



NOVEMBER
2022

Coventry & Warwickshire Housing & Economic Development Needs Assessment (HEDNA)

Executive Summary

Iceni Projects Limited on behalf of Coventry &
Warwickshire Local Authorities

November 2022

Iceni Projects

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH
Glasgow: 177 West George Street, Glasgow, G2 2LB
Manchester: 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: [iceniprojects.com](https://www.iceniprojects.com) | e: mail@iceniprojects.com
linkedin: [linkedin.com/company/iceni-projects](https://www.linkedin.com/company/iceni-projects) | twitter: [@iceniprojects](https://twitter.com/iceniprojects)

ICENI PROJECTS LIMITED
ON BEHALF OF COVENTRY
& WARWICKSHIRE LOCAL
AUTHORITIES

Coventry & Warwickshire Housing &
Economic Development Needs
Assessment (HEDNA)
EXECUTIVE SUMMARY

CONTENTS

1.	INTRODUCTION	1
2.	ECONOMY AND EMPLOYMENT LAND REQUIREMENTS	1
3.	OVERALL HOUSING NEED	5
4.	NEED FOR DIFFERENT TYPES OF HOMES	7

1. INTRODUCTION

- 1.1 This Housing and Economic Development Needs Assessment (HEDNA) has been prepared to provide a joint and integrated assessment of the need for housing, economic growth potential and employment land needs over the period to 2041 and 2050. It has been prepared by a consultancy team which includes Icen Projects, Cambridge Econometrics, MDS Transmodal and Justin Gardner Consulting (JGC).
- 1.2 The HEDNA evidence shows that Coventry and Warwickshire can be regarded as a coherent housing market area and 'best fit' functional economic market area, albeit that there are differences in the economic characteristics between the north and south of the area, with Coventry and the north of the area more focused towards manufacturing, warehousing and logistics; with South Warwickshire having a more service-orientated economy and higher housing costs. Overlaps are identified with other areas, in particular in North Warwickshire and Stratford-on-Avon districts towards Birmingham; between Rugby and Northamptonshire; and across the A5 with Hinckley and Bosworth.

2. ECONOMY AND EMPLOYMENT LAND REQUIREMENTS

Key Economic Characteristics

- 2.1 Coventry and Warwickshire is a £26 billion economy, accounting for 19% of West Midlands GVA. Immediately prior to the Covid-19 pandemic, growth in GVA was slightly out-performing regional and national trends reflecting stronger performance of the sub-regional economy post 2013. Total employment in 2019 across Coventry and Warwickshire is estimated at 526,900 jobs. Whilst more recent data is not available at the local level, the regional evidence suggests total employment has now returned to the pre-Covid position. The strongest economic performance in recent years has been in Coventry and South Warwickshire and these are the areas which have a stronger skills profile, with higher representation of those with degree-level skills, and a higher business density.
- 2.2 Economic participation rate in the sub-region (79.3%) is marginally above the national rate (78.8%) but considerably stronger than the region (77.5%). It is lower in Coventry than other areas. The onset of Covid-19 led to an increase in unemployment, and whilst levels have since fallen there remains a particular concentration of unemployed persons in Coventry.
- 2.3 Manufacturing is the largest sector in employment terms, accommodating 58,000 jobs, and is both a significant employment and an important contributor to wealth creation within the economy. Other sectors which are strongly represented include those associated with warehousing and logistics, which accommodates amongst 48,000 jobs; together with education, with the universities in particular

being an important economic asset and form part of the manufacturing ecosystem. The sub-region is an important centre for automotive R&D. A local cluster of gaming design companies has grown in Leamington Spa.

Property Market Dynamics

Office Market

- 2.4 The 2010-20 decade saw relatively strong performance of the office market in Coventry and Warwickshire, with positive net absorption of space and a falling vacancy rate across the market between 2010-18 influenced in part by declining total stock volumes as losses through conversions and redevelopment exceeded new floorspace delivered. Office floorspace provision within Coventry and Warwickshire peaked in 2012.
- 2.5 The Covid-19 pandemic coupled with virtual communications technologies has accelerated shifts in working patterns and led to a substantial growth in home-working. Coupled with the delivery of new space, this has led to an increase in the vacancy rate of office floorspace which stands, as at September 2022, at 6.2% across the sub-region. The market is however seeing a 'flight to quality' with continued demand for good quality, modern floorspace; but lower demand for more dated, older office floorspace which in some areas may provide opportunities for redevelopment.
- 2.6 The stronger office markets in the sub-region are Coventry and Leamington Spa, and new-build development can be expected to be focused in these areas. Beyond these markets, rental levels mean that delivery of office floorspace is commercially challenging and may require cross-subsidy and/or public sector support/intervention.

