

# Housing needs

There are a number of key issues that tell us that there is a substantial need for more housing across the district:

- Demographic forecasts of population growth;
- A very expensive local housing market – a large private rented sector, high rent levels and high house prices;
- High numbers of people on our housing register;

Further information on each of these issues is set out in this section which again draws heavily upon the JSHMA and associated update.

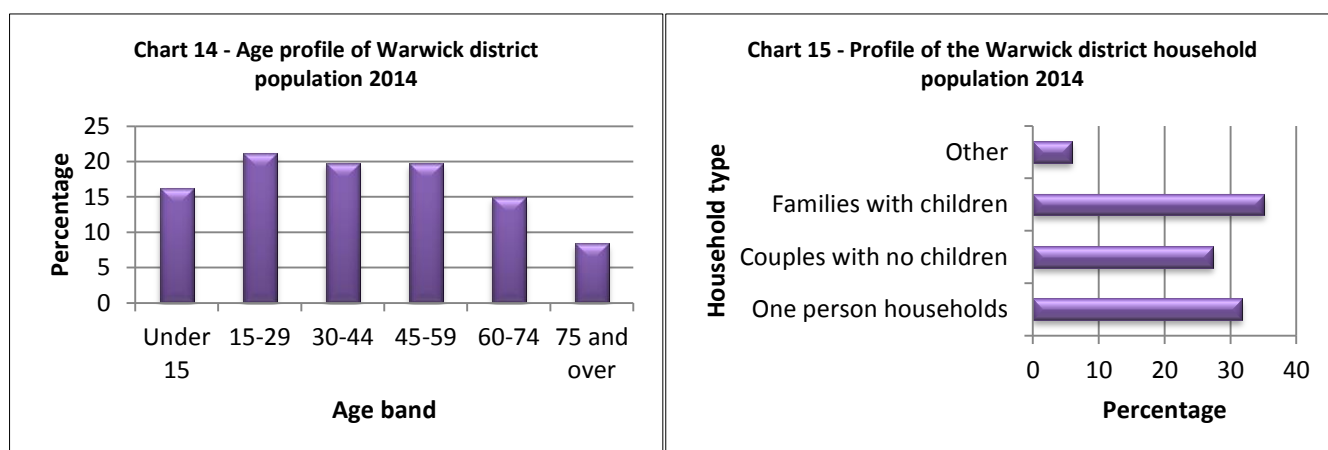
Homelessness is another key indicator of need and this is covered in a later section.

## Demographic forecasts

A key driver of the housing market and the needs of the district is the size of the population, in terms of people and households, and how it is expected to change in the future.

As at the 2011 Census the population of the district was 137,600 people comprising 58,700 households so that the average household size was 2.34 persons.

The age profile of the population in 15-year bands is shown in chart 14 while types of household are profiled in chart 15.



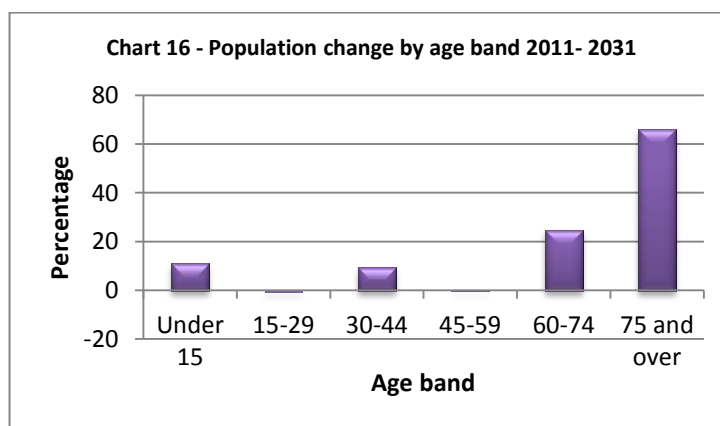
An important facet of the household population of the district that is not clear from the above chart is the number of students in the district. Full-time students account for 1.7% of households and are included in the "Other" category above. While this may not sound like a lot it is almost three times the national figure of 0.6% and puts Warwick in the top 10% of districts for students nationally.

