

Our Strategic Housing Market Assessment

for the Cambridge housing sub-region

June 2007

Issue 3

Feedback from our Second Partnership Event... ...listening to you!

Our second partnership event was a great success, this time held in April 2007 to update the Partnership on progress with the assessment, describe the final Communities and Local Government (CLG) guidance and gain more of your experience and knowledge about our housing market.

Some 29 people attended the workshop, although only 5 completed feedback sheets which gave us less reaction to the workshop than we would have hoped for. However the afternoon seemed to go well overall, with lively discussions which did not want to end, which must

be a good sign!

Some useful suggestions to improve our approach in future included:

- ▶ Giving more notice of the subjects to be discussed would help delegates to prepare.
 - ▶ Earlier notice of dates would encourage better attendance.
 - ▶ More discussion time.
- As with the first event, delegates came along from a variety of organisations, including

- Private developers
- Housing associations
- Local authority planners



A unique event where information sharing and networking combine

- County Council teams
- Estate agencies
- Housing enablers
- Other housing sub-regions

The discussions are summarised on page 2.

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Drafting the HMA... with your input

Time flies when you are assessing a housing market, let alone a sub region full of them.

Our original aim was to publish our first stage of the assessment in May 2007, but with the release of the final CLG guidance and its new direction on consultation and involvement, we have revised our timetable to make sure our Strategic Housing Market Assessments (SHMA) is “robust and credible”. So we are:

- Preparing draft chapter text.

- Proposing a structure for the HMA to consult on, and devising a timetable to consult on and finalise each chapter.
- Devising a “control log” to make sure as the SHMA changes and develops, it is clear which data is being used and how it has affected the assessment.
- Making sure we are connecting with all our partners and inviting feedback from all the organisations we should.

All these topics are set out in this briefing note, but if you need more information, do get in touch.

We are also in early stages of discussions with EERA about a proposed quality assurance system for SHMAs across the East of England in future. This might help provide consistency between different approaches to assessments, and feedback on how well each Assessment meets the guidance.

Special points of interest:

- Guidance keeps on coming
- Partnerships make views heard at our events
- Chance to see outline structure for our Assessment—what do you think?
- New research making good progress, results imminent

What was said?

Feedback from second partnership event

Our second partnership event was held at Abington Hall, Cambridge on the afternoon of 26 April 2007.

Delegates heard about the new CLG guidance on SHMAs and about our resident, estate and lettings agents surveys and about mapping travel to work areas. After a break there were 3 discussion sessions, summarised below...

Discussion Group 1: The intermediate market & how to define housing markets by geography

- Demand for intermediate rent in Cambridge is mainly taken by people working locally.
- Current schemes are missing the Government's target of moving people from social housing and off needs registers into intermediate tenures.
- Some schemes are in the wrong locations or wrong eligibility criteria.
- Limited lenders for Low Cost Home Ownership - problems for re-sale?
- A new market for many housing associations - rapid growth and rapid change.
- Issues of location and marketing, need to streamline the application process and a big marketing campaign will be required.
- We know there will be a market, but need the HMA to say exactly **what** the intermediate market will be. How much is required and the split of intermediate rented and low cost home ownership.
- The market is new and growing rapidly, so need updates from providers on their experiences.

(More detailed notes from this workshop are available on request.)

Discussion Group 2: Delivery and resource pressures

Skills

- Want to improve speed of development control / planning decisions. Need to make a career in planning more "glamorous". How do council job evaluation schemes and key worker definitions help recruit and retain planners and other essential skills?
- Builders will be busy on the Olympics—where will they work and live? Will they have to travel to work? Want to recruit and retain skills in the Cambridge sub region.
- Migrant workers and non-English speakers may take up building work, but lack language skills needed and hard to access courses if in work.
- Shortage of specialist skills, e.g. assessing for flood risk, environmental impact etc. Courses may be improving but will take time to filter through.
- SMARTLife trains in modern Methods of Construction, and CITB active in the region with training and other initiatives.
- Need to attract young people in to make sure they get skills and skilled work. Need links with secondary schools and careers choices.
- Set up local apprenticeships with a tie-in to the area? Hold a Cambridge area careers fair for the skills we need most?

Land ownership and permission to develop

- May not be a land shortage, but there is a "permissions" shortage.

