

UNDERSTANDING HOUSING DEMAND
Learning from rising markets in
Yorkshire and the Humber



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Published for the Joseph Rowntree Foundation
by the Chartered Institute of Housing

Paul Hickman, David Robinson, Rionach Casey, Stephen Green and Ryan Powell



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Executive Summary

- 1 In recent years, interest has grown in how housing markets work and as a consequence, a burgeoning literature on the subject has emerged. However, this literature, which has tended to adopt an economic approach to analysis, does not adequately explain how and why housing markets change.
 - 2 This report sheds further light on this issue by focusing on one side of the housing market equation – housing demand – with particular attention concentrated on the key driver of residential mobility: the aspirations, attitudes and wants of households.
 - 3 Unusually, the research does so by focusing on ‘rising’ markets. The study centres on four in-depth case studies in the Yorkshire and the Humber region:
 - **Pannal**, a high price area on the edge of Harrogate in the ‘Golden Triangle’ area;
 - **Howden**, a medium price rural town in the Humber sub-region;
 - **Burngreave**, a ‘policy-on’ low price area in Sheffield; and
 - **Beeston Hill**, a ‘policy-off’ low price area in Leeds, where investment demand is a key factor driving the local housing market.
 - 4 Past explanations of residential mobility, and by implication, housing market change, have tended to focus on the impact of life course ‘triggers’ and ‘push-pull’ factors on residential mobility. People move in a response to a ‘trigger’ or ‘push’ and are ‘pulled’ to the area they choose. This research offers a very different story. While not underestimating the importance of ‘triggers’, ‘pushes’ and ‘pulls’, it found residential mobility to be a far more subtle process and a complex interplay between four factors: *resources; identity and dispositions; residential perceptions and interpretations* and *notions of place* within the wider context of the housing field.
 - 5 In the three case studies specifically selected to explore the issue of residential mobility, analysis of residents’ rational stories for moving revealed that although the bundle of ‘push-pull’ factors driving their relocation decisions varied, there were some shared factors. For example, in Howden and Pannal good transport links to local employment centres were cited by a number of residents as a major draw for them, while in Burngreave and Howden the relative affordability of the local housing stock had made the area attractive to a number of local residents. However, there was no one ‘ingredient’ that had precipitated rapid house growth in the case study areas.
 - 6 Although a number of common themes appeared in the rational narratives of mobility reported by respondents in the case studies, they did not ‘read’ and respond to the local housing market in the same way, and presented subtly
-

different stories for moving. This was in part because they had differing cultural and social identities, whether formed consciously or unconsciously, attached differing meaning to 'place', and were 'disposed' to view their worlds in different ways. Some of these values, identities, beliefs, aspirations and dispositions were shared and it was possible to identify distinct mobility groups in each of the case studies.

- In Pannal, three mobility groups emerged: *aspirational movers*, who were concerned primarily about satisfying their aspirations; *urban leavers*, whose main motivation for moving was the desire to 'escape' the perceived 'dangers' of city life; and *pragmatic movers*, whose defining characteristic was the lack of emphasis placed on 'place' and the importance attached to 'bricks and mortar.'
- In Howden, three mobility groups were identified: *semi-rural gentrifiers*, who were concerned primarily with 'buying' into the rural idyll; *aspiring new builders*, who were concerned principally with social and economic progress; and *equity-rich baby boomers*, whose distinguishing feature was their high level of social interaction in the local community.
- Four mobility groups emerged in Burngreave: *pioneers*, who were driven primarily by lifestyle considerations and were concerned with 'buying' into a way of life; *housing ladder climbers*, who were concerned primarily with their position on the housing ladder; *new arrivals*, recent arrivals to the UK; and *kith and kin movers*, whose primary concern was about being close to family and friends.

7 *Aspirations* appeared to be a particularly important factor underpinning residents' relocation decisions. It was possible to categorise residents' aspirations into two groups: those concerned with 'buying' into a *lifestyle* and those that were closely linked to status, and, in particular, the household's *position* on the housing 'ladder' and in society.

8 An often expressed residential preference among recent movers in the Pannal, Howden and Burngreave case studies was the desire to live among 'people like us'. Respondents appeared to derive a sense of security and comfort from living among people that they perceived they had much in common with, for example, as a result of social class, employment status or ethnic origin, and with whom they therefore presumed they had a shared outlook. These perceptions were often apparent in seemingly mundane comments about people in the local area, for example, keeping their gardens tidy, or sending their children to a similar school or being friendly when they met in the street.

9 In many parts of the Yorkshire and the Humber region, particularly city centres and regeneration areas, to a large extent housing market change is not being driven by the decisions of purchasers as *consumers*, but instead by their decisions as *investors*. In these areas the framework for understanding resident mobility outlined above is inappropriate, as a quite different model is driving the decision-making process of purchasers.

-
- 10 This rationale was explored in the Beeston Hill case study. A number of interesting insights into the phenomenon were gleaned from this study. Most investors in the area were landlords and the key factor attracting them to area was not equity growth, but the healthy return on investment that being a landlord in the area offered: properties could be bought at comparatively low prices and then let out for relatively high rents. Many investors were not from the Leeds area and some had initially become aware of Beeston Hill through searching websites.
-
- 11 House prices are often used as a barometer of the 'health' of an area and, in the context of regeneration, rising prices are seen as signifying that a neighbourhood is improving and becoming 'healthier'. However, with the growth of investment-led demand, in many of the region's housing markets house prices say little about the popularity and health of the neighbourhood, and merely reflect the market for housing. Policy-makers should therefore be clear what rising house prices '*mean*' and *why* prices have risen.
-
- 12 The research identified a number of negative consequences associated with rising markets. These included affordability problems where 'local' residents were effectively being priced out of the market, tensions between 'new' and 'indigenous' population groups, and escalating redevelopment costs for regeneration agencies.
-
- 13 The report identifies a number of **policy implications**:
- A paradigm shift may be needed in methodological thinking about understanding housing market change. The objective should be the development of a more rounded approach to analysis that combines the potential of economic and socially oriented approaches, with greater attention focusing on the key atom of housing markets: households.
 - Policy-makers and practitioners can take a number of measures to ensure that that they gain a more complete picture of residential mobility. They should:
 - seek the views of key local actors in the local housing market on a regular basis, with particular attention given to the views of estate agents and developers;
 - review property advertisements in local newspapers in order to gain an insight into the 'stories' that estate agents are using to 'sell' areas, the socio-demographic and mobility groups they are targeting, the extent to which investment-led demand is a feature of the market, and to gain an overall view of the health of the market; and
 - seek the views of residents in their area about their housing intentions, aspirations and wants. This can be done through commissioning targeted research or by making use of existing 'consultative' structures, such as citizens' panels or resident focus groups.
 - Given that households do not respond in a uniform way to housing market signals, policy-makers and practitioners need to think carefully about how they
-

intervene in the local housing market as their actions will be received by different groups in different ways. They therefore need to devise strategies that take account of the diversity of mobility groups. These strategies may be multi-faceted and seek to target a number of groups or be tailored to an individual group.

- Whatever strategy is put in place, it is important that careful consideration is given to place marketing and the 'story' that is being 'sold' to both existing and potential households. 'Place marketing' is in its relative infancy in the public sector but it may offer one instrument to help guide trends in demand.
- Research should be commissioned into the nature and extent of investment-led demand, as relatively little is known about this important phenomenon at both the regional and national level.
- The capacity to 'manage' any housing market is limited, but policy-makers and practitioners working in regeneration areas should be more concerned with changes in *housing quality* and *neighbourhood function*, rather than increasing house prices as an end in itself. Steady growth trends and the existence of affordable, good quality housing in high quality residential environments, are more telling indicators of the health of a neighbourhood.

Chapter One

Introduction

1.1 Study context

It sometimes seems that we live in a country transfixed with housing markets and house prices. While the subject has not displaced more serious issues from the front cover of national newspapers, it has become a common topic of conversation at dinner parties, pubs and coffee houses across the country.

This interest has been fuelled by the media, in all its guises, and hardly a day goes by without another housing market 'story' breaking. We are given constant updates, often presented in a rather sensational manner, on the overall 'health' of the market, many of which appear to contradict themselves; how markets are failing in some parts of the country; and how they are being destroyed and expanded in others. The media has satisfied the public's apparently insatiable appetite for 'playing' the housing market by providing what seems a never ending stream of programmes on how to make money in the market such as *Changing Rooms*, *Property Ladder* and *Location, Location, Location*.

The growing interest in housing markets in this country can be attributed to a number of factors. For the majority of the media and public, it has perhaps been the rapid rise in real house prices in this country over the last ten years which has been the main contributory factor. For policy-makers, it has been this factor coupled with the uneven performance of the English housing market which has been behind their interest.

Such has been the divergence in the performance of regional housing markets in this country that it is perhaps no longer helpful to refer to an English housing market, with the characteristics of regional and sub-regional markets within the country varying, and with great variation within them. The growing differentiation and complexity of housing markets within this country mitigates against effective national policy intervention when problems arise, and the government has sought to respond to what it perceives to be the main housing market issues in the country – low demand in the North and Midlands and housing affordability in London and the South East – at a regional level.

In the North and Midlands it has introduced Housing Market Renewal (HMR) Pathfinders and in the South East it has given the go-ahead for an ambitious new build programme which will see the construction of 200,000 extra homes in the region by 2016, centred on four growth areas (ODPM, 2003).

However, it may be argued that in many ways the government has devised a strategy, which is articulated in the report, *Sustainable Communities: Building for the Future* (ODPM, 2003), that does not recognise the subtleties and complexities of regional markets. In particular, its strategy adopts the assumption that the housing markets of the North and South have little in common and that the problem of housing affordability and supply is a phenomenon confined very much to the South, a message to emerge from the Barker Report (Barker, 2004).

This simplistic distinction between the North and South denies the fact that low demand and abandonment and affordability problems can exist side-by-side. Nowhere is this more apparent than in the Yorkshire and the Humber region. Low demand problems in the region are signalled by the presence of two HMR Pathfinders (Humberside and South Yorkshire) and recognised problems in the 'shadow' West Yorkshire Pathfinder, where the Regional Housing Board is resourcing efforts in various locations to tackle low demand. Housing supply problems, high demand and affordability concerns, meanwhile, abound in small pockets across the region, as well as across large tracts of North Yorkshire, York and the adjoining areas of East Riding and the north of Leeds and Bradford districts (Yorkshire and the Humber Regional Housing Board, 2003).

The diverse situation in Yorkshire and the Humber challenges the lazy thinking that has portrayed regeneration as a Northern agenda, housing supply and affordability issues as a Southern agenda, and considered the two as separate and distinct strategic concerns. Low demand and affordability problems co-exist at different spatial scales (district, sub-region and region). The geographical division of housing market analysis, however, has tended to reinforce this North-South divide, with analysis in the North focusing on declining markets and analysis in the South focusing on high demand markets.

This report challenges this tendency and offers a more calibrated view of regional market processes. In addition, it seeks to challenge another convention: the dominance within housing market analysis of economic approaches to exploring market change over more qualitative approaches, which place greater emphasis on understanding housing demand through unpicking the aspirations, preferences and wants of households.

There is a growing and comprehensive literature on housing markets (Wallace, 2004). As Wallace notes, until recently most academic housing market studies have adopted economic approaches with attention focusing on economic rationality and using 'hard' quantitative data to understand housing markets. Yet, while this analysis has undoubtedly furthered knowledge of how housing markets function in broad terms and over longer cycles, it has become increasingly apparent that it provides only a partial account of how markets work and how they evolve. In particular, because of their emphasis on quantifiable secondary data, economic approaches to understanding housing markets neglect a crucial set of factors driving all housing markets: the aspirations, wants and attitudes of households.

There is growing evidence to suggest that households' housing decisions are not driven solely by economic and need factors and that increasingly lifestyle and aspirational factors are driving them. In a context where in most parts of the country, including the Yorkshire and the Humber region, to a large extent the 'rationing' of housing has been confined to history, and where most households have some degree of choice, lifestyle and aspirational factors may play a greater role in shaping residents' housing decisions. And of course in those areas where there is an over-supply of housing, as there is in many parts of the Yorkshire and the Humber region, this is even more likely to be the case.

This study, then, seeks to shed more light on the workings of housing markets by focusing on one side of the housing market equation – housing demand – by unpicking the attitudes, aspirations, and wants of households in the Yorkshire and the Humber region. In doing so, the study seeks to *complement* and build on the existing economic literature on housing markets and offers a different emphasis to understanding housing markets and exploring the nature of housing demand.

Unlike many other housing market studies in 'the North', the report does not focus on under-performing markets but instead on *rising* markets, i.e. those that have 'performed' better than average in recent years, as measured by price changes. There is an appealing rationale, particularly for policy-makers and practitioners, for doing so. While focusing on failing markets is undoubtedly instructive for policy-makers because it tells them '*what does not work*,' in many ways focusing on rising markets is much more useful because potentially it offers them an insight into 'what does work' and the ingredients of more 'successful' markets.

