

# **OLDER PEOPLE'S HOUSING NEED AND BENEFITS TO THE WIDER HOUSING MARKET, SOLIHULL BOROUGH**

On behalf of  
IM Land

December 2020



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## EXECUTIVE SUMMARY

- i. In the recent 'Planning for the Future' White Paper, Prime Minister Boris Johnson committed to a planning system that delivers 300,000 new homes per annum by the end of the parliamentary term. This is necessary to solve a national housing crisis of chronic undersupply.
- ii. Much of the attention of the housing crisis focusses upon the inability of younger generations to form their own households due to affordability constraints. This focus is well founded, but solving the crisis also encompasses meeting the needs of a rapidly ageing population.
- iii. To put this into perspective, between 2018 and 2036 there is projected to be a 38% increase in the 65+ population in England. This compares with a 3% increase in those aged 16-64, and a 4% *decline* in 0-15-year olds.
- iv. Significant growth in the 65+ population leads a requirement for more housing if the right type to be planned for and delivered, specialist housing that responds to need and preference. As Government have stated, *"The needs of older people now are different from previous generations and their aspirations around housing and lifestyles have changed dramatically."*<sup>1</sup>
- v. A critical need to provide housing for older people is explicitly acknowledged in planning practice guidance that emphasises the importance of making plans that reflect older peoples housing needs.
- vi. This report assesses the requirement for specialist housing for older people in Solihull. It then addresses the benefit to the wider housing market of increasing older peoples housing supply.

### **The Need for Specialist Housing for Older People in Solihull**

- vii. Barton Willmore have assessed the requirement for specialist housing for older people in Solihull having regard to:
  - a. The Age structure and size of the older population, and its projected growth.
  - b. The prevalence of mobility, health and well-being factors that are acknowledged to indicate a need for adaptations, support or specialist housing.

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<sup>1</sup> Page 4, Government response to the Second Report of Session 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into Housing for Older People, September 2018

- c. The tenure of housing occupied by older people.
  - d. The provision rates for specialist housing published within Housing for Later Life, 2012
  - e. Data on the supply of housing for older people published by Elderly Accommodation Counsel.
- viii. We find an immediate requirement in Solihull for 1,622 units of specialist housing for older people. In addition, over the period from 2020 to 2036 there is a further requirement for 1,495 units of all types and tenure.
- ix. In total there is a requirement for 3,117 units of specialist older persons housing with the greatest need in both sheltered housing and extra care housing schemes.
- x. The Council’s Housing and Economic Development Needs Assessment (HEDNA, 2020) recognises that specialist housing for older people should be provided for and calculates that there is a need for 2,179 units by 2036.
- xi. We find this to be a significant underestimate, principally because in response to indicators of need and demand it assumes provision rates (specialist housing units per capita) that are too low.
- xii. For that reason, the Barton Willmore assessment should be preferred. The following tables provides a summary of the need for older persons housing by two key categories – housing without care (including age restricted and sheltered housing), and housing with care (including enhanced sheltered and extra care housing).

**Summary of Total Need (by tenure and type) – Solihull Borough**

<b>Type (Units)</b>	<b>Rental</b>	<b>Leasehold</b>	<b>Total</b>
<b>Without Care</b>	-126	2,207	<b>2,081</b>
<b>With Care</b>	462	574	<b>1,036</b>
<b>Total (by Tenure)</b>	<b>336</b>	<b>2,781</b>	<b>3,117</b>

Source: EAC Q4 2020, Housing in Later Life 2012

- xiii. It is apparent that there is an existing oversupply (relative to recognised prevalence rates) of social rented sheltered (age exclusive) accommodation, whilst across all types of accommodation 58% falls within an affordable tenure, leaving only 42% of units in the open market. Given the existing tenure profile of older residents of the Borough it is clear that existing choice of provision is heavily biased towards those in tenures other than home ownership, with limited options for those seeking units on the open market.



- xiv. There is a particular need for housing with care in the Borough, particularly extra care (which provides registered care), and eclipses the demand for enhanced sheltered (providing unregistered care).
- xv. There is a clear immediate requirement for specialist older people's housing within Solihull and given the local demography and the critical need recognised by Central Government, greater emphasis should be placed on increasing the supply of specialist housing that suits older people's needs and preferences.

**The Wider Housing Market Benefit of Increasing the Supply of Older People's Housing in Solihull**

- xvi. In all respects, Solihull exhibits the characteristics of the national housing crisis, albeit the symptoms (such as worsening affordability and house price inflation) are more severe than the regional and national trends. This requires a range of measures to be put in place - not just more housing but a strategy that addresses the needs of different groups; e.g. affordable housing, family housing and housing for older people.
- xvii. A strategy that addresses the housing needs of older people will support planned increases to historically low rates of housing delivery by increasing a sales rate in Solihull that remains below pre-recession rates, lagging the regional and national benchmarks. Moreover, in addition to meeting the needs of older people and their preference to be owner occupiers, the development of housing for sale that addresses the needs and demands of older people provides the added benefit of freeing up family housing.
- xviii. In Solihull, under occupancy rates for householders aged over 65 are significant and evidenced by the fact that according to 2011 Census data, 87% of over 65 households are under-occupied, the majority of which are owner occupied households. Moreover, 83% of householders aged over 65 whose day to day activities are limited a lot under occupy, implying a significant need for suitable specialist accommodation, were such accommodation available.
- xix. By providing housing more suitable to this age group that addresses its needs and preferences (for leasehold accommodation in particular), the family homes that they presently under occupy will become available to the market, in addition to new build family homes, thereby addressing the significant need for family housing that the Solihull Local Plan seeks to address.



## 1.0 INTRODUCTION

- 1.1 This Report has been prepared by Barton Willmore on behalf of IM Land and provides an assessment of both the older people's housing needs in Solihull, as well the benefits to meeting this need to the wider housing market.
- 1.2 The report is separated into two volumes. **Volume A** provides the 'Older People's Housing Needs Assessment' and **Volume B** the 'Benefits of Older People's Housing to Wider Housing Market.' Volume B relates to national and local drivers of demand for older peoples housing and the benefits arising to the wider housing market of increasing the delivery of older peoples housing in the national and local context.
- 1.3 Before we separate the report into its two volumes, **section 2** of the report addresses the relationship between providing housing that meets the needs of older people and the pressing need to solve the national housing crisis. This is done through the examination of recent policy development, statements and speeches by Government, and reference to published research.



## **2.0 MEETING THE HOUSING NEEDS OF OLDER PEOPLE AND THE HOUSING CRISIS**

### **Introduction**

- 2.1 In this section we address the relationship between providing housing that meets the needs of older people and the pressing need to solve the national housing crisis. This is done through the examination of recent policy development, statements and speeches by Government, and reference to published research. Several key points emerge.
- 2.2 First, solving the housing crisis is a clear priority of Government.
- 2.3 Second, the needs of older people are acknowledged by Government to have changed completely from the needs of the previous generation, meaning that their need is under provided for by the current housing stock.
- 2.4 Third, only 7% of existing properties enable people to age in place, meaning that a large proportion of older people are likely to be living in homes that do not meet their needs and are unsuitable for them.
- 2.5 Fourth, providing housing that meets the needs and demands of older people carries the added benefit of freeing up more, much needed family homes for other buyers and renters. To give some idea of the scale of this 'downsizing' opportunity nationally, it has been estimated that eight million people over 60 years of age, living in 7 million homes (about 30% of the property market) are interested in downsizing.

### **The Government's Position**

- 2.6 During her closing speech, made on 3rd October 2018 to the Conservative Party Conference, the former Prime Minister, Mrs Teresa May, made it clear that "Solving the housing crisis is the biggest domestic policy challenge of our generation".
- 2.7 This follows confirmation by Government on 1st October 2018 that her Government was committed to delivering 300,000 homes a year by the mid-2020s. This target is much greater than the level of housing need implied by published household projections (e.g. ONS 2018 and 2016-based) which are acknowledged to be suppressed by decades of housing undersupply and as a result, fail to capture anything like the true scale of housing need.

- 2.8 The 2019 Conservative Party manifesto retained the commitment to build more home and to promote home ownership in the following terms, under the heading '**Deliver the housing people need**'.

**Home ownership is one of the most fundamental Conservative values. People are happier, more secure and more rooted in their communities when they own their own home – and know that they can pass it on to future generations.**

**For the UK to unleash its potential, young people need the security of knowing that home ownership is within their reach – that they too can have a tangible stake in society, can be rooted in their communities and have a place to raise a family.**

**A majority Conservative Government will continue to increase the number of homes being built. But we must also rebalance the housing market towards more home ownership – while ensuring fairness for the new generation of renters.**

**Since 2010 there has been a considerable increase in homebuilding. We have delivered a million homes in the last five years in England: last year, we delivered the highest number of homes for almost 30 years.**

**But it still isn't enough. That is why we will continue our progress towards our target of 300,000 homes a year by the mid-2020s. This will see us build at least a million more homes, of all tenures, over the next Parliament – in the areas that really need them.**

...

[Conservative 2020 Manifesto, pages 30 and 31]

- 2.9 The Queens Speech, delivered to Parliament on 19<sup>th</sup> December 2019, carried forward the manifesto commitment to progress towards the target of 300,000 homes a year as follows.

**To deliver on the homes this country needs, the Government is committed to building at least a million more homes over this Parliament. In the coming months we will set out further steps to achieve this, including an ambitious Planning White Paper and funding for critical infrastructure.**

[Queens Speech, December 2019, background briefing notes, page 48]

- 2.10 The housing crisis is often characterised as a crisis of young people unable to get a foot on the housing ladder, because they have been priced out of the market housing (for sale and rent) following decades of undersupply.
- 2.11 Undersupply resulted in housing becoming unaffordable, as evidenced by soaring house price to earnings ratios and sluggish sales volumes in their historic context (see section 4 of this report).

- 2.12 The problem is cyclical. Undersupply fuels the affordability crisis and restricts choice, the number of transactions (first moves, second moves etc.) reduce and the market approaches paralysis as it becomes progressively less capable of satisfying need and demand.
- 2.13 In turn, the brakes are put on household formation as choices that were open to previous generations are no longer open. Instead, there follows an increased rate and prolonged period of sharing with others to keep housing costs at a manageable level, or a return to the parental home.
- 2.14 But the housing crisis is not just about young people unable to get on the housing ladder, it is broad based, encompassing all age groups. Not least, solving the crisis encompasses meeting the needs of an ageing population. A need that the Government characterises in qualitative terms as follows, terms that imply much of the existing provision is unlikely to meet current and future need:

**“The needs of older people now are different from previous generations and their aspirations around housing and lifestyles have changed dramatically.”<sup>2</sup>**

- 2.15 The above quote comes from the Government’s recent response to the MHCLG Select Committee inquiry into Housing for Older People, published September 2018. In response to the Select Committee conclusion on the need for a new national strategy for older people’s housing, the Government responded as follows, making plain the direct link between building more housing suitable for older people and solving the housing crisis:

**“We have set out a strategy to make the housing market work and make sure it works for all parts of our community, including older people. In our Housing White Paper ‘Fixing our Broken Housing Market’ we recognised that there is a fundamental need to do more to ensure that more homes suitable for older people are being built as part of our overall ambition to increase housing supply.**

**We have also set out plans to start to tackle the lack of affordability and increase choice, and to make the housing market fairer for renters and home owners. We have also set out £44 billion of financial support for housing over the next five years, and we have recently consulted on reforms to the planning system through a revised National Planning Policy Framework. This specifies that local planning authorities are expected to have clear policies for addressing the housing needs of groups including older people. Guidance which supplements the Framework gives further advice on how plan making authorities can identify the housing needs of older people.**

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<sup>2</sup> Page 4, Government response to the Second Report of Session 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into Housing for Older People, September 2018

**We also recognise the need to provide more of the right types of homes for older people to help support an ageing population. Offering older people a better choice of accommodation can help them to live independently for longer, improve their quality of life and free up more family homes for other buyers. We will consider the Committee's recommendations alongside wider issues affecting older people in the forthcoming Social Care Green Paper and following the independent review of the Disabled Facilities Grant."**<sup>3</sup>

- 2.16 The clear view of Government is that accommodation needs of older people are not being met, that there is a need to provide more of the right types of homes for older people to meet the needs of an ageing population, and that doing so will free up family housing for other buyers.
- 2.17 It is acknowledged that housing for older people has a role to play in a national housing strategy that seeks to meet both the scale and different types of housing need evident across England. Thus, paragraph 61 of the NPPF reads as follows; '*... the size, type and tenure of housing needed should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, ...)*'.
- 2.18 Furthermore, in the introduction to the Planning Practice Guidance section on Housing for older and disabled people, under the heading *Why is it important to plan for the housing needs of older people?* the critical need to provide housing for older people is the first statement made:

**"The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking."**<sup>4</sup>

- 2.19 Addressing the housing market as encompassing a plurality of need and demand comprising several different groups - a set of distinct submarkets - opens the opportunity to increase housing market activity (increased transactions) and housing delivery.

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<sup>3</sup> Page 21-22, Government response to the Second Report of Session 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into Housing for Older People, September 2018

<sup>4</sup> Paragraph: 001 Reference ID: 63-001-20190626



- 2.20 Whilst absorption rates in one specific market will have their natural limit, when the needs of more than one sub market (e.g. family housing and housing for older people) are addressed, for example by developing a range of housing products that meet plural needs (as opposed to singular, general need) there is inevitably a multiplier effect, increasing sales per outlet.
- 2.21 Furthermore, in the context of the Government's very recent acknowledgement that the needs of older people now are different from previous generations and their aspirations around housing and lifestyles have changed completely, the development of housing products that meet the emerging ('new') needs of older people, in ways that are not traditionally available, will inevitably facilitate moves from potentially unsuitable homes, into homes that better suit need and demand.
- 2.22 That is why, of itself, new specialist housing for older people will help free up housing for other groups, such as families with children, bearing in mind that a significant proportion of older households are likely to under occupy homes that they have lived in for a long period, in the absence of more suitable housing to meet their changing needs.

### **National Research**

- 2.23 The move from homes that become increasingly unsuitable for the needs of an ageing older population is now commonly referred to as rightsizing. The recently published report, '*Rightsizing: reframing the housing offer for older people, 2018*' highlights that:

- **Very few older people move home in later life, and most of these moves are not into specialist housing.**
- **Just 3.4% of older people (50+) move home every year in the UK. This is half as many moves compared to the rest of the population.**
- **This is despite just 7% of properties having the most basic accessible features that might enable an older person to age in place.**
- **Only a small minority of moves made by older people are into specialist accommodation, even in the 70+ age cohort.<sup>5</sup>**

- 2.24 Notwithstanding the drivers that sit behind 'older mover' decision making – both to move and to stay put - the statistics quoted above point to a severe lack of supply of suitable

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<sup>5</sup> Page 4, Rightsizing: Reframing the housing offer for older people, PHASE @ Manchester School of Architecture, 2018

accommodation to meet the diverse needs and demand of older people. This is inevitable, in the context of older people's needs having emerged (in that they are now better understood and recognised) and evolved in recent times.

- 2.25 The Rightsizing report proposes the following definition of rightsizing (as distinct from downsizing) as '*an older person's active, positive choice to move home as a way of improving their quality of life*'. This definition reflects the fact that the emerging older persons market must respond to proactive choice that encompasses a broad range of need and demand as opposed to the traditional notion of a reactive market. A market that for all the right reasons focused on shelter and basic care, a 'one size fits all' solution, with the unintended consequence of neglecting lifestyle choices. A market that did not anticipate nor respond to the diverse range of need and demand that is increasingly evident in the UK's ageing population.
- 2.26 This market failure, in the context of both the growing proportion of UK residents in old age and the increasing length of time that population will live in old age, needs to be urgently addressed. Doing so will both improve the quality of life of our older population and help release family homes into the housing market, thus increasing supply in the midst of the housing crisis.
- 2.27 In the Greater Manchester context, with clear resonance for the country as a whole, The Mayor of Greater Manchester sums up the problem and the clear benefits of solving it as follows:

**"In the next 25 years, the proportion of households where the oldest person is aged 85 or over will grow faster than any other age group. And if we do not ensure diverse, accessible, age-friendly homes are available across the city region, increasing numbers of us will find ourselves trapped in homes that are not appropriate for us as we age.**

**In Greater Manchester, 85% of the housing that will exist by 2035 has already been built, much of which does not meet the changing needs or aspirations of our older residents. We need to develop innovative new approaches to ensure that new housing is both attractive and within reach of those who wish to move, and that programmes are in place to support those who want to remain in their current homes.**

**If we deliver a new wave of housing which is adaptable and accessible, within our existing communities and neighbourhoods, we can enable people of all ages and abilities**

**to live the life they want to – and in the homes and places that make them happy.”<sup>6</sup>**

- 2.28 The third '*Housing our Ageing population: Positive Ideas, Making Retirement Living A Positive Choice*' report was published in 2016 by the All-Party Parliamentary Group on Housing and Care for Older People. HAPPI 3 sets the current context for older persons housing in the UK.
- 2.29 Of particular note are the findings published in HAPPI 3 about the number of older people who wish to move to a smaller home, and findings about the lack of supply to meet the demand for older persons housing.
- 2.30 Quoting market research, HAPPI 3 reports that 8 million people aged over 60, in 7 million homes (30% of total housing stock), are interested in downsizing.<sup>7</sup> However, the stock of specialist housing for older people is estimated to be only 560,000 or 2.4% of total stock.
- 2.31 The limited availability of housing for older people in the UK, in an international context, is clearly illustrated by HAPPI 3, reporting that "*1% of Britons in their 60s are living in tailor-made retirement properties, compared to 17% in the US, and 13% in Australia and New Zealand.*"<sup>8</sup>
- 2.32 A national context of undersupply has evidently been compounded by relatively low levels of completions of sheltered and extra care accommodation in last 20 years. Completions have infrequently reached 10,000 units per annum since the early 1990s, whereas in the 1980s, completions frequently exceeded 20,000 units per annum.
- 2.33 The age of the UK stock of specialist housing for older people and the recent emergence of extra care housing can be observed through data provided by the Elderly Accommodation Counsel (EAC), acknowledged to be the most comprehensive and reliable source available. The EAC 2020 Quarter 4 database records about 650,000 units of accommodation within England. About 77% of which (some 500,000 units) includes a build date or a refurbishment date.
- 2.34 Figure 2.1 presents stock by type and 5-year build / refurbishment period, from 1946 to the present (end 2020). Note that whilst the table includes 77% of all stock, this figure is skewed by only 56% of age exclusive housing and 80% of sheltered housing being dated. This contrasts with 88% of enhanced sheltered and 92% of extra care housing.

