

Telford and Wrekin
Strategic Housing Market Assessment (SHMA)
2016

Telford and Wrekin Council

Final Report
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Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column 'total' due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.

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Executive summary

Introduction

The Telford and Wrekin Strategic Housing Market Assessment (SHMA) (2016) provides the latest available evidence to help to shape the future planning and housing policies of the area. The study will help inform the production of the Council's local plan and housing strategy. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area.

The SHMA (2016) comprises:

- A review of existing (secondary) data;
- An on-line survey of key stakeholders and
- Interviews with estate and lettings agents.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development which conforms to the Government's National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

The Housing Market Area

An analysis of 2011 census migration and travel to work data confirms that Telford and Wrekin forms a separate housing market area, with around 70% of households moving within the borough and living and working within the borough. Evidence would therefore confirm that Telford and Wrekin can be considered to be an appropriate housing market area for the purposes of local plan policy making.

The current housing market

Based on 2011 Census data, across Telford and Wrekin:

- 89.7% of dwellings are houses or bungalows (of these 30.8% are detached, 36.7% semi-detached and 22.2% terraced) and 10.2% are flats, maisonettes, apartments or mobile accommodation;
- 7.2% of dwellings have one bedroom, 23.7% have two bedrooms, 47.1% have three bedrooms and 22.0% have four or more bedrooms; and
- 64.1% of occupied properties are owner-occupied (27.2% owned outright and 36.9% owned with a mortgage or loan or shared ownership), 16.2% are private rented or living rent-free, and 19.7% are affordable (rented from a social landlord).

Analysis of the latest Valuation Office Agency data (2014) indicates that 3 bedroom houses account for 47.6% of total dwelling stock and 18.6% are 4 or more bedroom houses, which account for 30.7% of dwelling stock in the Rural Area. The majority of the borough's dwellings were built in the period 1965-1999, which reflects the development of Telford New Town took place.

It is estimated that 5.7% of dwelling stock fails to meet the minimum standard of decent homes criteria (compared with 11.9% nationally). This is based on English Housing Survey data applied to the age profile of dwelling stock in the borough.

Telford and Wrekin is a comparatively affordable district compared with its neighbouring local authorities, but this masks variations in relative affordability between Telford and other areas in the district, most notable the Rural Area.

The private rented sector has more than doubled over the period 2001 to 2011 and in 2011 accommodated around 16.2% of households. The Stakeholder consultation reported strong and increasing demand for private rented dwellings but highlighted stock condition as an issue.

The proportion of households that live in affordable housing and mainly rent from social housing landlord was 19.7%. There is an on-going need for affordable housing and this has been evidenced through stakeholder views and the annual imbalance of 665 affordable dwellings each year over a five year period.

Around 4.4% of dwelling stock in Telford and Wrekin is in higher council tax bands and represents an 'executive housing' offer. Most of these dwellings are detached houses and the further development of executive homes was a medium to high priority amongst stakeholders.

Based on the latest housing register data, there are around 2,400 or 3.5% of existing households in housing need. During 2014/15, 78 households were accepted as homeless and in priority need.

The relative affordability of alternative tenure options was established by reviewing prevailing house prices and rents. Overall, based on 2015 house price, private rent prices and income data, it was identified that 65% of all households could afford social rent (without assistance through housing benefit), 55.3% could afford lower quartile market rents, 46.2% could afford lower quartile market price and 34.0% could afford median market prices. In terms of affordable housing for sale, 39.4% could afford starter homes, 43.7% shared ownership at 50%, 54.7% shared ownership at 25% and 49.6% help to buy.

Demography

Based on official published figures, the population of Telford and Wrekin Borough was estimated to be 169,440¹ in 2014, and this is projected to increase to 178,500 by 2031² according to the latest ONS projections. A key demographic change will be the increasing number and proportion of older people. The number of people aged 65 and over is projected to increase by 45.9% over the period 2015-2031 (12,900 additional people) and the overall proportion of people aged 65 and over is projected to increase from 16.6% in 2015 to 23% in 2031.

¹ ONS 2014 mid-year population estimates

² ONS 2012-based sub-national population projections

Objectively Assessed Housing Need

The Objectively Assessed Housing Need for Telford and Wrekin over the plan period 2011-2031 is established from a baseline of 461 (2012-based SNPP), with an upward adjustment based on the alternative trends (PBA Alternative Trend 2003-13) of +36 (497 dwellings). No further adjustment is necessary to support jobs-growth and PBA analysis indicates that the trend scenario can support the Experian jobs-forecast. This SHMA confirms the OAN for Telford and Wrekin equates to 497 dwellings a year.

The objectively assessed need figure takes account of the need to deliver more affordable and market housing for an increasing number of households, the likely levels of net in-migration and supports balanced economic growth.

Housing requirement

The housing requirement is a figure that reflects the objectively assessed need for housing and also the necessary policy considerations that justify an adjustment to the OAN.

The Telford and Wrekin Local Plan sets out a target of 15,555 dwellings up to 2031. This is considerably higher than the OAN figure of 9,940 and reflects the growth ambitions of the Council and supports the delivery of additional affordable housing. The local plan also anticipates an existing supply of around 11,500 dwellings comprising sites that have either been built since 2011, or that are under construction or with planning permission at April 2015³. The annual housing target for the whole plan period is therefore approximately 778 dwellings per year. Note that the total population is projected to grow to an estimated 198,500 as a result of this housing delivery.

The need for all types of housing

The overall mix of future housing for the period 2011-2031 is summarised in Table ES1 based on the Telford & Wrekin Local Plan housing requirement of 15,555 dwellings. This takes account of the change in households by age of Household Reference Person (HRP) and the range of dwelling types and sizes occupied by households by age of HRP.

Assuming a similar profile of dwelling requirements over the plan period, analysis has established that the development of three and four bedroom houses and one and two bedroom bungalows represented around three-quarters of all dwelling requirement in demand.

Variant analysis considers the impact of changing aspirations of older people on overall stock requirements. This results in a reduction in need for three bedroom houses and a notable increase bungalow need, particularly 1-2 bedroom bungalows.

³ See table 10 of the Telford & Wrekin Local Plan (Publication Version)

Table ES1 Dwelling stock requirements 2011-2031				
Dwelling type and size	Principal analysis		Variant analysis (factoring in aspirations of HRPs aged 60 and over)	
	% of new dwelling stock	Number of dwellings	% of new dwelling stock	Number of dwellings
1 Bed House	0.4	63	0.4	63
2 Bed House	9.7	1506	9.4	1464
3 Bed House	41.2	6416	35.7	5546
4 or more Bed House	13.5	2093	13.1	2037
1 Bed Flat	5.6	878	5.5	850
2 Bed Flat	5.4	841	5.4	844
3+ Bed Flat	0.2	33	0.2	33
1-2 Bed Bungalow	19.3	2996	21.8	3390
3+ Bed Bungalow	4.7	728	5.3	823
Total	100.0	15555	100.0	15555

Source: PBA, arc4

Affordable housing requirements

Affordable housing need is defined as *'the quantity of housing required for households who are unable to access suitable housing without financial assistance⁴'*. A key element of the study is to explore the scale of affordable housing need and the extent to which additional Affordable housing is needed.

Table ES2 summarises the annual net affordable housing imbalance by sub-area which have been derived from an analysis of households in need, considered the relative affordability of open market prices and rents to households in need and the existing supply of affordable dwellings. The overall net annual imbalance is calculated to be 665 Affordable dwellings each year over the next five years.

An affordable housing tenure split of 75% rented and 25% intermediate is recommended. This is based on recent past trends in delivery across Telford and Wrekin and accords with the split evidenced in a wider range of arc4 studies. However we recommend that this split is further explored through economic viability work and discussions with developers and Registered Providers to determine the overall potential for such a tenure split in the light of emerging Government policy, which is placing an increasing emphasis on building affordable homes to buy rather than rent.

⁴ This definition appeared in PPS3 and remains a helpful definition of affordable housing need

Table ES2 Net annual affordable housing imbalance by property size 2015/16 to 2019/20

Net annual imbalance				
No. of Bedrooms	Sub-Area			Telford and Wrekin Net
	Telford	Newport	Rural Area	
	Net	Net	Net	
1	207	37	33	277
2	208	44	38	290
3	36	17	14	67
4	25	3	3	31
Total	476	101	88	665

Older people

A strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Telford and Wrekin Borough area aged 65 or over is projected to increase from 28,100 in 2015 to 41,000 by 2031 (a 45.9% increase)⁵.

Over the period 2014 to 2030, there is expected to be a 84.7% increase in the requirement for older persons' specialist provision (Table ES3). However, when the current (2014) supply of accommodation is compared with change in demand to 2030, data would suggest a need to double the current level of provision for older people, particularly the provision of enhanced sheltered, and extra care provision.

Table ES3 Older persons' dwelling requirements 2014 to 2030

Type of provision	Housing demand per 1,000 75+	Current supply	2014 Demand	2030 Demand	Change 2014 (supply) to 2030 (demand)	% change 2014-2030
Sheltered housing	125	1555	1388	2563	1008	72.6
Enhanced Sheltered housing	20	86	222	410	324	145.9
Extra Care 24/7 support	25	113	278	513	400	143.9
Residential care	65	1028	1221	2255	1227	100.5
Total		2782	3109	5741	2959	95.2

Source: Housing LIN (data covers period 2014 to 2030 only)

⁵ 2012-based ONS population projection

1. Introduction

Background and objectives

- 1.1 This Strategic Housing Market Assessment (SHMA) for Telford and Wrekin Borough Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The SHMA satisfies the requirements of the National Planning Policy Framework (NPPF), and the March 2014 Planning Policy Guidance (PPG), which replaces previous guidance including the DCLG Strategic Housing Market Assessment guidance (Version 2, 2007).

National Planning Policy Framework (NPPF) requirements

- 1.3 The NPPF provides the planning policy context for this SHMA. The key sections of the NPPF which need to be taken into account in the SHMA are now summarised.
- 1.4 NPPF Paragraph 159 states that *"Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:*
 - *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand."*
- 1.5 NPPF Paragraph 47 makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing"*. The SHMA will provide robust evidence to help the Council *"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community"* and should *"identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand"* (NPPF paragraph 50).
- 1.6 NPPF paragraph 173 also states that *"in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required."*
- 1.7 Moreover, the NPPF and the Localism Act both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy. Section 110 of the

Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment. As Telford and Wrekin is considered to be a separate HMA, on that basis this SHMA assesses solely the needs of Telford & Wrekin.

- 1.8 Technical Appendix F provides a checklist of how the SHMA satisfies the requirements of the National Planning Policy Framework and National Planning Practice Guidance.

Planning Practice Guidance

- 1.9 Planning Practice Guidance (PPG) has been prepared by the Department for Communities and Local Government (DCLG) to support *‘local planning authorities in objectively assessing and evidencing development needs for housing (both market and affordable); and economic development. The assessment of housing and economic needs includes the Strategic Housing Market Assessment requirement as set out in the NPPF’* (PPG Paragraph 2a-001).
- 1.10 With regards to housing need, PPG sets out:
- The approach to assessing need (Paragraphs 2a-001 to 2a-007);
 - Scope of the assessments (Paragraphs 2a-008 to 2a-013);
 - Methodology: Assessing Housing Need (Paragraphs 2a-014 to 2a-029)
- 1.11 This SHMA document signposts relevant paragraphs of PPG where appropriate.
- 1.12 PPG Paragraph 2a-002 sets out the primary objective of the needs assessment: *“the primary objective of identifying need is to identify the future quantity of housing needed, including a breakdown by type, tenure, and size.”*
- 1.13 PPG Paragraph 2a-004 states that *“the assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development historic under-performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”*

Definitions

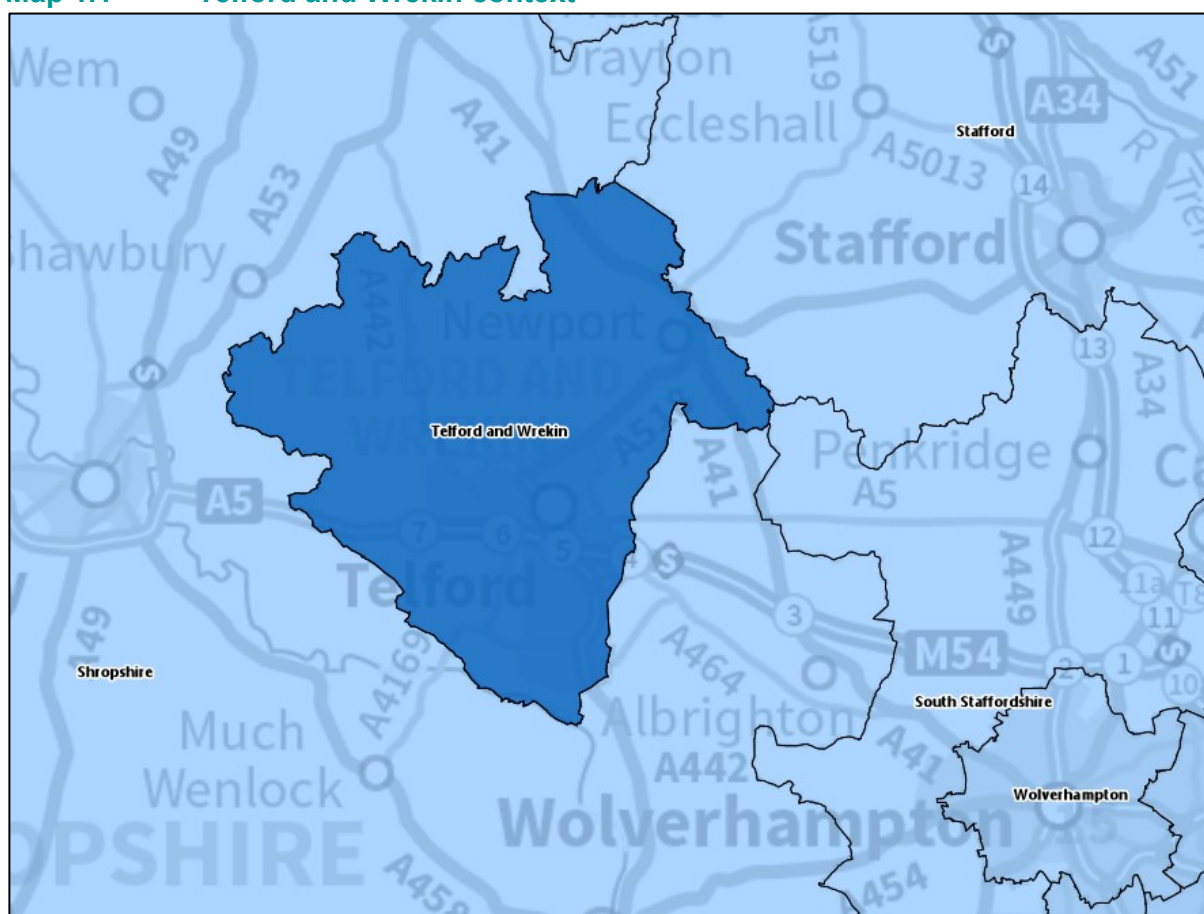
- 1.14 PPG Paragraph 2a-003 defines need for housing as, “,,the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.”
- 1.15 PPG Paragraph 2a-008 states that, “housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.”
- 1.16 For the purposes of this study, the term housing need refers to, “the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state”⁶.
- 1.17 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):
- **Affordable Housing:** Social Rented, Affordable Rented and Intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
 - **Social Rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
 - **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for Social Rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
 - **Intermediate housing** is homes for sale and rent provided at a cost above Social rent, but below market levels subject to the criteria in the Affordable housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and Intermediate rent, but not Affordable Rented housing.
 - Homes that do not meet the above definition of Affordable housing, such as “low cost market” housing, may not be considered as Affordable housing for planning⁷.

⁶ Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note June 2014

Geography

- 1.18 Map 1.1 illustrates the geographical context of Telford and Wrekin Borough and its neighbouring authorities.
- 1.19 Telford and Wrekin is a unitary authority located within the West Midlands region. The resident population of Telford and Wrekin is 169,440⁸. The borough is bounded to the north, west and south by Shropshire; and to the east by Stafford and South Staffordshire districts. The local authority area includes the settlements of Telford (previously a New Town), Newport, Wellington, Dawley, Madeley and Oakengates.

Map 1.1 Telford and Wrekin context



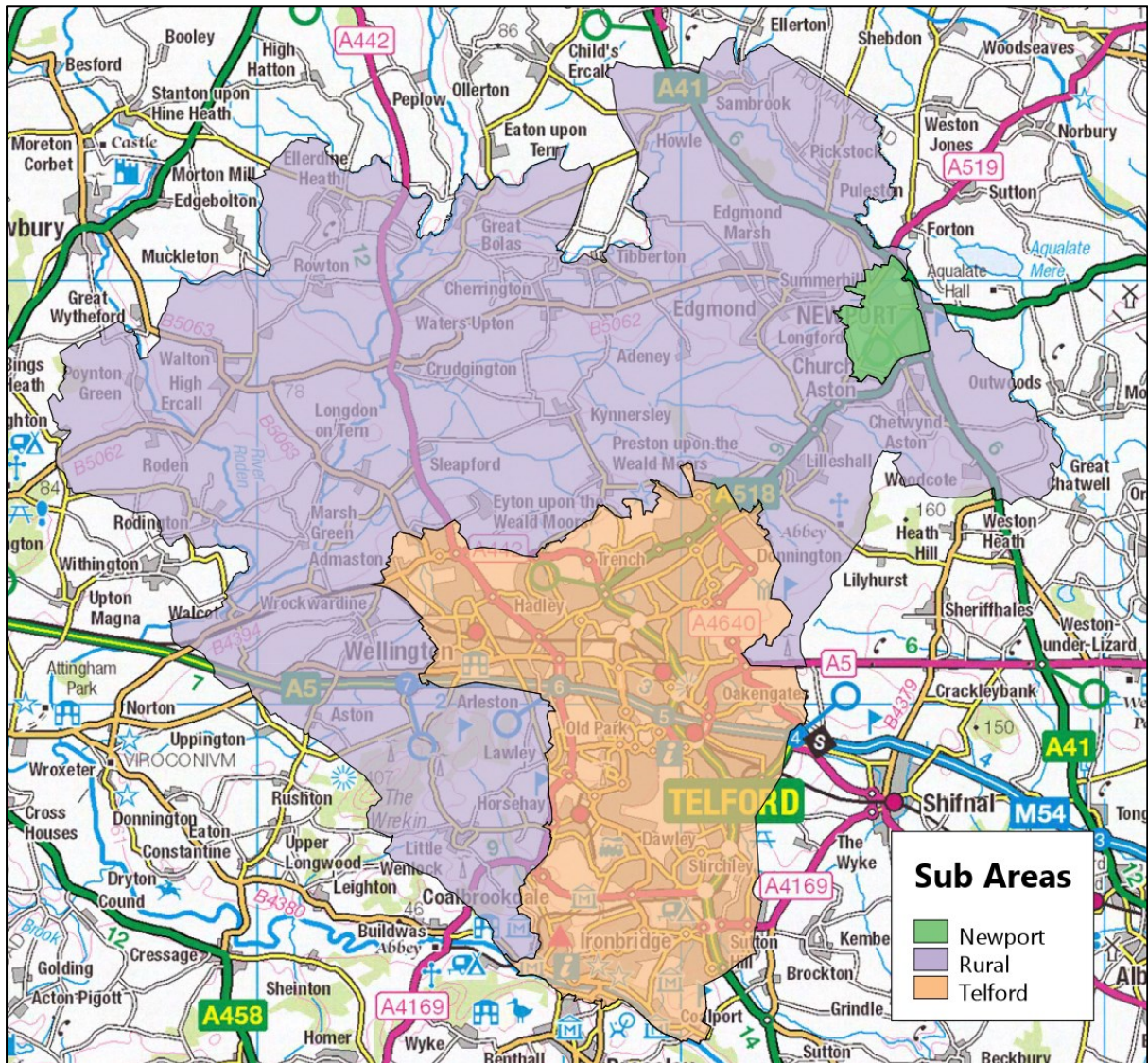
- 1.20 Data has been presented for the following three sub-areas, as illustrated in Map 1.2:
- Telford,
 - Newport, and
 - Rural Area.

⁷ The government has issued consultation on proposals to change the NPPF relating to the definition of affordable housing tenure (Dec 2015).

⁸ 2014 ONS mid-year population estimate

1.21 This applies the three sub-area breakdown used in previous SHMA produced by the Council and is consistent with the strategic policies of the local plan.

Map 1.2 Telford and Wrekin sub-areas



Research methodology

- 1.22 Regarding the overall methodological approach to assessing housing need, PPG Paragraph 2a-005 states that, *“there is no one methodology approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance”*.
- 1.23 PPG Paragraph 2a-014 comments that, *“Establishing future need for housing is not an exact science. No single approach will provide a definitive answer. Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (eg Census, national surveys) to inform their assessment which are identified within the guidance.”*
- 1.24 To deliver the SHMA (2016), a multi-method approach was adopted, which comprised:
- A review of relevant secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
 - A consideration of research by Peter Brett Associates⁹ regarding objectively assessed housing need;
 - An on-line survey of key stakeholders including Local Authorities, Government agencies, public service providers, Registered Providers, voluntary agencies and private developers; and
 - Interviews with estate and lettings agents.
- 1.25 Further information on the research methodology is presented at Appendix A.

Report structure

- 1.26 The Telford and Wrekin SHMA Report is structured as follows:
- Chapter 2 reviews the national and regional policy context within which the research needs to be positioned;
 - Chapter 3 considers the definition of the Housing Market Area for Telford and Wrekin;
 - Chapter 4 presents an review of the Telford and Wrekin housing market;

⁹ Peter Brett Associates Telford and Wrekin Objectively Assessed Housing Need, Final Report March 2015'

- Chapter 5 presents a review of housing market signals;
 - Chapter 6 considers the Objectively Assessed Housing Need;
 - Chapter 7 considers the need for all types of housing and includes an analysis of overall type/size mix, affordable housing need and overall tenure mix and the needs of different groups including older people; and
 - Chapter 8 concludes the report with a summary of findings and a consideration of strategic issues.
- 1.27 The report includes technical appendices, which provides detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:
- Research methodology (Appendix A);
 - Policy review (Appendix B);
 - Estate and letting agent review of the housing market (Appendix C);
 - Affordable housing need calculations (Appendix D);
 - Reviewing the future profile of dwelling stock (Appendix E);
 - Monitoring and updating (Appendix F); and
 - Conformity to NPPF and PPG checklist (Appendix G).

2. Policy and strategic review

National policy

- 2.1 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms were focused on localism, decentralisation and economic growth.
- 2.2 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of house building and promoting home ownership as the tenure of choice.
- 2.3 A detailed national policy review is presented at Appendix B .

Telford and Wrekin Housing Strategy and Local Plan

- 2.4 This SHMA (2016) will help to further inform the preparation of the Council's strategies and policies, providing a key part of the evidence base for the development plan to guide the provision of housing during the plan period.

Concluding comments

- 2.5 The previous coalition Government had established its housing and planning priorities within the context of local decision making and accountability, reduced capital expenditure on housing, fundamental changes to welfare, a changing role for Social Rented housing, and a need for future housing investment to support economic growth. It is likely that this direction of travel will continue, with the new Conservative Government's legislative programme prioritising measures to increase access to home ownership, further reduce welfare spending, control immigration and assist devolution to cities.
- 2.6 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate; this SHMA provides the Council with an excellent range of material to inform policy debate and the Local Plan process, help influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment decisions.

3. Defining the Housing Market Area

Introduction

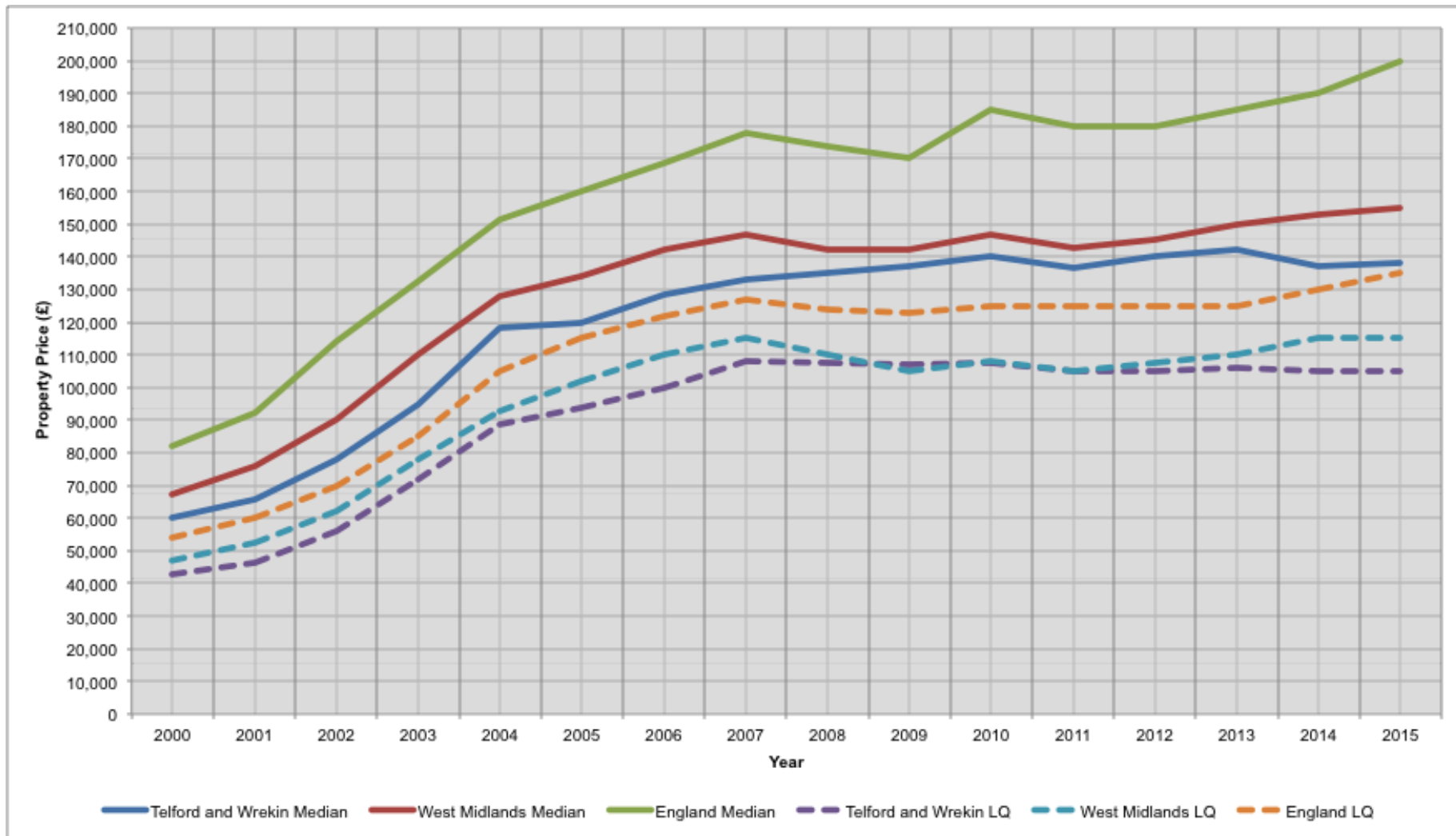
- 3.1 PPG Paragraph 2a-008 states that, *'housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.'*
- 3.2 PPG Paragraph 2a-010 defines a Housing Market Area as, *"a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap"*.
- 3.3 PPG Paragraph 2a-010 suggests that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
 - Household migration and search patterns;
 - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.4 PPG Paragraph 2a-010 also comments that, *"Household migration and search patterns, Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (eg those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools"*.
- 3.5 Telford and Wrekin is a unitary authority located within the West Midlands region. The resident population of Telford and Wrekin is 169,440¹⁰. The borough is bounded to the north, west and south by Shropshire; and to the east by Stafford and South Staffordshire districts. The local authority area includes the centres of Telford (previously a New Town), Newport, Wellington, Dawley, Madeley, Oakengates, Hadley, Donnington, and Ironbridge.
- 3.6 In line with PPG, the Telford and Wrekin Objectively Assessed Housing Need Report March 2015 ('The PBA report') reviewed relevant data to establish the extent of the Telford and Wrekin Housing Market Area.