1.2 Research objectives and approach

The principal objective of this study is to explore the nature of housing demand, with particular reference to the aspirations, attitudes, and wants of residents, in rising housing markets in the Yorkshire and the Humber region. It does so by examining four very different types of rising market. Attention focuses on a high price riser, a mid-price riser and two low price risers. It is particularly important to examine low price and high price risers because:

- Rising housing markets in locations characterised by low house prices can provide important insights into the interventions likely to generate growth in depressed housing markets.
 - Rising housing markets in locations characterised by historically high house prices in many ways represent a problem overlooked in the North. Appreciation of the dynamics of popularity in high and rising housing markets may assist efforts to manage or even deflect demand to other parts of the sub-region.
-

This report should be of relevance to both academics and practitioners in the housing market arena as it sheds light on the nature of housing demand and the dynamics of housing market change. This report is intended to *complement* a number of studies that the Joseph Rowntree Foundation has commissioned recently. These include: Steve Wilcox's study of housing affordability and the intermediate housing market (Wilcox, 2005); Glen Bramley and colleagues' study of housing investment and neighbourhood market change; David Rhodes' examination of the UK private rented sector (Rhodes, 2006); and Nick Bailey and Mark Livingston's study of population turnover and area deprivation.

The study comprised four main elements:

- *Interviews with representatives from key 'stakeholder' organisations in the Yorkshire and the Humber regional housing market.* In order to gain an insight into the overall characteristics of the regional housing market and drivers of change within it, interviews were conducted with representatives from a range of key stakeholder organisations, including: the Government Office Region (GOR) for Yorkshire and the Humber, the Regional Housing Board, the Housing Corporation, Yorkshire Forward (the Regional Development Agency), the National Housing Federation, and the House Builders' Federation. In all, 16 interviews were undertaken.
- *Analysis of house price data.* House price data supplied by the Land Registry were used to identify rising markets in the region.
- *Analysis of rising housing markets.* Drawing on data derived from the 2001 Census, the principal characteristics of rising markets were identified. The statistical technique, cluster analysis, was then used to generate typologies of rising markets.
- *Case studies of rising markets.* Case studies of rising markets in four very different contexts were undertaken: Pannal, a high price area on the edge of Harrogate in the 'Golden Triangle' area; Howden, a medium price rural town in the Humber sub-region; Burngreave, a 'policy-on' low price area in Sheffield; and Beeston Hill, a 'policy-off' low price area in Leeds, where investment demand was reported to be driving the local housing market. Further information about the approach taken to the case studies can be found in the Appendix.

1.3 Structure of the report

The report is divided into nine chapters including this one. Chapter Two examines the Yorkshire and the Humber 'housing market' and identifies its key features. It identifies rising housing markets in the region and describes them, drawing on 2001 Census data. Cluster analysis is used to provide further insight into their characteristics.

Chapter Three provides a conceptual framework for understanding where residents choose to live, which provides the basis for the analysis of case studies of residential mobility which are presented in Chapters Four (Pannal), Five (Howden) and Six (Burngreave). The same format is adopted in each of these chapters. First, shared stories of mobility are highlighted. Then attention focuses on 'going behind' these common stories of mobility to unpick how households' aspirations, values, and beliefs shape their housing decisions. In doing so, distinctive mobility groups within each of the case studies are identified.

Chapter Seven pulls together the analysis presented in Chapters Four, Five and Six and highlights the importance of aspirations in driving households' residential location decisions. The chapter concludes by noting that in many parts of the Yorkshire and the Humber region the conceptual framework put forward by the study team has less relevance, as in these areas another force is also contributing to housing market change: investment-led demand.

Chapter Eight presents a case study of investment-led demand in the Beeston Hill area of Leeds. The final part of the chapter explores why investors are increasingly choosing to invest in housing and how investment takes place. Chapter Nine identifies the key learning points and policy implications to emerge from the study.

Chapter Two

Rising markets in Yorkshire and the Humber

2.1 Introduction

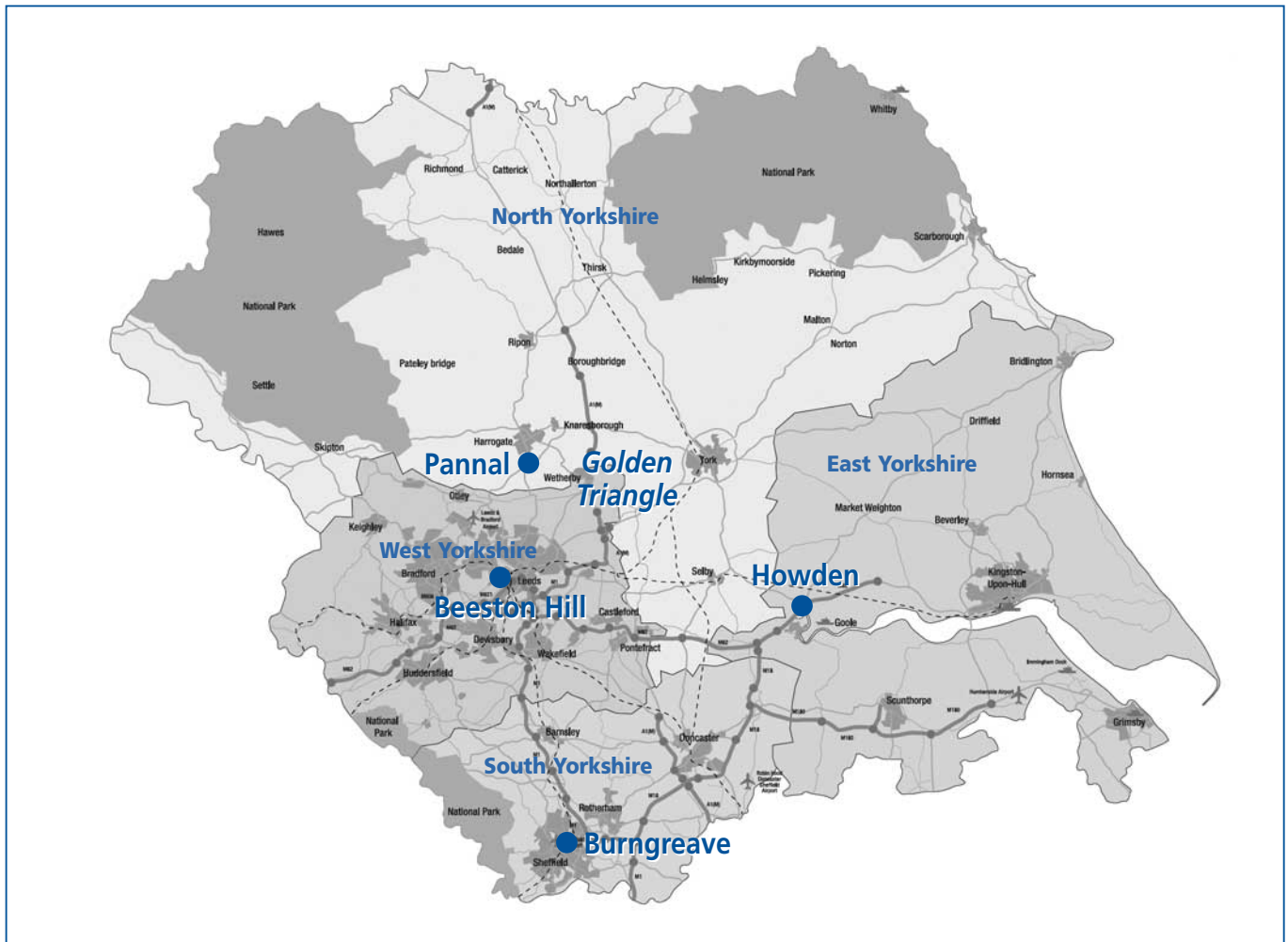
This study aims to cast light on essential aspects of demand in popular housing markets, through culturally sensitive qualitative research. Before venturing into case study analysis, however, it is necessary to qualify what we mean by rising markets and to identify and profile the essential characteristics of rising housing markets in the Yorkshire and the Humber region. These issues are addressed in this chapter. Through analysis of house price data acquired from the Land Registry a dynamic picture of housing demand is generated. The distinctive features of markets rising from different starting points are also discussed, drawing on socio-economic, demographic and housing stock information from the 2001 Census of Population. First, however, it might be useful to situate the study by reflecting briefly upon the essential characteristics of the Yorkshire and the Humber region and its housing market.

2.2 The Yorkshire and the Humber region and its housing market

The Yorkshire and the Humber GOR covers the territories of the North Yorkshire County Council and the former Metropolitan Counties of West Yorkshire, South Yorkshire and Humberside (see Map 2.1). It has a population approaching five million, spread unevenly across the four sub-regions, over two-thirds of the population residing in West Yorkshire (2.1 million) and South Yorkshire (1.27 million). North Yorkshire is the largest sub-region, geographically, but has the smallest population (759,000) and is largely rural in character. The Humber sub-region has a population of 882,000. The minority ethnic population of the region is relatively small (8.3 per cent) compared to the national average of 13 per cent, but is clustered in the urban centres of West Yorkshire and, to some extent, South Yorkshire, where minority ethnic groups represent a relatively large proportion of the local population.

Economically, the region can be characterised as still coming to terms with the consequences of economic restructuring following the decline of traditional manufacturing industries, including textiles, coal and steel. In 2003, the Gross Value Added (GVA) rating per head for the region (where the UK=100) was 93.7, compared to 131.3 in London and 109.2 in the South East. The situation across the region is uneven, however, with Leeds emerging as a major commercial and business centre, a fact recognised in the government's vision for economic growth in the region and across the North of England (ODPM, 2004a; NWSG, 2004).

Map 2.1: The Yorkshire and the Humber Government Office Region

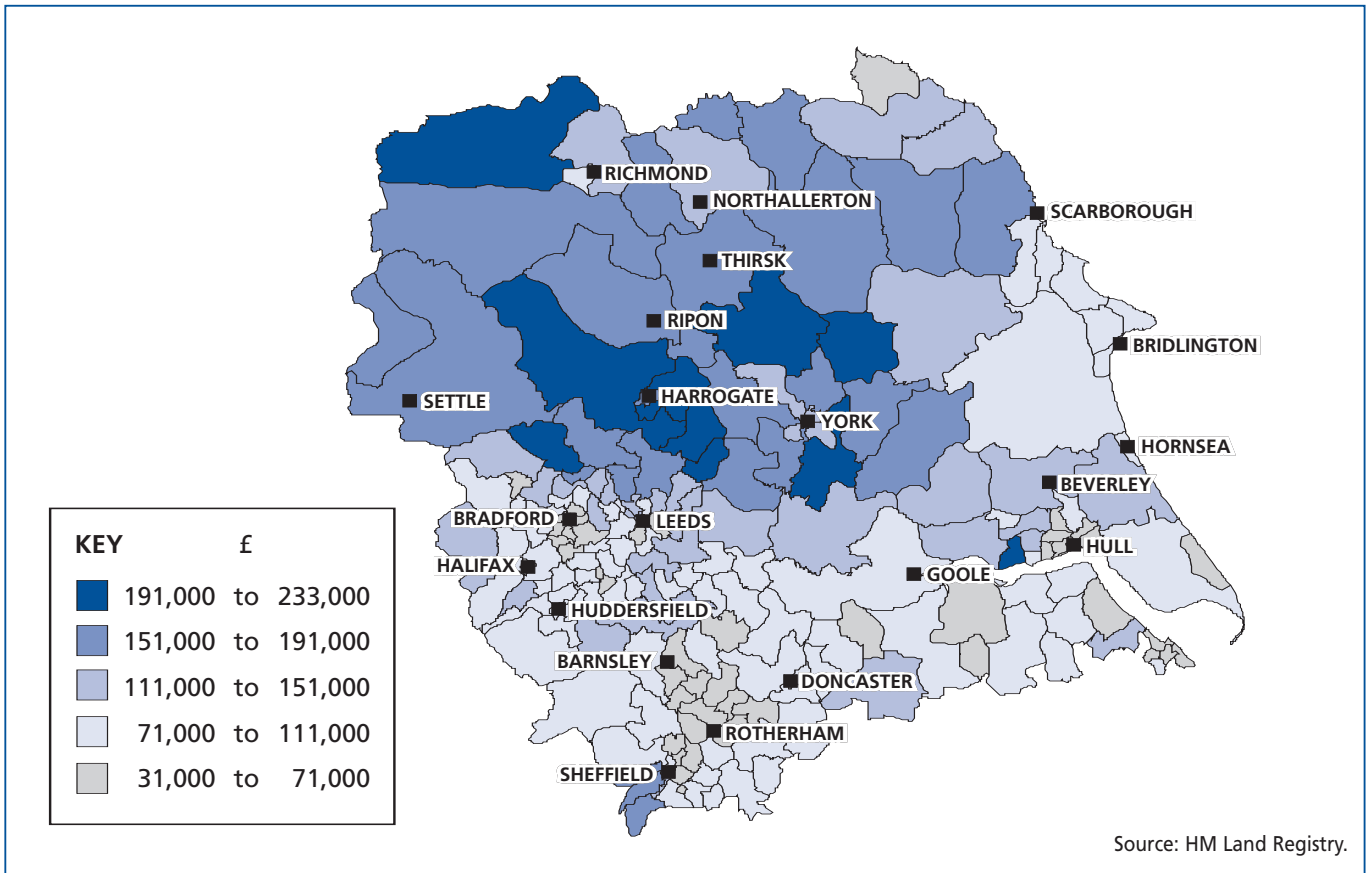


Source: Yorkshire Forward.

