

Scrutiny Board :	Safer Neighbourhoods and Active Communities
Report Title	Housing Needs Assessment 2025 – Summary of Findings
Date of Meeting	8 January 2026
Report Author	Nigel Collumbell
Lead Officer	Executive Director - Place
Wards Affected	All wards
Identify exempt information and exemption category	Not applicable
Appendices (if any)	<ol style="list-style-type: none"> 1. Housing Needs Assessment 2025 2. Housing Needs Consultation Report

1. Executive Summary

- 1.1 The purpose of this report is to provide a summary of the Housing Needs Assessment completed in September 2025 and to highlight the impact this is having on the councils housing register. The report will summarise the continued increase in the number of households registered and the potential pressures the council faces as we move into 2026/27.

2. Recommendation

That the Board considers and comments upon the information presented and determines whether it wishes to make any recommendations to the Executive.

3. Background and Context

Housing Needs Assessment 2025

- 3.1 The 2025 Housing Needs Assessment updates the 2022 version with new data and projections through to 2041. It details current housing demand, the composition of households on the housing register (including demographics and priority banding), and the distribution of housing stock by area, size, and type. It also highlights present and future housing needs for specific groups.

The document provides local authorities with a robust evidence base to guide strategic housing decisions.

- 3.2 Sandwell's population reached 341,900 in 2021, growing by 11%, outpacing national trends. Sandwell has a young and diverse population, with over 40% of residents under 30 and 42.7% from global majority backgrounds. Sandwell is the 19th most deprived local authority in England, with low employment (67.4%) and high economic inactivity (28.5%). Universal Credit claimants (6%) and youth unemployment (7.7%) are significantly above national averages.
- 3.3 Sandwell's housing market has shifted over the past decade, with private renting expanding and social housing stock declining, though the borough still has a higher proportion of social rented homes than regional and national averages. Property numbers grew by 6% between 2011–2021, lower than regional and national trends. By December 2024, average house prices reached £199,000, rising 2.7% year-on-year, and private rents increased 2.8%, both slower than regional and national growth. Homeownership stands at 53.7%, with 26.6% in social housing and 18.6% privately renting. Persistent issues include overcrowding (8.2%) and lack of central heating (1.8%), particularly concentrated in Smethwick.
- 3.4 The Local Housing Allowance (LHA), set by Government to determine the level of Housing Benefit in an area, has not increased in line with increasing rents in the private rented sector. As a result, many residents have been forced to make up the shortfall between their rent and their Housing Benefit from their limited income, often leaving them unable to afford other essentials. This has resulted in an increase in the number of households in debt, rent arrears, and in some cases, becoming homeless.. There is a significant and growing gap between private rental market rents in Sandwell compared to the LHA rate. For example, a 3-bed property attracts an LHA of £749 per month with an average 3 bed rental rate of £1050 per month – a shortfall of £300 per month.
- 3.5 In total, there are 27,781 properties in Sandwell Council's housing stock. 53% of the total stock consists of houses (14,720), and 10,837 flats make up 39% of the council's total housing stock. 41% of the council stock consists of 3 bedroom properties (11,371 properties). 26% of the council's stock is within West Bromwich, the highest percentage of any town. However, for the relative population size, Tipton has the highest overall percentage of social housing properties. Smethwick has the highest percentage of privately rented accommodation (28.4%), by a large margin of 9.9%.

The Housing Register – scale of the challenge

- 3.6 The number of households on the register has significantly increased, more than tripling from 6,985 in 2020 to 20,423 in March 2025 and sitting at just over 24,000 in November 2025.
- 3.7 276 households on the register require an adapted property. 330 households currently on the housing register are stated as homeless. 5,476 households on the housing register are current Sandwell Council tenants. 9,506 households have a head of household between the ages 26-40. This comprises the largest group (47%) of the total housing register.

- 3.8 The council operates a system of choice-based lettings. This means that people can apply for housing even if they are not in housing need (IE are in accommodation that legally meets their needs in terms of affordability and size etc). The council operates a 'banding' system where, upon application, a household's circumstances are used to determine their prioritisation on the housing register.
- 3.9 The banding system consists of five priority bands, as set out in the below link.
<https://www.sandwell.gov.uk/housingallocationspolicy>
- 3.10 The vast majority of households on the housing register are currently in band 5. 15,389 households are in band 5, accounting for 75% of the housing register. 25% of households in the housing register are in bands 1-4 (a priority band). The majority of these households are in band 3 (2817,14%).
- 3.11 The majority of households on the housing register require a one bedroom property (10,687). This accounts for 52% of the housing register. 5289 households, the second largest group (26%) of the housing register, require a two bedroom property.
- 3.12 Single person households are the largest household type on the housing register (8,267 households). They account for 40% of the housing register.
- 3.13 The table below sets out the bedroom needs for all households on the register:

Number of Bedrooms Needed	Number of households
0	58
1	10,687
2	5,289
3	2,865
4	1111
5	260
6	67
7	12
8	0
9	1
10	1

- 3.14 In conjunction with the increasing demand on the register, the time taken to secure a property has increased year on year across all bands and property sizes. The most common property size and band would be for a 3 bed need at band 3. The current average wait time for this property type would be 7 years and 4 months.

