

HOUSING MARKET AREAS REVIEW 2018



Housing
Executive

THE HOUSING EXECUTIVE HAS PRODUCED NEW 2017 BASED HOUSING MARKET AREAS

The Housing Executive commissioned this study in 2017 to enhance understanding of the concept of functional housing market areas and to update the suite of 11 broad housing market areas (HMAs) that were originally defined in 2009.

The updated HMAs set out in this summary are primarily intended to provide the Housing Executive with a spatial framework to support their analysis of local housing systems and their internal strategy development processes.

However, the HMAs should also assist local authorities to more clearly understand the broad HMA of which their local area is part.

This in turn should help to clarify which local authorities should look to collaborate in planning for housing development across the broad HMA.

WHAT ARE HOUSING MARKET AREAS AND WHAT CAN THEY BE USED FOR?

Functional economic geographies relate to the spatial area over which markets operate and are not necessarily aligned to, or constrained by, local authority boundaries.

The geography of functional HMAs are shaped by where people live and work and the spatial area over which people search for and choose a new home without changing their place of work.

As a result, broad HMAs, which are also referred to in the research literature as sub-regional or strategic HMAs, represent the spatial area where the vast majority of people of working age both live and work and where those moving house without changing employment choose to stay.

In the last 20 years, the need to understand housing markets and the spatial area over which they operate has become widely accepted as an important part of the housing planning and policymaking process across the UK.

Today, the use of broad HMAs as the starting point for analysing housing systems is seen as a prerequisite for ensuring local planning and policy decisions are more responsive and sensitive to changing housing market conditions.

HOW WERE THESE GEOGRAPHIES DEFINED?

There is no single or widely accepted method for defining and mapping the spatial extent of broad HMAs but there is broad agreement that the delineation of the 'outer shell' of an HMA should draw on evidence of internal migration and commuting flows. This study, which was carried out between February and June 2018, involved a review of relevant documentation plus:

- An analysis of Census 2011 data and an anonymised sample of over a million records from the Medical Cards Registration (MCR) system. The MCR data was used to explore patterns of residential mobility between 2011 and 2017, to explore the linkages between different urban and rural areas and the influence of employment centres in terms of residential flows. The findings from the MCR analysis were then compared with Travel to Work Areas (TTWAs) as well as evidence from the 2011 Census in regard to commuting and migration flows.
- The overall validity and integrity of the 11 prototype HMAs derived from the data analysis were explored through dialogue with NIHE staff and external stakeholders, including local authority spatial planners, academics and representatives from housing and planning bodies in Northern Ireland.

The final recommended boundaries for the 11 functional HMAs that operate across Northern Ireland are shown in the map below (see Figure 1).

There have been some relatively modest adjustments to the spatial extent of some broad HMAs, most noticeably the Belfast Metropolitan HMA and those housing market areas that adjoin it.

However, there has been no change in the numbers of broad HMAs that operate in Northern Ireland in the last decade in spite of the housing market downturn.

