

Defining the Housing Market Area

Updated Technical Paper for Tandridge District Council

June 2018

Contents

1.	Introduction	1
2.	Migration	3
3.	House Prices	11
4.	Neighbouring Authorities' Evidence	16
5.	Conclusions and Recommendations	24
Appendix 1: Original Technical Paper (September 2015)		

1. Introduction

- 1.1 Turley has been commissioned by Tandridge District Council ('the Council') to update the suite of five housing technical papers¹ produced in 2015, which have formed part of the Council's Strategic Housing Market Assessment (SHMA) evidence base since their publication. Updated papers are required by the Council to inform the ongoing preparation of the Local Plan and to ensure that account is taken of the latest available evidence.
- 1.2 This paper provides an updated review of the housing market area (HMA), building upon and where possible updating the analysis presented in the previous technical paper² which is included in full at **Appendix 1**. This paper is not intended to replace or fully supersede the earlier analysis, which should be read alongside this update and is referenced as appropriate throughout.

Policy Framework and Guidance

- 1.3 Like the previous analysis, this paper has been prepared to comply with the current National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). It is acknowledged that the Government recently consulted on a revised version of the NPPF, with supporting proposed amendments to the PPG published in draft form as part of this consultation. The proposals for the implementation of the revised NPPF indicate that plans submitted within six months of the date of its final publication will not expected to take any account of the revisions. It is understood that the Council aims to submit its Local Plan during 2018, and therefore within this window. For context, however, reference is made where appropriate to the implications of the proposed revisions.
- 1.4 Of relevance to the identification and definition of the HMA, the PPG currently requires housing needs to be assessed within housing market areas³. This paper therefore provides an updated assessment as to the appropriate HMA which should be used in setting the district's housing need in its wider context, and for the purpose of the Council's Duty to Co-operate discussions relating to housing needs.
- 1.5 It is, however, apparent that the draft NPPF and its proposed introduction of a new standard method for calculating housing needs – which is to be applied consistently for individual authorities – is seen by the Government to move the '*focus away from housing market areas*'⁴. Nonetheless, there remains acknowledgement from Government that '*in most instances such areas are the most appropriate geographies*

¹ Separate technical papers were produced on defining the housing market area; analysis of market signals; addressing the needs of all household types; affordable housing needs assessment; and review of Inspectors' decisions on SHMAs and OAN

² Turley (2015) Defining the Housing Market Area – Technical Paper for Tandridge District Council

³ PPG Reference ID 2a-008-20140306

⁴ DCLG (September 2017) Planning for the right homes in the right places: consultation proposals, paragraph 68

over which to produce a statement of common ground”⁵ on cross-boundary matters of strategic importance.

- 1.6 The Government’s proposed updates to the PPG⁶ do not include specific reference to the methodology for defining HMAs. It is not explicit, however, as to whether elements of the current PPG relating to this aspect are to be retained or removed altogether. At the current point in time, it is therefore unclear whether the existing guidance on the approach to defining housing market areas⁷ will be retained or revised alongside the new standard methodology for calculating local housing needs.

Scope of this Update

- 1.7 This paper presents updated evidence on:

- Migration flows between Tandridge and other authorities, reflecting the Office for National Statistics’ (ONS) continued release of internal migration data (**section 2**);
- House prices, given the continued transaction of sales and its potential to highlight areas characterised by ‘*clearly different price levels*’ as acknowledged in the PPG⁸ (**section 3**); and
- Neighbouring authorities’ housing market area definitions, based on a review of their published evidence base (**section 4**).

- 1.8 **Section 5** of this paper subsequently provides updated conclusions and recommendations on the extent of the HMA within which Tandridge is located, taking full account of the latest available information. This continues to draw upon the ‘*contextual data*’ presented in section 4 of the original paper (Appendix 1), which remains the most up-to-date data of this type available.

⁵ *Ibid*, paragraph 68

⁶ MHCLG (March 2018) Draft Planning Practice Guidance

⁷ PPG Reference ID 2a-011-20140306

⁸ *Ibid*

2. Migration

- 2.1 The original paper presented analysis of migration, drawing upon the 2011 Census and its recording of individuals' movements in the preceding year. The analysis focused both on the extent to which moves within Tandridge were self-contained and the strength and direction of key migration flows to and from the district.
- 2.2 The Census remains the only official dataset which can be used to calculate the self-containment of moves, and the analysis in the original paper therefore remains up-to-date on this basis. This indicated that around 37% of individuals moving from an address in Tandridge remained in the district, and circa 39% of those moving to addresses in the district originated therein. Each fell below the 70% threshold cited by the PPG⁹, suggesting a comparatively low level of containment in this regard.
- 2.3 Whilst the analysis using the Census migration flow data cannot be updated, the Office for National Statistics (ONS) does produce annual data on the movement of people between local authorities¹⁰, based on its analysis of the NHS Patient Register, the NHS Central Register and data from the Higher Education Statistics Agency (HESA).
- 2.4 Whilst this is acknowledged as being less comprehensive than the Census, this section uses this data to appraise how migration flows may have changed more recently and identify whether there is any significant evidence to challenge the conclusions of the original paper as to the authorities with the strongest migratory relationships with Tandridge.

Moves from Tandridge

- 2.5 The table overleaf summarises the ten authorities to have received the largest absolute number of individuals moving from Tandridge, over the past five years (2011 – 2016). The average annual flow from the district is presented.

⁹ PPG Reference ID 2a-011-20140306

¹⁰ ONS (2017) Internal migration – matrices of moves between local authorities and regions (including the countries of Wales, Scotland and Northern Ireland)

Table 2.1: Main Destinations for Individuals Moving from Tandridge (2011 – 2016)

Authority	Average annual moves from Tandridge 2011 – 2016
Reigate and Banstead	520
Croydon	500
Mid Sussex	388
Sevenoaks	232
Wealden	150
Crawley	142
Bromley	106
Horsham	84
Wandsworth	78
Brighton and Hove	70

Source: ONS

- 2.6 Reigate and Banstead has represented the main destination for residents moving out of Tandridge, followed closely by Croydon. The original paper similarly identified comparatively large numbers of residents moving to these authorities, in its analysis of 2011 Census data at Figure 2.1. Mid Sussex and Sevenoaks also continue to feature amongst the main destinations of out-migrants from Tandridge.
- 2.7 Although Wealden has accommodated the fifth largest outflow from Tandridge over the past five years, it did not feature amongst the ten largest flows recorded at the 2011 Census. Although caution should be exercised in directly comparing the analyses – given the more comprehensive coverage of the Census – this could be indicative of an increasingly important migration relationship between Tandridge and Wealden.

Moves to Tandridge

- 2.8 The following table quantifies the average annual inflow to Tandridge from other authorities, over the past five years (2011 – 2016). As above, this is limited to the ten largest flows for clarity.

Table 2.2: Main Places of Origin for Individuals Moving to Tandridge (2011 – 2016)

Authority	Average annual moves to Tandridge 2011 – 2016
Croydon	1,274
Reigate and Banstead	564
Bromley	242
Mid Sussex	216
Sutton	214
Sevenoaks	170
Wandsworth	144
Crawley	128
Lambeth	110
Merton	98

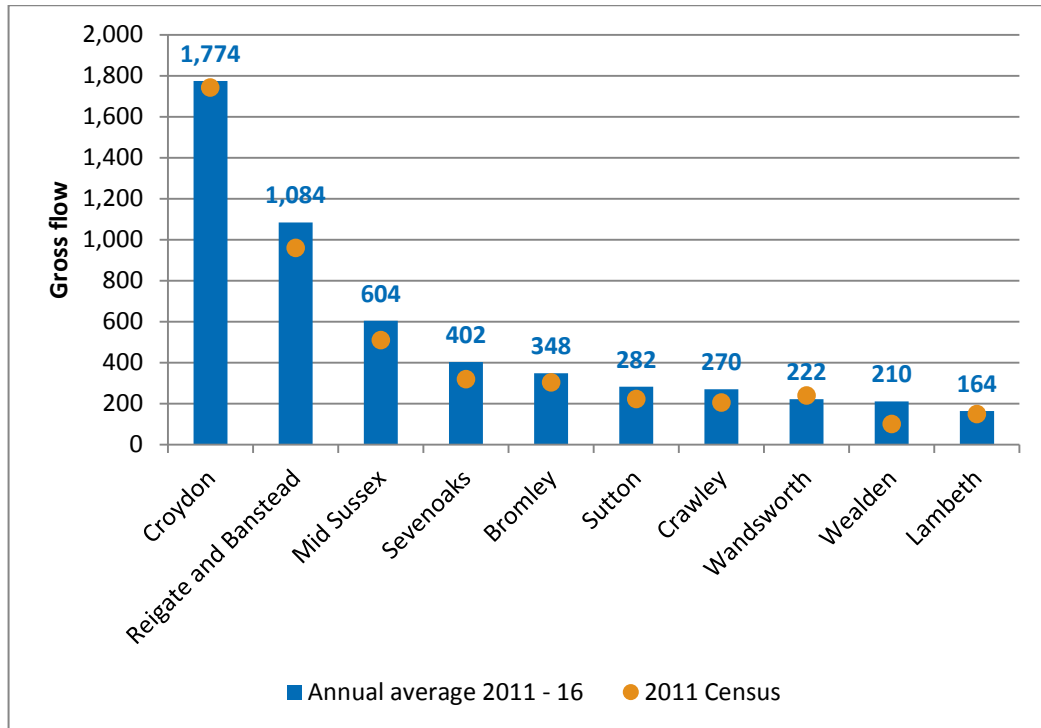
Source: ONS

- 2.9 A large inflow of people from Croydon has been recorded over recent years, which on average is more than double the size of the next largest inflow from Reigate and Banstead. The strength of this relationship with Croydon was previously acknowledged in the original paper, based on its analysis at Figure 2.3.
- 2.10 Indeed, the authorities listed above relatively closely correlate with those previously identified, with Reigate and Banstead continuing to rank second. The relative scale of flows recorded from Bromley, Mid Sussex and Sutton similarly continues the trend recorded by the 2011 Census.

Gross Migration Flows

- 2.11 The original paper sought to understand the strength of the relationship between Tandridge and other authorities, through the calculation of a gross migration flow which summed both in and outflows. This has been updated overleaf, based on the average annual flows recorded over the past five years (2011 – 2016). The ten largest gross flows have been identified, with the values recorded by the 2011 Census – and presented at Figure 2.6 of the original paper – overlaid for context.

Figure 2.1: Largest Gross Annual Average Migration Flows (2011 – 2016)



Source: ONS

- 2.12 The above continues to highlight the particularly large volume of people moving between Tandridge and Croydon, in line with the trend observed at Figure 2.6 of the original paper. Indeed, the absolute scale of this annual gross flow closely aligns with that recorded during the year before the 2011 Census (1,743), suggesting a relatively consistent relationship in terms of migration.
- 2.13 Reigate and Banstead, Mid Sussex, Sevenoaks and Bromley continue to feature amongst the five strongest relationships implied by this measure, with no change in their respective positions. However, there does appear to have been an increase in the number of moves between Tandridge and each authority since the position recorded by the 2011 Census. This ranges from a 13% increase in Reigate and Banstead to an increase of 26% in Sevenoaks.
- 2.14 Wealden is the sole authority listed above not to have been previously identified in the comparable analysis presented in the original paper, with the district displacing Mole Valley amongst the top ten. This suggests an increasingly strong migration relationship between Tandridge and Wealden, albeit at a level which is notably lower than those authorities identified as consistently having the strongest relationships.

Net Migration Flows

- 2.15 The calculation of net migration flows illustrates the extent to which flows are balanced, or weighted in one direction. The following table presents the ten largest net inflows to and outflows from Tandridge, over the past five years (2011 – 2016).

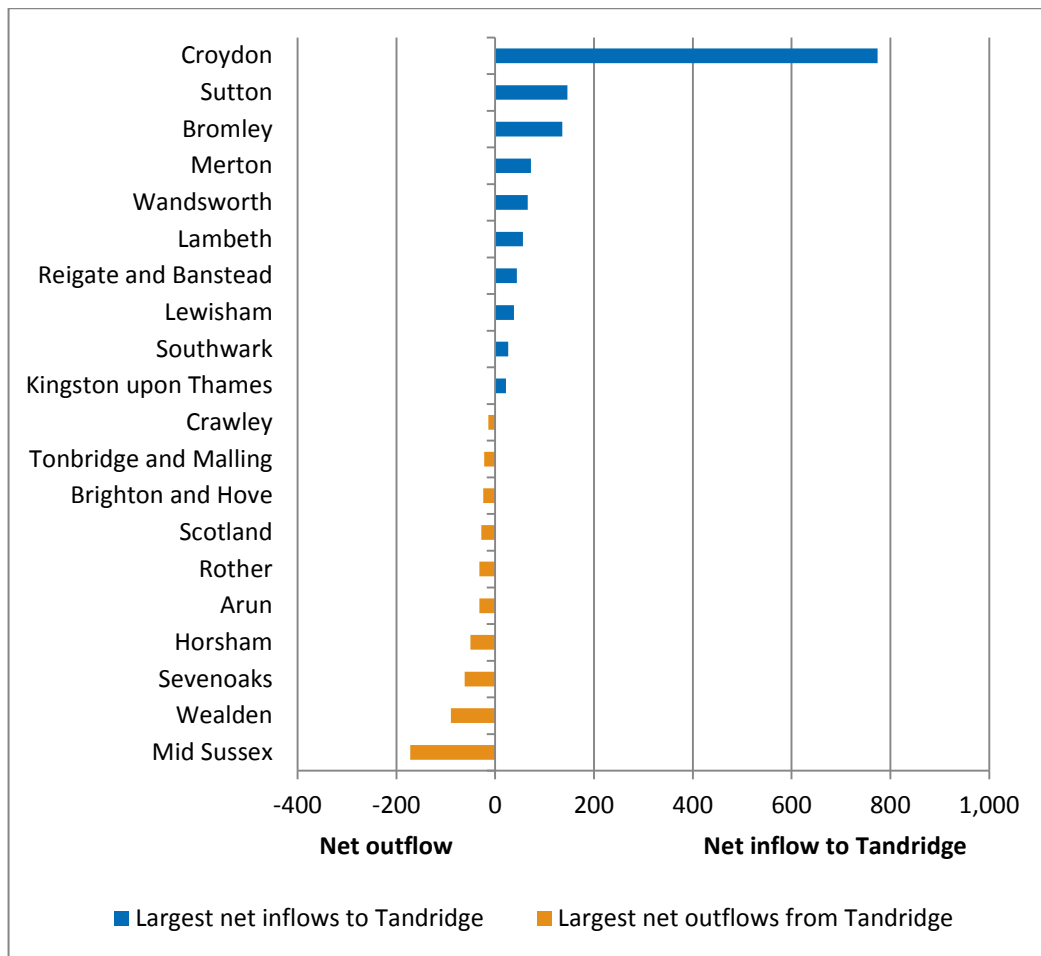
Table 2.3: Net Annual Average Migration to and from Tandridge (2011 – 2016)

Authority	Annual net inflow to Tandridge 2011 – 2016	Authority	Annual net outflow from Tandridge 2011 – 2016
Croydon	774	Mid Sussex	-172
Sutton	146	Wealden	-90
Bromley	136	Sevenoaks	-62
Merton	72	Horsham	-50
Wandsworth	66	Arun	-32
Lambeth	56	Rother	-32
Reigate and Banstead	44	Scotland	-28
Lewisham	38	Brighton and Hove	-24
Southwark	26	Tonbridge and Malling	-22
Kingston upon Thames	22	Crawley	-14

Source: ONS

- 2.16 The respective scales of the above flows are further illustrated overleaf.

Figure 2.2: Largest Net Annual Migration Flows to and from Tandridge (2011 – 16)



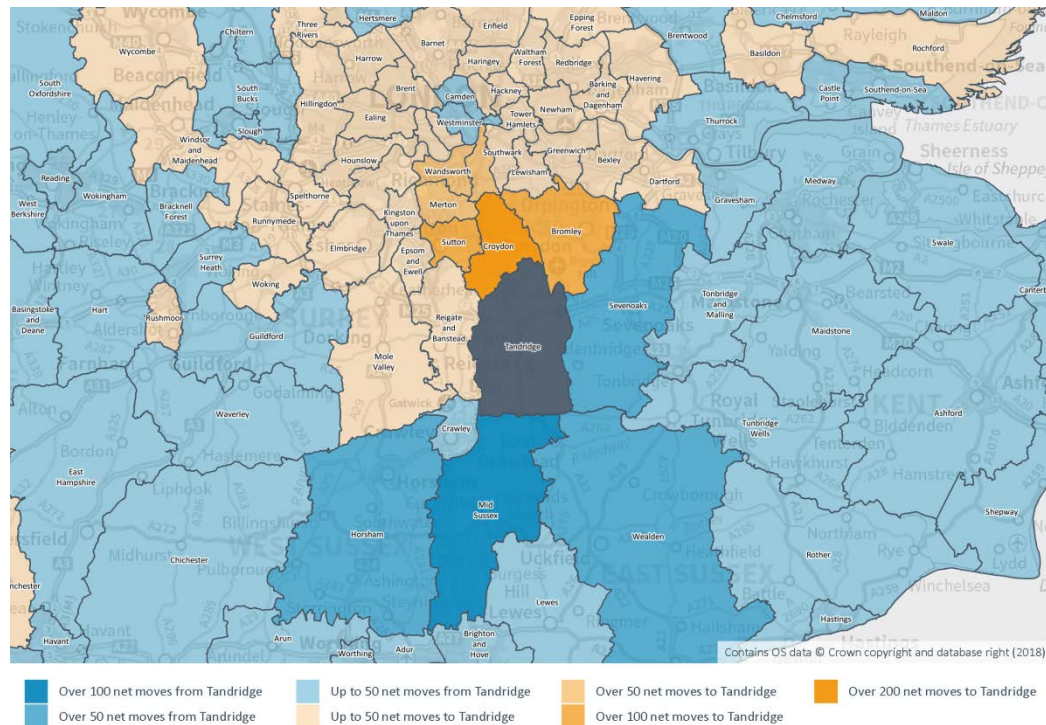
Source: ONS

- 2.17 As with the analysis of 2011 Census data, the scale of the net inflow from Croydon remains a defining feature of its relationship with Tandridge. This confirms that the volume of people moving into the district from Croydon is not counterbalanced by residents moving in the opposite direction. Tandridge evidently shares similar relationships with a number of London boroughs, albeit to a lesser extent.
- 2.18 Reigate and Banstead is the only non-London borough to feature amongst the ten largest net migration flows to Tandridge. This notably contrasts with the position implied by the 2011 Census, given that Figure 2.5 of the original paper highlighted a strong net *outflow* from Tandridge during that year. This suggests that migration between the two authorities has been more balanced over recent years, with moves to Tandridge from Reigate and Banstead beginning to outnumber those in the opposite direction.
- 2.19 The prevalent direction and balance of recent moves from Tandridge to Mid Sussex is in line with that suggested by the 2011 Census, with the relationship with Wealden also continuing to be characterised by its net outflow from Tandridge. Sevenoaks did not previously feature amongst the ten largest net flows recorded in either direction at the

2011 Census, indicating that recent years have seen an increased net outflow from Tandridge to Sevenoaks.

- 2.20 The following plan updates Figure 2.4 of the original paper and shows illustrates spatial patterns in the net migration flows between Tandridge and other authorities over recent years.