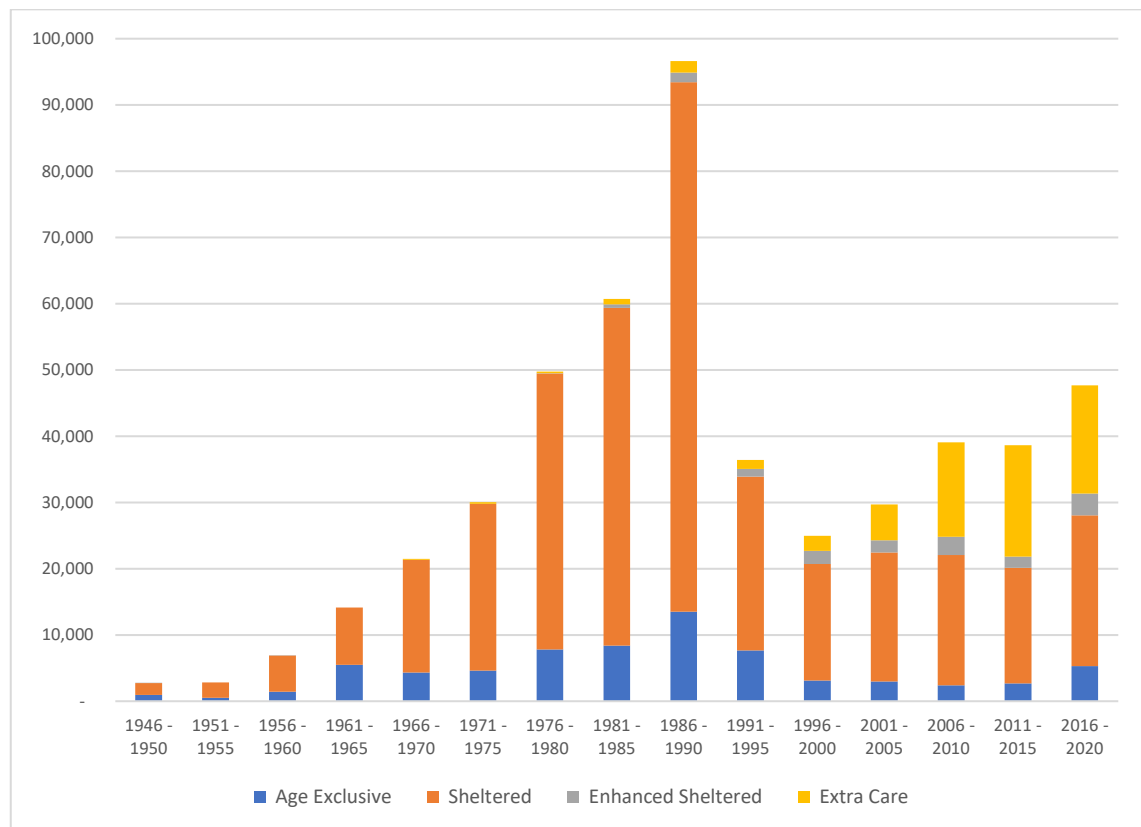
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<sup>6</sup> Page 1, Rightsizing: Reframing the housing offer for older people, PHASE @ Manchester School of Architecture, 2018

<sup>7</sup> Page 12, Housing our ageing population: Positive Ideas HAPPI 3, Making Retirement Living A Positive Choice, June 2016

<sup>8</sup> Ibid

- 2.35 In broad brush terms, age exclusive and sheltered housing can be characterised as designed or adapted to be old age appropriate, typical provide access to support and social activities, but do not provide care, which until relatively recently was the preserve of care and nursing homes.
- 2.36 In contrast, enhanced sheltered and extra care can be characterised as 'housing with care', the later (extra care) providing care that is registered with the Care Quality Commission (CQC), the same regime that monitors and reports on the quality of care and nursing homes. Whereas enhanced sheltered may provide some personal care (alongside enhanced support when compared to sheltered housing), it is not registered.
- 2.37 The emergence of housing with care is a modern phenomenon, present in less than 3.5% of specialist housing stock built or refurbished before the Year 2001. Of the small quantity of pre-2001 extra care housing, over 97% is affordable and available for social rent, meaning that less than 200 units of accommodation are available as extra care market housing (predominately leasehold).
- 2.38 The development of extra care housing has accelerated since 2001, such that it accounts for one third of all development between 2001 and the end of 2020. However, only one fifth of the stock of extra care housing built since 2001 is market housing, such that **at the end of 2020, 80% of the UK stock of extra care housing is affordable (95% of which is social rent) and only 20% or 12,100 units are extra care market housing (97% of which is leasehold).**

**Figure 2.1: Specialist Housing for Older People by Build / Refurbishment Date**

Source: EAC housing data UK 2020 Q4

- 2.39 Across the spectrum of specialist housing for older people (built between 1946 and 2020), about 70% is affordable according to the latest EAC Quarter 4 database. **Because completions have predominantly been rented accommodation, the supply of housing for older people for sale is especially low.** Thus, it is reasonable to conclude, in the context of a prevalence of owner occupation (with no mortgage) amongst people of retirement age, that older people wishing to purchase housing that meets their needs are especially underprovided for. HAPPI 3 reports as follows:

**Overall there has been a fall in older social rented retirement housing from 81% to 75% of the total, with a corresponding increase in new retirement housing and extra care housing for sale by private developers and social landlords. But since over 70% of those over pension age are owner-occupiers, and so many would wish to continue to own if they downsize, this does suggest that the range of retirement housing models available is still inappropriate as well as insufficient to meet demand.**<sup>9</sup>

- 2.40 The above extract, which is attributed by HAPPI 3 to John Galvin, Chief Executive of EAC (Elderly Accommodation Counsel) brings us back to the two key beneficial outcomes of

<sup>9</sup> Page 13, Housing our ageing population: Positive Ideas HAPPI 3, Making Retirement Living A Positive Choice, June 2016

enabling the development of homes for older people. The first beneficial outcome is a positive and appropriate response to meeting identified need.

- 2.41 The second beneficial outcome is the impact on the wider housing market, specifically freeing up family homes. Research cited in HAPPI 3 estimates that two thirds of the country's current stock of retirement properties are occupied by people who have moved from homes with 3 or more bedrooms, proving the link between freeing up family homes and developing housing for older people and the clear benefits of encouraging far greater rates of development than the trend rate.

**VOLUME A**

**OLDER PEOPLE'S HOUSING NEEDS ASSESSMENT**





## A.1 INTRODUCTION

A.1.1 This Volume of the Report provides an assessment of Older People's Housing Needs within Solihull Borough.

A.1.2 The Volume follows the same methodological approach in assessing the need for older people's accommodation, as set out in guidance issued by the Housing Learning Improvement Network (Housing LIN). This Report utilises demographic data sourced from 'Projecting Older People Population Information' (POPPI), established by Oxford Brookes University, the Institute of Public Care (IPC) and Experian. In addition, existing older people's accommodation supply data is drawn from the Elderly Accommodation Counsel (Quarter 4, 2020).

A.1.3 The Volume is structured as follows:

**Section A2:** summarises the Council's current evidence related to the need for specialist older people's accommodation;

**Section A3:** summarises the demography of the older population of Solihull;

**Section A4:** profiles the need for older people's specialist accommodation by assessing health and mobility issues in older age cohorts;

**Section A5:** outlines the tenure profile of older age cohorts within Solihull;

**Section A6:** summarises the existing supply of specialist older people's housing within Solihull;

**Section A7:** assesses the future pattern of need for specialist older people's housing within Solihull, taking account of existing levels of unmet need.

**Section A8:** provides a summary and sets out the key conclusions of Volume A.



## **A.2 LOCAL PLANNING POLICY EVIDENCE RELATING TO HOUSING FOR OLDER PEOPLE**

- A.2.1 The Solihull Housing and Economic Development Needs Assessment (HEDNA) (October 2020) assesses the need for specialist accommodation for older people.
- A.2.2 In calculating the need for older persons accommodation, the HEDNA appears to adapt the provision rates (provision per 1,000 population aged 75+) published within the Housing LIN More Choice Greater Voice (2008) for each of the types of older persons accommodation. The Elderly Accommodation Counsel define these categories as age restricted housing, sheltered housing, enhanced sheltered housing, and extra care housing.
- A.2.3 In the case of age restricted housing simply apply the current national provision rate for this category of older persons accommodation. The rationale being that Housing LIN (SHOP@) does not specifically account for age restricted housing when advising on future provision rates. The HEDNA applies a provision rate of 30 units per 1,000 aged 75+ to this accommodation type based upon current national rates of provision.
- A.2.4 In respect of sheltered housing (termed housing with support in the HEDNA), the HEDNA applies a provision rate of 121 unit per 1,000, below both that referenced in More Choice Greater Voice (125 units per 1,000) and the updated Housing in Later Life (2012) (180 units per 1,000).
- A.2.5 Housing in Later Life (2012) presents an update to the provision rates contained in More Choice Greater Voice and as such the rate of 180 units per 1,000 people 75+) is preferred, however it is also reasonable to subsume age restricted housing within the sheltered housing calculation, given that it represents a form of sheltered of housing. By way of comparison the aggregated provision rate adopted by the HEDNA for both age restricted housing and sheltered housing equates to 151 units per 1,000 people (75+).
- A.2.6 In respect of Enhanced Sheltered Housing, the HEDNA groups this together in a category termed 'housing with care', however in doing so it does not appear to adopt the more recent provision rates contained within 'Housing in Later Life', which equates to 65 units per 1,000 (45 units for extra care, and 20 units for enhanced sheltered). Instead the HEDNA utilises a provision rate of 45 units per 1,000 (75+).
- A.2.7 In summary the combined provision rates of all types of older persons housing assumed within the HEDNA totals 196 units per 1,000 people aged 75+. This compares with an equivalent

combined provision rate of 245 units per 1,000 people aged 75+ contained within Housing in Later Life. It is important to recognise that the provision rates amount to 19.6% and 24.5% of the population aged 75+, and as such continue to assume that a significant proportion of the population aged 75+ remain within standard market housing.

- A.2.8 Table 2.1, drawn from Table 73 of the HEDNA, summarises the current provision of specialist housing for older people. This demonstrates that after accounting for current provision of older persons housing totalling, 3,588 units across Solihull Borough, there remains a need for 2,179 units over the period to 2036. Of this, there is a need for some 469 units of housing with care (expressed within the HEDNA as extra care and enhanced sheltered housing).
- A.2.9 Notwithstanding the fact that, as we have detailed above, the provision rates adopted within the HEDNA appear to fall below those recommended by Housing LIN (Housing in Later Life, 2012), they nonetheless amount to a significant level of need.

**Table 2.1 Specialist dwellings for older people required in Solihull over the next 20 years**

Type and Tenure of Specialist Accommodation		Current Supply	Future Requirement	
			Profile 2036	Additional units required
Age Restricted	Market	100	148	48
	Affordable	1,175	741	-434
<b>Total Age Restricted</b>		<b>1,275</b>	<b>889</b>	<b>-386</b>
Housing with Support	Market	936	2,189	1,253
	Affordable	555	1,398	843
<b>Total Housing with Support</b>		<b>1,491</b>	<b>3,587</b>	<b>2,096</b>
Housing with Care	Market	461	788	327
	Affordable	361	503	142
<b>Total Housing with Care</b>		<b>822</b>	<b>1,291</b>	<b>469</b>
<b>Total</b>		<b>3,588</b>	<b>5,767</b>	<b>2,179</b>

Source: HEDNA (2020), Table 73

### A3 DEMOGRAPHY OF THE OLDER POPULATION OF SOLIHULL BOROUGH

A.3.1 The following Table 3.1, sourced from POPPI, summarises the 2018-based sub national population projections for Solihull, and estimates that the total population over 65 years of age is projected to grow by 23% over the period 2020 - 2040.

**Table 3.1: Population Aged 65 Plus, Projected to 2040, Solihull.**

	2020	2025	2030	2035	2040
People Aged 65-69	11,200	11,900	13,800	13,700	12,600
People Aged 70-74	12,000	10,500	11,300	13,000	13,000
People Aged 75-79	9,200	10,600	9,400	10,200	11,900
People Aged 80-84	6,700	7,700	8,900	8,100	8,800
People Aged 85-89	4,300	4,700	5,500	6,400	5,900
People Aged 90 and Over	2,700	2,900	3,200	3,800	4,500
<b>Total Population 65 and Over</b>	<b>46,100</b>	<b>48,300</b>	<b>52,100</b>	<b>55,200</b>	<b>56,700</b>

Source: POPPI, Figures may not sum due to rounding

A.3.2 Table 3.2 summarises the absolute change in population over 65 years of age by a 5-year cohort from 2020 onwards. In summary, it can be seen that the population age 75-79 will experience the greatest absolute increase of 2,700 people by 2040, followed by those aged 80-84 increasing by 2,100 people and those aged 90 and over increasing by 1,800 people.

**Table 3.2: Population Aged 65 Plus, Projected to 2040, Solihull, Absolute Change From 2020**

	2020	2025	2030	2035	2040
People Aged 65-69	-	700	2,600	2,500	1,400
People Aged 70-74	-	-1,500	-700	1,000	1,000
People Aged 75-79	-	1,400	200	1,000	2,700
People Aged 80-84	-	1,000	2,200	1,400	2,100
People Aged 85-89	-	400	1,200	2,100	1,600
People Aged 90 and Over	-	200	500	1,100	1,800
<b>Total Population 65 and Over</b>	<b>-</b>	<b>2,200</b>	<b>6,000</b>	<b>9,100</b>	<b>10,600</b>

Source: POPPI, Figures may not sum due to rounding

A.3.3 Table 3.3 shows the projected population of those aged 65 and over in addition to those aged 85 and over relative to total population change within Solihull. In summary it is clear from the latest population projections that the population aged 65 and over (typically the point of retirement), and the population aged 85 and over (typically the point at which specialised

accommodation services are needed), both increase at a relatively greater rate than the overall population of the Borough.

**Table 3.3: Total Population Aged 65 Plus Relative to Total Population Solihull**

	2020	2025	2030	2035	2040
Total Population	217,700	224,400	230,400	235,900	241,800
Population Aged 65 and Over	46,100	48,300	52,100	55,200	56,700
Population Aged 85 and Over	6,900	7,500	8,700	10,200	10,500
<b>Population Aged 65 and Over as a Proportion of the Total Population</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>
<b>Population Aged 85 and Over as a Proportion of the Total Population</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>

Source: POPPI, Figures may not sum due to rounding

A.3.4 Table 3.4 below summarises the equivalent relative growth in the population aged 65 over as well as those aged 85 and over within England. This shows that the proportion of the population of older age groups within Solihull, currently and at 2040 is greater than the overall proportions within England.

**Table 3.4: Total Population Aged 65 Plus Relative to Total Population England**

	2020	2025	2030	2035	2040
Total Population	56,678,500	58,060,200	59,181,800	60,183,900	61,157,900
Population Aged 65 and Over	10,505,500	11,449,400	12,696,900	13,815,400	14,527,100
Population Aged 85 and Over	1,417,000	1,573,300	1,810,000	2,246,200	2,411,300
<b>Population Aged 65 and Over as a Proportion of the Total Population</b>	<b>19%</b>	<b>20%</b>	<b>21%</b>	<b>23%</b>	<b>24%</b>
<b>Population Aged 85 and Over as a Proportion of the Total Population</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>

Source: POPPI, Figures may not sum due to rounding

A.3.5 In summary, the population of Solihull aged 65 and over is projected to grow at a substantial rate (+23%), increasing by some +10,600 people over the period to 2040, and at a greater rate than the total population of the Borough.

A.3.6 The population aged 85 and over will also increase significantly (+37% of those aged 85-89 and +67% of those aged 90 and over), impacting on the demand for specialised accommodation and care services, and in particular Registered Care Homes if alternative accommodation options are not provided for at an earlier life stage.

## A4 PROFILE OF OLDER PEOPLE'S SPECIALIST ACCOMMODATION NEED

A.4.1 Table 4.1, drawn from POPPI, summarises the modelled number of people in older age who are likely to be unable to manage at least one domestic task. It is clear that the volume of people experiencing difficulty increases with age and will increase further in future years due to population growth in older age groups. In summary the volume of people experiencing difficulties will increase by +27% over the period to 2040.

**Table 4.1: People Aged 65 Plus Unable to Manage at Least One Domestic Task, Projected to 2040, Solihull.**

	2020	2025	2030	2035	2040
Males aged 65-69 who need help with at least one domestic task	810	870	975	975	900
Males aged 70-74 who need help with at least one domestic task	1,083	950	1026	1,159	1,159
Males aged 75-79 who need help with at least one domestic task	1,161	1,323	1,188	1,296	1,458
Males aged 80 and over who need help with at least one domestic task	1,782	2,046	2,409	2,508	2,640
Females aged 65-69 who need help with at least one domestic task	1,102	1,159	1,387	1,368	1,235
Females aged 70-74 who need help with at least one domestic task	1,449	1,265	1,357	1,587	1,587
Females aged 75-79 who need help with at least one domestic task	1,700	1,938	1,734	1,836	2,176
Females aged 80 and over who need help with at least one domestic task	4,565	4,950	5,665	5,885	6,160
<b>Total Population Aged 65 and Over who Need Help with at Least One Domestic Task</b>	<b>13,652</b>	<b>14,501</b>	<b>15,741</b>	<b>16,614</b>	<b>17,315</b>

Figures may not sum due to rounding

Source: POPPI

A.4.2 Table 4.2 below summarises the modelled number of people in older age likely to be unable to manage at least one personal care task, increasing by +29% over the period to 2046.

A.4.3 Activities of Daily Living (ADLs) are activities relating to personal care and mobility about the home that are basic to daily living, and include:

- Having a bath or shower;
- Using the toilet;
- Getting up and down stairs;
- Getting around indoors;
- Dressing or undressing;
- Getting in and out of bed;

- Washing face and hands;
- Eating, including cutting up food;
- Taking medicine.

**Table 4.2: People Aged 65 Plus Unable to Manage at Least One Personal Care Task, Projected to 2040, Solihull.**

	2020	2025	2030	2035	2040
Males aged 65-69 who need help with at least one self-care activity	864	928	1040	1,040	960
Males aged 70-74 who need help with at least one self-care activity	1,197	1,050	1,134	1,281	1,281
Males aged 75-79 who need help with at least one self-care activity	1,204	1,372	1,232	1,344	1,512
Males aged 80 and over who need help with at least one self-care activity	1,890	2,170	2,555	2,660	2,800
Females aged 65-69 who need help with at least one self-care activity	1,276	1,342	1,606	1,584	1,430
Females aged 70-74 who need help with at least one self-care activity	1,512	1,320	1,416	1,656	1,656
Females aged 75-79 who need help with at least one self-care activity	1,450	1,653	1,479	1,566	1,856
Females aged 80 and over who need help with at least one self-care activity	4,067	4,410	5,047	5,243	5,488
<b>Total Population Aged 65 and Over who Need Help with at Least One Self-Care Activity</b>	<b>13,460</b>	<b>14,245</b>	<b>15,509</b>	<b>16,374</b>	<b>16,983</b>

Figures may not sum due to rounding

Source: POPPI

A.4.4 Table 4.3 models the number of people aged 65 and over likely to suffer from a limiting long-term illness whose day to day activities are limited either a little or a lot. In summary the volume of people suffering from a limiting long-term illness whose day-to-day activities are limited a lot is likely to increase by +30% over the period to 2040, an increase of some +3,259 people. When combined with those aged 65 and over with a limiting long-term illness whose day-to-day activities are limited a little the total increases to +6,249.



**Table 4.3: People Aged 65 Plus with Limiting Long Term Illness, By Age, Projected to 2040, Solihull.**

	2020	2025	2030	2035	2040
People aged 65-74 whose day-to-day activities are limited a little	4,881	4,713	5,281	5,617	5,386
People aged 75-84 whose day-to-day activities are limited a little	4,916	5,658	5,658	5,658	6,400
People aged 85 and over whose day-to-day activities are limited a little	1,918	2,085	2,419	2,836	2,919
<b>Total Population Aged 65 and Over with a Limiting Long Term Illness whose Day-To-Day Activities are Limited a Little</b>	<b>11,716</b>	<b>12,456</b>	<b>13,358</b>	<b>14,112</b>	<b>14,706</b>
People aged 65-74 whose day-to-day activities are limited a lot	3,420	3,302	3,700	3,936	3,774
People aged 75-84 whose day-to-day activities are limited a lot	4,289	4,937	4,937	4,937	5,584
People aged 85 and over whose day-to-day activities are limited a lot	3,087	3,355	3,892	4,563	4,697
<b>Total Population Aged 65 and Over with a Limiting Long Term Illness whose Day-To-Day Activities are Limited a Lot</b>	<b>10,796</b>	<b>11,594</b>	<b>12,529</b>	<b>13,436</b>	<b>14,055</b>

Figures may not sum due to rounding

Source: POPPI

A.4.5 Table 4.4 summarises the modelled number of people likely to be unable to manage at least one mobility activity, totalling 8,847 people aged over 65. It is projected that this figure will increase by +30% by 2040, amounting to an additional +2,632 people.

