration has slowed and the rate of natural growth may be even greater than 1991-2001 (the measure for the second period is only five years). North Warwickshire, Nuneaton & Bedworth and Rugby are also experiencing relatively more rapid growth than in the previous period. Rugby's population in 2006 was 6.1% larger than in 1991, with significant natural change and growth fuelled by in-migration.

Table 5: Population change 1991-2001 (thousands)										
	Mid-1991 population	Live births	Deaths	Natural change	% of net change	Net migration & other changes	% of net change	Net change	Rate of growth/decline	Mid-2001 population
Coventry	303.9	39.8	32.9	6.7	45.9%	-7.9	-54.1%	-1.2	-0.4%	302.8
North Warwickshire	61.0	7.0	6.1	1.0	83.3%	-0.2	-16.7%	0.9	1.5%	61.8
Nuneaton & Bedworth	117.5	14.9	12.0	3.0	69.8%	-1.3	-30.2%	1.6	1.4%	119.2
Rugby	85.0	10.7	9.3	1.3	50.0%	1.3	50.0%	2.6	3.1%	87.5
C2 HMA	567.4	72.4	60.3	12.0	59.7%	-8.1	-40.3%	3.9	0.7%	571.3
West Midlands	5,229.7	669.0	562.0	107.1	65.6%	-56.1	-34.4%	51.1	1.0%	5,280.7
England & Wales	50,748	6,474	5,555.0	918.4	57.0%	693.5	43.0%	1,612.1	3.2%	52,360.0

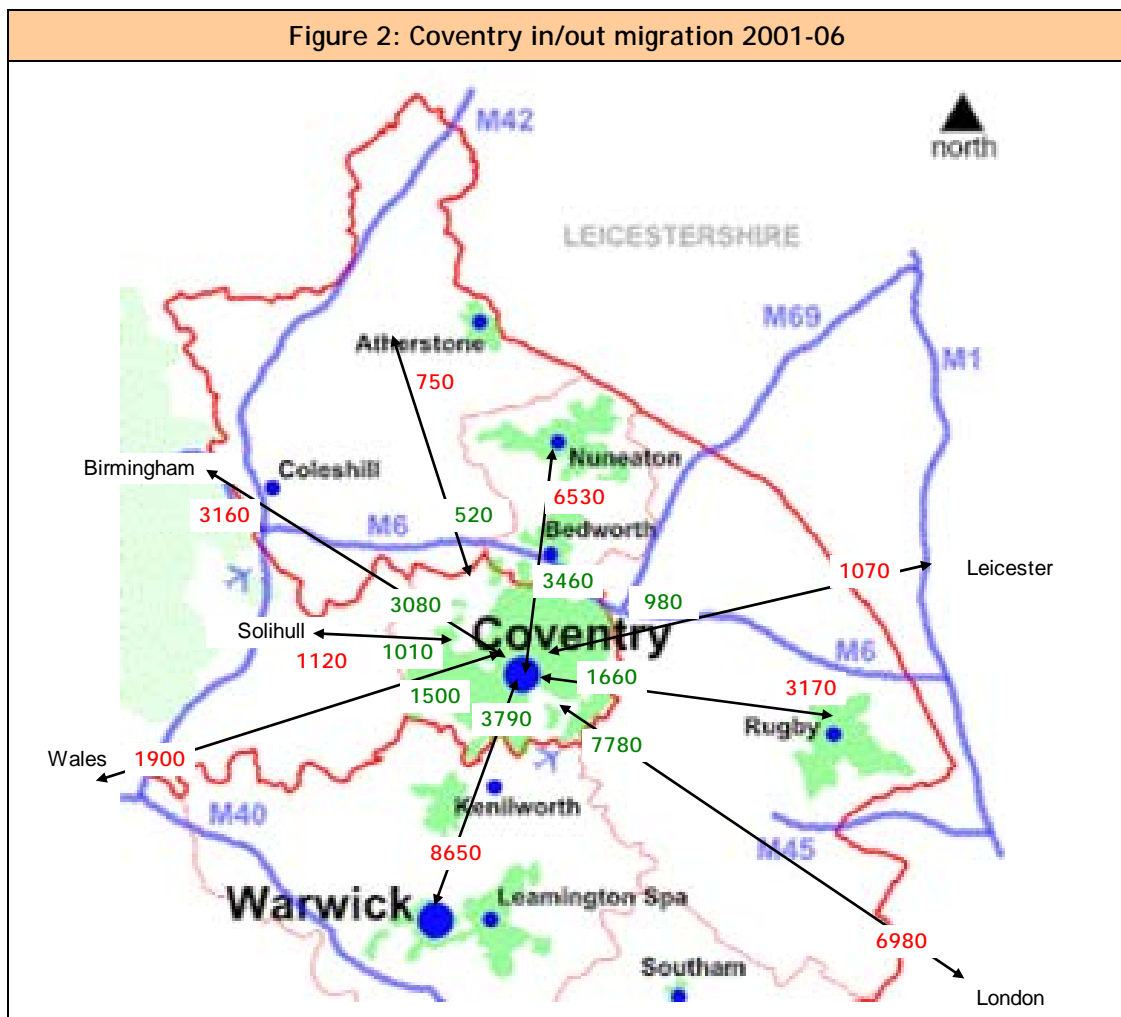
Source: Office for National Statistics

Table 6: Population change 2001-2006 (thousands)										
	Mid-2001 population	Live births	Deaths	Natural change	% of net change	Net migration & other changes	% of net change	Net change	Rate of growth/decline	Mid-2006 population
Coventry	302.8	19.2	14.9	4.3	89.6%	-0.5	-10.4%	3.8	1.3%	306.6
North Warwickshire	61.8	3.0	3.0	-0.1	-12.5%	0.7	87.5%	0.6	1.0%	62.3
Nuneaton & Bedworth	119.2	7.1	6.1	1	71.4%	0.4	28.6%	1.5	1.3%	120.7
Rugby	87.5	5.0	4.6	0.3	11.5%	2.3	88.5%	2.7	3.1%	90.2
C2 HMA	571.3	34.3	28.6	5.5	65.5%	2.9	34.5%	8.6	1.5%	579.8
West Midlands	5280.7	320.3	269.9	50.5	58.7%	35.5	41.3%	86	1.6%	5366.7
England & Wales	52,360.0	3,127.8	2,618.1	509.8	37.2%	859.3	62.8%	1,369.0	2.6%	53,728.8

Source: Office for National Statistics

3.3 Migration

3.3.1 Analysis of migration patterns across the United Kingdom provides an insight into the strength and scale of links that one district has with another. Figure 2 to Figure 5 show the in and out migration for each of the four districts¹⁰ in the C2 HMA between 2001 and 2006, focusing, for clarity, on the areas that accounted for more than 50% of the inflows and outflows.¹¹



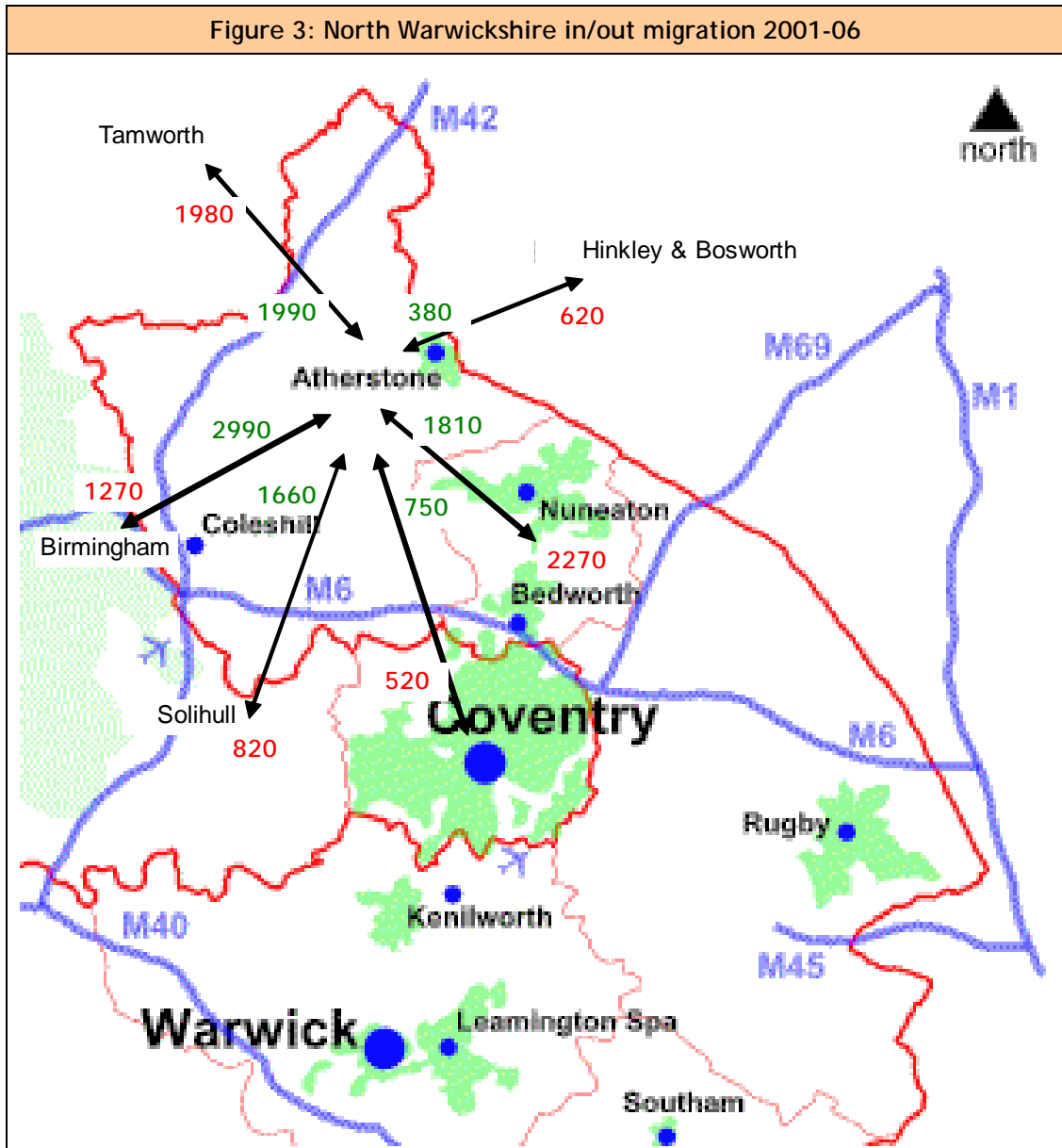
Source: Office of Public Sector Information 2007

3.3.2 Coventry (Figure 2) has the most dispersed pattern of migration with the top 50% of in-migration coming from 21 districts including London boroughs, and the cities of Leicester, Sheffield, Leeds, Nottingham, Manchester and Liverpool. Coventry makes an overall net gain (800) of population from London. London is the largest contributor of population to the city (7,780 or 13.7% of in-migration) as well as the second largest taker of population

¹⁰ The migration data is based on patient register data and patient re-registration recorded in the NHSCR. The data presented are at a detailed level of geography and consequently, some of the numbers are small. To avoid any loss of information, individual cells have been rounded to the nearest 10. However, this does not imply a greater level of reliability in these migration estimates. Row and column totals have been rounded to the nearest 100

¹¹ In the diagrams, the numbers in green represent inflows and those in red represent outflows

(6,980 or 10.3% of out-migration). Warwick is the largest out-migration destination (8,650 or 12.8% of out migration) and is the cause of the largest net population loss (4860). Coventry also loses population in significant numbers to both Nuneaton & Bedworth (3,070) and Rugby (1,510). Birmingham contributed 3,080 people in the period and took 3,160; a net loss to Coventry of only 80, but clearly Birmingham has a significant tie with the city, as do other parts of the conurbation.

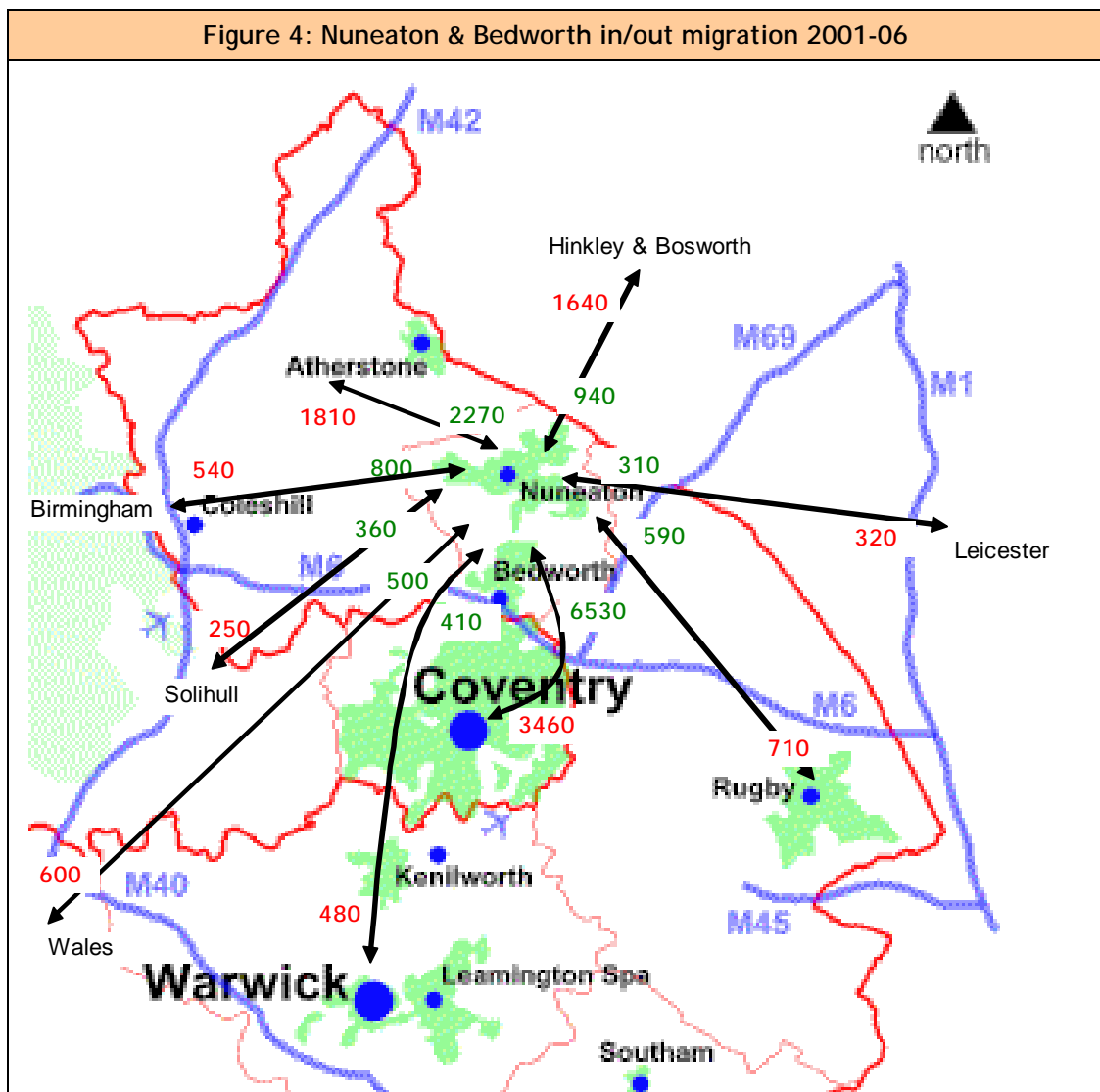


Source: Office of Public Sector Information 2007

3.3.3 The migration patterns of North Warwickshire are quite different to those of Coventry (Figure 3). Where Coventry has significant links to numerous districts, sub-regions and regions, North Warwickshire ties are quite concentrated: over 50% of the in-migration is drawn from just four districts; Birmingham (2,990 or 20.6% of in-migration), Tamworth (1,990 or 14.2%), Nuneaton & Bedworth (1,810 or 12.9%) and Solihull (1,660 or 11.9%). The

largest net gains are from Birmingham (1,720), Solihull (840) and Coventry (230) and the largest net losses are to Nuneaton & Bedworth (460) and Hinckley & Bosworth (240) in the East Midlands.

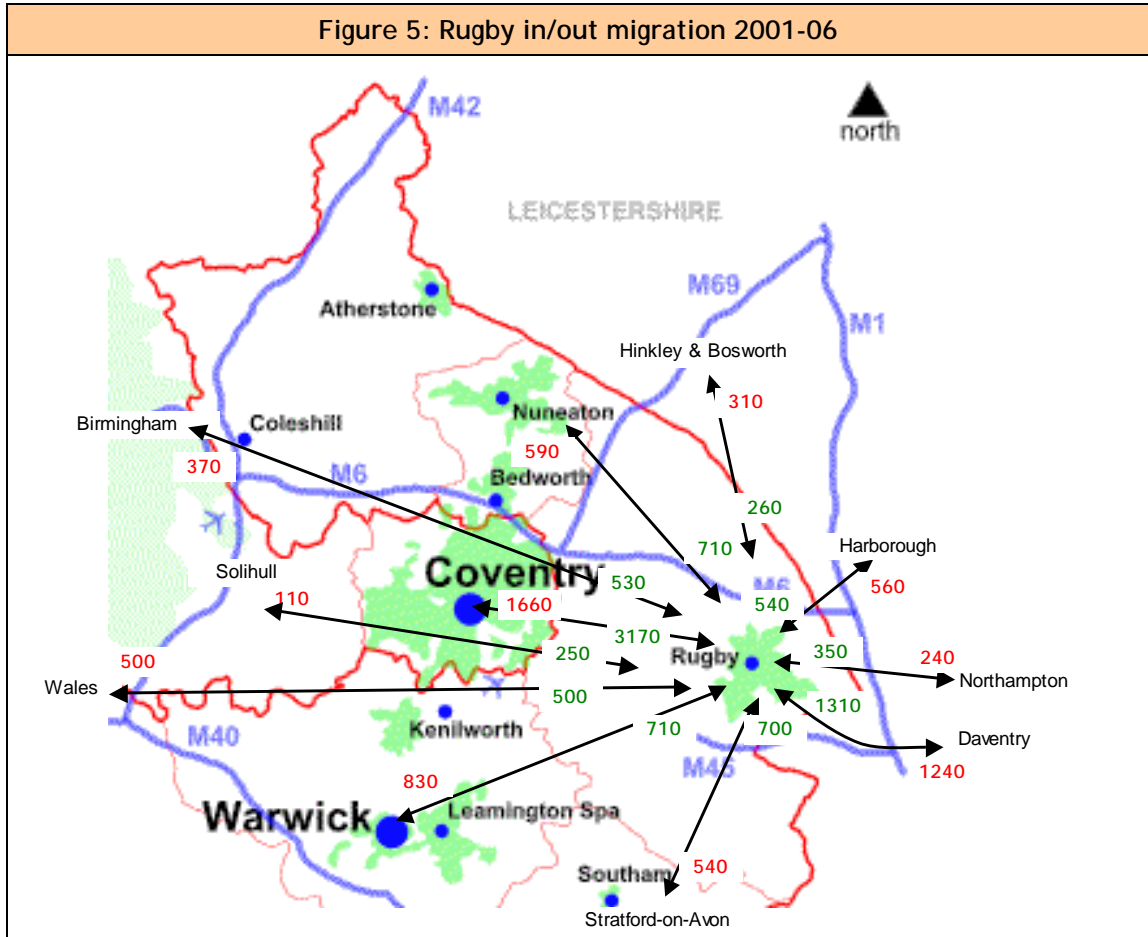
3.3.4 Nuneaton & Bedworth (Figure 4) draws significant population in from Coventry (net gain of 3,070 and 31.9% of in-migration) and North Warwickshire (460), but also loses population to Hinckley & Bosworth (700), Rugby (120) and Wales (100). The district also makes a net population gain from Birmingham (260), albeit not as significant as the city's influence on North Warwickshire and Coventry.



Source: Office of Public Sector Information 2007

3.3.5 Like Coventry, Rugby (Figure 5) has a dispersed pattern of migration with the top 50% of out-migration going to 25 districts; 11 districts contribute the top 50% of in-migration. The significant net gains are from Coventry (1,510) and Warwick (390). The most significant net losses are to the East Midlands: Hinckley & Bosworth (50) and Leicester (40). In terms of in-migration, there are also important relationships with other East Midlands districts

including Daventry (1310 or 7.4% of in-migration), Harborough (540 or 3.0%) and Northampton (350 or 2.0%). The important ties in the West Midlands (aside from Coventry and Warwick) are to Nuneaton & Bedworth (710 or 4.0% of in-migration), Stratford-on-Avon (700 or 3.9%) and Birmingham (530 or 3.0%).



Source: Office of Public Sector Information 2007

3.3.6 Anecdotal evidence suggests that Londoners are buying in Rugby and choosing to commute as Euston is only a 48 minute train journey. In addition, train services through Rugby to London are planned to increase during 2008, which will make the borough more attractive to commuters. This will potentially have an impact on the value of terraced houses near to the train station, which have traditionally been bought by first time buyers in the borough.

3.3.7 In summary, the migration analysis indicates:

- (i) Coventry has significant ties beyond the West Midlands, most notably to London, from where it gains population. However, the city loses population in significant numbers to Warwick, Nuneaton & Bedworth and Rugby.

- (ii) North Warwickshire's pull is fairly localised in comparison, reflecting its size and its rural nature. In-migration comes from Birmingham, Tamworth, Nuneaton & Bedworth and Solihull and net gains are also made from Coventry.
- (iii) In terms of in-migration, one could say that Coventry dominates population growth in Nuneaton & Bedworth; this dwarves the growth from North Warwickshire, the East Midlands and Birmingham.
- (iv) Rugby has ties across the West and East Midlands, setting it in its own market on this analysis. Rugby makes both population gains and losses to some parts of the East Midlands and significant gains from Coventry, Warwick, Nuneaton & Bedworth, Stratford-on-Avon and Birmingham.

3.4 Household structure

3.4.1 The total household numbers and corresponding proportions by tenure within each district are shown in Table 7. Owner occupation is significantly higher in the less urban districts: Nuneaton & Bedworth (77.1%), Rugby (76.6%) and North Warwickshire (75.4%).

3.4.2 The proportion of households in social rented housing is comparatively highest in Coventry (18.2%) and slightly lower in North Warwickshire (15.6%), with the lowest proportion in Rugby (14.5%). The proportion of households in private rented housing ranges from 12.6% in Coventry to 7.5% in Nuneaton & Bedworth.

Table 7: Tenure by district								
Area	Owner-occupied		Social rented		Private rented		Total	
	No.	%	No.	%	No.	%	No.	%
Coventry	84667	69.2	22320	18.2	15378	12.6	122365	100.0
North Warwickshire	18987	75.4	3918	15.6	2268	9.0	25173	100.0
Nuneaton & Bedworth	37538	77.1	7473	15.4	3661	7.5	48672	100.0
Rugby	27917	76.6	5283	14.5	3262	8.9	36462	100.0

Source: Census 2001

3.4.3 The composition of housing by tenure within each district is shown in Table 8. Rugby has the highest proportion of pensioner households (23.4% of all households are single or couple pensioner households). Proportions are also relatively high in Coventry (23.0%). The levels

are not very differentiated across the districts, but Nuneaton & Bedworth (22.4%) and North Warwickshire (21.7%) have slightly lower levels of pensioner households.

3.4.4 Coventry has the highest proportion of single pensioner households (14.8%), followed by Rugby (13.8%), Nuneaton & Bedworth (13.3%) and North Warwickshire (12.7%). These high levels have implications for care and support services for older people living alone. Coventry also has the highest level of single 'other' (non-pensioner) households of the four districts across the three tenures (16.5% of all households are single non-pensioner households), and the highest proportion of lone parents with children households (11.7%). North Warwickshire has the highest proportions of households consisting of couples with children (32.2% of all households). By contrast, proportions of households consisting of couples with children are lower in Coventry (26.0%).

Table 8: Household composition by tenure (%)																
Type	Coventry				North Warwickshire				Nuneaton & Bedworth				Rugby			
	Owner occupied	Social rented	Private rented	All	Owner occupied	Social rented	Private rented	All	Owner occupied	Social rented	Private rented	All	Owner occupied	Social rented	Private rented	All
Single pensioner	9.6	3.7	1.5	14.8	7.2	3.9	1.6	12.7	8.4	3.7	1.2	13.3	8.6	3.8	1.3	13.8
Single other	9.0	4.4	3.1	16.5	8.2	1.9	2.2	12.3	8.5	2.8	2.0	13.3	9.0	2.4	2.9	14.3
All pensioner household	7.1	0.8	0.3	8.2	7.0	1.5	0.5	9.0	7.7	1.2	0.3	9.1	8.3	1.1	0.2	9.6
Couple, no children	12.0	1.1	1.3	14.4	18.4	1.4	1.4	21.2	16.8	1.2	1.0	19.0	17.9	1.2	1.5	20.6
Couple with children	21.9	2.6	1.5	26.0	26.8	2.9	1.6	32.2	27.7	2.8	1.0	31.5	25.1	2.6	1.3	29.1
Lone parent & children	5.1	4.5	2.1	11.7	4.4	2.5	1.1	8.0	4.6	3.1	1.4	9.2	4.3	2.7	1.0	8.0
Other	4.5	1.1	2.8	8.4	3.4	0.7	0.7	4.7	3.3	0.6	0.5	4.5	3.4	0.6	0.7	4.7
Total	69.2	18.2	12.6	100	75.4	15.6	9.0	100	77.1	15.4	7.5	100	76.6	14.5	8.9	100

Source: Census 2001

3.4.5 The age profile of the household residents within each of the four districts as recorded in the 2001 Census is shown as proportions in (Table 9 and illustrated in Figure 6).

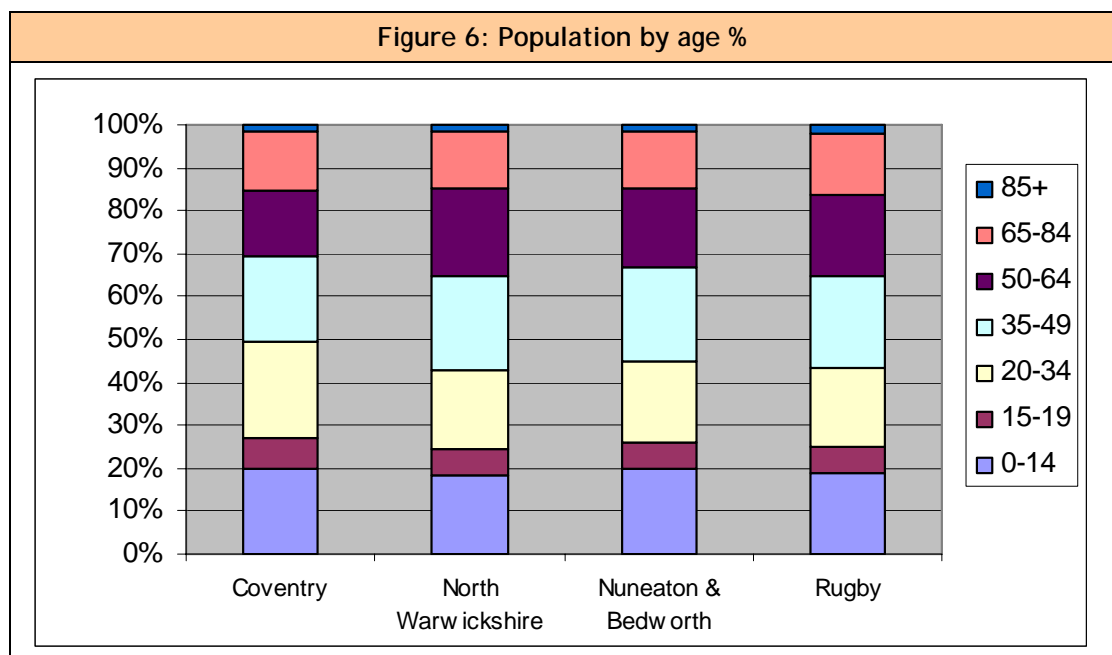
3.4.6 Coventry (19.8%) and Nuneaton & Bedworth (19.7%) have the highest proportions of 0-14 year olds, in line with the West Midlands (19.5%), but above the England & Wales average (18.9%). Coventry has a much younger age profile than the other three districts with half (49.7%) of the population under 34, compared to 42.7% in North Warwickshire, 45.1% in Nuneaton & Bedworth and 43.4% in Rugby. Furthermore, North Warwickshire, Nuneaton & Bedworth and Rugby all have a smaller proportion of 20-34 than the West Midlands and England & Wales averages. This would suggest greater pressure for starter homes in Coventry than elsewhere.

3.4.7 In contrast, North Warwickshire, Nuneaton & Bedworth and Rugby have greater proportions of 35-49 year olds. This coupled with the high proportions of 0-14 year olds in Nuneaton & Bedworth would suggest greater demand for family housing in this area.

3.4.8 Coventry, North Warwickshire and Nuneaton & Bedworth have fewer people 65 and over than in the West Midlands or England & Wales. However, in Rugby the proportion of over 65s is much higher than its C2 partners and above the regional and national averages. If there is an increasingly older population in Rugby then this will exert pressure in demand for homes suitable for retirement and support at home. There may also be pressure on family homes if there is insufficient older persons' housing to meet the population's requirements.

Table 9: Population by age %						
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands	England & Wales
0-14	19.8%	18.6%	19.7%	18.8%	19.5%	18.9%
15-19	7.4%	5.8%	6.1%	6.2%	6.5%	6.2%
20-34	22.5%	18.3%	19.3%	18.4%	19.6%	20.3%
35-49	19.6%	22.3%	21.5%	21.5%	20.7%	21.2%
50-64	15.4%	20.0%	18.5%	19.1%	17.8%	17.5%
65-84	13.5%	13.5%	13.4%	14.1%	14.2%	14.0%
85+	1.7%	1.5%	1.4%	2.0%	1.8%	1.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Census 2001



- 3.4.9 The relatively younger population profile of Coventry driven by natural population change has implications in terms of sufficient provision of starter homes and smaller family homes to ensure the population is not lost through further out-migration. There are also implications related to education, employment and transport.
- 3.4.10 The relatively older population profile of Rugby growth combined with demographic trends towards the ageing of the general population, has potential implications for future accommodation such as:
- (i) Increased requirements for support to enable older people to stay at home
 - (ii) Increased need for specialised accommodation for older people
 - (iii) Under occupancy of larger stock, creating a potential blockage in the market which may force younger families to leave the area

3.5 Black and minority ethnic communities

- 3.5.1 The West Midlands region has the largest proportion of black and minority ethnic communities within its population of any region outside of London (11.3% in 2001¹²). The main BME population concentrations within the West Midlands are within the Central HMA (Birmingham, the Black Country and Coventry) and to some extent the North (Stoke-on-Trent). The West Midlands Regional Housing Strategy¹³ describes differentiation between and within different BME communities. Pakistani and Bangladeshi communities, among the poorest of BME communities, do not have as significant a presence in moderate and high value housing markets, with little spatial movement across the region. These communities value proximity to social and cultural networks but aspirations may be changing generationally. Black Caribbean households are relatively disproportionately housed in social housing. Indian communities show much greater dispersal, apparently driven by improved educational outcomes, increased prosperity and desire to be closer to public services.
- 3.5.2 91% of the West Midlands Region's non-white BME population live in the Central HMA, 4.2% live in the North, 4.0% in the South and less than 1% in the West.¹⁴ The ethnic profile of the population of the C2 HMA is shown in Table 10. Data has been grouped for purposes of summarising the profile across many different ethnic categories.

¹² Office of National Statistics

¹³ West Midlands Regional Housing Strategy, June 2005

¹⁴ *ibid*

- 3.5.3 The BME population is significantly larger in Coventry than in the other areas. This population has been characterised as highly segregated, running in a north-eastwards direction across the city centre.¹⁵ There is a considerable range in the proportion of people grouped as Asian. The highest proportion of Asian people is found in Coventry (11.3%) and in Nuneaton & Bedworth (3.8%). On the other hand the proportion of Asian people is low in North Warwickshire (0.5%). The proportion of people grouped as Other - White varies from 1.5% in North Warwickshire and Nuneaton & Bedworth to 5.7% in Coventry. There are also substantial differences between the proportions of the overall population that are classified as 'mixed' in the different districts; Coventry (1.7%); and Rugby (1.2%) have higher proportions than Nuneaton & Bedworth (0.6%) and North Warwickshire (0.5%).
- 3.5.4 The proportions of BME groups in the 2001 Census do not necessarily reflect some significant aspects of new patterns of increase. Certain ethnic groups are under-represented through the ethnic categories used in Census data. A challenge for understanding the impact of the BME population is that growth is partly made up of migrant workers, asylum seekers and refugees for whom numbers are not easily available.

Table 10: Ethnicity								
Ethnicity	Coventry		North Warwickshire		Nuneaton & Bedworth		Rugby	
	No.	%	No.	%	No.	%	No.	%
British - White	235632	78.3	60103	97.2	111427	93.5	79726	91.1
Other - White	17011	5.7	919	1.5	1838	1.5	2452	2.8
Mixed	5151	1.7	307	0.5	725	0.6	1011	1.2
Asian	33904	11.3	315	0.5	4540	3.8	3042	3.5
Black	5408	1.8	119	0.2	333	0.3	846	1.0
Other	3722	1.2	100	0.2	272	0.2	396	0.5
Total	300828	100.0	61863	100.0	119135	100.0	87473	100.0

Source: Census 2001

3.6 International migration

- 3.6.1 Much has been made of the impact of international migration, particularly from European Union A8 accession states in recent years, upon the sub-regional economy.
- 3.6.2 Obtaining accurate data on new arrivals and migrant workers is problematic as there are significant limitations on the quality of the data:

¹⁵ ibid

- (i) Migrant workers transient nature and sometimes short term stays mean they are much less likely to show up on official data
- (ii) A worker's place of work rather than residence is recorded
- (iii) There is no record of movement beyond the initial entry point

3.6.3 Table 11 shows the distribution of new residents in the HMA from overseas during 2005/6. 76.1% (5,520 out of 7,250) new NI registrations from overseas nationals settled in Coventry. The next biggest influx was to Rugby (13.9%; 1,010 out of 7,250).

3.6.4 Although nationally 25.9% of overseas nationals receiving NI numbers were from Poland, the proportion from Poland was much higher than this in all four districts. Proportions were highest in North Warwickshire (57.9%); Rugby (46.5%); Nuneaton & Bedworth (45.3%) and Coventry (32.1%). Coventry also received significant (higher than the national average) proportions of international migrants from Slovak Republic (6.9%), and higher than the national average proportions of international migrants from Latvia (15.3%).

Table 11: NI Number allocations to overseas nationals 2005/06 (%)									
	All (no.)	Poland	India	Rep of Lithuania	Slovak Rep	South Africa	Latvia	Czech Rep	Other
Coventry	5,520	32.1	9.8	N/A	6.9	3.4	15.3	1.3	31.2
North Warwickshire	190	57.9	5.3	4.7	4.1	9.1	N/A	5.3	13.6
Nuneaton & Bedworth	530	45.3	20.8	N/A	N/A	4.2	4.2	1.9	23.5
Rugby	1,010	46.5	4.0	N/A	1.9	6.4	4.3	4.0	32.9
England & Wales	662,390	25.9	6.9	4.7	4.1	3.6	2.2	2.0	50.6

Source: DWP

3.6.5 Research elsewhere in the West Midlands has shown that new arrivals tend towards employment in jobs that are low paid, casual and temporary (see Table 12), which has consequent implications for the type of housing they take up and its location. Often they find themselves in poorly maintained private rented homes, HMOs and even caravans. This will impact upon their decisions about when and where to establish longer term homes should their families be with them or be planning to join them.

Table 12: Main occupations of A8 arrivals	
Occupation	Total
Process operative (other Factory worker)	928
Warehouse operative	278
Packer	74
Cleaner, domestic staff	47
Leisure and theme park attendants	34
Welder	29
Care assistants and home carers	29
Security Guard	27
Driver, bus	22
Labourer, building	21
Kitchen and catering assistants	21
Driver, HGV (Heavy Goods Vehicle)	21

Source: Market Intelligence, Renew North Staffordshire, 2007

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

The housing careers of migrant workers arriving from Poland paralleled the well-trodden path taken by many new immigrants who arrive into the UK and are reliant upon their own resources to secure and maintain accommodation.

In contrast, refugees have a right of access to social housing and this opportunity was found to have proved critical to the efforts of new immigrants from Somalia and Liberia to secure longer term, permanent accommodation. These respondents tended to be living in relatively unpopular, low-demand accommodation on peripheral local authority estates, in a clear break with the settlement patterns of previous immigration streams into the city.

The settlement patterns of new immigrants arriving into the UK from Pakistan on a spouse visa were found to be reinforcing the established settlement patterns of this long-standing immigrant population - respondents moving in with a spouse and his/her family.¹⁶

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

¹⁶ *The housing pathways of new immigrants*, David Robinson, Kesia Reeve and Rionach Casey, Sheffield Hallam University, 2007

- 3.6.8 These problems often continued after new immigrants had moved into more secure, long-term accommodation (for example, a social housing tenancy). At the point when it might be presumed that new immigrants had finally secured a settled situation and targeted support and assistance were no longer required, participants were reporting problems of insecurity and poor living conditions. Basic material needs were often not satisfied and security of tenure often proved to be an illusion, with new immigrants struggling to maintain, and in some cases losing, their place in the housing system and becoming homeless.
- 3.6.9 In addition, whatever the new immigrants' attitude towards the location in which they arrived, place proved to be a critical determinant of their experiences; more extreme problems arose for new immigrants settled in locations with little previous history of accommodating diversity and difference. A key conclusion was the need to recognise the benefits of settlement in established areas of diversity and the challenges raised by dispersal to locations with little previous history of accommodating difference.

3.7 Economic performance

- 3.7.1 It is recognised in the Regional Economic Strategy¹⁷ that there are disparities in economic performances and circumstances at local levels across the HMAs. For example, there has been a shift towards the South HMA with the growth of professional and managerial occupational groups in that area, and concentrations of high tech and computer-based employment in that area contributing to high affordability issues. It can be expected that the future growth of employment in the West Midlands will primarily be around the city centre of Birmingham, with further concentrations to the South and South West of the city.
- 3.7.2 The C2 HMA includes the former coalfield area of North Warwickshire, where the mining industry declined leaving only one working pit, and the districts of Nuneaton, Rugby and Coventry, where a higher degree of choice than elsewhere is provided for low-income families, while there is a challenge of attracting and retaining higher income groups and developing more expensive aspirational housing in the city.¹⁸
- 3.7.3 The spatial patterning of economic activity in the West Midlands has been described as shifting away from Birmingham to a 'belt' encircling the conurbation. The city of Coventry has been described as a centre with its own economic linkages and dependent commuters,

¹⁷ West Midlands Regional Housing Strategy; West Midlands Regional Spatial strategy, Partial Review, Shared Evidence Base, Stage 2 report: Shared evidence Base informing the RHS, Centre for Urban and Regional Studies, University of Birmingham, 2005

¹⁸ West Midlands Regional Housing Strategy 2005

while Rugby is also an important though smaller economic centre, and a net importer of employment.¹⁹ The 'belt' includes such centres as Stratford on Avon, Lichfield, Bridgnorth, and Bromsgrove.

