Research Brief

Appendix 1. Research Brief for Cambridgeshire's Sub Regional Housing Market Assessment (SHMA)

A1.1 The housing sub region

This brief is for a strategic Sub Regional Housing Market Assessment (HMA) for the Cambridgeshire Housing Sub market, which includes the local authorities of:

- Cambridge City
- East Cambridgeshire
- South Cambridge shire
- Fenland
- Huntingdonshire
- Forest Heath
- St Edmundsbury

A1.2 Guidance

This brief has been developed using the ODPM Housing Market Assessments: Draft Practice Guidance, December 2005 (the Guidance). The study must have regard to this and any other relevant guidance proceeding from the (now) Communities and Local Government department (CLG). However, in carrying out the HMA, local priorities will need to be considered; it is those local questions which will dictate which work is done, when.

The Office of the Deputy Prime Minister (ODPM) published a Planning Policy Statement on Housing in November 2006 alongside Delivering Affordable Housing guidance. These set out the Government's key objective in planning for housing to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live.

In order better to inform housing policy at regional and lower levels the Government recognises the need for consistent evidence bases. To this end PPS3 sets out the basic key outputs required of a HMA. It helps:

- Develop a long-term view of housing need and demand to inform planning policies, such as regional spatial strategies and regional housing strategies.
- Develop a sound approach to planning for the mix of different sizes and types of households in a market area.
- Identify a required level of affordable housing and decide how evidence of housing need translates into different sizes and types of affordable housing.
- Make decisions on issues like social housing allocation priorities, private sector renewal options and the valuation of new-build low cost home ownership schemes such as shared ownership housing.
- Build an understanding of the different housing markets operating in a geographic area
- Estimate housing need and demand in terms of affordable and market housing.

- Determine how the distribution of need and demand varies across the plan area, for example between the urban and rural areas.

- Identify the particular accommodation needs and demands of specific groups, such as key workers, homeless households, Black and Minority Ethnic groups, first time buyers, students, disabled people, older people and Gypsies and Travellers.

The main differences between old housing need surveys and housing market assessments are:

- Housing Market Assessments take place over a broader geographic area, and seek to identify housing market areas rather than define housing issues within borough boundaries.

- HMAs are not one-off, static pieces of work, but build up over time using "layers" of information, updating data as new information is gathered or provided, and reviewing the Assessment periodically to gauge whether stocks, flows, trends and issues have changed enough to warrant a review of market areas, housing policies and local initiatives.

- HMAs are built up in partnership, the research being done by a suitably equipped project team, who maintain and understand the data, rather than commissioning consultants periodically and not retaining the skills or knowledge within our own staff. This also strengthens the link between the research / data and how it leads to practical actions to tackle what is discovered through the HMA process. The other aspect of partnerships is involvement of partner agencies and stakeholders, to understand the process, "test" the findings and share in action planning one the Assessment is completed.

A1.3 **Scope**

The HMA will cover administrative Cambridgeshire (i.e. Cambridge City, East Cambs, Fenland, Huntingdonshire, South Cambs). The two Suffolk authorities in the housing sub region (Forest Heath and St Edmundsbury) are included within the Project, however as they have recently completed primary research they will initially participate as "observers". These two authorities will also want to consider their housing markets in relation to the rest of Suffolk, and how they need to respond to HMA's in both the Cambridge and Suffolk areas. Similarly, Fenland and Huntingdonshire need to consider their housing markets relating to Peterborough and how they need to take account of HMA in the Cambridge and the Peterborough sub-regions.

The housing market of any part of our housing sub region is influenced by factors at several different layers. The main focus of the study will be to

- Create realistic and meaningful housing policies within local authority Local Development Frameworks.

- Forecast trends to model the effect of new development on the housing market, and to predict the housing needs larger developments will meet and the customer groups likely to occupy them.

- Identify the relationship between the local economy and the housing market in each area, to support our understanding of housing markets and factors influencing them.

