



Walsall Council

**Wolverhampton
City Council**



The Black Country

Housing Market Assessment

Final Report

March 2021

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1. Introduction

Purpose

- 1.1 The Black Country is a metropolitan area to the west of Birmingham. It contains the four adjoining local authority areas of Dudley, Sandwell, Walsall and Wolverhampton. The term 'Black Country' was derived from a historical shared industrial heritage, and although now notably different in character to previously, the four areas are still heavily intertwined and are considered a distinct housing market area within the West Midlands. The Black Country is well-connected, with strong road and rail links to neighbouring Birmingham as well as the west and north west of England, Wales and London.
- 1.2 The Black Country's strategic Local Plan document, the 'Black Country Core Strategy'¹ was adopted in 2011. The Government requires all councils to revisit their Local Plans every five years. The Black Country Councils are currently reviewing (updating) the Black Country Plan. This review will enable the Council's in the Black Country to plan to meet the new challenges and opportunities arising in the area for the coming years. The Local Plan Review will also allow the Councils to refresh their evidence base considering changes to both Government policy and guidance but also the changing demographic and housing market pressures. The purpose of this report is to provide the Black Country Councils with a robust and up-to-date evidence base that enables an understanding of each of the housing market area's current and future housing needs through to the end of the new Local Plan period (2039).
- 1.3 This report is a Housing Market Assessment that addresses this requirement for the Councils and provides evidence for the forthcoming Local Plan Review. The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the 2019 National Planning Policy Framework (NPPF), and the Planning Practice Guidance (PPG)², as described below.

Government Guidance

- 1.4 In February 2019, the NPPF was updated and the new PPG published³, which theoretically ended a period of considerable change in the planning system and in the wider development industry. Paragraph 35 (a) of the 2019 NPPF requires that plans are positively prepared. As a minimum, this requires strategic policies to provide for objectively assessed needs for housing. This carried forward the requirements under the 2012 NPPF and concerns the

¹ <https://blackcountryplan.dudley.gov.uk/t1/p2/>

² The latest iteration of the PPG before this report was finalised was the version as at 16th December, 2020. The report has been written so that it responds to the PPG as at this date.

³ It should be noted that subsequently the PPG on housing needs assessments was divided into three different elements; 'housing and economic needs assessments', 'housing needs of different groups' and 'housing needs of older and disabled people'. This report contains the information that meets the requirements within each of these.

overall housing requirement. The overall housing requirement is as determined under the Standard Method.

59. To support the government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay

60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

Paragraphs 59 to 61 – 2019 NPPF

- 1.5 The requirement for housing is derived through the Standard Method and is then disaggregated into the different types of housing the future population will need. Following which, an assessment of the number of households in need of affordable housing must be undertaken. In essence the first task required by the NPPF, for a study of this type, is to disaggregate the new housing number as derived through the Standard Method. The second task is the assessment of Affordable Need, and the final task is the understanding of the needs of groups with specific housing requirements.
- 1.6 The NPPF outlines how a Housing Market Assessment fits into the wider housing policy framework and the PPG sets out how the various elements of a Housing Market Assessment should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 5). The affordable housing need figure is an unconstrained figure set in the current housing market situation. It is not a component of the overall housing need, but is entirely independent, calculated using a different approach and different data sources.
- 1.7 This Housing Market Assessment includes a Long-Term Balancing Housing Markets (LTBHM) model (Chapter 4) which breaks down the overall housing need into the component types (tenure and size) of housing required. Whilst both the Affordable Needs model (Chapter 5) and the LTBHM model (Chapter 4) produce figures indicating an amount of affordable housing required, they are not directly comparable as, in line with the PPG, they use different methods and have different purposes. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used solely to indicate whether a Local Planning Authority

should plan for more houses where it could help meet the need for affordable housing⁴. The figure produced by the LTBHM model is based on the population projections and occupation patterns of household groups (considering the trends in how these occupation patterns are changing). This is the mix of housing for which the authority should be planning. How these figures should be used in the Black Country is summarised at the conclusion of this report, in Chapter 7.

- 1.8 In August 2020, the Government opened a consultation on four aspects of the current planning system⁵:
- Changes to the Standard Method for assessing local housing need,
 - The securing of First Homes through developer contributions,
 - A temporarily lifting of the small sites threshold below which developers do not need to contribute to affordable housing
 - Extending the current Permission in Principle to major development.
- 1.9 The first two of these have implications for the outputs of this report. On 16th December 2020, the Government provided a response to the first of the four aspects, the Standard Method calculation⁶, with the remaining three aspects to be concluded in 2021. The consultation response has resulted in the slight modification to the Standard Method originally set out, with the guidance in the PPG detailing how the Standard Method is calculated updated to reflect this. This report has followed the approach set out in the PPG (as revised on 16th December 2020) and the detail set out on First Homes in the August 2020 consultation document.

Coronavirus

- 1.10 This update is being carried out during the coronavirus pandemic. The coronavirus (COVID-19) was reported in China, in December 2019 and was declared a pandemic in March 2020. It is too early to predict what the impact on the economy, and therefore development economics, may be.
- 1.11 Many of the data sources utilised in this report were released within the last year and are based on data collated prior to the pandemic. This means that the results produced reflect the

⁴ The following High Court Judgements are relevant. Satnam Millennium v Warrington BC [2015] EWHC 370 (Admin), Oadby and Wigston v Bloor Homes [2015] EWHC 1879 (Admin), Housing market area Council of King's Lynn and West Norfolk v Elm Park Holdings Ltd [2015] EWHC 2464 (Admin), Jelson Ltd v Hinckley and Bosworth Housing market area Council [2016] EWHC 2979 (Admin).

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/927157/200805_Changes_to_the_current_planning_system.pdf

⁶ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

normal housing market in the Black Country and the recommendations will inform the suitable responses to the normal market.

- 1.12 The lockdown periods have seen a significant change to normal society (including travel restrictions, a higher mortality rate, different working conditions, the loss of jobs and different consumer behaviour). The impact of these changes on the housing market will not be understood for some time and it is difficult to predict what the long-term consequences will be, which could be far-reaching or relatively minimal. Until the Government indicates otherwise, the NPPF and PPG remain the documents that advise how housing market assessments should be undertaken, this report therefore follows these documents (including the changes being currently consulted as discussed above) and produces the outputs that they indicate are required.
- 1.13 There are real material uncertainties around the values of property, and therefore the costs of housing, that are a direct result of the COVID-19 pandemic. It is not the purpose of this assessment to predict what the impact may be and how long the effect will be. We expect there to be changes due to uncertainty in the wider economy. It is likely that, at the very least, the development markets will be checked, and house prices may fall. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that the Black Country Councils keep the assessment under frequent review.

Local housing market boundaries

- 1.14 It is useful to consider the functional and geographic context in which the local housing market operates. This is done using secondary data on migration patterns and housing market linkages.

Commuting flows

- 1.15 The most recent detailed profile of commuting flows occurring at the local level is still the 2011 Census. The table below shows the 10 authorities to which residents in the Black Country most commonly travelled for work in 2011, alongside the 10 authorities from which people most commonly travelled to work in the Black Country. The results presented group the four authorities in the Black Country housing market area together, however data showing equivalent results for the individual authorities is presented in Appendix 1. The data indicates that almost three-quarters of employed residents in the Black Country remained in the housing market area to work and that people leaving the housing market area for work most commonly went to Birmingham. The table also shows that only 24.4% of people working in the Black Country commuted from outside the housing market area and that these people commuting into the Black Country for work were most likely to live in Birmingham or South Staffordshire.

Table 1.1 The ten authorities with which the Black Country has the largest travel to work flows					
<i>Travel to work journeys made by people aged 16 and over resident in the Black Country</i>			<i>Travel to work journeys made by people aged 16 and over working in the Black Country</i>		
<i>Destination authority area</i>	<i>Number of the Black Country residents that work there</i>	<i>Proportion of all residents in work that work there</i>	<i>Authority area of residence</i>	<i>Number of people working in the Black Country</i>	<i>Proportion of people working in the Black Country that live there</i>
The Black Country	297,966	71.3%	The Black Country	297,966	75.6%
Birmingham	64,024	15.3%	Birmingham	26,840	6.8%
South Staffordshire	9,072	2.2%	South Staffordshire	19,887	5.0%
Telford and Wrekin	4,083	1.0%	Cannock Chase	6,460	1.6%
Solihull	4,044	1.0%	Lichfield	4,727	1.2%
Cannock Chase	3,742	0.9%	Shropshire	4,615	1.2%
Lichfield	3,123	0.7%	Wyre Forest	3,908	1.0%
Bromsgrove	2,959	0.7%	Bromsgrove	3,688	0.9%
Wyre Forest	2,557	0.6%	Telford and Wrekin	3,239	0.8%
Shropshire	2,207	0.5%	Stafford	2,381	0.6%

Source: 2011 Census

- 1.16 The Office of National Statistics (ONS) used the data on commuting flows collected in the 2011 Census to derive travel to work area boundaries published in 2015⁷. The figure below shows an excerpt of the national map produced in this process, which concentrates on the travel to work areas in West Midlands of England. This shows that housing market area is spread across three travel to work areas according to the criteria and thresholds used by the ONS; Dudley is situated within its own travel to work area, Walsall and Wolverhampton are within the Wolverhampton and Walsall travel to work area and Sandwell is located in both these travel to work areas alongside the Birmingham travel to work area.

⁷ The criteria applied by the ONS was that the travel to work areas had to have a working population of at least 3,500 and that at least 75% of an area's resident workforce work within the area and at least 75% of the people who work in the area also live in the area. For areas with a working population in excess of 25,000, self-containment rates as low as 66.7% were accepted.

Figure 1.1 2011 Travel to work areas in operation around the Black Country



Source: Office of National Statistics, 2015

Migration trends

- 1.17 The 2019-based population estimates produced by the ONS model detail on the origin and destination of people that moved into and out of the Black Country in the previous year⁸. The table below shows the 10 authorities to which residents in the Black Country most moved in the year up to July 2019. The table also contains a column that details the equivalent proportion of movers from the Black Country in the year prior to the 2011 Census that had the same destination - this enables a comparison of the changing relationship between these authorities and the Black Country⁹.
- 1.18 The data indicates that Birmingham is the authority to which people from the Black Country most moved in the year up to July 2019, followed by South Staffordshire, Shropshire and Cannock Chase. Flows to Birmingham have reduced in relative scale since the 2011 Census

⁸

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/internalmigrationbyoriginanddestinationlocalauthoritiessexandsingleyearofagedetailedestimatesdataset>

⁹ It should be noted that internal flows within the Black Country are not included, the analysis only concerns people moving into the housing market area from elsewhere in the UK. Internal flows within authorities are not documented in the population estimates, however migration flows between the authorities within the Black Country are, and these are detailed in Appendix 1.

(from 23.1% of all out-migrants from the Black Country moving there in 2011, to 21.2% of out-migrants in 2019), with the same pattern also true for South Staffordshire. Shropshire, Cannock Chase and Telford & Wrekin are all areas that have become increasingly common destinations for those leaving the Black Country recently (as a greater proportion of out-migrants from the Black Country moved to these areas in 2019 than was the case in 2011).

- 1.19 The results presented group the four authorities in the Black Country housing market area together, however data showing equivalent results for the individual authorities is presented in Appendix 1. It is important to note that the 2019 figures for migration flows are not as accurate as those recorded in the 2011 Census and, although the ONS does not provide detail of the margin of error of these estimates, it does note that *'these estimates are based on several data sources and estimation processes, and are not exact counts.'*¹⁰

Table 1.2 The ten authorities with which the Black Country has the largest outward migration flows in 2019			
<i>People that moved out of the Black Country in the preceding year</i>			
<i>2019</i>			<i>2011</i>
<i>Destination authority area</i>	<i>Number of the Black Country residents that moved there</i>	<i>Proportion of all residents leaving the Black Country that moved there</i>	<i>Proportion of all residents leaving the Black Country that moved there</i>
Birmingham	8,338	21.2%	23.1%
South Staffordshire	3,190	8.1%	8.9%
Shropshire	1,378	3.5%	3.1%
Cannock Chase	1,102	2.8%	2.2%
Telford and Wrekin	1,073	2.7%	1.8%
Lichfield	998	2.5%	2.3%
Wyre Forest	980	2.5%	2.4%
Bromsgrove	942	2.4%	2.6%
Coventry	615	1.6%	1.3%
Solihull	586	1.5%	1.0%

ONS Population estimates, 2019; 2011 Census

- 1.20 The table below shows the 10 authorities from which residents most commonly moved to the Black Country in the year up to July 2019. The table also contains a column that details the

¹⁰ User information for Table IM2019-1a: Detailed estimates dataset – internal migration by origin and destination local authorities, sex and single year of age, year ending July 2019. (page 2 under Disclosure Control).

equivalent proportion of movers to the Black Country in the year prior to the 2011 Census that originated from the same location¹¹.

- 1.21 The data indicates that Birmingham is the authority people that moved into the Black Country most commonly came from in the year up to July 2019, followed by South Staffordshire, Coventry, and Leicester. Flows from Birmingham have decreased in relative scale since the 2011 Census (from 35.7% of all in-migrants to the Black Country in 2011 to 34.5% of in-migrants in 2019). The second highest number of in-migrants are from South Staffordshire, however the number of people moving from South Staffordshire is about a seventh of the total number that come from Birmingham. The data indicates that whilst moves from South Staffordshire have reduced in number (a smaller proportion of in-migrants to the Black Country moved from these areas in 2019 than was the case in 2011), moves from Leicester and Nottingham have become more significant.

Table 1.3 The ten authorities with which the Black Country has the largest inward migration flows in 2019			
<i>People that moved into the Black Country in the preceding year</i>			
<i>2019</i>			<i>2011</i>
<i>Original authority area of residence</i>	<i>Number of people that moved to the Black Country</i>	<i>Proportion of all people moving to the Black Country</i>	<i>Proportion of all people moving to the Black Country</i>
Birmingham	12,587	34.5%	35.7%
South Staffordshire	1,743	4.8%	7.4%
Coventry	598	1.6%	1.6%
Leicester	581	1.6%	0.8%
Cannock Chase	563	1.5%	2.0%
Nottingham	476	1.3%	0.6%
Bromsgrove	467	1.3%	2.0%
Telford and Wrekin	443	1.2%	1.9%
Solihull	428	1.2%	1.2%
Wyre Forest	414	1.1%	1.9%

ONS Population estimates, 2019; 2011 Census

- 1.22 The results presented in the analysis above, group the four authorities in the Black Country housing market area together, however data showing equivalent results for the individual authorities is presented in Appendix 1.

¹¹ As before, internal flows within the Black Country are not included in this analysis.

Housing market indicators

- 1.23 It is useful to compare the price of housing in the Black Country with the authorities closest to it to see the similarities and differences between the housing markets in the areas. The table below presents the average property price for dwellings sold in the Black Country Councils and the surrounding authorities in 2019. The table shows the overall average price of homes sold as well as the average for each dwelling type categorised by the Land Registry.
- 1.24 The table indicates that homes in Bromsgrove are notably more expensive than in the other areas profiled, with Lichfield and South Staffordshire the next most expensive areas. Prices in Birmingham and Wyre Forest are also higher than the Black Country authorities. Prices in the Black Country are relatively low compared to neighbouring areas but are consistent across the four constituent authorities. Within the Black Country, Dudley is the most expensive and Sandwell and Wolverhampton are the cheapest, but the level of variation is fairly small. Cannock Chase is the authority which records property prices most similar to the Black Country area.

Table 1.4 Average property prices in 2019 in the Black Country and surrounding authorities					
<i>Location</i>	<i>Detached</i>	<i>Semi-detached</i>	<i>Terraced</i>	<i>Flat</i>	<i>Overall average price</i>
Dudley	£291,149	£180,039	£152,803	£110,396	£191,279
Sandwell	£251,126	£167,995	£145,467	£83,139	£161,832
Walsall	£311,480	£176,504	£139,452	£112,006	£185,042
Wolverhampton	£259,901	£160,896	£132,086	£96,717	£167,010
Birmingham	£418,999	£222,495	£175,215	£163,912	£214,035
Bromsgrove	£453,598	£274,378	£227,190	£156,331	£325,443
Wyre Forest	£331,959	£194,441	£154,243	£105,648	£212,603
South Staffordshire	£346,982	£201,725	£185,465	£140,893	£257,051
Cannock Chase	£259,610	£157,101	£149,625	£92,594	£186,615
Lichfield	£414,481	£232,428	£202,575	£175,533	£292,336

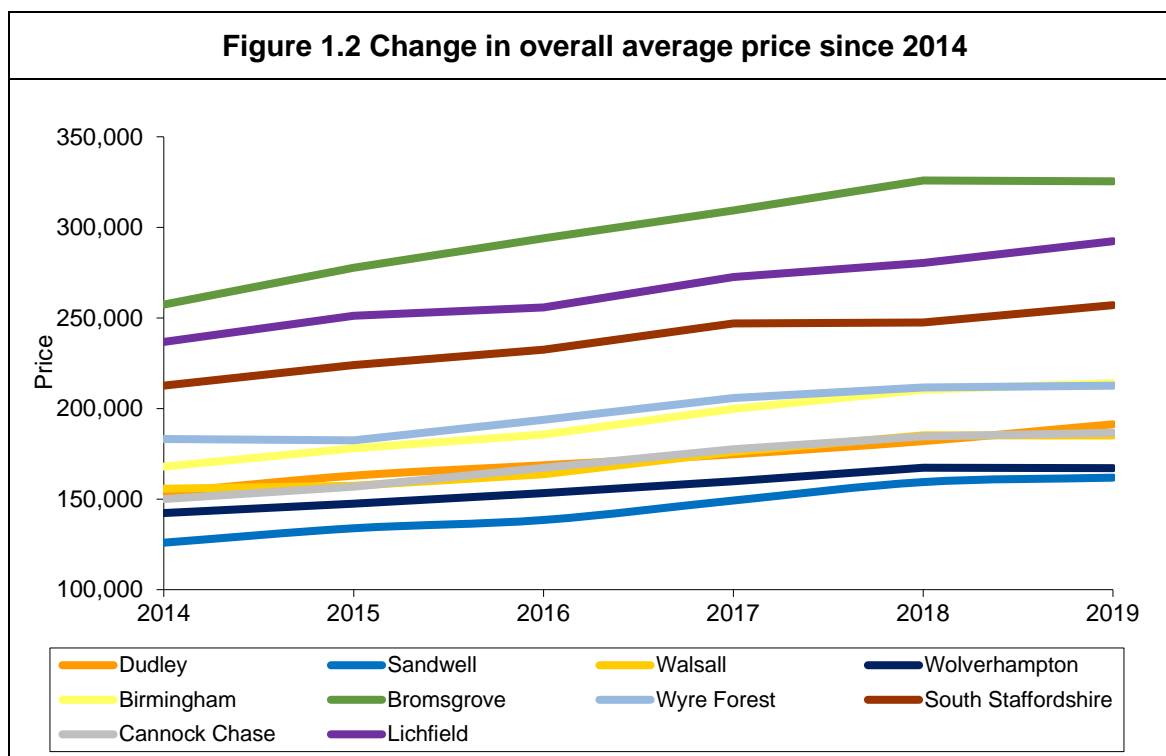
Source: Land Registry

- 1.25 The table below shows the distribution of sales by property type in each of these areas in 2019, which allows comparison of the profile of dwelling stock in each authority. The data indicates that, across the Black Country, sales of semi-detached houses are most common, and sales of flats are least frequent. The data implies that South Staffordshire is the authority with the accommodation profile most distinct to the Black Country authorities, with Birmingham recording a profile of property sales that is most similar.

Location	Detached	Semi-detached	Terraced	Flat	Total sales
Dudley	21.9%	43.3%	26.1%	8.6%	3,852
Sandwell	12.0%	45.1%	32.6%	10.3%	2,863
Walsall	19.3%	40.6%	30.6%	9.5%	2,834
Wolverhampton	19.8%	45.5%	24.6%	10.1%	2,398
Birmingham	10.3%	34.1%	35.6%	20.1%	10,651
Bromsgrove	39.4%	31.9%	20.4%	8.4%	1,542
Wyre Forest	27.2%	35.6%	28.2%	9.0%	1,318
South Staffordshire	42.3%	35.7%	16.3%	5.7%	1,279
Cannock Chase	33.3%	44.9%	16.6%	5.2%	1,467
Lichfield	39.4%	30.6%	19.6%	10.4%	1,747

Source: Land Registry

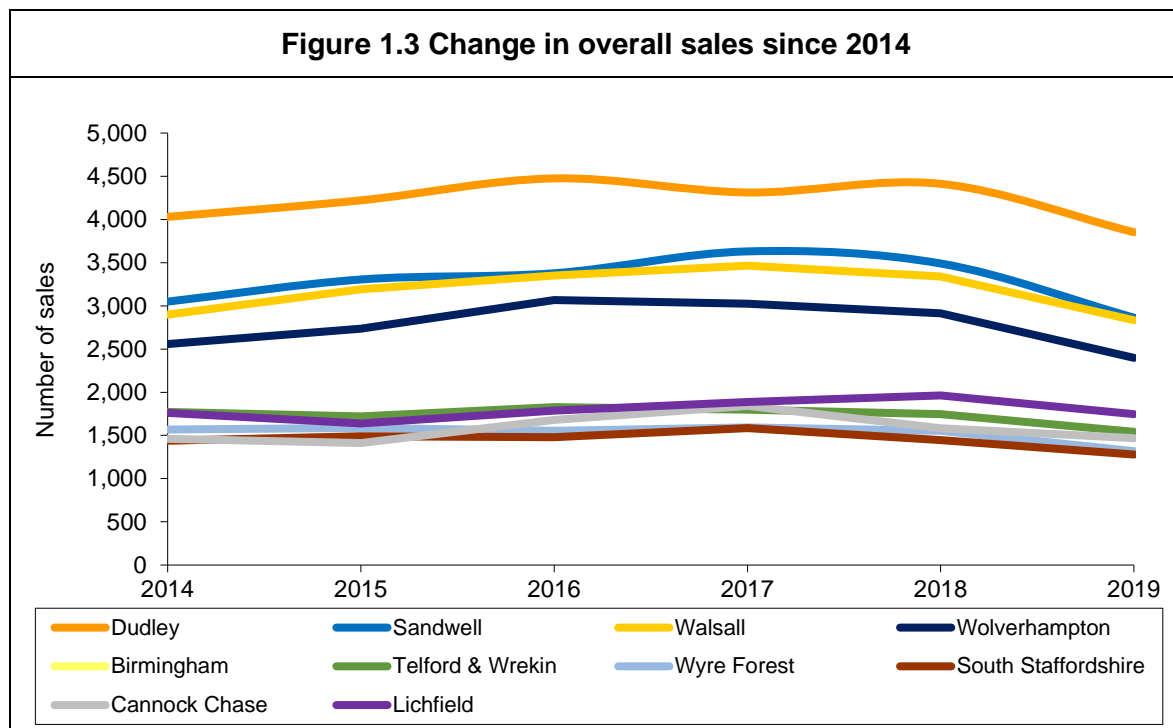
1.26 The figure below shows the change in average overall property price in each council area over the last five years. The figure shows that prices have continued to rise steadily in all areas. Over the last five years prices have increased by 28.5% in Sandwell, 24.6% in Dudley, 18.8% in Walsall and 17.4% in Wolverhampton. All of the neighbouring authorities have recorded price rises within this range with the exception of Wyre Forest (a growth of just 16.1%).



Source: Land Registry

1.27 The figure below shows the change in the number of property sales over the last five years in each council area, with the exception of Birmingham (which has three times more sales than

any other authority and therefore cannot be effectively depicted on the graph). All authorities record a similar pattern of a relatively stable level of sales between 2014 and 2018, and then a slight fall in 2019. Within the Black Country, Wolverhampton has recorded the largest fall in sales across the five year period (a 6.3% decrease), followed by Sandwell (a 6.1% fall), Dudley (a 4.4% reduction) and Walsall (a 2.3% decrease). Interestingly, none of the neighbouring authorities has recorded a change in sales that is within the range recorded by the Black Country authorities; Birmingham, Telford and Wrekin, Wyre Forest and South Staffordshire have all seen property sales reduced by more than 10% between 2014 and 2019, whilst in Cannock Chase and Lichfield the change in sales level is less than 1% over this time period.



Source: Land Registry

Conclusion

- 1.28 The analysis of the Black Country and its neighbouring authorities presented above suggests that the Black Country is a distinct sub-market area, with the authorities within it sharing very similar characteristics in terms of property prices, dwelling mix and the direction of travel of the housing market. The majority of migration and travel-to-work flows also occur within the Black Country, although it has a notable relationship with Birmingham, reflective of both the size of that local authority area and its importance across the West Midlands region. It is therefore suitable to consider the Black Country a sub-market, within part of the Greater Birmingham Housing Market Area. This corresponds with the conclusion of the most recent

detailed study of the housing market areas in the region¹² and the previous Strategic Housing Market Assessment¹³ This approach aligns with what is suggested in the PPG.

Report coverage

1.29 This report is focused on detailing the amount of new housing required over the plan period in the Black Country, the size and tenure of housing that would be most suitable for the future population, the housing requirements of specific groups of the population and the level of affordable housing need that exists in the housing market area. The report contains the following:

Chapter 2 presents an examination of the latest data on the labour market and the resident population and a profile of the housing stock in the Black Country and the changes that have occurred within them.

Chapter 3 contains a detailed analysis of the cost of property in the Black Country and the affordability of the different forms of housing for residents.

Chapter 4 Paragraph 008 of the PPG indicates that '*Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process*¹⁴.' Chapter sets out the calculation of the local housing need figure for the four authorities in the housing market area.

Chapter 5 disaggregates the local housing need to show the demographic profile of the future population in the housing market area. The chapter uses this information to produce an analysis of the nature of future housing required within the long-term balancing housing markets model (LTBHM).

Chapter 6 sets out the calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach. The chapter identifies both the type of households in housing need and the tenure of affordable housing that would meet this housing need.

Chapter 7 contains an analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF.

Chapter 8 is a conclusion summarising the implications of these results.

¹² http://www.tamworth.gov.uk/sites/default/files/planning_docs/L_examinationdocs/EX26-Greater-Birmingham-and-Solihull-LEP-Strategic-Housing-Needs-Study-Stage%203-Report.pdf

¹³ <https://blackcountryplan.dudley.gov.uk/media/11532/black-country-and-south-staffordshire-shma-final-report.pdf>

¹⁴ Reference ID: 2a-008-20190220

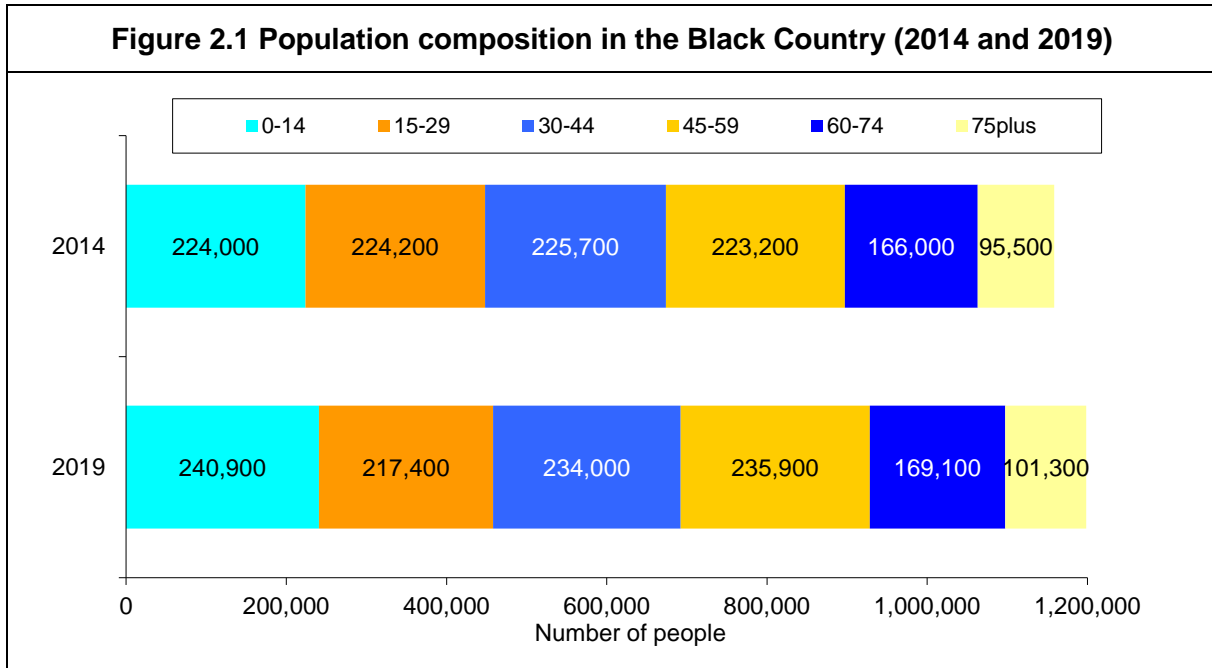
2. Local housing market drivers

Introduction

- 2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand, including household formation rates and households' investment in housing. This socio-economic situation is important context to be understood before the level of housing need is calculated.
- 2.2 The first part of this chapter uses the most recently available data to document the current socio-economic profile in the Black Country and how it has changed. Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including the 2011 Census, are used to provide an overview of the housing stock in the Black Country and a comparison to the regional and national situation will be presented where the data is available.

Demography

- 2.3 The 2019-based population estimates produced by the ONS show the age profile of the population in the Black Country and how it has changed over the last 5 years. These population estimates indicate that the resident population in the Black Country in 2019 was 1,198,600 and that, since 2014, the population had increased by 3.5%, around 40,000 people. In comparison, the population of the West Midlands region grew by 3.9% over the same period whilst the figure for England was an increase of 3.6%. For the individual authorities within the housing market area, the population growth between 2014 and 2019 was 1.9% in Dudley, 3.8% in Sandwell, 4.3% in Walsall and by 4.0% in Wolverhampton.
- 2.4 The figure below illustrates the age composition of the population in the Black Country in 2014 and 2019 according to the latest population estimates. The data shows that, since 2014, the number of people aged 75 or over has markedly increased in the housing market area as has the number of people aged under 15. In contrast, the number of people aged between 15 and 29 has decreased slightly. This figure is replicated for the constituent authorities of the Black Country within Appendix 2 of this report.
- 2.5 The 2019-based population estimates indicate that the median age in the Black Country in 2019 was 38.7, whilst for the West Midlands the figure was 39.6, and across England it was 40.0. Within the Black Country, Dudley recorded the oldest median age (42.0), followed by Walsall (38.2) and Wolverhampton (37.8), with Sandwell recording the youngest median age (36.7).

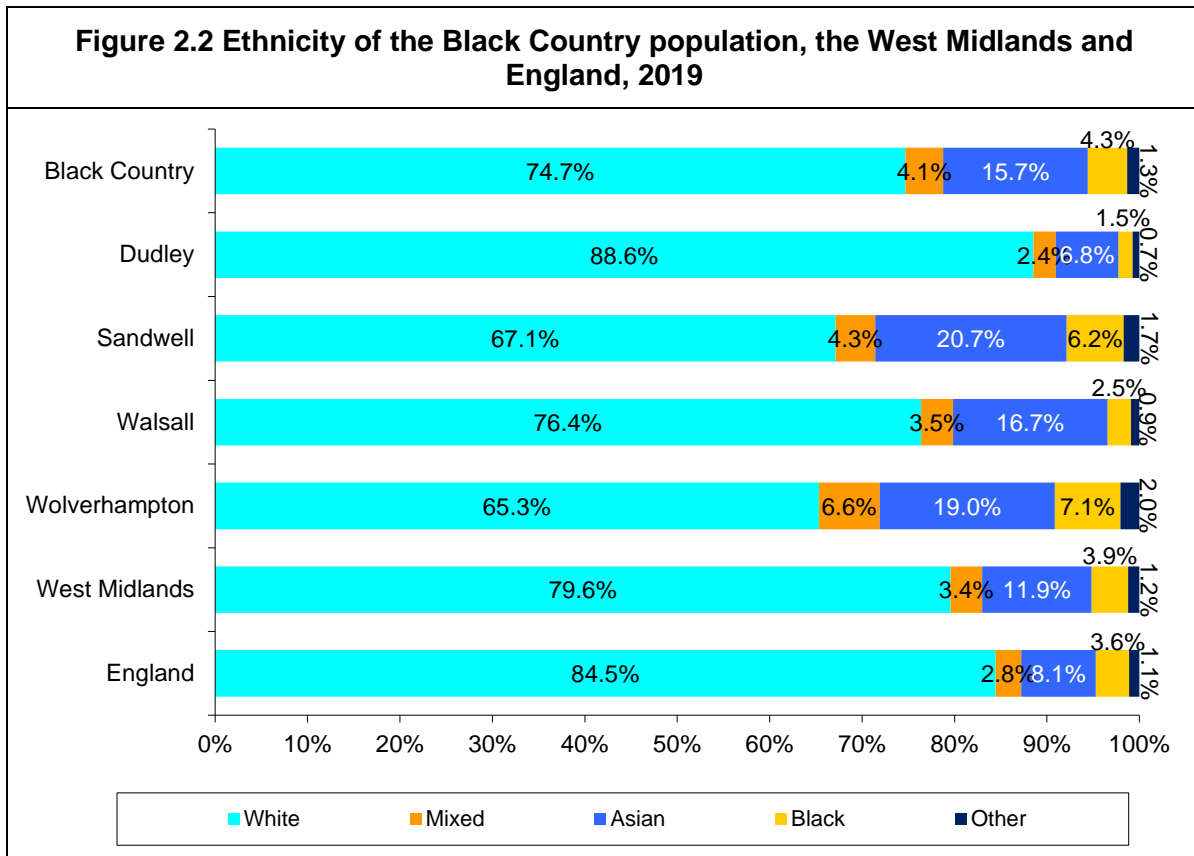


Source: ONS Population estimates, 2019

- 2.6 The population density in the Black Country in 2019 was 3,148 people per sq. km according to the 2019-based population estimates, markedly higher than the figure for the region (457 people per sq. km) and England as a whole (432 people per sq. km). Across the Black Country, Sandwell records the highest population density (3,839 people per sq. km) followed by Wolverhampton (3,793 people per sq. km), Dudley (3,283 people per sq. km) and Walsall (2,746) people per sq. km. All of these figures are notably higher than the regional and national averages.

Ethnicity

- 2.7 The ONS have published estimates on the ethnicity of the population in local authorities across England that were produced in response to a specific request. The figures are consistent with the mid-year local area population estimates, however ONS note that these figures should be treated with caution as they have not been produced using methods which have undergone formal Quality Assurance. These figures do however provide the most up-to date profile of the ethnicity of the population at different geographies across the country. The figure below shows the estimated ethnicity in the HMA in 2019, alongside regional and national equivalents.
- 2.8 These estimates suggest that the 25.3% of the total population in the Black Country in 2019 was from a BAME group, which was higher than both the regional figure (20.1% in the West Midlands), and the national figure (15.5% in England). In Dudley it is estimated that 11.4% of the population in 2019 was from a BAME group, compared to 32.9% in Sandwell, 23.6% in Walsall and 34.7% in Wolverhampton. The figure below presents the ethnicity of the population in the Black Country in 2019. The Asian or Asian British represents the largest BAME group in the Black Country (comprising 15.7% of total population).



Source: Office of National Statistics, 2019

- 2.9 The 2019-based population estimates estimate that in 2019, just 0.6% of the population of the Black Country had been resident in the UK for less than a year, compared to 0.8% in the West Midlands region and 1.0% across England. Within the Black Country, Wolverhampton recorded the highest figure (at 1.1%) followed by Sandwell (0.8%), Walsall (0.5%) and Dudley (0.3%).

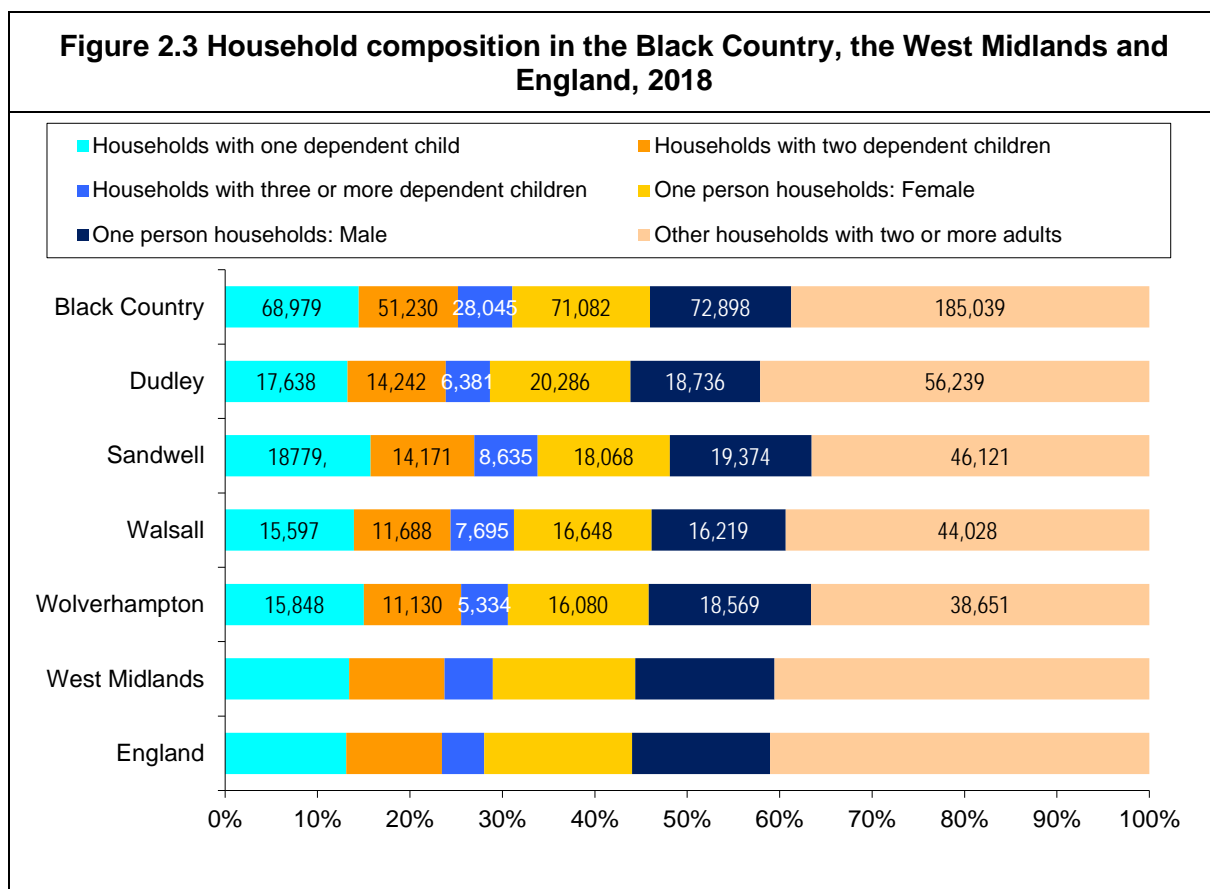
Number of households

- 2.10 The 2018-based household projections indicated that the number of households in the Black Country has increased by 3.1% since 2013, reaching 477,273 households in 2018. This compares to the regional growth in households of 4.0% over this period and a national increase of 4.1%. In Dudley the number of households grew by 2.5% between 2013 and 2018, whilst for Sandwell an increase of 3.5% was recorded. In Walsall and Wolverhampton the number of households grew by 3.3%.
- 2.11 In the Black Country, the number of people in households has increased at a faster rate than the number of households between 2013 and 2018, resulting in a rising average household size, as is illustrated in the table below. However, at both a regional and a national level, the number of households has risen at the same rate as the population in households, and the average size of households has remained unchanged. Sandwell, Walsall and Wolverhampton have all recorded increases in the average household size between 2013 and 2018, however in Dudley the average household size has fallen, as the number of people in households has increased at a slower rate than the number of households in the Borough.

Location	Average household size in 2013	Average household size in 2018
The Black Country	2.47	2.48
Dudley	2.39	2.38
Sandwell	2.56	2.58
Walsall	2.49	2.51
Wolverhampton	2.42	2.44
West Midlands	2.41	2.41
England	2.37	2.37

Source: 2018 mid-year population and household estimates

2.12 The figure below compares the household composition in the Black Country in 2018 with that recorded for the West Midlands region and England. The data indicates that there are more households with dependent children, and fewer single person households in the Black Country than are recorded regionally and nationally. Within the Black Country, Sandwell records the largest proportion of households with dependent children (over a third of all households) and Dudley the lowest. Wolverhampton has the highest proportion of single person households with Dudley the lowest. Dudley records the highest proportion of other households.



* Source: 2018-based household projections

- 2.13 A comparison of the household composition in the Black Country in 2018 with that recorded in 2013 indicates that the household structure has changed very little in the last five years. The proportion of single person households in the housing market area has grown slightly (30.2% of households were single person in 2018, compared to 30.0% in 2013), whilst the proportion of households with dependent children has also grown marginally (from 31.0% to 31.1%).

Economy

- 2.14 Considerable data is available on the economic context in the Black Country, which enables a profile of the current local economy to be presented.

Employment in the Black Country

- 2.15 NOMIS¹⁵ data on 'job density' (this is a measure of the number of individual jobs¹⁶ per person of working age) for 2018 shows that there are 0.69 jobs per working age person in the housing market area, compared to 0.81 jobs per working age person across the West Midlands region and 0.87 for England as a whole. Within the Black Country, Wolverhampton records the highest job density (0.73 jobs per working age person), followed by Walsall (0.70), Dudley (0.68) and Sandwell (0.67). The level of job density in the Black Country has increased slightly over the last five years (it was 0.68 in 2013), which represents lower growth than recorded across the region and England as whole (from 0.76 to 0.81 in the West Midlands and from 0.80 to 0.87 nationally).
- 2.16 Measured by the ONS Business Register and Employment Survey there were 450,000 individual employee jobs¹⁷ in the Black Country in 2018. This is the highest level recorded in the housing market area since the collection of this data was begun in 2015 (the data source is only three years old). Overall, the number of employee jobs in the Black Country has increased by 0.4% between 2015 and 2018, compared to an increase of 3.6% for the region, and an increase of 3.9% nationally over the same time period. At the local authority level, Dudley recorded no change in the number of employee jobs between 2015 and 2018, compared to a fall of 4.5% in Sandwell, a 4.8% growth in Walsall and an increase of 3.0% in Wolverhampton. It is worth noting that all the figures produced by this data source are rounded to the nearest thousand so fluctuations will appear larger where there is a lower base population.

¹⁵ NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk.

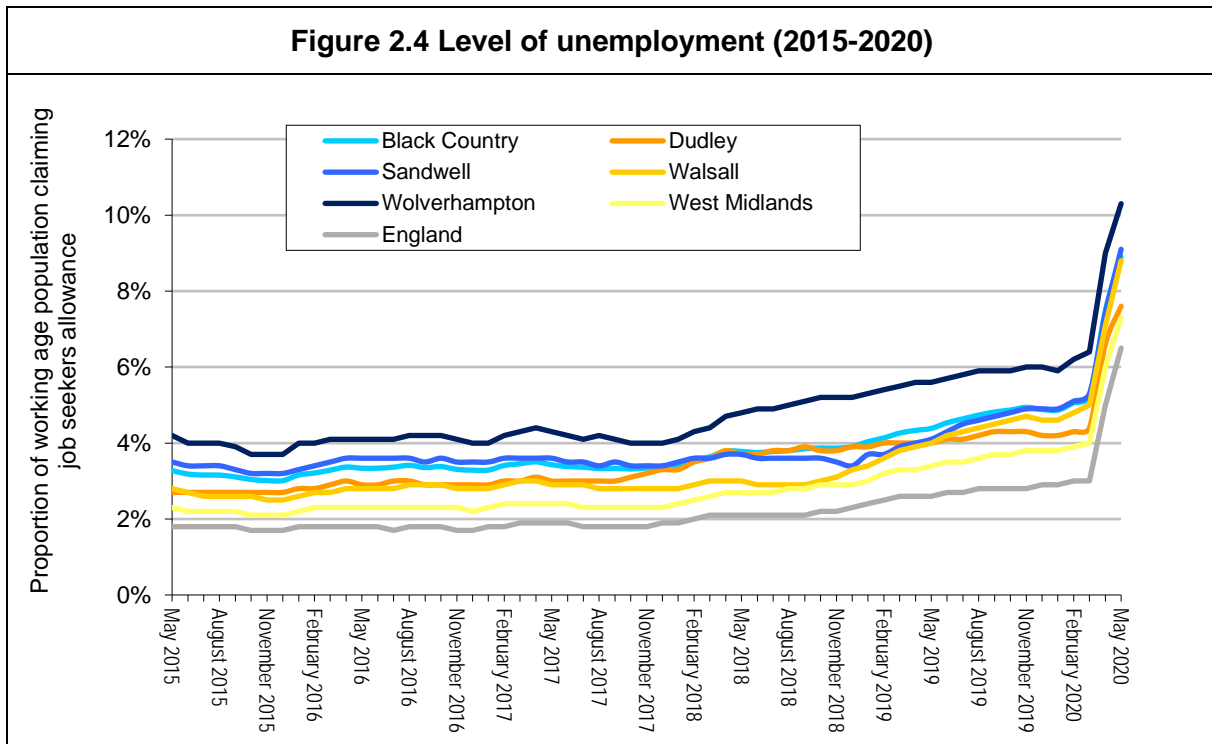
¹⁶ Jobs includes employees (both full and part-time), self-employed, government-supported trainees and HM Forces.

¹⁷ Employee jobs excludes self-employed, government-supported trainees and HM Forces. Employee jobs can be both part-time and full-time. Data also excludes farm-based agriculture.

- 2.17 Data is also available from the ONS about the number of businesses in the area and how this has changed. This can provide an indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship. The ONS indicates that in 2019 there were 33,550 enterprises in the Black Country (9,465 in Dudley, 8,885 in Sandwell, 7,660 in Walsall and 7,360 in Wolverhampton). Across the Black Country, a slightly smaller proportion of enterprises are micro (with 9 or fewer employees) (87.0%) than is recorded in the West Midlands (89.1%) and England (89.6%). Within the Black Country, the proportion of enterprises that are micro does not vary much across the constituent authorities – 87.5% in Dudley, 87.3% in Walsall, 87.0% in Wolverhampton and 86.5% in Sandwell.
- 2.18 In the Black Country, the number of enterprises has increased by 21.5% between 2014 and 2019 (a rise of 5,930), a growth larger than both the regional (20.3%) and national (21.1%) increases. Within the housing market area, Sandwell recorded the highest growth in the number of enterprises over this period (at 29.0%), followed by Wolverhampton (26.4%), Walsall (21.7%) and Dudley (12.0%).