Very different patterns of migration and associated trends in population change are associated with these uneven patterns of economic development. For example, while the region as a whole has experienced relatively low levels of population growth through inter-regional migration (8,000 people in 2001, compared to 20,000 people in London), Leeds has proved a popular destination for people moving from elsewhere in the UK, one-third of all net migration into the region in 2001 being into the Leeds area.

Differential patterns of economic performance and population change inform very different patterns of housing demand and affordability across the region. The common portrayal is of a housing market characterised by the symptoms of changing demand – the emergence of increasing numbers of empty properties, rising turnover and relatively low house prices. The reality, however, is more complex. True, there are major problems of low demand and market restructuring in particular locations, evidenced by the designation of HMR Pathfinders in South Yorkshire and Hull. At the same time, however, there are local markets grappling with the problems of popularity. For example, the North Yorkshire local authority

Map 2.2: Average property prices by postal district in Yorkshire and the Humber in 2003



areas of Harrogate, Ryedale, Hambleton and the City of York have house price to income ratios and intermediate housing markets¹ approaching or surpassing that of London (Wilcox, 2005). In 2003, average house prices² across North Yorkshire were £154,931, compared to £104,490 in West Yorkshire, £92,528 in South Yorkshire and £88,492 in the Humber sub-region. Local variations are also apparent. For example, average house prices by postcode sector varied from a low of £35,338 in Beeston Hill in Leeds to £431,801 in Wetherby. Map 2.2 highlights the variation in house prices across the region.

In recent years the region has experienced rapid house price inflation, prices rising by 196 per cent between 1997 and 2003, although these rises were below the national average for this period (203 per cent). The apparent ‘boom’ in house prices in the region began in earnest in 1998/99, when prices rose by 10 per cent. Even higher rises were recorded in subsequent years, prices rising by 24.1 per cent in 2002/03. As Table 2.1 reveals, these dramatic rises across the North in 2001/02 and 2002/03 had already been recorded in London in 1998/99 and 1999/2000 and subsequently ‘rippled’ out across the UK.

1. Working households who can afford to pay social rent without recourse to housing benefit but cannot purchase at the lowest decile house prices for two- and three-bedroom dwellings.
2. The average price for *all* residential property transactions in the region excluding right to buy sales.

Table 2.1: Average house price change by region: 1997-2003

Region	Year on year percentage change in price					
	97/98	98/99	99/00	00/01	01/02	02/03
North East	3.5	9.2	2.8	7.9	19.8	27.0
North West	3.3	11.3	4.0	9.7	18.9	22.0
Yorkshire and the Humber	2.2	10.0	7.0	8.1	21.7	24.1
East Midlands	5.0	11.9	8.4	11.3	27.4	20.2
West Midlands	2.4	16.2	10.2	11.2	21.8	17.5
East	8.5	13.3	15.2	13.3	23.8	10.9
London	8.3	23.0	23.9	3.0	19.4	7.5
South East	8.1	17.8	18.7	8.9	20.5	8.3
South West	6.7	15.5	15.9	12.4	26.9	12.0
England	6.3	16.3	12.5	8.6	21.5	12.6

Source: HM Land Registry.

2.3 ‘Rising’ markets in Yorkshire and the Humber

Defining housing market areas and distinguishing between sub-markets are conceptual challenges currently exercising academics and policy-makers. This study does not aim to contribute to this debate. Rather, the focus is on understanding housing demand at the local level. To this end, however, it was necessary for the research team to identify locations experiencing rising demand. A working definition of rising markets therefore needed to be generated. In approaching this challenge, attention focused on the practicalities of generating a geographical framework at a scale for which dynamic data regarding housing demand and socio-economic, demographic and housing stock data at the local level was readily available.

In rising to this challenge the team were drawn to the benefits of working with postcode geographies. First, house price data³ provided by the Land Registry, which provides a useful proxy of demand, and is published on a quarterly basis, is available at the postcode level. Second, the 2001 Census of Population, which represents the most comprehensive publicly available source of information regarding socio-economic, demographic and housing data, can be analysed at the postcode level.

Reflecting on the different scales of the postcode geography (districts, sectors and units), the decision was taken to focus on the smallest postcode unit at which comparative data regarding property transactions was readily available and easily comparable; the postcode sector. There are 769 postcode sectors in the Yorkshire and the Humber region each containing, on average, 2,694 households. For the purposes of this report, the term ‘housing market’ is used to refer to a postcode sector, although we recognise that housing markets do not conform to administrative areas such as postcode sectors.

3. Analysis focused on the average price for *all* residential property transactions, excluding right to buy transactions sales from a social landlord to a sitting tenant.

A rising market (or riser) was defined as a postcode sector that had experienced a rise in house prices of more than 50 per cent above the average rise across the sub-region. Rises were related to the sub-regional average to ensure the inclusion of rising markets from all four sub-regions, given that the monetary value of markets can vary dramatically within regions, even when controlling for form and function (Blenkinship and Gibbins, 2004). Markets were also classified as high, medium or low price, through comparison to the sub-regional average. High price markets were defined as those within the highest quartile of postcode sectors in each sub-region and low price markets were defined as those in the lowest quartile of postcode sectors, when ranked by average price. Medium price markets were defined as those either side of the median price in each sub-region.

Rising markets were identified for two time periods: 1998-2001 and 2001-2003.⁴ Analysis commenced in 1998, which was identified as the year when house prices in Yorkshire and the Humber began to rise dramatically following a number of years of relatively modest price rises. The subsequent 'boom' in house prices was divided into two phases in response to the suspicion that housing market change across the region had not been a uniform process, but had proceeded at different rates and at different times in different types of market.

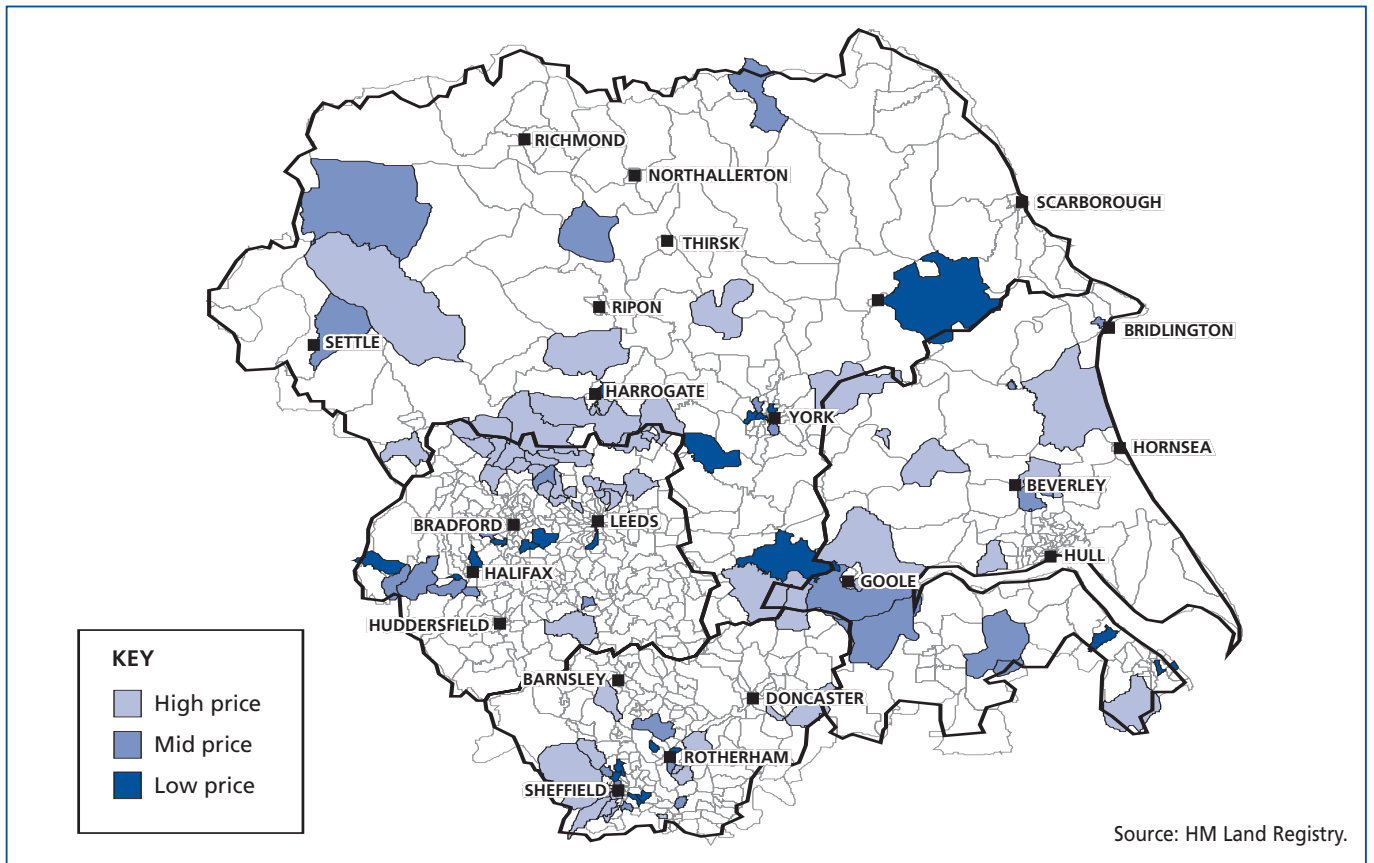
The result of this analytical process was the identification of 113 rising markets in 1998-2001 (Map 2.3, page 16) and 69 rising markets in 2001-2003 (Map 2.4, page 16). The characteristics of rising markets in the two time periods will be explored in the next section with reference to 2001 Census data. However, it is worth noting here an obvious geographic difference between risers in the two time periods: in 1998-2001 most rising markets were suburban or rural while in 2001-2003 most were in urban locations.

2.4 The distinctive characteristics of rising markets

Profiling the essential (social, economic, demographic and housing) characteristics of rising markets in the Yorkshire and the Humber region reveals that they possess a number of distinct features, when compared to markets experiencing more modest price rises. These distinctive features are summarised in Table 2.2. It is interesting to note that the defining characteristics of rising markets were found to vary between the two phases of the housing price 'boom' (1998-2001 and 2001-2003). For example, lower levels of local authority housing were apparent in risers in 1998-2001 (12.2 per cent, compared to 17.9 per cent in 2001-03) and, although a feature in both phases, detached housing was more common in rising markets in 1998-2001 (27.1 per cent of the stock, compared to 21.3 per cent in rising markets in 2001-03).

4. Postcode sectors with relatively low numbers of sales in either time period – i.e., for the purposes of this study those having less than 40 sales, an arbitrary cut-off point adopted by the team – were not included in the analysis. As a result some 171 sectors were removed from the analysis, of which 29 were located in the Humber, 48 in North Yorkshire, 35 in South Yorkshire and 59 in West Yorkshire.

