Leicester & Leicestershire Housing & Economic Needs Assessment

Executive Summary

Iceni Projects Limited on behalf of Leicester & Leicestershire Local Authorities

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1. INTRODUCTION

1.1 This Housing and Economic Needs Assessment (HENA) has been commissioned by the local authorities across Leicester & Leicestershire and the Leicester and Leicestershire Enterprise Partnership (LLEP) to inform the review of the L&L Strategic Growth Plan and preparation of local plans across the sub-region. It has been prepared by Iceni Projects together with Cambridge Econometrics (CE) and Justin Gardner Consulting (JGC). It provides a joint evidence base relating to housing need, economic growth and employment land needs recognising that housing market and functional economic geographies broadly align to the county boundary.

2. ECONOMIC & PROPERTY MARKET DYNAMICS

2.1 Leicester & Leicestershire is a £27 billion economy which supported 550,000 jobs in 2019. In recent years it has performed well, out-performing a range of other areas.

2.2 Key employment sectors include manufacturing – which accounts for 68,000 jobs and 16.5% of GVA[1], with particular focus on food and drink, textiles and metals; logistics and distribution which accommodates 49,000 jobs and accounts for 10% of GVA; and education, with three universities which can help to drive innovation accounting for 54,000 jobs and 8% of GVA. Finance and insurance is strongly represented in Leicester. Horiba MIRA is a focus for R&D particularly in the automotive sector. Other key or potential growth sectors include space technologies, focused on Leicester; and life sciences, focused on Loughborough. Agricultural-focused activities are important in the rural parts of the county.

2.3 Leicester City is the largest economy, on a local authority level, and accounts for a third of the sub-region's GVA but has land supply constraints. Recent economic growth has been strongest in areas along the M1 Corridor, particularly Blaby and NW Leicestershire. The more rural parts of the county have seen weaker economic performance.

2.4 As with many areas, the Leicester and Leicestershire economy has been affected by Covid-19. Unemployment has grown albeit that the furlough scheme has played a significant role in supporting the labour market. But local business surveys point to a growing number of job opportunities, with

[1] Gross Value Added

businesses reporting a relative positive outlook, unemployment falling and recruitment difficulties in some sectors.

2.5 Leicester and Leicestershire contains 1.2 million sq.m of office premises. Leicester is the main commercial office market with 52% of stock being in Leicester or Blaby, which contains major business parks such as Meridian Business Park and Grove Park, and take-up is focused in and around the City. Net deliveries of office space have averaged 7,000 sq.m per annum across the sub-region, albeit that Leicester's office stock in particular has been decreasing in net terms. Prior to Covid, market demand was shifting more towards the City Centre office market (rather than out-of-town business parks) but the office market has been hit hard by the pandemic. There is significant uncertainty about future demand, influenced by growth in homeworking, and initial evidence points to a number of occupiers downsizing and seeking to reduce their office footprint by c. 30%. Across the sub-regional market, there is 2.2 years of available space, with 1.8 years' of Grade A. But availability is expected in the short-term, impacting the new-build market.

2.6 The industrial market in Leicester and Leicestershire is significantly larger in scale, accommodating 9.8 million sq.m of space. It has seen strong growth with the net volume of space growing 6.4% between 2010-20 driven in particular by growth in NW Leicestershire and Blaby. Over 200,000 sq.m of floorspace has been delivered over the last 5 years, with the growth of e-commerce – which has been accelerated by the pandemic – contributing to strong demand and rental growth. The main locations for industrial and distribution premises are those close to the M1, M42, M69 and A5 Corridors with industrial demand focused particularly towards the City. The evidence points to strong demand across size bands, rental growth and an overall supply position equivalent to 1.3 years' supply, and therefore a need for continuing new development.

2.7 The housing market has performed strongly in recent years, with long-term price growth of 6.4% per annum resulting in a median house price of £222,000 in 2020. Melton and Harborough have seen the strongest recent growth in absolute terms. Sales of detached and semi-detached homes predominate, with the evidence pointing to weaker relative demand for flats. The City has seen the strongest rental growth over the last 5 years but average rents of £600 per month are slightly below the Leicestershire average of £625.