Figure 2.3: Net Migration to and from Tandridge (2011 – 2016)



Source: ONS

- 2.21 This continues to illustrate the extent to which Tandridge receives a net inflow of migrants from authorities immediately to the north, most notably from south London but also from other parts of the capital. A net inflow is also received from authorities directly to the west.
- 2.22 In contrast, Tandridge typically sees more of its residents move to authorities immediately to the south and east than move in the opposite direction, resulting in a net outflow to many of these authorities. This is particularly evident when considering its relationship with Mid Sussex, Horsham, Sevenoaks and Wealden with lesser net flows also evidenced with authorities further out to the south and east.
- 2.23 This spatial trend is largely unchanged from that implied by the Census and considered in the original paper, with the exception of the aforementioned changing direction of the net flow with both Reigate and Banstead and Sevenoaks.

Summary

2.24 The 2011 Census remains the most recent and comprehensive data source for migration flows. This section does not, therefore, seek to update the analysis of self-containment levels in the 2015 topic paper which remains pertinent in considering the geographical extent of the HMA. This confirmed that the district showed a low level of containment when set against the 70% threshold cited by the PPG. It has, however, been possible to consider updated evidence on migration flows between Tandridge and other authorities. In summary, this has found that:

- There remains recent evidence of relatively large flows of people **moving from Tandridge** to neighbouring Reigate and Banstead, Croydon, Mid Sussex and Sevenoaks, as identified in the original paper. There also appears to be an increasingly significant outflow to Wealden, which did not feature prominently in the original analysis;
- Those authorities previously identified as places from which large numbers of people **move to Tandridge** continue to feature strongly in the updated analysis presented in this chapter. There remains evidence of a strong inflow from Croydon, which is more than double the size of the next largest inflows from Reigate and Banstead, Bromley, Mid Sussex and Sutton;
- When considering **gross flows** in either direction, there continues to be a large volume of people moving between Tandridge and Croydon. Reigate and Banstead, Mid Sussex, Sevenoaks and Bromley continue to feature amongst the five strongest relationships implied by this measure. Wealden is the sole authority not to have been previously identified amongst the ten strongest relationships in the original paper, suggesting an increased volume of flows with Tandridge; and
- In terms of **net migration**, the relationship with Croydon is defined by its net inflow to Tandridge. Though to a lesser extent, the district shares similar relationships with a number of London boroughs, and indeed a large number of authorities to the north and west. A comparatively large net inflow from neighbouring Reigate and Banstead in particular has been annually recorded over the past five years, contrasting with the net outflow implied by the 2011 Census. In contrast, there has been a net outflow from Tandridge to a number of authorities to the south and east, most notably to Mid Sussex, Wealden and Sevenoaks.

3. House Prices

- 3.1 Section 3 of the original paper presented spatial analysis of house price trends, with the PPG highlighting the potential to identify areas characterised by *'clearly different price levels'*¹¹. This provides a *"market-based" reflection of housing market area boundaries'*¹².
- 3.2 The original paper found that the settlements of Oxted, Woldingham, Limpsfield and Warlingham were characterised by higher values, and demonstrated some commonality with Bromley and Sevenoaks. Caterham was also found to share some similarity with the values seen in nearby Coulsdon (Croydon) and Merstham (Reigate and Banstead). However, there was an identified general trend whereby broad commonality in values could be seen with those areas immediately adjoining Tandridge, which suggested a sharing of market characteristics and a degree of overlap with neighbouring areas.
- 3.3 Since the original paper was produced, the continued transaction of house sales facilitates an updated analysis of house prices. This section therefore provides an updated spatial portrait of the housing market based on sales recorded in the latest calendar year of 2017.

Average Price Paid

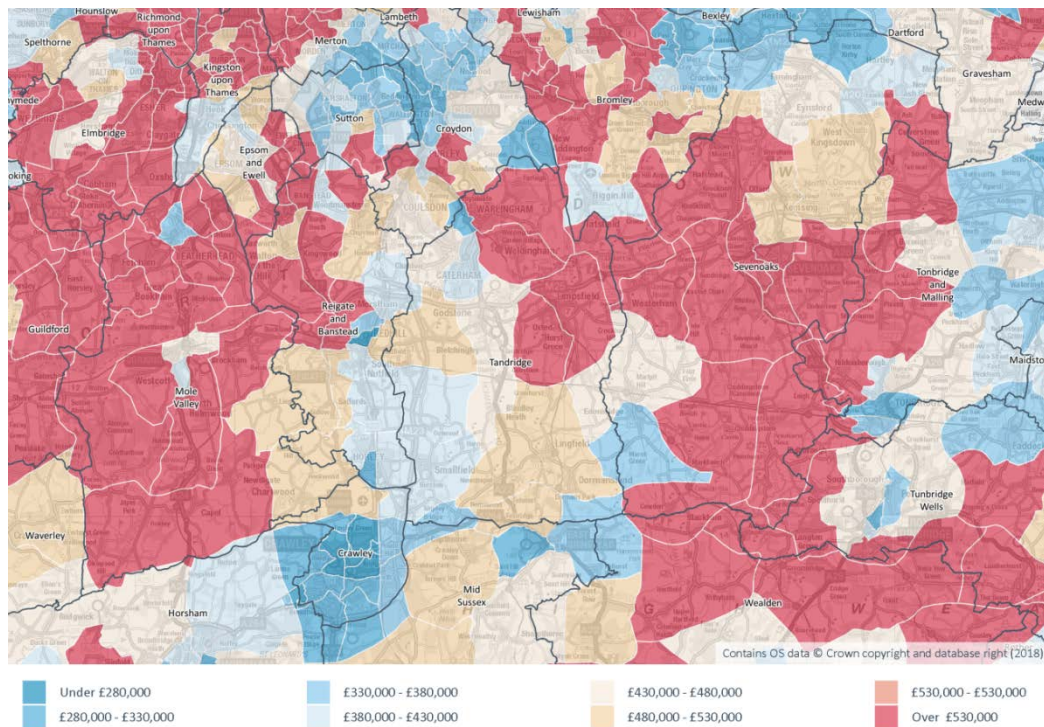
- 3.4 The plan overleaf shows average house prices in Tandridge and its neighbouring local authorities, based on sales during the calendar year of 2017, broken down by postcode sector averages. This directly updates Figure 3.1 of the original paper, with postcode sectors grouped according to identical categories to enable direct comparison¹³.

¹¹ PPG Reference ID 2a-011-20140306

¹² *Ibid*

¹³ Categories were defined to illustrate variance from what was then the average house price of approximately £430,000

Figure 3.1: Average Price Paid by Postcode Sector, 2017



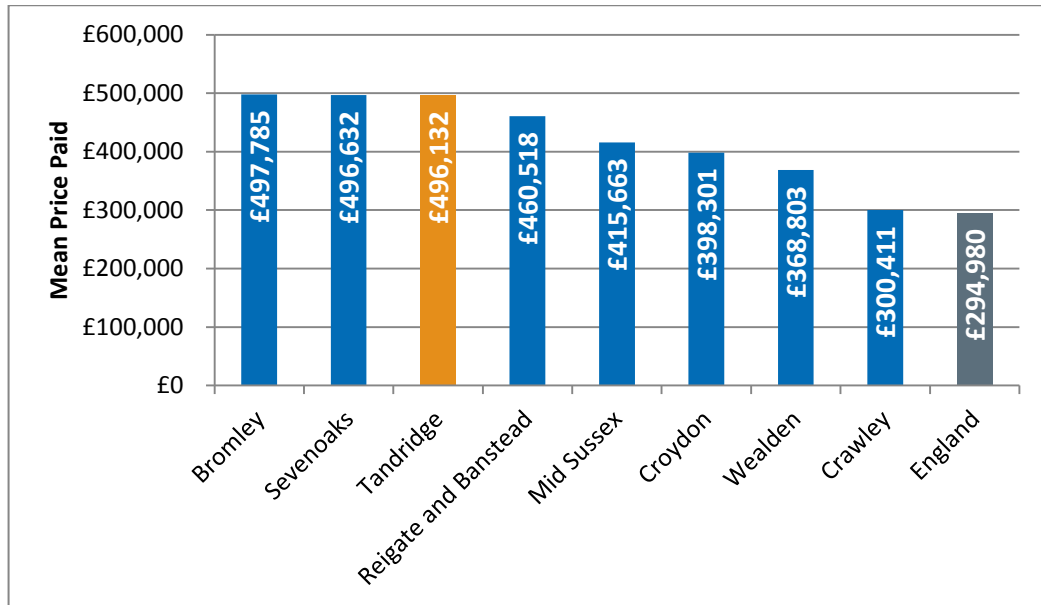
Source: Turley analysis of Land Registry data, 2017

- 3.5 As was remarked upon in the original paper, Tandridge can be seen to operate within two HMAs based on house prices, with higher values seen in Oxted, Woldingham, Limpsfield and Warlingham to the north and north east of the district, with relatively lower values being seen in areas such as Caterham and Burstow to the north west and south. As outlined previously, there remains broad continuity in values in adjoining areas, although house prices are notably higher in Tandridge than the areas to its north and north east where it meets the neighbouring boroughs of Croydon and Bromley.

Change in Average House Prices

- 3.6 The same Land Registry data provides an updated position on the average price paid in Tandridge and each neighbouring authority, enabling an updated understanding of recent change.
- 3.7 As highlighted in the updated market signals paper, an average of £496,132 was paid for housing in Tandridge during 2017. The chart overleaf shows that this exceeds the average price paid in all but two surrounding authorities. It can also be seen that the price paid in each of the listed authorities exceeds the national average.

Figure 3.2: Average Price Paid, 2017



Source: Turley analysis of Land Registry data, 2017

- 3.8 As noted in the market signals paper, the average price paid in Tandridge has increased by around 16% since 2014. The following table confirms that this closely aligns with the growth seen in neighbouring Wealden over the same period. Stronger price growth was seen in Croydon, Crawley, Bromley and Mid Sussex, albeit each increased from a lower base than Tandridge. Indeed, it is evident that prices in Croydon and Crawley were previously the lowest in the area, with the particularly strong growth seen since suggesting a degree of alignment to more closely resemble house prices in other nearby areas.

Table 3.1: Change in Mean House Prices, 2014-2017

	2014	2017	% Change 2014-17
Croydon	£300,737	£398,301	32.4%
Crawley	£239,207	£300,411	25.6%
Bromley	£397,572	£497,785	25.2%
Mid Sussex	£336,124	£415,663	23.7%
Tandridge	£428,012	£496,132	15.9%
Wealden	£318,315	£368,803	15.9%
Sevenoaks	£432,835	£496,632	14.7%
Reigate and Banstead	£402,509	£460,518	14.4%
England	£264,350	£294,980	11.6%

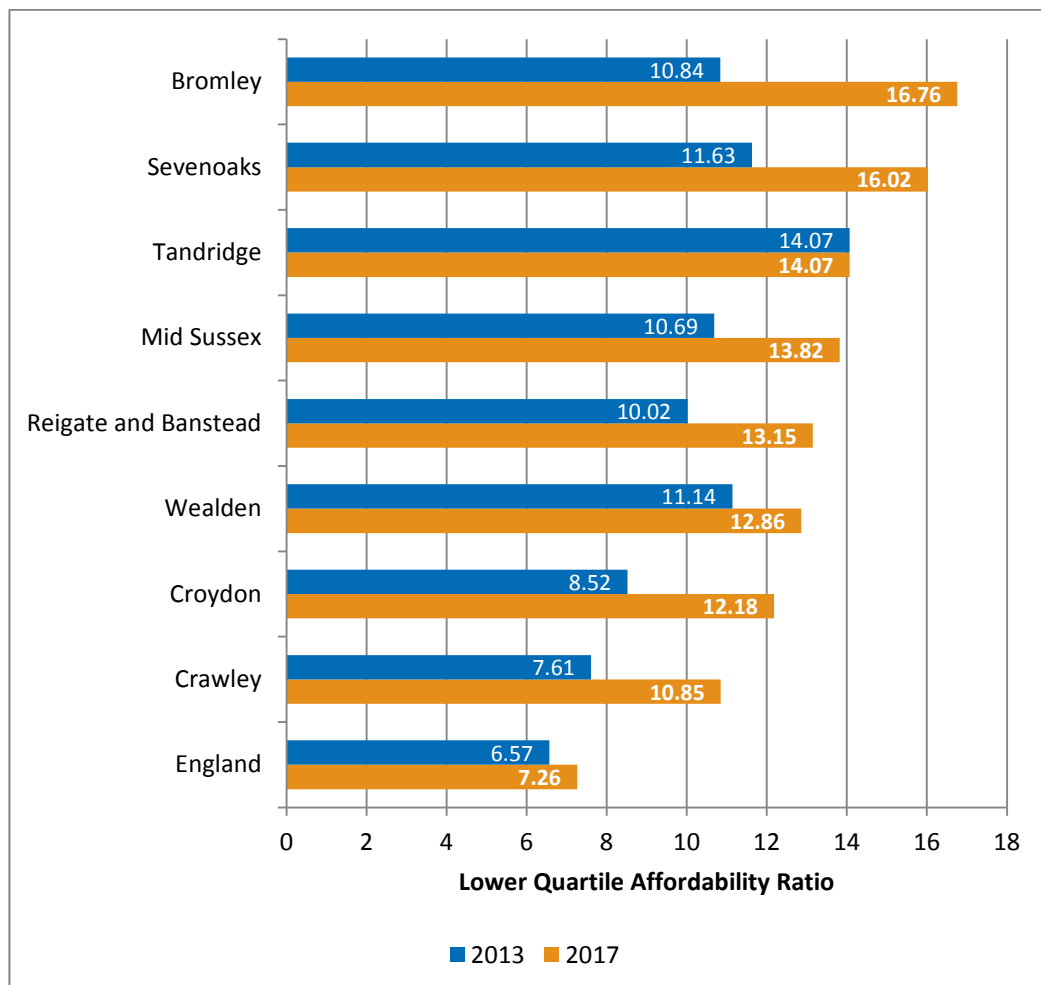
Source: Turley analysis of Land Registry Data, 2014-2017

- 3.9 Collectively it is apparent that the authorities all show a shared characteristic of high house price growth when compared to the national average, noting that prices in 2014 were already above the absolute average for England.

Affordability

- 3.10 An analysis of affordability ratios was included in the original paper. These provide an important additional context on the operation of the housing market, directly reflecting the relationship between housing demand and supply. They can also give a measure of standardising house prices, seeing as this can show the price that people pay for housing relative to their earnings.
- 3.11 The following chart shows the ratio between lower quartile house prices and earnings in 2017, drawn from ONS data. This is compared with the ratio from 2013, given that this was the latest year presented in the original paper.

Figure 3.3: Lower Quartile Affordability Ratios, 2013 – 2017



Source: ONS, 2018

- 3.12 Each of the authorities identified above have seen a worsening in the relationship between lower quartile house prices and earnings since 2013. However, whilst

Tandridge was previously less affordable than all of its neighbours, Sevenoaks and Bromley now exhibit a greater imbalance between house prices and earnings following a relatively significant recent worsening. Tandridge remains amongst the least affordable authorities in the area, albeit its ratio has largely stayed constant over recent years.

4. Neighbouring Authorities' Evidence

- 4.1 Section 5 of the original paper reviewed housing evidence commissioned by neighbouring authorities, in order to summarise evidenced HMA geographies and identify instances where such areas may overlap into Tandridge.
- 4.2 A comparable exercise has been completed to inform this update, and is summarised within this section.

Bromley

- 4.3 Aside from the new London SHMA¹⁴ – produced in 2017 and separately summarised later in this section – the 2014 South East London SHMA¹⁵ referenced in the original paper remains the latest published for Bromley. This covers the borough as well as neighbouring Bexley, Greenwich, Lewisham and Southwark.
- 4.4 As previously noted, the SHMA included a review of housing market area indicators, but suggested that the thresholds for self-containment cited in the PPG are not appropriate in London. This reflected its numerous economic focal points, longer commuting distances and the complexity of the public transport network. The geographic scope of the study therefore reflected historic joint-working and linkages, but expected boroughs to take account of key relationships with other local authorities through their respective plan-making processes.

Crawley

- 4.5 The original paper noted longstanding evidence that Crawley forms part of the wider Northern West Sussex housing market area, which extends to include Horsham and Mid Sussex. Several housing evidence base studies have been jointly commissioned across this geography, most recently in 2014. This was acknowledged in the original paper, and remains the latest evidenced position¹⁶.
- 4.6 The Crawley Local Plan has since been found sound and adopted in December 2015. The definition of the housing market area was not contested by the Inspector in his report¹⁷. The adopted Local Plan acknowledges an unmet need for approximately 5,000 homes over its plan period (2015 – 2030) and confirms the Council's intention to work closely with its neighbours – particularly those in Northern West Sussex – to explore how this need can be met in sustainable locations¹⁸.
- 4.7 The Inspector's report on the Mid Sussex Local Plan in March 2018 provided an update on this joint working. This took account of the contribution made in the Horsham District Plan and aligned variant plan periods to identify a remaining unmet need for

¹⁴ GLA (2017) The 2017 London Strategic Housing Market Assessment

¹⁵ South East London Housing Partnership and Cobweb Consulting (2014) South East London Strategic Housing Market Assessment

¹⁶ Chilmark Consulting (2014) Affordable Housing Needs Model Update

¹⁷ Planning Inspectorate (2015) Report on the Examination into Crawley Borough Local Plan 2015 – 2030

¹⁸ Crawley Borough Council (2015) Crawley Borough Local Plan 2015 – 2030, Policy H1

2,025 dwellings. A further 525 dwellings were discounted to allow for ‘housing delivery in Crawley itself...running ahead of the plan’s trajectory, in part because of office to residential conversions’ and to reflect the potential scope ‘for accommodating some of Crawley’s unmet need in other adjacent authorities outside the HMA’¹⁹. The remaining unmet need for around 1,500 dwellings – or 214 homes per year – was added to the housing requirement for Mid Sussex.