Employment profile of residents in the Black Country

- 2.19 Although the overall economic performance of the housing market area provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.
- 2.20 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance in the Black Country, the West Midlands and England over the last five years. The figure indicates that the unemployment level in the Black Country, whilst fluctuating slightly, has been higher than both the national and regional level across this time. The figure also shows that the unemployment rate in all areas has grown dramatically since February 2020 as the impact of the behavioural changes required as a consequence of the Coronavirus have dramatically affected employment levels. In May 2020, 8.9% of the working age population in the Black Country were unemployed, compared with 7.3% regionally and the national average of 6.6%. Wolverhampton recorded the highest unemployment rate within the housing market as of May 2020 (10.3%), followed by Sandwell (9.1%), Walsall (8.8%) and Dudley (7.6%). Over the last year, unemployment has increased in the Black Country by 102.0%, compared to a rise of 113.3% in the West Midlands and growth of 146.8% nationally. Within the Black Country, Walsall has recorded the largest growth in unemployment over the last 12 months (121.5%), followed by Sandwell (119.7%), Dudley (88.0%) and Wolverhampton (83.1%)



Source: ONS Claimant Count

- 2.21 The Annual Population Survey presents a ‘Standard Occupation Classification’ which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As the table below illustrates, some 35.8% of employed residents in the Black Country work in Groups 1 to 3, lower than the figure for both the West Midlands region and the national one. The housing market area has a higher proportion of the workforce in occupation Groups 8 to 9 than is found regionally and nationally. Further analysis shows that, since 2014, there has been a considerable increase in the proportion of people resident in the Black Country employed within Groups 1 to 3 and Groups 4 to 5 and a slight fall in the number of people employed within Groups 6 to 7.
- 2.22 Dudley records a higher proportion of employed residents working in Groups 1 to 3 and a lower proportion in Groups 6 to 7 than the other Black Country authorities, whilst the distributions in Wolverhampton and Walsall are most similar to the housing market area average. Sandwell has a lower proportion of employed residents working in Groups 1 to 3 and a higher proportion working in Groups 8 to 9 than the other authorities within the Black Country.

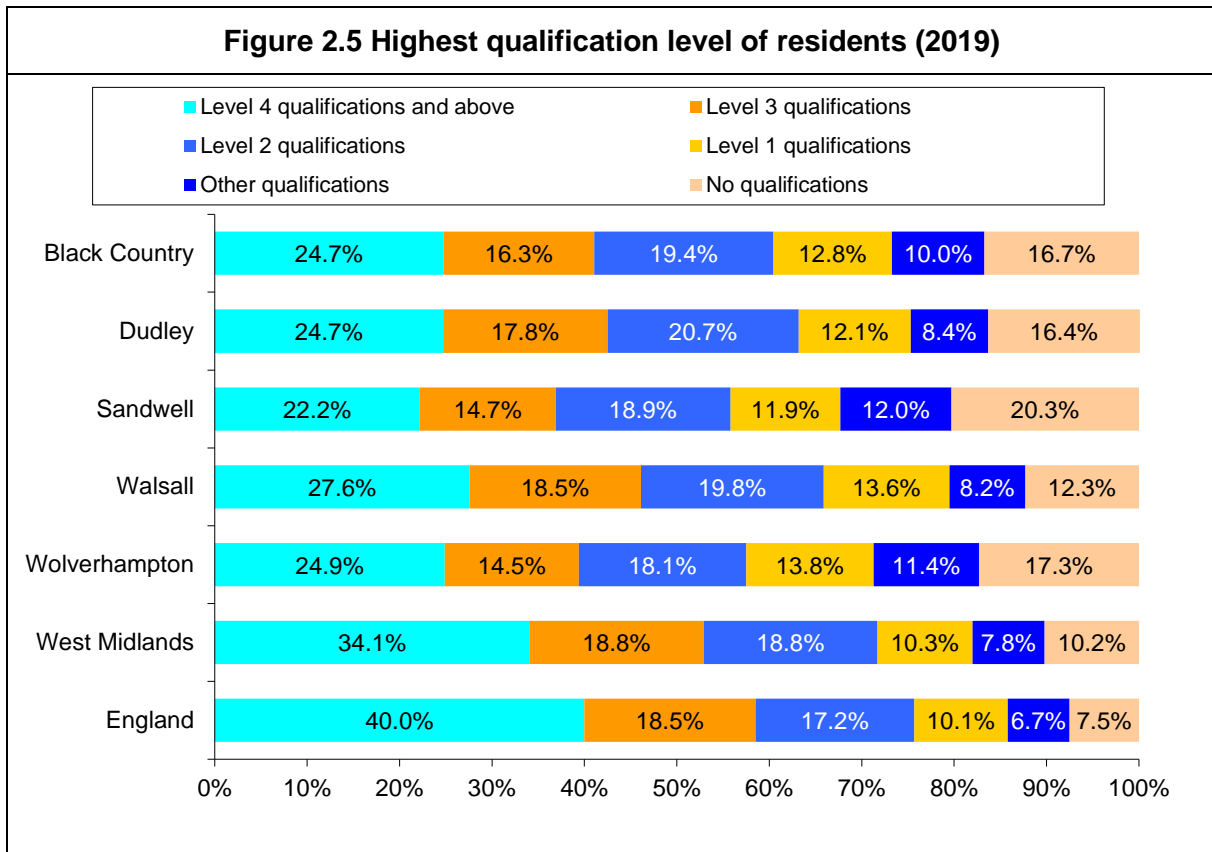
Table 2.2 Occupation structure (2019)				
<i>Occupation Groups</i>	<i>The Black Country</i>	<i>West Midlands</i>	<i>England</i>	<i>Change in # of people employed in the Black Country since 2014</i>
Group 1-3: Senior, Professional or Technical	35.8%	43.5%	48.1%	15.7%
Group 4-5: Administrative, skilled trades	24.9%	22.0%	19.5%	17.5%
Group 6-7: Personal service, Customer service and Sales	17.0%	15.3%	16.0%	-4.7%
Group 8-9: Machine operatives, Elementary occupations	22.4%	19.2%	16.4%	1.9%
Total	100.0%	100.0%	100.0%	-
<i>Occupation Groups</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>Walsall</i>	<i>Wolverhampton</i>
Group 1-3: Senior, Professional or Technical	40.5%	30.3%	38.1%	34.3%
Group 4-5: Administrative, skilled trades	26.3%	24.2%	25.4%	23.5%
Group 6-7: Personal service, Customer service and Sales	14.3%	17.3%	19.0%	17.6%
Group 8-9: Machine operatives, Elementary occupations	18.9%	28.2%	17.5%	24.6%
Total	100.0%	100.0%	100.0%	100.0%

Source: Annual Population Survey, 2019

Qualifications

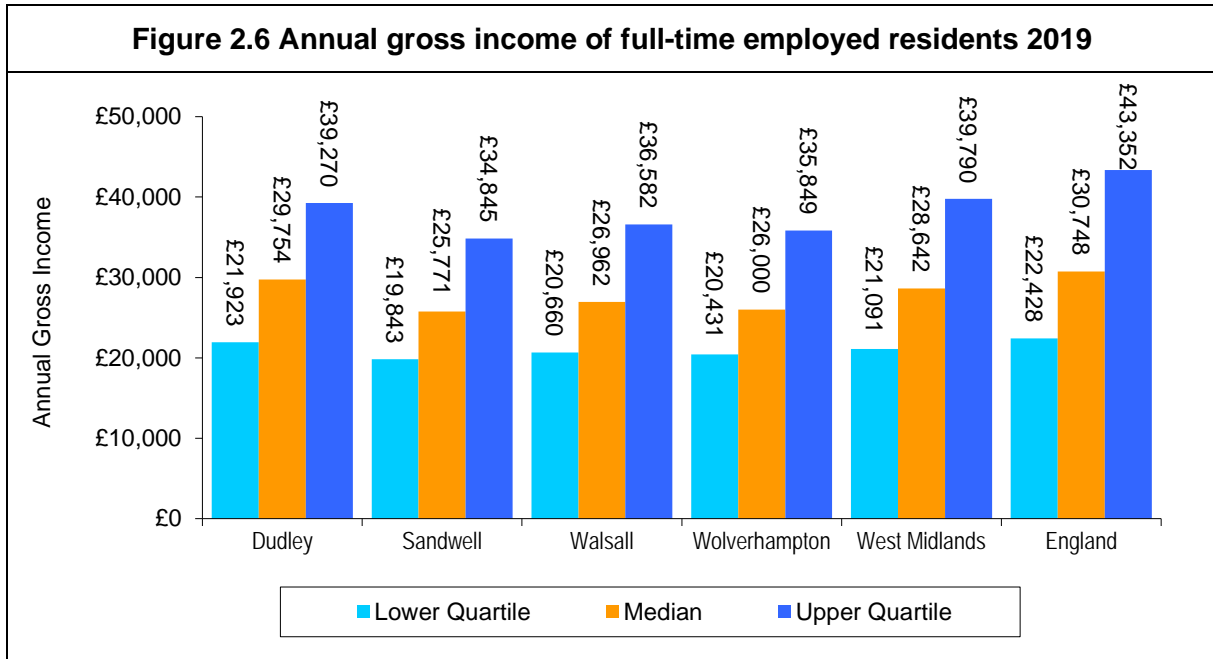
2.23 An important factor in the ability of any economy to grow is the level of skill of the workforce. The figure below shows the highest qualification level of the working-age residents of the Black Country, compared with the regional and national equivalents as recorded in the Annual Population Survey. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher)¹⁸. The data indicates that 24.7% of working-age residents in the Black Country have Level 4 or higher qualifications, lower than the figures for the West Midlands region (34.1%) and England (40.0%). The Black Country has notably more residents with no qualifications than is found regionally and nationally. Within the HMA, Walsall has the most qualified population and Sandwell the least qualified.

¹⁸ These definitions come from the data source (at www.nomisweb.co.uk/) and may differ slightly from the banding used on the guide to qualification levels located on the www.gov.uk site.



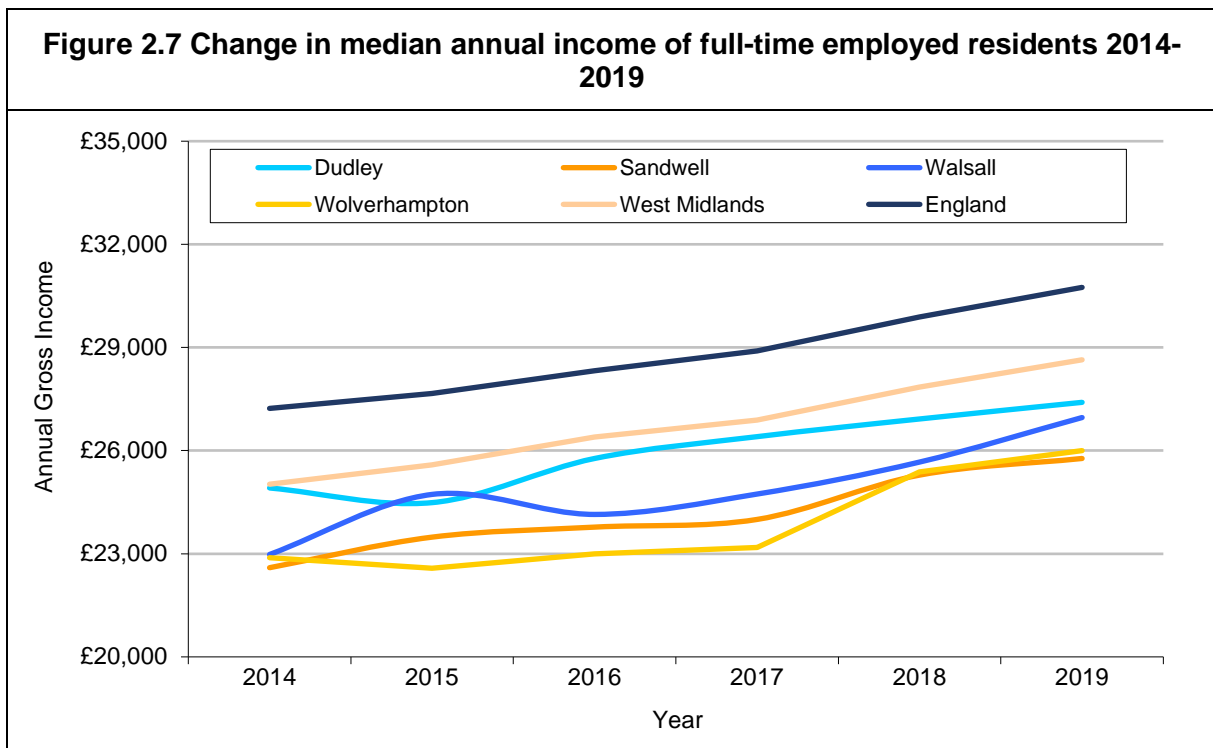
Income

- 2.24 Income has a core effect on the level of choice a household has when determining its future accommodation. The mean earned gross income for full-time employees' resident in Dudley in 2019 was £33,431, according to the ONS Annual Survey of Hours and Earnings whilst the equivalent figure for Sandwell was £29,042, for Walsall it was £30,176 and for Wolverhampton it was £30,092. In comparison, the regional figure was £33,686 and the national average was £37,092. It is important to note that these figures assess individual incomes rather than household incomes. It should also be noted that the median figures (set out in the figure below) provide a more accurate average than the mean figures as they are less influenced by extreme values, however the mean figures are presented for context.
- 2.25 The figure below shows that, at all points on the distribution, annual gross incomes in Sandwell, Walsall and Wolverhampton are lower than the regional and national equivalents. In Dudley the income levels are higher than the regional equivalents (other than for upper quartile income levels) and lower than the national figures. Dudley records the biggest difference between lower and upper quartile incomes, suggesting a large distinction between high and low earning people in the Borough. In contrast, the smallest difference between high and low earning people within the housing market area is found in Sandwell.



Source: ONS Annual Survey of Hours and Earnings (2019)

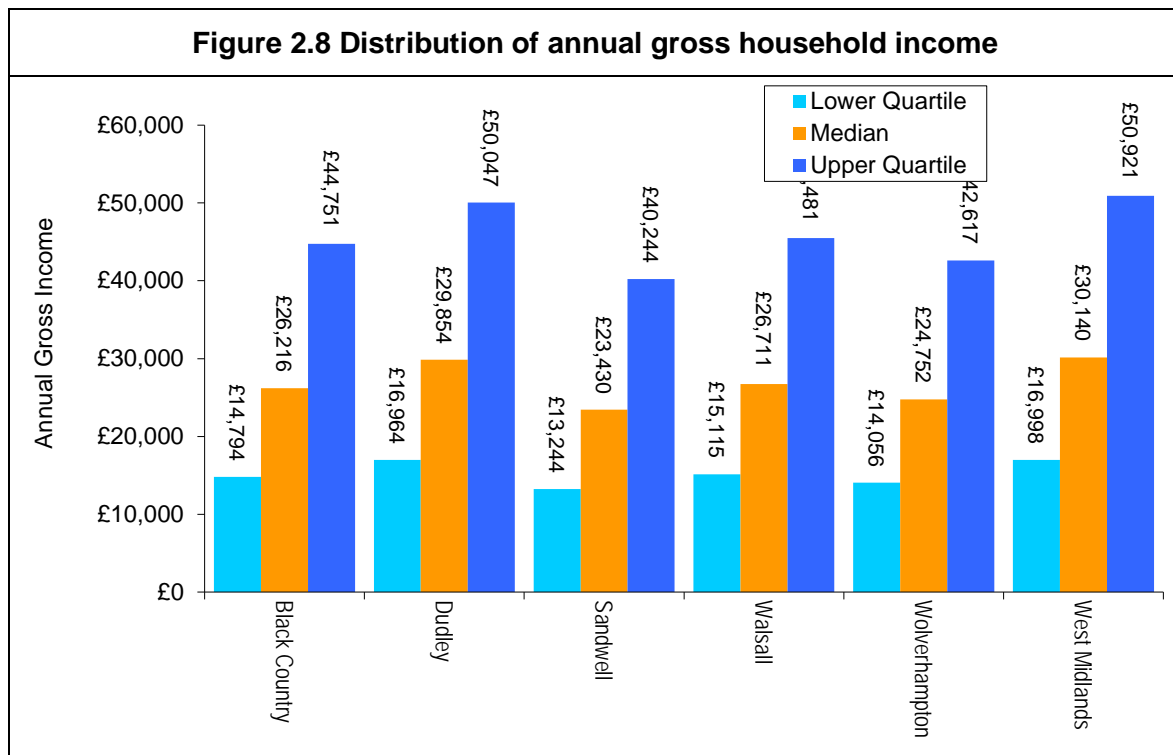
2.26 The figure below shows the change in the median income of full-time employees' resident in the Black Country authorities, the West Midlands region and England since 2014. Walsall has recorded the highest increase since 2014 within the Black Country (at 17.3%) followed by Sandwell (14.1%), Wolverhampton (13.6%) and then Dudley (10.0%). The comparative regional and national figures are 14.5% across the West Midlands and 12.9% for England.



Source: ONS Annual Survey of Hours and Earnings (2014-2019)

Household income

- 2.27 CACI Paycheck¹⁹ estimates that the mean gross annual household income across the housing market area is £33,353, which is 11.9% below the regional equivalent (£37,870). The same data source indicates that the mean gross annual household income in Dudley is £37,293, whilst it is £29,991 in Sandwell, £33,928 in Walsall and £31,786 in Wolverhampton.
- 2.28 The figure shows how household income at various points on the income distribution for each local authority and the Black Country compares with the region-wide equivalents. The data indicates that households in Sandwell are the least affluent in the housing market area, followed by households in Wolverhampton, Walsall and then Dudley.



Source: CACI Paycheck, 2020

Dwelling stock

- 2.29 The latest Ministry of Housing, Communities and Local Government (MHCLG) live tables²⁰ indicates that there were 498,844 dwellings in the Black Country in 2019, and that, over the last five years, the number of dwellings had increased by 2.9%, over 14,000 properties. In comparison, the dwelling stock in the West Midlands region increased by 4.2% between the 2014 and 2019, whilst the dwelling stock of England increased by 4.5%. Within the Black Country there was little difference recorded in the rate of dwelling growth over the last five

¹⁹ CACI is a commercial company that provides households income data.

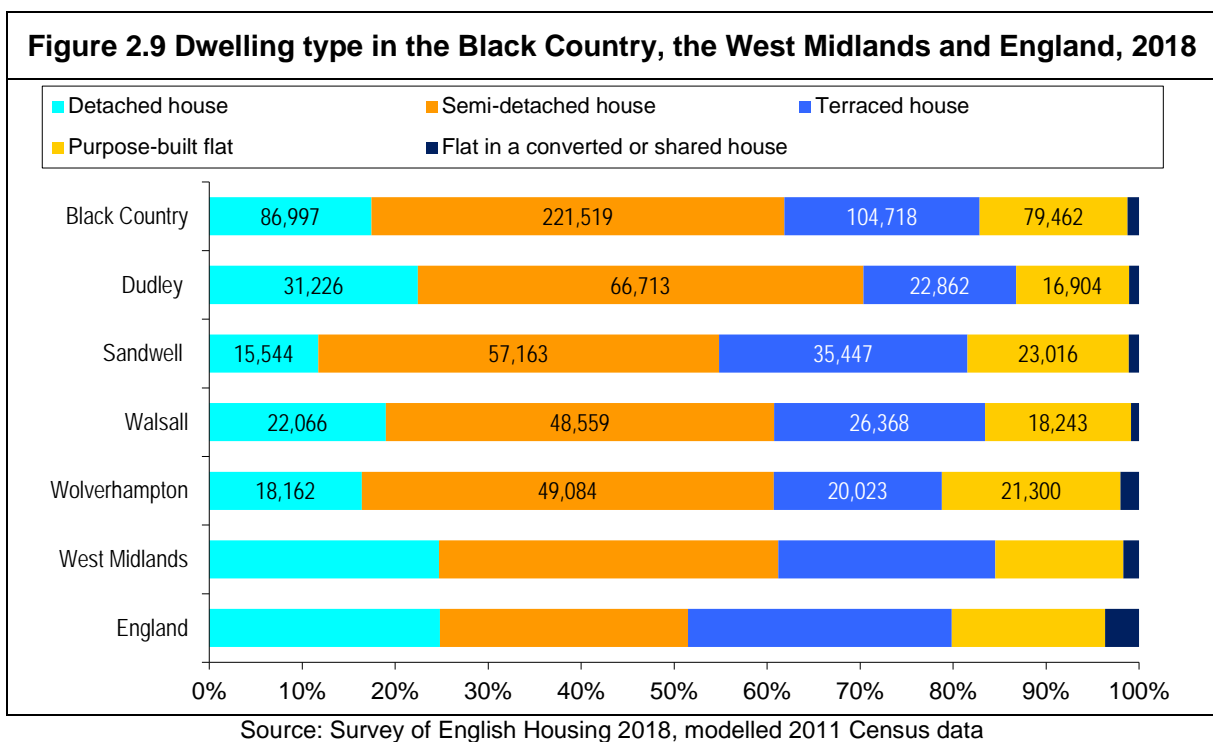
²⁰ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>



years; Walsall recorded the largest growth in dwellings (3.2%), followed by Wolverhampton (3.1%), Sandwell (3.0%) and Dudley (2.4%).

Accommodation profile

2.30 The figure below compares the type of accommodation in the Black Country in 2018 with that recorded for the West Midlands region and England. The Black Country contains more semi-detached houses than the regional and national averages. The housing market area contains notably fewer detached houses than is found across the region and nationally, and fewer flats that are recorded for England as a whole. The most common property type in the Black Country is semi-detached dwellings followed by terraced houses. The housing stock within the housing market area is similar across the constituent authorities, in all the Boroughs semi-detached homes are most common. There are slight differences; in Dudley detached dwellings are the next most common property type, whilst in Wolverhampton flats are more prevalent.



2.31 The table below compares the size of accommodation (in terms of rooms) in the Black Country with the West Midlands region and England. The table indicates that the Black Country has more smaller dwellings (four or fewer rooms) and fewer large properties (seven or more rooms) than the West Midlands region. Overall, just over half of all dwellings in the Black Country have five or six rooms. Within the housing market area, Dudley records the lowest proportion of small dwellings and the highest proportion of larger homes. Wolverhampton has the largest proportion of small dwellings and Sandwell records the lowest level of large homes.

<i>Property size*</i>	<i>The Black Country</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>Walsall</i>	<i>Wolverhampton</i>	<i>West Midlands</i>	<i>England</i>
2 or fewer rooms	1.5%	1.3%	1.7%	1.3%	1.9%	1.9%	0.7%
3 rooms	9.7%	8.4%	10.8%	8.7%	11.2%	8.9%	9.7%
4 rooms	17.7%	17.0%	18.4%	17.8%	17.6%	17.4%	21.3%
5 rooms	28.4%	27.7%	31.2%	28.6%	25.7%	25.1%	28.7%
6 rooms	23.2%	23.5%	23.3%	22.5%	23.3%	20.5%	20.2%
7 rooms	10.5%	11.9%	8.3%	10.8%	11.0%	11.4%	10.7%
8 or more rooms	9.0%	10.2%	6.2%	10.4%	9.4%	14.7%	8.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*The number of rooms available excludes utility rooms but does include bathrooms and kitchens. Source: Survey of English Housing 2018, modelled 2011 Census data

2.32 Whilst the Survey of English Housing does not present data on the number of bedrooms in the dwelling stock on an annual basis, it is possible to compare the size of accommodation (in terms of bedrooms) within the Black Country. This is shown in the table below. The table indicates that the property size profile is very similar across the Black Country authorities, however Wolverhampton contains the greatest proportion of one bedroom homes and Walsall the smallest. In contrast, Dudley has the largest proportion of dwellings with four or more bedrooms and Sandwell the smallest proportion of these homes.

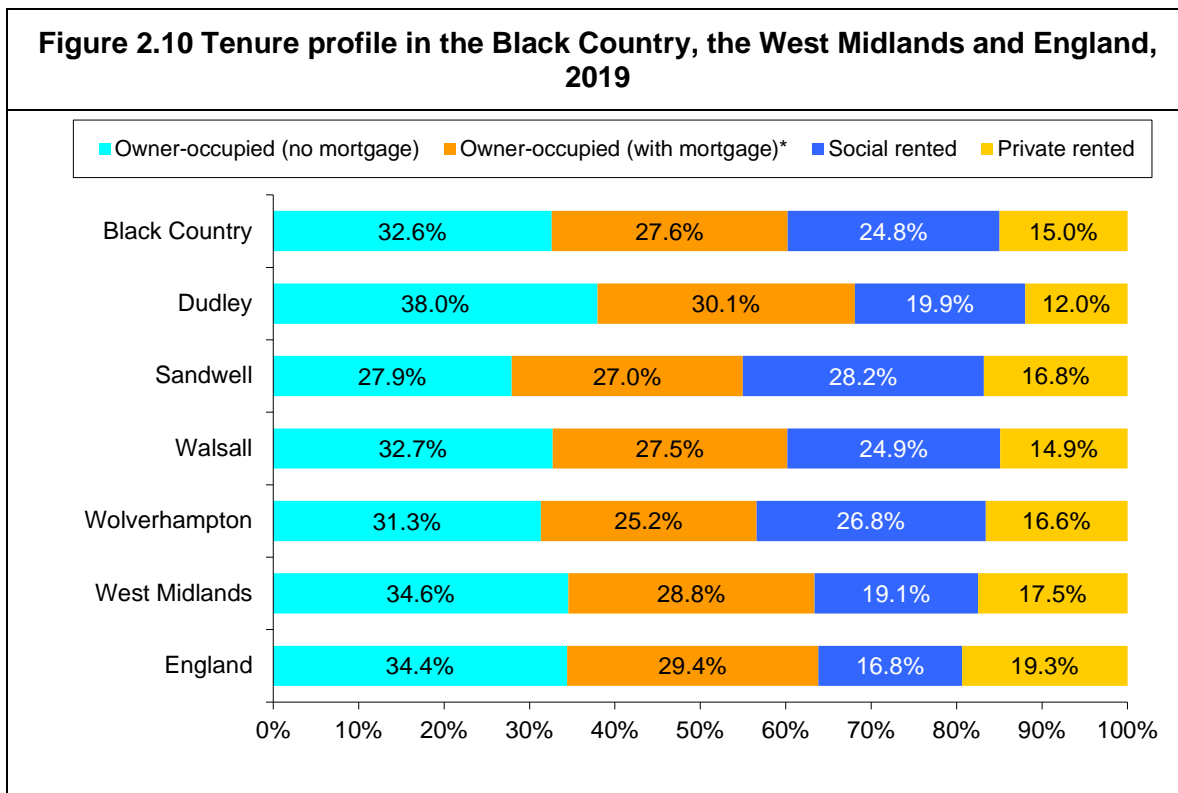
<i>Property size*</i>	<i>The Black Country</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	10.5%	9.4%	11.8%	8.7%	12.2%
Two bedroom	24.5%	23.7%	24.8%	25.4%	24.1%
Three bedroom	50.8%	51.0%	51.9%	50.5%	49.5%
Four or more bedrooms	14.2%	15.8%	11.5%	15.4%	14.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Tenure

2.33 The figure below compares the tenure of households in the Black Country in 2019 with that recorded for the West Midlands region and England. The data indicates that 32.6% of households in the housing market area are owner-occupiers without a mortgage, compared

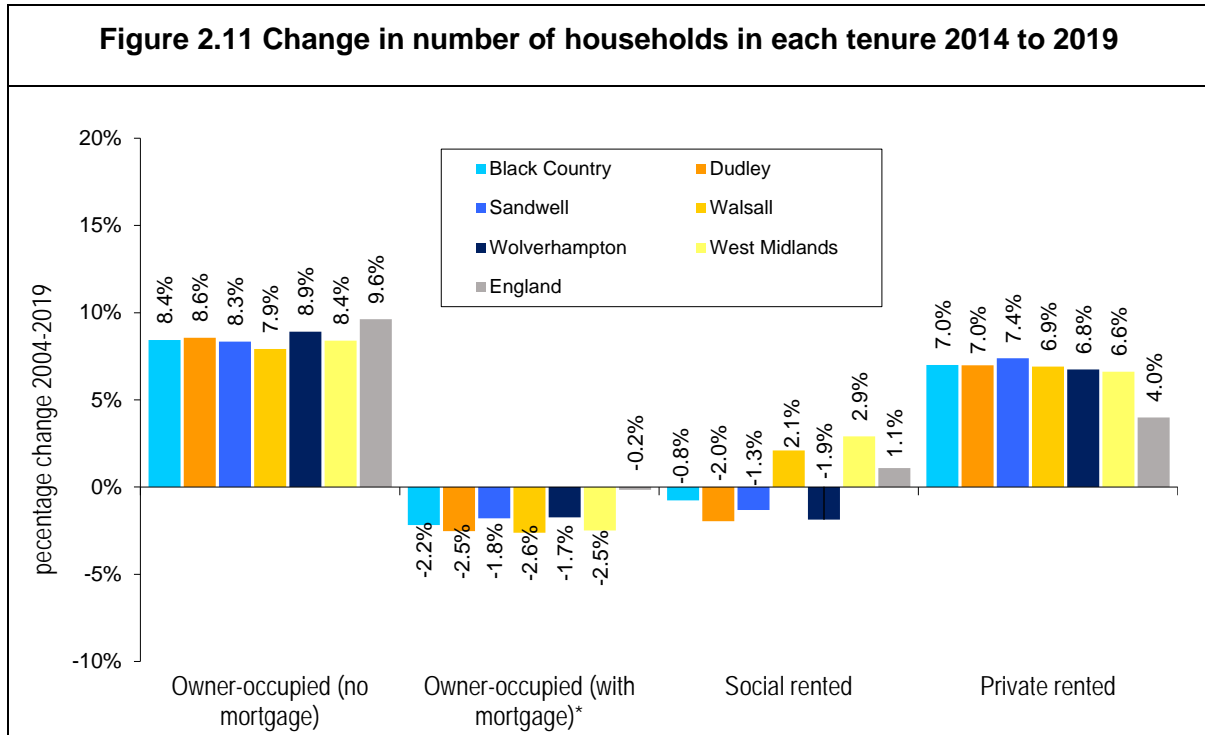
to 34.6% in the region and 34.4% nationally. The proportion of owner-occupiers with a mortgage in the Black Country (27.6%) is also lower than both the regional (28.8%) and national average (29.4%). Some 24.8% of households in the Black Country are resident in the Social Rented sector, higher than the figure for the West Midlands region (19.1%) and England (16.8%). Finally, some 15.0% of households in the Black Country live in private rented accommodation, compared to 17.5% in the West Midlands region and 19.3% in England.

2.34 Within the housing market area, Dudley records the largest level of owner-occupiers with no mortgage (38.0%), followed by Walsall (32.7%), Wolverhampton (31.3%) and Sandwell (27.9%). Dudley also records the highest rate of owner-occupiers with a mortgage (30.1%), followed by Walsall (27.0%), Sandwell (27.0%) and Wolverhampton (25.2%). Sandwell and Wolverhampton record the largest Social Rented sector (28.2% and 27.5 respectively), with Dudley the smallest (19.9%) followed by Walsall (24.9%). Sandwell and Wolverhampton also have the greatest private rented sector (16.8% and 16.6% respectively), followed by Walsall (14.9%) and Dudley (12.0%).



Source: Survey of English Housing 2019, modelled 2011 Census data

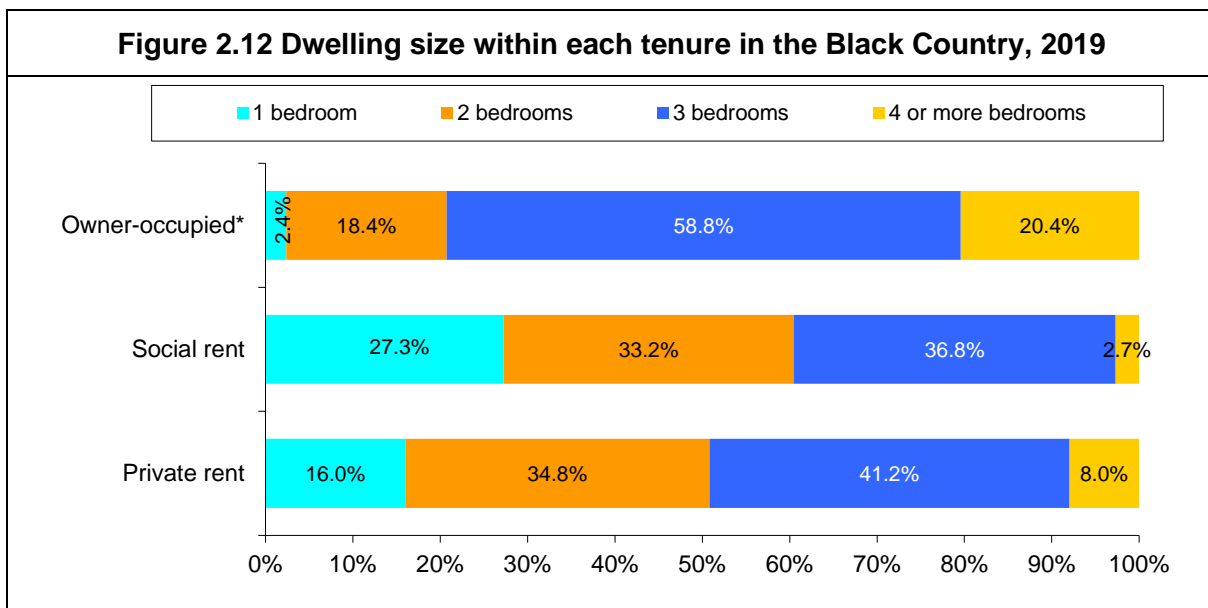
2.35 The figure below shows the change in the size of each tenure between 2014 and 2019. The figure shows that in all areas the number of owner-occupiers with no mortgage has increased dramatically and the number of private renters has also grown. In comparison, the number of owner-occupiers with a mortgage has decreased slightly. The Social Rented sector has generally shown the smallest change.



Source: Survey of English Housing 2019, modelled 2011 Census data

Tenure by bedroom

2.36 Finally, it is useful to understand the size of accommodation within each tenure as recorded in the LTBHM model (discussed further in Chapter 5). This is shown in the figure below. The data indicates that, in the Black Country, rented accommodation is smaller on average than owned dwellings. This pattern is common across the country and reflects of the profile of dwellings built in each sector alongside the size of homes lost from the affordable stock through Right-to-Buy, rather than the aspirations of those in the different tenures. This figure is replicated for the constituent authorities of the housing market area within Appendix 2.



*Includes shared ownership





3. The cost and affordability of housing

Introduction

- 3.1 An effective housing market assessment is founded on a thorough understanding of local housing market – what it costs and how this varies. This chapter initially considers the cost of market housing in the Black Country in a regional and national context. Subsequently, it assesses the entry-level costs of housing across the housing market area. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally, the chapter will report on the affordability of housing for different groups of the population currently.

Relative prices

- 3.2 The table below shows the average property price by dwelling type in 2019 in the four Black Country authorities, the West Midlands region and England as a whole, as presented by the Land Registry²¹. The data indicates that within the Black Country the overall average property price is highest in Dudley, followed by Walsall and then Wolverhampton, with Sandwell recording the lowest overall average prices. The overall average price in Dudley is 36.6% lower than the national figure, and 16.6% below the figure for the West Midlands. For Sandwell, these figures are 43.4% and 29.4% respectively, whilst for Walsall they are 38.2% and 19.3%. Finally, in Wolverhampton the overall average price is 27.2% lower than the national figure, and 44.2% lower than the regional equivalent. The data also shows that all dwelling types in the housing market area are cheaper than their national and regional equivalents.
- 3.3 The dwelling profile is not the same across the six areas (with the Black Country authorities having a greater proportion of sales of semi-detached houses and a smaller proportion of sales of detached houses than nationally), so a mix adjusted average has therefore been derived to work out what the average price would be were the dwelling mix in each area to be the same profile as is recorded across England. The mix adjusted average price shows that prices are closer to the national average in Sandwell, Walsall and Wolverhampton, but are less close in Dudley. Within the Black Country, the mix adjusted average property price is highest in Walsall, followed by Dudley and then Sandwell, with Wolverhampton recording the lowest figure.

²¹ <http://landregistry.data.gov.uk/app/standard-reports/report-design?utf8=%E2%9C%93&report=avgPrice>

Dwelling type	Dudley		Sandwell		Walsall	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£291,149	21.9%	£251,126	12.0%	£311,480	19.3%
Semi-detached	£180,039	43.3%	£167,995	45.1%	£176,504	40.6%
Terraced	£152,803	26.1%	£145,467	32.6%	£139,452	30.6%
Flats	£110,396	8.6%	£83,139	10.3%	£112,006	9.5%
Overall average price	£191,279	100.0%	£161,832	100.0%	£185,042	100.0%
Mixed adjusted overall average price	£189,909	-	£169,480	-	£190,632	-
Dwelling type	Wolverhampton		West Midlands		England	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£259,901	19.8%	£353,173	27.2%	£410,557	25.9%
Semi-detached	£160,896	45.5%	£204,035	35.2%	£257,470	29.9%
Terraced	£132,086	24.6%	£169,221	27.2%	£243,649	28.1%
Flats	£96,717	10.1%	£149,246	10.5%	£296,005	16.2%
Overall average price	£167,010	100.0%	£229,367	100.0%	£299,470	100.0%
Mixed adjusted overall average price	£168,073	-	£224,029	-	£299,470	-

Source: Land Registry, 2019

- 3.4 The average property price between 2014 and 2019 has risen by 24.6% in Dudley, 28.5% in Sandwell, 18.8% in Walsall and 17.4% in Wolverhampton. In comparison the national increase over this period was 14.8% and growth of 22.5% was recorded across the West Midlands. The number of sales over this period has fallen by 4.4% in Dudley, by 6.1% in Sandwell, 2.3% in Walsall and 6.3% in Wolverhampton. These figures compare with a decrease of 20.3% in England and a fall of 11.4% in the West Midlands.
- 3.5 The table below shows the average private rents by dwelling size in 2018-2019 in the Black Country, the West Midlands region and England as recorded by the Valuation Office Agency. The data indicates that within the Black Country the overall average rent is highest in Sandwell, followed by Dudley and then Walsall, with Wolverhampton recording the lowest overall average rent, however the difference between the four authorities is very small. For Sandwell, these figures are 32.9% and 11.5% respectively, whilst for Walsall they are 34.3% and 13.4%. Finally, in Wolverhampton the overall average price is 35.3% lower than the national figure and 14.7% lower than the regional equivalent. The data also shows that all property sizes are cheaper on average to rent in all the Black Country authorities than across both the West Midlands and England. The mix adjusted average rent indicates that rents are slightly closer to the national rent levels once the dwelling mix has been adjusted. Within the Black Country, the mix adjusted average rent is highest in Dudley, followed by Sandwell and then Walsall, with Wolverhampton recording the lowest figure.

Table 3.2 Average private rents in 2018-2019* (price per month)						
Dwelling size	Dudley		Sandwell		Walsall	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
One bedroom	400	£433	370	£447	170	£432
Two bedroom	890	£553	810	£556	650	£527
Three bedroom	610	£654	720	£643	520	£631
Four bedroom	80	£889	90	£837	60	£972
Overall average rent**	2,000	£571	2,050	£576	1,470	£564
Mixed adjusted rent	-	£585	-	£582	-	£575
Dwelling size	Wolverhampton		West Midlands		England	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
One bedroom	270	£427	7,580	£514	92,160	£731
Two bedroom	520	£546	19,230	£623	210,040	£800
Three bedroom	580	£627	12,750	£723	123,660	£916
Four bedroom	80	£886	2,950	£1,111	40,590	£1,611
Overall average rent**	1,590	£555	45,340	£651	504,970	£858
Mixed adjusted rent	-	£574	-	£670	-	£888

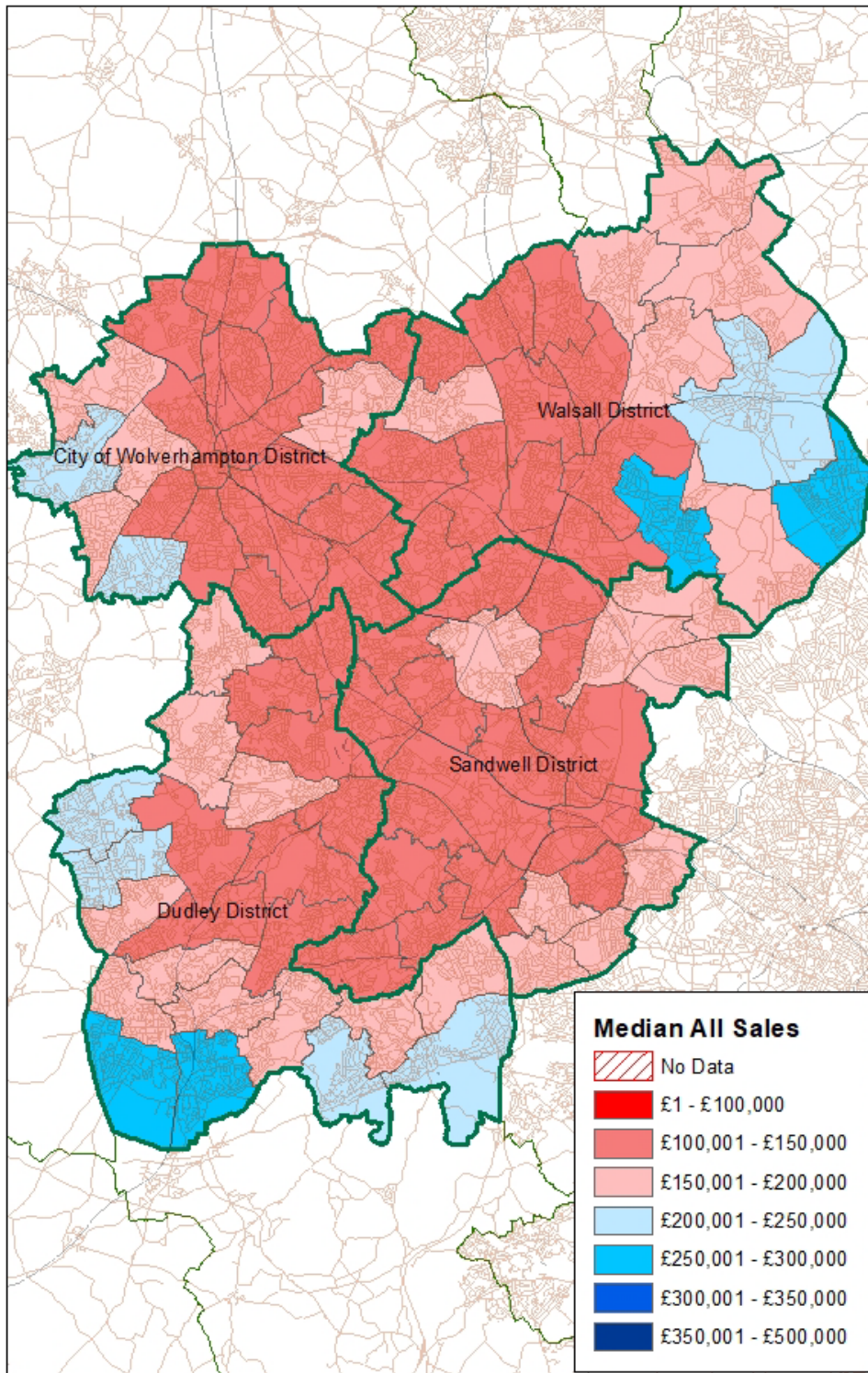
*Recorded between 1 April 2018 to 31 March 2019 **This figure includes the rents for room and studio accommodation which are not presented in this table. Source: Valuation Office Agency, 2019

- 3.6 The average rents in the Dudley have risen by 15.1% between 2013-14 and 2018-19, 11.1% in Sandwell, 11.8% in Walsall and 5.9% in Wolverhampton. In comparison, a growth of 12.9% was recorded nationally, and a rise of 18.3% across the West Midlands. The number of lettings over this period has increased by 4.8% in Dudley, by 15.0% in Sandwell, 9.5% in Walsall and 11.1% in Wolverhampton. These figures compare with a rise of 16.8% in England and a growth of 14.8% for the West Midlands.

The cost of housing

- 3.7 Ward-level Land Registry data has been used to consider the variations in property price across the housing market area. This is presented in the figure below. The figure indicates that there is limited variation across the housing market area, with prices generally in the cheaper bands across the majority of the housing market area, however there are pockets of more expensive housing on the periphery of the Black Country, in the south and west of Dudley, the east of Walsall and the west of Wolverhampton.

Figure 3.1 Variation in property prices across the Black Country Councils – Median property prices by ward Jan 2019 to March 2020

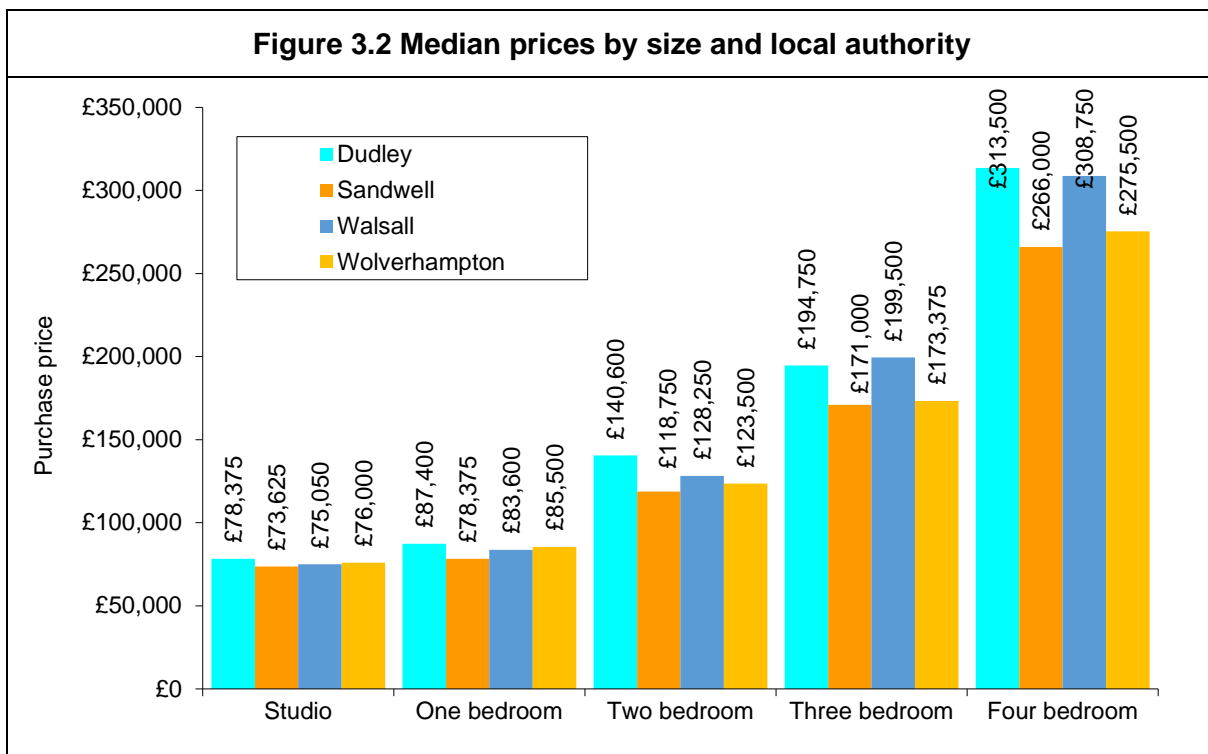


This data covers transactions received at Land Registry from 01/01/19 to 31/03/2020
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Source: Land Registry, 2020

3.8 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. No published secondary data contains this information at a Local Authority level. As part of this study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in the Black Country. At the time of the price survey there were over 3,970 homes advertised for sale and over 840 properties available to rent across the Black Country providing a suitably large sample size for this process.

3.9 Median property prices by number of bedrooms were obtained in each authority in the housing market area via an online search of properties advertised for sale during July 2020. The results of this online price survey are presented in Figure 3.2. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 5% lower across the housing market area). The figure shows that prices are highest in Dudley and lowest in Sandwell. In all the Boroughs the difference between one and two bedroom homes is smallest and the difference between three and four bedroom homes is largest. In terms of market availability, the analysis showed that three bedroom properties are most commonly available to purchase in all Council areas, with two bedroom homes the next most widely available. In all Black Country authorities, one bedroom homes are most scarce.

