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Strategic Housing Market Assessment Update

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DATE	ORIGINATORS	APPROVED
January 2013	Nick Ireland Planning Associate Director	Graeme Tulley Director

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EXECUTIVE SUMMARY

A Strategic Housing Market Assessment (SHMA) is intended to provide an assessment of both housing need and demand, develop understanding of current housing need and housing market conditions and consider what level and mix of housing – both market and affordable – is required to meet population and household growth to 2028, and to meet the needs of different groups within the local community. This 2012 SHMA Update has been prepared for Stratford-on-Avon District by GL Hearn and Justin Gardner Consulting. It follows Government Practice Guidance.

Stratford-on-Avon District Council is preparing a new Local Development Framework (LDF) Core Strategy which will set planning policies for the District. This must accord with national planning policy. The National Planning Policy Framework sets out that Plans should meet objectively-assessed development needs in their areas where feasible and should plan to deliver a mix of housing based on current and future demographic trends, market trends and the needs of different groups within the community. The SHMA Update considers these issues to support the preparation of the Core Strategy. It will also inform the review of the Council's Housing Strategy which is intended to be progressed later in 2012.

HOUSING STOCK

The Core Strategy will set out policies for housing provision over the plan period to 2028. Much of the District's housing stock in 2028 however exists now and it is therefore important to understand upfront the existing profile of housing in the District to consider what mix of housing should be built in the future.

There were 53,700 homes in the District in 2011. 13% are defined as affordable housing. The majority 87% are privately owned, either owner occupied or privately rented, and private ownership is above average.

The District's housing offer is biased towards larger detached and semi-detached properties with around a third of properties in 2001 having four or more bedrooms; and 34% of properties in 2011 falling in Council Tax Bands E-H.

In 2001 the private rented sector accommodated 7.8% of households in the District. The private rented sector has however grown substantially in size over the last decade: across the West Midlands it grew by 115% between 2000-10. It is likely to have grown in Stratford-on-Avon District as well. Although statistics are not available, the evidence suggests that it may have grown less substantially than in other parts of the West Midlands region.

HOUSING MARKET DYNAMICS

Effective demand for market homes for sale is currently subdued (at the time of writing in 2012). This reflects a number of factors, including households' ability to secure mortgage finance (and in particular the size of deposits required), inflationary pressures within the economy (which affect households' ability to save) as well as wider market confidence. Market confidence has also been influenced by the wider economic outlook and concerns regarding the performance of Eurozone economies. In 2012 the UK economy is teetering on the verge of a further recession.

The average house price in Stratford-on-Avon District was £269,000 in Spring 2012 compared to £203,000 for Warwickshire as a whole. Average prices vary from £130,000 for a flat or maisonette (on average across the District) to £414,000 for detached properties. House prices in the District have grown just 1.7% in the District between 2006-11 (and remained static across the region). However taking account of inflation, house prices have fallen in real terms over this period.

Effective market demand for homes (to purchase) is around 35-40% down on pre-2008 level in mid 2012 – a very substantial reduction. A key influence here is that many young households have insufficient savings to put down a deposit. A 20% deposit is currently required to secure most competitive mortgage deals. The housing market in Stratford-on-Avon District is however performing in comparative terms more strongly than other parts of Warwickshire and the wider region. It is a market which is less dependent on first-time buyer and investment purchases.

Market demand in the District is more strongly focused towards larger family homes and older buyers. However this is partly influence by the current housing stock profile; and there are a range of factors which need to come together in determining the future housing mix.

A weak sales market does not mean that there is not underlying need/demand for new homes. The corollary of the weak sales market is strong demand for housing to rent. The average rent for a 2-bed property in the District in November 2011 was £695 per week, an 11% increase on April 2009. Young households unable to buy are renting for longer, and strong demand is driving growth in rents. This is affecting the ability of lower-income households to secure market housing. An income of over £29,000 is generally required to afford market housing in the District.

The delivery of new homes in the District has declined notably over the last few years. Over the ten year period from 2001-11 an average of 437 homes a year (net of demolitions) were built in the District. A housing moratorium has however been in place between 2006-11 which, combined with economic conditions, has led to a substantial reduction in housing delivery over the last 7 years from a peak of over 800 homes built in 2004-5 to just 109 in 2010/11.

It seems likely that market conditions will continue to influence the new-build market in the short-term. However the recent low delivery rates appear to be particularly influenced by the Council's moratorium policy and the market would support stronger delivery than achieved over the last few years.

Over the next five years, economic confidence, bank lending criteria, interest rates and income growth will together influence the timing and pace of housing market recovery. Should a Eurozone country default, this could have a notable impact on the UK housing market. The District however falls in one of the most growth-orientated parts of the West Midlands region: one which has a strong housing-quality of place offer and is aligned to growing economic sectors. Over the longer-term key demand drivers such as population and employment growth look likely to remain robust and the area's housing market can be to continue to out-perform the region as a whole.

Affordability of Market Housing

The affordability of market housing is particularly challenging. Across Stratford-on-Avon District, entry-level (lower quartile) house prices are on average 4.5 times (lower quartile) household incomes. 26% of households in the District have insufficient income to be able to afford market housing, either to purchase or rent, without some form of subsidy or equity built-up in existing homes.

Affordability also appears to be having consequences on the District's population dynamics; with household growth in recent years focused towards single people and couples without children, and generally to people aged over 50. The population aged 20-34 has been declining.

While the District's economy has been performing relatively well (both before and during the recession) the nature of the housing offer and market conditions appear to have been driving an increase in commuting both into the District (focused towards lower skills) and out of the District (particularly of higher earners). If this continues moving forward it will potentially contribute to congestion if not supported by investment in infrastructure. It is also arguably not a sustainable model for growth.

AFFORDABLE HOUSING NEED

The SHMA Update has included an analysis of affordable housing need using a range of information including from the Council's Housing Register. Housing need is defined as the quantity of housing required by households who are unable to access suitable housing without financial assistance. The housing needs analysis looks over a five year period from 2012-17. It forms an important part of the evidence base to support policies for affordable housing.

The housing needs analysis indicates that 1523 affordable homes would need to be delivered between 2012-17, in addition to those currently in the development pipeline, if all households in housing need were to be housed in an affordable home with a secure tenancy. Figure 1 below provides a breakdown of housing need by area:

Figure 1: Estimated Level of Housing Need (2012-17) including Pipeline

Sub-area	Total Need	Net Supply	Development Pipeline	Net Need
Stratford-upon-Avon	936	299	111	526
Alcester	204	131		73
Bidford	190	84		106
Henley-in-Arden	116	60	10	46
Kineton	111	69		42
Shipston-on-Stour	158	76	5	77
Southam	187	110		77
Studley	146	90	5	51
Wellesbourne	146	104		42
Rural Areas	1,107	448	177	482
District Total	3,301	1,470	308	1,523

This analysis includes those on the Council's Housing Register who fall within a priority group. However this represents just 16% of the total households on the Register and the figures for can therefore be regarded as conservative. The significant level of housing need identified reflects a combination of factors including market conditions but also past investment decisions and funding which have influenced the existing stock of affordable housing in the District.

The housing needs analysis highlights a significant shortfall between the need for, and supply of, affordable housing in the District. Part of this shortfall is being met by the Private Rented Sector (PRS). An estimated 450 lettings per year of private rented properties are made to households in housing need (or 1190 over the 2012-17 period). Many households may turn to the private rented sector as they cannot secure affordable housing and claim Local Housing Allowance.

While the Council is now able to discharge its statutory 'homelessness duty' through offer of suitable private rented accommodation, its research suggests that over two-thirds of benefit claimants in the PRS have to top-up their benefit payments in order to afford rents meaning that the sector is not really an affordable solution for many households. With a notable difference in the costs between social and private rents and growth in private rents, while it seems likely that while the PRS will continue to contribute to meeting housing need, caps on Local Housing Allowance payments may limit future growth in the number of households in need who can be housed in the PRS. It should also be recognised that private rented homes are not always in good condition and don't provide the security of tenure of affordable housing for vulnerable households.

FUTURE HOUSING REQUIREMENTS

Housing Requirements

An SHMA is intended to inform policies regarding future housing requirements. Trend-based demographic projections indicate a housing requirement of 14,500 (725 per year) over the plan period. This would support population growth of 19.5%. However these are based on continuing high levels of in-migration to the District (1400 persons net per year) which Stratford-on-Avon District Council wishes to limit moving forwards.

The Council's Draft Core Strategy 2012 proposes delivery of 8,000 dwellings over the 2008-28 plan period equivalent to 400 homes (net) per annum. This will support growth in the District's population of around 5.5% over the plan period. Figure 2 outlines the expected changed in the age structure associated with this. Growth is expected to be concentrated in the population aged over 60.

Figure 2: Expected Changes in Age Structure associated with Delivery of Draft Core Strategy 2012

Age group	Population 2008	Population 2028	Change in population	% change from 2008
Under 15	20,032	18,639	-1,393	-7.0%
15-29	16,514	14,784	-1,730	-10.5%
30-44	23,364	19,074	-4,290	-18.4%
45-59	26,119	23,580	-2,539	-9.7%
60-74	22,271	27,961	5,690	25.5%
75+	11,157	22,013	10,856	97.3%
Total	119,457	126,050	6,593	5.5%

To justify the proposed approach in the Draft Core Strategy 2012, the Council will need to demonstrate why it is not sustainable to meet trend-based demographic projections and to justify its proposed approach at Examination in Public. It may also need to demonstrate where this under-provision will be accommodated if the Plan is to be found sound.

National planning policy sets out that the planning system should support sustainable economic growth. The modelling undertaken indicates that delivery of 8,000 homes over the 2008-28 period can be expected to result in a decline in the number of residents in the District in employment of around 4,200 over the plan period. With limited scope for improvements to economic participation over and above those modelled, it is likely that in-commuting into the District to work will increase. This will be important in supporting employment growth. Housing policy should however also seek to influence the housing mix to support retention of younger working-age households where possible.

Housing Distribution

The Draft Core Strategy 2012 Preferred Option is for a distribution of new housing focused towards the Main Rural Centres and Local Service Villages across the District. This aims to protect the special character of Stratford-upon-Avon and will support the Sustainable Communities Strategy objective of increasing affordable housing delivery in rural areas. This policy approach will support significantly higher levels of development in rural areas relative to demographically-driven demand; and limited development in Stratford-upon-Avon and the Main Rural Centres.

The modelling undertaken indicates this may result in a decline in Stratford-upon-Avon's workforce. The town is however the largest employment centre in the District and employment growth can be expected. A further increase in in-commuting into the Stratford-upon-Avon can be expected and it will be important that this is planned for.

Policy CS16 is at the heart of the distribution approach and sets out that developments of over 100 units will not be supported unless these are accompanied by a detailed masterplan, and / or compliant with a Neighbourhood Plan. It also outlines that the size of estates should not exceed 2% of the existing housing stock. In practical terms the policy regarding the size of estates means that future development in the Main Rural Centres will need to be delivered by a number of development schemes, ranging from at least two developments in Wellesbourne, to five development schemes in Studley, Southam, Shipston-on-Stour, and six schemes in Alcester. Schemes will range from between 40-60 dwellings.

There are 39 local service villages. The Preferred Option identifies that these settlements will accommodate 2,240 dwellings over the 2008-28 plan period. This would equate to an average of more than 50 additional dwellings over this period (in addition to any Local Choice Schemes), again delivered through a number of development schemes.

This approach may well help to support diversity in the mix of new housing delivered through delivery of a range of smaller development schemes. However it should be recognised that it may well shift the burden for delivery of infrastructure more towards the Council rather than direct delivery by the developers. The Community Infrastructure Levy however does provide a mechanism to support this.

Delivery of the housing requirement will also be dependent on achieving local support to housing developments in line with the Localism Agenda. Where local support is not forthcoming this could prejudice the overall deliverability of the development strategy. This is a risk to the implementation of the Plan.

Policies for Housing Mix

The existing mix of private sector housing in the District is skewed towards larger, more expensive properties with above average detached housing; housing with four or more bedrooms; and properties in Council Tax Bands E-H.

While there is market demand for larger homes, there are equally strong affordability pressures – an estimated 52% of newly-forming households cannot afford market housing without subsidy. The evidence points to a lack of lower cost market and affordable housing as inhibiting the attraction and retention of younger households, including people in their 20s and early 30s, in the District. There is also an imbalance between the population of working-age residents in the District and the types of jobs – which supports high in- and out-commuting.

The housing mix contributes to barriers for younger households on lower incomes in securing appropriate accommodation. There is a strong sustainability case for seeking to diversify the housing mix to support the economy, and limit growth in in-commuting to the District to work (including for lower skilled jobs).

Policy CS20 in the Draft Core Strategy 2012 encourages provision of a mix of housing to support balanced and sustainable communities. It identifies a particular need for two and three bed family homes, 1 bed flats and bungalows.

For market housing, the SHMA Update indicates a focus of demand on two and three bed properties in all areas, but with greater demand for 1-bed (c. 10%) in Stratford-upon-Avon and the Main Rural Centres; whilst in Rural Areas there is greater demand for properties with 4 or more bedrooms.

We conclude that the following strategic policies regarding the mix of homes are appropriate:

Figure 3: Housing Mix Recommendations

	1-bed	2-bed	3-bed	4+ bed
Affordable	15%	35-40%	35%	10-15%
Market	5%	35%	45%	15%
Overall	8%	36%	42%	14%

The analysis points to a need for more affordable family housing with 3 or more bedrooms in Stratford-upon-Avon and the Rural Areas than in the Main Rural Centres.

The conclusions of the analysis should inform the development of Draft Core Strategy Policy CS20 and affordable housing negotiations. It should also inform the ‘portfolio’ of sites which are considered through development through Site Allocations, Neighbourhood Plans and other planning documents.

For affordable housing, the strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

The need for affordable housing of different sizes will however vary by settlement across the District and over time.

Policy CS18 in the Draft Core Strategy seeks to protect the existing dwelling stock. It is appropriate for policy to support bringing existing properties back into use. The District's housing stock is however strongly skewed towards larger properties. Against this context policies which enable subdivision of homes for instance to provide smaller dwellings for younger households; or the extension of homes to provide accommodation for older relatives; could potentially be supported.

Policies regarding Affordable Housing

Policy CS17 in the Council's Draft Core Strategy 2012 proposes that 35% of new residential floorspace should be affordable housing on sites suitable of accommodation 5 or more dwellings (subject to development viability). The supporting text identifies that this should be regarded as the minimum expected level of provision.

The housing needs evidence supports the proposed affordable housing target. The Council will however need to ensure that the cumulative impact of this and other policies within the Plan as well as a Community Infrastructure Levy do not put its implementation at risk and facilities development throughout the economic cycle. Analysis of the development viability within the District is being undertaken separately to inform the Council's policies.

The SHMA Update has assessed the need for and supply of different types of affordable housing. Of the total net need identified, 42% could be met by provision of housing costing 80% or more of entry-level market housing costs. Taking account of a range of factors including short- and long-term needs and the management of the affordable housing stock, the Assessment concludes that an appropriate strategic policy regarding the affordable housing tenure mix would be for:

- 20% shared ownership/ shared equity homes
- 20% affordable rented homes
- 60% social rented homes

In current housing market conditions, household savings and financial history are a key barrier to accessing shared ownership and shared equity homes.

The precise mix of affordable housing on an individual development site should consider the findings of the SHMA Update alongside local evidence relating to the existing stock and turnover of affordable housing at a settlement level, as well as information regarding the mix of households on the Housing Register at the time of submission of a planning application.

MEETING THE HOUSING REQUIREMENTS OF SPECIFIC GROUPS

Older Persons

Over the period to 2028 the population aged over 60 in Stratford-on-Avon District is expected to increase substantially, by 150%. Housing and planning policy will need to ensure a choice of high quality accommodation is provided for older people. Many older people will want to stay in their existing homes and should be supported in doing so. The Council should consider how it can provide support in making alterations to properties (such as to bathrooms, showers and toilets, provision of emergency alarms or help maintaining homes).

Older persons are more likely to under-occupy homes. In the market sector there is a very limited ability to influence this. In the affordable sector, there may be potential to reduce (or seek to limit potential growth in) under-occupation and the Council and Registered Providers may wish to consider providing support and incentives to social housing occupiers to downsize. This will help to release larger affordable homes for younger households.

Draft Core Strategy Policy CS19 supports delivery of housing for older people and other vulnerable groups, specifically in Stratford-upon-Avon, the Main Rural Centres and Local Service Villages where it meets local needs, contributes to the balance of the housing stock locally and arrangements are in place to ensure delivery of appropriate care and support. The evidence supports this approach.

The SHMA Update also suggests that the growing older population (particularly in the oldest age groups) will result in growth in households with specialist housing needs. It forecasts a 105% growth in older population with dementia, and an 83% increase in the older population with mobility problems. From a planning point of view, some of these people will require specialist housing such as sheltered or extra care provision. Increasing numbers of older people with health problems will also require joint-working between housing and health (Council and NHS).

The population with care needs is forecast to increase by around 1,070 persons between 2011 and 2031. Care homes do not count towards housing numbers; however an issue for the Council to consider alongside Warwickshire County Council is the extent to which it wishes to older persons accommodated within extra care housing as opposed to residential/ nursing homes.

People with Disabilities

The numbers of adults with disabilities is expected to increase slightly, by 5-6% over the period to 2030. This may generate demand for additional specialist accommodation, particularly if there is any current mismatch between requirements and the availability of suitable good quality accommodation.

The SHMA update promotes provision of opportunities for independent living which promote choice and control for people with disabilities and delivery of housing services as party of an integrated package with health and social care. The Council should seek to ensure that people with disabilities are not disadvantaged when bidding for affordable homes and that a record of properties with different adaptations in the District is kept to help match those in need with suitable homes.

Black & Minority Ethnic Groups

The BME population in Stratford-on-Avon District appears to have grown quite strongly since 2001 and made up an estimated 9% of the District's population in 2009. The Indian and White Other Population (which includes Eastern European migrants) appear both to have grown notably over the preceding decade.

BME households are more likely to be younger, overcrowded and live in the private rented sector. The Council will need to consider further how the needs of different groups can be met, including addressing overcrowding; and how standards of private rented housing accommodating BME groups can be improved.

Single People

The SHMA Update suggests that there are three main gaps in accommodation for single people: a shortage of general needs accommodation; supported housing; and emergency access accommodation. Single people make up 42% of households on the Council's Housing Register. This reflects affordability issues in the District including rising rents. It has fed through into increasing numbers of single people presenting themselves to the Council as homeless.

Planning effectively for the future is challenging particularly with reductions in Supported People budgets. Legislation means that many single homeless people are not considered to be vulnerable and therefore do not qualify for priority assistance under homeless provisions. In these circumstances, the SHMA Update recommends that the Council continues to ensure that such persons are provided with the necessary advice and assistance to help them secure alternative accommodation where possible. The Council should also continue to monitor and identify the needs of single people in the District.

1. INTRODUCTION

1.1. A Joint South Warwickshire Housing Market Assessment covering Stratford-on-Avon and Warwick Districts was prepared by consultants Outside Research in 2006. Parts of this Assessment were updated by a Strategic Housing Market Assessment Review in 2009.

1.2. This report is intended to review this previous work and provide an updated Strategic Housing Market Assessment (SHMA) for the District. The purpose of a SHMA is to provide an assessment of both housing need and demand, develop understanding of current housing need and housing market conditions and consider what level and mix of housing – both market and affordable – is required to meet population and household growth to 2028, and to meet the needs of different groups within the local community.

1.3. Stratford-on-Avon District Council has commissioned this further review of the Strategic Housing Market Assessment for the District to support its emerging Local Development Framework (LDF) Core Strategy; and to inform the review of the Council's Housing Strategy which is intended to be progressed later in 2012. The Council published a Draft Core Strategy in February 2012.

1.4. The SHMA Review has been led by GL Hearn, supported by Justin Gardner Consulting. It has been developed in accordance with Government Practice Guidance (CLG, Aug 2007). It provides the core outputs set out in this Guidance, sets out and justifies key assumptions, and has been informed by consultation with a number of key stakeholders including discussions with estate and letting agents in the main settlements across the District and a Stakeholder Workshop held on 23rd October 2012.

Geography of Analysis

1.5. The analysis is structured to provide an assessment of housing market conditions across the District as a whole as well as the different key parts of the District. It considers:

Figure 1.1: Geography of Analysis

Stratford-upon-Avon
Alcester
Bidford-on-Avon
Henley-in-Arden
Kineton
Shipston-on-Stour
Southam
Studley
Wellesbourne
Rural Areas

Report Structure

1.6. The remainder of the report is structured as follows:

- **Section 2: Context** – examines the conclusions of the previous SHMA and provides a critique of this Study, before moving on to consider relevant national and local policies (current and emerging) which help to frame the Assessment;
- **Section 3: Housing Stock & Supply Trends** – considers the characteristics of the housing stock, how this varies across the District. It then moves on to consider housing supply trends;
- **Section 4: Socio-Economic Characteristics** – describes the demographic structure and trends, as well as economic and labour market characteristics;
- **Section 5: Housing Market Dynamics** – considers trends in the housing market addressing both the sales market and private rented sector at a national and local level, as well as the future market outlook;
- **Section 6: Affordable Housing Needs** – provides an updated assessment of the need for affordable housing, and considers the implications of welfare and benefit reforms introduced by Government;
- **Section 7: Future Housing Market** – considers long-term drivers of need and demand for housing and considers projections for future housing requirements (across all tenures). This includes consideration of needs from different groups in the community, particularly older persons;
- **Section 8: Requirements for Different Sizes of Homes** – considers requirements for different sizes of homes in the market and affordable sectors;
- **Section 9: Housing Needs of Particular Groups** – looks at different sub-sections of the population including Older People, BME groups, single people and those with disabilities;
- **Section 10: Conclusions and Recommendations** – concludes the report to provide recommendations for future policy development.

2. CONTEXT

2.1 The national policy framework for determining levels of housing provision is currently in a state of flux. Under the previous Government, housing targets were set out in Regional Spatial Strategies which were developed by Regional Planning Bodies in collaboration with local authorities and other stakeholders, subject to independent examination in public, but with the ultimate decisions on levels of housing provision being made by national government (the Secretary of State).

2.2 The Coalition Government, elected in May 2010, has pledged to scrap the Regional Spatial Strategies, and the regional housing targets within them, returning powers for determining levels of housing development to local authorities. The Localism Act 2011 provides the primary legislation required to do so. The Secretary of State initially revoked the Regional Spatial Strategies in July 2010 by parliamentary statement. This however was successfully challenged in the High Court by CALA Homes, with the Court ruling that the Secretary of State had acted unlawfully. However while the Regional Spatial Strategies at the time of writing remain in place, it is expected that they will be abolished in due course.

National Planning Policy Framework

2.3 The Government published the **National Planning Policy Framework (NPPF)** in March 2012. This introduces a presumption in favour of sustainable development, whereby local planning authorities should prepare new Local Plans on the basis that objectively assessed development needs (both for housing and other types of development) should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against policies in the Framework as a whole. The starting point is that Local Plans should meet the full requirements for market and affordable housing in their housing market area. Any under-provision is expected to be addressed through collaborative working with neighbouring authorities, and this is included within the tests of soundness for the plan.

2.4 The proposed shift of policy means that each local authority should seek to meet its own development needs, unless there are sound reasons why it cannot do so.

2.5 The NPPF emphasises the role of Strategic Housing Market Assessments such as this in assessing full housing requirements, including both the scale and mix of housing.

2.6 The SHMA is intended to be brought together with evidence of land availability, from a Strategic Housing Land Availability Assessment. To increase housing supply, the NPPF proposes that local authorities should be required to maintain a 5 year supply of specific deliverable sites, and to include an allowance of 5% to ensure choice and competition in the market for land (unless there is a persistent track record of under-delivery).

2.7 In regard to housing mix, it is proposed that authorities will plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site. National thresholds for affordable housing provision are removed as are national brownfield development targets.

2.8 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes. To address this, affordable housing policies would need to be considered alongside other factors including infrastructure contributions. Where possible the NPPF encourages local authorities to work up Community Infrastructure Levy charges alongside the Local Plan.

National Housing Strategy

2.9 In November 2011 the Government published Laying the Foundations: *A Housing Strategy for England* (HM Government, Nov 2011). This outlines the Government's ambition to get stimulate housebuilding, not least to support economic recovery. It identifies a number of initiatives to support this, including:

- New-build Indemnity Scheme – providing Government-backed 95% mortgages for new-build properties;
- Growing Places Fund – providing funding for infrastructure which unblocks housing and economic growth;
- Initiatives to Kick-Start Stalled Developments – including proposals to allow reconsideration of planning obligations; a 'Get Britain Building' Investment Fund to provide development finance; and 'build now, pay later' deals with public sector land; and
- Custom Homes Programme – with short-term project finance support for individuals looking to build their own homes.

2.10 The Strategy includes initiatives to support growth and investment in the Private Rented Sector, including new 'build-to-let' models and a review of barriers to investment. It also indicates that the Government is looking at supporting greater innovation and competition between social landlords, including encourage new private entrants to the sector, and potential new approaches to funding in the medium-term.

2.11 The Strategy also included proposals for reinvigorating the Right-to-Buy by raising the discounts available to tenants, but with a commitment to build a new 'replacement' affordable home for every home lost. It also identified a funding steam to support local authorities in bringing empty homes back into use.

Localism Act – Housing Reforms

2.12 The Localism Act has introduced a number of reforms affecting the management of social housing. We summarise these below.

Allocations Policies

2.13 The Localism Act gives Councils greater flexibilities in deciding who qualifies to go onto housing waiting lists (through their allocations policies) and how they treat tenants who want rather than need to move. Local authorities can thus revise their allocations policies, should they wish to do so, to prevent people with no 'need' for affordable housing from joining housing registers.

Tenancies

2.14 The Localism Act introduces changes to social housing tenancies, giving both local councils and Registered Providers (RP's) the flexibility to grant fixed term tenancies (as well as lifetime tenancies) should they decide to do so. New fixed term tenancies would continue to be at social rent levels and tenants would have the same rights as those with existing lifetime tenancies in terms of a right to repair or to buy/acquire. A minimum fixed-term tenancy in most cases would be for five years (with two year tenancies granted only in exceptional circumstances). Shorter tenancies are considered to be one way of making better use of the existing social housing stock in meeting housing need.

2.15 The Government has also changed the rules on succession to make them consistent for all Council and RP tenants. The spouse or partner of a tenant who dies will have an automatic legal right to succeed, but will not have an automatic right to then pass on the property. This will not however affect joint tenancies or existing secure tenants.

Reform of Homelessness Legislation

2.16 Councils will be able to bring the statutory homelessness duty to an end with an offer of suitable private rented housing. People's right to refuse private rented accommodation will be withdrawn. This could potentially assist in the use of private sector housing stock in meeting affordable housing needs.

2.17 The Government has also recently introduced a new nationwide home swap scheme to support mobility in the social sector. In terms of social housing finance, the Localism Act also introduces 'self-financing' which allows Councils to keep money from rents to spend on upkeep, investment and management of their housing stock. It has also made changes to the regulation of the Social Housing Sector.

Welfare Reforms

2.18 On 8 March 2012 the Welfare Reform Act received Royal Assent. This introduces the following:

- Household Benefit Cap;
- Linking Local Housing Allowance (LHA) rates to CPI from 2013; and
- Size Criteria for Calculating Housing Benefit in the Social Rented Sector.

Household Benefit Cap

2.19 The Welfare Reform Act limits total household welfare payments (excluding Working Tax Credit and Disability Living Allowance) to £26,000 (£500 per week) for couple and lone parent households and £18,600 (£350 per week) for single person households. It is structured to increase incentives for households to work.

2.20 The Government estimates that 67,000 households will be affected, with the greatest impact being in London and the South East. To address the benefit cuts households might seek to increase their income through working more hours, or by reducing their rent or non-rent expenditure. Larger households or those in high rent areas will be particularly affected. Some households may seek to move to cheaper locations, and we may see some movement of households is receipt of benefits from London to cheaper parts of the South East including coastal towns.

Local Housing Allowance

2.21 Low income households living in the Private Rented Sector are able to claim Local Housing Allowance to assist in meeting their housing costs. Local Housing Allowance is determined in relation to rents in the Broad Rental Market Area (BRMA) in which a property lies.

2.22 In April 2011 the Government changed how LHA is calculated, shifting this from median rents in the BMRA to the 30th percentile.

2.23 It has also introduced caps on LHA payments: £250 a week for a 1-bed property or shared accommodation, £290 a week for a 2-bed property, £340 a week for a 3-bed property and £400 a week for properties with 4 or more bedrooms.

2.24 The Welfare Reform Act also indicates that increases in LHA rates from 2013 will be restricted to growth in inflation as measured by the Consumer Price Index (CPI). Rates will also be set annually rather than monthly. This can be expected to exert a downward pressure on rents, particularly in areas where LHA claimants form a significant proportion of the Private Rented Sector market, and may encourage some LHA claimants to move to cheaper areas.

2.25 Moving forward LHA will however be paid directly to landlords, which may provide some incentive for landlords to keep accepting tenants on LHA.

Housing Benefit Size Criteria in the Social Rented Sector

2.26 The Welfare Reform Act introduces restrictions on how much Housing Benefit working-age households in social rented properties can claim from April 2013, based on the size of the household. Currently Housing Benefit has been based on the size of the property rather than the household. This change will particularly impact on working-age households who are under-occupying homes. The policy change is focused on reducing the benefit bill, increasing mobility in the Social Rented Sector and making better use of the existing social housing stock.

2.27 The applicable maximum Housing Benefit which households can claim will be reduced by national proportions based on the number of rooms households have which they don't require.

2.28 The Government estimates that the change of policy will impact on 670,000 households nationally – 32% of all working-age households in receipt of Housing Benefit. The average cost to affected households will be a reduction in Housing Benefit of £13 per week in 2013/14.

2.29 The change is expected to have a greater impact in areas will less social rented accommodation and will particularly affect older, working-age households.

Current and Emerging Policies in Stratford-on-Avon District

Corporate Strategy 2011-15

2.30 The Council has a Corporate Strategy which sets out key objectives of the authority for the 2011-15 period. These are defined as:

- Addressing local housing need
- A district where business and enterprise can flourish
- Improving access to services

- Minimising impacts of climate change

2.31 Under the first of these, the Council seeks to provide more housing at a price local people can afford, whilst ensuring that residents feel that they have more influence over development that takes place in their area.

2.32 The Corporate Strategy seeks to increase economic vitality across the District, the percentage of residents who find it easy to access local services, as well as to minimise the impacts of climate change and reduce the district's carbon footprint. The Quality of Life in Warwickshire Survey 2010 clearly highlights concern over the impact of large scale housing development on in-migration. However the Corporate Strategy identifies that the vitality of the local economy is also an issue as is access to services; and that that concerns over housing development need to be balanced against the need for additional housing in order to address affordability, and to ensure that the economy is supported by a more balanced housing market.

Stratford-on-Avon Sustainable Communities Strategy

2.33 The Stratford-on-Avon District Partnership's Sustainable Communities Strategy similarly identifies a number of key challenges which are of relevance to this exercise, including:

- an ageing population;
- a shortage of affordable housing;
- access to services in rural areas;
- a need for economic revitalisation, promoting stronger and higher value economic growth to achieve a reduction in out-commuting;
- managing new development; and
- reducing the District's carbon footprint.

2.34 The Sustainable Community Strategy's vision focuses on improving quality of life for everyone living within the District, supporting a thriving economy including more rural businesses and jobs and better paid jobs, and ensuring that there is enough affordable housing to retain young people.

2.35 Key objectives of the Strategy include to increase affordable housing delivery in rural areas, to encourage economic growth and change, to reduce the District's carbon footprint, and to preserve the District's distinct character. The Strategy specifically identifies that more affordable housing is required to counter an ageing population by keeping more young people within the District and by strengthening the economy by increasing the labour pool locally. It argues that creating a stronger economy with more jobs in the District will benefit the environment by reducing outward commuting.

Housing Strategy 2009-14

2.36 The Council prepared a Housing Strategy in 2009 which is structured around the following four principal aims:

1. To increase the supply and choice of good quality affordable housing for local people;
2. To improve existing housing and help people live as independently as possible;

3. To prevent homelessness and the harm caused by it.

4. To strengthen and support local communities.

2.37 The Strategy commits the Council to helping communities identify sites for affordable housing, extend the local choice scheme and ensure high design standards are achieved. It includes provision for improving and extending at-home services and adapting more properties to meet the needs of older people and those with disabilities. The Council will also seek to deliver accessible homes, improving energy efficiency and bringing empty homes back into use. It will also encourage older people who want to do so to move into smaller properties.

Draft Core Strategy 2012

2.38 The Council published a revised Draft Core Strategy for consultation between February – March 2012. This proposes a housing requirement for 8,000 dwellings over the 2008-28 plan period, with a more dispersed distribution of housing than previously proposed. Two distribution options are proposed of which one is the preferred approach. These are as follows:

Figure 2.1: Draft Core Strategy 2012 – Housing Distribution Options

Area	F. Preferred Option	E. Alternative Option
Stratford-upon-Avon	560	840
Main Rural Centres	1,680	1,120
Alcester	*300*	*200*
Bidford-on-Avon	*200*	*140*
Henley-in-Arden	*130*	*90*
Kineton	*90*	*60*
Shipston-on-Stour	*220*	*140*
Southam	*260*	*170*
Studley	*240*	*160*
Wellesbourne	*240*	*160*
Local Service Villages	2,240	2,520
Brownfield Rural Sites	560	560
Other Rural Areas	560	560
Completions & Commitments	2,400	2,400
Total	8,000	8,000

2.39 The focus of the Draft Core Strategy is very much on bringing forward housing across the District through a portfolio of smaller sites which will support investment in and the sustainability of the main rural centres and the villages, rather than focusing on a number of larger centres and Stratford-upon-Avon. This reflects the geography of the District and special character of Stratford-upon-Avon.

2.40 Policy CS16 is at the heart of this approach and sets out that developments of over 100 units will not be supported unless these are accompanied by a detailed masterplan and/or compliant with a Neighbourhood Plan; and that in the Rural Centres and Local Service Villages the size of estates should not exceed 2% of the existing housing stock. The Policy however continues to provide for small-scale local choice schemes (taking forward the principles of Policy COM.1 in the current Local Plan).

2.41 Policy CS17 proposes that 35% of proposed residential floorspace (GIA) should be affordable on schemes of 5 or more dwellings, subject to viability. This is informed by the 2009 Viability Assessment and assumes no public subsidy. This Assessment will provide additional evidence of housing needs to support this Policy.

2.42 The Core Strategy also includes policies to address loss or subdivision of existing homes, and support bringing empty homes back into use (Policy CS18) in line with the Council's Housing Strategy and Empty Homes Strategy. Policy CS19 encourages provision of specialised accommodation, including extra care provision, in Stratford-upon-Avon, the Main Rural Centres and Local Service Villages.

2.43 In regard to housing mix, Policy CS20 encourages development which contributes to the creation of balanced and sustainable communities by meeting the full range of identified needs by size and tenure. It identifies existing need for 2 and 3 bed family homes; 1-bed flats and bungalows. We understand that Cabinet is particularly keen to address a deficit of 3-bed homes. Again the SHMA Update will provide additional evidence of future requirements.

Previous Research

Joint Housing Market Assessment for South Warwickshire (2005)

2.44 A Joint Housing Market Assessment for South Warwickshire was prepared in 2005 by consultants Outside Research. This describes some key housing related issues in Stratford-on-Avon District and included an analysis of housing needs based on a sample survey of 3,762 households across the District.

2.45 The Joint Housing Market Assessment identified the District as falling within the 'South' Housing Market Area in the West Midlands, alongside Bromsgrove, Malvern Hills, Redditch, Warwick, Worcester, Wychavon and Wyre Forest Districts.

2.46 It identified a number of key issues affecting the District including high levels of housing need with a net shortfall of 954 affordable homes per annum. Need, as a proportion of existing households, was described as highest in the Other Rural Areas followed by Stratford-upon-Avon.

2.47 The report identified a shortfall of 2-bed owner occupied housing and to a lesser extent 3-bed owner occupied housing and 2-bed private rented housing. It identified a particular need for key worker housing given a cost of an entry level home of £167,335 which it identified as out-of-reach of 90.6% of single earner households and 83.3% of households with more than one earner. It also identified that few non-owner occupiers had sufficient savings to buy; this affecting 96% of RSL tenants and 65% of private rented sector tenants.

2.48 More widely, other issues identified included net out-commuting (3,800 persons, May 2001), notable net in-migration to the District, recent rapid house price growth, an above average vacancy level (4.6%, April 2005).

Strategic Housing Market Assessment: Market Review (2005)

2.49 The Joint Housing Market Assessment was updated by in 2009 by Outside Research through the preparation of a Strategic Housing Market Assessment: Market Review. At this point the average house price was £235,750 and prices had begun to fall. However both house prices and private rents remained notably above average relative to other parts of the West Midlands region. The cost of an entry level home had however fallen to £158,500 – 7.6% below that recorded in the 2005 Assessment. Affordability had improved, albeit that access to mortgage finance was identified as constraining the benefits of this.

2.50 The 2009 Assessment estimated a shortfall of 532 affordable dwellings per annum, a significant decrease on the consultants' previous assessment which was a consequence of changes in methodology as to how it was calculated, as much as improvements in affordability. The report however expected levels of housing need to rise if significant new affordable stock was not brought forward.

CONTEXT: POLICY IMPLICATIONS

The National Planning Policy Framework (NPPF) sets out that Local Plans should seek to meet objectively-assessed development needs in their areas where feasible and should plan to deliver a mix of housing based on current and future demographic trends, market trends and the needs of different groups within the community. The Council's draft Core Strategy proposes delivery of 8,000 homes between 2008-28.

Planning policies for affordable housing must be justified by evidence of housing needs; but will also be influenced by the viability of residential development. The NPPF makes clear affordable housing and other policies in Development Plans together with the Community Infrastructure Levy, when considered collectively, should not compromise the viability of development schemes. The draft Core Strategy proposes that 35% of residential floorspace (GIA) should be affordable on schemes of 5 or more dwellings, subject to viability. New-build development is however unlikely to meet all housing needs in the District. Other measures to ensure that those in housing need can secure appropriate housing will be necessary.

National policy encourages social housing providers (Registered Providers) to consider how better use can be made of the existing housing stock to meet housing needs, such as through granting of flexible tenancies and amendments to allocations policies. The Council should work with Registered Providers to consider this through the development of its Tenancy Strategy. It has, with its sub-regional partners, recently amended the Home Choice Plus Allocations Policy.

The Localism Act now allows Councils to discharge the homelessness duty through offer of suitable private rented housing. As we come onto, the Private Rented Sector plays a significant role in meeting housing need in the District. However a range of changes to Local Housing Allowance which are being implemented may over time limit the potential to increase the levels of tenants in housing need accommodated in this sector.

Improving affordable housing delivery in rural areas in the District is identified as a particular objective of the Council's Sustainable Communities Strategy, and that affordable housing delivery will help to retain young people and increase the labour pool locally, supporting the economy. These feed through strongly to the Draft Core Strategy's spatial approach for the distribution of development.

3 HOUSING STOCK & SUPPLY TRENDS

3.1 There are 53,710 dwellings in Stratford-on-Avon District in April 2011. 13.3% of the housing stock is in public sector ownership which falls substantially below the level both across the West Midlands (19.4%) and England (18.0%). In Stratford-on-Avon District, most public sector-owned housing is owned by Housing Associations (Registered Providers). An above average 86.7% of the District's housing stock is in private ownership.

Figure 3.1: Tenure, 2011

Area	Local Authority	Housing Association	Other Public Sector	Private Sector	Total
Stratford-on-Avon	0	6,849	286	46,570	53,710
	0.0%	12.8%	0.5%	86.7%	100%
West Midlands	8.9%	10.3%	0.2%	80.6%	100%
England	7.6%	10.2%	0.3%	82.0%	100%

Source: CLG Housing Statistics, Table 100

3.2 To provide a more detailed picture of the tenure profile of the housing stock in the District, we must look back to the 2001 Census. This indicated above average private sector ownership in the District relative to regional/ national trends. 75% of households in the District were owner-occupiers whilst 11.4% rented homes privately. This reflects the rural nature of the District and its socio-economic characteristics.

Figure 3.2: Tenure, 2001

Sub-area	Owner Occupied	Shared Ownership	Social Rented	Private Rented	Rented from Other
Stratford Town	73.2%	0.4%	12.3%	11.0%	3.1%
Alcester	66.5%	0.8%	20.9%	7.6%	4.3%
Bidford	77.4%	1.5%	12.2%	6.1%	2.8%
Henley	76.4%	0.5%	12.2%	7.5%	3.4%
Kineton	68.9%	1.0%	16.2%	10.2%	3.8%
Shipston	74.9%	0.8%	15.6%	6.3%	2.5%
Southam	76.3%	0.8%	16.9%	4.5%	1.6%
Studley	75.9%	1.1%	14.6%	5.6%	2.7%
Wellesbourne	74.3%	0.3%	15.6%	6.3%	3.4%
Rural Areas	77.7%	0.9%	9.5%	7.3%	4.6%
Stratford District	75.2%	0.8%	12.5%	7.8%	3.6%
West Midlands	68.9%	0.7%	20.6%	6.4%	3.5%
England	68.1%	0.7%	19.3%	8.8%	3.2%

Source: 2001 Census

3.3 The social rented sector comprised 12.5% of the housing stock in 2001. It comprised 12.8% of properties in 2011 indicating that it has grown slightly over the last decade. Figure 3.3 indicates the profile of properties in the affordable sector.

Figure 3.3: Affordable Properties in Stratford-on-Avon District, 2011

	No of Properties	% of Properties
General Needs Rented	6,196	84%
Sheltered & Extra Care Rented	699	9%
Shared Ownership	506	7%
Total Affordable Housing	7,401	100%

Source: SOADC

3.4 The majority of affordable properties in the District are general needs rented properties. There are just under 700 sheltered and extra-care properties targeted primarily at older persons representing 9% of the affordable housing stock. The general needs stock includes 1,075 bungalows and some other properties that are reserved almost exclusively for older people. In addition there are just over 500 shared ownership properties representing 7% of the stock.

3.5 In 1996, Stratford-on-Avon District Council transferred all its council housing to the South Warwickshire Housing Association (SWHA), who have since merged with the Orbit Housing Group to become Orbit Heart of England. Orbit manage 80% of the affordable properties in the District. The largest other Registered Providers are Bromford Group, Gloucestershire Hermitage and Jephson.

Figure 3.4: Ownership of Affordable Properties in Stratford-on-Avon District, 2011

Registered Provider	No Properties	% of Stock
Orbit Heart of England	5,949	80%
Gloucestershire Hermitage	268	4%
Bromford Group	408	6%
Warwickshire Rural	369	5%
Jephson	207	3%
Sanctuary	40	1%
Rural Housing Trust	35	0%
Other Providers	125	2%
Total	7,401	100%

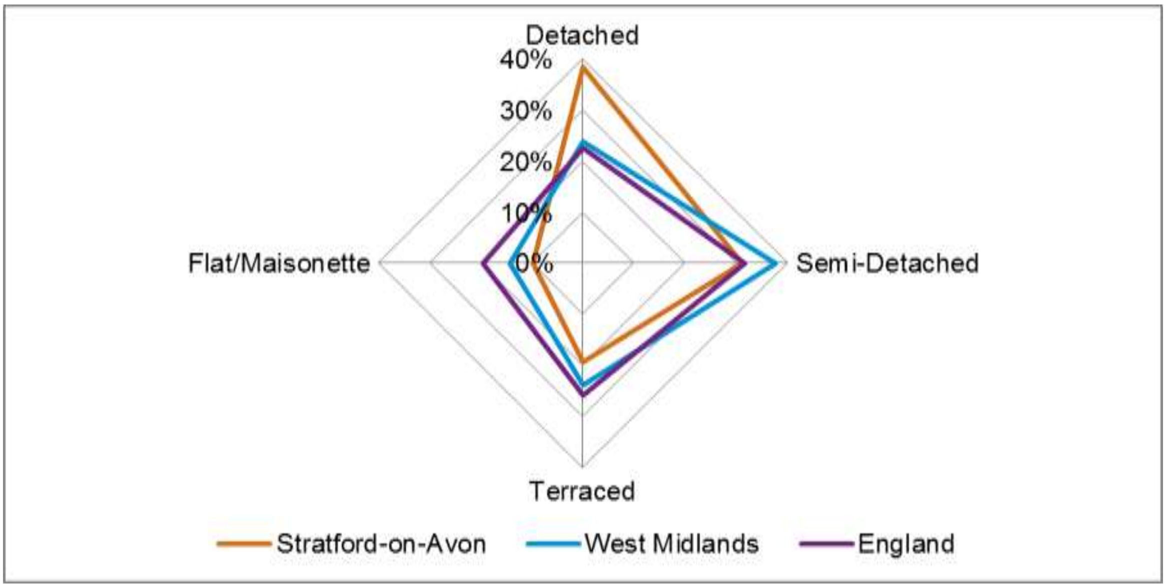
Source: SOADC

3.6 Information is not available at a District level to analyse how the stock of homes in the private sector has changed over the last decade. At the national level, between 2001-11 the number of owner occupier households increased by just 0.6%, whilst the stock of properties in the private rented sector grew by 76%. Households living in the social rented sector fell by -3.9%. The stock of private rented properties has grown substantially over the past decade and in 2011 it is estimated that at a national level, 16.5% of households live within the sector – up from 10.1% in 2001. The impact of the sector on the housing market is greater still as it has the highest turnover of properties, with a turnover of 32% of properties per year (a third) at the national level.

3.7 Across the West Midlands between 2000-10 the overall dwelling stock increased by 7% however we saw a considerable shift between tenures. The stock of homes owned by local authorities or housing associations (primarily social rented) fell by -12%, the owner occupied stock increased by just 1%; whilst we saw significant growth in private renting of 115%.

3.8 In 2001 the housing stock in Stratford-on-Avon District was biased strongly towards detached and semi-detached housing. 38% of the District's housing stock was detached compared to 24% at the regional level and 23% nationally. More up-to-date information on size mix will not be available until release of the 2011 Census data.

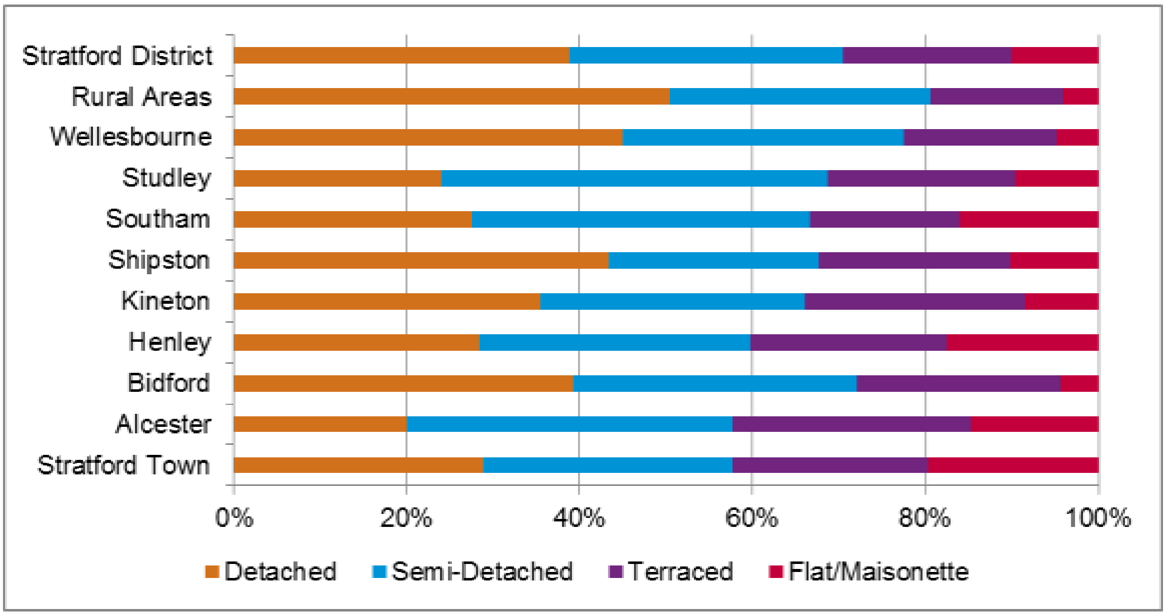
Figure 3.5: House Types, 2001



Source: Census 2001

3.9 The focus of the housing offer towards detached and semi-detached stock reflects the nature of the District comprising rural areas and market towns. Over 40% of the housing stock in the Rural Areas, Wellesbourne Ward and Shipston was detached in 2001. The proportion of terraced and flatted properties was highest (over 40%) in contrast in Stratford-upon-Avon, Alcester and Henley-in-Arden. Semi-detached homes dominated in Studley and Southam.