- 3.7.4 The West Midlands region altogether has traditionally relied primarily on manufacturing, but over the last thirty years restructuring has led to turbulence related to downsizing or relocation of manufacturing industries, (including the continuing contraction of the motor industry around Coventry), and an increasing proliferation of financial and business services. This poses challenges to areas like Coventry, traditionally dominated by manufacturing,²⁰ although manufacturing industry now accounts for only 14% of employment in the city. The growth sectors have been business services including R & D, financial services and professional services. Many new activities are moving into the C2 HMA, particularly into Coventry, such as Severn Trent, OCR, TATA, Data Network/Littlewoods and Ericsson. Each of these new employers brings with them a cohort of workers and their families to settle in the city area.
- 3.7.5 There is metal manufacturing sectoral activity in the district of Coventry, with extensions into North Warwickshire. There is also machine tools manufacture extending from Coventry to include Nuneaton & Bedworth and Rugby. The manufacture of motor vehicles and parts has been concentrated in all four districts of C2 HMA.
- 3.7.6 The southern periphery of Coventry is a heart of the new service economy which is emerging, while concentrations of traditional activity mirror other areas which are losing population. A professional services corridor in the Warwick-Coventry area has been identified, as a newer cluster than that in Birmingham city centre. Rugby is also an innovative centre for ceramics production.²¹
- 3.7.7 Related to development of specialist businesses, attraction and retention of professional staff is to some extent a challenge in Coventry, partly related to perceptions about career progression and prospects in Birmingham. A further economic area of significance in C2 HMA is the transport logistics industry. With the expansion of the M6 corridor, and addition of a second runway at Birmingham airport, the transport logistics industry has developed to include North Warwickshire and Nuneaton & Bedworth. This sector altogether is expected to grow with job creation.

¹⁹ The Functioning Economic Geography of the West Midlands. University of Birmingham. West Midlands Regional Observatory. 2006

²⁰ West Midlands Regional Housing Strategy 2005

²¹ The Functioning Economic Geography of the West Midlands. University of Birmingham. West Midlands Regional Observatory. 2006.

- 3.7.8 The C2 HMA contains significant rural economies, especially in Rugby and North Warwickshire. In the rural area surrounding the town of Rugby, one of the most important farming areas in Warwickshire is situated, with approximately 500 farms and smallholdings. North Warwickshire contains no large town or natural centre. The largest centres of population, Atherstone, Coleshill and Polesworth, each have populations of less than 10,000.
- 3.7.9 There is great variation in the rural economies of the West Midlands region. Categories for analysis which have been proposed²² distinguish between different types of complex local economies in the West Midlands:
- (i) rural areas in the south and east (e.g. including Rugby) “where private sector-led employment and GVA growth is strong and where skills, enterprise rates and private investment are highest”;
 - (ii) rural areas, most particularly the ex-mining communities in Staffordshire and parts of North Warwickshire that have been “experiencing industrial re-structuring”;
 - (iii) rural areas that are “performing reasonably well and where there may be scope to better link residents into economic success” and
 - (iv) “the most rural areas, i.e. the Marches area of West Herefordshire and Shropshire which are less linked into the rest of the regional economy and tend to face demographic challenges of out-migration of young people, in-migration of retirees and low paying and low value-added employment.”

3.8 Employment

- 3.8.1 Some recent labour force trends in the C2 HMA are shown in Table 13. The tables show growth in levels of economic activity and employment rates among the working age population in North Warwickshire and Coventry. In North Warwickshire economic activity rate rose by 2.8% from 2004 to 2006, while the employment rate rose by 4.4%. In Coventry economic activity rate rose by 2.3% from 2004 to 2006, while the employment rate rose by 1.0%. The picture is more mixed in Rugby, where the economic activity rate rose by 0.3% while the employment rate also fell by 2.6%.
- 3.8.2 Levels of unemployment rose during the same period in Coventry (0.9%); and in Nuneaton & Bedworth (1.3%). Despite gaps in the data, there appears to be a short-term trend to rising

²²West Midlands Economic Strategy Review 2006-2007. Consultation on Policy Choices – Rural Commentary.

unemployment levels in Rugby (by 3.4%). The rise in unemployment is a result of complex local factors. People made redundant stay longer on the benefit than people changing their jobs and there has been a recent spate of major redundancies that has consequently raised the number higher than might be expected.

3.8.3 However, more recent data to November 2007 shows significant falls in the JSA count in the C2 HMA (see Figure 7).

Table 13: Employment and unemployment trends 2004-06 (%)								
	Coventry		North Warwickshire		Nuneaton & Bedworth		Rugby	
	2006	2004	2006	2004	2006	2004	2006	2004
Economic activity rate - working age	77.8	75.5	82.1	79.3	80.0	78.4	83.4	83.1
Employment rate - working age	72.1	71.2	81.5	77.1	75.3	74.8	79.1	81.7
Unemployment rate - working age	7.3	5.7	-	2.8	5.9	4.6	5.1	1.7
Managers and senior officials	10.9	12.5	16.1	12.3	11.4	8.3	16.9	11.7
Professional	13.0	13.4	14.7	11.5	10.5	8.5	16.4	11.8
Associate professional & technical	11.5	12.1	8.9	9.4	9.2	10.3	12.1	13.6
Admin and secretarial	13.3	13.1	8.4	10.9	12.9	12.1	11.4	9.8
Skilled trades	9.9	10.3	6.8	11.7	15.3	15.7	11.7	11.9
Personal service	8.4	8.4	7.3	8.4	10.5	8.4	10.7	8.7
Sales and customer service	9.2	8.5	8.0	6.1	5.6	6.5	5.6	5.2
Process, plant & machine operatives	9.1	8.4	11.2	9.3	12.0	14.5	6.7	12.3
Elementary occupations	14.5	13.3	18.5	19.4	12.2	18.9	8.6	17.0

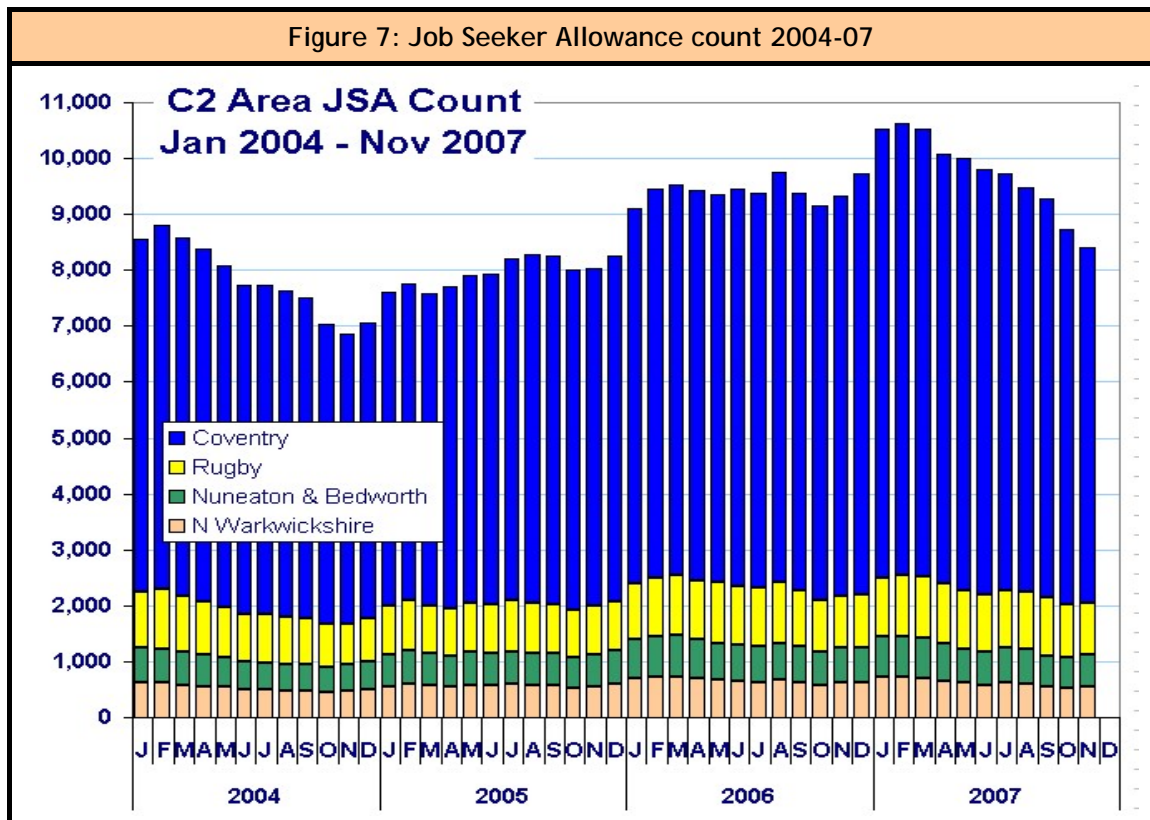
Source: Neighbourhood Statistics

3.8.4 Trends in the proportion of the labour force in each of the four districts employed at different levels across the same period are also indicated in Table 13. The tables show the percentage in employment who are in the following categories: managers and senior officials; professional occupations; associate professional and technical; administrative and secretarial; skilled trades occupations; personal service occupations; sales and customer services; process plant and machine operatives; elementary occupations.

3.8.5 Apart from Coventry all areas show an increase in the proportion of managers, senior officials and professional class. Proportions in the two groups 'managers and senior officials' and 'professionals' aggregated are far higher in Rugby and in North Warwickshire than in Coventry and in Nuneaton & Bedworth.

3.8.6 Proportions in "sales and customer service", "process, plant and machine operatives" and "elementary occupations" all rose in Coventry and North Warwickshire (despite Coventry

recording a slight fall in elementary occupations) in the period 2004-06. In Nuneaton & Bedworth and Rugby the overall proportions grew between 2004 and 2006.



Source: Coventry City Council

- 3.8.7 The levels of benefit among working age clients for each Local Authority in the C2 HMA as of August 2004 is shown proportionally in Table 14. Overall levels of benefit claimants are above the average for the West Midlands and for England in Coventry, which has a high proportion of those claiming benefits (17% of the working age population). The lowest proportion of those claiming benefits is in Rugby (10%).
- 3.8.8 Coventry also has the highest proportion of those people aged 50 and over claiming benefits (27%) and the highest proportion of those people aged 25-49 claiming benefits (17%). Nuneaton & Bedworth also has a high proportion of people aged over 50 claiming benefits (23%).

Table 14: Benefits Data Indicators (working age clients) 2004 (%)						
Benefits	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands	England
All Claiming	17	12	15	10	16	14
Job Seekers	3	1	2	2	3	2
Incapacity Benefits	9	6	8	5	8	7
Lone Parent	3	1	2	1	2	2
Carer	1	1	1	1	1	1
Disabled	1	1	1	1	1	1
Of Male	16	11	14	9	15	13
Of Female	19	13	17	11	17	15
Of 16-24	10	8	11	7	11	10
Of 25-49	17	10	13	9	14	13
Of 50 +	27	19	23	14	22	20

Source: Neighbourhood Statistics

- 3.8.9 Trends in benefit data indicators over the years 2001-2004 are shown in Table 15. The table shows little change over four years in percentages by district for all people of working age claiming a key benefit for each Local Authority in the C2 HMA. Rugby in particular, and also North Warwickshire, remain well below regional and national averages, while Nuneaton & Bedworth and Coventry are closer to the national average.

Table 15: Benefits Data Indicators (working age clients) 2001-04 %						
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands	England
2004	17	12	15	10	16	14
2003	18	12	15	10	16	14
2002	18	12	16	10	16	15
2001	17	12	15	10	16	14

Source: Neighbourhood Statistics

3.9 Income and earnings

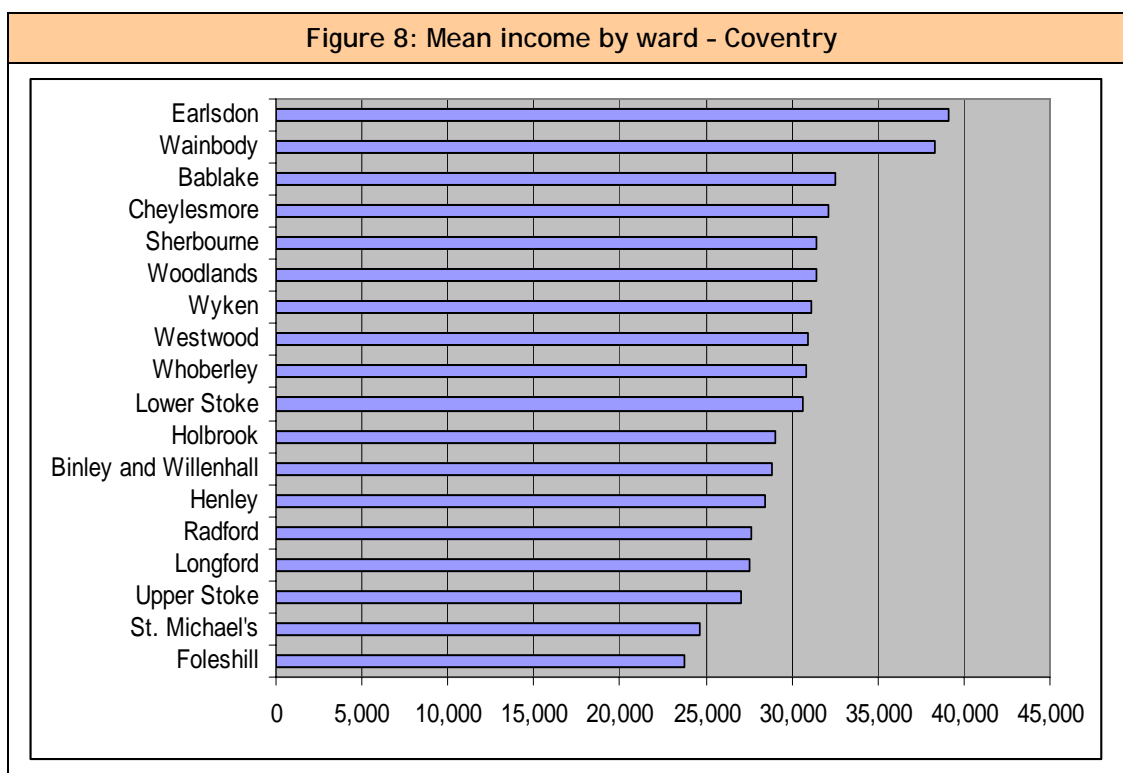
- 3.9.1 Evidence drawn from the ONS Annual Survey of Hours and Earnings for 2002 and 2006, in Table 16, shows how earnings have increased overall from 2002-2006 in C2 HMA, in terms of both lower quartile and median earnings.

Table 16: Lower quartile and median earnings 2002 to 2006						
Local authority	Lower quartile earnings			Median earnings		
	2002	2006	% change	2002	2006	% change
Coventry	£10,524	£11,291	7.3%	£16,087	£18,996	18.1%
North Warwickshire	£10,126	£12,512	23.6%	£16,175	£18,758	16.0%
Nuneaton & Bedworth	£9,706	£12,175	25.4%	£16,434	£20,007	21.7%
Rugby	£10,076	£12,306	22.1%	£17,586	£20,756	18.0%
West Midlands	£10,000	£11,772	17.7%	£16,243	£18,781	15.6%
England and Wales	£10,285	£11,935	16.0%	£17,182	£19,712	14.7%

Source: ASHE 2002 and 2006

3.9.2 There is a big difference between lower quartile earnings in Coventry and the other three authorities in the C2 HMA, where North Warwickshire, Nuneaton and Bedworth and Rugby lower quartile earnings have increased by well over 20% and above the West Midlands and England and Wales increases, whilst Coventry lower quartile incomes have gone up by just 7.3%. Changes in median incomes are more even over the time period, with all four C2 districts showing increases above the West Midlands and England and Wales levels.

3.9.3 With CACI modelled income data it would be possible to look at the distribution of mean incomes across the wards of the C2 HMA. This data is only available for Coventry and is shown in Figure 8.



Source: CACI 2006 for Coventry wards

4 THE HOUSING STOCK

Table 17: Summary of housing stock datasets ²³		
Step	Principal data sources	Data items
2.1 Dwelling profile	National Register of Social Housing (NROSH), Housing Strategy Statistical Appendix (HSSA), Business Plan Statistical Appendix (BPSA), Regulatory Statistical Return (RSR), Census, Dwelling Stock by Council Tax Band NeSS Dataset, Council Tax Register	Number of dwellings in the area by size, type, location and tenure
2.2 Stock condition	NROSH, HSSA, BPSA, RSR, Stock condition surveys, Decent Homes Modelled Data and Census	Condition of stock (unfit, in need of major/minor repairs) by tenure and location
2.3 Shared housing and communal establishments	Census, Student accommodation services, Voluntary sector and key informants, LA Registers of Licensed Houses in Multiple Occupation, NeSS Licensed HMO dataset, Local surveys	Estimated numbers of households living in shared houses and communal establishments

4.1 Introduction

- 4.1.1 This chapter looks at the current supply of market and social housing, including privately rented accommodation. It looks at the current stock profile by size, type, tenure and location and highlights changes in dwelling type over the last ten years.
- 4.1.2 The condition of the housing stock is examined with reference to the decent homes standard and the new Housing Health and Safety Rating System (HHSRS).
- 4.1.3 The provision of shared accommodation is also detailed with particular reference to houses in multiple occupation.

4.2 Dwelling type and tenure

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

²³ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p23

2007. Table 18 illustrates the number of dwellings, and the proportion this represents, in each district by ownership. The lower half of the table compares public and private ownership. Private ownership includes owner occupation and private rented property.

Table 18: Housing stock profile										
Ownership	Coventry		North Warwickshire		Rugby		Nuneaton & Bedworth		C2 HMA	
	No.	%	No.	%	No.	%	No.	%	No.	%
Local authority	145	0.1	2779	10.6	3956	9.9	6095	11.5	12975	5.2
RSL	22940	17.7	782	3.0	1100	2.8	1536	2.9	26358	10.6
Other public	48	0.0	0	0.0	0	0.0	527	1.0	575	0.2
Total public	23133	17.8	3561	13.5	5056	12.7	8158	15.4	39908	16.0
Private	106551	82.2	22725	86.4	34700	87.3	44759	84.6	208735	83.9
Total	129684	100.0	26286	100.0	39756	100.0	52917	100.0	248643	100.0

Source: HSSA 2007

- 4.2.2 Coventry Council is the only authority to have transferred all its stock, except for a small number of residual properties, to Registered Social Landlords (RSL). North Warwickshire, Rugby and Nuneaton & Bedworth still maintain local authority stock with further provision of social housing with Registered Social Landlords of about 3.0%. Local Authority tenants in Nuneaton & Bedworth rejected a stock transfer proposal in 2003.
- 4.2.3 Rugby has the lowest percentage of social housing stock in the C2 Housing Market Area with 12.7%. The three districts of North Warwickshire, Rugby and Nuneaton & Bedworth have a lower percentage of social housing stock compared to the C2HMA average of 16.0%. Coventry, an urban area, has the highest percentage with 17.8% RSL stock.
- 4.2.4 Regional and national figures for 2007 taken from completed Housing Strategy and Statistical Appendices are not yet available as comparators. Comparisons within the C2 Housing Market Area, however, illustrate all of the districts except for Coventry have a higher percentage of private housing than the C2 HMA average of 83.9%. Rugby has the highest percentage with 87.3% of dwellings in the private sector followed by North Warwickshire with 86.4%.
- 4.2.5 Table 19 shows the type of housing by tenure within each district as proportions of the total housing stock (residents in caravans and mobile structures have not been included and residents living free are included in the private rented section).

Table 19: Dwelling type by tenure 2001							
	Type	Detached	Semi-detached	Terraced	Flat	Shared dwelling	Total
Coventry	Owner occupied	8.3	22.3	34.7	3.9	0.0	69.2
	Social rented	0.6	3.1	6.7	7.7	0.1	18.3
	Private rented	0.7	2.0	6.0	3.8	0.1	12.6
	Total	9.6	27.4	47.4	15.4	0.3	100.0
North Warwickshire	Owner occupied	26.5	29.8	17.0	2.2	0.0	75.4
	Social rented	0.8	7.1	4.4	3.3	0.0	15.6
	Private rented	1.7	3.2	2.1	2.0	0.0	9.0
	Total	29.1	40	23.5	7.4	0.0	100.0
Nuneaton & Bedworth	Owner occupied	22.7	32.2	20.2	2	0.0	77.1
	Social rented	0.6	4.5	4.9	5.3	0.1	15.4
	Private rented	0.8	1.9	2.6	2.2	0.0	7.5
	Total	24.1	38.6	27.7	9.5	0.1	100.0
Rugby	Owner occupied	26.4	28.6	19.4	2.0	0.0	76.5
	Social rented	0.4	4.8	4.1	5.2	0.0	14.5
	Private rented	1.4	2.1	2.6	2.8	0.1	8.9
	Total	28.2	35.5	26.1	10.1	0.1	100.0

Source: Census 2001

- 4.2.6 All of the districts in the C2 Housing Market Area except Coventry have a higher percentage of owner occupied accommodation than the regional or national averages of 69.6% and 68.7% respectively. Nuneaton & Bedworth have the highest proportion of owner occupied property with 77.1%.
- 4.2.7 The percentages in Table 19 relate to the dwelling stock at the time of the Census 2001 whereas the percentages in Table 18 are taken from the HSSA 2007 thus providing an illustration of changes over the last six years. There has been a decrease in social rented dwelling stock in three districts with the largest percentage drop occurring in North Warwickshire, 15.6% to 13.5%, followed by Rugby with social housing stock decreasing from 14.5% to 12.7%. Nuneaton & Bedworth maintained the same proportion of social rented housing, 15.4%.
- 4.2.8 The proportion of private rented accommodation in Coventry, 12.6%, is higher than the regional average of 9.8% (at the time of the Census 2001) and the national average of 12.0%. Nuneaton & Bedworth has the lowest percentage of private rented accommodation with 7.5% of housing stock.

- 4.2.9 The predominant dwelling type in three of the districts of the C2 Housing Market Area is semi-detached housing with North Warwickshire 40.0%, Nuneaton & Bedworth 38.6% and Rugby 35.5%. However the predominant type of housing in Coventry is terraced, with almost half the dwelling stock, 47.4%, terraced property. Terraced housing in the other three districts fluctuates around a quarter of the housing stock. North Warwickshire has the highest proportion of detached dwellings with 29.1% of housing stock whereas Coventry has 9.6%. The tables show the highest percentage of flats is in Coventry, 15.4%, reflecting its urban centre whereas North Warwickshire has a smaller proportion of flatted dwellings with 7.4%.
- 4.2.10 Table 20 provides some further information on the owner occupied sector. The table provides a comparison of the proportion of owner occupiers owning their property outright in 1991 and in 2001. In all districts the percentage has risen. Over 40.0% of all owner occupiers in the C2HMA at the time of the Census 2001 own their property outright with the highest proportion in Coventry, 44.0%.
- 4.2.11 It is also interesting to compare the percentage of owner-occupiers with shared ownership across the C2 Housing Market Area. The figures provide a basis from which to compare future changes in the proportions of intermediate housing tenure in the districts. At the time of the Census 2001, Coventry followed by North Warwickshire had the highest percentage of shared ownership within the owner-occupied sector with 1.0% and 0.9% respectively.

Table 20: Focus on owner occupation			
	% of owner occupiers who own outright		% of owner occupiers in shared ownership
	1991	2001	2001
Coventry	38.4	44.0	1.0
North Warwickshire	33.8	40.6	0.9
Rugby	35.7	41.8	0.8
Nuneaton & Bedworth	33.4	40.1	0.6

Source: Census 2001 and Census 1991

- 4.2.12 Table 21 allows comparison to the type and tenure of dwellings at the time of the 1991 Census. Over the ten-year period to 2001 (Table 19) there was an increase in the proportion of owner occupied properties in North Warwickshire, 2.3%, Rugby, 0.7%, and Nuneaton & Bedworth, 0.4%. Coventry however experienced a decrease in owner occupation from 1991 to 2001 declining from 71.4% to 69.2% of housing stock.

- 4.2.13 The proportion of dwellings in the social rented sector decreased in all districts during this ten year period from 1991 to 2001. The greatest change in the proportion of social dwellings in relation to all dwellings occurred in North Warwickshire with 3.5% less social rented property by 2001. Nuneaton & Bedworth witnessed a similar reduction of 3.4%.
- 4.2.14 The proportion of dwellings in the private rented sector increased in all districts over the ten year period with the most significant increase in Coventry where private rented properties rose by 5.0%, from 7.6% to 12.6% of housing stock in the district.
- 4.2.15 The proportion of terraced housing in all districts decreased over the ten-year period. During the same time period all districts saw an increase in the proportion of detached housing. The proportion of semi-detached housing stayed fairly constant in all districts except Coventry where it rose by 3.0% of overall housing stock.
- 4.2.16 North Warwickshire was the only district to witness an increase in the proportion of flatted properties rising from 7.3% to 7.4% in 2001. Coventry saw a decline in flatted housing stock from 16.2% to 15.4%.

Table 21: Dwelling type by tenure 1991							
	Type	Detached	Semi-detached	Terraced	Flat	Shared dwelling	Total
Coventry	Owner occupied	6.7	21.2	39.1	4.4	0.0	71.4
	Social rented	0.1	2.4	8.6	9.9	0.0	21
	Private rented	0.3	0.8	4.3	2.0	0.2	7.6
	Total	7.1	24.4	52.0	16.2	0.2	100.0
North Warwickshire	Owner occupied	25.1	28.7	17.0	2.2	0.0	73.1
	Social rented	0.6	8.0	7.0	3.5	0.0	19.1
	Private rented	1.8	2.7	1.9	1.6	0.0	7.9
	Total	27.5	39.4	25.9	7.3	0.0	100.0
Nuneaton & Bedworth	Owner occupied	23.6	29.6	20.4	2.1	0.0	75.8
	Social rented	0.2	5.0	6.1	6.4	0.0	17.8
	Private rented	1.2	1.3	1.9	1.8	0.1	6.4
	Total	25.1	36.0	28.5	10.3	0.2	100.0
Rugby	Owner occupied	20.2	32.8	21.6	2.1	0.0	76.7
	Social rented	0.3	4.8	7.2	6.4	0.0	18.8
	Private rented	0.5	1.1	1.4	1.3	0.1	4.5
	Total	21	38.7	30.2	9.8	0.2	100.0

Source: Census 1991

4.3 Dwelling size

- 4.3.1 Table 22 illustrates the size of dwellings by the total number of rooms in a property. Assuming two living rooms, the five-roomed properties represent three bedroom properties. The highest incidence of properties within each district is three bedroom properties with the C2 HMA proportion as 34.2%, higher than the regional average of 29.9%.
- 4.3.2 Coventry shows the highest proportion with 36.6% of dwelling stock three bedroom in size. Rugby has a lower proportion of three bedroom properties with 27.3%, nevertheless still the predominant dwelling size, and has a higher proportion of larger accommodation than the other districts with 10.9% of dwellings five bedroom properties and 12.5% six bedroom or more.
- 4.3.3 The C2 HMA has a smaller proportion of properties with three habitable rooms compared to the regional average; 7.0% compared to 7.9%. Only Coventry comes near to the regional proportion with 7.8%, whereas Nuneaton & Bedworth and North Warwickshire are 5.5% and 5.8% respectively.

Table 22: Size of dwellings						
No of rooms	Coventry	North Warwickshire	Rugby	Nuneaton & Bedworth	C2HMA	West Midlands
One	0.9	0.2	0.4	0.5	0.7	0.5
Two	2.4	0.9	1.2	1.5	1.9	1.7
Three	7.8	5.8	6.8	5.5	7.0	7.9
Four	18.7	16.4	16.7	17.5	17.9	17.6
Five	36.6	31.6	27.3	34.6	34.2	29.9
Six	22.6	23.9	24.1	24.8	23.4	22.6
Seven	6.3	9.9	10.9	8.6	7.9	9.5
Eight	4.8	11.3	12.5	6.8	7.1	10.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Census 2001

Stakeholders on development densities

- Every site is different, a lot of them have severe problems and planning policy is very broad brush and tends to apply suburban standards across the whole of the city just through the need to have a standard. Having flexibility, having officers that are capable of being flexible and working with a developer to increase densities which is what we need to get housing into our urban sites to release green belt and not to adhere quite so strictly to overlooking issues, proximity to existing dwellings, etc. Barcelona is one of the most fashionable cities in the world now and yet one of the densest cities in Europe. So does high density necessarily mean poor quality? I would argue quite the opposite. I think we need to*

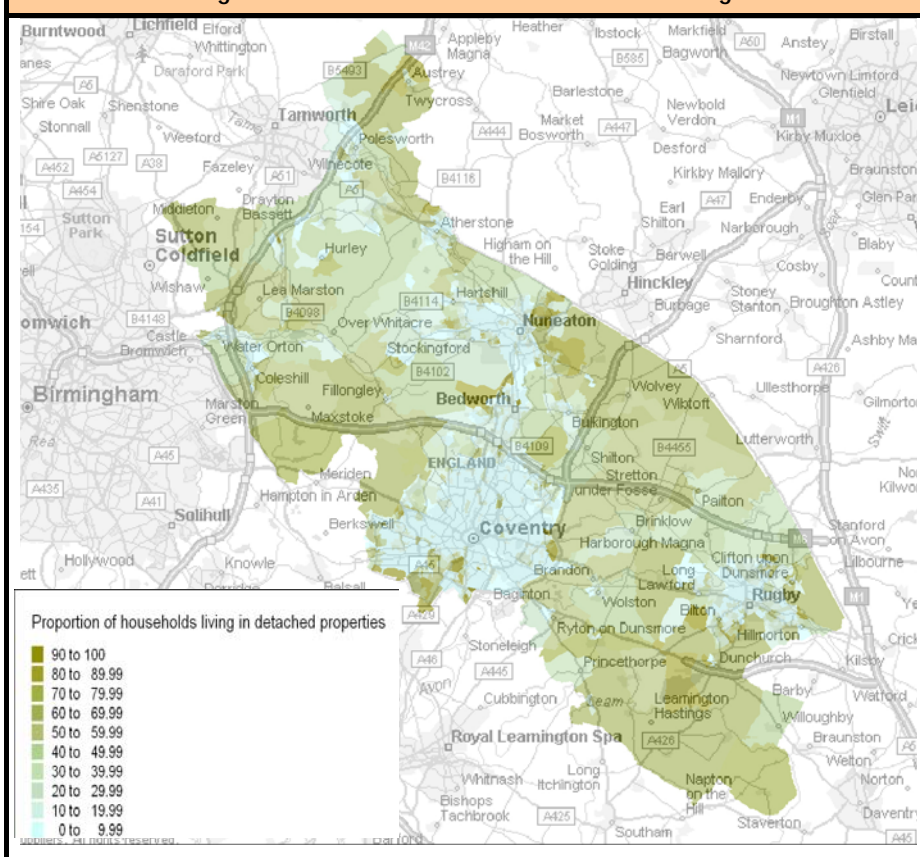
be encouraging high quality schemes even if they mean high density in existing communities.

- *But we must protect our urban green areas. We must provide somewhere for people who live in the most built up environment to be able to use those green areas. Yes people can live in more tightly built up areas but we have got to give them somewhere to breathe, somewhere to be the lungs of the city, within the city, not just outside the city.*

4.4 Distribution of dwelling types

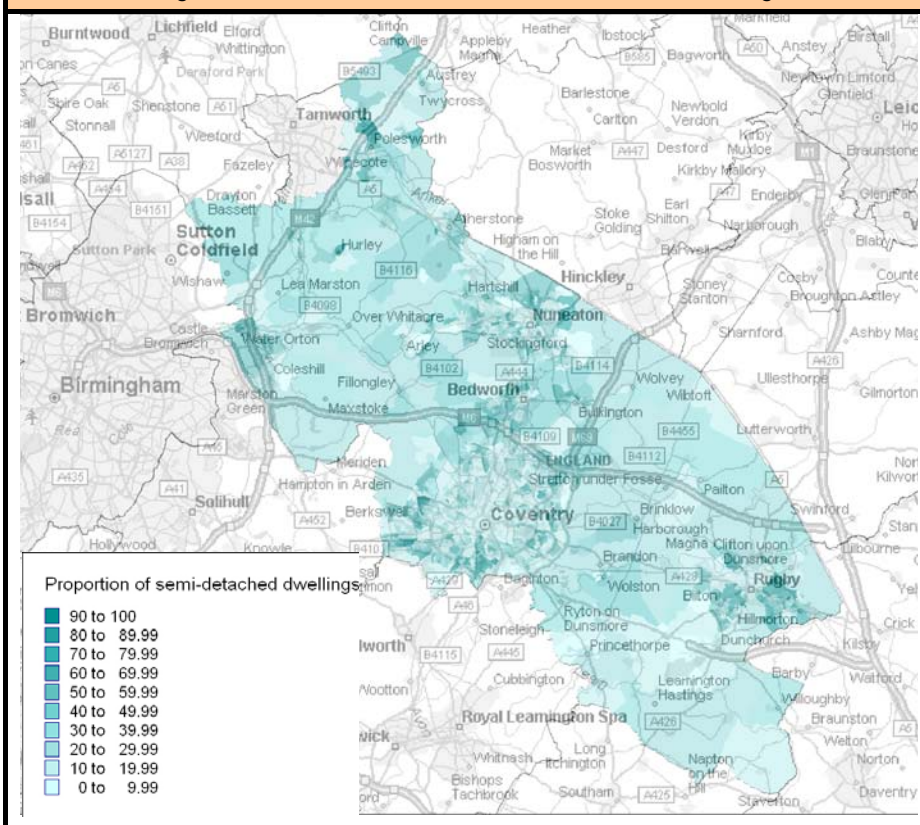
- 4.4.1 The spatial distribution of each dwelling type across the C2 Housing Market Area is shown in Figure 9 to Figure 12. The deeper concentration of colour represents a higher proportion of that type of dwelling in the locality. The fairly high proportion of semi-detached property across the C2 Housing Market Area is represented by the strong blue shading of Figure 10. Deeper concentrations of detached housing are also shown in Figure 9 particularly in the outlying areas of the districts and more rural areas. Coventry shows a high concentration of terraced properties but little detached property.
- 4.4.2 The maps highlight the main urban concentrations in the C2 Housing Market Area with Coventry exhibiting the highest concentration of terraced and flatted properties. Rugby, Nuneaton & Bedworth also show pockets of flatted housing. The higher prevalence of terraced property to flatted property in the C2 Housing Market Area is shown by the greater spread of colour in Figure 11 compared to Figure 12.

Figure 9: Distribution of detached dwellings

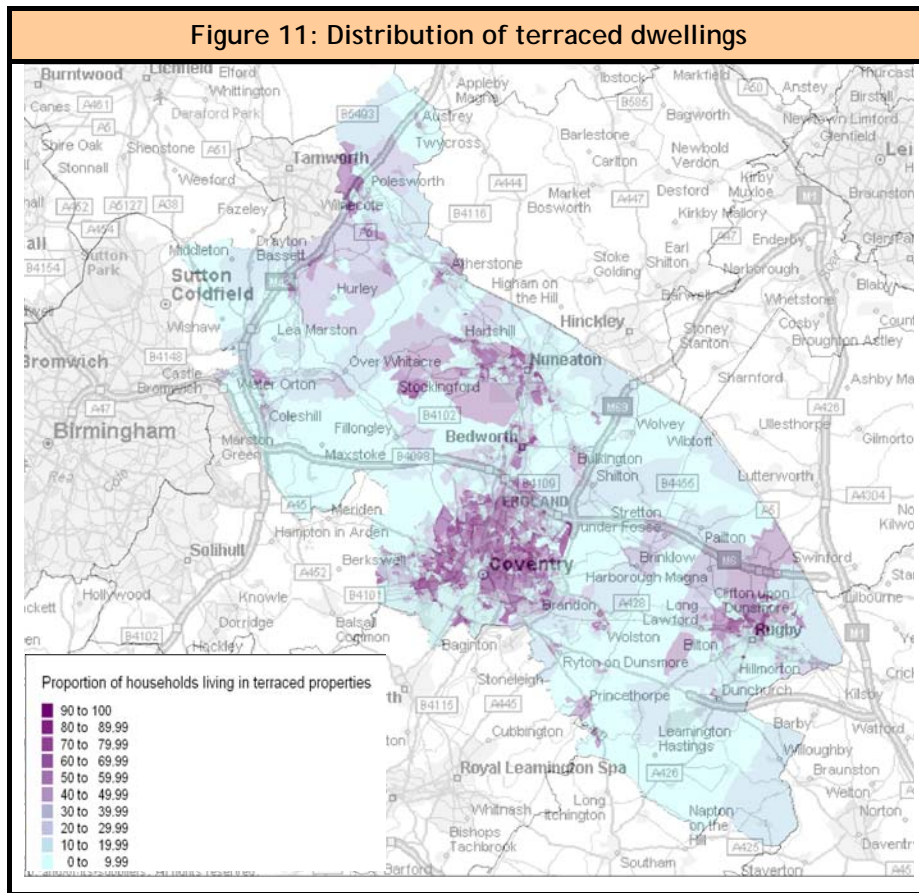


Source: 2001 Census

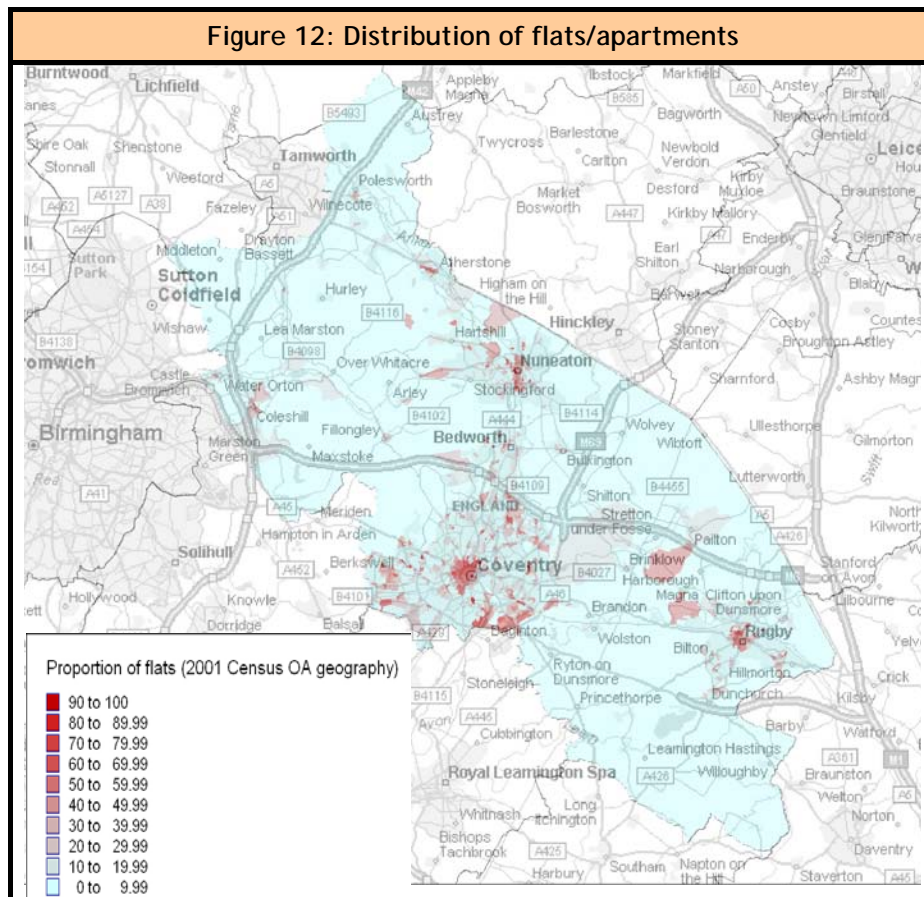
Figure 10: Distribution of semi-detached dwellings



Source: 2001 Census



Source: 2001 Census



4.5 Shared housing and communal establishments

- 4.5.1 Shared housing and communal establishments include homeless hostels, older people's specialist accommodation and student housing.
- 4.5.2 Table 19 illustrates the proportion of shared dwellings in relation to total housing stock at the time of the Census 2001. Coventry had the largest proportion of shared dwellings with 0.3% of total stock increasing from 0.2% in 1991 (see Table 21). Nuneaton & Bedworth and Rugby both had 0.1% shared dwelling stock in 2001 (Table 19) decreasing from 0.2% of stock in 1991 (Table 21). North Warwickshire has a very small proportion of shared dwellings not reaching 0.1% in either the 1991 Census or the 2001 Census.
- 4.5.3 There is a statutory requirement²⁴ for local authorities to inspect, register and license properties which are three storeys and above with five or more bed spaces. There are minimum conditions to address including fire safety requirements. Other houses in multiple occupation (HMOs) do not currently require a license.

