



Updated Housing Needs Evidence for Rugby Borough

Final Draft Report

Iceni Projects Limited on behalf of
Rugby Borough Council

September 2025

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1. Summary & Recommendations

- 1.1 This report provides updated analysis of housing needs to inform and support the preparation of the emerging Rugby Local Plan.

Housing Stock and Market Dynamics

- 1.2 The Borough's housing offer demonstrates strong levels of home ownership (69%) and whilst all tenures have seen growth in absolute terms between 2011-21, the strongest growth has been in the Private Rented Sector which grown as a share of overall households. Owner occupied homes are focused towards family-sized units with 3- or more bedrooms with significant levels of under-occupancy of homes in this sector. The evidence demonstrates a low proportion of larger 4+ bed homes in the social rented sector which contributes to higher relative levels of overcrowding relative to other tenures.
- 1.3 The median house price in the Borough, at £278,000, is relatively similar to the national average and those across Warwickshire as a whole. Price dynamics over the longer-term have broadly followed regional trends, with an evident weakening of the market in 2023 and 2024 influenced by the wider economic context and higher interest rates. This has resulted in recent falls in sales and prices. Falling prices have contributed to some improvement in the affordability of market housing for purchase, with the median house price to income ratio in the Borough standing at 7.0 in 2024.
- 1.4 Rental costs in Rugby have increased by 10% in real terms over the last decade, with stronger rental growth since 2022, but rental growth has been more modest than across wider geographies. Demand is more focused towards Rugby Town and central areas within it. There are however risks to further growth moving forwards as smaller landlords exit the sector, and emphasises the potential role for build-to-

rent development in supporting rentals supply and managing rental growth pressures.

- 1.5 The Borough's housing delivery performance has been strong, with delivery since adoption of the last local plan in 2019 driving completions volumes averaging 690 dpa which is 16% above the requirement over the plan period. This included a contribution to meeting unmet needs from Coventry.
- 1.6 The standard method defines a housing need of 636 dpa for Rugby Borough. Over the 2025-43 plan period, the resultant 11,450 dwellings support population growth in the Borough of 17,800 (14.6%).

Affordable Housing Need

- 1.7 The updated evidence points to an annual need for 474 affordable homes, of which 71% is for rented homes and 29% for affordable home ownership. It supports the draft policy position whereby rented homes are provided at social rents, where viable, and intermediate housing as shared ownership homes. It finds no clear need for First Homes or other discounted market products.

Figure 1.1 Affordable Housing Need

	Unable to buy OR rent	Able to rent but not buy	TOTAL
Net annual need	338	136	474
% in affordability category	71%	29%	100%

Source: Iceni analysis

- 1.8 In a context in which the affordable need may not be met in full, the evidence supports the prioritisation of the rented affordable housing need. Iceni would therefore recommend a tenure split sought through the Local Plan (Policy H2) of 70% social rented and 30% shared ownership homes.

Mix of Homes

1.9 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. In all sectors the analysis points to a particular need for 2- and 3-bedroom accommodation. For rented affordable housing for Under 65s there is a clear need for a range of different sizes of homes, including half to have at least 3-bedrooms of which 15% should have at least 4-bedrooms. Our recommended mix is set out below:

Table 1.1 Recommended Size Mix of Housing by Tenure

	Market	Affordable home ownership	Affordable housing (rented)	
			Under 65	65 and over
1-bedroom	5%	15%	20%	50%
2-bedrooms	30%	40%	30%	50%
3-bedrooms	45%	35%	35%	
4+-bedrooms	20%	10%	15%	

Source: Iceni Analysis

1.10 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households.

1.11 In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

Housing for Older People and those with Disabilities

1.12 Over the plan period (2025-43) the evidence projects growth in residents aged 65+ of 6,500 (29%) accounting for 36% of overall population growth. This is expected to drive growth in residents with mobility problems by a third, and dementia by 38%.

1.13 Taking account of the current stock position and demographic trends, the report assessed a need for specialist housing over the plan period as follows:

- Housing with Support: a need for 623 market homes, with a quantitative surplus of affordable provision;
- Housing with Care: a need for 515 units overall, with a modest need for 115 affordable units (rounded), which is equivalent of two schemes; and 400 leasehold units (rounded) (between 3-5 schemes depending on size); and
- Residential Care: a need for 486 bedspaces, of which 328 should be in schemes providing nursing care.

1.14 Having regard to the need identified, the Council should consider whether the Plan should require provision of specialist housing within specific site allocations in addition to the general policy support provided by emerging Policy H6. There are also practical considerations to consider in addressing potential redevelopment or conversion of care homes in dated, smaller properties.

1.15 The updated evidence supports the expectations in draft Policy H7 for all new dwellings to meet M4(2) standards; but suggests that provision at M4(3) levels should be reduced to 3.5%.

Other Market Segments

1.16 The existing evidence indicates that the Council's is performing well in delivering on its self-build need, but continuing monitoring of this over time is recommended. There is evident potential for Build to rent

development to contribute positively to housing delivery, and to managing rental growth in the Borough, and the Local Plan responds to this providing some flexibility in how affordable housing policies are applied.

- 1.17 The needs evidence on children's home provision in the report does not identify a need for new-build, but is relevant to planning decisions in the Borough relating to conversions of existing housing.

2. Introduction

- 2.1 Iceni Projects ('Iceni') led preparation of a Housing and Economic Development Needs Assessment ('HEDNA') for Coventry and Warwickshire which was completed in 2022. This provided a joint and integrated evidence base across addressing the need for housing, economic growth potential and employment land based on the relevant national policy framework in place at that time.
- 2.2 The HEDNA included an assessment of overall housing need and the need for different types of housing – including affordable housing – dynamics within different sectors of the housing market, and the specific housing needs of different groups within the population. It considered needs over the period to 2041 and 2050 and was prepared to inform the preparation of local plans across the sub-region.
- 2.3 Since the HEDNA's preparation, the Government has amended national planning policies and guidance. The latest revisions to the National Planning Policy Framework ('NPPF'), and associated changes to Planning Practice Guidance ('PPG'), were undertaken in December 2024. This included revisions to the Standard Method used for calculating local housing need.
- 2.4 The Standard Method had previously been based on use of Household Projections as a baseline, to which an upward adjustment for affordability was applied based on a formula set out in the PPG. The 2022 Sub-Regional HEDNA had used this approach, but applied alternative demographic projections informed by a detailed analysis of demographic trends and initial data from the 2021 Census reflecting the identification of issues with population estimates and demographic projections for the population of Coventry – which had been recognised and accepted by the Office for National Statistics (ONS) and the Statistics Regulator. The 2022 HEDNA had shown, on this basis, a need for 735 dwellings per annum (dpa) in Rugby Borough.

2.5 The revisions which Government has made to the Standard Method in late 2024 have changed the approach which must be used to calculate housing need within the planning system. The revised Standard Method now uses an area's housing stock as a baseline – as this is a more stable and reliable basis than the household projections. An enhanced affordability uplift is then applied to this baseline to generate an area's local housing need. The Government, through amendments to the NPPF, has also removed the ability to consider a 'justified alternative approach' to calculating housing need based on local data (such as that in the 2022 HEDNA). The revised standard method thus provides a mandatory starting point for the preparation of local plans. This now points to a need for 636 dwellings per annum across Rugby Borough.

2.6 Rugby Borough Council is in the process of preparing a new Local Plan. It consulted on Preferred Options (Regulation 18) in Spring 2025 and is now progressing to prepare its Pre-Submission Local Plan (Regulation 19).

2.7 In this context, the Council has commissioned Iceni to update the HEDNA evidence regarding the mix of housing. This report is therefore intended to provide an Addendum to the 2022 HEDNA to provide an updated evidence base regarding the need for different types of housing, and the housing needs of particular groups within the population. It is intended to inform and support the preparation of a new Local Plan for the Borough.

Report Structure

2.8 The remainder of this report is structured to address:

- Section 2: Housing Market Dynamics;
- Section 3: Demographic Implications of the Standard Method;
- Section 4: Affordable Housing Need;

- Section 5: Sizes and Types of Homes Needed;
- Section 6: Housing for Older & Disabled People;
- Section 7: Selected Other Housing Market Segments;
- Section 8: Conclusions and Recommendations.

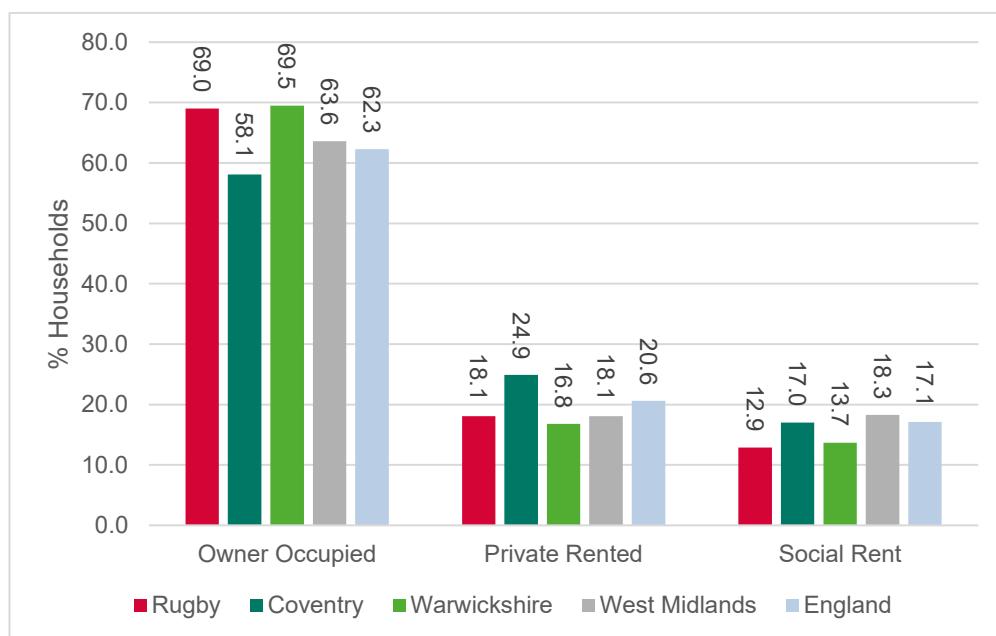
3. Housing Stock and Market Dynamics

3.1 This section has been prepared to consider the housing stock profile, how housing market dynamics in the Borough have evolved over the period since the preparation of the 2022 HEDNA. It considers both the sales and rental market, as well as housing delivery trends.

Housing Stock Profile

3.2 Home ownership is the predominant housing tenure in Rugby Borough, with the 2021 Census data showing that 69.0% of households were home owners. This is similar to the Warwickshire average, and above levels across the West Midlands and nationally. 18.1% of households were living in the private rented sector; with just 12.9% in the social rented sector which was smaller than across comparator geographies, as the chart below shows.

Figure 3.1 Tenure Profile, 2021



Source: 2021 Census

3.3 Whilst there has been growth in households living in all tenures in Rugby Borough between 2011-21, the relative shares of households by tenure has shifted towards private renting – with the proportion of households living in the private rented sector growing by 2.8 percentage points (pp) with an associated reduction in the level of home ownership and social renting.

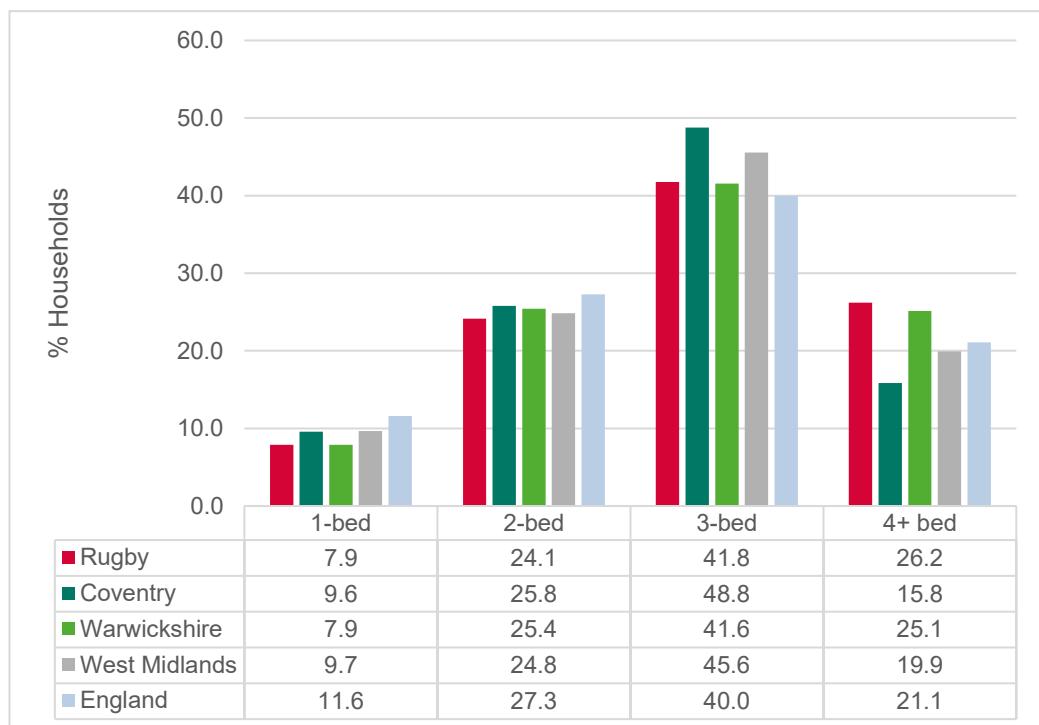
Table 3.1 Change in Tenure Profile in Rugby Borough, 2011-21

	Owned Occupied	Private Rented	Social Rented
% Households, 2011	70.4	15.3	14.3
% Households, 2021	69.0	18.1	12.9
pp Change	-1.4	2.8	-1.4

Source: 2011 and 2021 Census

3.4 The Borough's housing offer is generally focused towards family-sized homes with 3 or more bedrooms. 42% of homes were 3-bed properties and 26% 4-beds. The overall profile of homes by size is however relatively balanced and similar to that across Warwickshire as a whole. The proportion of 1-bed properties is relatively low at 7.9% but levels of 1-bed homes tend to be higher in larger urban areas.

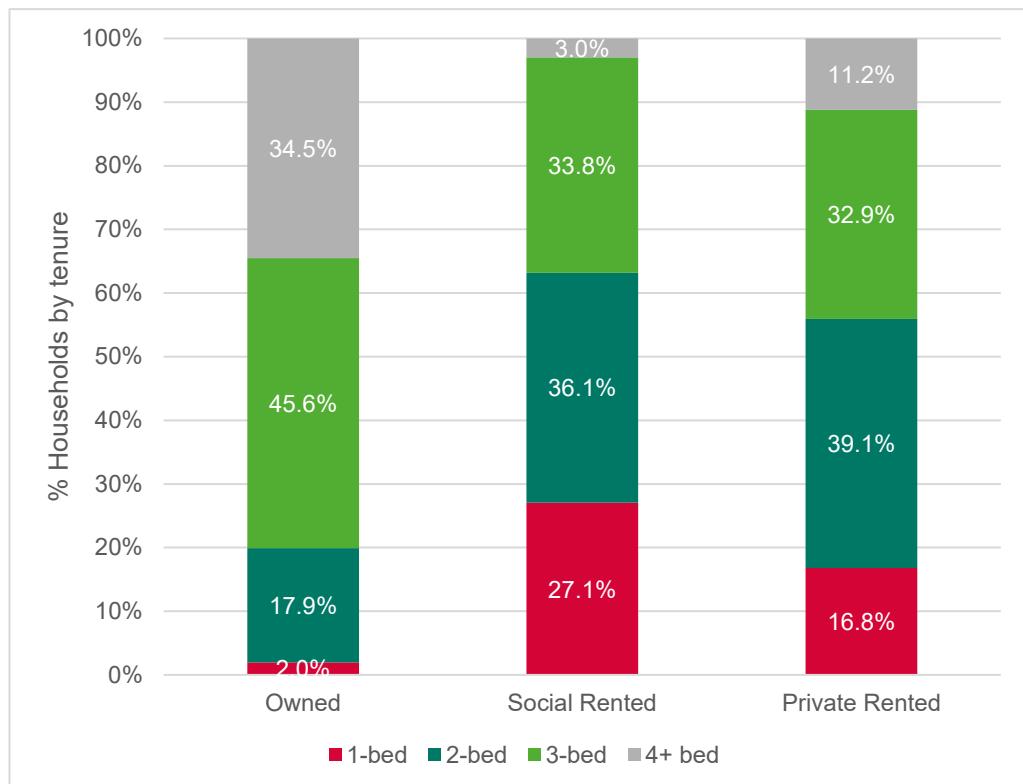
Figure 3.2 Dwelling Size, 2011



Source: 2021 Census

3.5 The chart below breaks down the size profile of dwellings by tenure. Owner occupied homes are focused particularly towards family-sized dwellings with 3 or more bedrooms which account for 80% of homes in this tenure. In contrast, the social and private rented tenures are more focused towards smaller homes with over 55% of stock comprising 1- and 2-bed properties. The stock profile points to a limited market for 1-bed properties to buy in the Borough. The low proportion of social rented properties with 4+ bedrooms is also notable, with just 3% of the stock in this sector accounted for by homes of this size.

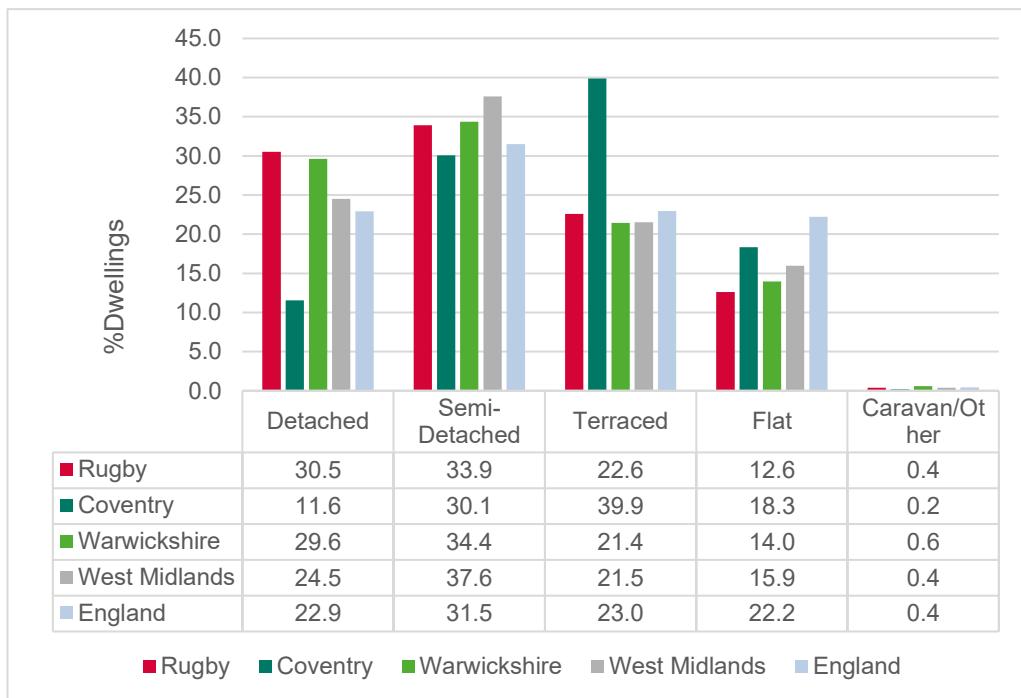
Figure 3.3 Size Profile by Tenure – Rugby Borough, 2021



Source: 2021 Census

3.6 The profile of housing by type in the Borough is focused towards larger property types, consistent with the size profile: with detached and semi-detached properties predominating. Borough-wide, terraced properties account for 23% of dwellings and flats 12% - with the latter in particular below wider benchmarks.