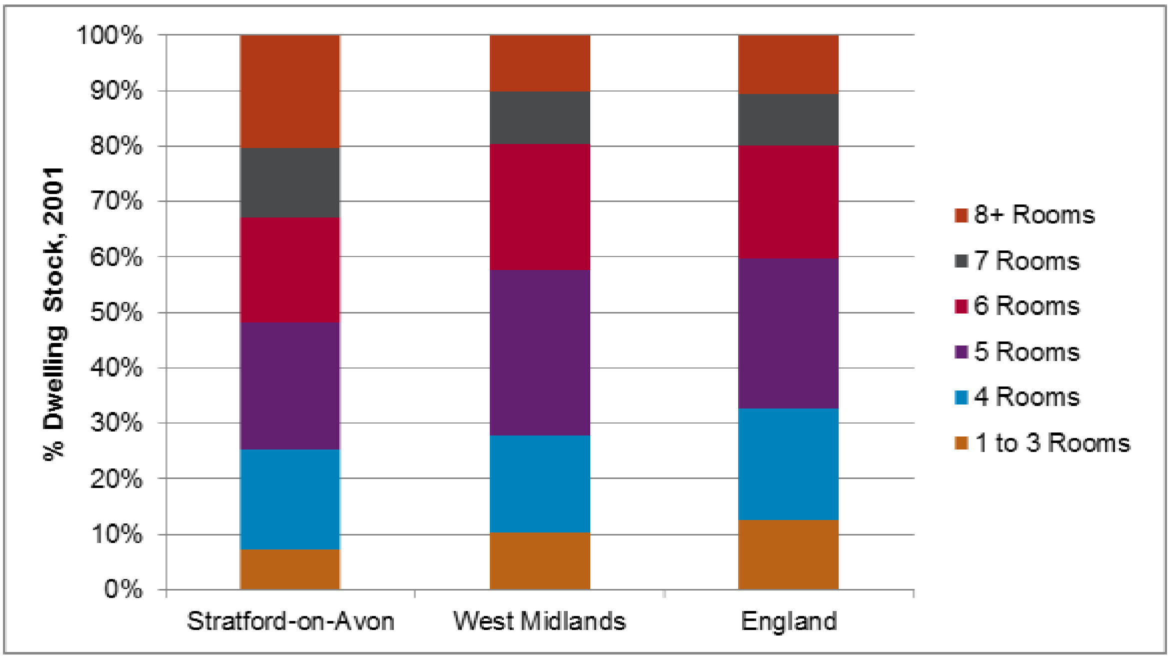
Figure 3.6: Housing Mix across Stratford-on-Avon District, 2001



Source: Census 2001

3.10 The focus of the District's housing offer on larger and more expensive properties is equally demonstrated by the mix of properties of different sizes. A third of properties in the District in 2001 had seven or more rooms (equivalent to a 4+ bed property) compared with a fifth across the West Midlands and nationally.

Figure 3.7: Sizes of Homes, 2001

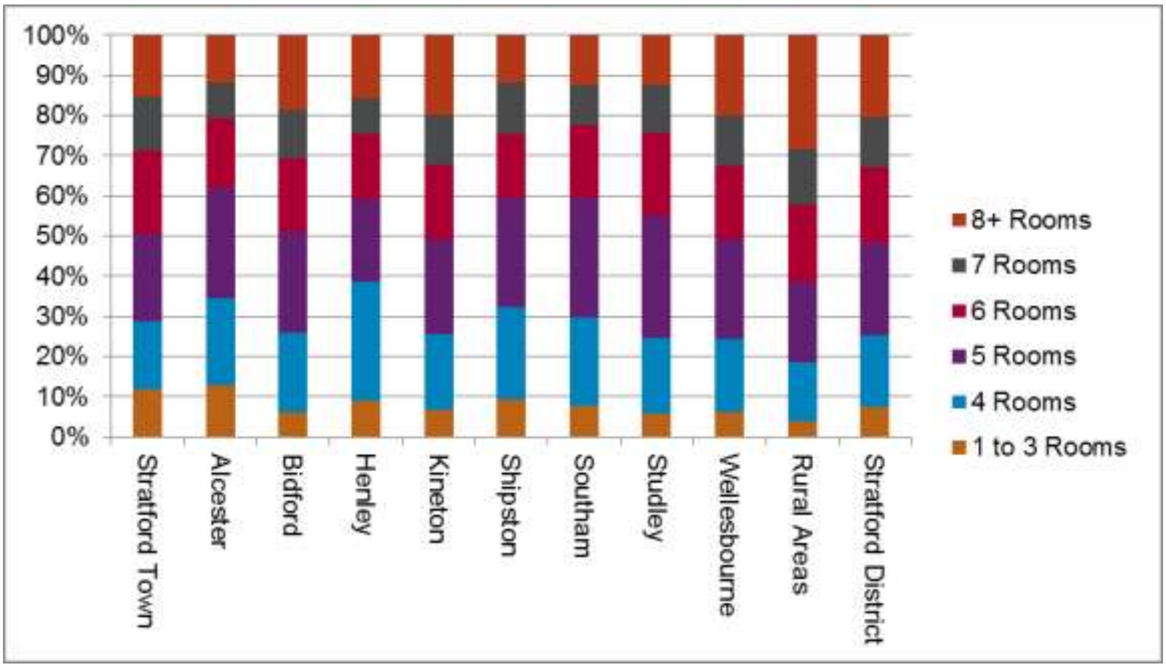


Source: Census 2001

3.11 Two and three bed properties (with 4-6 rooms) continue however to dominate the housing offer, making-up 60% of properties across the District in 2001 (compared to 70% across the West Midlands and 68% nationally).

3.12 Across the District, those areas with the largest number of homes with 7 or more habitable rooms (equivalent to a 4+ bed property) were the Rural Areas, Wellesbourne Ward, Kineton and Bidford. In these areas 4+ bed properties accounted for more than 30% of the housing stock (and more than 40% in the Rural Areas) in 2001.

Figure 3.8: Variation in Sizes of Homes across Stratford-on-Avon District, 2001

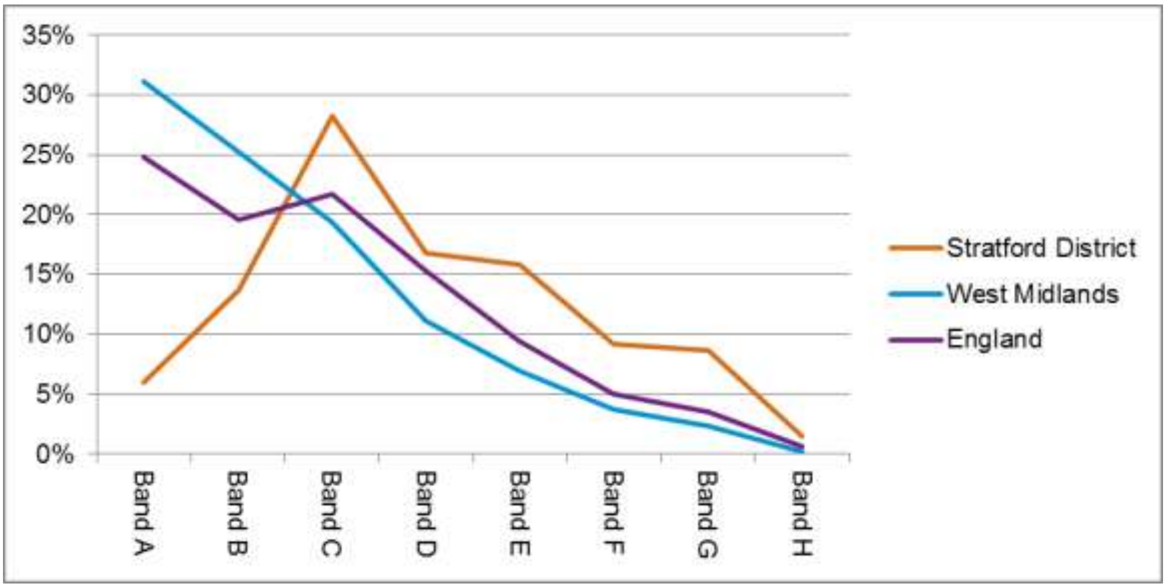


Source: Census 2001

3.13 In contrast, Henley-in-Arden, Alcester, Shipston and Southam had a housing offer with a higher proportion of smaller properties. In these areas in 2001 nearing 60% of the housing stock had between 1-4 habitable rooms.

3.14 We can also consider differences in the housing offer between areas with reference to the profile of homes in different Council Tax Bands. Compared to the West Midlands as a whole, the District has an above average profile of properties in Council Tax Bands C and above, as Figure 3.9 below indicates:

Figure 3.9: Dwellings by Council Tax Band, March 2011



Source: VOA

3.15 Across the West Midlands, 13% of properties fall within Bands E-H. In Stratford-on-Avon District the level is much higher at just over a third of properties (34%). Within the District the level of properties in Bands E-H, which are generally larger and more expensive, is highest in the Rural Areas (49%), Wellesbourne Ward (35%), Kineton (35%) and Stratford-upon-Avon (34%). It is lowest in Studley (12%), Alcester (13%) and Southam (15%) with these areas having a housing offer biased towards lower value properties in Bands A and B (37%+).

Figure 3.10: Dwellings by Council Tax Band, March 2011

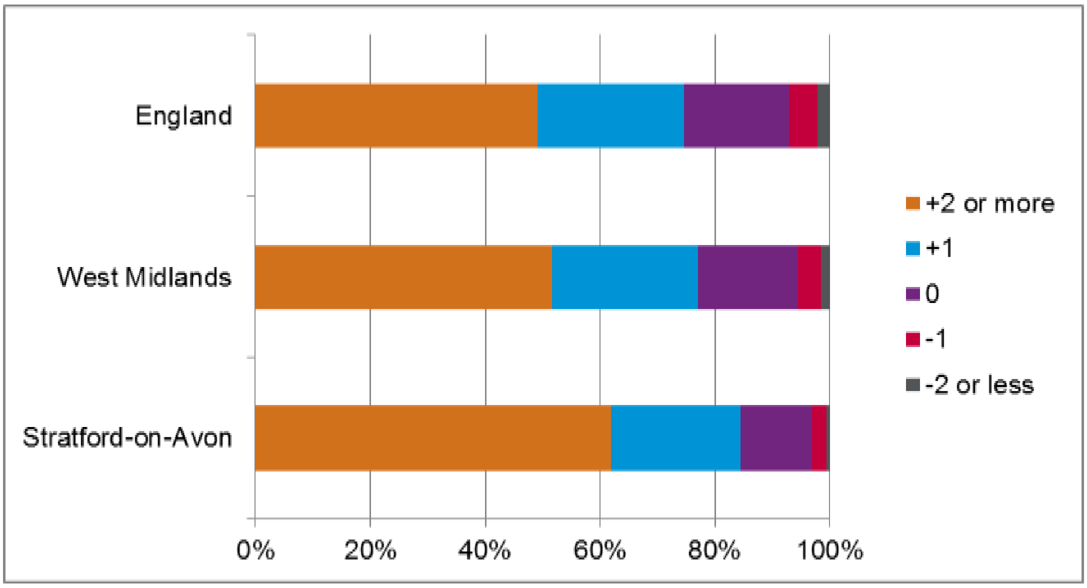
Sub-area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Stratford-upon-Avon	2%	12%	29%	22%	18%	8%	7%	1%
Alcester	10%	27%	40%	10%	7%	4%	2%	0%
Bidford	5%	24%	28%	15%	16%	8%	3%	0%
Henley	19%	4%	25%	22%	11%	10%	7%	2%
Kineton	12%	17%	24%	15%	15%	7%	9%	2%
Shipston	5%	13%	34%	23%	17%	5%	3%	0%
Southam	14%	24%	35%	12%	8%	5%	1%	0%
Studley	10%	32%	35%	11%	8%	3%	1%	0%
Wellesbourne	2%	10%	33%	20%	19%	9%	6%	1%
Rural Areas	5%	9%	24%	14%	18%	13%	15%	3%
Stratford District	6%	14%	28%	17%	16%	9%	9%	1%
West Midlands	31%	25%	19%	11%	7%	4%	2%	0%
England	25%	20%	22%	15%	9%	5%	4%	1%

Source: VOA

3.16 A housing offer biased towards larger, more expensive properties (and more affluent households) feeds through into higher levels of under-occupancy of the housing stock. This has been assessed using the bedroom standard which compares the size of a household to the number of rooms required taking account of the age, sex and marital status and relationships of family members.

3.17 Across the District almost three quarters of households under-occupied homes in 2001 using the Census 'occupancy rating' measure. Overcrowding affecting just 3% of households compared to 6% across the West Midlands.

Figure 3.11: Overcrowding & Under-Occupation, 2001



Source: Census 2001

3.18 Under-occupancy varies relatively moderately by area across the District, between 74% of households in Alcester and 90% in the Rural Areas.

3.19 Of the total housing stock, 3.0% was vacant in April 2011. This is broadly consistent with the regional and national profile and a sufficient level to support frictional turnover of homes within the overall housing market.

Figure 3.12: Vacancy, 2011

Area	Vacant Dwellings	Dwelling Stock	% Vacancy
Stratford-on-Avon	1,604	53,710	3.0%
West Midlands	69,491	2,358,300	2.9%
England	662,105	22,814,000	2.9%

Source: HSSA 2011

3.20 The latest publically-available data indicates that there were 777 second homes in the District in 2007 equivalent to 1.5% of the total housing stock. This is 50% above the national average (1.0%) and higher still relative to the rest of the West Midlands. This is a function of the District's quality of life, but does restrict access to housing for local people.

Figure 3.13: Second Homes, 2007

Area	Second Homes	Housing Stock	% Second Homes
Stratford-upon-Avon	297	12,547	2.4%
Alcester	23	2,789	0.8%
Bidford	25	2,883	0.9%
Henley	35	2,198	1.6%
Kineton	27	1,842	1.5%
Shipston	17	2,336	0.7%
Southam	22	2,767	0.8%
Studley	14	2,538	0.6%
Rural Areas	288	19,085	1.5%
Stratford District	777	52,891	1.5%
West Midlands	11,818	1,968,805	0.6%
England	186,923	18,343,815	1.0%

Source: CLG, 2007

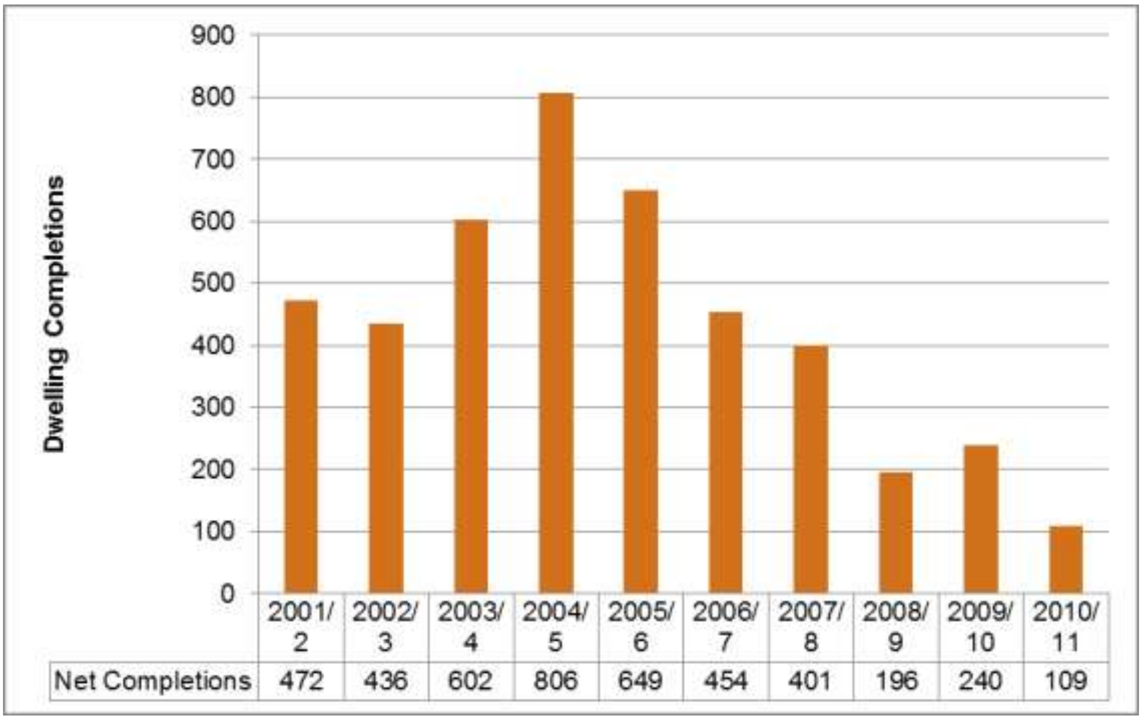
3.21 Figure 3.13 indicates that second home ownership is highest in Stratford-upon-Avon (2.4%), but is also above 1.5% in the Rural Areas, Kineton and Henley-in-Arden. These figures may include some holiday lets.

3.22 The above analysis profiles the existing housing stock. We have also profiled how the stock of housing in the District has changed over the last decade. Between 2001-2011 the total housing stock in the District has increased by 8.8% - this is above the England average of 7.6% and the average for the West Midlands (6.0%). This is consistent with an area in which there is strong demand for homes.

3.23 Figure 3.14 profiles net housing completions over this period. Between 2001-2 and 2010-11 housing delivery has fluctuated significantly between delivery of 806 homes (net) in 2004/5 and a low point of 109 in 2010/11. Housing completions have been particularly low over the last three years, influenced by both market conditions and policy factors (a moratorium).

3.24 Average net completions over the last 10 years have been 437 dwellings per annum. In the pre-downturn period (2001-8) completions were however stronger, averaging 545 per annum.

Figure 3.14: Net Completions, 2001/2 – 2010/11



Source: SOADC 2010/11 Annual Monitoring Report

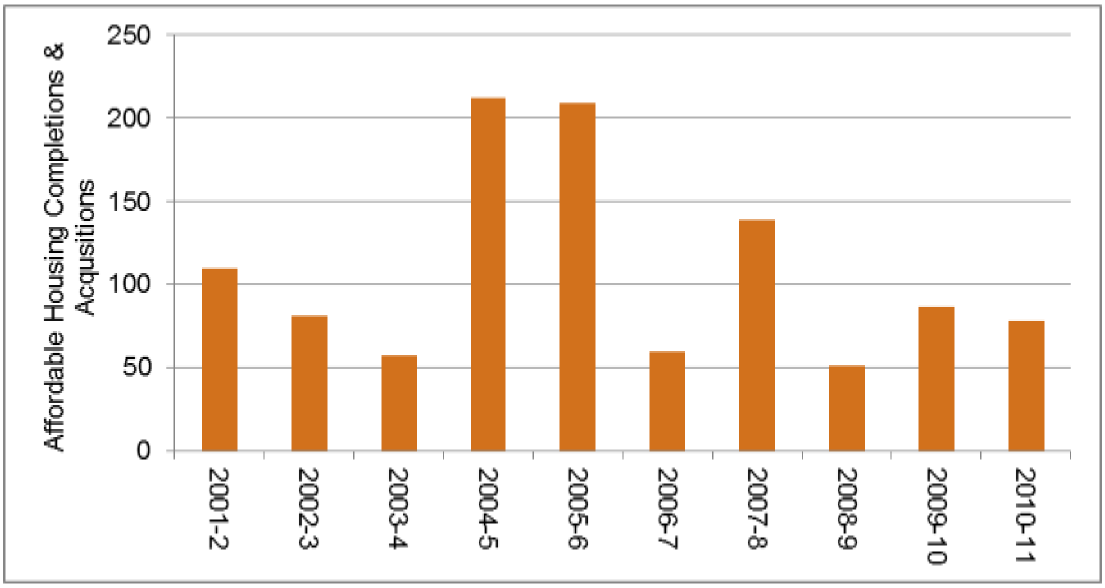
3.25 The substantial downward trend in housing completions since 2004/5 is likely to have been influenced by a number of factors. During the period 22 June 2006 to 31 March 2011 the Council applied a housing moratorium through its Managing Housing Supply SPD which meant that applications for housing development would normally be refused. The moratorium was intended to limit the potential over-provision of housing against the targets of the Regional Spatial Strategy. This, together with the impact of housing market conditions since 2008 have impacted on the trends in housing completions (as well as the development pipeline moving forwards).

3.26 Set against the housing requirement proposed in the Draft Core Strategy 2012 of 8,000 dwellings between 2008-28 (400 per annum), a total of 545 have been constructed over the first three years of the plan period (182 per annum). Reflecting limited housing delivery over the last three years, delivery is behind track. There is thus a residual requirement to deliver 438 homes per annum moving forward. There is a capacity of 1780 dwellings on sites either under construction (as at April 2011) or with planning consent (as at April 2012).

3.27 The Council's Five Year Land Supply Assessment (April 2012) estimates that the Council has a housing land supply of 5.3 years for the 2012-17 assessment period. The Housing Trajectory indicates that housing supply is projected to increase over the period to 2014/15.

3.28 Turning to look at affordable housing delivery, a total of 1,084 affordable homes have been completed or acquired by Registered Providers over the 2001-11 decade. Delivery was strongest between 2004-6 (in line with overall housing delivery) as Figure 3.15 below indicates.

Figure 3.15: Affordable Housing Completions & Acquisitions, 2001-11



Source: SOADC Affordable Housing Completions Monitoring

3.29 Over the last five years as a whole around 26% of net completions have been of affordable housing. However this rises to 70% in 2010/11 reflecting very low levels of delivery of new market housing.

Housing Stock & Supply Trends: Policy Implications

Stratford-on-Avon District has above average levels of private sector home ownership (86.7%) and a below average proportion of affordable housing (13.3% in 2011). Its housing offer is biased towards larger detached and semi-detached properties, with around a 1/3 of properties in 2001 having 4 or more bedrooms and 34% of properties in 2011 falling in Council Tax Bands E-H. A focus of the housing offer on larger and more expensive properties contributes to difficulties in younger households and those on lower incomes securing housing they can afford. This is likely to have contributed to population dynamics, with a reduction in people in their 20s and early 30s living in the District. There is a need to diversify the housing offer.

The private rented sector has grown substantially in size at a national and regional level over the last decade. It has been the key growing housing tenure. While it is likely to have grown in Stratford-on-Avon District, we suspect that it has grown less substantially than in other parts of the region.

The housing moratorium in place between 2006-11 has led to a substantial reduction in housing delivery over the last 7 years in the District. This has supported reduced in-migration but is also likely to have suppressed household formation (alongside wider market dynamics). The impact has been very significant with just 33 new private sector homes delivered in 2010/11. As a result the development pipeline in the short-term is also relatively modest.

The affordable housing stock has grown over the last decade, and has increased moderately as a proportion of all housing. 26% of new housing delivered over the last five years has been of affordable housing (in part influenced by the moratorium).

Improved availability of affordable and private rented homes will support the Council's policy objectives to retain younger households and support the local labour pool, which will help to limit growth in in-commuting to the District to work.

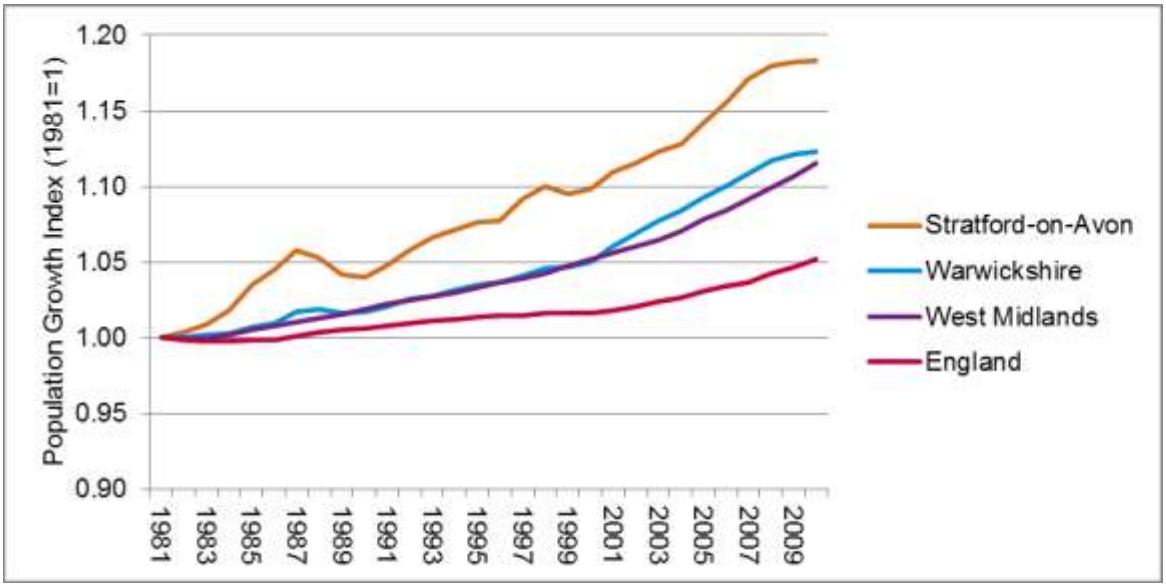
4. SOCIO-ECONOMIC CHARACTERISTICS

4.1 In this section we consider the socio-economic characteristics of the District's population as well as the characteristics of the economy and labour market.

Population

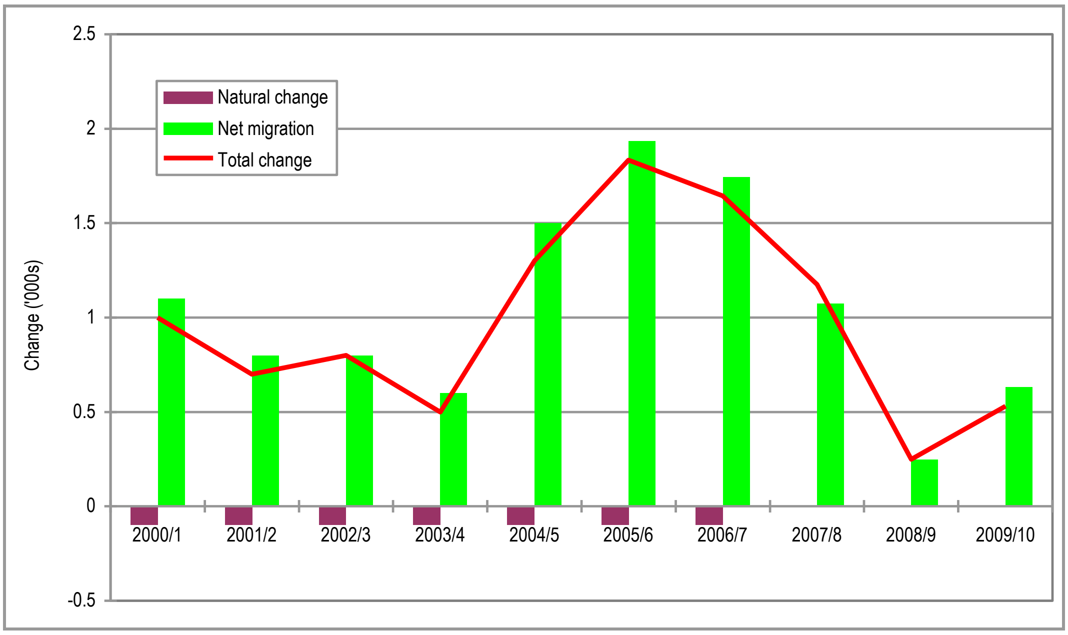
4.2 Stratford-on-Avon District had an estimated population of 119,000 in mid-2010. As Figure 4.1 indicates, the District's population has grown at a faster rate than that at the regional or national level since 1981. Over the previous decade, 2000-2010, the District's population grew by 7.7%. This is higher than the growth in population across Warwickshire (6.9%) and England (6.1%) and substantially above average for the West Midlands (3.5%). This highlights the different housing demand characteristics in the District and South Warwickshire more widely (with stronger housing demand) relative to the wider region.

Figure 4.1: Population Trends, 1981-2010



Source: ONS Mid-Year Estimates

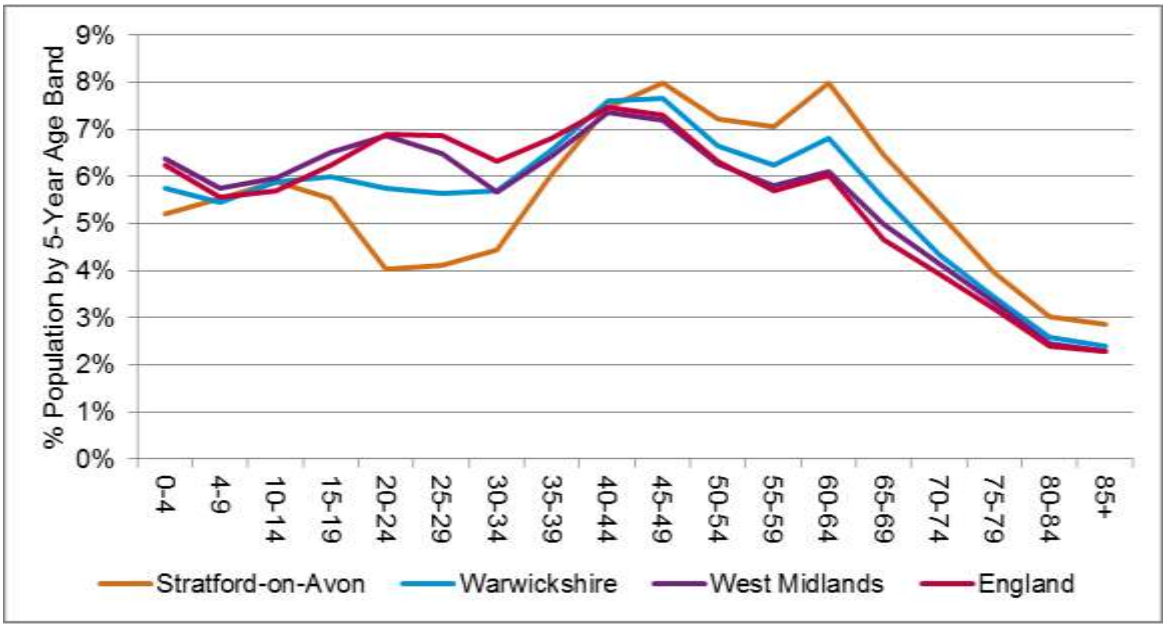
Figure 4.2: Components of Population Change (2000/1 to 2009/10)



Source: ONS Mid-Year Population Estimates

4.3 The District has a population structure skewed towards older age groups, with an above average population in all 5-year age groups over 45 years. It has a low proportion of residents aged between 15-44 with a particularly low proportion aged in their 20s and early 30s. This structure is partly influenced by the District's geography and characteristics; but is also likely to be influenced by the skew of the housing offer and pricing towards larger, more expensive properties.

Figure 4.3: Population by 5-Year Age Band, 2010



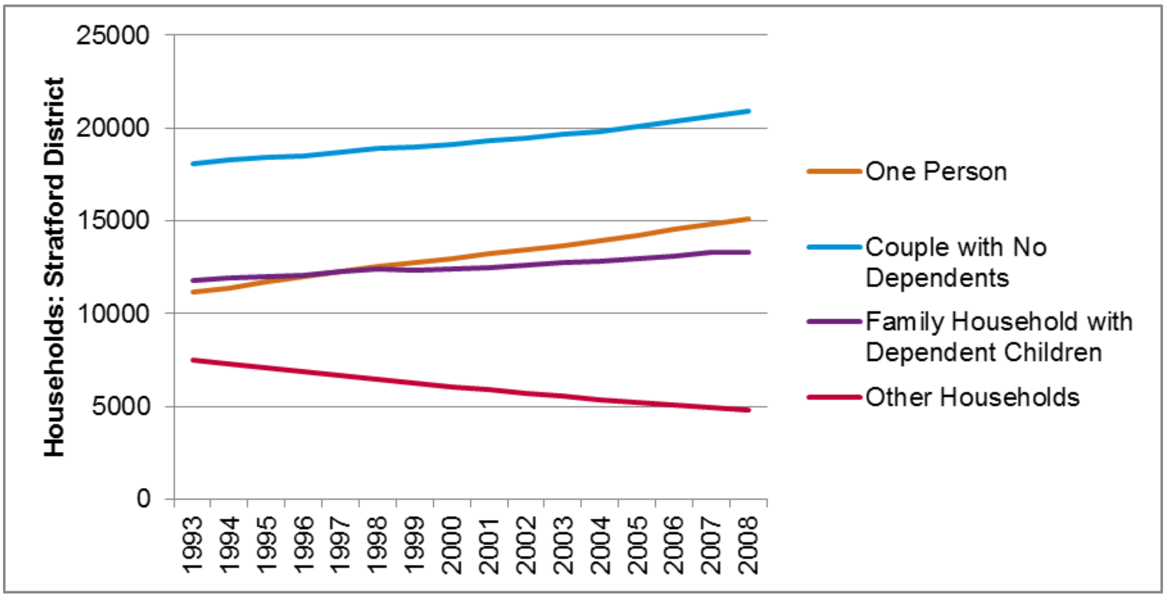
Source: ONS Mid-Year Estimates

4.4 The District is substantially less ethnically diverse that the West Midlands as a whole, with the White British/Irish population making up 90.9% of the District's population in 2009 compared to a West Midlands average of 83.5%. Of the resident Black and Minority Ethnic (BME) population in mid 2009 of 10,800 persons, the largest groups were White Other (3,800 persons) which is likely to include Eastern European migrants; and Asian/Asian British (2,000 persons). Other ethnic groups include 500 persons or less.

4.5 Household estimates are published by Communities and Local Government up to 2008. There were an estimated 54,200 households in the District in 2008. The number of households in Stratford-on-Avon District is estimated to have increased by 11% over the 1998-2008 decade, which is stronger than growth at a regional (6%) and national (9%) level. This is consistent with stronger population growth.

4.6 The structure of households has been changing notably over the last 20 years. The numbers of both single person households and couples without any dependents have been growing (and at similar rates) between 1993-2008. Both have been growing more rapidly than the numbers of households with children. In contrast, there has been a notable drop in the number of 'other' households.

Figure 4.4: Changes to Household Composition, 1993-2008



Source: CLG 2008-based Household Projections

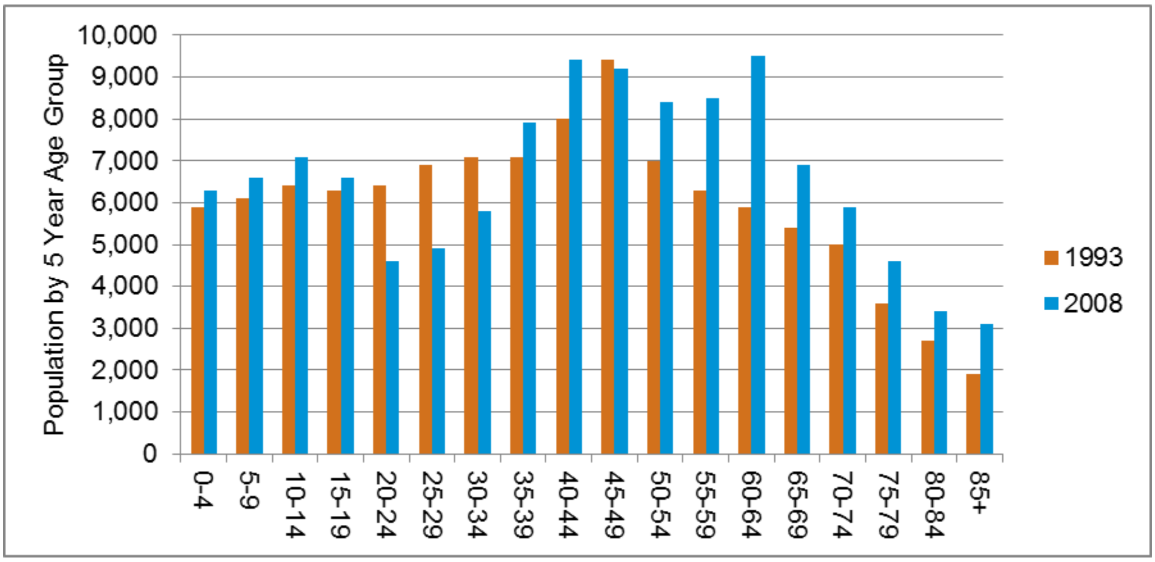
4.7 To understand the changes in household composition, it is instructive to analyse how the population age structure has changed over this period. The analysis highlights that over this 15 year period:

- At a national level we have seen an increasing proportion of households in their 20s living in the private rented sector, including in shared accommodation, over the last decade.
- The number of people aged 20-34 in Stratford-on-Avon District has declined dramatically, in absolute and relative terms between 1993-2008. Similarly we have seen a decline in 'other households.' It seems likely that high (and growing) housing costs have meant that a growing proportion of young people cannot afford to live in the District;

- This drop in the population of 'younger working age' could have created some difficulties for businesses in recruiting people for lower-skilled jobs. We are aware of some anecdotal evidence of this;
- We have seen a strong growth in the population in all age groups over 50 over the 15 year period, with particularly strong growth in households in their 50s and early 60s. The District's quality of life and housing offer are likely to play an influence here, where it is these households who have built up sufficient equity and earnings to be able to afford a property in the District.
- It is linked to this the growth in the population aged over 50 that we see a notable growth in single person and couple households without dependent children. In many cases this is likely to include households whose children have left home.

4.8 The composition of households in the District in 2008 was biased towards single person households (28%) and couples with non-dependent children (39%) reflecting the age structure of residents. Just a quarter of households (25%) have children, with older households making up 9% of the total.

Figure 4.5: Changes in the District's Age Structure, 1993 & 2008



Source: ONS Mid-Year Population Estimates

Economy & Labour Market

4.9 Next we turn to consider economic and labour market dynamics. GL Hearn and Regeneris Consulting were commissioned by the District Council to prepare an Employment Land Review (ELR) in 2011. This report includes a detailed profile of the District's employment and business base and labour market. Rather than repeat this analysis, we have focused herein on drawing out key relevant themes and updating key indicators as appropriate.

4.10 The ELR estimated that Stratford-on-Avon District was a £2.4 billion economy with productivity levels which are similar to the national average. Total employment was recorded at 53,900 jobs (2009). The latest statistics indicated that in 2009-10 employment grew by 1.9% (recovering some of the job losses experienced between 2008-9) to 55,000. Between 2008-10 the statistics indicate that while full-time employment declined; job losses were moderate overall with an increase in part-time employment as companies reduced hours rather than lay-off staff.

4.11 Within the District, Stratford-upon-Avon is the main employment centre, with the ELR suggesting this accommodates around a third of jobs within the District. Looking back to 2001, the ELR provided an analysis of the relative balance of jobs and population and how this influences commuting in Stratford and the Main Rural Centres. We have replicated this below:

Figure 4.6: Travel to Work Flows in 2001

		In Commuting	Out Commuting	Net Flow
District	**Stratford-on-Avon**	18,852	22,455	-3,603
Market Towns and other Large Rural Centres	**Stratford-upon-Avon**	16,766	4,238	12,528
	Alcester	4,407	2,409	1,998
	Bidford-on-Avon	1,420	2,254	-834
	Henley-in-Arden	1,373	1,266	107
	Kineton	2,799	1,471	1,328
	Shipston-on-Stour	834	1,218	-384
	Southam	1,707	2,282	-575
	Studley	1,437	2,215	-778
	Wellesbourne	1,260	2,374	-1,114

Source: Census 2001

4.12 This analysis indicates that in 2001 there was a net inflow of people to work in Stratford-upon-Avon, as well as to Alcester, Kineton and Henley-in-Arden. Commuting patterns may however have changed over the last decade.

4.13 While there is no more recent information on local commuting patterns, survey data from the Annual Population Survey in 2008 provides some indication of how commuting patterns between different local authorities may have changed. This suggests that the number of residents who commute out of the District to work has increased, from a third (33%) in 2001 to 41% in 2008. It suggests that commuting to Warwick District, Redditch, Rugby and Cherwell District has increased in relative terms. Equally it indicates that in-commuting to work in the District has increased; with an growing number of workers commuting in from Redditch, Wychavon, Birmingham, Coventry, Cherwell and other parts of the West Midlands conurbation.

4.14 The reasons for changes in commuting dynamics are likely to be complex; however the analysis undertaken in the Employment Land Review indicated that out-commuting was biased more towards higher-level occupations (60%); whilst those commuting into the District to work were more evenly spread with a higher proportion (35%) to lower-level occupations. The analysis suggests that:

- The District's residential offer is attractive to those in higher-paid occupations who can afford to live in the District and commute; whilst
- Limited provision of lower-value market and affordable housing does potentially result in some in-commuting of lower-paid workers into the District to work (particularly from Redditch).

4.15 In regard to the overall balance between jobs and population, the District had a relatively high jobs density in 2010 of 0.95 (i.e. 95 jobs per 100 working-age population aged 16-64). This is significantly above the regional and national averages of 0.75 and 0.77 respectively.

4.16 Overall, the District has a very enterprising economy. It has around 8,100 businesses (2008) with a high business density of around 120 businesses per 1000 population, as well as strong levels of self-employment. A relatively high proportion of businesses, 25.5% in 2008 were classified as 'knowledge-based' including key higher-value added manufacturing employers such as Jaguar Land Rover and Aston Martin. There were 9,100 self-employed residents in 2010-11 representing 11.3% of the population aged 16-64 compared to 8.2% and 9.1% at the regional and national levels[1].

4.17 The structure of the economy overall is relatively balanced. It is relatively resilient with moderate public sector employment. The largest employment sectors include retail and wholesale activities, education, postal and courier activities, public administration and the leisure sector. The retail, leisure and tourism sectors are strongly represented in Stratford-upon-Avon. There is a strong manufacturing and R&D presence associated with Jaguar Land Rover at Gaydon. Distribution employment is more strongly represented at Wellesbourne. The health sector is strongly represented at Alcester, Bidford and Shipston-on-Stour.

4.18 While the economy within the District has performed relatively well, there are a number of headwinds at a national level. The UK economy in recent quarters has continued to struggle to and is now (as at May 2012) back in recession.

4.19 In terms of employment and unemployment across the UK, while there was some recovery with an increase in employment through 2010 and early 2011 (albeit not recovery to pre-recession levels), economic indicators suggest that in the second half of 2011, employment has once again begun to fall and unemployment to rise. Nationally, employment dropped 197,000 (0.4%) in Q3 2011, with unemployment increasing by 172,000.

4.20 Consumer and business confidence remains fragile, with major risks associated with economic weakness within the Eurozone economies (a major export market for UK businesses), the vulnerability to further financial shocks affecting the global banking system and capital markets resulting in further lending constraints, as well as potentially further Government borrowing.

Labour Market Dynamics

4.21 Turning next to consider labour market dynamics, the District has a relatively small working-age population (16-64) representing 61% of residents compared to 63.5% across the West Midlands and 64.8% nationally. Between 2000 – 2010 the District's population grew by 7.7% however the population aged 16-64 increased by just 2.4% (1700 persons).

4.22 The analysis within the ELR indicated that the working-age population increased between 2001-9 in Stratford-upon-Avon, Shipston-on-Stour and Bidford-on-Avon, but declined in the other market towns and rural areas.

4.23 Looking more specifically at skills and labour market characteristics, key characteristics are as follows:

- Labour market skills are relatively strong: a substantial 37.7% of residents are qualified to NVQ 4 or above (equivalent to a degree) which is substantial above regional and national averages (26.0% and 31.3% respectively). Just 8.4% of the resident population have no formal qualifications[2];
- Economic participation rates are also notably above average: 78.4% of the population are economically active compared to 73.8% across the West Midlands. 75% of those aged 16-

[1] *Source:* Annual Population Survey, 2010-11
[2] Annual Population Survey 2010

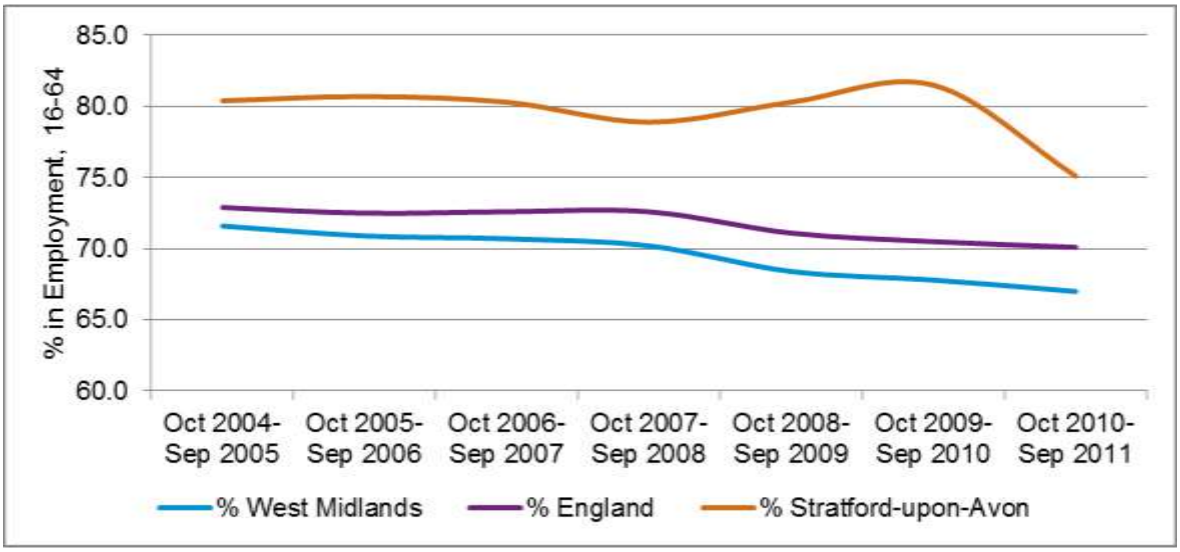
64 are in employment which is notably above the West Midlands (67%) and Great Britain (70%) averages. Of those who are economically inactive, an above average proportion (24%) are retired;

- Unemployment is below average, linked to the above. Office for National Statistics (ONS) estimate unemployment at 4.1% in 2010-11 which is less than half the West Midlands average of 9.0%. The latest data on Jobseekers Allowance indicates a claimant rate of 1.5% of the working-age population compared to 4.8% across the region and 4.0% nationally.

4.24 As at April 2012 there was 1 JSA clamant in the District per unfilled Jobcentre vacancy.

4.25 Figure 4.7 tracks changes in the employment rate. This indicates that while it is still above average, it has declined by about 5% over the last year indicating that the protracted period of stagnation/recession is having an impact on the local economy.

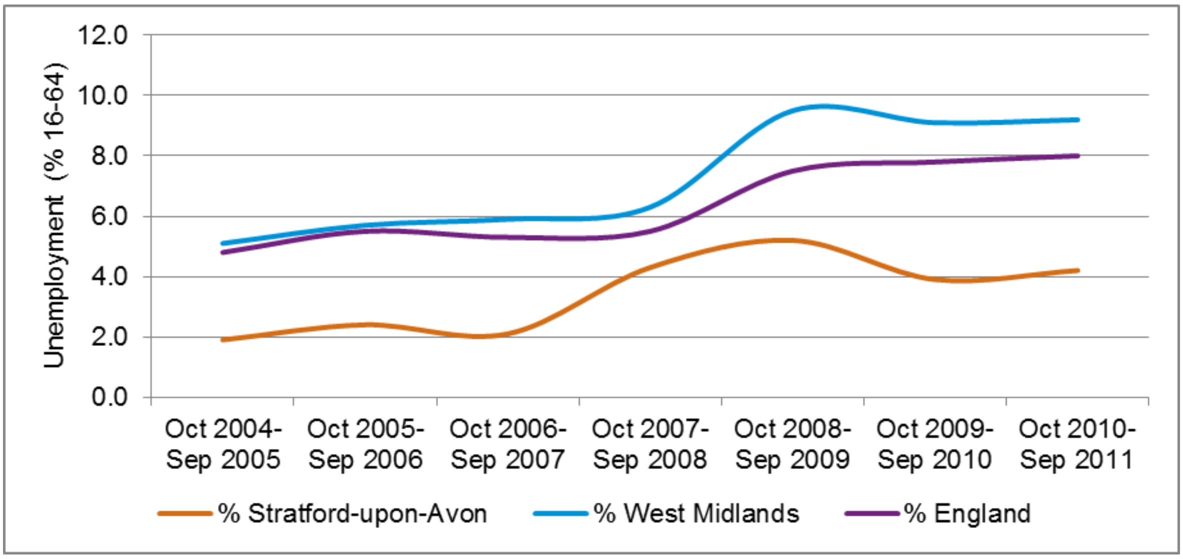
Figure 4.7: Employment Rate



Source: Annual Population Survey

4.26 This recent reduction in the employment rate is not mirrored by an increase in unemployment suggesting that it is residents moving out of the labour force (such as taking retirement).

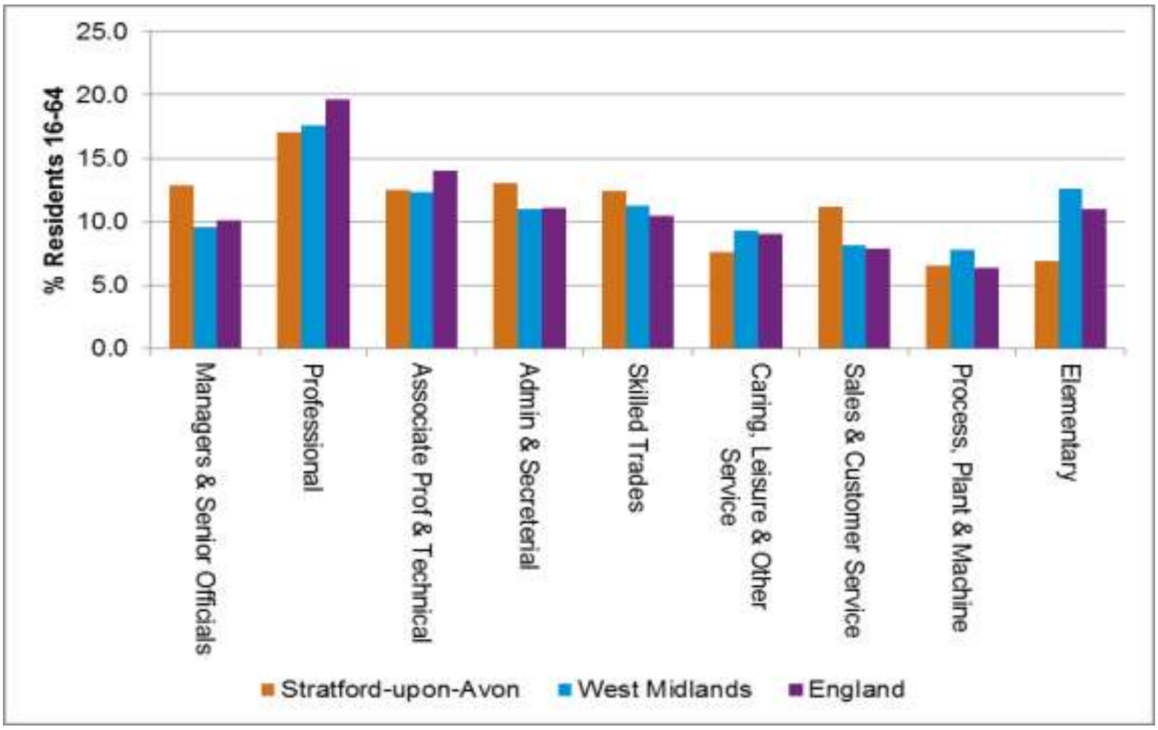
Figure 4.8: Unemployment



Source: Annual Population Survey

4.27 The strong skill levels of the local population are borne out in the profile of employment by occupations. In Stratford-on-Avon District the largest employment categories and managerial and professional, with 30% of residents falling into these groups compared to 27.2% across the West Midlands. Employment in skilled trades, administrative and secretarial and sales and customer service occupations is however also above average – in part influenced by the retail/ tourism employment in Stratford-upon-Avon.