²⁴ Housing Act 2004

4.5.4 Table 23 details the number of houses in multiple occupation in each district. The Department for Communities and Local Government is currently introducing a new system to collect detailed information about licensed properties through the Register of Licensed Houses in Multiple Occupation (ROLHMO). This facility is not yet available but two recent stock condition surveys provide an indication for Coventry and Nuneaton & Bedworth.

Table 23: Number of houses in multiple occupation	
	No.
Coventry	3180
North Warwickshire	10
Rugby	#
Nuneaton & Bedworth	162

Source: HSSA 2007

4.5.5 Coventry has the highest number of houses in multiple occupation reflecting its city status. Houses in multiple occupation form a significant part of Coventry's housing stock representing 3.1% of all private sector properties. It is estimated²⁵ that there are between 250 and 500 licensable HMOs.

4.5.6 Nuneaton & Bedworth has a small proportion of HMOs with an estimated²⁶ 0.5% of dwelling stock being used to house multiple households compared to the national average of 2.0%. It is estimated that between 17 and 50 HMOs are licensable.

4.6 Stock condition

4.6.1 The condition of housing stock within these four districts can be assessed by different measures. The Housing Health and Safety Rating System²⁷ replaced the Fitness Standard as a criterion of the Decent Homes Standard on 6th April 2006.

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

4.6.2 The Housing Health and Safety Rating System (HHSRS) process identifies defects within a dwelling and scores the potential risk of this hazard to the health and safety of persons using the building. Key hazards considered within an assessment include the risk of falls, hot surfaces and materials positioned inappropriately, above average risk of fire, damp and

²⁵ Coventry Private Sector House Condition Survey 2006, p15

²⁶ Nuneaton & Bedworth Private Sector House Condition Survey 2007, p16

²⁷ The Communities and Local Government Housing Health and Safety Rating System 2005

mould growth and excessive cold. Unlike the fitness standard the HHSRS takes into account the likely risk to possible occupiers of the building. Housing stock which is classed as being subject to a Category 1 Hazard require a mandatory response from a Local Authority as they are considered to have an unacceptably high risk of serious injury or mortality.

4.6.3 Table 24 provides details of dwellings with Category 1 hazards in each district as a proportion of total dwellings of that type. The details for the private sector in Rugby are not available.

Table 24: Dwellings with Category 1 hazards (HHSRS)								
Ownership	Coventry		North Warwickshire		Rugby		Nuneaton & Bedworth	
	No.	%	No.	%	No.	%	No.	%
Local authority	0	0.0	0	0.0	0	0.0	6	0.1
RSL	30	0.1	0	0.0	0	0.0	3	0.2
Other public	6	12.5	0	0.0	#	#	0	0.0
Total public	36	0.2	0	0.0	#	#	9	0.1
Private	10264	9.6	2696	11.9	#	#	6600	14.7
Total	10300	7.9	2696	10.3	#	#	6609	12.5

Source: HSSA 2007

4.6.4 The levels of dwelling stock in the public sector with Category 1 hazards are low with 0.2% the highest in Coventry or 36 properties. In the private sector, however, the number and percentage of properties increases greatly. Nuneaton & Bedworth estimates 14.7% of private sector properties have Category 1 hazards. Coventry has the highest number with 10,264 properties requiring action to remove a Category 1 hazard.

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

4.6.6 Table 25 shows the estimated cost of removing Category 1 hazards from housing stock in the private sector in each district. The sums are based on estimates from private sector stock condition surveys carried out at different times as detailed in the final column. The varying dates make comparison problematic. Although Coventry has the highest absolute number of properties requiring remedial action, the estimated cost of removing Category 1 hazards from these properties is lower than the estimated cost in North Warwickshire and Nuneaton & Bedworth.

Table 25: Cost of removing Category 1 hazards from the private sector (non RSL)		
District	Estimated cost (£)	Survey date as basis of estimate
Coventry	26,500,000	2006
North Warwickshire	30,000,000	2005
Rugby	#	#
Nuneaton & Bedworth	59,700,000	2007

Source: HSSA 2007

- 4.6.7 The government Decent Homes Standard provides a means of assessment to ensure the property is in a reasonable state of repair, has adequate modern facilities and provides a reasonable degree of warmth to its occupiers. Initially introduced as a requirement for all Local Authorities and Registered Social Landlords to make all their dwellings decent under these criteria by the end of 2010, the provision was extended in 2004 to include vulnerable people²⁸ in the private sector. The current requirement in the private sector²⁹ is for 65% of dwellings to be decent by 2006/7, 70% by 2010/11 and 75% by 2020/21.
- 4.6.8 Table 26 provides details of the most recent data for each district on achievement of the decent homes standard by tenure. Information is taken from district housing strategies and the latest private sector house condition surveys. Coventry is the only authority where large scale local authority stock transfer has taken place and so the private sector house condition survey does not include Registered Social Landlord properties. The private sector stock condition surveys for Rugby (2003) and Nuneaton & Bedworth (2007) however do include housing association stock.

Table 26: Non-decent dwellings by tenure			
District	Local Authority or RSL (if stock transfer)	Private sector including RSL (if no stock transfer)	Year of estimate
Coventry	28.4% - confident to meet target by 2010	31.3%	2006
Rugby	Confident to meet target by 2010	29.0%	2003
North Warwickshire	Confident to meet target by 2010	25.0%	2005
Nuneaton & Bedworth	Confident to meet target by 2010	33.9%	2007

Source: Housing Strategies and Private Sector House Condition Surveys

- 4.6.9 Local Authorities maintaining their stock (Rugby, North Warwickshire and Nuneaton & Bedworth) and Coventry's Registered Social Landlords express an expectation that the decent homes standard will be met for all their properties by 2010. Confidence in achieving

²⁸ Vulnerable households are defined as households in receipt of a means tested or disability benefit

²⁹ Public Sector Agreement (PSA) 7

the decent homes standard target is based on an appraisal of expenditure requirements and a planned programme of action.

- 4.6.10 Of the figures available, the table shows Nuneaton & Bedworth has the highest proportion of non-decent dwellings with 33.9% failing to meet the decent homes standard. This can be compared to the national figure of 28.5% for England based on the 2004 EHCS survey, but it should be pointed out that the latter used the housing fitness standard which tends to produce a lower result.
- 4.6.11 The decent homes target in the private sector focuses specifically on vulnerable households. Up to date figures for North Warwickshire and Rugby are not currently available. However Rugby's latest private sector housing stock condition survey in 2003 estimated 29.0% of private sector housing failed the decent homes standard and the proportion of vulnerable households living in non-decent homes was 58.0%.
- 4.6.12 Coventry and Nuneaton & Bedworth's recent private sector house condition surveys in 2006 and 2007 respectively provide estimates of the number of dwellings occupied by vulnerable households falling short of the government targets. In Coventry there is an estimated shortfall of 980 dwellings to meet the target of 65.0% and 2,730 dwellings for the 70.0% target. In Nuneaton & Bedworth, there is an estimated shortfall of 990 dwellings to meet the target of 65.0% and 1,640 dwellings for the 70.0% target.
- 4.6.13 Common characteristics in the Coventry and Nuneaton & Bedworth private sector house condition surveys indicate:
- The main reason for non decency was thermal comfort failure
 - A high level of non decent homes in the private rented sector and converted flats
 - Most non decency occurs in older dwellings, particularly properties constructed before 1919
 - Many non decent homes were occupied by elderly households, people on low incomes or those economically vulnerable.
- 4.6.14 These findings highlight key issues for housing stock condition in the C2 Housing Market Area.
- 4.6.15 Improving private sector housing operates through various approaches including advice, encouragement, grants and ultimately enforcement. Private sector renewal policies aim to encourage joint working between voluntary and statutory sectors to influence the private sector including combining new forms of assistance, for example equity release, with the more traditional grants scheme.

- 4.6.16 An indication of the level of activity towards meeting the decent home standard in the private sector is shown in Table 27. This illustrates trends in recent and planned levels of private sector renewal assistance through grants; owner-occupiers principally receive these. Figures for 2007/08 and 2008/09 are planned expenditure.
- 4.6.17 The highest expenditure in the C2 Housing Market Area was in 2003/2004 with £2,107,000 renewal assistance in Coventry. The following year saw Coventry provide a further £1,952,000 private sector renewal assistance but the amount available has subsequently dropped considerably with planned expenditure for 2007/8 at £512,000. North Warwickshire is planning its highest level of private sector renewal assistance this year, £175,000, with a further £110,000 planned for next year. From the figures available for Rugby, the greatest assistance available for private sector renewal was in 2006/07 with £875,000. Planned expenditure for the next two years shows a significant drop. Similarly Nuneaton & Bedworth figures for planned expenditure for 2007/08 and 2008/09 are decreasing and this situation is reflected in the overall budget for C2HMA with the total for the whole housing market area at £1,179,000 for 2008/09. Other forms of encouragement and engagement with the private sector will be needed.

Table 27: Private sector renewal assistance					
Year	Coventry	North Warwickshire	Rugby	Nuneaton & Bedworth	Total C2 HMA
2003/04	2,107,000	59,000	#	277,000	#
2004/05	1,952,000	118,000	#	160,000	#
2005/06	1,102,000	48,000	#	156,000	#
2006/07	943,000	64,000	875,000	171,000	2,053,000
2007/08	512,000	175,000	465,000	90,000	1,242,000
2008/09	650,000	110,000	365,000	54,000	1,179,000

Source: HSSA 2007

5 THE ACTIVE MARKET

Table 28: Summary of active market datasets ³⁰		
Step	Principal data sources	Data items
3.1 The cost of buying or renting a property	Land Registry, Estate & Letting Agents, Rent Service, HSSA	Average and lower quartile prices and rents by tenure, sizes, types and location
3.2 Affordability of housing	Outputs of Step 3.1 and Step 1.4	Mapping of which areas and property types are most and least affordable
3.3 Overcrowding and under-occupation	Census, Local surveys	Dwelling and household size, overcrowding, under-occupancy
3.4 Vacancies, turnover rates and available supply by tenure	Outputs from Step 2.1, NROSH, HSSA returns, Council tax register, LA/HA records, Land Registry transactions, Estate and letting agents, Survey of Mortgage Lenders	Vacancy rates by tenure, size, type and location, transactions data, turnover, and an indication of available supply by tenure, type, size and location

5.1 Introduction

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

- The cost of buying and renting, including the entry-level property price
- Social housing
- Affordability
- Over crowding and under-occupation
- Vacancies, supply and turnover

5.2 The cost of housing for sale

5.2.1 Mean overall prices within the C2 Housing Market Area for the period April 2006 to March 2007 are presented in Table 29.

5.2.2 Average prices in the different areas of the C2 HMA vary considerably. The highest overall mean price is in Rugby at £181,903, more than £42,000 higher than the lowest mean price in Nuneaton & Bedworth. The highest mean price for a detached property is in North

³⁰ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p26

Warwickshire (£290,995), where detached properties are in reasonable supply (these account for 19.4% of sales). The second highest mean detached price was in Coventry (£286,868), which has relatively fewer detached properties than neighbouring areas (accounting for only 9.2% of sales). Nuneaton & Bedworth recorded the lowest mean prices in all housing types. The highest mean prices for semi-detached, terraces and flats were all recorded in Rugby.

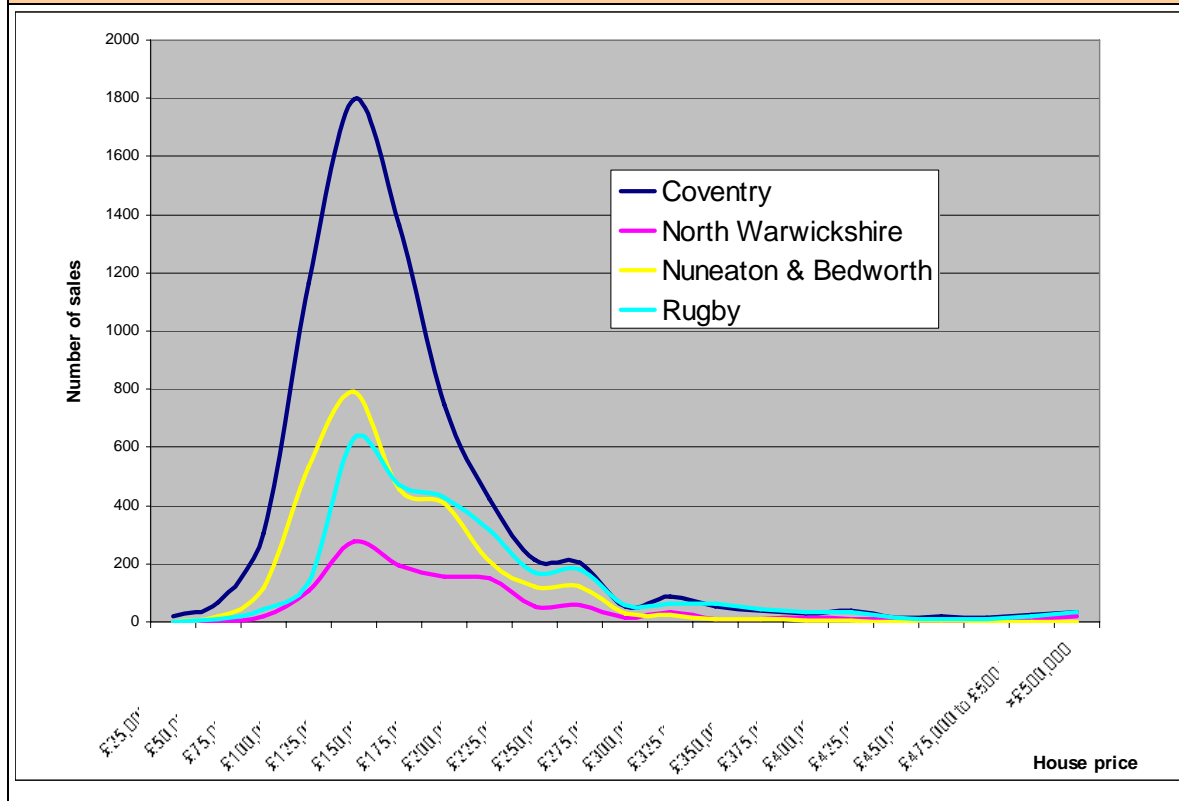
- 5.2.3 Rugby and North Warwickshire have an overall mean price above the West Midlands average of £145,142, Coventry is almost the same as the average and Nuneaton & Bedworth is below.

Table 29: Mean house price 2006/7					
	Detached	Semi-detached	Terrace	Flat	All
Coventry	£286,868	£158,346	£121,892	£111,858	£144,164
North Warwickshire	£290,995	£163,318	£132,001	£118,366	£174,942
Nuneaton & Bedworth	£212,407	£135,039	£110,988	£103,738	£139,706
Rugby	£282,693	£163,992	£139,037	£120,335	£181,903
C2 HMA	£265,949	£153,713	£123,477	£112,276	£153,600

Source: Land Registry

- 5.2.4 The distribution of house prices across the C2 HMA is depicted in Figure 13. The important point to note is the price at which the peak (and the bulk) of sales occur, as opposed to the volume of sales as this will partly reflect the dwelling profile.
- 5.2.5 In Coventry the vast majority of sales occur between £75,000 and £175,000; peaking between £100,000 and £125,000. The peak in North Warwickshire falls between £100,000 and £125,000, but otherwise sales are quite dissipated between £75,000 and £225,000.
- 5.2.6 Nuneaton & Bedworth peaks at a lower point than Coventry but in the same band (£100,000 and £125,000), with a second peak point between £150,000 and £175,000. Rugby peaks at the same price as Coventry. All four authorities have another slight peak of sales at the higher band £225,000 to £250,000.

Figure 13: Distribution of house sales 2006/7



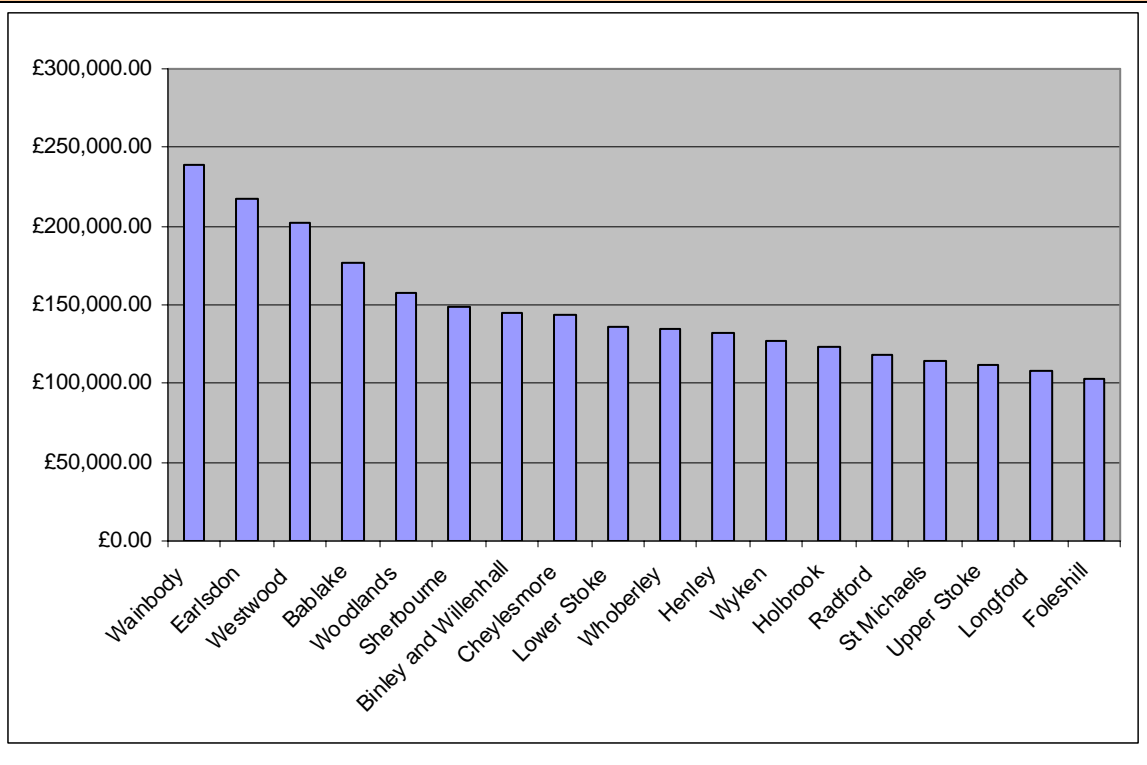
Source: Land Registry

- 5.2.7 The variation in mean house prices across the C2 HMA is shown in Figure 14 to Figure 17 by ward. Although the data can be mapped by Census Output Area, the numbers of house sales in a high proportion of Output Areas are too small to be used as reliable indicators of average price.
- 5.2.8 For Coventry the distribution of mean prices steers a fairly even course from a high of £239,000 (Wainbody - bordering Warwick) to a low of £103,000 (Foleshill). Likewise for Nuneaton & Bedworth: a high of £204,000 (St. Nicholas - 73% detached housing³¹) to £101,000 (Camp Hill - 51% terraced housing).
- 5.2.9 In North Warwickshire there are two wards that are significantly higher than the rest: Fillongley (£334,296) a rural ward at the southern end of the district bordering Solihull, Coventry and Nuneaton & Bedworth, and Curdworth (£316,767) in the west and rated as being amongst the 20% least income-deprived wards in England & Wales and linking to Birmingham and Solihull.³² Prices in the other wards range from £198,542 (Water Orton) to £124,122 (Atherstone Central).

³¹ Warwickshire County Council, Census 2001 ward profiles

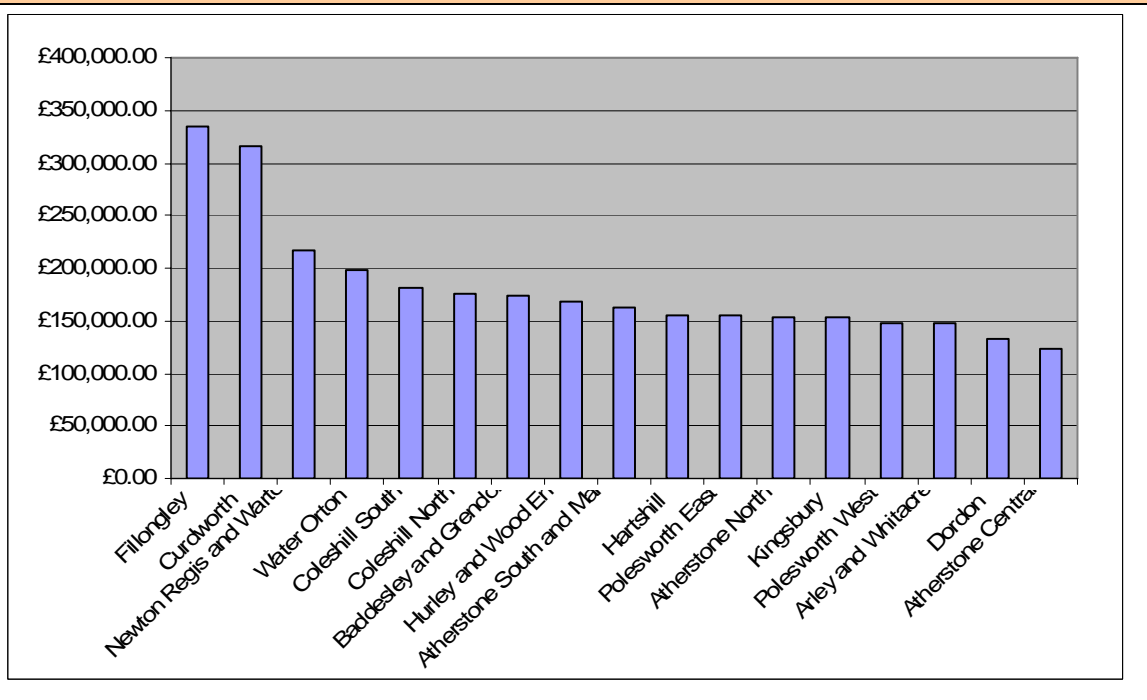
³² North Warwickshire Health Profile 2007, DoH, 2007

Figure 14: Coventry - Mean overall house price by ward (£): 2006/7



Source: Land Registry

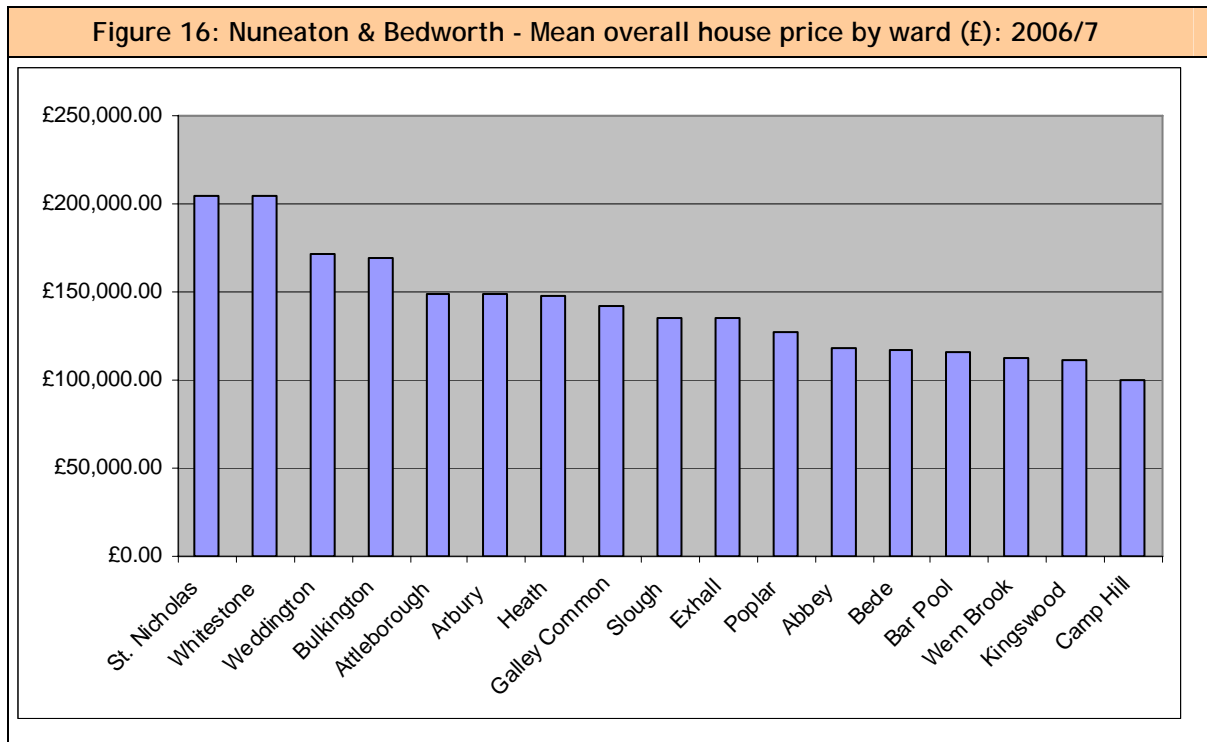
Figure 15: North Warwickshire - Mean overall house price by ward (£): 2006/7



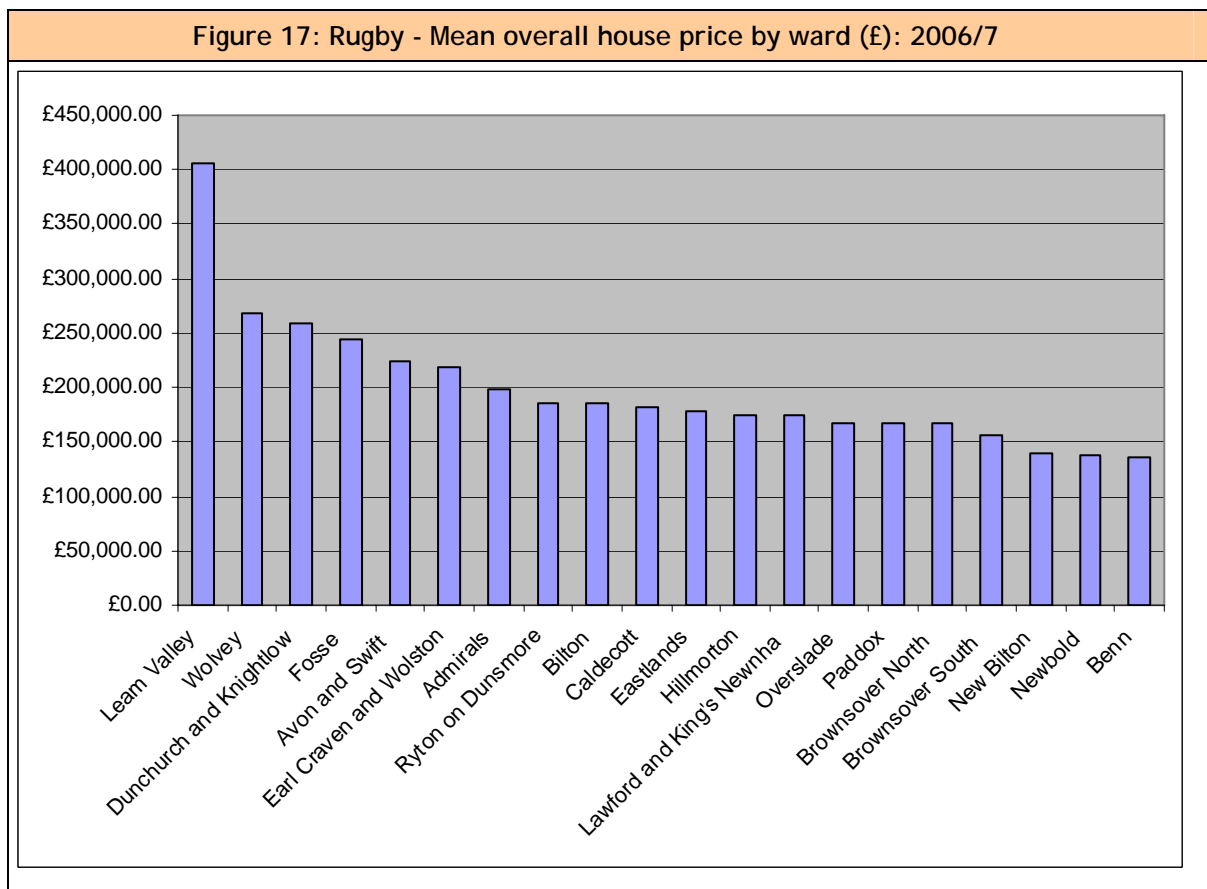
Source: Land Registry

5.2.10 Prices in Rugby are disproportionately affected by Leam Valley that only had 30 sales at a mean price of £406,000; a rural ward dominated by detached housing (61.6%) and bordering Stratford-on-Avon. The median price was much lower at £331,000, suggesting a handful of

very high priced sales. Prices in the other wards ranged from £268,000 in Wolvey to £135,000 in Benn.



Source: Land Registry



Source: Land Registry

5.2.11 In summary, what this analysis shows is:

- (i) Prices of detached homes in some of the HMAs' rural wards are acting independently of the rest of the area. This is particularly true of areas bordering the West Midlands higher priced zones that include Solihull and Stratford-on-Avon.
- (ii) Prices in Rugby and North Warwickshire are converging although they differ in character as much as they converge; apart from which they do not share a common border. They are not part of the same housing market
- (iii) Prices in Nuneaton & Bedworth are significantly lower than elsewhere in all housing types and across all wards, with prices occupying a narrower range than elsewhere.
- (iv) Coventry's house prices range from the highest in the south and west of the city (bordering Warwick and Solihull) to the lowest being in the inner city with low levels of owner occupation.

5.3 House price change

5.3.1 Table 30 and Figure 18 show price changes by property type from 2002 to 2006 for each area.

5.3.2 Between 2002 and 2006, overall house prices have grown fastest in Coventry (61.0%) than elsewhere and above the West Midlands average. In North Warwickshire, Nuneaton & Bedworth and Rugby the growth in price has been led by flats/apartments whereas in Coventry it has been terraces and semi-detached prices that have dominated.

5.3.3 Prices in Coventry and Nuneaton & Bedworth have remained similar and closely matched during the period, although Coventry currently appears to be rising faster. Rugby prices have remained above North Warwickshire although in 2005 they appeared to converge more closely than previously.

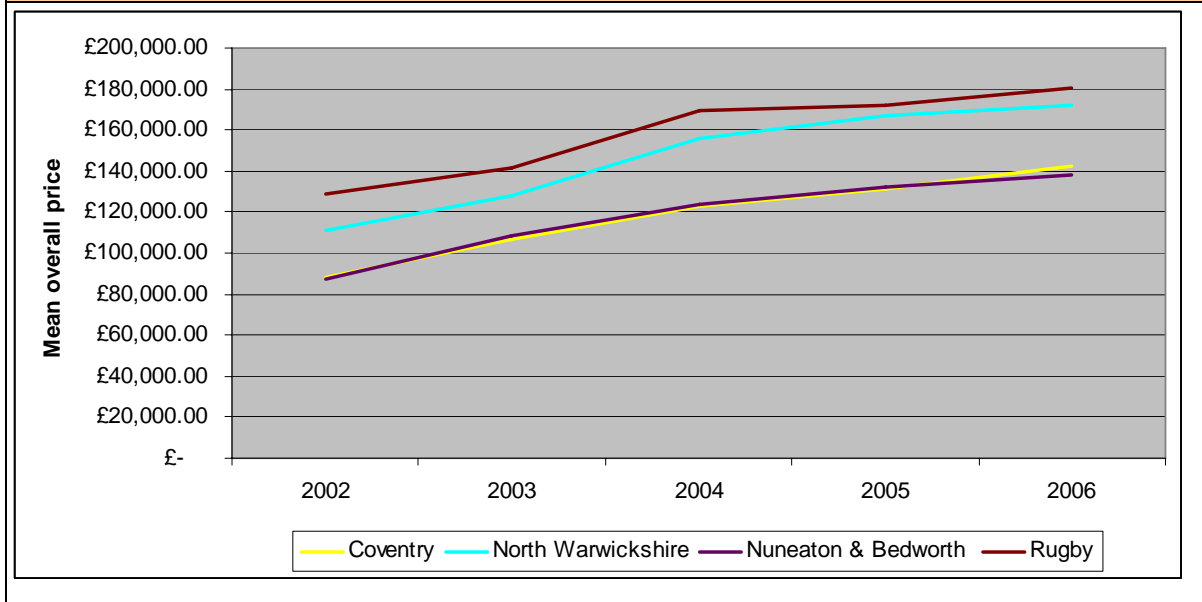
5.3.4 Flats/apartments in Rugby and Coventry are similarly priced on average, whereas in North Warwickshire they cost up to £10,000 more and in Nuneaton & Bedworth £10,000 less.

Table 30: House price change 2002-06 ³³			
	2002	2006	Change
Coventry			
Detached	£181,948.12	£281,284.35	54.6%
Semi-detached	£96,174.82	£156,976.82	63.2%
Terraced	£70,241.97	£119,430.77	70.0%
Flat/maisonette	£67,941.50	£109,353.30	61.0%
Overall	£88,071.35	£141,762.15	61.0%
North Warwickshire			
Detached	£189,774.20	£280,852.42	48.0%
Semi-detached	£97,843.55	£160,101.29	63.6%
Terraced	£78,890.52	£126,305.54	60.1%
Flat/maisonette	£66,376.68	£118,534.24	78.6%
Overall	£110,511.01	£172,144.96	55.8%
Nuneaton & Bedworth			
Detached	£141,356.19	£211,715.90	49.8%
Semi-detached	£79,698.10	£132,750.52	66.6%
Terraced	£62,137.50	£110,381.08	77.6%
Flat/maisonette	£43,448.32	£100,725.62	131.8%
Overall	£86,929.59	£137,275.14	57.9%
Rugby			
Detached	£194,063.89	£280,354.19	44.5%
Semi-detached	£104,589.21	£163,479.28	56.3%
Terraced	£84,852.78	£135,272.30	59.4%
Flat/maisonette	£60,198.54	£111,872.52	85.8%
Overall	£128,474.13	£180,762.70	40.7%
West Midlands			
Detached	£187,780.15	£278,866.13	48.5%
Semi-detached	£95,723.27	£153,593.13	60.5%
Terraced	£74,339.33	£125,439.34	68.7%
Flat/maisonette	£83,580.03	£125,565.03	50.2%
Overall	£111,348.33	£166,627.95	49.6%

Source: Land Registry

³³ The prices in Table 30 are based on calendar years whilst the prices in Table 29 are April to March, which explains the differences.

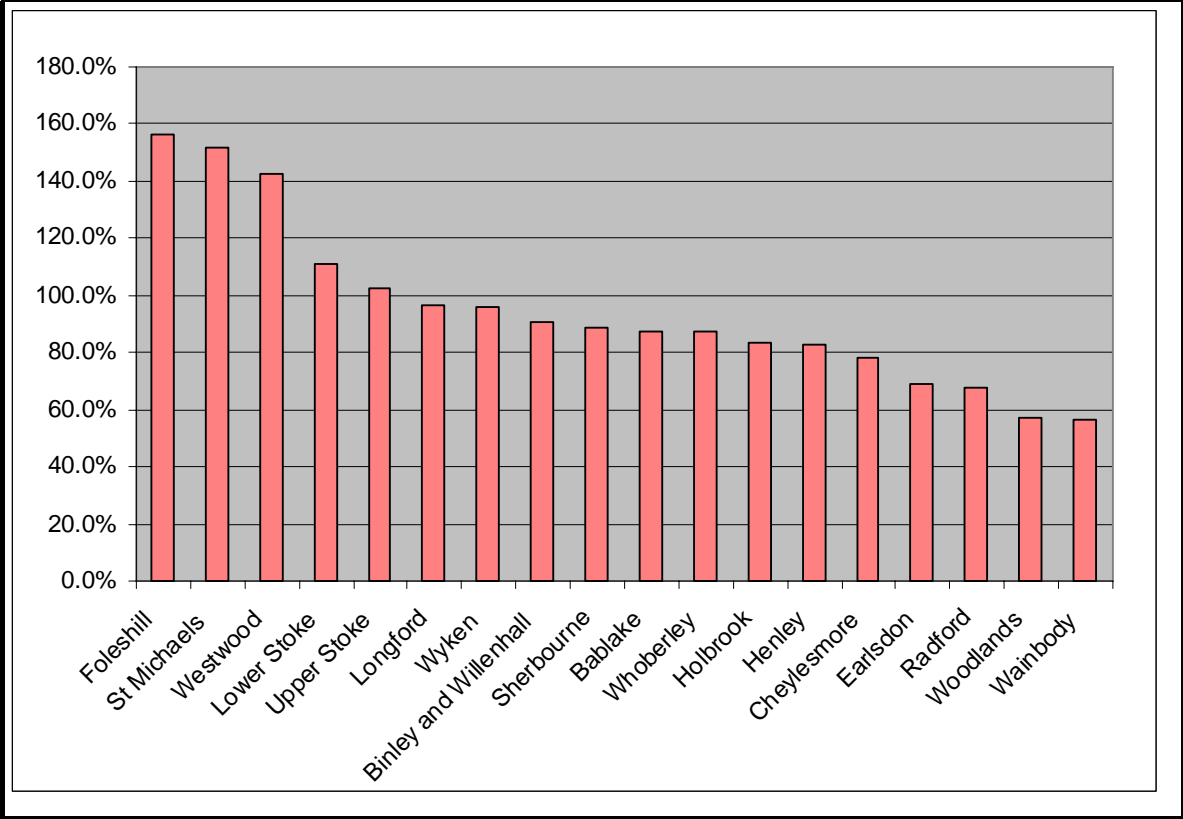
Figure 18: Mean overall house price change 2002 - 2006



Source: Land Registry

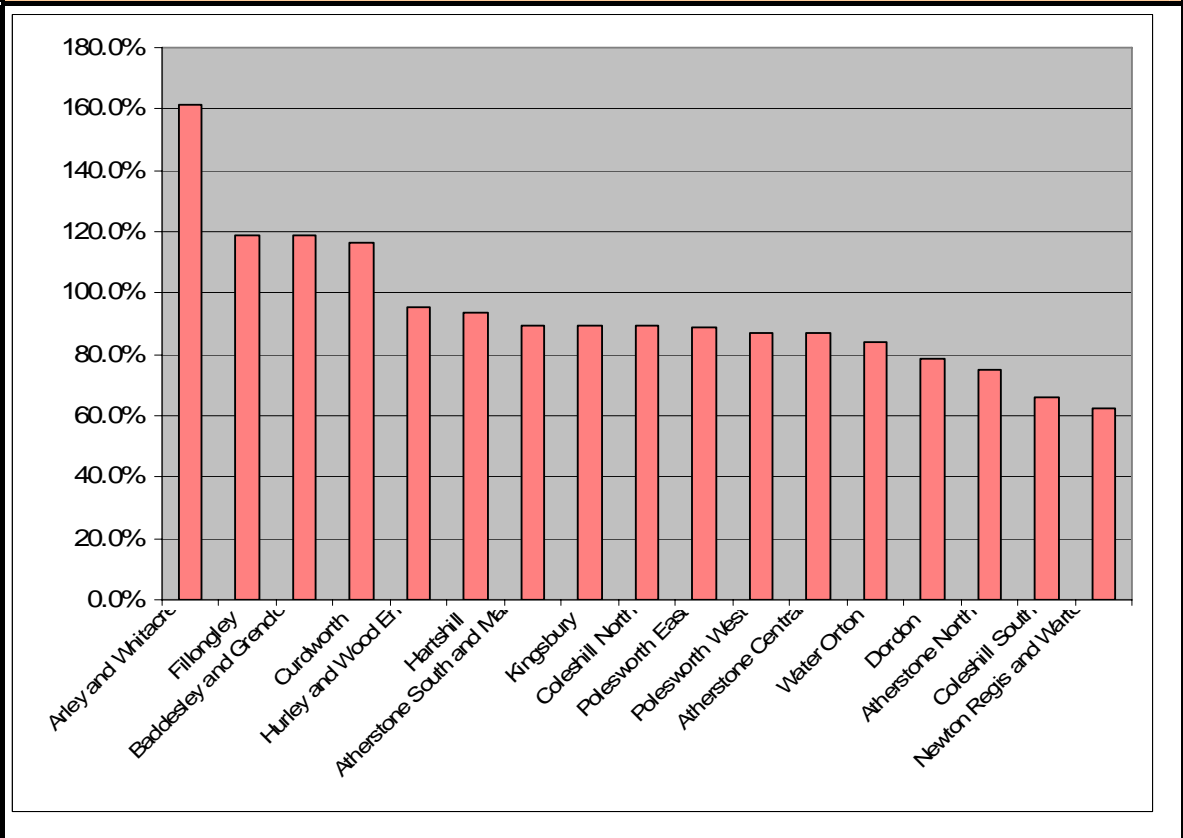
- 5.3.5 Within Coventry (Figure 19) the steepest price rises have been in Foleshill, St.Michael's and Westwood. The first two of these are lower priced areas, whilst Westwood is the third highest priced ward. Wainbody, which has the second highest mean income (Figure 8) and the highest mean price (Figure 14) has the lowest price change.
- 5.3.6 In North Warwickshire (Figure 20), the steepest price rise has been in Arley & Whitacre, which is one of the more mid-priced wards (mean £146,976); prices have risen by over 160%.
- 5.3.7 In Nuneaton & Bedworth (Figure 21) the sharpest rises have been in Abbey, Camp Hill and Wem Brook, all of which are lower priced wards.
- 5.3.8 In Rugby (Figure 22) ward price rises have been lower than the highest rises elsewhere. The highest house price change was in Brownsver South (120.9%).