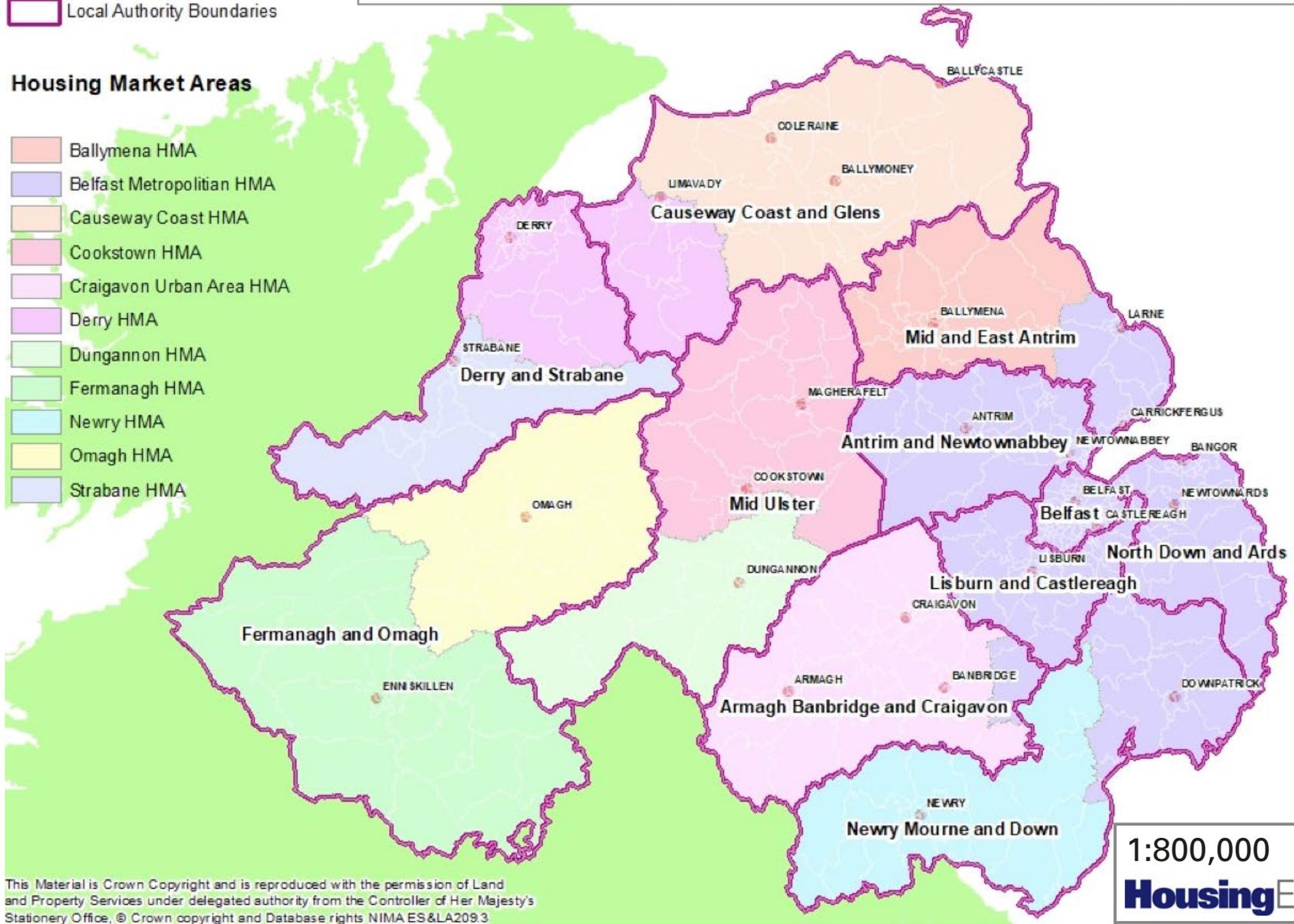
Housing Market Areas and Local Authority Boundaries

Legend

 Local Authority Boundaries

Housing Market Areas

-  Ballymena HMA
-  Belfast Metropolitan HMA
-  Causeway Coast HMA
-  Cookstown HMA
-  Craigavon Urban Area HMA
-  Derry HMA
-  Dungannon HMA
-  Fermanagh HMA
-  Newry HMA
-  Omagh HMA
-  Strabane HMA



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WHAT HAS CHANGED SINCE 2009?

- The Belfast Metropolitan HMA remains the largest and most populous housing market, although its northern boundary no longer extends north of Larne town or to the rural wards at the southern east edge of Mid and East Antrim Local Authority (LA) such as Kells. Likewise, its southern boundaries no longer extend as deeply into two local authority areas: namely the Armagh City, Banbridge and Craigavon LA and the Newry, Mourne and Down LA.
- The Craigavon HMA and Newry HMA, which lie to the south of the Belfast Metropolitan HMA, have somewhat expanded in spatial terms. In the case of the Craigavon HMA, this is largely due to a decline in the share of people relocating to the area in and around Banbridge town from the Greater Belfast area. In the case of the Newry HMA, it reflects a decline in people moving to the area to settlements and rural areas that do not lie in very close proximity to the A2 road south of Ballynahinch. These changes are most likely a reflection of the extended housing market downturn that has existed for the last 10 years. However, it is not possible to ascertain if these changes are likely to be anything other than cyclical.
- The Ballymena HMA remains more tightly drawn than the corresponding TTWA. This is mainly due to the low level of residential flows to (and from) settlements and coastal wards to the north east of the town that fall within the Causeway Coast HMA as opposed to any substantial changes in the residential movement patterns of households relocating from Greater Belfast or elsewhere in the Belfast Metropolitan HMA.
- The Derry HMA has been subject to only minor adjustments, which have mainly resulted from adjustments to the methods used in this study relative to those used in 2009.
- The Causeway Coast HMA has somewhat expanded, mainly due to the re-assignment of some rural wards, such as those in the Antrim Glens area, from the Ballymena HMA.

