



edge^{analytics}

Report

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Worcestershire Strategic Housing Market Assessment

Appendix 2 – Bromsgrove SHMA Overview Report

February 2012

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For and on behalf of GVA Grimley Ltd

1. Introduction to the Bromsgrove SHMA Overview Report

- 1.1 This appendix document should be read in conjunction with the Worcestershire Strategic Housing Market Assessment (SHMA) – Main SHMA Report.
- 1.2 The main SHMA Report presents the SHMA analysis for the County as well as each Local Authority and should be used as the principal document to inform the development of policy and strategy. The analysis presented within this Appendix document serves to complement the main SHMA report providing additional narrative and ward level detail. The full details of the modelling and research methodologies used to arrive at the conclusions presented within this Overview Report are documented in full within the main SHMA Report alongside a full glossary of terms.
- 1.3 The report uses a similar structure to the main SHMA Report with the analysis presented under two sections:
- [Section 2: The Current Housing Market](#)
 - [Section 3: The Future Housing Market](#)
- 1.4 Within this framework the findings are presented under the headings of the Core Outputs as set out within the DCLG SHMA Guidance.
- 1.5 This Overview Report does not include a separate detailed analysis of the housing requirements of specific groups. The analysis within the Future Housing Market section provides analysis of the different types and ages of households which complements the analysis presented in section 8 of the main SHMA Report.
- 1.6 The Overview Report concludes with a 'Bringing the Evidence Together' section. This draws together the conclusions for the local authority and incorporates a section examining the implications for future policy and strategy development.

Introducing Bromsgrove

- 1.7 Bromsgrove District is situated in North Worcestershire and covers approximately 21,700 hectares. Although located only 22km (14 miles) from the centre of Birmingham, the District is predominately rural with approximately 91% of the land designated Green Belt.

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- 1.8 The area is well served by motorways, with the M5 running north to south and the M42 from east to west. The M5 and M42 connect with the M6 to the north of Birmingham and the M40 to the east. The District also benefits from train and bus connections into Birmingham City Centre and the wider region.
- 1.9 The main centre of population in Bromsgrove District is Bromsgrove Town with other centres being Wythall, Hagley, Rubery, Alvechurch, Barnt Green and Catshill and a series of smaller rural villages spread throughout the District.

The Policy Context

- 1.10 The Bromsgrove District Council Core Strategy (BDCCS) will set out the spatial visions and objectives for the future growth and development of the District until 2026. It will be the central document in the LDF. It will include core policies to achieve the vision and will present the Local Authority's approach to managing change and development in Bromsgrove.
- 1.11 The Core Strategy is currently at the **Draft Core Strategy** stage, with the most recent period of consultation ending on 15th April 2011. A further period of consultation is expected to take place later in 2012.
- 1.12 The Core Strategy recognises that an adequate supply of housing is necessary to meet demand. Table 1 (Core Policy 1) indicates that approximately **4,000 dwellings** will be completed in the District between 2006 and 2021.
- 1.13 The overall approach to the distribution of development will be four-fold:
- Development of previously developed land or buildings within existing settlement boundaries which are not in the Green Belt
 - Expansion sites around Bromsgrove town
 - Development sites in large settlements
 - Rural exception schemes in small settlements where it is of an appropriate scale and supported by robust evidence proving a local need
- 1.14 Given the stage of formulation of the BDCCS, this analysis is intended to directly inform final Core Strategy policies on housing growth.

2. The Current Housing Market

- 2.1 This section summarises the SHMA analysis of the current housing market for Bromsgrove. The section is structured around the DCLG core outputs 1 and 2.
- 2.2 The section provides a more locally tailored narrative of the 'housing stock' position, the 'active market' and the 'key drivers of the housing market'. Wherever possible data has been mapped to provide a greater understanding of variance and relative performance at a sub-local authority level.
- 2.3 The key findings for Bromsgrove are included up front for each DCLG Output for easy reference.

DCLG Output 1 – Estimates of current dwellings in terms of size, type, condition, tenure

- 2.4 A synopsis of the authority's current stock position is summarised through the following:
- Bromsgrove has a total of 39,164 dwellings, 992 of these are currently classified as vacant, equating to 2.5% of total stock¹;
 - A total of 3,226 houses have been built within Bromsgrove since 2001². This represents an average of 323 per annum over the ten years. However, over this time period levels of completions have varied. This has been driven by the health of the market as well as policy, with a moratorium in place between 2003 and 2009. Delivery over the last couple of years has reduced markedly in line with national trends, indeed only 138 dwellings were delivered in 2010/11;

¹ Source: DCLG Live Tables, 2011 (vacant as of October 2010)

² Source: Worcestershire County Council Planning Data, 2011– Gross Housing Completions

- The profile of the housing by type shows that around 41.4% of homes are detached, 39.1% are semi-detached, 13.5% are terraced, 4.6% are flats with the remainder being classified as other³. This profile is reflected in the size of properties, with 47.6% of properties having 5-6 rooms⁴ and 37.2% having 7 or more rooms. Only 20% of properties in Bromsgrove have 4 rooms or less⁵.
- The latest stock condition data shows that 33.3% of the private stock across the authority is classified as unfit⁶; and
- According to the latest data recorded through the Housing Strategy Statistical Appendix (HSSA), 2010, Bromsgrove has 10% of its stock classified as affordable housing. This has remained relatively consistent over recent years and reflects the fact that Bromsgrove has delivered on average 71 affordable housing units per annum over the period 2004/05 – 2010/11⁷.

2.5 The distribution of new stock has not been evenly distributed across the authority. The following plan uses data supplied by the local planning authority to illustrate the spatial distribution of development at a ward level between 2004 and 2010.

³ Other includes people living in an 'unshared dwelling caravan or other mobile or temporary structure' or a 'shared dwelling'

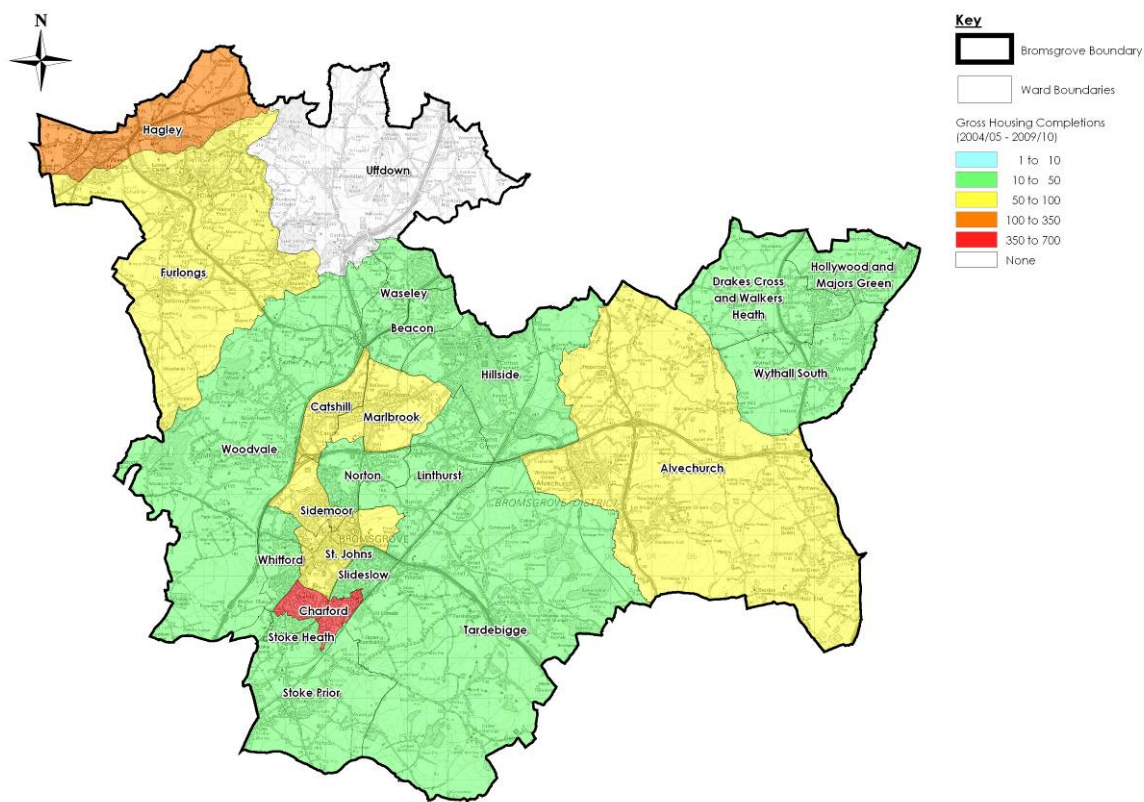
⁴ Note: Census Definition - The count of the number of rooms in a household's accommodation does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms and studies are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted. The count is not available for unoccupied household spaces.

⁵ Source: Statistics sourced from the 2001 Census

⁶ Source: BRE Private Sector Stock Condition Survey update for the West Midlands Kickstart Partnership (2011)

⁷ Source: HSSA 2010/11, Local Authority Completions data, 2011

Figure 2.1: Completions at a Ward Level 2004 – 2010⁸



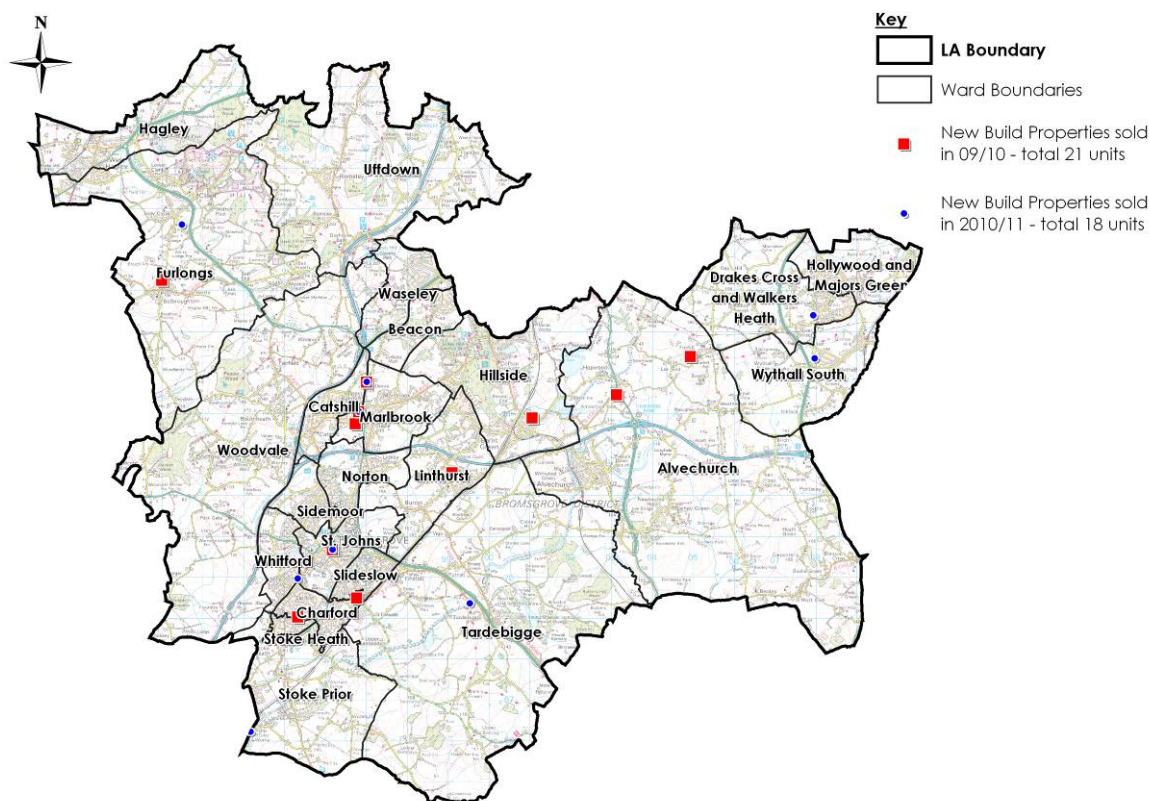
Source: Local Authority Planning Data, 2011

2.6 Data on new-build sales sourced from the Land Registry also serves to illustrate the location of new-build development over the last couple of years⁹. This is primarily driven by the availability of deliverable land although it also serves to illustrate where demand is perceived by house builders to exist.

