GL Hearn

Stakeholder Event Feedback

Coventry & Warwickshire Joint SHMA

February 2014

Prepared by

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Contents

1 INTRODUCTION

1.1 This appendix sets out the feedback provided by key stakeholders at a stakeholder event to test the draft SHMA findings held on 5 November 2013.

1.2 It sets out:

- The Stakeholder event presentation
- A list of stakeholder event attendees
- Notes from workshop discussions at the event

1.3 The notes set out the comments of those who attended rather than those necessarily of either the commissioning authorities or GL Hearn.

1.4 The stakeholder event raised a number of issues, however the key points can be summarised as follows:

- There were concerns that the quantum of housing recommended by GLH as part of the Objectively Assessed Need was too low and would not support the economic ambitions of the area;
- A need to give further consideration to the need for aspirational housing in Coventry, including in support of economic regeneration;
- A need to provide further commentary relating to links between the Coventry and Warwickshire HMA and adjoining market areas, with particular attention to the expected shortfall in housing provision against assessed need in Birmingham; and
- A need to provide further commentary on, and clarify the information presented in relation to the needs of older persons housing and respective household formation.

1.5 The key amendments made to the report based on the comments that were received at the stakeholder event are summarised below:

- Chapter 10 – GL Hearn discussed further with Warwickshire County Council, the housing needs of older people, to ensure the respective areas of research were consistent. The changes to this section provide greater detail regarding the methodology used and specifically the needs arising within both the social and private housing sectors.
- Chapter 7 – In summarising the housing needs of the HMA and its constituent authorities, changes were made to reflect the importance of the Duty to Cooperate and the need to continue working with neighbouring authorities outside of the Coventry and Warwickshire HMA. There is also a recommendation to take account of major investment and development projects which might support above-trend economic performance and employment growth relative to past trends.
- Chapter 11 - Changes were made to reflect the uncertainty of housing needs originating from the Greater Birmingham and Solihull LEP area and the impact this could have on the Coventry and Warwickshire HMA in the future. The Joint SHMA recommends a continuation of work under the Duty to Cooperate to explore the implications of Birmingham's shortfall in particular. The Joint SHMA clearly states that the Duty to Cooperate does not end at the boundaries of the Coventry and Warwickshire HMA.

1.6 In relation to comments raised about the quantum of housing presented as the Objectively Assessed Need, GL Hearn are confident that the information provided in the Joint SHMA reflects the most up to date demographic data available at the time of the study. The SHMA analysis has considered alternative ways of projecting future household formation. It has also overlaid economic forecasts to consider the implications for housing provision. However it is a Policy-Off analysis and does not take account of economic strategy aspirations; although it is clear that there are potential relevant considerations in drawing together evidence to devise policies in development plans.

1.7 The Joint SHMA considers other aspects around affordable housing, economic growth and market signals in accordance with the now published National Planning Practice Guidance, to formulate a recommended level of housing need. As such no further changes were made to the calculation relating to the quantum of housing.

1.8 The need for aspirational housing, especially in Coventry, is captured throughout the Joint SHMA. Chapter 4 clearly sets out the existing stock profile, which highlights the issues with the existing types and sizes of dwellings. This is followed up in Chapter 9, which includes recommendations on the size of dwellings required to meet projected housing needs.

2 STAKEHOLDER PRESENTATION

Coventry & Warwickshire Joint Strategic Housing Market Assessment

Stakeholder Workshop: Emerging Findings

5th November 2013

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Create / Develop / Protect / Enhance

Introductions

- Nick Ireland, Planning Director, GL Hearn
- Justin Gardner, Director, JGC

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Structure

- Context and Purpose
- Considering Housing Needs
- Housing Mix
- Workshop Discussion

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Purpose of the SHMA

- Government requires authorities to collaborate to prepare an SHMA for their housing market area to inform Local Plans
- The SHMA considers
  - How may homes are needed?
  - What mix of homes?
  - Housing needs of specific groups in the population
- The assessment is 'policy-off' and does not consider development constraints – assessed in wider evidence which informs plans

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Draft Planning Practice Guidance

- Government issued draft Guidance on *Assessment of Housing and Economic Development Needs* in August
- Indicates that starting point for assessing need is latest official Government household projections (currently 2011-based)
- Three key 'tests' which need to be considered:
  - Economic evidence – could population constrain economic growth?
  - Market signals – has household formation been constrained?
  - Affordable housing needs

…. do these suggest a need to increase housing supply?

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Housing Market Area

- Reviewed migration and commuting flows, house price differences/ change & previous research
- Strong migration and commuting flows between Coventry & different parts of Warwickshire
  - Strong migration between Coventry-Warwick, Warwick-Stratford, Nuneaton-Bedworth and Coventry/ North Warwickshire, Rugby and Coventry/ Daventry
  - Modest migration flows to Birmingham and Solihull (particularly relative to population size)
- House prices under £190k in Coventry/ N&B and North Warks; in Rugby around £190k; between £250-290 in M40 towns; and over £300k in/ to south of Stratford-upon-Avon

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Housing Market Area (cont.)

