

**WEST MIDLANDS
WEST HOUSING MARKET AREA
(SHROPSHIRE & HEREFORDSHIRE)**

**STRATEGIC HOUSING
MARKET ASSESSMENT
2008**

FINAL REPORT

June 2008



WEST MIDLANDS WEST HOUSING MARKET AREA

STRATEGIC HOUSING MARKET ASSESSMENT

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FOREWORD

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EXECUTIVE SUMMARY

APPROACH

1. In July 2007, the West Housing Market Area Partnership (WHMAP) commissioned **Outside** to undertake a comprehensive Strategic Housing Market Assessment to:
 - ❑ contribute to the forthcoming RSS 'partial review' and the Comprehensive Spending Review 2007
 - ❑ inform Local Development Framework requirements and local and regional Housing Strategies
 - ❑ inform the Sub Regional Housing Strategy for the West Housing Market Area
2. The Strategic Housing Market Assessment provides a detailed sub-regional market analysis of housing demand and housing need, identifying the key drivers in the West Housing Market Area. In addition it provides a robust evidence base for current and future requirements in terms of market and affordable housing to inform local policies and strategies.
3. The Strategic Housing Market Assessment methodology relies on the collation and analysis of a wide range of secondary data and relevant literature alongside qualitative inputs from stakeholders in the Housing Market Area.
4. The Assessment has been conducted within the framework of *PPS3: Housing* and the *Strategic Housing Market Assessment Practice Guidance*. In addition it has taken account of the Housing Green Paper, Regional Housing Strategy, Regional Spatial Strategy, West Midlands Economic Strategy and the agenda for New Growth Points.

DEMOGRAPHIC & ECONOMIC CONTEXT

5. The West Housing Market Area with a total population of around 458,033 is home to only 9% of the West Midlands region population.
6. Between 1991 and 2001 the West Housing Market Area experienced population growth of 6.8%, driven primarily by positive net migration into the sub-region. This pattern of growth is at odds with the rest of the Region, which experienced population growth of only 1.0% (England & Wales grew by 3.2%), driven by natural change (more births than deaths).

7. With the exception of Shrewsbury & Atcham, Herefordshire and the other districts of Shropshire experienced a decline in population from natural change between 1991 and 2001. At the same time all areas experienced significant population growth through net migration which exceeded the natural decline.
8. Since 2001 the population growth has slowed although it continues to exceed the growth rate of the Region.
9. In terms of migration flows:
 - ❑ Bridgnorth's migration relationship with the Central HMA and C3 in particular is far more significant than with the West Housing Market Area
 - ❑ North Shropshire gains population through migration primarily from neighbouring districts north, south east and west
 - ❑ Oswestry gains population from its immediate neighbours in Shropshire and Wales
 - ❑ Shrewsbury & Atcham has the lowest net population gain from migration in the West Housing Market Area and it displays the strongest relationships to other West Housing Market Area districts
 - ❑ South Shropshire gains population from across the West Midlands and from Shrewsbury & Atcham and Herefordshire
 - ❑ Herefordshire has a highly dispersed pattern of in-migration, attracting 50% of its population from 30 England and Wales districts and it has stronger ties to Gloucestershire than to Shropshire.
10. In terms of tenure, the rate of owner occupation is high: 74.0% in Shrewsbury & Atcham 72.9% in North Shropshire and 72.5% in South Shropshire. The West Housing Market Area is the HMA with the highest proportion of outright owners in the West Midlands. Social rented housing is occupied by just 15.6% of households in Oswestry and 15.2% in Herefordshire. The proportion of private rented households is highest in South Shropshire (15.9%) and Bridgnorth (15.3%), and lowest in Shrewsbury & Atcham (11.7%).
11. In terms of the age profile, Oswestry and Shrewsbury & Atcham have the highest proportion of younger people, with 17.8% of residents aged 20-34, compared to only 13.6% in South Shropshire. The average for the West Housing Market Area is 16.2% compared to the West Midlands average of 19.6%.
12. It is in the older population, particularly the 50-64 and 65-84 that the most distinctive patterns emerge. All areas have proportions of 50-64 year olds greater than the West Midlands (17.8%) and England & Wales (17.5%) average; the West Housing Market Area average is 20.4% and the proportion is as high as 22.2% in South Shropshire. Amongst 65-84

year olds, the West Midlands (14.2%) and England & Wales (14.0%) averages are smaller than for every district and in South Shropshire the proportion is as high as 19.4%.

13. The ageing population profile of the West Housing Market Area, combined with demographic trends towards smaller households, has potential implications for future accommodation such as:
 - ❑ Increased requirements for support to enable older people to stay at home
 - ❑ Increased need for specialised accommodation for older people
 - ❑ Under occupancy of larger stock, creating a potential blockage in the market which may force younger families to leave the area
14. The **black and minority ethnic population** is relatively small in the West Housing Market Area (smaller than the other West Midlands Housing Market Areas), with over 97% of the population classified as British-White. However, the small proportions of black and minority ethnic communities in the 2001 Census do not necessarily reflect some significant aspects of new patterns of increase. For example, within West Midlands, North Shropshire is one of the two local authorities that have seen the largest recent increases in BME communities, although from a small base.
15. In terms of **international migration**, 72.3% (2,790 out of 3,860) of new NI registrations from overseas nationals into the West Housing Market Area settled in Herefordshire. The next biggest influx was to Shrewsbury & Atcham (12.4%; 480 out of 3,860). Although nationally 25.9% of overseas nationals receiving NI numbers were from Poland, the proportion from Poland was much higher than this in North Shropshire (53.6%); Herefordshire (44.1%); Oswestry (38.5%) and South Shropshire (33.3%). Herefordshire and Oswestry also received significant (higher than the national average) proportions of international migrants from Slovak Republic, and Latvia, while Herefordshire also received higher than the national average proportions of international migrants from Lithuania, and South Shropshire received higher than the national average of international migrants from Slovak Republic.
16. Research elsewhere in the West Midlands has shown that new arrivals tend towards employment in jobs that are low paid, casual and temporary, which has consequent implications for the type of housing they take up and its location. Often they find themselves in poorly maintained private rented homes, HMOs and even caravans. This will impact upon their decisions about when and where to establish longer term homes should their families be with them or be planning to join them.

17. There are disparities in economic performances and circumstances at local levels across the West Midlands. The West Housing Market Area has a rural character, with important county town hubs such as Shrewsbury and the cathedral city of Hereford. Shropshire and Herefordshire retain an important agricultural economy, and have the highest concentration of agricultural employment in the region. There are smaller firm sizes than in large centres such as Birmingham and Coventry.
18. In Shropshire, which is geographically large and the second most sparsely populated county in the country, agricultural employment is 5.5% of the total working population compared with 1.7% for the region, and the percentage of the working population employed in agriculture, food and tourism is 14.6%. Shropshire contains urban, semi-urban, rural and deeply rural areas, particularly in parts of South Shropshire, and in the most rural areas population densities are very low and access to some services can be limited.
19. Herefordshire has a working population of fewer than 80,000, with 8.4% employed in agriculture, forestry and fishing, and 21.3% in agriculture, food and tourism. Weakness of agricultural incomes has contributed to levels of unemployment and under-employment in the county.
20. In terms of the working age population and economic activity, the proportion of the total population that is of working age is at its lowest in South Shropshire (55.3%) and highest in Bridgnorth (60.0%), although all areas are below the West Midlands average (61.2%). This fits with the profile of an older population in South Shropshire.
21. The proportion of economically active members of the working age population differs far more: in South Shropshire only 74.4% of the working age population are economically active compared to 85.8% in Bridgnorth. Almost half the Shrewsbury & Atcham working population (46.9%) consists of senior managers and professional occupations (Standard Occupational Classification 2000 groups 1-3), which is higher than the Great Britain average (42.3%). Bridgnorth and North Shropshire are comparable with the West Midlands average (38.6%), but Oswestry is significantly lower with only 26.6%. Oswestry has the highest incidence of the working population in administrative, secretarial and skilled trades, and sales and customer services; these are much higher than the Regional averages. Almost a quarter (24.7%) of the working population in North Shropshire is plant/machinery operatives or in elementary occupations; by far the highest occurrence in the West Housing Market Area.
22. Earnings from full-time employment increased overall in the period 2004-2006 in West Housing Market Area, in terms of both mean and median earnings. The only local authority where no increase is recorded is North Shropshire, which shows a very slight decline over

the two years. Comparison of earnings at the 25th percentile shows higher earning levels in South Shropshire and North Shropshire than in the other local authorities.

HOUSING STOCK

23. The predominant dwelling type in the West Housing Market Area is detached housing. Shrewsbury & Atcham has the lowest proportion of detached housing at 32.6%, but even this is significantly higher than the national rate of 23.0%. In South Shropshire, which has the highest incidence, more than half the housing stock, 51.8%, is detached. The proportion of detached properties in the West Housing Market Area increased between 1991 and 2001 from 41.1% to 42.8%. Consequently there is an under supply of all house types, except detached homes.
24. The predominance of detached housing and smaller number of terraced properties and flats reflects the rural nature of these districts. The highest percentage of flats is in Herefordshire, 10.7%, and the highest proportion of terraces is in Shrewsbury & Atcham, 18.8%, reflecting Hereford and Shrewsbury as the major urban settlements in the area.
25. As would be expected with the high numbers of detached properties and the older population, all six local authorities have relatively high proportions of households living in under-occupied properties. For example, 63.4% of properties in South Shropshire have two extra rooms for the household sizes occupying them. This has implications for mobility within the housing market and specialist housing for older people.
26. Between 1991 and 2001, the proportion of dwellings in the social rented housing sector in the West Housing Market Area decreased from 16.8% to 13.9%. During the same period, the proportion of dwellings in the private rented sector increased in all districts; in Shrewsbury & Atcham it rose from 9.8% to 11.8% of housing stock.

THE ACTIVE MARKET

27. In terms of the cost of housing for sale, mean house prices (2006-07) in the different areas of the West Housing Market Area vary considerably. The highest overall mean prices are in Bridgnorth and South Shropshire (£229,505 and £229,354 respectively) although the mean price for detached, semi-detached and terraces is higher in the former than the latter. The cheapest properties are flats/apartments in North Shropshire (£100,462) and the lowest overall mean price is in Oswestry (£181,120). In terms of overall mean price, Oswestry, Shrewsbury & Atcham and North Shropshire are below the West Housing Market Area average.

28. In North Shropshire and Oswestry the largest proportion of sales (over one fifth or 21.9% in Oswestry) occur between £100,000 and £125,000. The peak in Shrewsbury & Atcham (21.1%) and Herefordshire falls between £125,000 and £150,000. Bridgnorth and South Shropshire, as would be expected from their mean house prices, peak in the highest band of £150-175,000. In addition in Bridgnorth and South Shropshire, over a quarter of all sales are more than £275,000 (25.3% and 26.1% respectively); this compares to 14.7% for the West Housing Market Area overall. South Shropshire is the only authority where one of its wards has a mean house price above £400,000.
29. In 2006 the sales of detached properties accounted for 37.7% of all sales in the West Housing Market Area which is less than their proportion of stock (42.8%), demonstrating that these larger properties turnover less frequently than smaller properties. Overall turnover is highest within the terraced stock, although in Shrewsbury & Atcham and South Shropshire it is highest within the stock of flats/maisonettes. Amongst the different authorities, overall turnover is highest in Oswestry and Shrewsbury & Atcham at 6.1% and 6.0% respectively.
30. Only nine out of 146 electoral wards in the West Housing Market Area have mean prices below £150,000. There are other authorities in the West Midlands that have equally as high, and in some places higher house prices, but in most other sub regions there is much greater provision of lower priced housing.
31. In terms of house price change, all parts of the West Housing Market Area have experienced rapid price growth since 2002 and, with the exception of Herefordshire and South Shropshire, the rate of growth has been higher than the regional average (although in these two areas there has been significant price growth in smaller properties such as flats/apartments). A levelling off or slowing of the rate of price increase is evident in all areas from 2004 to 2005.
32. Fluctuation in average house prices was more common for flats and maisonettes. It is quite possible that this reflects the smaller numbers of annual sales of these types of property rather than a tendency for instability in this housing market. Sales of flats/maisonettes made up 9.4% of all sales in 2006 in the West Housing Market Area. In Bridgnorth the total number of sales of this type of property in 2006 was 45. In Oswestry total sales were of flats/maisonettes were 32.
33. The greatest increases in property prices have been in flats/maisonettes in Herefordshire (102.6%) and South Shropshire (104.3%) and in terraced houses in Oswestry (117.4%).

34. Detached properties have experienced less price growth than other property types and in most cases detached properties have become less expensive relative to the overall mean price (except in South Shropshire where detached properties have increased in price slightly relative to the mean overall property price).
35. In terms of the cost of private rented housing, private sector rents (2005-06) overall vary across the West Housing Market Area from £78.97pw in Oswestry to £93.19pw in Bridgnorth. In most cases they are below the West Midlands and the England average.
36. Private sector rents diverge far less than house prices. The lowest mean price for a home in the West Housing Market Area (in Oswestry) is 78.5% of the highest mean price (South Shropshire). The lowest overall mean rent per week (Oswestry) is 84.7% of the highest (Bridgnorth). This suggests that there is greater convergence in private renting across the West Housing Market Area, probably due to a more limited supply and less demand than for owner occupation.
37. The cost of social rented housing, has risen at a greater rate in the West Housing Market Area than across the region as a whole. The average local authority rent in Bridgnorth is £60.75pw; well above rents in North Shropshire (£51.28) and Oswestry (£51.39). Average RSL rents vary between £63.52pw in South Shropshire, £57.77 in Herefordshire and £53.00pw in Shrewsbury & Atcham.
38. In all areas and across the West Housing Market Area entry-level house prices are well above the regional average of £110,000; ranging from £119,425 in Oswestry to £153,000 in Bridgnorth.

Lower quartile property prices		
Local authority	Entry-level property price Jan - Dec 2006 (£)	Index (West HMA = 100)
Bridgnorth	£153,000	114.0
North Shropshire	£125,750	93.7
Oswestry	£119,425	89.0
Shrewsbury & Atcham	£130,000	96.9
South Shropshire	£145,000	108.0
Herefordshire	£135,934	101.3
West HMA	£134,216	100.0
West Midlands	£110,000	82.0

Source: CLG Live Table 587

39. The gross annual income required by a single income household to purchase an entry-level dwelling ranges from £34,121 per annum in Oswestry to £43,714 per annum in Bridgnorth. In all six local authority areas the gross income required to purchase an entry-level property is well above the West Midlands average.
40. The ratio of lower quartile incomes to lower quartile house prices is a good proxy for affordability issues. This ratio is much higher in the West Housing Market Area than in the West Midlands as a whole. In Bridgnorth and South Shropshire, the two highest house price areas, the entry-level property in 2006 was more than ten times the earnings of households on the lowest quartile earnings distribution. In fact, Bridgnorth has the 18th highest ratio, and South Shropshire the 48th, out of 393 local authorities in England.
41. Every district has a multiplier above the West Midland and the England average and the major growth has been in the last five years.
42. Private rents are much more affordable in the West Housing Market Area than owner occupation. As there is far less variation in the cost of privately renting a 2 bed property than in house prices the income required ranges from £18,090 (Oswestry) to £21,621 (Bridgnorth). At the very least this means that a single income household wanting to rent privately rather than purchase would require a salary of 48.3% less in Shrewsbury & Atcham and 57.8% less in Bridgnorth.

THE FUTURE HOUSING MARKET

43. The growth of population and households in the West Midlands is considered first as “unconstrained” (figures that derive from household-based projections produced by the Office of National Statistics) and second as policy-driven (figures that take account of Regional Spatial Strategy).
44. With the exception of Bridgnorth, the unconstrained number of households in all West Housing Market Area authorities is predicted to grow at a rate above the predicted growth for the West Midlands (13.6%), between 2006 and 2026:
 - ❑ Oswestry and South Shropshire will grow by more than a quarter (29.4% and 26.3% respectively)
 - ❑ North Shropshire and Herefordshire will grow by over a fifth in the period (24.0% and 22.8% respectively)
 - ❑ Overall Shropshire will have 26,000 more households in 2026 compared to 2006 (20.8% growth)

- ❑ Herefordshire will have 18,000 more households (22.8% growth)
45. Due to social and economic changes in the country the household change that will occur in the next twenty years does not necessarily run parallel to the population change. In population terms, the West Housing Market Area is predicted to grow by 10.0% between 2001 and 2026; proportionately more in Herefordshire than Shropshire. However the growth in Shropshire varies considerably from only 2.6% in Shrewsbury & Atcham to 16.8% in North Shropshire.
 46. These changes in growth patterns will have significant impacts upon housing markets in the West Housing Market Area, putting increasing pressure on North Shropshire, Oswestry and Herefordshire in particular to meet the needs of both their existing and increasing households.
 47. The proposals for housing growth in the Regional Spatial Strategy differ from the unconstrained patterns of household change. Shropshire as a whole is expected to grow by 25,700 dwellings and Herefordshire by 16,600 dwellings. It is these policy-based figures that will drive development to 2026.
 48. In terms of household types, there will be a steady decline in each area of married couple households, although the proportions are likely to stay above the regional average. Although there is a growth in cohabiting couple households it does not equal the decline in married couple households. Instead what we see is significant growth in one person households. By 2026, one person households will make up 36.3% of Shropshire households and 37.3% of Herefordshire households (the same as the Regional average).
 49. Social, economic and cultural factors are leading to marital breakdown at one point in the age spectrum at the same time as a growth in couples “living apart together” or “LAT”. This will create increased demand for smaller properties, but not so small that they cannot accommodate overnight guests (e.g. children) or space to work at home (an increasing phenomenon as transport infrastructures become more and more clogged); in other words at least 2 bedrooms.
 50. A number of conclusions for growth and housing demand can be drawn:
 - ❑ In Bridgnorth growth in household numbers is driven by the formation of over 2,529 one-person households. This would suggest that Bridgnorth will have a strong future demand for smaller dwelling units of 1-2 beds.
 - ❑ In North Shropshire, there is an increase in the number of cohabiting couple households of 1,575 households and multi-person households by a further 392 (total 1,967). This would present a strong argument for ongoing development of medium

sized family housing. One-person households account for 62.8% of the district's growth.

- ❑ In Oswestry, there is a small increase in the number of married couple households as well as significant growth in the number of cohabiting couples. If one also includes multi-person households then there will be a further 1,655 larger households presenting a strong argument for ongoing development of family housing. One-person households account for 63.2% of the district's growth.
- ❑ In Shrewsbury & Atcham, the decline of married couple households is exceeded by the growth of cohabiting couple households, but not as steeply as elsewhere. 80.6% of growth in Shrewsbury & Atcham will be from one-person households, and this would indicate strong future demand for smaller properties also.
- ❑ South Shropshire sees significant growth of cohabiting couple households and minor growth in married couple households; 1,263 households in total. This would present an argument for delivery of family housing for the future. In addition 63.9% of growth will be from one-person households, so this highly rural area will need to accommodate this through smaller dwelling units.
- ❑ Herefordshire, like Bridgnorth experiences a significant decline in married couple households and growth in cohabiting couple and multi-person households (net gain of 4,846 households. The addition of 12,338 one-person households will be the major challenge. Consequently there will be demand for both family housing and smaller units suitable for one-person households.

HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

51. In terms of the housing needs of older people, South Shropshire had the highest absolute number of older people and the highest percentage of their total population aged over 60 (28.1%). All areas have a higher proportion of over 60s than the West Midlands region (21.3%) and England & Wales (21.0%).
52. Single pensioner households represent over 14.0% of the population in all six districts. South Shropshire, has the highest proportion of single pensioner households, (16.3% of households), followed by Herefordshire (with 15.4%), Oswestry (15.3%); Shrewsbury (15.0%); North Shropshire (14.5%); and Bridgnorth (14.3%). The number of single pensioner households has implications for types of housing as well as care and support services, as it suggests that the older person may not benefit from care and support within the home from another member of their household if the need arose. Nationally there is a growing trend of an increasing number of older people living alone.
53. There is a higher proportion of lone pensioner households in rural towns than other areas in Herefordshire, and higher proportions of pensioner couple households in rural villages as well as towns. Shropshire's older population face many similar issues related to rural isolation for older people, with high levels of home ownership. Nearly 24% of the population living in settlements of below 1,500 people are over 60 years of age.

54. In terms of households with specific needs, there are similar levels of households with *at least* one person with a limiting long-term illness (LLTI) across the districts of the West Housing Market Area; around a quarter in each local authority area. Among the older household population (aged over 65) with one resident with LLTI, proportions range from a high of 13.9% in South Shropshire to 11.5% in Shrewsbury & Atcham.
55. In comparison with the West Midlands (10.2%) and England (7.8%), homeless acceptances are particularly high in North Shropshire (25.7%), and high also in Shrewsbury & Atcham (13%). The percentage of local authority lettings to homeless people in priority need is above regional levels in North Shropshire (45.5%) compared to 27.9% (West Midlands). In addition, the percentage of homeless households in B&B accommodation in Herefordshire (21.2%) is far higher than the West Midlands (3.6%) and England (3.7%).
56. Large parts of the West Housing Market Area consist of rural communities, particularly around South Shropshire. Consequently they are experiencing a number of the rural housing need issues identified in national research; high net inward migration, low supply of social rented housing, significant affordability pressures, and issues around access to services.

HOUSING MARKET SECTORS

57. To identify the housing market sectors operating within the West Housing Market Area has involved analysis and bringing together of a number of different aspects of this study. The primary drivers for identifying these market sectors are:
- ❑ Population change and migration
 - ❑ Local incomes and local house prices
 - ❑ Affordability and entry-level housing
 - ❑ Housing need and demand for social housing
 - ❑ Stakeholder consultations
58. The first stage was to identify a suitable geography for analysis that could be applied to the various datasets analysed as part of the Strategic Housing Market Assessment. We decided that, despite boundaries that may appear arcane at times, electoral wards are the appropriate building block geography to provide outputs that are both robust and replicable. The second stage was to identify commonality in various identifiers (e.g. tenure, house, income, affordability). The aim was to find areas where, from the perspective of the home purchaser, there was substitutability (either one dwelling for

another, or one price for another) or a match in affordability. The third stage was to overlay the different elements (price, type, income) over one another to see where they correspond and where they diverge. The final stage was to compare this map of findings with the views of stakeholder to see to what extent the markets described qualitatively matched those defined quantitatively.

59. The West Housing Market Area is predominantly rural and consequently much of it is polycentric in nature; in other words large parts of the Housing Market Area do not necessarily constitute coherent housing markets sectors that can be identified through this sort of analytical process. In many cases, parishes, villages or hamlets have such separate identities that any process of trying to group them together as “sectors” for planning purposes could appear contrived.
60. This lack of coherent centres is particularly acute in Bridgnorth and South Shropshire, the two highest priced areas and the two that demonstrate strong migration relationships outside the West Housing Market Area.
61. It should be noted that in all areas the differences between the towns and the villages in terms of house type and tenure and price is extreme, making the acute affordability pressures felt most keenly in the rural areas. That said, the West Housing Market Area is relatively high priced and unaffordable throughout the sub-region. The affordability issues are as severe, if not more so, than almost everywhere else in the Region.
62. In the case of the housing market sectors in the West Housing Market Area, we have identified eighteen housing market sectors. The over arching features of the housing markets sectors are:
 - ❑ Rural areas dominated by detached housing to the detriment of smaller dwelling types such as terraces and flats
 - ❑ Acute affordability pressures in the rural areas and consequent shortfalls of affordable housing and social rented housing in particular
 - ❑ Lower quartile house prices that outstrip mean house prices in some sectors and in neighbouring sub-regions
 - ❑ Much more affordable housing in the towns to the north compared to the south of the Housing Market Area, but these towns are alongside very high priced rural housing sectors
 - ❑ Scope for the development of private rented housing in some areas beyond the second home and holiday market

HOUSING REQUIREMENTS OF HOUSEHOLDS IN NEED

63. The housing needs model recommended for the West Housing Market Area implies a shortfall of affordable housing in all districts. The implied level of need across the whole West Housing Market Area is higher than in other sub regions and is largely a reflection of a greater affordability gap coupled with relatively low levels of social housing supply.
64. In terms of developing affordable housing targets in local development documents, the SHMA can provide indications of suitable targets. The regional affordable housing targets and the level of housing provision required for each local authority area as set out in the Regional Spatial Strategy provide the framework.
65. In all cases, whether drawing a comparison between the RSS Preferred Option or annual housing demand, the housing needs model would imply affordable housing targets of 100%; clearly this is neither appropriate nor desirable. Consequently, the evidence not only supports all existing policies on affordable housing, but it would also support any revisions that increased targets or reduced thresholds as long as they did not make future developments unviable and consequently restrain supply.
66. As the figures suggested by the model are in most cases greater than the Districts' total completion targets for affordable housing and past performance on delivery of affordable housing, there is clearly a need to look very carefully at the sites coming forward in the future and their suitability for mixed, sustainable developments as the Councils may need to seek a considerably higher proportion of affordable housing than has been the target in the past.
67. By maintaining the model and updating annually, it will be possible to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing the shortfall across the Housing Market Area.

Summary of net annual housing need						
STAGE 1 CURRENT HOUSING NEED						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
1.1 Homeless households & those in temporary accommodation	1	102	20	67	16	173
1.2 Overcrowding & concealed households	447	547	407	1270	449	2305
1.3 Other groups	579	611	395	1242	317	2301
1.4 Total current housing need (gross) 1.1 + 1.2 (+ 1.3)	1027	1260	822	2580	782	4779
STAGE 2 FUTURE HOUSING NEED						
2.1 New household formation	150	300	250	350	250	900
2.2 Proportion of new households unable to buy/rent in the market	79.5%	69.9%	66.8%	71.3%	77.0%	73.7%
2.3 Existing households falling into need	69	135	107	178	102	416
2.4 Total newly arising housing need (2.1 x 2.2) + 2.3	188	345	274	428	294	1080
STAGE 3 AFFORDABLE HOUSING SUPPLY						
3.1 Affordable dwellings occupied by households in need	67	78	93	240	23	274
3.2 Surplus stock	0	0	0	0	0	0
3.3 Committed supply of new affordable housing	0	55	33	29	69	195
3.4 Units to be taken out of management	0	0	0	0	0	0
3.5 Total affordable housing stock available (3.1+3.2+3.3-3.4)	67	133	126	269	92	469
3.6 Annual supply of social re-lets (net)	157	212	187	370	173	817
3.7 Annual supply of intermediate housing at sub-market levels	0	0	0	0	0	11
3.8 Annual supply of affordable housing (3.6 + 3.7)	157	212	187	370	173	828
ESTIMATE OF NET ANNUAL HOUSING NEED						
(((1.4 minus 3.5) x 20%) + 2.4) minus 3.8	223	358	226	519	259	1113

68. One way to assess the scope for intermediate tenures in an area is to calculate the ratio of entry-level market house prices to social rents; where the former is more than fourteen times annual social rents, there is likely to be scope for intermediate affordable housing. The lowest entry-level property price is in Oswestry and this is more than 45 times the

annual social housing rent. In other words, 14 times social housing rent does not result in a property price anywhere close to the entry-level dwelling price.

69. Also where there is a significant gap between social housing rents and private sector rents there may be scope for intermediate tenures, such as sub-market rents or shared equity. Evidence presented here suggests that there is a significant difference between social housing rents and private sector rents. The closest private rents to social housing rents are in Oswestry, where they are 37.5% higher; in Shrewsbury & Atcham they are 91.1% higher.
70. Although discounted housing would result in reductions in housing costs for many households, the issue in the Housing Market Areas is the relatively low incomes. Consequently it would seem that discounted sale homes cannot be regarded as affordable dwellings in the West Housing Market Area for single income or dual income households.
71. There is a role for shared ownership in the delivery of affordable housing in West HMA, although it may be limited. The annual income shortfall for those on lower quartile incomes ranges from £10,301 in Oswestry to as much as £14,959 in Bridgnorth. Shared ownership has a greater impact than discounted sale housing, although it would still not be an affordable option for many of those households identified as being in housing need.
72. It is only with a shared equity home at 30% of the market value that a household on lower quartile income comes close to being able to afford to purchase in North Shropshire, Oswestry and South Shropshire, although it would be highly unusual for shared equity packages to be as low as 30% equity.
73. In terms of the size of affordable housing units, Guidance does not recommend a method for estimating the appropriate size and type of dwelling required in a local authority area. One method for determining size is to consider the size profile of lower quintile households (i.e. those in need). This would suggest a size distribution of new dwellings as: 36.0% one bed, 52.0% two bed and 12.0% three bed or more.
74. An alternative assessment of demand from the Housing Register suggests that across the West Housing Market Area 43.1% of new affordable homes should to be 1 bed, 35.3% should be 2 bed and 18.4% should be 3 bed with the remainder four or more.

1 APPROACH

1.1 Purpose and objectives of the study

1.1.1 The West Housing Market Area Partnership (WHMAP) commissioned a comprehensive Housing Market Assessment in March 2007 to:

- (i) contribute to the forthcoming RSS 'partial review'
- (ii) contribute to the Comprehensive Spending Review 2007
- (iii) inform Local Development Framework requirements
- (iv) inform Housing Strategies
- (v) inform the Sub Regional Housing Strategy for the West Housing Market Area

1.1.2 The twin aims of the study are:

- (i) to facilitate informed and co-ordinated sub-regional engagement by the WHMAP with the RSS review process and potentially a review of the Regional Housing Strategy
- (ii) to provide technical and policy advice for local housing strategies and Local Development Documents for all seven of the WHMAP member authorities

1.1.3 Ultimately the assessment needs to identify, clearly define and analyse the housing market(s) operating within the combined study area to enable all partners in the area to work together to develop and implement sustainable policies which lead to balanced housing markets in planning and housing terms.

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

- (i) to provide an updateable evidence base to underpin local housing strategies and planning policies
- (ii) to identify local housing market areas within the sub-region
- (iii) to assess need and emerging need for accommodation
- (iv) to present results for each local authority area and local housing market area
- (v) to present outputs in terms of size, type and client group
- (vi) to work within the framework of PPS 3
- (vii) to work within current and emerging government guidance on Strategic Housing Market Assessments

1.2 Methodology

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

Literature review

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

- ❑ Completed housing needs studies
- ❑ Relevant local, sub-regional and regional research including studies on black and minority ethnic communities and Gypsies and Travellers
- ❑ Plans and strategies including existing RSS, RHS, Local Development Documents, and local Housing Strategies
- ❑ Other housing market assessments being undertaken in the region

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

Data analysis and statistical projections

- ❑ 2001 Census and related population estimates to capture demographic indicators, including current work on population and household projections
- ❑ Income and household information from housing needs studies and other local and sub-regional income data
- ❑ Data from online sources including NOMIS, National Statistics, Neighbourhood Statistics on the labour market, earnings, demographics
- ❑ Land Registry postcoded, price paid data
- ❑ Internal data sources including the HSSA and Council Tax Register (for distribution of Council Tax Bands and market stability)
- ❑ Information on housing costs and income from local research and national data sources
- ❑ Data on personal incomes and modelled household income data

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

Stakeholder consultation

- 1.2.5 The input of stakeholders into the study adds value to the research, as well as contributing to the process of validation. It is also a tried and tested approach to addressing the needs of hard-to-reach groups.
- 1.2.6 The purpose of the qualitative elements is:
- (i) to gather qualitative information on key groups under-represented in the household survey
 - (ii) to ensure that the qualitative experience and knowledge of stakeholders is captured to inform and validate the quantitative analysis
 - (iii) to access key secondary data sources and inform our interpretation of the data
 - (iv) to ensure we are fully conversant with the issues around demand, needs and supply and the whole market in each of the districts and the sub-region
- 1.2.7 Specific research questions addressed through the stakeholder consultations (and secondary data analysis also), include:
- (i) Barriers for entering the housing market particularly for specific groups such as black and minority ethnic communities, key workers and vulnerable people
 - (ii) The supply and demand for dwellings of different ages, sizes, tenure, type and location, including how existing stock can be better utilised and the influence of second homes
 - (iii) The characteristics that have been important in producing strong and weak housing market sub-areas - e.g. facilities, schools, stock market performance, employment, public transport etc
 - (iv) The inter-connecting influences of districts examining the links between travel and employment (and hence housing) especially across different employment groups (e.g. managerial, manual etc)
 - (v) The influence of transport connections in the region - both positive and negative and any potential benefits that are unrealised
- 1.2.8 Interviews were held with key officers and estate agents and a seminar was conducted on 16th July 2007 with representation from developers, planning consultants, RSLs, local and regional government (see Appendix).

1.3 Report structure

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

Policy context, including

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

The current housing market, including:

- The demographic and economic context
- The housing stock
- The active market

Future housing market, including:

- Macro-economic climate
- Household change
- Market change

Housing need, including:

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

Housing requirements of specific household groups, including:

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

Conclusion and recommendations

2 POLICY CONTEXT

2.1 Planning Policy Statement 3 (PPS3): Housing

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

2.1.2 The objectives of PPS3 are:

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

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

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

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

2.1.5 With reference to Local Planning Authorities (LPAs), site allocation development plan documents should always include at least **five years supply of land** for development from

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

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

2.2 Strategic Housing Market Assessments

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

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

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

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

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

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

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

2.2.8 Furthermore the Guidance states that:

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

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

³ *ibid*, p9

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

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

2.3 Housing Green Paper

- 2.3.1 The Housing Green Paper represents a commitment from central Government to address the affordability issues that are increasingly evident across the country and the need to achieve an increased level of housing supply at an appropriate mix. It sets out the need for housing growth and the Government's intention to deliver three million new homes by 2020 supported by a proposed increase in investment of approximately £3 billion and a significant increase in supply of affordable housing that this will bring.
- 2.3.2 However, the Green Paper does not fully acknowledge the challenges facing areas in the North and the West Midlands in achieving housing growth, while also remodelling and

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

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

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

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

2.4 Regional Housing Strategy

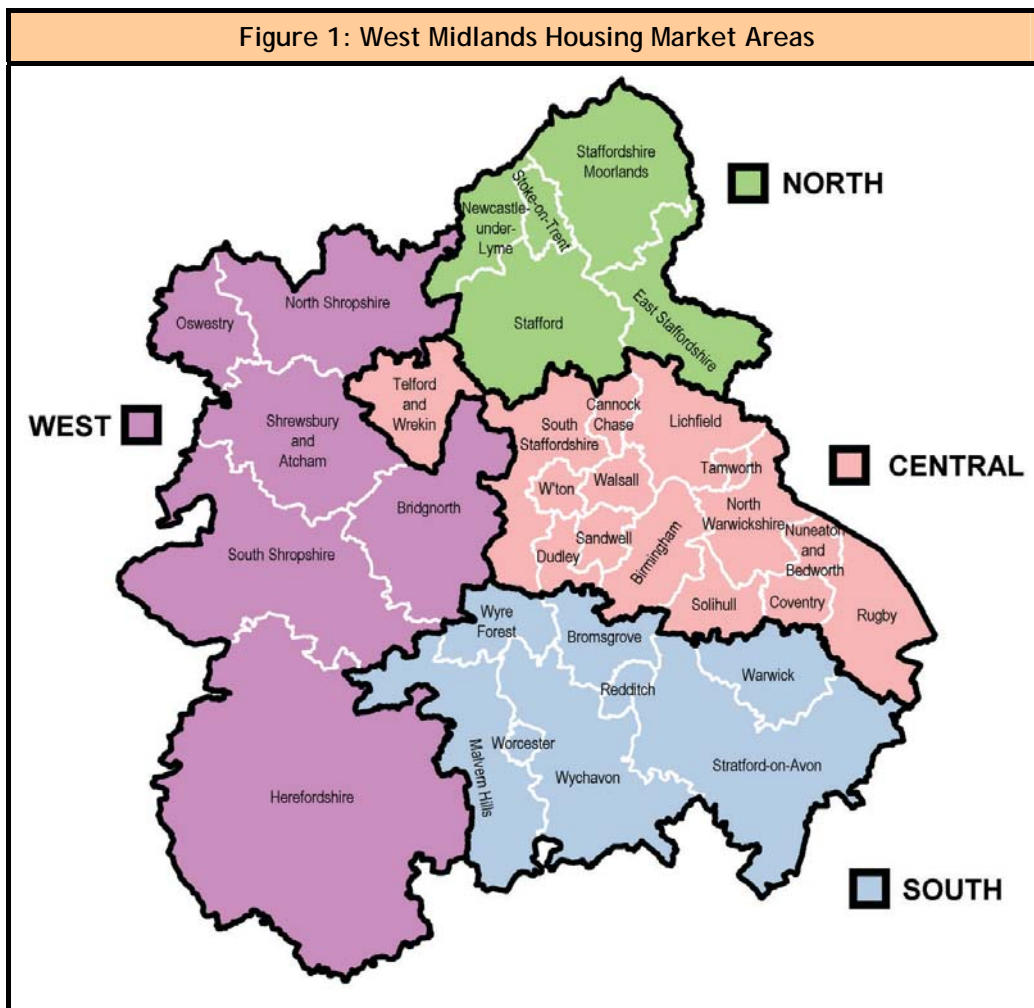
- 2.4.1 The West Midlands Regional Housing Strategy identifies four sub-regional Housing Market Areas (HMAs) in the West Midlands Region: North, South, Central and West. The Central HMA has been divided into three areas: C1, C2 and C3 (see Table 3).

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

- 2.4.2 The analysis that developed this construct identified areas where similar dwellings command similar prices and where there is sufficient evidence of a functional connection as demonstrated through travel to work and other interactions.⁴ The statistical work repeatedly exposed similar patterns of sub-regional variation, showing considerable stability in the way house prices are formed across the Region and, despite expectations to

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

the contrary, a remarkably good fit with the administrative boundaries of the Region and travel to work patterns.



2.4.3 In particular, the analysis identified:

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

2.4.4 Other key findings included:

- ❑ The distinctiveness of the west of the Region stands in sharp relief to other areas in housing market terms and in levels of workplace attachment

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

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

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

2.5 Regional Spatial Strategy

2.5.1 The current planning policy framework for the Housing Market Area is Regional Planning Guidance for the West Midlands (RPG11), which was adopted in June 2004 and became Regional Spatial Strategy (RSS) with the commencement of the Planning and Compulsory Purchase Act 2004.

2.5.2 Some aspects of the current RSS are being reviewed and the second phase of that review - housing, employment, transport and waste - is now under way. This does not change the vision and objectives, but it does affect decisions about where new development should occur, in what form and on what scale.

2.5.3 A considerable degree of background technical work has already been completed and a Spatial Options paper was published on 8th January 2006. On 22nd October 2007, the Regional Planning Partnership approved the Preferred Option for the RSS Phase Two

Revision, which will be submitted to the Secretary of State in December 2007. Further Consultation, an Examination in Public and the Panel Report, will take place in 2008, leading to Adoption in early 2009.

2.5.4 The Review has to reflect the Government's aim for a one third increase in the level of house building by 2016. This is in response to the new 2003 based household projections, which give higher increases in the West Midlands than in many other parts of the country. It also needs to reflect the monitoring evidence of the extent to which the key aims and objectives of the RSS are being met so far:

- There is early evidence that the rate of migration from the conurbation has slowed down, and that the required changes to the patterns and levels of housing development are beginning to take place
- Provision of affordable housing has failed to show any progress towards the doubling that would be required to meet the RSS target of 6,000 to 6,500 p.a.

2.5.5 The implications of the housing growth discussed in background papers for the RSS and the outcomes in terms of the Preferred Option are discussed in Chapter 6, *The Future Housing Market*.

2.6 West Midlands Economic Strategy

2.6.1 *Delivering Advantage*, the West Midlands Economic Strategy for 2004-2010⁵, sets out a Vision for transforming the West Midlands into a world-class region by 2010. An updated West Midlands Economic Strategy was published in December 2007 which looks forward to 2020 and sets out what more the region needs to do to continue to improve its economic performance.

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

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

2.6.3 Regenerating Communities is a key pillar in the strategy, driving actions to counter unemployment, poor skills, low income, poor housing, high crime rates, poor quality

⁵ *Delivering Advantage: The West Midlands Economic Strategy and Action Plan 2004-10*, WMRA/Advantage West Midlands

environment and all areas of economic inclusion. To facilitate this, partners will link opportunity to need, and develop capacity and sustainability for communities.

2.7 New Growth Points

- 2.7.1 Announced in December 2005, the New Growth Points initiative⁶ is designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing, through a partnership with Government.
- 2.7.2 The Government invited local authorities to submit strategic growth proposals which were sustainable, acceptable environmentally and realistic in terms of infrastructure to be assessed by Government and its agencies.
- 2.7.3 29 areas have been named as New Growth Points across the East, South East, South West, East Midlands and West Midlands. If all of the proposed growth is realised New Growth Points would contribute around 100,000 additional dwellings by 2016, an increase of around 32 per cent on previous plans for housing supply in these areas.
- 2.7.4 They will share in £40m in 2007/08 for a first round of infrastructure projects and to support growth-related studies, master planning and capacity-building in the New Growth Points. This money will help overcome local infrastructure problems, unlock sites for new housing and enhance the local environment.
- 2.7.5 New Growth Points status is not a statutory designation but is about a relationship between central government and local partners. It is built on four principles:
- (i) early delivery of housing as part of the growth plans
 - (ii) supporting local partners to achieve sustainable growth
 - (iii) working with local partners to ensure that infrastructure and service provision keep pace with growth
 - (iv) ensuring effective delivery
- 2.7.6 Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are sustainable, acceptable environmentally and realistic in terms of infrastructure.
- 2.7.7 There are five new Growth Points identified in the West Midlands

⁶ Communities and Local Government, Housing, [New Growth Points](#)

- (i) East Staffordshire - Burton-upon-Trent
- (ii) Birmingham and Solihull
- (iii) Coventry
- (iv) Hereford
- (v) Shrewsbury & Atcham

2.7.8 The cathedral city of Hereford forms a natural focus for its County, centrally located and at the hub of existing road and public transport networks. Its role as a focus in the sub region, recognised in the West Midlands Regional Spatial Strategy, reflects the extensive hinterland of the City for jobs, health, educational and many other services. However, limits on transport capacity restrict the extent to which Hereford can currently accommodate new development. In addition the economy of the area is relatively fragile, while rising house prices have led to an increasing need to provide additional affordable housing. Herefordshire Council will develop plans and proposals for growth to ensure that Hereford is able to fulfill its sub-regional role.

2.7.9 Local partners' ambitions for Hereford include:

- ❑ an increase in the rate of new housing built in the County, and in particular at Hereford, to provide around 8,500 dwellings over the period up to 2016, including the provision of affordable housing
- ❑ the provision of necessary transport infrastructure in association with the new housing development
- ❑ the regeneration of the Edgar Street Grid area of Hereford
- ❑ new housing proposals for the County's market towns, enabling them to meet their needs and to aid rural regeneration

2.7.10 Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are sustainable, acceptable environmentally and realistic in terms of infrastructure. For Hereford future work will include using the findings of a Strategic Flood Risk Assessment and a Water Cycle Study to inform decisions on levels and locations of growth and mitigation measures; working closely with Welsh Water and the Environment Agency to deliver water efficiency savings and ensure sufficient water resources are available to support growth; completing a Green Infrastructure Strategy to integrate green infrastructure into new development and mitigate any adverse impacts; and working with the Department for Transport to assess the impacts of growth proposals on the transport network and to develop sustainable transport solutions.

- 2.7.11 Achieving these ambitions will depend on a range of public and private funding programmes, including developer contributions. Government is committing to work with local partners to achieve sustainable growth to get the best outcomes from this investment and to help overcome obstacles to delivery. In support of Herefordshire's growth ambitions Government is allocating around £200,000 in 2007-08 from the first year's funding pot, subject to detailed negotiation and appraisal. Future funding is dependent upon the outcome of the Comprehensive Spending Review in 2007.
- 2.7.12 The Borough of Shrewsbury and Atcham lies in the centre of the County of Shropshire in the West Midlands region, with Shrewsbury being the County Town. The challenge for Shrewsbury is to achieve the economic and physical development that it requires as a sub-regional centre within the constraints of the town's unique form and historic character. The continuing development of an integrated transport strategy for the town is a critical element in meeting this challenge.
- 2.7.13 Delivering sustainable and managed growth requires a partnership between the Borough Council, Shropshire County Council, infrastructure providers and developers. Shrewsbury as a New Growth Point brings the exciting prospect of Government support to this partnership, subject to the statutory regional and local planning process, helping to tackle the significant issues faced by a historic town with a progressive approach to meeting its needs and fulfilling its role as a sub-regional focus for development.
- 2.7.14 Local partners' ambitions for the sustainable development of the town include:
- ❑ delivering approximately 3,500 additional dwellings by 2016, 30 per cent above current Regional Spatial Strategy targets, to include 100 affordable dwellings per annum
 - ❑ bringing forward brownfield and new greenfield development sites through the Borough Local Development Framework, following detailed assessment of suitability and having regard to access and environmental considerations, including flood risk
 - ❑ implementing a package of transport measures to tackle access, traffic and air quality issues for the town and town centre in particular
 - ❑ improvements to the town centre, including major new retail development and town centre street enhancements
 - ❑ new business park development
 - ❑ tackling water resource, supply and treatment issues
 - ❑ major new educational, cultural and health facilities
 - ❑ protection, enhancement and extension of the town's green network

- 2.7.15 The scope to increase housing delivery after 2011 will be explored linked to assessment of needs and subject to the due processes of the West Midlands Regional Spatial Strategy Revision and Local Development Framework preparation.
- 2.7.16 Levels of growth will be subject to comprehensive testing and public consultation through the regional and local planning processes to ensure that individual proposals are sustainable, acceptable environmentally and realistic in terms of infrastructure. For Shrewsbury future work will include using the findings of a Strategic Flood Risk Assessment and a Water Cycle Study to inform decisions on levels and locations of growth and mitigation measures; working closely with Severn Trent Water and the Environment Agency to deliver water efficiency savings and ensure sufficient water resources are available to support growth; assessing and mitigating the impacts of growth on local habitats and enhancing them where possible; further work on green infrastructure provision, and working with the Department for Transport to assess the impacts of growth proposals on the transport network and to develop sustainable transport solutions.
- 2.7.17 Achieving these ambitions will depend on a range of public and private funding programmes, including developer contributions. Government is committing to work with local partners to achieve sustainable growth to get the best outcomes from this investment and to help overcome obstacles to delivery. In support of Shrewsbury and Atcham Borough Council's growth ambitions Government allocated around £200,000 in 2007-08 from the first year's funding pot. Funding of approximately £2m for 2008-09 and, indicatively, £3.6m for 2009-11 has been offered for the implementation of the Growth Delivery Plan submitted by the local authorities.

3 THE DEMOGRAPHIC AND ECONOMIC CONTEXT

Table 4: Summary of demographic and economic data ⁷

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

3.1 Introduction

3.1.1 This chapter examines the demographic, economic and employment trends that affect the housing markets in the West Housing Market Area. Sections 3.2 to 3.6 provide an analysis of recent demographic and household trends in the housing market areas, including the impact of national and international migration. Sections 3.7 to 3.8 examine economic, employment and income patterns in the housing market areas.

3.2 Population change

3.2.1 The West Housing Market Area with a total population of around 458,033 is home to only 9% of the West Midlands region population. The components of change 1991-2006 of the population in the West Housing Market Area are shown in Table 5 and Table 6.

- 3.2.2 Between 1991 and 2001 (Table 5) the population of the West Housing Market Area grew by 6.8%, driven primarily by positive net migration into the sub-region. This pattern of growth is at odds with the rest of the Region, which has experienced population growth of only 1.0% (England & Wales grew by 3.2%) and was driven by natural change (more births than deaths).
- 3.2.3 With the exception of Shrewsbury & Atcham, Herefordshire and the districts of Shropshire experienced a decline in population from natural change between 1991 and 2001. At the same time all areas experienced significant population growth through net migration which exceeded the natural decline.
- 3.2.4 Since 2001 (Table 6), the picture has changed somewhat. Overall the population of Bridgnorth has declined through natural change and no net migration. Shrewsbury & Atcham's population has remained static. The other districts of Shropshire have grown overall as has Herefordshire, again driven by migration. The population growth overall in West Housing Market Area continues to exceed the growth rate of the Region, but in this second period is slower than England & Wales.

⁷ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p19

Table 5: Population change 1991-2001 (thousands)										
	Mid-1991 population	Live births	Deaths	Natural change	% of net change	Net migration & other changes	% of net change	Net change	Rate of growth/decline	Mid-2001 population
Bridgnorth	50.6	4.9	5.8	-0.5	-16.1%	2.6	83.9%	1.9	3.8%	52.5
North Shropshire	53.5	6.2	6.3	-0.2	-5.0%	3.8	95.0%	3.9	7.3%	57.2
Oswestry	34.3	3.9	4.2	-0.4	-10.3%	3.5	89.7%	3.1	9.0%	37.3
Shrewsbury & Atcham	92.1	10.8	9.8	0.7	18.9%	3.0	81.1%	3.9	4.2%	95.9
South Shropshire	38.3	4.1	4.9	-0.7	-19.4%	2.9	80.6%	2.0	5.2%	40.4
Shropshire	268.7	29.8	31.2	-1.2	-7.1%	15.6	92.9%	14.5	5.4%	283.3
Herefordshire	160.4	18.3	19.3	-1.1	-6.6%	15.6	93.4%	14.4	9.0%	174.9
West HMA	429.2	48.2	50.3	-2.2	-6.5%	31.4	93.5%	29.2	6.8%	458.2
West Midlands	5,229.7	669.0	562.0	107.1	65.6%	-56.1	-34.4%	51.1	1.0%	5,280.7
England & Wales	50,748	6,474	5,555.0	918.4	57.0%	693.5	43.0%	1,612.1	3.2%	52,360.0

Source: Office for National Statistics

3.2.5 Much of the population growth in the West sub-region of the West Midlands has been attributed to increase in the pensionable age group.^{8 9} There are substantial population flows to the West from each of the other HMAs.¹⁰ However, data shows that greatest gains and losses to each of the districts in the West Housing Market Area are associated with inter-regional moves, with gains from the North West, London and the South East.¹¹ This is explored further in Section 3.3 below.

⁸ West Midlands Regional Housing Strategy 2005, West Housing Market Area Sub-Region Report, The University of Sheffield

⁹ West Midlands Regional Spatial Strategy, Partial Review, Shared Evidence Base, Stage 1 Report: Housing requirements for 2006, 2007 and 2008, CURS, University of Birmingham, 2005

¹⁰ West Midlands Regional Spatial Strategy, Partial Review, Shared Evidence Base. Stage 2 Report: Informing the RHS, CURS, University of Birmingham, 2005

¹¹ Ibid.