⁸ Note: Whilst authority level statistics were available for 2011 a consistent dataset for 2011 was not available at ward level

⁹ Note: this data does not include transactions of conversions or sub-divisions of properties but just properties classified as 'new build'.

Figure 2.2: New Build Sales 2009/10 & 2010/11



Source: Land Registry, 2011¹⁰

DCLG Output 2 – Analysis of past and current housing market trends and understanding of key drivers underpinning the housing market

- 2.7 The analysis addressing this output can be split under two separate areas, socio-economic drivers which have an important bearing on the operation of the housing market and the active market which incorporates, for example, market fluctuations in price and responds to the longer-term drivers of change (for example population change and the relative health of the economy).

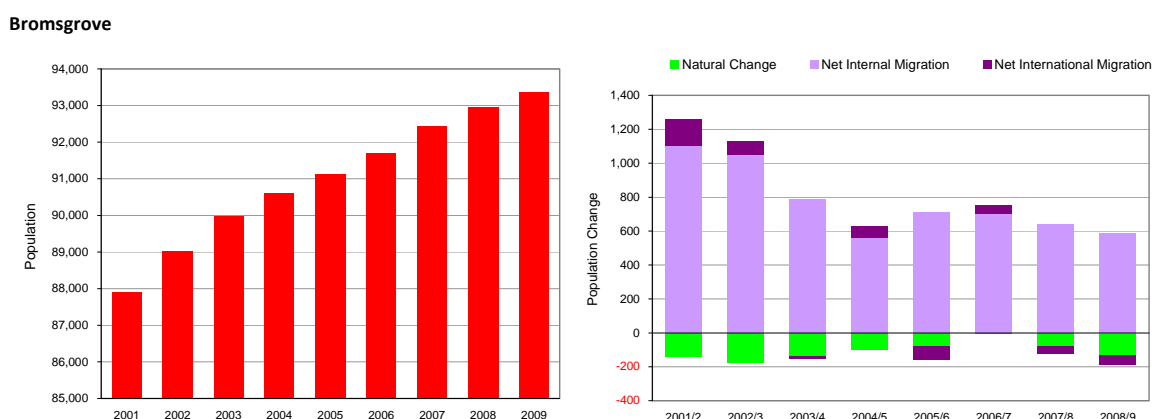
¹⁰ Note: Records of sales are accurate to 6-digit postcode level which means that markers may not be located in the exact location of development, particularly in more rural areas

Demographic Drivers

2.8 A summary of the demographic trends influencing the operation of the housing market in Bromsgrove are set out below:

- Bromsgrove has seen its population rise by 5,450 people between 2001 and 2009¹¹. This has been driven primarily by net migration into the authority from other parts of the UK as illustrated in the following chart which shows the net drivers of change in relation to migration and natural change. Importantly natural change has played a consistently negative role in changing population levels year-on-year. This population is estimated to make up 37,152 households in 2009¹².

Figure 2.3: Population Components of Change 2001 – 2009



Source: ONS Mid-Year Estimates, 2010

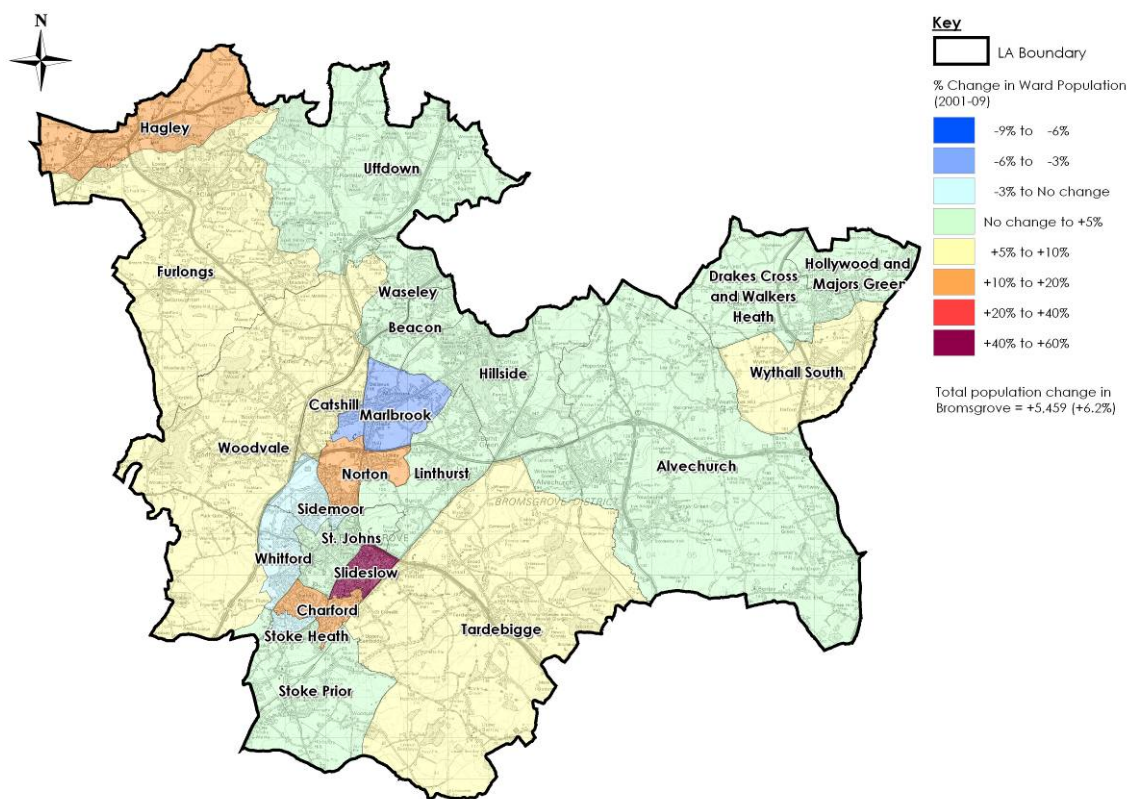
- The distribution of population growth has not been distributed evenly across the authority. In part this is intrinsically linked to the development of new stock and this is illustrated through the following plan which shows the change in population at a ward level¹³. A further plan is included which shows the role of migration in driving these levels of population change.

¹¹ Source: Data has been sourced from the analysis undertaken by Edge Analytics which integrates the 08/09 ONS Mid Year Estimate data

¹² Source: Edge Analytics modelled data using the SNHP 2008 base assumptions applied to the 2009 population

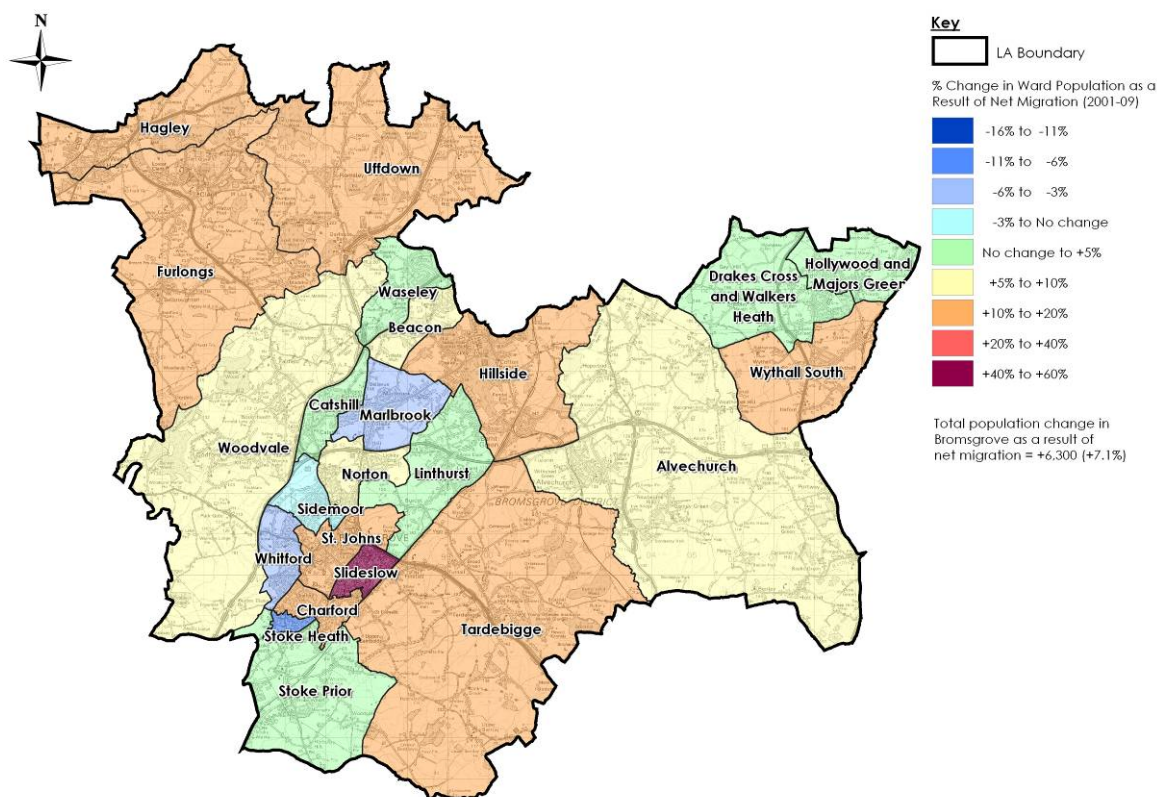
¹³ Source: the ward level analysis utilises ONS Mid Year Population Estimates data available at the time of modelling. This data is analysed using the POPGROUP software.

