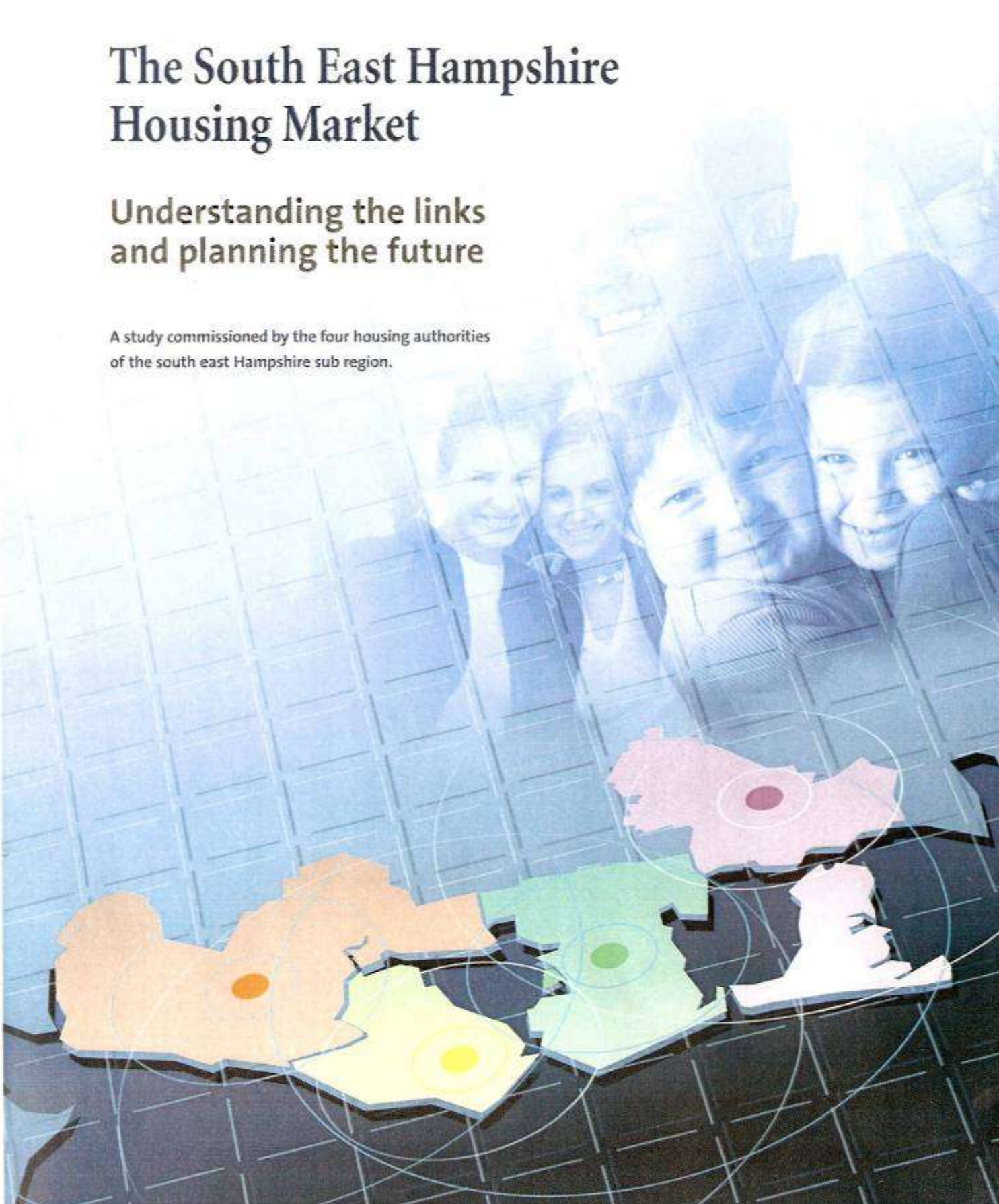


The South East Hampshire Housing Market

Understanding the links and planning the future

A study commissioned by the four housing authorities
of the south east Hampshire sub region.



Sarah Monk and Christine Whitehead with Jenny Neuburger,
Michelle Stubley, Kerry Smith, Youngba Cho, Danuta Jachniak

Understanding the links and planning the future

Foreword

When Portsmouth City, Fareham, Gosport and Havant decided to ask Enterprise LSE and the Cambridge Centre for Housing and Planning Research to undertake an independent assessment of housing needs in the sub-region they were making an unusual and, in many ways, brave decision. Most local authorities simply undertake a Housing Needs Survey and link that to planning potential. Here we were asked to do something rather more challenging and comprehensive. In particular, the study takes account of all the available evidence on both demand and need at the sub-regional and local level and links that to evidence from the Housing Needs Survey, other surveys of needs and aspirations and employment and travel to work information. The work culminates in a sub regional report which aims to take account of the interactions in the wider housing market and to clarify both tensions and opportunities.

*In taking this on, the four districts are in the forefront of government thinking. The White Paper **Your region your choice: revitalising the English regions** emphasises the devolution of governance to regional and sub regional levels. In this context this report focuses on the totality of the sub region rather than the individual elements within it. It points to a different, more coherent strategy that is not simply the sum of the four individual approaches. Equally, the government's **Sustainable Communities: Building for the Future** stresses the need for joint approaches to identifying and addressing housing problems. The sub region is in a particularly strong position to take forward that agenda. Working together in partnership has the potential to produce a synergy that links housing with employment growth, transport and service provision, helping to create more sustainable communities.*

The process has raised many difficulties - for us as researchers but particularly for the four authorities who have had to address directly many issues which are normally subsumed within Regional Planning Guidance. We have all learned a great deal through the process. The result, we think, is very much in the spirit of the Government's current housing and regional policy. It aims to develop the 'joined up' agenda between services as well as areas. It clarifies the relevance of planning at the sub regional level. Most importantly, it provides a baseline for the other required elements of comprehensive planning as well as informed monitoring and management. We are grateful to the Consortium both for their preparedness to undertake this project and for their continued support.