Figure 3.4 Profile of Dwellings by Type, 2021



Source: 2021 Census

3.7 The 2021 Census data indicates that there were around 1,300 properties in Rugby Borough which were over-occupied, in that they had an occupancy rating of -1 or less. This as a proportion of stock at 2.8% was slightly above that across Warwickshire (2.1%) but below regional and national levels. The proportion of over-occupied properties by tenure is shown below. Over-occupancy is focused within rented housing, with around 7% of properties in both the social and private rented tenures over-occupied in the Borough.

Table 3.2 Over-occupied Properties by Tenure, 2021

	All Properties	Owned	Social Rented	Private Rented
Rugby	2.8%	1.0%	6.8%	6.5%
Coventry	5.8%	3.1%	11.9%	8.0%
Warwickshire	2.1%	1.0%	5.4%	3.8%
West Midlands	4.3%	2.4%	8.6%	6.5%
England	4.4%	1.9%	9.6%	7.5%

Source: 2021 Census

3.8 The table below additionally considers under-occupancy and indicates that there is significant under-occupancy in the owner occupied sector, with 18,000 households living in homes which have 2 or more bedrooms than the households requires – accounting for 56% of owner occupied properties. A significant proportion of these may be older households who retain additional rooms. It indicates the potential for the release of larger properties through delivery of homes which are attractive to older households, albeit that Stamp Duty transaction costs are a particular barrier to doing so.

3.9 The scale of over-occupied properties is greatest in absolute terms in the private rented sector (550 households, rounded) and social rented sector (400 households). Delivery of larger affordable properties (for which turnover is low) is a key means of addressing this.

Table 3.3 Over- and under-occupancy by Tenure, 2021

	+2 or more (under-occupied)	% household s by tenure	-1 or less (over-occupied)	% household s by tenure
Owned	18,031	55.6%	333	1.0%
Social rented	485	8.0%	416	6.8%
Private rented	1,429	16.7%	553	6.5%

Source: 2021 Census

Sales Market

3.10 The median house price in Rugby Borough, based on data for the year to September 2024, is £278,000. The median house price has increased by 11% (£28,000) over the period since 2020 (as reported in the HEDNA). The median house price in the Borough is 16% above the West Midlands regional average, but marginally below the national (-4%) and indeed the Warwickshire average (-6%).

Table 3.4 Median House Prices, September 2024

	Median House Price, Year to September 2024
Rugby	£278,000
Coventry	£220,000
Warwickshire	£294,725
West Midlands	£240,000
England	£289,995

Source: ONS, 2024

3.11 Rugby's property prices are consistently higher than Coventry's across all types, especially for detached and semi-detached homes. As the table below shows, house prices in Rugby for all property types are above the West Midlands regional averages. Flatted developments in Rugby are lower than the Warwickshire and England averages, which combined with the low stock profile points to a weaker relative flatted market.

Table 3.5 Median Price by Type (Year ending Sept 2024)

	Detached	Semi-Detached	Terraced	Flat/Maisonette
Rugby	£405,000	£275,000	£220,000	£138,750
Coventry	£360,000	£250,750	£205,000	£130,000
Warwickshire	£435,000	£278,350	£240,000	£168,000
West Midlands	£380,000	£240,000	£195,000	£133,250
England	£420,000	£270,000	£235,000	£230,250

Source: ONS Median House Price for Administrative Geographies (purple cells = highest for each type)

3.12 Table 3.7 shows house price growth over time, with price growth expressed as a Compound Annual Growth Rate (CAGR). House price growth in the Borough over the longer-term (10 years) has relatively closely matched regional trends and those across Warwickshire. It is notable that the last year however has seen a decline in house prices, and indeed a stronger relative decline than across wider geographies.

Table 3.6 House Price Change over Time – Annual Growth (CAGR)

CAGR	1 year (2023-2024)	5 year (2019-2024)	10 year (2014-2024)
Rugby	-7.33%	2.33%	4.44%
Coventry	-4.00%	3.71%	1.91%
Warwickshire	-3.37%	2.94%	4.22%
West Midlands	-2.04%	4.24%	4.47%
England	-2.03%	3.68%	4.05%

Source: Iceni analysis of ONS Data

3.13 Table 3.8 shows house price growth over time, adjusted for inflation using the Consumer Price Inflation (CPI). This shows that over the past year and five year period, house prices have fallen in real terms; with relatively modest real terms growth over the last decade which is broadly in line with the regional trend.

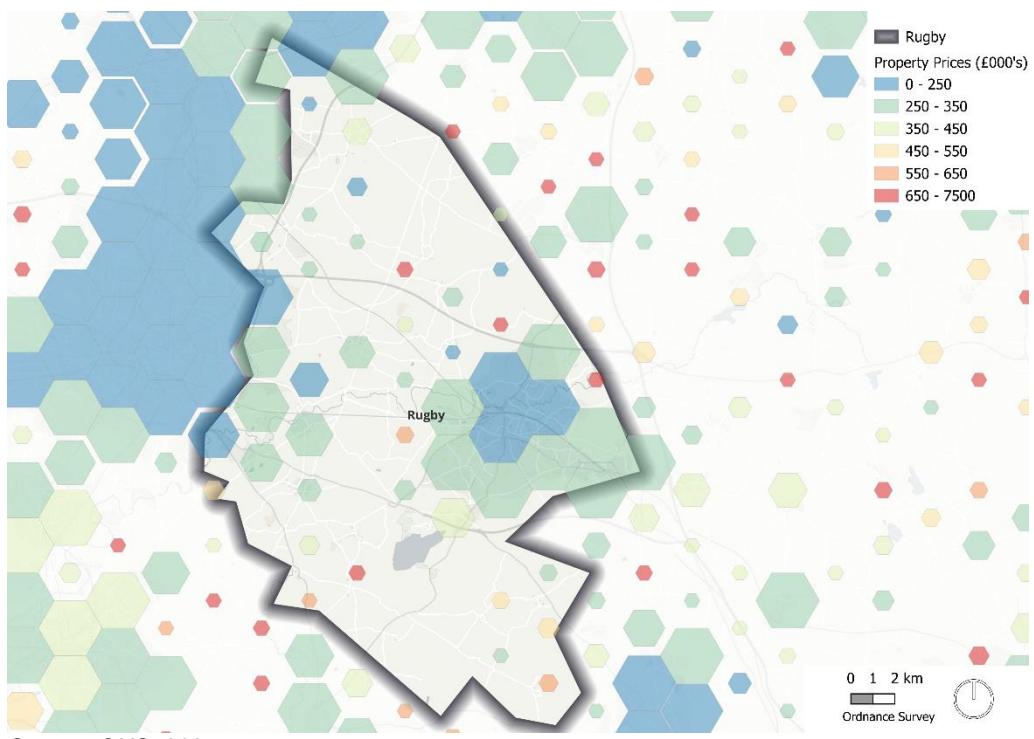
Table 3.7 House Price Change over Time – Annual Growth (CAGR) – inflation adjusted

	1 year (2023-2024)	5 year (2019-2024)	10 year (2014-2024)
Rugby	-8.85%	-1.82%	1.45%
Coventry	-2.53%	-0.67%	2.20%
Warwickshire	-4.95%	-1.99%	1.23%
West Midlands	-3.65%	-0.78%	1.47%
England	-3.63%	-1.17%	1.06%

Source: Iceni analysis of ONS Data

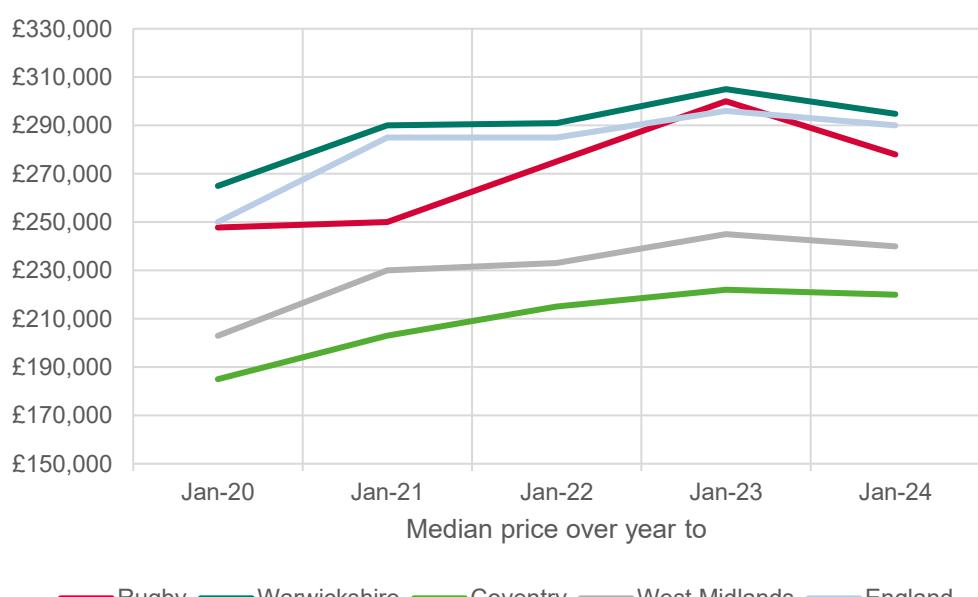
3.14 The house price geography within the Borough is shown in the map below. The size of the hexagons are indicative of the volumes of sales in 2024. Most sales in Rugby town are at values under £350,000 with lower values in more central areas, reflecting in part the profile of stock which is more focused towards smaller property types: terraced and flat properties. The rural areas see higher values, but lower sales volumes – with the highest values in villages such as Birdingbury, Pailton and Newton.

Figure 3.5 Median Property Prices (2024)



3.15 House prices in the Borough grew from 2020 to early 2023, rising from £250,000 to a peak close to £300,000 but have since fallen. Rugby's price trend closely follows the national and Warwickshire patterns, with all three peaking in early 2023. As described above, the stronger decline over the 2023-24 period is notable.

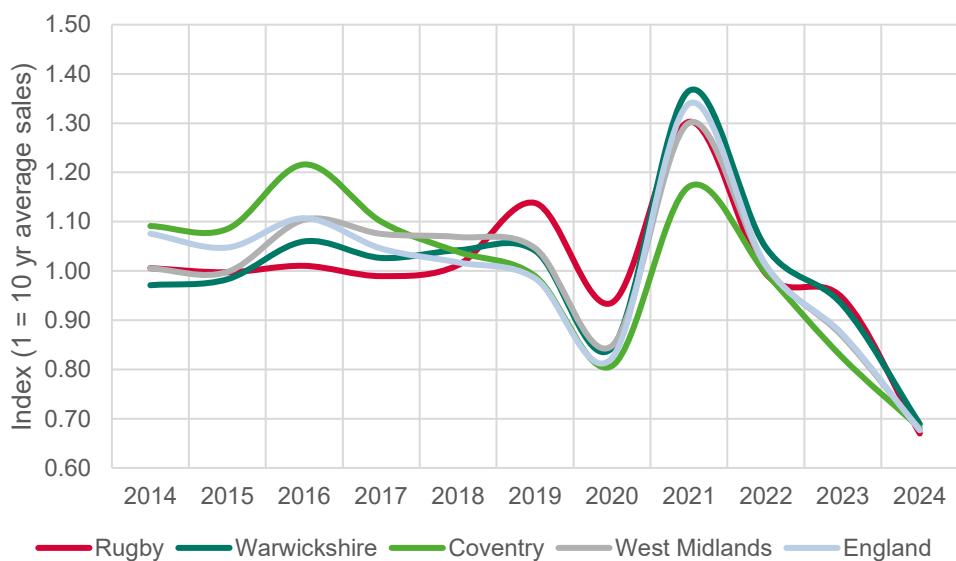
Figure 3.6 House Price Growth (2020-2024)



Source: ONS, Median House Price for Administrative Geographies, 2025

3.16 Figure 3.6 assesses sales trends. Trends in Rugby have again broadly followed those across all other areas more widely. Sales dipped in 2020 as a result of the Covid-19 lockdown but then peaked in 2021 as households both re-evaluated their living circumstances and sought to take advantage of the 'Stamp Duty Holiday.' Sales however have fallen substantially since, with 2023 and 2024 seeing particularly low sales volumes – influenced by higher interest rates, macro-economic uncertainty and with some effect from the ending of the Help-to-Buy Equity Loan scheme which had been supporting the new-build market.

Figure 3.7 Property Sales (2014-2024)

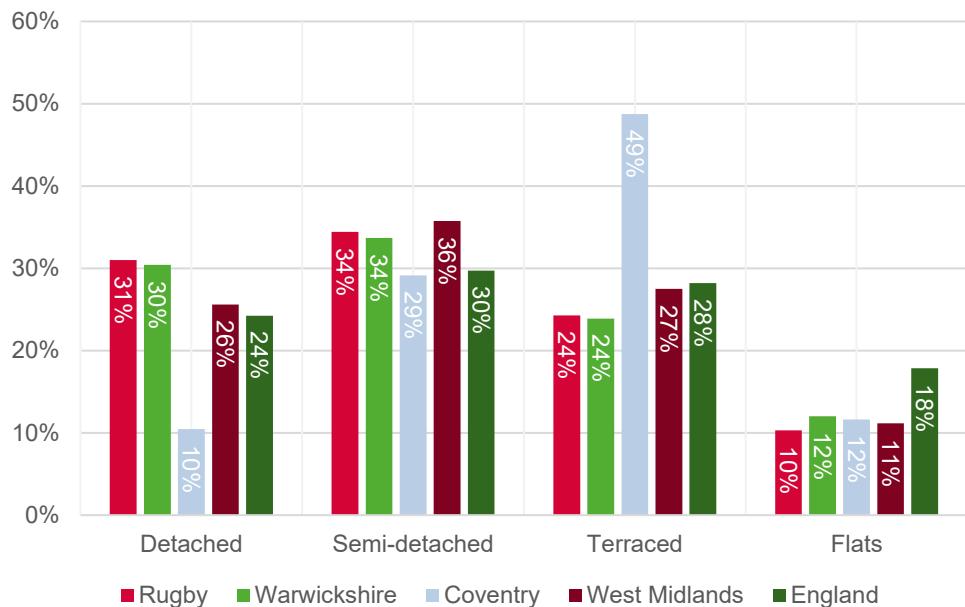


Source: Iceni analysis of ONS data, 2025

3.17 The sales market in Rugby shows sales of a mix of different types, as Figure 3.4 shows, and is relatively similar to that across Warwickshire as a whole.

3.18 Sales of market homes in Rugby are dominated by detached and semi-detached homes, consistent with the profile of owner-occupied stock, with fewer terraced properties and fewer flats compared to national averages. Again influenced by the stock profile, there are low volumes of sales of flatted properties.

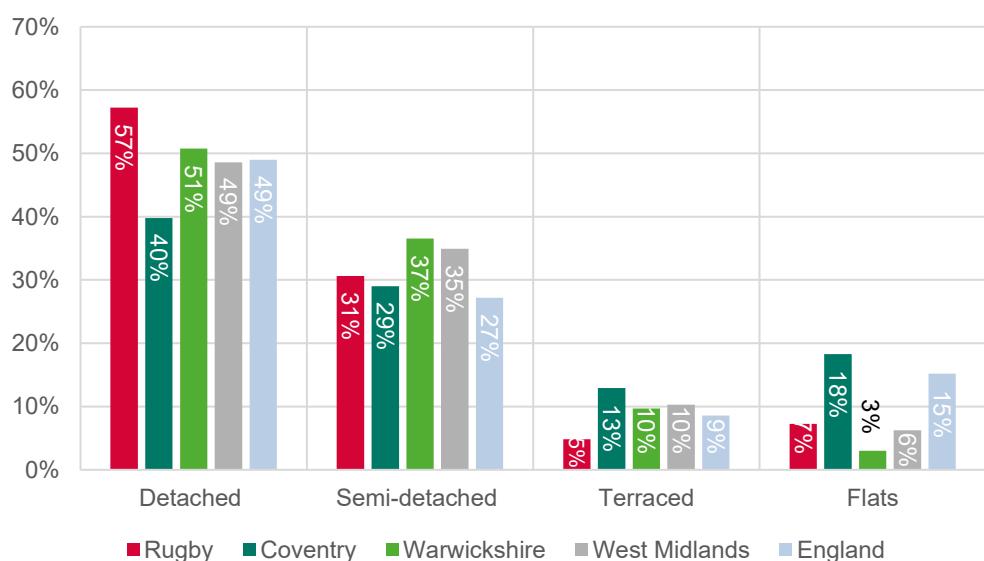
Figure 3.8 Property Sales by Type (March 2024)



Source: Iceni analysis of ONS data, 2025

3.19 Figure 3.8 below considers sales of new-build properties in 2023/23. Influenced by the focus of new-build development on suburban sites, including the major urban extensions at South West Rugby and Houlton, the profile of new-build sales is strongly focused towards detached and semi-detached properties which account for 88% of new-build sales. The analysis shows that the relative proportion of detached sales is high.