Figure 2.4: Population Change at a Ward Level (2001 – 2009)



Source: GVA, Edge Analytics, 2011

Figure 2.5: % Change in Ward Population as a Result of Net Migration (2001 – 2009)



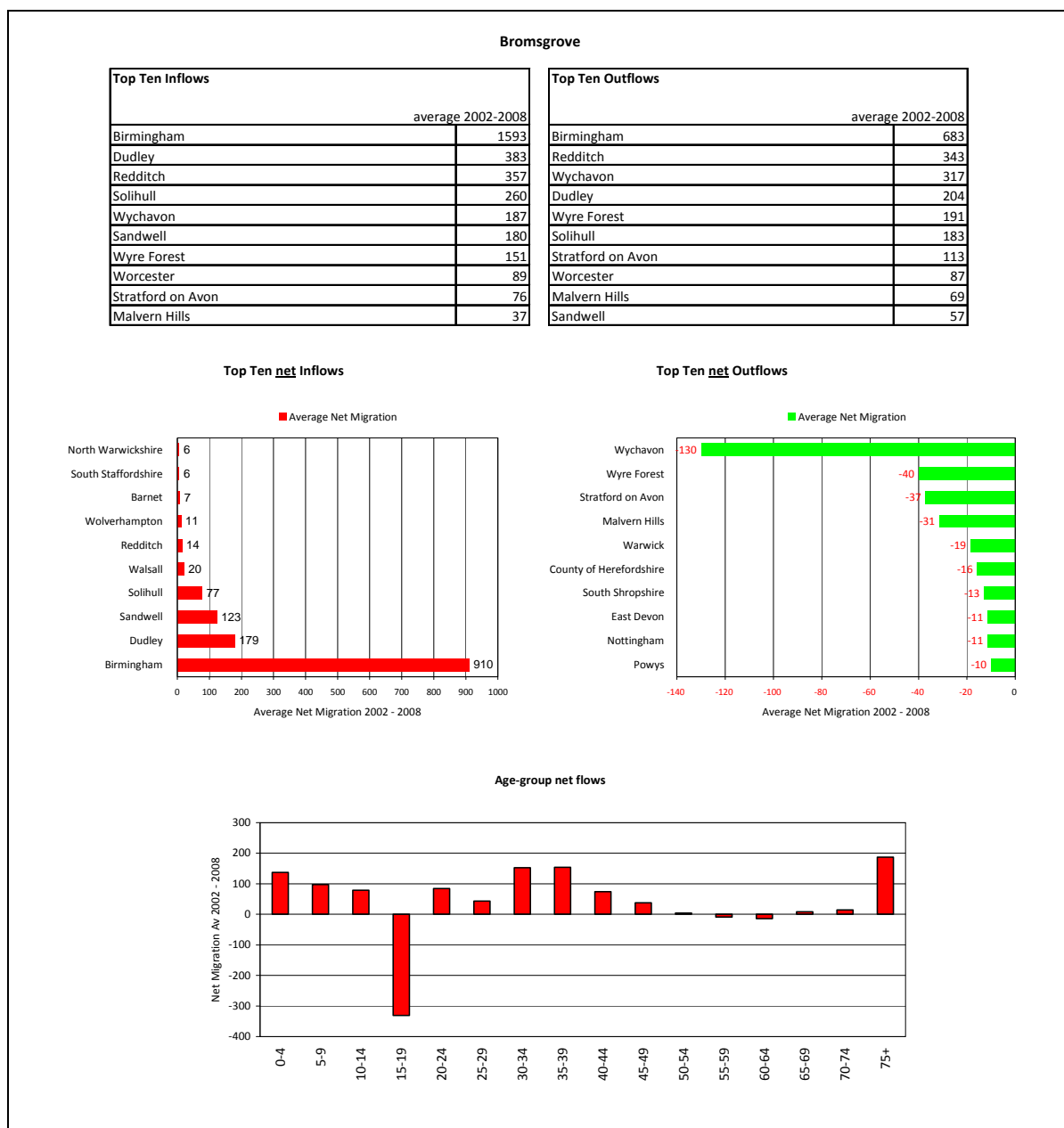
Source: GVA, Edge Analytics, 2011

2.9 Growth in population as a result of net migration has been focussed in Bromsgrove, in particular the wards of Charford and St Johns, which correlates with housing completions shown in Figure X, In the case of Slideslow, population growth from net migration is not matched by housing completions from 2004, indicating that this ward saw significant growth pre 2004.

- The age profile of migrants into Bromsgrove has an important impact on the operation of the housing market as has the origin of flows. The following chart shows the average net inflows and outflows by age group between 2002 and 2008 as well as the top ten net inflows and outflows¹⁴.

¹⁴ The data presented here have been drawn from the Patient Registration statistics published annually by ONS and used as the basis for estimating internal migration flows in the mid-year population estimates

Figure 2.6: 2002 – 2008 Average Age of Migrants Net Inflows / Outflows & the Directional Nature of inflows and outflows from other authorities



Source: ONS Mid Year Estimates, 2010

- Bromsgrove has experienced an overall net inflow due to internal migration during 2002-2008, with major net inflows (inflow exceeding outflow) from Birmingham, Dudley, Sandwell and Solihull. Its highest net outflow has been to Wychavon district. Bromsgrove has experience a strong net inflow in the 'family' age groups (0-14, 30-44) and also in the 'retirement' (75+) age range. The only significant net outflow is evident for 15-19 year olds associated with moves to higher education.

- The ethnic mix of the population of Bromsgrove is shown in the following table. This illustrates that currently BME groups represent a relatively small proportion of the overall population at 6%, a proportion which is below the national (England) average, which stands at 11.8%.

Figure 2.7: Ethnic group proportions, 2007

Authority	Total Persons	% White British	% White Irish	% White Other White	% Mixed	% Asian or Asian British	% Black or Black British	% Chinese or other Ethnic Group
Bromsgrove	92,300	91.4%	1.1%	1.6%	1.2%	2.9%	1.2%	0.7%

Source: ONS ethnic population estimates, 2010

Economic Drivers

- Bromsgrove is a net exporter of labour with the 2001 Census showing a commuting ratio of 1.27¹⁵.
- The economy of Bromsgrove is characterised by strong commuter links with Birmingham, Redditch and Dudley, with significant levels of out commuting. Almost 25% of people in 2001¹⁶ living in Bromsgrove worked in Birmingham with 13% of those working in Bromsgrove travelling in from Birmingham. The 2008 updated statistics suggest that the proportion of people commuting to Birmingham from the authority has fallen slightly. The 2008 data¹⁷ also suggests that travel to work linkages with Wychavon have increased with a rise in people travelling between the two authorities.

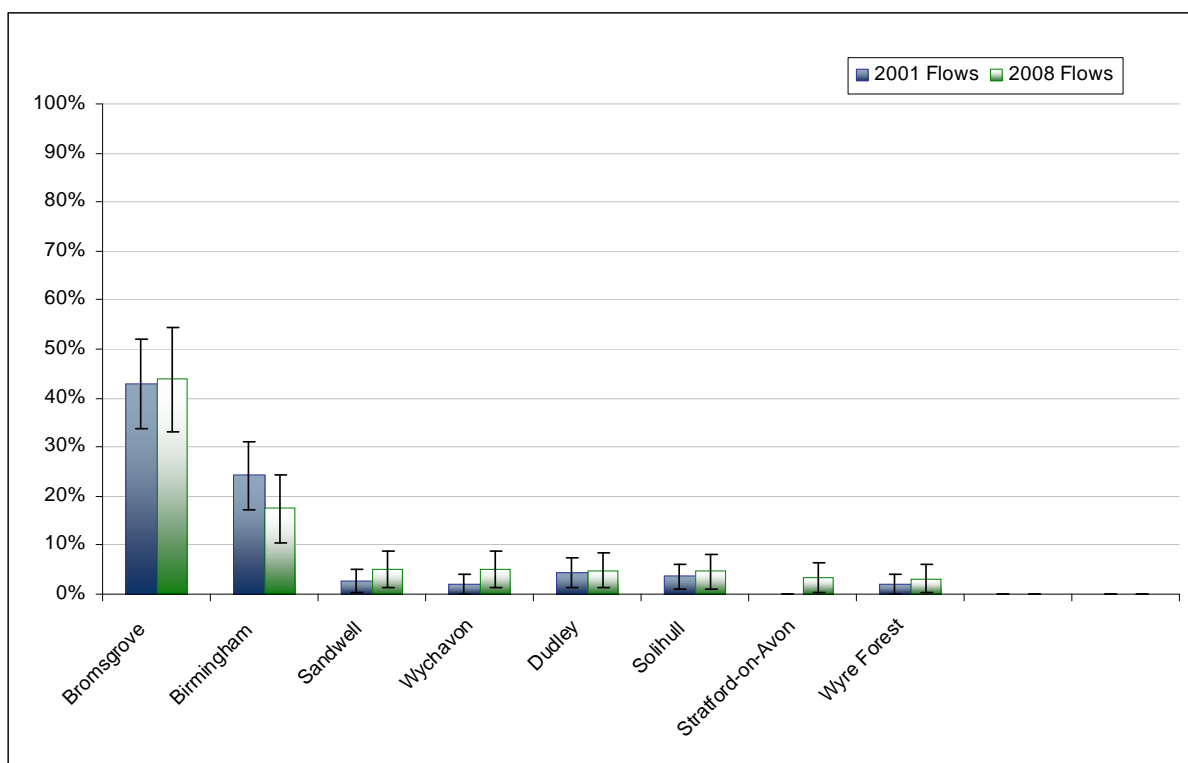
¹⁵ Commuting Ratio = Employed Residents in Area / Jobs in the Area

= [(live and work in e.g. Bromsgrove) + (live in e.g. Bromsgrove, work elsewhere)] / jobs in area

¹⁶ Source: Census 2001

¹⁷ Source: ONS 2008 Updated Travel to Work Dataset – utilising data from the Labour Force Survey)

Figure 2.8: Local Authority of Work for Bromsgrove Residents – Ten Biggest Flows



Source: ONS Commute APS model, 2010 (Labour Force Survey) ¹⁸

- Unemployment is relatively low compared to the other authorities in Worcestershire at 3.1%. The occupational structure of the economy is dominated by Managers and Senior Officials (15%), Professional Occupations (14%), Associate Technical and Professional Occupations (14%) and Skilled Trades Occupations (14%). There are lower than average proportions of Personal Service Occupations, Sales and Customer Service Occupations and Process Plant and Machine Operators¹⁹.
- The latest economic forecasts produced by Advantage West Midlands²⁰ suggest that total employment in Bromsgrove recover from moderate reductions in employment between 2006 to 2010, to see employment growth in the latter half of the period, with employment growth expected to be around 1.3%. The distribution of employment by occupation is also projected to change with increases in the proportions of Personal Service Occupations, Managers and Senior Officials,

¹⁸ Confidence intervals are displayed on the chart

¹⁹ Source: Nomis, 2011 and GVA Analysis, 2011

²⁰ Source: AWM Labour Force Market Future Profiles, 2010 and GVA Analysis, 2011

Professional Occupations and Associate Technical and Professional Occupations. There are projected to be significant reductions in the proportions of Skilled Trades Occupations, Elementary Occupations and Process Plant and Machine Operators.

The Active Market – Past and Current Housing Market Trends

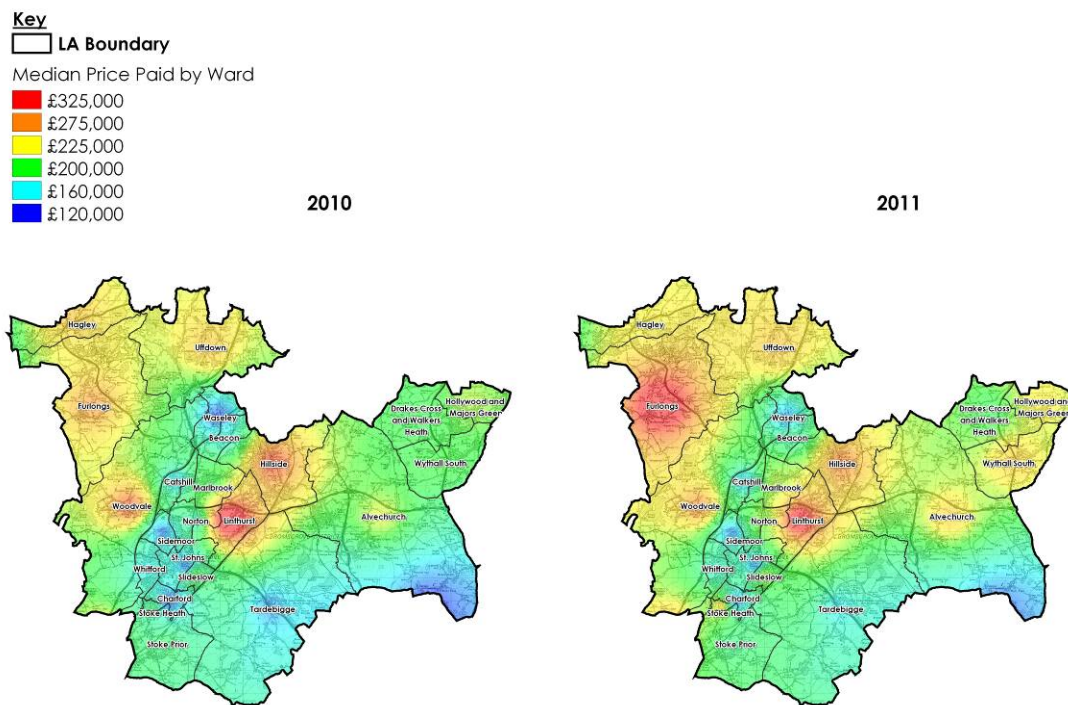
2.10 The following observations summarise the operation of the active market in Bromsgrove. The analysis illustrates the way in which the housing market has changed over recent years²¹:

- House prices within Bromsgrove have remained fairly constant over recent years in comparison to the County and National averages which have both fallen during the same period. In Bromsgrove between 2006/07 and 2010 house prices have increased by 5%²².
- In order to assess the most recent movements in the housing market the following plans show the spatial distribution of median house prices in 2010 and 2011. This shows that there has been general stability in house prices from sales between 2010 and 2011. The Furlongs ward shows a slight increase, however this could reflect a number of larger properties being sold in that ward in 2011, compared with the previous year.