Industrial and Logistics Market

- 2.7 The sub-region, and in particular the northern and central parts of it, clearly has a strong and dynamic industrial market. The evidence points to a very significant stock of industrial floorspace at over 8 million square meters of space and sustained high take-up over the period since 2013. Whilst there are some challenges for the automotive sector, which can be relatively cyclical and has influenced strong take-up in recent years, demand for logistics/distribution space looks likely to remain strong buoyed by the growth in e-retailing in particular. Other influences on market demand include increased stock holding requirements, influenced by Brexit and other factors influencing trade, as well as demand for modern floorspace which aligns with companies' ESG requirements, is energy efficient and has sufficient power capacity, including to facilitate increased automation.
- 2.8 Available industrial space remains low and the strength of demand has support strong recent development activity together with strong growth in rents, with a very substantial 1.3 million sq. m of space delivered since 2013 with over 1 million sq. m over the 2015-20 period. New supply does appear to be coming forwards, not least as sites allocated in the last round of local plans start to

progress, but there will likely be a continuing need to replenish industrial supply over time if economic growth is not to be constrained.

Employment Land Needs

- 2.9 The HEDNA has considered employment land requirements across Coventry and Warwickshire looking to 2041 and 2050. In doing so, it has modelled employment land needs utilising a range of different forecasting techniques alongside local intelligence and an understanding of the merits of different approaches in drawing conclusions. This approach of triangulating different approaches and testing findings, which Iceni has adopted, is consistent with the PPG.
- 2.10 The HEDNA considers economic forecasts prepared by Cambridge Econometrics. These take account of the short-term impacts of the pandemic, both on employment and GVA, but with longer-term growth slightly more modest than historical trends influenced by wider macro-economic circumstances. The forecasts expect the relative share of the economy which is within the ICT/media sector to grow; as are public sector-focused activities such as health and education. The manufacturing sector is expected to grow (with GVA increasing), albeit employment will not, influenced by automation. The greatest absolute growth in jobs is forecast in Coventry and Warwick influenced by the sectoral structure.
- 2.11 Alternative modelling approaches are also considered, including projections of net changes in floorspace (based on Valuation Office data), projections of past development trends (using completions monitoring). In addition MDS Transmodal's replacement demand and traffic growth forecasting model is used in considering the need for strategic B8 warehousing and distribution floorspace.
- 2.12 In the context of the need for office space, the HEDNA concludes that given that office requirements tend to be closely linked to employment levels, it is recommended that the labour demand models best represent future needs for office floorspace. The labour demand should best represent the future economic outlook and should be used in determining future floorspace needs for this sector. There is however some potential for changing working patterns to reduce office floorspace needs, and it is important that this is monitored. Nonetheless market trends are emphasising the need for good quality floorspace; and the HEDNA identifies that it is likely that future supply will be particularly concentrated in Warwick District and Coventry; whilst cross-subsidy through mixed use development or public funding may be required to support provision in other areas within the sub-region.
- 2.13 In respect of industrial and warehousing, the HEDNA concludes that neither the VOA or labour demand models are able to differentiate the strategic and more local industrial / warehouse requirements. As a result, the completions data is likely to be the best representation of market needs for the next phase of plan making for industrial / warehousing floorspace particularly for the

short/medium-term. Comparing the completions data with other sources, monitoring by authorities suggests far higher levels of development have been achieved and therefore may be required in the future.