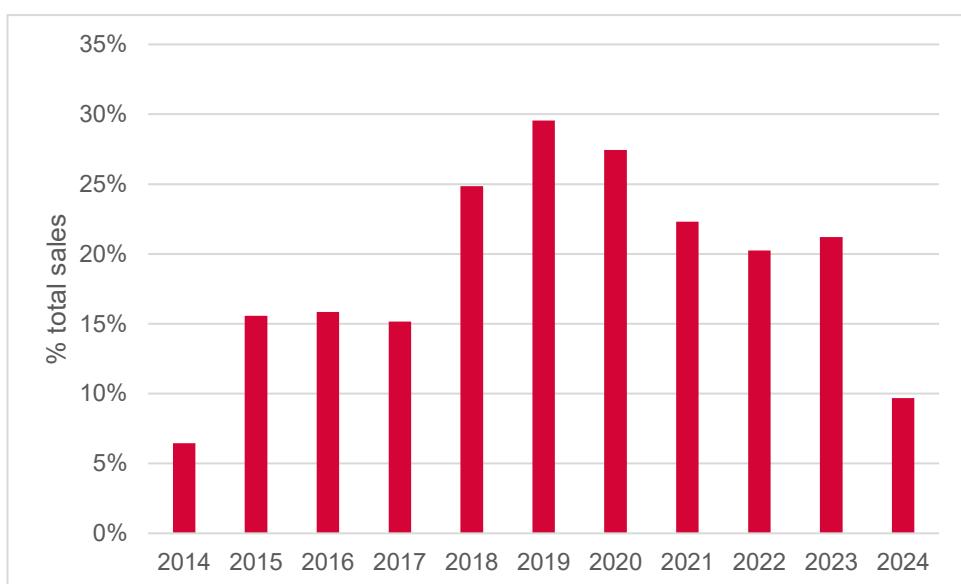
Figure 3.9 Newly built dwelling sales by type (September 2024)



Source: Iceni analysis of ONS data, 2025

3.20 The chart below analyses the proportion of overall market housing sales which were of new-build properties. The long-term average percentage of new-build sales nationally has been around 10%. The analysis indicates that Rugby has had a very active new-build market, with over 4,000 new-build property sales over the 11 year period considered, with new-build accounting for 19% of total sales. As the chart shows, the proportion of new-build sales between 2018-23 was consistently above 20% pointing to particularly strong performance of the new-build market. However it dropped back below 10% in 2024.

Figure 3.10 Sales of New-Build Dwellings in Rugby (2014-2024)

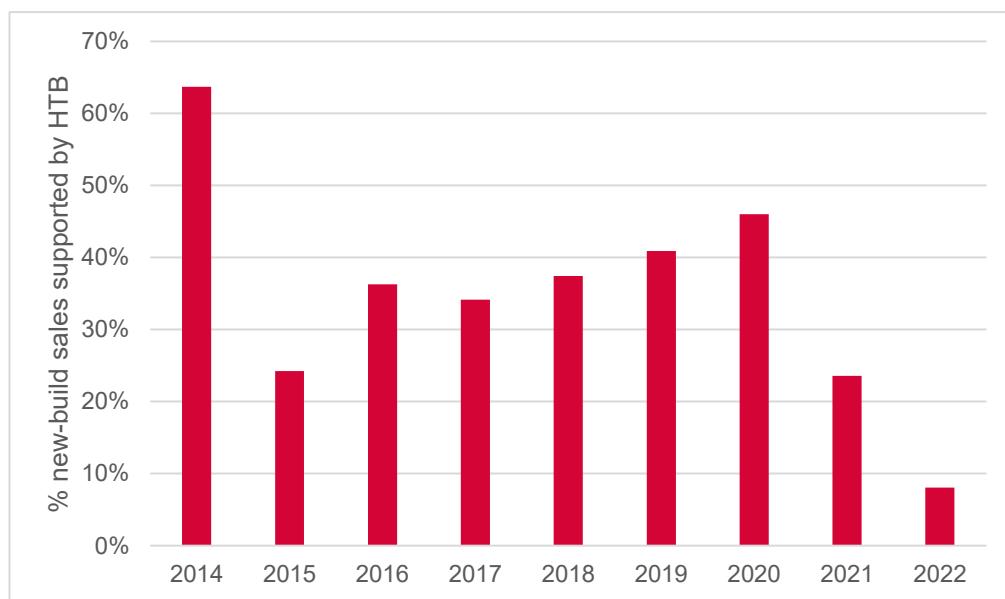


Source: *Iceni analysis of ONS data, 2025*

3.21 The Help-to-Buy Equity Loan Scheme was a Government scheme to help first-time buyers purchase a property. It is now closed in England and Scotland but still available in Wales. Buyers were required to put down a minimum cash deposit of 5% of the property value. Additionally, a main mortgage provider must cover at least 75% of the purchase price. The Government assisted by offering a loan of up to 20% of the property's value, making it easier for purchasers to buy a new build home. The equity loan period lasts until the property is sold, the mortgage is paid off or for a maximum of 25 years, whichever happens first.

3.22 On average between 2014-20 39% of new-build sales were supported by the Help-to-Buy Equity Loan Scheme in Rugby Borough before the scheme became more restricted and was wound down. The proportion of properties purchased in Rugby using the HTB scheme was predominantly houses (95%) with just 5% of sales being flats. Since the scheme ended in England, the proportion of new-build sales has declined to 10% of sales, highlighting the importance of Help to Buy as a driver of new-build activity in the local market.

Figure 3.11 % New-Build Sales supported by Help-to-Buy in Rugby Borough



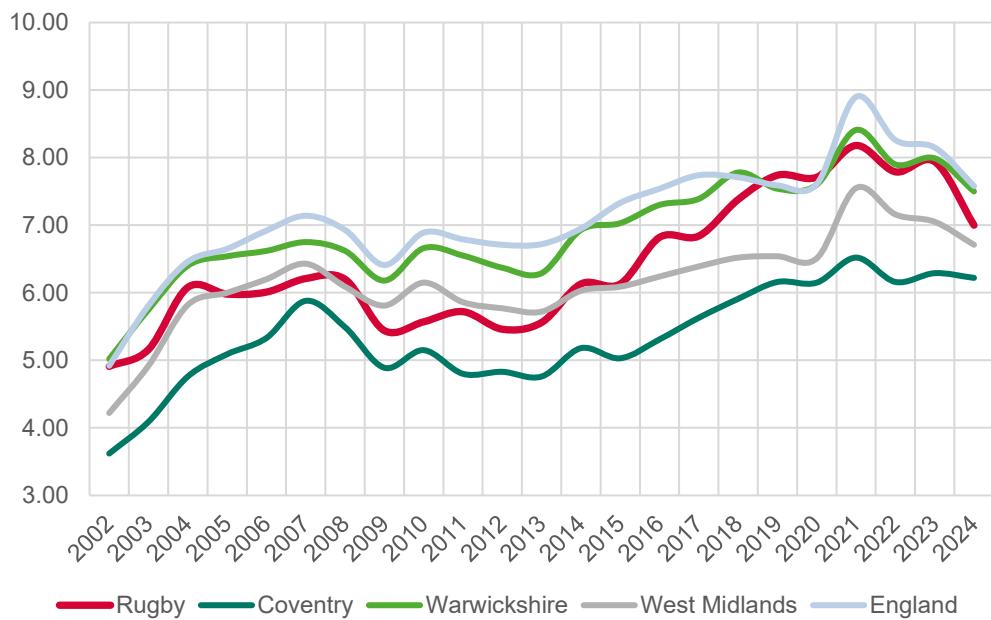
Source: MHCLG HTB Equity Loan Statistics; HM Land Registry Sales

Affordability

3.23 The figure below shows median workplace-based affordability ratios over time for Rugby and its comparators. The affordability ratio is the result of dividing the median price of a home by the median annual earnings of people employed in the area and is a measure of the relative affordability of market housing to purchase.

3.24 During the period shown below, Rugby saw housing affordability deteriorate between 2014-21 in particular, but has seen the position improve over subsequent years. The latest data, for 2024, sees a median house price which is 7.0 times median earnings of full-time workers.

Figure 3.12 Workplace-based Median Affordability Ratio, 1997 to 2024



Source: ONS, *Ratio of house price to workplace-based earnings (lower quartile and median)*, 1997-2024

3.25 While the median workplace-based affordability ratio is the most widely adopted measure and is featured in the standard method for assessing housing need, the ONS also calculates additional affordability ratios. These include lower quartile ratios, which use the lower quartile of both incomes and house prices to reflect the affordability challenges typically faced by first-time buyers.

3.26 Additionally, residence-based ratios are produced, comparing the incomes of people who live in an area (regardless of where they work) to local house prices, rather than relying on the incomes of those employed within the area.

Table 3.8 Affordability Ratio 2024 (Workplace-based) – Rugby Borough

		2024	5-year average
Workplace-based	Median	7.00	7.72
	Lower quartile	7.10	7.63
Residence-based	Median	7.40	7.75
	Lower quartile	7.51	7.61

Source: ONS *House price to workplace-based earnings ratio, House price to residence-based earnings ratio*

3.27 The different ratios for Rugby are compared in the table above. The residence-based median ratio is higher than the workplace-based median ratios, indicating that housing is less affordable for the typical resident than the typical worker in Rugby. It reflects earnings data which show higher earnings for those working in the Borough on average, relative to residents.

3.28 The residence-based lower-quarter ratios are higher than the median ratios, indicating housing is less affordable for lower-income people. This indicates that residents living and working in Rugby are less likely to be able to afford local housing compared to people who work in Rugby but may live elsewhere.

Agent Engagement – Sales Market

3.29 Agent engagement took place in July 2025. Discussions involved gathering up-to-date insights into buyer and renter profiles, local market dynamics and property demand trends. Agents consulted included Thornton Robson, Howkin & Harrison, Complete Estate Agents, Connells, Horts, Guild House, Brown & Cockerill and Edward Knight. To note, these insights reflect the professional opinions and experiences of

individual agents which have been triangulated herein. They reflect market circumstances at the time of the assessment.

- 3.30 The Rugby Borough sales market is characterised by a diverse mix of buyers and a wide range of property types, with strong demand across both central, suburban and rural areas. Terraced and semi-detached houses, sell very well. Buyers include local movers and people relocating from nearby cities due to Rugby's good transport links. In particular, new developments in Houlton are attractive due to the connections to the Daventry area in Northamptonshire and London.
- 3.31 The buyer profile is varied and includes first-time buyers, upsizers, downsizers, investors and commuters. In rural areas, upsizers tend to buy larger freehold homes. In central Rugby, the demand profile is more focused towards first-time buyers, buy-to-let investors and people moving for work or lifestyle reasons. School catchment areas are a major factor for buyers, specifically families.
- 3.32 New builds are in demand with first-time buyers and upsizers attracted by move-in-ready homes that require no renovation. However, agents report that the significant scale of new build properties have increased competition and sometimes push prices down and make it harder for older homes to sell.
- 3.33 Flats and apartments are available but high service charges make some buyers cautious. Agents report that Rugby benefits from a good variety of property types with no major shortages.
- 3.34 Agents report that most properties are selling at or above asking price at the time of writing in Summer 2025. However, this is dependent on the motivation of buyers which can be influenced by a mixture of factors. Agents suggest buyers sometimes make lower offers and sellers often wait for the right price. Moving costs are high, especially when renovations and other associated expenses such as legal fees and Stamp Duty Tax are factored in, affecting seller motivation. The

market moves faster for desirable homes, especially new builds and those in popular school areas.

- 3.35 New build developments attract a wide range of buyers, from first-time buyers, local upsizers to people moving in from outside of the Borough. Good transport links, a wide choice of properties and good schools make Rugby popular with local movers and those relocating from further afield. Rugby's property market is described by agents as lively and varied with reported consistent demand across all types of homes and buyers.
- 3.36 Research from Savillsⁱ identifies factors such as tax changes (the Stamp Duty holiday ending, loss of mortgage interest relief) have resulted in making Buy to Let less profitable and at a national level have resulted in more landlords selling than buying properties. However these factors were not specifically highlighted by local agents.
- 3.37 Agents presenting a positive market outlook and communicating the strength of market demand to clients and prospects can build client confidence. It is important to note that recent data indicates a decrease in overall property sales volume highlighting the importance of taking account of trends and sales activity to gain a complete picture of the housing market.

Rental Market

- 3.38 Rugby's overall average rent (£989 a month at the time of assessment) is slightly below that of Coventry but above the West Midlands average.
- 3.39 Three-bedroom properties are higher in price nationally in comparison to all other areas. Similarly, 4+ bed properties are shown to have the highest prices across all other areas.

Figure 3.13 Median Rental Values (2025)



Source: Iceni analysis of ONS Data, 2025

3.40 Rugby's overall rent change during the period set out below (2015-25) is the lowest among the areas considered at 15%. Coventry shows the highest overall rent increase, followed by West Midlands and Warwickshire. The lowest rent increase in Rugby can be seen across two beds, three beds and 4+ beds when compared to all other areas. Trends across the West Midlands shows rent decreases across studio and one bed properties, whilst a significant rent increase is shown nationally.

Table 3.9 Rental Change by Size (2015-2025)

	Overall	1 bed	2 bed	3 bed	4+ beds
Rugby	53%	54%	51%	54%	50%
Coventry	60%	61%	58%	61%	58%
West Midlands	49%	50%	47%	49%	46%
England	45%	45%	44%	46%	43%

Source: ONS Data, 2015-2025

The figure below sets out the rent growth in Rugby over the last decade. As shown, overall rents have increased over time, resulting in an overall change of 53% over the years.

Figure 3.14 Overall rent growth – Rugby (2015-2025)



Source: ONS Data, 2025

3.41 The table below sets out the real rental change by size, adjusted using the CPI inflation index to show changes in value adjusted for inflation. This points to a 10% increase in rental costs in real terms in the Borough over the last decade. The inflation-adjusted analysis show a slower rate of growth in comparison to the nominal rental values.

Table 3.10 Rental Change by Size (2015-2025)

	Overall	1 bed	2 bed	3 bed	4+ beds
Rugby	10%	11%	9%	11%	9%
Coventry	17%	17%	16%	18%	16%
West Midlands	8%	9%	7%	9%	7%
England	6%	6%	5%	7%	4%

Source: Iceni analysis of ONS data

Agent Engagement

3.42 Agent Engagement included discussions with local lettings agencies in Rugby to understand current market conditions, rental demand, stock levels and landlord activity. The agents consulted include Brown & Cockerill and Edward Knight in July 2025. The commentary reflects market conditions at the time of writing.

3.43 The lettings market in Rugby remains busy, especially in the Town Centre. This area is popular due to its location, proximity to the train station and appeal for commuters. Rural areas see less rental market activity than the town, but demand varies depending on the type of property.

3.44 Agents report that there are no major shortages in the rental market. One and two-bedroom properties tend to let more quickly than larger homes, although agents report that three and four-bedroom houses also attract a fair amount of interest. The speed at which a property is let often depends on the rental cost and what tenants are looking for at the time.

3.45 Most tenancies are long-term, with only the occasional short-term let. Short-term tenants are usually those testing out the area or in the process of selling their own home and need a place temporarily.

3.46 Regarding landlords, there has been a noticeable trend of more landlords choosing to sell their properties. As set out in the Savills

reportⁱⁱ, the typical landlord is now older and many are looking to cash out due to capital appreciation and approaching retirement. At the same time, there are still people buying and entering the rental market, including those moving abroad and renting out their own homes. This has led to a fair amount of rental stock coming back onto the market.

- 3.47 A notable proportion of rental stock is found in the Town Centre, which remains the most popular area for renters. Hillmorton is also a sought-after location, particularly for families looking for good schools. There is ongoing demand for properties in these areas, and people generally prefer to be close to the train station. Houlton is another area where demand is increasing.
- 3.48 When it comes to the profile of renters, agents report that there is no single group that stands out. There is a mix of tenants across all property types. Demand is split evenly between local moves and people relocating, with some tenants moving for schooling and others for work or lifestyle reasons.
- 3.49 Build-to-rent demand continues, especially in Hillmorton, due to schooling. There is no indication of a shortfall in rental stock in any specific area.
- 3.50 As set out in the Savills Reportⁱⁱⁱ on Buy to Let (BLT) properties, the PRS is transitioning as small Buy to Let landlords exit the market at an accelerating pace, selling more properties than they are buying. The PRS currently represents 20% of households in England, but supply is dropping, leading to a shortage and increasing rents. Research sets out that the Build-to-Rent market is growing however, the scale of growth not replacing lost supply fast enough resulting in an overall downward trend nationally in rental supply in the last few years.

Housing Supply Trends

Housing Completions

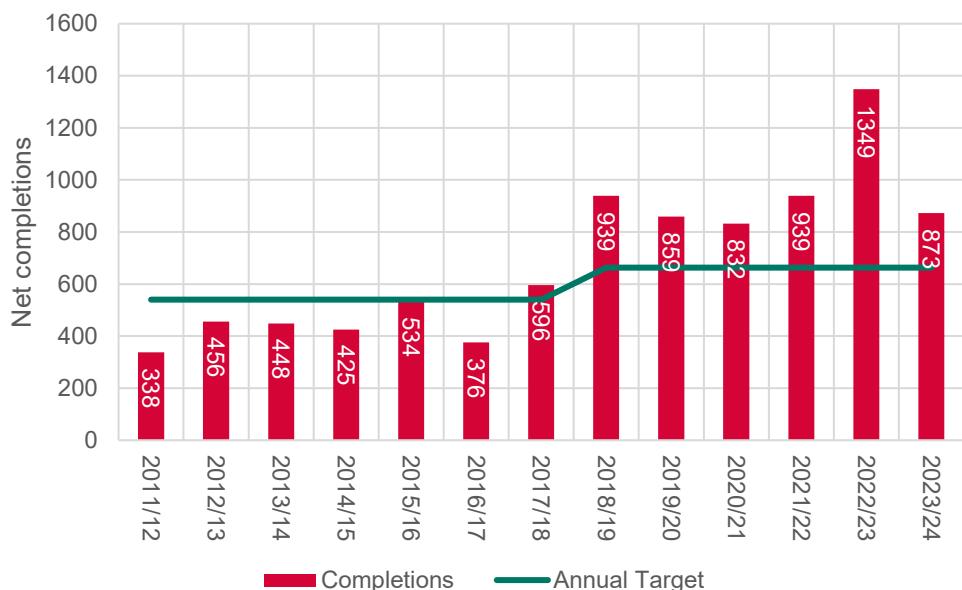
3.51 The figure below sets out the completions trend and compares this to the level of planned housing provision set out in the Local Plan 2011-31. Policy DS1 therein set out a requirement for 12,400 homes over the 20 year plan period, of which 2,800 homes were to meet unmet needs from Coventry and 9,600 homes to meet the Borough's own housing needs (averaging 480 dpa). Policy DS1 included a phasing mechanism requiring delivery of an average of 540 dpa between 2011-18 (i.e. prior to adoption), and 663 dpa thereafter.

3.52 Over the plan period to date (2011-24), the Council's monitoring of completions shows delivery of 8,964 dwellings – an average of 690 dwellings per annum – with cumulative over-delivery of 16% against the housing requirement within the adopted Local Plan.

3.53 The revised standard method figure (636 dpa), as considered in the next section, is around 8% below historical delivery, but as above the historical delivery has included a significant contribution to meeting Coventry's unmet housing need.

3.54 As the chart shows, delivery in the years around and immediately following the adoption of the Local Plan – as is common, as the local plan releases land for development. The 5 years post adoption have seen average delivery of 970 dpa.