**Table 4.4: People Aged 65 Plus Unable to Manage at Least One Mobility Activity on Their Own, By Age, Projected to 2040, Solihull.**

<b>Mobility - All people</b>	2020	2025	2030	2035	2040
People aged 65-69 unable to manage at least one activity on their own	954	1013	1,177	1,168	1,065
People aged 70-74 unable to manage at least one activity on their own	1,578	1,380	1,484	1,714	1,714
People aged 75-79 unable to manage at least one activity on their own	1,566	1,785	1,599	1,710	1,992
People aged 80-84 unable to manage at least one activity on their own	1,624	1,859	2,152	1,953	2,123
People aged 85 and over unable to manage at least one activity on their own	3,125	3,330	3,840	4,500	4,585
<b>Total Population aged 65 and Over Unable to Manage at Least One Activity on Their Own</b>	<b>8,847</b>	<b>9,367</b>	<b>10,252</b>	<b>11,045</b>	<b>11,479</b>

Figures may not sum due to rounding

Source: POPPI

A.4.6 Table 4.5 summarises predicted levels of dementia in those aged over 65 years of age within Solihull. The predications provided by POPPI demonstrate over a 39% increase in rates of dementia cases over the course of the period to 2040 placing an increased pressure on the type of accommodation and care services required to mee this potential demand.

**Table 4.5: People Aged 65 Plus Predicted to have Dementia, By Age, Projected to 2040, Solihull.**

	2020	2025	2030	2035	2040
People aged 65-69 predicted to have dementia	185	197	229	227	207
People aged 70-74 predicted to have dementia	366	320	344	396	396
People aged 75-79 predicted to have dementia	558	636	570	611	709
People aged 80-84 predicted to have dementia	743	853	987	897	975
People aged 85-89 predicted to have dementia	767	853	994	1,175	1,064
People aged 90 and over predicted to have dementia	825	884	1002	1,179	1,426
<b>Total Population Aged 65 and Over Predicted to have Dementia</b>	<b>3,444</b>	<b>3,743</b>	<b>4,125</b>	<b>4,485</b>	<b>4,777</b>

Figures may not sum due to rounding

Source: POPPI

A.4.7 In summary, the projected increase in the number of people unable to undertake one or more domestic or personal care tasks, may contribute to an additional demand for specialised accommodation, directly impacting on demand for care home places. There is also a predicted increase of over 39% in those suffering from dementia in those aged 65 and over within Solihull (over the period to 2040).

A.4.8 Specialist older people's housing such as that provided in Extra Care developments offer a flexible response to the care and support needs of individuals which change over time, increasing the range of options available to those seeking specialised accommodation.

## A5 TENURE PROFILE OF THE OLDER POPULATION

A.5.1 This section summarises the tenure profile of those residents of Solihull aged 65 years of age and over. It demonstrates that of those in early older age, only 17% occupy homes in a tenure other than home ownership, increasing to 22% in those in older cohorts.

A.5.2 It is imperative therefore that suitable choices exist for those seeking specialised accommodation which provides for the overwhelming tenure profile of those aged over 65 years of age – that being home ownership.

**Table 5.1: Proportion of Population Aged 65 Plus, by Tenure, Solihull**

	People Aged 65-74	People Aged 75-84	People Aged 85 and Over
Rented from Council	11.41%	10.09%	11.93%
Other Social Rented	2.21%	2.62%	4.84%
Owned	83.12%	83.90%	78.17%
Private Rented or Living Rent Free	3.27%	3.39%	5.06%

Figures may not sum due to rounding

Source: POPPI

A.5.3 Table 5.2 summarises, for comparative purposes, the tenure profile of those aged 65 years and over within England, demonstrating the significantly higher levels of home ownership which exist in older age groups in Solihull.

**Table 5.2: Proportion of Population Aged 65 Plus, By Tenure, England**

	People Aged 65-74	People Aged 75-84	People Aged 85 and Over
Rented from council	9.54%	10.42%	11.99%
Other social rented	7.75%	8.79%	11.66%
Owned	76.34%	74.84%	68.20%
Private rented or living rent free	6.36%	5.95%	8.14%

Figures may not sum due to rounding

Source: POPPI

A.5.4 In summary it is clear from the significantly greater levels of owner occupation amongst older people in Solihull, that there is a clear requirement for specialised accommodation providers to respond to the needs and aspirations of older owner occupiers.

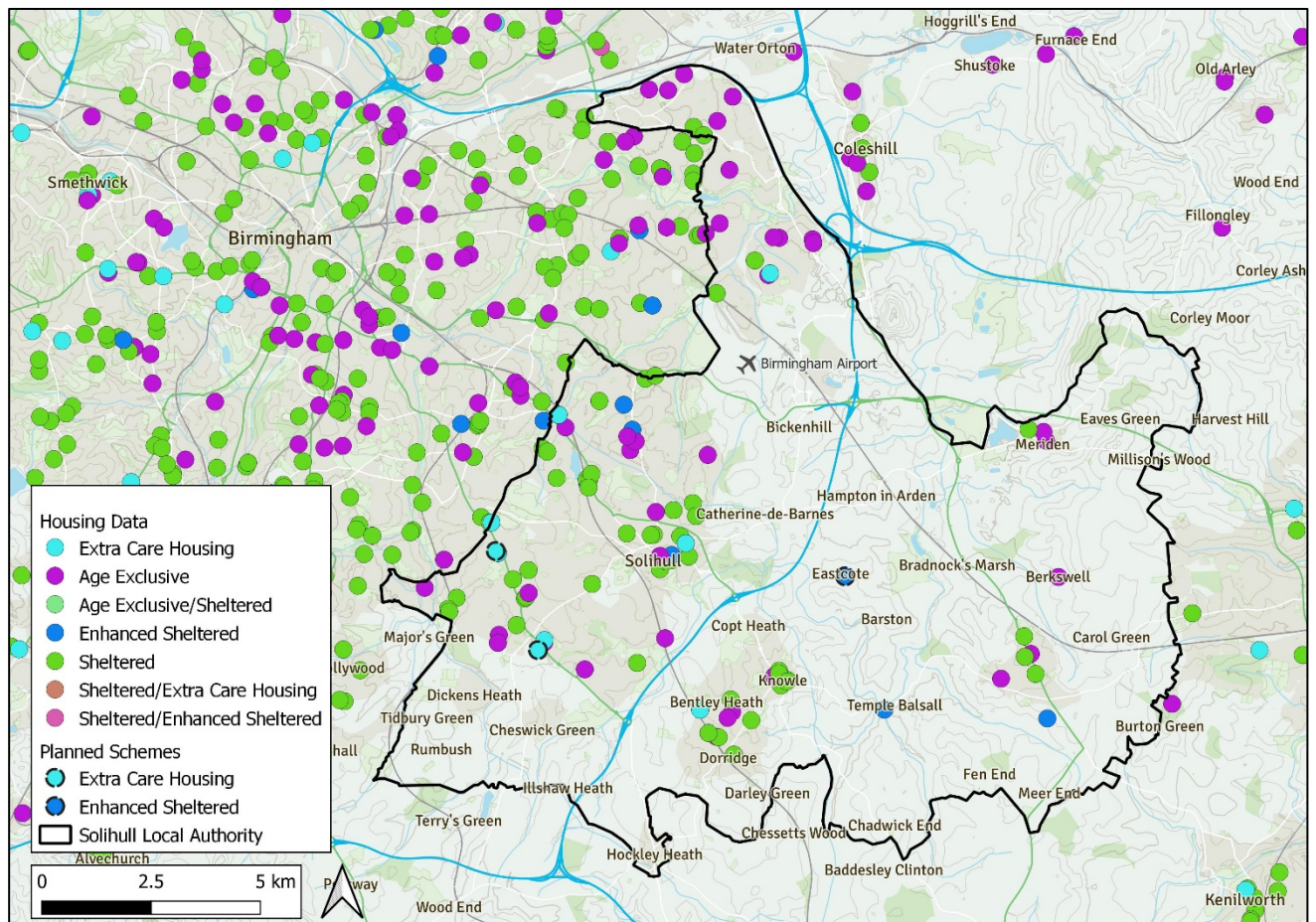


## A6 CURRENT SUPPLY OF SPECIALISED ACCOMMODATION FOR OLDER PEOPLE WITHIN SOLIHULL BOROUGH

A.6.1 This section of the Report reviews the existing supply of older people’s accommodation within Solihull, relative to the older age population. Supply data, including tenure is sourced from the Elderly Accommodation Counsel’s Q4 2020 database release. Where a scheme operates across multiple tenures, and in the absence of a stated provision by tenure, the total number of units within a scheme have been proportioned equally by each of the tenures available on site. We append the list of specialist older persons housing within Solihull Borough in Appendix 1 of this Report.

A.6.2 Figure 6.1 display the current existing provision of specialist older persons accommodation within the Borough.

**Figure 6.1: Existing Forms of Specialist Older Persons Accommodation in Solihull**



Source: EAC, Q4 2020

- A.6.3 According to the Elderly Accommodation Counsel, there exists a total of 3,964 units of specialist older persons housing within Solihull, including age exclusive housing, sheltered housing, enhanced sheltered housing and extra care housing.
- A.6.4 This figure exceeds the figure of 3,588 units quoted within the HEDNA. This is due in part to the fact that the figures we have quoted are inclusive of three schemes which are yet to open (namely, Solihull Retirement Village totalling 260 extra care units, Wheatley Place totalling 65 extra care units, and a further unnamed development in Barston totalling 34 enhanced sheltered units).
- A.6.5 As summarised in Table 6.1 current supply therefore equates to a combined provision rate across all tenures and all property type of 174 units per 1,000 people aged 75+. It is also clear that the existing supply of specialist accommodation for older people is concentrated within those scheme types offering lower levels of care/ monitoring, with significantly lower levels of provision in extra care housing at present (and after accounting for those planned schemes referred to above).

**Table 6.1: Provision of Existing Places for Older People in Solihull**

	Existing Number of Units/ Places	Per 1,000 of the Population 75 Years and Over (22,800 in 2020)
Age Exclusive Housing to rent	1,190	52
Sheltered Housing to rent	670	29
Enhanced Sheltered Housing to rent	33	1
Extra Care Housing to rent	228	10
<b>Total housing to rent - all types</b>	<b>2,121</b>	<b>93</b>
Age Exclusive for leasehold	114	5
Sheltered Housing for leasehold	1,147	50
Enhanced Sheltered Housing for leasehold	214	9
Extra Care Housing for leasehold	368	16
<b>Total housing for leasehold - all types</b>	<b>1,843</b>	<b>81</b>
<b>Total housing - all tenures</b>	<b>3,964</b>	<b>174</b>

Figures may not sum due to rounding

Source: EAC, Q4 2020

A.6.6 Table 6.2 below summarises the existing (and planned) provision of specialist housing units by affordable and market tenure and it is clear that despite the overwhelming tenure profile of older residents in Solihull being owner occupiers (c.81% aged 75+, some 15,900 people), only 46% of existing units are available on a leasehold basis (totalling only 1,843 units).

A.6.7 There therefore remains a significant opportunity to further the choice and availability of specialist older peoples housing for those older age residents within Solihull Borough.

A.6.8 Furthermore, rental provision would also appear to be heavily geared towards social rent tenure, with few units available to rent on the open market (51 units in total).

**Table 6.3 Summary of Older Persons Housing by Tenure**

		Age Exclusive			Sheltered			Enhanced Sheltered			Extra Care			Total Units		
Affordable	Rent	1,190	91%	93%	640	35%	37%	33	13%	13%	207	35%	67%	2,070	52%	58%
	Shared Ownership	21	2%		31	2%		0	0%		191	32%		243	6%	
Market	Rent	0	0%	7%	30	2%	63%	0	0%	87%	21	4%	33%	51	1.3%	42%
	Leasehold	93	7%		1,116	61%		214	87%		177	30%		1,600	40%	
<b>Total</b>		<b>1,304</b>	<b>100%</b>	<b>100%</b>	<b>1,817</b>	<b>100%</b>	<b>100%</b>	<b>247</b>	<b>100%</b>	<b>100%</b>	<b>596</b>	<b>100%</b>	<b>100%</b>	<b>3,964</b>	<b>100%</b>	<b>100%</b>

Source: EAC, Q4, 2020

A.6.9 In summary, after accounting for all forms of retirement and sheltered housing (including Age Exclusive, Sheltered, Enhanced Sheltered and Extra Care) it would appear that at the present time provision in Solihull exceeds that provided nationally, when compared to the relative size of the population aged 75 years and over.

A.6.10 However, given the existing tenure profile of older residents of the Borough it is clear that existing choice of provision is heavily biased towards those in tenures other than home ownership, with limited options for those seeking units on the open market, whether that be rent or leasehold tenures.

A.6.11 There would appear to remain a clear requirement for greater provision in all models of retirement housing for homeowners, and the additional provision of Specialist older accommodation such as Extra Care may help mitigate the pressure on Registered and Nursing Care Homes.





## A7 POSSIBLE FUTURE PATTERN OF SPECIALIST HOUSING FOR OLDER PEOPLE WITHIN SOLIHULL BOROUGH

A.7.1 The Housing Learning Improvement Network (Housing LIN) published Housing in Later Life in 2012 which updates guidance previously issued by Housing LIN in its More Choice Greater Voice publication (in 2008). Housing in Later Life establishes a series of benchmark rates of provision per 1,000 population aged 75 years and over, which propose a greater target in the provision of Extra Care and a shift in the tenure balance to reflect the increasing recognition of the needs of older homeowners.

**Table 7.1: Indicative Levels of Provision of Various Forms of Accommodation for Older People, Solihull – Current Shortfall**

	Existing (& Planned) Number of Units/ Places	Current Provision Per 1,000 of the Population 75 Years and Over (22,800)	Required Provision Per 1,000 of the Population 75 Years and Over	Increase in Units Required to Meet Housing in Later Life Benchmarks (2020)
Sheltered Housing to rent (incl Age Exclusive)	1,860	82	60	-492
Enhanced Sheltered Housing to rent	33	1	10	195
Extra Care Housing to rent	228	10	15	114
<b>Total Housing to rent – all types</b>	<b>2,121</b>	<b>93</b>	<b>85</b>	<b>-183</b>
Sheltered Housing for leasehold (incl Age Exclusive)	1,261	55	120	1,475
Enhanced Sheltered Housing for leasehold	214	9	10	14
Extra Care Housing for leasehold	368	16	30	316
<b>Total Housing for leasehold</b>	<b>1,843</b>	<b>81</b>	<b>160</b>	<b>1,805</b>

Source: EAC, Q4, 2020; Housing in Later Life 2012. 2018-based SNPP, 2020 population.

Figures may not sum due to rounding

A.7.2 Table 7.1 summarises the existing (including planned schemes) level of supply across all types of retirement and sheltered housing (by tenure), with rates of provision established against the current population of the Borough aged 75 years and over. For the purposes of this exercise Age Exclusive units have been grouped together with Sheltered housing. The table also includes the benchmark rates of provision set out within 'Housing in Later Life' for each of the housing types, alongside an estimate of existing under provision. In summary, it is clear that at the present time, there would appear to be an over provision of rented older people's accommodation, yet a significant unmet need for market leasehold older people's

accommodation. Albeit, as previously stated the existing level of rental provision is heavily geared towards social rent, with few units for rent on the open market.

**Table 7.2: Indicative Levels of Provision of Various Forms of Accommodation for Older People, Solihull – Future Need (2020 – 2036)**

	Housing in Later Life Benchmarks	Increase in Units Required to Meet 75+ Population Growth Between 2020 and 2036 (Amounting to +6,100 People)
Sheltered Housing to rent (incl Age Exclusive)	60	366
Enhanced Sheltered Housing to rent	10	61
Extra Care Housing to rent	15	92
<b>Total housing for rent- all types</b>	<b>85</b>	<b>519</b>
Sheltered Housing for leasehold (incl Age Exclusive)	120	732
Enhanced Sheltered Housing for leasehold	10	61
Extra Care Housing for leasehold	30	183
<b>Total housing for leasehold – all types</b>	<b>160</b>	<b>976</b>

Source: EAC, Q4, 2020; Housing in Later Life 2012

A.7.3 Table 7.2 goes on to assess the future requirements for retirement and sheltered housing between 2020 and 2036 based upon the levels of projected growth in the population aged 75+ (totalling +6,100 people, 2018-based SNPP). This is then applied to the benchmark provision rates set out in 'Housing in Later Life'. This establishes a future need for a further +1,495 units of all types, of which +976 (approximately two thirds) are Leasehold units.

A.7.4 Total need, accounting for both current unmet need and future need to 2036 therefore amounts to some +3,117 units of all types, as summarised in Table 7.3 below.

**Table 7.3 Total Need (Unmet plus Future Need) Solihull**

	Current Unmet Need (A)	Future Need (B)	Total Need (Current Plus Future) (=A +B)
Sheltered Housing to rent (incl Age Exclusive)	-492	366	-126
Enhanced Sheltered Housing to rent	195	61	256
Extra Care Housing to rent	114	92	206
<b>Total housing for rent- all types</b>	<b>-183</b>	<b>519</b>	<b>336</b>
Sheltered Housing for leasehold (incl Age Exclusive)	1,475	732	2,207
Enhanced Sheltered Housing for leasehold	14	61	75
Extra Care Housing for leasehold	316	183	499
<b>Total housing for leasehold – all types</b>	<b>1,805</b>	<b>976</b>	<b>2,781</b>

A.7.5 The levels of need (both current and future) are significant, but should be considered in the context of the current under provision of owner occupier units of specialised accommodation as well as the significant predicted growth in older residents with:

- limiting long term illness (+6,249 between 2020 and 2040);
- mobility issues (+2,632 between 2020 and 2040);
- help required with at least one self-care activity (+3,523 between 2020 and 2040);
- help required with at least one domestic task (+3,663 between 2020 and 2040).



## **A8 SUMMARY AND CONCLUSIONS**

- A.8.1 This Volume has been prepared by Barton Willmore in order to inform the current and future need for specialist older people's accommodation.
- A.8.2 The Council's Housing and Economic Development Needs Assessment (2020) recognises the need for older persons specialist accommodation through an assessment of the population increase of persons aged 75, compared with existing levels of supply. However, the HEDNA does not appear to adequately draw upon more recently published provision rates by Housing LIN (namely Housing in Later Life 2012), instead favouring lower provision rates despite acknowledging in its assessment of residential care bedspaces that provision rate should be dampened given the increased need for extra care units.
- A.8.3 It is correct that specialist older people's housing such as that provided in Extra Care developments offer a flexible response to the care and support needs of individuals which change over time, increasing the range of options available to those seeking specialised accommodation. As such the provision of extra care unit can reduce the need for traditional forms of residential care beds, however the level of extra care units needs to be adequately planned for.
- A.8.4 Nonetheless, the HEDNA identified the need for older persons accommodation totalling an additional 2,179 units by 2036.
- A.8.5 The analysis undertaken by Barton Willmore utilises the provision rates published within Housing for Later Life, 2020, and utilising up to date Elderly Accommodation Counsel supply data. This demonstrates, after accounting for future planned development in 2020/2021 reported by the EAC, that in order to meet current need there is a requirement to provide for a further 1,622 units of specialist accommodation for older people, all of which is within the leasehold tenure, and with the greatest shortfall in sheltered accommodation.
- A.8.6 In addition, over the period from 2020 to 2036 there is a further need to provide for the future growth in the elderly population of Solihull, leading to a requirement for a further 1,495 units of all types and tenure.
- A.8.7 The combination of existing unmet need and future need indicates a need for 3,117 units of specialist older persons accommodation with the greatest need in both sheltered housing and extra care housing schemes. The following tables provides a summary of the need for older persons accommodation by two key categories – housing without care (including age restricted and sheltered housing), and housing with care (including enhanced sheltered and extra care housing), by tenure.