¹⁰ ONS 2014 mid-year population estimates

House prices and rates of change in house prices

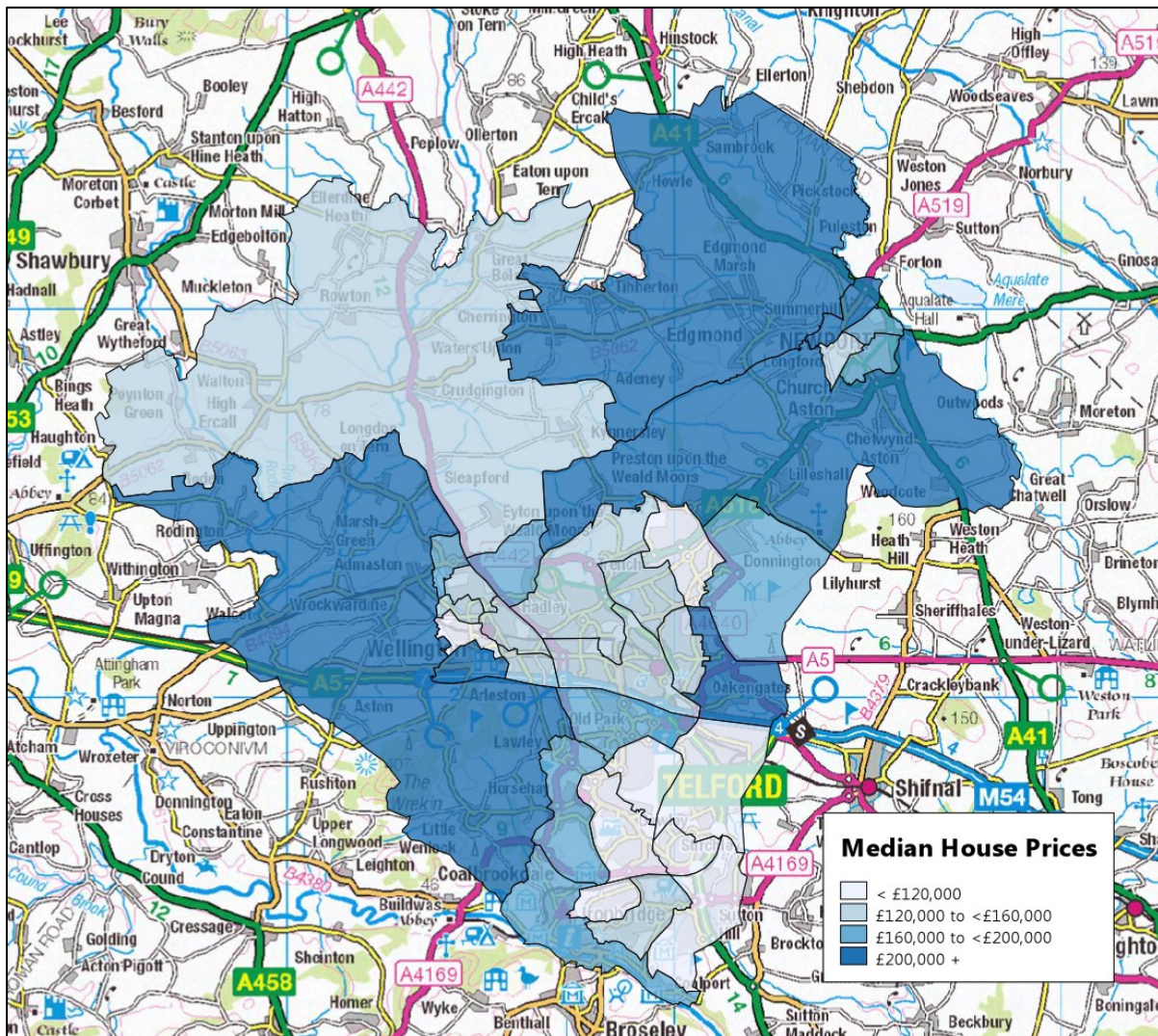
- 3.7 Figure 3.1 shows how lower quartile and median house prices across the area have changed over the period 2000 to 2015.
- 3.8 Since 2000, median prices in Telford and Wrekin have been consistently slightly lower than the median prices for the West Midlands, which in turn are below the national median price. Overall, prices have increased from £59,900 in 2000 to £138,000 in 2015, an increase of 130.4%. Following a similar trend to the region, house prices in Telford and Wrekin rose most rapidly in the period 2000 to 2007. However, whilst the rate of growth slowed after 2007 there was no drop in house prices until 2011. Since this time prices have fluctuated between £137,000 and £142,000. During 2015, median prices in Telford and Wrekin were £138,000.
- 3.9 Lower quartile prices have increased from £42,750 in 2000 to £105,000 during 2015, an increase of 145.6%. Lower quartile prices have tended to mirror those of the West Midlands generally.
- 3.10 The distribution of house prices based on median price in Telford and Wrekin during January 2014 to June 2015 is illustrated in Map 3.1 and indicates relatively lower prices in Telford wards such as Cuckoo Oak, Woodside and Brookside; and higher prices in rural wards including Church Aston and Lilleshall and Edgmond wards.

Figure 3.1 Lower Quartile and median house price trends 2000 to 2015: Telford and Wrekin, the West Midlands and England



Source: DCLG; Land Registry

Map 3.1 Median house prices 2014-15 by ward



3.11 Table 3.1 summarises lower quartile, median and upper quartile prices by ward during January 2014 – June 2015 based on Land Registry address-level data. This shows significant variation across Telford and Wrekin, with the lowest prices in Woodside and Cuckoo Oak and the highest prices in Edgmond and Church Aston and Lilleshall.

Table 3.1 House prices in Telford and Wrekin by ward area during 2014-15

Ward	Price (£)		
	Lower Quartile (25%)	Median	Count
Apley Castle Ward	155000	195000	77
Arleston Ward	98000	124950	105
Brookside Ward	77500	90000	121
Church Aston and Lilleshall Ward	184975	250000	64
College Ward	105000	142750	54
Cuckoo Oak Ward	65000	87000	70
Dawley Magna Ward	95000	117000	171
Donnington Ward	81000	107000	95
Dothill Ward	125000	148000	47
Edgmond Ward	205000	284167	34
Ercall Magna Ward	161000	215000	45
Ercall Ward	130000	159998	112
Hadley and Leegomery Ward	92000	121500	160
Haygate Ward	93000	115000	63
Horsehay and Lightmoor Ward	139248	162475	120
Ironbridge Gorge Ward	134000	177500	65
Ketley and Oakengates Ward	105000	132475	242
Lawley and Overdale Ward	124000	162500	200
Madeley Ward	97250	132000	103
Malinslee Ward	80000	99950	87
Muxton Ward	129750	169500	160
Newport East Ward	142500	179975	56
Newport North Ward	155000	202500	66
Newport South Ward	149995	172000	59
Newport West Ward	120000	151450	70
Park Ward	119000	137500	51
Priorslee Ward	167625	223750	184
Shawbirch Ward	124000	183250	70
St. Georges Ward	107000	120000	111
The Nedge Ward	86500	105000	145
Woodside Ward	71500	80000	91
Wrockwardine Ward	153500	210000	131
Wrockwardine Wood and Trench Ward	103500	122000	111
Total	£108,000	£140,000	3,340

Source: Land Registry Price Paid Data 1 Jan 2014 to 30 June 2015

Household migration

3.12 Census 2011 data on household migration was presented in the PBA report (March 2015) and shown in Table 3.2. Data relates to moves within England and Wales and all measures of containment are very close to the 70% threshold suggested in the PPG.

From	To		Total
	Telford and Wrekin	Rest of England and Wales	
Telford and Wrekin	12,563	5,644	18,207
Rest of England and Wales	5,331		
Total	17,894		
Summary			
All moves to T&W	18,207		
All moves from T&W	17,894		
All moves to and from T&W	36,101		
All moves within T&W	25,126		
Destination containment - Demand-side ratio	70.2%		
Origin containment - Supply-side ratio	69.0%		
Overall containment	69.6%		

Source: 2011 Census; PBA report Table 2.1

3.13 Table 3.3 illustrates the principal interactions between Telford and Wrekin and other districts, with the strongest inflows and outflows from/to Shropshire.

District	Inflow to Telford and Wrekin	Outflow from Telford and Wrekin	Net flow
Telford and Wrekin	12,563	12,563	0
Shropshire	1,343	1,459	-116
Wolverhampton	199	202	-3
Stafford	173	185	-12
Birmingham	145	242	-97
Herefordshire	145	94	51
South Staffordshire	132	101	31
Elsewhere W Mids	662	597	65
Elsewhere UK	2,475	2,764	-125

Source: 2011 Census (Note: data includes NI and Scotland)

Commuting patterns

3.14 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Telford and Wrekin travel to other areas together with details of how many people commute into the borough area. This data was presented in the PBA report and shown in Table 3.4.

Table 3.4 Commuting self-containment			
From	Work in		Total
	Telford and Wrekin	Rest of the world	
Telford and Wrekin	48,871	17,986	66,857
Rest of the world	23,268		
Total	72,139		
Summary			
Workers resident in T&W	66,857		
Workplaces in T&W	72,139		
Workers and workplaces in T&W	138,996		
Work trip that do not cross the T&W boundary	97,742		
Destination containment - Demand-side ratio	67.7%		
Origin containment - Supply-side ratio	73.1%		
Overall containment	70.3%		

Source: 2011 Census; PBA report Table 2.2

3.15 The Borough's containment ratios for commuting are around 70%. In terms of defining market areas, the PPG does not suggest an appropriate self-containment figure. The ONS provides a definition of Travel to Work areas as:

'The current criterion for defining TTWs is that generally at least 75% of an area's resident workforce in the area and at least 75% of the people who work in the area also live in the area...however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted'

3.16 Analysis presented in the OAN report therefore confirms that Telford and Wrekin is a labour market and housing market in its own right.

Concluding comments

3.17 The purpose of this chapter has been to consider the general housing market context of Telford and Wrekin and its inter-relationships with other areas. It has considered the findings of the PBA report and also reviewed house price trends and variations within Telford and Wrekin.

3.18 The PBA report concludes in para 2.20, *'the evidence of migration and commuting shows that Telford and Wrekin forms a separate housing market area as defined in the PG [PPG]. Therefore it is consistent with national policy and guidance to assess housing need for the borough on its own'*.

4. Telford and Wrekin Housing Market review

Introduction

- 4.1 The purpose of this chapter is to explore the housing market dynamics of Telford and Wrekin, focusing on: current stock profile and condition; tenure characteristics; housing need and affordable requirements; market demand and aspirations; overcrowding and under-occupancy; the needs of particular groups including older people, people with disabilities and Black, Asian and Minority Ethnic Groups.

Estimates of current dwellings in terms of size, type and tenure

- 4.2 The 2011 Census reported a total of 68,714 dwellings and 66,608 households. This data is set out by sub-area in Table 4.1. All data relating to households derived from the 2011 Census uses a household base of 66,608.

Sub-Area	Total Dwellings	Total Households
Telford	58,832	57,100
Newport	5,226	5,083
Rural Area	4,656	4,425
Telford and Wrekin	68,714	66,608

Source: 2011 Census

Property size and type

- 4.3 Table 4.2 reviews the profile of occupied dwelling stock by size and type across Telford and Wrekin. Overall, the vast majority (89.7%) of properties are houses or bungalows, of which 36.7% are semi-detached, 30.8% are detached and 22.2% are terraced. 10.2% of dwellings are flats, maisonettes, apartments or mobile/temporary accommodation. Of all dwellings, 7.2% have one bedroom, 23.7% have two bedrooms, 47.1% have three bedrooms and 22.0% have four or more bedrooms.
- 4.4 Overall, 69.1% of dwellings have three or more bedrooms and 30.9% have one¹¹ or two bedrooms.

¹¹ One bedroom includes studios/bedsits

Table 4.2 Property type and size across Telford and Wrekin		
Dwelling type	Number	%
Detached house/bungalow	20,511	30.8
Semi-detached house/bungalow	24,455	36.7
Terraced house/bungalow	14,819	22.2
Flat/maisonette/apartment/mobile home	6,823	10.2
Total	66,608	100.0
No. of Bedrooms	Number	%
One	4,794	7.2
Two	15,808	23.7
Three	31,341	47.1
Four	12,134	18.2
Five or more	2,531	3.8
Total	66,608	100.0

Source: 2011 Census

- 4.5 Tables 4.3 and 4.4 review dwelling type and size variations by sub-area. This indicates that the proportion of detached dwellings is highest in the Rural Area; the proportion of semi-detached dwellings is fairly similar across all three sub-areas; the proportion of terraced dwellings is highest in Telford; and the proportion of flats/maisonettes/mobile homes is highest in Telford and Newport.
- 4.6 In terms of dwelling size, Telford sub-area has the highest proportion of smaller dwellings with two bedrooms or fewer; across all sub-areas the proportion of three bedroom dwellings ranges from 42.7% (Rural Area) to 47.8% (Telford); and the proportion of dwellings with four or more bedrooms is highest in the Rural Area sub-area (37.2%).
- 4.7 Additional data on overall dwelling stock is available from the Valuation Office Agency. The latest 2015 data is presented in Table 4.5.

Table 4.3 Property type of occupied dwellings across Telford and Wrekin

Sub-Area	Dwelling type (%)				Total (%)	Base (2011)
	Whole house or bungalow: Detached	Whole house or bungalow: Semi-detached	Whole house or bungalow: Terraced (including end-terrace)	Flat, maisonette or apartment		
Telford	27.9	37.1	24.3	10.7	100.0	57,100
Newport	41.7	34.5	13.2	10.6	100.0	5,083
Rural Area	55.2	34.5	6.1	4.2	100.0	4,425
Telford and Wrekin	30.8	36.7	22.2	10.2	100.0	66,608

Source: 2011 Census

Table 4.4 Property size of occupied dwellings across Telford and Wrekin

Sub-area	No. bedrooms (%)				Total (%)	Base (2011)
	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms		
Telford	7.4	24.4	47.8	20.4	100.0	57,100
Newport	7.8	22.5	42.9	26.8	100.0	5,083
Rural Area	4.1	16.0	42.7	37.2	100.0	4,425
Telford and Wrekin	7.2	23.7	47.1	22.0	100.0	66,608

Source: 2011 Census

Dwelling type/size	Sub-area			Telford and Wrekin Total
	Telford	Newport	Rural Area	
1 Bed House	0.4	1.8	0.2	0.4
2 Bed House	13.8	8.8	10.3	13.1
3 Bed House	48.7	41.8	41.9	47.6
4 or more Bed House	17.1	21.9	30.7	18.6
1 Bed Flat	4.7	6.2	1.7	4.6
2 Bed Flat	6.1	5.8	0.9	5.7
3+ Bed Flat	0.2	0.8	0.2	0.3
1-2 Bed Bungalow	7.4	9.6	6.8	7.5
3+ Bed Bungalow	1.6	3.2	7.3	2.2
Total	100.0	100.0	100.0	100.0
<i>Base (valid data)</i>	<i>59290</i>	<i>4980</i>	<i>5730</i>	<i>70000</i>
<i>Missing data</i>	<i>790</i>	<i>50</i>	<i>190</i>	<i>1030</i>
<i>All dwellings</i>	<i>60080</i>	<i>5030</i>	<i>5920</i>	<i>71030</i>

Source: Valuation Office Agency 2014

Property age and condition

- 4.8 The age profile of dwelling stock in Telford and Wrekin Borough is summarised in Table 4.6. The majority of the Borough's dwellings were built in the period 1965-1999, which reflects the development of Telford New Town took place.

Age of Dwellings	Number	%
pre-1919	6140	8.7
1919-44	3680	5.2
1945-64	12930	18.4
1965-82	22850	32.5
1983-99	16580	23.6
post 1999	8050	11.5
Total	70230	100.0
Unknown	800	
Grand Total	71030	

Source: Valuation Office Agency 2014

- 4.9 The English Housing Survey produces national data on dwelling condition. Applying national trends to the stock profile of Telford would suggest that around 10.3% of dwelling stock is non-decent, which is half the national average of 20.6%. The number of dwellings likely to fail the minimum standard of decent homes criteria is estimated to be 5.7% (compared with 11.9% nationally).

- 4.10 A full definition of what constitutes a decent home is available from CLG¹² but in summary a decent home meets the following four criteria:
- a. It meets the current statutory minimum for housing;
 - b. It is in a reasonable state of repair;
 - c. It has reasonably modern facilities and services; and
 - d. It provides a reasonable degree of thermal comfort

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf

Table 4.7 Dwelling stock condition in England and Telford and Wrekin estimates								
England			Fails decent homes criteria				All dwellings in group (000s)	% dwellings
Dwelling age (ehs)		Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919		40.1	28.7	11.2	3.9	11.9	4,648	20.0
1919-44		24.1	13.1	7.6	1.7	7.6	3,930	16.9
1945-64		16.6	8.0	3.6	2.0	5.7	4,505	19.4
1965-80		17.5	8.8	1.8	1.9	7.6	4,757	20.5
1981-90		17.6	4.7	*	.9	13.5	1,953	8.4
post 1990		1.5	1.5	*	*	*	3,460	14.9
Total		20.6	11.9	4.6	1.9	7.5	23,254	100.0
Telford and Wrekin			Fails decent homes criteria (estimate)				All dwellings	% dwellings
Dwelling age (ehs)	Dwelling age (voa)	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919	pre-1919	2410	1723	673	232	717	6140	8.7
1919-44	1919-44	1445	787	454	103	456	3680	5.2
1945-64	1945-64	1000	478	219	117	343	12930	18.4
1965-80	1965-82	1050	527	110	114	455	22850	32.5
1981-90	1983-1992	1057	284	*	57	809	8640	12.3
post 1990	Post 1992	88	88	*	*	*	15990	22.8
Total		7050	3888	1455	622	2781	70230	100.0
% of all stock		10.3	5.7	2.1	0.9	4.0		
National %		20.6	11.9	4.6	1.9	7.5		

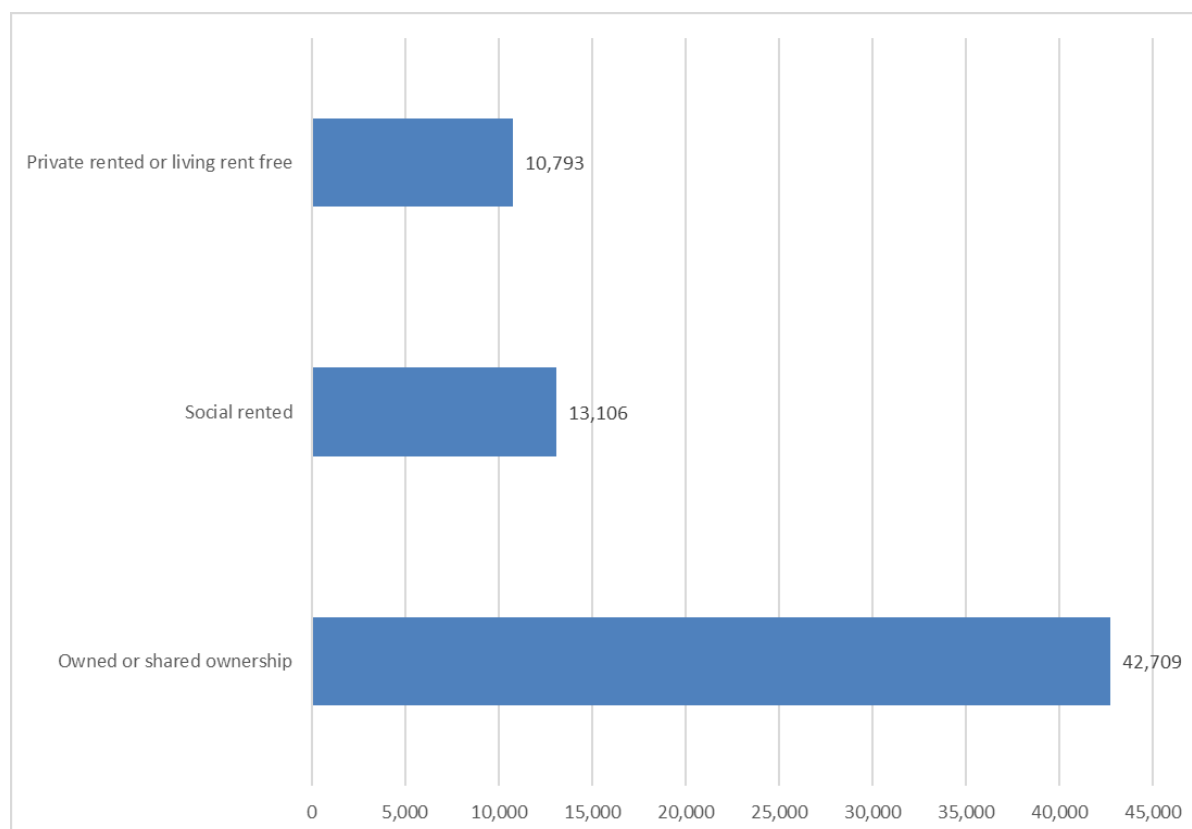
Source: English Housing Survey 2013 data applied to 2014 Valuation Office Agency dwelling stock age profile

Note '**' indicates sample size too small for reliable estimate

Property tenure

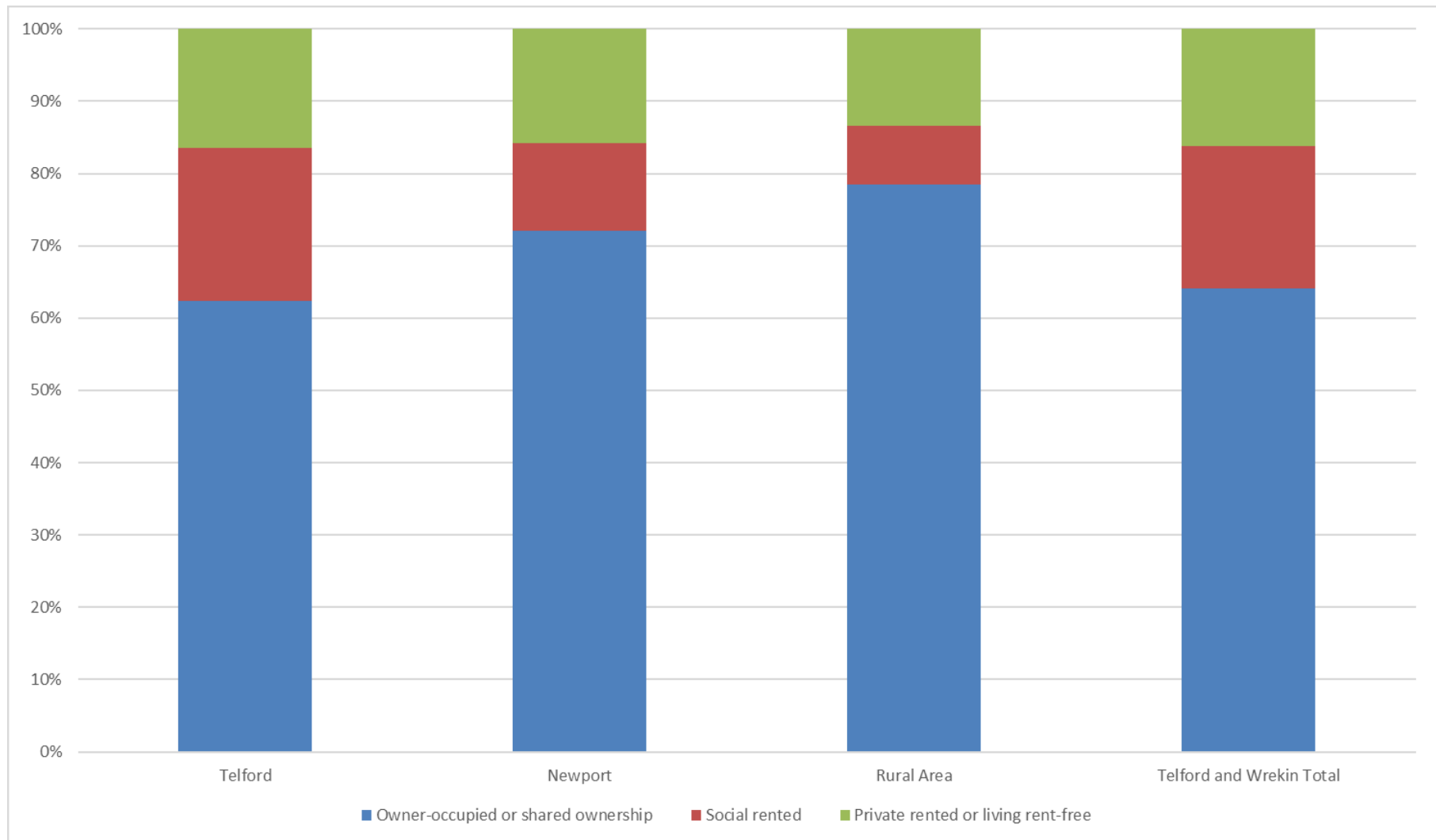
- 4.11 The tenure profile of Telford and Wrekin Borough is summarised in Figure 4.1. Overall, based on the 2011 Census, 64.1% of occupied dwellings are owner-occupied (including shared ownership), 19.7% are Social Rented (Affordable Rented) and 16.2% are private rented (including living rent free or tied accommodation).
- 4.12 Figure 4.2 shows variations in tenure by sub-area. The proportion of dwellings that are owner occupied ranges between 62.3% (Telford) and 78.5% (Rural Area). The proportion of affordable (Social Rented) accommodation is highest in Telford sub-area at 21.2% of occupied dwellings, with the lowest proportion in the Rural Area sub-area at 8.1%. The proportion of households living in private rented accommodation is relatively similar across the sub-areas, ranging from 13.5% (Rural Area) to 16.4% (Telford).

Figure 4.1 Telford and Wrekin: tenure profile of occupied dwellings



Source: 2011 Census

Figure 4.2 Telford and Wrekin Borough tenure profile by sub-area



Source: 2011 Census

Tenure characteristics

Owner-occupied market

- 4.13 According to the 2011 Census, 64.1% of households across Telford and Wrekin Borough (42,709 households) are owner occupiers or in shared ownership accommodation. 27.2% of all households (18,106) own outright and 36.9% of all households (24,603) have a mortgage or loan or shared ownership.
- 4.14 The 2011 Census provides the following information on owner occupied (including shared ownership) stock:
- Most owner-occupied properties are houses or bungalows, with 42.7% detached, 36.4% semi-detached, 18.3% terraced and 2.6% flats/maisonettes;
 - 50.7% of properties have three bedrooms, 29.6% have four or more bedrooms, 17.9% have two bedrooms and 1.8% have one bedroom; and
 - The highest proportion of owner occupied properties is found in the Rural Area, at 78.5%. This compares with 62.3% owner-occupied households in Telford and 72.0% in Newport.
- 4.15 Over the period 2000 to 2015, lower quartile and median house prices across Telford and Wrekin Borough have increased, as summarised in Table 4.8. This, in many respects, mirrors the increases in prices seen across the wider region and the country as a whole during that period.
- 4.16 It is interesting to note that in 2000, a household income of £12,214 was required for a lower quartile price to be affordable (based on a 3.5x income multiple); by 2015 this had increased to £30,000. In comparison, an income of £17,114 was required for a median priced property to be affordable in 2000 compared with £39,143 in 2014.

Telford and Wrekin	House Price (£)		Income to be affordable*	
	2000	2015	2000	2015
Lower Quartile	£42,750	£105,000	£12,214	£30,000
Median	£59,900	£138,000	£17,114	£39,429

Source: DCLG / Land Registry

*Assuming a 3.5x income multiple is required

- 4.17 The relative affordability of open market dwellings in Telford and Wrekin is set out in Tables 4.9 and 4.10 which also include comparisons with neighbouring areas and the region.
- 4.18 Table 4.9 presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices, at 2015. In terms of relative affordability, Telford and Wrekin is the most

affordable of surrounding districts, with a lower quartile house price to income ratio of 5.9, i.e. lower quartile house prices are 5.9x times the lower quartile gross earnings. This compares with a ratio of 6.2 across the West Midlands.

Table 4.9 Relative affordability of lower quartile prices by district (residence based)

District	Lower Quartile House Price	Annual Gross Earnings	LQ Income to House Price ratio
Shropshire	£136,000	£18,681	7.3
South Staffordshire	£145,000	£19,656	7.4
Stafford	£127,000	£18,387	6.9
West Midlands	£115,000	£18,495	6.2
Telford and Wrekin	£105,000	£17,701	5.9

Sources: Land Registry Price Paid 2015; Annual Survey of Hours and Earnings 2015 (resident analysis)

4.19 Table 4.10 sets out relative affordability by district based on median house prices and median gross incomes. On this basis, Telford and Wrekin is also the most affordable of surrounding districts, with a median income to house price ratio of 5.7.