- The HMA will also investigate the influence of
    - London and the Eastern Region on the whole area

- o Housing markets in neighbouring sub regions and regions, particularly Peterborough
- o Individual market towns within and adjacent to the housing market area.

A1.4 **Key aims**

Key aims at district, sub regional and housing market area levels are to:

- Establish baseline information on how housing markets function in the Cambridgeshire housing sub-region, and on the basis of the information gathered enable the development of long-term strategic views and guidance on the need and demand for both market and affordable housing.

- Inform strategies at sub-regional, county and district level to help create balanced housing markets and mixed, sustainable communities, and provide an understanding of the link between the housing market and the local economy to help inform the provision of services such as education and transport.

- Inform policies for housing development, allocations, choice based lettings and private sector renewal options. It should inform housing policies on the quality of housing including stock conversion, demolition and transfer in areas where the type and quality of housing may be inadequate.

- Identify appropriate monitoring procedures for key variables such as in-migration and affordability levels, which affect the housing markets identified.

To achieve the aims, and to enable local authorities to conform to the requirements of PPS3, the assessment's objectives are to:

- Identify and define housing market areas.

- Establish the strategic and policy context within which the housing markets operate.

- Identify demographic trends and projections.

- Examine the local housing markets and how they operate – principally looking at the dynamic between dwellings and households, identifying stocks of dwellings and the flow of households between dwellings.

- Understand recent and current trends in supply and demand, and the broad impact of economic and demographic trends.

- Forecast appropriately the future supply and demand at localised level, including predicting demand by type and tenure for major new communities.

- Consider the various factors which drive the demand or need of different households for different types of housing in different parts/areas of the housing markets.

- Understand the potential future trends and forecasts in supply and demand.

- Identify the broad magnitude of all the different tenures of dwellings required within the housing market areas.

- Assess the overall surplus or shortfall of housing availability relative to demand and how this is apportioned by area (including established, new and emerging settlements), by tenure etc. given current national policy frameworks.

- Assess probable causes/blockages/barriers and to consider options to intervene to redress any imbalances in light of identified surplus/shortfall.

- Support collaborative working between stakeholders and agencies who are affected by and/or contribute to the Assessment, including links to Strategic Land Availability Assessments.

- Identify local incomes and house prices and apply or devise local measures of affordability.

- Enable comparison of trends identified from the analysis of data with the outcomes of planning policies, to inform regional housing and planning policy.

- Provide evidence to inform policies in both the Regional Spatial Strategy and Local Development Frameworks on the different types, sizes and tenures of housing needed to develop balanced, sustainable communities within the market area (and any sub areas) and by local authority area.

- Inform decisions on the amount and mix of housing to be provided on new settlement, urban extension, planned, windfall and rural exception sites.

- Identify the accommodation needs of particular groups including key workers, homeless households, black and minority ethnic groups, Gypsies and Travellers and people with specific or supported housing needs.

- Enable the development of local expertise to enable regular updates of information so data can be continually maintained and updated, including the use of new primary surveys agreed as appropriate.

- Present the information in a format that will enable it to be shared and disseminated to a wide range of interested parties (e.g. Local community partnerships, Town and Parish Councils, estate agents, Housing Associations).

A1.5 **Format of the assessment**

A HMA should be based on existing, secondary, data to a far greater extent than has previously been the case. The extensive use of secondary data means that much of the work can be carried out "in-house" rather than by external consultants. This "in-house" approach has several benefits. It should be cost effective, efficient, allow a flexible approach to the work, work through the existing strong partnership and increase the integration of housing market planning with other plans.

A1.6 **Review of secondary data**

The Research group will review existing available information, planning and housing policies together with other relevant literature to help clarify specific aims and research issues and the geography of specific sub market areas that need investigation. CRG holds a wealth of data which will provide much of the secondary information needed for the HMA. However this will need to be interpreted in the light of local knowledge, provided by the local authorities. Local authorities also need to provide further information to enable CRG to build a more complete picture of housing markets, from existing information and possibly new research into existing records held by authorities.

