THE FORMULATION OF LOCAL HOUSING STRATEGIES: A CRITICAL EVALUATION

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Abstract

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This thesis examines the housing market, focusing upon the manner in which housing strategies are formulated by local authorities. The case for housing strategies which examine the needs and demands of all housing tenures has been recognised since 1977. At that time, the introduction of Housing Investment Programme and Strategies attempted to focus local housing policy and production in a strategic manner but since then the strategic policy elements have been continuously eroded. Moreover, since 1977 the housing market has changed considerably. The situation that exists at present is one where speculative housebuilders produce most new housing supply, whilst social housing is now largely provided by housing associations, rather than by local authorities. Now would appear to be an opportune time to re-examine the formulation of housing strategies, with a view to producing a strategy which is more attuned to the needs and demands of the housing market in the 1990s.

This study investigates the manner in which the local authority may produce housing strategies which are more structured to the housing production processes of the 1990s. In so doing, it focuses upon three main areas. Firstly, the manner in which the housing market requires an integrated overall approach towards housing provision. In practical terms, this would lead local authorities to attempt to integrate, within an enabling context, the roles of the housing and planning departments. Secondly, as the private sector is responsible for most new housing supply, it is important that it is more closely integrated in policy formulation. This thesis suggests that greater co-ordination between the agency of enablement (local authorities) and the agency of implementation (housebuilders) should ensure that policies are more likely to be realised. The third area examined is the degree to which a local authority can gain a better understanding of local housing markets to ensure that more effective local housing strategies are developed.

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LIST OF ABBREVIATIONS

BSA	Building Societies Association
CML	Council of Mortgage Lenders
CSO	Central Statistical Office
DoE	Department of the Environment
GDP	Gross Domestic Product
HA	Housing Association
ha	hectares
HBF	House Builders Federation
HLG	Housing Liaison Group
HMR	Housing Market Report
HoC	House of Commons
HIP	Housing Investment Programme
LA	Local Authority
NCC	Nottinghamshire County Council
NHBC	National House Building Council
NFHA	National Federation of Housing Associations
NW	North West (Leicestershire)
RPG	Regional Planning Guidance
RTB	Right-to-buy
SoS	Secretary of State
SRB	Single Regeneration Bid
TSB	Trustee Savings Bank
T & GWU	Transport & General Workers Union
TTWA	Travel to Work Area
UK	United Kingdom
VOA	Valuation Office Agency
E	East (Midlands)
EIP	Examination in Public

CHAPTER ONE
INTRODUCTION AND RESEARCH OBJECTIVES

Introduction

The purpose of this study is to comprehensively examine the housing market, with a particular focus upon the manner in which local authorities both formulate housing strategies and monitor housing needs and demands. The aim of this chapter is to indicate specific research objectives and focus upon how these objectives will be achieved. Prior to discussing the methodology employed, it is necessary to highlight why this area justifies research and conceptualise the research objectives that will be central to this thesis. The penultimate section will indicate the case study areas that have been selected, whilst the final section will highlight the chapter content and general structure of this thesis.

Context

This research arises from a general question as to whether or not the provision of housing efficiently and effectively meets the demands and needs of the population. There currently exists significant debate regarding this issue (Ball, 1996) and the related area of housing needs estimation. (National Housing Forum, 1989; DoE, 1991a; 1995a; Whitehead and Kleinman, 1992; Holmans, 1995). One question, examined hitherto to only a limited degree, is the extent to which local authorities can facilitate and contribute to the structure of more integrated and responsive housing provision through housing strategies (Audit Commission, 1992; Cole and Goodchild, 1993; DoE, 1995c). As housing strategies are central to this thesis, it is necessary to focus upon what is meant by this descriptive term (Chapter Four contains a fuller discussion). From the perspective of this thesis, a housing strategy is seen as an approach by a local authority to achieve three related objectives;

- To develop housing polices which reflect all tenures.
- To reflect the views of the diversity of different participants in the housing market.
- To ensure that policy and implementation are better co-ordinated.

It is this notion of strategy that is being advocated in current government advice, and which may be seen as being a return to the initial concepts of Housing Investment Programmes (HIPs), which will be discussed later.

To achieve these objectives, the manner in which local authorities develop links with private housebuilding companies is clearly relevant, as is the degree to which authorities overcome departmentalism in the preparation of polices which direct housing provision. To clarify these issues, it is worthwhile briefly discussing current housing provision, stressing why it is necessary for private housebuilders to be included in the formulation of housing strategies.

Currently, over 80% of all new homes are constructed by the private sector and public sector completions rarely rise above 35,000 homes per annum (see Table 2.1, below). In this situation, it is perhaps necessary for current housing strategists to take a pragmatic view, acknowledging that the speculative housebuilder is the main instrument of implementation. A recognition of the need to work with private speculative housebuilders as an agency of implementation is not recent. In 1977, for instance, the introduction of a form of local housing strategy, the Housing Investment Programme (see Chapter Four) explicitly referred to the need for a local authority to examine the contribution to the supply of housing that could be made by the speculative housebuilding industry.

It has to be stressed that new housing supply is relatively limited in relation to the overall housing market. For instance, in 1994 less than 1% of the housing stock was newly built properties (CML/BSA,1996). Conversion of the existing stock may be an important source of the increased supply of dwelling units as properties in the existing stock can be subdivided or extended if needs and demands change.

Even in respect of social housing, private housebuilding companies are important. For instance, as direct social housing provision by local authorities has declined (see Table 2.1 below), there has been an increasing expectation that the shortfall will need to be met by private housebuilders. The form that this type of social housing will take varies greatly, ranging from low-cost sale, through cross-subsidy developments, to homes for rent in co-operation with housing associations (Dunmore, 1992). Affordable housing provision by the private sector has been supported by central government through a number of different Planning Policy Guidance Notes (DoE, 1991f; DoE, 1992a) and this area is currently being re-examined in a draft circular issued by the Department of the Environment in March 1996 (Wells, 1996). Before moving on to examine the implications for housing provision, it is necessary to point out one further factor that complicates the housing market of the 1990s. Of the 35,000 social housing units annually completed, an increasing proportion are provided by housing associations. Table 2.1 indicates that, in 1990, housing association and public sector housing completions were almost equal. This situation has recently altered considerably, so that by 1994 housing associations completed 12 units to every 1 completed by the public sector.

Clearly, the situation that exists presently is one where the development of housing policy is disconnected from its implementation. For instance, a local authority produces policies which attempt to direct housing investment, yet it is left to the strategies of other agencies (private housebuilders and housing associations) to put these policies into practice, resulting in policy being seen as a means of ‘enabling’. As indicated, the supply of housing is presently fragmented, creating a situation where co-ordination is required to ensure supply meets overall demand. Traditionally, a range of agencies have worked with specific local authority departments: planning departments with private housebuilders; housing departments with housing associations; private old persons homes with social services. This has produced a complex network of working relationships, which may create a situation of poor integration in terms of policy and implementation.

Of crucial importance for housing strategies is the accurate determination of housing demand and need, particularly the manner in which this can be determined at a 'local' level (see Chapters Two and Three). This can be seen at two separate levels. The first is in terms of overall housing requirements. The second level is the determination of the degree to which these households will require certain house types, certain locations, and certain tenures. Whilst the issue of global housing need has been comprehensively examined (Dorling, 1991; King, 1991; Shaw, 1993; Champion, 1993; Holmans, 1995) in recent years, the latter issue has been somewhat neglected. This thesis develops the debate regarding co-operation and collaboration through the inclusion of a field of study which has been the focus of limited research, namely methods by which local authorities can effectively monitor housing markets at the local level (Coopers and Lybrand 1985c; Coopers and Lybrand, 1987; Guillou, 1990).

Objectives

Having established the general context of this research, it is necessary to focus more directly on the objectives of the study and this is achieved through stating three research questions;

1. *To what degree do local authorities operate in a fashion that allows policies to be integrated and co-ordinated?*
2. *To what extent are private housebuilding companies, as the main implementers of housing policy, involved in the development of housing strategies?*
3. *To what extent do local authorities employ relevant data as a means of monitoring the housing market?*

Before moving on to the methodological issues, it may be useful to expand these research questions in terms of the themes in which they relate.

- **Interdepartmental Working.** The first theme to be examined is the manner in which local authorities work interdepartmentally to create housing policies which reflect the views of both the housing and planning departments. This has been examined and promoted by both academic researchers and the government over recent years (Carter and Brown, 1990; Carter Brown and Abbot, 1991a, 1991b; Audit Commission, 1992; Cole and Goodchild, 1993; DoE, 1995c).

- **Interagency Working.** As highlighted above, most new housing is provided by agencies other than the local authority. This creates a situation where the local authorities housing strategy has to be implemented by a third party. It is important, therefore, for the authority preparing the strategy to have a strong relationship with the agencies which are responsible for implementing the polices.

* **Monitoring**. An informed knowledge of the housing market through monitoring changes in demand and need will enable housing strategies to be responsive. Part of this thesis will examine the degree to which the data reviewed by these studies are currently employed by local authorities.

Methodology

General Approach

The research objectives stated above require the research to undertake both new empirical work and critical analysis of existing literature. This thesis has already made reference to important relevant research related to the field of housing strategies, and the literature will be examined further in later chapters. The approach to the review of relevant research adopted in this thesis has been a traditional one. Initially a bibliography was compiled from library searches and other researchers' bibliographies. Occasionally, it was necessary to contact authors directly. This clarified a number of issues that may have been unclear from simply reading their work. Perhaps, more importantly, this direct contact indicated where unpublished material of interest to this research could be found. As a result, the literature reviewed was extensive, ranging from published books, working papers and journal articles to unpublished mimeos, article drafts and conference papers.

This review indicated which areas had been well covered (house prices for instance), which areas had been the focus of less attention (joint agency and joint department working) and where past research had been almost completely lacking (the data which local authorities actually monitor). The depth of material that examines house prices (for instance Evans, 1978; Fleming and Nellis, 1987; Holmans, 1990; Muellbauer, 1990) was found to be considerable, and a review of this literature is the theme of a published working paper (see appendix 6).

Whilst examining 'housing markets', the research indicated that this generic definition contained numerous different conceptual research areas, each of which could have provided a theme for a Ph.D. thesis. For instance housing and its influence on expenditure patterns and savings behaviour (Gentle et al, 1994; Maclennan et al, 1994) or the change in government support for housing (Wilcox, 1994, Table 13b; Kearns and Maclennan, 1991). Although this thesis focuses upon one area of research, it is clear that a detailed examination of certain (in terms of this thesis) supplementary 'themes' was necessary to fully understand the issues involved. Rather than relegate this work to background research, this research has formed the basis for working papers, conference papers and a journal article. One would suggest that this method has enabled the thesis to remain directed, whilst ensuring that material which might otherwise have been neglected could be included in the discussion. To retain this focus upon the core issue of housing market monitoring and policy integration, the literature reviewed has been integrated into the individual chapters. It is hoped that employing this methodology allows the thesis to develop logically.

As this thesis will examine all three of the research objectives in parallel under the auspices of integrated housing strategies, it is felt that it will form an original contribution to research. Yet there are a number of other areas in which this thesis differs from the work that has preceded it. Examining in particular the work by Coopers and Lybrand and Guillou (the most recent research which has sought to examine the means by which housing markets may be monitored, leading to levels of housing provision being determined) there are some clear differences.

Since both Coopers and Lybrand and Gulliou examined the field, conditions have changed significantly. With the adoption of the Town and Country Planning Act 1990 and the Planning and Compensation Act 1991, the local authority has found itself in a position where the development plan has become increasingly important. The adoption of section 54a[1], has placed an added responsibility upon planning authorities. Development plans have become policy documents of increasing consequence, and increasing importance is being placed upon formally adopted policies, so that planning authorities now have greater responsibility to ensure that the policies adopted will work with housing providers, as opposed to ones that are in conflict with the pressures of the housing market. It is prudent to reassess integrated housing strategies in light of this change in emphasis. In addition to the change in the legislation governing development planning, conditions in the housing market have changed. Coopers and Lybrand examined a housing market that was growing in confidence and expectations (their research was set in period 1 in Figure 1.1, above). Between 1987 and 1990 (the period when Guillou was conducting his research) the market peaked and fell (period 2). The period that has been the focus of this thesis (1990-1995) is one that has seen the housing market continue to slowly weaken, stabilising, then 'bumping along the bottom' (Hooper, 1992), until 1996.

The differences in these three periods could be illustrated by simply examining some standard data, such as house prices, or perhaps transactions. However, if this is done it becomes clear that the data can still present conflicting information, highlighting a need for further analysis. Between 1985 and 1988, housing starts rose by 20%, house prices increased by 65% and property transactions increased by 23%. Between 1987 and 1990, housing starts fell by 28%, property transactions fell by 27%, whilst house prices increased by 47%. Between 1990-1994, housing starts increased by 21%, transactions fell by 9% and house prices increased by 9%. This data is all derived from the same source (from tables in *Housing Finance*, CML/BSA, 1995) and is based on statistics compiled by central government agencies, yet it would appear to present conflicting information. Take, for example, period 3 in Figure 1.1, during which period housing starts increased whilst housing transactions fell. If either of these data sets were to be viewed independently, it would suggest an expanding housing market (housing starts) or a contracting housing market (housing transactions). This data may, if interpreted incorrectly, present wholly

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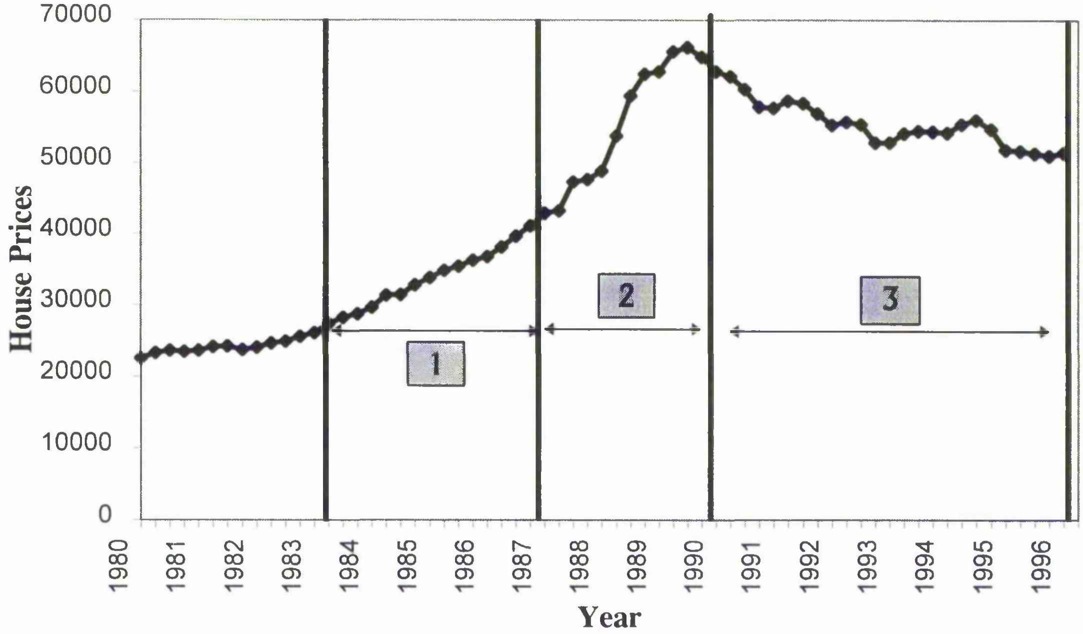
[1] It should be noted that the 1991 Planning and Compensation Act introduced a new section to the Town and Country Planning Act (Scotland) 1972 , section 18a, which creates the same development plan primacy as section 54a does for England and Wales.

inaccurate signals regarding housing markets, but this may not be a problem if authorities do not monitor such movements in data sets. This thesis will critically examine the extent to which housing market data is utilised by local authorities, an area not tackled at all by earlier researchers such as Guillou or Coopers and Lybrand.

Figure 1.1 House Prices in the UK



Source: Nationwide Building Society House Price Series

Returning to the general methodology employed in this research, it could be suggested that housing provision (and, it follows, housing strategy formulation) is essentially a quantitative issue, in which housing allocations are the end product of the process. This thesis, however, approaches the issue of housing strategy formulation and provision in terms of a qualitative evaluation of the processes and procedures adopted by Local Authorities, and the extent to which different sets of data are utilised in the preparation and monitoring of a housing strategy. This approach was taken deliberately, as it was seen that the debate over housing requirements and housing allocations had given rise to considerable literature and significant debate. What appeared to be lacking was a critical qualitative evaluation of the manner in which certain quantitative targets, e.g. housing allocations, could be developed and disaggregated through better information and co-operation between agencies. Simply, this research should be seen as being placed at the early stages of housing provision, i.e. when housing strategies are formulated, focusing upon why they are necessary and the manner in which practice can be improved.

This said, there are areas where certain quantitative analytical techniques may, with hindsight, have been justified, for instance in the critical analysis of the data sets.

Questionnaire and Interviews

Much of the contribution to knowledge that is made in this thesis was a result of questionnaire surveys. In the summer of 1994, 122 questionnaires were sent to county councils, metropolitan authorities and districts in the East Midlands region (the East Midlands was chosen as a case study region for reasons that will be discussed below). In the past, questionnaires have often been criticised for failing to achieve adequate response rates (Moser and Kalton, 1985). However, as can be seen in Table 1.1, the survey employed in this thesis attained high response rates. This response rate may have been due to two factors. Firstly, reminder notices, a standard questionnaire procedure (Bramley and Watkin, 1996), were sent to the county councils and the metropolitan authorities. This was not undertaken in respect of the district authorities as it was felt that this may have created some degree of 'ill-feeling', possibly limiting the success of the case studies that were to be examined later in the research. The reminder notices appear to have been successful in achieving the better response rates recorded for the county and metropolitan authorities.

Table 1.1 Response Rates for Questionnaire Surveys

	Number Sent	Number Returned	Response Rate
County	47	43	91.5%
Metro-Authority	36	25	69.4%
E.Midland District	39	20	51.3%

Secondly, the intention was to keep the questions self explanatory in an attempt to achieve high response rates. Although this would appear to be a successful strategy (see Table 1.1, above), it did result in less detail with respect to certain areas than one may have wished. The questionnaires were designed in such a way that information regarding all three objectives (internal co-ordination, external collaboration and market monitoring) could be obtained in one data collection exercise. The questions were chosen largely to resolve areas that remained unanswered through the review of literature. The detailed use of indicator questions was based upon the data that had been examined by Coopers and Lybrand, with additional questions introduced both as a result of discussions with planners, housebuilders and estate agents, and through the literature review.

The primary advantage of using a questionnaire survey in this context was that it offered the opportunity for all counties and all metropolitan authorities, outside London, to answer and express their views. The alternative would have been to have decided upon a sample of counties and metropolitan authorities and interviewed the key personnel, an approach that was undertaken in the case study areas. However, to undertake this on a national scale may have proved costly in time and finances and may have presented results which are less representative than those achieved through the survey. Similarly, the questionnaires sent to the district authorities in the East Midlands (why the East Midlands was chosen is discussed below) allowed a far greater sample of views and practices to be ascertained than would have been the case through simply focusing upon the two case study areas.

It is accepted that there are limitations with questionnaire surveys (Moser and Galton, 1984), and some did prove applicable in the case of this thesis (see reflections on methodology in Chapter Eight). However, by supplementing the national study with a focus on the East Midlands, and the focused interview approach with respect to the two case study areas, this research offers the advantages of employing different research techniques, each of which bears upon the same research questions.

The questionnaires were addressed to the chief planning officer (or equivalent in departments were such a position did not exist) in an attempt to achieve conformity of completion. Clearly, the responsibility may have been delegated differently in each authority, but this was out of the control of the research project. Contained with the questionnaire was a reply paid envelope (to attain a high response rate) and a single A4 sheet explaining the research project, what the information would be used for and stressing confidentiality.

Once the case study areas were identified (see below), it became clear that a structured approach to data gathering at the local level was necessary. The approach taken was to begin with an examination of regional policy, developed by a consideration of the situation at the county level, before examining the local position. Initially this stage was based upon an examination of policy documents (regional guidance, structure plans, local plans, etc.) but it soon became clear that it would be necessary to interview key participants in housing provision and housing policy formulation. This was to ensure that areas of concern not sufficiently explained in the published material could be examined and to allow the reasoning behind the polices to be understood. A list of interviewees and a guide to the subjects covered is contained in the appendices, but broadly it was thought necessary to discuss the situation with housing and planning officers at the county and district councils, representatives of the HBF, individual private housebuilding companies, and local estate agents. To this localised focus, individual interviews with specific agencies of a more national relevance were organised if it transpired that the available literature did not fully explain the areas of concern for this thesis.

The 'focused interview' or 'standardised open ended interview' technique was the most appropriate method of conducting this section of the research. This recognised approach (Bell, 1993; Greenfield, 1996) allowed respondents to talk freely around specific themes, allowing elaboration on certain issues if this is what the interviewees wished. The major problem with this approach concerned the possible preclusion of consolidation and comparability of results, as the interviews may progress in different directions. However, focusing the interview on certain areas has ensured that the information gathered at the interview stage was comparable. The interviews were requested through initial letters to the chief planning and housing officers, so again the introductory contacts were at similar levels. From this the authorities responded and as can be seen from the individuals interviewed (appendix 2) there was a degree of comparability, in terms of position, for most of the interviewees.

Justification of Case Study Areas

This study employs case studies at two levels. Firstly the East Midland region can be seen, in aggregate, to be a case study, as it relates to a level where the questionnaire study is not a national survey. Secondly, case studies of particular districts have been employed in the research to allow the detailed discussion regarding co-ordination, collaboration and monitoring to be illustrated by specific empirical data. This section will discuss why case studies are useful in principle and then indicate why the case studies utilised in this research have been chosen. The introduction of the case studies at such an early stage may be unconventional, yet in the context of this thesis it is appropriate. This is because, as the discussion in the thesis progresses, the case studies will be employed to illustrate housing markets and housing strategy development at the local level. This will overcome a perceived problem of continuity that may be created if the case study data is presented as a completely separate chapter.

The employment of case studies allows the research to concentrate upon specific areas, examining, at one point in time, the processes that operate in the chosen location. Bell (1993) suggests that interviews and observations are the most frequently employed methods for case study research, yet she does indicate that no method should be excluded. The localised case studies (i.e. the focus on Mansfield and North West Leicestershire) have been undertaken to introduce more detail to the original survey work. Clearly, the limitation of the localised approach, focusing upon two districts, may be that the results are so specific that generalisations can only be made with difficulty. However, as the case study choice is justified in detail, and the conclusions are made on the evidence gathered, one would argue that this approach contributes a level of detail that is largely absent from the current research literature.

Choice of Region

The choice of both the East Midlands (the regional case study) and North West Leicestershire/Mansfield (the localised studies) is based upon economic criteria (for instance employment figures, industrial growth, spending patterns, growth forecasts, etc.). With respect to the East Midlands, this was supplemented by the fact that it can be seen as a region which is disparate in outlook, straddling as it does the traditional North-South divide. The physical barrier of the Peak District results in the region's north-western fringe having stronger connections with the conurbation of Greater Manchester, whilst the northern parts of Nottinghamshire are essentially part of the South Yorkshire conurbation. At the southern extremes of the region, Northamptonshire can be seen as having strong links with the South East. In other respects, the region is similarly divided, geographically it includes the upland areas of the Peak District and the fenland areas of Lincolnshire. Choosing a region with such differences would ensure that the survey delivered to authorities in the region should include 'rural' and 'urban' areas; agricultural and industrial; economically growing and economically declining; (in terms of policy formulation) innovative and traditional. There is, therefore, an assumption that the information gathered from the East Midland districts would represent the methods by which districts, in general, co-ordinate, collaborate and monitor as part of the housing strategy formulation process.

It is necessary to highlight, in rather more detail the economic factors that illustrate the suitability of the region as a focus for research. This will be supplemented by an overview of the region's housing market, to indicate the context within which housing strategies would be formulated.

- Economy

Analysts (Cambridge Econometrics, 1994, 1995 and 1996) suggest that the East Midlands is a region with several strengths; a diverse economic structure; a flexible work-force; a strong base of existing companies, and a competitive relocation option to existing UK companies, particularly those in the South East. In addition, over 250 overseas companies have set up in the region (Henley Centre, 1994). Of these, Toyota in Derbyshire is one of the largest inward investments in Western Europe, worth over £650 million and expects to spend £110 million annually with local component manufacturers. Cambridge Econometrics suggest that;

> "*The fastest output growth is forecast for the East Midlands, East Anglia and Wales. All three regions are expected to benefit from manufacturing growth much faster than the UK average*" (Cambridge Econometrics, 1995, p11)

Cambridge Econometrics perceives the East Midlands to be the second fastest growing region in terms of employment, and only 0.1% per annum behind East Anglia. This characteristic is borne out by other indicators. The region is forecast to have an annual growth, in terms of gross domestic product, of around 3.0% between 1996-2005. For the future, Cambridge Econometrics (1996) forecasts that between 1997-2005 there will be a growth in employment in the region of 1.4% per annum, placing the East Midlands well above the UK average. It must be stressed that any positive aspects for the East Midlands as a region will have to be placed in perspective, as within the region there are pockets of stagnation and economic decline. The most obviously declining industry is that of coal. In 1980, in Nottinghamshire alone, there were 30 pits employing 40,000 people. By 1994, this had fallen so that only four pits remained operational, employing around 3,000 people.

One of the factors which makes the region attractive for manufacturing output is the fact that it is a relatively low-waged economy. Comparing the relative wage rates for the regions places the East Midlands as the fourth lowest wage rate region in the UK (Cambridge Econometrics, 1995, Table B1.1). This makes the region attractive for employers, but low wages will not support income growth, increases in consumer spending, and rising house prices. In the Cambridge Economic Review (Chapter 3), counties were ranked in terms of disposable income per capita. Lincolnshire and Leicestershire were 30th and

31st respectively, whilst Nottinghamshire and Derbyshire were 36th and 38th respectively (Mansley, et. al., 1992). The cost of house purchase is significant, often being the largest single purchase many households may make. Therefore, the higher the income, the greater the value of the house that can be afforded. One would argue that disposable income is often seen as a proxy of the propensity to consume owner occupied housing. If this is the case, the East Midlands does not have the most encouraging economic profile for housing market expansion.

However, in the longer term, the East Midlands as a whole is seen as having slightly above the national average consumer expenditure growth. Cambridge Econometrics (1994, p.10) forecast a growth of 2.4% per annum for the region between 1995 and 2005, whilst the UK as a whole is projected to increase by 2.3% per annum. This was borne out by their 1995 survey which forecast consumer expenditure growing by 2.7% per annum, the second highest growth rate in the UK. The most recent survey (Cambridge Econometrics, 1996) appears to retract such a positive expenditure prospects by placing the East Midlands as a region with only 'average' prospects. This suggests that there is potential for the expenditure of the population to increase, which may support increased in owner occupation. Yet the region has a high level of owner occupation at present and any expansion of the tenure may result in it reaching levels which are unsupportable in the long term (see below).

- Housing

In 1992, the East Midlands region had a housing stock of 1,660,000 dwellings (DoE, 1993a, Table 9.1). When the data for the East Midlands is compared with the national tenure profile, it is clear that the region has a higher rate of owner-occupation than the national average and also a lower level of socially rented housing. It would appear that as the housing market of the region is largely dependant upon owner occupied housing, it is therefore ideally placed to be a case study in a discussion which seeks to examine the manner in which the interagency production of housing units is integrated in a general housing strategy. Table 1.2 below illustrates how, over recent years, the number of property transactions in England and Wales has fallen from the high levels recorded in the late 1980s. Between 1992 and 1994 transaction numbers increased by 6.5%, only to fall back. The East Midlands region suffered a fall in residential property transactions of 31.8%, in the six years between 1987 and 1992. When compared with the average for England and Wales (where a drop of 40.8% has been experienced (CML/BSA, 1994)) it becomes clear that the region's owner-occupied housing market has not been affected as badly as other areas, although in terms of 'trends' it is similar to the national situation.

Table 1.2 Housing Transactions in England and Wales

Year	1988	1989	1990	1991	1992	1993	1994	1995
Actual Number of Transactions ('000)	2148	1580	1398	1306	1136	1196	1274	1135

Source: HBF, 1996, *Housing Market Report,* Table 4, April, A survey conducted in the early 1990s (Coles, 1991, Table A6) indicated that in the East Midlands, 84% of respondents viewed owner-occupation as the tenure that they would be occupying in two years time. Obviously, such a positive view of the tenure may have been affected by the continued slump in the housing market, but it is clear that households in the region aspire to owner occupation. Housing market strategies will therefore have to be aware both of the traditional strength of owner occupation in the region, and the positive attitude would-be householders have to the tenure. The expectation is that private housebuilders will play a significant role in the provision of housing in the East Midlands, as this is what has happened in the past and what many households wish to see in the future.

However a similar survey carried out in 1993 presented the tenure aspiration responses in a different way. Here the difference between those aspiring to owner occupation and those who are already owner occupiers was measured. This "aspiration gap" was low for the East Midlands, third lowest in the short term (two years) and second lowest in the longer term (ten years) (Eldridge, 1994). She suggests for the high "gap" regions;

"*...that the underlying demand exceeds current tenure by a substantial margin*" p.17

The implication is that in the East Midlands such high demand does not exist. One could surmise that this presents the argument that the region is approaching an equilibrium in tenure faster than many of the other regions, suggesting that it may be one of the first to reach the maturity suggested by Fulton (Fulton, 1993). This could, of course, be due to a transient disenchantment with owner occupation. Yet, as the long term aspiration for owner occupation is also relatively low, it highlights that the region may be approaching tenure saturation for owner occupation. If this is the case (and it is possible to draw too many conclusions from this one survey) it highlights a greater need for market identification on the part of the region's housebuilders and a need for social housing to become recognised as the tenure that between 10-20% of the region's population will require. One would argue that this greater market identification and housing provision direction (in terms of market or social) is exactly the role an integrated housing strategy could fulfil, further illustrating the suitability of the region as a case study.

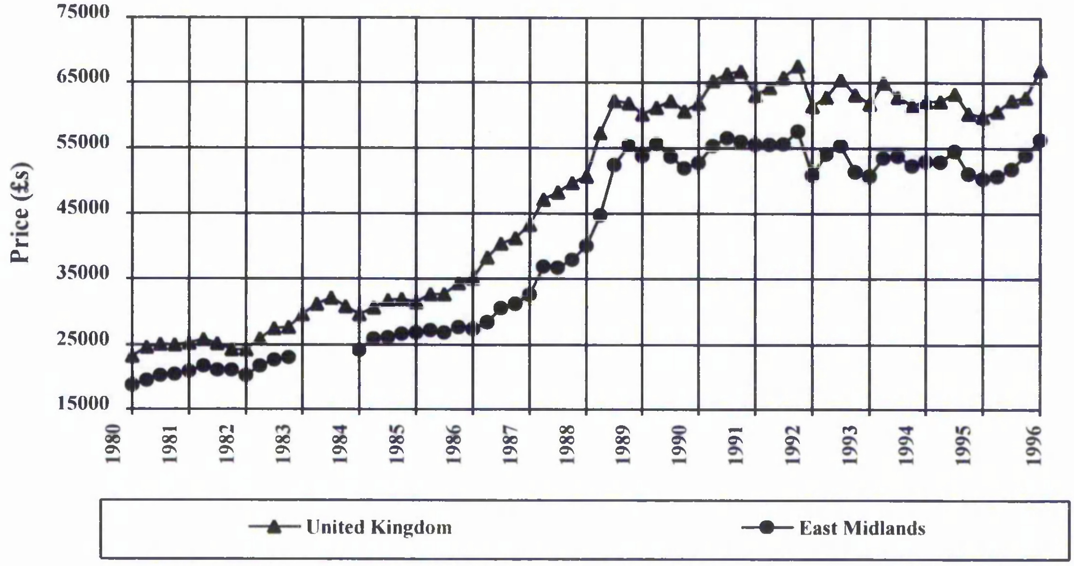
Table 1.3 Housing Satisfaction

	Very Satisfied	Quite Satisfied	Neither Satisfied nor Dissatisfied	Quite Dissatisfied	Very Dissatisfied
E.Midlands	55%	36%	5%	1%	4%
G.B.	57%	33%	5%	3%	2%

Source: Coles, 1991, Table A9

As can be seen in the table above, the region had a higher-than-average percent of respondents showing dissatisfaction with their present accommodation, although it is unclear whether this dissatisfaction was with the tenure, the location or the accommodation itself. Only Greater London had a higher percentage of very dissatisfied respondents, and Scotland, West Midlands and Greater London had fewer very satisfied householders. What this data seems to indicate is that the East Midlands has the potential to be a dynamic housing market, as a number of households may well be prepared move, in an attempt to gain greater satisfaction from their housing.

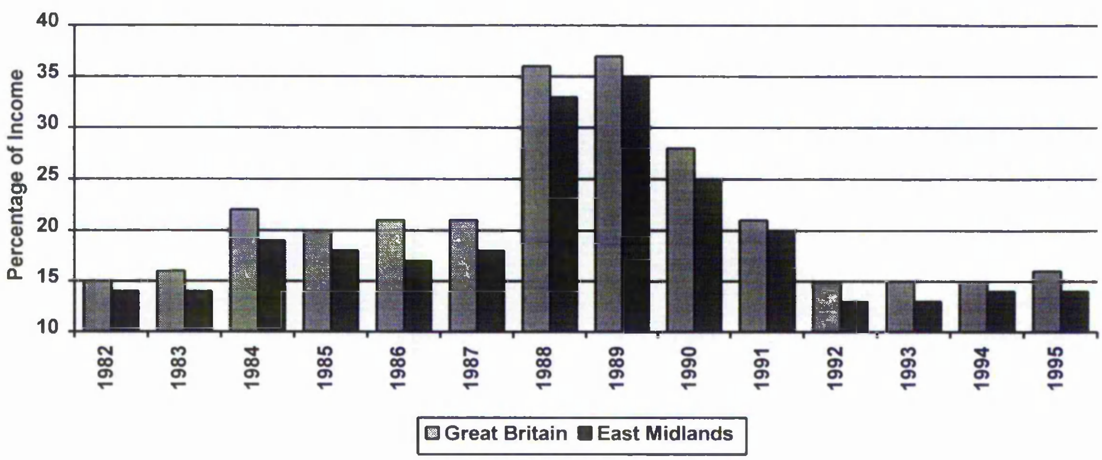
Figure 1.2 Comparison of the East Midlands and the UKs House Price Movements



Source: Halifax Building Society

As can be seen in Figure 1.2, house prices in the East Midlands appear to closely reflect movements in national house price series, a trend that has become particularly noticeable in recent years. Although this figure has utilised Halifax house price data, a similar trend could be seen if Nationwide or DoE house price data was utilised. The East Midlands housing market may therefore reflect trends in the national housing market, and it could therefore provide a useful case study area.

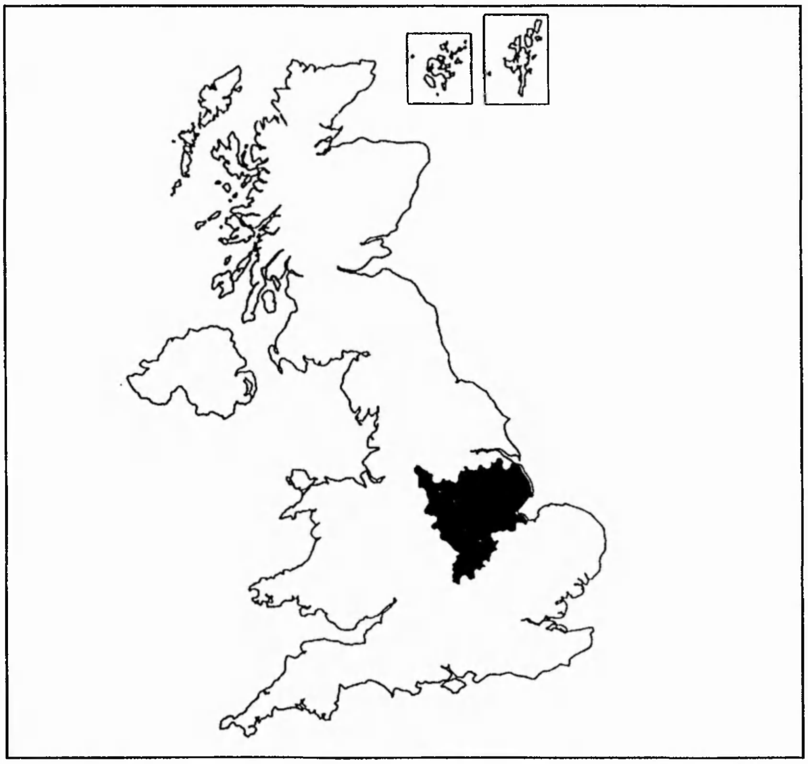
Figure 1.3 Affordability Index



Source: HBF, 1995a, Table 2, pg. 12.

Throughout the 1980s the East Midlands has experienced a housing starts to population relationship consistently above the UK average (DoE, 1995d, Fig 2.27). This situation peaked in 1988, when approximately 5.5 housing units were started in the region for every 1000 people. On average in the UK only 4.5 units per 1000 persons were being completed at this time. Perhaps most important for the region's housing market is the fact that the region is one of the most "affordable" for owner-occupied house purchase. This assertion is based upon the Housing Market Report (HMR) regional affordability index (HBF, 1995a), which estimates the first year mortgage interest payments as a percentage of average take home earnings of the regions households. As can be seen in Figure 1.3, households in the East Midlands have to use less of their income when purchasing a home than the UK in general. Yet this may not be the case at the local level (see Chapter Seven).

Figure 1.4 Location of the Case Study Region



Although the criteria for choosing the East Midlands relate to its economic circumstances, the East Midlands housing market appears to have a number of factors that may make it a useful case study region. It reflects changes in general house prices, illustrating a degree of connection with the national housing market; the region's housing market could be described as mature and particularly strongly connected with owner occupation; and it is forecast to be one of the strongest growing regions in the UK, which may create an expanding housing market. Notwithstanding these positive points, the region has a number of factors which may be sufficiently negative to create problems for the expansion of the housing market: patches of employment and prosperity alongside unemployment; low forecast disposable income growth; and the possibility that the housing market has become 'mature' with limited prospect of expansion in terms of owner occupation. This suggests a housing market that could develop towards greater levels of owner occupation or remain at a similar division, in terms of tenure, to that experienced currently. Either way, it presents a complex housing market (whether it is more complex than any other is debatable) which would make it well suited for a case study of housing strategy formulation.

North West Leicestershire and Mansfield

As the case studies are an attempt to ascertain the degree of housing strategy development at the local level, it is necessary to focus more directly on the choice of localised case studies. As highlighted previously, the case studies are two contrasting housing markets (Ashby and Mansfield) within two contrasting districts (North West Leicestershire and Mansfield).

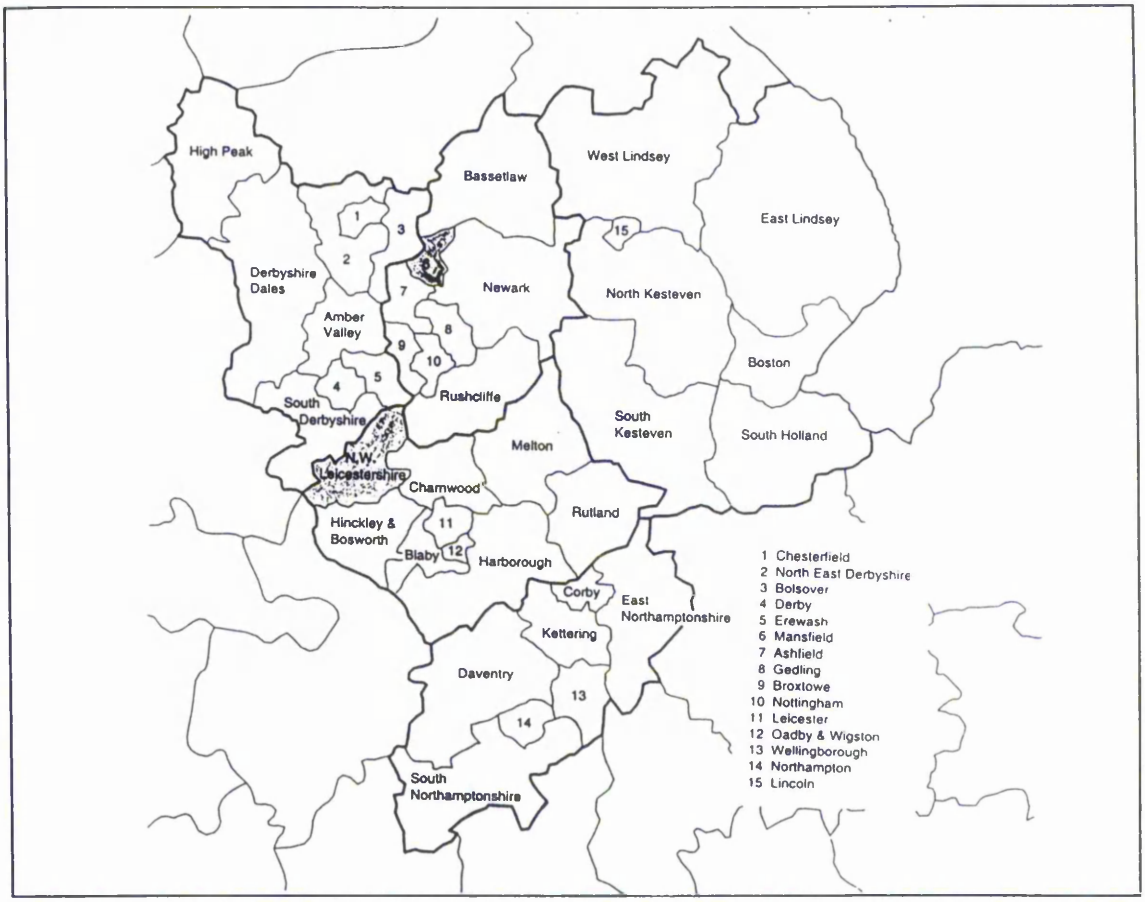
Table 1.4 Comparison of the Case Studies Districts

	Mansfield District	NW Leicestershire
Population Change 1981-1991 λ	1.03%	2.72%
Area (hectares) #	7,770	29,700
Unemployment May 1995 **q**	14.8%	7.4%
Number of Households *	39,816	31,142
Level of Owner Occupation **w**	69.2%	73.5%
Level of Car Ownership **e** (% of households with no car)	25.2%	35.0%
Forecast Growth Rates*	10.5-14%	14.5-16%

Sources: λ 1991 Census County Reports for Nottinghamshire and Leicestershire (Part 1), Table C
Mansfield Local Plan, December 1993 (Consultative Draft) and Table 8.1; OPCS, 1991 Census Report: Leicestershire Part 1 (Table D).
q Mansfield and Burton on Trent Travel To Work Areas, data from both counties Employment Bulletins
* 1991 Census County Reports for Nottinghamshire and Leicestershire (Part 1), Table G
w 1991 Census County Reports for Nottinghamshire and Leicestershire (Part 1), Table G
e 1991 Census County Reports for Nottinghamshire and Leicestershire (Part 1), Table G
* Henley Centre 1994 "Local Futures", Table 11.9, p240

The population of North West Leicestershire, the district of which Ashby is part, had a growth in population more than twice as high as Mansfield (Table 1.4). In terms of the economy in each area, Mansfield has higher rates of unemployment (Table 1.4) and problems of urban regeneration, whilst North West Leicestershire, and Ashby in particular, have benefited from the close proximity of the A42/M42 and the M1. Such a methodology for a case study (examining contrasting areas) is not new. Barrett and Healey (1985), for instance, looked at economically buoyant and economically declining areas. It should be stressed at this stage that it is very difficult to arrive at a precise definition of a geographical housing market area.

Figure 1.5 Location of North West Leicestershire and Mansfield Within The East Midlands



It is clear that there is a difference between a housing market in a theoretical context and a definition that could be developed in practical terms and operationalised by those involved in housing provision and household choices. This difficulty is exacerbated when it is considered that different agencies may well have different ideas as to what a housing market is. Examining the field from a purely theoretical standpoint may offer the greatest compatibility, possibly suggesting a common view of the housing market as a place where housing choices and housing exchanges are facilitated. There is, however, a significant difference between theoretical definitions and those that occur in practice, where the geographical definition of housing markets becomes important. In this thesis, both the economic, theoretical view of a housing market and the more practical, geographical view are examined. This would appear to be a useful and pragmatic approach, as an operationalised housing market could well be seen as an amalgamation of both the practical and theoretical approach.

As this research seeks to examine local housing strategies it will focus, where appropriate, on local housing markets geographically. Although this concept is discussed in greater detail in the next chapter, it is appropriate at this stage to discuss the implications of a housing market definition for these case study areas in broad terms. The primary focus will be upon the towns of Ashby de la Zouch and

Mansfield and where available data will be discussed which reflects these definitions. However, data is not always readily available and in some instances a wider geographical definition will have to be employed, for instance Travel to Work Areas (these are often used as a definition of a housing market area, see Chapter Two). As this research examines then manner in which a local authority formulates housing strategies, it is clear that in some cases the district will be viewed as the 'housing market area'. This suggests imprecision, yet it reflects what occurs in the housing market in practice. In practical terms, it is the only way of approaching the issue. For instance, the situation at the district level has to be discussed, but this would not accurately reflect a housing market, which would only be appropriate through a more focused case study.

Although this thesis examines the local case study areas as a result of their differences, both have a number of similarities. The major similarity between the two areas is that both are centred on towns which have, at one time in their history, been dominated by deep coal mining. Both districts are on the fringes of what is described as the Leicester/Derby/Nottingham triangle (DoE, 1994). In planning terms, both districts have a structure plan which is either adopted (Leicestershire) or currently on deposit (spring 1996, Nottinghamshire), with the result that these districts have the most developed and up-to-date strategic policies in the East Midlands.

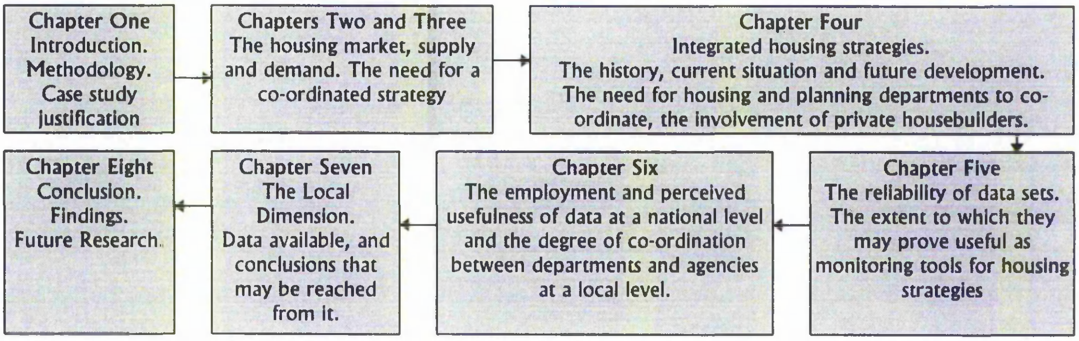
The previous paragraphs have justified the choice of North West Leicestershire and Mansfield. It is necessary, however, to point out that one of these case study districts was not the area initially targeted. South Derbyshire, North West Leicestershire's neighbour to the north, was initially the focus of research. However, after little assistance from organisations in South Derbyshire, North West Leicestershire was introduced and focused upon. As will become apparent throughout the thesis, North West Leicestershire has proved to be an acceptable case study, and although the criteria may have been better matched within South Derbyshire District, similar issues (in terms of housing markets and economic growth) are in evidence in both districts.

Thesis Structure and Chapter Summaries

Figure 1.6 illustrates the thesis outline in a graphical format, yet it is worthwhile highlighting the content in more detail in relation to methodological issues. The first stage will be to examine the issue of housing markets. This is undertaken in Chapters Two and Three. It is necessary to begin this study with such a discussion as the housing market is complex and it will help to clarify the more empirical chapters if some of the major conceptual issues affecting housing markets are examined initially. In terms of the research objectives, these initial chapters will broadly indicate why there is a need for co-ordination and collaboration.

After Chapter Three, the discussion becomes rather more focused on the central issue of housing strategy formulation and data monitoring by local authorities. Chapter Four highlights the evolution of local authority housing strategies, encompassing both inter-department and inter-agency working. This chapter should be seen as the one that draws the research objective together. The first two research questions are answered with the results of the questionnaire survey work, and it is from this point on that the survey, questionnaire and interview data will be introduced to illustrate the discussion.

Figure 1.6 Chapter Outline and Thesis Format



In practical terms, data from which housing strategies can be formulated may not be readily available or in a format that can be easily employed by a local authority. It was necessary for this thesis to examine this issue and ascertain the degree to which local authorities employ, and find useful, certain data sets. To achieve this objective an extensive questionnaire survey was undertaken.

In terms of focus, Chapter Six represents the major empirical contribution, presenting the results of these three questionnaire surveys and a supplementary survey which was sent to housebuilders. The questions addressed to housebuilders sought to ascertain the degree to which housebuilding companies would allow data they collect for sales and marketing research to be used by local authorities to gain an insight into the housing market. The other questionnaires investigated two issues;

- Primarily they ascertained the methods by which county councils, the sample metropolitan authorities, and districts in the East Midlands monitored housing markets, and the degree to which these organisations found certain data sets useful as a means of monitoring housing markets.
- In addition, questions were formulated which would seek to highlight the degree to which integrated housing strategies were prepared and the extent to which certain important non-government participants (i.e. housebuilders, estate agents etc.) were regularly consulted with regard to housing markets.

The responses to the questionnaires were analysed and the results are presented in over 40 tables in Chapter Six. This chapter contributes to knowledge and extensively examines the third research objective, namely the manner in which housing markets are monitored.

Chapter Seven places the research objectives into the local context by examining the manner in which the two case study districts collaborate as a council, co-ordinate with housing providers and monitor the housing market. This chapter also illustrates the data that is available at very local levels in an attempt to highlight that a housing strategy can be based on a number of different sources of information.

Chapter Eight concludes the thesis with a discussion of the research findings, highlighting areas where future research could be justified. This final chapter re-appraises the study in the light of the research questions and areas that, with hindsight, may have been approached differently. A number of appendices are also contained in the study which illustrate methods and data that it was thought inappropriate to contain in the body of the text.

CHAPTER TWO

HOUSING SUPPLY AND THE HOUSING MARKET

Introduction

As the previous chapter indicated, housing supply and the housing market are complex, with housing supply being implemented largely by agencies outside the direct control of local authorities. It is difficult to provide a summary view of the housing market, but one possible approach may be of a lattice of different 'sub-areas' (such as tenure; house type; geographical location) linking with one another.

This chapter will illustrate where supply fits into the wider housing market and try to illustrate the fluidity of housing supply. In addition, it will show the extent to which the various agencies which supply housing interact to meet demand. If the research questions are kept in mind then this chapter will highlight why there is a need for integrated working and co-ordination between authorities and housing providers, by indicating how important private housbuilding companies are as suppliers of new homes. Chapter Three will develop these themes through an examination of housing demand and the relationship between the economic concepts of effective demand and housing need.

The Housing Market

Before an agency can successfully develop a housing market strategy, it must attempt to understand the concept of the housing market. A definition of markets found in many economic models is that of an "exchange process", with supply and demand reaching an equilibrium where price is determined (Maclennan, 1982; Harvey, 1993; Bramley, 1996). Applied to housing, this basic concept suggests that, as housing costs fall, more people should be able to afford homes, so demand increases. Yet this is simplistic in the extreme and, as with most economic models, requires the support of many assumptions which distance it from the real world. Needleman (1965) highlights the economic idiosyncrasies of the housing market and the degree of association between different markets with the result that the housing markets "price" is determined by more than a simple supply and demand equation. In recent years researchers (Bramley et. al., 1995) have presented a number of economic models which have attempted to reconcile housing and land supply with economic theory.

The housing market is unusual in three respects. Firstly, the degree of fragmentation should be noted, with the housing market existing as a collection of various submarkets, disaggregated in terms of tenure, house type and geographical location (these will be looked at in more detail below). Secondly, not only is the housing market disaggregated, it is a market in which the good is locationally fixed i.e. once constructed it can only be sold in that geographical location, so that it cannot be placed on different markets, depending on conditions. The third, and perhaps in economic terms the most unusual factor, is the degree to which prices are determined by sales of existing properties. In essence, the establishment of value in residential property is through comparison, i.e. the market price/rent of similar properties. Due in part to the comparison valuation methodology, coupled with the small number of new properties entering the market, new supply is largely priced by comparison with existing properties. For example, in the early 1990s, new building added less than 1% to the housing stock each year (Malpass and Murie, 1994) and in 1988 of all building society advances, only 9.6% were for new properties. This proportion has remained similar in recent years with the figure in 1993 being 10.6% (CML/BSA, 1994, Table 5). This small rise in recent years may be due to the fact that existing homeowners have not been as active in the market.

There are a number of analytical divisions which separate the "overall" housing market (i.e. that which encompasses all housing) into distinct smaller markets. At the margins, the distinction becomes blurred, but generally the submarkets are autonomous (Black and Stafford, 1988). These submarkets may be disaggregated in terms of:

- House Type

House type is a loose term, used in this context to define the categorisation of dwellings in terms of "building form". Houses are available in a number of different forms, ranging from small Victorian terraces to modern executive homes. Widely accepted definitions are those used by the Department of the Environment (DoE, 1991b, DoE 1993a);

Detached House
Semi-detached House
Terrace House
Flat or Maisonette
Bungalow

All of these categorisations may be further separated through the addition of the age of the dwelling and the size of the property. Maclennan (Maclennan, 1982) developed the notion of defining housing submarkets in terms of how would-be households' search patterns effectively filter housing opportunities, taking into account acceptable tenures, types and locations, whilst discounting those which are unacceptable. Every household consists of one or more individuals, with slightly differing preferences. Therefore, submarkets evolving from search patterns can only be an amalgamation of similar household preferences. Prior to beginning a search for a house, would-be householders will establish parameters of house types that will be of interest e.g. a large garden for children; a flat for easy maintenance, etc. The result is that the housing market is once again subdivided into submarkets, which are quasi-autonomous.

- Housing Tenure

The markets for different housing tenures tend to contain different types of household, income groups, etc. Households on the margin of each tenure will consider "neighbouring" tenures, if the relative costs, benefits and choices are both comparable and available. The market for different tenures is therefore complex, with demand for one tenure depending, to some extent, on the availability of other tenures

(Murie et al, 1976). For example, a household which may view a rented house from a local authority as an acceptable tenure may find themselves examining other tenures, due to the fact that local authority homes are unavailable. This unavailability could be due (amongst other factors) to a lack of supply, exacerbated by an allocation system which "rations" those units that remain, favouring households which meet certain criteria. It has been argued that the use of tenure as a label is little more than a consumption definition, only illustrating the terms on which households occupy their homes whilst neglecting to show how homes are supplied and the financial situation of the households (Malpass and Murie, 1994). This may be true, yet it does allow the different patterns of housing search to be defined in broad terms, highlighting a method of sub-market delineation.

- Location

Similar house types are often found in similar areas, with the result that, in some respects geography is the practical reflection of both tenure and type delineation. As housing is fixed in one location geography is an important, some would say crucial, criterion for delineating housing markets. Much discussion has taken place regarding the extent to which housing may be divided into a number of small geographical submarkets (Ball and Kirwan, 1977; Munro, 1986; Maclennan et al, 1987; Bramley et al, 1995; Wylie, 1994) and this will be discussed in more detail later in this chapter. These geographical differences exist because of the fixed nature of housing which presents households with different geographical choices. Survey work carried out by the author has found that 58% of county council planning departments took some notice of the geographical make-up of housing markets, when determining housing policies[Ψ]. For instance, since the 1970s, Nottingham County Council (NCC) has employed labour markets, as demonstrated by travel-to-work areas (Coombes, 1995), to reflect housing market areas. As a result, instead of preparing housing allocations for eight districts, the County Planners have prepared the allocations for five "sub-areas", referring to the travel-to-work areas of the eight districts. The net result is that a District's housing allocation consists of a collection of travel-to-work areas. For example, the South Nottingham sub-area comprises all or part of six districts (NCC, 1994). Such attempts at reflecting the actual housing market has been suggested by the DoE (DoE, 1991c).

One would suggest that fully developed housing strategies will provide a useful function 'portioning' housing supply into these different parts of the housing market. The data gathering and co-ordinating role of the housing strategy examined in this research would logically allow for a better understanding of how the demand for housing can be better met by more 'focused' supply.

Although, to a degree, such market definitions exist in all tenures, the nature of the present housing supply system is such that it is the most economically-secure owner-occupiers (and to a lesser extent those considering private renting) who can effectively realise their aspirations as regards house type and

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[Ψ] In the summer of 1994 the author carried out a questionnaire survey of all the County Councils in England and Wales, to ascertain the extent to which housing market indicators are utilised. Of the 47 delivered, 43 were returned (a response rate of 91%) One of the questions concerned the definition of market areas. This is discussed more fully in Chapter Six.

location. In the case of social housing for need there is greater 'demand' than supply, illustrated by the fact that local authority housing waiting lists far out-number the available supply of housing units. In addition the supply of units is often disproportionately made up of the less attractive stock, including the so called "difficult-to-let estates". The choices available to households requiring social housing is therefore limited to what the housing providers can offer. These three possible ways of viewing housing markets, namely in terms of house tenure, house type and geographical location are purely illustrative. They are descriptive of the way individual householders search patterns may create a means by which the UK housing stock becomes delineated and fragmented into various markets. Yet a housing market that is currently viewed as falling within one type of definition may not always remain so. Over time, the housing in one geographical area can be included in a different housing market either through tenure change (owner occupation to private renting; local authority renting to owner occupation) or through redevelopment and a change of house types. This geographical definition of a housing market is important and it is worth expanding on this theme.

Geographical Definitions of Housing Markets and the Relationship to Local Housing Strategies

In Scotland research has been conducted for a number of years examining the manner in which a housing market can be defined. For instance Maclennan, examining the Glasgow housing market, suggests that sub-markets exist, both in terms of housing categories and geographical locations, confounding the argument that the housing market represents a competitive equilibrium model (Maclennan, Munro and Wood, 1987). Earlier statistical modelling work on the same city by the same research centre had come to the conclusion that population characteristics, income and employment groupings of households are the most important factor in determining sub-markets. (Munro, 1986). This work appears to suggest that simplistic definitions of a geographical housing market will at best only partly be reliable, and are more likely to be unhelpful. This is an issue for housing strategy formulation, as strategies will have to be based upon geographical local authority boundaries. Wylie's work on the Scottish housing market was highly critical of Strathclyde Regional Council's definitions of housing market areas as being purely arbitrary, a conclusion she shares with Maclennan (Maclennan et al 1987; Wylie, 1994).