The population grew by 9.3% between the two censuses of 2001 and 2011 while the growth in households was 9.9% over the same period.

In the 13 years from 2001/02 to 2013/14 the components of population growth were:

- 43% due to net internal migration (people moving to/from other parts of the country);
- 31% due to natural change (births and deaths); and
- 26% due to net international migration (people moving to/from other countries).

The population is projected to grow by a further 12.6% from 2011 to 2031 to 155,100 forming an additional 11,600 households (19.8% growth) with average household size falling to 2.2 people suggesting a big increase in single-person households. Looking at the change in population in each 15-year age band it is clear to see that the biggest increases are at the older end of the spectrum as chart 16 shows.



## Affordability

Among other things the earlier parts of this section have set out the average costs of accessing the various tenures available in the district. In order to put this into context it is important to also consider the incomes of the population of the district but unfortunately there is no single authoritative source for this data.

Data from the Office for National Statistics states that average earnings for employees living in the district were £32,582 in 2015 while the median figure was £26,022. This excludes those in self-employment, for whom income details are much more difficult to locate from official figures.

However bespoke analysis for the JSHMA update that used a range of data sources and modelling assumptions, that would theoretically include all employment, suggested that the figures were £39,344 for the average and £29,925 for the median.

In considering affordability it is accepted practice to consider the price at "entry-level", normally taken to be the cheapest 25%, or "lower quartile" of properties compared to the lower quartile of earnings in the district. In 2013 this ratio for house prices was 7.82 compared to the national figure of 6.45.

The following table shows the lower quartile for-sale price in 2014 (taken from the JSHMA update)

<b>Table 5 – Lower quartile sale prices, 2014</b>	
<b>Property type</b>	<b>Price of cheapest 25% (£)</b>
Flat	127,900
Terraced	182,950
Semi-detached	201,000
Detached	315,000

The JSHMA update went on to find that the income required to be able to afford to buy a property at the lower quartile price was £51,430. Household income data from Hometrack suggests that 69% of households in the district earn less than this and theoretically therefore could not afford to buy a home at the lower quartile price.

The update also set out lower quartile private rent levels for various sizes of properties. In the private rental market Local Housing Allowance (LHA) is available for tenants as a system of financial support for people who need help to pay a private sector rent. The maximum level of private sector rent that can be met by LHA varies according to geographic area, known as Broad Rental Market Areas (BRMAs). While there are very small parts of the north and north-west of the Warwick district that fall in the Coventry BRMA and the Solihull BRMA respectively, the vast majority of the district is in the Warwickshire South BRMA so only this is included in the table below alongside the lower quartile rents from the JSHMA update.

<b>Property size</b>	<b>Price of cheapest 25% (£ per month)</b>	<b>Maximum rent that can be met by LHA (£ per month)</b>
Single room	329	291
One bedroom	550	511
Two bedroom	695	645
Three bedrooms	800	780
Four plus bedrooms	1,175	1,027

This shows that a household renting a property in the private sector at a lower quartile rent on an income low enough to be entitled to maximum Local Housing Allowance would not have their full rent covered and would have to fund a proportion of their rent from other benefits.