A1.7 **Primary Research**

The CRG will compile relevant information and commission surveys as necessary, as agreed with the Project Team. Primary research may be carried out by:

- The CRG – smaller scale and some specialist surveys, e.g. surveys of organisations; some qualitative work.

- A preferred partner market research company for larger surveys, particularly public surveys; some qualitative work.

- Specialist housing research consultants – it is expected that the CRG and preferred partner will be able to run all necessary primary research, but specialists could be commissioned if required. Stock Condition Surveys will not be considered in this brief because they are a specialist area which is best kept separate from HMA. However, housing authorities are required to carry out Stock Condition Surveys and the data from these will be used in the HMA.

Areas for primary research may include

- Local housing surveys.

- RSL and LA surveys.

- Estate agents and letting agents survey.

- Voluntary sector survey.

- Homelessness agency survey.

- Focus groups in rural areas.

- Focus groups with key stakeholders to test findings.

- Specific groups - the draft guidance lists "specific groups such as key workers, homeless households, black and minority ethnic groups, disabled people, the elderly, students and young people" who may need some specific research work to ensure valid conclusions are drawn about their housing.

A1.8 **Consultation**

A distinction should be made between consultation with stakeholders and consultation with wider groups of people with an interest in the assessment. Relevant stakeholders will be involved with different aspects of the study (e.g. local estate agents on house price information, Housing Associations on stock condition and tenants' preferences.) Other parties may also need to be consulted. This could form part of the primary research to be commissioned and might include

- The Racial Equality Council, Gypsy /Traveller liaison, Shelter.

- Tenant and residents groups.

- Households with particular characteristics (e.g. due to race, disability, homeless status for instance).

- Local employers including key worker employers.

- Health authorities, Police, Education and transport providers.

Appropriate consultation methods should be employed including for instance questionnaires, focus groups, interviews etc. However the extent of participation undertaken will need to be tempered by the time and resources available.

A1.9 **Outputs**

The study will produce a report supported by maps and technical appendices, describing the features of the defined HMAs and any relevant sub areas within them. This should provide

- Consistent evidence base to influence all levels of housing, planning and economic policy and investment decisions.

- Finer grain appraisal of local housing markets and implications for LDF/RSS settlement hierarchies.

- Detailed analysis of housing demand, need and supply by local housing market area and the key housing issues for policy development and trends in the future.

- Assessment of the current and future requirement for the size, type, mix and general location of all tenures of new housing by local housing market area and where relevant sub-areas.

- Assessment of the accommodation needs of particular groups such as key workers, minority ethnic groups etc by area.

Following the new PPS3 and Delivering Affordable Housing guidance, the most pressing outputs to feed in to LDFs include (in summary form):

- Identify and define housing market areas.

- % market housing required including low cost homes ownership.

- % affordable housing required, divided into social rented and intermediate housing.

- Urban and rural housing needs and issues.

A1.10 **For the housing market**

Profile of household "types" including

- o % multi person including families with children.
- o % single persons.
- o % couples.
- o Older people.
- o People with disabilities.

A1.11 **For affordable housing specifically**

- Size.
- Type.
- Measure of affordability.
- Site thresholds.
- Profile of household "types" including
  - o Families with children.
  - o Older people.
  - o People with disabilities.
  - o Gypsies and Travellers.

Once these outputs have been provided, consulted upon and published, the HMA project team can work together to priorities other outputs listed under "key aims" as a future work programme.

A1.12 **Maps**

Maps could be produced to illustrate the data for the HMA. This list will evolve, it may not be feasible or useful to produce some of the maps those listed here, while others will be added.

- Housing stock – predominant tenure; predominant house size/type, hot-spots of poor condition; shared housing.

- Active market – house prices; relative house prices compared to income; rents compared to income; affordability; hot-spots of overcrowding or under-occupation; vacancy/turnover rates; available housing supply by tenure.