- Takes a long time to get major sites included in strategies.
- What about sites with permission but not developed? Might have changed hands, might be to prevent "flooding the market".
- With all the major development going on, who will buy them? The rate of development affects the affordable housing, especially if infrastructure issues, major effect on delivery.
- Effect of Planning Gain Supplement—how quickly will it come in? Will it be workable? Option agreements already being used.
- Is our aim (and the aim of the HMA) a generally stable market?

Quality, design, sustainability

- Very difficult to meet the HC standard on a s106 site because of the cost. HC design code seen as ambitious, some developers may choose not to go for grant so don't have to meet the standards. Code for Sustainable Homes. Definitely an additional cost to reach Level 4.
- Strategic sites need to be at the cutting edge. Will be a cost, could affect value of land and thus supply coming forward.
- It's presumed the developer will carry the cost. Little evidence purchasers will pay for increased energy efficiency. Will Home Information packs help?
- Innovative architecture can affect speed of delivery, though people may pay more for high quality design. How does this relate to the volume market?

Discussion Group 3: Property as an investment - buy to let, second and empty home pressures

Buy to let

- Estimate 22-23% properties are buy to let, more in apartments (30-50%).
- Concerns for communities because of transient populations. However proximity to the Station is not an issue!
- Motivation is that capital investment gets a good return, with young professionals taking up short contracts at high prices. Interest rates affect popularity.
- View it's not too much of a problem if homes stand empty for a while, but are companies or individuals buying?
- Are developers building specifically for the buy to let market? If so, what types of homes are they aiming at this market?

Each discussion group fed back and the afternoon closed on a positive and challenging note.



Proposed structure for the assessment

We are drafting the first stage of our SHMA in May 2007 and plan to consult on it and publish in Summer 2007.

We have reached a stage where we can outline a structure which supplies all the necessary levels of information, and helps people understand the source and reliability of the information used. It will need to be changed and updated over time so we need to ensure people are confident about the data. Here is an outline of our proposed structure:

Background

- What are housing markets and why do we need to assess them? What difference will an assessment make?
- Cambridge's approach - participation, project structure, accountabilities and research brief.
- CLG guidance –summary and links.

Context

- Economic context and forecasting, links to economic strategies.
- Demographic context and forecasting, including effects and limitations of migration and forecasting.

The present

- Dwelling profile.
- Housing stock condition.
- House prices and rents, recent trends hot-spots and cold-spots and affordability across the whole housing market.
- Social rented housing and housing registers.
- Homelessness.

Further guidance and advice

Following the full guidance being released by CLG in April 2007, further guidance, information and reaction has been released in the following weeks.

Too numerous and detailed to summarise meaningfully in the briefing note, it may nevertheless be helpful to provide website links, sources and dates of publications to help you access the information.

If you have any problems getting hold of the information you need, please contact the Project Team via Sue Beecroft who will be pleased to help, at

sue.beecroft@cambridgeshirehorizons.co.uk

Latest guidance and advice includes...

- Intermediate tenures including key worker housing.
- The private rented market.
- The buy-to-let market.

Our housing market/s

- Defining markets using commuting patterns.
- Defining markets using house prices information in postcode sectors.
- Overall housing need and demand – the whole market including bedroom sizes.
- Split of affordable tenures – including rented, intermediate and sizes.
- BME housing needs.
- Gypsy and Traveller housing needs.
- Housing for young and older people.
- Housing for people with support or specialist needs.

Future plans

- Delivery of affordable housing in the past.
- Future supply of all homes and of affordable homes.
- Land availability – links to strategic land availability information.

How healthy is our market?

- Balance of housing need, demand & supply.

Housing markets within districts

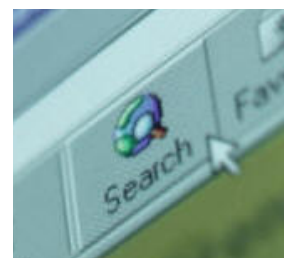
- Summary for each district – drafts available from August 2007.

Appendices

- Methodology and process.
- Full write-up of household survey, private rented survey, estate agents survey and lettings agents survey.
- Catalogue of information sources.
- The guidance – what CLG said, what we did.
- Using data sources and the calculations we applied to them.
- Cross-referencing data to triangulate.
- Team reviews and challenges, to provide local interpretation.
- Consultation with HMA Partnership to interpret and develop the results.
- Comparison to “old” housing needs survey methodologies and to other SHMAs.
- Consultation feedback.
- Quality assurance.
- Change log.