Table 4.10 Relative affordability of lower quartile prices by district (residence based)

District	Median House Price	Annual Gross Income	Median Income to House Price ratio
Shropshire	£178,000	£25,681	6.9
South Staffordshire	£183,000	£27,551	6.6
West Midlands	£155,000	£25,650	6.0
Stafford	£165,000	£27,898	5.9
Telford and Wrekin	£138,000	£24,983	5.5

Sources: Land Registry Price Paid 2015; Annual Survey of Hours and Earnings 2015

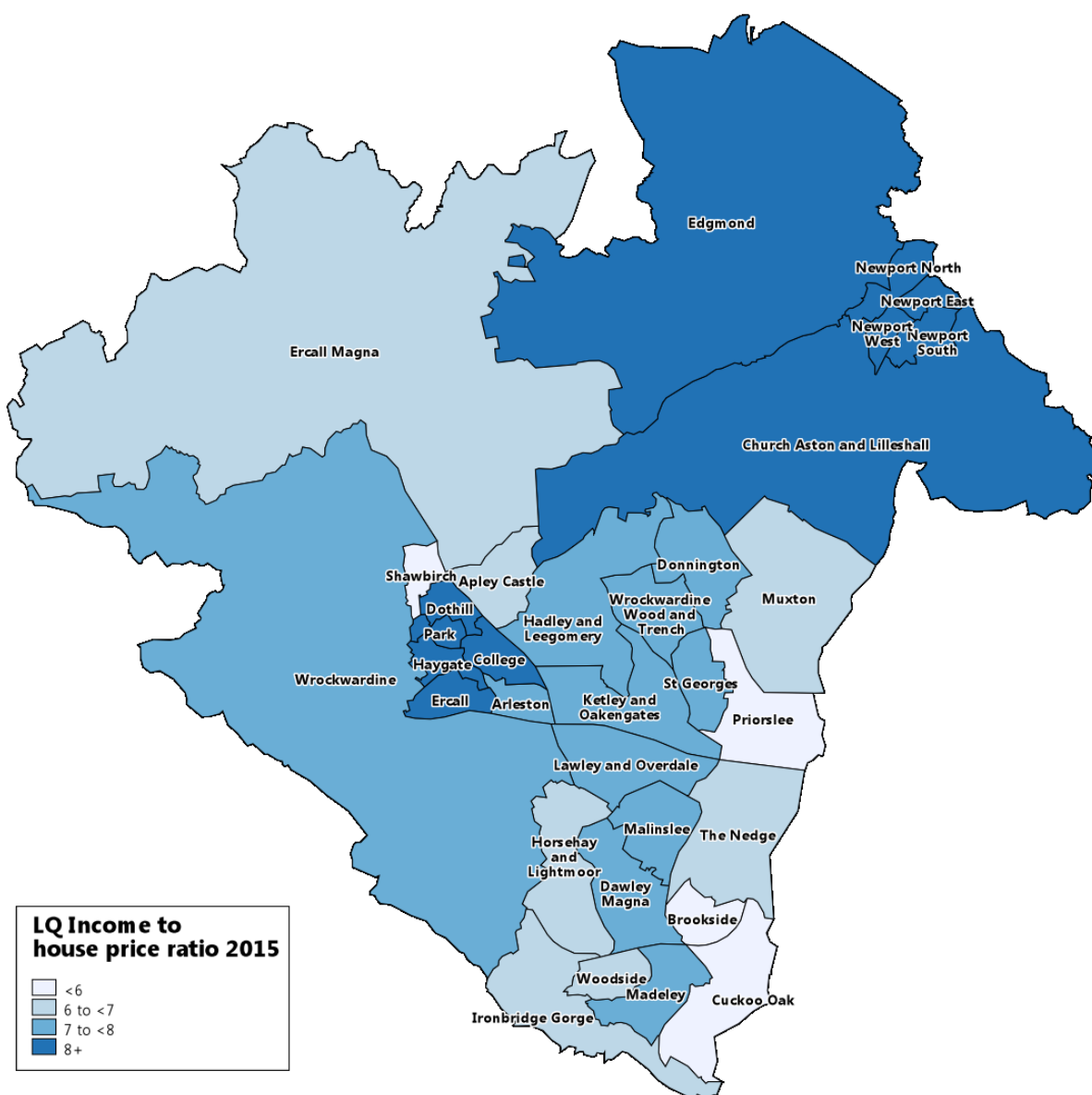
4.20 Table 4.11 presents the ratios of lower quartile and median house prices to lower quartile and median household incomes by sub-area. This shows higher ratios in the Newport and Rural Area compared with Telford.

4.21 The ratio of lower quartile income to lower quartile house prices is further explored in Map 4.1. This identifies the relatively higher ratios to the north and east of Telford and Wrekin and relatively lower ratios around Telford.

Table 4.11: Sub-area lower quartile house price to household income ratios			
House Price	Telford	Newport	Rural Area
Lower Quartile	£104,250	£143,000	£175,000
Median	£134,000	£172,000	£250,000
Household income	Telford	Newport	Rural Area
Lower Quartile	£15,345	£16,222	£21,135
Median	£26,691	£28,409	£37,636
Price/Income ratio	Telford	Newport	Rural Area
Lower Quartile price/household income	6.8	8.8	8.3
Median price/household income	5.0	6.1	6.6

Source CACI (2015), Land Registry (Jan 2014-June 2015)

Note: this table uses household income derived from CACI 2015 data and house prices Jan 2014-June 2015 so the ratios are different to those in Tables 4.9 and 4.10 which are based on ASHE earnings data and 2015 house price data. Please see Appendix A for further note on income/earnings data.

Map 4.1 Lower quartile income to house price ratios (by ward)

Source: CACI, Land Registry

4.22 A range of socio-economic and demographic information on residents has been obtained from the 2011 Census. Some interesting observations relating to owner-occupiers include:

- In terms of household type, 32.2% of households are couples with children, 23.4% are couples under 65 with no children, 19.8% are older singles and couples (65 and over), 11.9% are singles under 65, 6.9% are lone parents and 5.9% are other household types;
- The majority of Household Reference People (Heads of Household) living in owner occupied dwellings (including shared ownership accommodation) are in employment (70.8%) and a further 25.5% are wholly retired from work;

- Of those who are in employment, 61.9% of owner-occupiers work in managerial and intermediate occupations (NS-SeC Categories 1-4); and
- 85.7% of owner-occupiers have one or more spare bedrooms, 12.5% have sufficient bedrooms and just 1.8% of households are overcrowded (relative to the bedroom standard).

Estate agent review of the housing market

- 4.23 Views were sought about current market activity from a range of estate and letting agents operating across Telford and Wrekin. arc⁴ held interviews with the following agents:
- Weston Hare Estate Agents,
 - Your Move,
 - Tristons Estate Agents, and
 - Coleman Estate Agents.
- 4.24 The agents were asked a series of questions about the local housing market within Telford and Wrekin. A full analysis of the findings of this research is set out at Technical Appendix C. This section provides a summary of the analysis.
- 4.25 Agents stated that the housing market within Telford and Wrekin has historically catered for the overspill of those seeking housing within Birmingham. Demand within the area is typically localised and is often focused around low-income families and households in receipt of housing benefit. Agents overwhelmingly felt that this often has a negative impact on the desirability of the local housing market with many feeling that the reputation of some parts of the area can put people off, particularly non-locals.
- 4.26 Despite this, demand for property in the area remains strong. The presence of local industry continues to attract contract workers, which underpins the high levels of rental demand.
- 4.27 Demand for homeownership is improving and agents report that the sales market within the area has “*shown signs of recovery*”. However, most feel that this is slow and believe that although the desire to buy a property is strong, local income levels are greatly limiting the ability of some households to achieve this.
- 4.28 Investor demand remains strong within the area and agents report that the number of cash buyers is increasing. They believe that this is a sign of the overall confidence that is returning to the housing market which they feel has dramatically improved amongst all demographics.
- 4.29 Some agents felt that the current activity witnessed in the market is partly due to a backlog of those who may have wished to move two to three years ago but chose not to due to the uncertainty that was present within the economy and housing market.
- 4.30 Properties at the lower end of the market, below the level of stamp duty, are some of the most sought after - particularly amongst investors and first time buyers. Family homes also perform well, although their location greatly affects their desirability.

- 4.31 Estate agents are reporting that vendors can be unrealistic about the value of their property. They believe that access to information; online, via news reports and TV programmes is often the reason for this. Agents advised that although the market is showing signs of recovery it is still very price sensitive; hence if a property is not selling, it is usually due to the asking price being unrealistic.
- 4.32 Geographically those areas that are in close proximity to strategic transport links, centres of employment, have good schools and have benefited from extensive regeneration programmes or have a good quality environment tend to have stronger housing markets.
- 4.33 Access to finance has been a major barrier to purchasing property in the past. Issues obtaining deposits, low incomes, higher rates of unemployment locally and restriction to the amount people can borrow and stricter lending criteria have all presented challenges for all demographics. Although this is still the case for some, the general view was that obtaining finance is becoming easier. This is particularly prominent in the first time buyer market where agents believe government led schemes such as 'Help to Buy' and 'gifted deposits' have contributed to the surge in activity within this market;
- 4.34 Incentives provided by developers including providing deposits, part exchange and high quality fixtures and fittings at a competitive price are making new build properties more attractive than older stock. However, agents note that some people are getting stuck in these properties as clauses in the contract often leave them unable to rent the property if they chose to move. This has become an emerging problem when break-ups occur and it is a growing trend amongst first time buyer couples. As a result, one person has to stay in the property as they simply cannot afford to sell and are not allowed to rent the property out.
- 4.35 The overall view is that demand from elderly people in the area is low when compared to other demographics. However, agents also expressed the view that compared with demonstrable demand there is a shortage of bungalows across the market.
- 4.36 Although supply is not limited at present, agents noted family homes are always in demand. Furthermore, agents recognised that first time buyers are more aspirational than ever before and are now seeking family homes as a first home to ensure they do not have to move again in the short term. However, agents note that affordability still presents a challenge.
- 4.37 Purchasing properties at auction continues to receive growing demand. Estate agents recognise that programmes such as "*Home under the Hammer*" combined with "*savvier*" purchasers who are on the hunt for a bargain continue to make this a popular option.
- 4.38 The rental market is buoyant and there continues to be demand from investors particularly in and around the more deprived parts of the Borough. Due to the strong demand for rental properties, people who are unable to sell their properties are becoming landlords. Rental values tend to average at £400-£500 per calendar month for a two-bedroom property.
- 4.39 Due to changes in the payment of tax credits landlords can be reluctant to rent to those in receipt of housing benefit. Some agents raised concerns that this

may prove particularly challenging in the local housing market as demand from this demographic is described as 'high'.

Private rented sector

- 4.40 The Government's Housing Strategy, published in November 2011¹³, set out the Government's plans to boost housing supply. It recognised an increasingly important role for the private rented sector, both in meeting people's housing needs and in supporting economic growth by enabling people to move to take up jobs elsewhere and to respond to changing circumstances.
- 4.41 The private rented sector is growing; the recently published Census figures for 2011, confirmed that the sector now totals 18.1%, an increase of 31.2% from 13.8% in 2001. Increasing house prices pre 2007 and the struggling sales market when the down turn came are both factors that have underpinned the growth of the rental market for both 'active choice' renters and 'frustrated would be' homeowners. Tenure reform and less accessible Social Rented housing are also likely to be an increasing factor to the growth in the private rented sector and the sector clearly now plays a vital role in meeting housing needs as well as providing an alternative to homeownership.
- 4.42 Local authorities have an important role in ensuring that the private rented sector meets both these requirements. Balancing good quality supply with demand will help to stabilise rents and encouraging good quality management will improve the reputation of the sector and encourage longer term lets and lower turnover. However, this is a challenging task where existing partners need to be encouraged to participate and new partners and investors need to be identified.
- 4.43 The private rented sector accommodates around 16.2% (10,793) of households across Telford and Wrekin; 9,979 are privately rented and 814 live rent free. This compares with 3,762 or 5.9% of households privately renting in 2001, which indicates that the proportion of households privately renting has more than doubled, increasing by 187%.
- 4.44 In 2011, the proportion of private rented properties was very similar across all of the sub-areas: 16.4% in Telford, 15.8% in Newport and 13.5% in the Rural Area.
- 4.45 35.5% of occupied private rented properties are semi-detached, 30.7% are terraced, 18.5% are flats/apartments/maisonettes and 15.3% are detached.
- 4.46 44.7% of private rented household have three bedrooms, 31.4% have two bedrooms, 12.3% have four or more bedrooms and 11.6% have one bedroom. Occupancy data shows that 57.5% of private rental tenants have one or more spare bedrooms in their home. 35.7% rent a home with sufficient bedrooms to meet their needs. However, 6.9% of households in private rented accommodation are overcrowded, with inadequate bedrooms relative to the bedroom standard.

¹³ Laying The Foundations; A Housing Strategy for England, 2011

- 4.47 The characteristics of tenants are diverse and in particular the private rented sector accommodates couples with children (26.4%), lone parents (20.1%), singles under 65 (16.1%), couples with no children under 65 (16.0%), other household types (14.5%) and older singles and couples (65+)(6.9%).
- 4.48 67.4% of Household Reference People (heads of household) living in private rented accommodation are employed, 8.7% are retired, 7.3% are unemployed, 3.3% are full-time students and 13.3% are otherwise economically inactive. Of those who are in employment, 40.8% of private rental tenants (or living in tied accommodation) work in managerial and intermediate occupations (NS-SeC Categories 1-4) while 56.1% work in lower supervisory or routine/semi-routine occupations or have never worked (NS-SeC Categories 5-8).

Key stakeholder views on the private rented sector

- 4.49 Stakeholders were asked to participate in an online survey, aimed at identifying a range of information relating to key perceived housing market issues in Telford and Wrekin. The methodological approach is set out in Appendix A, and the findings of the research are set out in the relevant sections of this chapter.
- 4.50 Stakeholders were asked for their views on the size of the private rented sector in Telford and Wrekin. The feedback was limited and offered no overriding viewpoint. Some it was *“about right”*, however most did not know. One stakeholder noted that *“the private rented sector meets a market need which at the moment is held in check by demand for this product. With the workforce increasingly, having to be flexible in terms of location and contacts private rented housing meets this segment of the market.”*
- 4.51 Stakeholders were asked their views on the type and condition of the available housing stock. Of the feedback given, the general consensus was a high percentage of these properties are located in the former new town estates of Sutton Hill, Woodside, Brookside and Stirchley with one stakeholder adding that *“...compared to the wider neighbouring Black Country conurbation it is relatively modern and well maintained.”* However, the condition of the rental housing stock available was raised as a concern amongst stakeholders. The general view was that the condition of the majority of the stock available was of a *“non-decent standard”*.
- 4.52 The private rented sector within the area centres around demand made up of *“lower middle income households earning on average £20,000 who aren’t able to have sufficient income to save for a deposit to move into home ownership”* alongside *“...tenants who do not have the aspiration”*. Long term renters of over ten years were also highlighted by one stakeholder as common within this market. Very few comments were made around the demand present from ethnic minority groups, however one stakeholder said that some demand was present and stated *“...our portfolio represents demand from amongst the wider community”*.
- 4.53 In terms of areas of high and low demand, stakeholders felt that demand for private rented property in different locations is influenced by demographics, transport links and employment. One stakeholder added *“the sector may also*

be influenced by availability of properties of other tenures e.g. a shrinking affordable housing sector could lead to an increase in private rent” and another supported this view saying “the main demand for rented accommodation is supported around the market towns where there are a high level of facilities and a strong infrastructure and accessibility to employment.” They were able to give examples of this by adding “...the Trust Donnington portfolio is attractive due to its close proximity to Hortonwood and retail units and the MOD Donnington. Lower demand is found in the outlying rural location where transport costs can be prohibitive.”

- 4.54 Only one stakeholder offered feedback around the role of buy to let within the current market. They noted that *“recent anecdotal evidence suggests buy-to-let is becoming increasingly significant in this market area.”*
- 4.55 When asked about the impact of changes in the economy and welfare on the sector, the overall view was that more people are looking for private rented accommodation, as they cannot afford a mortgage due to increased house prices. The national trend is an increased investment by landlords in private rental properties and therefore increased numbers of private rentals as a proportion of the total housing stock. Stakeholders raised concerns that whilst this brings opportunities for those with sufficient resources to exercise a choice in the market, there are increasing problems arising from affordability and/or quality of available stock. It was also noted that due to welfare reforms such as the change of the housing benefit rate (single room rate increase from 25 years to 35 years), the option of living in a flat for someone claiming benefits and under 35 has been removed. One stakeholder felt that *“pressure on tenants in affordable housing (e.g. through the bedroom tax, the benefit cap etc) means that some households have been forced into the private rental sector. Increased pressure on the private rental stock can lead to a declining quality of properties”*.
- 4.56 Stakeholders did not provide much information on movement between tenures. The main movement that was highlighted was moves to other private landlords (moving from one rental property to another, rather than changing tenure) due to changes in relations and to be closer to schools. Movement from the private rental sector into owner-occupation, from people who wish to purchase their own properties, was also noted. It was raised that the shrinking of the affordable housing sector may cause more movement into private rental properties in the future, particularly from those on lower incomes. Additionally, the difficulties households face in achieving home ownership will often lead to less movement out of private rental properties, as residents struggle with raising a deposit and accessing mortgage finance.
- 4.57 The main barriers to people accessing private rented housing were highlighted as:
- Affordability; including upfront charges such as deposits, credit checks, rent in advance and administration charges. This creates particular changes amongst the individuals with the greatest need;
 - Households may fear financial insecurity associated with the private rental sector, as well as the impact of welfare reform;
 - Issues with stock condition may discourage movement into the sector; and

- Rent levels.
- 4.58 In terms of key strategic messages about the sector to be identified in the SHMA, stakeholders identified the following:
- The private rented sector has a role to play in the housing market to meet a growing need;
 - The growing need to have stronger private sector regulation to police unscrupulous landlords and to promote good and effective management of this sector;
 - The need for effective regulatory regimes to ensure adequate stock maintenance, fair rental levels and effective management of landlords. This is particularly important in relation to HMOs; and
 - The condition of the housing stock available needs to be addressed.

Affordable sector

- 4.59 The 2011 Census reports that there are around 13,106 households who live in an affordable (Social Rented) property across Telford and Wrekin Borough, accounting for 19.7% of all occupied dwellings.
- 4.60 Affordable dwellings (not including shared ownership properties) totalled 38.%, and comprised semi-detached houses/bungalows; 28.4% are flats/maisonettes/mobile homes; 28.0% are terraced; and 4.9% are detached houses/bungalows.
- 4.61 Households living in social rented properties having one bedroom was 21.3%, whilst 36.4% have two bedrooms, and 37.1% have three bedrooms and 5.1% have four or more bedrooms.
- 4.62 Households living in affordable accommodation that are older singles and couples comprised 22.4%, whilst a further 22.0% of households living in affordable dwellings are singles under 65; 20.6% are lone parents; 19.6% are couples with children; 9.8% are couples with no children, and 5.7% are other household types.
- 4.63 Household Reference People living in social rented housing who were in employment totalled 40%. A further 29.1% are wholly retired from work, 8.1% are unemployed, 1.2% are full time students and 21.7% are otherwise economically inactive. Of those who are in employment, 25.1% of those in affordable (Social Rented) accommodation work in managerial and intermediate occupations (NS-SeC Categories 1-4) while 73.9% work in lower supervisory or routine/semi-routine occupations or have never worked (NS-SeC Categories 5-8).

Key stakeholder views on the affordable housing sector

- 4.64 The stakeholder survey included a range of affordable housing providers who operate both within and outside the Borough. These stakeholders offer a mix of two, three and four bedroom family homes and bungalows for general need, Social Rent, shared ownership and Intermediate tenure.

- 4.65 The feedback on demand stated that these products were accessed most by young families, first time buyers and the elderly who are also interested in downsizing and releasing some equity in their property. Flats, maisonettes and properties located in the more deprived parts of the Borough such as Brookside and Woodside were highlighted as receiving the lowest demand. Some stakeholders identified smaller properties as unpopular options however this view was not shared by all as one stakeholder suggested that one and two bedroom flats remain a popular choice across the Borough whilst demand for three bed houses remains “steady”.
- 4.66 The characteristics of those moving in and out of stakeholder-managed Affordable housing supply was identified as “*mainly single people*”; this is often as they have “*very little choice*” and/or “*the lack of suitable properties*”. Both working and non-working local households were identified as those moving in.
- 4.67 Some thought anti-social behaviour was a problem in the area, however they felt that this did not present any major challenges. Stakeholders concluded that the levels of anti-social behaviour witnessed were usually in the more deprived parts of the area. This is common around Brookside flats and amongst private tenancies. Respondents working within the Affordable housing sector reported that levels of customer satisfaction were good and movement within the market was generally low.
- 4.68 The key barriers to accessing affordable housing in the area were noted as:
- Low levels of availability; and
 - Tenant checks such as referencing and affordability checks.
- 4.69 In terms of key messages for the SHMA in respect of affordable housing, stakeholders made the following points:
- Better regulation within the private sector;
 - Continuing to require an appropriate balance between open market and affordable properties. Specifically, with regard to affordable properties, ensuring a balance between sale and rental properties. Supply of affordable housing needs to be increased in order to meet need; and
 - A range of housing options should be provided within this sector to provide for different households including rent and affordable home ownership.

Executive housing

- 4.70 Although it is difficult to define executive housing, distinctive features include:
- High property values linked to desirable locations, with high incomes/ equity required to support the purchase; and
 - High quality construction including exterior and interior fittings.
- 4.71 This SHMA has sought to investigate the requirements for executive housing through a review of existing provision and stakeholder discussions. Overall, in Telford and Wrekin, executive housing provision will have a role in supporting economic growth by providing niche dwellings for high income households.

- 4.72 Across Telford and Wrekin there are around 3,090 dwellings in Council Tax bands F, G and H representing 4.4% of dwelling stock. This compares with 6.4% across the West Midlands. Of the dwellings in Telford and Wrekin in bands F, G and H, 90.3% are detached houses (78.9% have four bedrooms and 9.4% have three bedrooms), 5% other types of house and 4.7% bungalows.
- 4.73 Stakeholders highlighted a need for additional executive housing in Telford and Wrekin, with 69% stating it a medium to high priority.

Key market drivers

- 4.74 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 4.12.

Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing no. of households, household structure, ethnicity	Natural Change
Economy	Jobs, income, activity rates, unemployment	Economic migration
Housing stock and aspirations	Quality vs. aspirations, relative prices, accessibility, development programmes	Residential migration

- 4.75 In summary, the following demographic drivers will continue to influence the operation of the Telford and Wrekin Housing Market Area:
- An increasing population, with a 5.2% increase (8,900 additional people) between 2015 and 2031¹⁴, although there is a projected decrease in some age cohorts with the exception of the 65 and over age cohort (Table 4.13);
 - The number of people aged 65 and over is projected to increase by 45.9% (12,900 additional people) and the overall proportion of people aged 65 and over is projected to increase from 16.6% in 2015 to 23% in 2031;
 - The 2011 Census indicates that the following range of household groups live in Telford and Wrekin: couples with children (28.7%), couples with no children (19.5%), lone parents (11.7%), singles under 65 (14.5%), singles 65 and over (10.7%), couples over 65 (7.6%) and other household types (7.2%).

¹⁴ According to ONS 2012-based sub-national population projections

Age Group	2015	2024	2031	Change 2015-37
0-14	32,400	33,300	32,000	-1.2
15-39	53,400	52,600	52,800	-1.1
40-64	55,700	54,900	52,700	-5.4
65+	28,100	32,700	41,000	45.9
TOTAL	169,600	173,500	178,500	5.2
% aged 65+	16.6	18.8	23.0	
% aged 75+	6.3	6.4	6.6	

Source: ONS 2012-based sub-national population projections

4.76 The following economic drivers underpin the operation of the housing market in Telford and Wrekin:

- 64.2% of Household Reference People are economically active and are in employment according to the 2011 Census, a further 23.5% are retired, 3.5% are unemployed, 1.0% are full time students and 7.8% are otherwise economically inactive;
- 75.0% of residents in employment work in Telford and Wrekin. A further 11.1% work in Shropshire, 1.2% work in Stafford, 0.7% work in South Staffordshire, 1.5% in Birmingham, 4.3% in the Black Country (Dudley, Sandwell, Walsall and Wolverhampton), 2.5% elsewhere in the West Midlands and 3.6% elsewhere in the UK; and
- According to the ONS Annual Survey of Hours and Earnings, lower quartile earnings in 2014 across Telford and Wrekin were £17,488 each year which compares with £18,195 for the West Midlands region and £19,396 for England. Median incomes were £23,837, compared with a regional median of £24,991 and a national median of £27,227.

4.77 In terms of dwelling stock, across Telford and Wrekin, data from the 2011 Census reveals that:

- 89.7% of dwellings are houses or bungalows (of these 30.8% are detached, 36.7% semi-detached and 22.2% terraced) and 10.2% are flats, maisonettes, apartments or mobile accommodation;
- 7.2% of dwellings have one bedroom, 23.7% have two bedrooms, 47.1% have three bedrooms and 22.0% have four or more bedrooms;
- 64.1% of occupied properties are owner-occupied (27.2% owned outright and 36.9% owned with a mortgage or loan or shared ownership), 16.2% are private rented or living rent-free and 19.7% are Affordable (rented from a social landlord).

Views of key stakeholders on market drivers

4.78 Stakeholders were asked to identify what they perceive to be the main drivers of housing demand in Telford and Wrekin. Respondents acknowledged that housing demand varies across the Borough. Drivers included:

- Population increase and the ageing population;
 - The economy;
 - Accessibility;
 - Employment opportunities;
 - The proximity of a geography to other key employment centres;
 - The availability of finance in the form of deposits and mortgages; and
 - Welfare reform.
- 4.79 The general characteristics of households driving demand in the area were considered to be very mixed with the market needing a broad variety of housing. Stakeholders were concerned about the limited supply of smaller housing units with one stakeholder suggesting that enough of these do not get built as “...*they are not lucrative enough for developers*” regardless of the demand and need present. The need for older person accommodation in the form of retirement living and specialist accommodation was also noted. Stakeholders believe that the local market attracts a mixed demographic, although most consider younger families and the elderly as the key sectors who support demand.
- 4.80 Stakeholders were asked to identify what they felt to be the current weaknesses of the housing market in Telford and Wrekin and these include:
- Sites requiring land improvement given relatively low capital values without grant assistance;
 - Lack of supply for Affordable housing for rent or sale;
 - Land availability and land prices;
 - The capacity within existing residential locations across the Telford area;
 - The relative size/capacity of key rural locations within the Borough; and
 - Variations in the character of the townscape across the Telford area.
- 4.81 The view of stakeholders was that these issues can be addressed through larger mixed use developments on the abundant land resources available in the Borough. However, this will be subject to the challenges of the infrastructure costs to access and service these land areas and the urban design challenges of master-planning new townscapes.
- 4.82 Stakeholders were asked for their views on house price trends and the impact they expect economic changes will have on housing markets in the future. The general view was that house prices are recovering but all agreed that this was steady and slow. One stakeholder recognised that Newport is showing a greater growth in house prices, adding that “*improved mortgage conditions have stimulated demand. Help to Buy is a major factor*”.
- 4.83 The consensus amongst stakeholders was that there is a demand present for starter homes across the Borough. One stakeholder noted that “*this need was identified in the 2014 SHMA and this has not changed; we no longer keep an open waiting list or use a choice based lettings approach, so it is hard to give indicative numbers on demand for such a product.*” And another supported

this view by stating: “we have experienced a high level of interest when we have developed starter homes in recent years”.

- 4.84 Limited views were expressed around the demand for self-build homes in Telford and Wrekin. However, one stakeholder highlighted that “the demand for these kinds of properties will be informed by the Government’s new self-build initiative through the Housing and Planning Bill.”
- 4.85 Stakeholders were asked to rank a range of housing priorities as high, medium or low, their responses are summarised in Table 4.14.

Table 4.14 Ranking of priorities by stakeholders

Proposed priorities	Low	Medium	High
Building starter homes (13)	7.69%	53.85%	38.46%
Building homes to buy on the open market (13)	15.39%	46.15%	38.46%
Building Affordable homes to rent (13)	0%	23.08%	76.92%
Building Affordable homes to buy (shared ownership, shared equity) (12)	8.33%	8.33%	83.33%
Building executive homes (13)	30.77%	53.85%	15.39%
Building properties designed for older people (12)	0%	50%	50%
Building properties designed for people with specialist needs (12)	8.33%	66.67%	25%
Improving the quality of existing stock (11)	0%	72.73%	27.27%

- 4.86 The highest ranked priority for 83% of stakeholders was building Affordable homes to buy. This was closely followed by building Affordable homes to rent which was ranked a high priority by 77% of stakeholders. Building properties designed for older people was recognised as a high (50%) to medium (50%) priority by all respondents. Equally, building starter homes was also ranked as a medium to high priority for over 92% of respondents.
- 4.87 Improving the quality of existing stock was strongly viewed as a medium priority for 73% of respondents. The remaining 27% felt that this was a high priority for the Borough. 67% of respondents also ranked building properties designed for people with specialist needs as a medium priority. The remaining 25% felt it was a high priority and 8% felt it was a low priority.
- 4.88 Opinions towards building homes to buy on the open market received a more mixed response. 46% felt it was a medium priority, 38% felt it was a high priority and 15% felt it was a low priority. Also receiving mixed feedback was the need for more executive homes in the survey area and this was generally viewed as a medium (54%) to low priority (31%) amongst respondents with the remaining 15% feeling this was a high priority for the Borough.

- 4.89 Stakeholders gave a range of reasons for identifying these priorities, including:
- Demographic change, particularly population growth and an ageing population;
 - A shortage of entry level dwellings;
 - The increasing need for a mixed tenure of starter homes offered at an affordable level;
 - Improving the current housing stock;
 - The well documented issues and challenges with supply and demand for Affordable housing across the Borough; and
 - Higher rent levels when compared with capital values in Telford.
- 4.90 Asked what other key housing priorities there are in the Telford and Wrekin Council area, stakeholders felt that:
- The need for more and a more varied supply of entry level dwellings across the Borough;
 - A greater focus to be placed on encouraging those who work in the area to live there;
 - Ensuring there is appropriate 'move-on' accommodation for people moving out of supported housing accommodation based services very recently procured by the Council;
 - The need for smaller accommodation properties such as one bed flats and houses due to the impact of welfare reforms; and
 - Provision of further pitches for gypsy accommodation subject to the conclusions and recommendations of an up to date GTAA. A particular need in this respect would be transit site provision along primary transport routes to counter the potential risk from unauthorised encampments.