Although much of this Scottish work would appear to be critical of the concept of defining geographically housing markets and housing strategies, other research has been supportive. For instance Scottish Homes have published a best practice guide for their local offices, determining housing needs and producing a strategy for achieving these in terms of local housing markets. The 'Best Practice Guide' defines a Housing Market Area as;

> "*...a relatively self contained (independent) area.*" (Scottish Homes, 1993, p.20)

Scottish Homes recommend their district offices to identify this self contained area through an analysis of migration patterns and commuting flows. The data for commuting flows is obtained from the Department of Employment's travel-to-work areas or alternatively the local labour market areas developed at Newcastle University (Champion and Green, 1975 and 1987; Champion and Brunsdon, 1988). A definition of a housing market could therefore follow the Scottish Homes Best Practice Guide, and be based upon travel to work areas.

As highlighted in Chapter One, the case study areas represent different definitions of travel-to-work area and these are shown in Figures 7.1 and 7.2, below. Mansfield has its own travel-to-work areas (Nottinghamshire County Council, Employment Bulletin 6/96) whilst Ashby forms part of a travel-to-work areas based upon a settlement, Burton on Trent, not only in a different District but also in a different region (Leicestershire County Council, Unemployment Bulletin, May 1996). This indicates that even if we use travel-to-work areas, problems remain, in so far as these definitions still do not respect local authority administrative boundaries. However simply due to the fact that the data is available, travel-to-work areas may be employed in the formulation of housing strategies as a means of establishing the commuting flow component of a housing market. This would allow the strategy to be prepared reflecting the fact that the housing that is provided within one local authority boundary may well be utilised by individuals commuting and being employed in other local authority areas (see later chapters which discuss this issue with reference to the case studies).

Table 2.1 Housebuilding Completions in the United Kingdom: 1980-1994 ***(Number in brackets refer to percentage of total completions)***

Year	Private Sector	Housing Associations	Public Sector	Total Completions
1980	131,974 (*54.5*)	21,422 (*8.9*)	88,590 (*36.6*)	241,986
1981	118,579 (*57.4*)	19,420 (*9.4*)	68,567 (*33.2*)	206,566
1982	129,022 (*70.5*)	13,532 (*7.4*)	40,309 (*22.0*)	182,863
1983	153,038 (*73.2*)	16,777 (*8.0*)	39,218 (*18.8*)	209,033
1984	165,606 (*75.1*)	17,308 (*7.8*)	37,647 (*17.1*)	220,561
1985	163,470 (*78.7*)	13,734 (*6.6*)	30,452 (*14.7*)	207,656
1986	177,647 (*82.2*)	13,068 (*6.1*)	25,417 (*11.8*)	216,132
1987	191,187 (*84.5*)	13,117 (*5.8*)	21,853 (*9.7*)	226,157
1988	206,996 (*85.6*)	13,479 (*5.6*)	21,456 (*8.9*)	241,931
1989	187,504 (*84.7*)	14,598 (*6.6*)	19,323 (*8.7*)	221,425
1990	165,197 (*82.5*)	17,221 (*8.6*)	17,854 (*8.9*)	200,272
1991	156,859 (*83.2*)	20,500 (*10.9*)	11,225 (*5.9*)	188,584
1992	145,877 (*82.3*)	25,652 (*14.5*)	5,696 (*3.2*)	177,225
1993	146,235 *(79.3)*	34,782 *(18.8)*	3,349 *(1.8)*	184,366
1994	151,493 *(80.1)*	34,820 *(18.4)*	2,814 *(1.5)*	189,127

Source: Table 6.1 of *Housing and Construction Statistics 1980-1990 and 1982-1992* and Table 1.2 of *Housing and Construction Statistics December Quarter 1995. Part 1,* DoE, HMSO.

Housing Supply

As can be seen in Table 2.1, the largest supplier of housing in the UK is the private sector. Although the proportion of homes supplied by the private sector has generally increased throughout the 1980s, the actual number of units has fluctuated, in response to differing levels of demand. Gillen (1994b) divides the 1980s and 1990s housing production, i.e. both starts and completions, into six separate phases which can be seen in Table 2.2. Since the early 1980s, owner-occupation has been promoted by political and economic policies which, when coupled to a decline in alternative tenures (Muellbauer 1990; Maclennan, Gibb and More, 1993; Malpass and Murie 1994), has meant that housebuilders have found increasing demand, in general terms, for their product.

Table 2.2 Housing Production Trends

Phase	Length	Location	Characteristic Trend
1	21 months	Q1 1981 - Q3 1982	Steady rising starts and completions with a fall and recovery in the middle of the phase.
2	21 months	Q3 1982 - Q2 1984	Moderate rise for both production series with a fall and recovery again in the middle of the phase.
3	18 months	Q2 1984 - Q1 1986	Slight fall during phase.
4	27 months	Q1 1986 - Q2 1988	Steep rise for starts and steady rise for completions but again rises and falls for both series during the phase.
5	32 months	Q2 1988 - Q1 1991	Steep fall associated with housing market collapse.
6	29 months	Q1 1991 - Q3 1993	Unstable period over phase, with fluctuating fortunes for both series as the market looks set to recover but falls back again continually

Source: Gillen, 1994b, Table 1

The speculative housebuilder 'gambles' that conditions prevalent at site conception will remain the same, or become more favourable (for the seller) in the period between conception and completion. Clearly, this can backfire if the conditions envisaged do not materialise. This has been the case recently with supply outstripping demand and many housebuilders have found themselves owning expensive sites which cannot be developed in the short term due to the fact that the land was purchased on the assumption of a rising market. Other housebuilders have found themselves constructing units to be placed on a market which is rapidly contracting.

One of the demand indicators mentioned in a later chapter concerns the use of the time between start and completion. Monk, commenting on the average time between start and completion of a dwelling in the 1980s, indicated that it took around 6-18 months. Malpass and Murie, examining the situation in the early 1990s, stated that the time period was between 15-20 months (Monk, 1991; Malpass and Murie 1994). This data would appear to indicate a fall in market demand as the time from start to completion has increased. This concurs with what has occurred in the market, suggesting time between start and completion may be a useful indicator of housing supply and, by implication, housebuilders perceptions of demand (see below).

Throughout the 1980s, controls on all forms of public spending, in particular local authority spending, has resulted in a reduction in public sector housing provision (see Table 2.1). An examination of the housing and construction statistics clearly demonstrate that, throughout the decade, in the order of 30% of social housing provision has been for special needs, the elderly, the sick and the disabled (DoE, 1993c), i.e. those groups that the private sector do not specifically cater for. This has meant that only two-thirds of the units provided have been for general needs housing, reducing even further new social housing of the units provided have been for general needs housing, reducing even further new social housing provision for households in which the main constraint is the inability to compete for housing effectively in the private sector.

Government policy has allowed many social housing tenants to purchase their home at a discount, the discount being greater the longer the individual has been a tenant. Throughout the 1980s it would appear that supply to the owner occupied sector was significantly increased by the inclusion of "right-to-buys", with the result that the increase in this tenure has been due (in part) to tenure shifts, rather than just new production. It is estimated that 80% of the growth in homeownership between 1981-1991 was attributable to council house sales so that by 1991 9% of owner occupied stock was former council houses (Forest, et. al., 1995). The success of these "right-to-buy" policies has removed from the tenure the most attractive dwellings and the most affluent tenants. As Holmans states;

> "*...sales to local authority sitting tenants were primarily to households with heads in full-time paid employment, whose characteristics resembled those of other owner occupiers much more than those of households that remained tenants*" (Holmans, 1995, p.49)

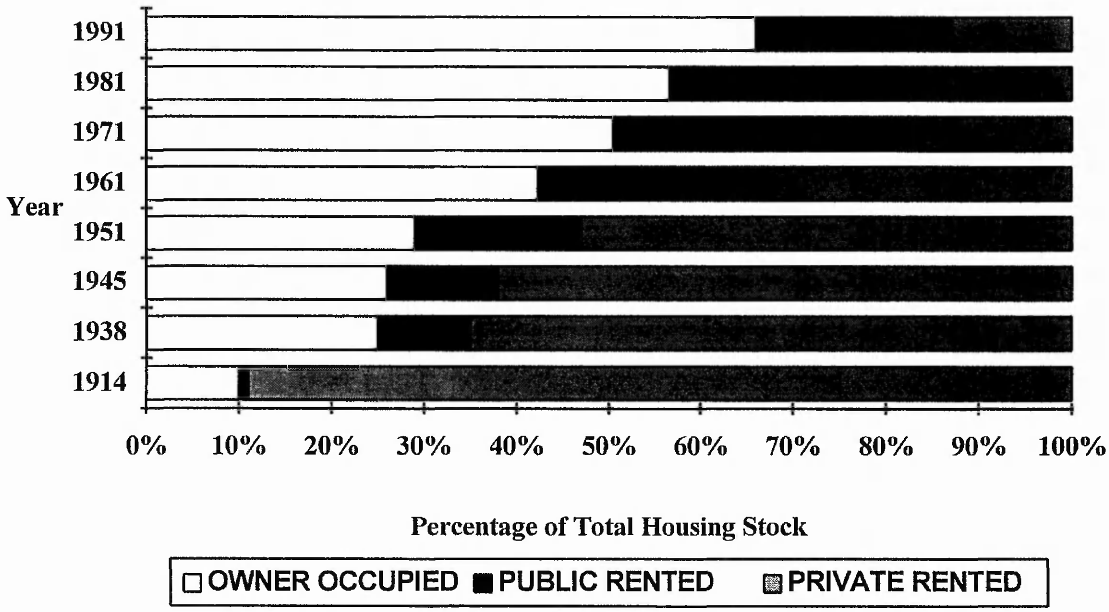
The "attrition" from such widespread tenure transfer and the lack of new general needs housing construction has in effect residualised the tenure (Morris and Winn, 1990; Forest, et al, 1990; Malpass, 1990). As can be seen in Table 2.1, the actual contribution to new supply from public sector construction has fallen to below 4% (in the early 1980's, the public sector were providing between 70-80% of all new social housing). To a significant degree, this shortfall has been compensated for by the re-emergence of housing association provision. Combining both housing association and public sector completion's indicates that social housing new-build has remained at around 15% of all completions since 1986.

Other commentators (Dunmore, 1992) reflect that there is a growing move towards subsidising the end user through the benefit system, rather than a subsidy for unit construction or the tenure as a whole. This problem has been discussed extensively in a number of studies e.g. Hills (1991). The problem would appear to be worst for those households who are earning too much to qualify for benefits but are earning too little to meet housing costs effortlessly.

Another source of housing for rent is from the private sector, renting homes for profit. This subsection was once the largest of the housing providers, but is now responsible for a very small proportion (see Figure 2.1). This decline has been due to a variety of factors, ranging from legislation and political expediency to alternative investment opportunities (Hamnett and Randolph, 1988). Private building of homes for rent has been minimal over recent years (Kearns and Maclennan, 1991) and as a result new supply of homes to this tenure is rather unusual, founded on properties transferring from other sections of the housing market. Interestingly, over recent years the number and proportion of privately rented properties has increased. In 1988, 9.2% (2,072,000) of the housing stock was privately rented, by 1992 this had increased to 9.7% (2,258,000). This increase could be due to incentives (Crook, et al., 1991;

Merrett, 1992), yet it may be more likely to be a result of stagnation in owner occupied housing (Crook, et al., 1995). Households may have found themselves becoming landlords, as they find their properties difficult to sell. It could be argued that the number of privately rented properties is actually greater than appears in the published data. This might arise from the way mortgage lenders increase repayments when a mortgage is granted on a home which is being let, as well as additional administration costs, and there is, therefore, an argument that a substantial amount of "informal" renting might be taking place. There is a case for research to be undertaken investigating the importance of this "informal" rented sector.

Figure 2.1 Changes in Tenure Patterns Great Britain



Source; Forrest, et al (1990), Table 3.1, and Table 1, *"Housing Finance"*, No 22.

As can be seen in Table 2.1 the supply of new housing association dwellings has been gradually increasing since the mid 1980s, both in real terms and in terms of the proportion of all housing supplied. A problem exists in that many of these units have been purchased from private speculative housebuilders. There may, therefore, be a degree of double counting. This rather unusual "run off" effect is discussed in more detail below. Table 2.1 illustrates how dominant the private sector is as a housing supplier. Even during the recent property slump, this form of housing provision has been responsible for around 80% of all new housing.

Pipeline Model of Housing Supply

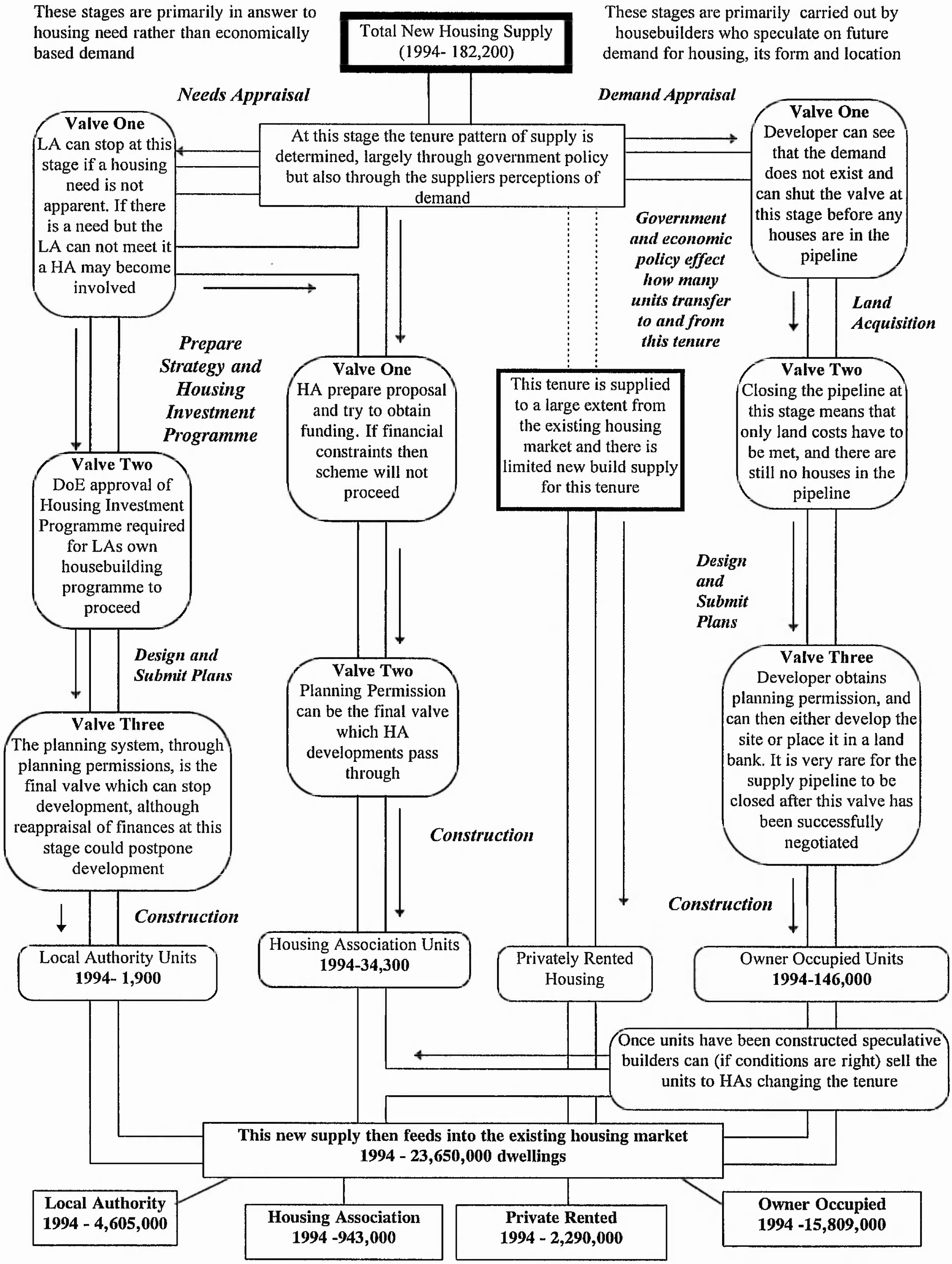
The pipeline analogy, a notion predominantly envisaged as a description of land availability (Hooper, 1985; DoE, 1993b) can be seen as a useful representation of the supply of housing to the market. A model using this analogy is shown in Figure 2.2. The aggregate (all tenure) level of housing supply is represented in Figure 2.2 by a large "header tank". This is then separated into different "pipes" satisfying different demands or needs. The volume of housing flowing along each "pipe" alters primarily as a result of government policy, but will also be affected by the way the providers perceive demand (see below). Changes by government in both their economic and housing policy, will result in changes in the pipeline which has to accommodate the greatest volume of housing. The degree to which there has been economic and political influence upon specific pipelines has been discussed in detail, with debates highlighting the various subsidies that home ownership has received compared to other housing tenures (Pearce and Wilcox, 1991; Hills, 1991; Foster, 1993).

As the model demonstrates, the flow can be checked at various stages, but if it is not then housing production will have to flow from the end of the pipeline as residential units. To illustrate this, examine the owner occupied pipeline in Figure 2.2. If the housebuilder, after an initial appraisal, believes a market does not exist, then the valve can be closed at this first stage. The work carried out to appraise sites does not require any formal commitment, only expenditure of resources, a cost which is averaged out and met by the overall profits from units constructed and sold. The next stage is the first where financial commitment in an actual or legal sense will have occurred, through the acquisition of land. This varies from holding the land on option (the situation where the housebuilder pays the landowner some form of premium for an assurance that the land will not be sold to another developer) through to outright ownership. Even if the land is bought it can be "moth-balled" (Smyth, 1982; Hooper, 1994) or held back by closing the next "valve".

The final valve is controlled by a third party, the planning authority, and concerns the gaining of planning permission. Once the housing supply has passed this final "valve" there is only one economic outcome for the builders and that is production and sale. Any other option would be impractical, as the builder will be left with the costs incurred to reach this stage. As can be seen, at the very end of this pipeline, the unit can be purchased by an organisation (a housing association for instance), or even an individual who perceives an opportunity to rent the unit. In recent years, particularly in 1992-93, there has been a flow from the private sector to housing associations. This is due to the fact that builders have found difficulty in selling completed units to private owner-occupiers during the recession, whilst the 1992 Autumn statement resulted in housing associations receiving a "one-off" cash injection of £750 million. This was a result of government policy seeking to stabilise the housing market whilst boosting the provision of social housing.

Comparing the figures from Table 2.1, with the diagrammatic representation in Figure 2.2, it becomes clear that the "pipeline" which has been responsible for most of the housing supply over the last twelve years is that of private housebuilding, the vast majority of which has been speculative building for owner occupation. Clearly local authority provision has been effectively curtailed at the second "control valve" (where funding, through Housing Investment Programmes (HIPs), has to be approved by the DoE).

Figure 2.2 Supply of Housing to the Market (Data from Housing Finance, 1996)



Housing supply is often divided into two parts: social, needs-based housing and that of demand-based speculative housing for owner occupation. As can be seen from the model, there is a point where speculative housing can be transferred into the housing association supply. It could be argued that this has only occurred recently because of the downturn in the housing market experienced in the late 1980s early 1990s, and the cash input which the Treasury gave to housing associations in the 1992 Autumn Statement. However, the need for an integrated strategy is already apparent, as this would facilitate the supply to the whole housing market, be it at a local, regional or national level, to be examined. Once the trends in supply can be discerned, it would be easier for policies to be developed which could direct the flow of housing units along one or more "pipelines", then into the housing types required.

Conclusion

This chapter has highlighted that a precise definition of a housing market is difficult to achieve, as the term can often be used interchangeably. 'Housing market' can be used to define a geographical area; it can be a term used to reflect all homes, regardless of tenure, or simply one specific tenure; the term could refer to the economic process through which homes are exchanged; all of these definitions may be seen as being the housing market. This chapter has also demonstrated that private housebuilding companies are the largest provider of new homes to meet estimated housing requirements. In addition to this discussion the pipeline model visually illustrated that far from housing supply being exclusively provided for one sector of the housing market there can be circumstances when homes are 'diverted' from one pipeline to another.

In terms of the research this chapter has served an important function. It has highlighted in more detail the need for greater co-ordination, in two respects in particular.

- This chapter has shown that housing production has little co-ordination, with houses being produced for different sectors of the housing market by different agencies. The discussion and the pipeline model indicated that there are avenues through which homes intended for one housing requirement, have in effect been supplied for another (for instance public homes and the Right to Buy). This clearly shows that there is a need for an examination of housing policy and the manner in which it can direct housing production, in the direction through which housing requirements are effectively met.
- It has indicated the dominance of private housebuilding companies in the production of new homes. This supports the need for greater co-ordination between the agencies of implementation (housebuilders) and the policy formulators (in this case the local authority).

Of all the practical definitions of a housing market, the one which this chapter has shown to be the most problematic for housing strategy formulation, is that of geography. It has become apparent that the geographical delineation of a housing market will have to be robust, as it cannot be taken for granted that a district boundary is also that of a housing market. However, as the housing strategy, as a document, is prepared by a local authority with a administrative boundary, false (in the practical sense) boundaries will have to be utilised. However, this is not to say that the local authority has to examine the issue in this context. It has been shown from empirical work that many authorities already examine housing markets in terms of a geographical delineation other than administrative boundaries. This is to be commended and one technique utilised in practice, that of travel to work areas as a means of determining a self contained housing market, will be employed for the case study areas later in this thesis. The next chapter will develop this contextual and background analysis through an examination of housing demand.

Chapter Three

Demand for Housing

Introduction

This chapter will focus upon one of the core themes that underpin the housing market, namely the concept of housing demand (housing supply was examined in Chapter Two). This discussion is important for this research as it is the manner in which housing demand is monitored and assessed by local authorities that will underpin much of the formulation and development of local housing strategies. In terms of the research questions identified in Chapter One, this chapter will focus upon the manner in which the demand for housing, in a 'global' sense, can be seen to illustrate the need for a holistic view of the housing market. In practical terms, this will illustrate the need to co-operate with private housebuilding companies, as well as co-ordinate internally between the housing and planning department.

The definition of housing demand is often employed to examine a specific area of the housing market, and exactly which area is a question discussed in the following paragraph. In addition to the question of definitions of demand, this chapter will also examine the manner in which housing provision figures are determined by local authorities. It should be indicated that household forecasts and allocations will not be a significant part of this thesis, as it is felt that this area has been examined is sufficient detail elsewhere and to become involved in the quantitative arguments surrounding the formulation of national housing strategies may preclude the detailed examination of the qualitative issues that are more important for this piece of work. Finally, before commencing upon the substantive discussion, it is important to indicate that this chapter will examine data from the case study areas as well as employing the results of the empirical research work undertaken for this study.

Definitions

Although elsewhere in this research definitions are not given as 'stand alone' sections in the discussion, in the case of housing demand, and its meaning in terms of this thesis it was felt necessary to do so. The term 'housing demand' can often be enough to imply that a study will only examine homes provided by the open market, through speculative housebuilding or private sector renting. This is largely a result of the economic based view of supply and demand. This is compounded by the fact that traditional studies of the housing market have tended to divide discussion of demand for housing into two sub-areas:

- Effective housing demand, the homes required by households who have the ability to pay market price for housing. This demand is met by commercial housebuilding companies or other bodies making a profit from housing demand.
- The alternative is to examine housing need, which is met by social housing agencies or local government, as a social welfare objective.

One would argue that although evidence can be found to argue the economic viewpoint, and earlier discussion has indicated the complex fractured nature of the housing market in terms of this research, it can be misleading. For instance the precise point at which effective demand stops and need begins is difficult to determine, as there may be a significant area of uncertainty at these margins. This 'grey area' is sufficient justification for an examination of the housing market as a single entity. However, as this thesis examines the formulation of <u>integrated</u> housing strategies, which are seen as documents which reflect the whole housing market, it is appropriate to mirror this 'global' view in terms of the treatment of demand. Therefore in the context of this research 'global demand' will be seen to be the overall housing requirement, encompassing effective (economic) demand and subsidised housing need. It is appreciated that this approach, although necessary, may be seen to be rather unusual. Therefore it is necessary to examine this 'division' in housing requirements in rather more detail, simply to ensure that the reasoning behind the choice of 'global housing demand' is fully appreciated.

Demand and Need

The concept of housing demand/need should be viewed at two levels. At one level there is an all embracing "global housing provision", formulated by agencies such as the Department of the Environment (DoE), into a prediction of the number of households that will require housing in the future, regardless of their ability to pay. This is based upon population projections which are then employed within more specific population modelling methods to arrive at household projections. This forms a guide for both local and central government policy formulation. This concept is very different from that identified by authors such as Watson (et al) (1973), Bramley (1989) and van Zijl (1993a; 1993b), who have predominantly approached the issue from the social objective of defining households in need.

This alternative concept, that of housing need, is a means of identifying the number of households who will not have their housing requirements met by the private sector. It is this group of households that governments and the public sector are most concerned with. This concern is a result of the gradual evolution of the welfare state and the general acceptance that governments should at the very least provide a "safety net", creating a situation where successive governments have been responsible for housing certain households, through local authority housing. The Housing Services Advisory Group defined this social approach to need as including those households which;

> *"(a) lack and require separate (but not necessarily self contained) accommodation for their well being; and*
>
> *(b) live in accommodation which is not up to socially acceptable standards of*
>
> *i) Fitness*
>
> *ii)Availability of the five basic amenities*
>
> *iii) Space"*
>
> (Housing Services Advisory Group, 1977, p27)

This category of housing need currently refers to households which, primarily for economic reasons, find themselves unable to obtain housing offered by the market (Holmans, 1995). However, in its early years local authority housing (still the major supplier of housing for need) was not viewed in such a way. As Berry (1974) put it:

"*...local authorities should cater for general needs and not only for the poorest families.*" p.90

Local authority housing has historically been seen as a solution for households in the greatest <u>housing</u> need, not necessarily <u>economic</u> need. Yet, over recent years, local authority housing has gradually become residualised, with the result that it is now the tenure of the poorest households in society (Murie, 1983; Forest and Murie, 1983; Malpass, 1990).

Figure 3.1 Tenure Sectors In Which Global Overall Housing Demand is Met (GB)

Overall Housing Need = 100% (1994)			
Private Rented	Public Rented	HA Rented	Owner Occupation
9.7%	19.5 %	4.0%	66.9%

Source: Housing Finance, No. 29, Table 1, 1996 (Based on DoE data)

The definition of 'global housing demand' used in this thesis will add to the social view of housing need which would-be households which can effectively demand private sector housing for owner occupation, provided by either speculative housebuilders or the sale of properties by existing owner occupiers (i.e. the second hand market). The word "effective" used in conjunction with demand could be seen as the key difference between the "demand' for social housing and that for homes provided by the market. Effective demand has been defined as occurring when households not only require something, but have the economic resources to acquire it (Chiddick & Dobson, 1986; Chiddick, 1987; Field & MacGregor, 1987). As can be seen from Figure 3.1, above, the current housing needs of the majority of the population are met by owner occupation and the expectation is that the future needs of the population will continue to be met by this tenure (Forrest et al, 1995; Holmans, 1995; HoC, 1996). This assumption is sustained both by government policy, which continues to support owner occupation through tax incentives, and public opinion, with many households viewing owner occupation as their eventual housing destination (Saunders, 1990; Kleinman, 1991; Cairncross, 1992; Ford & Wilcox, 1992; Maclennan and Gibb, 1993c; Coles and Taylor, 1993; Forest and Murie, 1994, Clapham, 1996). It is the housing need of those who can demand effectively that is of interest to private housebuilders.

Estimating effective demand is an uncertain science. In the report to the House of Commons Environment Committee a number of expert witnesses indicated the methodology employed when estimating effective demand (HoC, 1996). The commonest technique is the 'net stock' approach. This method first estimates the net increase in household stocks based upon an analysis of the forecast number of households. From this base it assumes that demand from owner occupiers will develop in the future as it has in the past, whilst the remaining households are assumed to require social housing. Clearly this technique is uncertain and a number of assumptions have to be made, not least the fact that future levels of effective demand will reflect those that have occurred in the past. As it is so uncertain it would appear to benefit from improved information on local housing situations, a role that would be achieved through the development of housing strategies.

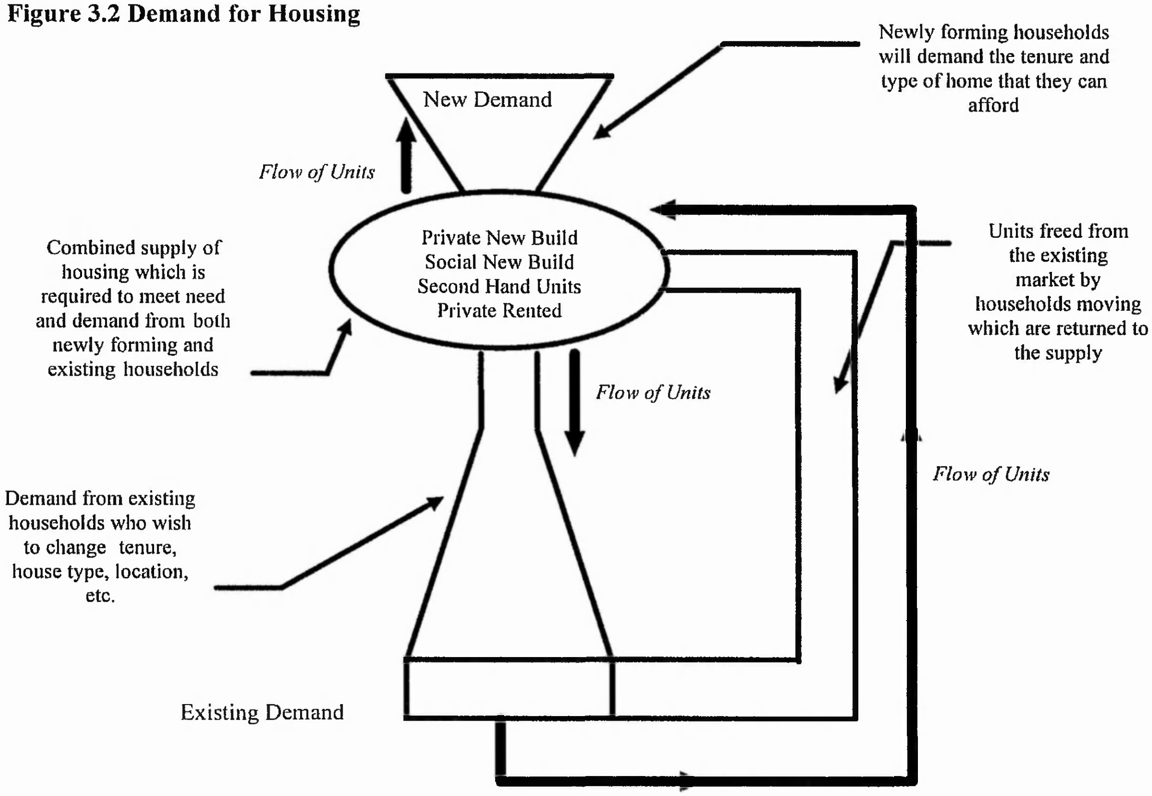
At a local level, if a would-be householder can purchase a dwelling at a current market price, then demand is effectively met. However, if an external factor were to raise the price, then householders who, in the past had sufficient income and assets to effectively demand housing, will no longer be able to do so. If Bramley's assertions regarding the openness of housing markets is correct (Bramley, 1993) this would then result in an increase in demand in alternative areas, where these displaced households may find that their demand becomes more effective. Similarly, if a local authority pursues constraint polices, whilst neighbouring areas do not, would-be householders in the constrained area may find that they cannot demand effectively. In the terminology of economists this "latent demand" will then create demand in neighbouring housing markets as households have to alter housing search patterns and examine other housing markets.

With regard to the monitoring of housing markets, this 'diversion' of demand can be problematic. As demand is forced away from its intended market area, becoming demand in another housing market, it will create complications for any methods employed by the local authority to monitor demand, as it will be illustrating a "second choice" location. It is extremely difficult to overcome this and it may be artificial to even try. If effective demand is what the indicators are attempting to measure, then any conclusions drawn from the data monitored will have to be based upon the conditions prevalent in the housing market at one particular period in time. Yet housing policy makers will have to realise the implications of changes in conditions, in this respect influencing the number of households effectively demanding housing. This would appear to be the case in rural areas in the late 1980s, when resident villagers found that within their housing market they could not afford housing on the open market, i.e. they are unable to effectively demand homes. Instead villagers would often have to find housing away from their friends, family and often jobs, their place in the local community being taken by second home owners, retiring households, or even commuters from the urban areas (Constable, 1987; Lee-Steere, 1989; Clark, 1990; Nicol, 1991).

This indistinctiveness is not confined to the margins between effective household demand and household need. Examining house type choice, for instance, illustrates similar lack of clarity. For instance, a household may be searching the market for a property with two bedrooms, yet if a three bedroom property is offered for the same price (it may, for example, require renovation) then the household will consider this as an option. This illustrates that on a personal level, housing demand is a series of compromises, with households evaluating the 'plus and minus' points of each property until a balance is achieved.

The argument that effective demand in one area could be seen as housing need in another, gives a clear indication that the margin between effective housing demand and housing need (in practical terms the border between tenures) is fluid and changes with time. This argument is just as appropriate for the differences between house types and the geographical view of housing markets. There is, therefore, a need for a cross-tenure strategy which attempts to marry households' residential ambitions with the various housing types and tenures on offer in the local housing market. This illustrates why housing strategies which comprehensively assess the housing situation, and are then employed to develop housing policies, are essential in the provision of an equitable and implementable housing supply.

Figure 3.2 Demand for Housing



Global Housing Demand in the UK

Throughout the 1980s, the regulator of demand (economic growth) has meant that owner occupation has been the favoured tenure. Demand has favoured owner occupation due to a mixture of economic circumstances (real wage rises, access to finance, etc.), favourable government policies and a growth in the number of households coupled with a lack of alternative housing tenures. Problems have only started to become apparent when one of the "valves" (described in Figure 2.2 above), that of economic control, has influenced demand away from owner occupation, whilst the government has still been promoting the tenure. Forrest and Leather estimate that, by the year 2006, home ownership levels nationally may reach

77% (Forrest and Leather, 1995). They realise that this assumption is not without substantial uncertainty, yet it illustrates that in the longer term owner occupied housing will continue to be the dominant tenure.

Figure 3.2 gives a representation of the demand for housing. It can be seen that both demand by newly forming households and demand from existing households who change house or tenure compete with each other for the available supply. The supply of new homes is boosted in this model by the recycling of second hand homes. This is particularly important in the private rented and owner occupied sectors, where household moves are dominated by transfers within the existing stock. In 1991, only 10.8% of mortgages were granted on newly built properties (DoE, 1993a, Tables 1.9, 1.10 & 1.11). This shows the dominance of the existing housing stock in the market. Although it has been suggested that current input from new home construction has increased (Stewart, 1994), available statistics do little to suggest this is having a major effect on the make-up of supply. The situation within the rented sector is even more marked, as limited new supply results in the existing stock monopolising the market. Take, for example, public housing: between 1st April 1991 and 31st March 1992, 399,419 units were available to let and it is estimated that, of this, only approximately 3% were new construction. (Author's analysis of unpublished Chartered Institute of Housing Data).

Figure 3.2 illustrates diagramatically the complex set of 'flows' that operate in the demand for housing. It is clear from this and Figure 2.2 that supply and demand in the housing market consists of a number of different 'connections' and stages where choices on the part of buyers and sellers, households and housebuilders, can alter the manner in which the housing market operates. This is presented to indicate the need for housing strategies to be comprehensive, monitoring the housing market as a whole.

The Situation At The Tenure Margins

If it were simply a choice between public rented and owner occupation there would be a relatively straightforward tenure selection process largely determined by an ability to pay. However, between these two opposite extremes there are a number of different 'tenures', which complicate demand choices. Examining each of these in turn:

- Renting from a housing association. As the Conservative government has eroded the powers of local authorities, housing associations have become the providers of social housing on an unprecedented scale (see Table 3.2, below). But does this tenure add further choice to the housing market? There are two initial assumptions that could be made as to whether or not this is the case. Firstly as housing association provision has grown as local authorities has declined (see Table 2.1 above), an initial assumption would be that housing associations have supplanted, rather than supplemented, local authority supply.

  The alternative view is that increased housing association provision will add an alternative housing choice. If this view is to be supported one would expect housing associations to offer something different to households, than that available through the local authority stock. One possible method for determining if this is the case is to examine whether the households occupying housing association homes are different from those who occupy local authority homes. In economic terms, if this were to be the case one would expect the more wealthy households to be housing association tenants whilst the less affluent would rent from the local authorities 'residualised stock' (Morris and Winn, 1990; Forest, et al, 1990; Malpass, 1990). Kleinman (1991) argues that housing association growth is dependent on private finance which results in higher rents, increased risks and a drift up-market from traditional groups. However this does not appear to be the case. As can be seen in Table 3.1, below, the average income of housing association tenants is lower than that for those renting from the local authority. Often it is the case that local authorities support housing association developments in return for some nomination rights, i.e. to house people on the waiting list, which may result in housing associations letting to the statutory homeless households from the local authorities own list, possibly some of the poorest households in society, and the rents are supported by housing benefit.

Table 3.1 Average Income of Head of Household By Tenure (£'s per week)

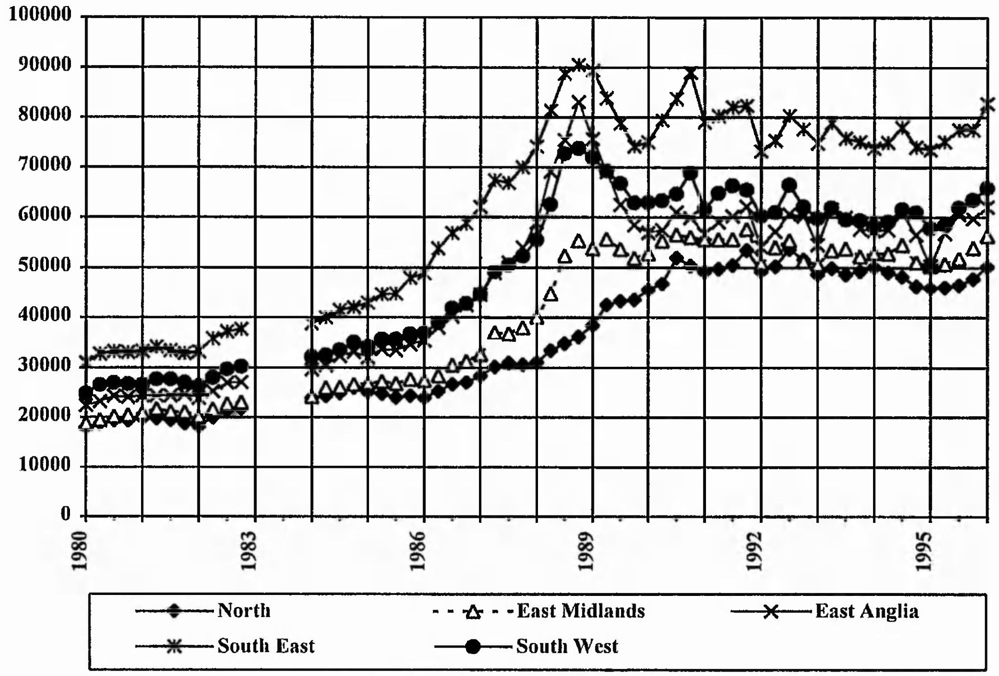
	Owners		Tenants			
	Outright	With Mortgage	Local Authority	Housing Association	Private: Unfurnished	Private: Furnished
1992	194	320	110	102	149	170

Source: Wilcox, 1994, Table 28, pg. 133

Thus far the 1990s have seen social housing rents rise faster than average earnings, with the result that there has been an increase in housing benefit payments to tenants to help pay for these higher rents (Page, 1993; Wilcox, 1994). This can be seen in the case study area of the East Midlands, where one housing association (East Midlands Housing Association) has 60% of its tenants qualifying for housing benefit. It would appear that, far from providing a housing service at the margins between Local Authority renting and other tenures, housing association renting has simply supplanted the local authority sector. Yet, up until 1987, housing association provision was not at a sufficiently high level to act as a substitute for the decline in social housing provision (Kleinman and Roberts, 1991).

- Shared Ownership. This is probably the only truly "hybrid" tenure, in-so-far as it contains attributes of both owner occupation and rental housing. Introduced by the 1980 Housing Act, shared ownership occurs when the purchaser buys a share of a dwelling (between 25-75%), renting the remainder. Usually this is from a housing association, although this does not have to be the case. Householders often have the option to "staircase" the level of ownership, until they own the property outright. In some cases the tenancy agreement precludes such stair-casing, or sets a limit on the share of the property that can be purchased. Such a "cap" on stair-casing is an attempt to ensure that the property remains, to some extent, within the social housing sector (NFHA, 1991). The fact that householders can purchase different percentages of a properties equity, means that this tenure is one of the most flexible. Housing associations currently manage 60,000 shared ownership units in the UK, and output has grown by over 250% since 1989 (Randolph, 1995).

Figure 3.3 House Prices in Selected Regions



Source: Halifax Building Society (The data for 1983 is unavailable)

A household considering shared ownership will have to be prepared to purchase a minimum of 25% of the property, and therefore certain households will be precluded from access to this 'hybrid' tenure. One would anticipate that households with incomes that are either uncertain or low may find difficulty in obtaining a mortgage to support the purchase of even a 25% share. Due to the fact that house prices differ regionally (see Figure 3.3, above), one would anticipate that the economic attributes of households entering shared ownership may differ throughout the country. If the assumption were made that incomes for households on the margins of shared ownership were broadly similar throughout the UK, one would anticipate that, in regions with lower house prices, households would be able to purchase a greater percentage of equity than in the more expensive regions.

Shared ownership would therefore benefit marginal households to different degrees, dependent upon the area of the country in which they are based. Generally the household types who benefit from shared ownership are those in the;

> "*Middle market of social housing...the wide range of households who can afford more than a fully subsidised rent but cannot afford full owner occupation.*" (NFHA,1991, p.2.1)

This tenure, therefore, crosses the margins of renting and owner occupation and, whilst housing association renting appears to simply mirror the social renting function of local authorities, this tenure does increase choice in this "middle market". Not only can shared ownership be seen as meeting a "gap" in the housing market, it also fits well between the objectives of the political parties, which should ensure that it will continue to grow if there is a change in government. Randolph (1995) suggests the tenure has yet to attain a 'critical mass' where demand can become self perpetuating. He argues that the tenure should not only be publicised more, but further research should be conducted regarding the way households move in and out of shared ownership and the affects of stair-casing to 100% ownership. This later detail is a particular issue that concerns rural planning authorities, which see shared ownership housing as being a means of providing low cost home ownership, and often use "exceptions" policies to provide this housing. If rural planning authorities do allow shared ownership housing as an "exception", then they are entitled to limit "stair-casing" to 80% of ownership (DoE, 1991e; DoE, 1992a).

The provision of new rented housing through the social sector will primarily meet the needs of the weakest households (economically), although marginal households' demands can be met by the "hybrid" tenures, such as shared ownership. The major factor operating in both these markets is that they are, to all intents and purposes, "closed", so that households have to fulfil certain eligibility criteria before a local authority or housing association will consider housing them. Private renting is a tenure which acts as a "buffer", housing both some of the poorest households in society whilst also providing homes for those seen as being relatively affluent individuals. Although it is an important tenure in the way that it caters for persons and households moving from location to location, supporting labour mobility, in terms of new production it is relatively insignificant. As will be highlighted later, an increase in the demand for privately rented homes is most often met by properties which transfer from the owner occupied housing market.

- Private Renting. After years of decline efforts have been made to revive this sector of the housing market (the Business Expansion Scheme for instance (Merrett, 1992)). These have had a limited degree of success increasing the number of privately rented homes from 2,064,000 in 1989 to 2,294,000 in 1994, but the tenure has remained, relatively small (see Table 3.2, below). There is a plausible argument that an informal and unofficial private rented sector exists, formed from homeowners who have, for one reason or another, found themselves with two homes. This could be due to an individual working abroad who lets his/her home for 6 months or, more likely in the current situation, the property is let due to the fact that the owner cannot sell. As mortgage lenders attach an additional interest charge if a home is let, plus the fact that tax would have to be paid on any rent received, many "landlords" may not admit to letting properties so the scale of such a market is very difficult to establish, and further work is necessary in this area. It could be argued that if this is the case this sector will diminish if the housing market recovers, as this would allow individuals to sell their properties (Wilcox, 1994).

Table 3.2 Breakdown of the Housing Stock (GB) ('000s)

	Owner occupied		Privately rented		Rented from HAs		Rented from LAs or new town corporations		All dwellings
1969	9063	49%	3877	21%		0%	5548	30%	18488
1970	9356	50%	3677	20%		0%	5698	30%	18731
1971	9612	51%	3578	19%		0%	5810	31%	19000
1972	9926	52%	3443	18%		0%	5854	30%	19223
1973	10212	50%	3318	16%		0%	6906	34%	20436
1974	10408	53%	3200	16%		0%	6029	31%	19637
1975	10610	53%	3076	15%		0%	6185	31%	19871
1976	10818	54%	2978	15%		0%	6322	31%	20118
1977	11026	54%	2894	14%		0%	6447	32%	20367
1978	11120	54%	2936	14%		0%	6487	32%	20543
1979	11348	55%	2870	14%		0%	6521	31%	20739
1980	11618	56%	2811	13%		0%	6499	31%	20928
1981	11898	56%	2337	11%	469	2%	6380	30%	21084
1982	12270	58%	2318	11%	483	2%	6180	29%	21251
1983	12604	59%	2304	11%	504	2%	6035	28%	21447
1984	12913	60%	2290	11%	525	2%	5924	27%	21652
1985	13223	61%	2258	10%	548	3%	5820	27%	21849
1986	13575	62%	2198	10%	565	3%	5723	26%	22061
1987	13962	63%	2134	10%	586	3%	5600	25%	22282
1988	14418	64%	2072	9%	614	3%	5412	24%	22516
1989	14826	65%	2064	9%	651	3%	5190	23%	22731
1990	15094	66%	2112	9%	706	3%	5015	22%	22927
1991	15267	66%	2218	10%	737	3%	4916	21%	23138
1992	15421	66%	2270	10%	801	3%	4811	21%	23303
1993	15605	66%	2289	10%	870	4%	4710	20%	23474
1994	15809	67%	2290	10%	944	4%	4605	19%	23650

Source: Housing and Data Statistics Division, DoE, Bristol; DoE, 1993a; CML/BSA,1996.

As can be seen from Table 3.2, owner occupation is the dominant tenure in the housing market. New supply is primarily provided by private speculative housebuilders and, as mentioned previously, even housing association provision often involves private speculative housebuilders, through the use of affordable housing 'quotas' (Barlow, Cocks and Parker, 1994). It is therefore crucial for a housing strategy to be aware of the housing market within which private housebuilders operate.

Population Projections and the Future Need for Housing at the National Level

If the research questions indicated in Chapter One are re-examined, it is clear that an examination of quantitative issues, such as population and household projections are not of central importance to this thesis, where the focus is directed towards qualitative issues and collaboration. This quantitative, numerical discussion has been the focus of other research (Guillou, 1990; Field and MacGregor, 1993; Holmans, 1995) and therefore this section will not examine this area in great detail. Yet it is necessary to examine the quantitative area, if only to place the research questions and the analysis of housing strategies in context of housing 'numbers'. The remainder of this chapter will focus upon population and housing forecasts, what could be described as the future 'demand' for housing. This discussion will commence with an examination of population projections at a national level before focusing upon the local case study areas of Mansfield and Ashby.

The most simple method for the determination of a "global housing need" is to carry out a form of residual analysis, subtracting from the estimated total of future households the actual number of current households. Leaving aside for a moment the difficulties in estimating households, this approach is still problematic. Although this method will highlight shortfalls it will clearly not demonstrate movements within the housing market. For instance, over any time period there are a number of units which become unfit, are demolished, or otherwise lost from the housing stock. Take, for instance, the work of Holmans. In his research he highlights the existence, in 1991, of a crude surplus of almost 600,000 dwellings (Holmans, 1995, p12). Yet from this there are always a number of units which are vacant, either due to continued adjustments in the housing market, or because they are second homes. To ensure that any housing needs model is sophisticated enough to be useful, factors such as these have to be reflected.

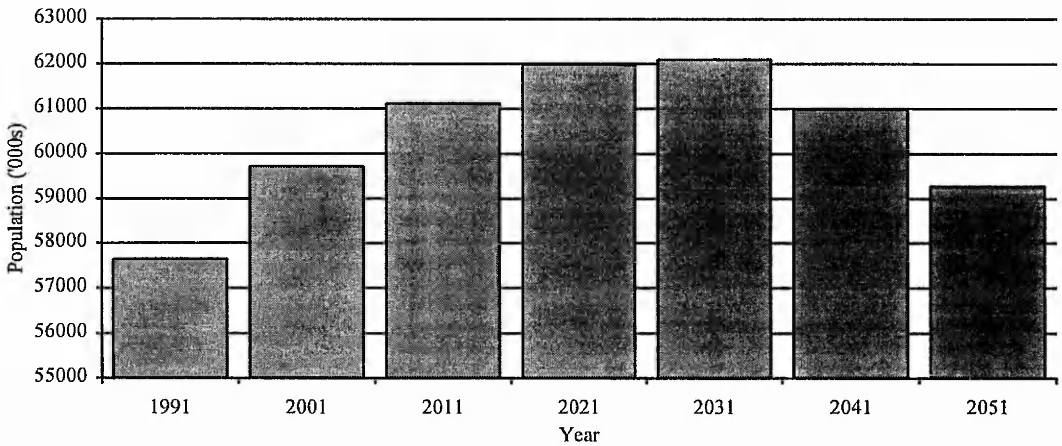
Population Projections

It is not enough to suggest that future population, the base for overall housing demand, is represented simply by existing population plus births minus deaths. There also has to be an opportunity to take account of both immigration and emigration. At a national level in the UK population, change is primarily a result of natural growth or decline (the balance of births versus deaths). The birth rate will give an indication of the household formation rates that will affect the household projections x years into the future. Although the actual age at which the population begins to form households and, in practical terms, when this will be apparent in the household forecasts is uncertain, the greatest uncertainty is seen to be in terms of migration assumptions. As can be seen in Figure 3.4, the population of the UK is forecast to remain 'relatively' stable over the next 60 years.

Migration is the greatest contributory factor to sub-national population growth patterns (Champion, 1993). As a result, much change in population is due to migration, and it is assumptions in this area which are responsible for the majority of forecast debates. Inter-regional differences in population growth are noticeable in the UK (King, 1993) and this tendency can even be seen at more local levels where enumeration districts reflect different levels of population growth, and therefore housing demand. One would suggest that a developed housing strategy which is based upon sound data and surveys may enable migration to be better monitored (see later chapters on the monitoring methods).

Figure 3.4 indicates population projections for the UK up until 2051. It should be borne in mind that the longer the timescale for projections, the more uncertain they become. Since projections are published regularly by both central government agencies and independent forecasting units (every 2-5 years appears to be the norm) the longer term projections can be continually monitored and updated. Yet it is the short term projections, the most useful for policy makers and indicating the likely movements and pressures in housing markets, that have to be robust. These projections can already be in place and working through development plans by the time re-assessment is carried out.

Figure 3.4 Population Projections for the United Kingdom



Source: OPCS, 1993, National Population Projections: 1991 Based

Looking at the shorter-term in more detail, the OPCS have projected the UKs population for every individual year of the 1990s. Although this does not give the household data required for a determination of 'global' housing demand, it does suggest that there will be around 3% more people living in the UK in 2001.

Household Projections

From the base population data, it is necessary to adapt the statistics to form household forecasts, the data that will indicate the degree of future 'global' household demand. According to the Office of Population Census & Surveys/General Register Office for Scotland (1992), a household is either,

> *"a/ One person living alone; or*
>
> *b/ A group of people (who may or may not be related) living, or staying temporarily at the same address, with common housekeeping"* (OPCS/GRO (S), 1992, p.10.)

The Environment Committee stated that a household can be either a person living alone or a group of individuals who share housekeeping arrangements or a living room (HoC, 1996). Although these definitions are clearly intended to enumerate the types of households in existence in 1990s Britain, they still suffer from problems identified in the 1960s. Equations of actual household numbers still neglect to fully reflect the concept of potential households, i.e. persons living as part of a household, who would wish to form their own household. The definitions used currently for household projections only reflect concealed married couples and concealed lone parents (DoE, 1991a), and this limited definition of concealed demand suggests a need for 110,000 homes (Holmans, 1995). The Environment Committee, calling for the continued publication of regular household projections, recommended that the government should carefully examine areas such as household formation factors with a possibility of the projections becoming more responsive to the way households form (HoC, 1996). In the response to the Environment Committee, the Government stated that it intends to publish a discussion document examining household estimates (DoE, 1996).

The latest set of household projections (DoE, 1995a) differ significantly from those prepared in 1991 (DoE, 1991a). This difference can be seen in Table 3.3 (below). The latest set of forecasts have been examined by the Environment Committee of the House of Commons (HoC, 1996) and the consensus is that, if they are inaccurate, it will be through an underestimation rather than overestimation. In the Government's response to the Select Committee's report it was stressed that it (the Government) was fully committed to improving the underlying data and projection methodologies (DoE, 1996). In the 1996 report (HoC, 1996), it was suggested that there will be a further 4.4 million households in England by 2016. Yet this is simply one set of projections and may offer only one possible direction for future household growth. As Shaw (1993) states;

> *"Perhaps the only thing that can be said with confidence about this or any other set of population projections is that they will turn out to be wrong!"* p.50

Tilling highlights why there are considerable differences in household projections, mainly deriving from the methodology employed by forecasters (Tilling, 1994).

Table 3.3 Household Projections

Forecaster	Period	Demand Per Annum
Audit Commission (1992) *Developing Local Authority Housing Strategies*	1991-2001	169,400-200,800 (England)
DoE (1991a) *Household Projections 1989 Based*	1991-2001	156,700 (England)
DoE (1995a) *Household Projections 1992 Based*	1991-2001	183,100 (England)
DoE (1993a) *Housing and Construction Statistics*	1991-2001	147,700 (England)
PHRG (Chelmer Model) Unpublished	1991-2001	182,836 (England and Wales)
Holmans (1995) Owner Occupied Households	1991-2001	145,100 (England)
All Households	1991-2001	183,100 (England)

Of the forecasts highlighted in Table 3.3 Holmans' figures are the only set which attempts to differentiate between demand for all housing (i.e. the global demand) and effective demand. The Environment Select

Committee examined the issue from the perspective of housing need, and heard detailed submissions from a number of agencies, many containing different estimates of housing need (HoC, 1996). In their response to The Environment Select Committee, the Government indicated that it was attempting (in conjunction with Cambridge University) to develop an improved housing model (DoE, 1996). Updated estimates of housing need will be published once this model has become operational. The uncertainty of this whole area gives further justification for the adoption of a housing strategy which integrates the 'global' demand with all forms of housing supply. One would argue that if this were done at the local level, and regular monitoring were to be carried out, there would be a more responsive housing supply, altering to reflect changing levels of effective demand and housing need.

Household Forecasts at the Local Level

The household projections which develop into policy at a local or county level can often take a different approach. For instance they may be based on OPCS data, decennial census and mid-year population estimates, which are then adapted to account for a number of different variables. Table 3.4, below, highlights the responses to part of a questionnaire sent to a number of Local Authorities in 1994 (see Chapter Six).

Table 3.4 Do the Authority Use Household Forecasts/ Population Projections Prepared By;

	DoE (%)	OPCS (%)	Other (%)
County Councils	34.9	20.9	74.4
Metropolitan Authorities	40	68	52
East Midlands Authorities	15	30	70

As can be seen from this empirical survey, authorities use more than one source of data, either as base data for their own projection methods or as a comparison for the figures which they produce. It indicates that there is no established method upon which all housing allocation and land release policies are based. As no method is technically incorrect, different techniques result in different figures, providing support to both the pro-development and the conservationist lobbies in the land availability debate (Planning 1993,1994a,1994b, 1994c,1995a, 1995b). It is outside the remit of this thesis to account for differences in the figures each method may produce and these questions are discussed more fully elsewhere (Guillou, 1990; Corner, 1994; Gillen, et al. 1995).

The preparation of structure plans may take a number of years to proceed through all the stages of preparation (see below), before becoming formally adopted. As population and household projections are produced regularly this may result in one set of projections being superseded by a more recent set whilst the plan is being compiled. Such uncertainty results in the structure planning authorities having to make choices. For instance the plan, or the parts of the plan that deal with housing, can be delayed to ensure that the most up to date projections are contained in the document. This occurred in Nottinghamshire, where the County Council requested the Chair of the Examination in Public to allow certain matters to be postponed to allow the then soon-to-be published 1992-based household projections to be included. Alternatively, the policy-makers can use the latest set of projections from policy conception, whilst being aware that there is a strong possibility that by the time the Plan becomes adopted a new set of projections may be available. This could result in the planning authority having to update the plan to take into account these new projections.

The major implication of this combination of different projections is that data can be found to support almost all views, from those of the Council for the Protection of Rural England to the House Builders Federation (Planning, 1995a). One argument is that, at this stage, the mathematical process, which has produced population and household projections, now encounters political decisions. As strategic planning authorities introduce the effect their own policies will have on the population projections at the local level, there is scope for the figures to be increased or decreased. When housing allocations are devolved to the districts (in the two tier authorities), the process becomes one where the sites that are allocated can become politically significant and the technical process can be hidden behind political choices. Justification for figures and low allocations are often based upon low build rates that have occurred in the past. Clearly this is a circular argument, with the statistics supporting the policies, which support the statistics. It would, therefore, appear that at the local level household allocations can be self-perpetuating. Yet is this the case? It can be seen, from Table 3.7, (below) that the implied build rates of structure plans in the East Midlands differ significantly from that experienced in past years.

