



Report to **Cabinet**

Subject **Nottingham ‘Core’ Strategic Housing Market Assessment**

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Nottingham ‘Core’ Strategic Housing Market Assessment

Background to the Study

1. Since owner-occupation is now the main tenure in the vast majority of areas, local authorities are shifting from acting principally as landlords meeting local housing need, to becoming a strategic enabler responsive to demand and needs across all tenures. In fulfilling this strategic role, local authorities and their partners need to know how the housing market in their area operates in order to ensure a robust framework for their wider housing, planning, regeneration and economic development strategies.
2. A Housing Market Assessment is intended to provide a platform for wider activity within authorities and cross partnership working. It should act as a robust analytical foundation for a wide range of future strategy and investment and further inform the Housing Needs work already undertaken in the area with the results acting as an evidence base to inform both the Regional Plan and the Local Development Framework. The HMA should lead to a better balance between supply and demand in the housing market.
3. The Nottingham ‘Core’ Housing Market Area was defined by a study carried out by DTZ Pinda in 2004, which looked at migration and travel to work Census data aggregated at local authority level. This resulted in housing market areas covering whole local authorities, although the decision has subsequently been made to sub-divide Ashfield. The area now covers Nottingham City, Gedling, Rushcliffe, Broxtowe, Erewash and

the Hucknall part of Ashfield.

4. A consortium of consultants comprising B. Line Housing Information and the Three Dragons carried out the Housing Market Area Assessment. The research commenced in July 2006, with a target date for completion by the end of March 2007. This target date was set so that the study could inform the Regional Spatial Strategy Examination in Public which began in June 2007. The affordable housing target in the draft Regional Plan included interim targets for all housing market areas in the region, with the Nottingham Core target set at 30%.
5. The methodology for the research followed guidance in the then Draft Housing Market Assessment Guidance, issued in December 2005. In line with the guidance, consultation events were held and a wider consultative steering group became involved with the study. Membership of this group included The Housing Corporation, The Government Office for the East Midlands, the House Builders Federation, East Midlands Property Owners, Housing Associations, Estate Agents and the County Council. Two larger seminars were also held to report the interim and final results of the research.
6. The Steering Group signed off the study in May 2007 and the findings have been brought to the attention of the Inspector at the Regional Spatial Strategy Examination in Public.

Main Findings of the Housing Market Assessment

7. The study itself looked at demographics, current housing stock, the active housing market, employment trends, the future market and housing need. Much of this information will be useful to inform the Housing Strategy. Findings relevant to Gedling include:
 - the need to maximise existing housing by looking at creative ways of addressing under occupation and bringing empty homes back into use;
 - there will be a large increase over the next decade in the percentage of the population that rents privately;
 - there is a relatively high number of single parent families in parts of Gedling compared to the rest of the study area;
 - data taken from community health profiles show that poor housing as a contributor to deprivation is most notable in Nottingham and Gedling.
8. One of the key reasons for the Council commissioning this study was to have an up to date evidence base from which to negotiate a greater supply of housing, and in particular affordable housing. The enabling of new affordable housing is one of the key responsibilities of the strategic

function of the Council and is likely to be high on the agenda with the Audit Commission.

9. The study concludes that throughout the Nottingham Core Housing Market Area overall affordable housing levels of up to 47% of planned new supply could be justified. To reach this average, numbers varies between local authorities and by submarket, however the total recommended for Gedling is 46%. This figure is a target, which would address the backlog of affordable housing need in the Borough within 7.5 years, a period agreed by the steering group as realistic, given that the guidance recommends any period of between five and ten years. This figure, of course, contrasts with the 30% interim target set in the Regional Spatial Strategy.
10. Although the priority for Gedling is for the majority of affordable housing to be available for social rent, it is acknowledged that increasing housing prices are putting the majority of emerging households out of reach of owner occupation.
11. A further recommendation of the study is that 30% of the affordable element of all new developments be available for intermediate housing. Intermediate housing is housing that is available to buy at an affordable price, for example shared ownership where typically 50% of the property is purchased with a mortgage with rent payable to a housing association on the other 50%. The Government has identified intermediate housing as a national priority to assist as many first time buyers onto the property ladder. It is likely, however, that the affordable ownership element will be calculated on a site by site basis, to take account of local circumstances.
12. It is intended that the Council produces supplementary planning guidance entitled "Interim Planning Guidance on Affordable Housing" to take account of the study findings relating to affordable housing and the interim target contained in the draft Regional Spatial Strategy". Consultation is expected to take place on this in the early autumn following consideration by Cabinet. The affordable housing targets within the Housing Market Assessment and the Regional Spatial Strategy will need to be tested for their viability and ways in which this could be achieved are to be considered by the Housing Market Area Steering Group.
13. A presentation to all members will be held in the session before the full Council meeting on 5th September 2007 to inform them of the main findings of the Nottingham 'Core' Housing Market Assessment and the implications for the Council, in terms of both Planning and Housing Policy.

Recommendation

14. That the Cabinet notes the findings of the research.