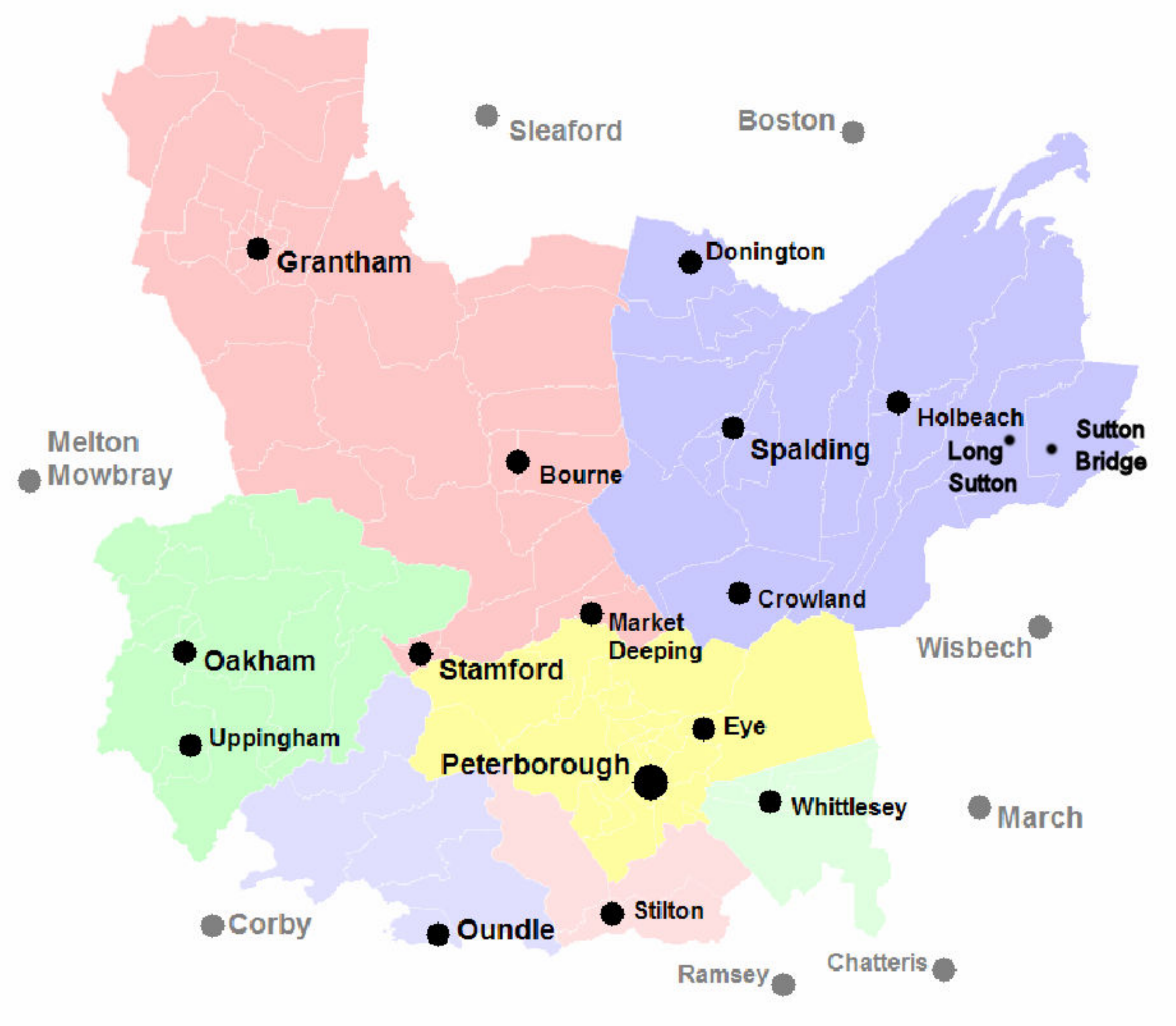
Peterborough Sub-Regional Strategic Housing Market Assessment 2008



Appendix

March 2008

Fordham Research

Appendix 1: Consultation processes

Introduction

A1.1 Throughout the SHMA process discussions were held with stakeholder groups. Some of the meetings were informal ones (such as visits to estate and letting agents) and some were more formal.

A1.2 Prior to commissioning Fordham Research to undertake the SHMA two EMRA/EERA Inter-Regional Seminars took place on 24th May 2006 and 6th December 2006 which included sessions to discuss the proposed project and its scope. These sessions contributed to the development of the remit of the SHMA Brief.

A1.3 The process dimension is mentioned at various points in the report (in particular in Chapter 1, Chapter 3 and Chapter 21) but this appendix lists some of the more formal dimensions of the process. The appendix contains:

i) A list of the stakeholders who have attended sessions during the process
ii) A Newsletter put round to inform the stakeholders
iii) A note of the last full stakeholder event which was to discuss the results of the work

Timetable of main events in the stakeholder consultation process

23/04/2007	Mon	Deaf Blind UK, National Centre for Deafblindness, John and Lucille van Geest Place, Cygnet Road, Hampton, Peterborough, PE7 8FD	General Stakeholder Event	1.00 to 3.00
17/05/2007	Thurs	Deaf Blind UK, National Centre for Deafblindness	Cllr Event	(930) 1000 - 1230
18/01/2008	Fri	The Cresset, Rightwell, Bretton, Peterborough, PE3 8DX	Cllr Event	1.30 p.m. to 3.30 p.m.
18/01/2008	Fri	The Cresset, Rightwell, Bretton, Peterborough, PE3 8DX	General Stakeholder Event	10.00 a.m. to 12.30 p.m.

List of Stakeholders who attended SHMA events

A1.4 The following is a full list of organisations who participated in one or more of our stakeholder events including the early inter-regional seminars are listed below;

Organisation		
Accent Nene	EMRA	O&H Properties Ltd
Age Concern	Fenland District Council	Opportunity Peterborough Urban Regeneration Company
Axiom Housing Association	GOEM	Peterborough City Council
B.Line Housing Information	Greater Peterborough Partnership Housing Corporation	Peterborough CAB
Bedfordshire Pilgrims Housing Association	Home Group	Peterborough Women's Centre
Borough Council of King's Lynn and West Norfolk	Housing Solutions	Rutland County Council
BPP Regeneration	Huntingdonshire District Council	Savills
Broadgate Homes	Kier Residential	Smiths Gore
Cambridgeshire County Council	Larkfleet Homes Group	South Holland District Council
Cross Keys Homes	Lincolnshire County Council	South Kesteven District Council
Davis Langdon	Longhurst Group	Spalding Town Forum
DIAL	Luminus Group	SPIRE Homes
DLP Consulting Group Ltd	Midland Rural Housing	Stamford Homes
East Northants District Council	Minster General Housing Association	Twigden Homes
Eastern Shires Housing Group	New Link Project Peterborough	Warden Housing Association
EERA	Northamptonshire Acre	Wyndham Thomas
EMDA	Nottinghamshire County Counci	l

Newsletter

Peterborough Housing Market Assessment

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What is a Strategic Housing Market Assessment?

In March 2007 the Communities and Local Government department issued updated guidance on Strategic Housing Market Assessments. It requires Local Authorities to gain an understanding of how each housing market operates in order to plan future sustainable development that addresses any changes or imbalances in supply and demand and meets local housing need.

The Peterborough Sub-Region commissioned Fordham Research to undertake a Strategic Housing Market Assessment. The work will involve drawing together an evidence base and providing analysis of housing demand across the sub-region.