- 4.8 This indicates that an unmet need for 525 dwellings remains within the Northern West Sussex housing market area, although the extent to which the Inspector envisaged this being met through elevated housing delivery in Crawley or in other adjacent authorities is not clear.

Croydon

- 4.9 The original paper highlighted the Council’s then-ongoing preparation of a new SHMA, which – though finalised in June 2015 – was not available at the time of its publication.

- 4.10 The SHMA has since been published, and contains analysis of housing market linkages in Croydon. The SHMA highlights the borough’s location within the wider London market, but further seeks to specifically consider the local markets in which Croydon operates.

- 4.11 While recognising the continued influence of London, the SHMA concludes that:

*“Strong links are still clearly evident between Croydon and Tandridge, Sutton, Bromley and Lambeth. The evidence points towards a strong set of relationships in regards to migration between Croydon and these authorities, although commuting patterns suggest that only Sutton and Tandridge are strongly aligned with Croydon. Finally only Sutton broadly aligns on review of house prices”*²⁰

- 4.12 It identifies a ‘potential case’ for including Tandridge and Sutton within its geographic scope, but recognises that ‘these areas are more closely related to Reigate and Banstead and Epsom and Ewell respectively’²¹.

- 4.13 As a consequence, the ‘preparation of a SHMA for Croydon alone’ was considered to be appropriate²². The SHMA informed the development of the Croydon Local Plan, which has since been submitted and formally adopted earlier this year²³. In finding the Local Plan sound, the Inspector did not challenge the geographic scope of this evidence, and expressed a view that ‘London is a single housing market’. Planned housing provision was seen to represent ‘a component in a London-wide housing market’ which is to be ‘considered in future iterations of the London Plan’²⁴.

¹⁹ Planning Inspectorate (2018) Report on the Examination of the Mid Sussex District Plan 2014 – 2031, paragraph 23

²⁰ GL Hearn (June 2015) Croydon Strategic Housing Market Assessment, paragraph 4.42

²¹ *Ibid*, paragraph 4.43

²² *Ibid*, paragraph 4.43

²³ London Borough of Croydon (2018) Croydon Local Plan

²⁴ Planning Inspectorate (2018) Report on the Examination of the Croydon Local Plan Strategic Policies – Partial Review and the Croydon Local Plan Detailed policies and Proposals, paragraphs 62 – 64

Mid Sussex

- 4.14 As identified in the original paper, Mid Sussex forms part of the wider Northern West Sussex housing market area, which also covers Crawley and Horsham. This definition was confirmed within individually commissioned evidence produced in 2015, as previously noted.
- 4.15 The Mid Sussex District Plan²⁵ was adopted in March 2018. The Inspector's report references the Northern West Sussex housing market area on a number of occasions, and does not challenge its definition. His proposed modifications explicitly describe this area as the '*primary HMA*' for Mid Sussex²⁶.
- 4.16 The Inspector made clear his view that Tandridge is not in the same housing market area as Mid Sussex, and – for the purposes of contributing towards unmet housing needs – therefore attributed '*first priority*' to those authorities which share the Northern West Sussex and Coastal West Sussex housing market areas²⁷.
- 4.17 The latter overlaps with the southern part of Mid Sussex, which has led the Council to participate in the Coastal West Sussex and Greater Brighton Strategic Planning Board²⁸. This comprises of Adur and Worthing Councils, Arun District Council, Chichester District Council, the South Downs National Park Authority, Brighton & Hove City Council and Lewes District Council²⁹.

Reigate and Banstead

- 4.18 The original paper confirmed the historic identification of Reigate and Banstead as part of the East Surrey housing market area, which extended to include Tandridge, Epsom, Elmbridge and Mole Valley. A SHMA was subsequently produced in 2012 for Reigate and Banstead alone, which was found to form a sound basis for the NPPF-compliant Core Strategy ahead of its adoption in July 2014. This evidence remains the latest published by the Council.
- 4.19 Preparation of the Development Management Plan has been ongoing, and – given its focus – has not required the production of new evidence which reconsiders the housing market area definition. It is understood that the Council intends to commence a review of the Core Strategy in 2019³⁰.

²⁵ Mid Sussex District Council (2018) Mid Sussex District Plan 2014 – 2031 Adoption Version

²⁶ *Ibid*, Policy DP5

²⁷ Planning Inspectorate (2018) Report on the Examination of the Mid Sussex District Plan 2014 – 2031, paragraph 26

²⁸ *Ibid*, paragraph 25

²⁹ Mid Sussex District Council (2018) Mid Sussex District Plan 2014 – 2031 Adoption Version, paragraph 2.21

³⁰ Reigate and Banstead Borough Council (2017) Local Development Scheme

Sevenoaks

- 4.20 The publication of the original paper in September 2015 coincided with the finalisation of a new SHMA for Sevenoaks and Tunbridge Wells³¹, which had been anticipated.
- 4.21 The SHMA observed stronger links between Tandridge and other authorities in Surrey and West Sussex, and concluded that a definition including the towns of Sevenoaks, Tonbridge, Tunbridge Wells and Crowborough would be ‘appropriate’³². However, the defined HMA was best fit to local authority boundaries for practical purposes, leading to joint consideration of Sevenoaks and Tunbridge Wells. Its methodology was, however, consistent with neighbouring Tonbridge and Malling, which was ‘effectively split’ between two housing market areas³³.
- 4.22 The SHMA subsequently confirms that:
- “The principal adjoining authorities with a strong relationship would be Tonbridge & Malling, Wealden and Rother. Equally the commissioning authorities would need to engage with those authorities in respect of any unmet housing needs arising from these other authorities’ areas. We would also advise the Councils to engage with the Greater London Authority and London Boroughs in respect of any unmet needs arising from London”*³⁴
- 4.23 Tandridge is evidently omitted from this list of authorities found to share the strongest relationships with Sevenoaks and Tunbridge Wells.
- 4.24 Although the Council independently published a Local Housing Needs Study³⁵ for Sevenoaks alone in May 2017, this referenced and did not update the housing market area definition established in the 2015 SHMA.

Sutton

- 4.25 While Tandridge does not neighbour Sutton, its evidence base was reviewed in the original paper to reflect the spatial relationship exhibited by migration patterns in particular. The borough’s historic inclusion within the 2009 South West London SHMA³⁶ – which also covered Croydon, Merton, Kingston, Richmond, Wandsworth and Lambeth – was noted, as well as the subsequent SHMA³⁷ produced in May 2015 for Sutton alone. This remains the latest evidence published by the Council.
- 4.26 The Sutton Local Plan was adopted in February 2018, and confirms its approach towards the housing market area definition:

³¹ GL Hearn (2015) Sevenoaks and Tunbridge Wells Strategic Housing Market Assessment

³² *Ibid*, paragraph 3.68

³³ *Ibid*, paragraph 3.69

³⁴ *Ibid*, paragraph 3.72

³⁵ Arc4 (2017) Sevenoaks District 2017 Local Housing Needs Study

³⁶ Ecotec (2009) South West London Strategic Housing Market Assessment

³⁷ GL Hearn (2015) Sutton Strategic Housing Market Assessment

“The London Borough of Sutton’s analysis indicates that the borough is closely linked with the London boroughs of Merton and Croydon and less closely linked with Reigate and Banstead Borough Council. The council has also considered the High Court decision brought by a consortium of London Boroughs...which concluded that treating Greater London as a single housing market was an accepted approach. Therefore, the council considers the borough’s housing need and supply should be considered in the context of Greater London and that the Mayor of London’s London Plan housing borough targets is an effective method to re-assign objectively assessed need to areas with excess capacity across the housing market”³⁸

- 4.27 This approach was accepted by the Inspector within his report, which acknowledged that ‘for planning purposes the capital is a single housing market’³⁹.

Wealden

- 4.28 The original paper noted the then-ongoing preparation of a new SHMA, with its emerging findings indicating that Wealden did not represent a self-contained housing market area.

- 4.29 The SHMA was published in August 2016, and concludes with:

“...the definition of a broader HMA which includes Wealden, Eastbourne and Rother with the addition of Tunbridge Wells, Lewes and Mid Sussex. However, it is not a completely exclusive geography for understanding influences on Wealden as other authorities or parts of authorities may also have some migration, commuting and house price relationships and influences with Wealden, albeit these will be less significant”⁴⁰

- 4.30 It confirms that this definition captures ‘those local authorities which have the strongest and most consistent migration and commuting relationships with Wealden, as well as linkages in house prices and trend’⁴¹.

- 4.31 The SHMA makes clear that:

“...the HMA defined for Wealden in this SHMA is not regarded as a definitive or exclusive HMA and is better understood as a grouping of the local authorities which have the strongest relationships with Wealden. In other words, the HMA defined here is centred around Wealden. It is accepted that there are HMAs which are centred around other centres such as Tunbridge Wells, Hastings and Eastbourne, which overlap with this HMA but may have different local authority inclusion”⁴²

- 4.32 The Council’s evidence therefore indicates that Tandridge is not one of the authorities found to share a strong relationship with Wealden. The wider HMA defined to cover

³⁸ London Borough of Sutton (2018) Sutton Local Plan 2016-2031, p1.1

³⁹ Planning Inspectorate (2018) Report on the Examination of the Sutton Local Plan 2016-2031, paragraph 25

⁴⁰ Bilfinger GVA (2016) Wealden District Council Strategic Housing Market Assessment, paragraph 2.7

⁴¹ *Ibid*, paragraph 2.8

⁴² *Ibid*, paragraph 2.10

each of these authorities continues to be referenced in more recent housing evidence⁴³ produced by the Council, and has not been reviewed.

London

4.33 Reflecting the adjacency of Tandridge and London, the original paper referenced the spatial scope of the then-latest housing evidence produced by the Greater London Authority (GLA).

4.34 The GLA produced a new London SHMA⁴⁴ in November 2017, as part of the evidence to inform the new London Plan. The SHMA immediately clarifies that:

“Like its predecessors, this SHMA looks at housing requirements at the regional London level only, and does not provide any estimates of requirements at the local level. London boroughs have in the past carried out their own assessments of housing need either locally or in sub-regional partnerships. However, because London can be considered as a single housing market area and the London Plan sets capacity-based targets at the local level, the draft new London Plan states that boroughs are not required to carry out their own needs assessments. This is consistent with the view of the Inspector who examined the FALP, whose report stated that it was the role of the London Plan to determine the housing need for London as a whole and to guide the distribution of housing to meet that need...”⁴⁵ (emphasis added)

4.35 The draft new London Plan further confirms that:

“For the purposes of the Plan, London is considered as a single housing market area, with a series of complex and interlinked sub-markets”⁴⁶

4.36 It outlines an aim to ‘accommodate all of London’s growth within its boundaries’, and recognises that:

“As with any successful urban area this does not mean that in- and out-migration will cease, but that as far as possible sufficient provision will be made to accommodate the projected growth within London”⁴⁷

4.37 Although London undoubtedly influences proximate housing markets, for the purposes of plan-making it is clear that the GLA considers the region to be representative of a single housing market area. Its latest stage of consultation indicates that capacity has been identified to accommodate ‘the vast majority’ of its future growth⁴⁸.

⁴³ Regeneris (2017) Wealden OAN Update

⁴⁴ GLA (2017) The 2017 London Strategic Housing Market Assessment

⁴⁵ *Ibid*, paragraph 1.11

⁴⁶ GLA (2017) The Draft London Plan, paragraph 4.1.2

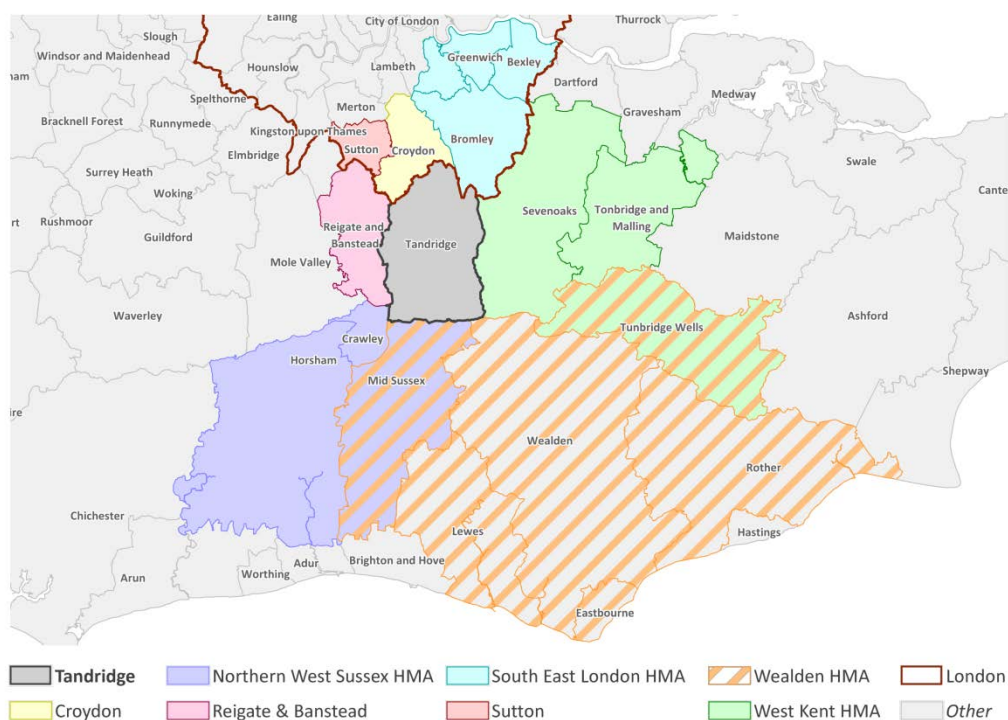
⁴⁷ *Ibid*, paragraph 2.3.1

⁴⁸ *Ibid*, paragraph 2.3.4

Summary

- 4.38 This section continues to indicate that Tandridge falls outside of those defined areas across which housing needs have been assessed in neighbouring authorities. In a number of instances, the geographic scope of these studies has been accepted by Inspectors examining Local Plans.
- 4.39 This is best illustrated through a series of plans. Figure 4.1 presents an up-to-date illustration of the spatial representation of defined HMAs covering the authorities neighbouring Tandridge, thereby replacing Figure 5.2 in the original paper. As noted above, Tandridge continues to fall outside of the spatial areas defined by neighbouring authorities.

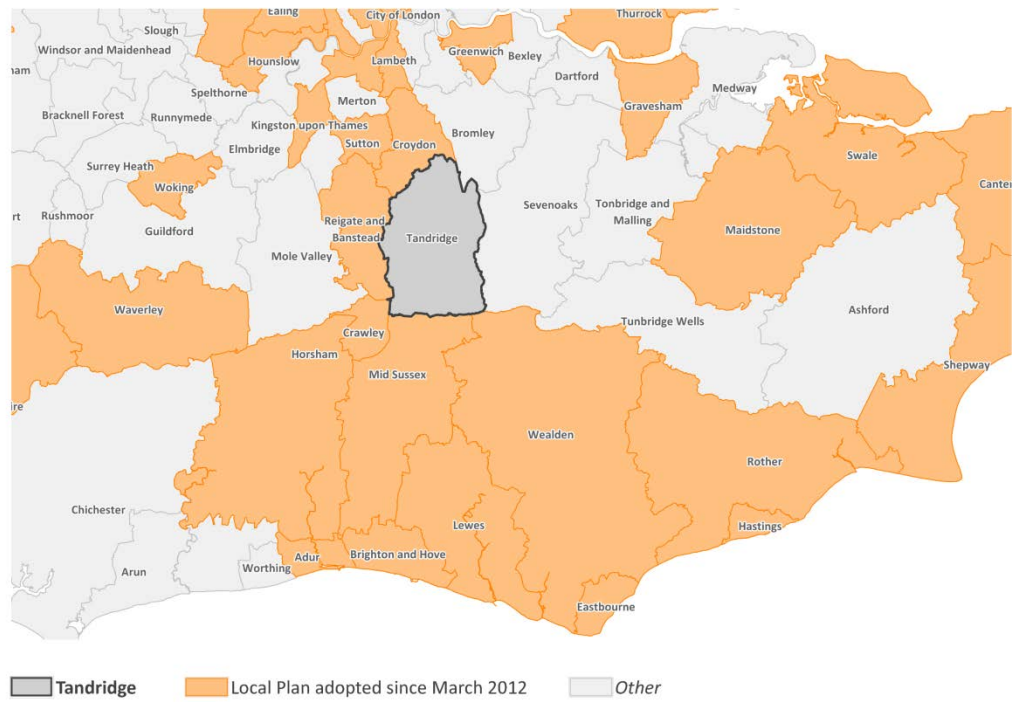
Figure 4.1: Spatial Representation of HMAs Defined to Assess Housing Need (2018)



Source: Turley, 2018

- 4.40 Furthermore, the review in this section confirms that a large number of surrounding authorities have made progress in producing and adopting Local Plans over recent years. This is illustrated at Figure 4.2, which identifies those authorities which have adopted Local Plans since the NPPF was published in March 2012. This is directly based on monitoring by the Planning Inspectorate, which is understood to be correct as of 30 April 2018.

Figure 4.2: Authorities with Adopted Local Plans since March 2012



Source: Planning Inspectorate, 2018

5. Conclusions and Recommendations

5.1 This paper has sought to reconsider, where new data is available, the recommended indicators for considering and identifying a housing market area for Tandridge.

5.2 In 2015, the original paper concluded that:

“...evidence points towards Tandridge being a functional component of a HMA including Croydon, Reigate and Banstead and Mid Sussex”⁴⁹

5.3 The latest evidence considered and presented within this paper has not challenged this conclusion. It has continued to reaffirm the important housing market relationships that Tandridge shares with these authorities. Whilst the analysis has identified some change in the strength of migratory relationships with other proximate authorities – principally Wealden – the overall strength of these relationships is notably less pronounced, and does not warrant a redefinition of the HMA.

5.4 It is noted that the latest house price data also continues to provide a ‘market-based’ indication of shared characteristics across these authorities, albeit with local “hot spots” to the north east of Tandridge. Indeed, in considering the operation of housing markets in Tandridge and the HMA, it is important to recognise that they are defined on the basis of high and increasing prices when compared to the national average. This forms an important context for understanding the need for housing more widely in the district and adjacent areas.

5.5 The requirement for Tandridge to develop its objective assessment of need (OAN) evidence through a SHMA focused solely on the district was acknowledged in the original paper. This recognised the ongoing and/or recently prepared studies undertaken within the neighbouring areas, all of which had not included Tandridge within their defined study area. This remains the case. Where evidence has been updated in neighbouring authorities – including those considered to form part of a functional HMA with Tandridge – this evidence has not presented analysis of housing need for the district.

