

APPENDIX 2: LEICESTER(&SHIRE) HOUSING MARKET AREA VALIDITY

This appendix considers whether the more detailed data examined during the SHMA supports the validity and usefulness of treating the whole of the county and city as a housing market area. It concludes that this is very questionable, that a review using more detailed and recent data would be useful, and that there are likely to be better ways of understanding housing markets within Leicestershire.

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2) The Leicester & Leicestershire Housing Market Area: Uses and Validity

2.1. The concept of a Housing Market Area

2.1.a. Using 'housing market areas' (HMAs) to help understand and assess housing markets is clearly an improvement on the previously prevailing situation, in which studies were normally constrained by single local authority boundaries. The housing market areas in the East Midlands were identified by the DTZ research of 2004, using, as far as is known, local authority level Census data on migrations and travel to work patterns, and was adopted by the Regional Assembly for the Regional Spatial Strategy.

2.1.b. Nevertheless HMAs are still a compromise to some extent, which is explicitly acknowledged in government guidance and by the Regional Assembly (see extracts below):-

*Whichever source of information is used, there is likely to be some overlap between the sub-regional functional housing market areas identified. This reflects their dynamic nature and the fact that their spatial extent will vary, reflecting changing economic, environmental and social circumstances. The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. **For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.***

Identifying subregional housing market areas: Advice note, Para 9, page 6

"It has always been acknowledged by Government (and the Assembly) that these local authority groupings do not represent actual housing market areas (which are market led and dynamic as opposed to administrative and fixed). However, they have the potential to provide a better starting point for analysis and policy development than traditional strategic planning boundaries."

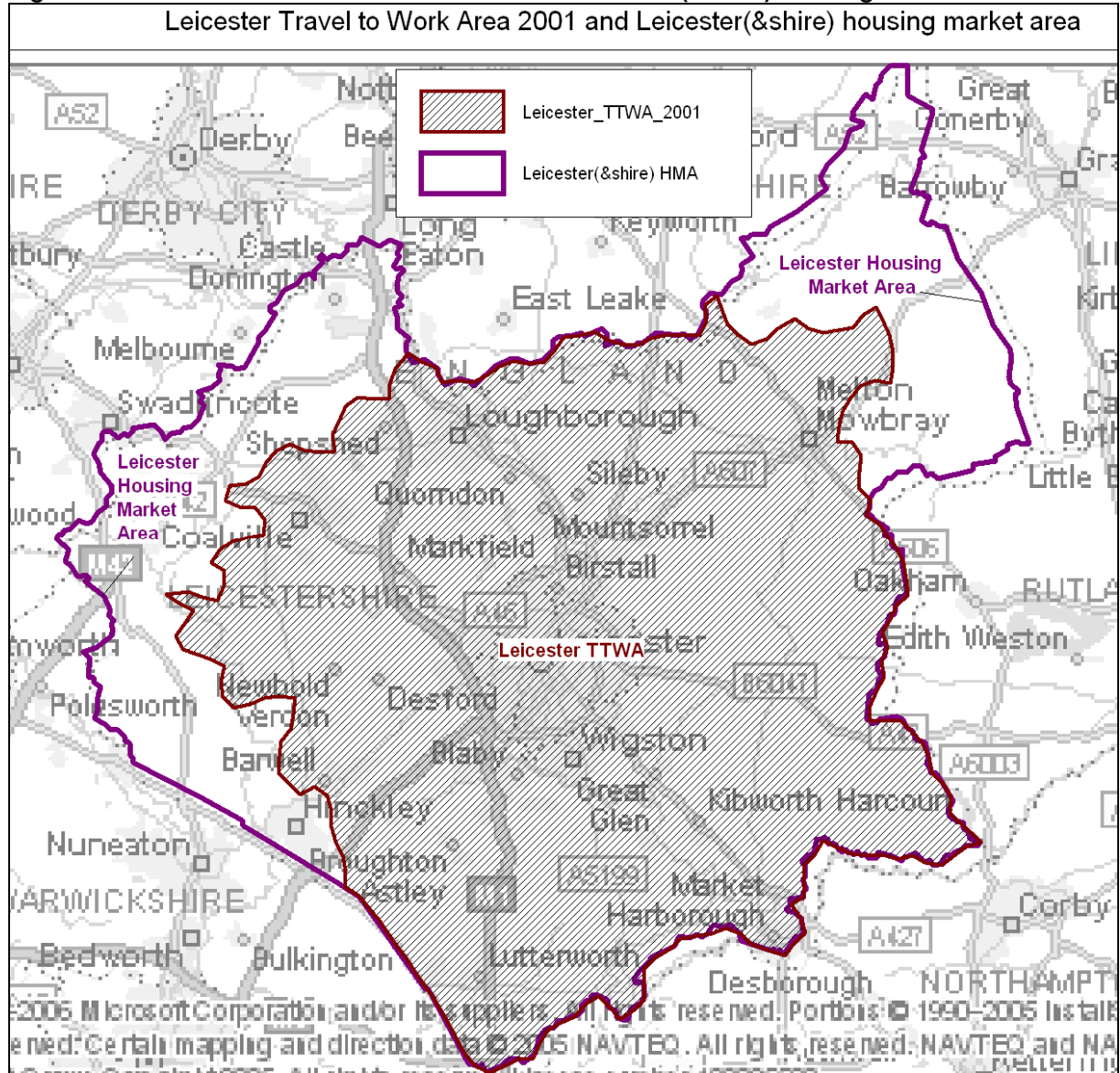
Report to the East Midlands regional assembly regional housing, planning & transport joint board, May 2006