2.8 The Government's Help-to-Buy Equity Loan scheme has played a key role in supporting the new-build market, supporting 50% of sales in Leicester and Leicestershire over the last 5 years. Whilst housing market conditions are currently strong, and have been buoyed by the effects of lockdowns in encouraging people to 'trade up' and the Stamp Duty Holiday, the end of these initiatives and the Help-to-Buy scheme in Spring 2023 could see some cooling of the market over time.

2.9 In line with housing market performance, population growth has been above average since 2011 with Leicester's population growing by 7.5% and Leicestershire's by 8.4%. More recent trends in particular have seen stronger relative growth in the County than the City with evidence showing a correlation to housing delivery. Weaker population growth (and housing delivery) has been evident in Melton and Oadby and Wigston, with the HENA providing some evidence that population growth could have been under-estimated in these areas. 2021 Census data will in due course provide clearer data. The analysis of demographic dynamics however shows similar overall population growth in ONS[2] 2018-based population projections to the 2014-based set, albeit with stronger growth in Leicestershire and weaker growth in the City.

3. FUTURE DEVELOPMENT NEEDS

Future Economic Growth Parameters

3.1 Iceni and Cambridge Econometrics have worked together to consider future economic performance, with the HENA setting out two scenarios – a trend-based 'baseline' scenario and a 'growth' scenario which considers the potential impact of economic initiatives and ambitions including those set out in the LLEP Economic Growth Strategy. The two scenarios are considered to provide a set of parameters for employment growth.

3.2 Over the period to 2050, the Baseline Projection sees employment growth of 46,300 jobs, with a rate of growth which is notably below the national average and past performance. The Growth Scenario projects stronger relative growth with employment increasing by 113,200 jobs equivalent to a growth rate of 0.6% pa.

Table 3.1 Projected Employment Growth, 2020-50 ('000s)

	Baseline	Growth
Blaby	8.8	15.4
Charnwood	4.7	11.8
Harborough	6.5	12.5
Hinckley and Bosworth	2.9	8.3
Leicester	11.3	36.1
Melton	2.3	7.2
North West Leicestershire	8.8	17.8
Oadby and Wigston	1.0	4.1
Leicester & Leicestershire	46.3	113.2

Source: Cambridge Econometrics

[2] Office for National Statistics

3.3 The Growth Scenario captures the potential for stronger growth, relative to the baseline, in a number of key sectors: advanced manufacturing and engineering; life sciences and biotechnology; logistics and distribution; sports science, focused around Loughborough University; and space/ aerospace. It also recognises the potential in other higher value sectors such as IT and digital and professional and financial services, and potential for jobs growth outside London in these areas. It recognises the sub-region's universities are important innovation assets and sees enhanced growth in GVA, productivity performance and employment as well as growth in low carbon sectors/ activities. It is aligned to the aspirations in the LLEP Economic Growth Strategy and recognises the need to transition towards a low carbon economy – which has implications across a range of economic sectors.

Employment Land Needs

3.4 The HENA provides analysis on the future employment land needs by type from 2020 to 2036, 2041 and 2050. It considers the labour demand (baseline and growth) scenarios provided by Cambridge Econometrics, as well as completions trends using Council monitoring data. Consideration is also given to margins for flexibility, vacancy and replacement demand.

3.5 Recommendations are made regarding future needs for office, industrial and local warehousing / distribution units under 9,000 sqm. Large scale warehousing/ distribution unit needs are reported in the Strategic Warehousing Study prepared by GL Hearn with MDS Transmodal and Iceni Projects and finalised in April 2021.[3]

3.6 A sensitivity model has been developed which reflects the very significant impact of the Covid-19 pandemic on the use of offices and enforced use of home working. At the time of writing (mid 2021) there remains considerable uncertainty on the long-term trend for office space. Given the uncertainty at the current time (pandemic, ongoing) it is recommended that trends are monitored in the near term.