Table 6: Population change 2001-2006 (thousands)										
	Mid-2001 population	Live births	Deaths	Natural change	% of net change	Net migration & other changes	% of net change	Net change	Rate of growth/decline	Mid-2006 population
Bridgnorth	52.5	2.2	2.9	-0.6	-100.0%	0	0.0%	-0.7	-1.3%	51.8
North Shropshire	57.2	3.0	3.2	-0.2	-7.1%	2.6	92.9%	2.2	3.8%	59.5
Oswestry	37.3	1.9	2.1	-0.2	-7.1%	2.6	92.9%	2.4	6.4%	39.7
Shrewsbury & Atcham	95.9	5.0	5.0	0.0	0.0%	-0.1	-100.0%	0.0	0.0%	95.9
South Shropshire	40.4	1.8	2.4	-0.6	-19.4%	2.5	80.6%	1.9	4.7%	42.3
Shropshire	283.3	13.7	15.4	-1.7	-17.9%	7.8	82.1%	6.0	2.1%	289.3
Herefordshire	174.9	8.3	9.6	-1.3	-23.6%	4.2	76.4%	3.1	1.8%	177.8
West HMA	458.2	22.2	25.2	-2.9	-19.7%	11.8	80.3%	8.9	1.9%	467.0
West Midlands	5280.7	320.3	269.9	50.5	58.7%	35.5	41.3%	86	1.6%	5366.7
England & Wales	52,360.0	3,127.8	2,618.1	509.8	37.2%	859.3	62.8%	1,369.0	2.6%	53,728.8

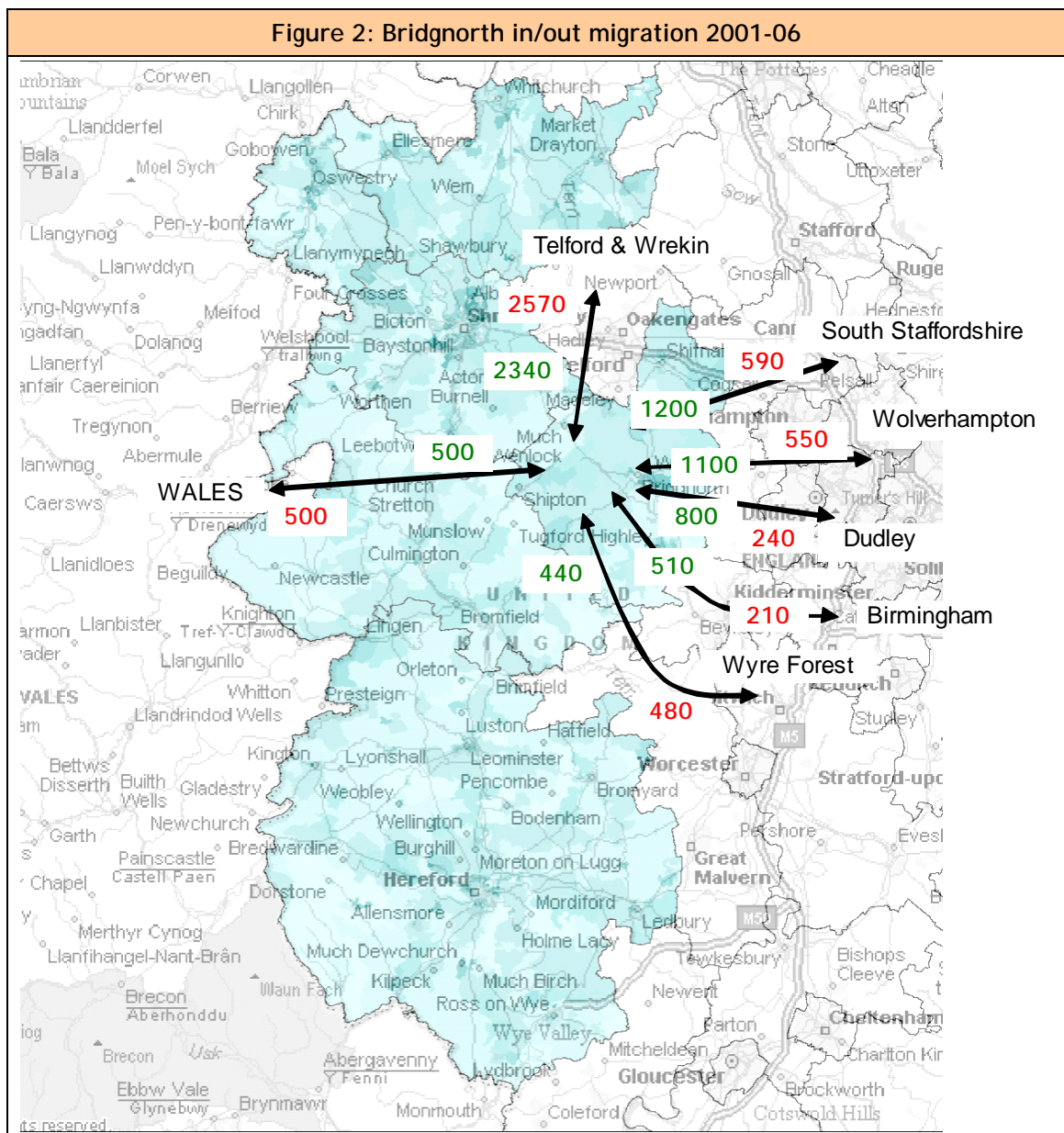
Source: Office for National Statistics

3.3 Migration

3.3.1 Analysis of migration patterns across the United Kingdom provides an insight into the strength and scale of links that one district has with another. Figure 2 to Figure 5 show the in and out migration for each of the districts in the West Housing Market Area between 2001 and 2006, focusing, for clarity, on the areas that accounted for more than 50% of the inflows and outflows.¹²

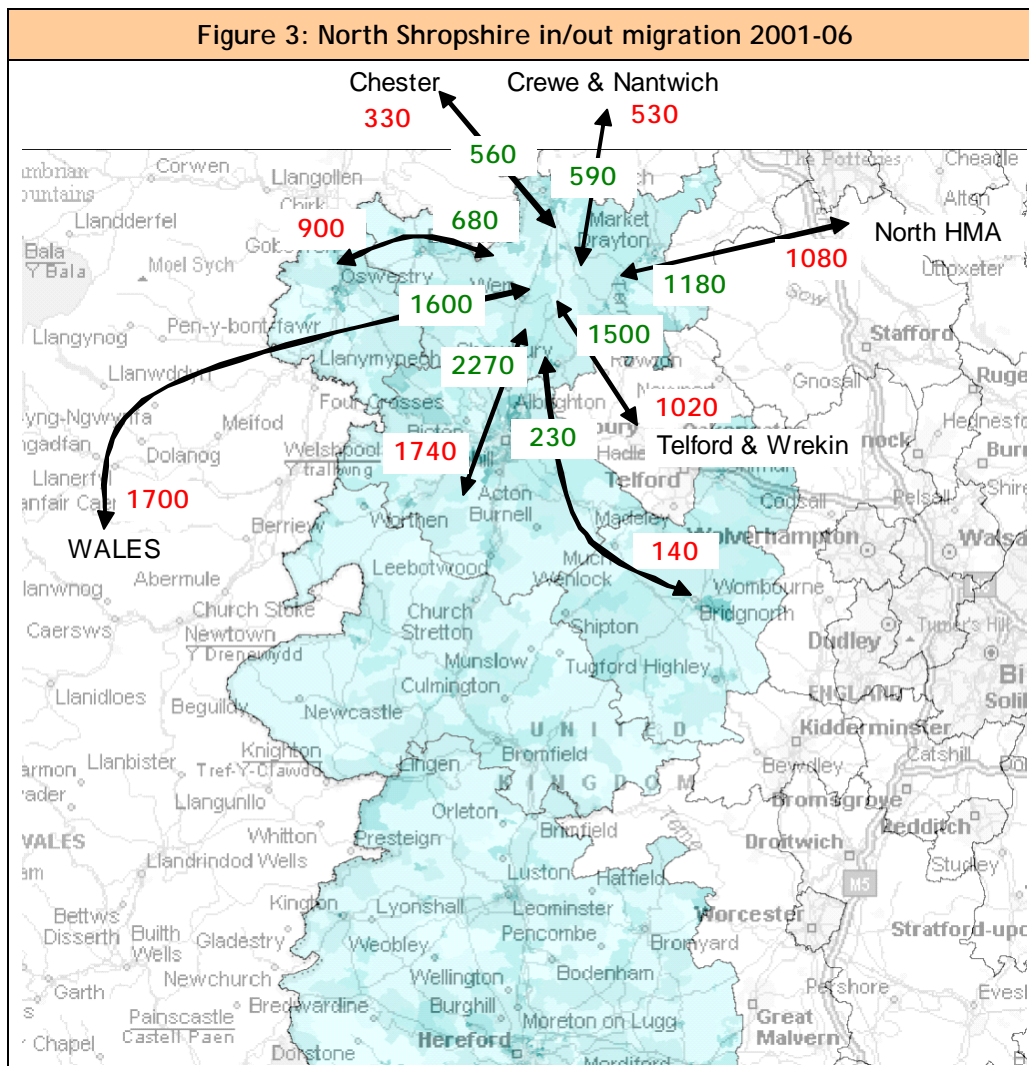
¹² In the diagrams, the numbers in green represent inflows and those in red represent outflows

3.3.2 Bridgnorth (Figure 2) receives over 50% of its in-migration from just six local authority areas, none of which are in the West Housing Market Area and five of which are in the C3 HMA: Telford & Wrekin, South Staffordshire, Wolverhampton, Dudley, Wyre Forest, plus Birmingham (C1 HMA). The main overall net population gains are from South Staffordshire, Dudley and Wolverhampton. The main overall net population loss is to Shrewsbury & Atcham (-280). On the migration evidence therefore, one could conclude that Bridgnorth's relationship with the Central HMA and C3 in particular is far more significant than with the West Housing Market Area.



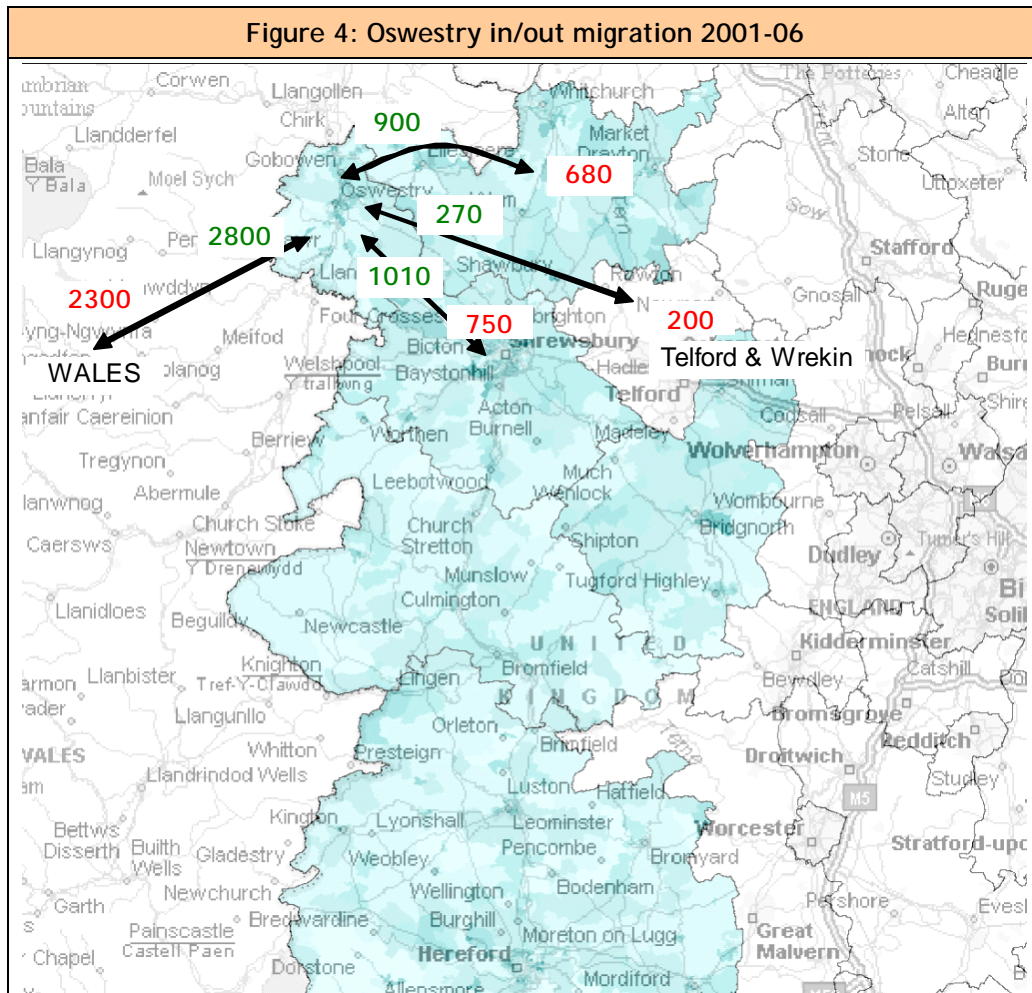
Source: Office of Public Sector Information 2007

3.3.3 The migration patterns of North Shropshire are quite different to those of Bridgnorth (Figure 3). The strongest link in terms of both in and out migration is with Shrewsbury & Atcham, creating a net gain of 530 people. In addition a significant net gain is made from Telford & Wrekin (+480). Significant population gains are also made from Chester (North West Region) and other population gains come from the North HMA (Newcastle-under-Lyme, Stoke-on-Trent and Stafford). North Shropshire's most significant net loss is with its other Shropshire neighbour, Oswestry; a net population loss of 220.



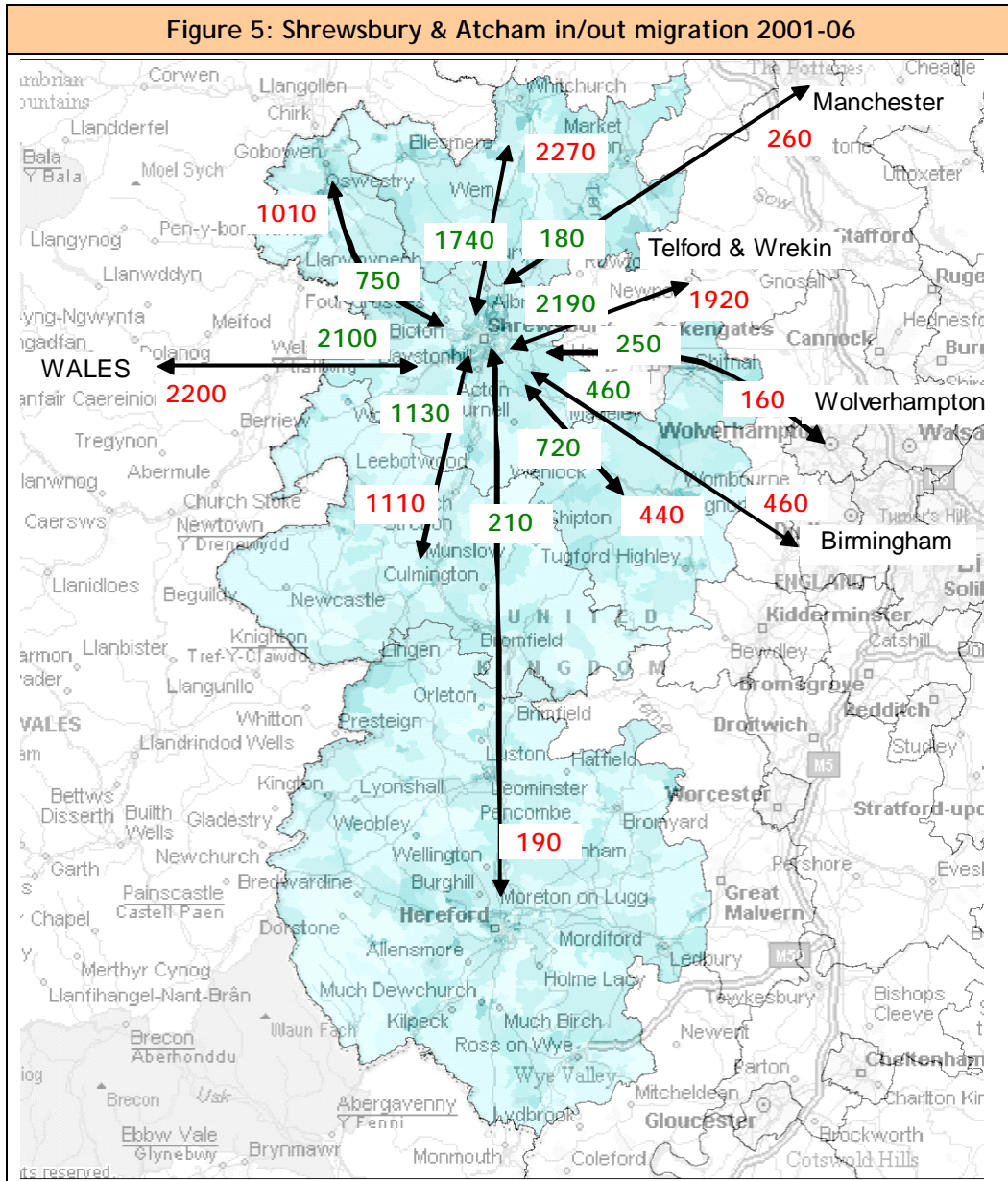
Source: Office of Public Sector Information 2007

3.3.4 For Oswestry (Figure 4), population movements are quite focussed. Wales (Wrexham and Powys in particular) is the most significant population origin and destination (2,800 in and 2,300 out). Net population gains are also recorded for Shrewsbury & Atcham and North Shropshire.



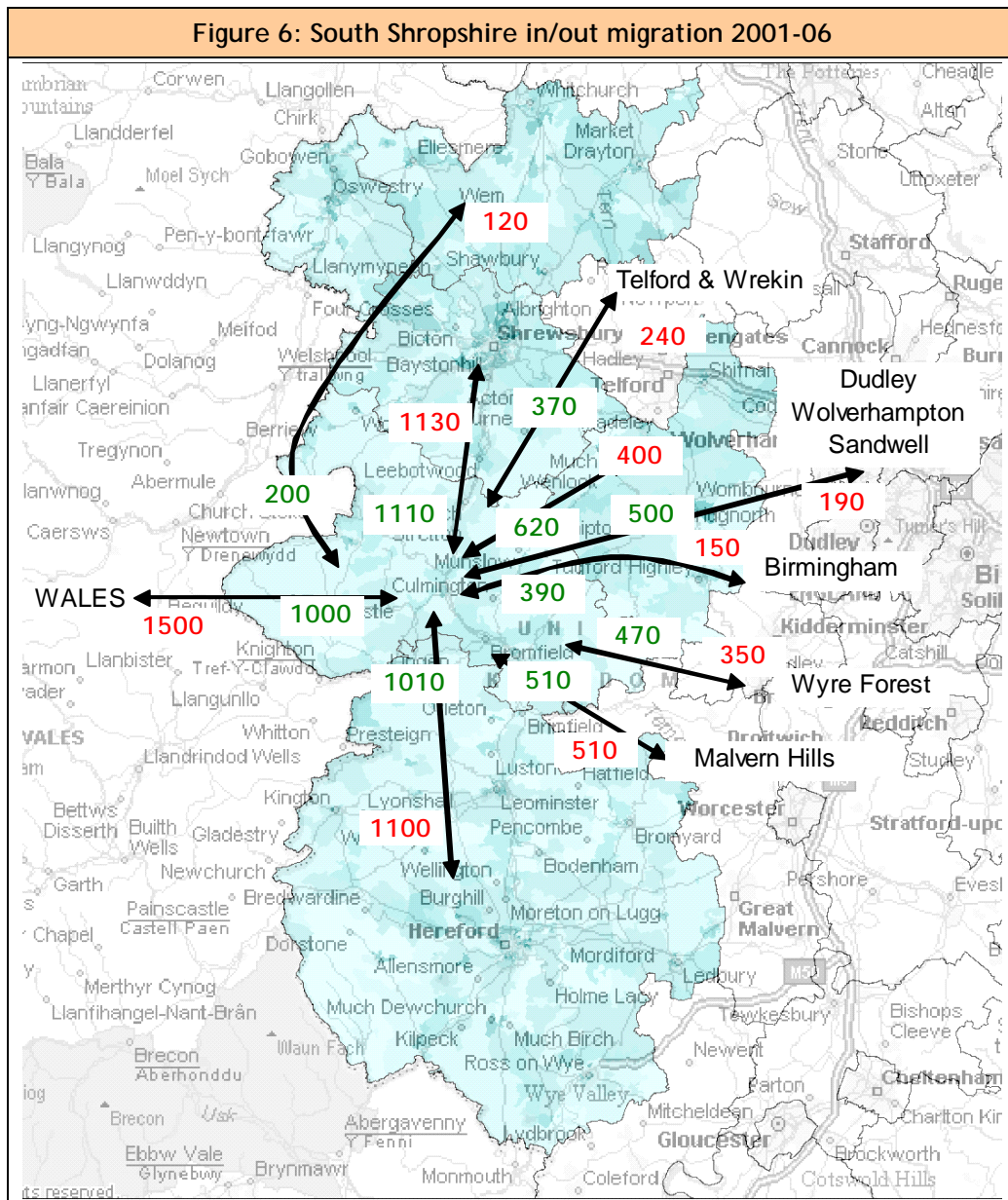
Source: Office of Public Sector Information 2007

3.3.5 Shrewsbury & Atcham (Figure 5) has a slightly more dispersed pattern of migration with the top 50% of out-migration going to 10 districts; 12 districts contribute the top 50% of in-migration. The significant net gains are from Bridgnorth (280) and Telford & Wrekin (270). The most significant net losses are to North Shropshire (-530) and Oswestry (-260).

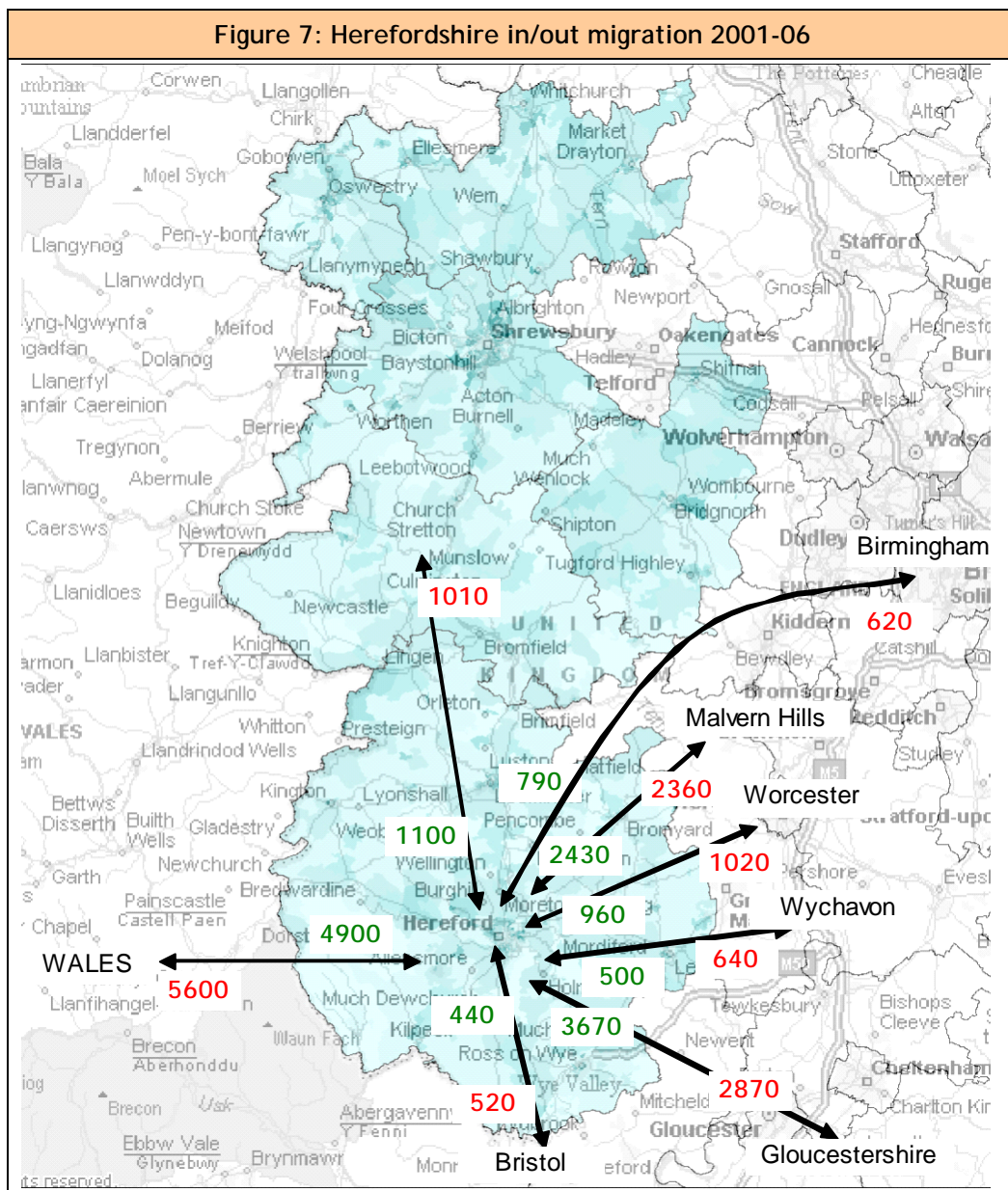


Source: Office of Public Sector Information 2007

3.3.6 South Shropshire's (Figure 6) only significant population losses are to Wales (principally Powys). In contrast the district gains population from across the West Midlands: Birmingham (240), Bridgnorth (220), Telford & Wrekin (130), Dudley (120) and Wolverhampton (100). 17.8% of South Shropshire's population gain and 22.3% of its population loss is from Herefordshire and Shrewsbury & Atcham.



3.3.7 Herefordshire (Figure 7) has by far and away the most dispersed pattern of in and out migration. 14.5% of in-migration is from Wales, followed by 10.5% from Gloucestershire, which accounts for the largest net gain of 800. A further 18 local authority districts contribute population to Herefordshire; whilst out migration is confined to only seven areas. The most significant population losses are to Wales: Powys and Monmouthshire in particular. After Wales and Gloucestershire, the most significant in and out migration flows come from Malvern Hills, South Shropshire and Worcester. In terms of its relationship with the West Housing Market Area, Shrewsbury & Atcham is the only other district to be in the top 50% of in or out migration flows.



3.3.8 In summary, the migration analysis indicates:

- (i) Bridgnorth's migration relationship with the Central HMA and C3 in particular is far more significant than with the West Housing Market Area.
- (ii) North Shropshire gains population through migration primarily from neighbouring districts north, south east and west.
- (iii) Oswestry gains population from its immediate neighbours in Shropshire and Wales.
- (iv) Shrewsbury & Atcham has the lowest net population gain from migration in the North HMA and it displays the strongest relationships to other West Housing Market Area districts.
- (v) South Shropshire gains population from across the West Midlands and from Shrewsbury & Atcham and Herefordshire.
- (vi) Herefordshire has a highly dispersed pattern of in-migration, attracting 50% of its population from 30 England and Wales districts. It has stronger ties to Gloucestershire than to Shropshire.

3.4 Household types and tenure

3.4.1 The total household numbers and corresponding proportions by tenure within each district as recorded in the 2001 Census are shown in Table 7. The overall proportion of owner occupied households is high; ranging from 71.4% in Bridgnorth to 74.0% in Shrewsbury & Atcham (74.0%). The West Housing Market Area is the HMA with the highest proportion of outright owners in the West Midlands.¹³

3.4.2 The proportion of social rented households is comparatively highest in Oswestry (15.6%) and Herefordshire (15.2%) and lowest in South Shropshire (11.6%) and North Shropshire (12.9%). The proportion of private rented households is highest in South Shropshire (15.9%) and Bridgnorth (15.3%), and lowest in Shrewsbury & Atcham (11.7%). There are high levels of older people ownership and outright home ownership in the West Housing Market Area.¹⁴

¹³ West Midlands Regional Housing Strategy 2005. West Housing Market Area Sub-Region Report. The University of Sheffield.

¹⁴ West Midlands Regional Housing Strategy; West Midlands Regional Spatial strategy. Partial Review. Shared Evidence Base. Stage 2 report: Shared evidence Base informing the RHS. Centre for Urban and Regional Studies. University of Birmingham. 2005.

Table 7: Household tenure by district								
Area	Owner-occupied		Social rented		Private rented		Total	
	No.	%	No.	%	No.	%	No.	%
Bridgnorth	14928	71.4	2789	13.3	3190	15.3	20907	100.0
North Shropshire	16869	72.9	2679	12.9	3301	14.3	23149	100.0
Oswestry	11269	72.0	2439	15.6	1951	12.5	15659	100.0
Shrewsbury & Atcham	29837	74.0	5738	14.2	4736	11.7	40311	100.0
South Shropshire	12518	72.5	1999	11.6	2748	15.9	17265	100.0
Herefordshire	53210	71.6	11281	15.2	9798	13.2	74289	100.0
England & Wales	14.9m	68.9	4.2m	19.2	2.6m	11.9	21.7m	100.0

Source: Census 2001

- 3.4.3 The composition of housing by tenure within each district is shown in Table 8. South Shropshire has the highest proportion of pensioner households of the six Local Authorities (29.9% of all households are single or couple pensioner households). Proportions are also relatively high in Herefordshire (27.0%). Oswestry has the highest proportion of single 'other' (non-pensioner) households of the six districts across the three tenures (14.7% of all households are single non-pensioner households), and the highest proportion of lone parents with children households (8.8%). Bridgnorth and North Shropshire have the highest proportions of households consisting of couples with children (30.8% of all households in Bridgnorth, and 30.2% of all households in North Shropshire are households consisting of couples with children). By contrast, proportions of households consisting of couples with children are lower in South Shropshire (26.4%) and Herefordshire (27.0%).

Table 8: Household composition by tenure -%									
		Single pensioner	Single Other	All pensioner household	Couple - no children	Couple with children	Lone parents with children	Other	Total
Bridgnorth	Owner occupied	8.2	6.7	8.4	17.5	24.0	3.7	3.0	71.4
	Social rented	3.8	1.4	1.5	1.3	2.8	2.0	0.6	13.3
	Private rented	2.3	2.7	0.9	3.2	4.0	1.4	0.9	15.3
	All	14.3	10.8	10.8	21.9	30.8	7.0	4.4	100.0
North Shropshire	Owner occupied	9.4	6.2	9.2	17.7	23.4	3.7	3.2	72.9
	Social rented	3.2	1.9	1.1	1.0	3.1	2.1	0.5	12.9
	Private rented	1.8	3.1	0.8	2.7	3.6	1.4	0.7	14.3
	All	14.5	11.2	11.1	21.4	30.2	7.2	4.5	100.0
Oswestry	Owner occupied	9.6	8.6	8.4	15.3	23.0	4.3	2.9	72.0
	Social rented	3.8	2.5	1.2	1.3	3.2	2.8	0.6	15.6
	Private rented	1.9	3.7	0.5	2.0	2.0	1.7	0.6	12.5
	All	15.3	14.7	10.1	18.6	28.2	8.8	4.2	100.0
Shrewsbury	Owner occupied	9.6	8.7	8.4	16.6	23.2	4.4	3.1	74.0
	Social rented	3.8	2.2	1.2	1.1	2.9	2.3	0.7	14.2
	Private rented	1.6	3.7	0.4	2.1	1.9	1.2	0.8	11.7
	All	15	14.6	10.0	19.8	27.9	7.9	4.7	100.0
South Shropshire	Owner occupied	11	6.2	11.7	16.8	20.1	3.4	6.8	72.5
	Social rented	2.9	1.4	1.0	1.0	2.7	1.9	0.6	11.6
	Private rented	2.3	3.7	0.8	3.0	3.6	1.5	0.9	15.9
	All	16.3	11.3	13.6	20.7	26.4	6.9	4.9	100.0
Herefordshire	Owner occupied	9.7	7.7	9.6	15.9	21.1	4.1	3.5	71.6
	Social rented	3.8	2.2	1.2	1.3	3.3	2.7	0.7	15.2
	Private rented	1.9	3.3	0.8	2.4	2.5	1.4	0.9	13.2
	All	15.4	13.2	11.6	19.6	27	8.2	5.1	100.0

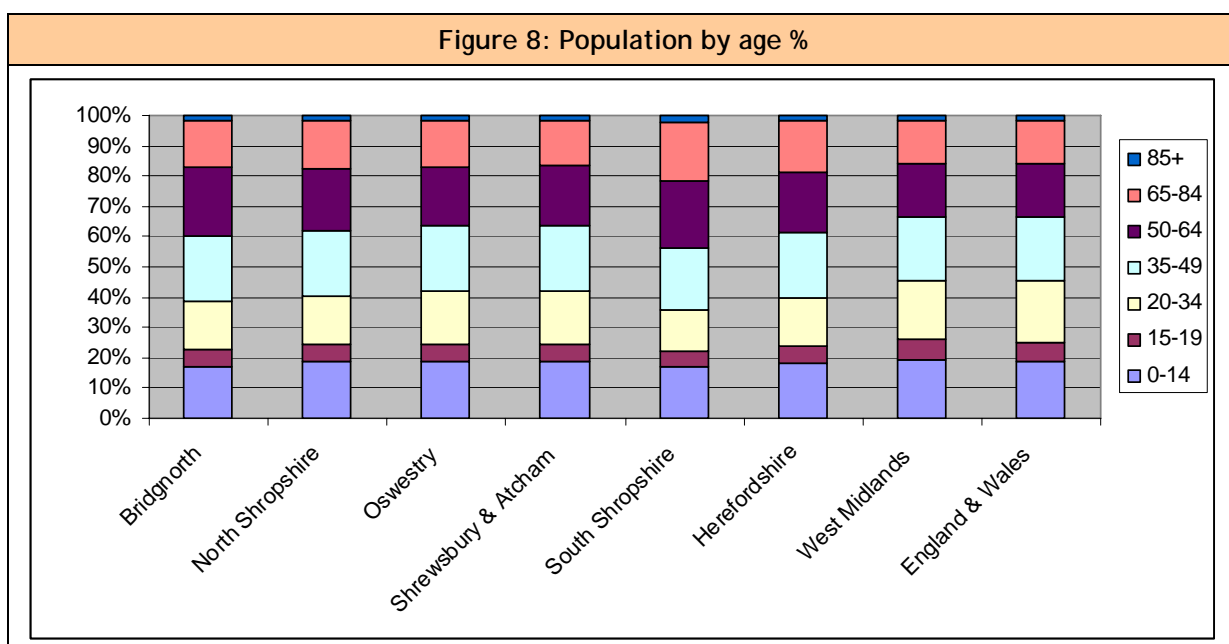
Source: Census 2001

- 3.4.4 The age profile of the household residents within each of the six districts as recorded in the 2001 Census is shown in Table 9 and Figure 8.
- 3.4.5 Oswestry and Shrewsbury & Atcham have the highest proportion of younger people, with 17.8% of residents 20-34, compared to only 13.6% in South Shropshire. The average for the West Housing Market Area is 16.2% compared to the West Midlands average of 19.6%
- 3.4.6 Differences between the local authorities levelled out in the 35-49 age range, although South Shropshire is one percentage point lower than its HMA partners.
- 3.4.7 It is in the older population, particularly the 50-64 and 65-84 that the most distinctive patterns emerge. All areas have proportions of 50-64 year olds greater than the West

Midlands (17.8%) and England & Wales (17.5%) average; the West Housing Market Area average is 20.4% and the proportion is as high as 22.2% in South Shropshire. Amongst 65-84 year olds, the West Midlands (14.2%) and England & Wales (14.0%) averages are smaller than for every district and in South Shropshire the proportion is as high as 19.4%.

Table 9: Population by age %								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	Herefordshire	West Midlands	England & Wales
0-14	17.1%	18.5%	18.6%	18.5%	17.0%	18.3%	19.5%	18.9%
15-19	5.6%	5.6%	5.8%	5.8%	5.0%	5.6%	6.5%	6.2%
20-34	15.9%	16.2%	17.8%	17.8%	13.6%	15.8%	19.6%	20.3%
35-49	21.7%	21.8%	21.4%	21.8%	20.8%	21.5%	20.7%	21.2%
50-64	22.6%	20.2%	19.2%	19.4%	22.2%	20.1%	17.8%	17.5%
65-84	15.5%	15.8%	15.6%	15.0%	19.4%	16.8%	14.2%	14.0%
85+	1.6%	1.8%	1.6%	1.7%	2.1%	1.9%	1.8%	1.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Census 2001



3.4.8 The ageing population profile of the West Housing Market Area, (less youthful than Central HMA¹⁵) combined with demographic trends towards smaller households, has potential implications for future accommodation such as:

¹⁵ West Midlands Regional Housing Strategy 2005, North HMA Sub-Region Report, The University of Sheffield

- (i) Increased requirements for support to enable older people to stay at home
- (ii) Increased need for specialised accommodation for older people
- (iii) Under occupancy of larger stock, creating a potential blockage in the market which may force younger families to leave the area

3.5 Black and minority ethnic communities

- 3.5.1 The West Midlands region has the largest proportion of black and minority ethnic communities within its population of any region outside of London (11.3% in 2001¹⁶). The main BME population concentrations within the West Midlands are within the Central HMA (Birmingham, the Black Country and Coventry) and to some extent the North (Stoke-on-Trent). The West Midlands Regional Housing Strategy¹⁷ describes differentiation between and within different BME communities. Pakistani and Bangladeshi communities, among the poorest of BME communities, do not have as significant a presence in moderate and high value housing markets, with little spatial movement across the region. These communities value proximity to social and cultural networks but aspirations may be changing generationally. Black Caribbean households are relatively disproportionately housed in social housing. Indian communities show much greater dispersal, apparently driven by improved educational outcomes, increased prosperity and desire to be closer to public services.
- 3.5.2 91% of the West Midlands Region's non-white BME population live in the Central HMA, 4.2% live in the North, 4.0% in the South and less than 1% in the West.¹⁸ The 2001 Census ethnic profile of the population of districts in the West Housing Market Area is shown in Table 10. Data has been grouped for purposes of summarising the profile across many different ethnic categories.
- 3.5.3 Over 97% of the population across the West Housing Market Area is classified as British-White, with very little variation across the HMA. The BME population is relatively small across all Local Authorities. The proportion of people grouped as Other-White varies from a low proportional figure of 1.2% in Oswestry to a slightly higher proportion of 1.7% (Shrewsbury). The next most numerous population group, after British White and Other White, is Mixed, which accounts for proportions of 0.3%-0.5% of the overall population across the Local Authorities.

¹⁶ Office of National Statistics

¹⁷ The West Midlands Regional Housing Strategy, June 2005

¹⁸ The West Midlands Regional Housing Strategy, June 2005

3.5.4 However, the small proportions of BME groups in the 2001 Census do not necessarily reflect some significant aspects of new patterns of increase. For example, within West Midlands, North Shropshire is one of the two local authorities that have seen the largest recent increases in BME communities, although from a small base.¹⁹

3.5.5 Certain ethnic groups are under-represented through the ethnic categories used in Census data. For example, it is stated in the Herefordshire Housing Needs Assessment that the largest ethnic group in the county is probably Gypsies and Travellers, but numbers have not been available due to Census shortcomings and limitations of the caravan count.²⁰ A Gypsy and Traveller Housing Needs Assessment has recently been completed for the West Housing Market Area, which addresses this issue.²¹ A further challenge for understanding the impact of the BME population is that growth is partly made up of migrant workers for whom numbers are not easily available.

Table 10: Ethnicity %												
Ethnicity	Bridgnorth		North Shropshire		Oswestry		Shrewsbury		South Shropshire		Herefordshire	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
British-White	51317	97.6	55679	97.5	36429	97.6	92671	96.7	39449	97.6	170566	97.6
Other-White	715	1.4	787	1.4	461	1.2	1639	1.7	599.0	1.5	2729	1.6
Mixed	183	0.3	249	0.4	143	0.4	470	0.5	117	0.3	696	0.4
Asian	166	0.3	163	0.3	107	0.3	352	0.4	92	0.2	311	0.2
Black	60	0.1	60	0.1	42	0.1	135	0.1	33	0.1	170	0.1
Other	115	0.2	152	0.3	129	0.3	570	0.6	109	0.3	358	0.2
Total	52556	100	57090	100	37311	100	95837	100	40399	100	174830	100

Source: Census 2001

3.6 International migration

3.6.1 Much has been made of the impact of international migration, particularly from European Union A8 accession states in recent years, upon the sub-regional economy.

3.6.2 Obtaining accurate data on new arrivals and migrant workers is problematic as there are significant limitations on the quality of the data:

¹⁹ West Midlands Regional Housing Strategy; West Midlands Regional Spatial strategy. Partial Review. Shared Evidence Base. Stage 2 report: Shared evidence Base informing the RHS. Centre for Urban and Regional Studies. University of Birmingham. 2005.

²⁰ Herefordshire Housing Needs assessment 2005. Herefordshire Council.

²¹ Bridgnorth District Council Housing Strategy 2007-2012. Final Draft, March 2007.

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

3.6.3 Table 11 shows the distribution of new residents in the HMAs from overseas. 72.3% (2,790 out of 3,860) of new NI registrations from overseas nationals settled in Herefordshire. The next biggest influx was to Shrewsbury & Atcham (12.4%; 480 out of 3,860).

3.6.4 Although nationally 25.9% of overseas nationals receiving NI numbers were from Poland, the proportion from Poland was much higher than this in North Shropshire (53.6%); Herefordshire (44.1%); Oswestry (38.5%) and South Shropshire (33.3%). Herefordshire and Oswestry also received significant (higher than the national average) proportions of international migrants from Slovak Republic, and Latvia, while Herefordshire also received higher than the national average proportions of international migrants from Lithuania, and South Shropshire received higher than the national average of international migrants from Slovak Republic.

Table 11: NI Number allocations to overseas nationals 2005/06									
	All	Poland %	India %	Rep of Lithuania %	Slovak Rep %	South Africa %	Latvia %	Hungary %	Other %
All	662,390	25.9	6.9	4.7	4.1	3.6	2.2	1.3	51.3
Herefordshire	2,790	44.1	2.2	19.0	8.6	1.8	6.1	2.9	15.3
Bridgnorth	90	22.2	-	11.1	-	11.1	-	11.1	44.5
North Shropshire	280	53.6	3.6	3.6	7.1	3.6	-	--	28.5
Oswestry	130	38.5	-	-	30.8	-	7.7	-	22.7
Shrewsbury & Atcham	420	40.5	7.1	2.4	4.8	2.4	4.8	-	38.1
South Shropshire	150	33.3	-	6.7	20.0	6.7	-	-	33.3

Source: DWP

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

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

Source: Market Intelligence, Renew North Staffordshire, August 2007

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

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

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

The settlement patterns of new immigrants arriving into the UK from Pakistan on a spouse visa were found to be reinforcing the established settlement patterns of this long-standing immigrant population - respondents moving in with a spouse and his/her family.²²

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

²² *The housing pathways of new immigrants*, David Robinson, Kesia Reeve and Rionach Casey, Sheffield Hallam University, 2007

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

3.7 Economic performance

- 3.7.1 It is recognised in the Regional Economic Strategy²³ that there are disparities in economic performances and circumstances at local levels across the HMAs. For example, there has been a shift towards the South HMA with the growth of professional and managerial occupational groups in that area, and concentrations of high tech and computer-based employment in that area contributing to high affordability issues. It can be expected that the future growth of employment in the West Midlands will primarily be around the city centre of Birmingham, with further concentrations to the South and South West of the city.
- 3.7.2 The West Housing Market Area has a rural character, with important county town hubs such as Shrewsbury and the cathedral city of Hereford. Shropshire and Herefordshire retain an important agricultural economy, and have the highest concentration of agricultural employment in the region. There are smaller firm sizes than in large centres such as Birmingham and Coventry.
- 3.7.3 In Shropshire, which is geographically large and the second most sparsely populated county in the country, agricultural employment is 5.5% of the total working population compared with 1.7% for the region, and the percentage of the working population employed in agriculture, food and tourism is 14.6%. Herefordshire has a working population of fewer

²³ West Midlands Regional Housing Strategy; West Midlands Regional Spatial strategy. Partial Review. Shared Evidence Base. Stage 2 report: Shared evidence Base informing the RHS. Centre for Urban and Regional Studies. University of Birmingham. 2005

than 80,000, with 8.4% employed in agriculture, forestry and fishing, and 21.3% in food and tourism. Weakness of agricultural incomes has contributed to levels of unemployment and under-employment in the county.²⁴

- 3.7.4 Leisure and tourism are important contributors to the sub-regional economy, and as with the South Housing Market Area, new technologies coupled with increasing patterns of home working are exerting an influence. The number of small/medium sized enterprises (SMEs) in the knowledge industries is growing. These factors will exert influence on the housing market.
- 3.7.5 There are significant inter-regional economic relationships affecting the HMA. For example, Hereford and Shrewsbury provide for some higher level service needs of mid-Wales. Northern Shropshire is part of the wider concentration of the transport industry in the West Midlands.²⁵ Data on migration has shown that the greatest gains and losses to each of the districts of the West Housing Market Area are associated with inter-regional moves, particularly from the North West, London and the South East, and outward to the South West and Wales. The migration analysis suggest that urban renaissance within the West Midlands will affect the West less than other HMAs, and debate therefore partly concerns the extent to which 'rural renaissance' with Shrewsbury, Hereford and the market towns as hubs should be the priority.
- 3.7.6 There is great variation in the rural economies of the West Midlands region. Categories for analysis which have been proposed²⁶ distinguish between different types of complex local economies in the West Midlands:
- (i) rural areas in the south and east "where private sector-led employment and GVA (Gross Value Added) growth is strong and where skills, enterprise rates and private investment are highest"
 - (ii) rural areas, most particularly the ex-mining communities in Staffordshire that are "experiencing industrial re-structuring"
 - (iii) rural areas that are "performing reasonably well and where there may be scope to better link residents into economic success"

²⁴ The Functioning Economic Geography of the West Midlands. The West Midlands Regional Observatory/School of Geography, University of Birmingham. 2006.

²⁵ Ibid.

²⁶ West Midlands Economic Strategy Review 2006-2007. Consultation on Policy Choices – Rural Commentary.

(iv) “the most rural areas, i.e. the Marches area of west Herefordshire and Shropshire which are less linked into the rest of the regional economy and tend to face demographic challenges of out-migration of young people, in-migration of retirees and low paying and low value-added employment.”

3.7.7 Shropshire, for example, contains urban, semi-urban, rural and deeply rural areas, particularly in parts of South Shropshire, and in the most rural areas population densities are very low and access to some services can be limited.²⁷

3.7.8 All the local authorities in the West Housing Market Area have experienced a decline in the 16-24 age group (associated with student age population) but in no other age.²⁸ Higher proportions of owner-occupiers in the West Housing Market Area have purchased their properties outright and higher proportions belong to the age 55+ age profile groups.

3.7.9 The trend is towards further increases in the ageing population, large detached houses, and outright home ownership, with associated affordability problems for low income key workers and young people. Shropshire and Herefordshire have a higher proportion of hard-to-fill skill vacancies and skill-shortage vacancies than the national average. At the same time, the proportion of highly qualified residents is higher in West Housing Market Area than for the rest of the region.²⁹

3.8 Employment and earnings

3.8.1 Table 13 sets out the differences across the West Housing Market Area in terms of the working age population and economic activity. First, the proportion of the total population that is of working age is at its lowest in South Shropshire (55.3%) and highest in Bridgnorth (60.0%), although all areas are below the West Midlands average (61.2%). This fits with the profile shown at Table 9 depicting an older population in South Shropshire.

3.8.2 The proportion of economically active members of the working age population differs far more: in South Shropshire only 74.4% of the working age population are economically active compared to 85.8% in Bridgnorth. The total Job Seekers Allowance claimants also below the West Midlands and England & Wales averages in all areas; Oswestry is the highest at 1.9%.

²⁷ Shropshire Supporting People Five Year Strategy.

²⁸ Ibid.

²⁹ The Functioning Economic Geography of the West Midlands. The West Midlands Regional Observatory/School of Geography, University of Birmingham. 2006.

Table 13: Working age population (%)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	Herefordshire	West Midlands	Great Britain
Working age population ³⁰	60.0	59.4	59.5	59.5	55.3	58.1	61.2	62.2
Economically active of working population	85.8	82.1	78.3	83.9	74.4	81.3	77.3	78.5
Total JSA claimants (December 2007)	1.3	1.5	1.9	1.3	1.2	1.5	2.9	2.1

Source: NOMIS Labour Market Profile

3.8.3 Table 14 depicts the employment structure prevalent across the West Housing Market Area, using Standard Occupational Classification (SOC) 2000. Almost half the Shrewsbury & Atcham working population (46.9%) consists of senior managers and professional occupations (SOC 2000 groups 1-3), which is higher than the Great Britain average (42.3%). Bridgnorth and North Shropshire are comparable with the West Midlands average, but Oswestry is significantly lower with only 26.6%.

3.8.4 Oswestry has the highest incidence of the working population in administrative, secretarial and skilled trades (SOC 2000 major groups 4 and 5) and sales and customer services (SOC 2000 group 7): 31.8% and 21.7%. These are much higher than the Regional averages of 23.9% and 15.7% respectively.

3.8.5 Almost a quarter (24.7%) of the working population in North Shropshire is plant/machinery operatives or in elementary occupations (SOC 2000 groups 8 and 9): by far the highest occurrence in the West Housing Market Area.

³⁰ % is a proportion of total population

Table 14: Employment by occupation (%) ³¹								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	Herefordshire	West Midlands	Great Britain
SOC2000 major group 1-3	38.1	36.9	26.6	46.9	42.6	42.0	38.6	42.3
1 Managers & senior officials	19.0	13.9	#	12.6	13.9	14.9	14.3	15.1
2 Professional occupations	8.2	10.8	#	18.5	16.2	13.7	12.2	13.0
3 Associate professional /technical	10.9	12.2	13.9	15.7	12.6	13.4	12.1	14.3
SOC2000 major group 4-5	27.6	23.1	31.8	19.4	30.4	24.2	23.9	22.9
4 Administrative & secretarial	9.8	7.9	13.2	8.3	10.8	10.9	11.9	12.0
5 Skilled trades occupations	17.8	15.2	18.6	11.1	19.6	13.2	12.0	10.9
SOC2000 major group 6-7	13.2	15.3	20.7	16.8	12.4	14.6	15.7	15.7
6 Personal service occupations	8.4	10.4	10.3	8.3	9.0	7.2	8.0	8.1
7 Sales and customer service	#	#	10.5	8.6	#	7.4	7.7	7.6
SOC2000 major group 8-9	20.4	24.7	20.8	16.1	13.6	19.1	21.4	18.7
8 Plant & machine operatives	8.3	13.8	9.8	6.9	#	6.3	9.3	7.2
9 Elementary occupations	12.1	10.9	11.0	9.3	#	12.9	12.1	11.5

Source: NOMIS Labour Market Profile (# number too small to record)

3.8.6 Table 15 compares the gross weekly pay for full-time workers by residence and by workplace. There are some stark differences to note. First full-time workers living in Oswestry are earning on average £899.60 per annum less than those who work in Oswestry. This would imply that people living outside the district, in the wealthier areas of the West Housing Market Area for example, are doing many of the higher paid jobs.