Professor Christine M E Whitehead

February 2003



Housing and Planning: a Sub Regional Approach

South East Hampshire is short of housing to meet emerging needs over the next decade. Research by the Cambridge Centre for Housing and Planning Research shows that planned provision is well below identified requirements.

- Pro-active housing policies can do a great deal to help the sub-region build a stronger economy in south east Hampshire - which requires greater diversity in both jobs and housing.
- The sub-region has particular potential in part because, although labour and housing markets have been buoyant, pressures are even greater in the immediate surrounding areas and indeed in much of the rest of the South East.
- If past planning policies continue unchanged, the most likely outcome is that Portsmouth and Gosport will continue to lose population and jobs and the sub-region will become more of a commuting area to the surrounding region - increasing underlying pressures on house prices without improving housing conditions for local households.
- Housing conditions vary considerably within the sub-region. Portsmouth and Gosport have the attributes of traditional coastal urban areas - with more private renting and less owner-occupation than Havant and particularly Fareham. Equally house prices are lowest in Portsmouth and Gosport and highest in Fareham.

■ Migration patterns reflect internal pressures - with lower income households living in the traditional urban core and moving out as incomes rise and they are able to afford better quality housing. There is thus a great deal of intra-district commuting even though Portsmouth remains the main centre of employment.

■ Although house prices are relatively low in many parts of the sub-region, incomes are also low, so there are growing problems of affordability both for the poorest households and for those in lower paid employment.

■ Districts within the sub-region are meeting current Regional Planning Guidance targets - but these are far below the newly emerging and existing needs identified in the study. This suggests that some 3,150 additional dwellings, more than twice the number currently planned, are required each year over the period to 2016. Within this total, about 1,250 - i.e. 40 percent - would need to be affordable

■ The proposed Major Development Area (MDA) west of Waterlooville may meet some of this shortfall. It is expected to provide some 2,000 additional homes up to 2021, with a reserve of another 1,000 new homes if required. Within this total the survey evidence suggests that 30 percent should be traditional social housing and a further 20 percent should be intermediate market housing.

■ If the districts are to provide anything like what is required, they should work in partnership to provide a local economic development framework and a consistent set of housing policies. As part of this they should identify additional land for housing, set targets for affordable housing, ensure a common approach to negotiating s106 and other agreements on mixed tenure and mixed development. They should also agree mechanisms for regenerating the existing housing stock to meet future aspirations in both private and social housing. Explicitly linking housing, employment and transport policies would help to support the sustainability agenda.

■ This is a big agenda - but the four districts are in the forefront of good practice in developing joint working. There is thus a strong base from which to take this opportunity forward.



What the study shows

Prospects for the local economy

The economy of Hampshire as a whole is performing well. It has a good mix of industries and a skilled workforce. It benefits from its location in the South East close to international airports and seaports.

Economic growth over the last few years has been slower in the sub-region than in most of the rest of Hampshire and has been concentrated mainly in lower income services and public sector employment. The area has not yet fully developed the types of activities which could compensate for the losses in defence and manufacturing over the long term.

Yet south east Hampshire is a centre in its own right with significant economic opportunities, especially if better linkages to the rest of the South East and to Europe can be further developed. In particular, relatively cheap housing and employment costs can make it a magnet for new enterprise. In this context, Regional Planning Guidance for the South East in 2001 designated South Hampshire as a Priority Area for Economic Regeneration. But, the evidence on successful regeneration elsewhere in Britain and Europe is that favourable relative costs are not enough. Both integration between sectors and diversity in activities to reduce risk and volatility must be increased if south east Hampshire is to take off and position itself at the forefront of development.

The four districts (Fareham, Gosport, Havant and Portsmouth) are made up of more or less continuous urban development along the main roads that link the districts together. Gosport

and Portsmouth are the most physically constrained, while Havant and Fareham, closer to the M27, have better communication links. Recent growth in high tech manufacturing has spread along the M27, providing improved employment prospects.

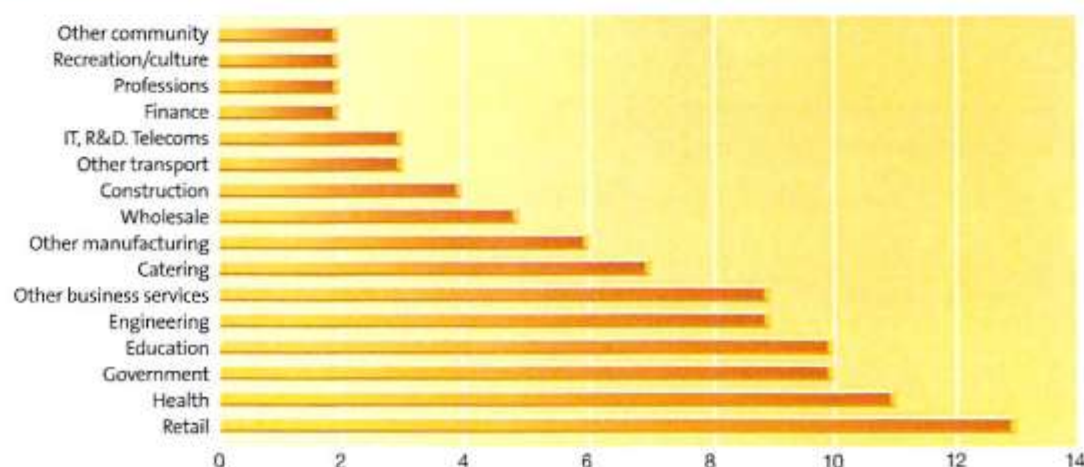
Fareham is the main growth area within the sub region, with almost half the total employment increase. This growth came from private sector activities, notably engineering and business services. In the other districts growth has been concentrated in the public sector - government, education and health - although wholesale distribution and business services other than finance also performed well.

The sub region has good prospects. There are opportunities for expansion in sectors which build on the area's historic strengths, including tourism and marine related activities. Successful growth could, in turn, lead to net inward migration, with implications for housing demand.

There is a need to re-skill the workforce of the four districts so that people shed from defence and manufacturing are able to compete in the job markets of the future. An adequate mix of skills to assist the local economy requires additional, better quality housing and improved neighbourhoods.