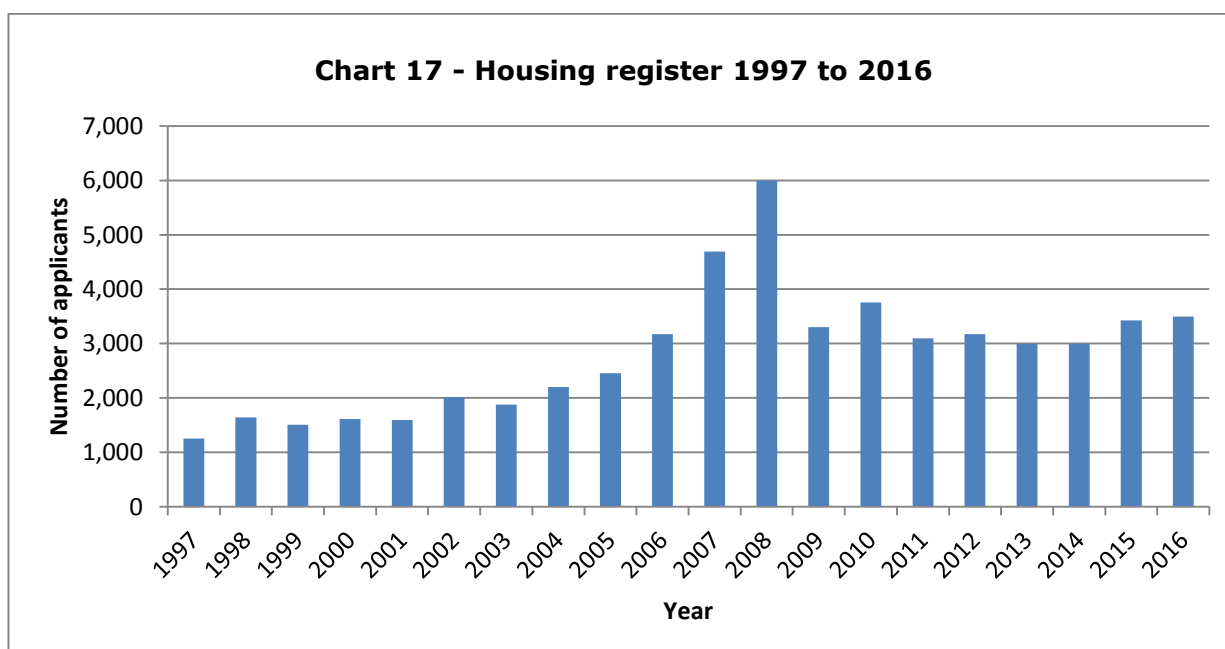
As at February 2016 there were 1,448 private tenants in the district claiming Local Housing Allowance. This is roughly 13% of all private tenants, well below the national figure which is around 35%.

### **The housing register**

It is generally acknowledged that councils' housing registers are not definitive indicators of housing need for a number of reasons: people in need may not be registered; high proportions of people without a need may be registered either in hope or simply as a future safeguard; different councils define housing need differently; registers are not always well-maintained so that there may be significant numbers of applicants whose circumstances have changed and are therefore different to those that are recorded on the register.

Nevertheless provided that it is not considered as the only source of information and that the above limitations are borne in mind the housing register can still be used as one indication of levels of need in the district.

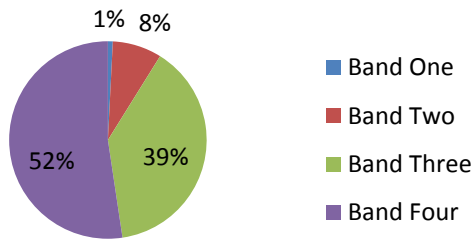
As at 21<sup>st</sup> April 2016 there were 3,496 households on the register. This was almost the same number as the previous April. The long term trend is shown on chart 17.



The number of applications was fewer than 2,000 until 2002 and first exceeded 3,000 in 2006. It increased hugely in 2007 and 2008 to almost 6,000 but fell back sharply in 2009. From 2011 it was consistently around 3,000 until increasing to around 3,500 in 2015.

The degree of housing need being experienced by an applicant is measured by their "banding" where band one represents the highest need and band four represents no housing need.

**Chart 18 - Housing register by band, April 2016**



**Key points**

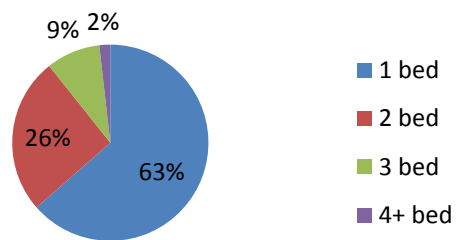
- Only 1% (28 applicants) are in the highest need.
- The two highest need bands together account for fewer than 10% of applicants.
- More than half of applicants on the housing register are assessed as having no housing need.