5.6 It is equally apparent – and of importance for the Council in developing the Local Plan – that all of the authorities which are identified as forming this functional HMA (Croydon; Reigate and Banstead; and Mid Sussex) have NPPF-compliant adopted Local Plans which are less than five years old. These plans have been assessed as meeting housing needs in the context of their own HMAs, which as referenced in section 5 and noted above do not include Tandridge.

⁴⁹ Turley (2015) Defining the Housing Market Area – Technical Paper for Tandridge District Council, paragraph 6.14

Appendix 1: Original Technical Paper (September 2015)

Defining the Housing Market Area Technical Paper for Tandridge District Council

September 2015

Contents

1.	Approach to Defining Housing Market Areas	1
2.	Migration	4
3.	House Prices	13
4.	Contextual Data	18
5.	Existing Research	24
6.	Conclusions	34

1. Approach to Defining Housing Market Areas

- 1.1 The concept and use of housing market areas in strategic planning is well established, with a long recognition that housing markets do not operate based on administrative boundaries. The identification of spatial market boundaries is an important part of understanding the balance between supply and demand. This relates to housing preferences and affordability, and the strategic choices available for the location of new housing supply.

- 1.2 Planning Practice Guidance (PPG) provides a definition of housing market areas:

“A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”¹

- 1.3 Available guidance and policy in the National Planning Policy Framework (NPPF) and PPG highlights the importance of understanding the operation of these geographies.

- 1.4 In order to understand housing needs in their area, the NPPF states that plan-makers should:

“Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”²

- 1.5 The NPPF establishes a requirement to address need and demand at both authority and housing market area level. Following the presumption in favour of sustainable development, the NPPF states that:

“Local planning authorities should positively seek opportunities to meet the development needs of their area”³

- 1.6 This underlines the importance of understanding housing needs within the local authority area in question, although – importantly – the operation of spatial housing market area geographies is recognised in paragraph 47, where there is an emphasis on boosting significantly the supply of housing. Local Plans are expected to meet:

“The full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period”⁴

¹ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_010 (Reference 2a-010-20140306)

² DCLG (2012) National Planning Policy Framework (para 159)

³ Ibid (para 14)

⁴ Ibid (para 47)

1.7 Understanding functional housing market areas is an essential prerequisite in ensuring that an objective assessment of housing need is set and interpreted within the correct context.

1.8 It is, however, noted within the PPG that housing evidence may be commissioned independently by local authorities, where there is variation in plan timescales:

“Where Local Plans are at different stages of production, local planning authorities can build upon the existing evidence base of partner local authorities in their housing market area but should co-ordinate future housing reviews so they take place at the same time”⁵

1.9 In such circumstances, it will be important for local authorities to work with relevant planning authorities where housing market area linkages have been identified in order to share and understand existing and emerging evidence, establishing implications for housing in the housing market area.

Guidance on Defining Housing Market Areas

1.10 The PPG sets out the key sources of information to be considered in assessing the definition of a housing market area:

- **Household migration and search patterns** – considering peoples movements provides an indication of housing search patterns, and the extent to which people move house within a specific geography. Importantly, the PPG states that the findings can identify areas within which a relatively high proportion of household moves – typically 70% – are contained⁶;
- **House prices and rates of change in house prices** – analysis of these leading indicators is intended to provide a market-based reflection of housing market area boundaries; and
- **Contextual data** – the guidance suggests that this could include commuting patterns, retail and school catchment areas. It is suggested that commuting can provide information about prevalent flows and the spatial structure of the labour market, which can influence household price and location. These contextual geographies can also provide information about the areas within which people move without changing other aspects of their lives, such as work or service use.

1.11 Further context can be provided by reviewing existing research undertaken in defining housing market areas, including evidence prepared by neighbouring authorities and historic national research commissioned by the Department for Communities and Local Government (DCLG).

1.12 This report is structured according to this guidance, assessing each indicator in turn and drawing upon these principle sources of information to explore housing market areas in

⁵ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_007 (Reference 2a-007-20150320)

⁶ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_011 (Reference 2a-011-20140306)

Tandridge. Key spatial relationships are also identified which should be taken into account by the Council in developing housing policy.

- 1.13 It is also important to note, however, that the PPG confirms that no single source of information will be comprehensive in identifying appropriate areas of assessment. Plan makers will therefore need to consider the usefulness of each source of information and approach for the specific area being examined.

2. Migration

- 2.1 Migration is identified as a key indicator in defining housing market areas, given that this reflects preferences and trade-offs made when households move home. This can highlight the extent to which people move house within an area.
- 2.2 This section provides an analysis of migration, drawing upon data from the 2011 Census which shows the movement of people in the year before the Census. This is the latest comprehensive available data. It determines the extent to which moves within Tandridge are self-contained, and also identifies the strength and direction of key migration flows to and from the district. It is, however, important to note that migration data is only available at local authority level, and it is therefore not possible to analyse up-to-date migration flows at a sub-authority scale.

Containment of Moves

- 2.3 The concept of containment of moves is central to the definition of housing market areas. 2011 Census data allows an assessment of the proportion of moves that are contained within Tandridge, and this shows the likelihood of people moving home to remain within the district. This is summarised in the following table, alongside other key destinations⁷ for people moving from Tandridge. The table only presents the largest flows, and it is therefore important to note that the authorities shown sum to cover only 66.2% of all moves. All other authorities, however, individually account for only a small proportion of moves from Tandridge, but in composite suggest that moves from Tandridge end in a wide range of destinations.

Figure 2.1: Containment of Moves 2010/11

Destination	% of moves from addresses in Tandridge
Tandridge	37.3%
Croydon	8.7%
Reigate and Banstead	7.2%
Mid Sussex	4.1%
Sevenoaks	2.1%
Bromley	1.7%
Crawley	1.7%
Wandsworth	1.4%
Lambeth	1.0%
Brighton and Hove	1.0%

Source: Census 2011

⁷ Ten main destinations for moves from Tandridge presented, based on size of flow

- 2.4 Relatively few moves are contained within Tandridge, with only around 37% of people moving from an address in the district during the year before the Census remaining within Tandridge. The evidence suggests that there are flows to Croydon and Reigate and Banstead in particular, with a slightly smaller flow to Mid Sussex.
- 2.5 This level of containment falls considerably below the threshold of 70% identified within the PPG as being indicative of a functioning housing market area. It is therefore beneficial to test levels of containment by grouping Tandridge with other authorities. An exercise has been undertaken to group Tandridge and authorities with which there are strong migration flows⁸ to establish the level of containment of moves within these geographies. This shows the proportion of all moves from different groups of authorities which are contained within any of the grouped authorities. Further authorities are then added sequentially to assess containment across a larger geographic area. Notably, this differs from the approach taken in Figure 1.1, which shows the proportion of moves from Tandridge only which are contained within different geographic areas.

Figure 2.2: Testing Containment of Moves 2010/11

Destination	% of moves from addresses in area contained
Tandridge	37.3%
As above with Croydon	55.3%
As above with Reigate and Banstead	56.6%
As above with Mid Sussex	57.3%
As above with Sevenoaks	55.9%
As above with Bromley	58.1%

Source: Census 2011

- 2.6 As shown, while the level of containment increases when considering larger areas, a considerable proportion of moves within these geographies are not contained within the area. None exceed the 70% threshold identified in the PPG, suggesting that if local authority geographies are used a much larger geography would need to be defined before this threshold could be met. It is possible that a higher level of containment could be achieved through the development of geographies which do not relate to local authority boundaries but this then raises a challenge for translating evidence into policy. It is also important to recognise as noted at the start of this section that the 2011 Census migration data is not available at a sub-authority level and therefore any such analysis would need to resort back to using 2001 Census data.
- 2.7 This shows the complexity of migration flows across this wider geography, presenting a challenge in defining self-contained housing market areas for the purposes of developing planning policy.

⁸ Authorities added following order presented in Figure 2.1, covering those with which there are strong migration relationships (largest five flows)

- 2.8 A similar calculation of containment can show the origin of people who moved to a new address in Tandridge during the year before the Census. This can show how much migration has originated from another area of the district, and is summarised below. Again, the ten largest flows are presented, and therefore the table does not cover all moves but shows the origin of 74.4% of all moves.

Figure 2.3: Origin of Moves 2010/11

Origin	% of moves to addresses in Tandridge
Tandridge	39.1%
Croydon	15.3%
Reigate and Banstead	5.9%
Mid Sussex	2.9%
Bromley	2.5%
Sutton	2.3%
Sevenoaks	2.3%
Wandsworth	1.9%
Crawley	1.1%
Lambeth	1.1%

Source: Census 2011

- 2.9 The analysis shows that around 39% of moves to addresses in Tandridge originated from within the district, with a significant proportion moving from Croydon. There was also a notable flow from Reigate and Banstead, with a smaller flow from Mid Sussex, Bromley and Sutton. There are also flows with other authorities not presented, although these account for only a small proportion of all moves (1% and lower).

Impact of London

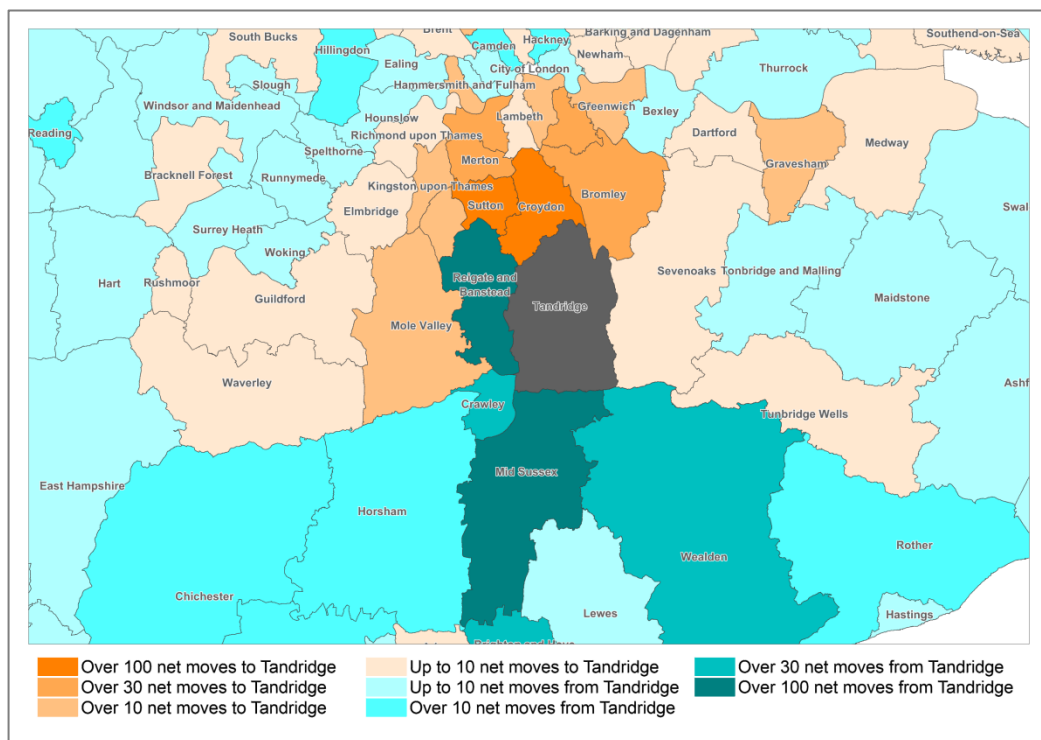
- 2.10 Evidently, there are low levels of containment in Tandridge, and it can be expected that some of these characteristics are due to the relationship with London, which is a significant driver of migration to Tandridge. Indeed, around 31% of moves to addresses in Tandridge originate from London, with a smaller proportion (19%) of migrants from Tandridge moving to London. This shows that there is a strong relationship with the London Boroughs – particularly in terms of inflows to Tandridge – with this likely to be driven by the district's proximity to London, most notably Croydon.
- 2.11 On this basis, it is likely that London is a key reason behind the lack of containment of moves in Tandridge. It is therefore beneficial to test the impacts of excluding moves from London, in order to determine the extent to which this drives low levels of containment in the district. This shows that – excluding London Boroughs – **56.5%** of moves to Tandridge originated within the district. This evidently increases the measure of containment quite significantly by around 17%, although this remains below the 70% threshold identified in the PPG.

- 2.12 Whilst it is clear that moves from London have a greater influence on migration flows in Tandridge, it is also beneficial to consider the impact of excluding moves to London from the district. Excluding London Boroughs, **46.2%** of people moving from an address in Tandridge during the year before the Census remained within the district. Again, whilst the exclusion of London suggests a higher level of containment within Tandridge, it continues to suggest that a low level which falls below the threshold in the PPG.

Migration Flows

- 2.13 Based on the analysis above, it is clear that there is a notably low level of containment of moves in Tandridge, based on both the origin and destination of migrants. The district therefore does not represent a self-contained geography based on migration, and it is therefore beneficial to consider key migration flows in further detail.
- 2.14 The following map illustrates the main net migration flows in Tandridge; with authorities receiving a net inflow from Tandridge shown in blue and authorities from which Tandridge receives a net inflow shown in orange. This is based on 2011 Census data.

Figure 2.4: Net Migration to and from Tandridge 2010/11



Source: Census 2011

- 2.15 There is a common spatial trend in districts surrounding London, where there is evidence of migration centrifugally from the capital. Tandridge similarly experiences these effects, with the largest net inflows generated by authorities to the north in London and the largest outflows towards districts further south. The inflows cover many London Boroughs – particularly Croydon and Sutton – and indeed, as the following table shows, there is a significant net inflow of migrants from London. Conversely, there are net outflows from Tandridge to many authorities to the south, with a considerable movement

of people from the district to Sussex. There is also a strong net flow to Reigate and Banstead to the west.

Figure 2.5: Net Migration to and from Tandridge 2010/11

Net flow to Tandridge	Total	Net flow from Tandridge	Total
Croydon	443	Reigate and Banstead	-122
Sutton	111	Mid Sussex	-101
Bromley	47	Crawley	-47
Lewisham	36	Wealden	-37
Wandsworth	33	Coventry	-33
Merton	30	Portsmouth	-33
Kingston upon Thames	25	Brighton and Hove	-31
Southwark	20	Canterbury	-27
Greenwich	17	Horsham	-26
Mole Valley	17	Tunbridge Wells	-25

Source: Census 2011

- 2.16 A further understanding can be gained by calculating gross migration flows, which shows the strength of the relationship between authorities through the sum of both in and outflows. The following table shows the authorities with which Tandridge shares the strongest gross migration flow, continuing to highlight the strong relationship with Croydon and Reigate and Banstead in particular.

Figure 2.6: Gross Migration Flows 2010/11

	Gross flow with Tandridge
Croydon	1,743
Reigate and Banstead	960
Mid Sussex	509
Sevenoaks	319
Bromley	303
Wandsworth	239
Sutton	223
Crawley	205
Lambeth	149
Mole Valley	137

Source: Census 2011

- 2.17 It is, however, important to note that this can be distorted by areas with a higher population. Therefore, migration figures can also be viewed in the context of the population of the combined local authorities – the sum of the population of Tandridge and other specified local authority areas – based on 2011 Census data. This standardises migration flows, and enables a more detailed analysis of trends by calculating the number of moves per 1,000 residents. Gross migration flows – both total and standardised – are presented in the following table.

Figure 2.7: Gross Migration Flows 2010/11

	Gross flow with Tandridge	Combined population (2011)	Flow per 1,000
Reigate and Banstead	960	220,833	4.3
Croydon	1,743	446,376	3.9
Mid Sussex	509	222,858	2.3
Sevenoaks	319	197,891	1.6
Crawley	205	189,595	1.1
Sutton	223	273,144	0.8
Mole Valley	137	168,373	0.8
Bromley	303	392,390	0.8
Wandsworth	239	389,993	0.6
Horsham	114	214,299	0.5

Source: Census 2011

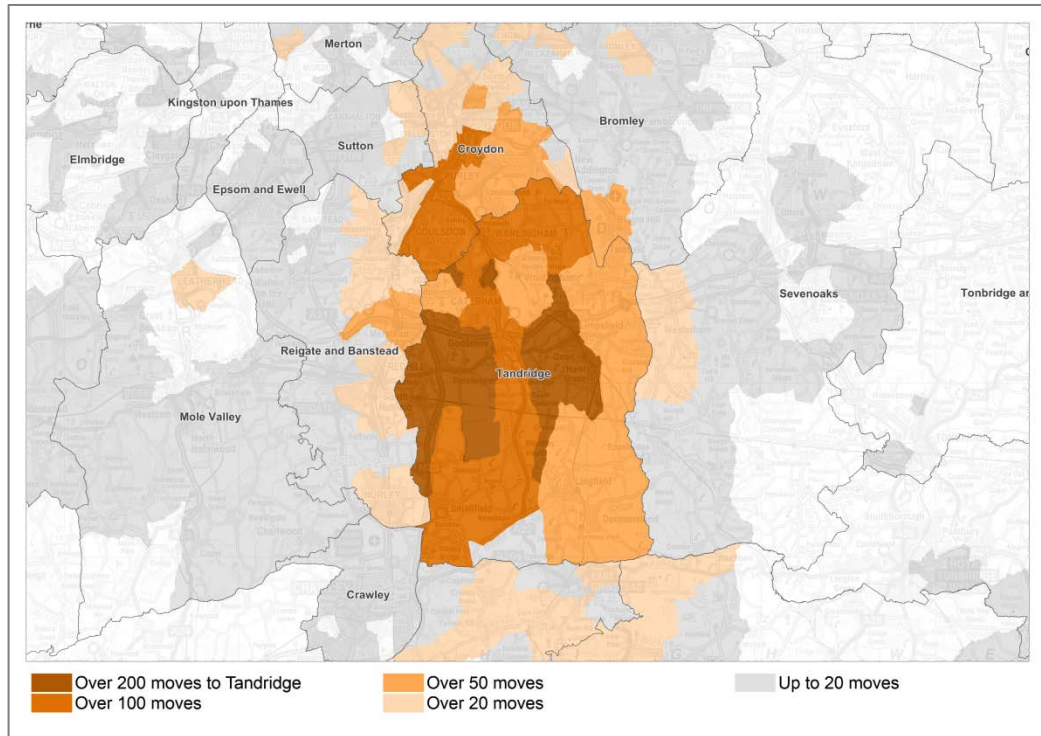
- 2.18 Based on this measure, Tandridge shares the strongest relationship with Reigate and Banstead, although again this highlights the strength of the connection with Croydon and Mid Sussex. This approach does, however, remain focused on Tandridge, and it may be that other authorities share stronger links with elsewhere. Nevertheless, combined with population projections, these ratios can assist in understanding where the largest flows of moves may occur in the future; all things being equal, a significant change in the population in any one of these boroughs could, in time, lead to a knock on effect on the level of housing need in Tandridge.

