

London Commuter Belt (West) Strategic Housing Market Assessment 2008

Report of Study Findings

April 2010





Opinion Research Services The Strand, Swansea SA1 1AF
Jonathan Lee
Nigel Moore · Catherine Nock · Hugo Marchant · Chris Broughton
enquiries **01792 535300** · info@ors.org.uk · www.ors.org.uk

© Copyright **December 2009**



Hertfordshire County Council County Hall, Hertford SG13 8DN
Russell Monck (Forward Planning) russell.monck@hertscc.gov.uk
enquiries **01992 555234**



Dacorum Borough Council Civic Centre, Marlowes, Hemel Hempstead, HP1 1HH
David Pickering (Housing Enabling Officer) david.pickering@dacorum.gov.uk enquiries
01442 867814 or **Nathalie Bateman** (Planning Officer)
nathalie.bateman@dacorum.gov.uk
enquiries **01442 228526** or **01442 228592**



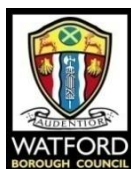
Hertsmere Borough Council Civic Offices, Elstree Way, Borehamwood, WD6 1WA
Tina Nyamaah (Affordable Housing Co-ordinator) tina.nyamaah@hertsmere.gov.uk
Or **Kim Harwood** Housing Need and Strategy Manager Tel: **020 8207 2277 Ext 2501**
kim.harwood@hertsmere.gov.uk enquiries **020 8207 2277** ext 3315 or **Andre Sestini**
(Senior Planning Officer) andre.sestini@hertsmere.gov.uk enquiries: **020 8207 7509**



St Albans City and District Council Civic Centre, St Peters Street, St Albans, AL1 3JE
David Reavill (Development Officer) d.reavill@stalbins.gov.uk or
Linda Middleton (Housing Strategy Manager) l.middleton@stalbins.gov.uk
enquiries **01727 819382** or **01727 819401**



Three Rivers District Council Three Rivers House, Northway, Rickmansworth, WD3 1RL
Nyack Semelo-Shaw (Housing Officer) nyack.semelo-shaw@threerivers.gov.uk
Joanna Bowyer (Planning Officer) joanna.bowyer@threerivers.gov.uk
enquiries **01923 727375** or **01923 727104**



Watford Borough Council Town Hall, Watford, WD17 3EX
Camelia Smith (Housing Development) camelia.smith@watford.gov.uk or **Catriona Ramsay**
(Planning Officer) catriona.ramsay@watford.gov.uk
enquiries **01923 278261**



Welwyn Hatfield Borough Council The Campus, Welwyn Garden City, AL8 6AE
Carol Hyland (Principal Planning Officer) c.hyland@welhat.gov.uk or
Jeremy Morton (Principal Development Manager) j.morton@welhat.gov.uk
enquiries **01707 357723**

Contents

Preface.....	9
Section 1: Introducing the Study	11
What Is A Strategic Housing Market Assessment?	11
Satisfying the Process Checklist	13
Providing the Core Outputs	19
Methodology and Data Sources.....	20
Section 2: The Strategic Context	23
National Policy Context	23
Affordable Housing	25
The East of England Plan	25
Overall Housing Provision.....	25
Affordable Housing	27
Green Belt.....	27
Transport	27
Provision for Gypsies and Travellers	28
Black and Minority Ethnic Groups.....	28
Refugees	28
Regional Housing Strategy.....	29
The Hertfordshire Structure Plan Review.....	29
Planned Development.....	30
The London Commuter Belt.....	30
Local Policies	31
Hertfordshire Forward.....	31
Dacorum Borough Council (Update in Preface).....	31
Hertsmere Borough Council	33
St Albans District Council	34
Three Rivers District Council.....	35
Watford Borough Council	36
Welwyn Hatfield Borough Council (Update in Preface)	38
Section 3: Identifying Local Housing Sub-Markets within the Sub-Region.....	41
Defining Sub-Regional Housing Market Areas	41
Using Local House Prices to Define Housing Market Areas.....	43