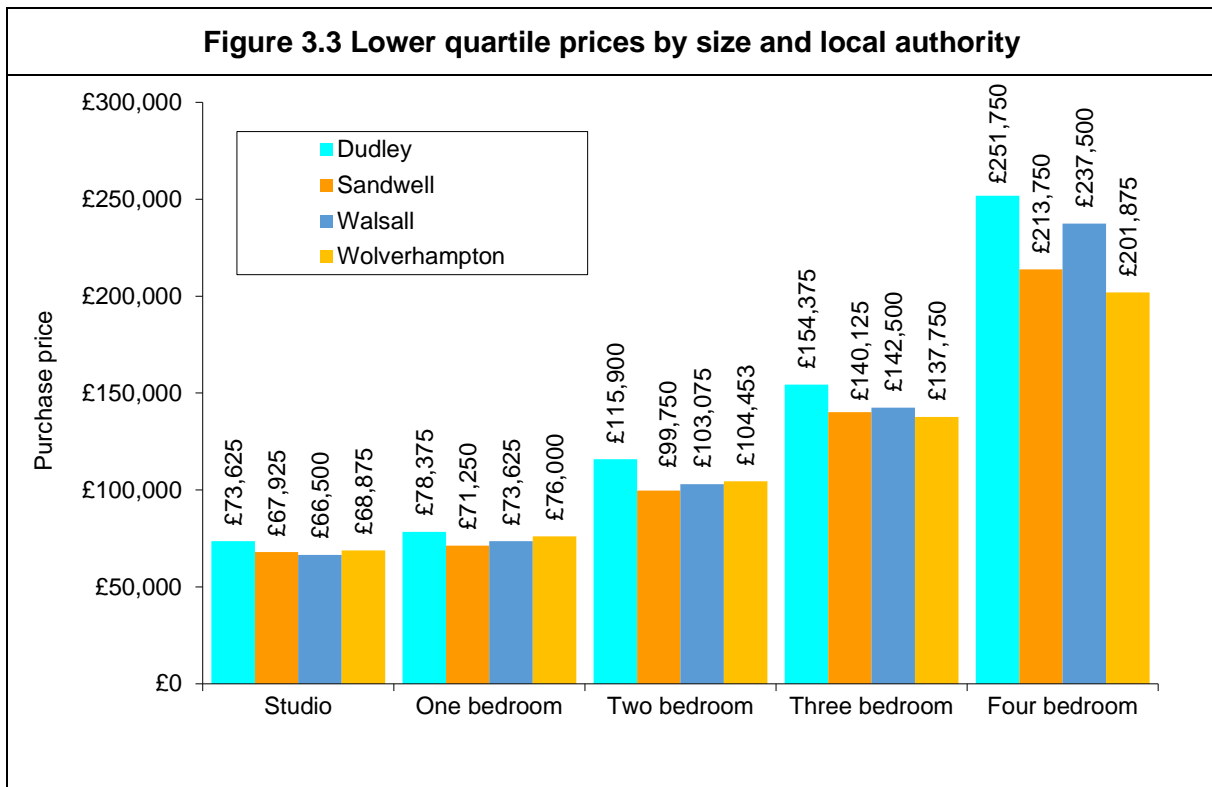


Source: Online estate agents survey July 2020

3.10 The online survey also collected information at different points of the price distribution. Entry-level property prices for each price market are presented in the figure below. In accordance



with the PPG²², entry-level prices are based on lower quartile prices. This lower quartile price reflects the cost of a home in suitable condition for habitation, some of the properties available in the lowest quartile are sub-standard and will require modernisation and updating which will add further expense to the purchase price. The figure indicates that entry-level prices in the Black Country range from £71,250 for a one bedroom home in Sandwell, up to £251,750 for a four bedroom property in Dudley.



Source: Online estate agents survey July 2020

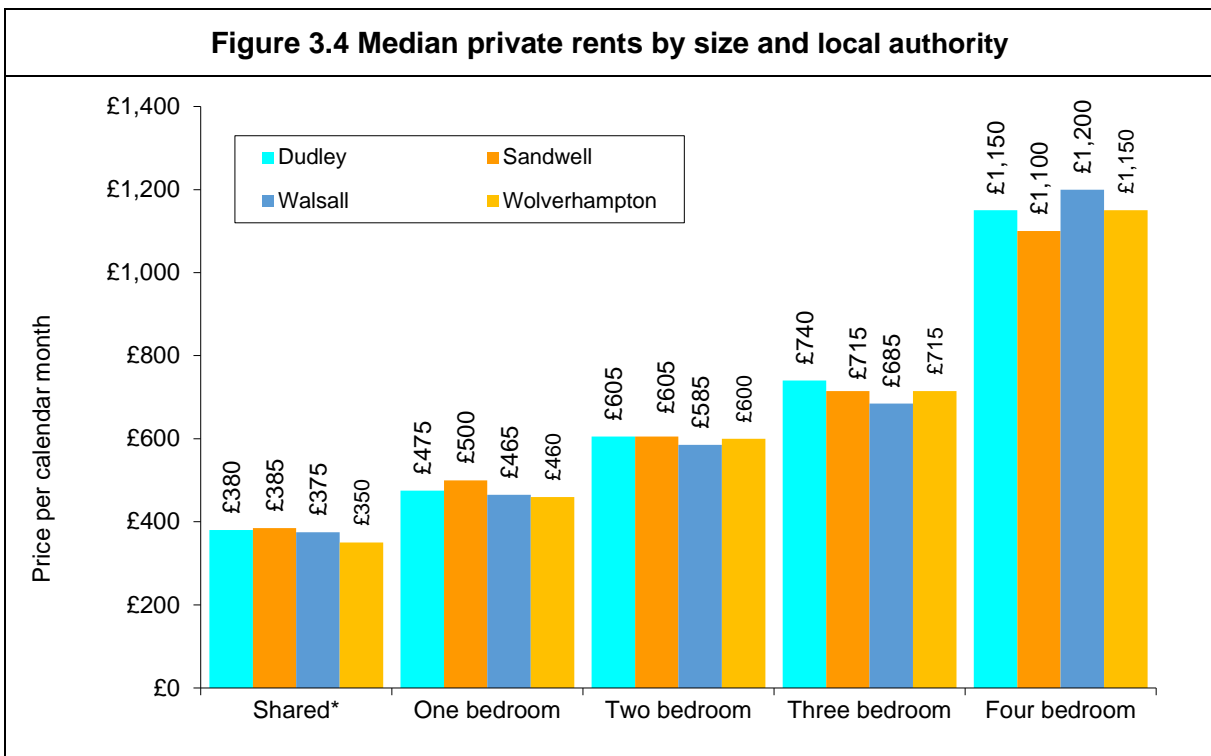
Private rents

3.12 Whilst private rent levels vary across the Black Country, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as the condition and quality of the property. The median price for private rented accommodation by property size in each authority area is presented in the figure below. The costs recorded are the agreed letting cost rather than the advertised cost, although generally there is little distinction between the two, especially for smaller properties where the

²² Paragraph 021 (Reference ID: 2a-021-20190220)

demand is high relative to supply. The figure also includes the cost of a shared room within the private rented sector²³.

3.13 The data indicates that whilst Dudley generally contains the most expensive homes, the difference in the private rent levels across the other four authorities is very small. The figure shows that the smallest difference is between the cost of a two and three bedroom dwelling in the Dudley and Sandwell area, whilst the difference between one and two bedroom homes is smallest in Walsall and Wolverhampton. In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent in all Boroughs.

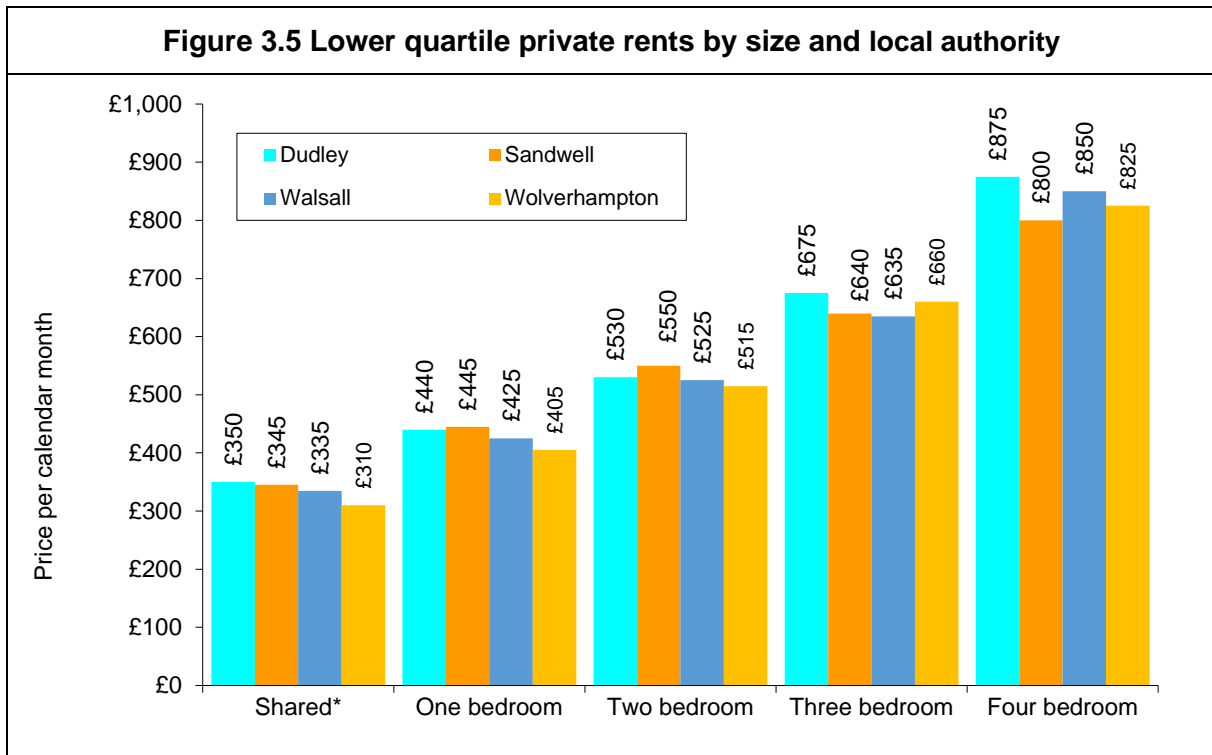


* Shared room is a room in a shared dwelling. Source: Online estate agents survey July 2020

3.14 Entry-level private rents for each local authority are presented in the figure below. The figure indicates that entry-level rents in the HMA range from £405 per month for a one bedroom home in Wolverhampton, up to £875 per month for a four bedroom property in Dudley.

²³ The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person households of 35 or under and this group of households will be tested against its ability to afford this in the affordable housing needs model set out in Chapter 6.





* Shared room is a room in a shared dwelling. Source: Online estate agents survey July 2020

Social Rents

3.15 The cost of Social Rented accommodation by dwelling size in the Black Country can be obtained from the Regulator of Social Housing’s Statistical Data Return²⁴ dataset for the RSL sector and from the Local Authority Housing Statistics data return²⁵ for the council sector. The table below illustrates the cost of Social Rented dwellings in each local authority in the Black Country. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the Social Rented and market sectors.

Table 3.3 Social Rented costs (per month)				
<i>Bedrooms</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	£296	£302	£327	£299
Two bedrooms	£338	£338	£357	£338
Three bedrooms	£377	£384	£398	£377
Four bedrooms	£420	£432	£434	£420

Source: HCA’s Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

²⁴ <https://www.gov.uk/government/statistics/statistical-data-return-2018-to-2019>

²⁵ <https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2018-to-2019>

Affordable Rent

- 3.16 Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but affordable housing for rent that coexists with the existing Social Rent tenure. Whilst there remain long-standing tenancies on Social Rent, the majority of new rented affordable accommodation in the Black Country is Affordable Rent; both re-lets from the existing stock and new Affordable Rented accommodation added to the stock. Due to its different cost level, detail will be presented on its relative affordability in comparison with Social Rent where this is possible (in Chapter 6).
- 3.17 Affordable Rents can be set at up to 80% of open market rents, implying there is flexibility as to what they may cost. The table below details the Affordable Rent levels charged in the Black Country. A comparison with median market rents indicates that Affordable Rent levels are around 65% to 75% of median market rents for one to three bedroom properties, although one bedroom Affordable Rents in Walsall are priced at higher than 80% of current median private rent levels. Four bedroom Affordable Rents across the Black Country are notably lower than market costs as they are set at between 45% and 55% of median market rents. Affordable Rents in Dudley are the lowest relative to median market costs.

<i>Bedrooms</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>Walsall</i>	<i>Wolverhampton</i>
One bedroom	£304	£345	£381	£365
Two bedrooms	£440	£434	£463	£443
Three bedrooms	£506	£499	£490	£495
Four bedrooms	£579	£569	£551	£568

Source: HCA's Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

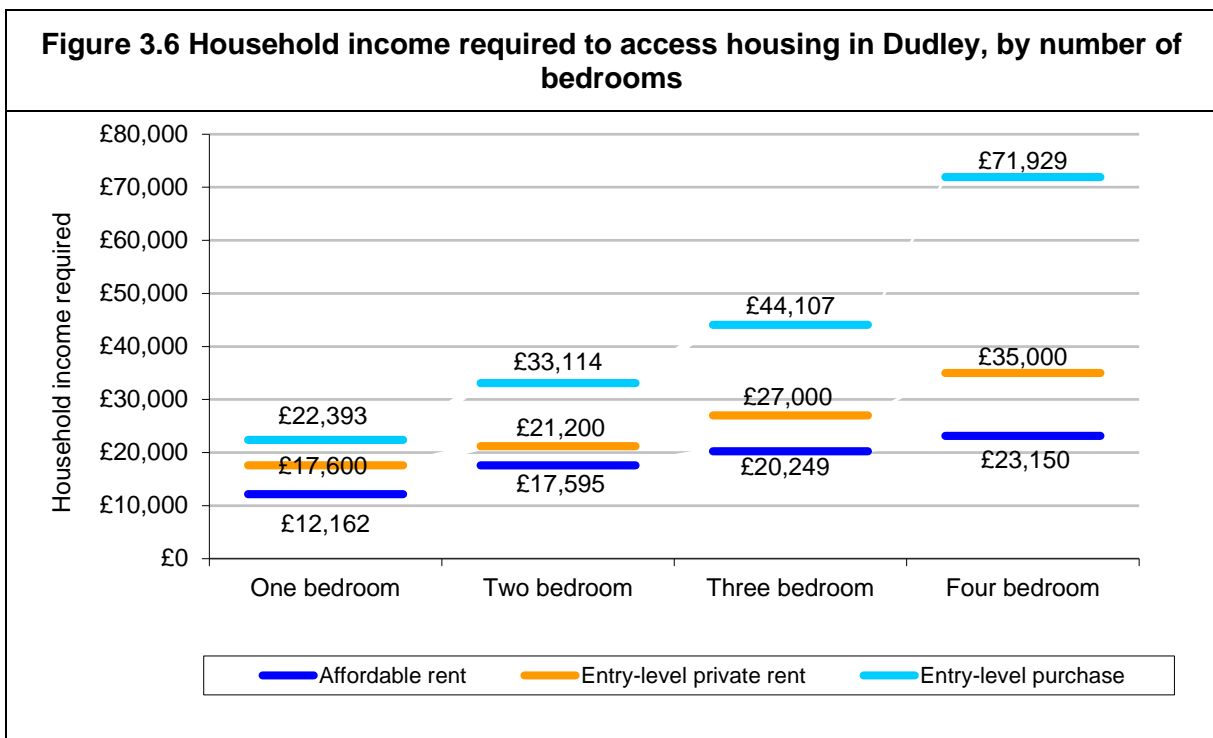
Analysis of housing market 'gaps'

- 3.18 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. Figures 3.6 to 3.9 below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price (set out in Figure 3.3) by 3.5²⁶ to get an annual income figure (to reflect the

²⁶ The most recent data available from the Bank of England suggests that the multiple of 3.5 for owner-occupation is most appropriate. (<https://www.bankofengland.co.uk/-/media/boe/files/statistics/mortgage-lenders-and-administrators/mlar-longrun-detailed.xlsx?la=en&hash=C19A1AC6C462416B0DA71926A744233793B8049B> (table 1.31)). This data indicates that of all residential loans to individuals (both regulated and non-regulated) given in England in 2018 to both joint and single applicants, 3.5 is the median income multiple used (49.2% of loans had

likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by 3.333 to produce a comparable figure. This latter step was carried out for both Affordable Rents (set out in Table 3.4) and market rents (set out in Figure 3.5). These approaches assume a household spends no more than 30% ($1/30 = 3.333$) of gross household income on rent – this assumption is used to enable a comparison of the different housing costs.

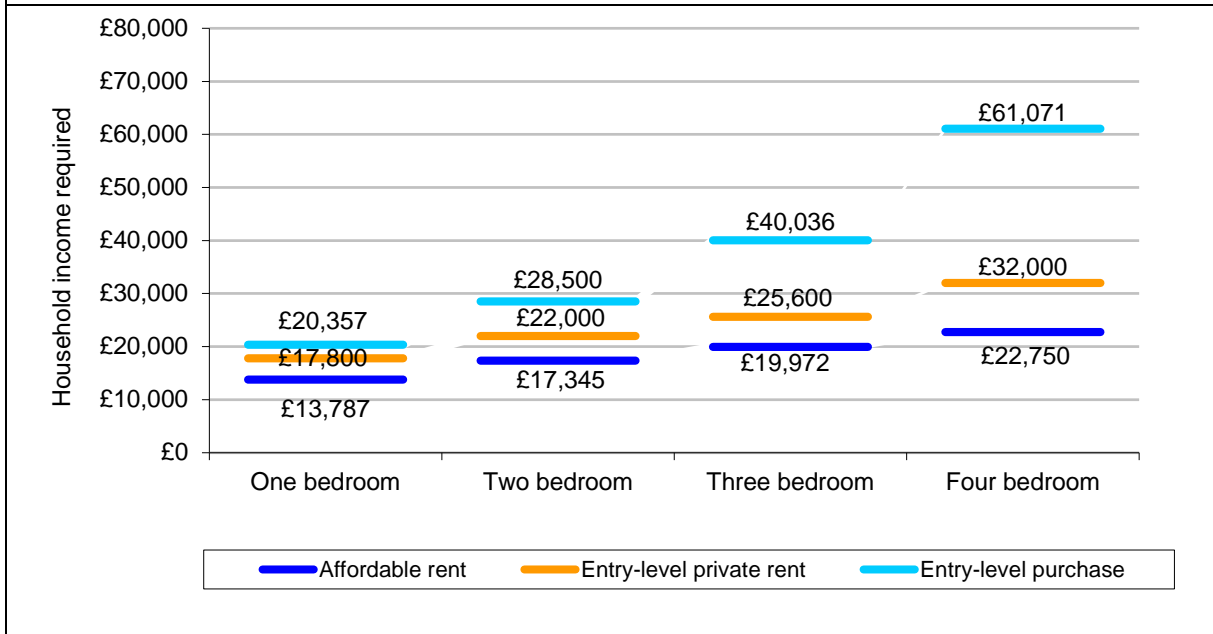
3.19 The figures show a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these ‘rungs of the ladder’ helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.



Source: Online survey of property prices July 2020; HCA’s Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

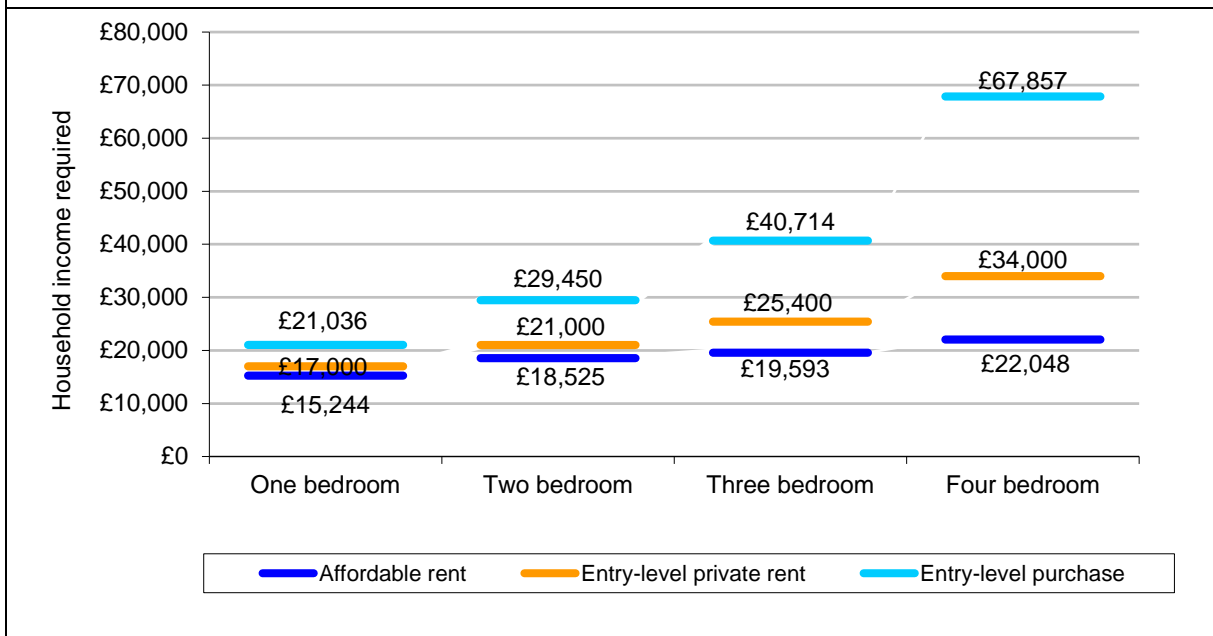
used a multiple greater than 3.5 and 50.8% used a multiple lower than 3.5. The mortgages recorded as having an ‘other’ multiple have been excluded from this calculation) For modelling purposes, it is presumed there is no requirement for a deposit as there is no local level data available on household savings and capital levels to enable this analysis.

Figure 3.7 Household income required to access housing in Sandwell, by number of bedrooms

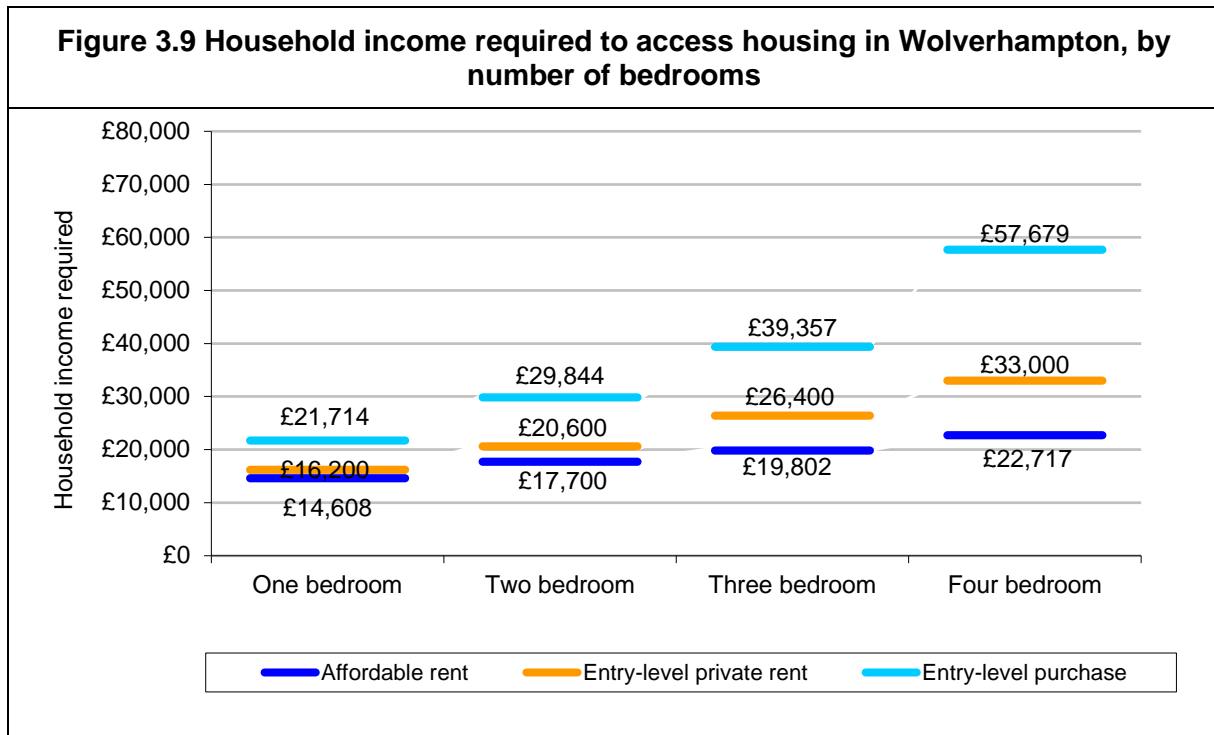


Source: Online survey of property prices July 2020; HCA's Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

Figure 3.8 Household income required to access housing in Walsall, by number of bedrooms



Source: Online survey of property prices July 2020; HCA's Statistical Data Return 2019, Local Authority Housing Statistics data return 2019



Source: Online survey of property prices July 2020; HCA's Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

- 3.20 The figures above indicate that for all dwelling sizes in each Local Authority area, the gap between Affordable Rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are large; in Dudley an additional £11,000 per year is required to access a four bedroom private rented home over the cost of a four bedroom Affordable Rented property, with a further £37,500 in household income required to move to an owner-occupied home.
- 3.21 The table below shows the size of the gaps for each dwelling size in each Borough in the Black Country. The table indicates, for example, that three bedroom entry-level private rents in Sandwell are 28.2% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for many households. The large gap between market entry rents and market entry purchase in most cases indicates notable potential demand for part-ownership products for households in this gap.

Table 3.5 Scale of key housing market gaps		
Dudley		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	44.7%	27.2%
Two bedrooms	20.5%	56.2%
Three bedrooms	33.3%	63.4%
Four bedrooms	51.2%	105.5%
Sandwell		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	29.1%	14.4%
Two bedrooms	26.8%	29.5%
Three bedrooms	28.2%	56.4%
Four bedrooms	40.7%	90.8%
Walsall		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	11.5%	23.7%
Two bedrooms	13.4%	40.2%
Three bedrooms	29.6%	60.3%
Four bedrooms	54.2%	99.6%
Wolverhampton		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	10.9%	34.0%
Two bedrooms	16.4%	44.9%
Three bedrooms	33.3%	49.1%
Four bedrooms	45.3%	74.8%

Source: Online survey of property prices July 2020; HCA's Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

Intermediate products

- 3.22 A range of intermediate options are potentially available for households in the Black Country, the costs of these are profiled below.

Intermediate Rent/Rent-to-Buy

- 3.23 Rent-to-Buy is a route to home ownership where homes are let to working households at an Intermediate Rent (i.e. less than the full market rent) to give them the opportunity to save for a deposit to buy their first home. It is planned that by landlords providing a discounted rent for tenants for a minimum of 5 years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available to tenants on the same basis as Social Rent.
- 3.24 Although the availability of Rent-to-Buy in the area is currently extremely limited, its potential suitability for households can be tested by modelling its theoretical cost. The table below sets out the costs of intermediate rent in the Black Country, presuming that the rent is set at 80% of median market rents. The table shows that for one, two and three bedroom properties in all four areas, Intermediate Rent is cheaper than market entry rent and can be considered an affordable product. Four bedroom Intermediate Rented homes, set at 80% median rents, are however more expensive than entry-level accommodation in all Boroughs and therefore are not considered an affordable option. Intermediate Rent will therefore only be considered for its suitability to accommodate households that require a one, two or three bedroom home. It is worth noting that Intermediate Rent is also more expensive than the Affordable Rent currently charged within the Black Country, other than for one bedroom homes in Walsall. It therefore addresses a housing market gap.

Table 3.6 Estimated cost of Intermediate Rent within the Black Country (monthly cost)			
Dudley			
<i>Bedrooms</i>	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£380	£440	£304
Two bedrooms	£484	£530	£440
Three bedrooms	£592	£675	£506
Four bedrooms	£920	£875	£579
Sandwell			
<i>Bedrooms</i>	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£400	£445	£345
Two bedrooms	£484	£550	£434
Three bedrooms	£572	£640	£499
Four bedrooms	£880	£800	£569
Walsall			
<i>Bedrooms</i>	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£372	£425	£381
Two bedrooms	£468	£525	£463
Three bedrooms	£548	£635	£490
Four bedrooms	£960	£850	£551
Wolverhampton			
<i>Bedrooms</i>	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£368	£405	£365
Two bedrooms	£480	£515	£443
Three bedrooms	£572	£660	£495
Four bedrooms	£920	£825	£568

Source: Online survey of property prices July 2020; HCA's Statistical Data Return 2019, Local Authority Housing Statistics data return 2019

- 3.25 As the main purpose of this intermediate housing option is to allow households the opportunity to save for a deposit to buy their first home, it is useful to consider whether this product is likely to allow households to build up their savings sufficiently. The table below shows the average

income of households in the private rented sector by number of bedrooms that they require²⁷ alongside the income required to afford the Intermediate Rent²⁸. The cost of a 10% deposit²⁹ for an entry-level owner-occupied home in each authority is presented in the fourth column³⁰. The next column indicates the time in years it would take on average for a household in the private rented sector to save enough money to afford the deposit required if they were to reside in a home available at Intermediate Rent³¹. The final column sets out the time it would take on average for a household to save for the deposit required were they to reside in entry-level private rented accommodation instead. This analysis is only presented for one to three bedroom accommodation as four bedroom Intermediate Rent priced at 80% of median market rent is not cheaper than entry-level private rented accommodation, as discussed above.

- 3.26 The table shows that households in the private rented sector in Walsall that require a one bedroom home would take on average 3.5 years to save enough money to afford a 10% deposit on a one bedroom entry-level home to purchase in the Borough. If these households were to reside in a home priced at Intermediate Rent, they would be able to save for this deposit within 1.7 years. In all Boroughs of the Black Country and for all dwelling sizes, private rented households would be able to afford a 10% deposit notably quicker if they were to reside in a home priced at Intermediate Rent rather than within the private rented sector. For households requiring a three bedroom home the reduction in the amount of time required to save for a deposit is most dramatic.

²⁷ The household income distribution differentiated by household type (summarised in Figure 3.11) has been adjusted to reflect that nationally the income of private rented households is 91.9% of the figure for all households (according to the English Housing Survey).

²⁸ Following the approach used in Figures 3.6 to 3.9 the annual intermediate rent was multiplied by 3.333 to produce a figure for the annual income required to afford this accommodation (based on 30% of gross income being spent on rent).

²⁹ This is the typical minimum level of deposit required

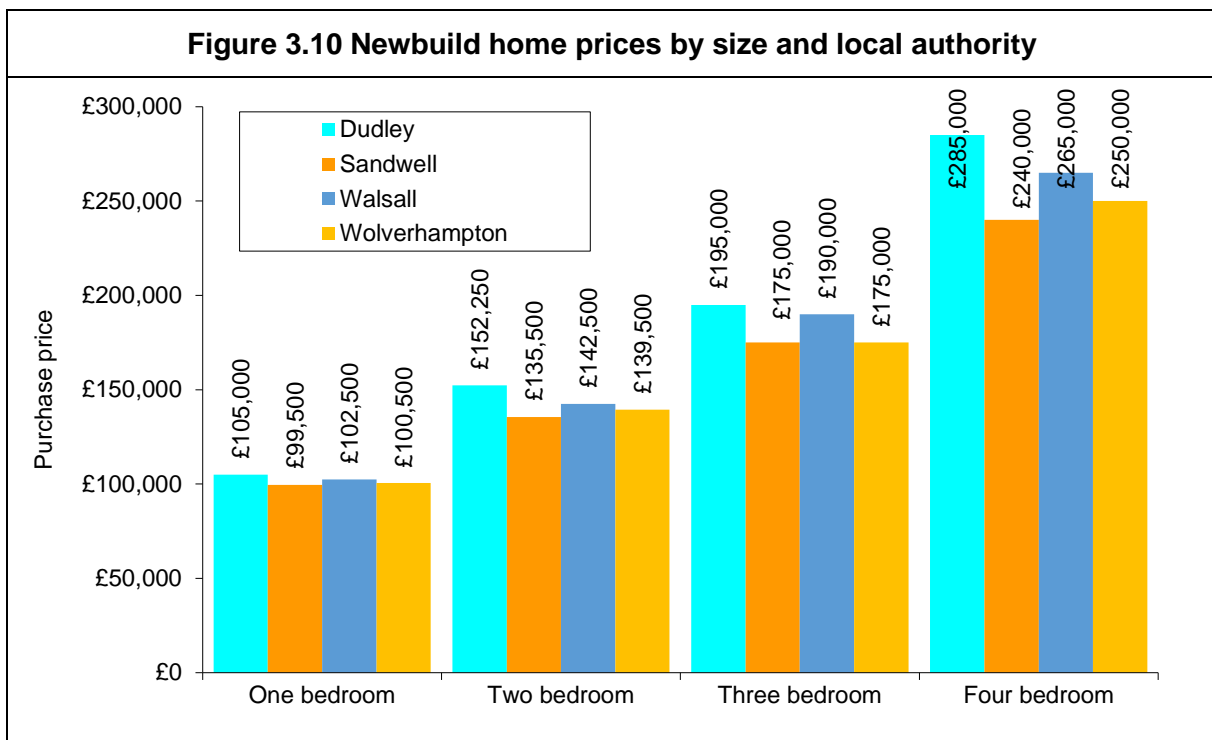
³⁰ Entry-level purchase prices are set out in Figure 3.3.

³¹ This is calculated by taking the difference between the average income of households in the private rented sector and the income required to afford intermediate Rent housing and dividing this figure by the cost of a 10% deposit.

Table 3.7 Average time taken to afford a 10% deposit by households residing in Intermediate Rented accommodation					
Dudley					
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford Intermediate Rent</i>	<i>Cost of 10% deposit of entry-level owner-occupied home</i>	<i>Length of time in years taken to acquire deposit</i>	<i>Length of time in years taken to acquire deposit if household were to reside in private rented sector</i>
One bedroom	£20,191	£15,200	£7,838	1.6	3.0
Two bedrooms	£24,276	£19,360	£11,590	2.4	3.8
Three bedrooms	£29,121	£23,680	£15,438	2.8	7.3
Sandwell					
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford Intermediate Rent</i>	<i>Cost of 10% deposit of entry-level owner-occupied home</i>	<i>Length of time in years taken to acquire deposit</i>	<i>Length of time in years taken to acquire deposit if household were to reside in private rented sector</i>
One bedroom	£18,652	£16,000	£7,125	2.7	8.4
Two bedrooms	£22,844	£19,360	£9,975	2.9	11.8
Three bedrooms	£26,343	£22,880	£14,013	4.0	18.9
Walsall					
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford Intermediate Rent</i>	<i>Cost of 10% deposit of entry-level owner-occupied home</i>	<i>Length of time in years taken to acquire deposit</i>	<i>Length of time in years taken to acquire deposit if household were to reside in private rented sector</i>
One bedroom	£19,106	£14,880	£7,363	1.7	3.5
Two bedrooms	£23,381	£18,720	£10,308	2.2	4.3
Three bedrooms	£27,371	£21,920	£14,250	2.6	7.2
Wolverhampton					
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford Intermediate Rent</i>	<i>Cost of 10% deposit of entry-level owner-occupied home</i>	<i>Length of time in years taken to acquire deposit</i>	<i>Length of time in years taken to acquire deposit if household were to reside in private rented sector</i>
One bedroom	£18,954	£14,720	£7,600	1.8	2.8
Two bedrooms	£23,039	£19,200	£10,445	2.7	4.3
Three bedrooms	£27,029	£22,880	£13,775	3.3	21.9

*This refers to households that would otherwise be renting in the private rented sector.

3.27 The remainder of the intermediate products profiled are principally available as a new home (whilst some products are available for resale, this supply is very limited). It is therefore useful to set out the purchase price of newbuild dwellings in each authority at the time of the price survey. These are set out in the table below. The price variation broadly reflects the relative cost of second-hand home ownership in the Black Country, with Dudley the most expensive, followed by Walsall, Wolverhampton and then Sandwell the cheapest area. It is interesting to note that one bedroom newbuild homes are notably more expensive than median priced second-hand one bedroom accommodation, however newbuild homes become cheaper relative to the average second-hand property price as the dwelling size increases.



Source: Online estate agents survey July 2020

Shared Ownership

3.28 The table below presents the estimated costs of Shared Ownership housing in the Black Country as obtained from the online estate agent survey. The open market values are based on newbuild prices set out above. The monthly costs of purchasing the property with a 75% equity share, a 40% equity share and with a 25% equity share are all presented as these are the most commonly available options. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.64%³² paid on the equity share owned and a rent payable at 2.75% on the remaining equity (i.e. the part of the house not purchased).

³² This interest rate is available as a five-year fixed product to potential homeowners with a high loan to value ratio currently. It is also a rate with no additional product fee associated with it. Whilst there are lower interest rates

- 3.29 The table shows that a 25% equity share Shared Ownership home is cheaper than market entry housing in all instances and can be considered an affordable product. A 40% equity share Shared Ownership home is cheaper than market entry in all instances other than for one bedroom accommodation in Sandwell and four bedroom dwellings in all areas. For four bedroom homes it is more expensive than entry-level market rent although it is cheaper than entry-level home ownership. A 75% equity share Shared Ownership home is more expensive than market entry housing in all instances and cannot be considered an affordable product.

Shared equity

- 3.30 Shared equity is a product similar to Shared Ownership that is typically offered by the private sector rather than Registered Providers. With shared equity a mortgage is offered on the equity owned but with no rent due on the remaining equity. Shared equity is not confined to newbuild housing (whilst shared ownership is) and, whilst it can be used to access second-hand housing, in the Black Country it is only likely to be available on new dwellings. The typical proportion of the equity sold for a shared equity product is 75%. The monthly costs of purchasing a shared equity property with a 75% equity share are set out in the table below. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.64% paid on the equity share owned.
- 3.31 Other than for two and three bedroom homes in Dudley, three and four bedroom homes in Sandwell and one, two and four bedroom homes in Wolverhampton, shared equity accommodation with a 75% equity share is more expensive than entry-level market accommodation. It is also more expensive than Shared Ownership accommodation with a 40% equity share or 25% equity share.

available for those with lower loan to value ratios, we are principally assessing households looking to purchase a home for the first time who are likely to have higher loan to value ratios. Lower interest rates are available for those choosing a shorter fixed term period, however we feel that the use of a five-year period provides a known cost for households becoming owners for a good amount of time.

Table 3.8 Estimated cost of intermediate housing in the Black Country (monthly cost)							
Dudley							
<i>Bedrooms</i>	<i>Open market value</i>	<i>Shared Ownership – 75% equity</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£105,000	£402	£327	£295	£342	£440	£341
Two bedrooms	£152,250	£583	£474	£427	£496	£530	£504
Three bedrooms	£195,000	£747	£607	£547	£635	£675	£671
Four bedrooms	£285,000	£1,092	£887	£799	£929	£875	£1,094
Sandwell							
<i>Bedrooms</i>	<i>Open market value</i>	<i>Shared Ownership – 75% equity</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£99,500	£381	£310	£279	£324	£445	£310
Two bedrooms	£135,500	£519	£422	£380	£442	£550	£433
Three bedrooms	£175,000	£671	£545	£491	£570	£640	£609
Four bedrooms	£240,000	£920	£747	£673	£782	£800	£929
Walsall							
<i>Bedrooms</i>	<i>Open market value</i>	<i>Shared Ownership – 75% equity</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£102,500	£393	£319	£288	£334	£425	£320
Two bedrooms	£142,500	£546	£444	£400	£464	£525	£448
Three bedrooms	£190,000	£728	£591	£533	£619	£635	£619
Four bedrooms	£265,000	£1,015	£825	£743	£864	£850	£1,032
Wolverhampton							
<i>Bedrooms</i>	<i>Open market value</i>	<i>Shared Ownership – 75% equity</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£100,500	£385	£313	£282	£328	£405	£330
Two bedrooms	£139,500	£535	£434	£391	£455	£515	£454
Three bedrooms	£175,000	£671	£545	£491	£570	£660	£599
Four bedrooms	£250,000	£958	£778	£701	£815	£825	£877

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 3.64%. Source: Online estate agents survey, July 2020

First Homes

- 3.32 In February 2020, the Government announced a consultation of the First Homes policy, a potential new initiative to help deliver discounted homes to local people. In August 2020, they published the summary of the consultation responses and the Government's view on the way forward³³, which provided clarity on the purpose and characteristics of the First Home product. This summary indicated that First Homes are intended to be newly built properties sold with a discount of at least 30% below market value. It is anticipated that no interest will be paid on the un-bought equity, rather, when the home is sold on in the future, it will be available at the same proportion of discount for which it was originally bought. First Homes are subject to price caps – outside of London a First Home cannot be sold for more than £250,000.
- 3.33 The initial consultation suggested that First Homes would be targeted at local people that are unable to purchase a market home in the community where they live or work. The final recommendation was that Local Planning Authorities can set specific local connection restrictions provided they are evidenced; however, these restrictions should only apply for the first three months the property is available for sale, to ensure First Homes do not remain unsold.
- 3.34 First-time buyers are the target market for this product and this group is identified using the same definition that is used for Stamp Duty Relief for First-Time Buyers as set out in the Finance Act 2018. However, mechanisms also exist to help prioritise members of the armed forces and key workers. Whilst the product is available to those with notable savings levels, First Homes can only be purchased using mortgage finance or equivalent which covers at least 50% of the purchase value. The product is not suitable for investors as a First Home can only be bought if it is the buyer's only home. The purpose of this product is to increase owner-occupation, so the dwellings will not be able to be used as holiday homes or buy-to-lets. Outside of London households acquiring a First Home cannot have an income over £80,000. Whilst, the Government does allow Local Planning Authorities to set lower income caps, where the need and viability of this option can be evidenced, these local caps are time limited to first three months that the property is for sale.
- 3.35 The guidance is clear that 30% is the minimum level of discount applied, however Local Planning Authorities will *'be able to require a higher minimum discount of either 40% or 50% on First Homes built in their local area, provided they are able to evidence the need for and viability of homes at this higher discount rate through the local plan-making process'* page 4) It is useful therefore to understand whether a larger discount would be required in the Black Country currently. This is presented in the table below. The table suggest that a 30% discount

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907214/200728_PUBLICATION_Govt_response_FH_condoc_v4.pdf

will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation and will therefore address a gap in the housing market locally.

Table 3.9 A comparison of the potential price of a First Home with entry-level owner-occupation			
Dudley			
<i>Bedrooms</i>	<i>Newbuild prices</i>	<i>Newbuild prices with a 30% discount</i>	<i>Entry-level owner-occupation</i>
One bedroom	£105,000	£73,500	£78,375
Two bedrooms	£152,250	£106,575	£115,900
Three bedrooms	£195,000	£136,500	£154,375
Four bedrooms	£285,000	£199,500	£251,750
Sandwell			
<i>Bedrooms</i>	<i>Newbuild prices</i>	<i>Newbuild prices with a 30% discount</i>	<i>Entry-level owner-occupation</i>
One bedroom	£99,500	£69,650	£71,250
Two bedrooms	£135,500	£94,850	£99,750
Three bedrooms	£175,000	£122,500	£140,125
Four bedrooms	£240,000	£168,000	£213,750
Walsall			
<i>Bedrooms</i>	<i>Newbuild prices</i>	<i>Newbuild prices with a 30% discount</i>	<i>Entry-level owner-occupation</i>
One bedroom	£102,500	£71,750	£73,625
Two bedrooms	£142,500	£99,750	£103,075
Three bedrooms	£190,000	£133,000	£142,500
Four bedrooms	£265,000	£185,500	£237,500
Wolverhampton			
<i>Bedrooms</i>	<i>Newbuild prices</i>	<i>Newbuild prices with a 30% discount</i>	<i>Entry-level owner-occupation</i>
One bedroom	£100,500	£70,350	£76,000
Two bedrooms	£139,500	£97,650	£104,453
Three bedrooms	£175,000	£122,500	£137,750
Four bedrooms	£250,000	£175,000	£201,875

Source: Online survey of property prices July 2020

- 3.36 It is useful to assess the ability of households to build up the 10% deposit likely to be required for a discount market home/Starter Home in the Black Country. The total discounted price of these homes is set out in Table 3.9. Following the approach used to produce the analysis set

out in Table 3.7, the table below sets out the average time it would take for households resident in the private rented sector paying lower quartile rents to afford a 10% deposit for a First Home.

- 3.37 The table shows that many households in the private rented sector would be able to build up the deposit required for a First Home in between 3 and 7 years, however those requiring a four bedroom home and households resident in Sandwell will take longer to save. A comparison with the final column in Table 3.7 shows that it is a faster avenue into home ownership than purchasing a second-hand home. Although it will prove a useful entry-point for many households, it will be unobtainable for a notable number of households in the private rented sector.

Table 3.10 Average time taken for households residing in the private rented sector to afford a 10% deposit for a First Home				
Dudley				
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford entry-level private Rent</i>	<i>Cost of 10% deposit of discount market housing</i>	<i>Length of time in years taken to acquire deposit</i>
One bedroom	£20,191	£17,600	£7,350	2.8
Two bedrooms	£24,276	£21,200	£10,658	3.5
Three bedrooms	£29,121	£27,000	£13,650	6.4
Four bedrooms	£38,370	£35,000	£19,950	5.9
Sandwell				
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford entry-level private Rent</i>	<i>Cost of 10% deposit of discount market housing</i>	<i>Length of time in years taken to acquire deposit</i>
One bedroom	£18,652	£17,800	£6,965	8.2
Two bedrooms	£22,844	£22,000	£9,485	11.2
Three bedrooms	£26,343	£25,600	£12,250	16.5
Four bedrooms	£33,472	£32,000	£16,800	11.4
Walsall				
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford entry-level private Rent</i>	<i>Cost of 10% deposit of discount market housing</i>	<i>Length of time in years taken to acquire deposit</i>
One bedroom	£19,106	£17,000	£7,175	3.4
Two bedrooms	£23,381	£21,000	£9,975	4.2
Three bedrooms	£27,371	£25,400	£13,300	6.7
Four bedrooms	£35,111	£34,000	£18,550	16.7
Wolverhampton				
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford entry-level private Rent</i>	<i>Cost of 10% deposit of discount market housing</i>	<i>Length of time in years taken to acquire deposit</i>
One bedroom	£18,954	£16,200	£7,035	2.6
Two bedrooms	£23,039	£20,600	£9,765	4.0
Three bedrooms	£27,029	£26,400	£12,250	19.5
Four bedrooms	£34,273	£33,000	£17,500	13.7

*This refers to households that would otherwise be renting in the private rented sector

3.38 The main issue that remains in doubt around First Homes is the expected baseline for Local Authorities to deliver. The new consultation on changes to four aspects of the planning system

that was opened in August 2020³⁴, referred to in Chapter 1, sets out the Government's proposal regarding the baseline. It suggests that '*a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This will be a national threshold, set out in planning policy*' (page 48). At the time of writing the consultation process is still ongoing, however this draft is being prepared on the presumption that this proposal will be finalised.