Map 2.3: Rising postcode sectors in Yorkshire and the Humber: 1998-2001



Map 2.4: Rising postcode sectors in Yorkshire and the Humber: 2001-2003

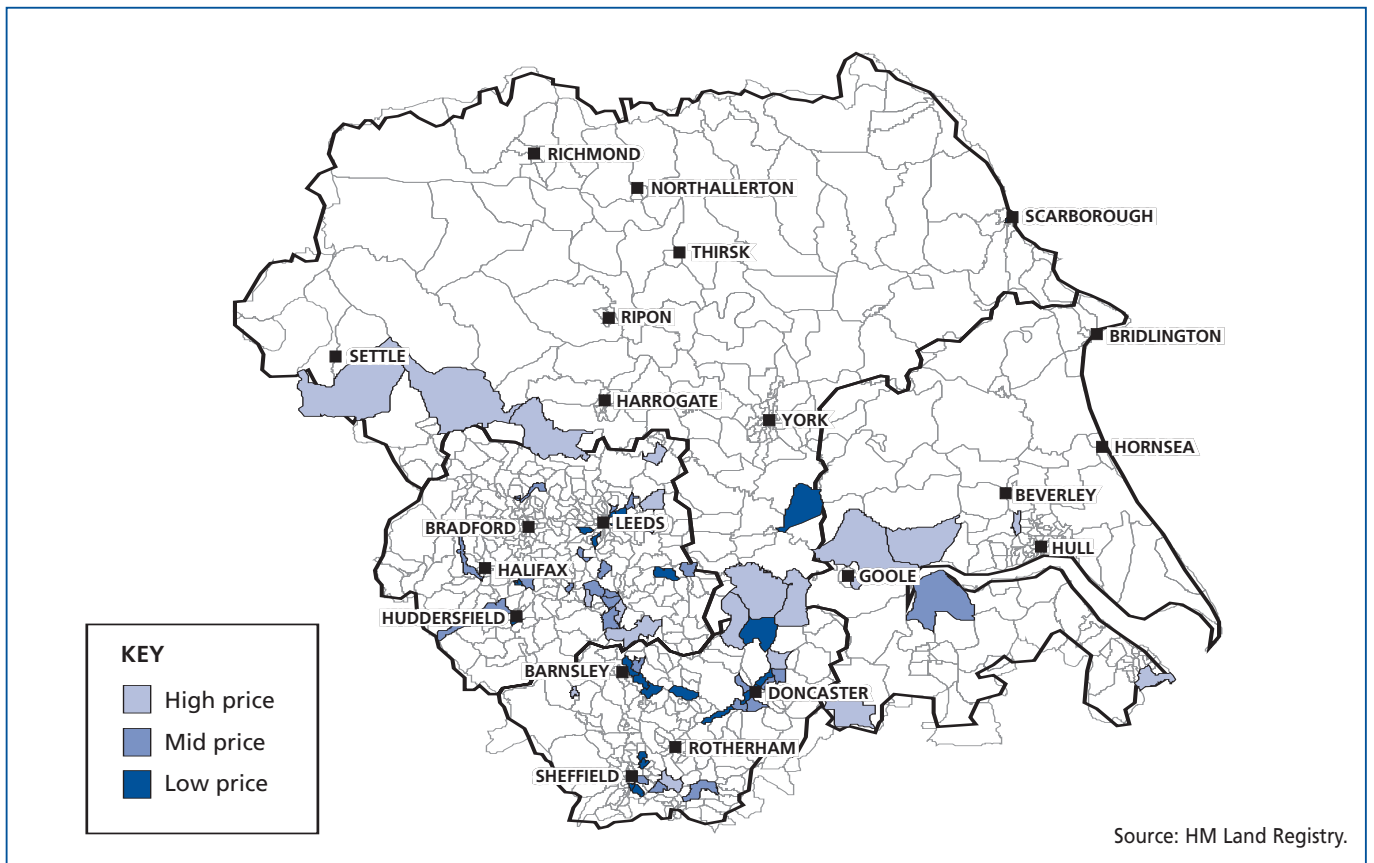


Table 2.2: Distinctive features of rising markets compared to 'under-performing' markets⁵: 1998-2001 and 2001-2003

1998-2001 113 rising markets	2001-2003 69 rising markets
<p>Housing characteristics</p> <ul style="list-style-type: none"> relatively high levels of owner occupation (71.1%, compared to 62.4% in under-performing markets) and relatively low levels of social renting (16.1%, compared to 23.6%) relatively high proportion of detached properties (27.1%, compared to 13.8%) and a small proportion of terraced accommodation (26%, compared to 41%) <p>Population characteristics</p> <ul style="list-style-type: none"> relatively high levels of educational achievement (22.4% of the population having a university degree or equivalent, compared to 11.9%) and a small proportion of people with no qualifications (27.2%, compared to 39.6%) large numbers of people in managerial and professional occupations (28.5%, compared to 17.7%) and a relatively small proportion of people classified as having never worked or as long term unemployed (2.9%, compared to 7%) relatively small minority ethnic (non-White) populations (3.9%, compared to 12.6%) higher levels of net in-migration (10%, compared to 8.6%) longer distances travelled to work (14.5 km, compared to 11.1km) 	<p>Housing characteristics</p> <ul style="list-style-type: none"> relatively large proportion of detached properties (21.3%, compared to 13% in under-performing markets) and semi-detached properties (39.7%, compared to 29.1%) less terraced properties (28.1%, compared to 43.4%) and less flatted accommodation (10.6%, compared to 14.4%) <p>Population characteristics</p> <ul style="list-style-type: none"> relatively small minority ethnic populations (7% of population, compared to 18.3%) a smaller proportion of residents who had never worked or who were long term unemployed (4.7%, compared to 8.4%)

Source: Data are taken from the 2001 Census Standard Tables, Crown Copyright 2003. Crown Copyright material is reproduced with the permission of the Controller of HMSO.

The population profile of risers also differed between the two time periods. Minority ethnic (non-White) residents accounted for only 3.9 per cent of the population of risers during 1998-2001, compared to 7 per cent in 2001-03. The population of rising markets during 1998-2001 was also more highly qualified.

These differences would appear to reflect the fact that rises earlier in the cycle were driven by activity in high price markets, while rises in the latter stages of the price 'boom' included greater levels of activity in lower price markets. This conclusion is supported by the preponderance of high price markets among high risers in early phase of price rises (in the period 1998-2001, 51 per cent of the 113 high risers were high price markets) and the greater proportion of low and medium price markets among risers in the later stages of the price 'boom' (in the period 2001-2003, only 28 per cent of the 69 risers were high price markets).

5. 'Under-performing' markets are defined as postcode sectors recording house price inflation more than 50 per cent below the regional average.

Table 2.3: The distinctive characteristics of markets rising from different price levels: 1998-2001 and 2001-2003

Market Type	Key characteristics of risers, compared to 'under-performing' markets in the same price quartile 1998-2001	Key characteristics of risers, compared to 'under-performing' markets in the same price quartile 2001-2003
<p>High price (top quartile of house prices, calculated on a sub-regional basis)</p>	<ul style="list-style-type: none"> • higher levels of owner occupation and lower levels of social housing than high price under-performers • higher proportion of detached properties and flats and a far lower proportion of terraced properties • higher levels of educational attainment • relatively high proportion of the population in managerial and professional occupations • higher levels of in and out migration 	<ul style="list-style-type: none"> • higher proportion of detached properties and flats and a far lower proportion of terraced properties • lower levels of educational attainment • relatively small proportion of the population in managerial and professional occupations • slightly lower levels of in and out migration
<p>Mid price (house prices around the average, calculated on a sub-regional basis)</p>	<ul style="list-style-type: none"> • similar levels of owner occupation to other mid-price markets, but far lower levels of social renting and higher levels of private renting • higher proportions of detached and terraced properties • far higher proportion of people in managerial and professional occupations • smaller proportion of households with dependent children • greater average distance travelled to work 	<ul style="list-style-type: none"> • lower proportion of detached properties, but higher proportion of semi-detached properties • relatively small proportion of the population in managerial and professional occupations • larger minority ethnic (non-White) population • lower average distance travelled to work
<p>Low price (bottom quartile of house prices, calculated on a sub-regional basis)</p>	<ul style="list-style-type: none"> • higher levels of owner occupation and lower levels of private renting • higher levels of economic activity, particularly compared to under-performers • older age profile (over 45 years of age) • higher proportions of detached and semi-detached properties • higher levels of educational attainment • higher proportion of people in managerial, professional and association technical professions • relatively small minority ethnic (non-white) population • lower levels of migration 	<ul style="list-style-type: none"> • higher levels of educational attainment • greater average distance travelled to work • lower proportion of flatted accommodation • relatively small minority ethnic (non-White) population, compared to under-performing markets

Table 2.3 casts further light on the distinctive features of rising markets by drawing on data from the 2001 Census to summarise the key characteristics of rising markets starting from high, medium and low market positions, compared to similar priced markets that have experienced relatively low house price rises. The distinctive features are revealed to vary between the two time periods within each of the three market types (high, medium and low price). A consistent theme, however, is a tendency for rising markets within each market type during the period 1998-2001 to have higher levels of owner occupation, a relatively large proportion of detached properties, higher levels of educational attainment and a large proportion of the population in managerial and professional professions. Not only, therefore, was 1998-2001 a period dominated by activity in high price markets, it was also a period of price rises in more socially homogeneous, 'better-off' areas, regardless of market position (high, medium or low price).

In addition to comparing and contrasting differences between rising markets and under-performing markets, analysis also sought to profile different types of rising markets, on the basis of shared attributes. This involved using cluster analysis, a statistical technique that assesses similarities between units of study (in this case rising markets), based on the occurrence or non-occurrence of specific characteristics, as revealed by data from the 2001 Census of Population. For the period 1998-2001 seven distinctive types or clusters of rising markets could be discerned, accounting for 78 of the 113 rising markets in this time period. Table 2.4 summarises the key shared attributes of these seven types of rising market.⁶

Table 2.4: Shared attributes of rising market clusters: 1998-2001

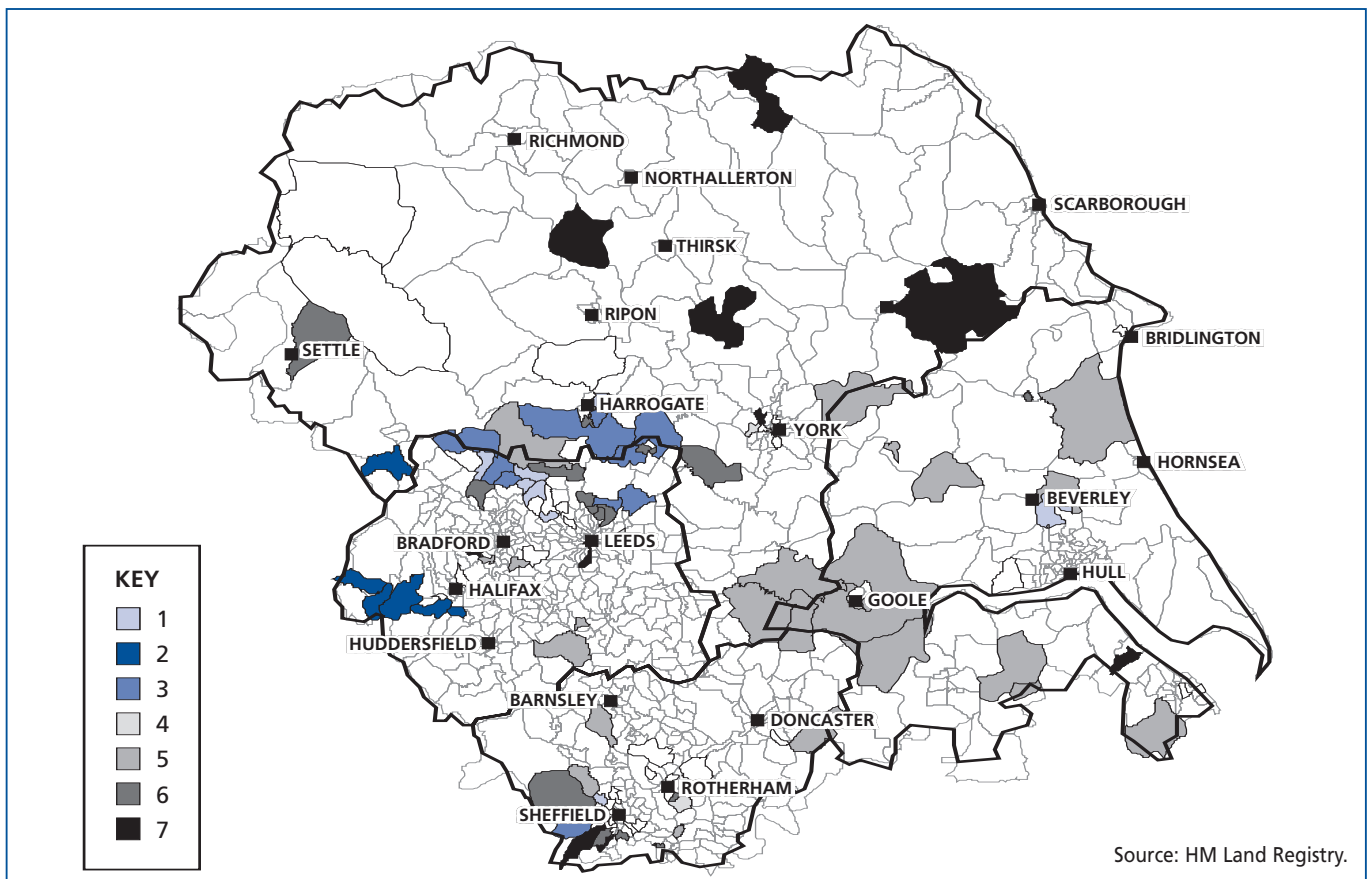
Cluster	Shared attributes
1	<ul style="list-style-type: none"> • high and medium price cluster • average levels of owner occupation • relatively high proportion of semi-detached and terraced properties in the local housing stock • relatively low proportion of detached properties in the local housing stock • relatively high proportion of residents in managerial and professional occupations
2	<ul style="list-style-type: none"> • mid price cluster • relatively high levels of owner occupation • relatively high levels of terraced housing • relatively high proportion of residents in managerial and professional occupations
3	<ul style="list-style-type: none"> • high price cluster • very high levels of owner occupation • low levels of social renting • very high proportion of detached properties in the local housing stock • relatively high proportion of residents in managerial and professional occupations • relatively old population
4	<ul style="list-style-type: none"> • variable price (high, medium and low) cluster • relatively high level of owner occupation • relatively high level of social renting, compared to other high risers • very high proportion of semi-detached properties in the local housing stock
5	<ul style="list-style-type: none"> • variable price (high, medium and low) cluster • very high levels of owner occupation • high levels of in-migration
6	<ul style="list-style-type: none"> • high price cluster • very high levels of owner occupation • low levels of social renting • relatively high levels of educational attainment
7	<ul style="list-style-type: none"> • high and medium price cluster • relatively high levels of population mobility (in and out migration) • relatively low proportion of residents in managerial and professional occupations

6. Clusters 1-5 were clustered on a score (distance) of 7.5. Cluster 6 was derived using a larger score of 10.5, while a score of 12.5 was used to derive cluster 7. Statistically speaking, therefore, clusters 1-5 are the most internally cohesive.