- Commuting.

- Private sector markets.

- Iso-profiles of housing costs.

- Needs assessment – a set of maps illustrating need for different tenures/types.

A1.13 **Updates**

In 2006, a dedicated Research Officer will be employed to carry out day to day work on the initial HMA. It would be beneficial to employ that person on a permanent contract to update the HMA on a regular basis. This would have the benefits of:

- Consolidating the information year by year and keeping the HMA as up to date as possible.

- Allowing measurement of progress and therefore a reactive policy to achieve agreed goals.

- Preventing the need to repeat a major exercise.

- Monitoring Local Area Agreement.

- Inputting to Local Development Frameworks.

- Building a relationship with districts and other agencies over time to ensure the best quality data and informed decisions on when and how weaker data should be used.

- Developing local housing market expertise.

The report will define a robust ongoing monitoring system, which will be developed during the work. It is anticipated that this will include methods to collect data from estate agents, RSLs, local authorities, and house prices on a regular basis.

A1.14 **Time period of the study**

The time period for projections is unclear in any of the guidance.

The difficulty of projecting into the future with any certainty suggests a maximum time frame of around 10 years, although the draft HMA guidance has ambitions for detailed projections further into the future. Projections and forecasts beyond five years are likely to be less robust.

It would seem advisable to tie the time period into that of the East of England Plan (2001 to 2021) with a broad overview of trends beyond this period, with assumptions and notes attached to denote reliability and robustness of more "distant" projections.

To help align the HMA with the East of England Plan timetable and with the HMA guidance, the following timescales will be used, giving 3 broad "projection" periods:

- 2007 to 2012 (5 years in as much detail as possible).
- 2007 to 2016 to tie into RSS and for the "headlines" over approx 10 year period.
- Up to 2032 for a 25 year "broad brush" approach.

A1.15 **Level of detail**

The study will need to give a definition of "need" which is locally driven and "demand" that encompasses the broader desires of people wishing to move into the area, so that the distinction between the two is clearly understood. The study will need to examine the HMAs at a finer grain than local authority level in order to enable sub area analysis and cross boundary issues. Data should be analysed at

- District level.
- Zones within districts, either based on zones used in previous housing need surveys, or on zones defined in agreement with the local authority concerned – particularly where large new settlements or extensions are being planned or where housing and planning sub regional boundaries co-exist.
- Ward or output area level wherever possible, enabling analysis across Local Authority boundaries where appropriate.

A1.16 **Timetable / milestones**

- CRASH agreed to progress the HMA   June 2006
- Cambridgeshire County Council's Research Group (CRG) to undertake the research aspects of the project   August 2006
- CRG put forward outline project proposal, agreed at CRASH   Sept 2006
- Liaison with various stakeholder groups   October to December 2006
- Recruitment of HMA research officer   December 2006
- Initial briefing note produced, publicised, feedback received and used January 2007
- Brief agreed and SLA signed   February 2007
- Stakeholder workshop to give feedback on the assessment, housing market and involvement   February 2007
- Assessment of secondary data, definition of current housing markets February 2007
- Primary research and continuing secondary analysis   February to April 2007
- Phase 1 report (draft)   end of April 2007
- Consultation with stakeholders on Phase 1 findings   early May 2007
- Final Report completed and published   by end May 2007

A1.17 **Managing the Assessment**

The teams and structures for the Assessment are specified in detail in the Service Level Agreement. A summary is provided here for ease of reference.

The Cambridge Sub Regional Housing Board

The Cambridge Sub Regional Housing Board is responsible for monitoring overall progress and signing off the project.

Housing Market Partnership

A HMA Partnership will be formed including key stakeholders, industry, developer and community interests. It will be invited to get involved at relevant stages through briefing notes, consultation and involvement in the partnership.

HMA Project Team

A small project team co-ordinated by Horizons and the County Council will steer and co-ordinate production of the HMA, reporting to the Cambridge Sub Regional Housing Board and the Housing Market Partnership as appropriate.

