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Joint Strategic Housing Market Assessment

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Main Report



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Sheffield-Rotherham HMA
Joint Strategic Housing Market Assessment 2015

Final Report
June 2015

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Executive Summary

About this Report

This report provides a joint assessment of the Sheffield-Rotherham Housing Market Area (HMA). It draws on and signposts the sections in the 2013 Sheffield SHMA and 2014 Rotherham SHMA reports where the underlying analysis is provided. Both the Sheffield and Rotherham SHMAs were undertaken by the same team of researchers using the same methodology, and results are consistent across both areas. This report adds some complementary analysis and provides a joint narrative covering the Sheffield-Rotherham HMA. The report summarises the key outputs required by the latest guidance on Housing and Economic Development Needs Assessments (HEDNAs).

The Sheffield-Rotherham Housing Market, Housing Markets Areas and its Submarket Structure

Separately, Sheffield and Rotherham both represent self-contained housing markets in that more than 70% of moves to an address in each local authority's area originate within the same area. That said, Sheffield and Rotherham together form a functional labour market area and there are important cross boundary migration links for certain groups of households, notably younger households from Rotherham to Sheffield and middle income families from Sheffield to Rotherham. Sheffield receives the majority of longer-distance, low-income and international migrants to the region.

The Sheffield-Rotherham HMA is at the heart of a city-regional system of household mobility and search. The volume of cross-boundary moves between Sheffield and Rotherham, in either direction, is by far the most significant in the Sheffield City Region. But this reflects demand and mobility patterns for selected groups, not the market as a whole. Indeed, we note that affordable housing needs arise locally and, by and large, need to be met locally. By 'local', we mean at the level of the individual housing market areas (sub area HMAs) that are nested within, and make up, the broader Sheffield-Rotherham HMA. Sheffield's housing market is made up of 13 geographical sub-area (sub-market) HMAs. Rotherham's housing market is made up of 5 such HMAs. Within both Local Authorities, there are high levels of containment within submarkets. Households report frustration with limited opportunities to transition through the housing ladder within the neighbourhoods in which they reside. The greatest pressure within the joint market is felt in the 'aspirational' areas. This is driven in large part by the influence of school quality in Sheffield and house type and neighbourhood quality factors in Rotherham.

The Current and Future Housing Market

The Housing Requirement: The assessment of the overall housing requirement draws on demographic projections and evidence from household surveys. The overall housing requirement within the Sheffield-Rotherham market will be between 2,875 and 3,375 homes per annum, depending on economic circumstances. The upper limit is only likely to be exceeded in conditions of exceptional levels of economic growth (beyond those anticipated in government projections). This overall requirement comprises 900 homes in Rotherham and between 1,975 and 2,475 homes in Sheffield. Of the 900 homes in Rotherham, approximately 10% should be

one-bedroomed, 40% should be two-bedroomed; and 50% three bedroomed and larger. In Sheffield, 15% should be one-bedroomed; 65% should be two- or three-bedroomed; and 20% should be of four bedrooms or larger. The larger proportion and higher quantity of one bedroom properties in Sheffield reflects its role in absorbing younger, long distance economic migrants and younger households from elsewhere in the city-region. The combined emphasis on larger (3 and 4 bedroom) family homes reflects the increasing pressure for family homes throughout the area.

Housing Needs: The total affordable housing requirement within the Sheffield-Rotherham area will be 962 units per annum. This comprises 237 (26% of the overall 'local' requirement) in Rotherham and 725 (between 29% and 37% of the overall 'local' requirement) in Sheffield. The higher proportion in Sheffield reflects the significant role that Sheffield plays in housing lower income groups within the Sheffield City-Region, including low income, long distance and international migrants. It should be noted, however, that the capacity for LAs to meet each other's housing need will be limited by the self-contained nature of the Housing Market areas and the strong attachment to submarkets described above.

Of the affordable homes within the Rotherham-Sheffield area, 275 should be intermediate tenures (i.e. affordable rent, shared ownership, LCHO). This comprises 67 intermediate homes in Rotherham (7% of local requirement) and 218 (30% of local requirement) in Sheffield.

It should be noted that, in line with best practice guidance, this report draws on an objective 'bottom up' assessment of housing needs. The assessment draws on survey evidence to understand the needs of current and concealed households. It also uses demographic evidence and, where this is used, care is taken to assess the potential impact of constraints in suppressing household formation historically.

Needs by Type: Housing for older people represents a significant challenge throughout the city-region housing system. The considerable heterogeneity within the ageing population means that there are multiple challenges including meeting the needs and preferences of active, older households and meeting the needs of those who require supported living. There is some emerging evidence that older households would consider city/town centre living, although at present they feel that the right housing product is not yet available.

Market Signals: Whilst in both Sheffield and Rotherham, the housing market is experiencing modest recovery, house prices, land values and private rental values are still below national averages and are rising at a slower rate.

Employment Trends and Economic Drivers: The overall requirement and needs calculations are likely to be sensitive to economic conditions. Sheffield's share of managerial and professional occupations (40.9% of employees) exceeds the regional average, reflecting its economic role in financial and professional, creative and digital, and other high value-added sectors. By contrast, 35.1% of Rotherham's employees hold such occupations. Both districts lag the national average, reflecting remaining structural weaknesses in the city regional economy. Economic activity rates vary considerably between HMAs. On average 77% of Sheffield's population are economically active. The average figure in Rotherham is only slightly less, at 75%. The assessment of the housing requirement is to some extent reflective of prospects for economic growth. We have generally recognised that the areas' economies are growing once again and that there are considerable policy tools in place to build on this (e.g. through the SCR Local Enterprise Partnership). That said, the assessment is for growth at a level that is more modest than the upper end of the LEP's own targets which are regarded as highly aspirational.

