

MAPPING HOUSING MARKETS IN THE YORKSHIRE AND THE HUMBER REGION

About this Study

1. The Yorkshire and Humber Assembly commissioned DTZ in February 2006 to identify the pattern of sub-regional housing markets across the Yorkshire and Humber region. The study will be used to inform the development and implementation of the Regional Spatial Strategy, the Regional Housing Strategy, and other relevant regional, sub-regional and local strategies and plans.
2. In order to establish the sub-regional pattern of housing markets, DTZ has undertaken a range of data analysis focusing in particular on the pattern of household movements and travel to work movements in the region. The study has also identified the distribution of employment across the region and considered changes in employment patterns over time.
3. In addition, though the study has not been primarily concerned with the analysis of the characteristics of the different housing markets identified, data on house prices and the distribution of dwellings by tenure and type across the region has also been examined. This serves to provide broad indications of differences between housing markets.
4. A series of sub-regional consultations have been undertaken with stakeholders across the region to test the emerging conclusions of the study. These meetings have also been used to discuss emerging trends in order to identify what changes have occurred in the pattern of housing markets in recent years and what changes may be expected in the years to come.
5. This document presents a summary of the study findings. The detailed analysis underpinning the conclusions are contained in four freestanding reports, one each for West Yorkshire, York and North Yorkshire, the Humber, and South Yorkshire.

What Do We Mean By a Sub-Regional Housing Market?

6. It is important to ensure that there is a common understanding of what is meant by the term 'the housing market'. Once this is understood it is possible to explain what is meant by the phrase 'sub-regional housing market'.
7. In economic terminology a market is where buyers and sellers come together to exchange goods or services at an agreed price. The price mechanism is the means by which demand and supply are brought into balance. Excess demand will result in prices being bid up. Excess supply will mean that prices fall until buyers are found for the surplus goods or services.
8. The housing market is a particularly complex market for a variety of reasons:
 - First, housing is a high value commodity. Purchases by individuals are typically financed over a long period of time. The decision to purchase is therefore of great importance to individuals and subject to the influence of the cost of capital – interest rates.
 - Second, housing is both a consumer good and an investment good. A consumer good is one that people buy to derive immediate benefits from – a pleasant place to live, a roof over one's head. An investment good is bought to provide a financial return.

- Third, because housing is built to last, at any point in time only a fraction of the total stock of housing is on the market. Typically in any year around 10% of the stock of housing may change hands, and new supply (newly built homes) comprise only 10% of total sales in any year (that is 1% of the total stock).
 - Fourth, the housing market is highly regulated. The location and volume of new development is controlled through the planning system. Minimum quality standards are set for new building and increasingly for existing housing.
 - Finally, because shelter is a basic human requirement, considerable resources are provided to ensure that those who cannot afford market housing are adequately housed either through direct provision of housing (local authority or housing association homes) or subsidy (Housing Benefit).
9. The final dimension that distinguishes the housing market from many product markets is that it has a strong spatial dimension. Location matters. Thus, while it is possible to talk of a national housing market and regional housing markets, in practice most buyers seek to move within the same sub-region because they wish to continue to live in that general area because of their sense of belonging, their family or broader social relationships, their jobs or access to particular services – most notably particular schools.
 10. Typically one expects a sub-regional housing market to comprise an area in which some 70% of all household moves are contained, excluding long distance moves which are associated with a major lifestyle change – for example a change in place of work, retirement to a different part of the country, or a decision to share accommodation with a partner located in a different part of the country. This sub-regional market is likely to cover an area that falls at least partly in the administrative area of a number of local authorities.
 11. There are a number of other ways to think about the likely extent of sub-regional housing markets. The area of the sub-regional housing market will map onto the area of search for the majority of moving households – not ignoring the fact that many people will confine their search to a much more localised area, or have limited choice to move further afield. However the fact that certain socio-economic groups may have more limited choices is a characteristic of the housing market, not something that determines the boundaries of the sub-regional housing market.
 12. One would also expect a close relationship between the boundaries of sub-regional housing markets and sub-regional labour markets – generally referred to as Travel to Work Areas (TTWAs). TTWAs delineate the areas within which at least 70% of the workforce in employment live and work. Across Yorkshire and Humber, around 65% of all households contain people in work and, unless these people are taking up a job outside an acceptable journey time, they are likely to look for somewhere to live within the same travel to work area if they move home.
 13. Below the sub-regional level there are local housing markets. For example smaller towns have their own housing market characteristics, as will particular parts of larger towns and cities. Such areas can achieve a high level of self-containment – because many household moves are of relatively short distance.
 14. Rural areas also have their own market characteristics. While many rural areas are functionally part of sub-regional housing markets based on large centres of employment, remoter rural areas often have their own market characteristics. Attractive rural areas such as in the remoter parts of Yorkshire often have markets dominated by long distance in-migration.