- Coventry-focus housing market area extends across much of Warwickshire
- Best fit to local authorities in County geography – data available at this level
- Around the boundaries there are relationships to other areas
  - south of Stratford District into Cotswolds; to Redditch & Wychavon
  - from Rugby to Daventry
  - to Hinckley and Bosworth; Tamworth; Birmingham; Solihull

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Key Characteristics of the Housing Market

- Overall economic productivity is below average, and was not keeping pace with wider areas in pre-recession decade
  - Coventry should be a stronger employment hub
  - Issues around worklessness and lower skills in northern part of HMA
  - More modern economic structure and higher value housing in south
- Narrow housing offer in Coventry – 71% homes in Council Tax Bands A & B; flats and terraces make up 62% stock; higher renting
- Nuneaton & Bedworth housing offer focused on smaller/ cheaper homes, but higher owner occupation. High terraced (26%) and Bands A/B (60%)
- Stratford-on-Avon & parts of Warwick District see greater focus on larger homes; higher house prices
- Deprivation and worklessness concentrated particularly in Coventry and Nuneaton and Bedworth (the Regeneration Zone)

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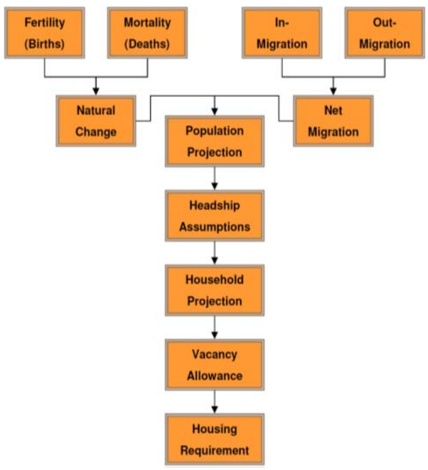
Housing Need

Demographic Projections

- ONS/ CLG 2011-based Population & Household Projections – to 2021
- Updated for 2011 Census data; and extending to 2031
- Sensitivity to:
  - Migration
  - Household formation rates



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2011-based Household Projections to 2021

2011-21	Household Growth per Annum	Dwelling Growth per Annum
Coventry	1765	1818
North Warwickshire	149	153
Nuneaton & Bedworth	416	428
Rugby	494	509
Stratford-on-Avon	618	637
Warwick	624	643
HMA Total	4066	4188

Source: CLG 2013 / GLH (Dwelling growth assumes 3% vacant and second homes)

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Key Assumptions

Indicator	Information Sources
Births, Deaths	2010-based SNPP
Migration Levels	2010- & 2011-based SNPP updated to take account of trends in 2001-11 Mid-Year Estimates
Migration Age Profile	2010- and 2011-based SNPP
Employment Rates	Analysis of APS rebased to 2011 Census. LFS trends moving forward
Headship Rates	2011-based CLG
Vacant & Second Homes	3% of new stock

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Updating & Extending Projections to 2031

	CLG 2011-based Projections	PROJ 1: Extending to 2031	PROJ 1A: Updating for Latest Data
	Dwellings per Annum, 2011-21	Dwellings per Annum, 2011-31	Dwellings per Annum, 2011-31
Coventry	1818	1745	1038
North Warwickshire	153	146	134
Nuneaton & Bedworth	428	389	429
Rugby	509	485	596
Stratford-on-Avon	637	585	479
Warwick	643	631	659
HMA Total	4188	3981	3335

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Overlaying Economic Projections

- PROJ 1A forecasts would support c. 12% growth in labour supply 2011-31
- Experian forecast 14.3% growth in total jobs 2011-31 (vs. 11.1% West Midlands)
  - But jobs growth likely to be slightly higher than growth in residents in employment
  - Difficulties in accurately predicting long-term economic performance over 20 years
- Economic projections do provide basis for considering higher housing numbers in North Warwickshire and Stratford-on-Avon – particularly linked to older age structure in these areas
- Economic Projections are "policy-off" – meaning alignment will need to be considered further in plan-development

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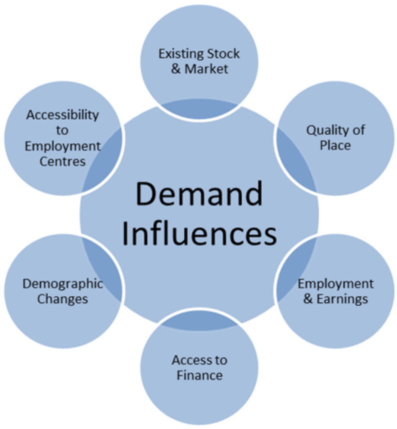
Market Signals

- Tell us about supply-demand balance – but also relative attractiveness of places to live
- Importance of considering what these say about balance over 2001-11 period – and impacts on trends in household formation



