



Meriden Housing Needs Assessment (HNA)

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Acronyms used in the report

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
DLP	Draft Local Plan
HMA	Housing Market Area
HNA	Housing Needs Assessment
HNF	Housing Need Figure
HRP	Household Reference Person
IT	Income Threshold
LA	Local Authority
LEP	Local Enterprise Partnerships
LPA	Local Planning Authority
LPR	Local Plan Review
LQ	Lower Quartile
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
MPC	Meriden Parish Council
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
PT	Purchase Threshold
QB	Qualifying Body
SEP	Strategic Economic Plan
SHMA	Strategic Housing Market Assessments
SLP	Solihull Local Plan
SMBC	Solihull Metropolitan Borough Council

1. Executive Summary

1. This report provides the Meriden Parish Council with vital information about the amount and mix of housing they should plan for going forward. The information provided can be used to inform debate within the group, local understanding of the needs and the justification for any site allocation and site mix policies within the neighbourhood plan.
2. The reports looks at:
 - ***What quantity of housing in the Neighbourhood Area is appropriate over the Plan period?***
 - ***How should Affordable Housing¹ be split into different tenures and what role is there for market housing in addressing community need over the Plan period?***
 - ***What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?***
3. The appropriate quantity of new housing to be delivered in the Neighbourhood Area, also called a Housing Need Figure (HNF), is **90** dwellings by 2028. In contrast, the projection derived from the Draft Local Plan housing target suggests that Meriden should see an increase of 164 dwellings by 2028. Although we have shown that between 2011 and 2017, Meriden had built enough to meet the need for a growth of 140 households by 2028, the group should be aware that the figure of 164 is likely to come forward as their required housing target from the Local Authority. This figure is liable to change with the new **Standard Method** and HS2, which will be completed during the Neighbourhood Plan period. We believe the impact of the HS2 will be significant; however, it is outside the scope of this study to assess it. The group is advised to discuss this further with Solihull Council.
4. Our analysis has shown that **86 Affordable Housing units** (includes Social Rented, Affordable Rent and intermediate housing such as Shared Ownership), **should be built from now until 2028**. Provided Meriden meets our recommended Housing Needs Figure (HNF) target of 90 dwellings, almost all newly-built dwellings should fall into Affordable Housing tenures to meet housing needs. However, this is not likely to be viable. Alternatively, if the Local Authority requires Meriden to build around 164 dwellings (number derived from the new Local Plan), then that level of housebuilding would allow the Parish to meet this Affordable Housing need. This will only be possible however if developers abide by the Draft Local Plan's Affordable Housing Policy, which requires 50% of Affordable Housing on housing development sites of 11 units or more².
5. In these circumstances we would recommend that at least 47 of those 86 Affordable Housing units are Socially Rented Housing. The rest should be divided between Affordable Rent and Shared Ownership. The delivery of housing for sale creates the opportunity, through S106 conditions, for the delivery of Affordable Housing. It also generates resources for additional infrastructure. It therefore performs an important function in fulfilling future need within Meriden. The Parish should also give careful consideration to the role of Build to Rent³ housing given the growth of the Private Rented Sector in the Neighbourhood Area.
6. There is a high demand for smaller properties of 1 – 3 bedroom. Demand is strongest for 2 bedroom properties; however these homes are also in the shortest supply. Meanwhile, there is an oversupply of larger homes of 3-4 bedrooms where supply outstrips demand.

¹ "Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market". <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

² Solihull Draft Local Plan 2016, Policy P4

³ Refers to development designed specifically for renting rather than for sale.

2. Context

2.1 Local Context

7. Meriden is a village and civil Parish in the Metropolitan Borough of Solihull, West Midlands. Traditionally, Meriden has been regarded as the geographical centre of England. Meriden has a historic medieval core, which is protected by Conservation Area designations that cover the village green at the heart of the village, and another around St Lawrence's church at Meriden Hill.
8. It covers approximately 1150 hectares and forms the North East corner of Solihull Metropolitan Borough, bordering Coventry to the east and North Warwickshire to the north.
9. The main settlements are Meriden Village itself, where two thirds of the Parish population live, Millison's Wood and Eaves Green.
10. The Parish of Meriden also lies in the rural gap between Coventry and the Birmingham conurbation. Historically part of Warwickshire, the surrounding countryside, known as the Meriden Gap, forms a green belt between the two urban areas of Birmingham and Coventry.
11. The Parish is crossed by the A45 Birmingham to Coventry road and is within 10 minutes' drive of the M6, M42 and M6 Toll motorways, Birmingham International Airport and rail station. The parish is also located on the B4102 Hampton road which provides connections to other nearby villages such as Hampton-in-Arden and Catherine-de-Barnes.
12. In 2014, Solihull Council designated the Neighbourhood Area for Meriden in order to facilitate the preparation of a Neighbourhood Plan by the Parish Council as the Qualifying Body (QB). A map identifying the designated Meriden NA is shown below in Figure 2-1. The NP will cover the period from 2011 to 2028.

Figure 2-1: Meriden Neighbourhood Area



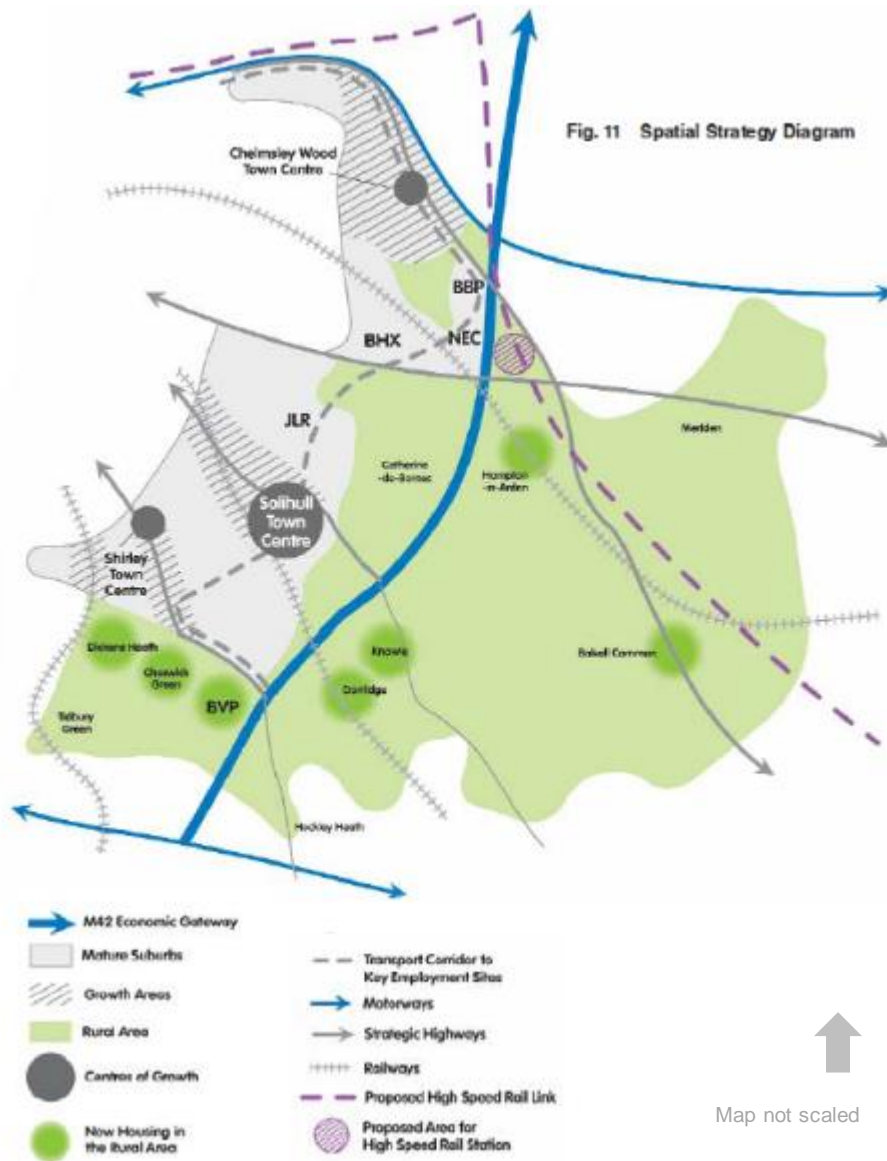
Source: http://www.solihull.gov.uk/Portals/0/Planning/Meriden_Neighbourhood_Area_Application.pdf

2.2 Policy

13. In line with the basic conditions⁴ of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
14. Solihull Local Plan (Shaping a Sustainable Future), was adopted by the Council on 3rd December 2013. It is the most up-to-date local plan for the area and covers the period 2011-2028. Since the Local Plan was adopted, a legal challenge has resulted in the overall housing requirement being deleted and remitted back to the Council for reconsideration.
15. Additionally, a Draft Local Plan Review (Reviewing the Plan for Solihull's Future) has been published in November 2016 for consultation. This is a draft plan has reached Regulation 18 consultation and should therefore be reviewed as part of this HNA given its advanced stage of development.
16. Both documents have been studied for policies relevant to housing need. As the Draft Local Plan is informed by a more up to date SHMA (2016), when there are policy changes between the 2013 Local Plan and the 2016 Draft Local Plan, this is drawn out. The Draft Local Plan is scheduled to be submitted to the Secretary of State during autumn 2019 and examined in winter 2019/2020. So far the submission draft has not been published.
17. In addition, the government's plans for high speed rail have now been granted. Contracts to deliver the scheme are being put in place and the route is expected to open by 2026. The first station outside of London is to be built in Solihull on land next to the M42 and opposite the NEC. The Interchange station will be constructed on land that it is currently within the Green Belt. This is likely to have a substantial impact on housing needs in Meriden.

⁴ See Glossary

Figure 2-2: Solihull Spatial Strategy



Source: Solihull Local Plan 2013

18. As can be seen in Figure 2-2 above, the spatial strategy for Solihull by 2028 is expressed in five distinct areas of the Borough. Meriden Parish is located in the “Rural Area” which in terms of housing focuses on providing Affordable Housing, including affordable extra care and supported housing for the ageing population and those with disabilities.
19. **POLICY P4 – Meeting Housing Needs (a) Affordable Housing** – which sets out the Council’s requirement for affordable housing in the form of 40% affordable dwelling units of new build housing coming forward in the district. Contribution is expected on residential sites of 0.2 hectares or more, or housing developments of 3 or more homes. If site provision is not feasible or viable there will be a financial contribution towards the provision of affordable houses that would not otherwise be provided, elsewhere in the Borough. Tenure, mix and type of homes, as well as requirement to meet specific needs such as older and disabled people, should be informed by the Council.
20. Note: Figures in the 2016 review differ from the 2013 Local Plan: The Council requires developers of allocated and unidentified sites to make a contribution to affordable housing in the form of 50% affordable dwelling units on each development site on residential sites of 11 units or more, or which have a maximum combined gross floor space of more than 1,000sqm to meet the housing needs of the Borough.
21. **POLICY P4 (b) Rural Exceptions** – which states that affordable housing developments on green belt land will be supported, provided development proposal is consistent with the Neighbourhood Plan or when there is evidence that people with a local connection to the Parish area have a housing need that cannot be met through affordable housing provision on an allocated housing site.

22. **POLICY P4 (c) Market Housing** – which states that when the Council issues a development brief for a site, it will include details on profile of household types requiring market housing .
23. Note: An addition from the 2016 review is that developers of allocated sites are required to make a contribution to Self and Custom Build Housing on residential sites of 100 units or more in the form of 5% of open market dwellings in the form of Self and Custom Build Plots on each development site.
24. **POLICY P5 – Provision of Land for Housing** – which sets the number of homes for the entire district as 11,000 additional homes in the period 2006-2028. The annual housing land provision target is 500 net additional homes per year (2006-2028).
25. Note: The numbers in the 2016 Review are different: 15,029 additional homes should be provided in the period 2014-2033. The annual housing land provision target is 791 net additional homes per year. In the 'Meriden Parish Council – response to Solihull's Draft Local Plan Review', 87% of residents said that between 11 and 50 dwellings should be the scale of development between now and 2028.

3. Approach

3.1 Research Questions

26. Below we set out the RQs to this study, as discussed and agreed with MPC. Tailored Research Questions, abbreviated to 'RQ;' are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA.

Quantity

27. The current local plan, the 'Solihull Local Plan' (SLP), was adopted in December 2013 and covers the period 2011 to 2028. However, a legal challenge to the SLP post-adoption has resulted in the overall housing requirement being deleted, and the Council is currently undertaking a Local Plan Review (LPR).
28. Consequently, Solihull Metropolitan Borough Council (SMBC) does not put forward a specific housing requirement for the Neighbourhood Area (NA), although the QB has indicated that 12 sites had been identified. The current Draft Local Plan has allocated 50 houses for Meriden on Birmingham Road, taking two adjacent sites from the original 12 sites identified.
29. In the light of these circumstances, the qualifying body (QB) would like the HNA to help them determine the appropriate level of growth needed in the NA.

RQ1: What quantity of housing in the NA is appropriate over the Plan period?

Tenure & Affordable Housing

30. MPC has expressed the need to provide Affordable Housing⁵ for local people and specific groups, for example, the elderly population. Therefore, it is necessary to investigate how Affordable Housing should be split into different tenures to improve access to dwellings suited to the profile of household composition within the NA over the Plan period.

RQ2: How should Affordable Housing be split into different tenures and what role is there for market housing in addressing community need over the Plan period?

Type and size

31. The QB has expressed an interest in the type and size of dwellings needed. In particular, the group has mentioned that many elderly households in the Parish would like to access smaller housing, for example single-storey bungalows.

RQ3: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

3.2 Relevant Data

3.2.1 The Local Authority Evidence Base

32. Planning Practice Guidance (PPG) states that those bringing forward a Neighbourhood Plan can refer to existing needs assessment prepared by the Local Planning authority as a starting point. As Meriden Neighbourhood Area is located within the Solihull Housing Market Area (HMA), we therefore turned to the Strategic Housing Market Assessment (SHMA) which covers the Borough and informs emerging housing policies at the local authority level, including affordable housing policy.
33. Solihull is covered by the Solihull SHMA, produced in 2016 by HDH Planning and Development Ltd and Peter Brett Associates LLP. It consists of two volumes:
- Solihull Strategic Housing Market Assessment
 - Strategic Housing Market Assessment Part 2 Objectively Assessed Need for Affordable Housing
34. The SHMA has been compiled to inform planning and housing policy over a nineteen year Plan period between 2014 and 2033.
35. For the purpose of this HNA we have considered that Meriden forms part of the Solihull Housing Market Area (HNA); the data from the two volumes of the SHMA has been treated as applicable to it unless it conflicts with locally-specific material.

⁵ "Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market". <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

36. The SHMA draws upon a range of data including population and demographic projections, housing market transactions and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the NA.
37. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the LPA by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

3.2.2 Other relevant data (from LPA or NP group, e.g. housing survey)

38. In addition to the SHMA, we have gathered a range of other data sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level and is locally specific. These include Census data providing insight into demographic shifts.
39. Furthermore, to assess the housing in Meriden, data from the Land Registry was analysed. This data provides prices paid, housing types and date of transaction information which allows housing market trends to be identified.
40. The material was collected for the CV7 postcodes that are contained within the NA boundary to create a database including all housing transactions registered with the Land Registry between January 1st 2008 and December 31st 2017. A similar exercise was carried out for the whole postcode area and for the whole of Solihull to serve as a point of comparison. These datasets were mainly used to inform our response to RQ1 and RQ2. Market rental data was collected from a range of sources including www.home.co.uk and www.rightmove.com.
41. We also used data from the Meriden Neighbourhood Plan Survey (2016) and the Meriden Housing Needs Survey (2018).