3.8.7 In all other districts, the people living there are earning more on average than the people working there. In other words the residents are earning higher salaries outside the District, whilst lower paid employees are commuting in. The starkest difference is in Bridgnorth where full-time workers living there are earning on average £5,808.40 per annum more than those who work there; this is 30.2% higher. This will add significant pressure to affordability issues in the District if its housing offer is not meeting the requirements of its own district's workforce. In addition, the high salaried households living in Bridgnorth are clearly commuting to high paid jobs in Birmingham as demonstrated by the strong migration links with the Central Housing Market Area.

³¹ % is a proportion of all persons in employment 16+

3.8.8 Bridgnorth has the highest full-time incomes by residence and South Shropshire the lowest. Oswestry has the highest full-time incomes by workplace and again South Shropshire has the lowest. These figures seem at odds with the occupational profile shown in Table 14.

Table 15: Gross weekly pay for full-time workers by residence and workplace (£) ³²								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	Herefordshire	West Midlands	Great Britain
Earnings by residence	481.10	449.30	421.70	435.90	365.50	383.30	430.40	459.00
Earnings by workplace	369.40	379.30	439.00	407.50	335.00	384.40	430.00	458.60

Source: NOMIS Labour Market Profile

3.8.9 The ONS Annual Survey of Hours and Earnings for 2006 shows that earnings from full-time employment have increased overall from 2004 to 2006 in the West Housing Market Area, in terms of both mean and median earnings (see Table 16). The only local authority where no increase is recorded is North Shropshire, which shows a very slight decline over the two years (£31 - mean annual full-time earnings).

3.8.10 Comparison of earnings at the 10th, 20th and 25th percentiles shows higher earnings for the bottom 25% of the labour force in South Shropshire and North Shropshire than in the other local authorities. Above the 60th percentile, there are gaps in data that impede analysis. However, at the 60th level, earnings in North Shropshire remain relatively higher than in other areas in the West Housing Market Area, and earnings in Herefordshire are below other local authorities. Despite the trend of earnings in West Housing Market Area increasing, the lower 25th earns less than £15,000 in Herefordshire and Bridgnorth and less than £18,000 in all the local authorities, which will pose major affordability issues.

³² Median earnings in pounds for employees living/working in the area

Table 16: Mean, median and percentile annual earnings (£) 2004-2006

	Herefordshire			Bridgnorth			North Shropshire		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
No. of jobs	36,000	38,000	33,000	n/a	13,000	13,000	16,000	15,000	14,000
Median	20,000	19,613	19,274	n/a	24,270	23,870	21,982	23,064	20,933
Mean	24,419	24,166	22,321	31,904	31,526	28,034	26,739	25,884	26,770
10 th	12,558	11,505	11,253	11,694	12,392	11,358	12,672	12,156	n/a
20 th	14,209	13,851	13,670	13,182	14,022	14,783	16,780	15,732	n/a
25 th	14,662	14,465	14,296	14,881	15,521	16,792	17,525	16,949	15,544
30 th	15,431	15,026	15,119	15,868	17,239	18,124	18,272	17,782	16,342
40 th	17,557	16,920	17,143	18,213	21,823	21,509	20,119	19,581	17,771
60 th	23,260	22,863	21,998	n/a	29,821	26,727	25,582	24,658	22,974
70 th	26,831	26,278	24,382	n/a	32,627	n/a	29,201	28,067	n/a
75 th	29,354	28,544	27,313	n/a	n/a	n/a	n/a	30,637	n/a
80 th	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
90 th	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Oswestry			Shrewsbury & Atcham			South Shropshire		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
No. of jobs	8,000	n/a	n/a	25,000	22,000	24,000	n/a	8,000	6,000
Median	21,397	21,058	n/a	21,810	20,479	19,999	23,104	n/a	16,793
Mean	27,228	24,658	25,802	26,099	25,375	24,739	n/a	24,623	23,894
10 th	n/a	n/a	n/a	11,904	12,125	n/a	n/a		n/a
20 th	14,616	n/a	n/a	15,271	15,087	13,843	14,642	11,262	n/a
25 th	15,288	n/a	n/a	16,628	16,602	14,903	17,567	11,784	n/a
30 th	16,578	n/a	n/a	17,535	17,507	15,967	18,696	12,384	13,623
40 th	19,138	n/a	n/a	19,760	18,837	17,916	19,982	16,868	15,620
60 th	24,786	n/a	n/a	24,089	22,811	22,487	n/a	n/a	6,000
70 th	n/a	n/a	n/a	27,531	25,334	n/a	n/a	n/a	n/a
75 th	n/a	n/a	n/a	29,995	26,924	n/a	n/a	n/a	n/a
80 th	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
90 th	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Nomis - ASHE full-time workers gross annual earnings

4 THE HOUSING STOCK

Table 17: Summary of housing stock datasets ³³		
Step	Principal data sources	Data items
2.1 Dwelling profile	National Register of Social Housing (NROSH), Housing Strategy Statistical Appendix (HSSA), Business Plan Statistical Appendix (BPSA), Regulatory Statistical Return (RSR), Census, Dwelling Stock by Council Tax Band NeSS Dataset, Council tax register	Number of dwellings in the area by size, type, location and tenure
2.2 Stock condition	NROSH, HSSA, BPSA, RSR, Stock condition surveys, Decent Homes Modelled Data and Census	Condition of stock (unfit, in need of major/minor repairs) by tenure and location
2.3 Shared housing and communal establishments	Census, Student accommodation services, Voluntary sector and key informants, LA Registers of Licensed Houses in Multiple Occupation, NeSS Licensed HMO dataset, Local surveys	Estimated numbers of households living in shared houses and communal establishments

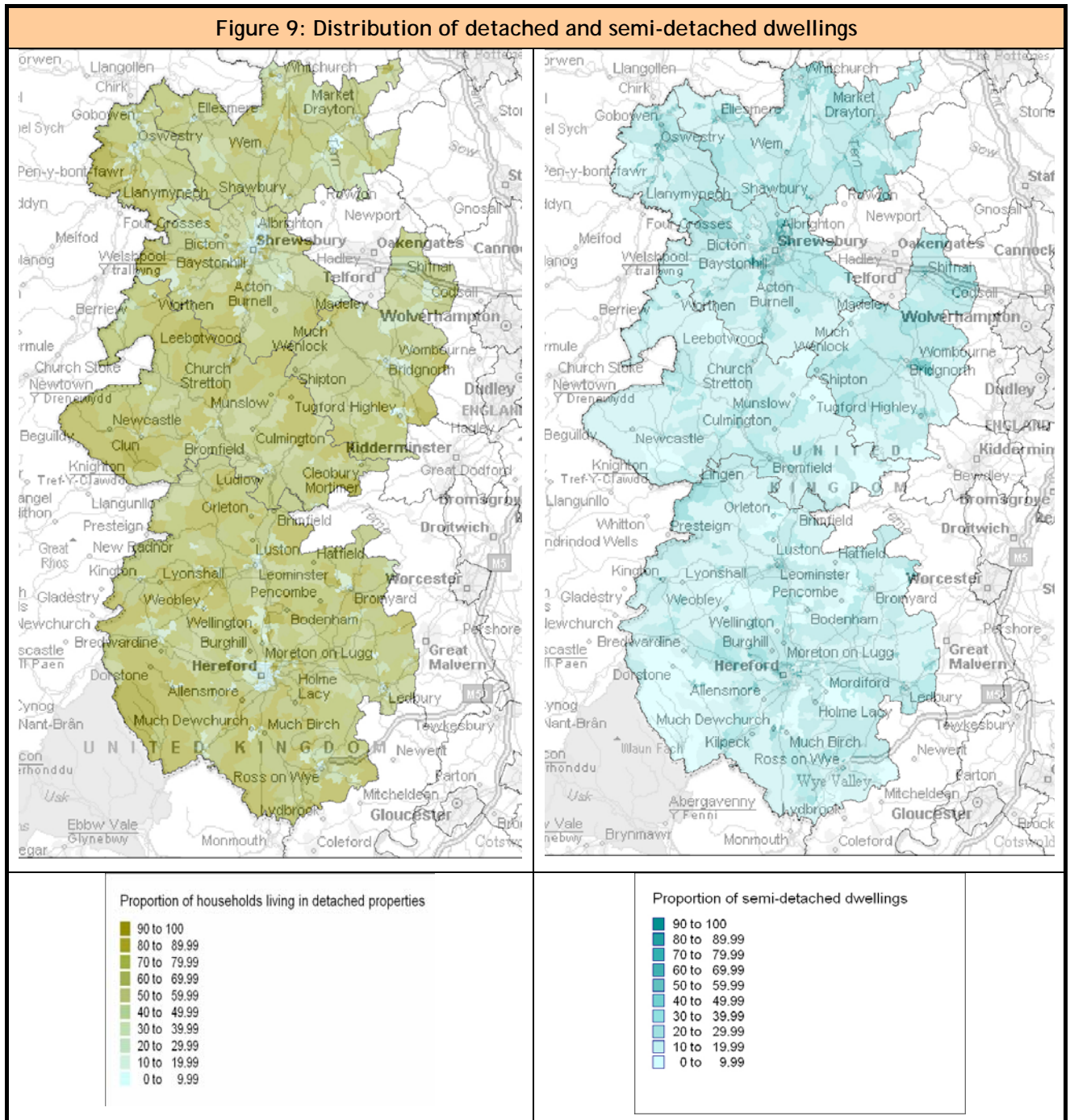
4.1 Introduction

- 4.1.1 This chapter looks at the current supply of housing across all tenures, focusing on the current stock profile by size, type, tenure and location and changes in dwelling type over the last ten years.
- 4.1.2 The condition of the housing stock is also examined with reference to the fitness standard, Decent Homes standard and the new Housing Health and Safety Rating System (HHSRS).
- 4.1.3 The provision of shared accommodation is also detailed with particular reference to houses in multiple occupation.

³³ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p23

4.2 Dwelling type, size and tenure

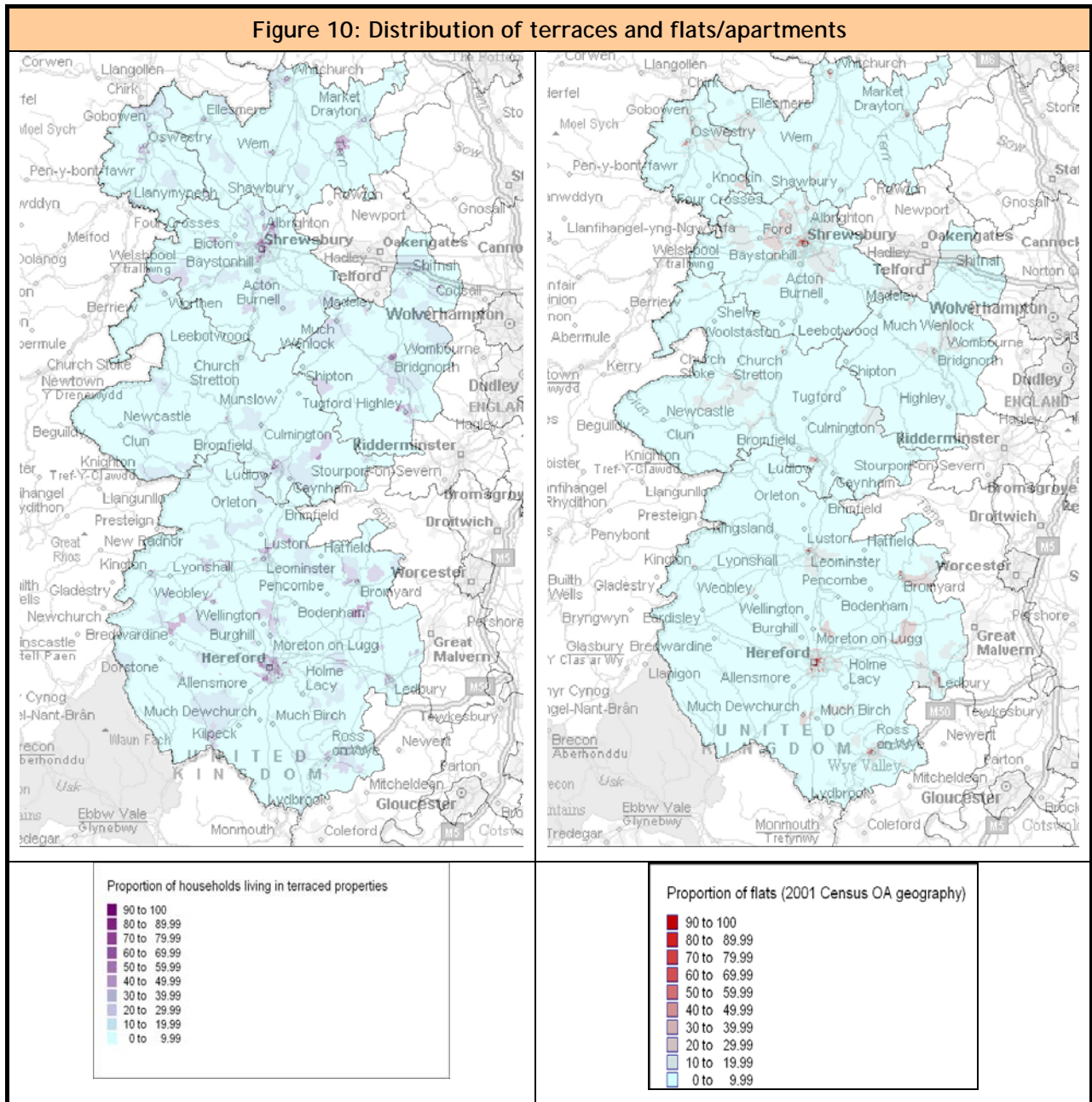
4.2.1 The spatial distribution of each dwelling type across the West Housing Market Area is shown in Figure 9 and Figure 10. The deeper concentration of colour represents a higher proportion of that type of dwelling in the locality.



Source: 2001 Census

4.2.2 The high proportion of detached property across the West Housing Market Area is represented by the almost homogeneous green shading of Figure 9. Deeper concentrations of detached housing are shown in rural areas. Small pockets of terraced housing and flats

are indicated, concentrated mainly in Shrewsbury and Hereford, but they are few and far between.



Source: 2001 Census

4.2.3 Table 18 sets out the number of dwellings by ownership in each district. The lower half of the table compares public and private ownership. Private ownership includes owner occupation and private rented property.

4.2.4 Bridgnorth and Oswestry are still landlords of stock in their districts. Meres and Mosses Housing Association was formed when it took ownership of all 2300 homes previously owned by North Shropshire District Council in July 2007. In November 2007, tenants in Oswestry rejected a proposal that would have seen their homes transferred to a new local housing

organisation. Herefordshire, Shrewsbury & Atcham and South Shropshire have already transferred their stock to Registered Social Landlords (RSLs).

- 4.2.5 All of the authorities within the West Housing Market Area have a lower percentage of social housing stock than the regional average of 19.9%. Oswestry has the highest percentage with 15.7% combined ownership of RSLs and Local Authority stock.
- 4.2.6 Conversely all of the districts within the West Housing Market Area have a higher percentage of private housing than the regional average. The West Housing Market Area average is 86.4% compared to 80.1% for the region. North Shropshire has the highest percentage with 89.5% of dwellings in the private sector followed by South Shropshire with 88.3%.

Table 18: Housing stock profile								
Ownership	Bridgnorth		North Shropshire		Oswestry		Shrewsbury & Atcham	
	No.	%	No.	%	No.	%	No.	%
Local authority	2395	10.6	2312	9.0	1946	11.5	1	0.0
RSL	409	1.8	364	1.4	711	4.2	6056	14.1
Other public	389	1.7	0	0.0	0	0.0	102	0.2
Total public	3193	14.1	2676	10.4	2657	15.7	6158	14.3
Private	19407	85.9	22910	89.5	14261	84.3	36727	85.6
Total	22600	100.0	25586	100.0	16918	100.0	42886	100.0
Ownership	South Shropshire		Herefordshire		West HMA		West Midlands	
	No.	%	No.	%	No.	%	No.	%
Local authority	3	0.0	0	0.0	6657	3.2	221035	9.6
RSL	2321	11.8	10799	13.8	20660	10.0	230593	10.0
Other public	4	0.0	248	0.3	743	0.4	6062	0.3
Total public	2325	11.8	11047	14.1	28060	13.6	457690	19.9
Private	17325	88.3	67097	85.8	177727	86.4	1840753	80.1
Total	19653	100.0	78144	100.0	205787	100.0	2299011	100.0

Source: HSSA 2006

- 4.2.7 Table 19 shows the type of housing by tenure within each district as proportions of the total housing stock (residents in caravans and mobile structures have not been included and residents living rent free are included in the private rented section).

Table 19: Dwelling type by tenure												
Type	Bridgnorth				North Shropshire				Oswestry			
	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total
Detached	36.4	0.9	5.3	42.6	41.1	1.0	4.5	46.6	36.1	1.0	3.0	40.1
Semi	23.8	6.0	4.9	34.8	22.8	6.6	4.7	34.1	24.8	6.1	3.0	33.9
Terraced	9.4	4.0	2.6	16.0	7.5	2.6	2.1	12.3	9.8	3.6	3.0	16.5
Flat	1.5	2.4	2.5	6.4	1.3	2.7	2.9	7.0	1.2	5.0	3.1	9.3
Shared dwelling	0.0	0.1	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.2
Total	71.2	13.5	15.3	100.0	72.8	12.9	14.3	100.0	72.1	15.6	12.3	100.0
Type	Shrewsbury & Atcham				South Shropshire				Herefordshire			
	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total
Detached	29.5	0.8	2.4	32.6	44.3	0.7	6.7	51.8	38.1	0.9	4.5	43.5
Semi	30.3	5.4	3.3	38.9	16.8	5.1	4.0	25.9	19.5	5.1	3.2	27.9
Terraced	11.8	4.5	2.5	18.8	9.6	4.1	2.4	16.0	11.4	4.1	2.2	17.8
Flat	2.5	3.5	3.5	9.6	1.8	1.7	2.7	6.2	2.5	5.1	3.1	10.7
Shared dwelling	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.1
Total	74.0	14.2	11.8	100.0	72.4	11.7	15.9	100.0	71.6	15.3	13.1	100.0

Source: Census 2001

- 4.2.8 All of the districts in the West Housing Market Area have a higher percentage of owner occupied accommodation than the regional or national averages of 69.6% and 68.7% respectively. These percentages relate to the dwelling stock at the time of the Census 2001.
- 4.2.9 In contrast, all of the districts have a lower than average proportion of socially rented properties. The figures in Table 18 relate to the dwelling stock five years later and show a regional reduction in the proportion of socially rented stock from 20.6% to 19.9%.
- 4.2.10 The proportion of private rented accommodation in all these districts is higher than the regional average of 9.8% (at the time of the Census 2001) and for all, except Shrewsbury & Atcham, higher than the national average of 12.0%. South Shropshire has the greatest percentage of private rented accommodation with 15.9%, followed by Bridgnorth with 15.3%.
- 4.2.11 The predominant dwelling type in the West Housing Market Area is detached housing. The tables show a high proportion of detached housing in most districts. Shrewsbury & Atcham

has the lowest percentage with 32.6%, which is still far higher than the national rate of detached housing of 23.0%. In South Shropshire more than half the housing stock, 51.8%, are detached properties and North Shropshire has 46.6%. Detached and semi-detached housing combined constitute three quarters or more of the housing stock in Bridgnorth and South Shropshire, and in North Shropshire 80.7% of the stock. The predominance of detached housing and smaller number of terraced properties and flats reflects the rural nature of these districts. The highest percentage of flats is in Herefordshire, 10.7%, and the highest proportion of terraces is in Shrewsbury & Atcham, 18.8%, reflecting Hereford and Shrewsbury as the major urban settlements in the area.

4.2.12 Table 20 provides some further information on the owner occupied sector. High percentages of owner occupiers own their property outright in these districts which may reflect the older population having paid off their mortgage or loan.

4.2.13 It is also interesting to compare the percentage of owner occupiers with shared ownership across the West Housing Market Area. The figures provide a basis from which to compare future changes in the proportions of intermediate housing tenure in the districts. At the time of the Census 2001, Oswestry and Herefordshire had the highest percentage of shared ownership within the owner-occupied sector with 1.2%.

Table 20: Breakdown of owner occupation		
	% of owner occupiers who own outright	% of owner occupiers with shared ownership
Bridgnorth	46.2	0.7
North Shropshire	48.5	0.8
Oswestry	46.1	1.2
Shrewsbury & Atcham	44.9	0.6
South Shropshire	59.6	0.8
Herefordshire	49.6	1.2

Source: Census 2001

4.2.14 Table 21 allows comparison to the type and tenure of dwellings at the time of the 1991 Census. Over the ten year period to 2001 (Table 19) all of the districts in the West Housing Market Area witnessed growth in owner occupied property except for South Shropshire where the proportion remained the same. The highest increase of 2.7% was in North Shropshire where the owner occupied sector rose from 70.1% in 1991 to 72.8% in 2001.

- 4.2.15 The proportion of dwellings in the social rented sector decreased from an average 16.8% for the West Housing Market Area in 1991 to an average of 13.9% by 2001. The greatest change in the proportion of social dwellings in relation to all dwellings occurred in Shrewsbury & Atcham with 3.9% less social rented property by 2001. Bridgnorth and Oswestry witnessed a similar reduction of 3.8%. South Shropshire experienced the least change in the tenure proportions of its housing stock.
- 4.2.16 The proportion of dwellings in the private rented sector increased in all districts over the ten year period. The most significant increase was in Shrewsbury & Atcham where private rented properties rose by 2.0%, from 9.8% to 11.8% of housing stock in the district.
- 4.2.17 The proportion of detached properties increased in all districts from 1991 to 2001 rising from an average 41.1% to 42.8% for the West Housing Market Area. The greatest increase was in North Shropshire where detached properties rose from 44.0% to 46.6%. The proportion of flats across the WHMA rose slightly from an average of 8.1% to 8.2% of the dwelling stock. Shrewsbury & Atcham district witnessed the greatest change in flatted properties rising from 8.9% to 9.6% in 2001. The proportion of terraced properties however reduced in all districts over the ten year period with the most significant reduction in South Shropshire decreasing from 18.8% of housing stock in the area to 16.0%.

Table 21: Dwelling type by tenure 1991												
Type	Bridgnorth				North Shropshire				Oswestry			
	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total
Detached	35.2	0.4	5.5	41.2	38.9	0.4	4.7	44.0	35.1	0.5	3.6	39.3
Semi	23.1	7.6	4.3	35.0	22.1	8.4	4.5	35.0	22.4	7.9	2.3	32.6
Terraced	8.5	6.8	2.4	17.7	7.4	4.8	1.9	14.1	10.6	5.6	2.5	18.7
Flat	1.8	2.6	1.8	6.1	1.7	2.8	2.4	6.8	1.3	5.4	2.7	9.4
Shared dwelling	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Total	68.6	17.3	14.1	100.	70.1	16.4	13.5	100.	69.5	19.4	11.2	100.
Type	Shrewsbury & Atcham				South Shropshire				Herefordshire			
	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total	Owner occupied	Social rented	Private rented	Total
Detached	27.4	0.4	2.6	30.4	42.7	0.3	7.1	50.1	36.4	0.5	4.9	41.9
Semi	30.4	6.6	2.5	39.5	16.2	4.2	3.8	24.2	18.9	5.1	2.8	26.8
Terraced	11.7	7.4	2.0	21.0	10.8	6.0	1.9	18.8	12.1	6.0	2.0	20.1
Flat	2.5	3.7	2.6	8.9	2.7	1.8	2.4	6.8	3.0	5.7	2.3	11.0
Shared dwelling	0.1	0.0	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2
Total	72.1	18.1	9.8	100.	72.4	12.4	15.3	100.	70.4	17.3	12.2	100.

Source: Census 1991

- 4.2.18 Table 22 illustrates the size of dwellings by the total number of rooms (i.e. all rooms, not just bedrooms) in a property. The higher incidence of detached properties in the West Housing Market Area is reflected in the higher proportion of seven and eight room properties across all districts compared to the regional average. The most striking difference is in the proportion of eight room properties, 17.9% compared to 10.2%. Shrewsbury & Atcham has the highest proportion of dwellings with six or more rooms, 53.7%, followed by North Shropshire with 53.3%.

Table 22: Size of dwellings								
No of rooms	Bridgnorth	Herefordshire	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	West HMA	West Midlands
One	0.3	0.5	0.3	0.5	0.6	0.3	0.4	0.5
Two	1.1	1.8	1.3	1.4	2.2	1.2	1.7	1.7
Three	4.6	7.1	5.5	5.5	7.0	4.9	6.3	7.9
Four	18.2	16.2	16.5	19.4	14.8	17.0	16.5	17.6
Five	23.6	23.3	23.1	26.0	21.7	24.8	23.3	29.9
Six	22.7	20.7	21.0	20.5	25.3	19.6	21.8	22.6
Seven	12.0	12.1	12.3	11.6	12.4	12.0	12.1	9.5
Eight	17.5	18.4	20.0	15.1	16.0	20.3	17.9	10.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Census 2001

4.3 Stock condition

4.3.1 The condition of housing stock within these six districts can be assessed by different measures ranging from the minimum fitness standard³⁴ to basic quality standards of acceptable accommodation including the Decent Homes Standard and assessment through the Housing Health and Safety Rating System³⁵.

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

4.3.2 However baseline assessment of the condition of housing stock in all districts under each of these different criteria is not yet available as some districts most recent private sector stock condition surveys predate the major changes to housing legislation brought in by the introduction of the Housing Health and Safety Rating System in April 2006 which replaced the fitness standard.

4.3.3 Table 23 provides details of unfit dwellings in each District as a proportion of total dwellings of that type. None of the local authority owned dwellings in the West Housing Market Area are considered unfit. North Shropshire and Shrewsbury & Atcham show a higher level of unfitness in properties owned by Registered Social Landlords compared to the regional average of 0.6%. However the greatest proportion of unfit property is located in the private sector. Herefordshire and Shrewsbury & Atcham have the highest percentage of unfit dwellings in the private sector with 4.6%, but this is still less than the regional

³⁴ Section 604, 1985 Housing Act amended by 1989 Local Government and Housing Act

³⁵ The Communities and Local Government Housing Health and Safety Rating System 2005

average of 4.8%. Oswestry with 2.2% and South Shropshire with 2.4% show the lowest levels of unfit in the private sector.

Table 23: Unfit dwellings								
Ownership	Bridgnorth		North Shropshire		Oswestry		Shrewsbury & Atcham	
	No.	%	No.	%	No.	%	No.	%
Local authority	0	0.0	0	0.0	0	0.0	0	0.0
RSL	0	0.0	3	0.8	0	0.0	38	0.6
Other public	0	0.0	0	0.0	N/k	N/k	0	0.0
Total public	0	0.0	3	0.1	N/k	N/k	38	0.6
Private	728	3.7	870	3.8	318	2.2	1703	4.6
Total	728	3.2	873	3.4	N/k	N/k	1741	4.1
Ownership	South Shropshire		Herefordshire		West HMA		West Midlands	
	No.	%	No.	%	No.	%	No.	%
Local authority	0	0.0	0	0.0	0	0.0	922	0.4
RSL	0	0.0	1	0.0	42	0.2	1497	0.6
Other public	0	0.0	26	10.5	N/k	N/k	136	2.2
Total public	0	0.0	27	0.2	N/k	N/k	2555	0.6
Private	412	2.4	3120	4.6	7151	4.0	88233	4.8
Total	412	2.1	3147	4.0	N/k	N/k	90788	3.9

Source: HSSA 2006

- 4.3.4 All of the districts have a lower level of unfit than the national average of 4.2%. Shrewsbury & Atcham with 4.1% followed by Herefordshire with 4.0% have the highest levels of overall unfit with figures greater than the regional average of 3.9%.
- 4.3.5 Table 24 shows the estimated cost of making fit the unfit housing stock in the private sector in each district. The sums are based on estimates from private sector stock condition surveys carried out at different times as detailed in the final column. The varying dates make comparison problematic. However £6 million for Oswestry and over £5 million for Bridgnorth represent considerable expenditure.

Table 24: Cost of making fit unfit private sector		
District	Estimated cost (£)	Survey date as basis of estimate
Bridgnorth	5,320,000	2001
Herefordshire	51,900,000	2006
North Shropshire	900,000	2000
Oswestry	6,000,000	2002
Shrewsbury & Atcham	1,794,000	2000
South Shropshire	4,400,000	2004

Source: HSSA 2006

- 4.3.6 The Government Decent Homes standard provides a means of assessment going beyond the minimum fitness standard to ensure the property is also in a reasonable state of repair, has adequate modern facilities and provides a reasonable degree of warmth to its occupiers. Initially introduced as a requirement for all Local Authorities and Registered Social Landlords to make all their dwellings decent under these criteria by the end of 2010, the provision was extended in 2004 to include vulnerable people³⁶ in the private sector. The current requirement in the private sector³⁷ is for 65% of dwellings occupied by vulnerable households to be decent by 2006/7, 70% by 2010/11 and 75% by 2020/21.
- 4.3.7 Table 25 provides details of the most recent data for each district on achievement of the Decent Homes standard. Information is taken from district housing strategies and the latest private sector house condition surveys. The private sector total includes Registered Social Landlord properties.

³⁶ Vulnerable households are defined as households in receipt of a means tested or disability benefit

³⁷ Public Sector Agreement (PSA) 7

Table 25: Non decent dwellings by tenure						
Tenure	Bridgnorth	Hereford-shire	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire
	%	%	%	%	%	%
Local Authority	13.0	0.0	16.0	N/k	0.0	0.0
Vulnerable households in private Sector ³⁸	38.4	48.3	43.9	N/k	N/k ³⁹	46.0
Year of estimate	2006	2005	2006			2005

Source: Housing Strategies for each district and Private Sector House Condition Surveys

- 4.3.8 From the data available, all of these districts have not yet reached the government target for 70.0% of vulnerable households in the private sector to be living in Decent Homes.
- 4.3.9 North Shropshire and Shrewsbury & Atcham recognise their last Private Sector Stock Condition Surveys are now out of date and require updating. However a summary of the main findings from these earlier surveys and more recent private sector stock condition analysis in other areas highlights the following key issues for the West Housing Market Area:
- ❑ Prevalence of non Decent Homes in rural areas
 - ❑ A high level of non Decent Homes in the private rented sector
 - ❑ Most non decency occurs in properties constructed before 1919
 - ❑ One of the predominant reasons for failure to meet the Decent Homes standard was poor thermal comfort.
- 4.3.10 The high proportions of non decency in the private rented sector are shown in two recent stock condition surveys. In 2005, Herefordshire Private Sector Stock Condition Survey found 60.0% of all non decent properties occurred in the private rented sector although this tenure only represents 13.1% of the housing stock. In 2006, Bridgnorth Private Sector Housing Stock Condition Survey showed the highest rates of non decent housing were in private rented homes where non Decent Homes were 56.9% of the stock and the problem was twice as prevalent as in the owner occupied sector.

³⁸ Private sector stock includes Registered Social Landlord accommodation

³⁹ SABC Housing Overview and Strategy Document 2006 – 2009 notes that using currently available figures need to reduce 2,344 vulnerable people living in non Decent Homes in 2001 to around 700 by 2010

- 4.3.11 Registered Social Landlord housing stock providers generally state confidence in achieving the Decent Homes standard target in their properties by 2010. These assessments are based on an appraisal of expenditure requirements and a planned programme of action.
- 4.3.12 North Shropshire was concerned at the level of investment needed to meet the Decent Homes standard for local authority stock. A stock condition survey in 2005 estimated the council would need to spend over £14 million to meet the 2010 target plus £1 million a year on emerging repairs. The agreed stock transfer, however, from August 2007 is expected to provide increased funds for repairs and improvements with a £30 million budget over the first five years.
- 4.3.13 Bridgnorth has set achievement of the Decent Homes target as one of its main themes for their Housing Strategy⁴⁰. Currently retaining ownership and management of the council stock they have detailed business plans to improve all the stock to meet the Decent Homes standard by 2010. After this date the financial benefits of stock transfer may be attractive to tenants and it is likely they will work with the tenants and residents federation in order to revisit the council stock options appraisal.
- 4.3.14 In the private sector however, an assessment of attaining the Decent Homes standard by 2010 for households containing vulnerable people is more difficult to achieve. Improving private sector housing operates through various approaches including advice, encouragement, grants and ultimately enforcement. Private sector renewal policies aim to encourage joint working between voluntary and statutory sectors to influence the private sector including combining new forms of assistance, for example equity release, with the more traditional grants scheme.
- 4.3.15 An indication of the level of activity towards meeting the decent home standard in the private sector is shown in Table 26. This illustrates trends in recent and planned levels of private sector renewal assistance through grants; owner-occupiers principally receive these. Figures for 2006/07 and 2007/08 are planned expenditure. In order to improve house conditions to meet the Decent Homes standard targets, Herefordshire has consistently allocated considerable resources although the proposed allocations for 2006/07 and 2007/08 at £1 million are less than previous years. Shrewsbury & Atcham has more than doubled resources on private sector renewal assistance for 2007 / 08, £50,000, compared to 2005/06, £20,000. Oswestry however with an estimated cost of £6 million in 2002 (see Table 24) to make fit unfit properties in the private sector has allocated £55,000

⁴⁰ Bridgnorth District Council Housing Strategy 2007 - 12

in 2006/07 and zero allocation in the following year. Other forms of encouragement and engagement with the private sector will be needed.

Table 26: Private sector renewal assistance								
Year	Bridgnorth	Hereford-shire	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	West HMA	West Midlands
2002/03	52000	2087000	69000	54000	15000	0	2277000	6843000
2003/04	54000	1872000	43000	42000	2000	4000	2017000	6273000
2004/05	58000	999000	78000	0	10000	12000	1157000	5053000
2005/06	49000	1083000	47000	67000	20000	27000	1293000	4774000
2006/07	60000	1000000	70000	55000	30000	30000	1245000	4727000
2007/08	60000	1000000	50000	0	50000	30000	1190000	4394000

Source: HSSA 2006

- 4.3.16 The Housing Health and Safety Rating System (HHSRS) replaced the unfit dwelling criteria for assessing the quality of current housing stock in an area from April 2006. The process identifies defects within a dwelling and scores the potential risk of this hazard to the health and safety of persons using the building. Key hazards considered within an assessment include the risk of falls, hot surfaces and materials positioned inappropriately, above average risk of fire, damp and mould growth and excessive cold. Unlike the fitness standard the HHSRS takes into account the likely risk to possible occupiers of the building. Housing stock which is classed as being subject to a Category 1 Hazard require a mandatory response from a Local Authority as they are considered to have an unacceptably high risk of serious injury or mortality.
- 4.3.17 Table 27 details the number of dwellings and percentage this represents of private sector housing stock subjected to Category 1 Hazards in each district. For districts where local authority stock transfer has taken place, Herefordshire, Shrewsbury & Atcham and South Shropshire, these figures relate to all housing stock. Comparisons to the level of unfitnes in each district shown in Table 23 indicate significantly higher numbers of homes failing the Category 1 standard compared to the fitness standard in Bridgnorth and in Herefordshire.

Table 27: Dwellings with Category 1 Hazards HHSRS			
	No.	%	Year of estimate
Bridgnorth	2960	18.1	2006
Herefordshire	7550	9.4	2005
North Shropshire	N/k	N/k	
Oswestry	N/k	N/k	
Shrewsbury & Atcham	N/k	N/k	
South Shropshire	470	2.7 ⁴¹	2005

Source: Most recent Private Sector Housing Condition Survey for each District

4.4 Shared housing and communal establishments

4.4.1 Shared housing and communal establishments include homeless hostels, older people's specialist accommodation and student housing.

4.4.2 Tab

Table 28: Communal establishments		
	All Communal Establishments	Number of residents
Bridgnorth	50	2424
North Shropshire	46	1600
Oswestry	32	1038
Shrewsbury and Atcham	103	2158
South Shropshire	58	529
Herefordshire	211	1998

Source: Census 2001

4.4.3 There is also a statutory requirement⁴² for local authorities to inspect, register and license properties which are three storeys and above with five or more people in more than one household. There are minimum conditions to address including fire safety requirements. Other houses in multiple occupation (HMOs) do not currently require a license.

4.4.4 Table 29 details the number of houses in multiple occupation in each district.

⁴¹ South Shropshire Private Sector House Condition Survey and Energy Efficiency Survey 2005, 470 dwellings of 17178

⁴² Housing Act 2004

Table 29: Number of houses in multiple occupation		
	No.	Registered
Bridgnorth	22	0
Herefordshire	286	215
North Shropshire	150	0
Oswestry	245	0
Shrewsbury & Atcham	392	0
South Shropshire	300	0

Source: HSSA 2006

- 4.4.5 Herefordshire was already operating two HMO Registration schemes prior to the introduction of the national licensing scheme so properties have been passported through. In North Shropshire it is estimated that although there are 150 HMOs in the district, no more than six will require mandatory licensing. In 2003 a survey estimated that up to 100 HMOs had poor standards of fire precautions and heating. In South Shropshire, the Private Sector House Condition and Energy Efficiency Survey 2005 considered 143 of the HMOs in the district failed the fitness standard.

4.5 Over-crowding and under occupation

- 4.5.1 The 'occupancy rating' within the 2001 Census provides a measure of under-occupancy and over-crowding. For example a value of -1 implies that there is one room too few and that there is overcrowding in the household. It relates the actual number of rooms to the number of rooms 'required' by the members of the household (based on an assessment of the relationship between household members, their ages and gender).
- 4.5.2 Table 30 presents the occupancy rating for each district within the West Housing Market Area. It is clear that all 6 local authorities have relatively high proportions of households living in under-occupied properties. 63.4% of properties in South Shropshire have two extra rooms for the household sizes occupying them. Given the high proportions of detached properties within the housing stock this is not unexpected.

Table 30: Occupancy rating (%)					
Gross monthly income (£)	Occupancy rating + 2 or more	Occupancy rating + 1	Occupancy rating of 0	Occupancy rating -1	Occupancy rating -2 or less
Bridgnorth	61.0	24.2	12.0	2.2	0.6
North Shropshire	62.2	22.2	12.4	2.4	0.8
Oswestry	57.7	25.5	13.2	2.8	0.8
Shrewsbury & Atcham	61.4	21.6	12.9	3.3	0.9
South Shropshire	63.4	22.2	11.5	2.4	0.5
Herefordshire	60.3	21.2	14.3	3.3	0.9
West Midlands	51.6	25.5	17.3	4.1	1.5
England	49.1	25.5	18.2	5.0	2.1

Source: 2001 Census UV59

4.6 Vacancy and low demand

4.6.1 Table 31 presents the vacancy and low demand housing rates among private sector dwelling within the West Housing Market Area. It appears that there are no low demand properties (according to the HSSA information). Vacancy rates are highest in South Shropshire (4.3%) and Bridgnorth (4.0%). These figures are broadly in line with the national vacancy rate (3.3%) and the rate for the West Midlands (3.6%). The relatively low levels of vacancy and low demand are demonstrative of the general growth in demand experienced across all areas.

Table 31: Private sector vacancy and low demand ⁴³ (%)			
Local Authority	Vacancy	Low demand	Total private sector dwellings
Bridgnorth	4.0	0	19,407
North Shropshire	1.5	*	22,910
Oswestry	2.1	0	14,261
Shrewsbury & Atcham	1.5	0	36,727
South Shropshire	4.3	0	17,325
Herefordshire	2.4	0	67,097

Source: Housing Strategy Statistical Appendix 2006

4.6.2 Table 32 presents the vacancy and low demand information for social housing within the West Housing Market Area. The levels of vacancies are relatively low in all areas. Although the overall proportions of low demand stock in the West Housing Market Area are below the regional averages, the proportion of low demand RSL properties in Bridgnorth (8.8%) is

double the regional average. Note that Herefordshire, Shrewsbury & Atcham and South Shropshire have no LA stock.

- 4.6.3 More than 1 in 5 local authority dwellings in North Shropshire are difficult to let - well above the proportions in the other areas with LA dwellings.

Table 32: Social sector vacancy, low demand and hard to let ⁴⁴ (%)					
Local Authority	Vacancy	Low demand		Difficult to let	
		LA	RSL	LA	RSL
Bridgnorth	2.1	0.0	8.8	1.6	0.0
North Shropshire	1.0	6.5	1.9	20.2	0.0
Oswestry	1.2	4.1	0.0	2.8	0.0
Shrewsbury & Atcham	1.3	-	1.4	-	2.2
South Shropshire	1.2	-	0.0	-	0.0
Herefordshire	1.5	-	2.1	-	2.8
West HMA	1.4	3.5	1.7	8.4	2.1
West Midlands	2.0	8.6	4.4	3.1	2.0

Source: Source: Housing Strategy Statistical Appendix 2006

⁴³ Cells marked * indicate that data was not available or not known.

⁴⁴ Cells marked * indicate data was unavailable or not applicable, usually due to Large Scale Voluntary Transfer.

5 THE ACTIVE MARKET

Table 33: Summary of active market datasets ⁴⁵		
Step	Principal data sources	Data items
3.1 The cost of buying or renting a property	Land Registry, Estate & Letting Agents, Rent Service, HSSA	Average and lower quartile prices and rents by tenure, sizes, types and location
3.2 Affordability of housing	Outputs of Step 3.1 and Step 1.4	Mapping of which areas and property types are most and least affordable
3.3 Overcrowding and under-occupation	Census, Local surveys	Dwelling and household size, overcrowding, under-occupancy
3.4 Vacancies, turnover rates and available supply by tenure	Outputs from Step 2.1, NROSH, HSSA returns, Council tax register, LA/HA records, Land Registry transactions, Estate and letting agents, Survey of Mortgage Lenders	Vacancy rates by tenure, size, type and location, transactions data, turnover, and an indication of available supply by tenure, type, size and location

5.1 Introduction

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

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

5.2 The cost of housing for sale

5.2.1 Mean overall prices within the West Housing Market Area for the period April 2006 to March 2007 are presented in Table 35.

5.2.2 Average prices in the different areas of the West Housing Market Area vary considerably. The highest overall mean price are in Bridgnorth and South Shropshire (£229,505 and

⁴⁵ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p26

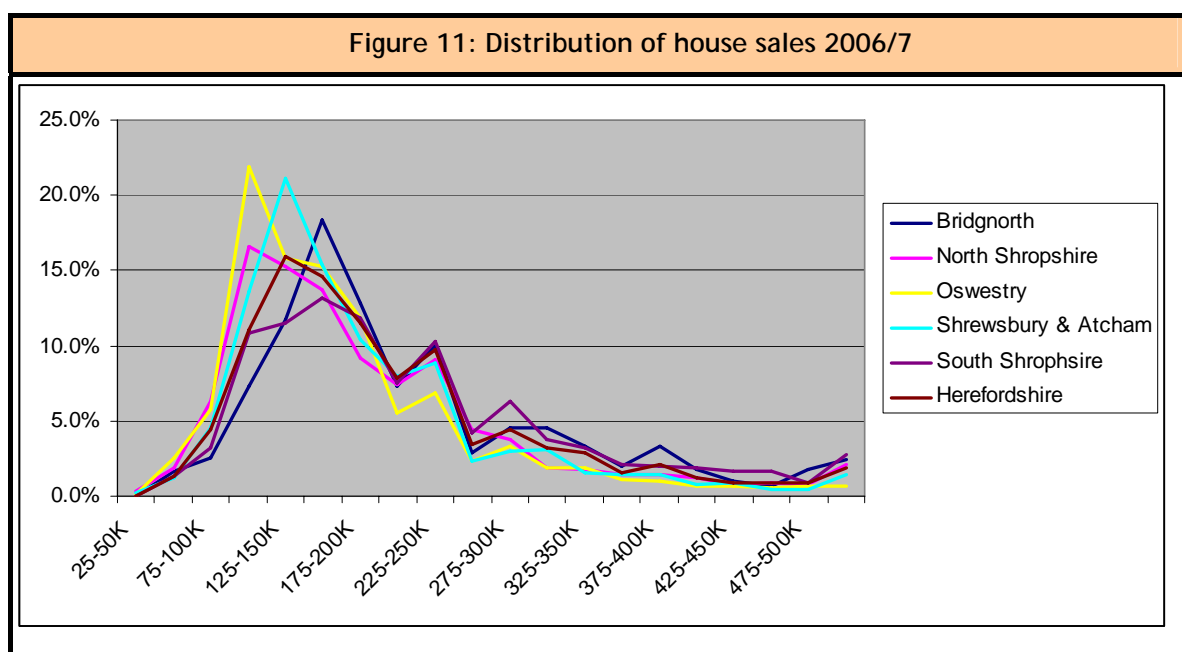
£229,354 respectively) although the mean price for detached, semi-detached and terraces is higher in the former than the latter. The cheapest properties are flats/apartments in North Shropshire (£100,462) and the lowest overall mean price is in Oswestry.

5.2.3 In terms of overall mean price, Oswestry, Shrewsbury & Atcham and North Shropshire are below the West Housing Market Area average.

Table 34: Mean house price 2006/7					
	Detached	Semi-detached	Terrace	Flat	All
Bridgnorth	£313,867	£189,436	£175,034	£136,869	£229,505
North Shropshire	£267,215	£158,443	£140,037	£100,462	£200,073
Oswestry	£240,877	£142,362	£129,879	£109,261	£181,120
Shrewsbury & Atcham	£287,710	£177,313	£155,561	£132,422	£195,601
South Shropshire	£302,307	£182,362	£161,333	£143,876	£229,354
Herefordshire	£291,819	£181,455	£151,737	£130,271	£212,056
WEST HMA	£285,334	£174,267	£152,693	£129,703	£207,894

Source: Land Registry

5.2.4 The distribution of house prices across the West Housing Market Area is depicted in Figure 11. The important point to note is the price at which the peak (and the bulk) of sales occur, as opposed to the volume of sales as this will partly reflect the dwelling profile.



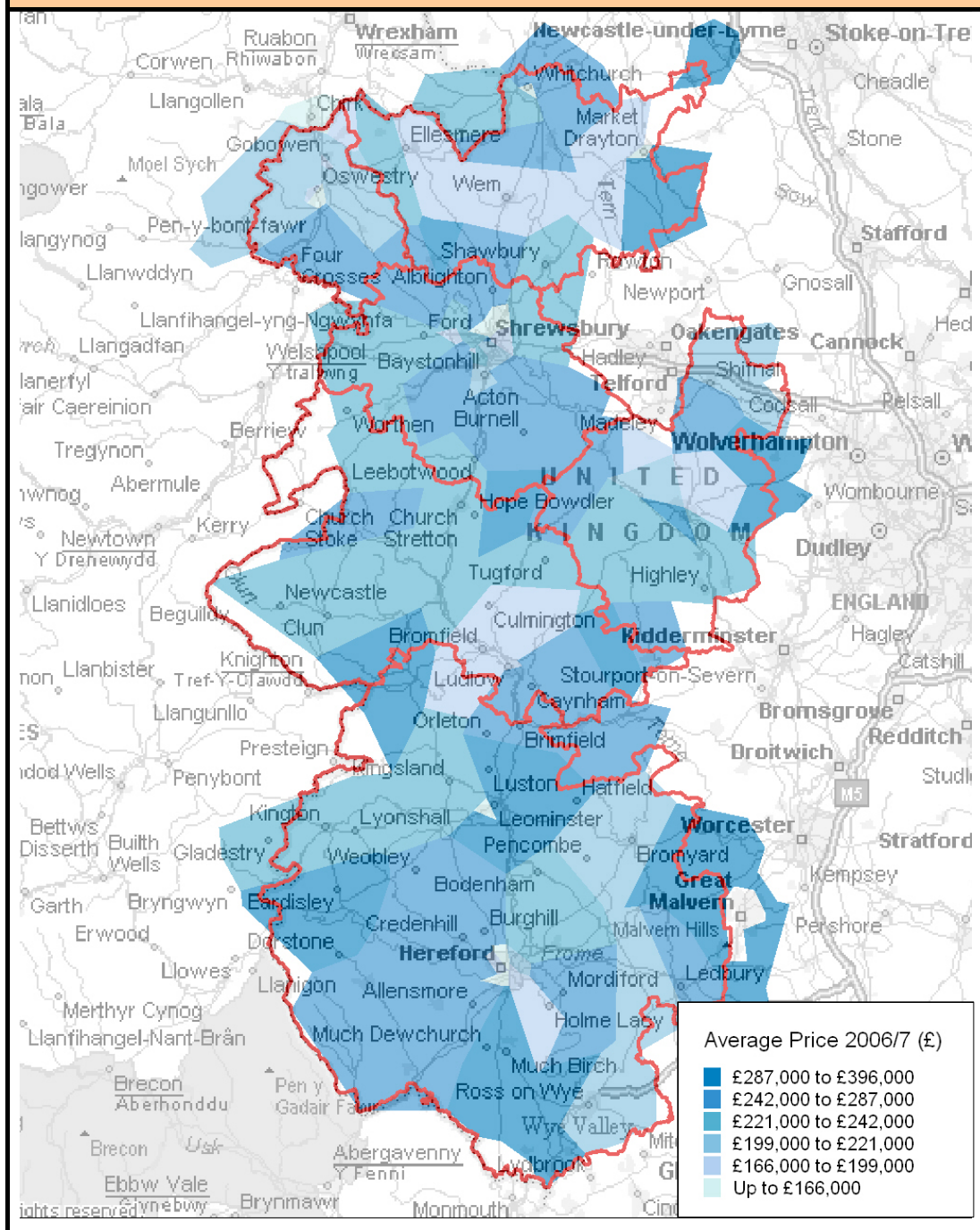
Source: Land Registry

5.2.5 In North Shropshire and Oswestry the majority of sales (over one fifth or 21.9% in Oswestry) occur between £100,000 and £125,000. The peak in Shrewsbury & Atcham (21.1%) and Herefordshire falls between £125,000 and £150,000. Bridgnorth and South Shropshire, as

would be expected from their mean house prices, peak in the highest band of £150-175,000. In addition in Bridgnorth and South Shropshire, over a quarter of all sales are more than £275,000 (25.3% and 26.1% respectively); this compares to 14.7% for the West Housing Market Area overall.