Bramley, in his submission to the House of Commons Environment Committee suggested that one way of producing better forecasts would be to introduce methods which reflect changes in the economic factors of households (HoC, 1996). One would argue that this type of technique should be viewed as more than a means of placing development where employment is. It should also be a means of determining the type and tenure of the housing provided, i.e. estimating the demand for housing. Examining the data which may allow such detailed demand estimates to be made is a central part of this thesis and will be discussed in subsequent chapters, yet at this stage it is worthwhile highlighting one of the areas investigated in the questionnaire.

Table 3.5 Economic Development Polices as an Indicator of Market Demand (%)

	Yes	No	No Answer
Counties	48.4	32.6	18.6
Metro-Authorities	24.0	68.0	8.0
E.Midland Districts	45.0	45.0	10.0

One of the questions addressed to the local authorities (see Chapter Six) examined the degree to which economic policies were seen as an indicator of market demand. (If economic growth were to be examined this should result in a situation where economic growth and the location of housing should be compatible). With sustainability and the debate about reducing car journeys and pollution, one would suggest that there should be strong links between employment and economic growth and housing locations. However, as can be seen in Table 3.5, there are a significant number of authorities which stated that economic development polices were not monitored as potential indicators of housing demand, indicating that economic development and housing policies may be contradicting one another. Why this may be occurring is discussed later in this chapter. One would have to accept that there may have been some confusion regarding the actual wording of the question and this may have caused some respondents to answer negatively (see Chapter Eight for a discussion of methodological problems).

However, one conclusion can already be made from the empirical research underlying this part of the thesis. Bramley's call for greater co-ordination between economic and housing policies in general may require considerable work before such an integrated approach is implemented. This assertion is due mainly to the fact that many authorities appear to do little in the way of integrating their own economic and housing policies. Examining the case study districts indicated that North West Leicestershire DC did not utilise economic development policies as indicators of potential housing demand, whilst Mansfield DC employed economic development policies as indicators of potential housing demand.

Housing Demand in the Case Study Areas[1]

The Regional Level

In 1991, the East Midlands Regional Planning Forum prepared a regional strategy providing a guide for the future of the region into the 21st century. This strategy was then submitted, as advice, to the East Midlands regional office of the DoE. In July 1993, the DoE published the consultation draft of the Regional Planning Guidance (RPG) which was finally produced in a complete format in March 1994, as RPG 8. The guidance has been criticised as being not so much a regional strategy as a;

> "*...shopping list of current proposals, pet projects and pious political expectations.*"
> (Gillingwater, 1992, p.423)

This is perhaps to be expected, given the way guidance formulation is strongly influenced by county councils (Coates, 1996). Yet, even if it does do little more than highlight current policies, formulating regional guidance does bring the various authorities together to 'knit' their own policies into one cross county strategy. If done successfully this should insure compatible policies are pursued. As the regions have no democratically derived powers, as county and district councils do, it would border on autocracy for the regional guidance to impose policies which run contrary to those which develop through public consultation and democratic processes. Currently, there are only two stages in the whole development plan system where there is an opportunity to place regional guidance under scrutiny. One is during the

[1] Figure 1.5, above presents a geographical context to the following discussion

consultation period of the draft regional guidance, whilst the other is after the policies have been placed in structure plans, allowing an opportunity to discuss them at the Examination in Public.

In terms of housing, RPG 8 gives annual figures for each county from 1991-2011. It is felt that, to meet the predicted demand, structure plans will annually have to make provision for 16,900 homes over the next twenty years. This is to be divided between the counties as shown in Table 3.6 below, which also highlights the structure plan figures that have been adopted. As can be seen in the Table, the structure plans tend to be at different stages of the adoption process. Leicestershire's plan was placed on deposit in November 1991 and was finally adopted in January 1994. All strategic plans have to undergo a formal consultation and publicity process, allowing all interested parties to become involved in the process (Cullingworth and Nadin, 1994). The consultation period is the democratic section of the adoption process allowing any individual to comment on the proposed policies. The number of respondents to a consultation period can be considerable. For instance Leicestershire, one of the case study counties, received around 1000 comments, whilst Nottinghamshire received in the region of 720. Before adoption, structure plans have to undergo an Examination In Public (EIP) which gives an opportunity for the proposed policies to be discussed and debated. In terms of this thesis, the consultation period and EIP allows the opportunity for different household forecasts and demand estimates to be examined.

Table 3.6 Comparison of Regional Guidance Figures and Structure Plan Figures

County	RPG Figure	Structure Plan Figure *(Year of Adoption or Publication in Brackets)*	Current situation in structure Plan 'Updates'
Derbyshire	3,250	3,446 (1990)	Public Consultation Period (May 1996)
Leicestershire	3,500	3,533 (1994)	Adopted (January 1994)
Lincolnshire	3,400	3,460 (1991)	Public Consultation Period Complete (May 1996)
Northamptonshire	3,500	3,466 (1992)	Discussion Document for New Structure Plan (January 1996)
Nottinghamshire	3,250	3,025 (1994)	Modification Stage Submitted to Committee (July 1996)

At the Leicestershire Structure Plan EIP, vociferous opposition to the County's housing allocation by the HBF led the Panel Chair to recommend a compromise figure of 57,500 new homes. This was 8,500 more than in the original submitted plan, but fell far short of the 63,500 home figure, suggested by the HBF. As can be seen in Table 3.7 below, Leicestershire chose not to adopt the panels recommendation, instead increasing the figure by 3,800 to 53,000 (Planning,1993a; 1994a).

The structure plans for Leicestershire and Nottinghamshire are the most current strategic plans in the region. Leicestershire has an adopted plan in operation whilst Nottinghamshire hopes to adopt its plan some time in the Autumn of 1996. An examination of specific housing markets in the region should bear this in mind, as focusing upon these two counties would allow an analysis of a housing market that is operating under a recently adopted set of policies. Although there is a case for an examination of housing markets where policy formulation and plan coverage may require a degree of updating, over time all the counties will have to follow the lead of Leicestershire and Nottinghamshire. Perhaps more important is the fact that Nottinghamshire and Leicestershire are counties where the 1989 and 1991 based household projections are not widely divergent, (at least for the life of the structure plan). This is not the case for counties such as Derbyshire where there is significant difference between the two sets of projections (DoE, 1991a; 1995a).

Table 3.7 Comparison of Structure Plan Provision and Build Rates

County	Leicestershire	Nottinghamshire	Lincolnshire	Northamptonshire	Derbyshire
Time Period	1991-2006	1991-2006	1988-2001	1988-2006	1987-2001
Housing Provision	53,000	48,100	51,900	62,400	51,700
Structure Plan Implied Annual Build Rate(Dwellings Per Annum)	3,533	3,206	3,992	3,467	3,446
Average Annual Private Build Rates (Completion's) 1985-1994	2,838	3,099	2,985	2,682	2,501
Average Annual Housing Association Build Rate 1990-93	484	473	278	162	395
Combined Average Annual Build Rate	3,322	3,572	3,263	2,844	2,896
% Change from Past Build Rate to Implied Build Rate	+6.4%	-15.4%	+22.3%	+22%	+19%

Source: Gillen, 1995, Table 5.8

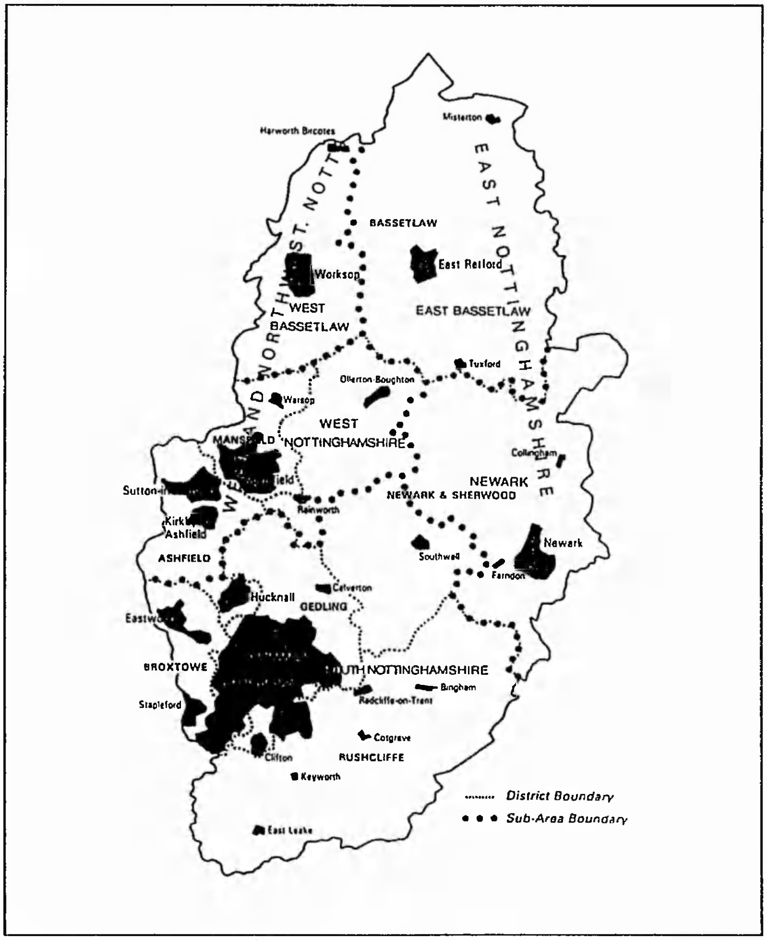
It could be argued that local authorities in the case study areas are employing housing development as part of a broad land use policy, which may be contrary to where economic growth and the market demand is occurring. In Leicestershire, for instance, the County inserted policies in the Structure Plan which requires housing land to be allocated:

> *"...within and adjoining settlements which offer a realistic choice of transport options"*
>
> (Leicestershire CC, 1994, Housing Policy 2, p.12)

This policy seeks to direct all developments along rail/bus corridors. Some districts and housebuilders opposed this policy on the grounds of flexibility, but it was generally accepted through the EIP process. This type of policy owes much of its acceptance to the question of 'sustainability', and at face value it would appear to echo Bramley's economic-based housing demand projections, as one would envisage new employment occurring close to transport links, therefore supporting the household growth. However, in North West Leicestershire this argument appears to collapse. The transport choice corridor in this district is based upon the proposed Ivanhoe Rail Link from Burton, through Ashby to Loughborough. However the districts links with the West Midlands (A42/M42), the Toyota factory in South Derbyshire and, perhaps more importantly, the East Midland airport do not appear to have been reflected in this transport choice corridor. Take, for example, East Midlands Airport. The District Council sought to locate additional development at Castle Donnington, in an attempt to balance housing and employment in the north east of the district. The County was not strongly against such a plan, although it was seen to be outside a transport choice corridor. What halted this proposal was a mixture of local opposition and the proximity of the airport itself.

In Mansfield DC, industrial restructuring has left the area with a considerable amount of derelict land (205ha) of which 61ha has been affected by mining (Mansfield Regeneration Partnership, 1994). The District Council propose to concentrate development in the Mansfield and Mansfield Woodhouse area, using development as a means of encouraging urban regeneration and the redevelopment of derelict and unused land. This policy has been supported by the District's successful Single Regeneration Bid (SRB) for the Mansfield Woodhouse area. One would suggest that this may not be the type of economic-based housing demand estimation that Bramley envisaged (HoC, 1996). Yet such housing policies do appear to suggest that housing demand will be occurring in areas where the Council's other policies will also support development. Both the situation in Mansfield and North West Leicestershire indicate the additional complications that ensure housing policy can not simply encourage housing supply to be directed towards areas of demand.

Figure 3.5 Sub Areas of Nottinghamshire



Source: NCC, 1994b, Figure 3.1

It has been demonstrated in the proceeding sections that estimates of global housing demand at the national, and county level can be uncertain. Looking at both the case study districts in more detail does little to contradict these views.

Mansfield

Nottinghamshire County Council apply policies to "sub-areas" rather than districts, partly a response to the artificiality of administrative boundaries. This divides the county into five sub-areas (see Figure 3.5, above), and Mansfield is included in the West Nottinghamshire sub area, along with parts of the neighbouring Districts of Ashfield and Newark and Sherwood. Table 3.8 illustrates the County's population projections for each of the sub areas. This system is largely based on the population model that the County Council employ, which divides the county into 15 "projection zones", which can be collated to form either the five sub areas; the eight districts; or the area of greater Nottingham. Each of the 15 "projection zones" is based upon whole wards which;

> *"...allows the use of the wealth of information collected at ward level. Therefore, for example, the production of local fertility and mortality correction rates, which use ward birth and death information was possible. In addition, future population estimates can be directly related to projection zones"* (NCC, 1994b, paragraph 3.36)

Table 3.8 Structure Plan Population Projections

Sub-Area	1991	2006	2011	Change 1991-2011	Change %
South Nott	646,700	665,900	666,000	19,300	3.0
West Nott	**217,500**	**226,300**	**228,300**	**10,800**	**5.0**
West Bassetlaw	59,400	63,000	64,200	4,800	8.1
East Bassetlaw	45,900	47,700	48,100	2,200	4.8
Newark	50,700	54,800	56,600	5,900	11.6
County	1,020,200	1,057,500	1,063,300	43,100	4.2

Source: Table 1.1 NCC Structure Plan Deposit Draft, April 1994a

The previous Structure Plan, which had a base date of April 1988 and was approved in 1991, provided for 45,300 new dwellings between 1988-2001 in the whole of the County. For the same period, Mansfield had an allocation of 4,700 units. It should be noted that the current (summer 1996) Deposit Draft Local Plan actually runs from 1988-2003 so that the figure the District use contains an additional 720 dwellings for these extra 2 years. These figures were based upon high migration assumptions, a feature which is not the case in the latest Structure Plan. When preparing its Local Plan, the District Council accepted the earlier Structure Plan's migration assumptions and believed Mansfield's population would rise to just over 104,000 by 1996 (Mansfield DC, 1994, pg. 11). However, interviews with officers at Mansfield highlighted that the council is of the opinion (summer 1995) that this level of migration may now be too optimistic, a view in line with the lower migration assumptions of the current Structure Plan. This illustrates, once again the uncertainty created by migration figures.

The current strategic housing allocation has been rolled forward and is based upon a different timescale than the figures in the Draft Local Plan. In Mansfield, in the 15 years between 1991 and 2006, the County perceive a demand for around 4,500 dwellings, and a further 1,400 between 2006 and 2011 (Nottinghamshire CC, 1994). It is apparent from an examination of the Mansfield Consultative Draft Local Plan that this figure falls short of that which the District Council allocated (4,700 units between 1988-2001, with an additional 720 dwellings for the extra two years of the Local Plan to 2003, giving a total of 5,420 dwellings, paragraph 6.3.5).

The actual figure that the District have suggested in their Local Plan is neither 5,420, 4,700 nor 4,500, but is in fact 4,000 (Policy H2). This discrepancy is due to the fact that the Structure Plan and Local Plan periods are not the same (the Local Plan is based upon the housing allocations of the earlier Structure Plan) and a number of units had been completed between the Local Plan base date (1988) and its publication date, and therefore have to be discounted from the future allocation.

It can be seen from the Mansfield situation that the development plan system is far removed from its ideal of being a flow model with RPG providing the Structure Planning authorities with regional guidance, and the Structure Plan providing strategic direction for the Local Plan. Instead, a situation has arisen where a mis-match of different time based policy documents suggest different levels of housing demand for the same area. Although problematic, this is to be expected as it indicates how different authorities and tiers of local government have reacted to local circumstances and/ or government guidance.

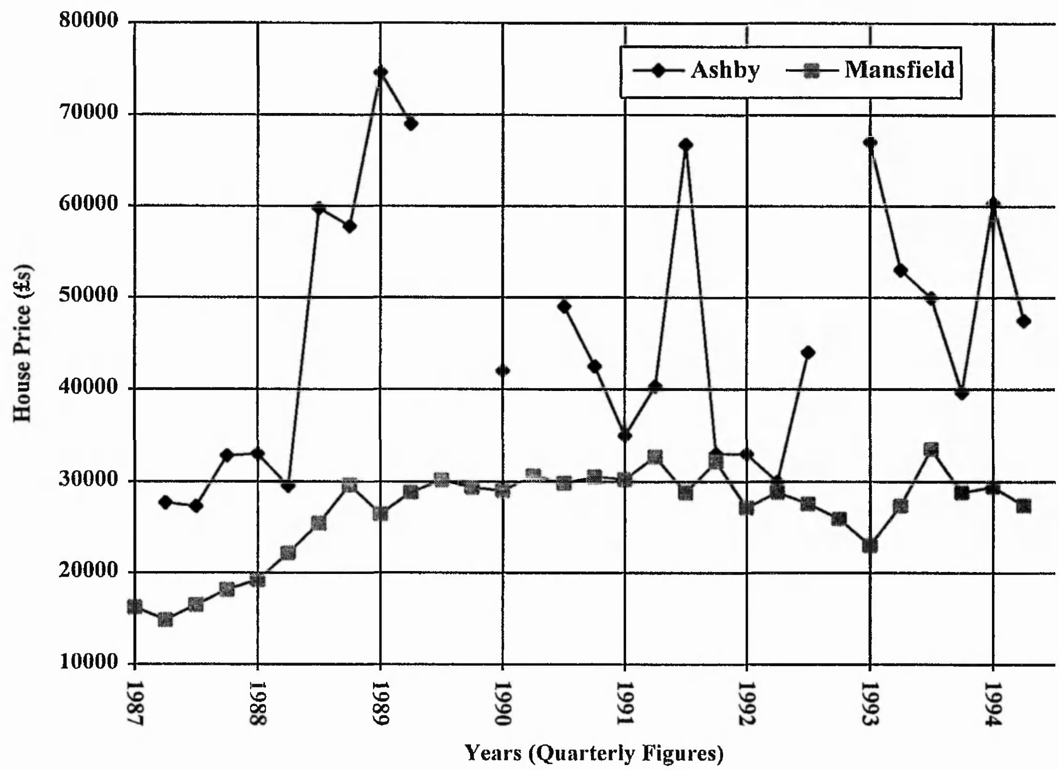
A main housing objective of the Mansfield Local Plan, is stated in paragraph 6.4.6;

> *"Provide a range of housing sites where people will want to live and housebuilders will want to build".*

Clearly there is a need for the Council to be aware of the housing needs and demands of the population, in an attempt to achieve these objectives. The way the District monitors the housing market and implements its housing policies is therefore important. The District Council prepares annual land availability studies to monitor the trends in the development of housing land. The latest study has been able to employ computer technology using a data base which has monitored the progression of each site. The planning department hope to supplement this system through the introduction of geographical information systems, to allow a locational element to be employed. It would appear that there is scope for computers to be used to log and monitor a number of different data sets, producing summaries, which may prove useful for both the officers and the councillors. The type of data that may be employed is examined in Chapters Five and Six.

Mansfield District Council envisage most of the dwellings being built by the private sector, and there is no policy directly concerned with blanket affordable housing "quotas" in the district. The type of site allocated in the plan, coupled with the low house prices that already exist in the District (see Figure 3.6, below), would possibly result in starter or family homes, at the less expensive end of the market being provided. This should ensure that, for a great number of households, open market housing is affordable and their housing choices can be met by the open market.

Figure 3.6 Terraced House Prices. Comparison of the Two Case Study Areas



Source: Halifax Building Society Data (Missing data is due to insufficient sample size)

The Local Plan comes closest to discussing the issue of private speculative development directly meeting housing needs in Policy H13, which encourages dialogue between the authority and the development agencies as a means of establishing affordable housing. This course of action would be pursued in areas where there is a "demonstrable" lack of affordable housing. The Local Plan highlights the means by which a situation such as this could be highlighted, through referring to the housing waiting list in addition to more detailed local appraisals, such as housing needs surveys. However, there is a major difference between dialogue and actual implementation, and it is arguable whether or not dialogue will result in housing for need being produced, particularly when housing is being employed for urban regeneration purposes, as this may create a situation where housebuilders profits are already limited through land reclamation, landscaping and more difficult marketing.

Ashby (North West Leicestershire)

In the summer of 1995, Leicestershire was the only county in the East Midlands with a formally adopted Structure Plan, adopted in January 1994. In practical terms, as the County has an adopted Structure Plan, it is in a powerful position regarding the strategy of its neighbours, as it can appear at the Examinations in Public (EIP) of counties such as Nottinghamshire or Derbyshire and argue that the plan under consideration will cause the adopted policies in Leicestershire to be under strain. This has already occurred at the EIP for Nottinghamshire's Structure Plan, where Leicestershire argued that the allocation for Rushcliffe was too small, which would place pressure on the north Leicestershire districts.

Table 3.9 Comparisons of Housing Figures for Leicestershire

Agency	Suggested Housing Allocation
Housebuilders Federation	65,000
Panel Chairman	57,000
Regional Planning Guidance	52,500
Leicestershire's Adopted Figure	53,000

Source; Planning 21/01/94 "Landmark or black mark for self-approval regime?"

The Leicestershire Structure Plan was one of the first to be self-approved, under provisions introduced by the 1991 Planning and Compensation Act. The Government's intention, when self-certification was introduced was that the process would fit into a hierarchical structure of planning strategy, where regional planning guidance would form the basis in which it would be accepted. However, because Leicestershire adopted its Plan before the guidance was published in its final form, this did not occur. The net result of this is that the adopted figure falls below that advocated by the House Builder's Federation (not particularly surprising), the EIP panel's report (formerly this would have been more likely to have been the figure adopted) and the Regional Guidance itself. The comparisons can be seen in Table 3.9 above.

Table 3.10 Forecast Population in North West Leicestershire

Year	1986	1991	1996	2001	2006
Number	78,900	81,000	83,600	87,700	90,400

Source: NW Leicestershire DC, 1993, Draft Local Plan, Paragraph 7.12

The population forecasts prepared by Leicestershire County Council project a growth for the District of 15% over the Plan period, and this can be seen in Table 3.10 above. This is due to characteristics that are widespread throughout the country, namely an increase in single person households. An analysis of the 1991 census illustrates that the early figures (i.e. 1991) have proved to be exceptionally accurate as the actual number counted in the census was 80,566. This discrepancy may be explained by the Census' possible under-counting (Tilling, 1995). It would be expected that the longer-term figures may be less reliable, but these will be monitored and updated by amended review Structure Plans.

Although the County now possess an adopted Structure Plan (summer 1996), when NW Leicestershire formulated the Local Plan an earlier replacement Structure Plan was in force. When the Council prepared the Plan, the District provided for 6,900 units for a twenty year period between 1986-2006, equating to approximately 345 units per annum. The adopted Structure Plan allocates 5,800 units for a fifteen year period, approximately 380 units per annum. This would appear to be a reasonably accurate allocation, given the fact that dwelling completion's over the last three years or so have been around about 300-400 (DoE, 1994b).

In discussion with the County Council, it transpired that the figure for demand in the County was derived from an essentially technical methodology, using the Chelmer Model. However, a number of different methods were employed to provide additional information on the levels of demand and need in the County. After consideration of a number of factors, including environmental constraints, employment growth and an estate agent survey, the County then decided upon the size of the District allocations. This would suggest that the County had employed economic policies as a means of establishing where housing allocations would be located, even though NW Leicestershire District Council had not.

The estate agent survey was carried out in 1988, when the first stages of Structure Plan preparation were embarked upon. It was an exercise in collecting data on house prices, which supplemented a survey of house prices in newspapers which was carried out three years earlier. Although welcome in so far as this illustrates the county attempting to monitor the housing market, there are limitations. Firstly there are technical problems with the data collected in such a survey (see Chapters Five and Six). Perhaps more importantly is the fact that the survey was conducted in 1988. Although one appreciates that the plan was being prepared at this time, the differences in the conditions in the housing market between 1988 and even 1990 are dramatic. Figures 3.3 and 3.5 in this chapter indicate how house prices have fallen over the last eight years, whilst the discussion in Chapter One highlights other data indicating a housing market collapse.

Conclusion

The preceding discussion has attempted to clarify the concept of demand that underlies the housing market, through a discussion of population and household projections at the national level, prior to examining the situation in the East Midlands. This chapter, alongside the previous chapters, has highlighted a number of themes which it is worthwhile re-emphasising in this conclusion.

This discussion in this chapter examined the difference between effective demand and housing need highlighting that they can and, in terms of integrated housing strategies, should, be combined to provide an overall 'global' housing demand. Over recent years, housing demand has largely been met by the private sector with new social housing provision being relatively limited. Currently, owner occupation remains the tenure supported by government and the 'ideal' tenure of the majority of the population. For this demand to become effective, and allow access to owner occupation it is necessary for households to have sufficient capital and income to purchase a home. Since income is important for this tenure, one would expect income levels to be monitored, to estimate the levels of households that will require owner occupation or social housing need. This is an area that will be examined further in later chapters. Yet demand can not be easily categorised in terms of effective demand and housing need, and the situation at the margins of these definitions is rather complex. This was illustrated through an examination of 'hybrid' tenures such as shared ownership. What this indicates is that there is a need for housing strategies to integrate the departments in a local authority responsible for land release for private development (the planning department) and provision of social housing (the housing department). Further integration with agencies outside the local authority is necessary given that housing is largely provided by private housebuilders or housing associations. To summarise, this indicates a need for integration of the different 'players' in the housing market, to ensure demand is being met.

This chapter has introduced the results of the empirical surveys and the data collected from the case study areas of the East Midlands as a region and the two identified housing markets as they form part of the wider district. This analysis and discussion is contained in what may be seen to be a review based chapter as its treatment here supports the development of the thesis in a more logical manner. The survey work that has been introduced here has indicated that in terms of housing forecasts many authorities use sources of data other than those readily published by the DoE or OPCS. This may indicate that the debate on housing numbers at a holistic level is further complicated, when these 'independent' population and household projections are incorporated into the discussion. Although interesting in so far as it gives an indication of the basis for forecasts, it is only an indication. This question was not central to the thesis and therefore one would suggest that this area requires more research.

The examination of household projections in this chapter has indicated there is a need for research into a number of areas of this quantitative based discipline. Such research is currently gathering momentum most likely as a result of the House of Commons Select Committee (HoC, 1996). The rest of this research will attempt to support this debate, not through additional work on the numerical process, instead the focus will be upon the methods by which housing strategies can be better formulated through monitoring housing markets, working corporately as a local authority and co-ordinating with housing providers. Practically this means that whilst Chapters Two and Three have examined the background to this research, subsequent chapters will focus far more directly upon the research objectives.

CHAPTER FOUR

THE DEVELOPMENT OF LOCAL AUTHORITY HOUSING STRATEGIES AND JOINT HOUSING STUDIES

Introduction

Earlier chapters have shown that the 'housing market' is both a complex concept, and in practical terms separated into a number of "sub types": tenure, type of dwelling, type of household, etc. (Murie, Niner and Watson, 1976; Birchall, 1992; Malpass and Murie, 1994). Within the housing market, this complexity is associated with the different agencies which make provision for different client groups, and where different economic and housing policies affect different sectors of the housing market in different ways. The housing supply model in Chapter Two illustrates these differences in terms of housing supply, and it is the means by which the "pipelines" described in that chapter can be used to implement a housing strategy that is a central focus of this thesis.

For a housing strategy to achieve its objectives, a degree of consensus between local authority departments and providers of all types of housing is necessary. The aim of this chapter is to discuss the three main linkages that are crucial to a local authority housing strategy, namely:

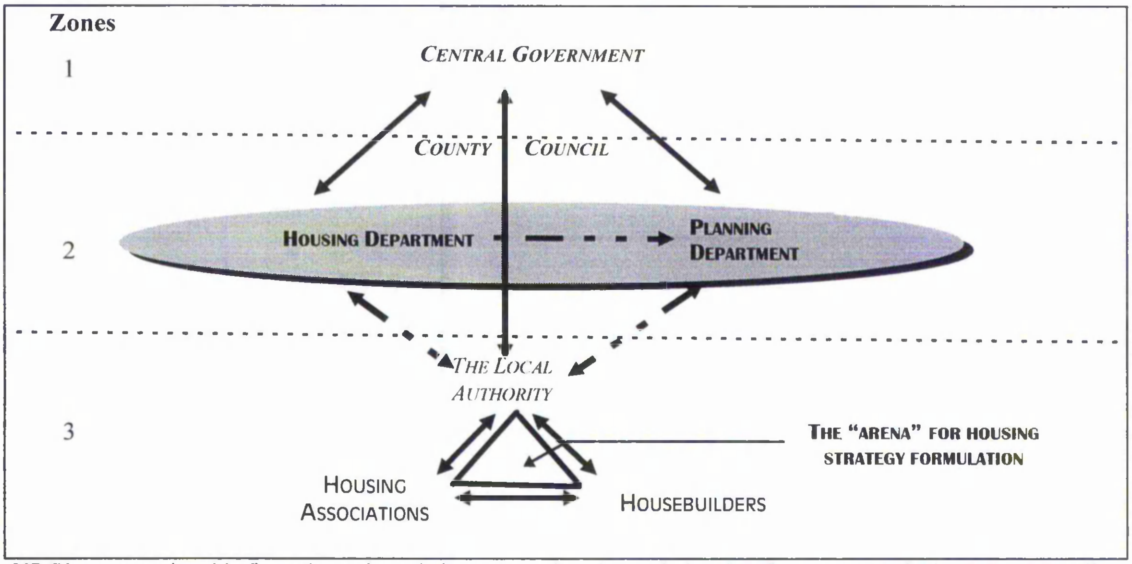
- The link between central and local government in terms of housing policy (i.e., the means by which national policy is translated into local housing solutions).
- The link between local authority housing and planning departments (i.e. the manner in which the two functions that are most directly concerned with housing compliment and support one another).
- The link between housing producers and the planning authorities (i.e., the relationship between the housing policy makers and policy implementers).

Each of these areas will be examined in turn, to illustrate the way in which linkages between these important participants in the housing market have evolved. As with the previous chapter, the results of primary empirical research will be included in the following analysis, supplementing the review data that is also contained within this chapter.

Figure 4.1, below, visualises housing strategy formulation as three 'zones' which connect vertically, whilst within these zones there are horizontal links. The main difference between a horizontal and vertical link is that the agencies linked horizontally could be seen as being equal "partners", all having a role to play, and none being totally dependent on the other. The vertical linkages are altogether different. In this case they are based on hierarchy. Central government, through legislation, circulars, guidance, etc. influence local government policy, but what is perhaps more important is financial control, which can be used to direct local government policy. In Figure 4.1 this is illustrated by the fact that there is a hierarchical link between Central Government, then the County Council and finally the Local Authority (represented by the ellipse in the Figure). There are hierarchical links between the local authority as a whole but there are also links between the two departments primarily concerned with housing strategy formulation (namely planning and housing).

The grey ellipse in the centre of the Figure (Zone 2) illustrates local authorities and the manner in which the departments within such authorities interact and co-ordinate policy development. It should be noted that the county council are outside this ellipse and are in the hierarchical structure. County councils are included in zone 2 due to the fact that the household projections and structure plan land allocations, income profiles and economic forecasts will have to be considered not only by the planning department (in determining land release policies) but also by the housing department (in estimating future levels of housing for low income groups). In the case of metropolitan authorities, the role played by the county council in the figure, will be taken by the councils own "strategic" planning section (i.e., the officers who prepare part one of the Unitary Development Plan). As this occurs within the council (i.e., within the grey ellipse) one would expect greater co-ordination and interdepartmental working. It can be seen that both housing and planning departments are directed and controlled by central government and the degree to which this control is exerted may differ between the different departments. In addition the local authority as a whole is part of this hierarchy of control.

Figure 4.1 The Connections in Housing Strategy Formulation



NB Please note that this figure is not intended to suggest housing and planning departments exist in county councils.

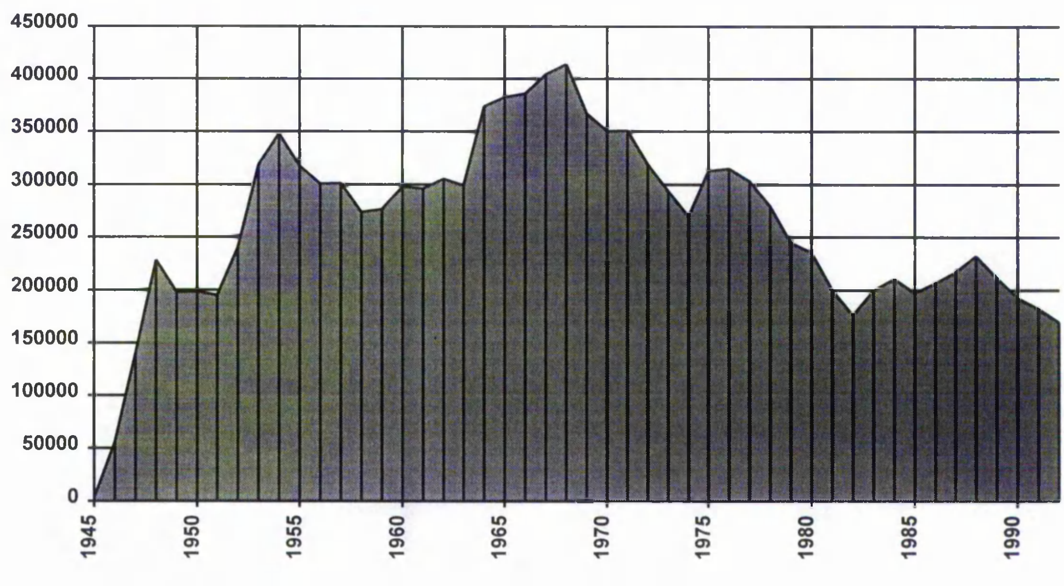
Zone 3 is where the enabling authority will have to discuss with the implementing agencies how the housing strategy will reach fruition. In the context of this thesis, zone 3 is the most important, as it is the arena in which links between all participants in housing production, at a local level, will have a chance to discuss and exchange views and information. It is arguable whether the local authority is an "equal partner", as it retains the ability, within limits, to withhold planning permission, placing it in a position of power over the other agencies in zone 3. However, all the partners in zone 3 have some element of influence over the others, a view that will have to be put to one side whilst strategy is being discussed.

This diagram is simplistic, for instance the inclusion of county councils does not reflect unitary authorities, where such a level of government does not exist. However one would suggest it does illustrate the manner in which a housing strategy connects to a number of different agencies and governmental tiers. As such an illustration it is useful as a 'guide' for this chapter which will discuss a number of these connections in more detail.

Central and Local Government Relationships

It is important to place into perspective the current relationship between Local and Central Government. To successfully achieve this aim it is necessary to examine the historical context of such a relationship. This could go as far back as the establishment of the Royal Commission on Housing of the Working Classes in 1884, and the Housing of the Working Classes Act in 1890, arguing that this indicated the first governments "housing policy". Alternatively the development of municipal housing (through legislation such as the Housing and Town Planning Act 1919 (The Addison Act), and the subsequent Housing Acts of the 1920s, could be seen as an appropriate start date (Merrett, 1979; 1982). However for this research the end of the Second World War offers a more appropriate introduction to Central Local Government relationships.

Figure 4.2 Total Housebuilding Completions: Great Britain (1945-1992)



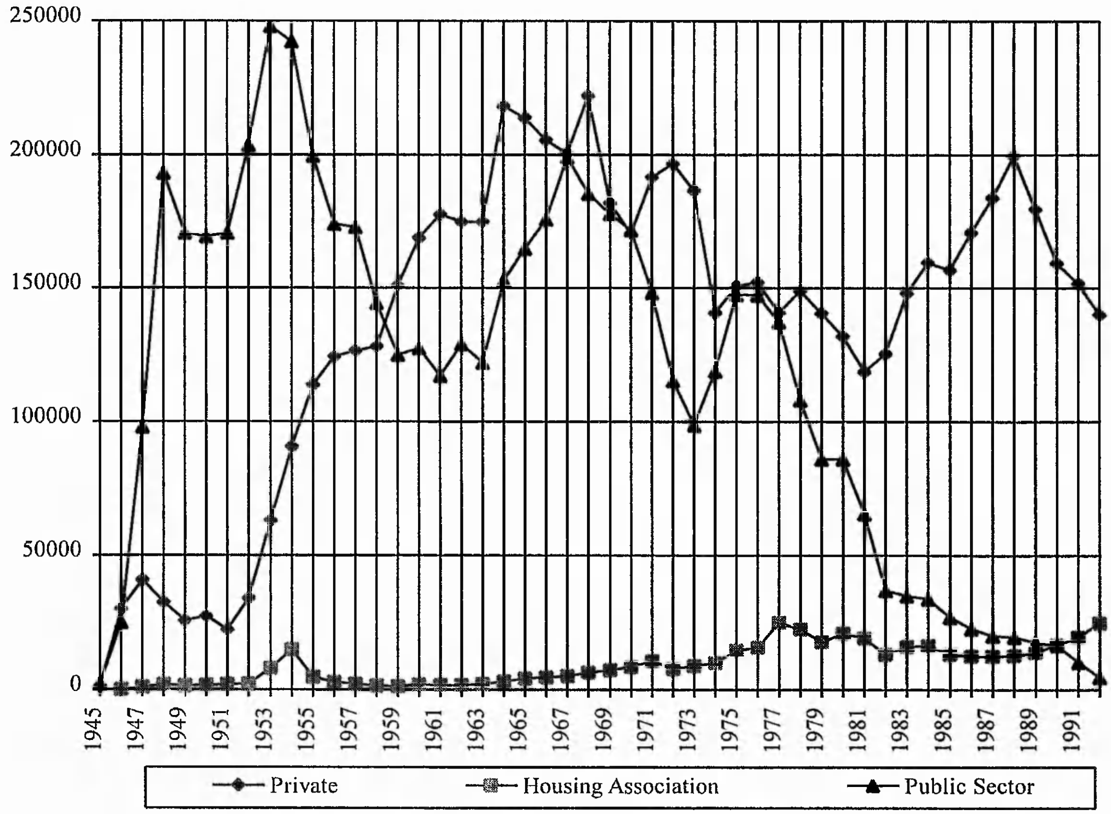
Source: Housing and Statistics Division, DoE and DoE, 1993a

Berry (1974) argues that during the Second World War, in an attempt to effectively manage the war effort, the Government introduced national planning for all forms of production. This centralist control, implementing policies in pursuit of an established strategy, was therefore familiar in the immediate post war years. It was generally acceptable in political terms that a real post war housing shortage (created by bottlenecks in the housing supply system in addition to the large numbers of homes destroyed during the war) should be tackled by a government-inspired housebuilding drive (Cullingworth, 1979; Darke and Darke, 1979; Merrett, 1979; Malpass, 1986). As a result, post war policy implementation was viewed and tackled in a similar way to war time industrial management, comprehensively managed from the centre. Donnison suggests that;

"It was the determined attempt to resolve these problems which led governments step by step into increasingly comprehensive housing commitments" p.99 (Donnison, 1967)

The Housing Subsidies Act 1967 and the Wilson Government's drive to achieve 500,000 completions per annum (Malpass and Murie, 1994, p.70), represents the culmination of this phase of government housing policy. The late 1960s peak can be seen in Figure 4.2, above.

Figure 4.3 Housing Completions In Terms of Developer



Source: Housing Statistics and Data Division of the DoE and DoE, 1993a

As can be seen in Figure 4.3, public sector direct provision was crucial to the high levels of construction in the late 1940s and early 1950s. This was achieved because funding was available and both the local authority and central government were pursuing similar objectives. From the late 1950s onwards, local authorities found themselves constructing fewer homes aimed at meeting general housing need, instead becoming more specialised builders, constructing homes for groups of the population seen to be in a certain category of housing need, i.e. those losing their homes through slum clearance programmes (Malpass and Murie, 1994). The residualisation of local authority housing (Morris and Winn, 1990; Forest, et al., 1990; Malpass, 1990) may well have started in the 1950s when construction started to focus upon certain types of home.

From the 1950s onwards an implicit national housing strategy developed, whereby the private sector provided the core of homes. From this large scale "base", public housing providers have been able to develop a housing strategy, through direct construction for groups of the population where the housing needs and demands are not met by the private housebuilders. It was clear that the simplest method of achieving strategic aims was for the public sector to conduct its own implementation. As Aneurin Bevan, the Minister of Health in the first majority labour government said;

> "*If we are to plan we must have plannable instruments, and the speculative builder, by his very nature, is not a plannable instrument*" (Foot, 1973, p.73)

In an attempt to achieve practical policy commitments, housing policy had, possibly by default, evolved into a housing strategy.

In the late 1960s and early 1970s, the situation regarding housing provision started to change. In 1968 a White Paper "Old Houses into New Homes" was published, emphasising the shift away from redevelopment towards rehabilitation. This was mainly due to economic constraints, but public dissatisfaction with the social affects of large scale redevelopment, slum clearance and systems building, also played a part (Cullingworth, 1979; Malpass and Murie, 1994). With housing improvement replacing redevelopment and clearance as the main focus for housing policy, a logical conclusion would be that housing strategies would become more complex, simply because of the number of different avenues through which housing policy could be pursued. In the past a housing strategy could simply be an objective of building 'x' number of homes. In the climate of rehabilitation and economic constraints, targeting and identification of priorities would become far more important, with the result that it would be necessary to take a broader view of an area's housing situation.

The late 1960s early 1970s could be seen as a turning point in both local/central government relations and the perception of housing strategies. Until that time there had been a broad consensus between local and central government, in-so-far as both had worked towards building homes. The tighter budget constraints introduced in the 1970s meant that local authority housing, traditionally a high capital cost, was a prime target for budget cuts. Until 1976, for instance, there had been no restriction on the number of council houses a local authority could build (Houlihan, 1983). At this point in the discussion it is worth examining the development of Housing Investment Programmes (HIPs), which in 1983 Houlihan suggested as being the then latest attempt at supervision and financial accountability, a procedure that had been developing since 1945 (Malpass and Murie, 1994).

Housing Investment Programmes

By the mid 1970s there was a growing feeling that, because the housing situation and needs of different communities differed widely throughout the country, it was no longer necessary to have a centrally-led housing strategy (Morris, 1980). However, there remained a need to ensure that local housing policy continued to relate to national policy. It was seen by some that local housing should have an equivalent to Transport Policy Programmes, which would require housing authorities to produce comprehensive housing strategies (Cullingworth 1976). The Housing Policy Green Paper, 1977, both formally identified the need for local housing strategies and highlighted the issues and topics that they should concentrate on. In summary, each local housing department was called upon to make an assessment of the housing needs in its area. From this survey work, housing officers would prepare a three-part document: a *strategic statement* that would highlight needs and policies; a *numerical statement* examining housing conditions and tenures; and a *bid for allocation* requesting funds to achieve the objectives and priorities in the strategy (Murie and Leather, 1977). Paragraph 6.08 of the Housing Policy Green Paper suggested that;

> "*The local authorities own investment programme will often lie at the heart of the local housing strategy. But the local housing strategy must go much wider. In many areas public rented sector provision will provide only some of the answers. The right local mix of solutions will involve action by all concerned with rented and owner occupied housing.*" (DoE, 1977d)

The Green Paper was introduced by a Labour Government, and it can be seen that a growth in the involvement of the private sector was being encouraged before the Conservatives took office in 1979. It would appear that the Thatcher and Major administrations spent much of the 1980s and 1990s developing, for local housing authorities, an enabling role that can trace its ancestry back to the last Labour Government.

The concept behind this Green Paper became clear in DoE circular 63/77, *Housing Strategies and Investment Programmes: Arrangements for 1978/79*. This, and subsequent circulars, established the foundations of the HIP process that remains today. Cole and Goodchild suggest that this early stage in Local Housing strategy evolution;

> "*...stimulated the growth of research and information services in housing and led, as it was intended to do, to a greater emphasis on inter-departmental and inter-organisational working and a more thorough and systematic approach to the task of planning, implementing and reviewing housing policies.*" (Cole and Goodchild, 1993, p.3)

From an early stage problems started to arise. The annual guidelines prepared by the DoE tended to focus on technical issues concerning number of dwellings, rather than a more general housing strategy, encompassing preferences and access to homes. The Association of Metropolitan Authorities initially welcomed HIPs, but found in practice that they did not allow as great a degree of local autonomy as was first thought (Association of Metropolitan Authorities, 1987). By 1981, the initial concept of a HIP as a housing department's equivalent to a development plan was further eroded when the timescale of the document was cut from four to two years.

Perhaps the major criticism of HIPs concerns the way they developed into what are essentially expenditure control instruments. The tendency for such an evolution was recognised at an early stage. Watson et al. (1979) argued that HIPs were mainly introduced as a means of deflecting concern regarding public expenditure. By 1975 local government expenditure constituted 18% of Gross National Product and the simplest means of controlling this area was found to be to focus on capital rather than revenue expenditure (Means, 1994). The then SoS saw HIPs as a tool for increasing;

> *"...the freedom of authorities to do the job as they think best, within parameters agreed by central government."* (Shore, P., 1976, quoted in Murie and Leather, 1977a (authors emphasis))

Clearly, this shows that from conception, there existed within HIPs an expenditure control motive that became more pronounced as financial budgets became constrained. It was stressed in Circular 63/77, *Housing Strategies and Investment Programmes: Arrangements for 1978/79,* that the whole exercise would be evolutionary, adapting as local and central government became more familiar with the process. This evolution has occurred, but perhaps not in the direction initially envisaged. Instead of evolving into a strategy document created and used by the whole local authority, it has become a means of financial control for the housing department, and for the Government to control (through the DoE) capital expenditure.

In an attempt to achieve more control over public spending, cash limits were applied to government expenditure in 1976/77, the same year as HIPs were introduced. Crofton (1977) argues that HIPs were introduced because the Treasury was faced with fluctuating inflation, making it difficult to forecast public expenditure. As Murie and Leather (1977a; 1977b) suggested, the crucial issues revolve around the availability of resources and the criteria for allocation between local authorities. One could argue, that the dominant role of HIPs has become one of prioritising and distributing scarce resources and the view that HIPs are used simply a means of obtaining funding for local authority housing projects is still prevalent (Carter, Brown and Abbot, 1991b, p.15).

Cole and Goodchild (1993) have summarised housing strategy formulation into an evolutionary process that can be categorised by three distinct phases. These phases can be seen to have resulted in housing strategies developing from the document based upon direct provision by the local authority of social housing, to a strategy which is far more 'open-minded'. Briefly they see the three phases as follows;

Phase 1 Comprehensive Housing Strategy. This is the early period of housing strategy evolution, summarised as one which stimulated research into the subject, and although being primarily housing department led, stressed the need for inter-departmental and inter-organisational collaboration regarding strategy formulation.

Phase 2 The Alternative Housing Strategy. This phase can be seen as one that occurred as a result of Whitehall-local government conflicts in the 1980s. Expenditure controls and a general "disablement" of local authorities (Malpass, 1992) created within certain, predominantly metropolitan, authorities a mood of policy innovation, one of which was to rejuvenate and publish housing strategies, which examined an area housing situation comprehensively. These strategies were seen by the authorities who prepared them, as a tool for strengthening local democracy and highlighting broad housing issues, rather than another technical document (which many HIPs and housing strategies had become). The main criticism of these types of strategies was that they were too ambitious and, in terms of the HIP timescale, had unrealistic goals.

Phase 3 Enabling Housing Strategy. The current incarnation of housing strategies, focusing upon the need to work with other agencies to achieve housing objectives. The degree to which this is possible depends upon four areas through which the local authority can "influence" others to achieve its policy, namely finance, land, planning and local community (Bramley, 1994b).

To the four areas in which Bramley suggested a local authority can influence policy implementers (Bramley, 1994b) one would add a fifth factor for successful enablement, namely knowledge. If the local authority is to work with others it has to know the bodies and agencies it is dealing with (the links discussed in the final section). Perhaps more importantly, it has to be aware of the factors that drive its new policy implementers, namely conditions in the housing market.

Since 1987, there has been renewed Government interest in the approach which local authorities adopt towards housing strategies. Coopers and Lybrand's Reports for the DoE examined methods by which the local planning department could monitor the housing market, in an attempt to make land release more responsive (see Chapter Five) (Coopers and Lybrand Associates, 1987). Work done at Leicester University in the early 1990s highlighted the way in which expenditure based plans (e.g., HIPs) related to physical development plans (Carter and Brown, 1990; Carter, Brown and Abbot 1991a and 1991b). Perhaps the most important document in terms of how government viewed housing strategies was that prepared in 1992 by the Audit Commission (Audit Commission, 1992). The report produced a number of recommendations, many of which are in the process of being implemented. For instance, in 1993 a letter to all the local housing authority Chief Executives, from the DoE, stated;

"Ministers' view is that the HIP process should develop progressively in a flexible manner, which allows scope for the differing circumstances of authorities and the developing housing policies of both local and central Government. To facilitate this, the Department [of the Environment] *intends to invite all housing authorities to draw up annual housing strategy statements in which each authority describes the needs and resources for housing in their area, and the plans and programmes which the authority has for addressing them. Housing strategies should be developed in consultation with the Housing Corporation, housing associations, the private housing sector (both rental and owner occupied), housebuilders, the voluntary sector, tenants groups and other interested parties. They should encompass all relevant functions and resources of the authority in a corporate approach"* (DoE, 1993d, para. 4)

This letter broadly implements, albeit at a consultation stage, the findings of the Audit Commission report. Simply publishing such a letter could be seen as an illustration that the housing strategy of the HIP had been neglected by local authorities in the face of past DoE and government indifference. Yet will the DoE look more positively at a fully surveyed, analysed and costed strategy than they have done in the past? It would appear that the government and DoE are still preoccupied with annual submissions, a belief which will have a negative affect on the development of truly strategic documents, which would require a longer term view. Perhaps most crucial for these 'new' housing strategies success is the way local housing authorities are to enable housing development, through close contacts with other agencies, and not just those concerned with social housing, a view others have of the "new" housing strategy (Cole and Goodchild, 1993).

In September 1994, the DoE requested Capita Management Consultancy to review the HIP process, reporting back in April 1995 (DoE, 1995b). The main thrust of the project was to examine the efficiency and effectiveness of the HIP process and recommend ways that it could be improved. The main focus was upon ways that the DoE could improve its part of the process, i.e. the publication of guidance notes, the means by which the bids are evaluated, etc. To enable the study to be representative of all participants in the HIP process, an extensive survey was carried out, with officials at the DoE (both national offices and regional offices), the Housing Corporation and Local Authorities, being interviewed. The study presents some interesting findings regarding HIPs and a useful graphical representation of the HIP process (DoE, 1995b, Annex 4). For instance, one question examined the perceptions which Local Authorities had regarding the DoE HIP objectives. The vast majority of respondents (83%) saw the DoE using this as a means of allocating or rationing resources.

Perhaps the manner in which housing strategies have evolved, becoming short term documents concerned with the technical process of financial resource distribution, is a reflection of local authorities becoming aware of what the DoE wish to see included in a HIP submission. Although HIPs still serve a distribution purpose for expenditure, it is questionable the degree to which they are useful, given that funding distribution is increasingly at the discretion of the DoE, rather than any published and recognised "index" (Cole and Goodchild, 1993, p.9). A cynical view may be one that suggests local authorities, having seen ambitious, long term policy documents dismissed by the DoE (in favour of HIP bids that contain minimal discussion of policy and are dominated by easily achievable, short term policies), have altered the thrust of strategy statements. The findings of Capita Management illustrate this quite clearly. What appears to have happened is that, far from the local housing authority being highly aware of the housing needs and demands in their particular area (although they may be), they have become highly adept at monitoring government policy. This can be seen in paragraph 3.19;

> *"All* [local housing authorities] *suggested that they "tweak" their strategy statements to give the greatest emphasis to whatever has been highlighted in the strategy guidance even if their fundamental strategy has not changed"* (DoE, 1995b, p.14)

This 'tweaking' may illustrate the increasing sophistication of local authorities in producing strategies that appeal to the government. Similar competitive funding arrangements, such as City Challenge and Single Regeneration Budgets, have been introduced into other areas of local government. Local authority staff have become aware of what is required to win funds in such 'competitions' and one would suggest that the housing officers are no exception.

Table 4.1 Use of Housing Strategy Documents

Use of Strategy	% of Respondents (Respondents able to give more than one response)
Corporate/Strategic Management	53
Public Information	50
Internal Information	33
Consultation	33
Forward Planning	28
Policy Making	23

Source: DoE, 1995b, Table 4

Nearly half of the authorities questioned in the survey would have produced a strategy that focused less on the Government initiatives highlighted in the pre-submission guidance notes if they were preparing a document for their own use. Table 4.1, above, summarises the use local authorities make of the strategy document. This table illustrates that housing strategy documents are used infrequently as a means of Forward Planning by local authorities. This is perhaps to be expected, given the short term nature of the documents. Perhaps more encouraging is that 53% of the local authority respondents use the data required for HIP submissions to develop policy and to monitor performance.

Working from this report, the DoE produced its publication, *Preparation of Housing Strategies*, which appears to be attempting to restructure the focus of housing strategies (DoE, 1995c) in light of the early

1990s discussion. This document highlights the areas that a local authority should examine when preparing a housing strategy, ranging from an assessment of the housing stock to energy efficiency. It stresses the need to assess the housing market and lists various sources of information that local authorities could employ to monitor the housing situation (see Chapter Five). Perhaps the most useful part of the document is that it exists at all, rather than anyone particular theme. In publishing it, central government has shown that it is aware that, in a practical sense, housing strategies have never fully materialised.

Recently the issue of local housing plans has developed further. The Environment Select Committee (HoC, 1996) expressed concern regarding effective formulation of housing need assessments. The Committee suggested that the DoE issue guidance to assist, planners in particular, draw up more effective regional and local housing plans. The governments reply to this request was that such calculations have tended to be the role of the housing department (DoE, 1996). However the government stated that there may be merit in research to investigate local housing needs assessments, as they put it to;

> "*...to avoid unnecessary disputes between developers and local authorities when the calculations are fed into the plan-making process*" (DoE, 1996, p.16)

To effectively achieve such a goal, it will be necessary for the local authority to develop a corporate structure allowing the housing and planning departments to work in a more corporate manner, and perhaps more importantly links with the agencies responsible for housing provision, in particular, housebuilders.

Within the local authority, one department already has significant experience in dealing with the housebuilding industry, namely the planning department. It is the creation, or strengthening, of links between the planners and the housing officers that forms the next section of this chapter.

The Link Between Housing and Planning Departments

The preceding section has examined the relationship, in terms of housing strategies, between local housing and planning departments and the DoE. In terms of Figure 4.1, this chapter has so far concentrated most directly upon zone 1. This section will concentrate more directly on the theme of co-ordination within the local authority, the horizontal links illustrated in zone 2 of Figure 4.1. As was shown from the preceding discussion such corporate links are increasingly being called for. In terms of the research questions in Chapter One, this will go some way to identifying the degree to which local authorities operate in a fashion that allows policies to be integrated and co-ordinated.

Throughout the 1960s and 1970s, there had been a tendency amongst local government managers and academics working in the area of public management to try to develop corporate management techniques. In the 1960s three reports highlighted problems of traditional management (Buchanan, 1963; Plowden, 1967; Seebohm, 1968). All these reports, which focused on specific areas such as traffic and social services, generally called for better integration between departments to improve local government policy implementation. Stewart (1971) reflects upon the climate that developed from the studies, eventually developing into local government reform (Redcliffe Maud Commission), which highlighted the idea of general management. In 1969, McKinsey and Co. examined ways of developing the management structure of Liverpool City Council, to ensure responsive and effective service provision. Other councils, such as Birmingham City Council and Cheshire County Council, were establishing central intelligence units to monitor and assess the demands placed upon the whole authority both at present and in the future (Greenwood and Stewart, 1974). Stewart (1971), stresses the danger in viewing policy planning as a set of procedures, arguing that it should be viewed as an ongoing process responsive to the needs of a management situation, stressing the corporate approach required to successfully achieve these aims.

If this climate of change had continued throughout the 1970s, one would have expected HIPs and housing strategies to be fully reflective of the whole local authority. In theory, the increased use of such comprehensive, rational policy planning systems should be seen as a means of overcoming disjointed incrementalism, (defined by Faludi as a piecemeal approach to decision determination (Faludi, 1973, p.150)) and the first step towards introducing a housing strategy in the fullest sense of the word. Yet is this the case? Circular 38/78, *Housing Strategies and Investment Programmes for Local Authorities in England: Arrangements for 1979/80,* stressed the need for housing departments to consult planning colleagues in the formulation of HIPs (DoE, 1978a). If a circular, published one year after the introduction of HIPs, has to stress that such communication should take place, it suggests that HIPs initially failed to carry out such integration. Morris (1980) suggested that, in the North of England, local authorities had increased the corporatism and integration between departments, but he found that this occurred predominantly in response to housing need. If the situation in this one area accurately reflects other areas of England and Wales, then, even after a relatively short period of time, HIPs were seen as a means of identifying and prioritising needs, rather than a means of forming a broad housing strategy, which identified demand for all types of housing.

Planners involved with the collection of statistical data and forecasts relating to future levels of housing provision are often those employed in the strategic planning process, based at County Council level (Unitary authorities are discussed below). These professionals tend to be the most knowledgeable in respect to forecasting techniques and household formation methods. Yet because they are employed by the County, they are not directly involved in the preparation of HIPs, a process that occurs at the District level. However they may well be involved indirectly, either through the publications they produce (ranging from structure plans to employment and household bulletins) or even directly through discussions with the officers in the districts. County/district relationships can differ, with some areas enjoying strong, efficient, informal links whilst other areas may well have rather more hierarchical structures, only consulting one another when required. Some counties may well have poorly developed information sections, with the result that strategic guidance and data are not available for the districts (beyond that contained in the structure plan). If this is the case, officers in the district may have expand their role to assure that data and information, upon which a strategy can be based, is available. This county involvement adds a further element into the planner/housing officer relationship, and if Figure 4.3 was to be used as an illustration, one would suggest that this occurs within zone 2 (see above).

Metropolitan authorities have an advantage over the shire districts because, in Part 1 of unitary development plans, they have a strategic instrument. In these authorities, housing officers, planners concerned with local planning matters, and planners responsible for strategic policy are all employed by the same authority. This, in theory, should ensure co-ordination and involvement of all the local authority professionals, as the purely practical problem of being employed by different tiers of the local government has been circumvented exists within the one department.