4. RQ 1 Quantity

RQ1: What quantity of Housing in the Neighbourhood Area is appropriate over the Plan period?

42. We have estimated the quantity of housing needed in the NA according to four different sources, including;
 - a. Solihull Local Plan (2013)
 - b. Solihull Draft Local Plan (2016)
 - c. SHMA
 - d. MHCLG household projections
 - e. Dwelling growth between 2001 and 2018
 - f. Standard Methodology
43. The calculations are set out below.

4.1 Solihull Local Plan (2013)

44. The Solihull Local Plan puts forward an annual housing requirement of 500 for the Borough or a total housing requirement of 8,500, between 2011 and 2028. The proportional share may be calculated for the NA based on the proportion of homes in the LA. At the time of the last Census there were 1,279 dwellings in the NA, or 1.45% of all homes in the Borough. Therefore, 7 homes (1.45% of 500) should be allocated annually as the 'fair share' of the Borough's target (or a total of 123 homes between 2011 and 2028, up to end of the Plan period for the NP).
45. In arriving at a final total for Meriden, it is important to take into consideration that 160 dwellings were built between 2011 and 2017 in the NA. Considering these completed dwellings, Meriden has met the Local Plan's housing target and does not need to build more homes between 2018 and 2028.

4.2 Solihull Draft Local Plan (DLP) (2016) & Solihull SHMA 2016

46. The Draft Local Plan's housing target for Solihull is the same as the latest SHMA's OAN.
47. First, it is important to remember that the Strategic Housing Market Assessment (SHMA) presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN), as opposed to a final housing target. The final housing target will take into account other factors, including for example the availability of land, the viability of development, planned infrastructure, environmental constraints and consultation findings.
48. The SHMA presents an appropriate starting point for deriving need at the NA level, because it is the most up-to-date evidence available, and importantly, because it takes into account the latest population and household projections, as set out in the 2014 Sub-National Population Projections on which the Household Projections are based - the PPG guidance also suggests that the projections should be taken as a 'starting point' in determining need at the local authority level.
49. In 2016, the Council commissioned Peter Brett Associates to carry out a SHMA to determine the Borough's OAN to inform the Local Plan Review. The SHMA proposed an annual requirement of 689 dwellings per annum (dpa), which is the OAN figure, between 2014 and 2028 (the SHMA Plan period). This evidence informed the Draft Local Plan Review consultation in December 2016, which seeks to meet the Borough's own housing needs and accommodate a proportion of the shortfall arising in the wider Housing Market Area.
50. The Draft Local Plan 2016 (DLP) seeks to accommodate 15,029 dwellings in the Borough over the Plan period – which would be equivalent to 791 dpa. However this figure includes accommodating 2,000 dwellings from the shortfall occurring elsewhere in the Housing Market Area (HMA). The nearest comparable figure used when preparing the plan is set out in the accompanying DLP Topic Papers – and set the Borough's own needs to be 689 dpa.
51. To calculate the NA's 'fair share' of this target, it is again possible to use Meriden's proportion of all housing in the Borough (1.45%). This produces a figure of 10 dwellings per annum (rounded) or a final target of 170 between 2014 and 2028.

52. Furthermore, it is necessary to take into consideration homes built in the NA in recent years; since 2014, the beginning of the SHMA Plan period, 6 dwellings have been built; producing a final target of **164 dwellings between 2018 and 2028, or 16 per year** (rounded).

4.3 MHCLG household projections

53. MHCLG publishes household projections every two years. The PPG recommends that these household projections should form the starting point for the assessment of housing need.
54. The most recent (2014-based) household projections were published in July 2016⁶, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
55. According to the 2011 Census, Meriden had 1,221 households and the LA 86,056 households, or 1.42% of the total (rounded).
56. In the 2014-based household projections, the projection for Solihull is for 95,948 households in 2028. Assuming it continues to form 1.42% of the Borough total, the NA's new total number of households would be 1,361 (rounded); therefore 140 new households form in the NA between 2011 and 2028⁷.
57. The number of households does not, however, equate precisely to number of homes needed, with the latter slightly higher in most places. The NA is no exception; in the 2011 Census, there were 1,221 households but 1,279 homes. This gives a ratio of 0.95 households per home. In the case of NA, then, a projection of 140 new households translates into a need for 147 homes or 9 homes per annum.
58. Discounting the 160 dwellings completed since 2011, enough homes were already built to meet the need of households until 2028.
59. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other factors that might have influenced, or may influence in the future, the Local Plan distribution of housing across the Borough.

4.4 Homes growth 2001 – 2017⁸

60. Consideration of home growth between 2001 and 2011 provides a projection based on the rate of delivery of new homes between the two Censuses. As we have seen, there was an increase of 22 homes in the NA between these two dates, or an average annual rate of increase of 2 homes (rounded). Multiplying this annual figure by the number of years remaining of the Plan Period to 2028 **would produce a projection of 37 homes**.
61. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last Census (2011), using data gathered and monitored by the LPA. Between 2011 and 2018, 160 new dwellings were completed. This equates to an annual rate of delivery of 27 homes. If this rate of delivery was continued to 2028, this would equate to **a projection of 267 homes over the Plan period**.
62. It is important to note the disparity between the two 'homes growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development that could be delivered over the Plan period, we have taken the aggregate of the homes growth between 2001 and 2017; this comes to 182 (22 + 160) dwellings. Expressed as an annual average rate, this is 11 dpa. This produces **projection derived from homes growth between 2001 and 2017 of 114 homes over the remaining Plan period**.

4.5 Provisional housing need figure

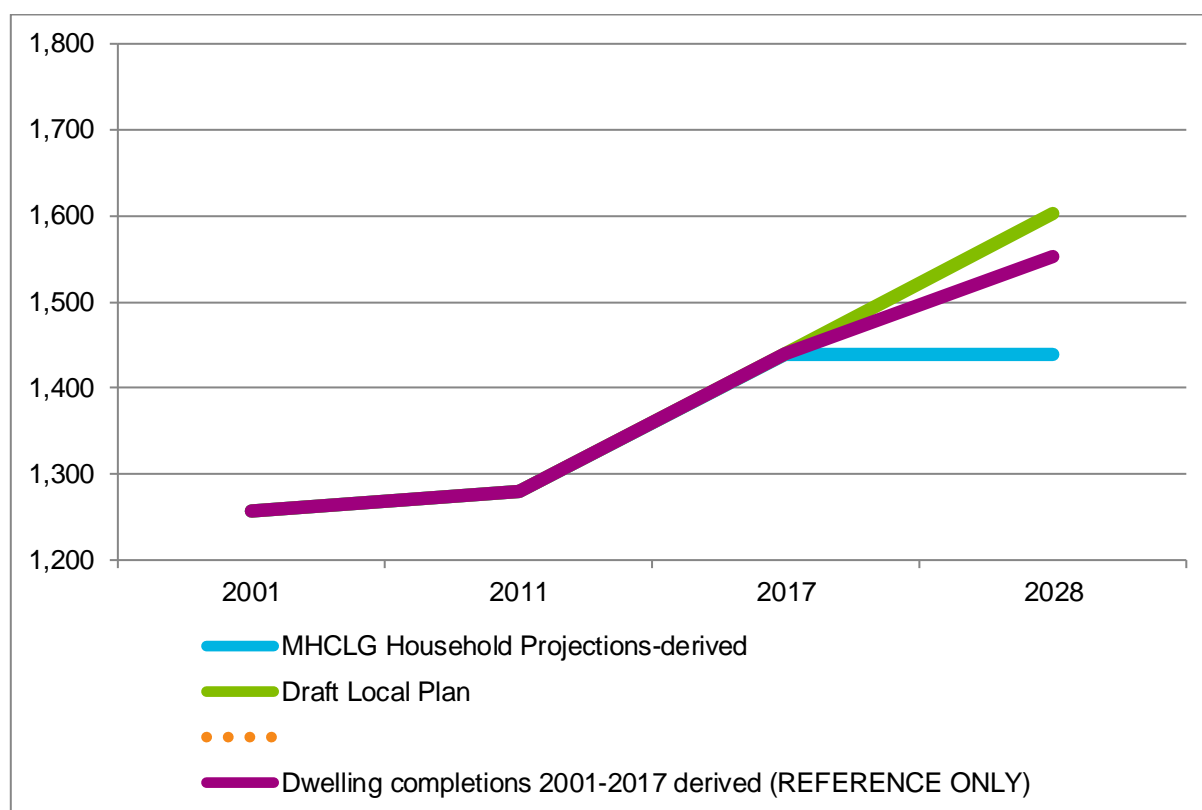
63. Figure 4-1 below compares the total number of homes under each of the projections we have identified for Meriden starting from 2001 and ending at the end of the Plan period, in 2028.

⁶ See 2014-based MHCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

⁷ The group has recently informed us there are currently 1,463 households as confirmed by SMBC in February 2018 from their electoral roll.

⁸ Historic housebuilding trends

Figure 4-1: Dwelling projections for the Meriden NA, 2011-2028



Source: AECOM Calculations

64. To arrive at an overall projection for the quantity of housing to be delivered in the NA over the Plan period, we have averaged some of the projections set out above. The following should be noted:
- The homes growth 2001-2017-derived projection is based to a significant extent on the supply side. To reflect the fact that HNAs should not be constrained by supply-side considerations, this projection has not been used for the purpose of arriving at an overall projection.
 - Although the Local Plan-derived projection represents a balance between demand and supply, it has been included in the overall calculation to reflect its importance with regard to the NP meeting Basic Condition E (when submitted). We depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out-of-date in planning terms, or another projection was a clear outlier. In that case, the Local Plan is going to be superseded. Therefore, we use the Draft Local Plan which is assumed to be close to adoption.
65. The table below shows these projections and the average of the projections used to arrive at a provisional housing needs figure.

Table 4-1: Projections summary

Projection		Total housing need in Meriden
1	Local Plan	0
2	DLP	164
3	MHCLG	0
4	Homes growth	114
	Average	70
	Average of 2 and 3	82

Source: AECOM Calculations

66. The projection derived from the Draft Local Plan housing target suggests that Meriden should see an increase of 164 dwellings by 2028. Nonetheless, we have shown that between 2011 and 2017, Meriden had built enough to meet the need for a growth of 140 households by 2028. To reflect this, we have decided to average it to the household projections-derived projection, which effectively halves the Local Plan-derived

and gives a **provisional housing need figure of 82 dwellings until the end of the Plan period**. However, the group should be aware that the figure of 164 is likely to come forward as their required housing target from the Local Authority.

67. Following the presentation and comparison of the quantitative projections and the derivation of an interim housing target, the next step, in line with the PPG approach is to assess the interim target (or range) against market signals which may raise or lower them as appropriate.

5. Market Signals

5.1 Introduction

68. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.
69. The PPG states: “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. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.”⁹
70. These market signals relate to trends observable within the housing market, and broader economic trends that have an impact on the housing market.
71. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues: “This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.” “In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”¹⁰
72. In discussions with SMBC and MBC as to the appropriate levels of market dwellings in the NA it will be necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:
 - Employment and commuting trends;
 - Migration;
 - Housing Market (Prices);
 - Housing Market (Volume);
 - Overcrowding and concealment; and
 - Rate of Development.

5.2 Employment and Commuting

73. Meriden is a village and civil Parish with a population of 2,719 in 2011. Of these, 777 are full-time employees, 270 are part-time and 245 are self-employed.
74. Local employment trends can greatly influence housing needs. Indeed, employment opportunities stimulate demand in the NA. Thus, it is important to establish the employment sphere of influence experienced by the residents of Meriden.
75. We first examined commuting patterns in the NA. Table 5-1 shows that Meriden residents tend to commute further away than the average in the Borough. Indeed, the average distance travelled to work is 16.9km in the Parish, as opposed to 14.2km in the Borough. Although the majority of Meriden residents work locally (37.6% commute less than 10km), a similarly large proportion work further away (35.6% commute between 10 and 30km). Finally, there are more people working from home in the Parish than the average for the Borough.

⁹ PPG Paragraph: 019 Reference ID: 2a-019-20140306

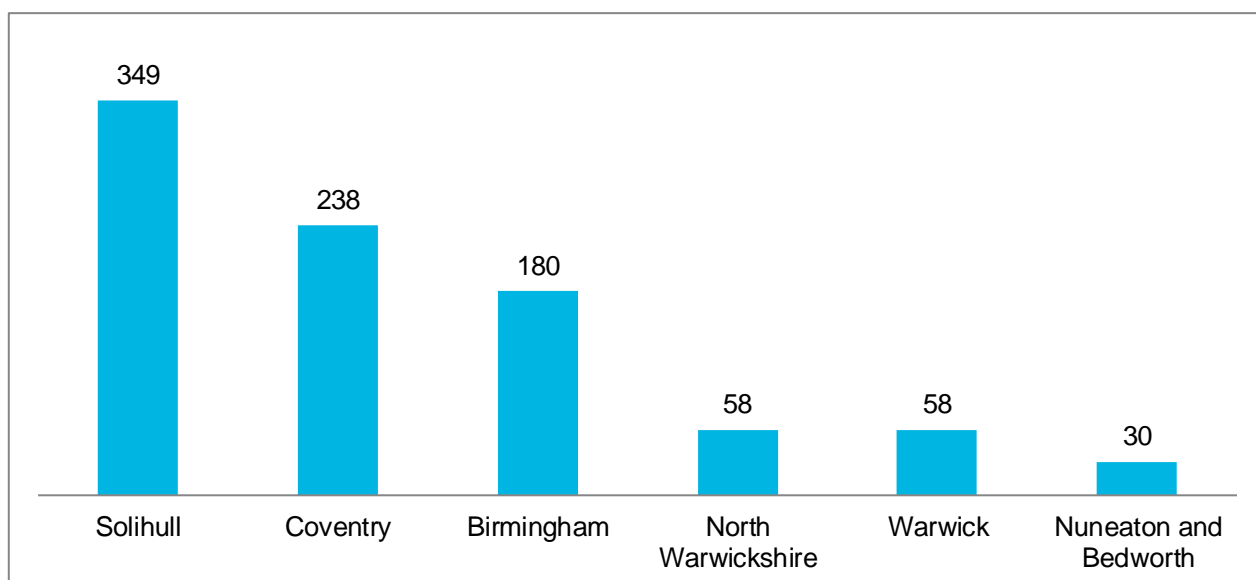
¹⁰ PPG Paragraph: 020 Reference ID: 2a-020-20140306

Table 5-1: Distance to work, 2011

Location of work	Meriden	Solihull	England
Less than 10km	37.6%	52.7%	52.3%
10km to less than 30km	35.6%	24.2%	21.0%
30km and over	6.3%	5.7%	8.0%
Work mainly at or from home	13.0%	10.2%	10.3%
Other	7.5%	7.2%	8.5%
Average distance travelled to work	16.9km	14.2km	14.9km

Source: ONS 2011

76. Additional ONS data about places of work can provide a more detailed account of where Meriden residents work. As is shown by Figure 5-1 below, 349 residents work in the Borough. This data confirms that many people work locally. Furthermore, there are a large number of residents working in Coventry and Birmingham. This means that Meriden will not only be influenced by growth in the Borough, but also in neighbouring Coventry and Birmingham.