1 Introduction

1.1 PURPOSE OF THE STUDY

This report provides a joint assessment of the Sheffield-Rotherham Housing Market Area (HMA). The content reflects the requirements of the Housing and Economic Development Needs Assessment (HEDNA) guidance within National Planning Policy Guidance (NPPG).

This report does not contain detailed analysis. Instead it draws on and signposts the locations in the 2013 Sheffield SHMA and 2014 Rotherham SHMA reports, where the underlying analysis is provided. Both the Sheffield and Rotherham SHMAs were undertaken by the same team of researchers using the same methodology, and results are consistent across both areas. This report adds some complementary analysis and provides a joint narrative covering the Sheffield-Rotherham HMA.

The report has three further sections. Section two looks at the spatial structure of the market. It describes the levels of self-containment in Sheffield and Rotherham; the linkages between the two areas; the connections between the areas and the wider city-region; and the internal structure of the joint market area. Section three explores the current and future market. This includes an estimate of the overall housing requirement, a calculation of affordable housing need, and discusses needs by type, as well as general affordability levels, market signals and employment trends and their implications for the joint housing system. The final section of the report offers some concluding remarks.

1.2 THE APPROACH USED

The approach used in this report and both linked studies is consistent with the HEDNA guidance. The only departure from guidance has been the retention of household surveys, in line with previous Best Practice guidance (which was extant at the time of the 2013 Sheffield study). The Household Surveys allow us to triangulate (cross-check) inputs into the technical elements of the model and provide data on additional variables not covered by secondary data sources. Specifically, the survey provides information on house type, size and tenure preferences and expectations that can be used to develop housing and other policies. One specific advantage of the surveys is that they were designed to capture the impacts of past constraints as might be manifested in concealed households or suppressed household formation. The potential limitations of secondary data and survey data are highlighted at appropriate points in the source reports. Thus, in terms of scope and methods, the underlying analysis is compliant with and goes beyond the existing HEDNA guidance.

The joint market assessment is compliant with the Duty to Cooperate. A wide range of stakeholders contributed to the development of the Rotherham and Sheffield SHMAs

through several mechanisms, including: project steering groups; policy workshops; stakeholder interviews; and focus groups with residents. These stakeholders included neighbouring local authorities; private landlords; developers; planning consultants; representatives from community groups, including BME and older people; and members of the public.

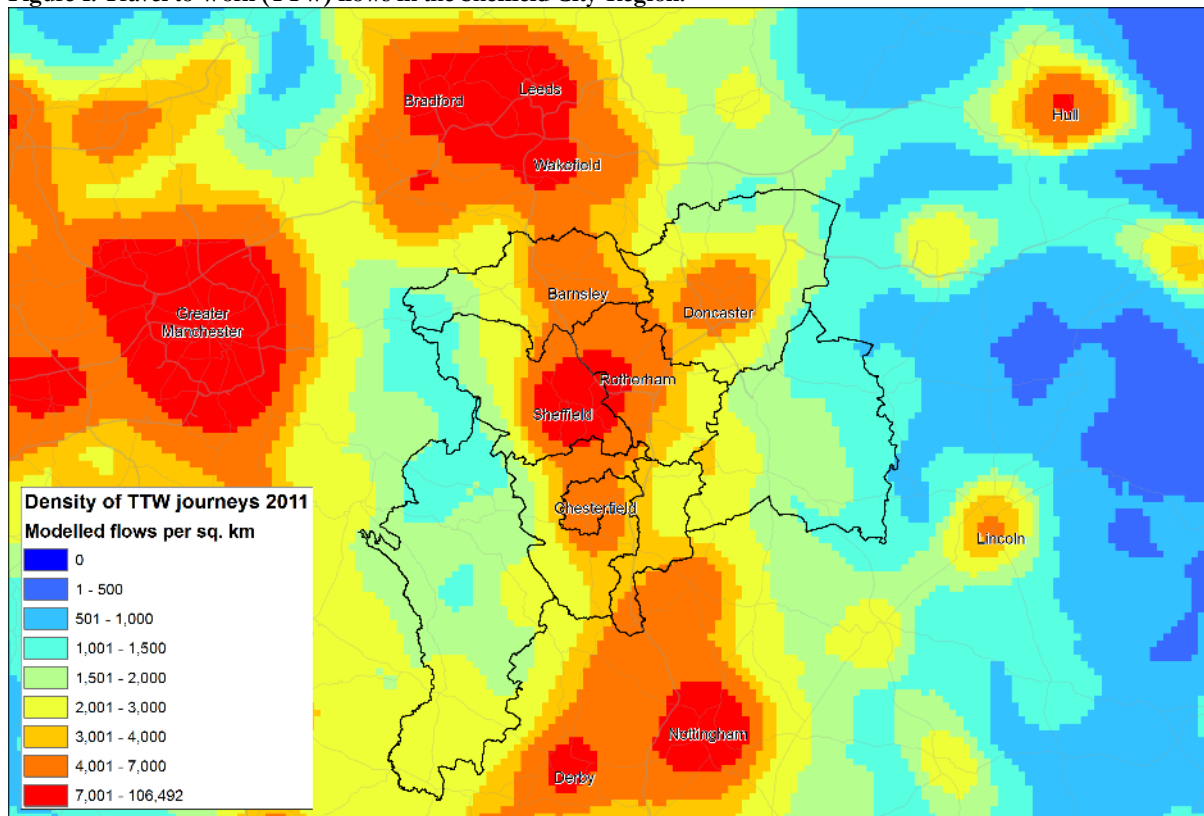
2 The Joint Housing Market Area

This section of the report explores the structure and character of the joint housing market area. It considers the level of self-containment in each LA area and explores the linkages between the two areas, between the joint market and the rest of the city region, and the role of international migration. It also looks at the internal sub-divisions (localised housing sub/market areas), their character and function.