Using Employment and Migration Patterns to Define Housing Market Areas.....	45
Defining Housing Market Areas in the Sub-region.....	46
Understanding the Identified Housing Market Areas in the Study Area.....	52
Section 4: The Existing Dwelling Stock	55
Property Type	55
Housing Tenure.....	57
Private Rented Sector.....	59
Social Housing.....	61
Communal Establishments	63
Themes and patterns emerging from analysis of the dwelling stock	63
Section 5: Key Housing Market Drivers	67
National Level Household Changes.....	67
Local Population Trends	68
Current Age Structure	69
ONS Projections	70
Chelmer Model Projections (EERA Group 3, December 2006).....	71
The Local Economy.....	72
Employment and Unemployment.....	72
Industry	74
Skills and Education.....	77
Incomes and Earnings	78
Migration Trends.....	80
Migration within the Sub-region.....	83
Age of Migrant Persons	85
Migrant Household Characteristics.....	86
Migration in the Registered Social Landlord Sector	87
International Migration	87
Themes and patterns emerging from earlier analysis of the dwelling stock	89
Section 6: Existing Households in Housing Need	93
Introduction	93
Providing evidence of unsuitable housing within CLG practice guidance main categories	94
Homelessness or with insecure tenure	94
Mismatch of household and dwelling	94
Dwelling amenities and condition.....	97
Social needs	97
Conclusion	97
Modelling and mapping unsuitable housing	98

Index of Multiple Deprivation.....	98
Assessing established households in unsuitable housing using modelling	100
Households in unsuitable housing and the need for additional affordable housing.....	101
Section 7: The ORS Housing Mix Model	105
Section 8: Profiling Affordability	109
Introduction.....	109
Local House Price Trends.....	109
Market housing for sale.....	109
Further Information: Market housing for rent	114
Social Rented housing	115
Measuring the affordability of housing.....	115
The Affordability of Local Available Housing to Local Households	116
Housing Benefit.....	123
Section 9: Estimating the Mix of Housing Requirements.....	127
Introduction	127
Key Definitions.....	128
Housing Requirements and tenure	128
Estimating the tenure mix of the future housing requirement	128
ONS 2006-based Sub-national Population Projections; CLG 2004-based Household Projections and the East of England Regional Spatial Strategy	129
Housing Requirements of Household Groups	131
Estimating the Future Requirement for Social Housing.....	133
The Requirement for Intermediate Affordable and Market Housing	139
Affordability of the supply of housing available locally.....	139
How the Affordability of Housing Changes if Households Borrow More Money	141
Estimating intermediate affordable and market requirements	143
Assessing the Affordable Housing Requirement against Long Term Price Trends	150
Estimating the future balance between market housing for sale and rent	155
Relating room requirements to bedroom requirements	159
How the size mix will change according to house prices	160
Tenure and Size Mix Requirement by Local Authority and Housing Sub-market (Long term trend prices).....	162
Unconstrained Outputs	165
Section 10: Affordable Housing Options	169
Introduction	169
Local Housing Registers.....	170
Comparing housing register data and the SHMA estimates of the requirement for social housing	173

Comparing SHMA social size mix housing requirements to housing register data	173
Intermediate Affordable Housing Options	176
Introduction	176
What is the role and function of intermediate affordable housing?	176
What housing products are typically currently available to households who can only afford intermediate affordable housing and how do they compare to CLG affordability benchmarks?	177
How affordable are intermediate affordable housing products in relation to other options.....	178
Further information from the HomeBuy agent	183
The historic supply of intermediate affordable housing	184
Relating the future Requirement for Intermediate Housing to Supply and Demand	185
Key Workers.....	186
Conclusion	188

Section 11: Understanding Specific Sub-Groups.....191

Understanding Student Housing Issues.....	191
Estimating the housing requirements of families and other households	194
The Needs of Older People and Other Client Groups	199
Introducing Supported Housing in Hertfordshire and Supporting People	199
Accommodation for frail and older people: background	203
The Older Population	204
Health	205
Access to a Car or Van	205
Tenure	206
Tenure related data for Hertfordshire using POPPI	207
Accommodation Services for Older People Programme.....	209
Further remarks relating to demand for housing and services from older persons.....	211
Housing Issues related to Minority Ethnic Groups	212
BME Population	212
Age Profile and Household Structure.....	214
International Migration.....	217
Supporting People.....	217
Housing Tenure.....	218
Housing Conditions	220
Economic Activity.....	221
Homelessness	223
Housing Issues Related to Rural Households.....	225
Rural Households	226

Section 12: Policy issues and implications arising from the SHMA229

Introduction	229
--------------------	-----

Context and Overview	229
The affordability of local housing.....	230
Housing requirements	231
The credit crunch and economic recession	233
Particular groups of people	235
A future scenario?	236
Appendix A: Stakeholder Consultation	239
Introduction	239
Key Findings.....	239
Affordability of Local Housing.....	239
Economic Effects of High Accommodation Costs	240
Flexibility of Housing	240
Homelessness Issues	240
Affordability of Local Housing.....	240
Economic Effects of High Accommodation Costs	241
Sub Groups of the Population.....	241
Older People and People with Support Needs	241
People who are Homeless	242
New Migrants and BME Residents.....	243
Young People and Students.....	243
Families.....	244
Key Workers.....	244
Launch Event Stakeholder Comments	244
What are the barriers to delivering new housing?	244
What are the key issues for the SHMA to consider?.....	245
What are the problems with existing housing?	245
Appendix B: Glossary of Terms.....	247
Acronyms and Initials	247
Definitions.....	249
Appendix C: Project Management.....	252
Project Management.....	252
Quality control	252
Stakeholder involvement.....	252