- 2.14 In respect of strategic warehousing floorspace (units of over 9,000 sq.m), the HEDNA concludes that it would be appropriate to plan for future development to be in line with recent completions trends over the initial 10 year period (2021-31), with the subsequent decade then seeing potentially slower growth in line with the traffic growth and replacement demand modelling. On this basis, the HEDNA concludes on a need for 551 ha of land to 2041, and 735 ha to 2050 inclusive of a 5 year margin. Some of this need could however potentially be met through recycling of land – particularly where there are plots of over 10 ha in good quality locations which relate well to the strategic road network, have adequate power capacity and are accessible by public transport.
- 2.15 Icen’s consultation exercise suggests that whilst B8 demand is very strong, there is a need for separate allocations for B1c/B2 where land is delineated from sites going for B8 in order to support the manufacturing sector. There is a strong manufacturing sector in the sub-region which needs to be provided for.
- 2.16 Drawing the above together and factoring in an adjustment for a margin to incorporate flexibility, the HEDNA concludes on the employment land needs to 2041 and 2050 as set out in the tables below.

Table 2.1 Employment Land Needs 2021-2041

Hectares	Office	General Industrial	Sub-Total	Strategic B8
N. Warwickshire	5.3	56.1	61.4	551
N. and Bedworth	2.2	5.5	47.7	
Rugby	5.2	150.5	155.7	
Stratford-on-Avon	5.2	166.1	171.3	
Warwick	11.4	56.2	67.6	
Coventry	8.5	147.6	156.1	
Total	37.7	621.9	659.6	

Table 2.2 Employment Land Needs, 2021-50

Hectares	Office	General Industrial	Sub-Total	Strategic B8
N. Warwickshire	7.0	81.4	88.4	735
N. and Bedworth	3.0	66.0	69.0	
Rugby	6.5	218.2	224.7	
Stratford-on-Avon	7.2	240.9	248.1	
Warwick	15.8	81.4	97.2	
Coventry	10.0	214.0	224.0	
Total	49.4	901.8	951.3	735

- 2.17 Chapter 11 within the HEDNA report provides guidance on identifying suitable locations for strategic B8 development, and key corridors within which Iceni consider development is likely to be focused. Iceni recommend that assessment of supply is coordinated at a sub-regional level to integrate relevant considerations including landscape harm, power capacity, access to labour and to seek to limit harm to Green Belt purposes. It would not be appropriate in our view to simply replicate past development patterns in respect of the spatial distribution of development by local authority.

3. OVERALL HOUSING NEED

- 3.1 The Government sets out a standard method for assessing housing need which takes 2014-based Household Projections and applies uplifts to this based on the relative affordability position in individual local authorities to generate an annual housing need figure. For Coventry, as one of the main cities/ urban areas across England, a further 35% uplift is applied as directed by the methodology set out by Government.
- 3.2 The NPPF mandates the use of the 2014 subnational household projections (SNHP) in the Standard Method and following the relevant Planning Practice Guidance (PPG) the method shows a need for 5,554 dwellings per annum across the Housing Market Area (HMA). The PPG does however allow for authorities to diverge from the Standard Method where this can be justified by exceptional circumstances; and sets out that any alternative approach should reflect current and future demographic trends (including migration) and market signals.
- 3.3 The previous evidence has identified, and is has now been recognised by the Statistics Regulator and accepted by the Office for National Statistics (ONS), that there have been issues with estimating and projecting the population in Coventry. Initial Census data released in June 2022 supports this. It is clear that population growth in the City has been systematically over-estimated by ONS (dating

back to at least 2001) and that the over-estimation works through into population projections that are demonstrably too high and unrealistic. The population projections will then work through into household projections and ultimately to estimates of need in the Standard Method.

3.4 The HEDNA has therefore modelled new demographic projections which take account of the initial Census data releases and seek to assess how the population can be expected to change over time. The HEDNA then applies these alternative projections through the framework provided by the standard method.

3.5 The results of the housing needs modelling undertaken are shown below. The new trend-based projections point to a need for 4,906 dwellings annually across the sub-region, lower than the Standard Method (using 2014-based Household Projections) due to the clear issues with population data feeding into projections for Coventry. Because of the demographic interactions between authorities across the Housing Market Area, it is important that housing needs evidence is based on a consistent approach and consistent set of demographic data.

Table 3.1 Overall Housing Need (dpa)

	Coventry	North Warks	Nuneaton & Bedworth	Rugby	Stratford-on-Avon	Warwick	HMA
2014-based	3,188	176	435	516	564	675	5,554
Trend-based	1,964	119	409	735	868	811	4,906

3.6 Given across the HMA that population figures have been over-estimated for many years, it is reasonable and expected that any alternative trend-based projection would show a lower need. It is however recommended that the Councils monitor new data releases from ONS (including MYE and projections) as ONS will need to grapple with the issue of inaccuracies in the MYE in any future releases.