Why did the HIP process and the preparation of housing strategies fall to housing officers? Primarily this may have been the result of the way the HIP submission included a financial statement detailing the local authority's construction and rehabilitation agenda. This is clearly within the remit of the housing department, yet circular 38/78 stated:

> "*Local housing authorities should ensure that their policies and assumptions are consistent with regional strategies, structure and local plans and, where appropriate, inner area programmes; and should consult their planning colleagues at both the district and county level to achieve that result.*" (DoE, 1978a, para. 28)

This illustrates that corporate working was envisaged in the development of housing strategies.

Watson et al. (1979) believed that planners were not trained in the fields required to successfully implement HIPs (i.e., financial aspects of developments) and this, as much as the way in which they evolved, perhaps explains why housing officers became the central professionals in HIP implementation. Merret highlights that the Labour Government of the 1970s, faced with a fall in private housing production early in their term of office, then the need to cut housing expenditure by £150 million pounds in 1977/78, increased the role of public provision only to introduce increasing controls later in the term (Merret, 1979). Clearly the planning department may have found itself involved minimally in HIP and strategy preparation because, even from the outset, the view of the DoE was that the HIP submission would have more in common with a financial bid than a housing "development" plan.

With hindsight, it would appear that an opportunity has been wasted and HIPs may not have realised their full potential in the late 1970s, due both to a lack of enthusiasm on the part of planners to become more central to the system, and to central government in seeing HIPs as being primarily a tool for expenditure control. Once local authority officers (in all departments) became familiar with HIPs as a housing department programme, the process has become departmentalised, and increasingly difficult to re-introduce as one that concerns planning <u>and</u> housing.

It has been suggested that to succeed in preparing integrated expenditure and development plans, similar to housing strategies, there is a need to combine the policies physically in one housing strategy document, treating land and capital in the same "plan" (Carter, Brown and Abbot, 1991a and 1991b). If such a course of action were to occur, it would force co-ordination and inter department working. However, it may be problematic in the short term to prepare such a document in isolation, for instance a housing strategy, rather than the current development plan-HIP system that exists. What may be practical would be to prepare the development plan (as the document with the longest timescale of the two) and build the housing strategy around these policies. If there were to be a combination of HIP proposals and planning policies in one document, it might prove popular with the bodies who are increasingly relied upon to implement housing strategies;

> "*...a consensus is emerging between 'planners' and 'developers' on the importance of policy planning but also of the need for one set of policies for housing, i.e. one plan document*" (Carter, Brown and Abbot, 1991a, p.3)

Generally, if the corporate ethos had been introduced earlier, then, by the time HIPs were introduced, a stronger cross-department consciousness may have developed. If departments had successfully embraced corporatism, as discussed earlier in this section, there may have been more success in allowing HIPs to fully embrace the wider objectives of all the council departments concerned with housing. Perhaps a problem of timing was therefore as much to blame, with the eventual erosion of HIPs into housing budget statements, as a result of an increase in financial constraints. It was apparent therefore that HIPs had arrived at a situation where they were being implemented primarily by one lead department, and rather quickly the ambitious objectives of developing an integrated housing strategy were sacrificed.

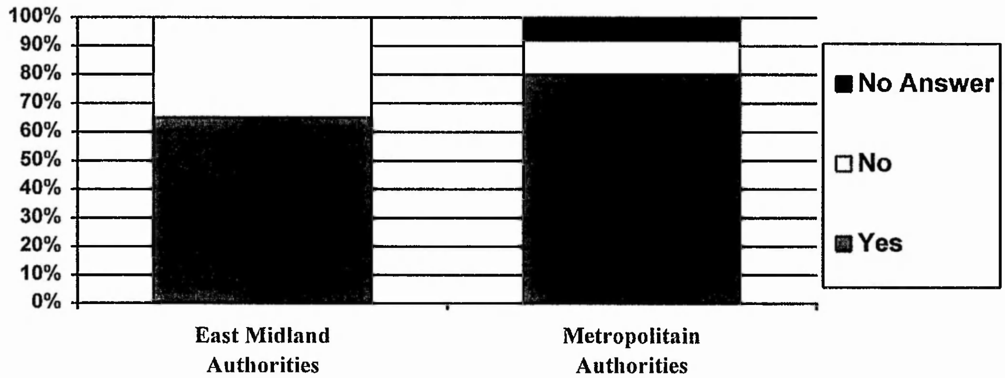
Moves towards corporatism have been less positive during the 1980s, because local government, finding itself "attacked" by Whitehall, has had other priorities (Hambleton, 1988; Malpass, 1992). It should be pointed out that some authorities have employed innovative management structures as a means of circumventing government control, and this has included interdepartmental working, albeit at a decentralised level (Lowndes and Stoker, 1992; Cole and Goodchild, 1993). However, as highlighted in the preceding section, since the end of the 1980s there has been a renewed interest in HIPs, and corporate approaches to policy formulation. The Audit Commission's 1992 study calls for an increase in corporatism, to ensure that the planning department and housing department are not pursuing conflicting policies. Carter, Brown and Abbot (1991a and 1991b) have suggested that there has been a renewal of interest in policy planning systems and the corporate ethos linking the producers of expenditure based plans (HIPs) and development plans. This, they presume, may be partly due to the Planning and Compensation Act 1991, which has increased the importance of policy documents. Another reason may be the view that local authorities are essentially enablers, facilitating development and, as Bramley states;

> "*...enabling puts a premium on corporate working..*" (Bramley, 1994b, p.146).

This move towards enablement can be seen in a wide range of both central government guidance (DoE, 1987a) and academic research (Goodlad, 1994; Jackson, Morrison and Royce, 1994).

Capita Management, in their report to the DoE (DoE, 1995b), suggested that the complimentary nature of housing strategies leads to the development of corporate liaison groups. Along with the housing department a number of other departments are frequently involved in housing strategy preparation (environmental health; finance; social services; planning; architects; legal). A study of Welsh local authorities (Littler, et.al, 1994) found that most authorities exhibited informal inter-departmental working structures. This was most noticeable in the smaller authorities, where officers were more likely to know each other personally, enabling the officers to know 'who to contact'.

Figure 4.4 Are Combined Housing Strategy Statements Prepared?



The questionnaire survey carried out for this thesis (see Chapter Six below), highlighted the degree to which integrated housing strategy statements were prepared. Figure 4.4, above, illustrates that the vast majority of local authority departments (in the sample areas) do work together to prepare housing strategies.

The same questionnaire asked the authorities which department played the dominant role in the strategies' preparation. In the case of the metropolitan authorities from the 20 authorities who answered this question, 19 had a housing strategy prepared under the guidance of the housing department, whilst the remaining authorities housing strategy was prepared jointly by planning and housing. This is similar in the case of East Midland authorities, where 8 of the 15 respondents who answered this question had a housing department dominated housing strategy, two were planning department led whilst the remaining five had both departments playing an equal role. It is hardly surprising that the housing department takes the lead role as it is to the chief officer of this department that the request for a housing strategy is usually addressed. What is surprising is that the planning departments take the lead role in <u>any</u> of the strategies that are prepared.

The two case study areas present an interesting comparison in this respect. As highlighted in Chapter One the case study councils of Mansfield and North West Leicestershire were chosen based upon economic factors. In terms of housing strategies both authorities prepared such a document, but in the case of Mansfield it was prepared by the Planning Department whilst in North West Leicestershire it was the responsibility of the Housing Department. This, although not a selection criteria, is a fortunate difference in the two authorities. It will allow the research to contrast the styles of housing strategy formulation in an authority where such a document was prepared by a planning department with one prepared by a housing department.

The results of the empirical survey work give an illustration of the situation as it stood in 1994, however it gives no indication of the actual degree of interdepartmental working. For instance, the planning department may simply be asked for comments after the strategy has been prepared, and there may be little policy conception that involves both the housing and planning departments. There is obviously scope for further work in this area, in an attempt to determine the degree to which corporate management is utilised in the development of local authority housing policy, in the broadest sense. As Bramley states;

> *"Interdepartmental teamwork is not a new requirement in housing programmes; what is new is the emphasis on partnership with outside agencies, financial/commercial awareness, flexibility and entrepreunership"* (Bramley, 1994b, p.146)

Corporatism should not simply be seen as an internal management structure that the local authority alone should pursue. There is a necessity for corporate thinking to extend beyond town halls to include the other bodies and agencies who are involved in the housing market. The next section of this chapter will examine this area, with particular reference to the housebuilding industry.

The Housebuilding Industry and Local Authorities

To prepare a strategy that reflects the housing market, information will have to become disseminated amongst the participants in zone 3. Not only will this allow all the participants to be aware of what is occurring in each other's "specialist area", it will also engender a degree of trust. It could be suggested that these links may already occur in respect of housing associations and local authorities, due to the increased role of the former in providing social housing and, in the case of rural authorities, the use of exceptions policies (DoE, 1991e). Research discussed in *Evaluating the Low Cost Rural Housing Initiative* illustrates that, in an attempt to achieve low cost homes, relationships have developed between housing developers and local authorities (DoE, 1991e). This degree of inter-agency co-operation is encouraging, yet these instances tend to be focused on particular developments, not on perceptions and views of the local housing market. Chapters Five and Six illustrate the type of market information that may prove useful to develop the knowledge that the local authority has regarding their particular housing market and the degree to which the local authority officers communicate with other agencies.

As the local authority is now primarily seen as an agency of enablement, it is left to third parties to implement housing policy. To effectively carry out these policies, bodies such as housebuilders will therefore have to be consulted in the process of housing strategy formulation. DoE circular 63/77 *Housing Strategies and Investment Programmes: Arrangements for 1978/79* explicitly established the trend, by which housing provision was no longer to be a major local authority role. Instead, the HIP authority should concentrate on;

> "*...relating their own proposals more explicitly to the housing contribution likely to be made by the private sector and other agencies*" (DoE, 1977b, para. 5, part d)

Throughout the 1980s the movement towards local authorities distancing themselves from direct housing provision has accelerated, leaving a system that relies on public policy to be privately implemented (Malpass, 1992). This section will examine the contacts that exist between the local authority and the housebuilding industry (mainly private housebuilding companies but also housing associations).

A questionnaire, examining the ways in which HIPs and housing strategy statements have attempted to reflect private housebuilding trends and perceptions indicated that 28% of those authorities who responded had attempted to gauge housebuilder opinion (Morris, 1980). Given that this survey was carried out whilst authorities were preparing proposals for only the second round of HIPs, it is perhaps disappointing that such a low level of private involvement was apparent. This contrasts strongly with the view expressed in circulars (DoE, 1977b) that the HIP should be related to the private sector. Morris found that only 7 of the 23 housing policy statements examined actually discussed the role of the private house builder. However, such a poor reflection of housebuilder interest may be due to the housebuilding industry itself.

> "*It also seems often to be the case that the other agencies are not interested in housing strategies. A number of authorities who had consulted such organisations either discovered that they were not interested or that they provided little, if any, worthwhile information.*" (Morris, 1980, p.52)

It should be borne in mind that Morris' survey took place in the late 1970s, when local authorities were still constructing between 75,000 and 100,000 dwellings per annum. It could be suggested that there was not the same necessity to develop links with the housebuilding industry, because local authorities own construction programme could implement their housing strategy. A more recent survey reiterated that private housebuilders were only interested in HIPs if they were involved in contracting (Carter, Brown and Abbot, 1991a and 1991b), illustrating the view housebuilders have of HIPs and the strategy statement as essentially a social housing document. They suggest that developers see expenditure based plans as being largely irrelevant, since expenditure based plans in their present form do not contain any information that is of use to most developers. It may be the case that the housing department is, in its present form, not best placed to interact with developers, a role that could be filled by the planning department.

Throughout the 1970s and 1980s there has been an increase in the links between developers and the local authority, primarily as represented by the planning department. Take, for example, the question of land availability. Debates and discussions between developers and planners can be seen to have been encouraged in circulars such as 10/70, (DoE, 1970) which stressed the benefits of regular consultations with representatives of the housebuilding industry and the need to ensure that land was available for at least five years future development (Cuddy and Holingsworth, 1985; Rydin, 1988). This discussion of land availability continued throughout the 1970s (see for example, DoE, 1972; 1973; 1975; 1978b) yet Rydin (1986) suggested that for much of the decade, the debate was distorted by the Community Land Act.

By the time the new Conservative administration adopted the Local Government, Planning and Land Act in 1980 (legislation which allowed the DoE to effectively compel local authorities to make an assessment of land availability), there had already been a significant move towards joint working with private housebuilders. For instance circular 44/78 *Private Sector Land: Requirements and Supply*, stated;

> "*Local authorities are asked to see that regular meetings are held as often as builders need them.*" (DoE, 1978b, para. 3)

These meetings were to be undertaken to allow the local authority to better understand demand patterns and the local land supply situation. The methodology for undertaking such an assessment was based upon a study of housebuilding land in Greater Manchester, undertaken in 1979. This Manchester study represented the first joint approach, involving both housebuilders and local authorities (Hooper, 1985). Yet the study has been criticised (Hooper, 1980; 1985; Hooper, Pinch and Rogers, 1988) mainly for the methodology employed to determine land availability. Yet it is not the way the study examines the number of housing units that is of specific concern for this thesis, rather the fact that it formalised the links between the planning authority and housebuilders (DoE, 1979), so that in the years that followed this pilot study, a number of updates were published (Findley and Bourke, 1988), each based on local authority-housebuilder dialogue. As the original study concluded:

> "*The indications are that the detailed discussions begun by this study between local authorities and builders will continue. Both parties agree that they have learnt a great deal from each other and this alone has made the study worthwhile*" (DoE, 1979, para. 60)

Rydin (1988) saw joint housing studies as primarily being technical exercises with little political (councillor) involvement. She demonstrated that underlying conflicts between the participants in the process meant that the planners and the housebuilders did not trust one another. If this level of suspicion remains, and it pervades the whole council, not just the planning department, the implications for the development of housing strategies may well be serious. Conflicts between the local authority and the housebuilders can largely be seen to be a reaction to debates regarding future household numbers, i.e. how much land is actually available. Discussions concerning wider issues, not purely the details of land availability and housing allocations, may have greater success. Joint land studies had variable levels of success (Doak, et al., 1987) and Rydin (1988) suggests that a lack of resources was a basic concern as was the availability of data (an issue that will be examined in the following chapters).

These 1980s "housing studies" could be seen as fulfilling an ulterior motive. It has been argued (Rydin, 1986) that land availability studies were not so much a means of achieving better development, more a technique for shifting power to developers and away from local authorities. She suggested that as part of a wider view to rationalise power, liberalising planning was the only way of achieving policy promises of more homes and increased home ownership. In this respect, a housing policy was achieved at the expense of a broad, accountable socially acceptable strategy, in favour of individual housebuilders' and developers' internal strategies. This supports the argument that, far from the Conservative government of the 1980s having a housing policy, they effectively pursued a tenure policy (Donnison and Maclennan, 1985). However, even if the motives behind the introduction of land availability studies in the 1980s were as politically motivated as Rydin suggests, such studies have been useful in so far as they bring housebuilders and local authorities together. This point cannot be stressed too strongly, as it is the discussion within land availability studies that will provide a useful foundation from which the working and co-operation between different bodies, required by housing strategies, can be developed.

Between 1980-1985 34 joint land studies had been undertaken. In the latter part of the decade (1986-1991) a further 26 were completed (Bramley, et al. 1995). It has been suggested that housing forums and liaison groups may involve housebuilders to a lesser degree in areas where there is controversy regarding housing land (Bramley, et al 1995), and in such circumstances housebuilders may find greater benefits from involvement in EIPs, local plan inquiries, submitting planning applications and testing sites on appeal. Clearly this is a factor which may prove problematic in attempts to develop forums and discussion groups which involve the enablers of the housing market (the local authority) and the implementers of housing policy (the housebuilders).

The questionnaire survey, discussed earlier and forming the foundation for Chapter Six, sought to ascertain the links between local government (at county, district, and metropolitan authority level) and other agencies, as indicated by the existence of some form of multi-body "housing group". Figure 4.5, below, highlights the results of the survey and indicate that the county councils have fewer groups of this type than the metropolitan authorities or East Midlands districts.

When the survey question was widened to include authorities where housing liaison groups had existed in the past, but currently no longer meet, a further 7 county councils and one East Midland district were found to have experience of this type of discussion group. Combining all the authorities which had, at one time or another, been involved in this type of "group", it can be seen (Figure 4.6, below) that a wide variety of agencies have been involved. Housebuilders are seen to be involved extensively in these groups at all levels of local government, as are housing associations. If the enabling authority is to succeed then the involvement of such bodies will have to be developed.

Figure 4.5 Current Existence of Housing Liaison Groups

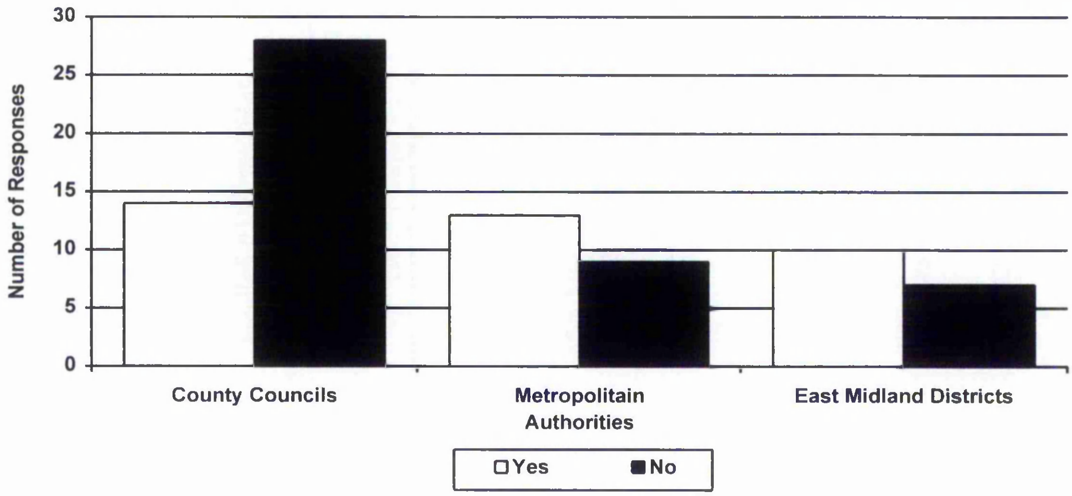
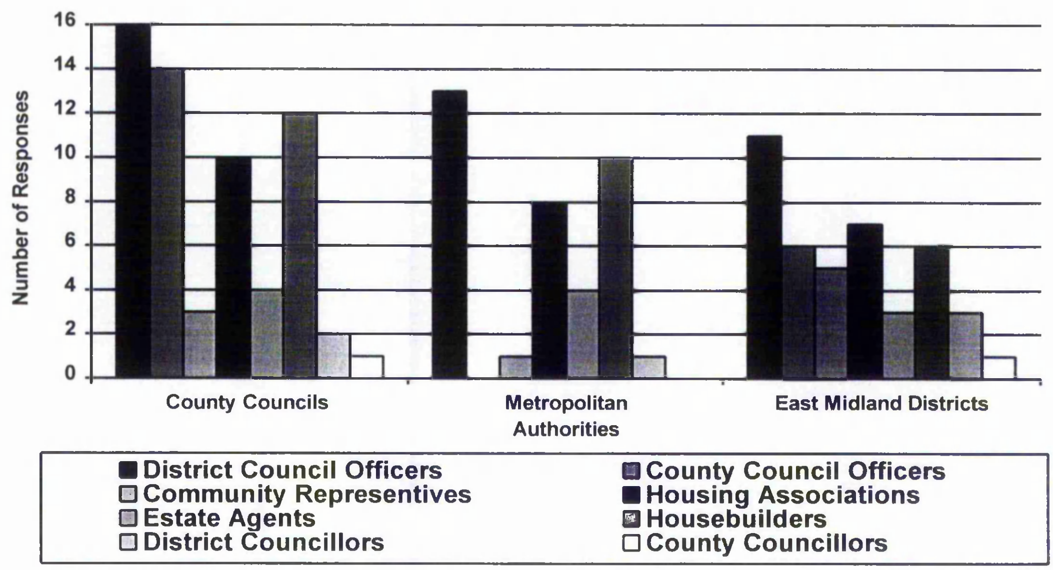


Figure 4.6 Membership of Housing Liaison Groups



Recent discussion has highlighted that there is an expectation for local authorities to involve local housing associations and the Housing Corporation in the preparation of a strategy (DoE, 1995c, p33). This research tended to focus upon the way the local authority could provide land, for low cost housing development, focusing upon the manner in which one local authority worked with housebuilders to achieve this goal. Although this is important, it is only part of what a complete housing strategy should focus upon. This would suggest that there still exists (for the reasons outlined above) a view that the housing strategy is a housing department document. This is significant, as other work has shown that;

> "*...there were few signs of any significant change in the involvement of the private sector, in spite of the fact that almost 40% of local authorities thought that the private sector would find HIPs useful: presumably the authorities did not think that they would find the private sector useful*" (Carter, Brown and Abbot, 1991b, p.15)

It is necessary to overcome this, and to fully integrate housebuilders in the development of housing strategies. This would be most likely to succeed if housing strategies were to be presented as a document which involves the housing and planning department. Housing strategies would only benefit from greater involvement of the planning department, as the planners would bring to this "marriage" the connections they have with the local housebuilding industry, built up through informal relations or more formalised land availability studies. This suggests that it is an internal, corporate approach that is required.

Conclusion

This chapter has focused upon housing strategies, highlighting their development and formalisation as part of the HIP process, illustrating that recently housing strategy statements have become seen as a strategic document in their own right, separate from the HIP process. The links between departments within the local authority, and the history and current level of corporate working were discussed, and it was suggested that this is the foundation upon which a successful strategy will have to be based. The final part of this chapter investigated the links between the local authority and housing policy "implementers", illustrating that the planning department is possibly the most useful at approaching bodies such as housebuilders.

The manner in which housing strategies have been examined in this chapter, not in chronological terms, but in terms of networks or connections, focusing upon how the agencies involved in preparing housing strategies (the local housing officers) work with others to design and implement policy, was felt to be most supportive for this research. Planning departments have a history of public consultation both through the policy formulation process and the consideration of planning applications. They have been seen to be the 'best suited' department to publicise and consult on housing strategy formulation (Jackson, Morrison and Royce, 1994). In addition it can be seen from the previous discussion that the planning department has had the strongest relationship with the housebuilding industry. Yet HIPs and housing strategy formulation have tended to be the consideration of the housing department. If the links between the housebuilding industry and the local authority are to be developed the planning department will be required to play an important role that will further increase the need to integrate the planning and housing departments in so far as they work upon housing strategies within a local authority structure. It has illustrated that there is a need for the planning department to be more closely involved in the preparation of strategies, which would allow planners to employ their experience of consultation exercises, in general, and links with the housebuilders, in particular.

To draw this chapter to a close it is useful to return to two of the research questions, namely the degree of policy integration between departments and the involvement of policy implementers. This chapter has shown through review of the literature that these areas have been priorities for a number of years. However the primary survey work also presented in this chapter has indicated that despite such long established calls for integration and co-ordination there is still work to be done to ensure local authorities both work corporately and co-ordinate externally. Where integrated housing strategies are produced the empirical surveys have demonstrated that they are largely led by the housing department.

Chapter Five

Indicators of Housing Demand

Introduction

The discussion in Chapter Four highlighted that establishing relationships between local authorities and housebuilding companies should be seen as a prime objective of enabling authorities housing strategies, yet this is only part of the process. To ensure that the local authority has an adequate understanding of the housing market, it will have to make use of available information sources, monitoring data and using this data to make evaluations of the housing market. This chapter will discuss the work that has attempted to examine data sets that may be employed by local authorities, which will lead into Chapter Six, an examination of the data that local authorities actually monitor. In terms of the research questions, this chapter will examine the reliability of data that could be used as a means of monitoring housing markets and therefore is directly associated with research question 3, 'To what extent do local authorities employ relevant data as a means of monitoring the housing market?'

This chapter will therefore expand upon, and reassess, earlier work that has examined data sets, such as house prices and housing starts. Although primarily a review and analysis chapter, information gained from empirical research will also be contained in the discussion, essentially to illustrate points. Each individual data set will be analysed in terms of three 'themes'. Firstly each set will be examined in terms of availability. That is to say "Is the data readily available to a local authority and can it be disagregated to a level which may reflect specific housing markets?" Secondly, each possible set of data is then assessed with regard to the degree to which it may indicate demand. The final assessment concerns the degree to which data, if it were used to monitor housing markets, may be open to manipulation. To try and ensure the assessment of each data set can be compared, each is scored in terms a to e with respect to these three assessment criteria. In terms of data availability the grading a is seen to represent very available data, whilst the grading e is seen to indicate data that is difficult to obtain. With regard to data reliability, grade a demonstrates an ability to estimate demand, whilst grade e indicates a poor liklihood of representing demand. In terms of the final categorisation, namely manipulation, grade a indicates a believe that the data is difficult to manipulate, whilst grade e suggests the opposite. The results of this assessment are presented in a summary table (Table 5.7) in the conclusion. It should be borne in mind that these assessments are based upon personal judgements on the face of the evidence presented in the discussion. Where this technique may be weakest is as a means of assessing the reliability of data sets as demand indicators. This may be better achieved through more statistically-based analysis, an area where future research could be conducted.

Context

Of all the work carried out, the most extensive, although not necessarily the most robust, series of studies were those commissioned by the Department of Environment, in the mid-to-late 1980s. Coopers and

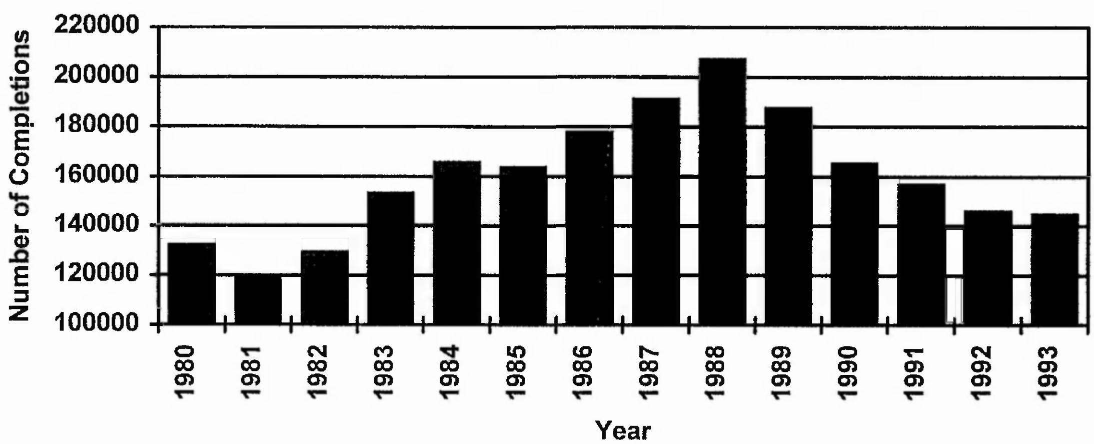
Lybrand were appointed to examine the housing market and the different techniques employed by the local authorities in monitoring it. As they stated in 1985, the aim of the report was to;

> *"...assess and report on the varying assessments and assumptions about new housing made by the planning authorities and housebuilders and to assess the extent to which both the provision in plans and land which is made available for housing takes account of the requirements of the market for new private sector housing"* (Coopers & Lybrand Associates, 1985, p.1)

This report should be placed in the context of the period in which it was commissioned, a time when development pressures were extensive (see Figures 5.1 and 5.2) and in Whitehall there existed a view that the planning process was responsible for delays and hindrances in development (Thornley, 1991).

Clearly since Coopers and Lybrand carried out this study, the housing market has changed considerably (see Chapter One). As a result this chapter will update the work of Coopers and Lybrand through an examination of the situation in the 1990s, a decade that has so far seen the development of a stronger planning system, a weaker housing market, and greater access to information (i.e. access to the Land Registry information). In addition to these changes in the housing market, the recent advice on housing strategies and calls for greater information on which to base housing provision forecasts (see previous chapters) suggests that there is a need to re-examine the area of data reliability. This chapter will discuss these areas and, where applicable, illustrate the discussion with data from the case study areas (the districts or, where data availability allows, the two more specific housing markets ie. Ashby & Mansfield).

Figure 5.1 Total Private Sector Housing Completion's in the United Kingdom 1980-1993

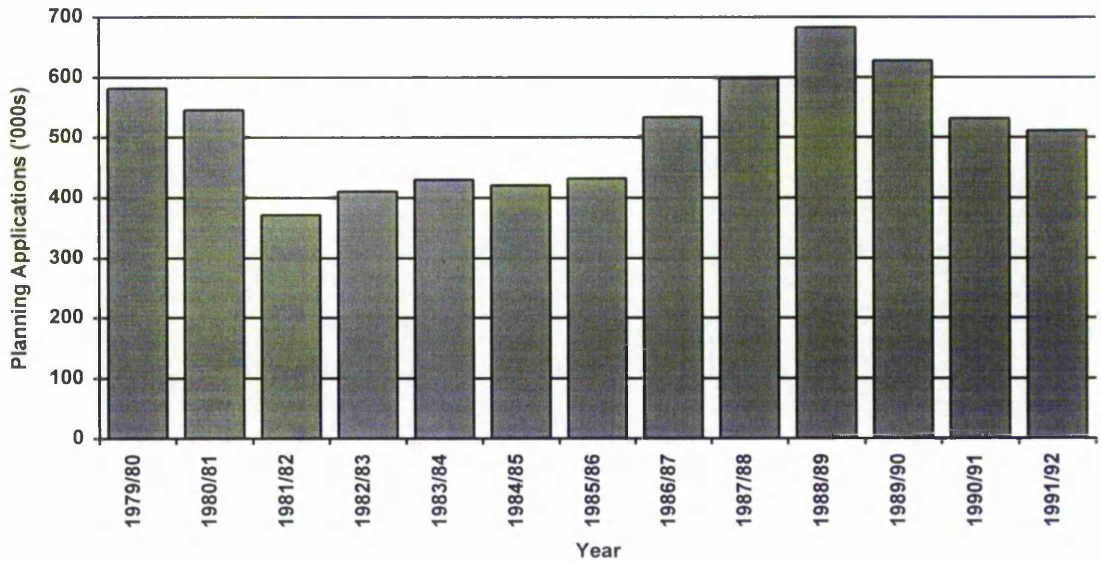


Source: Table 6.1 of *Housing and Construction Statistics 1980-1990; 1982-1992; 1983-1993*, DoE, HMSO

Figure 5.1, gives some indication of this development pressure, by highlighting the growth in private residential development completions throughout the decade. It can be seen from Figure 5.2 that applications for planning permission also increased in the late 1980s, which could be seen as being illustrative of an increase in development pressure. Yet is this data reliable as an indicator of development pressure? Are other data sets such as planning appeals, estate agent sales rates or viewing figures for new homes more reliable? More importantly, is the data available at a level localised enough to be useful for local housing strategy formulation? These are the questions that this chapter will seek to answer.

One of the most important findings of the Coopers and Lybrand reports is the proposition that debate should be about how the development process can be adapted and enhanced to become more responsive to demand signals. This is an important development. Debates between planners and developers have centred around the allocation process, the quantitative argument regarding the number of units that will be required for the plan period and where these units will be situated (Hooper, et al. 1985; Rydin, 1985; Short, Fleming and Witt, 1986; Bramley, et al. 1995). As was shown in the last section of Chapter Four, even the forum for debate between housing developers and the local authority has tended to focus upon the number of housing units required rather than a general discussion of housing trends, changing conditions in the market, etc.

Figure 5.2 Planning Applications in the 1980s



Source: Table 1.1, *Development Control Statistics: England 1991/92*, DoE, 1993.

NB From 1986/87 onwards the types of development suitable for inclusion in this table increased.

Within a plan-led process, as currently exists through Section 54(a) of the Planning & Compensation Act 1991, it is vital to overcome these traditional areas of confrontation and enter into a consensus regarding housing projections, switching the arena for debate to location, tenure and type/style of dwelling. However, as Chapter Three highlighted, there is still significant uncertainty regarding household projections, and it is perhaps beneficial, if housing strategy formulation concentrates on "proportions" rather than projections.

What this "proportional debate" might focus upon is the degree to which the different housing tenures and housing providers would meet overall housing need, highlighting areas where the housing market is not meeting these requirements. To effectively achieve such an objective, there is a need for reliable data. For instance, recent work (Bramley, et al, 1995) has highlighted that, increasingly, an ability to understand house price changes and differentials is necessary if housing needs are to be effectively met.

The indicators that Coopers & Lybrand suggested as useful for the monitoring of the housing market were quite wide-ranging, yet they basically fell within three categories: policy and economic predictors; housing market statistics; professional judgements. The following discussion will initially examine policy and economic predictors before examining the combined subject of housing market statistics and professional judgements.

Policy and Economic Predictors

These are essentially an analysis of what effect policy initiatives, both at local and national level, will have on an area's housing markets. One would expect, housing markets to be strongly related to economic growth predictions and economic evaluation of an area, and it is therefore to be expected that econometric forecasters may be able to provide this type of analysis. Cambridge Econometrics, whilst preparing long-term regional projections, have presented changes in GDP; consumers expenditure; employment and population, as being reliable long-term macro-economic indicators (Cambridge Econometrics, 1995; 1996). Although this report focused upon the regions, other macro-economic forecasting agencies have examined similar indicators whilst preparing growth prospects for districts (Henley Centre, 1994). Although useful, these forecasts do have limitations, especially cost. As an expense, this may not be one which local authorities feel they can justify. In addition, the forecasts may not be any more robust than those generated by local authority officers themselves, based on their own perceptions of the economic prospects for the area. One would envisage that this "in-house" forecasting can be supplemented through the monitoring of a number of data sets, an area that the rest of this chapter will focus upon.

The Coopers and Lybrand report is decidedly lacking in discussion of localised economic indicators that may reflect housing market demand. This is perhaps one of its greatest omissions, given that effective demand is strongly underpinned by macro-economic forces. Some estimate of the income, or possible economic well-being of households will allow a housing strategy to estimate the need for social housing viz. a viz. housing for owner occupation. The two practical indicators identified by Coopers and Lybrand were;

1. Employment change
2. Infrastructure and Economic Development Projects

To a degree, infrastructure and economic development are not pure indicators of market demand, more accurately they could be seen as a reflection of the way future political will shapes a housing market. However, it must be appreciated that both public projects and private sector investment decisions will have an effect on housing markets.

Coopers and Lybrand suggested that this type of data should be viewed as "*background*" (Coopers and Lybrand, 1987, para 1.6). The use of these indicators as purely background does not appear to be in harmony with the aims of the reports, (see page 1 of the 1985 publication), as it has been argued that builders view the current and future employment base of some areas as "...*a key indicator*" (Coopers & Lybrand, 1987, Para 2.43). It would be anticipated that the local authority might consider that there is a strong relationship between policy and development, or else why would policies be pursued? To create growth in an area, the local authority may develop a portfolio of policies ranging from those concerned with housing to others focusing upon employment, one complementing the other.

Statistical data concerning employment levels can be a useful indicator of economic change, with the employment rate and its movements giving some indication of general job security. This data is presented in a number of official documents, but it is published more regularly in the CSO publication "Employment Gazette" (now, 1996, part of a new publication "Labour Market Trends"). This document highlights employment statistics (one of the major factors affecting housebuilders perceptions of an area) in terms of parliamentary constituencies. In urban areas, this will mean that the designated area could well be at a level below that of the district, and therefore more likely to reflect housing market areas. Alternatively, if the area is rural in character, it could encompass a large number of housing market areas. In addition, the statistics produced in the journal are current, being usually only two months out of date.

Table 5.1 Unemployment in the Case Study Areas March 1996 (%)

	Leicestershire	Burton on Trent TTWA	Nottinghamshire	Mansfield TTWA
Unemployment	6.0	7.2	9.3	13.0

Source: Leicestershire and Nottinghamshire County Councils Unemployment Bulletins

At the local level employment data is relatively straightforward to obtain. In terms of the case study areas both County Councils compile regular employment bulletins, which provide detailed information on the unemployment rates for males and females in the counties travel to work areas. Table 5.1 indicates the unemployment rates in Nottinghamshire and Leicestershire and compares these with the rates for the travel-to-work area within which Ashby and Mansfield are situated. Using these definitions is the closest to defining unemployment in a housing market. As was discussed in Chapters Two and Three the geographical definition of a housing market can be rather complex and open to a large degree of uncertainty.

Employment data, although published regularly, is not without critics. It has been noted by many that, throughout the 1980s, levels of unemployment have been 'hidden' behind a number of different definitions. For instance youth training programmes to remove the youth unemployment from the official employment rate, or legislation which has limited the extent to which certain groups can register for unemployment benefit and therefore be reflected in the official figures. The evidence for this cynicism ranges from academic work (Fothergill and Beatty, 1996) to journalistic analysis. For instance, Hutton (1996) indicates that there have been more than thirty changes to the definition of 'unemployment'. Clearly such inconsistency in definitions is not supportive of data set monitoring. Despite the fact that there are limitations with the data, it is still employed. For instance Bramley and Watkins (1996) use data on unemployment rates from the Department of the Environments claimant count, divided by an estimate of the number of economically active persons in the district.

The close relationship between effective demand for housing and the economy is not difficult to trace. Obtaining a mortgage is a long-term commitment, both on the part of the mortgagor and the mortgagee. Both parties have to be of the opinion that the house is affordable and job and income security is at a high enough level to ensure regular repayments are maintained. Unemployment data may therefore give an indication of the likely need for affordable social housing viz. a viz. other travel to work areas. The temporal data is perhaps more useful than simple 'snap-shot' statistics, as time series illustrate whether or not unemployment is rising or falling. Indicating whether or not a housing market has the potential to support owner occupation or requires affordable housing.

One of the most useful published sources for income data is "Regional Trends", published by the Central Statistical Office, in which housing data is disaggregated in terms of districts, and which also contains information on economic activity levels. The problem with this data is that there appears to be a time lag between data collection, compilation and publication. For instance, disposable income statistics are produced at a county level with a three year time lag (Table 14.4 in the 1993 edition), whilst gross weekly full time earnings are produced with only a one year lag, in the same table. District statistics include employment (three year lag), economically active persons (three year lag), and owner-occupation levels (three year lag) presented in Tables 15.1 - 15.2.

Table 5.2 Average Gross Earnings in the East Midlands 1994 (£s per week)

	Single Male		Single Female		
	Male Average Earnings	House Price Affordable From this Income	Female Average Earnings	House Price Affordable From this Income	Average Semi-Detached House Prices (Halifax 1994 Q4)
Derbyshire	325.90	£47,000	227.20	£32,800	£42,963
Leicestershire	327.80	£47,350	232.50	£33,600	£48,278
Lincolnshire	307.50	£44,500	221.90	£32,000	£41,939
Northamptonshire	339.20	£49,000	235.60	£34,000	£44,052
Nottinghamshire	322.00	£46,500	231.50	£33,400	£43,305
E. Midlands Region	325.00	£46,950	230.50	£33,300	£44,171

Source: Government Statistical Survey, 1995, Table e110.2 and e113.2; Halifax Building Society;

The New Earnings Survey presents average weekly earnings at a county level, illustrated in Table 5.2 (above). In terms of the case study counties, employment in Leicestershire is the most well paid, higher than the average for the East Midlands as a whole, whilst Nottinghamshire is just below the regional average. Using this average income data it is possible to develop an estimate of an 'affordable' house price, both for a single male income and a single female income (single person households are forecast to be the fastest growing household type (see Chapter Three and Holmans, 1995)). The methodology for such an estimation is based upon the assumption that the householder has accepted a 90% mortgage and the lending institution is prepared to lend 2.5 times the annual income. When this estimation is compared to actual house prices that are being realised in the areas concerned, it is clear that some areas are more 'affordable' than others. Using the Halifax Building Society Data for the last quarter in 1994 illustrates that, in all five East Midland Counties, the average house price was less than what the average single male income could afford. For single females, the situation is totally reversed and almost across the region homes are more than £10,000 too expensive for a single income female. This is purely illustrative and is based on simple calculations. If a more complex income estimate were to be used, such as that produced from Bramley's housing and planning model (Bramley and Watkins, 1996) then the situation may produce different levels of 'affordable' housing. What is clear, however, is the fact that dual incomes are often necessary to be able to enter owner occupation and if household incomes were taken into account homes would appear far more 'affordable'. Such average income and average house price conceals areas where income (or house prices) are either above or below these figures, further indicating the need for a 'local' focus.

Affordability indicators are examined in a number of publications. The Housebuilders Federation produces a monthly publication entitled "Housing Market Report", a publication which can be used to indicate the state of the housing market, particularly the market for new homes. It contains a section on the economy, reproducing a number of indicators of national and regional economic health. Whilst the majority of this information can be obtained elsewhere, for example the Department of the Employment for the unemployment statistics, it does provide a readily accessible data source for this information ,as well as housebuilder perceptions (see below). The publication also contains statistics and indicators of confidence and affordability. The confidence statistics are not regionally disaggregated and are simply based upon national polls carried out by organisations such as MORI and Gallup. Perhaps the feature of the "Housing Market Report" which is most useful is its affordability index. Although this only gives a broad indication of trends, it is classified regionally. This index is created by compiling a number of different statistics. Initially, the average weekly earnings from the "New Earnings Survey", for both males and females, is established to obtain the average income for both a dual-income couple and a single male income. The average property price, as highlighted by the Department of the Environments 5% sample, is then determined for each region. Assuming that the average mortgage is for 80% of the homes value, the percentage of income required to service the loan is determined. This then gives a time series which can be used to see if affordability in each region is improving or deteriorating. Whilst it gives an indication of the ability to buy market homes, the approach is open to challenge, as it understates the cost of house purchase. This is because account is only taken of interest repayments, the additional cost of insurance and repayments being ignored. Such hidden costs may be around 25% of the total outgoing involved in buying a home. Perhaps more significant is the fact that the index may be demographically limited, in-so-far as it concentrates on dual-income households and single income males. Take, for example, the fact that demographers suggest that there will be an increase in lone parent households (Murphy and Berrington, 1993; Tilling, 1995), a household group dominated by female household heads. Clearly affordability for this group has been ignored.

The Trustee Savings Bank (TSB) produce a similar series. This indicator assumes a 90% mortgage, a higher level of mortgage as the TSB describe it as an indicator of first-time buyer affordability. It uses the DoE's 5% statistics, expressly concerned with first-time buyers. Again, the findings are produced in terms of regions. This series not only divides the buyers into dual incomes and single male purchasers, it also introduces single female purchasers, overcoming some of the criticisms of the Housing Market Reports affordability index.

The DoE publication "Housing and Construction Statistics" contain data which is of use when ascertaining the economic potential of an area. In Table 1.13 there is a regional breakdown of house purchase. Not only does it highlight the average dwelling price, it also contains the average recorded income of borrowers. This can only be used as an indication of a region's ability to maintain housing costs of different magnitudes. As this data is derived from the DoE 5% survey, it could be assumed that there would be the same capability of disaggregation to a county level that can occur with house prices (Nicol, 1994).

A general knowledge of this type of information will allow housing strategists to be aware of economic characteristics, both economic characteristics in general, and (where data exists) of more disaggregated areas (districts, travel-to-work areas, etc.) which would be closer to housing market areas. It might be suggested this is already being done by many County Councils' (or Metropolitan Authorities') Research and Information groups, usually a team within the planning department, collecting and collating this centrally produced data. Therefore the local authorities charged with preparing housing strategies should be able to obtain information regarding the economic situation of the households within their district. This would provide a degree of guidance as to what type of home may be required in the housing market, a general view that may be supported by the use of other indicators and demand monitors (which will be discussed below).

Statistics and Judgements

The second type of demand indicator is collected and collated by the various agencies with an interest in the working of the housing market, often augmented by value judgements. Perhaps the examination of this type of information provides the best and most robust method of market monitoring, as it can be analysed to show movements or trends. This is in direct contrast to the monitoring of policy options, affordability indices and income statistics. These have many uncertainties regarding future projections, even before they are interpreted in terms of demand. A first-hand examination and analysis of reliable statistics is more robust than those which are based on the successful outcomes of various policies, or a third party's interpretation of trends. It was from statistical indicators such as these that Coopers and Lybrand recommended the five indicators for practical use.

The indicators that they supported were:

1. An indicator of house price movements.
2. Some form of "planning indicator".
3. An "estate agent indicator".
4. A "builders indicator".
5. An indicator of migration.

As these are arguably the most reliable indicators, it is clear that a detailed investigation of them is called for.

One major limitation which many of the statistics appear to suffer from is the determination of a base level of demand. To be able to use statistics to indicate fluctuations in demand, there is a need to determine and establish a relative base level. If the trend is viewed from a base level occurring in a buoyant (or alternatively depressed) economy or housing market, the analysis of future movements may not present a realistic picture of demand. For example, inquiries at an estate agent may increase, but it may have previously been low and is simply returning to an equilibrium level. Alternatively, the sales rates of new houses on a large site in the South East may prove to be over ambitious for a small site elsewhere. Therefore it is vitally important to ensure that market monitoring is continued from year to year; quarter to quarter; month to month, in an effort to ensure that an effective time series is developed. An effective time series will allow changes to be placed in a context.

In addition to the problem of developing a 'base' level from which changes in demand can be measured effectively, there is an additional problem. It is almost impossible to examine the housing market, its supply and demand, in a state of "quarantine", and land and housebuilding can never be seen as isolated factors and activities. A major problem with many of the suggested indicators is that they appear to assume that trends which are being highlighted are isolated and detached from other effects. Clearly this is not the case. Both economically and spatially housing market areas are inextricably linked. For instance, assume that one housing market experiences demand at a similar level to a neighbouring housing market, but supply is constrained in one more than it is in the other. The surplus demand from one area will be transferred to the second best alternative (Bramley, 1993; 1995). This will then reflect on the indicators of that area, suggesting higher demand here than would be the case. A fine line exists between classifying this as unsuccessful effective demand and latent demand (see Chapter Three above). One argument is that the would-be householders do not have the economic strength for their first choice housing market, therefore they cannot support effective demand. Yet they are forced to utilise a sub-optimum solution and effectively demonstrate greater demand in an area where it is met more freely than areas where it is not. This is the fundamental problem with most of the indicators, as they are not robust or sophisticated enough to overcome in-built supply constraints.

It is clear, therefore, that if the indicators are reliable in other respects they will have to be placed into the context of wider economic trends and past movements of indicators. If this is not done there is a significant danger that the indicators will be misinterpreted.

Local Authority Data

As this research examines housing strategies prepared by local authorities it is appropriate to commence this discussion with an examination of the data that may already exist internally, due to the fact that the local authority is responsible for the collection and collation of a number of different data sets. The housing department, planning department and building control section are all associated with housing and to varying degrees produce data that may indicate market demand. These data sets can be seen as gauging demand or need at different parts of the housing pipelines discussed in earlier chapters.

1) Housing Department

a) Waiting List

Housing departments usually have a list of households and persons who not only require housing, but meet various criteria, both established nationally and by the local housing authority concerned. Can this truly be classed as a demand indicator? It may give some indication of need (and even this assertion is questionable (Dyer, 1993)), but it cannot be said to indicate market demand. This is due to the fact that, almost by definition, those who are accepted onto housing lists are not the type of households able to easily afford market housing. For instance, local authority tenants are more likely to be on low incomes and reliant on benefits (Table 23, Maclennan, Gibb and More, 1990), and would therefore not appear to be the sort of economic group that housebuilders would ordinarily cater for. The residualisation of the tenure (Morris and Winn, 1990; Forest, et al, 1990; Malpass, 1990), removing many of the more economically active households through 'Right-to-Buy' (RTB) and leaving a far from attractive housing stock, highlights why housebuilders may not see waiting lists as a reliable indicator. Even as an indicator of housing need the reliability of waiting lists is open to question.

Local authority housing is offered at below market rents (although the gap has decreased over recent years) and therefore demand exceeds supply, with the result that some form of rationing is required (Maclennan, 1991). As households tend to add themselves to housing waiting lists only if there is a perception that a positive outcome will occur, a list which suggests a five year wait will discourage certain households. This is especially the case for those households which are not in a high category of need as established by the points system, favoured by 62% of local authority housing departments, (Institute of Housing, 1990). In addition, the local authority housing stock may be managed in terms of subsections of the district. Through the RTB this may create a situation where certain local authority housing market areas have no housing stock. If an area has no local authority houses then it would appear that there is no demand for housing in that area if waiting lists were simply used on their own. The waiting list will not reflect the housing need of that area, as there can not be a choice in an area where no housing stock exists. This situation is worse in rural areas, where the local authority stock may be so small, that a number of settlements have no local authority homes at all, with the result that they can not be specified as a location for housing. In addition there may be a significantly lower turn over of homes in rural areas, resulting in waiting lists being longer and households perceiving no chance to obtain a home, thereby electing not to register.

Although there are limitations with this data, it is useful to focus upon the situation in the case study districts. As can be seen in Table 5.3, below, the local authority housing stock in the two case study districts differs significantly. If this data is compared with the housing departments waiting list figures, it transpires that NW Leicestershire has a more significant problem of housing need than Mansfield as it can be seen from the table that there are far fewer local authority homes, relative to the waiting list, in NW Leicestershire than in Mansfield. The table also indicates the degree to which this local authority stock is supplemented by housing association units, producing a figure for total public housing stock. Even with this additional figure taken into account there is still a greater level of need in NW Leicestershire. This may indicate house prices are lower in Mansfield, allowing marginal owner occupiers to access this tenure rather than public housing. In relation to the population, in NW Leicestershire 2.28% of the population are on the housing waiting list, compared to 1.59% in Mansfield.

Table 5.3 Housing Waiting Lists (1995)

	Waiting List	LA Housing Stock	HA Housing Stock	Total 'Public Sector'
Mansfield	1,605	9,004	1,268	10,332
NW Leicestershire	1,840	5,478	1,187	6,687

Source: Interviews and Section A: Dwelling Stock of NW Leicestershire and Mansfield from "Needs Appraisal", HIP1 for the DoE, April 1995

Coopers and Lybrand appeared to accept the significant limitations endemic within waiting lists, and did not suggest their utilisation as an indicator of housing demand.

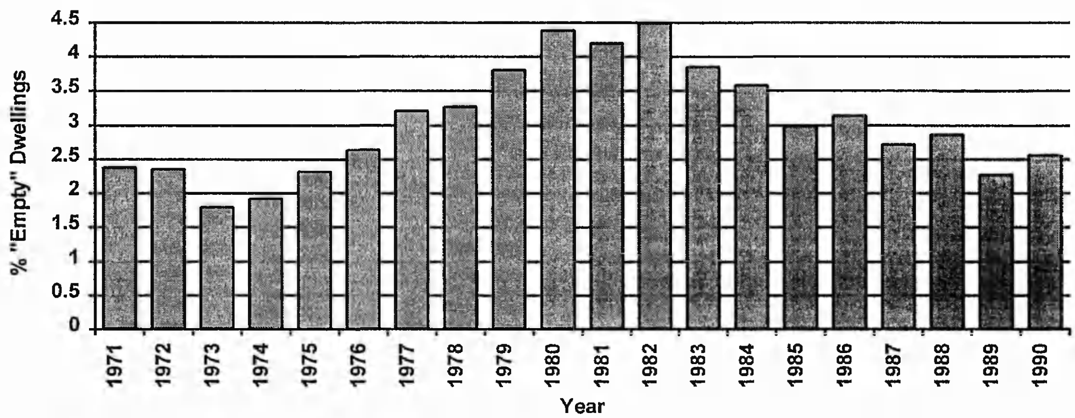
b) Dwelling Vacancy and Occupancy Rates

Another possible indicator identified by Coopers and Lybrand is the level of dwelling vacancies, the assertion being that a high level of vacancy suggests low demand. High demand would, all things being equal, encourage the re-use of empty dwellings. Figure 5.3, below, illustrates the manner in which the percentage of empty dwellings changed between 1971 and 1990. It can be seen that the highest rates of vacancy were between 1979 and 1983 (a period of recession in the housing market) whilst the lowest figures were in the early 1970s (a period when the housing market was buoyant). Yet the vacancy rates do not appear to illustrate all the housing market changes one would expect. For instance between 1987 and 1989 the housing market was booming, to such a degree that one would suggest vacancy rates should realistically be lower, possibly as low as the 1970s figures. Yet it is only in the peak year of 1989 that the rate falls below 2.5%.

Although Dorling's work focuses on the national situation, the vacancy rate data which is available from the Census is capable of disaggregation to a level which may reflect housing market areas (enumeration districts). However, Census data is too infrequent to be employed as a market indicator, and is also lacking in the detail needed. For example in the 1991 Census the data concerned with vacancies simply separated all vacant accommodation into: new and never occupied; under improvement; and others (OPCS, 1992a; 1992b).

This final "catch all" category tends to include the majority of the stock (75% in the case of Nottinghamshire) (OPCS, 1992a, Table 54). It could be argued that to provide a worthwhile indication of vacancy rates this category should be disaggregated further, but as the Census stands there is no means of determining why these properties are vacant. However there are positive signs in the 1991 Census (through the inclusion of data which disaggregates the vacant stock in terms of house type (Table 62)) that tentative steps towards market identification are being made. Yet an overall assessment is that, in their present form, vacancy rates are not particularly useful as a data source for the development of housing strategies. Is there a case for the development of this data source? Dorling's estimations are useful, yet they only examine the national picture. A frequently collected (i.e. more than decennial) vacancy survey, sub-categorised to a greater extent than present, may prove useful.

Figure 5.3 Empty Dwellings in Great Britain



Source: Dorling, 1991, Table 4

Vacancy rates are compiled annually as part of the HIP submission process. As can be seen in Table 5.4, below, the housing departments of Mansfield and NW Leicestershire have estimated the vacancy rates in both the public and private sector. The methodology for the compilation of this data is contained in the notes provided with the form. These state that the number of vacant dwellings can be estimated from council tax records or a local survey, not the census, recognising the static and problematic nature of this data set.

It would appear from this table that the vacancy rates of the private sector in both districts are very similar. However, there is a significant difference in the local authority sector. It can be seen that Mansfield has a vacancy rate four times higher than NW Leicestershire. This may suggest less need for social housing in Mansfield than in NW Leicestershire due to the fact that higher housing need may force greater utilisation of the housing stock. Yet there is a doubt regarding what vacancy rates actually indicate. High vacancy rates, as well as emphasising a low demand, could also demonstrate an extremely active and fluid market, with strong demand where dwelling turnover is high. Clearly, the important factor is the length of time the property is vacant. This would allow vacancy rates to become an indicator of "property turnover". As King stressed in 1987, there is a tendency for structure planning authorities to treat vacancy rates, even when used in important population forecasts, as remaining constant between census years at between 4-5%. (King, 1987b).

Table 5.4 Vacancy Rates in the Case Study Districts (%)

	Local Authority	Housing Association	Private Sector	All Dwellings
NW Leicestershire	1.4	3.2	5.5	4.7
Mansfield	6.1	2.4	5.9	5.8

Source: Section A: Dwelling Stock of NW Leicestershire and Mansfield from "Needs Appraisals", HIP 1 for the DoE, April 1995

Occupancy rates, although similar to vacancy rates can be seen as a separate indicator. Again this is data which is available in the Census and therefore suffers from the problems mentioned above, although it can, in its most direct form, give some indication as regards the prevalence of concealed households. Take, for example Mansfield District. Table 24 of the Census (OPCS, 1992) suggests that 3.6% of households in that district have four or more persons over eighteen years of age. This would ordinarily mean that a number of these persons would be hoping to set up their own home and, if this number is unduly large compared to other areas, it might indicate some level of demand. If this number were to be examined in conjunction with the areas affordability and income rates, the demand could be segmented in terms of the supply "housing pipelines" (see Chapter Two).

2) Planning Department

The debate regarding the relevancy of planning indicators was extensively covered in the Coopers and Lybrand studies, not altogether surprising given that it was the planning system which the reports aimed to influence. The planning process generates considerable data related to market demand, for instance, planning applications and planning appeals, both included in the Coopers and Lybrand studies. These involve two forms of data:

1. Data that the planning department collates and monitors.
2. Data that is available to the planning department, but which might require some form of processing.

Included within these data types are: number of actual planning enquiries; the level of applications concerning small sites; the degree to which planning consents are amended; and the densities of developments in applications. Other suggested data sets involve the statistics that are compiled by the building control department, as part of their role in monitoring construction standards (starts and completions). There is also a fourth type of indicator which is an amalgamation of building control and planning statistics. Two of these (time to take up planning permission and depletion rates) were discussed by Coopers and Lybrand.