The Peterborough Sub-Region includes the Local Authorities of Peterborough, Rutland, South Holland, South Kesteven with parts of Huntingdonshire, Fenland and East Northants. It is crucial that there is a wide range of housing that is decent, affordable and meets the needs and aspirations of present and future residents.

In addition to meeting the requirements of Government Guidance on Housing Market Assessments, the study will meet the requirements on PPS3.

The key outputs required are:

- 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 eg multi-person, including families and children (x%), single persons (y%), couples (z%).
- The size and type of affordable housing required [PPS3 para 22]

PPS3 gives new prominence to the 'Evidence Base' of which the SHMA is a key part.

What does the study involve?

- Reviewing some of the excellent research that has been undertaken locally related to the subject
- Secondary data mining at national regional and local level.
- A large scale household survey is being completed in three of the core authorities. This is being completed with a random selection of households asking questions about past moves and future intentions, as well as describing their household characteristics and circumstances.
  - Rutland: 300 face to face interviews and 50 interviews with migrant workers are being completed and 11,200 postal questionnaires sent out.
  - South Holland: 11,200 postal questionnaires are being sent out and 50 migrant worker interviews being completed.
  - Peterborough: 16,800 questionnaires are being sent out and 150 interviews completed with BME households
  - South Kesteven: 50 interviews with migrant workers are being completed
- Obtaining views and information from stakeholders. This is being done through telephone and personal interviews, group meetings and by means of this newsletter.
- This information will be drawn together to produce a two stage comprehensive report.

Stage 1 will report on housing needs for Peterborough City, Rutland and South Holland.
Stage 2 will comprise a comprehensive Housing Market report covering all tenures across the whole of the Peterborough HMA.

Why have I been sent this newsletter?

You and your organisation have been identified as an important stakeholder. A wide range of public and private sector organisations are already taking part. We would like to encourage everyone to get involved in the project. We will be sending out newsletters and keeping stakeholders informed regarding the progress of the project. If you know of anyone who would be interested in the project please forward this newsletter to them. Contact details are provided at the end of the letter it also gives information regarding how to register your interest in the project.

Progress so far

The primary survey work is well underway, and analysis of the results commenced at the end of May.
The secondary data mining has commenced, and the two different sources of primary and secondary data will be used to validate each other in the study.
In late April/early May a survey of estate and letting agents was carried out. This work investigated trends in local house prices and rents, as well as collating information on estate agents' view of future market demand.
42 stakeholders met on 23 April 2007 and a further 32 met on 17th May to discuss some key questions and issues. This was the first in a series of events to inform stakeholders about the study but also to test out findings to ensure that the study is useful and robust at the local level.

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Stakeholder discussion

A lively and engaging discussion was held at both events. We have summarised the issues covered below. If you would like to know more about this or future events then please do not hesitate to get in touch using the contact details at the end of this newsletter.

Q1. Is there more than one housing market?

This question brought a lively debate!

The map below shows the extent of the study area.
The area has been defined as a result of research at regional level and discussion between local authorities The present study is looking at local levels and will be able to test where the boundaries should lie.

Participants questioned the geographic extent of the HMA area. It was highlighted that areas such as Grantham and Holbeach are very different to Peterborough City. "People in Grantham might as easily look to London for work as Peterborough due to its good transport links – in a way, Grantham 'floats' on its own".

Rutland was felt to be facing more towards Leicestershire than Peterborough and there were also queries about the parts of Fenland and Huntingdonshire that come under the Peterborough Housing Market.

Rutland Council shared the view that it does not consider Peterborough its economic and cultural centre. Historic links are Leicestershire facing.

Q2. What is driving the housing market?

Migration is a significant factor: Stakeholders reported movement of households out of Peterborough towards particularly the West and South of the HMA. Lifestyle, quality of life and type of housing available were seen as factors influencing people's choice to move.
Peterborough City has seen an increase in planning applications for apartments. The study will test whether the demand is present in the HMA for such developments.

Corby is designated a growth area. This raises questions as to the impact this will have on commuting from south Rutland as the creation of new jobs is likely to increase housing demand.

Commuting is an important factor and there is a need to achieve a balance between jobs, housing and travel to work. There are a number of different commuting patterns that exist within the HMA, all of which have different effects on the market.

Q3. What imbalances exist? (numbers, type, tenure, affordability; support services).

There is a significant shortage of affordable housing in the Housing Market Area.

There is a concern that the shortage of affordable housing is being left to the private rented sector to provide. Should Local Authorities be looking towards schemes to help people move from the private rented sector into their own accommodation?

It was acknowledged that there is a considerable retirement market in the area.

There is a government drive to provide support services to help people stay in their own home. Lifetime Homes were seen by stakeholders as being important, however concern was raised about partially adapted homes which can be less satisfactory alternatives.

Transport is important in enabling people with support needs to stay put.

It was reported that interest is being shown in leasehold schemes, but these tend to be more located/developed in urban areas. The study will be able to look at the type of housing required to meet the needs of vulnerable groups, especially the size and type of accommodation.

Stakeholders felt that there is a need for smaller units for vulnerable groups e.g. people with mental health issues, but it was acknowledged that these are difficult to provide in rural areas. Floating support, rather than residential support, is more widely available.

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Migrant workers are becoming more visible in the housing market, which brings about the need to address the housing circumstances of this group. South Holland has at least 5,000 migrant workers, who largely live in shared accommodation. A recent report on the Dynamics of Migrant Labour in South Lincolnshire stated that over half of all migrant workers surveyed in the Boston and South Holland area said that they planned to stay in the area, a factor that is likely to impact on housing demand. This study will look at the needs of this group in the area.

Q4. What is likely to change?

Some stakeholders said that there's been an enormous increase in buy-to-lets - there's now more investment in buy-to-let than second homes in the area. Nonetheless, there are over 150 second homes in the Rutland area.

Stakeholders reported that increases in private sector rents mean that a lot of people who can't get into social housing are now struggling to get into the private rented sector.

To overcome issues of affordability it was suggested that more people are renting out a room to help pay mortgage costs. High demand means rented accommodation goes straight away.

The increasing role of the private rented sector was felt to be causing issues surrounding social cohesion. High turnover and vacancy rates are changing the nature of areas.

Q5. What needs to change that is not likely to and why? (land/policy/economic and sustainability issues)

Stakeholders stated that mobility is an issue with social rented households – they tend not to move so often so properties are less likely to be freed up. However, many social rented households do have financial capacity and a fair proportion would move on given the opportunity.

The role in the housing market of products such as Homebuy was acknowledged, but some felt that such products should be made available to a broader range of households. Homebuy products are available for a small number of second hand homes, but some felt that these are mainly for key workers, and so exclude other important workers from being able to access them. It was felt that do-it-yourself shared ownership had been popular and could possibly be used to take up cheaper properties in the private sector.

The economy in Peterborough City is currently low wage. Changes to the economy will impact on the housing demand in the area.

There are infrastructure developments in the pipeline, which include the development of the A1073. This will have a significant impact on commuting patterns particularly between South Holland and Peterborough.

Q. Other issues

The audience felt that:

- *What would make a difference is a higher proportion of shared ownership properties.*
- *There's difficulty experienced by some developers in meeting landowners' minimum prices, which may be leading to a delay in purchasing of land.*
- *There is a demand for more executive housing within the area rather than apartments and flats, but that current planning regulations are making this difficult to achieve.*
- *The possibility of Planning Gain Supplement introducing land price tariffs may be the straw that breaks the camel's back!*
- *Planning restrictions do restrict newbuild, especially in rural areas.*

Questions to you:

Do you agree with the views expressed by stakeholders that attended the meeting?

What other questions or issues should be considered?

What information can you offer on any of these issues, or issues surrounding the needs of local people?