Local Housing Allowance

- 3.39 Local Housing Allowance (LHA) is the mechanism for calculating Housing Benefit and the housing element of Universal Credit outside of the Social Rented sector. It is designed to assist people in their ability to pay for their housing, however there is a limit as to how much financial assistance will be provided dependent on the location and size of the property. The LHA cap sets out what this maximum limit for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. If the rent charged is in excess of this cap, it is the responsibility of the household to pay the shortfall.
- 3.40 The table below sets out the monthly LHA caps that apply in the Black Country, which is covered by two BRMAs: The Black Country BRMA applies across the entirety of Dudley and Wolverhampton and the majority of Walsall and Sandwell. Parts of the latter two Boroughs also fall within the Birmingham BRMA. A comparison with the Affordable Rent levels in the Black Country (set out in Table 3.4) indicates that the local Affordable Rents are currently cheaper than the LHA caps for all dwelling sizes in the Black Country BRMA area. A comparison with the entry-level private rents in the Black Country (set out in Figure 3.5) suggests that the LHA caps in the Black Country BRMA are 5-10% lower than entry-level private rent. This means that households in accommodation priced at the lower quartile level and in receipt of the full LHA applicable in the private rented sector, are likely to need additional income sources to be able to pay for their rent.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf

<i>Bedrooms</i>	<i>Black Country BRMA</i>	<i>Birmingham BRMA</i>
Shared room	£261	£290
One bedroom	£398	£524
Two bedrooms	£509	£623
Three bedrooms	£593	£673
Four bedrooms	£748	£848

Source: Valuation Office Agency 2020

Affordability of housing

- 3.41 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. As discussed further in Chapter 4, the affordability ratio measured using the most recent median workplace-based affordability ratios³⁵ is currently 6.38 in Dudley (with an affordability ratio over 4 indicating a market adjustment is required), 5.82 in Sandwell, 5.73 in Walsall and 5.29 in Wolverhampton. In comparison the affordability ratio in 2019 in the West Midlands was 6.83, whilst the national figure was 7.83.
- 3.42 The affordability ratio in Dudley has risen by 4.7% over the last 5 years (it was 6.09 in 2014), whilst in Sandwell the affordability ratio has risen by 18.3% (it was 4.92 in 2014), in Walsall it has grown by 6.1% (it was 5.40 in 2014) and in Wolverhampton is has increased by just 1.5% (it was 5.21 in 2014). In comparison, over the same time period, the affordability ratio has risen by 10.0% for the West Midlands (from 6.21 in 2014) and by 10.4% nationally (a 2014 base of 7.09).

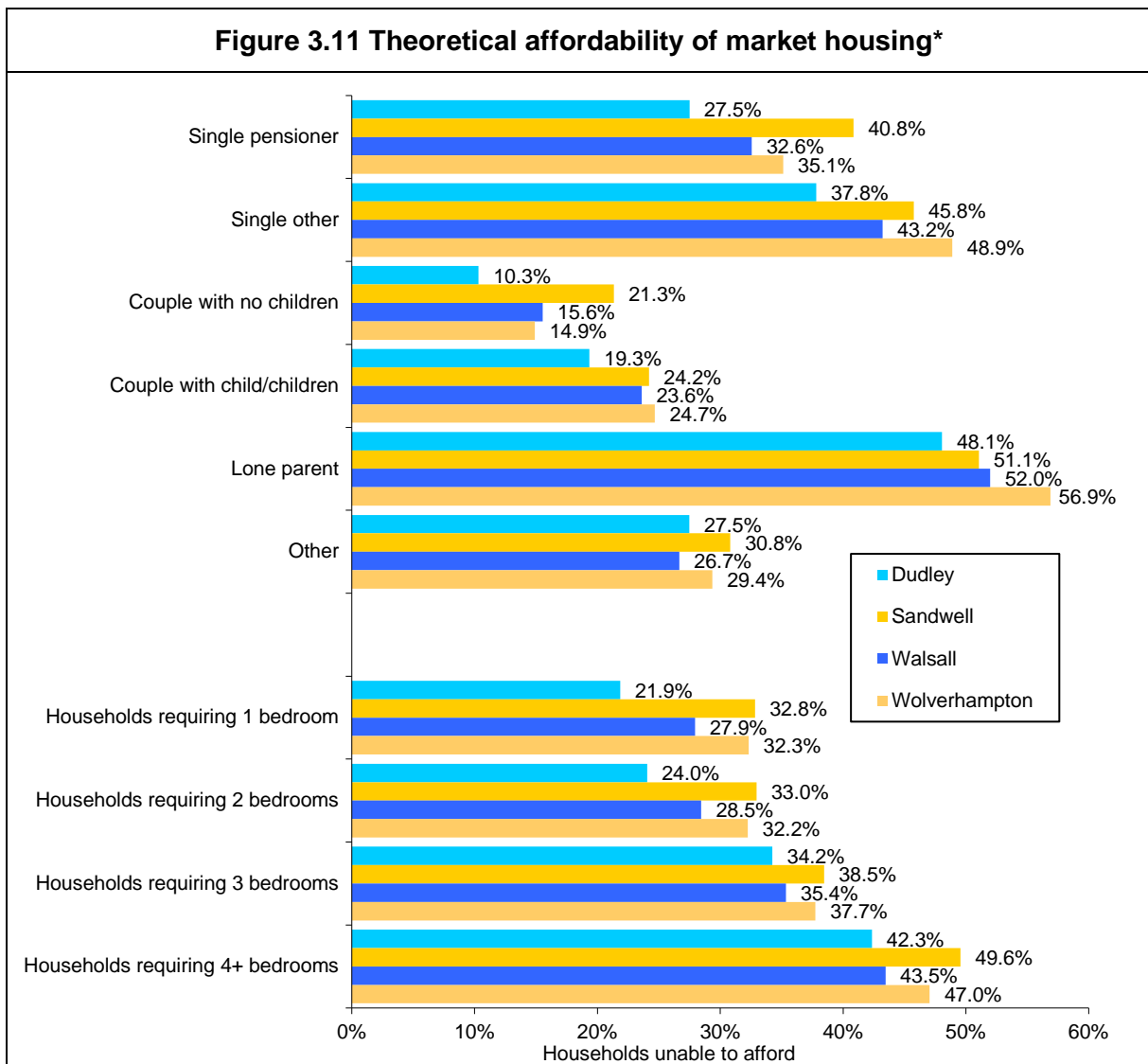
Affordability for specific household groups

- 3.43 The household income distribution referred to in Figure 2.8 differentiated by household type can be used to assess the ability of households in each authority to afford the size of home that they require (according to the bedroom standard³⁶). The entry-level cost of housing by bedroom size is presented in Figures 3.3 and 3.5 and the test is based on the affordability criteria discussed above.

³⁵<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

³⁶ This is the number of bedrooms that is required and is calculated depending on the age, sex and relationship status of the members to the household. A separate bedroom is allocated for each couple and any single person aged 21 or over. Any children aged 10-20 of the same sex is presumed to be able to share a bedroom as are each pair of children under 10 (regardless of gender). Any unpaired child aged 10-20 is paired, if possible, with a child under 10 of the same sex, or, if that is not possible, they are counted as requiring a separate bedroom, as is any unpaired child under 10.

- 3.44 The figure below shows the current affordability of households in the Black Country by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move. It is used to just demonstrate the comparative affordability of different household groups for contextual purposes and does not represent information that the Councils need to plan against.
- 3.45 The data indicates that 48.1% of lone parent households in Dudley would be unable to afford market housing (if they were to move home now) as would 51.1% of lone parent households in Sandwell, 52.1% of lone parent households in Walsall and 56.9% of lone parent households in Wolverhampton. Single person households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in the housing market area. Households requiring a four bedroom home are least likely to be able to afford this size of market housing in the Black Country.





4. Overall housing need

- 4.1 The NPPF indicates that planning authorities should use the Standard Method to establish the overall need for housing. The Standard Method was introduced in 2018 to allow a simple and transparent assessment of the minimum number of homes needed in an area. The full Standard Method was then set out within the PPG published in February 2019³⁷. In August 2020, the Government opened a consultation on changes to the Standard Method³⁸, which led to a revised Standard Method being published within the PPG on 16th December 2020.
- 4.2 The revised Standard Method calculation retains the majority of the features of the previous iteration to retain stability in the plan-making process, however greater emphasis has been placed on delivering houses in the largest urban areas with the addition of a further step in the calculation that affects the 20 largest cities in England. The aim is to ensure that the Government’s ambition for 300,000 new homes per year nationally is deliverable, but the strain is not too great in rural areas and instead there will be greater opportunity for development on brownfield sites in large cities. This prioritization of large cities is intended to make the best use of existing infrastructure, to provide the flexibility for housing development to respond to the structural change currently taking place the retail and commercial sector related to both technological developments and behavioral changes resulting from the coronavirus pandemic, and finally to reduce the environmental impact of new housing development. The approach is still based on a standardised calculation using publicly available data.
- 4.3 This chapter will describe the steps involved in the revised Standard Method, following the approach described in the revised PPG³⁹. It is expected that authorities follow the Standard Method to determine the minimum annual local housing need figure. The latest approach will be followed to calculate the housing need figure for each authority in the Black Country. The PPG makes it clear that, whilst it is not mandatory, any deviation from the Standard Method should only be pursued in exceptional circumstances.

Step 1 – Setting the baseline

- 4.4 The baseline is set using the 2014-based household projections in England⁴⁰. The PPG indicates that *‘Using these projections, calculate the projected average annual household*

³⁷ All the steps were described in paragraph 004 (Reference ID: 2a-004-20190220)

³⁸ See footnote 5.

³⁹ All the steps are described in paragraph 004 (Reference ID: 2a-004-20201216).

⁴⁰ <https://www.gov.uk/government/collections/household-projections>. Paragraph 005 of the PPG (Reference ID: 2a-005-20190220) states that the 2014-based projections are used (in preference to the more recently published 2016-based projections) as they are more suitable for meeting *‘the Government’s objective of significantly boosting the supply of homes.’*

growth over a 10-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).¹

- 4.5 The table below sets out the results of Step 1 of the Standard Method calculation for each of the Black Country authorities. The final baseline figures in the Black Country are: 554 in Dudley, 1,136 in Sandwell, 796 in Walsall and 694 in Wolverhampton.

Table 4.1 Calculating the baseline figure in the Black Country			
<i>Local authority area</i>	<i>Totals households in 2020</i>	<i>Totals households in 2030</i>	<i>Average annual household growth</i>
Dudley	134,254	139,791	554
Sandwell	132,756	146,116	1,336
Walsall	114,999	122,954	796
Wolverhampton	107,998	114,841	694

Source: 2014-based household projections, 2016

Step 2 – An adjustment to take account of affordability⁴¹

- 4.6 The average annual projected household growth figure produced in Step 1 should then be adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios⁴². An adjustment is only required where the ratio is higher than 4 and *‘for each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent.’* The precise formula is detailed in the PPG:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

- 4.7 The table below sets out the results of Step 2 of the Standard Method calculation for each of the Black Country authorities. The baseline figures adjusted to take account of affordability in the Black Country are: 636 in Dudley, 1,488 in Sandwell, 882 in Walsall and 750 in Wolverhampton.

⁴¹ Paragraph 006 of the PPG (Reference ID: 2a-006-20190220) describes why an affordability ratio is applied – principally to account for any constrained household formation and to ensure that people aren’t prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace. The affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG (Reference ID: 2a-011-20190220).

⁴² <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

Table 4.2 Adjusting to take account of affordability				
<i>Local authority area</i>	<i>Current affordability ratio (a)</i>	<i>Adjustment factor (((a-4)/4)*0.25)+1</i>	<i>Baseline figure</i>	<i>Baseline figure adjusted for affordability</i>
Dudley	6.38	1.1488	554	636
Sandwell	5.82	1.1138	1,336	1,488
Walsall	5.73	1.1081	796	882
Wolverhampton	5.29	1.0806	694	750

Source: Ratio of median house price to median gross annual workplace-based earnings by local authority 2019

Step 3 – Capping the level of any increase

4.8 As the PPG describes:

'A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing. Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.⁴³ Alternatively 'where the relevant strategic policies for housing were adopted more than 5 years ago..., the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10-year period identified in step 1; or*
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).'*

4.9 For the Black Country Councils, the most recent planning document is the Black Country 2011 Core Strategy. This is over five years old, so the second of the two approaches described by the PPG is applied. The table below sets out the calculation of the two potential caps that can apply to the housing need figure calculated in the previous step. The table shows that in Dudley, the annual housing requirement is the source of the higher cap, whilst in Walsall, Sandwell and Wolverhampton the annual household growth is the source of the higher cap. In all four authorities the baseline figure adjusted for affordability is within the higher cap figure and therefore does not need to be modified.

⁴³ *'This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and found to not require updating.'*

Local authority area	Cap 1 calculation		Cap 2 calculation		Highest cap figure	Baseline figure adjusted for affordability
	Average annual household growth (2020 to 2030)	40% increase to this figure	Annual requirement in the 2011 Core Strategy	40% increase to this figure		
Dudley	554	775	806	1,129	1,129	636
Sandwell	1,336	1,870	1,074	1,504	1,870	1,488
Walsall	796	1,114	599	838	1,114	882
Wolverhampton	694	972	671	939	972	750

Source: 2014-based household projections, 2016, Black Country Core Strategy 2011

Step 4 – Cities and urban centres uplift

- 4.10 This is the step that has been introduced within the December 2020 modifications to the calculation. The PPG states that, after the housing need figure has been adjusted as a consequence of the cap, ‘a 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.’ The PPG advises that the list of the top 20 cities and urban centres in England is identified by ranking the ONS’s list of Major Towns and Cities by population size based on the most recent mid-year population estimates.
- 4.11 The boundaries of the urban areas created by the ONS’s method for identifying the major towns and cities in England are not conterminous with local authority boundaries, with urban areas often spread over several local authorities. The PPG therefore clarifies that it is only the 20 authorities which contain the largest proportion of the city or urban centre’s population in which the 35% uplift is applied – any other local authority in which the urban area is partly situated is not required to apply the uplift⁴⁴. The PPG finally lists the twenty largest cities and urban centres, as at December 2020, as London, Birmingham, Liverpool, Bristol, Manchester, Sheffield, Leeds, Leicester, Coventry, Bradford, Nottingham, Kingston upon Hull, Newcastle upon Tyne, Stoke-on-Trent, Southampton, Plymouth, Derby, Reading, Wolverhampton, and Brighton and Hove.
- 4.12 Wolverhampton features on the list (the 19th largest urban area) and whilst the city boundary identified by the ONS is partly within the neighbouring authority of South Staffordshire, the overwhelming majority of the city is located in the Borough of Wolverhampton and the 35% uplift figure should therefore be applied. Applying this uplift to the baseline figure adjusted for affordability of 750 in Wolverhampton, results in an annual Housing Need figure of 1,013 per

⁴⁴ In London the uplift applies to all the authorities that comprise Greater London.

year. For Dudley, Walsall and Sandwell no 35% uplift is required, and the final Housing Need figure is as stated in the final column of Table 4.2.

Overall level of housing need

- 4.13 The final Housing Need in the Black Country, as assessed using the revised Standard Method, is 4,019 per year. This is comprised of 636 per year in Dudley, 1,488 in Sandwell, 882 in Walsall and 1,013 in Wolverhampton.
- 4.14 Paragraph 008 of the PPG⁴⁵ notes that whilst *‘the standard method may change as the inputs are variable..., local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.’* Whilst Paragraph 010 the PPG includes a number of conditions where it may be appropriate to pursue a higher housing need figure than is indicated by the Standard Method, this assessment is carried out on the basis that the Standard Method figures set out above will apply.
- 4.15 As noted in Paragraph 012 of the PPG⁴⁶, this approach provides an annual figure which can be applied to a whole plan period. The NPPF requires strategic plans to identify a supply of sites for 15 years, however the Local Plan for the Black Country will run from 2020 to 2039, so for the plan-period modelling presented in Chapter 5 of the report, a 19-year period is used. The requirement for new housing over the 19- year plan period is therefore 76,361 across the Black Country is (4,019 per year). This is broken down into 12,084 new homes in Dudley (636 per year), 28,272 new homes in Sandwell (1,488 per year), 16,758 new homes in Walsall (882 per year), and 19,247 new homes in Wolverhampton (1,013 per year).
- 4.16 As the PPG notes, *‘the standard method for assessing housing need.....does not break down the [overall figure] into the housing need of individual groups’*⁴⁷. Chapter 5 of this report presents the disaggregation of this local housing need figure into the overall sizes, types and tenures of homes required, which means the housing needs of individual groups can be addressed (presented in Chapter 7).

⁴⁵ Reference ID: 2a-008-20190220

⁴⁶ Reference ID: 2a-012-20190220

⁴⁷ Reference ID: 67-001-20190722



5. Type and tenure of future housing needed

Introduction

- 5.1 The requirement within paragraph 61 of the NPPF to disaggregate the local housing need figure to ‘*assess the size, type and tenure of housing needed for different groups in the community*’ is reiterated in Paragraph 17 of the PPG. This chapter describes the long-term balancing housing markets (LTBHM) model which determines the future demand for housing by size and tenure based on the profile of the population derived within the local housing need calculation (set out in Chapter 4).
- 5.2 There are two stages to this process, the first is to disaggregate the local housing need as derived through the Standard Method to produce a population profile for the housing market area at the end of the plan period in 2039. The second process uses secondary data to model the future demand for housing arising from this future population and compare it to the current housing stock so that a profile of new accommodation required can be determined⁴⁸.
- 5.3 The demand modelling is described in more detail subsequently, however this chapter initially presents the process for disaggregating the local housing need. The change in the household composition indicated within these projections drives the size and tenure demand profiles generated by the model.

Disaggregating the local housing need

- 5.4 In the Black Country, the Standard Method local housing need of 4,019 per annum across the four authorities will require the construction of significantly more homes than is implied by the official projections, as the affordability adjustment and the city and urban centres uplift made in the Standard Method calculation lifts the housing need above the growth of 3,380 households per year identified in the 2014-based household projections (as described in Chapter 4). If these 4,019 homes are built, the population will be larger than projected. It is necessary to determine the profile of this additional population and disaggregate the total local housing need, using the NMSS model,⁴⁹ so that appropriate accommodation can be provided for the whole population of the Black Country in 2039.

⁴⁸ This will include a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 6, as described in para 1.8, and the two should not be compared.

⁴⁹ The model is detailed in Appendix 3.

5.5 The model takes as its starting point the 2018-based population projections⁵⁰. These projections are then adjusted to make them align with the local housing need figures in each authority using the following assumptions:

- The Standard Method makes it clear that the uplift in housing it is trying to achieve is partly to reverse the falling level of household formation that have been recorded amongst younger people. The first step is therefore to progressively increase the household formation for all age groups under 45 until it reaches the rate recorded in 2001.
- Once these household formation rates have increased to 2001 levels, any additional homes required by the local housing need will be filled by additional people moving into the area from the rest of the UK. These additional in-migrants will have the same age and gender profile as those that have moved into the area recently from the rest of the UK.
- The age and gender profile of this adjusted population (increased household formation and increased in-migrants) will be aged-on and have the same propensity to have children, move away from the area and die as other residents of each Borough of the same gender and age. In this way it will be possible to estimate how the additional population (above that suggested by the latest population projections) is likely to develop over time.

Population profile

5.6 The table below sets out the age profile of the population in the Black Country in 2039 according to these adjusted population projections in comparison to the age profile of the housing market area currently (in 2020). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the plan period - those aged 75 or over will rise from 102,689 in 2020 to 133,780 in 2039, an increase of 30.3%. Whilst those aged 60 and over will account for over a quarter of all people in the Black Country in 2039, over a third of people in the housing market area at the end of the plan period will be aged under 30. The table below is replicated for the constituent authorities of the housing market area within Appendix 4.

⁵⁰ The 2018-based population projections are used as a basis as these are the most recent and benefit from the ONS's latest methodology and their most recent data and assumptions on key factors such as fertility and mortality rates and migration flows. MHCLG have chosen to revert to the 2014-based projections for the Standard Method simply because they happen to produce a national housing need total that is closer to their objective of building 300,000 homes a year, not because they have doubts about the ONS's methodology in the latest projections. In accordance with the PPG we have used the 2014-based projections to determine the local housing need, we are using the 2018-based projections to disaggregate this figure in terms of age and gender profile

Table 5.1 Age of projected population in the Black Country in 2039 compared with current age profile

Age	2020 Population	2020 Percentage	2039 Population	2039 Percentage
0-14	257,381	21.3%	263,880	19.7%
15-29	203,617	16.8%	229,417	17.2%
30-44	237,874	19.7%	253,026	18.9%
45-59	236,146	19.5%	252,497	18.9%
60-75	170,992	14.1%	204,357	15.3%
75+	102,689	8.5%	133,780	10.0%
Total	1,208,699	100.0%	1,336,956	100.0%

Broad economic consequences of the projected growth

5.7 The projections identify that the working age population (those aged between 18 and 64) in the Black Country will increase by 57,026 people between 2020 and 2039, which represents growth of 8.0%. If it is assumed that the job density currently recorded for the housing market area⁵¹ is maintained in 2039, it would be anticipated that an extra 39,528 new jobs will exist in the Black Country at the end of the plan period (5,196 additional jobs in Dudley, 13,953 in Sandwell, 10,953 in Walsall and 9,426 in Wolverhampton). If the job density in the Black Country is able to increase to the current level recorded across the West Midlands region⁵², it would mean that there would be an additional 46,191 jobs in the housing market area in 2039 (6,189 additional jobs in Dudley, 16,869 in Sandwell, 12,675 in Walsall and 10,458 in Wolverhampton).

5.8 It is important to note that traditionally the number of people residing in the Black Country that are in work exceeds the number of people working in the housing market area by a factor of 6.0%⁵³. It would therefore be anticipated that in 2039 there would be a further 2,350 to 2,800 more people resident in the Black Country that were employed in jobs based outside of the housing market area (in addition to the increase in employment levels implied above).

Household profile

5.9 This population projection is then converted into a household projection by:

- Removing from the population projection an estimate of those living in communal establishments such as old people's homes. This is done using the same assumptions

⁵¹ 0.69 jobs per working age person in the housing market area as discussed in paragraph 2.15.

⁵² 0.81 jobs per working age person in the West Midlands region as discussed in paragraph 2.15.

⁵³ Based on the travel-to-work patterns recorded in the 2011 Census as discussed in chapter 1.

as in the official projections. The resulting population is known as the household population.

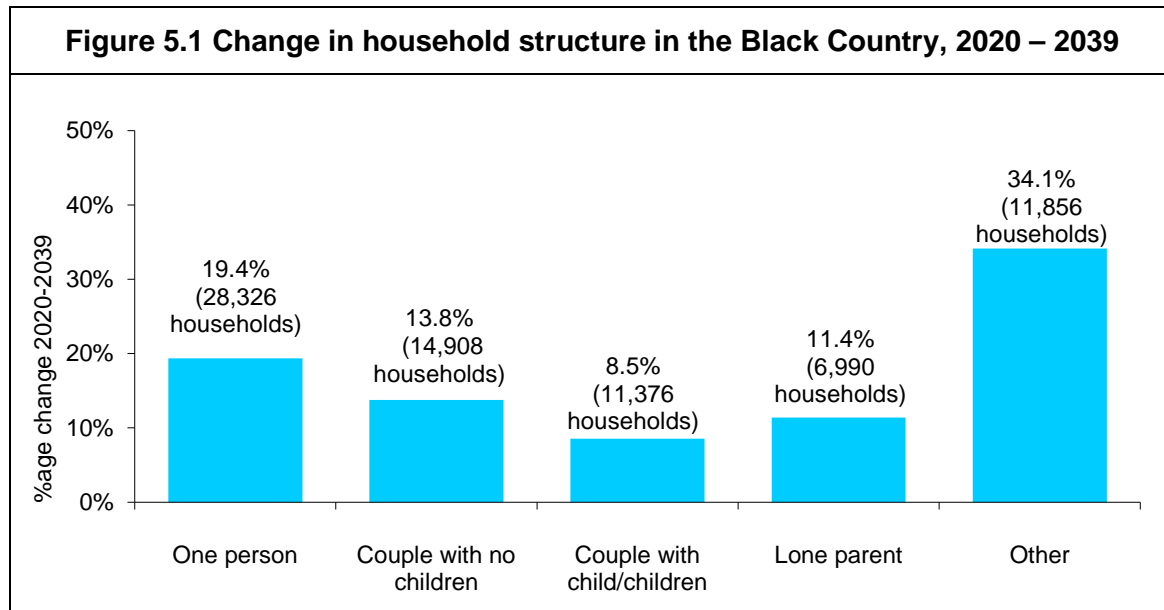
- Household formation rates are then applied to the household population to produce a household projection. The household formation rates are taken from the official 2018-based household projections, with the adjustments made to return household formation rates to 2001 levels amongst younger age groups as described earlier in the chapter.

5.10 The table below sets out the number of households that will be resident in the Black Country in 2039 disaggregated by broad household type according to these projections. The 2020 household profile is also presented as a reference point, as 2020 is the base date for this model.

Table 5.2 Projected household population in the Black Country in 2039 by household type				
<i>Household type</i>	<i>2020 Number</i>	<i>2020 Percentage</i>	<i>2039 Number</i>	<i>2039 Percentage</i>
One person	146,166	30.2%	174,492	31.3%
Couple with no children	108,157	22.4%	123,065	22.1%
Couple with child/children	133,060	27.5%	144,436	25.9%
Lone parent	61,280	12.7%	68,270	12.3%
Other*	34,731	7.2%	46,587	8.4%
Total	483,395	100.0%	556,850	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

5.11 The figure below indicates the change in these household types that will occur between 2020 and 2039 in the Black Country. The figure indicates that the largest relative growth will be in 'other' households, which are projected to grow by 34.1% between 2020 and 2039 (from a relatively low base), with the number of single person households also projected to grow notably. The absolute growth in households will be largest for one person households, followed by couple households with no children. The table above and the figure below are replicated for the constituent authorities of the housing market area within Appendix 4.



Methodology of the demand model

- 5.12 The demand model uses secondary data to determine the future demand for housing by size and tenure as derived from the profile of household's resident in the area at the end of the plan-period. It is based on both a detailed understanding of the current stock of housing in each Borough, and also the occupation patterns of households in the individual constituent local authorities and how they are changing. It is driven by the changes projected to the composition of the population over the next 19 years, as set out above.
- 5.13 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in the Black Country in 2011. This has been adjusted⁵⁴ to reflect the changes since 2011 to provide an accommodation profile in 2020.
- 5.14 The 2011 Census also provides detail on the occupational patterns of different household groups in the Black Country, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in the Black Country and adjusted to reflect any more recent behavioural trends recorded nationally in the English Housing Survey, with the changes in the size of accommodation occupied within each tenure also accounted for), and models their continuation through to 2039. This approach is in line with the PPG.

⁵⁴ Using the latest data from the Regulator of Social Housing's Statistical Data Return and trends indicated within the English Housing Survey and by the Census.

- 5.15 A further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model⁵⁵. This means that the future housing stock will better reflect the requirements of the future population in the area.
- 5.16 This profile of suitable accommodation for each household type is applied to the size of the household group in 19 years' time. The accommodation profile required in 2039 is then compared to the current accommodation profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households, so the figures are based on the change in number of households identified within the housing need calculations. However, the housing need calculations presume that the requirement for new dwellings is greater than the projected growth in households. Chapter 7 below, will therefore convert the household based results from this chapter into dwelling based equivalents⁵⁶. The following section presents the outputs of this model.

Tenure of housing required

- 5.17 The tables below show the projected tenure profile in the Black Country at the end of the plan period. The profile in 2020 at the start of the plan period is also set out for context. The data shows that, in 2039, the housing stock across the Black Country should comprise 59.2% owner-occupied accommodation, 16.2% private rented homes, 1.5% Shared Ownership properties and 23.1% Social Rented/Affordable Rented housing.

⁵⁵ Using the example of a lone parent household residing in a two bedroom property but requiring a three bedroom home, the modelled accommodation profile for this household group would assign this household a three bedroom property rather than a two bedroom dwelling. This means that it is anticipated that for equivalent households in the future, none would be expected to live in an overcrowded home.

⁵⁶ The number of homes required per year is converted to a household figure – these new homes are likely to be occupied at the same rate as the existing housing stock so it is necessary to account for the fact that some new homes will be vacant and some will become second homes. The proportion of dwellings currently unoccupied across the Black Country is 3.80% (in Dudley it is 3.27% in Sandwell it is 3.47%, in Walsall it is 3.25% and in Wolverhampton it is 5.12%). These figures are calculated as the sum of the number of second homes and the number of vacant homes, as a proportion of all dwellings in the authority (as recorded in April 2019 in the Council tax base dataset <https://www.gov.uk/government/collections/council-taxbase-statistics>). It is assumed that some 3.80% of the 4,019 new homes required per year in Black Country will be vacant. This means that each year 3,886 households will be housed in new homes in the Black Country over the plan period. In Dudley it is assumed 3.27% of the 636 new homes will be vacant, meaning 615 households will be housed in new homes in the Borough each year. In Sandwell it is assumed 3.47% of the 1,488 new homes will be vacant, meaning 1,436 households will be housed in new homes in the Borough each year. In Walsall it is assumed 3.25% of the 882 new homes will be vacant, meaning 853 households will be housed in new homes in the Borough each year. In Wolverhampton it is assumed 5.12% of the 1,013 new homes will be vacant, meaning 961 households will be housed in new homes in the Borough each year.

Table 5.3 Current tenure and tenure profile projected in the Black Country in 2039				
<i>Tenure</i>	<i>Base tenure (2020)</i>		<i>Projected tenure (2039)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	289,917	60.0%	329,405	59.2%
Private rented	74,052	15.3%	90,400	16.2%
Shared Ownership	2,105	0.4%	8,208	1.5%
Social Rent/Affordable Rent	117,321	24.3%	128,837	23.1%
Total	483,395	100.0%	556,850	100.0%

- 5.18 The table below shows the tenure profile required by households resident in the Black Country in 2039 time in comparison to the tenure profile recorded in the housing market area at the start of the plan period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 53.8% of new housing in the Black Country should be owner-occupied, 22.3% private rented, 8.3% should be Shared Ownership and 15.7% Social Rent/Affordable Rent.

Table 5.4 Tenure of new accommodation required in the Black Country over the 19 year plan period				
<i>Tenure</i>	<i>Base tenure profile (2020)</i>	<i>Tenure profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	289,917	329,405	39,488	53.8%
Private rent	74,052	90,400	16,348	22.3%
Shared Ownership	2,105	8,208	6,103	8.3%
Social Rent/Affordable Rent	117,321	128,837	11,516	15.7%
Total	483,395	556,850	73,455	100.0%

First Homes

- 5.19 As discussed in Chapter 3, First Homes are an intermediate product that have been introduced to specifically help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private

rented sector⁵⁷. However, as it is a product that has only recently been introduced into the market it cannot be modelled using the same trend data as is utilised for the rest of the LTBHM model. The potential demand for this new product over the plan period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing, informed by an affordability analysis of the tenure and the length of time required to save a deposit⁵⁸.

- 5.20 This approach identifies that, between 2020 and 2039, there would be a potential demand for 6,407 First Homes in the Black Country, which would represent 8.7% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 6,407 First Homes in The Black Country, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

- 5.21 The tables below present the size of owner-occupied accommodation required in the Black Country in 19 years' time in comparison to the size profile recorded in the sector at the base date. The implied change to the housing stock is also presented. The data shows that some 30.5% of new owner-occupied housing in the Black Country should be three bedroom homes, with 27.9% being two bedroom units, 22.6% should have four or more bedrooms and 19.1% one bedroom accommodation.

Table 5.5 Size of new owner-occupied accommodation required in the Black Country over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	6,562	14,088	7,526	19.1%
Two bedroom	52,759	63,764	11,005	27.9%
Three bedroom	171,196	183,230	12,034	30.5%
Four or more bedrooms	59,399	68,323	8,924	22.6%
Total	289,917	329,405	39,488	100.0%

- 5.22 This analysis can be repeated for private rented housing and is presented in the table below. The data indicates that, of the 16,348 private rented homes required within the Black Country,

⁵⁷ The likely price of First Homes is markedly cheaper than entry-level owner-occupation across the Black Country and households unable to access owner-occupation without this product would instead find accommodation in the private rented sector.

⁵⁸ Footnote 27 describes the income and affordability profile in the private rented sector is derived. Applying this affordability profile to the flow of households moving to a private rented home each year allows the number of these households that could afford First Homes to be modelled.

28.8% should be four or more bedroom properties and a further 25.5% should have three bedrooms. Some 24.1% should be two bedroom homes and 21.6% should be single bedroom accommodation.

Table 5.6 Size of new private rented accommodation required in the Black Country over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	11,864	15,395	3,531	21.6%
Two bedroom	25,765	29,703	3,938	24.1%
Three bedroom	30,523	34,692	4,169	25.5%
Four or more bedrooms	5,901	10,610	4,710	28.8%
Total	74,052	90,400	16,348	100.0%

- 5.23 The table below sets out the equivalent analysis for Shared Ownership housing. The data indicates that of the 6,103 Shared Ownership dwellings required within the Black Country, 32.0% should be two bedroom properties with a further 27.5% three bedroom accommodation. Some 25.0% should have one bedroom and 15.5% should have four or more bedrooms.

Table 5.7 Size of new Shared Ownership accommodation required in the Black Country over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	435	1,962	1,527	25.0%
Two bedroom	844	2,797	1,953	32.0%
Three bedroom	590	2,270	1,680	27.5%
Four or more bedrooms	236	1,179	943	15.5%
Total	2,105	8,208	6,103	100.0%

- 5.24 The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that of the 11,516 additional Affordable Rented units required within the Black Country over the 19 year plan period, 37.2% should have four bedrooms, 25.7% one bedroom, 22.2% three bedrooms and 14.9% two bedrooms. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the plan period. If there is loss of affordable stock through Right-to-Buy this will also need to be replaced. As larger homes are more likely to be lost through Right-to-Buy, the Black Country Councils may need more new three and four bedroom Affordable Rented/Social Rented homes over the plan period than is in the table below indicated below, to compensate for Right-to-Buy losses.

Table 5.8 Size of new Social Rent/Affordable Rent required in the Black Country over the next 19 years

<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	31,989	34,948	2,959	25.7%
Two bedroom	38,955	40,670	1,715	14.9%
Three bedroom	43,212	45,767	2,555	22.2%
Four or more bedrooms	3,165	7,451	4,287	37.2%
Total	117,321	128,837	11,516	100.0%

5.25 The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table. The model indicates that in the Black Country, 33.6% of the First Homes should have three bedrooms, 26.9% two bedrooms, 20.6% one bedroom and 18.9% four bedrooms.

Table 5.9 Potential demand for First Homes in the Black Country over the next 19 years

<i>Size of home</i>	<i>First Homes</i>		<i>Residual private rented homes</i>	
	<i>Number required</i>	<i>Proportion required</i>	<i>Number required</i>	<i>Proportion required</i>
One bedroom	1,322	20.6%	2,209	22.2%
Two bedroom	1,724	26.9%	2,214	22.3%
Three bedroom	2,152	33.6%	2,018	20.3%
Four or more bedrooms	1,208	18.9%	3,502	35.2%
Total	6,407	100.0%	9,941	100.0%

5.26 The table below summarises the results for presented for each tenure individually above and shows the profile the new housing required in the Black Country over the next 19 years.

Table 5.10 Profile of new accommodation required in the Black Country

<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared Ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	7,526	2,209	1,322	1,527	2,959
2 bedroom	11,005	2,214	1,724	1,953	1,715
3 bedroom	12,034	2,018	2,152	1,680	2,555
4+ bedrooms	8,924	3,502	1,208	943	4,287
Total	39,488	9,941	6,407	6,103	11,516

- 5.27 The outputs of this model are replicated for the constituent authorities of the Black Country in Appendix 4.



6. Affordable housing need

Introduction

- 6.1 As indicated in the PPG, it is necessary to undertake a separate calculation of affordable housing need. Paragraph 18 (Reference ID: 2a-018-20190220) to Paragraph 24 (Reference ID: 2a-024-20190220) of the PPG details how affordable housing need should be calculated. The affordable housing need figure is calculated in isolation from the rest of the housing market, and is used solely to indicate whether the Local Planning Authority should plan for more dwellings where it could help meet the need for affordable housing.
- 6.2 The model outlined in the PPG is an assessment of the housing market at a particular point of time (Summer 2020) and does not consider likely future changes to the housing market that may impact the results (such as future loss of affordable stock through Right to Buy), i.e. it is based on what is known at the time of the assessment. The PPG (Paragraph 19) defines affordable housing need as *‘the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market’*.
- 6.3 Appendix 5 presents the results of the three broad stages of the model used to calculate affordable housing need. This chapter sets out the overall annual estimate of the affordable housing need in the Black Country as a consequence of following the steps detailed in the appendix, and the tenure of accommodation most appropriate to meet this need is discussed.

Estimate of net annual affordable housing need

- 6.4 Once all of the steps of the calculation of the affordable housing needs model (detailed in Appendix 5) have been completed, it is necessary to bring this evidence together to determine the overall net annual affordable housing need. This is set out below.
- 6.5 Paragraph 024 of the PPG⁵⁹ states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).
- 6.6 The second step is to convert this total net current need figure into an annual flow. The PPG indicates that annual flows should be based on the plan period. For the purposes of this study the period of 19 years will be used to fit in with the remaining timeframe of the Local Plan (through to 2039). The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable

⁵⁹ Reference ID: 2a-024-20190220.

housing (Stage 4). The table below sets out this process. It leads to a total need for affordable housing of 867 per year in The Black Country. In accordance with paragraph 024 of the PPG, this figure should be compared with the local housing need identified following the Standard Method to determine whether an uplift to the local housing need is required. This is discussed in Chapter 8.

Table 6.1 Results of the affordable housing needs model in the Black Country	
<i>Stage in calculation</i>	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A5.3)	18,822
Stage 2: Newly arising affordable housing need (Annual) (Table A5.5)	8,313
Stage 3: Current affordable housing supply (Total) (Table A5.6)	13,320
Stage 4: Future housing supply (Annual) (Table A5.9)	7,735
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	5,503
Stage 5.2 Annualise net current need (Stage 5.1/19) (Annual)	290
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	867
Total gross annual need (Stage 1/19 + Stage 2) (Annual)	9,303
Total gross annual supply (Stage 3/19 + Stage 4) (Annual)	8,436

6.7 The summary results set out above alongside the subsequent analysis of households in need is presented for the constituent authorities of the Black Country in Appendix 6. The total need for affordable housing in each constituent authority is: 137 per year in Dudley, 343 per year in Sandwell, 154 per year in Walsall and 234 per year in Wolverhampton.

Overall households in affordable housing need by type (gross)

6.8 The table below gives a breakdown of the gross annual households in need, by household type in the Black Country. The table shows that some 4.3% of lone parent households are in housing need compared to 1.1% of one person households. Overall, lone parent households comprise over a quarter of all households in need.

Table 6.2 Annual need requirement by household type in the Black Country

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	1,678	144,489	146,166	1.1%	18.0%
Couple with no children	1,663	106,495	108,157	1.5%	17.9%
Couple with child/children	2,021	131,039	133,060	1.5%	21.7%
Lone parent	2,664	58,616	61,280	4.3%	28.6%
Other	1,278	33,453	34,731	3.7%	13.7%
Total	9,303	474,092	483,395	1.9%	100.0%

Type of affordable home required

- 6.9 As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in the Black Country. This section will consider the suitability of these different products for meeting affordable housing need.
- 6.10 As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 40% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in the Black Country are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.
- 6.11 The table shows that of the 9,303 households in gross need each year in the Black Country, 15.4% could afford a First Home, 2.7% a shared equity dwelling, 10.0% could afford Shared Ownership with a 40% share, 31.8% could afford Shared Ownership with a 25% share, 4.6% could afford Intermediate Rent and 24.2% could afford Affordable Rent. Some 60.2% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 6.3 Size and type of affordable home required by those in need (per annum) in the Black Country						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Home	374	423	470	161	1,429	15.4%
Shared equity	16	24	185	26	252	2.7%
Shared Ownership – 40% equity share	188	252	376	109	926	10.0%
Shared Ownership – 25% equity share	962	958	706	329	2,955	31.8%
Intermediate Rent	0	64	362	0	425	4.6%
Affordable Rent	214	248	882	883	2,228	23.9%
Social Rent/requires assistance	2,379	2,120	881	218	5,598	60.2%
All households	3,340	3,078	1,783	1,102	9,303	100.0%

Sensitivity analysis - affordability threshold

- 6.12 The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in the Black Country, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across the Black Country where the cost of housing could constitute no more than 25% of gross household income and 35% of gross household income as well as the 30% of gross household income base scenario.
- 6.13 In paragraph 020 of the PPG, it is noted that households should be considered against their ability to afford owner-occupation, where that is their aspiration. Unfortunately, the data sources do not collect information on the tenure that the households in need aspire to. To gauge the impact of presuming all households aspire to owner occupation, the final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.
- 6.14 The table indicates that the net requirement would increase from 867 to 2,188 affordable homes per year in the Black Country if only 25% of gross household income could be spent on housing costs. However, if the income threshold were increased to 35%, the net requirement would reduce to 236 affordable dwellings per annum. If it was presumed that home ownership was the market access point, then there would be a need for 3,618 affordable homes per year.

Table 6.4 Impact of different affordability assumptions on affordable housing requirement in the Black Country

	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>	
Stage 1: Current gross need	18,822	21,705	17,563	24,898
Stage 2: Newly arising need	8,313	9,493	7,734	10,784
Stage 3: Current supply	13,320	13,548	13,066	14,096
Stage 4: Future supply	7,735	7,735	7,735	7,735
Stage 5.1 Net current need	5,503	8,157	4,497	10,803
Stage 5.2 Annual net current need	290	429	237	569
Stage 5.3 Total annual need	867	2,188	236	3,618



7. Requirements of specific groups

Introduction

7.1 Paragraph 59 of the NPPF seeks that ‘... that the needs of groups with specific housing requirements are addressed ...’, and then paragraph 61 requires:

... the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

7.2 This chapter considers the specific profiles of the specific groups of the population. For each group the analysis will present the relative prevalence of the population, the current accommodation situation and information on their future requirements. As stated in Paragraph: 001 (Reference I D: 67-001-20190722) of the PPG, ‘*Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area.*’ Whilst the LTBHM model (set out in Chapter 4 above) considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. It should be noted that, in the PPG, housing needs assessments are divided into three different elements; ‘*housing and economic needs assessments*’, ‘*housing needs of different groups*’ and ‘*housing needs of older and disabled people*’. This chapter will contain information that meets the requirements within each of these.

7.3 The chapter looks at the following groups of the population which all have an appreciable impact on the housing market in the Black Country:

- Older persons
- People with disabilities
- Family households

7.4 This chapter will also examine the private rented sector in more detail, provide a brief update on the student population and comment on the level of demand from people wishing to build their own homes.

Housing Needs of Older People

7.5 Paragraph: 001 of the PPG⁶⁰ recognises that ‘*the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing.... Offering older people, a better choice of accommodation to suit their changing*

⁶⁰ Reference ID: 63-001-20190626

needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.’ Page 69 of the NPPF provides the following definition of older people: *‘People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.’* The analysis of older people presented here will be focused on people aged 65 and over.

Future requirement

- 7.6 The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase dramatically in the Black Country over the plan period; from 210,650 in 2020, to 270,966 in 2039, a rise of 28.6% (some 60,315 people). This pattern of a notable growth in older persons over the next 19 years is consistent across the Black Country; the population aged 65 or over projected to grow by 23.8% in Dudley (15,753 people), by 34.5% in Sandwell (17,235 people), 24.9% in Walsall (12,549 people) and 33.5% in Wolverhampton (14,779 people).
- 7.7 The projections also suggest that there will be an increase in the number of households headed by someone over 65 in the Black Country from 137,856 in 2020, to 181,993 in 2039, an increase of 32.0%. The projections indicate that the proportion of older persons living alone in the Black Country will increase from 44.3% in 2020, to 48.6% in 2039.
- 7.8 The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in the Black Country in 2039 arising from that model.

Table 7.1 Type of accommodation projected for ‘older person only’ households in the Black Country in 2039					
<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	12,547	1,960	33	887	22,488
2 bedroom	43,267	4,332	72	317	18,445
3 bedroom	63,596	2,705	0	63	4,924
4+ bedrooms	5,558	212	0	0	587
Total	124,968	9,209	105	1,268	46,443

- 7.9 In line with the updated PPG that says *‘offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems’* it will be necessary for the Councils to consider how the requirements of these groups could be accommodated in the future. It is anticipated that the majority of older person households will reside in the general housing stock in the Black Country in 2039 (as they do now) so it is important that new housing is suitable for the widest range of groups.

- 7.10 There are a range of tools for achieving this, such as following the HAPPI⁶¹ design principles so housing may be suitable for older people (although these design features will appeal more widely across the population), adoption of the Building for Life⁶² Standards (these are broad design principles), and adopting the Accessible and Adaptable Standards⁶³ of construction, as set out in the Building Regulations. The Councils will need to determine which approach is most suitable for their requirements and this may vary for different sites across the Black Country. Detailed analysis of the requirement for homes built to accessible and adaptable standards is presented in the following section on the requirements of people with disabilities.

Specialist accommodation

- 7.11 Given the dramatic growth in the older population, and the higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options. As Paragraph 004 of the PPG⁶⁴ notes *'the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed'*. To assess this need we have used the approach advocated by the Housing Learning and Improvement Network's (Housing LIN) Strategic Housing for Older People (SHOP) tool, which is the model recommended within Paragraph 004 of the PPG. It should be noted that this tool is only driven by demographic changes and does not consider people's choices or aspirations as to what form of accommodation they would prefer.
- 7.12 According to the modelled data⁶⁵, there are 5,122 units of Sheltered Housing for older people⁶⁶ in the Black Country currently, alongside 2,040 Enhanced Sheltered/ Extracare units⁶⁷. It is worth noting that some 73.8% of the Sheltered Housing for older people is in the affordable sector as is 91.1% of the Enhanced Sheltered/ Extracare units, despite the overwhelming propensity of older persons only households to be owner-occupiers.
- 7.13 The current prevalence of Sheltered Housing for older people in the Black Country is 50 per thousand head of population aged 75 or over, with the prevalence rate for Enhanced

⁶¹ <https://www.housinglin.org.uk/Topics/browse/Design-building/HAPPI/>

⁶² https://www.designcouncil.org.uk/sites/default/files/asset/document/Building%20for%20Life%2012_0.pdf

⁶³ See paragraph 63-009-20190626 of the PPG and <https://www.gov.uk/guidance/housing-optional-technical-standards>.

⁶⁴ Reference ID: 63-001-20190626

⁶⁵ This is based on an extract of the SHOP tool output but updated to the situation in 2020.

⁶⁶ A collection of self-contained units of accommodation (usual bedsits within a communal block), which have on-site warden support (usually daytime only with on call service at night) and communal social areas and activities. This is very similar to the housing type *'Retirement living or sheltered housing'* as defined in the PPG.

⁶⁷ Enhanced Sheltered is similar to sheltered accommodation, but with enhanced provision for personal care of frailer older people. On-site support is usually provided on a 24 hour rather than day-time only basis. Extracare housing is an Enhanced Sheltered housing setting with a focus on the extra care needs of people often focused on addressing the needs of people with dementia. These two housing types are similar to the *'Extra care housing or housing-with-care'* definition in the PPG.

Sheltered/ Extracare units 20 per thousand head of population aged 75 or over. Within the Black Country these prevalence rates vary notably: The prevalence rate of Sheltered Housing for older people in Dudley is 78 per thousand head of population aged 75 or over, compared to 31 per thousand head of population aged 75 or over in both Sandwell and Walsall and 51 per thousand head of population in Wolverhampton. For the Enhanced Sheltered/ Extracare housing the prevalence rates range from 24 per thousand head of population aged 75 or over in Sandwell to 23 in Walsall, 22 in Wolverhampton and 12 in Dudley.