²¹ Note: Given the slow-down in the housing market at a ward level analysis may be based upon relatively few transactions.

²² Source: DCLG Live Tables, 2011

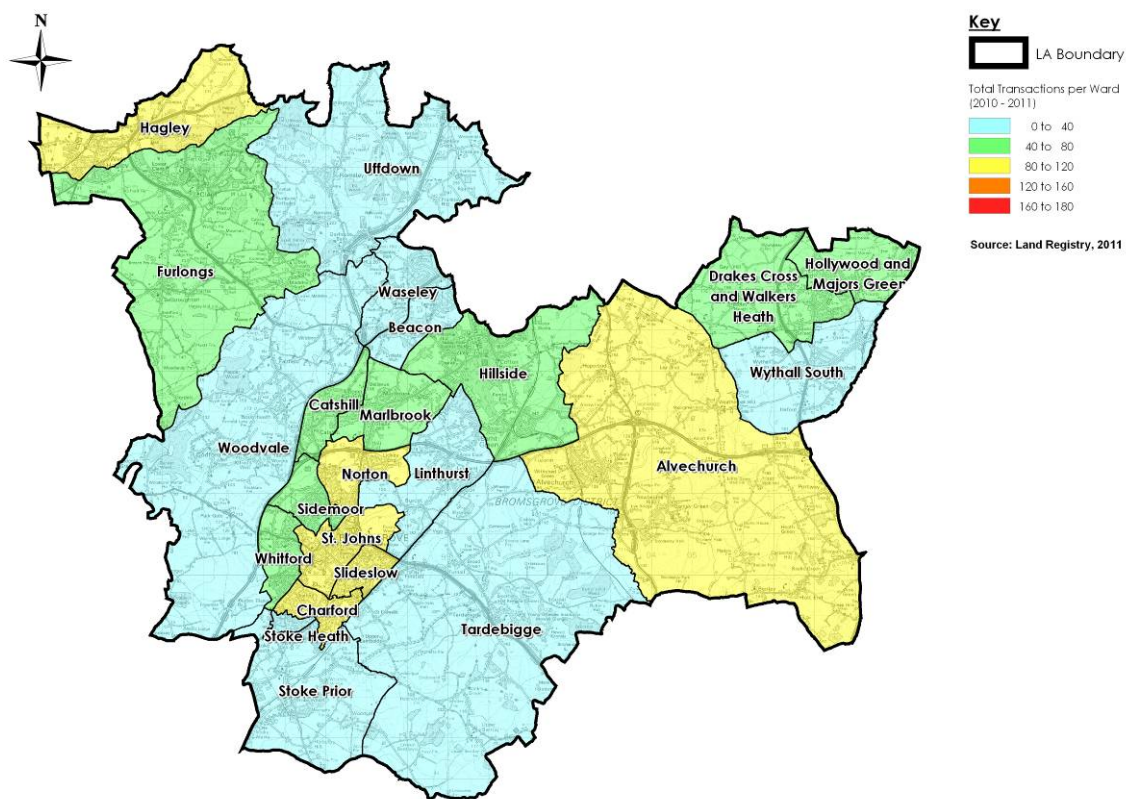
Figure 2.9: Change in House Prices between 2010 and 2011



Source: Land Registry, 2011

- Nationally the impact of the credit crunch and subsequent period of economic recession and downturn has led to a dramatic reduction in the number of sales of properties. This is reflected in Bromsgrove where sales reached a peak in 2002 and fell to a low in 2008, with 2010/11 showing just over 1,100 transactions. The following plan illustrates the spatial distribution of recorded transactions of properties in both 2010 and 2011.

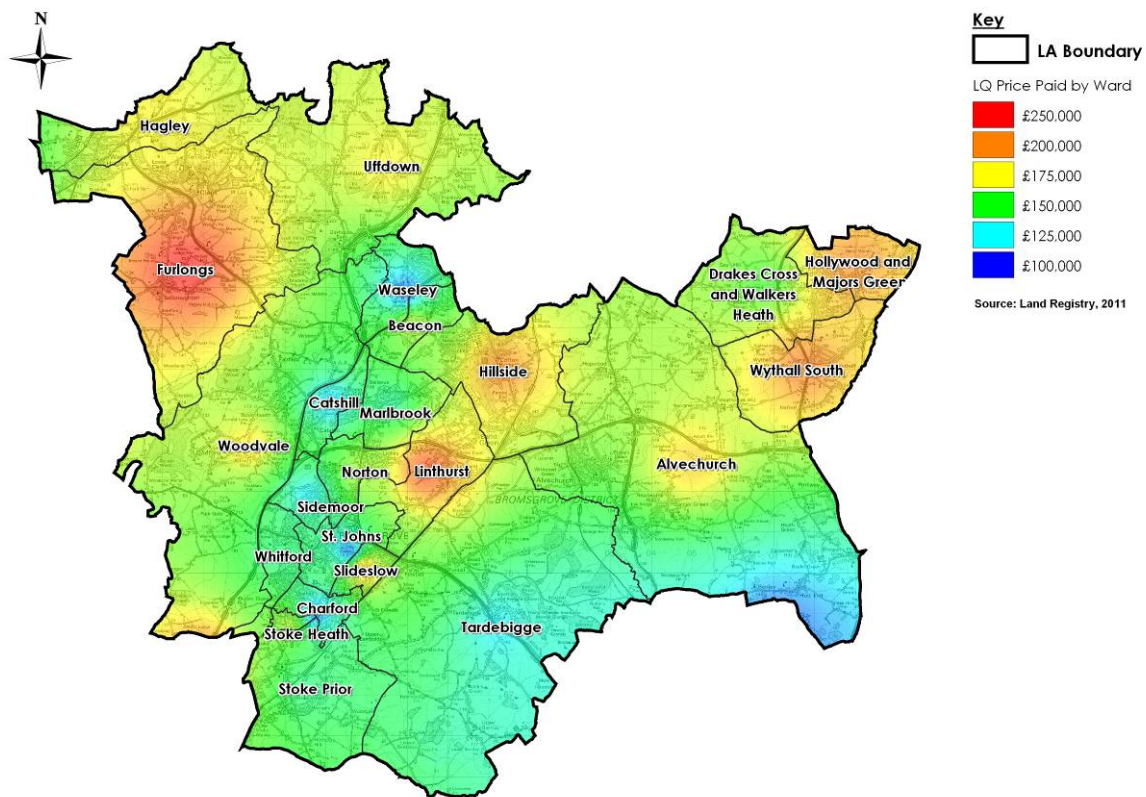
Figure 2.10: Total Transactions per Ward (2010 – 2011)



Source: Land Registry, 2011

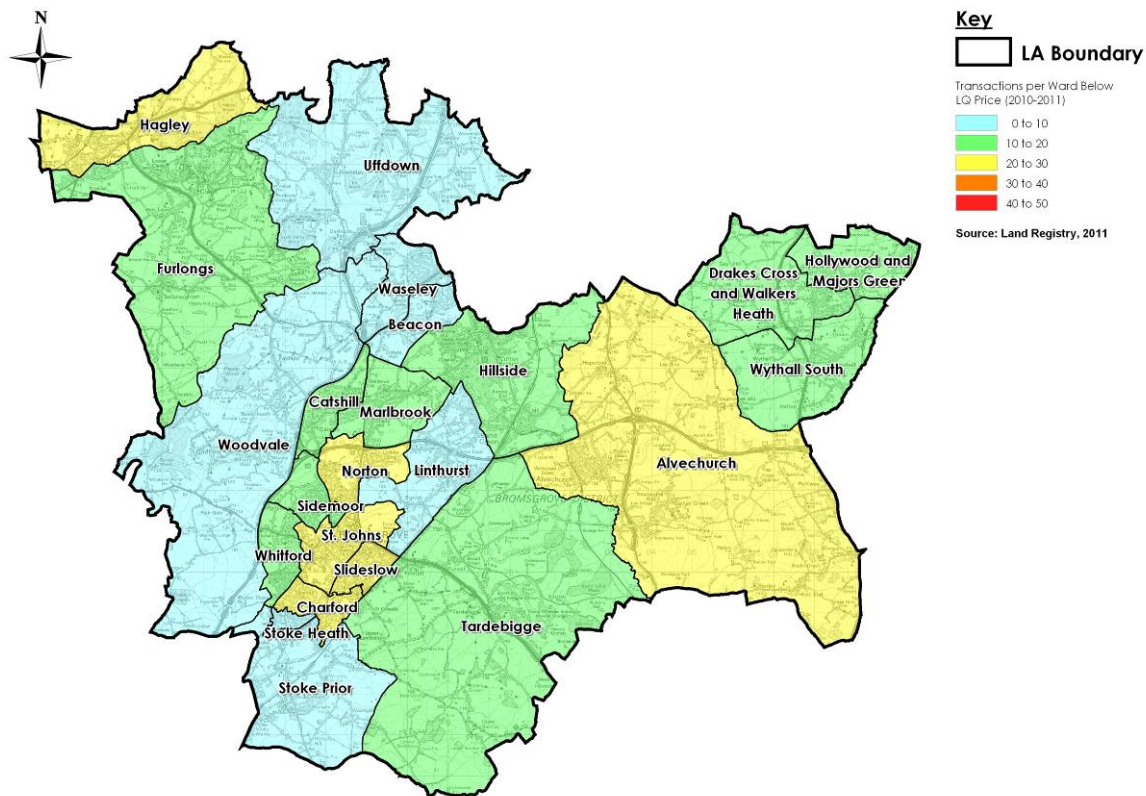
- Lower Quartile house prices are used in the main SHMA analysis to represent entry level properties in the market, an important part of assessing affordability issues. Within Bromsgrove the average lower quartile price for all properties was £149,238 in 2010/11. As with overall house prices there are considerable variance in the lower quartile price across the authority, this is illustrated through the following plans.

Figure 2.11: Geographical Distribution of Lower Quartile House Prices – 2010/11



Source: Land Registry, 2011

Figure 2.12: Transactions per Ward below Lower Quartile Price for the authority – 2010/11



Source: Land Registry, 2011

- Analysis of the rental market shows that average rental prices for a 1 bed apartment within Bromsgrove are £433 per calendar month (pcm), below the County average of £455 pcm. Rental prices for a 2 bed apartment are on a par with the County average (£562 pcm and £563 respectively). In terms of the housing market, rental prices for 2, 3 and 4 bed houses within Bromsgrove are £593, £690 and £941 pcm, all of which are above the County averages for Worcestershire²³.