Subsequently, the rising markets within each of these clusters were mapped. A key finding was the geographical coalescence of rising markets within four of these seven clusters, as revealed in Map 2.5:

- Calder Valley (cluster 2) – five of the six rising markets in this cluster formed a contiguous area to the south and west of Halifax, close to the Yorkshire/Lancashire border.
- Lower Wharfedale and North West Leeds Corridor (cluster 3) – five of the eight high price markets in this cluster were spatially grouped together north of Leeds.
- Rural Humber (cluster 5) – this spatial grouping comprises five high price, rising markets forming a contiguous area around, but not including, the town of Goole.
- Affluent suburban fringe (cluster 6) – this spatial grouping covers a broad area North of Bradford and Leeds and adjacent to Harrogate.

Map 2.5: Rising markets clusters in Yorkshire and the Humber: 1998-2001



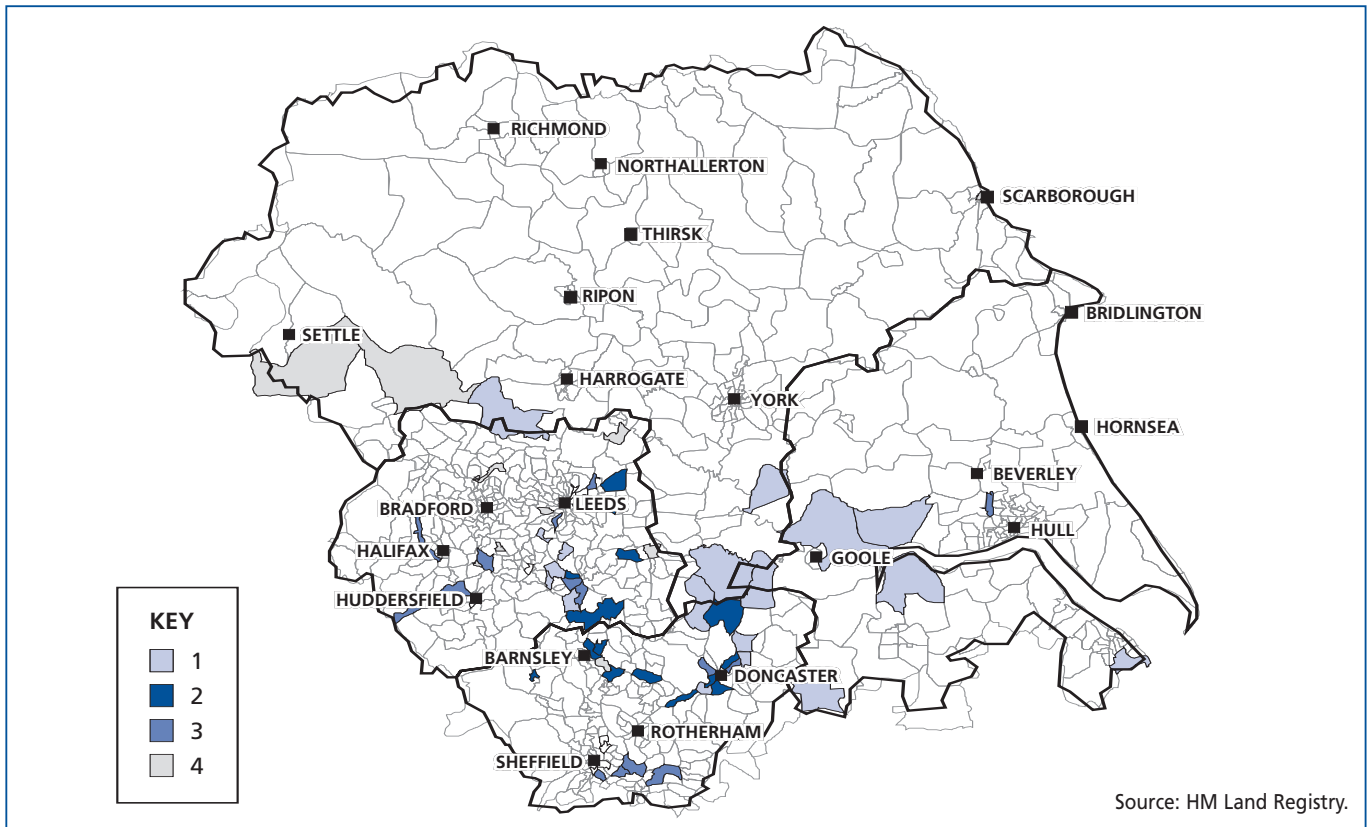
Rising markets in the 2001-2003 period of analysis were more diverse in form and distinctive market types were more difficult to discern. As table 2.5 reveals, only four distinctive types of markets were revealed by cluster analysis,⁷ accounting for 58 of the 69 rising markets identified in this time period, and there was little distinctive spatial grouping of rising markets with shared attributes (Map 2.6). Map 2.6 does reveal, however, a preponderance of risers in urban locations during this period.

7. Clusters 1 and 2 were clustered on a score (distance) of 6 and 8 respectively. Cluster 3 was derived using a larger score of 10, while a score of 16 was used to derive cluster 4. Statistically speaking, therefore, clusters 1 and 2 are the most internally cohesive.

Table 2.5: Shared attributes of rising market clusters: 2001-2003

Cluster	Shared attributes
1	<ul style="list-style-type: none"> • high price cluster • very high levels of owner occupation • relatively small minority ethnic population • longer average travel to work distance • small proportion of residents never worked or long-term unemployed • high proportion of residents in managerial or professional occupations
2	<ul style="list-style-type: none"> • low price cluster • high levels of social renting • relatively small minority ethnic population • relatively low proportion of population in professional and managerial occupations • high proportion of residents with no qualifications and low proportion with degree level equivalent qualifications • high proportion of single person households
3	<ul style="list-style-type: none"> • mid price cluster • high levels of social renting • relatively small minority ethnic population • relatively small proportion of households with dependent children • relatively short travel to work distance
4	<ul style="list-style-type: none"> • mixed price cluster • relatively high levels of owner occupation and low levels of renting • relatively small minority ethnic population • relatively large proportion of self-employed residents • above average numbers of people moving into the area from elsewhere in the UK • relatively small proportion of households with dependent children

Map 2.6: Rising market clusters in Yorkshire and the Humber: 2001-2003



2.5 Conclusion

Yorkshire and the Humber is a highly differentiated region, characterised by a range of local and sub-regional housing markets with very different characteristics and variable trajectories. In recent years demand has been on the rise in all sectors of the housing market, as evidenced by dramatic house price rises in high, medium and low price markets. Analysis presented in this chapter has shown, however, that demand has been particularly concentrated in a number of local markets that have been revealed to possess various distinctive characteristics, when compared to markets experiencing more modest price rises. The challenge for this study is to uncover and comprehend the decisions and actions of individual households that are moving into these areas and generating this distinctive geography of housing demand across the region. To this end, the next chapter develops a framework for understanding residential mobility, which is subsequently applied to understand rising demand in a number of different housing market contexts.

Chapter Three

A framework for understanding residential mobility

3.1 Introduction

Housing market analysis has traditionally been considered a question of economics and a matter for economists. However, economic approaches have a number of limitations. In particular, they struggle to accommodate the diversity of local markets and the complex and rapid process of change in different types of neighbourhoods (Cole *et al.*, 2004; Cole and Nevin, 2004; Wallace, 2004). This is particularly concerning at a time when previous fixed points in housing markets are breaking down and changing and households are reacting in different ways to these opportunities, and when many local and sub-regional housing markets are in a state of transition and paying the price of marginalisation or struggling to manage the consequences of popularity. A further concern is the reliance of economic approaches on various assumptions – or stylised facts – about household perceptions, preferences, aspirations and actions within the housing market, that are insensitive to increasing social and cultural diversity. The Barker Review of housing supply (Barker, 2004) encapsulates many of these weaknesses, paying little attention to complex local geographies of supply and demand and relying on a series of normative assumptions about household preferences and aspirations that make no attempt to recognise either the distinctive requirements of different groups, or shifting preferences associated with social and cultural change.

In recent years, concerns about the wisdom of relying solely on economic approaches to provide a basis on which to plan local interventions and future investment have led policy-makers to consider more empirically grounded approaches. These have proved crucial in shaping investment priorities in several key markets. Various studies have been undertaken exploring the scale and incidence of ‘at risk’ housing in parts of the North and Midlands (see, for example, Nevin *et al.*, 2001), that have since been complemented by a series of local appraisals undertaken by local authorities, often devising their own analytical approaches, and by ‘sustainability audits’ undertaken by housing associations, assessing the viability of local markets and guiding future investment plans. More recently, guidance on housing market assessment has been developed by DTZ Piedad for the Office of the Deputy Prime Minister (ODPM, 2004b) and the Department for Communities and Local Government (DCLG) (which succeeds the ODPM) has commissioned work on a ‘whole systems model’ for areas of low demand housing.

Although representing an important step in mapping the scale and incidence of ‘at risk’ housing in parts of the North and Midlands, a number of weaknesses with these approaches have been pointed out, including:

- the over-reliance on mapping trends in the social rented sector;
- the over-emphasis on secondary material;
- their inability to provide dynamic analysis capable of explaining the speed of change in various types of neighbourhoods;
- the difficulties of applying a general mechanistic 'model' when the specifics of change can vary widely between different markets and sub-markets; and
- the lack of an underpinning rationale, there being a tendency toward the collection of increasing amounts of data and the generation of more and more indicators, unmediated by any analytical framework (Cole *et al.*, 2004).

These empirical approaches also share a fundamental weakness with econometric models including the failure to pay attention to the social arena and to consider qualitative and cultural indicators of perceptions, preferences and aspirations in the housing market.

This study of rising housing markets in Yorkshire and the Humber recognises and responds to these failings and attempts to support the development of a more rounded approach to understanding housing market change. The aim is to insert appreciation of the social, cultural and qualitative facets of housing demand into analysis of housing market change. This approach is premised on the proposition that housing demand is driven by social inclinations and actions, as well as economic forces and associated rationalities. Households are the atoms of demand and household mobility underpins changing patterns of demand. Understanding housing market change at the local level therefore demands appreciation of the factors driving and shaping residential mobility.

3.2 Understanding residential mobility

Residential mobility is commonly accepted as a normal and largely positive phenomenon; a manifestation of household choice through which households adjust to changing circumstances and housing requirements (Rossi, 1955). What Mandic (2001, p.53) refers to as '*...an adaptive mechanism by which a household can adjust its current housing consumption to a preferred one.*' This understanding raises two obvious questions. First, why might a household need to 'adjust' its housing consumption and, second, what situation might be 'preferred'?

Efforts to explain the need to adjust have focused on the relationship between mobility and social and demographic factors. This perspective is encapsulated in the life cycle or life course literature on mobility. Stretching back to the work of Rossi (1955), this approach assumes that as households age they move through different life course stages and their housing needs and aspirations change. At certain points in time, therefore – such as upon the arrival of a child or the death of a relative – a household's housing situation might come to be considered

inappropriate, prompting it to move. The challenge for analysis, therefore, has been to identify the changes or triggers prompting mobility and the push and pull factors deflecting people away from, and drawing them toward, particular locations and situations. Changes in household structure, economic gain and employment opportunities have commonly been identified as triggers and push-pull factors.