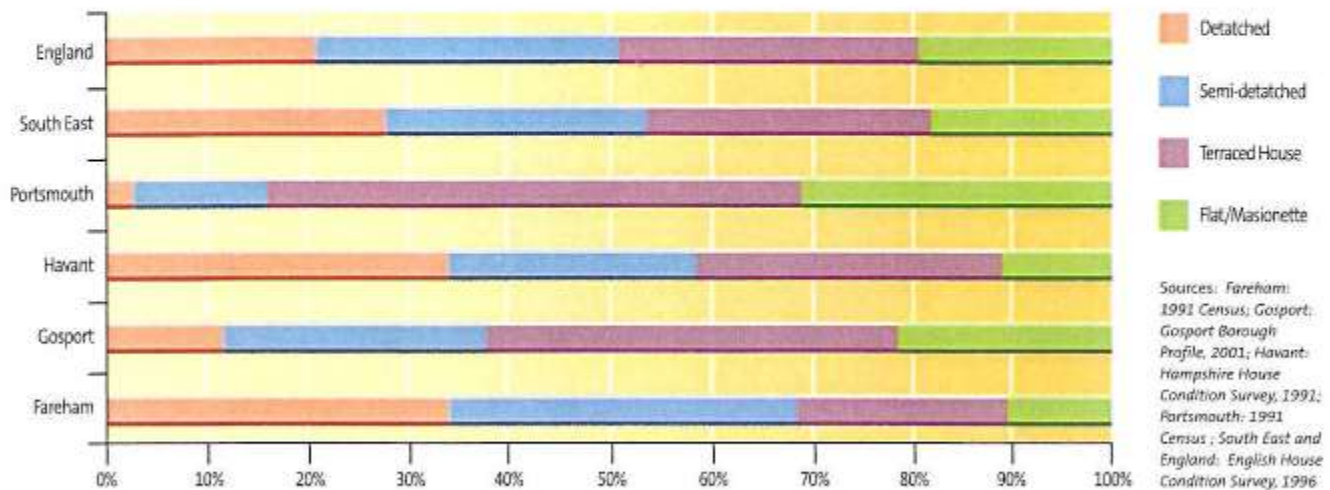
Without appropriate policies to ensure both increased activity and a well operating local housing market, south east Hampshire could become more of a suburb servicing the richer parts of Hampshire and London. To meet 21st century aspirations for a thriving and sustainable urban area, based on the existing sub region, requires both more emphasis on newly developing service activities and a joined up approach to providing a higher quality of life for those living and working in the area. Positive housing policies have a major role to play in enhancing this potential.

Main sources of employment in SE Hants 2000 *Percentage share of total employment*



Source: Annual Business Survey via NOMIS, 2001

Distribution of property types within south east Hampshire



Profiling the south east Hampshire housing market

Currently, housing in the sub region has many of the elements of a coastal urban area with its associated suburbs. There is a fundamental distinction between south east Hampshire and much of the surrounding rural area as well as the Southampton conurbation and the London commuter belt.

Portsmouth and Gosport are both traditional urban areas with relatively high proportions of social housing, quite large private rented sectors based on Victorian terraces especially in Portsmouth, and owner occupied markets particularly suited to first time buyers. What they both lack is detached and semi-detached housing for existing owners, at the top end of the market and for middle income family households. They also have far too many dwellings that do not meet 21st century standards in both the social and private sectors.

Havant includes a considerable part of Portsmouth's social stock but otherwise is fundamentally a suburban area catering for lower and middle income households. Fareham is closer to the South East norm with higher quality market housing and very limited rented accommodation, whether social or private. It is generally too expensive for first time buyers, but attractive to those working in the sub region and surrounding areas. More generally, within the sub region many households are having to rely on the private rented sector especially in Portsmouth because the newer suburbs have so little to offer.

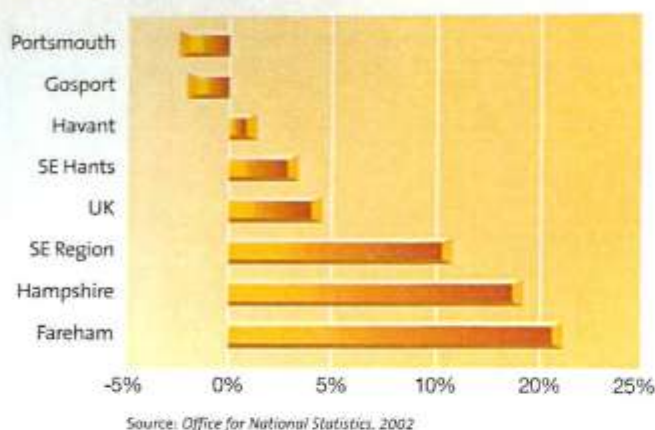
Household growth

The population of the sub region grew by nearly 3 percent between 1981 and 2001. This rate of growth, while close to the UK average, is considerably lower than Hampshire and well below the South East figure. Within this overall increase, Gosport and Portsmouth have suffered net losses. The population of Havant remained fairly constant over the decade, while that of Fareham grew faster than either the South East or Hampshire. This growth in Fareham contributed significantly to the growth of the whole sub region.



Understanding the links and planning the future

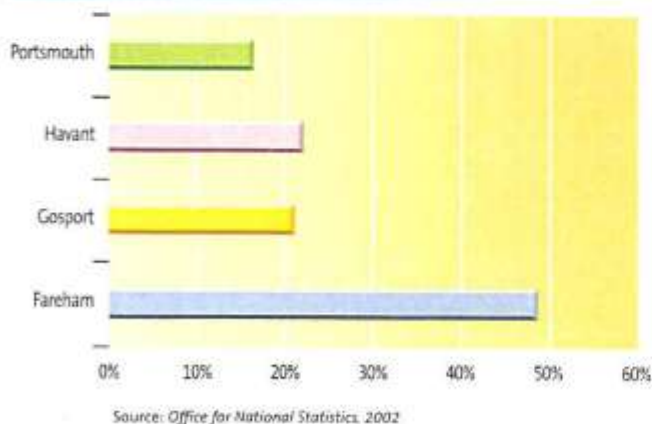
Percentage population changes in S E Hampshire 1981-2001



If recent trends continue, the sub region will continue to experience modest population increases as compared to other parts of Hampshire and the South East region - even though there are significant opportunities to play a more positive role.

