

EXECUTIVE SUMMARY

ES1.0 Introduction

ES1.1 This report provides a district level Housing Market Assessment for the Bromsgrove District Council area and focuses on five questions:

- how can we define the Housing Market Area for Bromsgrove?
- who lives in the Bromsgrove area? How might this change, and what are the implications for determining the future need and demand for housing in the area?
- what choices do consumers have in the local housing market? What are the gaps in the pattern of supply and how affordable is local housing?
- what is the projected future need for housing in Bromsgrove?
- what are the implications of this analysis for intervening in the local housing market?

ES2.0 How Can Bromsgrove's Housing Market Area be Defined?

ES2.1 There are significant movements of people in either direction between local authorities, including:

- Almost 11,000 commuting to Birmingham and over 4,000 in the opposite direction;
- Almost 2,600 commuting to Redditch and almost 2,800 in the opposite direction;
- Almost 2,000 commuting to Dudley and over 1,500 in the opposite direction;
- Over 1,500 commuting to Wychavon and almost 1,500 in the opposite direction.

ES2.2 Further research is required to identify the extent to which this level of cross-commuting could be reduced by better matching of housing to households.

ES2.3 Analysis of live: work and home move patterns, and interviews with property agents confirm that the Bromsgrove District housing market has a wide reach and that its Housing Market Area consists of concentric inner, middle and outer rings as follows:

- An Inner Ring extending from Bromsgrove north to Rubery/Rednal; east to Redditch; west to Kidderminster; and south to Droitwich;
- A Middle Ring which extends to:
 - Birmingham;

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- Dudley;
- Solihull;
- Wychavon; and
- Wyre Forest.

- An Outer Ring which extends to:
 - Sandwell
 - Worcester; and
 - Stratford-on-Avon.

ES3.0 Social and Demographic Trends Affecting the Need and Demand for Housing

ES3.1 The total number of households in the District is projected to increase by 8,000 between 2006 and 2026, a trend which implies a strong locally generated growth in the need and demand for housing.

ES3.2 There is likely to be relative stability in the locally generated need and demand for housing from the younger and working age populations, but very large increases in the need and demand for housing with care from older people, especially from the oldest elderly whose numbers will almost double.

ES3.3 Using NHS patient registration data, we can identify that over the past five years, Bromsgrove has gained population from in particular, Birmingham (+4,820), Dudley (+920) and Sandwell (+630); and, has continued to lose population to Wychavon (-770), Wyre Forest (-240) and Stratford (-190).

ES3.4 There have been very large gains through migration in families with young children, and to a lesser extent consistent gains in the retirement population. There has been a net loss of 900 people aged 16-24 in the past five years, some of which may be due to housing problems.

ES3.5 There has been a recent increase in the number of registered migrant workers in the district since 2004, especially from A8 Accession countries including Poland and the Slovak Republic. This trend requires close monitoring in terms of the impact on the housing market, and of the extent of longer term settlement in the District.

ES4.0 Choice in the Local Housing Market

ES4.1 In the context of demographic projections which imply a large increase in the need and demand for smaller homes, Bromsgrove's property profile is heavily skewed towards family housing and home ownership, with only a very limited supply of affordable homes available.

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- ES4.2 The effect of new completions against right to buy sales during the past five years is a net loss of 134 affordable homes.
- ES4.3 The number of new social sector tenancies increased in the previous two years, reaching 284 in 2006-07, which is equivalent to a turnover rate of 7.8%.
- ES4.4 On the basis of applicant to lettings ratios, the stronger demand is for smaller homes, especially one bed bungalows, two bed houses and one bed flats; and there is lower demand for three bed family homes and two bed flats.
- ES4.5 Local property agents identified a vigorous rental market, with a strong demand for two and three bed properties.
- ES4.6 There were 27 shared ownership sales in Bromsgrove in 2007-08 and 42 in 2006-07 of which 12 were re-sales; and over the same period, there were 75 applications for housing in the Bromsgrove area, of which only 11 were successful.
- ES4.7 Reflecting the overall profile of properties in the district, most sales (40%) were of larger detached or semi-detached properties (38%); smaller terraced houses made up less than 20% of sales and flats only 4%.
- ES4.8 There are two trajectories of prices with a bunching of sales (44%) especially of semi-detached and terraced houses at £100-£150k, and of detached properties at £200-£300k.
- ES4.9 Confirming the pattern for all 2007-08 sales, the current re-sale market is dominated by family housing, with only one in four properties either one or two bed.
- ES4.10 Most new homes sold in Bromsgrove are detached or semi-detached houses, with less than one quarter smaller flats.
- We would estimate at August 2008 that lower values achievable are in the region of £2,500 per square metre, higher values in the region of £4,000 per square metre, and that £3,300 per square metre represents the average value achievable.
- ES4.11 Unsurprisingly, local estate agents identified both price reductions and a slowdown in sales rates compared with last year. There is evidence of an oversupply of larger family homes and of an associated shortage of smaller and more financially accessible properties.

ES5.0 Affordability in the Bromsgrove Housing Market

ES5.1 To provide a context for our analysis, the latest 'Difficulty of Access to Owner Occupation Indicator' published by DCLG in October 2006 but using 2004 property price data, identifies that 70.9% of Bromsgrove households headed by a person under 35 will have difficulty accessing owner occupation.