Such behavioural approaches to analysing residential mobility can be criticised for relying on a series of taken-for-granted assumptions. A common preference for owner occupation is accepted as a given. Households are presumed to have a notion of the ideal housing situation towards which they are advancing. Economic rationality is presumed and the decision-making process informing the desire to move and determining where to move is assumed to be informed. The life course model has also been criticised for making normative assumptions about household structures, stages in the life cycle and associated aspirations and preferences (Winstanley *et al.*, 2002). Extensive literatures on gender and mobility and the housing careers of minority ethnic households, for example, have revealed the diversity that these assumptions deny and prompted reconsideration of the significance of economic gain, employment opportunities and household structure as key triggers. The result has been the generation of a broader range of push-pull factors that have served to widen the scope of analysis and promote greater understanding of residential mobility:

- *Employment opportunities* – a long-standing explanation for household mobility and, in particular, longer moves. The suggestion that residential preferences and relocations are intimately related to employment opportunities and perceived or actual commuting distances have been increasingly questioned, particularly in the context of industrial restructuring and the shifting demographics of labour market involvement, but employment continues to be recognised as a potential influence on mobility patterns.
- *Economic gain* – much of the residential mobility literature is premised on the assumption that the pursuit, or maximising, of financial gain informs all mobility. This economic rationality presumes that actions are taken from an informed position regarding the housing market cycle and profitable times to buy and sell, which is a position increasingly called into doubt. This is not to say that in certain situations some individuals do not reflect upon and consider the financial consequences of different residential opportunities.
- *Household structure* – life course analysis has tended to regard changes in household structure (for example, the birth of a child, child leaving home, death of a partner) as key triggers of mobility, such developments prompting households to seek an adjustment in their housing consumption more appropriate to their new situation. Key conclusions emerging from analysis of such events include the greater propensity for younger people to move and for people to move less as they get older. Studies of gender and mobility have suggested that the residential mobility patterns of women are more dependent upon family formation than for men, although the suggestion that family

mobility patterns are determined by the male income generator have been disputed, for example, by evidence of both men and women moving because of their partner's career or to be near their partner's family, not to mention patterns of mobility associated with the increasing number of single (male and female) person households.

- *Housing reasons* – shorter moves within the same neighbourhood or to an adjacent location have been associated with housing reasons, for example, in response to poor conditions or overcrowding.
- *Neighbourhood reasons* – dissatisfaction with local service provision and public goods (for example, schools), or concerns about local safety are understood to prompt mobility between neighbourhoods, particularly among the more economically secure, although evidence suggests that dissatisfaction with the home is more likely to prompt mobility than dissatisfaction with the neighbourhood.
- *Place related reasons* – place is much more than the physical environment. Places represent the context in which people live their lives and can provide a territorial focus for the politics of identity and political action. People can therefore be reluctant to leave an area with which they have developed an affinity, particularly if it is rich in resources not available elsewhere. People can also be keen to move to an area if it is seen to provide the resources or reinforce their self-perceived identity. Research has also suggested the existence of regional affinities that influence mobility decisions.
- *Mobility and tenure* – behavioural approaches have been criticised for failing to acknowledge the extent to which mobility decisions are constrained by supply-side concerns. In response, a number of studies have explored differential mobility patterns and triggers within different housing tenures. Households in (private and social) rented accommodation have been found to be more likely than owner occupiers to move, although this pattern appears to reflect the propensity for more mobile households to rent, rather than for renting to prompt mobility.

Other notable developments in the analysis of residential mobility include the suggestion that the decision-making process that leads to residential mobility, and informs the residential outcome, is more often triggered by a series of incidents, events and emerging preferences and aspirations, rather than a single stimulus. It should also be recognised that the ability to move, and the options available when moving, are closely related to the resources that a household has at its disposal. As Rex and Moore (1967) observed, desirable housing is a scarce resource and different groups are differentially placed to access it. Financial resources are a key determinant of the opportunities open to a household within a market dominated housing system. It would also be wrong to assume that all households are fully versed regarding available opportunities and equally placed to take advantage of these opportunities once acknowledged and understood; cognitive, social and political resources are important determinants of opportunities for mobility across all sectors of the housing system.

Finally, it is important to recognise that residential mobility is more than a matter of rational choice. Although people might provide a rational narrative to explain the decision making process leading to relocation, mobility is informed by the nature, character and outlook – the disposition – of individuals in a household, which, in turn, are shaped by their class, cultural experiences, education, gender, history and so on.

3.3 A new framework for conceptualising residential mobility and understanding housing demand

The approach developed and applied in this study recognises the valuable contribution made to the understanding of residential mobility through the analysis of triggers, events and circumstances, but seeks to address the recognised limits of such approaches. A framework is employed that builds on the ideas of our ex-colleague Chris Allen, including the concept of the ‘residential habitus’, which were explored with two authors of this report, Casey and Hickman, in a study of residential mobility and immobility for the ESRC.⁸

Building on Bourdieu’s concept of habitus (1977), Allen *et al.* define residential habitus as the perceptions and inclinations towards residence that are instilled by objective (social and economic) conditions and which generate aspirations and practices comparable with these objective conditions. These aspirations and practices are manifest in various dispositions that are often formed unconsciously and comprise emotional and reasoned dimensions. Dispositions inform and influence the choices that people make within the housing field; the social arena in which struggles for access to specific housing resources take place and in which different institutions and actors (households and their members, letting agents, landlords, investors, estate agents, mortgage finance companies, local, regional and national policy-makers) are differentially placed to exercise choice, on the basis of the economic, social, cultural and symbolic capital at their disposal.

The framework developed and applied during this study builds on this thinking. It recognises that the process of residential mobility takes place within the social arena that is the housing system and is informed by four bundles of issues and influences that shape actions and determine housing outcomes, which together represent the local pattern of demand that drives housing market change:

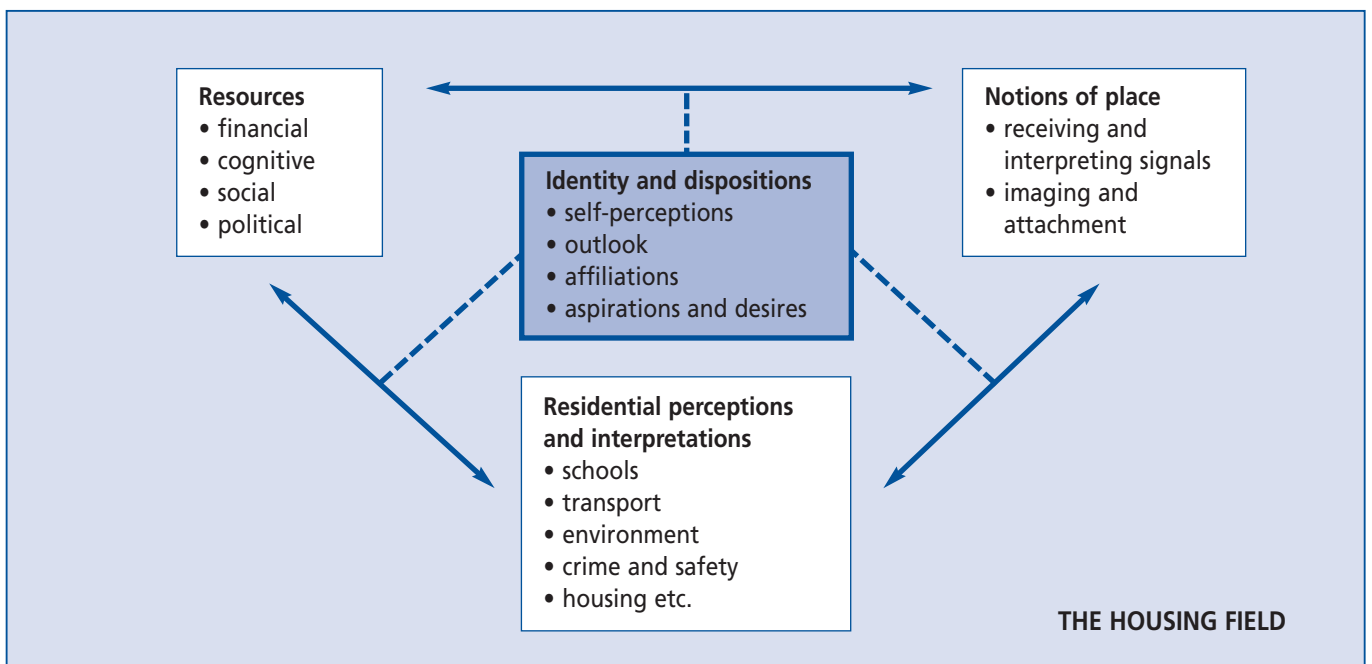
- *Identity and dispositions* – certain key principles, rooted in a person’s social and cultural identity and history and reflected in their aspirations and preferences, whether formed consciously or unconsciously, are critical in shaping their perceptions and interpretations of the residential environment, particular notions of place and recognition and utilisation of available resources that result in the mobility choices of households.

8. A summary of the key findings to emerge from the study can be downloaded from the ESRC website: www.esrc.ac.uk/ESRCInfoCentre/index.aspx

- *Residential perceptions and interpretations* – rational choice perspectives on residential mobility inevitably lead to a focus on the priorities and objectives of households. Whether these features of the home (size, design, price) and neighbourhood (facilities, amenities, resources, environment, social context) are prioritised through informed choice or are proxy indicators of more complex attitudes and concerns, there is little doubting the importance of certain key facets of the residential environment to the collective narratives of relocating households.
- *Notions of place* – locality or place represents the context within which people act and provide a focus for social organisation. Different places have different characters, reflecting social and cultural variations. Place provides a territorial focus for the politics of identity. Leaving one place and moving to another therefore involves leaving a distinctive social setting and associated social networks and moving to another with its own distinctive milieu.
- *Resources* – financial resources (capital, size and security of income, access to loan finance) are important determinants of the capacity for a household to exercise choice in the housing market. Cognitive resources, including the knowledge and awareness of the local housing market and different locations, points of access and key agents and institutions and the rules and regulations within which they operate, can also prove a critical determinant of mobility patterns and housing outcomes. So too can social resources (that might be contained within networks of kith and kin) and political resources, including the rights secured locally and nationally by different groups.

The relations between these various bundles of issues and influences are presented diagrammatically in Figure 3.1.

Figure 3.1: A framework for understanding residential mobility



3.4 Case study analysis of rising markets

The significance of these bundles of issues to the understanding of residential mobility as a driver of housing market change is explored in detail in the following three chapters. Each chapter focuses on a particular case study. The three case studies were carefully selected in an attempt to secure the inclusion of local housing markets rising from different starting points (high, medium and low price levels). Care was also taken to include different types of location, including rural, urban fringe and inner city locations, to ensure representation from the key geographical clusters of high rising markets, as discussed in Chapter Two, and from the different sub-regions. The result was the selection of Pannal, near Harrogate in North Yorkshire, Howden in East Yorkshire and Burngreave in Sheffield, as the case study rising markets.

The following three chapters follow a common format, in an attempt to elucidate the significance and linkages between the bundles of issues and concerns presented in Figure 3.1. After profiling the case study area, discussion moves on to explore the tangible concerns or priorities that featured most prominently in people's stories of mobility. The objective is to reveal the rational narratives that people rely on to understand and explain their mobility in order to explore the push-pull factors of in-movers to an area. The emphasis on narratives is not intended to suggest that the factors identified are nothing more than a series of rational inventions generated to help explain a far more complex, mysterious, subconscious residential decision-making process. Issues such as local resources and amenities, transport links and the particulars of the local physical environment are important determinants of the geographies of everyday life and are bound to inform residential mobility. As such, they need to be analysed and understood. Exactly how different households recognise, interpret and prioritise these factors, however, is a reflection of a complex interplay between resources, aspirations, outlook and identity. Recognising this fact, discussion in each chapter subsequently ventures beyond push-pull factors to consider the resources, backgrounds, identities and outlooks of in-movers and how these different factors led them into the particular residential situation that they now find themselves.

Chapter Four

Understanding demand in high price markets: the case of Pannal

4.1 Introduction

As highlighted in Map 2.1 (on page 12), the area to the north of Bradford and Leeds and stretching toward and beyond York – commonly referred to in regional policy discourses as the ‘Golden Triangle’ – is an area of relatively high house prices. According to recent analysis by Wilcox (2005), owner occupation is beyond the reach of many households in this area and home ownership is increasingly the preserve of the financially well-off.

Analysing house price changes at the postcode sector level within the Golden Triangle revealed a number of ‘hot-spots’ where house price rises had risen dramatically and outstripped the North Yorkshire average. One of these was located on the southern edge of Harrogate and centred around the village of Pannal. Average house prices in this area (HG3 1) in 2003 (£309,623) outstripped average prices in the Harrogate district by 63 per cent and average prices in North Yorkshire by 100 per cent. The area had also experienced rapid house price rises in the period 1998-2001 (68 per cent), at a time when house price rises across the sub-region were relatively modest (32 per cent).

The case study area of Pannal comprised the adjacent villages of Pannal, Burn Bridge and Spacey Houses located on the edge of the town of Harrogate, as Map 2.1 (on page 12) reveals. The area is well served by transport links, being immediately adjacent to the A61 Leeds-Harrogate road and having its own railway station, which is served by frequent services between Harrogate and Leeds. There are some key amenities in the village, including a primary school, a village shop and post office, two public houses, a GP’s surgery and a butcher. Asked to describe the local population, respondents commonly referred to Pannal as middle class, professional, family-oriented and as being inhabited by ‘older’ people, a characterisation reflected in the Census profile of the area (see Box 4.1, page 32).