The numbers of households have increased by 24 percent between 1981 and 2001, much faster than population, and the stock of housing has not kept pace with this increased demand. This has resulted in an increase in homelessness, sharing and living with parents or friends as well as a reduction in vacancy levels. It has also put pressure on prices.

Percentage rise in households in SE Hampshire from 1981 to 2001



The property ladder

Historically there is a pattern of outward migration from Portsmouth into the surrounding districts. There has also been some large-scale social housing development outside

the city. Lower income households from both Fareham and Havant tend to move into Gosport or Portsmouth in order to rent privately or buy their first home. At the same time more affluent households in Gosport and Portsmouth in turn move out into Havant and Fareham seeking a more suburban lifestyle. This is a traditional pattern within the sub region.

Evidence from the Housing Needs Surveys confirms that Fareham and Havant are the most 'open' areas to inward migration. A quarter of moves involve households from outside the sub region. The main reasons for moving are to find a larger home and to move to a better area and this may reflect the fact that people aspire to a more suburban life style than is typical of much of the sub region. There is also considerable 'churning' within the private rented sector. The desire on the part of owner occupiers for a larger home reflects the usual 'property market ladder' of trading up from a small entry level house or flat to a larger, more valuable property.

Within the social sector - housing provided by local authorities and housing associations - there is much less choice. The sector as a whole is very pressured, so that the majority of moves involve those who are regarded as in priority need. This makes it difficult to learn much about people's housing aspirations, because they do not perceive any real choice.

Commuting in south east Hampshire

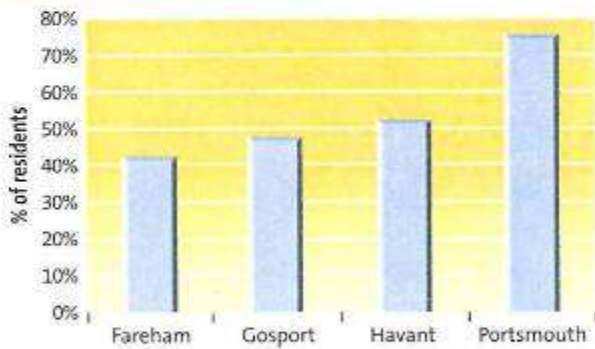
Unsurprisingly for such a close-knit sub-region, commuting is prevalent in all districts. Our surveys confirm that Portsmouth is still the centre of employment for the sub region. Roughly a fifth of the working population in Fareham and Gosport and more than a quarter of the population of Havant commute into the city. However, a fifth of the working population of Gosport work in Fareham and a substantial proportion of those in Fareham commute into Southampton.

Thus within the sub region the strongest commuter flows tend to run north-south on both sides of Portsmouth harbour, between Fareham and Gosport on the west and between Havant and Portsmouth on the east. These north-south routes are often heavily congested.

Our survey of employees showed that most respondents' travel time was less than half an hour, and most of them thought their travel to work time was reasonable. Even so, a fifth of respondents wanted to live closer to their work and said that it was housing costs that prevented this.

Work and commuting

Percent of residents who live and work in the same district



Source: Author survey, 2001.

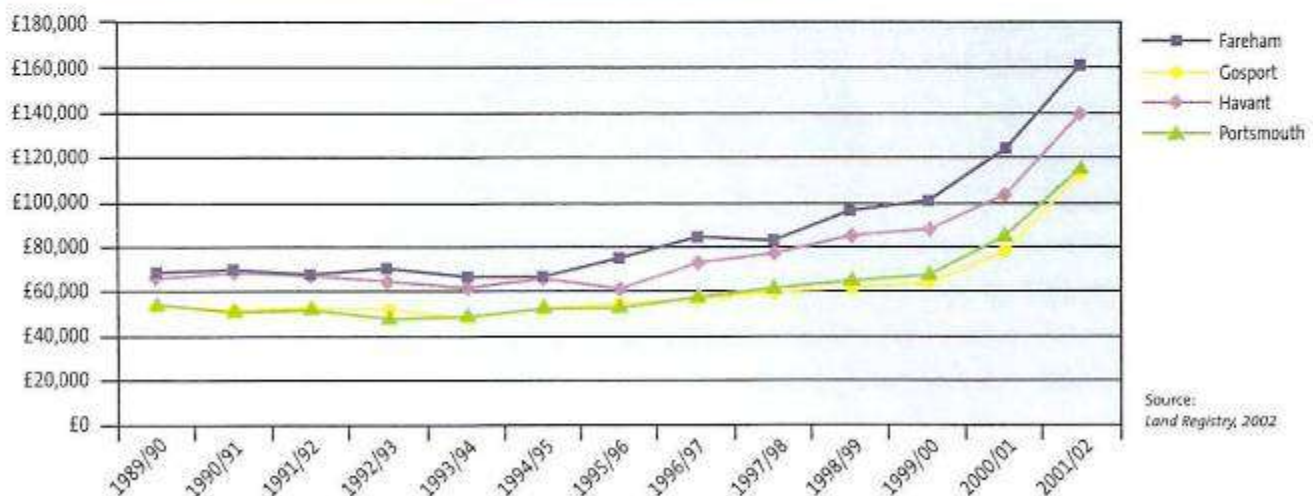
Are housing costs beyond people's reach?

Reflecting the quite significant growth in both households and incomes in the second half of the 1990s but also the extent to which this growth was slower compared to the buoyant South East economy, house prices have been rising rapidly but usually more slowly than in neighbouring areas. The greatest increases in price have been in detached properties in Portsmouth, reflecting their relative scarcity.

Incomes in south east Hampshire are generally lower than in the rest of Hampshire and the South East. Fareham has the highest average incomes but these are still slightly below the England average. Lower earnings and incomes do not necessarily imply problems of housing affordability, if house prices and rents are also below average - but in fact prices have been growing more rapidly than incomes, worsening the ratio of average house prices to average incomes.