**Figure 8.1 Summary of Total Need (by tenure and type)– Solihull Borough**

Type (Units)	Rental	Leasehold	Total
<b>Without Care</b>	-126	2,207	<b>2,081</b>
<b>With Care</b>	462	574	<b>1,036</b>
<b>Total (by Tenure)</b>	<b>336</b>	<b>2,781</b>	<b>3,117</b>

Source: EAC Q4 2020, Housing in Later Life 2012

- A.8.8 It is apparent that there is an existing oversupply (relative to recognised prevalence rates) of social rented sheltered (age exclusive) accommodation, whilst across all types of accommodation 58% falls within an affordable tenure, leaving only 42% of units in the open market. Given the existing tenure profile of older residents of the Borough it is clear that existing choice of provision is heavily biased towards those in tenures other than home ownership, with limited options for those seeking units on the open market.
- A.8.9 There is a particular need for housing with care in the Borough, particularly extra care (which provides registered care), and eclipses the demand for enhance sheltered (providing unregistered care).
- A.8.10 In conclusion there is a clear immediate requirement for specialist older people's accommodation within Solihull and given the local demography and focus by Central Government, greater emphasis should be placed on the focused delivery of older people's accommodation.

**VOLUME B**

**BENEFITS OF OLDER PEOPLE'S HOUSING TO WIDER HOUSING MARKET**





## **B.1 INTRODUCTION**

B.1.1 This Volume of the Report relates to national and local drivers of demand for older peoples housing and the benefits arising to the wider housing market of increasing the delivery of older peoples housing in the national and local context.

B.1.2 Volume B is structured as follows:

**Section B2:** National and district demographic drivers of housing need, analysis based on the 2018-based population and household projections, both published by ONS in 2018, in the context of current housing stock and housing need;

**Section B3:** Local Housing Market Indicators of need and demand, an examination of housing market signals in Solihull, to understand the extent to which the local housing market is operating effectively;

**Section B4:** Summary and conclusions.



## **B.2 NATIONAL AND LOCAL DEMOGRAPHIC INDICATORS OF HOUSING NEED**

- B.2.1 In this section, we present demographic analysis of the current population of Solihull, its age structure and how it is projected to change over the next 15 years. The basis of this analysis is the 2018-based population and household projections, both published by ONS in 2020.
- B.2.2 To put the analysis in context, we consider the local projections alongside their national (England) equivalent. In addition, we have regard to the 'Solihull Local Plan – Draft Submission Plan' (Draft Plan) which runs from 2020 to 2036, the current housing stock position and the scale of housing need (including housing mix in terms of bedroom numbers) articulated in the Draft Plan.
- B.2.3 The following key points arise from my analysis of demographic evidence in context.
- B.2.4 First, for older people, the starting position, nationally and locally, will comprise a large cohort of existing, pent up demand. A cohort that either needs to move because the homes they currently occupy are unsuitable, or to realise lifestyle choices, or a combination of both.
- B.2.5 Second, whilst the Draft Plan housing requirement will increase the past rate of housing delivery, it represents only a marginal increase in housing stock of c1.0% per annum, on average over the plan period. Such that across Solihull, most of the family (3 bed plus) housing envisaged in 2036 already existed in 2011 (93%).
- B.2.6 Third, a significant proportion of family housing will inevitably be unavailable to families with dependent children, because the present occupants, who might otherwise wish to right size, are unable to do so because suitable properties that meet their needs are not available. In 2018, it is estimated that 29,670 households in Solihull are 'headed' by people age 65 and over.
- B.2.7 Fourth, nationally and locally, the population is ageing at a relatively fast rate. Solihull's household population aged 65 and over is projected to increase by about 10,017 people between 2018 and 2036, whereas growth in the household population age 16-64 is projected to increase by less than that, that is about 8,291, over the same period. In terms of household growth, the number of households in Solihull 'headed' by a person aged 65 and over is projected to increase by about 7,070, compared to an increase of about 3,273 in the 16-64 age group.

B.2.8 Fifth, in light of the preceding four points, in particular the indication that 68% of Solihull's projected housing need over the Draft Plan period will arise from the 65+ age group, it is evident that the development of housing for older people in Solihull would play a significant role in meeting both the needs of older people, as well as overall housing need.

### **Demographic Change in Context**

B.2.9 The scale of the population, its age structure, and how it is expected to change over the Draft Plan period (2020-2036) helps to articulate the overall scale of present and projected older people's housing need and demand. The present context and the context for projected change is as follows.

B.2.10 In Solihull, local pent-up demand for housing (of all types; including sharers, people in unsuitable accommodation etc.) arises from households that currently reside within the Borough's existing dwelling stock, as either households that need to move, that are forming now or have (notionally) formed already but are concealed.

B.2.11 Solihull's dwelling stock is estimated to number 92,415 dwellings in 2019, the most recently recorded year<sup>10</sup>. Assuming the Council meet their housing target for 2019/20 (810 dwellings) set out in their October 2020 Annual Monitoring Report (AMR), stock would increase to 93,225. This would be 86% of the dwelling stock that will exist by the end of the plan period (2036) if the adopted housing requirement (938 net new dwellings per annum) is built out.

B.2.12 Similarly, nationally, if 300,000 homes a year were delivered between now (2019) and the end of the plan period, 84% of stock in 2036 will be the housing stock that already exist today.

B.2.13 Most existing housing stock in Solihull and across England comprises homes with 3 or more bedrooms. A total of about 62,435 homes in Solihull (73% of all homes) had 3 or more bedrooms in 2011, compared with 64% across the West Midlands and 60% across England<sup>11</sup>.

B.2.14 Homes with 3 or more bedrooms are taken to be a reasonable approximation for family housing, and we note that the Council's 'Housing and Economic Development Needs Assessment' (HEDNA, 2020) refers to family size properties as being formed of 3+ bedrooms<sup>12</sup>. In Solihull, about 88% of families with dependent children live in homes with 3 or more bedrooms, compared with 83% and 80% across the West Midlands and England respectively<sup>13</sup>.

<sup>10</sup> MHCLG Live Table 125: Dwelling stock estimates by local authority district: 2001 – 2018, update 24<sup>th</sup> May 2019 and MHCLG Live Table 124: Net additional dwellings by local authority district, England: 2001-02 to 2018-19, update 24<sup>th</sup> May 2019

<sup>11</sup> Census 2011, Table QS411EW

<sup>12</sup> Paragraph 3.61, page 53, Solihull Borough Council Housing and Economic Development Needs Assessment, October 2020

<sup>13</sup> Census 2011, Table DC4102EW

- B.2.15 Therefore, it is reasonable to conclude that the greater part of Solihull's (93%) stock of family sized homes in 2036 already exist today.
- B.2.16 It is in the context of modest stock growth, increasing by about 1% per annum in Solihull and about 1% per annum across England to 2031, that existing and projected demand for self-contained housing of all types will need to be met.
- B.2.17 For older people, this is in the national context of only 7% of existing properties having the most basic accessible features<sup>14</sup> that might enable an older person to age in place and, acknowledging aspirations around housing and lifestyles have changed completely, that much of the existing purpose built older person accommodations and settings are unlikely to satisfy demand.
- B.2.18 Thus, for older people, the starting position will comprise a large cohort of existing, pent up demand. A cohort that either needs to move because the homes they currently occupy are unsuitable, or to realise lifestyle choices, or a combination of both.

### **The National Picture, Population and Household Growth**

- B.2.19 Nationally (England), the population in 2018 (the baseline year for both the latest household and population projections) stood at 56m, of which 1m is estimated to have been living in communal establishments and the remainder (55m) in private households.
- B.2.20 For the purposes of deriving the household population, people living in communal establishments are deducted from the total resident population. Communal establishments provide managed residential accommodation, for example nursing homes, student halls of residence, military barracks and prisons.
- B.2.21 The communal population is not projected to change and is held at the level observed in the 2011 Census. The exception is the communal population age 75 and over, which is assumed to remain at about 7% of the whole population age 75 and over throughout the projection.
- B.2.22 The proportion increases as the population ages, so that in 2018 the communal population comprises 2.1% of the population aged 75-79, 4.8% of the population aged 80-84, 10.7% of the population aged 85-89 and 23.7% of the population aged 90 and over.

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<sup>14</sup> According to English Housing Survey Adaptations and Accessibility Report, 2014-15, in 2014, just 7% (1.7 million) of homes in England had all four accessibility features that provide visitability: level access to the entrance, a flush threshold, sufficiently wide doorsets and circulation space, and a toilet at entrance level.

B.2.23 Consequently, the 2018 baseline position assumes that the greater part of population age 65 and over, 96.5%, live in private households as part of the household population. Thus, whilst the national communal population aged over 65 is expected to increase from about 370,000 in 2020 to 530,000 in 2036 over the proposed Solihull Plan period (2020-2036) the household population age over 65 is expected to increase from 10.1m to 13.5m.

B.2.24 Because older households are most likely to live in either couple or single households, with the incidence of single person households increasing with age, the proportion of the household population aged 65 and over that represent a household (traditionally described as head of household) is a relatively high 68%. This equates to an average household size of 1.47, which reduces with age; to 1.29 for people age 75 and over and 1.15 for people age 85 and over. As such household numbers are also relatively high. In 2018, age 65 plus households numbered 6.7m and is projected to increase by 2.5m, to 9.2m in 2036.

B.2.25 In contrast to the growth in over 65 households of 2.5m over the period 2018 to 2036, households headed by people aged 16 to 64 are projected to increase by only 0.3m. Even after allowing for the fact that the ability of younger people to form households is inevitably now constrained and that this constraint informs trends based household projections, it is evident from the latest household projections that the greater part of future housing need arises from the population aged 65 and over. This is a clear consequence of England's ageing population and provides a clear indication that greater attention should be focused upon responding to their housing need and preferences.

**Table 2.1: Population age 65 and over in 2018, England**

Age range	Total population	Communal population	Household population	Households
65-69	2,822,593	17,385	2,805,208	1,594,224
70-74	2,724,800	21,749	2,703,051	1,717,116
75-79	1,863,126	39,030	1,824,096	1,286,560
80-84	1,403,756	67,401	1,336,355	1,068,366
85-89	865,702	92,406	773,296	656,208
90+	499,276	118,416	380,860	344,209
<b>65 and over</b>	<b>10,179,253</b>	<b>356,387</b>	<b>9,822,866</b>	<b>6,666,683</b>
<i>16-64</i>	<i>35,049,467</i>	<i>594,257</i>	<i>34,455,209</i>	<i>16,537,563</i>
<i>0-15</i>	<i>10,748,458</i>	<i>40,099</i>	<i>10,708,359</i>	<i>0</i>
<i>All ages</i>	<i>55,977,178</i>	<i>990,743</i>	<i>54,986,435</i>	<i>23,204,246</i>

Source: ONS

**Table 2.2: Change in population age 65 and over, 2018 to 2036, England**

Age range	Total population	Communal population	Household population	Households
65-69	801,932	0	801,932	236,342
70-74	685,421	0	685,421	371,423
75-79	847,580	17,634	829,946	414,499
80-84	583,694	27,315	556,379	625,022
85-89	604,789	61,405	543,384	343,130
90+	314,918	67,340	247,578	181,450
<b>65 and over</b>	<b>3,838,334</b>	<b>173,694</b>	<b>4,226,943</b>	<b>2,171,866</b>
<i>16-64</i>	<i>1,002,939</i>	<i>0</i>	<i>909,518</i>	<i>297,546</i>
<i>0-15</i>	<i>-440,636</i>	<i>0</i>	<i>328,189</i>	<i>0</i>
<i>All ages</i>	<i>4,400,637</i>	<i>173,694</i>	<i>4,375,536</i>	<i>2,469,412</i>

Source: ONS

**Table 2.3: Population age 65 and over in 2036, England**

Age range	Total population	Communal population	Household population	Households
65-69	3,624,525	17,385	3,607,140	1,993,381
70-74	3,410,221	21,749	3,388,472	2,132,198
75-79	2,710,706	56,664	2,654,042	1,866,970
80-84	1,987,450	94,716	1,892,734	1,526,725
85-89	1,470,491	153,811	1,316,680	1,125,482
90+	814,194	185,755	628,439	573,174
<b>65 and over</b>	<b>14,017,587</b>	<b>530,081</b>	<b>13,487,506</b>	<b>9,217,929</b>
<i>16-64</i>	<i>36,052,406</i>	<i>594,257</i>	<i>35,458,149</i>	<i>16,815,795</i>
<i>0-15</i>	<i>10,307,822</i>	<i>40,099</i>	<i>10,267,723</i>	<i>0</i>
<i>All ages</i>	<i>60,377,815</i>	<i>1,164,436</i>	<i>59,213,379</i>	<i>26,033,724</i>

Source: ONS

### The local picture, population, and household growth

B.2.26 Turning to Solihull, the population in 2018 stood at 214,909 persons, of which 1,762 are estimated to have been living in communal establishments and the remainder, 213,147 in households.

**Table 2.4: Population age 65 and over in 2018, Solihull**

Age range	Total population	Communal population	Household population	Households
65-69	11,665	42	11623	6,423
70-74	12,054	59	11995	7,588
75-79	8,340	112	8228	5,676
80-84	6,429	231	6198	4,843
85-89	4,209	328	3881	3,257
90+	2,529	487	2042	1,881
<b>65 and over</b>	<b>45,226</b>	<b>1,259</b>	<b>43,967</b>	<b>29,670</b>
<i>16-64</i>	<i>127,679</i>	<i>496</i>	<i>127,183</i>	<i>60,065</i>
<i>0-15</i>	<i>42,004</i>	<i>7</i>	<i>41,997</i>	<i>0</i>
<i>All ages</i>	<i>214,909</i>	<i>1,762</i>	<i>213,147</i>	<i>89,735</i>

Source: ONS

**Table 2.5: Change in population age 65 and over, 2018 to 2036, Solihull**

Age range	Total population	Communal population	Household population	Households
65-69	1,929	0	1,929	861
70-74	1,144	0	1,144	602
75-79	2,253	30	2,223	1,509
80-84	1,611	52	1,558	1,284
85-89	2,185	150	2,035	1,739
90+	1,347	218	1,129	1,074
<b>65 and over</b>	<b>10,468</b>	<b>450</b>	<b>10,017</b>	<b>7,070</b>
<i>16-64</i>	<i>8,291</i>	<i>0</i>	<i>8,291</i>	<i>3,273</i>
<i>0-15</i>	<i>3,382</i>	<i>0</i>	<i>3,382</i>	<i>0</i>
<i>All ages</i>	<i>22,141</i>	<i>450</i>	<i>21,691</i>	<i>10,342</i>

Source: ONS



**Table 2.6: Population age 65 and over in 2036, Solihull**

Age range	Total population	Communal population	Household population	Households
65-69	13,959	42	13,552	7,284
70-74	13,198	59	13,139	8,191
75-79	10,593	142	10,451	7,185
80-84	8,040	283	7,756	6,128
85-89	6,394	478	5,916	4,996
90+	3,876	705	3,171	2,955
<b>65 and over</b>	<b>55,694</b>	<b>1,709</b>	<b>53,984</b>	<b>36,740</b>
<i>16-64</i>	<i>135,970</i>	<i>496</i>	<i>135,474</i>	<i>63,338</i>
<i>0-15</i>	<i>45,386</i>	<i>7</i>	<i>45,379</i>	<i>0</i>
<i>All ages</i>	<i>237,050</i>	<i>2,212</i>	<i>234,838</i>	<i>100,078</i>

Source: ONS

B.2.27 In 2018, age 65 and over households numbered 29,670 a figure projected to increase by 7,070, to 36,740 in 2036. In contrast, households headed by people aged 16 to 64 are projected to increase by 3,273, meaning that the households aged 65 and over are projected to account for 68% all household growth between 2018 and the end of the Draft Solihull Plan period (2036).

B.2.28 As is the case for England, even after allowing for the fact that constrained household formation in younger people informs the trend-based household projections, it is evident from the latest household projections that the greater part of future housing need in Solihull is being driven by the population aged 65 and over.

B.2.29 This is a consequence of Solihull's ageing population and provides a clear indication that greater attention should be focused upon responding to their housing need and preferences by delivering the homes they need.



### **B.3 LOCAL HOUSING MARKET SIGNALS OF NEED AND DEMAND**

B.3.1 In this section, we investigate local housing market signals of need and demand in Solihull, to understand the extent to which the local housing market is operating effectively. An effective market is one that is responsive to need and demand, where movement into and within the market is unconstrained by reference to the historic market context.

B.3.2 Creating the conditions that will enable housing markets to operate effectively, is a priority for Government. Housing markets are a national priority because nationally, they are acknowledged by Government to be broken. The Housing White Paper presented to Parliament in February 2017 is therefore named and directly concerned with *Fixing our broken housing market*.

B.3.3 Comparison with national housing market indicators, such as the indicators we present here, provides for an understanding of the local position relative to the national position indicative of a broken housing market, as opposed to the national position offering an understanding of what the local area should aspire to or consider acceptable.

B.3.4 The indicators we examine are commonly used to determine whether housing markets are functioning effectively and to gauge whether conditions are improving, staying the same or deteriorating. They provide for comparative analysis across the following housing market themes:

- **House prices and house price affordability;**
- **The cost of private renting and its affordability;**
- **Housing completions, change in stock and transaction volumes;**
- **Under occupied, over occupied and concealed households;**
- **Tenure and the supply of extra care housing for older people.**

B.3.5 In summary, my analysis of market signals leads to the following conclusions:

B.3.6 The Solihull housing market is especially unaffordable and difficult to access for first time buyers, young families (both for sale and rent), and second movers, a fact illustrated by lower quartile house prices that are 9.02 times lower quartile incomes in 2019.

B.3.7 The lower quartile affordability ratio increased by 115% between 1997 and 2019 in Solihull and compares with a regional increase of 115% over the same period (to 6.97) and a national increase of 104% (to 7.27). The median affordability ratio has increased by 103% since 1997,

reaching 8.42 times median incomes in 2019, compared with a regional increase of 101% (to 6.83 in 2019) and national increase of 121% (to 7.83 in 2018).

- B.3.8 Furthermore, for young people rental costs are especially unaffordable. For young (age 22 to 29) would be first movers and family formers, median rents in Solihull would consume 43% of their full-time earnings, an amount that is widely viewed as unaffordable and is according to Shelter's definition, close to being extremely unaffordable. In Solihull, only studio rental properties are below the 30% threshold.
- B.3.9 In all respects, Solihull exhibits the characteristics of the national housing crisis, albeit the symptoms (such as worsening affordability and house price inflation) are more severe than the national trends. This requires a range of measures to be put in place - not just more housing but a strategy that addresses the needs of different groups; e.g. affordable housing, family housing and housing for older people.
- B.3.10 A strategy that addresses the housing needs of older people will support planned increases to historically low rates of delivery by increasing a sales rate that remains below pre-recession rates, lagging the regional and national benchmarks. Moreover, in addition to meeting the needs of older people and their preference to be owner occupiers, the development of housing for sale that addresses the needs and demands of older people provides the added benefit of freeing up family housing.
- B.3.11 In Solihull, under occupancy rates for householders aged over 65 are significant and evidenced by the fact that according to 2011 Census data, 87% of over 65 households are under-occupied, the majority of which are owner occupied households. Moreover, 83% of householders aged over 65 whose day to day activities are limited a lot under occupy, implying a significant need for suitable specialist accommodation, were such accommodation available.
- B.3.12 By providing housing more suitable to this age group that addresses its needs and preferences (for leasehold accommodation in particular), the family homes that they presently under occupy will become available to the market, in addition to new build family homes, thereby addressing the significant need for family housing that the Solihull Local Plan seeks to address.
- B.3.13 The supply of extra care housing in Solihull is biased towards affordable provision. The current tenure split is 33% market and 67% affordable. Older homeowners looking for market (owner occupier) extra care housing are underprovided for, their needs and preference overlooked and the opportunity for them to right size is constrained by a lack of supply.

### House prices and house price affordability

B.3.14 Analysis of house price changes over time provides a starting point for understanding how responsive the local housing market is to local need and demand, helping to frame the extent to which its effective operation is constrained in the national and regional context.