- 7.14 The SHOP model helps authorities to plan to deliver more of this type of accommodation in response to the growth of the population that utilizes it (principally those aged 75 or over). The SHOP model uses these prevalence rates as the key variant when modelling future demand. The previous study⁶⁸ identified that to meet likely future demand from the future population it was suitable to plan for a Black Country-wide prevalence rate of 75 units of Sheltered Housing for older people per 1,000 people aged 75 and over and a prevalence rate of 20 units of Enhanced Sheltered/ Extracare accommodation per 1,000 people aged 75 and over. For the purposes of this study, it is presumed that these prevalence rates are still suitable to plan for across the Black Country as they mirror the expectations and usage patterns of local residents.
- 7.15 To establish the potential demand for these accommodation types in the Black Country at the end of the plan period, these prevalence rates are applied to the total number of people aged 75 or over in the Black Country in 2039 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below. The future tenure profile of this specialist stock takes account of the modelling that indicates that almost three quarters of all older person households will live in market accommodation in 2039, as evidenced in Table 7.1.
- 7.16 To meet local demand rates in 2039, the model identifies a requirement for 4,907 additional units of Sheltered housing for older people and 604 additional Enhanced Sheltered/ Extracare units in the Black Country over the plan period (definitions set out in footnotes 66 and 67). Of the 4,907 new units of Sheltered housing for older people, almost two-thirds should be market accommodation, with the remainder affordable. Of the 604 new Enhanced Sheltered/ Extracare housing, 80% should be market and 20% affordable. These are Class C3 dwellings.

⁶⁸ <https://blackcountryplan.dudley.gov.uk/media/11541/shma-pt2-8th-june-2017.pdf>

Table 7.2 Projected requirement for specialist accommodation for older person households in the Black Country over the plan period				
<i>Type of specialist accommodation</i>	<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Sheltered Housing for older people	Market	1,342	4,468	3,126
	Affordable	3,780	5,560	1,780
	Total	5,122	10,028	4,907
Enhanced Sheltered/ Extra care housing	Market	182	670	488
	Affordable	1,857	1,974	116
	Total	2,040	2,644	604
All specialist accommodation for older person households	Market	1,524	5,138	3,614
	Affordable	5,637	7,534	1,896
	Total	7,161	12,672	5,511

- 7.17 The requirement for 5,511 additional specialist units for older person households represents 7.5% of the total household growth in the Black Country for the period 2020 to 2039. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 5,511 specialist units forms part of the overall local housing need required over the plan-period in the Black Country – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.
- 7.18 As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care⁶⁹. According to the POPPI⁷⁰ modelling, there are around 5,939 spaces in nursing and residential care homes in the Black Country currently. Utilising information recorded in the HCA's Statistical Data Return 2019, it is estimated that just over a third of these are in the affordable sector, with the remaining being a market tenure.
- 7.19 As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments are calculated. The model identifies that in 2039 there will be 8,388 people aged 65 and over in the Black Country that will be resident in Registered Care. This figure is dependent on the communal population rates (separated by age and gender), that

⁶⁹ Residential care homes and nursing homes: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes. This is the same as the definition in the PPG.

⁷⁰ <https://www.poppi.org.uk/>

have been produced through to 2043 for each local authority in England as part of the 2018-based household projections dataset, and therefore presumes that these are accurate. This implies that there will be a requirement for 2,449 additional Registered Care spaces between 2020 and 2039, of which 61.1% should be in the affordable sector and 38.9% within a market tenure. The table below details these calculations.

Table 7.3 Projected requirement for Registered Care for older persons in the Black Country over the plan period			
<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Market	3,820	4,774	954
Affordable	2,119	3,614	1,495
Total	5,939	8,388	2,449

- 7.20 It should be noted that the modelling presented above, is based on occupation patterns in this sector recorded prior to the coronavirus pandemic. Whilst the full impact of the coronavirus pandemic on society may not be known for some time, it appears that those living in residential care have been more adversely affected than the wider population. This may change the perception of the sector amongst potential residents and lead to a reduction in the demand for such accommodation. The Councils should therefore closely monitor the take-up of Registered Care in the Black Country to identify whether the demand pattern identified will be fulfilled.
- 7.21 The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in the Black Country at the end of the plan period.

Size of home	Market			Affordable		
	General housing ⁷¹	Sheltered housing	Enhanced Sheltered/ Extra care housing	General housing	Sheltered housing	Enhanced Sheltered/ Extra care housing
1 bedroom	11,031	2,926	551	17,731	3,951	1,726
2 bedrooms	45,937	1,542	119	16,977	1,609	248
3 bedrooms	66,301	-	-	4,987	-	-
4+ bedrooms	5,770	-	-	587	-	-
Total in households	129,039	4,468	670	40,282	5,560	1,974
Residential care	4,774			3,614		

7.22 The majority of older person households in the Black Country are likely to remain in general housing, as the Paragraph 012 (ID: 63-012-20190626) of the PPG notes *‘Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs.’* The next section looks at the role of adaptations to help households remain in their home.

7.23 It should be noted that the general housing that older people aspire to reside in includes age-restricted general market housing. This is non-specialist housing located on sites that are exclusively used by older people, typically those aged 55 or over. It is hard to gauge the future demand for this accommodation as there is limited evidence of the current supply in the Black Country, however it is envisaged that this will increase as the population ages over the plan period and the Councils should monitor whether the existing provision is able to meet demand.

7.24 The outputs presented in this section are replicated for each of the constituent authorities of the Black Country in Appendix 7.

People with disabilities

7.25 Paragraph: 002 of the PPG⁷² notes that *‘The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives.... Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives.’* Page 70 of the

⁷¹ This includes *‘age-restricted general market housing’* as defined in the PPG (the type of housing is generally for people aged 55 and over and the active elderly) as well as general housing available to all people. This analysis is focused only on those where all household members are aged 65 or over, there is likely to be additional requirement for age-restricted general market housing from those aged between 55 and 64.

⁷² Reference ID: 63-002-20190626

NPPF provides the following definition of disabled people: *‘People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.’* Due to a dearth of accurate data on the individual groups within this population, the analysis in this section will consider all those with a specific need unless otherwise stated.

Number of people in receipt of relevant benefits

- 7.26 The PPG indicates that an up-to-date estimate of the number of people with a disability can be acquired by looking at the number of people in an area who are in receipt of Personal Independence Payment⁷³ or Attendance Allowance. Personal Independence Payment (PIP) helps with some of the extra costs caused by long-term disability, ill-health or terminal ill-health. Data from the Department of Work & Pensions indicates that, as at April 2020, there were 57,472 people in the Black Country in receipt of PIP, which equated to 2.4% of the population in the housing market area. In comparison, some 2.0% of the population across the West Midlands, and 1.8% of the population of England were in receipt of PIP. Within the Black Country, some 2.1% of residents in Dudley are in receipt of PIP, whilst in Sandwell the figure is 2.7%, in Walsall it is 2.4% and in Wolverhampton 2.5% of people are in receipt of PIP.
- 7.27 Attendance Allowance is a benefit for people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. The Department of Work & Pensions data shows that, as at February 2020, there were 34,328 people in the Black Country in receipt of Attendance Allowance, which equated to 1.4% of the population in the housing market area. In comparison, some 1.3% of the population in the West Midlands and 1.2% of the population nationally were in receipt of Attendance Allowance. Within the Black Country, the prevalence rate for being in receipt of Attendance Allowance is very similar; in both Dudley and Walsall some 1.5% of residents are in receipt of Attendance Allowance, whilst in Sandwell and Wolverhampton the figure is 1.4%.
- 7.28 The PPG notes that *‘whilst these data sources can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.’*

Projected health of the future population

- 7.29 The Projecting Older People Information System (POPPI) website⁷⁴ and the parallel Projecting Adult Needs and Service Information (PANSI) website⁷⁵ model the current and likely future

⁷³ This has replaced Disability Living Allowance.

⁷⁴ <https://www.poppi.org.uk/>

⁷⁵ <https://www.pansi.org.uk/>

incidence of a range of health issues for each authority in England. The table below sets out the number of people estimated to have one of five health conditions currently as determined by these data sources. The table also indicates the number of people projected to have these conditions in 2039, derived by applying the future prevalence rates used by the POPPI and PANSI modelling to the disaggregated future population for each authority in the Black Country in 2039, as identified within the local housing need calculation. The table then goes on to report the current and future population in the Black Country that require assistance with activities. These figures are derived using the same approach as described for the health condition modelling. The data from PANSI and POPPI is based on current and recent prevalence rates and, whilst these may vary in the future, the figures provide a useful baseline estimate. Tables setting out the equivalent results for the four constituent authorities of the Black Country are set out in Appendix 8.

- 7.30 The table shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot, is expected to increase by 36.8% between 2020 and 2039 in the Black Country. This compares to an increase of 58.7% in the number of people aged 18-64 in the housing market area with impaired mobility, a rise of 9.1% in the number of people aged 18-64 in the Black Country with a common mental health disorder, an increase of 34.7% in the number of people aged 65 or over with dementia⁷⁶, and an increase of 19.2% in the number of people in the Black Country with a moderate or severe learning disability.

⁷⁶ Paragraph 019 (Reference ID: 63-019-20190626) of the PPG notes that ‘Evidence has shown that good quality housing and sensitively planned environments can have a substantial impact on the quality of life of someone living with dementia. People with dementia need to have access to care and support to enable them to live independently and homes need to be designed with their needs in mind.’

Table 7.5 Number of people with particular health issues projected over the Local Plan period in the Black Country				
Condition	2020	2039	Total change	% change
Health condition				
People aged 65 and over with an illness*	65,448	89,540	24,092	36.8%
People aged 18-64 with impaired mobility	37,687	59,820	22,133	58.7%
People aged 18-64 with a common mental health problem	133,634	145,832	12,198	9.1%
People aged 65 and over with dementia	15,196	20,471	5,275	34.7%
People all ages with a learning disability	21,647	25,812	4,165	19.2%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	39,372	50,985	11,613	29.5%
People aged 65 and over who need help with at least one domestic task***	61,746	78,932	17,186	27.8%
People aged 65 and over who need help with at least one self-care activity****	60,992	78,087	17,095	28.0%
People aged 18-64 with a serious personal care disability*****	6,063	6,530	467	7.7%
All people	1,208,699	1,336,956	128,257	10.6%

*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills. ****These are activities relating to personal care and mobility about the home that are basic to daily living. *****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2020, disaggregated local housing need figures, 2020.

7.31 The table also shows that the number of those aged 65 or over that are unable to manage at least one mobility activity on their own, is expected to increase by 29.5% between 2020 and 2039, compared to an increase of 27.8% in the number of people aged 65 and over who need help with at least one domestic task, an increase of 28.0% in the number of people aged 65 and over who need help with at least one self-care activity and an increase of 7.7% in the number of people aged 18-64 with a serious personal care disability. It should be noted that these changes better reflect the projected change in the demographics of the population (an ageing population) rather than a notable change in the overall health of people.

Accessible and adaptable housing

- 7.32 The Nationally Described Space Standards (which set out national minimum space standards) published by the Department for Communities and Local Government in 2015⁷⁷ detail the minimum gross internal floor areas required in new dwellings and also the size of storage area required. The Nationally Described Space Standards also provide detail on the requirements of dwellings to meet the Accessible and Adaptable dwellings M4(2) and Wheelchair user dwellings M4 (3) standards⁷⁸.
- 7.33 Paragraph 008 of the PPG⁷⁹ sets out that *‘Accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future.’* The same paragraph then goes on to clarify that *‘accessible and adaptable housing will provide safe and convenient approach routes into and out of the home and outside areas, suitable circulation space and suitable bathroom and kitchens within the home. Wheelchair user dwellings include additional features to meet the needs of occupants who use wheelchairs, or allow for adaptations to meet such needs.’*
- 7.34 The PPG⁸⁰ also details the data sources that can be used to provide evidence of the need in local planning authorities for dwellings that meet higher accessibility, adaptability and wheelchair housing standards. All of these have been researched, and whilst some have been used to provide the contextual information presented above, others have been used to model the future requirement for adaptable and accessible housing. The most important data input into the model is the CORE LA Area Lettings Reports which provide details about those that have moved into affordable accommodation – both general needs and specialist homes⁸¹. The other data sources used in the model include the age profile of people in receipt of Disability Living Allowance in each authority, the Borough-level LTBHM modelling outputs on the current and future tenure profile of different household groups, the POPPI and PANSI projections (set out above) and analysis in the English Housing Survey.
- 7.35 The steps followed in the model to derive the future requirement for adaptable and accessible housing are set out below:

⁷⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard_Final_Web_version.pdf

⁷⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PD_AD_M1_2015_with_2016_amendments_V3.pdf

⁷⁹ Reference ID: 63-008-20190626

⁸⁰ Reference ID: 56-007-20150327

⁸¹ This source records whether households that moved into affordable housing in each authority in the Black Country require fully wheelchair accessible housing, whether they require level access housing, or whether they have other disability related requirements. Conversely, the data also indicates households where there were no disability related housing design or adaptation requirements.

- The CORE LA Area Lettings Reports for the last three years (2016/17 to 2018/19) were examined and the total number of lettings that required a home to meet a mobility need was totalled alongside the total number of lettings (of all types). This was done within the general housing stock and separately within the supported housing⁸² stock.
- It is presumed that all of the requirement for adapted housing in the supported housing stock is from older persons households. To determine the requirement for adapted housing within the general stock that arises from households over 65, the proportion of people in receipt of the higher rate of the disability living allowance that are aged 65 or over in each authority as at February 2020 is calculated using the data published by the Department for Work and Pensions⁸³. Across the four authorities of the Black Country this figure is 87.2%. It is therefore presumed that this proportion of the demand for adapted housing within the general stock arises from households over 65, with the remainder arising from younger households.
- The totals of the number of lettings of adapted housing over the last three years to these three groups; (those in sheltered accommodation, older persons households in general housing and households under 65 in the general stock) are then compared to the total number of lettings to each of these groups over the last three years, to generate a requirement rate for adapted housing for these three household groups in the affordable sector.
- To produce an equivalent requirement rate for adapted housing amongst the same groups of households resident in the market sector, the rate identified for each of these three groups in the affordable sector is adjusted by the difference between the proportion of affordable homes with adaptations nationally and the proportion of market homes with adaptations nationally as recorded by the Survey of English Housing⁸⁴.
- The requirement rate for these three groups across the two broad tenures are then applied to the total number of households in these groups in 2020 as indicated by the LTBHM model. This provides us with an estimate of the current requirement for accessible and adaptable housing in each Borough, differentiated both by the three household groups and the two broad tenures.
- To profile the future requirement, the total number of households under 65 in the general stock that require an adapted home currently is multiplied by the projected

⁸² Supported housing in this context refers to specialist housing for households (mainly older person households), such as that listed in table 7.2.

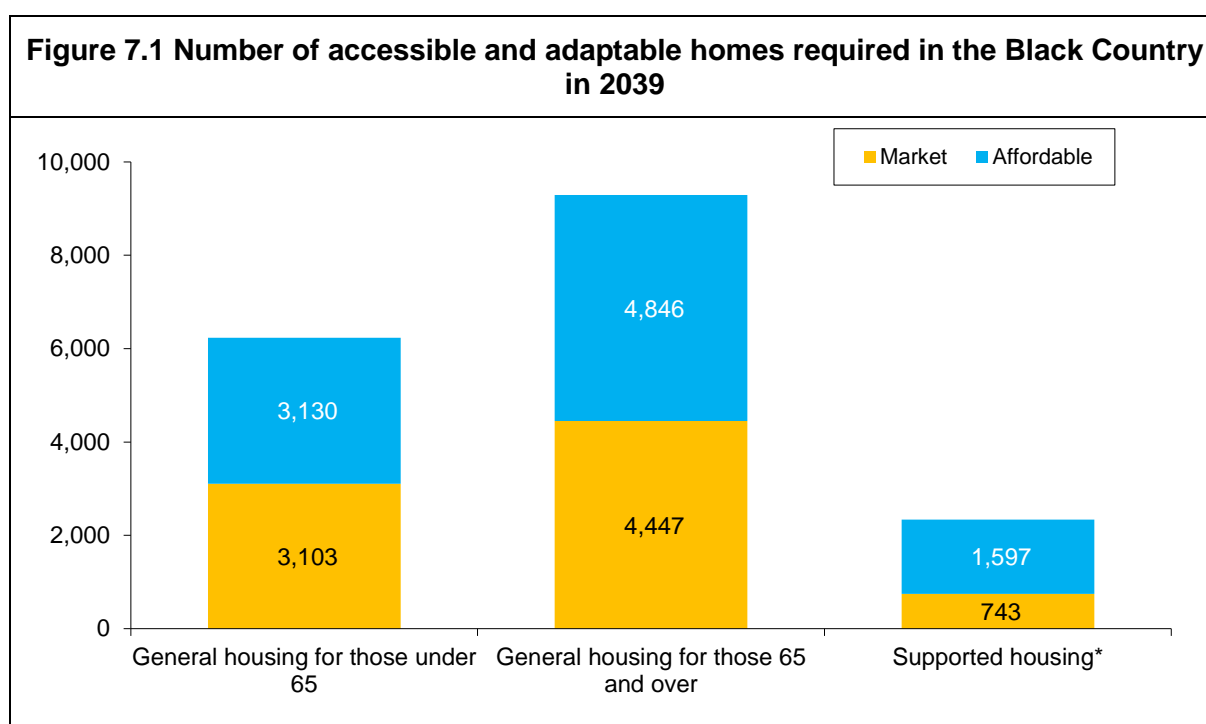
⁸³ <https://stat-xplore.dwp.gov.uk>

⁸⁴ English Housing Survey Adaptions and accessibility factsheet 2018-19
<https://www.gov.uk/government/statistics/english-housing-survey-2018-accessibility-of-english-homes-fact-sheet>

change in the number of people aged 18-64 with an impaired mobility in each authority as modelled using the PANSI data set out in Table 7.5 above. The total number of households aged 65 and over in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 65 and over that are unable to manage at least one mobility activity on their own in each authority as modelled using the POPPI data set out in Table 7.5 above. The total number of households in sheltered accommodation that require an adapted home currently is also multiplied by this figure derived from the POPPI modelling.

- This provides a total requirement for accessible and adaptable housing in 2039 each Borough for the three different household groups. These are then divided by tenure, based on the tenure profile of these groups recorded in 2020, but also taking account of the changes in the tenure profile for each group that are projected to happen by 2039 according to the LTBHM model.

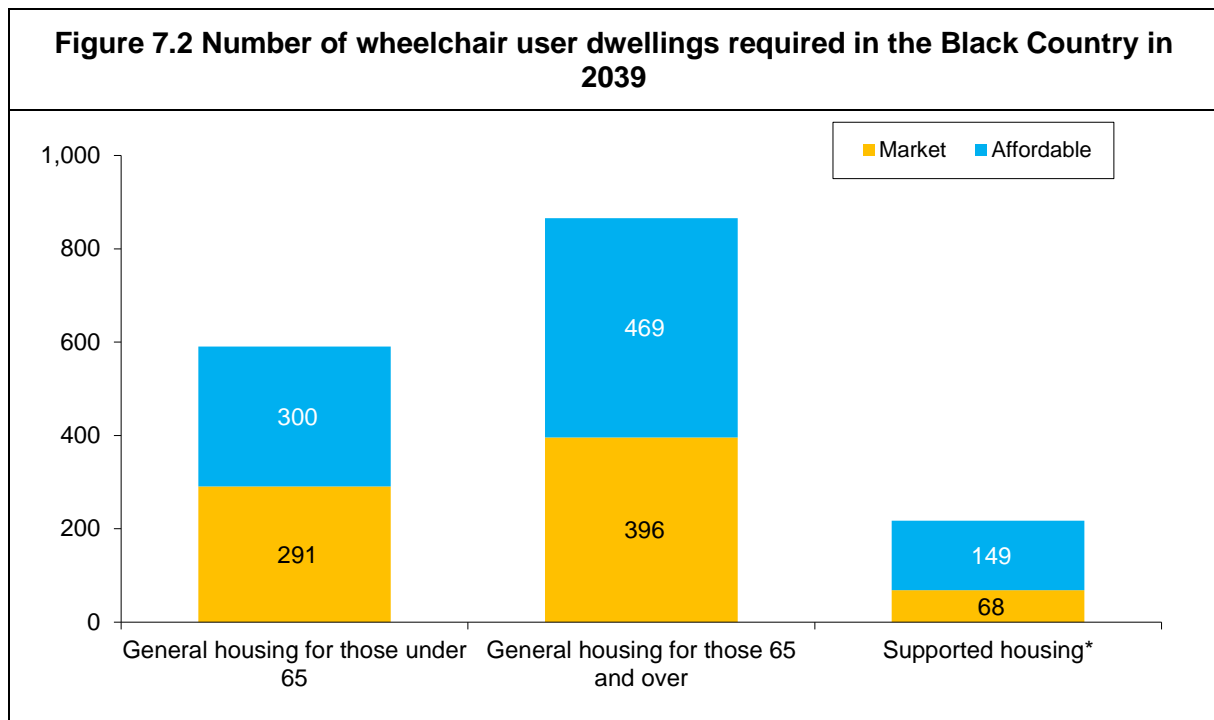
7.36 The figure below shows the final results of this model. These outputs are presented for the constituent authorities of the Black Country in Appendix 8



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

7.37 The figure indicates the requirement, for accessible and adaptable homes in the Black Country in 2039, differentiated by setting, age group and tenure. In total 17,866 accessible and adaptable homes are required in 2039 across the Black Country, of which 8,262 should be in the market sector and 9,573 in affordable accommodation. Of the 17,866 accessible and adaptable homes required, 15,526 should be in the general housing stock and 2,340 in supported accommodation.

- 7.38 The outputs of the LTBHM model and the older persons accommodation modelling have compared the future requirement with the current stock to identify the net change required to be delivered over the plan period. Whilst the future requirement for accessible and adaptable homes has been identified, there is limited information on the number of dwellings that fulfill this criteria in each authority currently and therefore there is not a detailed profile of the current stock from which to derive a net requirement. Overall, the requirement for 17,866 accessible and adaptable homes implies that a notable uplift will be required to the number of homes that meet this standard currently, and that by the end of the plan period around about 3.2% of the total stock should be available that meet this criteria. This is an estimated requirement for M4(2) Category 2 accessible and adaptable homes.
- 7.39 There is also be a requirement for M4(3) Category 3 homes - wheelchair user dwellings. Using the same data sources but focusing specifically on those that require fully wheelchair accessible housing within the CORE LA Letting Reports figures and the data specifically on wheelchair dwellings within the English Housing Survey, it is possible to follow the same method to produce equivalent results that identify the future requirement for a wheelchair accessible home in the Black County in 2039. The results produced from this process are set out in the figure below, with results for the constituent authorities in Appendix 8.



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

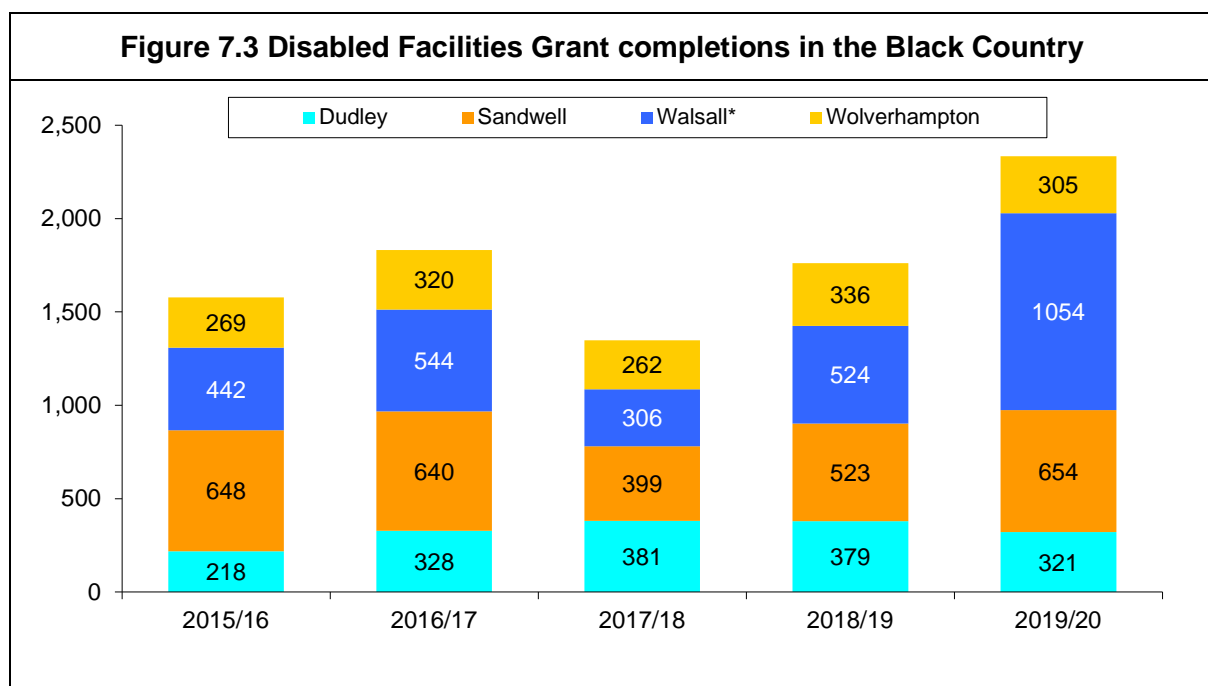
- 7.40 The figure indicates the requirement, for wheelchair user dwellings in the Black Country in 2039 differentiated by, setting, age group and tenure. In total 1,674 wheelchair user dwellings are required in 2039 across the Black Country of which 755 should be in the market sector and 919 in affordable accommodation. Of the 1,674 wheelchair user dwellings required, 1,456 should be in the general housing stock and 217 in supported accommodation. Overall, the requirement for 1,674 wheelchair user dwellings will mean that by the end of the plan period, around about 0.3% of the total stock should be available to meet this criteria.

7.41 It is important to note that the PPG⁸⁵ is clear that the suitability of these requirements should be assessed to determine whether they are viable, and also that the authority should not impose any further requirements to the building regulations beyond what is set out in the building regulations for M4(2) and M4(3) dwellings.

Adaptations and support

7.42 In addition to specialist accommodation, the Councils help people to remain in their current home by providing support and assistance. Any adaptations to dwellings provided through this mechanism could reduce the requirement for new homes meeting the M4(2) standard, depending on the nature of the adaptation work completed, however the provision of homes meeting the M4(2) standard would reduce the requirement for these adaptations. Analysis provided by Wolverhampton Council indicates that the majority of the work undertaken through the Disabled Facilities Grant in the Borough in 2019/20 involved improving accessibility around the dwelling making it equivalent to an M4(2) standard home.

7.43 The figure below shows the number of Disabled Facilities Grants that have been completed between 2015/16 and 2019/20 in each authority within the Black Country. The figure shows that the number of completions has fluctuated across the five year period, but no dramatic changes in quantity have been recorded, other than for a notable increase in the number of completions in Walsall since 2017.



*The figures for Walsall are based on the calendar year rather than the financial year. Source: The Black Country Councils, 2020

⁸⁵ Reference IDs: 56-003-20150327 & 56-008-20160519

- 7.44 In this context, paragraph 005 of the PPG⁸⁶ notes that '*Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.*' The provision of M4(2) homes would reduce the need for these adaptations to be applied to existing dwellings reactively and make the housing stock more responsive to the evolving needs of the local population.

Families with children

- 7.45 As set out in Table 5.2, there are 194,340 family households in the Black Country in 2020, which constitutes 40.2% of all households in the housing market area. The modelling of the housing market undertaken for the LTBHM, indicates that some 8.4% of family households in the Black Country are currently living in overcrowded accommodation and the level of overcrowding amongst family households has increased from 7.8% in 2015. The affordability analysis, summarised in Figure 3.9, indicates that some 32.1% of family households across the Black Country would not be able to move to a suitably sized home in the market, however just 23.7% of family households reside in affordable accommodation currently. This suggests that intermediate housing options are likely to be particularly useful for this group of the population.

Future requirement

- 7.46 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 194,340 in 2020 to 212,706 by 2039, a growth of 9.5%. It is estimated that the proportion of lone parent families within this group will grow from 31.5% in 2020 to 32.1% in 2039. The table below shows the projected accommodation profile for family households in the Black Country in 2039 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation. This identifies that intermediate housing will be particularly useful for family households; it is estimated that by 2039, 80.2% of Shared Ownership dwellings and 64.2% of First Homes will be occupied by family households.

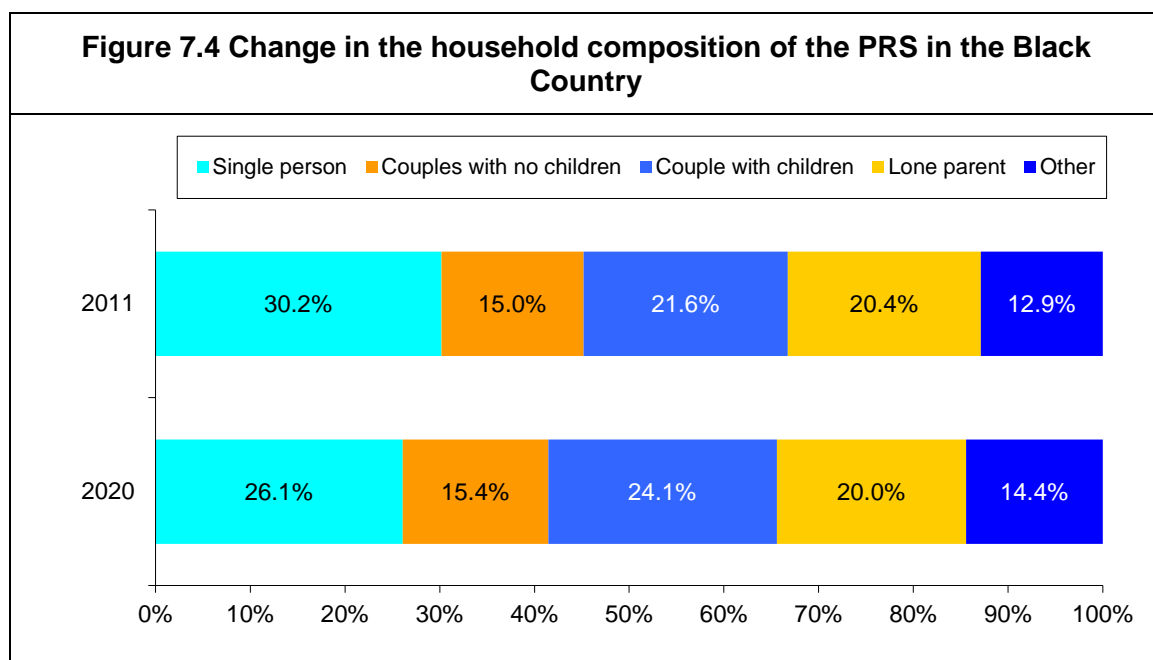
⁸⁶ Reference ID: 63-005-20190626

<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared Ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	0	0	0	0	0
2 bedroom	14,466	1,357	978	1,853	13,717
3 bedroom	84,909	7,652	2,026	1,985	34,757
4+ bedrooms	36,439	4,258	1,106	1,059	6,143
Total	135,813	13,267	4,111	4,897	54,617

The private rented sector (PRS)

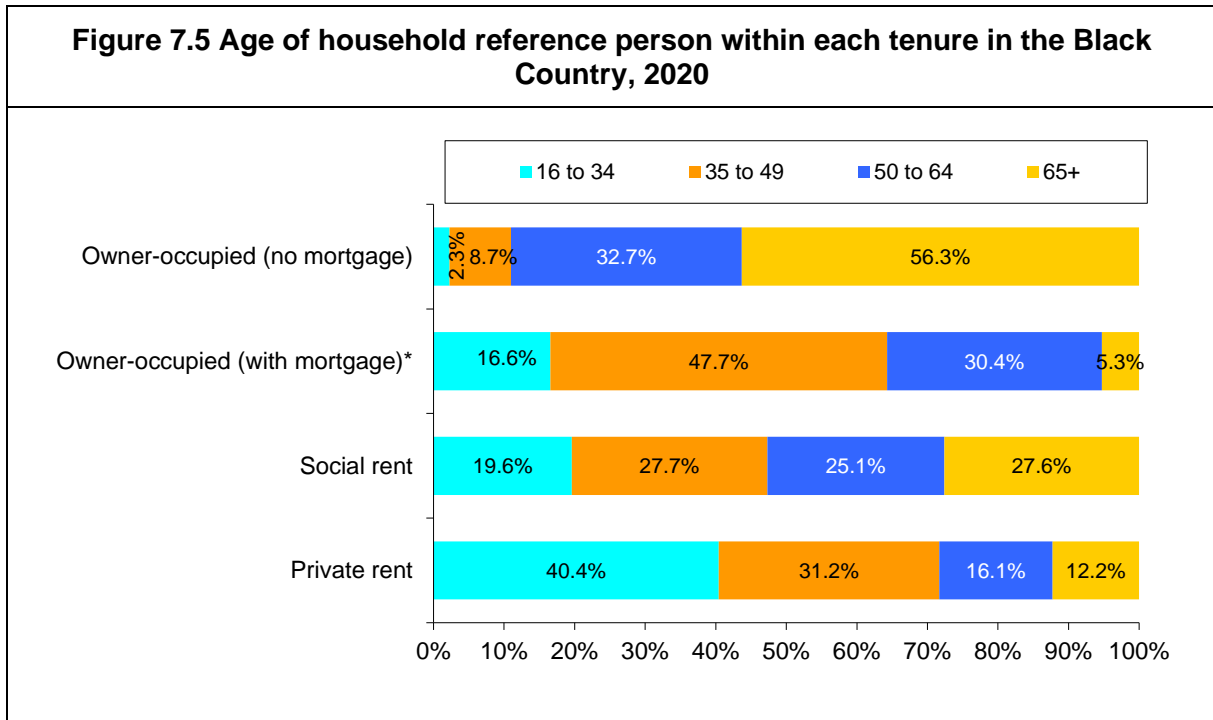
Growth

- 7.47 The current tenure profile in the housing market area was modelled as part of the LTBHM model. This estimated that there are 74,052 private rented households in the Black Country in 2020, which represents 15.3% of households in the housing market area. The private rented sector (PRS) is becoming increasingly important in the Black Country; as shown in Figure 2.11 (in Chapter 2), which indicates that it increased by 7.0% in the Black Country between 2014 and 2019 – at a greater rate than was recorded regionally and nationally.
- 7.48 The figure below compares the household composition of the private rented sector in the Black Country in 2011, with the profile of households resident in this tenure in the Black Country in 2020. The data shows that, not only has the private rented sector expanded, but the households in it have diversified.



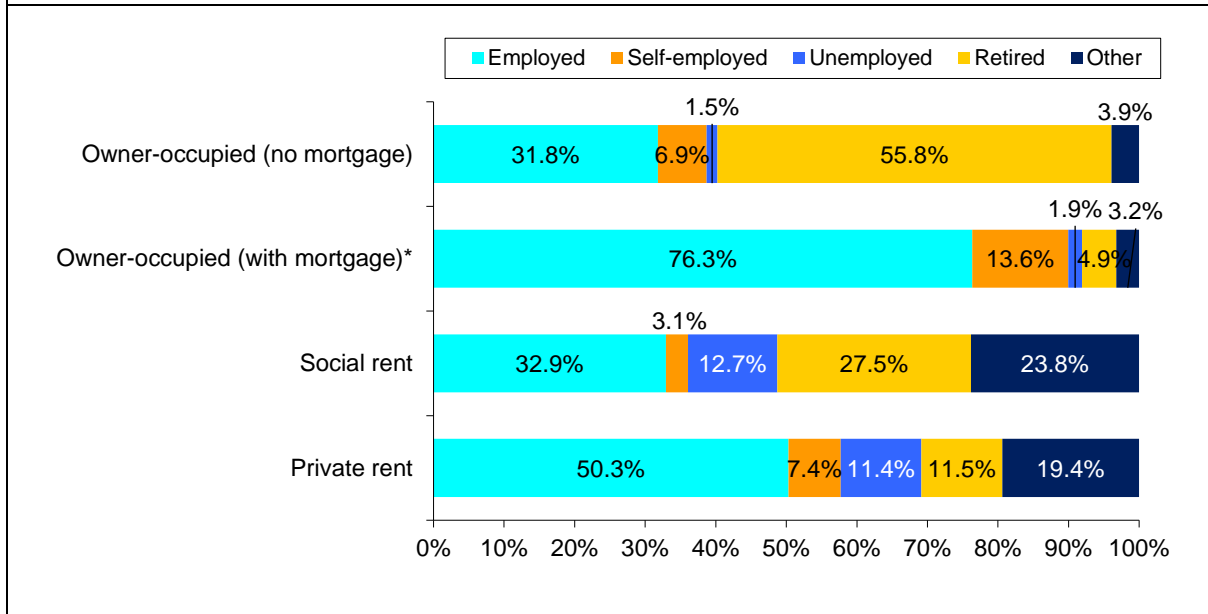
Those resident in the tenure

7.49 The figure below shows that whilst the private rented sector has diversified, it is still notably more likely to be occupied by younger households, with over 40% of household reference persons aged 34 or under compared to less than a fifth of household reference persons in all other tenures.



7.50 The figure below shows that, whilst the majority of household heads in the private rented sector in the Black Country are in work, there are a number where the household head is unemployed or retired.

Figure 7.6 Economic activity of household reference person within each tenure in the Black Country, 2020



Source: LTBHM modelling

7.51 The LTBHM model, set out in Chapter 5, has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in the Black Country over the plan period with the number of homes in the tenure projected to increase by 9,941 households between 2020 and 2039, a growth of 13.4%. This is the growth projected if it is assumed that First Homes will be successfully introduced into the housing market, and a notable number of households that would otherwise be resident in the private rented sector are able to access discounted home ownership through First Homes. If First Homes are not introduced into the housing market, the number of homes in the private rented sector is projected to increase by 16,348 households between 2020 and 2039, a growth of 22.1%.

Current trends

7.52 The PPG suggests that ‘market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents.’ Therefore, to assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. The table below shows the change in private rents over the last five years, at both the median and lower quartile level. This data is disaggregated by accommodation size and location. The table shows, for example, that between 2013/14 and 2018/19, two bedroom lower quartile rents increased by 8.7% in Dudley.

7.53 Overall, the data suggests that the private rented sector is under some pressure in the Black Country, as rent levels have risen at a greater rate than recorded nationally in some instances, most notably for two and three bedroom homes. The rises recorded for one bedroom homes are however generally lower than that recorded nationally. It is important to note that median rents have risen at a greater rate than lower quartile rents for all sizes and in all locations other

than three bedroom homes in Dudley and Wolverhampton, suggesting that the pressure on the middle of the market is greater than at the entry-level.

- 7.54 The data indicates that at the median level, four bedroom rents are the most pressurised in the Black Country, as the change in rent levels recorded is higher on average than for the other bedroom sizes. At the lower quartile level, two bedroom rents are the most pressurised in the Black Country, as the change in rent levels recorded is higher on average than for the other bedroom sizes. Within the Black Country, rents at the lower quartile level have increased the most on average in Walsall, whilst median rents have increased the most on average in Sandwell and Wolverhampton.

Table 7.7 Change in private rents charged in the Black Country, the West Midlands and England between 2013/14 and 2018/19				
Lower quartile prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Dudley	5.3%	8.7%	4.5%	0.7%
Sandwell	6.8%	8.7%	9.5%	6.9%
Walsall	11.9%	7.2%	5.8%	13.1%
Wolverhampton	5.3%	10.9%	10.0%	6.9%
West Midlands	9.0%	8.7%	9.5%	6.9%
England	14.5%	7.2%	5.8%	13.1%
Median prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Dudley	7.6%	10.0%	9.2%	10.3%
Sandwell	12.5%	11.1%	16.1%	12.1%
Walsall	7.6%	9.1%	8.2%	11.8%
Wolverhampton	7.6%	8.1%	13.6%	18.7%
West Midlands	16.5%	11.1%	16.1%	12.1%
England	23.0%	9.1%	8.2%	11.8%

Source: Valuation Office Agency, 2013-14, 2018-19

The benefit-supported private rented sector

- 7.55 Data available from the Department of Work & Pensions⁸⁷ indicates that there were 36,870 households in the private rented sector in the Black Country who were either in receipt of Housing Benefit or were receiving the Housing Element of Universal Credit in May 2020. This represents 49.2% of all households in the tenure, and is higher than the equivalent proportion of households in the sector both regionally and nationally (some 38.5% of private rented

⁸⁷ <https://stat-xplore.dwp.gov.uk>

households in the West Midlands were in receipt of one of these benefits, as were 39.6% of private rented households across England). Within the Black Country, the proportion of households in the private rented sector in receipt of one of these benefits is fairly consistent, ranging from 46.8% in Sandwell to 52.2% in Wolverhampton. The table below provides detail on households in the private rented sector in receipt of support towards their housing costs in the Black Country, the West Midlands and nationally.

Area	Number of PRS households in receipt of support* May 2020	Proportion of all PRS households in receipt of support May 2020	Change in number of PRS households in receipt of support since May 2015	Proportion of PRS households in receipt of support in May 2020 that contain children	Change since May 2015 in the proportion of PRS households in receipt of support that contain children
Black Country	36,470	49.2%	26.6%	51.3%	-1.5%
Dudley	8,071	48.6%	26.5%	48.3%	-1.8%
Sandwell	10,305	46.8%	29.3%	55.3%	-2.9%
Walsall	8,606	49.9%	26.4%	51.2%	-2.0%
Wolverhampton	9,488	52.2%	23.9%	49.4%	0.5%
West Midlands	163,398	38.5%	25.7%	47.9%	-2.6%
England	1,804,354	39.6%	30.6%	44.2%	-4.3%

* This refers to support toward their housing costs. Source, Housing Benefit and Universal Credit data as presented by <https://stat-xplore.dwp.gov.uk> August 2020, LTBHM modelling

- 7.56 The table shows that the number of private rented tenants in receipt of assistance with their housing costs in the Black Country, has increased by 26.6% between 2015 and 2020, in comparison to a regional growth of 25.7% and a national rise of 30.6% over the same period. Within the Black Country, Sandwell has recorded the largest growth (29.3%) and Wolverhampton the lowest (23.9%).
- 7.57 Just over half of all households (51.3%) in the private rented sector in receipt of support towards their housing costs in the Black Country in May 2020 contained children, a figure higher than the regional (47.9%) and national (44.2%) average. Within the Black Country, all authorities record proportions higher than the regional and national figures. The proportion of households in the private rented sector in receipt of support towards their housing costs that contain children has decreased by 1.5% since May 2015. This change is not as great as recorded regionally and nationally however.
- 7.58 It is important to recognise the role that the benefit-supported private rented sector plays in alleviating the pressure on the affordable housing stock, by housing some households that would otherwise be resident within the sector; however, it is not an official form of affordable housing as defined by the NPPF. In addition, a comparison of the entry-level private rents with the LHA caps, as set out in Chapter 3, showed there is a notable gap between the two in the

BRMAs that apply in the Black Country, and the housing costs of households in need would not be fully met if they were to reside in this sector as noted in Chapter 3.

Students

- 7.59 The previous SHMA⁸⁸ contained a full analysis of the student population in the Black Country and this remains the most recent detailed profile of this group of the population. It is however important to note that there are two new higher institutes which are being developed in Dudley. The Black Country and Marches Institute of Technology is intended to open in September 2021 and will host courses for 2,000 full-time students. The Resonance Music Institute was due to open in September 2020. They anticipated a first cohort of 200 students, with the population rising to 600 by 2020. Specialist student accommodation is planned on the site next to the Resonance Music Institute.
- 7.60 Although these plans are likely to be impacted by the coronavirus pandemic, it is recommended that the Council liaise with these institutions to identify how many students will be accommodated in specialist student accommodation, how many will study from their existing home and how many are likely to move into the area and seek new accommodation locally.

People wishing to build their own homes

- 7.61 It should be noted that the NPPF specifically refers to people *wishing to build or commission their own homes* within the examples cited in paragraph 61. All of the authorities within the Black Country have a self-build register where households can register an interest in finding a plot for self-build or custom build housing in each Borough. There are currently 153 individuals on this register across the Black Country, of which 83 are in Dudley, 8 are in Sandwell, 32 in Walsall and 30 in Wolverhampton. Generally, the take up has been low across the housing market area with registrations not necessarily increasing over time. In the most recent year recorded there were 37 new applications to the self-build register across the Black Country, of which 11 individuals joined in Dudley, 5 joined in Sandwell, 10 in Walsall and 11 in Wolverhampton.
- 7.62 The PPG suggests that data from the Council's self-build register can be supplemented by information collated on the Self Build Portal⁸⁹. The Self Build Portal presents a limited amount of self-build data at a Local Authority level (it contains more information on the national situation). This source assesses the relative level of self-build demand in each authority in England. Dudley is assessed as having a demand for 12 self-build plots per 100,000 people in 2018, whilst the figure for Sandwell is 1. In Wolverhampton, the demand is assessed to be for 11 self-build plots per 100,000 people and in Walsall no data is recorded. These figures are lower than all of the neighbouring authorities – Birmingham has a demand of 24 self-build

⁸⁸ See footnote 68.

⁸⁹ <https://nacsba.org.uk/>

properties per 100,000 people, in Bromsgrove the figure is 15, in Wyre Forest it is 64, in South Staffordshire and Cannock Chase it is 13 and in Lichfield it is 37. This data implies that demand for self-build is lower than average in the Black Country, which is supported by the level of registrations recorded on the Council's individual self-build registers.



8. Conclusions

- 8.1 Chapter 1 considered the geographic context in which the local housing market operates using the latest data on migration patterns and housing market linkages. This analysis concluded that the Black Country's most established linkages are those with the neighbouring councils immediately to the west and east of the housing market area (South Staffordshire and Birmingham) reflecting the pattern of migration flows radially from Birmingham and the importance of the City of Birmingham as a regional employment hub. It is therefore suitable to consider the Black Country a sub-market, within part of the Greater Birmingham Housing Market Area.
- 8.2 Chapter 2 considered the drivers of the local housing market in the Black Country. It was shown that the population in the housing market area is younger than the national average, with more family households resident, meaning that much population growth will be internally driven rather than reliant on in-migration. The employment profile of residents in the Black Country indicated that unemployment is higher than nationally and there are fewer people employed in the most highly skilled roles. This is reflected in the household incomes recorded across the Black Country which are lower than regional average. Finally, the chapter noted that the Black Country also has a relatively large affordable stock currently.
- 8.3 Chapter 3 examined the cost of housing in the housing market area. Whilst market accommodation in the Black Country is cheaper than regional equivalents, lower local incomes mean the affordability of the market housing remains an issue in the housing market area. The analysis of the local housing market indicated that there is a notable gap between the cost of Affordable Rent and entry-level market housing which could be potentially be filled by intermediate products including discount home ownership options, such as First Homes. It is important to note that the suitability of these intermediate and sub-market products to meet housing need to the extent identified in the report is contingent on them being priced at the levels set out in Chapter 3.
- 8.4 Chapter 4 documented the derivation of the overall housing need in the Black Country following the revised Standard Method set out in paragraph 004 of the PPG⁹⁰. This indicated that there is a local housing need of 4,019 each year in the Black Country over the plan period.
- 8.5 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 5), which disaggregates the revised Standard Method local housing need calculations to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population, and the Affordable Housing Need model (Chapter 6), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing

⁹⁰ Reference ID: 2a-004-20201216

market and is only used to indicate whether the Standard Method local housing need figure should be increased. On completion of the calculation of the need for affordable housing paragraph 024 of the PPG⁹¹ says:

'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.'

