

24<sup>th</sup> August 2007

## **Greater Norwich Housing Market Assessment**

Unfortunately, as I was only made aware of the 5 draft HMA chapters a week ago, I have had very little opportunity to make any meaningful contribution in relation to written comments. However, please find some basic comments below.

### **General:**

I note that the document is referred to as a Housing Market Assessment. The document should make it clear whether or not it is considered to be a Strategic Housing Market Assessment that has had full regard to the national Practice Guidance recently published, or whether it is a document prepared outside of this.

I am sure that you are aware that the SHMA guidance requires major input from key stakeholders (including house builders) in relation to the shaping of the scope and content of such Assessments. This is much more than passive consultation. It is not apparent whether the Greater Norwich Housing Market Assessment has complied with this. Obviously, the fact that the HBF and other key stakeholders on your database have only just been informed about the current consultation when it is about to end, is a major cause of concern.

### **Specific matters:**

In relation to the content of the 5 Draft Housing Market Assessment chapters supplied, the HBF would also like to make the following brief points:

#### **3.1.14**

It is stated that large numbers of flats and other high-density dwellings within the City do not meet the aspirations of many households in the City. It would be useful to know what evidence there is behind this statement, and furthermore, what types of provision would be preferred instead.

#### **4.**

This whole Chapter content is a strong cause of concern. I am sure that you are aware that the SHMA Practice Guidance (March 2007) emphasises that primary data should be treated with caution, and that secondary data sources should be used wherever possible.

The assessment of housing need seems to be entirely based upon the findings of the ORS Survey. However, clearly in accordance with the SHMA Practice Guidance, a wide range of different data sources will need to be used in order to inform this calculation. Particularly those identified in Table A1 (Data Sources) of Annex B to the SHMA Practice Guidance published in March 2007. The Guidance heavily emphasises the importance of different secondary datasets, and cautions against reliance upon primary data (such as survey questionnaires) where calculations can be extrapolated based upon small sample figures.

It needs to be remembered that the government emphasises the importance of ensuring a range of solutions are looked at in addressing housing needs (not just affordable housing provision). For instance, 'Developing Affordable Housing (November 2006)' which accompanies PPS3 states:

*"16. The strategic housing role includes working with Regional Assemblies and other local authorities to assess current and future need and demand for both market and affordable housing through a Strategic Housing Market Assessment (SHMA).<sup>4</sup> This evidence will form the basis of local housing strategies and is an important aspect of developing affordable housing policies including targets and thresholds. Targets should reflect long term as well as short term need. It is important that affordable housing provision should not be seen as the only possible solution for those who cannot afford to buy a home in the market (my emphasis)".*

*"51. Some private companies and community-led groups are developing innovative schemes that offer intermediate affordable housing, often without grant. (Though they may require other forms of subsidy, such as land). Alternative forms of provision can be good value, and the Government believes that local authorities should not reject them without carefully considering the advantages".*

The Government guidance clearly states that the Project Steering Group for the Study should set the parameters of the Study and that consultants should not be left to undertake all the necessary work required for producing a SHMA. It is clearly the case that ORS sees the role of intermediate housing in a different light from the Government. Furthermore, it includes suggested housing numbers from its own categories of need such as 'upper & middle intermediate' and 'lower intermediate and social'. These are not recognised in national guidance, or easily comparable or monitorable. It is stated that households in the 'lower intermediate and social' category are unable to afford to buy or rent in the market and they are unable to afford any of the intermediate housing options. This assertion seems highly questionable. It is considered that the Assessment fails to adequately consider the role of intermediate housing, and in particular, the different products that could be delivered to address this type of provision.

The national SHMA Practice Guidance makes a number of important points:

### “P.16 – 17: Use of different methods and data sources

*No one methodological approach or use of a particular dataset(s) will provide a definitive assessment of housing need and demand and market conditions. This guidance sets out an assessment framework, which highlights the importance of good quality data from various sources. Throughout the guide, there is an assumption that secondary data (ie data from local administrative or national data collection exercises rather than specially commissioned surveys or interviews) should be used where appropriate and feasible. This means that partnerships may not need to undertake large-scale primary data collection exercises such as household surveys to achieve the requirements of this assessment, provided that they have sufficient information from other sources to estimate housing need and demand.*

*The advantages of using secondary data are that they:*

- encourage consistency of approach between different authorities and housing market areas;*
- reflect actual behaviour and events rather than aspirations;*
- are often cheaper to obtain than primary data;*
- allow the monitoring of trends, usually on an annual basis;*
- can provide a picture of market conditions based upon small areas, which identifies locational differences within housing market areas; and*
- are less affected by methodological problems of bias than surveys”.*

Paragraph 4.3.1 refers to reliance on district housing trajectories. However, until these have been properly informed by rigorous Strategic Housing Land Availability Assessments, their value is somewhat limited. Therefore, talk of a surplus in housing supply may well be somewhat optimistic.

### **Conclusions:**

- It is important to recognise that the assessment is primarily an analytical examination of current and future housing market conditions rather than a policy appraisal. Policy development and options appraisal are separate activities to strategic housing market assessments.
- The Assessment relies hugely upon the ONS Survey Questionnaire (the content of which has not been shown), rather than the wide variety of different data sources identified in the Practice Guide.
- Throughout the Practice Guide, there is an assumption that secondary data (ie data from local administrative or national data collection

exercises rather than specially commissioned surveys or interviews) should be used where appropriate and feasible. This means that partnerships may not need to undertake large-scale primary data collection exercises such as household surveys to achieve the requirements of this assessment, provided that they have sufficient information from other sources to estimate housing need and demand.

- SHMA's are not expanded Housing Needs Studies
- The Assessment seems to be heavily skewed towards the findings of its ONS Survey, and has an over-emphasis on affordable housing provision.
- Survey assumptions are often not clear or transparent and need to be better explained.
- The Federation is concerned at the level and depth of key stakeholder input to the Assessment process.
- The Appraisal seems to incorporate a lot of opinions at times that are not backed up in the text by hard evidence.
- There is an absence of Core Indicators and items that will be continuously monitored and updated.

I look forward to the acknowledgment of these comments in due course.

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