We really do value your opinions and would be delighted to hear from you.

How do I respond?

Please reply to this email by sending your views by email to **as@fordhamresearch.com**, or by telephone on 020 7289 3988. Alternatively you can write to:

Anna Simpson
Fordham Research
57-59 Goldney Road,
London,
W9 2AR

If you do not wish to receive further correspondence, then please let us know.

What happens next?

1. The fieldwork for the survey has commenced to ask local people about their current and future housing requirements. This is due to complete in May

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Peterborough
Housing Market Assessment

2. The Draft Report for Stage 1 of the Housing Market Assessment is due to be provided to the Steering Group in June 2007
3. The Draft Report for Stage 2 will be provided to the Steering Group in September
4. We will be holding a second Stakeholder Event when the results of the study are available to discuss the findings of the Assessment, whether you agree with the results and any areas you find particularly interesting.
5. We look forward to your involvement in this exciting study!

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Comments on Stakeholder event 23/04/2007

PETERBOROUGH HOUSING MARKET ASSESSMENT
RESPONSE TO STAKEHOLDER DISCUSSION ON BEHALF OF STAMFORD HOMES & KIER RESIDENTIAL

Question 1 – Is there more than one housing market?

1 The DTZ Pieda report, 'Identifying the Sub-Regional Housing Markets of the East Midlands', identified South Kesteven as being within the Peterborough HMA. This was largely based upon the travel to work patterns established as a result of the economic draw of Peterborough but the report indicated that the Grantham area – the northern part of South Kesteven- was more self contained with Grantham as a focal point. As a result, Grantham was found to be on the boundary of the Peterborough, Nottingham and Central Lincolnshire HMA. Also, the southern part of the HMA was found to be greatly influenced by London. It can be seen therefore that whilst for convenience HMAs have been drawn along district boundaries the reality is that the study area contains within it sub areas which have different issues and influences and in the case of Grantham the influence of Nottingham and Lincoln HMAs.

As a result of this, DT2 Pieda identified that there may be grounds for sub dividing housing markets or undertaking more than one HMA within what is identified as a single sub-regional housing market or where there are significant overlaps between housing markets, such as Grantham. It would therefore make sense to look at these two areas at the same time and it will be important to ensure that there is a consistency of approach between the Peterborough HMA and those of Lincoln and Nottingham.

Question 2 – What is driving the housing market?

In relation to drivers for the housing market it is considered that **migration and decreasing in household sizes** are an important influence along with general economic issues. However, in relation to South Kesteven it should be noted that Grantham has been designated a New Growth Point to accommodate 2,750 new dwellings by 2016

Question 3 – What imbalances exist?

It is considered that migrants and the elderly will influence the housing market. A key to mobility is access for market in first place along with the range and type of houses available in the wider market.

Question 4 – What is likely to change?

The buy to let market driven by migrant workers and possible access for younger age groups both of which may be subject to fluctuation and changes in legislation, taxation etc.
The recent government indication that Local Authorities may once again be allowed to invest in new affordable housing provision.

Question 5 – What needs to change that is not likely to and why?

Agreed that mobility is an issue with social rented housing.

Question 6 – Other issues

Influence of PGS if implemented
Onerous requirement of meeting various new sustainability requirements may impact upon house builder's ability to finance affordable housing along with other social and community infrastructure
House builders needing the flexibility to able to respond to local market pressures and circumstances
Flood risk and climate change and the impact this will have on homes in existing flood risk areas, and ability to build new homes in such areas especially in areas such as Lincolnshire, (which was subject to debate at the East Midlands EIP)

Delivery of key infrastructure and impact on phasing
Trend to deliver new housing in the form of large urban extensions - size and phasing of large urban extensions.
Promotion of sequential approach to brown field sites and increase costs associated with the delivery of some sites.

Smith Stuart Reynolds

11 July 2007

COMMENTS ON PETERBOROUGH SHMA FEEDBACK (March 2008)

Note: The draft Peterborough Strategic Housing Market Assessment (SHMA) report was put out to consultation in December 2007 (via website) with comments requested by the end of January 2008. The following responses prepared jointly with the SHMA steering Group, briefly summarise the nature of the comment and provide a summary response to the comments.

Summary comments and responses: Peterborough SHMA Final Draft Consultation		
Name	***Summary of comment***	***Response***
1. R. Bennett of BBP Regeneration	Expresses concern that if the projected size mix for new housing is based on past trends, it will not meet the future demand, which may well be substantially affected by in-migrants. The practical implication could be that planning might be for 1- 2-bed units based on the long term demographic trend both in the sub-region and nationally, but the new in-migrants about whom not enough is known, might well require family housing.	Chapter 12 of the SHMA states that the forecast is based on households expectations and not past trends. The point made is a good one though. It would be desirable to know more about the current flow of New Accession migrants, as they may decide to stay in the HMA, and if so they are likely to produce a considerable demand for family housing. There has been some new text added to the report to show that migration could help to stimulate demand in the Peterborough housing market, to address comments from consultees.
2. M. Clements Bretton Parish Council	Need to consider numbers and distribution of dwellings to meet housing need (present and future). Highlights the problem of reaching a threshold that requires developers to provide affordable housing in small rural developments and the conflict between building houses at existing prices for current owners, and providing houses that are affordable for their offspring.	The SHMA does provide a lot of evidence on the numbers and distribution of housing required (eg Tables 12.10 and 23.1). However, newbuild housing is normally much more expensive than secondhand, and so anyone seeking the more affordable housing to buy will be looking at secondhand, not newbuild. Where affordable housing is provided on newbuild developments, the issue arises as to how affordable most forms of intermediate housing is for households trying to get on the housing ladder (see chapter 21 of the SHMA)
3. P. Cronk Home Builders Federation	Below are points raised by Paul Cronk relating to paragraphs referenced from the draft SHMA.	Below are comments in response to the specific points raised by Paul Cronk relating to the paragraphs he has referenced from the draft SHMA.
	1.2-1.11 HBF and private sector lack of involvement in the steering group and	The HBF was sounded out, during an informal conversation with Paul Cronk, about whether they might have had the time to be a member of the

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	stakeholder consultation.	steering group if the opportunity arose. He advised that he could not be involved due to lack of time but did ask to be consulted at key stages. The HBF were sent a copy of the newsletter circulated to all stakeholders in June 2007 and were sent invitations to consultation events on 23/4/07 and 18/1/08 but did not attend. Private sector developers operating across the housing market area were also sent the SHMA newsletter and invited to the consultation sessions. Representatives from the private sector did attend both consultation events.
	6.8 – 6.9 Census tenure data–acknowledge changes in profiles since 2001	The census is a good secondary source with extensive coverage at ward level. Change since 2001 is self evident. We have added trajectory graphs which provide still further context.
	7.27 Clarify that reference to first time buyers' income is household income.	The paragraph will be amended to clarify this point.
	10.24 Debate on the role of low cost market housing.	See paragraphs 23.11-23.13 for more detail. A cross reference to these paragraphs will be included at 10.24. Low cost market housing may have an important role in overall provision but under PPS3 it is clearly no longer affordable housing.
	12.2 Can potentially out of date HNAs be a sound basis for balancing housing market estimation figures?	The Peterborough, South Holland and Rutland HNAs were commissioned at the same time as the SHMA. All the other relevant HNAs are recent. The figures triangulate well with other sources showing the robustness of the methodology – the East of England figures with the current market performance and the East Midlands figures with draft RSS8 and the Cambridge research commissioned by EMRA. The affordable percentages recommended triangulate well with both draft regional plans.
	18.2 Recognition needed that family-sized accommodation may be	The Peterborough HNA table 11.2 shows the balance of the markets by tenure and size. The survey differentiated between preferences and need. The