Preface

- i. The study was undertaken in 2008/9 and the reference point for most of the analysis was up to the end of March 2008 as this ensured that data sources could be reconciled to the same baseline date. The modelling projections produced relate to the period April 2007 to March 2021.
- ii. There have been significant changes since April 2008, including the impacts of the recession on the housing market and the challenge to the East of England Plan. These issues inevitably impact on the LCB (West) housing market but it is not possible to fully calibrate the results to take full account of each factor given that many secondary data sources are yet to reflect these recent changes.
- iii. Changes in the housing market since mid 2008, caused primarily by global financial markets, has resulted in a significant reduction in the number of mortgages issued, which in turn has led to a slowdown in property transactions, a downturn in housing delivery and a reduction in house prices. It is worth noting that a fall in house prices across the region in itself will not significantly impact on market affordability.
- iv. It is not yet clear what impact the economic downturn may have on international migration but the number and nature of migrants from overseas is an important factor in determining the overall requirement for housing across the LCB (West). If net international migration falls, the overall housing requirement is also likely to reduce.
- v. The challenge to the East of England Plan (2008) resulted in the quashing of the housing growth figures for Dacorum Borough Council and Welwyn Hatfield District Council. The Government Office, acting on behalf of the Secretary of State, will now respond to the judgment. Remitted parts of the plan will be reconsidered from the stage in the process following the examination-in-public and before publication of proposed changes.
- vi. As a separate process, the East of England Regional Assembly undertook public consultation on the Review of the East of England Plan from September to November 2009. The consultation documents considered four different scenarios for housing growth in the region between 2011 and 2031. However, draft proposals are not due to be published until spring 2010.
- vii. In this context, any attempt to calibrate the model to a current baseline would inevitably be flawed, so instead we have retained our robust baseline position of April 2008 and have varied the model assumptions to produce a range of scenarios that demonstrate the sensitivity of different criteria. Regardless of these issues, it is clear from the sensitivity testing that LCB (West) housing requirements remain high in all scenarios. Within the overall requirement, there is a consistently high need for additional social rented housing, including a significant number of larger homes.

Section 1: Introducing the Study

- 1.1 Opinion Research Services (ORS) was commissioned by Hertfordshire County Council, Dacorum Borough Council, Hertsmere Borough Council, St Albans District Council, Three Rivers District Council, Watford Borough Council and Welwyn Hatfield Borough Council (which, for the purposes of this study, collectively comprise the London Commuter Belt (West) sub-region), to undertake a comprehensive and integrated Strategic Housing Market Assessment for the sub-region. The description of the area as London Commuter Belt (West) has been created for the purposes of this study and is not used by any bodies outside of the area.
- 1.2 The research was based on the analysis of secondary data from the UK Census, Housing Corporation, HM Land Registry, Office for National Statistics and a range of other sources (which primarily underwrote the housing needs and requirement modelling), along with a qualitative consultation programme with a wide range of stakeholders.

What Is A Strategic Housing Market Assessment?

- 1.3 Strategic Housing Market Assessments (SHMAs) are a crucial part of the evidence base that informs policy and helps shape strategic thinking in housing and planning. They were introduced as the required evidence base to support policies within the framework introduced by Planning Policy Statement 3 (PPS3) in November 2006.

Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments are an important part of the policy process. They provide information on the level of need and demand for housing and the opportunities that exist to meet it.

- 1.4 SHMAs contribute to three levels of planning:

Regional

- developing an evidence base for regional housing policy;
- informing Regional Housing Strategy reviews; and
- assisting with reviews of Regional Spatial Strategy.

Sub regional

- deepening understanding of housing markets at the strategic (usually sub regional) level; and
- developing an evidence base for sub regional housing strategy.

Local

- developing an evidence base for local development documents; and
- assisting with production of Core Strategies at local level.