B.3.15 Table 3.1 presents existing median house price change in Solihull, the West Midlands region and England. Between 2000 and 2020 existing median house prices increased by 197% in Solihull compared to 214% across the West Midlands, and 224% nationally. In absolute terms existing median prices increased by £183,000 in Solihull, compared with only £128,050 across the West Midlands, and £163,500 across England.

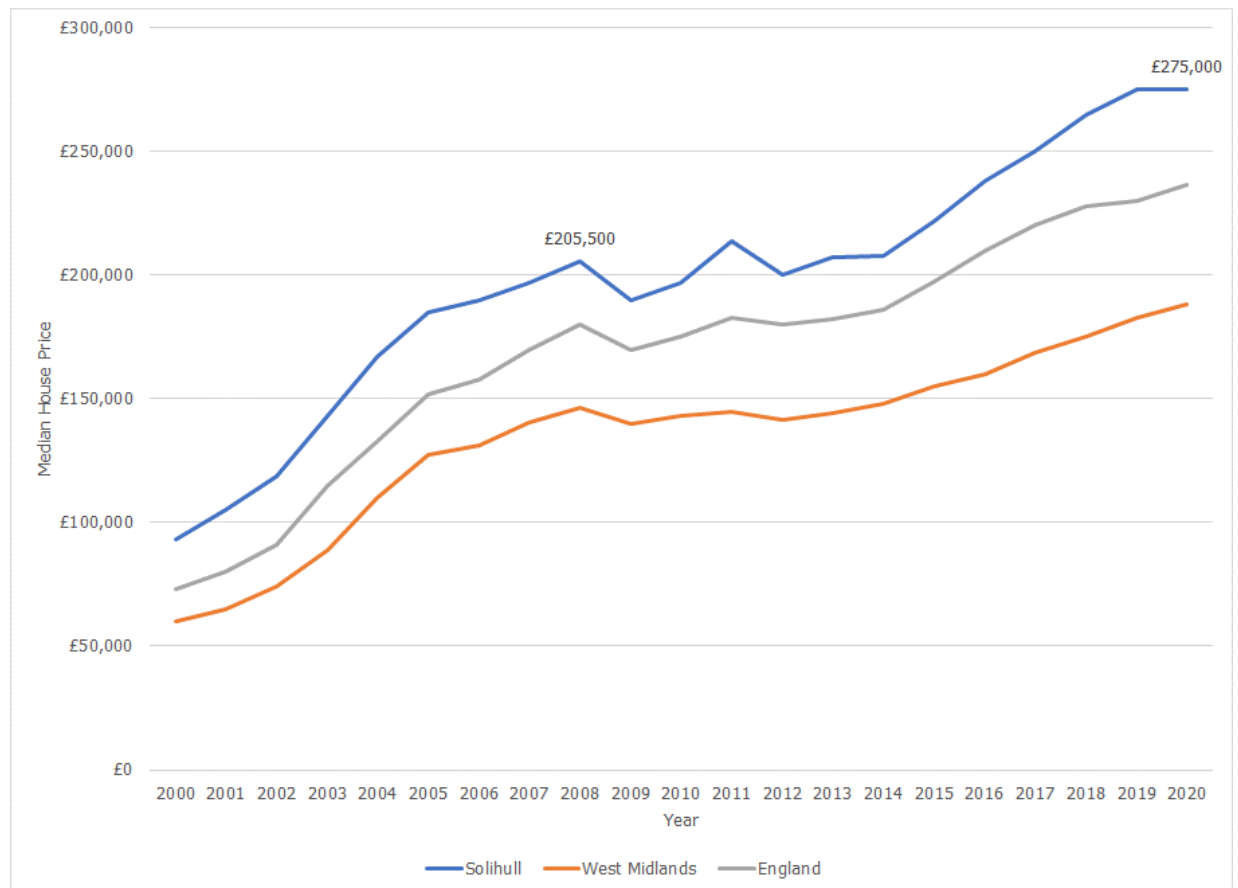
**Table 3.1: Existing Median Prices, 2000-2020, £**

	<b>March 2000</b>	<b>March 2020</b>	<b>Absolute Change 1999-2019</b>	<b>Percentage Change 1999-2019</b>
Solihull	93,000	275,000	183,000	197%
West Midlands	59,950	188,000	128,050	214%
England	73,000	236,500	163,500	224%

Source: HPSSA Dataset 11, ONS 2020

B.3.16 The scale of house price increase recorded in Solihull indicates a mismatch between housing supply and housing demand. Specifically, an indication that supply has failed to keep pace with demand for a considerable period, noting the rise in prices since the previous peak in 2008 illustrated in Figure 3.1.

B.3.17 This increase since the 2008 peak has been 34% in Solihull, compared with 28% across the West Midlands, and 31% nationally.

**Figure 3.1: Existing Median Price Change, 2000-2020**

Source: HPSSA Dataset 11, ONS 2020

B.3.18 Such undersupply is a signal that the housing market is not functioning effectively. By failing to keep pace with demand, moves into the market (first time buyers) and within the market (second and subsequent movers, including older people wishing to right size) are postponed or prevented completely.

B.3.19 To investigate the issue of undersupply further, and to understand the constraint on access to and movement within the local housing market, we now turn to affordability of housing for sale. Affordability is expressed by the relationship between house prices and earnings. The greater the ratio, the less affordable the housing market is.

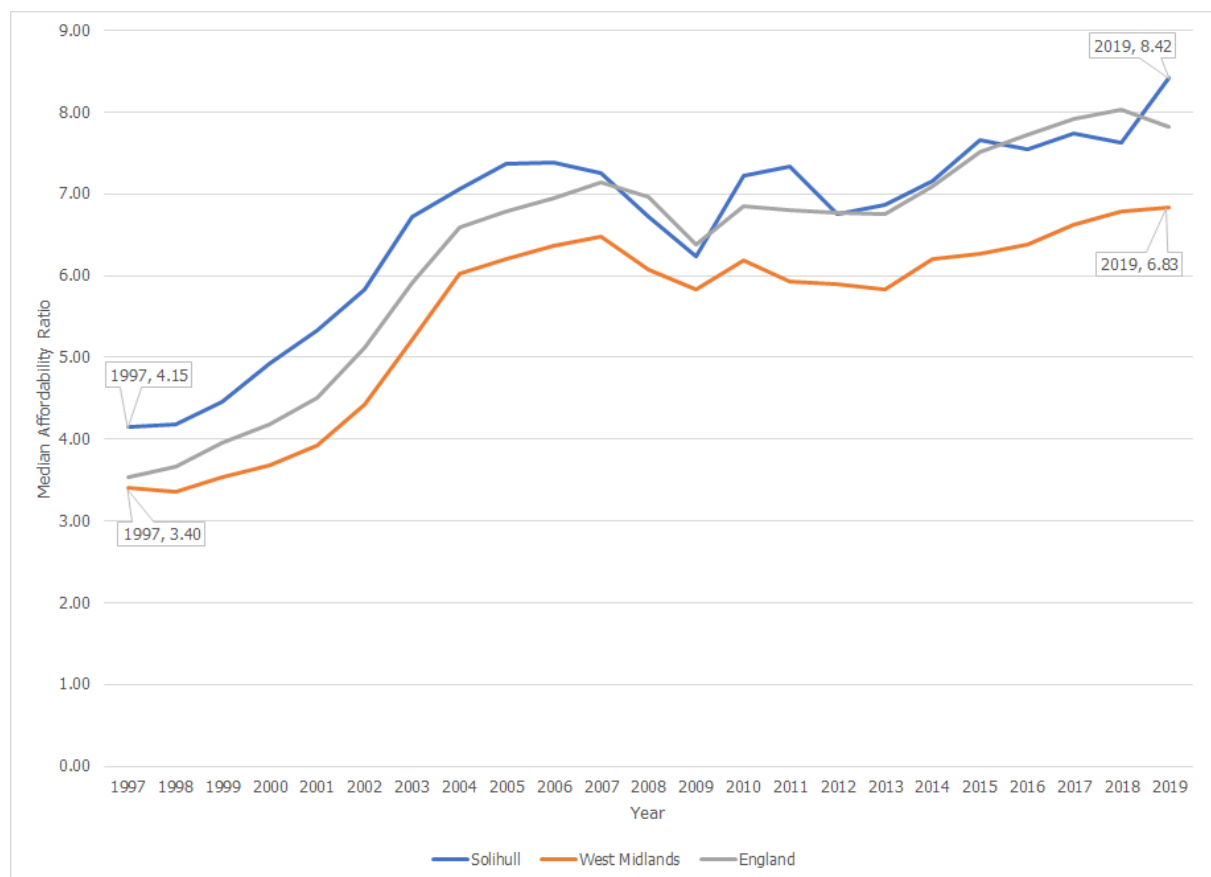
B.3.20 Lenders use affordability ratios as a basis for mortgage lending decisions. Recent data from UK Finance reveals that loans to home movers are on average 3.33 times incomes and loans to first times buyers are on average 3.54 times incomes (December 2019 data). These multiples provide a basis for understanding first time buyer house price affordability (first time buyer loans are currently about 77% of the house price paid).

B.3.21 Affordability ratios are also used by Government as a measure of local housing undersupply in the standard method for assessing minimum housing need. The current method assumes that

median house prices that are four times or less median workplace incomes (i.e. from jobs local to the homes) are affordable, an assumption that is consistent with current first-time buyer lending practices referred to above. The median prices to median income ratio is referred to as the median affordability ratio.

B.3.22 Affordability ratios greater than 4 are progressively unaffordable and indicative of undersupply. Once above 4, the higher the affordability ratio, the greater the undersupply is assumed to be and the greater the supply response needs to be. Figure 3.2 illustrates how the median ratio has changed since 1998 in Solihull, the West Midlands, and England.

**Figure 3.2: Existing Median Affordability Ratio Change, 1998-2019**



Source: ONS 2020

B.3.23 Figure 3.2 shows that in 1997, the affordability ratio for Solihull, West Midlands, and England was within the bounds of, or close to, the ratio of 4 that is considered affordable today. However, over the 22-year period to 2019 (the latest year for which data is available) the Solihull ratio has increased to 8.42 (+103%), the West Midlands has increased to 6.83 (+101%) and the England ratio has increased to 7.83 (+121%).

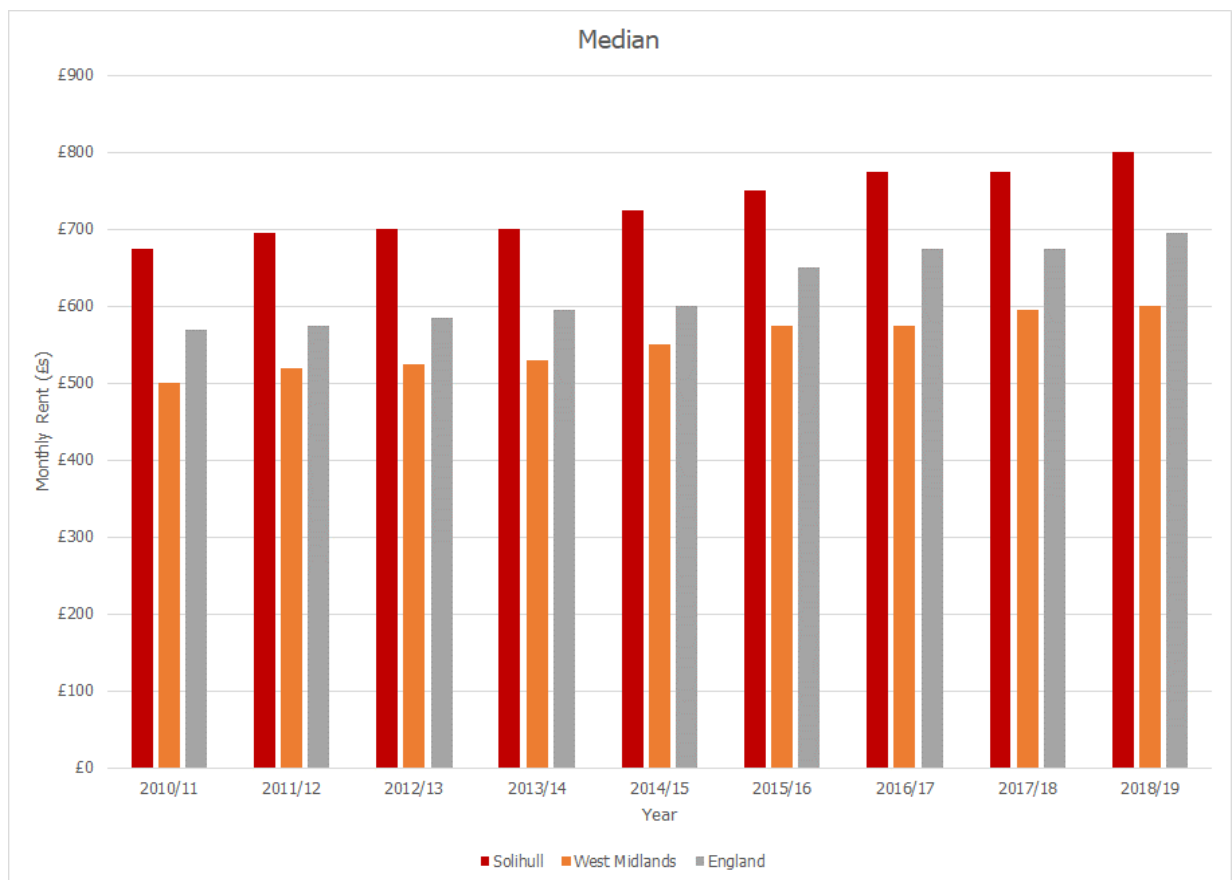
B.3.24 At national, regional, county and local level, any semblance of affordability no longer exists, providing the strongest single indicator that the housing market is failing to meet demand and to that extent is no longer functioning effectively and is undersupplied.

B.3.25 Since a national ratio of 7.83 is the basis for Government concluding the housing market is broken, the higher ratio of 8.42 must indicate that the situation is worse than the national average, and significantly worse than the West Midlands average (6.83). It is clear that this is a market that needs a range of measures to ensure development and sales volumes increase, so that it can become more affordable, arresting and reversing 20 years of worsening affordability.

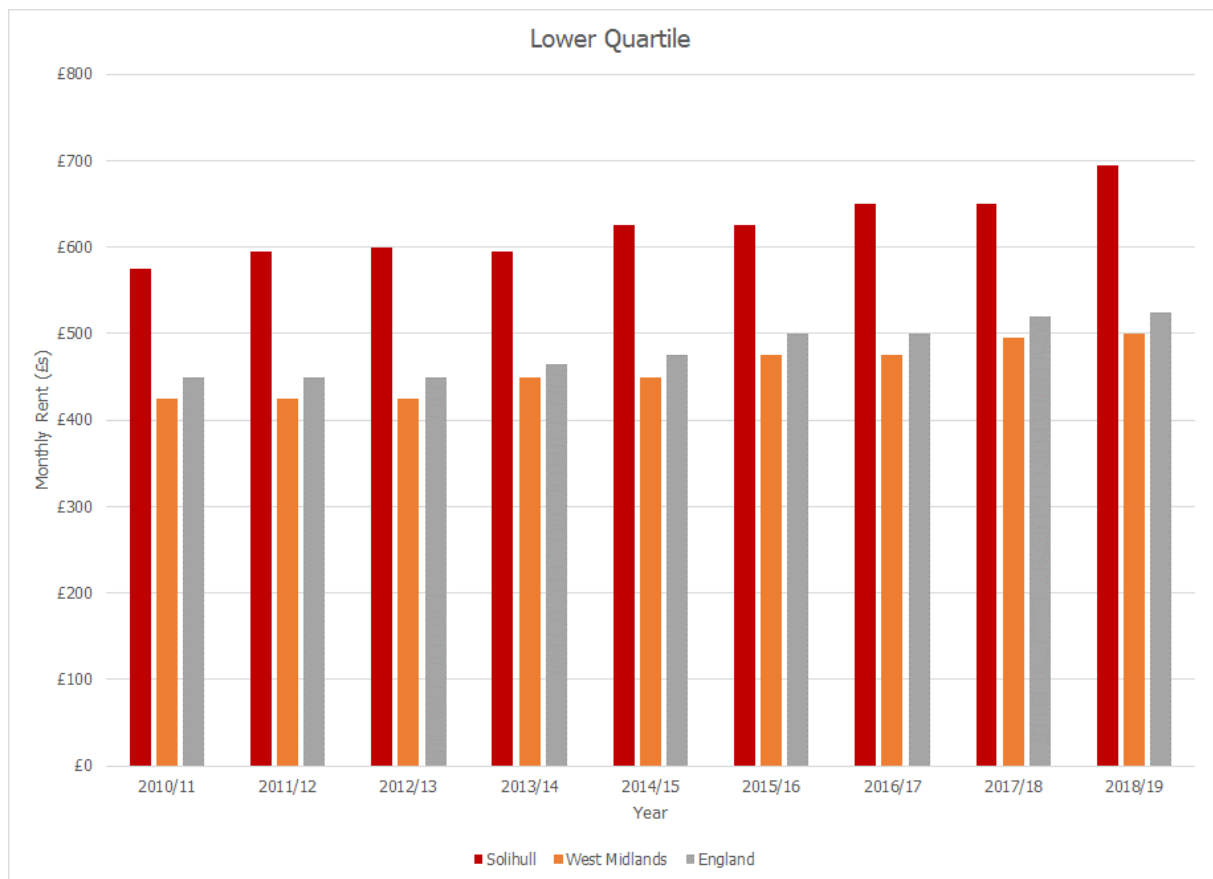
### The cost of privately rented housing and its affordability

B.3.26 Figures 3.3 and 3.4 provide a comparison of median and lower quartile rental change (monthly rent) in Solihull, compared with the regional and national averages. It is clear in absolute terms that both measures show significantly higher rents in Solihull when compared with the regional and national averages.

**Figure 3.3: Median Rent Change, 2010/11-2018/19**





**Figure 3.4: Lower Quartile Rent Change, 2010/11-2018/19**

Source: VOA

B.3.27 Median monthly rent in Solihull has increased by 19% since 2010/11, compared with the West Midlands (20%) and England (22%) averages. Lower quartile rent has increased at the higher rate of 21% compared with 18% across the West Midlands and 17% for England as a whole.

B.3.28 Not only have the lower quartile rents increased at a faster rate than the West Midlands and England averages, as of 2018/19 the lower quartile rents were £195 per month higher than the West Midlands, and £105 per month higher than the national average.

B.3.29 The fact that Solihull's median rental costs have increased at a marginally slower rate than the national and regional comparators does not indicate a more affordable market. It simply reflects the relatively high rental value starting point in 2010/11. Over the period April 2018 to March 2019, monthly median values remained significantly higher in Solihull than the across the West Midlands as a whole (+£200), an indication that the Solihull private rental market is particularly unaffordable.

B.3.30 Comparing the Solihull median rents tabulated above with incomes across the West Midlands gives insight into rental affordability. The median earnings of employees living in the West

Midlands during the 12 months to April 2020 are estimated to be £24,634, according to the Earnings Data Tool<sup>15</sup>.

B.3.31 The same source estimates that nationally, full-time employees age 22-29 earn about 90% of the all employee median. Applied to the West Midlands estimate, provides an adjusted full-time employee earnings estimate of about £22,171 for the age 22 to 29 group, a reasonable proxy for would be first movers / family formers.

B.3.32 For this group, median rents in Solihull would consume 43% of their full-time earnings, an amount that is widely viewed as unaffordable and is according to Shelter's definition, close to being extremely unaffordable.

**There is no official UK measure of what constitutes an "unaffordable" rent, but based on recommendations from housing organisations the analysis [analysis produced for the BBC in 2018] uses a threshold of no more than 30% of income. The National Housing Federation recommends 30% of gross median income as the measure generally used by people in the housing sector and academics. Shelter defines anything over 33% as "unaffordable" and additionally anything over 50% as "extremely unaffordable"<sup>16</sup>**

B.3.33 The median of all Solihull rents is only £50 more than the Borough's median two bed property rent (£750 per month) and would also fall under the unaffordable classification at 41% of employee earnings. Only median studio rents are below the 30% threshold in Solihull.