3.7 In Iceni's view, although weakened by technology changes and the growth in home working, office requirements are still best represented by changes in employment levels. Therefore it is recommended that the labour demand models best represent future needs. The growth model should best represent the future economic outlook given that this has been adjusted to reflect local economic ambitions and interventions and it is recommended that this be used for planning policy requirements. There is some uncertainty about future levels of occupancy and utilisation of offices post pandemic, so a 'sensitivity' model which discounts future requirements is relevant and helps to

[3] https://www.llstrategicgrowthplan.org.uk/latest-evidence/

inform parameters for office floorspace and job needs. However on historic job and floorspace delivery tested above, even this may be aspirational.

3.8 The HENA recommends that future planning for industrial and warehouse stock is based on projections of past development trends (gross completions), which assumes that some older stock will continue to be lost and need to be replaced. It should be recognised that some of this need will be met through recycling of sites on existing industrial areas, the potential for which can be identified through local employment land studies. Simply planning for the net change is likely to underestimate the future level of need of patterns of past loss continue, and market signals indicate current delivery rates are insufficient.

3.9 After accounting for a margin and increased floorspace to improve vacancy rates, the overall needs (excluding strategic B8) are set out as follows to 2041, with figures to 2036 and 2050 included in the main HENA Report.

Table 3.2 Total employment needs 2021-2041, sqm

	Offices inc R&D	Industrial & Distribution Total (excl strategic B8)	Total
Blaby	40,000	138,800	178,800
Charnwood	33,500	172,600	206,100
Harborough	29,200	194,100	223,300
H&B	18,500	261,300	279,800
Leicester	45,500	339,600	385,100
Melton	8,600	189,200	197,800
NWL	39,700	152,900	192,600
O&W	4,500	12,200	16,700
L&L Total	219,300	1,459,500	1,678,800

Source: CE/ Iceni

Table 3.3 Employment land needs 2021-2041, ha

	Offices inc R&D	Industrial & Distribution Total (excl strategic B8)	Total
Blaby	11.4	25.7	37.1
Charnwood	9.6	32.0	41.5
Harborough	8.3	35.9	44.3
H&B	5.3	48.4	53.7
Leicester	2.3*	62.9	65.2
Melton	2.5	39.3	37.5
NWL	11.3	28.3	39.7
O&W	1.3	2.3	3.5
L&L Total	52.0	270.3	322.3

Source: CE/ Iceni, * 2.0 plot ratio equivalent to 13.0 ha at same 0.35 ratio as other areas

Locational Approach to Meeting Needs

3.10 **Office Space**: The expectation is that in the short-term, office availability will rise and limit volumes of new-build development. In the medium term demand will give rise to new office requirements manifesting in historical growth locations including Leicester City Centre - although viability is not likely to improve and may require continued public funding assistance. Accessible out-of-town areas such as Grove Park and Meridian Business Park are also likely to be desirable. Beyond the Leicester urban area, smaller schemes should be encouraged in both town centre and business centre locations, giving way to office requirements later in the plan period(s) assuming employment growth achieves levels forecast.

3.11 The pandemic has generated some interest in provision of managed workspace schemes, focused at small businesses. There are schemes coming forward in Leicester and at Meridian Business Park. It is anticipated that there would be some demand for co-working spaces in the market towns in schemes of up to 10,000 sq.ft.. The potential to repurpose redundant retail space to deliver office floorspace in town centres should be supported.

3.12 **Research & Development**: R&D type space is expected to come forward in line with historic patterns of growth at MIRA and Loughborough University Science and Enterprise Park, although based on past trends and forecast job growth this is unlikely to exceed 10,000 sqm without substantial inward investment. The nature of future employment growth also suggests that higher end traditional business parks or distribution parks might see combined R&D with other types of commercial development, including manufacturing, given increasingly automated and technologically advanced processes across food manufacture, ICT and distribution of perishable goods.

3.13 **Industrial and Local Distribution**: The key locations of demand for industrial and local distribution from a market perspective are at accessible locations in proximity to the labour force ideally at Motorway or A-road junctions. There are numerous examples of recent and ongoing developments of mid-sized industrial stock around Leicester such as Optimus Point and Leicester Distribution Park which represent market preferences.

3.14 Mid sized and smaller stock opportunities should be considered as intensification or extensions of existing estates around the FEMA often in proximity to local settlements. Many of the authorities have a pipeline of proposals for mid sized units.