Naturally the assessment and the information behind it will continue to grow, build and change over time.

We are confident our 2007 Assessment will provide a firm foundation for further research work and ongoing, in-depth consultation in future.



- CLG annexes to SHMA guidance published May '07, available at www.communities.gov.uk/pub/707/StrategicHousingMarketAssessmentsAnnexes_id1509707.pdf
- Two papers published by Joseph Rowntree Foundation in March 2007: *Understanding and responding to market change* - summary and link to full document available from: www.jrf.org.uk/knowledge/findings/housing/2064.asp and *Transforming places: Housing investment and neighbourhood market change* available from www.jrf.org.uk/knowledge/findings/housing/2015.asp
- Housing Market Information Advice Note (CLG) published May 2007, available at

- www.communities.gov.uk/pub/278/HousingMarketInformationAdviceNote_id1510278.pdf
- Identifying sub markets at the sub-regional level in England (CLG), published May 2007 and available from http://www.communities.gov.uk/pub/299/IdentifyingSubmarketsattheSubRegionalLevelinEngland_id1510299.pdf
- Planning for Housing: Market Signals (CLG) published May 2007 and available at www.communities.gov.uk/pub/276/PlanningforHousingMarketSignalsSummaryofResearch_id1510276.pdf

New research progress

Over the course of 2006 to 2007 the County Research Group (CRG) has commissioned and carried out numerous research projects to inform, support and draft our SHMA.

Our household survey

Despite collecting a wealth of information from the Census, income data, demographic trends and the Land Registry, there are still some areas of preference and aspiration which we needed to ask residents about, direct. To do this, we engaged MRUK, a nationally reputed research company, to carry out 600 interviews in 5 Cambridgeshire district. Thankfully they managed to complete the target number of interviews to give us a robust sample in the

time available, and have passed a huge amount of data through to the CRG to analyse.

Snapshot of rental prices

The CRG has now completed and written up its survey of private rents gathered in October 2006, to provide details of the sizes, types and prices of homes to let across the housing sub region.

Estate and lettings agent surveys

These were written surveys asking agents for their views of the housing market, which got an adequate response and provides a useful platform to discuss the housing market with our partners in more depth.

Climbing the participation ladder



We are continually building our SHMA partnership to include everyone who is involved and knows about the sub-region's housing markets

In the Cambridge Housing Sub-market area, we are still working hard to make sure everyone who has an interest in the SHMA is involved, can make comments, can guide the process and can contribute their expertise.

When the CLG published its final guidance and annexes, its approach had changed a bit so it no longer appears to promote a two-level approach, as outlined in the draft guidance.

So instead of a working Team and a guiding Partnership, the new guidance only refers to a Partnership which undertakes all the detailed tasks involved in the SHMA.

In the light of the new Guidance, and taking all your comments and suggestions on board from the two Partnership events to date, it would be sensible to review our current approach to participation to make sure we have

both met the guidance and keeping the development of the Assessment open, transparent and workable.

At our first Partnership event we asked about how participants would like to get involved in progressing the HMA. The feedback was:

- Events were most popular (69 votes).
- E-mails and E-newsletters were both popular (57 and 52 votes respectively).
- Regular meetings were least popular (15 votes).

So for the time being we will continue to use email and briefing notes like this one, and to continue to build a website where the SHMA can be accessed and you can make comments on its format and content.

We are now approaching the stage where draft chapters are ready to be circulated, so we will be seeking your comments on the text itself. During June and July we plan to circulate the draft chapters and get your views and comments. We will email a link to the new website once it is up and running.

We may also hold discussion groups to enable stakeholders to have input in interest groups.

However we will review our approach to participation, and membership of the Partnership and Project Teams to make sure we are meeting the requirements in the final Guidance and responding to any issues our Partners have raised about involvement.

If you have any thoughts or comments, please do get in touch.



Sometimes only surveys of residents can provide the detail needed to get a real feel for the housing market

Looking again at market areas

We have also analysed house prices by post-code area, and travel to work patterns, to make sure we are aware of HMA areas within and across our housing sub region.

Want to get in touch?

Want to get your name on the invite list for our next event?

Want to make your views, comments or suggestions heard?

Please get in touch. You can...

✉ Write to:

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It's all about forming a network of partners