15. In the Yorkshire and Humber region it is possible to identify markets that exist at three spatial scales:
- Within the West Yorkshire and South Yorkshire conurbations the scale of overlap between the sub-regional markets based on each of the main population centres means that there is validity in talking about a West Yorkshire **metropolitan market** and a South Yorkshire metropolitan markets.
 - **Sub-regional markets**, as defined above, are typically based around the major urban centres in the region. In West Yorkshire and South Yorkshire these are major centres, which correspond with the administrative structures, those these markets extend out into adjacent rural areas. In North Yorkshire and the Humber the sub-regional markets are associated with significant freestanding cities and towns.
 - As noted above, **local markets** exist within sub-regional markets, based on particular small towns or neighbourhoods. But there are rural areas, which are characterised by a series of local markets, which have similar characteristics and are subject to similar influences, but are not highly integrated. Such areas are referred to as character areas.

West Yorkshire

16. Historically each of the main urban centres in West Yorkshire has had its own distinct housing and labour market. This historic pattern remains in evidence from analysis of the 2001 household migration data. In each of the five unitary authorities in West Yorkshire, over 80% of household movements occur within the bounds of each authority.
17. There is therefore still validity in talking about a Leeds housing market, a Bradford housing market, a Halifax housing market, and a Huddersfield housing market. There is also validity in thinking of the Dewsbury/Batley area as having a housing market, though it is uniquely subject to influences from each of the neighbouring markets, since this area lies at the heart of the conurbation.
18. There is also a Wakefield housing market; though the eastern and southern parts of Wakefield in terms of urban character have more in common with South Yorkshire and relate to parts of Barnsley and Doncaster.
19. However there is much evidence both from the 2001 Census and more recent data on household migration of growing integration between the housing markets of the main urban centres in the West Yorkshire conurbation. This mirrors growing integration in terms of labour markets.
20. Thus there is evidence of this is the growing number of household movements between Leeds and Bradford, and significant levels of household movement between adjacent authorities throughout West Yorkshire. It makes increasing sense therefore to think about there being a genuine West Yorkshire metropolitan housing market.
21. Each urban housing market in West Yorkshire has the strongest relationship, in housing market terms, with the West Yorkshire authorities that adjoin it. Thus the Leeds market shows greatest integration with the Bradford and Wakefield markets; the Halifax market is most closely linked with the Bradford and the Huddersfield markets, but has very limited connection with Leeds.
22. The urban form reflected in the pattern of sub-regional housing markets can be best described as being a polycentric urban market. Figuratively the markets can be described as something akin to the Olympic Rings – each of the five areas covered by the unitary authorities based on Leeds, Bradford, Halifax, Huddersfield and Wakefield, overlapping with the two adjacent

rings. In the heart of this area is the Dewsbury/Batley area, which forms a smaller sixth ring, overlapped by the Leeds, Bradford, Huddersfield and Wakefield markets.