5.2.6 The variation in mean house prices across the West Housing Market Area is shown in Figure 12 to Figure 14.

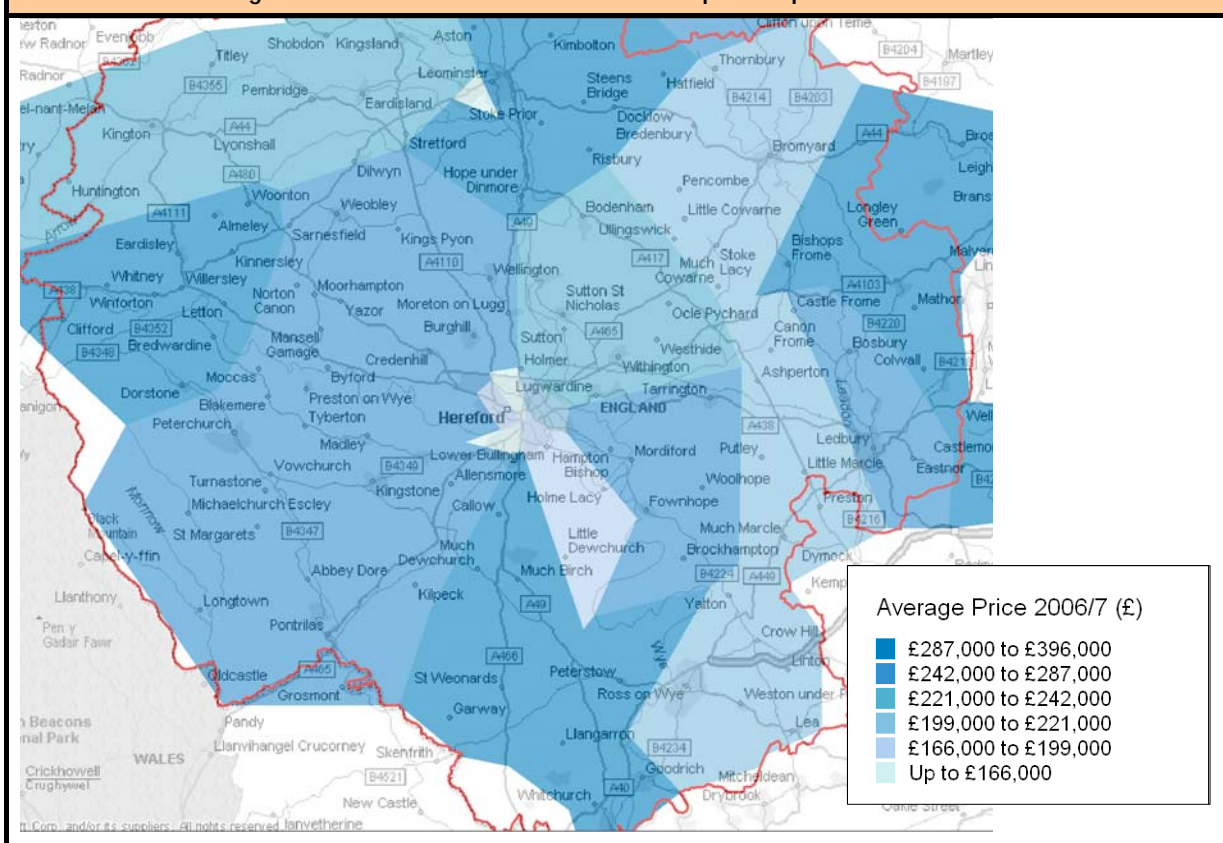
Figure 12: Shropshire & Herefordshire mean house price Apr 2006-Mar 2007⁴⁶



Source: Land Registry

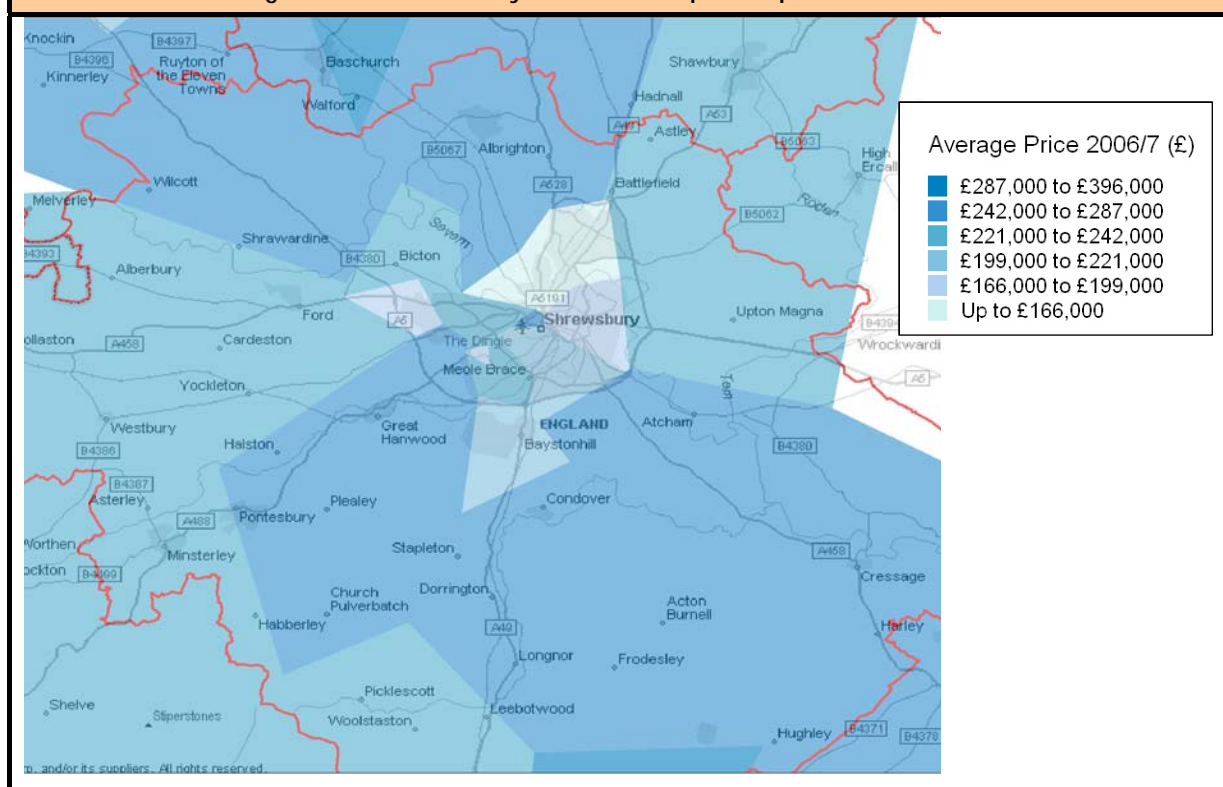
⁴⁶ Average price data for some postal sectors on the borders of the West Housing Market Area has not been mapped. This is because there are only a very small number of West Housing Market Area house sales that fall within the borders of these postal sectors and mapping this data would give a distorted picture

Figure 13: Herefordshire mean house price Apr 2006-Mar 2007



Source: Land Registry

Figure 14: Shrewsbury mean house price Apr 2006-Mar 2007



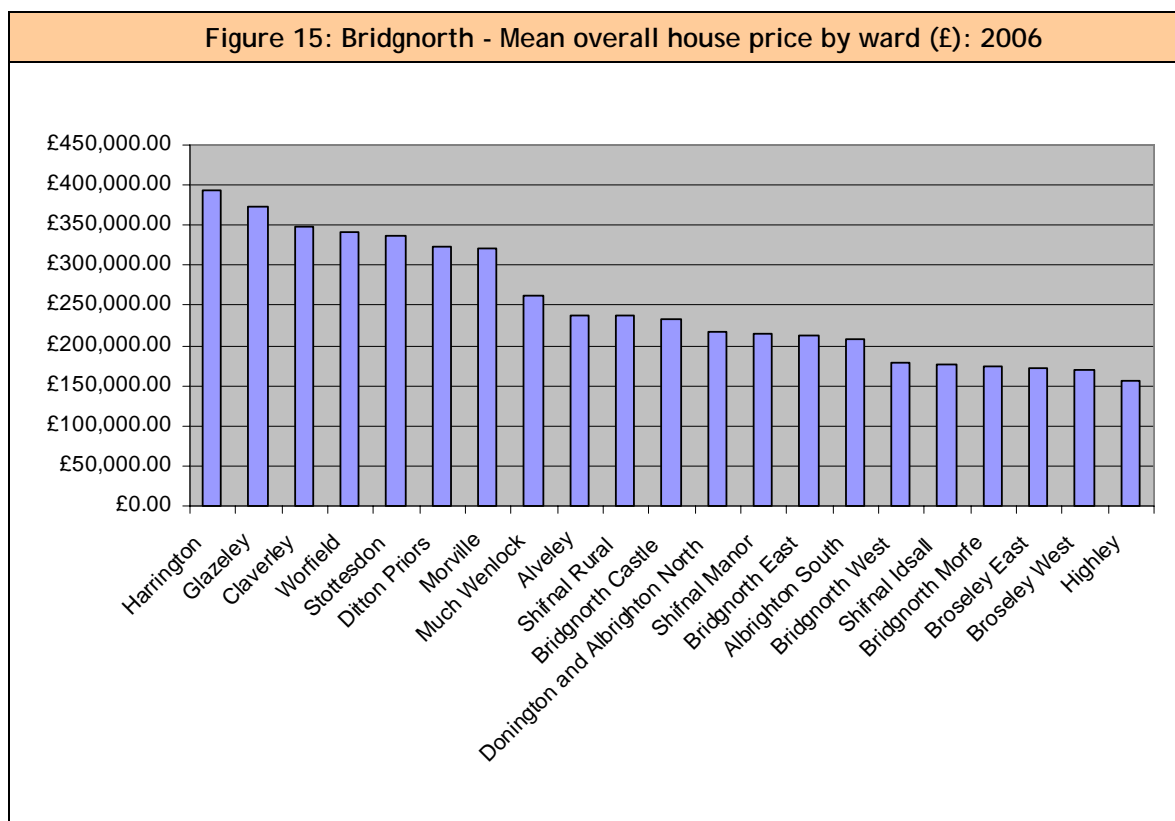
Source: Land Registry

5.3 Mean house price by ward

5.3.1 A detailed analysis of the Land Registry property sales data for 2006 shows the distribution of mean house prices by ward in each of the West Housing Market Area local authority areas.

5.3.2 In Bridgnorth there is a considerable range in the mean house price from £156,429 in Highley to £393,647 in Harrington. Figure 15 shows the ward mean house prices in Bridgnorth, that fall roughly into three groups:

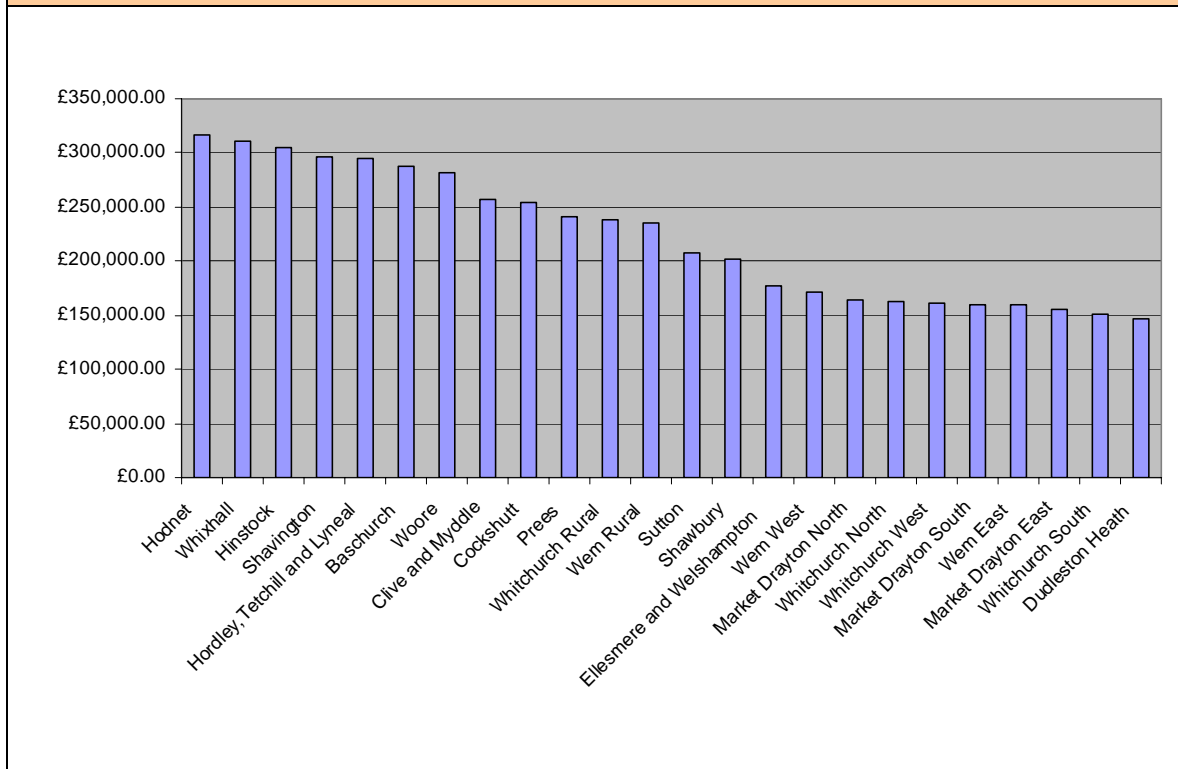
- (i) Highley, Broseley West and East, Bridgnorth Morfe, Shifnal Idsall and Bridgnorth West with mean house prices under £200,000
- (ii) Albrighton South, Bridgnorth East, Shifnal Manor, Donington and Albrighton North, Bridgnorth Castle, Shifnal Rural, Alveley and Much Wenlock with mena house prices between £200,000 and to just above £250,000
- (iii) Morville, Ditton priors, Stottesdon, Worfield, Claverley, Glazeley and Harrington with mean house prices above £300,000



Source: Land Registry

5.3.3 In North Shropshire, mean house prices range from £146,932 in Dudleston Heath to £316,441 in Hodnet.

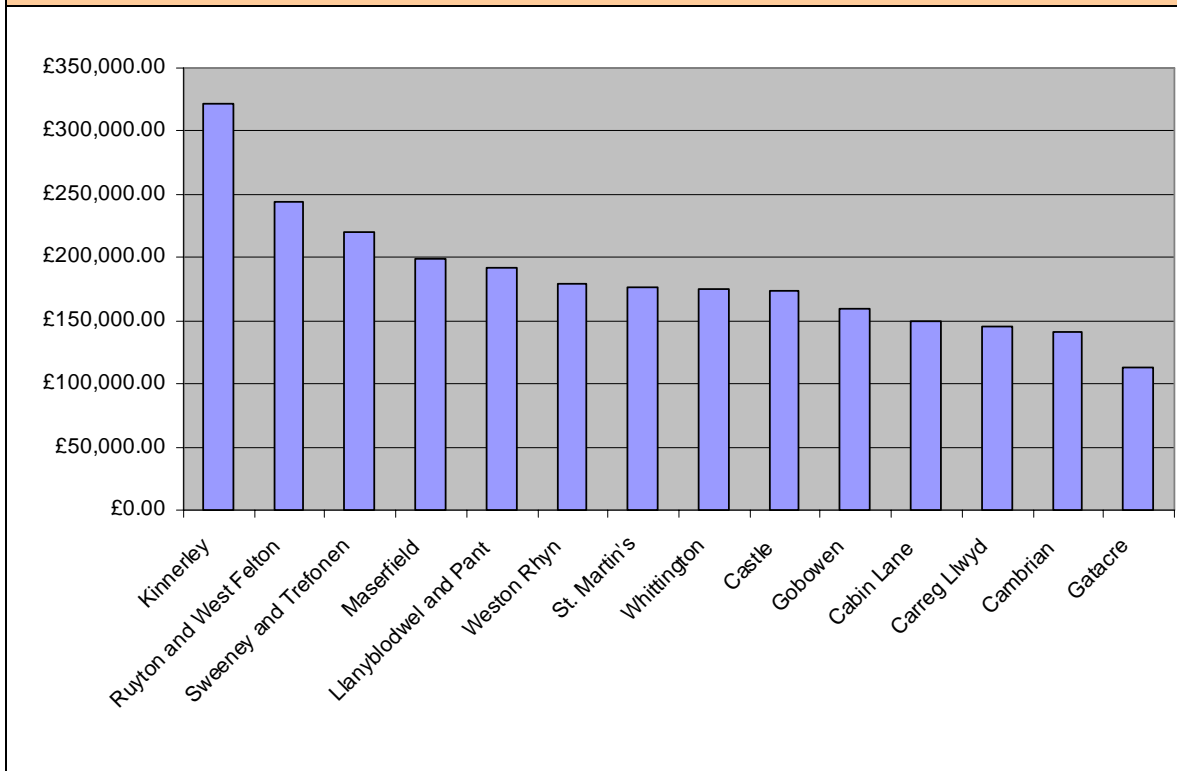
Figure 16: North Shropshire - Mean overall house price by ward (£): 2006



Source: Land Registry

5.3.4 Oswestry experiences the greatest range in mean house prices, from £112,574 in Gatacre to £321,305 in Kinnerley. House prices in Kinnerley Ward are significantly more expensive than in the rest of the Oswestry local authority area. Ruyton & West Felton, the next more expensive ward has a mean price below £250,000.

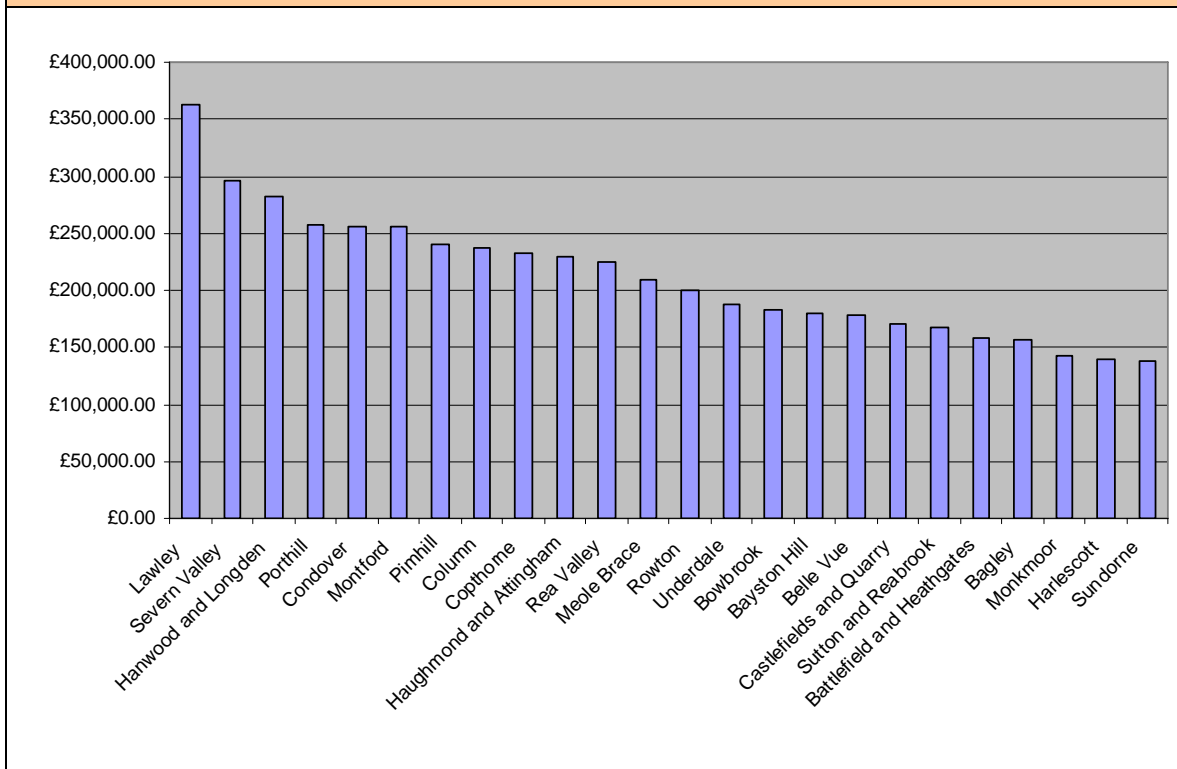
Figure 17: Oswestry - Mean overall house price by ward (£): 2006



Source: Land Registry

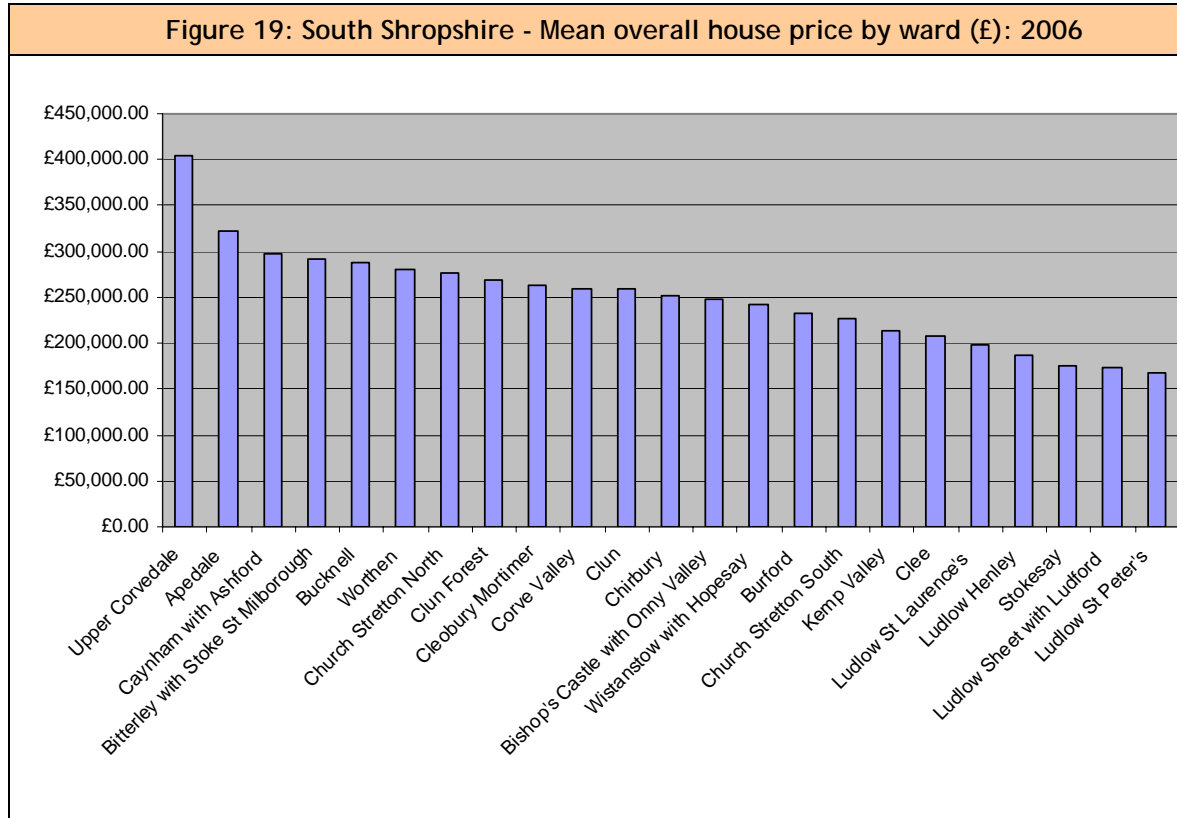
5.3.5 Mean house prices by ward in Shrewsbury and Atcham range from £138,578 in Sundorne to £363,557 in Lawley.

Figure 18: Shrewsbury & Atcham - Mean overall house price by ward (£): 2006



Source: Land Registry

5.3.6 South Shropshire mean house prices start well above £150,000 with Ludlow St Peter's having the lowest mean price at £168,505 and Upper Corvedale having the highest mean price at £404,934. South Shropshire is the only authority where one of its wards has a mean house price above £400,000.

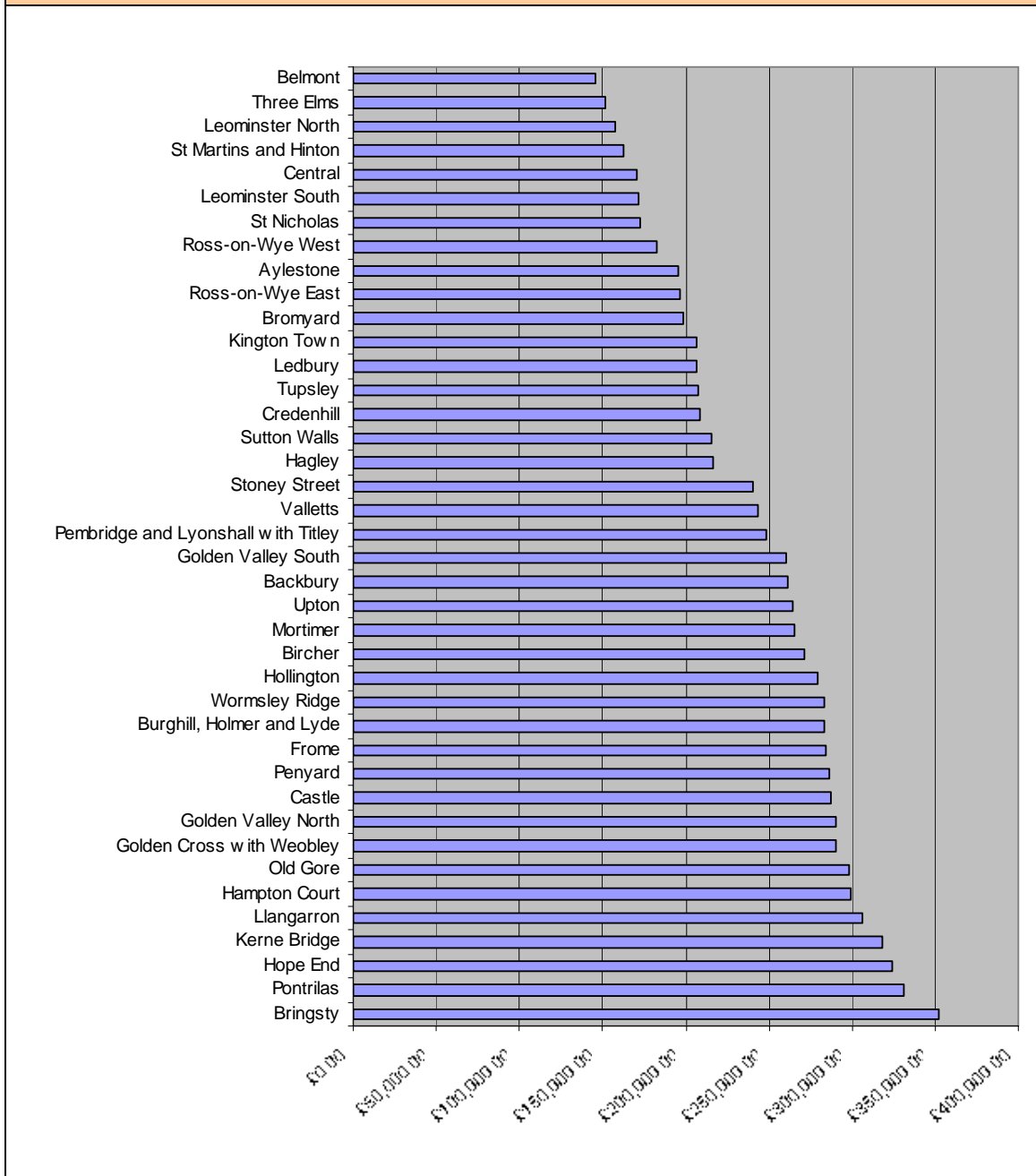


Source: Land Registry

5.3.7 Mean house prices across Herefordshire's wards are shown in Figure 20. The range is from £145,798 in Belmont to £352,150 in Bringsty.

5.3.8 Whilst across the whole West Housing Market Area at ward level there is a wide range in mean house prices, it is noticeable how few wards (just 9 out of 146), have mean prices below £150,000; Belmont in Herefordshire, none in South Shropshire and Bridgnorth, Sundorne, Harlescott and Monkmoor in Shrewsbury & Atcham, Gatacre, Cambrian and Carreg Llwyd in Oswestry, and Dudleston Heath in North Shropshire. There are other authorities in the West Midlands that have equally as high and in some places higher house prices, but in most other sub regions there is much greater provision of lower priced housing.

Figure 20: Herefordshire - Mean overall house price by ward (€): 2006



Source: Land Registry

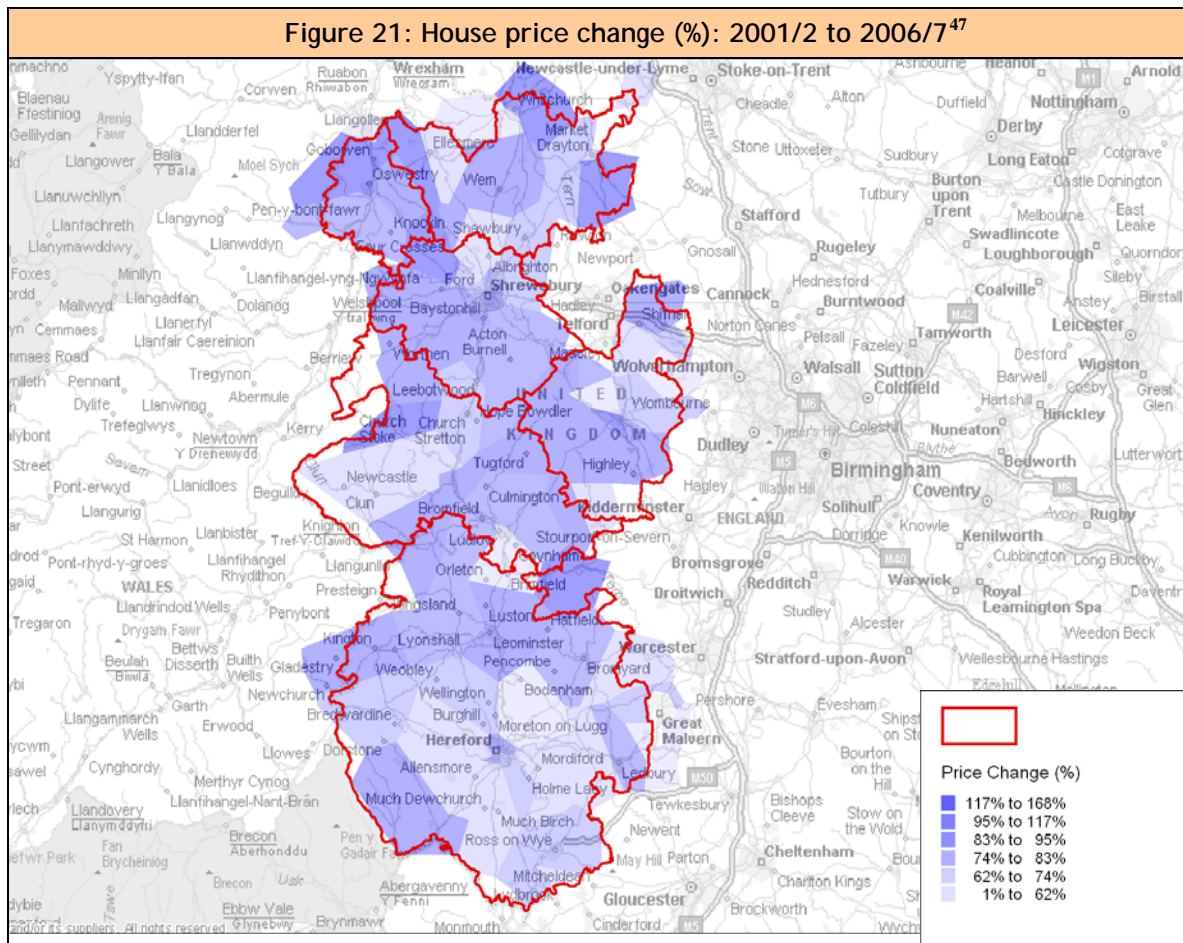
5.4 House price change

5.4.1 All parts of the West Housing Market Area have experienced rapid price growth since 2002 (see Table 35) and, with the exception of Herefordshire and South Shropshire, the rate of growth has been higher than the regional average (although in these two areas there has been significant price growth in smaller properties such as flats/apartments - see Table 37). Mean overall prices in Oswestry increased the most from 2005 to 2006 (9.5%).

Table 35: Mean house price and five-year change			
Local Authority	Mean 2006 (£)	Increase on 2005 (%)	Increase on 2002 (%)
Bridgnorth	£226,720	8.4	47.2
North Shropshire	£198,802	8.5	59.1
Oswestry	£179,296	9.5	75.4
Shrewsbury & Atcham	£190,337	4.7	62.1
South Shropshire	£228,468	6.8	51.0
Herefordshire	£211,619	6.9	54.9
West Midlands	£145,142	4.3	57.5

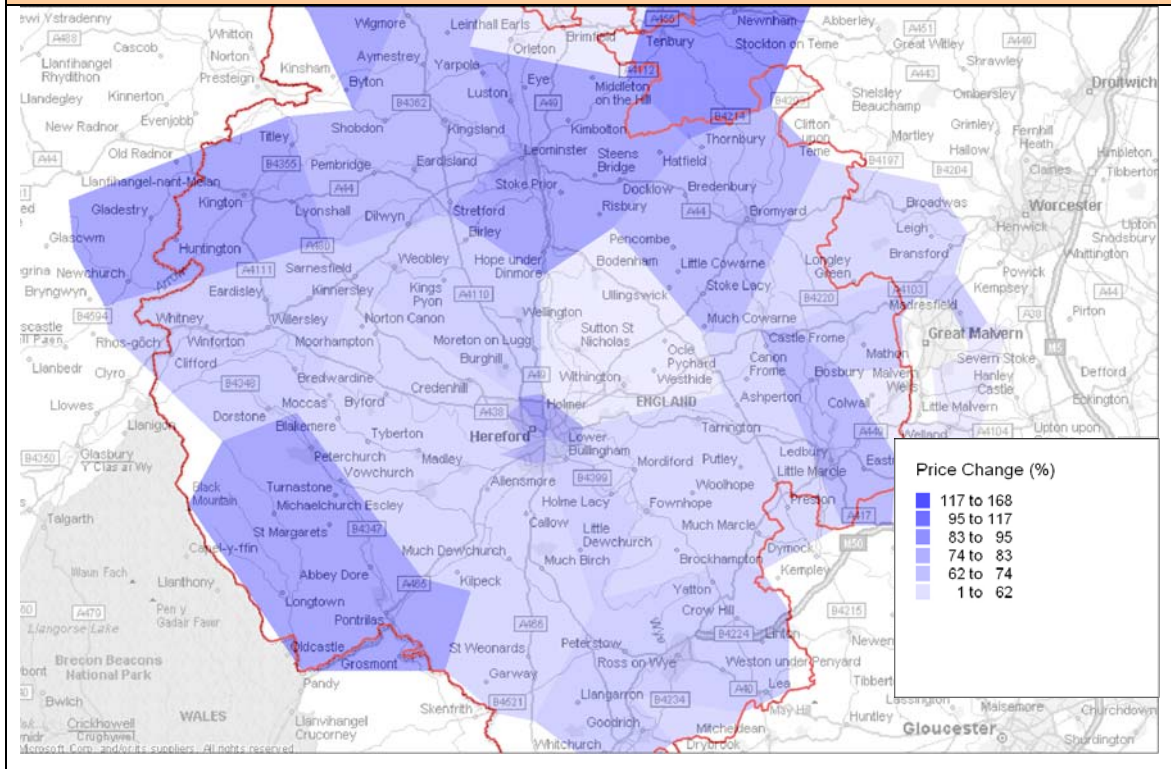
Source: Land Registry

5.4.2 Figure 21, Figure 22 and Figure 23 present spatially the change in prices experienced across the West Housing Market Area between 2001/2 and 2006/7. Whilst house prices have risen in all postal sectors there is variation in the size of the increase across the West Housing Market Area.



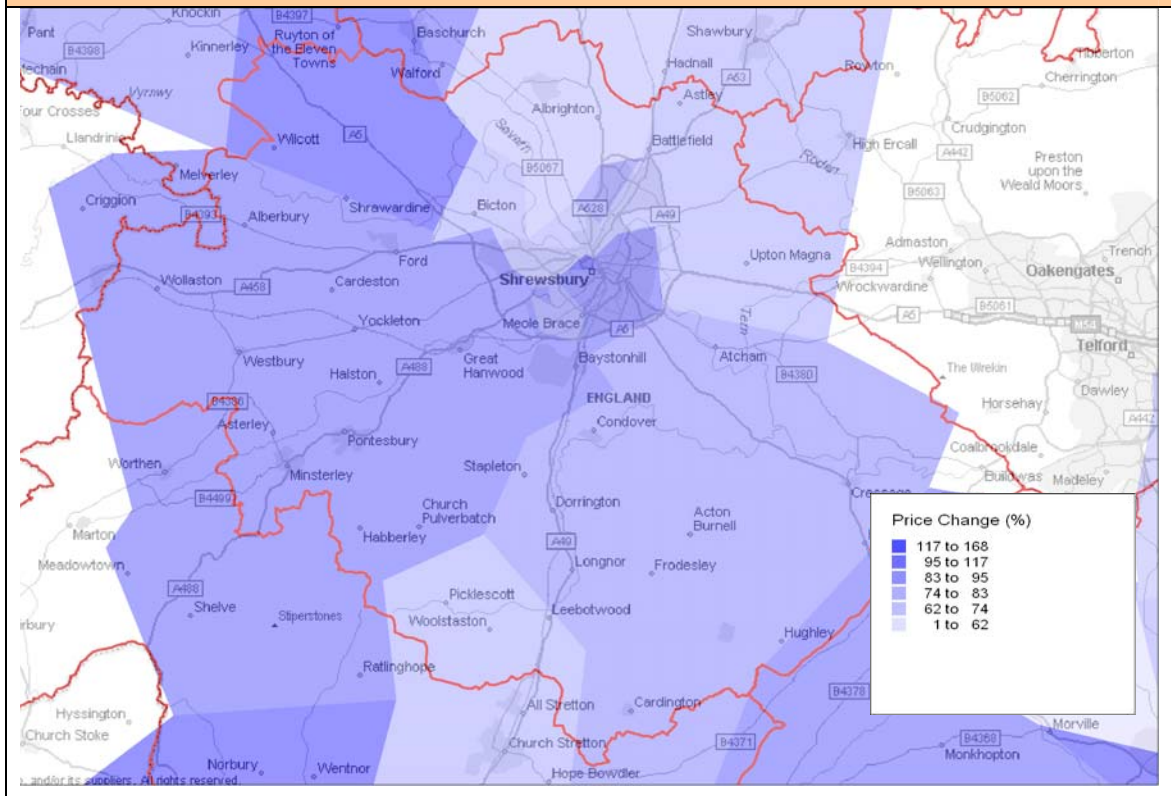
⁴⁷ House price change data for some postal sectors on the borders of the West Housing Market Area has not been mapped. This is because there are only a very small number of West Housing Market Area house sales that fall within the borders of these postal sectors and mapping this data would give a distorted picture

Figure 22: House price change Herefordshire (%): 2001/2 to 2006/7



Source: Land Registry

Figure 23: House price change Shrewsbury (%): 2001/2 to 2006/7



Source: Land Registry

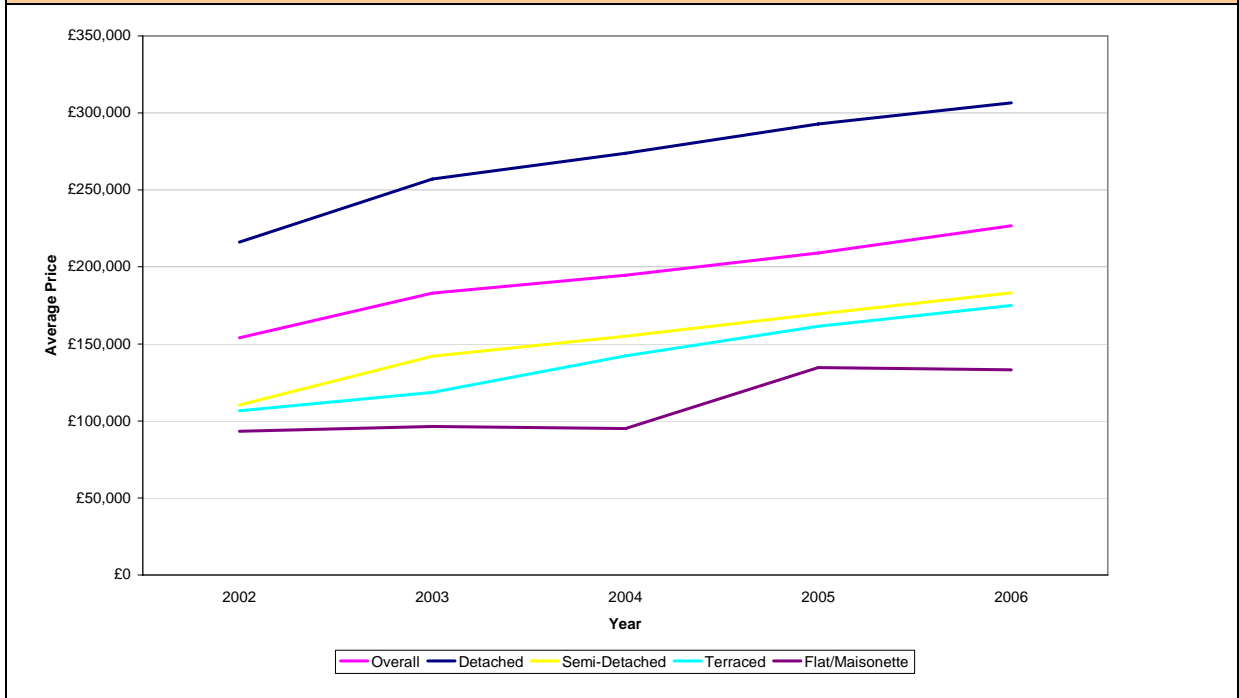
5.4.3 Year on year mean property price increases are shown in Table 36. All districts experienced the highest price increases in 2003 and 2004, with Oswestry experiencing the greatest increases in both years. Bridgnorth, which had the lowest rise in prices in 2004, experienced a comparatively greater price rise the following year. Although prices continued to rise in 2005 and 2006, it was at a slower rate than in the previous 2 years.

Table 36: Mean annual house price change 2003-2006								
Area	2003		2004		2005		2006	
	£	%	£	%	£	%	£	%
Bridgnorth	28970	18.8	11561	6.3	14579	7.5	17581	8.4
North Shropshire	26637	21.3	28237	18.6	3322	1.8	15630	8.5
Oswestry	29448	28.8	29261	22.2	2760	1.7	15580	9.5
Shrewsbury & Atcham	24836	21.2	23920	16.8	15616	9.4	8556	4.7
South Shropshire	19659	13.0	32546	19.0	10482	5.2	14503	6.8
Herefordshire	25617	18.7	28820	17.8	6797	3.6	13741	6.9
West Midlands	111515	21.0	129262	15.9	139143	7.6	145143	4.3

Source: Land Registry

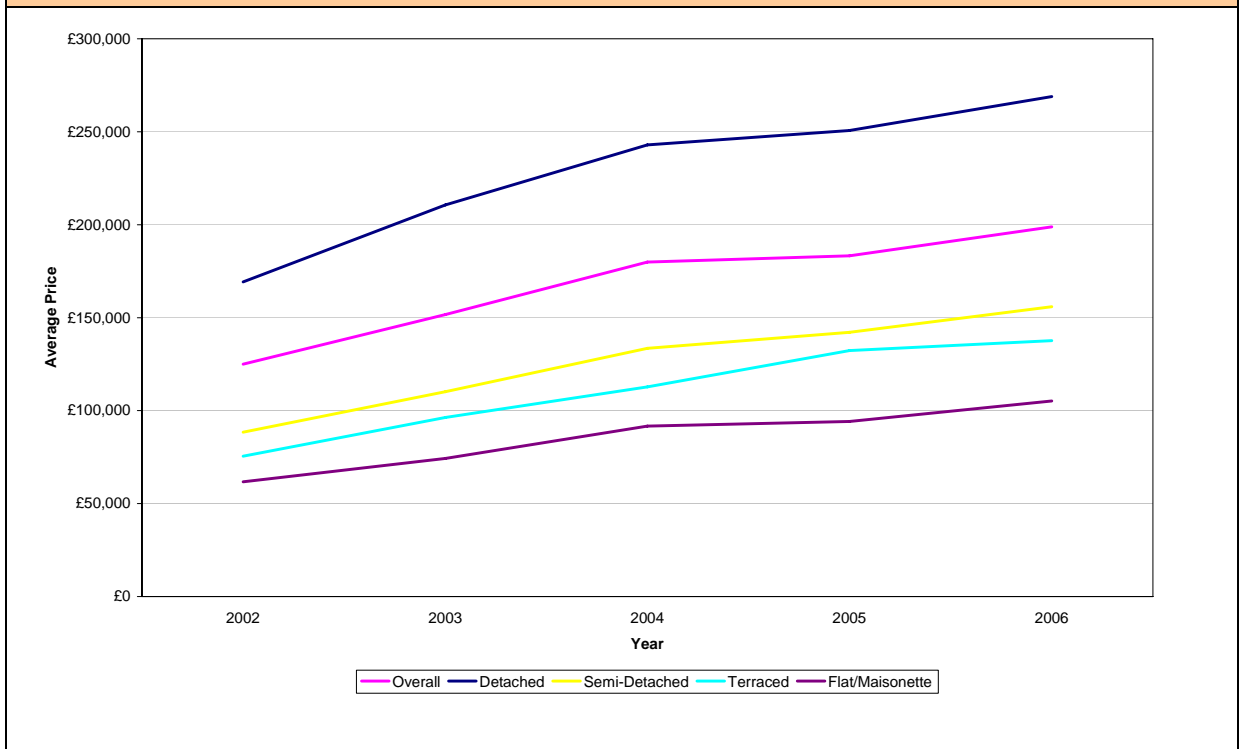
5.4.4 Property prices over the five years from 2002 to 2006 are shown by property type in Figure 24, Figure 29, Figure 25, Figure 26, Figure 27 and Figure 28. All areas show an upward trend in overall average house price. A levelling off or slowing of the rate of price increase is evident in all areas from 2004 to 2005. Fluctuation in average house prices was more common for flats and maisonettes. It is quite possible that this reflects the smaller numbers of annual sales of these types of property rather than a tendency for instability in this housing market. Sales of flats/maisonettes made up 9.4% of all sales in 2006 in the West Housing Market Area. In Bridgnorth the total number of sales of this type of property in 2006 was 45. In Oswestry total sales were of flats/maisonettes were 32.