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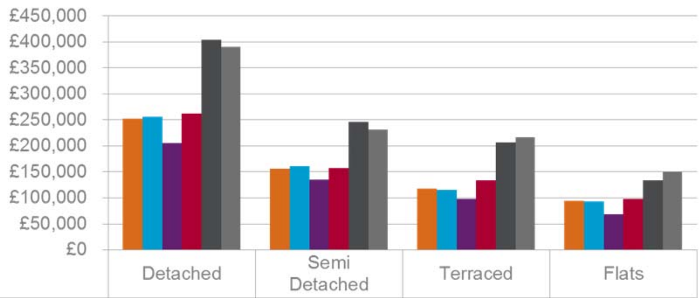
House Prices (Oct 2012-March 2013)



	Detached	Semi Detached	Terraced	Flats
Coventry	£252,053	£155,764	£117,589	£94,973
North Warwickshire	£256,500	£161,335	£115,831	£93,209
Nuneaton & Bedworth	£205,228	£134,653	£98,497	£68,323
Rugby	£262,753	£157,672	£133,627	£98,337
Stratford	£403,933	£246,008	£206,267	£133,925
Warwick	£390,875	£231,891	£215,945	£149,954

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House Price Trends

	1998-2002		2002-2007		2007-12	
	Change	% Change	Change	% Change	Change	% Change
Coventry	£30,500	66%	£55,000	71%	-£7,000	-5%
North Warwickshire	£31,500	50%	£61,000	64%	-£8,000	-5%
Nuneaton and Bedworth	£26,725	53%	£56,525	74%	-£2,500	-2%
Rugby	£52,975	88%	£49,020	43%	-£998	-1%
Stratford on Avon	£66,500	66%	£78,500	47%	-£750	0%
Warwick	£65,000	76%	£57,000	38%	£8,000	4%
West Midlands	£34,050	58%	£56,950	61%		
England	£52,000	76%	£64,000	53%	£6,000	3%

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Lower Quartile Price-Income Ratios

	Ratio	% Change		
	2012	1998-02	2002-07	2007-12
North Warwickshire	6.16	20%	59%	-10%
Nuneaton and Bedworth	5.38	28%	62%	-19%
Rugby	6.16	50%	55%	-13%
Stratford-on-Avon	8.79	36%	15%	-2%
Warwick	7.65	40%	33%	-11%
Warwickshire	6.70	34%	37%	-7%
Coventry	5.02	19%	88%	-21%
Worcestershire	7.78	39%	43%	-8%
Staffordshire	6.45	22%	64%	-10%
Birmingham	5.18	29%	71%	-20%
Solihull	7.62	50%	29%	-4%
England	6.59	25%	63%	-9%

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Housing Supply Trends

- Housing Delivery against adopted RSS – Indicative District Figures

	Housing Requirement 2001-11 Net	Net Completions Delivered 2001-11 Net	Surplus/ Shortfall
Warwick	4,399	5,643	1,244
Stratford-on-Avon	2,281	4,365	2,084
North Warwickshire	1,222	1,208	-14
Nuneaton & Bedworth	4,399	4,275	-124
Rugby	4,399	5,335	936
Coventry	5,700	6,806	1,106
Total Surplus	22,400	27,632	5,232

- Phase 2 RSS Review not completed so theoretical comparison –delivery 2006-11 was 12% above Panel figures – with above average delivery in Rugby and Stratford-on-Avon and below in Coventry & Nuneaton & Bedworth

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Implications of Market Signals

- Deterioration in housing affordability over 2001-11 decade
- Combined with credit crunch likely to have constrained household formation in latter years
- Greater affordability pressures in Stratford-on-Avon and to lesser extent Warwick District

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Sensitivity to Demographic Projections – Household Formation Rates

- 2008-based headship rates informed by trends back to 1971
- 2011-based headship rates more influenced by trends since 2001 – including different households structures in migrant households
- Midpoint assumes household formation rates improve particularly 2021+

Housing Need per Annum 2011-31

	2011-based Headship	2008-based Headship	Midpoint Headship
Coventry	1038	1307	1179
North Warwickshire	134	186	165
Nuneaton & Bedworth	429	545	494
Rugby	596	710	658
Stratford-on-Avon	479	574	538
Warwick	659	772	718
HMA Total	3335	4094	3750

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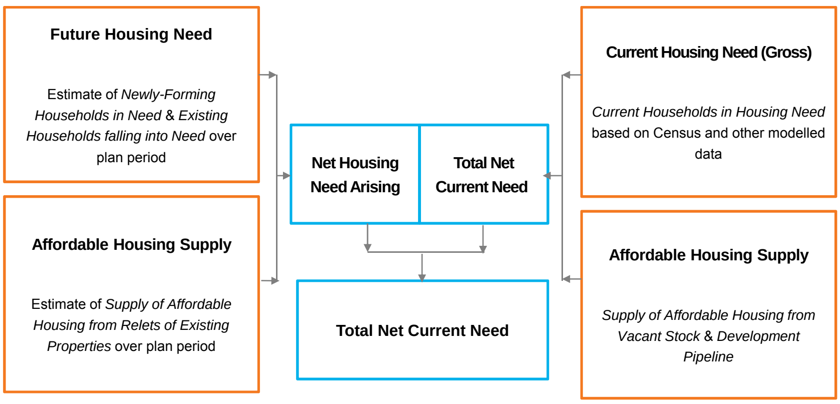
Affordable Housing Needs Model