3.7 Econometric forecasts do not point to as strong growth moving forwards as we have seen in recent years (with the economic forecasts showing additional job creation of c. 3,300 which falls below labour supply growth in the trend-based projections). Demographic growth (in the revised projections) therefore supports sufficient growth in labour supply across Coventry and Warwickshire as a whole; and there is therefore no case for adjusting upwards overall housing need.

3.8 However for North Warwickshire, there is a potential case for higher housing provision than the overall housing need figures shown in Table 3.1. This can be achieved through questions of the distribution of housing provision; and North Warwickshire's existing Plan makes provision for meeting unmet needs from other areas (Coventry and Birmingham) which contribute to labour force growth and thus achieve this.

3.9 Both Stratford-on-Avon and North Warwickshire districts sits across the Coventry & Warwickshire and Greater Birmingham Housing Market Areas. These authorities will therefore need to consider unmet needs from Birmingham in setting housing targets within their respective local plans alongside any unmet needs from within the Coventry & Warwickshire HMA.

3.10 In setting housing targets in individual local plans, the affordable housing evidence is also relevant. In the northern part of the sub-region in particular – in North Warwickshire and Nuneaton and Bedworth - this supports the case for considering, as part of the plan-making process, higher housing provision than shown in Table 15.5 in order to boost the delivery of affordable housing.

4. NEED FOR DIFFERENT TYPES OF HOMES

Affordable Housing

4.1 The HEDNA models the need for affordable housing using the approach set out by Government in Planning Practice Guidance (PPG). It identifies a net need for 3,833 social or affordable rented homes per annum across the sub-region from households who cannot afford to meet their needs within the open market.

4.2 The evidence indicates that around 20-30% of the rented need identified should theoretically be met through provision of affordable rented homes; but there are wider considerations to be taken into account in determining policies for new-build development, including individual council's priorities, what rents are charged for existing stock and viability considerations.

Table 4.1 Annual Need for Social / Affordable Rented Housing

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Coventry	495	1,667	653	2,816	929	1,887
North Warwickshire	40	163	52	256	124	131
Nuneaton & Bedworth	102	431	188	720	313	407
Rugby	77	398	166	640	233	407
Stratford-on-Avon	81	397	238	716	297	419
Warwick	132	571	204	907	325	582
Warwickshire	431	1,959	848	3,238	1,292	1,946
C & W	926	3,627	1,501	6,054	2,221	3,833

4.3 In addition the core analysis within the report indicates that there is a need for around 609 affordable home ownership homes per annum. The figures for individual authorities are set out in the table

below. The greatest need shown is in South Warwickshire, with the evidence pointing to a lack of or very modest need for affordable home ownership products in North Warwickshire and Nuneaton and Bedworth. This assumes some contribution to supply from sales of market homes below lower quartile prices.

Table 4.2 Estimated Need for Affordable Home Ownership by sub-area (per annum)

	Total Gross Need	Supply	Net need
Coventry	633	484	149
North Warwickshire	120	118	2
Nuneaton & Bedworth	214	230	-16
Rugby	296	208	88
Stratford-on-Avon	410	281	129
Warwick	553	296	258
Warwickshire	1,593	1,133	460
Coventry-Warwickshire	2,226	1,617	609

4.4 The affordable housing need is high relative to the overall housing need. However the two are not directly comparable, as the assessment of overall housing need looks at the overall need for additional homes; whereas the affordable housing need in part reflects an existing tenure imbalance. Future affordable housing delivery will be influenced by issues related to viability and the availability of funding. Policies for affordable housing provision within local plans should therefore be influenced by a combination of the needs evidence, viability evidence which examines what affordable housing can be viable delivered through mixed tenure schemes, together with Council priorities. The affordable need, in particular for social/ affordable rented homes, is a consideration in setting overall housing targets, but it should be recognised that viability and the availability of funding are realistically constraints on the level of provision which can be achieved.

4.5 Both First Homes and Shared Ownership will have a role to play in helping households with marginal affordability. The HEDNA indicates that First Homes should be priced at least the minimum discount of 30% of the Open Market Value (OMV). Shared ownership properties will also have a role in meeting needs and are suitable in particular for households with more marginal affordability and lower savings.