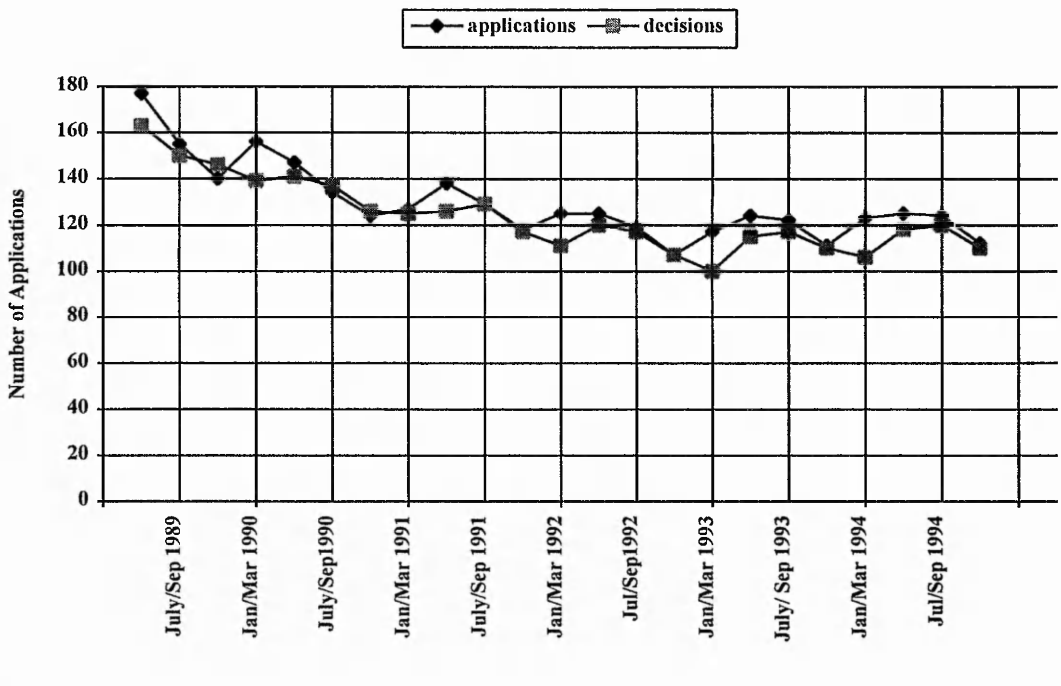
In 1982 Brotherton examined the use of development control data as a means of determining zones of development pressure (Brotherton, 1982). In 1984 Healey and McNamara critically examined how far Brotherton's findings could be relied upon elsewhere (McNamara and Healey, 1984). Although a number of their observations concerned Brotherton's detailed findings regarding areas under pressure, they also suggested that there were significant dangers in using development control records in a unrefined manner. They argued that simply using planning applications would include applications which are not for residential development. This is obviously the case, and as with all of these 'planning based indicators' there is a need to filter applications which are for developments other than residential. McNamara and Healey agreed with Brotherton that the potential for monitoring land and property development from development control data was significant. This data was further examined by the DoE in 1993, where a study sought to determine the usefulness of one part of this data source (PS3 returns) to gain information on land availability (DoE, 1993b). The study stated that although, in general PS3, returns contained useful information, they were not without errors, ranging from transcription problems to uncertainties over which sites should and should not be included. In terms of this thesis PS3 returns are not particularly useful, as their prime focus is to inform a third party. They are useful for the district themselves only in so far as they summarise the data that the local authority would already possess.

a) Planning Applications

The assertion that, if demand is high, there will be a higher number of applications, appears to be sound. Nevertheless, using planning applications is not without limitations. The drawback that is possibly the most important currently, is that arising from Section 54(a) of the Planning & Compensation Act 1991, the presumption in favour of the development plan. Arguably, planning applications will fall away once a conservation minded development plan is in operation, due to developers perceiving little chance of gaining permission due to Section 54(a). As a result subsequent housing strategies, if number of applications are used as an indicator, may be produced with the assumption that there is little demand. Yet is this the case? It may be that a self perpetuating spiral has been created, as housebuilders simply submit fewer applications as a result of the planning regime in operation. Another factor is that the number of applications may fall away due to the economic situation that exists in the housing market at any point in time. As can be seen in Figure 5.2 (above) the number of applications fell annually from 1988/89, when the housing market entered its period of decline. It is noted that this figure is based on all planning applications, not just those for residential development. Yet a disaggregation to isolate residential planning applications could be achieved by the local authority itself, from its own databases. One would suggest that an examination of residential applications alone would indicate a steeper decline in applications over the same period. For instance between 1990/91 and 1991/92 applications for major residential developments fell by 12% (year on year) whilst all planning applications only fell by around 8% (authors analysis of DoE, 1992e; DoE, 1993e).

The DoE publish tables of planning applications and decisions on a quarterly basis, but the data is only disaggregated to a district level to highlight decisions and the speed with which they are made. The figure below (Figure 5.4) plots decisions against applications to ascertain whether or not the data could be employed interchangeably. It can be seen that decisions tend to lag applications by one quarter, which supports the eight week decision time for planning applications. If this is borne in mind decisions may be a reasonable proxy for applications. However this should only be problematic for those using the DoE published data, one would argue that as the local authorities record planning applications themselves they will be able to monitor this data with greater certainty and disaggregation than an outside observer or an academic.

Figure 5.4 Planning Decisions and Planning Applications in England



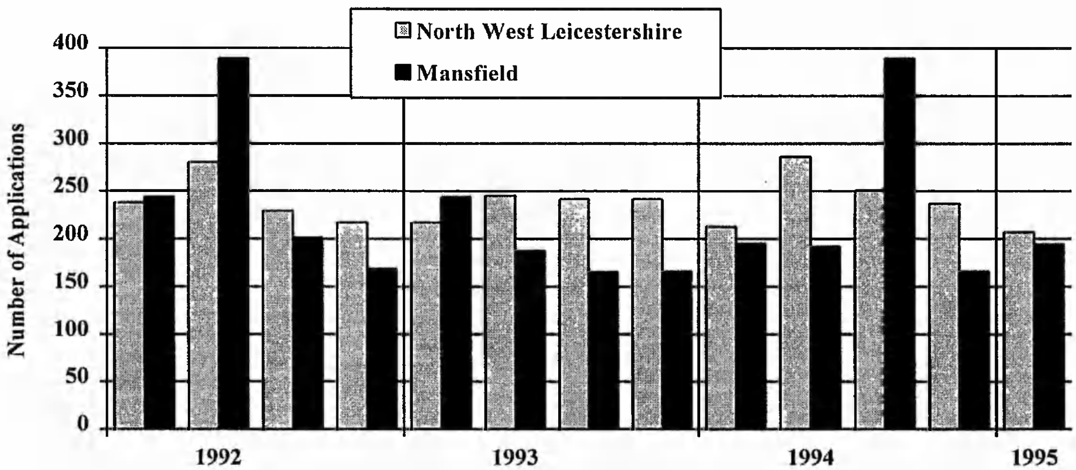
Source: DoE Development Information Bulletin, Table 1

This data concerns all planning applications, not just those for new residential development. Examining the DoE information bulletin further it is clear that applications for new dwellings have been relatively constant at between 13% and 16% of all planning applications for much of the 1990s. One would not expect such difficulties to be apparent within the local authority. It is only those of us examining the DoE data, which aggregates the statistics, that encounter problems in definitions.

Using this data to examine the situation in the case study districts highlights that, whilst both districts have encountered a gradual decrease in the number of planning decisions since the early 1990s, the decrease in NW Leicestershire does not appear to have been as dramatic as Mansfield. If the assumptions regarding decisions following applications are correct and new build residential planning applications have remained at a constant percentage in these two districts, this suggests that the market in NW Leicestershire has not suffered as significant a slump as Mansfield. Figure 5.5 highlights this in a graphical format.

Early in the 1980s there emerged a pro-development political climate (Thornley, 1981; Montgomery and Thornley, 1990). This coupled with the presumption in favour of development (Circular 22/80) placed the developer lobby in a strong position (Rydin, 1983). The issues that Coopers and Lybrand examined were therefore the result of a different type of development process, reflecting the situation that occurs when the developer-planner balance is weighted towards the developer. One of the limitations identified was that there were no means of separating demand-inspired planning applications from those which are made for land bank creation or speculative purposes. In addition, difficulties were identified regarding multiple applications, which in itself could be seen as a demand indicator. If a number of applications are submitted for the one site, there would have to be a means of adjusting the data to ensure that over-counting did not occur.

Figure 5.5 Planning Decisions in the Case Study Districts



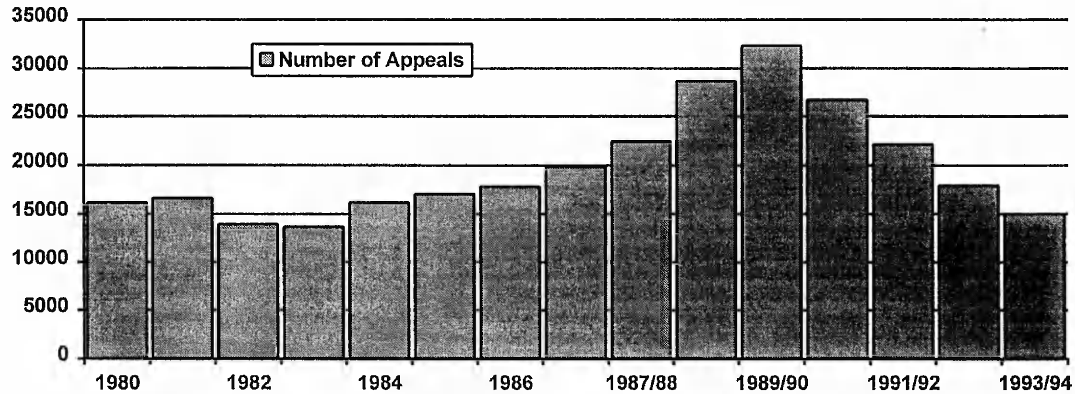
Source: DoE Development Information Bulletin, Statistics of Planning Applications

One of the problems Coopers & Lybrand identified was the possibility that if applications were accepted as an indicator of demand, this could be prone to distortion by builders who manipulate the statistics through submitting applications that they have no intention of developing. This is a problem, but it is arguable to what extent builders would do this, especially as charges for applications are now considerable. The cost of a planning applications is significant, both in fees and in the amount of time that the applicant has to spend on case presentation and background research. It might be suggested that small building companies, in particular, may not have the resources or the long term view required to 'manipulate' planning applications.

b) Number of Planning Appeals

The number of appeals lodged against negative planning decisions may be one indication of demand. If high market demand exists, the applicant may feel that the cost (both financially and in terms of time) would be outweighed by the rewards of a successful appeal, creating a situation where appeals are more likely. The alternative view to this is that if demand were uncertain there would be limited subsequent effort once an initial application has been refused. However, it could be argued that what is perhaps most important to developers is not so much the demand, but the possibility of getting the right "result". Appeals are related to both the national policy, local policy and the consistency of local decisions, in fact the confidence that the applicants have in obtaining planning approval. Figure 5.6 highlights how appeals rose in the 1980s before falling from 1988/89 onwards. The assertion that this fall is due to a fall in demand would probably be a reasonable one. An argument exists that it may continue into the 1990s, not necessarily because of demand, but because developers cannot see a successful outcome from their efforts, through the plan-led system.

Figure 5.6 Planning Appeals in England



Source: DoE, 1993e, Table 7.1; DoE, 1995d, Table 6.4

The data used in this figure concerns all appeals, not just those lodged against refusals for residential development. However, as it is the local authority which defends the appeal, it should be in a far better position to monitor the exact number of residential appeals. Again the data available to the researcher is aggregated by the DoE, making it difficult for a study such as this to examine this area in as a much detail as the local authority officer can.

Not withstanding the general criticisms, if a local authority were to employ either appeals or planning applications as a means of monitoring changes in demand, the degree of disaggregation and detail may be considerable. For instance, planning applications could be compiled in terms of specific housing markets, then in terms of the type of home that the developer is wishing to build. If there were changes over time this may suggest changes in the demand patterns, as interpreted by housebuilders.

c) Enquiry Levels

This is an indicator which would be relatively easy to compile and monitor, but it is very problematic in so far as it is easy to manipulate. Housebuilders enquiring about sites have very little commitment to make, and if it were to become known that such a measure was being used as an indicator, housebuilders could enquire about several sites in order to present an inflated picture of demand. The only justification for the use of such an indicator would be if it were to remain informal. However, even if enquiry monitoring were to remain secret, there is still no way of ensuring that the enquiries are for genuine development or simply speculation. If the enquiry is genuine, problems remain regarding the degree to which the enquirer envisages the site as a long-term investment, a land bank for future demand, or a means of meeting short-term demand. The degree to which enquiries can both be knowingly manipulated or become biased by speculative investigations means that it is perhaps one of the least attractive indicators.

Although discussed by Coopers and Lybrand, they did not recommend this form of data as a viable indication of market demands.

d) Small Sites

If there is high demand in an area, sites which may not have been the first choice for developers would become more attractive. It could therefore be suggested that an increase in the development of small sites would therefore indicate an increase in housing demand. Yet, what could be defined as a small site? A far more useful data set to monitor would be the increase/decrease in the percent of planning applications on windfall sites (i.e. sites on land not identified for housing in policy documents or land availability studies). An allocation for windfall sites is common practice in the land allocation process at the local level. For instance, in NW Leicestershire it has been estimated that 400 dwellings will be provided on this type of site, so it is feasible that estimates of future supply from this source can be compared with what has actually occurred.

Yet, even if the definition was expanded to reflect windfall sites, there are still problems with this type of data. The importance of small windfall sites depends to a great extent on the degree to which planning policy constrains larger site developments. In a rural area, for instance, planning policy may only allow infill sites. If small sites were to be used as an indicator the figures would clearly show high levels of demand. If builders who normally develop sites with in excess of fifty units, for instance, start to look at sites where fewer than ten units can be accommodated, it could show that demand is high enough to alter strategies. Yet, even here, it must be placed into the context of the planning policies operating in the area at the time.

e) Amendment of Planning Applications

Although this data cannot truly be classed as a "stand alone" demand indicator, it may give an indication of changes in market structure. For instance, if a re-submission changes the site from detached to terraced housing it may indicate that housebuilders realise that the market structure in a certain area has changed. This would be a relatively robust and easily collated method of differentiating market demand. However, it is not totally free of limitations. Re-submission may be for internal reasons within housebuilding companies, as the original application may no longer fulfil the company's corporate strategy. For instance, a national company may find a house type sells well in one particular area but badly throughout the country as a whole. Removing this size and design of dwelling from the housebuilder's portfolio would, therefore, be due to national criteria, and would not reflect local market preference.

3) Building Control and Planning Departments

a) Starts and Completions

Starts and completion data is published by two agencies, the Department of Environment (DoE), compiling building control statistics, and the National House Building Council (NHBC) through their role in housing standard control. As the NHBC class starts as "registration of a start", which has to be made at least twenty one days in advance of construction commencing, starts which do not actually materialise, may therefore be included. Currently the NHBC estimate that 97% of actual recorded starts will result in construction (NHBC, 1993 (Quarter 3),4). The DoE define a construction to have started when the foundations are laid (DoE, 1993a). There is similar differences in the definition of when dwellings are completed. The NHBC define a completion as having occurred when the house is complete in respect of the NHBC's own technical requirements. This is prior to occupation, but is seen by the NHBC as generally signifying that the house is ready to be occupied (NHBC, 1993). The DoE regard a house as having been completed when it becomes ready for occupation, whether it is in fact occupied or not (DoE, 1993a). There is, therefore, a wider difference in the definition of a start than a completion, yet it is in the compilations of completions that significant problems arise (Gillen, 1994b).

With a few exceptions (Ball, 1983; Gillen, 1994b; Gillen, et al 1995) little academic work has examined the problems and incompatibilities with these data sets. Even the work that has examined this area has tended to avoid recommending one data series. In terms of housing strategies it would appear that local authorities would be best placed to employ the DoE building control based data. Building control data is collated "in house" by the local authority themselves and it includes building inspections that have been carried out by the NHBCs building inspectors. It would appear that the data can, therefore, be tailored to the exact requirements of the individuals analysing the data, for instance the building control officers could be requested to record starts in terms of housing types or market areas.

Table 5.5 Starts and Completions in the Case Study Districts

	North West Leicestershire		Mansfield	
	Starts	Completions	Starts	Completions
1986	60	46	37	53
	59	59	48	29
	67	74	60	23
	54	67	31	8
1987	31	38	87	42
	97	82	98	115
	71	60	36	40
	139	107	37	64
1988	78	24	36	83
	90	72	84	55
	103	125	88	99
	98	95	79	52
1989	66	93	98	79
	123	49	75	138
	74	79	77	87
	79	85	86	63
1990	88	77	63	89
	58	127	44	79
	105	49	106	39
	42	50	57	39
1991	100	95	33	61
	111	104	39	69
	88	88	36	16
	83	60	47	31
1992	83	69	106	62
	145	81	78	35
	64	106	81	89
	87	112	28	48
1993	95	108	46	70
	142	97	122	72
	96	90	138	83
	101	116	73	75
1994	166	79	45	91
	87	120	48	78
	99	102	108	128
	90	105	37	82
1995	74	129	86	36
	80	83	115	17
	91	150	130	126
	55	74	48	95

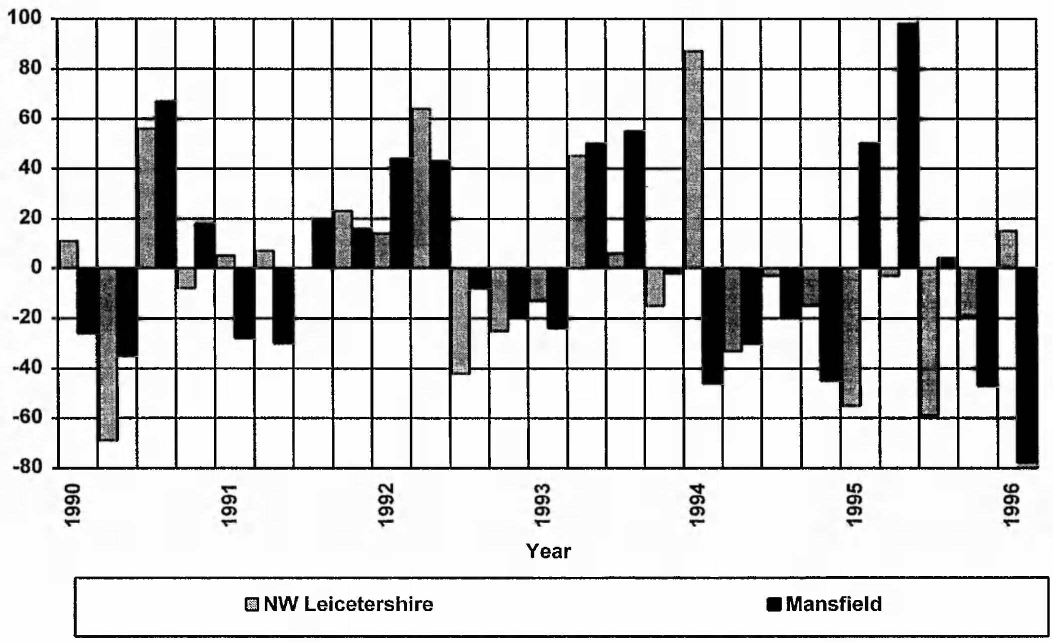
Source: DoE, Housing Data and Statistics Division

The primary limitation with this data is the fact that in its published form (in the Housing and Construction Statistics) there can be a time lag. This is due to some authorities submitting the figures on time whilst others delay. The DoE require virtually complete responses from each authority before it can compile and prepare the statistics to be published. Yet this would not be a problem at the local level. If the data were to be employed by the local authority, before it was sent to the DoE for collation, the onus would be on the local authority officers to produce monthly/quarterly data on time.

According to Ball (1983), the cost to the housebuilder of holding completed dwellings is prohibitive, with the result that housebuilding companies build for a quick sale. This should ensure that housing output closely follows the level of demand. As a result, starts and completions, if taken as a representation of housebuilder activity, may be used as an overall indication of market demand e.g. the higher the level of starts the greater the level of housebuilder confidence in a buoyant housing market. Yet there are other factors which can affect the statistics, for example, the weather, or delays in the production of materials. This could present a fall in the starts or completions data which would be the result of factors outside the realm of the housing market and housing demand.

There is an argument, however, that starts and completions could be indicators of past demand being met, and may only indicate future markets if past trends continue. This may be the case with regard to completions as the construction process results in present completions being a reflection of decisions and opinions on the market which were taken, on average, a year to eighteen months previously (dependent upon the time taken to gain planning permission and construct). This assertion may mean that as a long term indicator they are less reliable. If they are examined in terms of changes in the number of starts (or completions) of house types, they will, in part, reflect where the housebuilders see the greatest potential market. However they may also reflect the areas of greatest potential profit.

Figure 5.7 Net Starts in the Case Study Districts



Source: DoE, Housing Data and Statistics Division

Ball (1983) suggested that a combination of starts and completion data, to form 'net starts' may be the best measure of output. He saw net starts as being the addition to the number of homes being constructed, in effect total starts minus total completions, in any one time period. He stated that this would act

"*...as an indicator of new commitments of capital to housebuilding*" (Ball, 1983, p.106)

Figure 5.7, above, highlights net starts in the two case study districts. If Ball's assertion is correct, then it suggests that since 1994 both districts have experienced limited new capital commitments to housebuilding. This is in contrast to the situation earlier in the decade when greater capital investment occurred, suggesting that the housing markets of these two districts have declined since 1990.

It could be argued that housebuilders would only add additional new capital to housebuilding if they foresee a market for the completed product, therefore this indicator may be of use. However, it will still meet the problems that have been indicated to exist in the collection of starts and completions.

One adaptation of start and completion data is to examine the time between start and completion, essentially the time to build. The assertion is that the shorter the time period, the higher the demand. However the speed of development may reflect more than market demand. The weather can often affect build times, as can the builder's own strategy, or the cost of the finance. Perhaps the greatest problem with such an indicator is that of comparability. It would be almost impossible to highlight an individual development rate as an "average", which would provide a benchmark to allow future completion speeds to be evaluated. To be effective this indicator requires good time series from a representative number of sites. Again such data could be developed from that which is already collected and held within local authorities. If this is not possible the NHBC compile data which highlights time taken to build homes, and this may be employed.

Start data can be developed to provide a useful indicator through recording the identity of the builder. If one builder, prior to completing a site in a housing market area, starts a second development (a strategy which would result in the building company effectively competing with itself) it would most probably be due to high levels of demand at the initial development. This information could be easily monitored through recording developers who are active in an area.

b) Depletion Rates of Allocated Sites and Time to "Take Up" Planning Permissions

If sites which are allocated for housing are developed early in the life of a policy document, then there is an argument that demand is high. Coopers and Lybrand suggest that depletion rates are a one sided indicator, which may reflect high demand, through high rates of depletion, but may not necessarily imply low demand if allocated sites remain undeveloped. This assertion is valid given the fact that the housebuilder's or landowner's own strategy may be paramount, (as in the time to "take up" planning permissions) effectively curtailing development even when demand is high (Rydin, 1985). In addition, further limitations may be a result of the planning process itself. For instance, phased developments may force developers to postpone a development, whilst the demand exists in the housing market to justify full completion of the site.

Time to "take up" planning permissions would combine the planning departments' approval date, with the start date recorded by building control officers, essentially a measurement of the duration of planning permissions. The supposition is that if the time between the approval and commencement of construction is short, demand is high, whilst a longer timescale is evidence of a lack of demand. Again, there is the problem that a bench mark needs to be set as the "average" length between approval and commencement. If this is established by looking at past trends, then the period examined would have to be accepted as a period of average demand. In addition the general economic and political conditions will have to have been similar, in the benchmark period, to those currently in existence.

As with many of these indicators, there are a number of reasons, apart from changes in demand, which may cause take up times to vary. The strategy of the housebuilder, or motive of the planning applicant, are obviously the most important and are also the most difficult to examine. Bibby and Shepard, in an examination of the usefulness of PS3 returns as a means of monitoring housing land availability, focused directly upon the major limitation of this type of data (DoE, 1993b). In their examination they studied the duration of planning permissions in English districts, between 1988 and 1991. Their findings illustrated that, in 1988, the duration of planning permissions in the South East (the region generally accepted to have the greatest housing demand) was 26 months. This relatively short period was not matched by any other region, except the North (DoE, 1993b). Although the study suggested that planning officers generally accepted that the shorter the duration of the planning permission the greater the market demand, it did illustrate that there could be other practical reasons, other than demand, for planning permissions being utilised quickly.

The overall conclusion that Coopers and Lybrand reached with regard to Building Control/Planning Department data was that;

> *"...with the exception of the proportion of permissions implemented within each year to expiry, there would be little value in attempting to use planning indicators of demand"*
> (Coopers and Lybrand Associates, 1987, para.2.25)

It would appear that they decided to use time to "take up" planning permission as the base for this form of indicator.

Guillou (1990, pp.137-140) suggests that planning indicators are accepted primarily because there is little alternative. He argues that an indicator is proposed with very little analysis as to what it actually indicates nor how it could be developed to indicate demand. The internal strategies of the builders and problems encountered during a construction process could have as much of an effect on the proportion of starts as changes in demand. One of Guillou's arguments is that this indicator tends to abstract the dynamic nature of planning permissions into a static entity. He suggests that permissions are continually added to the "pool", which would therefore undermine any contention (suggested by figures built upon a base year's permissions) that demand is constrained by supply. This contention is valid to a degree, yet the expectation is that an increase in the proportion of dwellings completed in any one year would reflect the conditions prevailing within the current or contemporary permission "take up". This would result in higher depletion rates being placed in context by higher numbers of applications. If both indicate the same trend it would reflect demand more accurately, as it observes the situation at different 'ends' of the development process.

Yet even if the indicator were to be widened to look at both ends of the development process, the individual problems, discussed above, would remain. Guillou argues, convincingly, that the existence of outline and reserved matter consents, as well as detailed applications, results in an obscure acceptance of what actually constitutes a permission. Clearly, it would be inappropriate to compare reserved matters with detailed permissions due to the differences in available time. For instance, in the case of reserved matters applications, there is an expectation that 100% would be implemented within two years. Similarly, outline permissions may not contain enough detail with regard to the type and number of houses that will actually be built. Guillou argues that only applications which are in the full detailed state should be included and permissions which are complicated by planning agreements should be excluded.

Research has shown that areas with different planning policies tend to attract different categories of developer (Rydin, 1985). In areas with planning constraint and high demand, land is treated as an investment by speculators who would view outline planning permission as a tool towards value enhancement. Paradoxically, it would appear that low construction rates are the result of higher demand for housing, because companies orientated towards speculation are more active than those which generate the majority of their profits through actual construction. One would have to concur with these criticisms, yet the major benefit of this sort of data is the fact that it is readily accessible to the planning officers themselves. With increased use of computers in local authority offices, this should allow for greater flexibility in the use of such data and given time and a reliable data base, this sort of data has a contribution to make to housing market monitoring.

House Builder Data

One would anticipate the most reliable information regarding housing markets will be from the housebuilders themselves. As housebuilders are profit making companies they will have to be acutely aware of market demand, the type of property which is being demanded, and the number of houses this demand will be able to sustain before it is fully met. Housebuilders would therefore appear to be a very useful source of housing market data. Market researchers in housebuilding companies are charged with the responsibility of determining demand in an area. The methods employed can range from sophisticated geo-demographic analysis, employing population projections, to highly localised market knowledge and the reliance on personal contacts. Coopers and Lybrand suggested that builders identify sites through a general investigation of an area's economic prosperity, employment prospects, infrastructure plans and other major investments in the area. This may be the mainstay of many housebuilding companies, yet it is clearly not the only factor which housebuilders are concerned with.

Although the expectation is that all housebuilders undertake some sort of survey, it is still arguable whether or not the data can be used practically by local authorities to monitor housing markets. Firstly there is the question of actually obtaining the data from the housebuilding industry in a form that can be utilised. Housebuilding is highly competitive and information that may prove useful to a competitor is closely guarded. In addition there may be a problem of integrity of data. If the housebuilders perceive statistics would present a case which would be beneficial to their own strategy they may prove enthusiastic and helpful. Yet if the data demonstrated low demand then this information could well be withheld.

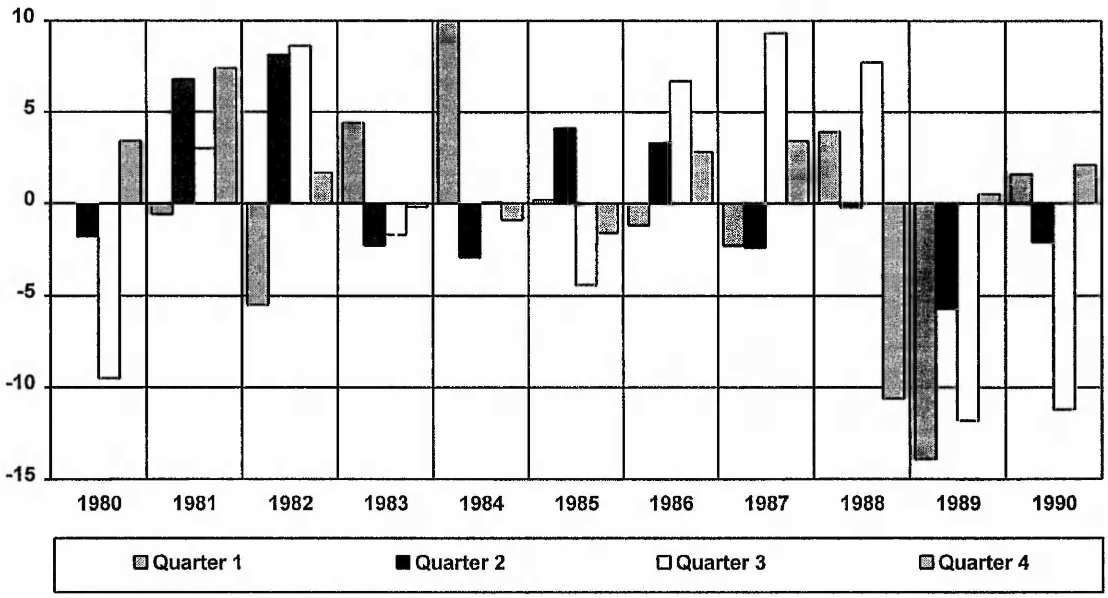
Housebuilders, market researchers and land buyers appear to have no long-term objectives, taking one site at a time and being primarily concerned with sales on a particular site (Orchard, 1992, p.11). There is a possibility that they will therefore tailor market research towards the requirements of each individual site, on an ad-hoc basis. Guillou (1990) suggests that, within market areas builders assess development potential on a site specific basis. This may appear to be a wasteful exercise which involves frequent reiteration of efforts. However, it could be suggested that builders strategies will result in a "chain" of development in a given area. Therefore, almost by default, a large builder may have a number of sites, or potential sites, at any one time, resulting in an ongoing appraisal of demand and an understanding of a local housing market. Ball suggests that most large housebuilding firms carry out highly detailed market research of local housing markets, to identify gaps in current supply (Ball, 1983), whilst examining the market to identify areas where profits will be highest and competition will be low. What becomes clear from both this and other discussions is that it is no simple matter to classify “housebuilders” (Ball, 1983; Gillen, 1994). In terms of using housebuilders as a data source, it is therefore important for the local authority to be aware of the type of company from which they are gathering information.

Site identification does not necessarily result in development. Effective demand might not be strong enough, nor of the right "type" to interest a particular developer. Yet the majority of developers remain committed to broad site identification (i.e. area rather than specific sites), followed by demand appraisal before committing themselves to more specific site identification. Some of the major builders do take a more strategic view and have commissioned academics working in the demographic field to highlight areas which have demographic potential. This may be an indication of housebuilder concern regarding the extent of future markets. One could argue that during the early 1980s, demography, general economic circumstances, availability of housing finance and planning controls created a situation where the housing market boomed and housebuilders could build almost anywhere and make a profit from the product. With many of these factors either disappearing or becoming weaker in the 1990s, a more considered appraisal and identification of sites on the part of housebuilders will be required.

One significant difference between housebuilder indicators and those mentioned previously is that housebuilders not only record and monitor data, they actually change policies and strategies, in the short term, in the light of what this data shows. For instance, if sales rates are low for eight weeks, the developer will re-appraise the marketing strategy and promote the site more aggressively. As a result the subsequent sales figures may increase significantly. If sales rate were to be used as an indicator this change could be interpreted as an increase in demand. Alternatively, if sales are proceeding beyond expectations, the housebuilder may re-appraise the situation and decide the properties are being offered at too low a price. If prices are raised the final units on this site might take longer to sell and may suggest demand has slackened, whereas in effect it has remained the same and the market conditions have changed. This monitoring and altering of the sales conditions highlights the major drawback with all the housebuilder-based indicators, which have essentially been developed to examine the ongoing success of any development, or group of developments.

In discussion with housebuilders, it transpires that there exists a sales expectation which reflects the seasons. The general expectation is that twice as many homes would be sold during the summer months than in the autumn and winter . On the face of it, this would seem to be legitimate, given the fact that during the spring and summer the day light hours are longer and there is more opportunity for would-be home buyers to view properties, whilst during the Christmas and New Year period households tend to be otherwise engaged. Whilst this may be the case in the new housing market, an examination of all property transactions presents a different perspective.

Figure 5.8 Quarter on Quarter Percent Change in Property Transactions



Source: CML/BSA, Housing Finance, 1995, Table 19

Figure 5.8 presents the quarter-on-quarter change in property transactions for the 1980s. If the views of housebuilders are to be supported, one would expect more positive changes in property transaction in the summer months than the winter. However it would appear from this figure that quarters two and three experienced more falls in the number of property transactions than quarters one and four. In essence the winter quarters have more buoyant housing markets than those of the summer.

The data that underlines property transactions is based upon the 'particulars delivered' processed by the Valuation Office and the Land Registry, and it has been argued that a time lag of between one and two months exists from actual transaction completion to the data being processed (CML/BSA, 1996). However, the 'particulars delivered' upon which transaction data is based, may in fact lag behind the housing market to a far greater degree than anticipated. If it were to lag the market by 2-3 months, then the quarterly changes would fit with the expectations of housing professionals.

As can be seen from the preceding discussion there is a case for monitoring the housebuilding industry. One would suggest that this could be gained from building links with private housebuilding companies, the kind of links that could be seen to develop from the co-ordination of policy and implementation that has been discussed in earlier chapters. Apart from this general approach to greater co-ordination between the local authority and housebuilders, there is a need to examine the type of market monitoring information that may be provided by housebuilding companies. The next few pages will examine the data that may be expected to be collated by housebuilding companies for their own marketing information and may therefore already exist in a form useful for housing strategy formulators.

a) Sales to Reservation Ratio.

This indicator utilises the number of reservations which proceed to completion, as opposed to those which are simply reservations and fail to materialise in the form of firm sales. The expectation is that a fairly low ratio could be construed as reflecting high demand, whilst a high ratio would suggest that demand is weak. Clearly the different "tactics" of the housebuilders will have a profound affect upon the series. If the builder has a strong commitment to reducing cancellations (Batemen, 1993) through tackling the after-sales "remorse" period, then the expectation is that they will have a smaller cancellation rate and a stronger sales-to-reservation ratio. Arguably, a low ratio would be expected as reservations require a down-payment. This could ordinarily mean that a high percentage of reservations actually develop into fully completed transactions. Yet discussion with housebuilders and an examination of sales literature indicates that some reservation deposits are as low as £20. Relative to the price of a house, £20 is not a major penalty to incur if the housebuyer decides to cancel.

b) Sales Times and Sales Rates

The time for units to sell, or the number of units sold in a given period, are two suggested indicators. Sales times, although not extensively used by the housebuilding industry, could be employed in a number of ways.

Two possibilities are the length of time between the commencement of marketing the site and sale, or the time between approval and sale. Discussions with housebuilders have shown that sales rates are widely used, both for monitoring their own developments and for determining which house type should be placed on particular sites. There are essentially two ways that sales rates are calculated and both techniques have a similarity, in that the figure is presented as a weekly average. The overall sales rate is the weekly average rate since selling commenced, whilst the alternative establishes an eight week rolling average sales rate. If the length of time taken to sell a unit is comparatively short, and there is a high sales rate, then the implication is that there is a high demand. Similarly, if the development is proving to be unattractive, then sales times would increase and sales rates would fall. These indicators would suffer from the same problems of fluctuating housebuilder strategies, accounting for higher (or lower) than expected sales rates. As a result, there is a degree of uncertainty regarding how much of the improved sales time is due to demand changes and how much is due to marketing.

c) Visitor Based Statistics

New home developments are usually laid out in a way that allows the on-site sales team to keep a track of all the visitors that call at the site. Therefore the sales staff have an indication of the number of visits, whilst additional data is gathered from individuals who visit show homes or ask questions of the sales team. There are a number of ways the data can be analysed. For instance, the number of visitors that it takes to generate a sale is one that can be used. Similarly the proportion of visits that result in a reservation. These will give an indication of the attractiveness of the product on sale and will be used by the housebuilder in conjunction with other indicators to alter marketing policy. Perhaps the least attractive method of estimating demand is to simply investigate the visitor numbers, which would probably be more useful as a measure of the success of advertising in the area. Whilst it appears to be plausible that a low ratio of visits to sales or reservations illustrates a high demand all the qualifications that have already been raised in this discussion of housebuilders will have to be borne in mind.

d) The Proportion of Houses Sold Prior to Completion

If demand in a given area is high, the expectation is that houses would sell prior to their completion. Clearly, this is a modified form of sale time indicator and at best this indicator will only present a reflection of higher demand. Coopers and Lybrand were of the opinion that this was the indicator which was the most independent of housebuilder's strategy and marketing (Coopers and Lybrand, 1987, para 2.31). They also highlighted, as with all the indicators, a problem with definition. As already stressed (see above) the definition of when a property is complete is liable to significant interpretation (Ball, 1983; Gillen, 1994b). Arguably this is not insurmountable, and the possible adoption, for monitoring purposes, of a "standard time" when a dwelling is recognised as complete (for instance, when it becomes liable to council tax) may overcome this problem.

Perhaps the most significant problem with such a definition is that it may indicate very little. The NHBC in their publication *Private Housebuilding Statistics* produce a table which sets out the time to build. This indicates that the median time for construction appears to be around eight months (for both traditional and timber frame construction methods). Yet it is possible to build a house in under eight weeks, and if the NHBC figures are the median, some housebuilders must be constructing homes in short periods of time. Two to three months is similar to the time it takes to complete the legal formalities associated with house purchase, which may allow a situation where a house can be 'built to order'.

A move towards "just-in-time" construction has been highlighted as a feature of past building strategies (Ball, 1983, p.105). It might be suggested that short build times may result in almost all homes being sold prior to completion, allowing housebuilders to build to demand. If this is purely due to current economic circumstances, then the indicator may become useful in the future. However short construction times and a move towards increased sales prior to completion may be an indication of future trends within the structure of the housebuilding industry. This would place housebuilding in the same role as an office furniture or motorcycle dealership, where customers order the product and have to wait a number of weeks for the factory to deliver. "Superhomes", a concept that was introduced by Laing in the mid-1980's, took "just-in-time" construction to its extreme. Containerising all the materials necessary for one house ready for shipment to the site, allowed output in excess of 3,000 units per annum. However, it was discontinued in 1989, suggesting that the company may have over-purchased materials and found that the holding costs were prohibitive, during a down turn in the housing market.

Of all the possible housebuilder indicators Coopers and Lybrand suggested sales prior to completion as a robust indicator (Coopers and Lybrand, 1987, para 2.32). The problem with builders' strategies skewing indicators has been discussed above. Guillou (1990) highlighted the manner in which this indicator remained prone to mis-interpretation due to alterations in strategy. For instance, if the number of completed dwellings declines due to housebuilders strategy, a 'ripple effect' may be created. The overall demand may remain the same, yet would-be house buyers perceive that the supply has been constrained, therefore competition results in a higher proportion of sales prior to the dwelling being completed.

> *"In such a situation the proportion of advance sales could rise even if demand remained unchanged. Indeed, the proportion could still rise if demand were to fall, provided that the fall was more gradual than had originally been envisaged"* (Guillou, 1990, p.146)

Guillou contends that some housebuilders could pursue an aggressive pre-completion marketing strategy. If this type of company were to increase its market share, it may result in the figures regarding pre-completion sales increasing. If other things were to remain equal, this could well result in the indicator suggesting a higher demand than may actually exist. This line of argument would not appear to be very convincing, as aggressive marketing is common throughout the housebuilding industry. Site publicity runs virtually in tandem with development on all sites, reaching its zenith once the first show home is complete. Publicity and marketing will remain at this level although the majority of the development may not be complete.

In practice, there appears to have been little done to try and develop these potential indicators as individual data sets. Perhaps this is due to the secretive nature of the housebuilding companies who may perceive such information as commercially sensitive (see Chapter Seven). Steps have been taken by Hampshire to compile all of these indicators into an aggregate format (Hampshire County Council Planning Department, 1988 & 1990). A questionnaire sent to 54 different firms asked their opinion on the strength of current demand in terms of property types and in terms of housing market areas. The housebuilders were also asked for their perceptions of future housing demand, again by house type and area, and their impression on land supply in an effort to form a complete picture of housebuilders' perceptions.

Housebuilder data would not appear to be reliable for use in market monitoring. This is not to say that housebuilders should not be involved in the process in some way (see below), but the data they monitor would not appear to be particularly useful for the local authority. This appears to be the view expressed by the local authorities themselves (see Chapter Six).

House Prices and Land Prices

Economic theory suggests that if demand is high and supply is constrained, the good which is being demanded will rise in price. The monitoring of house and land prices would therefore seem to provide a useful indication of demand. These indicators received strong support from Coopers and Lybrand, who recommended house price data as being particularly useful in this regard. Initially, one would have to stress that there are a number of different sources that can be utilised to gain information on house and land prices. If this is added to the problems that are endemic within each source of data, it becomes clear that there exists greater uncertainty in this data than the Coopers and Lybrand studies appear to suggest.

As discussed in earlier chapters, housing markets are difficult to identify, due partly to their fluidity and partly to substitution effects of neighbouring housing markets, different housing types and different housing tenures. However differences in house prices are related to geography, as a result, if similar properties in different areas are achieving different prices then this can be used as an indication of possible market areas. House prices would not only allow an indication of the spatial delineation of house type markets, through the differences in house prices between similar house type areas, an estimation of the buoyancy of different areas could be made. It would appear that house prices could support market identification as well as monitoring changes in demand.

a) House Prices

There are essentially two methods by which house price data can be collected. The first and perhaps the easiest method is to utilise the data sets prepared by either the Halifax or Nationwide Building Societies or to examine the house price statistics compiled by the DoE. These sources are based on transactions, which have been funded by the building society concerned (in the case of the Halifax and Nationwide) or the sample financial institutions for the DoE (Pannell & Champion, 1992). The second alternative is to carry out a perception-based study. This can range from the regular Inland Revenue publications (Valuation Office Agency, 1992) through the monitoring of property professionals' opinions, to investigations of property papers (Foulkes & Woodhead, 1986).

Houses are perhaps one of the must unusual goods currently purchased in the UK, placed in such a position by their uniqueness and cost. Looking at the cost implications first, Nicol (1994) demonstrates that the vast majority of would-be homeowners have to obtain funding from lending institutions to be able to afford property. However the number of transactions that have proceeded without any formal funding is significant and as a result a number of property prices will not be recorded in any transaction based house price dataset. If these concealed transactions are similar across all housing types, than there may not be a significant area of concern. However, it would be more realistic to expect that the houses which are not reflected are of certain types e.g. retirement type properties bought without a mortgage by households selling large properties, in later life, to replace them with smaller, cheaper properties; or very expensive and large properties purchased by wealthy individuals. Alternatively there may be an under-representation of inner-city properties, through "red-lining" policies or the non-borrower ethos endemic in some cultures. If this is the case, then it is questionable the degree to which house price data-sets based on actual transactions can accurately reflect all housing markets.

The group of householders who commit themselves to a mortgage to be able to afford to buy a home find themselves connected to world-wide economic trends. Currently the macro-economic policies of the government result in a distinct interaction between macro-economic policy and the micro-economics of individual housing markets, through the manipulation of interest rates. Such connections have created a situation where house price movements may have as much to do with changes in the supply of housing finance as changes in local demand.

The second idiosyncratic feature of housing is that no house is exactly the same as any other. Even new-build houses are essentially unique, occupying different geographical locations and finished to different specifications. As time progresses, this uniqueness becomes more distinct, as different owners customise houses, through decoration and modification. The result of this is that it is extremely difficult to determine an all-encompassing "average house price". The chances of any housing mix traded in one period being the same as that traded in subsequent periods is small. A simple time series is not comparing "like-with-like", and this has only been attempted on one occasion (Evans, 1978). Even in "like-with-like" comparisons a problem of comparability remains. Improvements may have been undertaken in the property in question between the two sample periods. As a result some of the properties' price increases may be due to improvements in the structure or decor of the building, rather than house price inflation.

The Halifax, Nationwide and DoE series all produce indices of house prices. The use of indexing techniques is an attempt to introduce a degree of consistency in the mix of houses traded in any one period. As can be seen in Table 5.6 below, the Halifax has the largest data set of the three and has a reasonably robust index. The DoE only presents a 5% sample, but this reflects both bank and building society lending. However, the index is not equipped with the statistical techniques necessary to fully overcome differences in the housing mix. Although the Nationwide has a smaller dataset than the Halifax it has the most sophisticated and robust techniques for reducing sample variations (Nicol, 1994; 1996). The indices prepared by the Societies and the DoE tend to be presented in an aggregated format, and detailed breakdown of house types, as exists in the "raw data", is limited. This may be due to a belief that house characteristics are already accounted for in the hedonic index of the Building Societies. Within a given region, the indices are presented in terms of property age (new or second hand) and type of buyer (existing owner occupier or first-time buyer). This technique is useful for monitoring house price trends for specific categories, for instance new properties, first time buyer properties or properties which have been formerly owner occupied. The Nationwide index is believed to reflect 85-90% of characteristics which influence house prices (Fleming & Nellis, 1993). Therefore a comparison of the indices almost certainly reflects changes in house price and not house mix, between the various groups. If house price changes are to be taken as an indicator of demand, the index will be the best means of determining within which group that demand lies.

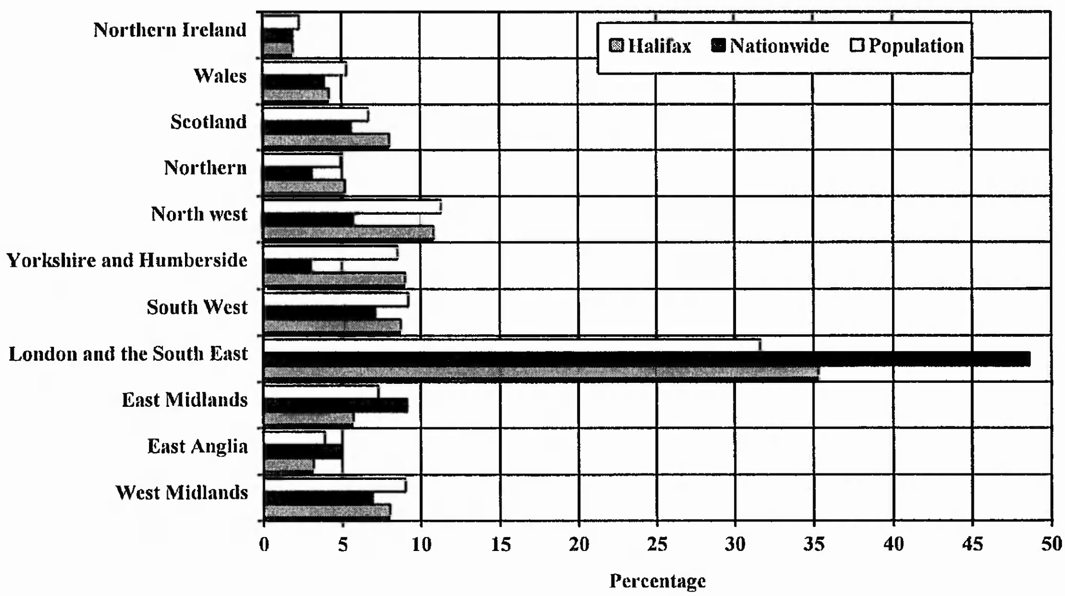
Table 5.6 Comparison of House Price Series Characteristics

Data characteristics	DoE 5% Sample	Halifax Series	Nationwide Series
Mortgage approval or completion stage data used?	Completion	Approval	Approval
Coverage National UK	Yes	Yes	Yes
Regional	Yes	Yes	Yes
Quarterly transactions (approx. 1993)	6,000-7,000	30,000-36,000	10,000-12,000
Lowest workable disaggregation level	County or metropolitan district	Postcode	Postcode
House Price Categorisation?			
Type of house	Yes	Yes	Yes
Age of house	Yes	Yes	Yes
Purchaser type	Yes	Yes	Yes
Data Publication Frequency?			
monthly	No	Yes	Yes
quarterly	Yes	Yes	Yes

The Nationwide is often accused of being a building society orientated towards one area of the country, and due to its smaller transaction base not truly reflecting the properties traded in anyone period. It is almost impossible to gain a detailed insight into the geographical distribution of mortgages as the society view this data as confidential, yet an estimate can be made. Figure 5.9 compares the Nationwide and Halifax regional branch base with that of the population in general. As mortgages could be provided by the estate agencies of the societies (Nationwide Estate Agents and Halifax Property Services) or by independent brokers, Figure 5.9 may only give an indication of possible mortgage distribution and therefore transaction base of the two societies. If the branch distribution illustrated in Figure 5.9 is an accurate reflection of the Society's lending patterns, then the following can be surmised. Clearly, the Nationwide data is limited in regions within which it does not have a strong presence, yet it is better represented in other areas of the country, e.g. London, the South East, East Midlands and East Anglia.

As can be seen in Table 5.6 (above) the Building Society data-sets can be disaggregated to a post-code level. As a result, if this data is used it could be constructed so as to accurately indicate housing market areas. However, one major problem with this source of data is that the sample size for any particular housing market area may be too small to allow accurate trends to be monitored. The DoE data should also be capable of disaggregation to a similar level. However, a number of the transactions recorded do not include enough data to allow the government compilers to record them in terms of housing market areas. As the DoE sample is much smaller than that of the two Building Societies, if it were to be disaggregated further than a county level the sample size would become unreliable. For instance the data for Nottinghamshire in the last quarter of 1994, was based upon a sample of 119 transactions.

Figure 5.9 Branch Distribution of the Nationwide and Halifax Building Society's Compared to the Regional Distribution of the Population



Source: Population, Church, 1993; Branch networks, authors analysis.

One problem with transaction data is that to be recorded, the housebuyer has to purchase a home with a mortgage, as highlighted above this may create a situation where certain types or location of homes are under represented. Perception-based data is not limited by actual transactions, and can be adapted to reflect housing markets with greater ease. As well as being able to accurately reflect market areas, it can be developed in such a way as to uncover future market expectations. However its major limitation is that it is extremely reliant on both the professional expertise and the goodwill of the individuals who are providing the information. For this type of data there is a significant overlap with surveys of estate agents which have been carried out by a number of planning authorities, (Wiltshire, 1981) and is investigated below. Examination of newspaper advertisements as a means of monitoring house prices has been undertaken by some councils (Hertfordshire County Council, 1988). Dorset County Council (Foulkes and Woodhead, 1986) monitored newspaper advertisements for a number of years, supplementing this data with both estate agent surveys and the regional data from the Nationwide Building Society. Overall, Dorset C.C. found that there was a degree of comparability between the data sets statistics, suggesting that they reflect actual house prices accurately and sale prices can indicate what the market is willing to pay. However one would suggest that this may not be the case in a depressed housing market, when would-be homeowners would expect to pay less than the asking price. It would appear that a "portfolio" of the different sources of house price data creates the most robust, yet flexible, house price monitor.

Coopers and Lybrand examined house prices in conjunction with estate agent indicators, reaching the conclusion that data on house prices, from the large chains of estate agents in particular, would be forthcoming. The large estate agency chains have in the past, often been tied to lending institutions, for instance Black Horse Agencies (Lloyds Bank), Cornerstone Estate Agents (Abbey National), Halifax Property Services and Nationwide Estate Agents. Although Cornerstones is no longer part of the Abbey National, the other connections still exist. Clearly, collecting information from the local branch of the Halifax and Nationwide estate agency business would supplement the nationally produced series and, along with informal house price monitoring (of property papers), can form a clear indication of house price trends in any housing market area.

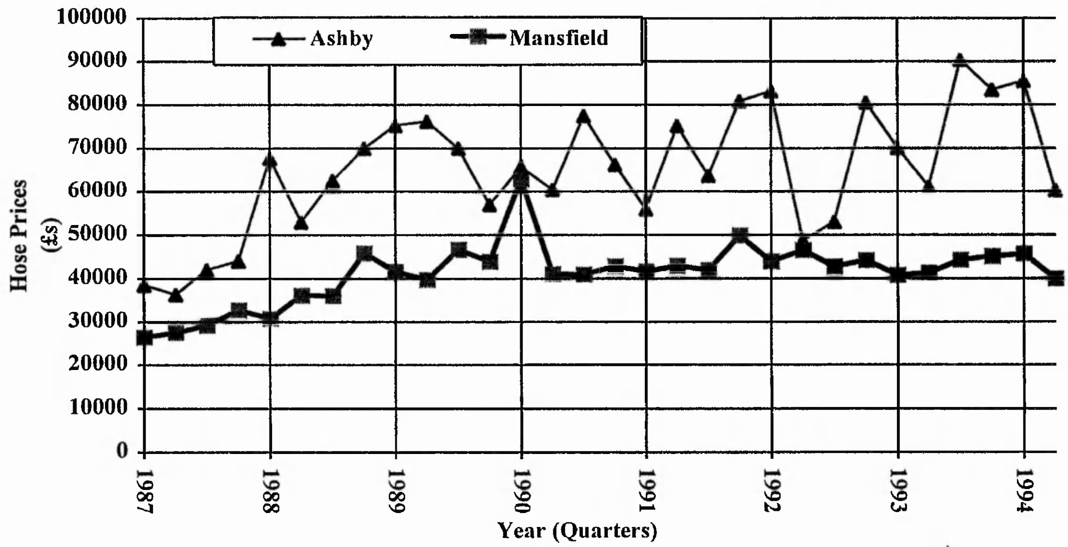
However there is more to the utilisation of an indicator than simply obtaining a data source. It is crucial to identify what the data is showing and how it can be analysed to benefit the wider objectives. Guillou has examined the adoption of traditional economic theory to house price movements, and the effect on house prices as a result of changes in supply and demand. The conclusion reached was that;

> "*...a rise in price may be associated with an increase in demand, without a rise in the number of transactions, or with no change in demand and a fall in the number of transactions.*" (Guillou, 1990, p.119)

The supply of homes is therefore crucial and, as the housing market is dominated by second hand homes, it is the aspirations and intentions of existing homeowners which can affect house price movements as much as new supply. The monitoring of house prices could therefore have ambiguous interpretations. The elasticity of the various ratios further complicates the situation. Elasticity is determined by a number of factors ranging from the availability of substitutes to the possibility of new purchasers entering the market. Elasticity of demand is the rate at which demand expands against the rate at which price falls. Using price changes as an indicator of demand, it is necessary to understand what the elasticity of housing demand will be prior to contemplating its implication. The commonly held perception of the housing market is that it is characterised by an inelastic supply, which limits the amount of land available, as well as the time taken for it to become available (Lavender, 1990). If this is the case, then house price changes will be a reflection of a constrained supply, relative to actual demand. Even this assertion does not explain all the possible causes for house price changes;

> "*High house prices could either indicate that there are large numbers of relatively well paid households seeking housing and able to pay the high prices, or that the local housing market is relatively constrained and that there is something of an under-supply of housing, which could arise from a lack of available land for new development. Alternatively, there could be changes in the market for which developers are building, or from some combination of all these factors*" (Barlow, 1990, p.19)

Figure 5.10 Comparison of House Prices in the Case Study Areas



Source: Halifax Building Society Data

Looking at the house prices at the local level. as can be seen in Figure 5.10, above, Ashby has higher house prices than Mansfield, suggesting, if the indicator is accurate, that the market is constrained and demand outstrips supply. However, the Ashby series also indicates the problem with house price data, at the local level, as an indicator. As can be seen the time series for Ashby is erratic; increasing one quarter only to fall dramatically the next. This inconsistency is not so apparent in Mansfield, where a far more consistent trend can be seen. This may indicate differences in the sample upon which these series are based. For instance, a small sample can be unduly affected by either a very expensive or very inexpensive property being included in the sample. The number of transactions funded by the Halifax is commercially sensitive and the Building

Society would not wish this to be made public. However, from the data supplied to the author by the Society it is clear that Mansfield can have around five times as many Halifax-funded transactions as Ashby.

Coopers and Lybrand concluded that the rate of house price changes would be the best way of utilising house price data.

> "*A higher than average rate of increase in prices is thus usually a direct indicator of unsatisfied effective demand*" (Coopers and Lybrand, 1987, para.2.12)

To develop this successfully, a time series would be required, because simply comparing the house prices in one area with those of another would only illustrate the fragmented and geographical nature of the housing market. To demonstrate changes in demand in one area, it is necessary to create a time series illustrating price changes. From this an allowance will have to be made to remove any price changes that may be due to either simple inflation or a change in national housing policy, for instance lending criteria.

To construct such an indicator, house price series for similar types of property in similar market areas will have to be compared. The choice of comparative areas is therefore extremely important. If the market areas being compared are similar in every respect, apart from demand, then the expectation is that house prices will increase faster in the higher demand area. However a number of policy options by both local authorities and builders could result in house prices retaining parity between the areas therefore concealing demand.

Similarly, if the areas adjoin each other and one area has a generally higher-priced housing stock than the other, then demand which culminates in transactions may be found to transfer to the cheaper area. If supply remained the same in this area, then house prices could rise faster in this area than in the more expensive area. Clearly this would be seen to indicate a higher effective demand, which is in effect latent demand.

b) Land prices

Land prices could also be employed as an indicator of housing demand. Coopers and Lybrand suggested three possible ways in which land price data could be developed. Two are open to questions as to their usefulness, whilst the third would appear to be more practical.

They suggest land price level; land costs as a percentage of final house selling price; and rate of increase of land prices as useful indicators. Arguably, land price level is a purely static measure which would prove to be of no use when indicating demand. Similarly, land value as a percentage of house price would at best only show that certain areas have high land prices relative to house prices, and make no attempt to explain the situation in terms of both planning controls, desirability of one certain site, or strategy of the builder. The final indicator suggested, is the rate of land value increase. Clearly this can be presented as a time series and on first glance would appear to be useful. The Coopers and Lybrand study believed that this would be the best indicator, but they themselves recognised severe limitations with this type of data.

The major doubt surrounds the collection and comparability of land price data. Land can be purchased in a number of ways by developers, ranging from outright to option purchase. These different purchase methods may mean that land prices are not comparable. Further incompatibility is a result of the fact that land is a heterogeneous commodity, where it is almost impossible to compare the raw price data of land traded in one period with that traded in another.

Coopers and Lybrand believed that actually obtaining data, ignoring the incompatibility problems for a moment, would be almost impossible. Land price data is information that most housebuilders would feel unwilling to divulge. The result would be that any sample of land prices would only be a reflection of land bought at auction. They suggested that this would result in a sample that is both too small and perhaps unrepresentative of all land traded. The conclusion they reached was that land prices would be extremely difficult to both monitor and compare. In addition, they suggested that this work might also reciprocate indicators suggested by house prices, especially new house prices. This is because residual valuation methods means that builders land bids are constructed around new house prices. Keogh (1989) highlights that land price data is extremely limited, and all officially published data is based upon Inland Revenue 'particulars delivered'.

It would appear that land prices are problematic and they were not suggested as an indicator by Coopers and Lybrand. Keogh (1989) suggested that on the basis of information published at that time it would be difficult to construct a clear interpretation of land market activity. Whilst recognising these limitations, there would appear to be a place for the use of land prices, whilst in the longer term compiling an improved index. Land prices movements would be expected to be a lead indicator of estimates of demand. Land price rises would therefore indicate a builders expectation of changes in demand. To be able to use this information as a pre-indicator of demand, a robust data set is needed. To achieve this, examination would have to change from actual transactions to perceptions. Arguably, the Valuation Office Agency (VOA) data is the best for this as it marries perceptions with actual land transactions obtained from 'particulars' delivered. In addition, the officers employed by the VOA present new data in a format which makes some allowances for incompatibility in the data (VOA, 1995).