Figure 5-1: Places of work for Meriden residents

Source: ONS 2011

77. We have reviewed the Greater Birmingham and Solihull Strategic Economic Plan (SEP) and the Coventry & Warwickshire SEP to understand whether growth is expected in the employment sphere of influence linked to Meriden. SEPs are aspirational documents aimed at maximising inward investment. They provide an indication of what kinds of jobs are expected in the neighbourhood's Local Enterprise Partnership (LEP) area, and where those jobs will be created.
78. The Greater Birmingham and Solihull SEP sets the LEP's ambition to become a top global city region by 2030 as well as the major driver of the UK. This is catalysed by the arrival of HS2 which will bring central Birmingham within 49 minutes of central London and make Birmingham Airport the UK's first and only high-speed rail connected airport. Currently, about thirty-nine people in Meriden commute to the Birmingham airport, and 180 commute to Birmingham. Besides, HS2 provides the opportunity to bring growth to North Solihull, an area of long-standing deprivation.
79. According to The Coventry & Warwickshire SEP, by 2025 Coventry & Warwickshire will be a high performing economy with innovative businesses competing internationally, growing and providing better paid employment opportunities for all of residents across both rural and urban areas.
80. Clearly, Meriden is in the middle of two areas which have ambitious objective for growth and development. The Parish's proximity to Birmingham and Coventry, and the existence of local employment opportunities in Solihull, might reinforce housing demand.
81. Furthermore, the group must be aware that the arrival of the HS2 Interchange Station only 3 miles away (see Figure 5-2 below) has the potential to dramatically increase housing demand, and as a result, prices.

However, this demand might well be satisfied by the 2000 houses planned near Meriden in the Draft Local Plan. Nevertheless, there will be strong demand for larger dwellings as affluent city-dwellers might be attracted to the rural character of the area.

Figure 5-2: Meriden and HS2 Birmingham Interchange

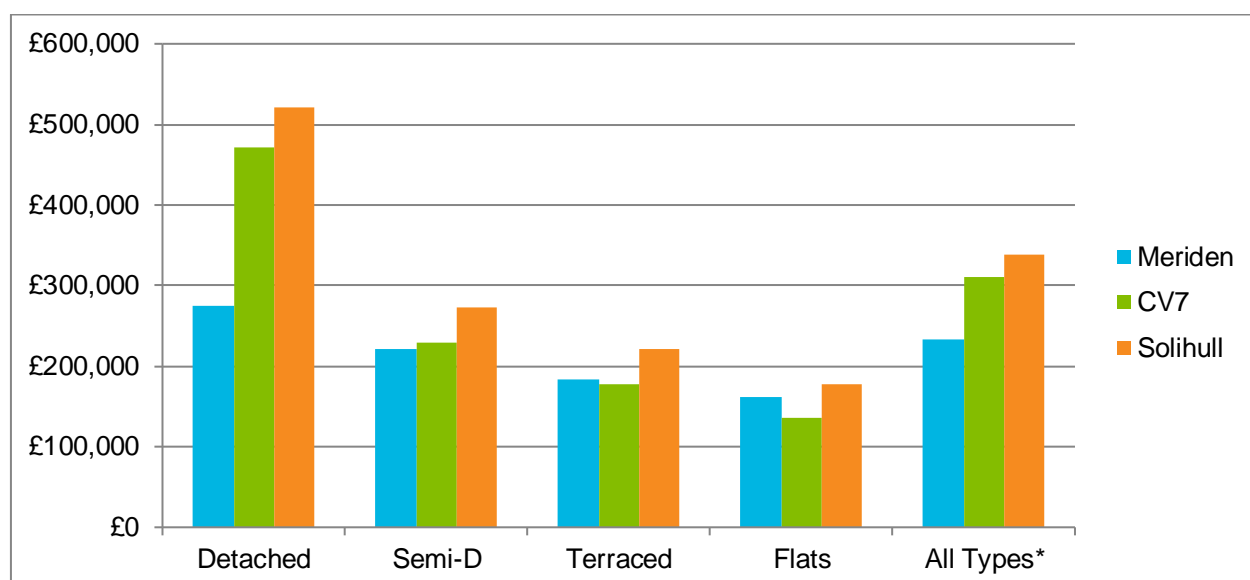


Source: Google Maps

5.3 Housing Sales (Prices)

82. The PPG advises that house prices should be used as a sign of the strength of demand for housing, and adequacy of supply to meet demand. This is then used as a signal to increase demographically-based housing projections.
83. We start by identifying recent average house price paid for different property types. In Figure 5-3 below, we have analysed house prices achieved in 2017 in Meriden, the wider postcode area and Solihull.
84. The average house price in the Parish (£232,556) is much lower than in the Borough (£338,892) and the wider postcode area (£309,837). However, this is explained by a lower average price for detached homes in Meriden which lowers the average price.
85. Compared to the wider postcode area, however, terraces and flats in Meriden are respectively 4% and 16% more expensive. This could suggest an inflated demand for smaller property types in Meriden.

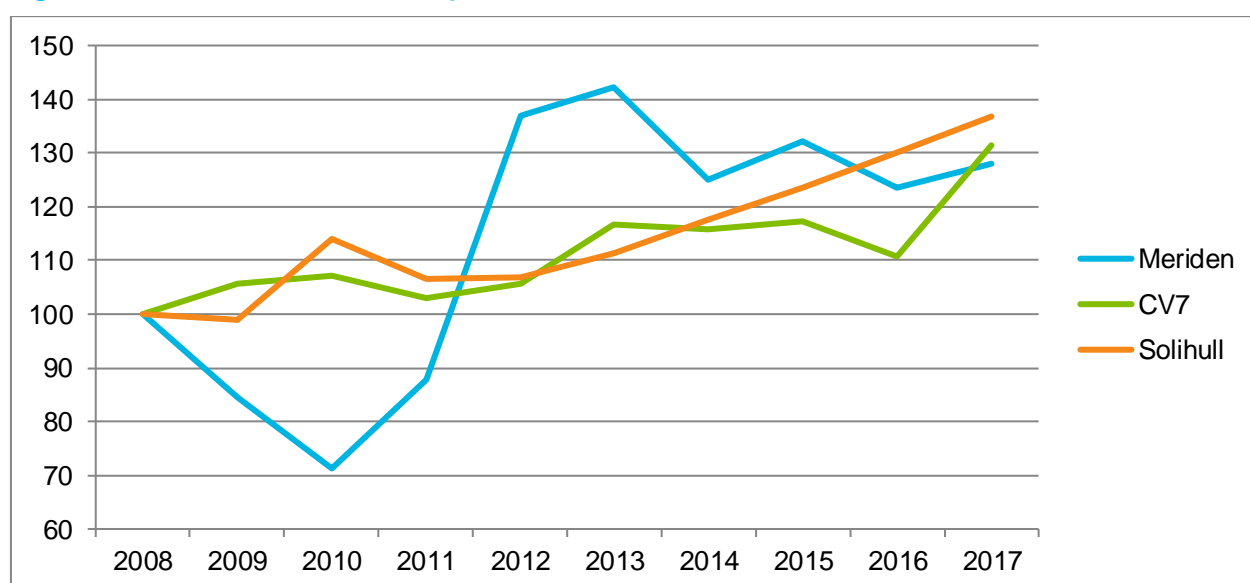
Figure 5-3: Mean House Prices (2017)



Source: Land Registry, AECOM Calculations

86. Moving to an assessment of change in the housing market, Figure 5-4 shows the indexed median house prices for Meriden, the wider postcode area, and the Borough. Index numbers are used to make comparisons over time. An index starts in a given year, the base year, at an index number of 100. In subsequent years, percentage increases push the index number above 100, and percentage decreases push the figure below 100. An index number of 102 means a 2% rise from the base year, and an index number of 98 means a 2% fall.
87. Here, we take 2008 as the base year and compare median house price over time between Meriden, the wider postcode area and the Borough. On the graph below, we can see that Meriden was particularly hit by the recession. Prices started increasing again from 2010, and went beyond their 2008 level from 2012. Median house prices have therefore increased significantly in all three areas in the last ten years. In 2017, prices had increased by 28% in Meriden, 31% in CV7 and 37% in Solihull compared to their 2008 prices. However, Meriden experienced more fluctuations over that period, and median prices have increased almost 20% less than in Solihull.

Figure 5-4: Indexed median house prices 2008-2017

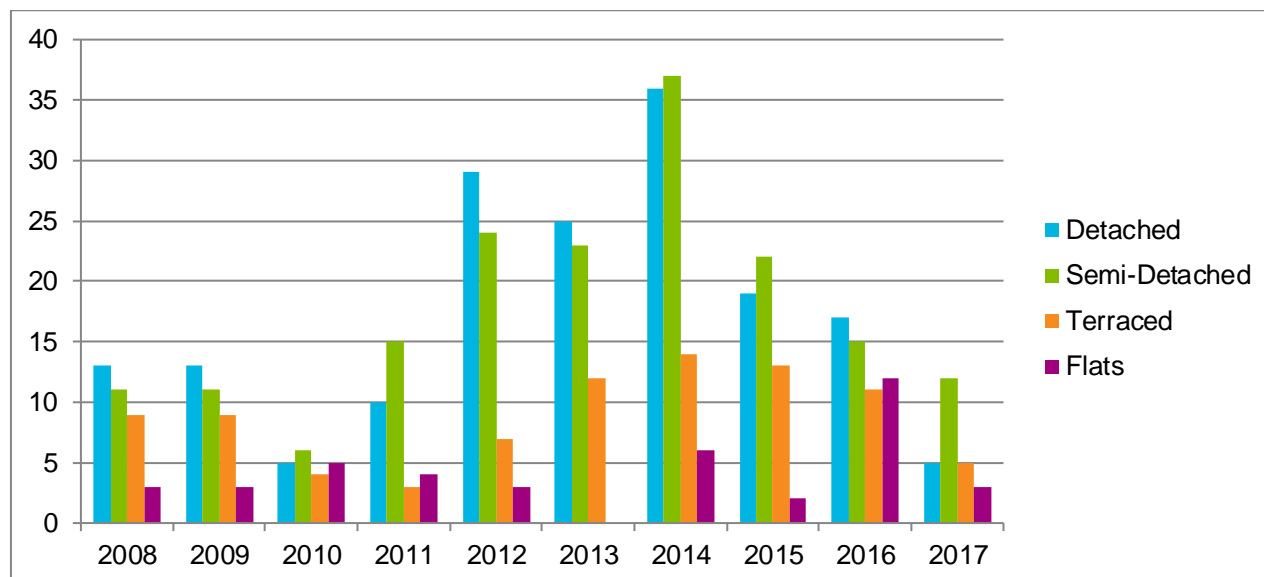


Source: Land Registry, AECOM Calculations

5.4 Housing Sales (Volume)

88. Sales volumes represent a market signal indicating inflated or depressed demand across different housing types. Figure 5-5 below presents Land Registry data for sales of different dwelling types in Meriden.
89. Detached and semi-detached houses have consistently formed the bulk of the sales over the period. However, demand has plummeted since 2015 as less property being sold. In 2017, as many detached houses were sold as terraced. The fall in the number of detached homes being sold indicates a deflated demand for larger property types, as was evidenced earlier. It could also indicate less supply; indeed, the significant number of sales in 2012-14 corresponds to a significant house-building phase in Meriden. 87 dwellings were built in 2014.

Figure 5-5: Volume of property sales in Meriden by property type (2008-2017)



Source: Land Registry

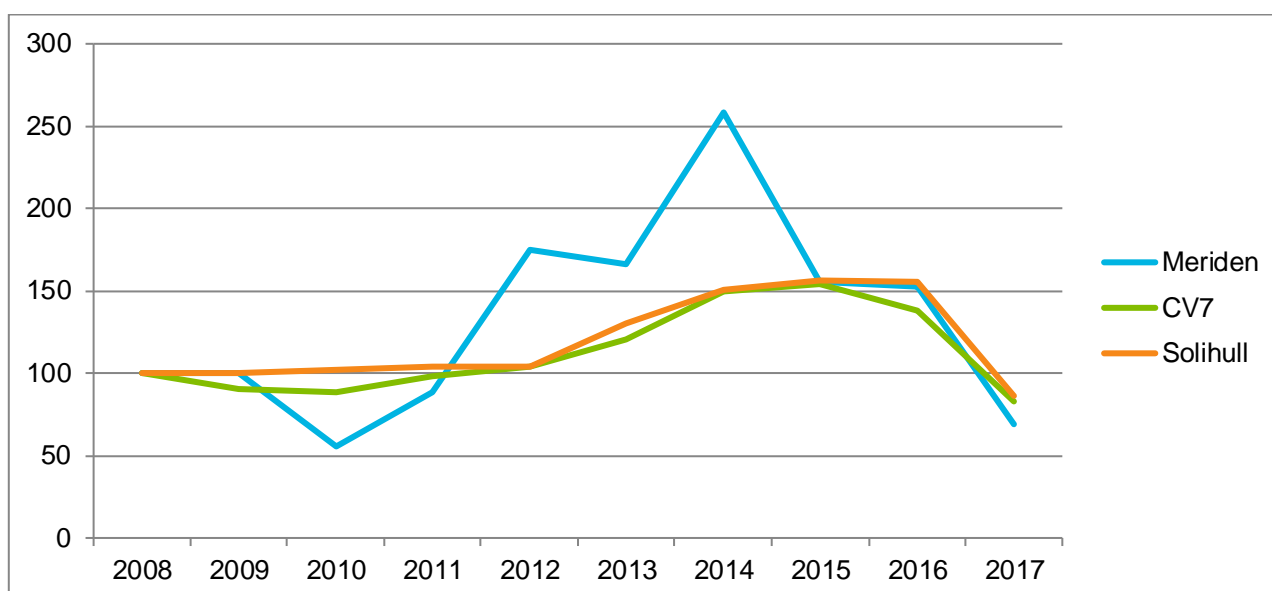
90. Another approach is to benchmark the proportion of sales of each housing type against the existing housing stock. This shows whether there is unmet demand for a particular type. This comparison is presented in Table 5-2 below, with figures for the housing stock in Solihull added alongside for reference. None of the sales are occurring proportionally to their availability in the stock. The comparison for semi-detached and terraced dwellings suggests unmet demand; while the comparison for detached and flats shows deflated demand.

Table 5-2: Sales volumes versus stock of different housing types in Meriden and Solihull

SALES (PPD) VS STOCK (ONS) BY TYPE	SALES (PPD)	STOCK (ONS)	STOCK(ONS)
	Meriden	Meriden	Solihull
Detached	36%	40%	28%
Semi-Detached	37%	28%	38%
Terraced	18%	11%	16%
Flats	9%	13%	18%

ONS 2001/2011, Land Registry PPD, AECOM Calculations

Moving on to compare the volume of all sales between 2008 and 2017 between Meriden, the postcode district and the Borough. In 2017, a total of 25 properties were sold in Meriden as opposed to 36 in 2008 and 93 in 2014. In the Borough sales have decreased as well, with 2,052 properties sold in 2017, against 2,379 in 2008 and 3,578 in 2014. Figure 5-6 below shows the indexed volume of properties sold in Meriden, the wider postcode area, and the Borough, taking 2008 as the base year. We can see that Meriden experienced a peak in the number of sales between 2012 and 2015. However, since then, it is following the Borough-wide trend; the volume of sales is falling sharply. This may be related to people holding on to property assets pending HS2 completion.

Figure 5-6: Indexed volume of properties sold, 2008-2017

Source: Land Registry

5.5 Overcrowding and Concealment

91. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock. One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census, and is shown in Table 5-3 below. As a rule of thumb, more than one person per room indicates overcrowding.
92. In both the Borough and the NA, the number of overcrowded households has decreased between 2001 and 2011. Noteworthy, the number of households with over 1.5 persons per room, an indicator of acute overcrowding, has gone down to zero. The data suggest that overcrowding, although present in the NA, is not significant and has moreover become less common in recent years.