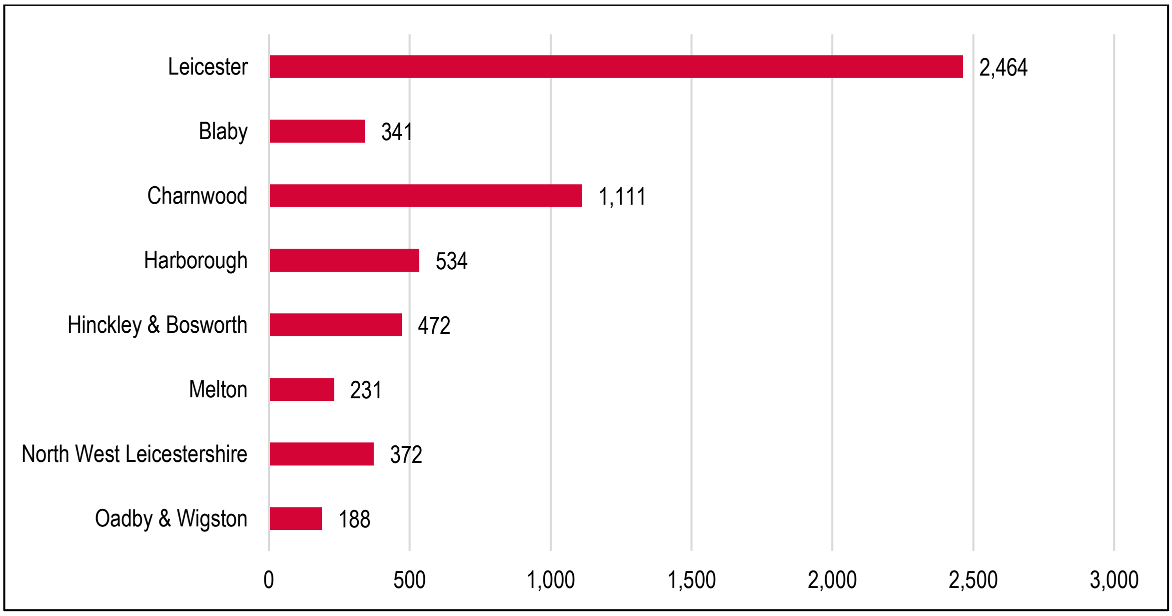
3.15 Urban extensions or other future growth locations such as Leicester south-eastern growth corridor present an opportunity to support the delivery of new employment spaces of smaller and midsized units where well connected to the road network. Smaller units tend to rely on closer proximity to the population centres due to the nature of occupiers.

Overall Housing Needs

3.16 The Government has set out a 'standard method' for calculating housing need which takes demographics and then applies a percentage uplift based on the median house price to earnings ratio in an area. It has also introduced a further 'cities and urban areas uplift' which uplifts figures by a further 35% in Leicester with a view to meeting national development needs through focusing growth at locations where there is existing infrastructure and services.

3.17 The standard method local housing need is equivalent to 91,400 dwellings over the 2020-36 period or 120,000 dwellings over the 2020-41 period across Leicester and Leicestershire.

Figure 3.1: Minimum Local Housing Need using the Standard Method – Dwellings per annum



3.18 The demographic analysis undertaken does not point to any exceptional circumstances to depart from the standard method. Consideration has been given to whether there are factors which might result in an upward adjustment to the overall housing need; with the evidence finding no such factors across the Leicester & Leicestershire Housing Market Area (HMA). However there are considerations which influence the appropriate distribution of housing need including land supply constraints and balancing economic growth and housing provision to limit the need to travel.

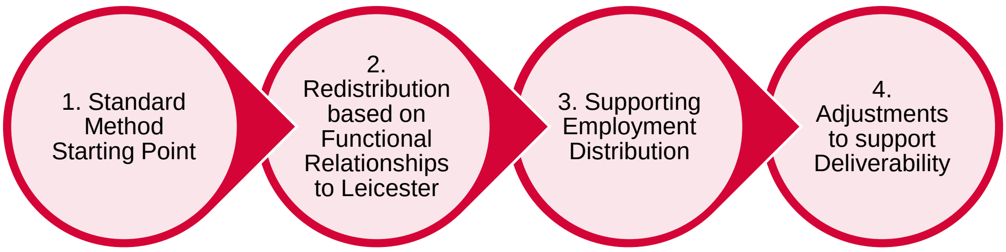
Potential Interim Distribution of Development

3.19 Leicester City is unable to meet its housing needs in full within its administrative area. The latest evidence points to an unmet need for 15,935 dwellings in the City over the period to 2036 relative to its standard method local housing need.