Figure 19: Coventry - House price change 2001/2 - 2006/7



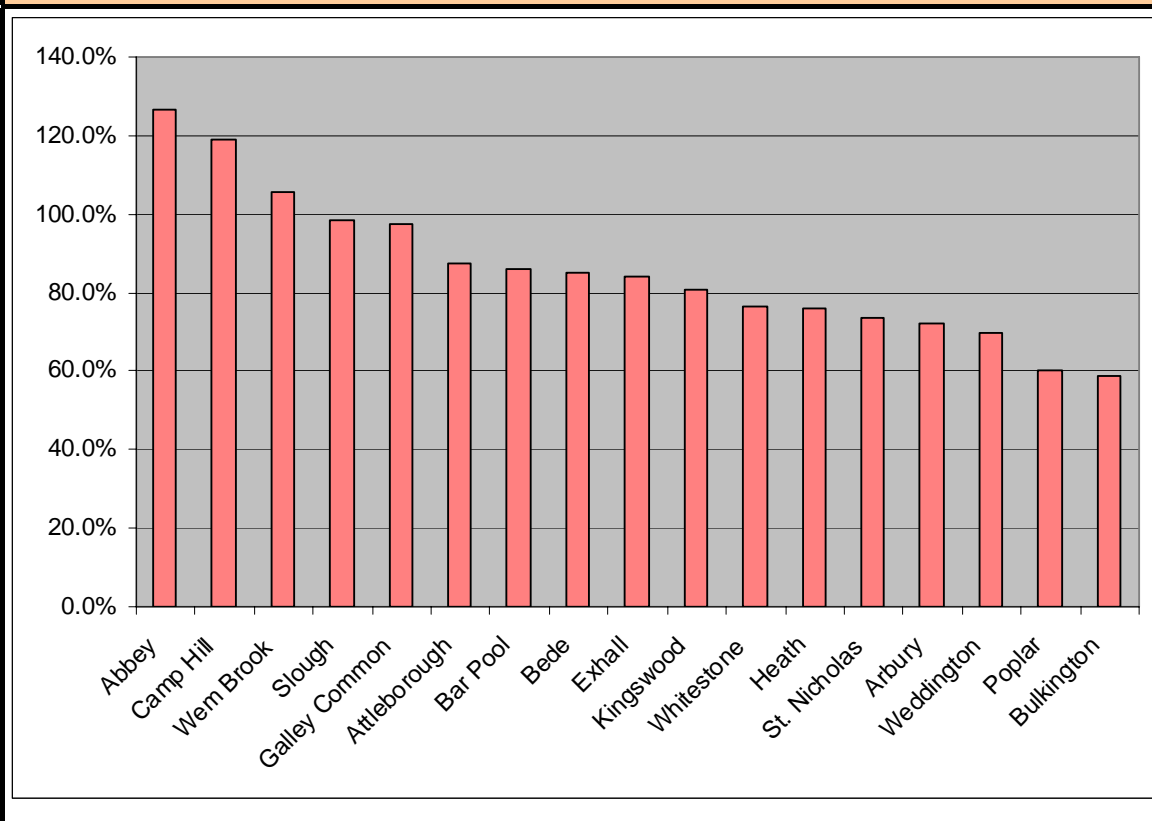
Source: Land Registry

Figure 20: North Warwickshire - House price change 2001/2 - 2006/7



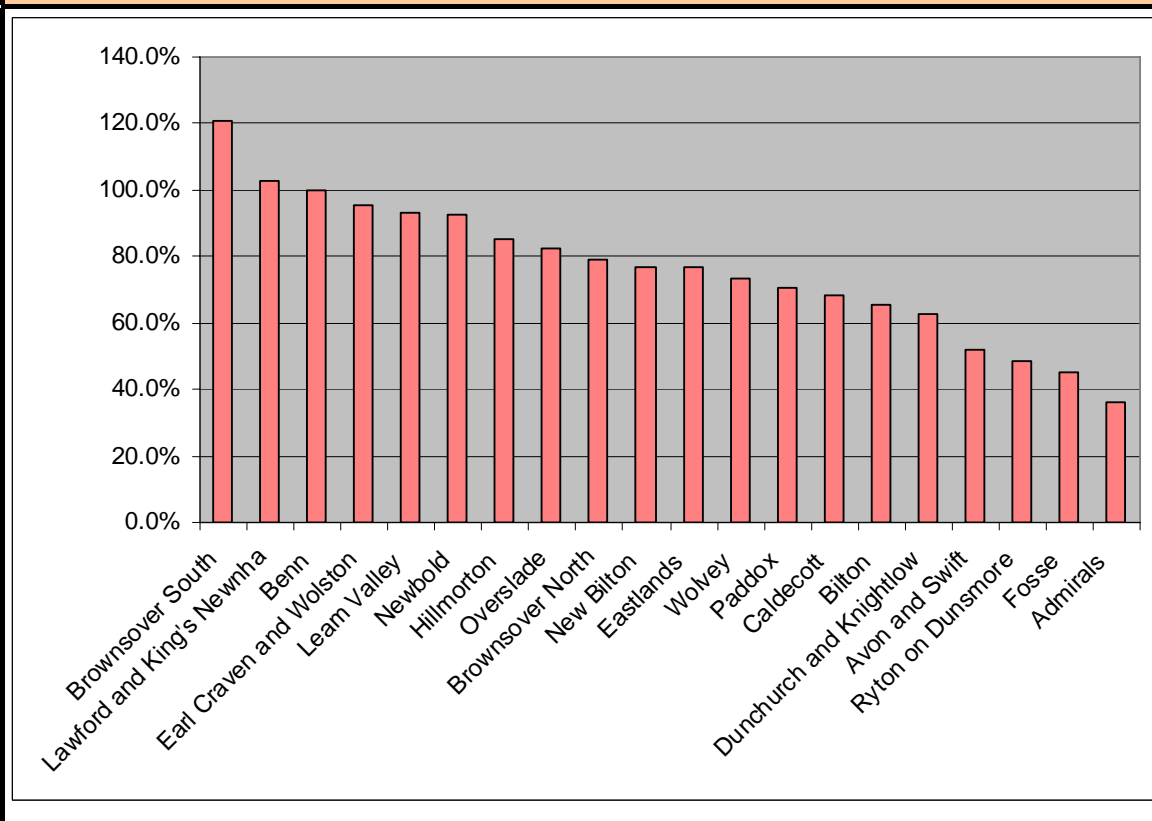
Source: Land Registry

Figure 21: Nuneaton & Bedworth - House price change 2001/2 - 2006/7



Source: Land Registry

Figure 22: Rugby - House price change 2001/2 - 2006/7



Source: Land Registry

5.3.9 Table 31 shows how different market segments have changed in price during the five year period 2002-06 (inclusive). In all areas and across the C2 HMA lower quartile prices (the proxy for entry-level housing, discussed at Section 5.8) have risen more steeply than the mean and the median price. This is felt most acutely in small property types such as terraces and flats and in the cheaper house price zones of Coventry and Nuneaton & Bedworth.

Table 31: Mean, median and lower quartile house price change - 2002-06 (%)						
		Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	C2 HMA
Detached	Mean	84.4%	92.8%	70.8%	65.2%	77.0%
	Median	79.9%	88.5%	69.9%	53.4%	74.1%
	Lower quartile	76.0%	71.4%	70.0%	60.0%	72.5%
Semi-detached	Mean	82.6%	100.7%	92.6%	84.5%	88.6%
	Median	87.6%	92.8%	92.0%	90.9%	93.4%
	Lower quartile	100.2%	108.3%	106.4%	94.2%	102.0%
Terraces	Mean	102.3%	104.7%	122.0%	99.3%	105.0%
	Median	105.6%	106.7%	127.9%	93.8%	107.0%
	Lower quartile	122.5%	120.8%	132.9%	105.4%	122.2%
Flats	Mean	107.3%	104.6%	153.4%	138.7%	114.8%
	Median	120.6%	116.6%	175.2%	142.4%	136.4%
	Lower quartile	122.7%	100.0%	158.5%	140.1%	135.0%
Overall	Mean	91.1%	98.3%	81.6%	67.2%	85.5%
	Median	94.4%	96.0%	82.6%	81.4%	92.1%
	Lower quartile	115.6%	112.5%	116.8%	90.9%	114.7%

Source: Land Registry

5.3.10 In summary:

- (i) it is clear that across the C2 HMA that prices for all property types have increased substantially since 2001/2, but that since 2005 price growth has slowed down
- (ii) the relative price of smaller properties in cheaper areas has risen the most which has implications for those entering the housing market for the first time; this will place increased pressure on affordability in these areas and reduce the supply of affordable housing in the market

5.3.11 The relative affordability of property types and location are examined in more detail in section 5.9 below.

Stakeholders on apartments

- *The supply of new houses led by land values. Consequently getting a lot of apartment development.*
- *What comes out of the system is apartments for affordable housing - link between planning and housing needs to be stronger - that will drive down land values and achieve affordable housing through the planning system, s106s.*
- *Apartment schemes work in London, not in Coventry - a lot of investors coming in and buying them - that's why high private rented system because people don't want to buy them.*
- *Locally people aspire to buy houses not flats - in London people are happy to aspire to a flat. Growth in flat market in city centre been solely driven by Buy To Let - largely brought about by interest rates not by occupier demand. Lettings have been quite difficult. Traditionally flats have not been seen as aspirational, been seen as social housing or for old people. Do we need more houses - no; does the market want more houses - yes, because people aspire to houses. A cultural change needs to happen. People aspire to have a house and a garden and a garage.*
- *Still a small market for flats in Coventry, but people would prefer terraces.*
- *People actually don't want maintenance of a garden. Different communities want different things.*
- *In the past the first time buyer looked to buy a terrace with a garden at the front and a garden at the back and that was a peculiarly British. We are at that change in our history, perhaps because of the change in the size of the population and the scarcity of property and so now more and more apartments and we as a nation will have to get used to living in them.*
- *This issue about flats and terraced houses comes down to land values. I don't think the demand is for flats but the demand is for pound notes and the only way to achieve that is to stick a load of flats on it.*
- *If builders could build apartments with two equal size bedrooms that would facilitate sharers. So many apartments built are a double bedroom and a single bedroom and that disables sharers who are then left to rent somewhere themselves or to scramble over a much reduced amount of stock. For a relatively modest addition, you would open them up to the market they seem to be aimed at.*

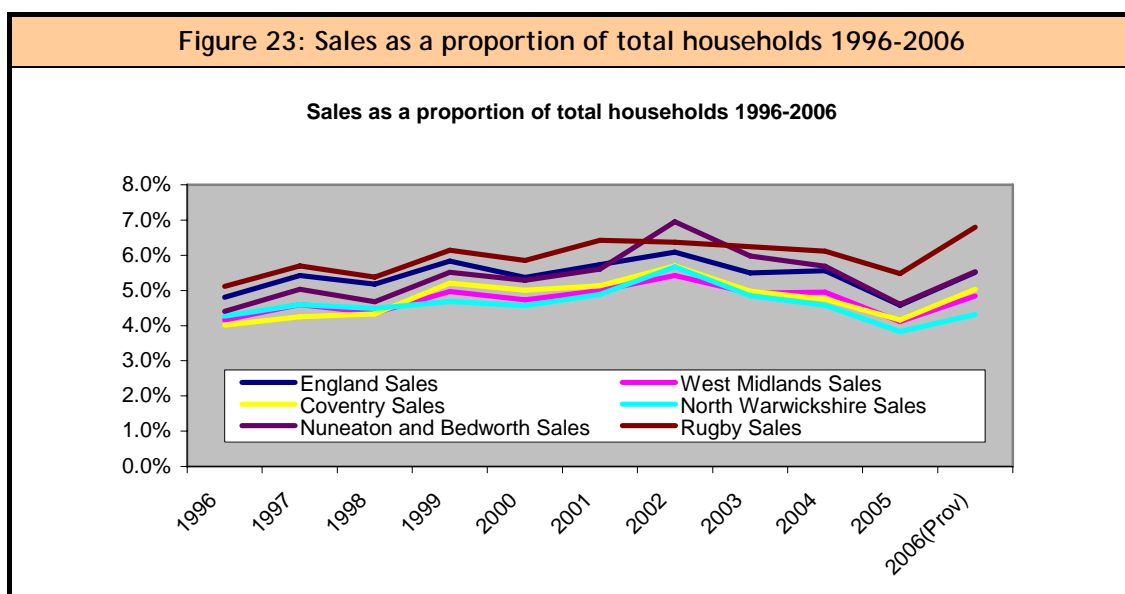
5.4 Sales and turnover

- 5.4.1 In all four local authority areas, the volume of sales was higher in 2006 than in 1996 and in most cases have outstripped the growth in households. The notable exception to this is North Warwickshire, where the volume of sales has only increased by 7.8% in the last ten years. The two authorities that have experienced the greatest growth in sales are Rugby (54.6% higher in 2006 compared to 1996) and Coventry (33.2% higher).

Table 32: Volume of sales 1996 to 2006						
Local Authority	1996		2006		% Change	
	Households	Sales	Households	Sales	Households	Sales
Coventry	122,000	4,901	126,000	6,526	3.3	33.2
North Warwickshire	25,000	1,068	26,000	1,151	4.0	7.8
Nuneaton & Bedworth	47,000	2,070	51,000	2,887	8.5	39.5
Rugby	35,000	1,791	39,000	2,769	11.4	54.6
West Midlands	210,3000	87,392	224,5000	108,606	6.8	24.3
England	19,727,000	948,810	21,519,000	118,7605	9.1	25.2

Source: CLG Live Table 588

- 5.4.2 As a proportion of total households (Figure 23) sales peaked in all areas in 2002-03, most sharply in Nuneaton & Bedworth, and then dropped to 2005. Sales appear to pick up again in 2006, although more recent data held by Coventry City Council suggest falling sales in 2006. This pattern may well hold true during 2008 with lenders adopting more stringent lending practices particularly in relation to first-time buyers.

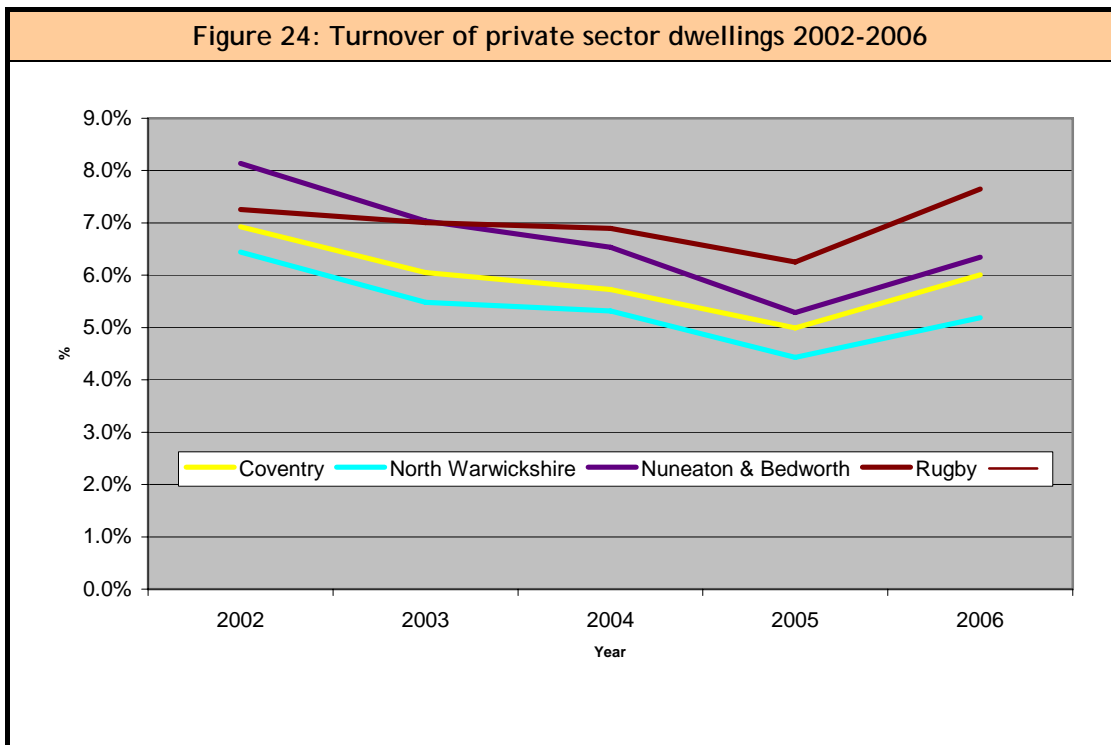


Source: CLG Live Table 588 and 406

- 5.4.3 Table 33 and Figure 24 show the turnover of owner occupied homes over the last five years. In all areas turnover declined from 2002 to 2005 and then rose again in 2006.

Table 33: Turnover of private sector dwellings 2002-2006					
	2002	2003	2004	2005	2006
Coventry	6.9%	6.1%	5.7%	5.0%	6.0%
North Warwickshire	6.4%	5.5%	5.3%	4.4%	5.2%
Nuneaton & Bedworth	8.1%	7.0%	6.5%	5.3%	6.3%
Rugby	7.3%	7.0%	6.9%	6.3%	7.6%

Source: CLG Live Table 588, HSSA



Source: CLG Live Table 588 and HSSA

- 5.4.4 Overall it appears that the pattern of sales in the C2 HMA mirrors the pattern nationally and as such changes in macro-economic policy in terms of interest rates, stamp duty and related taxes, borrowing and consumer confidence all contribute to the supply of housing for sale and the consequent demand for housing.

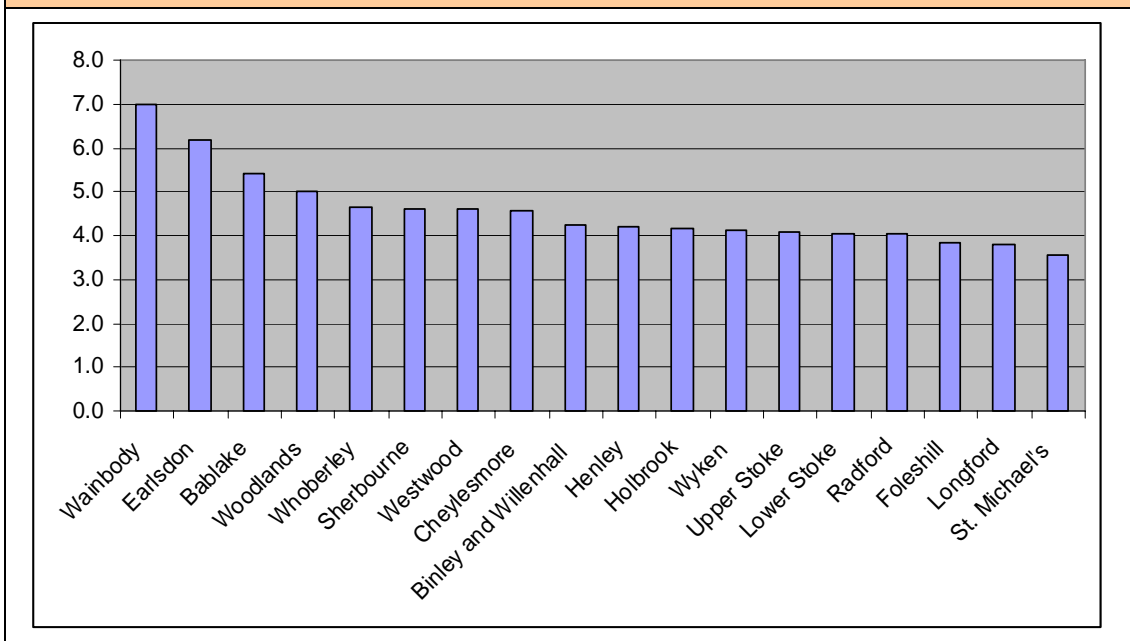
5.5 Local incomes and local house prices

- 5.5.1 To build up a picture of how incomes at a local level relate to local house prices, analysis has been done that compares mean incomes (detailed at Section 3.9 above) to mean house prices to calculate the variation in the ratios for Coventry.³⁴ If CACI data were available for each of the other three authorities in the C2 HMA then a similar analysis could be done across all wards in the C2 area. This is the lowest level geography that would facilitate a meaningful analysis due to the limited number of property sales in some parts of the HMA.

- 5.5.2 In Coventry's wards the mean house price divided by mean income varies between St Michael's at 3.6 and Wainbody at 7.0 (Figure 25). On this scale the implication is that St Michael's is the wards that is most affordable and Wainbody the least affordable.

³⁴ Data and analysis supplied by Coventry City Council

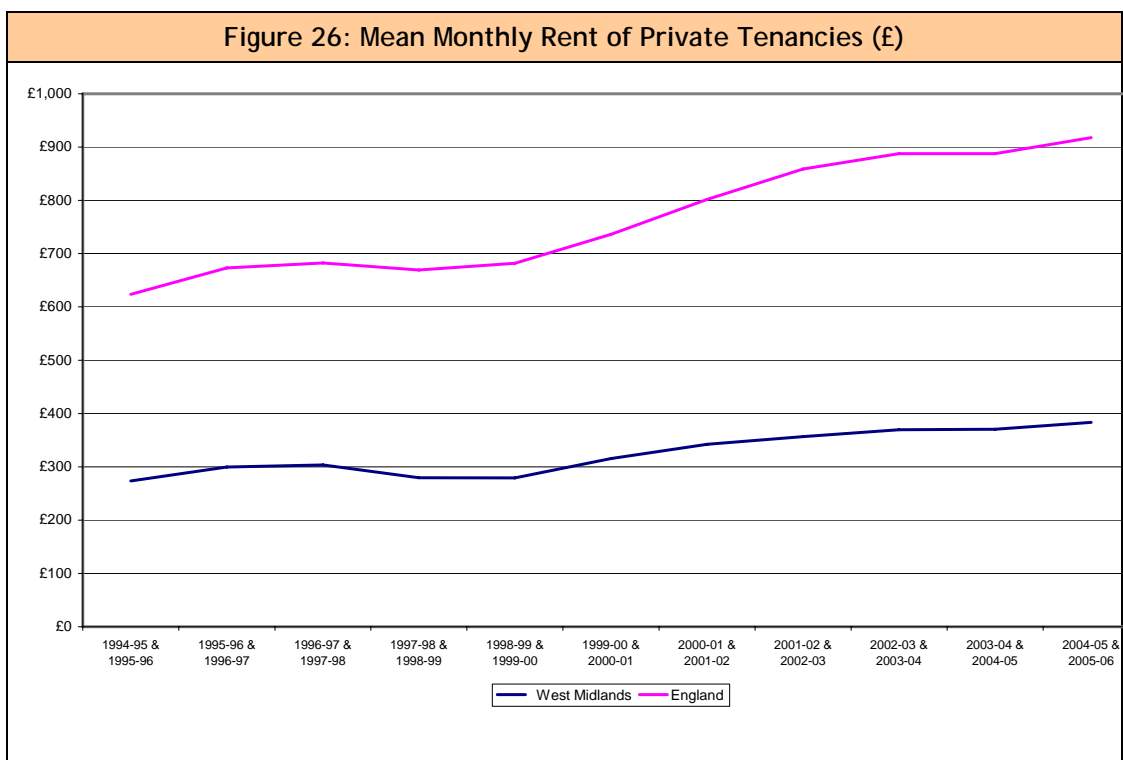
Figure 25: Ratio of mean income to mean house price by ward - Coventry



Source: CACI 2006/Land Registry

5.6 The cost of private rented housing

- 5.6.1 Private rents are a function of the price of market housing i.e. landlords charge more when the acquisitive price of a given property is of a greater cost to them, and demand is such that they are able to. Given market conditions at the present time, therefore, costs will be high for households wishing or requiring rent in the private sector within the C2 Housing Market Area.
- 5.6.2 Figure 26 shows the trend in mean monthly rents for private tenancies in the West Midlands and England over an eleven-year period. The rents have been calculated over 2 year periods (e.g. from April 2004 to March 2006) and clearly show rents in the West Midlands to be well below the national average. Given the relationship between house prices and private rents, it is likely that private rents in Rugby & North Warwickshire will be above the West Midlands average and in Coventry and Nuneaton & Bedworth they will follow a similar pattern to the region.
- 5.6.3 Following a period of relative stability from the mid 1990's, Figure 26 shows private rents to have increased from the late 1990's both regionally and nationally, which is a reflection of house price inflation during this period and the growth in the buy-to-let market.



Source: CLG Live Table 734

Table 34: RSL and PRS weekly rents 2005/6

	One bed			Two bed			All properties		
	HA	LA	PRS	HA	LA	PRS	HA	LA	PRS
Coventry	£52.51	LSVT	£125.30	£58.06	LSVT	£108.96	£56.65	LSVT	£111.82
North Warwickshire	£60.27	£52.05	£95.93	£68.73	£57.19	£103.71	£69.51	£57.57	£101.74
Nuneaton and Bedworth	£60.64	£47.41	£84.62	£68.19	£50.71	£96.91	£68.10	£50.96	£90.22
Rugby ³⁵	£60.83	£52.93	£96.35	£66.59	£62.21	£110.72	£67.05	£64.59	£99.93
England & Wales	£59.69	£51.42	£101.15	£65.78	£57.74	£122.69	£66.20	£57.97	£111.47

Source: Dataspring

Table 35: PRS rents compared to HA rents

	One bed	Two bed	All properties
Coventry	138.6%	87.7%	97.4%
North Warwickshire	59.2%	50.9%	46.4%
Nuneaton and Bedworth	39.5%	42.1%	32.5%
Rugby	58.4%	66.3%	49.0%
England & Wales	69.5%	86.5%	68.4%

5.6.4 Table 34 and Table 35 show the cost of private renting compared to renting from an RSL (housing association of local authority) in the C2 HMA. Renting all dwellings, but

³⁵ Figures for Rugby BC local authority housing were not available from Dataspring; these figures are from Rugby BC

particularly smaller dwellings, is considerably more costly in the private sector than in the RSL sector. Nuneaton & Bedworth has private rented costs closest to public sector costs.

5.6.5 Private rents in Coventry are higher than all the other areas, which is surprising as it is not the highest house price area. One-bed properties rented privately are 138.6% higher than a housing association one bed property in Coventry. Coventry has a relatively large student population (approximately 35,000 University students and 15,000 FE students). While many are in student accommodation or live at home, there will still be a significant number looking for private rented accommodation, which will impact upon demand and enable landlords to charge more.

5.6.6 This would suggest that in Coventry demand in the private rented sector is much stronger than in the owner occupied sector and is resulting in rents that are outstripping its neighbours.

Stakeholders on private renting

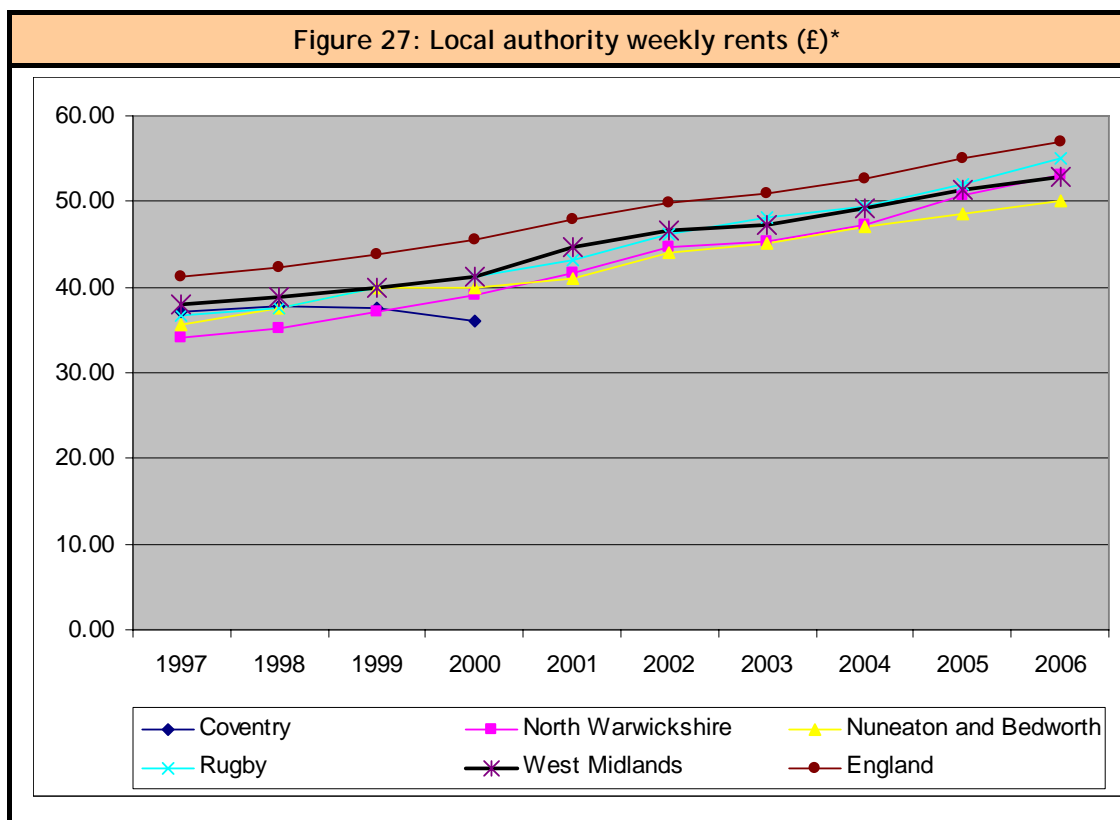
- *In Longford there has been a great change from owner occupation to renting from a private landlord. Regeneration has meant a lot of new people have moved into the area to work and the sort of wage they are earning will never get their foot on the ladder. But they do have children. Trying to get a socially rented 3 bed house is extremely rare so what people tended to do is rent privately. I've seen a half of one particular long road in Longford that is now owned by private landlords and rented out and it wasn't ten years ago or even less when it was owner occupiers.*
- *The key is affordable rents. Private rental stuff is very expensive, £500 per month. I'm sure if the rents were at affordable levels this would give people a bit more disposable income to do other things. You do find that because there isn't enough social housing available, private renting does provide a solution but not at affordable levels and the quality of life is affected because of that as well.*
- *People would prefer a housing association because the rents are cheaper and they have security of tenure. People in private rented without security of tenure do feel frightened to make a complaint as they do feel that they could lose their housing.*
- *Changes in housing benefit would unlock a lot of the private sector than is currently available. Many landlords say no HB or DSS. Problem is that it is not paid monthly and yet everyone is charged monthly. It's paid in arrears or in advance. It's paid to people who by the very nature of them claiming it have thin financial resources and potentially not the most able at managing their budgets anyway. If it is paid to the landlord and then the individual's situation changes, it can be clawed back up to 6 years later from the landlord who thought he had his rent paid but then discovers he hasn't. These dissuade a landlord from accepting these tenants and so market is restricted.*
- *It would also help housing associations and make us more profitable and able to build more stuff too. We sit on arrears for months and months*

because 80% of tenants are on HB. I could never see a private landlord taking the hit that housing associations take on HB.

5.7 The cost of social rented housing

5.7.1 In economic terms the role of the social housing sector is to provide subsidised, affordable housing to those households unable to afford housing in the private sector. Rents are therefore significantly lower than in the private sector, and indeed should remain so in order to fulfil this role. Places are allocated through an administrative system rather than through market mechanisms, with the result that imbalances between supply and demand are evident in a rising waiting list rather than higher prices.³⁶

5.7.2 Figures for 2006 place the average weekly local authority rents in North Warwickshire as £53.14, in Nuneaton & Bedworth as £50.04 and in Rugby as £55.14. All three are below the national average of £57.01; Rugby and North Warwickshire are above the West Midlands average of £52.82 (see Figure 27).³⁷



Source: CLG Live Table 702

³⁶ There may be other contributory factors to a rising waiting list, such as changes to marketing of social housing or eligibility rules

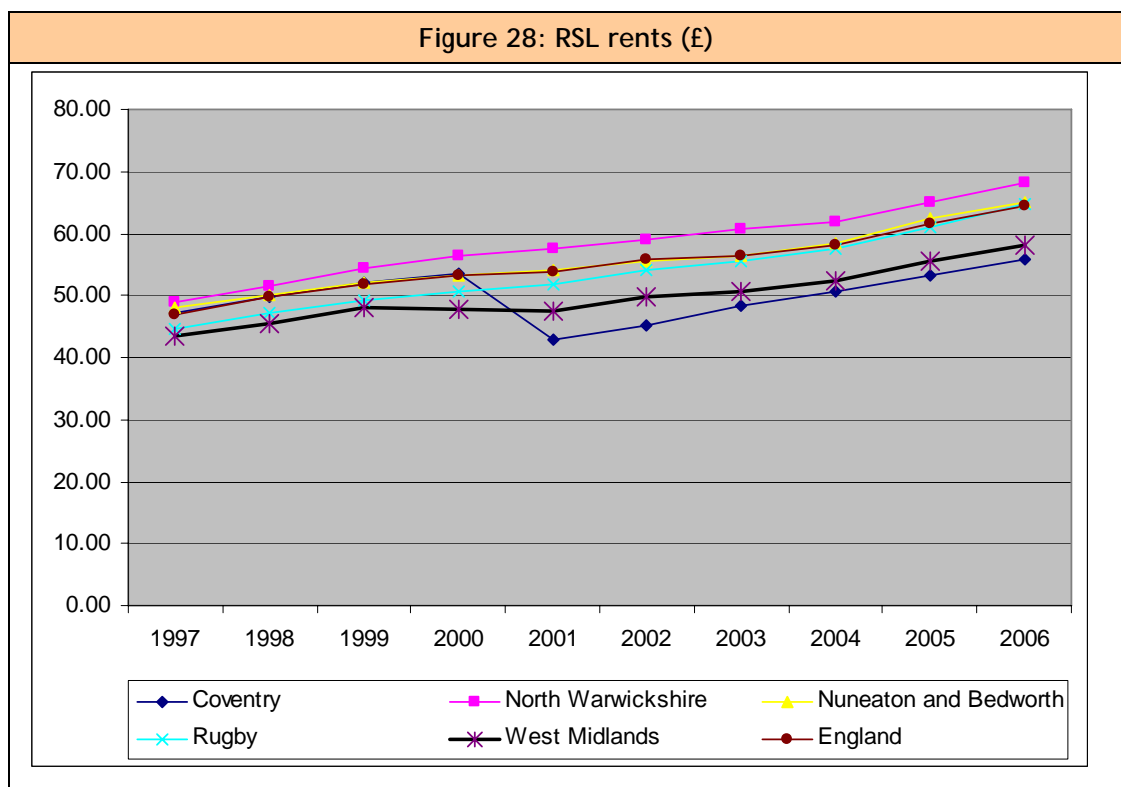
³⁷ Coventry is an LSVT authority

5.7.3 Local authority rents have risen faster than the West Midlands and national average (see Table 36), particularly in North Warwickshire and Rugby.

Table 36: Change in local authority rents 1997-2006			
Local authority	1997 (£)	2006 (£)	% change
Coventry	37.12	LSVT	N/A
North Warwickshire	34.17	53.14	55.5%
Nuneaton & Bedworth	35.55	50.04	40.8%
Rugby	36.65	55.14	50.5%
West Midlands	37.96	52.82	39.2%
England	41.17	57.01	38.5%

Source: CLG Live Table 702

5.7.4 With the exception of Coventry, the average RSL rent was higher in the C2 HMA than in the West Midlands; Nuneaton & Bedworth and Rugby were above the England average also (Figure 28). LSVT in Coventry pushed RSL rents below the regional average and they remain below still.



Source: CLG Live Table 704

Table 37: Change in RSL rents 1997-2006			
Local authority	1997 (£)	2006 (£)	% change
Coventry	47.21	55.97	18.5%
North Warwickshire	48.91	68.11	39.3%
Nuneaton & Bedworth	47.99	64.95	35.3%
Rugby	44.65	64.79	45.1%
West Midlands	43.57	58.16	33.5%
England	46.81	64.32	37.4%

5.7.5 With the exception of Coventry RSL rents have risen faster than the West Midlands and national average (see Table 37), particularly in Rugby.

5.8 Entry-level housing

5.8.1 Table 38 shows the lower quartile house prices for the four authorities in the C2 Housing Market Area. The entry-level price is important for determining affordability for an assessment of housing need.

Table 38: 2006 Lower quartile house prices (provisional)		
	Price (£)	Index (C2 HMA = 100)
Coventry	£101,500.00	94.9
North Warwickshire	£118,000.00	110.3
Nuneaton & Bedworth	£100,000.00	93.5
Rugby	£122,500.00	114.5
C2 (WM) HMA	£106,941.21	100.0
West Midlands	£110,000.00	102.9

Source: CLG Live Table 587

5.8.2 Lower quartile prices vary across the four areas of the C2 HMA with Rugby being £22,500 higher than Nuneaton & Bedworth. There appears to be some confluence between Coventry and Nuneaton & Bedworth, whereas the geographical divide between North Warwickshire and Rugby would imply that the price convergence is not the result of a shared market. The overall HMA lower quartile price is below that for the West Midlands.