	sought to meet other needs e.g. visitors/home working.	SHMA does not aim to make the policy decision about how to have mixed communities, which is the role of the LDF. There has been some new text added to the report to show that migration could help to stimulate demand in the Peterborough housing market, to address comments from consultees.
	Section E introduction should make it clearer that SHMA guidance states that they should be used to inform policies rather than set them.	The introduction to section E will be amended to further reinforce this point.
	21.10-22.2 Fordham Research have followed their own interpretations and assumptions rather than government guidance. It fails to adequately consider the role of intermediate housing and products for its delivery.	There has been extensive liaison between Fordham Research and the partners throughout the development of this report. The CLG model is followed in accordance with the Guidance and the requirements of the detailed brief prepared by the partnership, with the interpretations and methodologies used outlined in the assessment report. Since the combined HNA reports and SHMA set out the data to demonstrate the CLG model as well as Fordhams own Balancing Housing Markets model, comparative analysis can be made both through using the CLG model and the balanced markets approach used in some regional policy documents and research. Fordham Research make the point that all low cost market/intermediate/usefully affordable housing can have a place in the market, but that we need to be straight forward about what it is. From 21.9(iv) bullet point 2 of the report accepts that intermediate housing technically begins just below market level, but needs to be cheaper to be of any real use to households that cannot afford to buy.
	22.22 Authorities need to consider other factors when determining affordable housing targets. It is inappropriate that HNS are drawn upon so much in the SHMA	It is legitimate to use primary data where required and in practice, it is difficult for HMAs to produce detailed information without the use of some survey data, either new or existing. The stage 1 HNS reports as the stage 2 SHMA report states, provides much of the district level context.

22.25 The HBF strongly disagrees with the statement that "…the solution to the affordable housing problem may in practice have to be social rented housing…" It considers that the practice guide makes it clear that no particular solution type should be favoured with regard to affordable housing provision.	It is up to the members of the HBF to demonstrate how they can provide solutions at costs that are affordable, in partnership with RSLs and/or through s.106. In the absence of such options, we have to look to alternatives such as social rented. The SHMA does show a need for genuinely affordable intermediate housing.
23.7-23.10 The current lag in growth for Peterborough compared against the RSS target does not mean that the policy is wrong, rather that it takes time for them to be implemented and patterns of demand changed.	The text in these paragraphs has been amended and other paragraphs added re growth area and migration to reflect this.
Paul Cronk has stated that the HBF does not consider that the assessment has been produced in accordance with the Government's SHMA Practice Guidance (March 2007). He has set out numerous extracts from the guidance and highlighted areas where he considers the assessment is particularly deficient.	Due to the extent of the guidance text included in the HBF response and the lack of precise comment on how the HBF considers the SHMA to be deficient, our reply to this section of the consultation response will not address each highlighted section of the guide individually, rather it will provide an overall response to the issues raised. The partnership refutes the assertion that the assessment has not been produced in accordance with the Practice Guidance. At the time when the brief was developed and the assessment was commissioned, the guidance was still at the draft stage. Once the guidance was finalised, the partners liaised with Fordham Research to ensure that the assessment would comply with the full remit of the new Practice Guidance. Taking account of the areas highlighted from the Guidance, it seems evident that Paul Cronk did not read the Stage One reports that were also available as part of the consultation

		process, since many of the areas where he considers the assessment to be deficient, are covered in this first stage of the project. To ensure that the strong link between the two stages of the project is reinforced for future reference to the SHMA, a paragraph to that effect, has been added to the Foreword of the SHMA Stage Two report.
4. G. Ridewood Campaign for the Preservation of Rural England	Objects to the figures for the Southern Fringe as it is based on a 10% pro-rata share of the overall districts involved (East Northants, Huntingdon and Fenland). Development in the Southern Fringe part of the HMA should be very limited, and re-directed to Peterborough.	The Southern Fringe is somewhat anomalous as each part of the three districts involved is wholly within another HMA (Housing Market Area) and is therefore covered by separate analyses. In that sense the figures for the Southern Fringe in this SHMA do not have practical relevance: it is the findings of the SHMA's within which the whole districts fall which provide that. The comment in the SHMA report was that due to lower demand in Peterborough City than the RSS would wish to see, and to higher demand in both Rutland and to a much lesser extent the Southern Fringe that their RSS targets, more growth could in principle be obtained there. The practical constraints on development in either of these places are strong and so no practical policy implication follows from the comment in the SHMA report. The allusion was to a technical possibility, not a practicable outcome. This has now been reinforced within the text of the report.
5. Mrs J Gardner for Allison Homes Eastern Ltd. Stamford Homes	States, with reference to current paragraph 23.11, that Wellingborough is not the only growth town in North Northamptonshire to have not commenced with urban extensions. Comments that a 'Compact Report' should be available. Notes that there has only been a limited study of in-migration. Finds it surprising that a single target figure for the whole HMA has	Wellingborough is specifically included as one of the three main towns. An Executive Summary of the Report has now been produced The current levels of in-migration, also mentioned in Comment No 1 above, is hard to measure as most of the in-migrants do not readily respond to survey, living in short term private rented lets. More certainly needs to be done at a national and regional level to investigate this topic. The Migrant Worker Households section of the report has been expanded to include additional information about in-migrant households in Peterborough and text throughout the report has been amended to reflect the migrant worker

	been used. States that there is no separate analysis of affordable housing need for the Grantham growth point. Urges the inclusion of allowance for stimulation of economic growth and skills mix. Need to consider wider strategy for future prosperity of the area and ensure flexibility and market testing to ensure the housing market is not undermined	implications for the HMA. The suggestion of a single target is wrong: both in terms of market demand and affordable housing (Chapters 22 and 23) district level figures are given. The affordable housing requirement for Grantham is addressed in the South Kesteven Housing Needs Assessment report. Economic growth and skill improvement are important priorities, but cannot be directly addressed through housing market analysis. It is quite right to emphasise that both the housing market and economic development should be considered together. There is a substantial review of economic issues and policies in the SHMA report. The SHMA forms the evidence base for the respective local authorities policy decisions. The Report provides datasets which enable information to be regularly updated to ensure flexibility and reflect change in the housing market.
6. P Strachan Age Concern	Improve intelligence and analysis about the current environment and impact of plans.	The SHMA is an important part of the evidence base to inform LDFs and housing strategies at a local, sub regional and regional level. These documents will use this intelligence to consider and inform policy options.
	Develop options for alternative owner occupation housing/accommodation with support for older people. Address people's expectations.	Chapter 12 of Stage 1 reports, Housing Needs Analysis, looks at the housing needs of older persons households and their accommodation preferences. Chapter 17 of the SHMA provides a profile of the older persons population to inform policy on housing for older people.
7.Fiona Cowan Colly Weston Parish Council East Northants	A lack of hard data for local authorities in the southern fringe to base their policy responses on. East Northants are especially vulnerable to inappropriate development due to proximity to growth area (MKSM) in South Northants.	Each local authority with some part of its district within the southern fringe, lies wholly within another HMA and is subject to the policy implications of those HMAs' own SHMAs. It therefore seems unreasonable to draw on any policy conclusions for the southern fringe as a whole, or for parts of it. It is useful to consider the southern fringe in this HMA for purposes of analysing the housing market. However, to avoid duplication and potential policy conflict, this does not extend to the policy conclusions that might be drawn from the analysis of the southern fringe. (see para

		23.3 for additional text).
	Need to bring in any available data about recent in-migration especially from Eastern Europe. Robustness issues don't mean you can put off making policies for housing people who are definitely already here in quantum.	Chapter 16 of the SHMA now has added text on in-migration into Peterborough

Fordham Research and Peterborough Sub- Regional SHMA Partnership March 2008

Notes of Stakeholder event 18/1/08

Peterborough SHMA Stakeholder Event 18 Jan 2008

The following are notes taken on the day, principally by James Faircliffe of South Holland DC. They are somewhat abbreviated in form, but should provide an indication of the nature of the discussion surrounding the presentation (which is attached to these notes for circulation to the stakeholder group).