Sizes & Types of Homes Needed

4.6 The HEDNA models the implications of demographic dynamics on the need for different sizes of property by tenure, taking account of how households occupy homes with adjustments to address overcrowding and provide opportunities for rightsizing.

- 4.7 The analysis indicates that the need for social or affordable rented properties should be focused on smaller properties, as in this sector households size is more closely aligned to the sizes of homes. 70% of the need identified is for 1- and 2-bed properties; and 30% for properties with three or more bedrooms. The profile by individual local authority is shown below.

Table 4.3 Suggested Mix of Social/Affordable Rented Housing by area

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

- 4.8 Affordable home ownership homes should be focused on delivery of 2- and 3-bedroom properties, with the evidence pointing to a greater need for 2-bed homes than other property sizes.

Table 4.4 Suggested Mix of Affordable Home Ownership Housing by area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Coventry	20%	45%	25%	10%
North Warwickshire	20%	40%	30%	10%
Nuneaton & Bedworth	20%	40%	30%	10%
Rugby	20%	40%	30%	10%
Stratford-on-Avon	20%	45%	25%	10%
Warwick	20%	45%	25%	10%
Warwickshire	20%	40%	30%	10%
Coventry-Warwickshire	20%	45%	25%	10%

- 4.9 The mix of market homes needed is focused towards 2- and 3-bed properties, as shown below. This takes account of the ageing of the population and role which suitable housing provision can have in enabling rightsizing. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay. Provision of specialist housing can assist in releasing existing family homes and supporting turnover in the wider housing market.

Table 4.5 Suggested Mix of Market Housing by area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Coventry	10%	40%	40%	10%
North Warwickshire	10%	35%	45%	10%
Nuneaton & Bedworth	10%	35%	45%	10%
Rugby	10%	30%	45%	15%
Stratford-on-Avon	10%	35%	40%	15%
Warwick	10%	40%	40%	10%
Warwickshire	10%	35%	45%	10%
Coventry-Warwickshire	10%	40%	40%	10%

4.10 These figures are intended to be used as a monitoring tool rather than to be applied rigidly to all individual development sites. In applying the evidence, consideration should be given to the existing house mix in the locality and gaps within this; site location and characteristics; and local needs or market evidence (including from Council's housing registers). Additionally, the Councils should consider the role of bungalows within the mix – such housing can be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into the market.

Housing a growing Older Population

4.11 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

4.12 The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2022-32 period include:

- A 18% increase in the population aged 65+ (potentially accounting for 54% of total population growth);
- A 21% increase in the number of people aged 65+ with dementia and a 20% increase in those aged 65+ with mobility problems;
- A need for around 1,960 housing units with support (sheltered/retirement housing) in Coventry and 1,840 units in Warwickshire – mainly affordable housing in Coventry and market homes in Warwickshire;

- A need for around 230 additional housing units with care (e.g. extra-care) in Coventry and over 2,000 in Warwickshire – focussed on market housing in both areas;
- A need for additional nursing care bedspaces and some residential care in Warwickshire; and
- a need for around 180 (Coventry) and 400 (Warwickshire) dwellings per annum to be for wheelchair users (meeting technical standard M4(3)).

4.13 On the basis of the evidence, the Council should consider requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and 10%+ of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector). The Councils should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

4.14 The analysis suggests that there will be a notable need for both housing with support and housing with care (in both market and affordable sectors), as well as some additional nursing and residential care bedspaces. In Coventry the need is particularly for affordable housing (housing with support), with the opposite being the case in Warwickshire.