5.8.3 The yearly and monthly earnings that would be required for a mortgage on an entry-level property, as priced in Table 38 are shown below in Table 39. Earnings refer to gross income and assume a 100% mortgage of 3.5 times salary for single income households, and 2.9 times salary for two income households, as per the guidance.

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

Table 39: Required gross income for entry-level mortgage (£)				
Local Authority	Two income		Single income	
	Annual	PCM	Annual	PCM
Coventry	£35,000.00	£2,916.67	£29,000.00	£2,416.67
North Warwickshire	£40,689.66	£3,390.80	£33,714.29	£2,809.52
Nuneaton & Bedworth	£34,482.76	£2,873.56	£28,571.43	£2,380.95
Rugby	£42,241.38	£3,520.11	£35,000.00	£2,916.67
West Midlands	£37,931.03	£3,160.92	£31,428.57	£2,619.05
England	£42,068.97	£3,505.75	£34,857.14	£2,904.76

Source: Land Registry

- 5.8.5 A comparison of mean and median annual earnings to lower quartile house prices for 2006 is shown in Table 40 and for 2002 in Table 41. The ratio of median earnings to lower quartile house prices has increased across the West Midlands Region from 3.82:1 in 2002 to 5.86:1 in 2006.
- 5.8.6 Although it is true to say that the pattern in all areas is similar to that of the West Midlands this conceals some remarkable differences in the changes in affordability. The change in the West Midlands 2002-2006 is similar to England with affordability ratios diverging by a further 53.4% (England = 51.9%).

Table 40: Ratio of earnings to lower quartile house prices - 2006					
Local Authority	2006 lower quartile house prices	2006 median annual earnings	2006 mean annual earnings	Ratio of house price to median earnings	Ratio of house price to mean earnings
Coventry	£101,500.00	£18,996	£21,487	5.34	4.72
North Warwickshire	£118,000.00	£18,758	£21,998	6.29	5.36
Nuneaton & Bedworth	£100,000.00	£20,007	£21,652	5.00	4.62
Rugby	£122,500.00	£20,756	£24,307	5.90	5.04
West Midlands	£110,000	£18,781	£22,047	5.86	4.99
England	£122,000	£19,849	£25,008	6.15	4.88

Source: ONS ASHE 2006, Land Registry

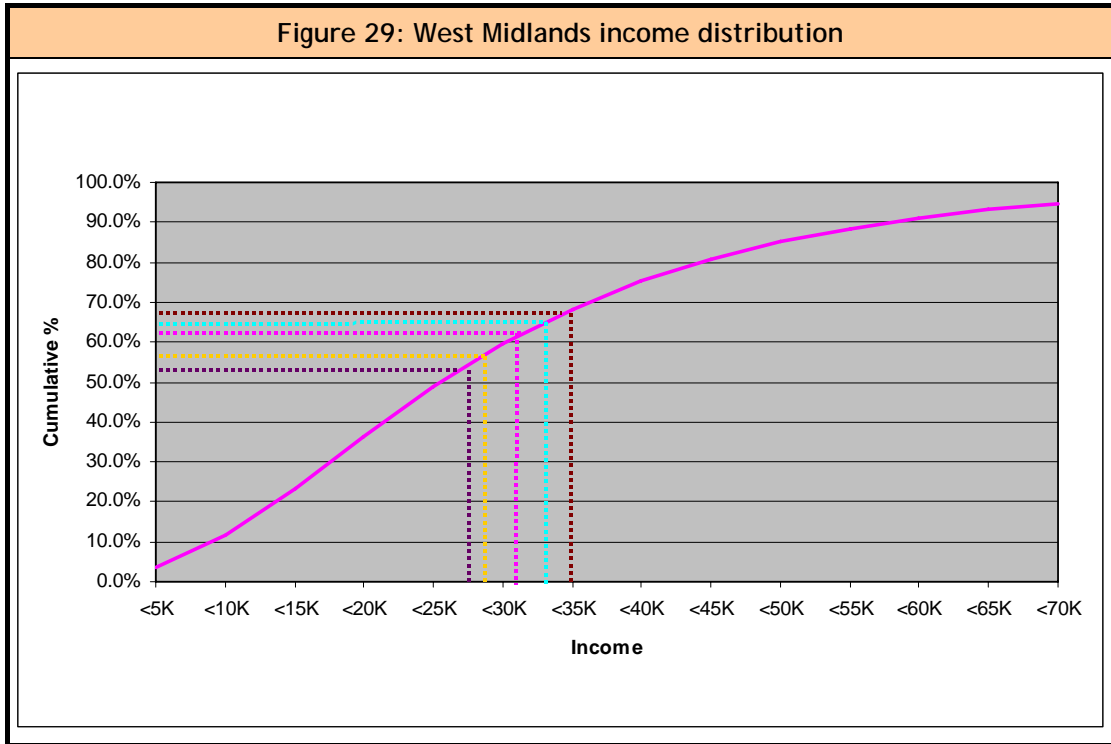
Table 41: Ratio of earnings to lower quartile house prices - 2002					
Local Authority	2002 lower quartile house prices	2002 median annual earnings	2002 mean annual earnings	Ratio of house price to median earnings	Ratio of house price to mean earnings
Coventry	£56,000	£16,087	£18,687	3.48	3.00
North Warwickshire	£67,000	£16,175	£17,443	4.14	3.84
Nuneaton & Bedworth	£55,000	£16,434	£17,241	3.35	3.19
Rugby	£79,000	£17,586	£21,555	4.49	3.67
West Midlands	£62,000	£16,243	£18,864	3.82	3.29
England	£70,000	£17,299	£21,189	4.05	3.30

Source: ONS ASHE 2002, Land Registry

5.9 Affordability of housing for sale

- 5.9.1 Detailed CACI data is available for this report only for Coventry. This data allows a finer grained analysis of affordability at lower geographies within district boundaries. Coventry City Council has produced some detailed work using this data some of which is reproduced here in section 5.5 and Figure 25. If CACI data were available at this level for the other three districts then a similar analysis could be produced.
- 5.9.2 For the purposes of estimating the need for affordable housing it is important to determine what proportion of households in each district are likely to be able to afford to access appropriate housing. This calculation is based on an assumption of the proportion of households that have incomes below the level required for a single income household to secure a mortgage on a lower quartile priced house at a borrowing ratio of 3.5 times annual income. Lower quartile house prices for each district are set out in Table 38 above and the required income to secure borrowing at this price is set out in Table 39.
- 5.9.3 Using the distribution of CACI modelled household income data for the West Midlands, shown as the pink curved line in Figure 29, it is possible to calculate the proportion of West Midlands households that have incomes below the access level. This is shown by the pink dotted line in Figure 29, and stands at 62.0% for the West Midlands. A similar exercise can be carried out for Coventry using the CACI distribution of incomes, however the same data is not available for the other three districts. In order to treat each district in the C2 HMA equally, an alternative approach is to assume that the West Midlands income distribution holds true for each district within the West Midlands and that based on the income requirements for entry-level property in each area an affordability threshold can be calculated for each area. These have been plotted in Figure 29 below. This approach

allows the differences in lower quartile house prices to determine affordability in each area. House price data is drawn from data on actual house sales provided by the Land Registry for the 2006/07 financial year. The proportion of households with incomes below the access point produced by this method is shown in Table 42 below.



Key: Pink dotted line = West Midlands affordability threshold; Yellow dotted line = Coventry affordability threshold; Light blue dotted line = North Warwickshire affordability threshold; Dark purple dotted line = Nuneaton and Bedworth affordability threshold; Dark red dotted line = Rugby affordability threshold

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

Table 42: Proportion unable to afford entry-level dwelling (%)			
Local authority	Lower quartile house price	Income required	% income below required income
Coventry	£101,500	£29,000	57.3
North Warwickshire	£118,000	£33,714	66.0
Nuneaton & Bedworth	£100,000	£28,571	56.4
Rugby	£122,500	£35,000	68.3
West Midlands	£110,000	£31,429	62.0

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

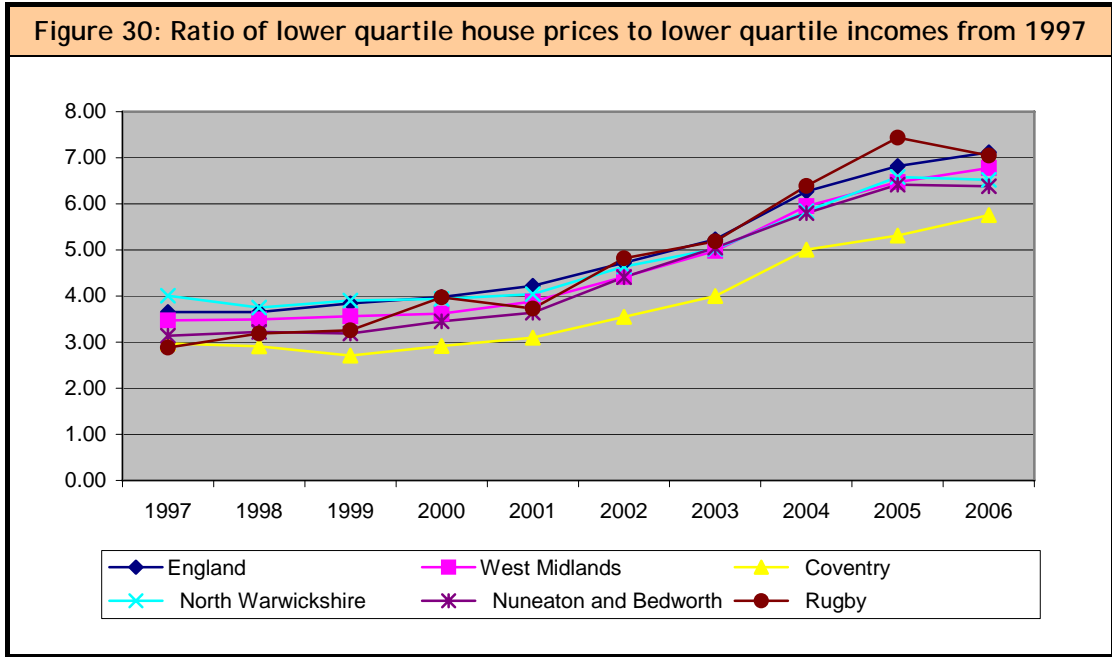
5.9.4 The affordability threshold percentages shown in Table 42 above are used in the housing need models discussed in Chapters 7, 8, 9 and 12 and appear in the housing need summary in Table 108.

- 5.9.5 Because the affordability thresholds determined above are so crucial to the housing need models described below it is important to look at other indicators of affordability in order to validate the chosen methodology. The ratio of lower quartile incomes to lower quartile house prices is a good proxy for affordability issues. What Table 43 shows is that the ratio is currently highest in Rugby (1:7.05); close to the England average (1:7.12). Nuneaton & Bedworth and North Warwickshire are similar (1:6.38 and 1:6.52 respectively) and Coventry is somewhat lower (1:5.76). The change since 1997 is significantly different across the C2 HMA. The ratio has grown by 144.8% in Rugby from the lowest ratio (i.e. the “most” affordable) in the HMA (1:2.88) in 1997 to the highest (1:7.05). In comparison North Warwickshire has only changed by 62.6% taking it from above to below the West Midlands and England averages.
- 5.9.6 The ratios of lower quartile incomes to lower quartile house prices uses data on earnings from the ONS ASHE survey, which is different from the modelled income data produced by CACI. The main difference on affordability between the ratios shown in Table 43 below and the thresholds calculated in Table 42 above is for Nuneaton and Bedworth where the ratio implies a greater affordability problem.

Table 43: Ratio of lower quartile house prices to lower quartile incomes 1997 to 2006			
Local Authority	1997	2006	% Change
Coventry	2.97	5.76	93.9
North Warwickshire	4.01	6.52	62.6
Nuneaton & Bedworth	3.14	6.38	103.2
Rugby	2.88	7.05	144.8
West Midlands	3.47	6.78	95.4
England	3.65	7.12	95.1

Source: CLG Live Table 576

- 5.9.7 The trend described in Table 43 above is further illustrated in Figure 30 below.



Source: CLG Live Table 576

5.10 Affordability of private rented housing

5.10.1 Private rents are much more affordable in the C2 HMA than owner occupation.³⁸ As there is far less variation in private rents for a 2 bed property than in house prices the income required ranges from £20,157 (Nuneaton & Bedworth) to £20,030 (Rugby). At the very least this represents a salary of 29.4% less in Nuneaton & Bedworth and 34.2% less in Rugby.³⁹

Table 44: Required gross income for private sector rent (£)⁴⁰

	1 bed		2 bed	
	Annual rent	Required income	Annual rent	Required income
Coventry	£6,515.60	£26,062.40	£5,665.92	£22,663.68
North Warwickshire	£4,988.36	£19,953.44	£5,392.92	£21,571.68
Nuneaton & Bedworth	£4,400.24	£17,600.96	£5,039.32	£20,157.28
Rugby	£5,010.20	£20,040.80	£5,757.44	£23,029.76
West Midlands	£4,575.48	£18,301.92	£5,341.96	£21,367.84
England	£5,259.80	£21,039.20	£6,379.88	£25,519.52

Source: CACI PayCheck 2006/Dataspring

³⁸ Affordability in the private rented sector is calculated by assuming that a household devotes no more than 25% of its gross income to rent.

³⁹ Comparing the salary for a single income household to buy an entry-level house with the income requirement to rent a one bed dwelling

⁴⁰ Assumes that rent is 25% of gross income

5.10.2 Private renting represents a significantly more affordable option across the C2 HMA than owner occupation. Rugby is the least affordable (52.3%) and Coventry, North Warwickshire and Nuneaton & Bedworth are closely aligned (42.0% to 45.9%).

Table 45: Comparison of proportions unable to afford entry-level dwelling (%)		
Local authority	Private renting (2 bed)	Owner occupation
Coventry	42.0%	57.3%
North Warwickshire	45.5%	66.0%
Nuneaton & Bedworth	45.9%	56.4%
Rugby	52.3%	68.3%

Source: CACI PayCheck 2006

6 THE FUTURE HOUSING MARKET

6.1 Market commentary⁴¹

- 6.1.1 Events following the Bank of England acting as lender of last resort to Northern Rock have created headlines around the world, and there is still uncertainty over the full ramifications. However, the run on the bank came about due to funding problems, associated with dislocations to asset-backed securities as a result of problems in the US sub prime market, rather than the quality of credit on its book. The full extent of the wider financial market turmoil is yet to become clear, but the UK housing and mortgage markets have proved resilient in the past and there are a number of factors likely to prove supportive once the dust settles.
- 6.1.2 The problems faced by the US sub prime market, which were initially driven by credit quality issues, look far less intense here. The recent cut in interest rates by the Federal Reserve does little to dent the much sharper increases seen in the US compared to the UK. The UK has not seen risk layering or teaser rates being discounted to the same extent as in the US, so the payment shock from coming off fixed rate deals will not be nearly as severe. Although it is difficult to make direct comparisons, most evidence points to considerably higher default rates in the US. Additionally, with falling house prices in the US, many are faced with negative equity and a deteriorating position due to continued declines. In comparison, UK house prices are still up around 10% compared to a year ago.
- 6.1.3 Although there is still much uncertainty, the seizing up of credit markets looks to have begun to unwind and most commentators expect it to dissipate within a few months. Three month interbank lending rates are already down around 0.6% from the peaks in the second week of September, but remain around 0.3% higher than at the start of July.
- 6.1.4 The immediate outlook has become a little softer. August data points to a slowing in mortgage activity, broadly in line with expectations following the rise in interest rates over the preceding twelve months. Approvals for other loans, mainly further advances, fell to their lowest level in six years. Slower house price growth and weaker lending volumes are expected going into next year, but much of this is down to rises in interest rates over the past year, rather than a specific reaction to events in the financial markets. The Council of Mortgage Lenders has already noted some softening in activity over the summer months and

⁴¹ Council of Mortgage Lenders, October 2007; Business Guardian, October 4th 2007

this looks to have continued. Estate agents have reported some easing in prices, although this is yet to show up in the price indices, while buyer demand continues to soften. The level of site visitors viewing new homes has tailed off and builders are raising incentives to entice buyers.

- 6.1.5 However, there are numbers of factors providing underlying support to the market.
- 6.1.6 The expected path for interest rates has reversed since the financial market turbulence appeared. The Bank rate had been expected to rise by another 0.25% before the end of this year. Although the financial markets expected the next move in rates to be down, the Bank of England left interest rates steady at 5.75% amid growing speculation that a weaker housing market and continuing turmoil in credit markets will soon force it to ease policy. This is the third meeting in a row that the Bank of England's monetary policy committee has left rates on hold, having raised them five times since August last year in a bid to cool an overheating economy. The cost of borrowing was cut in November.
- 6.1.7 At the same time, inflation has fallen below target, creating some slack for a loosening in monetary policy without threatening the inflation target.
- 6.1.8 Up until the run on Northern Rock, lenders believed that the squeeze in the financial markets would likely to be reflected in a fall in credit made available to the corporate credit sector, rather than either secured or unsecured household credit being squeezed. The Bank of England's new *Credit Conditions Survey* of lenders, which ended the day before the run, also revealed an improvement in the default rate on secured loans in the third quarter. This contrasted with earlier expectations of deterioration. Lenders continued to expect some worsening in loan default rates in the coming months. Demand for prime mainstream lending is expected to be strong going forward and, despite difficulties faced over the availability of wholesale market funding, more secured credit is expected to be made available over the last part of the year. Demand for buy-to-let and "other" (mainly sub prime and further advances) borrowing is expected to ease a little.
- 6.1.9 The UK economy and employment situation remain critical supporting factors. Economic growth has been above trend and employment growth has been strong this year, while unemployment has been on a downward trend.
- 6.1.10 Although some softening in market conditions is expected going forward, the indications are that this will be focused away from prime mainstream mortgage lending. The re-pricing of risk will hit non-prime borrowers hardest as lenders re-assess these products in light of recent developments and reflecting concerns carried over from the United States.

But, once market turbulence recedes, there would seem no reason to expect the mainstream market to be adversely affected for a protracted period. The underlying economic environment remains strong, interest rates may start to fall, there remains an under supply of housing in the UK and demand for mainstream household borrowing is expected to hold up.

- 6.1.11 In short, the fundamental drivers behind the housing and mortgage markets remain strong despite recent turbulence in the financial markets.

6.2 Population and household change

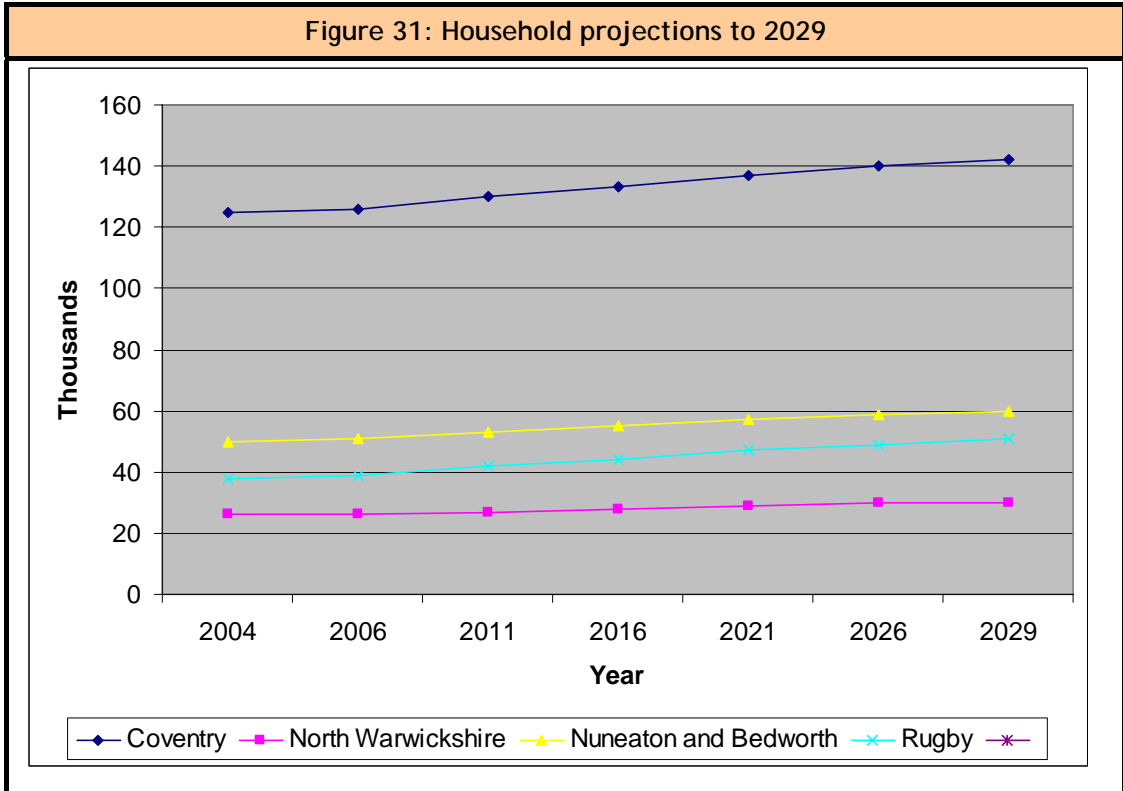
- 6.2.1 Updated household projections were published by CLG in March 2007, based upon ONS 2004 based population projections; these are shown in Table 46 and illustrated in Figure 31.

- 6.2.2 Rugby is predicted to grow the most in relative terms between 2006 and 2029; 31% growth (12,000 households), whereas Coventry is expected to grow the most in real terms; 16,000. Nuneaton & Bedworth is predicted to grow by 9,000 households or 18% and North Warwickshire by 4,000 or 15%. Growth in Rugby and Coventry is steepest to 2026 and then slows to 2029.

Table 46: Household projections to 2029 (thousands)							
	2004	2006	2011	2016	2021	2026	2029
Coventry	125	126	130	133	137	140	142
North Warwickshire	26	26	27	28	29	30	30
Nuneaton and Bedworth	50	51	53	55	57	59	60
Rugby	38	39	42	44	47	49	51

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

Figure 31: Household projections to 2029



6.2.3 Significant work has been done to support the RSS revision, which draws upon the 2003 population and household projections. It is valuable to look at these here since they provide the backdrop for the Preferred Option.

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

6.2.5 In population terms (Table 47) all four areas in the C2 HMA are predicted to grow to 2026, with Nuneaton & Bedworth and Rugby growing above the West Midlands average (8.3% and 15.9% respectively).

	2001 population	2026 population	2001-26 change	2001-26 % change
Coventry	303,200	312,000	8,800	2.9%
North Warwickshire	61,900	63,800	1,900	3.1%
Nuneaton & Bedworth	119,100	129,000	9,900	8.3%
Rugby	87,500	101,400	13,900	15.9%
Major Urban Areas	2,808,900	2,920,200	111,300	4.0%
Other Areas	2,473,800	2,730,400	256,600	10.4%
WEST MIDLANDS	5,282,700	5,650,600	367,900	7.0%

Source: WMRA Housing Demand Paper, January 2007, p34

6.2.6 The number of households (Table 48) in the West Midlands is predicted to grow by a fifth (20.6%) to 2026 and once again growth in Nuneaton & Bedworth and Rugby is predicted to exceed the regional average.

Table 48: Household change 2001-26				
	2001 households	2026 households	2001-26 change	2001-26 % change
Coventry	122,554	141,929	19,375	15.8%
North Warwickshire	25,290	29,603	4,313	17.1%
Nuneaton & Bedworth	48,656	59,280	10,624	21.8%
Rugby	36,414	46,111	9,697	26.6%
Major Urban Areas	1,135,677	1,327,391	191,714	16.9%
Other Areas	1,018,937	1,270,898	251,961	24.7%
WEST MIDLANDS	2,154,614	2,598,289	443,675	20.6%

Source: WMRA Housing Demand Paper, January 2007, p42

6.2.7 These changes in growth patterns will have significant impacts upon housing markets in the four areas, putting increasing pressure on both Nuneaton & Bedworth and Rugby to meet the needs of both their existing and increasing populations.

6.3 Housing demand

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

- (i) the net growth in the number of households within each district (taking account of both formation and dissolution), plus
- (ii) the net effect of in-migration and out-migration of existing households

6.3.2 A measure of total potential housing demand can be deduced from the 2003 sub-national household projections; the RSS Spatial Options paper shows the effect of projecting past trends forward in Appendix One Table 2. For the C2 Housing Market Area the estimate of housing demand is shown in Table 49.

Table 49: C2 Estimate of housing demand 2001-26 ⁴²			
	Total demand	Demand from local need	Demand from migration
Coventry	28,200	34,770	-6,569
North Warwickshire	5,140	3,822	1,317
Nuneaton & Bedworth	10,743	9,036	1,707
Rugby	9,875	5,467	4,407
Major Urban Areas	314,224	392,450	-78,225
Other Areas	261,040	139,250	121,790
WEST MIDLANDS	575,264	531,699	43,565

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

- 6.3.3 It is important to note that these estimates of housing demand in the West Midlands are “unconstrained” in that they derive from household-based projections of population and households that do not take account of Regional Strategy.
- 6.3.4 The significant issues that emerge from this analysis are:
- (i) Coventry will experience significant demand from natural change and local need in the area, despite losing population through migration.
 - (ii) The total demand in Nuneaton & Bedworth and Rugby is very close to the predicted household change in the period 2006-2026. The total demand in Coventry and North Warwickshire is higher (significantly so in Coventry) than the predicted household change. In this respect Coventry is in line with the MUAs.
- 6.3.5 It does not follow that all growth and migration demand should, or even could, be fully provided for within each district. After adjustments to accord with the aims and objectives of the RSS, the numbers proposed in the Preferred Option⁴³ are shown in Table 50.
- 6.3.6 These two tables give an indication of the market pressures that are likely to be exerted as a consequence of the differences between the identified demand and the proposed targets for each district. The RSS Preferred Option grants Nuneaton & Bedworth almost all (100.5%) of its total predicted demand in the next twenty years. The most rural area, North Warwickshire receives an allocation of 58.4% of its total demand.
- 6.3.7 The urban areas of Coventry and Rugby are allocated 118.8% and 109.4% of their demand, which fits with the RSS intention of concentrating growth in the urban areas and market towns. In particular 90.7% of Rugby’s allocation is to be in the town.

⁴² This table uses 2003-based household projections

Table 50: C2 housing proposals 2006-26			
	Proposal total (net)	Total as % of total demand	Indicative annual average
Coventry ⁴⁴	33,500	118.8%	1,675
North Warwickshire	3,000	58.4%	150
Nuneaton & Bedworth	10,800	100.5%	540
Rugby	10,800	109.4%	540
<i>of which Rugby town</i>	<i>9,800</i>		<i>490</i>
Major Urban Areas ⁴⁵	169,100	53.8%	8,455
Other Areas	196,500	75.3%	9,825
WEST MIDLANDS	365,600	63.6%	18,280

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

6.4 Newly arising need

- 6.4.1 A recent study by the Cambridge Centre for Housing and Planning Research⁴⁶ has estimated unconstrained figures for housing demand and newly arising need in the West Midlands (see Table 51).

Table 51: Net housing demand and need in the West Midlands 2006-2026 ⁴⁷				
	Market sector	Intermediate sector	Social sector	Total
Whole period (20 years)	227,000	60,000	103,000	390,000
Annual average	11,350	3,000	5,150	19,500
Percentage shares	58.2	15.4	26.4	100.0

Source: CCHPR

- 6.4.2 This study indicates a need for affordable housing to meet newly arising need (i.e. not including current or backlog need) of 8,150 dwellings per annum in the West Midlands, 63.2% of which should be social rented housing. The paper goes on to break down these figures for each of the authorities in the region (see Table 52).

⁴³ RSS Phase Two Revision: Preferred Option, Agenda Item 6, 22/10/2007, p41-2

⁴⁴ Dependant upon the capacity in Coventry and the outcome of further studies, some of the allocations could be made adjacent to Coventry within Nuneaton & Bedworth and Warwick Districts

⁴⁵ Includes the Newcastle urban area

⁴⁶ *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007

⁴⁷ *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007, p16

Table 52: Net housing demand and need in the West Midlands 2006-2026 ⁴⁸				
	Market sector	Intermediate sector	Social sector	Total
Coventry	6700	3800	3700	14200
Annual average	335	190	185	710
% shares	47.2%	26.8%	26.1%	100.0%
North Warwickshire	2900	500	1100	4500
Annual average	145	25	55	225
% shares	64.4%	11.1%	24.4%	100.0%
Nuneaton & Bedworth	5700	900	2300	8900
Annual average	285	45	115	445
% shares	64.0%	10.1%	25.8%	100.0%
Rugby	6900	1200	2500	10600
Annual average	345	60	125	530
% shares	65.1%	11.3%	23.6%	100.0%

Source: CCHPR

- 6.4.3 What the analysis shows is that there will be different pressures across the sub-region in terms of the demand and newly arising need. In North Warwickshire, Nuneaton & Bedworth and Rugby there will be greater demand in the market sector (64.0%, 64.0% and 65.1% respectively). Demand in the social rented sector ranges from 23.6% to 26.1% of newly arising need. In terms of demand for intermediate tenures Coventry is expected to have the greatest capacity to meet need in this way (26.8%), whereas the analysis suggests a range of 10.1% to 11.3% in the three other areas.

6.5 Future household types

- 6.5.1 The 2004 household projections broken down by household type are only available at regional level, whilst total household numbers are available at local authority level. The following analysis has taken these two sets of projections to provide an indication of the changes in household types in each of the C2 HMA districts over the next twenty years.⁴⁹
- 6.5.2 Table 53 shows the household type breakdowns in 2006. With the exception of Coventry, all the areas have a greater proportion of married couple households than in the West Midlands (around half the households). With the exception of Coventry again, all the areas

⁴⁸ *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007, p18

⁴⁹ There may well be some rounding errors that will mean that the final numbers do not precisely match household numbers quoted elsewhere in this report

have a higher proportion of cohabiting couples than the region. One person households are the largest household type in Coventry (33.1%).

Table 53: Household types 2006 (%)					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
Married couple households	39.5%	51.2%	49.6%	49.1%	45.7%
Cohabiting couple households	9.5%	11.4%	10.2%	10.2%	9.6%
Lone parent households	9.3%	6.4%	7.4%	6.4%	8.1%
Other multi-person households	8.6%	4.7%	4.6%	4.8%	6.1%
One-person households	33.1%	26.2%	28.1%	29.5%	30.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

6.5.3 Table 54 and Table 55 show how these proportions start to change over time. There is a steady decline in each area of married couple households, although the proportions in North Warwickshire, Nuneaton & Bedworth and Rugby are likely to stay above the regional average. Although there is a growth in cohabiting couple households it does not equal the decline in married couple households. Instead what we see is significant growth in one person households. By 2026, two fifths of Coventry households will be one person households.

Table 54: Household types 2016 (%)					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
Married couple households	34.2%	45.2%	43.6%	43.0%	39.9%
Cohabiting couple households	11.4%	13.9%	12.5%	12.5%	11.7%
Lone parent households	9.5%	6.6%	7.6%	6.6%	8.3%
Other multi-person households	8.3%	4.7%	4.6%	4.7%	6.1%
One-person households	36.6%	29.6%	31.7%	33.2%	34.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

6.5.4 Social, economic and cultural factors are leading to marital breakdown at one point in the age spectrum at the same time as a growth in couples “living apart together” or “LAT”.⁵⁰ This will create increased demand for smaller properties, but not so small that they cannot accommodate overnight guests (e.g. children) or space to work at home (an increasing phenomenon as transport infrastructures become more and more clogged); in other words at least 2 bedrooms.

⁵⁰ The common definition of a LAT relationship is a couple, that does not share household, each of the two lives in his or her own household, in which other persons also might live, but they define themselves as a couple

Table 55: Household types 2026 (%)					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
Married couple households	30.7%	41.1%	39.6%	39.0%	36.1%
Cohabiting couple households	12.1%	15.0%	13.4%	13.3%	12.5%
Lone parent households	9.2%	6.5%	7.5%	6.5%	8.1%
Other multi-person households	8.2%	4.7%	4.5%	4.7%	6.0%
One-person households	39.8%	32.7%	34.9%	36.5%	37.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Stakeholders on housing market change

- *Employment restructuring and improvements to transport infrastructure have had major impacts.*
- *Growth of the student population - both universities expanded in last ten years. A lot of purpose built student accommodation has gone up which is impacting on the private rented market. Properties previously rented by students are going back on to the private market and being occupied by in-migrants.*
- *The hardest to let are the bigger student properties - some are being taken up by the Polish in-migrants.*
- *Some student couples are taking up modern flats - students are expecting better standards - will no longer put up with "rat-infested" homes.*
- *Restructuring of industry has had an influence on the market in terms of land supply. Geographical impact rather than impacting upon the price of land.*
- *Coventry is different from a lot of other urban areas - fair amount of employment spread around the suburbs due to post war reconstruction that sited industrial development outside of the inner urban core. Therefore land coming onto the market is dispersed and suitable for family developments.*

6.6 Implications for the future housing market

6.6.1 Table 56 sets out the numbers implied by these changes in household types. A number of conclusions for growth and housing demand can be drawn:

- (i) In Coventry sees a stark decline in married couple households (6,899); which is not replaced by the growth of cohabiting couple households. Instead the growth in household numbers is driven by the formation of over 14,000 one person households. This would suggest that Coventry will have a strong future market for smaller dwelling units of 1-2 beds.

- (ii) In North Warwickshire the increase in the number of cohabiting couples exceeds the decline in married couple households by 537 households and if one also includes multi-person households then by a further 169 (total 706). This would present a strong argument for ongoing development of medium sized family housing. In addition, one person households account for 75% of the district's growth.
- (iii) In Nuneaton & Bedworth the decline of married couple households is exceeded by the growth of cohabiting couple households by 757; suggesting a requirement for ongoing development of new family housing. 78% of growth in Nuneaton & Bedworth will be amongst one person households, and this would indicate strong future demand for smaller properties also.
- (iv) In Rugby there is major growth of cohabiting couple households and a minimal decline in married couple households; the former exceeds the latter by 2528 households. This would present a strong argument for delivery of high quality family housing for the future. In addition 64% of growth will be from one person households.

Table 56: Household change 2006-26					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
Married couple households	-6899	-995	-1932	-20	-82,000
Cohabiting couple households	4951	1532	2689	2548	110,000
Lone parent households	1139	295	663	677	31,000
Other multi-person households	630	169	317	425	18,000
One-person households	14134	2993	6256	6369	294,000
Total	13955	3995	7992	10000	371,000

7 CURRENT HOUSING NEED

Table 57: Summary of data required for current housing need ⁵¹	
Step	Data items
1.1 Homeless households and those in temporary accommodation	Homeless agencies data, Priority homeless households in temporary accommodation
1.2 Overcrowding and concealed households	Census, Survey of English Housing, Local Housing Registers
1.3 Other groups	Housing Register, Local Authority and RSL transfer lists, Hostel move-on needs
1.4 Total current housing need (gross)	1.1 + 1.2 (+ 1.3)

7.1 Assessing the need for affordable housing

7.1.1 Following the latest CLG guidance⁵², Chapters 7, 8 and 9 set out step by step the three stages to developing a model for assessing the net annual housing need in each of the four districts of the C2 (West Midlands) HMA. Chapter 12 brings the evidence together in a summary table that sets out the overall estimate of net annual housing need for the model.

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

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

- Current housing need - steps 1.1, 1.2, 1.3 and 1.4
- Future housing need - steps 2.1, 2.2, 2.3 and 2.4
- Affordable housing supply - steps 3.1 to 3.8

7.2 Defining housing need and unsuitable housing

Housing need

7.2.1 Overall, one can talk of the housing requirements of a district and these requirements are made up of both demand and need. Households that can enter the general market without

⁵¹ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p43

⁵² Ibid

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

*The quantity of housing required for households who are unable to access suitable housing without financial assistance*⁵³

7.2.2 Consequently the guidance states that:

*For the purposes of assessment, this means partnerships need to estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.*⁵⁴

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

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

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

*No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature.*⁵⁵

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

⁵³ *Planning Policy Statement 3 (PPS3): Housing, Communities and Local Government, November 2006, p27*

⁵⁴ *Strategic Housing Market Assessments: Practice Guidance, Communities and Local Government, March 2007, p41*

⁵⁵ *Strategic Housing Market Assessments: Practice Guidance, Communities and Local Government, March 2007, p11*

7.2.7 The Model calculates the current housing need, future housing need and affordable housing supply as annual flows to arrive at a net figure for the number of additional affordable dwellings required in a District. This model is based upon the latest DCLG guidance. Table 58 outlines the key stages in the model.

Table 58: Housing needs assessment model
<p>CURRENT HOUSING NEED (gross backlog) (times a yearly quota)</p> <p><i>Plus</i></p> <p>FUTURE HOUSING NEED (gross annual estimate)</p> <p><i>Minus</i></p> <p>AFFORDABLE HOUSING SUPPLY</p> <p><i>Equals</i></p> <p>ESTIMATE OF NET ANNUAL HOUSING NEED</p>

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

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

[Unsuitable housing](#)

7.2.10 Those in unsuitable housing are defined in the guidance through a series of criteria, presented in Table 59. Households who are not in housing need but would like affordable housing are excluded from this modelling section of the Housing Market Assessment.

Table 59: Unsuitable housing ⁵⁶	
Main category	Sub-divisions
Homeless households or insecure tenure	Homeless households
	Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	Overcrowded according to the bedroom standard
	Too difficult to maintain (e.g. too large) even with equity release
	Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps) which cannot be made suitable in-situ
Dwelling amenities and condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
	Subject to major disrepair or unfitness, and household does not have the resources to make fit (e.g. through equity release or grants)
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move

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

7.2.12 The size of mortgage required should be compared to the entry-level price of a property of an appropriate size for the household (this is based on the size of the household whereby the bedroom standard can be applied and also the degree to which 'ideal' sized properties are available).

7.3 Total current housing need (gross per year)

7.3.1 For the purposes of assessing current housing need based on secondary data it is possible to review a number of different data sources as set out in Table 57 above. Without use of a primary data source such as a household survey, it is difficult to avoid making broad assumptions from the available data and the possibilities of under/over and double counting are increased. Whilst data has been looked at from a variety of sources,

⁵⁶ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p41

Outside's has taken the view that the best secondary source of data in assessing current housing need is to make use of local housing registers.

- 7.3.2 District housing registers are an important and objective indicator of unmet housing need. It depends on the quality of individual housing registers, but in principle, all applicants are subject to detailed scrutiny as to their circumstances. It is not unreasonable to assume that applicants are in housing that is unsuitable for their present or imminent circumstances, through their current accommodation being too expensive, insecure, defective, too small, or through problems of internal and external accessibility and that they are unable to either find in situ solutions to their difficulties or are unable to afford to access appropriate market housing.
- 7.3.3 Having examined the housing registers of each authority, there are clear differences between authorities in terms of the management of the registers and the apportioning of points and priority status. There are three ways forward:
- (i) To accept the total number on the register as recorded on the HSSA 2006/07 return as at the 31st March 2007⁵⁷ (step 1.4a Table 60)
 - (ii) To assume that a proportion of the households on the register will be able to find alternative accommodation either through private rent or access to home ownership and that a proportion be discounted based on the CACI modelled income distribution data for West Midlands and the lower quartile house prices giving an estimate of affordability for each of the four C2 HMA districts as presented at Table 42 above (step 1.4b Table 60)
 - (iii) To only count those households on the register that are defined on the HSSA 2006/07 as being "in a reasonable preference category" (step 1.4c Table 60)
- 7.3.4 At this stage, having considered the available data, we recommend using step 1.4b, discounting a proportion of the total number on the housing register in each authority area based on the affordability thresholds described in Chapter 5 section 5.9. It is not recommended to use step 1.4c due to the inconsistency between areas where the definition of households on the register "in a reasonable category" has been interpreted differently, ranging from 5.6% of all households on the register in North Warwickshire to 68.7% of all households on the register in Nuneaton & Bedworth.
- 7.3.5 Table 60 shows the numbers at step 1.4 recommended for each authority. If the number at step 1.4 is shown as a proportion of total households in each district, North Warwickshire

⁵⁷ The HSSA 06/07 figure for Rugby has been revised due to updated information

has the highest proportion of households in current need at 4.4%, Nuneaton & Bedworth and Rugby are similar at 3.4% and 3.1% respectively and Coventry has proportionally fewer households in current need.