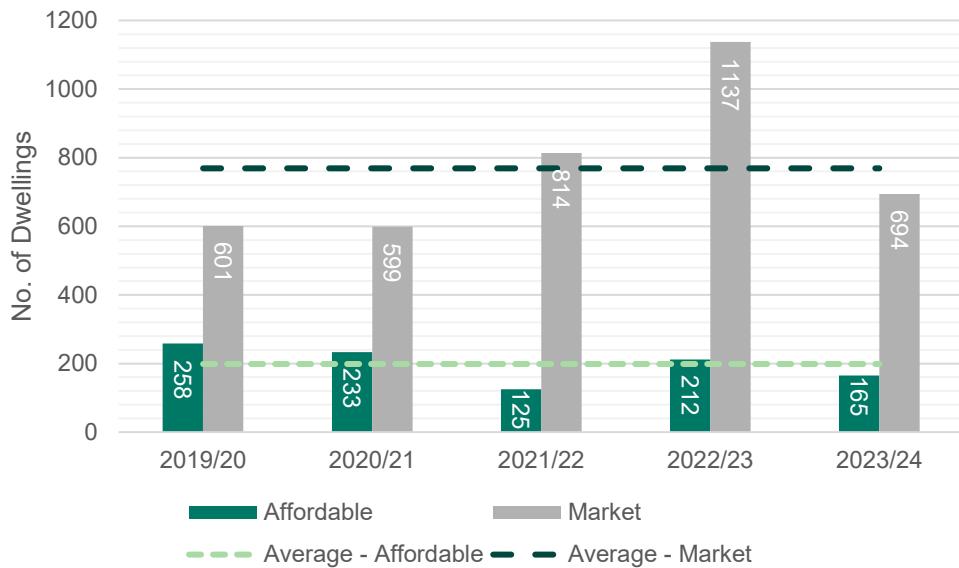
Figure 3.15 Housing Completions against Local Plan Requirement –
Rugby Borough



Source: Rugby Borough Council data and Rugby Borough Council Annual Monitoring Report 2023-24

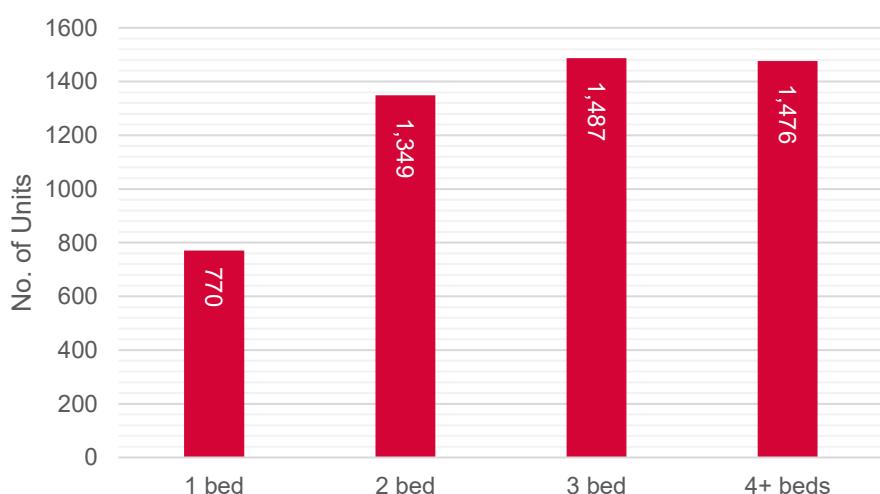
3.55 The figure below shows the split of gross completions between market and affordable housing. Over the 5 year period, 20% of all completions were affordable. This is below the policy requirement of 30% affordable housing on sites of 11+ dwellings or residential sites larger than 0.5 hectares, reflecting some delivery on small sites and some instances of site-specific viability challenges.

Figure 3.16 Gross Market and Affordable Completions – Rugby



3.56 As shown in the figure below, delivery of new homes overall over the period since 2019 has been focused on 2-, 3- and 4+ bed homes, with lower delivery of 1-bed units. This will be particularly a reflection of low delivery of 1-bed market housing units for which the evidence points to relatively modest demand. The mix of homes delivered across other property sizes is relatively balanced.

Figure 3.17 Housing completions, by size (2019-2025) - Rugby



Source: EPC certificates, 2019-2025

4. Demographic Implications of the Standard Method

4.1 In this section we consider the overall housing need figure shown by the standard method at the time of writing and consider the implications of this for demographic growth. This is a necessary step to feed into the modelling of needs for different homes in subsequent sections.

Housing Need and the Housing Requirement

4.2 National government policies and guidance require housing need to be assessed as part of the plan-making process. As set out in Planning Practice Guidance (PPG):

“Housing need is an unconstrained assessment of the minimum number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this.”¹

4.3 Housing need is thus expected to be assessed upfront as part of the plan-making process, leaving aside constraints. The plan-making process (and testing of development options within this) then tests whether the housing (and other development) needs identified can be sustainably met and whether there are any unmet needs which need to be accommodated, in defining what the housing requirement should be.

¹ PPG Para ID: 2a-001-20241212

- 4.4 The emphasis within the NPPF is on plans meeting objectively assessed housing needs, unless national policies provide that protect areas or assets of particular importance provide a strong reason for restricting the overall scale, type or distribution of development; or the adverse impacts of doing so would significantly and demonstrably outweigh the benefits (NPPF Para 11b).
- 4.5 This report does not therefore set the housing requirement within the local plan – this is a matter for the plan-making process as a whole, bringing together a range of evidence.

Government's Revisions to the NPPF and Standard Method

- 4.6 The Government through revisions to the NPPF in December 2024 has revised the standard method. Its ambitions in doing so are to increase housing delivery, delivering 1.5 million homes across England over the next 5 years with growth in all areas of the country.
- 4.7 The Government's Summer 2024 consultation² highlighted concerns with the increasing vintage of the 2014-based household projections around which the standard method was designed – arguing that the dataset is now over 10 years old and no longer fit-for-purpose; whilst highlighting the volatility of household projections and issues where projections can be artificially low in some areas as demographic trends are constrained by available housing supply.
- 4.8 The consultation therefore put forward a revised standard method with a view to providing stability and certainty to all stakeholders, whilst supporting the Government's ambition to deliver 1.5 million homes and achieving a distribution of homes across the country which balanced the

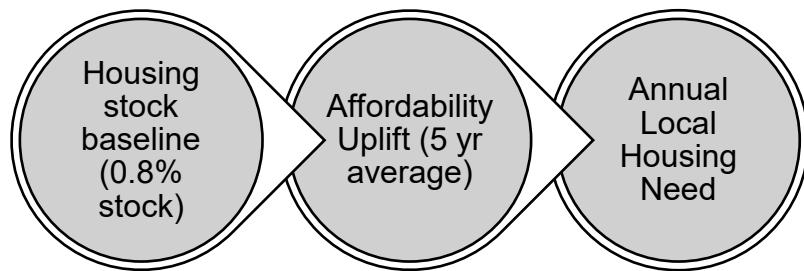
² MHCLG *Proposed reforms to the National Planning Policy Framework and other changes to the planning system*

need for higher supply in some of the least affordable areas of the country with ensuring that all areas contribute to meeting the country's housing needs.

- 4.9 It proposed to do so through use of a baseline (Step 1) set at a percentage of existing housing stock levels (reflecting the relative size of areas and in so doing to a) reinforce development in existing urban areas where there is existing infrastructure and b) to support some rebalancing of the national distribution to better reflect growth ambitions in the Midlands and North). A stronger affordability multiplier was then proposed (Step 2) to reflect price pressures and market signals and direct homes to where Government considers they are most needed.
- 4.10 Government has taken this forward, introducing a **revised standard method** alongside the NPPF in December 2024. The PPG sets out the revised standard method in the section on *Housing and Economic Development Needs Assessments*.³
- 4.11 Para 2a-006 therein sets out the methodology, which takes a baseline of 0.8% of existing housing stock in the area (Step 1); to which an affordability adjustment is then applied (Step 2) which is calculated by taking the average affordability ratio figure over the 5 more recent years for which data is available, and applying a 0.95% increase for each 1% of which the averaged affordability ratio is above 5. Figure 4.1 provides an overview of the revised standard method.

³ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 4.1 Overview of Revised Standard Method



4.12 The 0.8% pa stock baseline removes the use of demographic projections (which can be volatile) and provides a baseline level of provision across all areas which is not dissimilar to the 0.89% annual increase in housing stock nationally over the last 10 years. The benchmark affordability ratio position of 5 is consistent with the ONS use of this level as a broad indicator of affordability. With affordability uplifts applied to the stock baseline, the revised standard method supports provision of around 370,000 homes nationally which Government consider should be targeted to improve housing affordability over time.

4.13 Previously the NPPF provides scope to deviate from the standard method in assessing housing need in exceptional circumstances, enabling a 'justified alternative approach' to be advanced which reflects current and future demographic trends and market signals. This was taken forward in the 2022 Sub-Regional HEDNA which used bespoke demographic projections taking account of the latest demographic data at that time, including that from the 2021 Census. It identified a need for 735 dpa in Rugby on this basis.

4.14 The revisions to the NPPF in December 2024 have removed the scope to use an alternative – they require housing need to be assessed using the (revised) standard method.

Revised Standard Method Calculation

4.15 It is a relatively straight forward exercise to calculate the local housing need using the standard method for Rugby Borough.

Step 1: Housing Stock Baseline

4.16 The stock baseline is expected to be drawn from the MHCLG Live Table 125. The PPG in Para 2a-005 directs that 'the most recent data published at the time should be used.' The latest data on the housing stock position is for 2023. The stock baseline is calculated as 0.8% of existing stock.

Step 2: Affordability Adjustment

4.17 The affordability adjustment is then to be applied, based on the average median (workplace-based) house price to income ratio over the last 5 years, which at the current time is for 2019-24. The following formula is then used to calculate the affordability uplift:

$$\text{Adjustment factor} = \left(\frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

4.18 The final stage is to then multiple the housing stock baseline by the affordability adjustment factor.

4.19 The results of the revised standard method calculation using the latest published affordability and housing stock data for Rugby Borough are shown in Table 2.1 below. This shows a need for 636 dpa.

Table 4.1 Rugby Borough Local Housing Need

	Rugby Borough
Housing Stock, 2024	52,209
0.8% Stock Baseline	418
Average Median Affordability Ratio, 2020-24	7.75
Affordability Uplift	152%
Local Housing Need (dpa)	636

- 4.20 The standard method figures change when new affordability and stock data is released (typically annually in the Spring), and the Council may need to keep any changes until the point of submission of the Local Plan at which point the figures are 'fixed' for a period of two years.
- 4.21 The standard method need figure for the Borough at 636 dpa is above the objectively-assessed housing need figure on which the adopted Local Plan was based (480 dpa), reflecting in particular the introduction of the standard method. It is above the standard method figure derived from using the previous methodology which used the 2014-based Household Projections (525 dpa).
- 4.22 The need shown by the revised standard method for Rugby is below the figure in the 2022 Sub-Regional HEDNA for the Borough (735 dpa) however this reflects the different *distribution* of housing provision between local authorities within the HMA in moving from a methodology where household projections were the starting point to one which uses the existing housing stock. Across the Coventry & Warwickshire HMA the revised standard method shows a need for 5,344 dpa which is 9% above the calculations using the trend base projections which informed the 2022 HEDNA conclusions (4,906 dpa).

Demographic Implications of the Standard Method

- 4.23 A demographic model has been developed to look at the potential implications of delivery of 636 dwellings per annum in the 2025-43 period (the proposed plan period) with additional key outputs provided to 2045. This considers the levels of migration likely to be needed to fill homes and also the possibility of seeing higher levels of household formation in younger age groups (where there is evidence of a historical constraint in formation). The key assumptions in the modelling are:

- Taking the 2022-based subnational population projections (SNPP) as a start point – this includes data on birth and death rates as well as migration;
- Make adjustments to these figures based on the trends shown in ONS mid-year population estimates (MYE) to 2024;
- Roll forward to 2025 on the basis of trends recorded by ONS in the 2019-24 period to get to a start point estimate of population and households;
- Data about the communal population and household formation is taken from the 2021 Census with the formation rates for the population aged under 45 assumed to return to the levels seen in 2001;
- It is assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock). This means that for 636 dpa it is assumed there would be household growth of approximately 617 per annum; and
- Modelling then flexes migration estimates so there is a sufficient population to fill the additional homes (i.e. population required to generate 617 additional households per annum on average over an 18-year period).

4.24 In developing this projection the population is projected to increase by 13,800 people over the 2025-43 period, with this increase being particularly strong in older age groups (47% of the growth is projected to be in age groups 65 and over, with this group increasing by 29%). There is projected to be a decrease in the number of children. The two tables below show projected changes by age -the first table shows broad age bands and the second is in 5-year bands.

Table 4.2 Projected population change 2025 to 2043 by broad age bands – Rugby

	2025	2043	Change in population	% change
Under 16	24,555	22,811	-1,744	-7.1%
16-64	77,524	86,582	9,058	11.7%
65 and over	22,182	28,627	6,444	29.1%
Total	124,261	138,020	13,759	11.1%

Source: *Iceni analysis*

Table 4.3 Projected population change 2025 to 2043 by 5-year age bands – Rugby

	2025	2043	Change in population	% change
0-4	6,554	6,279	-275	-4.2%
5-9	7,820	6,990	-830	-10.6%
10-14	8,535	7,864	-672	-7.9%
15-19	7,404	7,556	152	2.1%
20-24	5,281	5,663	382	7.2%
25-29	7,319	7,548	228	3.1%
30-34	8,768	8,705	-63	-0.7%
35-39	9,729	9,491	-238	-2.4%
40-44	9,342	9,789	447	4.8%
45-49	8,021	10,677	2,656	33.1%
50-54	7,936	11,005	3,068	38.7%
55-59	7,905	9,697	1,792	22.7%
60-64	7,462	8,128	666	8.9%
65-69	5,644	6,412	768	13.6%
70-74	4,865	6,504	1,639	33.7%
75-79	4,847	5,932	1,085	22.4%
80-84	3,648	4,741	1,093	30.0%
85 & over	3,178	5,037	1,859	58.5%
Total	124,261	138,020	13,759	11.1%

Source: *Iceni analysis*

4.1 The two tables below shows the same information over the period to 2045. This takes the population up to 139,500 with broadly the same projected age structure changes.

Table 4.4 Projected population change 2025 to 2045 by broad age bands – Rugby

	2025	2045	Change in population	% change
Under 16	24,555	22,889	-1,666	-6.8%
16-64	77,524	87,273	9,749	12.6%
65 and over	22,182	29,349	7,166	32.3%
Total	124,261	139,510	15,249	12.3%

Source: *Iceni analysis*

Table 4.5 Projected population change 2025 to 2045 by 5-year age bands – Rugby

	2025	2045	Change in population	% change
0-4	6,554	6,355	-199	-3.0%
5-9	7,820	7,052	-768	-9.8%
10-14	8,535	7,818	-717	-8.4%
15-19	7,404	7,523	119	1.6%
20-24	5,281	5,457	176	3.3%
25-29	7,319	7,561	242	3.3%
30-34	8,768	8,743	-25	-0.3%
35-39	9,729	9,617	-112	-1.2%
40-44	9,342	9,932	590	6.3%
45-49	8,021	10,624	2,603	32.4%
50-54	7,936	10,767	2,831	35.7%
55-59	7,905	10,153	2,248	28.4%
60-64	7,462	8,560	1,098	14.7%
65-69	5,644	6,774	1,129	20.0%
70-74	4,865	6,269	1,403	28.8%
75-79	4,847	5,955	1,108	22.9%
80-84	3,648	5,084	1,436	39.3%
85 & over	3,178	5,267	2,089	65.8%
Total	124,261	139,510	15,249	12.3%

Source: *Iceni analysis*

5. Affordable Housing Need

5.1 This section provides an assessment of the need for affordable housing in Rugby. The analysis follows the methodology set out in the Planning Practice Guidance and looks at need from households unable to buy or rent housing; and also from households able to afford to rent privately but not buy.

Affordable Housing Sector Dynamics

5.2 Data from the 2021 Census indicates 13% of the housing stock in Rugby is social rented, which as considered in Section 2 is below broader benchmarks, although broadly in line with that across Warwickshire. The latest information on the profile of the social housing stock, sourced from the Regulator of Social Housing (RSH), is set out in the table below.

5.3 Across all providers, 70% of stock is general needs rented; 14% low cost home ownership and 7% targeted at older residents.

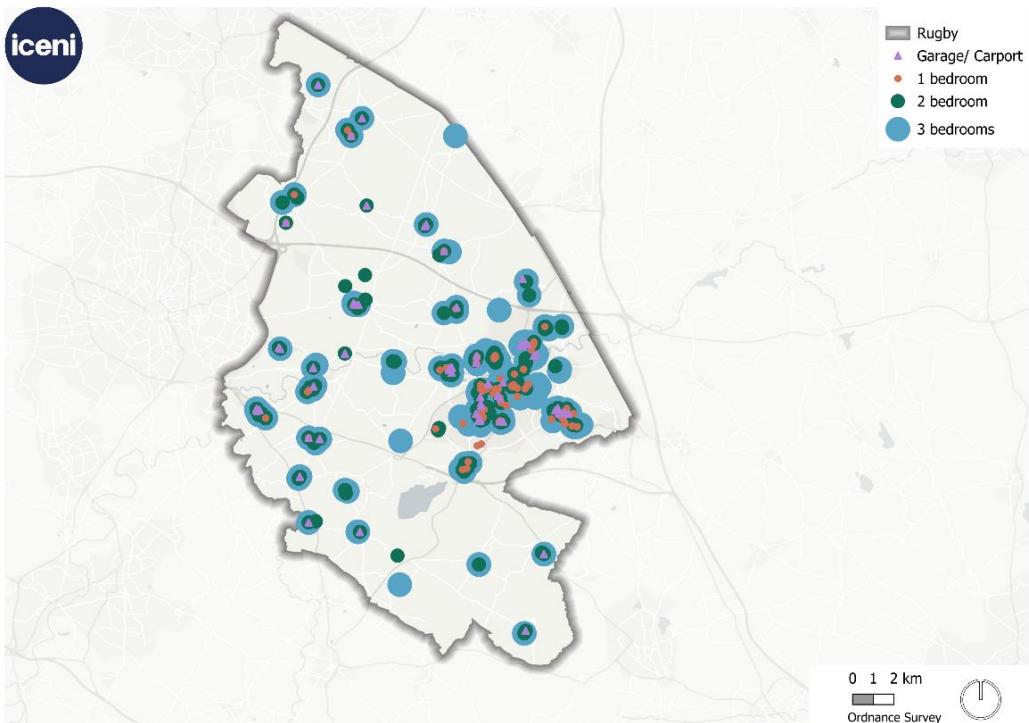
Table 5.1 Stock owned or managed by the Council and Registered Providers – Rugby

	Rugby BC	Registered Providers	Total
General needs rented	2,977	2,928	5,905
Supported/older persons housing	292	248	540
Low-cost home ownership	783	226	1,009
Total	4,052	3,402	7,454

Source: RSR Geographical Look-Up Tool 2024

- 5.4 Rugby Borough Council's housing stock levels have fluctuated in recent years due to a mix of new developments, property acquisitions and losses from Right to Buy (RTB) sales. While the Council has managed some disposals, and is considering more based on property condition, most disposals so far have been through Right-to-Buy sales.
- 5.5 RPs have been finding it increasingly challenging to deliver new homes in recent years, influenced by rising costs of development (build and finance costs), and new building safety and sustainability targets meaning many have been prioritising investment in existing stock. This is particularly affecting the appetite of RPs to take on S106 affordable housing packages on market-led development schemes, particularly on smaller sites. These combined financial and regulatory challenges are constraining affordable housing delivery across the sector.
- 5.6 The figure below sets out the existing social housing stock, by bedroom size. Of the existing housing stock, the highest proportion was houses (38%) and flat developments (30%). Bungalows show the lowest proportions at 11%. A high proportion of the stock were in the General Needs asset category (71%) and all other stock in the Independent Living category (29%). The stock has a higher rate of one-bedroom properties (29%). Two bedroom and three-bedroom properties are 23% and 25%, respectively.