Local Level Migration

- 2.19 As noted earlier in this section, only local authority level migration data from the 2011 Census has been published, with sub-local authority data safeguarded and not available for this study. This differs from the previous 2001 Census datasets, when local level migration data was available for public use.
- 2.20 It is therefore challenging to understand migration at a lower geographical level. However, to provide this context, data from the 2001 Census can be analysed. While this is now outdated, it nevertheless continues to represent the most up-to-date local level data source on migration.

- 2.21 The following plan shows wards where a high number of migrants originated when they moved to Tandridge in the year before the 2001 Census.

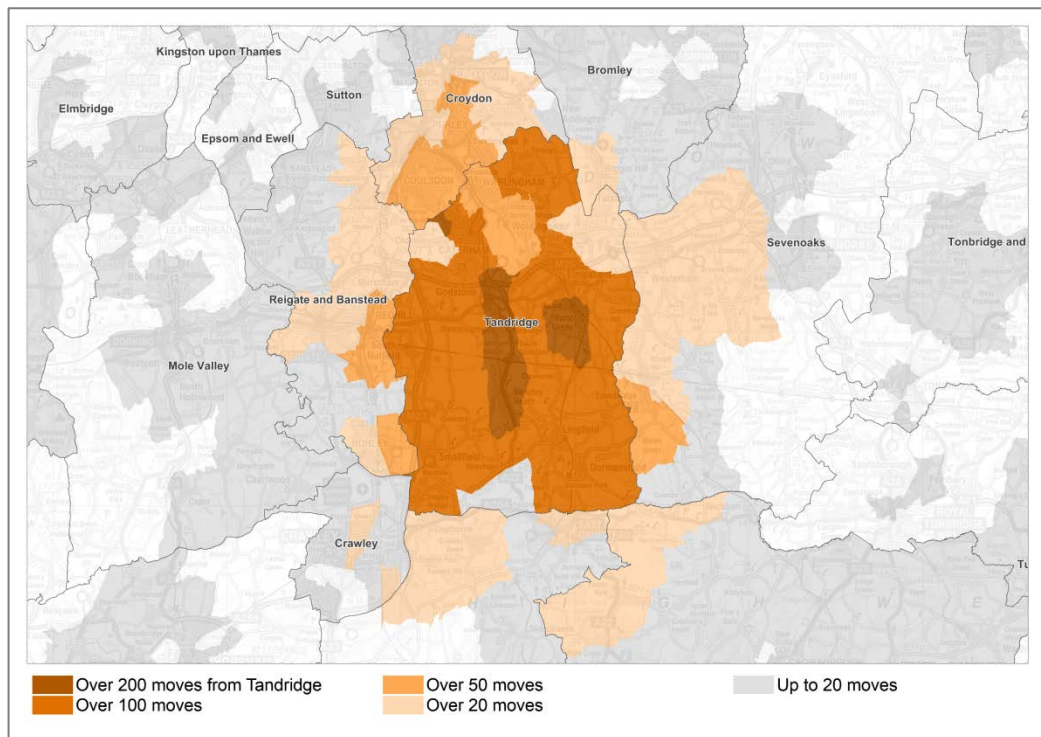
Figure 2.8: Origin of Moves to Tandridge 2000/01



Source: Census 2001; Turley, 2015

- 2.22 Evidently, a substantial number of moves to addresses in Tandridge originated from within the district, although there are important spatial relationships with other areas. For example, there was a notable flow to Tandridge from southern Croydon – covering the wider settlements of Coulsdon and Purley – and a further flow of migrants from Merstham in Reigate and Banstead. There were also flows from the south, although these were typically slightly smaller in scale. At its largest spatial level, the HMA for Tandridge would stretch from London down to the South Coast, taking in parts of the capital, Sussex, Surrey and Kent.
- 2.23 A similar assessment can show the destination of people moving from addresses in Tandridge during the year before the 2001 Census. This is presented below, where a similar pattern is emergent. While the relationship with Croydon is broadly weaker than implied in Figure 2.8, it remains comparatively high in the context of other neighbouring areas. There also continue to be migration relationships with areas in adjoining authorities that are relatively close to the district boundary, although there are also large areas – particularly to the south – where a small number of migrants have moved from Tandridge. These areas are shaded in grey in the following plan.

Figure 2.9: Destination of Moves from Tandridge 2000/01



Source: Census 2001; Turley, 2015

- 2.24 As noted above, it is important to reemphasise that this dataset is now relatively dated, and could be influenced by specific local circumstances at the time. While providing valuable local context, therefore, this needs to be considered in the context of the different market conditions and characteristics of 2001 compared to today.

Summary and Implications

- 2.25 Migration is an important indicator in defining housing market areas, with the PPG suggesting that geographies within which over 70% of moves are contained could be considered to function as housing market areas.
- 2.26 An analysis of 2011 Census data, however, shows that Tandridge is characterised by much lower levels of containment, with only 37% of people moving from an address in Tandridge during the year before the Census remaining within the district. Similarly, only around 39% of people moving to an address in Tandridge originated from within the district.
- 2.27 These are evidently comparably low, and further analysis shows that the latter in particular is influenced by moves from London. Excluding moves from London, 56.5% of other moves to addresses in Tandridge originated from within the district. This does, however, continue to fall below the threshold set out in the PPG, suggesting that there are further important spatial relationships which need to be considered by the Council.
- 2.28 It is important to note that even expanding the geography of assessment – based on those authorities with which Tandridge shares its strongest migration connections – fails

to reach the 70% threshold identified in the PPG. This suggests that a much larger geography would need to be defined before this threshold could be met, highlighting the complexity of migration flows in the surrounding area and the difficulty associated with achieving containment of this scale.

- 2.29 The evidence in this chapter does, however, go on to identify authorities with which Tandridge shares strongest links. This highlights a common spatial trend for authorities neighbouring the capital, whereby there is a net inflow of migrants from authorities to the north – particularly Croydon and Sutton, and other London Boroughs – and general net outflows to Reigate and Banstead and authorities to the south.
- 2.30 While this shows the direction of flow, it is also beneficial to quantify the overall scale of migration in either direction, given that this can provide information on the strength of relationship between different areas. This continues to highlight the strong relationship with Croydon, Reigate and Banstead and Mid Sussex in particular, even when migration flows are standardised to reflect population variation. Clearly, therefore, there are a number of important spatial relationships with these neighbouring authorities.
- 2.31 It is also beneficial to consider migration relationships at sub-authority level, although this is challenging given that 2011 Census data has not been released at this scale. Reverting to 2001 Census data does, however, show connections with areas of adjacent authorities which are close to the local authority boundary. This includes notable flows from Coulsdon and Purley in Croydon and Merstham in Reigate and Banstead, while moves from the district are generally to a wider range of destinations especially in proximity to London.

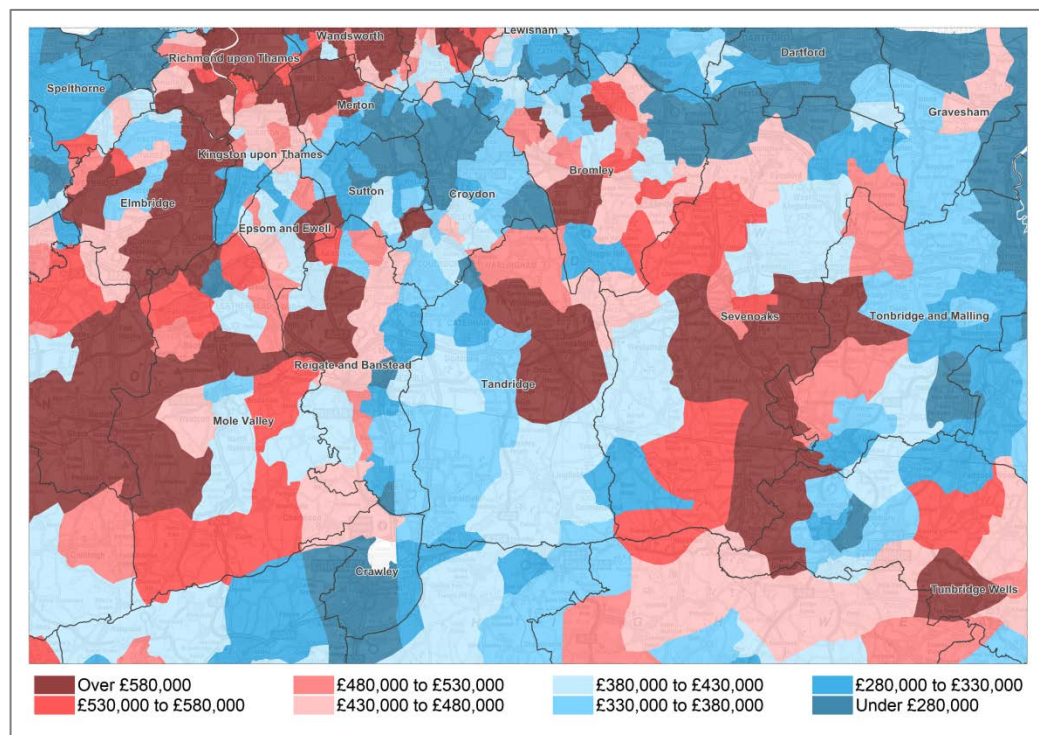
3. House Prices

- 3.1 The PPG suggests that house prices should be analysed with reference to understanding housing market geographies. This recognises that house prices – which reflect the outcomes of supply and demand in the market – can be used to identify patterns in the relationship between housing demand and supply across different locations. An analysis of house prices therefore provides a market based reflection of housing market area geographies, allowing the identification of areas with clearly different price levels to surrounding areas.

Average Price Paid

- 3.2 House sales are recorded by Land Registry at postcode level, allowing a detailed assessment of house price variation at sub-authority level. The following plan shows average house prices in Tandridge based on sales during the calendar year of 2014, broken down by postcode sector averages. This is presented to illustrate variance from the average house price of approximately £430,000 in Tandridge over this calendar year⁹.

Figure 3.1: Average Price Paid by Postcode Sector 2014



Source: Land Registry, 2014; Turley, 2015

- 3.3 There is evidently variation in house prices both within Tandridge and across the wider south east. The district can be seen to operate within two HMAs based on house prices. Oxted, Woldingham, Limpsfield and Warlingham are characterised by higher values –

⁹ Average price paid – £428,012 (Land Registry)

comfortably exceeding the average for the district as a whole – while other areas have seen lower average prices. Values in Caterham, for example, are relatively similar to nearby Coulsdon (Croydon) and Merstham (Reigate and Banstead), while there is some commonality in average values to the south of Tandridge into Mid Sussex. There is also some overlap with Sevenoaks, although this area has seen very high house prices in the east. There is, overall, some broad continuity in values in adjoining areas, with some notable exceptions as detailed above. House prices also broadly reflect the main concentrations of settlement and transport routes.

Change in Average House Prices

- 3.4 The PPG suggests that the rate of change in house prices can provide a further indication of the operation of the housing market, given that this can identify patterns in the relationship between supply and demand and establish market 'hotspots'.
- 3.5 Data is published by DCLG to understand how mean house prices have changed historically. The following table compares the rate of change in mean house prices in Tandridge with adjacent authorities. This is sorted by the total rate of change between 1996 and 2012.

Figure 3.2: Change in Average House Prices 1996 – 2012

	1996	2007	2012	% Change		
				96 – 12	96 – 07	07 – 12
Sevenoaks	£115,347	£363,328	£404,997	251%	215%	11%
Croydon	£75,671	£248,198	£262,695	247%	228%	6%
Bromley	£97,672	£316,593	£333,145	241%	224%	5%
Mid Sussex	£88,872	£289,701	£297,578	235%	226%	3%
Reigate & Banstead	£107,321	£322,031	£342,223	219%	200%	6%
Wealden	£94,471	£282,406	£294,926	212%	199%	4%
Tandridge	£119,855	£341,846	£370,928	209%	185%	9%
Crawley	£71,101	£211,764	£207,985	193%	198%	-2%

Source: DCLG, 2015

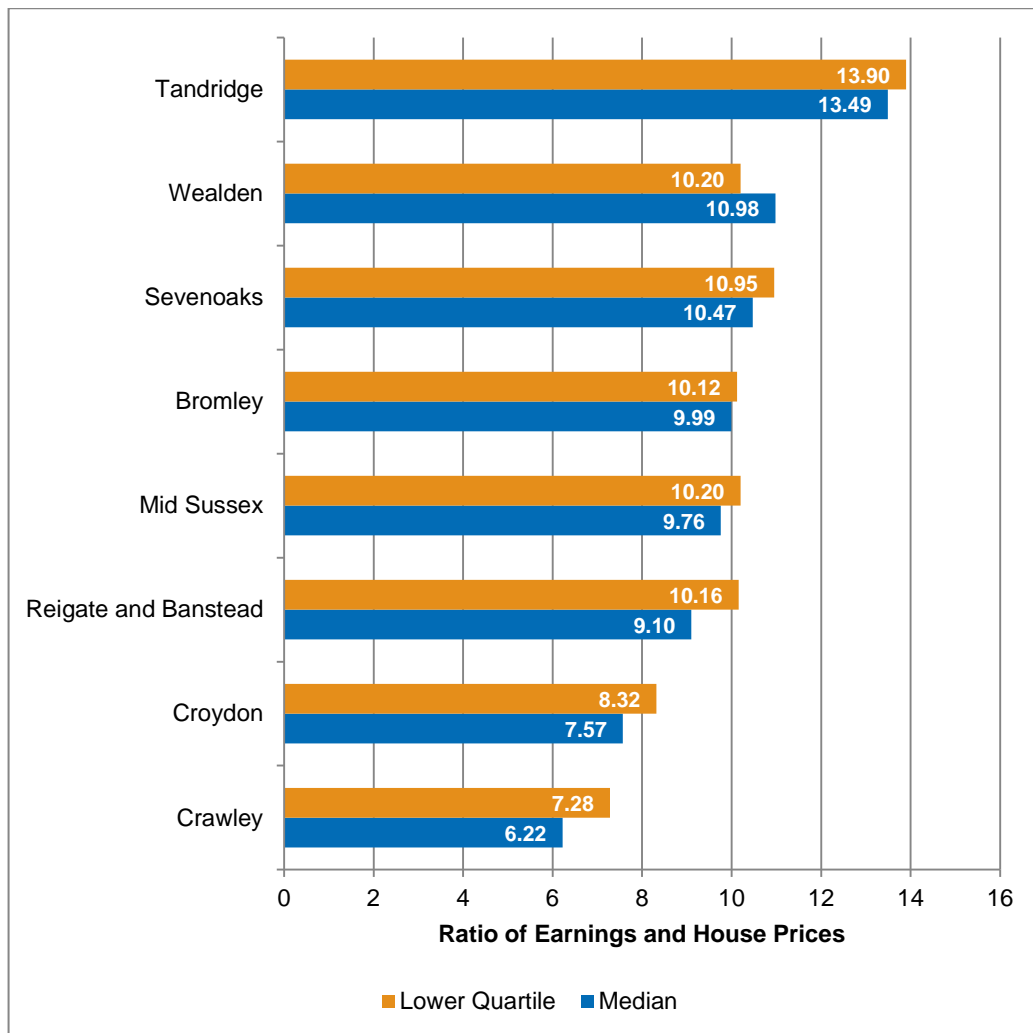
- 3.6 In 2012, this evidence suggests that average house prices in Tandridge were higher than many neighbouring areas, with the exception of Sevenoaks. This followed a period of significant price growth over the preceding 12 years which did, however, fall below the growth seen in most surrounding areas, with the exception of Crawley. These authorities were, though, growing from a lower base, with Tandridge seeing notably high average house prices in 1996 which flowed through to 2012.
- 3.7 Since the recession, Tandridge has seen a recovery in average house prices, with values in 2012 exceeding the pre-recession peak by 9%. This is a notably strong recovery, which is second only to Sevenoaks in the immediately surrounding area.

- 3.8 This analysis does not provide a conclusive picture of market definition, given that different areas have seen different rates of growth with different authorities growing from different starting positions. Based on longer term and pre-recession growth, Tandridge has some similarity with the rate of growth seen in Wealden and – to a lesser extent – Crawley. However, values in Tandridge have consistently been higher on average than in these neighbouring areas, and the growth seen in Tandridge since the recession has outperformed these areas, giving greater alignment with Sevenoaks in price and growth terms.

Affordability

- 3.9 Though not explicitly identified in the methodology for defining housing market areas, affordability provides important additional context on the operation of the housing market. This also provides a measure of standardising house prices, given that this can show the price that people pay for housing relative to their earnings.
- 3.10 The following chart shows the ratio between house prices and earnings in 2013, drawn from DCLG live tables. Both median and lower quartile ratios are presented, in order to highlight variation at the lower end and midpoint of the market.

Figure 3.3: Affordability Ratios 2013



Source: DCLG, 2015

- 3.11 This measure suggests that Tandridge is considerably less affordable than surrounding areas, with households – both in the middle and lower end of the market – required to spend in excess of 13 years’ earnings on the cost of purchasing a home. This exceeds a clustering of authorities where households are required to spend around 10 years’ income, although values in these areas are typically slightly lower than in Tandridge. Sevenoaks is an exception, however, suggesting that earnings in Sevenoaks are higher, reducing the effect of higher house prices on affordability.

Summary and Implications

- 3.12 House prices provide a market-based reflection of the operating housing market, illustrating the spatial relationship between supply and demand and identifying areas of commonality and difference in house prices.
- 3.13 As in many functional housing markets, there are different price levels both within Tandridge and across the wider south east, reflecting the availability of property at different prices and enabling the movement of households along the housing ladder.

Within Tandridge, the settlements of Oxted, Woldingham, Limpsfield and Warlingham are characterised by higher values and areas of commonality with Bromley and Sevenoaks, while Caterham shares some similarity with values in nearby Coulsdon (Croydon) and Merstham (Reigate and Banstead). Overall, however, there is generally some broad continuity in values compared to areas immediately adjoining Tandridge, suggesting some overlap with neighbouring areas.

- 3.14 The rate of change is also important to consider, although this does not provide a conclusive basis for market definition. Tandridge did not see as significant a growth in prices prior to the recession as many neighbouring authorities, but did start from a higher base given the historically high house prices in the district. There has, however, been a strong recovery from the recession, with values now 9% higher than their pre-recession peak. This rate of growth exceeds all neighbouring authorities, with the exception of Sevenoaks.
- 3.15 Affordability measures are a means of standardising house prices by showing average prices relative to income, at both the lower end and middle of the market. As with all neighbouring authorities, there is a divergent relationship between income and house prices in Tandridge, although it is evident that affordability ratios are particularly high in the district.