Current households in need

- 4.91 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Housing need can be defined as: *'The quantity of housing required for households who are unable to access suitable housing without financial assistance'*.
- 4.92 The SHMA has used a range of secondary data to provide the robust and transparent evidence base required to assess housing need across Telford and Wrekin Borough. This is presented in detail in Appendix D of this report and follows CLG modelling guidance.
- 4.93 Across Telford and Wrekin Borough, the latest housing registers report 2,377 existing households in need, which represents 3.5% of all households.

Homeless households

- 4.94 Homelessness statistics for 2014/15¹⁵ indicate that a total of 112 decisions were made on households declaring themselves as homeless across Telford and Wrekin (Table 4.15). Of these households, 78 were classified as homeless and in priority need. Over the five years 2010/11 to 2014/15, an annual average of 174 decisions have been made across Telford and Wrekin and an average of 115 households each year have been declared as homeless and in priority need.

Year	Decisions Made	Accepted as homeless
2010/11	130	108
2011/12	187	137
2012/13	244	132
2013/14	199	119
2014/15	112	78
Total	872	574
Annual Average	174	115

Source: CLG Homelessness Statistics

Relative affordability of housing options

- 4.95 The relative cost of alternative housing options across Telford and Wrekin and by sub-area is explored in Table 4.16. This includes affordable and market rent options, owner occupation and intermediate tenure options, as well as starter homes.
- 4.96 Table 4.17 shows the income required for alternative tenure options to be affordable by sub-area. Assumptions underpinning these calculations are clearly stated.

¹⁵ CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

Table 4.16 Cost of alternative tenure options

Tenure option	Monthly Rent / Total House price				Base Date	Source
	Telford	Newport	Rural Area	Telford and Wrekin		
Social rent	£388	£388	£388	£388	2015	CLG
Affordable rent	£456	£456	£456	£456	2015	CLG
Market Rent - Lower Quartile	£485	£477	£550	£485	2014/2015	Zoopla rents
Market Rent - Median	£550	£559	£650	£550	2014/2015	Zoopla rents
Market Rent - Average	£572	£616	£713	£582	2014/2015	Zoopla rents
Market Sale - Lower quartile	£104,250	£143,000	£175,000	£108,000	2014-Jun15	Land Registry
Market Sale - Median	£134,000	£172,000	£250,000	£140,000	2014-Jun15	Land Registry
Market Sale - Average	£149,928	£188,601	£276,616	£160,287	2014-Jun15	Land Registry
Starter Home	£119,942	£150,881	£221,293	£128,230	2015	See notes
Shared ownership (full equity)	£134,000	£172,000	£250,000	£140,000	2015	See notes
Help to buy (full equity)	£134,000	£172,000	£250,000	£140,000	2015	See notes

Notes**Housing option**

Starter Home
 Shared Ownership
 Help to buy

Price assumption

20% below average price
 100% equity based on median price
 100% equity based on median price

Table 4.17 Income required for alternative tenures by sub-area

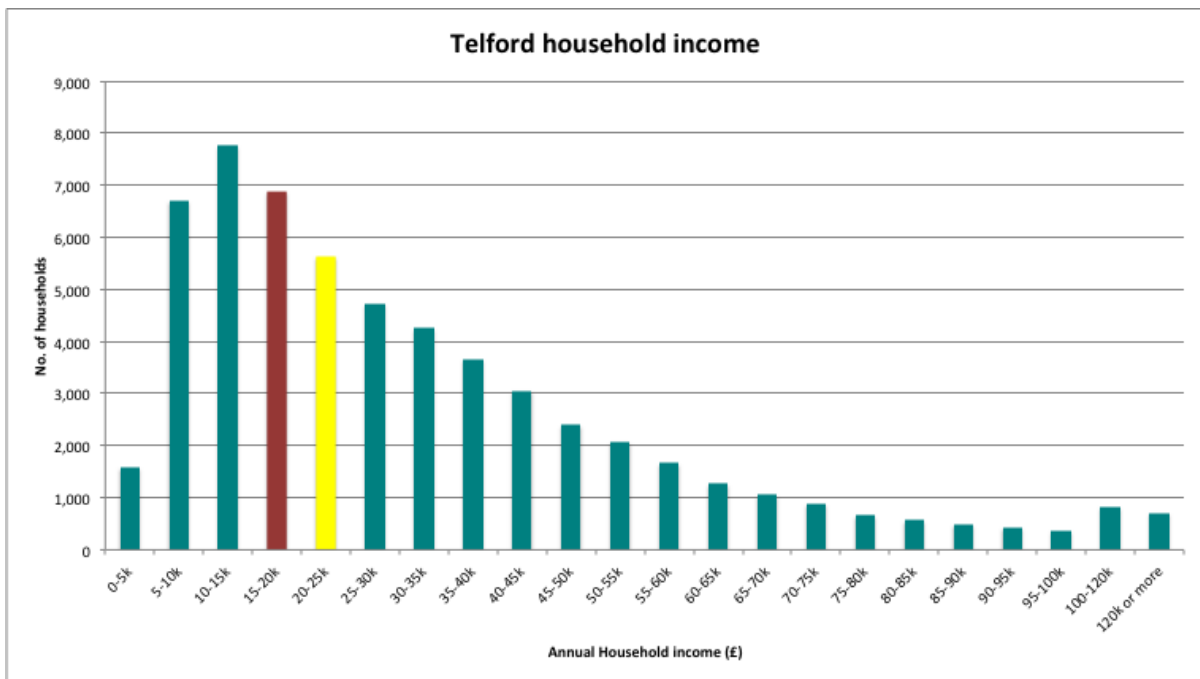
Tenure option	Household income required				Affordability Assumptions
	Telford	Newport	Rural Area	Telford and Wrekin	
Social rent	£18,645	£18,645	£18,645	£18,645	Affordability based of 25% of income; excluding Housing Benefit
Affordable rent	£21,888	£21,888	£21,888	£21,888	Affordability based of 25% of income; excluding Housing Benefit
Market Rent - lower quartile	£23,280	£22,896	£26,400	£23,280	Affordability based of 25% of income; excluding Housing Benefit
Market Rent - median	£26,400	£26,832	£31,200	£26,400	Affordability based of 25% of income; excluding Housing Benefit
Market Rent - average	£27,456	£29,568	£34,224	£27,936	Affordability based of 25% of income; excluding Housing Benefit
Market Sale – Lower quartile	£26,807	£36,771	£45,000	£27,771	90% Loan to value; 3.5x income; 10% deposit
Market Sale - median	£34,457	£44,229	£64,286	£36,000	90% Loan to value; 10% deposit; mortgage based on 3.5x household income
Market Sale - average	£38,553	£48,497	£71,130	£41,217	90% Loan to value; 10% deposit; mortgage based on 3.5x household income
Starter Home	£30,842	£38,798	£56,904	£32,973	20% discount on full (average) value, 10% deposit on discounted portion, remainder mortgage based on 3.5x income. Capped at £250k full property value
Shared ownership (50%) equity	£28,097	£35,615	£51,048	£29,284	Total equity based on median price. Assumes 50% ownership/ 50% rented. Mortgage based on 40% of equity share; 10% deposit required, annual service charge £395, Annual rent of 2.75% of remaining equity
Shared ownership (25%) equity	£22,210	£28,060	£40,066	£23,134	Total equity based on median price. Assumes 25% ownership/ 75% rented. Mortgage based on 20% of equity share; 5% deposit required, annual service charge £395, Annual rent of 2.75% of remaining equity
Help to buy	£28,714	£36,857	£53,571	£30,000	Total equity based on median price. Assumes mortgage on 75%, Government equity loan of 20% and 5% deposit. Excludes annual cost of 1.75% annual interest from year 5 on outstanding equity loan

4.97 This analysis indicates that for open market housing, at borough level the minimum income required is £23,280 (for lower quartile or entry-level renting) and £27,771 (for lower quartile or entry-level house prices). The income required for entry-level renting varies between £22,896 (Newport) and £26,400 (Rural Area). The variation in income required for entry-level house prices is more dramatic, ranging between £26,807 (Telford) and £45,000 (Rural Area).

Household income distribution

4.98 The actual incomes of individuals and households across Telford and Wrekin can be obtained from several sources including CACI paycheck and the Annual Survey of Hours and Earnings (ASHE). The distribution of household income by sub-area is presented in Figures 4.3 to 4.5 based on CACI paycheck data for 2015. This indicates that within Telford and Wrekin there is considerable variation in income distribution by sub-area, with lower incomes most prevalent in Telford and higher incomes in the Rural Area.

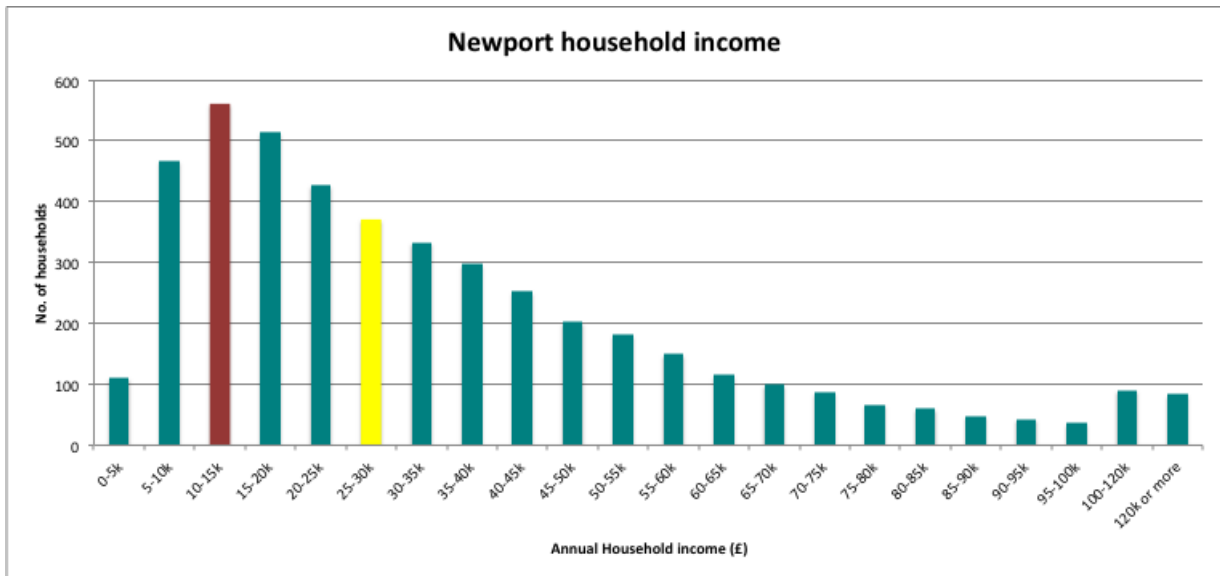
Figure 4.3 Household income distribution in Telford 2015



Source: CACI 2015

Lower Quartile	
Median	

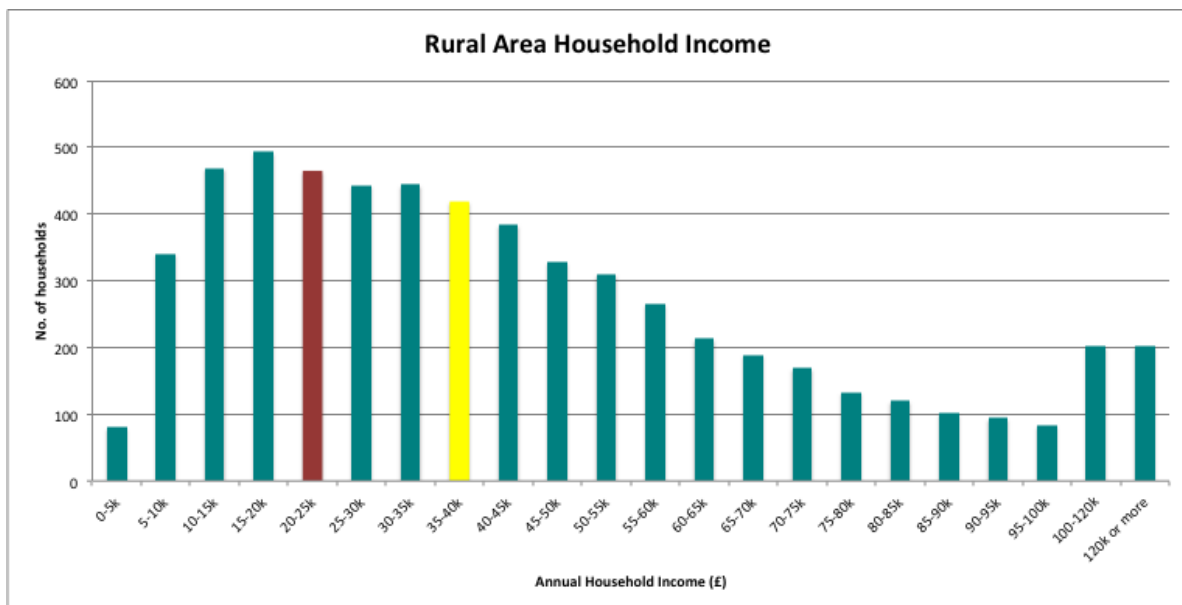
Figure 4.4 Household income distribution in Newport 2015



Source: CACI 2015

Lower Quartile	10-15k
Median	25-30k

Figure 4.5 Household income distribution in the Rural Area 2015



Source: CACI 2015

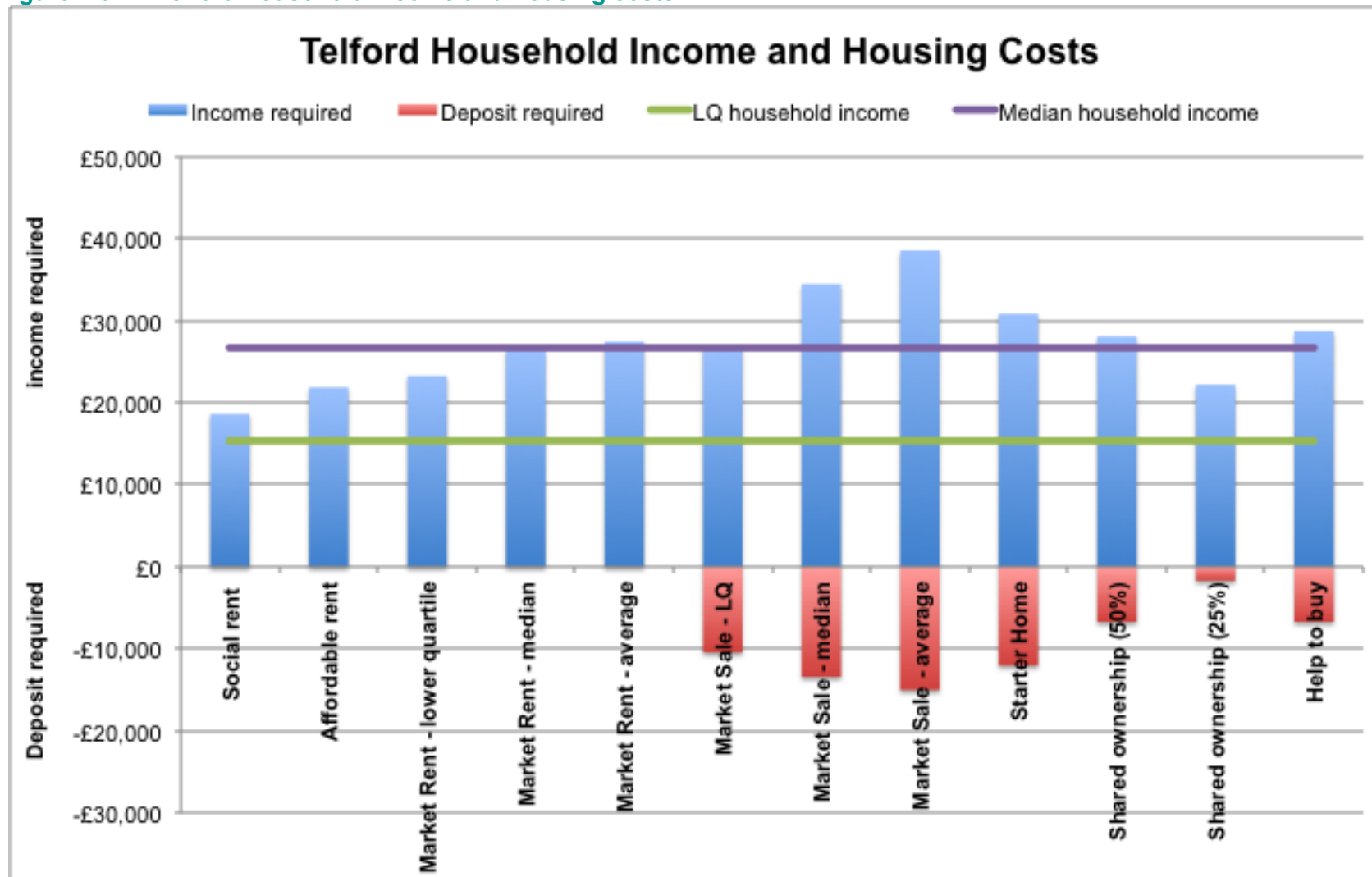
Lower Quartile	20-25k
Median	35-40k

Relative affordability of tenure options

4.99 The affordability of alternative tenure options is compared with household income by sub-area in Figures 4.6 to 4.8. These figures show the income and (where applicable) deposits required by tenure along with lower quartile and median household incomes.

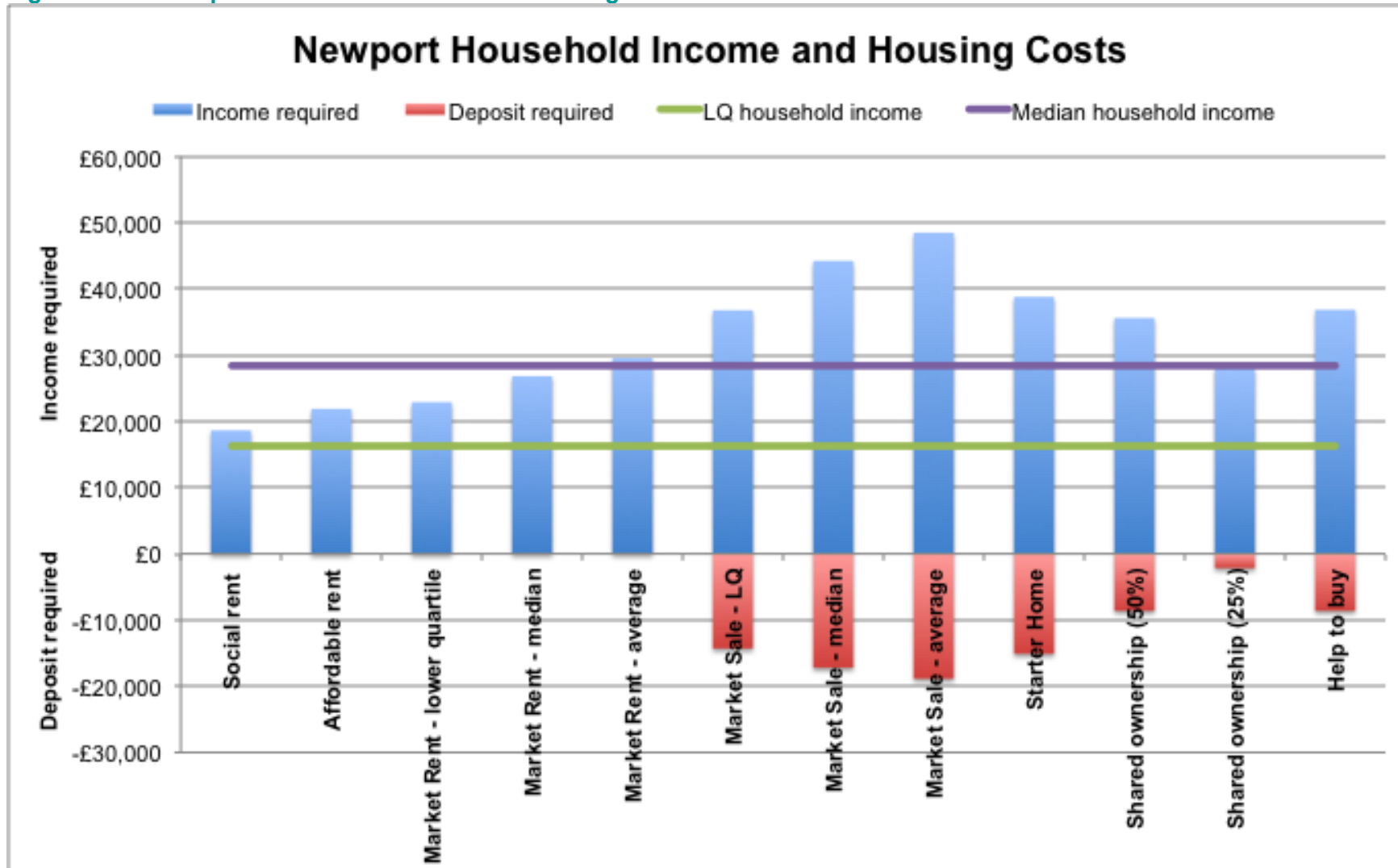
- 4.100 Table 4.18 then summarises the proportion of households who could afford different types of tenure. Overall across Telford and Wrekin, social renting is affordable to 65.0% of households and affordable rent 58.3%; lower quartile private renting to 55.3% and median renting to 57.7%; lower quartile market sale to 46.2% but median market sale price to only 34.0%; starter homes to 39.4%; shared ownership 43.7% (50% equity) and 54.7% (25% equity) and help to buy 49.6%. The proportions who could afford varied by sub-area. Telford was the least affordable sub-area in terms of renting compared with Newport and the Rural Area. However, the relative affordability of market prices was considerably worse in the Rural Area, with only 22.3% of households able to afford a median priced property. This compares with 33.8% in Newport and 36.2% Telford. Overall, Telford was relatively more affordable across all market and intermediate tenure options.
- 4.101 Further analysis of the requirement for affordable housing is presented in Chapter 7.

Figure 4.6 Telford household income and housing costs



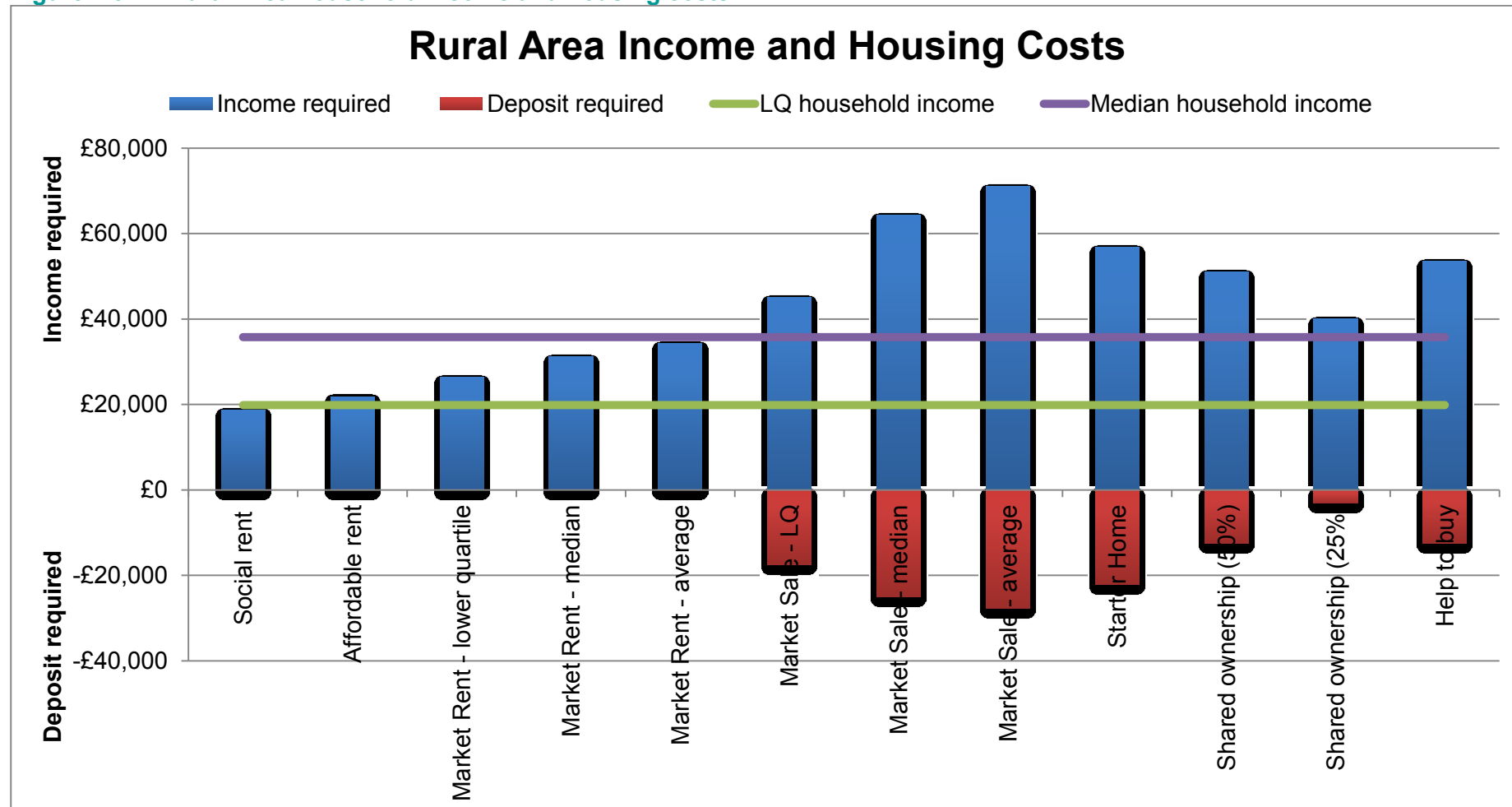
Source CACI, Land Registry, CLG, CORE sales

Figure 4.7 Newport household income and housing costs



Source CACI, Land Registry, CLG, CORE sales

Figure 4.8 Rural Area household income and housing costs



Source CACI, Land Registry, CLG, CORE sales

Table 4.18 Income required for alternative tenures by sub-area

Tenure option	Telford			Newport			Rural Area			Telford and Wrekin Total	
	Income required	% can afford	% cannot afford	Income required	% can afford	% cannot afford	Income required	% can afford	% cannot afford	% can afford	% cannot afford
Social rent	£18,645	63.5	36.5	£18,645	67.0	33.0	£18,645	79.0	21.0	65.0	35.0
Affordable rent	£21,888	56.5	43.5	£21,888	60.5	39.5	£21,888	73.8	26.2	58.3	41.7
Market Rent - lower quartile	£23,280	53.8	46.2	£22,896	58.6	41.4	£26,400	66.8	33.2	55.3	44.7
Market Rent - median	£26,400	57.9	42.1	£26,832	51.8	48.2	£31,200	59.7	40.3	57.7	42.3
Market Rent - average	£27,456	56.2	43.8	£29,568	47.3	52.7	£34,224	55.2	44.8	55.5	44.5
Market Sale - LQ	£26,807	47.5	52.5	£36,771	37.1	62.9	£45,000	40.5	59.5	46.2	53.8
Market Sale - median	£34,457	35.7	64.3	£44,229	28.3	71.7	£64,286	22.3	77.7	34.0	66.0
Market Sale - average	£38,553	30.3	69.7	£48,497	24.4	75.6	£71,130	21.1	78.9	29.1	70.9
Starter Home	£30,842	41.0	59.0	£38,798	34.5	65.5	£56,904	28.1	71.9	39.4	60.6
Shared ownership (50%)	£28,097	45.4	54.6	£35,615	34.8	65.2	£51,048	34.7	65.3	43.7	56.3
Shared ownership (25%)	£22,210	55.9	44.1	£28,060	49.8	50.2	£40,066	46.9	53.1	54.7	45.3
Help to buy	£28,714	44.3	55.7	£36,857	37.0	63.0	£53,571	31.3	68.7	49.6	50.4

Source CACI, Land Registry, CLG, CORE sales

See Table 4.16 for assumptions regarding the affordability of different tenure options.

5. Market Signals review

Introduction

- 5.1 PPG Paragraph 2a-019 states that, *'the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings'*. PPG Paragraph 2a-20 suggests that, *'in broad terms, the assessment should take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).'*

Market signals

- 5.2 PPG Paragraph 2a-020 comments that, *'market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the Plan period.'*
- 5.3 In line with PPG Paragraph 2a-019, Table 5.1 considers a range of housing market signals for Telford and the Wrekin. These include house prices, rents, affordability and overcrowding. As several key indicators for 2015 are not currently available, data for 2010 to 2014 has been used.