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Data Sources

Category	Data Sources
Current Housing Need	2011 Census, Housing Registers
Newly Forming Households	Demographic Projections (Zero Net Migration)
Existing Households	CORE
Housing Supply	CORE, Local Authorities

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Affordable Housing Need: 2013-31

	Coventry	North Warwick-shire	Nun-eaton & Bed-worth	Rugby	Stratford -on-Avon	Warwick	HMA
Total Future Housing Need per Annum	2,571	262	639	505	418	706	5,102
Supply from Relets of Existing Stock	2,243	158	508	304	299	473	3,985
Net Future Shortfall per Annum	328	104	131	201	119	233	1,117
Current Housing Need (Backlog)	3,728	284	654	535	564	1,046	6,809
Current Affordable Housing with Planning Consent	1,042	141	494	294	308	412	2,691
Net Current Need for Affordable Housing	2,686	143	160	241	256	634	4,119
Net Need per Annum	477	112	140	214	133	268	1,346

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Bringing the Evidence Together – HMA Level

- Trend-based projections (PROJ 1A: 3335 pa) should be regarded as minimum
- These could feasibly support economic growth – with improvements to economic participation
- Household formation to 2031 could be stronger than in 2001-11 decade but market and economic evidence suggests continuing modest levels in initial years
- Assessed need for 3,700 – 3,800 homes per year across the HMA to 2031 to
  - Support stronger household formation & reduce overcrowding
  - Support higher affordable housing delivery

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Local Authority Figures

- Figures represent assessment of need – not housing targets
- Assessed need figures take into account:
  - Supporting affordable housing delivery and economic growth in North Warwickshire and Stratford-on-Avon
  - Evidence of notably strong past housing delivery in Rugby relative to other parts of HMA

Housing Need per Annum	HMA	Coventry	North Warwick-shire	Nuneaton & Bedworth	Rugby	Stratford-on-Avon	Warwick
Minimum Provision	3335	1040	150	430	575	480	660
Assessed Need	3800	1180	175	495	660	570	720
Assessed Need as % Growth in Stock PA	1.0%	0.9%	0.6%	0.9%	1.4%	1.1%	1.2%

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Initial Questions

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Housing Mix

Housing Mix

- Implications of changing demographics
- Welfare and benefit reforms drive more close relationship between household and home size in affordable sector
- Taking account of balance within current housing mix

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Mix of Market Housing

- Focus of demand towards 2 & 3 bed properties in most areas
- Implications of growing older population – supporting downsizing
- Need to diversify the housing offer in Coventry
- Improving affordability in Stratford-on-Avon and Warwick

	1-bed	2-bed	3-bed	4+ bed
Coventry	5-10%	25-30%	40-45%	20-25%
North Warwickshire	5-10%	34-40%	45-50%	5-10%
Nuneaton & Bedworth	5-10%	35-40%	45-50%	10-15%
Rugby	5-10%	25-30%	40-45%	20-25%
Stratford-on-Avon	5-10%	35-40%	40-45%	15-20%
Warwick	5-10%	25-30%	40-45%	20-25%
HMA	5-10%	30-35%	35-40%	15-20%

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Mix of Market Homes – Tenure

- Important to recognise some overlap between affordable products
- 15-20% need for equity-based intermediate homes; 80-85% for rented

	Estimated net need for Equity-based Products	Net Need from Households which could afford more than existing Social Rents without Benefits but not Equity Products	Net Need from Households who cannot afford over existing Social Rent Levels
Coventry	19%	37%	44%
North Warwickshire	15%	21%	64%
Nuneaton & Bedworth	26%	37%	37%
Rugby	12%	21%	67%
Stratford-on-Avon	11%	26%	63%
Warwick	14%	24%	62%
HMA	17%	29%	54%

Shared O'ship/ Equity

Affordable Rent

Social Rent

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Mix of Affordable Homes – Sizes

- Analysis takes account of benefit reforms, turnover/ management issues and long-term demographic trends

	1-bed	2-bed	3-bed	4+ bed
Coventry	20-25%	30-35%	25-30%	15-20%
North Warwickshire	35-40%	30-35%	20-25%	5-10%
Nuneaton & Bedworth	40-45%	25-30%	20-25%	5-10%
Rugby	30-35%	30-35%	20-25%	5-10%
Stratford-on-Avon	15-20%	35-40%	35-40%	5-10%
Warwick	30-35%	25-30%	30-35%	5-10%
HMA	30-35%	30-35%	25-30%	5-10%