2.1 SELF-CONTAINMENT

The Sheffield-Rotherham HMA is at the heart of a city-regional system of household mobility and search. Separately, Sheffield and Rotherham both represent self-contained housing markets in that more than 70% of moves to an address in each local authority's area originate from the same area (See RSHMA, Section 3.2.3 & SSHMA Section 4.2.3). That said, Sheffield and Rotherham together form a functional labour market area and, as we discuss below, there are important cross boundary migration links for certain groups of households. The density of travel to work flows between Sheffield and Rotherham and their importance within the city region are shown in Figure 1.

Figure 1. Travel to Work (TTW) flows in the Sheffield City-Region.



Source: analysis of 2011 Census Origin-Destination data.

Sheffield is the major employment centre within the city region, attracting over 17,000 net commuter movements to the city per day. Rotherham on the other hand loses a net 7,155 commuters daily. 11,700 people live in Sheffield but work in Rotherham. Approximately double the number – 22,529, live in Rotherham but work in Sheffield. Table 1 provides a summary of travel to work statistics for Sheffield and Rotherham.

Table 1. Summary of TTW statistics, Sheffield-Rotherham HMA.

Workplace	Total number of employee jobs (2013)	Number of employees living in Sheffield (2011)	Number of employees living in Rotherham (2011)	Net effect of commuting (all workplaces) (2011)
Sheffield	240,700	53,655	22,529	17,175
Rotherham	92,900	11,700	161,004	-7,155
Sheffield-Rotherham HMA	333,600	65,355	183,533	n/a

Sources: ONS business register and employment survey (2013) and Census origin-destination tables (2011).

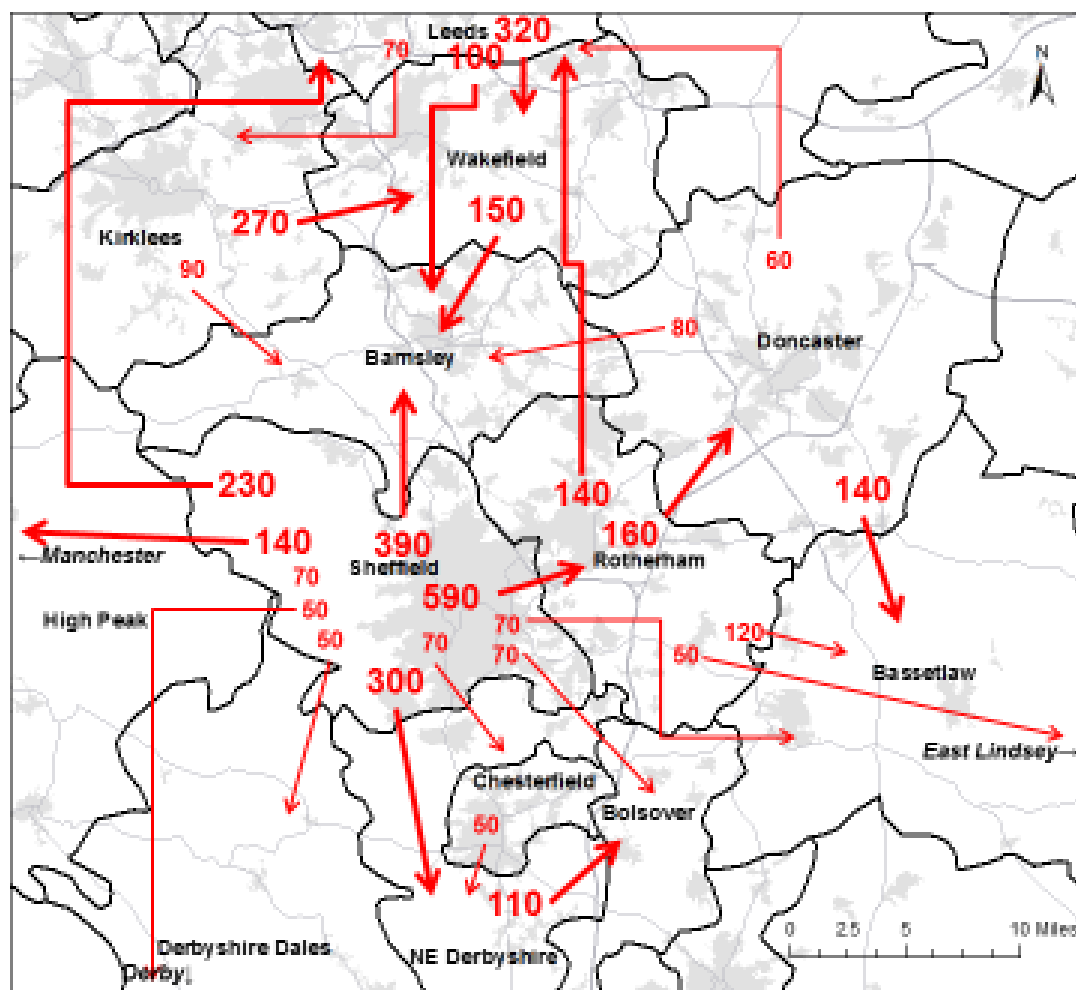
2.2 LINKAGES BETWEEN AREAS

As Figure 2 shows, there are multiple migration flows within the study area and between the study area and other parts of the Sheffield City-Region and beyond. Tables 2a and 2b provide details of the key links for Rotherham.¹ This shows that the volume of cross-boundary moves between Sheffield and Rotherham, in either direction, is by far the most significant in the Sheffield City Region in both gross and net terms. There is no specific evidence of any significant unidirectional flows between contiguous areas on the boundary of each LA; rather, the pattern is a more general picture of flows involving many origins and destinations.