They have been seen by the Core Group and edited by Richard Fordham, who gave the presentation on behalf of Fordham Research. The following is a key to the persons named, of whom all but the first are questioners:

Richard *Richard Fordham*

AM questioners included:

Heather Heather Violett of Rutland Council
David George Lincolnshire County Council
Ian Canham Broadgate Group
Leonie McCarthy Peterborough City Council New Link

PM questioners included:

Cllr Gary Porter Leader, South Holland DC

Frank Mastandreae	Huntingdonshire DC
Cllr John Holdich	Cabinet Member for Housing Regeneration and Economic Development

Questions were encouraged to be put when a member of the audience saw a point which they wanted clarification upon. Hence the set of topics listed below is somewhat random, since it depended upon the particular interests of the stakeholders present. However the range of questions covers quite a wide span, and generated some interesting discussion.

Some questions are amplified with reference to data presented on the overheads and in the SHMA report.

Morning session: stakeholder comments/questions

QUESTIONS DURING PRESENTATION:

1) Any projections regarding house prices having risen so much and any impact on owner-occupation rates?

Richard : the percentage increase in owner-occupation at national level stalled some time ago at around 69-70%. Many people already on ladder and keep on it – but very difficult for people in social rented to move to owner-occupation now. Situation not so bad if you are an owner, although there can be issues regarding moving between areas. It has been difficult to move out of social rented for some time – better-off households had almost all left through Right-to-Buy. Different situation for households currently renting privately. Within the private rented sector there is a polarisation of low incomes households (20% nationally of private rented households are on Housing Benefit) – otherwise many private rented households have higher incomes and may be moving into a position to buy.

'Bank of Mum & Dad' very important for first time buyers, but very difficult for others, i.e. those without family who have owned property for long enough to have some spare equity, or who may not contain any family who are owner occupiers. What if house prices continue to rise? Rises in price are not surprising due to increase in financial capacity and the failure of new housing stock to keep pace with increases in the national financial capacity of households. Those on the 'escalator' will continue to go up, although speculates that Government might think of ways of taxing equity in some way – those who can't buy now will generally remain unable to buy. Emphasis (including from the Government) is on delivering partial equity solutions.

So the answer is that the proportion of owner occupiers, which has been stable for more than two decades, has curiously enough not been much affected by the steep rise in prices over the past decade. Those on the escalator have remained on it, and those excluded remain excluded.

2) Heather: any evidence why people are moving from owner occupation to social rented in old age? Is it due to a lack of suitable products to buy?

Richard: some private options expensive for a small living space- the Housing Needs Study is based on a postal questionnaire – limit the number of questions that could be included. This finding is only a recent one, and questions on it were therefore not included in the Peterborough SHMA questionnaires. Focus groups might be a future possibility, but don't need a discussion to show that products aren't available for older people as 'move on' accommodation if they can no longer maintain their (owner occupied) houses.

3) Private rents are driven by supply as well as income. Buy to let has helped keep prices down though.

Richard agrees. Supply not too bad at the moment, and there is the option of more sub-division of existing dwellings to produce extra flats if needed (that is a general comment about the national situation). At the more local level, and based on our estate agents surveys, in Grantham for instance (and other areas locally) migrant workers who are mostly private rent, have helped keep the market buoyant.

4) Fig 4.2 – what factors have been included to arrive at projections on population increases?

Figure 4.2 Projected population change in the HMA (2006 – 2026)

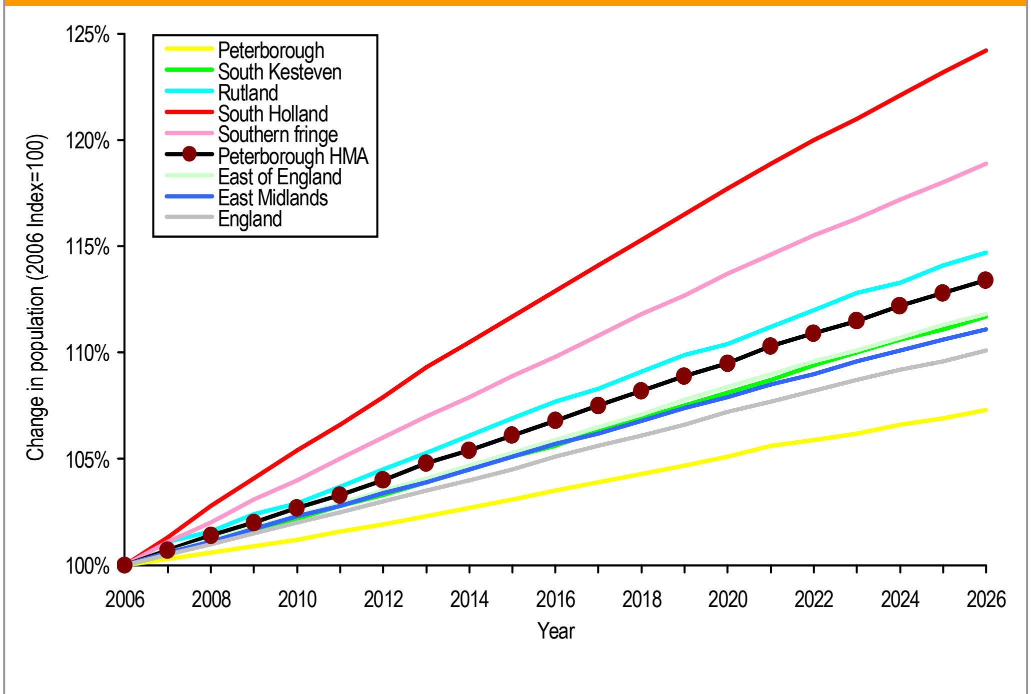
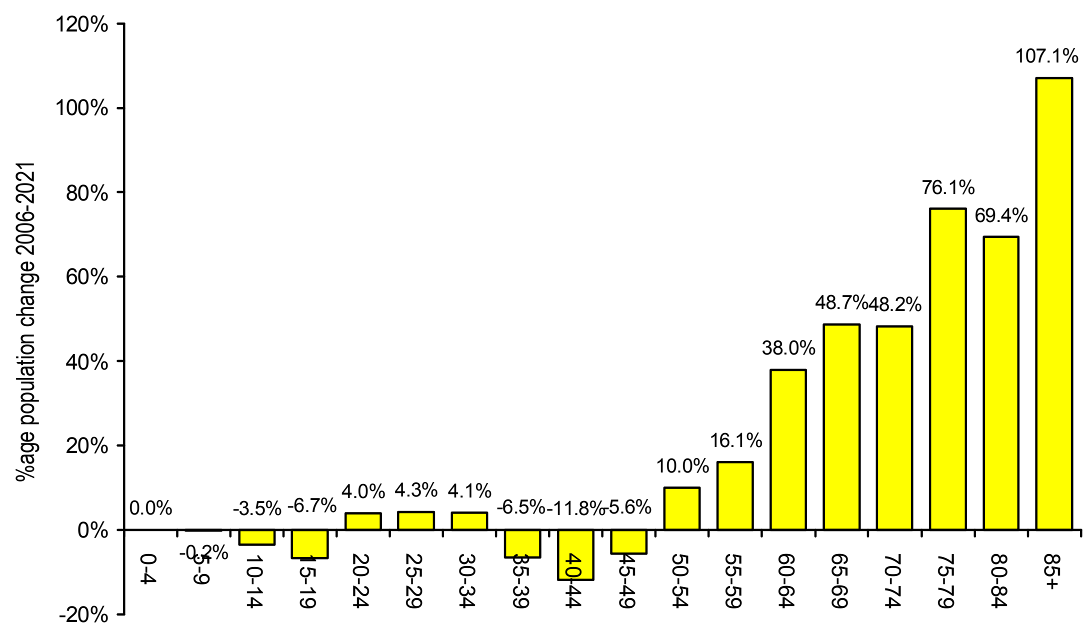