²³ Source: www.rightmove.co.uk (summer 2011)

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- Analysis of waiting list data²⁴ shows a sustained demand for affordable housing in the current market across Bromsgrove. In total there are 3,324 households on the waiting list, 499 of which, or 15%, who are classified as in 'significant need'²⁵.
 - Of those on the full waiting list there are a high proportion within the private rented sector, at 21%, and already in social rented housing, at 29%. Comparably lower proportions of households are in owner-occupation or sharing/lodging, at 11% and 7% respectively. The analysis of the waiting list within Bromsgrove also showed high concentrations of both families and single person households registered on the waiting list – representing 42% and 30% of the total waiting list respectively.
 - The sustained pressure on affordable housing, as a result of current market circumstances, is further illustrated through the benchmarking of the levels of income required to access different housing tenures within Bromsgrove. An income of over £38,000 is required to purchase a lower quartile property (assuming a 3.5 income / mortgage ratio and a 10% deposit). In order to afford an average 2-bed apartment within the authority an income above £26,000 is required (assuming that 25% of income is spent on rent). This is illustrated in the following table which shows the different entry level incomes required to access different sizes of properties.

²⁴ Home Choice Plus

²⁵ For a full definition of how 'significant need' is attributed see Section 5 of the main SHMA Report. The level of households in 'significant need' presented includes households transferring between social dwellings in the authority.

Figure 2.13: Affordability Benchmarking – Access to different tenures and sizes of properties

Authority	Affordability Benchmarks - Annual Income Required						% of All Households Earning Less than £30,000
	To purchase LQ House (3.5 * income - 10% deposit)	Renting Average 2-bed Apartment (25% income)	Renting Average 3-bed House (25% income)	Affordable Rent (80% Market Rent) 2-bed Apartment (25% Income)	Affordable Rent (80% Market Rent) 3-bed House (25% Income)	Social Rented (25% income)	
£38,375	£27,034	£33,142	£21,627	£26,513	£16,628	43%	£38,375

Source: Land Registry, 2001, RSR, 2011, Rightmove.co.uk, 2011, GVA, 2011, CACI, 2010

3. The Future Housing Market

- 3.1 Understanding how the operation of the housing market will change in the future represents an important part of the main SHMA Report analysis. A number of models are utilised within the main SHMA Report to project forward future demand.
- 3.2 This includes examining the long-term pressures for new housing resulting from a growing population and household base, and the impact this will have on the types of housing that new and existing households will require through the plan period.
- 3.3 It also includes an assessment of the current and short-term future need for affordable housing, again with a breakdown by size of property. The analysis also considers the role of the three different types of affordable housing described within PPS 3 in meeting the identified future levels of need for affordable tenures. The results of these modelling processes are summarised within this section. Sections 6 and 7 of the main SHMA Report include a detailed methodology for each of the modelling processes which is not replicated in this Overview Report but should be used to reference and clarify technical points.

DCLG Output 3 - Estimate of total future number of households, broken down by age and type where possible

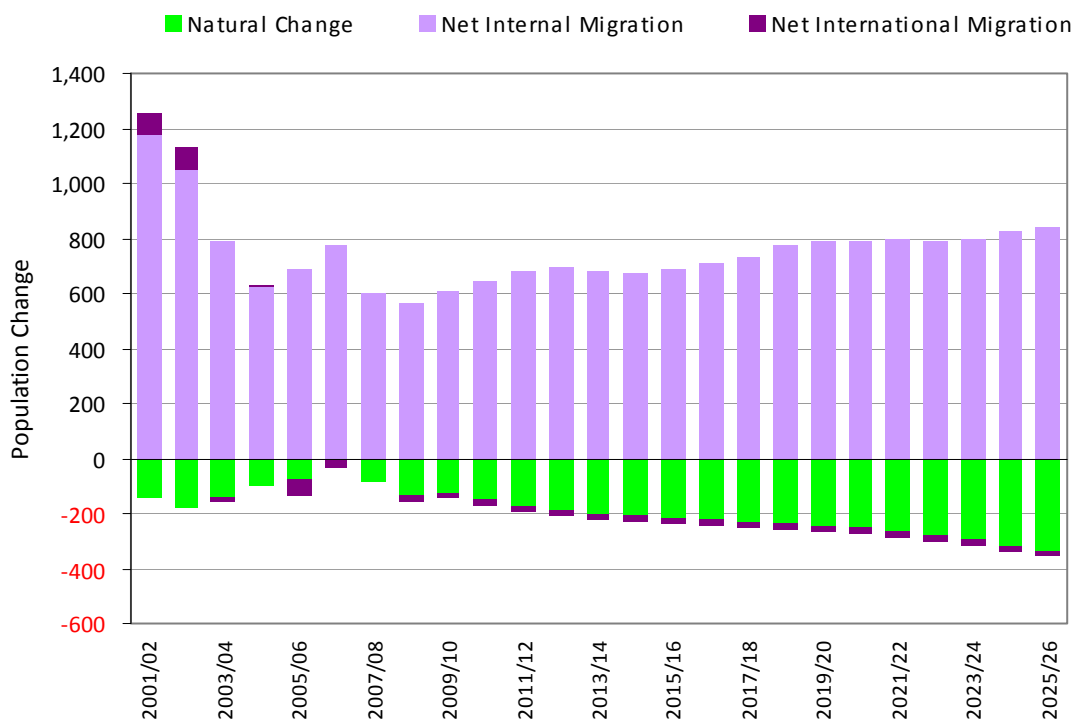
- 3.4 The main SHMA Report incorporates a substantial amount of modelling and analysis to determine the most likely range of future population levels based on scenario built projections.
- 3.5 These projections take account of demographic, economic, market and supply factors to arrive at a series of conclusions around how the population and number of households could change and what this means in terms of both the age and type of households.
- 3.6 For Bromsgrove the following conclusions are reached in relation to this output:
- The number of households is forecast to grow over the period 2006 and 2030 by between 7,380 and 7,580. The higher level of projected household growth is based upon a demographic trend based scenario which uses the latest data around levels of natural change and migration to project forward a continuation of recent historical dynamics. The lower level of household change is estimated through the application of an economic constraint on the demographic projections. Under this scenario the labour force in the authority is balanced

against the projected total number of jobs and therefore identifies the levels of household change required to create a greater balance between the population and the number of jobs forecast in the future in the authority.

- Within Bromsgrove the demographic projection (migration-led scenario) continues to project that migration from other parts of the UK into the borough will represent a fundamental driver of the change in population. This will be slightly offset by an increasingly negative net impact from natural change. This is illustrated in terms of the migration-led scenario (Scenario 3 within the main SHMA Report) with the projected change in these components of population change shown in the following chart.

Figure 3.1: Components of Change under the Migration-led Scenario

Bromsgrove



Source: Edge Analytics, 2011

- The impact of historical levels of development have clearly influenced the levels of population growth over the past, particularly at a local level, with this therefore impacting on the future levels of growth projected going forward. The analysis of demographic drivers has involved the construction of a model which is built from a ward level upwards. The following table shows the levels of private household population and household change projected for each of the wards between 2006 and 2030.

Figure 3.2: Projected Change in Private Household Population²⁶, Households and Household Size by Ward 2006 – 2030

Scenario 3 - Migration-led HR	Private Household Population			Household Size			Households			
	2006	2030	Change 2006 - 2030	2006	2030	Change 2006 - 2030	2006	2030	Change 2006 - 2030	Annual Change (24 years)
Alvechurch	6,210	6,190	-20	2.35	2.18	-0.17	2,650	2,830	180	8
Beacon	2,100	2,430	330	2.55	2.47	-0.08	820	980	160	7
Catshill	4,620	5,290	670	2.66	2.32	-0.34	1,740	2,280	540	23
Charford	5,670	10,740	5,070	2.53	2.54	0.01	2,240	4,230	1,990	83
Drakes Cross and Walkers Heath	4,780	4,210	-570	2.48	2.16	-0.32	1,930	1,950	20	1
Furlongs	3,960	4,460	500	2.42	2.38	-0.03	1,640	1,870	230	10
Hagley	4,630	6,510	1,880	2.56	2.63	0.08	1,810	2,470	660	28
Hillside	4,600	4,750	150	2.43	2.24	-0.19	1,890	2,120	230	10
Hollywood and Majors Green	4,290	4,400	110	2.34	2.18	-0.16	1,830	2,020	190	8
Linthurst	2,310	2,180	-130	2.28	2.19	-0.09	1,010	1,000	-10	0
Marlbrook	3,990	3,450	-540	2.26	2.08	-0.18	1,760	1,660	-100	-4
Norton	4,990	5,510	520	2.76	2.43	-0.33	1,810	2,260	450	19
St Johns	4,220	4,510	290	1.79	1.62	-0.16	2,360	2,780	420	18
Sidemoor	4,750	4,170	-580	2.24	1.94	-0.30	2,120	2,150	30	1
Slideslow	5,330	6,680	1,350	2.81	2.72	-0.09	1,900	2,460	560	23
Stoke Heath	2,520	2,330	-190	2.92	2.22	-0.70	860	1,050	190	8
Stoke Prior	1,960	1,940	-20	2.20	1.84	-0.36	890	1,060	170	7
Tardebigge	2,140	3,950	1,810	2.48	2.27	-0.21	860	1,740	880	37

²⁶ The ONS calculates the private household population by deducting the institutional population from the total population. The institutional population is the population wholly resident in communal establishments such as residential care homes, nursing homes and long stay hospitals, including resident staff

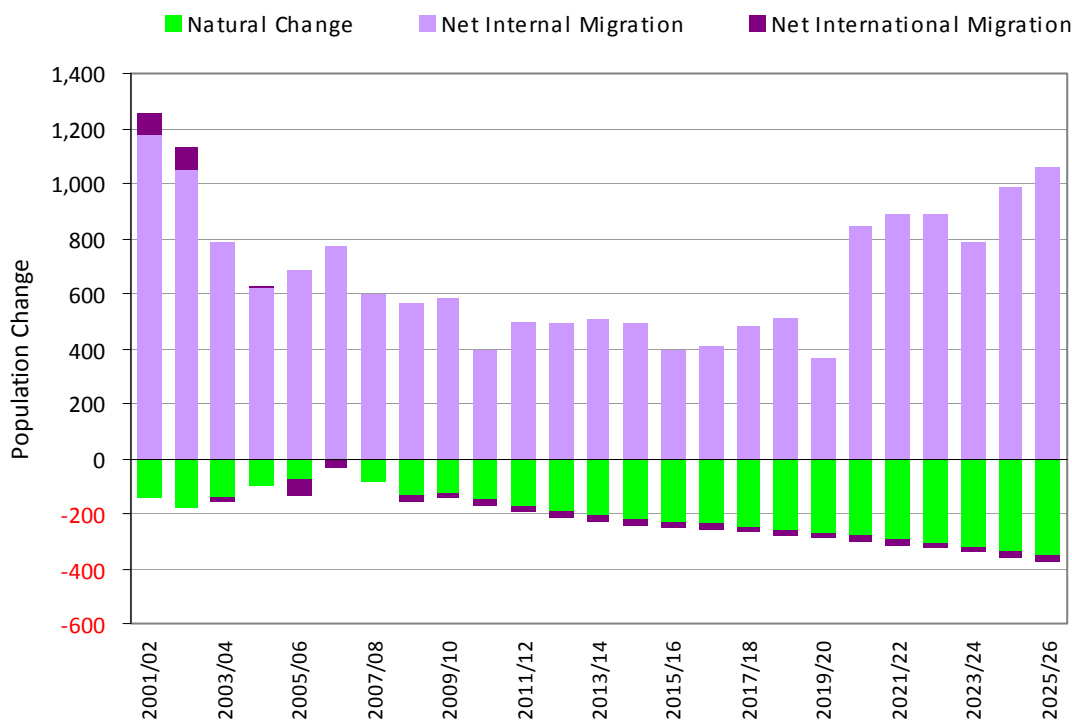
Uffdown	2,240	2,080	-160	2.33	2.14	-0.18	960	970	10	0
Waseley	4,470	4,560	90	2.47	2.38	-0.09	1,810	1,910	100	4
Whitford	5,030	4,610	-420	2.69	2.26	-0.43	1,870	2,040	170	7
Woodvale	2,150	2,210	60	2.57	2.20	-0.38	840	1,010	170	7
Wythall South	2,320	2,880	560	2.55	2.46	-0.09	910	1,170	260	11

Source: GVA, Edge Analytics, 2011. Note the numbers do not add up to the exact authority total due to the way in which the model is constructed using local level statistics.