The table below sets out the average wait time by band and bedroom need:

Bedroom need	BAND 1	BAND 2	BAND 3	BAND 4	BAND 5
1	11 months	1 year	1 year 2 months	2 years 2 months	1 year
2	1 year 3 months	1 year 5 months	6 years 8 months	None in period	1 year 7 months
3	1 year 9 months	2 years 7 months	7 years 4 months	None in period	8 years 7 months
4	3 years 8 months	3 years	9 years 6 months	None in period	None in period
5	None in period	None in period	None in period	None in period	None in period
6	None in period	1 year 10 months	None in period	None in period	None in period

- 3.15 In addition to the households currently on the register, growth it is set to continue as the number of properties available for let reduced from 2287 in 2021 to only 1295 in 2024, at the same time as the council receiving an average of 120 new applications each week.
- 3.16 The demand for the council housing register shows no signs of abating and average wait times for popular properties at the most common bands look set to exceed 10 years and reach 30,000 households on the register by the end of 2028/29.
- 3.17 Whilst these levels of demand have a significant effect on our applicants, it also creates a lot of abortive work for the council as every application is assessed/ verified and the service receives significant contact each day as people query their low bid positions and the increasing wait times.

Addressing the challenge

- 3.18 Future projections indicate that by 2041, 39,726 social housing and affordable housing units for renting will be required. According to the data, there are currently 35,117 rented social housing and affordable housing units in the borough. Projections indicate that 4,609 additional affordable and social housing units will be needed by the year 2041. Projections indicate that of these 4,609, 34.5% should have four bedrooms or more. To address this, Sandwell Council's Housing Strategy sets a target of building 100-150 new council homes each year through 2028. Major regeneration projects in Sandwell include the Friar Park and Swan Lane housing build programmes. The Friar Park scheme plans for 630 new homes to be built by 2030, including 158 affordable properties. The Swan Lane project plans for the building of 147 new affordable homes.
- 3.19 Development plans also include a target for 400 new affordable homes to be delivered by registered providers before 2028, the delivery of 122 new affordable keyworker homes by Catalyst Mutual Enterprise, and the use of the Housing Revenue Account to acquire land for new developments.
- 3.20 Despite the build and acquisition programmes, this will not keep up with the demand seen for the housing register. In 2026 the Housing Solutions Service intends to consult on a new Allocations Policy. An allocations policy is a set of rules and guidelines that determine how housing is allocated among eligible

individuals or groups. Local authorities in the UK use allocations policies to decide who gets priority for available homes based on factors like need, local connection, and financial circumstances. Allocations policies must include the criteria for eligibility and a method of awarding preference to households based on the councils designated scheme.

- 3.21 Sandwell's current policy was written in 2020 – a lot has changed in the housing market since then. Had we closed the register in 2020 until all were housed, it would have taken 2.6 years to clear the register, in 2025 the same scenario would take 14.6 years. If the current projections of 30,000 households on the register by 2028/29 was realised, this would mean it would take 27 years to clear the register on the same modelling.
- 3.22 It is proposed that a new policy is presented to members as part of a full consultation timeline in summer of 2026.

4. Consultation

The Housing Needs Assessment underwent public consultation between 5 August 2025 and closed on 31 October 2025.

The service intends to consult on a new Allocations Policy in summer 2026.

5. Financial Implications

- 5.1 There are no immediate financial implications from this report, however, it is important to note that a shortage of affordable housing means that the service experiences increased numbers of households presenting as at risk of or already homeless due to affordability and evictions in the private rented sector. This in turn increases the number of families who require temporary accommodation. The longer wait times for housing also extends the length of stay.
- 5.2 There are also costs associated with assessing the high volume of applications and dealing with the contact from those on the register who are not securing properties. In many cases, this demand is from people who may never secure a property.

6. Legal and Governance Implications

- 6.1 There are no immediate legal or governance implications, however, the council have to carry out consultation on any new allocations policy as set out in the Housing Act 1996. Section 166A of the Act requires councils to consult with stakeholders before adopting or amending their scheme.

7. Risks

- 7.1 The key risk set out in this report is around the increasing demand for council housing and insufficient capacity to meet this demand. As alluded to in the financial section, this will continue to place financial pressures on the council

(through homelessness and demands from applicants) as well as impacting satisfaction in the support people receive from the council around accessing council housing.

- 7.2 It is proposed that some of these risks are mitigated through the house building/ acquisition programme and through the introduction of a new Allocations Policy.

8. Equality and Diversity Implications (including the public sector equality duty)

- 8.1 There are no equality and diversity implications from this report but any new allocations policy will require a full impact assessment ahead of consultation.

9. Other Relevant Implications

- 9.1 There are no other relevant implications

10. Background Documents

Relevant background documents are included in the appendices

11. How does this deliver the Outcomes in the Council Plan?

- 11.1 This report addresses a number of outcomes in the council plan including Growing up in Sandwell; Living in Sandwell and Healthy in Sandwell. Ensuring that households have suitable and affordable accommodation contributes to young people, families and individuals having a stable home. This will deliver:

11.2 Better health outcomes

- Secure housing reduces stress and anxiety, lowering risks of mental health issues.
- Families in stable homes experience fewer physical health problems, as housing stability often means safer, better-maintained environments

11.3 Improved education for children

- Children in stable housing are less likely to miss school due to frequent moves.
- A consistent home environment supports better academic performance and long-term educational attainment.

11.4 Financial security

- Stable housing helps families avoid the financial instability of repeated moves or high private rents.
- Social housing, for example, is often 50% cheaper than private renting, freeing up income for other essentials.

11.5 Community cohesion

- Long-term housing fosters stronger neighbourhood ties, trust, and social networks.
- Stable communities are less likely to experience crime and more likely to support collective wellbeing.

11.6 Reduced homelessness and public costs

- Stable housing lowers homelessness rates and reduces reliance on emergency services.
- It saves public money by cutting NHS costs linked to poor housing and instability.