Case study analysis of housing demand in Pannal focused on interviews with 18 in-movers (ten men and eight women). All 18 were owner occupiers. Fifteen were White British and three were classified as White Other. Fourteen had children still living at home. Eleven out of 18 reported that their previous residence was in or around Harrogate, three moved from north Leeds and the rest moved into Pannal from beyond the region. The age of respondents varied from 31 through to 71 years old, although the majority (14) were aged between 30 and 55 years old. A focus group was also undertaken in the area which was attended by a mixture of both long term and short term residents.

Box 4.1: Pannal case study – Census profile

- 84 per cent of householders are owner occupiers
- 62 per cent of dwellings are detached and 21 per cent are semi-detached
- 57 per cent of residents are of working age, compared to 62 per cent nationally
- 35 per cent of residents hold higher level qualifications (NVQ equivalent 4 or 5), compared to 25 per cent of people in Harrogate and 20 per cent nationally
- 81 per cent of working age people are economically active, compared to 76 per cent nationally
- 60 per cent of people in employment are in the top three occupation groups, which command the highest incomes, compared to 48 per cent of working people in the Harrogate District and 40 per cent of working people nationwide
- 99 per cent of the population were classified as White by the 2001 Census

4.2 Stories of mobility into Pannal

A number of factors commonly featured in the stories of mobility told by in-movers to Pannal. These critical concerns, that were central to the rational narratives that respondents generated to understand and explain their mobility, focused on a number of themes familiar within the literature on residential mobility:

- travel to work issues
- security of investment
- social homogeneity
- quality of local schools

In contrast to respondents in other case study areas, who stressed affordability as an important determining factor in their relocation decision-making, respondents in Pannal made little or no reference to the issue. Of course, this is hardly surprising, in-movers to the area, by definition, being able to afford the high house prices.

4.2.1 Travel to work

Estate agents in Pannal talked of ‘playing up’ Pannal’s position on the ‘favoured south side’ of Harrogate, because of the associated benefits for residents of avoiding traffic congestion and minimising commuting times by not having to travel through Harrogate to get to Leeds. Proximity to the transport network was also frequently identified by in-movers to Pannal as a factor drawing them to the area. Delving deeper, three distinct employment related explanations were evident regarding the importance of transport links.

The desire to minimise commuting time to and from work was a frequently cited influence on the relocation decision. This explanation appears to mirror classic assumptions regarding the tendency for migration decisions to be driven by the outcome of households weighing up the expected future benefits of moving out of the city to suburban and rural locations, against the greater time and resource implications involved in travelling to work. The decision to relocate to Pannal might be viewed as representing a logical solution to the challenge of satisfying these competing demands. The area can be characterised as providing an aspirational, semi-rural, small town living environment that is within easy reach of major employment centres by virtue of proximity to major nodes on the road and rail networks.

A second employment related concern explaining the emphasis placed on transport links was the potential employment opportunities that were within easy reach should a household member need to secure a new job at some point in the future. This included people currently in employment, as well as people currently not in paid employment who might re-enter the labour market at some point in the future, such as people raising children:

I thought I might find a job in Leeds, and if I did, being on the south side [of Harrogate] it would have been an easier commute. (Woman, late thirties/early forties, living with partner and children, White Other, moved from overseas – Pannal)

The third employment related explanation for the importance of transport links to relocation decision-making reflected the large amount of travelling within and outside the UK that was reported to be a major component of some respondents' employment. Proximity to the motorway system was reported by these respondents to be essential. Ready access to the rail network was regarded as important, while a smaller number of respondents in Pannal also pointed to the proximity of Leeds-Bradford international airport as an additional plus point of living in the village.

In addition to travel to work concerns, in some instances respondents suggested that the importance placed on transport links reflected consideration of their children's needs. One Pannal resident, for example, pointed to the importance of the village having a regular service to Leeds and Harrogate:

Public transport was a big factor for us. We didn't want to spend all our time driving the kids around. (Man, late thirties, living with partner and children, White British, moved from Leeds – Pannal)

Running through such comments was a concern about not being 'cut-off' from the resources and opportunities available in major towns and cities.

4.2.2 Security of investment

Local estate agents and developers reported that Pannal was a very safe place to invest, with properties retaining their value during downturns in the market and

rising dramatically during upturns. The resilience of the local housing market was related by one estate agent to the popularity of the area, coupled with limited new build and low turnover:

There is always an intrinsic demand here due to the very low levels of supply. Family homes come on to the market every 25 years as people are locked into employment and schools – and even when children have left the nest, couples are staying in family homes. It's a generational thing resulting in under-occupation, so choice is very restricted. (Estate agent)

Respondents in Pannal were acutely aware of the strength of the local property market. In the context of strong demand, people reported feeling confident that their substantial investment was safe:

I did hear good things about this area. People said that property values were high and were only going up, and that we would get a good return if we decided to sell.
(Woman, late thirties/early forties, living with partner and children, White Other, in-mover from overseas – Pannal)

Particular importance was placed on the issue of financial security by households with a history of frequent moving, associated with their employment.

4.2.3 Social cohesion

Many respondents in Pannal spoke openly about their preference for living among people from similar backgrounds, with similar values, principles and interests, all of which were reported to make interaction with their neighbours easier. Exploring these comments further, there appeared to be two dimensions to the importance attached to social context and the particulars of the local community; what it is and what it is not. In the Pannal case study, respondents talked about the village feeling and being a safe place for families, where people share similar values and principles:

They [residents of Pannal] put their families first. You don't see kids out at nine o'clock round here. (Man, early thirties, living with partner and children, White British, moved from North Harrogate – Pannal)

Safety and security was often associated with similarity in social background, occupation and, in some cases, ethnicity:

We like it here a lot. The people are like us, they're all professionals or retired professionals and we're more comfortable with that. Daphne [the respondent's partner] is much more comfortable with the people who live in this area like doctors, lawyers, and accountants. She goes to baby groups with other mothers and they have common values. (Man, early thirties, living with partner and children, White British, moved from North Harrogate – Pannal)

If you're similar you tend to feel safer, more secure. There was one incident when next door got broken into. There was a big community reaction which led to a neighbourhood watch being set up, but it's less dangerous here than Harrogate. (Man, mid forties, living with partner and children, White British, moved from the South East to Harrogate and then to Pannal – Pannal)

It was as if Pannal residents perceived the area to be a bastion of standards, values and norms of behaviour absent in so many other locations, a point reinforced by some of the more extreme comments about what Pannal is not:

I like to live in a predominantly white area. Lots of minorities, primarily Asians have moved into [the previous area of residence in Leeds]. It's no problem. I just don't want to live with them. (Man, late thirties, living with partner and children, White British, moved from Leeds – Pannal)

The first house we lived in in Harrogate was opposite a house that was rented out to DHSS people. And we were regularly woken up in the middle of the night. (Man, mid forties, living with partner and children, White British, moved from central Harrogate – Pannal)

For some respondents, this distinction between what Pannal is and what it certainly is not was associated with the social benefits of living in a village, as opposed to a town or city.

4.2.4 Quality of local schools

The principal comment among respondents in Pannal when asked about the local context, resources and amenities was the quality of local schools, which was cited by the majority of respondents with children as a key reason for moving into the Harrogate area. Harrogate was reported to have an excellent reputation for education and both private and state schools were reported to perform well in league tables and OFSTED reports:

The catchment area for schools is very good here. Educationally, Harrogate was the best move we could have made. (Man, mid sixties/early seventies, living with partner, White British, retired, moved from central Harrogate – Pannal)

We also heard that the public [state] schools were very good in this area but we couldn't get them into any so they ended up at Ashville [a private school], which is fine. It's a good school. (Woman, late thirties/early forties, living with partner and children, White Other, moved from overseas – Pannal)

Some of the comments regarding schooling also returned to concerns about social mixing that were a major concern among Pannal respondents:

I didn't want the kids going to the local school [in the previous area] and mixing with children who might be a bad influence. (Man, early thirties, living with partner and children, White British, moved from North Harrogate – Pannal)

Respondents spoke highly of the local primary school. Some concern was expressed, however, about the local secondary school, which was not perceived as being the best in Harrogate. It therefore appeared that, although educational standards might draw people to Harrogate, they were not necessarily a benefit specifically associated with Pannal. Various tactics were highlighted for successfully negotiating this perceived problem. These included: sending children to private school; securing a place in a state sponsored church school (various respondents pointed to the fact that the local church was 'overflowing' for this very reason); living within the catchment of preferred schools until children were accepted onto the role and only then moving to Pannal; and investing in a second, modest, property within the catchment area of their preferred school and using this address to secure a place.

4.3 Looking beyond the push-pull

The above discussion has highlighted a series of common themes that appeared in the rational narratives of mobility reported by respondents in Pannal. However, incomers to the area did not read and respond to the Pannal housing market in the same way and presented subtly different stories for moving. This was in part because they had differing cultural and social identities, whether formed consciously or unconsciously, attached differing meaning to 'place', and generally, to borrow from the language of Bourdieu, were 'disposed' to view their worlds in different ways. Some of these values, identities, beliefs, and dispositions were shared and it was possible to identify three distinct mobility groups within the area. These are examined in turn here.

4.3.1 Aspirational movers

This group of in-comers had the most well-defined housing trajectory of the three mobility groups identified in that they knew exactly where they wanted to be and how they needed to go about achieving this. They also had the resources to satisfy their aspirations. They had a very clear idea about the type of property they wanted to live in and had an aversion to new build properties. They were often young professional families employed in Leeds looking to 'establish' themselves by acquiring a property in the Harrogate area or Wharfe Valley:

Basically, Harrogate and the Wharfe Valley is the aspirational place to live if you work in the West Yorkshire conurbation. It has a real pull for high earners. (Estate agent)

Aspirational movers were also more likely to describe their current housing situation as 'ideal' or 'perfect'. This was because they were living with like minded people, with similar values and cultural identities and *aspirational movers* were highly sensitive to social and cultural signs that highlighted social standing and their 'position' in society:

I've been to University. I think my values are similar, you know, to the people that live here. I've got a nice car in the drive. I keep the garden nice. I'm not a solicitor or a doctor but have similar aspirations [to other residents]. (Man, late thirties, living with partner and children, White British, moved from Leeds – Pannal)

The importance of social identity and standing for aspirational movers was highlighted by one respondent who was unhappy in his previous home because it was located close to a social housing estate:

At the bottom of the road where we used to live was social housing and that's one of the worst areas in Harrogate. We were at the top end. We didn't see ourselves as superior to those at the bottom but not similar. I think we fitted in, but we fit in better here. The people 'round here all look after their gardens and stuff. (Man, early thirties, living with partner and children, White British, moved from North Harrogate – Pannal)

4.3.2 Urban leavers

Another distinct mobility group in terms of shared dispositions to emerge in Pannal were *urban leavers*. These were well-educated professionals often working in highly paid occupations in Leeds who were either starting a family or already had young children. For this group the perceived 'dangers' of city-life, particularly for their children, had caused a shift in their housing priorities. While the urban environment was missed in some respects, their priorities lay with providing the best possible environment in which to raise a family. Thus, diversity and accessibility to cultural amenities were sacrificed for access to quality schooling, larger houses and security:

It was an ideal spot [where the respondent lived before]. We tried to stay there. We had everything we needed but when the kids came along... well, before that it didn't matter what was going on. (Woman, late thirties, living with partner and children, moved from Leeds – Pannal)

Urban leavers do not aspire to Pannal in the same way that *aspirational movers* do. Some residents in this group expressed a disaffection with Pannal on a social level, and several described it as more materialistic than their previous area of residence; insular; and even bigoted. Consequently, social interaction was minimal with contact limited to an occasional wave and 'hello' to neighbours.

4.3.3 Pragmatic movers

Those in-movers who had moved to Pannal for primarily pragmatic and functional reasons, such as the need to downsize, or release some of the equity in their homes, also shared a common set of dispositions. Unlike *aspirational movers*, *pragmatic movers* were not concerned about 'buying' into a lifestyle that a place could offer and, unlike *urban leavers*, did not aspire to the perceived safety of life outside the city.

For *pragmatic movers*, what mattered, then, was not social dynamics and the social and cultural identity of place, but bricks and mortar:

The primary criterion was to find a house that we liked, the people are secondary. You tend to find the same sort of people in the same type of houses anyway...If this house was elsewhere we'd still have bought it. (Man, late fifties/early sixties, living with partner and children, White British, moved from Leeds – Pannal)

In terms of price and what was available it [the respondent's property] was suitable. We didn't make a conscious decision to move to Burn Bridge, it just came up. (Man, late thirties, living with partner and children, White British, moved from central Harrogate – Pannal)

Table 4.1: A typology of In-comers in Pannal

	Aspirational movers	Urban leavers	Pragmatic movers
Socio-economic characteristics	Well-educated professionals. 30-50 year olds. Young families.	Well-educated professionals. 30-50 year olds. Young families.	Well-educated professionals. Often 'established' (but not exclusively.) Range of ages.
Housing dispositions	Preference for detached older character housing. Dislike new developments. Pursuit of distinction.	Practicalities of larger household. Attracted by larger, detached properties and gardens.	Practical preferences. Moved with job downsizing or upsizing. Releasing equity. Location secondary.
Lifestyles	Commute to Leeds. Use local amenities. Dispersed social networks. Limited social interaction locally.	Commute to Leeds. Pannal as place of residence. Socialising and networks elsewhere. Visit Harrogate and Leeds regularly.	A mix of lifestyles corresponding to different stages in the life cycle.
Community orientations	Value community organisations and events but do not take part.	Little interaction except through children/school.	Little interaction. Convivial relations, keep themselves to themselves.

