

South East Sub-Regional Housing Markets Study: Executive Summary

In May 2004 DTZ Pieda Consulting were commissioned by the South East of England Regional Assembly (SEERA) and English Partnerships to provide advice to the South East Regional Housing Board (SEHB) on the strategic pattern of housing markets in the region.

The overarching objective of the assignment was to map the spatial extent of sub-regional housing markets across the South East, as a first stage in developing a better understanding of the pattern and character of sub-regional housing markets in the region.

The analysis undertaken by DTZ, which is based on extensive analysis of data and informed through consultation with regional stakeholders, shows that there are 21 sub-regional housing markets in the South East.

Having identified the housing markets in the region, consideration now needs to be given as to whether there is merit in undertaking Housing Market Assessments for all of some of the sub-regional housing markets in the South East.

Before any commitment is made to undertaking HMAs it is important that the organisations that might undertake or commission such work are clear about the objectives they are seeking to achieve through undertaking such work.

Housing Market Assessment can serve a number of different purposes and the scope of an HMA may vary depending which of the four potential functions of an HMA, the particular HMA under consideration is designed to serve.

HMAs can make a significant contribution to:

- Sub-Regional Planning
- Promotion of Best Practice and Joint Working
- Resource Allocation
- Housing Needs Assessment

In general the benefits of HMAs will be maximised where both regional partners and local partners working together effectively. The focus and emphasis of an HMA may differ however depending on whether the HMA is being led by a regional body or a local partnership.

The HMA Guidance indicates that HMAs should, where they are to be conducted, be undertaken for identifiable sub-regional housing markets. The implication of this would be that potentially there is a requirement of 21 HMAs in the South East, given that there are 21 identifiable sub-regional housing markets.

However, a number of the housing markets identified in the region are quite small. In many areas there are also significant overlaps between housing markets. Where such overlaps exist it may well make sense to look at more than one area at the same time, because of the degree of overlap.

In looking at the South East, DTZ believes that there are a number of cases where it would be sensible, if an HMA is to be undertaken, for this to cover a number of markets. These are as follows:

- Hastings & Rother (19), Eastbourne (16) and High Weald (15)
- Ashford (20) and Canterbury & East Kent (21)
- Maidstone (18) and West Kent (14)

DTZ also believe further consultation and analysis is required before a decision is made of how best to undertake a HMA for the Blackwater Valley. The area does not operate fully as a single sub-regional housing market, having links with the Guildford-Woking market, the Reading-M4 market, and the North Hampshire market.

DTZ conclude that the primary purposes of HMAs in the South East will be to contribute to the process of sub-regional planning and encouraging joint working on housing and planning issues at the sub-regional level.

DTZ emphasis the importance of developing a clear brief for an HMA wherever they are to be undertaken and to speculate about what the desired outcomes of the HMA at the outset of the process. One of the key to a successful HMA is to be clear at the start what the partners want to get out of the process.

HMAs can play a role in the resource allocation but recommend that in the South East the HMA process should be used to inform allocation decisions by providing a consistent set of information for each sub-region. There should be no attempt to develop a new formulaic allocation system based on data from the HMA process.

The report identifies the different sub-regional housing markets in the South East. DTZ recommend that this analysis should start to be reflected in the Regional Housing Strategy. The Regional Assembly should also consider how the structure of sub-regional housing markets should inform the Regional Spatial Strategy.

DTZ recommend that the SEHB promote the completion of HMAs for each sub-regional housing market in the region, over a period of the next 3 years. If the recommendations contained in the report are endorsed this would mean undertaking 16 HMAs in the South East, which would imply aiming to complete around 5 HMAs each year.

HMAs should be undertaken initially either in those sub-regions where the SEHB identify there are particularly difficult and pressing housing and planning issues that could be addressed through the HMA process; or in those sub-regions where an effective sub-regional partnership is in place that wishes to proceed with an HMA.

There is an immediate issue about the relationship of HMAs in the areas where the Regional Assembly is developing sub-regional policies for the South East Plan. There are more HMAs than proposed Plan sub-regions. The broad patterns of HMAs however relate reasonably well to the proposed sub-regions.

The inter-relationship of sub-regional housing markets and the South East Plan sub-regions is already being considered by the Assembly, to ensure that housing issues are given full consideration as part of the spatial planning process and reflected in consultation on the draft Plan.

To complete a programme of HMAs for all the sub-regional housing markets in the South East over a period of 3 years, the SEHB will need to promote the development of effective HMA partnerships. A key requirement is to ensure greater joint working of housing, planning and economic development staff in local authorities, and the engagement of private sector interests.

DTZ recommend that the SEHB and Regional Assembly maintain oversight of the HMA process throughout the region and is an active partner in all HMAs. This implies helping to develop the brief for HMAs (which is required whether or not external contractors are to be used or not) and participating in steering arrangements for studies.

The conduct of HMAs must however ensure the full engagement of partners from within the sub-region to ensure that the findings are translated into local housing strategies and opportunities for joint working. There must be scope therefore for the brief for HMAs to reflect the particular issues and priorities of the sub-regional partners.

DTZ recommend that SEHB encourage local authorities to work together in commissioning new Housing Needs Studies, and ensure that newly commissioned studies will permit analysis for sub-regional housing markets. New HNAs should yield information on the scope for intermediate housing products. All survey data should be geo-coded.

The SEHB should also take an active role in promoting quality and consistency across the region in the conduct of HNAs. There is much to be gained in increasing standardisation of core questions, survey methods and the format of analysis in allowing comparison between local authority areas and sub-regions. The revised guidance on HNA that ODPM is currently preparing will assist the SEHB in this role.

The report recommends that the authorities in each of the sub-regional housing markets should come together to agree upon a timetable and process by which they will take forward the completion of an HMA for their area within the next 3 years. Key issues to be addressed are the composition of the HMA partnership and the timeframe in which the sub-region wishes to undertake an HMA.

At the sub-regional level, local authority partners will probably wish to identify a lead authority. The local partners will need to identify its core and partner members. Guidance on this process is contained in the HMA Manual published by ODPM, and should also be available from SEHB.

This report provides guidance (see part B) on the process of developing the brief for an HMA. This is a key part of securing a worthwhile outcome from the HMA process and should not be rushed. More detailed information on the HMA process itself is contained in the HMA Manual.

Some local authorities might potentially need to be involved in more than one HMA because they are on the edge of a number of sub-regional housing markets. DTZ recommend that these authorities participate in one HMA, but that part of the brief for that HMA is to examine the overlap with adjacent housing markets and the implication of this for strategy in the overlap areas.