3.20 The long-term distribution of development in the sub-region is to be informed by the review of the Strategic Growth Plan, which was first published in 2018. However as there is a lead-in time to the delivery of major strategic sites/ growth locations, which can be 10 years or more, the HENA proposes an *interim* distribution of housing to address unmet needs from Leicester in particular to 2036. This is based on information at the time of writing and the capacity to sustainably accommodate the levels of growth indicated will be further tested through sustainability appraisal and in drawing together evidence in the preparation of individual local plans. The HENA provides a basis for considering what figures/ distribution to test. The capacity and sustainability of different levels of growth will need to be tested through the preparation of individual local plans taking account of wider evidence including in respect of infrastructure capacity and constraints. Where local plan preparation identifies that levels of housing delivery envisaged cannot be sustainably achieved, it would be necessary for the authorities to collectively revisit the SOCG.

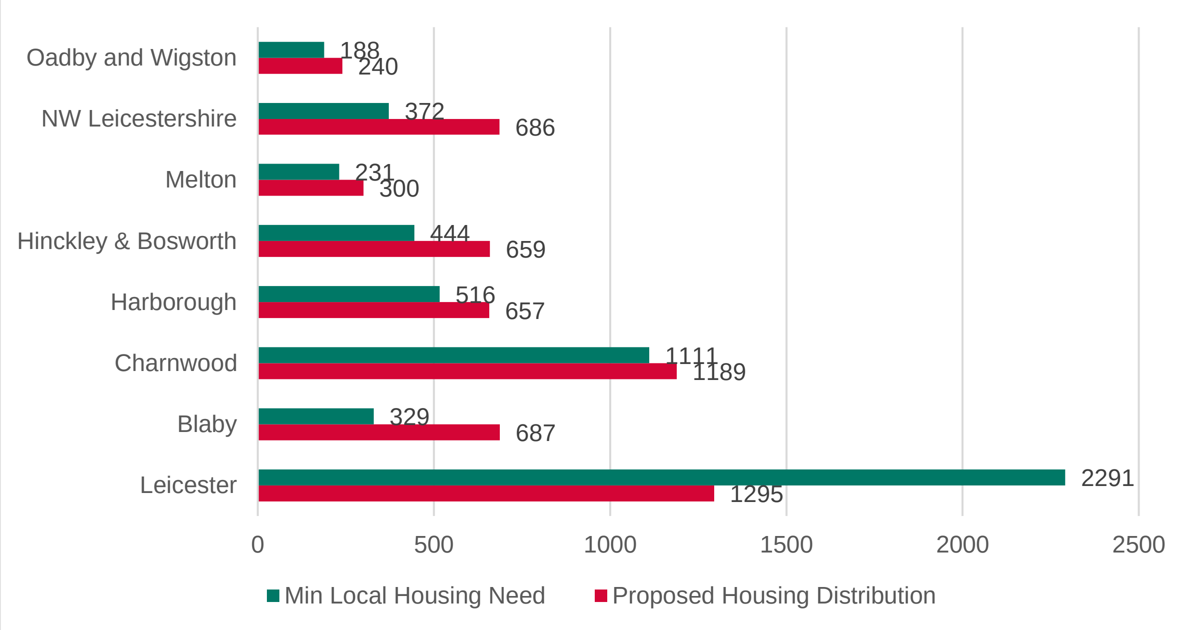
3.21 The standard method is treated as a minimum level of provision. An initial redistribution is considered based on the functional relationship of different Leicestershire local authorities with the City. Adjustments are then made to this distribution to align with the spatial distribution of future employment growth over the period to 2036, to promote a balance in the delivery of jobs and homes at a local level and limit the need to travel. The third key consideration relates to the deliverability of the distribution of development. This reviews the findings arising against the previous steps, takes into account where authorities are already planning for higher growth or on the other hand where there are land supply constraints which might restrict the scale of development which can be accommodated. Adjustments are then made to ensure different local authorities are sharing the burden in meeting unmet need and to ensure deliverability of the proposed distribution from a market capacity perspective.