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- Wards such as Charford and Tardebridge are projected to continue to grow their household base. Charford was identified earlier in terms of the levels of housing completions over recent years and the demographic trend based projections therefore continues this forward. The largely urban wards generally show a higher projected growth reflecting the concentration of historical development patterns. Other wards where there has been lower levels of completions show relatively stagnant projections of household growth, these could obviously alter if the supply of housing was increased in these areas.
 - The employment constrained scenario cannot be broken down to a ward level, however, at an authority level in order to align the two factors, the labourforce and the level of employment, the internal UK migration component of change is aligned annually. This is illustrated under the following components of change chart for Bromsgrove. It is important to note that whilst the UK migration component is the element which is altered this has an impact on the natural change component through the projection period as households are aged and enter different family cycles. The employment-constrained scenario illustrated below includes the application of updated economic activity rates for older person linked to changing working patterns and the increasing of pensionable ages, a full explanation for this is included within the main SHMA Report.

Figure 3.3: Components of Change under the Employment-Constrained Scenario (Sensitivity 2 Scenario)

Bromsgrove



Source: Edge Analytics, 2011

- Under both scenarios the population of Bromsgrove is projected to age. The following table shows that within Bromsgrove the proportion of older person households (those over the current working age classifications used in the 2001 Census) is forecast to grow from 21.4% to around 33% of the total population under both population projection scenarios. By contrast the proportion of the total population which is classified as working age is set to reduce over the projection period. In addition this is true of the younger age groups, with these linked to the numbers of family households within the authority. This is illustrated within the following table which shows the projected change in key age groupings under the two selected scenarios.

Figure 3.4: Projected Change in the Age of the Population 2006 – 2030

Bromsgrove	Core Scenario 3		Sensitivity Scenario 2
	% of Total Population		% of Total Population
Age Group	2006	2030	2030
0-4	5.1%	4.6%	4.6%
5-10	7.0%	6.2%	6.2%
11-15	6.6%	5.4%	5.4%
16-17	2.8%	2.2%	2.1%
Working Age – 18-59 Female, 18 - 64Male	57.0%	49.1%	48.7%
60/65 -74	12.8%	15.6%	15.7%
75-84	6.2%	9.6%	9.8%
85+	2.4%	7.3%	7.5%
Total	100.0%	100.0%	100.0%

Source: Edge Analytics, GVA, 2011

- The types of household are also projected to change, with the ageing population noted above one influencing factor. Primarily the projections show a notable uplift in single person households of all age groups, but particularly where the head of household is aged over 65. The number of couple households is forecast to fall for those households where the head of household is aged under 59 but again rise significantly for older person households. Overall the number of family households is set to decrease under the projections with this driven in particular by a reduction in the number of households where the head of household is aged 35 – 44. This is illustrated through the following tables which show the projected trends for both scenarios.

Figure 3.5: Projected Change in Household Type 2006 – 2030

Bromsgrove	Change in age of head of household 2006 - 2030 - Core Scenario 3									
Household Type	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-75	75-84	85+
One Person	0	-7	382	411	109	276	263	702	1,729	2,307
Couple Household or Mixed Adult Household	0	-26	-149	-344	-767	-353	327	1,619	969	317
Family Household (Adults and Children)	0	49	78	-515	150	81	37	11	8	20
Other Households	0	-9	-34	-44	-122	-77	-64	-99	-54	392
Total	0	7	277	-493	-630	-72	563	2,234	2,653	3,036

Bromsgrove	Change in age of head of household 2006 - 2030 - Sensitivity Scenario 2									
Household Type	0-14	15-24	25-34	35-44	45-54	55-59	60-64	65-75	75-84	85+
One Person	0	-7	428	365	78	263	256	696	1,739	2,346
Couple Household or Mixed Adult Household	0	-26	-117	-357	-805	-374	312	1,604	974	324
Family Household (Adults and Children)	0	49	140	-630	74	76	36	11	8	20
Other Households	0	-9	-34	-45	-123	-78	-64	-99	-53	398
Total	0	8	417	-666	-775	-114	540	2,211	2,668	3,089

Source: Edge Analytics, GVA, 2011

- The projected trends identified above around the changing demographic profile of Bromsgrove are likely to alter the types and sizes of houses which will be required in the future. The analysis suggests that there may be a high demand for smaller properties suitable for meeting the needs of older person households within the authority. Whilst the number of family households is set to decline overall it is important to recognise that this is not true for all age groupings and therefore there is likely to be a sustained demand for traditional housing units (3 and 4 bedroom stock), recognising that moderate and larger properties represent the aspiration for many households of different ages.

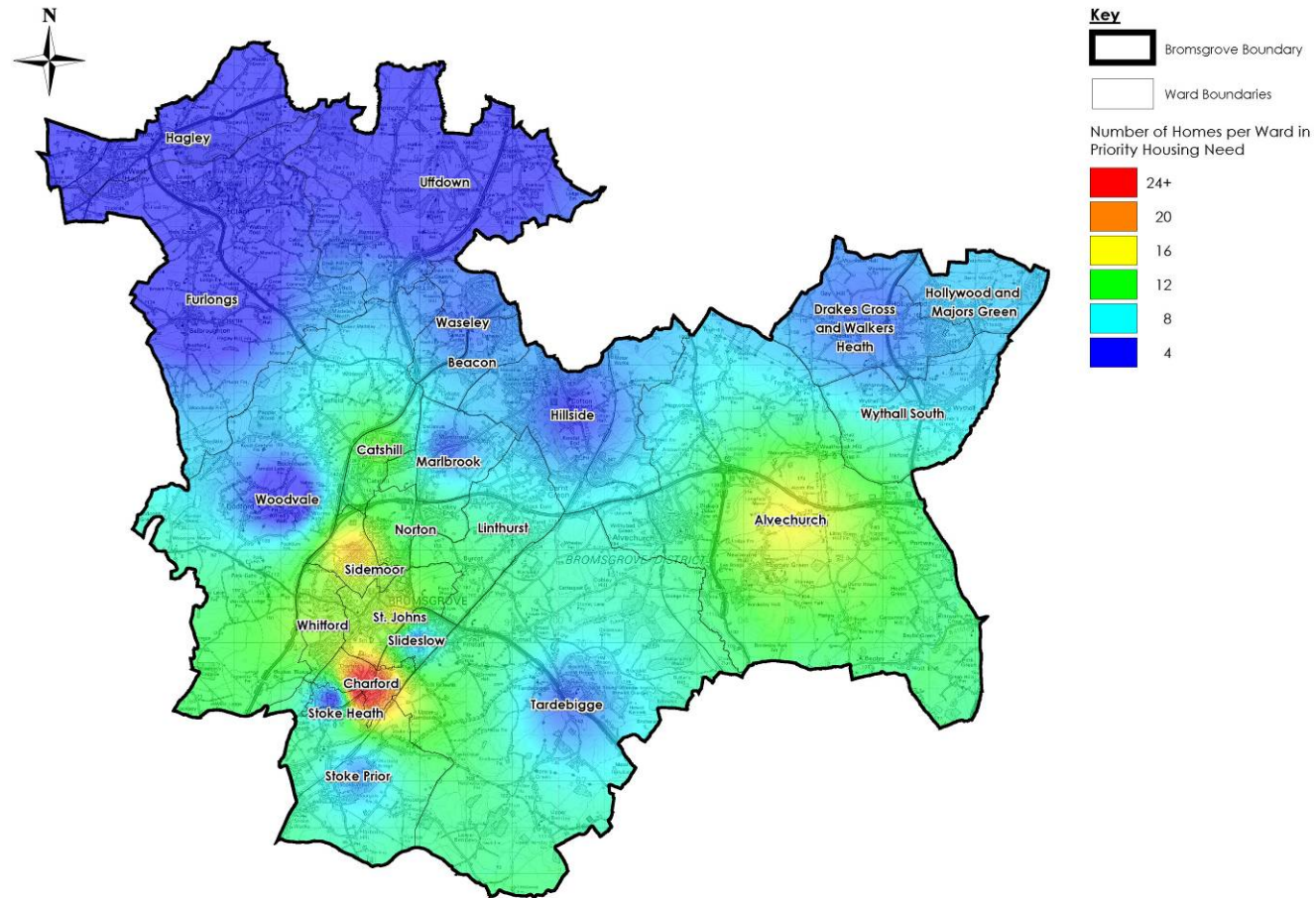
DCLG Outputs 4, 5 and 6

- 3.7 The analysis of DCLG Outputs 4, 5 and 6 are interlinked. They involve the assessment of the breakdown of future needs for different tenures of housing. The SHMA considers this in terms of both short and long-term (long-term covering the full plan period).