Trends in average house prices in SE Hampshire

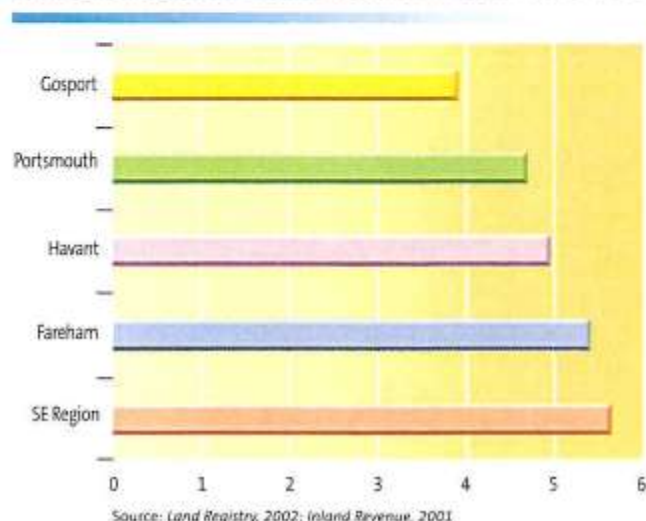


Source:
Land Registry, 2002

Understanding the links and planning the future

A reasonable 'affordable' ratio would be house prices that are around 3 times annual incomes. In 1999/2000 (the latest year for which Inland Revenue incomes were available), the average house price was roughly 4 times average personal income in Gosport and close to five times in Havant and Portsmouth. In Fareham, the ratio was 5.4. For the sub region

Home purchase price to income ratios in SE Hampshire 1999/2000



as a whole, it was 4.8. This was below the county ratio, confirming that the sub region is relatively more affordable than the rest of Hampshire. The ratio for the South East at that time was 5.6.

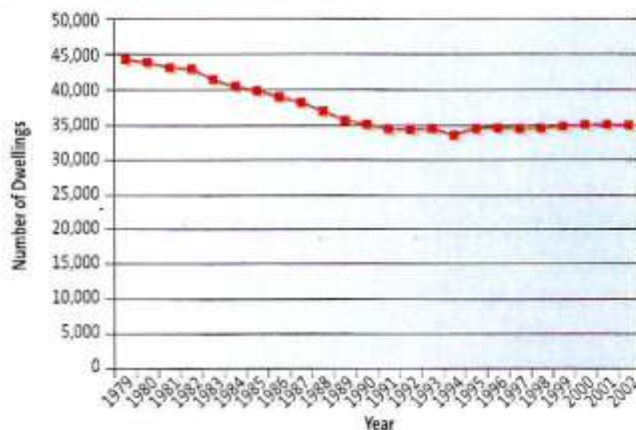
Although housing remains cheaper in south east Hampshire than in many other parts of the South East, affordability problems for local households are increasing. Households on the very lowest incomes are eligible for help with their housing costs, and those with higher incomes can afford market prices. But people falling into the 'gap' between the two are facing increasing problems buying a house in the sub region unless they already have a house to sell. Young people at the start of their careers and those attempting to buy their own house for the first time are likely to be worst affected.

Can social housing meet the needs?

The social sector plays a core role in the local housing economy. Accommodation is administratively allocated and goes mainly to those in the greatest need. Over 40 percent of lettings last year went to homeless households. Similarly the most usual reason for moving within the sector is overcrowding, reflecting the difficulties that households have in achieving even reasonable standards of accommodation. Very little of the movement crosses district boundaries, except to the extent that Portsmouth owns several thousand homes in Havant. Because of the extent of priority need it is hard for the sector to play a positive role in meeting either individual choice with regard to location or aspirations for home ownership. Yet it provides homes for nearly a fifth of households in the sub region. Its success in ensuring satisfactory housing for a wide range of households and in the management and upkeep of this community asset contributes significantly to the local economy.



Social housing dwellings in SE Hants 1979-2002



Source: Housing Investment Programme, ODPM, 2003

Over the last decade just over a fifth of the 1,300 additional dwellings completed each year in south east Hampshire has been in the social sector. Despite this, the net increase of new homes was only 450 dwellings over the same period. This is for several reasons including particularly Right to Buy and, to a lesser extent, demolitions. Clearly the four districts have been running to stand still in terms of providing affordable housing to meet local needs. Such a small net increase in the social sector suggests that the sub-region has very little capacity to address either the growing needs of additional households or the backlog of unmet need.

At the same time the demand for social renting has continued to rise. This is reflected particularly in the numbers of households accepted as homeless, shown in the table below.

The table illustrates how difficult it is for districts to provide homes for families in need. The final column records homeless households who were housed in dwellings with two or more bedrooms (which can be seen as family homes) as a proportion of all lettings of these family sized homes.

This shows that the sub region has a shortage of larger dwellings in the social sector. It is a particular problem for Fareham and Portsmouth where homeless families took around 80 percent of the family dwellings available, leaving a tiny proportion for other families in need.

Using what we have more effectively

There is a major problem of disrepair in parts of the private sector as well as a need to meet the government's 'decent homes' standards in the social sector. These problems vary between districts but are particularly concentrated in the private rented and owner occupied sectors in Portsmouth. Alleviating them must be part of any effective housing strategy but raises difficult issues of who should pay, especially as in many cases they affect pensioners on low incomes who cannot afford to repair their homes. Successful implementation may also lead to losses of some homes. In addition, there are also concerns about vacancy and poor management of some of the private rented sector - where policies based on the new sustainable communities strategy can be of value.

The districts are already putting in place policies to ensure decent homes standards are achieved by 2010. They will also be addressing the initiatives set out in the Sustainable Communities statement with respect to better management of vacancies and private rented accommodation.

Meeting the challenge

Some of the pressures on house prices and affordability that have been experienced over the last few years may be the result of cyclical factors. However, the evidence suggests that there are structural reasons why housing shortages will remain even if the economy turns down. Across the South East, regional strategies do not fully address even the identified needs for additional housing. In many areas - although not in the sub region - output is running below that specified in Regional Planning Guidance.