Figure 3.2: Overview of Housing Distribution Methodology



3.22 The HENA proposes on this basis a set of revised distribution of housing need to be tested through the plan-making process and sustainability appraisal.

Figure 3.3: Proposed Interim Distribution of Housing Need, 2020-36

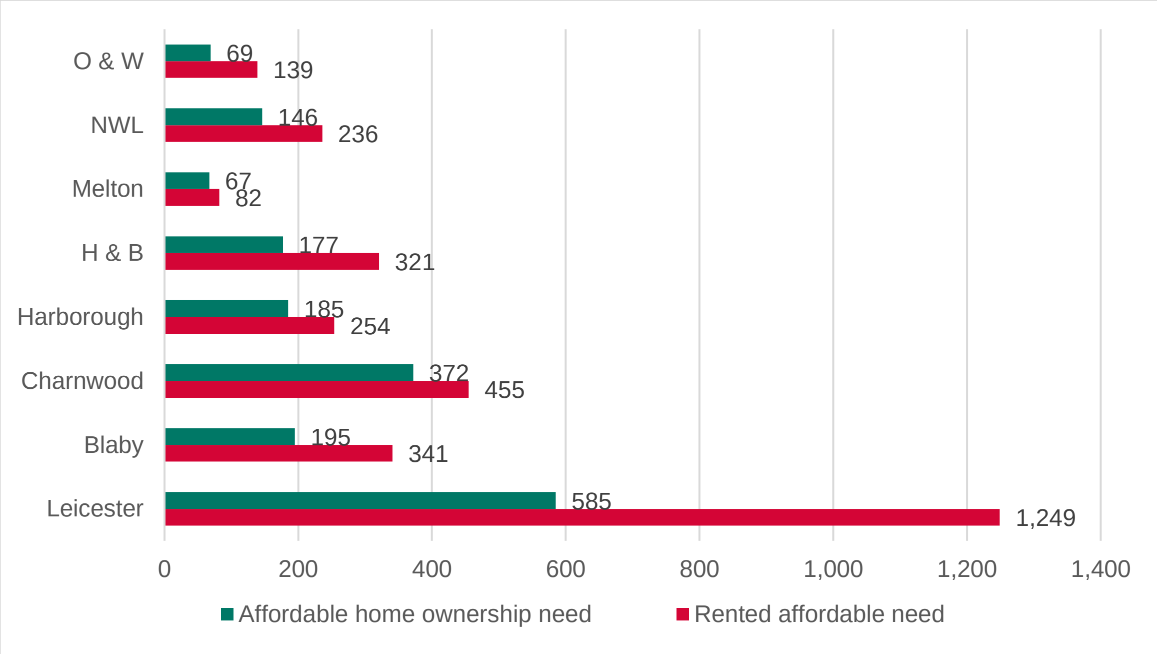


4. NEED FOR DIFFERENT TYPES OF HOMES

Need for Affordable Housing

4.1 The HENA has assessed affordable housing need taking account of the NPPF definition of affordable housing and the latest information, including on housing costs. It finds a need for 3,076 rented affordable homes per year and 1,795 affordable home ownership homes. The annual affordable housing need is shown below.

Figure 4.1: Annual Affordable Housing Need



4.2 The HENA analysis points to an acute need for rented affordable housing in all parts of the County. There is an overlap between the affordable home ownership need shown and the role which market housing plays in supporting home ownership through schemes such as the Help-to-Buy Equity Loan scheme and mortgage guarantee schemes. The evidence would support policy approaches which seek to prioritise rented affordable housing delivery to meet those with acute needs with few alternative housing options; but there are viability considerations and policy priorities which individual authorities will need to balance. Similarly through policy-making, local authorities will need to balance discounts applied to discounted market sale properties or First Homes against the delivery of other forms of affordable housing.