Price indicators

- 5.4 In terms of price/transaction indicators, a key message from the analysis is that median market house prices have been broadly consistent over the period 2010-2014, ranging between £135,250 and £142,000. Lower quartile prices have likewise been very stable during the same period, ranging between £105,000 and £106,850. The number of transactions has increased significantly, year-on-year.
- 5.5 Relative affordability has fallen, from a ratio of 6.3x earnings in 2010/11 to 6.0x earnings in 2013 and 2014. Rents have increased very slightly during the five-year period, with lower quartile rents rising from £472 to £485 and median rents from £546 to £550.
- 5.6 Overall, the price indicators appear to be remain broadly static over the period and in the case of house prices, actually show a reducing trend. The conclusion to draw here is that there is no clear indication of worsening affordability over the recent past. In fact, it could be argued that a small improvement in affordability has occurred between 2010 and 2014. '

Table 5.1 Housing market signals						
Price/transaction indicators	2010	2011	2012	2013	2014	Source
Lower Quartile House Prices	£106,850	£105,000	£105,000	£106,100	£105,000	Land Registry
Median House Prices	£139,995	£135,250	£139,950	£142,000	£137,000	Land Registry
Lower Quartile Rents (per calendar month)	472	472	477	485	485	Zoopla
Median Rents (per calendar month)	546	546	546	550	550	Zoopla
Relative affordability (LQ earnings to LQ house price)	6.3	6.3	6.0	6.0	6.0	Land Registry/Annual Survey of Hours and Earnings
No. Property sales	1496	1590	1782	2160	2205	Land Registry
Quantity indicators	2010	2011	2012	2013	2014	Source
Total dwelling stock (at 1 April)	68,300	68,710	69,430	70,040	70,880	CLG Dwelling Statistics
Total vacant dwellings (at October)	1,922	2,090	2049	1953	1816	CLG Dwelling Statistics
Total vacancy rate (at October)	2.81%	3.04%	2.95%	2.79%	2.56%	CLG Dwelling Statistics
Long-term vacancy rate (at October)	0.74%	0.77%	0.98%	0.56%	0.65%	CLG Dwelling Statistics
Overcrowding (2011 Census)		3.42%				2011 Census
No. of households on the Housing Register (at 1st April)	13,119	17,569	17,234	14,758	14,758	CLG Housing Register statistics

Quantity indicators

- 5.7 In terms of quantity indicators, there has been a growth in the total number of dwellings. Vacancy rates have fallen slightly overall during the five-year period, although both total vacancy rates and long-term vacancy rates rose before dropping. The total vacancy rate rose from 2.81% in 2010 to 3.04% in 2011, subsequently falling to 2.56% by 2014, which compares well with the English rate of 2.6%. Long-term vacancies rose from 0.74% in 2010 to 0.98% in 2012, but then falling to 0.65% in 2014.
- 5.8 According to the 2011 Census, 3.42% of households were overcrowded. This compares with 3.1% across England. The 2001 Census reported an overcrowding rate of 4.5% (7.1% across England), suggesting that levels of overcrowding have fallen both nationally and locally.
- 5.9 The figures for households on the housing register has fluctuated between 13,119 and 17,569 and averaged around 15,488 over the period 2010 to 2014. This data has been reported as it is from an official CLG source. Longer-term trends on the housing register would suggest an annual average of 3,032 households over the period 1997 to 2007; then dramatically increasing to an average of 14,324 over the period 2008-2014. However, this data is now superseded following a major review of the housing register, and more recent data shows that the number of households on the housing register is between 2,000 and 2,500.

Comparator areas

- 5.10 Table 5.2 considers how the market signals observed in Telford and Wrekin compare with similar districts and with regional and national trends.
- 5.11 Compared with comparator district, regional and national data over the period 2010-2014, lower quartile and median house price change in Telford and Wrekin has been low. While comparator district, regional and national lower quartile and median house prices have risen by between 4.1 and 8.9%, house prices in Telford and Wrekin have fallen slightly during the four-year period. Private rental price change has been positive, however, at 2.8% for lower quartile rents and 0.7% for median rents.
- 5.12 The relative affordability of properties to buy has improved, with the ratio of lower quartile house prices to incomes falling by -5.2%, while affordability has worsened in comparator districts, the region and England as a whole.
- 5.13 The number of property sales and the total dwelling stock have both increased, and at a greater rate than seen in comparator district and regional and national trends. Total vacancy rates and long-term vacancy rates have reduced, but at lower rates than seen elsewhere. Overcrowding has reduced significantly, and at a similar rate to comparator districts, lying somewhere between the regional and national trends.

Table 5.2 Housing market signals in comparator districts, region and England

Comparator 2010-2014	Telford and Wrekin	Comparator Districts*			West Midlands	England	Source
		Wrexham	Redditch	Bury			
Lower Quartile House Price change	-1.7	5.0	5.5	5.4	6.4	5.6	Land Registry
Median House Price change	-2.1	4.1	8.9	5.1	4.1	5.4	Land Registry
Lower Quartile Rents (per calendar month) change	2.8	-3.4	5.0	1.1	1.1	-0.7	Zoopla
Median Rents (per calendar month) change	0.7	-11.8	7.9	6.1	5.5	4.4	Zoopla
Change in relative affordability (ratio of lower quartile earnings to house prices)	-5.2	11.4	11.0	4.9	2.0	1.6	Land Registry/Annual Survey of Hours and Earnings
No. Property sales change	47.4	24.5	45.1	42.2	31.0	26.0	Land Registry
Total dwelling stock change	3.8	1.4	1.4	1.3	1.9	2.3	CLG Dwelling Statistics
Total vacancy change	-5.5	#	-6.3	-8.7	-14.5	-17.2	CLG Vacancy Statistics
Total long-term vacancy change	-8.7	#	-17.2	-33.9	-26.8	-31.4	CLG Vacancy Statistics
Overcrowding change 2001-11	-20.1	-18.0	-25.1	-25.6	-15.3	-29.7	ONS 2001 and 2011 census

Source: Office for National Statistics

*Comparator districts based on CLG 2011 Area Classifications for Local Authorities through the analysis of 59 variables to determine the five most similar districts to each local authority (three most similar are shown in this table)

Past trends in housing delivery

- 5.14 PPG Paragraph 2a-19 refers to the rate of development as a market signal.
- 5.15 Since 2006, housing figures for measuring delivery had been set in the Telford and Wrekin Core Strategy. This involved a stepped approach for the periods 2006-11 (maximum of 1330 dwellings each year) and 2011-16 (maximum of 700 dwellings each year).
- 5.16 The figures set out in the Core Strategy were taken from the now revoked Regional Planning Guidance for the West Midlands (2004), and were expressed as a maximum. Consequently, it is not helpful to apply the core strategy maximum housing figures as a basis for measuring past delivery. The approach reflected the historic role of Telford and Wrekin as a sub-regional centre that supported the development needs not only of Telford and Wrekin, but also the wider sub-region. The broader objective of the regional strategy was to redirect housing to the conurbation post-2011, in order to promote urban renaissance of the west midlands, but not to prevent Telford and Wrekin from meeting its own needs. Furthermore, there is no record of any actions being taken to constrain the delivery of housing in the borough through, for example, adopting a moratoria on housing development.
- 5.17 In this context, there would appear to be no credible evidence to demonstrate that past delivery has fallen short of planned supply. For information purposes, over the nine-year period 2006/07 to 2014/15, a total of 5,554 dwellings have been built in Telford and Wrekin Borough (Table 5.3). Of these, 89.2% were built in Telford, 7.0% in Newport and 3.8% in the Rural Area. As shown in Table 5.4, 34.6% of all dwelling completions during the period were affordable. This varied year-to-year, but there was a general increase in the proportion of affordable completions over the past 9 years.

Table 5.3 Dwelling completions by sub-area 2006/07 to 2014/15

Year	Sub-Area			Total
	Telford	Newport	Rural Area	
2006/7	365	50	37	452
2007/8	246	61	56	363
2008/9	407	36	19	462
2009/10	468	3	12	483
2010/11	511	20	20	551
2011/12	622	82	16	720
2012/13	591	13	3	607
2013/14	795	39	8	842
2014/15	947	87	40	1,074
9-Year Total	4,952	391	211	5,554

Source: Telford & Wrekin Annual Monitoring Report 2015

Table 5.4 Private and affordable housing completions 2006/07 to 2014/15					
Year	Private	Affordable			Affordable as % of all Completions
		Social/ Affordable Rented	Intermediate Tenure	Total Affordable	
2006/7	431	12	9	21	4.6
2007/8	290	73	0	73	20.1
2008/9	323	139	0	139	30.1
2009/10	299	170	14	184	38.1
2010/11	349	137	65	202	36.7
2011/12	445	195	80	275	38.2
2012/13	324	180	103	283	46.6
2013/14	523	265	54	319	37.9
2014/15	647	342	85	427	39.8
9-Year Total	3651	1513	410	1923	34.6%

Source: Telford & Wrekin Annual Monitoring Report 2015

Concluding comments

- 5.18 In conclusion, a review of market signal data would suggest there are no indicators prompting a need for adjusting the housing dwelling requirement on the basis of market signals. However, it is recommended that market signals are monitored on an annual basis and if the Council considers that these indicate that there is a need to reconsider the objectively assessed need in the borough then a review of the SHMA could be triggered.

6. Objectively Assessed Housing Need and Housing Requirement

Introduction

- 6.1 The National Planning Policy Framework requires that LPAs identify Objectively Assessed Housing Need (OAN) and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including Affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand. NPPG recognises that *'establishing future need for housing is not an exact science'* (para 014 2a-014-20140306), although it should be informed by reasonable and proportionate evidence
- 6.2 The purpose of this chapter is to draw together the evidence in this report to establish the Objectively Assessed Housing Need for Telford and Wrekin over the Plan Period 2011-2031. This chapter specifically presents the work carried out by Peter Brett Associates *'Telford and Wrekin Objectively Assessed Housing Need, Final Report March 2015'*. The chapter is structured in accordance with the approach set out in the Planning Advisory Service *'Objectively Assessed Need and Housing Targets Technical Advice Note'* Second Edition, July 2015 which supports Planning Practice Guidance.
- 6.3 In order to establish Objectively Assessed Need, the PAS advice note recommends a logical progression of steps:
- Defining the Housing Market Area;
 - Using CLG household projections as a starting point to establishing the OAN; and
 - Adjusting projections to take account of local demography, past delivery and market signals, other local circumstances not captured by past trends and future jobs.
- 6.4 Each of these steps is now discussed.

Housing Market Area

- 6.5 Chapter 3 reviewed the evidence relating to defining the market area and concluded that Telford and Wrekin is an appropriate Housing Market Area for planning purposes.
- 6.6 The PBA report concluded that, *'the evidence of migration and commuting shows that Telford and Wrekin forms a separate housing market area as*

*defined in the planning guidance. Therefore it is consistent with national policy and guidance to assess housing need for the borough on its own*¹⁶

Demographic starting point

- 6.7 In accordance with PPG, official DCLG household projections have been used as the 'starting point' in the assessment of housing need. The PBA report provides a detailed assessment and critical evaluation of three sets of official projections (2008-based, 2011-based, and 2012-based).
- 6.8 The latest household projections (CLG 2012-based) suggest a total annual increase of 446 households which, based on a 3.1% vacancy rate, results in an annual requirement for 461 dwellings. This should be viewed as the minimum dwelling requirement for Telford and Wrekin.

Adjusting the projections

- 6.9 The PAS guidance recommends adjustments are made to the household projections with reference to local demographic trends, future jobs, past delivery and market signals and other local circumstances not captured by past trends. Each of these is now considered in turn.

Local demographic trends

- 6.10 As outlined in the PPG, it is necessary to evaluate a range of growth alternatives to establish the most appropriate basis for determining future housing provision. PBA have produced variant demographic scenarios that take account of longer-term migration trends. Two 'Trend Adjusted' scenarios have been prepared which use 2012-based population projections as a base but consider the impact of short-term (2008-2013) and long-term (2003-13) migration trends on household growth. These result in a dwelling requirement range of between 483 (Trend Adjusted 2008-13) and 497 (Trend Adjusted 2003-13). Of the two trends, PBA recommend the Trend Adjusted 2003-13 is used in the OAN calculation as it provides a longer reference period, less affected by annual fluctuations.

Jobs growth

- 6.11 Consideration of the alignment of housing growth with economic growth is a key requirement of the PPG. Plan-makers should consider if the demographically projected housing need would provide enough workers to support an area's expected jobs growth.
- 6.12 An employment forecast was commissioned from Experian based on the PBA Trends 2003-13 scenario. Over the Plan Period, Experian's baseline forecast shows numbers of workplace jobs in the Borough increasing by 16,300 or an

¹⁶Para 2.20 PBA Report March 2015

annual average of 810. Jobs growth is driven by the service sector, specifically private market services, while manufacturing loses jobs. This broad sectoral change is in line with long-established trends and with alternative forecasts, as explored in more detail in the PBA report.

- 6.13 Over the plan period, the 16,300 additional jobs are filled by:
- An increase of 4,300 in the Borough's resident labour force, the outcome of 4,900 net new working-age residents and a virtually unchanged economic activity rate overall;
 - A reduction in unemployment of 4,200 as the unemployment rate falls from 9.7% to 4.3%;
 - An increase of 3,600 in net in-commuting (from 11.5% to 13.1% of the labour force); and
 - An additional 4,300 jobs are filled by 'double jobbers' i.e. people with more than one job.
- 6.14 Although these components of change are broad approximations, it does suggest that the dwelling growth would not constrain jobs-growth in the short-term but towards the end of the Plan Period the availability of labour may just be on the brink of constraining the Borough's economic potential. The analysis underlining this view is presented in the PBA report.
- 6.15 Overall, the economic modelling indicates that the preferred scenario is compatible with a healthy economic future, in which Telford and Wrekin's jobs grow in line with the national trend and labour supply does not constrain economic growth. Hence there is no need for a further 'jobs-led adjustment' to the dwelling requirements.

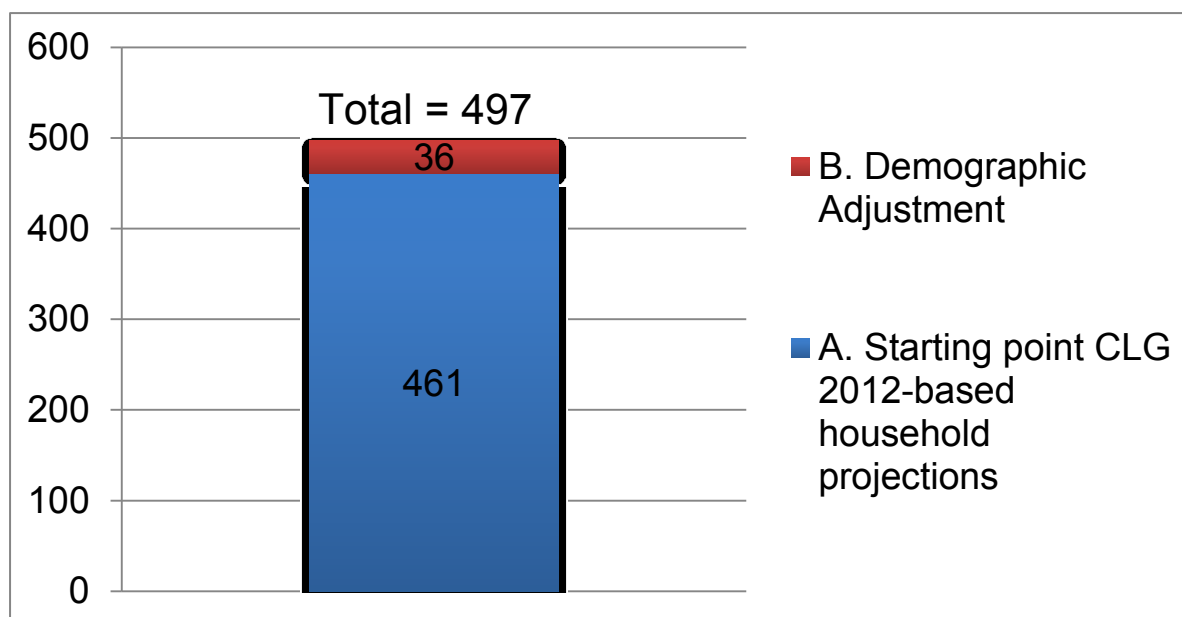
Objectively Assessed Housing Need

- 6.16 An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a provision target.
- 6.17 The challenge for the Council is to deliver an appropriate and proportionate level of dwelling growth which supports economic growth and carefully takes into account the current demographic profile of the District. Figure 6.1 summarises the different components which comprise the Full Objectively Assessed Need for Housing across Telford and Wrekin.
- 6.18 It is confirmed that the Objectively Assessed Housing Need for Telford and Wrekin over the plan period 2011-2031 is established from a baseline of 461 (2012-based SNPP), with an upward adjustment based on the alternative trends (PBA Alternative Trend 2003-13) of +36 (497 dwellings). No further adjustment is necessary to support jobs-growth and PBA analysis indicates

that the trend scenario can support the Experian jobs-forecast. This SHMA concludes the OAN for Telford and Wrekin equates to 497 dwellings a year.

- 6.19 The Objectively Assessed Need figure takes account of the need to deliver more Affordable and market housing for an increasing number of households, take account of likely levels of net in-migration and support economic growth. The full objectively assessed dwelling need over the Plan Period 2011-2031 (20 years) is for 9,940 dwellings.

Figure 6.1 Full Objectively Assessed Housing Need for Telford and Wrekin (annual 2011 to 2031)



Source: Based on PBA analysis March 2015

From an OAN to a housing requirement

- 6.20 Having established an up to date OAN, it is necessary to translate this into a growth target for the purposes of future plan-making. This is referred to here as the 'housing requirement'. The housing requirement should, in normal circumstances, reflect the objectively assessed need but could be adjusted either upwards or, potentially, downwards. An OAN could be adjusted downwards due to development constraints or upwards to support economic or other growth ambitions. The OAN is in effect a 'policy off' need for housing over the plan period. Once policy considerations have been applied to the OAN figure, the result is a 'policy on' figure for the housing requirement.
- 6.21 Subject to it being determined by a proper process, principally in the context of the policies of the NPPF as a whole and any relevant local policy considerations, the housing requirement figure will be the target against which housing supply will normally be measured.

- 6.22 The starting point for the OAN and the SHMA has been the Office for National Statistics (ONS) projections (2012-based) published by the government¹⁷. These projections are presented in the SHMA (see Table 4.13) as the 'baseline' statistics on population and household change in Telford & Wrekin up to 2031. The SHMA (see para 6.7-6.10 above) then summarises the work carried out by PBA in producing an up to date OAN using the 2012-based projections as a starting point, an approach consistent with both the NPPF and the PPG. In establishing the OAN, PBA produced their own model of population and household change consistent with the advice set out in the PPG.
- 6.23 The PBA report also considered the implications of an 'above-trend' growth scenario of 15,000 dwellings (or 750 dpa). In doing so, PBA modelled a population and household profile based on this scenario. In turn, the council has applied this profile to estimate the likely future population up to 2031. The council's estimate of population (198,000) has been derived from the above-trend scenario of 750 dpa with a pro-rata increase to reflect the plan housing requirement of 15,555 dwellings (778 dpa). The breakdown of the profile is presented in Table 6.1. The PBA 'above-trend' household projection also forms the basis for Table E2 set out in appendix E of the SHMA, which assesses the likely change in households by household type up to 2031.

Table 6.1 Population change under the housing requirement figure			
Age Group	2011	2031	Change
0 to 4	11426	12720	1294
5 to 14	20603	25280	4677
15 to 24	22317	24560	2243
25 to 34	21194	23508	2314
35 to 44	23830	25745	1915
45 to 54	23286	22219	-1067
55 to 64	19832	22438	2606
65 to 74	14107	20171	6064
75 to 84	7537	14424	6887
85 +	2699	6936	4237
Total	166831	198001	31170

Source: Extrapolation carried out by TWC based on PBA 750 homes per year scenario

- 6.24 The new Telford and Wrekin Local Plan includes the housing requirement of 15,555 dwellings up to 2031. This is higher than the OAN figure of 9,940 and reflects the growth ambitions of the Council and supports the delivery of affordable housing. The process undertaken to translate the OAN into a

¹⁷ Department for Communities and Local Government (CLG)

housing requirement is set out in more detail in the council's supporting paper published alongside the Telford & Wrekin Local Plan¹⁸.

- 6.25 The Council has a committed supply of about 11,500 dwellings up to April 2015 either built, under construction or with planning permission at that date. The annual housing requirement is around 778 dwellings (15,555/20) and the Local Plan sets affordable housing targets of 25% in Telford, and 35% in Newport and the Rural Area.

¹⁸Telford & Wrekin Local Plan – Technical Paper Housing Growth Regulation 19 Version

7. The need for all types of housing

Introduction

- 7.1 PPG Paragraph 2a-021 considers how the needs for all types of housing should be addressed. The SHMA has evidenced the range of market and affordable housing requirements across the district. The PPG also suggests planning authorities consider the need for certain types of housing and the needs of different groups, including the private rented sector, people wishing to build their own homes, family housing, housing for older people, households with specific needs and student housing.
- 7.2 This chapter begins with an analysis of the mix of dwellings by type and size over the plan period and then considers affordable housing need as a component of future dwelling requirements.

Overall dwelling mix

- 7.3 NPPF paragraph 159 states that local authorities should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the Plan Period.
- 7.4 Having reflected upon the objectively assessed need for housing and housing requirement, this section considers the overall dwelling mix which is appropriate for consideration by the Council.
- 7.5 In order to determine the potential range of new dwelling stock appropriate for Telford and Wrekin, analysis has considered:
- The current stock profile of the district by type and size;
 - The profile of households by age of Household Reference Person (HRP)¹⁹ and how this is expected to change over the period 2011 to 2031;
 - The range of dwelling types and sizes occupied by households by age and type;
 - Future requirements for dwelling types and sizes based on the anticipated change in household profile;
 - A final adjustment that translates the household derived requirement into a dwelling requirement.
- 7.6 Further details of the methodology are presented at Appendix E. Two outputs have been produced (Table 7.1): principal analysis based on maintaining the same proportion of dwelling stock by age group; and a variant analysis which considers aspirations of older people (who are expected to increase dramatically over the plan period) and how these aspirations may impact on dwelling stock requirements. Note that Table 7.1 uses the housing requirement figure of 15,555 as a base.

¹⁹ This term replaces 'Head of Household'

Dwelling type and size	Principal analysis		Variant analysis (factoring in aspirations of HRPs aged 60 and over)	
	% of new dwelling stock	Number of dwellings	% of new dwelling stock	Number of dwellings
1 Bed House	0.4	63	0.4	63
2 Bed House	9.7	1506	9.4	1464
3 Bed House	41.2	6416	35.7	5546
4 or more Bed House	13.5	2093	13.1	2037
1 Bed Flat	5.6	878	5.5	850
2 Bed Flat	5.4	841	5.4	844
3+ Bed Flat	0.2	33	0.2	33
1-2 Bed Bungalow	19.3	2996	21.8	3390
3+ Bed Bungalow	4.7	728	5.3	823
Total	100.0	15555	100.0	15555

Source: PBA, TWC, arc⁴

- 7.7 The principal analysis would suggest that the development of three and four bedroom houses and 1-2 bedroom bungalows is a key priority, with three dwelling types representing around three-quarters of all dwelling requirement.
- 7.8 Under the variant analysis that considers the aspirations of older people planning to move (drawn from household survey evidence from other studies), there is a reduction in need for three bedroom houses and a notable increase bungalow need, particularly 1-2 bedroom bungalows.

Affordable housing requirements

- 7.9 A detailed analysis of the following factors determines the extent to which there is a shortfall of Affordable housing:
- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
 - New households forming who cannot afford to buy or rent in the market;
 - Existing households expected to fall into need; and
 - The supply of affordable housing through social/affordable renting and intermediate tenure stock.
- 7.10 The needs assessment model advocated by the CLG has been used and a detailed analysis of each stage of the model is presented in Appendix D.
- 7.11 In addition to establishing the overall affordable housing requirements, the analysis considers the supply/demand variations by property designation (i.e. general needs and older person) and property size (number of bedrooms). Modelling suggests a gross imbalance (not taking account of affordable supply through lettings and intermediate tenure sales) of 1,217 and a net imbalance of 665 Affordable dwellings each year across Telford and Wrekin

Borough as shown in Table 7.2. Although the vast majority of need is in Telford, the relative scale of need per 1,000 households is greater in Newport and the Rural Area (Telford has an annual net imbalance of 8.1 dwellings per 1,000 households compared with 19.5 per 1,000 households in Newport and 17.5 per 1,000 households in the Rural Area.)

Table 7.2 Net annual affordable housing imbalance by property size 2015/16 to 2019/20				
Gross annual imbalance				
No. of Bedrooms	Sub-Area			Telford and Wrekin
	Telford	Newport	Rural Area	
	Gross	Gross	Gross	Gross
1	332	38	38	408
2	459	53	54	566
3	160	18	19	197
4	37	5	4	46
Total	988	114	115	1217
Net annual imbalance				
No. of Bedrooms	Sub-Area			Telford and Wrekin
	Telford	Newport	Rural Area	
	Net	Net	Net	Net
1	207	37	33	277
2	208	44	38	290
3	36	17	14	67
4	25	3	3	31
Total	476	101	88	665

Sources: 2015 Housing Register; RP CORE Lettings and Sales

(Note table subject rounding errors)

Affordable housing tenure split

- 7.12 Determining an appropriate tenure split for housing has been traditionally based on the incomes and tenure aspirations of existing households in need and newly forming households. This is used to determine an appropriate split between rented and intermediate tenure dwellings. However, the increasing emphasis of Government policy to build affordable homes for sale through intermediate tenure options and the starter homes initiative, coupled with housing associations having to fund schemes for rent without subsidy, is expected to have a major impact on the scale and range of affordable housing to be delivered.
- 7.13 Recent studies by arc4 have evidenced tenure splits in the range 55%-78% for rented and 23%-45% for intermediate tenure based on household preferences and the relative affordability of intermediate tenure options derived from household surveys. The overall average across nine recent studies is 65% rented and 35% intermediate tenure.
- 7.14 For Telford and Wrekin, it is recommended that a tenure split is established within these ranges. Furthermore based on past trends in delivery (5 years

2009/10 to 2013/14), a 75% social/affordable rented and 25% intermediate tenure split would be appropriate. This should be further explored through economic viability work and discussions with developers and Registered Providers to determine the overall potential for such a tenure split in the light of emerging Government policy, with a strong emphasis on intermediate tenure and starter home development.

- 7.15 We would recommend that the Council encourages the managing agents of housing registers to record applicant income, access to savings and tenure preferences to further refine the tenure split of affordable dwellings across Telford and Wrekin.

Conclusions on dwelling mix

- 7.16 On the basis of dwelling size data, Table 7.3 provides a general view on the likely overall dwelling size split based on market and affordable development assuming a 65% market and 35% affordable split (based on the past 5 years trends in development).

Overall dwelling size mix	Market (%)	Affordable (%)	Overall (%)
1/2 Beds	40.6	90.9	60.7
3 Beds	45.9	5.3	29.7
4 Beds	13.5	3.8	9.6
Total	100.0	100.0	100.0
Base	10111	5444	15555

Source: arc4

The private rented sector

- 7.17 The role and dynamics of the private rented sector were discussed in Chapter 4.

People wishing to build their own homes

- 7.18 The Government made clear in its Housing Strategy for England *Laying the Foundations* that it wished to unlock the growth potential of the custom homes market and double its size over the next decade. It has defined the main critical barriers to custom build in this country as access to suitable plots to build on; access to development finance to enable the purchase of land and start of construction; and the hurdles that many custom builders face when they engage with the regulatory regimes that govern the development process.
- 7.19 As part of this agenda the Government has enacted new legislation, the Self - Build and Custom Housebuilding Act 2015, requiring authorities to keep a register of individuals and associations of individuals who wish to acquire

serviced plots of land to bring forward self-build and custom house building projects. Local authorities are under a duty to have regard to these registers in carrying out their planning function. The regulations setting out the scope of these registers are yet to be approved. The Government also intend to enact further legislation in the next Parliament strengthening the role of local planning authorities in making plots of land available for custom and self build. Their current intention is that prospective custom and self builders will have a right to a plot of land from their local council to build their home.

- 7.20 The level of demand for self/custom build should be monitored closely by the Council and in particular the proportion of completions on plots for one or two houses, with this type of modest development likely to be self/custom build.

Family housing

- 7.21 Families (that is couples and lone parents with children including adult children living at home) account for around 40.5% of households across Telford and Wrekin. Of this number, 28.7% are couples with children and 11.7% are lone parents with children.
- 7.22 Overall, 61.9% of families live in owner-occupied or shared ownership dwellings, 18.6% live in the private rented sector and 19.5% live in affordable dwellings. 87.3% of all families live in Telford, while 6.8% live in Newport and 5.9% in the Rural Area. Families make up 41.2% of households in the Telford sub-area. This compares with families comprising 36.2% of households in the Rural Area and 35.9% of households in Newport.
- 7.23 A range of dwelling types and sizes which are recommended to be built over the Plan Period will support the requirements for families, in particular 3 and 4 bedroom houses. Additionally, there is an existing supply and ongoing need for 3 and 4 bedroom affordable dwelling to support the needs of families

Older people

- 7.24 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. PPG Paragraph 2a-021 states that *'the need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of new households'*.
- 7.25 The number of people across Telford and Wrekin Borough area aged 65 or over is projected to increase from 28,100 in 2015 to 41,000 by 2031 (a 45.9% increase) according to ONS 2012-based population projections.
- 7.26 Census 2011 data identifies that 18.2% of households across Telford and Wrekin are either singles or couples aged 65 years or over. Of these older households, 69.7% live in owner-occupied or shared ownership properties, 6.1% live in the private rented sector and 24.2% live in Social Rented accommodation.
- 7.27 In terms of location, 81.1% of all older households live in the Telford sub-area, compared with 10.0% in Newport and 8.8% in the Rural Area. In terms of the demographics, older singles and couples constitute 17.3% of all households in

Telford; 24.0% of households in Newport; and 24.3% of households in the Rural Area.