Table 5-3: Number of persons per room in Meriden and Solihull, 2001-2011

	2001	2001	2011	2011
	Meriden	Solihull	Meriden	Solihull
Up to 0.5 persons per room	952	59142	1010	64984
Over 0.5 and up to 1.0 persons per room	251	20873	203	20337
Over 1.0 and up to 1.5 persons per room	9	743	8	630
Over 1.5 persons per room	3	172	0	105

Source: ONS, Census

93. A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents¹¹. In 2011, 18 households (or 2.2% of the total number of households) were concealed. This is not only above the average for the Borough (1.7%), but also more than the national average (1.9%). It is important to note that these households are likely to represent a growing generation of young people reaching maturity and seeking to leave the family home. If they are unable to access suitable housing within Meriden, they are likely to move elsewhere, most moving within one year. This phenomenon is called 'displacement'.
94. Bringing the evidence together, overcrowding in Meriden is only experienced by a fraction of all households. As for concealment, it is experienced by a higher proportion of households than both the Borough and the nation. This may well indicate that the demand coming from a specific group, newly-forming households, is

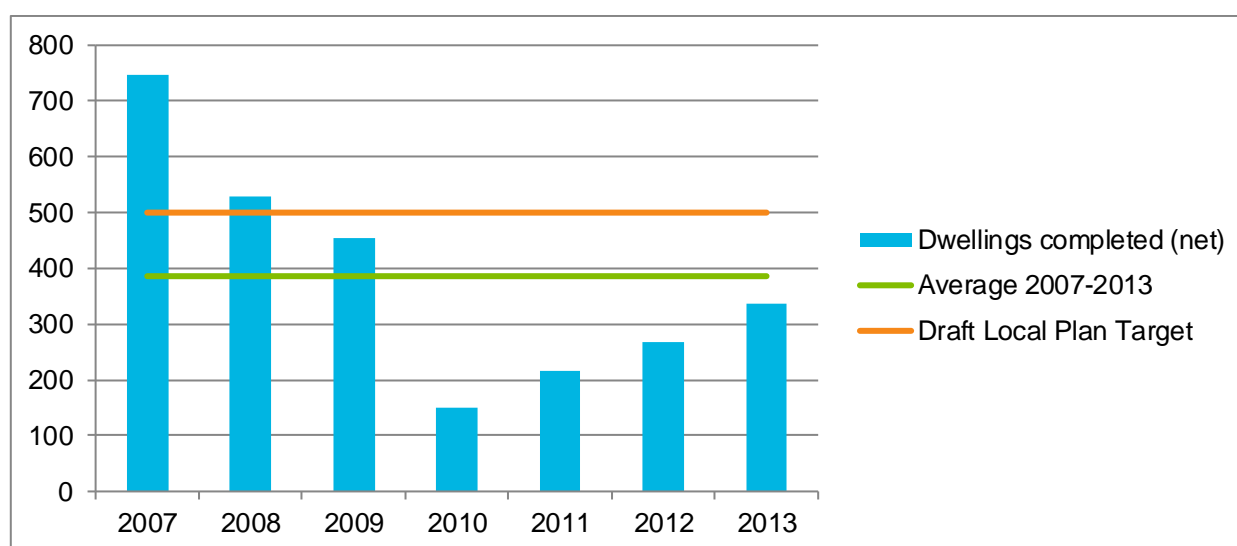
¹¹ <http://webarchive.nationalarchives.gov.uk/20160105222245/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales/sty-what-does-the-2011-census-tell-us-about-concealed-families.html> (visited 01/09/17)

not being adequately met. Young residents are unable to form their own households in Meriden and have no choice but to remain in the family home, or move elsewhere. As a result, we may use this market signal to uplift the provisional housing needs figure.

5.6 Rate of Development

95. Planning Practice Guidance suggests that “if the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan¹².”
96. Solihull did not publish an up-to-date annual monitoring report, and the latest one dates back from 2013. Thus, we cannot monitor whether the Local Authority has met their housing target between 2013 and 2018.
97. Figure 5-7 below uses data from the Solihull Monitoring Report to benchmark housing completions against the Local Plan annual target of 500 dwellings between 2007/8 and 2012/13. The figure indicates that the net additions to the dwelling stock has been some 2,702 dwellings which amounts to an annual average supply of 386 dwellings, below the annual dwelling requirement of 500 and creating a shortfall of 798 dwellings. Consequently, there is evidence to demonstrate under-delivery during that period.

Figure 5-7: Net housing completions 2006/2007 – 2012/2013



Source: Solihull Council Annual Monitoring Report 2011 – 2013, AECOM Calculations

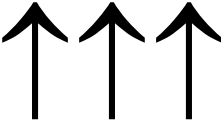
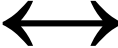
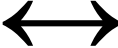
98. However the Annual Monitoring Report was confident that the number of completions was going to improve in the coming years. The new housing target was increased to address this backlog. The annual housing land provision target is 791 net additional homes per year. The information not being available, this market signal cannot be used for the purpose of uplifting the provisional housing needs figure.



5.7 Market signals adjustment

99. In the table below, we have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates ‘some impact’, two arrows ‘stronger impact’ and three arrows indicates an even stronger impact. Factors are set out in the table below in alphabetical order.

¹² PPG Paragraph: 019 Reference ID: 2a-019-20140306

Table 5-4: Summary of market signals with a possible impact on future housing need

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Employment and Commuting	ONS Census Data, Greater Birmingham and Solihull Strategic Economic Plan (SEP) and the Coventry & Warwickshire SEP		Meriden is located in the middle of two areas that have clear ambitions for growth (Greater Birmingham and Solihull LEP and the Coventry & Warwickshire LEP. Its proximity to Birmingham Airport together with the arrival of the UK's new high speed rail network (HS2) is likely to create local job opportunities. This may increase demand for housing in areas that have easy access to where the growth is predicted to occur. Therefore, in Meriden, employment and commuting represent a clear market signal for housing growth. The Parish has a historic opportunity to create a new rural business hub on the back of the HS2 station.
Housing Sales (Prices)	Land Registry Price Paid Data for 2007-2016		<p>The average prices for different property types showed that in general houses were cheaper in Meriden. However, there were signs of inflated demand for property types that are typically smaller (terraces and flats).</p> <p>Median house price data clearly showed that prices had been increasing in the NA and in the Borough since 2008.</p> <p>However, in Meriden, that increase remains well below the Borough's. Consequently, housing sale prices used as a market signal are not significant enough to increase or lower the provisional Housing Need Figure determined in RQ1. We will note, however, signs of an inflated demand for smaller property types.</p>
Housing Sales (Volume)	Land Registry Price Paid Data for 2007-2016, Census Data 2001, 2011		<p>Data on the number of properties sold between 2008 and 2017 showed that Meriden experienced a peak in the volume of sales between 2012 and 2015 (up to 93 properties sold in 2014). This increase was also experienced across the Borough, although to a lesser extent. This would have been a significant evidence to suggest an inflated housing demand in Meriden. However, since 2015, Meriden, the postcode district area and the Borough are on the path of continuously less properties sold, falling to a lower-than-2008 level in 2017.</p> <p>The decreasing volume of property sold is a sign of deflated demand. It is also explained by a significant house building phase in 2014, which increased the number of dwellings being sold before 2015. However, as this trend is occurring</p>

			<p>everywhere in the Borough, there is no evidence to lower the HNF for Meriden. Therefore, we are applying a neutral arrow to this market signal.</p> <p>We also note that the fall in the number of detached homes being sold (13 in 2008, 36 in 2014 and 5 in 2017) indicates a deflated demand for larger property types.</p>
Overcrowding and Concealment	Census Data 2001, 2011		<p>Overcrowding in Meriden is only experienced by a fraction of all households. As for concealment, it is experienced by a higher proportion of households than both the Borough and the nation. This may well indicate that the demand coming from a specific group, newly-forming households, is not being adequately met. Young residents are unable to form their own households in Meriden and have no choice but to remain in the family home, or move elsewhere. As a result, we may use this market signal to uplift the provisional HNF.</p>
Rate of development	Solihull Council Annual Monitoring Report 2011 – 2013		<p>There is no up-to-date annual monitoring report; therefore, this market signal cannot be used for the purpose of uplifting the provisional HNF.</p>

Application of market signals

Above we have summarised our conclusions regarding the impact of market signals on the quantity of housing needed in Meriden.

Market signals indicated a deflated demand for housing. Nonetheless, there were specific signs of demand for smaller property types. Additionally, concealment rates were quite high in the Parish, and significant employment growth is projected. On this basis, we recommend that a 5% to 10% uplift should be applied to the provisional HNF of 82 calculated in the Quantity section.

This creates a final Housing Needs Figure of 90. However, this figure is liable to change with the new Standard Method and HS2, which will be completed during the Neighbourhood Plan period. We believe the impact of the HS2 will be significant; however, it is outside the scope of this study to assess it. The group is advised to discuss this further with Solihull Council.

Although there is no definitive guidance on what level of uplift is appropriate, evidence from the Inspector examining the Eastleigh Local Plan and from the Planning Advisory Service (PAS) indicate that 20% uplift is applied when market signals are very substantial and 10% when they are modest. The PAS Objectively Assessed Need and Housing Targets Technical Advice Note (July 2015) supports this approach as a method to estimate the uplift and says that “*where the evidence suggest[s] moderate under-provision...the projected housing need might be increased by 10%*”.

6. RQ 2 Tenure and Affordability

RQ2: How should Affordable Housing be split into different tenures and what role is there for market housing in addressing community need over the Plan period?

100. Tenure refers to the legal arrangements in place that enables a household to live in their home; it determines their rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
101. We will address this section by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether continuation of these trends would meet future needs; or, alternatively, whether there exist misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment¹³.

6.1 Definitions

102. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership¹⁴.
103. The definition of Affordable Housing set out in the NPPF makes clear the government's commitment to home ownership but recognises the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
104. It is important to note however that the 2012 version of the NPPF refers to the 'national rent regime' not 'Government's rent policy'. It has been suggested that this change in wording may give central Government, and by extension local authorities, wider flexibility in arriving at rents. It may also lead to the abolition of Social Rent as it has been understood in recent years.¹⁵
105. The revisions seek to broaden the definition of affordable housing to include a range of low cost housing opportunities for those aspiring to own a home, including Starter Homes.
106. In paragraph 64 of the new NPPF, Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership". In line with PPG¹⁶, the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes Starter Homes, shared ownership homes and homes available for discount market sale.

6.2 Current tenure profile

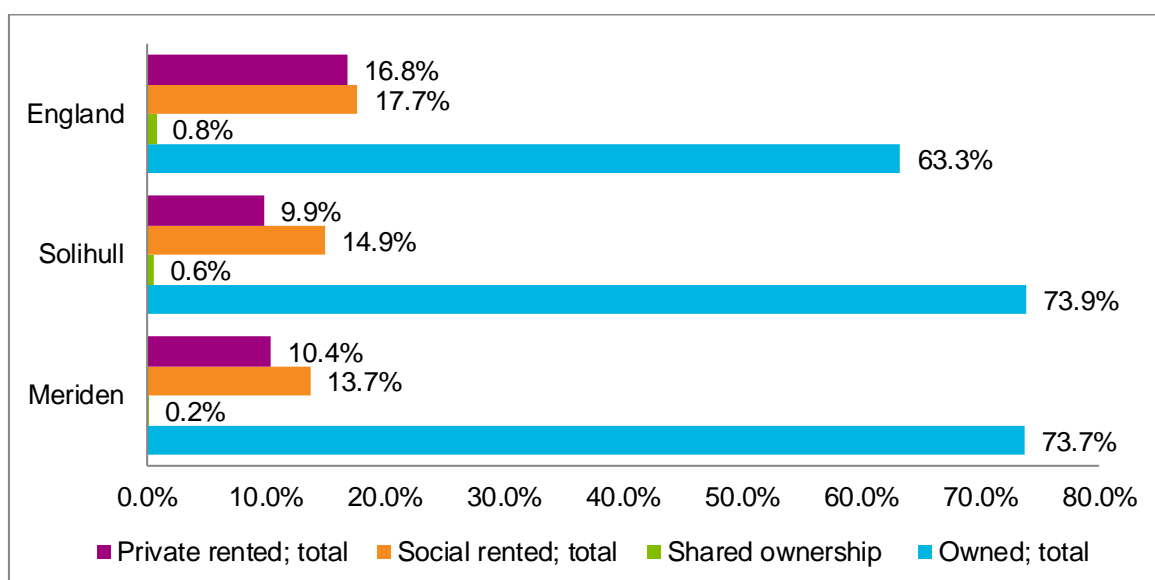
107. First, we provide a picture of tenure in the NA based on the most recent reliable data in Figure 6-1 below. The distribution of tenure in Meriden is closely aligned with that of the Borough. In both geographies, we note the predominance of home ownership among all tenures.

¹³ PPG Paragraph: 021 Reference ID: 2a-021-20160401

¹⁴ NPPF, July 2018

¹⁵ McGready, B, Affordable Housing and Planning, MBL seminars, April 2018

¹⁶ PPG 031 Reference ID: 23b-031-20161116

Figure 6-1: Tenure (households), 2011

Source: ONS 2011, AECOM Calculations

108. Table 6-1 and Table 6-2 on the following page allow us to take a longitudinal perspective. They identify how the tenure profile has changed between the last two censuses in Meriden, Solihull and England.

Table 6-1: Rate of tenure change, 2001-2011

Tenure	Meriden	Solihull	England
Owned; total	-2.6%	0.6%	-0.6%
Shared ownership	0.0%	36.5%	30.0%
Social rented; total	-9.2%	-2.0%	-0.9%
Private rented; total	74.0%	188.1%	82.4%

Source: ONS 2001-2011, AECOM Calculations

109. In the Borough, the number of privately rented homes has increased sharply by 188% over the 2001 – 11 intercensal period. Meriden has experienced a similar trend, although to a lesser extent (74%). However, that increase was significant, as most of the tenure change occurring between 2001 and 2011 was driven by the Private Rented Sector (PRS). In fact, the PRS has gained 54 additional dwellings, while 24 and 17 dwellings were lost in the home ownership and social-rented sectors respectively. The data suggests a fundamental change in the types of tenure households are occupying, in favour of the PRS.

Table 6-2: Tenure change, 2001-2011

	2001 Meriden	2001 Solihull	2011 Meriden	2011 Solihull	Meriden	Solihull
All categories: Tenure	1,213	80,930	1,221	86,056	8	5,126
Owned: Total	924	63,200	900	63,559	-24	359
Shared ownership (part owned and part rented)	0	386	2	527	2	141
Social rented: Total	184	13,094	167	12,834	-17	-260
Private rented: Total	73	2,951	127	8,502	54	5,551

Source: ONS 2001-2011, AECOM Calculations

6.3 Affordable Housing Need

110. The Housing needs analysis has been prepared in accordance with the requirements of Strategic Housing Market Assessments (SHMAs) set out in the CLG Practice Guidance (August 2007). However, the model was tailored to reflect the availability of secondary data and information at the Neighbourhood Area level. In

Table 6-3 below we put forward the calculations that provide an estimate of the need for additional AH over the Plan period. The accuracy of the findings generated by the model is only as good as the evidence we have available to us. For example, the Census 2011 is increasingly out-of-date and ideally more recent data relating to overcrowding and concealment would be helpful.