- There has been little change in terms of the spatial extent of the predominately rural housing markets known as the Strabane HMA, the Omagh HMA, the Cookstown HMA, the Dungannon HMA or the Fermanagh HMA. Outside of long distance residential movements, mainly to (and from) the Belfast Metropolitan HMA, these predominately rural housing markets have few, if any, significant links with any other housing market.

Consistent with both the study remit and with common practice, we have assigned each ward to one HMA only. However, some rural communities display scant connection to any nearby local employment centre and any future analysis and policy should be mindful of the unaligned character of these rural communities and localities. These largely 'unbounded' rural areas are most commonly found in the five predominately rural HMAs noted above.

The literature suggests that HMA boundaries are fuzzy and can overlap. However, outside of the Belfast Metropolitan HMA and the two HMAs that adjoin it, the spatial extent of housing markets in the rest of Northern Ireland appear to be deeply entrenched.

This may help to explain why the Banbridge area was the only major area of overlap we could identify. This area is located within the Craigavon HMA but is subject to influence from the Belfast Metropolitan HMA and, to a lesser extent, from the Newry HMA.

Whatever pragmatic decisions the Housing Executive make in terms of the potential alignment of the broad HMA boundaries to the administrative boundaries of the 11 local authorities, it is vital that the distinctive nature of the Banbridge area is taken fully into account.

The internal spatial structure of a housing market area is complex and comprises of many different spatial layers.

Our analysis suggests that the Belfast Metropolitan HMA has a two tier functional geography in the sense that it includes local HMAs that 'nest' within the broad HMA. These local HMAs are shown in Figure 2.

The remaining NI housing markets areas comprise of a single tier HMA. On saying that, the Craigavon HMA has two distinct and important spatial segments based around Armagh City and Banbridge town.

Likewise the Derry HMA includes the distinct spatial segment of Limavady that is only modestly connected to the broader Derry HMA.

Comparisons between the 2007 and 2017 based broad HMAs confirm that changes to the 'outer shell' are very gradual.

In terms of keeping the HMA boundaries under review, we would suggest that the main focus should be to watch for evidence that the 'outer shell' of the Belfast Metropolitan HMA or the spatial extent of its local HMAs are changing.

Data limitations continue to hinder attempts to investigate and map HMAs that might extend across the border into the Republic of Ireland.

It would therefore be helpful for the Housing Executive to collaborate with NISRA and CSO to explore the scope to develop more robust, anonymised and routinely updated cross-border commuting and migration data that could be reported below local authority level and ideally down to Super Output Area and made more easily accessible for researchers.

WHAT WILL THE HOUSING EXECUTIVE USE THESE NEW HMA GEOGRAPHIES FOR?

The Housing Executive plans to use the HMAs to produce revised and updated local housing systems analysis (LHSA) but it faces challenges in terms of both data availability and the resources required to perform the task effectively.

We believe a suitable way forward would be to view the LHSA as an ongoing process and for the Housing Executive to liaise with local authorities to:

- Identify the most pressing issues that warrant investigation and are also practical to achieve in light of data availability.
- Prioritise key data gaps and then work in collaboration with NISRA, the Department for Communities, Cache and data providers to agree the best way forward to close these data gaps.

Some important data gaps at local level include the provision of routine, updated data on private and housing association rents, the characteristics and financial circumstances of households in different tenures, lettings to homeless applicants and co-ownership purchases. Feedback from the workshops also suggests there are issues around effective land supply and ownership.