Figure 24: Annual mean price Bridgnorth 2002 - 2006 (£)



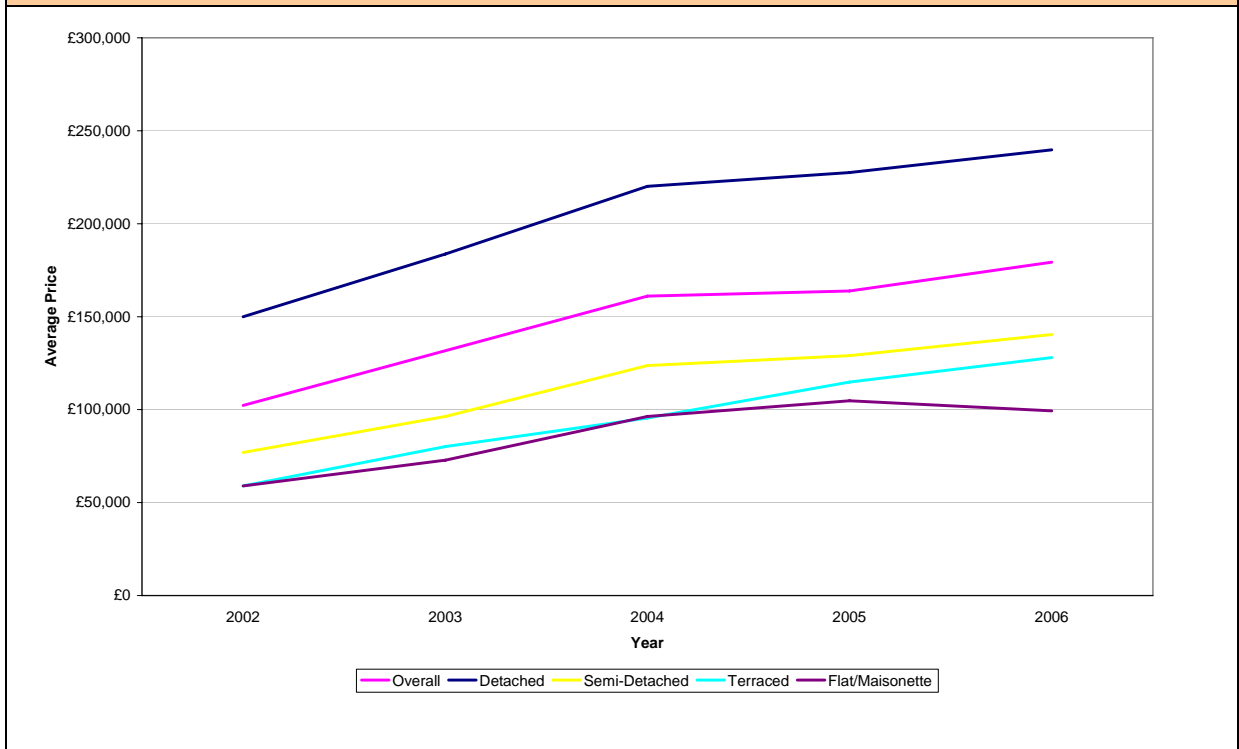
Source: Land Registry

Figure 25: Annual mean price North Shropshire 2002 - 2006 (£)



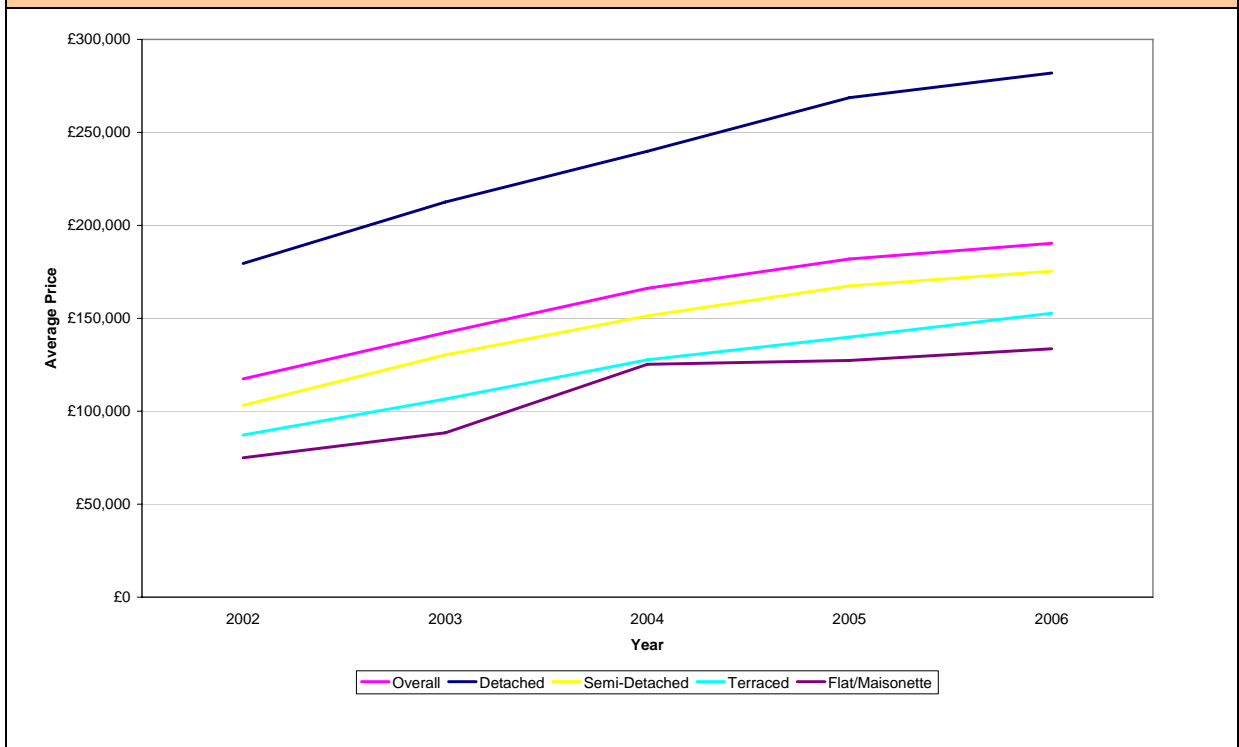
Source: Land Registry

Figure 26: Annual mean price Oswestry 2002 - 2006 (£)



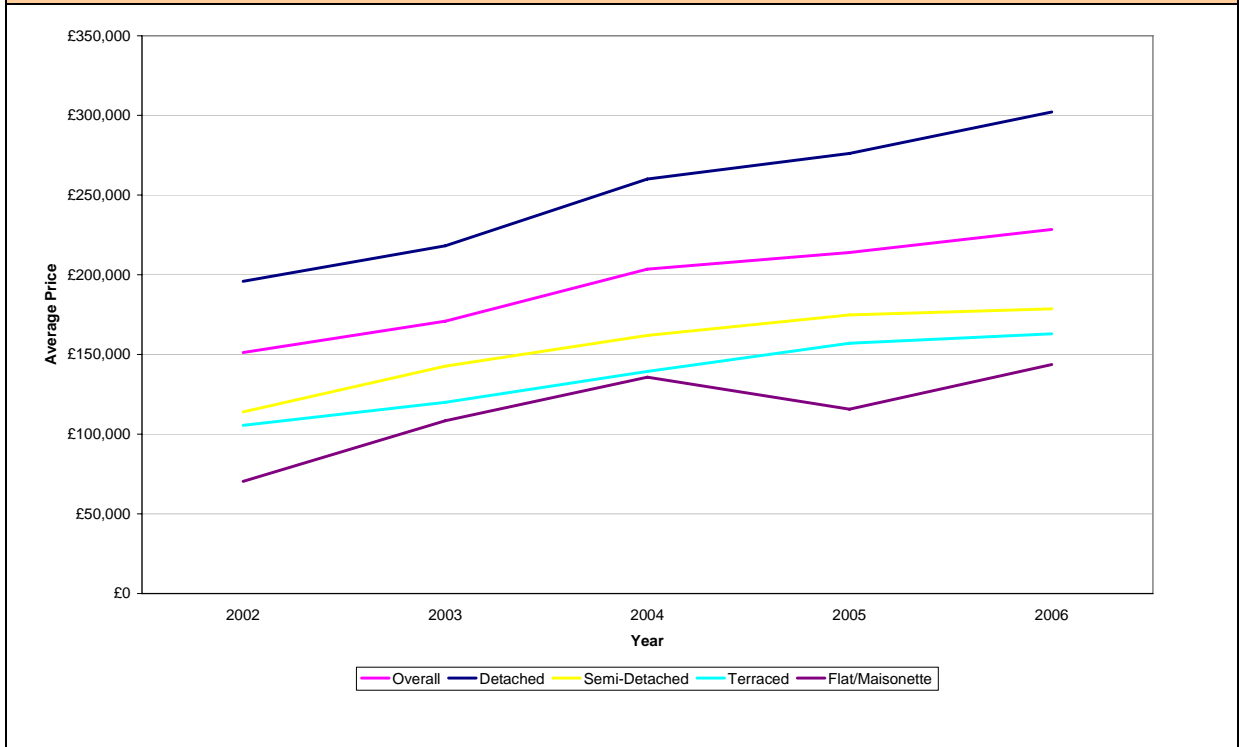
Source: Land Registry

Figure 27: Annual mean price Shrewsbury & Atcham 2002 - 2006 (£)



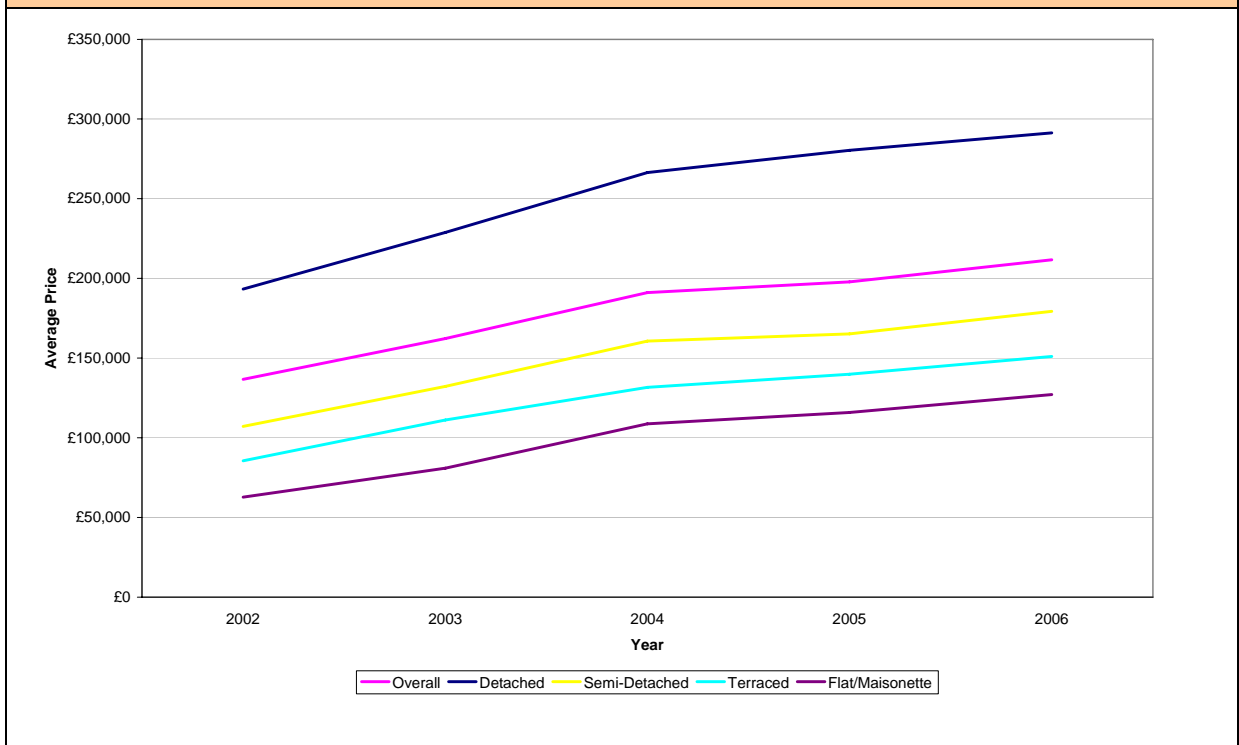
Source: Land Registry

Figure 28: Annual mean price South Shropshire 2002 - 2006 (£)



Source: Land Registry

Figure 29: Annual mean price Herefordshire 2002 - 2006 (£)



Source: Land Registry

5.4.5 Table 37 shows price changes by property type from 2002 to 2006 for each area. The mean price for each property type as a ratio to the overall property price is also given for 2002

and 2006. The change over the 4 year period is shown in the final column of each table. The ratios show how the price for a particular property type compares against house prices generally in an area.

- 5.4.6 Detached properties have a dominant effect on the overall mean price in each area, accounting for the highest proportion of sales in almost all areas as well as the highest average prices. In 2006 the sales of detached properties accounted for 37.7% of all sales in the West Housing Market Area. Proportionally though, detached properties have experienced less price growth than other property types. It is clear that in most cases detached properties have become less expensive relative to the overall mean price (the exception to which is South Shropshire where detached properties have increased in price slightly relative to the mean overall property price). The greatest increases in property prices have been in flats/maisonettes in Herefordshire (102.6%) and South Shropshire (104.3%) and in terraced houses in Oswestry (117.4%). The increase in South Shropshire is however based on a small number of sales in 2002⁴⁸, which makes the average price of sales in that year a less reliable indicator of the average price of all flats/maisonettes.

⁴⁸ In total, 38 flats/maisonettes were sold in South Shropshire in 2002.

Table 37: House price and price ratio change by type 2002-06				
Bridgnorth				
	Price change 2002-06 (%)	Ratio to All 2002	Ratio to All 2006	Change in ratio to All
Detached	41.8	1.40	1.35	-0.05
Semi-detached	66.2	0.72	0.81	0.09
Terraced	64.3	0.69	0.77	0.08
Flat/maisonette	43.0	0.61	0.59	-0.02
ALL	47.2	1.00	1.00	0.00
North Shropshire				
	Price change 2002-06 (%)	Ratio to All 2002	Ratio to All 2006	Change in ratio to All
Detached	58.9	1.35	1.35	0.00
Semi-detached	76.4	0.71	0.78	0.08
Terraced	82.4	0.60	0.69	0.09
Flat/maisonette	70.7	0.49	0.53	0.04
All	59.1	1.00	1.00	0.00
Oswestry				
	Price change 2002-06 (%)	Ratio to All 2002	Ratio to All 2006	Change in ratio to All
Detached	59.9	1.47	1.34	-0.13
Semi-detached	82.3	0.75	0.78	0.03
Terraced	117.4	0.58	0.71	0.14
Flat/maisonette	68.8	0.58	0.55	-0.02
All	75.4	1.00	1.00	0.00
Shrewsbury & Atcham				
	Price change 2002-06 (%)	Ratio to All 2002	Ratio to All 2006	Change in ratio to All
Detached	57.0	1.53	1.48	-0.05
Semi-detached	69.9	0.88	0.92	0.04
Terraced	75.1	0.74	0.80	0.06
Flat/maisonette	78.0	0.64	0.70	0.06
Overall	62.1	1.00	1.00	0.00
South Shropshire				
	Price change 2002-06 (%)	Ratio to All 2002	Ratio to All 2006	Change in ratio to All
Detached	54.2	1.29	1.32	0.03
Semi-detached	56.8	0.75	0.78	0.03
Terraced	54.4	0.70	0.71	0.02
Flat/maisonette	104.3	0.46	0.63	0.16
Overall	51.0	1.00	1.00	0.00
Herefordshire				
	Price change 2002-06 (%)	Ratio to All 2002	Ratio to All 2006	Change in ratio to All
Detached	50.7	1.41	1.38	-0.04
Semi-detached	67.4	0.78	0.85	0.06
Terraced	76.6	0.63	0.71	0.09
Flat/maisonette	102.6	0.46	0.60	0.14
ALL	54.9	1.00	1.00	0.00

Source: Land Registry

5.4.7 It is clear that across the West Housing Market Area that prices for all property types have increased substantially since 2002, but that since 2005 prices have tended to remain relatively stable. Recent changes in the housing market may well have caused

5.5 Sales and turnover

5.5.1 According to Land Registry data there were 49,824 sales of private properties in the market for private ownership in the West Housing Market Area over the five-year period from 2001-2006. Just under 40% of these sales (19,133) were of properties in Herefordshire, and just over 20% were in Shrewsbury & Atcham (10,769). Table 27 shows the proportion of sales by property type.

5.5.2 Sales of detached and semi-detached properties account for the majority of sales in all areas and make-up 68.2% of all sales in the West Housing Market Area. There is, however, some variation between authorities. The proportion of detached sales in Shrewsbury & Atcham is lower than in other areas, whereas sales of flats and maisonettes in the area are comparatively high. South Shropshire has the highest proportion of sales of detached properties (48.3%) and the lowest proportion of sales of semi-detached (21.1%).

Table 38: Volume of sales by property type for period 2001 to 2006 (%)					
Local Authority	Detached	Semi-detached	Terraced	Flats	Total
Bridgnorth	39.7	32.2	22.7	5.4	100.0
North Shropshire	46.1	29.9	18.4	5.6	100.0
Oswestry	43.0	32.4	20.7	3.9	100.0
Shrewsbury & Atcham	27.2	33.5	27.2	12.1	100.0
South Shropshire	48.3	21.1	23.1	7.5	100.0
Herefordshire	40.6	26.3	24.4	8.7	100.0
West HMA	39.2	28.9	23.6	8.2	100.0

Source: Land Registry

5.5.3 Table 39 presents the estimated turnover by property type for each local authority area. Turnover is calculated as the number of property sales as a proportion of the total dwelling stock. Overall turnover is highest within the terraced stock, although in Shrewsbury & Atcham and South Shropshire it is highest within the stock of flats/maisonettes. Amongst the different authorities that make up the West Housing Market Area, overall turnover is highest in Oswestry and Shrewsbury & Atcham at 6.1 and 6.0 respectively.

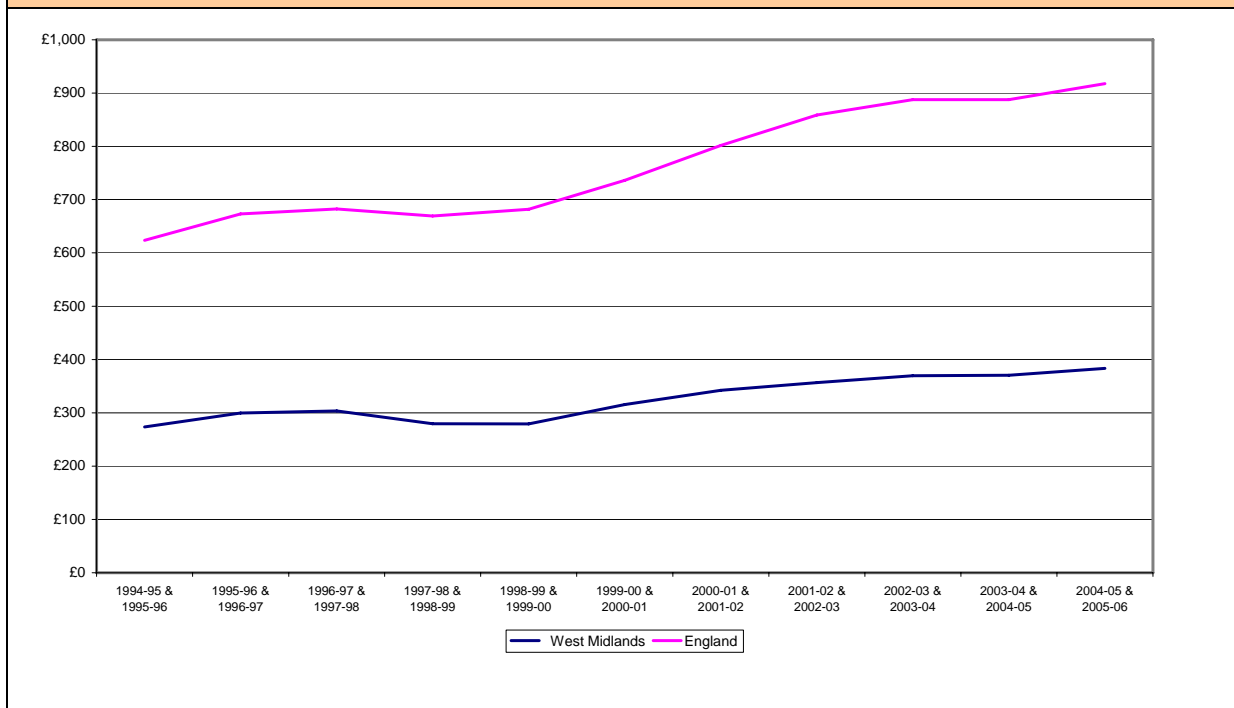
Table 39: Turnover by property type 2006 (%)						
Local Authority		Detached	Semi-detached	Terraced	Flats	Total
Bridgnorth	Dwellings	8852	7229	3322	1321	20895
	Turnover	4.2	4.1	7.5	3.4	4.6
North Shropshire	Dwellings	10735	7850	2823	1601	23143
	Turnover	5.3	4.9	9.6	4.6	5.6
Oswestry	Dwellings	6254	5288	2571	1457	15633
	Turnover	6.6	5.6	8.3	2.2	6.1
Shrewsbury & Atcham	Dwellings	13104	15653	7546	3839	40280
	Turnover	4.7	5.2	8.2	9.6	6.0
South Shropshire	Dwellings	8837	4421	2739	1052	17252
	Turnover	4.9	4.3	7.8	9.8	5.5
Herefordshire	Dwellings	32019	20539	13060	7885	74245
	Turnover	4.9	5.1	7.5	4.7	5.4
West HMA	Dwellings	79801	60980	32060	17155	191448
	Turnover	4.0	5.0	8.0	5.8	5.5

Source: Land Registry and 2001 Census (NOMIS)

5.6 The cost of private rented housing

- 5.6.1 Private rents are a function of the price of market housing i.e. landlords charge more when the acquisitive price of a given property is of a greater cost to them, and demand is such that they are able to. Given market conditions at the present time, therefore, costs will be high for households wishing or requiring rent in the private sector within the West Housing Market Area.
- 5.6.2 Figure 30 shows the trend in mean monthly rents for private tenancies in the West Midlands and England over an eleven-year period. The rents have been calculated over 2 year periods (e.g. from April 2004 to March 2006) and clearly show rents in the West Midlands to be well below the national average. Given the relationship between house prices and private rents, it is likely that private rents across the West Housing Market Area are likely to be higher than the West Midlands average. Mean house prices in all the authorities making up the West Housing Market Area have been shown to be considerably higher than the West Midlands average (see Table 35).
- 5.6.3 Following a period of relative stability from the mid 1990's, Figure 30 shows private rents to have increased from the late 1990's both regionally and nationally.

Figure 30: Mean Monthly Rent of Private Tenancies (£)



Source: CLG Live Table 734

Table 40: Private sector rents per week 2005/6

	Bedsit	1 bed	2 bed	3 bed	4 bed +	All sizes
Bridgnorth	£70.04	£88.77	£103.95	£108.88	£138.96	£93.19
North Shropshire	£74.36	£79.44	£91.51	£106.22	£129.80	£86.24
Oswestry	£75.52	£73.89	£86.97	£88.81	£106.41	£78.97
Shrewsbury & Atcham	£60.83	£84.78	£102.62	£110.43	£134.77	£88.70
South Shropshire	£62.83	£84.48	£92.80	£101.38	£134.97	£87.44
Herefordshire	£82.19	£86.12	£101.34	£111.64	£129.22	£92.82
West Midlands	£73.68	£87.99	£102.73	£108.60	£119.99	£95.46
England	£92.89	£101.15	£122.69	£140.33	£163.54	£111.47

Source: Dataspring

5.6.4 Private sector rents overall vary across the West Housing Market Area from £78.97pw in Oswestry to £93.19pw in Bridgnorth. In most cases they are below the West Midlands and the England average, with the exception of

- (i) Bridgnorth where rents are consistently above the West Midlands average (except for bedsits)
- (ii) Bedsits are higher than the regional average in Herefordshire, Oswestry and North Shropshire
- (iii) Herefordshire has higher than regional average rents for 3 bed and 4 bed dwellings

- (iv) Shrewsbury & Atcham has higher than regional average rents for 3 bed dwellings
- (v) 4 bed properties which are higher in all areas except Oswestry

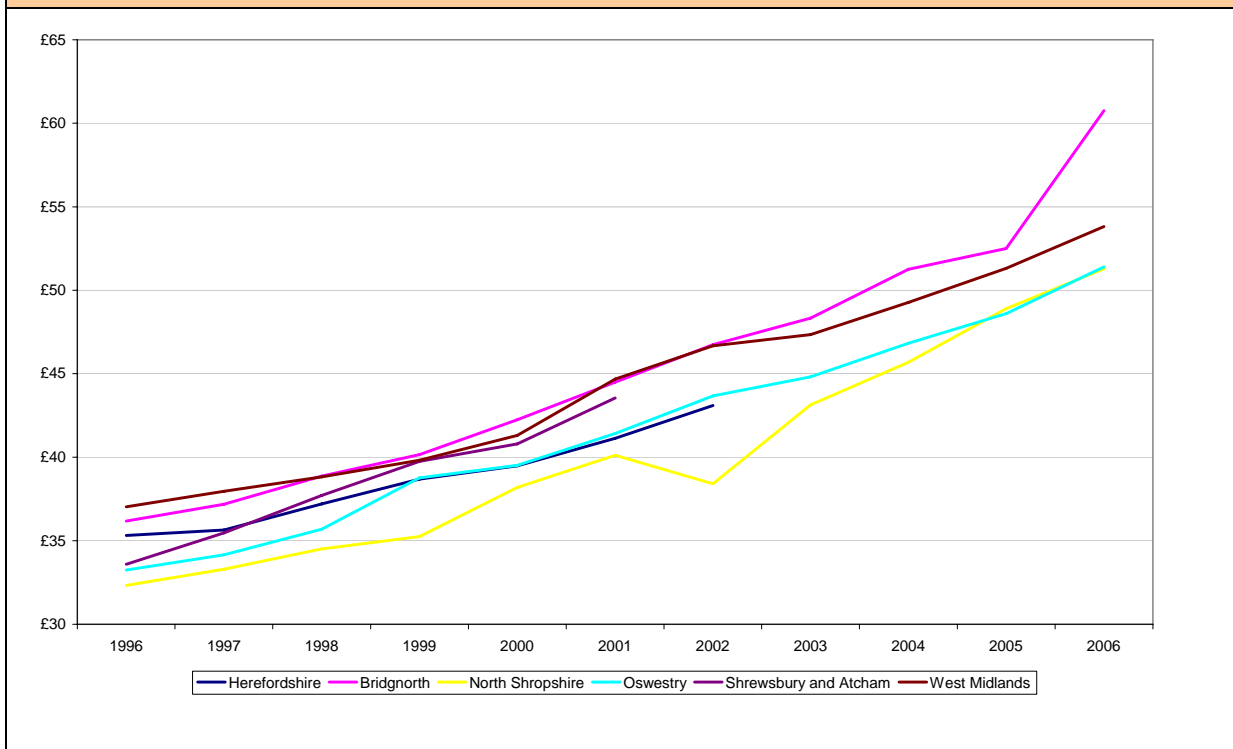
5.6.5 What is more interesting is that private sector rents diverge far less than house prices. The highest mean price for a home (see Table 35) in the West Housing Market Area is in South Shropshire (£228,468) and the cheapest is in Oswestry (£179,296), which is 78.5% of the South Shropshire price. In terms of overall rent the highest overall rent is in Bridgnorth (£93.19 pw) and lowest overall rent is in Oswestry (£78.97 pw), which is 84.7% of Bridgnorth's rent. This suggests that there is greater convergence in private renting across the West Housing Market Area, probably due to a more limited supply and less demand than for owner occupation.

5.7 The cost of social rented housing

- 5.7.1 In economic terms the role of the social sector is to provide subsidised, affordable housing to those households unable to afford housing in the private sector. Rents are therefore significantly lower than in the private sector, and indeed should remain so in order to fulfil this role. Places are allocated through an administrative system rather than through market mechanisms, with the result that imbalances between supply and demand are evident in a rising waiting list rather than higher prices.⁴⁹
- 5.7.2 2006 data on local authority rents is only available for three of the areas in the West Housing Market Area (Bridgnorth, North Shropshire and Oswestry) as in the other areas all or most of the local authority stock has been transferred to the RSL sector, making the average rent no longer applicable. Figures for 2006 place the average local authority rents in Bridgnorth at £60.75 well above those in both North Shropshire (£51.28) and Oswestry (51.39), which are more closely aligned with the West Midlands average of £53.81 - See Figure 31.

⁴⁹ There may be other contributory factors to a rising waiting list, such as changes to marketing of social housing or eligibility rules.

Figure 31: Local authority rents (£)*



Source: CLG Live Table 702

5.7.3 Rents in all three non-LSVT local authority areas have risen at a greater rate than across the region as a whole - see Table 41. The greatest increase is in Bridgnorth where rents rose by 63.4% from 1996 to 2006. At the same time in RSL rents rose by only 31.0%, meaning that local authority and RSL rents in Bridgnorth are closely aligned.

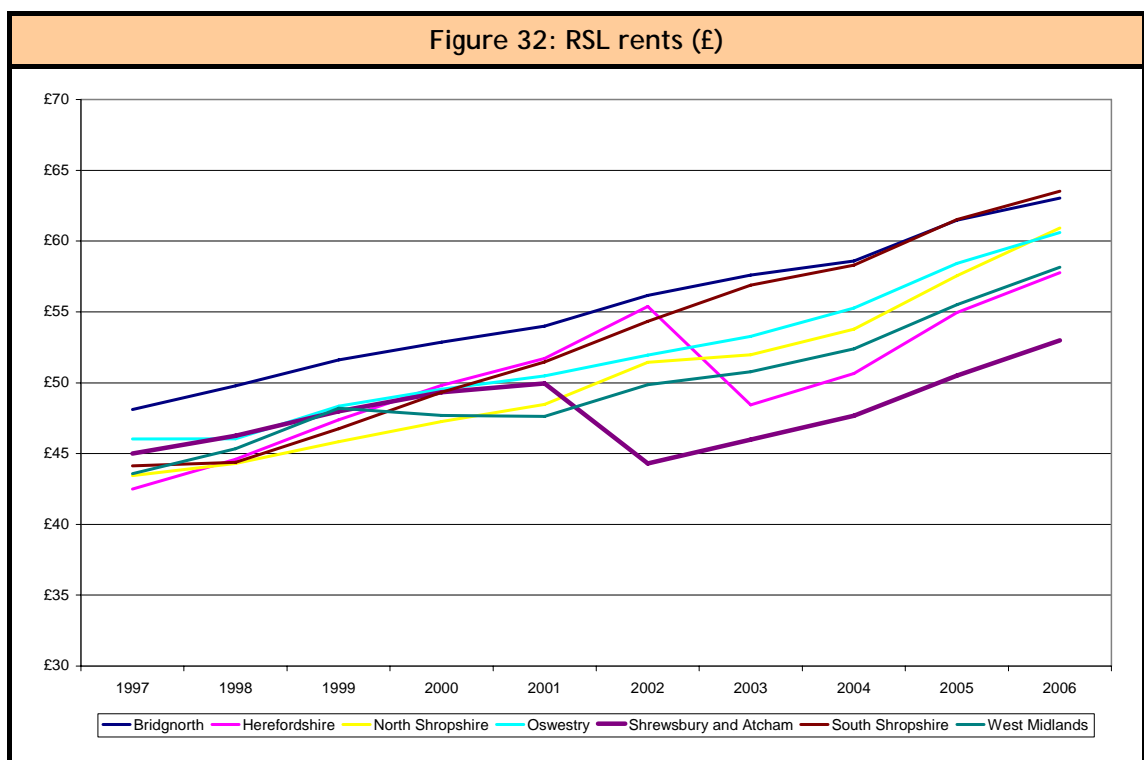
Local authority	Local authority			RSLs		
	1997	2006	% change	1997	2006	% change
Bridgnorth	£37.18	£60.75	63.4%	£48.11	£63.03	31.0%
North Shropshire	£33.29	£51.28	54.0%	£43.45	£60.91	40.2%
Oswestry	£34.16	£51.39	50.4%	£46.02	£60.59	31.7%
Shrewsbury & Atcham	LSVT			£45.01	£53.00	17.8%
South Shropshire				£44.13	£63.52	43.9%
Herefordshire				£42.49	£57.77	36.0%
West Midlands	£37.96	£53.80	41.8%	£43.57	£58.16	33.5%

Source: CLG Live Table 702

5.7.4 RSL rents in 2006 were higher than local authority rents in all three areas, but were significantly higher in North Shropshire and Oswestry where the average rents were £60.91 and £60.59 respectively. The relatively lower rents in the LSVT areas will be as a direct

result of stock transfer, although in South Shropshire RSL rents are the highest in the sub-region at £63.52 per week and have risen faster in the period (43.9%).

- 5.7.5 Figure 32 shows RSL rents in all areas from 1997 to 2006 and clearly demonstrates the widening of the gap between areas in rents over this period. Rents in most areas in 2006 were around or above the regional average. The exception to this is Shrewsbury & Atcham where the average rent was about £5 below the regional average of £58.16.
- 5.7.6 Rents dropped sharply in Shrewsbury & Atcham in 2002 and in Herefordshire in 2003. Average RSL rents within a local authority area can move down from one year to the next. This is especially true if, during a particular year, most of the LA stock has been transferred through a large-scale voluntary transfer to the RSL sector. If the average rents for the former LA stock were lower than the average rents in the RSL sector this transfer will have lowered the overall average rent across the expanded RSL sector. The fall in rents in both Shrewsbury & Atcham and in Herefordshire coincide with the transfer of local authority stock in these areas.



Source: CLG Live Table 704

5.8 Entry-level housing

- 5.8.1 In order to assess affordability, the price of an entry-level property is determined using the most recent data from the Land Registry. At the time of writing this was for the period

January to December 2006. The entry-level price is that which a household entering the market can be expected to pay on average.

5.8.2 In line with Communities and Local Government guidance, the entry-level property is calculated using the 25th percentile price of all properties sold. The results for the areas in the West Housing Market Area are presented in Table 42. Bridgnorth has the highest entry-level price (£153,000), followed by South Shropshire (£145,000). Entry-level property prices are lowest in Oswestry at £119,425 but still well above the regional average of £110,000.

Table 42: Lower quartile property prices		
Local Authority	Entry-level property price Jan - Dec 2006 (£)	Index (West HMA = 100)
Bridgnorth	£153,000	114.0
North Shropshire	£125,750	93.7
Oswestry	£119,425	89.0
Shrewsbury & Atcham	£130,000	96.9
South Shropshire	£145,000	108.0
Herefordshire	£135,934	101.3
West HMA	£134,216	100.0
West Midlands	£110,000	82.0

Source: CLG Live Table 587

5.8.3 It should be borne in mind that across each authority in different locations entry-level property prices will vary. For example within the more remote rural areas, where the proportion of detached properties is likely to be higher the price of an entry-level property is likely to be higher.

5.9 Affordability of housing for sale

5.9.1 The concept of affordability is critical in the needs assessment process. The degree to which households can afford market housing is based upon the ratio between household incomes and housing costs. The needs assessment uses gross household incomes and entry-level house prices to estimate housing need for affordable housing. This involves assessing whether or not current households who are in unsuitable housing can afford suitable market housing and also applying affordability analysis to newly forming and concealed households to establish numbers of actual and potential households who are likely to be in need of affordable housing.

- 5.9.2 A household is considered unlikely to be able to afford to buy a home that costs more than 3.5 times the gross household income for a single income household or 2.9 times the gross household income for two income household. If possible, any allowance for existing equity that could be used towards the cost of home-ownership should be taken into account.
- 5.9.3 A household is considered able to afford market renting where the rent payable is no more than 25 per cent of their gross household income.⁵⁰ A household is taken as being able to afford a shared equity property where the rent and mortgage costs are no more than 25 per cent of gross income.
- 5.9.4 The annual and monthly income that would be required for a mortgage on an entry-level property are shown below in Table 43.

Table 43: Required gross income for entry-level mortgage (£)				
Local Authority	Single income		Two income	
	Yearly	Monthly	Yearly	Monthly
Bridgnorth	£43,714.29	£3,642.86	£52,758.62	£4,396.55
Herefordshire	£38,838.29	£3,236.52	£46,873.79	£3,906.15
North Shropshire	£35,928.57	£2,994.05	£43,362.07	£3,613.51
Oswestry	£34,121.43	£2,843.45	£41,181.03	£3,431.75
Shrewsbury & Atcham	£37,142.86	£3,095.24	£44,827.59	£3,735.63
South Shropshire	£41,428.57	£3,452.38	£50,000.00	£4,166.67
West HMA	£38,347.29	£3,195.61	£46,281.21	£3,856.77
West Midlands	£31,428.57	£2,619.05	£37,931.03	£3,160.92

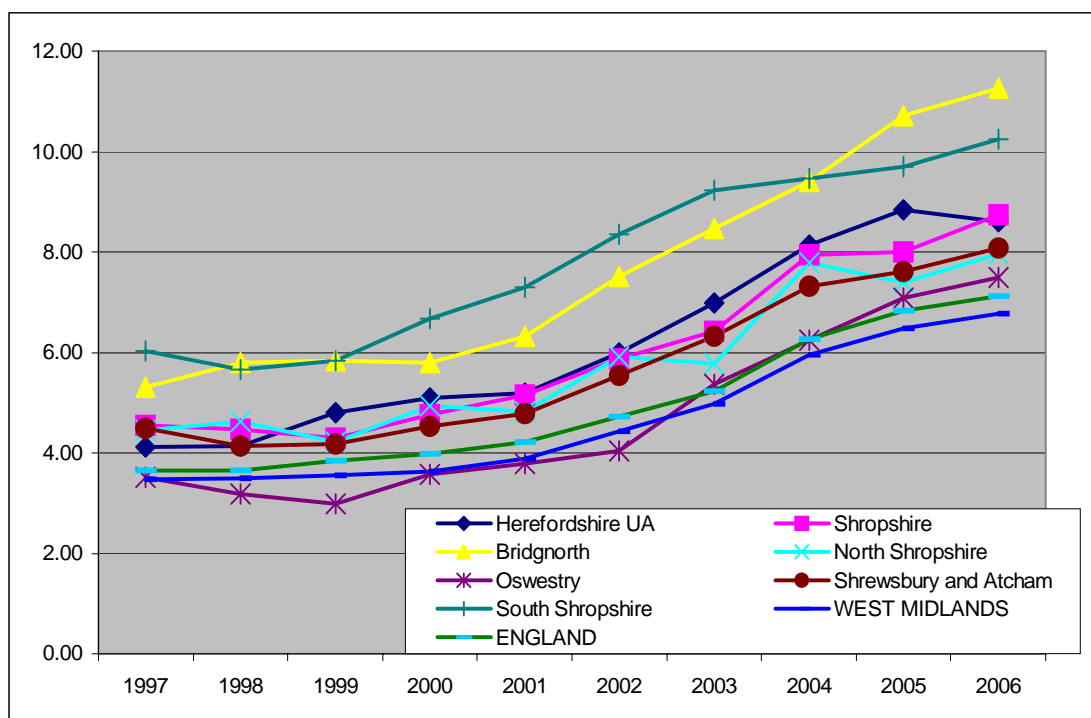
Source: CLG Live Table 587

- 5.9.5 There is some variation in the gross income required to purchase an entry-level property amongst the different local authorities. Entry-level properties are most affordable in Oswestry where single income households require £34,121 per annum gross, equivalent to £2,843 per month, to be able to afford a mortgage on an entry-level property priced at £119,425. Two income households require £41,181 per annum, or £3,431 per month. In contrast to this, single income households in Bridgnorth need £43,714 per annum (£3,642 per month) to afford an entry-level property priced at £153,000. Two income households in this area need £52,758 (£4,396 per month). In all six local authority areas the gross income required to purchase an entry-level property is well above the West Midlands average.
- 5.9.6 One indicator of affordability is to look at the ratio of lower quartile incomes to lower quartile house prices. Figure 33 below shows the trend since 1997 of the growth in the gap

⁵⁰ 'Rent payable' is the entire rent due, even if it is partially or entirely met by HB. Other housing-related costs, such as council tax and utility bills should not be included.

between incomes and house prices. It is clear how much higher this ratio is in the West Housing Market Area than in the West Midlands as a whole. In fact, Bridgnorth comes 18th out of 393 local authorities in England with the highest ratio and South Shropshire comes 48th.

Figure 33: Ratio of lower quartile house prices to lower quartile incomes 1997 to 2006



5.9.7 Table 44 shows that the ratio of lower quartile house prices to lower quartile incomes more than doubled in Bridgnorth, Oswestry, Herefordshire, between 1997 and 2006.

Table 44: Ratio of lower quartile house prices to lower quartile incomes			
Local Authority	1997	2001	2006
Bridgnorth	5.30	6.32	11.26
North Shropshire	4.45	4.81	7.97
Oswestry	3.51	3.79	7.50
Shrewsbury & Atcham	4.48	4.79	8.07
South Shropshire	6.02	7.29	10.24
Herefordshire	4.12	5.20	8.61
West Midlands	3.47	3.88	6.78
England	3.65	4.22	7.12

Source: CLG live tables 576 (*Land Registry and ONS Annual Survey of Hours and Earnings*)

5.9.8 In Bridgnorth and South Shropshire, the two highest house price areas, the entry-level property in 2006 was more than ten times the earnings of households on the lowest quartile

earnings distribution. Every district has a multiplier above the West Midland and the England average and the major growth has been in the last five years.

5.10 Affordability of private rented housing

5.10.1 Private rents are much more affordable in the West Housing Market Area than owner occupation. As there is far less variation in the cost of privately renting a 2 bed property than in house prices the income required ranges from £18,090 (Oswestry) to £21,621 (Bridgnorth).

5.10.2 At the very least this means that a single income household wanting to rent privately rather than purchase would require a salary of 48.3% less in Shrewsbury & Atcham to 57.8% in Bridgnorth.⁵¹

Table 45: Required gross income for private sector rent (£)				
	1 bed		2 bed	
	Annual rent	Required income	Annual rent	Required income
Bridgnorth	£4,616.04	£18,464.16	£5,405.40	£21,621.60
North Shropshire	£4,130.88	£16,523.52	£4,758.52	£19,034.08
Oswestry	£3,842.28	£15,369.12	£4,522.44	£18,089.76
Shrewsbury & Atcham	£4,408.56	£17,634.24	£5,336.24	£21,344.96
South Shropshire	£4,392.96	£17,571.84	£4,825.60	£19,302.40
Herefordshire	£4,478.24	£17,912.96	£5,269.68	£21,078.72
West Midlands	£4,575.48	£18,301.92	£5,341.96	£21,367.84
England	£5,259.80	£21,039.20	£6,379.88	£25,519.52

Source: Dataspring

5.10.3 Private renting consequently represents a significantly more affordable option across the West Housing Market Area than owner occupation. Coupled with the fact that the private rented sector is a significant part of the housing market in Shropshire and Herefordshire, this suggests that there may be scope for some innovative approaches to meeting housing need such as sub-market rents.

⁵¹ Comparing the salary for a single income household to buy an entry-level house with the income requirement to rent a one bed dwelling

6 THE FUTURE HOUSING MARKET

6.1 Market commentary⁵²

- 6.1.1 Events following the Bank of England acting as lender of last resort to Northern Rock have created headlines around the world, and there is still uncertainty over the full ramifications. However, the run on the bank came about due to funding problems, associated with dislocations to asset-backed securities as a result of problems in the US sub prime market, rather than the quality of credit on its book. The full extent of the wider financial market turmoil is yet to become clear, but the UK housing and mortgage markets have proved resilient in the past and there are a number of factors that could prove supportive once the dust settles.
- 6.1.2 The problems faced by the US sub prime market, which were initially driven by credit quality issues, look far less intense here. The recent cut in interest rates by the Federal Reserve does little to dent the much sharper increases seen in the US compared to the UK. The UK has not seen risk layering or teaser rates being discounted to the same extent as in the US, so the payment shock from coming off fixed rate deals will not be nearly as severe. Although it is difficult to make direct comparisons, most evidence points to considerably higher default rates in the US. Additionally, with falling house prices in the US, many are faced with negative equity and a deteriorating position due to continued declines. In comparison, UK house prices are still up around 10% compared to a year ago.
- 6.1.3 Although there is still much uncertainty, the seizing up of credit markets looks to have begun to unwind and most commentators expect it to dissipate within a few months. Three month interbank lending rates are already down around 0.6% from the peaks in the second week of September, but remain around 0.3% higher than at the start of July.
- 6.1.4 The immediate outlook has become a little softer. Recent data points to a slowing in mortgage activity, broadly in line with expectations following the rise in interest rates over the preceding twelve months. Gross lending declined to an estimated £24 billion in February, down 7% from £25.9 billion in January and 6% from £25.6 billion February 2007⁵³
- 6.1.5 Slower house price growth and weaker lending volumes are expected going into next year, but much of this is down to rises in interest rates over the past year, rather than a specific

⁵² Council of Mortgage Lenders, October 2007; Business Guardian, October 4th 2007; Guardian Money 16th Jan 2008

⁵³ Council of Mortgage Lenders, March 2008

reaction to events in the financial markets. Estate agents have reported some easing in prices. The level of site visitors viewing new homes has tailed off and builders are raising incentives to entice buyers.

6.1.6 However, there are numbers of factors providing underlying support to the market.

- (i) The expected path for interest rates has reversed since the financial market turbulence appeared. Interest rates were raised five times in the twelve months to August 2007 in a bid to cool an overheating economy. However, the cost of borrowing was cut by 0.25% in November 2007 and again in February 2008. Analysts forecast that borrowing costs could fall again, possibly ending the year as low as 4%.
- (ii) Inflation has fallen below target, creating some slack for a loosening in monetary policy without threatening the inflation target.
- (iii) Economic growth has been above trend and employment growth has been strong this year, while unemployment has been on a downward trend.

6.1.7 According to the Royal Institution of Chartered Surveyors, house prices across the UK fell in December at the fastest pace in more than 15 years as tighter mortgage lending and higher interest rates pushed the property market closer to a crash comparable to the early 1990s. The December 2007 monthly snapshot of the housing market by the RICS compares the proportion of surveyors reporting a drop in prices with those who saw the market climb. The study shows 49.1% more surveyors reported a fall than a rise. November's level was 40.6%. Price falls were seen across the country, with East Anglia and the West Midlands showing the heaviest decreases. Only surveyors in Scotland reported some subdued price rises.

6.1.8 Meanwhile, supply to the market is edging up. The balance of surveyors reporting a rise in new properties to sell turned positive for the first time since May. The RICS said the looser supply was partly due to the extension last month of home information packs to cover all properties as homeowners brought forward sales of their homes to avoid extra costs.

6.2 Population and household change

6.2.1 Updated household projections were published by CLG in March 2007, based upon ONS 2004 based population projections; these are shown in Table 46 and illustrated in Figure 34. These projections are used below in Chapter 8 below to estimate future housing need.

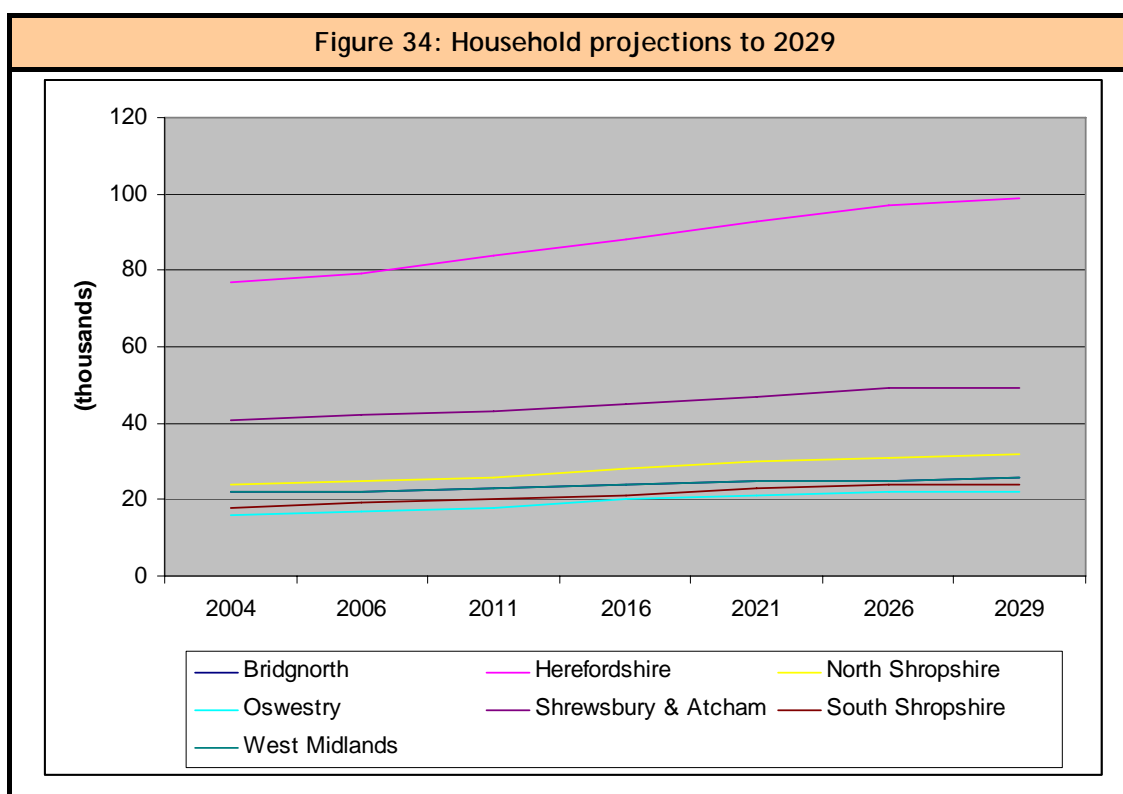
6.2.2 With the exception of Bridgnorth, the number of households in all West Housing Market Area authorities is predicted to grow at a rate above the predicted growth for the West

Midlands (13.6%), between 2006 and 2026. Oswestry and South Shropshire will grow by more than a quarter (29.4% and 26.3% respectively) whilst North Shropshire and Herefordshire will grow by over a fifth in the period (24.0% and 22.8% respectively).

6.2.3 Overall Shropshire will have 26,000 more households in 2026 compared to 2006 (20.8% growth) and Herefordshire will have 18,000 more households (22.8% growth).

Table 46: Household projections to 2029 (thousands)							
	2004	2006	2011	2016	2021	2026	2029
Bridgnorth	22	22	23	24	25	25	26
North Shropshire	24	25	26	28	30	31	32
Oswestry	16	17	18	20	21	22	22
Shrewsbury & Atcham	41	42	43	45	47	49	49
South Shropshire	18	19	20	21	23	24	24
Herefordshire	77	79	84	88	93	97	99

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



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

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

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

6.2.6 In population terms (Table 47), the West Housing Market Area is predicted to grow by 10.0% between 2001 and 2026; proportionately more in Herefordshire than Shropshire. However the growth in Shropshire varies considerably from only 2.6% in Shrewsbury & Atcham to 16.8% in North Shropshire. Overall rates of growth are above the regional rates except in Shrewsbury & Atcham and Bridgnorth.

Table 47: Population change 2001-26				
	2001 population	2026 population	2001-26 change	2001-26 % change
Bridgnorth	52,300	54,700	2,400	4.6%
North Shropshire	57,600	67,300	9,700	16.8%
Oswestry	37,200	42,800	5,600	15.1%
Shrewsbury and Atcham	95,900	98,400	2,500	2.6%
South Shropshire	40,400	44,100	3,700	9.2%
Shropshire	283,400	307,300	23,900	8.4%
Herefordshire	174,600	196,700	22,100	12.7%
West HMA	458,000	504,000	46,000	10.0%
Major Urban Areas	2,808,900	2,920,200	111,300	4.0%
Other Areas	2,473,800	2,730,400	256,600	10.4%
WEST MIDLANDS	5,282,700	5,650,600	367,900	7.0%

Source: WMRA Housing Demand Paper, January 2007, p34

6.2.7 The number of households (Table 48) in the West Midlands is predicted to grow by a fifth (20.6%) to 2026. Growth in Herefordshire and Shropshire (27.4% and 22.8% respectively) will exceed that rate, particularly in North Shropshire and Oswestry (31.1% and 31.2%).

Table 48: Household change 2001-26				
	2001 households	2026 households	2001-26 change	2001-26 % change
Bridgnorth	20,882	24,724	3,842	18.4%
North Shropshire	23,321	30,567	7,246	31.1%
Oswestry	15,696	20,594	4,898	31.2%
Shrewsbury and Atcham	40,400	47,356	6,956	17.2%
South Shropshire	17,140	20,923	3,783	22.1%
Shropshire	117,439	144,164	26,725	22.8%
Herefordshire	74,120	94,441	20,321	27.4%
West HMA	191,559	238,605	47,046	24.6%
Major Urban Areas	1,135,677	1,327,391	191,714	16.9%
Other Areas	1,018,937	1,270,898	251,961	24.7%
WEST MIDLANDS	2,154,614	2,598,289	443,675	20.6%

Source: WMRA Housing Demand Paper, January 2007, p42

6.2.8 These changes in growth patterns will have significant impacts upon housing markets in the West Housing Market Area, putting increasing pressure on North Shropshire, Oswestry and Herefordshire in particular to meet the needs of both their existing and increasing households.

6.3 Housing demand

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

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

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

Table 49: West HMA estimate of housing demand 2001-26 ⁵⁴			
	Total demand	Demand from local need	Demand from migration
Bridgnorth	4,270	1,057	3,214
North Shropshire	7,984	1,706	6,278
Oswestry	5,486	920	4,566
Shrewsbury and Atcham	6,921	4,794	2,127
South Shropshire	4,085	787	3,298
Shropshire	27,715	9,263	18,452
Herefordshire	22,441	7,700	14,740
Major Urban Areas	314,224	392,450	-78,225
Other Areas	261,040	139,250	121,790
WEST MIDLANDS	575,264	531,699	43,565

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

- 6.3.3 It is important to note that these estimates of housing demand in the West Midlands are “unconstrained” in that they derive from household-based projections of population and households that do not take account of Regional Strategy.
- 6.3.4 The significant issues that emerge from this analysis are:
- (i) Higher population and household growth in the areas of North Shropshire and Oswestry is being driven by migration in the main
 - (ii) Shrewsbury & Atcham’s demand, unlike its neighbours, is experiencing relatively high levels of demand from local need
 - (iii) The total demand in both Shropshire and Herefordshire is greater than the predicted change in household numbers
- 6.3.5 It does not follow that all growth and migration demand should, or even could, be fully provided for within each district. After adjustments to accord with the aims and objectives of the RSS, the numbers proposed in the Preferred Option⁵⁵ are shown in Table 50.
- 6.3.6 These two tables give an indication of the market pressures that are likely to be exerted as a consequence of the differences between the identified demand and the proposed targets for each district. The RSS Preferred Option allocates Shrewsbury & Atcham and South Shropshire 148.1% and 149.9% respectively of their total predicted demand in Herefordshire or the rest of Shropshire.

