

**BROMSGROVE DISTRICT COUNCIL**

**LOCAL DEVELOPMENT FRAMEWORK WORKING PARTY**

**16<sup>TH</sup> MARCH 2009**

**HOUSING MARKET ASSESSMENT**

Responsible Portfolio Holder	Councillor Mrs J Dyer
Responsible Head of Service	Dave Hammond, Head of Planning & Environment Services
Non Key Decision	

**1. SUMMARY**

1.1 The purpose of this report is to inform Members of the key findings of the Housing Market Assessment and the implications for the formulation of policies within the Draft Core Strategy.

**2. RECOMMENDATION**

2.1 That Members note the key findings of the Housing Market Assessment and how these findings have informed the formulation of the Draft Core Strategy.

**3. BACKGROUND**

3.1 The Housing Market Assessment (HMA) has been commissioned by Strategic Planning, Strategic Housing and the RSL Preferred Partners and was carried out by Housing Vision. It provides a detailed study of the housing market in Bromsgrove. It provides details of the current housing stock and existing trends, and predicts what housing will be required to meet the needs of the district up to 2026.

3.2 All planning documents need to be founded on robust and credible evidence. This study forms part of the evidence base for the Core Strategy and the key findings have been used to inform policies within the Draft Core Strategy.

**4. Housing Market Assessment (HMA)**

4.1 The executive summary of the HMA is attached as Appendix 1, the full study has been placed in the members room and is also available to view at [www.bromsgrove.gov.uk/corestrategy](http://www.bromsgrove.gov.uk/corestrategy). Members will recall that they were invited to a presentation of the HMA by Dr Richard Turkington (Housing Vision) on 24<sup>th</sup> November 2008. This report will briefly summarise the key findings of the HMA that are relevant to Strategic Planning and how these findings have been incorporated within the Draft Core Strategy.

4.2 The study identified that there are significant movements of people within the district on a daily basis, with almost 11,000 people commuting to Birmingham from Bromsgrove, and over 4,000 people moving in the other direction. There are also significant numbers of people that live in Bromsgrove and work in

Redditch (2,635), Dudley (1,982) and Solihull (1,957). The assessment was primarily commissioned to inform housing supply policies, but these high levels of out-commuting also need to be addressed through other policies within both local and Regional planning policy. For example this information has been used in the formulation of Core Policy 8: Distribution of New Employment Development and Core Policy 10: Sustainable Transport. CP8 aims to promote new technology opportunities and create skilled jobs at locations such as Longbridge and Bromsgrove Technology Park. This should enable more people to live and work within the District. Both of these policies encourage development in the most sustainable locations; this should also help to reduce commuting distances.

4.3 The HMA looked in detail at migration patterns over the past five years and found, that there have been significant levels of in-migration of families with young children, and to a lesser extent there have been consistent gains in the retirement population. There has been a net loss of 900 people aged 16-24 in the past 5 years. These patterns suggest that the availability of large detached properties in an attractive setting has enticed wealthy families from the Major Urban Area (MUA). On the other hand the lack of smaller, more affordable accommodation has pushed young adults towards the MUA where housing is generally more affordable. Birmingham and the MUA has a range of other factors that attract younger people such as improved social and employment opportunities. Whilst it is recognised that it is not possible to compete with Birmingham more can be done in Bromsgrove to retain young adults. Core Policy 9: Retail and Town Centre Regeneration supports the regeneration and expansion of Bromsgrove Town Centre. Improved retail facilities and improved nightlife may help to retain young people coupled with the creation of more skilled jobs through the previously mentioned employment policy.

4.4 Part of the study focuses on the composition of the existing housing stock and identifies that only 11% of properties are social rented. This compares with an average of around 20% in the West Midlands. There is other compelling evidence that suggests that there is a lack of affordable housing as the council waiting list has grown by 30% since 2002. In addition it has been identified 47% of single income households and 64% of joint income households are unable to access market housing, and therefore require a form of affordable housing. Core Policy 16: Affordable Housing aims to deliver a greater level of affordable housing across the district.