23. Each of the West Yorkshire housing markets also extends out into the adjacent parts of Yorkshire outside the bounds of the sub region. Thus the influence of the Leeds market extends into Harrogate and Selby districts, to York and even as far as the East Riding, probably with a particular focus on the M62 corridor.
24. Bradford influences the market in Craven and Harrogate districts. Wakefield relates to Barnsley, Doncaster, Selby, and the East Riding. Kirklees relates to Barnsley. The absence of significant cross Pennine movements means that Calderdale and Kirklees have less cross-border interactions than the other authorities.
25. The growth of Leeds in particular as the principal centre of employment in the conurbation is fostering this integration and extending the influence of Leeds into North Yorkshire to the north and east. This has been facilitated in part by the completion of the M1-A1 link road and further improvements in private and public transport will foster this growing integration. The rapid growth of employment in Wakefield also means that there will be growing integration of the Wakefield housing and labour markets with adjacent areas.
26. Analysis of the pattern of house prices, concentrations of particular dwelling types and tenures, also indicates a distinction between the inner urban areas of the conurbation – the core areas, and the periphery. The inner areas have a higher proportion of social housing, more flats and terraced properties and lower house prices. The outer areas, those closest to open countryside and extending into the small towns of the Pennines and Wharfedale, have higher house prices, a higher proportion of detached dwellings and more limited provision of social housing.
27. The pattern of low house prices in the inner core of the conurbation and higher house prices in the outer area indicates that there are common housing market characteristics between each of the markets of the major urban areas, and there may well be merit in developing a common understanding of how different housing markets work across West Yorkshire. Developing a common approach to regeneration of the inner areas is likely to be particularly important. This will have implications for the outer areas.
28. Wakefield does not conform to the general configuration of a clear pattern of an inner area and a more highly priced urban area. The urban structure of the Borough of Wakefield is rather different to the rest of West Yorkshire and has more in common with the pattern of settlements in Doncaster and Barnsley MBCs, which are associated with the settlement pattern of the former coalfields. The outer area of Wakefield MBC therefore has a different housing market dynamic.

York and North Yorkshire

29. York, as a significant freestanding city, has its own well-defined housing market and travel to work area. In 2001 this included the whole area covered by the administrative area of York, and extended southwards into Selby District and eastwards into the East Riding to include Pocklington. Other areas around the boundary of the City will also be part of the functional housing and labour market of the City. The influence of the City on surrounding area has probably been limited in recent years by weak employment growth, especially when compared to Leeds. However this may change with the planned expansion of the University and the development of a science based economy in the city
30. The Selby area is the least self-contained of all the North Yorkshire Districts in terms of both its housing and labour market. While the area has its own local housing market, there is

evidence from the 2001 Census that it is increasingly subject to the influence of the Leeds, Wakefield and York housing markets. Given job growth in Leeds and Wakefield since 2001, DTZ would expect that the area has become increasingly integrated with the West Yorkshire housing and labour market and specifically the Leeds and Wakefield markets.