Table 4.6 Specialist Housing Need 2022-32 – Coventry

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2032	Shortfall /surplus by 2032
Housing with support	Market	40	462	970	508	104	612
	Affordable	93	1,168	2,274	1,106	245	1,350
Total (housing with support)		133	1,630	3,244	1,614	349	1,963
Housing with care	Market	21	210	514	304	55	360
	Affordable	27	855	653	-202	70	-131
Total (housing with care)		48	1,065	1,168	103	126	228
Residential care bedspaces		42	1,203	1,038	-165	112	-53
Nursing care bedspaces		48	567	1,168	601	126	726
Total bedspaces		90	1,770	2,206	436	238	673

Source: Derived from Demographic Projections and Housing LINEAC

Table 4.7 Specialist Housing Need 2022-32 – Warwickshire

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2032	Shortfall /surplus by 2032
Housing with support	Market	58	1,913	3,560	1,647	843	2,490
	Affordable	60	5,198	3,695	-1,503	848	-655
Total (housing with support)		118	7,111	7,255	144	1,691	1,836
Housing with care	Market	27	721	1,665	944	392	1,336
	Affordable	15	477	947	470	217	687
Total (housing with care)		43	1,198	2,612	1,414	609	2,023
Residential care bedspaces		38	2,253	2,322	69	541	610
Nursing care bedspaces		43	2,261	2,612	351	609	960
Total bedspaces		80	4,514	4,934	420	1,150	1,570

Source: Derived from Demographic Projections and Housing LIn/EAC

Self and Custom Housebuilding

- 4.15 Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. All of the local authorities in the study area introduced a Self-Build and Custom Housebuilding Register on 1st April 2016 in line with the requirements of legislation. If assessed over the five base periods to date, there has been an average of 155 registered expressions of interest per annum in a serviced plot of land.
- 4.16 Each of the local authorities have a local plan policy (or draft policy) supporting Self and Custom Build development. In addition to a specific policy, Rugby, Stratford-on-Avon and Warwick have also produced an SPG. Iceni consider that in order to respond to demand in the sector, and in response to the PPG's requirements, the Councils - particularly those in South Warwickshire where demand is greatest - should continue to express active support self and custom build homes, but should also consider seeking a percentage of self and custom build on larger sites with an appropriate fallback mechanism should plots fail to sell; consider opportunities to identify specific sites for serviced plots (i.e. on public sector land, where available) and encourage developers as part of the overall housing mix to incorporate serviced plots where there is evidence of strong demand.

Private Rented Sector and Build to Rent

- 4.17 The Private Rented Sector has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Across the study area, the growth in the private rented sector was strong over the last two census points outperforming the national trend between 2001-11. There are different components to the sector, including a student market in Coventry and Warwick District. Across the board, the private rented sector supported around 37% of

all Universal Credit claimants with a high of 41% in Coventry City and a low of 25% in Warwick District.

- 4.18 Over recent years, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage “Build to Rent” development. BTR development has been delivered in Coventry and Stratford-upon-Avon, with development also now coming forward in Rugby. The HEDNA identifies the potential for BTR development in these authorities and in Warwick; both within town centre locations and potential through suburban build-to-rent development over time. The HEDNA also provides guidance on how the potential for Co-living can be considered and monitored.
- 4.19 In line with national policy, affordable housing in Build-to-Rent development should be provided as affordable private rented housing, with the PPG setting out that 20% should be sought at a 20% discount to market rents, subject to viability.

Student Housing Needs

- 4.20 The area has two universities: Coventry University and Warwick University. Student numbers have grown at both Universities since 2001, however, Coventry has seen more substantial growth and is defined as the fastest growing University in the UK. Coventry City and Warwick District have very different dynamics, with the majority of households residing in all student households – which principally comprise HMOs - and student halls. In all other authority areas, the majority of students live at home with parents.
- 4.21 Iceni has engaged with both Universities to understand growth ambitions and the latest position with student accommodation provision. Coventry University have indicated that student numbers are expected to remain static for the next 2-3 years. However the University has plans to continue to grow the international student population moving forward which could have an impact on housing needs in the medium to long-term. This should be closely monitored.
- 4.22 At Warwick University, there are around 29,550 students studying on-campus of which c. 7,500 students are housed on-campus. The University is currently in the midst of developing its Strategy looking ahead to 2030, which Iceni understand intends to increase numbers at a “sustainable moderate growth rate.” The approach to housing all first year UG students will be maintained and there is a desire to also offer some additional accommodation to returning students.
- 4.23 There is a sizeable pipeline of student accommodation provision in Coventry, with around 9,275 bedspaces in the pipeline. If delivered, this provides the potential to reduce the number of students living in the wider housing market. As longer-term growth proposals become more clear, it will be important for the planning authorities to maintain dialogue with the two universities to appropriately

manage delivery of student accommodation and ensure it keeps pace with or exceeds student growth.