⁵⁴ This table uses 2003-based household projections

⁵⁵ RSS Phase Two Revision: Preferred Option, Agenda Item 6, 22/10/2007, p41-2

Table 50: West HMA housing proposals 2006-26			
	Proposal total (net)	Total as % of total demand ⁵⁶	Indicative annual average
Bridgnorth	2,500	73.2%	125
North Shropshire	6,100	95.5%	305
Oswestry	4,000	91.1%	200
Shrewsbury & Atcham	8,200	148.1%	410
<i>of which Shrewsbury</i>	<i>6,200</i>		<i>310</i>
South Shropshire	4,900	149.9%	245
Shropshire	25,700	115.9%	1,285
Herefordshire	16,600	92.5%	830
<i>of which Hereford City</i>	<i>8,300</i>		<i>415</i>
Major Urban Areas ⁵⁷	169,100	67.3%	8,455
Other Areas	196,500	94.1%	9,825
WEST MIDLANDS	365,600	79.4%	18,280

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

6.4 Newly arising need

- 6.4.1 A recent study by the Cambridge Centre for Housing and Planning Research⁵⁸ has estimated unconstrained figures for housing demand and newly arising need in the West Midlands (see Table 51).

Table 51: Net housing demand and need in the West Midlands 2006-2026 ⁵⁹				
	Market sector	Intermediate sector	Social sector	Total
Whole period (20 years)	227,000	60,000	103,000	390,000
Annual average	11,350	3,000	5,150	19,500
Percentage shares	58.2	15.4	26.4	100.0

Source: CCHPR

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

⁵⁶ Demand has been recalculated from Table 49 to match the 20 year period 2006-26

⁵⁷ Includes the Newcastle urban area

⁵⁸ *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007

⁵⁹ *Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained*, CCHPR, August 2007, p16

Table 52: Net housing demand and need in the West Midlands 2006-2026 ⁶⁰				
	Market sector	Intermediate sector	Social sector	Total
Bridgnorth	2200	500	700	3400
Annual average	110	25	35	170
% shares	64.7%	14.7%	20.6%	100.0%
North Shropshire	4100	700	1500	6300
Annual average	205	35	75	315
% shares	65.1%	11.1%	23.8%	100.0%
Oswestry	3900	400	1100	5400
Annual average	195	20	55	270
% shares	72.2%	7.4%	20.4%	100.0%
Shrewsbury & Atcham	5000	1400	1200	7600
Annual average	250	70	60	380
% shares	65.8%	18.4%	15.8%	100.0%
South Shropshire	3700	400	1200	5300
Annual average	185	20	60	265
% shares	69.8%	7.5%	22.6%	100.0%
Shropshire Total	18900	3400	5700	28000
Annual average	945	170	285	1400
% shares	67.5%	12.1%	20.4%	100.0%
Herefordshire UA	12400	2300	4400	19100
Annual average	620	115	220	955
% shares	64.9%	12.0%	23.0%	100.0%

Source: CCHPR

- 6.4.3 What the analysis shows is that there will be different pressures across the sub-region in terms of the demand and newly arising need. In all areas the market sector will experience greater demand than the region (as high as 72.2% in Oswestry). Demand in the intermediate sector is strongest in Shrewsbury & Atcham (18.4%) and weakest in South Shropshire (7.5%). Demand in the social rented housing sector is strongest in North Shropshire (23.8%) and weakest in Shrewsbury & Atcham (15.8%).

6.5 Future household types

- 6.5.1 Household projections broken down by household type are only available at regional level, although total household numbers are available at local authority level. The following analysis has taken these two sets of projections to provide an indication of the changes in

⁶⁰ Household Projection-Based Estimate of Housing Demand and Need in the West Midlands in 2006-26: Unconstrained, CCHPR, August 2007, p18

household types in each of the West Housing Market Area districts over the next twenty years.⁶¹

6.5.2 Table 53 shows the household type breakdowns in 2006. Shropshire (and in particular Bridgnorth and North Shropshire) and Herefordshire have a greater proportion of married couple households than in the West Midlands. With the exception of Shrewsbury & Atcham all areas have a lower proportion of one person households than in the West Midlands.

Table 53: Household types 2006 (%)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Shropshire	Herefordshire	West Midlands
Married couple households	54.2%	52.7%	47.3%	47.5%	51.7%	50.3%	48.6%	45.7%
Cohabiting couple households	9.1%	9.8%	9.8%	10.3%	8.8%	9.7%	9.5%	9.6%
Lone parent households	5.6%	5.7%	7.1%	6.3%	5.5%	6.1%	6.6%	8.1%
Other multi-person households	4.6%	4.6%	4.2%	4.8%	5.0%	4.7%	5.2%	6.1%
One-person households	26.5%	27.1%	31.6%	31.1%	29.0%	29.2%	30.2%	30.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Household projections 2003 based, Census 2001

6.5.3 Table 54 and Table 55 show how these proportions start to change over time. There is a steady decline in each area of married couple households, although the proportions are likely to stay above the regional average. Although there is a growth in cohabiting couple households, proportionately it does not equal the decline in married couple households. By 2026, 50.0% of Oswestry households will be married or cohabiting couples compared to 56.1% in Bridgnorth and 48.6% in the Region. In addition, what we see is significant growth in one person households. By 2026, one person households will make up 36.3% of Shropshire households and 37.3% of Herefordshire households (the same as the Regional average).

⁶¹ There may well be some rounding errors that will mean that the final numbers do not precisely match household numbers quoted elsewhere in this report

Table 54: Household types 2016 (%)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Shropshire	Herefordshire	West Midlands
Married couple households	48.2%	46.7%	41.4%	41.5%	45.7%	44.3%	42.7%	39.9%
Cohabiting couple households	11.2%	12.1%	11.8%	12.5%	10.8%	11.9%	11.6%	11.7%
Lone parent households	5.9%	6.0%	7.2%	6.5%	5.7%	6.3%	6.8%	8.3%
Other multi-person households	4.6%	4.6%	4.2%	4.7%	5.0%	4.6%	5.1%	6.1%
One-person households	30.1%	30.7%	35.4%	34.8%	32.9%	33.0%	33.9%	34.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 55: Household types 2026 (%)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Shropshire	Herefordshire	West Midlands
Married couple households	44.0%	42.5%	37.4%	37.5%	41.5%	40.2%	38.7%	36.1%
Cohabiting couple households	12.1%	13.0%	12.6%	13.3%	11.6%	12.7%	12.4%	12.5%
Lone parent households	5.8%	5.9%	7.1%	6.3%	5.6%	6.2%	6.6%	8.1%
Other multi-person households	4.5%	4.5%	4.1%	4.7%	4.9%	4.6%	5.0%	6.0%
One-person households	33.4%	34.0%	38.8%	38.1%	36.3%	36.3%	37.3%	37.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

6.5.4 Whilst it is recognised that across all areas of the West Housing Market Area there is a high proportion of one person households, which is expected to increase by 2026, this should be approached with caution with consideration being given to long term sustainability of any housing provision when meeting the future needs. In rural areas particularly, the lack of available resources to provide housing is likely to seek provision of housing that can be flexible in meeting long term needs e.g. 2 beds which can be under-occupied.

6.5.5 Social, economic and cultural factors are leading to marital breakdown at one point in the age spectrum at the same time as a growth in couples “living apart together” or “LAT”.⁶² This will create increased demand for smaller properties, but not so small that they cannot accommodate overnight guests (e.g. children) or space to work at home (an increasing

⁶² The common definition of a LAT relationship is a couple, that does not share household, each of the two lives in his or her own household, in which other persons also might live, but they define themselves as a couple

phenomenon as transport infrastructures become more and more clogged); in other words at least 2 bedrooms.

6.6 Implications for the future housing market

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

Table 56: Household change 2006-2026								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Shropshire	Herefordshire	West Midlands
Married couple households	-926	1	174	-1573	150	-1692	-915	-82,000
Cohabiting couple households	1028	1575	1121	2209	1113	7168	4504	110,000
Lone parent households	216	392	360	458	305	1791	1257	31,000
Other multi-person households	134	262	184	266	235	1132	813	18,000
One-person households	2529	3759	3162	5640	3191	18589	12338	294,000
Total	2980	5988	5000	7000	4994	26987	17998	371,000

- (i) In Bridgnorth the decline in married couple households is closely matched by the rise in cohabiting couple households. Growth in household numbers is driven by the formation of over 2,529 one-person households, accounting for 84.9% of household growth. This would suggest that Bridgnorth would have a strong future demand for smaller dwelling units of 1-2 beds.
- (ii) In North Shropshire, there is an increase in the number of cohabiting couple households of 1,575 households and multi-person households by a further 392 (total 1,967). This would present a strong argument for ongoing development of medium sized family housing. In addition, one-person households account for 62.8% of the district's growth.
- (iii) In Oswestry, there is a small increase in the number of married couple households as well as significant growth in the number of cohabiting couples. If one also includes multi-person households then there will be a further 1,655 larger households. This would also present a strong argument for ongoing development of family housing. In addition, one-person households account for 63.2% of the district's growth.

- (iv) In Shrewsbury & Atcham, the decline of married couple households is exceeded by the growth of cohabiting couple households, but not as steeply as elsewhere. 80.6% of growth in Shrewsbury & Atcham will be from one-person households, and this would indicate strong future demand for smaller properties also.
- (v) South Shropshire sees significant growth of cohabiting couple households and minor growth in married couple households; 1,263 households in total. This would present an argument for delivery of family housing for the future. In addition 63.9% of growth will be from one-person households, so this highly rural area will need to accommodate this through smaller dwelling units.
- (vi) Herefordshire, like Bridgnorth experiences a significant decline in married couple households and growth in cohabiting couple and multi-person households (net gain of 4,846 households). The addition of 12,338 one-person households will be the major challenge. Consequently there will be demand for both family housing and smaller units suitable for one-person households.

7 CURRENT HOUSING NEED

Table 57: Summary of data required for current housing need ⁶³	
Step	Data items
1.1 Homeless households and those in temporary accommodation	Homeless agencies data, Priority homeless households in temporary accommodation
1.2 Overcrowding and concealed households	Census, Survey of English Housing, Local Housing Registers
1.3 Other groups	Housing Register, Local Authority and RSL transfer lists, Hostel move-on needs
1.4 Total current housing need (gross)	1.1 + 1.2 (+ 1.3)

7.1 Assessing the need for affordable housing

7.1.1 Following the latest CLG guidance⁶⁴, Chapters 7, 8 and 9 set out step by step the three stages to developing a model for assessing the net annual housing need in each of the six districts of the West (West Midlands) HMA. Chapter 11 brings the evidence together in a summary table that sets out the overall estimate of net annual housing need.

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

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

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

7.2 Defining housing need and unsuitable housing

Housing need

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

⁶³ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p43

⁶⁴ Ibid

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

The quantity of housing required for households who are unable to access suitable housing without financial assistance⁶⁵

7.2.2 Consequently the guidance states that:

For the purposes of assessment, this means partnerships need to estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.⁶⁶

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

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

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

No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature.⁶⁷

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

⁶⁵ *Planning Policy Statement 3 (PPS3): Housing, Communities and Local Government, November 2006, p27*

⁶⁶ *Strategic Housing Market Assessments: Practice Guidance, Communities and Local Government, March 2007, p41*

⁶⁷ *Strategic Housing Market Assessments: Practice Guidance, Communities and Local Government, March 2007, p11*

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

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

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

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

[Unsuitable housing](#)

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

Table 59: Unsuitable housing ⁶⁸	
Main category	Sub-divisions
Homeless households or insecure tenure	Homeless households
	Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	Overcrowded according to the bedroom standard
	Too difficult to maintain (e.g. too large) even with equity release
	Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps) which cannot be made suitable in-situ
Dwelling amenities and condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
	Subject to major disrepair or unfitness, and household does not have the resources to make fit (e.g. through equity release or grants)
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move

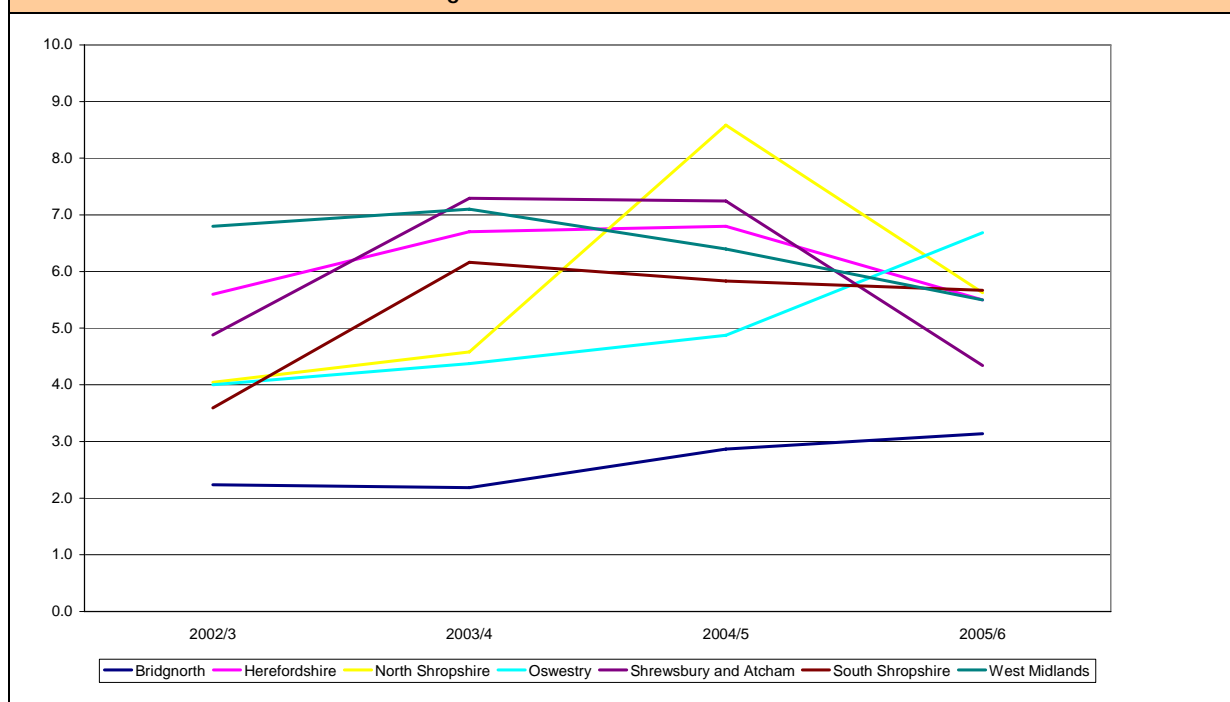
7.2.11 It is not necessary to use the affordability measures to test whether households can afford their existing accommodation. Only households in arrears or in receipt of housing benefit should be regarded as being in housing need, on the grounds that their accommodation is too expensive. Otherwise,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

7.3 Homelessness

7.3.1 Legislation places a responsibility upon Local Authorities to provide housing for individuals or households who are involuntarily homeless and in priority need. Table 60 presents the latest figures for numbers of households across the West Housing Market Area that were accepted as meeting these criteria. Figure 35 presents the trend in the rate of homeless households (number per 1000 households) amongst the various authorities.

⁶⁸ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p41

Figure 35: Homeless households



Source: DCLG Live Table 627

7.3.2 Figure 35 shows the rates of homeless households and the trends to vary between different authorities in the West Housing Market Area. Most notable is the sharp rise in homelessness in North Shropshire in 2004/5 and the subsequent fall in 2005/6. Bridgnorth also stands out as having a lower rate of homelessness throughout the time period shown.

Table 60: Homelessness acceptances 2005 - 2006

Local Authority	Number accepted as homeless	Rate per thousand of households
Bridgnorth	69	3.1
North Shropshire	135	5.6
Oswestry	107	6.7
Shrewsbury & Atcham	178	4.3
South Shropshire	102	5.7
Herefordshire	416	5.5
West HMA	1007	5.1
West Midlands	11,960	5.5

Source: DCLG Live Table 627

7.3.3 Oswestry has the highest incidence of households being accepted as homeless over the year 2005 - 2006 at 6.7 per 1000 households (see Table 60). However, it is notable that in previous years it has had one of the lowest rates of homelessness.

- 7.3.4 There is an increasing acceptance among policy-makers and practitioners that homelessness may be expressed in a lack of permanent or secure accommodation with tenancy rights, rather than only a lack of shelter. This often affects particular groups such as young people and women fleeing domestic violence.

7.4 Homeless households and those in temporary accommodation

- 7.4.1 Data on the number of homeless households and those in priority need from the Housing Strategy Statistical Appendix 2006 is presented in Table 61, Table 62 and Table 63. Step 1.1 of the Housing Needs Model looks at households accepted as unintentionally homeless and in priority need (Table 62 @ 31st March 2006). The data in row 2005/6 of Table 61 is used at step 2.3 of the model in the assessment of future housing need.

Table 61: Households accepted as homeless and in priority need								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
2002/3	47	93	64	204	61	417	886	14962
2003/4	48	110	70	299	114	490	1131	15780
2004/5	63	206	78	297	105	510	1259	14125
2005/6	69	135	107	178	102	416	1007	N/A

Source: HSSA 2006

Table 62: Homeless households and in temporary accommodation								
31 st March	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
2003	30	123	20	72	0	120	365	3028
2004	32	155	21	134	11	277	630	4352
2005	15	204	20	178	28	203	648	4355
2006	1	102	20	67	16	173	379	N/A

Source: HSSA 2006

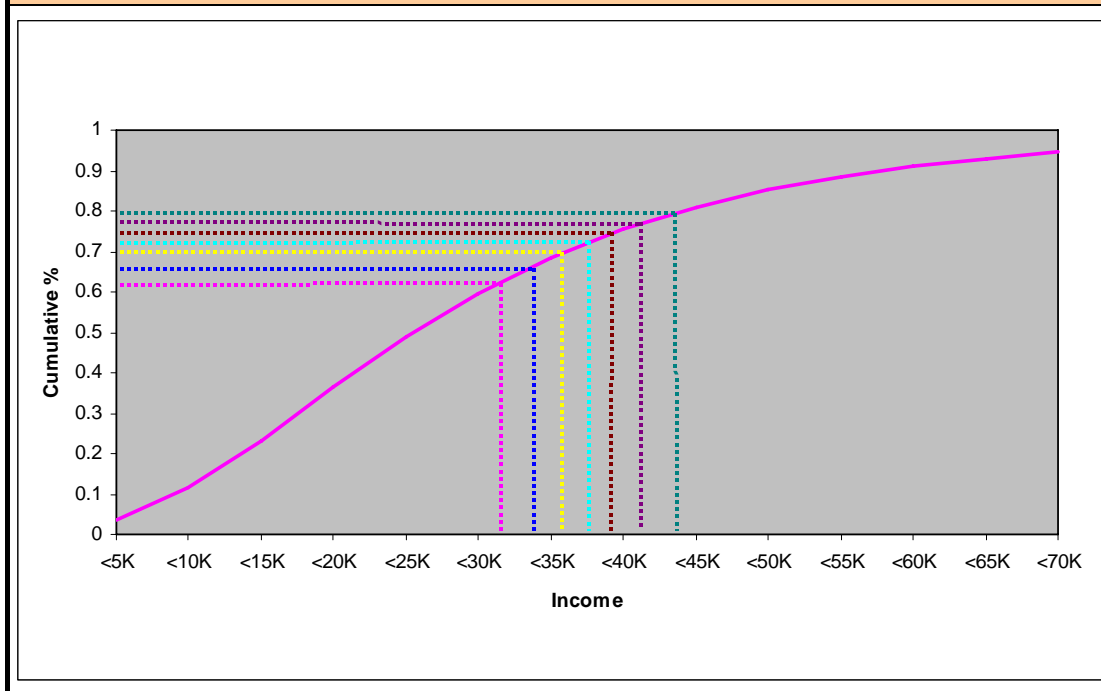
Table 63: Dwellings let to homeless households								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
2002/3	24	1	32	77	0	90	224	9110
2003/4	40	8	39	221	44	368	720	10589
2004/5	50	105	62	207	64	363	851	9802
2005/6	19	135	57	177	50	274	712	8122

Source: HSSA 2006

7.5 Over-crowding and concealed households

- 7.5.1 The ONS occupancy rating provides a measure of under-occupancy and over-crowding. A negative value indicates an overcrowded household. It relates to the actual number of rooms to the number of rooms required by the members of the household based on an assessment of the relationship between household members, their ages and gender. In Table 65 the proportion of households with a negative rating is applied to the current number of total households as indicated in the HSSA 2006 for each district.
- 7.5.2 Some assumptions must be made as to the proportion of households that cannot afford to access more appropriate accommodation on the open market. A rough estimate can be made based on data from the Annual Survey of Hours and Earnings (ASHE) 2006, which indicates that at least 80% of earning households in each district have annual earnings below the level required to purchase an entry-level property. This is not very satisfactory in that the ASHE data is not sufficiently sensitive to pick up on the differences between the districts apparent when comparing the ratio of lower quartile house prices to lower quartile incomes shown in Table 44 above.
- 7.5.3 In an attempt to refine the affordability threshold further, revised estimates have been made using the distribution of household income for the whole West Midlands based on CACI modelled income data. Using the distribution of CACI modelled household income data for the West Midlands, shown as the pink curved line in Figure 36, it is possible to calculate the proportion of West Midlands households that have incomes below the access level. This is shown by the pink dotted line in Figure 36, and stands at 62.0% for the West Midlands. A similar exercise could be carried out for each of the West local authority areas using the CACI distribution of incomes, however the equivalent data is not currently available. An alternative approach is to assume that the West Midlands income distribution holds true for each district within the West Midlands and that based on the income requirements for entry-level property in each area an affordability threshold can be calculated for each area. These have been plotted in Figure 36 below. This approach allows the differences in lower quartile house prices to determine affordability in each area. House price data is drawn from data on actual house sales provided by the Land Registry for 2006. The proportion of households with incomes below the access point produced by this method is shown in Table 64 below.

Figure 36: West Midlands income distribution



Key: Pink dotted line = West Midlands affordability threshold; Blue dotted line = Oswestry affordability threshold; Yellow dotted line = North Shropshire affordability threshold; Turquoise dotted line = Shrewsbury & Atcham affordability threshold; Dark red dotted line = Herefordshire affordability threshold; Violet dotted line = South Shropshire affordability threshold; Teal dotted line = Bridgnorth

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

Table 64: Proportion unable to afford entry-level dwelling (%)

Local authority	Lower quartile house price	Income required	% income below required income
Bridgnorth	£153,000	£43,714.29	79.5
North Shropshire	£125,750	£35,928.57	69.9
Oswestry	£119,425	£34,121.43	66.8
Shrewsbury & Atcham	£130,000	£37,142.86	71.3
South Shropshire	£145,000	£41,428.57	77.0
Herefordshire	£135,934	£38,838.29	73.7
West Midlands	£110,000	£31,428.57	62.0

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

7.5.4 This method for estimating household income and affordability reveals how much higher thresholds appear to be in the whole of the West Housing Market Area compared with the region.

7.5.5 The Census does provide information on concealed households, but these have not been included as it is not possible to distinguish how many concealed households are included in the overcrowded households numbers.

Table 65: Overcrowded households (Step 1.2)						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Proportion with negative rating	2.8	3.2	3.6	4.1	3.0	4.1
Implied number	562	782	609	1780	583	3125
Times proportion unable to afford	79.5%	69.9%	66.8%	71.3%	77.0%	73.7%
Total households at Step 1.2	447	547	407	1270	449	2305

Source: 2001 Census, Occupancy rating (UV59)

7.6 Other groups at step 1.3

7.6.1 The first two steps described above look at homeless households at a point in time, and estimates of the approximate number of households that are unsuitably housed due to overcrowding or being a concealed household. Step 1.3 presents estimates for the proportion of households unsuitably housed due to the poor condition of their current accommodation. There will be some element of double counting with households that are living in overcrowded accommodation but this is likely to be offset by households that are unsuitably housed for other reasons (as set out in Table 59) such as social needs for whom it is not possible to provide an estimate due to the lack of suitable data sources.

7.6.2 Housing in poor condition is one of a set of indices of deprivation developed by the Social Disadvantage Research Centre of the University of Oxford on behalf of the Office of the Deputy Prime Minister in 2004. The Housing in Poor Condition Indicator provides a modelled probability that any house in the defined area will fail to meet the "Decent Homes Standard". This indicator is not available for the local authorities within West Midlands. An alternative measure is to take the proportion of unfit dwellings as indicated in each Authority's HSSA return for 2005/06.

7.6.3 Dwellings are deemed unfit if they fail to meet one or more of the following fitness criteria:

- ❑ Structural stability
- ❑ Free from serious disrepair

- ❑ Free from dampness prejudicial to health
- ❑ Adequate lighting, heating & ventilation
- ❑ Adequate supply of healthy water
- ❑ Satisfactory facilities for preparation and cooking of food, including a sink with supply of hot and cold water
- ❑ Exclusive use of inside WC
- ❑ Exclusive use of inside bath/shower and hand-wash basin with supply of hot and cold water
- ❑ Effective system for draining foul water/surface water

7.6.4 As with over crowded households, an assumption must be made about the proportion of these households that would be unable to afford appropriate market housing.

Table 66: Households unsuitably housed due to poor condition (Step 1.3)						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Unfit dwellings	728	873	591*	1741	412	3120
Times proportion unable to afford	79.5%	69.9%	66.8%	71.3%	77.0%	73.7%
Total households at Step 1.3	579	611	395	1242	317	2301

Source: 2001 Census, Indices of Deprivation 2004: Housing in Poor Condition Indicator

* The figure for Oswestry is estimated based on the average proportion of unfit dwellings in the other five authorities

7.7 Total current housing need (gross per year)

7.7.1 Table 67 shows the estimated level of current housing need, based on the number of households in temporary accommodation at 31st March 2006 (in Table 62), the number of households in unsuitable housing due to overcrowding and unable to afford to move to more suitable accommodation (Step 1.2 in Table 65) and the number of households in unsuitable housing due to housing in poor condition and unable afford to move to more suitable accommodation (Step 1.3 in Table 66).

7.7.2 When the estimated level of current housing need is considered as a proportion of the total households in each district, there is quite a range in the level of current need, with Herefordshire showing the highest proportion of households in need at 6.3% and South Shropshire the lowest at 4.0%. Shrewsbury and Atcham also has a proportionally high level of current housing need with both the level of overcrowding and unfit dwellings being similar in proportion to Herefordshire.

Table 67: Current Housing Need						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Step 1.1	1	102	20	67	16	173
Step 1.2	447	547	407	1270	449	2305
Step 1.3	579	611	395	1242	317	2301
Step 1.4	1027	1260	822	2580	782	4779
% of all households	5.1%	5.1%	4.9%	6.0%	4.0%	6.3%

Source: HSSA 2006 (step 1.1), ONS (step 1.2 and 1.3)

8 FUTURE HOUSING NEED

Table 68: Summary of data required for future housing need ⁶⁹	
Step	Data items
2.1 New household formation (gross per year)	Census, SEH (from Chapters 3 and 4)
2.2 Proportion of new households unable to buy or rent in the market	Entry level rents/property prices identified in Chapter 3, SEH, Mortgage lenders, LA/RSL databases
2.3 Existing households falling into need	Housing register, LA/RSL data, tenants surveys
2.4 Total newly arising housing need (gross per year)	$(2.1 \times 2.2) + 2.3$

8.1 New household formation

- 8.1.1 Estimating the proportion of new household formation in a secondary data based model relies primarily on the use of household projections. It is important to acknowledge that understanding and using projections is far from simple. The CLG Guidance recommends using gross household projections and within the Guidance Annexes a detailed description is provided to aid authorities in undertaking this work. The Guidance refers to one or two highly complex computer models that are not feasible to consider within the constraints of this commission. Where this work has been done in the South HMA, much of work was undertaken by the Research and Intelligence Unit of Worcestershire County Council to produce gross household projections for use in the model.
- 8.1.2 As an alternative, **Outside** has taken the view to use the CLG published net household projections on which to base an assessment of future need. The advantages of this choice are that authorities can be assured the projections have been produced through a rigorous process by skilled demographers and are comparable across all local authorities. The net projections are readily and easily available and are constantly updated through a national and validated process. This means that the model can be updated and modified on a regular basis and be maintained by local authorities without having to call for external expertise.
- 8.1.3 In general terms the implications of the use of net household projections rather than gross household projections is that the level of newly arising need is likely to be under-represented. Again **Outside** has taken the view that it is better to err on the more

⁶⁹ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p45

cautious side in predicting future need, especially when resulting policy decisions must balance the evidence of need with the practicality of what is deliverable in terms of affordable housing.

- 8.1.4 This does mean that there is a clear difference in approach between the South HMA and other West Midlands HMAs. However, every housing need model is a delicate balancing act and each input is carefully weighed against all other inputs in order to achieve balance and the net effect of the use of gross household projections in the South HMA must be considered in the context of the whole model which operates under a number of different assumptions such that the bottom line results shown as a proportion of total households in each area are within the expected range and do not appear to indicate an overall greater level of need than would appear should the West Housing Market Area methodology in its entirety be applied to the South HMA authorities.
- 8.1.5 A further point to note is that the West Midlands Regional Spatial Strategy housing demand projections are based on the latest 2004 based net household projections. The net household projections are adjusted to take account of estimated demolitions, estimated completions and an assumed vacancy rate.
- 8.1.6 Updated household projections published by the DCLG March 2007 based on ONS 2004 based population projections are shown in Table 69.

Table 69: Household projections to 2029 (thousands)							
	2004	2006	2011	2016	2021	2026	2029
Bridgnorth	22	22	23	24	25	25	26
North Shropshire	24	25	26	28	30	31	32
Oswestry	16	17	18	20	21	22	22
Shrewsbury & Atcham	41	42	43	45	47	49	49
South Shropshire	18	19	20	21	23	24	24
Herefordshire	77	79	84	88	93	97	99
West Midlands	22	22	23	24	25	25	26

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

- 8.1.7 Based on the predicted growth in household numbers from 2006 to 2026, divided by twenty an estimate of the number of new households forming annually is shown in Table 70.

Table 70: New household formation (Step 2.1)						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
2006 household projections	22	25	17	42	19	79
2026 household projections	25	31	22	49	24	97
Household change in 5 year period	3	6	5	7	5	18
Household change annualised	0.15	0.30	0.25	0.35	0.25	0.90
Total households at Step 2.1	150	300	250	350	250	900

Source: New projections of households for England and the regions to 2029, Communities and Local Government Release 2007/0045, Table F: Sub regional Household Projections, England - 2004 based (Excel)

8.2 Newly forming households unable to buy or rent in the market

- 8.2.1 Step 2.1 sets out the estimated annual household growth. Step 2.2 seeks to estimate the proportion of new forming households that would not be able to afford to access appropriate housing on the open market without some form of intervention. As the potential new households have not yet formed an assumption has to be made as to the proportion likely to encounter affordability issues. Based on the CACI modelled income distribution data for West Midlands and the lower quartile house prices an estimate of affordability has been calculated for each of the six West Housing Market Area districts as presented above in Table 64.
- 8.2.2 It has been argued that the proportion of new forming households encountering affordability issues is likely to be greater than that amongst existing households. This is based on the view that the vast majority of new forming households will be young people who are less likely to have household incomes equivalent to the whole household population. Evidence from primary research on housing need⁷⁰ would indicate that there is a difference in affordability between established households and new forming households. However, without household survey data, it is difficult to make a reliable adjustment to the figure used for current housing need.

⁷⁰ Outside previous household surveys

Table 71: New households unable to afford housing on open market (Step 2.2)						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
% unable to afford open market	79.5%	69.9%	66.8%	71.3%	77.0%	73.7%
Total households at step 2.2	119	210	167	250	192	664

8.3 Existing households falling into need

8.3.1 Existing households falling into need is taken from district information collated in the HSSA 2005/06 related to the numbers of households accepted as unintentionally homeless and in priority need during the year. This is a very precise definition of households falling into need and is not meant to be taken as the only source. In household surveys undertaken as a part of previous housing need assessments, the number of existing households falling into need is far greater based on the number of new households formed as a result of divorce, separation of family breakdown. Some of this formation is picked up in the net household projections and some in the backlog of current need. It could be argued that all homeless decisions should be counted here including those found eligible, in need but intentionally homeless and those not in priority need.

Table 72: Existing households falling into need (Step 2.3)						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Households becoming homeless	69	135	107	178	102	416
Total households at step 2.3	69	135	107	178	102	416

Source: DCLG live table 627 - households accepted as unintentionally homeless and in priority need

8.4 Total newly arising housing need

8.4.1 Taking steps 2.1 to 2.3 an estimate of newly arising need is shown in Table 73. The number of new households falling into need as a proportion of total households shows a different distribution pattern across the six districts than emerges from the estimation of current housing need. Herefordshire has the highest level of current housing need, but a lower proportion of newly arising need in relation to the other authority areas in the West Housing Market Area. Oswestry has the second lowest level of current housing need, but the highest level of newly arising need. Similarly South Shropshire, which has the lowest level of current need, has the second highest level of newly arising need. Shrewsbury & Atcham and Bridgnorth have the lowest levels of newly arising need.

Table 73: Future Housing Need						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Step 2.1	150	300	250	350	250	900
Step 2.2	119	210	167	250	192	664
Step 2.3	69	135	107	178	102	416
Step 2.4	188	345	274	428	294	1080
% of total households	0.9%	1.4%	1.6%	1.0%	1.5%	1.4%

Source: ONS household projections, HSSA data 2005/06

9 AFFORDABLE HOUSING SUPPLY

Table 74: Summary of data required for affordable housing supply ⁷¹	
Step	Data items
3.1 Affordable dwellings occupied by households in need	Housing Register, Local Authority and RSL transfer lists, Over-crowding data
3.2 Surplus stock	Local Authority and RSL records
3.3 Committed supply of new affordable housing	Development programmes of affordable housing providers (RSLs, developers, LAs), Regeneration\ Pathfinder Schemes, including conversions and intermediate housing products
3.4 Units to be taken out of management	Demolition and conversions programmes of LAs, RSLs, Regeneration\Pathfinder Schemes
3.5 Total affordable housing stock available	3.1 + 3.2 + 3.3 - 3.4
3.6 Annual supply of social re-lets (net)	Lettings/voids system for providers, LA and RSLs, CORE data for RSLs, HSSA data
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	LA, RSL and other providers' lettings/voids system and data on re-sales of sub-market LCHO or shared equity schemes
3.8 Annual supply of affordable housing	3.6 + 3.7

9.1 Affordable dwellings occupied by households in need

- 9.1.1 It is first necessary to estimate the number of dwellings vacated by current occupiers that are fit for use by other households in need. This is an important consideration in establishing the *net* levels of housing need, as the movement of these households within affordable housing will have a nil effect in terms of housing need.
- 9.1.2 Consequently it is necessary to rule out transfers within the stock that have a nil net effect on the availability of affordable housing.
- 9.1.3 Table 75 shows the numbers of households that moved within the respective local authorities' stock over the last four years. This combines both LA transfer lets and RSL lets minus those taking up LA nominations as recorded in the 2005/06 HSSA⁷².

⁷¹ *Strategic Housing Market Assessments: Practice Guidance*, Communities and Local Government, March 2007, p47

⁷² HSSA D1+D2+D3a+(D9-D10a)

Table 75: Lettings into social housing stock (Step 3.1)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
2002/3	94	114	106	0	174	721	1209	20584
2003/4	79	99	114	0	114	28	434	18788
2004/5	79	86	63	187	86	203	704	15571
2005/6	67	78	93	240	23	274	775	14882

Source: HSSA 2006

9.2 Surplus stock

9.2.1 If there is surplus social housing stock this needs to be accounted for in the assessment. A certain level of voids is normal and allows for transfers and works on properties. However, where the rate is in excess of 3 per cent and properties are vacant in excess of six months, these should be counted as surplus stock.

9.2.2 Table 76 sets out the total housing stock and the number of vacant dwellings in each district.

Table 76: Surplus stock (Step 3.2)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
Housing stock	3193	2676	2657	6158	2325	11047	28056	457690
Vacant dwellings	67	26	31	78	28	164	394	9028
% Vacant dwellings	2.1%	1.0%	1.2%	1.3%	1.2%	1.5%	1.4%	2.0%
Proportion > 3%	0	0	0	0	0	0	0	0
Total surplus	0	0	0	0	0	0	0	0

Source: HSSA 2006

9.3 Committed supply of new affordable units

9.3.1 It is important to take account of the new (i.e. new build and conversions) social rented and intermediate affordable dwellings that are committed at the point of the assessment (see Table 77). Where possible this number should be recorded with information on size also.

Table 77: Additional affordable housing (Step 3.3)								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
2002/3	12	0	14	74	61	134	295	2789
2003/4	0	3	24	40	28	91	186	2862
2004/5	0	27	38	25	55	80	225	3411
2005/6 (outturn)	0	55	33	29	69	195	381	3595
2006/7 (planned)	6	45	67	35	70	185	535	3791

Source: HSSA 2006 Section N - 2005/06 outturn used at Step 3.3

9.4 Units to be taken out of management

- 9.4.1 Local authorities and RSLs should have information about planned demolitions or redevelopment schemes that lead to net reductions in stock. The number of social-rented or intermediate affordable housing units to be taken out of management should not include Right-To-Buy sales as authorities are not required to re-house these households.
- 9.4.2 At this point in time, there is no evidence that any of the six local authorities have plans to demolish or redevelop stock that will result in net reductions in supply.

9.5 Total affordable housing stock available

- 9.5.1 This is the sum of (see Table 78):
- ❑ Dwellings currently occupied by households in need
 - ❑ Surplus stock
 - ❑ and committed additional housing stock
 - ❑ minus units to be taken out of management

Table 78: Total affordable housing stock available (Step 3.5)						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Dwellings currently occupied by households in need	67	78	93	240	23	274
Surplus stock	0	0	0	0	0	0
Committed additional housing stock	0	55	33	29	69	195
Units to be taken out of management	0	0	0	0	0	0
Total Step 3.5	67	133	126	269	92	469

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

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

9.6.2 The numbers in Table 79 are a composite of both local authority and RSL lettings.

Table 79: Annual supply of social re-lets								
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire	West HMA	West Midlands
2003/4	201	190	176	348	232	750	1897	34153
2004/5	179	210	187	375	203	920	2074	31718
2005/6	92	235	199	388	85	782	1781	29526
Average 2003-06	157	212	187	370	173	817	1917	31799
Average turnover	2.9%	8.8%	7.5%	6.3%	3.7%	7.1%	6.3%	6.5%

Source: HSSA 2006

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

9.7 Future annual supply of intermediate affordable housing

- 9.7.1 The number of intermediate affordable housing units that come up for re-let or re-sale will increasingly play a role in the overall supply of affordable housing. Where operators of intermediate housing schemes monitor this, it is useful to include it in the supply figures. However, it should only include those properties that meet the definition of intermediate affordable housing as set out in PPS3. It should not include properties that are no longer affordable, such as social rented homes bought under the Right-to-Buy or shared equity homes where the purchaser has entirely bought out the landlord's share.
- 9.7.2 Where homes may be bought back as affordable housing by a RSL, or the money received by the landlord is used to fund future shared equity schemes through the recycling of capital grant, these units should be counted under the supply of new affordable housing (step 3.3).
- 9.7.3 At this point in time, with the exception of Herefordshire, there is no evidence of intermediate affordable housing units that have come up for re-let or re-sale that will result in net reductions in supply.

9.8 Future annual supply of affordable housing units

- 9.8.1 This is the sum of:
- Social rented units, and
 - Intermediate affordable units
- 9.8.2 Steps 3.1 to 3.7 are brought together in Table 80. As a proportion of the total number of households in the respective authorities the supply ranges from Bridgnorth with 0.79% (and the lowest number of units at 157) to Oswestry at 1.11%. Herefordshire has the highest number of units (817) and the second highest proportion in relation to total number of households.

Table 80: Future annual supply of affordable housing units						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
Social rented units	157	212	187	370	173	817
Intermediate units	-	-	-	-	-	11
Total (Step 3.8)	157	212	187	370	173	828
% of total households	0.79%	0.86%	1.11%	0.86%	0.88%	1.08%

10 HOUSING REQUIREMENTS OF SPECIFIC HOUSEHOLD GROUPS

10.1 Introduction

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

10.2 Older people

10.2.1 This section looks at the housing needs of older people referring both to general housing and specialist accommodation across the six districts in Shropshire and Herefordshire County. The home is recognised as a key factor in determining a person's quality of life with research suggesting older people spend between 70 - 90% of their time in their home⁷³.

10.2.2 Table 81 provides details of the population aged over 60 in each district. South Shropshire had the highest absolute number of older people and the highest percentage of their total population aged over 60, 28.1%. Residents over 80 in South Shropshire total 1,970 or 4.9% of the total population. Herefordshire had the second highest 60+ population percentage in the West Housing Market Area region with 24.3%, almost a quarter of the population over the age of 60. By 2003, mid-year estimates show that Herefordshire's 60+ population is 25.6% compared with 21.3% in the West Midlands region and 21.0% in England & Wales.⁷⁴

⁷³ Baltes, M.M., Wahl, H-W, Schmid-Furstoss, U. (1990) The daily life of the elderly at home. Activity patterns, personal control and functional health. *Journal of Gerontology Social Sciences*, 45, 173-179, cited in *A Sure Start to Later Life: Ending Inequalities for Older People*, ODPM, 2006

⁷⁴ Herefordshire Housing Needs Assessment 2005. Herefordshire Council.

Table 81: Population aged 60+												
Age	Herefordshire		Bridgnorth		North Shropshire		Oswestry		Shrewsbury		South Shropshire	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
60-64	9937	5.8	3192	6.4	3157	5.7	1974	5.4	5121	5.5	2633	6.6
65-69	9222	5.3	2591	5.2	2822	5.1	1796	5.0	4364	4.7	2491	6.3
70-74	8242	4.8	2291	4.6	2564	4.6	1608	4.4	4028	4.3	2263	5.7
75-79	6979	4.0	1751	3.5	2042	3.7	1406	3.9	3437	3.7	1827	4.6
80-84	4542	2.6	1086	2.2	1308	2.4	845	2.3	2163	2.3	1134	2.9
85-89	2288	1.3	558	1.1	687	1.2	418	1.2	1191	1.3	574	1.4
90-94	767	0.4	194	0.4	244	0.4	140	0.4	377	0.4	209	0.5
95-99	147	0.1	32	0.1	53	0.1	28	0.1	54	0.1	53	0.1
100 +	16	0.0	3	0.0	7	0.0	5	0.0	13	0.0	0	0.0
Total pop'n	17275	100.0	49948	100.0	55307	100.0	36240	100.0	93475	100.0	39766	100.0
Total 60+	42140	24.3	11698	23.5	12884	23.2	8220	22.7	20748	22.3	11184	28.1

Source: Census 2001

- 10.2.3 Single pensioner households represent over 14.0% of the population in all six districts. South Shropshire, according to the Census 2001 data, which under-represents the current growing pensioner population, has the highest proportion of single pensioner households, (16.3% of households), followed by Herefordshire (with 15.4%), Oswestry (15.3%); Shrewsbury (15.0%); North Shropshire (14.5%); and Bridgnorth (14.3%). The information on household composition is important in assessing possible housing needs of older people. The number of single pensioner households has implications for types of housing as well as care and support services within each district, as it suggests that the older person may not benefit from care and support within the home from another member of their household if the need arose. Nationally there is a growing trend of an increasing number of older people living alone.
- 10.2.4 Pensioner households and their tenure is shown in Table 82. The proportions of owner-occupied pensioner households are highest in South Shropshire (22.7% of households), and high also in Herefordshire (19.5%), but lower in Bridgnorth (16.6%). The proportions of social rented pensioner households are highest in Bridgnorth (5.3%), and lowest in South Shropshire (3.9%). The proportions of private rented pensioner households are also highest in Bridgnorth (3.2%), and relatively high also in South Shropshire (3.1%).

Table 82: Pensioner household tenure by district				
Area	Owner-occupied	Social rented	Private rented	Total
	%	%	%	%
Herefordshire	19.5	5.0	2.7	27.0
Bridgnorth	16.6	5.3	3.2	25.1
North Shropshire	18.6	4.3	2.6	25.5
Oswestry	18.0	5.0	2.4	25.4
Shrewsbury & Atcham	18.0	5.0	2.0	25.0
South Shropshire	22.7	3.9	3.1	29.7

Source: Census 2001

- 10.2.5 The proportion of the total household population which consists of single pensioner households is also high and rising, as Table 83 shows. High levels of home ownership coupled with increasing numbers of single pensioner households will present challenges for providing growing numbers of older people with housing choice.

Table 83: Single pensioner household tenure by district				
Area	Owner-occupied	Social rented	Private rented	Total
	%	%	%	%
Herefordshire	9.7	3.8	1.9	15.4
Bridgnorth	8.2	3.8	2.3	14.3
North Shropshire	9.4	3.2	1.8	14.5
Oswestry	9.6	3.8	1.9	15.3
Shrewsbury & Atcham	9.6	3.8	1.6	15.0
South Shropshire	11.0	2.9	2.3	16.3

Source: Census 2001

- 10.2.6 The projected change of different age cohorts in the population from 2007 - 2027 is detailed in Table 84-Table 87. Comparison with projections for all ages shows the trend for older people to form an increasing proportion of the population. This is particularly noticeable in the older age group aged 75 or over, as Table 87 shows. In the age group 75-79 a population increase of 80.0% from 2007-2027 is projected in Oswestry, with high proportional figures also in Bridgnorth (75.0%) and Herefordshire (70.7%). In the age group 80-84, the highest projected rate of increase is in Bridgnorth (107.1%), followed by North Shropshire (100%), and South Shropshire (93.3%). In the age group 85+, very high rates of increase are projected for Bridgnorth (116.7%), Oswestry (110.0%), South Shropshire (108.3%), and North Shropshire (100.0%). Long-term increase in all the 60+ age cohorts is projected, although from 2007-2022 a decline in the 60-64 cohort is projected for Bridgnorth. The largest proportional increase for the first five years, 2007-2012, is

projected for the 65-69 cohort (over 30% increase is projected in Herefordshire, Bridgnorth, North Shropshire, and South Shropshire), as Table 84 shows.

Table 84: Projected change 2007 - 2012						
Age	Herefordshire	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire
60 - 64	4.5	-2.3	2.4	7.7	0.0	2.7
65 - 69	30.0	31.3	31.3	28.6	22.0	31.0
70 - 74	11.0	20.0	10.7	16.7	9.3	12.0
75 - 79	10.7	10.0	13.0	13.3	8.6	4.8
80 - 84	6.9	14.3	12.5	0.0	3.7	13.3
85+	13.5	16.7	14.3	20.0	15.4	16.7
All ages	3.3	1.1	3.8	4.0	0.8	3.9

Source: ONS 2004 based population changes

Table 85: Projected change 2007 - 2017						
Age	Herefordshire	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire
60 - 64	3.0	-11.6	-2.4	7.7	-3.2	0.0
65 - 69	36.9	28.1	34.4	38.1	22.0	34.5
70 - 74	44.0	56.0	46.4	44.4	34.9	48.0
75 - 79	24.0	35.0	21.7	33.3	22.9	23.8
80 - 84	22.8	28.6	31.3	25.0	18.5	26.7
85+	38.0	41.7	35.7	40.0	34.6	41.7
All ages	5.6	2.3	7.5	8.1	2.1	7.7

Source: ONS 2004 based population changes

Table 86: Projected change 2007 - 2022						
Age	Herefordshire	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire
60 - 64	13.6	-2.3	11.9	23.1	7.9	10.8
65 - 69	34.0	18.8	28.1	38.1	18.0	31.0
70 - 74	51.6	56.0	50.0	55.6	37.2	52.0
75 - 79	62.7	75.0	65.2	66.7	51.4	61.9
80 - 84	40.4	57.1	50.0	41.7	33.3	46.7
85+	66.0	66.7	64.3	70.0	61.5	66.7
All ages	8.5	3.4	10.8	11.8	3.8	11.1

Source: ONS 2004 based population changes

Table 87: Projected change 2007 - 2027						
Age	Herefordshire	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire
60 - 64	25.8	7.0	26.2	38.5	15.9	24.3
65 - 69	47.6	31.3	46.9	57.1	32.0	48.3
70 - 74	49.5	44.0	46.4	55.6	32.6	48.0
75 - 79	70.7	75.0	69.6	80.0	54.3	66.7
80 - 84	86.0	107.1	100.0	83.3	70.4	93.3
85+	98.0	116.7	100.0	110.0	92.3	108.3
All ages	11.0	4.5	13.6	15.1	5.3	14.4

Source: ONS 2004 based population changes

- 10.2.7 These figures demonstrate the importance of making sure housing options and appropriate housing for an increasing older population are available. The absolute number of older people is increasing and the proportion of older people within the population is also increasing.
- 10.2.8 The proportions of older members of different ethnic groups in the Local Authorities of West Housing Market Area are shown in Table 88. For the most part, the proportions of the BME populations within West Housing Market Area who are older than 60 are far lower than the proportions of the British White population older than 60. However, the proportions of Other White females aged 60-74 were higher than the British White proportions in South Shropshire (14.7% of Other White population), North Shropshire (9.8%), Shrewsbury & Atcham (9.7%), Herefordshire (9.6%), and Oswestry (8.7%). The proportion of Asian males aged 75+ in Bridgnorth (5.4%) was higher than the corresponding proportion of British White males aged 75+. There were also relatively high proportions of Black males aged 60-74 in Herefordshire, Oswestry, and South Shropshire. Whilst overall numbers and proportions for older members of BME groups remain low, the increasing proportions of older BME members will mean that increasingly culture-sensitive attention needs to be paid to their specific accommodation needs and aspirations.

Table 88: Age by ethnic group - %								
Area	Age and gender	All	British White	Other White	Mixed	Asian	Black	Other
Bridgnorth	Male 60-74	7.8	7.8	8.1	0.0	0.0	0.0	0.0
	Male 75+	2.8	2.8	3.8	0.0	5.4	0.0	0.0
	Female 60-74	7.7	7.8	7.4	1.6	1.8	0.0	3.0
	Female 75+	4.8	4.8	5.9	1.6	3.6	5.0	3.0
North Shropshire	Male 60-74	7.3	7.4	7.9	1.2	3.7	0.0	2.0
	Male 75+	3.1	3.1	6.5	0.0	3.7	5.0	2.0
	Female 60-74	7.7	7.7	9.8	1.2	0.0	0.0	2.0
	Female 75+	5.3	5.4	3.6	0.0	3.7	0.0	2.0
Oswestry	Male 60-74	6.9	7.0	6.7	4.2	5.6	7.1	0.0
	Male 75+	3.0	3.1	4.3	0.0	0.0	0.0	0.0
	Female 60-74	7.5	7.7	8.7	2.1	0.0	0.0	0.0
	Female 75+	5.4	5.4	5.6	4.2	0.0	7.1	0.0
Shrewsbury & Atcham	Male 60-74	6.7	6.9	6.2	0.6	4.5	2.2	1.8
	Male 75+	3.1	3.1	4.4	0.6	0.0	0.0	0.0
	Female 60-74	7.5	7.5	9.7	0.6	1.7	6.7	3.2
	Female 75+	5.3	5.4	5.6	0.6	0.9	4.4	0.5
South Shropshire	Male 60-74	9.0	9.1	8.3	2.6	0.0	9.1	0.0
	Male 75+	4.0	4.0	5.2	0.0	0.0	0.0	0.0
	Female 60-74	9.2	9.3	14.7	5.1	0.0	9.1	0.0
	Female 75+	6.3	6.3	6.3	2.6	0.0	9.1	0.0
Herefordshire	Male 60-74	7.6	7.6	6.7	2.6	1.3	7.1	2.5
	Male 75+	3.4	3.5	4.9	0.0	0.0	1.8	0.0
	Female 60-74	8.2	8.2	9.6	3.0	2.9	5.3	6.4
	Female 75+	5.7	5.7	5.9	0.9	3.9	1.8	1.7

Source: Census 2001

- 10.2.9 With the growing populations of older people across different generations, the housing needs of a person aged 85 and those of a person aged 60 are likely to be very different. The type of accommodation needed may be different and the demand for health and social care services is likely to increase as a person ages.
- 10.2.10 Maintaining independence and giving people the choice to continue to live in their own homes for as long as they can is a key national and local driver bringing increased partnership between housing, primary care, community health services, social services as well as a variety of voluntary organisations. Effective housing for older people requires this partnership approach. Enabling older people to remain independent in their existing accommodation has implications in terms of: maintenance of the property; heating; timely adaptations and equipment as necessary; support and assistance if greater need arises; wider accessible services in the area to encourage continuing independent living.