The flows between Sheffield and Rotherham are dominated by two different groups: younger households who move from Rotherham to Sheffield, and families who move from Sheffield to Rotherham (see RSHMA, Section 3.1.6; and SSHMA, Section 4.3.3). Table 3 provides a summary of the household moves between Sheffield and Rotherham by age group. The flows for children aged 1-17 (nominally part of a family household structure) are in favour of Rotherham by a factor of just under 1.5. By contrast, the flows for young people aged 18-29 are in favour of Sheffield by a factor of around 1.4.

¹ The equivalent tables for Sheffield can be found in section 3.3.1. of the Sheffield SHMA report.

Figure 2. Principal net inter-district migration flows (year to June 2013), Rotherham, Sheffield and selected other local authority areas.



Note: Selected net flows of 50 persons or greater are shown. Data source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2013.

2.3 EXTERNAL LINKAGES

As Table 4 shows, international migration impacts on Sheffield much more than other parts of the City Region. The growth in numbers of international students at Sheffield's two universities will have contributed to this. International migration has had a significant cumulative impact over time. The net level of international migration to the Sheffield Rotherham HMA fluctuates, but has most recently been at the level of around 4,000 net incomers per annum.

Table 2a. Highest net flows to and from Rotherham, year to June 2013.

Highest net flows to Rotherham			Highest net flows out of Rotherham		
Rank	District	Net flow	Rank	District	Net flow
1	Sheffield	590	1	Doncaster	160
2	Bolsover	40	2	Leeds	140
3=	Leicester	20	3	Bassetlaw	120
3=	Luton	20	4	East Lindsey	50
3=	West Lindsey	20	5	Cornwall	40
3=	Bolton	20	6=	East Riding of Yorkshire	30
3=	Greenwich	20	6=	York	30
			6=	Derby	30
			6=	Nottingham	30
			6=	Lincoln	30
			6=	Scarborough	30
			6=	Manchester	30
			6=	Walsall	30
			6=	Kirklees	30
			6=	Wakefield	30
			16=	North East Lincolnshire	20
			16=	South Cambridgeshire	20
			16=	North West Leicestershire	20
			16=	Liverpool	20
			16=	Wirral	20
			16=	Coventry	20
			16=	Hounslow	20

Notes: Area names refer to local authority districts or unitary authorities, unless stated.

Source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2013.

Table 2b. Top 20 origins and destinations for internal migrants to and from Rotherham, year to June 2013.

Rank	Destinations of migrants from Rotherham		Origins of migrants to Rotherham	
	Name	Number of migrants	Name	Number of migrants
1	Sheffield	1,430	Sheffield	2,020
2	Doncaster	930	Barnsley	790
3	Barnsley	790	Doncaster	770
4	Bassetlaw	370	Bassetlaw	250
5	Leeds	290	Leeds	150
6	Bradford	110	Bradford	110
7	Kirklees	110	Scotland (country)	110
8	Wakefield	110	Bolsover	100
9	Scotland (country)	110	North East Derbyshire	80
10	East Lindsey	100	Kirklees	80
11	Manchester	100	Wakefield	80
12	East Riding of Yorkshire	90	Manchester	70
13	North East Derbyshire	90	East Riding of Yorkshire	60
14	York	80	West Lindsey	60
15	Derby	80	Birmingham	60
16	Nottingham	80	York	50
17	Lincoln	70	Derby	50
18	Birmingham	70	Nottingham	50
19	Bolsover	60	Chesterfield	50
20	Scarborough	60	East Lindsey	50

Notes: Area names refer to local authority districts or unitary authorities, unless stated.

Source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2013.

Table 3. Migrants between Sheffield and Rotherham by age group, year to 2011.

Origin	Destination							
	Sheffield				Rotherham			
	Age 1-17	Age 18-29	Age 30-64	Age 65+	Age 1-17	Age 18-29	Age 30-64	Age 65+
Sheffield	8084	29343	13579	1895	264	558	672	51
Rotherham	179	777	510	34	3945	4839	5138	843
Ratio origin : destination	1.47	0.72	1.32	1.50	0.68	1.39	0.76	0.67

Source: Census 2011 Origin-destination data (table MU01BUK_ALL).

Table 4. Gross and net international migration flows, Rotherham and Sheffield City Region, 2009-2013.

	Migrants (thousands)											
	Mid-2009 to Mid-2010			Mid-2010 to Mid-2011			Mid-2011 to Mid-2012			Mid-2012 to Mid-2013		
	In	Out	Net	In	Out	Net	In	Out	Net	In	Out	Net
England	514.3	294.1	220.2	536.0	301.0	235.0	455.2	300.9	154.3	449.1	274.2	174.9
Yorks. & Humber	35.4	15.1	20.3	38.7	16.1	22.6	32.1	21.1	11.0	32.3	19.6	12.7
SCR	9.6	3.6	6.0	11.6	4.4	7.2	10.0	5.6	4.4	10.4	5.2	5.2
South Yorkshire	8.8	3.1	5.7	10.3	3.7	6.6	9.2	5.0	4.2	9.5	4.6	4.9
Barnsley	0.5	0.3	0.2	0.7	0.3	0.4	0.6	0.4	0.2	0.6	0.3	0.3
Bassetlaw	0.4	0.1	0.3	0.4	0.2	0.2	0.3	0.2	0.1	0.3	0.2	0.1
Bolsover	0.1	0.0	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.3	0.1	0.2
Chesterfield	0.1	0.1	0.0	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0
Derbyshire Dales	0.1	0.2	-0.1	0.2	0.2	0.0	0.1	0.2	-0.1	0.1	0.2	-0.1
Doncaster	0.8	0.5	0.3	1.1	0.5	0.6	1.0	0.8	0.2	1.1	0.5	0.6
NE Derbyshire	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0
Rotherham	0.6	0.3	0.3	0.8	0.4	0.4	0.6	0.4	0.2	0.7	0.4	0.3
Sheffield	6.9	2.1	4.8	7.8	2.5	5.3	7.0	3.3	3.7	7.1	3.3	3.8
Sheffield- Rotherham HMA	7.5	2.4	5.1	8.6	2.9	5.7	7.6	3.7	3.9	7.8	3.7	4.1

Source: ONS Migration Statistics Unit.