1.5 When considering SHMAs in the context of developing Local Development Documents, PPS3 (paragraph 22) sets out the following expectations:

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:

- *the likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing;*
- *the likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%); and*
- *the size and type of affordable housing required.*

1.6 Alongside PPS3, Practice Guidance for undertaking Strategic Housing Market Assessments was published by the Department for Communities and Local Government (CLG) in March 2007 and subsequently updated with a minor revision in August 2007.

1.7 The Guidance gives advice regarding the SHMA process and sets out key process checklist items for SHMA Partnerships to achieve. These checklist items are important, especially in the context of supporting the soundness of any Development Plan Document:

*...for the purposes of the independent examination into the soundness of a Development Plan Document, **a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2.***

1.8 The core outputs and process checklist required to demonstrate robustness are detailed below.

Figure 1
CLG SHMA Practice Guidance Figure 1.1 – Core Outputs

Core Outputs	
1	Estimates of current dwellings in terms of size, type, condition, tenure.
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.
3	Estimate of total future number of households, broken down by age and type where possible.
4	Estimate of current number of households in housing need.
5	Estimate of future households that will require affordable housing.
6	Estimate of future households requiring market housing.
7	Estimate of the size of affordable housing required.
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people and young people.

Figure 2
CLG SHMA Practice Guidance Figure 1.2 – Process Checklist

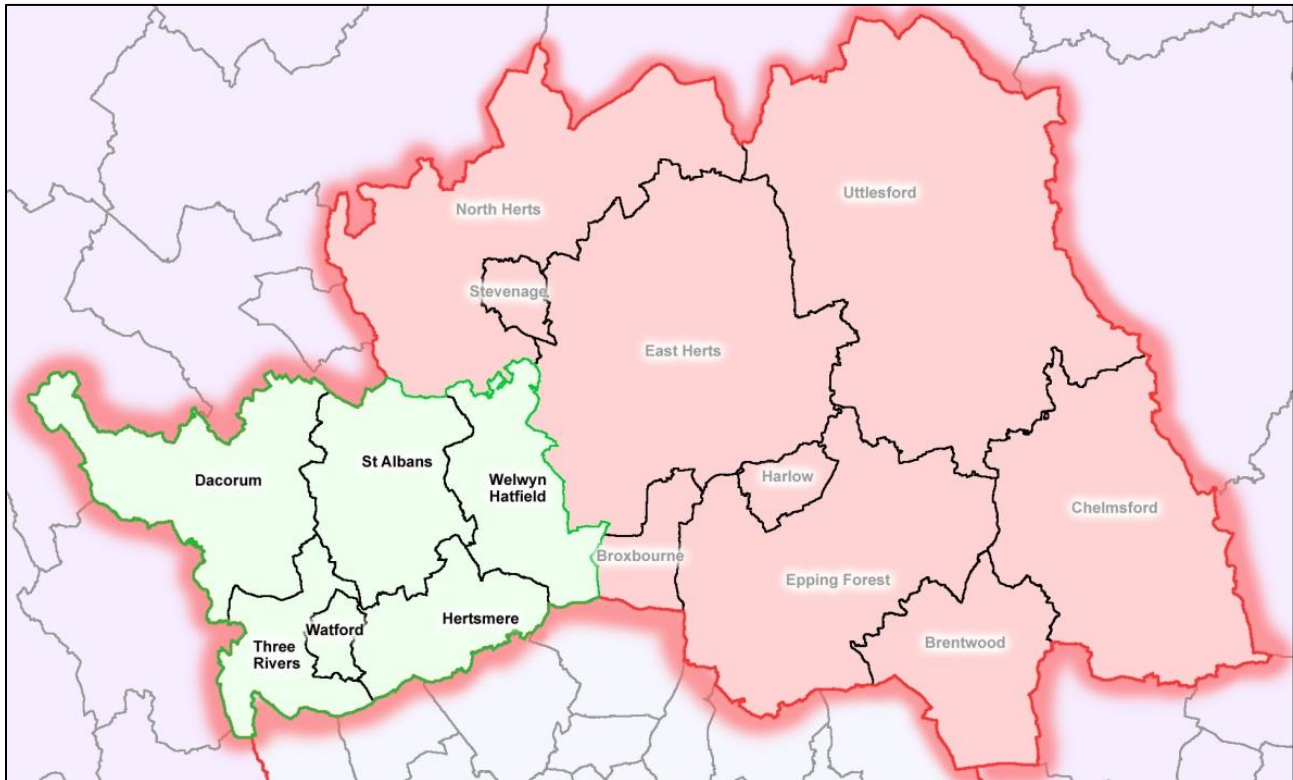
Process Checklist	
1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region.
2	Housing market conditions are assessed within the context of the housing market area.
3	Involves key stakeholders, including house builders.
4	Contains a full technical explanation of the methods employed, with any limitations noted.
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.
6	Uses and reports upon effective quality control mechanisms.
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken.