Need for Different Sizes of Homes

4.3 Having regard to demographic changes and how households of different ages occupy homes, together with adjustments to address overcrowding, the HENA identifies the mix of homes needed in different tenures.

4.4 The table below shows the mix of rented affordable homes needed by area. This should be considered alongside localised evidence of need, such as from housing registers, and gaps in the existing stock profile locally in considering the mix of homes on individual sites.

Table 4.1 Suggested Mix of Social/Affordable Rented Housing by area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Leicester	30%	35%	25%	10%
Blaby	35%	35%	25%	5%

Charnwood	35%	35%	25%	5%
Harborough	35%	40%	20%	5%
H & B	30%	40%	25%	5%
Melton	35%	40%	20%	5%
NWL	35%	40%	20%	5%
O & W	30%	40%	25%	5%
Leicestershire	35%	35%	25%	5%
L & L	30%	40%	25%	5%

4.5 The mix of homes dwelling sizes for affordable home ownership properties is shown below. Councils may need to consider if the figures are appropriate in a local context. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Equally demand for shared ownership properties is likely to be more limited for larger property sizes.

Table 4.2 Suggested Mix of Affordable Home Ownership Housing by area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Leicester	20%	40%	30%	10%
Blaby	15%	40%	35%	10%
Charnwood	20%	40%	30%	10%
Harborough	20%	40%	30%	10%
H & B	20%	40%	30%	10%
Melton	15%	40%	35%	10%
NWL	15%	40%	35%	10%
O & W	15%	45%	30%	10%
Leicestershire	15%	40%	35%	10%
L & L	20%	40%	30%	10%

4.6 Table 4.3 shows the suggested mix of market housing at an HMA and local authority level. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Councils could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Table 4.3 Suggested Mix of Market Housing by area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Leicester	5%	30%	45%	20%
Blaby	5%	35%	45%	15%
Charnwood	5%	30%	45%	20%
Harborough	5%	35%	40%	20%
H & B	5%	35%	45%	15%
Melton	5%	35%	45%	15%

NWL	5%	35%	45%	15%
O & W	5%	35%	45%	15%
Leicestershire	5%	35%	45%	15%
L & L	5%	30%	45%	20%

4.7 Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. 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. Some households may seek additional space to support home-working.

4.8 Analysis also suggests that the majority of units should be houses rather than flats, although consideration will need to be given to site specific circumstances (which may in some cases lend themselves to flatted development). 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. It will be important that new housing is energy efficient and contributes to other goals, such as supporting growth in biodiversity, but these are addressed as part of other parts of local plan evidence.

Older Persons & Other Specialist Housing Needs

4.9 The HENA analysis shows that 12% of Leicester City's population and 20.5% of that across Leicestershire is aged 65+, and that the population aged 65+ is projected to grow by 80,200 persons to 2041. Currently 35% of households in Leicester and 31% across Leicestershire have a long-term health problem or disability, and the number of households with support and care needs is expected to rise over time, driven by demographic changes and a growing older population. A 40% increase in the population aged 65+ in Leicester and 42% increase across Leicestershire is projected over the 2019-41 period. This is expected to result in a growth of over 18,500 people aged 65+ with mobility problems to 2041; and an increase in over 8,100 people with dementia.

4.10 The HENA models the needs of households with specialist housing needs. It anticipates a need for around 3,100 housing units with support (sheltered/retirement housing) in Leicester and 6,700 units in Leicestershire to 2041. There is a need for around 1,500 additional housing units with care (e.g. extra-care) in Leicester and 4,400 in Leicestershire – focussed on market housing in Leicestershire and the affordable sector in Leicester.]

Table 4.4 Specialist Housing Needs for Older People, 2020-41[4]

Shortfall /surplus by 2041		Leicester	Blaby	C'wood	H'boro	H&B	Melton	NWL	O&W
Housing with support	Market	833	1,013	1,249	893	866	533	993	464
	Affordable	2,263	-347	487	127	579	-152	-188	197
Total (housing with support)		3,096	666	1,736	1,021	1,445	381	805	661
Housing with care	Market	485	417	767	428	513	258	520	273
	Affordable	986	97	299	119	258	72	252	116
Total (housing with care)		1,470	514	1,066	547	771	329	772	389
Residential care bedspaces		238	22	356	273	323	60	387	34
Nursing care bedspaces		651	599	815	391	695	220	578	237
Total bedspaces		890	620	1,171	663	1,018	280	965	271

4.11 The HENA sets out that Councils should consider whether it is appropriate through their local plans to make specific site allocations for specialist housing. It outlines that policies seeking affordable housing provision might be sought through new local plans, where this is supported by viability evidence, and consideration is given to practical issues associated with the management of mixed-tenure schemes.