Figure 4.9: Occupational Profile (Residence-based)



Source: Annual Population Survey (2010-11)

4.28 The analysis in the ELR indicated that as well as those who live in the District, people that work in the District tend to have better skills and qualifications relative to regional and national averages. However skill levels of those working in the District are slightly lower than those living within it, indicating that there is some out-commuting of higher-paid / skilled residents to surrounding employment centres.

4.29 This is also supported by an analysis of earnings. The earnings of the District's residents in work are 10% above those working in the District. This is indicative of out-commuting to higher paid jobs.

4.30 Workplace earnings are higher on average in Warwick District, Birmingham and Coventry (the top three destinations for those commuting out of the District to work). In contrast, they are lower than Stratford-on-Avon District in Redditch (which has the highest flow of workers into Stratford-on-Avon District to work).

Figure 4.10: Gross Annual Earnings, Full-Time Workers (2011)

Full Time Workers	Residents	Workers
Stratford-on-Avon	28,103	25,537
Birmingham	24,371	26,659
Coventry	25,130	26,583
Redditch	21,934	22,454
Warwick	28,811	27,002
West Midlands	24,568	24,550
England	26,615	26,601

Source: Annual Survey of Hours & Earnings

4.31 Relative to the national average, residents' earnings are 6% above average which is indicative of the occupational profile of those living in the District. Workplace earnings relate more to the productivity of the local economy: these are a moderate 4% below the national average in 2011 but above average for the West Midlands region.

Socio-Economic Characteristics: Policy Implications

The District falls within one of the most growth-orientated parts of the West Midlands region: one which has a strong housing-quality of place offer and is aligned to growing economic sectors. This is borne out in relatively stronger housing demand and above average population growth.

However household growth in the District has been focused towards single persons and couples without children, and generally to people aged over 50. This reflects the nature of the housing stock and its affordability. The population aged 20-34 has declined and affordability of housing is likely to be one of the contributory factors to this.

Nonetheless the economy appears to have performed relatively well both before and through the recession. However the nature of the housing market appears to be driving an increase in commuting both in to the district (focused towards lower skills) and out of the district (particularly of higher earners). This will potentially contribute to congestion is not supported by investment in infrastructure.

Moving forward delivery of 8000 dwellings between 2008-28 (as we will come onto) is expected to result in a reduction of over 4,000 in the number of residents in work in the District over the plan period. Economic participation is already strong, providing limited opportunity to support employment growth by bringing people back into work. It seems likely that in-commuting may increase further including to Stratford-upon-Avon which is the largest employment centre within the District. It will be important that this is planned for if congestion is not to limit economic performance.

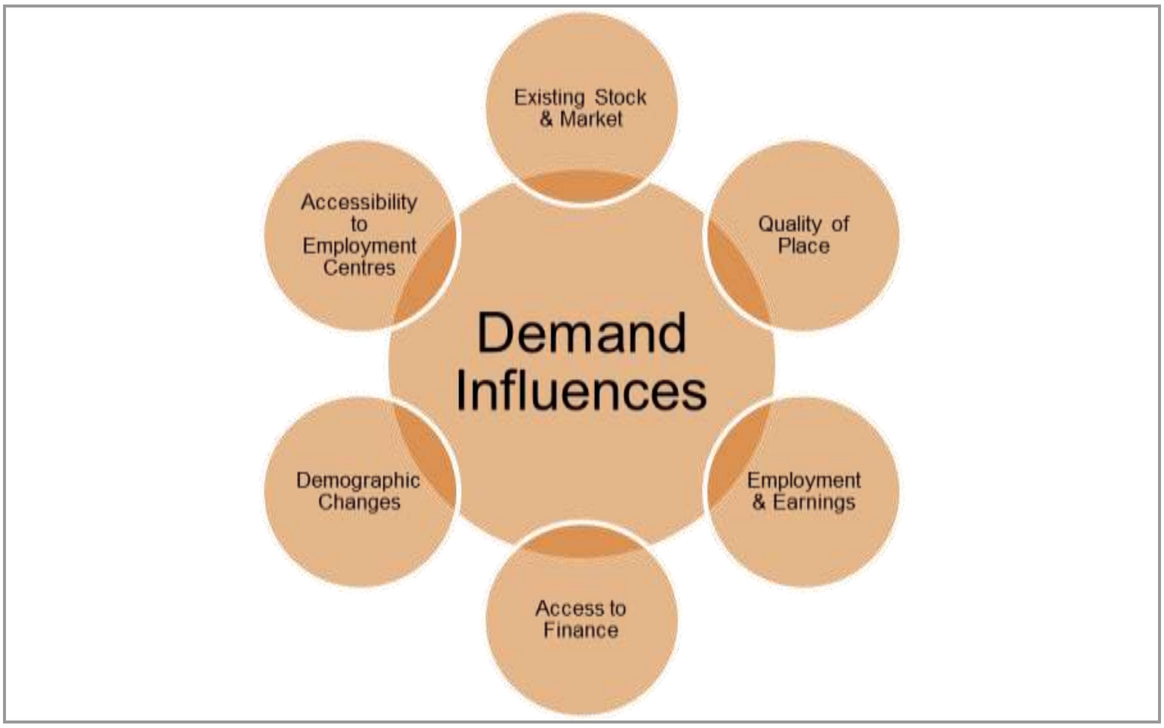
5. HOUSING MARKET DYNAMICS

Introduction

5.1 This section of the report explores housing market dynamics. It considers key influences on housing demand, looking first at macro-economic factors before moving to consider more local dynamics, building on an interrogation of house prices and sales rates together with qualitative evidence from local estate and letting agents. We draw the analysis together at the end of the section to consider prospects for the housing market.

5.2 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are summarised in the chart below (Figure 5.1).

Figure 5.1: Understanding Housing Demand



Source: GL Hearn

5.3 The housing market is complex. It is influenced by the economy at both a macro-economic level, in terms of interest rates and mortgage availability as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). It is also influenced by the economy at both regional and local levels, recognising that employment trends will influence migration patterns (as people move to and from areas to access jobs), and that the nature of employment growth and labour demand will influence changes in earnings (which influences affordability).

5.4 Housing demand over the longer-term is influenced by population and economic trends. Changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products. Economic performance influences migration between different areas.

5.5 There are then a number of factors which play out at a more local level, within a functional housing market, and influence demand in different locations. These include quality of place, school performance and the catchments of good schools, the accessibility of areas including to employment centres (with transport links being an important component of this), and the existing housing market and local market conditions. These factors influence the demand profile and pricing, against a context in which households compete within the market for housing.

5.6 At a local level, this means that the housing market (in terms of the profile of buyers) tends to be influenced by and reinforce to some degree around the existing stock. However regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

5.7 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

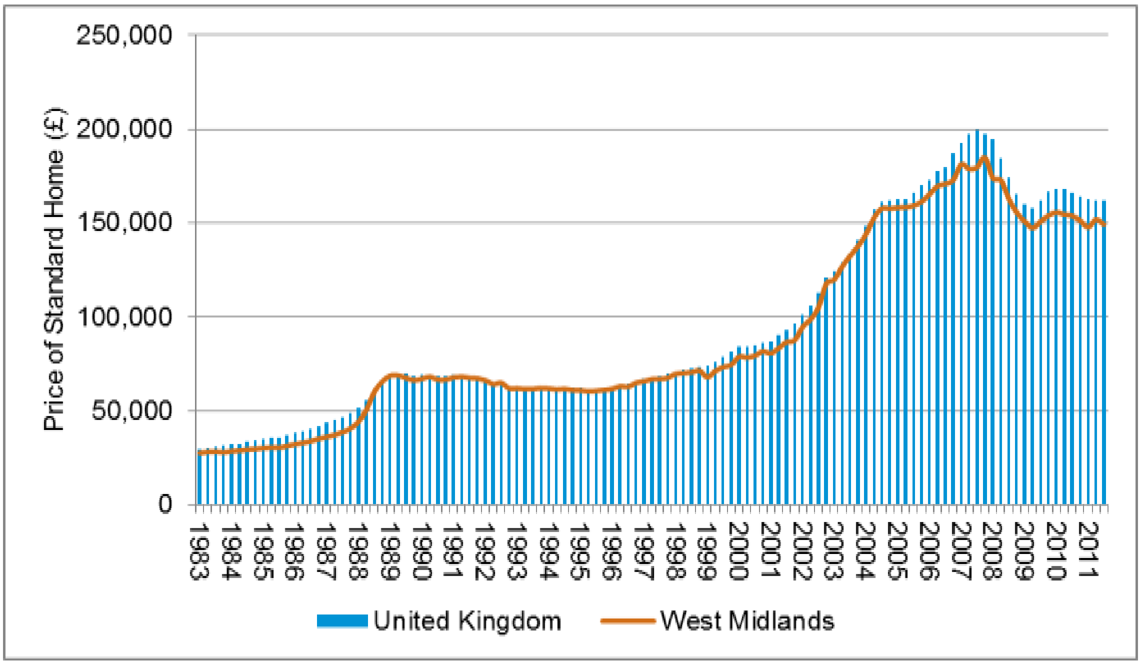
Understanding Macro-Economic Dynamics

5.8 Much has been written over the last few years about economic performance and outlook. The UK economy, as well as a number of the major global economies, experienced an economic recession which lasted six quarters from Q3 2008 until the end of 2009. Over the last two years (2010 and 2011) the economy has grown but relatively weakly. As of early 2012 it has returned to recession.

5.9 The Halifax House Price Index (for a standard property) indicates that UK house prices fell sharply between Q4 2007 – Q2 2009. They peaked at £199,766 in Q3 2007. To Q2 2009 they then lost 21% of their value (£42,000) with the price of a standard home falling to £157,767. These trends were replicated in the West Midlands where prices peaked at £184,958 in Q4 2007 but then fell to £147,363 in Q2 2009 (a loss of 20%).

5.10 In the second half of 2009 and early 2010 there was some recovery, however since Q3 2010 the index records that house prices have fallen in each quarter. The latest house price data indicates that that the price of a standard property in Q3 2011 lies at £149,242 in the West Midlands and £162,211 across the UK. The price of a standard home has fallen by -3.0% in the West Midlands and -2.3% across the UK over the 12 months to Q3 2011.

Figure 5.2: Long-Term House Price Trends, UK & West Midlands



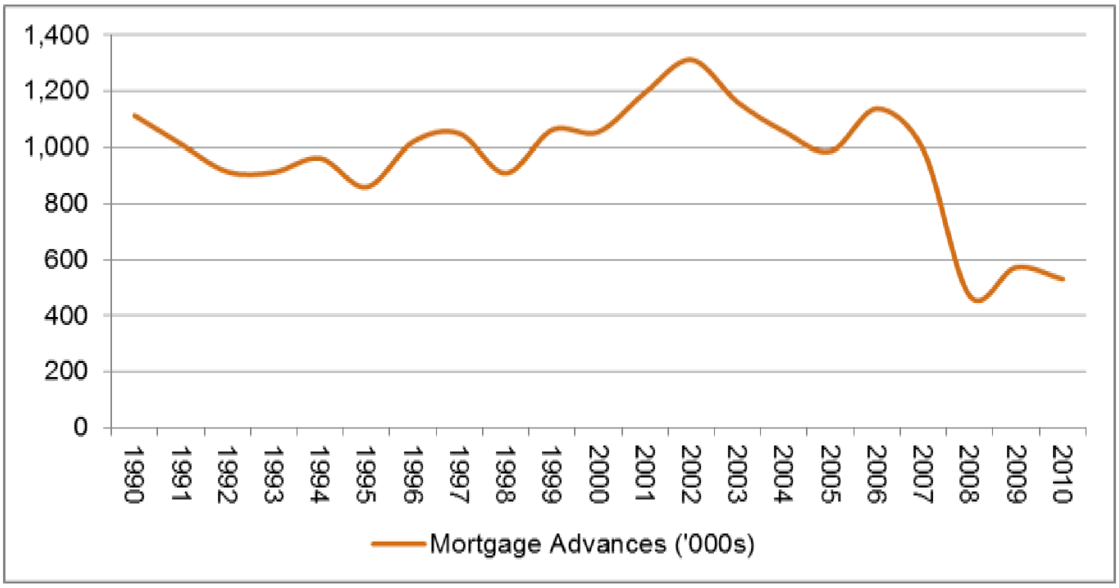
Source: Halifax House Price Index

5.11 The downturn in the world economy was led by the sub-prime lending crisis in the United States. This resulted in a fundamental shift in the way banks lent money both between themselves, through wholesale money markets, and to their customers (including both to home purchasers, landlords and developers).

5.12 From the second half of 2007, banks begun to increase the inter-bank lending rate (LIBOR) and sought to adjust their exposure to risk by adopting much more cautious lending practices. The net effect of this was to reduce liquidity in the financial markets and credit available (resulting in the 'credit crunch') an in tightening lending criteria for current and prospective homeowners. This tightening of lending criteria increasing 'barriers' to entry for marginal mortgage applicants by reducing loan-to-value ratios (LTVs), increase costs associated with mortgages and reducing the income multiples accepted.

5.13 This has had a significant and sharp impact on the affordability of market housing, with the most noticeably affected being on would-be 'first-time buyers' (FTBs) and buy-to-let (BTL) investors who are particularly reliant on more flexible lending criteria. The levels of both dropped. As a result effective demand for market housing and market activity dropped dramatically. This is shown in Figure 5.3 which charts long-term trends in levels of mortgage advances.

Figure 5.3: Mortgage Advances, UK



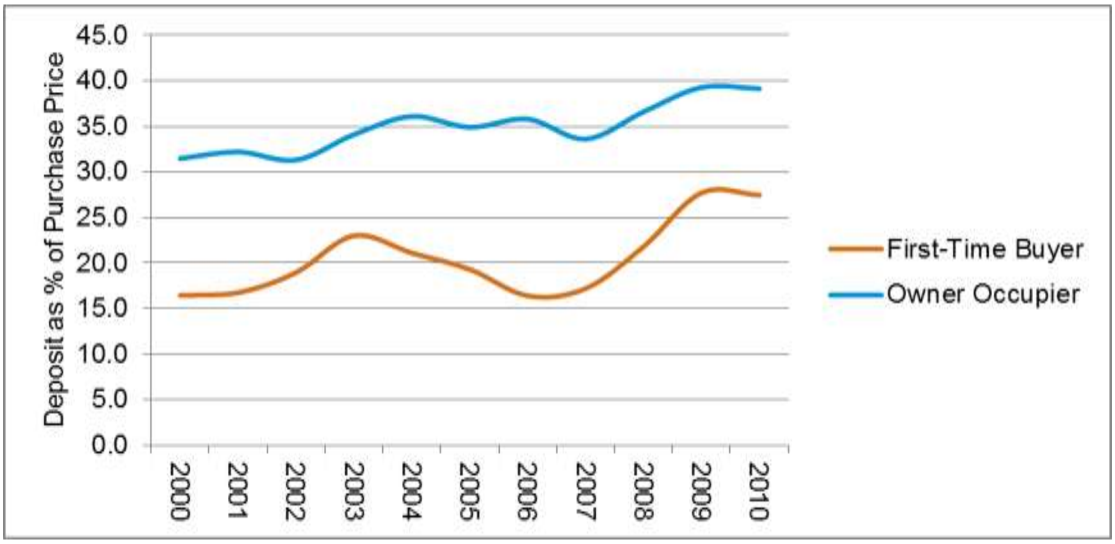
Source: Bank of England Regulated Mortgage Survey

5.14 The chart clearly indicates that levels of mortgage advances were strong in a historical context between 2001-3 and in 2006; but have fallen since the credit crunch to levels less than half those achieved at the peak of the market and around 40% below the long-term trend.

5.15 Figure 5.4 shows deposit requirements for first-time buyers and existing owner-occupiers. As the availability of mortgage finance increased between 2003-6, the average deposit paid by a first-time buyer fell from 23.1% to 16.4% nationally, supporting housing demand. Housing supply is relatively inelastic and was not able to keep pace; contributing to strong growth in house prices across the country. However since the onset of the credit crunch in 2007, deposit requirements have grown significantly; and stood on average at 27.5% in 2010 for first-time buyers. The latest data from the Council for Mortgage Lenders indicates that the average first-time buyer deposit (nationally) in October 2011 was 20%. The average income was 3.20.

5.16 The average deposit for all house purchases across the UK has risen from 29.3% of the property value in 2007 to 35.2% in 2010.

Figure 5.4: Deposit Requirements as Percentage of Purchase Price, UK



Source: CML Regulated Mortgage Survey

5.17 The level of deposits needed by many first-time buyers has led to a significant drop in the levels of buyers. Data from the Council for Mortgage Lenders indicates that levels of first-time buyers (based on mortgage advances) over the last three years, 2008-2010, were half the levels achieved between 2005-7. The latest data suggests volumes of first-time buyer loans in October 2011 were 1% down on a year previously. Younger buyers (particularly those under 30) are heavily reliant in the current market on parents and other relatives for financial support in getting on the housing ladder (the so called 'bank of mum and dad').

5.18 The need for savings or equity however not just an issue for first-time buyers, but existing recent buyers and those without a large equity cushion. Funding constraints apply across the whole market, with gross lending in 2011 according to CML estimates of around £138 billion very moderate relative to their £360 billion pre-credit crunch peak.

5.19 Savings are the key constraint for potential new buyers. Indeed the persistence of low interest rates has helped to make monthly mortgage payments for first-time buyers the most affordable (at a national level) for almost eight years at 12.3% of income in October 2011 according to the Council for Mortgage Lenders highlighting the current affordability of monthly interest payments. Figure 5.5 uses a slightly different measure to indicate long-term trends in the balance between housing costs and incomes. With reductions in house prices and low interest rates, market housing is now as affordable as it was in the late 1990s on this measure.

Figure 5.5: Affordability of Market Housing – Mortgage Payments as Percentage of Income

Source: Halifax House Price Index

5.20 However despite its relative affordability, effective demand remains weak. The sharp reduction in demand experienced since 2007 is demonstrated by the drop in sales of residential property. Current sales in the UK relative to the size of the housing stock (i.e. the turnover of homes in the private sector market) are currently the lowest for more than 40 years.[3] The absence of new entrants to the market, restrictions on movement for those without significant savings or equity, and market confidence are combining to result in very low levels of activity, synonymous with low levels of 'effective' market demand for home purchases.

5.21 The Council for Mortgage Lenders' (CML) December 2011 Market Commentary describes some of the underlying drivers of current/ recent dynamics. Overall mortgage lending has been pretty flat for some while (which is substantiated by the sales analysis above). Prior to Summer 2012, wholesale funding conditions were getting easier and UK banks were making headway in repaying Government lending. Improvement in credit availability was resulting in improvements in the number of mortgage deals available, greater completion for lower loan-to-value business and a modestly growing risk appetite.

5.22 There was also a relatively strong pick-up in buy-to-let lending in 2011. The CML describes some of this as a 'bounce-back' following the credit crunch; but notes that the combination of strong demographics, limited new-build and affordability pressures facing potential home-buyers has resulted in strong rental demand and upward pressure on rents. We concur with this view.

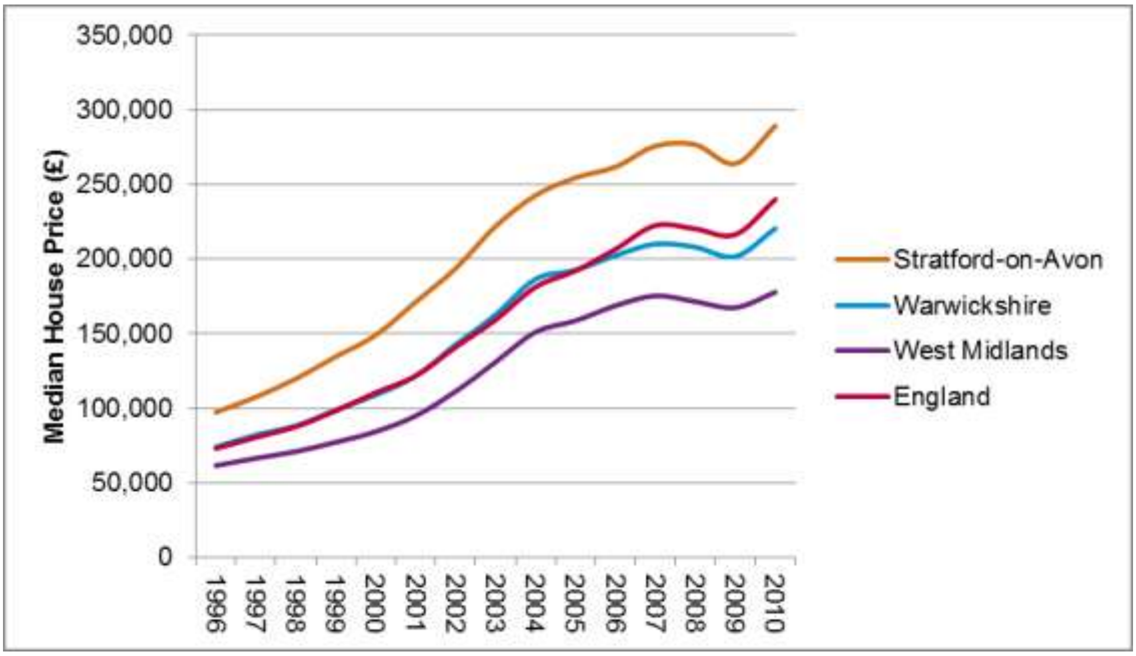
[3] CML (Feb 2011) *Problems for First-Time Buyers*

5.23 However in the second half of 2012, gross mortgage lending turned downwards. The escalating debt crisis in the Eurozone has resulted in a reduction in access to wholesale funding. Long-term unsecured wholesale markets remain effectively closed and this is continuing to restrict housing market performance (sales).

Housing Demand Indicators in Stratford District

5.24 Over the decade to 2007 median house prices grew strongly, increasing by 156% across Stratford-on-Avon District and Warwickshire. This was slightly less than the 163% growth achieved across the West Midlands. Given the relatively higher base, price growth was however more significant across Stratford-on-Avon District than that at either the County or Regional level. Prices grew over the decade by £168,000 in the District relative to growth of £109,000 across the region.

Figure 5.6: Median House Prices, 1996- 2010

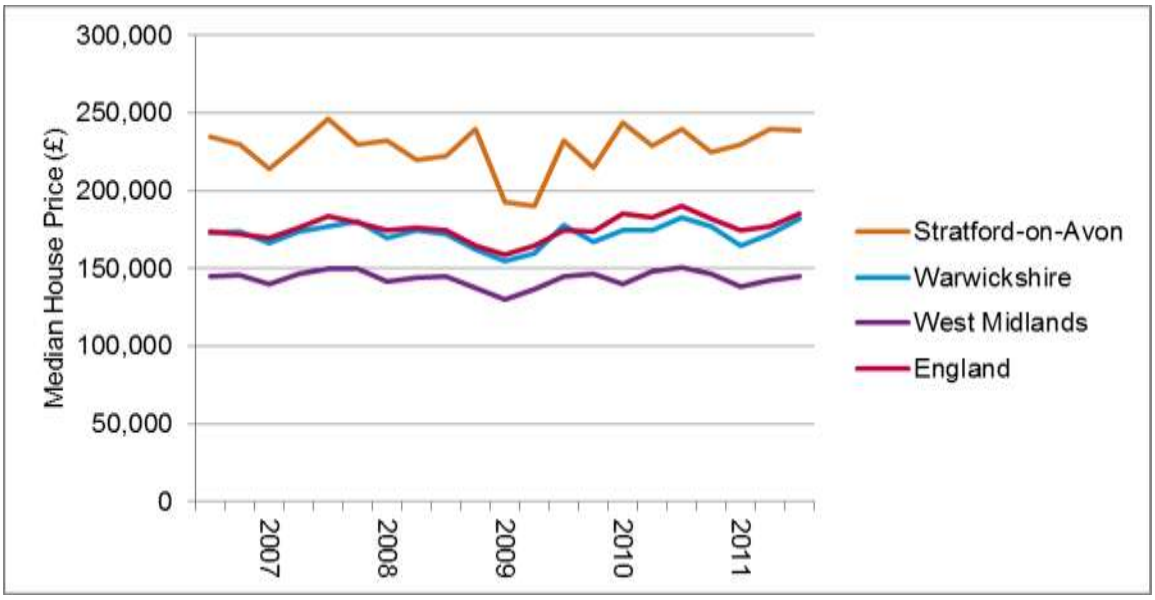


Source: HM Land Registry/CLG

5.25 House price dynamics since 2007 have been quite different. However Stratford-on-Avon District and Warwickshire have performed above average. Between 2007-2010 house prices grew by 8% nationally but just 1% across the West Midlands. In Both Stratford-on-Avon District and Warwickshire more widely, prices grew by 5%.

5.26 We can use quarterly data to analyse more recent price trends. We have analysed trends over the 5 year period between Q3 2006 – Q3 2011 (the latest data published by CLG). Over this period house prices have been static (0% growth) across the West Midlands. Warwickshire and England have seen some growth in median prices on average, by 5.4% and 6.6% respectively. In contrast, prices in Stratford-on-Avon District have grown more modestly, increasing by just 1.7%. If we stripped inflation out, house prices would have fallen in real terms.

Figure 5.7: Median House Prices, Q3 2006 – Q3 2011



Source: HMLR/ CLG

5.27 HM Land Registry (HMLR) begun to make price data available on a month by month basis from February 2012. We have used HMLR data to assess average prices achieved for sales in Stratford District in February and March 2012. This is indicated below.

5.28 The largest proportion of sales were of detached properties, followed by semi-detached properties. While this is likely to partly reflect the profile of stock in the District, these house types are less likely to have been affected by constraints on access to mortgage finance.

Figure 5.8: House Prices by Type in Stratford-on-Avon District

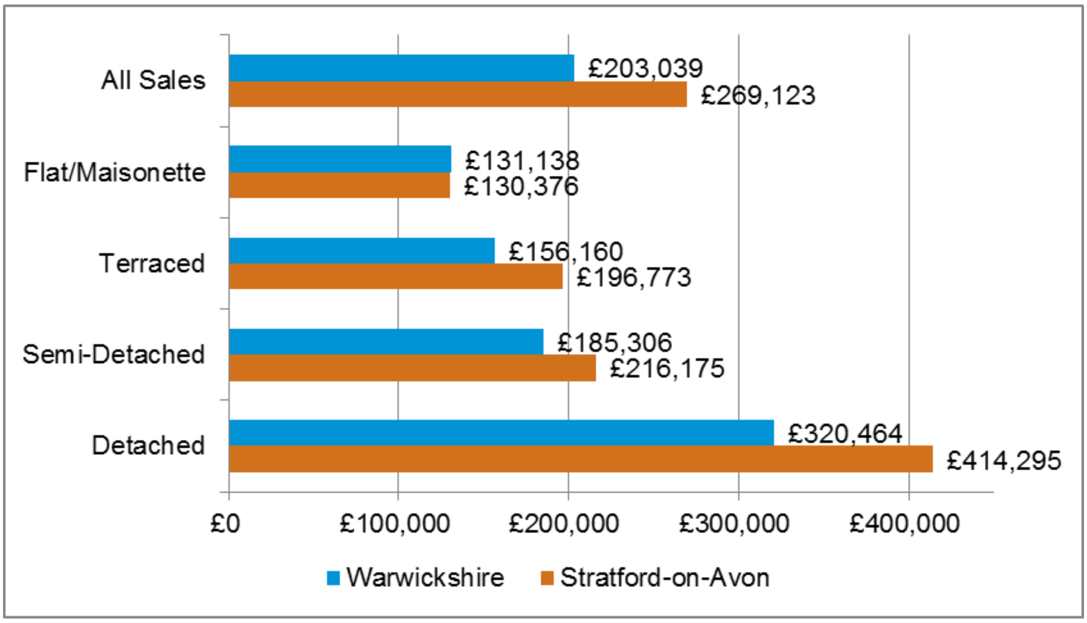
Feb-Mar 2012, SOADC	Average Price (£)	% Sales
Detached	£414,295	35%
Semi-Detached	£216,175	30%
Terraced	£196,773	20%
Flat/Maisonette	£130,376	15%
All Sales	£269,123	100%

Source: HM Land Registry

5.29 Figure 5.9 compares house prices by type in Stratford-on-Avon District to Warwickshire as a whole. The chart indicates that prices are generally above average across all house types (although there is no premium for flats). This indicates above average housing demand in relative terms.

5.30 There is a particular price premium for detached properties in the District indicating that there is above average market demand for detached properties relative to other parts of the County.

Figure 5.9: House Prices, Feb-Mar 2012



Source: HM Land Registry

5.31 We have used the HMLR data to analyse differences in house prices in different parts of the District. As the data only covers two months, for a number of the Main Rural Centres the number of sales is relatively small. On this basis we have supplemented the analysis with data from the Zoopla House Price Index which records the price of a standard property to assess relative housing costs. Changes in house prices over the last year using the Zoopla Index are also shown (although these should be treated with caution).

Figure 5.10: House Prices within Stratford-on-Avon District, Spring 2012

Area	HMLR Mean Price (Feb-Mar 2012)	Zoopla Index, May 2012	Zoopla Index Change, 12 Months
Alcester	£143,500	£236,000	-£2,749
Bidford-in-Avon	£150,500	£211,000	-£2,459
Henley-in-Arden	£337,000	£335,000	-£4,606
Shipston-on-Stour	£387,500	£292,500	-£15,276
Southam	£227,500	£233,500	£4,024
Stratford-upon-Avon	£247,000	£296,500	£1,163
Studley	£202,000	£206,000	-£2,289
Wellesbourne	£224,000	£248,000	-£1,306
Kineton	£223,000	£266,500	-£1,399
Rural Areas	£350,000	-	-
Stratford District	£269,000	-	-

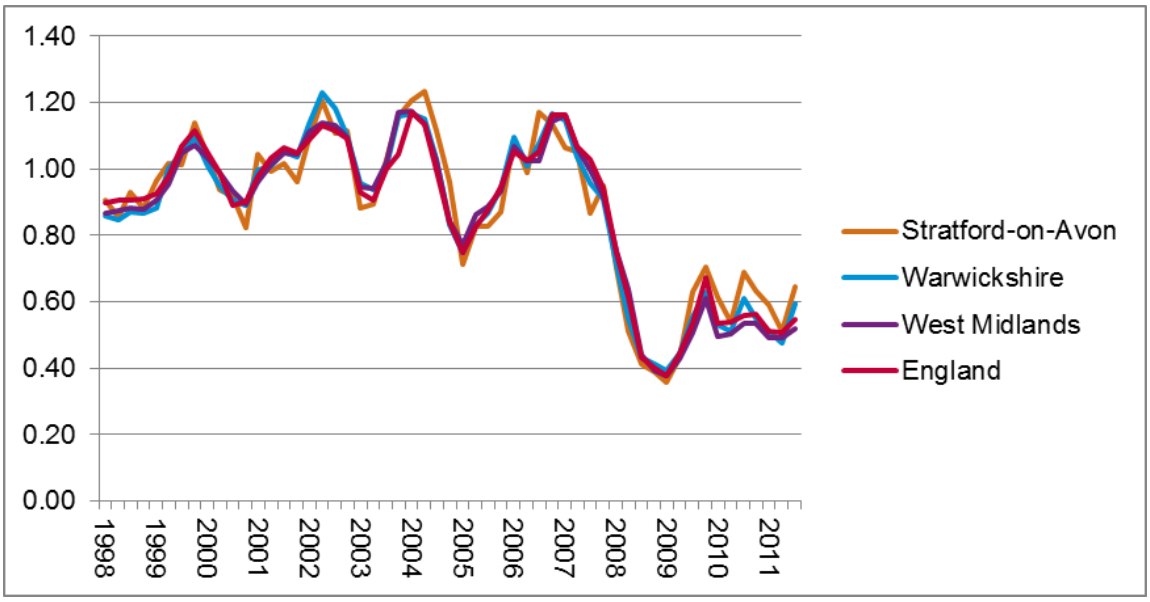
Source: HMLR, Zoopla[4]

5.32 The analysis indicates that the highest prices are within the Rural Areas. Of the market towns, house prices are highest in Henley-in-Arden and Shipston-on-Stour, followed by Stratford-upon-Avon itself.

[4] The house price figures shown can be influenced by the volume and mix of sales

5.33 Next we turn to consider sales. We regard sales trends as indicative of effective demand for market housing. Figure 5.11 provides an index of quarterly sales where 1 is the average sales by quarter over the decade to 2007. The analysis indicates a market 'dip' in 2005 (linked to a rise in interest rates). However it shows a substantial drop in sales in 2008 to a level 60% below the long-term trend. There was some recovery in 2009 but since this point, market recovery has stagnated. Sales since 2009 have continued at around 40% down on the long-term trend.

Figure 5.11: Quarterly Sales Index, 1998-2011



Source: HMLR

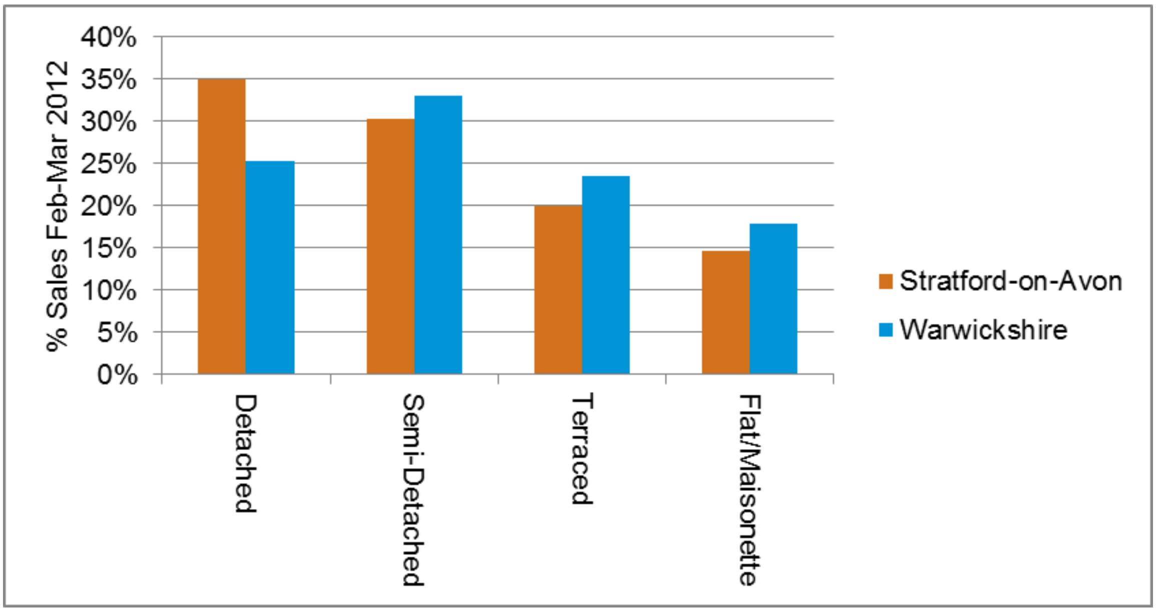
5.34 Access to mortgage finance is the key constraint to market performance here, impacting on levels of both first-time buyers and investment purchases towards the bottom of the market in particular. This has a cascading impact on overall market vitality and confidence (and impacts on chains of sales).

5.35 Figure 5.11 does indicate that sales in Stratford-on-Avon District have performed moderately above average over the past few years (although levels are volatile). As at Quarter 3 2011, sales in Stratford-on-Avon District were 36% below the long-term trend (average quarterly sales 1998-2007) compared to 41% down across Warwickshire, 45% down across England and 48% down across the West Midlands.

5.36 The analysis highlights that the District's housing market performs more like the South East market than other parts of the West Midlands.

5.37 Figure 5.12 analyses the profile of recent property sales by type. This highlights that the most sales in the District have been of detached properties, followed by semi-detached properties. Together these two types account for 65% of sales in February and March 2012 compared to 58% across Warwickshire. The focus of the market towards larger properties is likely to be a key contributory factor to relatively stronger current sales performance and effective market demand.

Figure 5.12: Sales by Property Type in Stratford-on-Avon District, Feb-March 2012



Source: HMLR

Country Home Market

5.38 There is a clear market for larger properties and country houses in the District. Knight Frank's Regional Property Market Focus Report for Stratford-upon-Avon (2011) indicates that this market has held up well. Key trends are as follows:

- The majority of buyers are from London and the Home Counties, with an increasing number of overseas buyers. For Knight Frank's office 71% of buyers are from the West Midlands, 9% from London, 18% from the Rest of the UK and 2% International;
- In-migrants are attracted by the area's excellent schools and transport infrastructure; and
- County house prices were expected to rise only marginally in 2011.

The Private Rented Sector

5.39 The private rented sector is an important part of the housing spectrum in an area. In the UK, whilst private renting is often not a long-term choice, the sector nonetheless performs an important transitional tenure. In many cases the private rented sector is a stage in the progress of a household moving into owner-occupation, but can also be a stage in the move of a household into social rented housing.

5.40 One of the challenges with the Private Rented Sector is that there is a lack of data on how the size of the sector has been changing and the turnover of homes. The 2001 Census indicated that

7.8% of households rented privately which was slightly below with the England average (8.8%) but above the West Midlands average (6.4%).

5.41 At a national level, a rising housing market prior to 2008 and the availability of buy-to-let mortgages, has led to substantial growth in the Private Rented Sector since the 2001 Census. Thus the 2001 Census does not provide particularly robust estimates.

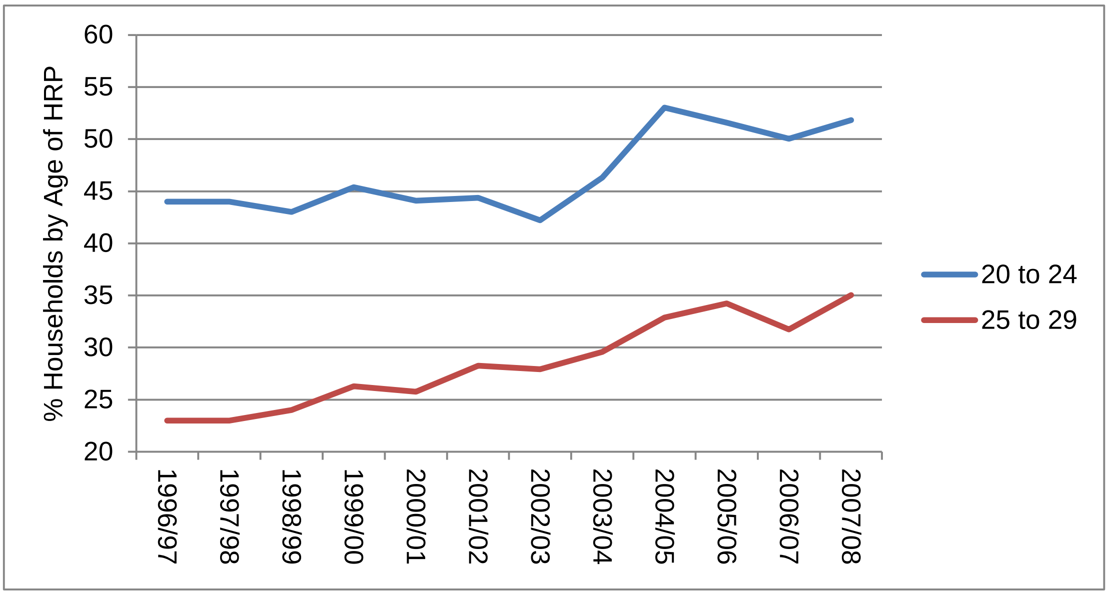
5.42 The data shows that the size of the private rented sector has increased by over 1.5 million households over this period from about 2.1 million to 3.6 million at the national level. This represents an increase of over 75% in the number of households in this tenure group. Indeed the growth in the number of households in the private rented sector is in excess of the growth of all households nationally – it has been the principal growing sector within the overall housing market over the last decade. In 2011 it is estimated that 16.5% of households live in privately rented accommodation – up from just 10.1% in 2001.

5.43 In the West Midlands, the number of households in private rented accommodation has increased by 115% between 2000-10, with the sector growing from accommodating 7.3% of households in 2000 to 14.8% in 2010.

5.44 The impact of the private rented sector on market dynamics is stronger still as it has the highest turnover of sectors within the market, with a turnover of 32% of properties per year nationally.

5.45 In the period from 2001 to 2007/8 it seems likely that much of the growth in the private rented sector was due to the availability of buy-to-let mortgages which encouraged people to invest in the sector. Along with the capital gains typically seen in the period, housing was seen as a good investment. Data from the English Housing Survey suggests a substantial growth over this period in the proportions of young households (aged under 30) being housed in this sector. Figure 5.13 indicates a growing proportion of households in their 20s living in private rented accommodation.

Figure 5.13: People in their 20s living in Private Rented Accommodation, England

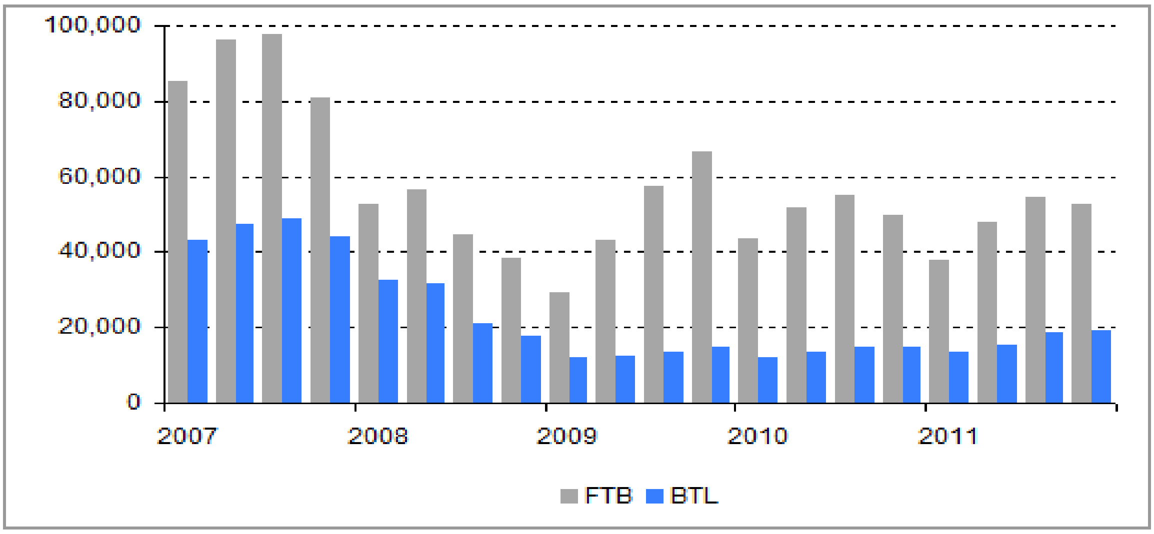


Source: English Housing Survey

5.46 With a decline in the population of people in their 20s in Stratford-on-Avon District it may well be that the growth in the Private Rented Sector experienced in the District has been more modest than the case regionally/ nationally linked to the high capital cost of property in the District (and potentially lower yields).

5.47 The continued growth since the economic downturn is likely to be less driven by the supply through buy-to-let and more due to economic conditions. The economic downturn has reduced access to mortgage finance whilst investors are seeing reduced prospects for capital growth. Although yields have improved significantly, we have seen a notable drop off in Buy-to-Let lending, with just 66,000 loans granted in 2011 (just 8% of all mortgage advances).

Figure 5.14: First-time Buyer and Buy-to-Let Lending, England



Source: Council for Mortgage Lenders

5.48 With the reduction in buy-to-let activity we have also seen growth in what might be described as 'reluctant landlords' – those who ordinarily might have sold their home before moving but choose to rent it out due to difficulties finding a buyer.

5.49 On the demand side, households who might otherwise have become owners having to use the sector for accommodation as they are not able to obtain a mortgage or feel that it is the wrong time to buy. Unemployment has also been feeding into repossessions. We have also (as discussed) seen a rise in benefit claimants within the sector (in part linked to the supply of affordable housing).

5.50 To consider current dynamics within the Private Rented Sector we have sought to draw on research by ARLA (its latest ARLA Review & Index for Q4 2011). The ARLA Q4 2011 Review and Index indicates that at a national level:

- Rental levels continue to rise across all types of property as demand exceeds supply, however demand has seen quite a sharp decline in the latest quarter with a drop in the number of agents reporting more tenants than properties available;
- The proportion of ARLA members who think landlords are currently buying properties has increased marginally to 20%, however there are also properties coming onto the market which cannot be sold (predominantly detached and semi-detached properties);

- Most landlords however continue to take a long-term view, with the average life expectancy of residential lettings properties being 19.4 years. Over 80% of landlords expect to keep their properties for 10 or more years;
- Tenants are staying in rental properties for longer, with the average tenant staying for a period of 19.3 months; however there has been some increase in the last 6 months in tenants struggling to meet rental payments (which may feed into possessions);
- Investment yields in the Midlands average 8.8% a year for cash purchases, and 21.4% for geared investments.

5.51 To provide local analysis on dynamics in the Private Rented Sector we have drawn on research on private sector rents undertaken by the Council in October/ November 2011. This indicates that:

- Approximately 10% of properties in the District were privately rented in 2009[5]. This would be notably below regional/ national averages;
- Private rents in the District are high and continuing to increase, with demand for private rented properties exceeding supply. The median rent for a 2-bed property in the District in November 2011 was £695 per month;
- More than a third of supply of private rented properties in the District is in Stratford-upon-Avon, however rents are above average with an average rent for a 2-bed property of £750 per month;
- Many households in work as well as households in receipt of housing benefits cannot afford to rent privately without financial support. However given strong demand for private rented properties, many landlords are not willing to rent to households 'in housing need.' Just 12% of advertised properties in November 2011 are affordable to people in receipt of Housing Benefit;
- For households on housing benefit (Local Housing Allowance), LHA doesn't pay the full rent for 69% of households. Studley and Alcester are the least affordable areas for these groups.

5.52 We would expected flatted development in Stratford-upon-Avon to have supported a growing level of private renting over the last decade. Anecdotally, a number of short-term landlords who rented properties which could not sell in 2008-10 have now largely withdrawn from the market. At a local level, demand appears greater than supply.

[5] Based on the Stratford-on-Avon District Private Sector House Condition Survey (2009)

5.53 Figure 5.15 analyses changes in rents over the last 2 ½ years. Between April 2009 and November 2011 rents in the District have increased across all sizes of property. For a 2-bed property, rents have increased by 11% with a 9% increase for 3-bed properties. There has been particularly strong growth in rents for properties with 4 or more bedrooms.

Figure 5.15: Median Monthly Private Sector Rents (Stratford-on-Avon District)

Median Rent	Shared	1-bed	2-bed	3-bed	4-bed	5+ bed
Apr. 2009	£375	£495	£625	£790	£995	£1,200
Jul. 2010	£368	£495	£650	£850	£1,200	£1,985
Nov. 2011	£390	£525	£695	£863	£1,313	£1,725
% Change	4%	6%	11%	9%	32%	44%

Source: SOADC

5.54 In total, the Council's research indicates that there are 1,838 households living in the private rented sector in receipt of Housing Benefit.

Market Outlook

5.55 In the short term the housing market is likely to continue to be affected by a number of macro economic factors. UK economic growth is relatively weak at the time of writing in early 2012 (indeed the UK economy has returned to recession).

5.56 Consumer and business confidence remains fragile, with risks associated with economic weakness in countries in the Eurozone (which are major export markets for UK businesses) and vulnerability to further financial shocks affecting the global banking system and capital markets which could result in further lending / mortgage finance constraints and potentially further Government borrowing. Weak economic performance in the short-term plays through into housing market confidence (and thus activity). However on a more positive side, it looks like interest rates will remain at historically low levels for some time.

5.57 The Office for Budget Responsibility indicates that real household disposable income was expected to contract in 2011. The near-term outlook, is highly uncertain and much would seem to depend upon how households respond to the painful rebalancing of the economy that is taking place. In the medium-term public sector spending restraints (currently forecast to 2017) are likely to constrain economic growth potential.

5.58 On this basis, the macro-level outlook in regard to employment growth, economic confidence and household incomes is likely to constrain growth in housing market activity ('effective demand') in the short-term. Support from low interest rates has been shown to be insufficient to counter the downside factors in 2011, and prices may well fall more substantially in 2012 than they did in 2011.

5.59 Knight Frank forecast a reduction in prices of -5.7% in 2012 in the West Midlands, with house price growth not returning until 2014 in the region. It will be post 2016 before price growth, Knight Frank predict, returns to near long-term trends and 2019 before house prices once again reach their 2007 peak in the West Midlands. Inflation-adjusted it is predicted this will not occur until 2028 nationally.

5.60 An extended period of low transaction numbers and price falls in real terms of forecast. While Knight Frank forecast that transaction levels will improve, they are not expected to return to pre-2007 levels in the next 5 years.

5.61 There is however a 'downside risk' in that should the Euro collapse there could be a further seizure of inter-bank lending and credit availability, with similar implications for the housing market as in 2008.

Policy Implications: Housing Market Dynamics

Effective demand for market homes for sale is currently subdued, reflecting households' ability to secure mortgage finance (in particular influenced by the size of deposits required) as well as wider market confidence, which is being influenced by the wider economic outlook and concerns regarding performance of Eurozone economies. Over the last five years house prices have thus fallen in real terms. The average house price in Spring 2012 was £269,000. Effective demand for market homes is currently around 35-40% down on pre-2008 level, although Stratford-on-Avon District is performing in comparative terms more strongly than other parts of Warwickshire and the wider region.

The corollary of the weak sales is strong demand for housing to rent, and the evidence points to substantial growth in the private rented sector over the last decade. The average rent for a 2-bed property in the District in November 2011 was £695 per month, an 11% increase on April 2009. The weak sales market furthermore does not mean that there is not underlying need/demand for new homes.