31. Harrogate is North Yorkshire's second largest town. It has a reasonably self contained housing market and labour market, but has strong functional links with Leeds and to a lesser extent with Bradford. Its success in recent years in growing additional jobs is probably a function of its inter-relationship with Leeds. It is reasonable to expect that this inter-relationship will increase, in much the same way as the inter-relationship between Leeds and the other major centres in the West Yorkshire conurbation is increasing.
32. The rest of North Yorkshire can be thought of comprising a spatially extensive market characterised by local markets subject to a number of different influences. Within this area three zones may be distinguished:
 - **Central North Yorkshire**, comprising the market towns (Ripon, Thirsk, Northallerton, Richmond/Catterick) in the A1 corridor between York and Teesside. These market towns have their own local markets, but are subject to housing market and travel to work influences emanating from York and Teesside, and as technology loosens the ties between the workplace and home from the West Yorkshire conurbation, particularly Leeds.
 - **The Coastal Character Zone**, stretching from Whitby down to Bridlington, and including Scarborough. This area is geographically less accessible than central Yorkshire and hence less subject to the influence of the West Yorkshire conurbation or even York. However the evidence is that it is linked by migration – probably retirement migration – with the conurbation. Different economic and social factors are likely to be of significance in the housing market to those that apply in central North Yorkshire.
 - **The Remote Rural Character Zone** is largely associated with the area designated as the Yorkshire Dales and the North York Moors National Parks. This zone comprises sparsely populated areas, which, because of their natural beauty, face pressures of in-migration, and particular challenges in terms of affordability. Their designation as National Parks also creates a particular set of policy challenges and opportunities.
33. There are three areas that fall outside the markets and the character zones described above,
 - Skipton and the part of Craven that falls outside the National Park. Skipton has strong functional ties with Bradford, and while having its own local market, has a similar level of connection with Bradford as Ilkley that is within the Metropolitan Borough of Bradford. In market terms it is best viewed as forming part of the Bradford housing market, while acknowledging the housing market characteristics of the Pennine and Wharfedale towns is different to that of the City of Bradford itself.
 - There is also the part of the Vale of York to the north east of York around Malton. The evidence is that there is a local housing and labour market focused on Malton. There is a reasonable expectation however that over time Malton will become more functionally integrated with York, as the closest major urban centre.

The Humber Sub-Region

34. The Humber sub-region has a well-defined pattern of sub-regional housing markets, based on the three main urban centres within the sub-region.
35. Based on analysis of 2001 Census data, the Hull housing market comprises the City of Kingston-upon-Hull and extends out into the East Riding embracing Beverley to the north, as far as North Cave to the west and the coastal area south of Hornsea. In 2001 there was relatively little interaction between the Hull housing market and the southern side of the Humber and this is not thought to have changed in the last 5 years.
36. The reach of the Hull housing market may have increased since 2001, since there has been a significant level of job growth in the City. If this growth is sustained in future, then Hull will become an even greater focus of travel to work patterns in the East Riding, and the reach of the functional labour and housing markets are likely to grow. There might be some modest increase in connectivity between the north and south banks of the Humber.
37. However the East Riding is a particularly large authority and not all of the East Riding can be deemed to fall within the area of the Hull housing market.
 - The area including Bridlington and Drifffield, in the north east corner of East Riding, has its own local housing and labour market. In this it is similar to Scarborough and Whitby in North Yorkshire, and can therefore be thought of as being part of the coastal character zone.
 - Goole also has its own local housing and labour market, with little evidence of significant linkage to Hull. Indeed it is probable that Goole will increasingly look west, given job growth in Doncaster, Wakefield and Leeds. Goole is highly accessible from Doncaster and the eastern side of the West Yorkshire conurbation.
 - The northwest corner of the East Riding falls within the York housing market. There is evidence of significant household and commuter movements from and to York from Pocklington and areas close to York that fall within the East Riding.
 - In between these areas are quite substantial areas, albeit with a relatively small population that are rural in character and subject to a number of both purely local influences and longer distance influences from all of the surrounding major urban centres.
38. On the south side of the Humber Estuary there is a well-defined housing market associated with Grimsby/Cleethorpes, including Immingham. This is largely confined to the administrative area of North East Lincolnshire but extends into the immediately adjacent areas of East and West Lindsey. There is also a relatively strong relationship with neighbouring North Lincolnshire in terms of both household migration and travel to work patterns.
39. There is also a well-defined Scunthorpe housing market. This is largely confined to the administrative area of North Lincolnshire but extends into the immediately adjacent areas of West Lindsey, and there is a reasonably strong relationship with settlements in Doncaster. There is also a relatively strong relationship with neighbouring North East Lincolnshire in terms of both household migration and travel to work patterns.