2.4 INTERNAL STRUCTURES AND LINKAGES

Each of the local authority areas is made up of a number of localised internal market areas (submarkets). Sheffield's housing market is made up of 13 geographical submarket areas, also termed HMAs. Rotherham's housing market is made up of 5 such HMAs. These are described in Table 5 below.

Table 5. Housing Market Areas within Sheffield and Rotherham

	HMA	Key housing market characteristics	Area (sq. miles)
Sheffield	City Centre	Significant new build over last decade, dominated by apartments, both converted and purpose-built, including significant regeneration in areas like Park Hill and Kelham Island. Significant new student market. Very few families, although some low-rise Housing Association estates on western fringe.	1.0
	City Centre West	Dominated by Victorian and inter-war terraced and semi-detached housing. Popular neighbourhoods benefitting from proximity to major universities and hospitals. Significant PRS for students and young professionals.	6.1
	Stocksbridge and Deepcar	Separate self-contained settlement on rural fringe. Enjoys good access to trunk road network, but commuting links with Sheffield are congested and public transport slow, usually requiring a change from bus to tram.	7.3
	Chapelton/Ecclesfield	Popular separate self-contained settlement close to motorways and north Sheffield employment zones.	8.2
	North East	Area dominated by very large inter-war council housing estates. Formerly part of the South Yorkshire HMR area.	6.7
	North West	Mix of housing types, broadly suburban in character. More affordable than the other parts of west Sheffield, especially popular with families.	4.4
	Rural Upper Don Valley	Small HMA comprising relatively sought-after villages with a semi-rural character.	2.1
	Peak District National Park	Very little of the city's housing is found in the Peak District. What housing there is exists in small villages and hamlets, within which development is very tightly restricted. Prices reflect the popularity of the rural lifestyle and the constraints on supply. Housing planning largely the responsibility of the Park Authority, although the HMA also includes parts of the neighbourhoods of Lodge Moor and Dore.	67.5*
	East	Formerly the location of much of Sheffield's heavy industries, the East HMA is dominated by cheaper, often terraced housing and a more demographically and ethnically mixed population than many other parts of the city. Formerly part of the South Yorkshire HMR area.	8.3
	South East	Several large and important suburbs from a variety of eras, home especially to families moving from more central parts of south and east Sheffield. Very significant expansion since the 1970s of private suburban estates in the Mosborough Townships, centred on the Crystal Peaks district shopping centre. Although quite distant from the city centre, the HMA benefits from good transport links to the city centre and good access to motorways.	12.7
	South West	Universally acknowledged as Sheffield's premier housing market area, especially among those with above-average incomes and who may be relatively new to the city. Large areas of very low density detached housing from a range of eras, almost all in owner occupation. The South West HMA has excellent access to the Peak District and a reputation as having the best schools in the city, both of which are considered to influence the market considerably. There are very few socially rented properties in this HMA.	7.9
South	Slightly more affordable range of housing than the South West HMA but sharing some of its characteristics. Also includes major peripheral systems-built council housing estates on boundary with North East Derbyshire.	5.2	
Manor/Arbourthorne / Gleadless	Large area dominated by several distinctive social housing estates, including the large inter-war estates on the Manor and Arbourthorne, and systems-built developments in Norfolk Park and Gleadless commanding impressive views over the city. These areas have been subject to significant market restructuring and tenure mixing in recent years although the social rented sector is still dominant. Formerly part of the South Yorkshire HMR area.	4.4	
Rotherham	South Urban	Contains a range of popular neighbourhoods that are geographically central to Rotherham, to the north and east of the M1 and M18. Of particular note is Wickersley, an area considered to be the most popular in Rotherham. The HMA also contains several significant social housing estates, such as Canklow.	14.8
	Dearne	A mix of small, semi-rural settlements, most notably Wentworth and Harley, and small towns such as Wath and Swinton which were formerly associated with heavy industries in the Dearne Valley. The Dearne HMA has been a focus of significant new housing supply in recent years and the capacity of remaining sites may be limited. Parts of the Dearne were formerly part of the South Yorkshire HMR area.	18.2
	North Urban	Dominated by densely urbanised settlements within a deindustrialised landscape. Land values and popularity among home searchers in this HMA are generally low in comparison to other parts of the borough. Significant housing growth is anticipated in this HMA through the strategic allocation at Bassingthorpe Farm, but it is likely that this development will draw demand from a wider market than solely the North Urban HMA. Parts of the HMA were formerly part of the South Yorkshire HMR area.	18.7
	South West	A mix of smaller settlements, some with more rural characteristics but most with housing associated with employment in former industries. Some villages, e.g. Aston are popular with housing market searchers on account of transport links and other attributes. Significant housing growth is anticipated in the Waverley development.	24.8
	South East	Generally comprised of popular villages, many with excellent access to the trunk road network. Villages such as North and South Anston are on key transport routes to Sheffield such as the Sheffield-Lincoln railway line and the A57 road between Sheffield and Worksop.	34.1

Within both LAs, there are high levels of containment within submarkets. Households report frustration with limited opportunities to transition through the housing ladder within existing neighbourhoods (see RSHMA, Appendix 3; & SSHMA, Annex 1). The greatest pressure within the system is felt in the ‘aspirational’ areas (e.g. South West Sheffield, and Wickersley in Rotherham). This is supported by analysis of housing search patterns and survey data. This is driven in large part by the influence of school quality in Sheffield and house type and neighbourhood quality factors (other than schools) in Rotherham (see RSHMA, Section 3.3. & 5.3 & SSHMA, Sections 5.3 & 6.3.5).