Estate Agent Data

The discussion regarding house prices highlighted the use of estate agents perceptions of the market, as a way of supplementing formal transaction based house price series. Coopers and Lybrand proposed to develop estate agent monitoring beyond this, to reflect estate agent "business". Estate agency is the means of collating disparate and geographically separated goods into one convenient location, that is then accessed by would-be home buyers. In addition, some estate agents are also property managers for residential lettings. Clearly, estate agents may therefore be able to give an indication of the demand for owner occupied and privately rented housing.

Would-be homebuyers investigate certain properties, after setting themselves both economic and geographical parameters (Maclennan, Munro and Wood, 1987). It is when this moves from informal "window shopping" and collection of property particulars to something more substantial that estate agent data will become tangible. Would-be homeowners who actually confirm with the estate agents what properties they are looking for and record interest in certain properties may create a data base of applicants that can be used as a market indicator. It has been suggested that;

> *"...in principle this represents a powerful indicator, relating directly to the intentions of prospective house buyers".* (Guillou, 1990, p.140)

Again, this indicator would be prone to seasonal fluctuations, and it is perhaps its role in comparing the demand for housing markets that is important, rather than its use as a time series.

The first indicator suggested by Coopers and Lybrand concerned the ratio of applicants to instructions to sell the higher the ratio, the greater the demand. The second suggested indicator concerned the ratio of applicants to the number of sales.

The major dilemma with these indicators is the trustworthiness of the appropriate data. It was accepted, when the indicators were proposed, that there may be some difficulties with "double-counting" applicants who express an interest in homes in more than one area and of more than one type. Although it was envisaged that;

> *"...the numbers would not represent the level of demand, but the relative numbers for different house types and locations would suggest relative demand pressure."*
> (Coopers and Lybrand, 1987, para 2.35)

Applicants who either cannot buy the house, or are not genuinely interested in purchasing, also distort the picture of demand presented by the estate agents.

The third indicator suggested by Coopers and Lybrand is based on appointments to view per sale. This appears to be a development of the other two indicators, yet it will still be prone to some inflation through double counting and the inclusion of non-genuine viewings. This indicator would largely be affected by the property mix on an estate agent's books. For instance, if the estate agent has an unusual property, it may attract, as Guillou calls them, "sporting" viewers, who have no intention of purchasing the property. This will boost the appointment to view figures, beyond a level that is founded on simple demand.

Once again, there is the problem of issues affecting the demand indicators which are not directly associated with demand. Guillou (1990, p141) highlights the problem of a positive increase in the indicator caused by a reduction in supply rather than an increase in demand. In the housing market, which is so reliant on housing chains, the estate agency indicators may therefore represent excess demand in certain links of the chain. The housing supply may be there, yet due to facts such as the economy or negative equity, households may not be willing to move to free the chain. The demand will then be met as far as possible by new builders who view estate agents as

> *"...the prime source of information about the second hand housing market."* (Orchard, 1992, p.20)

The net effect may be that the housing market will encounter "blockages" which will be overcome through tangential "pipes". When these blockages clear, there will be a situation of "tandem" housing supply in certain locations. Although the new housing market is unlikely to have a major effect on "flooding" the market nationally, it may result in a localised oversupply. The result of this is that latent demand from neighbouring areas could become redirected.

Even with these reservations, estate agents have a role to play in developing housing market indicators, both in terms of improving house price series and estimating consumer demand. Coopers and Lybrand's suggestion of an indicator which highlights the relative levels of demand has been developed by Guillou (1990, p141), highlighting a cross-sectional spatial approach, rather than a time series. Evidently, this comparison of areas, rather than one area over time, is appropriate for the determination of market areas. Taking this further, Guillou believes markets could be compared, forming a snapshot of demand, and this could be developed as a spatial ratio. He suggests that this could be employed to allow household allocations to be distributed in line with house type and location preferences. Evidently, the would-be householders' interest, as reflected by estate agents, would therefore partly determine the district housing allocations. For an integrated strategy, this may have, as he points out, limitations, in that it only reflects owner occupiers preferences. Arguably this is not a major problem, as housing allocations in plans, are largely utilised by development for owner occupation at the present time.

Coopers and Lybrand perceive that monitoring estate agent data may be a means of determining migration. The migration indicator they proposed would appear to be a rather grand title for what is essentially a measure of interest in certain types of house. As an indication of where demand is coming from, either the market area concerned, the district, the region or elsewhere, this will only be reliable as far as applicant numbers reflect actual demand. Applicants from outside the housing market area may be more reliable than those from within, because they will have had to travel to view properties. This effect may differentiate them from "sporting" applicants. The data compiled by estate agents, although problematic in one respect and appears to have been embodied with greater attributes by Coopers and Lybrand than actually exists, is still useful and should be collated.

The crucial question is: how co-operative will estate agents be? The large chains, such as Halifax, Nationwide and Black Horse may see their involvement as adding prestige, similar to the compilers of house price statistics (Nicol, 1994). Coopers and Lybrand perceived co-operation from a number of the national chains (para 2.40). They believed that, as many of them are now public companies, there may be little problem of confidentiality. This is a questionable argument, as the expectation is that transaction and applicant data would not be in the public realm, simply through being a public company. Wiltshire, the county with one of the longest histories of monitoring housing market demand, has had significantly differing results from their surveys of estate agents. Questionnaire surveys have been sent to local estate agents annually since 1981, although 1987 was only a limited house price survey. The response rate was high in 1981 (73%) but has fallen back so that the 1992 survey received only a 36% response rate. This may in part be due to the fact that the sample size has increased, by almost 300% since 1981. The result of this is that the estate agents who are willing to help were the only ones asked in 1981, whereas the wider survey may include estate agents who were excluded initially because they were not in a position to be supportive to the survey. The responses have been used to develop increasingly sophisticated indicators of markets, in terms of supply/demand, land and house prices, and in terms of geography. This spatial element has been developed into a breakdown of the county's housing market areas. In addition, it has been adapted to graphically show which regions and towns exert migrant pressure into the delineated market areas (Wiltshire County Council, 1993, Fig 24).

Similar work has been carried out and utilised by other counties (Hampshire County Council, 1990). It is apparent that estate agents are, to an extent, willing to help formulate policies concerning housing demand. Informal discussions with eight estate agents in Mansfield did indicate that there would be a positive response to a request by the local authority for estate agents to contribute to housing market monitoring.

The use of this source is not one that can be discounted and it is, despite its limitations, a useful means of determining the type of housing demanded and the spatial orientation of those demanding it. It is also one of the few means of evaluating the private rented sectors demand and supply.

Conclusion

This chapter has attempted to examine a number of different *possible* housing market indicators that could be employed within the development of integrated housing strategies. Although it has examined the positive aspects, as well as the limitations of each data set, this discussion has not conducted any statistical analysis with regard to the reliability of the data sets. This is an important area and is perhaps one that future research could examine.

The table below summarises some of the main findings of this discussion. It examines each indicator individually, giving a rating from a to e in terms of three categories; availability of the data; degree to which it may indicate factors other than housing demand; degree to which it can be manipulated. The ratings have been given purely as a result of this chapter's discussion and do not reflect any of the views of districts either in the East Midlands or elsewhere that have employed such data (an area discussed in the next chapter).

This table is simply a means of summarising the discussion in this chapter, and it is not intended to be viewed as a 'stand-alone' justification for any data set. Clearly the local authority's own data scores highly mainly due to the fact that it can be compiled by the officers concerned and can reflect particular market areas. The data that would have to be provided by outside agencies is not so highly ranked due in part to the availability (i.e. relies on the goodwill of housebuilders or estate agents) and secondly it could be seen to be easily manipulated. One would suggest that the weakest column is perhaps that which concerns the degree to which the indicators reflect demand. This is the area that requires more robust possibly statistically based analysis.

Table 5.7 Summary of Indicators Discussed in this Chapter (a=best e=worst)

Indicator	Availability	Indicates Demand	Manipulation
Employment change	b	c	a
Income	c	b	a
Affordability	c	d	c
Housing Department Waiting List	a	e	c
Vacancy Rates	c	d	b
Planning Applications	a	b	c
Planning Appeals	a	c	c
Enquiry Levels	a	d	e
Small Sites	a	d	c
Density of Developments	a	d	c
Amendment of Planning Applications	a	d	c
Starts and Completions	a	b	c
Sales to Reservation	c	d	d
Sales Rates	d	e	d
Visitor Based Statistics	d	e	e
Prior to Completion Sales	d	c	d
House Prices	c	c	c
Land Prices	d	d	d
Estate Agent Data	d	c	d

Data availability scores highly if it is easily available to a local authority and can be disaggregated to a district or housing market level. Low scores are obtained if the data is only available at the assistance of a third party. Degree to which the data indicates housing demand is based upon the discussion that has highlighted that some data sets may be just as likely to illustrate operations other than housing market demand. If this is the case then the data will be given a low score. Degree to which the data can be manipulated is based upon a premise that certain sets of data may (for one reason or another) be prone to corruption. If the data can be easily manipulated to show something other than actual demand it will be given a low score.

The indicators discussed in this chapter are by no means exhaustive, and there is no reason why local authorities should not employ other techniques when forming and monitoring the effectiveness of housing strategies. What this chapter has achieved is to highlight the fact that each of the indicators has limitations, but if these are understood and, in some instances overcome, a number of these data sets may be useful for a local authority as tools for housing market monitoring. What must be stressed is that to be successful in developing a housing strategy, the local authority must monitor as many data sets as possible. A widespread "portfolio" of housing market information should be seen as the best means of monitoring changes in the housing market.

It should be noted at this point, however, that different actors and agencies may be concerned with different time horizons in relation to their objectives and strategies. For instance housebuilding companies may be described as viewing the housing market in the short term and seen to examine marketing based indicators which illustrate short term changes. Alternatively land release policies are based on long term policies developed as a result of large scale forecasting methods. Again this different emphasis indicates the need to develop a portfolio of monitoring methods. In this case such a portfolio is necessary to ensure small scale frequent fluctuations in housing preference can be seen whilst larger scale changes that will take longer to develop are not ignored.

Although this chapter has been broadly based on practical work carried out by Coopers and Lybrand, the question still remains, what methods of monitoring are practically used by the local authorities. This question is the central theme of the next chapter which will highlight the use of these data sets by county councils; metropolitan authorities and district councils.

Chapter Six

The use of data by local authorities in England and Wales

Introduction

The previous chapter examined both the positive and negative attributes that many of the possible indicators possess. This review did not, however, consider the extent to which local authorities monitor housing markets, and the extent to which they find certain types of data both useful and easily accessible. This chapter will focus upon this area by considering the results of a major empirical survey, undertaken in order to identify which monitoring methods local authorities use. In terms of the research questions this will focus directly upon the third question, highlighting the extent to which the data examined in the previous chapter is monitored.

Prior to presenting the result of this research it is necessary to examine the methodology behind the survey and indicate which authorities received a questionnaire. In devising the questionnaire, it was appropriate to assess the manner in which each tier of local government monitored the housing market. Therefore, questionnaires were sent to all counties, all metropolitan authorities outside London and all the district/borough councils in the case study region (the East Midlands). The structure of local government and a summary of the manner in which the planning process is operationalised is contained in the technical glossary.

The work undertaken prior to conducting the survey (see earlier chapters), suggested that although the links between policy makers (local authorities) and policy implementers (housebuilding companies) are vitally important, there may be a perception by public authorities that housebuilding companies may be unhelpful. In terms of specific housing market data, there was a doubt regarding the degree to which the housebuilding companies may provide the type of information discussed in the previous chapter. It was necessary, therefore, to briefly ascertain the degree to which housebuilding companies would provide the type of information that may prove useful, and this was achieved through another questionnaire survey. This short, purely supplementary, questionnaire is also examined in this chapter. As with Chapter Five, a table will be presented in the conclusion, summarising the majority of the questionnaire results.

Questionnaire Methodology

For the purposes of comparability, the questionnaires were almost identical. The specific data sets that were the focus of questions in the survey were largely based on Coopers and Lybrands work. It was perceived that these may be the data sets that have been monitored, due to the fact that this work called for such monitoring in the 1980s. The questions on data sets were supplemented by a number of other questions, many of which have already been discussed in this research. Other questions were asked that have not been used for this research, but have been used elsewhere (for instance questions on housing figures and statutory plan periods). Copies of the questionnaires (including that addressed to the housebuilders) are contained in the appendices. Although the questionnaires were essentially identical the response rates differed, as did the time-table and scale of the surveys. Examining the methodology of each questionnaire in turn:

County Council Questionnaires

County planning officers have a pivotal role in determining strategic future housing allocations, through the structure plan, with which all districts have to comply. Although not a housing authority, it was felt that county councils may be responsible for significant research as they determine the level of future housing provision, and it may therefore be appropriate to determine the manner by which housing markets are monitored. This was undertaken through a questionnaire survey of all 47 County Councils in England and Wales, in the summer of 1994, with the initial questionnaire being sent out in May and a reminder being sent to those that had not responded, in July. This "two-wave" method resulted in a very good response rate. By December 1995, 43 counties had returned the questionnaire (a response rate of 91%).

Metropolitan Authority Questionnaires

An examination of the situation in metropolitan authorities is worthwhile, as this type of governmental structure is in a unique position, combining both the strategic aims underlying structure plans with the detailed site specific features of a local plan. The view the authorities take may be of use, as the Local Government Commission's recommendations (see Technical Glossary) suggest that this type of authority will be more widespread in the future. In addition, it was envisaged that, as metropolitan authorities are also housing authorities, it may provide useful details as to the way local authority departments can integrate the relevant activities of housing and planning departments to provide a housing strategy.

This survey was sent to all the metropolitan authorities outside Greater London, 36 authorities in total. The first questionnaire was again sent out in May 1994, with a reminder sent out in July. The response rate was high, as 25 of the 36 sent were returned, but by comparison to the very high rate of returns of the county councils, this was disappointing, just below 70%.

East Midlands District Councils

The initial intention was to view this element of the survey as the most important, as it was intended to provide detailed information to be used in the determination of the case studies as well as details of the situation that exists at the district level. This may have meant that the case studies would have only examined the situation in proactive authorities, as they would have been likely to provide the most comprehensive responses. A more robust approach would be to use other methods of identification, such as different levels of economic growth, house price change, demographic movement, etc. As the districts are housing authorities, it was envisaged that there may well be an insight into the integration of housing and planning functions in the formulation of housing strategies, similar to the metropolitan authorities. The questionnaire was sent to all 39 local Councils in the East Midlands and the response rate was 51% (20 returned), the lowest of all the Council surveys. Although this may result in the analysis made from the returns being less robust than the others, it was felt that reminders and further questionnaires may only reciprocate work that would be carried out in the detailed examination of the more local case study areas. There was also a worry that if the survey was too aggressively pursued, it might cause ill feeling amongst the officers interviewed latter in this study.

Housebuilder Survey

A short questionnaire was submitted to 100 housebuilders operating in Britain. The selection criteria was firmly biased towards housebuilders working in and around the East Midlands, with 51 being sent to either the East Midlands regional offices of national housebuilders or to housebuilding companies which only operate in this region. To allow some comparison with the industry at a national level, 49 questionnaires were sent to housebuilders operating in other regions. The questionnaire was sent to housebuilding companies of varying sizes, from volume housebuilders to small locally-based building companies. This provides a reflection of the industry and its attitude to providing data to planning authorities. As at December 1995, the response rate, at 53%, had been surprisingly good, considering the competitive (and therefore possibly secretive) nature of the industry.

As with all questionnaires, some questions were unanswered by the respondents, careful consideration therefore had to be given regarding how to treat non-respondents and there would appear to be three alternatives.

1. If the results are presented as percentages exclude non-response from the results, i.e. x% of those answering the question stated.....
2. If the results are presented in terms of percentages include non-response as a 'non-response category' or at least include these responses in the calculations.
3. Present absolute figures, rather than percentage, so that the reader can see just how many respondents answered the question and how they answered it.

Presenting the results in terms of points two and three, would be the most appropriate for this research. The justification for publishing the absolute figures is straightforward and has already been stated. Including non-respondents in the percentage calculations may be more debatable. One would argue that the collation of the results in this way does allow comparison as the reader can compare both the positive and negative response rates as well as the non response rates. Presenting them in terms of only those who answered may create difficulties with comparability. For instance if 20 respondents answered the question (15 answering yes, 5 answering no), but 20 did not, the percentage results would be different with respect to the method used. Firstly if non-respondents were not included then the percentage answering yes would be 75% whilst the percentage answering no would be 25%. If non-respondents were included then the figure would be somewhat different 37.5% of questionnaires returned answered yes, 12.5% answered no and 50% did not answer this particular question. One would argue that the second method presents the questionnaire results in a form that is instantly comparable as each set of results is based on the same number of responses (43 counties, 25 metropolitan authorities, 20 East Midland districts and 53 housebuilders). The data in the tables from Table 6.4 onwards will be presented both in terms of actual numbers, and in terms of percentages including non-respondents. The detailed number of non-response replies for individual questions are contained in appendix 11.

The Surveys

One section of the planning authority questionnaire attempted to identify the source of the most commonly-used household estimates and projection data. What was surprising was the degree to which central government data is not entirely relied upon. In the case of the counties, there were 15 responses acknowledging the use of DoE household data, 9 the use of data provided by the OPCS (although it should be noted that the OPCS do not provide household projections) and 32 the use of other forecasts or data. Of course, the authorities who have said they utilise the DoE/OPCS data may use it for background data in their own forecasting methods, rather than simply taking the projections at face value. Concerning the 32 authorities using their own forecasts, the majority of these are prepared in-house using population models, which reflect local characteristics other than head-ship rates and migration assumptions. A significant number of counties reported using the model developed by Anglia Polytechnic University (The Chelmer Model). The Chelmer Model uses the Registrar Generals' population estimates as the starting point, then projects the population, deriving household and dwelling projections from the population projections. A supplementary question asked if these counties use their own economic development policies as an indicator of possible market demand changes (see Table 6.43 below). In answer to this question, 49% stated that they did use their own policies, whilst 32% answered no (the remainder did not answer the question). It would appear, therefore, that a high number of County Councils have developed sophisticated methods for household projections and population analysis, many of which take into account the economic performance of the area and future growth potential.

In the case of metropolitan authorities, there is a similar situation as regards the use of forecasting models. Of the 25 authorities responding, four used all three sources of data, seven used just two, whilst the remainder used one in isolation. In terms of popularity, the DoE data was utilised by 25%, the OPCS statistics by 42.5% and the remaining 32.5% used other data sources. One interesting finding is that many of the authorities co-operate and prepare forecasts as if the Metropolitan county still exists. For instance, the Tyne and Wear authorities have an overall research arm, the Tyne and Wear Research and Intelligence Unit. A similar situation exists in Greater Manchester, where the information unit of the old Greater Manchester Council, has been funded by the ten Metropolitan Districts, to carry out strategic research for the city as a whole. It would appear that some cities still retain some cohesion as regards their overall strategy, undermining, at least in this respect, the criticism that the introduction of unitary authorities has resulted in a breakdown of co-ordination.

As discussed in earlier chapters, difficulties arise in trying to define a market area. All 43 counties considered this question, and 58.1% did take account of market areas in determining the geography of their housing allocations. As can be seen in Table 6.1, below, relatively few counties have taken into account any definition other than their own perception of a market area or the straightforward definition based on district council areas. However as argued in Chapter Three, housing markets are fluid and are rarely, if ever, delineated in terms of government administrative boundaries.

Table 6.1 Number of Counties Defining a Housing Market Area Based Upon

District Council Area	13
Housebuilder survey	2
Estate Agent Survey	4
Own Perception	14

A number of Councils used a mixture of the above methods, whilst others felt that different methods proved more reliable, for instance travel-to-work areas (in the case of Somerset), or socio-economic links with the county town (in the case of North Yorkshire). Market areas were used infrequently by the metropolitan authorities, with only 32% distinguishing between the housing allocation in terms of housing markets. This may partly be due to the fact that metropolitan areas are usually smaller, have dense development patterns and perhaps more importantly, minimal choice for land release.

The differentiation of housing market areas by East Midlands districts was even weaker. Only 11% of those responding to the questionnaire differentiated and identified housing markets within the area. This is perhaps the most disappointing of the responses, as it clearly indicates that the districts, i.e. the authorities responsible for identifying sites, pay little attention to housing markets. On a positive note, it could be argued that the officers have a knowledge of their area which allows them to identify markets by "hunch". This informal market identification may result in a positive outcome, but it clearly is not a robust method of market identification.

This leads on to the need to examine the extent to which authorities consult with other agencies in determining housing allocations, allowing other agencies concerned with housing to have an input into policy formulation. In the case of the county councils, only 32% currently have a Housing Liaison Group (HLG) whilst a further 16% have had such an organisation in the past. This relatively low positive response rate may be in part due to slightly problematic wording in the question, which may have defined the type of group too narrowly. This may have led to some counties considering that their multi-party housing forum was not applicable, as it was not called a "Housing Liaison Group". Table 6.2 (below) highlights the make-up of HLGs that existed in the counties, metropolitan authorities and districts. Clearly, some counties consult broadly, regarding the housing situation, and the number of views that are expressed can only be beneficial in obtaining a better understanding of the needs and demands of the area. On average, between 3-4 different agencies were consulted by those authorities active in housing discussion groups.

Table 6.2 Make Up of Housing Liaison Groups

	Counties	Metro-Authorities	E. Midland Districts
District Council Officers	16	13	11
County Council Officers	14	-	6
Community Reps.	3	1	5
Housing Associations	10	8	7
Estate Agents	4	4	3
Housebuilders	12	10	6
District Councillors	2	1	3
County Councillors	1	-	1

Metropolitan authorities have had a slightly more proactive role in developing links with agencies, with just over 50% of those responding indicating that they had liaison groups or similar bodies. As these are unitary authorities, there is no county tier which would have to be included. Perhaps most surprising is that there is not a stronger involvement with housing associations, given that the metropolitan authorities also have a housing function. This may seem to suggest the integration between housing and planning departments is not widespread, an assertion countered by Table 6.3, below.

In the case of district councils in the East Midlands, only 10 respondents stated that a Housing Liaison Group currently existed, whilst one authority answered that such a group had existed in the past. Of there 11 that had experience with Housing Liaison Groups, the agencies listed in Table 6.2 above had been involved. As with the metropolitan authorities, there is an expectation that the housing function will result in considerable housing association involvement. In this case, it is more widespread at 63%.

Two questions were asked towards the end of the questionnaires sent to the housing authorities. These questions examined the way departmentalism is tackled within the districts and the metropolitan authorities, and the degree to which housing strategies and policies are integrated. When asked if integrated housing strategies are prepared the following answers were given (actual numbers are presented as well as the percentage figures).

Table 6.3 Authorities with Integrated Housing Strategies

	Yes		No		No Answer	
	%	Nos.	%	Nos.	%	Nos.
Metro Authorities	80.0	20	12.0	3	8.0	2
E.Midland Districts	65.0	13	35.0	7	-	0

The level of integration and corporatism is encouraging, but there is still a significant proportion, particularly in the East Midlands, which adopt a separatist, disjointed approach. A supplementary question sought to determine which department takes the lead role in the preparation of this strategy. In the case of the metropolitan authorities, nineteen of the twenty which had answered the question indicated that it was the housing department, the remaining authority stated both departments played an equal role. In the case of the East Midlands, fifteen authorities answered, eight confirming that the housing department took the lead role, two the planning department and five indicating that both departments were sharing the lead role equally.

Examining the detailed use of market indicators, the questionnaires disaggregated indicators into five distinct categories, similar to those discussed in the earlier chapter, and determined primarily by the source of the information:

- Internally generated statistics and data collated by government departments.
- Estate agent statistics, including house and land prices.
- Housebuilder statistics.
- Survey use.
- Economic indicators.

Examining each in turn:

Internally-Generated Data

There is an expectation that this data would be the most commonly used, as much of it is already in the possession of either the local authority or a body with strong links to the local authority. To be a useful monitoring tool, it must be possible to develop the data into a time-series as this will illustrate trends and, if the data is reliable, be interpreted to show changes in housing preference and market demand.

Table 6.4 Waiting Lists-Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	48.8	21	39.5	17	30.2	13	58.1	25	25.6	11	44.2	19
Metro-Authorities	72.0	18	16.0	4	68.0	17	20.0	5	56.0	14	8.0	2
E. Midland Districts	65.0	13	25.0	5	65.0	13	25.0	5	45.0	9	15.0	3

In the case of the question concerning the possible use of the Local Housing Authority waiting list as an indicator, Table 6.4 (above) highlights the percentage (and absolute number) of county councils, metropolitan authorities and East Midlands districts which have used, or currently use, this data. It should be stressed that the questionnaires to the metropolitan and East Midland authorities specifically identified this question as an indicator of social housing need and, therefore, this question was far more specific than that directed at the county councils.

Metropolitan and district authorities may utilise housing waiting lists to a greater extent because these councils are also housing authorities. As a result, it is of more practical use for these authorities, as they have responsibility for the direct provision of housing. Perhaps the most significant reason is due to the fact that the data is readily available, from within the authority. The authorities that do use this data seem to find it a useful indicator. However, this argument does not seem to be totally supported by the evidence gathered from the questionnaires. Table 6.5 shows that it is county councils which seem to think the data is easy to collect, whilst districts in the East Midlands appear to believe it could be difficult.

Table 6.5 Waiting Lists- Ease of Use (Absolute figure is given in brackets)

	Difficult %	Straightforward but Time-consuming %	Easy %
Counties	2.3 (1)	32.6 (14)	41.9 (18)
Metro-Authorities	-	40.0 (10)	32.0 (8)
E.Midland Districts	15.0 (3)	30.0 (6)	25.0 (5)

Waiting lists may be useful and used widely, but, as an indicator of need, let alone demand, they are problematic. The problems with waiting lists have been discussed in earlier chapters and elsewhere (Clark, 1990). Notwithstanding these criticisms, waiting lists can still form part of a portfolio of housing need indicators. This may be why the housing authorities (metropolitan authorities and the East Midland districts) find this data more useful than county councils, as they are responsible for some forms of direct housing provision and therefore use the data in a practical way, when allocating the housing stock.

A further question concerned the use of housing association waiting lists. A problem with this data is that, as some housing associations expressly house only certain categories of people (the elderly, the disabled, etc.), they may only be useful as an indicator of housing need for certain groups. Table 6.6, below, highlights the use of housing association waiting lists. Clearly, there is a different attitude towards this data in the shire districts than in metropolitan authorities. The districts would appear to be of the opinion that housing association waiting lists would provide a useful indicator, but only around one third of districts who responded to this said they undertook collection of this data. The Metropolitan authorities used this data more frequently, but there were less positive replies to the indicators usefulness.

Table 6.6 Housing Association Waiting Lists- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Metro-Authorities	40.0	10	44.0	11	40.0	10	48.0	12	52.0	13	8.0	2
E.Midland Districts	25.0	5	50.0	10	30.0	6	50.0	10	55.0	11	10.0	2

Table 6.7 shows the percentage of respondents who had opinions regarding the ease of use of housing association waiting list statistics. Again, it is the Metropolitan authorities, which seem to present a

negative picture of this data, with only 8% considering it as an easy data source to monitor and collect whilst 8% suggested it was very difficult.

Table 6.7 Housing Association Waiting Lists- Ease of Use (Absolute figure is given in brackets)

	V.Difficult	Difficult	Straightforward but Time-consuming	Easy
Metro-Authorities	8.0 (2)	20.0 (5)	32.0 (8)	8.0 (2)
E.Midland Districts	-	30.0 (6)	15.0 (3)	15.0 (3)

In keeping with an examination of social indicators, the metropolitan authority and district council questionnaires examined two additional areas. The first question concerned the prevalence and usefulness of housing needs surveys as a means of demonstrating housing needs. From Table 6.8 it is clear that only a relatively small percentage of authorities have used these in the past, and, in the case of the metropolitan authorities, a little under one third are actually currently embarking upon such a study.

Table 6.8 Housing Needs Surveys- Employment

	Used in the Past				Used Presently			
	Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Metro-Authorities	32.0	8	60.0	15	32.0	8	56.0	14
E.Midland Districts	30.0	6	55.0	11	45.0	9	45.0	9

As regards the proportion which found housing needs surveys a useful tool in determining the housing situation of the district, 76% of metropolitan authorities (19 actual respondents) believed they were useful, more than the 60% of East Midland districts (12 respondents) which found them to be useful. It is, perhaps, surprising that such a high proportion consider housing needs surveys to be useful, as relatively few authorities undertake such studies. This situation is particularly noticeable in the case of the metropolitan authorities, and could perhaps be partly due to the different circumstances in operation in these authorities. As a result of Annex A of Planning Policy Guidance Note 3, (DoE, 1992a), authorities with "rural" areas have been able to implement "exception" policies. This allows these authorities to release land in exceptional circumstances, when a specific local housing need has been demonstrated to exist, and one widely accepted way of doing this is through a housing needs survey. There is also a significant difference in the perceived difficulties involved in carrying out a survey, as can be seen in Table 6.9. Clearly, housing needs surveys are not easy to conduct, but, if the responses of the East Midlands authorities are any indication, they are not as difficult as some (the metropolitan authorities) perhaps believe.

Table 6.9 Housing Needs Surveys- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Metro Authorities	36.0 (9)	28.0 (7)	20.0 (5)	-
E.Midland Districts	10.0 (2)	30.0 (6)	30.0 (6)	5.0 (1)

The next indicator that was examined in all three council questionnaires was the use of vacancy rates, commonly derived from census data, with the result that it is at its most reliable when the census is recent. The census breaks the data down into enumeration districts a definition that can contain as few as 200 households. As these are localised they may be combined (if necessary) to form housing markets. The data gives details on:

- Households with residents.
- Vacant accommodation.
- Accommodation not used as a main residence.

It also reflects the manner in which these figures are compiled in terms of house type, and other variables. Vacancy Rate use is highlighted in Table 6.10 below.

Table 6.10 Vacancy Rates- Employment and Usefulness (%)

	Used in the Past				Present Use				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	65.2	28	20.9	9	58.1	25	27.9	12	32.0	14	23.2	10
Metro-Authorities	36.0	9	52.0	14	36.0	9	56.0	14	24.0	6	44.0	11
E. Midland Districts	30.0	6	45.0	9	20.0	4	55.0	11	30.0	6	35.0	7

As can be seen in the table, East Midland districts and metropolitan authorities have used vacancy rates to a limited degree, whereas county councils appear to have used these statistics considerably. The authorities are of the opinion that this data is one of the least useful of the indicators, probably due to the fact that the census only gives a "snapshot" of the housing situation at one time. The useful indicators are those which show changes over time, allowing the market monitoring process to demonstrate if the demand is increasing (in this case, represented by decreasing vacancy rates) or if demand is falling (increasing vacancy rates). Clearly a survey which is only decenial is problematic in this respect, despite the fact that the data can be 'tailored' to specific housing markets.

Table 6.11 Vacancy Rates-Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straight forward but Time-consuming	Easy
Counties	6.9 (3)	13.9 (6)	18.6 (8)	20.9 (9)
Metro-Authorities	12.0 (3)	32.0 (8)	24.0 (6)	12.0 (3)
E.Midland Districts	20.0 (4)	35.0 (7)	20.0 (4)	-

Table 6.11 highlights that the perceptions regarding the ease with which vacancy rates can be collected, and broadly reflect the use of this indicator. Some of the authorities mentioned using similar, but different methods for monitoring household vacancies, such as household/dwelling ratios. If these associated indicators were included, this would result in the actual number of authorities who monitor this area being greater than shown in the table above.

Table 6.12 New Dwelling Starts- Employment and Usefulness (%)

	Used In the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	67.4	29	27.9	12	62.8	27	34.8	15	48.8	21	11.6	5
Metro-Authorities	64.0	16	24.0	6	68.0	17	24.0	6	52.0	13	16.0	4
E.Midland Districts	70.0	14	20.0	4	70.0	14	20.0	4	50.0	10	5.0	1

Another indicator, new dwelling starts, was seen to be one of the most popular of the indicators (Table 6.12 above) and a very high percentage of counties, metropolitan authorities and districts have used, and continue to use, new dwelling starts. It should be noted that a number of the respondents who answered negatively to using housing starts, did indicate that they used housing completions (Gillen et al., 1995). Completions would suggest the use of a similar type of indicator (see the previous chapter). As expected from such a popular indicator the percentage finding it useful is high and this degree of popularity may have something to do with the relative ease with which the data can be collected. Table 6.13 highlights the percentage of authorities that found the data very difficult; difficult; straightforward; or easy, to use.

Table 6.13 New Dwelling Starts- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time consuming	Easy
Counties	4.7 (2)	4.7 (2)	44.2 (19)	23.3 (10)
Metro Authorities	-	-	20.0 (5)	44.0 (11)
E.Midland Districts	-	-	45.0 (9)	25.0 (5)

Clearly, districts as represented by the East Midlands and metropolitan authorities, are strong advocates of housing start data, finding the data both useful and relatively straightforward to employ.

The most commonly-used indicator employed by planning authorities is the actual number of planning applications (Table 6.14). In theory, the greater the number of applications, the higher the level of demand. This data is already collected by the Department of Environment on PS1/ PS2 forms (DoE, 1993e) and therefore the authorities already prepare the information.

Table 6.14 Planning Applications-Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	65.1	28	27.9	12	62.8	27	30.2	13	48.8	21	11.6	5
Metro-Authorities	64.0	16	24.0	6	60.0	15	36.0	9	52.0	13	20.0	5
E.Midland Districts	75.0	15	20.0	4	75.0	15	20.0	4	35.0	7	20.0	4

The districts provide the counties with the information before it is passed on to the DoE and therefore the data is fed through all tiers of the planning system. What is perhaps surprising is the fact that, although the data is widely collected, it is not seen as being particularly useful (this is especially noticeable in the case of East Midland districts). Although one county stated;

> *"Analysis of planning permissions/allocations and completion rates is central to strategic housing work"*

Table 6.15 Planning Applications- Ease of Use (Absolute figure is given in brackets)

	Difficult	Straightforward but Time-consuming	Easy
Counties	4.7 (2)	51.2 (22)	20.9 (9)
Metro-Authorities	4.0 (1)	48.0 (12)	32.0 (8)
E.Midland Districts	-	40.0 (8)	35.0 (7)

Planning applications would appear to be an example of how, once systems are in operation, the periodic task of examining and updating the data is not difficult, and Table 6.15 shows that the majority of respondents see it as a straightforward operation, and very few see it as a difficult series to collate.

Table 6.16 Planning Appeals- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	44.2	19	44.2	19	34.9	15	53.5	23	27.9	12	41.9	18
Metro-Authorities	20.0	5	68.0	17	20.0	5	72.0	18	24.0	6	60.0	15
E.Midland Districts	30.0	6	45.0	9	30.0	6	45.0	9	10.0	2	45.0	9

If planning applications are monitored, then there is also the possibility of monitoring a number of other indicators, either for monitoring on there own, or for how the different data sets relate to planning applications. Planning appeals are one example of this kind of indicator. It is envisaged that planning appeals may provide an indication of changes in demand; the greater the percentage of refused planning applications resulting in appeals, the greater the demand (see Chapter Five). To use this indicator effectively, residential planning applications will have to be monitored along with the number of refusals. This data can then be combined with the number of appeals lodged. Table 6.16 highlights which authorities currently monitor, or have monitored, planning appeals. This table also highlights the usefulness of the indicator.

Clearly, with the exception of county councils, there is little utilisation of planning appeals as an indicator. This could in part be due to the fact that appeals may have as much to do with the appellants' perceptions of success as demand (see Chapter Five). Table 6.17 below illustrates that it is not a perception of difficulty that precludes appeal data being used. Therefore the assumption must be that, as an indicator of housing demand, the number of appeals may be open to misinterpretation.

Table 6.17 Planning Appeals- Ease of Use (Absolute figure is given in brackets)

	Difficult	Straightforward but Time-consuming	Easy
Counties	6.9 (3)	46.5 (20)	20.9 (9)
Metro-Authorities	12.0 (3)	28.0 (7)	40.0 (10)
E.Midland Districts	5.0 (1)	40.0 (8)	20.0 (4)

Another possible indicator developed from statistics that the local authority itself collects is the amendment of planning applications. The assumption is planning application amendments will highlight the way in which developers perceive the market is changing. For example, altering a site for ten family homes to eight bungalows may reflect a change in the market. As can be seen in Table 6.18, few authorities seem to use the data and there is a view that it would not be particularly useful. One or two authorities had ceased to collect this data because during the period in question applications were at a low ebb. This is short sighted, as to successfully employ such data as a market monitor, a complete time series would be necessary.

Table 6.18 Amendment of Planning Applications-Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	13.9	6	72.1	31	13.9	6	72.1	31	18.6	8	55.8	24
Metro-Authorities	16.0	4	76.0	19	16.0	4	80.0	20	28.0	7	52.0	13
E.Midland Districts	35.0	7	50.0	10	35.0	7	50.0	10	15.0	3	40.0	8

The planning application can contain even more data that may be of use, for instance the density of housing applications (Bramley, et al., 1995). If this is to be successfully employed, it should show an increase in housing densities as demand increases, yet there may be significant problems with this data. For example, as all sites are different, the topography may affect the density, or the fact that the house types will rarely be comparable within the one housing market. With this in mind it is perhaps surprising that although low, there is a positive response to the use of the indicator (Table 6.19).

Table 6.19 Density of Applications- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	20.9	9	69.8	30	9.3	4	81.4	35	18.6	8	55.8	24
Metro-Authorities	28.0	7	64.0	16	24.0	6	72.0	18	36.0	9	48.0	12
E.Midland Districts	25.0	5	55.0	11	20.0	4	60.0	12	35.0	7	40.0	8

One reason for this level of usage may be the fact that it is not a particularly difficult data source to monitor. This may, in part, be due to increased use of computer-based application filing systems, although this is speculation, as no question was asked concerning the filing systems used. One authority did indicate that a computerised monitoring system was being set up and it would improve accuracy and efficiency, although it did highlight the fact that significant staff resources are required to *"feed the system"* (response on one of the questionnaires).

Table 6.20 Density of Applications- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	16.3 (7)	25.6 (11)	34.9 (15)	4.7 (2)
Metro-Authorities	-	16.0 (4)	44.0 (11)	24.0 (6)
E.Midland Districts	-	25.0 (5)	35.0 (7)	10.0 (2)

Table 6.20 indicates that the authorities which use this indicator most and find it most useful also find it the most straightforward. However, the counties with a low level of use appear to view it as a difficult data source to monitor.

Table 6.21 Depletion Rates for Allocated Sites- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	34.8	15	55.8	24	34.8	15	55.8	24	34.8	15	30.2	13
Metro-Authorities	28.0	7	56.0	14	32.0	8	56.0	14	48.0	12	24.0	6
E.Midland Districts	25.0	5	45.0	9	25.0	5	45.0	9	30.0	6	35.0	7

A further question ascertained whether or not authorities monitored the depletion rates of allocated sites. It may be expected that this would be carried out by a number of the authorities, as it may prove beneficial in monitoring the five year land supply. As can be seen in Table 6.21, this data has not been used widely, with only metropolitan authorities suggesting significant use. Table 6.22 illustrates that the low level of use may be due to data being problematic to collect. In comparison with some of the other indicators however (see below), the majority of responses appear to have found it either easy or straightforward.

Table 6.22 Depletion Rates for Allocated Sites- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	4.7 (2)	16.3 (7)	46.5 (20)	11.6 (5)
Metro-Authorities	-	8.0 (2)	44.0 (11)	24.0 (6)
E.Midland Districts	-	15.0 (3)	35.0 (7)	15.0 (3)

The final indicator that was examined, and could possibly be developed from the local authorities own records, concerns planning permission "take-up" (the time between approval and the commencement of construction). The methodology for this indicator is that the shorter the time scale, the greater the demand (see Chapter Five). Table 6.23 shows the degree to which the various authorities use the indicator.

Table 6.23 Planning Permission "take-up"- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	25.6	11	65.1	28	18.6	8	72.1	31	44.2	19	27.9	12
Metro-Authorities	20.0	4	72.0	18	16.0	4	80.0	20	48.0	12	40.0	10
E.Midland Districts	30.0	6	55.5	11	30.0	6	55.5	11	35.0	7	30.0	6

The authorities which use this data frequently appear to have the least positive view as to how useful it is, whilst other authorities, although not using it frequently, would seem to suggest the indicator is useful. Again this low level of use is probably a result of perceived difficulties with collecting this information.

Table 6.24 Planning Permission "take-up"- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	9.3 (4)	27.9 (12)	41.9 (18)	2.3 (1)
Metro-Authorities	4.0 (1)	12.0 (3)	68.0 (17)	8.0 (2)
E.Midland Districts	-	20.0 (4)	55.0 (11)	-

The majority of replies seem to only consider this data as time consuming and relatively straightforward. To successfully use this indicator, planners would have to be constantly recording the date on which development commenced. Perhaps greater use by planners of building control officers' data may go some way to alleviating this problem, although building control data is not without its critics (Gillen, 1994). In addition, it may be one of the indicators that could be improved if computer-based application filing and monitoring system were to be introduced.

Estate Agent Data

As changes in the housing market directly affect the business and operation of estate agency, estate agents would appear to be a useful source of market information. The survey examined a number of different information sources, the results of which are highlighted in the next section. These indicators will be of primary importance in monitoring the market for owner-occupied housing, i.e. the effective demand, rather than for "global" housing demand.

The suggestion that changes in land and house prices indicate changes in demand is strongly dependant on neo-classical economic theory. If demand increases without a respondent increase in supply, then the price at which demand and supply reach equilibrium will increase. In a practical sense there may be a number of other factors which are responsible for changes in price for both land and houses, as one local authority pointed out;

"Caution is needed in interpretation of data, particularly in isolation from other indicators. High land prices in areas of development policy restraint typically reflect a limited land supply and interest of high income groups. It rarely reflects numerically high levels of demand in total household terms. The authority's use of these indicators has primarily figured in the preparation of specialist 'Executive' and 'Affordable' housing policy, and the representation of localised housing demand at appeals"

The questionnaire examined the use of both land prices and house prices.

Table 6.25 Land Prices- Employment and Usefulness

	Used in the Past				Used Presently				Useful Indicator			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	Yes	Nos.
Counties	18.6	8	72.1	31	11.6	5	81.4	35	39.5	17	32.6	14
Metro-Authorities	8.0	2	84.0	21	4.0	1	88.0	22	56.0	14	20.0	5
E.Midland Districts	10.0	2	60.0	12	5.0	1	65.0	13	25.0	5	35.0	7

Clearly this data is very poorly utilised (Table 6.25), yet the table also indicates that some authorities consider it as a useful indicator. The main reason that could be adduced as to why its use does not reflect this positive support is the troublesome nature of collection and collation (Table 6.26). The price paid for any land by a developer is commercially sensitive, therefore it is unlikely to be readily available. However, the information may be available in a generalised form, from agencies such as the Valuation Office (see Chapter Five, above), an agency at least one authority said they consulted.

Table 6.26 Land Prices-Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	44.2 (19)	25.6 (11)	6.9 (3)	4.6 (2)
Metro-Authorities	24.0 (6)	44.0 (11)	8.0 (2)	-
E.Midland Districts	15.0 (3)	35.0 (7)	10.0 (5)	-

The monitoring of house prices was another issue examined in the questionnaire. Table 6.27 highlights the percentage of authorities which currently review house prices, as well as those that have used them in the past. In addition, the table indicates the percentage of respondents who think it is a useful indicator. The strongest adherents to the use of house prices are the county councils, yet even though they use the data, they do not appear to be strong supporters of it. One county stated;

"The multiplicity of demand indicators means that it is impossible to monitor this aspect on all fronts. The County Council has therefore concentrated on two main areas:

house prices

building land prices

The information on these topics is readily available and accessible. However it is recognised that the use of such indicators can only give a broad indication of market pressures and trends, and that it would be unwise to put to much emphasis on their use per se. However as a broad indicator across market areas, and given recognition that they are only one of many contributory factors, they have proved to be a valuable input to the monitoring process."

Table 6.27 House Prices-Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	74.4	32	18.6	8	60.5	26	32.6	14	37.2	16	20.9	9
Metro-Authorities	56.0	14	36.0	9	40.0	10	56.0	14	52.0	13	16.0	4
E.Midland Districts	25.0	5	50.0	10	25.0	5	55.0	11	35.0	7	35.0	7

Table 6.28 illustrates that a higher percentage of counties appear to see this data is easy to monitor. As most of the commonly available data-sets in this field fail to reflect trends at a district level (Nicol, 1994; 1996), it is not really surprising that the metropolitan authorities and the districts find the data more problematic to obtain.

Table 6.28 House Prices-Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	9.3 (4)	18.6 (8)	28.0 (12)	18.6 (8)
Metro-Authorities	24.0 (6)	28.0 (7)	20.0 (5)	16.0 (4)
E.Midland Districts	5.0 (1)	40.0 (8)	15.0 (3)	-

The questionnaire sought to determine the degree to which a number of specific Estate Agent-based indicators are employed. These questions examined the demand for properties on the estate agents books and the amount of interest that developed around certain types of properties. The first indicator was the volume of sales by house type and area, which should indicate the relative interest and demand for certain types of properties.

Table 6.29 Volume of Sales by House Type and Area-Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	9.3	4	81.4	35	9.3	4	81.4	35	60.5	26	18.6	8
Metro-Authorities	8.0	2	84.0	21	8.0	2	88.0	22	56.0	14	32.0	8
E.Midland Districts	5.0	1	65.0	13	-	-	70.0	14	30.0	6	25.0	5

As can be seen, hardly any authorities use this data, yet the counties and the metropolitan authorities would appear to view this data as being useful. The only reason for such low rates of use must therefore be due to the difficulties of data collection. Table 6.30 highlights that the majority of respondents appeared to suggest that the data was very difficult, or difficult, to monitor.

Table 6.30 Volume of Sales by House Type and Area-Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	34.9 (15)	32.6 (14)	13.9 (6)	2.3 (1)
Metro-Authorities	32.0 (8)	40.0 (10)	16.0 (4)	-
E.Midland Districts	15.0 (3)	35.0 (6)	5.0 (1)	-

An assumption would be that those who find the data either easy or straightforward to monitor do so through surveys of estate agents. It transpires that 3 of the 6 counties who said this indicator was straightforward to use carried out surveys of estate agents (see Table 6.41 below) and a similar situation exists in the districts and metropolitan authorities. One county authority did say:

> "*That the Council did try to start arrangements with some local estate agents to monitor "executive" house prices, but the estate agents proved uncooperative.*"

Table 6.31 Use of Estate Agent Indicators (Absolute figure is given in brackets)

	Used in The Past			Used Presently		
	1	2	3	1	2	3
Counties	2.3 (1)	4.7 (2)	-	-	-	-
Metro-Authorities	-	-	-	-	4.0 (1)	4.0 (1)
E.Midland Districts	-	-	-	-	-	-

The next three indicators are almost totally ignored by all three tiers and as the positive response rate was so poor, they will be examined together. Table 6.31, illustrates that virtually no local authority has ever used:

1. Number of Enquiries by House Type and Area
2. Time on the Market by House Type and Area
3. Number of Appointments to View by House Type and Area

(These numbers refer to the number in the second row of Table 6.31)

This low level of usage may be due to the fact that the respondents perceive this information as being extremely difficult to collect. On average, between 67-75% of counties and metropolitan authorities thought this information would be difficult, or very difficult to obtain. The districts had a lower percentage perceiving this as a difficult indicator to monitor. However, as can be seen in Table 6.31, this is not the result of any practical experience. It may have more to do with the fact that close to one-half of respondents from the East Midlands failed to answer this question. In interviews with estate agents in Mansfield (see Chapter Five), there was a positive response to providing local planners with information, although some Agents said it would only be available in an aggregate format. As one authority stated;

"The extent to which the Local Planning authority is able to gather any of this information would depend on the willingness of the local estate agents etc. to provide the data. Their involvement in Housing Studies in the past has proved useful but, on the other hand, they have been unwilling or unable to help the County Council in its preparation of the quarterly house price survey".

Yet as can be seen from Table 6.32, a percentage of authorities see this type of indicator as useful.

Table 6.32 Usefulness of Estate Agent Indicators (Absolute figure is given in brackets)

	Number of Enquiries		Time on the Market		Appointments to View	
	Useful	Not Useful	Useful	Not Useful	Useful	Not Useful
Counties	32.6 (14)	37.2 (16)	53.5 (23)	23.3 (10)	23.3 (10)	51.2 (22)
Metro-Authorities	28.0 (7)	48.0 (12)	40.0 (10)	40.0 (10)	20.0 (4)	60.0 (15)
E.Midland Districts	20.0 (4)	25.0 (5)	25.0 (5)	25.0 (5)	20.0 (4)	35.0 (7)

One Welsh county highlighted a problem that may be endemic in some of these indicators;

"Indicators here need careful definition as they can be affected by the number of visitors in the area e.g. enquiries at estate agents may be affected by people on holiday."

This is obviously an important concern especially in certain areas, and it was one of the problems with these type of indicators discussed in Chapter Five.

Considering that very few authorities actually monitor these indicators, it is perhaps surprising that between one-fifth and one-third of the authorities see them as being useful. As highlighted above, estate agents (as represented by those in Mansfield) would be prepared to provide this sort of information to planners, if they were to request it.

Housebuilder Data

Monitoring the housebuilders themselves, in terms of how their operations progress, would seem to be justifiable. In a similar manner to the estate agents, housebuilders have to remain aware of what is affecting the housing market, as they are directly affected by changes in patterns and preferences of households, which are, in effect, their potential customers. Data gathered from bodies such as housebuilders may therefore be of importance as a monitoring tool for market housing and effective demand. With this data, there is a significant problem regarding the availability of the information, as the housebuilding industry is secretive by nature, and perceives all data to be sensitive. As the chairman of one volume housebuilder pointed out;

"...any gratuitous information provided to the planning authority may be used in evidence against us at a Local Planning Enquiry! Unfortunately planning has become an adversarial process from the viewpoint of the developer/house builder" (response on the questionnaire sent to the Housebuilders).

Many of these indicators were totally ignored or were only examined by a few authorities. This may be due to the fact that planners already realise that housebuilders may be unwilling to disclose such information and do not even try to obtain it. As one county explained;

> *"...much depends on the accuracy of any records maintained by housebuilders and on their willingness to divulge information to planning authorities."*

As can be seen in the table below very few planning authorities monitor this information. Due to the relatively poor positive response, the past and present use of the following indicators has been combined into one table, Table 6.33.

1. Ratio of Sales to Reservations.
2. Time from Completion to Sale.
3. Number of Site Reservations.
4. Sales Rates.
5. Visitor Numbers.
6. Proportion of Homes Sold Prior to Completion.

(These numbers refer to the numbers in the second row of Table 6.33)

Table 6.33 The Use of Housebuilder Indicators (Absolute figure is given in brackets)

	Used in the Past						Used Presently					
	1	2	3	4	5	6	1	2	3	4	5	6
Counties	-	2.3 (1)	-	9.3 (4)	-	-	-	-	-	4.7 (2)	-	-
Metro-Authorities	-	-	-	-	-	-	4.0 (1)	-	-	-	-	-
E.Midland Districts	-	-	-	-	-	-	-	-	-	-	-	-

No East Midland district has any practical experience of this data and only metropolitan authorities currently employ one of these indicators. The counties have the most experience of these data sources, yet even their experience is limited. For example, four authorities have used sales rates in the past and, of these, two continue to use the data.

Only one county has monitored the time from completion to sale, however it no longer does so. This is obviously an area where there has been little monitoring carried out. Yet this type of data would appear to have a degree of support, as can be seen in Table 6.34 below.

Table 6.34 Housebuilder Indicators

	Percentage who Perceive this Indicator as Useful (Absolute figure is given in brackets)					
	1	2	3	4	5	6
Counties	20.9 (9)	25.6 (11)	30.2 (13)	46.5 (20)	18.6 (8)	41.9 (18)
Metro-Authorities	16.0 (4)	36.0 (9)	32.0 (8)	40.0 (10)	16.0 (4)	40.0 (10)
E.Midland Districts	5.0 (1)	25.0 (5)	20.0 (4)	35.0 (7)	10.0 (2)	35.0 (6)

The mismatch between those perceiving this data as useful, and those actually monitoring it, may be a result of the difficulties the authorities perceive with gathering this information. One Metropolitan authority pointed out that, although this type of data exists, it may not be readily available. As a result they believed that it would be very difficult to monitor this type of information. Another authority was of the opinion that:

> *"Co-ordinating responses of a number of participating builders and agents may not prove cost effective. Persuading local builders to participate is very difficult."*

Whilst another suggested that both estate agent and housebuilder indicators;

> *"...would be both difficult to obtain and unreliable for use in projecting. I do not see that such indicators would be particularly useful in making long term housing projections."*

One of the authorities which has used this type of indicator did so in relation to specific sites and local areas, whilst another has only used this kind of data when it required information with which to support appeal cases. One authority was of the opinion that all of the indicators, not just the housebuilder or estate agent data, would probably be useful. However, the authority did point out that;

> *"...much of the data listed could be of additional use in assessing demand, its availability cannot always be guaranteed. Not all housebuilders or District authorities monitor the data listed comprehensively and in a consistent way. Everyone has different definitions and timescales, and resources available, to carry out such detailed monitoring".*

The degree of difficulty that all the authorities seem to see endemic in collecting information of this kind is comparable with that of using estate agent indicators. In the case of the counties, between 60-70% of counties stated that this data was either very difficult or difficult to obtain. For the metropolitan authorities, the proportion perceiving the data in a similar way was almost identical, whilst for the districts the figure was between 55-60%. This may, however, not appear high, given the comments that authorities made about this set of data, and the almost non-existent use of the data. However, it is low due to the fact that a significant proportion of authorities failed to answer this question: between 25-30% of counties, 20-30% of metropolitan authorities and 40-45% of districts, failed to answer this question.

At this point, whilst it may constitute a slight deviation from the structure of the present discussion which has thus far examined the response to each question in order, it may be worthwhile highlighting the views of the housebuilders, as illustrated by the responses to their questionnaire. This allows the accessibility of housebuilder data to be placed in the context of the proceeding discussion.

Table 6.35 illustrates the percentage of respondents who would be prepared to give access to the actual data, i.e. the number of actual site reservations, sales per week, etc. As can be seen in this table, a number of housebuilders are prepared to divulge information regarding markets to the local authority. If this were to occur, some of major perceived problems with this type of data would become inapplicable, allowing these indicators to be used.

Table 6.35 Housebuilders Prepared to Allow Access to Their Data (Absolute figure is given in brackets)

	Yes	No	No Answer
Time From Completion to Sale	41.5 (22)	13.2 (7)	45.3 (24)
Site Reservations	49.1 (26)	15.1 (8)	35.8 (19)
Sales Rates	45.3 (24)	15.1 (8)	39.6 (21)
Number of Visitors	41.5 (22)	15.1 (8)	43.4 (23)
Units Sold Prior to Completion	41.5 (22)	13.2 (7)	45.3 (24)

Survey Use

The penultimate series of questions examined the extent to which planning authorities surveyed bodies which are active in the housing market, in particular the private housing market. This part of the questionnaire would highlight the degree to which planners liaise with other agencies, even if they do so in terms other than already described in this chapter. The questionnaire enquired about four different surveys:

- Estate Agents.
- Building Societies.
- Local Housebuilders.
- National Housebuilders.

The positive responses from authorities who currently (and have in the past) conducted such surveys is given in Table 6.36, below. As with the other tables the actual number of responses (as opposed to the percentage) is presented in brackets.

Table 6.36 Use of Surveys (Absolute figure is given in brackets)

	Estate Agents				Building Societies			
	Used Currently		Used in the Past		Used Currently		Used in the Past	
	Yes	No	Yes	No	Yes	No	Yes	No
Counties	11.6 (5)	76.6 (33)	32.6 (14)	60.5 (26)	9.3 (4)	76.6 (33)	25.6 (11)	65.1 (28)
Metro-Authorities	8.0 (2)	80.0 (20)	36.0 (9)	52.0 (13)	12.0 (3)	76.0 (19)	20.0 (5)	64.0 (16)
E.Midland Districts	25.0 (5)	55.0 (11)	25.0 (5)	55.0 (11)	10.0 (2)	75.0 (15)	15.0 (3)	60.0 (12)

	Local Housebuilders				National Housebuilders			
	Used Currently		Used in the Past		Used Currently		Used in the Past	
	Yes	No	Yes	No	Yes	No	Yes	No
Counties	27.9 (12)	60.5 (26)	44.2 (19)	44.2 (19)	27.9 (12)	60.5 (26)	39.5 (17)	48.8 (21)
Metro-Authorities	32.0 (8)	48.0 (12)	44.0 (11)	44.0 (11)	36.0 (9)	40.0 (10)	48.0 (12)	36.0 (9)
E.Midland Districts	15.0 (3)	65.0 (13)	65.0 (13)	15.0 (3)	20.0 (4)	60.0 (12)	20.0 (4)	60.0 (12)

It can be seen that the number of authorities examining this field has declined. This may be due to the fact that the surveys are developed on an ad-hoc basis, and when the questionnaire was filled in the authorities were not engaged in this type of exercise. Table 6.36 highlights that the least popular subject for surveys are the building societies. The national housebuilding companies appear to be popular survey subjects for the counties and metropolitan authorities. Surveys of estate agents appear to be popular amongst the districts, as represented by the East Midland authorities.

Table 6.37 Usefulness of the Surveys (Absolute figure is given in brackets)

	Estate Agents		Building Societies		Local Housebuilders		National Housebuilders	
	Yes	No	Yes	No	Yes	No	Yes	No
Counties	37.2 (16)	30.2 (13)	30.2 (13)	37.2 (16)	39.5 (17)	20.9 (9)	44.2 (19)	16.3 (7)
Metro-Authorities	48.0 (12)	32.0 (8)	40.0 (10)	28.0 (7)	64.0 (16)	4.0 (1)	52.0 (13)	16.0 (4)
E.Midland Districts	30.0 (6)	25.0 (5)	30.0 (6)	20.0 (4)	30.0 (6)	25.0 (5)	20.0 (4)	30.0 (6)

Many authorities seem to see these surveys as useful, particularly metropolitan authorities. The county councils seem to see surveys of national housebuilding companies as the most useful, whilst the metropolitan authorities would appear to favour the local housebuilding companies as an agency to survey. The East Midland districts favour the three surveys equally. The primary reason why so few authorities carry out this type of survey is the perceived difficulty in collection and compilation, and it is clear from Table 6.38 (below) that a number of authorities do see these surveys as 'Very Difficult' or 'Difficult'. However, it is also clear that a significant proportion of authorities do not perceive difficulties, other than time, with the data's compilation.