### **Housing completions, changes in stock and sales volumes**

B.3.34 Housing completions provide for a measure of the extent to which supply is keeping up with demand, provided of course, that the housing target they are being compared with is representative of actual need.

B.3.35 Table 3.2 sets out the annual net completions recorded by Solihull Borough Council over the period 2009/10 to 2018/19. Net completions are set against the local housing target in force at the time. Up until 2014 we have assessed completions against the Solihull Local Plan housing requirement (500 dwellings per annum), adopted in December 2013.

B.3.36 However, following a High Court Challenge in 2014, the Council ceased to have an adopted housing requirement. We have therefore assessed the years 2014/15-2017/18 against the

<sup>15</sup> Source: Average Earnings by Age and Region (CBP 8456) – Earnings Data Tool. Using ONS Annual Survey of Hours and Earnings, and; ONS Consumer Price Inflation

<sup>16</sup> <https://www.bbc.co.uk/news/business-45559456>

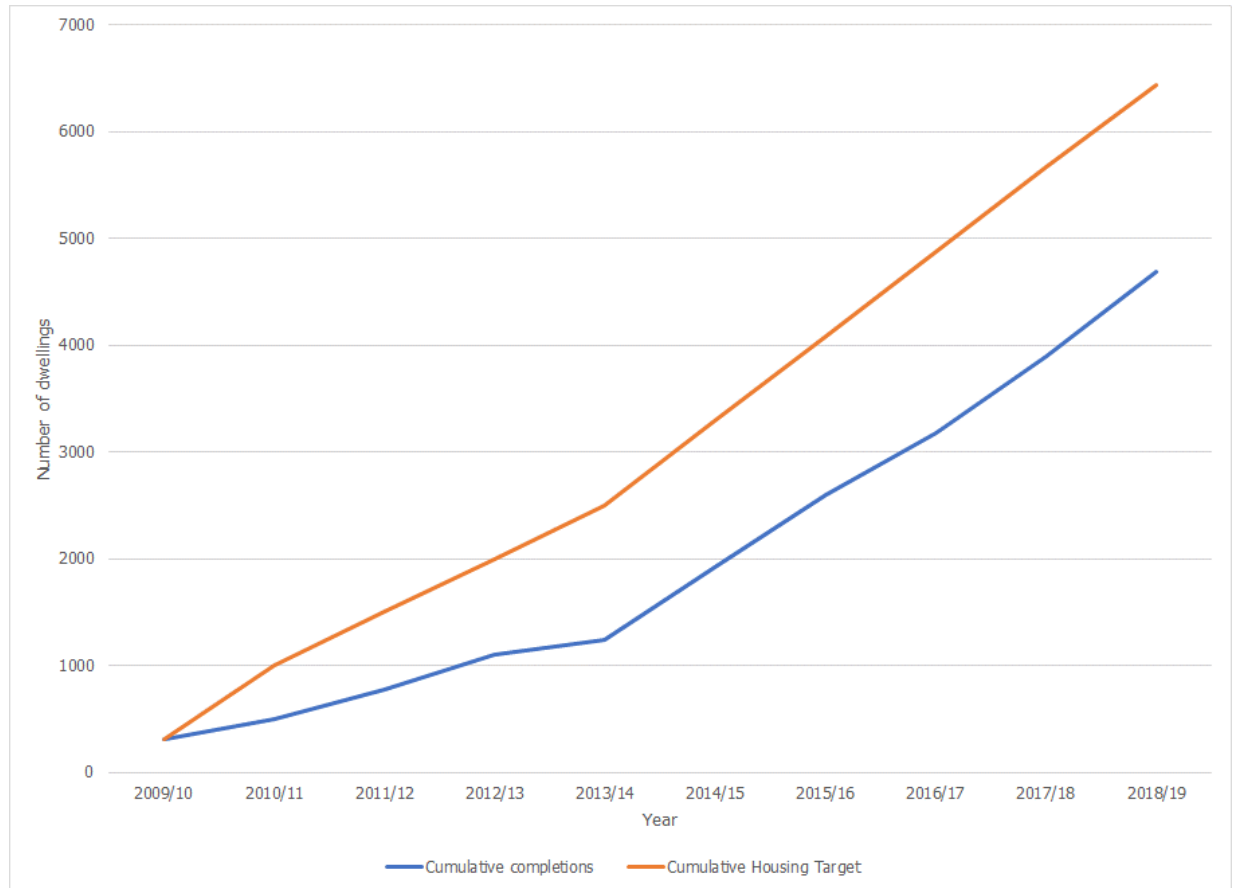
housing requirement put forward in the previous Draft Plan (791 dpa) prior to the introduction of the Standard Method. The final year (2018/19) is assessed against the Standard Method figure (771 dpa) published in the most recent Annual Monitoring Report (AMR).

B.3.37 Measured against these figures, the gap between actual delivery and planned delivery amounts to a substantial shortfall of 1,745 dwellings over the past ten years.

**Table 3.2: Solihull net completions vs. housing targets, 2009/10 to 2018/19**

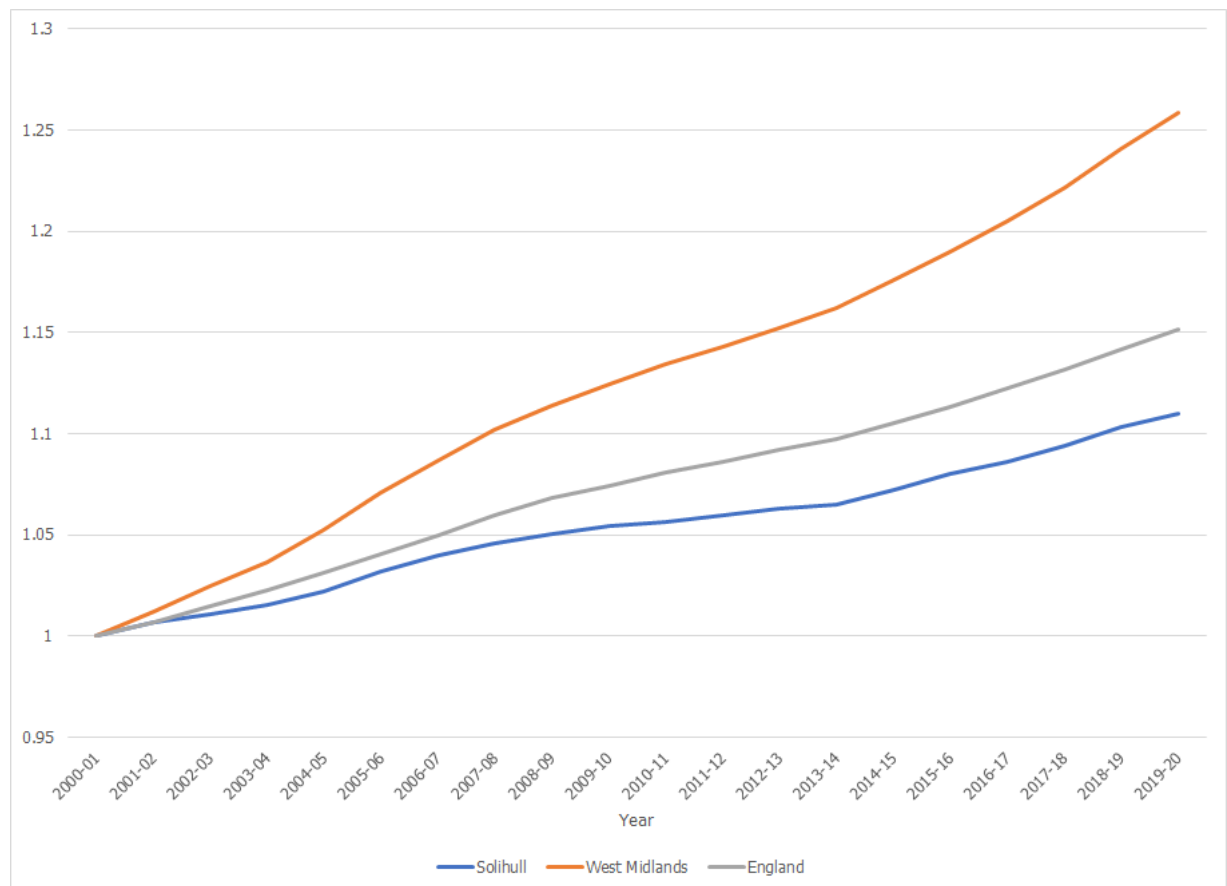
<b>Year</b>	<b>Net completions</b>	<b>Housing Requirement</b>	<b>Annual surplus/deficit [vs plan average]</b>	<b>Cumulative surplus/deficit [vs plan average]</b>
09/10	310	500	-190	-190
10/11	194	500	-306	-496
11/12	268	500	-232	-728
12/13	336	500	-164	-892
13/14	133	500	-367	-1,259
14/15	675	791	-116	-1,375
15/16	687	791	-104	-1,479
16/17	579	791	-212	-1,691
17/18	710	791	-81	-1,772
18/19	798	771	27	-1,745
<b>Total</b>	<b>4,690</b>	<b>6,435</b>	<b>n/a</b>	<b>-1,745</b>

Source: Solihull Local Plan December 2013, Draft Local Plan Review December 2016, Solihull Annual Monitoring Report March 2020

**Figure 3.5: Solihull cumulative net completions vs. housing target 2009/10-2018/19**

Source: Solihull Local Plan December 2013, Draft Local Plan Review December 2016, Solihull Annual Monitoring Report March 2020

B.3.38 Whilst housing delivery has been significantly both below target and housing need, the rate of housing stock growth in Solihull should also be analysed. For this exercise, to enable comparison, delivery is indexed from its 2001 position (see figure 3.6). It shows how stock has increased faster in the West Midlands, and nationally, than in Solihull.

**Figure 3.6: Index Change in Housing Stock (2001 = 100)**

Source: CLG Live Table 125 and 122

B.3.39 As can be seen from figure 3.6, the rate of growth in Solihull housing stock has been behind that of comparators. Over the period 2001 to 2020, Solihull's housing stock increased by 11%. Stock growth across the West Midlands region was over double that in Solihull at 26%. Nationally, the increase has been 15%.

B.3.40 The comparative longitudinal analysis presented in Figure 3.6 indexes an increase in Solihull housing stock from 83,994 in 2001 (indexed to 1.00) to 93,060 (indexed to 1.11) in 2020 an increase of 9,067 over the 19-year period, an annual average increase in stock of 477 (rounded) per annum.

B.3.41 Notwithstanding that this rate of growth is lower than the comparators, it is nearly half the proposed housing requirement to 2036 (an average of 938 dwellings per annum).

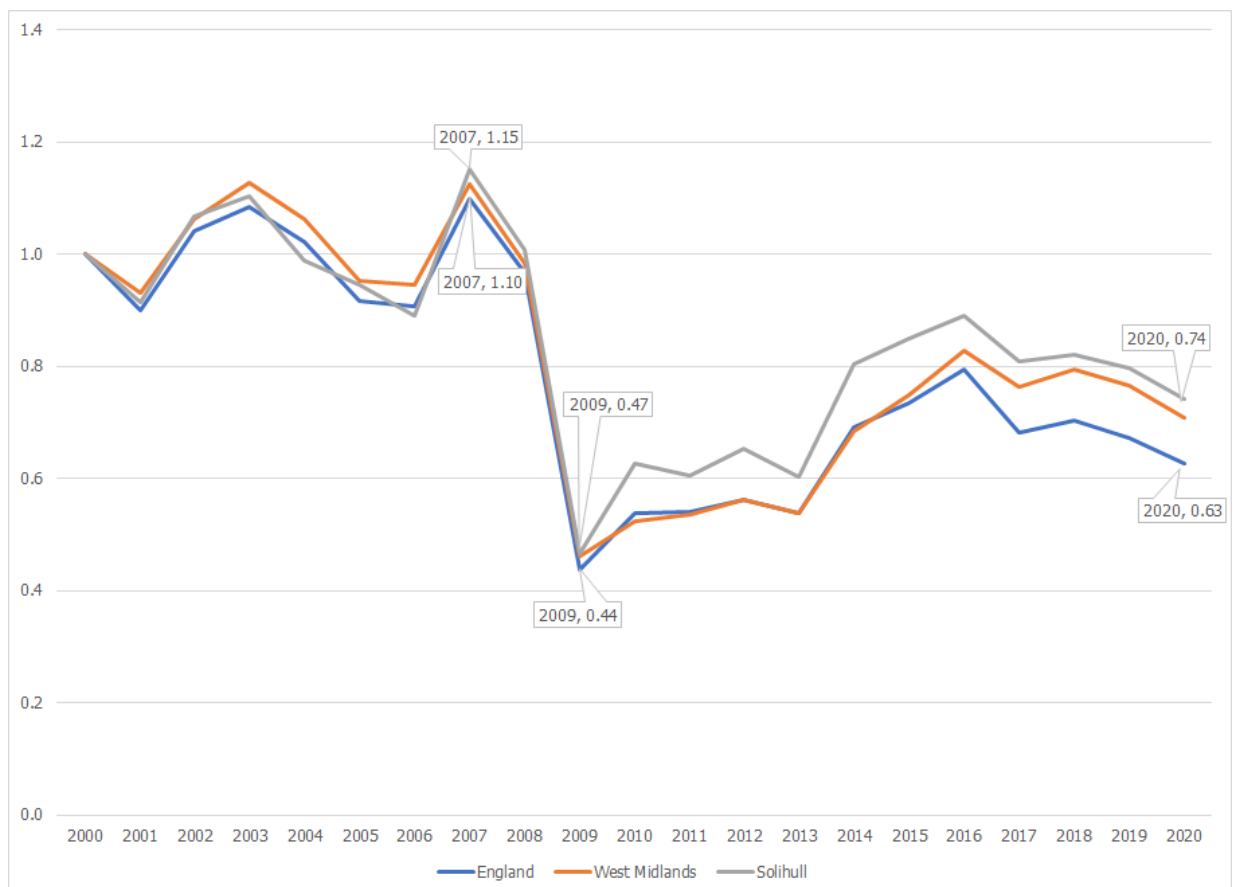
B.3.42 Evidently, average annual delivery will need to increase by 100% above the rate delivered over the past 10 years, or 36% above the rate achieved over the past five years, over the Draft Plan period in order to meet the housing requirement in the Draft Plan.

B.3.43 A constrained supply of new housing will have contributed to the worsening affordability of housing for sale as illustrated earlier, in Figure 3.2. In turn, constrained supply and the lack of choice that this entails, will serve to restricted movement into a within the local housing market.

B.3.44 Having regard to all housing for sale and not restricted to additional stock, it is evident that, in common with national and regional comparators, transactions (sales volumes) declined considerably after 2007 and remain at least 26 percentage points below the level of sales achieved annually between 1999 and 2007.

B.3.45 During the period of more buoyant housing market activity, sales volumes averaged 3,700 per annum (1999 to 2007) in Solihull. Thereafter, during and immediately post financial crisis and recession (2008 to 2012), sales volumes averaged 2,500, a fall of 32%. In the last five years, sales volumes have averaged 3,041 per annum, 18% below the pre-recession average.

**Figure 3.7: Index Change in Housing Transactions (1999 = 100)**

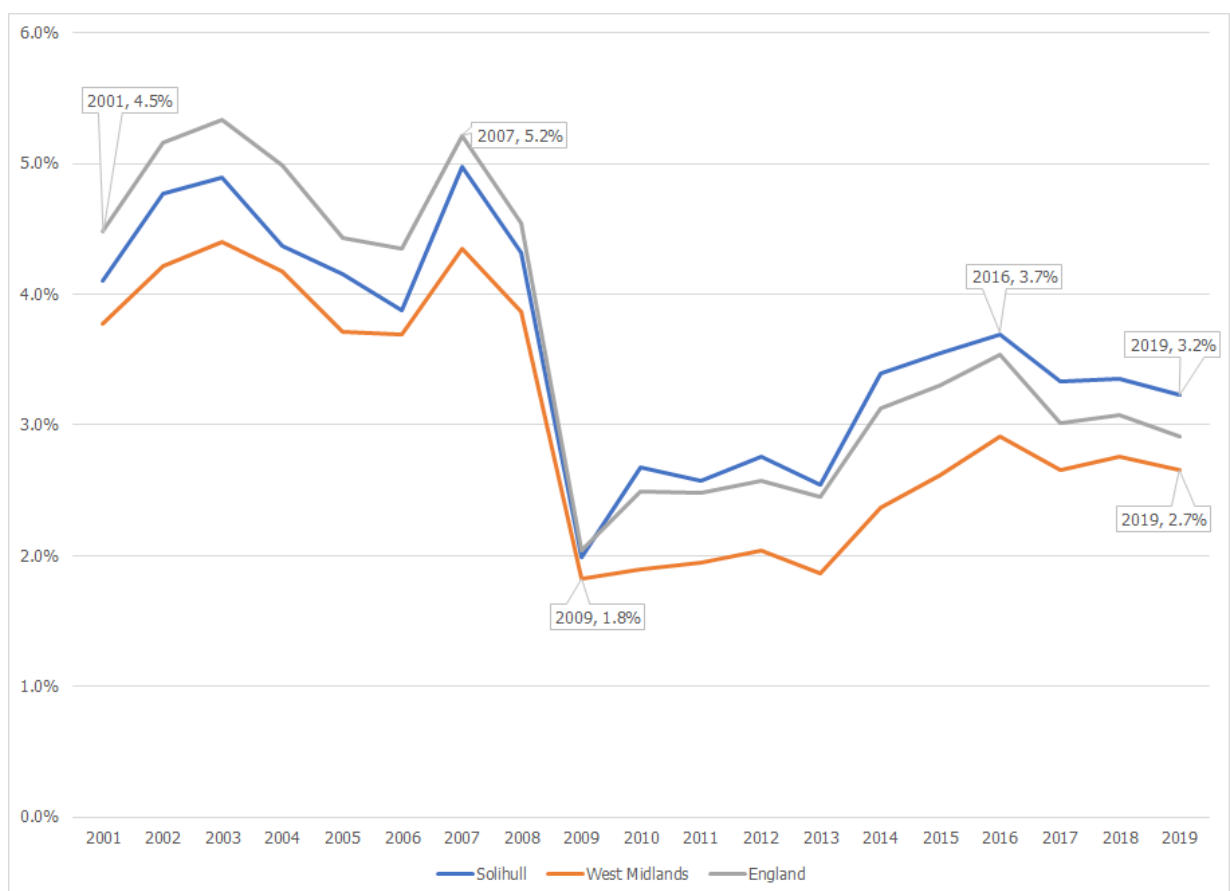


Source: HPSSA Dataset 8, ONS 2020

B.3.46 The reasons behind the fall in transactions are numerous and complex. Undersupply, a miss match between demand and supply, changes to lending practices have all played a part. Whatever the weight that should be attributed each, to increase sales activity, supply will need to be increased and affordability reduced.

B.3.47 It is also clear that the supply of homes will need to be of a type and in the settings (to address the housing offer sought) that are needed by different groups in the housing market, so that absorption rates can be maximised as part of strategy to stimulate and increase housing market activity. Doing so will be fundamental to fixing the broken housing market.

**Figure 3.8: Housing Transactions as a % of Total Housing Stock**



Source: Live Table 125, CLG and HPSSA Dataset 8, ONS 2020

B.3.48 Just as the change in transaction volumes over time in Solihull broadly match the regional and national trajectory, so does the trajectory of sales as a percentage of stock. From turning over about 4.5% of stock in 2001, turnover in Solihull peaked in 2007 at 5.2%, declined to just 2% in 2009, recovering to 3.7% in 2016, but slowly declining thereafter to 3.2% in 2019. This decline is indicative of a housing market where movement is increasingly constrained, albeit

one that again broadly mirrors the national and regional experience; turnover of 2.7% in the West Midlands, and 2.9% across England.