Homelessness indicators for south east Hampshire 2001-2

Local Authority	Total Social Lettings	Homelessness			
		Acceptances	Acceptances as % of Total Lettings	Lettings per Homeless Acceptance	Housed in 2 bed + as % of all 2 bed + lettings
Fareham	365	142	39%	2.57	82%
Gosport	455	214	47%	2.13	41%
Havant	464	278	60%	1.67	55%
Portsmouth	1,809	635	35%	2.85	78%
SE Hants	3,093	1,269	41%	2.44	66%

Sources: FBC, GBC, HBC and PCC HIP returns, 2002

Note: Total social lettings are net of transfers. This lettings data reflects a long standing agreement between Portsmouth City Council and Havant Borough Council whereby 99 PCC dwellings located in Havant were let to applicants nominated by HBC during 2001/02

Understanding the links and planning the future



Equally, there are long term pressures which will expand demand. In particular if incomes rise by only 2.5 percent per annum - the average over the last century - demand for housing will be nearly 50 percent higher by 2020. Much of this must be satisfied by improvements in the existing stock - but it could also lead to the need for a significant replacement programme as well as additional units.

The other fundamental is to ensure that the existing stock continues to meet increasing aspirations - both in the private and the social sectors. This involves considerable regeneration and rehabilitation activity. It also requires greater emphasis on treating housing in a much broader context - including neighbourhood, safety and security and the availability of good quality local services. In particular, greater flexibility - and more regard to consumer choice - is required if parts of the social sector are not to be completely bypassed.

Why 40% of new homes should be affordable

Two approaches to estimating the need for additional affordable housing were used in our research. The first is based on past trends and produces a figure for market demand as well as affordable housing, while the second comes from the Housing Needs Surveys conducted as part of this study. The table compares these with supply targets from Local Plans.

The table shows that the 'top down' CHPR estimates are overall much lower than the 'bottom up' Housing Needs Survey estimates - although higher in Fareham where traditionally there have been fewer opportunities for lower

Annual housing demand in south east Hampshire: comparative estimates

Area	Sources for new homes annual estimates				
	CHPR annual projections (not including backlog)		Housing Needs Surveys	Local Plans	
	Total	Of which affordable	All affordable	Total	Of which affordable
Fareham	580	175	556	237	60
Gosport	430	130	585	199	60
Havant	625	190	950	166	40
Portsmouth	1,070	320	1,386	650	125
SE Hampshire	2,705	815	3,477	1,252	285

Note: Local Plan figures in this table are estimates of what housing may be delivered through the planning system.

The challenge involves far more development than has proved possible over the last decade. Equally, continued losses from social housing increase the challenge to planning and housing departments to meet the needs and aspirations of the whole community. A sub regional housing policy which recognises the benefits of a more balanced housing market within the area but also enables greater output levels to meet expanding job opportunities would help to give the sub region a real competitive advantage.

income households to live in the district. More importantly, the Local Plan provision for affordable housing for the sub region as a whole (assuming targets can be met) is considerable lower than either of the estimates of housing need.

The Housing Needs estimate suggests newly arising need of 1,650 households a year, including some needs that can be met within the existing stock. It also reflects aspirations rather than requirements. The lower 'top-down' estimate of

815 affordable homes a year provides a more conservative and therefore perhaps more appropriate estimate.

Backlog of existing needs

In addition new housing is required to meet the backlog of existing need. The surveys showed that over 9,000 households were inadequately housed, although a significant proportion of these would leave an empty dwelling when they move. Taking the high homelessness figures into account, it might be reasonable to assume that one half of these households will require additional housing, implying about 4,750 additional units. Government guidance suggests clearing this backlog over five years but it may be more appropriate to provide over a ten year period. This would imply providing an additional 450 or so units a year.

Overall requirements

Taking the projected need for additional homes of 2,705 together with an allowance to meet the backlog (450) gives a total annual dwelling requirement of about 3,150 to meet both existing and newly emerging needs. Thus, more than twice as many dwellings in total are required than planned.

Within this total, about 1,250 - i.e. 40 percent - would need to be affordable. On this basis, almost three times as many additional affordable units are required than currently planned.

New homes at Waterloooville

The proposed Major Development Area (MDA) west of Waterloooville is expected to provide an additional 2,000 new homes up to 2021, with a reserve figure of 1,000 new homes if required. Within this total, the survey evidence suggests that 30 percent should be traditional social housing and a further 20 percent should be intermediate market housing.

Of those likely to be accommodated in this MDA, the need for assistance with their housing costs was concentrated among newly forming households currently living with their parents. Many of these would be able to afford adequate housing with relatively limited subsidy to assist them into shared ownership and shared equity homes.

The wider catchment area of the MDA includes parts of the Winchester and East Hampshire districts where house prices are higher and a greater proportion of households could not afford to buy locally. It would be reasonable for planners to seek a higher provision of affordable housing on developments within the MDA than elsewhere in the sub region. Given people's clear aspirations for home ownership, 20 percent of the affordable housing target should be low cost home ownership.



Understanding the links and planning the future



Planning for more homes

The four districts are meeting the overall requirements of Regional Planning Guidance at the sub regional level. They have also allocated sufficient land to meet Structure Plan requirements. Yet not enough land is being allocated to meet estimated needs, and far too little affordable housing is being produced through the planning system. A comparison between Structure Plan allocations and our own estimates of dwelling requirements shows an annual shortfall of around 1,000 a year.

New building has been running at almost 1,300 dwellings a year over the last decade and on average 23 percent has

been affordable. These figures exclude conversions and any adjustment from regeneration.

In Gosport, Havant and Portsmouth affordable housing has totalled 24 percent of total net housing gains over the 11 year period but only 8 percent in Fareham. Because of outstanding planning consents in the major development area in Fareham Western Wards, alternative policies were pursued up to 1998. These involved the acquisition of existing property, mainly ex-Council stock.