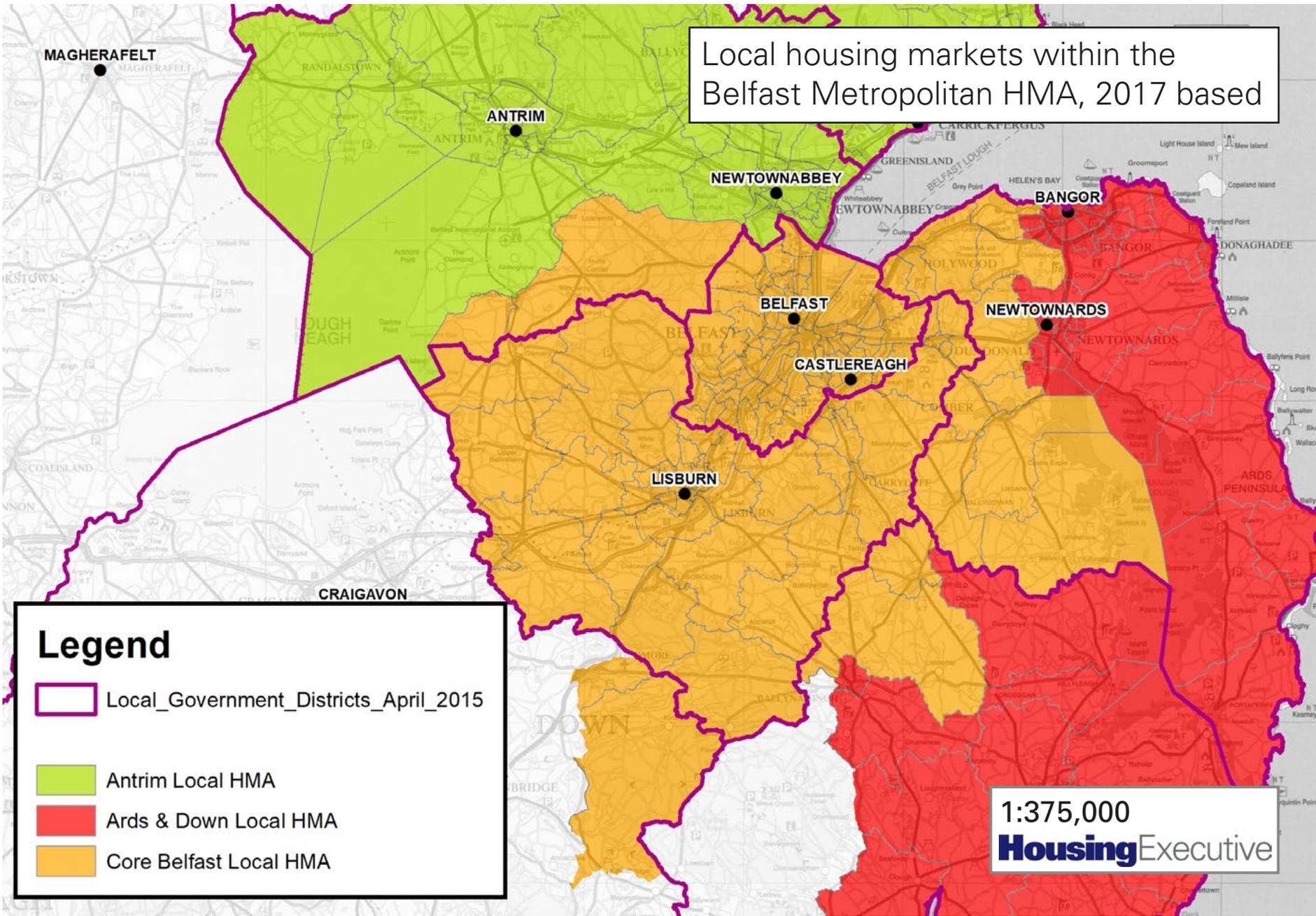
Finally, it would be advisable for the NIHE to conduct further discussions with local authorities and other stakeholders about the planned use of HMA boundaries and, more specifically, about the potential delineation of local HMAs and sub-areas for the Belfast Metropolitan HMA.

All mapping in this project was carried out by Dan Cookson in collaboration with Newhaven Research. The full set of HMA geographies can be accessed here:

[j.mp/HMA2017_Map](https://www.j.mp/HMA2017_Map)

The full report can be viewed here

Local housing markets within the Belfast Metropolitan HMA, 2017 based



Legend

-  Local_Government_Districts_April_2015
-  Antrim Local HMA
-  Ards & Down Local HMA
-  Core Belfast Local HMA

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WHAT HAPPENS NEXT?

The Housing Executive intends to commission further research in 2018/19 to provide a comprehensive local housing systems analysis of Belfast Metropolitan HMA and Strabane/Derry HMAs (Western HMAs).

Included in this research will be an analysis of key economic, demographic and housing data, as well as attempting to project future need at the appropriate geographic level to inform Local Development Plans and policy makers to have a full understanding of the dynamics of each Housing Market Area.

Analysis of the remaining HMAs will follow.