The housing register can also be analysed according to how many bedrooms the applicant needs

**Key points**

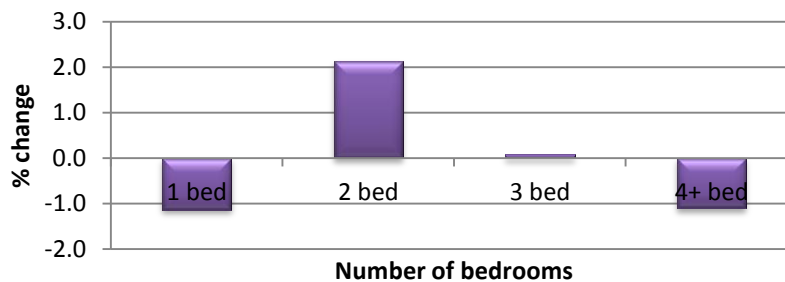
- By far the most predominant need is for one-bedroom property, accounting for almost two-thirds of applicants.
- Just over a quarter of applicants need two bedrooms.
- There is a very small need for large properties with four or more bedrooms.

**Chart 19 - Housing register by bedroom need, April 2016**



A similar analysis was carried out in June 2013 so that it is possible to see how this has changed over the last three years. This is shown on the following chart.

**Chart 20 - Change in housing register bedroom need 2013 - 2016**



It is important to note the scale on the vertical axis: these are relatively small changes. The biggest change is an increase of a little over 2% in two-bed need offset by falls of around 1% each in one-bed and four-bed need but the picture overall is relatively stable.

**The overall housing needs of the district**

The JSHMA update considered all of the demographic, economic, market, affordability and needs information and drew this together to form conclusions about the housing needs of each of the districts in the housing market area (HMA). The following are the conclusions from that study.

Across the whole of Coventry and Warwickshire there is an objectively assessed need for 4,272 new homes per annum from 2011 to 2031. Of this total the Warwick district needs 600 new homes per year.

Based upon the definition of affordable housing set out in the National Planning Policy Framework 2012 (i.e. not including starter homes) the annual affordable housing need is 1,462 new homes across the HMA and 280 in Warwick district. This represents 39% of the HMA housing need and 47% of the Warwick district housing need.

Based on the income profile for Warwick district the net need from households who cannot afford more than social rent levels is 62%. From those able to afford more than social rents without welfare benefits but not able to afford equity-based products the need amounted to 24% and the net need for equity-based products was 14%.

As regards the Affordable Rent product the JSHMA notes that Affordable Rents will be higher than current Social Rents and that "This suggests that for new build, in viability terms, Affordable Rent might work for some sizes and locations – the affordability of such accommodation should however also be considered. This latter point provides some support for providing Affordable Rent at below the 80% maximum (particularly for larger properties), particularly in terms of limiting the growth in the benefit bill."

The JSHMA also provides guidance on the mix by size of properties for both market and affordable housing as follows:

	<b>One-bed</b>	<b>Two-bed</b>	<b>Three-bed</b>	<b>Four-bed</b>
Market mix	5 – 10%	25 – 30%	40 – 45%	20-25%
Affordable mix	30 – 35%	25 – 30%	30 – 35%	5 – 10%

It goes on to state that "Individual authorities may therefore decide to provide an alternative proportion of one bedroom homes, in particular taking account of the fact that one bedroom homes:

- Make no provision for future household growth;
- Restrict opportunities to have guests to stay;
- Restrict opportunities for people to have access rights to their children;
- Do not accommodate couples who need a bedroom each, for example because of disability;
- Do not present an attractive option for people looking to downsize."

### **Rural housing needs**

As well as the assessment of housing needs at a district level that supports strategic planning we also commission much more localised parish-level housing needs surveys. Warwickshire Rural Community Council carries out these studies on our behalf provided that it can secure the support of the local parish council. The purposes of these surveys are twofold: to consider whether an exception to planning policy could be justified to provide affordable housing on a site that would not normally get planning permission; and to trigger the rural housing allocations policy in that parish. Both of these are explained in more detail on the following page.

These surveys are generally considered to have a "shelf life" of five years. At the time of writing surveys covering the following parishes had been adopted by the relevant parish council and were still in date.