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Needs of Particular Groups

- Growth of almost 30,000 additional households in Private Rented Sector between 2001-11 –plays an important role in meeting needs of younger persons and BME households
- Particular households groups are more disadvantaged in accessing housing – BME communities, lone parents, young people
- Balance of growth in student numbers and delivery of student accommodation impacts PRS – particularly in Coventry & Leamington Spa

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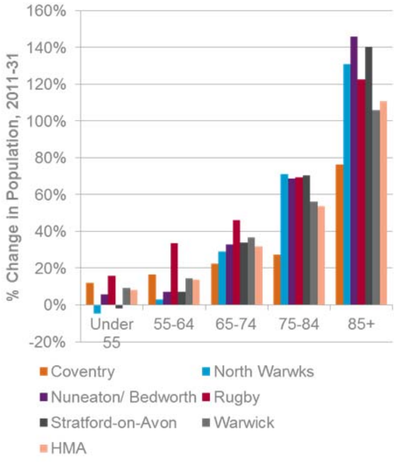
Needs of a Growing Older Population

- Recognising needs of a growing older population
- Supporting people to stay in their homes – adaptions to properties, floating support
- Providing choice and opportunities for downsizing
- Projected growth of 80% in people with dementia and 65% of those with mobility problems
- Projected need for 630 units of specialist housing per annum (sheltered and extra care) – of which 70% is affordable



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Questions
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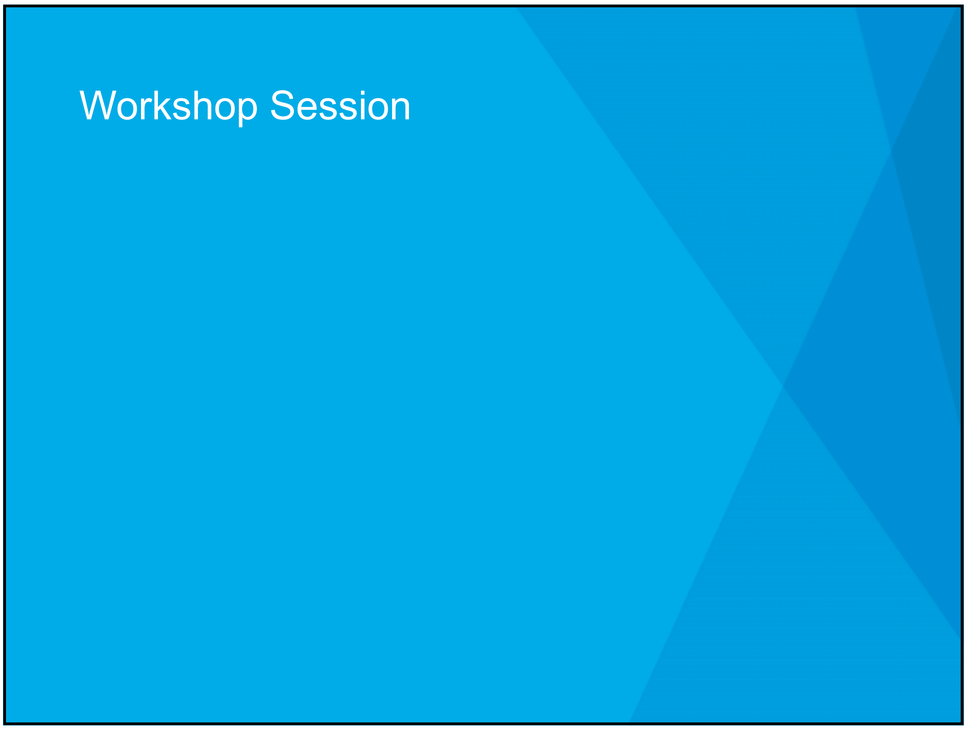
Workshop Session

1. Housing Market Dynamics

- Do you agree with the Coventry-focused housing market area defined? Are there cross-boundary issues which need to be considered?
- What does your group think might happen with the housing market in this area over the next five years? Are there different potential scenarios?
- What are the prospects for growth in the Private Rented Sector?

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2. Housing Need

- What evidence is there that household formation will be stronger moving forwards relative to the past decade?
- What are the key issues in balancing jobs and homes in Coventry & Warwickshire?
- What different ways are there to support delivery of affordable housing?

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3. Housing Mix

- In what way do we need to develop the mix of housing in different parts of Warwickshire and in Coventry?
- What impacts are the Government's welfare and benefit reforms having on need for different types of homes?
- Can policies for the mix of housing help to improve the affordability of homes for local people?

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4. Older Persons

- What needs to happen to accommodate a growing older population? Can households be encouraged to downsize?
- What is your experience of demand for different types of accommodation – including extra care and retirement villages?
- How can the existing/ general housing stock meet people's changing needs?