111. The table shows that, there are currently about 73 households in Meriden who are unable to access market housing suitable to their needs. The table also suggests that, over the Plan period, a further 13 households will fall into need, producing **a total AH need of 86 dwellings** that should be addressed over the Plan period. The quantum of AH available to meet housing needs up to 2028 is 16 dwellings¹⁷. This will create a shortfall of around 70 dwellings.
112. The Housing Need Figure we recommended for Meriden is 90 dwellings to be built over the Plan period. Considering that, the appropriate policy response is to push for a higher proportion of new developments to include AH. In fact, to eradicate the shortfall and newly-arising need in its entirety would require an AH policy that requires almost all of new residential development to be AH.
113. This is, however, likely to fall foul of the requirement for policy not to place burdens on development to the extent it becomes unviable. However, it will be worth MPC exploring other ways of bringing forward AH, for example through exception sites and discussion with local housing associations.
114. Additionally, we have mentioned earlier that the Local Authority is likely to require Meriden to build around 164 dwellings up until the end of the Plan period (this is the proportional share of the new Local Plan target). Assuming Meriden meets this housing target, the AH policy in the Draft Local Plan will be sufficient to meet the Parish's needs for Affordable Housing.

Table 6-3: Affordable Housing Need model

Step	Stage	Source	Calculation	Stage and Step Description
1. CURRENT HOUSING NEED (GROSS)				
a	Homeless households	ONS Census 2011 (QS101EW - Residence type)	0	
b	Priority need on Solihull housing waiting list	Solihull MBC	47	Bands A-E; Solihull Home Options there are 47 households who have a property address in Meriden at 31 March 2018.
c	Overcrowded households ¹⁸	Census 2011	8	Assuming that number remains the same as in 2011, and that these households are not on the Housing Needs Register. In 2011, 8 households were recorded as being overcrowded in Meriden.
d	Concealed households ¹⁹	Census 2011	18	Assuming that number remains the same as in 2011, and that these households are not on the Housing Needs Register. In 2011, 18 households were recorded as being concealed in Meriden.
f	Backlog need	AECOM	73	Sum of stages a-e
2. NEWLY ARISING NEED				
g	Number of households in 2011	Census 2011	1,221	

¹⁷ if past trends continue and assuming the Draft Local Plan's target of 50% AH is delivered on all sites.

¹⁸ This is further explored in 5.5

¹⁹ Ibid.

h	Annual household formation between 2011 and 2028	HHP; AECOM Calculations	8	In the 2014-based Household Projections (HHP), the projection for Solihull is for 95,948 households in 2028. Assuming it continues to form 1.42% of the Borough total, the NA's new total number of households would be 1,361 (rounded); therefore 140 new households form in the NA between 2011 and 2028, or an annual increase of 8 households (rounded).
i	New household formation between 2011 and 2018	AECOM Calculations	58	8 x 7 (the number of years elapsed between 2011 and 2018)
j	Estimated current number of households	AECOM Calculations	1,279	Sum of g + i
k	New household formation between 2018 and 2028	AECOM Calculations	82	h x 10 (number of years to elapse between 2018 and 2028)
l	Proportion of newly forming households unable to access market housing	AECOM Calculations	15.81%	We are assuming the proportion of newly forming households unable to access market housing over the Plan period remains the same as in 2011 (does not include households on Housing Needs Register in 2018)
m	Newly Arising Need	AECOM	13	k x l
n	TOTAL AFFORDABLE HOUSING NEED		70	Sum of f + m

3. THE TOTAL CURRENT SUPPLY OF AH				
o	Current occupied stock	Census 2011	167	
p	Vacant units (surplus stock)	LPA		Data unavailable
q	AH built between 2011 and 2018	Solihull MBC	46	
r	Units taken out of management	Census 2001-2011	-29	Here we assume continuation of past trends; between 2001 and 2011 Meriden has lost 17 units or 1.7 per year. Continuation of these trends up to 2028 would come to 29 lost units.
s	Total AH stock		203	Sum of o-r
t	Housing Needs Figure	AECOM Calculations	90	See chapter 4 and 0.
u	Committed AH supply	AECOM Calculations	45	The Local Plan review requires developers of allocated and unidentified sites to make a contribution to affordable housing in the form of 50% affordable dwelling units on each development site on residential sites of 11 units or more, or which have a maximum combined gross floor space of more than 1,000sqm. For the purpose of this exercise, we assume that all 90 dwellings (the HNF) are delivered in sites where the target of 50% applies. This will produce a total of 45 AH units over the Plan period.
v	Total supply available to meet backlog need and newly arising need		16	$45 (u) - 29 (r) = 16$
w	PROJECTED REQUIREMENT OVER THE PLAN PERIOD		70	$86 (n) - 16 (v) = 70$. The Affordable Housing Model Estimates there will be an additional need for 70 additional AH dwellings during the Plan period over and above that which can be expected to emerge through the normal operation of the planning system in recent years.

6.4 Relative affordability of tenure options

6.4.1 Introduction

115. Affordability considers the relationship between local housing costs and local incomes.

116. This section compares the cost of market rent, market purchase, shared ownership at 25%, 50% and 75%, Affordable Rent set at 80%, and Social Rent levels across Meriden, as well as the level of income needed to afford these tenure options. The detailed calculations are available in the Appendix A and should be referred to. Key assumptions are made in assessing the affordability of different tenures, and those are detailed in the Appendix alongside the calculations.

6.4.2 Cost, income and ability to afford

117. Based on the calculations detailed in the Appendix A it is now possible to explore the relationship between local housing costs and local incomes to understand the affordability of different tenures in the NA. Table 6-4 below shows the annual cost of different tenures and the income required to support these costs.

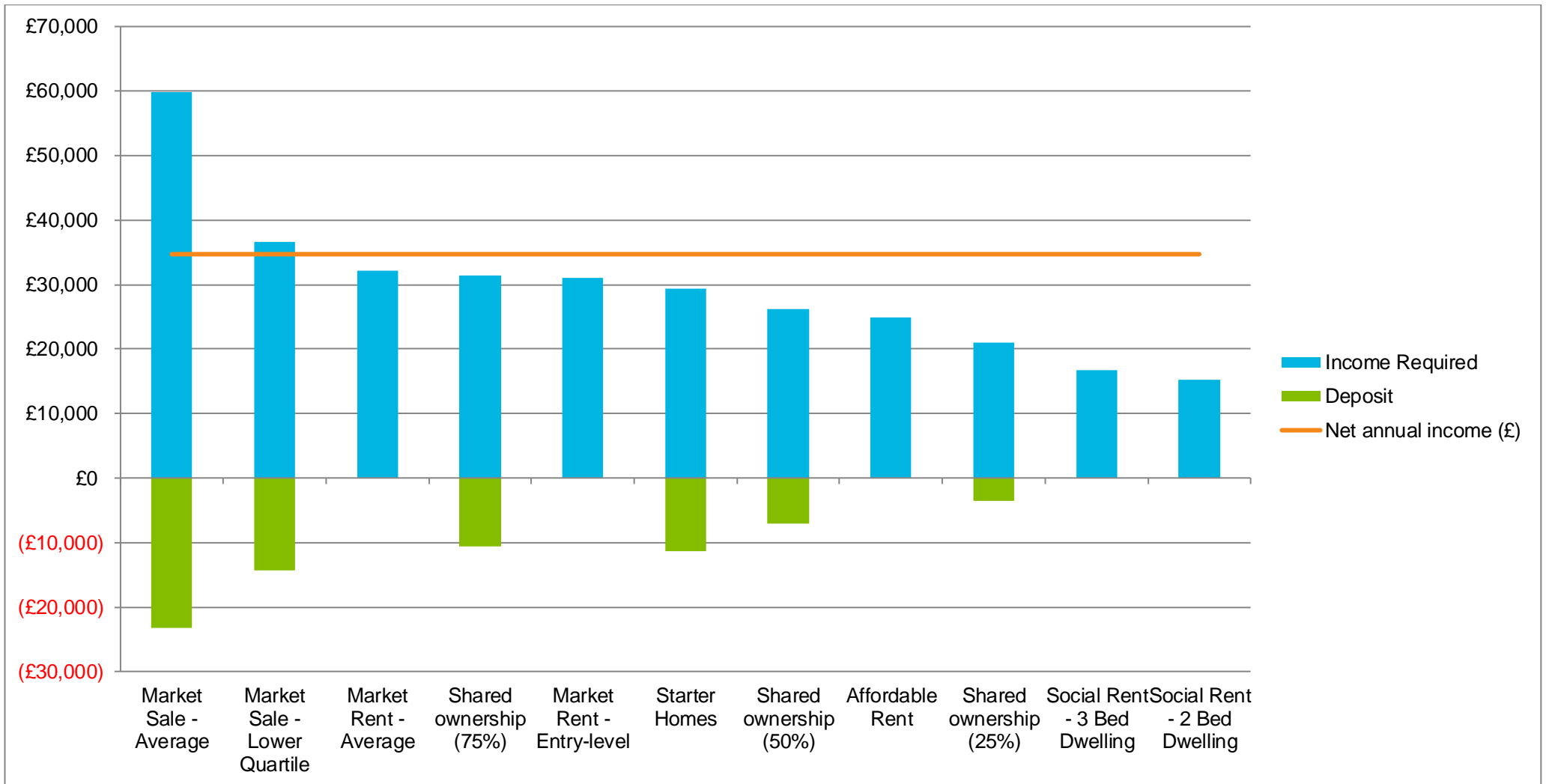
Table 6-4: Annual cost by tenure and income required to afford it

	Cost of purchase	Average rent PCM	Annual rent	Income Required	Deposit
Market Sale - Average	£209,300	-	-	£59,800	£23,256
Market Sale - Lower Quartile	£128,217	-	-	£36,633	£14,246
Market Rent - Average	-	£939	£11,268	£32,193	-
Shared ownership (75%)	£96,163	-	£979	£31,393	£10,685
Market Rent - Entry-level	-	£907	£10,884	£31,096	-
Starter Homes	£102,573	-	-	£29,307	£11,397
Shared ownership (50%)	£64,108	-	£1,959	£26,152	£7,123
Affordable Rent	-	£725.60	£8,707	£24,876	-
Shared ownership (25%)	£32,054	-	£2,938	£20,912	£3,562
Social Rent - 3 Bed Dwelling	-	£112	£5,839	£16,681	-
Social Rent - 2 Bed Dwelling	-	£102	£5,298	£15,136	-

Source: AECOM Calculations

118. The income required to afford different tenures is then benchmarked against the average net annual household income which is **£34,700²⁰** in Figure 6-2 below. The data shows that households earning the average household income for the Parish can only afford rented tenures, and Shared Ownership homes. Therefore, it can be assumed that many new households will struggle to access the housing ladder and the tenures should reflect their needs.

Figure 6-2: Meriden average annual household income and housing costs



Source: AECOM Calculations

6.5 Bringing the evidence together: Affordable Housing requirement and tenure split

119. We have analysed the current tenure profile and Affordable Housing needs before considering the cost and affordability of different tenures in turn. This has allowed us to arrive at the following recommendations for how development should be split between different tenure types.

Market Housing

120. Market sales: Although most households in Meriden own their home, home ownership has decreased by 2.6% between 2001 and 2011. This suggests that households are beginning to move away from this tenure, as prices are unaffordable for most. Indeed, the price paid for houses sold on the market varies between £232,556 (the average house price in 2017) and £142,463 (entry-level houses). They respectively require an income of £59,800 and £36,633, whilst the average net annual household income in Meriden is **£34,700**. However, we do recommend not deterring development for market housing for sale. Indeed, doing so may deprive the community of resources for infrastructure improvements and limit the delivery of Affordable Housing.
121. Market rent: Only 10.4% of dwellings are privately rented in Meriden. However, the number of households privately renting has increased sharply between 2001 and 2011. This suggests that a growing number of households are using this tenure to meet their needs. Renting in Meriden requires an annual income of around £30k. Thus, it is likely that households earning around the average are choosing to rent for lack of not being able to buy their own home. This is why affordable home ownership options should be made available to households in Meriden. Notwithstanding, the PRS remains suitable for households who are not looking to purchase their own homes and earn around the average income, and for single-person households. Given the relative affordability of this tenure, its low stock and the inflated demand identified, we recommend that the PRS forms a substantial proportion of new development.

Affordable Housing (AH)

122. Our analysis, informed by the Affordable Housing Need model, has shown that **90 AH units should be built from now up and until 2028**. Provided Meriden meets our recommended Housing Needs Figure (HNF), the proposed AH policy in the Draft Local Plan²¹ **will not be sufficient to meet the Parish needs**. In fact, almost all newly-built dwellings should fall into AH tenures to meet housing needs. However, this is likely to place a burden on developments to the extent they become unviable. Alternatively, we have mentioned that the Local Authority is likely to require Meriden to build around 164 dwellings until the end of the Plan period. That level of housebuilding would allow the Parish to meet AH needs, as long as developers abide by the 50% AH policy. We are now considering how AH should be split between different tenures:
123. Social rented: According to the SHMA Part 2, the lower quartile annual gross household income in Solihull is £17,613. Households on this income will only be able to afford Social Rent. We do not have the income distribution data necessary to determine the number of households in Meriden who are in this situation. Therefore, we are not able to provide a clear recommendation as to the amount of Social Rented homes needed. However, we do note that most of the 47 households currently registering on the Housing Needs Register will need this specific tenure to meet their needs.
124. Affordable Rent: With a required annual income of £24,876, Affordable Rent is good alternative for households who are spending more than 25% of their income on private rent, and earn too much to be eligible for social rent.
125. Shared Ownership: There are very few shared ownership dwellings in Meriden (2 at the time of the last Census). However, we are confident that this tenure should be encouraged. Earlier, we have mentioned that the increase in the PRS might be explained by those households earning around the average income who are forced into the PRS. Our analysis shows the Purchase Threshold (PT) for 25% Shared Ownership is £20,912. This is more affordable than privately renting and would allow the aforementioned households to get onto the housing ladder. Given that a majority of households in Meriden aspire to own their own homes, this tenure should be widely encouraged.
126. Starter Homes: With a Purchase Threshold of £29,307, Starter Homes can provide affordable homes for first-time buyers.

²¹ 50% affordable dwelling units on each development site on residential sites of 11 units or more, or which have a maximum combined gross floor space of more than 1,000sqm

7. RQ 3 Type and size

RQ3: What type (terraced, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is most appropriate to meet local needs?

127. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration type and size within the existing housing stock.

7.1 Background and definitions

128. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside income, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, wealth and income is linked to age, such that older households tend to end up with larger homes than younger households, often as a result of cheaper historic cost and affordability²².

129. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under occupying their homes. This is a natural feature of the English housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.

130. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows²³:

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

131. It is also useful to clarify here the census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained²⁴, and as such all dwellings are classified into either shared or unshared dwellings. Households make up the individual accommodation units forming part of a shared dwelling.

132. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."²⁵ On this basis, where unrelated residents of a dwelling share other rooms in addition to a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

²² SHMA15, pp.130, para 8.5

²³ <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁴ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

²⁵ Ibid.

133. Whilst it is unlikely that these issues are of particular relevance to Meriden, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

7.2 Existing types and sizes

134. The PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock in Meriden.
135. Table 7-1 below shows the housing mix in the NA which contrasts with the housing mix found elsewhere in the District. Meriden has a higher proportion of detached houses than the District average (40.2% compared to 28.3%) but a lower proportion of semi-detached and terraced housing. There is also less purpose built flats or tenements in Meriden (11.1% against 16.8%) although the proportion of flats in converted, shared as well as commercial building remains fairly aligned with the District levels.

Table 7-1: Accommodation type (households) in Meriden, 2011

Dwelling type		Meriden	Solihull	England
Whole house or bungalow	Detached	40.2%	28.3%	22.4%
	Semi-detached	28.1%	37.5%	31.2%
	Terraced	11.4%	15.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	11.1%	16.8%	16.4%
	Parts of a converted or shared house	0.5%	0.7%	3.8%
	In commercial building	0.9%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

136. Table 7-2 below shows that households are slightly smaller in Meriden compared to Solihull (2.2 against 2.4). In the following paragraphs, we further investigate the size of dwellings in the NA.