2.1.c. Another method¹. of identifying and conceptualising wider 'real life' patterns is through ONS Travel to Work Areas, which are considered to be generally similar to housing market areas, although there may be important differences, because people may travel farther to work than they would be prepared to move. The Leicester(&shire) HMA is different to the 2001 based Travel to Work areas (TTWAs) in the west and north east of the county (see map below). Most notably Hinckley is part of the Coventry TTWA, and Ashby de la Zouch is part of the

¹ http://www.statistics.gov.uk/geography/downloads/2001_TTWA_Methodology.pdf

Burton upon Trent TTWA based on the ONS TTWA methodology. To the north east of the HMA villages in Melton such as Wymondham, Stathern and Belvoir fall into the Grantham TTWA.

Figure 1 Leicester Travel to Work Area 2001 and Leicester(&shire) housing market area

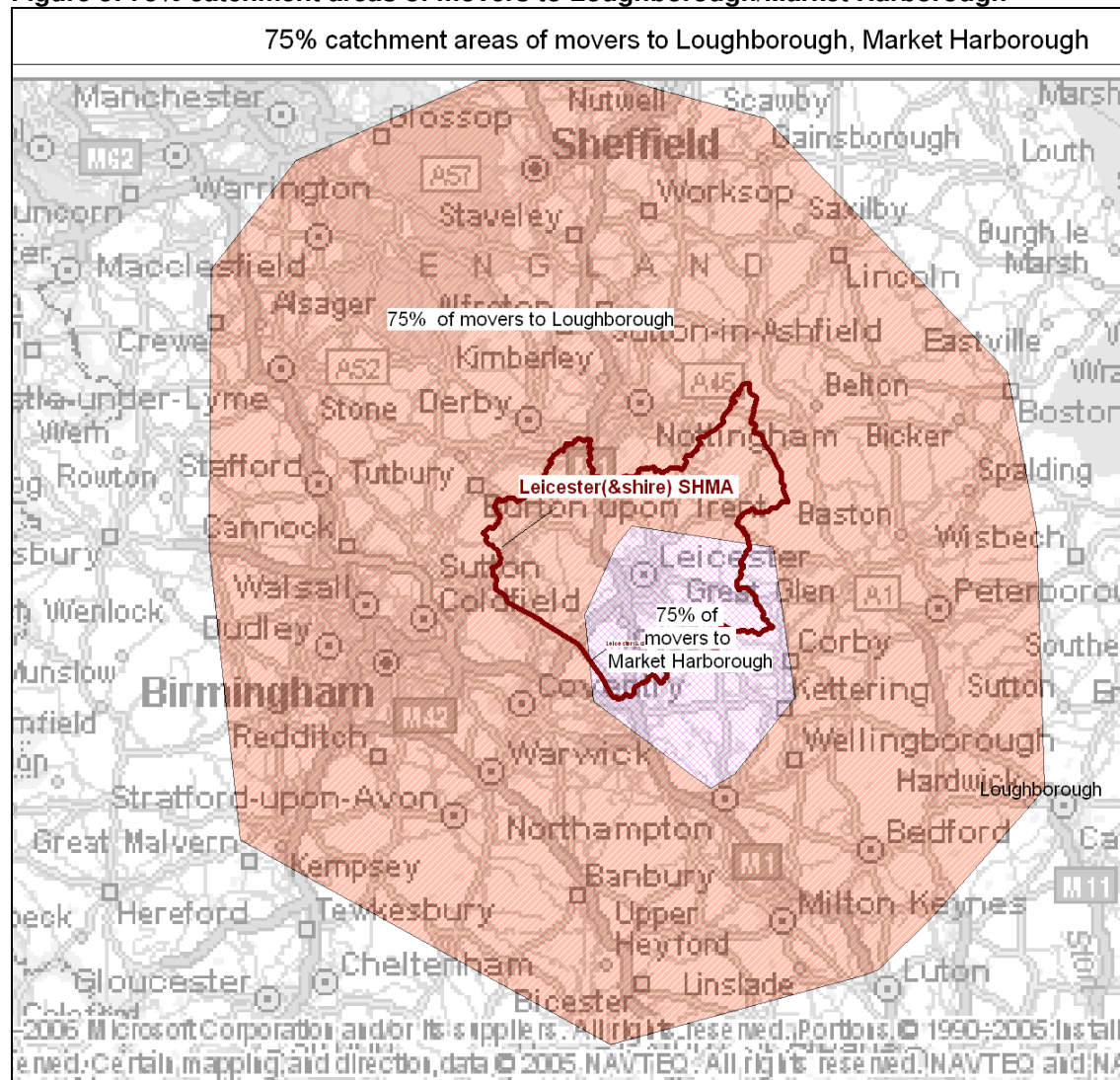


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2.1.d. As in many 'city regions', Leicester City is at the core of the HMA, surrounded by more suburban areas which are in the neighbouring local authority districts of Charnwood, Blaby, Oadby & Wigston and Harborough. The HMA also includes three local authority areas, (Melton, Hinckley & Bosworth and North West Leicestershire), that do not immediately abut the core city or Principal Urban Area. There are also a number of urban settlements that are more free standing to varying degrees, the largest of which are Market Harborough, Lutterworth, Hinckley, Coalville, Loughborough and Melton Mowbray.

2.1.h. Loughborough has a particularly large 75% self containment area, and Market Harborough's does overlap with Leicester, but also with Kettering. This is probably related to its large student population.

Figure 3: 75% catchment areas of movers to Loughborough/Market Harborough



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2.1.i. These patterns appear to say as much about the housing market characteristics and appeal of the particular settlements as about any real migration connections. Closer awareness of the detailed data leads to a conclusion that the best way of conceptualising and interpreting wider housing areas is actually through 'city regions'² based around the larger population and employment centres - in this case the Leicester urban area - and the other sizeable towns and larger settlements. Many rural areas are also not strongly part of any geographical housing market area, but are often quite free standing, or link to many other settlements - which are sometimes quite distant - through good transport links.

² See <http://www.centreforcities.org/index.php?id=540>

2.2. Conclusions and policy implications

- 2.2.a. The good practice guidance suggestion of using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas is understandable to them to work together, to limit multiplication of the amount of work that local authorities have to undertake and the number of co-ordinating meetings they have to attend. However in practice it has become clear through steering group meetings and consultations in various SHMA projects that an approximation of this kind typically results in a focus on issues related to the core city, which are often not of much relevance to the outer county settlements and the local authorities which do not have suburban areas adjacent to the city.