4.5 As part of the HMA financial modelling work was carried out on a variety of potential housing sites that have differing characteristics such as size, location and whether brownfield or Greenfield. The model factored in considerations such as build costs, fees, land valuations and profit and concluded that a 40% affordable housing was viable and achievable for the private sector. This information was used to set a target for affordable housing within Core Policy 16. A high court decision on the Blythe Valley Core strategy quashed their affordable housing policy, as it was not deemed to have been supported by the evidence required by Para 29 of PPS3 which indicates that any target for affordable housing *'should also reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing,*

*including public subsidy and the level of developer contribution that can reasonably be secured.* It is believed that as this work has been done the core strategy has taken into account this high court ruling, and its affordable housing policy will be judged sound. Further work may be required closer to submission of the strategy to take into account the financial situation of the house building industry at that time. (The financial modelling work is attached to the copy of full the HMA in the members room)

4.6 A significant section of the assessment focuses on modelling household change and predicting growth. It has been identified that there will be an increase of approximately 8,000 households by 2026. The housing requirements arising from household growth will be:

- 850 two bed general needs properties
- 4,800 two bed properties for people of retirement age
- 1,575 properties suitable for the older elderly
- 125 three bedroom houses

It must be stressed that this modelling provides a good indication of the housing needs across the district, although it is impossible to identify all potential sources of demand for housing, and as such certain assumptions have been made about future needs based on past trends.

4.7 This data has been used to inform Core Policy 12: Size, Type and Tenure of Housing. The policy identifies that there needs to be a dramatic shift in house building patterns across the district with a much greater focus on two and three bedroom properties and also properties that are suitable for the elderly. It is important that new housing meets the needs of people in the district and reduces the levels of migration from the MUA, by no longer providing only large new properties that can generally only be afforded by those outside the district.

4.8 In conclusion it is clear that information contained within the Housing Market Assessment has helped to inform a number of policies within the Draft Core Strategy. The HMA has provided evidence for not only detailed housing policies but also supports transport and employment policies that focus on delivering sustainable development. The HMA is therefore an essential part of the evidence base for the Draft Core Strategy.

## **5. TIMESCALES**

5.1 None

## **6. NEXT STEPS**

6.1 Continue to use the HMA as part of the evidence base as the Draft Core Strategy evolves.

## **7. FINANCIAL IMPLICATIONS**

7.1 The Housing Market Assessment (HMA) has been procured by Strategic Planning, Strategic Housing and RSL Preferred Partners. Splitting the costs between the different departments/companies has resulted in cost savings.

## **8. COUNCIL OBJECTIVES**

### **8.1 Objective 1 Regeneration - Priority Housing**

The HMA provides evidence for a number of policies within the Draft Core Strategy. In particular it forms a number of housing policies including maximising the delivery of affordable housing.

## **9. LEGAL IMPLICATIONS**

9.1 The HMA is a required piece of evidence that is needed to inform the Core Strategy. Once adopted the Core Strategy will become part of the Statutory Development Plan for the District required by the Planning and Compulsory Purchase Act 2004, and prepared in accordance with The Town and Country Planning (Local Development) (England) Regulations 2004.

## **10. RISK MANAGEMENT**

10.1 The main risks associated with the details included in this report are:

- Inability to produce development plan document which is judged to be sound by the planning inspectorate and therefore resulting in non legally compliant Strategic planning service

10.2 These risks are being managed as follows:

Risk Register: Planning and Environment  
Key Objective Ref No: 6  
Key Objective: Effective, efficient, and legally compliant Strategic planning Service

## **11. CUSTOMER IMPLICATIONS**

11.1 Information within the HMA will be used to maximise the delivery of affordable housing through the Core Strategy. The delivery of suitable housing for the local community could have a significant impact on people's lives.

## **12. EQUALITIES AND DIVERSITY IMPLICATIONS**

12.1 None

## **13. VALUE FOR MONEY IMPLICATIONS**

13.1 The Housing Market Assessment (HMA) has been procured by Strategic Planning, Strategic Housing and RSL Preferred Partners. Splitting the costs between the different departments/companies has resulted in cost savings.

#### 14. OTHER IMPLICATIONS

Procurement Issues	None
Personnel Implications	None
Governance/Performance Management	None
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	The HMA will inform future policy decisions in the Core Strategy. The Core Strategy forms an essential part of the LDF and the policies contained within the core strategy will shape future development.
Environmental	None

#### 15. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	No
Executive Director - Partnerships and Projects	No
Executive Director - Services	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	No
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

#### 16. WARDS AFFECTED

All wards.

#### 17. Appendices

Appendix 1 - Bromsgrove District Housing Market Assessment Executive Summary.

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