- 8.6 Planning Authorities should consider whether the housing target in the Local Plans should be increased to assist with meeting the need for affordable housing. Once this has been established the future mix of all housing required over the plan period should be identified. In accordance with the PPG this is derived using a separate approach.
- 8.7 The total annual affordable housing need in the Black Country of 867 per year (as set out in Chapter 6) represents 21.6% of the annual dwelling growth of 4,019 in the housing market area as assessed using the revised Standard Method. It would be reasonable to expect this proportion of new housing as affordable to be delivered on a large housing site in the Black Country, where a figure of 25% would be plausible (subject to viability). The Councils can therefore be confident that the affordable housing need identified in the model will be addressed by the dwelling growth identified by the Standard Method and no adjustment is required to this figure.
- 8.8 To determine the size and tenure of the new housing required within the Standard Method local housing need to accord with the PPG, the LTBHM model outputs are used (the change required between 2020 and 2039). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the Standard Method local housing need. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the Standard Method local housing need is required – it does not form a component of the Standard Method local housing need calculations.
- 8.9 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in Chapter 5 to dwelling figures by applying the vacancy⁹² rate of 3.80% (the difference between the household growth total of 3,866 per year between 2020 and 2039 and the total Standard Method local housing need for the Black Country over the plan period of 4,019 per year).

⁹¹ Reference ID: 2a-024-20190220

⁹² See footnote 56 for the derivation of this figure.

- 8.10 Figure 8.1 sets out the size and tenure requirement for the 76,361 dwellings (4,019 per annum) required over the plan period (between 2020 and 2039). The Housing White Paper published in February 2017⁹³ proposes that Local Authorities should *'deliver... a mixed package of affordable housing that can respond to local needs and local markets'* (paragraph A1.24). In addition, paragraph 64 of the NPPF sets out a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as potentially First Homes. The Government's consultation paper⁹⁴ on changes to the planning system goes further as at paragraph 48 it proposes *'the Government intends to set out in policy that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This will be a national threshold, set out in planning policy.'*
- 8.11 The consultation paper is clear that there will be an expectation for local authorities to also provide Affordable Rented/ Social Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for First Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented/ Social Rented products).
- 8.12 The overall requirement for 15.7% of housing to be Affordable Rented/ Social Rented and 17.0% affordable home ownership (of which 8.3% could be Shared Ownership⁹⁵ and 8.7% First Homes⁹⁶) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing, and it is acknowledged that current funding stream priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent/ Social Rent. It is important to note that in this scenario First Homes would represent 26.7% of all new affordable housing, so the 25% minimum threshold cited in the consultation paper is achieved.
- 8.13 The profile set out is a guide to the overall mix of accommodation required in Black Country although it is acknowledged that the Councils may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for First Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

⁹³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

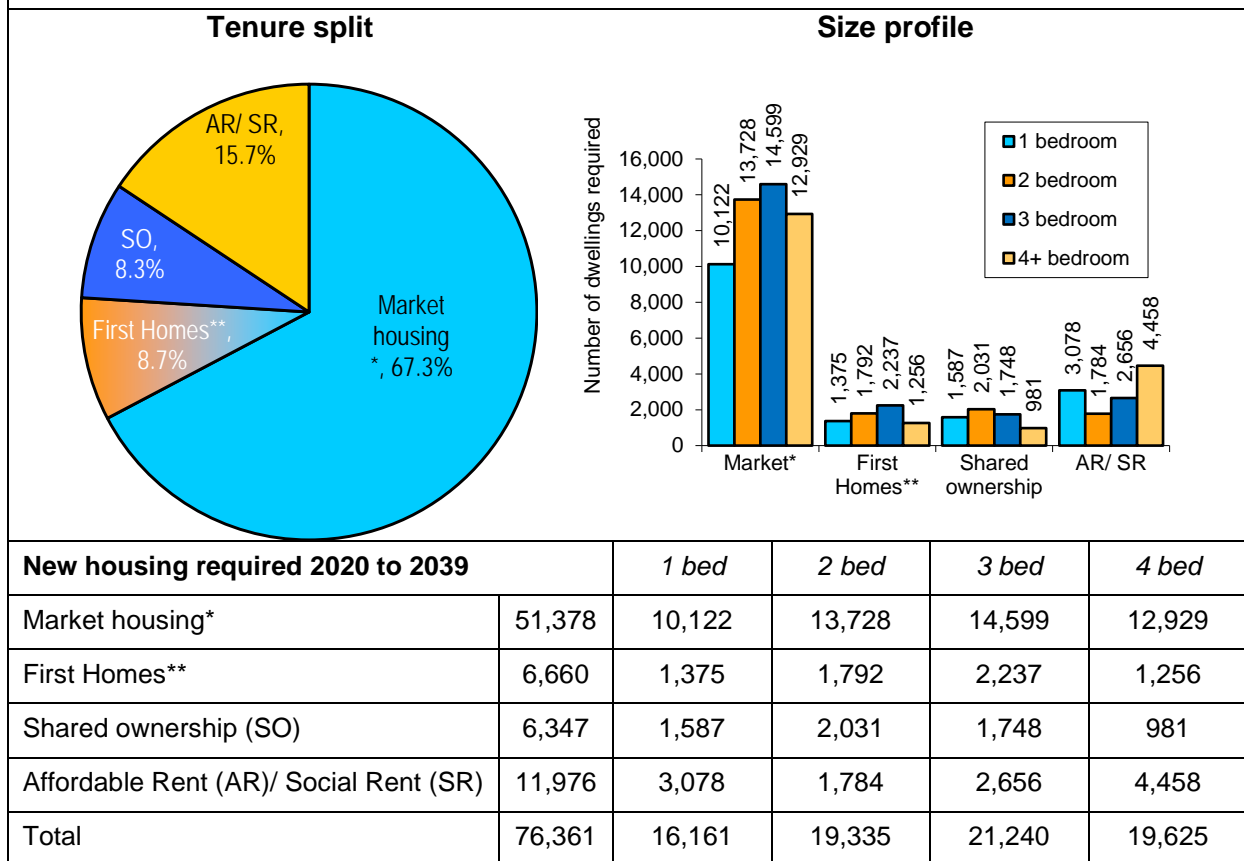
⁹⁴

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/927157/200805_Changes_to_the_current_planning_system.pdf

⁹⁵ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁹⁶ The First Homes figure represents a potential demand rather than a requirement and is derived from Table 5.12.

Figure 8.1 Requirement for all new housing in the Black Country over the plan period



*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

- 8.14 Chapter 7 considered the housing requirement of particular groups of the population. Paragraph 006 of the PPG⁹⁷ notes that ‘*Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people....They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period.*’
- 8.15 In terms of specialist dwellings for older persons (Class C3), it is evidenced that in the Black Country, 4,907 additional units of Sheltered housing for older people⁹⁸ and 604 additional Enhanced Sheltered/ Extracare units⁹⁹ are required over the plan period within the housing target. Chapter 7 also identifies that an additional 2,449 Registered Care spaces (nursing and residential care homes) will be required over the next 19 years in the Black Country (Class C2). This Registered Care demand identified may be affected by the coronavirus pandemic appearing to have had a greater impact on those living in this sector than the wider population.

⁹⁷ Reference ID: 63-006-20190626

⁹⁸ See footnote 66.

⁹⁹ See footnote 67.

The Councils should therefore closely monitor the take-up of Registered Care in the Black Country to identify whether the demand pattern identified will be fulfilled.

- 8.16 In addition, it is calculated that adapted housing M4(2) Category 2 will be required for 17,886 households by 2039 in the Black Country, of which around 1,674 dwellings should be M4(3) Category 3 homes - wheelchair user dwellings. The most effective approach to ensuring the housing stock has the flexibility to meet the requirements of the future population would be for the Councils to implement a policy of universal Category 2 standards in newbuild housing.



Appendix 1. Local authority level travel to work and migration flows

Commuting flows

Chapter 1 details the commuting flows occurring in the Black Country authorities as a whole according to the most recent data available on this subject, the 2011 Census. The tables below show the equivalent detail to that set out in Table 1.1, but for each authority individually. The tables set out the 5 authorities to which residents in each Black Country authority most commonly travelled for work in 2011, alongside the 5 authorities from which people most commonly travelled to work in each Black Country authority.

The results show that in all instances the largest flows are within the individual authority, but that there are very large flows of people between the Black Country authorities. There are also large flows recorded to Birmingham, particularly as a workplace destination of Black Country residents, this reflects both it is a major employment hub in the West Midlands, but also it is a very large local authority (the largest in the country), so will always record large population movements.

Table 1.1a The five authorities with which Dudley has the largest travel to work flows					
<i>Travel to work journeys made by people aged 16 and over resident in Dudley</i>			<i>Travel to work journeys made by people aged 16 and over working in Dudley</i>		
<i>Destination authority area</i>	<i>Number of Dudley residents that work there</i>	<i>Proportion of all residents in work that work there</i>	<i>Authority area of residence</i>	<i>Number of people working in Dudley</i>	<i>Proportion of people working in Dudley that live there</i>
Dudley	63,764	52.7%	Dudley	63,764	62.2%
Sandwell	16,877	14.0%	Sandwell	11,739	11.4%
Birmingham	14,057	11.6%	Wolverhampton	5,249	5.1%
Wolverhampton	7,757	6.4%	Birmingham	4,547	4.4%
Walsall	2,638	2.2%	South Staffordshire	3,736	3.6%

Source: 2011 Census

Table 1.1b The five authorities with which Sandwell has the largest travel to work flows					
<i>Travel to work journeys made by people aged 16 and over resident in Sandwell</i>			<i>Travel to work journeys made by people aged 16 and over working in Sandwell</i>		
<i>Destination authority area</i>	<i>Number of Sandwell residents that work there</i>	<i>Proportion of all residents in work that work there</i>	<i>Authority area of residence</i>	<i>Number of people working in Sandwell</i>	<i>Proportion of people working in Sandwell that live there</i>
Sandwell	50,299	45.0%	Sandwell	50,299	46.1%
Birmingham	28,088	25.1%	Dudley	16,877	15.5%
Dudley	11,739	10.5%	Birmingham	13,661	12.5%
Walsall	6,843	6.1%	Walsall	8,679	8.0%
Wolverhampton	3,780	3.4%	Wolverhampton	6,133	5.6%

Source: 2011 Census

Table 1.1c The five authorities with which Walsall has the largest travel to work flows					
<i>Travel to work journeys made by people aged 16 and over resident in Walsall</i>			<i>Travel to work journeys made by people aged 16 and over working in Walsall</i>		
<i>Destination authority area</i>	<i>Number of Walsall residents that work there</i>	<i>Proportion of all residents in work that work there</i>	<i>Authority area of residence</i>	<i>Number of people working in Walsall</i>	<i>Proportion of people working in Walsall that live there</i>
Walsall	47,216	49.2%	Walsall	47,216	53.1%
Birmingham	16,037	16.7%	Wolverhampton	8,052	9.0%
Sandwell	8,679	9.0%	Sandwell	6,843	7.7%
Wolverhampton	7,700	8.0%	Birmingham	5,872	6.6%
Lichfield	2,311	2.4%	South Staffordshire	3,876	4.4%

Source: 2011 Census

Table 1.1d The five authorities with which Wolverhampton has the largest travel to work flows					
<i>Travel to work journeys made by people aged 16 and over resident in Wolverhampton</i>			<i>Travel to work journeys made by people aged 16 and over working in Wolverhampton</i>		
<i>Destination authority area</i>	<i>Number of Wolverhampton residents that work there</i>	<i>Proportion of all residents in work that work there</i>	<i>Authority area of residence</i>	<i>Number of people working in Wolverhampton</i>	<i>Proportion of people working in Wolverhampton that live there</i>
Wolverhampton	49,388	55.2%	Wolverhampton	49,388	52.7%
Walsall	8,052	9.0%	South Staffordshire	10,381	11.1%
Sandwell	6,133	6.9%	Dudley	7,757	8.3%
Birmingham	5,842	6.5%	Walsall	7,700	8.2%
Dudley	5,249	5.9%	Sandwell	3,780	4.0%

Source: 2011 Census

Migration trends

Chapter 1 also details the migration flows into and out of the Black Country in 2019, using ONS modelled data, and compares these trends with the equivalent recorded in the 2011 Census. The tables below show the equivalent detail to that set out in Table 1.2, but for each authority individually. The tables set out the 10 authorities which residents in each Black Country authority most commonly moved to in the year up to July 2019 and shows the equivalent percentage of moves to this location in 2011. It is important to note that the 2019 projections do not record moves within authorities, so the figures only consider moves occurring across authority boundaries.

The results show that moves across the Black Country are very important, especially between Sandwell and Dudley and also between Walsall and Wolverhampton. There are also large flows recorded to Birmingham, reflecting the large size of the authority, however the relative importance of Birmingham as a destination is reducing notably in three of the four Black Country local authorities.

Table 1.2a The ten authorities with which Dudley has the largest outward migration flows in 2019			
<i>2019</i>			<i>2011</i>
<i>Destination authority area</i>	<i>Number of Dudley residents that moved there</i>	<i>Proportion of all residents leaving Dudley that moved there</i>	<i>Proportion of all residents leaving Dudley that moved there</i>
Sandwell	1,859	15.7%	20.4%
Birmingham	1,295	10.9%	10.6%
Wolverhampton	892	7.5%	7.3%
South Staffordshire	884	7.5%	6.0%
Wyre Forest	598	5.0%	4.5%
Bromsgrove	551	4.7%	4.5%
Walsall	399	3.4%	2.9%
Shropshire	390	3.3%	2.5%
Telford and Wrekin	202	1.7%	1.1%
Worcester	178	1.5%	2.0%

ONS Population estimates, 2019; 2011 Census

Table 1.2b The ten authorities with which Sandwell has the largest outward migration flows in 2019			
<i>2019</i>			<i>2011</i>
<i>Destination authority area</i>	<i>Number of Sandwell residents that moved there</i>	<i>Proportion of all residents leaving Sandwell that moved there</i>	<i>Proportion of all residents leaving Sandwell that moved there</i>
Birmingham	4,025	22.8%	24.1%
Dudley	3,254	18.4%	21.0%
Walsall	2,068	11.7%	13.2%
Wolverhampton	1,074	6.1%	4.3%
Wyre Forest	289	1.6%	1.1%
South Staffordshire	282	1.6%	1.7%
Bromsgrove	279	1.6%	1.6%
Solihull	240	1.4%	0.8%
Shropshire	233	1.3%	1.2%
Coventry	211	1.2%	0.9%

ONS Population estimates, 2019; 2011 Census

Table 1.2c The ten authorities with which Walsall has the largest outward migration flows in 2019			
<i>2019</i>			<i>2011</i>
<i>Destination authority area</i>	<i>Number of Walsall residents that moved there</i>	<i>Proportion of all residents leaving Walsall that moved there</i>	<i>Proportion of all residents leaving Walsall that moved there</i>
Birmingham	1,883	14.9%	16.7%
Wolverhampton	1,486	11.7%	11.7%
Sandwell	1,232	9.7%	11.6%
Lichfield	745	5.9%	5.0%
South Staffordshire	701	5.5%	6.0%
Cannock Chase	686	5.4%	4.3%
Dudley	338	2.7%	2.8%
Telford and Wrekin	207	1.6%	0.9%
Shropshire	194	1.5%	1.2%
Stafford	185	1.5%	1.4%

ONS Population estimates, 2019; 2011 Census

Table 1.2d The ten authorities with which Wolverhampton has the largest outward migration flows in 2019			
<i>2019</i>			<i>2011</i>
<i>Destination authority area</i>	<i>Number of Wolverhampton residents that moved there</i>	<i>Proportion of all residents leaving Wolverhampton that moved there</i>	<i>Proportion of all residents leaving Wolverhampton that moved there</i>
Walsall	1,361	10.6%	13.6%
South Staffordshire	1,323	10.3%	12.3%
Birmingham	1,135	8.8%	9.7%
Dudley	1,026	8.0%	8.4%
Sandwell	630	4.9%	5.9%
Shropshire	560	4.4%	4.2%
Telford and Wrekin	491	3.8%	2.4%
Leicester	205	1.6%	0.8%
Cannock Chase	196	1.5%	1.3%
Stafford	192	1.5%	1.4%

ONS Population estimates, 2019; 2011 Census

The tables below show the equivalent detail to that set out in Table 1.3, but for each authority individually. The tables set out the 10 authorities from which residents most commonly moved to each Black Country authority in the year up to July 2019 and shows the equivalent percentage of moves from this location in 2011. It is important to note that the 2019 projections do not record moves within authorities, so the figures only consider moves occurring across authority boundaries. The migration patterns recorded are broadly similar to that recorded for moves out of each authority.

Table 1.3a The ten authorities with which Dudley has the largest inward migration flows in 2019			
	<i>2019</i>		<i>2011</i>
<i>Original authority area of residence</i>	<i>Number of people that moved to Dudley</i>	<i>Proportion of all people moving to Dudley</i>	<i>Proportion of all people moving to Dudley</i>
Sandwell	12,587	26.7%	30.9%
Birmingham	1,743	17.4%	14.2%
Wolverhampton	598	8.4%	9.1%
South Staffordshire	581	3.9%	5.7%
Walsall	563	2.8%	3.0%
Bromsgrove	476	2.6%	3.9%
Wyre Forest	467	2.3%	3.8%
Worcester	443	1.4%	0.8%
Nottingham	428	0.9%	0.2%
Shropshire	414	0.9%	1.3%

ONS Population estimates, 2019; 2011 Census

Table 1.3b The ten authorities with which Sandwell has the largest inward migration flows in 2019			
<i>2019</i>			<i>2011</i>
<i>Original authority area of residence</i>	<i>Number of people that moved to Sandwell</i>	<i>Proportion of all people moving to Sandwell</i>	<i>Proportion of all people moving to Sandwell</i>
Birmingham	5,827	37.7%	39.6%
Dudley	1,859	12.0%	18.0%
Walsall	1,232	8.0%	9.5%
Wolverhampton	630	4.1%	4.8%
Coventry	204	1.3%	1.0%
Leicester	173	1.1%	0.5%
Solihull	153	1.0%	1.0%
Ealing	131	0.8%	0.4%
Hounslow	120	0.8%	0.3%
Derby	116	0.8%	0.6%

ONS Population estimates, 2019; 2011 Census

Table 1.3c The ten authorities with which Walsall has the largest inward migration flows in 2019			
<i>2019</i>			<i>2011</i>
<i>Original authority area of residence</i>	<i>Number of people that moved to Walsall</i>	<i>Proportion of all people moving to Walsall</i>	<i>Proportion of all people moving to Walsall</i>
Birmingham	3,404	26.3%	22.6%
Sandwell	2,068	16.0%	18.4%
Wolverhampton	1,361	10.5%	13.9%
Dudley	399	3.1%	3.2%
Cannock Chase	339	2.6%	3.2%
South Staffordshire	332	2.6%	4.0%
Lichfield	264	2.0%	3.3%
Coventry	160	1.2%	1.2%
Leicester	132	1.0%	0.4%
Nottingham	130	1.0%	0.3%

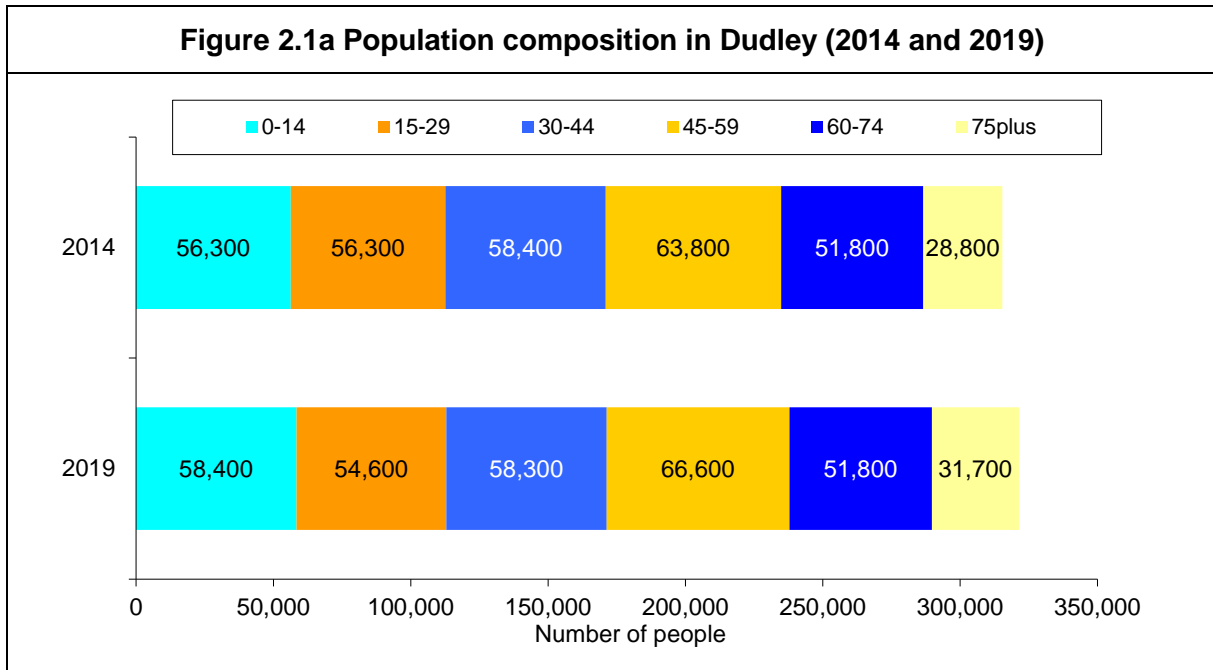
ONS Population estimates, 2019; 2011 Census

Table 1.3d The ten authorities with which Wolverhampton has the largest inward migration flows in 2019			
	<i>2019</i>		<i>2011</i>
<i>Original authority area of residence</i>	<i>Number of people that moved to Wolverhampton</i>	<i>Proportion of all people moving to Wolverhampton</i>	<i>Proportion of all people moving to Wolverhampton</i>
Walsall	1,486	12.9%	14.1%
Birmingham	1,234	10.7%	9.2%
Sandwell	1,074	9.3%	7.0%
Dudley	892	7.7%	9.5%
South Staffordshire	855	7.4%	10.7%
Telford and Wrekin	207	1.8%	2.9%
Leicester	169	1.5%	0.8%
Ealing	160	1.4%	0.4%
Shropshire	159	1.4%	2.9%
Coventry	142	1.2%	1.5%

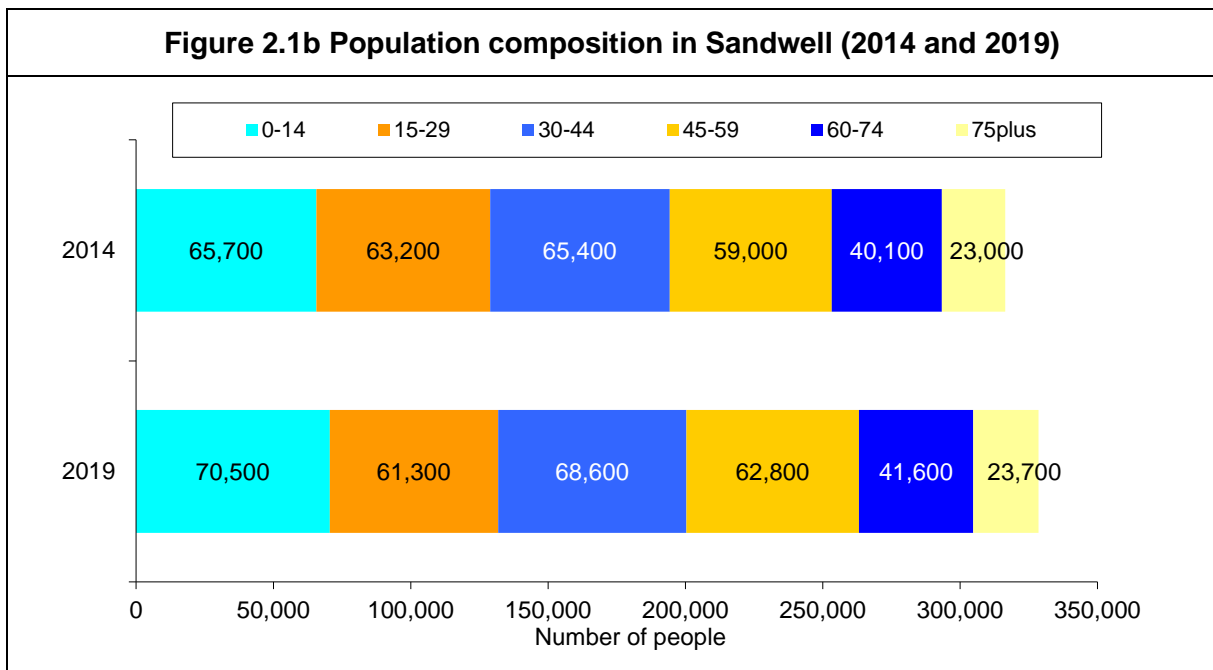
ONS Population estimates, 2019; 2011 Census

Appendix 2. Local authority level socio-economic detail

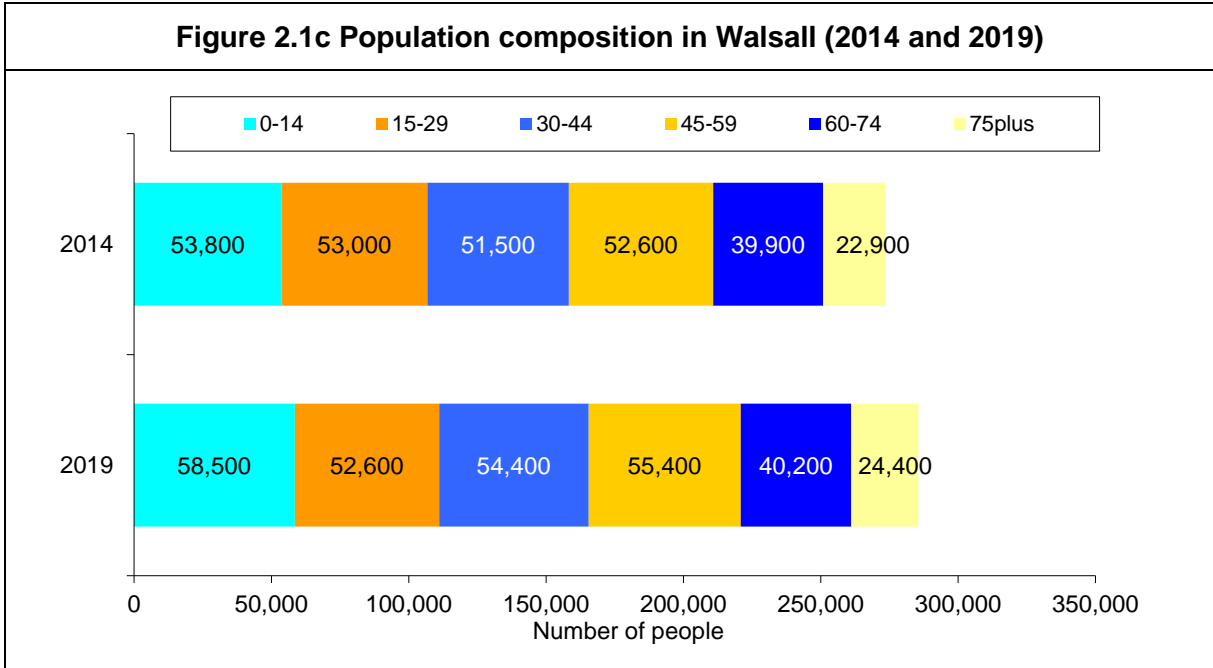
Figure 2.1 illustrates the age composition of the population in the Black Country in 2014 and 2019 according to the latest population estimates. The figures below replicate this detail for the four authorities within the housing market area.



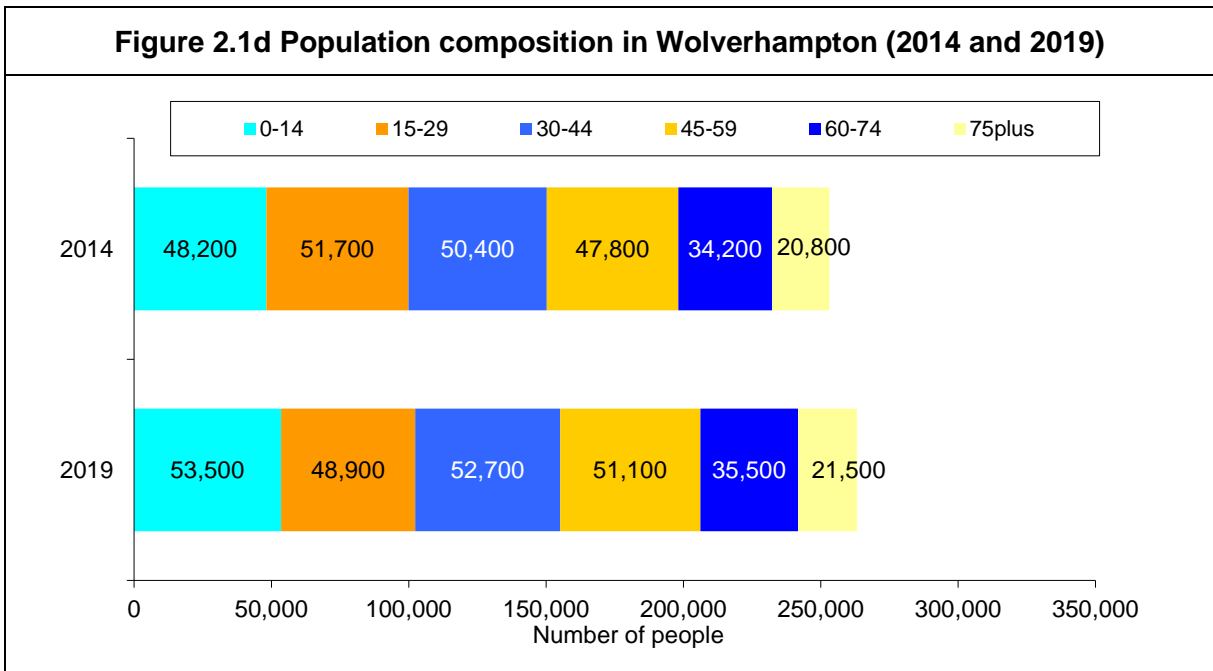
Source: ONS Population estimates, 2019



Source: ONS Population estimates, 2019



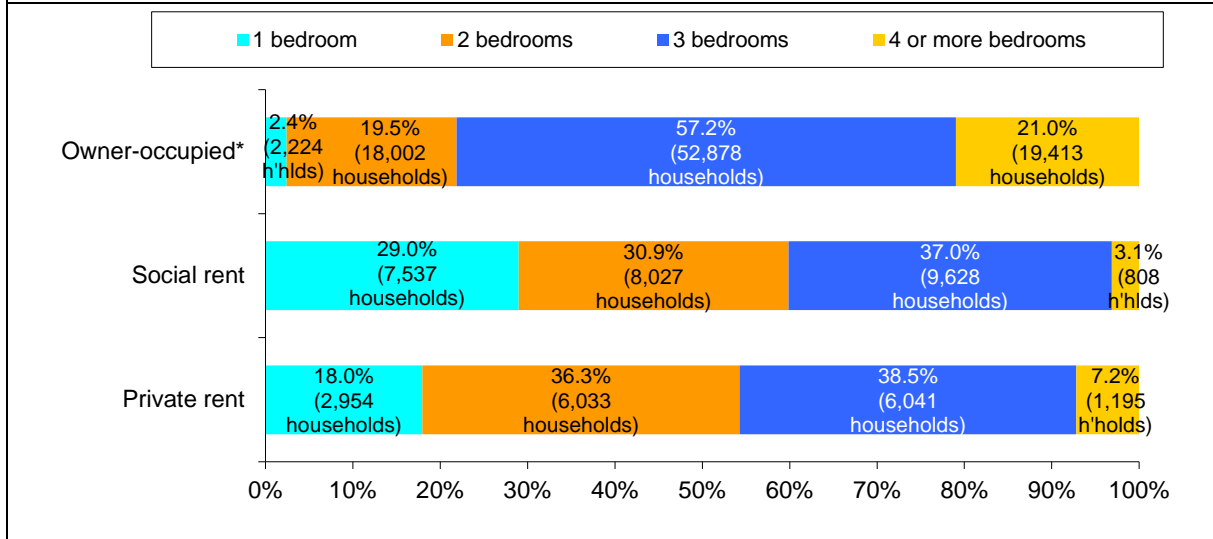
Source: ONS Population estimates, 2019



Source: ONS Population estimates, 2019

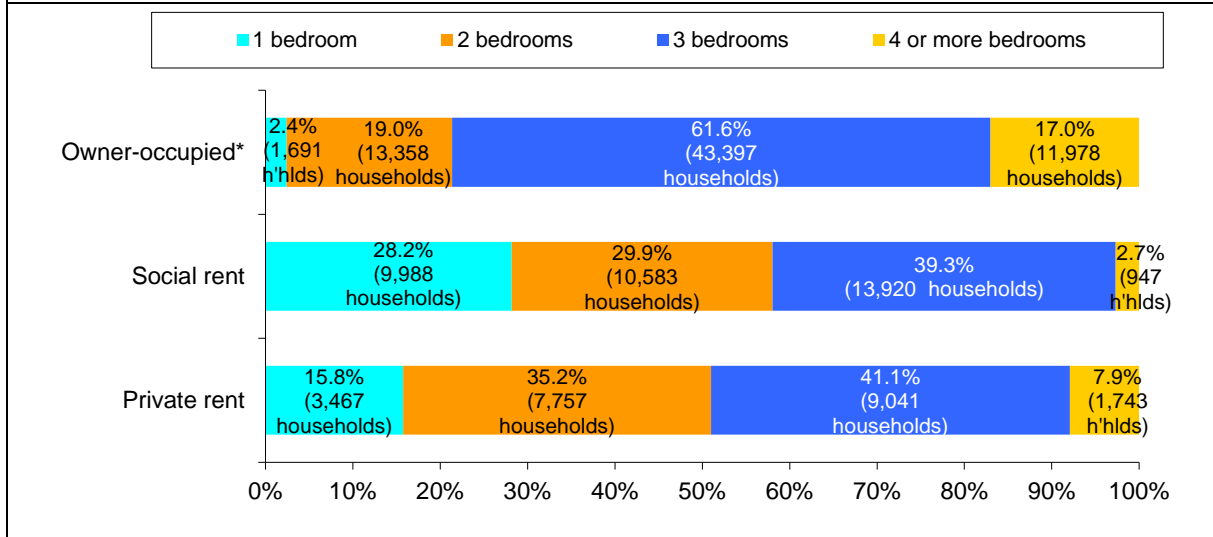
Figure 2.12 showed the size of accommodation within each tenure as recorded in the LTBHM model. The figures below replicate this detail for the four authorities within the housing market area.

Figure 2.12a Dwelling size within each tenure in Dudley 2020



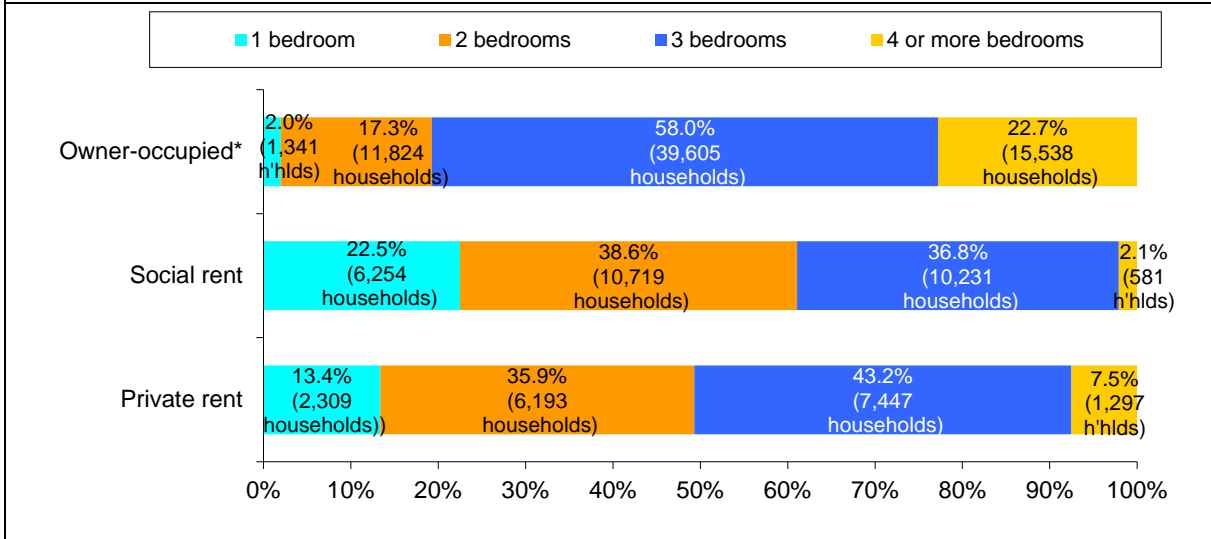
*Includes Shared Ownership

Figure 2.12b Dwelling size within each tenure in Sandwell 2020



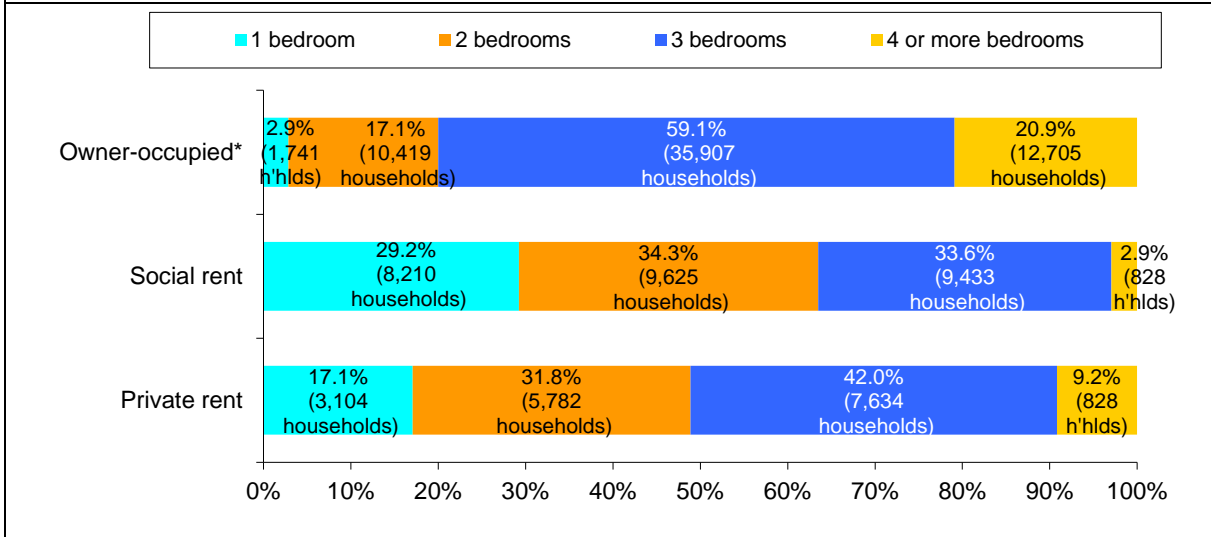
*Includes Shared Ownership

Figure 2.12c Dwelling size within each tenure in Walsall 2020



*Includes Shared Ownership

Figure 2.12d Dwelling size within each tenure in Wolverhampton 2020



*Includes Shared Ownership

Appendix 3. Details of the NMSS model

Overview

The Neil McDonald Strategic Solutions (NMSS) model is an Excel spreadsheet model which seeks to replicate as closely as is reasonably practicable the methods used by MHCLG and ONS in producing the official population and household projections. It was developed by Neil McDonald to support local authorities and others in estimating objectively assessed housing needs. It has been widely used in Local Plan preparations; Local Plan examinations; and S78 planning appeals, and inspectors have relied on its conclusions.

The model takes as its starting point a set of official projections – currently the 2018 based projections. It is a ‘stepping model’ which means it takes one year’s population figures and estimates of births, deaths and migration flows in the ensuing 12-month period to produce an estimate of the following year’s population. That process is then repeated year by year until the end of the projection period is reached.

The estimates of births, deaths and migration flows are based on flow rates derived from official projections and these can be adjusted to produce variant projections. The flow rates are applied to the previous year’s population which means that if the model is being used to explore, say, the consequences of assuming higher household formation rates than envisaged in the official projections, the impact this will have on births, deaths and migration flows is automatically taken into account.



Appendix 4. Local authority results for the type and tenure of new housing needed

Introduction

Chapter 5 describes the process through which the overall housing need calculated through the revised Standard Method is disaggregated into a population profile and subsequently a household profile. The household profile is then used as an input into the LTBHM model, which is used to determine the type and tenure of housing required to accommodate the household population most suitably at the end of the plan period. This is then compared to the current stock to derive the nature of new housing required over the plan period.

Chapter 5 also presents the results of these processes for the Black Country housing market area. This appendix sets out the equivalent results for each of the four constituent authorities in the Black Country separately. The methodology behind the results is the same as described in Chapter 5.

Dudley

Population profile

The table below sets out the age profile of the population in Dudley in 2039 according to the adjusted population projections in comparison to the age profile of the Borough currently (in 2020). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the plan period - those aged 75 or over will rise from 32,321 in 2020 to 41,571 in 2039, an increase of 28.6%. Whilst those aged 60 and over will account for over a quarter of all people in Dudley in 2039, over a third of people in the Borough at the end of the plan period will be aged under 30.

Age	2020 Population	2020 Percentage	2039 Population	2039 Percentage
0-14	62,776	19.4%	63,888	18.3%
15-29	50,997	15.8%	55,508	15.9%
30-44	59,169	18.3%	63,232	18.1%
45-59	66,420	20.5%	66,188	19.0%
60-75	52,011	16.1%	58,527	16.8%
75+	32,321	10.0%	41,572	11.9%
Total	323,694	100.0%	348,914	100.0%

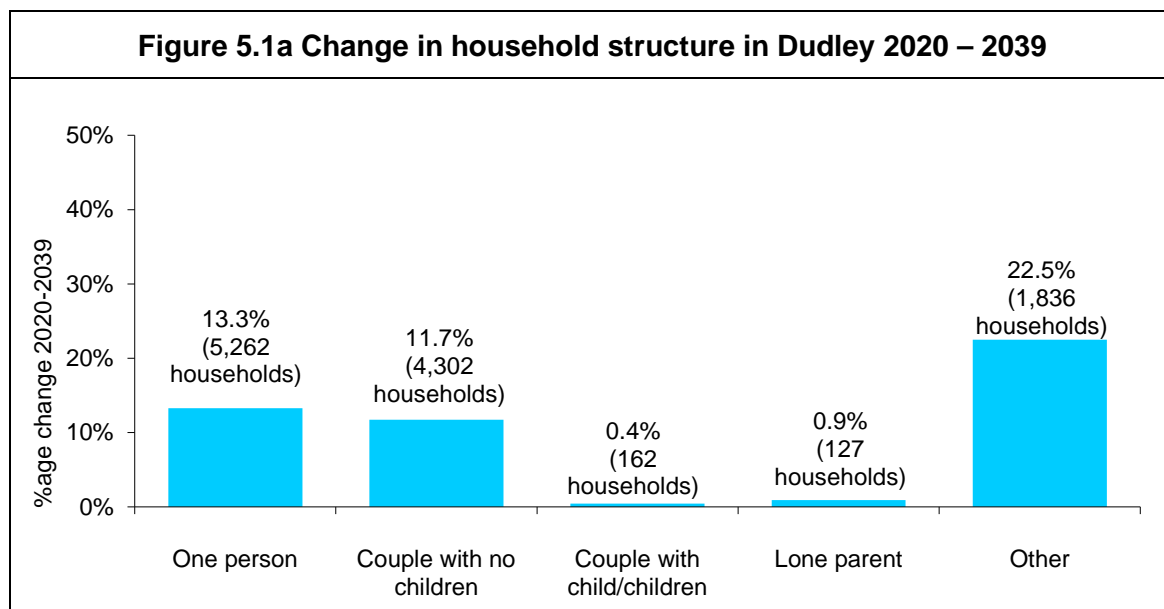
Household profile

The table below sets out the number of households that will be resident in Dudley in 2039 disaggregated by broad household type according to these projections. The 2020 household profile is also presented as a reference point, as 2020 is the base date for this model.

Household type	2020 Number	2020 Percentage	2039 Number	2039 Percentage
One person	39,659	29.3%	44,921	30.6%
Couple with no children	36,701	27.2%	41,003	27.9%
Couple with child/children	36,703	27.2%	36,865	25.1%
Lone parent	13,897	10.3%	14,024	9.6%
Other*	8,170	6.0%	10,007	6.8%
Total	135,130	100.0%	146,820	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2020 and 2039 in Dudley. The figure indicates that the largest relative growth will be in 'other' households, which are projected to grow by 22.5% between 2020 and 2039 (from a relatively low base), with the number of single person households also projected to grow notably. The absolute growth in households will be largest for one person households, followed by couple households with no children.



Tenure of housing required

The tables below show the projected tenure profile in Dudley at the end of the plan period. The profile in 2020 at the start of the plan period is also set out for context. The data shows that, in 2039, the housing stock across Dudley should comprise 66.8% owner-occupied accommodation, 13.0% private rented homes, 1.3% Shared Ownership properties and 18.9% Social Rented/Affordable Rented housing.

Tenure	Base tenure (2020)		Projected tenure (2039)	
	Number	Percentage	Number	Percentage
Owner-occupied	91,824	68.0%	98,037	66.8%
Private rented	16,613	12.3%	19,212	13.0%
Shared Ownership	693	0.5%	1,890	1.3%
Social Rent/Affordable Rent	26,000	19.2%	27,681	18.9%
Total	135,130	100.0%	146,820	100.0%

The table below shows the tenure profile required by households resident in Dudley in 2039 time in comparison to the tenure profile recorded in the Borough at the start of the plan period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 53.1% of new housing in Dudley should be owner-occupied, 22.2% private rented, 10.2% should be Shared Ownership and 14.4% Social Rent/Affordable Rent.

Tenure	Base tenure profile (2020)	Tenure profile 2039	Change required	% of change required
Owner-occupied	91,824	98,037	6,213	53.1%
Private rent	16,613	19,212	2,600	22.2%
Shared Ownership	693	1,890	1,197	10.2%
Social Rent/Affordable Rent	26,000	27,681	1,681	14.4%
Total	135,130	146,820	11,690	100.0%

First Homes

As discussed in Chapter 3, First Homes are an intermediate product that have been introduced to specifically help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private

rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 5, identifies that between 2020 and 2039, there would be a potential demand for 1,186 First Homes in Dudley. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 1,186 First Homes in Dudley, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The model is also able to provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Dudley in 19 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 5.5a Size of new owner-occupied accommodation required in Dudley over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,121	3,528	1,407	22.6%
Two bedroom	17,698	19,389	1,691	27.2%
Three bedroom	52,653	55,006	2,353	37.9%
Four or more bedrooms	19,352	20,115	762	12.3%
Total	91,824	98,037	6,213	100.0%

This analysis is replicated for private rented housing in the table below.

Table 5.6a Size of new private rented accommodation required in Dudley over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,984	3,466	482	18.5%
Two bedroom	6,033	6,726	692	26.6%
Three bedroom	6,401	7,278	878	33.8%
Four or more bedrooms	1,195	1,743	548	21.1%
Total	16,613	19,212	2,600	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7a Size of new Shared Ownership accommodation required in Dudley over the next 19 years

<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	103	408	305	25.4%
Two bedroom	304	685	381	31.9%
Three bedroom	225	598	373	31.2%
Four or more bedrooms	61	198	137	11.5%
Total	693	1,890	1,197	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector in Dudley over the plan period. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the plan period. If there is loss of affordable stock through Right-to-Buy this will also need to be replaced.