3 The current and future housing market

This section of the report combines insights on the current and future housing market from the Rotherham and Sheffield SHMAs. It provides an assessment of the overall housing requirement, sets out the likely level of affordable housing need and highlights key issues in relation to housing needs by type, market signals as well as employment trends and economic drivers.

In summary the overall housing requirement is made up of a market component and an affordable component, as set out in Table 6. The overall requirement in the joint market area is for between 2,875 and 3,375 houses per annum. All figures are net of any reductions to stock. The total affordable housing need is for 962 net dwellings, although as we discuss later affordable housing needs should be met locally rather than shared between districts.

Table 6. Summary of market and affordable housing requirement.

Estimate per annum	Rotherham	Sheffield		Joint HMA	
		Lower	Upper	Lower	Upper
Market housing requirement	663	1,250	1,750	1,913	2,413
Affordable housing need	237	725	725	962	962
Overall housing requirement	900	1,975	2,475	2,875	3,375
Affordable as % of requirement	26%	37%	29%	n/a	n/a

It should be noted that, in line with best practice guidance, this report draws on objective ‘bottom up’ assessments of housing needs. The assessments draw on survey evidence to understand the needs of current and concealed households. The survey methodology also captures the effect of past under-delivery of housing. This is because they surveys reflect household needs at the survey date, including those of concealed households who were at that time unable to secure independent accommodation. The assessments also use demographic evidence, taking care to assess the potential impact of constraints in suppressing household formation historically. The estimates of household formation implied by the surveys are generally higher than demographic projections for the reasons set out above.

3.1 THE OVERALL HOUSING REQUIREMENT

The assessment of the overall housing requirement draws on demographic projections and evidence from household surveys. The overall housing requirement within the Sheffield-Rotherham market will be between 2,875 and 3,375 homes per annum, depending on economic circumstances. The upper limit is only likely to be exceeded in conditions of unprecedented economic growth. This overall requirement comprises 900

homes in Rotherham and between 1,975 and 2,475 homes in Sheffield (see RSHMA section 5.5.3 and SSHMA section 5.4).

Of the 900 homes in Rotherham, approximately 10% should be one-bedroomed, 40% should be two-bedroomed; and 50% three bedroomed and larger. In Sheffield, approximately 15% should be one-bedroomed; 65% should be two- or three-bedroomed; and 20% should be of four bedrooms or larger (see RSHMA section 5.5.4.2; and SSHMA section 5.3.4).

The larger proportion and higher quantity of one bedroom properties in Sheffield reflects its role in absorbing younger, long distance economic migrants and younger households from elsewhere in the city-region. The combined emphasis on larger (3 and 4 bedroom) family homes reflects the increasing pressure for family homes throughout the area.

3.2 AFFORDABILITY AND AFFORDABLE HOUSING NEEDS CALCULATION

Part of the overall requirement should be affordable. The affordable housing requirement is calculated by netting the affordable housing supply off from the backlog of need and newly arising need. This is set out diagrammatically for the Sheffield Rotherham HMA in Figure 3. The key components of the calculation are summarised for each LA in Table 7.

Figure 3. Diagram of calculation of affordable housing need.



Table 7. Housing Needs within the Sheffield Rotherham HMA.

Estimate per annum	Rotherham	Sheffield	Joint HMA
Annual need to reduce backlog	1,395	1,578	2,973
(plus) Total newly arising need	701	3,028	3,729
Total affordable need	2,096	4,606	6,702
(minus) Total supply of affordable homes	1,859	3,881	5,740
Shortfall of affordable homes	237	725	962

The total affordable housing requirement within the Sheffield-Rotherham area will be 962 units per annum. This comprises 237 (26% of the overall 'local' requirement) in

Rotherham and 725 (between 29% and 37% of the overall 'local' requirement) in Sheffield (see RSHMA section 6.5; and SSHMA section 6.5). The higher proportion in Sheffield reflects the significant role that Sheffield plays in housing lower income groups within the City-Region including low income long distance and international migrants. It should be noted, however, that the capacity for LAs to meet each other's housing need will be limited by the self-contained nature of the HMAs and the strong attachment of those in housing need to local submarkets.

Of the affordable homes within the Rotherham-Sheffield area, 275 should be intermediate tenures (i.e. affordable rent, shared ownership, LCHO). This comprises 67 intermediate homes in Rotherham (7% of local requirement) and 218 (30% of local requirement) in Sheffield (see SSHMA section 6.7 and RSHMA section 6.7).

There is some variation in the extent of affordability problems in different market areas within the study area. This variation is illustrated below in Table 8. It shows that in 2014, around 56% of all current households had the income required to afford the lower quartile property in Rotherham. The equivalent value in Sheffield in 2012 was 62%.

3.3 HOUSING NEEDS BY TYPE

Housing for older people represents a significant challenge throughout the city-region housing systems. The levels of need for assisted/supported housing are not out of line with longer-term trends. Rather it is the considerable heterogeneity within the ageing population that means there are multiple challenges including meeting the needs and preferences of active, older households in addition to meeting the needs of those who require supported living. There is some emerging evidence that older households would consider city/town centre living, although at present they feel that the right housing product is not yet available. This issue was apparent in both Sheffield (see SSHMA Annex Report 1) and Rotherham (see RSHMA section 4.5).