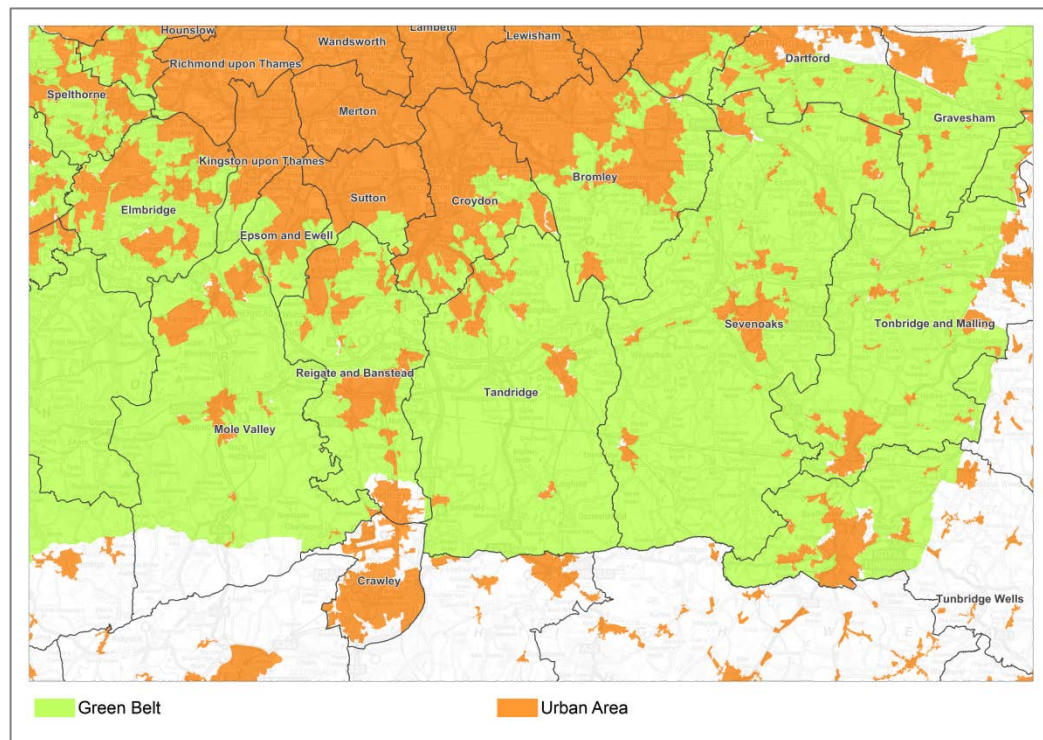
4. Contextual Data

- 4.1 The PPG highlights the importance of establishing a wider spatial context when defining housing market areas, through consideration of other spatial indicators beyond those identified in the PPG.

Urban Form

- 4.2 The nature and urban form of Tandridge provides important spatial context, with the following plan illustrating that much of the district is classified as Green Belt land albeit with some smaller urban areas¹⁰.

Figure 4.1: Urban Area and Green Belt



Source: Pitney Bowes, 2015; Turley, 2015

- 4.3 Given the radial nature of Green Belt around London, this results in a broadly continuous rural area across various local authorities. This explains some of the commonality seen across this area, particularly between rural areas, with development concentrated in main settlements with only lower density development occurring in the Green Belt. While Tandridge contains the largest concentration of Green Belt land in the country, this also covers neighbouring authorities – most notably Reigate and Banstead and Sevenoaks – and extends north into Croydon. This results in a similar rural character across both sides of the local authority boundary.

¹⁰ As classified by Pitney Bowes

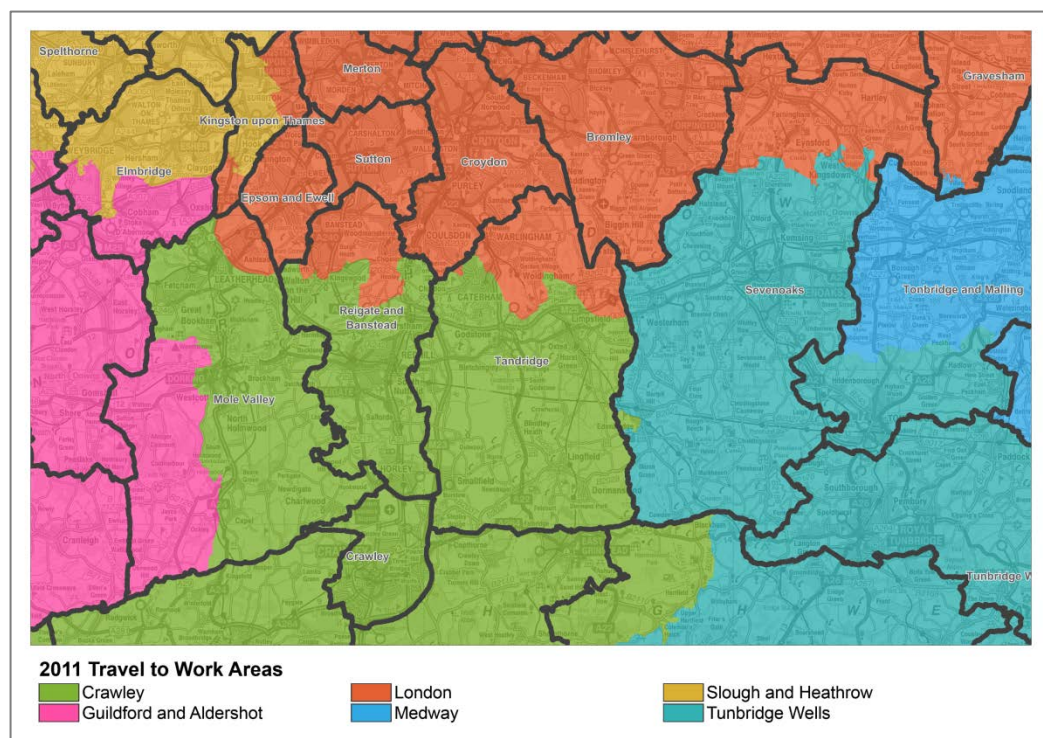
Commuting

- 4.4 The PPG notes that travel to work areas (TTWA) can provide information about commuting flows and the spatial structure of the labour market. This is an official ONS dataset, released to reflect areas where the bulk of the resident population also work within the same area.
- 4.5 2011 TTWAs were defined in August 2015, based on data from the 2011 Census, with the methodology document outlining the approach taken:

“The current criteria for defining TTWAs is that at least 75% of the area’s resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have an economically active population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted as part of a limited ‘trade-off’ between workforce size and level of self-containment”¹¹

- 4.6 As shown in the following plan, Tandridge is largely covered by the Crawley TTWA, although the London TTWA also covers areas to the north of the district – primarily Warlingham and Woldingham – suggesting a strong economic link to London particularly for these more proximate and connected areas.

Figure 4.2: Travel to Work Areas 2011



Source: ONS, 2015

¹¹ ONS (2015) Overview of 2011 Travel to Work Areas

- 4.7 It is also beneficial to analyse commuting patterns focusing on those living and working in Tandridge, in order to identify key functional economic linkages with other areas. Again, this can be drawn from 2011 Census data, and the following table shows the main places of work for employed usual residents of Tandridge. This shows the containment of labour within the district, and highlights any important functional relationships with other authorities. It is important to note that only the largest commuting flows are presented, and therefore the table does not cover all working residents in Tandridge.

Figure 4.3: Place of Work for Residents of Tandridge 2011

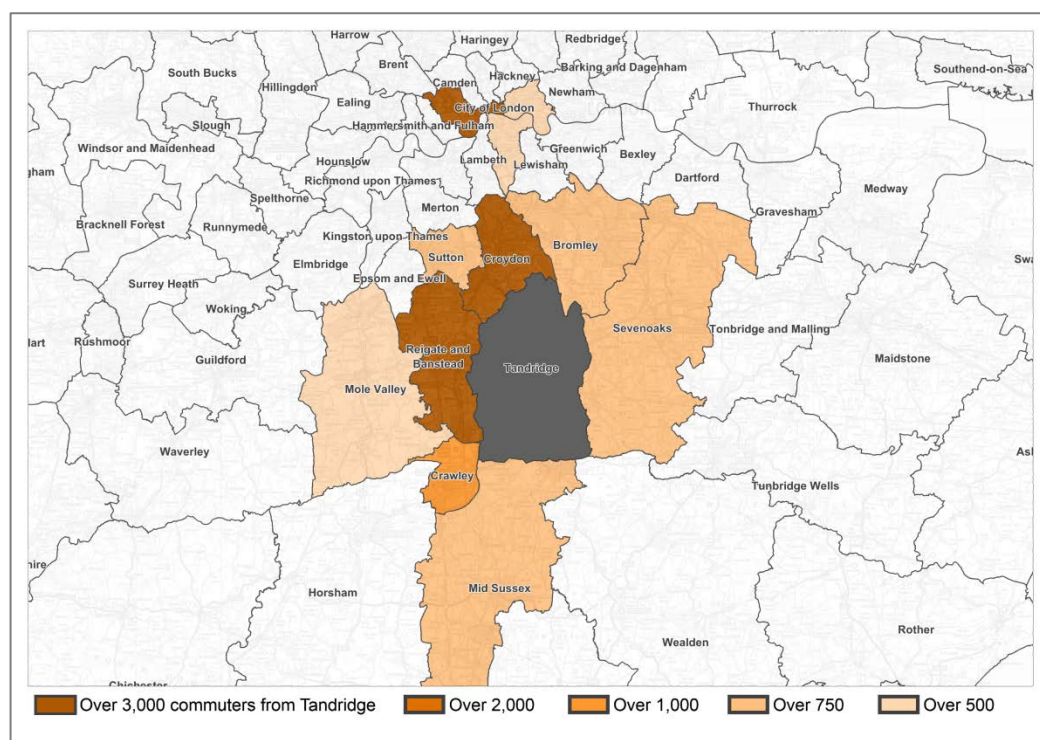
	Total	% of labour force
Tandridge	8,969	28.4%
Reigate and Banstead	3,537	11.2%
Croydon	3,321	10.5%
Westminster and City of London	3,159	10.0%
Crawley	1,492	4.7%
Mid Sussex	940	3.0%
Sevenoaks	851	2.7%
Sutton	813	2.6%
Bromley	779	2.5%
Mole Valley	574	1.8%

Source: Census 2011

- 4.8 8,969 people live and work in Tandridge, with this representing 28.4% of all employed residents in the district. Evidently, this implies that a high proportion of residents commute out of Tandridge to work (71.6%), with a flow of around 3,500 commuters to Reigate and Banstead. There is also an important relationship with Greater London, with a total of 12,478 residents commuting to work in the capital¹². This represents around 40% of all usual residents in employment – highlighting the importance of London as a place of work for residents of Tandridge – although, beyond those authorities listed below, the individual flows account for less than 1.8% of the district's labour force and are therefore comparatively minor. There are also flows to Crawley, Mid Sussex and Sevenoaks, although again these are generally smaller in scale (below 5%).
- 4.9 These flows are illustrated in the following plan.

¹² This figure is based on all London Boroughs, including those not presented in Figure 4.3

Figure 4.4: Place of Work for Residents of Tandridge 2011



Source: Turley, 2015; Census 2011

- 4.10 Understanding the origins of people commuting to Tandridge also provides valuable context on the operation of the labour market. The following table shows the proportion of people who work in Tandridge that also live in the district, with other origins for commuters also presented.

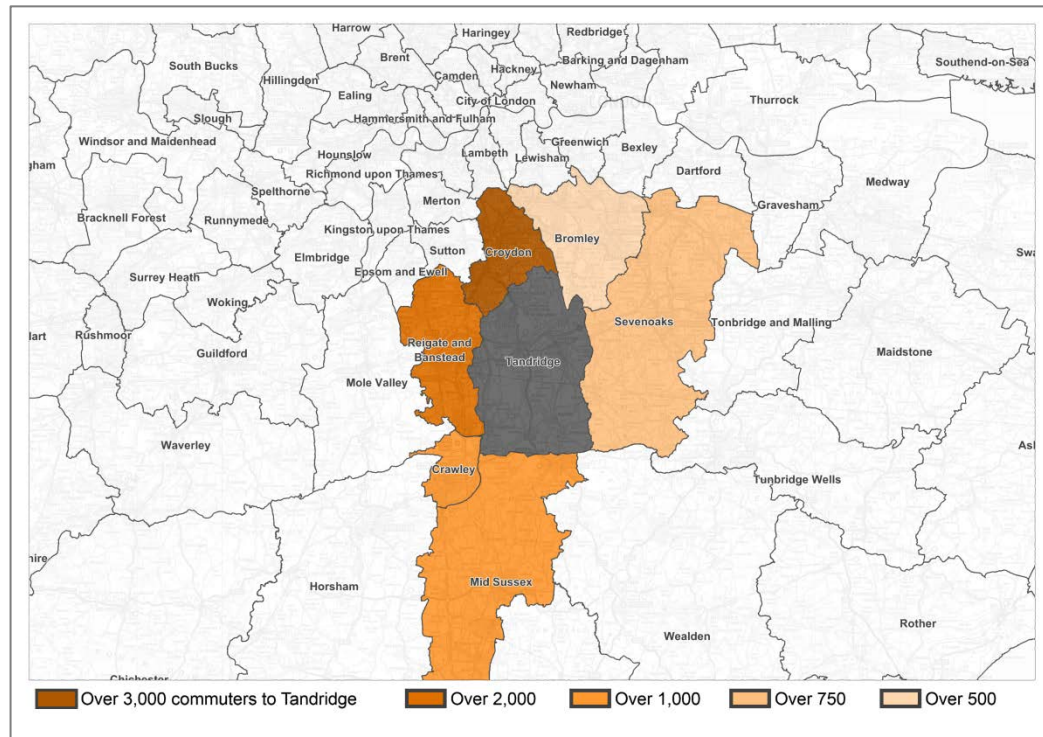
Figure 4.5: Place of Residence for Workers in Tandridge 2011

	Total	% of work force
Tandridge	8,969	39.1%
Croydon	3,009	13.1%
Reigate and Banstead	2,111	9.2%
Mid Sussex	1,834	8.0%
Crawley	1,008	4.4%
Sevenoaks	819	3.6%
Bromley	581	2.5%
Wealden	431	1.9%
Sutton	401	1.7%
Horsham	290	1.3%

Source: Census 2011

- 4.11 The 8,969 people who live and work in Tandridge form around 39% of all people who work in the district, again representing a relatively low level of containment. This suggests that the workforce of Tandridge contains a number of residents from other authorities, most notably Croydon, Reigate and Banstead and Mid Sussex. In composite, around 70% of workers live in either Tandridge or one of these authorities.
- 4.12 This is further illustrated in the following plan.

Figure 4.6: Place of Residence for Workers in Tandridge 2011



Source: Turley, 2015; Census 2011

Impact of London

- 4.13 As with migration, it can be expected that low levels of labour and workforce containment are due to the strength of the relationship with London, and the substantial economic role that the city plays. Again, therefore, it is beneficial to test the effects of excluding London from the analysis.
- 4.14 Focusing first on residents of Tandridge, the evidence suggests that **47.1%** of all employed residents who do not commute to London work within Tandridge. While this uplifts the level of containment, it remains clear that there are important functional linkages with areas other than London, with over half of these residents commuting elsewhere to work in authorities such as Reigate and Banstead and Crawley.
- 4.15 Excluding London residents commuting to work in Tandridge suggests that **49.8%** of the remaining workforce live in the district, again highlighting the important role of residents in the wider area in supporting the local economy in Tandridge.

Summary and Implications

- 4.16 With the PPG highlighting the importance of establishing further spatial context in defining housing market areas, this section has considered additional indicators to understand how the housing market area may function.
- 4.17 The classification of much of Tandridge as Green Belt land, for example, results in a broadly continuous rural area across various local authorities to the south of London, resulting in some similarities between different local authorities. Moves within this more rural area – or commonality of house prices – may span local authority boundaries, particularly due to the radial nature of the Green Belt.
- 4.18 Commuting trends are also identified within the PPG, and the Census shows that a high proportion of Tandridge residents commute out of the district to work elsewhere. There is an important flow to Reigate and Banstead, as well as smaller flows to Crawley, Mid Sussex and Sevenoaks. London (in particular Croydon and the City of London) plays an important role as a place of work, and indeed more employed residents work in London (40%) than Tandridge (28%). The relationship with London is likely to be a key reason behind the lower levels of containment seen in Tandridge, although – even excluding those who commute to London – only 47% of all remaining residents work within the district. This highlights the importance of other functional linkages, as well as London.
- 4.19 Around 9,000 people live and work in Tandridge, and this represents around 39% of all people working in the district. The workforce of Tandridge therefore contains a number of residents from other authorities, most notably Croydon, Reigate and Banstead and Mid Sussex.

5. Existing Research

- 5.1 While this report has analysed and reviewed the latest available data to present an up-to-date assessment of spatial dynamics in Tandridge, it is also important to be aware of existing research undertaken to define housing market areas in the area. This includes evidence prepared by surrounding authorities and also national research, as detailed in this section.

Neighbouring Authorities

- 5.2 A review of the housing evidence prepared by neighbouring authorities has been undertaken, in order to obtain the latest evidenced position and identify instances where housing market area geographies may overlap into Tandridge. This has been supplemented by telephone conversations with the neighbouring authorities to discuss the evidence in further detail and understand the latest position¹³.

Bromley

- 5.3 The emerging housing requirement in Bromley is based on the London Plan, following consultation on Draft Policies and Designations in 2014. This consultation did note, however, that further London-wide evidence was being prepared, implying that a revised housing target for the borough could be expected in 2015/16. This is considered separately later in this section.

- 5.4 A SHMA was published in June 2014 which covered the South East London boroughs of Bexley, Bromley, Greenwich, Lewisham and Southwark. This report included a review of housing market area indicators, but suggested that the thresholds for self-containment cited in the PPG are not appropriate in London. This is due to the variety of economic focal points, longer commuting distances and the complexity of the public transport network. The scope of this study was therefore based on previously established linkages – as identified in the previous SHMA – although the boroughs were expected to take account of key linkages with other local authorities through their respective plan-making processes.

Crawley

- 5.5 Crawley forms part of the wider Northern West Sussex housing market area, which also includes Horsham and Mid Sussex. This area was originally identified and defined in regional work undertaken in 2004 by DTZ Pida¹⁴, and represents part of a wider Crawley-Gatwick sub-regional housing market.
- 5.6 Studies have been undertaken by GVA Grimley at wider housing market area level in 2009 and 2012, with the original study containing the majority of housing market area analysis. A further study – published in October 2014¹⁵ – calculated the need for affordable housing, and reviewed the housing market area definition based on new data from the 2011 Census. This concluded that the Northern West Sussex housing market area continues to represent the main area that Crawley, Horsham and Mid Sussex

¹³ At the time of writing it had not been possible to speak with LB Bromley

¹⁴ DTZ Pida (2004) Identifying the Local Housing Markets of South East England

¹⁵ Chilmark Consulting (2014) Affordable Housing Needs Model Update

should plan for. There are some linkages with Tandridge – primarily economic, as part of the wider Gatwick Diamond area – although it was felt that there are limited migration flows. The M23 and Gatwick Airport were also considered to represent a functional boundary between the urban area of Crawley and the more rural character of adjoining Tandridge.