Output 4 – Estimate of current number of households in housing need

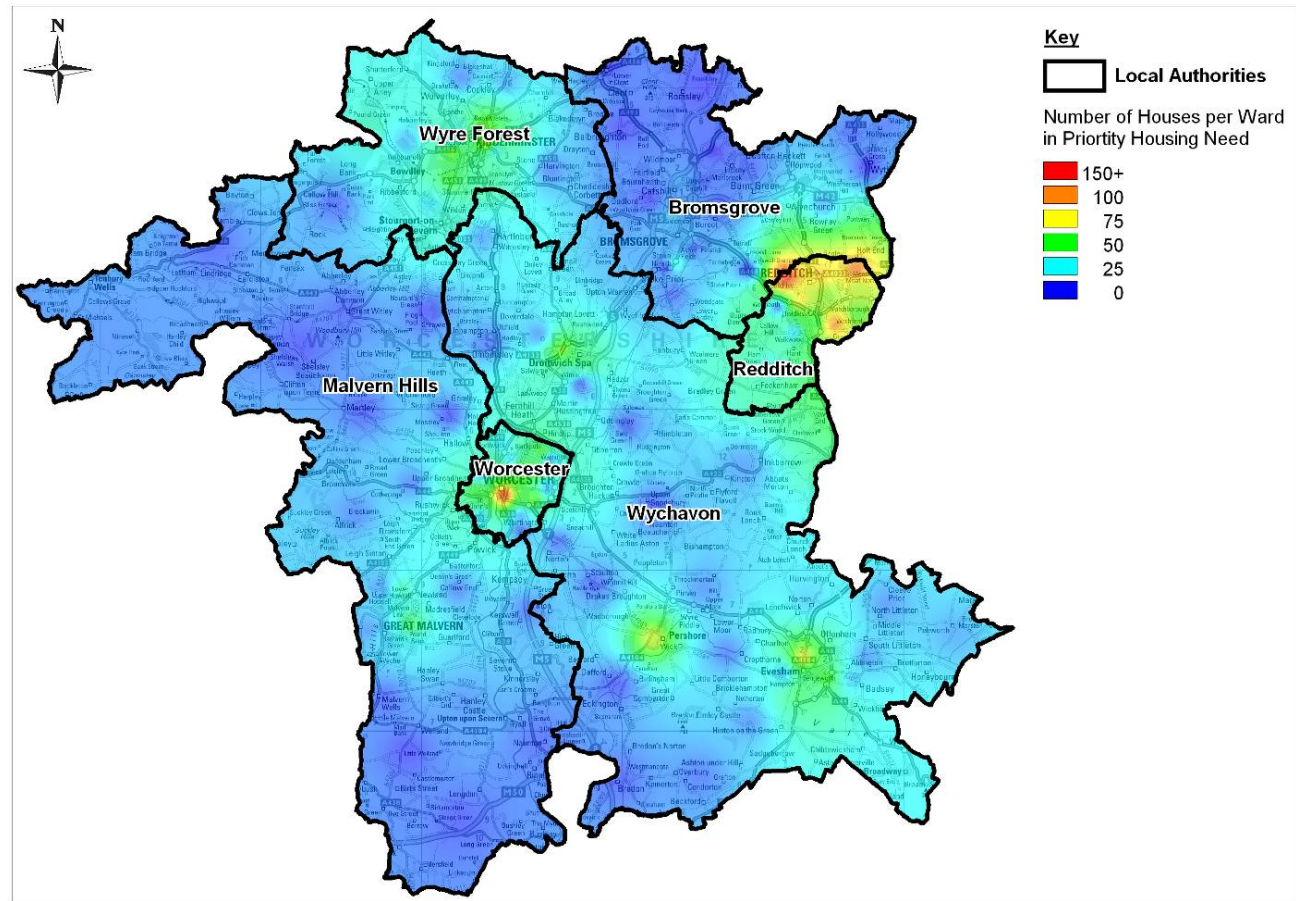
- 3.8 There is a recognition that the balance of tenures across the authority has not to date fully met the housing needs of households. The market position summarised in the Current Market section highlighted the affordability issues facing many households, in particular newly forming households.
- 3.9 Analysis of waiting list data has been used to understand the current backlog of unmet need for affordable housing within Bromsgrove. This has identified that:
- There are 9 households currently classified as statutorily homeless and/or in temporary accommodation;
 - In addition there are, based on the analysis of the waiting list, 490 households classified as in significant need, 236 of which are currently living in social rented accommodation. If those already living within social housing are removed - on the basis that their needs being met by another social house will free up their own property and therefore result in a zero gain supply / demand position – then this leaves a total of 263 (=9+490-236) households classified as in need currently within Bromsgrove.
 - This clearly represents a relatively high level of unmet need for affordable housing which remains an important priority for the authority to address.
 - This existing backlog of need is not distributed evenly across the authority- with the Charford and Sidemoor wards demonstrating the highest concentrations of households currently in significant need. This distribution is in large part a result of the current spatial distribution of the existing stock of affordable housing. The following plans illustrate the location of those households classified as in significant need across the authority and wider County.

Figure 3.6: Spatial Distribution of Current Housing Need (Significant Need) – ‘Hotspot’ Map, Bromsgrove



Source: Local Authority Waiting Lists, GVA Analysis, 2011

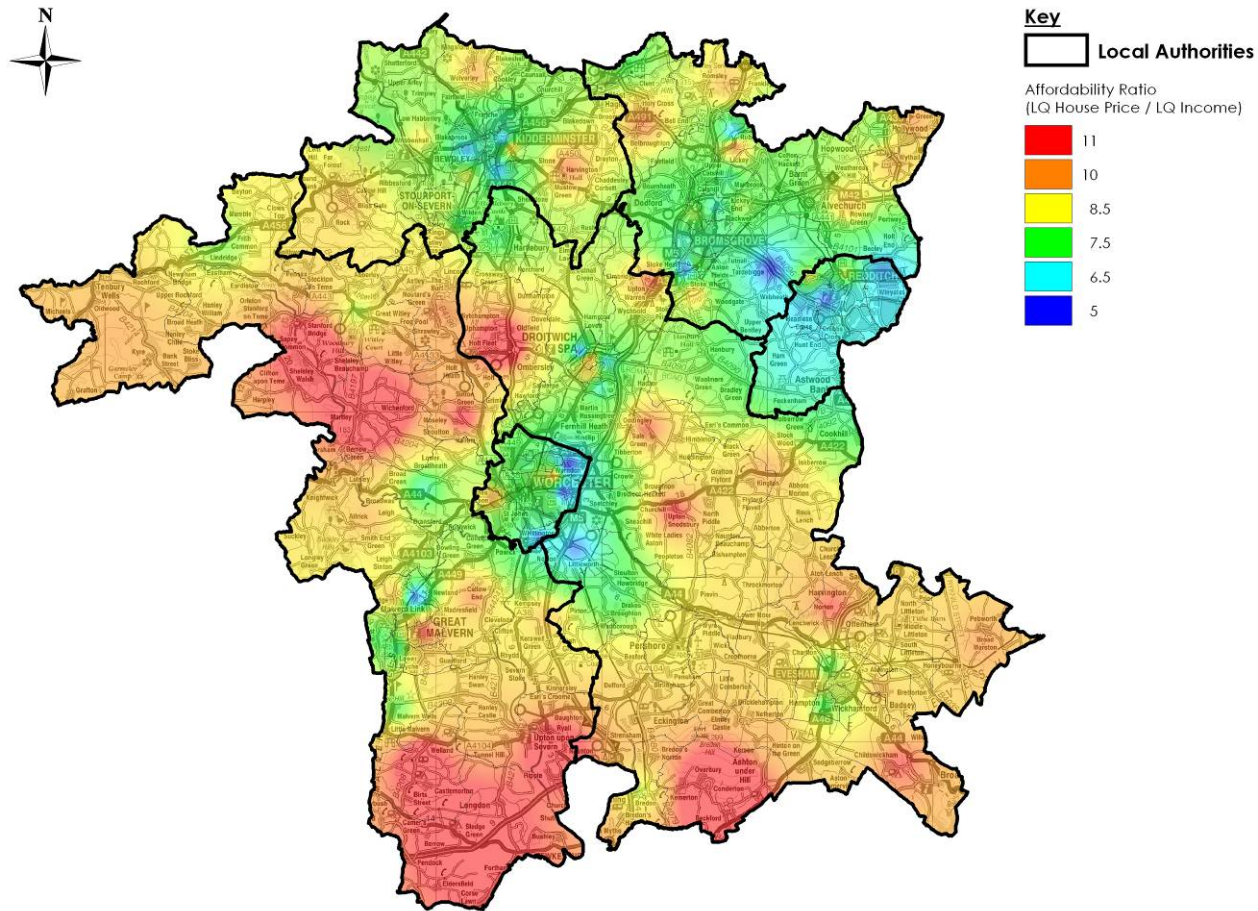
Figure 3.7: Spatial Distribution of Current Housing Need (Significant Need) – ‘Hotspot’ Map, Worcestershire



Source: Local Authority Waiting Lists, GVA Analysis, 2011

- Importantly this spatial analysis of current need only represents those households who have put themselves onto the waiting list and been identified as in significant need. The ratio between lower quartile house prices and incomes represents another important indicator of the potential concentration of households who are likely, as they form, in the future, to be facing a situation of housing need. This is illustrated in the following plan. This should be considered alongside the spatial analysis of the waiting list data to identify a composite picture of where pressures are greatest for affordable housing as a result of concentrations of existing and forming households in need.

Figures 3.8: Affordability Ratios – Lower Quartile House Prices and Incomes



Source: Land Registry, 2011, CACI, 2010

Output 5 – Estimate of future households that will require affordable housing

- 3.10 The overall calculation of the amount of households requiring affordable housing is undertaken using the DCLG model set out within the SHMA Guidance note. A similar approach has been adopted to that originally set out within the 2007 County SHMA and the subsequent updates.
- 3.11 The model takes account of the backlog of current need identified under the previous DCLG Output, however, it also factors in annual future need, existing supply and the annual future supply to arrive at an overall net number of households requiring an affordable dwelling over the next five years.
- 3.12 The full calculation of this level of need is set out in the table below.

Figure 3.9: Housing Needs Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)		
Step	Methodology / Source	Bromsgrove
1.1 Number of Homeless households and those in temporary accommodation	Local Authority - Reasonable Preference - Statutory Homeless	9
1.2 Number of Overcrowding and concealed households	CBL Waiting List - 'Reasonable Preference' (Taken as single Step)	490
1.3a Other Groups		
1.3b Other Groups - Transfers	Of which transfers – current occupiers of affordable housing in 'reasonable preference'	236
1.4 Total current housing need (gross) = (1.1 + 1.2 +1.3a) - 1.3b	(1.1 + 1.2 +1.3a) - 1.3b	263

Stage 2 - Future Housing Need (Annual)		
Step	Methodology / Source	Bromsgrove
2.1 New Household formation (annual)	Household Projections (Gross Formation - Natural Change Scenario – aged 15-44 years)	706
2.2 Newly forming households in need (annualised)	Proportion of households unable to afford to purchase or rent in the open market (Assumes PRS absorbs need - LQ)	57%
	Number of households unable to afford to purchase or rent in the open market (Assumes PRS absorbs need - LQ)	403
2.3 Existing households falling into need	CBL Waiting List - Households registering as priority need (annual)	34
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	437

Stage 3 - Affordable Housing Supply (Annual)		
Step	Methodology / Source	Bromsgrove
3.1 Affordable dwellings occupied by households in need	Number of households identified in 1.3b which are transfers	Accounted for at Step 1.3b
3.2 Surplus Stock	Long-term Vacant (i.e. 6 months plus)	0
3.3 Committed supply of new affordable housing	Social Housing & Affordable Rent	113
3.4 Units to be taken out of management	Demolitions (programmed) and Right to Buy (trend)	25
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	3.1 + 3.2 + 3.3 - 3.4	88
3.6 Annual supply of social re-lets (annual net)	Lettings to households from other tenures (2010/11)	227
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	Intermediate dwellings committed for development (annualised across next 5 years)	26
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	253

Stage 4 - Total Housing Need (Net Annual)		
Step	Methodology / Source	Bromsgrove
Total net need = 1.4 - 3.5	1.4 - 3.5	175
Annual flow (20% of total net need)	20% of total net need (Assume five year period to relieve backlog of need)	35
Net annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	219

Source: GVA, 2011

- 3.13 The level of need identified through this SHMA illustrates a slight decrease against the comparable figure of 242 identified through the latest 2009/10 Annual Monitoring Update produced by Worcestershire County Council. However, the level of need for affordable housing remains high in Bromsgrove.
- 3.14 Importantly the SHMA has looked at the range of products now classified as affordable housing to understand the roles they can play in meeting the needs of the households identified as requiring this tenure of housing. These are considered below:
- **Social Rent** – This represents the traditional tenure of affordable housing. The analysis of the following two tenure products are considered against access to social rented housing which continues to represent the majority of 'affordable stock' across all authorities.
 - **Intermediate Housing** – The SHMA identified that in Bromsgrove this type of affordable housing could reasonably meet 15% of the overall level of need for

affordable housing identified. This is in part reflective of the capacity of the committed pipeline of intermediate affordable housing in each district to meet housing needs. Within Bromsgrove there is a strong annual supply of intermediate housing already committed for development within the district. It is also based on the capacity of households to afford access to this tenure based upon setting the upper limit for accessing intermediate products at the income required to access the private market (in line with the housing needs assessment). The lower limit was set at the income required to afford a 55% equity share in a small family house at the lower quartile price. This has been set to allow for a 50% equity purchase alongside a 5% deposit.