In line with most metropolitan conurbations, BME communities are concentrated within particular submarkets. While there is no evidence that the needs of BME groups have deviated from longer term trends, it is important to recognise that the desire to benefit from social networks within areas popular with this group can generate localised affordability problems (see SSHMA, Section 8.5). In this context, the impact of preferred settlement patterns of BME groups is an issue that requires monitoring.

Table 8. Lower quartile house price and income needed to afford by HMA.

HMA	Lower Quartile Price 2014 (£)	Income needed at 25% of house price (£)	% of current (all) households with income needed to afford
Rotherham (2014)			
South Urban	107,000	26,750	55
Dearne	90,000	22,500	58
North Urban	69,838	17,459	57
South East	84,746	21,187	67
South West	115,000	28,750	47
Rotherham	89,000	22,250	56
Sheffield (2012)			
Chapelton/Ecclesfield	£71,939	£17,985	69
City Centre	£73,034	£18,258	46
City Centre West	£83,989	£20,997	55
East	£43,820	£10,955	63
Manor/Arbourthorne/Gleadless	£47,472	£11,868	67
North East	£47,472	£11,868	68
North West	£76,686	£19,171	68
Peak District National Park	£114,481	£28,620	56
Rural Upper Don Valley	£89,512	£22,378	54
South	£75,590	£18,898	58
South East	£62,079	£15,520	59
South West	£135,113	£33,778	51
Stocksbridge & Deepcar	£52,310	£13,078	75
Sheffield	£67,556	£16,889	62

Source: HMLR, 2012, 2014; Sheffield Housing Survey 2013; Rotherham Housing Survey, 2014.

Note: Sheffield analysis is based on 2012 prices; Rotherham analysis is based on 2014 prices. Given slight recovery in the housing market this is likely to explain most of the difference between the proportion of households with the income needed to afford between Sheffield and Rotherham.

Similarly, the needs of households with disability or limiting long term illness remain in line with longer term trends. It should be noted, however, that these needs are greater in some HMAs than others (e.g. the Manor/Arbourthorne/Gleadless HMA has the highest proportion of households with disabilities, and the highest rates of housing inadequacy in this regard, in Sheffield) (see RSHMA, Section 7.2; SSHMA, Section 8.2).

The requirement for pitches to accommodate Gypsy and Traveller needs in Sheffield and Rotherham is described in the South Yorkshire Gypsy and Traveller Accommodation Assessment 2011-16. It reports that there are currently 31 pitches in Sheffield but none in Rotherham. There is an estimated additional requirement for pitches of 43 in Sheffield and 9 in Rotherham, to be met over five years.

3.4 **MARKET SIGNALS**

Both Sheffield and Rotherham's housing markets were affected by the down turn in 2007 and the shape of the contemporary market – in terms of transaction volumes, prices – is in the context of post-crash recovery. Whilst in both Sheffield and Rotherham, the housing market is experiencing modest recovery, house prices, land value and private rental values are still below national averages and are rising at a slower rate. Table 9 sets out the impact of the downturn on both market areas. Sheffield and Rotherham fared slightly better than the region on average, but was much more badly affected than the rest of the country. As the market has recovered from 2014, Sheffield has seen higher rates of price growth than Rotherham which is lagging the regional average.

Table 9. HMLR House Price Index (HPI) for Sheffield and selected districts and counties, May 2007, 2013 and 2014.

	May 2007		May 2013		Change in average price 2007-2013 (%)	May 2014	
	Average price (£)	Annual change (%)	Average price (£)	Annual change (%)		Average price (£)	Annual change (%)
Sheffield	136,015	9.3	112,946	-17.0	-2.6	119,671	6.7
Rotherham	121,533	5.3	97,745	-19.6	-0.6	98,866	2.0
Doncaster	118,758	4.3	93,686	-21.1	-1.2	94,847	3.6
Barnsley	112,424	5.0	86,912	-22.7	1.5	88,903	2.5
Derbyshire	140,740	5.3	118,398	-15.9	-1.6	124,354	5.5
Nottinghamshire	138,159	3.3	118,332	-14.4	0.6	124,124	5.5
Kirklees	134,746	6.7	105,377	-21.8	-1.7	109,948	3.3
Wakefield	134,427	7.4	101,376	-24.6	-3.8	105,317	5.0
Leeds	150,885	7.4	121,839	-19.3	-2.9	124,688	3.1
Manchester	112,030	8.9	93,617	-16.4	0.6	96,256	2.7
Yorkshire & Humber	143,089	8.1	115,324	-19.4	0.0	119,967	3.8
England & Wales	177,359	8.6	161,969	-8.7	0.0	171,821	6.9

Source: HMLR

3.5 EMPLOYMENT TRENDS AND ECONOMIC DRIVERS

Sheffield's share of managerial and professional occupations (40.9% of employees) exceeds the regional average, reflecting its economic role in financial and professional, creative and digital, and other high value-added sectors (Table 10). By contrast, 35.1% of Rotherham's employees hold such occupations. Both districts lag the national average (44.0%), reflecting remaining structural weaknesses in the city regional economy.

Economic activity rates vary considerably between HMAs. On average 77% of Sheffield's population are economically active.² The average figure in Rotherham is only slightly less, at 75%.

² Economic activity rates reported here are taken from the ONS Annual Population Survey as reported on NOMIS, and differ from the same measure reported in the 2011 Census.

Table 10. Employment by occupation.