- 2.2.b. Apart from wasted resources and misplaced effort this can cause, the real question is how much damage this could do to planning for housing. It may be quite limited, as solutions may be modified at a local level, or are similar whatever housing market area is applied. But if top down plans based on treating the HMA as a 'real' housing market are applied inflexibly they could result in incentives and approvals for building the wrong things in the wrong places at the wrong times.
- 2.2.c. In the longer term a more localised, polycentric approach, based on the larger settlements, is more likely to produce a better understanding and hence better policies. Rural areas are also often quite different in housing market terms and require a different approach for both analysis and policy, rather than being seen as simply part of a city centred housing market area.
- 2.2.d. More detailed research and better data will help to identify the most appropriate market areas for which to develop policy. The 2011 Census should provide detailed data with which to review the HMA areas, and to chart the trends in patterns of migration and travel to work³. Other sources of data such as Council Tax forwarding postcodes for mover households, traffic flows and average journey times, and public transport passenger statistics can all also help in identifying areas which make the most sense for developing policy and planning.
- 2.2.e. This cannot, and should not, be done for all the many settlements in the HMA in a project at this spatial scale as a one off snapshot, but needs to be carried out more locally as and when specific plans, policies, developments or interventions are being considered.
- 2.2.f. For the moment the Housing Market Area should be considered as a limited compromise, guarding against 'one size fits all' dangers and taking care that policies developed from it really will 'fit' more locally.

³ For example see ONS CommuterView

- 2.2.g. This study finds that although there are obviously travel to work and migration links between parts of the county, these are quite weak in some places, and the Leicester 'core city' area is much more strongly a housing market area, while the county towns have their own identities and substantial self containment.
- 2.2.h. The best working arrangements for housing market monitoring and development of policies are therefore likely to be:-
- The Leicester core city urban area of Leicester City, Oadby & Wigston, and adjacent suburban areas of Blaby, Charnwood and Harborough.
 - The major county towns Loughborough/Shepshed and area , Coalville, Melton, Hinckley/Barwell, and Harborough.
 - Rural areas. Leicestershire county can probably form the basis for this as well as any other boundary , and is already the remit of a Rural Housing Enabler.
- 2.2.i. The results of monitoring and setting objectives for these areas can be aggregated to the whole of Leicestershire if required for Regional Planning policy as required.