Table 7-2: Occupancy Summary Table

	Meriden	Solihull
All categories:	1,221	86,056
Average household size	2.2	2.4
Average number of rooms per household	5.8	5.9
Average number of bedrooms per household	2.8	3.0

Source: ONS 2011, AECOM Calculations

137. Table 7-3 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The data shows that the distribution of bedrooms in Meriden is fairly similar to that of Solihull. The notable exception is the high amount of 2 bedroom homes in Meriden compared to Solihull (28% against 18.9%).

Table 7-3: Number of bedrooms in household spaces, 2011

Bedrooms	Meriden		Solihull	
	Number	%	Number	%
All categories: Number of bedrooms	1221		86056	
No bedrooms	1	0%	180	0.2%
1 bedroom	123	10%	7193	8.4%
2 bedrooms	338	28%	16248	18.9%
3 bedrooms	463	38%	39684	46.1%
4 bedrooms	229	19%	17648	20.5%
5 or more bedrooms	67	5%	5103	5.9%

Source: ONS 2011, AECOM Calculations

138. It is also particularly useful to cross-reference this data with Census estimates of the number of rooms for each household in Meriden and Solihull. Table 7-4 below sets out the distribution of the number of rooms by household accommodation (household space). From this data, it is apparent that there is a predominance of large dwellings, not only in Meriden but also in Solihull, whilst there are few houses of one to three habitable rooms.
139. 90% of the stock in Meriden can be considered family dwellings (four rooms or more) and 50% of them are large properties (with 6 rooms or more). The remaining 40% of homes are of medium size (four to five habitable rooms). These figures are similar to the distribution of housing in Solihull. In Solihull, 90.5% of the stock can be considered family dwellings and 52.2% of these are large properties. Meanwhile roughly only 10% of homes in both Meriden and Solihull have one to three rooms.

Table 7-4: Number of rooms per household space, 2011

Number of Rooms 2011	Meriden		Solihull	
	Frequency	%	Frequency	%
1 Room	0	0.0%	192	0.2%
2 Rooms	13	1.1%	1104	1.3%
3 Rooms	106	8.7%	6865	8.0%
4 Rooms	225	18.4%	12499	14.5%
5 Rooms	268	21.9%	20239	23.5%
6 Rooms	222	18.2%	17366	20.2%
7 Rooms	151	12.4%	11091	12.9%
8 Rooms or more	113	9.3%	8278	9.6%
9 Rooms or more	123	10.1%	8422	9.8%
Total	1221		86056	

Source: ONS 2011, AECOM Calculations

140. It is also relevant to consider how the number of rooms occupied by households have changed between the 2001 and 2011 censuses. This metric provides a proxy for the size of dwellings in a given geography. This data is presented below in Table 7-5 and shows quite clearly that there has been a reduction in the number of most sizes of home. In fact the only homes that have grown significantly are those of 7-8 rooms or more, which are likely to be 4+ bedroom homes. Homes with 2 rooms have also increased by 8.3%, although this is still well below the District and national trends (28.2% and 24.2% respectively). Nevertheless, the data suggests that the strongest demand for homes has recently been for medium to large properties of 7 rooms or more.

Table 7-5: Rates of change in number of rooms per household in Meriden, 2001-2011

Number of Rooms	Meriden	Solihull	England
1 Room	-100.0%	-19.3%	-5.2%
2 Rooms	8.3%	28.2%	24.2%
3 Rooms	-3.6%	21.1%	20.4%
4 Rooms	-8.2%	6.0%	3.5%
5 Rooms	-7.9%	-9.4%	-1.8%
6 Rooms	-11.6%	-0.1%	2.1%
7 Rooms	11.9%	10.8%	17.9%

8 Rooms or more	42.2%	32.3%	29.8%
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Source: ONS 2011, AECOM Calculations

Conclusion

141. In summary, homes in Meriden are mostly of a medium to large size, similar to the housing distribution of the District. A significant anomaly is the prevalence of homes with 2 bedrooms, which are most likely bungalows (see Table 7-3). Our data analysis suggests this reflects the more recent demand for both large properties but also small (starter or down-sizing) homes with 2 bedrooms, whilst demand for other homes are in decline (see Table 7-5). This may represent a demand for both medium to large homes of roughly 2-4 bedrooms but also a slight increase in demand for small homes which are likely to be 1 bedroom homes. Further analysis on other factors will prove whether this demand forecast is accurate.

7.3 Factors affecting size of housing needed: household composition

142. Having established the current stock profile of Meriden, and identified recent changes in its composition, the evidence assembled below seeks the composition of households both now and how they are likely to change in future years. Through a consideration of the types of households forming, and the mix of age groups in the following section, it is possible to consider how size of housing in Meriden should be influenced through planning policy.
143. Household composition is a fundamental factor driving the size of housing that will be needed in Meriden in the future. As of 2011, the NA had 1,221 households, representing 1.42% of the District's total.
144. In Table 7-6 below, we present data relating to household composition drawn from Census 2011 in the NA. Overall, the findings are aligned with those of the District. Families make the majority of housing in the NA at 62.7% whilst one person households are slightly higher than the District and national average at 32% (against the District average of 29.2% and the national level at 30.2%). However, one significant difference is the lower amount of dependent children in one family Meriden households compared to the rest of Solihull (20.0% against 27.9%).

Table 7-6: Household composition (by household) in Meriden, 2011

		Meriden	Solihull	England
One person household	Total	32.0%	29.2%	30.2%
	Aged 65 and over	15.3%	13.9%	12.4%
	Other	16.7%	15.3%	17.9%
One family only	Total	62.7%	65.6%	61.8%
	All aged 65 and over	13.9%	10.2%	8.1%
	With no children	18.8%	15.9%	17.6%
	With dependent children	20.0%	27.9%	26.5%
	All children Non-Dependent	10.0%	11.6%	9.6%
Other household types	Total	5.2%	5.2%	8.0%

Source: ONS 2011, AECOM Calculations

145. Table 7-7 below shows that one person households is growing much less quickly in Meriden compared to Solihull (1.3% change against 18.1%). However, closer analysis shows that the amount of one person households that are aged 65 and over has decreased by -12.2% compared to an increase in Solihull, albeit of only 3.9%. Other one person households have only increased by 17.9% in Meriden, almost half the rate of Solihull (34.9%). The number of families in Meriden has also decreased slightly by -0.3%, although families with no children and with dependent children have decreased more dramatically by -6.9% and -4.7% respectively. Another significant increase is that of families all aged 65 and over which was 17.2% compared to 0.2% for the rest of Solihull.

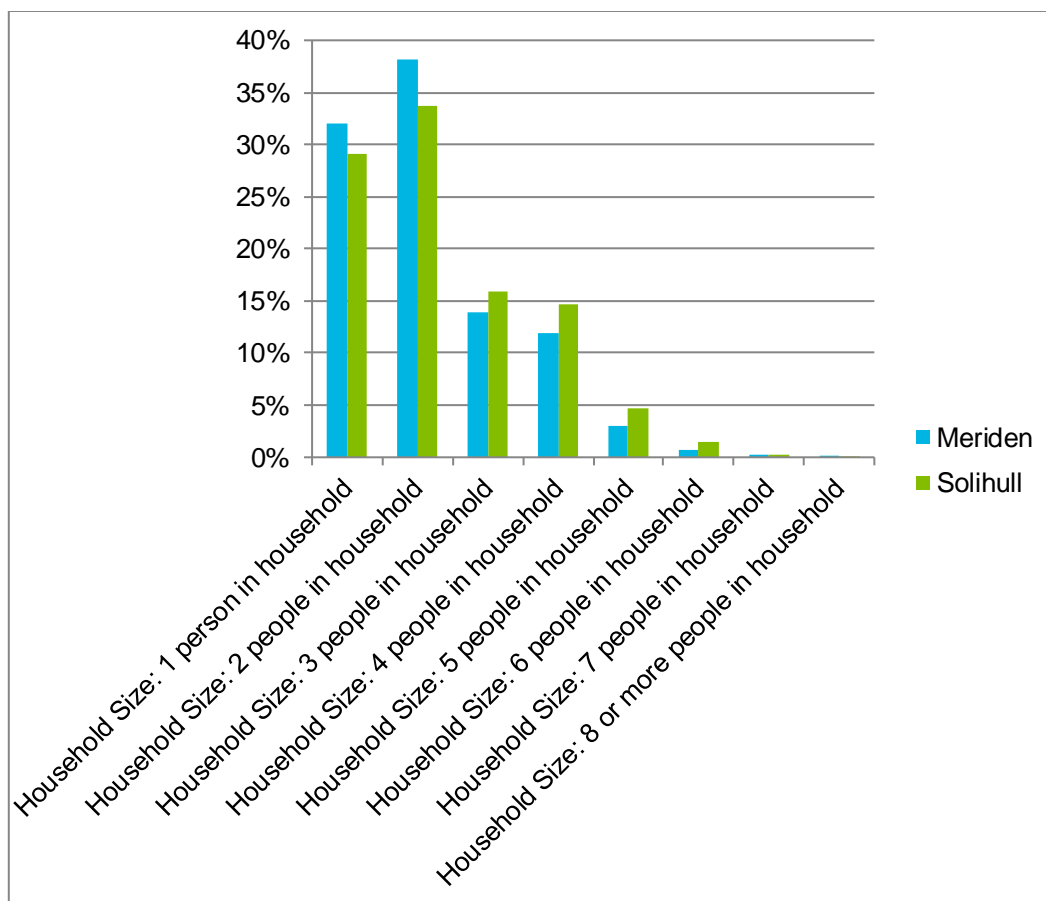
Table 7-7: Rates of change in household composition in Meriden, 2001-2011

Household type		Percentage change, 2001-2011		
		Meriden	Solihull	England
One person household	Total	1.3%	18.1%	8.4%
	Aged 65 and over	-12.2%	3.9%	-7.3%
	Other	17.9%	34.6%	22.7%
One family only	Total	-0.3%	0.8%	5.4%
	All aged 65 and over	17.2%	0.2%	-2.0%
	With no children	-6.9%	-3.8%	7.1%
	With dependent children	-4.7%	-0.1%	5.0%
Other household types	All children non-dependent	1.7%	11.2%	10.6%
	Total	16.4%	22.7%	28.9%

Source: ONS 2011, AECOM Calculations

146. It is particularly useful to sense-check this data with Census estimates of the number of usual residents in the households. This data presented in Figure 7-1 below presents findings similar to that found in Table 7-7. The slightly higher amounts of 1 and 2 person households in Meriden compared to Solihull reflects the higher amount of one person households and families with no children. Meriden has fewer homes with 3 or more people than the Solihull average, reflecting the lower amounts of families with children in Meriden. Nevertheless, Meriden is fairly similar to Solihull in terms of household size distribution and therefore, District-wide policies regarding type and size are likely to be relevant in Meriden.

Figure 7-1: Household Size



Source: ONS 2011, AECOM Calculations

147. In Table 7-8 we present data from the sub national household projections (2014) setting out how household composition is likely to change in future years. An increase in households with dependent children overall is forecast, with the only exception being a slight decrease in households with three or more dependent

children. This data holds significance as it reveals that the recent trend of declining homes with dependent children in both Meriden and Solihull is set to reverse at least at the District level, and thus it can also be assumed a similar reversal will occur in Meriden by 2039.

Table 7-8: Household projections by numbers of dependent children and district, 2014 & 2039

	Households in 2014 (thousands)	Households in 2039 (thousands)	Percentage Increase
With no dependent children	61.412	71.03	16%
With one dependent children	11.647	15.924	37%
With two dependent children	10.678	12.234	15%
With three or more dependent children	3.85	3.703	-4%

Source: ONS 2011, AECOM Calculations

148. MHCLG publishes bi-annual household projections for all local authorities in England and Wales, broken down by household type, and also provides projections of the average household size and age. It is notable that by 2039, the closest year to the end of the Plan period for the Neighbourhood Plan (2028) for which projections are available, the average household size across the District will have dropped slightly to 2.34 people (2.38 in 2014). Considering the growing older population, it can be expected that a similar average household size decline will also occur in Meriden, however, in real terms, this decline will probably be unnoticeable.
149. Table 7-9 shows that there are significant increases in household projections in Solihull for most household types, especially those with one person (25%) and households with dependent children and other (both 22%).

Table 7-9: MHCLG Household projections for Solihull by household type

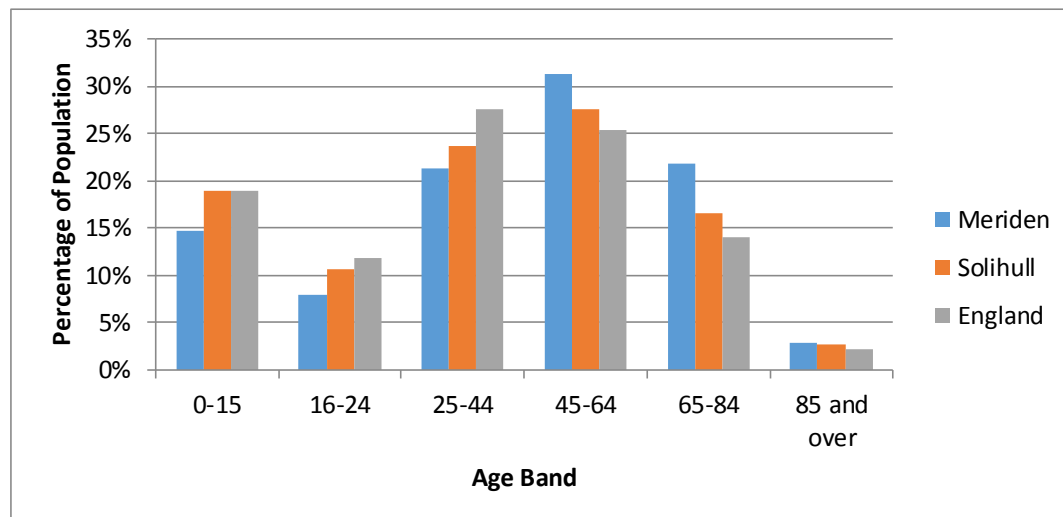
	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other
2014	26,013	22,668	7,818	26,176	4,913
2039	32,425	23,862	8,758	31,860	5,985

Source: MHCLG 2014-based household projections, ONS 2011

7.4 Factors affecting size of housing needed: age structure

150. Figure 7-2 below shows the age structure of Meriden at the time of the last census in 2011. It is evident from this data that Meriden has a larger middle aged and elderly population (71% are aged 45 and above) than both the district and national averages.

Figure 7-2: Age Structure (2011)



Source: ONS 2011, AECOM Calculations

151. Table 7-10 reveals the age structure of Meriden against that of Solihull and the national population. It is evidently clear that Meriden has an older population with more people aged over 45, over 50% of the local population, than is found both in Solihull and nationally. As seen in Table 7-10, the older population has grown since 2001, however it is roughly in line with growth figures both in Solihull and nationally. A notable exception is the lower growth rates of those aged 85 compared to the district average (5.3% against 53.4%). The cause for this disparity in growth remains unclear, although it may be that elderly people may have found more suitable accommodation outside the NA. Moreover, despite a decrease in those aged 0-15 and 25-44, there has been an increase in young adults aged 16-24 at 18.8%. Nevertheless, these increases and decreases for the younger population are replicated throughout Solihull and nationally.