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3 LIST OF ATTENDEES

3.1 The attendees at the workshop

- Coventry City Council
- Rugby Borough Council
- Nuneaton and Bedworth Borough Council
- Warwick District Council
- North Warwickshire Borough Council
- Stratford on Avon District Council
- Warwickshire County Council
- Tamworth Borough Council
- West Northamptonshire Joint Planning Unit
- Hinckley and Bosworth Borough Council
- Daventry District Council
- Homes and Communities Agency
- Whitefriars Housing Association
- Bromford Housing Group
- Waterloo Housing Association
- Marrons
- Coventry Chamber of Commerce
- Bellway Homes
- Delta Planning
- DLA
- Loveitts
- Shortland Penn and Moore
- Gallagher Estates
- Pegasus Planning Group
- Savills
- Godfrey Payton
- Turley Associates
- Persimmon Homes
- Vincent and Gorbing
- Brown and Co
- Richborough Estates
- AMEC
- Bluemark
- D+P Holt
- Sworders
- Barwood Homes
- CALA Homes
- Barratt Homes

- Harris Lamb
- Hallam Land Management
- Cartwright Homes
- Philpot Properties
- The Planning Bureau
- David Wilson Homes
- SFB

4 NOTES FROM WORKSHOP DISCUSSIONS

SHMA Workshop Session: Group 1 Feedback

1. Housing Market Dynamics

Do you agree with the Coventry-focused housing market area defined? Are there cross boundary issues which need to be considered?

- A lot of people are working in Coventry but cannot find accommodation there.
- A lot of wealth is generated in Coventry but is spent outside of it.
- There is a strong relationship with Solihull and Coventry.
- Stratford is a very attractive retirement destination.
- A lot of people in Coventry are affected by issues in Meriden.
- Need to consider the impact of MIRA at Hinckley

What does your group think might happen with the housing market in this area over the next five years? Are there different potential scenarios?

- Younger people from Stratford are more likely to be able to afford home-ownership as they are more likely to get help from the *bank of Mum and Dad.*
- There is a need for more aspirational housing in Coventry to ensure that the wealth generated in the city is spent in the city. If this does not happen then the city centre will die and there is no hope of regeneration.
- Having a mix predominantly of smaller homes in Coventry does not allow for people to progress their housing career in Coventry – they will need to move on – most likely out to the wealthier south of the sub-region. Adds to the case that Coventry needs more aspirational housing.

What are the prospects for growth in the private-rented sector?

- If things improve in terms of the availability of mortgage finance then there will be an outflux from the private-rented sector
- The strong private-rented sector on Coventry is affected by the availability of mortgages and issues of equity.
- There is a huge student population in Coventry – this includes wealthy overseas students who require executive homes.
- Will not grow as in previous years as mortgage availability increases demand will reduce.

2. Housing Need

What evidence is there that household formation will be stronger moving forward relative to the past decade?

- The more homes you build then the more people will move into the area
- Stratford's housing needs will be mainly arising from in-migration

- A shortage of land-supply in one part of the SHMA will impact on other areas within and potentially outside the SHMA sub-region
- Saying 'no' to building the homes that people want just distorts the market further
- Why has there been such a big change it terms of the projections that were considered when the inspector examined the Coventry core strategy?
- Regardless of how the needs figures for Coventry have been arrived at there is still a huge need to be met

What are the key issues in balancing jobs and homes in Coventry and Warwickshire?

- The LEP is promoting growth in Coventry but the city council does not
- We need to consider housing markets in terms of presenting opportunities to regenerate towns and cities
- Jaguar went to Wolverhampton as Coventry could not accommodate them – if you cannot provide the right housing for the workforce then employers will establish themselves elsewhere
- Need to be careful not to commit Coventry to nil growth and regeneration for the future

What different ways are there to support the delivery of affordable housing?

- Need to take more account of peaks and troughs in demand and supply as it will not always be consistent

3. Housing mix

In what way do we need to develop the mix of housing in different parts of Coventry and Warwickshire?

- Downsizing means different things to different people. We are only going to build what we can sell
- The areas that have been more amenable to new housing is where the in-migration is
- Why are we intervening in terms of the market mix in the first place? The market will provide what the market can sell
- The need in Coventry is huge but this does not seem to be reflected in the resulting numbers
- Flexibility is key in terms of viability

What impacts are the government's welfare and benefit reforms having on need for different types of homes?

- The impact of universal credit may result in landlords withdrawing from the private rented market / determining that it is higher risk than it was
- There is no demand for 1-bed homes – they are just a social-housing product

Can policies for the mix of housing help to improve the affordability of homes for local people?

- You cannot assume that small households want small homes

4. Older persons

What needs to happen to accommodate a growing older population? Can households be encouraged to downsize?

- There is an assumption that when older people want to downsize then it is to very small properties – this is not the case – when they have equity to release they may want to downsize to 4-beds.

What is your experience of demand for different types of accommodation – including extra care and retirement villages?

- There is a huge demand for retirement villages providing a mix of property types and facilities

How can existing / general housing stock meet people's changing needs?