Table 6.38 Difficulties with the Surveys (Absolute figure is given in brackets)

Estate Agents Surveys	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	9.3 (4)	30.2 (13)	20.9 (9)	6.9 (3)
Metro-Authorities	20.0 (5)	24.0 (6)	28.0 (7)	-
E.Midland Districts	5.0 (1)	15.0 (3)	30.0 (6)	10.0 (2)
Building Societies Surveys				
Counties	13.9 (6)	30.2 (13)	18.6 (8)	6.9 (3)
Metro-Authorities	16.0 (4)	20.0 (4)	28.0 (7)	-
E.Midland Districts	-	30.0 (6)	15.0 (3)	15.0 (3)
Local Housebuilder Surveys				
Counties	2.3 (1)	41.9 (18)	13.9 (6)	6.9 (3)
Metro-Authorities	12.0 (3)	36.0 (9)	16.0 (4)	4.0 (1)
E.Midland Districts	5.0 (1)	30.0 (6)	15.0 (3)	15.0 (3)
National Housebuilder Surveys				
Counties	2.3 (1)	30.2 (13)	20.9 (9)	11.6 (5)
Metro-Authorities	4.0 (1)	28.0 (7)	28.0 (7)	4.0 (1)
E.Midland Districts	-	30.0 (6)	20.0 (4)	15.0 (3)

Economic Data

The concluding section of the questionnaire examined the use of broader economic-based indicators by planning authorities. It is widely acknowledged that the private housing market depends upon the economic circumstances of would-be home-owners in order to thrive and expand. The two indicators which examined this area were affordability ratios and income estimates. In addition a question attempted to ascertain the degree to which the authorities own policies for growth are taken into account, because job and employment growth will affect the housing market, as policies which boost employment, income and prosperity alter housing preferences. Examining affordability ratios:

Table 6.39 Affordability Ratios- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	32.6	14	58.1	25	32.6	14	60.5	26	46.5	20	27.9	12
Metro-Authorities	12.0	3	72.0	18	28.0	7	60.0	15	56.0	14	16.0	4
E.Midland Districts	10.0	2	75.0	15	15.0	3	75.0	15	35.0	7	30.0	6

As Table 6.39 shows, there is high proportion of authorities which consider this type of data as useful for monitoring housing market demand. However, the percentage of authorities that actually use this data is low, on average 18.2% in the past and 25.2% presently. If this indicator were to indicate changes in demand, an increase in the ratio should herald an increase in housing demand, particularly private housing demand. However, as can be seen over the early years of the 1990s, affordability was at an 'all-time' high (Housing Market Report, 1994; TSB First Time Buyers Affordability Index, 1993), yet housing transactions (a reasonable proxy for market movement and buoyancy) were low.

Clearly, this indicator illustrates the major drawback with all of these monitoring methods, because examined in isolation such data can be misleading. In the case of affordability ratios, if they are to realistically illustrate demand, the would be home-owners would also require secure income, job security, a positive view of homeownership, etc. It is, therefore, apparent that this type of indicator is difficult to use because it requires supporting data. The level of difficulty perceived with this indicator is given in the table below (Table 6.40) and it is clear that the majority of the respondents found difficulty in compiling and monitoring this data.

Table 6.40 Affordability Ratios- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	27.9 (12)	37.2 (16)	2.3 (1)	6.9 (3)
Metro- Authorities	44.0 (11)	24.0 (6)	8.0 (2)	4.0 (1)
E.Midland Districts	10.0 (2)	45.0 (9)	-	-

One could argue that there is a case for the monitoring of local incomes. Not only will this data give some indication of the ability to pay for market housing, it will also highlight the need for social housing and indeed, social support services. This type of data would already be monitored by housebuilders as a means of market identification and customer profiling to achieve product targeting.

Table 6.41 Income Estimates- Employment and Usefulness

	Used in the Past				Used Presently				Useful			
	Yes		No		Yes		No		Yes		No	
	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Counties	20.9	9	67.4	29	16.3	7	74.4	32	34.8	15	41.9	18
Metro-Authorities	16.0	4	68.0	17	32.0	8	56.0	14	56.0	14	28.0	7
E.Midland District	10.0	2	75.0	15	15.0	3	75.0	15	25.0	5	40.0	10

Table 6.42 Income Estimates- Ease of Use (Absolute figure is given in brackets)

	Very Difficult	Difficult	Straightforward but Time-consuming	Easy
Counties	37.2 (16)	34.8 (15)	2.3 (1)	2.3 (1)
Metro-Authorities	52.0 (13)	20.0 (5)	8.0 (4)	-
E.Midland Districts	25.0 (5)	30.0 (6)	-	-

Metropolitan authorities use this data to the greatest extent and, as can be seen in the table above, are the most positive about the indicator. Both the counties and districts appear to have a limited experience with this data and also do not seem to see it as a useful source of market information. Again, this economic indicator was perceived by all three authorities as being difficult to collect and interpret. Perhaps more encouraging is the fact that although 52% of metropolitan authorities find this indicator difficult, they continue to represent the strongest advocates of income estimates.

Table 6.43 Reflection of Economic Policies Within Housing Policies
(Absolute figure is given in brackets)

	Yes	No	No Answer
Counties	48.8 (21)	32.6 (14)	18.6 (8)
Metro-Authorities	24.0 (6)	68.0 (17)	8.0 (2)
E.Midland Districts	45.0 (9)	45.0 (9)	10.0 (5)

The final question addressed to all authorities tried to determine the extent to which local authority economic policies were reflected by housing policies. Table 6.43, above, highlights the answers to this question. One could argue that there is an expectation that a higher proportion of authorities, in particular metropolitan authorities, would monitor this data, because both policies are formulated by the same authority. Perhaps the reason for this is that the integration of employment, economic development and housing is not so important, when there are few options open (in terms of available space, suitable sites, etc.).

Table 6.44 Use and Usefulness of Indicators

1- County Councils **2- Metro-Authorities** **3- E.Midland Districts**

	Use The Indicator Presently			Used The Indicator in the Past			Is the Indicator Useful		
	1	2	3	1	2	3	1	2	3
Local Authority Waiting List	**	****	****	***	****	****	**	***	***
HA Waiting Lists	-	***	**	-	***	**	-	***	***
Housing Need Survey	-	**	***	-	**	**	-	****	****
Vacancy Rates	***	**	**	****	**	**	**	**	**
Planning Applications	****	****	****	****	****	****	***	***	**
Planning Appeals	**	**	**	***	**	**	**	**	*
Amendment of Planning Applications	*	*	**	*	*	**	*	**	*
New Dwelling Starts	****	****	****	****	****	****	***	***	***
Housing Density	*	**	**	**	**	**	*	**	**
Depletion Rates for Allocated Sites	**	**	**	**	**	**	**	***	**
Planning Permission Take Up	*	*	**	**	**	**	***	***	**
Land Prices	*	*	*	*	*	*	**	***	**
House Prices	****	***	**	****	***	**	**	***	**
Volume of House Sales	*	*	*	*	*	*	****	***	***
Number of Enquiries	-	-	-	*	-	-	**	**	**
Time on the Market	-	*	-	*	-	-	***	***	**
Number of Appointments to View	-	*	-	-	-	-	**	**	**
Ratio of Sales to Reservations	-	*	-	-	-	-	**	*	*
Time From Completion to Sale	-	-	-	*	-	-	**	**	**
Number of Site Reservations	-	-	-	-	-	-	**	**	**
Sales Rates	*	-	-	*	-	-	***	***	**
Vistor Number	-	-	-	-	-	-	*	*	*
Proportion of Homes Sold Prior to Completion	-	-	-	-	-	-	***	***	**
Estate Agents	*	*	**	**	**	**	**	***	**
National Housebuilders	**	**	**	**	***	**	***	***	**
Local Housebuilders	**	**	*	***	***	****	**	****	**
Building Societies	*	*	*	**	**	*	**	***	**
Affordability Ratios	**	**	*	**	*	*	***	***	**
Estimates of Income	*	**	*	**	*	*	**	***	**

Key : *****= 80-100% ****=60-79% ***=40-59% **=20-39% *=0-19%

Conclusion

This chapter has highlighted the findings of survey research which has sought to ascertain the degree to which local authorities monitor housing markets. The overall conclusion to be drawn from this is that the number of different 'types' of indicators monitored are considerable. However, there is generally more extensive use of 'internally' generated data (such as planning applications and housing start data) and less employment of data generated and made available by housebuilders or estate agents. This supports the assessment of the indicators presented in the previous chapter, where data accessibility was a criteria for assessment. The table above presents a summary of data set use (both past and present) and the degree to which the respondents perceive the data as useful. The empty cells are either the result of no positive response to this question (e.g. the monitoring of housebuilder data for instance) at all or indicate that the question was not directed at that tier of government (e.g. counties in the case of housing association waiting lists).

What is clear from this summary table is that certain data sets are widely monitored by local authorities. Parts of this thesis have already highlighted that some of the more popular data sets e.g. housing starts (used by 62.8% of counties, 68% of metropolitan authorities, and 70% of East Midland districts) and house prices (used by 60.5% of county councils, 40% of metropolitan authorities and 25% of East Midland districts), suffer from serious limitations (Nicol, 1994, 1996; Gillen, 1994b; Gillen et al 1995). This suggests that existing housing strategies and housing policies produced may well be based on data with considerable weaknesses. There is a case for the development of what would appear to be 'key' data sets, those which are seen to be useful by over 40% of practitioners (i.e. 5*-3* in the table). Additional work on these data sets may ensure a commonality of approach throughout the country and provide a data set which can be monitored by the housing strategy formulators.

Table 5.7 in the previous chapter summarised the practical difficulties and advantages of many of the data sets summarised below. Therefore it may be useful to briefly compare indicators that 'scored' highly in that summation with those that have been examined in this chapter. Data sets that 'scored' three 'c' gradings or above in Table 5.7, were Planning Applications; Planning Appeals; Housing Starts; House Prices and Estimates of Income. As can be seen in the Table 6.44 above, all but one of these data sets tends to be frequently employed and is seen as useful by all levels of local authority, i.e. consistently has at least three stars in a majority of categories. The exception were Estimates of Income and Planning Appeals. For instance income estimates were used infrequently, only 16.3% of counties, 32.0% of metropolitan authorities and 15% of East Midland districts replying that currently such data was employed. Perhaps most surprising was the fact that in only one case (metropolitan authorities) did income estimates register three stars (56%).

Apart from these key indicators, it would appear that a number of data sets are little used for monitoring the housing market. As was shown in the last chapter, this may be due to a number of limitations in the data, which local authorities have recognised, and ultimately felt that such data may not be worth the effort to collect. However, the survey has shown that a number of data sets have never been examined by more than a limited number of local authorities. This does not suggest a 'trial' approach, through which local authorities have found certain data sets either difficult to collect or difficult to interpret, and have therefore stopped using them for monitoring. Instead this suggests a pre-conceived idea regarding which data may be forthcoming or useful. As it has turned out, some of the data that has been used for monitoring to a very limited degree, has been shown to be problematic. However, one would suggest that, as local authorities appear to have neglected certain data sources (housebuilders and estate agents in particular), an opportunity to develop links with these other participants in the housing market has been disregarded. As highlighted in earlier chapters, such links can not only provide informal perceptions of the housing market, they can also ensure that the enablers (the local authority) and implementers (the housebuilder) of housing strategies are aware of the policies of all parties concerned.

Whilst this chapter has focused specifically on the final research question, the next chapter will take a far more holistic approach and examine all three research questions with reference to two specific case study areas; North West Leicestershire (in particular Ashby de la Zouch) and Mansfield.

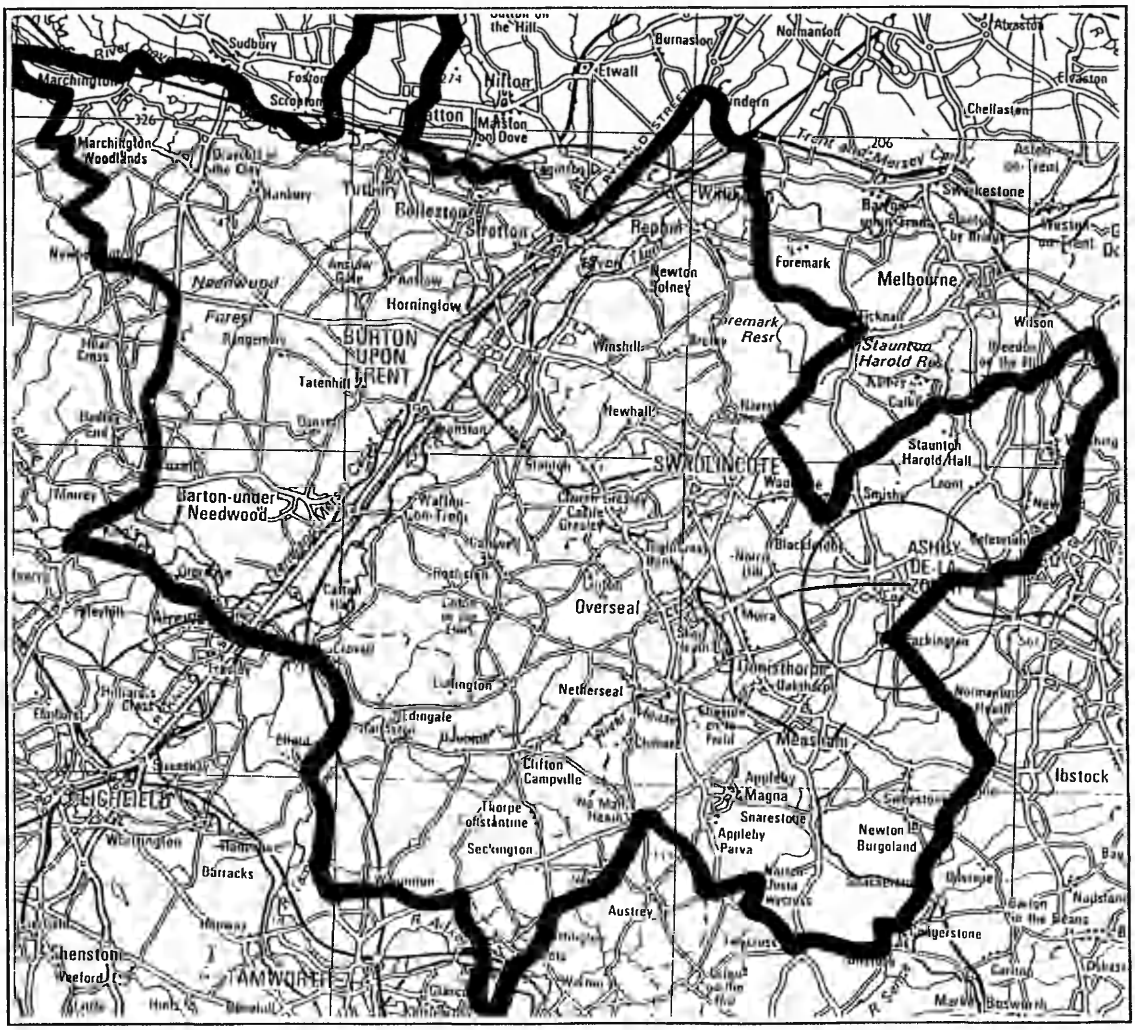
Chapter Seven

Housing Strategy Development At the Local Level

Introduction

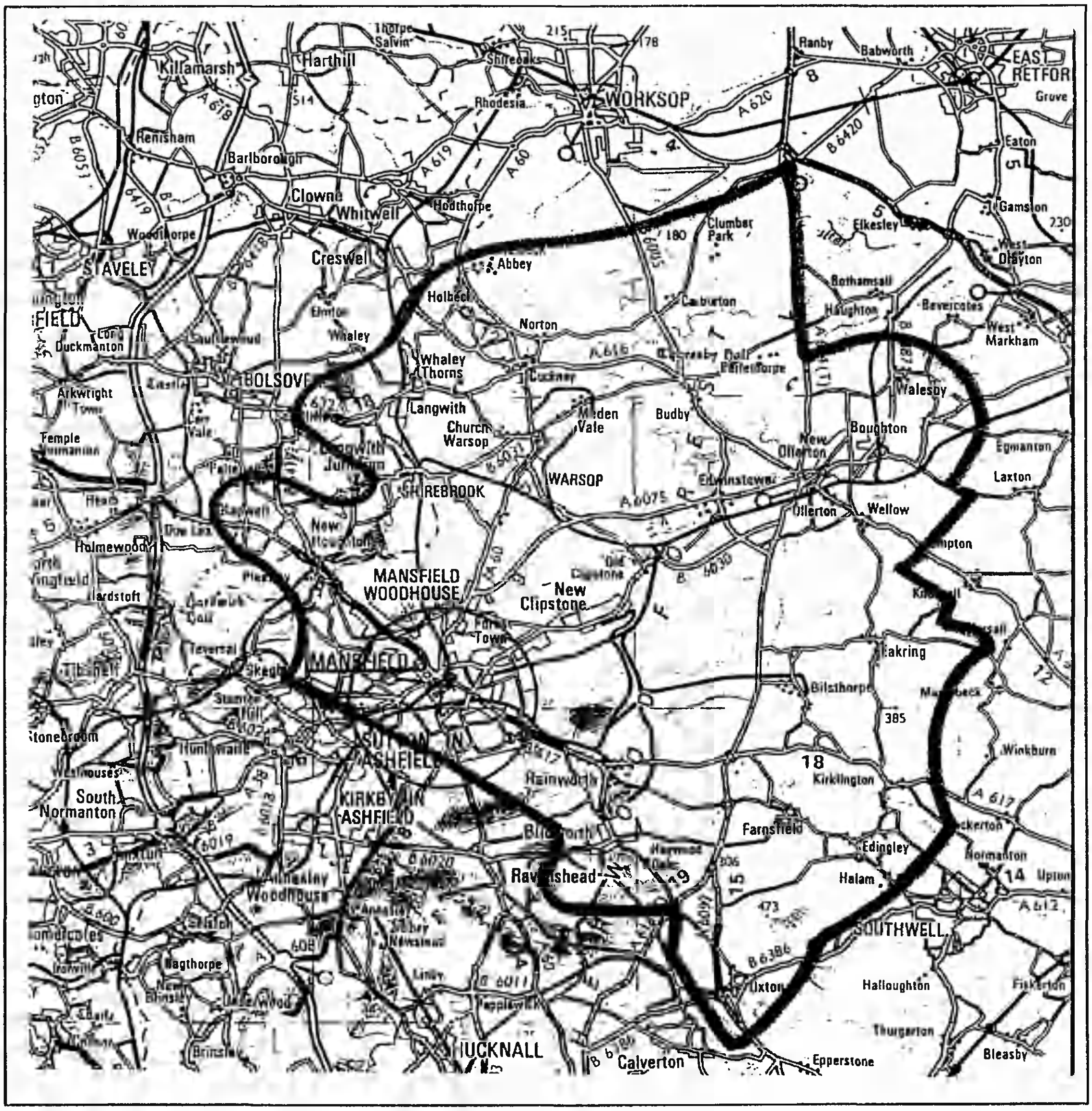
The early chapters of this thesis discussed housing markets and strategies as a concept, illustrating these theoretical discussions with an examination of the policy framework which exists in the East Midlands region and how this relates to local housing demand. Chapter Four examined the manner in which housing strategy formulation could be developed through corporate approaches to policy formulation, highlighting the degree to which some authorities involve private housebuilders and work inter-departmentally. These initial chapters focused most directly upon the first two research questions. Developing from this, Chapters Five and Six examined the manner in which local authorities monitor housing markets and the extent to which certain data sets could be utilised as a means of monitoring the housing market, primarily research question three.

Figure 7.1 Location of Ashby Within the Burton on Trent TTWA



The aim of this chapter is to combine all three research questions into one integrated discussion through a detailed examination of the housing situation in Ashby and Mansfield. Initially this chapter will examine the degree to which local authorities take a corporate approach to housing policy formulation. The second section will focus upon the degree to which the local authority develops strategy in a manner which involves private housebuilders since these are the agencies responsible for the majority of new housing provision. Finally the discussion will illustrate how data may be interpreted to reflect the housing situation of a given local area. Whilst this chapter will attempt to indicate the situation in the two principal case study areas, Ashby and Mansfield (seen spatially in Figures 7.1 and 7.2) much of the discussion will revolve around North West Leicestershire and Mansfield District Councils. This is due to the fact that it is at the district council level (in these two cases) where inter-department and inter-agency working will be necessary.

Figure 7.2 Location of Mansfield Within Mansfield TTWA



Department Co-ordination

The Councils in the two case study districts both consist of a number of different departments concerned with the differing responsibilities of government. Appendices 3 and 4 contain the detailed departmental structure and functions in each authority, but it is neccessary to highlight the key points from these diagrams. North West Lecestershire consists of seven departments, including a Chief Executive and Clerks department, which has a management function over all departments. Mansfield is similarly controlled by a Chief Executive, but directly below this level there are only three divisions: Finance; Community Services and Development Services. Development Services and Community Services each consist of three 'sub' departments (as can be seen in Appendices 3 and 4). Of interest to this thesis is the fact that in Mansfield the housing and planning departments are not only separate themselves, they are also contained within separate directorates. In North West Leicestershire this demarcation is not so apparent, as both departments, although separate, are not within different divisions as is the case with Mansfield. From this evidence one might surmise that it is easier to co-ordinate the housing and planning department in North West Leicestershire, but has this structure enabled North West Leicestershire to develop a corporate structure that is more dynamic than Mansfield?

In terms of joint working between the housing and planning departments, Mansfield would appear to have a better-developed structure. Discussion with the personnel at Mansfield indicated that a planning and housing working group exists, meeting on a project rather than strategy level. Officers in the planning department at Mansfield are trying to promote fuller integration at the policy formulation level. This is a course of action that has been forced upon them mainly as a result of a decline in council-owned land being available for social housing. Different priorities and different departmental structure has meant that integration has not developed as fully as hoped. For instance, the Housing Department has been primarily focused on compulsory competitive tendering, which has meant that co-ordination has suffered. In addition the housing department is physically separate from the planning department, due to its area-based structure.

North West Leicestershire has adopted a different strategy towards integrated working. In this case it is largely based upon personal contacts between officers in the housing and planning departments, as opposed to the more formal situation that exists in Mansfield. Limitations have arisen over recent years which have tended to create a situation where the housing department has found itself pre-occupied due to the compulsory competitive tendering process.

Whilst North West Leicestershire District Council undertakes consultation and communication with those concerned with the development process within the County (see below), there has been very little cross-county or cross-regional co-operation. Formal discussions of this type last took place in the late 1980s, when there was discussion regarding the fact that North West Leicestershire may have to accommodate overspill from Tamworth (in the West Midlands region). However this discussion failed to result in any form of “concrete” expansionist housing policies. With Ashby on the perimeter of the East Midlands region, this would appear to be a significant limitation, particularly given the degree to which new homes in the district appear to cater for migrant households from other areas. It should be stressed that discussion of this type may be taking place at the strategic level, between Staffordshire and Leicestershire. This assertion is supported by the fact that NW Leicestershire has a housing allocation larger than the officers themselves believe could be created from internal demand within the District, possibly indicating that the County has recognised the commuting potential of the district, an assumption that has been borne out by Tilling's survey (see below).

With the current government structure of districts, counties and regions a situation exists where there is a facility for decisions to be made which concern migratory pressures across administrative boundaries <u>within</u> a region. This would not appear to be the case in so far as these migratory pressures cross regional boundaries. It is not suggested that integrated housing strategies will overcome this problem. However, if local authorities develop and monitor movements in the housing market successfully, the housing strategy should be in a better position to identify where new housing demand has been created. If housing strategies with sufficiently robust monitoring techniques were to be prepared by all authorities, housing strategies could be examined by neighbouring authorities. Such inter-district co-operation and information exchange may allow the local authority to be aware of the changes in neighbouring housing markets, and reappraise its own policies accordingly.

Joint Agency Working

As discussed earlier (especially in Chapter Four) there is a definite need for co-ordination between policy makers and policy implementers. This section will examine the manner in which joint agency working has developed in the two case study areas, and will therefore elaborate on the proceeding theoretical discussion with an examination of empirical data. In terms of the research questions this section will examine research question 2 namely, 'To what extent are private housebuilding companies, as the main implementers of housing policy, involved in the development of housing strategies?' The discussion will initally examine the development and marketing pressures within which housbuilding comapnies operate in the case study areas.

It could be suggested that both districts suffer from urban deprivation and economic problems (illustrated by Mansfield having an Enterprise Zone and Development Area status (Mansfield DC, 1993) and North West Leicestershire placing a bid for Single Regeneration Budget finance). This would imply that both case study areas may not be seen by housebuilders as ‘ideal’ areas for housbuilding (i.e. areas which benefit from a positive image allowing homes to sell quickly). Discussions with regional officers of the Housebuilder’s Federation highlighted that this is the case and that there are marketing problems with developments in both case study areas, due to a negative image of the settlements that exist. Although the regional housebuilding body (HBF) indicated that both case study areas have a negative image that requires positive marketing, this does not appear to be the case at the local level in Ashby.

The officers at NW Leicestershire have been surprised by the vigorous build rate that has materialised over the last twelve months as well as the type of property that has been constructed and sold. Housebuilders in the District seem to be able to construct and sell 3-4 bedroom detached homes, despite the fact that the area may not have a well paid work-force (see below). The officers suggest these homes may be popular and sell well because of the close proximity of the A42/M42 and the commuting potential of the district. Discussions with personnel at David Wilson Homes, the dominant builder in the area (see Table 7.1), suggests that it is the area's links with the West Midlands (it is only about 40 minutes from Birmingham) which makes the District easier to market than Mansfield. A study of new home buyers by Tilling[1] highlighted that 52% of new home buyers had a journey to work that took in excess of twenty minutes. Such a travel time could quite legitimately place such commuters in Birmingham, Leicester, Derby or Nottingham, indicating that the new home market in Ashby may be related to large metropolitan centres outside the district, highlighting the difficulties in attempting to define a market area based upon local government boundaries (see Chapters Two and Three).

Table 7.1 Housing Sites of Over 10 Units Built in the Ashby Area Since 1991-1995

Site	No. Built	Developer
Off Malvern Crescent, Ashby	45	Bovis
Atkinson Road, Ashby	20	East Midlands HA
Prior Park Road, Ashby	**51**	**William Davies/East Midland HA**
The Callis, Ashby	**26**	**William Davies**
Avenue Road, Ashby	30	MJ Wood Development Ltd.
Leicester Road, Ashby	**68**	**David Wilson Homes**
Top Street, Appleby Magna	**23**	**David Wilson Homes**
Woodcock Way, Ashby	**22**	**David Wilson Homes**
Upper Packington Road, Ashby	131	Bloors

Source: Data Supplied By North West Leicestershire District Council

In terms of actors' perceptions, it is apparent that the information provided by local housebuilders may contradict the picture of local conditions which is presented by the HBF. One would suggest that the local information would be of greater relevance for housing strategy formulation, as it may indicate needs and demands in sub-district housing markets.

[1] Tillings work at Nottingham Trent University for a PhD in 1996 highlighted the characteristics of new home buyers in North West Leicestershire and South Derbyshire. She asked 40 occupants of new homes in Ashby a number of questions, receiving a response rate of 70%.

Discussions with personnel at Wimpey regarding their developments in Mansfield indicated that, in 1994 and early 1995, sales were higher than expected for small, two-bed homes, with some large scale sales to housing associations. Many purchases have been from existing owner occupiers trading down, and taking advantage of the Company's part-exchange programme. An examination of other sites indicates that smaller, less expensive units appear to be those that are being produced by housebuilders. Personnel at David Wilson Homes, a company that is just entering this housing market, indicate that it is an area dominated by new properties at the lower end of the market. This appears to suggest that Mansfield is an area where there is demand for low cost homes, whilst Ashby has more demand for larger, more expensive homes. In terms of housing strategies this may suggest the private housebuilders in Mansfield are providing homes at the margins between 'need' and 'demand', whilst housbuilding companies in North West Leicestershire may be neglecting this area of housing provision. Whilst in terms of this thesis it would be beneficial if housing provision differs due to the different co-ordination techniques pursued by North West Leicestershire and Mansfield (see below), there is not sufficient evidence to suggest this is the case. In fact as will become apparant from the next section in this chapter (housing market monitoring) the differing types of provision are more likely due to differing market conditions than local authority direction.

Between 1991-1995 there were around 1400 units completed on large sites, i.e. those that supply ten or more dwellings, in North West Leicestershire. Of these, approximately 400 have been built in the case study area of Ashby. Table 7.1, above, illustrates the development, developer and number of units built in the case study area over the last five years. This indicates that two developers have been responsible for over 50% of sites in the district. If new provision is largely dominated by a small number of housebuilders, then market monitoring may prove straightforward, (in comparison to housing provision fragmented between a number of different developers). For instance, if the District Authority were to build up a connection with these 'key' local builders, a great deal of information on the new housing market could be obtained from one or two contacts, highlighting that it may not be necessary to carry out extensive surveys. As highlighted in Chapter Five, the major limitation with housebuilding companies as a data source would be the manner in which the housebuilders could manipulate the data prepared for the local authority, or fail to provide any data at all. It is therefore necessary for the housebuilding company to be accommodating and supportive to the whole monitoring process.

Housebuilding companies would appear to be prepared to fulfil such goals (see Chapter Six) at the national level. In discussion with personnel at David Wilson, it emerged that housebuilders may, in principle, be supportive of co-operating with the local authority. However, it was indicated that it may prove commercially 'difficult'. Local housebuilding comapnies benefit from the fact that they have significant knowledge regarding housing markets in the local areas in which they operate. If this information and knowledge were to be given to the local authority and developed into a housing strategy, it may become common knowledge, examined by competitors, with the result that a locally based company sacrifices a major advantage in the market. The alternative to such an open approach may be to develop links with key housebuilders and only use any information gathered for internal policy formulation. However this course of action creates a situation where the local authority may appear to be closely involved with one or two housebuilders. This relationship may result in the authority being criticised for unethical behaviour.

What this appears to suggest is that the use of housebuilder data, in itself not above criticism (see Chapter Five), may create a number of additional problems not yet considered. If the data were to be employed it may have only been provided on the condition that it would not become public knowledge. This would bring into question the degree to which a housing strategy, employing such data, can be examined by the public and undergo external scrutiny. The alternative to direct and implicit housebuilder involvement is to consult in a general sense through housing forums and liaison groups.

In Mansfield a housing forum meets bi-monthly and consists of officers (both from the planning and housing departments), architects, tenants associations, housebuilders and estate agents. The County Council do not participate and, according to personnel interviewed, discussion between the County Council and housebuilding companies takes place on an ad-hoc basis. In Leicestershire, it is the County Council that organise the bi-annual Housebuilders' Forum, the membership of which includes officers from both the County and Districts, local housebuilders, water companies and occasionally estate agents. It could be suggested that the Mansfield approach is more localised and is seen by the HBF as being 'innovative'. The major difference between the two approaches would appear to be that the Mansfield forum takes the view of the housing market as one single entity, encompassing social and private housing and examines localised issues. The Leicestershire approach would appear to focus more specifically on the private sector and is concerned primarily with strategic issues.

Discussions with housebuilders indicates that they feel they benefit from this exercise, not only because they can present their views, but also they are able to determine the direction in which the local authority's policy is moving, allowing their own strategy to develop alongside that of the planning authority. One would suggest that as long as housebuilders perceive participation as being beneficial, they will continue to participate in such forums. Involving housebuilders in housing strategy formulation and attempting to utilise their data and perceptions on market conditions is only one factor in the development of integrated strategies. In addition there is also a need for the housing and planning departments to work closely with one another.

Housing Market Monitoring

Whilst the earlier discussion in this Chapter has examined the first two research questions, this section will consider the data that is available for market monitoring in Mansfield and Ashby. Although this question has been examined in two proceeding chapters, it would be beneficial to examine the means by which the needs and demands of a housing market can be formed in a practical, rather than theoretical, sense. This section will therefore examine the data available and discuss the implications for local housing markets that can be deduced from this type of information, essentially the survey section of local housing strategies.

It would be expected that districts would have access to data generated internally (see Chapters Five and Six above) and therefore, a strategy prepared by a district would be more detailed than the examination that follows, which is based primarily on publicly available data. As both Districts employ information technology in the planning department, to 'log' and monitor planning applications and the progress of developments, it should be relatively straightforward for this type of data (planning applications, changing densities, etc.) to be monitored and employed as a means of monitoring housing markets.

To obtain an overview of the housing needs and priorities in the district, it is necessary to examine the housing tenure and housing stock of the respective districts. As can be seen in the table below, there are distinct differences in the tenure patterns of the case study districts. North West Leicestershire has a level of owner occupation above the county and regional average. Mansfield has a level above the county average but below the regional average. The level of private renting is within one percent in both districts and they both have a lower level of private renting than the region as a whole. This is possibly due to the fact that the figures for the region contain the large metropolitan areas, where private renting tends to be higher. For instance this tenure constitutes 15.5% of the housing stock in Nottingham district (OPCS, 1992a).

Table 7.2 Tenure of the Case Study Districts

	Total Households	Owner Occupied	Private Rented or from a Housing Association or With a Job	Local Authority Rented
NW Leicestershire	31,142	73.5%	9.3%	17.2%
Mansfield	39,816	69.2%	8.9%	22.0%
Leicestershire	333,547	72.5%	10.7%	16.8%
Nottinghamshire	397,769	68.2%	10.8%	21.0%
East Midlands*	**1,596,000**	**70.2%**	**11.5%**	**18.3%**

Source: Table G, 1991 Census County Reports for Leicestershire (Part 1); Nottinghamshire (Part 1) *CSO *Focus on the East Midlands*, 1990, Chapter 3

Mansfield District retains a high proportion of local authority rented homes in its tenure portfolio, higher than both its own county average and the regional figure. By comparison, NW Leicestershire has a level of local authority renting in excess of the county average. The Housing Departments of both authorities have to monitor their housing stock, both private and public, annually. This data is submitted to the DoE as part of the Housing Investment Program submission. Table 7.3, below, highlights the character of the housing market in the two case study districts, as presented in HIP submissions.

Although social housing exists in the two case study districts, a significant proportion of both local authority and housing association stock is special needs housing, for OAPs or the disabled (see Table 7.3). The net result of this is that, for households wishing to rent from social housing providers, a limited supply is diminished even further. In addition, the homes that are available are often in need of renovation. In the case of Mansfield, 6.5% of the local authority stock has been declared unfit, whilst a further 77.5% of the stock is in need of renovation. Although the situation is not so dramatic in North West Leicestershire, over a quarter of the stock requires a degree of renovation.

The supposition from this data is that, overall, the social housing stock in Mansfield may be less attractive to marginal homebuyers, acting as a positive incentive to join the owner occupied housing market. This is supported by the fact that housebuilding companies in Mansfield largely construct properties aimed at the lower end of the market, therefore attractive to marginal households (i.e. those on the margins between social renting and owner occupation). However, discussions with sales personnel at various sites in Mansfield suggests this may not be the case and demand for new homes is lower, for certain types of home in the area than many other similar sites in other parts of the region. Estate agents indicated similar low demand for second hand homes when they were interviewed. Whilst this may be an indication of the housing market in Mansfield being for social housing, rather than owner occupation, one would argue that it is more likely to indicate an over-provision of homes for owner occupation in the area.

Table 7.3 Breakdown of the Dwelling Stock ***(Percentages Italicised and in Brackets)***

NW Leicestershire	Local Authority	Housing Association	Other Public Sector	Other Private Sector	Total
Total Dwellings	5,478	1,187	22	27,811	34,498
OAP	1,913 *(34.9)*	229 *(19.3)*	0	31	2,173
Disabled	44 *(0.8)*	3 *(0.3)*	0	475	522
Unfit Dwellings	27 *(0.5)*	0	0	2,290	2,317
Dwellings in Need of Renovation	1,440 *(26.3)*	54 *(4.6)*	0		
Difficult to Let	179 *(3.3)*	10 *(0.8)*	0		
Vacant Dwellings	75 *(1.4)*	37 *(3.2)*	0	1,526	1,638

Mansfield	Local Authority	Housing Association	Other Public Sector	Other Private Sector	Total
Total Dwellings	9,004	1,268	60	32,555	42,887
OAP	3,012 *(33.5)*	244 *(19.2)*	0	116	3,372
Disabled	55 *(0.6)*	9 *(0.7)*	0	0	64
Unfit Dwellings	585 *(6.5)*	170 *(13.4)*	0	2,700	3,455
Dwellings in Need of Renovation	6,976 *(77.5)*	480 *(37.9)*	0		
Difficult to Let	430 *(4.8)*	0	0		
Vacant Dwellings	548 *(6.1)*	30 *(2.4)*	0	1,923	2,501

Source: Section A: Dwelling Stock of NW Leicestershire and Mansfield from "Needs Appraisal", HIP 1 for the DoE, April 1995.

In terms of the housing types that are prevalent in the District, Table 7.4 (below) compares the make-up of the housing stock in the case study districts. Data for the county and the region are shown for comparative purposes. NW Leicestershire has a high percentage of detached properties, considerably higher than the county or regional figures. In contrast, the District has a housing stock which is under-represented in terms of terraced homes. Mansfield has similar proportions of detached and terraced homes to Nottinghamshire and to the East Midlands as a whole. Where Mansfield appears to differ from the region and county is in terms of semi-detached homes where the District appears to have an over-representation.

Table 7.4 Dwelling Types in The Case Study Areas

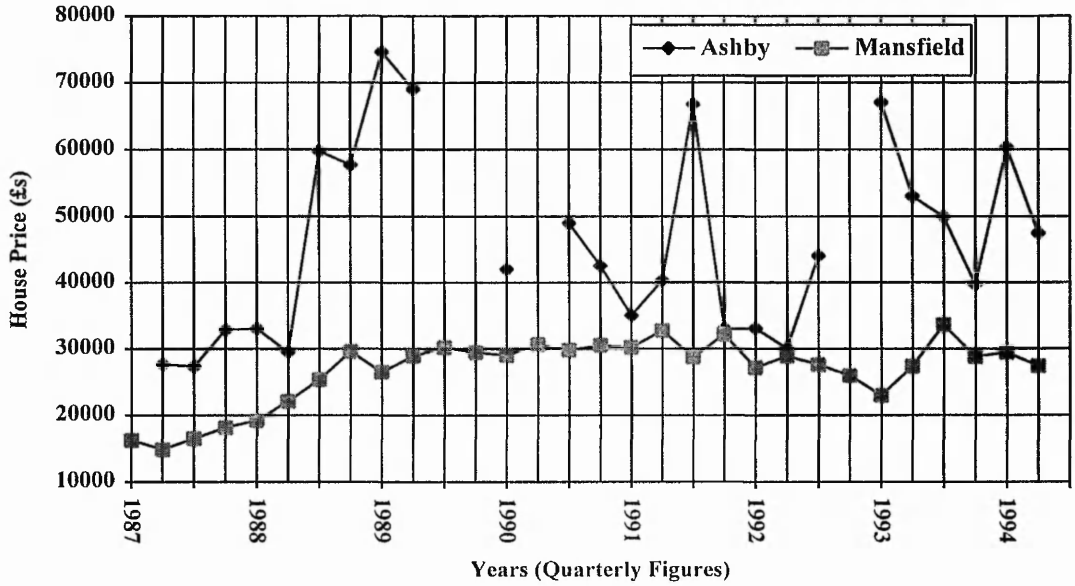
	Total Dwellings	Detached	Semi-Detached	Terraced	Purpose Built Flat	Converted Accommodation
NW Leicestershire	32,337	35.5%	37.0%	21.3%	5.5%	0.7%
Mansfield	41,579	24.3%	42.8%	24.2%	7.7%	0.9%
Leicestershire	349,873	26.2%	37.2%	25.8%	9.0%	1.6%
Nottinghamshire	413,743	27.7%	35.6%	24.8%	10.2%	1.6%
East Midlands*	1,634,000	29.2%	35.5%	25.3%	8.4%	1.5%

Source: Table H, 1991 Census County Reports for Leicestershire (Part 1) and Nottinghamshire (Part 1) DoE, 1995d

Although it is not wise to draw too many conclusions from such simple tables as those examined above, it may be worthwhile highlighting the implications for the housing markets and housing strategies of these areas. As North West Leicestershire has a low proportion of terraced homes in the housing stock, there is an argument that a limited choice exists for the households in these areas. The most important ramification of this is that households in these districts may have a limited choice of one of the cheaper housing options, namely terraced homes. Examining house prices, for example, indicates that the cheaper homes are usually terraced properties and this can be seen by examining any of the commonly-cited house price series. For instance in the first quarter of 1995, terraced homes in the UK were 21.6% cheaper than the average house price, while detached homes were 67% more expensive (Halifax House Price Index). The logical conclusion from this is that the housing market of NW Leicestershire is more constrained for the marginal home buyer, than is the case in Mansfield, as it has a higher proportion of the more expensive house types.

Not only does NW Leicestershire have fewer terraced properties, but those that do exist in the District, (demonstrated by Ashby in Figure 7.3 below) are also more expensive than those traded in Mansfield. It should be noted that these figures, because they refer to small geographical areas, are based on small sample sizes, a problem that is particularly noticeable in the case of Ashby, where insuffcient data is available to plot some quarters. This said, in general Ashby's prices are between £5,000-£10,000 more expensive than those in Mansfield. Can the population of this area afford to pay such high house prices? As these house prices are based on applications for mortgages accepted by the Halifax Building Society, one would have to suggest that, these house prices are affordable due to the fact that households have purchased them. Yet this area of affordability and income is worth examining further as it may allow housing strategies to estimate levels of housing need.

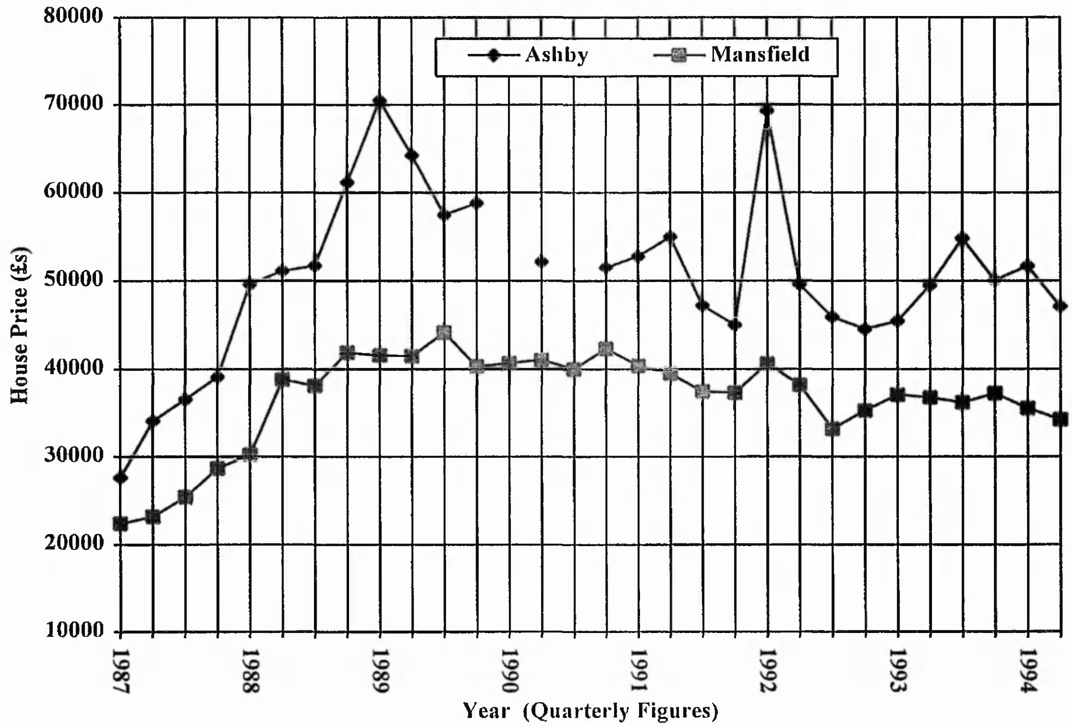
Figure 7.3 Comparison of Terraced House Prices in the Case Study Areas



Source: Halifax Building Society Data

The preceding discussion has indicated what assumptions can be made regarding the housing markets of the two districts from data that is readily available. Yet the questionnaire study examined in Chapter Six (completed by both planning departments) does indicate that both case study councils monitor the housing market more directly. One of the questions concerned the use of affordability data, i.e. data such as the TSB's affordability index for first time buyers, and the Housing Market Report's affordability data. Neither case study district answered positively to having employed affordability ratios, but planning officers at Mansfield are of the opinion that it would be a useful data source if the difficulties in collating the data could be overcome. Similarly, neither District has tried to estimate the average income levels in their areas. The only income data that has been obtained by NW Leicestershire is through a housing need survey. NW Leicestershire has carried out its own housing survey (see below) and one part of this questionnaire concerned the annual income of a household. Of the 489 who responded to this questionnaire, 29% did not answer this question. Of those that did, 14% had a household income below £6,000; 13% between £6,000-£9,999; 15% between £10,000-£14,999 and the remaining 29% earned more than £15,000. When compared with the national gross average annual income of £18,205 (Table 27, CSO, 1992) it would appear that North West Leicestershire is a district where incomes are at a low level.

Figure 7.4 Semi-Detached House Prices in the Case Study Areas



Source: Halifax Building Society Data

One alternative method of determining income characteristics is to make assumptions based upon the type of employment that dominates in an area. For instance North West Leicestershire planners see the most common type of employment in the district as B8, storage and distribution (DoE, 1987). According to the Transport and General Workers Union (T&GWU) the average wage for employees in this type of work, warehouse or storekeepers, in July 1995 was between £200-£250 per week, (data supplied by the T&GWU in August 1995). This level of weekly wage would result in an annual salary of between £10,400-£13,000 per annum. Employing this figure in a similar manner to that which is illustrated in Table 5.2, above, NW Leicestershire can be seen as having a larger mismatch between affordable homes and incomes. For instance if an average income in the District for an employee of one of the distribution warehouses is around £12,000 then, on a 90% mortgage, a house of around £30,300 could be purchased. It can be seen from the house price figure above (Figure 7.3) that even terraced homes in Ashby are unobtainable on this income. Whilst Figure 7.4, above, indicates that semi-detached homes in Ashby are on average priced £15,000- £20,000 higher. As this equates to 37% of the housing stock in the district it may clearly limit the chances for the lower paid sections of the population. This may clearly indicate a need for a housing strategy to enable more affordable or low-cost home ownership.

Housing Need Surveys

As mentioned already North West Leicestershire has conducted a housing need survey, a method of developing information that has not been undertaken by Mansfield. In January 1991, NW Leicestershire sent 34,000 survey forms to every household in the District. By September, 8,007 completed forms had been returned. Discounting vacant properties, this gave a response rate of 24.6%. This low response rate conceals the fact that different parishes in the district responded differently to the questionnaire. The less populous parishes tended to have a lower response rate than the urban centres, simply because there are less people in these parts of the district. The main problem is that the low number of responses from villages and other rural parts of the district may mean that the survey cannot be relied upon for 'exceptional' housing need developments. The officers at North West Leicestershire realise this and are of the opinion that the survey was beneficial in providing an overview of the District, and if any detailed study is required to justify the 'exceptional' developments, then a detailed locally-based survey will be employed. In addition, to enable future housing surveys to be carried out, the elected members have to sanction funding, and they will only do this if it can be demonstrated that there is a need for the survey.

The planners in North West Leicestershire were of the opinion that the questionnaire was not particularly beneficial for them, which they attributed to the fact that the Housing Department, as the leader of the survey, drafted the questionnaire, so that the form of the responses were not particularly helpful. One major difficulty was that three departments provided the funding for the study, and all three had to obtain approval from their own committees for the expenditure, further complicating the matter and delaying the process. This illustrates that practical difficulties of departmentalism can affect even the successful monitoring of housing markets, let alone the implementation of housing strategies. This view of housing need surveys in practice should be compared with the results apparent from the questionnaire survey, where housing need surveys were seen to be a 4* rated in terms of usefulness (Table 6.44). This demand indicator has been singled out because one would argue that such direct market monitoring may increase in importance with the introduction of Circular 13/96 (see technical glossary).

Conclusion

This chapter has focused the discussion more directly on the situation at the local level. It has developed the data examined in earlier chapters and attempted to arrive at some conclusions regarding local housing markets. Broadly it has examined the three focus areas indicated in the research questions, namely:

- Department co-ordination, essentially the integration of planning and housing departments.
- Joint agency working, better integration between policy formulation and policy implementation.
- Housing market monitoring and the findings that can be reached from analysing housing data.

This chapter has examined these themes in a practical context, namely the situation in the two case study areas. This therefore developed the themes examined in the proceeding chapter which focused more directly on the results of the questionnaire survey. The following discussion will examine these three research areas in turn.

It has been shown in this Chapter that the two case study authorities take a different approach as to the degree to which the housing and planning departments develop policy and work in a corporate manner in terms of housing. The officers at Mansfield appear to accept the need for greater strategic integration and a joint working group exists in the District. The approach taken by North West Leicestershire is less formalised, largely relying upon individual and personal relationships between the officers themselves rather than more formal links. Both authorities indicated that differences in the management of the planning and housing departments (decentralisation and compulsory competitive tendering) created difficulties in physically integrating both the priorities of the departments and the working practices. In North West Leicestershire, the practical difficulties created by local government bureaucracy and departmentalism resulted in the housing needs survey producing disappointing results for the planning department.

The second area concerns the integration of policy formulation and implementation, namely the manner in which the local authority co-ordinate with housebuilding companies in an attempt to ensure housing policies and strategies are realised. The interviews with housebuilders and the local authority indicated that both case study authorities enjoyed good working relationships, both with the housebuilders representative agencies (HBF) and the housebuilding companies themselves. Interviews and discussions found that it may be problematic to try and attain information from selected 'key' housebuilding companies. Firstly, key housebuilding companies would be those with the best knowledge of the local housing market. As pointed out by one housebuilder, this expert local knowledge may be the factor that allows such housebuilders to operate effectively in the local housing market. As a result, housebuilders may be unwilling to provide such information in a form that could be of benefit to their competitors. Such a close relationship with one or two key housebuilders may also be problematic for the local authority. It may, for instance, result in the local authority leaving itself open to accusations of bias when it comes to dealing with applications from these 'key' housebuilders.

This chapter has shown that both authorities participate in housing forums, although they involve slightly different agencies and would appear to focus on slightly different areas of the housing market. The forum in North West Leicestershire is organised by the County and tends to be a specific arena for discussion on strategic housing maters. The Mansfield forum is organised by the district council themselves and would appear to examine more detailed areas than that of Leicestershire. It is encouraging that both case study authorities participate in housing forums, as it appears from the questionnaire (see Chapter Six) that a significant number of authorities are not involved in such a process. It could be suggested that as these 'discussion' groups, are attended by a number of different agencies, it may allow the local authority to gain information regarding the housing market, whilst still appearing to be disassociated from the housebuilding companies. The housebuilding companies themselves would appear to be willing to participate in such forums as they can gain an insight into the local authorities future strategies (see above).

The third area examined in this chapter concerned the data that can be utilised for monitoring housing markets. As mentioned in the earlier chapters, one would expect the local authorities themselves to be in a position to monitor and disaggregate data to a greater degree than is possible for a study such as this. Notwithstanding this fact, this research has still been able to examine the housing market and develop some conclusions regarding the likely needs and demands for housing provision in the two case study districts. To summarise, it would appear that North West Leicestershire has a housing market dominated by more expensive properties and having a relatively limited social housing stock. Mansfield has a housing stock which has a greater number of cheaper properties, and higher numbers of social homes to rent. From an examination of income estimates, this chapter highlighted that the work force of both districts could not be described as well paid, and this may create significant problems in the Ashby area, due to the higher house prices. In the examination of Ashby, it was possible to highlight the results of a new house purchaser survey, which indicated that a high percentage of respondents commuted to work. This suggested that the housing market may be supported by households with a primary income earned in another area, casting doubt on the usefulness of local income based housing demand and need estimates.

The examination of 'real data' in this chapter (in addition to the theoretical discussion of Chapter Five) underlined the fact that some monitoring may be problematic due to small data sets upon which to base any conclusions. Data generated by movements in the housing market such as transactions, house prices, etc., would therefore appear to be more useful when the housing market is buoyant, and data sets are large. Uncertainty caused by 'missing' data (Figures 7.3 and 7.4) may mean that local housing strategies fall back upon data which implies certain housing market pressures (levels of unemployment, income levels, etc.) and the perceptions of those who are working in the housing market (housebuilders and estate agents for instance). Of these, it would appear that the first type are used, as they are contained within local plans and structure plans, although, as stressed in Chapter Six, it is apparent that economic policy is directly reflected in housing policy in fewer authorities than one might expect.

This chapter has attempted to examine, in practical terms, the concepts that have been discussed elsewhere in this thesis. It is clear that both case-study districts have attempted different approaches towards housing market monitoring and housing strategy preparation. Perhaps the most significant conclusion that can be drawn from this local focus, concerns attitudes. At the local level it would appear that a number of other concerns, far more mundane than is apparent from a desk-top study, hamper the development of integrated housing strategies which involve housebuilders. These more mundane uncertainties range from questions of funding for needs-based housing research to uncertainty regarding the security of employment, through programs such as compulsory competitive tendering. One would suggest that the onset of local government reorganisation may create further uncertainties, especially with regard to the technical treatment of housing market areas. These are significant problems that will have to be examined, as it is ultimately the enthusiasm of the officers that will result in a housing strategy being developed.

CHAPTER EIGHT

CHAPTER SUMMARIES, ANALYSIS AND CONCLUDING COMMENTS

Introduction

This research has examined the formulation of local authority housing strategies, through the employment of empirical questionnaire surveys, interviews and a review of relevant literature. This chapter will present and discuss the conclusions that can be drawn from this project whilst indicating areas where future research could be directed. In addition it is important to reconsider how the methodology, identified in Chapter One, progressed, including any areas which did not develop as initially expected. First it is worthwhile reiterating the aims and objectives of this study.

Aims and Objectives

As stated in Chapter One the objective of this study was to critically examine the formulation of local authority housing strategies. This was to be achieved through the resolution of three research questions;

1. *To what degree do local authorities operate in a fashion that allows policies to be integrated and co-ordinated?*
2. *To what extent are private housebuilding companies, as the main implementers of housing policy, involved in the development of housing strategies?*
3. *To what extent do local authorities employ relevant data as a means of monitoring the housing market?*

As will be seen from the following section, these questions underpinned the preceding discussion. However it is necessary to ask oneself why these questions required research. Initial work indicated that the majority of new dwellings were supplied by the private sector and it was seen that it would be interesting to examine the manner in which local authorities, and in particular the planning department, can influence this supply. It then became apparent that there exists within a local authority structure a system for developing a strategy which impacts upon the housing production of private housebuilding companies. As this housing strategy has been largely prepared by the housing department, it became clear that there would be a need to examine the manner in which the two departments co-ordinated and developed policy. These areas had been examined in the past and calls have been made for the fuller integration of housing and planning documents as well as greater involvement of private housebuilders in the development of policy and identification of land (DoE, 1977b; 1979; Carter, Brown and Abbot, 1991a, 1991b: Audit Commission, 1992; Cole and Goodchild, 1993, DoE, 1995c). At this stage a research field had developed and this focused directly upon formulation of housing strategies. However to form a strategy, local authorities would have to be in a position to prioritise the housing needs and demands of an area, an objective that requires a knowledge of the housing market (in the widest sense). This was seen to be a field that would allow the thesis to contribute to knowledge, as the existing work (Coopers and Lybrand, 1985c, 1987) had not attempted to ascertain the degree to which local authorities monitor housing markets in a practical sense. The next section will summarise the chapters, indicating why each chapter examined the area it did and how the discussion has examined the research questions.

Chapter Summaries

Chapters Two and Three sought to clarify the context within which this piece of research should be placed. It accomplished this objective, through examining housing markets and the current balance of supply and demand. In terms of the research questions, these early chapters illustrated the need to integrate policy, through highlighting the importance of private housebuilding companies.

More specifically, in Chapter Two, which examined housing supply, it was shown that in 1980 the private sector was responsible for 54.5% of new housebuilding completions in the UK. This figure had increased, over the decade, so that, by 1992, 82.3% of all completions were the result of private sector housebuilding (Table 2.1). Although new housing is a relatively minor part of the whole housing market (Malpass and Murie, 1994), its contribution can vary from district to district, and it is clear that the private sector is currently the most important provider of new dwellings to the housing market. By implication, if a local authority seeks to prepare a strategy which reflects the housing market and housing provision, it will have to be in a position where it can better understand the demand for, and provision of, private housing units. The degree to which this co-ordination has occurred and the level to which policies to encourage joint agency collaboration have been successful, has been an area of concern for academics, governments and practitioners for a number of years (for instance; ADC, 1989; Audit Commission, 1992; Carter and Brown, 1990; Carter, Brown and Abbot, 1991a and 1991b; Cole and Goodchild, 1993; Cuddy and Hollingworth, 1985; CURS, 1980; DoE, 1970; 1977b,c; 1979; 1988; 1993d; 1995b,c). Chapters Six and Seven highlighted, through interviews and questionnaire results, the degree to which local authorities involve housebuilders in housing liaison groups or housing forums (see below).

It was shown in the discussion in Chapter Two that the housing market could be disaggregated in a number of different ways:

- House tenure
- House type
- Location

These divisions were seen to be in terms of categories that householders themselves may use for determining housing search patterns. For instance, the economic circumstances of each household would broadly decide tenure choice. This would then remove certain properties from each households search criteria. This process would continue, with different choices being made in terms of location and type of house. What became clear in this chapter is that to be aware of how the housing demand in a district would be disaggregated amongst the different tenures, locations and house types, a local authority would have to develop a significant understanding of the housing market (research question three). Therefore, what data could a local authority monitor to obtain a better understanding of the processes that were directing this demand in one direction rather than another? This was an area that would be examined in Chapters Five, Six and Seven.