Figure 5.1 Existing Social Housing Stock in Rugby Borough, by bedroom size



Source: Rugby Borough Council, 2025

- 5.7 The Council has a duty under Part VII of the Housing Act (as amended by the Homelessness Act 2002) to ensure that homeless applicants owed a full housing duty are provided with suitable accommodation. The Council is committed to supported homeless individuals including in developing personal housing plans tailored to individuals circumstances. Temporary accommodation will be provided whilst the council will work to find a longer-term solution.
- 5.8 Rugby Borough Council's Homelessness and Rough Sleeping Strategy (2025-2029)^{iv} sets out that 1,033 affordable homes were delivered between 2019-2024, making up 21% of the total homes delivered. It is forecasted that 100 new council-owned homes to be delivered at Navigation Way in 2026.
- 5.9 According to data from the Department of Health and Social Care^v, 0.9 per 1,000 people in Rugby are households residing in temporary accommodation (2023/24). However 86% of households stayed less than 6 months. Monthly rough sleepers have increased between 2021

and 2024. According to the strategy, 1,884 households are owed statutory homelessness duties, with 796 households already supported out of homelessness.

- 5.10 Rugby's Homelessness Strategy Action Plan^{vi} sets out the Council's focus on providing varied housing options for people experiencing homelessness. The Council commits to provide specialist accommodation for vulnerable groups and seek to enhance housing options by providing better housing options for homeless households.
- 5.11 According to data from Rugby Borough Council, since 2018 there have been 11,371 recorded cases of homeless individuals on the housing waiting list. Of the individuals on the list, 98% of the cases have been closed with approximately 268 individuals currently on the waiting list from the 2024-25 period.
- 5.12 Of the homeless individuals living in temporary accommodation, the main reasons stated for approaching temporary accommodation where Home Office accommodation ending, being asked to leave by friends or family and a section 21 notice. The weekly average of individuals residing in temporary accommodation in Rugby is approximately 50 people.
- 5.13 At the time of writing, there are 64 applicants on the housing waiting list for shared ownership properties of which 59% have a medical / disability requirement. The proportion of individuals who require specialist wheelchair arrangements is 8%. All individuals on the current housing waiting list require 1-bedroom properties.
- 5.14 Changes to tax relief, energy rules and uncertain regulations are causing more private landlords to leave the market, reducing the number of rental homes and increasing pressure on homelessness services in Rugby. In response, the council backed the relaunch of the Rugby Landlord Forum in January 2025. At that time, Rugby had 6,000 privately rented homes, with most landlords owning only a few properties.

5.15 Rugby Borough Council is actively progressing several key housing and regeneration projects alongside broader strategic initiatives to meet local housing needs. It is progressing development on two Town Centre regeneration projects at Navigation Way and Rounds Gardens. These projects are central to increasing affordable housing supply and revitalising the Town Centre.

5.16 The Council are currently reviewing the council's property assets to identify opportunities for affordable housing delivery. For example, the acquisitions team is currently assessing the potential to convert 60 unused garages into affordable homes. The Council is also undertaking a comprehensive review to estimate likely contributions from Section 106 agreements over the coming years.

5.17 In partnership with HEART, the Council is working to promote independence for residents within their own homes. This initiative focuses on providing adaptations to properties to support residents with disabilities or those experiencing age-related needs. By enabling people to remain in their homes safely and comfortably, the partnership aims to reduce pressure on homelessness services and the wider health and social care system, supporting better outcomes for individuals and the community.

Overview of Method for assessing Affordable Housing Need

5.18 The method used for assessing affordable housing need is set out in Planning Practice Guidance by Government. In summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised so as to meet the current need over a period of time);
- Projected newly forming households in need;
- Existing households falling into need; and

- Supply of affordable housing from existing stock

5.19 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

Affordable Housing Definitions

Social Rented Homes – are homes owned by local authorities or private registered providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). They are low cost rented homes.

Affordable Rented Homes – are let by local authorities or private registered providers to households who are eligible for social housing. Affordable rents are set at no more than 80% of the local market rent (including service charges).

Rent-to-Buy – where homes are offered, typically by housing associations, to working households at an intermediate rent which does not exceed 80% of the local market rent (including service charges) for a fixed period after which the household has the chance to buy the home.

Shared Ownership – a form of low cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a registered provider owning the remainder, on which they pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households; with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of market value. Councils are able to set the discounts and local eligibility criteria out in policies.

Affordability

5.20 An important first part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

5.21 The table below shows estimated current prices to both buy and privately rent a lower quartile home in the Borough (excluding newbuild sales when looking at house prices). Across all dwelling sizes the analysis points to a lower quartile price of £210,000 and a private rent of £800 per month.

Table 5.2 Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – Rugby

	To buy	Privately rent
1-bedroom	£100,000	£675
2-bedrooms	£150,000	£850
3-bedrooms	£235,000	£1,100
4-bedrooms	£355,000	£1,450
All dwellings	£210,000	£800

Source: Land Registry and Internet Price Search

5.22 Next it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes. Data has also

been drawn from the Annual Survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

5.23 Overall, the average (mean) household income across Rugby is estimated to be around £58,300, with a median income of £48,500; the lower quartile income of all households is estimated to be £27,300.

5.24 To assess affordability, two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing and secondly to consider what income level is needed to access owner occupation. This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. For the purposes of analysis, the following assumptions are used:

- Rental affordability – a household should spend no more than 30% of their income on rent; and
- Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

Need for Affordable Housing

5.25 The sections below work through the various stages of analysis to estimate the need for affordable housing in the Borough. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

5.26 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems (housing suitability). The table below sets out estimates of the number of households within each category. This shows an estimated 2,700 households as living in

‘unsuitable housing’. Approaching half of these are due to overcrowding, whilst around 280 currently have no accommodation (homeless or concealed households).

Table 5.3 Estimated number of households living in unsuitable housing (or without housing)

	Households	% of households
Concealed and homeless households	284	10.5%
Households in overcrowded housing	1,231	45.6%
Existing affordable housing tenants in need	135	5.0%
Households from other tenures in need	1,048	38.8%
TOTAL	2,697	100.0%

Source: *Iceni analysis*

5.27 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. It is estimated that around half of those households identified above are unlikely to be able to afford market housing – therefore an estimated current need from around 1,310 households. From this estimate, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise) and the total current need is estimated to be 882 households.

5.28 For the purposes of analysis, it is assumed that the Council would seek to meet this need over a period of time. Given that this report looks at needs in the period from 2025 to 2043, the need is annualised by dividing by 18 (to give an annual need for around 49 dwellings). This does not mean that some households would be expected to wait 18-years for housing as the need will be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

5.29 The table below shows this data split between those unable to Rent OR buy and those able to rent but NOT buy. Given the pricing of housing in the Borough this analysis shows a more modest need for those able to rent but not buy and the number unable to rent OR buy is notably higher.

Table 5.4 Estimated current affordable housing need by affordability – Rugby

	Number in need (excluding those in AH)	Annualised		
		TOTAL	Unable to rent OR buy	Able to rent but NOT buy
Number	882	49	40	9
Percentage	-	100%	82%	18%

Source: Iceni analysis

Projected Housing Need

5.30 Projected need is split between newly forming households who are unable to afford market housing and existing households falling into need. For newly-forming households a link is made to demographic modelling with an affordability test also being applied.

5.31 Overall it is estimated that 1,120 new households would form each year and around half will be unable to afford market housing; this equates a total of 558 newly forming households will have a need per annum on average.

5.32 The second element of newly arising need is existing households falling into need. To assess this, information about households entering the social/affordable rented sector housing has been used to represent the flow of households onto the Housing Register over this period. Following the analysis through suggests a need arising from 136 existing households each year – again most are households unable to buy OR rent.

5.33 The table below brings together the analysis of newly-forming and existing households falling into need, split into those unable to Rent OR buy and those able to rent but NOT buy – this shows a total need for 694 units per annum with 76% from households unable to buy OR rent.

Table 5.5 Projected need for affordable housing (per annum) – Rugby

	Total Additional Need	Unable to rent OR buy	Able to rent but NOT buy
Newly forming households	558	416	142
Existing households falling into need	136	112	24
Total projected need	694	528	167
Percentage	100%	76%	24%

Source: *Iceni analysis*

Supply of Affordable Housing Through Relets/Resales

5.34 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets. Information from a range of sources (mainly CoRe and LAHS) has been used to establish past patterns of social housing turnover. Data for three-years has been used (2021-22 to 2023-24).

5.35 The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. On the basis of past trend data it has been estimated that 230 units of social/affordable rented housing are likely to become available each year moving forward.

Table 5.6 Analysis of Past Social/Affordable Rented Housing Supply, 2021/22 – 2023/24 (average per annum) – Rugby

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2021/22	420	82.6%	347	55.5%	193
2022/23	545	72.5%	395	76.1%	301
2023/24	463	62.0%	287	66.7%	192
Average	476	72.1%	343	67.0%	230

Source: CoRe/LAHS

5.36 It is also possible to consider if there is any supply of affordable home ownership products from the existing stock of housing. One source is likely to be resales of low-cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2024 of 790 homes. If these homes were to turnover at a rate of around 5% then they would be expected to generate around 40 resales each year. These properties would be available for these households and can be included as the potential supply. The total estimated supply is therefore 269 units per annum (230+40).

5.37 In the affordable home ownership sector there is arguably an additional (and significant) source of supply from resale market homes below a lower quartile price. Data from Land Registry shows 1,166 resales of homes in 2024; therefore 291 homes were sold at or below the lower quartile price and could make a contribution to meeting the needs of those in the 'gap' between renting and buying. However, a supply from this source has not been included in the analysis below.

5.38 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow

movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Affordable Housing

5.39 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 474 dwellings per annum across the Borough. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

5.40 The table also splits between households unable to afford to BUY or rent and those able to rent but not buy. For this analysis it is assumed the LCHO supply would be meeting the needs of the latter group, although in reality there will be a crossover between categories. For example, it is likely in some cases that the cost of shared ownership will have an outgoing below that for privately renting and could meet some of the need from households unable to buy or rent – the issue of access to deposits would still be a consideration. The analysis shows a greater need from households unable to buy OR rent and for whom a rented affordable product is likely to be most suitable.

Table 5.7 Estimated Need for Affordable Housing (per annum)

	Unable to buy OR rent	Able to rent but not buy	TOTAL
Current need	40	9	49
Newly forming households	416	142	558
Existing households falling into need	112	24	136
Total gross need	568	175	743
Relet/resale supply	230	40	269
Net need	338	136	474
% in affordability category	71%	29%	100%

Source: Iceni analysis

5.41 If a supply of affordable home ownership from resales of market housing below a lower quartile price were included, then there would be no need shown in the 'able to rent but not buy' column above (as the potential supply was estimated to be around 291 units per annum). Indeed, if only half of the LQ supply were included then no need would be shown. This supply has not been netted off (not least as such housing is not allocated and therefore there is no control over who buys it). However, it is clear that with the additional supply, the need very much shifts towards to those unable to buy or rent in the market.

5.42 If the modelling were to be taken forward to 2045 instead of 2043, this would only have a very modest impact on the estimated need – essentially spreading the current need over 20- rather than 18-years. The overall net annual affordable housing need would therefore be reduced to 469 per annum (from 474) with no change in the split between the two groups.

Relationship between Affordable and Overall Housing Need

5.43 The PPG⁴ recognises that the need for different types of housing (in this case for affordable housing) may be exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. It explains that this reflects different methodologies, and this means that the figures are not directly comparable. The PPG then goes on to indicate that plan-makers will need to consider the extent to which the identified needs can be addressed taking account of:

- The overall need identified (and whether the evidence suggests that a higher level of need ought to be considered)⁵;
- The extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and
- The anticipated deliverability of different forms of provision, having regard to viability.

5.44 The PPG is thus clear that the deliverability of different levels of affordable housing, which will be influenced by the plan's viability evidence, is a relevant factor in considering the extent to which the affordable housing needs can be met.

5.45 Alongside the Council's viability evidence, it is important to recognise that the relationship between affordable housing need and overall housing need is complex with the calculations derived from separate models which are not directly comparable. The affordable modelling for instance contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would

⁴ Ref ID: 67-001-20190722

⁵ This is also considered in ID: 2a-024-20190220

release a dwelling for use by another household – there is, therefore, no net additional need arising. It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 202 homes per annum across the Borough – 60% of the figure when including those with housing. This figure is, theoretical and should not be seen to be minimising the need (which is clearly acute). That said, it does serve to show that there is a difference in the figures when looking at overall housing shortages.

Table 5.8 Estimated Need for Affordable Housing (households unable to buy OR rent) excluding households already in accommodation

	Including existing households	Excluding existing households
Current need	40	16
Newly forming households	416	416
Existing households falling into need	112	0
Total Gross Need	568	432
Re-let Supply	230	230
Net Need	338	202

Source: *Iceni analysis*

5.46 A further consideration is that the needs analysis reflects (following the methodology in the PPG) households' circumstances at the point of assessment. In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing. As the household's income rises, they would potentially pass the affordability test and therefore no longer have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly forming

household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.

5.47 A further consideration is that some 136 of the 474 per annum affordable need is a need for affordable home ownership. Technically, these households can afford market housing (to rent) and historically would not have been considered as having a need in assessments such as this – until recently only households unable to buy OR rent would be considered as having a need for affordable housing. For that reason these households have not been included in the analysis looking at households with and without accommodation in Table 5.8 above.

5.48 The analysis in Table 5.8 which excludes existing households shows an affordable needs position which is equivalent to 32% of the standard method figure.

5.49 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivering affordable housing; and the Council should continue work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets and through its own housing delivery programme.

Role of the Private Rented Sector

5.50 In interpreting the affordable housing needs evidence, it is also worth noting the role which the Private Rented Sector currently plays in practice in meeting the shortfall of genuine affordable housing. Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market'

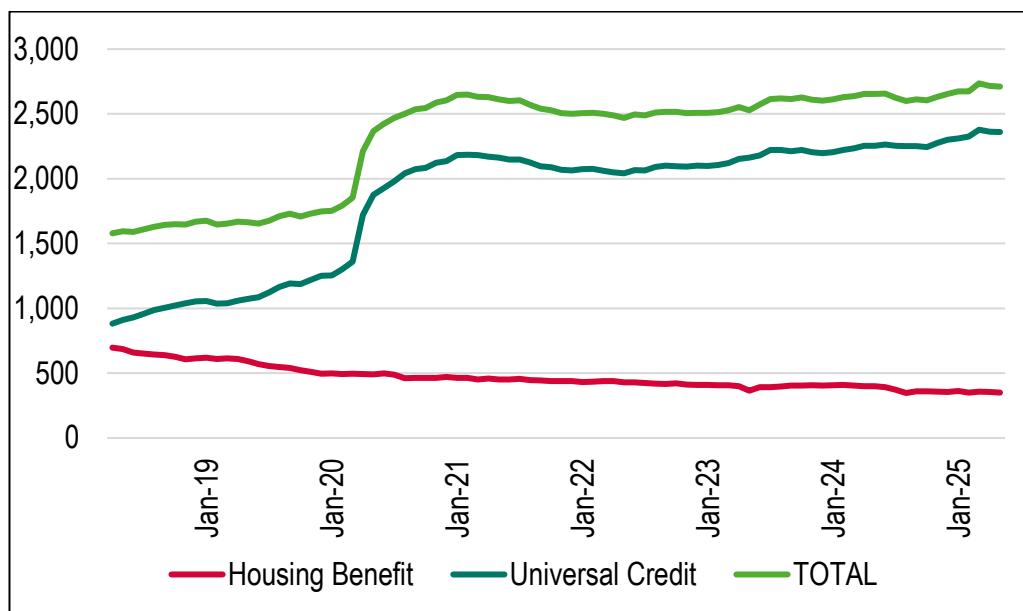
PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.

- 5.51 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of May 2025, it is estimated that there were around 2,700 benefit claimants in the Private Rented Sector in Rugby. From this, it is clear that the PRS contributes to the wider delivery of ‘affordable homes’ with the support of benefit claims.
- 5.52 However whilst the PRS is providing housing for some households, there are however significant risks associated with future reliance on the sector to meet an affordable housing need. The last couple of years have seen rents increase whilst Local Housing Allowance (LHA) levels have remained static. In the Autumn Statement 2023, the then Government increased the LHA rent to the 30th percentile of market rents (although this is based on existing rents and not rents likely to be payable by those moving home). However, demand pressure could nonetheless have some impact of restricting future supply of PRS properties to those in need; emphasising the need to support delivery of genuinely affordable homes.
- 5.53 The figure below shows the trend in the number of claimants in Rugby Borough. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 1,600-1,700 households).
- 5.54 The data about the number of claimants does not indicate how many new lettings are made each year in the PRS. However, data from the

English Housing Survey (EHS) over the past three years indicates that nationally around 7% of private sector tenants are new to the sector each year. If this figure is applied to the number of households claiming HB/UC then this would imply around 190 new benefit supported lettings in the sector.

5.55 Whilst we would not recommend including PRS supply as part of the modelling⁶, not least as it is uncertain whether the availability of homes will remain at this level as well as concerns about the security of tenure, it is the case that the sector does play a role in providing homes for those unable to access social housing.