Figure 4.5 Forecast population change by age band in the HMA, 2006 - 2021



Richard: These are demographic rather than market projections. National projections based on 2001 Census and other data (R refers to fig .4.5) – shows larger increases in older groups. So the factors included in the population and household projections are demographic ones, and do not include any direct housing market factors. Households of a given size and number are forecast, but what types of housing they will want, and can afford, is unknown from the projections alone.

5) Question: Has migration been included in the projections South Holland migration report from last year - is this issue covered?

David George: emphasised that, as mentioned in the previous answer, national projections are based past trends not policy based. Richard viewed as indications for the housing market they are not reliable, and nor are the figures themselves set in stone. Viewed over 5, 10 or 15 years there is the possibility of major error. The example of the new EC migrants: this was not foreseen even 5 years ago.

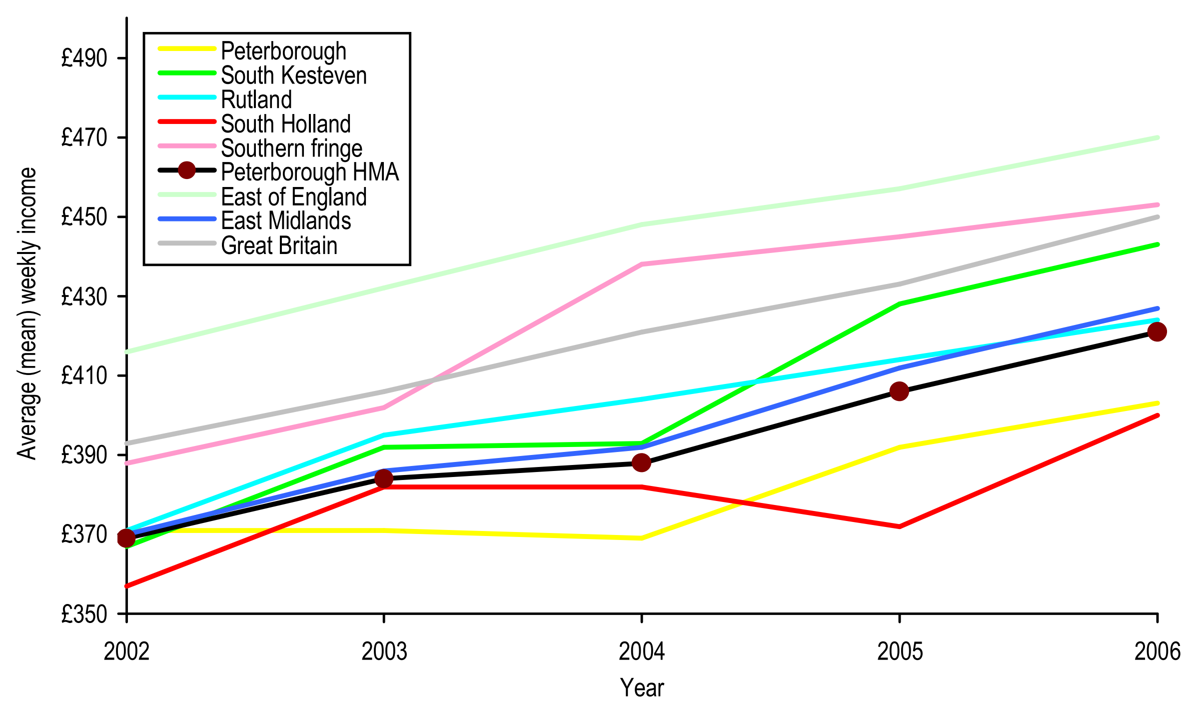
Statistics noted (not a question). This information is on the overheads, and in more detail in the SHMA report.

Social groups 1-3 by Ward
HMA 38%
Peterborough 36%
East of England 43%
East Midlands 40%
Great Britain 42%

<u>Qualifications Level 4 plus(no slide)</u>
HMA 22%
Peterborough 18%
Rutland 32%
East of England 25%
East Midlands 25%
Great Britain 27%

6) Ian Canham, Broadgate Group – Fig. 5.9 surely low incomes is really due to new jobs being in the low skilled, low paid market (similar to national picture)?

Figure 5.9 Full time incomes 2002-2006 (gross per week) – based on place of residence



Richard: to some extent yes, although graph doesn't just have new jobs, it reflects overall average incomes.

7) Is low job status partly because of people having better skills but not being able to get better jobs?

Richard: This is true particularly of migration from Accession States – and better qualified people may migrate out. But other people in South Holland may have low qualifications. There are quite wide differences between different parts of the Housing Market Area (HMA).

8) Table 9.2 – Ian Canham, Broadgate Group – what multiplier has been used? (Ian's follow-up: is 3 relevant bearing in mind interest rates?)

Table 9.2 Median financial information by tenure				
Tenure	Median annual gross household income	Median savings	Median equity	Financial capacity
Owner-occupied (no mortgage)	£15,999	£16,359	£169,821	£234,176
Owner-occupied (with mortgage)	£33,090	£1,785	£77,189	£178,246
Social rented	£8,416	£339	£0	£25,588
Private rented	£17,778	£631	£0	£53,966
AVERAGE	£20,376	£2,375	£74,634	£138,137

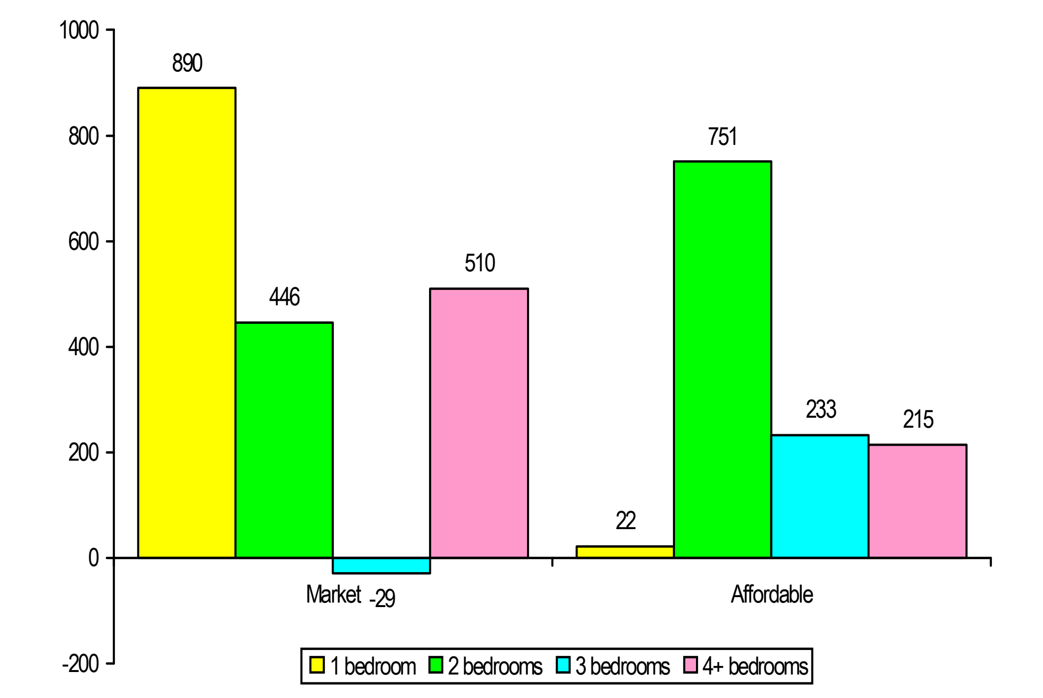
Richard: 3x multiplier & savings and equity. *(Follow-up:)* 3x is lower end, & conservative but still relevant for low income households of the type who would be trying to access owner occupation. However the figures are quite transparent: one can see the effect of higher multiples such as 4 or more. As can be seen from the tables, it doesn't tend to make a great deal of difference as many people won't be able to buy anyway. People on higher incomes such as >£100,000 would be able to borrow on higher multiples but they form a specialised sub-market and not the main focus of concern here. It is important to note that the figures in the tables are averages. The calculations which form the basis for the housing market and housing needs results are, however, based on detailed figures for individual households.