- ^{1.9} The following sections describe the process undertaken in delivering the LCB (West) study and identify where the required core outputs are provided within the study report.

Satisfying the Process Checklist

1. Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region.
- ^{1.10} Following the publication of PPS3, the authorities in the London Commuter Belt recognised the need to produce a Strategic Housing Market Assessment to provide the necessary evidence base for their individual Development Plan Documents (DPD). In total there are 15 districts within the London Commuter Belt and a sub-regional co-ordinator has recently been appointed.
- ^{1.11} It was agreed that the best way forward was to jointly commission an SHMA, to underwrite regional, sub-regional and local policies. However, commissioning a study covering 15 local authorities was considered to be too large an area for the production of a detailed and meaningful study, and so the six districts in the west of the sub-region joined to form London Commuter Belt (West).
- ^{1.12} Figure 3 shows how the six authorities of LCB (West) fit into the wider LCB sub-region.

Figure 3
The LCB sub-region



- 1.13 In addition to LCB (West), ORS is currently undertaking a Strategic Housing Market Assessment for the London Commuter Belt (East) sub-region comprising Brentwood, Broxbourne, East Herts, Epping Forest, Harlow and Uttlesford. Stevenage and North Herts commissioned a separate study for their part of the London Commuter Belt sub-region. The remaining district within the London Commuter Belt, Chelmsford, has strong links with Braintree and Colchester and consequently engaged in a joint SHMA with these authorities. This study is now complete.
- 1.14 Although a single sub-regional SHMA has not been commissioned, the value of such an approach was recognised, particularly in regards to maintaining a consistent approach across the area. In the London Commuter Belt this has been facilitated by two of the sub-areas, within the sub-region, being carried out by ORS. Subsequently the LCB (East) and LCB (West) studies will be carried out with the same methodologies. This should assist in the development of sub-regional policies on completion of all studies.
- 1.15 The LCB (West) SHMA was commissioned with reference to the administrative boundaries of the local authorities within it, but has also sought to place the results in the context of the surrounding area. Alongside the consistent use of methods across the sub-region, it should provide an effective basis for building a sub-regional assessment.
- 1.16 This report will now form part of a suite of documents covering the whole of the London Commuter Belt sub-region and the processes described below provides the foundation for future work that will develop the wider study.

2. Housing market conditions are assessed within the context of the housing market area.

1.17 The London Commuter Belt Housing Market covers 15 local authorities in both Hertfordshire and Essex and the six authorities within London Commuter Belt (West) form a sub-group within the sub-region. The SHMA assesses the spatial extent of the housing markets and how Local Authority boundaries relate. For the purposes of the SHMA the 6 authorities in LCB West are treated as a separate housing market.

1.18 The SHMA describes housing market conditions at each level where possible and appropriate.

3. Involves key stakeholders, including house builders.

1.19 The London Commuter Belt (West) SHMA identified a range of Key Stakeholders from both the public and private sector to inform the assessment process. These included:

Figure 4
The LCB (West) sub-region stakeholder groups and members

Stakeholder Groups	Group members
LCB (West): Steering Group	<ul style="list-style-type: none"> Planning/ Forward Planning Managers and Officers Housing/ Housing Strategy Managers and Officers London Commuter Belt Sub-Region Co-ordinator Home Builders Federation Economic and Information Officers from HCC Project Manager from HCC
LCB (West): Wider Stakeholder Group:	
Local Authority officers	<ul style="list-style-type: none"> Housing Strategy/Needs Homelessness Youth Services Tenant Services Environmental Health.
Local Agencies:	<ul style="list-style-type: none"> Community Development Agency Local Council Members LA Development Control LA Corporate Policy West Herts Primary Care Trust
National/Regional Government and Agencies	<ul style="list-style-type: none"> East of England Regional Assembly (EERA) GO East Home Builders Federation Housing Corporation Three Dragons
Sub-regional and RSL Partners	<ul style="list-style-type: none"> Aldwyck HA Circle Anglia Group Hightown Praetorian and Churches HA Lea Valley Homes Moat Housing Group Network Housing Group North Hertfordshire Homes Paradigm Housing South Midlands and Greater London Housing The Guinness Trust