- 5.7 Further evidence¹⁶ has been prepared by Crawley to objectively assess the need for housing in Crawley only. This study was not intended to be a full assessment of housing and employment development needs, but instead focuses on specific housing and employment land matters in Crawley to support the ongoing Examination in Public. The Council are currently consulting on modifications followed the Examination, but the Council feel that the housing evidence was not contested by the Inspector. As such, no further work is planned, although it is noted that the authorities will continue to work together where necessary in the future.

Croydon

- 5.8 GL Hearn is currently preparing a new SHMA for Croydon, which is expected to be published later this year as part of a wider consultation on the Local Plan. The SHMA is focusing on the borough of Croydon in isolation. While links with Tandridge were recognised in the HMA analysis, these were considered only negligible in the context of links to other authorities. The differing timescales for completing SHMAs also meant that it was not realistic to produce a joint assessment.

Mid Sussex

- 5.9 Like Crawley, Mid Sussex forms part of the wider Northern West Sussex housing market area, for which evidence has been prepared by GVA Grimley. However, a more recent Housing and Economic Development Needs Assessment¹⁷ was published by the Council earlier this year, with an update report published in June 2015 to take account of the latest household projections. This considers housing need in the local authority area of Mid Sussex only, but also presents evidence to support the definition of the Northern West Sussex housing market area.
- 5.10 A position paper has been prepared – and is regularly updated – by the Councils in the Northern West Sussex housing market area in order to bring evidence together at a housing market area level. It is considered that the housing market area definition remains robust, and there are no current plans to commission any additional work at housing market area level.
- 5.11 The Council noted that there was some overlap with other housing market areas, and a Housing Provision Paper¹⁸ has therefore been prepared by the Council to consider relationships with other areas. This suggests that there are only moderate links between the two authorities, based on analysis of commuting and migration, with Mid Sussex sharing stronger relationships with elsewhere.

¹⁶ Chilmark Consulting (2015) Objective Assessment of Crawley's Housing and Employment Needs

¹⁷ Mid Sussex District Council (2015) Housing and Economic Development Needs Assessment

¹⁸ Mid Sussex District Council (2015) Housing Provision Paper

Reigate and Banstead

- 5.12 Reigate and Banstead is included by the East Surrey SHMA, which was published in 2008¹⁹. The East Surrey SHMA covered Reigate and Banstead, Tandridge, Epsom, Elmbridge and Mole Valley. A further SHMA update was published in February 2012, although this focused only on Reigate and Banstead and did not reconsider the housing market area definition²⁰. This was accepted by the Inspector with the Core Strategy found sound and adopted in July 2014. The Core Strategy applies a constrained migration approach to establishing housing targets, reflecting environmental constraints.
- 5.13 The housing target takes account of the level of provision identified for the borough in the South East Plan²¹. Reference is also made to contributing towards meeting the unmet needs of other local authorities, including those within the wider East Surrey and North West Sussex housing market area.
- 5.14 From a Reigate and Banstead outlook, Sutton and Croydon have the closest relationship with the district in absolute movement terms, while Tandridge and Mole Valley have the largest relationships per 1,000 population. There are also some cross border linkages at the local level due to commuting and school catchments. For example, between Horley and Smallfield and Redhill and South Nutfield. There are no plans at present to review the SHMA or the HMA area applied.

Sevenoaks

- 5.15 Sevenoaks was covered by the West Kent SHMA²², which was published by DCA in December 2008. The scope of this assessment was based on a pre-defined grouping of Sevenoaks, Tonbridge and Malling and Tunbridge Wells, which was agreed by the Government Office for the South East. The study considered whether West Kent functions as a single sub-regional housing market, and looked to identify whether there was any overlap with other sub-regions. The SHMA concluded that it was appropriate to consider need across this geography, due to a containment of household moves and evidence of employment patterns.
- 5.16 The West Kent authorities were also covered by the Kent and Medway SHMA²³, which was published by DTZ in May 2010.
- 5.17 The Core Strategy was adopted in February 2011, and set a target for 165 dwellings per annum based on the targets in the South East Plan. There is a commitment to review the plan over the first five years to ensure consistency with the NPPF, and therefore a new SHMA is currently being prepared by GL Hearn (commissioned February 2015). Interim reports were submitted to the Council in June 2015. The HMA covers Sevenoaks, Tunbridge Wells and Tonbridge. Tonbridge is also being considered separately within the Tonbridge and Malling SHMA also being produced by GL Hearn.

Sutton

- 5.18 Though not a neighbouring authority, the analysis in the previous section has highlighted a spatial relationship between Tandridge and the London Borough of Sutton.

¹⁹ DCA (2008) East Surrey Strategic Housing Market Assessment

²⁰ DCA (2012) Reigate and Banstead Strategic Housing Market Assessment Update

²¹ Reigate and Banstead Borough Council (2014) Local Plan Core Strategy

²² DCA (2008) West Kent Strategic Housing Market Assessment

²³ DTZ (2010) Kent and Medway Strategic Housing Market Assessment

A SHMA for Sutton was published in May 2015²⁴, and reference is made to the London SHMA – and subsequent research by NLP²⁵ – in confirming that the London housing market is complex and large in scale, extending beyond the boundaries of Greater London. The study accepts that London operates within the wider London housing market, but also looked to identify specific local markets within which Sutton operates.

- 5.19 A range of spatial indicators are analysed, highlighting that Sutton is characterised by relatively low house prices – compared to surrounding areas – suggesting that house price differentials are a key driver of movement to the borough. There are significant commuting relationships with central London, while the strongest migration flows connect Sutton to Lambeth, Wandsworth, Merton, Epsom and Ewell, Croydon and Banstead. Only a limited relationship with Tandridge is therefore implied.
- 5.20 Sutton has also previously been covered by a sub-regional study which assessed needs across South West London – including Croydon, Merton, Kingston, Richmond, Wandsworth and Lambeth – with a report published in 2009²⁶.

Wealden

- 5.21 The Core Strategy Local Plan was adopted by Wealden District Council in November 2012, with housing targets set by the South East Plan. The South East Plan also identified two policy areas in Wealden, with evidence therefore prepared to cover two housing market areas in the district. The northern area of the district was considered to be influenced by the towns of Tunbridge Wells and East Grinstead, with the southern area forming part of a more integrated housing market area with Eastbourne. Two separate SHMAs were commissioned and published in 2007 on this basis.
- 5.22 This remains the latest published SHMA for the district, although the Council's evidence on housing land supply includes the latest position on objectively assessed needs²⁷. This considers needs at a district level based on official household projections, although it is noted that further work is being undertaken through the commissioning of a new SHMA.
- 5.23 This work is currently being undertaken by GVA, and includes consideration of the housing market area in the district. The emerging findings suggest that the district is not self-contained, with the housing market area extending into areas of some neighbouring authorities. Although Wealden does share a relationship with Tandridge, the evidence suggests that there are stronger links with elsewhere.
- 5.24 The consultants are currently preparing a draft report for discussion with other authorities through the Duty to Co-operate. The report will, however, only objectively assess the need for housing in Wealden, with an expectation that housing market area factors will be considered through subsequent discussions between authorities building upon their respective evidence bases. It is anticipated that this study will be finalised in autumn 2015, and published as part of the Issues and Options consultation on the Local Plan Review.

²⁴ GL Hearn (2015) Sutton Strategic Housing Market Assessment

²⁵ NLP (2014) London's Unmet Housing Needs – Meeting London's overspill across the wider South East

²⁶ Ecotec (2009) South West London Strategic Housing Market Assessment

²⁷ Wealden District Council (2014) Five Year Housing Land Supply as at 31st March 2014 and Objectively Assessed Housing Need

The London Plan

5.25 The London SHMA²⁸ forms part of the evidence base for the London Plan, and this considers the need for housing across Greater London. It is, however, acknowledged that the urban area of London extends beyond its boundary – with a substantial hinterland – although there is no universally accepted way of measuring a city's extent. London is particularly characterised by commuting and migration patterns, with commuting to central London common around the city's fringe.

5.26 The significant role of migration is highlighted in the SHMA:

“London attracts large numbers of young people for work and education from the UK and the rest of the world. Analysis of the age characteristics of migration flows into London shows that they contain very high proportions of people aged twenty to thirty. In contrast, flows away from central London contain a much higher proportion of children and older people. This age structure reflects an established pattern of migration for London, where there is a tendency to move out to the suburbs or surrounding counties to raise families”²⁹

5.27 Migration also forms an important component of future housing needs, with the central scenario – considered in the SHMA to be preferential in representing the most likely future – assuming that there will be an increase in outflows³⁰ from Greater London. This scenario forms the basis for the London Plan³¹, which sets a target for around 42,400 dwellings per annum. Given that this falls below the identified need for around 49,000 new homes annually in the London SHMA, this implies that there may be a level of unmet need arising in London, which may be displaced to areas with which there are established linkages.

5.28 The Draft Interim Housing Supplementary Planning Guidance³² (SPG) does, however, set out an aim to meet London's housing requirements within the Greater London boundary, particularly by optimising housing capacity on brownfield sites. A policy of increasing housing supply is therefore a key component in the SPG, with boroughs expected to identify and enable additional housing capacity through the preparation of their Local Plans. This will help to close the gap between the supply of and need for housing in London.

Summary of Neighbouring Authorities Position

5.29 The following table draws together the review undertaken above to summarise the evidence positions of authorities neighbouring Tandridge.

²⁸ GLA (2013) London Strategic Housing Market Assessment

²⁹ Ibid (para 3.5)

³⁰ After 2017, outflows are assumed to increase by 5% with inflows falling by 3%

³¹ Mayor of London (2015) The London Plan

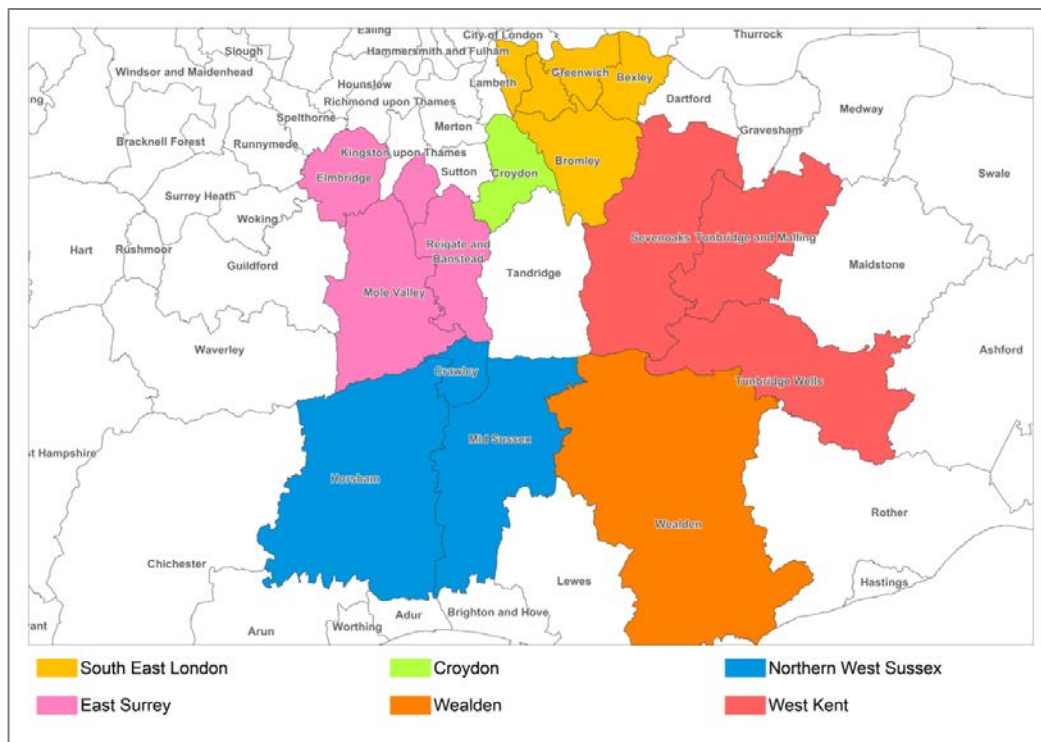
³² Mayor of London (2015) Draft Interim Housing Supplementary Planning Guidance

Figure 5.1: Review of Neighbouring Authorities' Evidence

Authority	Housing market area	Relationship with Tandridge
Bromley	South East London, with Bexley, Greenwich, Lewisham and Southwark. Latest SHMA published in June 2014	Limited relationship
Crawley	Northern West Sussex, with Horsham and Mid Sussex. Evidence published in 2009, 2010 and 2014	Linkages considered to be primarily economic, with M23 and Gatwick Airport forming a boundary to more rural areas of Tandridge
Croydon	Latest SHMA considers borough independently, while recognising links with elsewhere	Acknowledge linkages with Tandridge, although there are also links from the borough to other areas
Mid Sussex	Northern West Sussex, with Crawley and Horsham. Evidence published in 2009, 2010 and 2014	Moderate links with Tandridge, with Mid Sussex sharing stronger relationships with elsewhere
Reigate and Banstead	East Surrey, with Epsom, Elmbridge and Mole Valley. SHMA for whole HMA published in 2008, with local authority level update produced in 2012	Some cross-boundary moves at local level due to commuting and school catchments
Sevenoaks	The 2015 SHMA update will cover Sevenoaks, Tunbridge Wells and Tonbridge	Limited links with Tandridge due to primarily north-south movements
Sutton	Latest SHMA covers borough independently, but earlier evidenced prepared across South West London	Limited relationship
Wealden	Previous evidence suggests two housing market areas to north and south, although latest evidence is being prepared for local authority	Shares relationship with Tandridge, but has stronger links with elsewhere
GLA	Greater London, based on 2013 SHMA, although recognised that the urban area extends beyond this boundary	Acknowledged relationship with authorities at city fringe, particularly in terms of commuting and migration patterns

- 5.30 The following map shows the spatial definitions of the HMA geographies being used in comparable studies covering neighbouring areas. This clearly illustrates that Tandridge falls outside of evidence being prepared in surrounding areas, a number of which are being undertaken on a multi-authority basis.

Figure 5.2: Spatial Representation of Existing Evidenced HMAs in Neighbouring Authorities



Source; Turley, 2015³³

Other Research

- 5.31 The concept of housing market areas is not new. National research was published in 2010 by DCLG and the National Housing and Planning Advice Unit (NHPAU) to identify housing market area geographies across the country. This primarily academic project remains the only study of its kind, and sought to consider the best approach to dividing the country into non-overlapping housing market areas. This included consideration of commuting and migration trends from the 2001 Census – now superseded – as well as standardised house prices.
- 5.32 The research defined a two tier structure of strategic and local housing market area geographies, with the former built from an assumed 77.5% containment of commuting and the latter based on an assumed 50% self-containment of migration. It is important to note that neither of these thresholds reflect the PPG, which – as set out earlier in this report – suggests a 70% migration threshold. Given that they are also based on data from the 2001 Census which has now been superseded, only limited weight should be

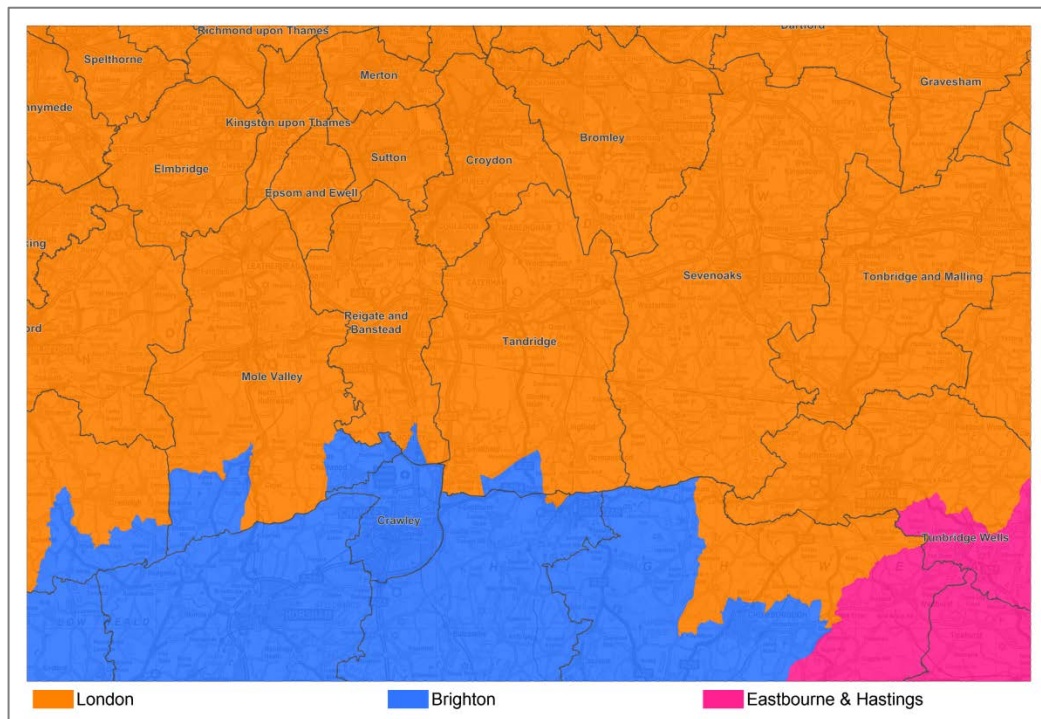
³³ Note: There are some intricacies not evident within the map such as a splitting out of Tonbridge and Malling into a Sevenoaks, Tunbridge Wells and Tonbridge SHMA as well as a Tonbridge and Malling SHMA. Regardless of this, Tandridge is not covered within any of the surrounding HMA definitions

given to these definitions. Nevertheless, they provide valuable historic context, and are considered in turn below.

Strategic Housing Market Areas

- 5.33 As the following plan shows, Tandridge is largely contained within the London strategic housing market area. This covers all London Boroughs as well as large parts of the surrounding counties of Essex, Kent, Surrey and Hertfordshire. Areas to the south – and indeed a small part of Tandridge – share a stronger relationship with Brighton, however.