County Research Group

County Research Group agreed in principle to undertake the assessment, with primary research from approved research partners. The Team will lead the research and manage and external researchers. Updates the data in future through dedicated officer.

Member involvement

Member endorsement will be secured through individual authority's decision-making processes. Members will be informed of progress and invited to relevant events through briefing notes issues by the project team, via Cambridgeshire Horizons.

However it is recognised that each authority may wish to consider the findings through its own political management system. The Cambridge Sub Regional Housing Board, the HM Partnership and the Project Team may recommend actions or initiatives resulting from the HMA, however these recommendations can only be enacted through the decision of the relevant local Members.

A1.18 **Minimising risks**

At the project outset the following risks were identified, along with actions to minimise them:

Risk	Action
▪ The timetable is very tight.	▪ Regular HMA project team meetings
	▪ Involving stakeholders through existing forums and meetings prior to first formal event in Feb 2007
	▪ Project Team members agreed to respond quickly to all requests for information or action
	▪ Adopt a "phased" approach, where top-level information is secured for a tight deadline and we agreed to build on and extend this knowledge in future phases.
▪ Availability of LA staff time at critical stages to source data.	▪ Agreed to prioritise the HMA over coming months, particularly in first

Risk	Action
	phase.
▪ Consistent and reliable local needs information will be essential.	▪ All have agreed to provide all the information available, and CRG agreed to assess, in partnership with providers, the reliability of information, the need to improve upon it, and assess whether it can be used for the HMA or not. ▪ Following this assessment, will plan action to improve or update information as needed
▪ Consistency and reliability of all secondary data sources.	▪ CRG will assess reliability, with partners' help and advice, and will either denote misgivings or not use as necessary.
▪ Robustness of data when projecting into future.	▪ CRG's expertise and experience will be crucial when projecting and forecasting. ▪ Will identify assumptions used ▪ A level of risk will have to be accepted, as the alternative is not to project and therefore significantly limits the usefulness of the assessment
▪ The need to secure a primary research partner	▪ RBA (previous partner) no longer operating, need to secure an alternative primary research partner to undertake any "essential" primary research
▪ The lack of final published HMA guidance from CLG	▪ Close partnership with CLG team working on the guidance ▪ Good understanding of the draft guidance and capable team interpreting it to apply locally
▪ Few successful HMAs completed to learn from	▪ Contacting any successful HMAs and learning form their experiences
▪ New HMA will not be accepted by partners and developers, reliability will be questioned, developments will be slower coming forward due to appeals and further negotiations	▪ Set out fully our approach and methodology, including comparison to previous HNS methodology ▪ Consult partners to explain the thinking behind the HMA and the guidance ▪ Involve partners in the initial outcomes and get their feedback to build in to the initial report ▪ Ensure results are fully reported and publicised as they become available
▪ New HMA may show lower level of affordable housing need than anticipated, as using more reliable methodology than previous surveys and taking full account of movements between authorities rather than excluding these as in HNS methodology	▪ Set out fully our approach and methodology, including comparison to previous HNS methodology ▪ Consult partners to explain the thinking behind the HMA and the guidance and methodology ▪ Ensure we translate the findings carefully into LDF requirements and use

Risk	Action
	all the tools available to us to translate the HMA into locally relevant housing and planning priorities.
	▪ Clearly identify the new definition of affordable and market housing, and enable planning authorities to embrace the new definition in their LDDs.
▪ Inconsistency of outcomes with overlapping HMA assessments and previous housing needs assessments, leading to potential challenge	▪ Provide clear guidance to planners on the differences between HNS's and HMA's. Publicise the need to the new assessments widely and consult partners on its effects and potential consequences. Involve the development industry in constructing our HMA and agree the outputs and assumptions used to build it. Ensure the HMA is clearly referenced and meets planners' requirements. Invite external challenge on the initial HMA against the 11 criteria specified in the CLG guidance.

(Written September 2006)