	Watford Community Housing Trust William Sutton Homes
House Builders and Estate Agents	Aitchison Rafety Bellway Homes- North London Croudace Homes Crest Strategic Projects David Russell Associates Entec UK Ltd George Wimpey (North Thames) Palmer Land and Industry RPS Planning Cole Flatt and Partners Lambert Smith Hampton Putterills Land Manager
Adjoining Local Authority Representatives:	Harlow Council LCB (East) sub-region North Herts District Council Uttlesford District Council
Community groups/organisations	Starscope – Cerebral Palsy Citizens Advice Bureau Oaklands College Perch Homes – Student Housing Hightown Praetorian and Churches HA St Albans Chinese Community Association Welwyn Hatfield Access Group YMCA Tennant representative and service user DENS (Night Shelter) Hertfordshire Supporting People Communities Together HertsReach Hertfordshire Prosperity PCT –Joint commissioning team, mental health;

1.20 The Key stakeholders involved from the outset of the study included input from the steering group and the wider stakeholder group.

1.21 Officers from the housing and planning teams for the six districts and economic and information officers from the county council also supported the LCB (West) study.

1.22 Ongoing feedback was obtained via a series of mechanisms and all feedback and comment was taken into account for the production of the final report and this included:

- involvement in the design of the project brief;
- input into project reviews throughout the project period;
- comments on a series of project discussion papers - these were published in three phases, first to the steering group and subsequently to wider stakeholders;
- allocated consultation periods - comments regarding quality and further data and information sources were actively encouraged and input was received from non-planners such as economic and information officers from HCC; and

- input from neighbouring authorities across the sub-region - the importance of neighbouring authorities was recognised and they were invited to be involved from the outset of the project and to provide feedback on discussion papers.

The Project Extranet

^{1.23} Publication of and feedback to discussion papers was greatly assisted by the development of an LCB (West) extranet site, which involved:

- a website that can be viewed externally, but with access restricted to those issued with an account and password. The site holds different areas for steering group members and wider stakeholders to engage and feedback at different levels;
- posting a series of project discussion papers along with other relevant documents to the site. These included Local Development Documents, regional and sub-regional policy documents, Housing Needs Studies and Annual Monitoring Reports;
- any further useful documents that could be identified by users and subsequently included;
- feedback on the project discussion papers suggested further information and general comments on analysis methods, assumptions and headline findings could be posted within specific discussion areas; and
- a detailed timeline - key dates and updated news were tracked to enable stakeholders to monitor progress of the study.

Launch event and Stakeholder Forums

^{1.24} A launch event was held on 4 February 2008 at St Albans for developers, estate agents, RSLs and service providers. This event consisted of a presentation which provided information about the SHMA aims and processes. Information was given about how to access and comment on future topic papers published via the ORS extranet.

^{1.25} A total of 57 community representatives also attended a programme of two stakeholder forums, providing a range of discussion about the needs of sub-groups within the population including BME groups, older people, those with disabilities, homeless and young people. Participants were given a short presentation to introduce the study and then split into smaller focus groups who, in two sessions, all discussed a range of issues.

^{1.26} An extensive list of community representatives from across LCB (West) were invited to the workshops although, despite interest in the project, many could not attend the event owing to prior commitments. However, some provided comments at a later stage, for example Herts BME partnership.

^{1.27} The purpose of these workshops was to discuss any issues/barriers to housing experienced by client sub-groups, the different types of housing needed to accommodate them and adding depth to secondary data analysis. Findings from the focus groups have been integrated into the main body of the report where appropriate and a more detailed review can be found in Appendix A. Attendees of the community workshops were also encouraged to engage further with the project through the use of the LCB (West) extranet.

1.28 Community representatives were also invited to view a draft report, via the project extranet and attend a presentation detailing the findings. Around 50 community representatives attended the presentation and were asked to leave comments and feedback.

4. Contains a full technical explanation of the methods employed, with any limitations noted.
5. Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.

1.29 The assessment of household affordability and the modelling of unsuitable housing and overall housing requirements are key stages of the analysis that fundamentally underwrite the assessment of housing need. The methodology employed for this analysis is clearly set out in Chapters 8 and 9. A number of assumptions have been made. These are clearly stated and are consistent with the standard assumptions promoted by the CLG Practice Guidance. The ORS housing market model is summarised in a flow chart. (Figure 84).

6. Uses and reports upon effective quality control mechanisms.

1.30 The quality of the SHMA outputs are underwritten by the robustness of the analysis methodology employed coupled with the quality of the data that underwrites that analysis process. The primary source for many of the Core Outputs for the LCB (West) is the modelling framework outlined in Chapter 7 of this report. This model has been developed and tested by ORS over a number of years. The development process was aided by being able to run the model alongside the evidence from many previous primary data studies conducted by ORS. This allows us to be confident that the outputs from the model will be in line with those which would have been generated by a primary data survey.