SOC 2010 major group	Sheffield		Rotherham		Yorkshire and The Humber	Great Britain
	Number	%	Number	%	%	%
Group 1-3: managerial and professional	109,300	40.9	38,300	35.1	39.3	44.0
Group 4-5: administrative and skilled trades	58,600	21.9	24,200	22.2	22.1	21.5
Group 6-7: service occupations	48,100	18.0	20,900	19.2	18.3	17.2
Group 8-9: operatives and elementary occupations	51,200	19.2	24,400	22.4	20.3	17.3

: Groups 1-3 are (1) managers, directors and senior officials; (2) professional occupations, and (3) associate professional and technical occupations. Groups 4-5 are (4) administrative and secretarial, and (5) skilled trades occupations. Groups 6-7 are (6) caring, leisure and other service occupations, and (7) sales and customer service occupations. Groups 8-9 are (8) process plant and machine operatives; and (9) elementary occupations. Source: ONS Annual Population Survey April 2012-March 2013 via NOMIS.

The assessment of the housing requirement is to some extent reflective of prospects for economic growth. We have generally recognised that the areas' economies are growing once again and that there are considerable policy tools in place to build on this (e.g. through the SCR Local Enterprise Partnership). The overall requirement reported above was based on testing a range of inputs based on different economic assessment. The upper limit of the requirement reported is based on the most optimistic economic scenarios incorporated in official forecasts. That said, the assessment is for growth at a level that is more modest than the upper end of the LEP's own targets which, given the context within which they were generated, might be regarded as highly aspirational.

4 Conclusion

This report draws together evidence from the Sheffield Strategic Housing Market Assessment 2013 and the Rotherham Strategic Housing Market Assessment 2014. The combined evidence has been used to develop estimates of the overall housing requirement in the Joint Market area and to explore the level of affordable housing need. These estimates have been derived using a consistent methodology. The use of survey data, although no longer an expectation in the latest HEDNA guidance, was consistent with the extant guidance at the time the Sheffield study was undertaken. The approach used represent methods that have the robustness required of the current guidance but is also enriched by the use of additional survey-based and qualitative evidence. This report and the constituent SHMAs have been developed in line with the requirement of the Duty to Cooperate. Table 11 provides a list of the key outputs, as defined in the guidance, and how they are met.

Although each SHMA report provides a range of policy implications relevant to each area, some broad implications covering the joint area can be drawn out:

- Although Sheffield and Rotherham are each technically self-contained, there is clearly a functional relationship between the two districts in labour market terms. For some specific groups (such as those seeking family housing) there may be scope for the requirement for market housing to be met across both areas. This is a matter for cooperation and negotiation between the two planning authorities taking into account local circumstances, constraints and any potential negative impacts, such as increased commuting.
- Affordable housing needs, on the other hand, remain a largely local matter, and authorities should plan to meet these needs locally. This is because of the nature of institutional support structures (e.g. with regards to supported housing), informal support structures (e.g. family and friends, community groups), and strong place attachment.
- The markets for town and city centre living may to some extent be linked. At present a high proportion of younger age groups move from Rotherham to Sheffield. Potentially, a more attractive Rotherham town centre living offer may address this but could also undermine the Sheffield market to some extent. However, given the much larger city centre living market in Sheffield, any impact on this market from an increase in town centre living in Rotherham would be marginal. In reality the impact will be dependent on the wider success of Rotherham's efforts to regenerate its town centre.
- Ongoing monitoring will be essential to understand progress towards meeting affordable housing needs at an HMA level, and towards meeting the overall housing requirement between the two local authorities.

Table 11. Summary of the main requirements in the HEDNA guidance.

HEDNA guidance	Joint assessment
Primary objective: identify the future quantity of housing needed, including a breakdown by type, tenure and size	Section 3: The total requirement is between 2,875 and 3,375 homes per annum. Between 1,913 and 2,413 should be met by the market; and 275 should be intermediate tenures; around 2,800 homes should be larger than 1 bedroom.
Application of constraints to the assessment of development needs	Section 3: This SHMA is an objective 'bottom up' assessment of housing needs. It draws on survey evidence to understand the needs of current and concealed households. By definition this includes the impact of concealed households and suppressed formation that may have resulted from past under delivery of housing. The assessment also uses demographic evidence and, where this is used, care is taken to assess the potential impact of constraints in suppressing household formation historically.
Methodology	Section 1: the most significant departure from the standard methodology is in the use of a household survey for the reasons given. The approach used was consistent with extant guidance at the time at which the Sheffield SHMA was undertaken. A consistent methodology has been used in both Rotherham and Sheffield
Duty to Cooperate	Section 1: A range of bodies have been involved in the production of the constituent SHMAs through several mechanisms, including: a steering group (including neighbouring authorities); policy workshops; stakeholder interviews; and focus groups with residents.
Sub-market areas	Section 2: Table 4 sets out all 18 submarket areas and summarises their characteristics.
Housing Market Area	Section 2: there are two constituent HMAs in Sheffield and Rotherham that each exhibit levels of self-containment in excess of 70% of all moves. For certain household types, however, there is evidence of a shared market between Sheffield and Rotherham, reflective of its shared functional labour market area.
Establishing housing need	Section 3 outlines the process for calculating housing need
Employment trends	Section 3 highlights that the study area looks likely to underperform national growth levels; the housing requirement calculations look at different scenarios. Only unprecedented levels of growth would be likely to see the required level of housing exceed the upper limit of the estimated range.
Market signals	Section 3: house price and rental growth are recovering more slowly than national figures
Affordability	Section 3: affordability levels vary between the two LA areas and between submarkets.
Needs by type	Section 3: the most significant challenges relate to older people.
Affordable needs calculation	Section 3: the calculations are summarised in Table 5; 962 affordable homes are required per annum across the joint market area, although the extent to which this requirement can be 'shared' between local authorities is less than is the case for open market family housing.