Note from talk, not question: Table 12.10/Figure 12.2 - 1 bed figures are there because the numbers point to it regarding what people need, but few are built now except as flats, and Richard states little request for 1 bed social rented. When they can afford to do so people tend to under-occupy. Some demand for 1 bed private rented units as flats.

Table 12.10 Balancing Housing Markets results for the HMA (per annum)					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Market	890	446	-29	510	1,818
Affordable	22	751	233	215	1,222
TOTAL	912	1,198	204	726	3,040

Source: Peterborough sub-regional SHMA 2007 (combination of data sources)

Figure 12.2 Estimated shortfalls and surpluses of housing by tenure and size



9) Various queries and comments: what BME stands for? (Also are Figures from Census?) (Peterborough became a dispersal centre after 2001 – migrant labour in Peterborough may be 10,000 to 20,000 from various sources.)

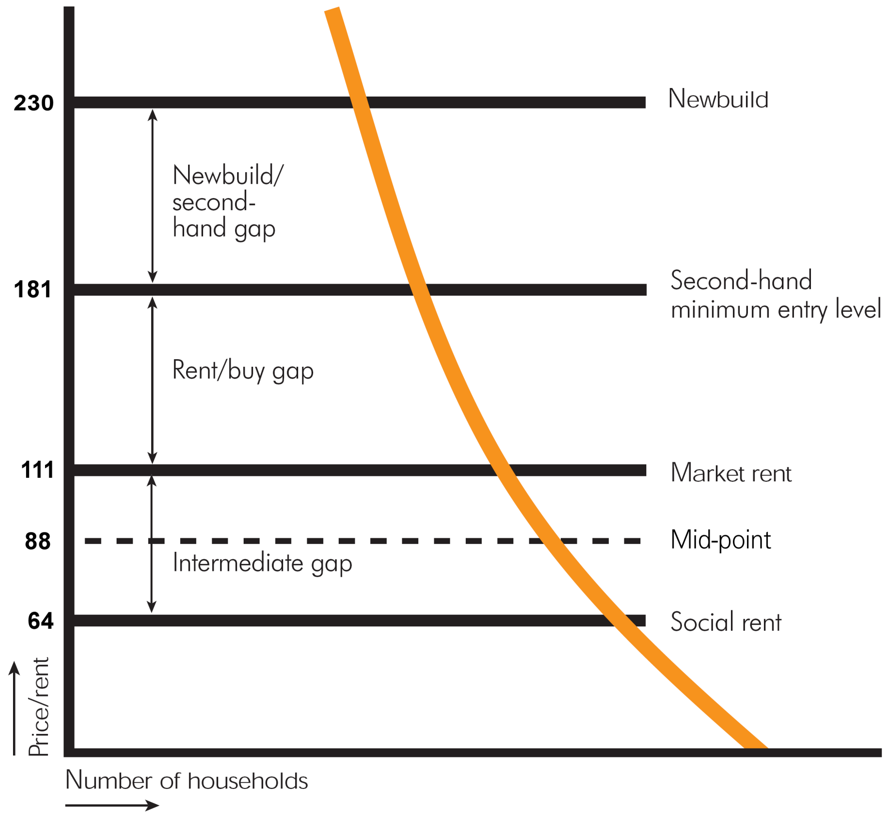
Richard explained that BME stands for 'Black and Minority Ethnic'. He added that Gypsies and Travellers are an ethnic group but may not be included in BME definition. European migrant workers would typically be classed as 'White non-British'. Confirmed that the figures are from Census. Richard pointed out that the 2001 data will not reflect newly arrived migrant labour and dispersal centre populations.

10) Leonie of New Link: Why wasn't Peterborough included in migrant labour surveys? (New Link would be a good source of information.)

Richard: this work was not commissioned by Peterborough City (surveys were commissioned for South Holland, South Kesteven and Rutland). However data from New Link will be included in the final SHMA report.

11) Figure 21.1 Is type of housing / condition comparable?

Figure 21.1 Peterborough Housing Gaps Graph



Richard: It should be: based on lowest available prices obtained from Internet searches such as from Right Move.

Comment from Richard (not question): Richard: Table 23.1 – RSS target figures in the East of England are 'minimal' and so are encouraged to be exceeded. In the East Midlands, more normally, the RSS figures are maximum limits on newbuild.

Table 23.1 Peterborough SHMA Draft RSS minimum targets

Council area	Minimum still to be built April 2006 to March 2021	Annual rate implied	BHM annual figures
South Kesteven	12,571	638	Up to 833
South Holland	10,709	535	632
Rutland	3,076	154	427
Peterborough	21,370	1,425	806
Southern Fringe	2,945	196	Na
Total	50,851	2,948	3,040

12) Comment from Heather Violett of Rutland County Council: Table 23.2 should have 235 instead of 103.

Table 23.2: Household projections compared with current annual completions						
Date	Thousands of households					
	Peterborough	S. Kesteven	Rutland	S Holland	S Fringe	HMA
2006	68	55	15	36	19	193
2011	71	59	16	39	20	205
2016	75	62	17	42	22	218
2021	78	66	18	45	24	231
	Annual numbers of additional households					
Annual Average 2006p2021	666	733	200	600	400	2,533
	Annual Monitoring Report (2006) completions					
Annual average completions	724	734	103	608	na	na

Richard: noted.

13) Is the projection of new households for Peterborough City of 806 (in the SHMA analysis) and 666 (in the demographic projections) based on' business as usual' without natural growth, and does it allow for employment growth, migration? (Table 23.1, Table 23.2)

Richard: The 806 new dwellings requirement derived in the analysis of the SHMA for Peterborough City is based on what households have said about expected moves and doesn't allow for major changes in the market. The 666 is based on demographics – but if things change either in terms of market trends or anything else then the outcome figures will be different and the implications will need to be looked at.

QUESTIONS AT END:

14) Comment from floor from Leonie of New Link regarding migration figures from new accession countries anecdotal evidence suggests between 10,000 – 20,000 have entered Peterborough from these countries There are various sources, National Insurance, health, education and data also collected by New Link.

Richard: This data is still impressionistic and can't be relied on as hard data for our SHMA work. However it is an important part of the overall information base to be borne in mind in policy formulation. If migrant workers received and completed Postal Questionnaires as part of the housing needs surveys they will form part of this data but there is little evidence that many did. As a result the impact of this recently arrived group is not really included in Balanced Housing Market model. New Link's information should be included in the research and will be in the final report, as indicated above. (Anne Keogh of Peterborough City Council: Fordhams were notified of New Link as a resource for Peterborough's BME survey work.)