- Affordable Rent – This product remains in its infancy at the time at which this SHMA is being produced and therefore assumptions are likely to alter in the future, requiring careful monitoring. The analysis has used market rent information to assess the proportion of households in need for whom this type of product would meet needs. The following table sets out the proportion of households²⁷ unable to access affordable rent by different property sizes. It is evident that a substantial proportion of households (potentially in need) do not have sufficient incomes to enable to access affordable rent stock. This has an important bearing in reinforcing the important role that traditional social rental stock will continue to play in meeting needs going forward over the plan period.

Figure 3.10: Proportion of Households Unable to Afford Affordable Rent Housing

Authority	% Unable to Afford 80% Market Rent, 2-bed Apartment	% Unable to Afford 80% Market Rent, 3-bed House
Bromsgrove	35%	43%

Source: CACI, 2010, Rightmove, 2011, GVA Analysis, 2011

Output 6 – Estimate of future households requiring market housing

3.15 The analysis undertaken to inform Output 5 shows that in Bromsgrove 43%²⁸ of newly forming households are able to afford market housing of some form over the short-term. The table below shows the projected number of newly forming households (gross) anticipated over the next ten years by ward based upon the Natural Change population scenario (scenario 2 in the main SHMA Report). This provides an indication of wards where the growth of the local population will place increasing pressures on all forms of housing including market housing.

²⁷ Note: This uses the incomes of all households as recorded by the CACI dataset

²⁸ Note: Step 2.2 in Figure 3.9 shows that 57% of newly forming households cannot afford market housing, with 43% therefore able to afford these tenures (owner occupation and/or private rented)

Figure 3.11: Gross Household Change – Annual Projections under the Natural Change Scenario (Scenario 2)

Core Scenario 2 - Natural Change	Annual gross household formation 2011-2021 (aged 15 - 44)
Alvechurch	45
Beacon	13
Catshill	38
Charford	62
Drakes Cross and Walkers Heath	35
Furlongs	28
Hagley	35
Hillside	31
Hollywood and Majors Green	28
Linthurst	19
Marlbrook	31
Norton	71
St Johns	37
Sidemoor	40
Slideslow	45
Stoke Heath	22
Stoke Prior	14
Tardebigge	37
Uffdown	14
Waseley	41
Whitford	43
Woodvale	12
Wythall South	14

Source: Edge Analytics, GVA, 2011. Note this informs stage 2.1 of the Calculation of the Need for Affordable Housing presented under Output 5

- 3.16 Looking at the longer-term the SHMA analysis considered the impact of changes to the economic structure of the authority and the breakdown of the tenure of housing that would be required to balance the housing market with the incomes of households. This is replicated in the following table²⁹.

²⁹ Note: as the caveats explain in the main SHMA report this does not factor in supply factors or house price and income changes. The analysis simply aligns the changing economic structure with the affordability benchmarking, therefore providing an indicative level of analysis only given the long-term forecast period and does not in any way replace the assessment of short-term need in Figure 3.9.

Figure 3.12: Long-term (to 2031) breakdown of the tenure of properties required to respond to the changing economic profile

Authority	Long-term Tenure Requirement linked to Forecast Occupation Change	
	Market Housing	Affordable Housing
Bromsgrove	80%	20%

Source: GVA, 2011

- 3.17 Figure 3.12 highlights that based upon the forecast changes to the economy the delivery of affordable housing will continue to be a priority in order to balance the supply of stock by tenure with future demand. Indeed with a high level of need over the next five years identified in figure 3.9 a sustained emphasis on delivering this tenure of housing will be required.
- 3.18 The analysis undertaken to inform Output 3 is used within the main SHMA report to identify a range of housing requirements needed to meet generated demand from a growing household base. This takes into account current levels of vacancy as well as recent levels of development from the base point of the household projections in 2006. The range of identified housing requirements for all tenures are shown in the table below.

Figure 3.13: Hypothetical Dwelling Requirements 2011 – 2030

Scenario	Forecast Household Change (2006-2030)	Forecast Dwelling Requirement - factoring in vacancy allowance of 3%	Housing Delivered Gross 2006 - 2011 (5 years)	Theoretical Dwelling Requirements 2011/12 - 2029/30 (19 years)	
				Net Dwelling Requirement (rounded)	Net Annual Average Dwelling Requirement (rounded)
Bromsgrove					
Core Scenario 3	7,580	7,800	823	6,980	370
Sensitivity Scenario 2	7,380	7,600	823	6,780	360

Source: GVA, 2011

DCLG Output 7 – Estimate of the size of affordable housing required

- 3.19 The main SHMA Report considered this aspect in detail within section 7. The final tables showing the assessment of the sizes of affordable housing required across the authority, when considered against the available turnover of lettings, are replicated below. A lower level of analysis has not been undertaken with the consideration of the supply and demand of different sizes of affordable housing more appropriately considered and planned for at a local authority level.

Figure 3.14: A breakdown of the size of affordable housing required across the district (short-term need)

Authority	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Bromsgrove	45%	33%	14%	7%

Source: Local authority waiting lists, GVA Analysis, 2011

Figure 3.15: A breakdown of the size of affordable housing supply across the district (annual supply 2010/11)

Authority	Annual Affordable Housing Lettings (2010/11) by Size			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Bromsgrove	53%	35%	11%	0%

Source: Local authority lettings data, GVA Analysis, 2011

- 3.20 Considering the size requirements of households in need against the availability of lettings to absorb this demand demonstrates the following:
- There is demand/need for homes across all sizes – with the majority of households in need requiring up to 2 bedrooms (78%) and is likely to be attributable to the high levels of single person, pensioner, and couple households in need within the authority.
 - A smaller proportion of households require larger 3 bedroom and 4+ bedroom affordable housing – at 14% and 7% respectively. These proportions reflect the high level of families in need of affordable housing within the authority.

- When the lettings supply of affordable housing is considered, it is apparent that the higher rates of turnover in the smaller 1 and 2 bedroom dwellings, which enables them to more swiftly meet the needs of smaller households.
- The lower levels of lettings turnover in the larger 3 bedroom and 4+ bedroom family housing result in their being limited availability of such stock and highlight **the continued need to deliver new additional dwellings to boost supply for families.**

3.21 Overall, however, it is important to reflect that the housing needs assessment indicates that the turnover of social lettings alone within Bromsgrove is insufficient to meet the continued need for affordable housing. As a result, delivery of new affordable housing across all property sizes will be necessary if the authority is to meet the housing needs of its residents.

4. Conclusion – Bringing the Evidence Together

- 4.1 The analysis has been presented throughout the Appendix document to illustrate findings against the Core Outputs as set within the DCLG Guidance.
- 4.2 This section rather than reiterating these findings provides a short synopsis of the implications of the findings of the SHMA for policy development and strategy planning within the authority.

Ensuring a Balanced Housing Market

- 4.3 Over the plan period it is important that policy and strategy aid in delivering a housing market which matches the needs and requirements of the authorities current and future residents. The following conclusions of the research are therefore important in achieving this goal:
- The modelling of future population projections indicates that there will be a sustained need for new housing to meet the needs of a growing population linked to historic demographic trends and the future levels of jobs forecast to be created in the authority.
 - In total the SHMA suggests that there will be a requirement for between 6,800 and 7,000 dwellings between 2011/12 and 2029/30 to meet the demands generated by new household formation. This level of requirement factors in the historic supply of new housing between 2006 and 2011.
 - The analysis of the current need for affordable housing in the authority over the next five years indicates a high demand for this tenure. An annual need of 219 affordable properties is calculated as being required to meet the future needs over the next five years and the existing backlog. This reflects the impact of rising house prices over the first half of the last decade and the continued pressures on wages as well as the availability of mortgage finance. It also reflects the fact that affordable housing makes up a relatively low proportion of the overall stock in Bromsgrove currently, approximately 10%, a proportion which is considerably below the national average of 20%.
 - The changing age profile of the projected population of the authority indicates that there will be a high demand for smaller properties able to meet the needs of older person households. Overall the number of older persons is projected to increase significantly, indeed the projections suggest that older persons will make

up approximately 33% of the total population by 2030 compared to just over 21% now.

- In addition to older person households the projections also indicate that in order to maintain a level of working age population to match employment opportunities that there will be a sustained need for family housing within the authority.
- Specifically in terms of affordable housing the analysis indicates that there will be a high demand for smaller properties, 1 – 2 bed, with need for this size of property making up 78% of total need. Importantly, however, the lower levels of turnover in larger properties also suggests that in order to address future need and the current backlog new larger affordable properties will also be required.

Recognising the Impact of the Current Challenging Market Context

4.4 Whilst the SHMA sets out a detailed evidence base documenting demand and housing need drivers it also recognises the challenges posed by current market conditions.

4.5 Whilst the SHMA analysis has evidenced a sustained need for affordable housing tenures over the plan period the current market and finance context presents a significant potential obstacle to delivering sufficient numbers of affordable housing to address need. The following recommendations need to be considered in the setting of policy:

- The reduction, at least in the short term, in the availability of grant monies to aid in the delivery of affordable housing places greater pressure on delivering affordable housing tenures through traditional Planning Obligation approaches. This requires a pro-active and responsive approach to enabling more viable housing sites to come forward earlier in the plan period. A pro-active approach in encouraging the delivery of more viable housing sites will be important in addressing the wider demand for all tenures of housing and assist in ensuring that the ability of households to purchase housing is not further worsened through a continued lack of supply, which is likely to continue to drive up house prices.
- A careful balance is required in terms of other competing requirements through Planning Obligations if the delivery of affordable housing is to be prioritised. This includes the future setting of CIL targets and the balancing of aspirations to deliver other linked improvements for example green space or off-site community benefits. Consideration needs to be given to the appropriate allocation of New Homes Bonus to local communities to ensure that the benefits of development are

realised by affected areas without impacting on the viability of development and the capacity to deliver affordable housing.

- The recognition that the needs of households will need to be met through a spectrum of different affordable housing products. The SHMA analysis has indicated that whilst a notable proportion of households in need will require social housing other affordable products including Affordable Rental properties and Intermediate tenure properties will be able to address the needs of some households and should therefore form part of any new provision delivered across the authority.

Benchmarking and Monitoring Performance

- 4.6 The SHMA has drawn solely from secondary data sources. As with the 2007 SHMA this ensures that the authorities can collectively or individually monitor the performance of the housing market and the impact on the various models included in the analysis. Given the relatively unusual market and economic context in which this SHMA has been undertaken the monitoring of key indicators will be important in ensuring that the SHMA remains an up-to-date and robust source of evidence to underpin policy.
- 4.7 The following datasets or areas of analysis should form the focus of future monitoring:
- Annual analysis of waiting list data. The analysis of housing need in section 3 draws significantly upon analysis taken directly from the waiting list. The research has involved refining the method for filtering the waiting list data to provide a more representative analysis of households in 'significant need' using classifications used to assess applicant's relative position on the waiting lists. An annual update of this process will assist in understanding the impact of other market drivers on the need for affordable housing across the authority. It will be particularly important to monitor relative levels of need for different sizes of property over the next few years as new policy initiatives come into force including the proposed housing benefit reforms.
 - Consideration of the release of ONS mid-year estimates against the level of projected population change within the range presented in section 3. The release of 2011 Census data counts will also serve as a vital 'check' for understanding the accuracy of national estimations of population change and the impact this has on the numbers of households in the authority. The authority can use the County's POPGROUP software to update the local authority and ward level analysis of population and household projections using the latest release of datasets and any updates to economic forecasts.

- Active market indicators. The affordability of different tenures is linked to the relative pricing of market housing and the availability of finance. Annual benchmarking checks should be made of average and lower quartile house prices and market rents alongside the costs of purchasing driven by the availability of mortgage products. These should be used, alongside the annually updated CACI income data to monitor the affordability benchmarking exercise included within the main SHMA report.