### **Under occupied and over occupied households**

B.3.49 A further aspect of the housing market this analysis addresses is *over* occupation and *under*-occupation. These indicators are examined because of the insight they give about the effective operation of the local housing market, or otherwise, in terms of the extent the local market can said to be responsive to need and demand.

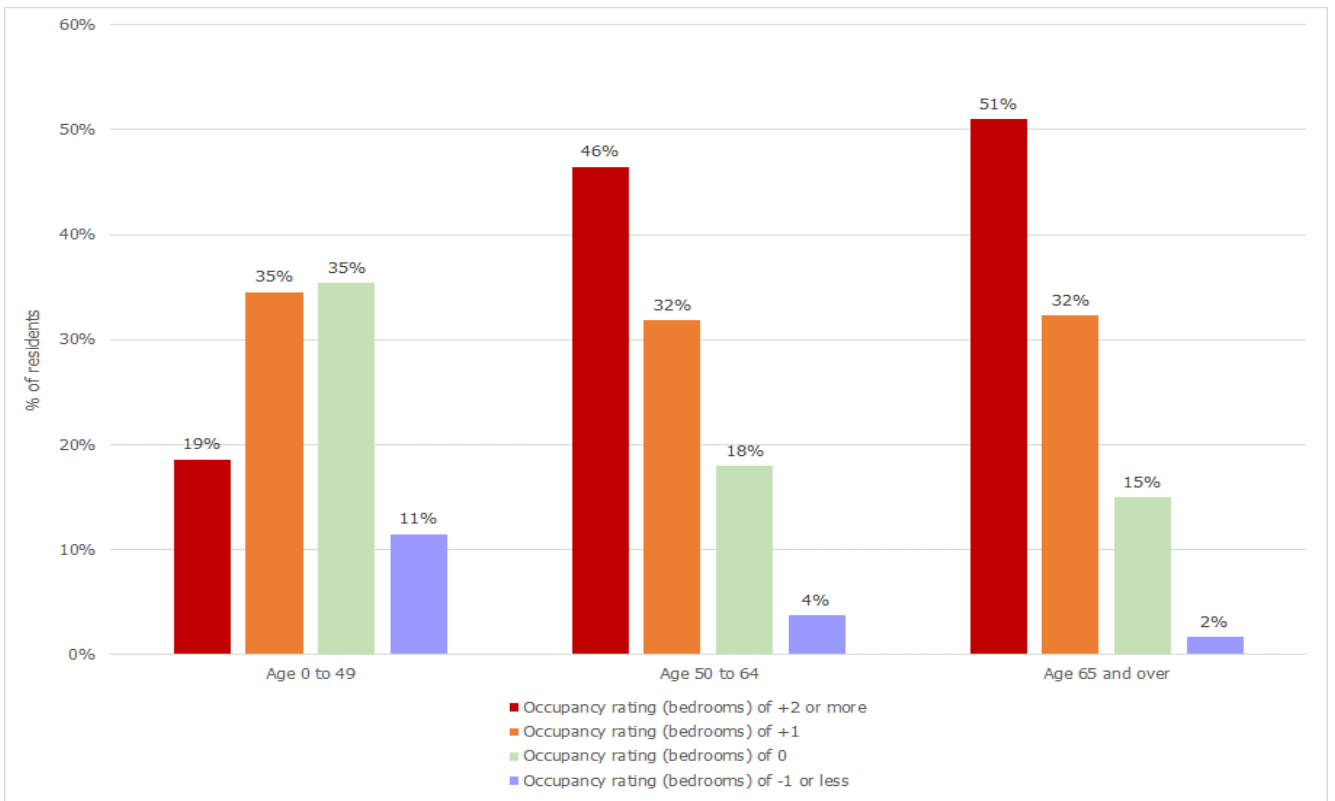
B.3.50 To address under and over occupation, we start with an explanation of the metrics used. In the 2011 Census analysis presented in Figure 3.9, a plus (+) value, i.e. +1 bedrooms means a property is *under*-occupied and a bedroom is unoccupied. Conversely a minus (-) value, i.e. -1 bedrooms means a property is over-occupied and an additional bedroom is needed for the occupants. A value of zero indicates neither over nor under occupation.

B.3.51 It is possible from the 2011 Census data to consider over/under occupation by age group. Figure 3.9 (England), 3.10 (South East) and 3.11 (Solihull) demonstrates that 63% of Solihull residents aged 65+ under occupy by two bedrooms, compared to 51% in England and 54% across the West Midlands. The addition of Solihull households under occupying by one bedroom (24%) means that 87% of 65+ households are under-occupied.

B.3.52 This analysis illustrates that older residents in Solihull are typically occupying larger properties than is required for their household size. Providing alternative accommodation for these older people, that suits their needs and preferences would 'free-up' family housing.

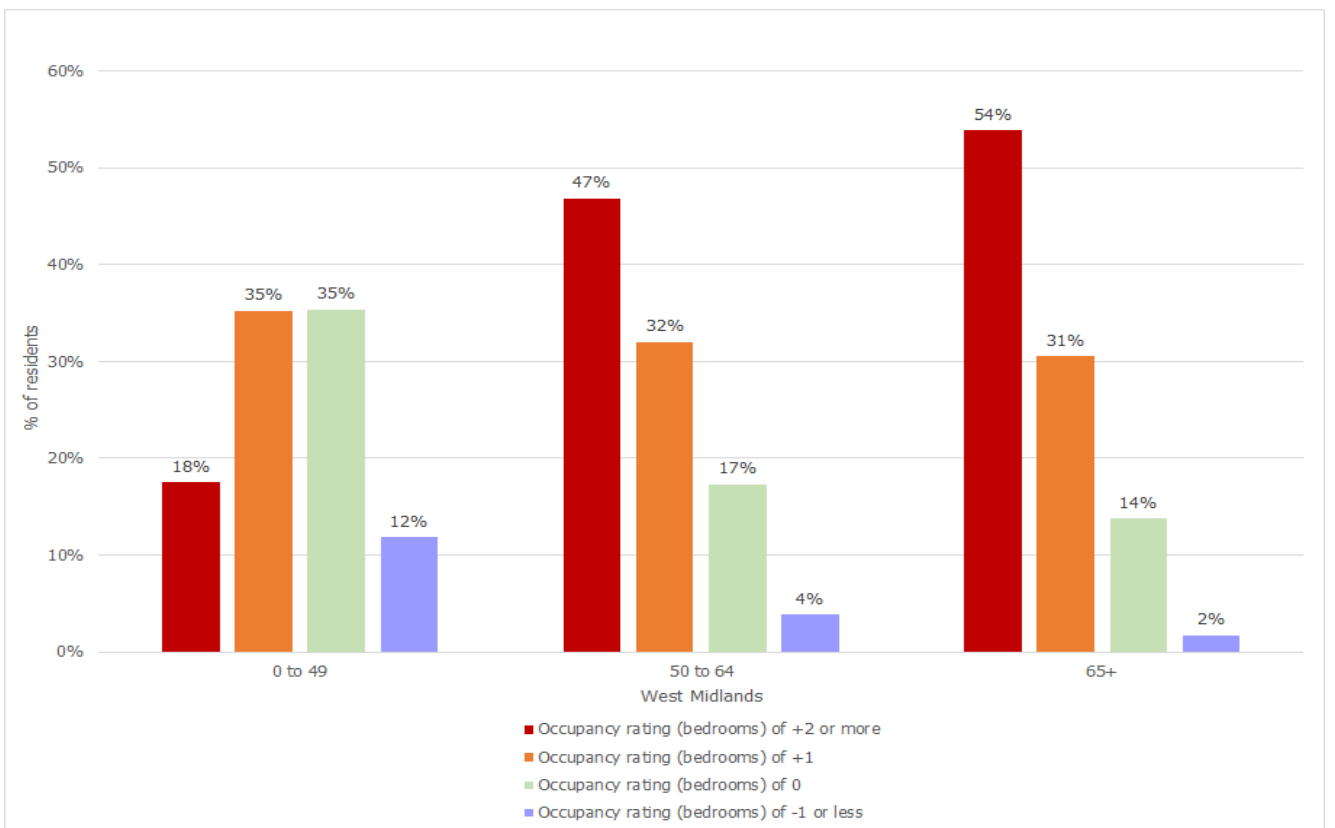


**Figure 3.9: Over and Under-Occupation by Age Group, England**

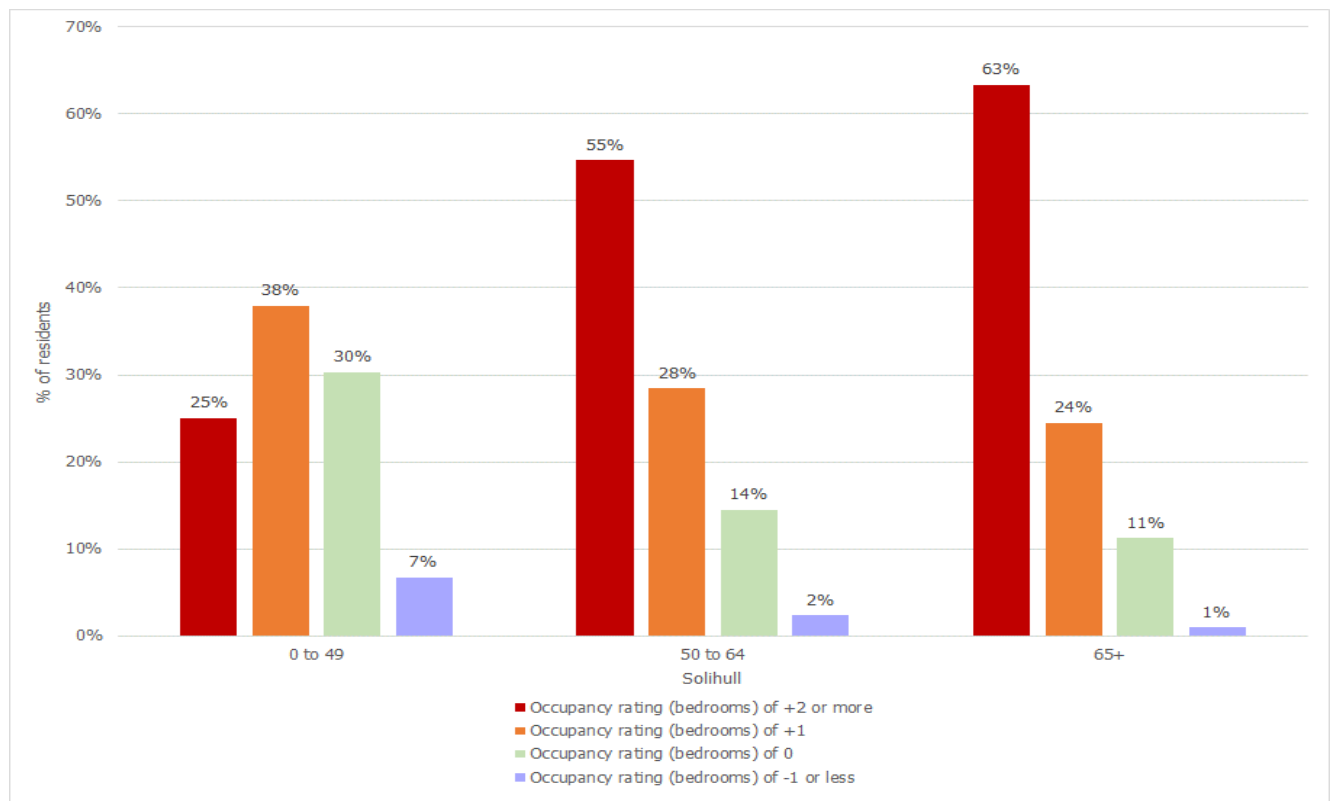


Source: ONS, 2011 Census

**Figure 3.10: Over and Under-Occupation by Age Group, West Midlands**



Source: ONS, 2011 Census

**Figure 3.11: Over and Under-Occupation by Age Group, Solihull**

Source: ONS, 2011 Census

B.3.53 The prevalence of under occupation and over occupation recorded by the 2011 Census can also be interrogated from the perspective of the population living in households that is suffering from a long-term health problem or disability that limits a person's day-to-day activities, and has lasted, or is expected to last, at least 12 months. This includes problems that are related to old age.

B.3.54 People living in households completing the 2011 Census were asked to assess whether their daily activities were limited a lot or a little by such a health problem, or whether their daily activities were not limited at all. The analysis presented here (Figures 4.12 to 4.14) focuses on residents that reported day to day activities to be limited a lot.

B.3.55 Household residents whose day to day activities are limited a lot are likely to require housing with care, such as is provided by Extra Care housing, if they to carry on living independently. Some will already be in extra care settings, but since this type of provision is in relatively short supply, it is reasonable to assume that the majority will not.

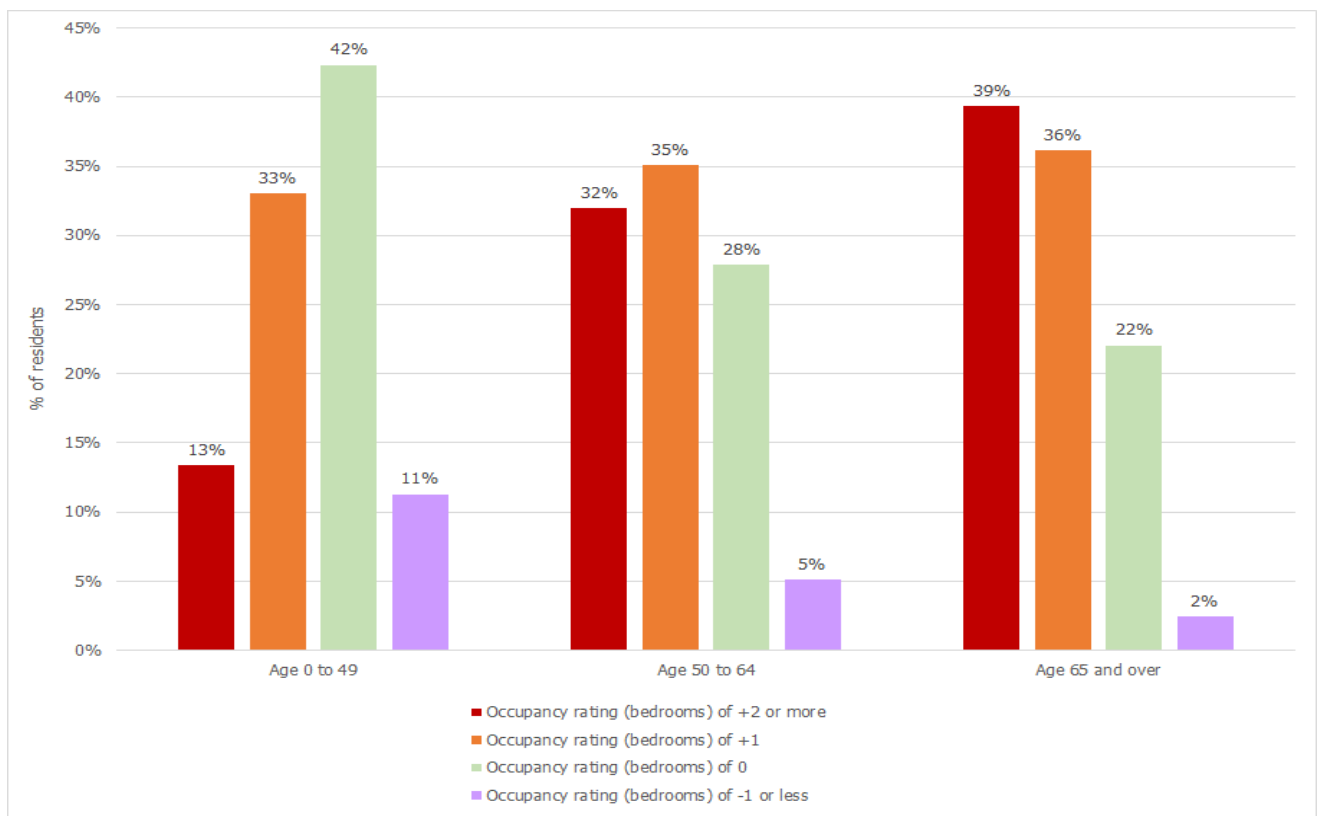
B.3.56 The statement that Extra Care housing is in short supply is made on the basis that in England on 2011 Census day, over two million residents over the age of 65 (plus nearly one million age 50 to 64) whose day to day activities are limited a lot lived in households (as opposed to residential care or nursing homes) whereas extra care housing units are estimated to total

about 64,500<sup>17</sup>. That is one unit of extra care accommodation for every 35 household residents age 65 and over whose day to day activities are limited a lot. The equivalent West Midlands ratio is 1:23 and for Solihull the ratio is 1:15.

B.3.57 As can be seen from Figure 4.12 (England), 4.13 (West Midlands) and 4.14 (Solihull), 52% of Solihull residents aged 65+ whose day to day activities are limited a lot under occupy by two bedrooms, compared to 39% in England and 43% across the West Midlands as a whole.

B.3.58 The fact that in 2011, 52% of Solihull's over 65 resident population whose activities are limited a lot (about 4,750 household residents) under occupy by two bedroom, in the context of a supply of extra care housing units that numbers under 596, is indicative of a large proportion of households living in accommodation that is no longer suited to their needs who might be inclined to move if a suitable alternative was available.