- Councils are looking to increase the supply of 1-bed homes by re-designating less popular sheltered homes to meet general needs
- There is a tension between people wishing to adapt their current homes and planning policies which require the preservation of the character of areas and generating a mix of housing provision

SHMA Workshop Session: Group 2 Feedback

1. Housing Market Dynamics:

- Coventry focused market considered appropriate.
- Affected by economic relationships beyond the HMA in particular to the North of the HMA with MIRA in Leicestershire, but also the relationship with Birch Coppice with growth in Staffordshire.
- The ability of Coventry meetings its housing need will impact this – not many options other than Keresley and Meridian Gap.
- The outcome of the Gateway project will also impact how the market will move forward in terms of commuting and the location of future housing.
- The wider housing market affects the availability and success of the PRS.
- In Coventry and Leamington PRS is affected by the student market. In Coventry when the university built accommodation this affected landlords' ability to rent, so they sell.
- People often turn to the PRS when they cannot buy their first house and then get stuck in that tenure.
- Also affected by Government initiatives to help people buy the first property, in particular in relation to deposits and also future lending rates.

2. Housing Need and Mix:

- There is clear pent up demand in certain areas where people are still living with their parents as they are precluded from the market - if access to the market improves then the pent up demand will be realised.
- There was a general view that there is a lack of land for both housing and employment within the HMA and that there is too much commuting. There needs to be more locating of the right type of employment alongside housing land.
- Flexibility is needed in plan making to ensure they are reactive to future demands.
- A lot of the discussion on supporting delivery of affordable housing surrounded the impact of policy implementation and CIL and the viability of land.
- To increase the supply of affordable housing local authorities need to prioritise affordable housing over other S106 items.
- Local Planning authorities can build their own affordable housing which Daventry is doing to increase supply.
- Large sites such as the Masts sites in Rugby Borough should be able to deliver large amounts of affordable housing.
- There is a need for aspirational housing in Coventry. This is linked to locating housing and employment together and the need to reduce commuting. People currently have to commute from Warwick to work in Coventry because that housing stock is not there.
- Too much focus on two or three bedroom properties which is an issue for those accessing the market for the first time.

3. Older Persons:

- There is an increasing demand for extra care and retirement villages – this has been underestimated.
- It is not considered that the existing stock can meet people's changing needs as the aging population increases. This specifically relates to those wealthy owner occupiers who will not want to downsize to smaller affordable units. The demand will be for larger bungalows.
- Dementia care was also raised as something currently not properly catered for. However, this is considered to be complex in how it can be provided for and the tenure required given that it often for one person of the household and will only be required for a certain period of time.

SHMA Workshop Session: Group 3 Feedback

1. Housing Market Dynamics

HMA Definition

- General agreement with the Coventry-focussed HMA but some discussion about North Warwickshire which some thought had equally strong links with Birmingham & Staffordshire
- Need co-operation between various SHMAs although difficult due to different time scales
- Birmingham's lack of housing land is an issue

Housing Market over next Five Years

- Help to Buy has had a positive effect but the market is still patchy.
- Brownfield sites are not moving.
- General view that the future is uncertain.
- One view that maybe the study should have looked at a worsening situation.
- The market is still constrained by low supply

Prospects in PRS

- The change in Council Tax rules may have an effect on the PRS – full Council Tax now payable after 2 weeks of a property being vacant. Not long enough to re-let so will add to landlords' costs.
- Build to Rent a possibility but borrowing still difficult

2. Housing Need

Household Formation

- If the housing market improves there are 3 to 4 generations of graduates waiting to form their own household

Jobs/ Homes Balance

- Coventry unusual in having net out-commuting – most cities are the opposite
- Coventry should be the hub of Warwickshire in economic terms – but maybe should be viewed as a Greater Coventry
- Coventry lacks aspirational housing – this needs to be addressed
- Opposite in south Warwickshire where homes are unaffordable to many unskilled workers who have to in-commute

3. Older Persons

- WCC figures are very different and promote 25% social/affordable rent and 75% intermediate & market for older persons housing.
- Lifetime Homes – difficult because they do not meet the needs of younger people and are made more expensive to buy.

- Discussion around C2 and C3 and whether Councils should count special needs housing separately to make sure these are not under or over supplied.

SHMA Workshop Session: Group 4 Feedback

Housing Market Dynamics:

- We would expect the Housing Market Area to change in the future. This is particularly dependent on Birmingham's overspill (particularly in relation to North Warwickshire) and the economic relationships between neighbouring authorities.
- Over the next 5 years the housing market will be influenced by how the economy performs. Key drivers will include Birmingham and HS2.
- Other short term drivers will be politics and how the interest rate is managed, the success/failure of help to buy schemes including how they impact on housing bubbles/price inflation. The availability of grant funding for affordable homes will also be a driver.
- Local Plans need to have a degree of flexibility and not be rigid until 2031 - there are many factors which influence the housing market that need to be considered during the plan period – particularly the Birmingham influence and how this may impact on HMA's.
- There were 2 differing views on the PRS. Firstly that growth of the PRS is very much influenced by younger people as they want to have the flexibility to move around to follow career aspirations, rather than being tied to a mortgage as an owner occupier. In Coventry and Warwick the growth of the PRS is also influenced by students – many of whom occupy larger private rented housing (HMOs). On the flip side it was suggested that as more housing is built and the economy improves new homes may become more accessible by households who had previously been unable to access the market (and are currently in the PRS). This could actually see a decline in demand in the PRS.
- One view was that the Build to Rent Funding was aimed more at stimulating the private rented sector supply in the southern part of the country rather than in Coventry & Warwickshire. The view was that such a model would be unviable in this HMA due to the lending and building restraints associated with such a development.