It seems likely that market conditions will continue to influence the new-build market in the short-term; however low housing delivery in Stratford-on-Avon District appears to be particularly influenced by the policy factors (the housing moratorium) and the market would likely support stronger delivery than achieved over the last few years. Over the longer-term key demand drivers in regard to demographic and economic performance look likely to remain robust, and we would expect the market in the District to continue to out-perform the region as a whole.

Market demand is focused more towards larger family homes however this is partly influenced by the current stock profile, and there are a range of factors which need to be considered in determining future housing mix.

6. AFFORDABLE HOUSING NEEDS

Introduction

6.1 In this section we discuss levels of housing need in each of the ten sub-areas making up the Stratford-on-Avon District.

6.2 Housing need is defined in SHMA guidance[6] as the quantity of housing required for households who are unable to access suitable housing without financial assistance. These households will be eligible for affordable housing.

6.3 Affordable housing is defined in the National Planning Policy Framework[7] as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market.

6.4 Government guidance on Strategic Housing Market Assessments[8] sets out a model for assessing housing need (known as the Basic Needs Assessment Model). This model has been used herein. It considers need for affordable housing over a five year period and the extent to which this can be met through re-lets of existing affordable homes and delivery of new affordable homes with planning consent. The analysis is based on secondary data sources. It draws on a number of sources of information including the Housing Register, demographic projections and Experian income information.

6.5 The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing (and that within the development pipeline) which can be used to meet housing need. On this basis, estimates of housing need are provided in this section for the five year period between 2012 and 2017.

Key Definitions

6.6 We begin by setting out key definitions relating to housing need, affordability and affordable housing.

Housing Need

6.7 Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market. In this assessment we have based this measure on information from the Housing Register.

Newly-Arising Need

6.8 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future (measured annually). In this assessment we have used trend data from the Housing Register and also demographic projections about the number of new households forming (along with affordability) to estimate future needs.

[6] CLG (2007) *Strategic Housing Market Assessments – Practice Guidance (V2)*
[7] CLG (March 2012) National Planning Policy Framework
[8] CLG (2007) *Strategic Housing Market Assessments – Practice Guidance (V2)*

Supply of Affordable Housing

6.9 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

6.10 Affordability is assessed by comparing household incomes, based on income data provided by Experian, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income;

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

6.11 It should be recognised that a key challenge in assessing housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is required for the more attractive mortgage deals. However in many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact on the overall assessment of housing need is limited.

Affordable Housing

6.12 The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF[9].

"Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- *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;*

- *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 provision."*

6.13 Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as[10]:

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

9 CLG (March 2012) National Planning Policy Framework

10 CLG (March 2012) National Planning Policy Framework

arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

6.14 Affordable rented housing is defined as[11]:

"Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent[12]."

6.15 The definition of intermediate housing is shown below[13]:

"Intermediate affordable housing is 'Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing."

6.16 As part of our analysis in this report we have therefore studied the extent to which both social rented, intermediate housing and affordable rented housing can meet housing need in Stratford-on-Avon.

Survey of Local Prices & Rents

6.17 An important part of the assessment of housing need is to establish the entry-level costs of housing to buy and rent. This housing needs assessment then compares this with the incomes of households within the District to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a 'housing need.'

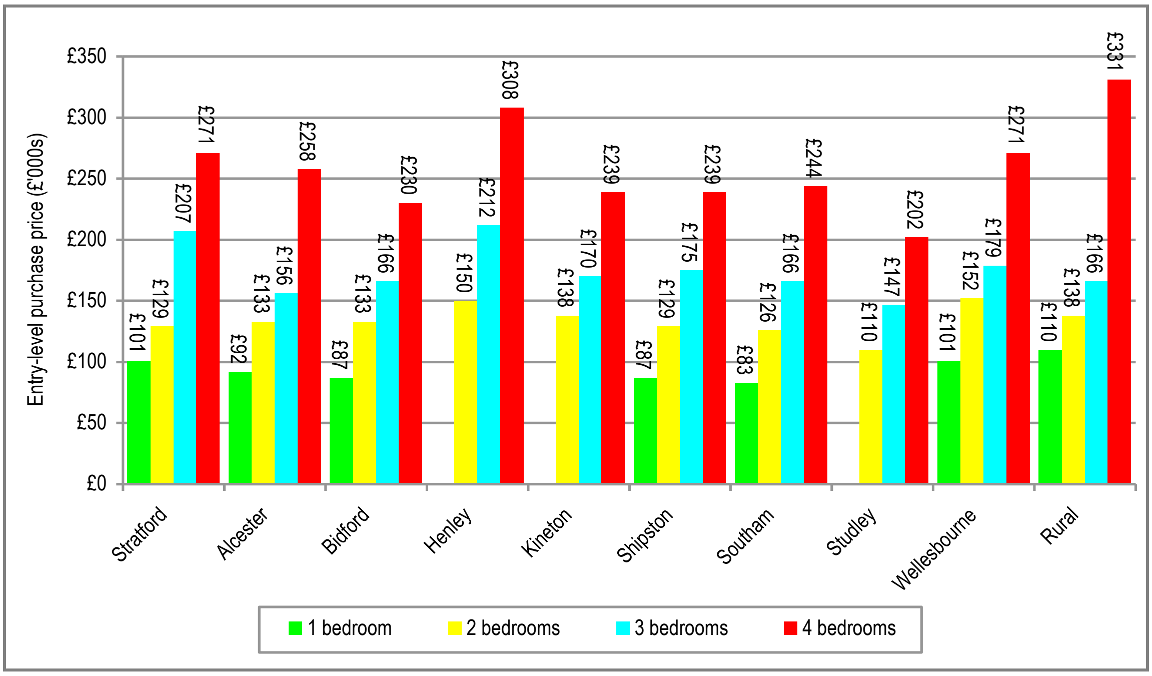
6.18 In this section we establish the entry-level costs of housing to both buy and rent in each of the sub-areas used in analysis. Our approach has been to carry out a desktop survey using internet sources. For each area we looked at prices and rents for different sizes of property from one to four bedrooms.

[11] CLG (March 2012) National Planning Policy Framework
[12] Including service charges where applicable
[13] CLG (March 2012) National Planning Policy Framework

6.19 Figure 6.1 below shows estimated lower quartile property prices obtained from this search. The prices have been reduced slightly (on average by about 8%) to take account of the difference between asking prices and prices paid based on information from the Hometrack website.

6.20 The data shows some differences between areas with prices in Henley being notably higher than for any other area for all sizes of accommodation. Stratford-upon-Avon itself shows relatively high prices, particularly for three bedroom accommodation whilst the lowest prices were found to be in Studley. Generally however, differences between sub-areas were not huge. Overall, prices are estimated to start at about £83,000 for a one-bedroom home in Southam and rising to £331,000 for four bedrooms in Rural areas. It should be noted that insufficient information was available about the prices of one bedroom homes in a number of locations for a reasonable estimate of the entry-level cost to be established.

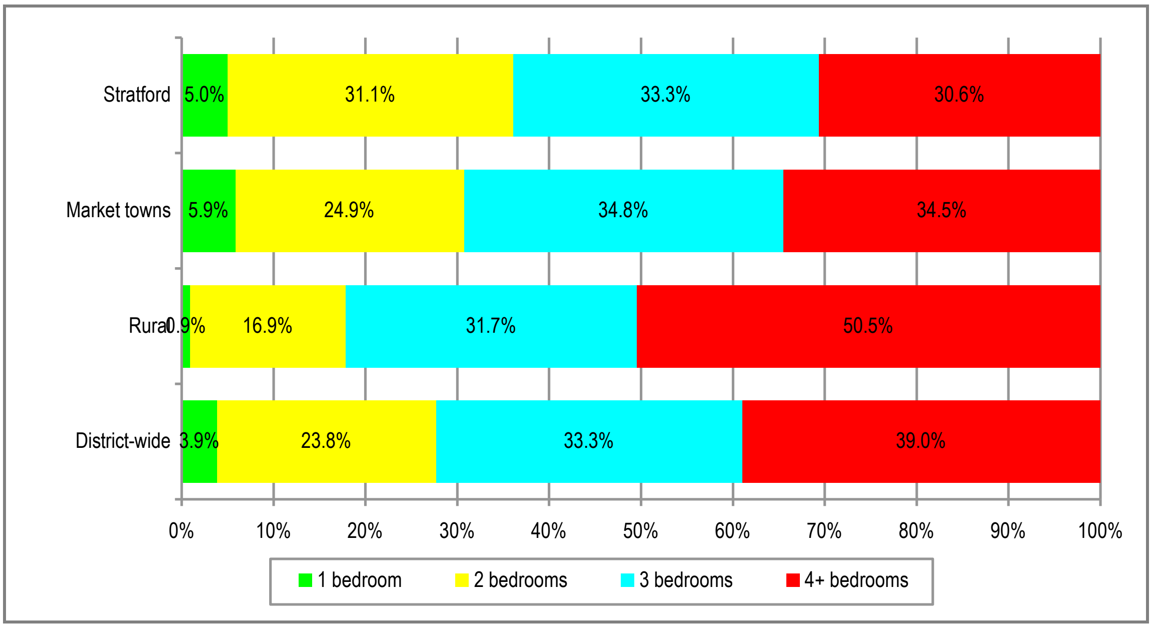
Figure 6.1: Entry-level Purchase Price by Sub-Area



Source: Online Estate and Letting Agents Survey (May 2012)

6.21 Figure 6.2 below shows the volume of properties for sale in each of the sub-areas with the eight 'main rural centres' being grouped together due to relatively low volumes of information being available in some locations. The data shows that in all areas the majority of properties available have three- or four- bedrooms. Rural areas show the lowest volume of one and two-bedroom homes (28%) which compares with 36% in Stratford-upon-Avon. At the other end of the scale rural areas show the highest volume of four or more bedroom homes – making up just over half of all properties available; this compares with 31% in Stratford-upon-Avon and 35% in the Main Rural Centres.

Figure 6.2: Volume of Properties Advertised for Sale

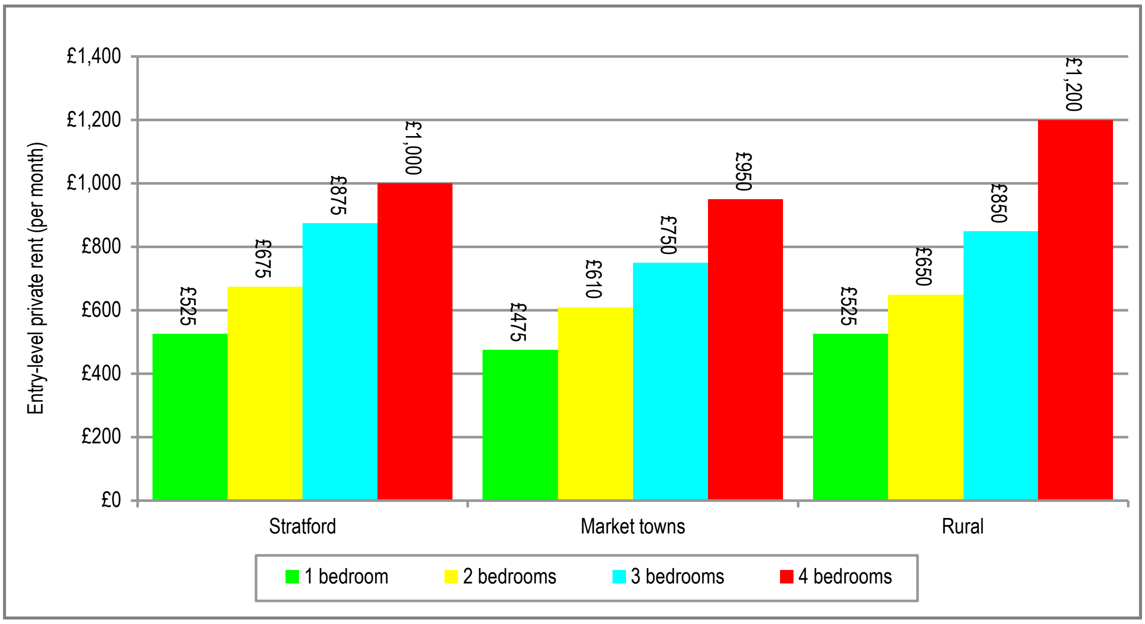


Source: Online Estate and Letting Agents Survey (May 2012)

6.22 The entry-level cost for private rented accommodation is presented in Figure 6.3. This indicates that entry-level rents range from about £475-£525 per month for a one bedroom home up to around £950-£1,200 per month for a four bedroom property. It should be noted that these are entry-level rental costs and thus below the median values presented in Figure 5.15. Again, due to relatively low volumes of information available for individual market town areas these have been grouped for the purposes of analysis. It is however worth noting that the variation between sub-areas within this 'market town' category was not overly significant.

6.23 The data suggests that there is not a great amount of variation in rent levels between different areas although Stratford-upon-Avon does tend to have the highest rental costs other than for larger (four bedroom) homes which are most expensive in rural areas. The cheapest rents were found to be in the market town areas.

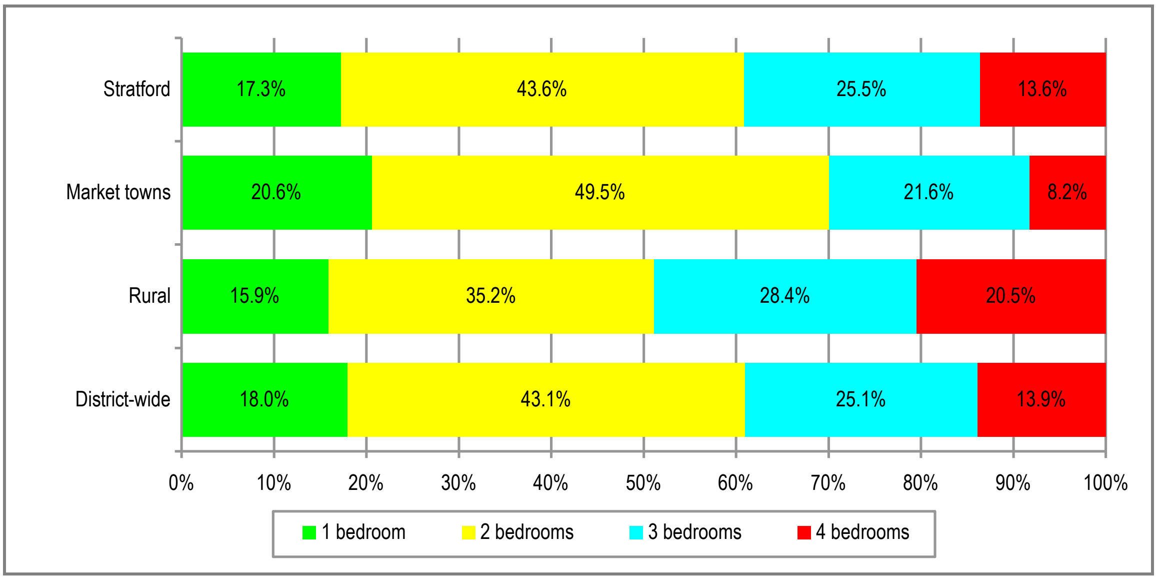
Figure 6.3: Entry-level Private rents by Sub-Area



Source: Online Estate and Letting Agents Survey (May 2012)

6.24 Figure 6.4 below shows the volumes of properties available for rent in each of the above sub-areas by size of property. Compared with properties for sale the data clearly indicates a higher proportion of smaller homes being available in most areas with some 61% of properties available for rent across the District having only one- or two-bedrooms.

Figure 6.4: Volume of properties advertised for Rent



Source: Online Estate and Letting Agents Survey (May 2012)

6.25 In addition to rental costs from our internet survey we have looked at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the District. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with our estimates of lower quartile costs. However as there are seven Broad Rental Market Areas (BRMA) across the District, it is not easy to make direct comparisons.

6.26 Most of the district is within the Warwickshire South BRMA (including Stratford-upon-Avon) although different parts of the district are within seven different BRMAs in total. Below we have therefore provided details for all of the BRMAs in the District with Warwickshire South being highlighted in bold. In Warwickshire South maximum LHA payments vary from £495 for a one bedroom property up to £995 for four bedrooms. The data suggests some differences between LHA rates and the findings of our market survey although differences are not significant.

6.27 To Figure 6.5 we have also added LHA rates for room only accommodation. Generally, the amount able to be claimed for a room is around 60% of the figure for a self-contained one bedroom property.

Figure 6.5: Maximum LHA payments by Size and Market Area

Size	Chelten-ham	Cherwell Valley	Rugby & East	Solihull	Warwick-shire South	Worcester North	Worcester South
Room only	£286	£303	£275	£300	**£282**	£253	£284
1 bedroom	£475	£495	£395	£495	**£495**	£395	£425
2 bedrooms	£610	£650	£495	£625	**£625**	£495	£550
3 bedrooms	£725	£770	£565	£725	**£750**	£550	£650
4 bedrooms	£1,000	£995	£795	£1,000	**£995**	£750	£800

Source: VOA data (May 2012)

Cost of Affordable Housing

6.28 Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CORE) - a national information source on social rented lettings. Figure 6.6 illustrates the rental cost of lettings of social rented properties by size in 2011.

Figure 6.6: Monthly average social rent levels in Stratford-on-Avon

Size	Monthly rent (including service charges)
1 bedroom	**£350**
2 bedrooms	**£402**
3+ bedrooms	**£453**

Source: CORE

6.29 By comparing the rents for different property sizes in the social rented sector in Figure 6.6 with those for properties in the private rented sector in Figure 6.5, it is clear that those for social rented properties are notable lower. For a two-bed property for instance the average social rent is £402 per month (including service charge) compared to a Local Reference Rent of £625 per month in the private rented sector in the South Warwickshire BRMA.

6.30 Recent changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being *'let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)*'. In the short-term it is likely that this tenure will replace social rented housing for new delivery, however, the tenure is initially only being trialled for four years (2011-15) and so this situation may change in the future.

6.31 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). However, for the purposes of analysis we have assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from our market survey. We recognise that market rents for some properties may be reduced to meet Local Housing Allowance caps (and that this could impact on affordable housing viability).

6.32 Figure 6.7 below shows potential affordable rents at 80% of market cost by size of property (including service charge). The data shows that affordable rents are likely to be notably higher than current social rents with the gap widening as property sizes get bigger. The higher rents will support the viability of affordable housing delivery. We consider their relative affordability later in this section.

Figure 6.7: Cost of Affordable Rented Housing by Size and Sub-Area (per month)

Property size	Stratford-upon-Avon	Main Rural Centres	Rural Areas
1 bedroom	£420	£380	£420
2 bedrooms	£540	£488	£520
3 bedrooms	£700	£600	£680
4 bedrooms	£800	£760	£960

Source: Online Estate and Letting Agents Survey (May 2012)

Gaps in the Housing Market

6.33 Figure 6.8 below estimates how current prices and rents in each of the ten sub-areas might equate to income levels required to afford such housing. The figures are all based on a two bedroom home and clearly indicate a gap between the costs of 'entry-level' market housing and the social rented sector – demonstrating the potential for intermediate housing to meet some of the affordable need.

Figure 6.8: Indicative Income required to Purchase/Rent without Additional Subsidy (2 Bedroom)

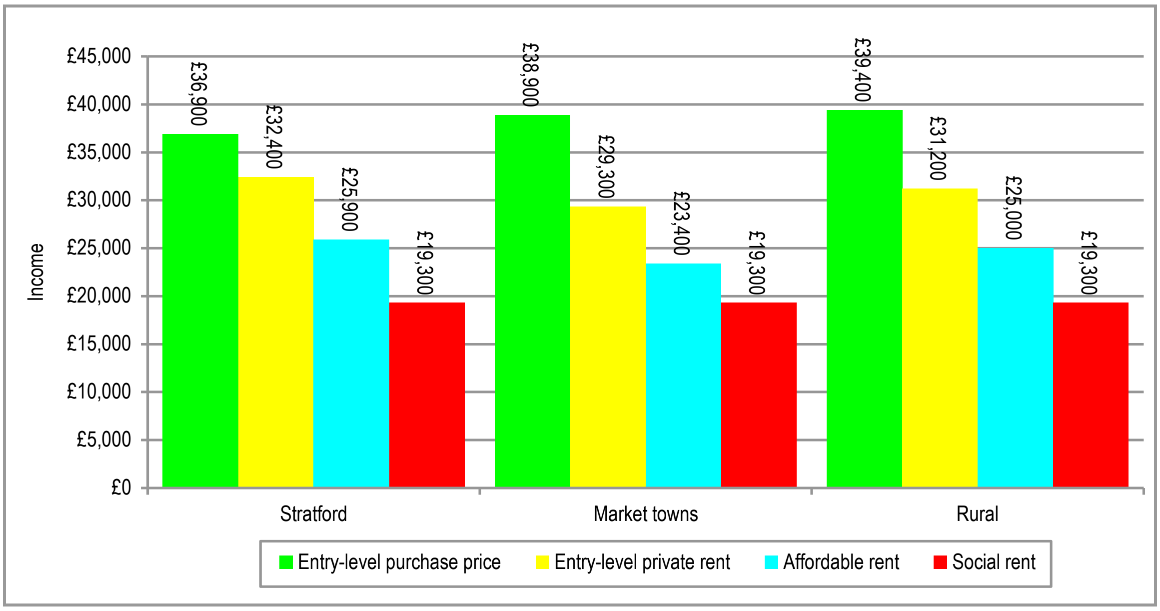
Sub-area	Entry-level purchase price	Entry-level private rent	Affordable rent	Average Registered Provider rent
Stratford-upon-Avon	£36,900	£32,400	£25,900	£19,300
Alcester	£38,000	£29,300	£23,400	£19,300
Bidford	£38,000	£29,300	£23,400	£19,300
Henley-in-Arden	£42,900	£29,300	£23,400	£19,300
Kineton	£39,400	£29,300	£23,400	£19,300
Shipston-on-Stour	£36,900	£29,300	£23,400	£19,300
Southam	£36,000	£29,300	£23,400	£19,300
Studley	£31,400	£29,300	£23,400	£19,300
Wellesbourne	£43,400	£29,300	£23,400	£19,300
Rural	£39,400	£31,200	£25,000	£19,300

Source: Online Estate and Letting Agents Survey (May 2012) and CORE

6.34 The calculations are based on 3.5 times household income for house purchase and 25% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

6.35 We have sought to replicate this data in Figure 6.9 below. The analysis indicates that in all areas the income required to rent privately is lower than that required to purchase an equivalent property. The data also indicates a notable gap between private sector rents and social sector rents, with the likelihood that many young households will have an income whereby they can afford more than existing social rents but cannot afford to rent privately without support. For two bed properties households with an income between about £20,000 and £30,000 are likely to fall within this band although this varies by location.

Figure 6.9: Differences in Income Required to Buy/Rent (2 bedroom)



Source: Online Estate and Letting Agents Survey (May 2012) and CORE

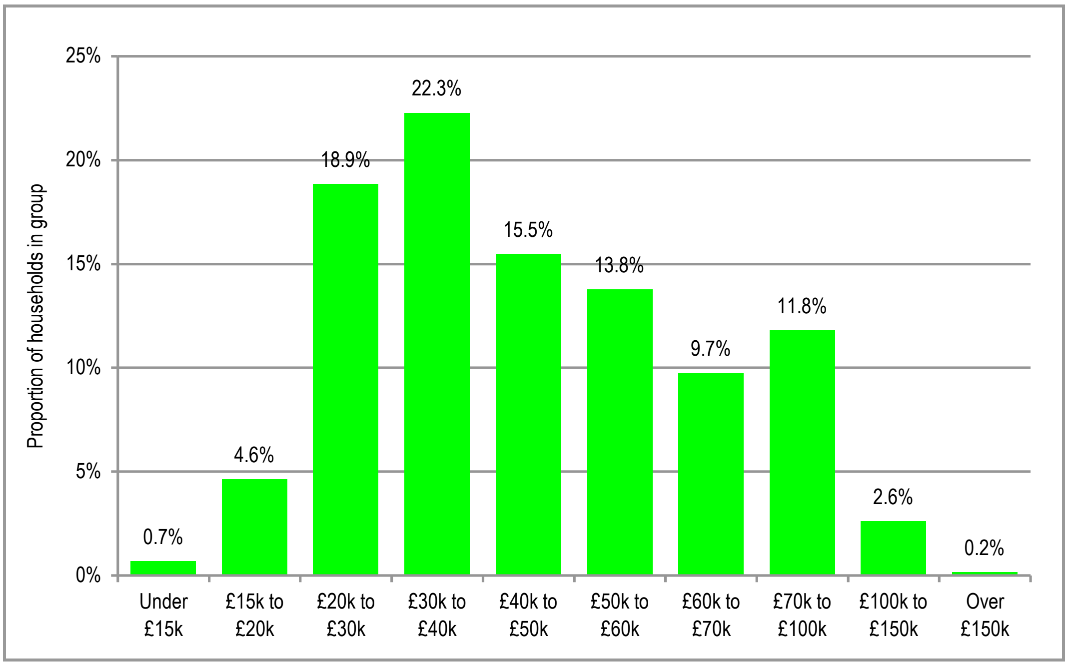
6.36 The analysis indicates that affordable rented housing would be affordable to some households who can pay more than existing social rents, but are unable to access market housing. Affordable rented homes would furthermore support the viability of new-build development.

Income Levels & Affordability

6.37 Following on from our assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data was provided by Experian for total household income in 2011.

6.38 Figure 6.10 below shows the distribution of income for the whole of the Stratford-on-Avon District. The data shows that just under a quarter (24.2%) of households have an income below £30,000 with a further 22.3% in the range of £30,000 to £40,000. The overall average (median) income of all households in the District was estimated to be £42,789.

Figure 6.10: Distribution of Household Income in Stratford-on-Avon District



Source: Experian (2012)

6.39 Figure 6.11 below shows how the distribution of income varies for each of the ten sub-areas – the data has been modelled using ONS ward-level income estimates brought in line with the Experian data for the whole of the District. Incomes are lowest in Alcester and Shipston-on-Stour and highest in Rural areas. Rural areas have an average income around £3,500 per annum higher than the district average whilst in Shipston-on-Stour it is estimated that the average figure is £5,800 below the district average. The main urban area of Stratford-upon-Avon also shows an average income below the district average.

Figure 6.11: Income Levels by sub-area

Area	Median income	Difference from District average
Stratford-upon-Avon	£39,678	**-£3,112**
Alcester	£37,716	**-£5,073**
Bidford	£41,488	**-£1,301**
Henley-in-Arden	£39,225	**-£3,564**
Kineton	£44,505	**£1,716**
Shipston-on-Stour	£36,962	**-£5,827**
Southam	£43,751	**£962**
Studley	£41,488	**-£1,301**
Wellesbourne	£43,751	**£962**
Rural Areas	£46,316	**£3,526**
District-total	**£42,789**	**-**

Source: Experian (2012)

Price-Income Ratios and Affordability

6.40 By combining the income data above and our estimates of property prices it is possible to construct price:income ratios and also look at the proportion of current households who are unable to afford housing.

6.41 Figure 6.12 below shows the lower quartile property prices (for a two bedroom home) along with the lower quartile income (calculated from the above distributions). This is used to calculate a price:income ratio. Whilst this measure does not imply anything directly about levels of housing need it does provide a good measure of relative affordability levels in different parts of the District and is also a measure that can fairly easily be monitored in future (as recommended in the CLG's Strategic Housing Market Assessment Guidance). The table shows that the lower quartile price:income ratio varies from 3.78 in Studley to 5.45 in Henley-in-Arden with an overall district-wide average of 4.47.

Figure 6.12: Lower Quartile Price Income Ratios by Sub-Area (Prices based on 2 bedroom Home)

Location	Entry-level Purchase Price	Lower Quartile Income	LQ Price:Income Ratio
Stratford-upon-Avon	£129,000	£27,815	**4.64**
Alcester	£133,000	£26,440	**5.03**
Bidford	£133,000	£29,084	**4.57**
Henley-in-Arden	£150,000	£27,498	**5.45**
Kineton	£138,000	£31,199	**4.42**
Shipston-on-Stour	£129,000	£25,911	**4.98**
Southam	£126,000	£30,671	**4.11**
Studley	£110,000	£29,084	**3.78**
Wellesbourne	£152,000	£30,671	**4.96**
Rural areas	£138,000	£32,468	**4.25**
District-total	**£134,000**	**£29,996**	**4.47**

Source: Online Estate and Letting Agents Survey (May 2012) and Experian (2012)

6.42 We have used this data to make an estimate of the number of households able to afford market housing. This measure does not in itself provide a direct indication of levels of housing need but will provide an indication of in which sub market areas households may be more or less likely to be able to access market housing without some form of subsidy (e.g. Local Housing Allowance).

6.43 To assess affordability we have looked at households ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes, within each sub- area (see figure 6.11), is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of their existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing. Figure 6.13 below shows the income estimated to be required to afford market housing, the number of households unable to afford and the proportion of total households.

6.44 Figure 6.13 shows that across the District it is estimated that around 26% of households are unable to access market housing on the basis of income levels. The area with the highest proportion unable to afford is Stratford (at 35.2%) with the lowest proportion unable to afford being estimated to be Kineton (20.7%). The number and proportion of households unable to afford is based on estimates of the number of households with an income below the threshold required to afford market housing – this in turn is based on income distributions provided by Experian and modelled to smaller-area level.

Figure 6.13: Estimated Proportion of Existing Household Unable to Afford Market Housing to Buy or Rent without Subsidy

Area	Income required to access market	Number unable to afford	Estimated households (2012)	% of households unable to afford
Stratford-upon-Avon	£32,400	4,186	11,905	**35.2%**
Alcester	£29,300	839	2,676	**31.4%**
Bidford	£29,300	732	2,972	**24.6%**
Henley-in-Arden	£29,300	604	2,116	**28.5%**
Kineton	£29,300	374	1,808	**20.7%**
Shipston-on-Stour	£29,300	754	2,292	**32.9%**
Southam	£29,300	607	2,810	**21.6%**
Studley	£29,300	611	2,480	**24.6%**
Wellesbourne	£29,300	649	3,002	**21.6%**
Rural Areas	£31,200	4,450	20,290	**21.9%**
Total	**-**	**13,806**	**52,351**	**26.4%**

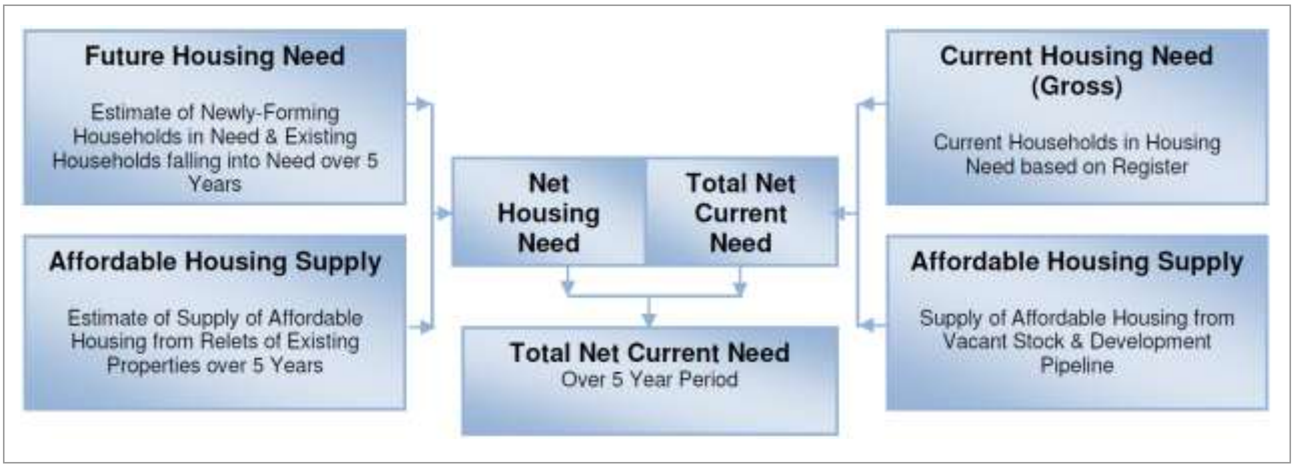
Source: Online Estate and Letting Agents Survey (May 2012) and Experian (2012)

6.45 Drawing on data from the English Housing Survey we can estimate that newly-forming households have an income of around 70% of all household averages with social housing tenants having an average income of about 45% of the overall figure. We have used these proportions to model the profile of incomes of newly-forming households and those of the Housing Register in the housing needs analysis.

Housing Needs Assessment

6.46 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance[14]. This model is summarised in the chart below.

Figure 6.14: Overview of Basic Needs Assessment Model



6.47 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of the Housing Register. The housing needs modelling undertaken provides an assessment of housing need for a five year period (which is then annualised) with longer term estimates of likely requirements being provided through our Housing Market model (which looks at the impact of demographic change on requirements in both the affordable and market sectors). Each of the stages of the housing needs model calculation are discussed in more detail below.

Notes on Using the Housing Register to measure Housing Need

6.47 To establish the number of households currently in housing need the study has used data from the Home Choice Plus Housing Register. To ensure that only households who have a genuine need are included we have taken those in Gold, Silver and Priority bands as potentially being in housing need. Households in a Priority band have been assessed by the Council as statutorily homeless whilst those in Gold and Silver have a need (such as overcrowding) which is considered less urgent. The difference between Gold and Silver is mainly in regard to having a local connection with those with no local connection being placed in Silver. Full details about bandings can be found on the Home Choice Plus website (www.homechoiceplus.org.uk).

6.48 However, it should be recognised that partly due to the banding mechanism being used to prioritise a scarce resource (available social rented housing) there are likely to be other households who might ordinarily be considered to have a need but are not included in one of the housing need categories used for analysis in this report. Examples include:

- households with debt problems who are struggling to afford private rent levels and who need more affordable rents in order to manage financially – once the households receive a notice / court order they jump to a higher band

[14] Communities & Local Government (August 2007) *Strategic Housing Market Assessment – Practice Guidance (Version 2)*

- households where a household member has a medical problem which is being affected by their accommodation but which is not so severe (needs to be subject to an enforcement notice) that a move to alternative accommodation is absolutely essential (thus triggering Gold Plus/Silver Plus)

- households where there is disrepair in the property but it is not so severe that it triggers a higher banding

- households who are in need of their own independent accommodation but who are not overcrowded (higher banding awarded only if they are overcrowded/lacking a bedroom)

6.49 Therefore the figures for housing need taken from the Housing Register should be considered as a minimum conservative estimate of households with the greatest housing need. The study also acknowledges that there are other households with a housing need both on the Housing Register and other households in housing need who are not even on the list.

Parish surveys and the 'Local Choice' Initiative

6.50 As noted above the main analysis of current households in housing need has been taken from analysis of the Home Choice Plus Housing Register. It should however be recognised that across the District, the majority of rural areas (including main rural centres), have over the past few years carried out local housing needs surveys[15]. Many of these have been conducted by Warwickshire Rural Community Council.

6.51 These surveys have not been used in our analysis as this report is intended to provide a consistent assessment of housing need across the District. The parish surveys vary considerably in terms of the base date for analysis and also do not include the main urban area of Stratford-upon-Avon. The results of the parish surveys should however be considered (in addition to the outputs of this study) when looking at more localised housing needs and the particular requirements (e.g. by dwelling size/tenure) of a community.

6.52 The ´Local Choice´ initiative is an innovative approach to planning in rural villages. It enables local communities to promote development that would meet identified local needs. The initiative provides particular scope for local communities to bring forward proposals to meet identified needs for new housing - especially affordable housing. This project has not studied the scope for 'Local Choice' to any degree but the findings of the housing needs model together with any local housing needs survey should be considered in deciding whether or not a housing scheme is appropriate for any given local community and the type of housing.

Current Housing Need (Backlog)

6.53 The backlog of affordable housing need has been based on the number of households registered on the Housing Register. At the time of the assessment there were 5,394 households registered for housing in the District (including both transfer and non-transfer applicants). Figure 6.15 shows the current locations of these households (in terms of where they currently live). In around a quarter of cases the applicant either lived outside of the District, had no fixed abode or had provided insufficient detail to be assigned to a sub-area – these cases have been assigned to sub-areas on a pro-rata basis.

6.54 The data shows there are some variations by sub-area with figures varying from 7.2% of households in Rural areas being registered up to 15.8% in Alcester.

[15] These surveys can be accessed at http://www.stratford.gov.uk/housing/community-924.cfm

Figure 6.15: Housing Register Applicants by sub-area

Area	On Register	Total number of Households	% on Register
Stratford-upon-Avon	1,619	11,905	**13.6%**
Alcester	422	2,676	**15.8%**
Bidford	307	2,972	**10.3%**
Henley-in-Arden	235	2,116	**11.1%**
Kineton	218	1,808	**12.1%**
Shipston-on-Stour	286	2,292	**12.5%**
Southam	309	2,810	**11.0%**
Studley	248	2,480	**10.0%**
Wellesbourne	287	3,002	**9.6%**
Rural Areas	1,463	20,290	**7.2%**
District Total	**5,394**	**52,351**	**10.3%**

Source: Housing Register (May 2012)

6.55 The level of need identified in rural areas is partly influenced by a lack of available supply which means that in many settlements the chances of securing appropriate accommodation deter households from registering.

6.56 These figures do not however represent our estimate of current (backlog) housing need. Not all households on the Register can be considered as being in housing need. Some for example will be registered for housing but have no tangible housing problems. The Housing Register data contains information about households who are in a priority category which deals with the highest and most pressing housing need. There will be other households who are not in the highest priority but who would still be classified as in housing need.

Figure 6.16: Housing Register housing need by Sub Market Area

Area	Priority Need	Non-Priority Need	Total	% in Need
Stratford-upon-Avon	288	1,331	1,619	**17.8%**
Alcester	67	355	422	**15.9%**
Bidford	46	261	307	**15.0%**
Henley-in-Arden	32	203	235	**13.6%**
Kineton	43	175	218	**19.7%**
Shipston-on-Stour	35	251	286	**12.2%**
Southam	46	263	309	**14.9%**
Studley	39	209	248	**15.7%**
Wellesbourne	51	236	287	**17.8%**
Rural Areas	205	1,258	1,463	**14.0%**
District Total	**852**	**4,542**	**5,394**	**15.8%**

Source: Housing Register (May 2012)

6.57 Figure 6.16 above shows the number of households registered and also the number who are considered to be in the highest (priority) housing need. The figures for in priority need are taken as those households marked by the Council as being a priority case (Gold, Silver and priority homeless cases on the Housing Register). The data shows that overall around 15.8% of households who are registered are also considered to be in need with figures varying from 12.2% in Shipston to 19.7% in Kineton.

6.58 We therefore estimate that there are a total of 852 households who are considered to be in priority housing need. We have discounted this figure to take account of households already living in affordable housing. This is because such households (although they are in need) will release an affordable home when they move and there will therefore be no net requirement for additional affordable housing to be provided.

6.59 Figure 6.17 below therefore shows an initial estimate of the current housing need (backlog) taking account of transfers. The table shows an estimated transfer supply of 436 homes. This leaves a current housing need of 416 net of transfers. The need is highest in Stratford (166 households) and lowest in Kineton (11 households). The level of need in different settlements is influenced by their size, socio-economic characteristics and the supply and turnover of existing affordable housing.

Figure 6.17: Estimated Current Housing Need (Backlog) by Sub Market

Sub-area	Estimated Current Priority Housing Need	Households Currently in Affordable Housing	Gross Housing Need (Net of Transfers)
Stratford-upon-Avon	288	122	**166**
Alcester	67	39	**28**
Bidford	46	26	**20**
Henley-in-Arden	32	19	**13**
Kineton	43	32	**11**
Shipston-on-Stour	35	17	**18**
Southam	46	21	**25**
Studley	39	17	**22**
Wellesbourne	51	33	**18**
Rural Areas	205	110	**95**
District Total	**852**	**436**	**416**

Source: Housing Register (May 2012)

6.60 Our estimated level of backlog need is therefore 416. We can however additionally consider the fact that a number of these households might be able to afford market housing without the need for subsidy. For an affordability test we have used the income data provided by Experian and adjusted the distribution to reflect the fact that typically (nationally) households living in the social rented sector have an average income which is around 45% of the figure for all households in an area. Overall, only 16% of households in Stratford-on-Avon District with a current need are estimated to have sufficient income to afford market housing and so our estimate of the total backlog need is reduced to 351 households.

Figure 6.18: Estimated Backlog Need by Sub-Market

Sub-area	Gross Need (Housing Register)	% Unable to Afford	Revised Gross Need (including Affordability)
Stratford-upon-Avon	166	88.5%	**147**
Alcester	28	87.0%	**24**
Bidford	20	82.7%	**17**
Henley-in-Arden	13	85.8%	**11**
Kineton	11	78.2%	**9**
Shipston-on-Stour	18	87.6%	**16**
Southam	25	79.3%	**20**
Studley	22	82.7%	**18**
Wellesbourne	18	79.3%	**14**
Rural Areas	95	79.6%	**76**
District Total	**416**	**84.4%**	**351**

Source: Housing Register (May 2012)

Newly-Arising Need

6.61 To estimate newly-arising (projected future) need we have looked at two key groups of households based on the CLGs SHMA Guidance[16]. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

6.62 For newly-forming households we have estimated (through our demographic modelling) the number of new households likely to form over the five year period and then applied an affordability test. This has been undertaken by considering the changes in households in specific 5-year age bands in 2017 relative to numbers in the age band below 5 years previously to provide an estimate of gross household formation. This differs from numbers presented in the demographic projections which are for net household growth[17]. The number of newly-forming households are limited to households forming who are aged under 45. This methodology is recognised in the guidance[18] as a robust method for assessing the number of newly forming households.

6.63 The estimates of gross new household formation have been based on outputs from our projection linked to the Draft Core Strategy Preferred Option (Option F) - see section 7. In looking at the likely affordability of newly-forming households we have drawn on data from the Survey of English Housing (now English Housing Survey[19]) over a number of years. This establishes that

[16] Communities & Local Government (August 2007) *Strategic Housing Market Assessment – Practice Guidance (Version 2)*
[17] It also differs from the approach in the 2009 SHMA Market Review
[18] Communities & Local Government (August 2007) *Strategic Housing Market Assessment – Practice Guidance (Version 2)*
[19] The English Housing Survey is continuous national survey undertaken by Communities and Local Government

the average income of newly-forming households is around 70% of the figure for all households. This figure is remarkably consistent over time.

6.64 In Stratford-on-Avon (and all ten sub-areas) we have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 70% of the all household average. In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as Local Housing Allowance).

6.65 We have also used our district level income data to provide a localised estimate of the likely proportion of households unable to afford market housing (again based on accessing private rented housing). Our assessment suggests that overall around 52.4% of newly-forming households will be unable to afford market housing. There is some variation by sub-area with 47% of new households in Kineton estimated to be unable to afford compared with 62% in Stratford-upon-Avon.

Figure 6.19: Estimated Level of Housing Need from Newly Forming Households (Five Year Period)

Sub-area	Number of Newly-Forming Households (Gross)	% unable to afford	Total in Need
Stratford-upon-Avon	806	61.8%	**498**
Alcester	189	58.0%	**110**
Bidford	238	51.3%	**122**
Henley-in-Arden	114	55.2%	**63**
Kineton	159	46.8%	**74**
Shipston-on-Stour	159	59.5%	**95**
Southam	263	47.9%	**126**
Studley	181	51.3%	**93**
Wellesbourne	204	47.9%	**97**
Rural Areas	1,647	48.3%	**795**
District Total	**3,961**	**52.4%**	**2,074**

Source: GL Hearn/JGC Projection Modelling

Existing Households falling into Housing Need

6.66 The second element of newly arising need is existing households falling into need. To assess this we have again used the Housing Register data and also information about supply from CORE. We have looked at households who have been housed over the past five years. This group will represent the flow of households onto the Housing Register over a five year period. From this we have discounted any newly forming households (e.g. those currently living with family) as well as households who have transferred from another social rented property. An affordability test has also been applied, although as was seen for the backlog need, relatively few households have sufficient income to afford market housing.

6.67 This method for assessing existing households falling into need is consistent with the SHMA guide which says on page 46 that '*Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include* *households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)*'.

6.68 Figure 6.20 below therefore shows our estimate of likely new need from existing households over the next five years by sub-area. The projections are based on a period which includes the housing market downturn; and as a result we would expect the figures to be influenced by changes to lending practices and growth in housing costs in the private rented sector. The data shows an additional need arising from 876 households, with 33.2% of these being in Stratford-upon-Avon.

Figure 6.20: Estimated level of Housing Need from Existing Households (2012-17)

Sub-area	Number of Existing Households falling into Need	% of Need
Stratford-upon-Avon	291	**33.2%**
Alcester	70	**8.0%**
Bidford	51	**5.8%**
Henley-in-Arden	42	**4.8%**
Kineton	28	**3.2%**
Shipston-on-Stour	47	**5.4%**
Southam	41	**4.7%**
Studley	35	**4.0%**
Wellesbourne	35	**4.0%**
Rural Areas	236	**26.9%**
District Total	**876**	**100.0%**

Source: Housing Register data (May 2012) and CORE

6.69 Estimates of total future housing need which is likely to arise over the next five years (2012-17) are shown below, by combining the estimates of need arising from newly-forming households and from existing households falling into need. Total newly-arising need is estimated at 2,950 households over the 2012-17 period.

Figure 6.21: Estimated Future Housing Need (2012-17)

Sub-area	Newly-forming Households in Need	Existing Households falling into Need	Total Newly-Arising Need 2012-17
Stratford-upon-Avon	498	291	**789**
Alcester	110	70	**180**
Bidford	122	51	**173**
Henley-in-Arden	63	42	**105**
Kineton	74	28	**102**
Shipston-on-Stour	95	47	**142**
Southam	126	41	**167**
Studley	93	35	**128**
Wellesbourne	97	35	**132**
Rural Areas	795	236	**1,031**
District Total	**2,074**	**876**	**2,950**

Supply of Affordable Housing

6.70 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social relets and the annual supply of relets/sales within the intermediate sector.

Social Rented Housing

6.71 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. We have used information from the Continuous Recording system (CORE) to establish past patterns of social housing availability. Our figures include general needs and supported lettings but exclude lettings to new properties (i.e. non-relets or additional net supply) together with an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

6.72 On the basis of past trend data is has been estimated that 275 units of social rented housing are likely to become available each year moving forward (1,375 over the five-year projection period). Figure 6.22 breaks this information down by year and source of supply.

Figure 6.22: Analysis of past Social Rented Housing Supply

		2008/9	2009/10	2010/11	Average
General needs	Total lettings	363	399	443	402
	Newbuild	22	31	86	46
	Lettings in existing stock	341	368	357	355
	% non-transfers	58%	54%	57%	56%
	Total lettings to new tenants	198	199	203	200
Supported	Total lettings	111	166	109	129
	Newbuild	1	0	0	0
	Lettings in existing stock	110	166	109	128
	% non-transfers	44%	67%	60%	58%
	Total lettings to new tenants	48	111	65	75
Total lettings to new tenants		246	310	268	275

Source: CORE

Intermediate Housing

6.73 The supply figure is for social rented housing only and whilst the stock of intermediate housing in Stratford-on-Avon is not significant compared to the social rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership). For the purposes of this assessment we have estimated the likely size and turnover in the intermediate stock on the basis of Regulatory Statistical Return (RSR) data. From this it is estimated that around 19 additional properties might become available per annum (95 over the five year projection period).

Total Affordable Supply

6.74 The total supply of affordable housing is therefore estimated to be 294 per annum (or 1,470 over the next five years). Figure 6.23 shows the locations where supply is expected to arise.

Figure 6.23: Supply of Affordable Housing from Relets by Sub-Area

Area	Social rented relets	Intermediate housing 'relets'	Total supply (2012-2017)
Stratford-upon-Avon	289	10	**299**
Alcester	126	5	**131**
Bidford	74	10	**84**
Henley-in-Arden	57	3	**60**
Kineton	65	4	**69**
Shipston-on-Stour	72	4	**76**
Southam	104	6	**110**
Studley	83	7	**90**
Wellesbourne	102	2	**104**
Rural Areas	405	43	**448**
District Total	**1,375**	**95**	**1,470**

Net Housing Need

Excluding Pipeline Development

6.75 Figure 6.24 shows our initial overall calculation of housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The data shows an overall need for affordable housing of 1,831 units over the next five years. The net need is calculated as follows:

Net Need = Backlog Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

6.76 This calculation assumes that the backlog of housing need is met over the next five years (in line with many other housing needs studies). There is a question about how realistic this is (which we will come onto).

Figure 6.24: Estimated level of Housing Need (2012-17) excluding Pipeline

Sub-area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Existing supply from relets	Net Need
Stratford-upon-Avon	147	498	291	936	299	**637**
Alcester	24	110	70	204	131	**73**
Bidford	17	122	51	190	84	**106**
Henley-in-Arden	11	63	42	116	60	**56**
Kineton	9	74	28	111	69	**42**
Shipston-on-Stour	16	95	47	158	76	**82**
Southam	20	126	41	187	110	**77**
Studley	18	93	35	146	90	**56**
Wellesbourne	14	97	35	146	104	**42**
Rural Areas	76	795	236	1,107	448	**659**
District Total	**351**	**2,074**	**876**	**3,301**	**1,470**	**1,831**

Source: Housing Register, Projection Modelling

Taking Account of Planning Consents

6.77 The Government guidance[20] on needs assessment indicates that the calculation of housing needs should taken into account the committed supply of affordable housing. This includes affordable housing on sites with planning consent (or where there is a resolution to grant consent) which are expected to be delivered over the five year period between 2012-17.

6.78 The Council's monitoring information, within its Affordable Housing Enabling Schedule, indicates that there are 77 affordable dwellings on sites with planning consent which were expected to be delivered in 2012-13, 75 in 2013-14 and 156 between 2014-17. This totals 308 dwellings.

[20] Communities & Local Government (August 2007) *Strategic Housing Market Assessment – Practice Guidance (Version 2)*

6.79 The data shows a net need for 1,523 affordable homes over the 2012-17 period, equivalent to 305 affordable homes per annum.