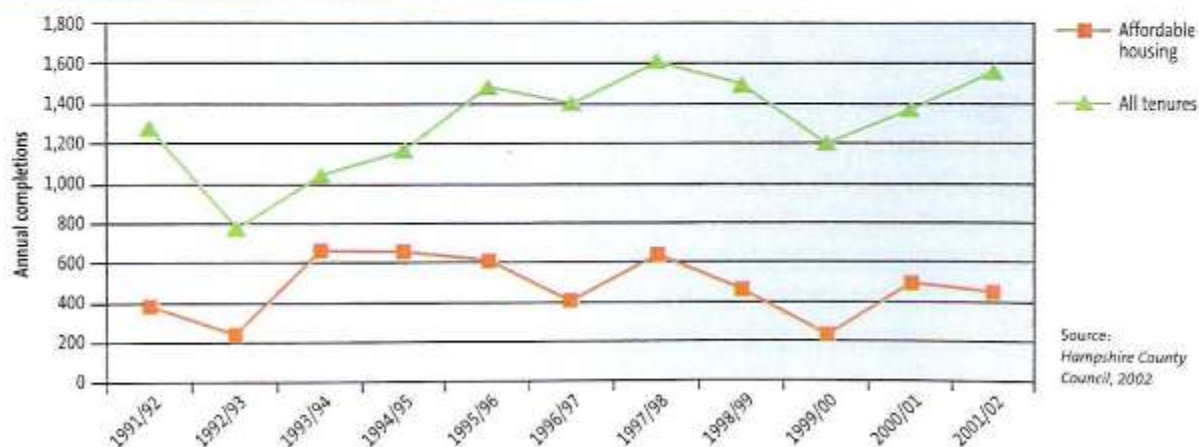
The MDA west of Waterlooville in Havant has important implications for Havant in particular and for the sub region as a whole. However, most of the MDA lies within the district of Winchester and might be expected to provide more for the affordable housing requirements of that district than for Havant or south east Hampshire more widely.

Are housing and employment at odds with one another?

The general shortage of land in Portsmouth and Gosport and the need for new sources of employment means that housing competes with employment uses for land. However there may be scope to re-use unsuitable ex-employment land for housing, as new types of employment will have different requirements, especially in terms of transport access. The potential for mixed use sites is already recognised by the districts.

In Fareham and Havant, land supply is largely greenfield and its use is constrained by policy and planning decisions. In Portsmouth and Gosport, the main constraints are their physical geography and the fact that all sites are brownfield, often very small. It is therefore difficult at a district level to achieve sufficient market housing on which to seek a proportion of affordable units.

Total annual dwelling completions in SE Hampshire 1991-2002 *Total and affordable new dwelling completions compared*



Joint planning solutions for south east Hampshire

By providing a better housing mix, area by area, the overall sub regional market can operate more effectively. By enabling people to meet their aspirations within the sub region the local economy will be strengthened. The basis for any plan must be to enable, not to constrain. Only in that environment will people choose to remain and to invest in their community.

The four districts are linked by their geography, employment, commuting, migration, local economies and housing markets. Together they form a coherent urban area, more like a single city with its suburbs than separate markets. This has implications for housing which are illustrated by where people choose to live. The exception is Fareham which straddles two travel-to-work areas, Southampton as well as Portsmouth, and also has close links into the rural parishes of Winchester district. Yet the inclusion of Fareham is critical for the success of the sub region as a whole.

For lower income households eligible for social housing, their choice is constrained by administrative allocation systems that do not necessarily bear any relation to place of work. The result is a complex pattern of commuting which causes congestion and sustainability problems within the transport network.

Separately, each district faces its own set of housing problems and has its own opportunities.

- In Portsmouth, geography and the administrative boundary act as a barrier to outward expansion. Yet high densities in the inner city provide the opportunity to increase densities in other parts of the district by building upwards.
- In neighbouring Havant, planning acts as a constraint and there are only a limited number of sites larger than 15 units or 0.5 hectares. This significantly reduces the potential for affordable housing through the planning system.
- In Gosport, land supply is dominated by the MoD and, as in Portsmouth, all sites are brownfield which makes them costly to develop and limits the amount of potential planning gain.
- Only in Fareham, which has seen the largest amount of new development since 1981, is there any real potential for expansion. Yet planning policies, environmental protection policies and the government's target of 60 percent development on brownfield sites together provide a constraint on growth.

However it is impossible for districts to solve their housing problems in isolation. A joint approach can help generate a synergy by matching up a problem in one district which has no clear solution within that district but could be solved in an adjacent district. The setting up of the Consortium was a first step in moving towards a successful housing strategy for the sub region as a whole.

This provides a base line for thinking strategically about addressing housing issues. This requires explicit links with employment and transport strategies, maximising the use of existing infrastructure and services. It also means building sustainable communities by promoting social inclusion through mixed housing developments. This applies to the owner occupied housing markets of Fareham as much as the council housing and dense terraces and flats of Portsmouth.

The first requirement is a successful employment strategy that is supported by restructuring and regeneration. A joint housing strategy would have the potential to build on these foundations and start to enable some of the housing issues in the sub region to be addressed while ensuring social inclusion. Such a strategy could include specific policies that acknowledge that together the four districts make up a traditional urban pattern with urban/suburban housing and life styles. Each district cannot solve its housing problems independently. A joint strategy is clearly a long term aim, but a more immediate objective should be that the four districts ensure that their separate housing strategies are complementary.



Some proposals to the Consortium

Working together

1. The four districts of south east Hampshire should continue to work together as a Consortium in the longer term to produce a joint sub regional housing strategy in line with government objectives for the regions.

2. An immediate objective should be to ensure that the four separate district housing strategies are fully complementary. They should be linked carefully to transportation strategies, especially given employment growth patterns, in order to be sustainable in the future. They should continue to aim towards more balanced communities within all districts.

3. Explicit monitoring links should be made between housing and employment growth, and between increases in housing and other local service provision, as well as between changes in house prices and incomes over time.

Planning together

4. The four districts should ensure that their planning policies for housing are consistent and complementary across the sub region. This should include:

- Identify land for housing across the sub region as a whole.