<b>Parish</b>	<b>Date of Housing Needs Survey</b>	<b>Housing need numbers</b>	
		<b>Affordable</b>	<b>Market</b>
Baddesley Clinton	January 2012	2	0
Barford, Sherbourne & Wasperton	March 2014	8	7
Bishops Tachbrook	February 2014	5	11
Budbrooke	March 2014	7	8
Burton Green	June 2013	1	8
Cubbington	March 2016	6	3
Hatton	June 2014	7	6
Lapworth	June 2016	3	2
Leek Wootton & Guy's Cliffe	February 2013	6	0
Norton Lindsey	November 2011	3	0
Rowington	October 2014	8	4
Shrewley	December 2014	1	0
Stoneleigh & Ashow	February 2016	2	2

The surveys identify the size of property and tenure required and wider views about the parish. Full reports are available on request.

## **Need for gypsy and traveller pitches**

A Gypsy and Traveller Accommodation Assessment in November 2013 found a need for 31 permanent pitches over a 15 year period, of which 25 needed to be found within the first five years. There was also a need for 12 transit pitches over the same 15 year period.

# **Current initiatives on housing need**

The principal issue in housing need is the shortage of suitable housing. In broad terms there are two ways of tackling this: by making better use of the existing stock of homes and by increasing the provision of new homes.

## **Making better use of existing stock**

There isn't a significant problem with empty properties in any sector of the housing market and the impact that we can make by bringing empty homes back into use is limited. Nevertheless we do monitor Council Tax data and periodically write to the owners of long-term empty properties and we will support, advise and encourage them to take action. The private sector leasing scheme is an option which enables an owner to keep their property but lease it to a social landlord who will sub-let it to a household in need of a home for a set period of time. Where necessary we will use enforcement powers and we do charge the full rate of Council Tax on the majority of properties that have been empty for more than one month to avoid creating a financial incentive to keep a home empty.

For affordable housing we have revised our allocations policy, known as Homechoice, to give more opportunities for existing tenants to move to more appropriate accommodation if they so wish. This can help to tackle issues such as under-occupation and overcrowding while still creating a further vacancy for a non-tenant in housing need. Additional practical and/or financial support is available to help people wishing to move to smaller accommodation. We also promote and encourage the option for tenants to swap homes with another tenant as a further way of moving to more suitable accommodation.

We have a rural local lettings policy which seeks to develop sustainable communities in rural areas by giving first priority to people with a local connection in parishes where a need has been identified by an up-to-date Housing Needs Survey.

## **Local Plan**

Warwick district does not have swathes of derelict brownfield land that can be regenerated and re-used and so provision of new housing is largely dependent upon the release of land for housing through the planning system. Over the last few years we have been developing a new Local Plan for the district and this is expected to be subjected to an Examination In Public between September and December 2016 and adopted if all goes well by the summer of 2017.

The plan provides for enough land to meet the full objectively assessed need of the district for housing identified by the JSHMA, including affordable housing, sites for gypsies and travellers, and housing to meet specific needs. It also provides additional land to cater for unmet need in other parts of the housing market area, principally Coventry.

It directs housing towards the four urban areas and to 10 growth villages and 24 limited infill villages. Development on garden land is only allowed in very limited and specific situations. Housing in the open countryside is restricted to five defined circumstances, one of which is on a site that would meet a local need identified by a parish-level assessment – known as a "rural exception" site. These are the sites for which the rural housing needs surveys discussed earlier provide the necessary supporting evidence.

The plan requires that sites with 10 or more dwellings should include 40% affordable housing on site although there may be rare instances where offsite provision or payment of a financial contribution may be accepted instead. Affordable housing of this nature is often called "Section 106 housing" after the relevant legal provision by which we are able to require developers to include it on their sites.

The mix of affordable housing required on these sites in terms of size of property (i.e. number of bedrooms) is based upon the findings of the JSHMA although some adjustments are made to the size requirements in response to the finding in the JSHMA about the lack of sustainability of one-bedroom accommodation. At the current time tenure requirements are expressed in terms of social rented,

affordable rented and shared ownership. However the introduction of starter homes to the definition of affordable housing will require this to be revisited.

### **Delivery partners**

As regards landlords to take ownership of new affordable homes in the district we have a number of “preferred partner” housing associations who we work with and that developers can choose from to buy the affordable housing on the large sites. The associations are also in the market themselves for land opportunities in the district.