- 7.28 SHMAs elsewhere tend to show that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. It is important that councils continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.
- 7.29 The Housing Learning and Improvement Network (LIN) Strategic Housing for Older People 'SHOP@' tool²⁰ helps to estimate current and future needs for specialist older person's housing 2014-2030²¹. Data specifically relates to people aged 75 and over.

Current need

- 7.30 The data for need is calculated by applying the prevalence rates to the 2014 population aged 75+ derived from May 2014 ONS sub-national population projections. The data on supply is the current number of specialist housing and registered care beds from the Elderly Accommodation Counsel national housing database 2014 which includes the following categories: sheltered housing, enhanced sheltered housing, extra care, residential care and nursing care. Detailed definitions are presented below:

Sheltered housing: Schemes / properties are included where some form of scheme manager (warden) service is provided on site on a regular basis but where no registered personal care is provided. A regularly visiting scheme manager service may qualify as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to be included in sheltered stats. In most cases schemes will also include traditional shared facilities - a residents' lounge and possibly laundry and garden.

Enhanced sheltered housing: Schemes / properties are included where service provision is higher than for sheltered housing but below extra care level. Typically there may be 24/7 staffing cover, at least one daily meal will be provided and there may be additional shared facilities.

Extra care housing: Schemes / properties are included where care (registered personal care) is available on site 24/7.

Residential care: Where a care homes is registered with Care Quality Commission to provide residential (personal) care only, all beds are allocated to residential care.

Nursing care: Where a care homes is registered with Care Quality Commission to provide nursing care all beds are allocated to nursing care, although in practice not all residents might be in need of or receiving nursing care.

²⁰<http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/>

²¹ Note this particular dataset covers the period 2014 to 2030

Future need

7.31 The SHOP data for Telford and Wrekin is presented in Table 7.4. This calculates housing demand per 1,000 residents aged 75 and over based on the population of 75+ residents in 2014 and 2030. The table also shows the 2014 profile of specialist older persons provision and highlights that against the 2014 prevalence rates there are shortfalls in provision across all types with the exception of sheltered housing. Over the period 2014 to 2030, there is expected to be a 84.7% increase in the requirement for older persons' specialist provision. However, when the current (2014) supply of accommodation is compared with change in demand to 2030, data would suggest a need to double the current level of provision for older people, particularly the provision of enhanced sheltered, and extra care provision.

Type of provision	Housing demand per 1,000 75+	Current supply	2014 Demand	2030 Demand	Change 2014 (supply) to 2030 (demand)	% change 2014-2030
Sheltered housing	125	1555	1388	2563	1008	72.6
Enhanced Sheltered housing	20	86	222	410	324	145.9
Extra Care 24/7 support	25	113	278	513	400	143.9
Residential care	65	1028	1221	2255	1227	100.5
Total		2782	3109	5741	2959	95.2

Source: HousingLIN

Note this dataset covers the period 2014 to 2030

7.32 The SHOP data also considers the future market split for a locality based on its relative affluence / deprivation as shown in Table 7.5.

Table 7.5: Future market split of older persons' accommodation by relative deprivation/affluence of an area

Type of provision	Most Deprived		Deprived		Affluent		Most Affluent	
	Rented	Leasehold	Rented	Leasehold	Rented	Leasehold	Rented	Leasehold
Sheltered	75	25	50	50	33	67	20	80
Enhanced Sheltered	80	20	67	33	50	50	20	80
Extra care	75	25	50	50	33	67	20	80

Source: HousingLIN

<http://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPAT/Dashboard/FutureMarketSplit/>

Households with specific needs

7.33 Table 7.6 summarises the type of client groups accommodated in social rented housing across Telford and Wrekin area over the three-year period 2010/11 to 2012/13. Data indicates that older people with support needs, young people at risk and single homeless people with support needs are the main groups provided for.

Table 7.6 Client groups accommodated in Social Rented sector in Telford and Wrekin Borough 2010/11 to 2012/13

Client group	Number (over 3 years)	Average Annual Number
People with physical or sensory disabilities	13	4.3
People with learning disabilities	3	1.0
People with mental health problems	31	10.3
People with drug problems	1	0.3
Offenders and people at risk of offending	35	11.7
Older people with support needs	838	279.3
Single homeless people with support needs	63	21.0
Homeless families with support needs	48	16.0
Young people at risk	75	25.0
Missing	13	4.3
Total	1120	373.3

Source: Supported CORE Lettings data

Stakeholder views on specialist support requirements

7.34 The online survey included some stakeholders working in the area of specialist support requirements within Telford and Wrekin. This included respondents working with vulnerable adults, adults with learning difficulties, the homeless and the elderly. Asked what changes providers are seeing in their client groups, the following were mentioned:

- An increase in older-people demand and need due to increasing levels of vulnerability;
 - An increase in more complex and multiple needs;
 - The average age of homeless individuals is dropping;
 - The overall number of those who are homeless is increasing year-on-year;
 - Individuals with mental health problems are of increasing concern; and
 - Increasing levels of alcohol and drug use.
- 7.35 Demand needs were also predicted to increase in the future. Young people, adults with learning difficulties, the elderly and those suffering from mental health issues were all highlighted as areas where this demand would be most visible.
- 7.36 Stakeholders identified good quality bungalows offering two bedrooms, adapted properties and adapted properties that are suitable for families as the biggest housing stock shortages for independent living. Meanwhile, the key issues around the physical adaptations of a property were noted as traditional older housing stock which is not suitable to adapt as well as a lack of funding, particularly for disabled facilities. Specialist housing, extra care housing, sheltered and supported housing were highlighted as the key shortages within the older-person market.
- 7.37 Several stakeholders remarked on the significant affect that budget cuts have had on the ability to deliver services to vulnerable groups. One stakeholder said that *“the reduction in supporting people funding led to housing providers re-aligning services in order to continue to provide a core service to vulnerable people or remove services completely in some instances. Further cuts in adult social care, NHS and other statutory services are now putting pressure on core housing services as there is more demand from older people. Delays in response times between agencies are also having an impact especially if you have someone in crisis due to mental ill health. Also, it’s difficult to keep abreast of the number of care/support agencies and home help type schemes popping up across the Borough.”*
- 7.38 The biggest barriers to the delivery of specialist housing in Telford and Wrekin were identified as:
- Welfare reform and rent reductions;
 - Continued cuts across all public services including the voluntary sector;
 - A lack of out-of-hours provision of services;
 - A lack of information sharing between all agencies, especially around mental health;
 - Untimely responses to interventions that could minimise people accessing acute services;
 - Limited recognition that ‘housing officers’ are professionals and can offer valuable input to enable people to remain independent at home; and
 - The reluctance of developers to invest in suitable and deliverable sites due to the risks of maintaining the viability of the scheme throughout the

delivery of the development in uncertain market conditions and delivering a return above a predetermined profit margin.

- 7.39 In terms of key messages for the SHMA in respect of specialist housing provision in Telford and Wrekin, respondents made the following points:
- A need for a greater mix of market and affordable housing for older people with quality services nearby;
 - A greater appreciation around the actual numbers of homeless individuals in Telford is needed;
 - The demand on the services and viable urgent options available for low priority clients requires recognition;
 - Better access to information about the demands (numbers and price ranges) and accommodation needs of these market sectors is required, to raise awareness of the opportunities for the development market as new or additional investment opportunities; and
 - More suitable accommodation is needed to meet identified need. Housing should allow all household groups to live comfortably and independently for longer.

Black, Asian and Minority Ethnic households

- 7.40 The 2011 Census reports that 89.5% of residents are White British and the next largest ethnic group is Asian/Asian British (4.2%), White Other (3.2%), Mixed/Multiple Ethnic (1.8%), Black/Black British (1.1%) and other groups (0.3%).
- 7.41 The 2011 Census identified 67 households where the Household Reference Person stated Gypsy and Traveller ethnicity. 25 of these households lived in bricks and mortar accommodation and 42 lived in a caravan/other mobile or temporary structure. CLG Caravan Count data for January 2015 showed a total of 82 caravans located on private authorised (19) and Social Rented (63) pitches.
- 7.42 A Gypsy and Traveller Accommodation Assessment was carried out in 2014 which identified a current authorised residential provision of 44 Gypsy and Traveller pitches and 4 Travelling Showperson plot provision. The assessment evidenced an additional need for 32 Gypsy and Traveller pitches over the period 2014-2031 and no additional need for Showpersons' plots.

8. Conclusion: Policy and Strategic Issues

- 8.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the new National Planning Policy Framework which came into effect in March 2012 and Planning Practice Guidance February 2014.
- 8.2 The SHMA will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the SHMA identifies the size, type and tenure of market housing required by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across Telford and Wrekin.
- 8.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Telford and Wrekin with other areas; and relates findings to key local strategic issues.

The Housing Market Area

- 8.4 An analysis of 2011 Census migration and travel to work data confirms that Telford and Wrekin forms a separate Housing Market Area as defined in Planning Guidance, with around 70% of households moving within the Borough and living and working within the borough. Evidence would therefore confirm that Telford and Wrekin can be considered to be an appropriate Housing Market Area for the purposes of local plan policy making.

The current housing market

- 8.5 This study provides up to date information on the housing stock in Telford and Wrekin and its underlying drivers. Some of the key messages from Chapter 4 are now presented.
- 8.6 Based on 2011 Census data (66,608 households) across Telford and Wrekin:
- 89.7% of dwellings are houses or bungalows (of these 30.8% are detached, 36.7% semi-detached and 22.2% terraced) and 10.2% are flats, maisonettes, apartments or mobile accommodation;
 - 7.2% of dwellings have one bedroom, 23.7% have two bedrooms, 47.1% have three bedrooms and 22.0% have four or more bedrooms; and
 - 64.1% of occupied properties are owner-occupied (27.2% owned outright and 36.9% owned with a mortgage or loan or shared ownership), 16.2% are private rented or living rent-free and 19.7% are Affordable (rented from a social landlord).
- 8.7 Analysis of the latest (2014) Valuation Office Agency data indicates that 3 bedroom houses account for 47.6% of total dwelling stock and 18.6% are 4 or

- more bedroom houses, which account for 30.7% of dwelling stock in the Rural Area. The majority of the Borough's dwellings were built in the period 1965-1999, which reflects the development of Telford New Town took place.
- 8.8 It is estimated that 5.7% of dwelling stock fails to meet the minimum standard of decent homes criteria (compared with 11.9% nationally) which reflects the age of dwelling stock in the area.
- 8.9 Telford and Wrekin is the most affordable district compared with its neighbouring local authorities but this masks variations in relative affordability between Telford and other areas in the district, most notable the Rural Area.
- 8.10 The private rented sector has more than doubled over the period 2001 to 2011 and in 2011 accommodated around 16.2% of households. Stakeholder report strong and increasing demand for private rented dwellings but highlighted stock condition as an issue.
- 8.11 19.7% of households live in affordable housing and mainly rent from social housing landlord. There is an ongoing need for affordable housing and this has been evidenced through stakeholder views and the annual imbalance of 450 affordable dwellings each year.
- 8.12 Around 4.4% of dwelling stock in Telford and Wrekin is in higher council tax bands and represents an 'executive housing' offer. Most of these dwellings are detached houses and the further development of executive homes was a medium to high priority amongst stakeholders.
- 8.13 There are an estimated 10.2% of all households in housing need based on other arc4 studies. The housing registers in Telford and Wrekin suggest at least 2,377 but these are currently reforming after being dissolved and therefore this figure would underestimate the scale of need. During 2014/15, 78 households were accepted as homeless and in priority need.
- 8.14 The relative affordability of alternative tenure options was established by reviewing prevailing house prices and rents. Overall, based on available data it was suggested that 63.9% of all households could afford social rent (without assistance through housing benefit), 54.4% could afford lower quartile market rents, 46.6% could afford lower quartile market price and 34.8% could afford median market prices. It is estimated that 40.1% could afford Starter Homes, 37.5% shared ownership at 50% and 43% could afford help to buy properties.

Market signals review

- 8.15 Chapter 5 reviewed a range of market signals relating to price and quantity and compared these with comparator areas. Analysis suggested that there are no indicators prompting a need for adjusting the housing dwelling requirement on the basis of market signals. However, it is recommended that market signals are monitored on an annual basis and if the Council considers that these indicate that there is a need to reconsider the objectively assessed need in the borough then a review of the SHMA could be triggered.

Objectively assessed housing need and Housing Requirement

- 8.16 Chapter 6 considered the findings of work carried out by Peter Brett Associates. In accordance with PPG and PAS guidance, the Objectively Assessed Housing Need for Telford and Wrekin over the plan period 2011-2031 is established from a baseline of 461 (2012-based SNPP), with an upward adjustment based on the alternative trends (PBA Alternative Trend 2003-13) of +36 (497 dwellings). No further adjustment is necessary to support jobs-growth and PBA analysis indicates that the trend scenario can support the Experian jobs-forecast. This SHMA concludes the OAN for Telford and Wrekin equates to 497 dwellings a year.
- 8.17 The objectively assessed need figure takes account of the need to deliver more Affordable and market housing for an increasing number of households, take account of likely levels of net in-migration and support economic growth.
- 8.18 The Telford and Wrekin new Local Plan sets out a Housing Requirement of 15,555 dwellings up to 2031. This is considerably higher than the OAN figure of 9,940 and reflects the growth ambitions of the Council and supports the delivery of affordable housing.

The need for all types of housing

- 8.19 Chapter 7 built on the assessment of objectively assessed housing need to establish an appropriate mix of housing required across Telford and Wrekin over the plan period. It also presented affordable housing need calculations and tenure split. The chapter then considered needs from different groups.
- 8.20 Regarding an overall market mix, analysis considered the relationship between the age of Household Reference Person (HRP) and the range of dwelling types and sizes by HRP drawing upon household survey evidence from recent arc4 studies. Assuming a similar profile of dwelling requirements over the plan Period, analysis established that the development of three and four bedroom houses and 1-2 bedroom bungalows is a key priority, with three dwelling types representing around three-quarters of all dwelling requirement.
- 8.21 Analysis of affordable housing requirements evidenced an annual imbalance of 665 dwellings each year, with most of this need (85.2%) for 1 and 2 bedroom dwellings and 14.7% for 3 or more bedroom dwellings. Of the overall imbalance, 476 is in Telford, 101 in Newport and 88 in the Rural Area. Although the vast majority of need is in Telford, the relative scale of need per 1,000 households is greater in Newport and the Rural Area (Telford has an annual imbalance of 8.1 dwellings per 1,000 households compared with 19.5 per 1,000 households in Newport and 17.5 per 1,000 households in the Rural Area.)
- 8.22 An affordable housing tenure split of 75% rented and 25% intermediate is recommended. This is based on recent past trends in delivery across Telford and Wrekin and accords with the split evidenced in a wider range of arc4 studies. However we recommend that this split is further explored through economic viability work, enhanced data collection on income, savings and tenure choice, and discussions with developers and Registered Providers to

- determine the overall potential for such a tenure split in the light of emerging Government policy.
- 8.23 Based on an overall annual delivery of 65% market/35% affordable dwellings, a suggested dwelling mix broken down by tenure and bedroom size was prepared. This indicated that 58.2% of new development should be 1-2 bedroom dwellings, 31.7% 3 bedroom dwellings and 10.1% 4+ bedroom dwellings. The vast majority of affordable dwellings are recommended to be 1-2 bedroom and the majority of market development to be 3 or more bedroom stock.
- 8.24 The level of demand for self/custom build should be monitored closely and it is expected that this will contribute a small amount to new dwelling stock.
- 8.25 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Telford and Wrekin Borough area aged 65 or over is projected to increase from 28,100 in 2015 to 41,000 by 2031 (a 45.9% increase). Studies by arc4 elsewhere show that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. However, it is important to diversify the range of older persons' housing provision.
- 8.26 Using the Housing LIN Strategic Housing for Older People 'SHOP@' tool, an estimate of current and future needs for specialist older person's housing 2014-2030 for the 75+ age group. Over the period 2014 to 2030, there is expected to be a 84.7% increase in the requirement for older persons' specialist provision. However, when the current (2014) supply of accommodation is compared with change in demand to 2030, data would suggest a need to double the current level of provision for older people, particularly the provision of enhanced sheltered, and extra care provision.
- 8.27 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to reflect the housing choices of residents, taking into account the changing demographic profile of Telford and Wrekin;
 - Developing an increasing range of housing and support products for older people;
 - Delivering additional Affordable housing to help offset the identified net shortfalls; and diversifying the range of Affordable options by developing Intermediate tenure dwellings and products; and
 - The economic viability of delivering Affordable housing on sites across Telford and Wrekin.

NPPF requirements

- 8.28 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area. The material in this SHMA provides an evidence base to inform strategic decision making.

8.29 The SHMA has:

- evidenced the scale of affordable housing need and the specific affordable requirements necessary to offset the imbalance between supply and need;
- reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
- reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

Final comments

- 8.30 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for Telford and Wrekin.
- 8.31 This research has reflected upon the housing market attributes of Telford and Wrekin. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; and addressing the requirements of older people and vulnerable groups.

Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Policy review
- Technical Appendix C: Estate and letting agent housing market review
- Technical Appendix D: Housing need calculations
- Technical Appendix E: Reviewing the future profile of dwelling stock
- Technical Appendix F: Monitoring and updating
- Technical Appendix G: National Planning Policy Framework and National Planning Practice Guidance Checklist

Technical Appendix A: Research Methodology

Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Strategic Housing Market Assessment for Telford and Wrekin Council:
- A review of relevant secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
 - A consideration of research by Peter Brett Associates²² regarding objectively assessed housing need;
 - An on-line survey of key stakeholders including Local Authorities, Government agencies, public service providers, Registered Providers, voluntary agencies and private developers; and
- Interviews with estate and lettings agents.
- A.2 PPG Paragraph 2a-009 comments that, *“No single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes. Local planning authorities can use a combination of approaches where necessary”*.

Online Key Stakeholder Survey

- A.3 An online survey of key stakeholders was undertaken. This took the form of an online questionnaire, which representatives from a range of stakeholder organisations were invited to complete.
- A.4 Responses were received from 14 separate individuals, drawn from:
- Local Authorities,
 - Government agencies,
 - Public service providers,
 - Registered Providers,
 - Voluntary agencies, and
 - Private developers.

²² Peter Brett Associates Telford and Wrekin Objectively Assessed Housing Need, Final Report March 2015'

- A.5 The responses have been analysed, both quantitatively and qualitatively. They provide an invaluable view on the current housing market and related issues in Telford and Wrekin. The analysis is set out clearly within Chapter 4 of the SHMA Report.

Interviews with Estate and Letting Agents

- A.6 arc⁴ held interviews with four estate and letting agents who operate in Telford and Wrekin and the surrounding area:
- Weston Hare Estate Agents,
 - Your Move,
 - Tristons Estate Agents, and
 - Coleman Estate Agents.
- A.7 Their views were sought on the local housing market and related issues. A summary of the findings is set out in Appendix C, and summary is included within Chapter 4 of the SHMA Report.

Income and earnings data

- A.8 The SHMA draws upon two sources of income and earnings data. Data from the Annual Survey of Hours and Earnings (ASHE) provides data on earnings of full-time workers living in Telford and Wrekin. It is used to measure relative borough-wide affordability but also provides time-series data and comparative data for neighbouring areas and the West Midlands.
- A.9 CACI provides household income and has been used as a basis for sub-area analysis of affordability and the relative affordability of different tenure options. Sub-area lower quartile and median household income data has been calculated using Lower Super Output Area (LSOA) income data. For each sub-area, data for constituent LSOAs was averaged to derive lower quartile and median household income figures.

Technical Appendix B: Policy Review

Introduction

- B.1 The purpose of this appendix is to set out the National policy agenda of relevance to this strategic housing market assessment.
- B.2 Housing policy in England is managed through the Department for Communities and Local Government (DCLG), but is managed by the devolved governments in Scotland, Wales and Northern Ireland. In addition to policies that apply directly to housing matters, there is significant overlap with a number of other policy areas, including planning, welfare, political devolution and the wider economy.
- B.3 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- B.4 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice.

Legislative and policy background

- B.5 Following the Coalition Agreement of May 2010, the previous Government passed the **Localism Act 2011**, with the express intention of devolving power from central government towards local people. The Localism Act sets out a series of measures to seek substantial and lasting shift of powers including:
- new freedoms and flexibilities for local government, including directly elected mayors and empowering cities and other local areas;
 - new rights and powers for communities and individuals;
 - reform to make the planning system more democratic and more effective, including the revocation of regional spatial strategies (RSS), the introduction of the 'Duty to Cooperate', neighbourhood planning, Community 'Right to Build', reforming the community infrastructure levy and reforming the Local Plan process; and
 - reform to ensure that decisions about housing are taken locally.
- B.6 In terms of housing reform, the Localism Act reforms aim to enable more decisions about housing to be made at the local level, making the system fairer and more effective. Local authorities have greater freedom to set their own policies about who can qualify to go on the waiting list in their area. In addition, the Act allows for more flexible tenure arrangements for people entering social housing, with social landlords able to grant tenancies for a fixed length of term rather than lifetime tenancies for all. In respect to homelessness, the Act allows local authorities to meet their homelessness

duty by providing private rented accommodation, rather than in temporary accommodation until long-term social housing becomes available. The Act also reforms social housing funding, allowing local councils to keep the rent they collect and use it locally to maintain their housing stock. It facilitates a national 'Home Swap' scheme to facilitate house moves between social housing tenants. In addition, the Localism Act reforms the regulation of social housing, promoting tenant panels and changing the way complaints are handled.

B.7 The National Housing Strategy for England, ***Laying the Foundations: A Housing Strategy for England***, was published in November 2011 under the Coalition Administration and it currently remains in place. The Strategy acknowledges some of the problems within the housing market and sets out the Government's policy response, along the following themes:

- Increasing supply: more homes, stable growth;
- Social and affordable housing reform;
- A thriving private rented sector;
- A strategy for empty homes;
- Quality of housing experience and support; and
- Quality, sustainability and design.

B.8 The measures promote home ownership, including a new-build mortgage indemnity scheme to provide up to 95% loan-to-value mortgages guaranteed by Government and a 'FirstBuy' 20% equity loan scheme for first-time buyers. There is an emphasis on providing new infrastructure, with the announcement of a 'Growing Places' Fund, and the freeing-up of public sector land for development. Community-led planning and design is championed, with financial incentives such as the 'New Homes Bonus' to promote increased housebuilding at the local authority level.

B.9 The Housing Strategy acknowledges the importance of social housing and the need for more Affordable housing. However, the Government reaffirm their programme to reform this sector, including "*changes to the way people access social housing, the types of tenancies that are provided and the way the homelessness duty is discharged*"²³. The private rented sector is considered to play "*an essential role in the housing market, offering flexibility and choice to people and supporting economic growth and access to jobs*"²⁴. The Government sets out an intention to support the growth of the private rented sector through innovation and investment, to meet continuing demand for rental properties.

B.10 The Housing Strategy reaffirms the Government's commitment to bringing empty homes back into use, using the New Homes Bonus as an incentive. It also set out the objectives of preventing homelessness, protecting the most vulnerable and providing for older people's housing needs. It confirms a

²³ *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 22 para.11

²⁴ *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 33 Summary

package of welfare reforms, including a reduction in Housing Benefit, changes to the Local Housing Allowance (Housing Benefit in the private sector) and the introduction of 'Universal Credit' to replace other means-tested working age benefits and tax credits. Finally, the Housing Strategy addresses environmental concerns, with energy efficiency and reduced carbon emissions being required from both new and existing homes in order to promote sustainability.

- B.11 The **National Planning Policy Framework (NPPF)** was published in March 2012. It sets out the Government's planning policies for England and how these are expected to be applied. The NPPF formed a key part of the Coalition Government's planning system reforms, simplifying national guidance (previously contained in multiple Planning Policy Statements and Planning Policy Guidance) and reducing the quantity of policy pages. Fundamentally, it must be taken into account in the preparation of local and neighbourhood plans and is a material consideration in planning decisions. The document states that, "*at the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.*"²⁵
- B.12 The NPPF sets out 12 core planning principles to underpin both plan-making and decision-taking. It also establishes 13 aspects to achieving sustainable development, which include delivering a wide choice of high quality homes (#6) and promoting healthy communities (#8). The Framework also introduces new definitions of affordable housing covering Social Rented housing, Affordable Rented housing and Intermediate housing.
- B.13 The NPPF is to be read alongside other national planning policies on Waste, Travellers, Planning for Schools Development, Sustainable Drainage Systems, Parking and Starter Homes²⁶. **Planning Practice Guidance** on a range of more detailed topics has been revised and updated, made available through an online system since March 2014²⁷. Planning Practice Guidance document topics include Duty to Cooperate, Housing and Economic Development Needs Assessments, Housing and Economic Land Availability Assessment, Housing - Optional Technical Standards, Local Plans, Neighbourhood Planning, Rural Housing and Starter Homes.

Current and emerging policy

- B.14 Following the election of a majority Conservative Government in May 2015, the Government's **Summer Budget 2015** was presented to Parliament by the Chancellor George Osborne on 8th July 2015. The Budget set out proposed reforms to the welfare system, including a four-year freeze on working-age benefits; a reduction in the household benefit cap; restrictions on Child Tax Credit; and training requirements for those on Universal Credit aged 18 to 21. Alongside these welfare cuts, the Chancellor announced that rents for social

²⁵ National Planning Policy Framework (November 2012), para. 14

²⁶ <http://planningguidance.communities.gov.uk/>

²⁷ <http://planningguidance.communities.gov.uk/>

housing will be reduced by 1% per year for four years, while tenants on incomes of over £30,000, or £40,000 in London, will be required to pay market rate (or near market rate) rents. A review of 'lifetime tenancies' was confirmed, with a view to limiting their use to ensure the best use of social housing stock. Support for home ownership measures was reiterated with measures such as the extension of the Right to Buy to housing association tenants and the introduction of Help to Buy ISAs.

B.15 Alongside the summer budget of 2015 the Government published a 'Productivity Plan', ***Fixing the foundations: Creating a more prosperous nation*** (10th July 2015). This sets out a 15-point plan that the Government will put into action to boost the UK's productivity growth, centred around two key pillars: encouraging long-term investment and promoting a dynamic economy.

B.16 Of particular relevance to housing are the following points in the plan:

- Planning freedoms and more houses to buy: In order to increase the rate of housebuilding and enable more people to own their own home, a number of actions are identified including a zonal system to give automatic planning permission on suitable brownfield sites; speeding up local plans and land release, stronger compulsory purchase powers and devolution of planning powers to the Mayors of London and Manchester, extending the Right to Buy to housing association tenants, delivering 200,000 Starter Homes and restricting tax relief to landlords.
- Resurgent cities, a rebalanced economy and a thriving Northern Powerhouse: In order to rebalance the economy, which is skewed towards London and the South East, the Government is committed to building a Northern Powerhouse through £13 billion of investment in transport in the North of England during this Parliament, backing new science, technology and culture projects, devolving significant powers to an elected Mayor for Manchester, taking steps to enable the Midlands Engine for Growth to reach its full potential and working towards devolution deals with the Sheffield City Region, Liverpool City Region and Leeds, West Yorkshire and partner authorities.

B.17 The Chancellor of the Exchequer delivered his **Spending Review and Autumn Statement 2015** to Parliament on 25th November 2015. Of relevance to housing are:

- An improvement in public finances, so a moderated approach to the reform of Tax Credits/Universal Credit;
- A new 'Help to Buy Shared Ownership' scheme, removing current restrictions on who can buy shared ownership properties to anyone with a household income of less than £80,000 outside London and £90,000 in London;
- 'London Help to Buy' – a new equity loan scheme giving buyers 40% of the new home value (as opposed to 20% under the Help to Buy scheme);
- 200,000 'Starter Homes' will be built over the next five years; these are new build homes available at 20% off the market price to first-time buyers under 40, where the discounted price is less than £250,000 outside London and £450,000 in London. £2.3 billion will be given to housebuilders to provide the 20% discount on new homes;

- From 1st April 2016 an extra 3% in stamp duty will be levied on people purchasing additional properties such as buy-to-let properties or second homes;
 - Right to Buy will be extended to housing association tenants during 2016, giving 1.3 million households the chance to become homeowners;
 - £400 million for housing associations and the private sector to build more than 8,000 new 'specialist' homes for older people and people with disabilities; and
 - Consulting on reforms to the New Homes Bonus, with a preferred option for savings of at least £800 million which can be used for social care.
- B.18 In December 2015, DCLG published a **Consultation on proposed changes to national planning policy**, which is open for comment until 22nd February 2016. This consultation is seeking views on some specific changes to NPPF in terms of the following:
- broadening the definition of affordable housing, to expand the range of low cost housing opportunities for those aspiring to own their new home;
 - increasing residential density around commuter hubs, to make more efficient use of land in suitable locations;
 - supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
 - supporting the delivery of starter homes.
- B.19 In November 2015, DCLG announced a review of the Community Infrastructure Levy (CIL), which has been in use since April 2010 and seeks to provide a faster, fairer, more certain and transparent means of collecting developer contributions to infrastructure than individually-negotiated Section 106 planning obligations.