10.2.11 Support for older people to maintain independence has been a strategic priority for Local Authorities. Herefordshire's Strategy for Older People includes within its aims: communication and information; safety and crime; employment and retirement - avoiding social isolation; service model issues for staying healthy and independent; and transport and access. Key objectives concerning independence and good health include:

- ❑ Having accommodation needs that are met
- ❑ Receiving help that enables them to remain in own home for as long as possible
- ❑ Services provided close to home

10.2.12 Helping people to live in their own home involves provision of low level of care, and adaptations. The number of people aged 65 and over helped to live at home per 1000 receiving help during 2005-2006 increased in Herefordshire from 60-82 people, taking it out of the bottom quartile of English Authorities.⁷⁵ Herefordshire's Supporting people Five Year Strategy fleshes out the need for housing-related support for older people. Supporting people has a key role in helping older people to live independently at home, taking account of key issues in private housing which include an ageing population, and rural isolation.

10.2.13 Bridgnorth District Council Housing Strategy⁷⁶ draws on the Bridgnorth Housing Needs assessment to develop an action plan which includes:

- ❑ Increased support for older people to stay in their own home - reviewing potential of Anchor Staying Put Shropshire; Implementing Shropshire Handy persons scheme
- ❑ Improving housing provision suitable for older people - considering outcome of review of sheltered accommodation; exploring options for remodelling; considering Supporting people hub-based model; increasing proportion of Decent Homes in private sector

10.2.14 Oswestry Housing Strategy (priority 3) actions also include reconfiguring housing and support for older people, and reconfiguring community alarm services.⁷⁷ Shrewsbury & Atcham's Housing Strategy highlights housing support and disability adaptations.⁷⁸ South Shropshire Housing Strategy also highlights financial assistance to owner-occupiers and tenants to adapt their homes, and partnerships with Shropshire Care and Repair and South

⁷⁵ The State of Herefordshire report. The Herefordshire Partnership. 2006.

⁷⁶ Bridgnorth District Council Housing Strategy 2007-2012. Final Draft March 2007.

⁷⁷ Oswestry Housing Strategy. Appendix A. 2006.

⁷⁸ Shrewsbury and Atcham Borough Council Overview and Strategy Document (2006-2009).

Shropshire Handyman scheme.⁷⁹ North Shropshire's Housing Strategy highlights the role of the Supporting People strategy.⁸⁰

- 10.2.15 An important factor is the high proportion of older people in rural areas. Census data has shown that almost 1 in 3 people in rural areas were aged 55 and over, compared to 1 in 4 people in urban areas. National research has shown that a greater proportion of rural older people were also owner-occupiers.⁸¹
- 10.2.16 Key issues for older people in rural areas can include support for older homeowners as many are asset rich but income poor, and there are only patchy support systems to assist them with maintenance and upkeep. Preventative services are crucial for supporting older people to maintain independence and prevent isolation. Over the next 20 years the number of older people in rural districts will continue to rise, those in the 60-74 age group increasing by 40% and those over 75 by 60%. These trends have been augmented by the impact of migration, being driven primarily by middle-aged people moving into the countryside and staying there into retirement, while many young people in the 15-24 age group leave rural areas for further education or to find jobs.⁸²
- 10.2.17 Comparative data from the 2001 Census concerning the needs of older people in rural and urban areas of Herefordshire is analysed in the State of Herefordshire report.⁸³ There is a higher proportion of lone pensioner households in rural towns than other areas in Herefordshire, and higher proportions of pensioner couple households in rural villages as well as towns. 29% of older people live in Hereford, 10% in rural areas within 8 miles of the City centre, while the market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington are home to 26%, and the remaining 35% live in more remote villages and rural area.⁸⁴ While the highest proportion of those who define themselves with Limiting Long Term Illness (LLTI) live in urban areas (47% in Herefordshire), levels of support vary, and higher proportions of people in rural, dispersed and village locations provide unpaid care, a similar trend to the rest of the West Midlands.

⁷⁹ South Shropshire Housing Strategy 2004-2009.

⁸⁰ North Shropshire Housing Strategy 2002-2006.

⁸¹ The Housing and support needs of older people in rural areas. 2006. Commission for Rural Communities. Housing Corporation.

⁸² Delivering for Older People in Rural Areas. A good practice guide. 2005. Age Concern/ Help the aged/Defra/Commission for Rural Communities.

⁸³ The State of Herefordshire report. The Herefordshire Partnership. 2006.

⁸⁴ Herefordshire Supporting People Five Year Strategy.

10.2.18 Subject to funding, key aims of the Herefordshire Supporting People (SP) partnership include:

- (i) a housing related support service to complement the Local Authority's re-ablement strategy and to complement Extra Care provision
- (ii) a supported housing scheme with assistive technology
- (iii) early intervention floating support services for people with early stages of dementia or Alzheimer's disease.

10.2.19 As of 2005/2006 SP supported 2,016 older people with support needs, and 75 frail elderly in Herefordshire.

10.2.20 Shropshire's older population face many similar issues related to rural isolation for older people, with high levels of home ownership. The review of Shropshire's Overarching Strategy for Older People highlights access to services and isolation.⁸⁵ Nearly 24% of the population living in settlements of below 1,500 people are over 60 years of age. ART Homes has been seen as a provider to release funding for minor repairs and renovations to the accommodation of older homeowners. There is also a proposal for rural partnership schemes to be developed as part of "Community Hubs" combining resources from statutory and voluntary organisations and offering accommodation, home care, and day-care support with transport. The apparent deficit in both Shropshire and Herefordshire of policy and strategy documents focused specifically and centrally on the challenges arising for and the needs of the large and growing older populations presents a challenge for the future.

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

⁸⁵ Shropshire County Council. 2004. Review of Shropshire's Overarching Strategy for Older People.

10.3 Households with specific needs

- 10.3.1 There is no single source for identifying the unmet needs of those people with special needs who may require housing to be purpose built or specially adapted. This section uses information about people with long-term limiting illness and disabled facilities grants data to provide indicative information about levels of potential need and delivery of adaptations. Housing strategies also provide indications of groups of vulnerable and hard-to-reach people with unmet housing need. Supporting People service indicators contribute to the overall picture of groups having housing requirements involving wrap-around support. However, to better understand the current housing requirements of people with disabilities, it is recommended that qualitative assessments involving stakeholders and/or service users and further baseline review are undertaken to explore in greater depth some of the issues raised below around need and options for addressing need.
- 10.3.2 An indication of the proportions of the household population who may have a requirement for adaptations to their home is provided by the Census 2001 data on Households with a person with a LLTI and their age, as Table 89 shows. The data provides indications of levels of disability, although not all people included here would have required adaptations to their home. The data shows quite similar levels of households with at least one person with LLTI across the West Housing Market Area; around a quarter in each local authority area. Among the older household population (aged over 65) with one resident with LLTI, proportions range from a high of 13.9% in South Shropshire to 11.5% in Shrewsbury & Atcham.

Table 89: Households with a person with LLTI												
Households	Herefordshire		Bridgnorth		North Shropshire		Oswestry		Shrewsbury & Atcham		South Shropshire	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
No people with LLTI	49770	67.0	14140	67.6	15104	65.3	10373	66.2	27400	68.0	11216	65.0
1 resident with a LLTI	18896	25.4	5119	24.5	6110	26.4	4076	26.0	9933	24.6	4596	26.6
0 to 15	776	1.0	224	1.1	255	1.1	151	1.0	411	1.0	167	1.0
16 to 44	3271	4.4	767	3.7	1085	4.7	774	4.9	1830	4.5	642	3.7
45 to 59	4056	5.5	1167	5.6	1359	5.9	876	5.6	2135	5.3	961	5.6
60 to 64	1665	2.2	518	2.5	535	2.3	346	2.2	894	2.2	427	2.5
65 to 74	3661	4.9	996	4.8	1175	5.1	775	4.9	1869	4.6	963	5.6
75+	5467	7.4	1447	6.9	1701	7.3	1154	7.4	2794	6.9	1436	8.3
2+ residents with a LLTI	4756	6.4	1403	6.7	1627	7.0	1014	6.5	2467	6.1	1251	7.2
All households	74,282	100	20,929	100	23,147	100	15,662	100	40,309	100	17,264	100

Source. Census 2001

- 10.3.3 Information about Disabled Facilities Grants is shown in Table 90. An overall rise in numbers of grants and expenditure (with the exception of Herefordshire's slight drop in expenditure) is noticeable across all the districts between 2004-2005 and 2005-2006.

Table 90: Mandatory Disabled Facilities Grants												
Year	Herefordshire		Bridgnorth		North Shropshire		Oswestry		Shrewsbury		South Shropshire	
	No.	E £000	No.	E £000	No.	E £000	No.	E £000	No.	E £000	No.	E £000
2002-2003	89	339	33	282	39	258	22	97	48	292	32	205
2003-2004	80	350	33	187	49	429	11	121	96	589	40	329
2004-2005	84	479	29	222	36	0	17	113	68	530	69	288
2005-2006	99	442	37	290	59	417	38	205	108	661	76	342
2006-2007 (planned)	90	525	50	290	75	400	24	140	110	710	76	380
2007-2008 (proposed)	90	525	50	290	60	450	20	120	60	660	76	380

Source. HSSA Appendix 2006

- 10.3.4 Shropshire Supporting People Strategy (2005 - 2010) outlines the levels of housing-related support provided to assist people to live independently in appropriate accommodation. A major priority is delivering floating support county-wide, with additional longer stay supported for some less independent older people and people with physical disabilities/learning disabilities. The support available falls short of need: for example

Shrewsbury & Atcham housing needs assessment estimated that approximately 1,237 household members felt they needed care or support which is not provided.⁸⁶

- 10.3.5 The two Shropshire and Herefordshire Supporting People Strategies^{87 88} highlight key issues concerning housing related support requirements and unmet need. Table 91 indicates the number of service users supported in each county (2004-5).

Table 91: Housing support services - 2004-5				
Service user group	Shropshire		Herefordshire	
	Client	%	Clients	%
Frail elderly	10	0.2	75	2.9
Generic	277	5.2	N/a	-
Homeless families	N/a	-	70	2.7
Ex-offenders/at risk of offending	15	0.3	19	0.7
Older people with support needs/community alarm services	4531	85.4	1676	65.6
People with physical/sensory disability	39	0.7	89	3.5
People with alcohol problems	6	0.1	24	0.9
People with drug problems	6	0.1	29	1.1
People with learning disabilities	82	1.5	158	6.2
People with mental health needs	100	1.9	251	9.8
Single homeless + support needs	85	1.6	33	1.3
Teenage parents	N/a	-	8	0.3
Traveller	46	0.9	6	0.2
Women at risk of domestic violence	17	0.3	28	1.1
Young people at risk	55	1.0	70	2.7
Young people leaving care	39	0.7	19	0.7
Total	5306	100	2555	100

Source. Herefordshire and Shropshire Supporting People Strategies 2005-2010

- 10.3.6 The table illustrates the issue of unequal distribution of resources at that time. Proportions of clients with disabilities were noticeably greater in Herefordshire than in Shropshire. 6.2% of Herefordshire clients had learning disabilities compared with 1.5% in Shropshire; while 9.8% of Herefordshire clients had mental health needs compared with 1.9% in Shropshire, and 3.5% of Herefordshire clients had physical/sensory disabilities, compared with 0.7% in Shropshire.

⁸⁶ Shrewsbury and Atcham Borough Council. 2004 Housing Needs Survey.

⁸⁷ Herefordshire Supporting People Strategy (2005-2010)

⁸⁸ Shropshire Supporting People Strategy (2005 – 2010)

- 10.3.7 The high proportion of older people receiving support in both counties highlights the challenge of distributing support to the proportions of older people living in rural areas, which can be reached by floating support services. Distribution of services around the county has not necessarily been equitable, with some more rural areas receiving less support. In Herefordshire during 2005/2006 757 clients, (29.13%) received floating support services, while 1,842 clients (70.87%) received accommodation based services, although the grant allocation was more evenly balanced.⁸⁹
- 10.3.8 The Shropshire Supporting People Partnership identified needs across the County as including to help vulnerable people to remain in their own homes; handyperson scheme managed by the Home Improvement Agency; support independent living, e.g. provision of aids and adaptations, and to provide housing maintenance advice to older people and people with a disability. Anchor Staying Put Shropshire is seen as having a vital role to play in the delivery of these services.⁹⁰
- 10.3.9 Those households with special needs members are more likely to be in small households (one or two persons); socially rented housing; and living in unsuitable housing than non-special needs households.
- 10.3.10 Among emerging themes from the Shropshire Supporting People Strategy is the requirement for more floating support taking account of challenges of reaching more rural areas and people's preference to remain in ordinary housing. For people with learning disabilities, differentiated support is needed, including floating support for people with low-level needs. For people with mental health problems, needs were identified for more supported housing in Shrewsbury and floating support for rural localities. For people with physical disabilities and sensory impairment, both the Transhouse service in Oswestry and the floating support service were stretched to capacity. A service for people with acquired brain injury was considered necessary, and more provision for young people not fitting Social Care and Health criteria needed.
- 10.3.11 In Herefordshire, the distribution of older people in 2001 (see paragraph 10.2.17) between rural and urban areas needs to inform deployment of housing and support services.
- 10.3.12 Regarding people with learning disabilities, 580 adults were registered with the Integrated Learning Disability Service in 2004-05. Need was highlighted for self-contained single accommodation in Hereford City, expansion of shared ownership and sheltered

⁸⁹ Herefordshire Supporting People Annual Update 2006-2007. Supporting People. Herefordshire Council

⁹⁰ Shropshire Supporting People Strategy (2005 – 2010)

accommodation. Shifting priorities highlight developing a floating support service for those with mild to moderate learning disabilities, and supported accommodation for people with more complex needs.

10.3.13 For people experiencing mental health problems, current supported housing was not commissioned for people with multiple or complex needs. Provision is targeted in the areas of shared ownership (e.g. via Advance Housing's own home scheme), floating support and remodelling transitional supported housing.

10.4 Homeless people

10.4.1 Levels of homelessness among households in the West Housing Market Area are shown in Table 92 and Table 93.

10.4.2 In comparison with the West Midlands (10.2%) and England (7.8%), homeless acceptances are particularly high in North Shropshire (25.7%), and high also in Shrewsbury & Atcham (13%). The percentage of local authority lettings to homeless people in priority need is above regional levels in North Shropshire (45.5%) compared to 27.9% (West Midlands). In addition, the percentage of homeless households in B&B accommodation in Herefordshire (21.2%) is far higher than the West Midlands (3.6%) and England (3.7%).

Table 92: Homelessness 2004-2005 %								
Homelessness Households	Herefordshire	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	West Midlands	England
Homeless acceptances	6.6	9.5	25.7	7.1	13	6	10.2	7.8
Homeless households in B&B accommodation 31 March	21.2	0	3.4	0	0	0	3.6	3.7
LA lettings to homeless people in priority need	N/a	26.9	45.5	31	N/a	N/a	27.9	24

Source: Neighbourhood Statistics (origin - local authority returns, including HSSA)

Table 93: Homelessness 2004-2005 count								
Homelessness Households	Herefordshire	Bridgnorth	North Shropshire	Oswestry	Shrewsbury	South Shropshire	West Midlands	England
Homelessness acceptances - unintentional; priority need	510	63	206	78	297	105	14,125	121,179
Homelessness - unintentional & intentional; priority need	538	66	224	86	327	109	N/a	N/a

Source: Neighbourhood Statistics (origin - local authority returns, including HSSA)

- 10.4.3 The levels of local authority lettings had not substantially increased over four years from 2002-2006, except in North Shropshire and Oswestry (Table 94 and Table 95). Numbers of local authority lettings to homeless households in priority need in general purpose dwellings are low in Herefordshire, Shrewsbury & Atcham, and South Shropshire (0 in 2005-2006), and in Bridgnorth (15 in 2005-2006). Those local authority lettings to homeless households in priority need in general purpose dwellings with two or more bedrooms include substantial numbers in North Shropshire (71; 53% of LA lettings to homeless households in priority need) and Oswestry (51; 94%).
- 10.4.4 Numbers of homeless households in priority need taking up local authority nominations to RSL dwellings are low in Bridgnorth (4); North Shropshire (1); Oswestry (3); but had substantially increased from 2002-2006 in Shrewsbury & Atcham, South Shropshire, and Herefordshire (the increase in all three Local Authorities being only during the period from 2002/4 to 2003/4). Those numbers of homeless households in priority need taking up local authority nominations to RSL dwellings include substantial numbers in Herefordshire (188; 68.6% of homeless households in priority need taking up LA nominations to RSL dwellings) and Shrewsbury & Atcham (136; 76.8%) and South Shropshire (31, 62%).

Table 94: Lettings to statutory homeless households -2002-2006

	Herefordshire				Bridgnorth				North Shropshire			
	02/3	03/4	04/5	05/6	02/3	03/4	04/5	05/6	02/3	03/4	04/5	05/6
a. LA dwellings let to homeless households in priority need on secure tenancies	0	0	0	0	0	0	0	0	0	0	0	134
b. LA dwellings let to homeless households in priority need on introductory tenancies	61	0	0	0	20	40	47	15	0	0	102	0
c. Total LA dwellings let to homeless households in priority need	61	0	0	0	20	40	47	15	0	0	102	134
d. LA dwellings let to homeless households in priority need in general purpose dwellings with 2 or more bedrooms	N/a	0	0	0	20	33	31	15	N/a	0	63	71
e. Total Homeless households in priority need taking up your LA nominations to RSL dwellings	29	368	363	274	4	0	3	4	1	8	3	1
f. total from e. in general purpose dwellings with 2 or more bedrooms	22	253	215	188	0	0	N/a	4	1	5	N/a	1
g. total from e. outside LA area	N/a	N/a	0	0	N/a	N/a	0	0	N/a	N/a	1	0
h. total from e. to a LSVT RSL company	5	214	194	221	0	0	0	0	N/a	0	N/a	0
i. Total Homeless households in priority need taking up your LA nominations to non-RSL dwellings	0	0	0	7	0	0	0	0	0	0	0	0
k Total Homeless households in priority need taking up LA/RSL tenancies in other authorities under mobility schemes	0	0	0	0	0	0	0	0	0	0	0	0
l. Homeless households in priority need placed in other non-LA settled accommodation	0	0	0	0	1	0	0	0	0	0	7	0

HSSA Appendix 2006

Table 95: Lettings to statutory homeless households -2002-2006

	Oswestry				Shrewsbury & Atcham				South Shropshire			
	02/3	03/4	04/5	05/6	02/3	03/4	04/5	05/6	02/3	03/4	04/5	05/6
a. LA dwellings let to homeless households in priority need on secure tenancies	27	35	49	54	0	0	0	0	0	0	0	0
b. LA dwellings let to homeless households in priority need on introductory tenancies	0	0	0	0	0	0	0	0	0	0	0	0
c. Total LA dwellings let to homeless households in priority need	27	35	49	54	0	0	0	0	0	0	0	0
d. LA dwellings let to homeless households in priority need in general purpose dwellings with 2 or more bedrooms	N/a	29	41	51	0	0	0	0	0	0	0	0
e. Total Homeless households in priority need taking up your LA nominations to RSL dwellings	5	4	13	3	77	221	207	177	0	44	54	50
f. total from e. in general purpose dwellings with 2 or more bedrooms	1	4	11	3	66	167	160	136	0	34	37	31
g. total from e. outside LA area	N/a	N/a	0	0	0	0	0	0	N/a	N/a	3	1
h. total from e. to a LSVT RSL company	0	0	0	0	77	163	176	0	N/a	37	61	44
i. Total Homeless households in priority need taking up your LA nominations to non-RSL dwellings	0	0	0	0	0	0	0	0	0	0	0	0
k Total Homeless households in priority need taking up LA/RSL tenancies in other authorities under mobility schemes	0	0	0	0	0	0	0	0	2	0	0	0
l. Homeless households in priority need placed in other non-LA settled accommodation	0	0	13	0	0	0	0	0	0	0	0	0

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10.4.5 In Herefordshire, during 2005/2006, there was a decrease in both the number of people applying as homeless (598 people) and the number accepted (416), reversing the previous trends.⁹¹ Herefordshire Council aims to reduce the number of people accepted as homeless to 160 by 2008-2009. However, concern over numbers of households in Bed and Breakfast accommodation arise as this is generally a less suitable dwelling type than a hostel or self-

⁹¹ The State of Herefordshire Report, The Hereford Partnership, 2006

contained dwelling. Since April 2004 numbers of households in B&Bs increased to a peak in Quarter 2 (93 households) in 2005-2006. Levels in Quarter 3 in 2006-2007 showed a significant decrease to 20 households in B&B accommodation and this reducing trend continues.⁹² Among those households staying in B&B accommodation, the average length of stay increased dramatically, between 2004/2005 and 2005/2006, reaching an average of 12 weeks over the year, which places Herefordshire in the bottom quartile of all English Authorities (averaging four weeks,) and which underscores the challenge of achieving the target for 2008-2009 of an average length of stay of 0 weeks. However, this trend is improving with Herefordshire achieving an outturn of 5 weeks at the end of Quarter 3 2007/08. Compared to 2006/7 Herefordshire had achieved a 29% reduction in the total number of families placed in temporary accommodation by the end of Quarter 3 2007/8

- 10.4.6 Herefordshire confirms that the 3 main causes of homelessness were parental eviction, violent relationship breakdown and loss of rented accommodation respectively.
- 10.4.7 Shropshire's Homelessness Strategy⁹³ identified vulnerable groups that need to be included and supported to prevent and reduce homelessness; including:
- care leavers and young people
 - former armed forces personnel
 - asylum seekers
 - black and minority ethnic groups and Travellers
 - people fleeing domestic violence
 - people with mental health issues
 - offenders
 - drug and alcohol users
 - rough sleepers
- 10.4.8 Shropshire's Homelessness Strategy found that loss of private rented accommodation was the main cause of homelessness, linked to increase in property values, the second factor being unwillingness of friends or relatives to accommodate. Key countywide issues include:
- consistency of provision, improving multi-agency working and accessibility of services

⁹² The State of Herefordshire Report, The Hereford Partnership, 2006

⁹³ Homelessness Strategy 2003-2008, Shropshire Housing Officers Group, 2003

- ❑ shortage of temporary and emergency accommodation, especially for young people;
 - ❑ private landlords' attitudes e.g. to accepting young people
- 10.4.9 Existing upward trends of homeless presentations, were expected to continue, with a need for improved preventative work through advice and joint working. Concerning young people and care leavers, there was a view that housing and support needs were hidden, and better information needed. Initiatives following from the strategy have included funding a Shropshire Homelessness Strategy Implementation coordinator, and commissioning new services and multi-agency protocols, and production of a homelessness information directory.
- 10.4.10 On an area basis, Shropshire Homelessness Review⁹⁴ highlights key issues for each Local Authority. Bridgnorth, with 14.6% in the private sector compared to the regional average of 7%, recognises that vulnerability of private sector tenants, high rent levels, and scarcity of available private sector housing contributed to homelessness. Single person homelessness and weak voluntary sector involvement have been factors. Young people presenting as homeless have increased, and services have been scarce, with lack of move-on accommodation. There is a need for more single person accommodation for people with mental health issues. Overall, lack of full, detailed information, and a need for better partnerships and more permanent housing are identified as key points.
- 10.4.11 Bridgnorth District Council's more recent analysis of homelessness decisions provides further insights into the causes of homelessness and suggests priority areas for action.⁹⁵ Between April 2004 and September 2006, based on P1E returns, 57.4% of 265 homelessness applications in Bridgnorth were found to be in priority need. The main reasons for acceptances were:
- ❑ Loss of rented/tied accommodation - 33%
 - ❑ Parents/relatives no longer able to accommodate - 24%
 - ❑ Domestic Violence - 24%
 - ❑ Mortgage or rent arrears - 7%
- 10.4.12 Analysis leads to the strategic prioritisation of prevention, and reflecting the County wide priority for younger people, with development of a rent deposit scheme; increasing accommodation and support especially for young people, and meeting Shropshire LAA targets among vulnerable 16-24 year olds.

⁹⁴ Shropshire Homelessness Review 2003-2008

10.4.13 North Shropshire identified a need for more effective information gathering to analyse the effectiveness of preventative advice.⁹⁶ Key issues include insufficient services for high risk or multiple needs clients; improving partnerships; addressing rural issues, addressing private sector provision through rent, equity and grant schemes and landlord liaison; increasing temporary accommodation. Action targets include supported housing for those who would not otherwise sustain a tenancy.

10.4.14 The more recent Homelessness Improvement Plan for North Shropshire⁹⁷ highlighted ongoing challenges including:

- ❑ Homelessness Services remain more reactive; shortage of suitable accommodation, (e.g. licensed and short term leased); rising homelessness applications through shortage of affordable housing, shortage of secure accommodation in Council's stock leading to people remaining in B&B accommodation for longer periods
- ❑ Quality of service
- ❑ Lack of preventative/advice initiatives
- ❑ Partnership working is imperative to find solutions

10.4.15 Oswestry, like the other districts, identified a shortfall of affordable housing. The biggest cause of homelessness was the loss of private sector accommodation. There were no direct access hostels in Oswestry area for homeless people. The Homeless in Oswestry Action Partnership (HOAP) and the Oswestry Homeless Prevention partnership (OHPP) were active with clients. Levels of need for services for homelessness were not well known. Challenges of partnership working with Health, Probation and Social services remained. According to Oswestry's Housing Strategy, as of June 2006, homeless presentations were increasing at a rate of 10% per year; 51% of social housing lets being to homeless households, under 5% in B&B accommodation. Priority actions include improving prevention services and not increasing B&B use levels.⁹⁸

10.4.16 In Shrewsbury & Atcham, services were concentrated in Shrewsbury. Recording of homelessness statistics was incomplete, for example concerning housing advice. Key issues include the needs of vulnerable homeless young people and care leavers. As the county town, there is a migration of young homeless people into Shrewsbury, this being a priority area for work with Supporting People. Another priority area is work with homeless people

⁹⁵ Bridgnorth District Council Housing Strategy 2007-2012

⁹⁶ Shropshire Homelessness Review 2003-2008

⁹⁷ North Shropshire District Council, Homelessness Improvement Plan, 2006, Report to Scrutiny Board

⁹⁸ Oswestry Housing Strategy, Appendix A, 2006

with mental health issues. Key issues include: furnishing accommodation, need for 24 hour support, providing responsive services across rural areas.

- 10.4.17 South Shropshire district also highlighted that relatively high numbers of young people are a continuing feature of the homelessness picture. There were plans to set up an emergency access to hostel scheme for young people. The more recent Annual report on the Council's work within Shropshire Homelessness Strategy Implementation Group 2005/06⁹⁹ highlighted useful developments; including the housing service directory on the Shropshire Housing Officers group website, and multi-agency protocols e.g. for Prison Leavers, and Young People, but identified gaps and preventing duplication in service delivery.
- 10.4.18 In addition, Supporting People highlight key priorities including: accessible provision for homeless women in Shrewsbury; access to move-on accommodation in social and private rented sectors; keeping stays in temporary accommodation time-limited; ensuring services are distributed across the county; including vulnerable owner occupiers; support to establish new tenancies and to retain existing ones.¹⁰⁰
- 10.4.19 In Herefordshire the emerging updated Homelessness Strategy recognises the positive impact homelessness prevention services have had in reducing homelessness acceptances and reliance on temporary accommodation. However, demand for housing and homelessness services remains extremely high as the lack of affordable housing continues to impact across the county.
- 10.4.20 County-wide, there appears to be a need for support towards maintaining tenancies, better joined-up work, up-dated and accessible information, and better targeting of services to young people and people with complex needs e.g. mental health issues. The overall target over three years is to bring together homelessness strategies across the West Midlands, highlighting prevention.

10.5 The housing requirements of rural communities

- 10.5.1 According to the Commission for Rural Community Development, there is no unambiguous definition of what constitutes a rural area.¹⁰¹ Settlement size may be used as a definition (as per the Office of National Statistics), as may land use, economic activity, social

⁹⁹ South Shropshire District Council. Annual report on the Council's work within Shropshire Homelessness Strategy Implementation group 2005/06. May 2006.

¹⁰⁰ Shropshire Supporting people Five Year Strategy.

¹⁰¹ Mapping Rural Needs: Carnegie Trust and The Young Foundation, on behalf of the Commission for Rural Community Development

characteristics or a mixture of indicators. In addition, different regions define 'rural' in different ways. For example, rural Scotland is defined as settlements with a population of less than 3,000, whilst in Ireland, rural areas consist of all areas outside towns of more than 1,500 people. In England and Wales, rural areas are defined as settlements with a population of less than 10,000 and open countryside (see Office of National Statistics definitions in Table 96).

10.5.2 There is growing pressure nationally to assess the housing needs of rural communities, as a separate and distinct study from more broad based housing needs assessment. A number of key documents address the emerging issues.

10.5.3 The Affordable Rural Housing Commission was set up in July 2005 by the Department for Environment, Food and Rural Affairs (Defra) and the Office of the Deputy Prime Minister (ODPM), now the Department for Communities and Local Government. The commission set out to enquire into the scale, nature and implications of the shortage of affordable housing for rural communities in England and make recommendations to help address unmet need. The Affordable Rural Housing Commission identified a number of trends in rural communities, which are as follows:

- Inward migration of commuters, retirees and owners of second or holiday homes contributing to demand-led house price inflation
- Right-to-Buy has had a proportionally greater impact in reducing the stock of social housing in rural areas
- Fewer new homes have been built to replace those sold in rural areas
- Planning policies have prioritised the protection of the environment and limited the availability of land for market and affordable housing
- While average earnings in rural areas match those elsewhere, the affluence of commuters and others masks the fact that many of the lowest paid wage-earners are employed in the rural economy and often face the highest and least affordable house prices

10.5.4 Affordability issues were also highlighted by the Commission for Rural Community Development, which found that, in 2004, the average house price to earnings ratio for rural properties in England was 9:2. In addition, 'in rural honey pot areas with a high percentage of second homes...house prices are more than 12 times higher than the mean household income'.¹⁰² The Commission also found that the close proximity of wealthy and deprived households in rural areas makes identifying social exclusion more difficult when using statistical data. Whilst the average income in rural areas is often higher than in urban

¹⁰² Ibid

ones, this is largely due to the high numbers of high earners living in rural commuter areas. In contrast, with migrant workers a source of labour in many rural areas, low wages and temporary contracts are evident. The make-up of rural areas is changing, with many migrant workers coming from outside the UK. Research commissioned by DEFRA, for example, found that of the temporary workers employed in 2005 to harvest and process fresh produce in Britain, approximately 23.5% were European Union nationals and 32,5% were recruited from outside the EU. A TUC study in 2004 found that more than 40% of workers from the new EU states settled in rural communities.

- 10.5.5 According to the Office for National Statistics Rural and Urban Classifications¹⁰³ - The new rural and urban definitions classify Output Areas, Wards and Super Output Areas by aggregating the underlying hectare grid square classifications for measures of settlement size and sparsity. Up to eight classes of Output Areas are distinguished; four settlement types (urban, town and fringe, village, hamlet and dispersed) in either a sparse or less sparse regional setting¹⁰⁴. Table 96 shows the ONS Rural and Urban classifications for Output Areas.

Table 96: Rural and urban classifications	
Classification	Description
Urban >10k - Sparse	Urban Settlements located in sparsely populated areas
Town and Fringe - Sparse	Small Town and Fringe areas located in sparsely populated areas
Village - Sparse	Villages located in sparsely populated areas
Hamlet & Isolated Dwellings - Sparse	Hamlet & Isolated Dwellings located in sparsely populated areas
Urban >10k - Less Sparse	Urban Settlements located in less sparsely populated areas
Town and Fringe - Less Sparse	Small Town and Fringe areas located in less sparsely populated areas
Village - Less Sparse	Villages located in less sparsely populated areas
Hamlet & Isolated Dwellings - Less Sparse	Hamlet & Isolated Dwellings located in less sparsely populated areas

Source: Office for National Statistics, rural and urban classifications

- 10.5.6 Lower super output areas for the West Housing Market Area as a whole and specifically Herefordshire and Shropshire have been mapped according to the ONS rural classification and are shown in Figure 37 and Figure 38. The lighter the colour shading the smaller the population and the greater the sparsity (i.e. the more rural the area). The darker areas on the maps indicate the high-density urban centres, where Hereford, Malvern, Shrewsbury, Oswestry and Bridgnorth can clearly be seen as urban centres.

¹⁰³ <http://www.statistics.gov.uk/geography/nrudp.asp>

¹⁰⁴ As a result of the higher aggregation level for Wards and Super Output Areas, the settlement classification must be condensed to only three measures; urban, town and fringe, and other (more dispersed settlements) while the sparse or non-sparse measure is retained. For Super Output Areas and Wards, Village, Hamlet and Isolated Dwellings is combined.

Figure 37: West HMA rural classifications

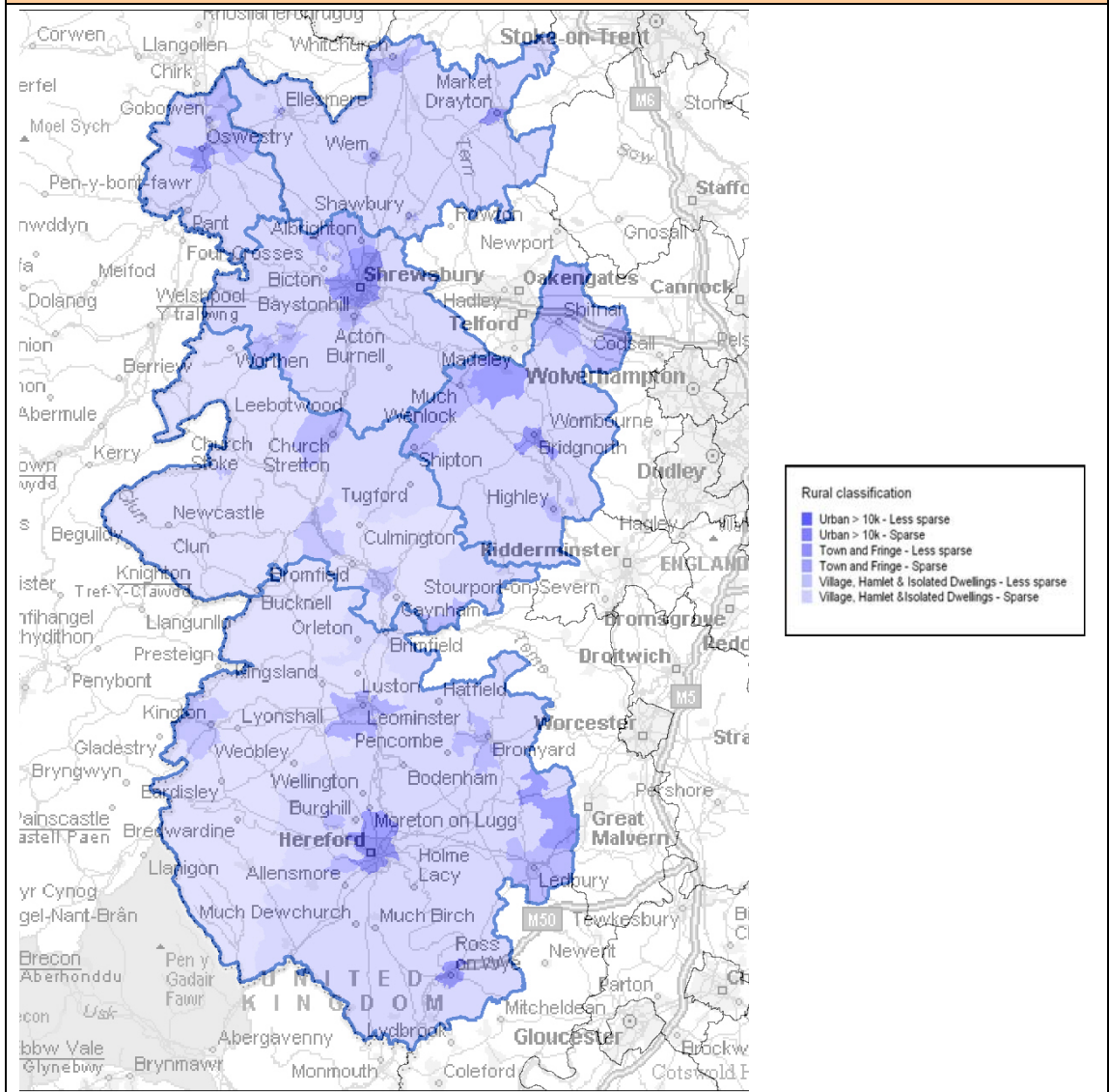
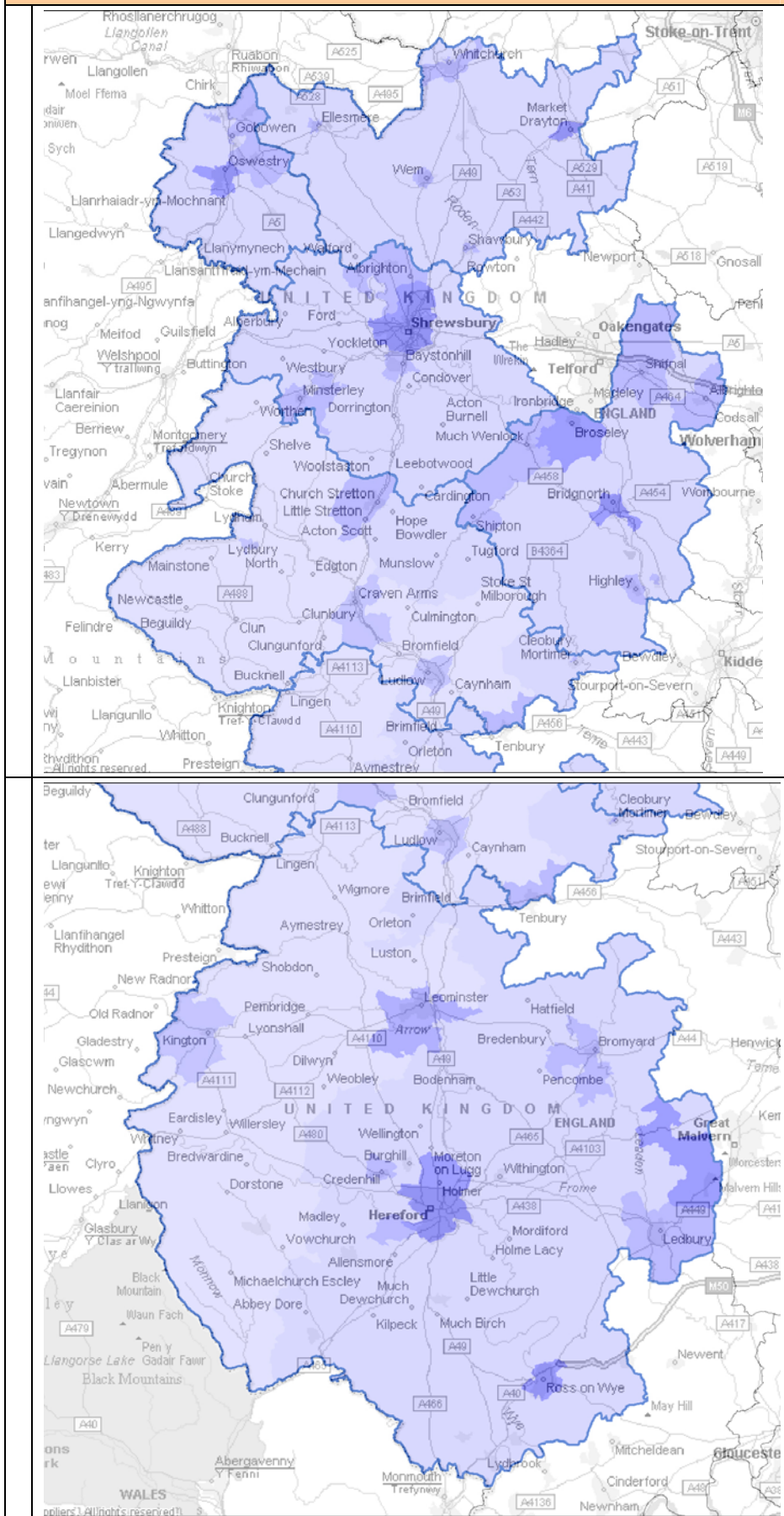
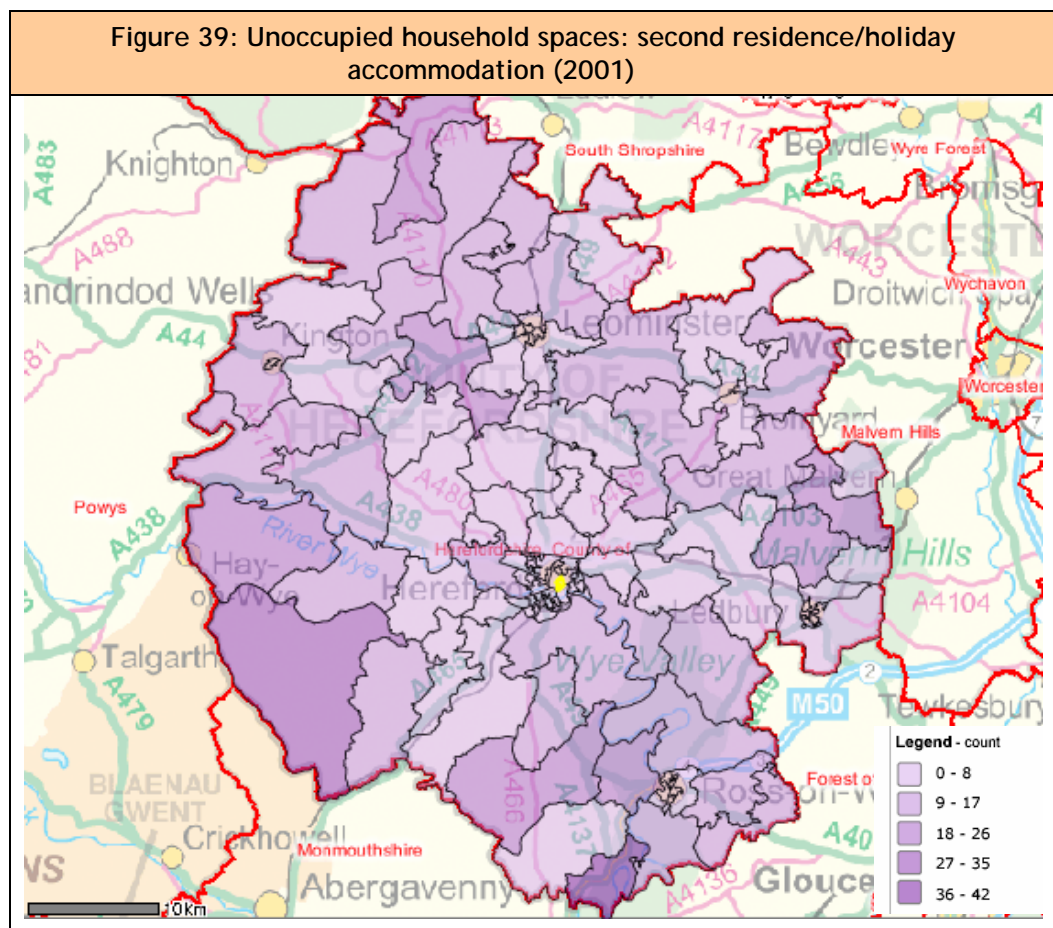


Figure 38: Shropshire & Herefordshire rural classifications



10.5.7 The figures above show that large parts of the West Housing Market Area are rural, particularly around South Shropshire. When compared to other areas in the West Midlands, the rural nature of the region becomes more apparent. In Birmingham and Wolverhampton, for example, all but one of the wards are classified as urban settlements in less sparsely populated areas. Telford wards are predominantly rural and Staffordshire has more of a mix of urban and semi-rural areas.

10.5.8 The mainly rural nature of Shropshire and Herefordshire means that they are likely to experience a number of the rural housing need issues identified in national research. In recognition of the social and economic issues faced by rural populations (often compounded by isolation), a network of free, confidential support groups has been set up in the West Midlands. The Rural Support Network offers support to residents of rural areas of the West Midlands, including those with health problems and financial difficulties. The network includes the Herefordshire Rural Stress Action Group and the Shropshire Rural Stress Support Network.



Source: 2001 Census Source: Land Registry

10.5.9 There is considerable debate about the value of district wide housing needs assessments in relation to identifying housing needs in small rural communities. This has led to the

proliferation of parish surveys and village appraisals, often promoted through the role of Rural Housing Enablers. The Commission for Rural Communities (an operating division of the Countryside Agency) produced a research publication in 2005 on “Calculating housing needs in rural England”. The report attempts to establish through a rigorous and transparent methodology, regional and national figures for the need for affordable housing in rural England from 2006-2011.

- 10.5.10 The findings from this work reveal that it is predominantly in the South East and South West of the country that the issues identified above are felt most acutely. The East Midlands as a region is shown to have less rural housing need than all the other regions in England with the exception of the North East and Yorkshire and the Humber. This broad regional assessment however, masks the detail of what is being experienced at sub-regional and district level, and as research by York University on rural housing need in Yorkshire and the Humber shows, on closer examination rural housing needs are evident in all areas of the country.
- 10.5.11 Research by the Centre for Housing Policy, York, into Rural Housing in the Yorkshire and Humber Region¹⁰⁵ created a rural housing needs index for all the rural wards in the Yorkshire and Humber Region. The indicators of housing need that they identify as significant are:
- ❑ Net inward migration as a proportion of all households
 - ❑ The proportion of vacant dwellings
 - ❑ The proportion of all household spaces in owner occupation
 - ❑ Concealed families as proportion of all families
 - ❑ Non-working families as a proportion of all families
 - ❑ Inference of low paid employment
 - ❑ The proportion of all households without central heating
 - ❑ The proportion of households living in social rented housing
 - ❑ House purchase affordability ratio
 - ❑ Change in affordability ratio
 - ❑ Geographical access to services

¹⁰⁵ “Rural Housing in the Yorkshire and Humber Region”, Mark Bevan & David Rhodes, Centre for Housing Policy, The University of York - October 2004

- 10.5.12 In their needs index “composite indicator” the greatest weight was given to house purchase affordability, and the lack of social rented housing. Medium weight was given to the extent of net inward migration, and the prevalence of second/holiday homes. The lowest weight was given to the level of owner occupation, the extent of concealed families and the lack of central heating.
- 10.5.13 Government policy through PPS3 allows considerable flexibility for meeting housing need in rural areas. It is accepted that land that is normally subject to restraint may in some situations be appropriate to provide a small element of affordable housing so long as any such housing can be shown to meet need in perpetuity.
- 10.5.14 Planning Policy Statement 3 sets out appropriate thresholds for provision of affordable housing. The national indicative minimum site size threshold is fifteen dwellings. Local Planning Authorities can set lower minimum thresholds, where viable and practicable, including in rural areas.¹⁰⁶
- 10.5.15 Finding suitable sites for affordable housing schemes in rural areas can be a problem both in terms of allocated sites in local plans and for exception housing. Higher development costs can also be a prohibitive factor in delivering affordably housing in rural areas.
- 10.5.16 Planning Policy Statement 3 states that:

“In providing for affordable housing in rural communities, where opportunities for delivering affordable housing tend to be more limited, the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. This requires planning at local and regional level adopting a positive and pro-active approach, which is informed by evidence, with clear targets for the delivery of rural affordable housing. Where viable and practical, Local Planning Authorities should consider allocating and releasing sites solely for affordable housing, including using a Rural Exception Site Policy. This enables small sites to be used, specifically for affordable housing in small rural communities (Small rural settlements have been designated for enfranchisement and right to acquire purposes (under Section 17 of the Housing Act 1996) by SI 1997/620-25 inclusive and 1999/1307) that would not normally be used for housing because, for example, they are subject to policies of restraint.”

- 10.5.17 Rural exception sites should only be used for affordable housing in perpetuity. A Rural Exception Site policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or

¹⁰⁶ Planning Policy Statement 3, paragraph 29 - Communities and Local Government

employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed, inclusive communities.”¹⁰⁷

- 10.5.18 Shropshire County Council currently has a Rural Pathfinder for the West Midlands, one of eight nationally. The Rural pathfinder is a two-year Defra initiative that reflects the priorities of the Rural Strategy 2004, intended to tackle social inequalities and exclusion in rural areas. It is aimed at improving local service delivery, encouraging a partnership approach and prioritising existing resources to meet the needs of those in the greatest need. An example of the Rural Pathfinder work is a community consultation exercise in Bucknall. Bucknell is a remote rural community with 600 residents, in South Shropshire and bordering Herefordshire and Wales. The consultation event included household questionnaires, photographic exercise and youth questionnaire. Issues highlighted by the event included the need for more affordable housing and improved transport.
- 10.5.19 In 2006, Shropshire County Council was awarded Rural Beacon status. This is awarded to Local Authorities that can show they are delivering a fair access to services and involving local communities in the development of services in rural areas.
- 10.5.20 Although Key Workers and affordable housing is a widely recognised issue in the South East, it appears to be less relevant in some rural areas, despite affordability problems. The West Market Area Partnership has adopted the position that Key Workers and affordable housing is not of great relevance in the area and should be addressed through wider planning policies and a range of affordable housing types¹⁰⁸. In particular, the Government definition of Key Workers (including for example, uniformed services and public sector workers) does not necessarily reflect the wider variety of low paid workers in rural areas. In areas such as Shropshire and Herefordshire, Key Workers could be classified as all low paid workers who are vital to the local community. In the West Housing Market Area, many local workers are unable to afford to buy in the area but cannot access social housing.