Figure 6.25: Estimated level of Housing Need (2012-17) including Pipeline

Sub-area	Total Need	Net Supply	Supply from Development Pipeline	Net Need
Stratford-upon-Avon	936	299	111	526
Alcester	204	131		73
Bidford	190	84		106
Henley-in-Arden	116	60	10	46
Kineton	111	69		42
Shipston-on-Stour	158	76	5	77
Southam	187	110		77
Studley	146	90	5	51
Wellesbourne	146	104		42
Rural Areas	1,107	448	177	482
District Total	3,301	1,470	308	1,523

Role of the Private Rented Sector in Meeting Housing Need

6.80 The Strategic Housing Market Assessment Guidance[21] requires consideration of the extent of the private rented sector (through the Local Housing Allowance (LHA) system) and its ability to meet the needs of households in need to be estimated. We have therefore used data from the Department of Work and Pensions (DWP) to look at the number of LHA supported private rented homes. As of January 2012 it is estimated that there were 1,860 benefit claimants in the private rented sector in the District.

6.81 The data in Figure 6.26 below shows that in all areas studied the number of LHA claimants has increased over the two and a half year period although the proportionate increase in Stratford-on-Avon is quite small relative to other locations. The time period for analysis has been used due to this being the longest time series available from the DWP source.

Figure 6.26: Number of people claiming LHA in private rented sector (August 2009 and January 2012)

Area	August 2009	January 2012	Absolute change	% change
Stratford-on-Avon	1,600	1,860	260	**16.3%**
Warwickshire	8,320	10,160	1,840	**22.1%**
West Midlands	106,880	134,900	28,020	**26.2%**
Great Britain	**1,272,640**	**1,613,200**	**340,560**	**26.8%**

Source: Department of Work and Pensions

6.82 This information does not tell us how many lettings are made each year to tenants claiming benefit as this will depend on the turnover of stock. Nationally (from the 2009/10 English Housing Survey) it is estimated that the turnover of private rented properties is around 32% (the highest of any tenure category). In addition, comparing EHS data with DWP data suggests that the number of households claiming is around 75% of the number of claimants (this arises due to multiple claimants living in the same dwelling. If these figures are applied to Stratford-on-Avon then this would equate to 446 lettings per annum.

6.83 Over the five year projection period used for analysis we also need to take account of households making multiple moves within the private rented sector. Again assuming a turnover rate of 32% we estimate that this would mean that over five years some 1,192 households will have their needs met through the private rented sector (essentially the calculation assumes that there are 0.75 households per claimant and that the number of unique households declines over time (i.e. if 32% move each year then in the second year 32% of 32% will be the same household moving again)).

6.84 In any case, it is not appropriate to treat this sector as a form of affordable housing and net it from the overall annual housing needs estimate of 1,831 affordable homes (2012-17). Neither the SHMA Guidance (CLG, 2007) nor the NPPF (CLG, 2012) recognise this sector as affordable housing because there can be no guarantee that properties will be let (or re-let) to households falling into housing need.

[21] Communities & Local Government (August 2007) *Strategic Housing Market Assessment – Practice Guidance (Version 2)*

6.85 Although a notable number of households are claiming Housing Benefit in the private rented sector does not necessarily mean that their needs are being met. Information from the Council suggests that over two-thirds of benefit claimants in the private rented sector have to make up the difference between the amount of benefit received and the rent payable which means that the sector is not really affordable. There is also evidence that some working households in the sector struggle to pay their rent and are getting into ever increasing debt – it is noteworthy that around a third of households (1,660 households) on the Council's Housing Register currently live in private rented accommodation – of these 175 are also in a Priority group for re-housing.

6.86 However, it should be recognised that, in practice, the private rented sector does make a contribution to filling the gap in relation to meeting housing need. Given the levels of affordable housing need shown in this study, the private rented sector is likely to continue to be used to some degree to make up for the shortfall of genuine affordable housing for the foreseeable future.

6.87 This said, reforms to Local Housing Allowance (which we will come onto) including changes to how LHA is paid, how much LHA can be claimed and the ability of single persons under 35 to claim the shared accommodation rate, may impact on the number of households in need who are able to secure appropriate accommodation in the private rented sector.

6.88 The extent to which the Councils wish to see the private rented sector being used to make up for shortages of affordable housing is a matter for policy intervention and is outside the scope of this report. However it should be recognised that the Private Rented Sector does not provide secure tenancies and that standards within the sector are likely to be lower than for social rented properties. Furthermore there are households with specific housing needs who may not be able to find suitable accommodation within the Private Rented Sector.

Understanding the Context to the Housing Needs Assessment

6.89 The housing needs analysis concludes that there is a shortfall of 1,831 affordable homes over the period from 2012 to 2017 which reduces to 1,523 dwellings if we include schemes in the development pipeline. However there are a number of things that need to be remembered in interpreting the housing needs analysis.

6.90 The Basic Needs Assessment Model which has been used was designed specifically to identify whether there is a shortfall or surplus of affordable housing. It is a statutory requirement to underpin affordable housing policies.

6.91 The needs assessment therefore does not look at all housing needs, but specifically the needs of those who can't afford market housing (assuming no more than 25% of households' gross income is spent on housing costs). It assumes that all households are adequately housed in a home that they can afford.

6.92 The needs assessment is a 'snapshot' assessment at a point in time, which is affected by the differential between housing costs and incomes at that point; as well as the existing supply of affordable housing. In the case of Stratford-on-Avon District, whilst the stock of affordable housing has increased slightly (by about 450 units) over the last decade it has reduced as a proportion of all housing in the area. This has affected the level of affordable housing need. The shortfall of affordable housing identified is therefore to some extent affected by past investment decisions.

6.93 Moreover, as the Basic Needs Assessment Model is designed to identify a shortfall of genuine affordable housing, it assumes that all households in 'housing need' are housed in affordable homes (which includes provision that the home remains at an affordable price for future eligible households).

6.94 In reality, there are two key factors which need to be considered:

- Some households defined as in housing need may choose to spend more than 25% of their gross income on housing costs or may not actively seek an affordable home; and

- Some households defined as in housing need are accommodated in the Private Rented Sector, supported by Local Housing Allowance.

6.95 It is estimated that there are currently 1,860 Local Housing Allowance claimants housed in the Private Rented Sector. Over the five year period we estimate that 1192 households in need could have their needs met through provision of Private Rented Sector accommodation (based on current trends).

6.96 As the level of housing need is very sensitive to differences between housing costs and incomes, changes in the difference between incomes and housing costs over time will affect the level of housing need identified.

6.97 Because of the factors described above, the housing needs analysis per se does not provide a strong basis for considering overall future housing requirements.

6.98 Given the current stock of affordable housing in the District, the funding mechanisms for delivery of new affordable housing and policies affecting sales of existing properties, it is also unrealistic to assume that all households in housing need will be provided with an affordable home. It is realistic to assume that the Private Rented Sector will continue to play an important role in meeting housing need in the short-to-medium term.

Need for Different Types of Affordable Housing

6.99 Having studied housing costs, incomes and housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. We therefore use the income information presented earlier in this section to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. The main data sources for establishing housing need are the Housing Register and projections of newly-forming households (along with local income estimates).

6.100 We have assessed requirements in the form of three income bands which have been associated with three different tenures of housing – intermediate, affordable rented and social rented. Households are considered able to afford intermediate or affordable rented housing if their income is greater than that required to rent at 80% of market rental costs (a figure which equates with possible affordable rent maximum costs) and the income falls below that required to access the market without subsidy. Although technically an intermediate product could be provided at below this level, the reality is that most intermediate housing is priced closer to market costs than social housing costs.

6.101 Households whose income falls below the 80% of market rent threshold are considered to require social rented housing although it should be noted that many of these households would technically be able to access affordable rented housing (although in all cases are likely to require Housing Benefit to make it affordable)

6.102 Figure 6.28 shows figures for our assumed market entry income level (which vary by sub-areas) and the income levels at which affordable or social rented housing will be required. Any household with an income below about £19,300 is expected to require Housing Benefit to make the rent affordable (i.e. to prevent them from spending more than 25% of income on housing costs).

Figure 6.27: Income Range for Access to Different Tenures of Affordable Housing

Broad tenure group	Income range
Income required to access market housing	£29,300 - £32,400
Income required to access affordable rented housing (without HB)	£23,400 - £25,900
Income required to access social rented housing (without HB)	£19,300

Source: Online Estate and Letting Agents Survey (May 2012) and CORE

6.103 Intermediate housing includes intermediate rented homes, shared ownership and equity products and low cost housing for sale. With the current difficulties faced by many households in accessing mortgage finance (due to low levels of savings) it is quite probable that within the 'intermediate' category we might at the current time expect a large amount of this to be rented accommodation. Whilst the analysis indicates the numbers who might be able to spend more than 80% of a market rent (but less than 100%) the reality is that much of this housing might be expected to be provided as affordable rented. Thus there is a clear overlap between the different categories of affordable housing studied in the tables that follow.

6.104 Figure 6.28 below shows our estimate of the number of households in need in each of the above categories and estimated net need levels (for the purposes of analysis the intermediate and affordable rent figures have been combined). The data shows that across the District some 42% of the need could be met through products priced at the 80% of market level suggested by affordable rented housing without the need for benefit assistance.

Figure 6.28: Estimated level of Housing Need (2012-17) by Type of Affordable Housing

	Intermediate Housing /Affordable Rented	Social Rented	Total
Total Gross Need	871	2,430	**3,301**
Total Gross Supply	95	1,375	**1,470**
Net Need (5-years)	776	1,055	**1,831**
% of shortfall	**42%**	**58%**	**100%**

Source: GL Hearn Housing Needs Analysis

6.105 The Council's current policy is for 70% social rented and 30% intermediate affordable housing. The analysis above suggests that a higher proportion of households could potentially have their needs met through provision of intermediate or affordable rented housing. It should be remembered however that this analysis is based on household incomes, and does not take into account the level of savings which households have. Savings are of particular importance to the ability of households to afford shared ownership or shared equity homes which represent the majority of supply of intermediate housing. Intermediate housing however also includes intermediate rented housing.

6.106 The analysis above suggests that of total net need, 42% could be met by provision of housing costing 80% of more of entry-level market housing costs. While these households could be accommodated in intermediate housing (including intermediate rent) they could also be accommodated in affordable rented housing (priced at up to 80% of market rents inclusive of service charge).

6.107 In current market conditions, household savings and financial history are a key barrier to accessing shared ownership and shared equity homes. Furthermore, in Stratford-on-Avon District there is evidence that shared equity (such as First Buy) is difficult to make work. The Council has encouraged a number of households to apply for First Buy but has found that lenders were not prepared to give them a mortgage due to insufficient income.

6.108 Drawing the analysis together we consider that an appropriate strategic policy regarding the affordable housing tenure mix would be for:

20% shared ownership/ shared equity homes (with a particular focus on shared ownership)

20% affordable rented homes

60% social rented homes

6.109 The precise mix of affordable housing on an individual development site should consider the findings of the SHMA Update alongside local evidence relating to the existing stock and turnover of affordable housing at a settlement level, as well as information regarding the mix of households on the housing register at the time of submission of a planning application.

Impact of Welfare Reforms

6.110 The Coalition Government has heralded a period of considerable change by way of welfare reforms which will have an effect on the District's residents. The reforms are set against a backdrop of government spending cuts, which has seen funding levels drop, and an economic recession which has led to changes to the country's housing market and how housing can be accessed. A summary of the proposed welfare reforms and potential impact are shown below:

- Reducing the Local Housing Allowance (LHA) from the median rent in a Broad Rental Market Area (BRMA) to the 30th centile from October 2011 (this is discussed in more detail below).
- Up rating and increasing the non-dependent rate from April 2011 is likely to place pressure on households with adult children still living at home who cannot contribute towards household expenses.
- Capping the Local Housing Allowance is likely to make applicants for private sector lettings less attractive to landlords.
- Capping the total benefits to a household at no more than the national average wage is likely to impact larger families.
- Limiting payments for people under 35 to the shared room rate (up from 25), making it harder to place young single people in private rented accommodation (this is discussed in more detail below).
- Limiting Housing Benefit entitlements for working age people in social housing sector to reflect family size could increase arrears (this is discussed in more detail below).

- Up rating LHA in line with Consumer Price Index (CPI) instead of Retail Price Index (RPI) may impact on the number of private sector homes available for rent.

- The move towards a Universal Credit is likely to end Housing Benefit payments direct to landlords, making benefit claimants potentially less attractive as tenants.

Changes to maximum LHA payments

6.111 As the Council's Spring 2012 research on Private Sector Rents in Stratford-on-Avon District indicates, demand for private rented accommodation in the District exceeds supply. Many private landlords are unwilling (and do not need to) let to people in receipt of Housing Benefit. The research suggests that 12% of advertised properties in November 2011 are affordable to people in receipt of housing benefit (with this level falling significantly since 2009).

6.112 In looking at the extent to which the private rented sector is being used to meet housing need (through LHA) it is important to consider the likely impact of the changes made as of April 2011. The key change is that calculations of the maximum amount that can be claimed goes from the median rent in an area to the 30th centile. Figure 6.29 shows figures for Warwickshire South Broad Rental Market Area for median and 30th centile rents for different property sizes. The figures are taken from the Rent Service website for June 2010 (contained within a set of tables studying the impact of LHA changes).

6.113 Generally the differences are not big although there will be a number of households previously able to claim their full rent back who would no longer be able to do so. Research by the Department of Work and Pensions (DWP) suggests that around 970 claimants will be affected by this change with an average loss of £9 per week. It is not clear how many of these claimants will be significantly affected (e.g. unable to pay the rent and potentially become homeless) but this change may well put additional stress of household finances and may at the very least force some households to move home to seek cheaper accommodation.

Figure 6.29: LHA levels at median and 30th centile (June 2010)

BRMA	Property size	Median	30th centile	% difference
Warwickshire South	Room only	£63	£59	**-6%**
	1 bedroom	£115	£109	**-5%**
	2 bedrooms	£144	£137	**-5%**
	3 bedrooms	£173	£160	**-8%**
	4+ bedrooms	£229	£206	**-10%**

Source: Rent Service

6.114 Rental values within the District appear to be higher than in the Broad Rental Market Area as a whole. The Council's own research suggests that for 69% of existing LHA claimants in the Private Rented Sector, the maximum levels of LHA which can be claimed is less than the rents due. The reductions in LHA which can be claimed may result in some households needing to move to other areas such as Leamington; and could restrict future growth in the numbers of LHA Claimants within the Private Rented Sector.

Changes to the Shared Accommodation Rate

6.115 There may be further issues relating to changes to the single room allowance. From January 2012 benefit claimants aged 35 and under are only able to claim the single room allowance rather than the allowance for a 1 bed property. Previously this only applied to claimants aged 25 or under. Research by DWP indicates that 50 households may be affected by this change with their LHA reduced by an average of £41 per week.

6.116 The difference between the LHA maximum for a one-bedroom property and the single room allowance is significant with the latter typically being less than two-thirds of the figure for self-contained accommodation.

6.117 There appears to be a relatively limited stock of shared properties available in the Private Rented Sector in the District. There are some potential constraints on the ability of young households aged under 35 to secure appropriate accommodation in private sector housing.

Limiting benefit entitlements in the social rented sector

6.118 The final key area of the welfare reforms studied here relates to changes in the amount of Housing Benefit working age households can claim in the social rented sector. Currently the amount of Housing Benefit to which they are entitled, and the eligible rent part of the Housing Benefit calculation, is unrelated to the size of accommodation that claimants actually require – it is based simply on the accommodation that they actually occupy. This is in contrast to the rules that apply in the private rented sector.

6.119 From 1st April 2013 it is intended to introduce size criteria for new and existing working-age Housing Benefit claimants living in the social rented sector. The size criteria will replicate the size criteria that apply to Housing Benefit claimants in the private rented sector and whose claims are assessed using the local housing allowance rules. The applicable maximum rent will be reduced by a national percentage rate depending on how many bedrooms the household is considered not to require.

6.120 At present there is no locally specific data for Stratford-on-Avon about the number of households who might be affected by this change. However, in a DWP Equality Assessment (October 2011) it is estimated that in the West Midlands some 60,000 households will be affected (33% of working-age households in the social rented sector) and that these households will lose an average of £14 per week.

6.121 As with the LHA changes discussed above it is not certain how many of these households will be put into significantly financial difficulty as a result of this change but it is quite possible that this change will see an increase in households seeking to move home and potentially requiring smaller accommodation.

Policy Implications: Housing Need

Across Stratford-on-Avon District entry-level (lower quartile) house prices are on average 4.5 times (lower quartile) household incomes. 26% of households in the District have insufficient income to be able to afford market housing, either to purchase or rent, without some form of subsidy.

An additional 1,523 affordable dwellings would need to be delivered between 2012-17 if all households in housing need were to be housed in an affordable home with a secure tenancy. The level of housing need is influenced by market conditions but also past investment decisions and the existing stock of affordable housing in the District (i.e. the growth in the size of the social rented sector over the past ten years has not kept pace with overall increases in the number of households). Furthermore this figure could be considered as a minimum given that there are likely to be a number of households on the Housing Register who are in need but not in a priority group (as well as households in need who are not registered). The Housing Register was one of the key sources of data used for the housing needs modelling.

The analysis indicates a backlog of housing need of 351 households (excluding transfers). There is however a particular difference between the level of newly-arising need (590 households per annum) and the supply of properties from re-lets of existing stock (294 dwellings per annum).

The significant shortfall between the need for and supply for affordable housing is however partly being met by the Private Rented Sector (PRS). An estimated 450 lettings per annum of PRS properties are made to households in housing need, with the sector capable of accommodating an estimated 1,192 households over 5 years. Many households may turn to the private rented sector as they cannot secure affordable housing, However the Council's evidence suggests that over two-thirds of benefit claimants in the PRS have to top up their benefit payments in order to afford rents meaning that the sector is not really an affordable solution for many households. There is also a noticeable difference in costs between social and private rents and growing rents plus LHA caps may limit future growth in the number of households in need who can be housed in the PRS.

Taking account of the level of need identified, it is likely that the PRS will continue to contribute to meeting housing need. The Council should continue to work proactively to assist tenants in securing appropriate, good quality accommodation which they can afford.

The proposed 35% affordable housing target in the Draft Core Strategy is supported by the needs evidence. Drawing the analysis together we consider that an appropriate strategic policy regarding the affordable housing tenure mix would be for:

20% shared ownership/shared equity homes (with a particular focus on shared ownership)

20% affordable rented homes

60% social rented homes

In current market conditions, household savings and financial history are a key barrier to accessing shared ownership and shared equity homes.

The precise mix of affordable housing on an individual development site should consider the findings of the SHMA Update alongside local evidence relating to the existing stock and turnover of affordable housing at a settlement level, as well as information regarding the mix of households on the housing register at the time of submission of a planning application.

7. FUTURE HOUSING REQUIREMENTS

Introduction

7.1 An important part of the SHMA process is to establish a reasonable basis for housing provision set against the Coalition Government's stated intention to abolish Regional Spatial Strategies (RSS) and the housing targets set out within them. Instead individual local authorities will be responsible for determining housing requirements in their areas. Primary legislation is required for this change of policy which took a major step forward on the 15th November 2011 when the Localism Bill received Royal Assent.

7.2 In revoking the Regional Spatial Strategies, the Government has made it clear that local authorities will still need to be able to justify housing numbers in their plans and be able to defend them during the Local Plan examination process. Housing numbers must be based upon reliable information.

7.3 In March 2012 the Government published the **National Planning Policy Framework** (NPPF). The NPPF introduces a presumption in favour of sustainable development, whereby local planning authorities should prepare new Local Plans on the basis that objectively assessed development needs (both for housing and other types of development) should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the document as a whole. The starting point is that Local Plans should meet the full requirements for market and affordable housing in their housing market area. Any under provision is expected to be addressed through collaborative working with neighbouring authorities, and this is included within the tests of soundness for the plan. The NPPF emphasises the role of Strategic Housing Market Assessments in assessing full housing requirements, including both the scale and mix of housing.

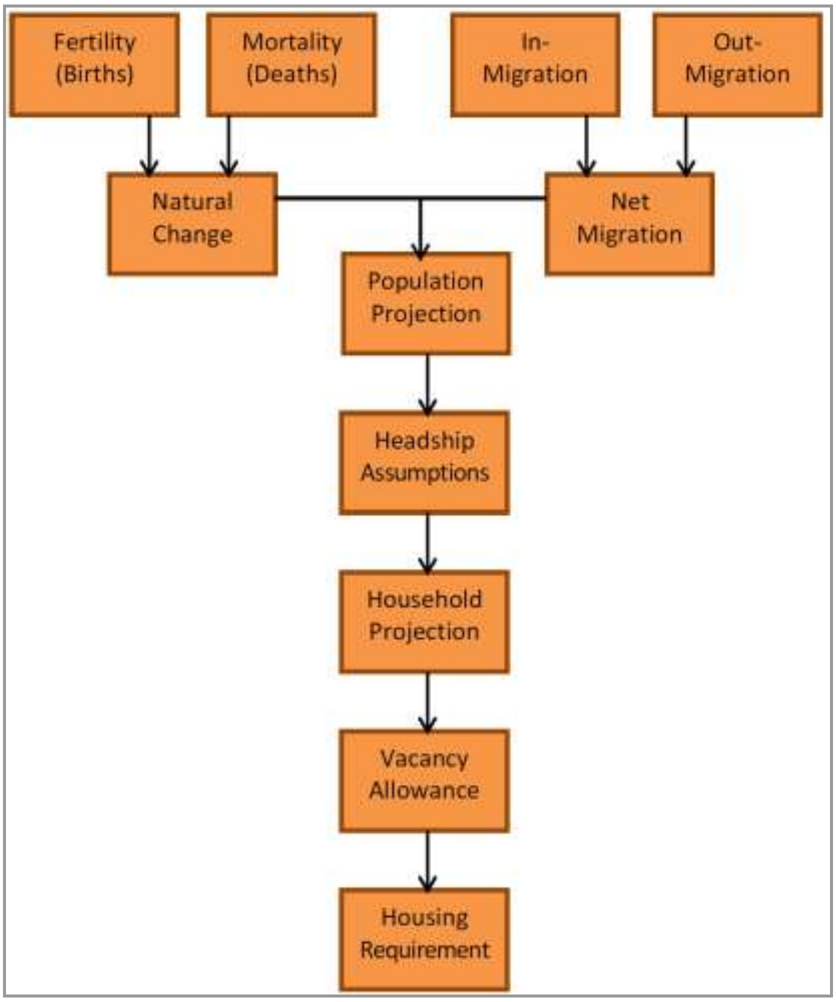
7.4 In June 2011, GL Hearn completed a Housing Provision Options Study for the District Council which looked at a range of demographic and economic scenarios for housing development moving forward. Within this project we have not sought to redo the full analysis in this earlier report but have updated figures on the basis of new information that has become available. The key additional source is the 2010-based ONS subnational population projections (SNPP) which were released in March 2012.

7.5 The methodology adopted is based on demographic modelling with a number of different scenarios being developed on the basis of different input and output requirements such as testing different levels of migration. The modelling largely draws on detailed components of change data provided by ONS from the 2010-based subnational population projections.

Overview of Methodology

7.6 The first thing we need to establish is the current population and how will this change in the period from 2008 to 2028. This will require us to work out how likely it is that women will give birth (the fertility rate); how likely it is that people will die (the death rate) and how likely it is that people will move into or out of the District. These are the principal components of population change and are used to construct our principal trend-based population projections. Figure 7.1 below shows the key stages of the projection analysis through to the assessment of housing requirements.

Figure 7.1: Overview of Methodology



Projections Run

7.7 As part of this assessment we have run three projections to assess how the population and local economy (number of people in employment) might change under different assumptions. Whilst any number of projections could be developed the three contained within this report are based on demographic trends (as in the ONS 2010-based SNPP) as well as understanding the implications of the Draft Core Strategy proposed housing numbers.

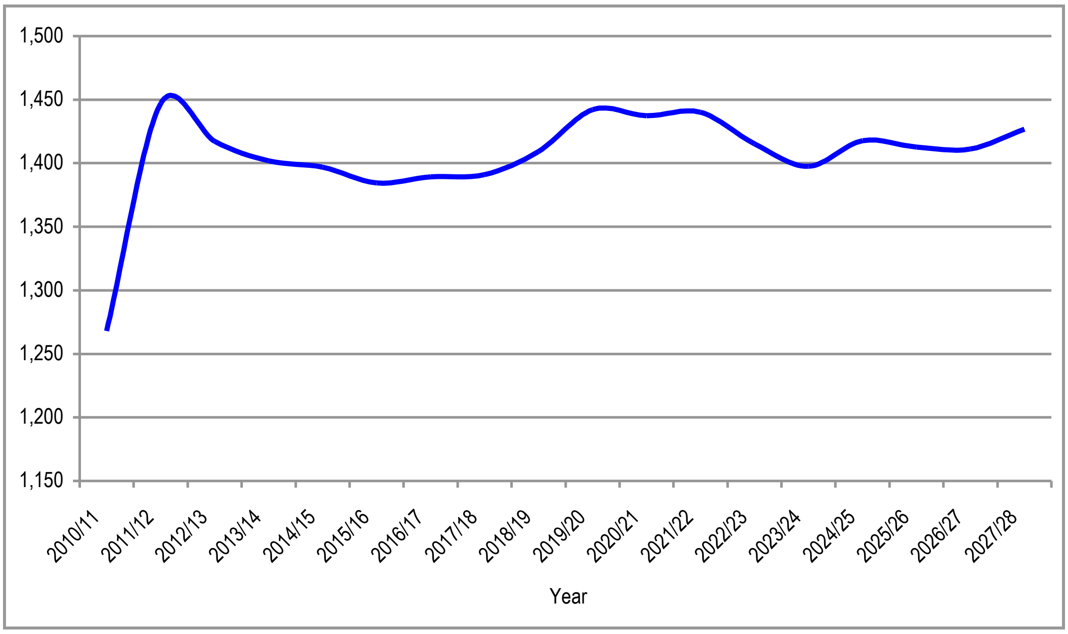
7.8 In all cases the projections are run from 2008 to 2028 although for the first three years of the projection (2008, 2009 and 2010) the figures are fixed by reference to published mid-year population estimates by ONS. Hence the projections only become variable after 2010. The three projections run are listed below with a brief description of each following:

- PROJ 1 – Linked to the 2010-based SNPP. A projection based on the migration trends contained in the 2010-SNPP. Data from ONS suggests an annual average of 1,410 net in-migrants over the period from 2010 to 2028
- PROJ 2 – Linked to the Draft Core Strategy Option F housing numbers. A projection linked to proposed housing delivery in the Draft Core Strategy which proposes 8,000 additional dwellings from 2008 to 2028. We have run two variants of this projections; one looking at where population and household growth might be expected if housing supply were not fixed (as in the Draft Core Strategy) and a second projection which looks at the potential implications of the proposed housing distribution
- PROJ 3 – Zero net-migration. A projection looking at the likely change in the population and housing requirements of in- and out-migration being in balance in the period from 2010 to 2028.

PROJ 1 – Linked to the 2010-based SNPP and PROJ 3 – Zero Net-Migration

7.9 Our first projection simply follows the assumptions around migration contained within the 2010-based SNPP for Stratford-on-Avon (in terms of both in- and out-migration). The 2010-based SNPP suggests an average annual level of net in-migration of around 1,406 people per annum moving forward in the period from 2010 to 2028. The actual figures for this period are shown in Figure 7.2.

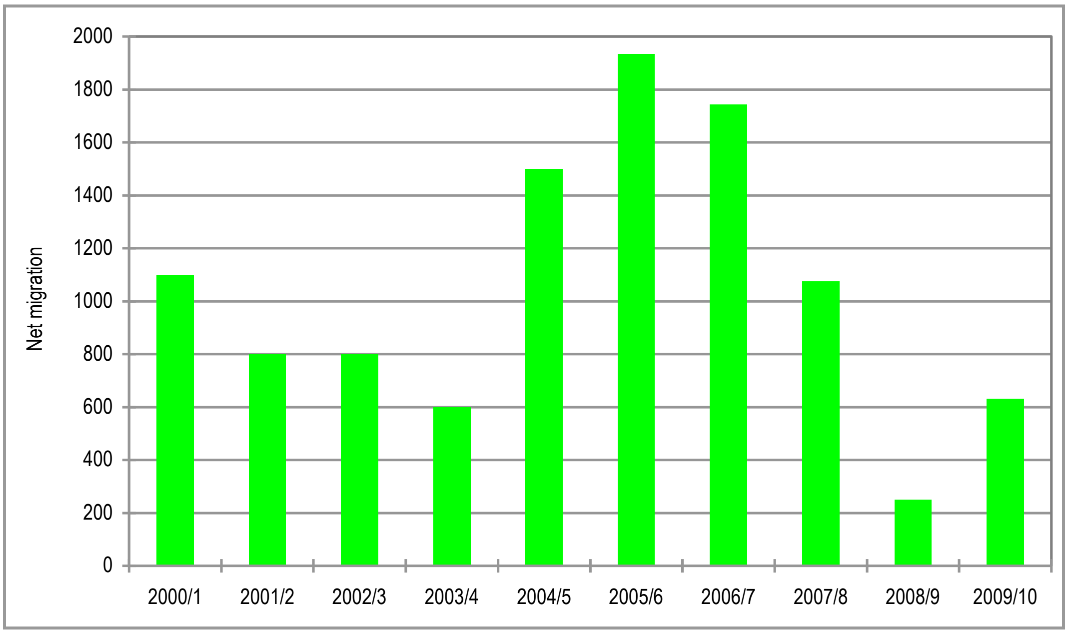
Figure 7.2: Annual level of net migration assumed in the 2010-based SNPP for Stratford-on-Avon (2010 to 2028)



Source: 2010-based SNPP

7.10 We have not carried out any detailed analysis of past trends by way of verifying how realistic these figures look although it is worth noting that migration levels in the past two years are somewhat down on most previous years. Over the past two years the average level of net migration is around 450 per annum although for the past five years the figure is substantially higher (at over 1,100 per annum). The Housing Options Study modelled scenarios for net migration of 960 persons per annum and 25% below this (720 per annum).

Figure 7.3: Net migration to Stratford-on-Avon (2000/1 to 2009/10)



Source: ONS Mid-Year Population Estimates

7.11 By way of establishing the impact migration has on population change and housing requirements we have also developed a zero net-migration projection (PROJ 3).

PROJ 2 – Linked to the Draft Core Strategy

7.12 The second projection looks at the population and employment implications of providing housing numbers in line with the Draft Core Strategy. Overall provision is made for 8,000 additional dwellings over the period from 2008 to 2028 split into ten different broad locations. We have combined information from the Draft Core Strategy (Option F) with data on completions and commitments to estimate the likely distribution of development across the District between 2008-28. Figure 7.4 shows the locations for the 8,000 homes along with an indication of when these might be delivered.

Figure 7.4: Proposed Housing Distribution (Option F) by Location & Time Period

Area	2008-11	2011-13	2013-18	2018-23	2023-28	Total
Alcester	-1	0	61	120	120	300
Bidford-on-Avon	4	2	61	80	80	227
Henley-in-Arden	44	41	45	52	52	234
Kineton	12	8	37	36	36	129
Shipston-on-Stour	26	56	53	88	88	311
Southam	88	12	96	104	104	404
Studley	-3	12	78	96	96	279
Wellesbourne	1	2	48	96	96	243
Stratford-upon-Avon	228	137	500	224	224	1,313
Rural Areas	101	193	1,438	1,485	1,343	4,560
District TOTAL	500	463	2,417	2,381	2,239	8,000
Per Annum	167	232	483	476	448	400

Source: Stratford-on-Avon District Council

7.13 For the purposes of our modelling we have developed two projections on the back of this data. The first (PROJ 2a) looks at the implications of providing 8,000 homes in the 20-year period but without any fixed reference to where in Stratford-on-Avon these might be delivered. The second projection (PROJ 2b) carries out a similar analysis but with all figures constrained on a sub-area basis to the numbers shown in Figure 7.4 above.

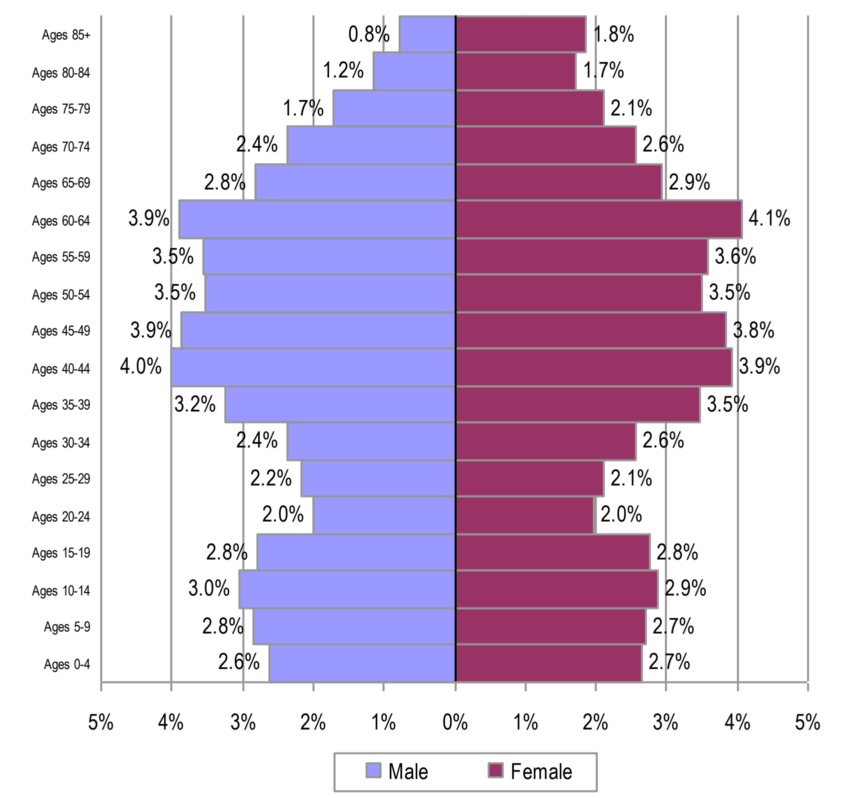
7.14 Although the table above provides an indication of when housing might be delivered we have for the purposes of our analysis not phased development in any way. Essentially we have modelled for 8,000 additional homes (400 per annum) over the full 20-year period regardless of when these are built. There is some logic to this given inherent uncertainties about exactly when homes will be completed although in terms of final outputs over a 20-year period not phasing our projections will have a negligible impact on assessed population and employment change.

Baseline Population

7.15 The baseline for our projections is taken to be mid-2008 with the projection run for each year over the period up to 2028. Data for 2008, 2009 and 2010 has been fixed by reference to ONS mid-year population estimates for each of these years. As of mid-2008 it was estimated that there were 119,457 people living in Stratford-on-Avon with slightly more females than males.

Figure 7.5: Population of Stratford-on-Avon (5 year age bands) – 2008

Age group	Male	Female
Ages 0-4	3,142	3,169
Ages 5-9	3,403	3,229
Ages 10-14	3,641	3,448
Ages 15-19	3,348	3,301
Ages 20-24	2,384	2,364
Ages 25-29	2,591	2,526
Ages 30-34	2,810	3,051
Ages 35-39	3,874	4,143
Ages 40-44	4,790	4,696
Ages 45-49	4,627	4,572
Ages 50-54	4,229	4,168
Ages 55-59	4,232	4,291
Ages 60-64	4,648	4,851
Ages 65-69	3,356	3,518
Ages 70-74	2,831	3,067
Ages 75-79	2,062	2,511
Ages 80-84	1,385	2,059
Ages 85+	939	2,201
All Ages	**58,292**	**61,165**



Source: Derived from ONS data

Fertility and Mortality Rate Assumptions

7.16 For modelling of fertility we have used the rates contained within the ONS 2010-based subnational population projections. The total fertility rate (the expected average number of live births per woman throughout their childbearing lifespan) has been calculated to be 1.99 in 2010/11 reducing to 1.88 in 2027/28.

7.17 We also interrogated the ONS 2010-based projections with regard to death rates which suggested that life expectancy is expected to increase for males from 79.6 in 2010/11 to 82.7 in 2027/28 and for females from 82.9 to 85.4.

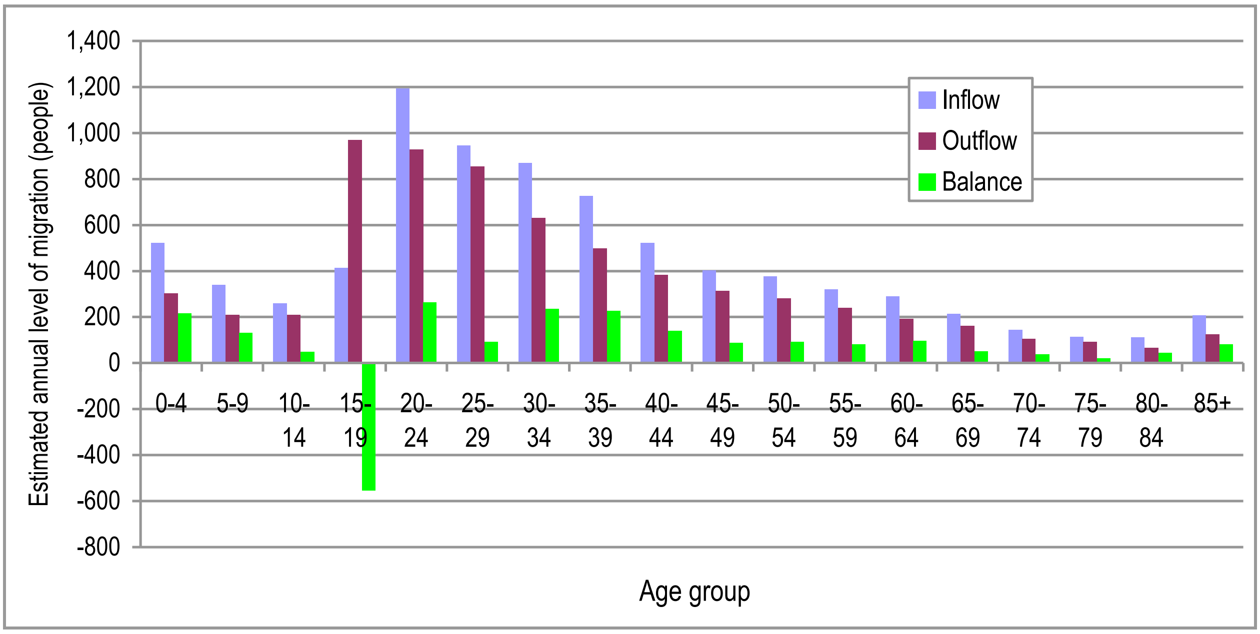
Migration Assumptions

7.18 The final element of analysis for population projections was a study of migration patterns. Net migration levels to/from the District have been variable over the past ten years with the 2010-based SNPP suggesting in the future that net migration will be around 1,400 people per annum.

7.19 For the purposes of our projections it is the profile of migrants in which we are most interested. We have drawn on the ONS 2010-based SNPP to give us an indication of how different age groups are expected to move in- and out- of the District.

7.20 Figure 7.6 below shows estimated annual in-, out- and net migration rates by age group from the ONS 2010-based SNPP for the period from 2010 to 2028. These assume an annual level of net in-migration of around 1,406 people made up of in-migration of 7,985 and out-migration of 6,579. The data clearly shows that the most important age groups are from 15 to 39. The data is interesting in that it shows net out-migration of those aged 15-19 but net in-migration for all other age groups.

Figure 7.6: Estimated annual level of net migration by five-year age band (2010-2028)



Source: Derived from ONS 2008-based subnational population projections

7.21 The migration profile suggests:

- A stronger outflow of people aged 15-19 than return to the District (such as students going to University and then moving to other locations);

- Significant migration of middle aged-families with net in-migration of people in their 30s and early 40s with children;

- Notable net in-migration of people in all older age groups from those in their 50s and 60s right through to those aged 85+. This suggests a significant number of retirement moves to the District as well as moves to nursing homes/ retirement villages.

7.22 When projecting migration patterns for different scenarios we have used the migration data and adjusted levels of in-migration to match the requirements of our scenario (e.g. when testing what level of migration is required to support a particular level of housing delivery). This approach has consistently been adopted across all analysis.

Economic (Employment) Assumptions

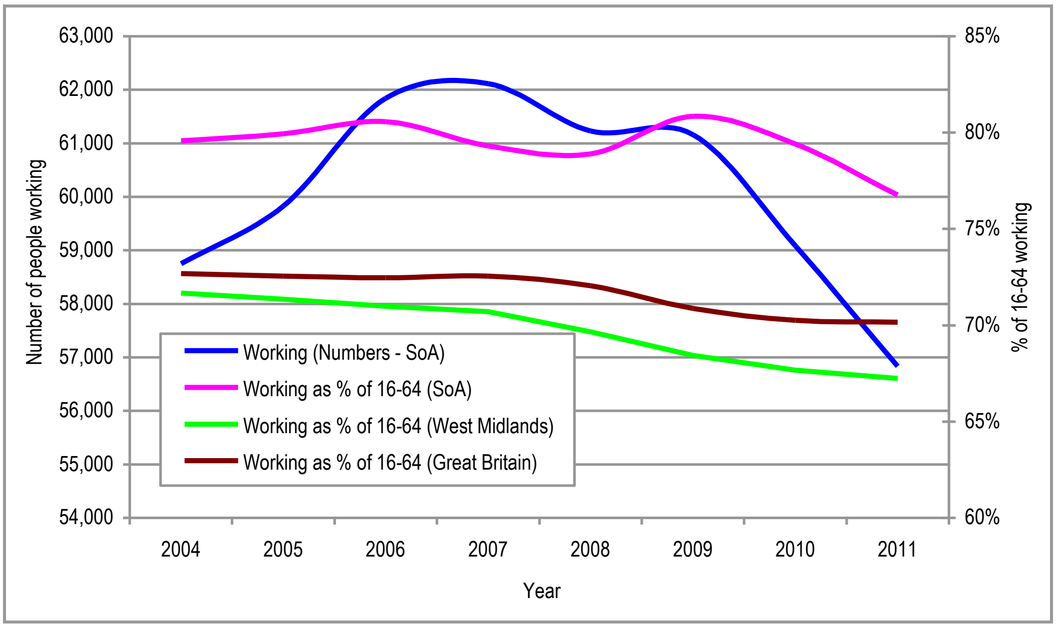
7.23 With the change in demographic structure will come changes in the number of people who are working (as the population of people of working age changes). The next stage of the projection process was therefore to make estimates about how employment levels would change under each of our projections. The process is set out in Figure 7.7.

Figure 7.7: Overview of Economic-Driven projection methodology

7.24 Earlier in the report we have already set out recent trends in working patterns in the local authority area and in this section we develop this analysis to look at how this translates into employment rates (based on the proportion of the population aged 16-64 who are working). This information is shown in Figure 7.8 with equivalent data also shown for the West Midlands and Great Britain.

7.25 The data shows that overall the number of people working has been quite variable whilst the employment rate has dropped notably since 2009 – broadly consistent with regional and national trends. The employment rate in Stratford-on-Avon is well above regional or national equivalents for the whole of the period studied.

Figure 7.8: Number of People Working and Proportion of Population Working



Source: NOMIS/Annual Population Survey

7.26 Using the above data to provide us with an overall picture of working patterns in we also drew on 2001 Census data and information from the Annual Population Survey to inform the distribution of workers by age and sex. In projecting forward we have used overall employment rates post-2008 (i.e. since the economic downturn) as a start point and assumed over the life of the projection that they will return to pre-2008 levels. Adjustments have also been made to take account of changes in pensionable age. From the population modelling exercise it was estimated that in mid-2008 there were 61,913 people in employment.

7.27 Figure 7.9 below shows the age specific employment rates used for modelling in 2008 and 2028. The table shows modelled improvements in employment rates for males whilst the situation for females is actually projected to worsen slightly. This is due to more females having taken up part-time employment since the economic downturn (possibly at the expense of full-time male employees) and our projections over the longer term models for this situation to reverse in time.

7.28 The impact of changes to pensionable age can most clearly be seen in the figures for females aged 60 to 64 and to a lesser extent in both sexes aged 65 to 69.

Figure 7.9: Employment Rates by Age and Sex

Age group	Male		Female	
	2008	2028	2008	2028
Aged 16 to 19	57.2%	59.2%	49.5%	48.5%
Aged 20 to 24	75.5%	78.1%	78.2%	76.7%
Aged 25 to 29	91.6%	94.7%	82.4%	80.8%
Aged 30 to 34	94.6%	97.9%	79.6%	78.1%
Aged 35 to 39	92.1%	95.2%	80.5%	78.9%
Aged 40 to 44	91.5%	94.6%	86.1%	84.4%
Aged 45 to 49	90.6%	93.7%	85.4%	83.7%
Aged 50 to 54	97.0%	100.0%	99.6%	97.7%
Aged 55 to 59	85.4%	88.3%	75.7%	74.2%
Aged 60 to 64	54.6%	56.5%	31.2%	42.9%
Aged 65 to 69	45.3%	51.5%	22.4%	26.4%
Aged 70 to 74	24.8%	25.7%	8.9%	8.7%

Source: NOMIS (from 2001 Census) adjusted using APS data

Household (and Housing) Growth Projections

7.29 Having estimated the population size and the age/sex profile of the population the next step in the process is to convert this information in to estimates of the number of households in the area. To do this we use the concept of headship rates. For the purpose of this analysis we have used information contained in the 2008-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group.

7.30 Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). For the purposes of our analysis we have used data in the CLG 2008-based household projections, these take males to be the default HRP in cases where the household is headed by a mixed sex couple.

7.31 Figure 7.10 shows headship rates derived from the 2008-based CLG projections for each of the key periods of 2008 and 2028. We have made adjustments to headship rates to bring the population and number of households in line (reducing the CLG headship assumptions by about 2%). This adjustment has been applied throughout the projection period. The data shows that whilst most headship rates remain at a fairly constant level over time there are a number of groups where notable changes are projected to occur (both in an upward and downward direction and particularly in relation to females). Generally, headship rates are projected to increase in the future. This is consistent with long-term trends of an increasing number of single person households in most areas.

Figure 7.10: Estimated Headship Rates by Age and Sex (2008 and 2028)

Age group	Male		Female	
	2008	2028	2008	2028
Ages 15-19	1.0%	1.1%	1.5%	1.7%
Ages 20-24	20.3%	20.4%	11.6%	13.2%
Ages 25-29	56.1%	53.9%	15.2%	17.4%
Ages 30-34	80.8%	81.1%	19.4%	25.8%
Ages 35-39	87.1%	85.8%	18.4%	23.4%
Ages 40-44	89.8%	89.6%	17.9%	19.1%
Ages 45-49	92.1%	91.1%	17.7%	17.6%
Ages 50-54	93.9%	91.8%	17.5%	20.0%
Ages 55-59	95.2%	94.4%	18.7%	23.4%
Ages 60-64	95.9%	93.8%	20.9%	24.7%
Ages 65-69	96.6%	95.4%	28.4%	29.4%
Ages 70-74	96.2%	95.0%	35.2%	33.6%
Ages 75-79	95.3%	94.6%	50.3%	42.0%
Ages 80-84	92.7%	92.6%	60.0%	49.5%
Ages 85+	86.5%	88.6%	61.0%	54.6%

Source: Derived from CLG 2008-based household projections

7.32 When applying these headship rates to our population we derive an estimated number of households in 2008 of 50,837. This figure is broadly consistent with the number of occupied dwelling implied by CLG stock data (also taking account of second homes).

7.33 In converting an estimated number of households into requirements for additional dwellings we have also factored in a small vacancy allowance. For the analysis we have assumed that around 2.5% of additional stock will be vacant which should be reflective of what can be achieved in new housing stock. This allowance makes provision for frictional turnover within new-build stock. The assumption around vacant homes makes very little difference to the outputs of the analysis.

Population Projections

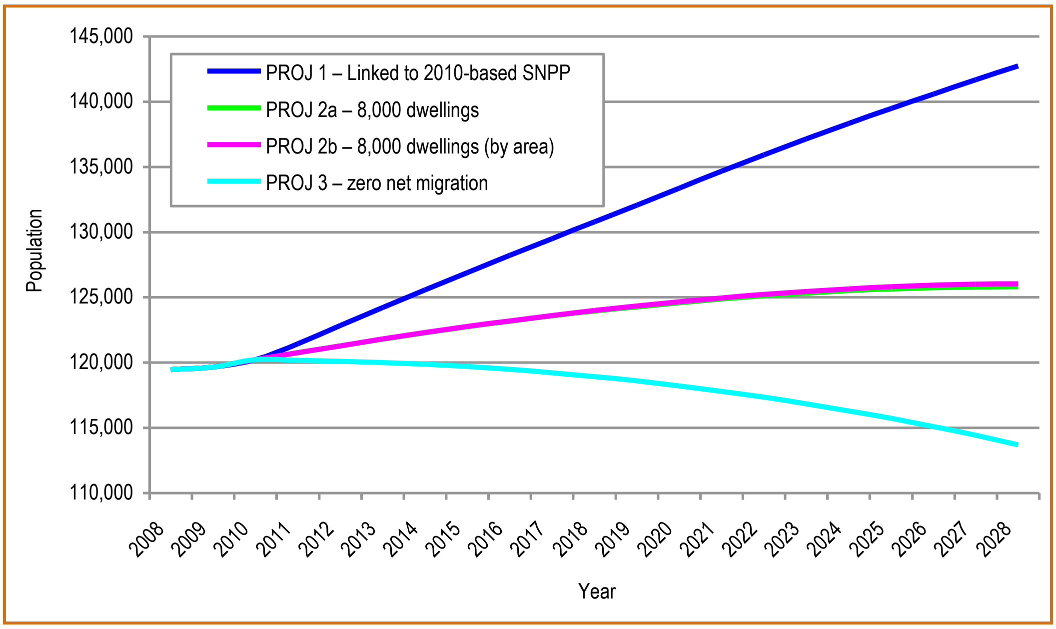
7.34 Figure 7.11 below shows the expected growth in population under each of the four scenarios. The projection linked to the 2010-SNPP suggests population growth of about 20% over the 20-year period (about 23,000) with projections linked to Housing Delivery (PROJ 2) showing a lower growth of around 5% over the 20-year period. The projections also show that with no net-migration (PROJ 3) there would be expected to be a notable decline in population – decreasing by about 5% (5,700 people) over the 20-year projection period.