Emerging legislation

- B.20 The Conservative Government has introduced several Bills to Parliament that have direct relevance to housing issues.
- B.21 The **Housing and Planning Bill 2015-16** has been through its third reading in the House of Commons in January 2016 and will now move to the House of Lords for consideration. The Bill is intended to support the delivery of the Government's commitments as put forward in the Conservative Party manifesto and the productivity plan '*Fixing the foundations: Creating a more prosperous nation*'. Through this Bill, the Government aims to take forward proposals to build more homes that people can afford, give more people the chance to own their own home and ensure housing management is improved. The Bill seeks to achieve this, in part, by implementing reforms to the planning system to simplify and speed up neighbourhood planning and Local Plans. It also sets out the delivery framework for the Government's flagship 'Starter Homes' scheme.
- B.22 The **Welfare Reform and Work Bill 2015-16** has been through the House of Commons and is currently at Committee stage in the House of Lords. The Bill

seeks to make provisions relating to a range of welfare benefits and employment schemes, including the benefit cap, social security and Tax Credits, loans for mortgage interest, social housing rents and apprenticeships.

- B.23 The **Immigration Bill 2015-16** has been through the House of Commons and is at Committee stage in the House of Lords. The Bill includes provisions relating to private rented accommodation, administered by landlords or their agents. If new tenants in private rented housing are found to be living in the UK illegally then there are requirements for landlords to evict illegal immigrants. Action could also be taken against landlords themselves.
- B.24 The **Cities and Local Government Devolution Bill 2015-16** started in the House of Lords and has proceeded through to Third Reading stage in the House of Commons. The Commons have returned the Bill to the House of Lords with amendments, which will be considered further. This Bill is central to the Government's devolution plans for England, facilitating its vision of a 'Northern Powerhouse'. The Bill makes provision for the election of mayors, providing the legislative framework to devolve power and establish sub-national transport powers.

Overview of housing policy themes

- B.25 The 'Housing' Policy Area of the Department for Communities and Local Government website states that:

*'The government is helping local councils and developers work with local communities to plan and build better places to live for everyone. This includes building affordable housing, improving the quality of rented housing, helping more people to buy a home, and providing housing support for vulnerable people.'*²⁸

- B.26 Thus the policy focus for Government can be broken down into four areas:
- Building Affordable housing;
 - Improving the quality of rented housing;
 - Helping more people to buy a home; and
 - Providing housing support for vulnerable people.

Building Affordable housing

- B.27 In line with successive governments, the current Administration continues to seek an increase in the rate of housebuilding, setting a target of delivering one million new homes by 2020. Ongoing reform of the planning system and removing complex regulations are intended to speed up delivery. However, the policy focus is increasingly towards home ownership, with a shift from traditional Social Rented Affordable housing to Starter Homes and shared ownership.

²⁸ <https://www.gov.uk/government/topics/housing>

- B.28 Following consultation in December 2014, the previous Government launched a national Starter Homes exception site planning policy in March 2015 through a written ministerial statement *“to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land.”*²⁹ Sites where these homes are to be delivered are exempt from Affordable housing requirements and the CIL.
- B.29 In January 2016, the Prime Minister announced³⁰ that the Government will step in and directly commission thousands of new Affordable homes, seeking to fast-track housebuilding on publicly-owned land starting with five pilot sites:
- Northstowe, Cambridgeshire;
 - Daedalus Waterfront, Hampshire;
 - Old Oak Common, London;
 - Connaught Barracks, Kent; and
 - Lower Graylingwell, Chichester.
- B.30 A range of financial incentives to encourage new housing development have been implemented. Since New Year 2016, a £1.2 billion Starter Homes Fund has been announced³¹, designed to prepare brownfield sites for at least 30,000 homes, along with £6.3 million of Housing Zones funding³² for the 20 Housing Zones designated in March 2015. Together with eight further potential Zones these areas are considered to have the potential to deliver up to 45,000 new homes.
- B.31 Other projects to help finance housing development include:
- Get Britain Building programme,
 - Builders Finance Fund,
 - New Homes Bonus,
 - Build to Rent Fund,
 - Community Right to Build.
- B.32 To increase the supply of Affordable Rented homes the previous Government introduced the Affordable Rent Model³³, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing Affordable housing for people in need. In July 2014 the Homes and Communities Agency announced the Affordable Homes Programme for 2015 to 2018, which aims to invest £1.7 billion in new affordable housing to deliver 165,000 new homes by March 2018.
- B.33 In addition to the Affordable Rent Model, the Affordable Homes Guarantee scheme was launched in 2013 to support the building of new Affordable homes. The scheme offers a guarantee to providers on debt that they raise to deliver additional new build affordable homes. The guarantee aims to help

²⁹ <https://www.gov.uk/government/speeches/housing-and-planning>

³⁰ <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

³¹ <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

³² <https://www.gov.uk/government/news/tens-of-thousands-of-homes-supported-by-housing-zone-funding>

³³ Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

reduce the borrowing costs of providers thus enabling them to provide more homes. As part of the 2013 budget £450 million was announced to support the delivery of up to 30,000 Affordable homes in this way.

Improving the quality of rented housing

B.34 The Government have implemented a number of actions to improve the quality and quantity of properties for rent.

Social Rented housing

B.35 Since 2010 a series of social housing reforms have been introduced including:

- Allowing local flexibility on waiting lists (allocations) and tenancy arrangements;
- Helping social landlords stop tenant fraud and anti-social behaviour;
- Changing the housing revenue account subsidy system to a locally-controlled system where local authorities are responsible for their housing services;
- Funding local authorities to refurbish their housing stock;
- Introduction of a national home swap scheme for social housing tenants;
- Supporting tenants to play a bigger role in managing their accommodation through the tenant empowerment programme; and
- Allowing local authorities to discharge their homelessness duty in the private rented sector.

B.36 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. There have been a number of policy changes with implications for Social Rented accommodation since the General Election 2015:

- The Housing and Planning Bill includes an amendment which will limit new secure tenancies (for new council tenants) to between two and five years.
- The 'Pay to Stay' scheme involves tenants being required to pay market rents once their income exceeds £30,000, or £40,000 in London. However, at the end of 2015 the Government announced that this would be voluntary for housing associations, leading to questions regarding equality between council and housing association tenants.
- The Summer Budget 2015 announced a rent cut of 1% per year for social renters, for four years from April 2016. This has significant implications for social landlord finance.
- In October 2015, English housing associations were reclassified by ONS as being part of the public sector, adding £60 billion of debt to the national balance sheet. The consequent economic and political implications have led to the Government pledging to repeal the powers in the Housing and Regeneration Act 2008 which caused the reclassification.

Private rented housing

B.37 The private rented sector has grown significantly in recent years and the Government sees it as playing a vital role in meeting housing needs and supporting economic growth. Measures to promote the private rented sector include:

- The Build to Rent Fund, providing equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes.
- Proposals to ensure tenants receive proper protection from their landlords, including a new model tenancy agreement;
- £4.1 million funding allocated to 23 local authority areas to tackle rogue landlords and £2.6 million to tackle 'beds in sheds'.
- The Government has also set up a Private Rented Sector Taskforce to improve the quality and choice of rented housing available to tenants nationally. The Taskforce is made up of developers, investors, and housing management bodies.

Helping more people to buy a home

B.38 The primacy of home ownership remains central to the Government's housing policy approach. A number of measures promote homeownership³⁴, including:

- Help to Buy, which includes several current products³⁵:
 - Help to Buy ISA – since Autumn 2015 first time buyers can save money towards a new home deposit and the Government will boost the value of their savings by 25%. The minimum bonus is £400 and the maximum is £3,000, meaning individual savers need to save between £1,600 and £12,000 to be eligible. The bonus is available on homes worth up to £250,000, or £450,000 in London.
 - Help to Buy Equity Loan, where the Government lends up to 20% of the value of a new-build home so buyers only need a 5% cash deposit.
 - Help to Buy Mortgage Guarantee, enabling lenders to offer more high-loan-to-value mortgages (80% to 95%).
- Shared Ownership, where purchasers can buy between 25% and 75% of their home and pay rent on the remaining share. From April 2016, Help to Buy Shared Ownership will lift the existing limits so that anyone with a household income of less than £80,000, or £90,000 in London can buy a shared ownership home, with only military personnel being given priority.
- Starter Homes, which will soon be available to first-time buyers aged under 40 years old. New-build homes will be offered for sale with a 20% discount to eligible households. The maximum cost of a home will be £250,000, or

³⁴ <https://www.ownyourhome.gov.uk/>

³⁵ <https://www.helptobuy.gov.uk/>

£450,000 inside London. The cost for the developer of providing the 20% discount is to be met in lieu of delivering Affordable housing on these sites.

- Discounted Sales, where councils and housing associations build new homes for sale, some may be sold at a 25-50% discount. There are a number of criteria, including some set locally by the relevant council and housing associations who run the scheme. You must usually have a local connection to the area.
- Right to Buy, where council tenants with at least five years' tenancy might be eligible to buy their homes. Maximum discounts have been increased to £77,000, or £102,700 within London. In the case of secure council tenants living in their home when it was transferred to a housing association or similar there is also a 'Preserved' Right to Buy. A smaller discount has also been available under the Right to Acquire.
- Voluntary Right to Buy is a pilot scheme amongst a small number of housing associations, trialling the Conservative Government's flagship policy of extending the Right to Buy to housing associations. The Government plans to extend the Right to Buy beyond those in the pilot scheme but this will have significant funding implications.
- Self Build, where households find a plot of land and build or commission the construction of their own home, or work with a group in a Community Self Build project. Self Build was promoted by the Coalition Government, announcing 11 local authorities to become Right to Build 'vanguards' in September 2014 and passing the Self-Build and Custom Housebuilding Act 2015. This Act requires councils to maintain a register of those who have expressed an interest in buying serviced plots.

Housing for older and vulnerable people

- B.39 The **Care Act 2014** came into effect in April 2015, replacing existing legislation and positioning housing as a key factor in the overhaul of the care system in England. The Act encourages providers to establish and develop services that help drive change, services which:
- Promote people's independence, connections and wellbeing;
 - Prevent or postpone the need for care and support;
 - Put people in control, ensuring that services respond to what people need;
 - Give carers a right to assessment for support; and
 - Promote the integration of health and social care.
- B.40 The NHS Five Year Forward Review (October 2014) recognises the role that housing can play in promoting wellbeing and in particular keeping older people independent and healthy. This provides evidence of the strong and growing links between housing, health and social care.
- B.41 Schemes to support older and vulnerable people in their housing needs include:
- Disabled Facilities Grant, funding adaptations to properties to allow people to live in their homes for longer. This is now part of the Better Care Fund,

which aims to better integrate health and adult social services. In 2016/17 there is £394 million funding available and in his Autumn Statement 2015 the Chancellor committed to making a further £500 million available by 2019/20;

- Care and Support Specialised Housing Fund, to stimulate the market in specialist housing provision. The Government committed an additional £400 million to build 8,000 new specialist homes in the Autumn Statement 2015. The Care and Support Specialised Housing Fund is on track to deliver 4,000 new homes with a further allocation of £155 million expected early in 2016. However wider housing and welfare reforms, including the 1% reduction in social rents, will impact on the financial viability of both existing and proposed supported housing schemes;
 - FirstStop, an independent, impartial and free service offering advice and information to older people, their families and carers about housing and care options for later life;
 - Home Improvement Agencies, providing help and advice to older and disabled people, housing associations and charities; and
 - Handyperson services, delivering small home repairs and adaptations.
- B.42 Other projects of relevance to housing include the Prime Minister's Challenge on Dementia. Launched in 2012, the Challenge sought to deliver major improvements in dementia care and research by 2015, including raising awareness of the housing, care and support needs of people living with dementia and their families. In February 2015, the Prime Minister's Challenge on Dementia 2020 was published, highlighting progress and launching the next phase of the work.
- B.43 Also relating to older people's housing is the World Health Organisation's Age Friendly Cities programme, which in 2014 saw Manchester recognised as the UK's first Age Friendly city.
- B.44 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Care Act 2014 set out a new safeguarding power and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- B.45 From the April 1st 2013, Health and Wellbeing Boards (including Directors of Public Health) became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.
- B.46 In August 2012 the Government published its Homelessness Strategy, ***Making every contact count: A joint approach to preventing homelessness***. The Strategy focuses on prevention and identifies ten local challenges that need to be addressed by local authorities. These include having a Homelessness Strategy setting out a proactive approach; not placing any young person aged 16 or 17 in Bed and Breakfast accommodation; and not placing any families in Bed and Breakfast accommodation, except in an emergency and for no longer than six weeks.

- B.47 In order to prevent and tackle homelessness and rough sleeping, a range of Government funding has been provided in recent years, including:
- The Homelessness Prevention Funding, providing grants for local homelessness services;
 - The Homelessness Transition Fund, supporting 'No Second Night Out'; and
 - The Crisis Private Rented Sector Access Development Programme to help single homeless people find privately rented accommodation.
- B.48 On 17th December 2015 the DCLG announced "*a radical new package of measures to help tackle homelessness and ensure that there is a strong safety net in place for the most vulnerable people in society*"³⁶. At the same time, the Communities and Local Government Committee announced a parliamentary inquiry into the causes of homelessness and the approaches taken by national and local government to prevent and tackle homelessness. Ministers are also set to consider the option of imposing a new legal 'duty to prevent' on local authorities.

National housing reviews

- B.49 Over recent years a number of housing reviews have been undertaken to assess the housing situation and recommend ways in which it can be addressed.
- B.50 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:
- Insufficient land is being brought forward for new housing and that communities are not able to take responsibility for the homes required, or are using planning powers reactively; and
 - The capacity to build more housing has reduced significantly as it has become concentrated in the hands of a small number of volume house builders, whilst the number of smaller builders has reduced.
- B.51 Overall the report recommended that the delivery of new homes be increased to 200,000 per annum by 2020. It also recommended that capital investment should be made in housing and that housing should be a priority for the new (post-election) Government.
- B.52 The **Elphicke-House Report** (January 2015) reviewed the role of local authorities in increasing housing supply. It recommended that local authorities become housing delivery enablers in their areas, to proactively assess and lead on facilitating new housing development in their areas. To enhance the role of authorities as delivery enablers, the report recommended increased community involvement; clearer housing market assessments; increased housebuilding by reduced bureaucracy and more flexible funding.

³⁶ <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>³⁶

Telford and Wrekin Housing Strategy and Local Plan

- B.53 This SHMA (2016) will help to further inform the preparation of the Council's strategies and policies, providing a key part of the evidence base for the development plan to guide the provision of housing during the plan period.

Concluding comments

- B.54 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. The previous coalition Government had established its housing and planning priorities within the context of local decision making and accountability, reduced capital expenditure on housing, fundamental changes to welfare, a changing role for Social Rented housing, and a need for future housing investment to support economic growth. It is likely that this direction of travel will continue, with the new Conservative Government's legislative programme prioritising measures to increase access to home ownership, further reduce welfare spending, control immigration and assist devolution to cities.
- B.55 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate; this SHMA provides the Council with an excellent range of material to inform policy debate and the Local Plan process, help influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment decisions.

Technical Appendix C: Estate and letting agent review of the housing market

Introduction

- C.1 Views were sought about current market activity from a range of estate and letting agents operating across Telford and Wrekin. arc⁴ held interviews with the following agents:
- Weston Hare Estate Agents,
 - Your Move,
 - Tristons Estate Agents, and
 - Coleman Estate Agents.
- C.2 The agents were asked a series of questions about the local housing market within Telford and Wrekin. This section provides a full analysis of the findings of this research.

Location

- C.3 The housing market within Telford and Wrekin has historically been more localised with the majority of people living in the area being raised there and holding strong family ties locally. Agents feel that due to high rental demand in the area the market is becoming more diverse yet most feel this is due to the increasing amount of non-local investors and rental demand from contract workers. The lower property prices in Telford and Wrekin continue to attract these demographics however, agents highlighted that there is limited demand from non-locals looking for home-ownership due to the image and reputation of parts of the Borough.
- C.4 Popular areas for those seeking homeownership include; Priorslee, Bratton and Admaston due to the good quality properties, schools and access to transport links within these geographies. Recent investment in the area of Lawley has significantly boosted its desirability amongst families, first time buyers and professionals and agents predict that this demand will continue to rise. To the north of the Borough, Newport and Lilleshall remain popular locations amongst families and first time buyers. Demand for homeownership in these geographies is generally higher than in other areas and investor demand is much lower. Larger detached or semi-detached properties receive most demand whilst less focus is placed towards smaller dwellings such as terraced properties or flats.
- C.5 The less desirable areas were noted as falling generally towards the South of Telford and included; Woodside, Brookside, Sutton Hill and parts of Wellington. Agents recognise that these areas are heavily characterised by high-density ex-Council estates with a poor image. Therefore, the stigma attached to these areas often puts people off. Despite this, properties that fall within these geographies still perform well within the buy to let market due to

the high level of rental demand that is consistently present in these geographies.

House Prices

- C.6 Estate Agents are currently citing that market trends in the area are fairly stagnant. Although the market on the whole has picked up, most agents recognise that any growth is slow and generally focused towards key geographies within the Borough such as Priorslee, Bratton, Newport, Lilleshall and increasingly Lawley for homeownership or closer to Telford for investor demand.
- C.7 Investors are considered the most active within the sales market with most attracted to cheaper, smaller properties in and around Telford. Dwellings that offer two bedrooms and fall under the level of stamp duty perform very well. The average price of a property within Telford is around £160,000 with the average rental value at around £580pcm.
- C.8 Larger properties often receive little or slower rates of interest due to the implications of the 'bedroom tax'. This has negatively impacted some of the larger properties available in the deprived parts of the county and is particularly prominent in terraced properties or flats with more than two bedrooms. However, agents feel that larger properties in the more desirable areas closer towards Telford such as Priorslee or Lawley can still receive higher levels of interest alongside locations to the north of the Borough where demand for homeownership is higher.
- C.9 Agents believe that those seeking property are now far 'savvier' than they have been previously and are often "*on the look out for a bargain*" and aiming to get "*as much for their money as possible*". As a result, agents believe that the cheaper property prices available in Telford and Wrekin make the market "very attractive" particularly when compared with neighbouring boroughs and cities. Buyers are able to obtain much more for their money and this often boosts the popularity of some areas and/or properties as they are comparatively much cheaper. This has also generated interest from first time buyers who are now described as more "*aspirational*" than ever before and often aim to purchase a larger property as their first home.
- C.10 The area a property is in greatly affects its value and speed of sale or rent. Average property prices in Newport are around £210,500 with the average rental value at £715pcm. In other desirable postcodes such as TF5, larger properties offering four or five bedrooms can command between £250,000 - £400,000+ whilst the rental value for this type of property is usually around £750+pcm.
- C.11 By comparison, a good quality, 3-bed property in Donnington is available for around £150,000 and the average value of a property here is around £130,000. Rental values in Donnington are between £300-£600pcm. The average asking price in Sutton Hill is £94,000 however rental yields here are much higher with the average rent level at around £500-£550pcm.
- C.12 Investors often seek properties that fall under the level of stamp duty in a town centre location and many are increasingly attracted to the new build developments located in pockets around Telford. Smaller properties that fall

under £125,000 typically receive very high demand and these properties can also appeal to first time buyers.

- C.13 Vendors can be unrealistic about the value of their property however agents described most as being “*far more flexible*” than they have been in the past. Sellers will often consider offers more seriously even if they are below the asking price. Agents noted that changes to Council Tax rules which make the owner responsible for the Council Tax on a property even if it is empty have greatly influenced this and suggest that the “*cost of an empty property*” now outweighs a reduced offer but an opportunity to sell.

Rental market

- C.14 The rental market is particularly buoyant in most geographies across the Borough. The average rental price across Telford and Wrekin is around £580pcm. People are looking to rent predominantly in central locations close to amenities. Demand for rental properties is strong with properties quickly securing a tenant. Increasingly homeowners who cannot sell their properties are looking to rent to enable them to move up the property ladder.
- C.15 Many landlords will now not accept tenants who are in receipt of Housing Benefit often due to bad experiences in the past however, demand from this demographic remains high and many view private rented property as a cheaper option. The changes to the payment of Tax Credits are believed to have further bolstered this and agents are concerned that this may put many landlords off all together.
- C.16 Agents raised concerns about the number of ‘rogue landlords’ that are providing what they believe is an “*unsatisfactory level of service and property*”. They note that this is focused towards the lower end of the market where demand is believed to have increased in recent years due to the introduction of the ‘bedroom tax’. It is becoming increasingly common in the more deprived areas of the Borough with properties being left with repairs needed, issues with damp and/or in poor condition. Tenants are also less well managed and agents believe that this can lead to large amounts of rubbish being left outside properties and issues with anti-social behaviour.
- C.17 Demand from contract workers remains high due the presence of a number of industrial estates such as the Jaguar Land Rover site. This underpins much of the rental demand within the area with many workers seeking longer-term rental properties as contracts can last for between a few months and up to two years. Agents note that often these people will rent properties to live in during the week and return home at the weekend. Agents believe that this is because of the lower rental prices available in the area that often leaves this as a cheaper and more convenient option than commuting. Demand from Eastern European workers seeking this type of property is very high. Agents note that demand from Polish workers is the highest and is rising amongst Chinese workers.

First time buyer market

- C.18 The first time buyer market has seen a dramatic improvement in the last two years with performance rising year on year. Agents feel positive about this market and indicated that more readily available mortgages, help to buy schemes, gifted deposits and Government incentives have greatly influenced this growth.
- C.19 Despite this, agents were concerned that the aspirational nature of first time buyers may be placing additional pressure on the “middle market”. As the activity from first time buyers has changed so have the demands. Most are now far older than they used to be and will seek a larger home as a first home to avoid the costs associated with moving in the short term.
- C.20 The extensive investment in new build properties across Telford and Wrekin has also bolstered demand from this demographic. Agents believe that any new build property will receive and as most are offered with incentives for first time buyers, they remain a popular choice amongst this demographic.

New Build Developments

- C.21 All agents described the amount of new build development within the area as “*extensive*”. They feel that generally this has helped a number of people who may previously have been unable to access a suitable property to cater to their needs. They also note that in some geographies these properties are attracting non-locals to the area due to the lower property prices and good quality accommodation.
- C.22 Developments include a mix of dwellings although three and four bedroom semi-detached or detached developments usually receive good demand. Agents offered examples of these developments including: Taylor Wimpey’s ‘Oaks Crescent’, ‘Heritage View’ in Trench and ‘Whittingham’ at Webbs Meadow.
- C.23 Estate agents are reporting that developers are offering significant incentives for new build properties including providing deposits and part exchange as well as being able to offers buyers a choice of fixtures and fittings and holding “*deal days*”. This is making new build properties attractive to potential buyers.

Future Trends

- C.24 On the whole, agents remain confident in the market performance and recovery. Agents believe that many of the market characteristics of the area are heavily entrenched and unlikely to change in the short term due to the economic status of the area. They anticipate that the market will continue to grow although most predict that this will be much slower and steadier than it has been in the past as caution is still present within the market. The increase in non-locals moving to the area for work supported by the creation of new jobs continues to generate interest from investors and boosts demand for rental properties. Whilst extensive investment in housing within the area via the Wrekin Housing Trust is thought to be making it easier for those on low incomes to access properties.

- C.25 More easily accessible finance and an increase in first time buyers will continue to support demand across all sections of the housing market. Demand for rental properties is predicted to remain strong amongst lower income households, contract workers, young people and those in receipt of housing benefit.
- C.26 Meanwhile, the presence of affordable new build developments has assisted in boosting the appeal of the area due to the lower property prices and good quality homes available. Agents have identified families, first time buyers and investors as key demographics they believe will support this demand.

Technical Appendix D: Affordable housing need calculations

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- Step 1.3 Other groups
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- Step 2.1 New household formation (gross per year)
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- Step 2.3 Existing households falling in to need
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- Step 3.1 Affordable dwellings occupied by households in need
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- Step 4.1 Total backlog need
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- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual Social Rented capacity
- Step 4.7 Net Annual Shortfall

Introduction

- D.1 A working definition of housing need is *‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’*³⁷. Secondary data provides a robust range of information to quantify housing need in Telford and Wrekin and the extent to which additional affordable housing is required. Housing register data from two sources has been used in the calculation of housing need: Homes Direct and a separate register maintained by The Wrekin Housing Trust
- D.2 Housing needs analysis and affordable housing modelling has been prepared in accordance PPG Paragraph 2a-022 and involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock.
- D.3 The model used to derive affordable need is based on the CLG model advocated in former SHMA guidance. Analysis has been carried out at borough-wide level and in summary the needs assessment model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
 - Stage 2: Future housing need
 - Stage 3: Affordable housing supply
 - Stage 4: Estimate of annual housing need
- D.4 Table D1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Telford and Wrekin and by sub-area. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need.

³⁷ This definition was used in PPS3 and remains an appropriate summary of affordable housing need

Table D1 CLG Needs Assessment Summary for Telford and Wrekin Borough

Step	Stage and Step description	Calculation		Sub-area		
			Total	Telford	Newport	Rural Area
		Total households>>	68620	58433	5176	5011
	% households>>	100	85.2	7.5	7.3	
Stage 1: CURRENT NEED						
1.1	Homeless households and those in temporary accommodation	Current need	6965	5934	522	508
1.2	Overcrowding and concealed households	Current need				
1.3	Other groups	Current need				
1.4	Total current housing need (gross)	Total no. of households with one or more needs				
	A. % cannot afford open market (buying or renting)	%	48.4%	46.2%	62.9%	59.5%
	B. TOTAL cannot afford open market (buying or renting)	Number	3373	2742	329	303
Stage 2: FUTURE NEED						
2.1	New household formation (Gross per year)	Based on national household formation rate	710	605	53	52
2.2	Number of new households requiring affordable housing	% households unable to afford	58.1%	55.4%	75.5%	71.4%
		Number	413	335	40	37
2.3	Existing households falling into need	Annual requirement	29	25	2	2
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	442	360	42	39
Stage 3: AFFORDABLE HOUSING SUPPLY						
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	171	145	13	13
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0	0	0	0
3.3	Committed supply of new affordable units	Total	525	477	48	0
3.4	Units to be taken out of management	Total 5 yrs	1200	1022	90	88
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	-504	-400	-29	-75
3.6	Annual supply of social re-lets (net)	Annual Supply	536	497	12	27
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply	16	15	1	0
3.8	Annual supply of affordable housing	3.6+3.7	552	512	13	27
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED						
4.1	Total backlog need	1.4B-3.5	3877	3142	358	377
4.2	Quota to reduce over 5 years (20%)		20%	20%	20%	20%
4.3	Annual backlog reduction	Annual requirement	775	628	72	75
4.4	Newly-arising need	2.4	442	360	42	39
4.5	Total annual affordable need	4.3+4.4	1217	988	114	115
4.6	Annual affordable capacity	3.8	552	512	13	27
4.7	Net annual imbalance	4.5-4.6 NET	665	476	101	88

Source 2015 Housing Register; RP Core Lettings and Sales data

Data may be subject to rounding errors

Stage 1: Current need (Unmet gross need)

D.5 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. PPG Paragraph 2a-23 identifies the following types of household to be considered in housing need:

- Homeless households or insecure tenure;
- Households where there is a mismatch between the housing needed and the actual dwelling;
- Households containing people with social or physical impairment or other specific needs living in unsuitable dwellings;
- Households that lack basic facilities;
- Households containing people with particular social needs which cannot be resolved except through a move

D.6 Table D2 summarises the likely range of housing needs of households in Telford and the Wrekin.

Table D2 Summary of current housing need across Telford and Wrekin	
Category	Factor
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model
	N4 Too difficult to maintain
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move
Total no. households in need (with one or more housing need)	6,965
Total Households (2015 estimate)	68,620
% households in need	10.2%

Source: 2015 Housing Register and arc4 surveys

- D.7 There are currently around 2,377 households on the main housing registers in Telford and Wrekin. The largest register maintained by Homes Direct has just under 2,000 registered households. As households are having to re-register onto a new system following the dissolution of the previous arrangement, it is believed this could be an underestimate of overall housing need.
- D.8 The actual total of households in need has been based on other arc4 surveys which show that an average of 10.2% of all households are in some type of housing need which equates to 6,965 households

Step 1.1 Homeless households and those in temporary accommodation

- D.9 CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.
- D.10 Homelessness statistics for 2014/15³⁸ indicate that a total of 112 decisions were made on households declaring themselves as homeless across Telford and Wrekin (Table D3). Of these households, 78 were classified as homeless and in priority need. Over the five years 2010/11 to 2014/15, an annual average of 174 decisions has been made across Telford and Wrekin and an average of 115 households each year has been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2010/11	130	108
2011/12	187	137
2012/13	244	132
2013/14	199	119
2014/15	112	78
Total	872	574
Annual Average	174	115

Source: CLG Homelessness Statistics

Step 1.2 Overcrowding and concealed households

- D.11 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if

³⁸ CLG Homeless Statistics Table 784: Local authorities' action under the homelessness provisions of the Housing Acts

possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.

- D.12 It is assumed that the Housing Register includes households who are currently living in overcrowded accommodation or are concealed households and are intending on moving in the next five years.