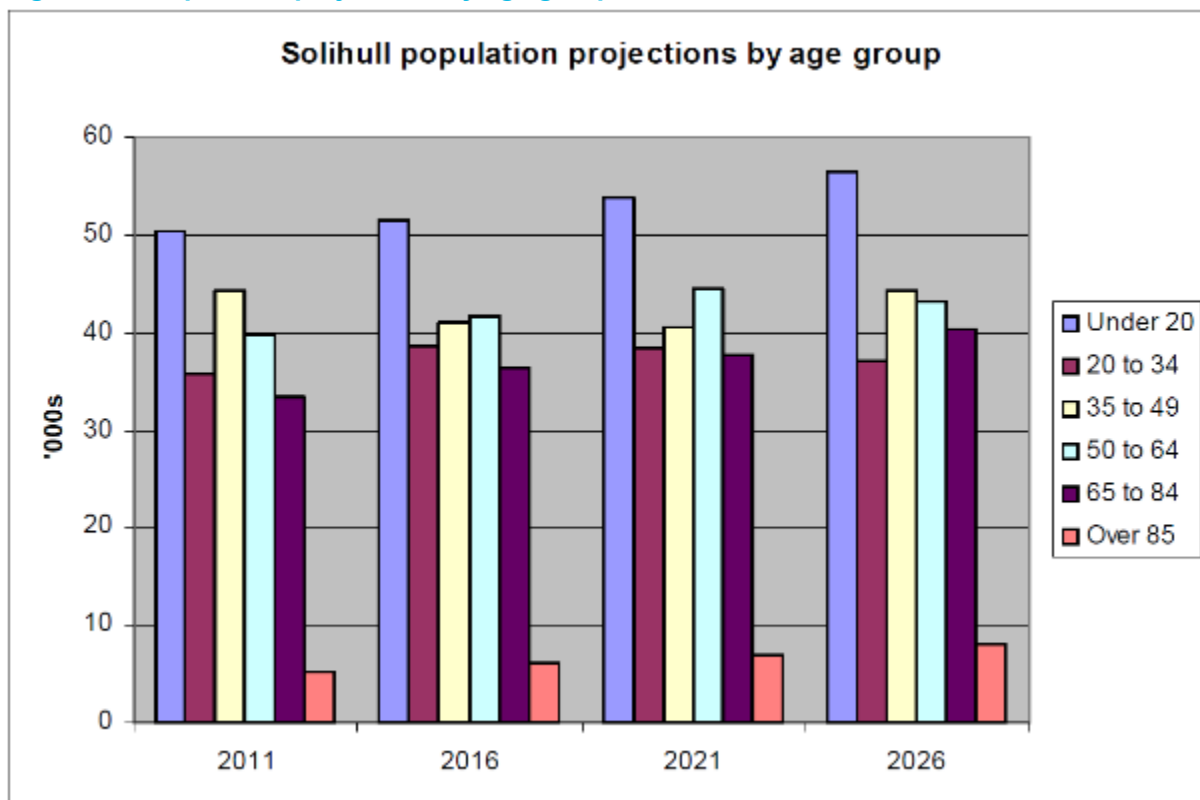
Table 7-10: Rate of change in the age structure of the population of Meriden, 2001-2011

Age group	Meriden	Solihull	England
0-15	-11.6%	-6.3%	1.2%
16-24	18.8%	19.2%	17.2%
25-44	-20.3%	-8.9%	1.4%
45-64	10.5%	9.7%	15.2%
65-84	11.3%	13.7%	9.1%
85 and over	5.3%	53.4%	23.7%

Source: ONS 2011, AECOM Calculations

152. In Figure 7-3 we reproduce Figure 4.1 from the Solihull SHMA 2017. Population projections for Solihull in Figure 7-3 below show that while the under 20 age group is expected to grow, the population aged 20 to 34 is expected to decline. All older age groups are expected to grow slightly in the district yet the biggest increase remain to be seen within those aged under 20, whilst increases in the 35 to 49 age gap will meet previous 2011 levels.

Figure 7-3: Population projections by age group

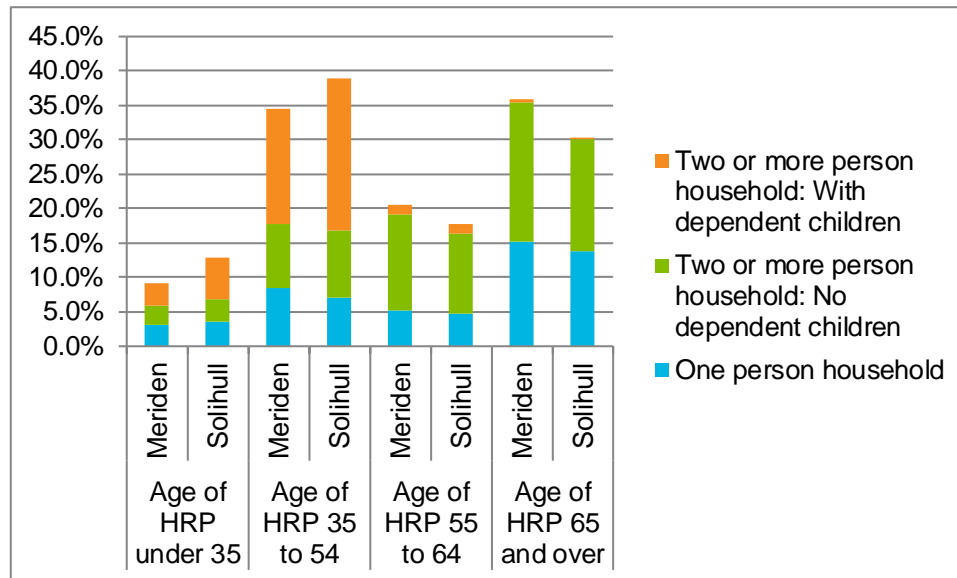


Source: ONS 2006-based sub national population projections (2008)

153. The data presented below classifies households in Meriden and Solihull according to the age of the Household Reference Person (HRP). Size and type of housing is not only influenced by household composition, but also by the age of the HRP. The following observations can be highlighted from the data presented in Figure 7-4 below:

- The distribution of household types among different life stages in the NA and the District are fairly similar. Although it is evident that Meriden has a slightly older population with higher proportions of those aged 55 and over. In fact, the older population in Meriden accounts for the greatest proportion of all households at 35.7%.
- However, another significant proportion of Meriden residents (34.5%) are aged 35 to 54. They are also the category which is the most likely to have dependent children, of which 16.7% fall under this category.
- Young households are clearly a minority in both Meriden and Solihull, forming just 9.3% and 13% of their populations respectively.

Figure 7-4: Households by age of the HRP



Source: ONS 2011, AECOM Calculations

154. A look at household projections for Solihull show a significant increase for households for those aged 85+ , doubling from 5000 households in 2014 to 10,000 households in 2039. Households for those aged 75 -84 are also forecast to increase 40% by 4,000 households to reach 14,000 in 2039. There is also an increase in households headed by people aged between 35 -44 and 45 -54 years of age (by 3,000 and 2,000 respectively). However, there is a slight decrease in households headed by those aged 25-34 by a thousand (or -11%) and this reflects the decline in households headed by those aged 20-35 shown in Figure 7-3. Nevertheless, despite increasing by only a thousand households, the increase for households headed by those under 25 is 50%, which again represents the increase in this population seen in Figure 7-3.

Table 7-11: Rate of change in the age structure of the population of Solihull, 2001-2011

Age Group	Households in 2014 (thousands)	Households in 2039 (thousands)	Increase
Under 25	2	3	50%
25 – 34	9	8	-11%
35 – 44	14	17	21%
45 – 54	18	20	11%
55 – 64	15	15	0%
65 – 74	14	16	14%
75 – 84	10	14	40%
85+	5	10	100%

Source: MHCLG 2014-based household projections, AECOM Calculations

155. The projections for Solihull also consider the increases in each household up to 2039. The biggest increase projected for the District is for older households with those ages 65 and over, which may experience a 73% increase between 2014 and 2039.

Table 7-12: MHCLG Household projections for Solihull by household age

	HRP under 35	HRP 35 to 54	HRP 55 to 64	HRP 65 and over
2011	11,145	33,477	15,370	26,064
2014	11,365	32,570	14,602	29,051
2039	11,137	36,562	15,382	39,809

Source: MHCLG 2014-based household projections, ONS 2011

156. **Conclusion**

157. Bringing this evidence together, it is clear that there is a large and growing adult and older population in Meriden. All age cohorts above the age of 45 are set to increase, and housing projections reflect this.
158. However, for the younger population, the picture is not so clear as between 2014 and 2039 it is expected that fewer homes will be proportionally occupied by young adults between 25-34 in the District and a similar population decline is expected of those aged 20- 35. This has implications for the number of school aged children that will be born in or bought up in Meriden.
159. Meanwhile, the population of those aged under 20 are expected to increase and this is reflected in district? household projections for that age group as. Yet based on current trends for Meriden, it is the under 20's that have declined in population between 2001 and 2011, whilst those aged between 16- 24 have increased the most of any age group – as younger children of the 90's and noughties grew up, continue to live at home and aren't replaced by a new generation of children to the same extent. This shows that while the older population is set to grow in both Meriden and the district, the younger population demographic of Meriden may continue to have a contrasting trend to that of Solihull. Therefore District trends for the younger population can only be used with caution to forecast population trends for younger populations of Meriden and it is highly likely that housing availability and/or lack of services has depressed the formation of young adult households and households with young dependent children in recent years, exacerbated by the smaller than average number of terraced, flats, semi-detached homes available (table 7.1) – confirmed by the clear decrease in number of rooms per household as newer households move into smaller properties previously occupied by smaller households (table 7.4).

7.5 The housing market context

160. Demographic data is not a sole indicator for types and sizes of housing needed. As we have seen, the housing mix reflects household demand and preferences, and as such, cannot be inferred purely from looking at age and household composition.
161. Therefore, in this section we review local insights from the results in the Housing Needs Surveys conducted in both 2016 and 2018. These Neighbourhood Plan Survey results identify the types and sizes preferred by the residents of Meriden. The 2016 survey had 370 respondents, although some questions were not answered by all respondents and this will be acknowledged throughout the survey review. Meanwhile, the 2018 Meriden HNS survey report shows 45 responses. Due to the lower response rate, it is necessary to provide results from both surveys to ensure a more accurate unique insight into resident housing preferences. However, it must be noted that the HNS asked that only residents with a housing needs should complete the survey, therefore the 45 are the actual local need candidates in the NA.
162. Table 7-13 below shows that a significant amount of those looking to move, 46% (out of the 37 respondents to this question) are looking to move into a flat. The most popular choice of potential homes was semi-detached homes at 68%, whilst there was no preference for special accommodation for older persons and only 11% stated preference for bungalows (note that respondents were able to choose more than option for this question). This is fairly surprising considering the older population within the village, but this could suggest that the housing needs of the population remain unmet for the younger people of the NA as suggested above in 156.

Table 7-13: Residents Property type preference

Source: Meriden Neighbourhood Plan Survey 2016

If they were to move what type of property would they prefer to move to?	%
Flat	46
Terraced house	38
Semi-detached house	68
Detached house	24
Bungalow	11
Specialist accommodation for older persons	0
Other	0
Base: (Those that are looking or likely to move)	(37)

163. Table 7-14 also shows that the majority of people looking to move would require a home of 2 bedrooms (22 out of 38 people). This is followed by 10 people needing a larger 3 bedroom house, whilst only 5 people wanted single bedrooms despite flats being a popular choice (see Table 7-14).

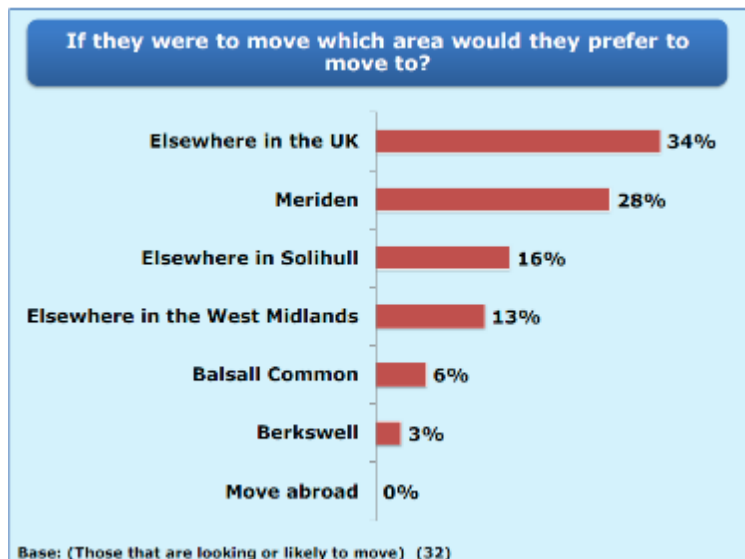
Table 7-14: Residents Property bedroom preference

How many bedrooms would you need in another home?	Nos.
1	5
2	22
3	10
4	1
Base: (Those that are looking or likely to move)	(38)

Source: Meriden Neighbourhood Plan Survey 2016

164. According to the Meriden Neighbourhood Plan Survey Results 2016, 28% of the 32 people that claimed they were looking or are likely to move, said that they are looking to move within Meriden (see Figure 7-5). Table 6 in the Meriden Neighbourhood Plan Survey Results 2016 reveals that 45% of respondents (51 people responded to this question) claim that they cannot move home as a suitable home is not available, which suggests an unmet housing need.

Figure 7-5: Location Preferences of Residents



Source: Meriden Neighbourhood Plan Survey 2016

165. The Meriden HNS report 2018 states that there is a need for forty-five new homes for people with a defined local connection. Results from the housing needs survey reveal that there is a specific need for the following homes outlined in Table 7-15 below.

Table 7-15 : Meriden HNS 2018 Specific housing need

Amount of homes	Type of Home
Housing association rent	
1	1 bed bungalow
3	1 bed flat/maisonette
4	2 bed bungalow
1	2 bed bungalow – adapted
5	2 bed house
4	3 bed house
1	4 bed house
Housing association shared ownership	
1	2 bed flat or house
4	2 bed house
1	3 bed house
Owner occupier	
1	1 bed bungalow
6	2 bed bungalow
1	2 bed flat/maisonette
3	2 bed house
3	3 bed bungalow

1	3 bed bungalow – adapted
2	3 bed house
2	4 bed house
1	5 bed house

Source: Meriden HNS report 2018

166. Table 7-6 below summaries the housing need results in regards to size, from both 2016 and 2018 surveys. It is clear that 2 bed homes remain the most popular, followed by 3 bed homes. Meanwhile, 4 bed homes are least popular followed by smaller 1 bed homes.

Table 7-16: Housing needs survey 2016 and 2018 results comparison

How many bedrooms would you need in another home?	2016	2018
1	13%	11%
2	58%	56%
3	26%	24%
4	3%	7%

Source: Meriden Neighbourhood Plan Survey 2016, Meriden HNS report 2018 and AECOM Calculations

7.6 Conclusion

167. To further our understanding of house sizes needed by the end of the Plan period we averaged the dwelling mix based on occupancy rates and also household preferences as expressed in the Meriden HNS report 2018. It is clear that current occupancy rates do not match the preferences of residents who need property in the NA. This is particularly true of 2 bedroom homes where calculations reveal that a significant increase of these types of homes need to be delivered, especially if the anticipated demand revealed in the Meriden HNS report 2018 is to be met, whilst larger homes of 3-4 bedroom properties are in over supply. This need is further evidenced by the high preferences for flats (46%) as previously seen.