Figure 7.11: Population Estimates 2008 to 2028

Projection	2008	2013	2018	2023	2028
PROJ 1 – Linked to 2010-based SNPP	119,457	124,226	130,795	137,149	142,734
	0.0%	4.0%	9.5%	14.8%	19.5%
PROJ 2a – 8,000 dwellings	119,457	121,804	123,947	125,339	125,820
	0.0%	2.0%	3.8%	4.9%	5.3%
PROJ 2b – 8,000 dwellings (by area)	119,457	121,812	123,997	125,461	126,050
	0.0%	2.0%	3.8%	5.0%	5.5%
PROJ 3 – zero net migration	119,457	120,008	118,934	116,855	113,714
	0.0%	0.5%	-0.4%	-2.2%	-4.8%

7.35 Figure 7.12 below shows the results of the population projections in graphical form with data provided for each year from 2008 to 2028. The line for PROJ 2a is not clearly visible as it is very closely following PROJ 2b.

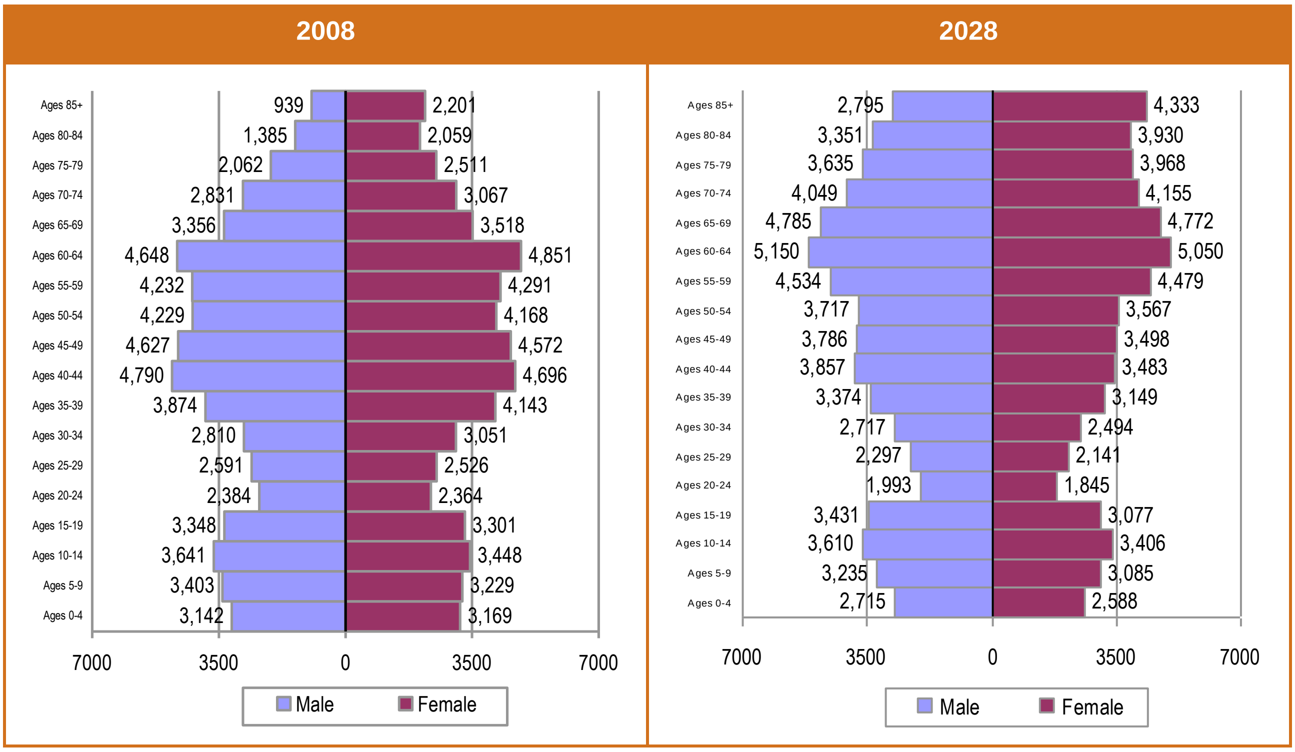
Figure 7.12: Population Change, 2008 – 2028



Projection linked to Housing Delivery (by area) – PROJ 2b

7.36 With an increase in the population there will also be a change in the demographic structure. Figure 7.13 shows population pyramids for projection linked to the proposed level and distribution of housing indicated in the Draft Core Strategy (Option F) between 2008 and 2028. Over the twenty-year projection period the data shows a significant ageing of the population with the 'pyramid' becoming quite top-heavy by 2028.

Figure 7.13: Distribution of Population 2008 and 2028 for PROJ 2b – linked to Housing Delivery by Area



7.37

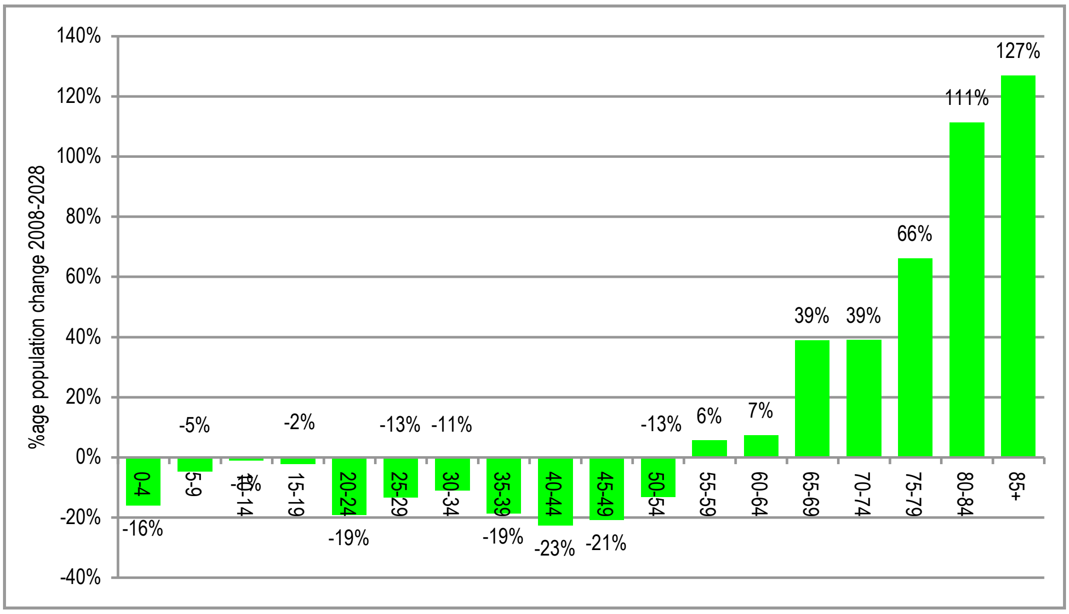
7.38 Figure 7.14 summarises the findings for 15-year age groups under PROJ 2b (linked to proposed housing delivery by area). The largest growth will be in people aged 75 which is expected to see a 97% increase in numbers primarily as a result of improvements to life expectancy. There is also expected to be growth in the population aged 60 to 74. All of the other age groups are expected to see a decrease in population numbers including an 18% drop in the number of people aged 30 to 44. This latter finding is particularly important as this influences the size of the economically active population.

Figure 7.14: PROJ 2b (linked to housing delivery by area) – Population Change 2008 to 2028 by Five Year Age Bands

Age group	Population 2008	Population 2028	Change in population	% change from 2008
Under 15	20,032	18,639	-1,393	-7.0%
15-29	16,514	14,784	-1,730	-10.5%
30-44	23,364	19,074	-4,290	-18.4%
45-59	26,119	23,580	-2,539	-9.7%
60-74	22,271	27,961	5,690	25.5%
75+	11,157	22,013	10,856	97.3%
Total	119,457	126,050	6,593	5.5%

7.39 Figure 7.15 below shows percentage changes for each five year age group. The most stark trend is the increase in the population aged 85 and over (up 127%) which may have implications for future housing delivery as many of this group may require some form of specialist housing. More widely changes in the population structure will have notable implications for need / delivery of public services.

Figure 7.15: Forecast Population Change by Age Group 2008 – 2028 (PROJ 2b – linked to housing delivery by area)



Economic (Employment) Changes

7.40 Figure 7.16 shows the estimated number of people living in the District who are working under each of our four projections. The data shows that under the projection linked to the 2010-based SNPP (PROJ 1) that the number of people working is projected to increase by 8.3% from 2008 to 2028 (5,200 people) with the projection(s) linked to housing delivery showing a drop in employment numbers (of about 7%). The zero net-migration projection (PROJ 3) also shows substantial decrease in the number of people in employment – this is linked to the population (age) profile in the area and in particular the large and increasing older person population (who are less likely to be working).

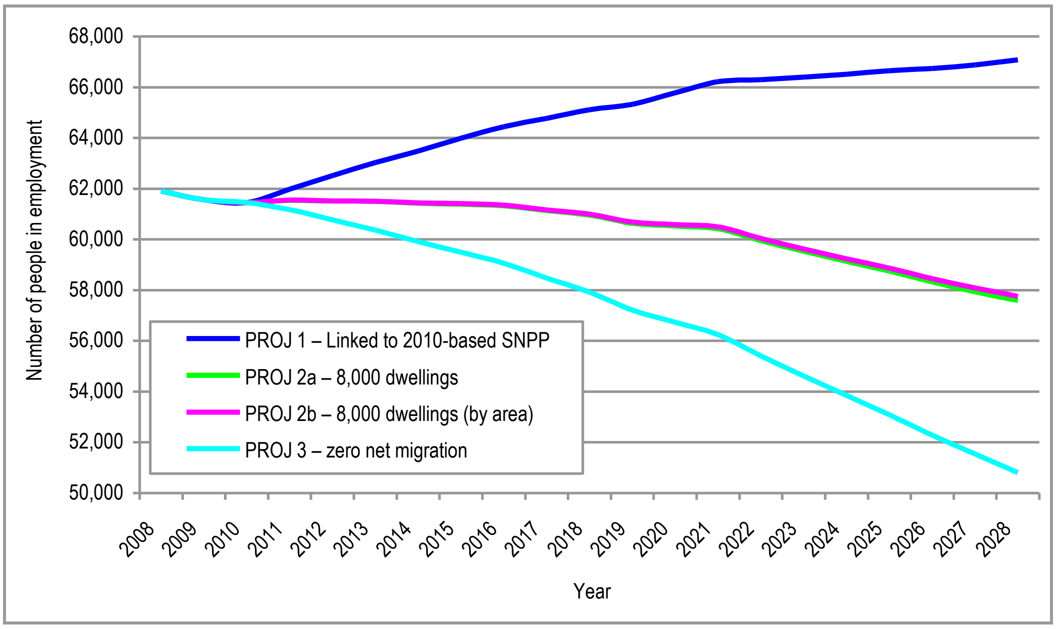
Figure 7.16: Labour Supply Estimates 2008 to 2028

Projection	2008	2013	2018	2023	2028
PROJ 1 – Linked to 2010-based SNPP	61,913	63,028	65,117	66,401	67,074
	0.0%	1.8%	5.2%	7.2%	8.3%
PROJ 2a – 8,000 dwellings	61,913	61,502	60,960	59,540	57,592
	0.0%	-0.7%	-1.5%	-3.8%	-7.0%
PROJ 2b – 8,000 dwellings (by area)	61,913	61,509	60,998	59,631	57,755
	0.0%	-0.7%	-1.5%	-3.7%	-6.7%
PROJ 3 – zero net migration	61,913	60,370	57,919	54,619	50,812
	0.0%	-2.5%	-6.5%	-11.8%	-17.9%

7.41 The figures in Figure 7.16 take account of modelled changes to employment rates for different age-groups over the plan period, including as a result of changes to retirement ages.

7.42 Figure 7.17 below shows the estimated number of people in employment for each year of the projection.

Figure 7.17: Employment Change, 2008 – 2028



Household (and Housing) Growth

7.43 The table and figure below show the projected growth in the number of households under each of the four scenarios. Our scenario linked to the 2010-based SNPP (PROJ 1) suggests a household increase of 28% over the 20-year period – 14,000 additional households whilst with no net-migration (PROJ 3) there is also expected to be a small increase in household numbers; increasing by 6.4% or 3,300 households). The projection(s) linked to housing delivery show a household increase of 7,805 over the 20-year period – this is slightly below the 8,000 housing delivery figure due to the inclusion of a small vacancy allowance.

Figure 7.18: Household Estimates 2008 to 2028

Projection	2008	2013	2018	2023	2028	2008-28 Change
PROJ 1 – Linked to 2010-based SNPP	50,837	53,695	57,631	61,457	64,969	14,132
	0.0%	5.6%	13.4%	20.9%	27.8%	
PROJ 2a – 8,000 Dwellings	50,837	52,817	55,103	57,053	58,642	7,805
	0.0%	3.9%	8.4%	12.2%	15.4%	
PROJ 2b – 8,000 Dwellings (by area)	50,837	52,807	55,086	57,036	58,642	7,805
	0.0%	3.9%	8.4%	12.2%	15.4%	
PROJ 3 – Zero Net Migration	50,837	52,165	53,252	53,890	54,116	3,279
	0.0%	2.6%	4.8%	6.0%	6.4%	

Figure 7.19: Household Change, 2008 – 2028

7.44 The analysis above concentrated on the number of additional households. In reality there are always likely to be some vacant homes in the area and so the number of properties required to house all of these households will be slightly greater than the projected household numbers. We have therefore added a vacancy allowance of 2.5% to the trend-based and zero net migration projections (PROJ 1 and PROJ 3).

Figure 7.20: Estimated annual housing numbers with 2.5% vacancy allowance (to 2028)

Projection variant	Household growth	Annual requirement with vacancy allowance
PROJ 1 – Linked to 2010-based SNPP	707	724
PROJ 2a – 8,000 Dwellings	390	400
PROJ 2b – 8,000 Dwellings (by area)	390	400
PROJ 3 – Zero Net Migration	164	168

Summary of Projections

7.45 A summary of the projections is shown in the tables below (one showing annual average figures and the other looking at totals over the full 20-year projection period). The table shows that under our projection linked to the 2010-based SNPP (PROJ 1) there would be a requirement for 724 additional homes to be provided per annum; this would also see a positive change in the number of people in employment. The projection linked to proposed housing delivery (PROJ 2) sees an annual requirement for 400 units. Under this projection we see more moderate population growth and a decrease in the local working population. With zero net-migration (PROJ 3) there is still a small positive housing requirement (168 units per annum) to cater for natural change and changes in household size although this scenario would be expected to see negative population growth and quite a substantial decrease in the working population.

Figure 7.21: Summary of projections 2008 to 2028 – Annual – Stratford-on-Avon

Projection	Population growth		Housing numbers		Employment growth	
	Per annum	% change	Per annum	% change	Per annum	% change
PROJ 1 – Linked to 2010-based SNPP	1,164	1.0%	724	1.4%	258	0.4%
PROJ 2a – 8,000 dwellings	318	0.3%	400	0.8%	-216	-0.3%
PROJ 2b – 8,000 dwellings (by area)	330	0.3%	400	0.8%	-208	-0.3%
PROJ 3 – zero net migration	-287	-0.2%	168	0.3%	-555	-0.9%

Figure 7.22: Summary of projections 2008 to 2028 – Stratford-on-Avon

Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 – Linked to 2010-based SNPP	23,277	19.5%	14,485	27.8%	5,160	8.3%
PROJ 2a – 8,000 dwellings	6,363	5.3%	8,000	15.4%	-4,322	-7.0%
PROJ 2b – 8,000 dwellings (by area)	6,593	5.5%	8,000	15.4%	-4,158	-6.7%
PROJ 3 – zero net migration	-5,743	-4.8%	3,361	6.4%	-11,101	-17.9%

7.46 The relationship between the growth in housing provision and population is not linear – it is influenced by changes in the age structure of the population in the different projections, with for instance a stronger ageing of the population in PROJ 1 and 2 resulting in a greater reduction in household sizes as older households are typically smaller.

Sub-Market Projections

7.47 Whilst the main focus of the analysis has been on likely housing requirements across the District it is also of interest to study how these changes might pan-out for each of the ten sub-markets. We have therefore looked at likely demographic change in each area on the basis of our projection linked to potential housing delivery (PROJ 2). This has been run to look at both the spatial distribution proposed by the Council and also to study implications in different areas if household growth was purely driven by demographic trends (but constrained to delivery of 8,000 homes from 2008 to 2028).

7.48 The methodology used to assign the population, employment and household/housing growth figures to smaller areas is based on overall change District-wide (by age and sex) applied to the demographic profile of the local population. In doing this we are able to take account of past trends in fertility, mortality and migration to the extent that these will have shaped the current population profile (with such trends likely to shape the future population). In looking at employment and headship rates we have used local data (based on wards and groups of wards) from the 2001 Census which has been updated to match District-wide assumptions for 2008 (and the assumptions projected forward).

7.49 Figure 7.23 below shows the estimated population size and number of households in each sub market as of 2008 (the starting point of the projection). The data shows that the Rural area is by far the largest with around 39% of the population and 39% of households in the whole of the District. Kineton is the smallest sub-market, representing around 4% of both households and population. Henley-in-Arden has smaller numbers of people in age groups aged under 45 than the other sub-market areas.

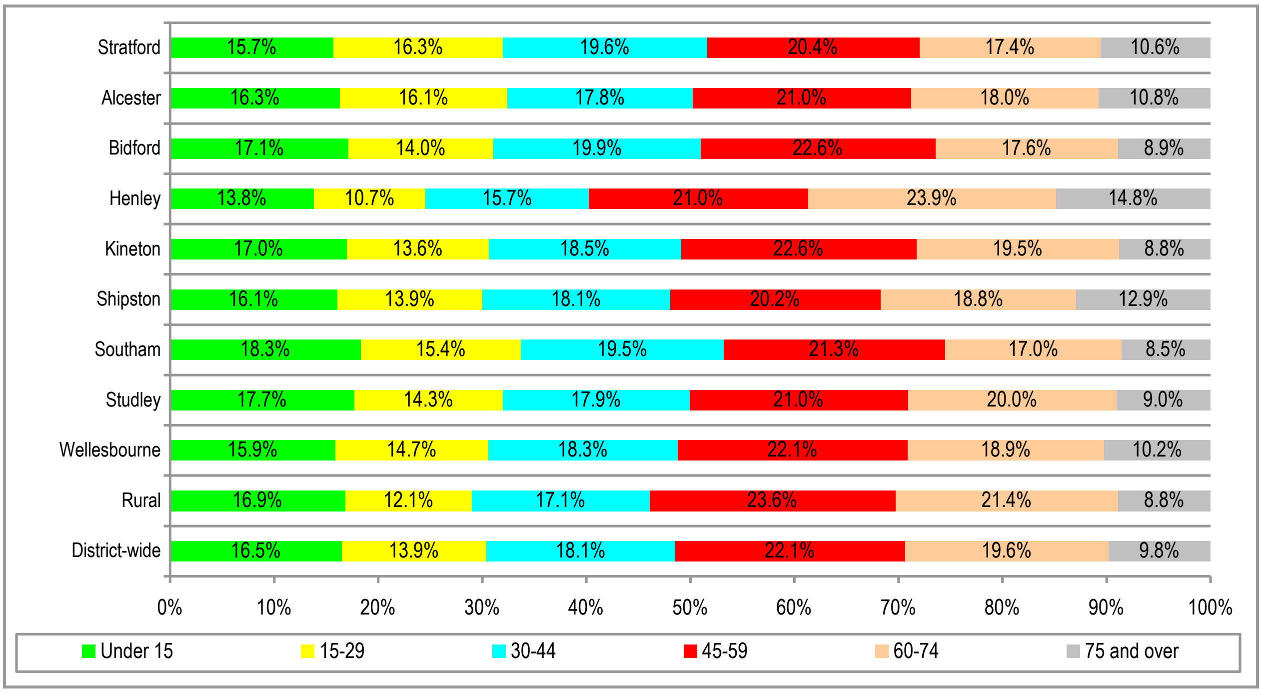
Figure 7.23: Population and households in 2008 by Sub Market

Area	Population		Households	
	Population	% of population	Households	% of households
Stratford-upon-Avon	26,305	22.0%	11,451	22.5%
Alcester	6,071	5.1%	2,622	5.2%
Bidford	7,002	5.9%	2,902	5.7%
Henley-in-Arden	4,251	3.6%	2,071	4.1%
Kineton	4,317	3.6%	1,778	3.5%
Shipston-on-Stour	5,005	4.2%	2,249	4.4%
Southam	6,643	5.6%	2,763	5.4%
Studley	5,818	4.9%	2,427	4.8%
Wellesbourne	6,955	5.8%	2,937	5.8%
Rural	47,090	39.4%	19,636	38.6%
District Total	119,457	100.0%	50,837	100.0%

Source: ONS

7.50 Figure 7.24 below shows the estimated age structure in each of the ten sub markets split into six broad age bands. Differences in the age structure between the sub-markets can have an important impact on the population dynamics. The data shows that generally there is not a great deal of variation between sub-areas – the main exception to this is in the case of Henley-in-Arden which has a much older population than any other location. In Henley-in-Arden (in 2010) it is estimated that 39% of the population is aged 60 or over compared with 29% for the whole District.

Figure 7.24: Sub-Market Age Profile (2010)



Source: ONS

7.51 The tables below show projected housing growth over the full 20-year projection period in each area based on the distribution of housing provision proposed in the 2012 Core Strategy. Figure 7.25 shows figures without being constrained by sub-area housing delivery expectations with the second table showing the population and employment implications of housing delivery in-line with the Draft Core Strategy.

7.52 The first table shows that we would expect notable household growth (and housing delivery) in all areas with increases from 2008 ranging from 10.3% in Kineton to 24.1% in Henley-in-Arden. These differences are driven by the different background demographic situation in each area with Henley for example having a particularly old population. District-wide it is the population of those aged over 60 (and particularly aged 75 and over) that is expected to see the greatest increases. In terms of population growth we again expect to see some increase in all areas although in many cases the numbers are quite small. Population increases vary from 2.0% in Southam to 13.7% in Henley. Under this projection all areas are expected to see a decline in the number of people working of between about 4% and 10%.

Figure 7.25: Summary of Projections 2008 to 2028 – Total – (PROJ 2a – 8,000 dwellings)

Area	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
Stratford-upon-Avon	1,954	7.4%	2,130	18.1%	-783	-5.6%
Alcester	222	3.7%	410	15.3%	-299	-9.7%
Bidford	275	3.9%	393	13.2%	-318	-8.4%
Henley-in-Arden	584	13.7%	512	24.1%	-67	-3.5%
Kineton	160	3.7%	188	10.3%	-158	-6.8%
Shipston-on-Stour	399	8.0%	446	19.3%	-220	-8.8%
Southam	130	2.0%	310	10.9%	-336	-9.6%
Studley	279	4.8%	388	15.6%	-249	-8.4%
Wellesbourne	289	4.2%	478	15.9%	-305	-8.6%
Rural	2,071	4.4%	2,745	13.6%	-1,588	-6.5%
District Total	6,363	5.3%	8,000	15.4%	-4,322	-7.0%

7.53 Figure 7.26 shows the same figures for the projection with figures fixed to housing provision figures by area contained in the Draft Core Strategy. In this case the data is quite different in particular locations. With a significant amount of housing proposed for rural areas it is notable that this is the only area to see positive employment growth. Rural areas are also projected to have quite a large increase in population. All of Alcester, Bideford and Wellesbourne are expected to see population decline under the proposed housing numbers with the fall in people in employment being up to 15% (in the case of Wellesbourne). This may support changes in commuting dynamics to these areas.

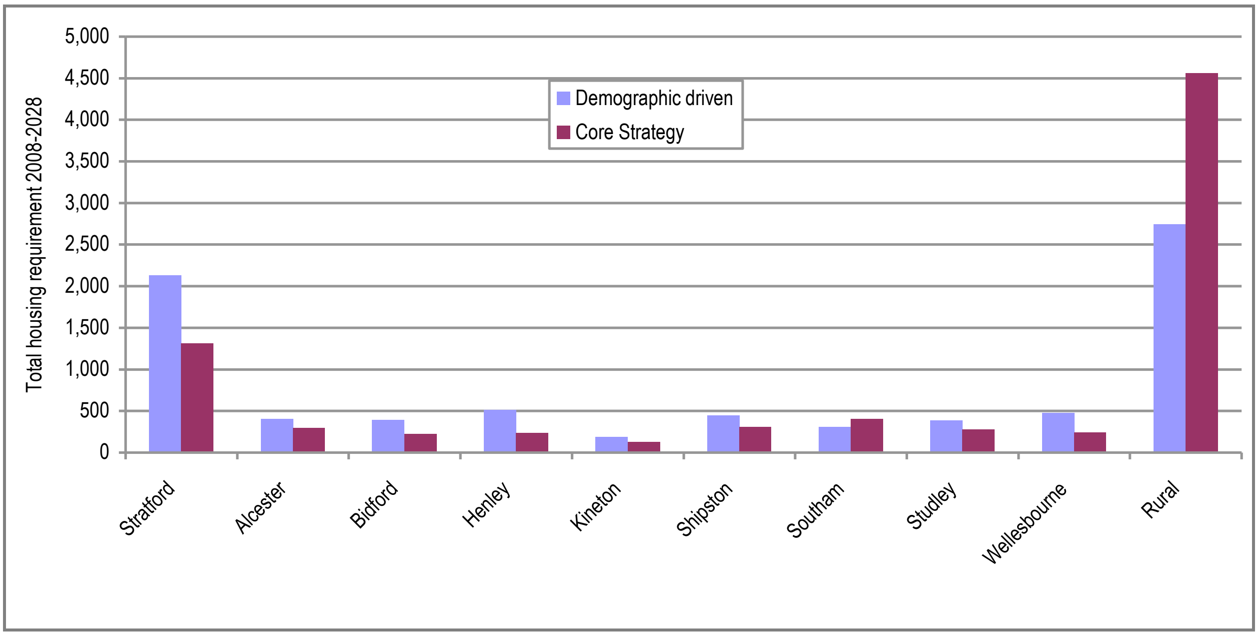
Figure 7.26: Summary of Projections 2008 to 2028 – Total – (PROJ 2b – 8,000 Dwellings (by area))

Area	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
Stratford-upon-Avon	290	1.1%	1,313	11.2%	-1,558	-11.2%
Alcester	-1	0.0%	300	11.2%	-398	-12.9%
Bidford	-85	-1.2%	227	7.6%	-490	-12.9%
Henley-in-Arden	73	1.7%	234	11.0%	-263	-13.6%
Kineton	29	0.7%	129	7.1%	-220	-9.6%
Shipston-on-Stour	134	2.7%	311	13.5%	-332	-13.2%
Southam	334	5.0%	404	14.3%	-241	-6.8%
Studley	49	0.8%	279	11.2%	-351	-11.8%
Wellesbourne	-200	-2.9%	243	8.1%	-523	-14.8%
Rural	5,970	12.7%	4,560	22.7%	217	0.9%
District Total	6,593	5.5%	8,000	15.4%	-4,158	-6.7%

7.54

7.55 Figure 7.27 below compares the outputs from the two modelling exercises shown above for overall housing delivery figures. The figure emphasizes the higher expected delivery of housing in the Draft Core Strategy in rural areas when compared with where a demographic projection (based on 8,000 homes District-wide) might come out. There is also a notable difference (in the opposite direction) in the case of Stratford-upon-Avon.

Figure 7.27: Comparison of Demographically-driven and Core Strategy Housing Requirements by Sub-Area (PROJ 2a and 2b)



Comparison with Housing Provision Options Study (June 2011)

7.56 We can compare the projections above with those contained with the June 2011 Housing Provision Options Study (HPOS) carried out by GL Hearn. Although not all projections are directly comparable there is much common information to allow us to study key differences.

7.57 We initially concentrate on the zero net-migration projection as this was included in the HPOS as well as part of this work on the Strategic Housing Market Assessment. In the HPOS it was estimated that zero net-migration would lead to a housing requirement of around 94 homes per annum with this assessment suggesting a higher figure of 168. In both cases there is expected to be decline in the population and a substantial decrease in the working population overall. The differences between the two projections are likely to be due to differences in the age profile of migration contained within the 2010-based SNPP when compared with the 2008-based figures (which were used in the 2011 Study). Overall however the trends are broadly similar.

7.58 When looking at housing growth of 8,000 homes over 20-years we need to look at a range of projections as the HPOS did not specifically model this scenario. There was a projection run in the HPOS with an output of 8,230 additional homes and as might be expected the figures are broadly similar albeit that population growth shown in the HPOS was slightly higher along with a slightly lower expected decrease in the working population.

7.59 Finally, our projection linked to the 2010-based SNPP does not have any obvious comparator with the HPOS. The 2010-based SNPP suggest an annual level of net in-migration moving forward of around 1,400 people per annum. In the HPOS a number of demographic scenarios were tested based on different migration levels although the main trend-based projection looked at net-migration over a ten year period (which averaged 960 per annum). The ONS projection figures are notably higher which is likely to be linked to a much shorter term view of migration being taken (trends over the past five years with a particular weight to more recent trends over the past two years).

Policy Implications: Housing Requirements

The Council's Draft Core Strategy aims to reduce levels of net migration relative to past trends in order to preserve the special nature of the District and protect its strong quality of life. As such it plans for lower levels of net migration to the District than has happened in the recent past.

The analysis earlier in this report has considered population, economic and housing market dynamics which all point to relatively strong housing demand in the District over the longer-term, albeit recognising current issues affecting market vitality. The District's strong quality of place is one of the key drivers of this, and the Council's approach seeks to support this and ensure that quality of place is maintained.

The proposed levels of housing provision do however have a number of notable demographic consequences. While the population overall can be expected to increase by 5.5% over the plan period, growth will be in the population aged over 55. All younger age groups within the population can be expected to decline in size. This will have notable implications for delivery of a range of services particularly health. As an example the population aged under 15 can be expected to decline by 7.0% between 2008-28 with implications for school rolls.

The working population can also be expected to contract by 4,200 persons (2008-28). The 2011 Employment Land Review identified that the District has a relatively strong and enterprising economy, and forecast growth in the District of between 200 – 2,100 jobs over the plan period. On this basis it seems likely that the District's jobs density may well increase with an increase in net-commuting into the District to work from surrounding areas. Based on the current housing distribution proposed in the 2012 Draft Core Strategy we can expect commuting into Stratford-upon-Avon to increase as well. We may also see above average increases in house prices in the town as supply falls short of demand.

The proposed housing distribution in the Draft Core Strategy 2012 will however support the rural economy and it will provide an opportunity to improve the housing mix and address affordability in rural areas. 90% of the growth in population in the District can be expected in Rural Areas. However commuting distances can be expected to increase.

There is some ability to influence the profile of migrants through policies relating to housing mix, however the impacts of this are likely to be relatively moderate as policy cannot substantially influence who occupies existing market housing and most likely new market housing (with the exception of housing built under the Local Choice Policy). Furthermore and older in-migrants often have stronger equity and buying power than younger households. Against this context, affordable housing and local choice policies will continue to have an important role in providing access to housing for local residents and employees.

8. REQUIREMENTS FOR DIFFERENT SIZES OF HOMES

Introduction & Methodology

8.1 As we have set out there are a range of factors which influence housing demand. These include: the existing housing stock; housing affordability; the accessibility of the area (and relationship to employment locations); demographic changes (including the scale of population growth and changes in the age structure); quality of place; and the economy (in terms of its influence on migration/labour demand and on incomes). These factors play out at different spatial scales and impact aggregate housing demand and demand for different housing products.

8.2 This section considers the implications of demographic change on demand for different sizes of homes, and integrates this with the analysis presented earlier on in the report in regard to the existing housing mix, findings of the housing needs analysis (which provide a short-term perspective on affordable housing requirements); and wider economic and policy objectives to provide an assessment of future housing requirements for different sizes of homes in both the affordable and market sectors.

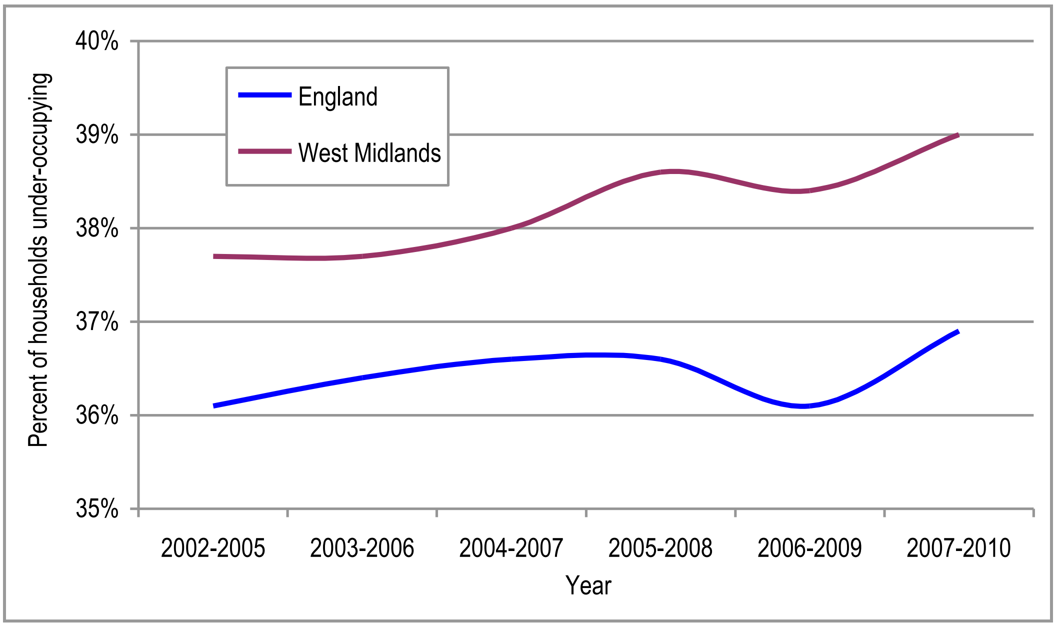
8.3 The modelling undertaken in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. **For the purposes of this analysis we have looked at the required household split for PROJ 2b, which is based on housing numbers contained within the Draft Core Strategy 2012 overall and by sub-area within the District.**

Understanding how Households occupy Homes

8.4 As with converting population data into households, it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units.

8.5 Figure 8.1 demonstrates this, using data from the Survey of English Housing/English Housing Survey about the proportion of households who under-occupy their dwellings. It can be seen that nationally between 36% and 37% of households under-occupy with slightly higher figures in the West Midlands. It is also notable that this has not changed to any significant degree over the past few years.

Figure 8.1: Proportion of Households Under-Occupying in England and the West Midlands



Source: Survey of English Housing/English Housing Survey 2002-2010

8.6 While there are clearly a number of factors which may influence how households in the future occupy homes, the data therefore suggests that it would be reasonable for our projection to assume that households of specific ages will broadly continue to occupy dwellings in the same way as they do currently. Our projections for house sizes are developed on this basis. They take account of how households of different ages occupy homes separately in the market and affordable sectors but assume that how households in specific age and tenure groups occupy homes will remain consistent.

8.7 The general methodology used for modelling is therefore to use the information derived in the projections (in this case PROJ 2b – Draft Core Strategy Housing Requirements) about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1316 which provides relevant data for all wards within Stratford-on-Avon). An extract of this is shown in Figure 8.2.

8.8 The extract shows the number of male owner occupiers in selected age groups along with the size of accommodation that they occupy. By estimating how the number of HRPs in each age group changes over time we are also able to estimate the profile of housing that they would be likely to occupy.

8.9 Figure 8.2 below shows, for example, that 33.4% of male HRPs aged 25 to 29 live in a home with six or more rooms, for the 45 to 49 age group this figure rises to 76.3%. The age profile of HRPs will therefore have an impact on the sizes of homes we would expect to be occupied. From the Commissioned Table information is available for all HRP age bands up to 85+ and for both sexes.

Figure 8.2: Extract from ONS Commissioned Table C1316 – Male HRPs in Owner-Occupied Housing by Size of Dwelling (Stratford-on-Avon)

Dwelling size	Age of Household Reference Person									
	25-29		30-34		35-39		40-44		45-49	
	No.	%	No.	%	No.	%	No.	%	No.	%
1-3 rooms	59	7.8%	83	4.3%	72	2.7%	67	2.4%	47	1.7%
4 rooms	250	33.2%	330	17.1%	304	11.5%	203	7.2%	171	6.2%
5 rooms	193	25.6%	523	27.1%	521	19.6%	521	18.4%	440	15.8%
6 rooms	142	18.9%	383	19.8%	557	21.0%	529	18.7%	544	19.6%
7 rooms	60	8.0%	276	14.3%	425	16.0%	507	17.9%	492	17.7%
8+ rooms	49	6.5%	338	17.5%	773	29.1%	1,006	35.5%	1,083	39.0%
Total	753	100.0%	1,933	100.0%	2,652	100.0%	2,833	100.0%	2,777	100.0%

Source: ONS Commissioned Table C1316

8.10 When using the data from the Census we have made some adjustments to provide the best possible outputs. The key problem is that the Census only collects information about the number of rooms in a home rather than the number of bedrooms (which is more useful in considering dwelling sizes). Data about the number of rooms in a dwelling has therefore been adjusted to provide an estimate of the number of bedrooms. The tables below show the assumptions used to make this conversion – slightly different assumptions have been used for market and affordable housing although generally they are very similar. Information in the tables has been based on a range of surveys where information about both bedrooms and rooms was collected.

Figure 8.3: Relationship between the Number of Rooms and Number of Bedrooms – Market Housing

Number of rooms	Number of bedrooms				
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
1-3 rooms	70%	30%	0%	0%	100%
4 rooms	2%	78%	20%	0%	100%
5 rooms	0%	15%	83%	2%	100%
6 rooms	0%	5%	82%	13%	100%
7 rooms	0%	0%	40%	60%	100%
8+ rooms	0%	0%	11%	89%	100%

Source: JGC analysis of Survey Data

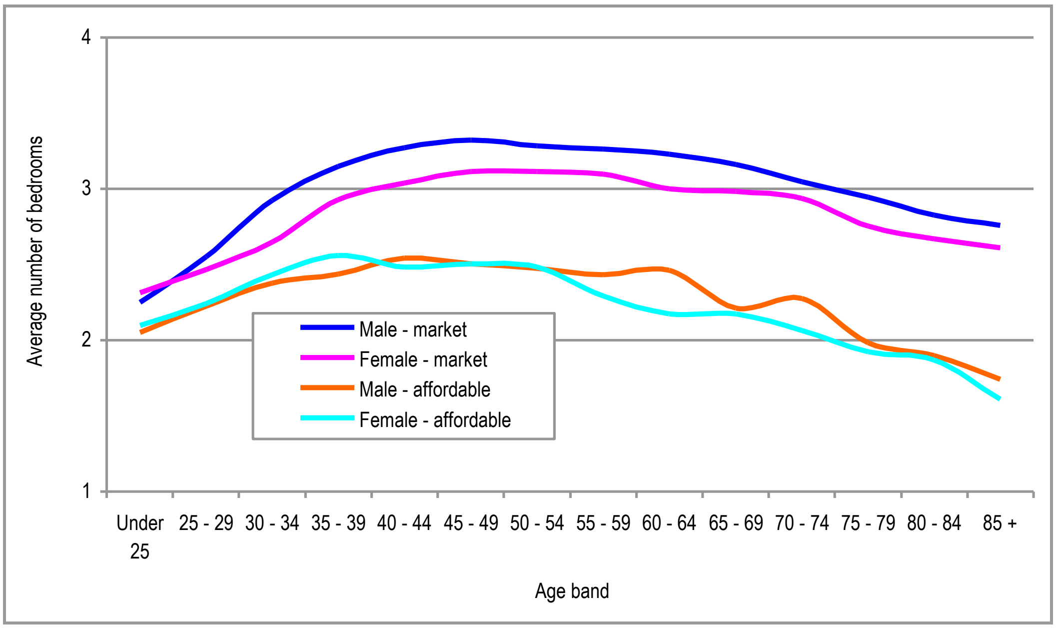
Figure 8.4: Relationship between the Number of Rooms and Number of Bedrooms – Affordable Housing

Number of rooms	Number of bedrooms				
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
1-3 rooms	92%	8%	0%	0%	100%
4 rooms	6%	88%	6%	0%	100%
5 rooms	0%	12%	88%	0%	100%
6 rooms	0%	3%	83%	14%	100%
7 rooms	0%	0%	64%	36%	100%
8+ rooms	0%	0%	23%	77%	100%

Source: JGC analysis of Survey Data

8.11 Figure 8.5 below shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes for the whole of Stratford-on-Avon. The figure shows that in the market sector the average size of accommodation rises over time to typically reach a peak around the 45-54 age groups. In the affordable sector this peak appears earlier. After sizes peak the average dwelling size decreases as some household down-size as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with no discernable trend being seen in the affordable sector).

Figure 8.5: Average Bedrooms by Age, Sex and Tenure (Stratford-on-Avon)



Source: Derived from ONS Commissioned Table C1316

8.12 There is some potential for the changes to housing benefit introduced by the Welfare Reform Act 2012 to have an impact on the sizes of homes occupied by working-age households in the affordable sector, however this is anticipated to have an impact primarily in the short-term. It' impact will be relatively minor relative to changes in the demographic structure of the population looking over a 20 year period.

Establishing a Baseline Position

8.13 As of 2008 it is estimated that there were 50,837 households living in Stratford-on-Avon District. Analysis of these households based on headship rates and the size and tenure of homes provides us with an estimate of the profile of the housing stock in 2008, as shown in Figure 8.6.

8.14 The baseline estimate of the tenure breakdown combines information from a range of sources (notably CLG) about the social rented housing stock and estimates of shared ownership properties (distributed based on Census information). Market housing is estimated by taking off the stock of affordable homes from the total dwelling stock.

8.15 Figure 8.6 shows that an estimated 13.9% of households live in affordable housing with 86.1% being in the market sector (the size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in 2008). The data also suggests that homes in the market sector have a larger number of rooms than in the affordable sector with 78.2% having three or more bedrooms compared to 43.4% for affordable housing.

8.16 These figures are for households rather than dwellings as information about the sizes of vacant homes across the whole stock (i.e. market and affordable) is not readily available. For the purposes of analysis this will not make any notable difference to the outputs (with typically less than 3% of dwellings being vacant at any point in time). We have however translated the household projections into dwelling figures by including a 2.5% vacancy allowance. This is for consistency with the demographic projections and again will not impact on the profile of dwellings required shown in our modelling.

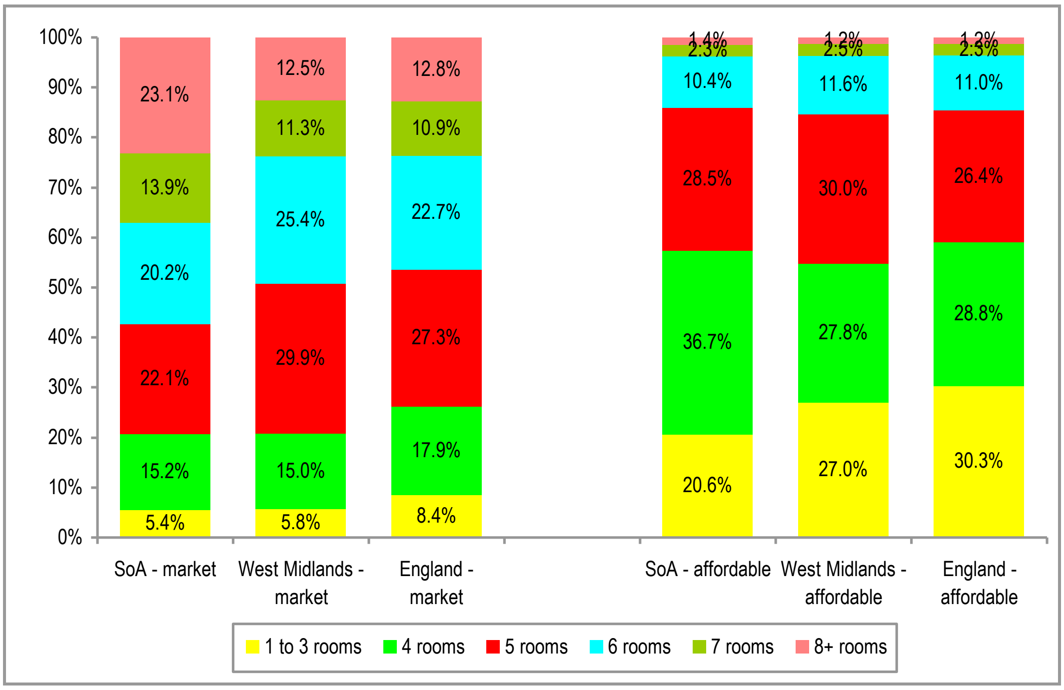
Figure 8.6: Estimated Profile of Dwellings in 2008 by Size – Stratford-on-Avon

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	2,001	4.6%	1,284	18.2%	3,285	6.5%
2 bedrooms	7,526	17.2%	2,705	38.4%	10,231	20.1%
3 bedrooms	20,055	45.8%	2,744	38.9%	22,799	44.8%
4+ bedrooms	14,207	32.4%	315	4.5%	14,522	28.6%
Total	**43,789**	**100.0%**	**7,048**	**100.0%**	**50,837**	**100.0%**
% in tenure	86.1%		13.9%		100.0%	

Source: Derived from ONS Commissioned Table C1316

8.17 We can also compare the size of homes in Stratford-on-Avon with other areas and data on this has been presented below in Figure 8.7 (based on number of rooms from 2001 Census data). The data shows in the market sector that dwellings are generally larger in the District than either the West Midlands or England whilst the affordable sector the profile is more similar to the regional and national position (albeit with a larger proportion of four room accommodation and fewer homes with 1 to 3 rooms). This analysis gives some indication of the balance of stock which could also be used (along with our more detailed modelling) to inform future sizes of housing to be delivered in the area. A wider analysis of the existing stock was provided in Section 3.

Figure 8.7: Size of Dwelling Stock (2001)



Source: 2001 Census

Tenure Assumptions & Projections

8.18 The housing market model has been used to estimate future requirements for different sizes of property over the next 20 years. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what mix of future housing will be in the market and affordable sectors.

8.19 The key assumption here is not a policy target but expected delivery. Our assumption is influenced by a range of factors. The housing needs analysis in this report (Section 6) provides evidence of considerable housing need. A Viability Study undertaken in 2009 supports a policy of requiring 35% affordable housing provision identifying that this would be achievable in most circumstances. It assessed a number of development scenarios and found that 5 of the 12 development scenarios assessed were viable, 5 were ‘marginally viable’ and four were not viable with 35% affordable housing. All of the sites assessed were for schemes of 20 or more units. The Viability Study did not consider (and therefore does not support) a policy requiring affordable housing on smaller sites (< 15 dwellings) and thus it is unlikely that a policy would cover small dwellings based on the current evidence base.

8.20 Affordable housing delivery however often runs below targets set as a result of sites which fall below thresholds or cannot viable deliver affordable housing. On the basis of information available we believe that 30% is probably about the maximum affordable housing delivery likely to be achieved. This seems realistic in light of evidence of past delivery where 26% of completions over the 2006-11 period were of affordable housing.

Findings: Affordable Housing

8.21 Figure 8.8 estimates the sizes of affordable housing required based initially on an understanding of demographic trends. The data suggests in the period between 2008 and 2028 that approaching a third of the requirement is for three or more bedroom homes with the remaining two-thirds for one and two bedroom accommodation.

8.22 This analysis provides a longer-term view of requirements for affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition we would note that one bedroom properties typically offer limited flexibility in accommodating the changing requirements of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties.

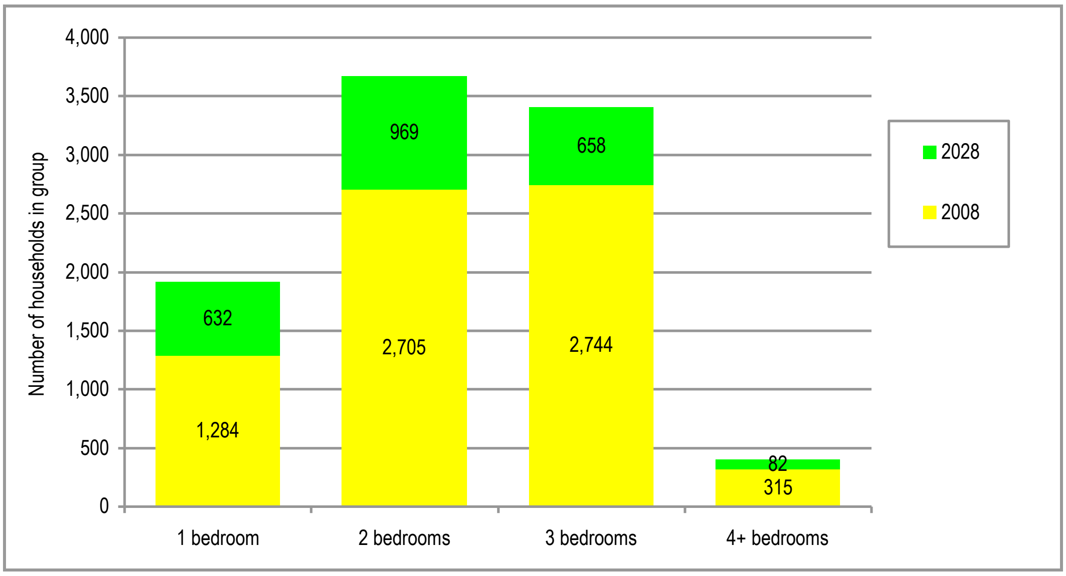
Figure 8.8: Estimated Size of Dwellings Required 2008 to 2028 – Affordable Housing (Stratford-on-Avon)

Size	2008	2028	Additional households 2008-2028	Including 2.5% vacancy allowance	% of additional homes
1 bedroom	1,284	1,916	632	648	**27.0%**
2 bedroom	2,705	3,675	969	994	**41.4%**
3 bedroom	2,744	3,403	658	675	**28.1%**
4+ bedroom	315	396	82	84	**3.5%**
Total	**7,048**	**9,390**	**2,342**	**2,400**	**100.0%**

Source: Housing Market Model

8.23 Figure 8.9 below shows how our estimated affordable requirement compares with the stock of affordable housing in 2008 – the figures are based on households (i.e. before adding in a vacancy allowance).