¹⁰⁷ Planning Policy Statement 3, paragraph 30 - Communities and Local Government

¹⁰⁸ Key Worker Housing: Report of Head of Planning & Building Control, South Shropshire District Council, 14/12/06

11 BRINGING THE EVIDENCE TOGETHER

11.1 Housing market sectors in the West Housing Market Area

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

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

11.1.2 The process to identify the housing market sectors was as follows. The first stage was to identify a suitable geography for analysis that could be applied to the various datasets analysed as part of the Strategic Housing Market Assessment. Some datasets (e.g. house prices and incomes) are available at full postcode level, some are at Output Area, LLSOA or MLSOA level whilst others can only be obtained at local authority level. House prices are available at postcode level, but on the other hand if no sales occur within a given time period or few sales occur that are not representative of that geography, then analysis can be distorted at the small area level and inaccurate conclusions may be drawn. In addition, we are mindful of the requirement that all members of the Housing Market Partnership need to be able to maintain and update datasets in the future and that not all partners have access to mapping and statistical analysis or have the resources to undertake complex data mining and manipulation. Consequently, we decided that, despite boundaries that may appear arcane at times, electoral wards are the appropriate building block geography to provide outputs that are both robust and replicable.

11.1.3 The second stage was to identify commonality in various identifiers (e.g. tenure, house, income, affordability - all of which are discussed in preceding chapters). The aim was to find areas where, from the perspective of the home purchaser, there was substitutability (either one dwelling for another, or one price for another) or a match in affordability. A significant element in this stage, was obviously was geographical proximity; in other words

a semi-detached home for £150,000 in Ludlow maybe be substitutable for one of the same price in Shrewsbury, but that does not mean the substitute will be made.

- 11.1.4 The third stage was to overlay the different elements (price, type, income) over one another to see where they correspond and where they diverge.
- 11.1.5 The final stage was to compare this map of findings with the views of stakeholders to see to what extent the markets described qualitatively matched those defined quantitatively. A half-day seminar, held during the course of the study, sought to illicit the views of stakeholders on the housing markets.
- 11.1.6 The West Housing Market Area is predominantly rural and consequently much of it is polycentric in nature; in other words large parts of the Housing Market Area do not necessarily constitute housing markets sectors that can be identified through this sort of analytical process. In many cases, parishes, villages or hamlets have such separate identities that any process of trying to group them together as “sectors” for planning purposes could appear contrived. However, the purposes of a Strategic Housing Market Assessment are not served by identifying hundreds of parish markets.
- 11.1.7 Consequently in some parts of the West Housing Market Area, to achieve some form of coherence, we have been forced to group areas solely based upon geographical proximity or some commonality of house type or price. This lack of coherent centres is particularly acute in Bridgnorth and South Shropshire, the two highest priced areas and the two that demonstrate strong migration relationships outside the West Housing Market Area.
- 11.1.8 This analysis has consequently grouped the 146 wards in the West Housing Market Area into nineteen housing market sectors, which are described below. For each area we identify its electoral wards and some key housing market indicators. It should be noted that in all areas the differences between the towns and the villages in terms of house type and tenure and price is extreme, making the acute affordability pressures felt most keenly in the rural areas. That said, the West Housing Market Area is relatively high priced and unaffordable throughout the sub-region.

Table 97: West HMA key market indicators		
Number of households		191588
Tenure:	Owner occupied	71.7%
	Social housing	14.9%
	PRS	9.1%
Type:	Detached	41.9%
	Semi-detached	31.7%
	Terraced	17.0%
	Flats/apartments	9.4%
Long-term vacant dwellings		2187
Average distance travelled to work		10.7
Mean house price		£207,894
Lower quartile house price		£134,216
Sales		9397

11.1.9 For comparison the same key indicators for the West Housing Market Area as a whole are shown Table 97 above. All house price data is from the Land Registry for sales 2006-07 and tenure and type indicators are from the 2001 Census. Vacant dwellings are from HSSA returns.

11.2 Whitchurch

Local authority	Ward
North Shropshire	Whitchurch North
	Whitchurch South
	Whitchurch West

11.2.1 Whitchurch in North Shropshire has the highest rate of flats/apartments in the West Housing Market Area, well above the sub-regional average. It also has a relatively high proportion of terraced dwellings, which suggests that it is well provided for in terms of smaller housing. The lower quartile house price is the second lowest in the sub-region.

Whitchurch key market indicators		
Number of households		3806
Tenure:	Owner occupied	68.4%
	Social housing	17.2%
	PRS	10.6%
Type:	Detached	32.2%
	Semi-detached	31.5%
	Terraced	22.4%
	Flats/apartments	14.0%
Long-term vacant dwellings		0
Average distance travelled to work		7.8
Mean house price		£159,575
Lower quartile house price		£115,911
Sales		235

11.2.2 Key issues in terms of balance are:

- (i) Lower than average rates of detached housing for the sub-region
- (ii) Relatively lower rates of owner occupation

11.3 Market Drayton

Local authority	Ward
North Shropshire	Market Drayton East
	Market Drayton North
	Market Drayton South
	Sutton

11.3.1 Market Drayton is very much at the lower end of the range of house prices in the West Housing Market Area. In terms of tenure the distribution is close to the Housing Market Area average (slightly higher social housing, slightly lower owner occupation and private rented sector). Detached housing is below the sub-regional average and semi-detached housing is above.

Market Drayton key market indicators		
Number of households		5232
Tenure:	Owner occupied	70.4%
	Social housing	16.6%
	PRS	7.4%
Type:	Detached	34.1%
	Semi-detached	39.9%
	Terraced	16.2%
	Flats/apartments	9.8%
Long-term vacant dwellings		0
Average distance travelled to work		9.5
Mean house price		£165,975
Lower quartile house price		£122,985
Sales		324

11.3.2 Key issues in terms of balance are:

- (i) Lower than average rates of detached housing for the sub-region
- (ii) Higher than average rates of semi-detached housing
- (iii) Slightly under developed private rented sector

11.4 North Shropshire Rural

Local authority	Ward
North Shropshire	Hinstock
	Hodnet
	Prees
	Shavington
	Whitchurch Rural
	Whixhall
	Woore

11.4.1 The rural wards of North Shropshire are very different to the towns and bear a much greater resemblance to parts of Bridgnorth and South Shropshire. This is the housing market sector with the highest rate of owner occupation (76.8%), to the detriment of social housing in particular. It also has a disproportionately high rate of detached housing and correspondingly low rates of smaller dwellings such as terraces and apartments; in fact the rates for these two house types are the lowest in the West Housing Market Area.

11.4.2 The lower quartile house price is the second highest in the sub-region, presenting major affordability issues.

North Shropshire Rural key market indicators		
Number of households		5284
Tenure:	Owner occupied	76.8%
	Social housing	9.9%
	PRS	8.8%
Type:	Detached	62.2%
	Semi-detached	31.3%
	Terraced	4.6%
	Flats/apartments	1.8%
Long-term vacant dwellings		0
Average distance travelled to work		12.7
Mean house price		£285,760
Lower quartile house price		£188,000
Sales		216

11.4.3 Key issues in terms of balance are:

- (i) A shortage of smaller dwelling units in the form of terraces and apartments
- (ii) A shortage of social rented housing
- (iii) Major affordability pressures

11.5 Ellesmere & Wem

Local authority	Ward
North Shropshire	Dudleston Heath
	Ellesmere and Welshampton
	Shawbury
	Wem East
	Wem Rural
	Wem West

11.5.1 In terms of tenure, Ellesmere & Wem is close to the Housing Market Area average (slightly lower social housing, slightly higher private rented sector). Detached and semi-detached housing are above the sub-regional average and whilst terraces and flats are lower.

Ellesmere & Wem key market indicators		
Number of households		6257
Tenure:	Owner occupied	71.4%
	Social housing	13.7%
	PRS	9.7%
Type:	Detached	45.1%
	Semi-detached	34.3%
	Terraced	12.7%
	Flats/apartments	7.9%
Long-term vacant dwellings		0
Average distance travelled to work		10.6
Mean house price		£177,543
Lower quartile house price		£127,775
Sales		292

11.5.2 Key issues in terms of balance are:

- (i) Lower than average rates of smaller housing units, both terraces and apartments
- (ii) Higher than average rates of semi-detached and detached housing
- (iii) Slight shortfall of social rented housing

11.6 Oswestry Town

Local authority	Ward
Oswestry	Cabin Lane
	Cambrian
	Carreg Llwyd
	Gatacre

11.6.1 The town of Oswestry is at the bottom end of the spectrum on almost all the housing market indicators in the West Housing Market Area. Both the lower quartile house price and the mean house price are the lowest in the sub-region. The average distance travelled to work is the lowest. The sector has the lowest rate of owner occupation, the smallest private rented sector and the highest rate of social housing. Detached housing is the lowest and semi-detached the highest in the West Housing Market Area.

Oswestry Central key market indicators		
Number of households		4541
Tenure:	Owner occupied	65.0%
	Social housing	24.8%
	PRS	7.1%
Type:	Detached	20.2%
	Semi-detached	44.2%
	Terraced	23.2%
	Flats/apartments	12.4%
Long-term vacant dwellings		20
Average distance travelled to work		7.4
Mean house price		£139,347
Lower quartile house price		£113,390
Sales		271

11.6.2 Key issues in terms of balance are:

- (i) An under developed private rented sector
- (ii) A potential over supply of smaller dwellings such as terraces and flats
- (iii) An oversupply of semi-detached housing
- (iv) A need for higher quality "executive" housing at the top end of the housing market

11.7 Oswestry Rural

Local authority	Ward
Oswestry	Castle
	Gobowen
	Llanyblodwel and Pant
	Maserfield
	St. Martin's
	Sweeney and Trefonen
	Weston Rhyn
	Whittington

11.7.1 In the same way that the towns of North Shropshire contrast with the rural areas, Oswestry Rural is very different from the town. The sector has the fourth highest rate of owner occupation and relatively low social housing and private renting. Detached dwellings are above the sub-regional average whilst semi-detached, terraces and flats are below. However, the mean house price and the lower quartile price are both below the average for the West Housing Market Area.

Oswestry Rural key market indicators		
Number of households		9588
Tenure:	Owner occupied	73.3%
	Social housing	13.5%
	PRS	8.8%
Type:	Detached	45.9%
	Semi-detached	29.8%
	Terraced	15.1%
	Flats/apartments	9.2%
Long-term vacant dwellings		177
Average distance travelled to work		10.4
Mean house price		£187,447
Lower quartile house price		£133,824
Sales		562

11.7.2 Key issues in terms of balance are:

- (i) Slight shortages of smaller family housing and smaller dwelling units
- (ii) Slight shortage of social rented housing

11.8 Hordley, Baschurch & Kinnerley

Local authority	Ward
North Shropshire	Baschurch
	Clive and Myddle
	Cockshutt
	Hordley, Tetchill and Lyneal
Oswestry	Kinnerley
	Ruyton and West Felton

11.8.1 The rural area to the south east of Oswestry has high rates of owner occupation and consequently very low rates of social housing. Interestingly, the private rented sector is well represented and is the third largest in the sub-region. In terms of housing type there is a significant distortion in favour of detached dwellings; at 62.8% of all dwellings this is the highest rate in the West Housing Market Area. Unsurprisingly there is a significant shortfall of mid-sized and smaller dwellings. Mean house prices and lower quartile house prices are well above the sub-regional average.

Hordley, Baschurch & Kinnerley key market indicators		
Number of households		4114
Tenure:	Owner occupied	74.6%
	Social housing	9.0%
	PRS	10.8%
Type:	Detached	62.8%
	Semi-detached	26.9%
	Terraced	7.3%
	Flats/apartments	3.0%
Long-term vacant dwellings		27
Average distance travelled to work		12.2
Mean house price		£267,550
Lower quartile house price		£187,077
Sales		220

11.8.2 Key issues in terms of balance are:

- (i) A shortage of affordable housing and social rented housing in particular
- (ii) A shortage of mid sized and smaller housing, particularly terraces and flats
- (iii) Major affordability pressures

11.9 Shrewsbury Town

Local authority	Ward
Shrewsbury & Atcham	Bagley
	Battlefield and Heathgates
	Bayston Hill
	Belle Vue
	Bowbrook
	Castlefields and Quarry
	Harlescott
	Meole Brace
	Monkmoor
	Sundorne
	Sutton and Reabrook
	Underdale

11.9.1 As an urban area, Shrewsbury Town unsurprisingly has a healthy supply of semi-detached dwellings, terraces and flats (all above the sub-regional averages); in fact the proportion of terraces is the highest in the West Housing Market Area. The town also has the third highest proportion of social housing, but the private rented sector is relatively small. House prices are much lower than elsewhere (although the mean ranges from £139K to £209K).

Shrewsbury Central key market indicators		
Number of households		24914
Tenure:	Owner occupied	72.1%
	Social housing	17.4%
	PRS	7.8%
Type:	Detached	20.8%
	Semi-detached	42.7%
	Terraced	25.4%
	Flats/apartments	11.1%
Long-term vacant dwellings		144
Average distance travelled to work		7.9
Mean house price		£168,678
Lower quartile house price		£129,455
Sales		1094

11.9.2 Key issues in terms of balance are:

- (i) An under developed private rented sector
- (ii) An under supply of larger family homes
- (iii) A relative oversupply of terraces

11.10 Shrewsbury Rural

Local authority	Ward
Shrewsbury & Atcham	Column
	Condover
	Copthorne
	Hanwood and Longden
	Haughmond and Attingham
	Montford
	Pimhill
	Porthill
	Rea Valley
	Rowton

11.10.1 The rural areas of Shrewsbury, surrounding the town are dominated by high rates of owner occupation (the highest in the West Housing Market Area). Both social housing and private rented housing are in short supply. In contrast to the town, terraces are under represented. Mean and lower quartile house prices are high.

Shrewsbury Rural key market indicators		
Number of households		13557
Tenure:	Owner occupied	76.8%
	Social housing	10.5%
	PRS	8.5%
Type:	Detached	49.7%
	Semi-detached	32.9%
	Terraced	8.9%
	Flats/apartments	8.5%
Long-term vacant dwellings		83
Average distance travelled to work		11.1
Mean house price		£240,321
Lower quartile house price		£162,531
Sales		523

11.10.2 Key issues in terms of balance are:

- (i) An under developed private rented sector
- (ii) A shortfall of social housing
- (iii) An under supply of terraces
- (iv) High house prices with consequent affordability pressures

11.11 Bridgnorth, Albrighton, Broseley & Shifnal

Local authority	Ward	
Bridgnorth	Albrighton South	Broseley West
	Bridgnorth Castle	Donington & Albrighton North
	Bridgnorth East	Highley
	Bridgnorth Morfe	Shifnal Idsall
	Bridgnorth West	Shifnal Manor
	Broseley East	Shifnal Rural

11.11.1 Although Bridgnorth, Albrighton, Broseley & Shifnal do not share common borders, they do share common characteristics that set them apart from the rest of the Bridgnorth District. Bridgnorth District is not an area that has distinct housing markets and it may well be that some parts of the district are better considered in relation to Telford & Wrekin, South Staffordshire and Wyre Forest.

11.11.2 What Bridgnorth, Albrighton, Broseley & Shifnal have in common is a tenure distribution that is close to the West Housing Market Area norm (although the private rented sector is not strong). The mix of housing is reasonable although there may be scope for more flats/apartments. House prices are close to the West Housing Market Area averages.

Bridgnorth, Albrighton, Broseley & Shifnal key market indicators		
Number of households		14296
Tenure:	Owner occupied	71.2%
	Social housing	16.1%
	PRS	7.2%
Type:	Detached	34.7%
	Semi-detached	38.0%
	Terraced	19.3%
	Flats/apartments	8.0%
Long-term vacant dwellings		0
Average distance travelled to work		8.9
Mean house price		£196,124
Lower quartile house price		£145,643
Sales		661

11.11.3 Key issues in terms of balance are:

- (i) Scope for further development of the private rented sector
- (ii) Limited scope for further development of flats/apartments

11.12 Ludlow & rural

Local authority	Ward	
South Shropshire	Bitterley with Stoke St Milborough	Corve Valley
	Bucknell	Kemp Valley
	Burford	Ludlow Henley
	Caynham with Ashford	Ludlow Sheet with Ludford
	Clee	Ludlow St Laurence's
	Cleobury Mortimer	Ludlow St Peter's
	Clun	Stokesay
	Clun Forest	Wistanstow with Hopesay

11.12.1 Ludlow and the rural areas predominantly west of the town, represents a relatively balanced housing market, albeit a highly expensive one. Owner occupation is the same as the West Housing Market Area average; social housing is slightly under represented and private renting slightly over represented. As with other rural markets there is a over supply of detached housing to the detriment of other housing types, particularly flats and semis.

Ludlow & rural key market indicators		
Number of households		12173
Tenure:	Owner occupied	71.1%
	Social housing	13.2%
	PRS	10.8%
Type:	Detached	48.2%
	Semi-detached	26.2%
	Terraced	19.5%
	Flats/apartments	6.2%
Long-term vacant dwellings		0
Average distance travelled to work		12.1
Mean house price		£213,877
Lower quartile house price		£155,885
Sales		613

11.12.2 Key issues in terms of balance are:

- (i) An shortage of social rented housing
- (ii) Room for further development of semi-detached housing and flats

11.13 Central Shropshire

Local authority	Ward	
Bridgnorth	Alveley	Morville
	Claverley	Much Wenlock
	Ditton Priors	Stottesdon
	Glazeley	Worfield
	Harrington	
Shrewsbury & Atcham	Lawley	Severn Valley
South Shropshire	Apedale	Church Stretton South
	Bishop's Castle with Onny Valley	Upper Corvedale
	Chirbury	Worthen
	Church Stretton North	

11.13.1 Central Shropshire epitomises the issues in the West Housing Market Area. It is highly rural, with a significant shortfall of social rented housing (the lowest in the West Housing Market Area). Dominated by detached homes, there are shortfalls of smaller units such as terraces and flats. The mean house price and the lower quartile house price are the highest in the West Housing Market Area. In fact, at £190,909 the lower quartile house price is higher than the mean house price in six of the eighteen identified market sectors.

Shropshire Central key market indicators		
Number of households		13543
Tenure:	Owner occupied	71.8%
	Social housing	8.9%
	PRS	13.3%
Type:	Detached	60.4%
	Semi-detached	25.7%
	Terraced	8.6%
	Flats/apartments	5.4%
Long-term vacant dwellings		21
Average distance travelled to work		12.9
Mean house price		£293,131
Lower quartile house price		£190,909
Sales		564

11.13.2 Key issues in terms of balance are:

- (i) Significant affordability issues coupled with an under supply of social rented housing
- (ii) Significant shortages of smaller dwelling units, particularly terraces and flats

11.14 Kington

Local authority	Ward
Herefordshire	Castle
	Kington Town
	Pembridge and Lyonshall with Titley

11.14.1 Kington has rates of owner occupation and social rented housing that are below the West Housing Market Area averages. It is dominated by detached housing, with relative shortfalls in other house types. The mean house price and lower quartile house price are considerably above the West Housing Market Area average.

Kington key market indicators		
Number of households		3972
Tenure:	Owner occupied	68.0%
	Social housing	14.1%
	PRS	6.5%
Type:	Detached	56.0%
	Semi-detached	24.4%
	Terraced	13.9%
	Flats/apartments	5.8%
Long-term vacant dwellings		173
Average distance travelled to work		12.1
Mean house price		£248,034
Lower quartile house price		£171,650
Sales		149

11.14.2 Key issues in terms of balance are:

- (i) Relatively low rates of private rented housing
- (ii) Under supply of all house types, except detached homes
- (iii) Relatively high house prices presenting affordability problems

11.15 Golden Valley

Local authority	Ward
Herefordshire	Golden Valley North
	Golden Valley South

11.15.1 Golden Valley has the largest private rented sector and very low provision of social rented housing. The market is dominated by detached housing (70.6%) and owner occupation (75.8%). The mean house price is the second highest in the West Housing Market Area.

Golden Valley key market indicators		
Number of households		2433
Tenure:	Owner occupied	75.8%
	Social housing	7.8%
	PRS	19.7%
Type:	Detached	70.6%
	Semi-detached	19.0%
	Terraced	7.9%
	Flats/apartments	2.6%
Long-term vacant dwellings		136
Average distance travelled to work		14.5
Mean house price		£277,394
Lower quartile house price		£177,282
Sales		71

11.15.2 Key issues in terms of balance are:

- (i) A shortage of social rented housing and intermediate housing options
- (ii) Significant under supply of all house types, except detached homes
- (iii) Relatively high house prices presenting affordability problems

11.16 Leominster

Local authority	Ward
Herefordshire	Bircher
	Golden Cross with Weobley
	Leominster North
	Leominster South
	Mortimer
	Upton

11.16.1 In Leominster the private rented sector is strong in contrast to a relatively small social housing sector. The market is dominated by detached housing to the detriment of all other housing types, but not to the same degree as Kington. House prices are close to the West Housing Market Area norm.

Leominster key market indicators		
Number of households		9818
Tenure:	Owner occupied	71.5%
	Social housing	13.8%
	PRS	10.8%
Type:	Detached	47.7%
	Semi-detached	28.1%
	Terraced	16.6%
	Flats/apartments	7.5%
Long-term vacant dwellings		289
Average distance travelled to work		11.3
Mean house price		£206,243
Lower quartile house price		£145,519
Sales		420

11.16.2 Key issues in terms of balance are:

- (i) A shortage of social rented housing and intermediate housing options
- (ii) Under supply of all house types, except detached homes

11.17 Bromyard

Local authority	Ward
Herefordshire	Bringsty
	Bromyard
	Hampton Court

11.17.1 The Bromyard housing market sector closely resembles the West Housing Market Area norm in terms of tenure. On the other hand in terms of house type, the market is dominated by detached housing to the detriment of all other housing type in a similar way to Leominster. House prices though are above the sub-regional averages.

Bromyard key market indicators		
Number of households		4759
Tenure:	Owner occupied	72.2%
	Social housing	14.9%
	PRS	8.8%
Type:	Detached	55.9%
	Semi-detached	23.0%
	Terraced	12.4%
	Flats/apartments	8.7%
Long-term vacant dwellings		131
Average distance travelled to work		11.8
Mean house price		£250,695
Lower quartile house price		£158,623
Sales		231

11.17.2 Key issues in terms of balance are:

- (i) Under supply of all house types, except detached homes, particularly mid-sized semi-detached and terraces

11.18 Ledbury

Local authority	Ward
Herefordshire	Frome
	Hope End
	Ledbury

11.18.1 Ledbury has the third highest lower quartile house price in the West Housing Market Area. Otherwise, once again it is relatively well balanced in terms of tenure, but there is a shortfall of mid-sized housing, as with Bromyard.

Ledbury key market indicators		
Number of households		7892
Tenure:	Owner occupied	72.9%
	Social housing	14.4%
	PRS	9.1%
Type:	Detached	48.3%
	Semi-detached	26.6%
	Terraced	14.8%
	Flats/apartments	10.3%
Long-term vacant dwellings		184
Average distance travelled to work		11.5
Mean house price		£248,759
Lower quartile house price		£180,237
Sales		392

11.18.2 Key issues in terms of balance are:

- (i) Under supply of smaller affordable housing
- (ii) Under supply of all mid-sized semi-detached and terraces
- (iii) High house prices and consequent affordability issues

11.19 Ross-on-Wye

Local authority	Ward
Herefordshire	Kerne Bridge
	Llangarron
	Old Gore
	Penyard
	Pontrilas
	Ross-on-Wye East
	Ross-on-Wye West
	Valletts

11.19.1 Ross-on-Wye has the third highest rate of owner occupation in the West Housing Market Area. Social housing is in relatively short supply. On the other hand in terms of house type, the market is dominated by detached housing to the detriment of all other housing type and in fact the sector has the lowest rate of semi-detached housing.

Ross-on-Wye key market indicators		
Number of households		12062
Tenure:	Owner occupied	74.1%
	Social housing	12.4%
	PRS	9.0%
Type:	Detached	56.6%
	Semi-detached	22.1%
	Terraced	11.4%
	Flats/apartments	9.9%
Long-term vacant dwellings		367
Average distance travelled to work		11.6
Mean house price		£244,102
Lower quartile house price		£165,255
Sales		618

11.19.2 Key issues in terms of balance are:

- (i) Under supply of all mid-sized semi-detached and terraces
- (ii) A shortage of social rented housing and intermediate housing

11.20 Hereford

Local authority	Ward	
Herefordshire	Aylestone	St Martins and Hinton
	Backbury	St Nicholas
	Belmont	Stoney Street
	Burghill, Holmer and Lyde	Sutton Walls
	Central	Three Elms
	Credenhill	Tupsley
	Hagley	Wormsley Ridge
	Hollington	

11.20.1 Hereford is distinct from the other Herefordshire housing markets sectors in that it has the lowest lower quartile house price and the lowest mean price. Social housing is the second highest in the sub-region, with consequent lower rates of owner occupation and private renting. The distribution of housing types tends towards smaller units to the detriment of larger detached housing.

Hereford key market indicators		
Number of households		33347
Tenure:	Owner occupied	68.6%
	Social housing	19.4%
	PRS	8.1%
Type:	Detached	30.9%
	Semi-detached	31.4%
	Terraced	23.2%
	Flats/apartments	14.4%
Long-term vacant dwellings		435
Average distance travelled to work		8.2
Mean house price		£185,949
Lower quartile house price		£140,242
Sales		1941

11.20.2 Key issues in terms of balance are:

- (i) An under developed private rented sector
- (ii) A shortage of social rented and intermediate housing

11.21 Housing requirements of households in need

- 11.21.1 A summary of the net annual housing need for each of the six districts of the West Housing Market Area is shown in Table 98.¹⁰⁹ The summary of net housing need based on a range of secondary data in each district to indicate the level of current housing need and net household projections to indicate future arising housing need. The detailed working of the model is described step by step in Chapters, 7, 8 and 9 above.
- 11.21.2 The model is presented in acknowledgement of the CLG view, with which we concur, that no one methodological approach or use of a particular dataset will result in a definitive assessment of housing need and demand.¹¹⁰ Using data drawn from different sources facilitates informed debate about need for affordable housing and assists analysis and understanding of the best indicators of need in each area.
- 11.21.3 The model implies a shortfall of affordable housing in all six districts of the West (West Midlands) HMA. As a proportion of total households, the net shortfall in the West Housing Market Area shows a more consistent range than evident in other sub regions where **Outside** has worked. Net Shortfall as a proportion of total households ranges from 1.1% in Bridgnorth to 1.5% in Herefordshire and North Shropshire. Oswestry and South Shropshire are similar at 1.3% and Shrewsbury and Atcham is close at 1.2%. The implied level of need across the whole West Housing Market Area is higher than in other sub regions and is largely a reflection of a greater affordability gap coupled with relatively low levels of social housing supply.

¹⁰⁹ This table is a summary of data described in detail in previous chapters, where all sources are referenced and assumptions explained

¹¹⁰ *Strategic Housing Market Assessments: Practice Guidance Version 2*, CLG, August 2007, p11

Table 98: Summary of net annual housing need

STAGE 1 CURRENT HOUSING NEED						
	Bridgnorth	North Shropshire	Oswestry	Shrewsbury & Atcham	South Shropshire	Herefordshire
1.1 Homeless households & those in temporary accommodation	1	102	20	67	16	173
1.2 Overcrowding & concealed households	447	547	407	1270	449	2305
1.3 Other groups	579	611	395	1242	317	2301
1.4 Total current housing need (gross) 1.1 + 1.2 (+ 1.3)	1027	1260	822	2580	782	4779
STAGE 2 FUTURE HOUSING NEED						
2.1 New household formation	150	300	250	350	250	900
2.2 Proportion of new households unable to buy/rent in the market	79.5%	69.9%	66.8%	71.3%	77.0%	73.7%
2.3 Existing households falling into need	69	135	107	178	102	416
2.4 Total newly arising housing need (2.1 x 2.2) + 2.3	188	345	274	428	294	1080
STAGE 3 AFFORDABLE HOUSING SUPPLY						
3.1 Affordable dwellings occupied by households in need	67	78	93	240	23	274
3.2 Surplus stock	0	0	0	0	0	0
3.3 Committed supply of new affordable housing	0	55	33	29	69	195
3.4 Units to be taken out of management	0	0	0	0	0	0
3.5 Total affordable housing stock available (3.1+3.2+3.3-3.4)	67	133	126	269	92	469
3.6 Annual supply of social re-lets (net)	157	212	187	370	173	817
3.7 Annual supply of intermediate housing available at sub-market levels	0	0	0	0	0	11
3.8 Annual supply of affordable housing (3.6 + 3.7)	157	212	187	370	173	828
ESTIMATE OF NET ANNUAL HOUSING NEED						
$((1.4 \text{ minus } 3.5) \times 20\%) + 2.4 \text{ minus } 3.8$	223	358	226	519	259	1113
Net annual housing need as a proportion of total households	1.1%	1.5%	1.3%	1.2%	1.3%	1.5%

11.22 Targets for affordable housing

- 11.22.1 In the West Midlands Region during 2005/06, a total of 3,901 social/affordable housing units were completed, including intermediate housing.¹¹¹ This total equates to 19% of total completions, which represents an increase of 3 percentage points from last year, although the figure is still about 35% below the minimum number recommended by the RSS.
- 11.22.2 At April 2006, there were a total of 16,725 affordable housing commitments across the Region; a rise of 4,444 on the previous year. This figure does however include 1,388 commitments for Coventry.
- 11.22.3 Social/affordable housing completions across the Region continue to remain well below the estimated 6,000-6,500 affordable dwellings that RSS suggests are needed each year for the period 2001-2011. The work on Regional Housing Demand and Need (see Section 2.5 above) is proposing that 8,150 dwellings are required between 2006 and 2026: 3,000 intermediate tenures and 5,150 social rented dwellings.
- 11.22.4 The Regional Housing Strategy¹¹² breaks down the total regional requirements between the four Housing Market Areas between 2006 and 2021. In the Central HMA, an indicative figure of 37,347 affordable dwellings is proposed of which 25,378 (68.0%), should be social rented housing (see Table 99).

Table 99: Affordable and social housing requirements by HMA 2001-21					
	2006/08	2006-11	2011-21	2001-21	2001-21 % share
Affordable (including social rented housing)					
Central	8874	22184	15163	45584	58.5
North	812	2031	131	3053	3.9
South	2246	5617	5145	16686	21.4
West	1530	3826	4698	12598	16.2
Totals	13464	33659	25137	77921	100.0
Of which social housing					
Central	6020	15048	10330	30711	66.0
North	612	1528	78	2196	4.7
South	1132	2830	2622	8434	18.1
West	634	1583	1933	5206	11.2
Totals	8396	20989	14963	46547	100.0

Source: West Midlands Regional Housing Strategy 2005

¹¹¹ WMRA Annual Monitoring Report 2006, p40

¹¹² West Midlands Regional Housing Strategy 2005, June 2005, p47

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

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

11.22.6 Table 100 compares the target number of total annual completions for the four authorities in the RSS Preferred Option with the estimate of annual housing need in Table 98. Table 101 compares the housing demand figures from the RSS with the annual estimate of housing need.

Table 100: Affordable housing targets and the Preferred Option			
	Annual completion target (Preferred Option)	Estimate of annual housing need	Need as % of target
Bridgnorth	125	223	In all cases > 100%
North Shropshire	305	358	
Oswestry	200	226	
Shrewsbury & Atcham	410	519	
South Shropshire	245	259	
Herefordshire	830	1113	

Table 101: Affordable housing targets and the housing demand			
	Annual housing demand (p.a.)	Estimate of annual housing need	Need as % of target
Bridgnorth	171	223	In all cases > 100%
North Shropshire	319	358	
Oswestry	219	226	
Shrewsbury & Atcham	277	519	
South Shropshire	163	259	
Herefordshire	898	1113	

11.22.7 In all cases, whether drawing a comparison between the RSS Preferred Option or annual housing demand, the housing needs model would imply affordable housing targets of 100%; clearly this is neither appropriate nor desirable. Consequently, the evidence not only

supports all existing policies on affordable housing, but it would also support any revisions that increased targets or reduced thresholds as long as they did not make future developments unviable and consequently restrain supply.

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

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

11.23 Intermediate tenures

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

- (i) *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- (ii) *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision¹¹³*

11.23.2 PPS3 goes on to define social rented housing as:

¹¹³ *Planning Policy Statement 3 (PPS3): Housing*, Communities and Local Government, November 2006, p25

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

11.23.3 And defines intermediate affordable housing as:

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

11.23.4 The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

11.23.5 A rule of thumb for assessing the scope for intermediate tenures in an area is to calculate the ratio of entry-level market house prices to social rents; where the former is more than fourteen times annual social rents, there is likely to be scope for intermediate affordable housing. Also where there is a significant difference between the cost of social housing and private rents.

11.23.6 Table 102 demonstrates this rule that the equivalent mortgage accessible for those on social housing rents is significantly below the lower quartile entry-level house price. The lowest entry-level property price is in Oswestry and this is more than 45 times the annual social housing rent. In other words, 14 times social housing rent does not result in a property price anywhere close to the entry-level dwelling price.

Table 102: Estimate of scope for intermediate housing (social rents)				
	Average social housing rent pw	Cost per annum	Affordability (25%)	Mortgage accessible
Bridgnorth	£60.75	£3,159.00	£12,636.00	£44,226.00
North Shropshire	£51.28	£2,666.56	£10,666.24	£37,331.84
Oswestry	£51.39	£2,672.28	£10,689.12	£37,411.92
Shrewsbury & Atcham	£53.00	£2,756.11	£11,024.44	£38,585.55
South Shropshire	£63.52	£3,303.12	£13,212.47	£46,243.66
Herefordshire	£57.77	£3,004.22	£12,016.88	£42,059.07

Source (of rents): CLG Live Tables 702 and 704

11.23.7 Table 103 shows that there is a significant difference between social housing rents and private sector rents. The closest private rents to social housing rents are in Oswestry, where they are 37.5% higher; in Shrewsbury & Atcham they are 91.1% higher.

Table 103: Estimate of scope for intermediate housing (private rents)			
	Mean private sector rent (2 bed) pcm	Cost per annum	Difference to social housing costs
Bridgnorth	£103.95	£5,405.40	54.8%
North Shropshire	£91.51	£4,758.52	40.9%
Oswestry	£86.97	£4,522.44	37.5%
Shrewsbury & Atcham	£102.62	£5,336.24	91.1%
South Shropshire	£92.80	£4,825.60	47.3%
Herefordshire	£101.34	£5,269.68	79.8%

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

Discounted sale homes

11.23.9 Table 104 below shows the difference in housing costs that would result from discounted sale housing at 10%, 20% and 30% of the entry-level dwelling.

11.23.10 Although discounted housing would result in reductions in housing costs for many households, the issue in the Housing Market Areas is the relatively low incomes.

Table 104: Housing costs for discounted market housing ¹¹⁴							
Local authority	Entry-level property price 2006	10% discount	Income required	20% discount	Income required	30% discount	Income required
Bridgnorth	£153,000	£137,700	£39,343	£ 122,400	£ 34,971	£107,100	£ 30,600
North Shropshire	£125,750	£113,175	£32,336	£ 100,600	£ 28,743	£88,025	£ 25,150
Oswestry	£119,425	£107,483	£30,709	£ 95,540	£ 27,297	£83,598	£ 23,885
Shrewsbury & Atcham	£130,000	£117,000	£33,429	£ 104,000	£ 29,714	£91,000	£ 26,000
South Shropshire	£145,000	£130,500	£37,286	£ 116,000	£ 33,143	£101,500	£ 29,000
Herefordshire	£135,934	£122,341	£34,955	£ 108,747	£ 31,071	£95,154	£ 27,187

Source: ASHE, CLG Live Table 587

11.23.11 Mean and median earnings are well below the level required even at a 30% discount, with the difference between lower quartile earnings and income required for a 30% discount shown in Table 105 below.

Table 105: Lower quartile earnings compared to income requirements for discounted housing				
Local authority	Median earnings	Lower quartile earnings	Difference between LQ earnings and income required for 30% discount	
			Amount (£)	%
Bridgnorth	£18,112	£11,007	£19,593	178.0%
North Shropshire	£18,610	£10,467	£14,683	140.3%
Oswestry	£15,901	£9,967	£13,918	139.6%
Shrewsbury & Atcham	£18,139	£9,744	£16,256	166.8%
South Shropshire	£18,914	£11,855	£17,145	144.6%
Herefordshire	£15,581	£9,611	£17,576	182.9%

Source: ASHE

11.23.12 Consequently it would seem that discounted sale homes cannot be regarded as affordable dwellings in the West Housing Market Area.

Shared ownership

11.23.13 Table 106 shows the housing costs of a shared ownership dwelling where the household purchased a 30% or a 50% share of an entry-level dwelling.

¹¹⁴ For comparative purposes we have assumed an income to mortgage multiplier of 3.5

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

Table 106: Housing costs for shared ownership dwelling						
	Price (£)	Unsold equity (£)	Rental charge on unsold equity ¹¹⁵ (£)	Mortgage (£)	Total monthly costs (£)	Gross income required (£)
Bridgnorth	153,000.00	-	0	910.71	910.71	43,714.29
50% equity share	76,500.00	76,500.00	191.25	455.36	646.61	31,037.14
30% equity share	45,900.00	107,100.00	267.75	273.21	540.96	25,966.29
North Shropshire	125,750.00	-	0	748.51	748.51	35,928.57
50% equity share	62,875.00	62,875.00	157.19	374.26	531.44	25,509.29
30% equity share	37,725.00	88,025.00	220.06	224.55	444.62	21,341.57
Oswestry	119,425.00	-	0	710.86	710.86	34,121.43
50% equity share	59,712.50	59,712.50	149.28	355.43	504.71	24,226.21
30% equity share	35,827.50	83,597.50	208.99	213.26	422.25	20,268.13
Shrewsbury & Atcham	130,000.00	-	0	773.81	773.81	37,142.86
50% equity share	65,000.00	65,000.00	162.50	386.90	549.40	26,371.43
30% equity share	39,000.00	91,000.00	227.50	232.14	459.64	22,062.86
South Shropshire	145,000.00	-	0	863.10	863.10	41,428.57
50% equity share	72,500.00	72,500.00	181.25	431.55	612.80	29,414.29
30% equity share	43,500.00	101,500.00	253.75	258.93	512.68	24,608.57
Herefordshire	135,934	-	0	809.13	809.13	38,838.29
50% equity share	67,967.00	67,967.00	169.92	404.57	574.48	27,575.18
30% equity share	40,780.20	95,153.80	237.88	242.74	480.62	23,069.94

11.23.15 These housing costs compared to median and lower quartile incomes (Table 107) suggest that the role of shared ownership would be limited in the Housing Market Area. The annual income shortfall for those on lower quartile incomes ranges from £10,301 in Oswestry to as much as £14,959 in Bridgnorth.

¹¹⁵ Rental charge per month is assumed to be 3% of the unsold equity divided by 12. The charge can vary between 2%-4%.

Table 107: Income for shared ownership compared to median and lower quartile earnings		
	Difference to median	Difference to lower quartile
Bridgnorth	-£25,602	-£32,707
50% equity share	-£12,925	-£20,030
30% equity share	-£7,854	-£14,959
North Shropshire	-£17,319	-£25,462
50% equity share	-£6,899	-£15,042
30% equity share	-£2,732	-£10,875
Oswestry	-£18,220	-£24,155
50% equity share	-£8,325	-£14,259
30% equity share	-£4,367	-£10,301
Shrewsbury & Atcham	-£19,004	-£27,399
50% equity share	-£8,232	-£16,627
30% equity share	-£3,924	-£12,319
South Shropshire	-£22,515	-£29,573
50% equity share	-£10,500	-£17,559
30% equity share	-£5,695	-£12,753
Herefordshire	-£19,924	-£26,983
50% equity share	-£8,661	-£15,720
30% equity share	-£4,156	-£11,215

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

Shared equity

11.23.17 Table 108 below shows the difference in housing costs that would result from a shared equity dwelling where a purchaser bought at 30% or 50% of the price of the entry-level dwelling.

11.23.18 It is only with a shared equity home at 30% of the market value that a household on lower quartile income comes close to being able to afford to purchase in North Shropshire, Oswestry and South Shropshire. It would be highly unusual for shared equity packages to be as low as 30% equity.

Table 108: Housing costs for shared equity			
	Price	Required income	Difference to lower quartile income
Bridgnorth	£153,000.00	£43,714.29	-£32,707
50% equity share	£76,500.00	£21,857.14	-£10,850
30% equity share	£45,900.00	£13,114.29	-£2,107
North Shropshire	£125,750.00	£35,928.57	-£25,462
50% equity share	£62,875.00	£17,964.29	-£7,497
30% equity share	£37,725.00	£10,778.57	-£312
Oswestry	£119,425.00	£34,121.43	-£24,155
50% equity share	£59,712.50	£17,060.71	-£7,094
30% equity share	£35,827.50	£10,236.43	-£270
Shrewsbury & Atcham	£130,000.00	£37,142.86	-£27,399
50% equity share	£65,000.00	£18,571.43	-£8,827
30% equity share	£39,000.00	£11,142.86	-£1,399
South Shropshire	£145,000.00	£41,428.57	-£29,573
50% equity share	£72,500.00	£20,714.29	-£8,859
30% equity share	£43,500.00	£12,428.57	-£573
Herefordshire	£135,934.00	£38,838.29	-£29,227
50% equity share	£67,967.00	£19,419.14	-£9,808
30% equity share	£40,780.20	£11,651.49	-£2,040

11.24 Balancing the housing market

11.24.1 PPS3¹¹⁶ indicates that a Strategic Housing Market Assessment along with other evidence should enable Local Planning Authorities to set out:

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

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

¹¹⁶ *Planning Policy Statement 3 (PPS3): Housing, Communities and Local Government*, November 2006, p9

years. The significant growth of single person households over the period will require the delivery of appropriate housing to meet that change.

- 11.24.3 Further evidence has also been cited that shows the disproportionate balance of housing types across the sub-region (see Sections 4.2 and 11.1) with high concentrations of larger, detached homes in the rural areas, whilst the urban core leads the way in terms of smaller dwellings, particularly apartments. With the growth of smaller households across the sub-region at the same time as the continued focus on brownfield sites, smaller dwellings may well be the appropriate direction for development, but only if at the same time there is development of larger city centre and town centre dwellings along with the infrastructure to make these centres sustainable for families and older people.
- 11.24.4 Likewise, what development that takes place in the more rural areas should not necessarily simply reflect the existing stock profile and should seek to balance the mix through the development of smaller, properties to encourage young and/or smaller households to remain in the rural settlements.
- 11.24.5 The work on housing needs presented in this report identifies possible targets for affordable housing (see 11.22), whilst at the same time making it clear that the scale of affordable housing identified is beyond what is achievable through current policy allocations.
- 11.24.6 Consequently, policy makers need to take account of all this evidence on growth, demand and needs in order to identify the appropriate policy responses to meet the market and affordable housing requirements in the different sub-regional sectors and local planning areas, bearing in mind the final allocations agreed in the Regional Spatial Strategy.
- 11.24.7 Whilst the size requirements of market housing are driven by household change (section above), the size requirements of affordable housing are considered below, based upon identified need.

11.25 Size requirements for affordable housing

- 11.25.1 Guidance does not recommend a method for estimating the appropriate size and type of dwelling required in a local authority area. One method for determining size is to consider the size profile of lower quintile households (i.e. those in need). This would suggest a size distribution of new dwellings as set out in Table 109: 36.0% one bed, 52.0% two bed and 12.0% three bed or more.

Table 109: Requirement by size -households on lower quintile incomes (%)				
		One	Two	Three +
Single adults	36.0	36.0		
Two or more adults	35.0		35.0	
1 adult with children	12.0		12.0	
2 adults with 1 child	5.0		5.0	
2 adults with 2 children	5.0			5.0
2 adults with 3 + children	4.0			4.0
3 or more adults with children	3.0			3.0
Total	100.0	36.0	52.0	12.0

Source: National Statistics: household size of those on lower quintile earnings

- 11.25.2 An alternative and possibly more accurate would be to assess the demand from the Housing Register; the results are shown in Table 110.

Table 110: Requirement by size - housing registers (%)					
	One	Two	Three	Four or more	Un-specified
Bridgnorth	40.0%	41.5%	17.0%	1.4%	0.0%
North Shropshire	45.9%	35.7%	14.2%	4.2%	0.0%
Oswestry	35.6%	42.1%	20.5%	1.8%	0.0%
Shrewsbury & Atcham	25.6%	40.1%	26.9%	5.7%	1.8%
South Shropshire	40.9%	37.3%	20.4%	1.3%	0.0%
Herefordshire	53.7%	30.3%	14.9%	1.1%	0.0%

Source: HSSA 2006

- 11.25.3 This would suggest that across the West Housing Market Area 43.1% of new affordable homes should to be 1 bed, 35.3% should be 2 bed and 18.4% should be 3 bed with the remainder four or more. The distribution varies between the constituent authorities.

12 RECOMMENDATIONS

1. That the West Housing Market Partnership and the West Midlands Regional Assembly note the findings of this report with regards to any future re-examination of the housing market partnerships operating in the West Midlands.
2. That the housing market linkages between the Authorities of Shropshire and Herefordshire are noted in terms of resource allocation to ensure sustainable communities.
3. To promote the development of pathways of housing choice to advance sustainability of mixed communities through:
 - ❑ higher density dwellings in the housing market sectors disproportionately dominated by detached dwellings
 - ❑ an adequate supply of smaller units of accommodation where they can be shown to make a valuable contribution to mixed sustainable communities
4. To support the private rented sector offer where it is contributing to the mix of occupied housing and encourage the growth of private rented and sub-market rented accommodation in the West Housing Market Area in the housing market sectors where it is low and where it can be shown to contribute to sustainable communities.
5. To note the changing household structures in the future (particularly the significant growth in smaller households) and ensure that future development is mindful of the need for appropriate living space for these different household sizes, e.g.:
 - ❑ one person households need more than one room whether they are young people "LAT", a single person with child care responsibilities (e.g. one half of a separated family) or an older person requiring space to accommodate family or carers.
6. To note that in all areas the differences between the towns and the villages in terms of house type and tenure and price are extreme, making the acute affordability pressures felt most keenly in the rural areas.
7. To note the relatively high priced and unaffordable markets throughout the sub-region, and in particular that:
 - ❑ Lower quartile house prices within the West Housing Market Area outstrip mean house prices in neighbouring sub-regions
 - ❑ Rural areas are dominated by detached housing to the detriment of smaller dwelling types

- ❑ There are acute affordability pressures in the rural areas and consequent shortfalls of affordable housing and social rented housing in particular
 - ❑ The proximity of more affordable urban housing to very high priced rural housing sectors is both alleviating pressure in the rural areas whilst doing little to make the rural areas more affordable for those on median incomes and below
 - ❑ There is scope for the development of private rented and sub-market rented housing in some areas beyond the second home and holiday market
8. To note the findings of the housing needs model and use the evidence to support the adoption of robust planning policies that maximise the delivery of affordable rented housing, social rented housing in particular, in all areas where affordability pressures and supply shortages are shown to be acute.
 9. Across the West Housing Market Area, the housing needs models imply affordable housing targets of 100%. Consequently the evidence not only supports existing policies on affordable housing, but also supports any revisions that seek to maximise affordable housing supply as long as they do not make future developments unviable and consequently restrain supply.
 10. For the purpose of determining planning applications, as a minimum, affordable housing is required on housing sites with 15 or more dwellings or greater than 0.5ha in area. The evidence would support consideration of lower thresholds and higher housing targets than those in PPS3.
 11. To consider the range of housing pathways that are affordable and practical in the West Housing Market Area, but as an addition to, not a replacement for, social rented housing particularly in housing markets demonstrating acute affordability pressures.
 12. In terms of the size of affordable housing units there is both a strong need for smaller units and a demonstrable need for two and three bed properties in all areas.
 13. That the high proportions of single pensioner households in the West Housing Market Area, particularly in social housing, are noted to ensure that sufficient resources are allocated to appropriate care and support services for older people living alone. In addition, that further research be commissioned to explore the needs and aspirations of older people in the West Housing Market Area, in relation both to support services to help people to stay at home and appropriate accommodation in terms of size, location and infrastructure.
 14. That, in the light of the high proportions of older people in private housing, sufficient resources are allocated to support services (crucial for maintaining independence and preventing isolation) particularly for "asset rich - income poor" homeowners in rural areas to assist them with maintenance and upkeep to enable them to remain in their own homes.

15. That local housing choices and specialised accommodation for older people are offered that:
 - ❑ enable older people to move on when they need to
 - ❑ but also seek to minimise the extent of under occupation of larger properties
16. In terms of the rural communities in the West Housing Market Area they should meet the needs of all residents and seek a housing offer that provides a variety of homes including flats and family houses subject to local characteristics. Affordable housing supply could be increased through a targeted programme to reduce empty properties in rural areas. However, it must be recognised that many rural empty properties are in the remoter rural areas and may not assist in meeting local affordable housing needs although some need could be met in this way. The need for affordable rented homes is critical in many rural areas in the West Housing Market Area.
17. The reduction of the affordable housing supply in market towns could be addressed in part by greater restrictions on Right-to-Buy/Right To Acquire in areas of acute housing pressure and further lobbying to restrict stair-casing to 80% of shared ownership products.
18. That further research be commissioned to explore the rural housing markets across the West Housing Market Area, their specific needs and the common issues they face, including rural homelessness.
19. Given the increasing affordability gap, individual districts may feel it appropriate to undertake specific research to evidence any emerging issues within their area relating to:
 - a. the rehousing of key workers
 - b. the role and provision of intermediate housing to meet needs across the local housing market sectors
20. To maintain the evidence base and update key elements annually; particularly the housing needs model and the key housing market indicators to see whether an increase in the delivery of affordable housing through firmer and higher targets than have been achieved previously has the desired effect of reducing shortfalls across the Housing Market Area.
21. To consider the regular purchase of income and house price data at a sub-regional or regional level to facilitate regular and comparable updating of the housing needs model and other key housing market indicators.

APPENDIX – STAKEHOLDER SEMINAR

The following people attended the stakeholder seminar on Monday 16th July 2007 at Ludlow Town Football Club, Coors Stadium, Broomfield Road, Ludlow, Shropshire SY8 2BN

Name	Organisation
Ann Harris	West Mercia Housing Group
Arthur Brown	Taylor Wimpey
Azim Walimia	Taylor Wimpey
Catharine Hinton	Shropshire & Herefordshire Housing Officers Group
Helen Palin	Shropshire & Herefordshire Housing Officers Group
Claire Osborn	Harris Lamb Ltd
David Garratt	South Shropshire District Council
Derek Keatley	Phillips Planning Services Ltd
Howard Thorne	Shropshire Homes Ltd
Kathryn Ventham	Barton Willmore Planning Consultants
Heather Blakeley	Taylor Woodrow Developments Ltd
Mark Limbrick	Defence Estates
Martin Holland	Shropshire Housing
Matthew Spittles	Sevenside Housing
Morag Bailey	The Wrekin Housing Trust
Peter Roberts	RPS Group
Philip Jones	Cleobury Land Use
Mrs R Abbiss	Shropshire Rural Housing Association
Richard Franklin	Savills L&P Ltd



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