In 2011 we entered into a joint venture with Waterloo Housing Group, known as W<sup>2</sup>, with a view to accelerating delivery of new affordable homes. The original intention had been that the council would provide land and Waterloo would enable access to government grant via the Homes & Communities Agency. The number of pieces of suitable land in council ownership was found to be very limited but by looking for other opportunities the joint venture has nevertheless been able to provide 161 new affordable homes by the end of 2015/16 with a further 230 planned.

### **Council house building**

When new financial rules for council housing came into force in 2012 our projections suggested that we would be in a position to institute a healthy programme of new council housing and to bid for section 106 housing. The replacement of an old sheltered scheme is underway and we also successfully purchased 21 new affordable homes on a section 106 site. However the announcement of the government’s intention to charge council’s a sum of money each year for potential sales of higher value properties has cast doubt on our ability to continue to fund a new-build programme.

### **Council Development Company**

We have considered the possibility of setting up a housing development company at sufficient arms-length from the council to enable it to be considered as being within the private sector to enable us to develop housing outside of the local government system. However without substantial land, finance or other assets that could be transferred to the company it has been difficult to take this further although the option has not been ruled out at this stage.

### **Affordable homes programme**

In the last three financial years (2013/14 to 2015/16) there were 494 new affordable homes completed in the district.

Table 9 shows the sites in the district that include affordable homes and are currently under construction.

**Table 9 – Affordable homes onsite, July 2016**

<b>Site Address</b>	<b>Affordable homes</b>
Hawkes Meadow, Harbury Lane, Warwick	64
Mallory Grange, Harbury Lane, Whitnash	99
The Fairways, Whitnash	34
Chesterton Gardens, Whitnash	51
Sayer Court, Tachbrook Road, Royal Leamington Spa (active elderly)	81
Newbold Centre, Leicester Street, Royal Leamington Spa	31
Napton House, Wharf Street, Warwick (physical and/or learning difficulties)	15
Warwick Gates Care Village, Warwick (retirement village)	24
Nursery Meadow, Barford	23
Semele Park, Radford Semele	24
Oakley Grove, Harbury Lane, Bishop’s Tachbrook	80
Lower Heathcote Farm, Warwick	314
North of Oakley Wood Road, Bishop’s Tachbrook	60
The Redwoods, Warwick	34
Sydenham Drive, Royal Leamington Spa	88
<b>TOTAL</b>	<b>1,022</b>

In total, at the time of writing (21 July 2016) there are 1,022 affordable homes on sites under construction. Most of these sites are being built in phases. While a number of them are well advanced with some homes already completed others are at a much earlier stage with the first completions still some way off.

Table 10 shows sites in the district with planning permission that include affordable homes where building has not started as at July 2016.

**Table 10 – Affordable homes not yet onsite, July 2016**

<b>Site Address</b>	<b>Affordable homes</b>
Station Approach, Royal Leamington Spa	160
Bath Place, Royal Leamington Spa (adults with disabilities)	16
Quarry Street, Royal Leamington Spa	7
Theatre Street, Warwick	39
North of Gallows Hill, Warwick	170
Myton Road/Europa Way, Warwick	243
South of Gallows Hill, Warwick	180
Common Lane, Kenilworth	37
Parkfield Centre, Kenilworth (physical disabilities)	2
Westham Lane, Barford	9
West of Bridge Street, Barford	10
Wasperton Lane, Barford	3
Spring Lane, Radford Semele	26
West of Southam Road, Radford Semele	10
South of Offchurch Lane, Radford Semele	60
Seven Acre Close, Bishop's Tachbrook	20
Tollgate House, Banbury Road, Bishop's Tachbrook	2
Asps Farm, Bishop's Tachbrook	360
Grove Farm, Bishop's Tachbrook	208
<b>TOTAL</b>	<b>1,562</b>

In total there are permissions for a further 1,562 affordable homes on sites that have not yet begun to be developed.

Other specific sites that have been allocated in the draft Local Plan but for which a planning application has not yet been submitted make provision for approximately 7,174 dwellings, around 40% of which (2,870) would be expected to be affordable homes.