South Yorkshire

40. The pattern of housing markets in South Yorkshire has some parallels with both the structure of housing markets in West Yorkshire and those in the Humber sub-region. While Sheffield is the dominant urban centre, much of the former coalfield area is characterised by a number of sizeable towns located within a short distance of each other. In this respect the area has similarities with the southern part of Wakefield. At the same time Doncaster is a sizable freestanding town akin to those in the Humber sub-region, though rather larger.
39. The analysis of household migration and travel to work patterns from 2001 indicates that Sheffield and Rotherham need to be regarded as a single housing market. The levels of migration across the administrative boundary between Sheffield City Council and Rotherham MBC imply that the principal urban areas of the two local authorities function as a single housing and labour market.
40. This integration will have been further fostered by the significant growth in jobs in both Sheffield and Rotherham since 2001. An additional 15,000 jobs were created in Sheffield between 2001 and 2004 bringing the total to 246,000. In Rotherham an additional 16,000 jobs have been created in the period 2001-04, bringing the total to 105,000 jobs. The area was identified in 1998 as comprising a single travel to work area. In all probability the size of the travel to work area has extended since then.
41. The existence of a single Sheffield and Rotherham housing market is not to deny the fact that there are considerable variations in housing characteristics within the market area. The western side of Sheffield is characterised by high house prices, a high proportion of detached houses and high levels of owner occupation. The centre of the market area is characterised by low prices and high levels of social and private renting. The eastern side has moderate prices.
42. Overall, the Sheffield/Rotherham sub-region is reasonably well defined and integrated, although small settlements on the market's fringes, particularly on the southern and northern side of Rotherham, show signs of being more autonomous.
43. To the east, Doncaster displays a reasonably high level of self-containment in terms of both household movements and travel to work patterns. There is a bias in household movements to and from settlements to the east of the town, such as Thorne, Stainforth, Hatfield, Armthorpe and Bessacarr. An additional 10,000 jobs have been created in the period 2001 to 2004 which will have reinforced the importance of Doncaster as an employment centre.
44. The likely implication is that the Doncaster Travel to Work Area has grown since it was last delineated in 1998. With the development of Robin Hood International Airport, further job growth can reasonably be expected. The influence of the Doncaster labour market and with it the extent of the Doncaster housing market can be expected to increase. Given job growth in Rotherham and Sheffield, the growing influence of the Doncaster housing market will probably affect areas to the east and south of Doncaster.
45. There are a number of reasonably sizable settlements on the eastern borders of Doncaster and Rotherham, notably Maltby, Mexborough and Conisbrough. Household movements and travel to work patterns indicate that these settlements relate to each other and areas just across the border in the adjacent authority. Similarly Thurnscoe is quite a sizable settlement just over the Doncaster boundary in Barnsley. There seems to be a pattern of household movement and to a lesser extent travel to work patterns that link these settlements in the Dearne Valley.

46. In 2001 Barnsley exhibited a high level of self-containment in terms of household movements, indicating that, notwithstanding different characteristics of different parts of the Borough, it can be regarded as a single sub-regional housing market. There is also a very well defined concentration of travel to work movements focused on the town of Barnsley itself, which suggests that it is still appropriate to believe there is a Barnsley travel to work area.
47. However growth in employment in Sheffield and Rotherham to the south, and Wakefield and Leeds to the north may have led to growing out-commuting since 2001. In time these changes in travel to work patterns may feed through into the housing market, and foster increasing integration with the housing markets to the north and south. However distinctive housing characteristics may slow integration with adjacent housing markets.

Conclusion

48. The map overleaf shows the broad pattern of housing markets. The dotted lines are intended to be illustrative of the size and extent of each market, but it must be recognised that the influence of different centres declines with distance without there being any hard and fast cut off where that influence disappears. The arrows show the expected direction in which the influence of the major markets will extend. Shading is used to draw attention to the core area within each sub-regional housing market and delineate the broad extent of the character areas.

Please note that the maps referred to in this report have been separated from it to allow the Assembly to load this on their website. If you would like a copy of these, please contact the Assembly on 01924 331592, email: mail@yhassembly.gov.uk