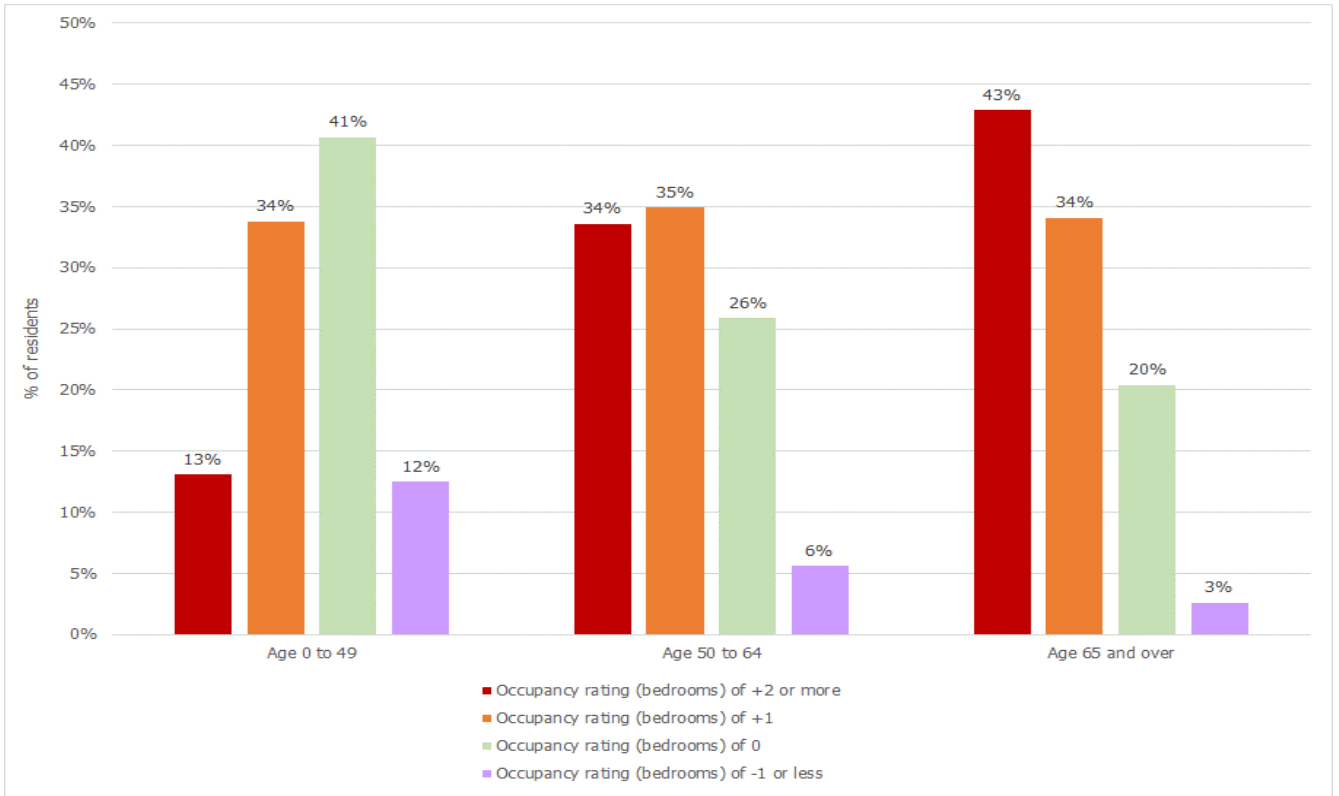
**Figure 3.12: Over and Under-Occupation by Health: Day to Day Activities limited a lot, England**



Source: ONS, 2011 Census

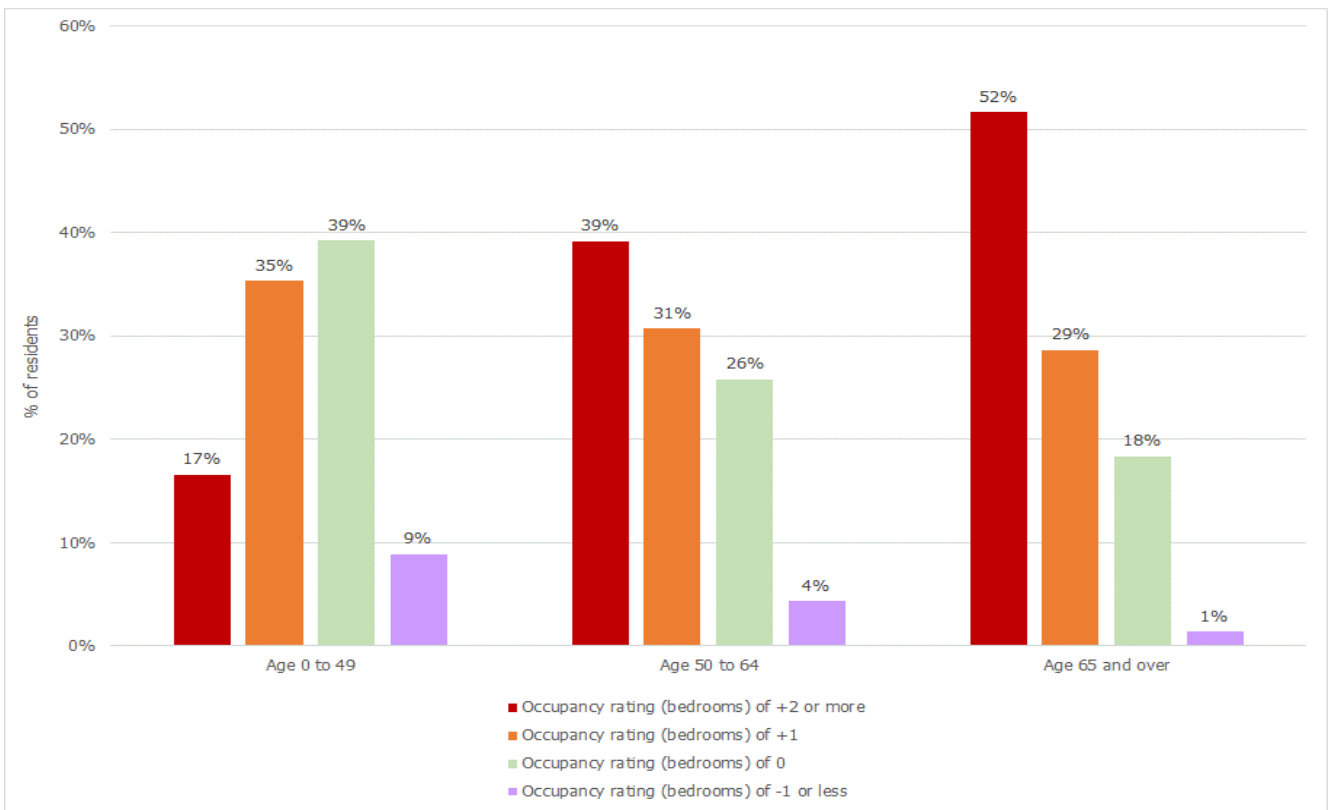
<sup>17</sup> Source: Elderly Accommodation Counsel, Housing Dataset, Q4 2020

**Figure 3.13: Over and Under-Occupation by Health: Day to Day Activities limited a lot, West Midlands**



Source: ONS, 2011 Census

**Figure 3.14: Over and Under-Occupation by Health: Day to Day Activities limited a lot, Solihull**

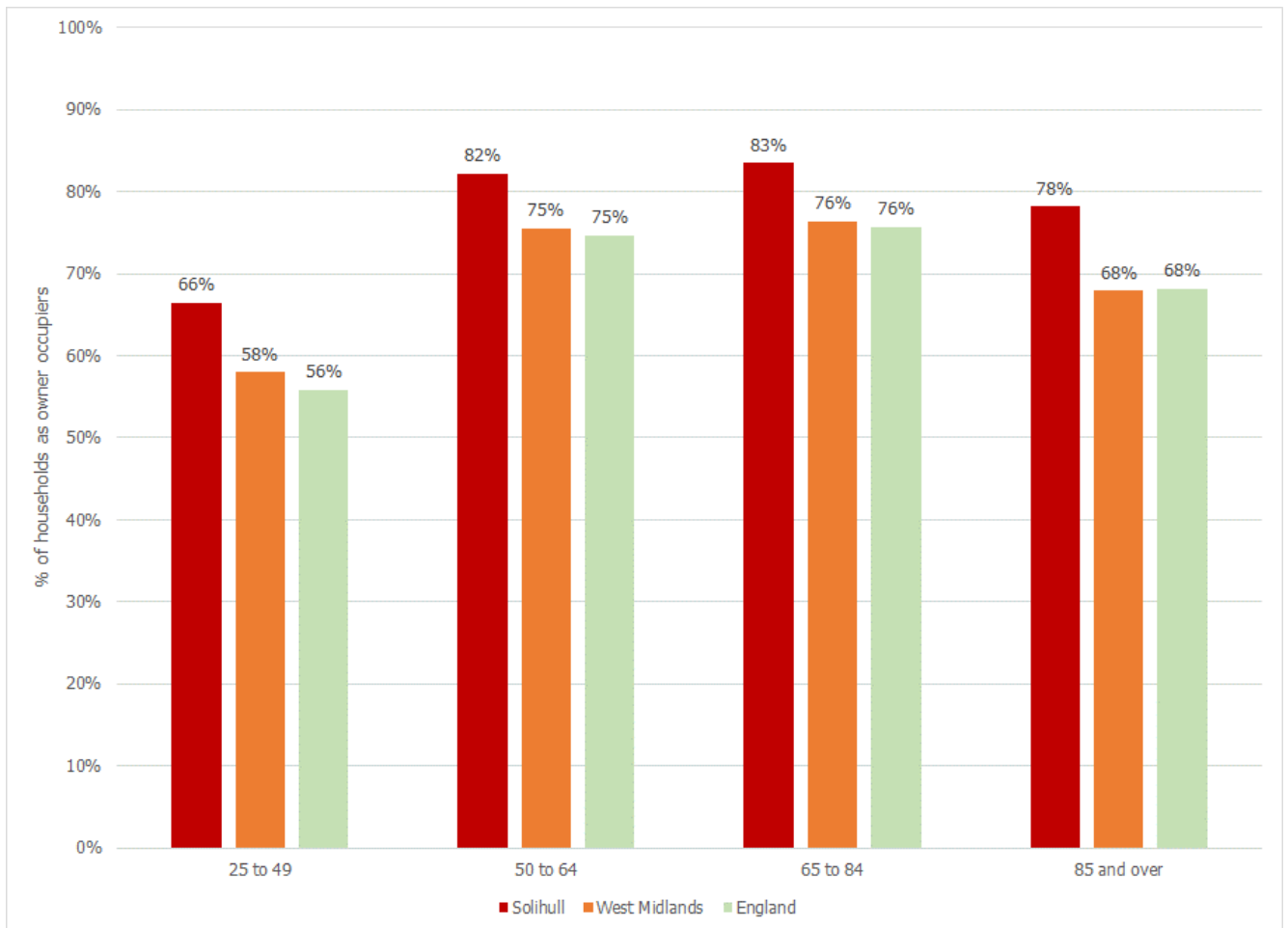


Source: ONS, 2011 Census

## Tenure by Age

B.3.59 Viewed through data from the 2011 Census it is evident that levels of owner occupation are particularly high in Solihull compared to the West Midlands and England totals (Figure 4.15). Conversely the proportion of renters (private and social) is relatively low (Figure 4.16).

**Figure 3.15: Owner Occupation by Age Group**



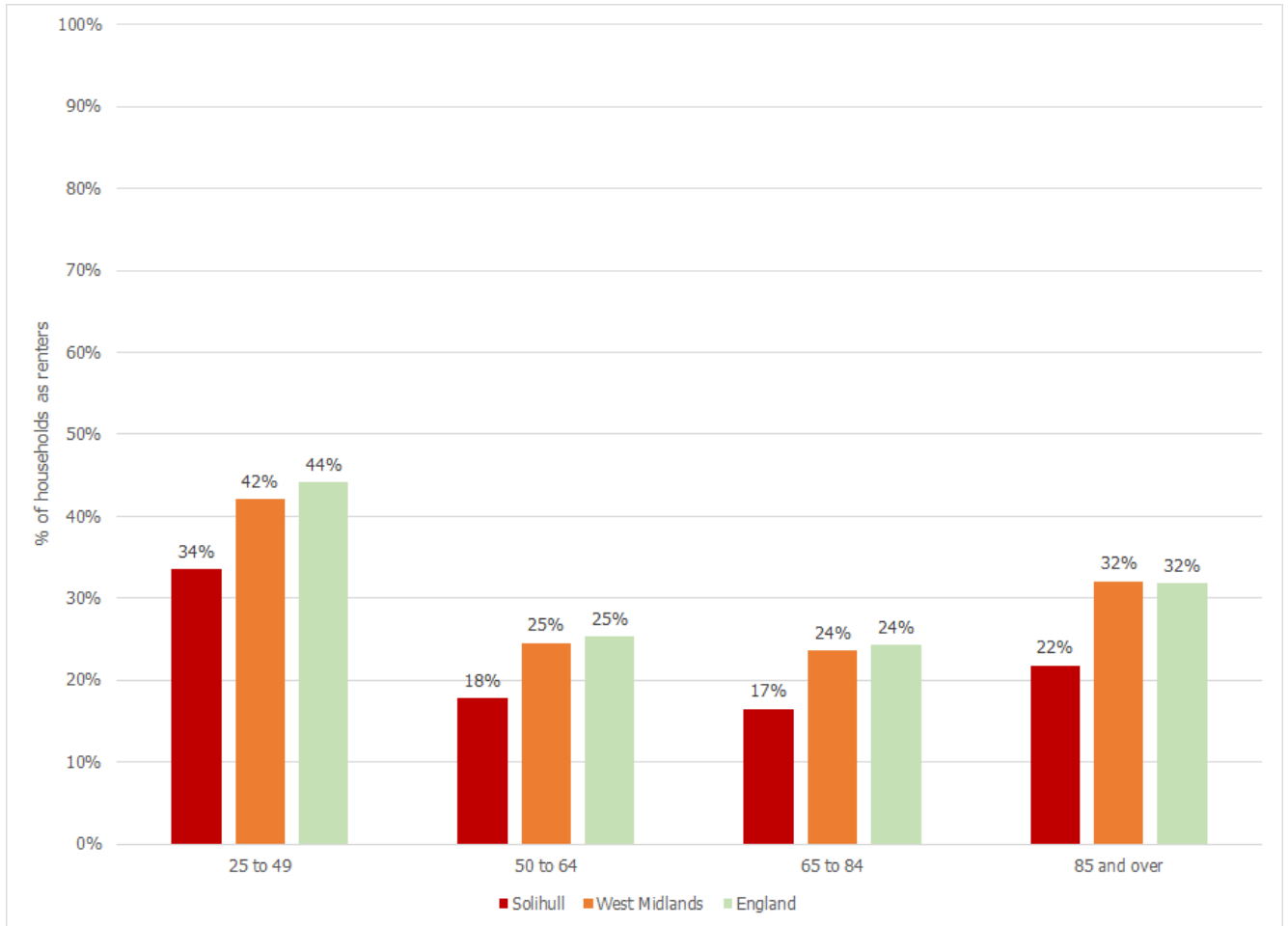
Source: ONS Table DC4201EW - Tenure by ethnic group by age - Household Reference Persons

B.3.60 83% of household reference persons aged 65 to 84 in Solihull are owner occupiers, compared to 76% across England and 76% across the West Midlands. The large cohort of Solihull owner occupiers age 50 to 65 (82% all household reference persons) in 2011 is also notable, because they are now age 59 to 73, some of whom will be in need of specialist housing and likely to prefer a freehold or leasehold specialist home.

B.3.61 Notably, according to the 2011 Census, out of the 32,928 household residents age 65 and over and living in Solihull who owned their home outright, 4,758 (14%) suffered from a long term health problem or disability caused their day to day activities to be limited a lot. There

presently only 368 leasehold extra care housing units in Solihull to meet the needs of these residents, a ratio of 13 residents to 1 leasehold extra care housing units.

**Figure 3.16: Renting (private and social) by Age Group**



Source: ONS Table DC4201EW - Tenure by ethnic group by age - Household Reference Persons

### **The supply of extra care housing for older people in Solihull.**

B.3.62 Whilst the majority of the resident population of Solihull age 65 and over are owner occupiers, and a significant proportion have difficulty with day to day activities and therefore may have care needs, there is very little extra care housing for outright sale available to them.

## **B.4 SUMMARY AND CONCLUSIONS**

- B.4.1 In this volume we have addressed national and local drivers of demand for older peoples housing. To that end, we have carried out analysis across three themes.
- B.4.2 First, examination of recent policy development, statements and speeches by Government and reference to published research, in order to establish the relationship between meeting the housing needs of older people and ending the housing crisis.
- B.4.3 Second, analysis of demographic estimates and projections, specifically the 2018-based population and household projections. To establish the scale of projected household growth by broad age group in the context of the current stock of housing and recent assessments of housing need.
- B.4.4 Third, investigation of local housing market indicators of housing market need and demand. As a basis for understanding the extent to which the local housing market is operating effectively, or otherwise.
- B.4.5 The key points and conclusions are as follows.

### **Developing housing that meets the needs of older people is acknowledged as part and parcel of addressing the national housing crisis.**

- B.4.6 First, solving the housing crisis is a clear priority of Government.
- B.4.7 Second, the needs of older people are acknowledged by Government to have changed completely from the needs of the previous generation, meaning that their need is under provided for by the current housing stock.
- B.4.8 Third, only 7% of existing properties enable people to age in place, meaning that a large proportion of older people are likely to be living in homes that do not meet their needs and are unsuitable for them.
- B.4.9 Fourth, providing housing that meets the needs and demands of older people carries the added benefit of freeing up more, much needed family homes for other buyers and renters. To give some idea of the scale of this 'downsizing' opportunity nationally, it has been estimated that eight million people over 60 years of age, living in 7 million homes (about 30% of the property market) are interested in downsizing.

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**Nationally and locally, people age 65 and over are the main driver of household growth**

- B.4.10 First, for older people, the starting position, nationally and locally, will comprise a large cohort of existing, pent up demand. A cohort that either needs to move because the homes they currently occupy are unsuitable, or to realise lifestyle choices, or a combination of both.
- B.4.11 Second, whilst the emerging Solihull Local Plan housing requirement will increase the past rate of housing delivery, it represents only a marginal increase in housing stock of c1.0% per annum, on average over the plan period. Such that across Solihull, most of the family (3 bed plus) housing envisaged in 2036 already existed in 2011 (93%).
- B.4.12 Third, a significant proportion of family housing will inevitably be unavailable to families with dependent children, because the present occupants, who might otherwise wish to right size, are unable to do so because suitable properties that meet their needs are not available. In 2018, it is estimated that 29,670 households in Solihull are 'headed' by people age 65 and over.
- B.4.13 Fourth, nationally and locally, the population is ageing at a relatively fast rate. Solihull's household population aged 65 and over is projected to increase by about 10,017 people between 2018 and 2036, whereas growth in the household population age 16-64 is projected to increase by less (8,291), over the same period. In terms of household growth, the number of households in Solihull 'headed' by a person aged 65 and over is projected to increase by about 7,000, compared to an increase of less than half (3,300) in the 16-64 age group.
- B.4.14 Fifth, in light of the preceding four points, in particular the indication that the household projections give that 68% of Solihull's housing need arises from the population aged over 65, it is evident that the development of housing for older people in Solihull would play a significant role in meeting both the needs of older people, as well as overall housing need.

**Indicators of need and demand point to a severely constrained local housing market**

- B.4.15 The Solihull housing market is unaffordable and difficult to access for first time buyers, young families (both for sale and rent), and second movers, a fact illustrated by lower quartile house prices that are 9.02 times lower quartile incomes in 2019.
- B.4.16 The lower quartile affordability ratio increased by 115% between 1997 and 2019 in Solihull and compares with a regional increase of 99% over the same period (to 6.92) and a national



- increase of 104% (to 7.27). The median affordability ratio has increased by 103% since 1997, reaching 8.42 times median incomes in 2019, compared with a regional increase of 101% (to 6.83 in 2018) and national increase of 121% (to 7.83 in 2018).
- B.4.17 Furthermore, for young people rental costs are especially unaffordable. For young (age 22 to 29) would be first movers and family formers, median rents in Solihull would consume 43% of their full-time earnings, an amount that is widely viewed as unaffordable and is according to Shelter's definition, close to being extremely unaffordable. In Solihull, only studio rental properties are affordable at lower than 30%.
- B.4.18 In all respects, Solihull exhibits the characteristics of the national housing crisis, albeit the symptoms (such as worsening affordability and house price inflation) are more severe than the national trends. This requires a range of measures to be put in place - not just more housing but a strategy that addresses the needs of different groups; e.g. affordable housing, family housing and housing for older people.
- B.4.19 A strategy that addresses the housing needs of older people will support planned increases to historically low rates of delivery by increasing a sales rate that remains below pre-recession rates, lagging the regional and national benchmarks. Moreover, in addition to meeting the needs of older people and their preference to be owner occupiers, the development of housing for sale that addresses the needs and demands of older people provides the added benefit of freeing up family housing.
- B.4.20 In Solihull, under occupancy rates for householders aged over 65 are significant and evidenced by the fact that according to 2011 Census data, 87% of over 65 households are under-occupied, the majority of which are owner occupied households. Moreover, 83% of householders aged over 65 whose day to day activities are limited a lot under occupy, implying a significant need for suitable specialist accommodation, were such accommodation available.
- B.4.21 By providing housing more suitable to this age group that addresses its needs and preferences (for leasehold accommodation in particular), the family homes that they presently under occupy will become available to the market, in addition to new build family homes, thereby addressing the significant need for family housing that the Solihull Local Plan seeks to address.
- B.4.22 The supply of extra care housing in Solihull's biased towards affordable provision. The current tenure split is 33% market and 67% affordable. Older homeowners looking for market (owner occupier) extra care housing are underprovided for, their needs and preference overlooked and the opportunity for them to right size is constrained by a lack of supply.

## **Conclusion**

- B.4.23 In the context of a high level of local housing need, Solihull's local housing market is failing to function effectively. Access to both home ownership and renting is constrained because it is unaffordable; moves within the market are constrained by a lack of supply, subdued sales volumes and a lack of choice.
- B.4.24 In such circumstances, development is required which addresses both the needs of housing for older people and simultaneously makes more family housing available to people of working age.