

## Key messages from the Dudley Housing Market Intelligence Report update 2014

### Key messages

- The Borough's housing stock profile is dominated by 3 bedroom semi-detached houses.
- The affordability of housing is a key issue in Dudley as the average gross weekly pay for a Dudley resident is £454.80<sup>1</sup>. This is lower than the regional and England average.
- The affordability of housing for concealed/newly forming households is of particular concern because 84% of these households could not afford to pay more than £450 per month for housing so this severely restricts their access to buying or renting. In order to buy the cheapest entry level property requires an income of £16,800 (single) and £20,300 dual. Only half of the concealed households could afford the cheapest rental property (1 bedroom flat).
- Population projections show that between 2011-2035 the largest increase by age group is those aged 65+ (24,900 people). Within this, the 85+ age group is projected to increase by 10,100. These demographic changes plus the general trend towards smaller household growth indicate a need to build more smaller properties (1 and 2 bedrooms).
- 748 new affordable homes per year are needed over the next 13 years to address backlogs of known housing need. This figure is in addition to what we are already delivering and takes into account the supply and relets of current social housing stock.

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<sup>1</sup> 2012

## Background information – Census 2011

Tenure type	%
Owner occupied - owned outright or mortgaged	68.7%
Social rented – local authority or other social rented	19.8%
Privately rented – private landlord, lettings agency or other private rented	9.2%
Shared ownership	0.5%
Living rent free	1.6%

### Wards:

- Kingswinford North and Wall Heath have the highest number of owned outright
- Amblecote has the highest number of owned with a mortgage/loan
- Lye and Stourbridge North have the highest number of shared ownership
- Brierley Hill has the highest number of local authority owned
- St James's has the highest number of Social rented other
- Brierley Hill has the highest number of private rented

### Dudley's current housing stock

- Dudley's housing stock profile is dominated by 3 bedroom semi-detached houses.
- Almost 75% of market housing is 3 or more bedrooms with only 25% consisting of 1 and 2 bedroom properties.
- In contrast, the social housing sector 40% is 3 or more bedroom and 60% is 1 and 2 bedroom properties.
- The average house price in Dudley is £147,267<sup>2</sup>
- The average price of an entry level 2 bedroom terraced house is £97,500. An entry level property is one that is most likely to be affordable for first time buyers.

### Affordability and access to the housing market

- The affordability of housing is a key issue in Dudley as the average gross weekly pay for a Dudley resident is £454.80<sup>3</sup>. This is lower than the £469.30 regional average and the £512.70 England average.
- 62% (56,623) of existing households and 73% (2,119) of concealed households earn less than the national average level of £25,900.
- The affordability of housing for concealed/newly forming households is of particular concern because:
  - 46% (1,841) of recently formed households earn below £10,000 per annum.

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<sup>2</sup> Q2 Land Registry 2013

<sup>3</sup> 2012

- Survey responses from the concealed households indicated that 84% of these households could not afford to pay more than £450 per month for housing so this severely restricts their access to buying or renting. In order to buy the cheapest entry level property requires an income of £16,800 (single) and £20,300 dual. Only half of the concealed households could afford the cheapest rental property which is a 1 bedroom flat and a 1 bedroom property may not be adequate for some of these households.

## **Demographics**

### **Disability**

27% of households include a member with a disability. Half of these household members have difficulty walking. Two thirds of the disabled household members are aged over 60.

### **Older People**

- The main type of accommodation occupied by older people is semi-detached (46%), detached (19%).
- 57% of older people are owner occupiers with no mortgage. Many have substantial levels of equity.

### **Migration**

- Of the 21,076 households which had moved over the previous three years<sup>4</sup> 73% had moved within the Dudley Borough. The highest in-migration was from Sandwell (1,332) followed by Birmingham (1,211).
- 3,569 households indicated that they may move out of the Borough within the next three years. The largest category of people indicated that they wished to move away from the West Midlands/central region.

### **Future population growth**

- Population projections show that between 2011-2035 the largest increase by age group is those aged 65+ (24,900 people). Within this group, the number of people aged 85+ is projected to increase by 10,100.
- These demographic changes are likely to contribute to:
  - The growth in smaller households (single person). This applies to other age bands too.
  - Increased demand on care and support needs, housing adaptation services and/or specialist housing for older people.

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<sup>4</sup> 2011-13

## **Future housing demand**

- From the survey data 17,594 households were planning to move. 14,025 of these were looking to move within the Dudley Borough.
- Of the households intending to move within the next 3 years:
  - 7,832 households require market housing
  - 6,193 households require affordable housing
- The main tenure type preferred by households was owner occupation but during the survey of the concealed households it was revealed that 55.7% of them preferred this option but only 27% indicated that they could realistically afford it.

## **Future housing delivery targets**

- The suggested delivery proportions for new market housing are 60% 1 and 2 bedroom properties and 40% 3 and 4 bedroom properties.
- For affordable housing:
  - 748 new affordable homes per year are needed over the next 13 years to address backlogs of known housing need. This figure is in addition to the average committed supply of new affordable housing 225 units per year and takes into account the supply and relets of current social housing stock<sup>5</sup>.
  - The suggested tenure mix is 60:40 between social rent and intermediate housing<sup>6</sup>.
  - 75% of future affordable housing delivery should be one and two bedroom properties<sup>7</sup>.

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<sup>5</sup> This compares to 607 in the 2011 report

<sup>6</sup> Unchanged from the 2011 report

<sup>7</sup> This compares to 65% in the 2011 report

**Census 2011** sourced from Census 2011 profiler

68.7% Owner occupied - owned outright or mortgaged

19.8% Social rented – local authority or other social rented

9.2% Privately rented – private landlord, lettings agency or other private rented

0.5% Shared ownership

1.6% Living rent free

Household Tenure (Source: Table  
KS402EW) 2011 Census Profiler

[View household tenure chart](#)

All Households	2011	2011 %	2001	2001%	
Owned Outright	45,383	34.9	39,259	31.4	
Owned With a Mortgage or Loan	43,921	33.8	49,237	39.4	
Shared Ownership (Part Owned and Part Rented)	707	0.5	700	0.6	
Rented From Council (Local Authority)	21,874	16.8	24,221	19.4	
Other Social Rented	3,845	3.0	3,037	2.4	
Rented From Private Landlord or Letting Agency	10,938	8.4	4,384	3.5	
Other Private Rented	1,066	0.8	4150*	3.3*	
Living Rent Free	2,133	1.6	*	*	
Total	129,867				

\* The 2001 Census definition of "Rented From: Other" includes employer of a household member and relative or friend of a household member and living rent free.