Table 7-17: Dwelling mix required

Number of Bedrooms	Households preferences	Census 2011 – Occupancy rates	Average	Difference between preferences and census occupancy rates
1 bedroom	11%	10%	11%	1%
2 bedrooms	56%	28%	42%	28%
3 bedrooms	24%	38%	31%	-14%
4 bedrooms	7%	19%	13%	-12%

Source: Meriden HNS report 2018, ONS 2011, AECOM Calculations

168. Bringing evidence together, it is evident that there is an acute need for smaller properties, and in particular 2 bedroom homes. The data revealed throughout this section highlights that 2 bedroom homes have increased in supply; moreover, whilst supply has increased rapidly, it still is yet to meet the exceptional demand for this type of house size.
169. This demand is most likely the result of the high proportion of elderly people in the NA and also young people and families who all need smaller accommodation to suit their needs. Currently there is also a high amount of those ages 16-24 (see Table 7-10) and also middle aged households, all of whom will need smaller homes in the near future. The substantial increases of these demographic groups are expected to continue and therefore it is important that the housing needs figure reflects this. It is vital that the Housing needs figure reflects the demographic changes if both younger people and older people in the NA. An increasing elderly population is also an issue throughout the District (see Figure 7-2), and it is necessary

that the housing needs figure reflects this but also other demographic changes such as the increases in younger

170. This demand can be best met by flats, smaller housing and in particular semi-detached housing which are highly preferred by local people (see Table 7-13) despite the lack of such homes in the current housing stock.
171. In addition, some of these properties can be bungalows that may suit the growing elderly population who may be looking to downsize their property. Whilst demand for larger properties (above 6 rooms/3 bedrooms) has also increased, data suggests that demand meets the current supply and therefore a substantial increase of larger homes is not deemed necessary.
172. However, there is also significant evidence to show that smaller homes with 1 -2 bedrooms may also be in demand, albeit to a lesser extent. This would unsurprising considering the growing older population who may be looking to downsize but also the possible increase in the young population who may also be looking for smaller properties.
173. Overall, smaller properties especially 2 bedroom houses are in greatest demand but also shortest supply and homes of 1-3 bedrooms are highly demanded but the greatest increase in supply should be of 2 bedroom homes.

8. Conclusions

8.1 Findings and Recommendations

174. Below we summarise factors affecting the type of housing needed in Meriden, and our recommendations:

Table 8-1: Summary of local factors specific to Meriden with a potential impact on type and size

Factor	Source(s)	Evidence	Recommendation
Type and Size	AECOM Calculations, Meriden Neighbourhood Plan Survey 2016, Meriden HNS report 2018, ONS 2011, ONS, MHCLG 2014-based household projections, ONS 2006-based sub national population projections (2008)	A comparison between the household preferences and the 2011 occupancy rates reveals that there is a 3% surplus demand for 1 bedroom homes and a 30% surplus demand for 2 bedroom homes, whilst there is surplus demand for larger properties.	It is clear that smaller homes of 1 – 3 bedrooms are needed as these are in high demand. Ironically, 2 bedroom homes are in the highest demand, yet they are also in the shortest supply. Demand for smaller properties was also identified in the Meriden Neighbourhood Plan Surveys, and it may also represent elderly residents who are looking to downsize or young people looking for their first home. Demand for larger properties has also increased, yet this demand is currently meeting supply and therefore does not require an increased in planned supply.

175. We have analysed the current tenure profile and Affordable Housing needs before considering the cost and affordability of different tenures in turn. This has allowed us to arrive at the following recommendations for how development should be split between different tenure types.

Market Housing

176. **Market sales:** Although most households in Meriden own their home, home ownership has decreased by 2.6% between 2001 and 2011. This suggests that households are moving away from this tenure, as prices are unaffordable for most. Indeed, the price paid for houses sold on the market varies between £232,556 (the average house price in 2017) and £142,463 (entry-level houses). They respectively require an income of £59,800 and £36,633, whilst the average net annual household income in Meriden is **£34,700**. However, we do recommend not deterring development for market housing for sale. Indeed, doing so may deprive the community of resources for infrastructure improvements and limit the delivery of Affordable Housing.

177. **Market rent:** Only 10.4% of dwellings are privately rented in Meriden. However, the number of households privately renting has increased sharply between 2001 and 2011. This suggests that a growing number of households are using this tenure to meet their needs. Renting in Meriden requires an annual income of around £30k. Thus, it is likely that households earning around the average are choosing to rent for lack of not being able to buy their own home. This is why affordable home ownership options should be made available to households in Meriden. Notwithstanding, the PRS remains suitable for households who are not looking to purchase their own homes and earn around the average income, and for single-person households. Given the relative affordability of this tenure, its low stock and the inflated demand identified, we recommend that the PRS forms a substantial proportion of new development.

Affordable Housing (AH)

178. Our analysis, informed by the Affordable Housing Need model, has shown that **86 AH units should be built from now up and until 2028**. Provided Meriden meets our recommended Housing Needs Figure

(HNF), the proposed AH policy in the Draft Local Plan²⁶ will not be sufficient to meet the Parish needs. In fact, almost all newly-built dwellings should fall into AH tenures to meet housing needs. However, this is likely to place a burden on developments to the extent they become unviable. Alternatively, we have mentioned that the Local Authority is likely to require Meriden to build around 164 dwellings until the end of the Plan period. That level of housebuilding would allow the Parish to meet AH needs, as long as developers abide by the 50% AH policy. We are now considering how AH should be split between different tenures:

179. Social rented: According to the SHMA Part 2, the lower quartile annual gross household income in Solihull is £17,613. Households on this income will only be able to afford Social Rent. We do not have the income distribution data necessary to determine the number of households in Meriden who are in this situation. Therefore, we are not able to provide a clear recommendation as to the amount of Social Rented homes needed. However, we do note that most of the 47 households currently registering on the Housing Needs Register will need this specific tenure to meet their needs.
180. Affordable Rent: With a required annual income of £24,876, Affordable Rent is good alternative for households who are spending more than 25% of their income on private rent, and earn too much to be eligible for social rent.
181. Shared Ownership: There are very few shared ownership dwellings in Meriden (2 at the time of the last Census). However, we are confident that this tenure should be encouraged. Earlier, we have mentioned that the increase in the PRS might be explained by those households earning around the average income who are forced into the PRS. Our analysis shows the Purchase Threshold (PT) for 25% Shared Ownership is £20,912. This is more affordable than privately renting and would allow the aforementioned households to get onto the housing ladder. Given that a majority of households in Meriden aspire to own their own homes, this tenure should be widely encouraged.
182. Starter Homes: With a Purchase Threshold of £29,307, Starter Homes can provide affordable homes for first-time buyers.

8.2 Recommendations for next steps

183. This neighbourhood plan housing needs advice has aimed to provide Meriden Parish Council with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Solihull Metropolitan Borough Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
 - it has regard to the neighbourhood planning basic conditions that will be tested at examination; the views of SMBC – in particular in relation to the housing need figure that should be adopted;
 - the longer term impact of the HS2 station so close to Meriden and the distribution of the 2000 associated additional dwellings and the neighbourhood plans role in identifying smaller sites in the parish that might contribute to this and the local HNF identified in this report.
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers; and
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Borough, including but not limited to the SHLAA
 - the recommendations and findings of this study; and
 - The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.
184. Recent changes to the planning system, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
185. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

²⁶ 50% affordable dwelling units on each development site on residential sites of 11 units or more, or which have a maximum combined gross floor space of more than 1,000sqm

186. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Borough or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 8-1) would help ensure relevance and credibility of its policies.

Appendix A : Calculations for the cost and affordability of housing

A.1 Market Housing

187. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denotes the maximum share of a family's income that should be spent on accommodation costs, and thirdly 'Purchase Thresholds' (PT), which denotes the standard household income requirement to access mortgage products.

Market sales

188. The starting point for calculating the affordability of houses sold at market prices for a given household is the loan to value ratio to which most mortgage companies are prepared to agree. This is conservatively estimated to be 3.5. We note that to produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first time buyer) should be taken into account. However, this data is not available for Meriden; an assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

189. The calculation is therefore:

- Value of an 'entry level dwelling'²⁷ £142,463
- Purchase deposit = £14,246 @ 10% of value
- Value of dwelling for mortgage purposes = £128,217
- Loan to value ratio = 3.5 of value of mortgage
- Purchase Threshold = **£36,633**

Private rented sector (PRS)

190. Income thresholds are used to calculate the affordability of rented tenures of housing. Households are deemed to be able to afford private rent if the lower quartile private rent does not exceed 25% of gross household income for households.

191. To arrive at an understanding of lower quartile private rent, an assumption is made this equates to the average rent paid for in the NA for a two bedroom dwelling (enough space for two or three individuals). We have turned to the property website [Home.co.uk](https://www.home.co.uk) to establish the rental values for property in the NA. The best available data is derived from properties available for rent within the postcode district encompassing Meriden (CV7). Moreover, it forms a larger geography with a greater number of example properties; the larger sample size is likely to generate more robust findings.

192. It is possible to derive from this data the estimated income threshold for PRS dwellings in the NA; the calculation is therefore:

- Annual rent = £907 PCM x 12 = £10,884
- Income Threshold (PRS) = **£31,096**

A.2 Affordable Housing

193. We identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2018 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

194. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

195. A good example is, in 2012, the introduction of dwellings for Affordable Rent, rent for this tenure is set at up to 80% of market rent, with intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes

²⁷ Entry level dwelling can be understood to mean the average value of dwellings falling into the lower quartile of house prices in the NA. For the purpose of this exercise, we have used the LQ house price in Meriden. House price data was taken from the Land Registry for 2017.

them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

196. The overall aim is to reduce the group who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.
197. Below we consider the cost and affordability of each of the AH tenures in turn.

Social Rent

198. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.
199. To determine social rent levels we have used the Data and Statistical Return (DSR) from the HCA. This data is only available at the Borough level, but operates as an acceptable proxy for Meriden given the shared demographic and employment characteristics identified in this study between the two geographies. DSR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 8-2 below.

Table 8-2: Social rent levels (£)

Size	2 beds	3 beds
Average social rent weekly	£102	£112
Annual average	£5,298	£5,839
Income needed	£15,136	£16,681

Source: HCA, AECOM Calculations

Affordable Rent

200. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
201. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen the annual entry-level rent is £10,884. In the event of a 20% reduction in rent, the rent would come down to £8,707 and the IT to £24,876, bringing rents within closer reach to those on lower income.

Intermediate Tenures

202. 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. They can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Starter Homes

203. Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. In paragraph 64 of the NPPF18, the Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership".
204. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".
205. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including

neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

206. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city; they are eligible for first time buyers aged under 40.
207. The decision whether to treat Starter Homes as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.
208. So as to provide a conservative assessment of suitability of Starter Homes, we propose to use the value we have estimated for an entry-level dwelling of £142,463²⁸.
209. Applying a discount of 20% arrives at the approximate selling price of £113,970. Allowing for a 10% deposit further reduces the value of the property to £102,573. The IT at a multiple of 3.5 is **£29,307**. The income required is lower than the median income for Meriden (£34,700). Therefore Starter Homes provide an affordable option for young households in Meriden to purchase their own home.

Shared Ownership

210. As we have seen, there are very few shared ownership dwellings in Meriden (2 at the time of the last Census). Nevertheless, it is worth considering its future role.
211. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
212. To determine the affordability of shared ownership, calculations are based on the lower quartile new-built house price for Meriden in 2017²⁹ (£234,560). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the IT for PRS).
213. A 25% equity share of £142,463 is £35,616, from which a 10% deposit of £3,562 is discounted. The mortgage value of £32,054 (£35,616 - £3,562) is then divided by 3.5. To secure a mortgage of £32,054, an annual income of £9,158 (£32,054 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £106,847. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £2,938 and requires an income of £11,753. Therefore, an income of around **£20,912** (£9,158 + £11,753) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
214. The same calculation is reiterated for different initial share and the results are presented in Table 8-3 below:

Table 8-3: Affordability calculator for shared ownership

Purchase price:	£142,463	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share	25%	£20,912	£32,054	£9,158	£2,938	£11,753	£3,562
	35%	£23,008	£44,876	£12,822	£2,547	£10,186	£4,986
	40%	£24,056	£51,287	£14,653	£2,351	£9,403	£5,699
	50%	£26,152	£64,108	£18,317	£1,959	£7,835	£7,123
	60%	£28,248	£76,930	£21,980	£1,567	£6,268	£8,548
	75%	£31,393	£96,163	£27,475	£979	£3,918	£10,685

²⁸ Again, this is taken from Land Registry 2017. In 2017 the lower quartile price for all houses in Meriden was £142,463.

²⁹ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also include resale properties.

Source: AECOM Calculations

215. Given these values, again noting where these values fall in relation to Affordable Rented dwellings, PRS and for sale homes, Shared Ownership offers an alternative choice to people currently in rented accommodation seeking to move over to a tenure that offers a route to home ownership. For this reason it is reasonable to include this tenure within the housing mix in Meriden.

Appendix B : Housing Needs Assessment Glossary

Adoption

The final confirmation of a Local Plan by a Local Planning Authority.

Affordability³⁰

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable Housing' refers to particular products outside the main housing market.

Affordability Ratio

Assessing affordability involves comparing house costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = $\frac{£200,000}{£25,000} = 8$, (the house price is 8 times income).

Affordable Housing (NPPF Definition)³¹

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 Homes England. 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 planning purposes.

Annual Monitoring Report

A report submitted to the Government by Local Planning Authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The basic conditions are the legal tests that are made at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard³²

A measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways).

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build

³⁰ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³¹ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³² <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. Both Locality and the Government have a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order³³

An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a site-specific development proposal or classes of development.

Concealed Families (Census Definition)³⁴

The 2011 Census defined a concealed family as a couple or single parent family, living in a multi-family household, where the Family Reference Person (FRP) is not the Household Reference Person (HRP). Each family living in a household includes a FRP identified on the basis of economic activity and age characteristics (lone parents are automatically the FRP). In a one-family household the FRP is also the HRP. In households where there is more than one family, the HRP is selected from the FRPs based on economic activity, age and then order on the census form. Concealed families will include young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing³⁵

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Fair Share

'Fair share' denotes the exercise of identifying a housing needs projection based on the proportion of dwellings in the reference geography represented by the subject geography, for example dwellings in the Neighbourhood Area as a proportion of all dwellings in the local authority.

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, less bathrooms, toilets and halls.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Market Area (PPG Definition)³⁶

³³ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁴ http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

³⁵ <http://www.housingcare.org/jargon-extra-care-housing.aspx>

³⁶ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

A housing market area is 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. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment.

Housing Needs Assessment

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household; including detached, semi-detached, terraced including end of terraced, and flats. Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

Income Threshold

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Intercensal Period 2001-2011

The period between the last two censuses, i.e. between years 2001 and 2011.

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes at the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at the parish level so District level data is employed on the basis of the NA falling within a defined Housing Market Area.

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

Local Development Order

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the London borough council, county council, Broads Authority, National Park Authority and the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Mean (Average)

The sum of all values divided by the number of values.

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Median Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices, and is a key indicator of affordability of market housing for people on middle-range incomes.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years³⁷, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Plan

A plan prepared by a Parish Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle

³⁷ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

Overcrowding

There is no one agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 3.5 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence (PPG Definition)

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners. More guidance can be obtained from Planning Aid England:

https://www.ourneighbourhoodplanning.org.uk/storage/resources/documents/How_to_gather_and_use_evidence.pdf.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

Sheltered Housing³⁸

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

³⁸ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Specialist Housing for the Elderly

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation. Below is given a definition of all tenures in turn.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority has issued an explanatory note on these at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Intermediate Housing

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 planning purposes.

Market Housing (PPG Definition)

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market. It is the opposite of affordable housing.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sectors are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level.

Social Rented Housing

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 Homes England.³⁹

³⁹ <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

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