Table 5.8a Size of new Social Rent/Affordable Rent required in Dudley over the next 19 years

<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	7,537	7,968	432	25.7%
Two bedroom	8,027	8,352	325	19.3%
Three bedroom	9,628	9,974	346	20.6%
Four or more bedrooms	808	1,387	578	34.4%
Total	26,000	27,681	1,681	100.0%

The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Size of home	First Homes		Residual private rented homes	
	Number required	Proportion required	Number required	Proportion required
One bedroom	256	21.6%	226	16.0%
Two bedroom	368	31.0%	325	23.0%
Three bedroom	374	31.5%	504	35.7%
Four or more bedrooms	189	15.9%	359	25.4%
Total	1,186	100.0%	1,413	100.0%

The table below summarises the results for presented for each tenure individually above and shows the profile the new housing required in Dudley over the next 19 years.

Size of home	Owner occupied	Private rented	First Homes	Shared Ownership	Social/ Affordable Rented
1 bedroom	1,407	226	256	305	432
2 bedroom	1,691	325	368	381	325
3 bedroom	2,353	504	374	373	346
4+ bedrooms	762	359	189	137	578
Total	6,213	1,413	1,186	1,197	1,681

Sandwell

Population profile

The table below sets out the age profile of the population in Sandwell in 2039 according to the adjusted population projections in comparison to the age profile of the Borough currently (in 2020). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the plan period - those aged 75 or over will rise from 24,026 in 2020 to 31,844 in 2039, an increase of 32.5%. Whilst those aged 60 and over will account for almost a quarter of all people in Sandwell in 2039, over a third of people in the Borough at the end of the plan period will be aged under 30.

Table 5.1b Age of projected population in Sandwell in 2039 compared to current age profile				
<i>Age</i>	<i>2020 Population</i>	<i>2020 Percentage</i>	<i>2039 Population</i>	<i>2039 Percentage</i>
0-14	75,014	22.6%	77,401	20.7%
15-29	57,620	17.4%	65,648	17.6%
30-44	69,471	20.9%	74,410	19.9%
45-59	63,464	19.1%	70,209	18.8%
60-75	42,123	12.7%	53,837	14.4%
75+	24,026	7.2%	31,844	8.5%
Total	331,719	100.0%	373,348	100.0%

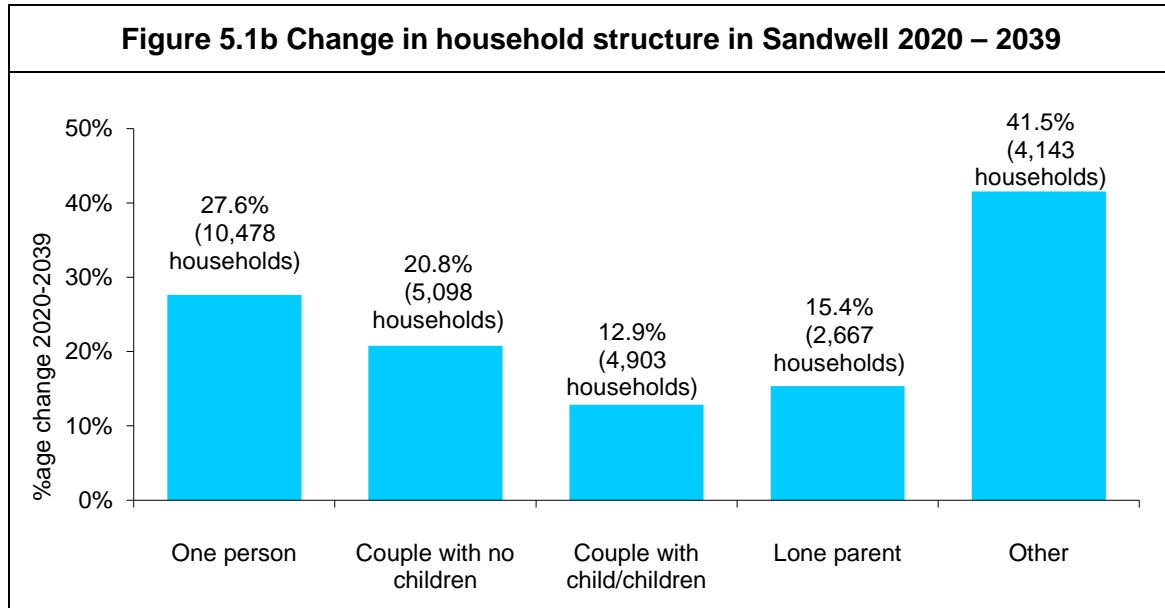
Household profile

The table below sets out the number of households that will be resident in Sandwell in 2039 disaggregated by broad household type according to these projections. The 2020 household profile is also presented as a reference point, as 2020 is the base date for this model.

Table 5.2b Projected household population in Sandwell in 2039 by household type				
<i>Household type</i>	<i>2020 Number</i>	<i>2020 Percentage</i>	<i>2039 Number</i>	<i>2039 Percentage</i>
One person	37,918	29.7%	48,396	31.2%
Couple with no children	24,537	19.2%	29,635	19.1%
Couple with child/children	38,079	29.8%	42,982	27.7%
Lone parent	17,364	13.6%	20,031	12.9%
Other*	9,973	7.8%	14,116	9.1%
Total	127,870	100.0%	155,160	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2020 and 2039 in Sandwell. The figure indicates that the largest relative growth will be in 'other' households, which are projected to grow by 41.5% between 2020 and 2039 (from a relatively low base), with the number of single person households also projected to grow notably. The absolute growth in households will be largest for one person households, followed by couple households with no children.



Tenure of housing required

The tables below show the projected tenure profile in Sandwell at the end of the plan period. The profile in 2020 at the start of the plan period is also set out for context. The data shows that, in 2039, the housing stock across Sandwell should comprise 54.1% owner-occupied accommodation, 18.5% private rented homes, 1.6% Shared Ownership properties and 25.8% Social Rented/Affordable Rented housing.

Table 5.3b Current tenure and tenure profile projected in Sandwell in 2039

Tenure	Base tenure (2020)		Projected tenure (2039)	
	Number	Percentage	Number	Percentage
Owner-occupied	69,838	54.6%	83,908	54.1%
Private rented	22,008	17.2%	28,710	18.5%
Shared Ownership	586	0.5%	2,499	1.6%
Social Rent/Affordable Rent	35,438	27.7%	40,043	25.8%
Total	127,870	100.0%	155,160	100.0%

The table below shows the tenure profile required by households resident in Sandwell in 2039 time in comparison to the tenure profile recorded in the Borough at the start of the plan period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 51.6% of new housing in Sandwell should be owner-occupied, 24.5% private rented, 7.0% should be Shared Ownership and 16.9% Social Rent/Affordable Rent.

<i>Tenure</i>	<i>Base tenure profile (2020)</i>	<i>Tenure profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	69,838	83,908	14,070	51.6%
Private rent	22,008	28,710	6,702	24.5%
Shared Ownership	586	2,499	1,913	7.0%
Social Rent/Affordable Rent	35,438	40,043	4,605	16.9%
Total	127,870	155,160	27,290	100.0%

First Homes

As discussed in Chapter 3, First Homes are an intermediate product that have been introduced to specifically help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 5, identifies that between 2020 and 2039, there would be a potential demand for 2,242 First Homes in Sandwell. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 2,242 First Homes in Sandwell, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The model is also able to provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Sandwell in 19 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,561	3,745	2,184	15.5%
Two bedroom	13,112	17,342	4,230	30.1%
Three bedroom	43,242	47,369	4,127	29.3%
Four or more bedrooms	11,923	15,452	3,529	25.1%
Total	69,838	83,908	14,070	100.0%

This analysis is replicated for private rented housing in the table below.

Table 5.6b Size of new private rented accommodation required in Sandwell over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	3,467	4,861	1,394	20.8%
Two bedroom	7,757	9,441	1,684	25.1%
Three bedroom	9,041	10,766	1,725	25.7%
Four or more bedrooms	1,743	3,642	1,899	28.3%
Total	22,008	28,710	6,702	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7b Size of new Shared Ownership accommodation required in Sandwell over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	130	617	487	25.4%
Two bedroom	246	837	591	30.9%
Three bedroom	155	691	536	28.0%
Four or more bedrooms	55	355	300	15.7%
Total	586	2,499	1,913	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector in Sandwell over the plan period. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the plan period. If there is loss of affordable stock through Right-to-Buy this will also need to be replaced.

Table 5.8b Size of new Social Rent/Affordable Rent required in Sandwell over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	9,988	11,166	1,178	25.6%
Two bedroom	10,583	11,278	694	15.1%
Three bedroom	13,920	15,008	1,088	23.6%
Four or more bedrooms	947	2,591	1,645	35.7%
Total	35,438	40,043	4,605	100.0%

The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9b Potential demand for First Homes in Sandwell over the next 19 years				
Size of home	First Homes		Residual private rented homes	
	Number required	Proportion required	Number required	Proportion required
One bedroom	394	17.6%	1,000	22.4%
Two bedroom	581	25.9%	1,103	24.7%
Three bedroom	805	35.9%	921	20.6%
Four or more bedrooms	463	20.6%	1,436	32.2%
Total	2,242	100.0%	4,460	100.0%

The table below summarises the results for presented for each tenure individually above and shows the profile the new housing required in Sandwell over the next 19 years.

Table 5.10b Profile of new accommodation required in Sandwell					
Size of home	Owner occupied	Private rented	First Homes	Shared Ownership	Social/ Affordable Rented
1 bedroom	2,184	1,000	394	487	1,178
2 bedroom	4,230	1,103	581	591	694
3 bedroom	4,127	921	805	536	1,088
4+ bedrooms	3,529	1,436	463	300	1,645
Total	14,070	4,460	2,242	1,913	4,605

Walsall

Population profile

The table below sets out the age profile of the population in Walsall in 2039 according to the adjusted population projections in comparison to the age profile of the Borough currently (in 2020). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the plan period - those aged 75 or over will rise from 24,664 in 2020 to 31,189 in 2039, an increase of 26.5%. Whilst those aged 60 and over will account for almost a quarter of all people in Walsall in 2039, over a third of people in the Borough at the end of the plan period will be aged under 30.

Age	2020 Population	2020 Percentage	2039 Population	2039 Percentage
0-14	62,618	21.8%	64,881	20.3%
15-29	48,913	17.0%	55,748	17.5%
30-44	55,466	19.3%	59,729	18.7%
45-59	55,151	19.2%	60,168	18.9%
60-75	40,662	14.1%	47,366	14.8%
75+	24,664	8.6%	31,189	9.8%
Total	287,475	100.0%	319,082	100.0%

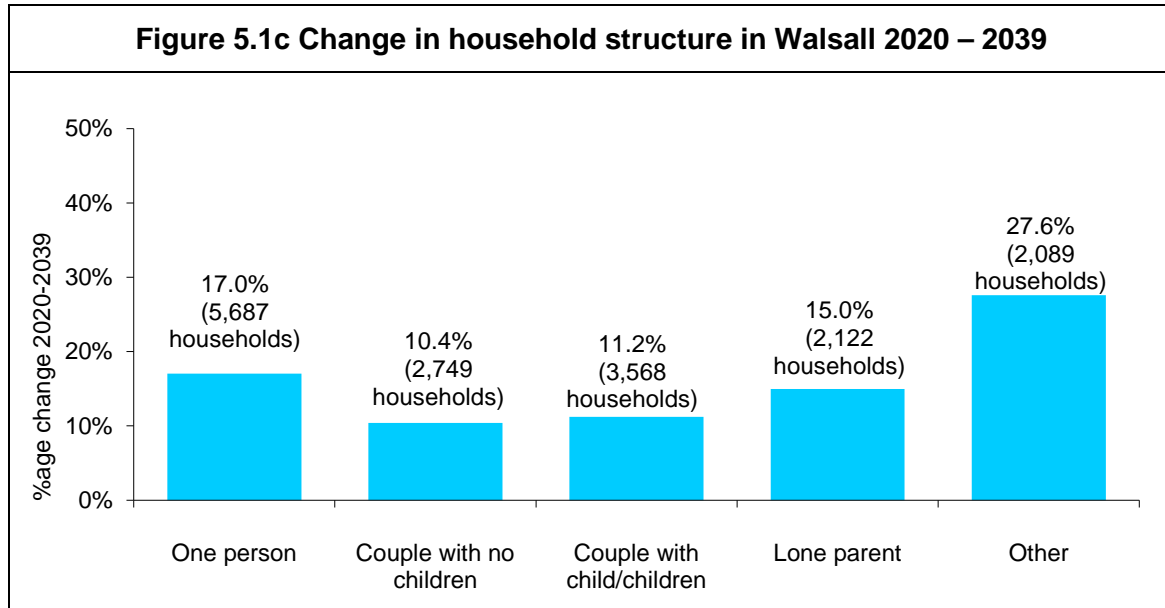
Household profile

The table below sets out the number of households that will be resident in Walsall in 2039 disaggregated by broad household type according to these projections. The 2020 household profile is also presented as a reference point, as 2020 is the base date for this model.

Household type	2020 Number	2020 Percentage	2039 Number	2039 Percentage
One person	33,359	29.4%	39,046	30.1%
Couple with no children	26,377	23.3%	29,126	22.5%
Couple with child/children	31,846	28.1%	35,414	27.3%
Lone parent	14,186	12.5%	16,308	12.6%
Other*	7,572	6.7%	9,661	7.5%
Total	113,340	100.0%	129,555	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2020 and 2039 in Walsall. The figure indicates that the largest relative growth will be in 'other' households, which are projected to grow by 27.6% between 2020 and 2039 (from a relatively low base), with the number of single person households also projected to grow notably. The absolute growth in households will be largest for one person households, followed by couple households with children.



Tenure of housing required

The tables below show the projected tenure profile in Walsall at the end of the plan period. The profile in 2020 at the start of the plan period is also set out for context. The data shows that, in 2039, the housing stock across Walsall should comprise 59.8% owner-occupied accommodation, 15.7% private rented homes, 1.4% Shared Ownership properties and 23.1% Social Rented/Affordable Rented housing.

Table 5.3c Current tenure and tenure profile projected in Walsall in 2039

Tenure	Base tenure (2020)		Projected tenure (2039)	
	Number	Percentage	Number	Percentage
Owner-occupied	67,765	59.8%	77,477	59.8%
Private rented	17,246	15.2%	20,282	15.7%
Shared Ownership	543	0.5%	1,846	1.4%
Social Rent/Affordable Rent	27,786	24.5%	29,950	23.1%
Total	113,340	100.0%	129,555	100.0%

The table below shows the tenure profile required by households resident in Walsall in 2039 time in comparison to the tenure profile recorded in the Borough at the start of the plan period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 59.9% of new housing in Walsall should be owner-occupied, 18.7% private rented, 8.0% should be Shared Ownership and 13.3% Social Rent/Affordable Rent.

Table 5.4c Tenure of new accommodation required in Walsall over the 19 year plan period

<i>Tenure</i>	<i>Base tenure profile (2020)</i>	<i>Tenure profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	67,765	77,477	9,712	59.9%
Private rent	17,246	20,282	3,036	18.7%
Shared Ownership	543	1,846	1,303	8.0%
Social Rent/Affordable Rent	27,786	29,950	2,164	13.3%
Total	113,340	129,555	16,215	100.0%

First Homes

As discussed in Chapter 3, First Homes are an intermediate product that have been introduced to specifically help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 5, identifies that between 2020 and 2039, there would be a potential demand for 1,370 First Homes in Walsall. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 1,370 First Homes in Walsall, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The model is also able to provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Walsall in 19 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 5.5c Size of new owner-occupied accommodation required in Walsall over the next 19 years

<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,200	3,217	2,017	20.8%
Two bedroom	11,629	14,697	3,068	31.6%
Three bedroom	39,477	42,133	2,656	27.4%
Four or more bedrooms	15,459	17,430	1,971	20.3%
Total	67,765	77,477	9,712	100.0%

This analysis is replicated for private rented housing in the table below.

Table 5.6c Size of new private rented accommodation required in Walsall over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,309	2,931	623	20.5%
Two bedroom	6,193	6,782	589	19.4%
Three bedroom	7,447	8,297	851	28.0%
Four or more bedrooms	1,297	2,271	974	32.1%
Total	17,246	20,282	3,036	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7c Size of new Shared Ownership accommodation required in Walsall over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	141	492	351	27.0%
Two bedroom	195	628	433	33.2%
Three bedroom	128	415	287	22.0%
Four or more bedrooms	79	311	232	17.8%
Total	543	1,846	1,303	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector in Walsall over the plan period. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the plan period. If there is loss of affordable stock through Right-to-Buy this will also need to be replaced.

Table 5.8c Size of new Social Rent/Affordable Rent required in Walsall over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	6,254	6,801	547	25.3%
Two bedroom	10,719	10,925	206	9.5%
Three bedroom	10,231	10,729	497	23.0%
Four or more bedrooms	581	1,495	914	42.2%
Total	27,786	29,950	2,164	100.0%

The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private

rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Size of home	First Homes		Residual private rented homes	
	Number required	Proportion required	Number required	Proportion required
One bedroom	307	22.4%	315	18.9%
Two bedroom	373	27.3%	216	12.9%
Three bedroom	456	33.3%	394	23.7%
Four or more bedrooms	233	17.0%	740	44.4%
Total	1,370	100.0%	1,666	100.0%

The table below summarises the results for presented for each tenure individually above and shows the profile the new housing required in Walsall over the next 19 years.

Size of home	Owner occupied	Private rented	First Homes	Shared Ownership	Social/ Affordable Rented
1 bedroom	2,017	315	307	351	547
2 bedroom	3,068	216	373	433	206
3 bedroom	2,656	394	456	287	497
4+ bedrooms	1,971	740	233	232	914
Total	9,712	1,666	1,370	1,303	2,164

Wolverhampton

Population profile

The table below sets out the age profile of the population in Wolverhampton in 2039 according to the adjusted population projections in comparison to the age profile of the Borough currently (in 2020). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the plan period - those aged 75 or over will rise from 21,678 in 2020 to 29,175 in 2039, an increase of 34.6%. Whilst those aged 60 and over will account for a quarter of all people in Wolverhampton in 2039, over a third of people in the Borough at the end of the plan period will be aged under 30.

Table 5.1d Age of projected population in Wolverhampton in 2039 compared to current age profile				
<i>Age</i>	<i>2020 Population</i>	<i>2020 Percentage</i>	<i>2039 Population</i>	<i>2039 Percentage</i>
0-14	56,973	21.4%	57,711	19.5%
15-29	46,086	17.3%	52,514	17.8%
30-44	53,767	20.2%	55,655	18.8%
45-59	51,112	19.2%	55,932	18.9%
60-75	36,195	13.6%	44,626	15.1%
75+	21,678	8.2%	29,175	9.9%
Total	265,811	100.0%	295,613	100.0%

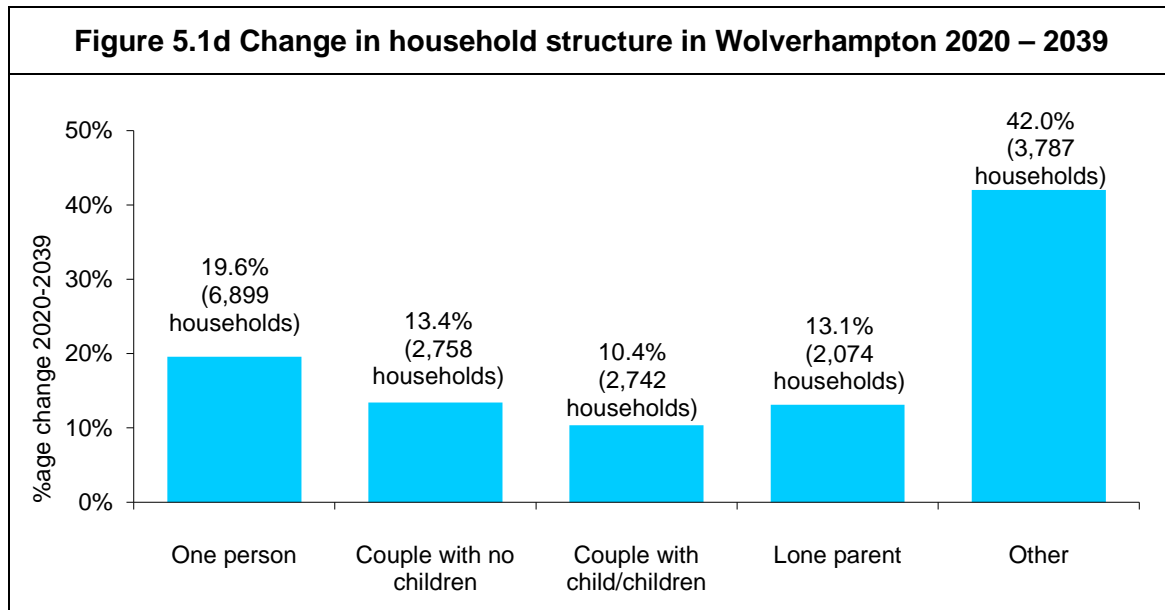
Household profile

The table below sets out the number of households that will be resident in Wolverhampton in 2039 disaggregated by broad household type according to these projections. The 2020 household profile is also presented as a reference point, as 2020 is the base date for this model.

Table 5.2d Projected household population in Wolverhampton in 2039 by household type				
<i>Household type</i>	<i>2020 Number</i>	<i>2020 Percentage</i>	<i>2039 Number</i>	<i>2039 Percentage</i>
One person	35,231	32.9%	42,129	33.6%
Couple with no children	20,543	19.2%	23,301	18.6%
Couple with child/children	26,432	24.7%	29,174	23.3%
Lone parent	15,833	14.8%	17,907	14.3%
Other*	9,016	8.4%	12,803	10.2%
Total	107,055	100.0%	125,315	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2020 and 2039 in Wolverhampton. The figure indicates that the largest relative growth will be in 'other' households, which are projected to grow by 42.0% between 2020 and 2039 (from a relatively low base), with the number of single person households also projected to grow notably. The absolute growth in households will be largest for one person households, followed by 'other' households.



Tenure of housing required

The tables below show the projected tenure profile in Wolverhampton at the end of the plan period. The profile in 2020 at the start of the plan period is also set out for context. The data shows that, in 2039, the housing stock across Wolverhampton should comprise 55.8% owner-occupied accommodation, 17.7% private rented homes, 1.6% Shared Ownership properties and 24.9% Social Rented/Affordable Rented housing.

Table 5.3d Current tenure and tenure profile projected in Wolverhampton in 2039

Tenure	Base tenure (2020)		Projected tenure (2039)	
	Number	Percentage	Number	Percentage
Owner-occupied	60,490	56.5%	69,983	55.8%
Private rented	18,185	17.0%	22,196	17.7%
Shared Ownership	283	0.3%	1,972	1.6%
Social Rent/Affordable Rent	28,097	26.2%	31,164	24.9%
Total	107,055	100.0%	125,315	100.0%

The table below shows the tenure profile required by households resident in Wolverhampton in 2039 time in comparison to the tenure profile recorded in the Borough at the start of the plan period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 52.0% of new housing in Wolverhampton should be owner-occupied, 22.0% private rented, 9.3% should be Shared Ownership and 16.8% Social Rent/Affordable Rent.

Table 5.4d Tenure of new accommodation required in Wolverhampton over the 19 year plan period				
<i>Tenure</i>	<i>Base tenure profile (2020)</i>	<i>Tenure profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	60,490	69,983	9,493	52.0%
Private rent	18,185	22,196	4,011	22.0%
Shared Ownership	283	1,972	1,689	9.3%
Social Rent/Affordable Rent	28,097	31,164	3,067	16.8%
Total	107,055	125,315	18,260	100.0%

First Homes

As discussed in Chapter 3, First Homes are an intermediate product that have been introduced to specifically help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 5, identifies that between 2020 and 2039, there would be a potential demand for 1,608 First Homes in Wolverhampton. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 1,6081 First Homes in Wolverhampton, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The model is also able to provide detail on the size of new dwellings required in each tenure. The table below presents the size of owner-occupied accommodation required in Wolverhampton in 19 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 5.5d Size of new owner-occupied accommodation required in Wolverhampton over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,680	3,598	1,918	20.2%
Two bedroom	10,320	12,336	2,016	21.2%
Three bedroom	35,825	38,723	2,898	30.5%
Four or more bedrooms	12,664	15,326	2,661	28.0%
Total	60,490	69,983	9,493	100.0%

This analysis is replicated for private rented housing in the table below.

Table 5.6d Size of new private rented accommodation required in Wolverhampton over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	3,104	4,136	1,032	25.7%
Two bedroom	5,782	6,755	973	24.3%
Three bedroom	7,634	8,350	716	17.9%
Four or more bedrooms	1,665	2,955	1,290	32.2%
Total	18,185	22,196	4,011	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7d Size of new Shared Ownership accommodation required in Wolverhampton over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	61	445	384	22.7%
Two bedroom	99	647	548	32.4%
Three bedroom	82	566	484	28.6%
Four or more bedrooms	41	315	274	16.2%
Total	283	1,972	1,689	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector in Wolverhampton over the plan period. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the plan period. If there is loss of affordable stock through Right-to-Buy this will also need to be replaced.

Table 5.8d Size of new Social Rent/Affordable Rent required in Wolverhampton over the next 19 years				
<i>Size of home</i>	<i>Base size profile (2020)</i>	<i>Size profile 2039</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	8,210	9,013	803	26.2%
Two bedroom	9,625	10,115	490	16.0%
Three bedroom	9,433	10,058	624	20.4%
Four or more bedrooms	828	1,978	1,150	37.5%
Total	28,097	31,164	3,067	100.0%

The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9d Potential demand for First Homes in Wolverhampton over the next 19 years				
<i>Size of home</i>	<i>First Homes</i>		<i>Residual private rented homes</i>	
	<i>Number required</i>	<i>Proportion required</i>	<i>Number required</i>	<i>Proportion required</i>
One bedroom	365	22.7%	667	27.8%
Two bedroom	403	25.0%	570	23.7%
Three bedroom	517	32.2%	199	8.3%
Four or more bedrooms	323	20.1%	967	40.2%
Total	1,608	100.0%	2,402	100.0%

The table below summarises the results for presented for each tenure individually above and shows the profile the new housing required in Wolverhampton over the next 19 years.

Table 5.10d Profile of new accommodation required in Wolverhampton					
<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared Ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	1,918	667	365	384	803
2 bedroom	2,016	570	403	548	490
3 bedroom	2,898	199	517	484	624
4+ bedrooms	2,661	967	323	274	1,150
Total	9,493	2,402	1,608	1,689	3,067

Appendix 5. Detail of the calculation of the affordable housing need in the Black Country

This appendix sets out the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This appendix presents details of how each of these stages is calculated using locally available data for the Black Country.

Stage 1: Current unmet gross need for affordable housing

The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing and are therefore in current need.

The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the table below for the Black Country, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double counting between them has been taken into account. Households can be unsuitably housed for more than one reason, so it is important that they are only counted once.

The first table shows that there are 36,887 households currently in unsuitable housing or lacking their own housing in the Black Country and the most common reason for unsuitability is overcrowding. This figure of 36,887 represents 7.6% of all households in the housing market area.

Table A5.1 Current households who lack their own housing or live in unsuitable housing in the Black Country

<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	Each individual Council's housing register as of Spring 2020.	482	310 ¹⁰⁰
Households in temporary accommodation	CLG's Statutory homelessness: Detailed local authority-level tables ¹⁰¹ as of December 2019.	294	0 ¹⁰²
Overcrowded households	2011 Census modelled to Spring 2020. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) recorded in each authority in the Black Country between the 2001 and 2011 Census. The nine-year change for each tenure recorded from this source was averaged against the latest nine-year change for each tenure recorded nationally by the English Housing Survey. This average was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2020.	26,820	26,820
Concealed households	2011 Census modelled to Spring 2020. This was done by calculating the annual change in the number of concealed households recorded in each authority in the Black Country between the 2001 and 2011 Census and applying this the number of concealed households identified in the 2011 Census.	9,811	4,599 ¹⁰³
Other groups	Each individual Council's housing register as of Spring that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	5,159	5,159
Total		42,565	36,887

¹⁰⁰ The housing registers indicated that 162 of the homeless households were also in an additional housing need category.

¹⁰¹ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

¹⁰² All households in temporary accommodation are also on the Council's Housing Register, although the type of accommodation they occupy is not separately distinguished, so this is obtained from the homeless statistics.

¹⁰³ The 2011 Census indicated that 56.3% of concealed households were also overcrowded in Dudley, 52.8% in Sandwell, 44.6% in Walsall and 57.6% in Wolverhampton

Affordability

Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing of the appropriate size (set out in Figures 3.3 and 3.5) is therefore tested. The housing register details the size of accommodation required by homeless households, households in temporary accommodation and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile in each authority, is adjusted to reflect that nationally the income of overcrowded households is 96.8% of the figure for all households (according to the English Housing Survey). Similarly, for homeless, temporarily accommodated, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of Social Rented households is 53.2% of the figure for all households (according to the English Housing Survey).

These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in the Black Country¹⁰⁴. The impact of using other thresholds is examined in the analysis in Chapter 6. The table below shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point (either to rent or to buy, whichever is cheaper). The number of households that are therefore in current need is shown in the final column.

¹⁰⁴ This affordability test is used as this is the most appropriate figures when the affordability of local housing is considered based on practice in the market. As this study is seeking to make a 'policy off' assessment of the housing market, an assumption that reflects the workings of the market should be used.

<i>Number of bedrooms required</i>	<i>Unsuitable housed households</i>	<i>Percentage unable to afford both entry-level private rent and entry-level owner-occupation</i>	<i>Households in current need</i>
One bedroom	4,668	54.4%	2,539
Two bedroom	14,166	48.4%	6,858
Three bedroom	10,794	50.4%	5,441
Four or more bedrooms	7,262	54.9%	3,985
Total	36,889	51.0%	18,822

Overall, 51.0% (18,822 households) of unsuitably housed households or households lacking their own housing in the Black Country are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and Shared Ownership accommodation that are not living with another household currently), and other households. It is estimated that some 12,108 households in need in the Black Country currently live in affordable housing that would become available for reuse¹⁰⁵.

Total current need

The table below summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 18,822 households in current need in the Black Country.

<i>Component</i>	
Homeless households and those in temporary accommodation	303
Overcrowded and concealed households	14,085
Other groups	4,434
Total current housing need (gross)	18,822

¹⁰⁵ For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of households in each category, but also their current tenure (alongside the household type and the size of home they required). This was obtained from the original data sources detailed in Table A5.1.

Stage 2: Newly arising affordable housing need

In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This calculation, as per paragraph 021 of the PPG¹⁰⁶, is based on two elements:

- Number of newly forming households each year (× proportion unable to afford market housing)
- Plus existing households falling into need per year

Need from newly forming households

One of the outputs produced within the process of disaggregating the total housing need into a future population and household typology (as described in Chapter 6) is the calculation of the number of households that will form over the plan period in each authority in the Black Country. This figure is then averaged to provide an annual estimate for the number of newly forming households. Using this methodology, it is estimated that 12,410 new households will form per year across the Black Country. This represents a household formation rate of 2.6%, markedly higher than the figure of 1.2% recorded nationally by the English Housing Survey¹⁰⁷.

To assess the ability of these households to afford entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size, the household composition for these new households identified within the disaggregation process are used to determine the appropriate size requirement profile. To test newly forming households' ability to afford market housing, the income distribution for each dwelling size requirement is adjusted to reflect that nationally the income of newly forming households is 88.5% of the figure for all households (according to the English Housing Survey). The table below details the derivation of newly arising need from newly forming households. It shows that 37.6% of newly forming households will be unable to afford market housing in the Black Country (both private rent and owner-occupation), which means that there will be an annual affordable housing requirement from 4,666 newly forming households.

¹⁰⁶ Reference ID: 2a-021-20190220

¹⁰⁷ It is worth noting that the figure of 2.5% is high in comparison to both the current and historical national rate. The household formation rate nationally was above 2% between 1995/96 and 2000/01 (and also in 2004/05), however it never during this period reached 2.5% (it peaked at 2.3%). The high household formation rate reflects the prioritisation of greater household formation within the LTBHM modelling in line with government priorities. Within the Black Country the household formation rate is 2.3% in Dudley, 2.7% in Sandwell, 2.5% in Walsall and 2.7% in Wolverhampton.

Table A5.4 Newly arising need from new household formation (per annum) in the Black Country	
<i>Component</i>	
Number of newly forming households	12,410
Proportion unable to afford entry-level market housing (both entry-level private rent and entry-level owner-occupation)	37.6%
Number of newly forming households requiring affordable accommodation	4,666

Existing households falling into need

The current PPG does not provide detail on how this step should be calculated, however the previous version (of the PPG) recommended that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the lettings of affordable accommodation within each authority in the Black Country over the last three years (Spring 2017 to Spring 2020) indicates that there were 10,941 households that fell into need over the last three years in the Black Country, excluding those that were newly forming households (which have featured in the previous step). Annualised this is 3,647 (10,941/3) households per year in affordable housing need.

Total newly arising need

The table below summarises the second stage of the assessment of affordable housing need as set out by the PPG. The table indicates that 8,313 (4,666+3,647) households will be in newly arising need per annum in the Black Country.

Table A5.5 Stage 2 Newly arising need (per annum) in the Black Country	
<i>Component</i>	
New household formation (gross per year)	12,410
Proportion of new households unable to buy or rent in the market	37.6% (4,666)
Existing households falling into need	3,647
Total newly arising housing need (gross per year)	8,313

Stage 3: Current affordable housing supply

Paragraph 022 of the PPG¹⁰⁸ indicates that the current supply of stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus

¹⁰⁸ Reference ID: 2a-022-20190220

stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

Current occupiers of affordable housing in need

It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 7 of this appendix), there are 12,108 households currently in need already living in affordable housing in the Black Country.

Surplus stock

A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Dudley records a vacancy rate in the affordable sector of 2.1%, whilst it is 0.8% in Sandwell, 0.7% in Walsall and 1.1% in Wolverhampton. As the vacancy rate is lower than the 3% benchmark on all areas, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in the Black Country.

Committed supply of new affordable units

The PPG indicates that ‘*the committed supply of new net affordable homes at the point of the assessment (number and size)*’ be taken into account within the model. Each Council has provided their affordable housing forecast which details affordable housing approved planning permissions (as at Spring 2020). In total, there are 1,496 new affordable homes committed across the Black Country currently.

Planned units to be taken out of management

The PPG states that the ‘units to be taken out of management’ should be quantified. The Councils have indicated that the only affordable stock to be taken out of management that will not be fully replaced is in Dudley¹⁰⁹ and Sandwell, with 281 dwellings to be lost in the former and the loss of 3 affordable dwellings in the latter.

¹⁰⁹ It should be noted that Dudley Council's 10-year housing asset management strategy (October 2019) has identified that there are around 2,500 properties that are considered not viable and are red-flagged for review for strategic investment, de-investment or demolition. Whilst precise demolition estimates are not known or approved at this time, it is possible that there will be some demolitions over the next 10 years. The vast majority of this stock is likely to be replaced. The figures above do not include this additional potential stock loss as it is still uncertain as what the net loss of dwellings will be.

Total current affordable housing supply

Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the tables below. The data shows that there will be an estimated 13,320 affordable homes available in the Black Country.

Table A5.6 Stage 3 Affordable housing supply in the Black Country	
<i>Component</i>	
Affordable dwellings occupied by households in need	12,108
Surplus stock	0
Committed supply of affordable housing	1,496
Units to be taken out of management	284
Total affordable housing stock available	13,320

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need¹¹⁰. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector¹¹¹.

The future supply of Social/Affordable Rented housing

This is an estimate of likely future re-lets from the existing RSL rented stock (both social rent and Affordable Rent). Data on the affordable accommodation lettings within the Black Country over the last three years as recorded in the CORE LA Area Lettings tables¹¹² is used for this figure. The table below sets out the number of Social and Affordable Rented lettings that have occurred in the last three years, excluding lets made within brand new properties (the figures only include re-lets). The average number of re-lets across the Social and Affordable Rented sector over the three-year period was 7,596 per annum across the Black Country.

¹¹⁰ Whilst this is not a step that is detailed in the current PPG, it is logically required to reflect that there is a flow of housing becoming available to meet need as well as a flow of households requiring affordable housing (Stage 2 of the model). This stage has also been included in all previous iterations of this model that have been published in government guidance.

¹¹¹ The intermediate sector includes all affordable tenures other than Social Rented and Affordable Rented.

¹¹² CORE (COntinuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.
<https://www.gov.uk/government/collections/rents-lettings-and-tenancies>

Table A5.7 Past housing supply (Social /Affordable Rented sector) (re-lets only)					
<i>Year</i>	<i>Dudley</i>	<i>Sandwell</i>	<i>Walsall</i>	<i>Wolverhampton</i>	<i>Total Black Country</i>
2016/17	1,909	2,196	2,103	1,862	8,070
2017/18	1,693	1,876	2,044	1,579	7,192
2018/19	1,695	2,253	2,004	1,574	7,526
Average	1,766	2,108	2,050	1,672	7,596

Source: Social Housing Lettings in England - Local Authority Level Tables 2016/17, 2017/18 and 2018/19

It should be noted that the affordable housing need model is an assessment of the housing market at a particular point of time (Spring 2020) and does not consider likely future changes to the housing market that may impact the results – such as future loss of affordable stock through Right-to-Buy or gain in affordable dwellings from future newbuild programmes¹¹³.

Supply of intermediate housing

In most local authorities, the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case across the Black Country). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore, we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social /Affordable Rented sector¹¹⁴ (6.6% in Dudley, 5.9% in Sandwell, 7.3% in Walsall and 5.9% in Wolverhampton) to the estimated stock of intermediate housing. This is set out in the table below. It is estimated that around 139 units of intermediate housing will become available to meet housing needs from the existing stock each year in the Black Country.

Table A5.8 Estimated intermediate supply in the Black Country		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Low cost home ownership	56	4
Shared ownership	2,075	135
Total	2,131	139

Source: HCA's Statistical Data Return 2019

¹¹³ The loss of homes through Right-to-Buy would mean that the number of dwellings in the total stock is reduced so the re-let rate applies to a smaller total stock each year and will therefore produce a smaller supply of affordable housing. The reverse is true if future affordable housing delivery means that the total stock increase in size.

¹¹⁴ This is calculated by dividing the average number of relets (as set out in table A5.7) by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2019.

Annual future supply of affordable housing

The total future supply of affordable housing is the sum of the Social /Affordable Rented supply and the intermediate supply as set out in the tables below.

Table A5.9 Stage 4 Future supply of all affordable housing (per annum) in the Black Country	
<i>Component</i>	
Annual supply of Social/Affordable Rented re-lets	7,596
Annual supply of intermediate housing available for re-let or resale at sub-market levels	139
Annual supply of all affordable housing	7,735

Appendix 6. Local authority results for the affordable housing need model

Introduction

Chapter 6 presents the overall annual estimate of the affordable housing need in the Black Country and then examines the type of households in need of affordable housing. The chapter also looks at the tenure of accommodation most appropriate to meet this need and the impact of changing the affordability threshold on the overall level of affordable housing need recorded. This appendix replicates this analysis for each of the four constituent authorities in the Black Country separately.

Dudley

Estimate of net annual affordable housing need

As set out in Table 6.1a, there is a total need for affordable housing of 137 per year in Dudley.

Table 6.1a Results of the affordable housing needs model in Dudley	
<i>Stage in calculation</i>	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A5.3)	3,003
Stage 2: Newly arising affordable housing need (Annual) (Table A5.5)	1,892
Stage 3: Current affordable housing supply (Total) (Table A5.6)	1,920
Stage 4: Future housing supply (Annual) (Table A5.9)	1,813
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	1,082
Stage 5.2 Annualise net current need (Stage 5.1/19) (Annual)	57
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	137
Total gross annual need (Stage 1/19 + Stage 2) (Annual)	2,050
Total gross annual supply (Stage 3/19 + Stage 4) (Annual)	1,914

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Dudley. The table shows that some 3.9% of lone parent households are in housing need compared to 1.0% of couple households with no children. Overall, lone parent households comprise over a quarter of all households in need.

<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	448	39,210	39,659	1.1%	21.9%
Couple with no children	352	36,349	36,701	1.0%	17.1%
Couple with child/children	470	36,233	36,703	1.3%	22.9%
Lone parent	538	13,359	13,897	3.9%	26.3%
Other	242	7,928	8,170	3.0%	11.8%
Total	2,050	133,080	135,130	1.5%	100.0%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Dudley. This section will consider the suitability of these different products for meeting affordable housing need. As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 40% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in Dudley are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,050 households in gross need each year in Dudley, 17.5% could afford a First Home, 3.3% a shared equity dwelling, 12.5% could afford Shared Ownership with a 40% share, 35.6% could afford Shared Ownership with a 25% share, 7.9% could afford Intermediate Rent and 41.3% could afford Affordable Rent. Some 53.9% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Home	124	132	97	6	359	17.5%
Shared equity	-	24	44	-	68	3.3%
Shared Ownership – 40% equity share	80	96	80	-	256	12.5%
Shared Ownership – 25% equity share	270	249	154	56	730	35.6%
Intermediate Rent	-	64	98	-	162	7.9%
Affordable Rent	214	207	205	220	847	41.3%
Social Rent/requires assistance	530	407	130	40	1,106	53.9%
All households	800	656	335	260	2,050	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in Dudley, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across Dudley where the cost of housing could constitute no more than 25% of gross household income and 35% of gross household income as well as the 30% of gross household income base scenario. The final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.

The table indicates that the net requirement would increase from 137 to 383 affordable homes per year in Dudley if only 25% of gross household income could be spent on housing costs. However, if the income threshold were increased to 35%, the net requirement would reduce to 14 affordable dwellings per annum. If it was presumed that home ownership was the market access point, then there would be a need for 603 affordable homes per year.

	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>	
Stage 1: Current gross need	3,003	3,423	2,792	4,004
Stage 2: Newly arising need	1,892	2,119	1,779	2,331
Stage 3: Current supply	1,920	1,967	1,889	2,401
Stage 4: Future supply	1,813	1,813	1,813	1,813
Stage 5.1 Net current need	1,082	1,456	904	1,603
Stage 5.2 Annual net current need	57	77	48	84
Stage 5.3 Total annual need	137	383	14	603

Sandwell

Estimate of net annual affordable housing need

As set out in Table 6.1b, there is a total need for affordable housing of 343 per year in Sandwell.

<i>Stage in calculation</i>	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A5.3)	7,369
Stage 2: Newly arising affordable housing need (Annual) (Table A5.5)	2,376
Stage 3: Current affordable housing supply (Total) (Table A5.6)	5,285
Stage 4: Future housing supply (Annual) (Table A5.9)	2,143
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	2,084
Stage 5.2 Annualise net current need (Stage 5.1/19) (Annual)	110
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	343
Total gross annual need (Stage 1/19 + Stage 2) (Annual)	2,764
Total gross annual supply (Stage 3/19 + Stage 4) (Annual)	2,421

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Sandwell. The table shows that some 4.7% of lone parent households are in housing

need compared to 0.9% of one person households. Overall, lone parent households comprise almost 30% of all households in need.

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	341	37,577	37,918	0.9%	12.3%
Couple with no children	527	24,010	24,537	2.1%	19.0%
Couple with child/children	635	37,444	38,079	1.7%	23.0%
Lone parent	824	16,541	17,364	4.7%	29.8%
Other	439	9,534	9,973	4.4%	15.9%
Total	2,764	125,106	127,870	2.2%	100.0%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Sandwell. This section will consider the suitability of these different products for meeting affordable housing need. As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 40% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in Sandwell are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,764 households in gross need each year in Sandwell, 15.3% could afford a First Home, 4.0% a shared equity dwelling, 9.8% could afford Shared Ownership with a 40% share, 33.5% could afford Shared Ownership with a 25% share, 3.2% could afford Intermediate Rent and 17.7% could afford Affordable Rent. Some 62.7% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 6.3b Size and type of affordable home required by those in need (per annum) in Sandwell						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Home	49	123	182	69	423	15.3%
Shared equity	-	-	92	18	109	4.0%
Shared Ownership – 40% equity share	-	67	152	52	271	9.8%
Shared Ownership – 25% equity share	214	308	280	126	927	33.5%
Intermediate Rent	-	-	87	-	87	3.2%
Affordable Rent	-	-	260	229	489	17.7%
Social Rent/requires assistance	654	693	298	88	1,733	62.7%
All households	868	1,002	578	317	2,764	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in Sandwell, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across Sandwell where the cost of housing could constitute no more than 25% of gross household income and 35% of gross household income as well as the 30% of gross household income base scenario. The final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.

The table indicates that the net requirement would increase from 343 to 763 affordable homes per year in Sandwell if only 25% of gross household income could be spent on housing costs. However, if the income threshold were increased to 35%, the net requirement would reduce to 153 affordable dwellings per annum. If it was presumed that home ownership was the market access point, then there would be a need for 1,227 affordable homes per year.

Table 6.4b Impact of different affordability assumptions on affordable housing requirement in Sandwell				
	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>	
Stage 1: Current gross need	7,369	8,622	6,780	9,412
Stage 2: Newly arising need	2,376	2,733	2,210	3,157
Stage 3: Current supply	5,285	5,323	5,144	5,360
Stage 4: Future supply	2,143	2,143	2,143	2,143
Stage 5.1 Net current need	2,084	3,300	1,636	4,052
Stage 5.2 Annual net current need	110	174	86	213
Stage 5.3 Total annual need	343	763	153	1,227

Walsall

Estimate of net annual affordable housing need

As set out in Table 6.1c, there is a total need for affordable housing of 154 per year in Walsall.

Table 6.1c Results of the affordable housing needs model in Walsall	
<i>Stage in calculation</i>	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A5.3)	3,691
Stage 2: Newly arising affordable housing need (Annual) (Table A5.5)	2,174
Stage 3: Current affordable housing supply (Total) (Table A5.6)	2,366
Stage 4: Future housing supply (Annual) (Table A5.9)	2,090
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	1,325
Stage 5.2 Annualise net current need (Stage 5.1/19) (Annual)	70
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	154
Total gross annual need (Stage 1/19 + Stage 2) (Annual)	2,368
Total gross annual supply (Stage 3/19 + Stage 4) (Annual)	2,215

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Walsall. The table shows that some 4.8% of lone parent households are in housing need compared to 1.4% of one person households. Overall, lone parent households comprise over a quarter of all households in need.

<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	463	32,896	33,359	1.4%	19.6%
Couple with no children	435	25,943	26,377	1.6%	18.3%
Couple with child/children	488	31,358	31,846	1.5%	20.6%
Lone parent	677	13,509	14,186	4.8%	28.6%
Other	306	7,266	7,572	4.0%	12.9%
Total	2,368	110,972	113,340	2.1%	100.0%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Walsall. This section will consider the suitability of these different products for meeting affordable housing need. As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 40% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in Walsall are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,368 households in gross need each year in Walsall, 9.6% could afford a First Home, 0.0% a shared equity dwelling, 3.9% could afford Shared Ownership with a 40% share, 28.3% could afford Shared Ownership with a 25% share, 5.5% could afford Intermediate Rent and 19.4% could afford Affordable Rent. Some 62.3% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 6.3c Size and type of affordable home required by those in need (per annum) in Walsall						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Home	57	62	75	33	227	9.6%
Shared equity	-	-	-	-	0	0.0%
Shared Ownership – 40% equity share	6	18	50	19	93	3.9%
Shared Ownership – 25% equity share	227	206	157	80	670	28.3%
Intermediate Rent	-	-	129	-	129	5.5%
Affordable Rent	-	-	235	224	459	19.4%
Social Rent/requires assistance	671	560	215	31	1,476	62.3%
All households	898	766	450	255	2,368	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in Walsall, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across Walsall where the cost of housing could constitute no more than 25% of gross household income and 35% of gross household income as well as the 30% of gross household income base scenario. The final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.