Table 60: Current Housing Need				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
Step 1.4a - total	6493	1716	3090	1760
Recommended Step 1.4b - can't afford	3720	1133	1743	1202
Step 1.4c -reasonable category	1509	96	2123	1164
Proportion of total households	2.9%	4.4%	3.4%	3.1%

Source: HSSA 2007 Numbers on housing register 2006/07

8 FUTURE HOUSING NEED

Table 61: Summary of data required for future housing need ⁵⁸	
Step	Data items
2.1 New household formation (gross per year)	Census, SEH (from Chapters 3 and 4)
2.2 Proportion of new households unable to buy or rent in the market	Entry level rents/property prices identified in Chapter 3, SEH, Mortgage lenders, LA/RSL databases
2.3 Existing households falling into need	Housing register, LA/RSL data, tenants surveys
2.4 Total newly arising housing need (gross per year)	$(2.1 \times 2.2) + 2.3$

8.1 New household formation

8.1.1 In a secondary data based methodology, there are two broad approaches to estimating future housing need, one based on household projections and one based on an assessment of the number of households that join the housing register each year. As with all methods there are advantages and disadvantages associated with both approaches and neither tells the full story. All methods necessarily predict future need on the basis of past activity. The methodology chosen as most appropriate for the C2 HMA is to assess recent activity in each local housing register.

8.2 Total newly arising housing need

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

8.2.2 As with the analysis of the housing register under current housing need, there are different ways to interpret the data on recent applicants. Table 62 shows the total number of applicants on the housing registers in each district during the 2006/07 financial year that

⁵⁸ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p45

remain on the register at the year-end. Not all the applicants have the same level of need and it is not unreasonable to assume that a proportion may be able to access appropriate housing through their own resources. One approach, shown in step 2.4a is to apply the same affordability threshold as applied under current housing need. An alternative approach shown in step 2.4b is to count only those applicants that are defined as high priority on the housing register. There is no consistency between authorities as to the definition of high priority, banding or points allocation, which means that step 2.4b is not as useful as it could be.

Table 62: Future Housing Need				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
Applicants 06/07	3301	354	822	543
Proportion unable to afford	57.3%	66.0%	56.4%	68.3%
Number in high priority	362	232	772	409
Step 2.4a	1891	234	464	371
Step 2.4b	362	232	772	409
Recommended step 2.4	1891	234	464	371
% of total households	1.5%	0.9%	0.9%	1.0%

Source: Local housing register data

- 8.2.3 It has a considerable significance, where the line for priority status is drawn. The number of applicants to the register within the preceding year is an important indicator of need. Each one of these households will have been individually assessed in order to be accepted on to the list and as such represents the most accurate and up to date assessment of demand for social housing. This is an area of housing information that should be invested in and improved in order to provide better monitoring and updating into the future.
- 8.2.4 There are two main criticisms raised about use of housing register data in terms of defining housing need:
- (i) The register exaggerates the level of need as it contains people who have found other solutions to their housing need and should no longer be on the list. Further analysis of the housing registers in the four districts will help to determine the quality of the data and whether it falls within acceptable limits. Factors to consider will be the proportion of old records, procedures for monitoring, updating and cleaning up the data and the use of points/priority rating. In terms of estimating newly arising need it is important to note that only the recent applicants are considered, which ensures greater currency and accuracy of information. The tendency to over-estimate numbers is countered by discounting a proportion of

households either through a priority rating system or through application of an affordability threshold. The affordability threshold is likely to be too low (without some adjustment to take account of the income distribution of applicants) for the households on the waiting list and is potentially going to under-estimate the proportion in need. It would be preferable to have a better indication of the proportion of recent applicants that are categorised in higher priority.

- (ii) At the same time, it is also often stated that housing registers tend to under-represent the level of need especially in areas with very limited supply of social housing. It is assumed that many households do not bother to register their need in the unlikelihood that their needs will be met. This is probably true, but there will always be hidden undiscoverable need and in this case in the C2 (West Midlands) HMA the housing register indicates higher numbers in need than the household projections would imply.

8.2.5 In addition, larger numbers of younger, single people tend to apply for social housing in Coventry (partly through in-migration from surrounding areas), which may distort a latent need for family houses (especially larger types) and purpose designed accommodation for people with disabilities (e.g. bungalows).

8.2.6 There are imperfections in both methods, but in areas where projections of growth are low and there is a relatively high proportion of social stock, continued and improved monitoring of the housing register is a recommended way forward.

Stakeholders on young people

- *In North Warwickshire there is not enough accommodation for young people.*
- *Nuneaton and Bedworth have a lot of sheltered accommodation, but a shortage of suitable accommodation for young people, supported accommodation for young people.*

9 AFFORDABLE HOUSING SUPPLY

Table 63: Summary of data required for affordable housing supply ⁵⁹	
Step	Data items
3.1 Affordable dwellings occupied by households in need	Housing Register, Local Authority and RSL transfer lists, Over-crowding data
3.2 Surplus stock	Local Authority and RSL records
3.3 Committed supply of new affordable housing	Development programmes of affordable housing providers (RSLs, developers, LAs), Regeneration\ Pathfinder Schemes, including conversions and intermediate housing products
3.4 Units to be taken out of management	Demolition and conversions programmes of LAs, RSLs, Regeneration\Pathfinder Schemes
3.5 Total affordable housing stock available	3.1 + 3.2 + 3.3 - 3.4
3.6 Annual supply of social re-lets (net)	Lettings/voids system for providers, LA and RSLs, CORE data for RSLs, HSSA data
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	LA, RSL and other providers' lettings/voids system and data on re-sales of sub-market LCHO or shared equity schemes
3.8 Annual supply of affordable housing	3.6 + 3.7

9.1 Affordable dwellings occupied by households in need

- 9.1.1 It is first necessary to estimate the number of dwellings vacated by current occupiers that are fit for use by other households in need. This is an important consideration in establishing the *net* levels of housing need, as the movement of these households within affordable housing will have a nil effect in terms of housing need.
- 9.1.2 Consequently it is necessary to rule out transfers within the stock that have a nil net effect on the availability of affordable housing.
- 9.1.3 Table 64 shows the numbers of households that moved within the respective social housing stock over the last four years. This combines both RSL and LA transfer lets as recorded in the 2006/07 HSSA⁶⁰.

⁵⁹ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p47

⁶⁰ HSSA D1+D2+D3a+(D9-D10a)

Table 64: Lettings into social housing stock (Step 3.1)					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
2003/4	1764	72	265	140	7491
2004/5	1081	81	328	186	6550
2005/6	1181	65	314	180	6191
2006/7	1837	50	281	201	N/A

Source: HSSA 2006/07, RSL and LA combined transfer lets

9.2 Surplus stock

- 9.2.1 If there is surplus social housing stock this needs to be accounted for in the assessment. A certain level of voids is normal and allows for transfers and works on properties. However, where the rate is in excess of 3 per cent and properties are vacant for considerable periods of time, these should be counted as surplus stock.
- 9.2.2 Table 65 sets out the total housing stock and the number of vacant dwellings in each district. None of the C2 authorities have vacant stock above 3%.

Table 65: Surplus stock (Step 3.2)				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
Social housing stock	22940	3561	8158	5056
Vacant dwellings	617	15	108	107
% Vacant dwellings	2.7%	0.4%	1.3%	2.1%
Proportion > 3%	0.0	0.0	0.0	0.0
Total surplus	0	0	0	0

Source: HSSA 2006/07

9.3 Committed supply of new affordable units

- 9.3.1 It is important to take account of the new (i.e. new build and conversions) social rented and intermediate affordable dwellings that are committed at the point of the assessment. Where possible this number should be recorded with information on size also.
- 9.3.2 Past activity is used as an indicator of future activity and therefore as the number of completions each year fluctuates up and down an average over the last four years is used as an estimate of future annual completions in the housing need models.

Table 66: Additional social and affordable housing (Step 3.3)					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
2003/4	141	34	73	76	2862
2004/5	218	30	66	42	3411
2005/6	154	7	65	37	3595
2006/7 (outturn)	254	39	14	76	N/A
Average outturn over 4 years	192	28	55	58	
2007/8 (planned)	388	52	N/A	N/A	N/A

Source: HSSA 2006/07

9.4 Units to be taken out of management

- 9.4.1 Local authorities and RSLs should have information about planned demolitions or redevelopment schemes that lead to net reductions in stock. The number of social-rented or intermediate affordable housing units to be taken out of management should not include Right-To-Buy sales as authorities are not required to re-house these households.
- 9.4.2 At this point in time, besides Coventry, the evidence for the other three local authority areas that have plans to demolish or redevelop stock that will result in net reductions in supply is not available. Figures provided by Coventry City Council, shown in Table 67 below indicate a net reduction of affordable stock of 754 properties over the six years from 2001/02. The majority of new builds over this period have been for rented accommodation, with 21.7% being for shared ownership.
- 9.4.3 Demolition estimates incorporating data from the 2004 Regional Urban Capacity Study and the Metropolitan Authorities and Telford and Wrekin 2006 Refresh are set out in Appendix 1 Table 8 of the West Midlands RSS. This includes demolition estimates across all tenures, but represents the best information available for estimating stock reduction in North Warwickshire (276 demolitions 2001-2026), Nuneaton and Bedworth (78 demolitions 2001-2026) and Rugby (3 demolitions 2001-2026). Demolitions in Nuneaton & Bedworth will include 300 further properties for the Camp Hill regeneration project. Converted to annual estimates the numbers are low especially compared with Coventry's figures.

Table 67: 2001/02 to 2006/07 Coventry Completions (Actuals)							
Year of completion	Newbuilds, S106, Regen & SHG (LA & HC)				Acquired existing properties	Total additions to affordable stock	Demolitions
	Rented	Shared ownership	Intermediate Market	Total new builds			
2001/02	43	10	0	53	44	97	-
2002/03	170	0	0	170	49	219	-
2003/04	113	0	0	113	28	141	-
2004/05	120	21	0	141	69	210	-
2005/06	123	10	0	133	21	154	-
2006/07	96	144	0	240	14	254	-
Total	665	185	0	850	225	1075	1829

Source: Information supplied by Coventry City Council

9.5 Total affordable housing stock available

9.5.1 This is the sum of:

- Dwellings currently occupied by households in need
- Surplus stock
- and committed additional housing stock
- minus units to be taken out of management

Table 68: Total affordable housing stock available (Step 3.5)				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
Dwellings currently occupied by households in need	1837	50	281	201
Surplus stock	0	0	0	0
Committed additional housing stock	192	28	55	58
Units to be taken out of management	*305	11	3	0
Total at Step 3.5	1724	67	333	259

* Total actual demolitions over six years 2001 to 2007 divided by 6

9.6 Future annual supply of social re-lets (net)

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

9.6.2 The numbers in Table 69 are a composite of both local authority and RSL lettings.

Table 69: Annual supply of social re-lets					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
2004/5	1683	185	401	277	7491
2005/6	1787	182	462	216	6550
2006/7	2490	131	455	452	6191
Mean 2004-07	1987	166	439	315	
Mean turnover	8.6%	4.7%	5.4%	6.2%	

Source: HSSA 2007⁶¹

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

9.7 Future annual supply of intermediate affordable housing

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

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

⁶¹ *Total social housing relets = HSSA D4+D5+D6-D7a2+D9-N9a-D3a*

9.7.3 At this point in time, there is no evidence of intermediate affordable housing units that have come up for re-let or re-sale that will result in net reductions in supply.

9.8 Future annual supply of affordable housing units

9.8.1 This is the sum of:

- Social rented units, and
- Intermediate affordable units

9.8.2 Steps 3.6 and 3.7 are brought together in Table 70. As a proportion of the total number of households in the respective authorities the supply ranges from North Warwickshire with 0.6% (and the lowest number of units at 166) to Coventry at 1.6% and the highest number of units (1987).

Table 70: Future annual supply of affordable housing units				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
Social rented units	1987	166	439	315
Intermediate units	N/A	N/A	N/A	N/A
Total (Step 3.8)	1987	166	439	315
% of total households	1.6%	0.6%	0.8%	0.8%

10 HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

10.1 Introduction

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

10.2 Older people

10.2.1 This section looks at the housing needs of older people referring both to general housing and specialist accommodation across the four districts in West Midlands C2 HMA. The home is recognised as a key factor in determining a person's quality of life with research suggesting older people spend between 70 - 90% of their time in their home⁶².

10.2.2 Table 71 provides details of the population of all residents aged over 60 in each district of C2 HMA including residents in communal establishments.

10.2.3 Rugby has the highest proportion of population over 60, (21.3%). North Warwickshire, Rugby and Nuneaton & Bedworth all had high proportions of the younger generation of older people (aged 60-79); 16.7%, 16.9% and 16.4% respectively of all residents. Proportions in Coventry were lower (15.9% of all residents aged 60-79).

10.2.4 The highest proportion of residents over 80 is in Rugby (4.3%). The second highest proportion of all residents over 80 was in Coventry (4.0%). By comparison, residents over 80 in North Warwickshire totalled only 3.5% of the total resident population and residents over 80 in Nuneaton & Bedworth totalled only 3.4% of the population.

10.2.5 The shifting demographic patterns across the age ranges 60-79 and over 80 have major implications for meeting the differing and evolving housing and support needs of these generations of older people.

⁶² Baltes, M.M., Wahl, H-W, Schmid-Furstoss, U. (1990) The daily life of the elderly at home. Activity patterns, personal control and functional health. *Journal of Gerontology Social Sciences*, 45, 173-179, cited in *A Sure Start to Later Life: Ending Inequalities for Older People*, ODPM, 2006

Table 71: Population aged 60+ All residents								
Age	Coventry		North Warwickshire		Nuneaton & Bedworth		Rugby	
	No.	%	No.	%	No.	%	No.	%
60-64	13846	4.6	3256	5.3	5903	5.0	4538	5.2
65-69	12262	4.1	2766	4.5	5207	4.4	3790	4.3
70-74	11352	3.8	2437	3.9	4643	3.9	3486	4.0
75-79	10107	3.4	1880	3.0	3701	3.1	2955	3.4
80-84	6996	2.3	1257	2.0	2420	2.0	2113	2.4
85-89	3627	1.2	643	1.0	1184	1.0	1171	1.3
90-94	1286	0.4	259	0.4	411	0.3	417	0.5
95-99	285	0.1	47	0.1	91	0.1	114	0.1
100 +	37	0.0	6	0.0	23	0.0	11	0.0
All	300847	100.0	61875	100.0	119142	100.0	87454	100.0
Total 60 +	59798	19.9	12551	20.3	23583	19.8	18595	21.3

Source: Census 2001

- 10.2.6 Table 72 illustrates the proportion of total households consisting of pensioner households by tenure. The proportions of owner-occupied pensioner households is highest in Rugby (17.1% of households), and quite high also in Coventry (17.0%). However, the proportion is slightly lower in Nuneaton & Bedworth (16.3%), and strikingly lower in North Warwickshire (14.5%). The proportions of social rented pensioner households, on the other hand, is highest in North Warwickshire (5.4%), and lowest in Coventry (4.6%). The proportions of private rented pensioner households is highest in North Warwickshire (2.2%), and lowest in Nuneaton & Bedworth and Rugby (1.5%).

Table 72: Pensioner household tenure by district (%)				
Area	Owner-occupied	Social rented	Private rented	Total
Coventry	17.0	4.6	1.8	23.4
North Warwickshire	14.5	5.4	2.2	22.1
Nuneaton & Bedworth	16.3	4.9	1.5	22.7
Rugby	17.1	5.0	1.5	23.7

Source: Census 2001

- 10.2.7 The proportion of the total household population that consists of single pensioner households is also high and rising, as Table 73 shows. Single pensioner households represented over 13.0% of the population in three out of four districts. According to the Census 2001 data, which under-represents the current growing pensioner population,

Coventry has the highest proportion of single pensioner households, (14.8% of households), followed by Rugby (with 13.8%).

Table 73: Single pensioner household tenure by district (%)				
Area	Owner-occupied	Social rented	Private rented	Total
Coventry	9.6	3.7	1.5	14.8
North Warwickshire	7.2	3.9	1.6	12.7
Nuneaton & Bedworth	8.4	3.7	1.2	13.3
Rugby	8.6	3.8	1.3	13.8

Source: Census 2001

- 10.2.8 It is striking that Coventry has both the highest proportions of single pensioner households, and of owner-occupied single pensioner households. Rugby has relatively high proportions of single pensioner households and of social rented single pensioner households. The information on household composition is important in assessing possible housing needs of older people. The number of single pensioner households has implications for types of housing as well as care and support services within each district, as it suggests that the older person may not benefit from care and support within the home from another member of their household if the need arose. Nationally there is a growing trend of an increasing number of older people living alone.
- 10.2.9 Expectations around space have changed, and types of housing-related support required differ from the past because of the expectations for continuing independence and choice. The proportion of social rented single pensioner households has implications for decisions around the quality and the sustainability of the high proportion of social rented bungalow accommodation in terms of space standards, mobility and access requirements, and the balance between category 1, category 2 and extra care/retirement village accommodation. In districts such as Coventry, higher home ownership levels, coupled with increasing numbers of single pensioner households, will also present challenges for providing growing numbers of older people with equity in their own homes with housing choice.
- 10.2.10 The projected change of different age cohorts in the population from 2007 - 2027 is detailed in Table 74-Table 77. Comparison with projections for all ages shows the trend for older people to form an increasing proportion of the population. This is particularly noticeable in the older age group aged 75 or over, over the years 2007-2022, as Table 77 shows.

10.2.11 In the age group 75-79 a population increase of 61.9% from 2007-2027 is projected in North Warwickshire, with relatively high proportional figures also in Nuneaton & Bedworth (55.3%).

10.2.12 In the age group 80-84, the highest projected rate of increase is in North Warwickshire (85.7%), and Rugby (82.6%). Rates of increase in Coventry are far lower.

10.2.13 In the age group 85+, very high rates of increase are projected for North Warwickshire (100.0%), Nuneaton & Bedworth (86.4%), and Rugby (85.0%). Long-term increase in all the 60+ age cohorts is projected, although from 2007-2012 a decline in the 60-64 cohort is projected for Nuneaton & Bedworth, Rugby, and Coventry. The decline for Coventry is also projected between 2007-2012 for the 80-84 cohort. The largest proportional increase for the first five years, 2007-2012, is projected for the 65-69 cohort (over 25% increase is projected in North Warwickshire, Nuneaton & Bedworth, and Rugby), as Table 74 shows. Here again rates of increase for Coventry are far lower.

Table 74: Projected change 2007 - 2012 (%)				
Age	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
60 - 64	-3.4	2.3	-1.3	-5.0
65 - 69	8.9	29.0	28.6	29.5
70 - 74	1.9	7.7	10.6	14.3
75 - 79	1.1	4.8	5.3	6.7
80 - 84	-4.2	14.3	7.4	8.7
85+	9.4	18.2	13.6	15.0
All ages	-0.2	0.5	1.6	4.6

Source: ONS 2004 based population changes

Table 75: Projected change 2007 - 2017 (%)				
Age	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
60 - 64	-2.0	-7.0	-6.5	-10.0
65 - 69	6.5	32.3	26.8	22.7
70 - 74	13.0	42.3	42.6	51.4
75 - 79	4.4	19.0	18.4	23.3
80 - 84	1.4	21.4	18.5	17.4
85+	15.6	36.4	31.8	30.0
All ages	0.1	1.3	3.4	9.2

Source: ONS 2004 based population changes

Table 76: Projected change 2007 - 2022 (%)				
Age	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
60 - 64	8.1	2.3	0.0	5.0
65 - 69	8.1	22.6	21.4	18.2
70 - 74	10.2	46.2	42.6	42.9
75 - 79	17.8	57.1	55.3	60.0
80 - 84	7.0	42.9	37.0	34.8
85+	28.1	63.6	54.5	50.0
All ages	0.8	2.3	5.2	13.7

Source: ONS 2004 based population changes

Table 77: Projected change 2007 - 2027				
Age	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
60 - 64	16.2	11.6	10.4	20.0
65 - 69	19.4	32.3	30.4	36.4
70 - 74	13.0	34.6	36.2	37.1
75 - 79	16.7	61.9	55.3	53.3
80 - 84	22.5	85.7	77.8	82.6
85+	43.8	100.0	86.4	85.0
All ages	1.7	2.9	6.5	17.7

Source: ONS 2004 based population changes

10.2.14 These figures demonstrate the importance of making sure housing options and appropriate housing for an increasing older population are available. The absolute number of older people is increasing and the proportion of older people within the population is also increasing.

10.2.15 The proportions of older members of different ethnic groups in the Local Authorities of C2 HMA are shown in Table 78. The figures show proportions within the different age ranges and genders as proportions of the total numbers for the specific ethnic group.

10.2.16 For the most part, the proportions of the BME populations within C2 HMA who are older than 60 are lower than the proportions of the British White population older than 60. However, there are exceptions to this. The proportions of Other White males and females over 60 are greater than the proportions of British White males and females over 60, across all four districts of the HMA. The proportion of Black males between 60-74 is above 8.0% in North Warwickshire and Rugby, a considerably higher proportion than that of the White male group within the same age range. The proportion of Black females aged 60-74 is

particularly high in Nuneaton & Bedworth (7.8%) and Rugby (8.5%). Whilst overall numbers and proportions for older members of BME groups remain low, the increasing proportions of older BME members will mean that increasingly culture-sensitive attention needs to be paid to their specific accommodation needs and aspirations.

Table 78: Age by ethnic group (%)									
Area	Age and gender		All	British-White	Other White	Mixed	Asian	Black	Other
			%	%	%	%	%	%	%
Coventry	Male	60-74	5.9	5.9	11.6	0.8	4.3	7.3	1.3
		75+	2.8	3.1	4.6	0.5	0.9	0.0	0.0
	Female	60-74	6.6	6.7	12.7	0.7	4.2	5.5	1.3
		75+	4.6	5.3	5.5	0.2	1.1	1.3	0.7
North Warwickshire	Male	60-74	6.7	6.7	11.8	2.0	4.1	9.0	0.0
		75+	2.5	2.5	5.1	0.0	1.9	0.0	0.0
	Female	60-74	7.0	7.0	8.5	1.0	2.2	3.0	0.0
		75+	4.1	4.2	4.2	0.0	1.9	3.0	0.0
Nuneaton & Bedworth	Male	60-74	6.4	6.5	10.7	1.2	3.9	5.4	2.6
		75+	2.4	2.5	5.1	0.4	0.5	1.2	1.1
	Female	60-74	6.8	6.9	11.0	2.5	3.3	7.8	6.3
		75+	4.1	4.3	4.7	0.8	0.6	0.9	2.2
Rugby	Male	60-74	6.7	6.8	9.4	0.9	5.0	10.4	1.8
		75+	2.9	3.0	4.2	0.3	1.2	2.2	0.0
	Female	60-74	6.8	6.8	11.1	1.0	4.5	8.5	2.8
		75+	4.9	5.0	5.3	0.6	1.5	3.0	3.0

Source: Office for National Statistics

10.2.17 With the growing populations of older people across different generations and different ethnic groups, the housing needs of a person aged 85 and those of a person aged 60 are likely to be very different. The type of accommodation needed may be different and the demand for health and social care services is likely to increase as a person ages.

10.2.18 Maintaining independence and giving people the choice to continue to live in their own homes for as long as they can is a key national and local driver bringing increased partnership between housing, primary care, community health services, and social services as well as a variety of voluntary organisations. Effective housing for older people requires this partnership approach. Enabling older people to remain independent in their existing accommodation has implications in terms of: maintenance of the property; heating; timely adaptations and equipment as necessary; support and assistance if greater need arises; and wider accessible services in the area to encourage continuing independent living. Support

for older people to maintain independence has been a strategic priority for Local Authorities.

10.2.19 This is reflected in the Coventry Older People's Housing Strategy⁶³ where key priorities include:

- Developing schemes for older people to live independently in their own homes with support including floating support, telemedicine, assistive technology, and personal care

10.2.20 Warwickshire's Strategy on Quality of Life for an Ageing Population⁶⁴ highlighted 'supporting people in their own home' as its first strategic priority, including:

- More choice, supported housing options, advice on energy efficiency, telecare, supporting the needs of carers through grants and access to advice and services and respite

10.2.21 Helping people to live in their own home involves provision of low level of care, and adaptations. Warwickshire Supporting People Five Year Strategy fleshes out the need for housing-related support for older people. Supporting People has a key role in helping older people to live independently at home, taking account of key issues in private housing which include an ageing population, and rural isolation. Supporting People have been providing over 6819 units of support within Warwickshire (including districts outside C2 HMA) and a further 1871 in Coventry in 2004/05 for the two priority groups of older people with support needs and frail older people.^{65 66}

10.2.22 Yet supply may fall well short of need. There are variations in levels of unmet need across the districts of the Housing Market Area within Warwickshire. According to recent needs mapping work in North Warwickshire⁶⁷ there is little evidence of unmet need among those eligible for Supporting People funding as there are few Supporting People funded services in the borough. In Nuneaton & Bedworth there appeared to be low levels of unmet need. In Rugby however, there was unmet need for approximately 800 support service components among those who are eligible, and further unmet need for Supporting People ineligible services. Overall in Warwickshire, there has been a shortage of sheltered housing, shortage of floating support, and lack of short-term rehabilitation for those being discharged from hospital. There is a need for sheltered housing in all Districts, services

⁶³ Coventry. Older People's Housing Strategy .Coventry Older People's Partnership. 2005.

⁶⁴ Warwickshire's Strategy on Quality of Life for an Ageing Population. 2006. Draft. Warwickshire County Council. Warwickshire's Older People's Partnership Board.

⁶⁵ Warwickshire Supporting people. Five Year Strategy. 2005/06 – 2009/10.

⁶⁶ The Five Year Strategy for Supporting People in Coventry. 2005-2010. Coventry City Council.

⁶⁷ Starfish Consultants. A Survey of Housing Related Support Needs in Warwickshire. 2004.

with 24 Hour Staff Cover in all districts, and Community Alarm/Emergency Call-Out services in Nuneaton & Bedworth, and Rugby. For frail elderly, Nuneaton & Bedworth Council provides almost all supported housing county-wide in 2005, indicating an imbalance of provision.⁶⁸

10.2.23 In Coventry, there has been a clear gap in floating support to owner-occupiers or tenants who wish to remain in their own home. Supporting People development priorities in Coventry include developing floating support services, and assessing whether there should be a shift in focus from funding solely accommodation-based supported housing to a mix of accommodation based and floating support.⁶⁹

10.2.24 For those older people who require additional care and support, Coventry Housing Strategy⁷⁰ also sets out the aim to demolish the Council's residential care homes for older people on a phased basis and commission new very sheltered/frail elderly schemes (Housing with Care schemes and Dementia schemes) to offer more choice over lifestyles. The Coventry Older People's Housing Strategy includes as a key priority developing partnerships with private developers and RSLs in order to develop affordable non-sheltered, extra care and non-extra care housing schemes of mixed tenure; including older people with learning disabilities and those with mental health needs and BME elders. Nuneaton & Bedworth Council Housing strategy also recommends an increase in provision of extra care housing.

10.2.25 The key preference of older people to stay in their own home requires provision of low level support in order to enable older people to maintain their independence, choice and control. Further consultation with older people is needed to explore the preferred choices of low-level support. The older persons housing market requires a range of choice and housing options with accessible information on the different services and housing provision available. The large proportions of younger older people who are owner-occupiers and live in large properties present challenges in future years and consultations are needed to explore with them options for older age, for example concerning preferences for property size and tenure options, (taking account of the high proportion of lone pensioners over 75), including private supported or sheltered housing.

Stakeholders on older people

- *Should build purpose built housing to get old people out of homes to get young people in to revive the villages.*

⁶⁸ Warwickshire Supporting people Five Year Strategy. 2005/06 – 2009/10.

⁶⁹ Coventry Supporting people 5 Year Strategy. 2005/06 – 2009/10.

⁷⁰ Housing Strategy Update 2005. Coventry City Council.

- *Should do low cost home ownership for old people rather than young people.*
- *Apartments are appearing outside the city centre - these appeal to older people.*
- *Is there enough of this sort of development for older people to move onto to release family housing.*
- *Older people need to stay where they've been most of their lives - single older people don't stay in 3 bed houses because they want the hassle of a house that is too big, but because they want to stay amongst friends and there aren't facilities to move onto in the area.*
- *In North Warwickshire, there is successful experience of providing sheltered housing or small bungalows in small, rural areas for people to downsize to release larger properties in the private sector and the council's own housing to encourage them to move.*
- *The northern area of the C2 quite clearly the biggest growth has been in the over 60s or over 80s in single households in large households, so we know they are there. Some of them are being encouraged to stay in these homes because you have your disabled adaptations being pushed through because of grant aid. So there is a policy working directly against us. So you have a conflict of national policies impinging on availability.*
- *The issue of older people comes down to the fact that most older people are already in housing and the emphasis of the discussion comes down to how are we going to get those older people out of the larger houses.*

10.3 Households with specific needs

- 10.3.1 There is no single source for identifying the unmet needs of those people with special needs who may require housing to be purpose built or specially adapted. This section uses information about people with long-term limiting illness and disabled facilities grants data to provide indicative information about levels of potential need and delivery of adaptations.
- 10.3.2 An indication of the proportions of the household population who may have a requirement for adaptations to their home is provided by the Census 2001 data on Households with a person with a LLTI and their age, as Table 79 shows. The data provides indications for comparison across Local Authorities of levels of disability, although not all people included here would have required adaptations to their home.
- 10.3.3 The data shows varying levels of households with *at least* one person with LLTI across the districts of the C2 HMA (aggregating percentages with 1 resident with a LLTI, and those with at least 2 residents with a LLTI). Highest levels are for Nuneaton & Bedworth (35.1%), compared to North Warwickshire (33.8%), and Coventry (33.1%). Levels are slightly lower for Rugby (30.8%). Among the older household population (aged over 65) with one resident

with LLTI, proportions are highest in Nuneaton & Bedworth (11.6%) and Coventry (11.6%), followed by North Warwickshire (11.2%), then Rugby (11.1%).

Table 79: Households with a person with LLTI								
Households	Coventry		North Warwickshire		Nuneaton & Bedworth		Rugby	
	No.	%	No.	%	No.	%	No.	%
No people with LLTI	78,515	64.2	16,335	64.9	30,974	64.2	25,393	69.6
1 resident with a LLTI	33,311	27.2	6,552	26.0	13,174	27.2	8,564	23.5
0 to 15	1,579	1.3	298	1.2	617	1.3	406	1.1
16 to 44	7,273	5.9	1,168	4.6	2,587	5.9	1,605	4.4
45 to 59	7,268	5.9	1,636	6.5	3,210	5.9	1,833	5.0
60 to 64	2,985	2.4	635	2.5	1,236	2.4	725	2.0
65 to 74	5,789	4.7	1,208	4.8	2,466	4.7	1,553	4.3
75+	8,417	6.9	1,607	6.4	3,058	6.9	2,442	6.7
2+ residents with a LLTI	2,139	5.9	8,894	7.3	1,982	7.9	4,019	7.3
All households	122,354	100.0	25,166	100.0	48,683	100.0	36,481	100.0

Source: Census 2001

- 10.3.4 Information from HSSA 2007 about the numbers of mandatory disabled facilities grants completed and the total expenditure on mandatory grants over a four-year period for the four Local Authorities is shown in Table 80. The table also shows planned expenditure for 2008-2009 (£ thousand). An overall rise in numbers of grants and expenditure is clearly noticeable across two of the districts (North Warwickshire and Coventry) between 2005-2006 and 2006-2007.

Table 80: Mandatory Disabled Facilities Grants								
Year	Coventry		North Warwickshire		Nuneaton & Bedworth		Rugby	
	No.	£000	No.	£000	No.	£000	No.	£000
2002-2003	263	2446	9	31	83	487	39	252
2003-2004	178	2176	15	95	58	351	40	234
2004-2005	150	1907	18	96	54	331	43	373
2005-2006	134	2851	22	167	68	511	39	336
2006-2007	142	2985	27	245	46	398	(planned) 72	(planned) 467
2007-2008 (proposed)	130	2600	35	325	81	608	62	400

Source: HSSA Appendix 2007

10.3.5 Warwickshire Supporting People Strategy (2005 - 2010) outlines the levels of housing-related support provided to assist people to live independently in appropriate accommodation. Major priorities are:

- (i) increased and rationalised floating support
- (ii) tackling shortage of move-on accommodation
- (iii) further capacity for people with mental health problems
- (iv) services to people with learning disabilities
- (v) county-wide tenancy support for deaf people.

10.3.6 Coventry's Supporting People Strategy (2005-2010) focuses attention on:

- (i) reviewing current provision
- (ii) increasing number of clients using floating support
- (iii) bringing as many learning disability service users back into the city as possible
- (iv) assessing the need and feasibility of developing support services for people with challenging behaviour who are excluded from services

10.3.7 Those households with special needs members are more likely to be in small households (one or two persons); socially rented housing; and living in unsuitable housing than non-special needs households.

10.3.8 To better understand the current housing requirements of people with disabilities, it is recommended that qualitative assessments involving stakeholders and/or service users and

further baseline review are undertaken to explore in greater depth some of the issues raised below around need and options for addressing need.

10.4 Black and minority ethnic communities

- 10.4.1 This section looks at the housing needs of people from Black and Minority Ethnic communities. Table 81 to Table 84 show tenure by ethnic group for households within the C2 West Midlands Housing Market Area. The figures refer to the household reference person (i.e. head of household) rather than all individuals in the HMA area. Tables within the Demographic and Economic chapter provide details of the proportion of individuals from different ethnic groups within the four Local Authorities included in C2 West Midlands. That chapter shows the population overall in each district by ethnic group. The highest proportions of the overall populations that are not 'British White' are in Coventry (21.7%), followed by Rugby (9.0%), Nuneaton & Bedworth (6.4%), and North Warwickshire (2.9%). The highest proportions of the overall populations that are non-White are in Coventry (16.7%), followed by Rugby (6.2%), Nuneaton & Bedworth (4.9%), and North Warwickshire (1.4%).
- 10.4.2 Table 81 to Table 84 show tenure by ethnic group across the four districts of C2 HMA. Comparisons across the four tables show differences between the districts. Compared to the other districts, the proportion of ownership in White Other households is high in Nuneaton & Bedworth (77.0%), while by contrast this proportion is much lower in Coventry (51.0%). The proportion of White Other households in private rented accommodation is higher in Coventry (29.3%) than in the other three districts. The proportion of ownership in Mixed groups in Nuneaton & Bedworth (63.9%) is higher than in the other districts, whereas the corresponding proportion is strikingly lower in Coventry (35.3%), and Rugby (30.3%). The proportion of ownership in the Asian sub-groups amalgamated together is highest in North Warwickshire (93.7%), and in Rugby (84.0%), but lower in Coventry (77.6%). The proportion of ownership in Black groups amalgamated together is highest in North Warwickshire (85.0%), with high levels in Nuneaton & Bedworth (77.8%), and far lower levels in Coventry (42.9%). Proportions of households among Black groups in the social rented section also vary widely between the high levels of in Coventry (34.8%) and Rugby (23%) and lower levels in Nuneaton & Bedworth (11.7%) and North Warwickshire (5.0%).

Table 81: Tenure by ethnic group - Coventry (%)						
Ethnic group	Tenure					Total
	Owned	Shared ownership	Social rented	Private rented	Rent free	
White British	69.8	0.7	18.4	8.9	2.2	100.0
White Irish	67.1	0.6	22.2	7.6	2.4	100.0
White Other	51.0	0.6	12.9	29.3	6.2	100.0
Total White	62.1	0.6	16.6	18.6	2.1	100.0
Mixed White & Black Caribbean	30.3	1.6	44.3	20.8	2.9	100.0
Mixed White & Black African	42.5	0.0	20.5	27.4	9.6	100.0
Mixed White & Asian	44.2	1.9	29.2	20.5	4.2	100.0
Mixed Other	35.8	3.2	33.2	23.2	4.7	100.0
Total Mixed	36.9	1.9	35.3	21.7	4.2	100.0
Indian	82.9	0.4	5.6	9.2	1.8	100.0
Pakistani	66.7	0.4	12.7	17.4	2.9	100.0
Bangladeshi	52.4	0.7	25.8	17.4	3.6	0.0
Other	62.7	0.8	10.9	15.6	10.0	100.0
Total Asian	77.6	0.5	8.0	11.3	2.6	100.0
Black Caribbean	51.6	1.4	37.4	7.5	2.1	100.0
Black African	20.3	0.4	26.2	45.4	7.6	100.0
Black Other	39.5	1.9	42.6	7.4	8.6	0.0
Total Black	42.9	1.2	34.8	17.2	3.9	100.0
Chinese	45.3	1.3	8.8	43.7	1.0	100.0
Other Ethnic Group	24.3	0.0	16.8	46.4	12.5	100.0
Total Chinese or Other	36.6	0.7	12.1	44.8	5.7	100.0
ALL Households	68.7	0.7	18.1	10.1	2.4	100.0

Source: 2001 Census

Table 82: Tenure by ethnic group - North Warwickshire (%)						
Ethnic Group	Owned	Shared ownership	Social rented	Private rented	Rent free	Tenure
						Total
White British	74.8	0.6	15.7	6.9	2.0	100.0
White Irish	81.4	0.0	11.8	5.7	1.1	100.0
White Other	66.5	3.2	5.4	21.6	3.2	100.0
Total White	69.9	0.6	14.5	13.2	1.8	100.0
Mixed White & Black Caribbean	55.0	0.0	30.0	15.0	0.0	100.0
Mixed White & Black African	33.3	0.0	33.3	33.3	0.0	100.0
Mixed White & Asian	62.5	0.0	0.0	37.5	0.0	100.0
Mixed Other	100.0	0.0	0.0	0.0	0.0	100.0
Total Mixed	60.9	0.0	19.6	19.6	0.0	100.0
Indian	91.2	0.0	0.0	8.8	0.0	100.0
Pakistani	100.0	0.0	0.0	0.0	0.0	100.0
Bangladeshi	N/a	N/a	N/a	N/a	N/a	100.0
Other	100.0	0.0	0.0	0.0	0.0	100.0
Total Asian	93.7	0.0	0.0	6.3	0.0	100.0
Black Caribbean	93.0	0.0	0.0	7.0	0.0	100.0
Black African	50.0	0.0	25.0	25.0	0.0	100.0
Black Other	100.0	0.0	0.0	0.0	0.0	100.0
Total Black	85.0	0.0	5.0	10.0	0.0	100.0
Chinese	60.0	0.0	0.0	40.0	0.0	100.0
Other Ethnic Group	62.5	0.0	0.0	37.5	0.0	100.0
Total Chinese or Other	61.5	0.0	0.0	38.5	0.0	100.0
ALL Households	74.9	0.6	15.5	7.1	1.9	100.0

Source: 2001 Census

Table 83: Tenure by ethnic group - Nuneaton & Bedworth (%)						
Ethnic group	Tenure					Total
	Owned	Shared ownership	Social rented	Private rented	Rent free	
White British	76.5	0.4	15.7	5.6	1.8	100.0
White Irish	74.1	0.6	16.3	7.9	1.2	100.0
White Other	77.0	0.7	11.1	10.4	0.7	100.0
Total White	72.2	0.4	14.7	11.0	1.7	100.0
Mixed White & Black Caribbean	51.4	0.0	31.4	17.1	0.0	100.0
Mixed White & Black African	66.7	0.0	33.3	0.0	0.0	100.0
Mixed White & Asian	63.4	7.3	14.6	14.6	0.0	100.0
Mixed Other	76.5	0.0	23.5	0.0	0.0	100.0
Total Mixed	63.9	2.5	23.5	10.1	0.0	100.0
Indian	88.9	0.5	2.8	6.5	1.3	100.0
Pakistani	70.7	0.0	13.1	16.2	0.0	100.0
Bangladeshi	50.0	0.0	0.0	50.0	0.0	100.0
Other	83.9	3.2	0.0	12.9	0.0	100.0
Total Asian	87.0	0.7	3.4	7.8	1.1	100.0
Black Caribbean	81.1	2.1	12.6	2.1	2.1	100.0
Black African	64.3	0.0	10.7	25.0	0.0	100.0
Black Other	66.7	0.0	0.0	0.0	33.3	100.0
Total Black	77.8	1.7	11.7	5.6	3.3	100.0
Chinese	75.9	0.0	15.7	8.4	0.0	100.0
Other Ethnic Group	53.6	0.0	0.0	35.7	10.7	100.0
Total Chinese or Other	70.3	0.0	11.7	15.3	2.7	100.0
ALL Households	76.7	0.5	15.3	5.8	1.7	100.0

Source: 2001 Census

Table 84: Tenure by ethnic group - Rugby (%)						
Ethnic group	Tenure					Total
	Owned	Shared ownership	Social rented	Private rented	Rent free	
White British	76.4	0.6	14.4	6.6	2.0	100.0
White Irish	68.6	0.4	20.2	6.4	4.4	100.0
White Other	70.1	0.0	8.4	20.2	1.2	100.0
Total White	71.0	0.6	13.5	13.0	1.9	100.0
Mixed White & Black Caribbean	50.0	0.0	40.6	4.7	4.7	100.0
Mixed White & Black African	0.0	0.0	66.7	33.3	0.0	100.0
Mixed White & Asian	75.6	0.0	17.1	7.3	0.0	100.0
Mixed Other	75.0	0.0	14.3	0.0	10.7	100.0
Total Mixed	59.2	0.0	30.3	6.3	4.2	100.0
Indian	88.8	0.4	4.8	5.5	0.4	100.0
Pakistani	80.7	0.0	13.8	5.5	0.0	100.0
Bangladeshi	0.0	0.0	0.0	0.0	0.0	100.0
Other	59.8	0.0	15.7	16.5	7.9	100.0
Total Asian	84.0	0.3	7.3	7.0	1.4	100.0
Black Caribbean	67.5	0.8	24.2	6.2	1.3	100.0
Black African	51.2	7.0	14.0	20.9	7.0	100.0
Black Other	52.6	0.0	23.7	15.8	7.9	100.0
Total Black	64.7	1.3	23.2	8.4	2.4	100.0
Chinese	78.9	0.0	4.2	12.7	4.2	100.0
Other Ethnic Group	66.7	0.0	7.1	19.0	7.1	100.0
Total Chinese or Other	74.3	0.0	5.3	15.0	5.3	100.0
ALL Households	76.1	0.6	14.4	6.8	2.0	100.0

Source: 2001 Census

- 10.4.3 In all four Local Authorities within the HMA area, households from Other White, Chinese, and Other, ethnic groups are over-represented in the private rented sector. For example, in Coventry, 29.3% of households from White Other groups, 43.7% from Chinese and 46.4% from Other ethnic groups live in private rented accommodation, compared to 10.1% of households from all ethnic groups. This suggests that these groups find it difficult to access other tenures, particularly social rented. It is unclear what proportion of households from White Other and Other groups are Eastern European. The figures for these ethnic groups

may now be higher than suggested in the tables, especially taking into account A8 Nationals⁷¹, who would not have been included in the 2001 Census.