Figure 5.3: NHPAU/DCLG Strategic Housing Market Areas



Source: DCLG/NHPAU, 2010

- 5.34 This definition clearly demonstrates the significant influencing role of London on surrounding areas. Identifying a geography of this scale, however, does present challenges in developing evidence and local planning policy, as noted within the accompanying report:

“The more fine-grained differentiation of multiple housing markets within a major urban area will also be missed – the latter is most obvious in London where much of Greater London is identified as a single Framework HMA. It is in such areas that an additional lower-tier geography can reflect more localised housing market conditions, and it is notable that it is in such areas that separate lower-tier HMAs are mostly identified...”

“While the Framework HMAs may provide a useful macro perspective for central government to plan for housing, they would be less appropriate in informing day to day planning decisions at the local authority level because housing behaviour as reflected from migration analysis is very localised and developers and house builders will respond

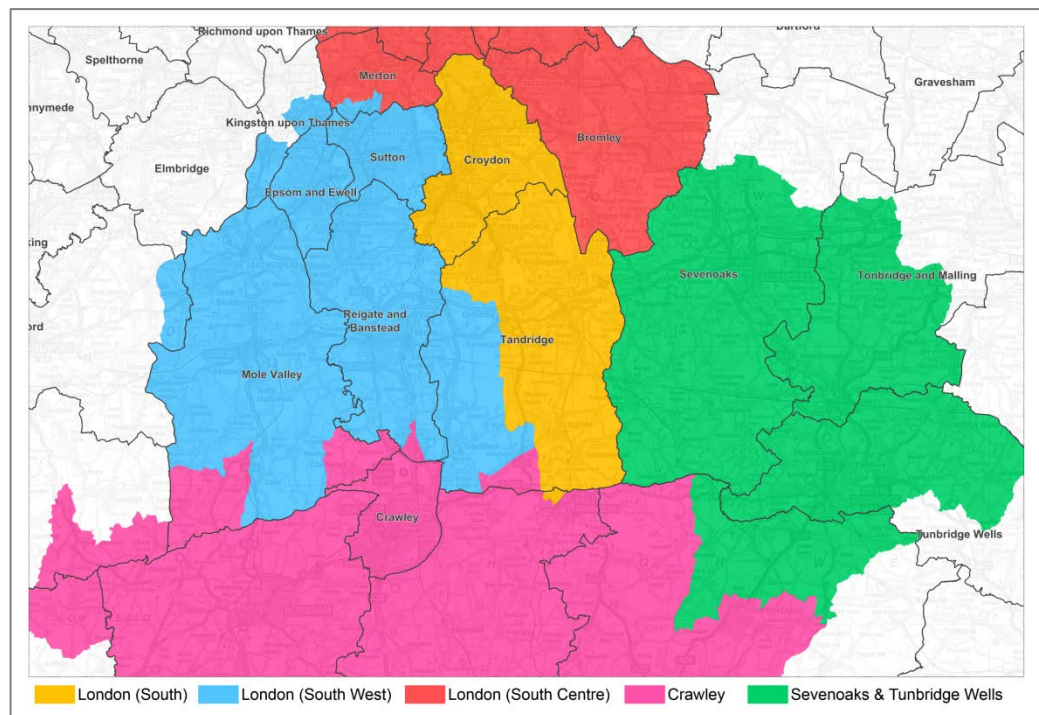
by providing different types of housing according to very sophisticated local and sub-market demands”³⁴

- 5.35 It is also important to note that this definition is based upon analysis of levels of commuting containment, using 2001 Census data. This is therefore inherently weighted by the economic role of London as a major place of employment, and does not necessarily reflect containment of migration nor changing commuting dynamics since 2001.

Local Housing Market Areas

- 5.36 Recognising the importance of more locally defined markets, the research presented a lower tier of market areas, with the following plan showing the spatial boundaries of these geographies.

Figure 5.4: NHPAU/DCLG Local Housing Market Areas



Source: DCLG/NHPAU, 2010

- 5.37 This definition provides a more fragmented view of housing market areas, with much of Tandridge considered to fall within the same London (South) housing market as Croydon. There is, however, also a relationship with the London (South West) market – which covers Reigate and Banstead in its entirety – and a limited relationship with the Crawley housing market to the south. There is no Sevenoaks and Tunbridge Wells and London (South Centre) housing markets, however.
- 5.38 The application of this definition does, though, result in a number of local housing markets which cross local authority boundaries. This evidently presents a challenge in

³⁴ Jones, Coombes and Wong (2010) Geography of Housing Market Areas in England – Summary Report (p26)

the generation of policy and the analysis of data, particularly where authorities are sub-divided between different areas.

- 5.39 It is also important to acknowledge that the DCLG research drew upon 2001 Census data which has now been – at least partially – updated through the release of 2011 Census data. These more recent datasets are considered in section 2 of this report, and should be considered to carry more weight given that they represent an up-to-date evidenced position. It should also be noted that the research approach of DCLG – and the migration thresholds applied in defining local markets – differs from the guidance now in place through the PPG.

Summary and Implications

- 5.40 Evidence from neighbouring authorities demonstrates that while Tandridge does exhibit housing market relationships with other areas it does not have the strongest links for surrounding authorities and is therefore not included in their defined HMAs.
- 5.41 Several authorities are using an old, pre-NPPF definition of their HMA; often a legacy of the South East Plan. A number have more recently taken a stand-alone approach in which the authority is used as the main area of analysis but where evidence from the wider HMA is considered in drawing up the SHMA for the authority.
- 5.42 Neighbouring authorities are at varying stages in terms of the production of their SHMA evidence, with some, such as Croydon and Sevenoaks, recently embarking on an update, and others, such as Crawley and Mid Sussex updating previous studies. It is clear that there are no opportunities at the current point in time for Tandridge to work directly with neighbouring authorities to prepare a new and joint SHMA. Opportunities to prepare a joint assessment were explored by the Council, through an approach to all neighbouring authorities which did not identify any potential partners³⁵.
- 5.43 Wider NHPAU research, taking a top down approach based on definitions and self-containment of commuting and migration not formally accepted under NPPF and using old Census data, presents Tandridge's links as being with Croydon as well as to the west into an area termed London (South West) which includes Reigate and Banstead, Sutton, Epsom and Ewell and Mole Valley as well as part of Kingston upon Thames.

³⁵ It is understood from the Council that only Sevenoaks expressed an interest in preparing joint evidence as part of this exercise. It was acknowledged that the evidence was unlikely to show strong links between the two authorities in isolation meaning that the rationale for a joint study covering just the two authorities was comparatively limited.

6. Conclusions

- 6.1 This Technical Paper reviews the recommended indicators for considering and identifying a HMA for Tandridge. The purpose of this is to feed into the preparation of the Strategic Housing Market Assessment for the authority. The assessment has taken account of government guidance set out in the NPPF and PPG, key indicators using national data sets and external research into identified HMAs in the surrounding area.

Reviewing the Evidence

- 6.2 The assessment of available evidence indicates a range of relationships with surrounding authorities and wards, depending upon the specific indicators in question. The table below provides a summary of the evidence for each of the indicators, namely; migration, house prices, urban form and commuting. At a local authority level, linkages and areas of commonality are evident primarily with Croydon and Reigate and Banstead, with strong relationships also apparent with Mid Sussex and Sevenoaks.

Figure 6.1: Summary of Indicators

Indicator	Implications	Implied relationships
Migration	Low containment of moves – even when grouping Tandridge with other authorities – suggests operation of a much larger housing market area, presenting challenges for plan-making. Large net flow from London boroughs – particularly Croydon and Sutton – with net flow from Tandridge to other authorities including Reigate and Banstead and Mid Sussex.	Croydon (and Greater London), Reigate and Banstead, Mid Sussex, Sevenoaks
House prices	Different price levels within Tandridge, with some commonality and overlap with surrounding areas. District saw slower growth in values prior to the recession – albeit from a higher base – but house prices have recovered strongly since the recession. Tandridge is relatively less affordable than surrounding authorities when taking earnings into account.	Local level commonality with adjoining areas of neighbouring authorities. No distinct evidence regarding strategic relationships.
Urban form	The settlement geography of Tandridge provides an important indication as to the low levels of containment at an authority level. Settlement geographies in the north of the district essentially represent an extension out of the Greater London urban area. The main settlement of Oxted and the other two larger settlements of Lingfield and Smallfield are set in the context of rural Green Belt and therefore represent distinct settlement forms. At a more strategic level the radial nature of Green	Relationship with Greater London authorities defined by settlement geographies to the north. The other larger settlements in the authority are washed over by Green Belt and from part of the

Indicator	Implications	Implied relationships
	Belt results in broadly continuous rural area across several local authorities, resulting in some commonality throughout this rural area	London radial Green Belt area reinforcing spatial commonalities with settlements in Reigate and Banstead, Sevenoaks and other London Green Belt authorities
Commuting	High proportion of residents commute out of Tandridge for work, with around 40% commuting to Greater London (including Croydon) and circa 11% commuting to Reigate and Banstead. Relatively high proportion of jobs in Tandridge are also taken by residents from other authorities, most notably Croydon, Reigate and Banstead and Mid Sussex.	Reigate and Banstead, Croydon (and Greater London), Mid Sussex

Source: Turley, 2015

- 6.3 On a more local scale, where data permits a finer grain of analysis, it is evident that different locations within Tandridge have relationships with different lower geographical level locations elsewhere. For example, house prices indicate a greater relationship between the north east of Tandridge with parts of Bromely and Sevenoaks than elsewhere in Tandridge.
- 6.4 The HMA of Tandridge is therefore by no means clear cut but the evidence strongly suggests that the district does not operate as its own HMA. Tandridge has HMA relationships with Croydon, Reigate and Banstead and Mid Sussex as well as some links with Sutton, Sevenoaks and Crawley.

Considering Neighbouring Areas

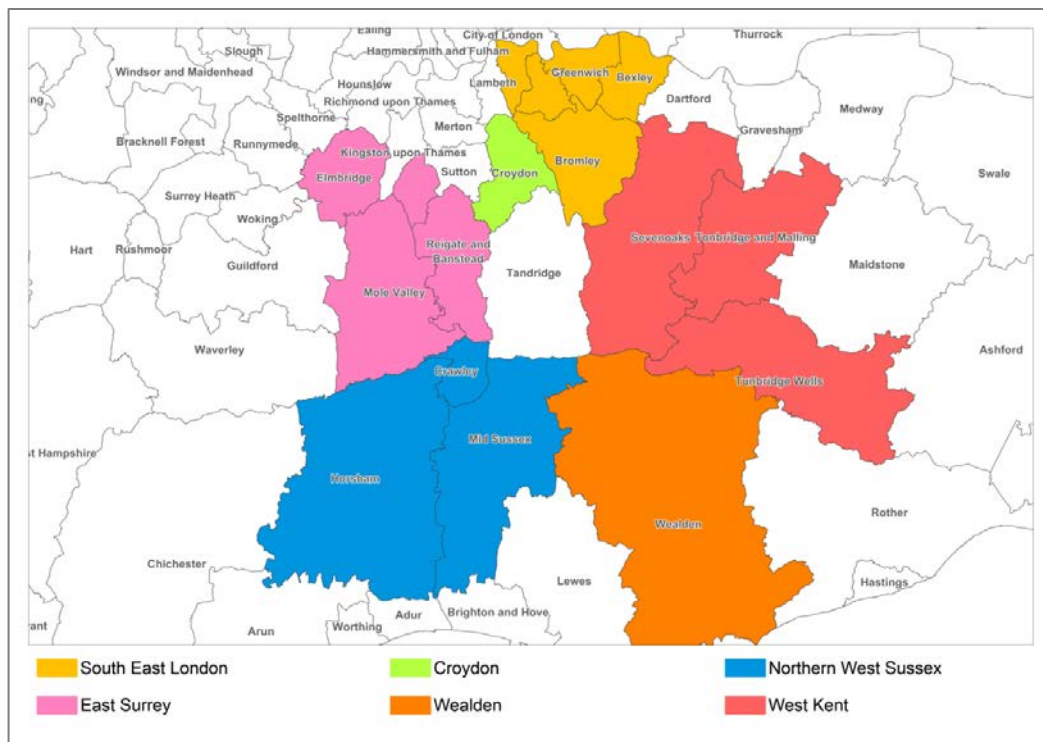
- 6.5 A review has been undertaken of the HMA and SHMA position of the seven authorities neighbouring Tandridge, as well as the Greater London position. This has identified that Tandridge is not specifically identified as falling within the HMA geographies of any of these separate evidence based reports.
- 6.6 There is a recurring position within these evidence base documents that whilst market linkages are identified with Tandridge these linkages are weaker than with other neighbouring authorities. As the evidence within this report has shown this is a result of Tandridge having connections with a number of areas, including those beyond immediate neighbouring boundaries, resulting in the strength of these relationships being diluted.

Figure 6.2: Review of Neighbouring Authorities' Evidence

Authority	Defined Housing Market Area	Relationship with Tandridge
Bromley	South East London, with Bexley, Greenwich, Lewisham and Southwark. Latest SHMA published in June 2014	Limited relationship
Crawley	Northern West Sussex, with Horsham and Mid Sussex. Evidence published in 2009, 2010 and 2014	Linkages considered to be primarily economic, with M23 and Gatwick Airport forming a boundary to more rural areas of Tandridge
Croydon	Latest SHMA considers borough independently, while recognising links with elsewhere	Acknowledge linkages with Tandridge, although there are also links from the borough to other areas
Mid Sussex	Northern West Sussex, with Crawley and Horsham. Evidence published in 2009, 2010 and 2014	Moderate links with Tandridge, with Mid Sussex sharing stronger relationships with elsewhere
Reigate and Banstead	East Surrey, with Epsom, Elmbridge and Mole Valley. SHMA for whole HMA published in 2008, with local authority level update produced in 2012	Some cross-boundary moves at local level due to commuting and school catchments
Sevenoaks	The 2015 SHMA update will cover Sevenoaks, Tunbridge Wells and Tonbridge	Limited links with Tandridge due to primarily north-south movements
Sutton	Latest SHMA covers borough independently, but earlier evidenced prepared across South West London	Limited relationship
Wealden	Previous evidence suggests two housing market areas to north and south, although latest evidence is being prepared for local authority	Shares relationship with Tandridge, but has stronger links with elsewhere
GLA	Greater London, based on 2013 SHMA, although recognised that the urban area extends beyond this boundary	Acknowledged relationship with authorities at city fringe, particularly in terms of commuting and migration patterns

- 6.7 The following map shows the spatial definitions of the HMA geographies being used in comparable studies covering neighbouring areas. This further reinforces the fact that Tandridge falls outside of evidence being prepared in surrounding areas, a number of which are being undertaken on a multi-authority basis.

Figure 6.3: Spatial Representation of Existing Evidenced HMAs in Neighbouring Authorities



Source; Turley, 2015³⁶

- 6.8 In addition to recognising that Tandridge has not been identified as specifically falling within a HMA defined by other surrounding authorities it is also important to recognise that the SHMA evidence in areas with which Tandridge has some form of housing market linkage have been undertaken to different timetables. The neighbouring authorities either have their HMA and SHMA work in place or are already engaged in an update. It is therefore not practical at the current point in time for Tandridge to work on a joint SHMA with neighbouring locations without delaying their own programme of Plan development. This gives cause to revisit the PPG:

“Where Local Plans are at different stages of production, local planning authorities can build upon the existing evidence base of partner local authorities in their housing market area but should co-ordinate future housing reviews so they take place at the same time”³⁷

³⁶ Note: There are some intricacies not evident within the map such as a splitting out of Tonbridge and Malling into a Sevenoaks, Tonbridge Wells and Tonbridge SHMA as well as a Tonbridge and Malling SHMA. Regardless of this, Tandridge is not covered within any of the surrounding HMA definitions

³⁷ http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_007 (Reference 2a-007-20150320)

- 6.9 In recognition of the above and an acknowledgement that the evidence does not suggest that the district can itself be viewed as PPG defined HMA geography Tandridge will need to continue to work with relevant planning authorities to share and understand existing and emerging evidence in establishing implications for housing in the HMA.

Recommendations

- 6.10 The evidence indicates that Tandridge has important housing market relationships with Croydon, Reigate and Banstead and Mid Sussex in particular. The analysis identifies relationships with a number of other authorities, primarily Sutton, Sevenoaks and Crawley. While Tandridge is not identified as a standalone HMA through the evidence reviewed, given the existing and ongoing HMA evidence bases in neighbouring areas it will not be possible to produce a joint SHMA. Tandridge will therefore require its own SHMA, although – given the relationships highlighted in this report – there will need to be an alignment with both the East Surrey and Northern West Sussex SHMAs in particular.
- 6.11 This assessment will need to draw on the evidence produced in other areas and take these into account in establishing an objective assessment of need for the district. There will need to be a particular focus on Croydon, Reigate and Banstead and Mid Sussex, with consideration also given to relationships with Sutton, Sevenoaks and Crawley.
- 6.12 In doing so, it will be important for Tandridge District Council to record any correspondence with neighbouring authorities. This will be important in evidencing any Duty to Cooperate actions at the time of the Examination in Public:

“The duty to cooperate is not a duty to agree. But local planning authorities should make every effort to secure the necessary cooperation on strategic cross boundary matters before they submit their Local Plans for examination.

Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans. If a local planning authority cannot demonstrate that it has complied with the duty then the Local Plan will not be able to proceed further in examination.

Local planning authorities will need to satisfy themselves about whether they have complied with the duty. As part of their consideration, local planning authorities will need to bear in mind that the cooperation should produce effective and deliverable policies on strategic cross boundary matters”³⁸.

- 6.13 While London operates within the strategic guidance of the Mayor and GLA, there is also the prerequisite for London boroughs to work with their non-London neighbours to ensure housing needs are met:

³⁸ <http://planningguidance.planningportal.gov.uk/blog/guidance/duty-to-cooperate/what-is-the-duty-to-cooperate-and-what-does-it-require/> (Paragraph: 001 Reference ID: 9-001-20140306)

“Cooperation between the Mayor, boroughs and local planning authorities bordering London will be vital to ensure that important strategic issues, such as housing delivery and economic growth, are planned effectively”³⁹.

- 6.14 To conclude, evidence points towards Tandridge being a functional component of a HMA including Croydon, Reigate and Banstead and Mid Sussex. However, given timeframes it will be necessary for Tandridge District Council to carry out a stand-alone SHMA which draws on evidence from those authorities with the greatest functional relationships.

³⁹ <http://planningguidance.planningportal.gov.uk/blog/guidance/duty-to-cooperate/what-is-the-duty-to-cooperate-and-what-does-it-require/> (Paragraph: 007 Reference ID: 9-007-20140306)

Turley
1 New York Street
Manchester
M1 4HD

T 0161 233 7676

Turley
1 New York Street
Manchester
M1 4HD

T 0161 233 7676