Housing Need:

- The group felt that the delivery of affordable housing was very much reliant on S106s and HCA funding.
- The balance between jobs and homes is very much dependent on geography and will be of important consideration going forward. The gateway was flagged up as an example. If this goes ahead as planned then new homes will need to be planned to support it in a sustainable way. It was suggested that at present other than the site at Kenilworth, there was limited new proposals in Coventry or Warwick and that this could put pressure on Rugby. The type of employment that goes in at the gateway site could also be an important issue – how well will it reflect current skill sets in the local area and how will this impact on commuting?
- The household formation approach – allowing for improvement over time seems reasonable.
- Accept that there is difficulty in considering household formation rates – recognised the south Worcestershire letter from PINS.

Housing Mix:

- The mix of housing should be led by the market and should not be too prescriptive in Local Plans.
- The housing mix is very much dependent on land availability.
- There is a demand for aspirational housing near Warwick University.
- House types and sizes are likely to reflect existing patterns – not too sure how policy intervention will work/be successful? But mainly down to market demand and what developers believe will sell
- Conflicting views on demand for bungalows – some felt there was a particular demand for bungalows in all areas of the HMA whilst others felt that many people say bungalows are desirable but that there are then problems selling them?

Older Persons:

- On larger sites, S106 agreements could include care home provision for the elderly as part of their affordable housing provision.
- There is going to be more demand for a range of older persons housing from people who are equity rich, who want to downsize.
- Important to realise that there will be a growing proportion of older people who are not equity rich and will be reliant on 'affordable stock'
- In some areas there is a big demand for bungalows (it was also suggested that this could be attributable to a lack of knowledge on other types of older persons housing provision). It was suggested that care facilities are able to accommodate lifts etc. which make higher level floors more accessible – bungalows and ground floor flats don't have to be the only answer

SHMA Workshop Session: Group 5 Feedback

1. Housing Market Dynamics

Do you agree with the Coventry-focused housing market area defined? Are there cross boundary issues which need to be considered?

- The group felt that there was a relationship to Solihull and Birmingham, with in-migration from Birmingham and potentially out-migration to Solihull. This was particularly relevant given the expected shortfall in housing supply in Birmingham.
- A relationship between Hinckley and Nuneaton was also identified.

What does your group think might happen with the housing market in this area over the next five years? Are there different potential scenarios?

- It was felt that confidence was returning to the market. The problem is with mortgages which Help-to-Buy is starting to address. Banks approach to lending is also changing, with increasing funding now available.
- A major housebuilder commented that market confidence is improving, but that the availability of mortgages still needs to improve further.

2. Housing Need

What evidence is there that household formation will be stronger moving forward relative to the past decade?

- Views within the group on this issue where mixed. It was commented that the economy is just coming out of the recession; and that housing demand will be influenced by UK economic performance and associated migration to the UK.

- Key factors which might support increased demand/ household formation identified included the Coventry and Warwickshire Gateway scheme, growth of Greater Birmingham Airport; and delivery of High Speed 2.

- The group agreed that it would be unsound to base future planning over the longer-term solely on 2011 headship assumptions.

What are the key issues in balancing jobs and homes in Coventry and Warwickshire?

- Key issues identified included politics and green belt policies. A need for aspirational housing, good quality family housing around Coventry (executive homes) was identified.

What different ways are there to support the delivery of affordable housing?

- The group thought that affordable housing figures must be deliverable; and that there was a need to boost housing supply to improve affordability of market housing. However it commented that there is a need to be realistic.

3. Housing Mix; Older Persons

In what way do we need to develop the mix of housing in different parts of Coventry and Warwickshire?

- A lack of aspirational housing in Coventry, and in Nuneaton and Bedworth was identified. For N&B this has led to some out-migration to Hinckley and Bosworth (rural areas including Market Bosworth) to secure appropriate housing.

- A need for more affordable and smaller properties in Stratford-on-Avon and Warwick Districts was identified to meet local needs, but with a recognition that market demand is for larger properties and the market for these is buoyant.

- It was commented that more housing with care is needed, particularly with declining amounts which are available to pay for care workers; but it was commented that Government and WCC policy is to support older people to stay in their own homes as a cheaper solution for the public purse.

- The group identified that there is significant demand for older persons accommodation in Warwick and Stratford-on-Avon Districts. It suggested that creating local opportunities for older households to downsize would be important.

What impacts are the government's welfare and benefit reforms having on need for different types of homes?

- It was felt that the impact of the bedroom tax on need for different sizes of properties was important, with the reforms pushing need more towards 1 & 2 bed properties.