ES5.2 We would estimate that 53% of single households are able to get into the housing market, and that 36% are able to move on in the housing market;

ES5.3 By implication, 47% of single income and 64% of joint income households would require other forms of affordable housing;

ES5.4 The provision of New Build HomeBuy options would improve access to two bed properties but would not improve access to three bed properties.

ES6.0 Consultation with Local residents and Stakeholders

ES6.1 107 face-to-face and telephone interviews were undertaken by The Bridge Group in June 2008 with young people (aged up to 30), one group living or working in Bromsgrove district and another on the Council's Housing Register; older people (aged over 60) on the Council's Housing Register or who were owner occupiers or private renters, and agencies and individuals with knowledge of black, minority ethnic and migrant housing needs.

ES6.2 Findings for younger people show a need to develop flexible 'housing pathways' that reflect younger people's incomes and aspirations as much as possible.

ES6.3 The low awareness of and caution about shared ownership suggests that HomeBuy options need to be more effectively publicised and promoted to younger people.

ES6.4 More generally, young people need more information and opportunity to consider and decide on their housing options from school age onwards. This needs to include a stronger focus on the role and identity of housing associations.

ES6.5 Findings for older people identify the need to develop more aspirational, two-bedroom products and options aimed and marketed at older people and equity release schemes;

ES6.6 The active promotion of shared ownership and support to help older people understand and manage the process of using this approach;

ES6.7 The development of 'retirement villages', incorporating a range of options with tailored care and support;

ES6.8 Extra care accommodation, including shared equity options – around 290 homes of this sort are already being developed within the district;

ES6.9 Increased and expanded incentives for older people in large, family homes to downsize and release their property for younger households. Incentives will need to become more valuable and creative to offset the potential for inertia created by care and support being available to people in their existing homes; and

ES6.10 General, ongoing education and information about what's realistically available in a green belt area.

ES6.11 Even among equality agencies, evidence about the housing needs of black, ethnic minority and migrant people in Bromsgrove tended to be anecdotal because of the very small numbers involved. Most of the agencies said that they had only experienced a few cases of non-white UK people presenting particular housing needs in the district and found it hard to identify patterns or trends.

ES6.12 Where people from black, ethnic minority and migrant groups have moved into the district (for example, Asian taxi drivers and those employed in the food/restaurant trades), these tend not to stay and quickly move onto the nearby urban centres.

ES6.13 There is evidence of professional people from non-white groups buying homes in areas like Hagley and Barnt Green. But overall, the district (and particularly the town centre) is perceived as lacking diversity and the vibrancy that this can sometimes create.

ES6.14 Growing numbers of young, dual heritage, Afro-Caribbean/white households are a significant development in the local population. Although the Housing Trust's lettings records do not suggest that this group is yet accessing local social housing in any great numbers, the particular needs of this group should be considered.

ES7.0 The Future Requirement for Housing

ES7.1 Estimates suggest the requirement to 2026 – across all tenures -will be for:

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

ES7.2 These estimates imply the need for a dramatic change in house building in the district towards providing many more two bed homes for all age groups.

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Failure to provide alternatives for the rapidly increasing pensioner population will result in most people staying in their existing family homes - as is currently the case - with the effect of dramatically reducing the supply of such properties in the local housing market.

ES7.3 Modelling identifies a requirement for 70 affordable housing units over each of the next ten years.

There is evidence that local young people who are working in Bromsgrove but whose incomes are insufficient to buy a home in the district are having to move to neighbouring lower cost areas, commute in to work each day and are not accounted for in determining the local requirement for affordable housing.

ES8.0 Dynamics and Drivers in the Bromsgrove Housing Market

ES8.1 There are powerful drivers at work shaping both the choice of housing in Bromsgrove and the future profile of the population to the extent that the housing market is increasingly unable to meet the requirements of the resident population.

ES8.2 From our analysis of the challenges facing the district in creating a more balanced housing market - especially to improve the choice of housing for local people - the priorities for intervention are:

1. to increase the supply of affordable and financially accessible housing across the tenures, from low cost 'starter homes'; through shared ownership and shared equity options to sub-market and social rental properties. We would strongly advise developing - with key strategic partners - an affordable housing strategy which identifies those products which best fit Bromsgrove's changing population, local incomes and housing market dynamics, and which identifies how a combination of capital receipts, subsidy and planning policy can improve the supply of affordable homes across all the housing stock.
2. to increase the supply of one and two bed homes in all sectors. In the social sector, this might be achieved by transferring some properties from Category 1 or 2 to general needs use. In the owner occupied sector, there is growing evidence, including that from local estate agents, of declining demand for one bed flats, and we would strongly advise against building such properties, including for shared ownership, unless there is clear evidence of demand. In the market sector, the challenge is to develop affordable, aspirational and viable two bed products. In the context of the tendency for developers and house builders to build larger family homes, this priority will need to be reflected in planning policy and practice.
3. to stimulate the supply of private sector homes, for example, through bringing empty properties back into use and by developing flats over

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shops, including giving consideration to making Private Sector grants and loans directly to landlords to stimulate such activity.

4. to encourage the development of good quality and aspirational homes for older people, especially in the market sector, providing mainly two bed properties, and including consideration of encouraging mixed tenure retirement communities and/or villages providing a full range of housing and care options. In the social sector, the development of attractive options for older people has the additional advantage of increasing the supply of currently under-occupied family houses.