Step 1.3 Other groups

- D.13 Table D2 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment. It is assumed that the housing register includes households experiencing these needs.

Step 1.4 Total current housing need summary

- D.14 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Telford and Wrekin is 6,985 based on the assumption that 10.2% of all households are in some need derived from recent arc4 studies which relate to around one million households. Of this need, around 2,355 is currently represented on the housing registers.
- D.15 CACI income data at sub-area has been analysed (see Chapter 4 and in particular Table 4.18 which establishes the relative affordability of different tenure options by sub-area. The proportion of households in need who could not afford open market solutions is 48.4% overall and varies by sub-area: 46.2% in Telford, 62.9% in Newport and 59.5% in the Rural Area. For Telford, this is based on lower quartile market prices and in Newport and the Rural Area, as there is limited availability of private rented dwellings, the relative affordability of lower quartile house prices is assessed. As shown in Table D1, when applying the above proportions of households in need by sub-area, the total number of households who could not afford open market prices is estimated to be 3,373 across the borough.
- D.16 The previous SHMA was based on a higher backlog priority need of 10,594, and with 83% unable to afford resulted in a backlog need of 8,611 or 1,722 each year over 5 years. The overall backlog need would have represented around 15.9% of all households which is markedly higher than the 10.2% average from arc4 surveys. Given that the housing registers are being repopulated, the 10.2% is taken as a reasonable proportion of total households in need compared with the previous SHMA.

Step 2.1 New household formation (gross per year)

- D.17 The needs analysis assumes that 710 new households form each year representing a gross household formation rate of 1.03%. Nationally, the gross household formation rate is 1.69%. This is based on the latest three-year

average national rate reported in the English Housing Survey over the period 2011/12 to 2013/14. However, CLG 2012-based household projections are predicting an annual decline in the 15-44 age cohort. It is therefore prudent to consider a more modest level of gross household formation and the 710 figure is derived from average annual household growth experienced over the period 1991 to 2011 based on ONS census data.

Step 2.2 New households unable to buy or rent in the open market

- D.18 The proportion of new households unable to buy or rent on the open market has been estimated using CACI Paycheck data. Analysis of other arc4 surveys would suggest that the lower quartile household income of newly-forming households is about 80% of the lower quartile income of all households. It is therefore assumed that the proportion who could not afford open market prices or rents is adjusted upwards by a factor of 1.2 to reflect this. Therefore, modelling assumes that 58.1% of newly forming households across Telford and the Wrekin could not afford open market prices or rents and the proportions for sub-areas are Telford 55.4%, Newport 75.5% and Rural Area 71.4%.

Step 2.3 Existing households expected to fall into need

- D.19 An estimate of the number of existing households falling into need each year has been established by drawing upon the RP lettings data. This suggests that over the three year period 2010/11, 2011/12 and 2012/13, an annual average of 29 households moved into the Social Rented sector because they had fallen into housing need and were homeless.

Step 2.4 Total newly arising housing need (gross per year)

- D.20 Total newly arising need is calculated to be 447 households each year across Telford and Wrekin.

Stage 3: Affordable housing supply

- D.21 PPG Paragraph 2a-026 suggests that '*there will be a current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply.*' The needs modelling takes account of the number of affordable dwellings that are going to be vacated by current occupiers that are fit to use by other households, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

Step 3.1 Affordable dwellings occupied by households in need

- D.22 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need³⁹.
- D.23 CORE lettings data suggests that 171 households living in affordable housing are in need and move to offset that need each year.

Step 3.2 Surplus stock

- D.24 A proportion of vacant properties are needed to allow households to move within housing stock. Across the Social Rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus Social Rented stock across Telford and Wrekin.

Step 3.3 Committed supply of new affordable units

- D.25 Over the five-year period 2010/11 to 2014/15, Council data indicates that a total of 1,506 Affordable dwellings have been completed each year. This equates to an annual average of 301 affordable dwelling completions. Going forward, there is a committed⁴⁰ delivery of 525 affordable dwellings across Telford and Wrekin, with 477 in Telford and 48 in Newport. It is assumed that the size of new dwellings reflects the range of affordable dwellings rented/sold in the past 3 years.

Step 3.4 Units to be taken out of management

- D.26 The model assumes stock losses for the following reasons:
- Sales of social rented stock to tenants 32 each year;
 - Other sales of social rented stock 184 each year;
 - Loss of intermediate tenure stock through 100% staircasing 4 each year;
 - Demolition 20 each year;
 - Resulting in an annual stock loss of 240 dwellings each year or 1,200 over a 5 year period.
- D.27 Data are based on the average stock losses over the four year period 2011/12 to 2014/15

³⁹ Housing Need Assessment Guidance (CLG, August 2007)

⁴⁰ The term 'committed' refers to units under contract.

Step 3.5 Total affordable housing stock available

- D.28 It is assumed that there are 171 (affordable) rented dwellings available over the five year period arising from households moving within the stock, new build of 525 dwellings and losses of 1,200 dwellings. This results in a total of - 504 dwellings available.

Step 3.6 Annual supply of social re-lets

- D.29 PPG Paragraph 2a-27 states that '*plan makers should calculate the level of likely future affordable housing supply taking into account future annual supply of social housing re-lets (net), calculated on the basis of past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels), and the future supply of intermediate affordable housing.*'
- D.30 The needs model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the years 2010/11 and 2012/13⁴¹. This information can be used to accurately assess the likely capacity of the Social Rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring Affordable housing to access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:
- **Exclude** those moving into accommodation from outside Telford and Wrekin and households moving within the Social Rented stock; and
 - **Include** households who moved from within Telford and Wrekin into social renting from another tenure; newly-forming households originating in Telford and Wrekin and moving in social renting; and households moving from specialist/supporting housing from within Telford and Wrekin into Affordable housing.
- D.31 Modelling therefore assumes an annual capacity of 536 Social Rented dwellings let to new tenants i.e. households originating in Telford and Wrekin who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation (Table D4).

⁴¹ Note that data for 2011/12 has been excluded as it is suggesting only 578 lettings

Table D4 Affordable dwelling capacity through relets/sales				
No. of bedrooms	Sub-Area			Total
	Telford	Newport	Rural Area	
1	125	1	5	131
2	240	9	16	265
3	121	1	5	126
4 or more	11	1	1	13
Total	497	12	27	536

Source: RP CORE data annual average 2010/11 and 2012/13

Note: Table subject to rounding errors

Step 3.7 Annual supply of intermediate re-lets/sales

D.32 Table D5 also presents a summary of the average annual supply of 16 intermediate tenure dwellings which have either been sold or re-let over the three year period 2010/11, 2011/12 and 2012/13 as recorded in CORE Sales data.

Table D5 Affordable dwelling capacity through relets/sales				
No. of bedrooms	Sub-Area			Total
	Telford	Newport	Rural Area	
2	11	1	0	11
3	3	0	0	4
4	1	0	0	1
Total	15	1	0	16

Source: RP CORE data annual average 2010/11 and 2012/13

Note: Table subject to rounding errors

Summary of Stage 3

D.33 Overall, the model assumes an existing affordable supply of 536 rented and 16 intermediate tenure lettings/sales resulting in a total supply of 552 affordable dwellings each year.

Stage 4: Estimate of annual housing need

Overview

D.34 Analysis has carefully considered how housing need is arising within Telford and Wrekin by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.

D.35 This has been reconciled with the supply of Affordable dwellings which considers location, size and designation (i.e. for general needs or older

person). Based on the CLG modelling process, analysis suggests that there is an overall annual gross imbalance of 1,217 affordable dwellings and after taking into account affordable supply results in an annual net imbalance of 665 dwellings.

- D.36 For critical stages of the needs assessment model (Step 1.1, Step 1.4, Step 2.4 and Step 3.8), information is broken down by property size. This allows for a detailed assessment of the overall housing requirements of households in need and provides clear affordable requirement information. In turn, this can help identify where there are shortfalls and sufficient capacity of affordable housing, and help to shape policy responses.
- D.37 Stage 4 brings together the individual components of the needs assessment to establish the total gross and net annual imbalances.

Step 4.1 Total backlog need

- D.38 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4B minus total Affordable housing stock available (Step 3.5). The total backlog need is 3,878.

Steps 4.2 to 4.6

- D.39 Step 4.2 is a quota to reduce the total backlog need. this assumes a standard reduction of 20% with a view to eliminating the backlog over a five year period.
- D.40 Step 4.3 is the annual backlog reduction based on Step 4.2 (776 each year).
- D.41 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (442 each year).
- D.42 Step 4.5 is the total annual Affordable need based on Steps 4.3 and 4.4 (1,217 each year).
- D.43 Step 4.6 is the annual Social Rented/intermediate tenure capacity based on Step 3.8 (552 each year).

Total imbalance

- D.44 Table D6 summarises the overall annual net Affordable housing requirements for Telford and Wrekin by property size and sub-area

Table D6: Annual affordable housing imbalance by property size 2015/16 to 2019/20

Gross annual imbalance				
No. of Bedrooms	Sub-Area			Telford and Wrekin
	Telford	Newport	Rural Area	
	Gross	Gross	Gross	
1	332	38	38	408
2	459	53	54	566
3	160	18	19	197
4	37	5	4	46
Total	988	114	115	1217
Net annual imbalance				
No. of Bedrooms	Sub-Area			Telford and Wrekin
	Telford	Newport	Rural Area	
	Net	Net	Net	
1	207	37	33	277
2	208	44	38	290
3	36	17	14	67
4	25	3	3	31
Total	476	101	88	665

Sources: 2015 Housing Register; RP CORE Lettings and Sales

Note: Table subject to rounding errors

Technical Appendix E: Reviewing the future profile of dwelling stock in Telford and Wrekin

Introduction

- E.1 In order to determine the potential range of new dwelling stock appropriate for Telford and Wrekin, analysis has considered:
- The current stock profile of the District by type and size;
 - The profile of households by age of Household Reference Person (HRP) and how this is expected to change over the period 2011 to 2031;
 - The range of dwelling types and sizes occupied by households by age and type;
 - Future requirements for dwelling types and sizes based on the anticipated change in household profile;
 - A final adjustment to account for the 9,940 OAN dwelling figure.

Current stock profile of Telford and Wrekin by type and size

- E.2 Latest data from the Valuation Office Agency on dwelling type and size is presented in Table E1. This data relates to all dwellings and not just occupied households and therefore varies slightly from the 2011 Census data.
- E.3 Overall 79.8% of dwellings are houses (with 47.6% of all dwellings 3 bedroom houses), 10.5% are flats and 9.7% are bungalows. Variation in dwelling type by sub-area are shown in Table D1, for instance the proportion of houses with 4 or more bedrooms is highest in the Rural Area (30.7%) compared with Telford (17.1%) where the proportion of three bedroom houses is highest (48.7%).

Profile of households by age group and broad household type 2011-2031

- E.4 Data used by PBA in their OAN calculation identifies the total number of households by age of HRP and household type over the period 2011 to 2031 (Table E2). Data indicates an overall increase of 9,634 households between 2011 and 2031, mainly fuelled by an increase in households with a HRP aged 60 and over.

Table E1 Dwelling type/size profile											
Sub-area	Dwelling type/size									Total (Known type/size)*	Base
	1 Bed House	2 Bed House	3 Bed House	4 or more Bed House	1 Bed Flat	2 Bed Flat	3+ Bed Flat	1-2 Bed Bungalow	3+ Bed Bungalow		
Telford	0.4	13.8	48.7	17.1	4.7	6.1	0.2	7.4	1.6	100.0	59290
Newport	1.8	8.8	41.8	21.9	6.2	5.8	0.8	9.6	3.2	100.0	4980
Rural Area	0.2	10.3	41.9	30.7	1.7	0.9	0.2	6.8	7.3	100.0	5730
Telford and Wrekin Total	0.4	13.1	47.6	18.6	4.6	5.7	0.3	7.5	2.2	100.0	70000

Source: Valuation Office Agency 2014

* Total dwellings reported is 71,030, with missing data on type and/or size for 1,030 dwellings

Table E2 Change in number of households by household type and HRP 2011-2031								
Year	Household type	Age of Household Reference Person (HRP)						Total
		15-24	25-34	35-44	45-59	60-84	85+	
2011	Couple	1,082	5,273	8,596	12,441	11,027	381	38,800
	Prev Married/Single	1,847	4,313	4,836	6,523	8,958	1,382	27,859
	Total	2,929	9,586	13,432	18,964	19,985	1,762	66,659
2016	Couple	1,107	5,102	7,557	13,114	11,974	503	39,357
	Prev Married/Single	1,930	4,732	4,441	7,119	10,136	1,524	29,882
	Total	3,037	9,834	11,999	20,233	22,110	2,027	69,239
2021	Couple	994	4,996	7,501	13,138	12,601	650	39,880
	Prev Married/Single	1,882	5,059	4,675	7,099	11,329	1,816	31,860
	Total	2,876	10,055	12,176	20,237	23,930	2,466	71,740
2026	Couple	935	4,991	7,913	12,251	13,533	870	40,493
	Prev Married/Single	1,917	5,171	5,072	6,542	12,638	2,210	33,550
	Total	2,852	10,162	12,985	18,793	26,172	3,080	74,043
2031	Couple	1,086	4,608	8,216	11,738	14,377	1,174	41,199
	Prev Married/Single	2,164	4,964	5,403	6,208	13,549	2,805	35,094
	Total	3,250	9,572	13,620	17,946	27,926	3,979	76,293
Change 2011-2031	Couple	4	-665	-380	-703	3,350	793	2,399
	Prev Married/Single	317	651	567	-315	4,591	1,423	7,235
	Total	321	-14	188	-1,018	7,941	2,216	9,634

Source: PBA

Range of dwelling types and sizes occupied by households by age and type

- E.5 There is a range of secondary data available including the English Housing Survey and the 2011 Census which can provide data relating to dwelling type and size. That said, the link between household type/age of HRP and dwelling type/size is more difficult to ascertain from these sources. However, data from other arc⁴ studies can be used to determine this link. Data from five recent household surveys has been assembled to explore the relationships between dwelling type/size and household type/age. Given that this results in a combined sample of 12,200 household interviews weighted to reflect a total of 419,500 households, this is a reasonable dataset from which relationships can be established⁴². The profile of dwelling type and size by HRP derived from the household survey datasets is presented in Table E3.
- E.6 A further adjustment to the data was necessary to take account of underlying variations between the stock profile in Telford and Wrekin compared with the five Districts. Telford and Wrekin has proportionately more 4 or more bedroom houses and fewer 2 bedroom houses compared with these areas.

⁴² Household surveys from 2015 Wrexham/Flintshire Local Housing Market Assessment, Bolton 2015 Housing Needs Assessment, Stockport 2015 Housing Needs Assessment, North Tyneside 2014 Strategic Housing Market Assessment

Table E3 Dwelling type and size by age group of Household Reference Person and Household Type

HRP age	Dwelling type/size	% by HRP age and household type		Total
		Couple	Single	
15-24	1 Bed House	0.0	0.0	0.0
	2 Bed House	28.0	34.0	29.8
	3 Bed House	22.6	21.0	22.1
	4 or more Bed House	3.0	3.2	3.1
	1 Bed Flat	9.3	13.1	10.4
	2 Bed Flat	36.6	28.6	34.2
	3+ Bed Flat	0.0	0.0	0.0
	1-2 Bed Bungalow	0.5	0.0	0.4
	3+ Bed Bungalow	0.0	0.0	0.0
	Total	100.0	100.0	100.0
25-34	1 Bed House	0.2	1.8	0.7
	2 Bed House	25.1	36.8	28.7
	3 Bed House	52.7	20.2	42.7
	4 or more Bed House	11.0	1.4	8.0
	1 Bed Flat	2.3	16.8	6.7
	2 Bed Flat	5.6	20.2	10.1
	3+ Bed Flat	1.5	0.0	1.0
	1-2 Bed Bungalow	1.0	2.4	1.5
	3+ Bed Bungalow	0.7	0.4	0.6
	Total	100.0	100.0	100.0
35-44	1 Bed House	0.3	0.0	0.2
	2 Bed House	13.6	30.1	18.8
	3 Bed House	49.1	33.8	44.3
	4 or more Bed House	31.0	6.1	23.1
	1 Bed Flat	0.6	14.2	4.9
	2 Bed Flat	2.4	12.5	5.6
	3+ Bed Flat	0.4	1.6	0.8
	1-2 Bed Bungalow	1.2	1.3	1.2
	3+ Bed Bungalow	1.4	0.3	1.0
	Total	100.0	100.0	100.0
45-59	1 Bed House	0.1	1.1	0.5
	2 Bed House	12.7	23.7	17.4
	3 Bed House	44.1	35.7	40.5
	4 or more Bed House	32.1	10.0	22.6
	1 Bed Flat	1.0	13.2	6.3
	2 Bed Flat	2.9	10.5	6.2
	3+ Bed Flat	0.8	0.6	0.7
	1-2 Bed Bungalow	3.5	3.6	3.5
	3+ Bed Bungalow	2.9	1.6	2.3
	Total	100.0	100.0	100.0
60-84	1 Bed House	0.3	1.1	0.6
	2 Bed House	10.7	18.9	14.1
	3 Bed House	42.3	30.2	37.2
	4 or more Bed House	22.2	7.3	15.9

Table E3 Dwelling type and size by age group of Household Reference Person and Household Type

HRP age	Dwelling type/size	% by HRP age and household type		Total
		Couple	Single	
	1 Bed Flat	1.7	14.7	7.1
	2 Bed Flat	3.4	10.1	6.2
	3+ Bed Flat	0.8	0.5	0.7
	1-2 Bed Bungalow	10.8	12.7	11.6
	3+ Bed Bungalow	7.9	4.5	6.5
	Total	100.0	100.0	100.0
85+	1 Bed House	0.0	0.0	0.0
	2 Bed House	10.9	14.1	13.3
	3 Bed House	38.1	27.5	30.4
	4 or more Bed House	9.6	6.1	7.0
	1 Bed Flat	3.5	14.9	11.9
	2 Bed Flat	9.7	8.3	8.7
	3+ Bed Flat	0.5	0.4	0.5
	1-2 Bed Bungalow	19.4	22.5	21.7
	3+ Bed Bungalow	8.4	6.1	6.7
Total	100.0	100.0	100.0	
All HRPs	1 Bed House	0.2	0.9	0.5
	2 Bed House	13.8	23.2	17.6
	3 Bed House	44.9	31.6	39.5
	4 or more Bed House	25.1	7.6	18.0
	1 Bed Flat	1.5	14.3	6.7
	2 Bed Flat	3.9	11.4	6.9
	3+ Bed Flat	0.8	0.6	0.7
	1-2 Bed Bungalow	5.6	7.7	6.5
	3+ Bed Bungalow	4.3	2.7	3.6
	Total	100.0	100.0	100.0
	Base	247696	168656	416352

Source: Household surveys from 2015 Wrexham/Flintshire Local Housing Market Assessment, Bolton 2015 Housing Needs Assessment, Stockport 2015 Housing Needs Assessment, North Tyneside 2014 Strategic Housing Market Assessment

Future dwelling requirements based on the anticipated change in household profile

E.7 Table E4 summarises the overall profile of dwellings based on the likely profile of households by HRP and household type in Telford and Wrekin. It uses the 2011 to 2031 PBA household data as a base and the proportion of households by HRP age and household type derived from the combined household survey data. The same proportions are applied to the 2031 household data to establish the range of additional dwellings that are likely to be required to support the changing demography of Telford and Wrekin.

Table E4 Overall dwelling requirements by type and size					
Dwelling type and size	2011	2031	Change	% change	% of new dwelling stock
1 Bed House	295	334	39	13.2	0.4
2 Bed House	8761	9694	933	10.6	9.7
3 Bed House	31749	35723	3974	12.5	41.2
4 or more Bed House	12370	13666	1296	10.5	13.5
1 Bed Flat	3038	3582	544	17.9	5.6
2 Bed Flat	3790	4311	521	13.7	5.4
3+ Bed Flat	171	192	20	11.9	0.2
1-2 Bed Bungalow	5028	6884	1856	36.9	19.3
3+ Bed Bungalow	1457	1908	451	31.0	4.7
Total	66659	76293	9634	14.5	100.0

E.8 Given the considerable increase in older people expected in Telford and Wrekin over the period 2011-2031, a sensitivity analysis linked to the aspirations expressed by HRPs aged 60 and over from a recent household survey has been applied to the Telford and Wrekin demographic data.

E.9 Table E5 indicates that a range of dwelling types and sizes are aspired towards, in particular bungalows. However, the data illustrates that there is a continued aspiration for houses, particularly with 3 bedrooms, amongst older people.

Table E5 Aspirations of households planning to move where HRP is aged 60 and over			
Dwelling type and size	Aspiration	Actual occupied dwelling stock	Variance
1 Bed House	0.6	0.5	0.0
2 Bed House	11.6	14.4	-2.8
3 Bed House	23.7	37.2	-13.6
4 or more Bed House	13.5	16.2	-2.7
1 Bed Flat	1.6	4.9	-3.3
2 Bed Flat	4.1	3.7	0.5
3+ Bed Flat	1.2	0.2	1.0
1-2 Bed Bungalow	24.8	16.1	8.7
3+ Bed Bungalow	18.9	6.8	12.1
Total	100.0	100.0	
<i>Base</i>	22314	2723	

Source: Wrexham LHMA applied to Telford and Wrekin

E.10 Table E5 summarises overall dwelling requirements by type and size when sensitivity analysis regarding the aspirations of households with a HRP aged

60 and over are considered. This would principally result in a slight increase in the number of bungalows required and reduction in the number of three bedroom houses.

Dwelling type and size	Revised number	% of new dwelling stock
1 Bed House	39	0.4
2 Bed House	907	9.4
3 Bed House	3435	35.7
4 or more Bed House	1262	13.1
1 Bed Flat	526	5.5
2 Bed Flat	523	5.4
3+ Bed Flat	21	0.2
1-2 Bed Bungalow	2017	20.9
3+ Bed Bungalow	506	5.2
Total	9634	100.0

Final adjustment

E.11 This analysis has focused on the impact of household change on overall dwelling requirements. However, a further adjustment is required to factor in the variation between total households and total dwellings. This requires an uplift from 9,634 to 9,940 dwellings over the period 2011-2031. Table E7 summarises the final analysis based on the principal and variant scenarios. This suggests that under both scenarios, the delivery of three and four bedroom houses and one and two bedroom bungalows are particular priorities.

Dwelling type and size	Principal analysis		Variant analysis (factoring in aspirations of HRPs aged 60 and over)	
	% of new dwelling stock	Number of dwellings	% of new dwelling stock	Number of dwellings
1 Bed House	0.4	40	0.4	40
2 Bed House	9.7	962	9.4	936
3 Bed House	41.2	4100	35.7	3544
4 or more Bed House	13.5	1338	13.1	1302
1 Bed Flat	5.6	561	5.5	543
2 Bed Flat	5.4	537	5.4	540
3+ Bed Flat	0.2	21	0.2	21
1-2 Bed Bungalow	19.3	1915	21.8	2167
3+ Bed Bungalow	4.7	465	5.3	526
Total	100.0	9940	100.0	9940

Concluding comments

- E.12 The purpose of this analysis has been to consider the likely dwelling type and size requirements of households in Telford and Wrekin linked to the anticipated increase in 9,634 households over the period 2011 to 2031 and a dwelling requirement of 9,940. In the absence of locally sourced data, data from household surveys from other studies have been used. Analysis considered the profile of dwelling stock occupied by households by HRP and household type. This data was applied to future household information provided by PBA to determine the likely change in dwelling requirement by type and size over the period 2011 to 2031. A variant scenario linked to the aspirations of households with a HRP aged 60 and over has also been considered.
- E.13 The analysis concludes that there are three key dwelling types particularly required across Telford and Wrekin: 3 bedroom houses, 4+ bedroom houses and 1-2 bedroom bungalows in addition to ongoing development of other property types and sizes as illustrated in Table D4. Under the alternative scenario factoring in aspirations of older people, the proportion of three bedroom houses reduces and the proportion of bungalows increases from 24% of additional dwelling stock to 27.1%.

Technical Appendix F: Monitoring and updating

A framework for updating the housing needs model and assessment of affordable housing requirements

Introduction

- F.1 Having invested considerable resources in obtaining an excellent range of primary and secondary data, it is vital that this information be used to the maximum effect and updated on a regular basis. The purpose of this appendix is to establish a framework for updating the housing needs model and affordable housing requirements. In addition, it recommends the regular monitoring and review of housing market activity and regular reflections on the wider strategic context.

Updating of baseline housing needs and affordable housing requirements

- F.2 A baseline assessment of housing need across Telford and Wrekin Borough has been derived from secondary data. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information is updated on an annual basis using the latest housing register information, which has a shelf-life of three to five years (with a recommended refresh of household information after 2018/19 through primary surveying).
- F.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- Changes in house prices and rental costs;
 - Capacity of the Social Rented sector; and
 - Availability of intermediate tenure housing.

Changes in house prices and rental costs

- F.4 It is recommended that the annual purchase of address-level house prices to complement the existing dataset continues. This will result in an annual refresh of house price data by survey area and provide an indication of changing lower quartile prices. In turn, these can be applied to **Step 1.4** of the needs assessment model which considers the extent to which households in need can afford open market prices. As part of this analysis, updated information on private rented sector rents needs to be secured. Several websites can provide a snapshot of private rents and help inform this element of the update.
- F.5 Lower quartile prices and private sector rents should also be compared with the income profile of newly-forming households at **Step 2.2** of the needs assessment model.

Capacity of the Social Rented sector

- F.6 The capacity of the Social Rented sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).
- F.7 A dataset has been prepared for RP CORE data for 2010/11, 2011/12 and 2012/13 as part of this research. This includes some additional variables identifying the characteristics of households (by designation i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the Social Rented sector is based on the number of lettings to households from within the Local Authority Borough who were previously living in (non Social Rented or intermediate) tenure.

Availability of Intermediate tenure housing

- F.8 CORE Sales data can identify the availability of Intermediate tenure housing (**Step 3.7**). Data has been assembled for 2010/11, 2011/12 and 2012/13.

Annual adjustments to Affordable requirements

- F.9 Datasets can be provided from which annual reviews of Affordable requirements can proceed. This will point to any adjustment in net requirements by survey area, designation and property size.

Determining an appropriate tenure split

- F.10 We would recommend that the Council encourages the managing agents of housing registers to record applicant income, access to savings and tenure preferences to further refine the tenure split of affordable dwellings across Telford and Wrekin.

Updating of contextual information

- F.11 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

Reflections on the general strategic context and emerging issues

- F.12 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- F.13 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

Concluding comments

- F.14 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Telford and Wrekin. We believe that this study provides a robust evidence base which has the capacity to be updated.
- F.15 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.

Technical Appendix G: National Planning Policy Framework and Planning Practice Guidance Checklist

National Planning Policy Framework

G.1 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.

G.2 The SHMA has delivered the requirements of the NPPF.

Planning Practice Guidance

Paragraph (no.)	Response
Methodological Approach (014)	Guidance states that establishing future need is not an exact science and no single approach will provide a definitive answer. This SHMA has used a multi-method approach involving secondary data analysis, stakeholder consultation and a review of demographic scenario analysis
Starting point for establishing the need for housing and use of projections (015)	Household projections published by the DCLG have provided the starting point to establish the need for housing through work carried out by PBA. The latest projections (2012-based) have been used
Adjusting household projections (017)	The SHMA has considered work carried out by PBA. In this work, sensitivity testing of CLG household projections using alternative assumptions in relation to underlying demographics and household formation rates has taken place
Employment	The likely change in jobs numbers using economic forecasts has been

Paragraph (no.)	Response
trends (018)	considered in PBA scenario work.
Market signals (019)	The SHMA has considered market signals relating to dwelling price and quantity. This has included comparative analysis of trends in similar districts, West Midlands and England
Response to market signals (020)	Market signals have been considered but would suggest no uplift in dwelling delivery is required
Need for all types of housing (021)	The SHMA has considered the range of market and affordable dwellings required for all household types, including family housing, housing for older people, people wanting to build their own homes and households with specific needs. The role of the Private Rented Sector has also been considered
Calculating affordable housing need (022)	Current unmet need and projected future housing need has been calculated and subtracted from the current supply of affordable housing stock
Households considered to be in need (023)	Analysis has considered the groups specified in guidance, namely: homeless households or insecure tenure; mismatch between need and dwelling; social or physical impairment and living in unsuitable housing; lacking basic facilities; particular social needs with the assumptions that such households are represented on the Housing Registers.
Calculating unmet gross need (024)	This has been calculated using housing register evidence
Newly arising affordable need (025)	Calculations have taken account of the proportion of newly-forming households who cannot afford lower quartile market housing (to buy or rent)
Total affordable supply (026)	Calculations take account of current supply of affordable housing through households in need moving, surplus stock, committed supply and units taken out of management
Future relets and intermediate tenure sales (027)	Calculations take account of the likely level of dwellings being let/sold based on the most recent 3 year trends in lettings and sales
Total affordable need (028)	Annual flow (imbalance) of affordable need has been calculated based on total need from existing households and newly-forming households minus supply. The split between rented/intermediate tenure (including Starter Homes) dwellings has been considered along with the size (no. beds) and designation (general needs/older person) of affordable dwellings.