Figure 8.9: Impacts of Demographic Trends on Affordable Housing Requirements by House Size, 2008 to 2028 – Stratford-on-Avon (households)



Source: Housing Market Model

8.24 The analysis is based on allocating households housing in accordance with the size of their household. It is perfectly justifiable for the Council to adopt a policy position which seeks to limit provision of 1-bed properties on the basis that these offer limited flexibility and are unsuitable for all households, or alternatively promoting delivery of larger family-sized homes which can create cascading effects through the housing stock.

8.25 To study this in a bit more detail we have also looked at the relative demand for properties from different household types based on Housing Register information (unfortunately the Housing Register data does not allow a full analysis of size requirements). Figure 8.10 below shows the household types of all households on the Housing Register and also the profile for those in one of the priority (housing needs) groups.

8.26 The data shows that some 36.1% of households registered are classified as families and are therefore likely to require larger accommodation (at least two bedrooms but three or more in many cases is likely). When looking at those classified by the Council as being in a priority group we see that the proportion of families rises significantly to make up some 56.1% of all households registered. **The Housing Register data does tend to point to a reasonable requirement for some larger affordable homes to be added to the stock**.

Figure 8.10: Housing Register Household Types

Household type	All Housing Register		In Priority Group	
	Number of households	% of households	Number of households	% of households
Single	1,508	28.0%	128	15.0%
Pensioner/DLA	1,268	23.5%	211	24.8%
Couple	491	9.1%	15	1.8%
Family	1,949	36.1%	478	56.1%
Other	178	3.3%	20	2.3%
Total	**5,394**	**100.0%**	**852**	**100.0%**

Source: Housing Register data

8.27 As well as looking at the types of households registered for and seeking affordable housing we can use CORE data to look at the recent supply of housing of different sizes for social rented affordable housing only.

8.28 Figure 8.11 below shows the size of accommodation let over the past three years with figures including lettings of new stock and also transfers. The figures are split between general needs and supported housing. Only limited size information is available for supported housing although experience elsewhere suggests that the vast majority of this will be one bedroom units (and possibly some bedsit accommodation). This is confirmed by the limited data on CORE which suggests that 93% of supported lettings have one bedroom.

8.29 The data shows that the vast majority of lettings are of one- and two-bedroom homes (about 80%). If we were to assume that all supported lettings are also no larger than two-bedrooms (which seems reasonable) then the overall proportion of lettings with three or more bedrooms drops to only 15%. This provides a clear indication that **the turnover of larger properties is much lower than for smaller homes and therefore suggests that a relative increase in provision of larger homes might be desirable**. The data below is also noteworthy for the larger proportion of two-bedroom lettings compared with one bedroom homes (in the general needs stock at least).

Figure 8.11: Size of Accommodation Let in past Three Years (Social Rented)

Number of bedrooms	General needs lettings		Supported lettings	
	Number of lettings	% of lettings	Number of lettings	% of lettings
1 bedroom	267	22.2%	386	100.0%
2 bedrooms	692	57.4%		
3+ bedrooms	246	20.4%		
Total	**1,205**	**100.0%**	**386**	**100.0%**

Source: CORE

8.30 There are thus a range of which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a District-wide level, the analysis would support policies for the mix of affordable housing of:

- 1-bed properties: 15%
- 2-bed properties: 35-40%
- 3-bed properties: 35%
- 4-bed properties: 10-15%

8.31 Our strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

8.32 The need for affordable housing of different sizes will vary by settlement across the District and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area, the stock and turnover of existing properties in the settlement/ area, and any information from local (e.g. parish) needs surveys.

Findings: Market Housing

8.33 As we have previously identified there are a range of factors which can be expected to influence demand for housing. This analysis initially looks at the implications of demographic drivers. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 20 year period from 2008 to 2028. This is then brought together with consideration of wider factors to inform the conclusions drawn.

8.34 Figure 8.12 shows estimates of the sizes of market housing required from 2008 to 2028 based on demographic trends. The demographic modelling suggests a requirement for 5,600 additional market units with the majority of these being three bedroom homes.

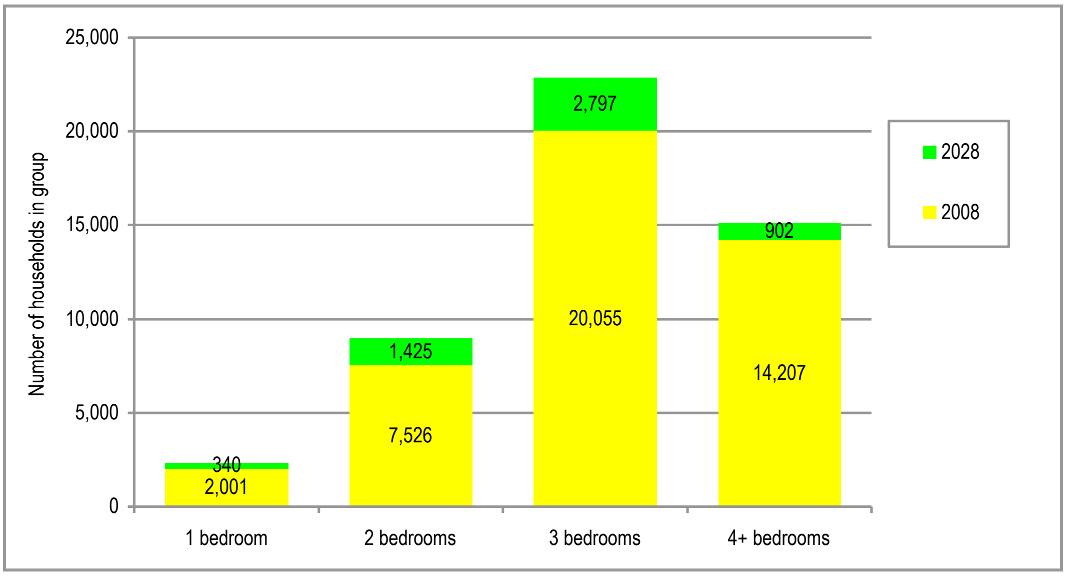
Figure 8.12: Estimated Size of Dwellings Required 2008 to 2028 – Market Housing (Stratford-on-Avon)

Size	2008	2028	Additional households 2008-2028	Including 2.5% vacancy allowance	% of additional homes
1 bedroom	2,001	2,341	340	349	6.2%
2 bedroom	7,526	8,950	1,425	1,460	26.1%
3 bedroom	20,055	22,852	2,797	2,866	51.2%
4+ bedroom	14,207	15,110	902	925	16.5%
Total	**43,789**	**49,253**	**5,464**	**5,600**	**100.0%**

Source: Housing Market Model

8.35 Figure 8.13 shows how our estimated market requirement compares with the current stock of housing (based on households (i.e. excluding the 2.5% vacancy allowance)). The data suggests that housing requirements are broadly similar (and reinforce around) the existing profile of stock, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of the existing stock. This reflects the fact that household sizes are projected to fall slightly in the future partly as a result of the ageing of the population.

Figure 8.13: Impacts of Demographic Trends on Market Housing Requirements by House Size, 2008 to 2028 – Stratford-on-Avon



Source: Housing Market Model

8.36 The graphs and statistics above are based upon our modelling of demographic trends. As we have identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand. In determining policies for housing mix, policy aspirations are also relevant.

8.37 The analysis presented earlier in this report identifies:

- A current housing offer which is skewed towards larger properties with above average detached and semi-detached properties, properties with 4 or more bedrooms, and properties in Council Tax Bands E-H;
- Market demand for larger homes, influenced by the existing stock profile, the quality of place of the District's settlements and affordability pressures in the District;
- Strong affordability pressures with entry-level house prices on average 4.5 times lower-quartile incomes and a situation in which an estimated 52% of newly-forming households cannot afford market housing without subsidy;
- Evidence that the lack of lower cost market and affordable housing is inhibiting the attraction and retention of younger households, including people in their 20s and early 30s, in the District. The population in these age groups has been declining;
- Evidence that there is an imbalance between the population of working-age residents in the District and the level of jobs, which supports in-commuting to work; with an indication that this appears likely to increase over time without intervention.

8.38 The above factors provide a strong case that focusing delivery of new housing more towards attracting and retaining younger households (including younger families) can provide a range of benefits in terms of the creation of sustainable communities, reducing travel times and distances and supporting the District's economy.

8.39 On the basis of these factors we consider that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis we would recommend the following mix of market housing be sought:

- 5% 1-bed properties
- 35% 2-bed properties
- 45% 3-bed properties
- 15% 4+ bed properties

8.40 As the last three years have shown, there are a range of inter-dependencies which affect housing demand, with effective demand for entry-level market housing currently curtailed by the availability of mortgage finance for first-time buyers and those on lower earnings. This is likely to affect market demand for smaller properties typically purchased by first-time buyers in the short-term.

8.41 In the short-term we would expect stronger demand in relative terms for larger family homes (3 or more bedrooms) as the market for smaller properties in restricted by mortgage finance constraints.

8.42 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities and in certain circumstances through specific policies regarding development sites. The mix of dwellings which is appropriate in specific development schemes will however change over time reflecting market circumstances, the location of the site and the character of the surrounding area.

Overall Housing Requirements by Size

8.43 If we bring together the analysis of requirements for both market and affordable housing, the resultant mix of housing is shown in Figure 8.14. The figure indicates that an estimated 57% of overall housing need and demand (market and affordable) is for 3- and 4-bedroom properties. On this basis we would recommend that at least 60% of capacity for housing to be on sites suitable for and capable of delivering family housing (recognising that smaller dwellings can also be delivered on these sites).

Figure 8.14: Housing Mix by Unit Size across Tenures

Housing Requirements, 2008-28	1-bed	2-bed	3-bed	4+ bed	Total
Market Housing	280	1,960	2,520	840	**5,600**
Affordable Housing	360	900	840	300	**2,400**
Total	640	2,860	3,360	1,140	**8,000**
% Total Housing by Size	**8.0%**	**35.7%**	**42.0%**	**14.2%**	**100.0%**

Sub-Area Housing Requirements by Size

8.44 As well as providing size requirement outputs for the whole district we have used the demographic data along with sub-area occupancy pattern data to provide an indication of how requirements might vary in different locations. The two tables below show outputs for firstly affordable housing and then market housing. **This analysis is provided for indicative purposes only.**

8.45 In looking at affordable housing we find some differences between areas with requirements for larger (3+ bedroom) homes ranging from 13% in the Main Rural Centres to 43% in Rural Areas. The differences are driven by the different demographic profile in each area along with the extent to which overall housing numbers differ from those we might expect if the analysis was purely based on demographic trends. The figures are also to some considerable degree influenced by the current profile of stock in an area with the analysis in most cases reinforcing the current housing offer in each location.

Figure 8.15: Estimated Size of Dwellings Required 2008 to 2028 by Sub-Area – Affordable Housing – based on Demographic Trends

Sub-area		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Stratford-upon-Avon	No.	167	138	72	17	394
	%	42.3%	35.1%	18.2%	4.4%	100.0%
Main Rural Centres	No.	289	267	82	0	638
	%	45.3%	41.8%	12.9%	0.0%	100.0%
Rural	No.	192	588	521	67	1,368
	%	14.0%	43.0%	38.1%	4.9%	100.0%
DISTRICT	No.	648	994	675	84	2,400
	%	27.0%	41.4%	28.1%	3.5%	100.0%

Source: Housing Market Model

8.46 It should also be noted that the analysis is based on current occupancy patterns and therefore does not directly consider any likely mismatch within the affordable housing stock. Whilst a full analysis of this point is not possible we can look at Census data to see which areas are likely to have higher or lower levels of overcrowding (and under-occupation) in the current affordable housing stock. This is investigated in the table below, Figure 8.16.

8.47 Figure 8.16 shows occupancy ratings based on the number of persons per room with a negative figure indicating some degree of overcrowding and positive figures (particularly the +2 and above) indicating under-occupancy. The data shows that generally the areas where the analysis suggested a lower requirement for larger homes are also the areas where overcrowding is likely to be higher (as well as lower levels of under-occupancy). This would suggest that some adjustment to the requirements by size from our modelled figures is likely to be appropriate – smaller homes in rural areas and larger properties in the Main Rural Centres.

Figure 8.16: Occupancy rating in Affordable (social rented) Housing by Sub-Area

Sub-area	+2 and above	+1	0	-1 and below	Total
Stratford	16.9%	28.1%	45.9%	9.1%	100.0%
Main Rural Centres	17.7%	34.2%	37.8%	10.3%	100.0%
Rural	27.1%	39.3%	27.7%	5.8%	100.0%
District-total	**20.3%**	**34.4%**	**36.6%**	**8.8%**	**100.0%**

Source: 2001 Census

8.48 The table shows an analysis of size requirements in the market sector. As with affordable housing there is some variation between locations, with requirements for larger (3+ bedroom) homes varying from 55% in the Main Rural Centres to 76% in Rural Areas, based on demographic trends. As with the figures for affordable housing, these are linked to the different demographic profile in each area and reinforce (to some degree) the current housing offer. The figures will also be influenced by the levels of housing provision proposed in the 2012 Draft Core Strategy rather than underlying demographic trends.

8.49 Unlike with affordable housing we have not carried out an additional analysis of occupancy ratings as this is less relevant in the market sector where households can choose to live in a property larger than their requirements (subject to affordability) and so any such analysis would not really assist in coming to a view about likely requirements.

Figure 8.17: Estimated Size of Dwellings Required 2008 to 2028 by Sub-Area – Market Housing – based on Demographic Trends

Sub-area		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Stratford	No.	95	277	482	65	919
	%	10.4%	30.1%	52.4%	7.1%	100.0%
Main Rural Centres	No.	142	535	792	20	1,489
	%	9.6%	35.9%	53.2%	1.3%	100.0%
Rural	No.	111	648	1,593	839	3,192
	%	3.5%	20.3%	49.9%	26.3%	100.0%
DISTRICT	No.	349	1,460	2,866	925	5,600
	%	6.2%	26.1%	51.2%	16.5%	100.0%

Source: Housing Market Model

Alternative Projection of Housing Requirements

8.50 As noted above, the figures for our main analysis have been linked to the housing provision and crucially the distribution by area set out in the Draft Core Strategy. We are aware from work elsewhere that constraining (or undersupplying) housing in different locations can have quite a notable impact on the size requirements - areas with constrained supply (i.e. lower than potential demand) tend to show a size requirement profile that is biased towards smaller homes when compared with other areas. This is due to constrained supply tending to lead to a greater proportion of housing requirements being locally generated (i.e. from the existing population) rather than from additional in-migration. In migrant households tend to be larger, more likely to contain children and tend to need and access bigger homes.

8.51 We have therefore repeated out analysis on the basis of our projection linked to the Core Strategy housing provision figure of 8,000 units over 20-years but with no constraint (upwards or downwards) on the household and housing growth in any particular sub-area. Figure 8.18 shows the overall housing requirements by size derived in this projection for affordable housing. The data shows a very similar profile of housing required as with our main projection above with 29.5% of additional homes requiring to be larger (3+ bedroom) accommodation compared with 31.6% in our main analysis.

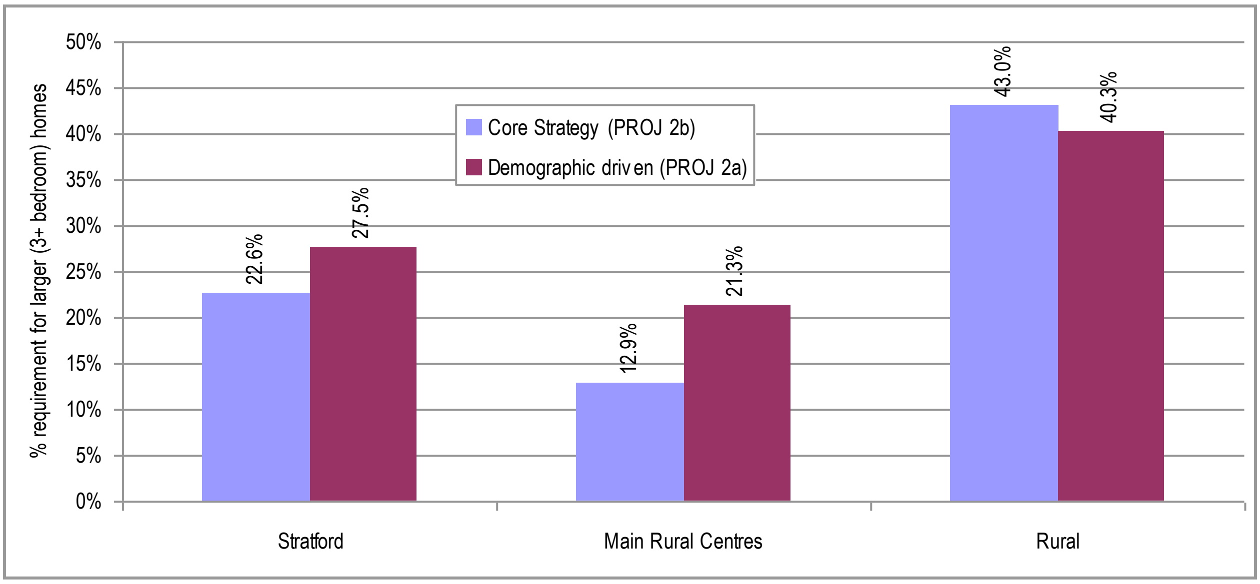
Figure 8.18: Estimated Size of Dwellings Required 2008 to 2028 – Affordable Housing (Stratford-on-Avon) – alternative based on PROJ 2a

Size	2008	2028	Additional households 2008-2028	Including 2.5% vacancy allowance	% of additional homes
1 bedroom	1,284	1,990	706	724	30.2%
2 bedroom	2,705	3,650	945	969	40.4%
3 bedroom	2,744	3,361	616	632	26.3%
4+ bedroom	315	389	74	76	3.2%
Total	**7,048**	**9,390**	**2,342**	**2,400**	**100.0%**

Source: Housing Market Model

8.52 Figure 8.19 below shows how the requirement for larger affordable housing accommodation varies by grouped sub-area under this alternative projection and compared with the main projection run. The data shows for Stratford and the Main Rural Centres that the proportion of larger homes required increases – this is due to these areas showing a higher overall housing requirement when compared with the spatial distribution in the Draft Core Strategy. In the Rural areas where the Draft Core Strategy proposes over-supply relative to demographic trends the proportion of larger homes required drops slightly.

Figure 8.19: Comparison of Proportion of Requirement for Larger (3+ bedroom) Homes under two PROJ 2 scenarios (linked to Draft Core Strategy Housing Numbers) – Affordable Housing



Source: Housing Market Model

8.53 In the market sector this latter analysis also shows similar district-wide outputs to our main projection with 65.4% of the housing requirement estimated to be for larger homes – compared with 67.7% for the earlier analysis.

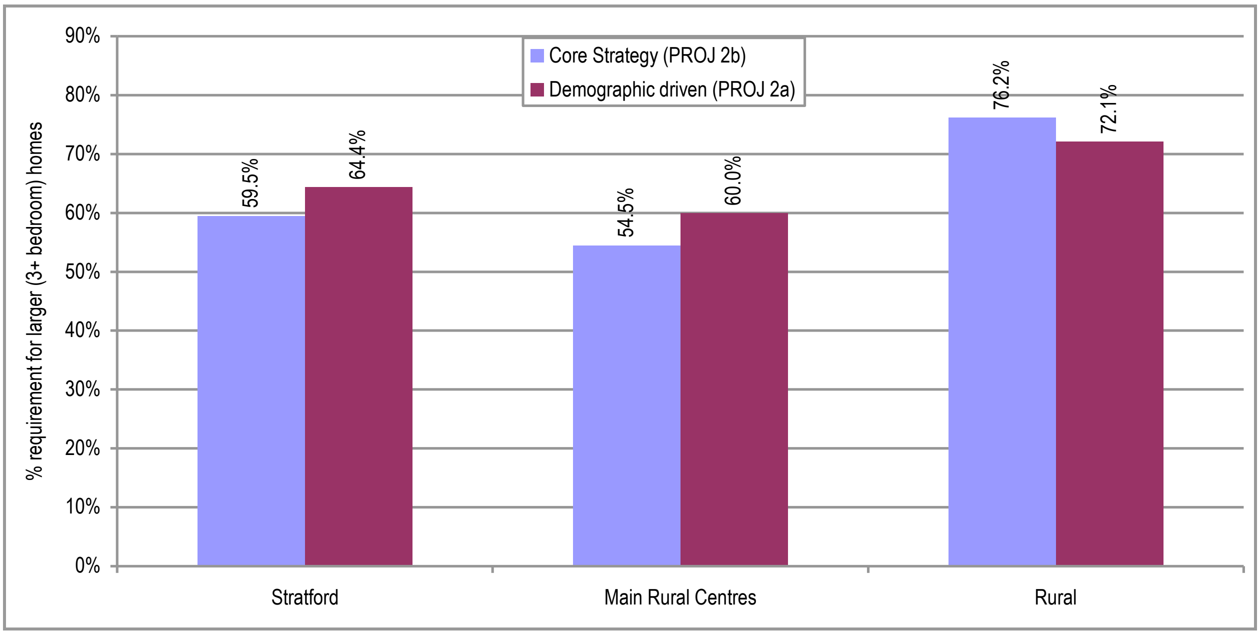
Figure 8.20: Estimated Size of Dwellings Required 2008 to 2028 – Market Housing (Stratford-on-Avon) – alternative based on PROJ 2a

Size	2008	2028	Additional households 2008-2028	Including 2.5% vacancy allowance	% of additional homes
1 bedroom	2,001	2,388	387	397	7.1%
2 bedroom	7,526	9,033	1,507	1,545	27.6%
3 bedroom	20,055	22,873	2,818	2,888	51.6%
4+ bedroom	14,207	14,959	752	771	13.8%
Total	**43,789**	**49,253**	**5,464**	**5,600**	**100.0%**

Source: Housing Market Model

8.54 When looking at requirements by sub-area the outputs from this projection run are quite interesting. Generally there is a closing of the gap between different areas in terms of sizes of accommodation required. The Main Rural Centres, which in our main projection showed a requirement for 54.5% of market homes to have 3 or more bedrooms, sees an increase in this figure to 60%; whilst the Rural Areas which showed the highest requirement for larger homes sees a slight fall in the proportionate requirement for larger homes (down to 72.1% from 76.2%). Generally, the projection PROJ 2a linked to the 8,000 dwelling provision figure but without being specific about locations shows a more balanced requirement for different sizes of market properties across the District.

Figure 8.21: Comparison of Proportion of Requirement for Larger (3+ bedroom) Homes under two PROJ 2 scenarios (linked to Draft Core Strategy housing numbers) – Market Housing



Source: Housing Market Model

Policy Implications: Sizes of Homes

In this section we have analysed and considered a range of evidence which should inform policies regarding the future mix of market and affordable housing. We conclude that the following strategic policies regarding the mix of homes are appropriate:

	1-bed	2-bed	3-bed	4+ bed
Affordable	15%	35-40%	35%	10-15%
Market	5%	35%	45%	15%
Overall	8%	36%	42%	14%

Our strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

The need for affordable housing of different sizes will vary by settlement across the District and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area, the stock and turnover of existing properties in the settlement/ area, and any information from local (e.g. village) needs surveys.

The analysis points to a need for more affordable family housing with 3 or more bedrooms in Stratford-upon-Avon and the Rural Areas than in the Main Rural Centres. For market housing, it indicates a focus of demand on two and three bed properties in all areas, but with greater demand for 1-bed (c. 10%) in Stratford-upon-Avon and the Main Rural Centres; whilst in Rural Areas there is greater demand for properties with 4 or more bedrooms.

The conclusions of the analysis should inform the development of Draft Core Strategy Policy CS20 and affordable housing negotiations. It should also inform the 'portfolio' of sites which are considered through development through Site Allocations, Neighbourhood Plans and other planning documents.

9. HOUSING NEEDS OF SPECIFIC GROUPS

Introduction

9.1 We have established overall housing requirements for different sizes of properties over the next 20 years, however there can be specific groups within the population who require specialist housing solutions or for whom housing needs may differ from the wider population. These groups are considered within this section.

9.2 Estimates of household groups who have particular housing needs is a key output of the SHMA Guidance [22] whilst the National Planning Policy Framework identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.

9.3 The following key groups have been identified which may have housing needs which differ from those of the wider population:

- Older Persons;
- Black and Minority Ethnic (BME) households;
- Single people and homelessness;
- People with disabilities.

Housing Needs of Older People

9.4 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20 years is expected to be the growth in the population of older persons both across the country and in Stratford-on-Avon in particular.

9.5 Indeed as population projections show earlier in this document, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our projection work, data from POPPI (Projecting Older People Population Information) and some 2001 Census data to provide context (e.g. around under-occupation).

9.6 The context to older persons housing provision can be summarised as below:

- A need to provide specific housing for older people as part of achieving a good mix of housing, but recognizing that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes;
- Falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing over 20 years, requiring higher levels of support. However many local authorities have struggled to contain expenditure on services for older people;
- New models of enhanced and extra care housing have emerged. These aim to meet the needs of those who require high levels of care and support alongside those who are still

[22] CLG (2007) Strategic Housing Market Assessments: Practice Guidance, Version 2

generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move; and

- Providing choice, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support (e.g. flexible care).

Current Population of Older Persons

9.7 Below we have provided some baseline population data about older persons and compared this with other areas. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 55 and upwards. In reality, those aged 55 might not be considered as 'old' but we have started the analysis from this age group due to the fact that some housing developments are specifically targeted at the over 55 age group.

9.8 The data shows that, when compared with both the West Midlands and England, the District has a higher proportion of older persons. In 2010 it is estimated that 36.3% of the population of Stratford-on-Avon was aged 55 or over compared with 29.0% in the West Midlands and 28.2% for the whole of England.

Figure 9.1: Older person population in Stratford-on-Avon and other areas (2010)

Age group	Stratford-on-Avon		West Midlands		England	
	Population	% of popn	Population	% of popn	Population	% of popn
Aged under 55	76,500	63.6%	3,891,800	71.0%	37,500,600	71.8%
55-64	17,900	14.9%	649,800	11.9%	6,109,500	11.7%
65-74	14,000	11.6%	498,100	9.1%	4,485,000	8.6%
75-84	8,300	6.9%	315,200	5.8%	2,920,700	5.6%
85+	3,400	2.8%	124,400	2.3%	1,197,600	2.3%
Total	120,200	100.0%	5,479,400	100.0%	52,213,400	100.0%
Total 55+	43,600	36.3%	1,587,500	29.0%	14,712,800	28.2%

Source: 2010-based SNPP

9.9 At a broad sub-area level (shown in Figure 9.2 below) the data (taken from mid-2010 ONS population estimates) suggests only moderate variation in the proportion of older people in different parts of the District with 34% of those living in Stratford being aged 55 and over compared with around 38% in the Rural areas. It is expected that larger towns such as Stratford-upon-Avon have a younger population.

Figure 9.2: Older Person Population in Sub Areas of Stratford-on-Avon (2010)

Age group	Stratford	Main Rural Centres	Rural areas	District
Aged under 55	65.7%	64.0%	62.2%	**63.7%**
55-64	13.6%	14.3%	16.3%	**14.9%**
65-74	10.1%	11.5%	12.7%	**11.6%**
75-84	7.1%	7.2%	6.6%	**7.0%**
85+	3.5%	3.1%	2.2%	**2.8%**
Total	100.0%	100.0%	100.0%	**100.0%**
Total 55+	**34.3%**	**36.0%**	**37.8%**	**36.3%**

Source: ONS 2010-mid year population estimates

Future Changes in the Population of Older Persons

9.10 As well as providing a baseline position for the proportion of older persons in the District we can use published population projections to provide an indication of how the numbers might change in the future compared with other areas. Again this data is based on the 2010-based SNPP. The data shows that Stratford-on-Avon (in line with other areas) is expected to see a substantial increase in the older person population with the total number of people aged 55 and over expected to increase by 46% over just 20-years. This figure is well in excess of increases projected for either the West Midlands or England. Stratford-on-Avon is expected to see particularly large increases in the population of the older age groups (i.e. those aged 75 and over) when compared with other areas.

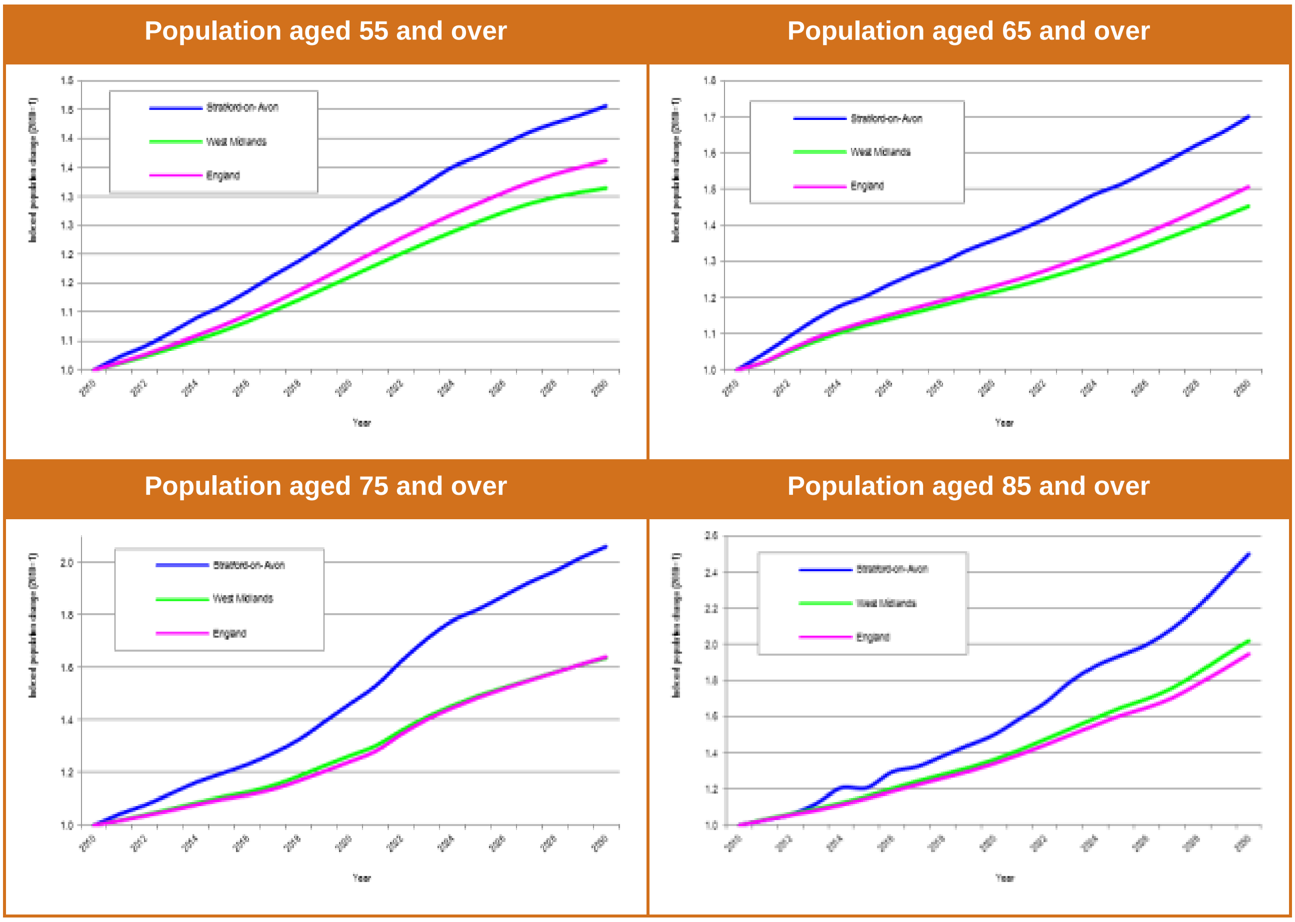
Figure 9.3: Projected Change in Population of Older Persons (2010 to 2030)

Age group	Popn 2010	Popn 2030	Change	% change	% change West Midlands	% change England
Aged under 55	76,500	81,200	4,700	6.1%	8.4%	7.7%
55-64	17,900	19,800	1,900	10.6%	11.5%	15.8%
65-74	14,000	19,600	5,600	40.0%	29.1%	38.4%
75-84	8,300	15,600	7,300	88.0%	48.5%	51.5%
85+	3,400	8,500	5,100	150.0%	102.1%	94.7%
Total	120,200	144,800	24,600	20.5%	15.0%	15.7%
Total 55+	**43,600**	**63,500**	**19,900**	**45.6%**	**31.5%**	**36.2%**

Source: 2010-based SNPP

9.11 Figure 9.4 below emphasises some of the differences between Stratford-on-Avon and the regional and national position when looking at specific age groups. The data shows that whilst the overall increase in the population aged 55 and over is expected to be in excess of that seen elsewhere the gap significantly widens when looking at older age groups (particularly the aged 75 and over group in the figure below, Figure 9.4).

Figure 9.4: Projected population change by age band – 2010 to 2030



Source: 2010-based SNPP

Characteristics of Older Persons Households

9.12 We have used 2001 Census data to explore in a bit more detail some characteristics of older person households in Stratford-on-Avon (based on the population of pensionable age in 2001). Figure 9.5 below shows the number of households compared with the West Midlands and England. The data shows in 2001 that around 26% of households were comprised entirely of pensioners. This is slightly higher than for the West Midlands and England (both around 24%) and given more recent demographic data would suggest over time that the number of pensioner households has increased relative to other areas.

Figure 9.5: Pensioner households (Census 2001)

Pensioner households	Stratford-on-Avon	West Midlands	England
Single pensioner	6,962	308,744	2,939,465
2 or more pensioners	5,432	203,657	1,908,837
All households	47,203	2,153,672	20,451,427
Single pensioner	14.7%	14.3%	14.4%
2 or more pensioners	11.5%	9.5%	9.3%
All households	100.0%	100.0%	100.0%
Total % pensioner only	26.3%	23.8%	23.7%

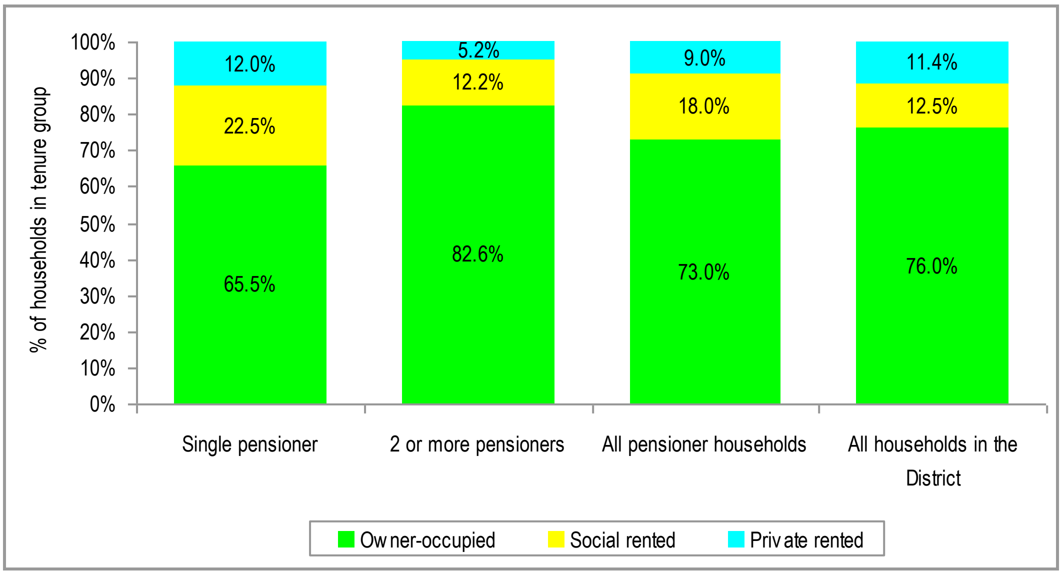
Source: Census (2001)

9.13 Figure 9.6 shows the tenure of older person households – the data has been split between single pensioner households and those with two or more pensioners (which will largely be couples). The data shows that 73% of pensioner households live in owner-occupied accommodation – slightly below the average for all households in the District. Pensioner households are also more likely than other households to be in the social rented sector. The proportion of pensioner households living in the private rented sector is relatively low (9% compared with 11% of all households in the District).

9.14 There are also notable differences for different types of pensioner households with single pensioners having a much lower level of owner-occupation than larger pensioner households – this group also has a much higher proportion living in the social rented sector (and relatively more in private rented accommodation).

9.15 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase, this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population.

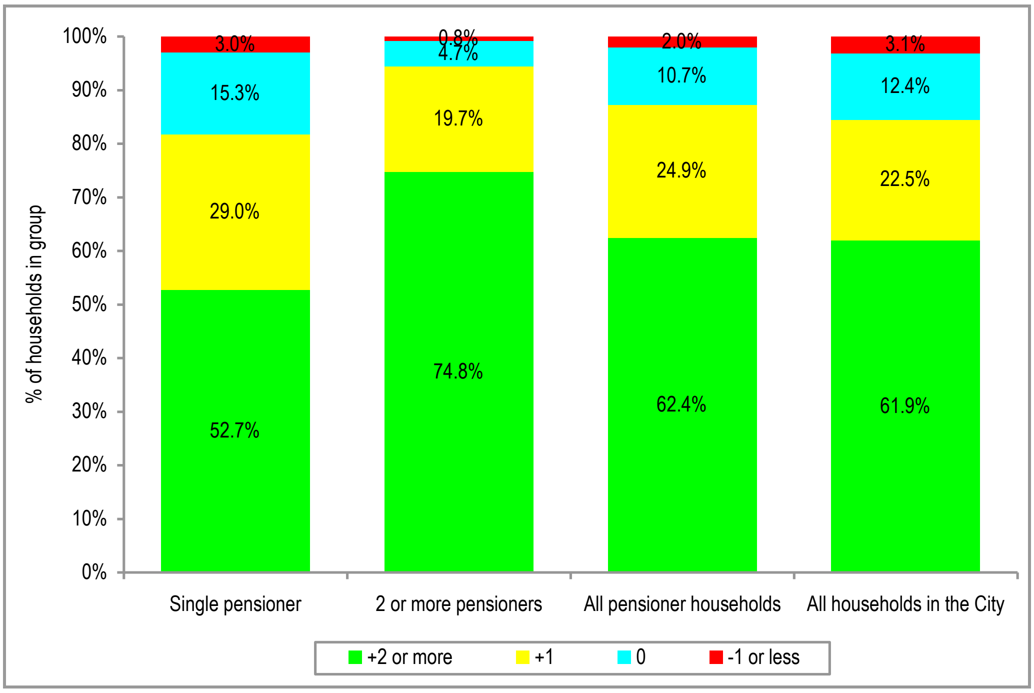
Figure 9.6: Tenure of Older Person Households in Stratford-on-Avon



Source: Census (2001)

9.16 A key theme that is often brought out in Housing Market Assessment work is the large proportion of older person households who under-occupy their dwellings. Data from the Census allows us to investigate this using the occupancy rating. The Census data suggests that older person households are slightly more likely to under-occupy their housing than other households in the District. In total 62% have an occupancy rating of +2 or more (meaning there are at least two more rooms than people in the household). Further analysis suggests that under-occupancy is far more common in households with two or more pensioners than single pensioner households.

Figure 9.7: Occupancy rating by older person households in Stratford-on-Avon



Source: Census (2001)

9.17 It is of interest to study the above information by tenure. Figure 9.8 shows the number of pensioner households who had an occupancy rating of +2 or more in each of three broad tenure groups in 2001. Whilst the majority of older person households with an occupancy rating of +2 or more were in the owner-occupied sector, there were 530 properties in the social rented sector occupied by pensioner only households with an occupancy rating of +2 or more. This may therefore present some opportunity to reduce under-occupation.

Figure 9.8: Pensioner households with occupancy rating of +2 or more by tenure in Stratford-on-Avon (Census 2001)

Pensioner households	Single pensioner	2 or more pensioners	All pensioner only households
Owner-occupied	3,003	3,650	**6,653**
Social rented	304	228	**532**
Private rented	362	183	**545**
All tenures	3,669	4,061	**7,730**

Source: Census (2001)

9.18 It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement; however we would expect many older households to still require family housing with space to allow friends and relatives to come to stay.

Health-related Population Projections

9.19 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Information System (POPPI) website which provides a baseline position for 2011 and projects forward to 2030.

9.20 The projections from POPPI of older households with health issues are shown in Figure 9.9 – in all cases the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates for different health conditions based on a range of different data sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.

9.21 Figure 9.9 shows that all of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population (particularly of older persons). In particular there is projected to be a large rise in the number of people with dementia (up 105%) with all of the other illnesses and disabilities studied expected to see increases in excess of 50% over the 19-year period studied.

Figure 9.9: Estimated population change for range of health issues (2011 to 2030)

Type of illness/disability	2011	2030	Change	% increase
Limiting long-term illness	10,884	18,371	7,487	**68.8%**
Depression	2,294	3,683	1,389	**60.5%**
Severe depression	729	1,226	497	**68.2%**
Dementia	1,839	3,761	1,922	**104.5%**
Activities affected by previous heart attack	1,300	2,131	831	**63.9%**
Activities affected by previous stroke	612	1,028	416	**68.0%**
Bronchitis/emphysema	448	727	279	**62.3%**
Fall (number per year)	7,036	12,102	5,066	**72.0%**
Falls requiring hospital treatment (per year)	549	1,006	457	**83.2%**
Visual impairment	2,325	4,009	1,684	**72.4%**
Hearing impairment	11,137	20,341	9,204	**82.6%**
Mobility problems	4,841	8,873	4,032	**83.3%**
Obesity	6,962	10,560	3,598	**51.7%**
Diabetes	3,307	5,296	1,989	**60.1%**

Source: POPPI Website (2012)

9.22 In addition to projections about disabilities the POPPI data provides estimates of change in the number of older persons living alone and also a projection of the care home population.

9.23 The POPPI projections suggests that the number of people age 65 and over living alone in Stratford-on-Avon will increase by around 6,700 from 2011 to 2030 – an increase of 69%. The care home population is expected to increase from 925 in 2011 to 1,994 in 2030. This latter projection does not take account of whether provision for this scale of increase will be provided or need met through alternative solutions such as extra care housing.

Housing Need

9.24 The final topic we have looked at with regard to older persons is around the numbers on the Housing Register and those in a priority band. The data shows that an appreciable proportion of those registered are aged 55 and over. In total, some 28% of households registered are aged 55 and over with a figure of just 17% for those aged 65 and over. Where older person households are registered the data does suggest that they are about as likely to be in a priority group with 25% of all households in a priority group being aged 55 and over and 18% being aged 65 and over.

9.25 Whilst there are a substantial number and proportion of older people on the Housing Register it should be noted that the figures do tend to be lower than the overall proportion of the population who are older people. As of 2010 it is estimated that 36% of people were aged 55 and over and 21% aged 65 and over.

9.26 It is unclear from this information whether or not these figures suggest that older people are less likely to be in housing need or whether to some extent the figures might relate to the speed at which they are typically rehoused on joining the register. We would however note that a good proportion of older person households are owner-occupiers and that older people tend to be less mobile (in terms of moving home) than other groups. Overall the data does not suggest that older persons have particularly high levels of housing need when compared with the wider population. However, the significant changes in the older person population (as discussed above) over the plan period to 2028 may mean that additional and specialist provision may be required in the future and that planning for a growing older population will be very important. The Council should monitor older persons housing needs through the Housing Register and also through referrals from other bodies (such as the NHS).

Figure 9.10: Older person households and the Housing Register

Age group	On Register	% on Register	In Priority Band	% in Priority Band
Aged under 55	3,896	72.2%	636	**74.6%**
55-64	572	10.6%	61	**7.2%**
65-74	489	9.1%	61	**7.2%**
75-84	287	5.3%	57	**6.7%**
85+	150	2.8%	37	**4.3%**
Total	5,394	100.0%	852	**100.0%**
Total 55+	1,498	27.8%	216	**25.4%**

Source: Housing Register

Policy Implications: Older Persons

The older person population of Stratford-on-Avon is particularly large when compared with regional figures and the population is projected to increase significantly up until 2030/31.

Older persons are more likely to under-occupy homes. In the market sector there is a very limited ability to influence this. In the affordable sector, there may be potential to reduce (or seek to limit potential growth in) under-occupation and the Council may wish to consider providing support and incentives to social housing occupiers to downsize. This will help to release larger affordable homes for younger households.

An analysis of older person households suggests that they are more likely to live in social rented housing (especially single pensioner households) than other household groups. With the projected increases in older persons there may therefore be additional pressure on the affordable housing stock from such households.

Our analysis also suggests that the growing older population (particularly in the oldest age groups) will result in growth in households with specialist housing needs requiring some form of support. Typically the greatest support needs are for alterations to properties (such as to bathrooms, showers and toilets, provision of emergency alarms or help maintaining homes). Many of these can be resolved in situ through adaptations to existing properties. The resource implications of this will need to be planned for.

The growing older population will however likely lead to some increase in requirements for specialist housing solutions. The analysis above suggests a 105% growth in older population with dementia, and an 83% increase in the older population with mobility problems. From a planning point of view, some of these people will require specialist housing such as sheltered or extra care provision. Increasing numbers of older people with health problems will also require joint-working between housing and health (Council and NHS).

Draft Core Strategy Policy CS19 supports delivery of housing for older people and other vulnerable groups, specifically in Stratford-upon-Avon, the Main Rural Centres and Local Service Villages where it meets local needs, contributes to the balance of the housing stock locally and arrangements are in place to ensure delivery of appropriate care and support. The evidence supports this approach.

The analysis also suggests that the care home population can be expected to increase by around 1,070 persons between 2011 and 2031. Care homes do not count as housing on the use class schedule; however an issue for the Council to consider is the extent to which it wishes to older persons accommodated within extra care housing as opposed to residential/ nursing homes. Extra care housing with every unit being a self-contained dwelling does count towards housing numbers.

Housing Needs of BME Households

9.27 Black or Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.

BME Population Characteristics

9.28 In 2001, 9% of the population of England came from a non-white group – by 2009, this is estimated to have risen to 12.5%. Over this 8-year period the non-white (British/Irish) population has risen by nearly 2 million to reach around 6.5 million – an increase of 43%. Over the same period the white (British/Irish) population has risen by just 400,000 (less than 1%). A key characteristic highlighted in national research (e.g. EHS) is the distinct tenure distribution for different groups with Black households having concentrations in the social rented sector and Asian households having relatively high proportions of owner-occupation. Nationally, all BME groups are more likely than white households to live in private rented housing.

9.29 From 2001 Census data we find that around 3% of the population of Stratford-on-Avon came from a non-White (British/Irish) background. This however varied by sub-area with around 5% of the population of Stratford being from a BME group compared with less than 3% in each of the Main Rural Centres and Rural sub-areas. The main BME group is White (Other) (2% of the total population).

Figure 9.11: Black and Minority Ethnic Population by Housing Sub-Market (2001)

Ethnic Group	Stratford	Main Rural Centres	Rural areas	District
White	97.9%	98.7%	99.1%	**98.7%**
White: British	94.4%	96.3%	96.5%	**96.0%**
White: Irish	0.8%	1.0%	0.8%	**0.9%**
White: Other	2.7%	1.4%	1.8%	**1.8%**
Mixed	0.7%	0.5%	0.4%	**0.5%**
Mixed: White and Black Caribbean	0.2%	0.2%	0.1%	**0.2%**
Mixed: White and Black African	0.1%	0.0%	0.0%	**0.0%**
Mixed: White and Asian	0.3%	0.2%	0.1%	**0.2%**
Mixed: Other	0.1%	0.1%	0.1%	**0.1%**
Asian or Asian British	0.5%	0.3%	0.3%	**0.4%**
Asian or Asian British: Indian	0.3%	0.2%	0.2%	**0.3%**
Asian or Asian British: Pakistani	0.0%	0.0%	0.0%	**0.0%**
Asian or Asian British: Bangladeshi	0.0%	0.0%	0.0%	**0.0%**
Asian or Asian British: Other Asian	0.1%	0.1%	0.0%	**0.0%**
Black or Black British	0.2%	0.1%	0.1%	**0.1%**
Black or Black British: Caribbean	0.1%	0.1%	0.0%	**0.1%**
Black or Black British: African	0.1%	0.0%	0.0%	**0.0%**
Black or Black British: Other	0.0%	0.0%	0.0%	**0.0%**
Chinese or Other Ethnic Group	0.7%	0.3%	0.1%	**0.3%**
Chinese	0.4%	0.2%	0.0%	**0.2%**
Other ethnic group	0.4%	0.1%	0.1%	**0.1%**
Total	100.0%	100.0%	100.0%	**100.0%**
% non-White (British/Irish)	**4.8%**	**2.7%**	**2.7%**	**3.1%**

Source: ONS (2001 Census)

9.30 ONS produces estimates of population change by ethnic group for local authorities. The latest estimates are for 2009. Figure 9.12 shows that the proportion of the population in a BME group is projected to have increased from 3% in 2001 to 9% in 2009. This represents a threefold increase in the BME population in just eight years.

9.31 Looking at broad BME groups we see that the Black population is projected to have risen tenfold with very high increases (in proportionate terms) also seen for all other BME groups. In contrast the White population is thought to have increased by only 2% and within this there has been a small decrease in the number of White (British) people.