The table indicates that the net requirement would increase from 154 to 571 affordable homes per year in Walsall if only 25% of gross household income could be spent on housing costs. However, if the income threshold were increased to 35%, the net requirement would reduce to 13 affordable dwellings per annum. If it was presumed that home ownership was the market access point, then there would be a need for 873 affordable homes per year.

	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>	
Stage 1: Current gross need	3,691	4,281	3,469	5,064
Stage 2: Newly arising need	2,174	2,565	2,044	2,829
Stage 3: Current supply	2,366	2,460	2,333	2,504
Stage 4: Future supply	2,090	2,090	2,090	2,090
Stage 5.1 Net current need	1,325	1,821	1,137	2,560
Stage 5.2 Annual net current need	70	96	60	135
Stage 5.3 Total annual need	154	571	13	873

Wolverhampton

Estimate of net annual affordable housing need

As set out in Table 6.1d, there is a total need for affordable housing of 234 per year in Wolverhampton.

<i>Stage in calculation</i>	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A5.3)	4,760
Stage 2: Newly arising affordable housing need (Annual) (Table A5.5)	1,870
Stage 3: Current affordable housing supply (Total) (Table A5.6)	3,749
Stage 4: Future housing supply (Annual) (Table A5.9)	1,688
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	1,011
Stage 5.2 Annualise net current need (Stage 5.1/19) (Annual)	53
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	234
Total gross annual need (Stage 1/19 + Stage 2) (Annual)	2,120
Total gross annual supply (Stage 3/19 + Stage 4) (Annual)	1,886

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Wolverhampton. The table shows that some 3.9% of lone parent households are in

housing need compared to 1.2% of one person households. Overall, lone parent households comprise almost 30% of all households in need.

Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	425	34,806	35,231	1.2%	20.0%
Couple with no children	350	20,193	20,543	1.7%	16.5%
Couple with child/children	429	26,003	26,432	1.6%	20.2%
Lone parent	625	15,208	15,833	3.9%	29.5%
Other	292	8,725	9,016	3.2%	13.8%
Total	2,120	104,935	107,055	2.0%	100.0%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Wolverhampton. This section will consider the suitability of these different products for meeting affordable housing need. As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 40% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in Wolverhampton are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 2,120 households in gross need each year in Wolverhampton, 19.8% could afford a First Home, 3.5% a shared equity dwelling, 14.4% could afford Shared Ownership with a 40% share, 29.6% could afford Shared Ownership with a 25% share, 2.2% could afford Intermediate Rent and 20.4% could afford Affordable Rent. Some 60.5% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 6.3d Size and type of affordable home required by those in need (per annum) in Wolverhampton						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Home	144	107	117	53	420	19.8%
Shared equity	16	-	50	8	74	3.5%
Shared Ownership – 40% equity share	102	71	95	38	305	14.4%
Shared Ownership – 25% equity share	251	195	115	67	628	29.6%
Intermediate Rent	-	-	47	-	47	2.2%
Affordable Rent	-	41	182	210	433	20.4%
Social Rent/requires assistance	524	460	239	60	1,283	60.5%
All households	775	655	421	269	2,120	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in Wolverhampton, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across Wolverhampton where the cost of housing could constitute no more than 25% of gross household income and 35% of gross household income as well as the 30% of gross household income base scenario. The final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.

The table indicates that the net requirement would increase from 234 to 470 affordable homes per year in Wolverhampton if only 25% of gross household income could be spent on housing costs. However, if the income threshold were increased to 35%, the net requirement would reduce to 56 affordable dwellings per annum. If it was presumed that home ownership was the market access point, then there would be a need for 915 affordable homes per year.

Table 6.4d Impact of different affordability assumptions on affordable housing requirement in Wolverhampton

	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 30% of gross household income</i>	<i>25% of gross household income</i>	<i>35% of gross household income</i>	
Stage 1: Current gross need	4,760	5,379	4,522	6,418
Stage 2: Newly arising need	1,870	2,075	1,701	2,467
Stage 3: Current supply	3,749	3,798	3,701	3,830
Stage 4: Future supply	1,688	1,688	1,688	1,688
Stage 5.1 Net current need	1,011	1,581	821	2,588
Stage 5.2 Annual net current need	53	83	43	136
Stage 5.3 Total annual need	234	470	56	915



Appendix 7. Local authority results for older persons' accommodation requirements

Introduction

The first section in Chapter 7 sets out the size, tenure and type of housing required for older persons (those aged 65 and over) in the Black Country. This appendix replicates these outputs for each of the four constituent authorities in the Black Country. The relevant section in Chapter 7 should be referred to for a list of the data sources used, a description of the methodology followed and the definitions of the various types of accommodation profiled.

Dudley

Future requirement

The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase dramatically in Dudley over the plan period; from 66,093 in 2020, to 81,845 in 2039, a rise of 23.8%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Dudley from 43,216 in 2020, to 53,017 in 2039, an increase of 22.7%. The projections indicate that the proportion of older persons living alone in Dudley will increase from 42.2% in 2020, to 43.0% in 2039.

The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in Dudley in 2039 arising from that model.

<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	3,435	614	13	276	5,434
2 bedroom	13,672	1,102	22	99	3,771
3 bedroom	21,159	655	0	20	736
4+ bedrooms	1,912	56	0	0	42
Total	40,178	2,426	35	394	9,984

Specialist accommodation

According to our modelled data, there are 2,519 units of Sheltered Housing for older people in Dudley currently, alongside 385 Enhanced Sheltered/ Extracare units.

For the purposes of this study, the Black Country-wide prevalence rate of 75 units of Sheltered Housing for older people per 1,000 people aged 75 and over and a prevalence rate of 20 units of Enhanced Sheltered/ Extracare accommodation per 1,000 people aged 75 and over, are used to model future demand. To establish the potential demand for these accommodation types in Dudley at the end of the plan period, these prevalence rates are applied to the total number of people aged 75 or over in Dudley in 2039 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below.

To meet local demand rates in 2039, the model identifies a requirement for 548 additional units of Sheltered housing for older people and 415 additional Enhanced Sheltered/ Extracare units in Dudley over the plan period. These are Class C3 dwellings.

Table 7.2a Projected requirement for specialist accommodation for older person households in Dudley over the plan period				
<i>Type of specialist accommodation</i>	<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Sheltered Housing for older people	Market	559	1,101	542
	Affordable	1,960	1,966	6
	Total	2,519	3,067	548
Enhanced Sheltered/ Extra care housing	Market	87	242	156
	Affordable	298	557	259
	Total	385	799	415
All specialist accommodation for older person households	Market	645	1,343	698
	Affordable	2,258	2,523	265
	Total	2,903	3,866	963

The requirement for 963 additional specialist units for older person households represents 8.2% of the total household growth in Dudley for the period 2020 to 2039. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 963 specialist units forms part of the overall local housing need required over the plan-period in Dudley – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.

As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care. According to the POPPI modelling, there are around 1,733 spaces in nursing and residential care homes in Dudley currently.

As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments are calculated. The model identifies that in 2039 there will be 2,557 people aged 65 and over in Dudley that will be resident in Registered Care. This implies that there will be a requirement for 824 additional Registered Care spaces between 2020 and 2039. The table below details these calculations. It should be noted that this Registered Care demand identified may be affected by the coronavirus pandemic appearing to have had a greater impact on those living in this sector than the wider population.

<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Market	1,101	1,381	280
Affordable	632	1,176	544
Total	1,733	2,557	824

The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in Dudley at the end of the plan period.

<i>Size of home</i>	<i>Market</i>			<i>Affordable</i>		
	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>
1 bedroom	3,095	749	205	3,802	1,422	498
2 bedrooms	14,385	352	37	3,289	544	59
3 bedrooms	21,814	-	-	756	-	-
4+ bedrooms	1,967	-	-	42	-	-
Total in households	41,261	1,101	242	7,890	1,966	557
Residential care	1,381			1,176		

Sandwell

Future requirement

The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase dramatically in Sandwell over the plan period; from 50,001 in 2020, to 67,236 in 2039, a rise of 34.5%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Sandwell from 32,857 in 2020, to 46,853 in 2039, an increase of 42.6%. The projections indicate that the proportion of older persons living alone in Sandwell will increase from 46.6% in 2020, to 53.9% in 2039.

The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in Sandwell in 2039 arising from that model.

<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	2,944	490	10	220	6,454
2 bedroom	10,106	1,110	23	78	5,929
3 bedroom	14,898	722	0	16	2,658
4+ bedrooms	673	54	0	0	469
Total	28,621	2,376	33	314	15,509

Specialist accommodation

According to our modelled data, there are 738 units of Sheltered Housing for older people in Sandwell currently, alongside 583 Enhanced Sheltered/ Extracare units.

For the purposes of this study, the Black Country-wide prevalence rate of 75 units of Sheltered Housing for older people per 1,000 people aged 75 and over and a prevalence rate of 20 units of Enhanced Sheltered/ Extracare accommodation per 1,000 people aged 75 and over, are used to model future demand. To establish the potential demand for these accommodation types in Sandwell at the end of the plan period, these prevalence rates are applied to the total number of people aged 75 or over in Sandwell in 2039 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below.

To meet local demand rates in 2039, the model identifies a requirement for 1,666 additional units of Sheltered housing for older people and 54 additional Enhanced Sheltered/ Extracare units in Sandwell over the plan period. These are Class C3 dwellings.

Table 7.2b Projected requirement for specialist accommodation for older person households in Sandwell over the plan period				
<i>Type of specialist accommodation</i>	<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Sheltered Housing for older people	Market	160	1,102	942
	Affordable	579	1,303	724
	Total	738	2,404	1,666
Enhanced Sheltered/ Extra care housing	Market	10	97	87
	Affordable	573	540	-33
	Total	583	637	54
All specialist accommodation for older person households	Market	170	1,199	1,029
	Affordable	1,151	1,842	691
	Total	1,321	3,041	1,720

The requirement for 1,720 additional specialist units for older person households represents 6.3% of the total household growth in Sandwell for the period 2020 to 2039. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 1,720 specialist units forms part of the overall local housing need required over the plan-period in Sandwell – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.

As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care. According to the POPPI modelling, there are around 1,348 spaces in nursing and residential care homes in Sandwell currently.

As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments are calculated. The model identifies that in 2039 there will be 1,881 people aged 65 and over in Sandwell that will be resident in Registered Care. This implies that there will be a requirement for 533 additional Registered Care spaces between 2020 and 2039. The table below details these calculations. It should be noted that this Registered Care demand identified may be affected by the coronavirus pandemic appearing to have had a greater impact on those living in this sector than the wider population.

<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Market	848	1,077	229
Affordable	500	804	304
Total	1,348	1,881	533

The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in Sandwell at the end of the plan period.

<i>Size of home</i>	<i>Market</i>			<i>Affordable</i>		
	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>
1 bedroom	2,597	755	83	5,253	949	482
2 bedrooms	10,855	347	15	5,618	354	58
3 bedrooms	15,620	-	-	2,673	-	-
4+ bedrooms	727	-	-	469	-	-
Total in households	29,798	1,102	97	14,013	1,303	540
Residential care	1,077			804		

Walsall

Future requirement

The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase dramatically in Walsall over the plan period; from 50,414 in 2020, to 62,962 in 2039, a rise of 24.9%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Walsall from 33,008 in 2020, to 41,891 in 2039, an increase of 26.9%. The projections indicate that the proportion of older persons living alone in Walsall will increase from 42.8% in 2020, to 53.2% in 2039.

The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in Walsall in 2039 arising from that model.

<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	2,884	332	5	213	4,776
2 bedroom	10,740	1,129	17	76	4,571
3 bedroom	14,223	674	0	15	623
4+ bedrooms	1,548	37	0	0	28
Total	29,395	2,172	22	304	9,998

Specialist accommodation

According to our modelled data, there are 757 units of Sheltered Housing for older people in Walsall currently, alongside 599 Enhanced Sheltered/ Extracare units.

For the purposes of this study, the Black Country-wide prevalence rate of 75 units of Sheltered Housing for older people per 1,000 people aged 75 and over and a prevalence rate of 20 units of Enhanced Sheltered/ Extracare accommodation per 1,000 people aged 75 and over, are used to model future demand. To establish the potential demand for these accommodation types in Walsall at the end of the plan period, these prevalence rates are applied to the total number of people aged 75 or over in Walsall in 2039 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below.

To meet local demand rates in 2039, the model identifies a requirement for 1,598 additional units of Sheltered housing for older people and 25 additional Enhanced Sheltered/ Extracare units in Walsall over the plan period. These are Class C3 dwellings.

Table 7.2c Projected requirement for specialist accommodation for older person households in Walsall over the plan period				
<i>Type of specialist accommodation</i>	<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Sheltered Housing for older people	Market	355	1,322	967
	Affordable	402	1,033	631
	Total	757	2,355	1,598
Enhanced Sheltered/ Extra care housing	Market	75	175	100
	Affordable	524	449	-75
	Total	599	624	25
All specialist accommodation for older person households	Market	430	1,497	1,067
	Affordable	926	1,482	556
	Total	1,355	2,979	1,623

The requirement for 1,623 additional specialist units for older person households represents 10.0% of the total household growth in Walsall for the period 2020 to 2039. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 1,623 specialist units forms part of the overall local housing need required over the plan-period in Walsall – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.

As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care. According to the POPPI modelling, there are around 1,300 spaces in nursing and residential care homes in Walsall currently.

As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments are calculated. The model identifies that in 2039 there will be 1,701 people aged 65 and over in Walsall that will be resident in Registered Care. This implies that there will be a requirement for 401 additional Registered Care spaces between 2020 and 2039. The table below details these calculations. It should be noted that this Registered Care demand identified may be affected by the coronavirus pandemic appearing to have had a greater impact on those living in this sector than the wider population.

<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Market	943	1,110	167
Affordable	357	590	233
Total	1,300	1,701	401

The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in Walsall at the end of the plan period.

<i>Size of home</i>	<i>Market</i>			<i>Affordable</i>		
	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>
1 bedroom	2,322	764	130	3,982	652	360
2 bedrooms	11,266	558	45	4,194	381	89
3 bedrooms	14,896	-	-	638	-	-
4+ bedrooms	1,585	-	-	28	-	-
Total in households	30,070	1,322	175	8,843	1,033	449
Residential care	1,110			590		

Wolverhampton

Future requirement

The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase dramatically in Wolverhampton over the plan period; from 44,143 in 2020, to 58,922 in 2039, a rise of 33.5%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Wolverhampton from 28,776 in 2020, to 40,232 in 2039, an increase of 39.8%. The projections indicate that the proportion of older persons living alone in Wolverhampton will increase from 46.3% in 2020, to 53.2% in 2039.

The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in Wolverhampton in 2039 arising from that model.

<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	3,283	525	5	179	5,824
2 bedroom	8,748	990	10	64	4,174
3 bedroom	13,316	655	0	13	907
4+ bedrooms	1,426	66	0	0	47
Total	26,774	2,236	15	256	10,952

Specialist accommodation

According to our modelled data, there are 1,108 units of Sheltered Housing for older people in Wolverhampton currently, alongside 463 Enhanced Sheltered/ Extracare units.

For the purposes of this study, the Black Country-wide prevalence rate of 75 units of Sheltered Housing for older people per 1,000 people aged 75 and over and a prevalence rate of 20 units of Enhanced Sheltered/ Extracare accommodation per 1,000 people aged 75 and over, are used to model future demand. To establish the potential demand for these accommodation types in Wolverhampton at the end of the plan period, these prevalence rates are applied to the total number of people aged 75 or over in Wolverhampton in 2039 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below.

To meet local demand rates in 2039, the model identifies a requirement for 1,094 additional units of Sheltered housing for older people and 110 additional Enhanced Sheltered/ Extracare units in Wolverhampton over the plan period. These are Class C3 dwellings.

Table 7.2d Projected requirement for specialist accommodation for older person households in Wolverhampton over the plan period				
<i>Type of specialist accommodation</i>	<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Sheltered Housing for older people	Market	269	944	675
	Affordable	840	1,259	419
	Total	1,108	2,203	1,094
Enhanced Sheltered/ Extra care housing	Market	10	155	145
	Affordable	463	428	-35
	Total	473	583	110
All specialist accommodation for older person households	Market	279	1,100	821
	Affordable	1,303	1,687	384
	Total	1,582	2,786	1,205

The requirement for 1,205 additional specialist units for older person households represents 6.6% of the total household growth in Wolverhampton for the period 2020 to 2039. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 1,205 specialist units forms part of the overall local housing need required over the plan-period in Wolverhampton – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.

As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care. According to the POPPI modelling, there are around 1,558 spaces in nursing and residential care homes in Wolverhampton currently.

As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments are calculated. The model identifies that in 2039 there will be 2,249 people aged 65 and over in Wolverhampton that will be resident in Registered Care. This implies that there will be a requirement for 691 additional Registered Care spaces between 2020 and 2039. The table below details these calculations. It should be noted that this Registered Care demand identified may be affected by the coronavirus pandemic appearing to have had a greater impact on those living in this sector than the wider population.

<i>Tenure</i>	<i>Base profile (2020)</i>	<i>Profile 2039</i>	<i>Additional units required</i>
Market	928	1,206	278
Affordable	630	1,044	414
Total	1,558	2,249	691

The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in Wolverhampton at the end of the plan period.

<i>Size of home</i>	<i>Market</i>			<i>Affordable</i>		
	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>	<i>General housing</i>	<i>Sheltered housing</i>	<i>Enhanced Sheltered/ Extra care housing</i>
1 bedroom	3,017	658	133	4,694	928	386
2 bedrooms	9,431	286	22	3,876	330	42
3 bedrooms	13,971	-	-	920	-	-
4+ bedrooms	1,492	-	-	47	-	-
Total in households	27,910	944	155	9,536	1,259	428
Residential care	1,206			1,044		

Appendix 8. Local authority results for people with disabilities

Introduction

The second section in Chapter 7 sets out the accommodation required to suitably house people with disabilities in the Black Country. This appendix replicates the two key outputs from this section for each of the four constituent authorities in the Black Country: the projected health of the future population, and the future requirement for accessible and adaptable homes (and within this the requirement for wheelchair accessible dwellings).

Dudley

Projected health of the future population

The table below sets out the number of people estimated to have one of four health conditions in Dudley currently and the number of people projected to have these health conditions in the future. The table also reports the current and future population in Dudley that require assistance with activities. The growth in these situations over the plan period is also set out. As described in the second section of Chapter 8, these are derived from the POPPI and PANSI modelling tool.

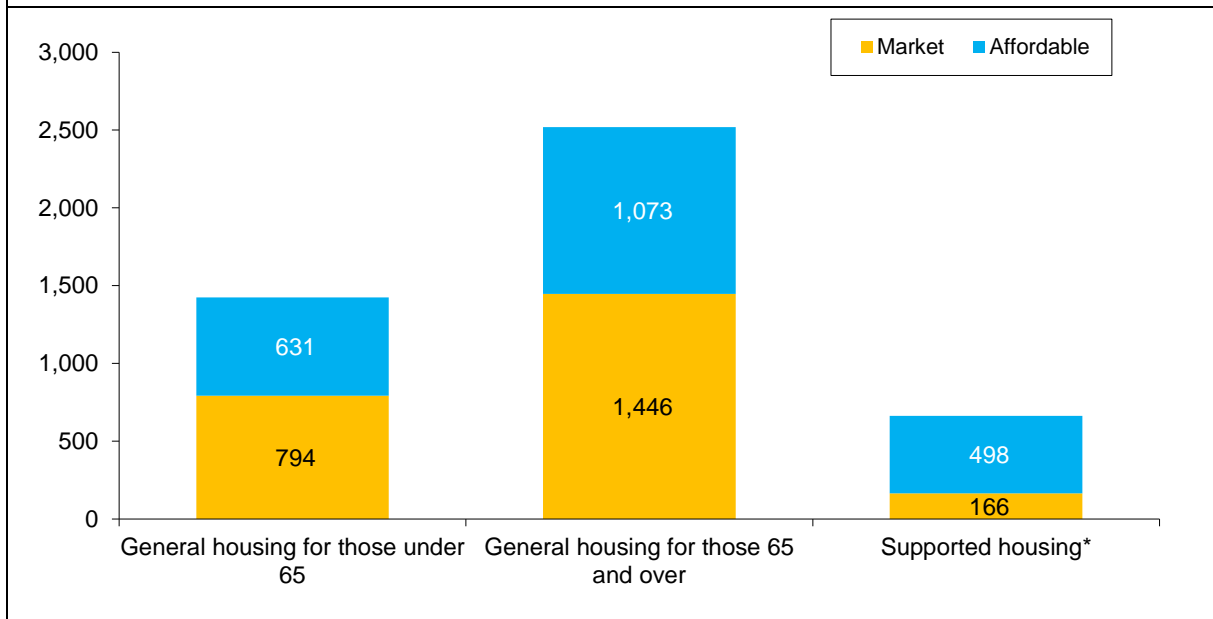
Table 7.5a Number of people with particular health issues projected over the Local Plan period in Dudley				
Condition	2020	2039	Total change	% change
Health condition				
People aged 65 and over with an illness*	18,537	24,756	6,219	33.5%
People aged 18-64 with impaired mobility	10,351	16,254	5,903	57.0%
People aged 18-64 with a common mental health problem	35,026	37,156	2,130	6.1%
People aged 65 and over with dementia	4,674	6,372	1,698	36.3%
People all ages with a learning disability	5,875	6,803	928	15.8%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	12,226	15,709	3,483	28.5%
People aged 65 and over who need help with at least one domestic task***	19,267	24,172	4,905	25.5%
People aged 65 and over who need help with at least one self-care activity****	19,047	23,861	4,814	25.3%
People aged 18-64 with a serious personal care disability*****	1,646	1,692	46	2.8%
All people	323,694	348,914	25,219	7.8%

*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills. ****These are activities relating to personal care and mobility about the home that are basic to daily living. *****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2020, disaggregated local housing need figures, 2020.

Accessible and adaptable housing

The figure below shows the requirement for adaptable and accessible housing in Dudley in 2039. This has been calculated using the data sources and methodology set out in the second section of chapter 8. The figure indicates the requirement, for accessible and adaptable homes in Dudley differentiated by, setting, age group and tenure. In total 4,609 accessible and adaptable homes are required in 2039 in Dudley of which 2,406 should be in the market sector and 2,203 in affordable accommodation. Of the 4,609 accessible and adaptable homes required, 3,945 should be in the general housing stock and 664 in supported accommodation.

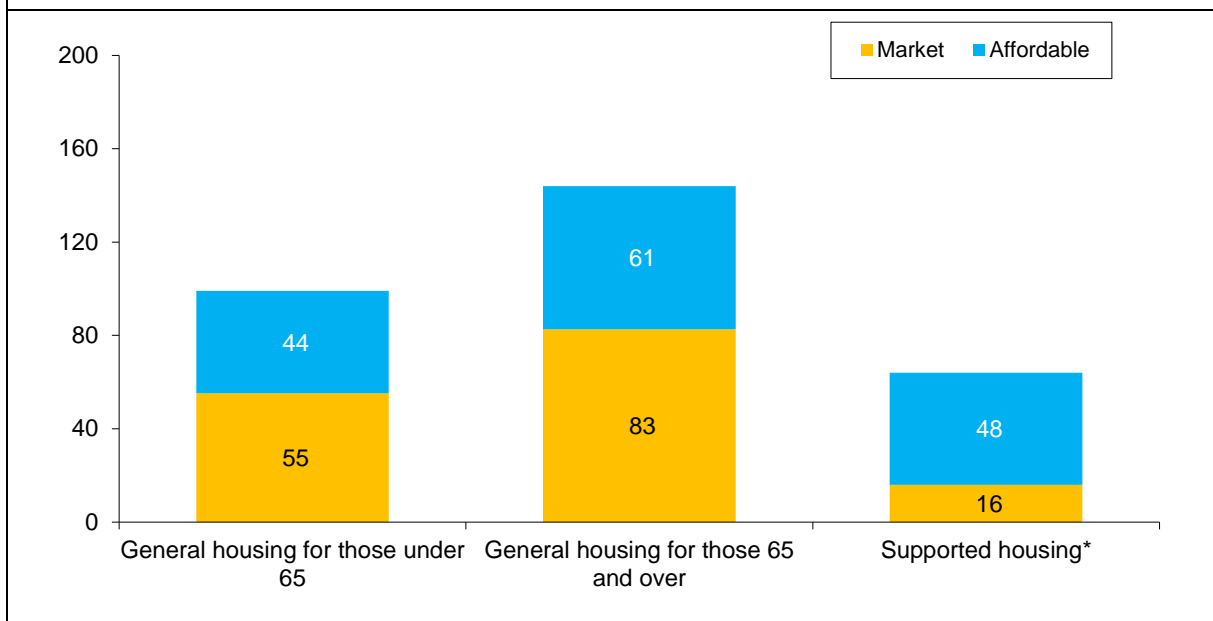
Figure 7.1a Number of accessible and adaptable homes required in Dudley in 2039



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

The future requirement for a wheelchair accessible home in Dudley in 2039 is presented in the figure below. In total 307 wheelchair user dwellings are required in 2039 across Dudley of which 154 should be in the market sector and 153 in affordable accommodation. Of the 307 wheelchair user dwellings required, 243 should be in the general housing stock and 64 in supported accommodation.

Figure 7.2a Number of wheelchair user dwellings required in Dudley in 2039



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

Sandwell

Projected health of the future population

The table below sets out the number of people estimated to have one of four health conditions in Sandwell currently and the number of people projected to have these health conditions in the future. The table also reports the current and future population in Sandwell that require assistance with activities. The growth in these situations over the plan period is also set out. As described in the second section of Chapter 8, these are derived from the POPPI and PANSI modelling tool.

Table 7.5b Number of people with particular health issues projected over the Local Plan period in Sandwell				
Condition	2020	2039	Total change	% change
Health condition				
People aged 65 and over with an illness*	17,383	24,522	7,139	41.1%
People aged 18-64 with impaired mobility	10,274	16,372	6,098	59.4%
People aged 18-64 with a common mental health problem	37,565	41,556	3,991	10.6%
People aged 65 and over with dementia	3,531	4,833	1,302	36.9%
People all ages with a learning disability	5,902	7,152	1,250	21.2%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	9,208	12,283	3,075	33.4%
People aged 65 and over who need help with at least one domestic task***	14,471	19,238	4,767	32.9%
People aged 65 and over who need help with at least one self-care activity****	14,306	19,084	4,778	33.4%
People aged 18-64 with a serious personal care disability*****	1,665	1,840	175	10.5%
All people	331,719	373,348	41,630	12.5%

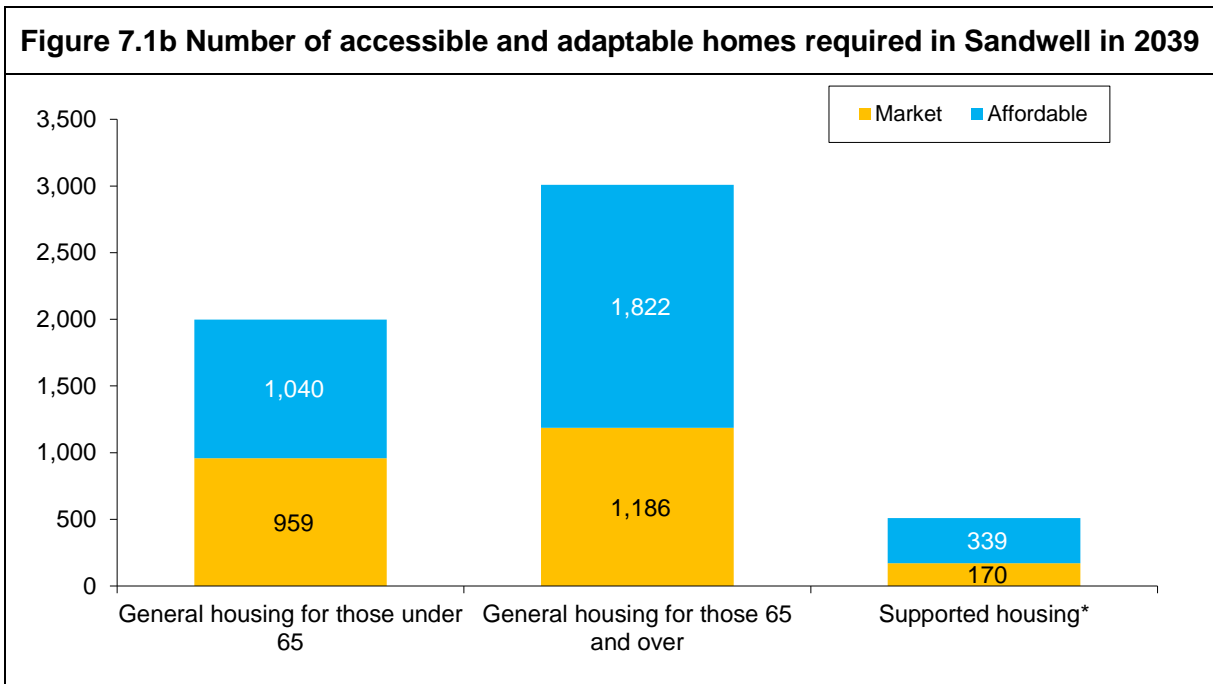
*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills.

****These are activities relating to personal care and mobility about the home that are basic to daily living.

*****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2020, disaggregated local housing need figures, 2020.

Accessible and adaptable housing

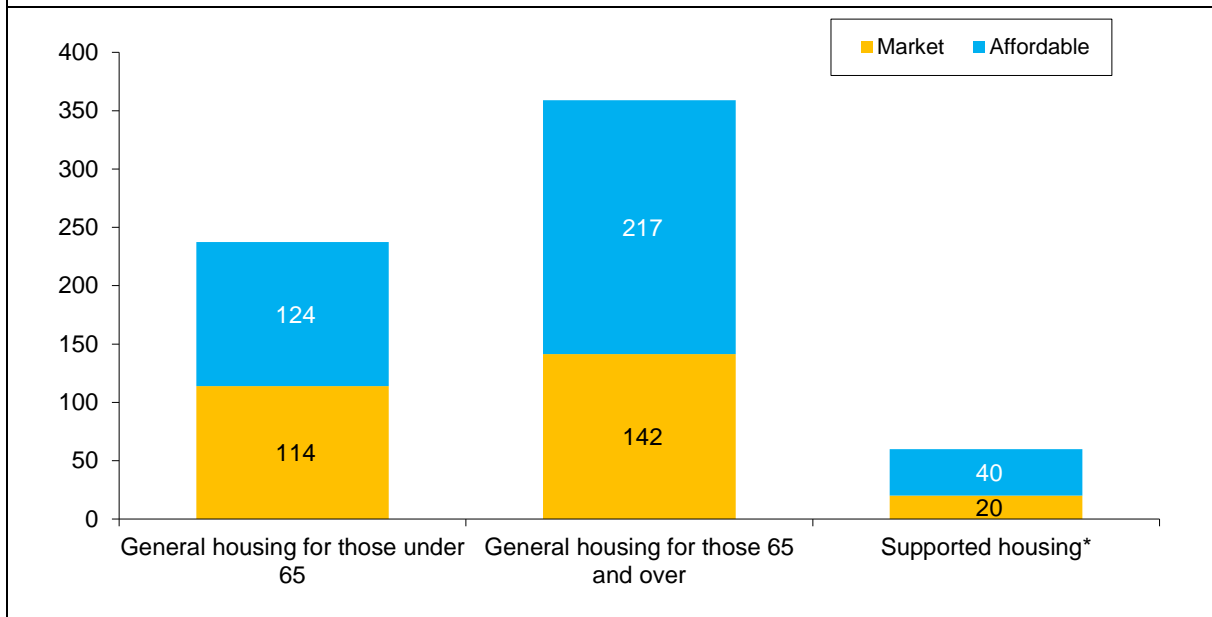
The figure below shows the requirement for adaptable and accessible housing in Sandwell in 2039. This has been calculated using the data sources and methodology set out in the second section of chapter 8. The figure indicates the requirement, for accessible and adaptable homes in Sandwell differentiated by, setting, age group and tenure. In total 5,516 accessible and adaptable homes are required in 2039 in Sandwell of which 2,315 should be in the market sector and 3,201 in affordable accommodation. Of the 5,516 accessible and adaptable homes required, 5,006 should be in the general housing stock and 509 in supported accommodation.



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

The future requirement for a wheelchair accessible home in Sandwell in 2039 is presented in the figure below. In total 656 wheelchair user dwellings are required in 2039 across Sandwell of which 275 should be in the market sector and 381 in affordable accommodation. Of the 656 wheelchair user dwellings required, 596 should be in the general housing stock and 60 in supported accommodation.

Figure 7.2b Number of wheelchair user dwellings required in Sandwell in 2039



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

Walsall

Projected health of the future population

The table below sets out the number of people estimated to have one of four health conditions in Walsall currently and the number of people projected to have these health conditions in the future. The table also reports the current and future population in Walsall that require assistance with activities. The growth in these situations over the plan period is also set out. As described in the second section of Chapter 8, these are derived from the POPPI and PANSI modelling tool.

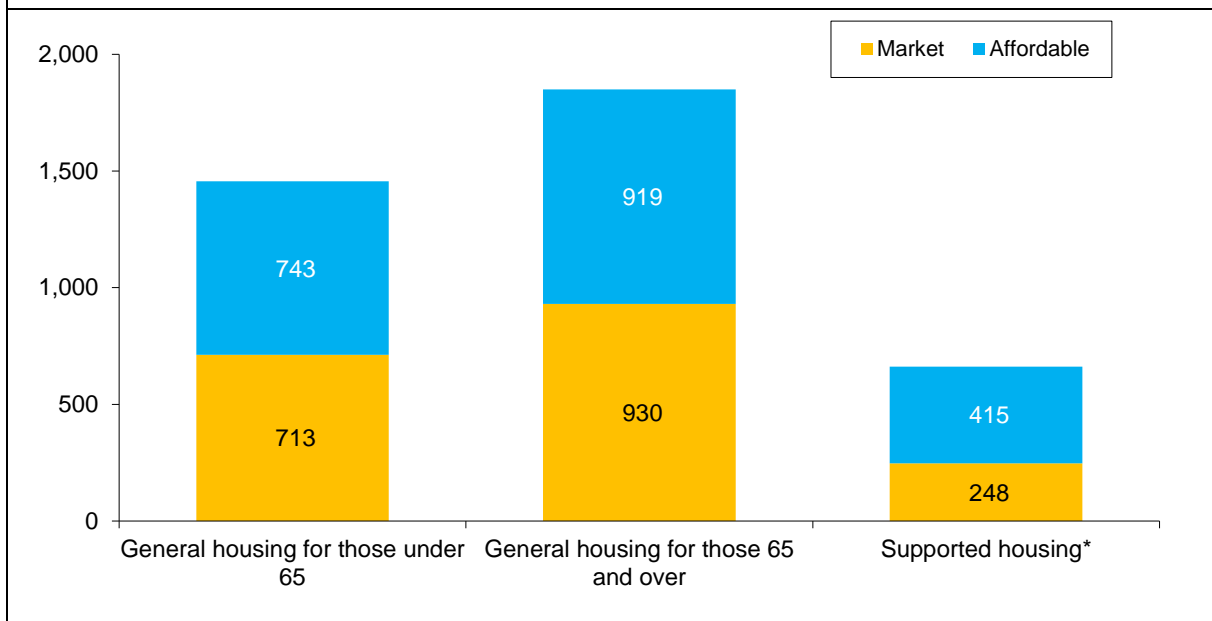
Table 7.5c Number of people with particular health issues projected over the Local Plan period in Walsall				
Condition	2020	2039	Total change	% change
Health condition				
People aged 65 and over with an illness*	16,093	21,559	5,466	34.0%
People aged 18-64 with impaired mobility	8,863	14,049	5,186	58.5%
People aged 18-64 with a common mental health problem	31,433	34,749	3,316	10.6%
People aged 65 and over with dementia	3,682	4,730	1,048	28.5%
People all ages with a learning disability	5,113	6,126	1,013	19.8%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	9,539	11,815	2,276	23.9%
People aged 65 and over who need help with at least one domestic task***	14,959	18,340	3,381	22.6%
People aged 65 and over who need help with at least one self-care activity****	14,755	18,139	3,384	22.9%
People aged 18-64 with a serious personal care disability*****	1,425	1,548	123	8.7%
All people	287,475	319,082	31,606	11.0%

*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills. ****These are activities relating to personal care and mobility about the home that are basic to daily living. *****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2020, disaggregated local housing need figures, 2020.

Accessible and adaptable housing

The figure below shows the requirement for adaptable and accessible housing in Walsall in 2039. This has been calculated using the data sources and methodology set out in the second section of chapter 8. The figure indicates the requirement, for accessible and adaptable homes in Walsall differentiated by, setting, age group and tenure. In total 3,967 accessible and adaptable homes are required in 2039 in Walsall of which 1,891 should be in the market sector and 2,077 in affordable accommodation. Of the 3,967 accessible and adaptable homes required, 3,305 should be in the general housing stock and 662 in supported accommodation.

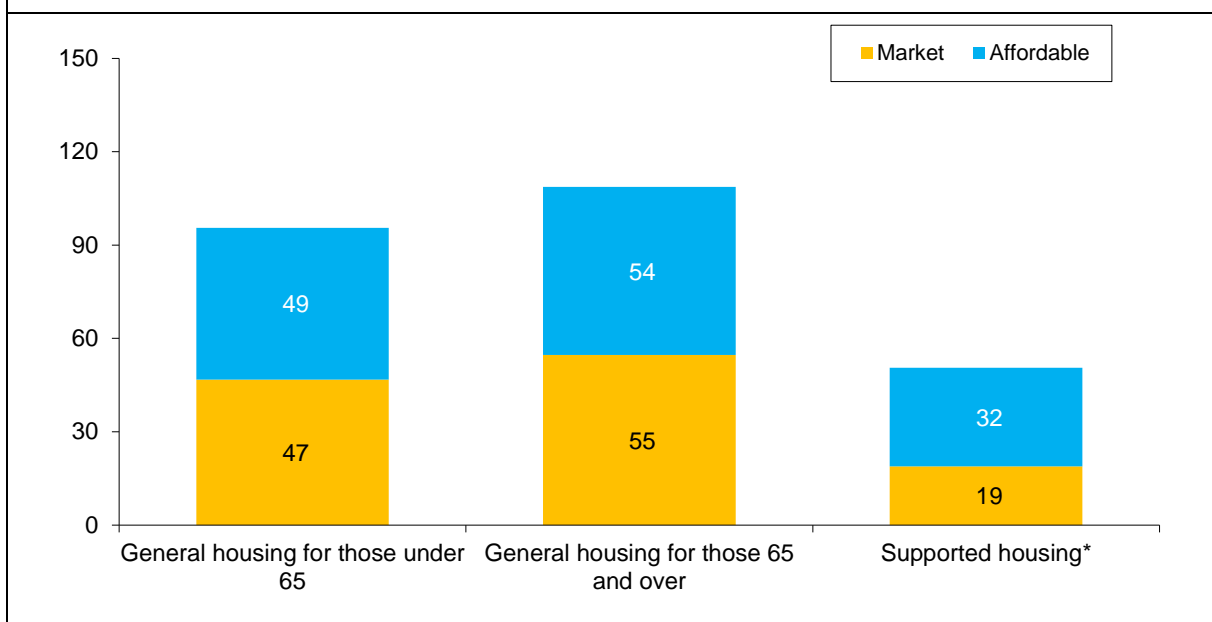
Figure 7.1c Number of accessible and adaptable homes required in Walsall in 2039



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

The future requirement for a wheelchair accessible home in Walsall in 2039 is presented in the figure below. In total 255 wheelchair user dwellings are required in 2039 across Walsall of which 120 should be in the market sector and 135 in affordable accommodation. Of the 255 wheelchair user dwellings required, 204 should be in the general housing stock and 51 in supported accommodation.

Figure 7.2c Number of wheelchair user dwellings required in Walsall in 2039



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

Wolverhampton

Projected health of the future population

The table below sets out the number of people estimated to have one of four health conditions in Wolverhampton currently and the number of people projected to have these health conditions in the future. The table also reports the current and future population in Wolverhampton that require assistance with activities. The growth in these situations over the plan period is also set out. As described in the second section of Chapter 8, these are derived from the POPPI and PANSI modelling tool.

Table 7.5d Number of people with particular health issues projected over the Local Plan period in Wolverhampton				
Condition	2020	2039	Total change	% change
Health condition				
People aged 65 and over with an illness*	13,435	18,704	5,269	39.2%
People aged 18-64 with impaired mobility	8,199	13,146	4,947	60.3%
People aged 18-64 with a common mental health problem	29,610	32,372	2,762	9.3%
People aged 65 and over with dementia	3,309	4,536	1,227	37.1%
People all ages with a learning disability	4,757	5,731	974	20.5%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	8,399	11,177	2,778	33.1%
People aged 65 and over who need help with at least one domestic task***	13,049	17,182	4,133	31.7%
People aged 65 and over who need help with at least one self-care activity****	12,884	17,004	4,120	32.0%
People aged 18-64 with a serious personal care disability*****	1,327	1,449	122	9.2%
All people	265,811	295,613	29,802	11.2%

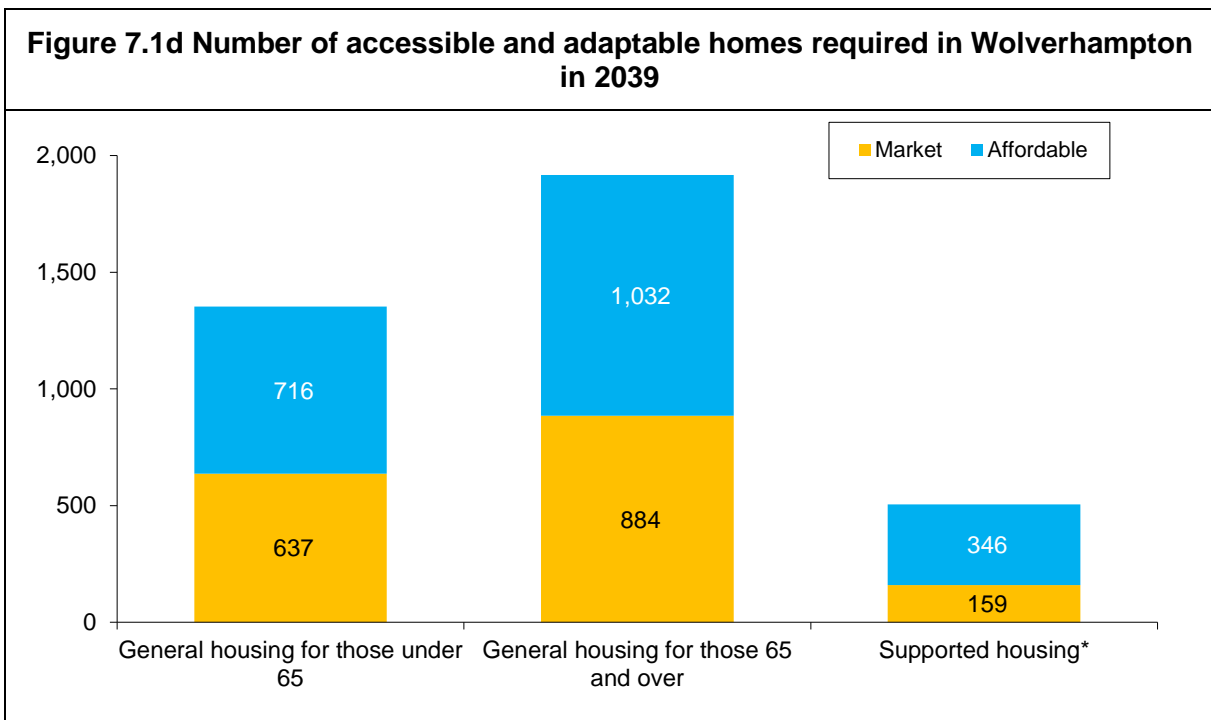
*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills.

****These are activities relating to personal care and mobility about the home that are basic to daily living.

*****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2020, disaggregated local housing need figures, 2020.

Accessible and adaptable housing

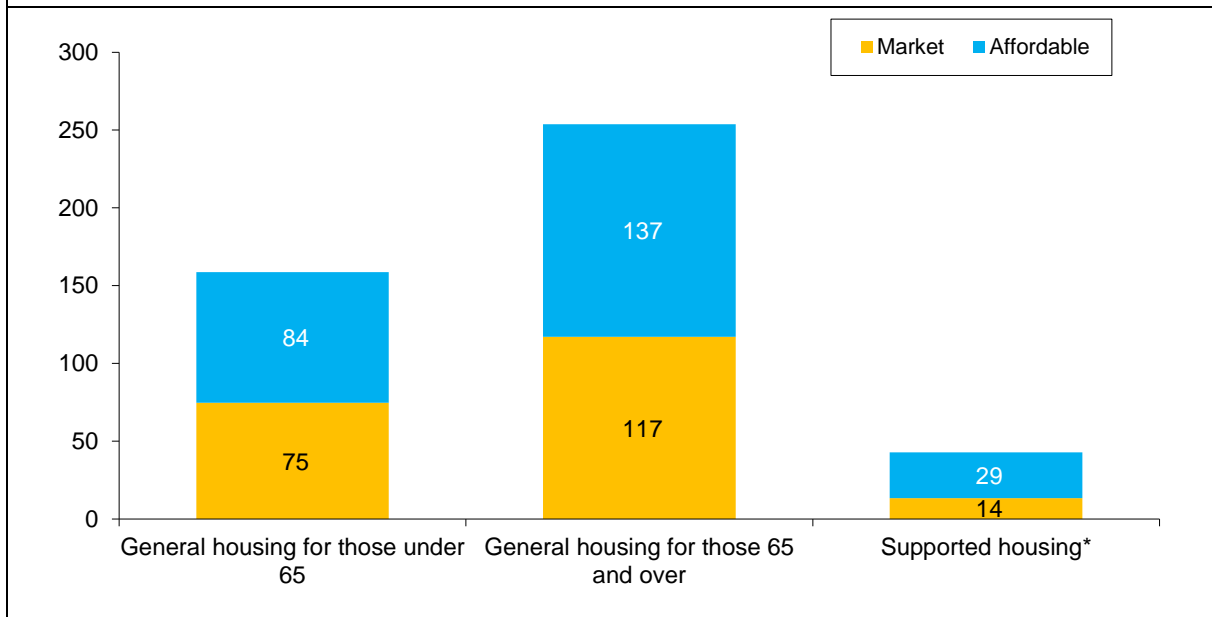
The figure below shows the requirement for adaptable and accessible housing in Wolverhampton in 2039. This has been calculated using the data sources and methodology set out in the second section of chapter 8. The figure indicates the requirement, for accessible and adaptable homes in Wolverhampton differentiated by, setting, age group and tenure. In total 3,774 accessible and adaptable homes are required in 2039 in Wolverhampton of which 1,681 should be in the market sector and 2,093 in affordable accommodation. Of the 3,774 accessible and adaptable homes required, 3,269 should be in the general housing stock and 504 in supported accommodation.



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

The future requirement for a wheelchair accessible home in Wolverhampton in 2039 is presented in the figure below. In total 455 wheelchair user dwellings are required in 2039 across Wolverhampton of which 205 should be in the market sector and 250 in affordable accommodation. Of the 455 wheelchair user dwellings required, 412 should be in the general housing stock and 43 in supported accommodation.

Figure 7.2d Number of wheelchair user dwellings required in Wolverhampton in 2039



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

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