4.12 The report also identifies a housing need from around 2,700 wheelchair-users in Leicester and 7,000 in Leicestershire to 2041. Together with the expected growth in residents with mobility problems, this would 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. Given the evidence, the Councils could consider requiring all dwellings to meet the M4(2) standards and 10%-25% of homes meeting M4(3) – wheelchair user dwellings – where it is feasible to do so; with a higher proportion in the affordable than market sector.

4.13 For those aged under 65, the HENA shows a significant growth in those with impaired mobility in both Leicester and Leicestershire. There is also expected to be a significant growth in those with a mental health issue. The HENA recommends that collaborative work is undertaken, led by the County Council, to ensure development of a strategy for provision of specialist supported accommodation and consider appropriate locations for the delivery of schemes at a Leicestershire level.

4.14 The latest evidence in relation to the housing needs of **Gypsies and Travellers** identified a need for 22 additional gypsy and traveller pitches and 59 travelling showpeople pitches over the 2016-36 period. The report also identifies a need for a minimum of 12 transit caravan spaces in Leicester City and 36 transit in Leicestershire.

[4] Negative figures indicate a surplus

Specific Segments of the Leicester & Leicestershire Housing Market

4.15 The **Private Rented Sector** has been the key growth sector in the housing market for the last 15 years and in 2011 comprised around 15.3% of all households in Leicester and Leicestershire (22.7% in Leicester City). The evidence points to continued growth of this sector nationally, with a growing number of people aged under 35 living within it. Growth is similarly likely to have occurred in Leicester and Leicestershire and updated data will be available in due course from the 2021 Census.

4.16 The HENA explores different components to the sector. It shows around 15,000 benefit claimants in Leicester; and 13,000 across Leicestershire living within it. Local Housing Allowance levels are typically below median rents, particularly for larger 4 bedroom homes. The sector also include student lettings and HMOs[5], which are focused in Leicester and Loughborough.

4.17 The HENA points to some demand for **Build-to-Rent** accommodation, particularly in Leicester but with some potential identified in Loughborough. Demand is focused on those in their 20s and early 30s in locations with good access to amenities; and there are a number of completed schemes in the City with more in the pipeline. Whilst there are currently no schemes in Loughborough, or suburban build-to-rent development, and thus no firm demand evidence; these are areas where demand could arise over the period to 2041.

4.18 Leicester and Leicestershire accommodates around 63,000 **students**, with student numbers increasing by 10,000 since 2014/15 driven by growth at De Montfort University. The outlook for student numbers however varies. De Montfort expect the number of students to decline modestly while Leicester University expect growth of around 2,000 students in the short-term to 2025 and Loughborough University expect a growth of around 500 students. Longer-term growth is currently less certain and will be influenced in part by the degree to which international students can be recruited.

4.19 This growth is expected to be met through a combination of new accommodation in Leicester and a reduction in vacancies within the existing stock in Loughborough and Leicester. At present there is a 10-15% vacancy rate on university owned accommodation and anecdotally up to 30% in some Purpose-Build Student Accommodation blocks, influenced in particular by the impacts of the pandemic.

4.20 Local authority housing registers point to quite modest levels of interest in self- and custom-build development in Leicestershire, with the greatest need in absolute terms in Charnwood and Leicester. On average 150 applications were made to join Councils' self and custom build registers per annum

[5] Houses in Multiple Occupation

over the last 4.5 years. The registers give an indication of the scale of future need. Moving forward, the Councils will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.

4.21 The HMA local authorities should support and encourage self-build development, and having regard to current delivery performance relate to the need identified, , might seeking an element of self-build provision on strategic development sites.