After examining housing supply, and identifying a view of a disagregated housing market, it became necessary to look more closely at housing demand, an area examined in Chapter Three. This chapter stressed the importance of examining housing demand, not simply in terms of demand for owner occupation, but rather as a 'global' form of demand. This wide definition encompassed both housing for those statutorily in need (broadly social housing for rent) as well as the 'traditional' view of demand (broadly effective demand for owner occupation). Treating both groups of demand as one allowed a fuller understanding of the housing market, similar to the approach one would expect an integrated housing strategy to follow. In addition, such a 'global' examination allows market monitoring methods to be employed which could seek to direct supply to meet effective demand/or social housing need.

As well as a discussion of the concepts underlying demand, this chapter highlighted the uncertainty regarding future household projections for the UK. Table 3.3 focused upon the range of household projections that have been produced for England (and in one case Wales) over recent years, illustrating that the annual figures for household demand could differ by as many as 50,000 households. Clearly, household projections are far from an exact science, with significant uncertainty inherent in the process. Changes will also occur in terms of age groups, with certain age groups (e.g. 45-59 year olds) forecast to increase and others (e.g. 15-29 year olds) forecast to fall. This will have repercussions on the supply of housing and the type of homes provided.

Perhaps the most significant issue that arose from these early chapters was the question of what is, in geographical terms, a housing market? Housing markets may not respect administrative boundaries and it may well be seen that a number of different administrative districts, and therefore (in terms of housing strategies) different local authorities, may combine to form parts of housing markets. Various methods of identifying a housing market were discussed, but possibly the most reliable and straightforward to employ is through using employment travel-to-work areas. However these, as was shown in the Ashby case study, may cross administrative boundaries. The net result is that, in terms of such housing markets, different authorities will have to work together to ensure that they are each aware of the effects of such cross-boundary markets, an assertion that was examined in Chapter Seven.

Whilst Chapters Two and Three could be seen as providing a contextual background to the discussion Chapter Four investigated housing strategy formulation more directly, and in doing so focused specifically on the first two research questions. This chapter progressed the thesis through presenting results from the empirical surveys. Essentially this chapter examined three different aspects of integrated housing strategy formulation approaches.

Firstly, the relationship between central and local government. One conclusion that could be drawn from this discussion was that, initially, central government perceived the local authority, through the housing department, as being the implementer of a housing policy and a housing strategy. However, for the last 20 years it has become increasingly the case that direct provision of housing by the local authority, the most direct way of ensuring a housing strategy is implemented, has become increasingly less important. This has been apparent with the focus of the housing strategy programme becoming one of financial management, rather than an instrument for directing future housing supply.

Secondly, the discussion focused upon the degree to which local authority departments, particularly the housing and planning departments, co-ordinate their housing policies. This is clearly an area that is of crucial importance for the development of integrated housing strategies, forms a specific research question and it is an area that has been examined in a number of recent DoE publications (DoE, 1995b and 1995c). It was argued that departmental structure has led the housing department to be primarily concerned with social rented homes, whilst the planning department has found itself dealing with speculative housebuilders and the owner occupied sector. This is a generalisation, yet it illustrates that the two departments have tended to become divided in terms of the tenures of the housing market with which they are primarily concerned. Such tenure-based approaches to housing policy is clearly more of a hindrance than a help. For instance, in terms of demand, households may move from tenure to tenure throughout their housing history, taking advantage of the different attributes of each tenure, yet does the present view of the housing market reflect this? In terms of supply a new form of 'hybrid' tenure, shared ownership, has the attributes of both owner occupation and social renting, making it difficult to establish a definite categorisation. Creating an integrated housing strategy, within which local authority departments interact more fully, may help overcome these tenure based attitudes. Such an approach is necessary due to the growth of both 'hybrid' tenures, such as shared ownership, and planning policies which seek to achieve social housing from private speculative housing, through planning gain. These steps will have meant that both departments will be working closer with one another, and the logical step is for this to develop into policies and strategies. It was shown through the presentation of the results of the empirical research that the majority of local authorities do prepare integrated housing strategies, although almost without exception the housing department plays the dominant role in the development of such documents. This is again, perhaps, to be expected, as the strategy could well be seen as being an expansion of the HIP policy documents. Yet this may limit the development of the housing strategy, as the planning department may be better placed to involve housebuilding companies in the process.

The third area examined in Chapter Four concerned the working relationship between the local authority and the implementers of policy, namely housebuilding companies (research question two). The discussion highlighted the ways in which planning authorities and housebuilding companies have worked with one another in the past, through joint land availability studies and similar working groups. There was little evidence of housebuilding companies developing links and connections with the housing department and it was suggested that housebuilders would only take an interest in HIPs if they are involved in building homes on a contract basis. As strategy preparation is largely led by the housing department this indicates that there may be difficulties in ensuring housbuilding companies are involved in the process. This tends to demonstrate that if integrated housing strategies were to develop from the strategic statement of HIPs, it is necessary for the personnel in the planning department to become increasingly involved with their colleagues in the housing department, to ensure that the former's knowledge of housebuilders is effectively employed. The empirical research indicated that a number of authorities organised housing liaison groups where the housebuilding companies (as well as other interested parties) discussed housing issues with the local authority. One would suggest that this forum could be developed to form a discussion group upon which housing strategy formulation could be based.

This chapter was the first to introduce the results of the questionnaire surveys which were to increasingly play an important part in the following chapters. By this stage in the discussion, it was clear why the issue of integrated housing strategies was worthy of research and the degree to which local authorities actually developed systems that would allow such integrated strategic documents to be developed. What had not yet been examined was the means by which housing strategies would be formulated and based upon the needs and demands of local housing markets, and this was achieved in the following chapters.

Chapter Five critically examined the data that could be employed by local authorities as part of a program of housing market monitoring. The data examined ranged from that which is available from commercial organisations, such as building society house price series, to information that the local authority already collects, such as housing waiting lists. In an attempt to illustrate the strengths and weaknesses of each data set, a grading system was employed, and the results were illustrated in Table 5.7, above. The examination found that no single data set could be presented as an 'ideal' means of monitoring housing markets. In fact, the indications are that all the data sets examined possess one or more limitations. The question of availability was seen to be a major problem with certain data sets, particularly those that relied on private agencies (such as housebuilders or estate agents) to provide the data. This led directly to the second problem with data sets, and this was the degree to which they could be manipulated to illustrate trends in the housing market that may not be occurring. It would appear that the data sets most open to manipulation are those which are developed from actions that require minimal financial commitment, for instance planning enquiries. The final, and perhaps most significant limitation, concerns the degree to which a data set accurately indicates housing market demand. This was based upon the assertion that certain data sets may indicate factors other than changes in housing demand.

Chapter Six presented the results of a major empirical survey that sought to resolve a number of different questions. Questionnaires were sent to all metropolitan authorities and county councils and all districts in the East Midlands. The response rates were high and one would argue that this should support the assertion that the results are representative of housing market monitoring and strategy integration at a local level. Broadly speaking these questionnaires examined three areas;

- The level of inter-department working as regards housing strategies.
- The co-operation between the council and outside agencies.
- The use of data by local authorities and the degree to which they have found it useful.

On the whole, it would appear that a wide number of different data sets are monitored by local authorities, with different perceptions regarding the levels of usefulness. As one would expect, the more frequently employed data would appear to be that which the authority can obtain easily, either through their own records or from some other source. The least popular means of monitoring housing markets tended to be those that required the co-operation of housebuilders or estate agents and the data sets produced by these agencies, also tend to be those that had a low 'grading' in Chapter Five, yet it was shown that this type of data was perceived as being useful by a number of authorities and may therefore justify some additional research.

Questions concerning the involvement of outside agencies in the formulation of housing strategies examined two specific areas:

- Firstly the degree to which a body such as a housing liaison group is established by the authority, and the agencies that attend, or are members of, such forums. The replies to these questions indicated that such a forum existed in between a third and a half of respondent authorities and on average four different agencies attended. This is arguably a smaller percentage than may have been expected, given that such groups have been encouraged by a number of studies and DoE circulars.
- The second question concerned the use of surveys of housebuilding companies; estate agents and building societies as a means of gauging opinion on the housing market. Overall, surveys of housebuilding companies appeared to be the most popular, with very little work being carried out with respect to estate agents and building societies.

It was common for many of the respondents to highlight the fact that they had significant doubts regarding the extent to which housebuilding companies would be prepared to provide information regarding levels of sales, reservations, etc. This was seen to be a valid concern. Therefore it was necessary to determine the degree to which housebuilders would be prepared to give information to the planners. The response to this questionnaire was lower than those sent to the local authorities, so the results may not be as reliable. However, the survey did show that of those that responded, a clear majority were prepared to allow access to their data. This Chapter focused directly on research question three and developed the thesis through contributing directly to knowledge.

Each of Chapters One through to Six had examined specific areas of housing strategy formulation in an attempt to develop the discussion logically through the research questions. It was clear however that the research questions may be answered more directly through an examination of each research question as represented by the case study districts, and this was the objective of the penultimate chapter, Chapter Seven.

Chapter Seven examined housing market monitoring and housing strategy development at the local level, highlighting the situation that exists in the two case study areas, Ashby (North West Leicestershire) and Mansfield. Although data from the case study areas had been examined in earlier chapters (where the discussion of data sets were illustrated through using Ashby and Mansfield as examples) Chapter Seven took a more direct approach, comparing the experiences and practices of the two districts in terms of the three research questions:

- Integration of policy development within the local authority.
- The degree to which the local authority consulted with other agencies, particularly private housebuilding companies.
- What conclusions can be drawn from an examination of housing market data.

The examination of these areas indicated that there was significant differences between the approaches adopted in the two areas, differences that will be looked at in turn.

In terms of corporate working within the local authority, the district councils took significantly different approaches. In Mansfield an internal planning and housing working group exists, suggesting the process of policy co-ordination was formalised. In contrast, the authority responsible for housing policy in Ashby relied upon officer contacts for policy co-ordination between the housing and planning departments. The approach at North West Leicestershire appears to be more informal than that applied by Mansfield.

Both authorities indicated that corporate working was problematic and this was seen to be due, primarily, to the following reasons;

1. Both housing departments had undergone compulsory competitive tendering, creating a situation where the housing department has been preoccupied with different priorities. This indicates that each department is under different pressures, working to different timetables and priorities. The result of this is that it may be difficult to free resources at the same time to work on policy development together.
2. Simple geography can often create practical problems for attempts at joint department working. Housing services are often provided through decentralised area offices. This can result in housing and planning officers being physically separate, making it difficult to consult one another regularly.
3. As both departments are directed by different district council committees and both have their own dedicated budgets, there may be problems in funding joint projects. This was seen to be a limitation in the case of a housing need survey conducted in NW Leicestershire.

In terms of working with other agencies, in particular private housebuilding companies, both authorities had again taken slightly different approaches. In the case of North West Leicestershire a forum is organised by the county council and meets twice a year. The membership of this forum suggests that it is focused towards strategic issues, rather than more specific local housing matters. The Mansfield forum meets with greater regularity and is organised by the District Council itself. The membership of this forum would appear to suggest that it differs from the Leicestershire body in two respects. Firstly it examines both social housing and private market housing, an integrated approach that is lacking in the Leicestershire forum. Secondly, the forum would appear to focus on local issues to a far greater degree than that of Leicestershire.

The alternative to forum discussions is to gain information directly from agencies such as housebuilding companies. Discussion with one of the most active local housebuilders would suggest that housebuilding companies may support such data gathering methods, a conclusion supported by the survey of housebuilding companies that was examined in Chapter Six. However there may be limitations to this approach which may seriously question its usefulness. These limitations, discussed in Chapter Seven, coupled to the problems with the private housebuilder data that could be monitored (discussed in Chapter Five) suggest that forum discussions may be the most useful method of gaining information from agencies outside the local authority, and in particular housebuilders. Again, this is not an innovative suggestion, but it can be seen from the questionnaire results that it may have become less of a priority for many authorities. If forums are to be encouraged as a means through which the local authority can gauge market demand and build links with the implemeters of policy then one would suggest they should be developed to become more like the forum in existence in Mansfield. Local preference would decide the membership of such forums, but clearly it should involve, the local planning and housing departments, housebuilders (to provide information on new supply), estate agents (providing information on the demand for both second hand properties and those to rent privately) and housing associations (to highlight social housing demand).

Chapter Seven also examined the data that may be employed as a means of monitoring housing markets. The discussion illustrated that significant data is available at either a district, or more local level. Moreover, in examining the data it became clear that a number of different agencies could provide an insight into the local housing market and the profile of the resident households. An analysis of this data indicated that the housing markets of the two areas were experiencing different housing demands and needs. What was apparent was that if the present research could obtain such information, then so could the local authority. The local authority would be expected to be able to supplement the data considered in this chapter with data it can (or does) collect itself.

An interesting conclusion from the case studies was the degree to which the housing market does not reflect the local authority boundary. In the case of Ashby, the local housing market would appear to cross the boundary into the West Midlands, reflecting the fact that Ashby is part of the Burton travel-to-work area. This was also inferred from examining the housing market of Ashby from the perspective of new home buyers, indicating that travel-to-work distances were such that cross-district migration may be common place. In terms of housing market monitoring, this may undermine the relevancy of income data and income estimates, as these would largely be based upon the resident district population, and do little to estimate the income of neighbouring households, who may be the groups most likely to purchase new homes. What it does suggest is a need for greater cross-district, cross-county, or even cross-regional co-operation and co-ordination.

Re-engagement With Contemporary Research Discussions and Policy Debates.

This research would appear to be reaching its conclusion at a fortuitous time. Over the last twelve months there appears to have been a recurrence in the calls for housing strategy formulation and interagency working in England and Wales. The DoE have increasingly encouraged the housing strategy section of HIPs to develop and reflect the contribution that can be made by the private sector. As highlighted in 1995, there is a view that

> "*Local authorities should take a strategic approach to addressing housing needs and service delivery, and are expected to develop, and keep under review, a housing strategy. In addressing the full range of housing activities and programmes, authorities should consider their role both as landlord and enabler, with policies and programmes to encourage support and assist the activity of others*" (DoE, 1995c, p.1)

This latest government encouragement has developed from discussion that has been ongoing since the start of the decade (Carter, Brown and Abbot, 1991a, 1991b; Audit Commission, 1992; DoE, 1993d, 1995b, 1995c; Goodlad, 1992,1994). Whilst recently there have been calls from the Royal Town Planning Institute and the Rural Development Commission for more enhanced housing strategies to meet housing needs more effectively (Planning Week, 1996; RDC, 1996). Recent academic work has also highlighted the need for better quality data with which housing markets may be monitored as well as focusing upon the interelationship between planning policies and housing markets (for instance Bramley, 1996 and Bramleys submission to the House of Commons Select Committee, HoC, 1996). One would hope that this thesis should be able to contribute to this discussion. The research has already developed into a journal article, a number of Nottingham Trent University working papers and two refereed conference papers (see appendix).

One would suggest that the critical examination of certain data sets will be of practical benefit to many local authorities. For instance it was shown in Chapter Six that house price data was used frequently by Counties, Districts and Metropolitan Authorities. Elsewhere in the thesis the analysis of house price data as a means of monitoring housing markets indicated that this data may be less than robust. Local authorities could possibly be using the least suited data for developing housing policies and it could be argued that there is a need for more reliable data to be developed, allowing local authorities to have a greater understanding of changes in the housing market.

It could be suggested that even completing the questionnaire may have caused authorities to consider data sets, they had not been considered before. More directly this part of the study has already proved of practical relevance, and a number of councils have requested the results of the survey.

Reflection on Methodology

In terms of methodology, the initial chapters developed broadly as expected. These chapters involved desk based research and were largely based upon the existing literature. Throughout the study, the literature examined was continually updated as further relevant references were discovered, and this may be noticeable in these chapters where some late additions have been integrated into the discussion.

With the large number of different data sets being examined, it was evident that the literature relating to collation methods was limited. Where this occurred, it was necessary to contact directly the agencies responsible for data collation. This technique was fruitful, and has allowed the chapters examining data sets to present information that has not been published before. The methodology employed in these chapter was such that each data set examined could be given a descriptive 'grading', based upon the degree to which it suffered from these problems (see Table 5.7, above). It should be stressed that the methodology was not statistically based. This may have been most problematic for the 'grading' given to the accuracy of the data. With hindsight, it may have been useful to have developed this further, and 'tested' some or all of the data sets statistically. This is an area that will be picked up when this chapter examines areas for future research.

The methodology employed in conducting the questionnaire survey (see Chapter Six) was supported by the fact that there were high response rates. However, there were a number of alterations that would be made to this part of the study if it were to be undertaken again. Some of the questions included terms and phrases that may have been misconstrued by certain authorities, and this could have resulted in lower response rates for certain question. This may have been overcome through the inclusion with the questionnaire of a 'glossary' of phrases. The problem with such an approach is it may have complicated the whole survey and made it less likely to be completed and returned by the authorities in question. Perhaps the most significant limitation was illustrated when the results were analysed. It became clear that in a number of instances the question could have elicited far more information from the respondents than was the case. For instance, in the case of housing liaison groups, the questions were not of sufficient detail to fully ascertain the frequency of such group meetings or whether or not views put forward at such meetings were placed before the council and developed into policy. However, it is possible that if the questions had been more detailed this may well have resulted in a lower response rate.

The findings of Chapter Seven were largely the result of empirical research and interviews, relying upon the structured approach which was employed successfully. Possibly the main limitation with the methodology employed for this part of the study was the fact that certain questions arose when analysing and writing up the study which, if examined in more detail, may have proved beneficial for this research. For instance, it may have been useful to have seen the Mansfield housing forum in operation, as this would have allowed the author to see first hand the areas that are discussed and the agencies that take the most proactive role in developing discussion.

One question that remains to be asked is the degree to which the case studies can be seen as representative of the situation elsewhere. The situation in Ashby would appear to be less than innovative in terms of the methods the district council employ in trying to develop housing strategies. Mansfield appears to be rather more inventive, developing both internal connections between departments and a locally based external liaison group. One might suggest that the case studies would therefore represent a pro-active authority (Mansfield) and a rather inactive authority (North West Leicestershire), in addition to the criteria which formed the basis for case study selection.. Other authorities could be expected to have developed policy in a manner similar to one of these two approaches or, if not, then somewhere between the two.

Findings

Perhaps the principal finding of this thesis is that the housing market should be examined as a single entity, with all different tenures, house types, housing providers, housing demands, examined as part of an integrated approach; both internally (between departments) and externally (between local authorities and housebuilding companies, housing associations, etc.). Once this single entity approach is accepted, it follows that the local authority must develop a means of effectively monitoring local housing markets. This illustrates the three research questions that have underpinned this thesis and the following findings will reflect these categorisations.

Internal Inter-Department Collaboration

Presently such a comprehensive approach appears to occur in a very fragmented way (both internal and external links). At their best, local authorities' housing and planning departments co-ordinate and integrate their policies (creating an 'internal consensus'). Yet the results of the surveys in this research have shown that a number of local authorities fall short of such innovative and integrated approaches. Perhaps this is far from surprising, given the difficulties of collaboration. One would suggest that the structure of many local government departments does not facilitate such collaboration. In addition, the pressures placed on authorities over recent years (ranging from compulsory competitive tendering to possible re-organisation) has created a climate of uncertainty.

As shown by the survey results, integrated housing strategies are prepared by the majority of local authorities. However, the lead role is taken by the housing department in almost all cases. As the housing department usually takes the lead role, it might be suggested that housing strategies are, consequently, closer to the strategic document of the HIP submission, which has been shown by earlier work to be viewed negatively by housebuilders. If this is the case, then there is a need for the housing strategy process to be more fully developed, more in line with the type of 'new' strategy called for over recent years, if only to involve the agency of implementation (in the majority of cases housebuilding companies) more directly.

Mansfield and North West Leicestershire were seen to employ differing methods of co-ordination. In North West Leicestershire it was shown that the officers contacted one another on an informal basis to discuss issues of interest if and when required. In Mansfield, interdepartmental communication was far more formal, with regular meetings being held. Whether one technique is significantly better than the other was not established. However, one would argue that it is likely Mansfield is closer to integrating housing policy formulation because the formal working group approach may create joint working, which would mean both housing and planning policies could be developed fully aware of the needs and demands of the other department. Although Mansfield has not undertaken a housing needs survey, one would suggest that if this were to be undertaken (as has been the case in North West Leicestershire), the results would be of great practical utility. This assertion is made due to the joint working group being in a position to develop the survey jointly, which was not the case in North West Leicestershire, where the housing needs survey was of little use to the planning department.

External Inter-Agency Collaboration

As shown in this research, external collaboration between local authorities and housebuilding companies has been problematic, possibly due to the fact that housebuilding companies have had a combative relationship with local authorities in the past. It was shown that, through joint land studies, planning departments have had experience of co-operating and working with private housbuilding companies. It would follow that these forums may develop to allow discussion on the housing market to be undertaken. One would suggest that since the advent of sections 54a and 106 of the 1991 Act, closer working has become more important for the housebuilding company and should, in the future, improve understanding. The internal collaboration between departments, if it is to result in one single published document regarding a districts' housing policy, should ensure that housebuilding companies are aware of all the objectives that an authority would wish to see achieved within its housing market.

In terms of external connections, the questionnaire indicated that some of the most proactive local authorities would appear to involve housebuilders and housing associations in consultations and discussions at a pre-policy stage. At best local authorities consult widely and survey a number of different participants in the housing market, however a number of authorities do not meet 'best practice'.

Although housebuilding companies, constructing for private owner occupation, are responsible for in excess of 80% of housing starts, it is important to realise that most properties traded in the housing market are second-hand. It is therefore crucial for the authority preparing the housing strategy to work with agencies, such as estate agents, to gain an insight into the needs and demands within the second hand housing market. In addition, estate agents can provide detail regarding private rented homes, arguably the housing market's most flexible tenure. The use of estate agents as a means of gathering data is very limited, but it is essential for the housing strategy to gain as much insight into the housing market if it is to present a range of policies which reconcile the global demand for housing with cost and environmental constraints. Similarly, one would suggest that there should be consideration by the local authority of a greater involvement of building societies and banks, in an attempt to illustrate the economic circumstances of an area's households. This last point is worth reiterating, as a number of banks and building societies have recently become increasingly proactive in the housing market, illustrated by the number of mortgage rescue units which have been established, and tend to work alongside local authorities in such circumstances.

One issue that may well increase in importance over the next five or ten years is inter-authority working. The research illustrated that housing markets do not respect administrative boundaries, and cross district/county/regional commuting could create significant difficulties in determining demand from indicators based on the administrative area. As re-organisation creates a complicated local government structure which may have little in the way of hierarchical co-ordination, it may become increasingly difficult for markets to be determined and monitored. To overcome this type of problem, it would be useful for the authorities to establish frameworks for inter-authority working as part of the re-organisation process. Perhaps this would legitimately lead to an increased role for the Government regional offices, to act as a co-ordinator. In the East Midlands, steps are already underway to increase the degree to which the different authorities co-ordinate with one another. In place of the existing regional forum, officers are examining the possibility of developing a regional association, which it is hoped will be in operation by 1997. Yet more will have to be done to develop inter-regional links to increase understanding of the processes involved in inter-regional commuting and migration, of a type seen in Ashby.

Data Monitoring by Local Authorities

This thesis has examined a number of data sets that could be employed to monitor changes in housing demand. Clearly a number of data sets would not appear to be reliable indicators of housing demand, as they are likely to be effected by other factors in the economy or changes in consumer preference. The number of possible data sets are eroded further when one considers that certain data may not be available or may be open to manipulation. The net result of this is that few data sets may be of sufficient 'quality' or produced frequently enough and disaggregated to a useful geographical level to be of benefit. In practical terms, it was suggested that some of the data that is frequently employed by local authorities may not be of a 'quality' to be relied upon. This suggests that there is a need for better data upon which to base housing strategies. It was shown that in Scotland the legal registering of house purchase, the Sasines, provides an invaluable data base of trends and movements in owner occupation. This can be used to chart migration patterns (perhaps the most uncertain part of household projections) as well as giving an accurate and extensive house price data base. In England and Wales the Land Registry is attempting to develop a similar data set. However, it has not been in existence long enough to be of practical use. Other data sets exist which provide considerable data on house purchase and house purchasers, for instance the DoE 5% series. At the moment the sample is too small to be a major data source for the development of housing policy, yet it should not be ignored.

This research has illustrated that a housing market can be seen to be a different concept for different agencies. It can range from a term used to describe the process of achieving housing goals, to a term that describes a geographical area, creating a problem in so far as different agencies may refer to different definitions of a 'housing market'. One would suggest that a housing strategy prepared by a local authority, an agency which is geographically focused on an administrative area rather than a housing market, will be a compromise. The manner in which the geographical view of housing markets cross district, county, regional and in some cases national, boundaries, result in authorities being unable to fully influence and reflect all the factors that create housing demand within their boundaries. However, this is not to say that housing strategies should be ignored. One would suggest that, as they develop, neighbouring strategies should become equally supportive. For instance, North West Leicestershire, in examining the housing situation in Ashby, would be able to consult with the neighbouring authorities to establish the manner in which changes in neighbouring housing demands may affect the situation in Ashby.

Overall the questionnaire-based sections of the thesis would seem to suggest four key conclusions:

- Local authorities tend to use a number of key data sets, but rarely examine other relevant indicators that may be useful.
- A number of authorities do co-ordinate with other agencies at a rudimentary level, yet overall there appears to be limited regular formal consultation.
- Many housebuilding companies would appear to be willing to provide information regarding local housing markets.
- Housing strategies are prepared, but on the whole they are prepared under the auspices of the housing department, suggesting that they may be biased towards a social housing document, based on HIP submissions.

In addition to a situation where housing strategies ensure that a local authority looks to other authorities for indications of factors that may, or may not, affect its housing strategy, these documents would serve another purpose. The development of integrated housing strategies will require local authorities to examine the housing market as an authority, rather than in terms of departments. One would suggest, therefore, that housing strategies should be seen as a means of overcoming the tenurally-based view of the housing market, that appears to predominate currently. This would ensure that policy and housing provision becomes more responsive to the practicalities of housing choice and housing provision, which has increasingly become less clear with the margins that exist between 'categories' becoming less distinct.

Future Research

In conducting this research it has become clear that a number of areas require further research.

- There is a need to examine in detail some of the data which has been shown to be monitored by local authorities. Whilst this thesis has shown some of the inherent weaknesses of data such as house price series, it has not statistically tested data sets. One would suggest that it may be necessary to employ statistical methods to test whether or not there is a strong correlation between, for example, planning applications and demand for detached homes. There is therefore a need for research into which of the data sets accurately illustrate demands in the housing market, over specific time periods.
- The detailed discussion regarding the case study areas highlighted that the data is decidedly 'patchy' at a local level. This is partly due to small sample sizes and difficulties of disaggregation in terms of data compiled at a county, or district level. There is little that can be done in terms of size of the sample apart from increasing the sample. However in terms of disaggregation there could be changes which may prove useful for providing data on housing markets. Data is available from surveys such as the DoE/Building Societies Association, but in its present form tends to be at a county level. If data such as this were to be broken into housing markets (a distinct possibility given the fact that it has a degree of post-coding classification) then a breakdown of the characteristics of an areas housing market could be presented.
- One would envisage that information technology is employed in many authorities, and it would be interesting to discover the degree to which such systems could be used to monitor housing markets. A study into the use of information technology by local authorities would be useful for an number of different academic studies and professions.
- This research suggested that housing forums and housing liaison groups are possibly the most reliable and practical method for gaining inter-agency involvement in housing strategy formulation. It would be useful to ascertain why certain forums are more successful than others and the degree to which agencies outside the local authority participate and contribute.

This thesis has examined a number of different areas, ranging from an analysis of the housing market to the national policy as it relates to housing strategies. Each of these areas could provide a research topic in itself, yet it was thought necessary to combine these areas to provide an integrated approach. When the research commenced, the expectation was that integrated housing strategies would be prepared by a number of authorities (proved to be the case); that a number of different agencies would be involved (rather less than may have been anticipated); and a number of data sets would be used (apart from a few exceptional authorities this did not really prove to be the case).

What is necessary to ensure that housing strategies develop into the next millennium is commitment, support and encouragement. The commitment of the local authorities to produce integrated housing strategies; the support of external agencies to contribute and develop such strategies; and perhaps more fundamentally the encouragement of central government to ensure innovative strategic plans are supported and local authorities are not discouraged from producing strategies based upon extensive data monitoring and multi-agency involvement. It is perhaps the last of these requirements that may prove the most difficult to achieve.

APPENDIX 1- Technical Glossary

Housing Investment Programme

An annually-produced local authority housing department strategy statement, introduced through circular 63/77 (DoE, 1977), initially based on local housing plans which assess an areas housing needs, regardless of tenure, prior to indicating an appropriate strategy for meeting these needs and demands.

Housing Strategies

In terms of this research a housing strategy is seen to be a policy prepared by a local authority which reflects the priorities, perceptions and policies of all those operating in a local housing market. To be successful a housing strategy (as seen by this research) has to be: based on reliable, well researched data; be developed with the co-operation of the agencies responsible for implementing housing policy (largely private housebuilding companies); involve both the housing and planning department fully in its formulation (to overcome any possibility of tenure-based approaches). This view of housing strategies is wider and more developed than that of the housing strategy document currently prepared under the auspices of the HIP process.

Housing Need

Essentially a social viewpoint of housing requirements, largely reflecting households that are seen to be statutorily in need of housing. This definition can be expanded to include households which are unable to compete on the open housing market (ie. unable to purchase owner-occupied housing at the market price or afford to rent privately on the open market) and therefore require some form of subsidised housing.

Effective Demand

This is employed to reflect those that not only require housing but also have the economic resources to effectively compete in the open housing market, ie purchase owner-occupied properties or rent properties at market rents. This could be seen to be the unsubsidised (discounting mortgage income tax relief) section of the housing market.

Housing Demand (Housing Requirements)

This definition is employed throughout this thesis to focus upon the number of households, regardless of ability to pay, that require housing. In some contemporary discussions this definition has been used to represent the opposite viewpoint to housing need, essentially effective demand. However, in the case of this thesis housing demand should be seen as a 'global' definition which could alternatively be seen as housing requirements. Employing such an overall definition of housing demand does will allow the housing strategy to work with respect to the total housing market.

Housing Market

This term can be seen as defining two separate concepts. Firstly it can be seen as defining a geographical concept, reflecting a physical housing market. Secondly, it can be seen to be a description of a process where by housing choices are made. In this research both descriptions have been utilised, and the context made clear in each case.

Structure of Local Government and the Planning System

The present land use planning system operating in England and Wales (1996) is a result of a mix of legislation that has developed and evolved over time. The Town and Country Planning Acts of 1968 and 1971 introduced a two tier, hierarchical development plan system, whilst the Local Government Act, 1972, reorganised Local Government in England and Wales into a two-tier county and district structure. These Acts have resulted in county planning authorities being responsible for the preparation of longer term strategic policies, whilst district authorities have been concerned with the locality specific implementation of strategies. In 1986 the reorganisation of the Metropolitan authorities, due to the Local Government Act 1985, resulted in unitary councils (i.e. in planning terms, one council responsible for both strategic policy and detailed implementation).

Local Government Reorganisation

At the current time, there is a degree of uncertainty as regards the future local government structure in the UK. A Local Government Commission was established in 1992, and by December 1994 recommended the introduction of around 45 new unitary authorities. On April 1st 1996, the first stage of this reorganisation commenced, with a number of new unitary authorities coming into existence. In the East Midlands, the Commission has recommended the retention of the status quo in Northamptonshire and Lincolnshire. In Nottinghamshire, the recommendation is for Nottingham City to become a single unitary authority, whilst the current situation remains in operation elsewhere. Leicestershire is similar, with Leicester City and Rutland due to become unitary authorities, whilst the county/district situation will continue in the remaining districts. In the case of Derbyshire, Derby City is to become a unitary authority, whilst the remainder of the County will continue to be governed through a two-tier structure. With reference to the research themes, unitary authorities contain both strategic and local planning functions and direct housing provision and management through housing responsibilities.

APPENDIX 2 Interviewees:

John Acres, Regional Director of the House Builders Federation
Fritz Graves, Group Planning Director David Wilson Homes plc
Graham Jones, Midlands Land Director, Cala Homes

Graham Woodward, Team Leader Housing Planning Policy Group, Nottinghamshire County Council
Adrian Cannard, Assistant Planner Plans and Policy, Leicestershire County Council.
Alan Pearson, East Midlands Housing Association
Ruth Robinson, Housing Research Officer, North West Leicestershire District Council
Ian Nelson, Senior Planner, North West Leicestershire District Council
Bernard Coleman, Principal Housing Officer, Mansfield District Council
Andrew Kemp, Development Planning Officer, Mansfield District Council

Staff at the Following Estate Agents:

- David Blount, Sutton-in-Ashfield
- John Collins, Sutton-in-Ashfield
- John Sankey, Mansfield
- W T Parker, Mansfield
- Gasgoines, Mansfield
- Black Horse Agencies, Mansfield
- Halifax Property Services, Mansfield

Gillian Young, Senior Planning Analyst, Scottish Homes
Peter Wood, PIEDA

David Champion, Housing Data Statistics Division, DoE
Barry Bisset, Housing Data Manager, Nationwide Building Society
Martin Hart, Statistician, Halifax Building Society

APPENDIX 3 Departmental Structure of North West Leicestershire

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

MAIN DEPARTMENTAL FUNCTIONS

CHIEF EXECUTIVE AND CLERK

CHIEF EXECUTIVE AND CLERK

Council and Committee Administration.
Chairman's and Members' Services.
Overall Co-ordination of Council's activities.
Legal Work – including Sale of Council houses.
Byelaws and Rights of Way.
Land Charges.
Elections.
Licensing – public entertainments, taxis, lotteries, etc.
Personnel.
Management Services.
Public Relations.

TREASURER

Rating, accounting and general finance.
Budgeting and Audit.
Concessionary fares.
Insurances.
Loans and Investments.
Computer Services.

TECHNICAL SERVICES OFFICER

Engineering.
Highways (Coalville only).
Sewerage and Land Drainage.
Street Cleaning.
Leisure Centres,
Museums.
Parks and Recreation Grounds (Coalville).
Cemeteries.
Car Parks.
Direct Contract Services
Employment Training and Employment Action Programmes.
Public Conveniences.
Street naming.
Footway lighting.

CHIEF HOUSING OFFICER

Council Housing:
Building design.
Lettings & management.
Maintenance & Improvements.
Welfare.
Homelessness.
Rent and Rate Rebates and Allowances.
(Housing Benefits).

CHIEF ENVIRONMENTAL HEALTH OFFICER

Infectious Diseases and Food Poisoning.
Food Control:
Food and Meat inspection.
Food Hygiene.
Slaughterhouses.
Sampling.
Food Complaints.
Water Supplies including swimming pools.
Private Sector Housing:
Unfitness.
Disrepair.
Improvements (including grants).
Pollution Control:
Air.
Noise.
Health and Safety at Work Enforcement.
Shops Act.
Pest Control.
Animal Welfare (Pet Shops, Dog Boarding, etc).
Health Education and Home Safety.
Miscellaneous Licensing.
General Public Health Nuisances.
Refuse Collection.
Recycling.

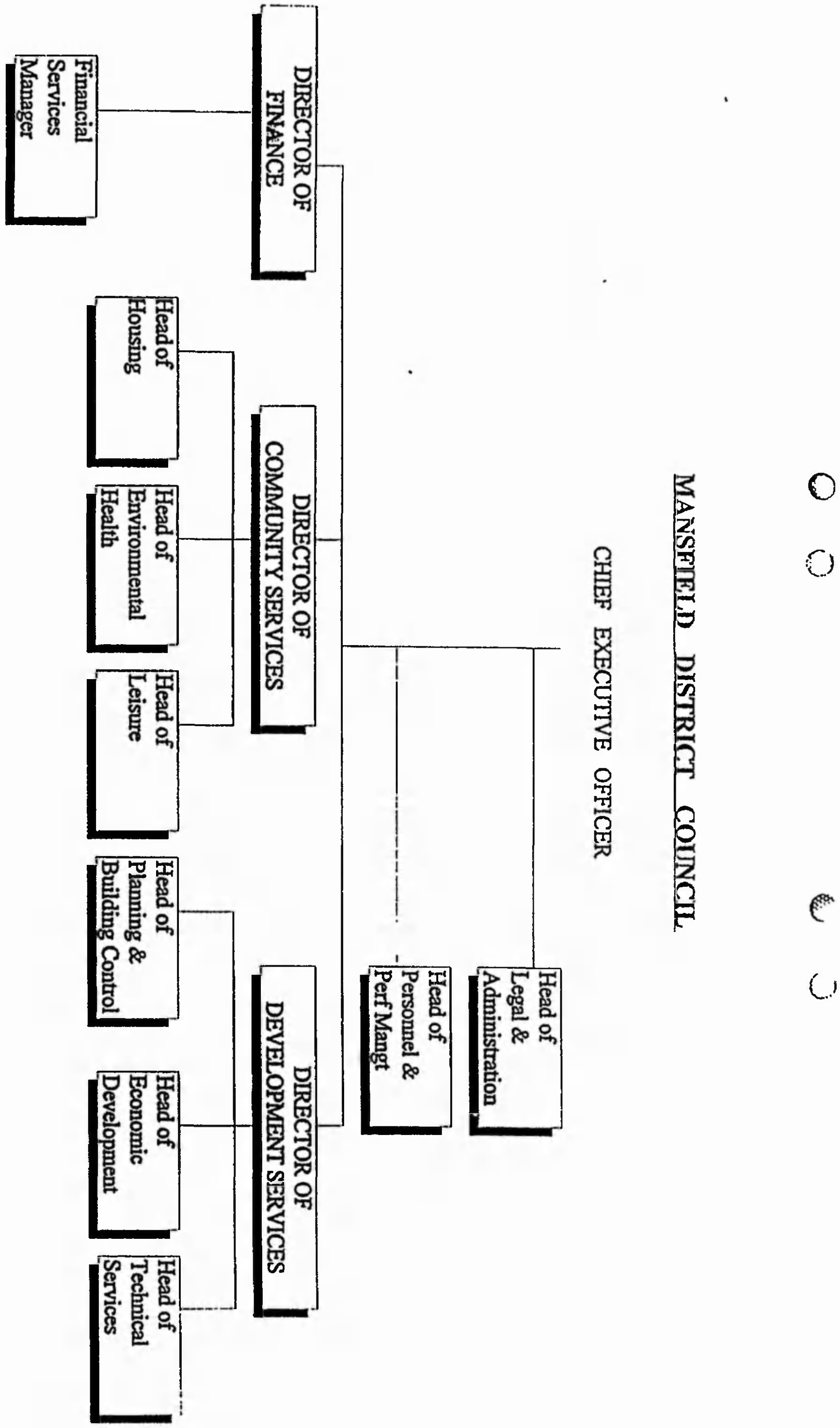
CHIEF ECONOMIC DEVELOPMENT OFFICER

Economic strategy.
Industrial promotion.
Business development.
Industrial property and infrastructure.
Services to the labour market.
Community social projects.
Environmental initiatives.
Tourism development.

CHIEF PLANNING OFFICER

Development Control:
Planning Applications.
Advertisements.
Listed Buildings.
Enforcement.
Environmental Control:
Building Preservation.
Tree Preservation.
Conservation Areas.
Historic Building Grants.
Local Plans and Land Use Surveys.
Building Control:
Building Regulations.
Dangerous Structures.
Street Numbering.

APPENDIX 4 Departmental Structure of Mansfield District Council



APPENDIX 5

THE NOTTINGHAM TRENT UNIVERSITY
CENTRE FOR RESIDENTIAL DEVELOPMENT
HOUSING DEMAND MONITORING QUESTIONNAIRE

COUNTY COUNCIL

____

STRUCTURE PLAN & HOUSEHOLD FORECASTS

1) Base date of the current plan? |_|_|_|_| 2) When will the plan expire? |_|_|_|_|

3) Total housing allocation for this period? |_|_|_|_|_|_|_|_|_|_|

4) Does the County Council use household forecasts prepared by, or based on those of, the ;

☐ The Department of the Environment? ☐ Office of Population Census and Surveys?

☐ Other? (Please use the space below to explain where these forecasts originate)

____

____

____

____

PRIVATE RESIDENTIAL HOUSING MARKETS

5i) Has any attempt been made to geographically differentiate housing market areas? ☐ Yes (Please answer Q.5ii) ☐ No

5ii) Attempts have been made to differentiate market areas, based apon;

☐ House Builder survey
☐ Estate Agent survey
☐ District Council area
☐ Valuation Office areas
☐ County Council perceived market area

If the method used is none of the above please use the space below to expand.

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6i) Does a "Housing Liason Group", "Local Housing Forum" or a similar body, currently exist in your county? ☐ Yes (Please answer Q.6iii) ☐ No

6ii) Has such a body ever existed? ☐ Yes (Please answer Q.6iii) ☐ No

6iii) Who have been members of such a group?

☐ District Council Officers
☐ Community Representatives
☐ Estate Agents
☐ District Councillors
☐ County Council Officers
☐ Housing Associations
☐ House Builders
☐ County Councillors

If any other members please give details below.

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CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSING DEMAND INDICATORS

Please answer the following questions by ticking the appropriate box. If the box does not allow a full answer please use the space provided on Page 6 below.

LOCAL AUTHORITY INDICATORS

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
1) LA waiting lists	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
2) Vacancy rates	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
3) Planning applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
4) Planning appeals	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
5) Ammend-ment of planning applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

CENTRE FOR RESIDENTIAL DEVELOPMENT

LOCAL AUTHORITY INDICATORS (CONTD.)

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
6) New dwelling starts	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
7) Housing density of applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
8) Depletion rates for allocated sites	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
9) Time taken to commence construction (planning permission "take up")	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

CENTRE FOR RESIDENTIAL DEVELOPMENT

ESTATE AGENT AND HOUSE PRICE DATA	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
10) Land Prices	☐ Yes (Please answer 17a) ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
11) House prices	☐ Yes (Please answer 17b) ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
12) Volume of sales by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
13) Number of enquiries by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
14) Time on the market by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
15) Number of appointmen-ts to view by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
16) Ratio of sales to reservations	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

17a) What has been the source of the land price data? ____________________

CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSEBUILDER INDICATORS

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
20) Time from completion to sale	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
21) Number of site reservations	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
22) Sales rates	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
23) Visitor number	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
24) Proportion of homes sold prior to completion	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Please use the space below for any additional information or clarification.

CENTRE FOR RESIDENTIAL DEVELOPMENT

Any additional information for questions 1-9

Any additional information for questions 10-17

Any additional information for questions 20-24

SURVEYS OF MARKET DEMAND BASED ON THE PERCEPTIONS OF;

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
25) Estate agents	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
26) National House Builders	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
27) Local House Builders	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
28) Building Societies	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Any additional information for questions 25-28

CENTRE FOR RESIDENTIAL DEVELOPMENT

ECONOMIC INDICATORS;

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
29) Affordibility Ratios	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
30) Estimates of income	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Any additional information for questions 29-30

31) Are economic development policies, or perceived areas of economic growth/decline utilised as indicators of potential market demand? ☐ Yes ☐ No

APPENDIX 6

THE NOTTINGHAM TRENT UNIVERSITY
CENTRE FOR RESIDENTIAL DEVELOPMENT
HOUSING MONITORING QUESTIONNAIRE

______________ **METROPOLITAIN DISTRICT**

LOCAL PLAN DATA & HOUSEHOLD FORECASTS

1) Base date of the current plan? ____ **2) When will the plan expire?** ____

3) Total housing allocation for this period? ____

4) Does the Council use household forecasts prepared by, or based on those of, the ;

☐ **The Department of the Environment?** ☐ **Office of Population Census and Surveys?**
☐ **Other?** **(Please use the space below to explain where these forecasts originate)**

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RESIDENTIAL HOUSING MARKETS

5i) Has any attempt been made to geographically differentiate housing market areas? ☐ **Yes (Please answer Q.5ii)** ☐ **No**

5ii) Attempts have been made to differentiate market areas, based apon;
☐ **House Builder survey**
☐ **Estate Agent survey**
☐ **District Council area**
☐ **Valuation Office areas**
☐ **County Council perceived market area**

If the method used is none of the above please use the space below to expand.

____
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6i) Does a "Housing Liaison Group", "Local Housing Forum" or a similar body, currently exist in your county? ☐ **Yes (Please answer Q.6iii)** ☐ **No**

6ii) Has such a body ever existed? ☐ **Yes (Please answer Q.6iii)** ☐ **No**

6iii) Who have been members of such a group?
☐ **District Council Officers**
☐ **Community Representatives**
☐ **Estate Agents**
☐ **District Councillors**
☐ **County Council Officers**
☐ **Housing Associations**
☐ **House Builders**
☐ **County Councillors**

If any other members please give details below.

CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSING DEMAND INDICATORS

Please answer the following questions by ticking the appropriate box. If the box does not allow a full answer please use the space provided on Page 6 below.

LOCAL AUTHORITY INDICATORS

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
1) Planning applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
2) Vacancy rates	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
3) New dwelling starts	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
4) Planning appeals	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
5) Ammend-ment of planning applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

CENTRE FOR RESIDENTIAL DEVELOPMENT

LOCAL AUTHORITY INDICATORS (CONTD.)

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
6) Housing density of applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
7) Depletion rates for allocated sites	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
8) Time taken to commence construction (planning permission "take up")	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

SOCIAL HOUSING INDICATORS

9) LA waiting lists	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
10) Housing needs surveys	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
11) Housing Association waiting lists	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

CENTRE FOR RESIDENTIAL DEVELOPMENT

ESTATE AGENT AND HOUSE PRICE DATA	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
12) Land Prices	☐ Yes (Please answer 19a) ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
13) House prices	☐ Yes (Please answer 19b) ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
14) Volume of sales by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
15) Number of enquiries by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
16) Time on the market by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
17) Number of appointmen-ts to view by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
18) Ratio of sales to reservations	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

19a) What has been the source of the land price data? ______________________

CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSEBUILDER INDICATORS	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
20) Time from completion to sale	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
21) Number of site reservations	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
22) Sales rates	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
23) Visitor number	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
24) Proportion of homes sold prior to completion	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Please use the space below for any additional information or clarification.

CENTRE FOR RESIDENTIAL DEVELOPMENT

Any additional information for questions 1-9

Any additional information for questions 10-17

Any additional information for questions 20-24

SURVEYS OF MARKET DEMAND BASED ON THE PERCEPTIONS OF;

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
25) Estate agents	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
26) National House Builders	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
27) Local House Builders	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
28) Building Societies	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Any additional information for questions 25-28

CENTRE FOR RESIDENTIAL DEVELOPMENT

ECONOMIC INDICATORS;	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
29) Affordibility Ratios	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
30) Estimates of income	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Any additional information for questions 29-30

31) Are economic development policies, or perceived areas of economic growth/decline utilised as indicators of potential market demand? ☐ Yes ☐ No

32) Does the authority prepare an integrated housing strategy, combining the aims of the Housing Department with those of the Planning Department? ☐ Yes (Please answer Q.33) ☐ No

33) Which department takes the lead role? ☐ Planning ☐ Housing ☐ Both equal

THANK YOU FOR YOUR ASSISTANCE

APPENDIX 7

THE NOTTINGHAM TRENT UNIVERSITY

CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSING MONITORING QUESTIONNAIRE

District Council ____________________

LOCAL PLAN DATA & HOUSEHOLD FORECASTS

1) Base date of the current plan? |_|_|_|_| **2) When will the plan expire?** |_|_|_|_|

3) Total housing allocation for this period? |_|_|_|_|_|_|_|_|_|_|

4) Does the Council use household forecasts prepared by, or based on those of, the ;

☐ **The Department of the Environment?** ☐ **Office of Population Census and Surveys?**

☐ **Other?** **(Please use the space below to explain where these forecasts originate)**

____

____

____

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RESIDENTIAL HOUSING MARKETS

5i) Has any attempt been made to geographically differentiate housing market areas? ☐ **Yes (Please answer Q.5ii)** ☐ **No**

5ii) Attempts have been made to differentiate market areas, based apon;

☐ **House Builder survey**
☐ **Estate Agent survey**
☐ **District Council area**
☐ **Valuation Office areas**
☐ **County Council perceived market area**

If the method used is none of the above please use the space below to expand.

____

____

____

6i) Does a "Housing Liason Group", "Local Housing Forum" or a similar body, currently exist in your county? ☐ **Yes (Please answer Q.6iii)** ☐ **No**

6ii) Has such a body ever existed? ☐ **Yes (Please answer Q.6iii)** ☐ **No**

6iii) Who have been members of such a group?

☐ **District Council Officers**
☐ **Community Representatives**
☐ **Estate Agents**
☐ **District Councillors**
☐ **County Council Officers**
☐ **Housing Associations**
☐ **House Builders**
☐ **County Councillors**

If any other members please give details below.

____

____

CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSING DEMAND INDICATORS

Please answer the following questions by ticking the appropriate box. If the box does not allow a full answer please use the space provided on Page 6 below.

LOCAL AUTHORITY INDICATORS

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
1) Planning applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
2) Vacancy rates	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
3) New dwelling starts	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
4) Planning appeals	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
5) Ammend-ment of planning applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

CENTRE FOR RESIDENTIAL DEVELOPMENT

LOCAL AUTHORITY INDICATORS (CONTD.)

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
6) Housing density of applications	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
7) Depletion rates for allocated sites	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
8) Time taken to commence construction (planning permission "take up")	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

SOCIAL HOUSING INDICATORS

9) LA waiting lists	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
10) Housing needs surveys	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
11) Housing Association waiting lists	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

CENTRE FOR RESIDENTIAL DEVELOPMENT

ESTATE AGENT AND HOUSE PRICE DATA	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
12) Land Prices	☐ Yes (Please answer 19a) ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
13) House prices	☐ Yes (Please answer 19b) ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
14) Volume of sales by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
15) Number of enquiries by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
16) Time on the market by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
17) Number of appointmen-ts to view by house type and area	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
18) Ratio of sales to reservations	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

19a) What has been the source of the land price data? ______________________

19b) What has been the source of the house price data? ______________________

CENTRE FOR RESIDENTIAL DEVELOPMENT

HOUSEBUILDER INDICATORS	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
20) Time from completion to sale	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
21) Number of site reservations	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
22) Sales rates	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
23) Visitor number	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
24) Proportion of homes sold prior to completion	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Please use the space below for any additional information or clarification.

CENTRE FOR RESIDENTIAL DEVELOPMENT

Any additional information for questions 1-9

Any additional information for questions 10-17

Any additional information for questions 20-24

SURVEYS OF MARKET DEMAND BASED
ON THE PERCEPTIONS OF;

	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
25) Estate agents	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
26) National House Builders	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
27) Local House Builders	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
28) Building Societies	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Any additional information for questions 25-28

CENTRE FOR RESIDENTIAL DEVELOPMENT

ECONOMIC INDICATORS;	(a) Has the indicator been used in the past?	(b) Is the indicator used presently?	(c) If it were used would it prove useful as a demand indicator?	(d) Do you believe the information would be difficult or easy to gather?
29) Affordibility Ratios	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy
30) Estimates of income	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	☐ Very difficult ☐ Difficult ☐ Straightforward but time consuming ☐ Easy

Any additional information for questions 29-30

31) Are economic development policies, or perceived areas of economic growth/decline utilised as indicators of potential market demand? ☐ Yes ☐ No

32) Does the authority prepare an integrated housing strategy, combining the aims of the Housing Department with those of the Planning Department? ☐ Yes (Please answer Q.33) ☐ No

33) Which department takes the lead role? ☐ Planning ☐ Housing ☐ Both equal

THANK YOU FOR YOUR ASSISTANCE

APPENDIX 8 Housebuilder Questionnaire

Further research in the Centre is being undertaken into the effectiveness and practical implementation of Local Authority Housing Strategies and market monitoring. This work has so far revolved around a questionnaire survey of both County and Local Authority planners, examining the various ways by which they identify areas of housing demand. To complete this work it would be interesting to examine which of the following possible indicators, housebuilders would be prepared to divulge to Planning Authority's, either in actual numbers, or approximations , for development sites in the areas concerned. It is felt that this would allow planners to develop a better understanding of changes in housing markets and more responsive housing allocations. To this end it would be most helpful if the following section could be completed.

11) Time from Completion to Sale

11a Actual Time ☐ Yes ☐ No **11b Approximate Time** ☐ Yes ☐ No

12) Number of site reservations

12a Actual Number ☐ Yes ☐ No **12b Approximate Number** ☐ Yes ☐ No

13) Sales Rate

13a Actual Rate ☐ Yes ☐ No **13b Approximate Rate** ☐ Yes ☐ No

14) Number of Visitors

14a Actual number ☐ Yes ☐ No **14b Approximate Number** ☐ Yes ☐ No

15) Proportion of units sold prior to completion

15a Actual Proportion ☐ Yes ☐ No **15b Approximate Proportion** ☐ Yes ☐ No

APPENDIX 9 Publications

Working Papers

"An Annotated Bibliography of House Price Literature", April 1994, CRD Working Paper No 2, ISBN 1 874063 26 5

"House Price Series: Interpretation, Compatibility and Applications", April 1994, CRD Working Paper No 4, ISBN 1 874063 01 X

"Housing Markets: A Discussion of Supply and Demand in Late 20th Century British Housing", January 1995, CRD Working Paper No 9, ISBN 1 874063 41 9

"East Midlands: Trends, Prospects and the Implications for Housebuilders", April 1995, CRD Working Paper No 14, ISBN 1 874063 51 6

"Market Monitoring and the Employment of Data: The Experience of Planning Authorities", November 1995, CRD Working Paper No 17, ISBN 1 874063 54 0 (jointly authored with Mike Gillen and Sharon Tilling)

"Integrated Housing Strategies. The Current Position", March 1996, CRD Working Paper No 19, ISBN 1 874063 55 9

Journal Articles

"Interpretation and Compatibility of House Price Series", *Environment and Planning A* 1996, Vol 28, pp. 119-133

Conference Papers

"House Price Series: Interpretation, Compatibility and Applications", paper presented at the European Network for Housing Research Conference, *Housing Making the Connections*, University of Glasgow, 30/09/94

"The Use of Data by Local Authorities in England and Wales", paper presented at the 13th Inter Schools Conference on Development, University of Huddersfield, 27/03/96

Appendix 10 Non-Response Rates in Chapter Six

Question	Authority	Number of Respondents Who Did Not Answer Each Question			
		Used in the Past	Used Presently	Useful	Ease of Use
Local Auth. Waiting Lists	Counties	5	5	13	10
	Metro Auth	3	3	9	7
	E.Mid	2	2	8	6
Housing Assoc. Waiting Lists	Counties	-	-	-	-
	Metro Auth	4	3	10	17
	E.Mid	5	4	7	12
Housing Need Surveys	Counties	-	-	-	-
	Metro Auth	2	3	6	4
	E.Mid	3	2	5	5
Vacancy Rates	Counties	6	6	19	17
	Metro Auth	2	2	8	5
	E.Mid	5	5	7	5
New Dwelling Starts	Counties	2	3	17	12
	Metro Auth	3	2	3	9
	E.Mid	2	2	9	6
Planning Applications	Counties	3	3	17	10
	Metro Auth	3	1	7	4
	E.Mid	1	1	9	5
Planning Appeals	Counties	5	5	13	11
	Metro Auth	3	2	4	5
	E.Mid	5	5	9	7
Amendment of Planning Applications	Counties	6	6	11	8
	Metro Auth	2	1	5	4
	E.Mid	3	3	9	6
Density of Applications	Counties	4	4	11	8
	Metro Auth	2	1	4	4
	E.Mid	4	4	5	6
Depletion Rates	Counties	4	4	15	9
	Metro Auth	4	3	7	6
	E.Mid	6	6	7	7
Planning Permission "Take-Up"	Counties	4	4	12	8
	Metro Auth	3	1	3	2
	E.Mid	3	3	7	5
Land Prices	Counties	4	3	12	8
	Metro Auth	2	2	6	6
	E.Mid	6	6	8	5
House Prices	Counties	3	3	18	11
	Metro Auth	2	1	8	3
	E.Mid	5	4	6	8
Volume of Sales	Counties	4	4	9	7
	Metro Auth	2	1	3	3
	E.Mid	6	6	9	10
Number of Enquiries	Counties	7	6	13	10
	Metro Auth	3	2	6	6
	E.Mid	7	7	11	9
Time on the Market	Counties	5	4	10	9
	Metro Auth	3	2	5	4
	E.Mid	6	6	10	9
Appointments to View	Counties	5	4	11	10
	Metro Auth	3	2	5	5
	E.Mid	6	6	9	9
Ratio of Sales to Reservations	Counties	5	4	14	12
	Metro Auth	3	2	7	6
	E.Mid	7	7	10	9

Question	Authority	Number of Respondents Who Did Not Answer Each Question			
		Used in the Past	Used Presently	Useful	Ease of Use
Time From Completion to Sale	Counties	4	3	11	11
	Metro Auth	4	3	6	5
	E.Mid	6	6	7	8
Number of Site Reservations	Counties	4	4	15	13
	Metro Auth	4	3	8	5
	E.Mid	6	6	7	8
Visitor Numbers	Counties	5	4	13	13
	Metro Auth	4	3	8	7
	E.Mid	7	7	7	8
Proportion of Homes Sold Prior to Completion	Counties	5	4	13	13
	Metro Auth	4	3	7	6
	E.Mid	7	7	7	8
Sales Rates	Counties	3	2	13	11
	Metro Auth	4	3	9	5
	E.Mid	6	6	7	8
Use of Building Society Surveys	Counties	4	6	14	13
	Metro Auth	4	3	8	10
	E.Mid	5	3	10	8
Use of Estate Agent Surveys	Counties	3	5	14	14
	Metro Auth	3	3	5	7
	E.Mid	4	4	9	12
Surveys of Local Housebuilders	Counties	5	5	17	15
	Metro Auth	3	5	8	8
	E.Mid	4	4	9	7
Surveys of National Housebuilders	Counties	5	5	17	15
	Metro Auth	4	6	8	9
	E.Mid	4	4	10	7
Affordability Ratios	Counties	4	3	11	11
	Metro Auth	4	3	7	5
	E.Mid	3	2	7	9
Income Estimates	Counties	5	4	10	10
	Metro Auth	4	3	4	3
	E.Mid	3	2	5	9

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