10.4.4 Table 85 shows the level of overcrowding and lack of central heating for West Midlands households by ethnic group. The data has been compiled from 2001 Census figures by the University of Birmingham Department of Health and Epidemiology. The table can be used as an indicator of housing quality, with overcrowding defined as having at least one room too few for the number of people in the household. The table shows that 27% of Pakistani households in the West Midlands live in a home with no central heating, compared to 7.6% of Chinese households. Over one third of Bangladeshi households (38.4%) are defined as overcrowded according to the 2001 Census, compared to 6% of White households.

Table 85: West Midlands - overcrowding and no central heating by ethnicity (%)		
Ethnic group	No central heating	Overcrowded
White	9.7	6.0
Mixed White & Black Caribbean	13.3	15.0
Mixed White & Black African	11.9	19.7
Mixed White & Asian	13.1	15.2
Mixed Other	11.0	16.0
Indian	7.7	18.5
Pakistani	27.0	30.0
Bangladeshi	23.6	38.4
Other Asian	13.0	28.7
Black Caribbean	11.3	15.4
Black African	10.2	29.3
Black Other	10.9	20.1
Chinese	7.6	24.8
Other Ethnic Group	10.2	27.9
All households	10.3	7.9

Source: University of Birmingham, Department of Health & Epidemiology

10.4.5 Paragraph 10.2.15, Table 78 and subsequent paragraphs provide details on the proportions of older members of different ethnic groups in the Local Authorities of the C2 Housing Market Area and their housing needs.

10.4.6 In terms of housing aspirations, a report by the Centre for Urban and Regional Studies on the West Midlands Housing Strategy⁷² illustrates that people from BME groups do not on the

⁷¹ A8 Nationals –People from countries that joined the EU on 1st May 2005 (excluding Malta and Southern Cyprus). A8 countries are Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia.

whole regard social housing as a tenure of first choice. Issues around social housing included a perception of anti-social behaviour on council estates, long waiting times for council homes and a preference for owner-occupation. The CURS study, for example found that amongst Indian communities, only 7.5% of respondents wanted to move to social housing, whereas 80% wanted home ownership. It also concluded that on the whole, BME groups consider council and housing association housing to be poor quality and located in unattractive areas. Intermediate tenures are also not considered particularly attractive. However, many people from BME groups in the study were not aware of this tenure. In terms of tenure aspirations amongst people from BME groups, owner-occupation is the first choice among several groups, followed by council housing because of the option of the Right to Buy, followed by housing association accommodation. The conclusions of the West Midlands study are that housing pathways should be improved to make it easier for people from BME groups to move away from crowded housing markets in urban areas and that housing associations should market their housing more, especially intermediate tenures.

Stakeholders on black and minority ethnic communities

- *Very difficult to generalise as different markets but one of the reasons Coventry has a large amount of overcrowding in some areas may be an ethnic issue as well in that Asian families have larger families and often stay together through choice and to save the money they would spend on other housing. There may be cultural reasons as well and although we perceive them as overcrowding they may not.*
- *It may be that they do recognise that they are living in overcrowded conditions but the supply of property that they require - larger properties in that location - are just not available. Coventry is a 3 bedroom small terraced house city.*
- *The BME community and even the Asian community isn't homogeneous. The Indian community and the Pakistani community went to the same jobs and the kids went to the same schools but it's completely different in terms of culture. The Indian community has moved to the suburbs. The Pakistani community and the Bangladeshi community have stayed and are crying out for larger homes in those areas.*
- *If you tap into the Indian community there is money to be made. And if you produce the right products for the Muslim community there is money to be made. They are just not the same products that are out there at the moment. Just needs a bit of innovation.*

10.5 Homeless households and those in temporary accommodation

10.5.1 Legislation places a responsibility upon Local Authorities to provide housing for individuals or households who are involuntarily homeless and in priority need.

⁷² Report on the West Midlands Housing Strategy: Black and Minority Ethnic Communities Synthesis. CURS, University of Birmingham. March 2005

10.5.2 Data on the number of homeless households and those in priority need from the Housing Strategy Statistical Appendix 2006 and the P1E quarterly return for the financial year 2006/07 is presented in Table 86, Table 87 and Table 88. There has been a marked fall in recorded households accepted as homeless and in priority need across the whole West Midlands from 2003. North Warwickshire and Rugby records show a more even picture over the last four years compared with Coventry and Nuneaton & Bedworth where decline in homeless acceptances is more marked.

Table 86: Households accepted as homeless and in priority need					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
2003/4	741	22	121	99	15780
2004/5	455	50	173	92	14125
2005/6	452	35	98	N/A	11960
2006/7	336	31	92	84	8740

Source: HSSA and P1E quarterly reports 2006/07/CLG Live table 627

10.5.3 Use of temporary accommodation in the West Midlands as a whole dropped significantly in all areas in 2006 (see Table 87) but this is not strongly reflected in the C2 (West Midlands) HMA.

Table 87: Homeless households in temporary accommodation*					
31 st March	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
2004	10	0	52	2	4352
2005	12	1	51	21	4355
2006	4	5	17	18	2840
2007	13	6	13	21	2000

Source: P1E quarterly reports 2006/07 represented in CLG Live table 627

*Includes homeless at home as at 31/03/07

Table 88: Dwellings let to homeless households					
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	West Midlands
2003/4	361	17	73	82	10589
2004/5	171	42	117	51	9802
2005/6	213	23	85	69	8122
2006/7	232	27	70	44	N/A

Source: HSSA 2007

Stakeholders on prison leavers

- *Move on accommodation is a problem for prison leavers. If need supported housing and they come from a rural location, we are having to relocate them but still try and keep them as local as possible. People who go into custody lose their homes. When they come out social housing is almost impossible to access on release from custody. In private renting, the set up costs make it almost impossible where there are no assisted rent schemes in an area.*
- *Rent deposit schemes are useful but some areas operate them and exclude prison leavers. So you would need a very accessible rent deposit scheme. Our biggest issue as the most housing we get is through the supported housing route is that perhaps we are moving people from rural areas into Coventry because that is where the concentration of projects are available and not elsewhere.*
- *The city has got all the projects and the rural areas are struggling.*

11 DEMAND FOR SOCIAL HOUSING

11.1 Introduction

11.1.1 The following analysis looks at data from the housing registers of each of the four local authority areas in the C2 (West Midlands) HMA. Because of differences in the type of information recorded and in management practices the analysis is not directly comparable between areas. The aim of the chapter is to look at the households on the waiting lists in each area by the length of time on the register, the household characteristics of applicants and the requirement for social housing by size and type if known.

11.1.2 It is acknowledged that there are concerns regarding the use of this data as it is based upon the property types that people are eligible for and the supply that is known to be available as opposed to what people aspire to. This can appear to demonstrate a bias in favour of one bedroom properties in some areas for example. Unfortunately, in the absence of a primary data collection survey, it is not possible to identify aspirations.

11.2 Coventry

11.2.1 Coventry has recently initiated a new common housing register, combining the Coventry City Council register with that of local RSL registers. Housing register data referred to in this study is taken from a download from the new common register and may reflect some anomalies and inconsistencies, which will be ironed out over time as the register continues to be monitored.

11.2.2 The length of time applicants have been on the housing register is shown in Table 89. There are proportionally very few applicants on the Coventry housing register that are recorded as being current social housing tenants and applying for a transfer. Of those that are transfer applicants the majority have been on the register for less than 6 months, which suggests that this information may not be available for historical applications. Of the Other applicants, roughly a third have application dates that fall within the last year. Only 14.2% have been on the register for over five years.

Table 89: Coventry applicants by length of time on register				
Time on register	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
<6 months	275	95.2%	2468	18.9%
6 months to 1 year	5	1.7%	1859	14.3%
1-2 years	2	0.7%	2660	20.4%
2-3 years	3	1.0%	2111	16.2%
3-4 years	0	0.0%	1278	9.8%
4-5 years	0	0.0%	820	6.3%
5-6 years	3	1.0%	455	3.5%
6-7 years	0	0.0%	350	2.7%
>7 years	1	0.3%	1037	8.0%
Total	289	100.0%	13038	100.0%

Source: Coventry internal data - as at October 2007

- 11.2.3 Coventry has the most ethnically diverse population of the four districts in the C2 HMA and the ethnic breakdown of housing register applicants is shown in Table 90. Black/Black British is the largest non-white group on the register representing 7.9% of applicants already living in social housing and 13.6% of applicants living in other tenures. Black/Black British - African is the largest single non-white ethnic group represented on the register at 9.9% of other applicants. This is interesting when as shown in section 3.5 above, Black ethnic groups make up just 1.8% of the district population. In contrast 5.2% of applicants from other tenures and 3.2% of applicants from social housing are from an Asian/Asian British ethnic group, where they make up 11.3% of the whole district population. This appears to confirm other research done by University of Sheffield that suggests Black groups are disproportionately represented in social housing and Asian groups are underrepresented in social housing.

Table 90: Coventry applicants by ethnicity				
Ethnic group	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
Asian/Asian British - Bangladeshi	0	0.0%	64	0.5%
Asian/Asian British - Indian	4	1.4%	260	2.2%
Asian/Asian British - Other	0	0.0%	108	0.9%
Asian/Asian British - Pakistani	5	1.8%	188	1.6%
Mixed - White and Asian	0	0.0%	90	0.8%
Black/Black British - African	19	6.8%	1157	9.9%
Black/Black British - Caribbean	1	0.4%	288	2.5%
Black/Black British - Other	2	0.7%	142	1.2%
Mixed - White and Black African	6	2.1%	159	1.4%
Mixed - White and Black Caribbean	10	3.6%	135	1.2%
White - British	210	75.0%	7904	67.8%
White - Irish	6	2.1%	185	1.6%
White - Other	7	2.5%	468	4.0%
Chinese	0	0.0%	17	0.1%
Other	4	1.4%	387	3.3%
Mixed - Other	6	2.1%	106	0.9%
Total	280	100.0%	11658	100.0%

Source: Coventry internal data - as at October 2007

- 11.2.4 The age breakdown of applicants on the housing register is shown in Table 91. Applicants that already live in social housing and are applying for a transfer have a much younger profile than other applicants, with almost a third being aged under 18 compared to just 0.2% of other applicants. Well over half the applicants from other tenures are aged 35 and under and only 5.9% are aged over 65.

Table 91: Coventry applicants by age				
Age group of main applicant	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
Under 18	94	32.5%	30	0.2%
18-25	98	33.9%	3460	26.5%
26-35	49	17.0%	3901	29.9%
36-45	25	8.7%	2778	21.3%
46-55	9	3.1%	1330	10.2%
56-65	6	2.1%	772	5.9%
66-75	6	2.1%	444	3.4%
Over 75	2	0.7%	323	2.5%
Total	289	100.0%	13038	100.0%

Source: Coventry internal data - as at October 2007

11.2.5 Applicants on the housing register are allowed to bid for a min and max bed size based on an assessment of their requirement. In some cases there are households allowed to bid for 2 and 3 bed properties. The entitlement is calculated within the system based on household make-up. This entitlement can be overridden to allow for special circumstances e.g. for someone who needs a carer to be able to stay over may show a single room need by calculating the household makeup but the override could be used to allow them to bid for 2 bed properties. The entitlement is based on the following assumptions:

Single person = Bedsit (Studio) or 1 bedroom

2 adults living together as a couple = 1 bedroom

2 adults living together not as a couple = 2 bedrooms

1 or 2 adults with one child = 2 bedrooms

1 or 2 adults with two children = 2 or 3 bedrooms

1 or 2 adults with three children = 3 bedrooms

1 or 2 adults with four children = 3 or 4 bedrooms

1 or 2 adults with five or more children = 4 or more bedrooms

11.2.6 Table 92 shows the minimum and maximum bedroom size that applicants are entitled to bid for. At the minimum entitlement, 15.8% of applicants require three or more bedroom properties.

Table 92: Coventry applicants by bedroom size requirement				
Bedroom size requirement	Minimum		Maximum	
	Number	Percent	Number	Percent
None	6162	47.3%	0	0.0%
One	906	6.9%	7068	54.2%
Two	3906	30.0%	2790	21.4%
Three	1752	13.4%	2454	18.8%
Four	312	2.4%	526	4.0%
Four plus	0	0.0%	200	1.5%
Total	13038	100.0%	13038	100.0%

Source: Coventry internal data - as at October 2007

- 11.2.7 The number of bed spaces required is based on the number of people in the household adjusted for any necessary override capability as defined above. Between the bed size required and the bed spaces required it is possible to see whether a property is suitable. For example an adult with 2 children would require a 2 or 3 bed property with 3 bed spaces. So as a result a 2 bed where the bedrooms were both incapable of holding 2 single beds would not be deemed suitable, whereas a 2 bed where one was large enough to do this would be. Similarly they would not be eligible for a 3 bedroom house with a 4 bed space requirement, unless they required additional bed spaces for carers etc.
- 11.2.8 Table 93 shows the minimum and maximum number of bed spaces required by applicants on the register. At the minimum entitlement, almost a quarter, 24.2%, of applicants require four or more bed spaces.

Table 93: Coventry applicants by bed space requirement				
Bed space requirement	Minimum		Maximum	
	Number	Percent	Number	Percent
None	1	0.0%	0	0.0%
One	6155	47.2%	6	0.0%
Two	913	7.0%	7064	54.2%
Three	2793	21.4%	2789	21.4%
Four	1752	13.4%	1755	13.5%
Five	885	6.8%	883	6.8%
Six	344	2.6%	341	2.6%
Seven	121	0.9%	124	1.0%
Eight	44	0.3%	46	0.4%
Nine	23	0.2%	23	0.2%
Ten plus	7	0.0%	7	0.0%
Total	13038	100.0%	13038	100.0%

Source: Coventry internal data - as at October 2007

11.2.9 It is not possible to look at the minimum bed space and bedroom size requirements by type of property from the available data sources. The size requirements set out above in Table 92 and Table 93 simply reflect the household make-up of applicants i.e. Single person/couple and what they are entitled to bid for and not true demand. In **Outside's** experience of conducting household surveys, the actual demand for one bedroom properties is generally much lower and the demand for bed sit accommodation almost negligible.

11.3 North Warwickshire

11.3.1 The length of time applicants have been on the housing register is shown in Table 94. There is not a great difference between applicants that already live in social housing and are applying for a transfer and applicants living in other tenures in terms of the length of time on the register. Over half of all applicants have been on the register less than one year and only 7.8% of applicants currently in social housing and 8.0% of applicants from other tenures have been on the register for over five years.

Table 94: North Warwickshire applicants by length of time on register				
Time on register	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
<6 months	143	42.7%	480	46.0%
6 months to 1 year	49	14.6%	124	11.9%
1-2 years	54	16.1%	193	18.5%
2-3 years	26	7.8%	94	9.0%
3-4 years	26	7.8%	44	4.2%
4-5 years	11	3.3%	25	2.4%
5-6 years	5	1.5%	18	1.7%
6-7 years	2	0.6%	16	1.5%
>7 years	19	5.7%	50	4.8%
Total	335	100.0%	1044	100.0%

Source: North Warwickshire internal data - as at August 2007

11.3.2 The breakdown of applicants by age and gender is shown below in Table 95. Generally applicants from other tenures are younger in profile than those already living in social rented housing. A greater proportion of those in social rented housing are female, 63.0% compared with 58.3% of those in other tenures. This difference is most evident at the younger and older age spectrum where women are more dominant in the under 35 age group and in the over 75 age group.

Table 95: North Warwickshire applicants by age and gender								
Age group of main applicant	Social housing applicants				Other applicants			
	Female		Male		Female		Male	
Under 25	37	19.1%	16	14.0%	141	25.6%	97	24.6%
26-35	40	20.6%	21	18.4%	113	20.5%	68	17.3%
36-45	22	11.3%	23	20.2%	81	14.7%	82	20.8%
46-55	19	9.8%	11	9.6%	56	10.2%	43	10.9%
56-65	37	19.1%	21	18.4%	76	13.8%	50	12.7%
66-75	20	10.3%	14	12.3%	42	7.6%	32	8.1%
76-85	16	8.2%	4	3.5%	36	6.5%	21	5.3%
Over 85	3	1.5%	4	3.5%	6	1.1%	1	0.3%
Total	194	100.0%	114	100.0%	551	100.0%	394	100.0%

Source: North Warwickshire internal data - as at August 2007

- 11.3.3 Table 96 and Table 97 show the bedroom size requirement of applicants already living in social housing and those living in other tenures. 25.7% of applicants that already live in social housing require three or four bedroom properties compared with 14.6% of applicants from other tenures.

Table 96: North Warwickshire Social housing applicant requirement by size and type								
Housing type	Bed room requirement							
	One		Two		Three		Four	
	No.	Row%	No.	Row%	No.	Row%	No.	Row%
No type specified	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Family Housing	5	3.4%	57	39.0%	76	52.1%	8	5.5%
Other Housing	47	59.5%	30	38.0%	2	2.5%	0	0.0%
Special Housing	59	53.6%	51	46.4%	0	0.0%	0	0.0%
Total	111	33.1%	138	41.2%	78	23.3%	8	2.4%

Source: North Warwickshire internal data - as at August 2007

Table 97: North Warwickshire Other applicant requirement by size and type								
Housing type	Bed room requirement							
	One		Two		Three		Four	
	No.	Row%	No.	Row%	No.	Row%	No.	Row%
No type specified	20	58.8%	8	23.5%	5	14.7%	1	2.9%
Family Housing	3	0.9%	194	57.1%	135	39.7%	8	2.4%
Other Housing	313	76.9%	91	22.4%	3	0.7%	0	0.0%
Special Housing	145	55.1%	118	44.9%	0	0.0%	0	0.0%
Total	481	46.1%	411	39.4%	143	13.7%	9	0.9%

Source: North Warwickshire internal data - as at August 2007

11.3.4 Table 98 and Table 99 show the size of properties required by applicants by the area they would like to live.

Table 98: North Warwickshire Social housing applicant requirement by size and area						
Preferred area code	Bed room requirement					
	One	Two	Three	Four	Total	Col %
OVERWH	0	1	1	0	2	0.6%
RIDGEL	0	0	2	0	2	0.6%
ANSLEV	1	1	1	0	3	0.9%
AUSTRE	0	2	1	0	3	0.9%
CORLEY	0	1	2	0	3	0.9%
LEAMAR	0	3	0	0	3	0.9%
MIDDLE	0	1	2	0	3	0.9%
WISHAW	0	1	2	0	3	0.9%
ANY	3	0	1	0	4	1.2%
FILLON	1	2	1	0	4	1.2%
MAXSTO	1	3	0	0	4	1.2%
NETHER	1	0	3	0	4	1.2%
WARTON	0	3	1	0	4	1.2%
ANSLEY	1	2	2	0	5	1.5%
NEWTON	1	1	3	0	5	1.5%
BAXTER	1	3	2	0	6	1.8%
SHUSTO	1	5	1	0	7	2.1%
SHUTTI	1	5	2	0	8	2.4%
CURDWO	2	6	1	0	9	2.7%
WOODEN	3	1	4	1	9	2.7%
BADDES	4	5	1	1	11	3.3%
GRENDO	5	5	1	0	11	3.3%
MANCET	3	6	1	1	11	3.3%
ARLEY	4	4	2	2	12	3.6%
KINGSB	6	4	2	0	12	3.6%
WATER	7	4	3	0	14	4.2%
HURLEY	5	7	2	1	15	4.5%
DORDON	7	11	5	0	23	6.9%
HARTSH	10	8	5	0	23	6.9%
POLESW	9	9	7	0	25	7.5%
COLESH	16	9	6	0	31	9.3%
ATHERS	18	25	11	2	56	16.7%
Total	111	138	78	8	335	100.0%

Source: North Warwickshire internal data - as at August 2007

Table 99: North Warwickshire Other applicant requirement by size and area						
Preferred area code	Bed room requirement					
	One	Two	Three	Four	Total	Col %
MIDDLE	0	0	2	1	3	0.3%
CORLEY	3	2	1	0	6	0.6%
SHUTTI	1	4	1	1	7	0.7%
RIDGEL	5	4	0	0	9	0.9%
AUSTRE	4	4	2	0	10	1.0%
NEWTON	6	3	2	0	11	1.1%
WISHAW	1	6	4	0	11	1.1%
OVERWH	3	9	1	0	13	1.2%
CURDWO	6	6	3	0	15	1.4%
HURLEY	8	5	3	0	16	1.5%
SHUSTO	7	7	2	0	16	1.5%
ANY	9	8	0	0	17	1.6%
LEAMAR	7	6	4	0	17	1.6%
BAXTER	7	9	2	0	18	1.7%
MAXSTO	7	8	3	0	18	1.7%
NETHER	6	8	4	0	18	1.7%
ANSLEV	7	12	1	0	20	1.9%
FILLON	18	4	4	0	26	2.5%
WARTON	10	11	7	0	28	2.7%
ANSLEY	13	13	7	1	34	3.3%
GRENDON	18	16	5	0	39	3.7%
WOODEN	20	15	5	0	40	3.8%
BADDES	26	12	2	1	41	3.9%
ARLEY	22	18	2	0	42	4.0%
MANCET	22	18	4	1	45	4.3%
KINGSB	20	19	12	1	52	5.0%
POLESW	21	26	9	1	57	5.5%
WATER	26	24	8	0	58	5.6%
HARTSH	24	22	14	0	60	5.7%
DORDON	31	29	6	0	66	6.3%
COLESH	40	24	8	0	72	6.9%
ATHERS	83	59	15	2	159	15.2%
Total	481	411	143	9	1044	100.0%

Source: North Warwickshire internal data - as at August 2007

11.4 Nuneaton & Bedworth

- 11.4.1 The length of time households have been on the Nuneaton and Bedworth housing register is shown below in Table 100. Proportionally more applicants that already live in social rented housing have been on the register over five years, 10.7% compared with 4.4% of applicants from other tenures. 35% of applicants from social rented housing and 37.6% of applicants from other tenures have been on the register for less than a year.

Table 100: Nuneaton & Bedworth applicants by length of time on register				
Time on register	Social housing applicants		Other applicants	
	Number	Percent	Number	Percent
<6 months	151	19.9%	366	17.6%
6 months to 1 year	115	15.1%	416	20.0%
1-2 years	187	24.6%	600	28.9%
2-3 years	102	13.4%	335	16.1%
3-4 years	88	11.6%	201	9.7%
4-5 years	36	4.7%	66	3.2%
5-6 years	37	4.9%	38	1.8%
6-7 years	27	3.6%	32	1.5%
>7 years	17	2.2%	22	1.1%
Total	760	100.0%	2076	100.0%

Source: Nuneaton & Bedworth internal data - as at October 2007

- 11.4.2 The age and gender profile of main and secondary applicants from all tenures is shown in Table 101. Of all people on the register, main and secondary, 54.4% are female.

Table 101: Nuneaton & Bedworth applicants by age and gender								
Age group of applicant	Main applicants				Secondary applicants			
	Female		Male		Female		Male	
Under 25	608	38.3%	295	24.3%	914	70.9%	944	78.7%
26-35	347	21.9%	249	20.5%	96	7.4%	112	9.3%
36-45	191	12.0%	224	18.5%	60	4.7%	54	4.5%
46-55	125	7.9%	118	9.7%	33	2.6%	25	2.1%
56-65	121	7.6%	139	11.5%	81	6.3%	37	3.1%
66-75	89	5.6%	119	9.8%	74	5.7%	22	1.8%
76-85	77	4.9%	54	4.5%	30	2.3%	4	0.3%
Over 85	28	1.8%	15	1.2%	2	0.2%	1	0.1%
Total	1586	100.0%	1213	100.0%	1290	100.0%	1199	100.0%

Source: Nuneaton & Bedworth internal data - as at October 2007

- 11.4.3 The ethnic profile of applicants on the Nuneaton and Bedworth housing register (Table 102) is very different from that of Coventry's housing register. 2.3% of applicants are Asian or mixed White and Asian and 1.4% are Black or mixed White and Black.

Table 102: Nuneaton & Bedworth applicants by ethnicity		
Ethnic group of all applicants	Number	Percent
Asian	3	0.1%
Indian	46	0.8%
Indian/Pakistani/Bangladeshi	20	0.4%
Pakistani	25	0.5%
Asian Other	21	0.4%
Bangladeshi	4	0.1%
White Asian	2	0.0%
African	4	0.1%
Black African	26	0.5%
Black Caribbean	9	0.2%
Black Other	4	0.1%
White/Black African	17	0.3%
White/Black Caribbean	13	0.2%
Chinese	6	0.1%
Other	11	0.2%
Other Ethnic Origin	13	0.2%
Any Other Mixed Background	5	0.1%
White	1038	19.0%
White British	4127	75.5%
White Irish	16	0.3%
White Other	49	0.9%
Not Stated	5	0.1%
Total	5464	100.0%

Source: Nuneaton & Bedworth internal data - as at October 2007

- 11.4.4 The applicants who currently live in socially rented accommodation require more bedrooms than applicants from other tenures. Table 103 shows that a quarter of applicants from a social renting background require three or more bedrooms compared with just 12.7% of other applicants. 62.5% of applicants from other tenures require one bedroom properties.

Table 103: Nuneaton & Bedworth applicant requirement by size								
Current housing type	Bed room requirement							
	One		Two		Three		Four	
	No.	Row%	No.	Row%	No.	Row%	No.	Row%
Social housing applicant	415	54.6%	151	19.9%	158	20.8%	36	4.7%
Other applicant	1297	62.5%	515	24.8%	235	11.3%	29	1.4%
Total	1712	60.4%	666	23.5%	393	13.9%	65	2.3%

Source: Nuneaton & Bedworth internal data - as at October 2007

11.5 Rugby

- 11.5.1 It is not possible with the Rugby housing register to identify which applicants are currently living in social rented accommodation and which are living in other tenures. The following analysis looks at all applicants together. Over half the applicants have been on the register less than one year and just 2.8% have been on the register for more than five years. This is the lowest proportion on the register for five plus years of each of the four districts in the C2 HMA.

Table 104: Rugby applicants by length of time on register		
Time on register	All applicants	
	Number	Percent
<6 months	483	35.8%
6 months to 1 year	275	20.4%
1-2 years	332	24.6%
2-3 years	129	9.5%
3-4 years	61	4.5%
4-5 years	32	2.4%
5-6 years	10	0.7%
6-7 years	3	0.2%
>7 years	26	1.9%
Total	1351	100.0%

Source: Rugby internal data - as at August 2007

- 11.5.2 The breakdown of main applicants by age and gender in Table 105 shows more men than women in the age groups over 45, but more women dominant amongst the younger aged applicants, particularly those aged 26 to 35. This partly reflects the tendency for the male in a couple to be recorded as the main applicant and partners and dependents as secondary applicants. Just over 70% of the female main applicants are aged under 46, compared with 60% of male main applicants.

Table 105: Rugby applicants by age and gender				
Age group of applicant	Main applicants			
	Female		Male	
Under 25	213	26.9%	122	21.8%
26-35	212	26.8%	94	16.8%
36-45	139	17.6%	120	21.4%
46-55	68	8.6%	80	14.3%
56-65	68	8.6%	67	12.0%
66-75	40	5.1%	46	8.2%
76-85	40	5.1%	24	4.3%
Over 85	11	1.4%	7	1.3%
Total	791	100.0%	560	100.0%

Source: Rugby internal data - as at August 2007

- 11.5.3 Table 106 shows the breakdown of applicants by the type and size of properties they require. Percentages in the table are of all applicants. The single most popular requirement is for two bedroom houses at 28.2% of all applicants, following at 22.8% is one bedroom houses and one bedroom flats at 22.1%. In all 58.1% of applicants require one bedroom properties and 9.2% require three or more bedrooms. Houses are the most popular type preference. 11.9% of applicants are interested in bungalows.

Table 106: Rugby applicant requirement by size and type								
Preferred housing type	Bedroom requirement							
	One		Two		Three		Four plus	
	No.	Table %	No.	Table %	No.	Table %	No.	Table %
Bed sit	12	0.9%	0	0.0%	0	0.0%	0	0.0%
Bungalow	142	10.5%	18	1.3%	2	0.1%	0	0.0%
Flat	298	22.1%	29	2.1%	4	0.3%	0	0.0%
House	308	22.8%	381	28.2%	89	6.6%	30	2.2%
Maisonette	25	1.9%	13	1.0%	0	0.0%	0	0.0%
Total	785	58.1%	441	32.6%	95	7.0%	30	2.2%

Source: Rugby internal data - as at August 2007

- 11.5.4 Table 107 lists the preferred location and number of bedrooms required for all applicants on the register. The most popular locations are the Town Centre for predominantly one and two bed properties, the Urban North General area with a mix of requirements and the Boughton Road area also with a mix of requirements.

Table 107: Rugby General housing applicant requirement by size

Preferred area	Bedroom requirement						
	One	Two	Three	Four	Five	Total	Col %
General applicants	42	23	3	0	0	68	6.3%
Urban North General	71	43	6	1	1	122	11.3%
Brownsover	59	28	5	2	3	97	9.0%
Boughton Road Area	51	51	10	5	0	117	10.8%
Newbold Parkfield	29	30	5	2	2	68	6.3%
Newbold Glebe	20	22	7	0	0	49	4.5%
Urban Central / West General	46	30	8	1	0	85	7.8%
Town Centre	71	40	16	1	0	128	11.8%
New Bilton and Croop Hill	24	28	5	0	1	58	5.4%
Urban East General	11	21	5	1	0	38	3.5%
Eastlands / Winfield	10	7	2	2	0	21	1.9%
Hillmorton	18	15	3	1	0	37	3.4%
Urban South General	2	4	0	1	0	7	0.6%
Rokeby	3	6	2	0	0	11	1.0%
Bilton / Admirals Estate	8	13	2	0	1	24	2.2%
Overslade	1	4	0	1	0	6	0.6%
High Rise	0	1	0	0	0	1	0.1%
Rounds Gardens	2	1	0	0	0	3	0.3%
Biart Place	3	1	0	0	0	4	0.4%
Urban Fringe Villages	4	8	0	1	0	13	1.2%
Long Lawford	11	9	3	0	0	23	2.1%
Dunchurch	10	8	2	0	0	20	1.8%
Churchover	0	3	0	0	0	3	0.3%
Clifton-Upon-Dunsmore	5	0	1	0	0	6	0.6%
Newton	0	0	0	1	0	1	0.1%
Cawston	1	9	2	1	0	13	1.2%
North Villages General 2	0	1	0	0	0	1	0.1%
Shilton	4	2	2	1	0	9	0.8%
Burton Hastings	0	0	1	0	0	1	0.1%
Brinklow	5	6	0	0	0	11	1.0%
Brandon and Bretford	3	7	0	0	0	10	0.9%
Harborough Magna	0	1	0	0	0	1	0.1%
Stretton Under Fosse	0	0	1	0	0	1	0.1%
Monks Kirby	0	0	1	0	0	1	0.1%
Pailton	1	0	0	0	0	1	0.1%
Wolston	5	2	1	0	0	8	0.7%
Church Lawford	0	1	0	0	0	1	0.1%
Stretton-on-Dunsmore	2	1	1	0	0	4	0.4%
Ryton-on-Dunsmore	2	2	1	0	0	5	0.5%
Flecknoe	0	1	0	0	0	1	0.1%
Willoughby	1	0	0	0	0	1	0.1%
Birdingbury	0	3	0	0	0	3	0.3%
Marton	0	1	0	0	0	1	0.1%
Total	525	433	95	22	8	1083	100.0%

Source: Rugby internal data - as at August 2007

12 BRINGING THE EVIDENCE TOGETHER

12.1 Housing market sectors in the C2 HMA

12.1.1 The process to identify the housing market sectors operating within the C2 sub-regional Housing Market Area has involved analysis and bringing together of a number of different aspects of this study. The primary drivers for identifying these market sectors are:

- Population change and migration
- Local incomes and local house prices
- Affordability and entry-level housing
- Travel to Work
- Housing need and demand for social housing
- Stakeholder consultations

12.1.2 We have consciously taken a different approach to the one used by Ecotec in 2006⁷³ for two reasons:

- (i) If we simply re-analysed the same data we would undoubtedly come up with the same conclusions
- (ii) If we took a more qualitative approach that placed greater emphasis on migration, house prices and housing needs, then if it concurred with their findings it would give greater ballast to both and if it differed it would provide a challenge for further discussion.

12.1.3 The process adopted in this study was as follows. The first stage was to identify a suitable geography for analysis that could be applied to the various datasets analysed as part of the Strategic Housing Market Assessment. Some datasets (e.g. house prices and incomes) are available at full postcode level, some are at Output Area, LLSOA or MLSOA level whilst others can only be obtained at local authority level. House prices are available at postcode level, but on the other hand if no sales occur within a given time period or few sales occur that are not representative of that geography, then analysis can be distorted at the small

⁷³ *Study into the Identification and Use of Local Housing Market Areas for the development of the Regional Spatial Strategy*, Ecotec, June 2006

area level and inaccurate conclusions may be drawn. In addition, we are mindful of the requirement that all members of the Housing Market Partnership need to be able to maintain and update datasets in the future and that not all partners have access to mapping and statistical analysis or have the resources to undertake complex data mining and manipulation. Consequently, we decided that, despite boundaries that may appear arcane at times, electoral wards are the appropriate building block geography to provide outputs that are both robust and replicable.

- 12.1.4 The second stage was to identify commonality in various identifiers (e.g. tenure, house, income, affordability - all of which are discussed in preceding chapters). The aim was to find areas where, from the perspective of the home purchaser, there was substitutability (either one dwelling for another, or one price for another) or a match in affordability. A significant element in this stage, was obviously was geographical proximity; in other words a semi-detached home for £150,000 in Coventry maybe be substitutable for one of the same price in Atherstone, but that does not mean the substitute will be made.
- 12.1.5 The third stage was to overlay the different elements (price, type, income) over one another to see where they correspond and where they diverge.
- 12.1.6 The final stage was to compare this map of findings with the views of stakeholder to see to what extent the markets described qualitatively matched those defined quantitatively.