15) How do Balancing Housing Market figures relate to Peterborough's Integrated Growth Study (by Ove Arup) and recommended property mix (promoting more smaller units) (questioner mainly referring to the private market)? Arup looking at 10% 4 beds. Is it dangerous for Peterborough to rely on Arup's report?

Richard: The SHMA analysis shows significant 1 & 2 bed net demand/need but also demand and need for larger properties especially 4 beds. The Balancing Housing Market figures may be valid for 3 – 4 years subject to no major change in housing market conditions. It is in fact very difficult to forecast housing markets for any longer than that.

Arup are a reputable organisation and have no doubt done a good job (has not seen it). If they show a net need for only smaller units, this may be because they are working with projections that run to 2026 or so. Therefore their calculations are arithmetic deductions from the household projections, rather than housing market ones.

It is very hard to know what will in fact happen 5, 10 or 15 years ahead. Nobody foresaw the level of new Accession State in-migration, and similar such rapid changes may occur in the future, with major impacts upon the HMA. Nobody can foretell that far ahead with much reliability. Public bodies have to take a long view for such reasons as infrastructure planning, and so long range forecasts are necessary. But the chance of major error is there. Projections are always wrong, at least to some degree.

Fordhams SHMA work is by its nature short and medium term. The Arup work sounds like a technical view of the period up to 2026. It is no doubt technically correct but perhaps relates less directly to the market.

16) Has Peterborough got to make its housing/area sufficiently attractive so that more people wanted to move there.

Richard – It won't be possible to build enough houses to meet the market demand (or need) in, say, Rutland, so people could move into say East Northamptonshire. Or if Peterborough's new housing 'offer' were improved then people might move there as it improved its attractiveness to new build housing. This could be done.

Alternatively, people are more likely to move into other rural areas instead. Markets can in some situations be "made". Corby was historically a weak market, with few new households moving in from outside but a new urban extension is providing considerable numbers of completions and sales. Corby is now, for the first time in many decades, an area of housing market demand. In contrast, Wellingborough's urban extension had not started and the market there has remained limited, with very little net demand. This may well change when the urban extension starts to be marketed and built. Obviously this kind of demand will arise only where there is a suitable group of households elsewhere who are prepared to move their planned purchases to the location of the new urban extension.

17) 3 partial areas described as the southern fringe are included together – does full report separate them out again?

Richard: unfortunately, they are largely grouped together for analysis – Several of the HNS which provide the main database were older ones whose questions were slightly different and so the results could not easily be combined. This limited the amount of detailed analysis and breakdown that was possible for the three partial council areas included in the Southern Fringe.

Afternoon session: stakeholder comments/questions

1) What is the Peterborough HMA?

Richard explained that this is the Housing Market Area.

2)Table 11.7: Cllr Gary Porter, Leader of South Holland District Council: does out-migration include death.

Table 11.7: Current annual flows of moves				
	Older person	Single (non older)	Multi-adult no children	Households with children
Moved into the HMA	658	1,077	1,747	1,185
Moving within the HMA	1,181	1,784	2,269	2,886
Moved out of the HMA	644	1,164	1,788	1,280
Net movement	+14	-87	-41	-95
Household dissolution	920			
Newly forming households	2,992			
Net annual change	+ 1,863			

Richard: No, deaths are included under household dissolutions. A particular group of in-migrants, the New EC in-migrants cannot be included in the calculations as there is no reliable data for the net numbers involved (whether for Peterborough SHMA or nationally).

3)Figure 12.2: are the numbers annualised?

Richard: yes, all figures are annualised.

Information from Richard not on slide (derived from general discussion): he mentioned the non-random street surveys of migrant workers in South Holland, South Kesteven and Rutland (which are in the SHMA report). New Link can provide information on migrant workers in Peterborough (which will be put into the SHMA report). Migrant workers are frequently well educated. They are mainly private renters at the moment and more are beginning to settle. This migration is very recent. Local authorities might be able if they wished to provide housing that could meet the needs of these groups to encourage them to stay.

4)Cllr Gary Porter, Leader of South Holland District Council: new right to buy schemes could solve the problem, then the receipts could be reinvested in new housing. Capital receipts could in South Holland pay for new housing on a one-for-one basis if Councils were to have a right to build.

Richard said: many social rented tenants were on benefits and there was poor labour mobility and low expectations in some communities. Some deprived communities do not have a culture of saving. Right to Buy had largely taken up the potential purchasers. To a large extent the social rented sector, as national studies had shown, has become ‘residualised’ to households not able to move towards any form of equity purchase. The Hills Report of January 2007 has provided much interesting analysis of this problem.

5)Question: many Right-to-Buy purchasers want ten years later to become tenants again; could registered social landlords buy back at original price (Cllr Porter, SHDC, thought capital gain should be included).

Richard: Interesting discussion. There is indeed evidence of movement back from ownership to social renting at national scale, and also to private renting.

6)Question: When calculating household incomes from the Housing Needs Survey data, is help from other family members included?

Richard: income from both partners included, but not children as they can move out. Nor gifts of equity from friends/relatives, unless included in their plans to buy.

7)Question: [Cllr from East Northants] would like to challenge the southern fringe figure in Table 23.1. Is this a projection from past trends that is not justified? It looks too high? Oundle and Whittlesey for instance have growth much less than these figures.

Richard: We would need to look into this – it represent 10% of each Districts' total figure. Not necessarily a fair apportionment as little development in some of these areas. However not easy to find a basis for a more sophisticated analysis. Since in each case, the three partial council areas represent small fractions of the overall council area, there is little practical policy implication from the results for the Southern Fringe.

8)Question from Frank: intermediate / shared equity / low cost home ownership comes between low cost market and open market – how does this fit in?

Richard: shared equity is in practice rarely intermediate housing – in cheaper areas it is often about the same price as existing open market housing since it is a newbuild. Housing Corporation Intermediate rent at 80% of reference rents could be genuinely intermediate, but is currently aimed only at key workers – needs to be broadened. Shared equity fulfils a role but is generally not affordable.

9)How do the IKEA homes fit in? Or could the success of post war prefabs be replicated?

Richard: site cost is often more of a problem than the construction cost. Prefabs. have not really taken off on a great scale in recent decades – innovation should be pursued but this doesn't happen often enough. Maybe IKEA homes are an answer.

10)Are RSLs being asked to build intermediate housing for affordable sale (land price with planning consent can be very high)?

Richard: RSLs don't make a profit they just have 'reserves' but operate quite commercially in many ways and make surpluses. RSLs/Government may say shared equity is intermediate but it isn't.

11)Comment from Cllr Holdich: example from Peterborough - £20,000 is the average wage – but £23,000 is needed to obtain a mortgage for a 2 bed shared ownership flat. One of the greatest repossession rates in the country is for shared equity.

Richard agrees. He feels that shared equity has a great place as low cost market housing but it isn't affordable housing (beneath market entry). The weekly cost table could be placed in s106 to ensure that housing is indeed affordable within the intended band.

12)Comment from Heather – RSLs can't use existing properties now because of code for sustainable homes etc. unless no grant.

Richard accepted this point.

13)Comment: there'll always be some shared equity provided as part of affordable housing as it is cheaper for the developer.

Richard: shared equity does play an important role but not as affordable housing. Only Intermediate Rent at 80% of reference rents seems to be a possibility so far in terms of intermediate housing, but this is only being tried by a few ALMOs at present.