Figure 5.2: Number of Housing Benefit/Universal Credit claimants in the PRS



Source: Department of Work and Pensions

⁶ Nor is it included within our calculations of the affordable housing need

Types of Affordable Housing Needed

5.56 The analysis above has clearly pointed to a need for affordable housing, and particularly for households who are unable to buy OR rent in the market. There are a range of affordable housing options that could meet the need which will include rented forms of affordable housing (such as social or affordable rents) and products which might be described as intermediate housing (such as shared ownership or discounted market housing/First Homes). These are discussed in turn below.

Social and Affordable Rented Housing

5.57 The table below shows current rent levels in the Borough for a range of products along with relevant local housing allowance (LHA) rates. Most of Rugby falls into the Rugby & East Broad Rental Market Area (BRMA) and so this has been used for comparative purposes. Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents.

5.58 This analysis shows that social rents are significantly lower than affordable rents; the analysis also shows that affordable rents are well below lower quartile market rents – particularly for larger property sizes.

5.59 The LHA rates for all sizes of home are below lower quartile market rents for all sizes of accommodation. This does potentially mean that households seeking accommodation in many locations will struggle to secure sufficient benefits to cover their rent.

Table 5.9 Comparison of rent levels for different products – Rugby

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Rugby & East)
1-bedroom	£389	£502	£675	£593
2-bedrooms	£463	£612	£850	£723
3-bedrooms	£494	£728	£1,100	£848
4-bedrooms	£589	£1,039	£1,450	£1,197
ALL	£468	£643	£800	-

Source: RSH, VOA and market survey

5.60 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the tables below. Focusing on 2-bedroom homes the analysis shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 72% of a current lower quartile rent.

Table 5.10 Difference between rent levels for different products – Rugby

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	77%	58%	74%
2-bedrooms	76%	54%	72%
3-bedrooms	68%	45%	66%
4-bedrooms	57%	41%	72%
ALL	73%	58%	80%

Source: RSH and market survey

5.61 The table below suggests that around 16% of households who cannot afford to rent privately could afford an affordable rent at 80% of market rents, with a further 10% being able to afford current affordable rents. There are also an estimated 22% who can afford a social rent (but not an affordable one). A total of 51% of households would need some

degree of benefit support (or spend more than 30% of income on housing) to be able to afford their housing (regardless of the tenure). This analysis points to a clear need for social rented housing.

Table 5.11 Estimated need for affordable rented housing (% of households able to afford to buy OR rent)

	% of households able to afford
Afford 80% of market rent	16%
Afford current affordable rent	10%
Afford social rent	22%
Need benefit support	51%
All unable to afford market	100%

Source: Iceni analysis

5.62 The analysis indicates that provision of 75% of rented affordable housing at social rents could be justified; albeit in setting planning policies and in determining individual applications, this will need to be considered alongside viability evidence. Higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs.

Intermediate Housing

5.63 As well as rented forms of affordable housing, the Council could seek to provide forms of intermediate housing with the analysis below considering the potential affordability of shared ownership and discounted market sale housing (which could include First Homes).

5.64 Generally, intermediate housing will be a newbuild product, sold at a discount (or on a part buy, part rent arrangement with shared ownership) and will therefore be based on the Open Market Value (OMV) of a new home.

5.65 The table below sets out a suggested purchase price for affordable home ownership/First Homes in Rugby by size. It works through first

(on the left hand side) what households with an affordable home ownership need could afford (based on a 10% deposit and a mortgage at 4.5 times' income). The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount. The lower end of the range is based on households who could afford to rent privately without financial support at LQ rents; with the upper end based on the midpoint between this and the lower quartile house price.

5.66 Focussing on 3-bedroom homes, it is suggested that an affordable price is between £220,000 and £227,500 and therefore the open market value of homes would need to be in the range of £314,300 and £325,000 (if discounted by 30%).

Table 5.12 Affordable home ownership prices – Rugby

	What households with an affordable home ownership need could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£100,000	£142,900
2-bedrooms	£150,000	£214,300
3-bedrooms	£220,000-£227,500	£314,300-£325,000
4+-bedrooms	£290,000-£322,500	£414,300-£460,700

Source: Iceni analysis

5.67 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove with the table below providing a general summary of existing schemes.

5.68 This analysis is interesting as it shows the median newbuild price to be above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the

bottom end of the price range could potentially be discounted by 30% and considered as affordable.

5.69 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing. Overall, **it is considered the evidence does not support a need for First Homes (or other discounted market products) in a local context.**

Table 5.13 Estimated newbuild housing cost by size – Rugby

	No. of homes advertised	Range of prices	Median price
1-bedroom	0	-	-
2-bedrooms	6	£230,000-£290,000	£255,000
3-bedrooms	33	£300,000-£600,000	£350,000
4+ bedrooms	54	£390,000-£900,000	£475,000

Source: Iceni analysis

5.70 The analysis below moves on to consider shared ownership, for this analysis an assessment of monthly outgoings has been undertaken with a core assumption being that the outgoings should be the same as for renting privately so as to make this tenure genuinely affordable. The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 10%, 25% and 50% share. To work out outgoings the mortgage part is based on a 10% deposit (for the equity share) and a repayment mortgage over 25-years at 5% with a rent at 2.75% per annum on unsold equity.

5.71 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes).

5.72 By way of an explanation of this table (focussing on 3-bedroom homes) – if a 50% equity share scheme came forward then it is estimated the OMV could not be above £291,000 if it is to be genuinely affordable (due to the outgoings being in excess of the cost of privately renting). However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share but a much higher OMV of £425,000.

5.73 Although affordability can only be considered on a scheme by scheme basis, it is notable that we estimate a median 3-bedroom newbuild to cost around £350,000, this points to shared ownership an equity share of around 25% as being genuinely affordable, although lower shares could increase the number of households able to afford.

Table 5.14 Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – Rugby

	50% share	25% share	10% share
1-bedroom	£179,000	£222,000	£261,000
2-bedroom	£225,000	£280,000	£328,000
3-bedroom	£291,000	£362,000	£425,000
4-bedrooms	£384,000	£478,000	£560,000

Source: *Iceni analysis*

5.74 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller ‘step’ to be taken on to the home ownership ladder.

5.75 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be

purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.

5.76 In order to access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Bringing the Evidence Together

5.77 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. The evidence indicates that there is an acute need for affordable housing in the Borough. The majority of need is from households who are unable to buy OR rent and therefore points particularly towards a larger and more acute need for rented affordable housing than for affordable home ownership.

5.78 The needs evidence would support provision at both social and affordable rents but emphasises in particular the need for social rent provision. Emerging Policy H2 proposes that rented affordable housing is provided at social rent levels – and this has been tested and supported by the viability evidence.⁷ The Council might reasonably accept some housing provision at affordable rents where supported by site-specific viability evidence.

⁷ 2025 Local Plan & CIL Viability Study

- 5.79 In terms of affordable home ownership provision, the evidence indicates a need for shared ownership homes which are likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent. It finds no strong evidence of a need for First Homes or discounted market housing more generally.
- 5.80 Given the relatively more acute needs for rented accommodation, the evidence justifies focusing provision on this tenure and would support a split of 70% social rented, 30% shared ownership, which is marginally different from that in the draft Local Plan.

6. Sizes and Types of Homes Needed

- 6.1 This section considers the appropriate mix of housing across Rugby, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.
- 6.2 This section represents a fairly comprehensive update to previous assessments of mix in the 2022 Sub-Regional HEDNA, particularly due to publication of 2021 Census data which has now been used in the analysis.

Background Data

- 6.3 The number of families in Rugby (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 14,400 as of the 2021 Census, accounting for 31% of households; this proportion is slightly higher to that seen across other areas with the main difference being a higher proportion of married couple households with dependent children.

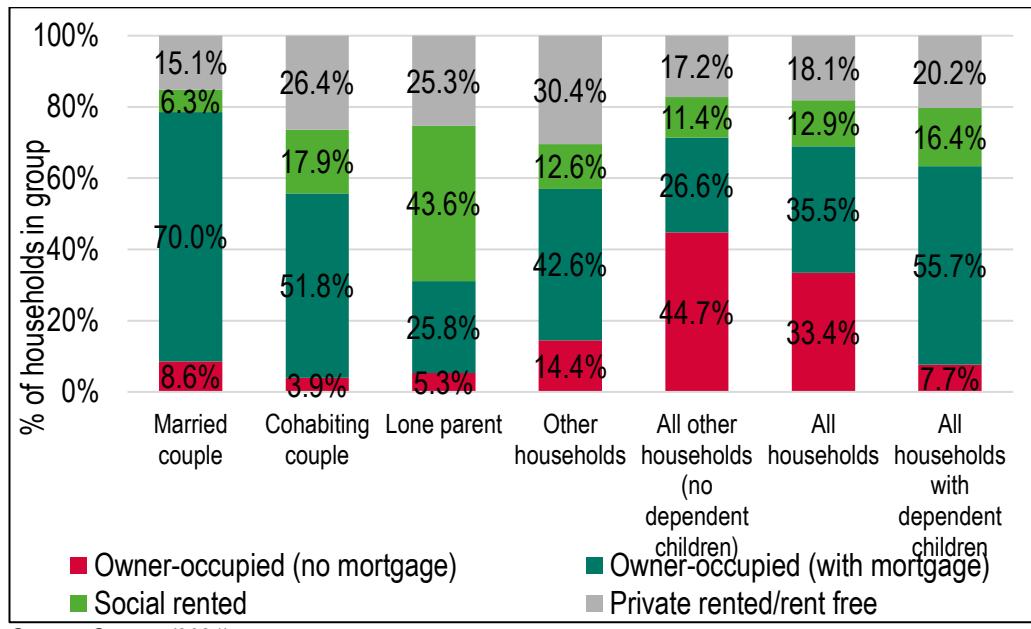
Table 6.1 Households with Dependent Children (2021)

	Rugby		Warwi- ckshire	West Mid- lands	Englan d
	No.	%	%	%	%
Married couple	7,969	16.9%	15.0%	14.2%	14.4%
Cohabiting couple	2,257	4.8%	4.6%	4.8%	4.5%
Lone parent	2,981	6.3%	6.0%	7.4%	6.9%
Other households	1,164	2.5%	2.1%	3.0%	2.7%
All other households	32,645	69.4%	72.3%	70.6%	71.5%
Total	47,016	100.0%	100.0%	100.0%	100.0%
Total with dependent children	14,371	30.6%	27.7%	29.4%	28.5%

Source: Census (2021)

6.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector. Across the Borough, only 31% of lone-parent households are owner-occupiers compared with 79% of married couples with children.

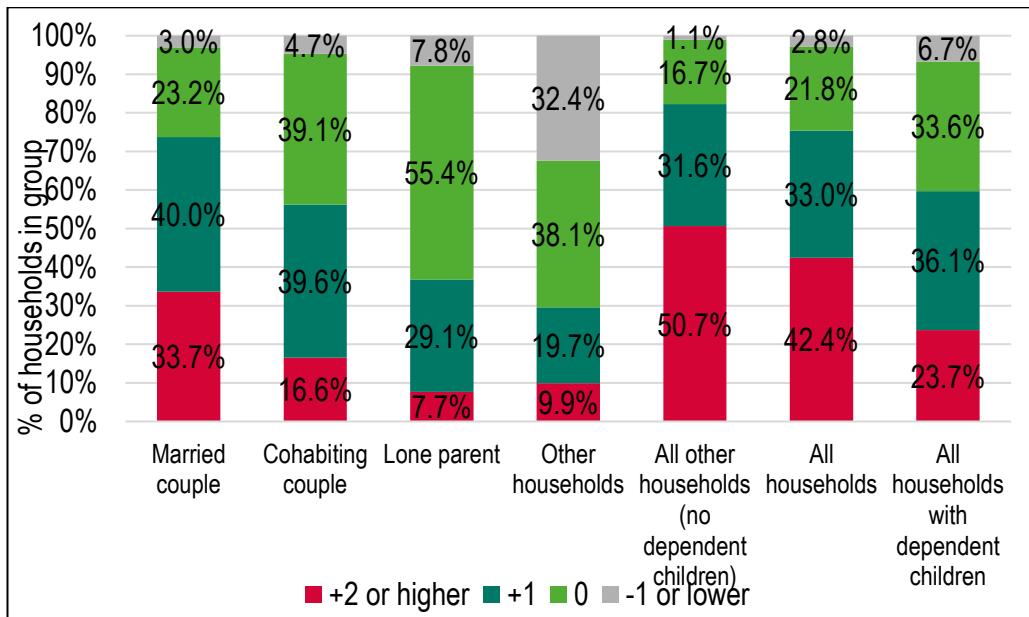
Figure 6.1 Tenure of households with dependent children (2021) – Rugby



Source: Census (2021)

6.5 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding (minus figure) for all household types with dependent children with 8% of all lone parents and 32% of 'other' households being overcrowded. Overall, some 7% of households with dependent children are overcrowded, compared with around 1% of other households. Levels of under-occupancy (positive figures) are also notably lower in households with dependent children. This supplements the analysis in Section 2.

Figure 6.2 Occupancy rating of households with dependent children (2021) – Rugby



Source: Census (2021)

The Mix of Housing

6.6 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections it is possible to see which age groups are expected to change in number, and by how much.

6.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period (taken to be 2025-43 to be consistent with other analysis in this report).

6.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up

80% of the total in this tenure group, a slightly higher proportion to that seen in other areas). The profile of the social rented sector is broadly similar across areas (slightly more 3-bedroom homes in Rugby) whilst the private rented sector is broadly similar to other locations.

Observations about the current mix feed into conclusions about future mix later in this section.

Table 6.2 Number of Bedrooms by Tenure, 2021

		Rugby	West Midlands	England
Owner-occupied	1-bedroom	2%	2%	4%
	2-bedrooms	18%	19%	21%
	3-bedrooms	46%	52%	46%
	4+-bedrooms	34%	27%	29%
	Total	100%	100%	100%
	Ave. no. beds	3.13	3.04	3.01
Social rented	1-bedroom	27%	29%	29%
	2-bedrooms	36%	35%	36%
	3-bedrooms	34%	32%	31%
	4+-bedrooms	3%	4%	4%
	Total	100%	100%	100%
	Ave. no. beds	2.13	2.12	2.10
Private rented	1-bedroom	17%	17%	21%
	2-bedrooms	39%	37%	39%
	3-bedrooms	33%	37%	29%
	4+-bedrooms	11%	10%	11%
	Total	100%	100%	100%
	Ave. no. beds	2.38	2.40	2.30

Source: *Census (2021)*

Overview of Methodology

6.9 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analyses.

Understanding How Households Occupy Homes

6.10 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

6.11 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single-person households does not automatically translate into a need for smaller units.

6.12 That said, issues of supply can also impact occupancy patterns, for example, it may be that a supply of additional smaller-level access homes would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.

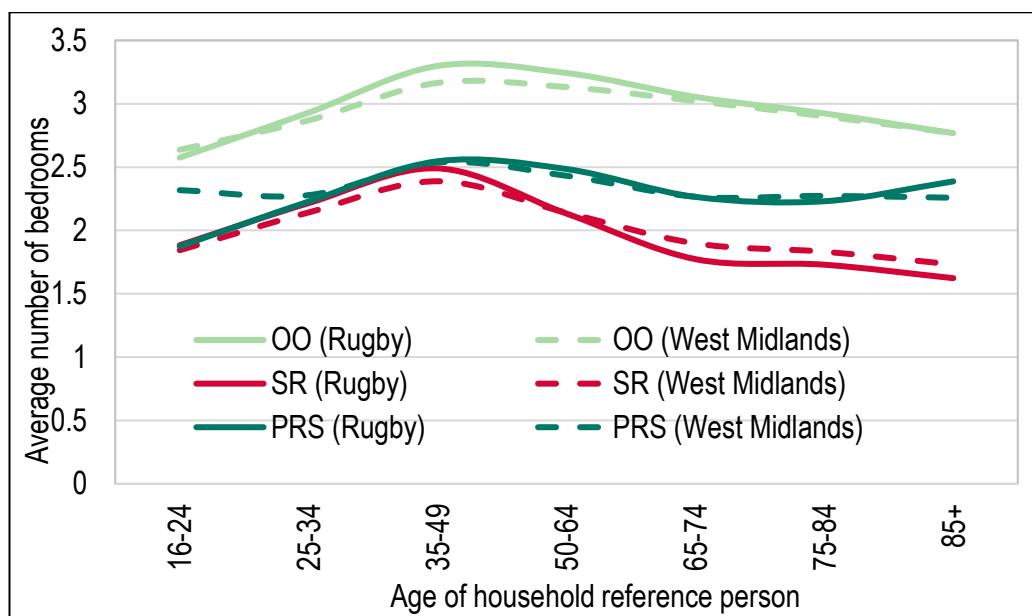
6.13 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).

6.14 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs)

in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).

6.15 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Rugby and the West Midlands region. In all sectors, the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis confirms Rugby as having broadly similar dwelling sizes across tenure groups.

Figure 6.3 Average Bedrooms by Age and Tenure in Rugby and the region



Source: Census (2021)

6.16 The analysis uses the existing occupancy patterns at a local and regional level as a starting point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the market sector (i.e. owner-occupiers and the private rented sector);
- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

6.17 The table below presents the projected change in households by age of household reference person under the Standard Method. This shows growth as being expected in all age groups and in particular older age groups (notably 85+), although some high growth is also projected in younger age groups, in part due to an assumption that household formation could improve over time (and from a low base in the Under 25 age group).

Table 6.3 Projected Change in Household by Age of HRP in Rugby

	2025	2043	Change in Households	% Change
Under 25	869	1,415	546	62.8%
25-34	6,682	7,693	1,011	15.1%
35-49	14,825	16,892	2,067	13.9%
50-64	14,275	17,505	3,229	22.6%
65-74	6,055	7,435	1,381	22.8%
75-84	5,823	7,349	1,526	26.2%
85+	2,337	3,692	1,355	58.0%
TOTAL	50,867	61,982	11,115	21.9%

Source: Iceni Analysis

Modelled Outputs

6.18 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

6.19 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on smaller (1- and 2-bedroom) homes but with over a two-fifths of households requiring 3+bedroom accommodation.

Table 6.4 Size of Social/Affordable Rented Housing Needed –
Housing Register Information (2024)

	Number of households	% of households	% excluding unspecified
1-bedroom	85	31.3%	32.8%
2-bedrooms	66	24.3%	25.5%
3-bedrooms	63	23.2%	24.3%
4+bedrooms	45	16.5%	17.4%
Unspecified	13	4.8%	-
TOTAL	272	100.0%	100.0%

Source: LAHS

6.20 The table below shows the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 6.5 Initial Modelled Mix of Housing by Size and Tenure – Rugby

	1- bedroom	2- bedrooms	3- bedrooms	4+ bedrooms
Market	6%	24%	46%	25%
Affordable home ownership	18%	38%	34%	11%
Affordable housing (rented)	29%	36%	32%	3%

Source: *Iceni analysis*

Rightsizing

6.21 The analysis above sets out the potential need for housing if occupancy patterns remain the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).