- Adopt an overall target of 40 percent of affordable housing through the planning system. This includes all affordable housing - intermediate as well as traditional social housing - in line with *Planning Policy Guidance Note 3: Housing*.

- Adopt a common approach and agree on the same target percentage of affordable housing on sites above an agreed set of size thresholds.

- Ensure that even where there may be a case for a range of targets for different sized sites, including the west of Waterlooville MDA, and for greenfield as compared with brownfield sites, these ranges should not vary between districts.

- Consider adopting the lower and consistent size threshold of 15 dwellings or 0.5 hectares for developer contributions across the sub region.

- Work together to develop more consistent negotiation strategies and to speed up implementation through standardised s106 planning agreements and agreed templates for Supplementary Planning Guidance.

- Consider using s106 agreements to secure developer contributions to affordable housing on or in relation to commercial developments.

Working to a sustainable future

5. Policy should be aiming to achieve net additional housing to meet the full range of demand and need within the sub region. The Consortium should enable an appropriate mix of dwellings as well as address densities and land allocation.

6. The Consortium should consider innovative approaches and best practice elsewhere to achieve greater quantities of affordable housing. These include reviewing existing allocation policies and the potential for choice-based lettings; sub-market letting by RSLs, either alone or in partnership with developers; the possibility of sub-market letting by private sector landlords; encouraging employer-led schemes including direct housing provision, shared ownership and assistance with mortgages for first-time buyers; and workstyle initiatives to reduce commuting and enable home and teleworking.

7. Investment in the existing stock is required to upgrade parts of the private sector and to meet the 'decent homes' requirement in the social sector. The incidence of these problems varies between districts but the solutions should be part of an overall strategy for the sub region. Agreed strategies of support for private owners facing problems of disrepair, good neighbourhood management and empty homes policies could save on resources and improve value for money. The Consortium should follow the approach in the government's Sustainable Communities document. This places strong emphasis on ensuring better management and use of the private rented sector where some of these problems are concentrated.

The four districts working together are at the forefront of good practice within the South East region. Developing a sub regional strategy, focusing not only on housing but broader land uses, employment, transport and sustainability, provides an opportunity to use available resources and skills to their best advantage. The sub region has the potential to provide a framework for economic growth and social cohesion into the 21st century. This requires a proactive approach to development of both affordable and market housing. It is up to the Consortium to take this opportunity forward.

Commissioning the Housing Market Study

This summary report is published as a contribution to the continuing debate into housing need and demand issues in south east Hampshire and its four constituent local authorities of Fareham, Gosport, Havant and Portsmouth.

The information and recommendations summarised here arise from academic and empirical research undertaken by consultants from Cambridge University and the London School of Economics. It was commissioned by the four housing authorities who have formed a consortium for the purpose.

The research programme's findings are published in two parts: firstly, an in depth look at the particular housing market in each authority's area; and, secondly, a sub regional overview of the respective housing markets in south east Hampshire.

Our consultant's assessment of housing demand has used a methodology that differs fundamentally from that which forms the basis of approved Regional Planning Guidance and the adopted Hampshire Structure Plan. The result is that the housing demand figures presented in this study are consistently higher than the housing supply figures in south east Hampshire's local development plans. More detailed consideration is being given to overall housing demand using the 2001 Census household figures published in 2003.



We accept the study's findings on housing affordability and the proportion of affordable housing that needs to be provided. However the four local planning authorities favour a different approach to the assessment of overall housing demand and consequently disagree with the study's calculations in that respect. We wish to emphasise that the purpose of including these figures in this report is to contribute to the wider discussion on housing needs in south east Hampshire.

The Consortium wishes to acknowledge and thank the Bill Sargent Trust for sponsoring publication of this sub regional summary report.

S E Hants Housing Research Consortium.
March 2003

The four local authorities in south east Hampshire - Gosport, Fareham, Havant and Portsmouth - commissioned a joint housing market study from Enterprise LSE and the Cambridge Centre for Housing and Planning Research. The purpose was to provide accurate information about the present and future housing system in south east Hampshire which could be used to help guide the policies and direction of housing strategies in the four authorities over the next five years.

The key objectives were to:

- identify the relationship between demand and supply across the range of locations, tenures, incomes, prices, dwelling types and household needs which the authorities of south east Hampshire can address through their strategic enabling roles;
- understand the relationships and interplay between the housing markets in the four districts;
- understand the social and economic context behind the current levels of disrepair in the owner occupied and private rented housing markets of south east Hampshire.

The methods used included:

Four local authority based housing needs surveys undertaken by Market Research UK, analysis of existing data, interviews with employers and 'key informants' and a telephone survey of employers addressing recruitment and retention issues. There was also a survey of employees and commuters asking about their housing and travel problems, and focus group discussions with representatives from ethnic minority and commuter groups. The study used two different approaches to identifying future housing needs, one based on government population and household forecasts, the other on the four housing needs surveys. In addition, a telephone survey was undertaken by Market Research UK to assess housing needs for the Major Development Area west of Waterlooville.

Photo credits: Thanks are due to Pearsons Estate Agents, and Portsmouth and District Estate Agents Association, for providing photographs to illustrate the range of dwellings in the SE Hampshire housing market; see pages 5, 8, 9 and 10. The other photographs were supplied by the consortium.

Report sponsor



SE Hants Housing Research Consortium



FAREHAM BOROUGH COUNCIL

CIVIC OFFICES CIVIC WAY FAREHAM HAMPSHIRE



Havant
BOROUGH COUNCIL



The Consortium project team included: Donna Moore (Gosport), Anthony Quail (Portsmouth), Malcolm Stevens (Fareham) and Ivan Western (Havant).

Research Team



**UNIVERSITY OF
CAMBRIDGE**



The researchers included: Sarah Monk (team leader), Jenny Neuberger, Michelle Stubley, Kerry Smith, Youngha Cho, Danuta Jachniak and Christine Whitehead (Director of the Cambridge Centre for Housing and Planning Research). Jo Pigg of Enterprise LSE provided administrative support. Euan Ramsey of Market Research UK led the five housing needs surveys.