Stakeholders on defining the housing market area

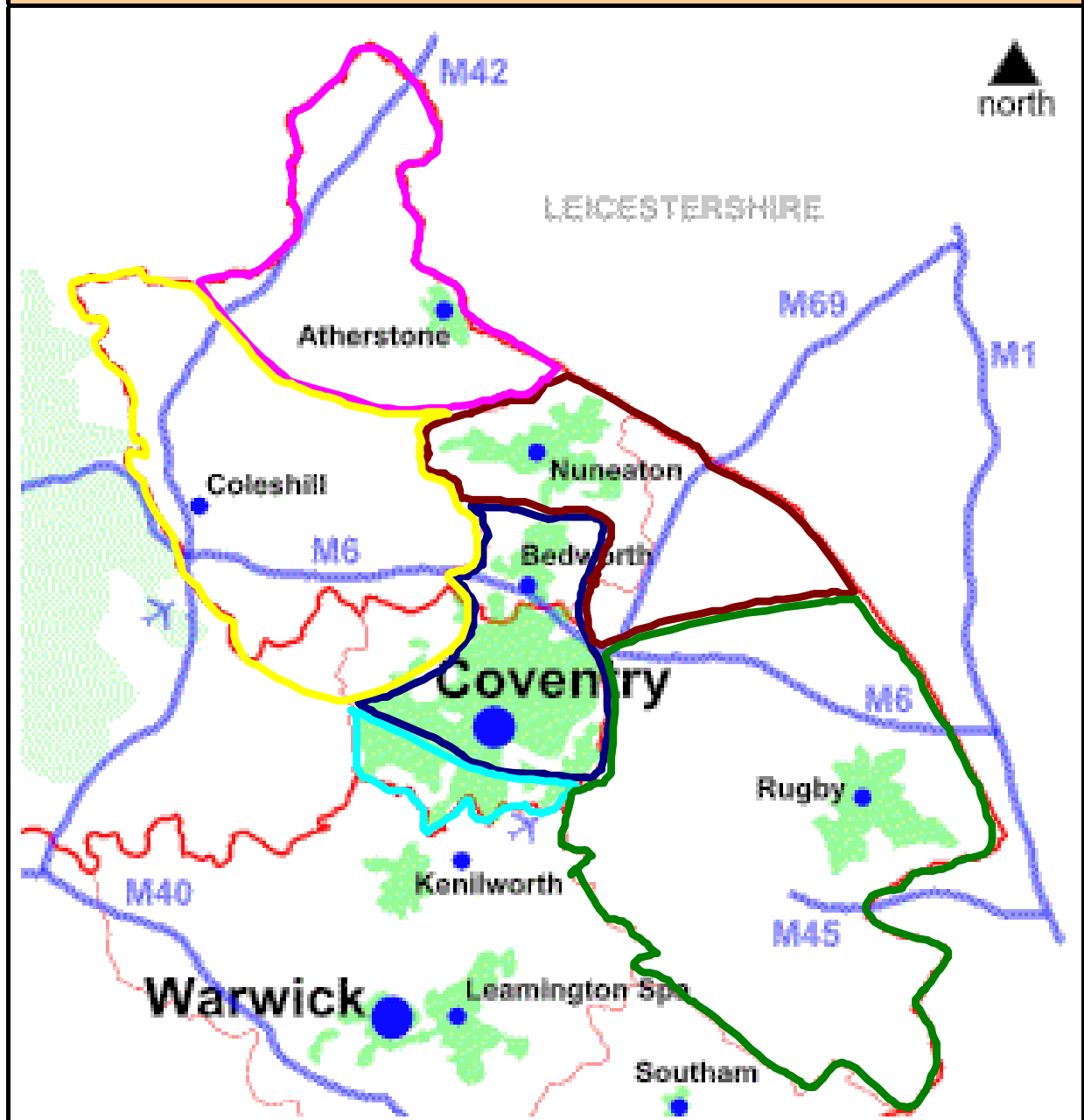
- *It was felt that there was a problem that C2 HMA missed out South Warwickshire; creating an artificial boundary between south Coventry and South Warwickshire.*
- *County boundaries matter a lot - if South Warwickshire is brought into C2, then that would include Kenilworth, Leamington and Stratford. There is far more contact between Coventry and Kenilworth, Leamington, Warwick than between Coventry and Rugby.*
- *The southern market boundary of the Coventry HMA was identified as being around Kenilworth. Kenilworth is only five miles away and there is significant commuter traffic to Coventry; it is the wealthy suburb of Coventry.*
- *Coventry exerts influence to north, south and east. The better off of Coventry are moving south to Stratford, Leamington & Warwick. West Oxfordshire also influences Coventry.*
- *West Coast Main Line has implications for North Warwickshire and maybe Rugby. It has created pressure for a park and ride; it is only a 60-75 minute journey to London. This may well put prices up further to account for rising prices in West Oxfordshire.*
- *Nuneaton & Bedworth is strongly linked with Coventry now - too close to separate.*

- *The growth of service industry and business parks meant that people who moved north from London and the South East settled in South Warwickshire not Coventry because the prices and the commute were reasonable compared to where they had come from.*
- *North Warwickshire is drawn to Tamworth, South Staffordshire and Lichfield to the northwest; to Coleshill, Solihull and Sutton Coldfield to the south west; to Kersley and Cawley (adjoining Coventry) to the south east. In relationship to Rugby, although it is a long way away, the A5 has an impact. Concern that North Warwickshire would be “lost” within the C2 HMA.*
- *Tamworth, one of the largest towns in the sub-region, has nowhere to grow and “we’re [North Warwickshire] right next door”.*
- *There are a lot of rural pockets that don’t have good transport links with widely varying house prices - can go 10 miles out of Atherstone and house prices just shoot up.*
- *Changes in the Rugby market are the result of improving communications rather than housing market demand and supply. The improvements down the M40 and the southeast mean Rugby has become a highly successful location.*
- *M40 led to a lot of expansion of business parks and the housing has attracted people up from the south - firms relocated to South Warwickshire and subsequently that has driven up house prices.*
- *Transport is a key factor - south Coventry is delineated by the A45. The road transport links are very important - M40, M42, A14, A45, A5 corridor. Public transport links to the north are poor.*
- *Bound together economically although there is a classic north/south Warwickshire split. House prices are similar within the HMA. North has higher levels of deprivation compared to South Warwickshire. The north of the HMA has strong links to Coventry but not to Birmingham. The south of the HMA has stronger links to Birmingham/Coleshill/Solihull.*

12.1.7 In the case of the housing market sectors in the C2 HMA, we have identified six housing market sectors (see Figure 32):

- | | | |
|---|---|---------------------------|
|  | 1 | Rugby |
|  | 2 | Nuneaton |
|  | 3 | North Coventry & Bedworth |
|  | 4 | South Coventry |
|  | 5 | Coleshill |
|  | 6 | Atherstone |

Figure 32: Housing market sectors



12.2 Rugby

12.2.1 The Rugby housing market sector has been defined as the wards of the borough, excluding Wolvey and Fosse.

12.2.2 The Rugby sector is a fast rising area and one that has grown and will continue to grow into the future. Its position at the heart of a network of key roads (M1, M45, M69, M6, A45, A5) along with mainline rail services makes it an ideal location in the Midlands for access north, south, east and west. And although analysis has shown that it has important ties west to

Coventry, south to Warwick and north to Nuneaton & Bedworth, it is also interconnected strongly with parts of the East Midlands (particularly Daventry by way of the A45).

12.2.3 House prices are rising (albeit at a slower pace than elsewhere in the C2 HMA, but from a higher base) and the increasingly affordability gap prevalent in South Warwickshire, could exert pressure in Rugby, which may be only partly offset by growth plans.

12.2.4 Anecdotal evidence suggests that Londoners are buying in Rugby and choosing to commute as Euston is only a 48 minute train journey. In addition, train services through Rugby to London are planned to increase during 2008, which will make the borough more attractive to commuters. This will potentially have an impact on the value of terraced houses near to the train station, which have traditionally been bought by first time buyers in the borough.

Rugby key market indicators	
Number of households	34,241
Tenure:	
Owner occupied	76.0%
Social housing	15.4%
PRS	5.7%
Type:	
Detached	26.6%
Semi-detached	35.2%
Terraced	26.7%
Flats/apartments	10.9%
Long-term vacant dwellings	0
Average distance travelled to work	8.4 miles
Mean house price	£179,494
Lower quartile house price	£128,409

12.2.5 Both mean and lower quartile house prices are higher than in the sub-region making this a less affordable housing market.

12.2.6 Overall in terms of balance there is:

- ❑ A relative (but not acute) under supply of private rented housing
- ❑ An under supply of mid-sized properties compared to the sub-region (particularly terraces)
- ❑ High house prices and correspondingly affordability pressures

12.3 Nuneaton

12.3.1 The Nuneaton housing market sector includes the northern and eastern wards of Nuneaton & Bedworth borough along with Wolvey and Fosse from Rugby Borough.

12.3.2 Areas like Weddington, St. Nicholas, Whitestone and Bulkington have high house prices along with concentrations of larger properties such as detached and semi-detached dwellings.

12.3.3 In terms of house prices it is characterised by being close to the norm for the sub-region. This is despite high levels of home ownership and relatively small social housing and private renting sectors, along with relatively high distributions of larger dwellings.

12.3.4 The market sector has strong links with Hinckley & Bosworth in Leicestershire.

Nuneaton key market indicators	
Number of households	36,859
Tenure:	
Owner occupied	76.9%
Social housing	14.9%
PRS	5.4%
Type:	
Detached	27.9%
Semi-detached	34.0%
Terraced	28.1%
Flats/apartments	9.4%
Long-term vacant dwellings	380
Average distance travelled to work	7.3 miles
Mean house price	£146,727
Lower quartile house price	£114,541

12.3.5 Overall in terms of balance there is:

- ❑ A relative under supply of private rented housing and social housing
- ❑ An over supply of larger properties compared to the sub-region (particularly detached and semi-detached) and corresponding relative under-supply of terraces and flat/apartments
- ❑ High numbers of long-term vacant dwellings

12.4 North Coventry & Bedworth

12.4.1 There are clearly significant ties that link the urban centre and north of Coventry with Bedworth.

12.4.2 First there are demonstrated strong patterns of migration between the two districts. Second, there is a commonality of house price across the centre/north/northeast of Coventry with Slough, Bede, Poplar, Heath and Exhall in Nuneaton & Bedworth. Third there are population overlaps in terms of household characteristics. Coventry as a centre of employment has a strong pull, which explains how it would connect more widely than within its own boundaries. Fourth there is a strong commonality of house type on the Coventry/Bedworth border (around the M6).

12.4.3 North Coventry & Bedworth has the lowest mean house price and lower quartile house price in the C2 HMA. Owner occupation is relatively low and the social housing and private rented sectors are relatively large. More than half of all housing in this market sector is terraced.

North Coventry & Bedworth key market indicators	
Number of households	97,971
Tenure:	
Owner occupied	65.6%
Social housing	21.2%
PRS	9.3%
Type:	
Detached	7.8%
Semi-detached	26.2%
Terraced	50.2%
Flats/apartments	15.3%
Long-term vacant dwellings	140
Average distance travelled to work	6.3 miles
Mean house price	£126,537
Lower quartile house price	£102,532

12.4.4 Overall in terms of balance there is:

- ❑ Low rates of owner occupation, but a strong private rented sector
- ❑ An under supply of large detached properties and to a lesser extent of mid-sized family units (semi-detached)
- ❑ A strong supply of flats/apartments

- The predominant supply of terraces and the relatively low prices, suggest an affordable housing market, but one that is overly reliant on one housing type

12.5 South Coventry

12.5.1 As has been identified by stakeholders and confirmed by house price analysis and migration patterns there are significant linkages between the south of Coventry (Cheylesmore, Earlsdon, Wainbody and Westwood) and Warwick district, not least Kenilworth and Leamington Spa. It is these areas where a significant proportion of wealthier commuters to the Coventry employment centre live and increasingly there is a convergence between the high house prices common in Warwick and those experienced in the south of Coventry.

12.5.2 In addition the southern end of Rugby borough is experiencing similar patterns, but the transport links here would suggest a stronger affinity to Daventry and possibly Southam than Leamington (although the M45 will be carrying people in significant numbers from Rugby to South Coventry).

South Coventry key market indicators	
Number of households	31,939
Tenure:	
Owner occupied	77.5%
Social housing	13.2%
PRS	6.0%
Type:	
Detached	16.6%
Semi-detached	37.2%
Terraced	29.1%
Flats/apartments	16.8%
Long-term vacant dwellings	0
Average distance travelled to work	N/K
Mean house price	£188,459
Lower quartile house price	£127,966

12.5.3 Overall in terms of balance there is:

- High rates of owner occupation, but a relatively small social housing sector
- Although terraces are under-represented there is a strong supply of flats/apartments
- Relatively high house prices making this the second least affordable sector in the sub-region

12.6 Coleshill

- 12.6.1 North Warwickshire as a polycentric, dispersed rural area has pulls in two clear directions. The south of the district, centred around Coleshill and taking in Curdworth, Arley & Whitacre, Fillongley, has clear overlaps with the Solihull housing market and links to Birmingham. This is demonstrated most clearly in the convergence of house prices and migration patterns.
- 12.6.2 Also the significant transport routes (M6, M6 Toll and the M42) all make this area an attractive location for better off residents commuting to both Birmingham and Solihull at prices below those of Solihull. Clearly any development that took place in the Eastern Corridor of Birmingham/Solihull will have significant implications for this part of North Warwickshire.
- 12.6.3 House prices here are the highest in the sub-region, which will create significant affordability pressures.

Coleshill key market indicators	
Number of households	
Tenure:	
Owner occupied	80.9%
Social housing	10.5%
PRS	5.9%
Type:	
Detached	25.0%
Semi-detached	34.6%
Terraced	31.2%
Flats/apartments	8.9%
Long-term vacant dwellings	179
Average distance travelled to work	8.5 miles
Mean house price	£194,572
Lower quartile house price	£133,362

- 12.6.4 Overall in terms of balance there is:
- Very high rates of owner occupation, and a small social housing sector
 - A relatively small private rented sector
 - An over supply of large detached properties and a correspondingly low supply of flats/apartments
 - An exclusive housing market that creates significant affordability pressures

12.7 Atherstone

- 12.7.1 The northern sector of North Warwickshire, centred around Atherstone is clearly linked to Tamworth, Lichfield and South Derbyshire (East Midlands). Tamworth in particular acts as a central location in employment terms and residents would see the northern parts of the North Warwickshire district as the eastern hinterland of Tamworth.
- 12.7.2 In addition, South Atherstone and Mancetter links with Nuneaton, particularly between Mancetter/Hartshill and north west Nuneaton. In terms of geographical proximity, education and skills and other social statistics parts of Atherstone/Mancetter/Hartshill compare with poorer performing wards in Nuneaton/Bedworth/Coventry demonstrating links into the North-South regeneration corridor as supported by the Regional Spatial Strategy.
- 12.7.3 House prices are relatively high and the area demonstrates migration links with Tamworth. There is clearly commonality in terms of house types, particularly detached and to a lesser extent terraces.

Atherstone key market indicators	
Number of households	16,051
Tenure:	
Owner occupied	72.6%
Social housing	19.0%
PRS	5.8%
Type:	
Detached	27.4%
Semi-detached	41.2%
Terraced	24.0%
Flats/apartments	6.9%
Long-term vacant dwellings	220
Average distance travelled to work	9.0 miles
Mean house price	£155,325
Lower quartile house price	£117,220

- 12.7.4 Overall in terms of balance there is:
- ❑ The tenure balance is quite closely aligned with the sub-region as a whole, although the private rented sector is relatively weak
 - ❑ In terms of house type there is a dominance of larger units such as detached and semi-detached to the detriment of terraces and flats/apartments in particular

- Despite the house types, the house prices correspond strongly with the sub-region as a whole

12.8 Housing requirements of households in need

- 12.8.1 A summary of the net annual housing need for each of the four districts of the C2 HMA is shown in Table 108. Table 108 shows the summary of net housing need based on the housing registers of each district to indicate the level of current housing need and the annual applicants to housing registers to indicate future arising housing need. The detailed working of the model is described step by step in Chapters, 7, 8 and 9 above.
- 12.8.2 The model is presented in acknowledgement of the CLG view, with which we concur, that no one methodological approach or use of a particular dataset will result in a definitive assessment of housing need and demand.⁷⁴ Using data drawn from different sources facilitates informed debate about need for affordable housing and assists analysis and understanding of the best indicators of need in each area.
- 12.8.3 The model implies a shortfall of affordable housing in all four districts of the C2 West Midlands HMA. As a proportion of total households, the net shortfall in the C2 HMA ranges from 0.2% in Coventry to 1.1% in North Warwickshire. Nuneaton and Bedworth and Rugby are similar at 0.6%. The proportionally higher figure in North Warwickshire is reflection of the greater affordability gap evident in the district coupled with a lower level of supply.

⁷⁴ *Strategic Housing Market Assessments: Practice Guidance Version 2*, CLG, August 2007, p11

Table 108: Summary of net annual housing need				
	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby
STAGE 1 CURRENT HOUSING NEED				
1.4 Total current housing need (gross)	3720	1133	1743	1202
STAGE 2 FUTURE HOUSING NEED				
2.4 Total newly arising housing need	1891	234	464	371
STAGE 3 AFFORDABLE HOUSING SUPPLY				
3.1 Affordable dwellings occupied by households in need	1837	50	281	201
3.2 Surplus stock	0	0	0	0
3.3 Supply of new affordable housing	192	28	55	58
3.4 Units to be taken out of management	305	11	3	0
3.5 Total affordable housing stock available (3.1+3.2+3.3-3.4)	1724	67	333	259
3.6 Annual supply of social re-lets (net)	1987	166	439	315
3.7 Annual supply of intermediate housing available at sub-market levels	0	0	0	0
3.8 Annual supply of affordable housing (3.6 + 3.7)	1987	166	439	315
ESTIMATE OF NET ANNUAL HOUSING NEED				
$((1.4 \text{ minus } 3.5) * 20\%) + 2.4 \text{ minus } 3.8$	304	281	306	245
Shortfall as proportion of total households	0.2%	1.1%	0.6%	0.6%

12.9 Targets for affordable housing

- 12.9.1 In the West Midlands Region during 2005/06, a total of 3,901 social/affordable housing units were completed, including intermediate housing.⁷⁵ This total equates to 19% of total completions, which represents an increase of 3 percentage points from last year, although the figure is still about 35% below the minimum number recommended by the RSS.
- 12.9.2 At April 2006, there were a total of 16,725 affordable housing commitments across the Region; a rise of 4,444 on the previous year. This figure does however include 1,388 commitments for Coventry.
- 12.9.3 Social/affordable housing completions across the Region continue to remain well below the estimated 6,000-6,500 affordable dwellings that RSS suggests are needed each year for the period 2001-2011. The work on Regional Housing Demand and Need (see Section 2.5 above)

⁷⁵ WMRA Annual Monitoring Report 2006, p40

is proposing that 8,150 dwellings are required between 2006 and 2026: 3,000 intermediate tenures and 5,150 social rented dwellings.

- 12.9.4 The Regional Housing Strategy⁷⁶ breaks down the total regional requirements between the four Housing Market Areas between 2006 and 2021. In the Central HMA, an indicative figure of 37,347 affordable dwellings is proposed of which 25,378 (68.0%), should be social rented housing (see Table 109).

Table 109: Affordable and social housing requirements by HMA 2001-21					
	2006/08	2006-11	2011-21	2001-21	2001-21 % share
Affordable (including social rented housing)					
Central	8874	22184	15163	45584	58.5
North	812	2031	131	3053	3.9
South	2246	5617	5145	16686	21.4
West	1530	3826	4698	12598	16.2
Totals	13464	33659	25137	77921	100.0
Of which social housing					
Central	6020	15048	10330	30711	66.0
North	612	1528	78	2196	4.7
South	1132	2830	2622	8434	18.1
West	634	1583	1933	5206	11.2
Totals	8396	20989	14963	46547	100.0

Source: West Midlands Regional Housing Strategy 2005

- 12.9.5 In terms of developing affordable housing targets in local development documents, the SHMA can provide indications of suitable targets. The regional affordable housing targets and the level of housing provision required for each local authority area as set out in the Regional Spatial Strategy provide the framework. As PPS3 explains, authorities need to consider other factors when determining affordable housing targets including:

- the policy definition of affordable housing
- an assessment of economic viability within the area
- the likely levels of finance available for affordable housing

- 12.9.6 Table 110 compares the target number of total annual completions for the four authorities in the RSS Preferred Option with the estimate of annual housing need in Table 108 above. Table 111 compares the housing demand figures from the RSS with the annual estimate of housing need.

Table 110: Affordable housing targets and the Preferred Option			
	Annual completion target (Preferred Option)	Estimate of annual housing need	Need as % of target
Coventry	1,675	304	18.1%
North Warwickshire	150	281	100.0%
Nuneaton & Bedworth	540	306	56.7%
Rugby	540	245	45.4%

Table 111: Affordable housing targets and the housing demand			
	Annual housing demand (p.a.)	Estimate of annual housing need	Need as % of target
Coventry	1,128	304	27.0%
North Warwickshire	206	281	100.0%
Nuneaton & Bedworth	430	306	71.2%
Rugby	395	245	62.0%

- (i) Coventry is expected to build on average 1,675 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 1,128 households per annum. The housing needs models would imply affordable housing targets of between 18% and 27%.
- (ii) North Warwickshire is expected to build on average 150 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 206 households per annum. The housing needs models would imply affordable housing targets of 100%; clearly this is neither appropriate nor desirable.
- (iii) Nuneaton & Bedworth is expected to build on average 540 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 430 households per annum. This would imply an affordable housing target of between 57% and 71%.
- (iv) Rugby is expected to build on average 540 units per annum to meet the requirements of the Preferred Option and demand is expected at a rate of 395 households per annum. The housing need model implies affordable housing targets of between 45% and 62%.

12.9.7 As the figures suggested by the model are in some cases greater than the Districts' total completion targets for affordable housing and past performance on delivery of affordable

⁷⁶ West Midlands Regional Housing Strategy 2005, June 2005, p47

housing, there is clearly a need to look very carefully at the sites coming forward in the future and their suitability for mixed, sustainable developments as the Councils may need to seek a considerably higher proportion of affordable housing than has been the target in the past. By maintaining the model and updating annually, it will be possible to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing the shortfall across the HMA.

- 12.9.8 The Councils will need to take account of these findings to set a suitable planning target for future development that takes into account the need for affordable housing as well as the long-term requirement to maintain a sustainable housing market.

12.10 Intermediate tenures

12.10.1 Affordable housing is that housing which is provided to meet the *needs* of the local population. It includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. PPS3 states that affordable housing should:

- (i) *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- (ii) *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision⁷⁷*

12.10.2 PPS3 goes on to define social rented housing as:

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements...as agreed with the local authority or with the Housing Corporation as a condition of grant

12.10.3 And defines intermediate affordable housing as:

⁷⁷ *Planning Policy Statement 3 (PPS3): Housing, Communities and Local Government, November 2006, p25*

'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.

- 12.10.4 The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.
- 12.10.5 A rule of thumb for assessing the scope for intermediate tenures in an area is to calculate the ratio of entry-level market house prices to social rents; where the former is more than fourteen times annual social rents, there is likely to be scope for intermediate affordable housing. Also where there is a significant gap between social housing rents and private sector rents there may be scope for intermediate tenures, such as sub-market rents or shared equity.
- 12.10.6 Table 112 demonstrates this rule that the equivalent mortgage accessible for those on social housing rents is significantly below the lower quartile entry-level house price.
- 12.10.7 Table 113 shows that there is a significant difference between social housing rents and private sector rents. Across the HMA, private sector rents range from 42.1% higher than social rents in Nuneaton & Bedworth to 87.7% higher in Coventry.

Table 112: Estimate of scope for intermediate housing (social rents)				
	Average social housing rent pw	Cost per annum	Income (assuming 25% affordability)	Mortgage accessible
Coventry	£58.06	£3,019.12	£12,076.48	£42,267.68
North Warwickshire	£68.73	£3,573.96	£14,295.84	£50,035.44
Nuneaton & Bedworth	£68.19	£3,545.88	£14,183.52	£49,642.32
Rugby	£66.59	£3,462.68	£13,850.72	£48,477.52

Source: Dataspring

Table 113: Estimate of scope for intermediate housing (private rents)			
	Mean HA rent p.a.	Mean PRS rent p.a.	Difference to social housing costs
Coventry	£3,019.12	£5,665.92	187.7%
North Warwickshire	£3,573.96	£5,392.92	150.9%
Nuneaton & Bedworth	£3,545.88	£5,039.32	142.1%
Rugby	£3,462.68	£5,757.44	166.3%

Source: Dataspring

12.10.8 Clearly in some parts of the country, some forms of tenure are more appropriate than others and are better suited to the local housing market and the local political situation. The following sections consider the contribution that discounted sale homes, shared ownership and shared equity could make to the delivery of affordable housing in the C2 (West Midlands) HMA.

Discounted sale homes

12.10.9 Table 114 below shows the difference in housing costs that would result from discounted sale housing at 10%, 20% and 30% of the entry-level dwelling.

Table 114: Housing costs for discounted market housing ⁷⁸							
Local authority	Entry-level property price 2006 (£)	10% discount	Income required	20% discount	Income required	30% discount	Income required
Coventry	£101,500.00	£91,350.00	£26,100.00	£81,200.00	£23,200.00	£71,050.00	£20,300.00
North Warwickshire	£118,000.00	£106,200.00	£30,342.86	£94,400.00	£26,971.43	£82,600.00	£23,600.00
Nuneaton & Bedworth	£100,000.00	£90,000.00	£25,714.29	£80,000.00	£22,857.14	£70,000.00	£20,000.00
Rugby	£122,500.00	£110,250.00	£31,500.00	£98,000.00	£28,000.00	£85,750.00	£24,500.00

Source: ASHE, Land Registry

12.10.10 With the exception of Nuneaton & Bedworth, households on median incomes could not afford a discounted property at 30%. For those on lower quartile incomes, in Nuneaton & Bedworth there are shortfalls ranging from 64.3% to 99.1% in Rugby.

Table 115: Lower quartile earnings compared to income requirements for discounted housing			
Local authority	Lower quartile earnings	Difference between LQ earnings and required income for 30% discount	
		Amount (£)	%
Coventry	£11,291.00	£9,009.00	79.8%
North Warwickshire	£12,512.00	£11,088.00	88.6%
Nuneaton & Bedworth	£12,175.00	£7,825.00	64.3%
Rugby	£12,306.00	£12,194.00	99.1%

Source: ASHE

⁷⁸ For comparative purposes we have assumed an income to mortgage multiplier of 3.5

12.10.11 Consequently it would seem that discounted sale homes cannot be regarded as affordable dwellings in the C2 HMA for single income or dual income households, although they come closest to meeting some need at the most heavily discounted rate in Nuneaton & Bedworth.

Shared ownership

12.10.12 Table 116 shows the housing costs of a shared ownership dwelling where the household purchased a 30% or a 50% share of an entry-level dwelling.

12.10.13 This demonstrates that the income requirements for a household purchasing a 50% share of their home are reduced by 29.0%. For a household purchasing a 30% share of their home their income requirements are reduced by 40.6%.

Table 116: Housing costs for shared ownership dwelling						
	Price (£)	Unsold equity (£)	Rental charge on unsold equity ⁷⁹ (£)	Mortgage (£)	Total monthly costs (£)	Gross income required (£)
Coventry	£101,500.00	-	0	£604.17	£604.17	£29,000.00
50% equity share	£50,750.00	£50,750.00	£126.88	£302.08	£428.96	£20,590.00
30% equity share	£30,450.00	£71,050.00	£177.63	£181.25	£358.88	£17,226.00
North Warwickshire	£118,000.00	-	0	£702.38	£702.38	£33,714.29
50% equity share	£59,000.00	£59,000.00	£147.50	£351.19	£498.69	£23,937.14
30% equity share	£35,400.00	£82,600.00	£206.50	£210.71	£417.21	£20,026.29
Nuneaton & Bedworth	£100,000.00	-	0	£595.24	£595.24	£28,571.43
50% equity share	£50,000.00	£50,000.00	£125.00	£297.62	£422.62	£20,285.71
30% equity share	£30,000.00	£70,000.00	£175.00	£178.57	£353.57	£16,971.43
Rugby	£122,500.00	-	0	£729.17	£729.17	£35,000.00
50% equity share	£61,250.00	£61,250.00	£153.13	£364.58	£517.71	£24,850.00
30% equity share	£36,750.00	£85,750.00	£214.38	£218.75	£433.13	£20,790.00

12.10.14 These housing costs compared to median and lower quartile incomes (Table 117) suggest that the role of shared ownership would be limited in the Housing Market Area. For Coventry and Nuneaton & Bedworth (and possibly Rugby) only a home with an equity share of 30% would start to lift those on median incomes into the housing market.

⁷⁹ Rental charge per month is assumed to be 3% of the unsold equity divided by 12. The charge can vary between 2%-4%.

Table 117: Income for shared ownership compared to median and lower quartile earnings		
	Difference to median	Difference to lower quartile
Coventry	-£10,004	-£17,709
50% equity share	-£1,594	-£9,299
30% equity share	£1,770	-£5,935
North Warwickshire	-£14,956	-£21,202
50% equity share	-£5,179	-£11,425
30% equity share	-£1,268	-£7,514
Nuneaton & Bedworth	-£8,564	-£16,396
50% equity share	-£279	-£8,111
30% equity share	£3,036	-£4,796
Rugby	-£14,244	-£22,694
50% equity share	-£4,094	-£12,544
30% equity share	-£34	-£8,484

12.10.15 As with discounted sale housing, shared ownership reduces households' income requirements for entering the housing market. Shared ownership has a greater impact than discounted sale housing, although it would still not be an affordable option for many of those households identified as being in housing need.

Stakeholders on shared ownership

- *Split between shared ownership and the rented market. Seems to be politically led, not market led. Currently closer to 80:20. At 30% people can make schemes viable, at 40% they're being tucked away for later. Does the market want 80% affordable housing to be rented? People want ownership and shared ownership is an important step*
- *No evidence base for 80:20, split needs to be determined locally. Coventry responds to demand in different parts of the city. Shared ownership is becoming unaffordable at 50%, need to look at 25% or reduced rent, but then does it stack up then.*
- *With shared ownership it can be done by the developer and then staircase up over a number of years. Developers can finance it through joint ventures with banks etc.*
- *In Coventry developers know what the affordable housing requirement will be before they buy the sight. The negotiation is just about the types of properties; the number is clear, in terms of SO: rent it depends on the area. So where there is lots of former council housing there's a higher percentage of shared ownership. In areas where there is very little social housing there is a great deal of social rented.*
- *There needs to be flexibility on both sides with clarity at the outset.*

- *Shared ownership is becoming less affordable. It is a compromise solution that people will accept as a rung on the ladder. Having to offer shares as low as 20%/30% in high value areas - not an ideal product.*
- *Rental product is better - build is better quality than private sale properties - but no one cares if it's in the wrong location.*
- *From development perspective 100% owner occupation gives the best deal on land, from HA point of view 100% rent gives better financial controls and improves their economic model. Two divergent views - shared ownership is the bit in the middle. Meets small section of demand that would like to be owner occupiers but can't, but it is a small proportion.*
- *New Build Home Buy or shared ownership - once it was a good product, but now it isn't affordable. To go and buy a 50% share of a new build property and then pay rent on the outstanding equity, it costs you as much as getting a mortgage for the outright cost, but the thing is you can't get the mortgage because you are not eligible. We are penalising people again for their financial situation. We need to look at the product.*

Shared equity

12.10.16 Table 118 below shows the difference in housing costs that would result from a shared equity dwelling where a purchaser bought at 30% or 50% of the price of the entry-level dwelling.

12.10.17 It is only with a shared equity home at 30% of the market value that a household on lower quartile income could afford in all areas although it would be highly unusual for shared equity packages to be as low as 30% equity.

Table 118: Housing costs for shared equity			
	Price	Required income	Difference to lower quartile income
Coventry	£101,500.00	£29,000.00	-£17,709
50% equity share	£50,750.00	£14,500.00	-£3,209
30% equity share	£30,450.00	£8,700.00	£2,591
North Warwickshire	£118,000.00	£33,714.29	-£22,423
50% equity share	£59,000.00	£16,857.14	-£5,566
30% equity share	£35,400.00	£10,114.29	£1,177
Nuneaton & Bedworth	£100,000.00	£28,571.43	-£17,280
50% equity share	£50,000.00	£14,285.71	-£2,995
30% equity share	£30,000.00	£8,571.43	£2,720
Rugby	£122,500.00	£35,000.00	-£23,709
50% equity share	£61,250.00	£17,500.00	-£6,209
30% equity share	£36,750.00	£10,500.00	£791

12.11 Balancing the housing market

12.11.1 PPS3⁸⁰ indicates that a Strategic Housing Market Assessment along with other evidence should enable Local Planning Authorities to set out:

- (i) Likely overall proportions of households that require market or affordable housing
- (ii) Likely profile of household types requiring market housing e.g. multi-person, including families and children, single persons, couples

12.11.2 In terms of the proportions of affordable and market housing, a considerable amount of evidence has already been gathered at the regional and sub-regional level. This work, cited in section 6.3, depicts the demand that will arise in the sub-region in the market sector. Table 52 in particular suggests splits for the market, social and intermediate sectors, whilst section 6.4 indicates the role for different forms of intermediate tenures. Section 6.5, goes on to demonstrate how household types may change over the next twenty years. The significant growth of single person households over the period will require the delivery of appropriate housing to meet that change.

12.11.3 Further evidence has also been cited that shows the disproportionate balance of housing types across the sub-region (see Sections 4.2 and 12.1) with high concentrations of larger, detached homes in the rural areas, whilst the urban core leads the way in terms of smaller

⁸⁰ *Planning Policy Statement 3 (PPS3): Housing, Communities and Local Government, November 2006, p9*

dwellings, particularly apartments. With the growth of smaller households across the sub-region at the same time as the continued focus on brownfield sites, smaller dwellings may well be the appropriate direction for development, but only if at the same time there is development of larger city centre and town centre dwellings along with the infrastructure to make these centres sustainable for families and older people.

- 12.11.4 Likewise, what development that takes place in the more rural areas should not necessarily simply reflect the existing stock profile and should seek to balance the mix through the development of smaller, properties to encourage young and/or smaller households to remain in the rural settlements.
- 12.11.5 The work on housing needs presented in this report identifies possible targets for affordable housing (see section 12.9), whilst at the same time making it clear that the scale of affordable housing identified is beyond what is achievable through current policy allocations.
- 12.11.6 Consequently, policy makers need to take account of all this evidence on growth, demand and needs in order to identify the appropriate policy responses to meet the market and affordable housing requirements in the different sub-regional sectors and local planning areas, bearing in mind the final allocations agreed in the Regional Spatial Strategy.
- 12.11.7 Whilst the size requirements of market housing are driven by household change (section 6.6), the size requirements of affordable housing are considered below, based upon identified need.

12.12 Size requirements for affordable housing

- 12.12.1 The bedroom size requirement identified in each district's housing register is shown in Table 119 below. The requirement for three or more bedrooms is greatest in Coventry and the requirement for one bedroom property is proportionately strongest in Nuneaton and Bedworth. This implies a need for family dwellings and larger family houses in particular.

Table 119: Property size requirement in C2 HMA								
	Bedroom requirement							
	One		Two		Three		Four plus	
	No.	%	No.	%	No.	%	No.	%
Coventry	7068	54.2%	2790	21.4%	2454	18.8%	726	5.5%
North Warwickshire	592	42.9%	549	39.8%	221	16.0%	17	1.2%
Nuneaton & Bedworth	1712	60.4%	666	23.5%	393	13.9%	65	2.3%
Rugby	785	58.1%	441	32.6%	95	7.0%	30	2.2%
Total	10157	54.6%	4446	23.9%	3163	17.0%	838	4.5%

Source: Analysis of housing registers, detailed in Chapter 11 - as at August 2007

13 RECOMMENDATIONS

1. That the C2 Housing Market Partnership and the West Midlands Regional Assembly note the findings of this report with regards to any future re-examination of the housing market partnerships operating in the West Midlands.
2. That the housing market linkages between Coventry, Nuneaton & Bedworth, North Warwickshire and Rugby are noted in terms of resource allocation to ensure sustainable communities.
3. To promote the development of:
 - higher density dwellings in the housing market sectors disproportionately dominated by detached dwellings
 - more “executive housing” and family housing in the housing market sectors shown to be disproportionately dominated by terraced dwellings
 - an adequate supply of apartments where they can be shown to make a valuable contribution to mixed sustainable communities
4. To support the private rented sector offer where it is contributing to the mix of occupied housing and encourage the growth of private rented accommodation in the C2 Housing Market Area in the housing market sectors where it is low and where it can be shown to contribute to sustainable communities.
5. To note the changing household structures in the future (particularly the significant growth in smaller households) and ensure that future development is mindful of the need for appropriate living space for these different household sizes, e.g.:
 - one person households need more than one room whether they are young people “LAT”, a single person with child care responsibilities (e.g. one half of a separated family) or an older person requiring space to accommodate family or carers
6. In Rugby housing market sector to note the house prices and price rises to ensure affordability does not worsen in areas previously open to people on lower incomes and to ensure an adequate supply of mid-sized properties.
7. In Nuneaton housing market sector to address the under supply of private rented and social housing as well as smaller properties (e.g. terraces and apartments) and to ensure adequate supply of housing that meets the needs of older people currently “under-occupying” larger properties.

8. In North Coventry & Bedworth to encourage growth of owner occupation as appropriate to local circumstances, to support the private rented sector and to seek the development of larger properties and family housing.
9. In South Coventry to explore further the housing market linkages with Warwick and the South HMA to determine the appropriate market boundaries. Also to address the under supply of social and other affordable housing and ensure that the area does not become unaffordable for local people.
10. In Coleshill to explore further the housing market linkages with Solihull and to continue to monitor the affordability pressures in the sector. To address the under supply of private rented and social housing and the under supply of smaller units (e.g. flats/apartments).
11. In Atherstone to consider the relative under supply of smaller units such as terraced dwellings and apartments.
12. To note the findings of the housing needs model and use the evidence to support the adoption of robust planning policies that maximise the delivery of affordable housing, and social rented housing in particular, in all areas where affordability pressures and supply shortages are shown to be acute. For the purpose of determining planning applications, as a minimum, affordable housing will be required on housing sites with 15 or more dwellings or greater than 0.5ha in area.
13. As the figures suggested by the model are in most cases greater than the Districts' total completion targets for affordable housing and past performance on delivery of affordable housing, there is clearly a need to look very carefully at the sites coming forward in the future and their suitability for mixed, sustainable developments as the Councils may need to seek a considerably higher proportion of affordable housing than has been the target in the past. In particular:
 - a. In Coventry the evidence strongly supports the maintenance of existing housing policies and housing needs targets and these should be robustly maintained and monitored.
 - b. In North Warwickshire the housing needs model implies affordable housing targets of 100% on all developments. Whilst this may not be appropriate or desirable lower site size thresholds in both urban and rural areas should be considered with minimum

targets appropriate to the housing market sector including 40% in urban areas, 50% on sites in rural locations and 100% on sites of less than three dwellings⁸¹.

- c. In **Nuneaton & Bedworth** affordable housing targets should differentiate between urban and more rural areas with lower targets in Bedworth (that match those adopted by Coventry) and higher targets in Nuneaton.
 - d. In **Rugby** affordable housing targets should differentiate between urban and rural areas with lower targets for the former and targets of 50% in the rural areas with a lower site size threshold of three dwellings.
14. To consider the role for shared ownership and shared equity where it has been shown to be affordable in the C2 HMA, but as an addition not a replacement to social rented housing particularly in housing markets demonstrating acute affordability pressures.
 15. In terms of the size of affordable housing units there is a demonstrable need for three or more bed properties in Coventry (family dwellings as opposed to apartments, particularly larger family dwellings) and also a need for supported housing including bungalows.
 16. To maintain the evidence base and update key elements annually; particularly the housing needs model and the key housing market indicators to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing shortfalls across the HMA.
 17. That the high proportions of single pensioner households in Coventry and Rugby are noted to ensure that sufficient resources are allocated to appropriate care and support services for older people living alone.
 18. That, in the light of the high proportions of older people in Rugby in private housing, sufficient resources are allocated to support services (crucial for maintaining independence and preventing isolation) particularly for “asset rich - income poor” homeowners in rural areas to assist them with maintenance and upkeep to enable them to remain in their own homes.
 19. That local housing choices and specialised accommodation for older people are offered that:
 - enable older people to move on when they need to

⁸¹ Where the target when applied to a number of dwellings results in a fraction, that result should be rounded up to the nearest whole number

- but also seek to minimise the extent of under occupation of larger properties
20. To address the perceptions held by some black and minority ethnic communities who regard social housing as a second choice due to perceptions of anti-social behaviour on council estates and long waiting times for council homes and who may disregard intermediate tenures due to lack of awareness.
 21. In terms of the rural neighbourhoods in the C2 HMA they should meet the needs of all residents and seek a housing offer that provides a variety of homes including flats and family houses. Affordable housing supply could be increased rapidly through a targeted programme to reduce empty property in rural areas and there could be greater restrictions on Right-to-Buy in areas of acute rural housing pressure. The need for affordable rented homes is critical in some rural areas in the C2 HMA.
 22. That inter-regional research be commissioned that explores the economic relationships and housing market links between Atherstone, Nuneaton and Rugby and neighbouring areas in the East Midlands.



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