6.22 There is a case to seek for new stock to more closely match actual size requirements. Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Further analysis has been undertaken to take account of overcrowding and under-occupancy (by tenure).

6.23 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. In the owner-occupied sector in 2021, there were 28,700 households with some degree of

under-occupation and around 330 overcrowded households – some 89% of all owner-occupiers have some degree of under-occupancy.

Table 6.6 Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – Rugby

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	8,827	9,204	18,031
+1 spare bedrooms	0	4,754	4,278	1,651	10,683
0 “Right sized”	619	947	1,509	285	3,360
-1 too few bedrooms	19	113	162	40	334
TOTAL	638	5,814	14,776	11,180	32,408

Source: *Census (2021)*

6.24 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Table 6.7 Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – Rugby

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	428	57	485
+1 spare bedrooms	0	865	606	59	1,530
0 “Right sized”	1,593	1,157	850	41	3,641
-1 too few bedrooms	47	173	169	27	416
TOTAL	1,640	2,195	2,053	184	6,072

Source: *Census (2021)*

Table 6.8 Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – Rugby

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+bed	TOTAL
+2 spare bedrooms	0	0	891	538	1,429
+1 spare bedrooms	0	1,920	1,129	238	3,287
0 “Right sized”	1,293	1,208	656	106	3,263
-1 too few bedrooms	143	208	127	75	553
TOTAL	1,436	3,336	2,803	957	8,532

Source: Census (2021)

6.25 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a ‘+1’ occupancy. This does need to be recognised as an assumption but can be seen to be reasonable as it does retain some (considerable) degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).

6.26 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

Table 6.9 Modelled Mix of Housing by Size and Tenure – Rugby

	1-bedroom	2-bedrooms	3-bedrooms	4+bedrooms
Market	5%	29%	46%	20%
Affordable home ownership	16%	40%	33%	11%
Affordable housing (rented)	28%	35%	30%	6%

Source: *Iceni analysis*

6.27 Across the Borough, the analysis points to over a quarter of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below.

6.28 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

6.29 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2-bedrooms in the rented affordable housing sector.

Table 6.10 Modelled Mix of Housing by Size and Age – affordable housing (rented) – Rugby

	1-	2-	3-	4+-

	bedroom	bedrooms	bedrooms	bedrooms
Under 65	19%	38%	35%	8%
65 and over	50%	50%		
All affordable housing (rented)	28%	35%	30%	6%

Source: *Housing Market Model*

6.30 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 338 dwellings per annum from households unable to buy OR rent) with additional data from CoRe about the sizes of homes let over the past three years.

6.31 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation in particular, where it is estimated the supply is only around 22% of the need arising each year, whereas for 1-bedroom homes around half of the need can be met. This correlates to the analysis of the stock profile in Section 2.

Table 6.11 Need for rented affordable housing by number of bedrooms – Rugby

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	132	68	64	18.9%	51.6%
2-bedrooms	229	101	128	37.8%	44.2%
3-bedrooms	172	53	119	35.2%	30.7%
4+-bedrooms	35	8	27	8.1%	21.9%
Total	568	230	338	100.0%	40.5%

Source: *Iceni analysis*

Position looking to 2045

6.32 If the analysis is rolled out to 2045 (from 2043) there would be no notable change in the modelling outputs or conclusions. This is because the extra two years makes little difference to projected changes to household age structures with the table below showing projected changes over this slightly longer period.

Table 6.12 Projected Change in Household by Age of HRP in Rugby (2025-45)

	2025	2045	Change in Households	% Change
Under 25	869	1,422	553	63.7%
25-34	6,682	7,828	1,145	17.1%
35-49	14,825	17,100	2,275	15.3%
50-64	14,275	17,898	3,622	25.4%
65-74	6,055	7,492	1,437	23.7%
75-84	5,823	7,610	1,787	30.7%
85+	2,337	3,866	1,529	65.4%
TOTAL	50,867	63,216	12,350	24.3%

Source: Iceni Analysis

Indicative Targets for Different Sizes of Property by Tenure

6.33 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile and levels of under-occupancy and overcrowding. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/Affordable Rented

6.34 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people). The following mix of social/affordable rented housing is therefore suggested:

Table 6.13 Recommended Social/ Affordable Rented Housing Mix

	Under 65	65 and over
1-bedroom	20%	50%
2-bedrooms	30%	50%
3-bedrooms	35%	
4+bedrooms	15%	

Source: *Iceni Analysis*

6.35 The updated evidence points to a higher 3-bed need in the Borough than the modelling in the 2022 HEDNA.

6.36 Regarding older persons housing, the above recommendations aim to promote the opportunity for older person households to downsize, with a 2-bed offering being more likely to encourage this than 1-bed homes. Also, whilst technically most older person households will only have a 'need' for a 1-bed home, a larger property remains affordable as most older person households are not impacted by the bedroom tax / spare room subsidy. While we have identified a need for 50% of affordable older person homes to be 2+ bedrooms it is likely that delivery will be focused on those with only 2-bedrooms.

6.37 It should be noted that the above recommendations are to a considerable degree based on projecting the need forward to 2043 and will vary over time. It may be at a point in time the case that Housing

Register data identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Affordable Home Ownership

6.38 In the affordable home ownership sector a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples. The conclusions also take account of the earlier observation that it may be difficult to make larger homes genuinely affordable for AHO. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

Table 6.14 Recommended Affordable Home Ownership Housing Mix

Dwelling Size	% Dwellings
1-bedroom	15%
2-bedrooms	40%
3-bedrooms	35%
4+bedrooms	10%

Source: Iceni Analysis

6.39 The updated modelling points to slightly lower 1-bed need and higher 3-bed need than shown in the 2022 HEDNA. This correlates with the wider demand evidence which points to a limited need for flats.

Market Housing

6.40 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy).

6.41 We have also had regard to the potential for rightsizing but also recognise that in the market sector there is limited ability to control what households purchase. This sees a slightly larger recommended profile compared with other tenure groups.

Table 6.15 Recommended Market Housing Mix

Dwelling Size	% Dwellings
1-bedroom	5%
2-bedrooms	30%
3-bedrooms	45%
4+bedrooms	20%

Source: Iceni Analysis

6.42 The market housing profile corresponds with the wider analysis showing a focus of the existing stock towards family-sized homes with 3 or more bedrooms, but also takes account of and seeks to address the significant under-occupancy of properties in the Borough. Provision of 2- and 3-bed homes provide opportunities for the release of some larger properties by existing under-occupying households. A lower 1-bed need is shown relative to the 2022 HEDNA is consistent with the evidence of limited general demand for this type of property (considered borough-wide). There may however be some schemes – particularly in Central Rugby – where a focus more towards smaller properties is warranted, taking account of site location and the form of development proposed.

6.43 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market (including the stock profile in different tenures as set out earlier in this section), it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Borough) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

6.44 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also relevant considerations as to what the appropriate mix of market housing on individual development sites.

Bringing the Evidence Together

6.45 Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of households and the ageing of the population. The proportion of households with dependent children in Rugby is slightly higher than average with around 31% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social rented accommodation.

6.46 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock by not projecting forward the high levels of under-occupancy (which is notable in the market sector).

6.47 In all sectors the analysis points to a particular need for 2- and 3-bedroom accommodation, with varying proportions of 1- and 4+-bedroom homes. For rented affordable housing for Under 65s there is a clear need for a range of different sizes of homes, including half to have at least 3-bedrooms of which 15% should have at least 4-bedrooms.

Our recommended mix is set out below:

Table 6.16 Recommended Mix of Housing by Tenure – Rugby Borough

	Market	Affordable home ownership	Affordable housing (rented)	
			Under 65	65 and over
1-bedroom	5%	15%	20%	50%
2-bedrooms	30%	40%	30%	50%
3-bedrooms	45%	35%	35%	
4+-bedrooms	20%	10%	15%	

Source: *Iceni Analysis*

6.48 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

6.49 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas affordable housing registered providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom

accommodation. That said, given current house prices there are potential difficulties in making (larger) AHO genuinely affordable.

6.50 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

7. Housing for Older & Disabled People

7.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Strategic Context

7.2 The **PPG on Housing for Older and Disabled People** outlines the critical need to provide housing for older people, given projected growth in the older population. Specialist housing can help increase housing choices for older and disabled people, help them to live safely and independently and can reduce costs to the social care and healthcare systems.

7.3 According to the PPG plans should set clear policies to address needs for specialist housing and for care homes, including providing indicative figures or a range for the number of specialist housing units needed over the plan period. It is up to planning authorities whether to allocate sites to meet specialist housing needs, but the PPG advises that doing so can provide greater certainty for developers and encourage provision in suitable locations.

7.4 As set out in the **Warwickshire Adult Social Care Strategy 2024-2030**, there is a growing number of older residents needing social care, with increasing complexity in their needs. The number of people

supported by the council has risen significantly in recent years and this trend is expected to continue as the population ages.

- 7.5 There is a focus on increasing the availability of affordable housing with care options particularly for people with complex needs, as a way to support independence and reduce reliance on residential care
- 7.6 **Warwickshire's Market Position Statement** sets out the approach to developing the care market with a focus on positive outcomes. The Council aims to work closely with health, social care, voluntary and community partners to join up services and reduce hospital admissions. Warwickshire is keen to work with providers to create more affordable housing options, especially for people needing mental health aftercare or dementia support and welcomes discussions with interested organisations. Figures quoted within the MPSs regarding specialist housing related to provision which Warwickshire County Council itself could commission (and do not include wider market provision).
- 7.7 **The Older Persons Housing Taskforce Report^{vii}** highlights the UK market faces a significant gap between supply and demand for suitable older people's housing. The estimated need for later living homes is 30,000-50,000 per year, whilst only around 7,000 new later living homes are built each year. A high proportion of older people live in mainstream housing, which often lacks accessibility features. The overarching recommendation set out in the report is for a new delivery capability to drive forward changes, recognising the vision will require collaborative effort across housing, health and social care sectors.
- 7.8 An assessment^{viii} of what older people want sets out that older people value specialist housing for its on-site care, support and social opportunities. There is currently limited awareness and understanding of these options. Affordability is highlighted as a major concern as many specialist options are out of reach for people. Only a minority of older households can afford current specialist housing models, with larger or higher-support options even less affordable. The assessment further

sets out most moves are local and into mainstream housing. Moves into specialist housing are more common among social tenants.

7.9 Iceni's discussions with Warwickshire County Council's Adult Social Care team identified that their strategic focus is on maintaining older persons' independence, with provision of specialist supported and extra care housing a component of this together with promoting the delivery of homes to M4(2) accessible and adaptable standards. They would like to see increased delivery of extra care housing, as well as supported housing for younger adults (under 65) – through provision of supported living schemes. Supported housing needs does not however necessarily need to be new-build provision. Rugby town is the strongest potential location given challenges with both GP capacity and public transport in some other parts of the Borough. Challenges in finding RPs to manage supported housing in the Borough are recognised as a key challenge.

Older Persons Demographic Characteristics

7.1 The table below provides baseline population data about older persons in Rugby and compares this with other areas. The table shows the Borough has a very slightly younger age structure to that seen regionally and nationally (and across Warwickshire) with 18% of the population being aged 65 and over. The proportion of people aged 75 and over is however similar to regional and national figures. Overall, differences between locations are not significant.

Table 7.1 Older Persons Population, 2024

	Rugby	Warwick-shire	West Midlands	England
Under 65	82.2%	79.4%	81.1%	81.3%
65-74	8.4%	9.9%	9.4%	9.4%
75-84	6.8%	7.8%	6.9%	6.8%
85+	2.5%	2.9%	2.6%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	17.8%	20.6%	18.9%	18.7%
Total 75+	9.3%	10.7%	9.5%	9.3%

Source: ONS

Projected Future Change in the Population of Older People

7.2 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Rugby is projected to see a notable increase in the older person population – the projection is based on the Standard Method.

7.3 For the 2025-43 period a projected increase in the population aged 65+ of around 29% is shown – the population aged under 65 is in contrast projected to see a more modest increase (of 11%). In total population terms, the projections show an increase in the population aged 65 and over of 6,400 people. This is against a backdrop of an overall increase of 13,800 – population growth of people aged 65 and over therefore accounts for 47% of the total projected population change.

Table 7.2 Projected Change in Population of Older Persons, 2025 to 2043 – Rugby

	2025	2043	Change in population	% change
Under 65	102,079	109,393	7,315	7.2%
65-74	10,509	12,916	2,407	22.9%
75-84	8,495	10,673	2,178	25.6%
85+	3,178	5,037	1,859	58.5%
Total	124,261	138,020	13,759	11.1%
Total 65+	22,182	28,627	6,444	29.1%
Total 75+	11,673	15,710	4,037	34.6%

Source: Iceni Analysis

7.4 Data to 2045 shows the same broad change in age structures with the population aged 65 and over projected to increase by 32% over this slightly longer period.

Table 7.3 Projected Change in Population of Older Persons, 2025 to 2045 – Rugby

	2025	2045	Change in population	% change
Under 65	102,079	110,162	8,083	7.9%
65-74	10,509	13,042	2,533	24.1%
75-84	8,495	11,039	2,544	29.9%
85+	3,178	5,267	2,089	65.8%
Total	124,261	139,510	15,249	12.3%
Total 65+	22,182	29,349	7,166	32.3%
Total 75+	11,673	16,306	4,633	39.7%

Source: Iceni Analysis

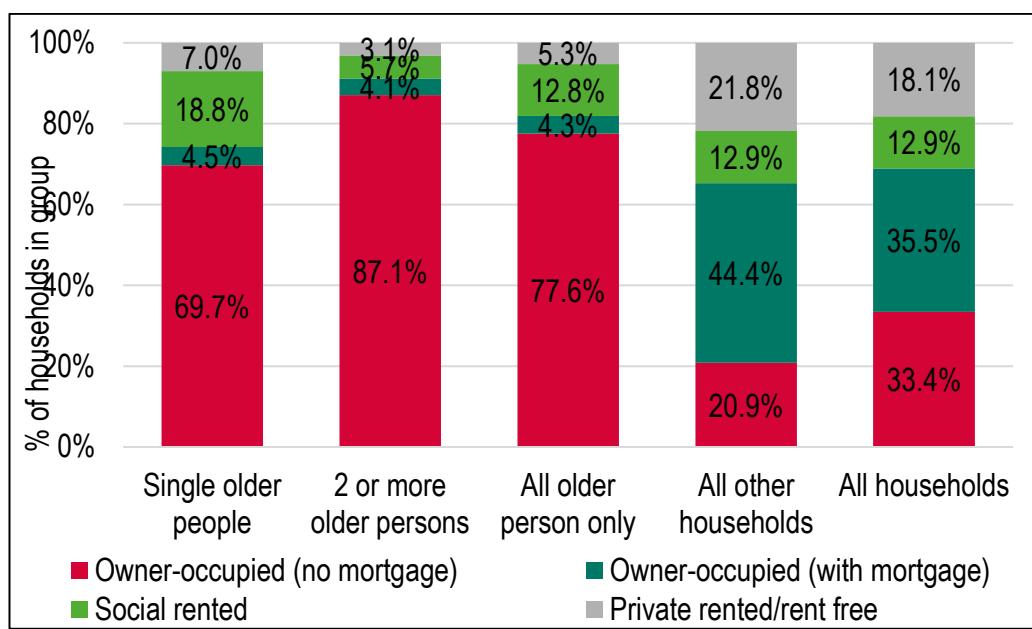
Characteristics of Older Person Households

7.5 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (82% of older person households), and indeed most are owner-occupiers with no mortgage and thus may have significant equity

which can be put towards the purchase of a new home. Some 13% of older persons households live in the social rented sector and the proportion of older person households living in the private rented sector is relatively low (about 5%).

7.6 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a higher proportion living in the social rented sector.

Figure 7.1 Tenure of Older Persons Households in Rugby, 2021



Source: 2021 Census

Disabilities

7.7 The table below shows the proportion of people who are considered as disabled under the definition within the 2010 Equality Act⁸, drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 30% of

⁸ The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

households in the Borough contain someone with a disability. This figure is lower than seen regionally and nationally and in-line with figures for Warwickshire. The figures for the population with a disability also show lower levels than nationally – some 16% of the population having a disability.

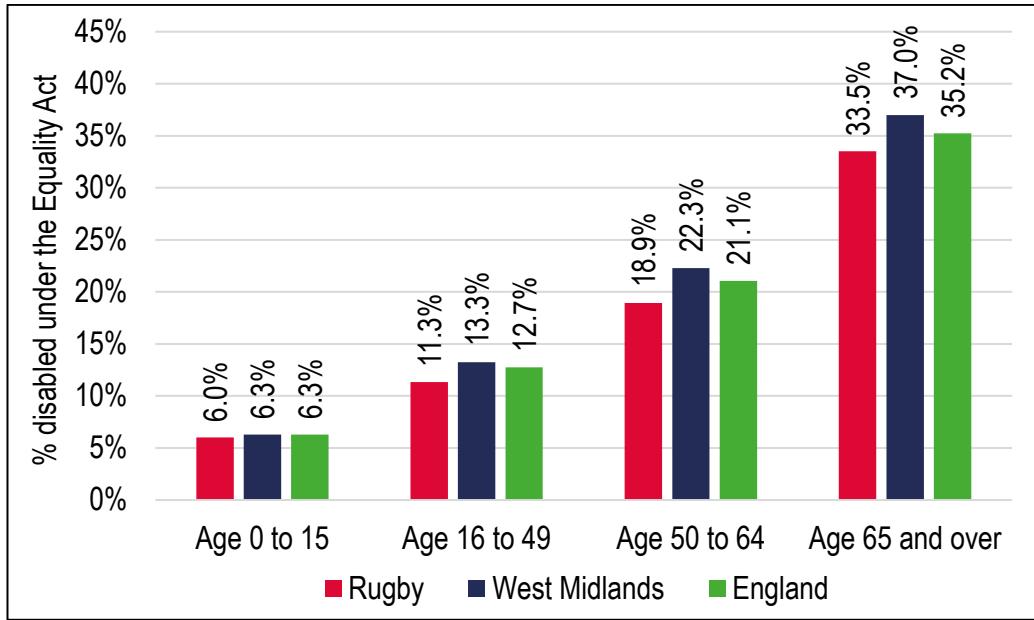
Table 7.4 Households and People with a Disability, 2021

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Rugby	14,011	29.8%	18,058	15.8%
Warwickshire	77,393	30.6%	100,013	16.8%
West Midlands	820,676	33.8%	1,077,479	18.1%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

7.8 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows generally slightly lower levels of disability when compared with the regional and national position.

Figure 7.2 Population with Disability by Age



Source: 2021 Census

Health Related Population Projections

7.9 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.