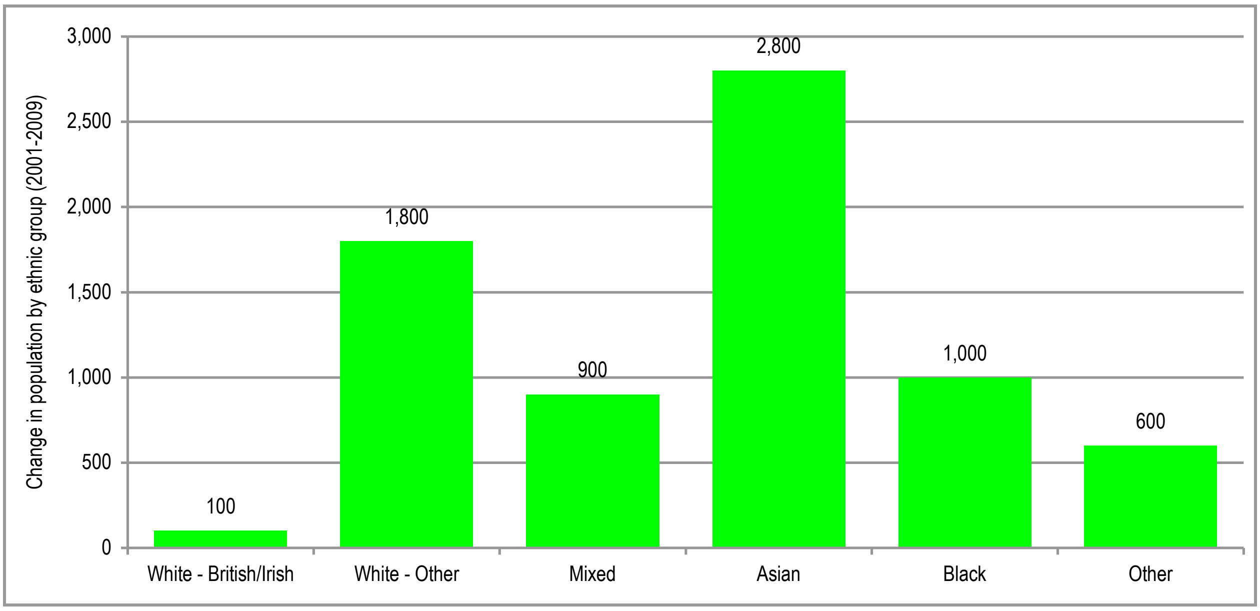
Figure 9.12: Estimated change in Black and Minority Ethnic Population 2001-2009

Ethnic Group	2001		2009		Change	
	No.	%	No.	%	No.	%
White	110,000	98.6%	111,900	94.1%	1,900	1.7%
White: British	107,000	95.9%	106,800	89.8%	-200	-0.2%
White: Irish	1,000	0.9%	1,300	1.1%	300	30.0%
White: Other	2,000	1.8%	3,800	3.2%	1,800	90.0%
Mixed	600	0.5%	1,500	1.3%	900	150.0%
Mixed: White and Black Caribbean	200	0.2%	500	0.4%	300	150.0%
Mixed: White and Black African	0	0.0%	200	0.2%	200	-
Mixed: White and Asian	200	0.2%	500	0.4%	300	150.0%
Mixed: Other	100	0.1%	400	0.3%	300	300.0%
Asian or Asian British	500	0.4%	3,300	2.8%	2,800	560.0%
Asian or Asian British: Indian	300	0.3%	2,000	1.7%	1,700	566.7%
Asian or Asian British: Pakistani	0	0.0%	800	0.7%	800	-
Asian or Asian British: Bangladeshi	0	0.0%	200	0.2%	200	-
Asian or Asian British: Other Asian	100	0.1%	300	0.3%	200	200.0%
Black or Black British	100	0.1%	1,100	0.9%	1,000	1000.0%
Black or Black British: Caribbean	100	0.1%	500	0.4%	400	400.0%
Black or Black British: African	0	0.0%	500	0.4%	500	-
Black or Black British: Other	0	0.0%	100	0.1%	100	-
Chinese or Other Ethnic Group	400	0.4%	1,000	0.8%	600	150.0%
Chinese	200	0.2%	500	0.4%	300	150.0%
Other ethnic group	200	0.2%	600	0.5%	400	200.0%
Total	111,600	100.0%	118,900	100.0%	7,300	6.5%
Non-White (British/Irish)	**3,600**	**3.2%**	**10,800**	**9.1%**	**7,200**	**200.0%**

Source: ONS

9.32 Figure 9.13 shows the estimated population change by broad BME group. The figure clearly indicates the growth in all groups other than the White (British/Irish) population.

Figure 9.13: Changes in the BME population 2001 to 2009



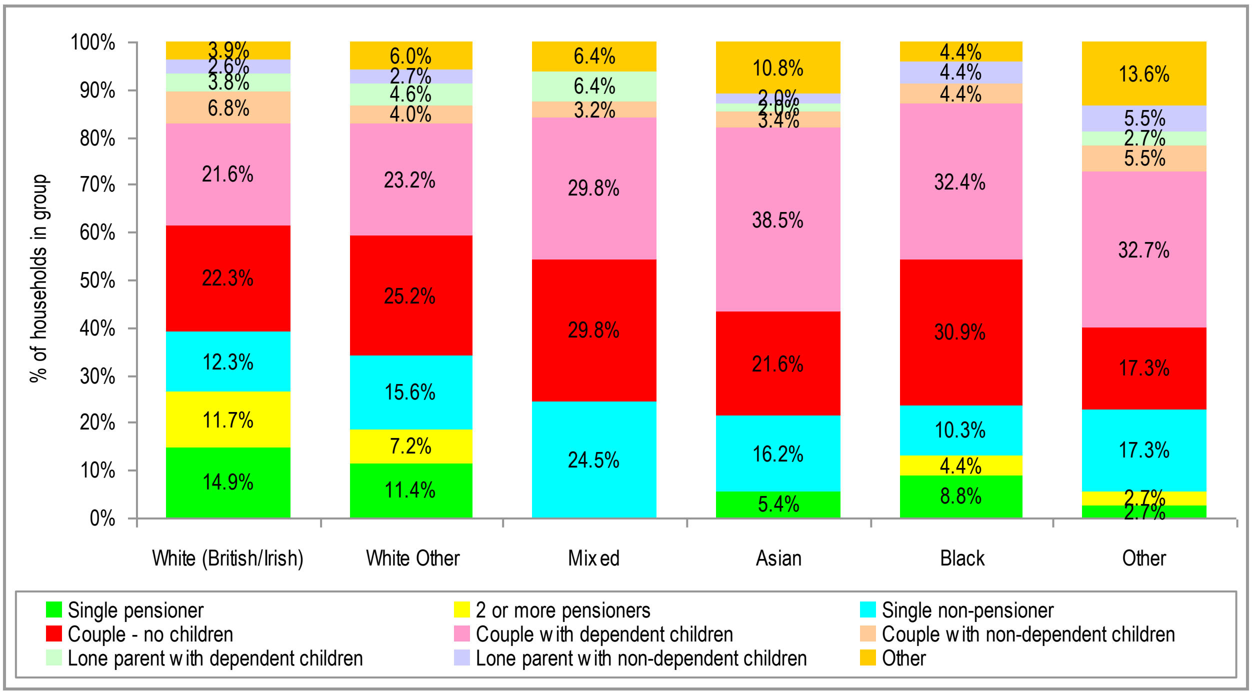
Source: ONS

Household Characteristics

9.33 We have used 2001 Census data to provide an indication of the characteristics of BME households. This information is dated, but is the best currently available for the whole population.

9.34 There are notable differences between the household characteristics of BME households as against the White British/Irish population. Figure 9.14 suggests that non-White households are less likely than White households to contain only people of pensionable age. Asian households are notable for the large proportion with dependent children (families) and also a high proportion of 'other' households (which are often larger multi-adult households).

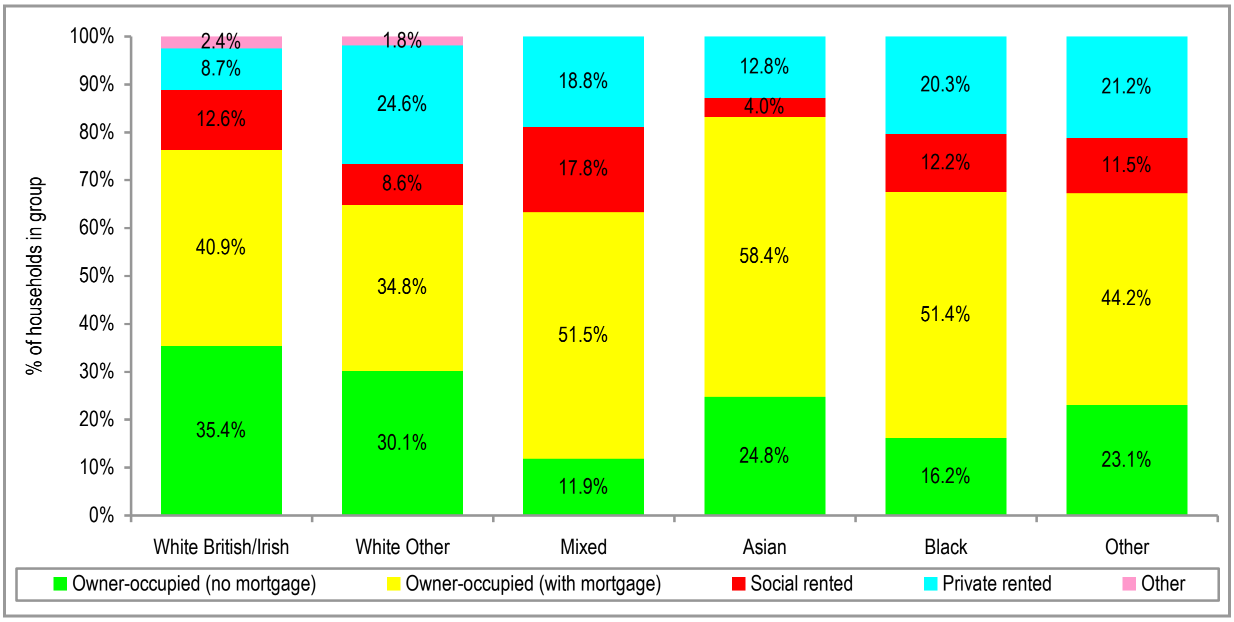
Figure 9.14: Household Composition by Ethnic Group in Stratford-on-Avon



Source: 2001 Census data (from NOMIS)

9.35 Figure 9.15 below indicates that Asian households are the most likely to be owner-occupiers with 83% being in this tenure group. Mixed households show high proportions living in social rented housing whilst all BME groups are more likely than the White: British/Irish group to live in the private rented sector.

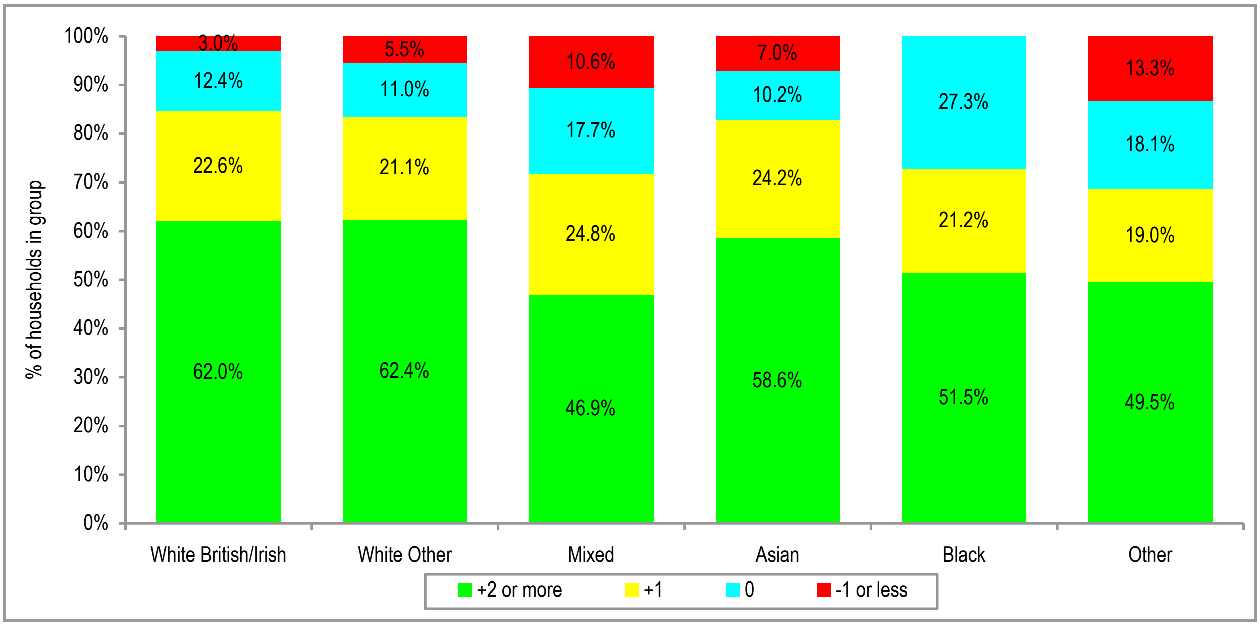
Figure 9.15: Tenure by Ethnic Group in Stratford-on-Avon



Source: 2001 Census data (from NOMIS)

9.36 Figure 9.16 shows 'occupancy ratings' by BME group; this is based on a person per room standard where a positive figure indicates under-occupancy and negative figures suggest some degree of over-crowding. The figures are not comparable with the more common measure of overcrowding/under-occupation using the bedroom standard but will indicate differences between groups. BME groups are more likely to be overcrowded (i.e. have a negative occupancy rating) than White (British/Irish) households. In particular, the Census data suggests that over 13% of Other households are overcrowded - this compares with only 3% of the White (British/Irish) group.

Figure 9.16: Occupancy Rating by Ethnic Group in Stratford-on-Avon



Source: 2001 Census data (from NOMIS)

Housing Register (Housing Need)

9.37 The data presented above provides some indication of the differences between households in different BME groups although the information is rather dated and the overall size of the BME population is thought to have grown significantly since the data was collected. One data source we have which is more up to date is the Housing Register.

9.38 At the time of carrying out the housing needs modelling there were 5,394 households on the register. Not all of these households have provided information about their ethnic group and in total ethnic group data is available for 5,102 households (95% of those registered). The data shows that of those for whom we have information some 93% are White (British/Irish). This would suggest that BME households are probably about as likely to be registered for housing as White (British/Irish) households. As of 2009, it was estimated that 9% of the population was White (British/Irish) although the number of households is likely to be higher than this due to generally larger household sizes amongst BME groups.

9.39 The data about housing need is also interesting and shows that a higher proportion of BME households are in a priority group when compared with looking at the whole Housing Register. That said - White (British/Irish) households still make up over 90% of the total in a priority group. The key group for both the total register and those in a priority group is White (Other) households making up 4.5% of the total register and 6% of those in a priority group.

Figure 9.17: Housing Register by Ethnic Group

BME group	Total Register		In priority group	
	Total	%	Total	%
White: British/Irish	4,742	92.9%	728	90.4%
White: Other	230	4.5%	48	6.0%
Mixed	46	0.9%	8	1.0%
Asian	20	0.4%	4	0.5%
Black	40	0.8%	7	0.9%
Chinese and other	24	0.5%	10	1.2%
Total	**5,102**	**100.0%**	**805**	**100.0%**

Source: Housing Register

Policy Implications: BME Groups

The BME population in Stratford-on-Avon appears to have grown quite strongly since 2001. The latest estimate is that BME groups make up 9% of the District population (up from 3% on 2001). The Indian and White Other Population (which includes Eastern European migrants) appears both to have grown notably.

BME households appear to be typically younger and less likely to be owner occupiers than the White (British/Irish) population – the exception to this are Asian households. BME households are also more likely to be overcrowded and less likely to under-occupy dwellings.

There were 360 BME households on the Housing Register in May 2012 of which 77 (21%) were found to be in a priority group.

The implications of this are more for housing strategy than planning, and suggest a need to consider particularly how the needs of different groups are met within the local housing market, to explore the reasons for higher levels of overcrowding in BME communities and how this can be addressed. It will also be important to consider the role which the Private Rented Sector plays in meeting needs of new migrant communities and the standards of housing in this sector. Investigating these issues in greater detail may assist development of strategic housing policies.

Single People and Homelessness

9.40 SHMA guidance also recognises the importance of understanding the housing needs of young single people. The Guide notes that this is a group which may be difficult to obtain information about due to typical under-registration with administrative sources (such as health services or Council Housing Registers). We have therefore drawn on information provided by the Council as part of a 2010 survey into single people experiencing housing difficulties along with a March 2011 Housing Advisory Panel (HAP) report about the provision of accommodation and support for single homeless people.

9.41 The term 'single people' refers to one person households. 'Young people' are defined as those aged 16 to 25 years. The provision of accommodation and support for single homeless people of all ages, including young people, is a long standing strategic priority for the Council and since June 2007, the HAP has recognised single people and young people as the two groups of vulnerable people in the District 'with the most urgent unmet accommodation and support needs'.

October 2010 Survey

9.42 The most comprehensive information about the housing issues faced by single people comes from the results of the Stratford District Housing Forum October 2010 Survey of Single People Experiencing Housing Difficulties. The key findings can be summarised as:

- The number of single people experiencing housing difficulties is increasing with agencies reporting a doubling from 62 in February 2009 to 127 in October 2010;
- Around two-thirds of those experiencing difficulties were males and the majority were White: British and from the local area;
- Over 60% considered themselves to be homeless with over 10% having slept rough at some point and 14% having no settled accommodation (e.g. sofa-surfing):
- Approaching half of the single people identified as experiencing housing difficulties were aged under 25.

Single People, Homelessness and the Housing Register

9.43 Few single people qualify for permanent accommodation under homelessness legislation. This is because most single people are not deemed to be in 'priority need' unless they are vulnerable for some other reason such as disability. In 2010, the Council accepted 71 homeless people as being eligible for assistance, unintentionally homeless and in priority need and thus entitled to accommodation – only 16% of these were single people.

9.44 Despite the low proportion of single person homeless acceptances the Housing Register suggests that around 42% of those registered are single people. Of these, around 18% are aged 25 and under with 46% being aged under 45. The large number of single people on the Housing Waiting List may indicate that they are struggling to find suitable accommodation in the District – possibly more so than other types of household.

Housing Provision

9.45 The affordability and availability of accommodation will determine to a large extent what most single people can do to find their own accommodation and avoid homelessness. This Report suggests that a household with a single income requires an annual income of around £25,000 in order to be able to afford even the cheapest (one bedroom) self-contained accommodation to rent with much higher incomes likely to be required to be able to buy a home.

9.46 Data in the HAP report (from July 2010) suggests that the supply of one-bedroom and shared accommodation properties to rent is fairly limited in the District. This is confirmed by our analysis which suggests that only 18% (less than one in five) of homes available to rent privately have just one bedroom. Analysis by the District Council also suggested that all rooms in shared accommodation were advertised at a rent above the maximum LHA payment level along with 63% of one-bedroom homes.

9.47 Whilst average rents for housing association general needs one-bed properties are generally lower than market rents (averaging £350 per month in 2011) many of these properties are bungalows and other such accommodation reserved for older people. There is a limited supply of housing association accommodation for single people under pensionable age.

9.48 Some vulnerable single people require assistance to find accommodation and/or support to keep it. There are two supported schemes in Stratford-on-Avon district specifically for single people providing a total of 16 bedspaces. These schemes are funded by Supporting People. Demand for both schemes is high, and both schemes have waiting lists. Finding suitable move-on accommodation for people from these schemes is sometimes problematic: there is some ‘bed blocking’ of places in the schemes.

Homelessness

9.49 The above analysis of the housing needs of single people (including young single people) has highlighted that a number consider themselves to be homeless but in reality few qualify for housing under homelessness legislation. It is worth therefore considering homelessness more broadly using information provided by the Council.

9.50 Over the past three years the Council has recorded a notable increase in the number of homeless approaches; rising from 125 in 2009 up to 224 in 2011. The number of homeless acceptances has also increased over this period from 60 in 2009/10 to 87 in 2011/12. Figure 9.18 shows the main reasons for homelessness (with percentage figures being as a percent of total reasons in accepted cases). It is particularly interesting to note the increase in the number of homeless acceptances due to the end of an Assured Shorthold Tenancy (AST). This change is likely to be related to affordability issues as a result rising rents in the private rented sector. Since December 2011 the Council records loss of AST as the fastest growing and biggest cause of homelessness. This trend has been confirmed locally by the Citizens Advice Bureau.

Figure 9.18: Main Reasons for Homelessness

2009/10	2010/11	2011/12
Violent relationship breakdown 15 (25%)	Parental eviction 21 (28%)	Parental eviction 23 (26%)
End of AST 12 (20%)	Violent relationship breakdown 16 (22%)	End of AST 22 (25%)
Parental eviction 11 (18%)	Mortgage arrears 6 (8%)	Violent relationship breakdown 19 (21%)
Relatives eviction 5 (8%)	End of AST 4 (5%)	Relatives eviction 6 (2%)
Other reasons 17 (29%)	Other reasons 27 (36%)	Other reasons 17 (19%)

Source: Stratford-on-Avon District Council

Policy Implications: Single People and Homelessness

The analysis carried out by the Council indicates that there are three main gaps in accommodation available for single people: a shortage of general needs accommodation; supported accommodation; and emergency access accommodation. Single people make up 42% of households on the Housing Register. They are particularly influenced by affordability issues, including rising rents which appears to have fed through to increasing numbers of single people presenting themselves to the Council as homeless.

Planning effectively for the future is challenging with changes in services, personnel and budgets. In mid February 2011 it was announced that the Supporting People budget would be reduced by 25% over the following three years which will clearly have an impact on the ability of the Council to meet particular needs (such as those of single (particularly young) people).

Legislation means that many single homeless people are not considered to be vulnerable and therefore do not qualify for priority assistance under homeless provisions. In these circumstances, we recommend that the Council continues to ensure that such persons are provided with the necessary advice and assistance to help them secure alternative accommodation where possible.

The Council should also continue to monitor and identify the needs of single people in the district ensuring that the needs of single people are featured in all new strategies and programmes for development.

People with Disabilities

9.51 As part of our analysis of older persons earlier in this section we have looked at the current population with a range of disabilities and likely changes in the number of people affected by different conditions. In this section we broaden this analysis to look at disabilities affecting the adult population of Stratford-on-Avon. Data for this has largely been drawn from PANSI (Projecting Adult Needs and Service Information). Before this we have provided a brief review of Census data about people with a limiting long-term illness (LLTI).

Limiting Long-Term Illness – Census data

9.52 Figure 9.19 below shows the proportion of people with a LLTI and the proportion of households where at least one person has a LLTI. The data suggests that across Stratford-on-Avon some 28.8% of households contain someone with a LLTI. This figure is notably lower than the equivalent figure any of the County, the West Midlands and England as a whole. The figures for the population with a LLTI again show a lower proportion when compared with County, regional and national figures (an estimated 15.4% of the population of Stratford-on-Avon a LLTI). Within the District we find relatively little difference between areas in terms of the proportion of households with someone with a LLTI although Stratford-upon-Avon shows relatively high figures for proportions of the population when compared with other locations in the District.

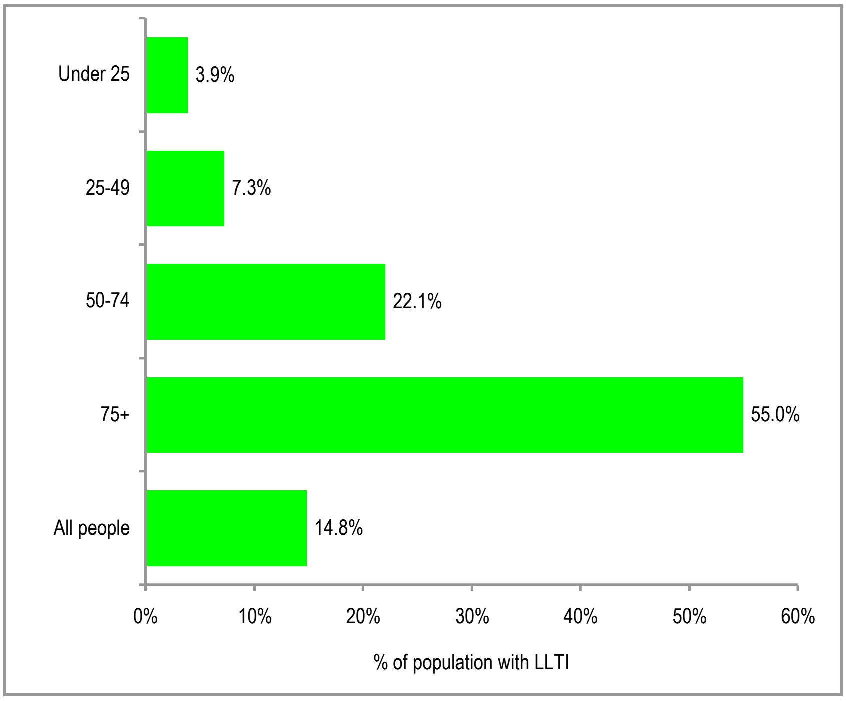
Figure 9.19: Households and People with Limiting Long-Term Illness (LLTI)

Area	Households containing someone with LLTI		Population with LLTI	
	%	Number	%	Number
Stratford	29.7%	2,993	17.1%	3,778
Main Rural Centres	29.9%	5,620	16.0%	7,139
Rural areas	27.3%	5,003	14.0%	6,274
District	28.8%	13,616	15.4%	17,191
Warwickshire	31.6%	66,595	16.8%	84,795
West Midlands	35.7%	768,985	18.9%	993,458
England	33.6%	6,862,037	17.9%	8,809,194

Source: ONS (2001 Census)

9.53 It is likely that the age profile of the area will heavily impact upon the numbers of people with a LLTI, as older people tend to be more likely to have a LLTI. Figure 9.20 shows the age bands of people with a LLTI. It is clear from this analysis that those people in the oldest age bands are more likely to have a LLTI – for example only 3.9% of the population aged under 25 have a LLTI compared with 55% of the 75 and over age group. It should be noted that the base for Figure 9.20 is slightly different to the above table in that it excludes people living in communal establishments such as care or nursing homes.

Figure 9.20: Population with LLTI in each Age Band



Source: ONS (2001 Census)

9.54 Figure 9.21 below shows the proportion of people with a LLTI and the housing tenure in which they live. In Stratford-on-Avon 15% of the (non-institutional) population has a LLTI, with the highest proportions of LLTI falling within the social rented sector although nearly 70% of those with a LLTI live in owner-occupied housing.

Figure 9.21: Tenure of Population with LLTI in Stratford-on-Avon

Tenure group	With LLTI	Total Population	% of tenure group with LLTI	% of LLTI in each tenure group
Owned	11,397	86,089	13.2%	69.8%
Social rented	3,310	13,134	25.2%	20.3%
Private rented	1,624	10,893	14.9%	9.9%
Total	**16,331**	**110,116**	**14.8%**	**100.0%**

Source: ONS (2001 Census)

Changes in Adult Population with Disabilities

9.55 The tables below provide an indication of how the adult population with various disabilities is expected to change over the period from 2012 to 2030. The information is taken from the PANSI website and we have looked at learning disabilities, physical disabilities and mental health problems. The three tables show that there is expected to be some increase in the number of people with each of these disabilities but that the increases are relatively small when compared with increases in health problems expected to be experienced as a result of the ageing population.

Figure 9.22: Estimated Population Change in Population with Learning Disabilities

Age band	2012	2030	Change	% Increase
18-24	195	195	0	0.0%
25-34	284	309	25	8.8%
25-44	382	431	49	12.8%
45-54	437	401	-36	-8.2%
55-64	394	450	56	14.2%
Total	**1,692**	**1,786**	**94**	**5.6%**

Source: PANSI Website (2012)

Figure 9.23: Estimated Population Change in Population with moderate or serious Physical Disability

Age band	2012	2030	Change	% Increase
18-24	353	357	4	1.1%
25-34	525	571	46	8.8%
25-44	1,139	1,270	131	11.5%
45-54	2,332	2,095	-237	-10.2%
55-64	3,602	4,098	496	13.8%
Total	**7,949**	**8,393**	**444**	**5.6%**

Source: PANSI Website (2012)

Figure 9.24: Estimated Population Change in Population with Mental Health Problems (those aged 18-64)

Age band	2012	2030	Change	% Increase
Common mental disorder	11,322	11,858	536	4.7%
Borderline personality disorder	317	331	14	4.4%
Antisocial personality disorder	246	261	15	6.1%
Psychotic disorder	281	295	14	5.0%
Two or more psychiatric disorders	5,062	5,318	256	5.1%

Source: PANSI Website (2012)

Policy Implications: People with Disabilities

Data analysis suggests that the proportion of people with a limiting long-term illness (LLTI) is relatively low when compared with other areas and that health issues are very substantially concentrated amongst older persons (which have been studied separately). There is however a concentration of people with LLTIs in the social rented sector.

In the future the adult population with a range of disabilities is expected to increase only slightly (by around 5%-6%). This may however generate additional demand for specialist accommodation – particularly if there is any current mismatch in requirements and availability (and set against a backdrop of reduced funding).

Whilst this assessment does not specifically identify the housing needs of people with disabilities the data does suggest that there are a large proportion of people (and households) affected to some degree by disabilities. Against this backdrop we would recommend that the Council:

- Promotes choice and control for people with disabilities- including providing opportunities for independent living
- Delivers housing services as part of an integrated package of health and social care
- Maintains an up-to-date record of properties with different adaptations (and a record of the demand for such homes)
- Provide services for disabled people who are homeless (noting for example that having a physical disability is not necessarily a mandatory priority need reason for rehousing)
- Ensure that people with disabilities are not disadvantaged when bidding for properties through Choice-Based Lettings

10. CONCLUSIONS AND RECOMMENDATIONS

10.1 This SHMA Update has been prepared to provide a long-term strategic analysis of housing need and demand to support and inform the Council's emerging Core Strategy and the review of its Housing Strategy.

Housing Requirements

10.2 The Draft Core Strategy 2012 proposes delivery of 8,000 dwellings over the 2008-28 plan period equivalent to 400 homes (net) per annum. This will support growth in the District's population of around 5.5% over the plan period.

10.3 South Warwickshire, incorporating Stratford-on-Avon District and surrounding areas, is one of the most growth-orientated parts of the West Midlands region. Notwithstanding current housing and economic conditions, we would expect the area's housing market and economy to continue to out-perform other parts of the region over the longer-term.

10.4 Trend-based demographic projections indicate a housing requirement of 14,500 (725 per year) over the plan period. However these are based on continuing high levels of in-migration to the District (1400 persons net per year) which SOADC wishes to limit moving forwards.

10.5 To justify the proposed approach in the Draft Core Strategy 2012, the Council will need to demonstrate why it is not sustainable to meet this level of development and to justify its proposed approach at Examination in Public. It will also need to demonstrate where this under-provision will be accommodated if the Plan is to be found sound.

10.6 The modelling undertaken indicates that delivery of 8,000 homes over the 2008-28 period can be expected to result in a decline in the number of residents in the District in employment of around 4,200 over the plan period. With limited scope for improvements to economic participation over and above those modelled, it is likely that in-commuting into the District to work will increase. This will be important in supporting employment growth. Housing policy should however also seek to influence the housing mix to support retention of younger working-age households where possible.

10.7 As well as the working-age population, it is likely that the number of children in the District aged 0-15 will fall (by an estimated 7.0%). Population growth can be expected in all age groups over 55. These changes in the age structure of the population will influence demand for services, including education, healthcare and housing. This will need to be planned for.

Housing Distribution

10.8 The Draft Core Strategy 2012 Preferred Option is for distribution of housing focused towards the Main Rural Centres and Local Service Villages across the District. This aims to protect the special character of Stratford-upon-Avon and will support the Sustainable Communities Strategy objective of increasing affordable housing delivery in rural areas. The analysis undertaken indicates that the policy approach will support significantly higher levels of development in rural areas relative to demographically-driven demand; and will under-provide in Stratford-upon-Avon and the Main Rural Centres.

10.9 This approach proposes limited additional housing development at Stratford-upon-Avon. The modelling undertaken indicates that it is likely that the town's resident workforce will shrink. The town is however the largest employment centre in the District and employment growth can be expected. A further increase in in-commuting into the Stratford-upon-Avon can be expected and it will be important that this is planned for.

10.10 Policy CS16 is at the heart of the distribution approach and sets out that developments of over 100 units will not be considered unless these are accompanied by a detailed masterplan, and / or compliant with a Neighbourhood Plan. It also requires that the size of estates should not exceed 2% of the existing housing stock. In practical terms the policy regarding the size of estates means that future development in the Main Rural Centres will need to be delivered by a number of development schemes, ranging from at least two developments in Wellesbourne, to five development schemes in Studley, Southam, Shipston-on-Stour, and six schemes in Alcester. Schemes will range from between 40-60 dwellings.

10.11 There are 39 local service villages. The Preferred Option identifies that these settlements will accommodate 2,240 dwellings over the 2008-28 plan period. This would equate to an average of more than 50 additional dwellings over this period (in addition to any Local Choice Schemes), again delivered through a number of development schemes.

10.12 This approach may well help to support diversity in the mix of new housing delivered through delivery of a range of smaller development schemes. However it should be recognised that it may well shift the burden for delivery of infrastructure more towards the Council rather than direct delivery by the developers. The Community Infrastructure Levy however does provide a mechanism to support this.

10.13 Delivery of the housing requirement will also be dependent on achieving local support to housing developments in line with the Localism agenda. Where local support is not forthcoming this could prejudice the overall deliverability of the development strategy. This is a risk to the implementation of the Plan.

Affordable Housing

10.14 The Draft Core Strategy 2012 proposes that 35% of new residential floorspace should be affordable housing on sites suitable of accommodation 5 or more dwellings (subject to development viability). The supporting text identifies that this should be regarded as the minimum expected level of provision.

10.15 The affordable housing policy should be supported by evidence of housing need and assessment of the economic viability of residential development schemes. This SHMA Update has considered housing needs. It identifies a net shortfall of 1,523 affordable homes between 2012-17 (equivalent to 305 per annum, in addition to the current development pipeline).

10.16 An Economic Viability Study was undertaken in 2009. This identified that a 35% affordable housing policy could be supported and considered site size thresholds. The Council should give consideration to updating this assessment to take account of decline in sales values of homes, finance requirements for new development and policy factors including the introduction of affordable rented homes (which will support viability). The affordable housing policy will also need to be taken account of in developing a Community Infrastructure Levy Draft Charging Schedule.

10.17 Taking account of a range of factors including short- and long-term needs and the management of the affordable housing stock, we consider that an appropriate strategic policy regarding the affordable housing tenure mix would be for:

- 20% shared ownership/ shared equity homes
- 20% affordable rented homes
- 60% social rented homes

Housing Size Mix

10.18 At a District-wide level, the analysis would support policies for the mix of affordable housing of:

- 1-bed properties: 15%
- 2-bed properties: 35-40%
- 3-bed properties: 35%
- 4-bed properties: 10-15%

10.19 Our strategic conclusions recognize the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

10.20 The need for affordable housing of different sizes will vary by settlement across the District and over time. In considering the mix of homes to be provided within specific development schemes, these strategic conclusions should be brought together with details of households currently on the Housing Register in the local area, the stock and turnover of existing properties in the settlement/ area, and any information from local (e.g. village) needs surveys.

10.21 The precise mix of affordable housing on an individual development site should consider the findings of the SHMA Update alongside local evidence relating to the existing stock and turnover of affordable housing at a settlement level, as well as information regarding the mix of households on the housing register at the time of submission of a planning application.

10.22 Policy CS20 in the Draft Core Strategy 2012 encourages provision of a mix of housing to support balanced and sustainable communities. It identifies a particular need for two and three bed family homes, 1 bed flats and bungalows. We understand that the Council's Cabinet is particularly keen to address a deficit of three bed family homes.

10.23 The mix of private sector housing in the District is skewed towards larger, more expensive properties with above average detached housing; housing with four or more bedrooms; and properties in Council Tax Bands E-H. The housing mix contributes to barriers for younger households on lower incomes in securing appropriate accommodation. There is a strong sustainability case for seeking to diversify the housing mix to support the economy, and limit growth in in-commuting to the District to work (including for lower skilled jobs).

10.24 We conclude that the following strategic policies regarding the mix of homes are appropriate:

Figure 10.1: Housing Mix Recommendations

	1-bed	2-bed	3-bed	4+ bed
Affordable	15%	35-40%	35%	10-15%
Market	5%	35%	45%	15%
Overall	8%	36%	42%	14%

10.25 The analysis points to a need for more affordable family housing with 3 or more bedrooms in Stratford-upon-Avon and the Rural Areas than in the Main Rural Centres. For market housing, it indicates a focus of demand on two and three bed properties in all areas, but with greater demand for 1-bed (c. 10%) in Stratford-upon-Avon and the Main Rural Centres; whilst in Rural Areas there is greater demand for properties with 4 or more bedrooms.

10.26 The conclusions of the analysis should inform the development of Draft Core Strategy Policy CS20 and affordable housing negotiations. It should also inform the 'portfolio' of sites which are considered through development through Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations. The portfolio of sites allocated for development should be biased towards delivery of family housing. In applying policies to individual settlements, the existing mix of housing and local demographic structure should however also be considered.

10.27 Policy CS18 in the Draft Core Strategy seeks to protect the existing dwelling stock. We consider that it is appropriate for policy to support bringing existing properties back into use. The District's housing stock is however strongly skewed towards larger properties. Against this context policies which enable subdivision of homes for instance to provide smaller dwellings for younger households; or the extension of homes to provide accommodation for older relatives; could potentially be supported.

Meeting the Needs of Specific Groups

Older Persons

10.28 The evidence points to expected strong growth in the population of older persons, with a 150% increase in the population aged over 60 expected over the plan period (2008-28). Many older people will continue to live in their existing homes.

10.29 Housing and planning policy should ensure a choice of high quality accommodation is provided for older people. Many older people will want to stay in their existing homes and should be supported in doing so. The Council should provide support in making alterations to properties (such as to bathrooms, showers and toilets, provision of emergency alarms or help maintaining homes).

10.30 Older persons are more likely to under-occupy homes. In the market sector there is a very limited ability to influence this. In the affordable sector, there may be potential to reduce (or seek to limit potential growth in) under-occupation and the Council may wish to consider providing support and incentives to social housing occupiers to downsize. This will help to release larger affordable homes for younger households.

10.31 Our analysis also suggests that the growing older population (particularly in the oldest age groups) will result in growth in households with specialist housing needs. The analysis above suggests a 105% growth in older population with dementia, and an 83% increase in the older population with mobility problems. From a planning point of view, some of these people will require specialist housing such as sheltered or extra care provision. Increasing numbers of older people with health problems will also require joint-working between housing and health (Council and NHS).

10.32 The analysis also suggests that the care home population can be expected to increase by around 1,070 persons between 2011 and 2031. Care homes do not count as housing on the use class schedule; however an issue for the Council to consider alongside Warwickshire County Council is the extent to which it wishes to older persons accommodated within extra care housing as opposed to residential/ nursing homes.

10.33 Draft Core Strategy Policy CS19 supports delivery of housing for older people and other vulnerable groups, specifically in Stratford-upon-Avon, the Main Rural Centres and Local Service Villages where it meets local needs, contributes to the balance of the housing stock locally and arrangements are in place to ensure delivery of appropriate care and support. The evidence supports this approach.

People with Disabilities

10.34 The numbers of adults with disabilities is expected to increase slightly, by 5-6% over the period to 2030. This may generate demand for additional specialist accommodation, particularly if there is any current mismatch between requirements and the availability of suitable good quality accommodation.

10.35 The SHMA update promotes provision of opportunities for independent living which promote choice and control for people with disabilities and delivery of housing services as party of an integrated package with health and social care. The Council should seek to ensure that people with disabilities are not disadvantaged when bidding for affordable homes and that a record of properties with different adaptations in the District is kept to help match those in need with suitable homes.

Black & Minority Ethnic Groups

10.36 The BME population in Stratford-on-Avon District appears to have grown quite strongly since 2001 and made up an estimated 9% of the District’s population in 2009. The Indian and White Other Population (which includes Eastern European migrants) appear both to have grown notably over the preceeding decade.

10.37 BME households are more likely to be younger, overcrowded and live in the private rented sector. The Council will need to consider further how the needs of different groups can be met, including addressing overcrowding; and how standards of private rented housing accommodating BME groups can be improved.

Single People

10.38 The SHMA Update suggests that there are three main gaps in accommodation for single people: a shortage of general needs accommodation; supported housing; and emergency access accommodation. Single people make up 42% of households on the Council's Housing Register. This reflects affordability issues in the District including rising rents. It has fed through into increasing numbers of single people presenting themselves to the Council as homeless.

10.39 Planning effectively for the future is challenging particularly with reductions in Supported People budgets. Legislation means that many single homeless people are not considered to be vulnerable and therefore do not qualify for priority assistance under homeless provisions. In these circumstances, the SHMA Update recommends that the Council continues to ensure that such persons are provided with the necessary advice and assistance to help them secure alternative accommodation where possible. The Council should also continue to monitor and identify the needs of single people in the District.

Appendices

APPENDIX A: Findings from Stakeholder Event

Stratford-on-Avon District Council

Strategic Housing Market Assessment Review 2012-10-23

Stakeholder Event – 23 October 2012

WORKSHOP NOTES

Housing Types

1. GENERAL

- Ensure the emerging Census results are included in the final reports because otherwise the Core Strategy evidence base will not be robust. This is a decision for the Council to take.

- With the figures showing older people % rising, if we keep allowing large numbers of older people's housing (C2) which has no requirement for social housing, social housing sector will be difficult to sustain.

- Smaller schemes – viability of affordable housing, 2% of a village may only mean 2 or 3 houses. Developers not going to develop one affordable home in a development say of 6 houses. Plots of one or two houses not being built in the Cotswolds.

- Want a zero threshold although that would probably not be viable unless you had a sliding scale of on site development / payments.

- Long Compton – village want a mix of affordable and local market housing but because it is piecemeal development it is a problem. A developer is bringing forward a scheme for market homes only – no potential for a mixed tenure scheme that would help cross subsidise the affordable housing – that is why we need a zero threshold.

- Housing Needs Surveys – encourage them to complete in villages, many people wrongly feel filling it in means that they are registered on the housing waiting list.

- Affordable housing coming from Section 106 – should be concerned most of affordable housing needs in Stratford and not enough land being allocated for it. Most people live in towns and that is where the need is arising.

- Choice based lettings (the housing waiting list) – people prefer towns not villages.

- Social problems of having to move away from where people grew up (market and affordable).
- COM.1 policy will apply to all settlements except Stratford town and has been successful.

2. CAN PLANNING POLICIES REGARDING HOUSING MIX INFLUENCE THE BALANCE OF HOUSING OCCUPIED BY IN-MIGRANTS VS EXISTING RESIDENTS? DO YOU AGREE THAT THERE HAS BEEN A SHIFT TO SMALLER DWELLINGS IN THE DISTRICT?

- Stratford town - older people from outside the District are migrating in to new care home buildings.
- Migration into Stratford from outside the District because of its attractiveness.
- Need more housing designed for local families and local people retiring.
- Easier for developer to sell to wealthier older people from outside the District than to Stratford's older people.
- There has not been a shift to smaller properties. Need a range of property types on all major sites. Planning applications are still being approved for larger homes only. Kinwarton Farm Road Alcester (approx 120 homes) is a good example where developers are only building 3,4 and 5 bedroomed market homes i.e. more expensive homes. There are NO 2 bedroom market homes for local residents – even with difficulties in obtaining a mortgage this is self defeating – should have at least smaller units for locals.
- Mix of smaller properties – would it push to 2 bed properties.
- Policies to look at tying locals to properties in areas with local connections. Example, Henley in Arden 6 properties built restricted to locals, shared ownership still too expensive and cannot get locals to sign up to it.
- Cannot stop migration as people with most money always buy their way in.
- Shift balance to 2 or 3 bed properties.
- Economic base of tourism and staff for all the care homes are low paid – most people who work in these sectors cannot afford to live in the District. Migrants from abroad fill many of these vacancies.

3. SHOULD THE COUNCIL PLAN FOR A HIGHER PROPORTION OF SMALLER PROPERTIES IN STRATFORD-UPON-AVON AND MAIN RURAL CENTRES THAN OTHER AREAS?

- Distribution – urgent need in rural centres for smaller properties for young people and couples without children but there is a shortfall across all property types. Young people and older people want to be near facilities.

- Mix – understand that every settlement is different in terms of its requirement for different house types – often dictated by what is or is not already present e.g. a village with no of few 2 bed homes may want 2 bed homes, other settlements will have different requirements for specific property types.

- Older people coming along with aspirations different to what there is now and there will be a cultural shift, i.e. in future older people may be prepared to downsize / move before they have trouble managing their homes.

- Employ people to help people to move.

- 600+ older people under occupying large family homes in the social housing stock do not want to move out from their homes. Need for bungalows but they take up too much space for builders.

- Planning is difficult compared to other local authorities. Applications are expensive and the information needed to complete one is far more onerous than in other local authority areas.

- Planners and Housing do not speak within the Council. Planning do not involve housing.

4. HOW WILL CHANGES TO THE BENEFIT SYSTEM AFFECT HOUSING NEED IN THE DISTRICT? WHAT CAN THE COUNCIL DO TO MITIGATE SOME OF THE IMPACTS?

- Benefit System – bedroom tax – whole lot of impact from wider welfare reform – more multiple occupancies, shared ownership.

- Range of housing types should be built, i.e. double bedrooms in housing, two bedroom housing designed for 4 not 3 people.

- In this District it is not difficult in general to fill brand new homes.

- Encourage the conversion of houses to higher density housing.

- Perception that HMOs landlords do not like them and neighbours do not like them. There are some landlords who specialise.

5. WHAT IS MEANT BY LOCAL NEED?

- Better education of the breadth of local need required. Not just affordable homes, it is everything – lots of policy planners do not see this COM1 will cover all villages not just main service villages.

APPENDIX B: Monitoring Framework

1. The Strategic Housing Market Assessment (SHMA) Update presents a robust analysis of the functioning of housing markets across the District.

2. Housing markets are though, by their very nature, dynamic. The Council will therefore need to monitor trends and activity in the housing market. This reflects the Government's 'plan, monitor and manage' approach to the planning system.

3. The objectives of monitoring are similar to those of the SHMA: it is about establishing what is happening now and considering what may happen in the future. Again it will be important to make a distinction between short and long-term trends where possible. It is intended to be a continuous and proactive process which informs policy development and how policies are implemented.

4. However it needs to be recognised that monitoring can be a time and resource-intensive process. This promotes an emphasis on efficiencies and we consider that this is possible at two levels:

   - achieving clarity between what is monitored respectively at the regional and local levels; and
   - ensuring that co-ordinated monitoring systems are developed between departments, and ideally with RSLs and other key housing stakeholders.

Monitoring Framework

5. This framework has informed our suggested approach and identification of indicators which should be monitored. We consider the best approach to be the development of a co-ordinated system for monitoring changes in the housing market, together with demographic and economic drivers which is linked to and informs preparation of Annual Monitoring Report.

6. The remainder of this section presents the monitoring framework. It sets out the indicators which should be monitored, data sources and monitoring periods. The monitoring framework is structured around the key drivers of change in the housing market. In addition we have provided a methodology for updating the housing needs, housing market and demographic models.

7. A key element of the approach adopted is in considering wider demographic and economic trends which influence the operation of the housing market alongside changes in market dynamics (including supply, demand, need and price variables) and housing land availability.

Figure 1: Monitoring Framework Structure

8. Through a proactive monitoring process it will be possible to maintain and develop understanding of the housing market, building on the outcomes of the SHMA. It will allow the implementation of policies to be tailored to evolving circumstances and inform future policy evolution.

9. It is important though that monitoring does not just become a 'data collection exercise' – it will be important to use time-series analysis to identify trends; and to move beyond the data to distil what it is telling us and the implications of this for policy development implementation. Maintaining an understanding of the dynamics of the housing market will ensure that a robust evidence base exists to evaluate planning applications for housing development and ensure that policy is pro-active rather than reactive to change.

10. The data collection exercise could be 'led' by existing research/information staff. There is likely to be strong overlap with information which is collected currently, including preparing Annual Monitoring Reports or as part of other housing/planning/economic development functions.

11. However this information will need to be drawn together at the sub-market level (where possible) and will require consistent analysis to identify inter-relationships, messages and implications. This then needs to be fed through and understood across housing and planning departments. We therefore need to think about three steps: data collation; analysis/ messages; dissemination. Partners should consider the appropriate groupings to take these forward efficiently and effectively.

Figure 2: Monitoring Framework				
Theme	Indicator	Geography	Data Source	Frequency
Demographic dynamics	Total population	Region, local authority, ward	ONS mid-year population estimates	Annual
	Population by age	Region, local authority, ward	ONS mid-year population estimates	Annual
	Components of population change (i.e. natural change/migration)	Region, local authority	ONS mid-year population estimates	Annual
	Household growth	Region, local authority	CLG housing statistics/projections	-
	International and domestic migration	Region, local authority	ONS	Annual
Economy and Labour Market	GVA Annual Growth	Region, NUTS3	ONS	Annual
	GVA per head	Region, NUTS3	ONS	Annual
	Total Employment	Region, local authority	Annual Business Inquiry	Annual
	Economic Activity Rates	Region, local authority	Annual Population Survey	Annual
	Employment by Sector	Region, local authority	Annual Business Inquiry	Annual
	Workplace-based Earnings	Region, local authority	Annual Survey of Hours & Earnings	Annual
	Residence-based Earnings	Region, local authority	Annual Survey of Hours & Earnings	Annual
	Household incomes	Region, local authority	CACI Paycheck	Annual
	Jobseekers Claimant Count	Region, local authority	NOMIS	Annual
Housing Supply Trends	Housing Land Supply	Local Authority	Planning Department/Annual Monitoring Reports	Annual
	Completions	Region, local authority	Planning Department/Annual Monitoring Reports	Annual
	Completions by Tenure	Region, local authority	Planning Department/Annual Monitoring Reports	Annual

	Housing Trajectory	Region, local authority	Planning Department/Annual Monitoring Reports	Annual
	Affordable Housing Trajectory	Local authority	Planning Department/Annual Monitoring Reports	Annual
Housing Market Performance	Average House Prices	Region, local authority	Land Registry	Annual
	Lower quartile House Prices	Region, local authority	Land Registry/CLG	Annual
	Private Sector Rents	Region, local authority	Dataspring	Annual
	Vacancy by tenure	Region, local authority	HSSA/RSR/CORE	Annual
	Social Sector Turnover	Region, local authority	HSSA/RSR/CORE	Annual
	Qualitative data on market performance/trends	Local authority, Housing Market	Local estate agents	Annual
	Affordability rates	Region, local authority	CLG	Annual
	Private tenants claiming LHA	Local authority	Department for work and pensions	Annual