1.31 Throughout the project period ORS met regularly with the steering group comprising representatives from Housing and Planning from each authority, economic and information officers from the county council and the LCB sub-region.

1.32 During these meetings, detailed aspects of the project were discussed including the methodology, data sources and reporting. This provided the opportunity to adapt aspects of the work throughout the project period and include all of the most relevant and up to date data and information that might otherwise not have been taken into account.

1.33 The LCB (West) Housing Extranet site also acted as a quality control mechanism. It was used by members of the steering group regularly posting discussion points and constructive comments in the discussion areas, as well as having exchanges via email and telephone. All comments were considered, and if appropriate taken on board during the production of the final report.

1.34 As each chapter of this report was first published as a separate discussion paper during three consultation periods, stakeholders were given the time to digest and comment on any issues and subsequently ORS have been able to respond.

7. Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken.

1.35 As this report provides the findings from the baseline SHMA, the results are not yet monitored.

Providing the Core Outputs

^{1.36} Figure 5 provides the relevant references for each of the Core Outputs required by the SHMA Practice Guidance in the context of this report.

Figure 5
Referencing the SHMA Core Outputs

Core Outputs		References within the Report
1	Estimates of current dwellings in terms of size, type, condition, tenure	<p><i>Chapter 4 profiles the existing housing stock.</i></p> <p><i>More specifically:</i></p> <ul style="list-style-type: none"> – <i>Figure 16, Figure 20, give breakdowns of property type;</i> – <i>Figure 21 gives a breakdown of the size of dwellings; and</i> – <i>Figure 18, Figure 19 and Figure 20 give breakdowns of tenure.</i>
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	<p><i>The study provides a wide range of information about trends within the housing market, with references throughout chapters 5, 6, 7 and 9.</i></p> <p><i>More specifically:</i></p> <ul style="list-style-type: none"> – <i>Figure 36 and Figure 37 provide detail on the overall population;</i> – <i>Figure 38 and Figure 39 show the changing age profile of the area;</i> – <i>Figure 57, Figure 58, Figure 59, Figure 64 and Figure 65 detail UK migration rates year-on-year;</i> – <i>Figure 69, Figure 70, Figure 199 Figure 194 and show details on migrant workers;</i> – <i>Figure 209 shows the level of homelessness and in priority need;</i> – <i>Figure 42 and Figure 43 provide information on unemployment rates;</i> – <i>Figure 47 shows annual VAT registrations and de-registrations;</i> – <i>Figure 52, Figure 53 and Figure 54 details local earnings; and</i> – <i>Figure 91 shows the volume of sales.</i>
3	Estimate of total future number of households, broken down by age and type where possible	<i>Figure 153 shows the projected number and mix of additional households to 2021</i>
4	Estimate of current number of households in housing need	<i>An estimate of the overall current number of households in housing need is detailed in Figure 83</i>
5	Estimate of future households that will require affordable housing	<i>The gross housing requirement for Social Rented and Intermediate Affordable Housing is detailed in Figure 133 of the report</i>
6	Estimate of future households requiring market housing	<i>The gross housing requirement for Market Housing is also detailed in Figure 153 of the report</i>
7	Estimate of the size of affordable housing required	<i>The size mix of housing required by all households seeking housing (broken down by housing type) is detailed in Figure 153 shows the distribution in the context of net housing requirement</i>
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people	<p><i>Section 11 of the report considers the needs of various sub-groups of the population, including:</i></p> <ul style="list-style-type: none"> – <i>Black and Minority Ethnic Population;</i> – <i>Housing Needs of Older People;</i> – <i>Supported Housing; and</i> – <i>Students; and Rural Housing.</i>

Methodology and Data Sources

^{1.37} In considering these research questions, we have integrated a range of quantitative and qualitative research methods into the study. We describe these in detail at the appropriate stages of the report however in summary the method and key data sources are now described:

- for the quantitative element a great deal of data has been collected to chart characteristics of the current housing market especially in terms of the existence of functional sub-markets and the current tenure and size mix of the existing stock. Extensive data has been collected to understand the demographic and economic factors that are driving the housing market. Therefore, the baseline and the trajectory of the current housing market are established. Further data has been assembled from a number of sources, for example, the land registry, household projections, CACI Paycheck the Census. ORS modelling has been applied to this data to understand the nature and extent of unsuitable housing and the supply of housing that is affordable to households that were not already home-owners. The options available to households of various income levels are considered and the criteria for the affordability of Social Rented, Intermediate affordable and Market housing is established on the basis of income bands. When combined with trends (demographic and affordability trends) affecting households the future housing requirement at 2021 has been forecast together with the tenure and size mix of this needed to meet the housing requirements of the households projected to exist at that time. The study of non home-owners and a detailed understanding of the income distribution of this group is key to understanding housing requirements. This group includes emerging and existing households. As such it is important to study their capacity to become home owners on the basis of full or shared ownership;
- a key feature of the methodology is to understand the sensitivity of results to price change. The study is being undertaken at a point where the housing market was at the top of its cycle. Prices have since been in freefall due to the impact of the credit crunch. ORS has, therefore, modelled long term price trends and produced housing requirements on the basis of long term trends and other price scenarios; and
- the qualitative dimension of the study has been achieved through a literature survey, consultation with the project group and consultation with stakeholders.

^{1.38} Through combing the information from the range of data sources, we are able to build a detailed profile of LCB (West) and how it is evolving and changing over time. Integrating the different data sources enables information to be extracted that otherwise may not have been found.

^{1.39} A key data source used throughout this report is the 2001 Census. The Census is used for data purposes and to baseline certain trends. Information from the 2001 Census is supplemented with data from other sources to provide more up to date information.

^{1.40} The secondary data sources used included:

- 2001 Census of Population;
- 1991 and 1981 Censuses of Population;
- ONS population projections;
- database of all property sales maintained by HM Land Registry;
- information on existing stock maintained by Valuation Office Agency;

- Higher Education Statistics Agency;
- mid-year Population estimates;
- Annual Population Survey;
- Annual Survey of Hours and Earnings;
- DEFRA Geographical Area Classification;
- VAT registrations;
- Pension claimants;
- Incapacity benefit claimants;
- Unemployment claimants count;
- HSSA submissions from local authorities;
- CACI Paycheck data for household income;
- Supporting People records;
- Home Office asylum seeker statistics;
- DCLG Right to Buy records;
- DCLG data based on P1E homelessness submissions;
- NHS customer record (NHSCR) data from the ONS migration statistics unit;
- Housing Corporation publications from Registered Social Landlord CORE logs (Continuous Recording) and other statistical returns;
- local authority housing and planning administrative records; and
- partial use of waiting list information and former needs assessments for comparison.

^{1.41} This information was complemented by a sequence of meetings and discussions were also held with a wide range of stakeholders, including individual client groups and professionals involved in housing management and provision across LCB (West).

Summary of Key Points

- A Strategic Housing Market Assessment (SHMAs) is designed to provide an evidence base to inform planning and housing policy. It should also estimate level of need and demand for housing across all tenures.
- A SHMA needs to meet the required core outputs and processes to demonstrate the credibility and robustness required by Government Practice Guidance.
- LCB (West) is made up from 6 of the 15 authorities that make up the wider London Commuter Belt sub-region. Although the authorities within London Commuter Belt (West) were not able to commission a joint study with the whole of the London Commuter Belt housing sub-region group, a SHMA covering 6 authorities making up LCB (East) is also currently being carried out by ORS which should assist in the development of sub-regional policies.
- A wide range of stakeholders were invited to discuss the study, these included: LCB (West) steering/wider steering group which included local agencies, national/regional government and agencies, sub-regional and RSL partners, homebuilders and estate agents and planning policy officers from neighbouring boroughs. Representatives attended a launch event to offer initial feedback and guidance.
- An extranet site was used to publish and facilitate feedback on a series of discussion papers and the final report. Stakeholders could also keep track of the study and key dates and access documents.
- 34 community representatives attended a programme of two stakeholder forums to discuss the needs of sub-groups within the population including, BME groups, older people, those with disabilities, homeless and young people.
- Considerable effort has been made to state any assumptions made throughout the report and information to support these assumptions. This is particularly important in chapters 7 and 8. A flow chart describing the ORS housing market model has been included.
- ORS is confident that the outputs from the secondary data model will be in line with those which would have been generated by a primary data survey. The model has been developed and tested over a number of years and run alongside the evidence from many previous primary data studies.
- Other quality control mechanisms included regular meetings with the steering group involving detailed discussions, further discussions via the LCB (West) housing extranet site, telephone and email. Feedback was encouraged after the publication of each stage of discussion papers.
- A range of data sources and a range of research methods have been integrated to better understand the relevant issues. Sources include, 2001 census of population, Property Sales (HM Land Registry, existing stock information (Valuation Office Agency), HSSA submissions, Housing Corporation publications and local authority housing and planning administrative records. Further sources are detailed above.