7.10 Of particular note are the large increases in the number of older people with dementia (increasing by 42% from 2025 to 2043 and mobility problems (up 36% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 11% of total projected population growth.

Table 7.5 Projected Changes to Population with a Range of Disabilities – Rugby

Disability	Age Range	2025	2043	Change	% change
Dementia	1,552	2,205	653	42.1%	1,552
Mobility problems	4,003	5,450	1,447	36.1%	4,003
Autistic Spectrum Disorders	662	742	80	12.1%	662
	199	257	57	28.9%	199
Learning Disabilities	1,727	1,918	191	11.1%	1,727
	436	562	126	28.9%	436
Impaired mobility	3,725	4,303	578	15.5%	3,725

Source: POPPI/PANSI and Demographic Projections

7.11 Data to 2045 (as shown in the table below) continues to show increases in the range of disabilities, including a projected 47% increase in the number of older people with dementia from the estimated position in 2025.

Table 7.6 Projected Changes to Population with a Range of Disabilities – Rugby

Disability	Age Range	2025	2045	Change	% change
Dementia	65+	1,552	2,284	732	47.2%
Mobility problems	65+	4,003	5,627	1,624	40.6%
Autistic Spectrum Disorders	18-64	662	749	87	13.2%
	65+	199	263	63	31.9%
Learning Disabilities	15-64	1,727	1,931	204	11.8%
	65+	436	574	139	31.8%
Impaired mobility	16-64	3,725	4,411	686	18.4%

Source: POPPI/PANSI and Demographic Projections

Specialist Housing Need

7.12 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide

a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [ID: 63-010-20190626]

7.18 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people.

7.19 The approach taken below considers a range of publications from Housing LIN (including that mentioned in the PPG) to derive a series of prevalence rates. The rates also take into account the generally better health of the population in Rugby and levels of deprivation (which will impact on the tenure split between market and affordable housing).

7.20 The following prevalence rates, expressed as a need per 1,000 people aged 75 and over have been used in the analysis:

- Housing with support (market) – 61 units;
- Housing with support (affordable) – 57 units;
- Housing with care (market) – 29 units;
- Housing with care (affordable) – 14 units;
- Residential care – 38 bedspaces; and
- Nursing care – 43 bedspaces

7.21 It is also important to understand the supply of different types of specialist accommodation with the table below showing various categories of accommodation. Figures are expressed as a total and as a proportion of the population aged 75 and over (estimated to be 11,673 in 2025).

7.22 The analysis shows a total of 1,605 units of housing with support, which represents around 138 per 1,000 people aged 75 and over – some 76% of this is in the affordable sector. For housing with care a lower current supply is shown (182 units) with 41% being market housing. For nursing and residential care, a supply of 830 bedspaces is shown with the majority (56%) being residential care.

Table 7.7 Current supply of housing for older people – Rugby

		Current supply	Supply per 1,000 aged 75+
Housing with support	Market	379	32
	Affordable	1,226	105
Total (housing with support)		1,605	138
Housing with care	Market	75	6
	Affordable	107	9
Total (housing with care)		182	16
Residential care bedspaces		461	40
Nursing care bedspaces		369	32
Total bedspaces		830	72

Source: EAC

7.23 Taking the supply forward and using the prevalence rates suggested the tables below show estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).

7.24 The analysis suggests for most types and tenures of accommodation that there is a modest current need; the exceptions being an apparent quantitative surplus of affordable housing with support (e.g. sheltered/retirement housing) and a surplus of residential care bedspaces.

7.25 When projecting forward to 2043, it is estimated there will need to be some additional provision of all types and tenures of housing other than affordable housing with support (which has a large supply). The analysis does point to a particular need for housing with support (in the market sector) and a more modest need for housing with care (mainly in the market sector). The analysis also suggests a need for some additional nursing and residential care bedspaces (particularly nursing care). The second table below shows the same data if projected forward to 2045.

Table 7.8 Specialist Housing Need for Older Persons, 2025-43 – Rugby

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	61	379	717	338	248	586
	Affordable	57	1,226	668	-558	231	-327
Total (housing with support)		119	119	1,605	1,385	-220	479
Housing with care	Market	29	75	338	263	117	380
	Affordable	14	107	160	53	55	109
Total (housing with care)		43		182	499	317	172
Residential care bedspaces		38	38	461	443	-18	153
Nursing care bedspaces		43		369	499	130	172
Total bedspaces		81	81	830	942	112	326

Source: Iceni analysis/EAC

Table 7.9 Specialist Housing Need for Older Persons, 2025-45 – Rugby

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Additional demand to 2045	Shortfall /surplus by 2045
Housing with support	Market	61	379	717	338	285	623
	Affordable	57	1,226	668	-558	265	-293
	Total (housing with support)	119	1,605	1,385	-220	550	330
Housing with care	Market	29	75	338	263	134	397
	Affordable	14	107	160	53	64	117
	Total (housing with care)	43	182	499	317	198	515
	Residential care bedspaces	38	461	443	-18	176	158
	Nursing care bedspaces	43	369	499	130	198	328
	Total bedspaces	81	830	942	112	374	486

Source: *Iceni analysis/EAC*

7.26 Having regard to the need identified, the Council should consider whether the Plan should require provision of specialist housing within specific site allocations in addition to the general policy support provided by emerging Policy H6.

7.27 We would also comment that whilst a net need for additional care home bedspaces is identified, this does not necessarily mean that existing smaller schemes remain financially viable; and there is some potential for the closure of some smaller care homes in older, less suitable properties. This would be a consideration in applying Limb D of draft Policy H6.

Wheelchair User Housing

7.28 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on

data from the English Housing Survey (EHS) – mainly 2020/21 data – which are again adjusted to take account of local information about disabilities.

7.29 Similar to the analysis on older people, the data is used to develop a series of prevalence rates, in this case expressed as a proportion of households in a number of age groups. The data estimates a total of 1,265 wheelchair user households in 2025, and that this will rise to 1,584 by 2043. The second table below projects the number to increase to 1,620 by 2045.

Table 7.10 Estimated number of wheelchair user households (2025-43) – Rugby

	Prevalence rate (% of households)	Households 2025	Households 2043	Wheelchair user households (2025)	Wheelchair user households (2043)
24 and under	0.4%	869	1,415	3	6
25-34	0.4%	6,682	7,693	29	33
35-49	1.5%	14,825	16,892	218	248
50-64	2.1%	14,275	17,505	302	370
65 and over	5.0%	14,215	18,477	713	927
All households	-	50,867	61,982	1,265	1,584

Source: *Iceni analysis*

Table 7.11 Estimated number of wheelchair user households (2025-45) – Rugby

	Prevalence rate (% of households)	Households 2025	Households 2045	Wheelchair user households (2025)	Wheelchair user households (2045)
24 and under	0.4%	869	1,422	3	6
25-34	0.4%	6,682	7,828	29	33
35-49	1.5%	14,825	17,100	218	251
50-64	2.1%	14,275	17,898	302	378
65 and over	5.0%	14,215	18,968	713	952
All households	-	50,867	63,216	1,265	1,620

Source: Iceni analysis

7.30 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully ‘visitable’ – this is around 25% of wheelchair user households.

7.31 Applying this to the current number of wheelchair user households across the Borough gives a current need for 316 additional wheelchair user homes. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) then a further need for 80 homes in the 2025-43 period can be identified. Added together this leads to a need estimate of 396 wheelchair user homes – equating to 22 dwellings per annum. If looked at over a 20-year period (2025-45) the need drops to 20 per annum.

Table 7.12 Estimated need for wheelchair user homes, 2025-43/45

	Current need	Projected need (2025-43)	Total current and future need
2025-43	316	80	396
2025-45	316	89	405

Source: Iceni Analysis

7.32 Furthermore, information in the EHS (for 2020/21) also provides national data about wheelchair users by tenure. This showed that, at that time, around 6.7% of social tenants were wheelchair user (including 1.8% using a wheelchair indoors/all the time), compared with 2.6% of owner-occupiers (0.8% indoors/all the time). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Table 7.13 Proportion of wheelchair user households by tenure of household reference person – England

Tenure	No household member uses a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	97.4%	0.6%	0.2%	1.8%	100.0%
Social sector	93.3%	1.3%	0.5%	4.9%	100.0%
Private renters	98.6%	0.2%	0.2%	1.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

Implications - Older and Disabled People

7.33 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

7.34 The data shows that Rugby has a very slightly younger age structure than is seen regionally and nationally, and lower levels of disability compared with other areas. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (78% of all older person households are outright owners).

7.35 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase. Key findings for the 2025-43 period include:

- a 29% increase in the population aged 65+ (potentially accounting for 47% of total population growth);
- a 42% increase in the number of people aged 65+ with dementia and a 36% increase in those aged 65+ with mobility problems;
- a need for around 590 additional housing units with support (sheltered/retirement housing) in the market sector;

- a need for around 490 additional housing units with care (e.g. extra-care) – the majority (around three-quarters) in the market sector;
- a need for additional nursing and residential care bedspaces (around 440 in the period); and
- a need for around 400 dwellings to be for wheelchair users (meeting technical standard M4(3)).

7.36 Having regard to the need identified, the Council should consider whether the Plan should require provision of specialist housing within specific site allocations in addition to the general policy support provided by emerging Policy H6. There are also practical considerations to consider in addressing potential redevelopment or conversion of care homes in dated, smaller properties.

7.37 The evidence suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair-user dwellings as well as providing specific provision of older persons housing. It supports the expectations in draft Policy H7 for all new dwellings to meet M4(2) standards; but suggests that provision at M4(3) levels should be reduced to 3.5%.

8. Other Housing Market Segments

8.1 This section turns to address evidence regarding the need for self- and custom-build development together with Build to Rent (BtR).

Self- and Custom Housebuilding

8.2 Rugby Borough Council self/custom build registers serve as a strategic planning tool rather than a guarantee of service. The Council does not guarantee to provide plots or land. Registering interest helps the Council to plan effectively for housing diversity. The register is divided into “base periods”.

8.3 Rugby Borough Council’s Register was established in April 2016 and is open to individuals and associations. The register shows total demand of 202 entries between 2016-2024. A high proportion of registrants have a preference for detached homes (148 entries), followed by detached or detached bungalow. Rugby town was named the most popular area in terms of demand.

8.4 Rugby Borough Council’s Self-Build and Custom Housebuilding report sets out the annual demand by base period, as shown in the table below:

Table 8.1 Annual demand and permissions granted (by base period)

Year	Demand	Suitable plots granted permission
2016-17 (base period 1)	13	70
2017-18 (base period 2)	36	83
2018-19 (base period 3)	29	76
2019-20 (base period 4)	20	46
2020-21 (base period 5)	22	49
2021-22 (base period 6)	32	70
2022-23 (base period 7)	31	54
2023-24 (base period 8)	8	44
2023-2024 (base period 9)	11	5
Total	202	497

Source: *Rugby Self-built and custom housebuilding Report 2025*

- 8.5 Between the base period 1-8 (2016-2023), the number of permissions granted has exceeded the register demand, as shown in the table above based on the Council's monitoring data.
- 8.6 Councils must grant planning permission for serviced plots to meet the demand recorded in each base period. As of January 31st 2024 however, the definition of "suitable" permissions has changed to only permissions for serviced self/custom build plots, where previously any small housing permission could be counted. The Council should consider whether its supply accords with this definition.
- 8.7 Rugby Borough Council Housing Needs Supplementary Planning Document (SPD)^{ix} also sets out the self/custom build process where the Council is required to consider demand but not obliged to meet individual preferences. The Council is committed to ongoing support and policy development for self/custom build opportunities.

Build to Rent

8.8 With respect to Build to Rent, the Housing White Paper (February 2017) set out that the Government wanted to build on earlier initiatives to attract new investment into large-scale scale housing which is purpose-built for market rent (i.e., Build to Rent). The Government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.

8.9 The NPPF sets out that the needs of people who rent their homes (as separate from affordable housing) should be assessed and reflected in planning policies (Paragraph 63). The NPPF glossary also includes a definition for Build to Rent development:

“Purpose-built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development.”

8.10 It therefore represents development which is constructed with the intention that it will be let rather than sold.

8.11 Over recent years there has been rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Savills' UK Build to Rent Market Update⁴ for Q2 2024 states that the BTR market now had 115,000 completed units, 45,400 under construction and 100,700 in the development pipeline, a total of 261,870 units. The 2022 Sub-Regional HEDNA considered the benefits of BtR development and the profile of tenants.

8.12 The British Property Federation (“BPF”), London First and UK Apartment Association (“UKAA”) published (November 2022) a report⁵ profiling those who live in Build to Rent accommodation in England. Whilst this is focused on more urban locations, it helps understand the

broad profile of tenants. According to their research around 40% of residents were aged between 25 and 34, which is broadly similar to the wider private rented sector. The survey-based data identified that incomes are similar to those in private rented sector accommodation with 18% earning between £26,000 and £32,000, and 23% earning between £32,000 and £44,000. The report also noted that Build to Rent has comparable levels of affordability but is notably more affordable for couples and sharers.

- 8.13 Much of BtR development to date has been located in the largest cities of London, Manchester, Birmingham and Leeds. It has begun to reach smaller towns and secondary locations although activity is reduced due to the economy of scale required and the lack of potential tenants for this product.
- 8.14 Further research from Savills^x mentions declining supply from landlords as a key current trend in the Private Rented Sector. The ratio of landlord sales to purchases shifted from around 1:1 in 2021 to over 5:1 in 2024. The number of rental properties sold by small landlords since April 2021 is 290,000 whereas only 130,000 new Build-to-Rent homes have been built in the same period. This is contributing (nationally) to a declining rental supply. Rental listings for properties are down by 31% in suburban areas and by 19% in urban markets, relative to pre-pandemic averages. Lack of supply has also reduced market turnover, resulting in high rents discouraging tenant moves.

BTR in Rugby

- 8.15 There is currently one BTR scheme in central Rugby - the Cattle Market apartments called 'Charolais Gardens', totalling 360 new homes: 201 one-bedroom and 159 two-bedroom apartments. The application received approval on 15 September 2020. Construction proceeded in two phases, with 125 units completed in the 2021/22 financial year and the remaining 235 units finished in 2022/23. To date, no additional Build to Rent (BTR) schemes have been brought forward in the area.

- 8.16 Another BTR scheme comprising 149 homes is situated within the Houlton urban extension – the Pioneers – and provides a suburban or ‘single family’ BTR product. The development offers a mix of two and three-bedroom family houses.
- 8.17 These scheme demonstrate the potential for further BTR development in Rugby – both ‘multi-family’ development in the town; and ‘single family’ development as part of larger strategic development sites. In the context of current market trends, such schemes can play an important role in maintaining rental supply, managing rental value growth and supporting overall housing delivery.
- 8.18 The Council’s emerging Plan proposes in the supporting text to Policy H2 that an off-site financial contribution to affordable housing will be accepted for BTR developments and recognises that schemes work on the basis of a different financial model to a standard build for sale development. Iceni consider that ‘multi-family’ schemes (i.e. flatted developments) should not require the involvement of an RP but instead support common management of units, as set out in the PPG.

Looked after Children

- 8.19 A Written Ministerial Statement by the Minister of State for Housing and Planning on 23rd May 2023 has made clear that LPAs should determine whether it is appropriate for studies such as this to consider the accommodation needs of children in need of social services care (children in care). It advises that LPAs should give due weight to and be supportive of applications for accommodation for looked after children in their area that reflect local needs; and that local/ unitary and upper tier authorities should work with commissioners to assess local need.
- 8.20 The ‘sufficiency duty’ under the Children’s Act (1989) requires local authorities to take steps to secure, as far as reasonably practical, sufficient accommodation within the Authority’s area boundaries to meet

the needs of children that the local authority is looking after and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation.

8.21 To ensure that no young person in care or at risk of homelessness is left without a safe place to stay, Warwickshire Council has developed a protocol in partnership with local borough councils. The Joint Housing Protocol sets out how Warwickshire County Council and local district councils work together to support homeless 16- and 17-year-olds. The process begins with a thorough assessment of the young person's needs, followed by the provision of interim accommodation if required. Support is coordinated across agencies, with a focus on preventing homelessness and finding stable, long-term housing solutions.

8.22 As set out in the **Warwickshire Children and Young People Strategy** (2021-2030)^{xi}, the County Council commits to providing high-quality foster care and residential homes for children in care. It also emphasises the importance of supporting families to maintain their homes and prevent homelessness. The strategy highlights the need for ongoing support as young people transition to adulthood, ensuring they have access to stable housing and the skills needed for independent living.

8.23 Based on the Strategy and engagement with WCC, we understand that there is high demand for children's homes, particularly for children with disabilities, mainly those with learning difficulties who make up the main proportion of beds. The supply of children's homes has been increased but much caters specifically for placements from outside of the County..

8.24 Warwickshire County Council's existing provision includes two existing properties in Rugby. Over the next five years, it is looking to develop additional provision, but this is understood to be more likely to be focused in the north of the County where it is more cost effective to bring forward schemes.

- 8.25 In planning for children's homes provision, the Council's Protocol should be followed, with Boroughs engaging with WCC as schemes come forwards and seeking to ensure that these meet local needs to improve the sufficiency of provision. Providers can choose which children to support, often selecting children with fewer challenges and sometimes prioritising children from other authorities over Warwickshire authority's children.
- 8.26 Children's homes do not have to be delivered through new-build development with conversion of existing C3 properties providing a key source of supply. There are no strict specifications for new build properties, but older buildings are preferred by the County Council for better acoustic thresholds. New builds may require significant work to meet acoustic needs. Suitable locations typically include suburban areas and particularly those with lower crime levels.
- 8.27 The evidence herein is relevant to development management decisions related to provision of children's homes. There are no specific policy implications for the emerging Local Plan.

ⁱ Savills, June 2025. Beyond Buy to Let: Where next for the UK private rented sector.

ⁱⁱ Savills, June 2025. Beyond Buy to Let: Where next for the UK private rented sector.

ⁱⁱⁱ Savills, June 2025. Beyond Buy to Let: Where next for the UK private rented sector.

^{iv} Rugby Borough Council. Homelessness Prevention & Rough Sleeping Strategy (2025-2029).

^v Department of Health and Social Care, 2023/2024. Public Health Profiles.

^{vi} Rugby Borough Council. Homelessness Strategy Action Plan.

^{vii} Ministry of Housing, Communities and Local Government (November 2024). Our Future Homes: Housing that promotes wellbeing and community for an ageing population.

^{viii} Ministry of Housing, Communities and Local Government (November 2024). What older people want.

^{ix} Rugby Borough Council (July 2021). Housing Needs Supplementary Planning Document.

^x Savills, June 2025. Beyond Buy to Let: Where next for the UK private rented sector.

^{xi} Warwickshire County Council, 2021. Warwickshire Children and Young People Strategy 2021-2030.