4.4 Conclusion

A number of shared pull factors were identified by in-movers to the high price case study, Pannal. These were travel to work issues, security of investment, social homogeneity and quality of local schools. However, incomers did not read and respond to the local housing market in the same way and presented different stories for moving. Three distinct mobility groups emerged: *aspirational movers*, who were concerned primarily about satisfying their aspirations; *urban leavers*, whose main motivation for moving was the desire to 'escape' the perceived

'dangers' of city-life, and *pragmatic movers*, whose defining characteristic was the lack of emphasis placed on 'place' and the importance attached to 'bricks and mortar.'

The next chapter unpicks residential mobility in the mid price market case study, Howden, identifying shared stories of residential mobility and distinct mobility groups.

Chapter Five

Understanding demand in mid price markets: the case of Howden

5.1 Introduction

Howden is a market town within the East Riding of Yorkshire Unitary Authority, located five miles north of Goole, in the Humber sub-region (see Map 2.1 on page 12). Analysis of house price change revealed the town to be located within a cluster of semi-rural postcode sectors adjacent to the River Humber experiencing rapid house price rises compared to the sub-region. Between 1998 and 2001 average house prices rose by 31.6 per cent, from £61,719 to £81,248 in Howden. Between 2001 and 2003, prices rose by a further 81.6 per cent, to £147,596. During both these periods rises far outstripped house price rises for the local district and the sub-region.

The 2001 Census recorded the town as having a population of 4,450. Situated close to the M62, it is within easy commuting distance of Hull, York and the West Yorkshire conurbation. It is also served by a local train station, with a direct link to London, as well as regional centres. The Census profile below reveals the town to be more socially and economically mixed than the Pannal case study (see Box 5.1).

Box 5.1: Howden case study – Census profile

- 79 per cent of householders are owner occupiers and 9 per cent are renting from a social landlord
- 50 per cent of dwellings are detached, 31 per cent are semi-detached and 12 per cent are terraced
- 57 per cent of people were of working age (16-59 years old) and 25 per cent of people were less than 16 years old (compared to 19 per cent across the East Riding area)
- 18 per cent of the population hold higher level qualifications (NVQ equivalent 4 or 5)
- 73 per cent of people aged between 16 and 74 are economically active, compared to 67 per cent of people across the East Riding. 4 per cent of these people are unemployed
- 39 per cent of people in employment are in the top three occupation groups, compared to 36 per cent across the East Riding and 38 per cent across the region
- 99 per cent of the population were classified as White by the 2001 Census

Twenty-one in-movers were interviewed in Howden. Two were renting from private landlords and 19 were owner occupiers. All but one were White British. Eighteen were married or co-habiting. Six had children still living at home. Five out of 21 reported that their previous residence was in the East Riding area, seven moved from within the Yorkshire region (Leeds, Hull, Sheffield and Doncaster) and nine moved into Howden from outside the region. The age of respondents varied from 26 to 82 years old, although the majority (16) were aged between 30 and 55 years old. A focus group was also conducted in the area which was attended by long term residents.

5.2 Stories of mobility into Howden

The rational narratives of mobility told by respondents in Howden centred around three key themes:

- transport links and accessibility
- affordability concerns
- living in the rural idyll.

5.2.1 Transport links and accessibility

The perception of actors in the local housing system in Howden was that the popularity of the town was closely associated with its proximity to transport links:

People will travel south to Doncaster and North and over to Selby, which makes places like Eggborough and Howden very popular. (Local authority planning officer)

These opinions were confirmed by the comments of in-movers, who identified Howden's location, close to major nodes on the transport network (road, rail and air) as an important influence on their decision to relocate to the town. As in Pannal, it appears that Howden is regarded as providing a solution to the competing demands of 'buying' into an aspirational, semi-rural, small town location, while keeping travel to work time to a minimum. It should also be noted that three respondents in the Howden case study reported that they had moved to Howden after having secured employment with the Press Association, which has offices in the town, in part, because they did not want to have to commute to work:

I moved because of the job and didn't want to end up commuting. I wanted a shared house because I couldn't afford to live on my own, and also I wanted to make friends so thought this was the best way to go about it. (Man, mid twenties, single, private renter, White British – Howden)⁹

As well as emphasising the importance of ready access to their place of current employment, some respondents in Howden, like their counterparts in Pannal, also

9. Less biographical information is provided for respondents in Howden in order to ensure their anonymity. As a consequence of the snowballing techniques used to generate the sample there were many residents we interviewed who knew each other.

explained the importance of transport links in shaping their decision to move to Howden with reference to employment opportunities should a household member need to secure a new job in the future:

We had a lot of choice really because I could always find something teaching and Kevin was travelling all over anyway, so as long as it was somewhere near the motorway we weren't that bothered. (Woman, married with two children, owner occupier, White British, moved from the South East – Howden)

In addition to the employment related reasons for emphasising transport links as an important factor informing relocation decisions, respondents in Howden also pointed to the importance of transport links providing accessibility to social and retail opportunities. People talked, for example, about the accessibility of supermarkets in Goole and major retail outlets in Leeds.

5.2.2 Affordability concerns

Affordability emerged as an important pull factor for many of the in-movers into Howden. There were two apparent dimensions to the affordability issue. First, there was the perception among local actors and agencies that the area was increasingly accommodating displaced demand from the Golden Triangle. This reading of the situation was based on the assumption that people seeking to move to a semi-rural location but priced out of the Golden Triangle were more able to satisfy their locational aspirations and their accommodation requirements in the 'middle-ranking' market of the East Riding:

It's a reflection of over-priced houses in other areas such as York, etcetera. Also, it's cheaper than Leeds, but more expensive than Hull, Doncaster and Goole, which is quite cheap. (Local councillor – Howden)

The 'Golden Triangle' has a big influence on the housing market in the North West of the county and this effect is spreading. (Rural Housing Enabler, East Riding Council)

The result was perceived as being increasing demand across the East Riding area, with demand also thought to be flowing out of Hull. As we will see, the semi-rural location of Howden case study was identified as an important influence on the relocation decision, but comments regarding affordability more commonly focused on the size, age or design of accommodation that people were able to afford in the area:

This house is just so amazing. We were having to pay £230,000 plus for a three-bed semi in a good part of Sheffield and yet we could get this incredible [listed] house for less than £220,000. There was no competition. (Man, living with partner and child, owner occupier, White British, moved from South Yorkshire – Howden)

We were surprised that we could afford this house...it was detached, which was important, and had off-road parking. (Woman, living with partner, owner occupier, White British, moved from the North West – Howden)

5.2.3 Living in the rural idyll

The specifics of the physical environment was identified as an important determinant of the relocation decision in Howden. The focus of these comments was very much on the aesthetics of the area, both in terms of the town and the surrounding area. At their more extreme, the comments of recent in-movers echoed 'biscuit-tin' images of the English pastoral idyll, which were often emphasised by contrasting Howden with the nearby town of Goole, which was commonly portrayed as a 'grim place', with an unattractive town centre and 'cheap shops'. Howden was often portrayed as 'nice' and 'pleasant':

If you were to draw a picture of a nice British town with nice buildings, nice shops and nice people you'd say that was Howden. (Woman, living with partner, owner occupier, White British, moved from village near Howden – Howden)

The rurality of the area was also often emphasised:

We love the countryside and walking and that sort of thing. We miss the hills, I must say, but there are lovely trees around here and it's also near to the Wolds, which are fabulous. (Woman, living with partner, owner occupier, White British, moved from Midlands – Howden)

Some respondents talked about the benefits of returning to the peaceful environment that the town was reported to provide after a day spent working in city:

We knew we didn't want to live in a big city...We knew we could do city things straight from work but wanted to come home to the countryside, somewhere small...somewhere nice and simple. (Woman, living with partner, owner occupier, White British, moved from elsewhere in East Riding – Howden)

5.3 Looking beyond the push-pull

Analysis of the values, identities, beliefs, and dispositions of incomers in the area revealed that it was possible to classify them into three groups, each with their own distinct identities.

5.3.1 Semi-rural gentrifiers

Semi-rural gentrifiers were concerned with accumulating cultural and symbolic capital (or kudos) through ownership of an older property. Two of the couples defined themselves as 'solidly middle class' expressed in terms of:

...[middle class] expectations, upbringing and manners. (Man and woman, living with children, moved from the South East)

These expectations shaped their housing aspirations. One family, a primary school teacher and engineer respectively, had both grown up in older houses in a rural area and were keen to establish themselves in a broadly similar setting:

I wanted to live in a Victorian house because of the dimensions...I liked the size of the rooms...I didn't want a modern house.

Another middle management couple made the move to Howden because they did not want to live in a 'Barrett type house'. This couple were not rich in economic capital but were gaining 'sweat equity' (Butler and Robson, 2001) by doing the renovations themselves. Particular value was placed on houses within the conservation area as these properties have both intrinsic and monetary value. One couple who live in a Grade 2 listed building were hopeful that their house, which was not within the designated conservation area despite being 'old', would be given a 'blue plaque' in the future:

We weren't looking for a house with history, but it is a bonus definitely. This house is in the Old Book of Howden, which we discovered when I started researching the original deeds. (Man and woman, living with children, owner occupiers, moved from the South East – Howden)

The majority of this group had young children and the desire to live in a 'child-friendly' environment was striking. Howden was perceived as just such a place as it is relatively crime-free and has a small local primary school within walking distance.

Semi-rural gentrifiers were also 'buying' into the semi-rural idyll character of Howden. 'Vanessa' is a public sector employee, who enjoys both the prestige of having an old house, but also in an area that:

...has quite an up-market feel to it.

Howden was viewed as a site of consumption but in a 'semi-detached' way. Hence, although *semi-rural gentrifiers* did little socialising with local residents they attended local events with friends who visit from around the country. They viewed themselves as well-educated, mobile, professional people in contrast to some long term residents who inhabited a rural habitus fixed in time and space. However, they consume their housing and neighbourhood as an 'aesthetic product' (Bridge, 2003) and this motivated them to invest some social capital in the town for instrumental reasons.

I got involved in local events so that I could find out information about the town. (Woman, married, owner occupier, moved from South Yorkshire – Howden)

Specifically, they shared a keen interest in conservation issues, got involved in planning and public consultations and were generally opposed to any further housing or commercial developments, such as the proposed supermarket within the town.

5.3.2 Aspiring new builders

Aspiring new builders view the housing field in terms of an onward and upward trajectory with ambitions firmly fixed on climbing the housing 'ladder'. Their residential habitus is bound up in housing as an expression of their economic and social progress, which is encapsulated in the move from semi-detached housing in the city to detached, new build, modern housing. The view of 'Lisa', an NHS manager, is typical:

I also wanted to go the next step up to a detached house...That was important because it was going up the [housing] ladder. (Man and woman, living together, owner occupiers, moved from the South East – Howden)

This aspiration is in keeping with their backgrounds which range from 'affluent working class' (Goldthorpe *et al.*, 1968) to middle class suburbanites. Unlike *semi-rural gentrifiers*, *aspiring new builders* are not unduly concerned about the aesthetics of their properties beyond the subtle distinctions afforded them from buying on a housing development where:

None of the houses are exactly the same. (Woman, living with partner, owner occupier, moved from village near Howden – Howden)

They are also looking for 'ontological' security, which is expressed as both a wish to absent themselves from the problems associated with urban living, and a desire to live amongst those people with whom they have (presumed) shared values:

[I want to live with] Like minded people...young families, who take two weeks holiday abroad a year, people with jobs...[who are] polite, quiet, and considerate neighbours. (Man, married, owner occupier, moved from neighbouring town, Goole – Howden)

Aspiring new builders are not seeking cultural distinction and their identities are bound up with getting on with their own lives in a relatively privatist manner, while appreciating the spatial and aesthetic 'background' that Howden affords them:

I'm not here during the day but you do get the impression that... people just get on with life...You see everyone getting in their cars in the morning to go to work and then they come home again in the evening. I don't see it as a bad thing...that people aren't knocking on your door every five minutes. (Man and woman, living together, owner occupiers, moved from South East – Howden)

Hence, social interaction with other residents (both in-comers and 'locals') is minimal and their social networks are diffuse and not tied to place. However, a small number of *new builders* are stay-at-home mothers or part-time workers,

who do have local social interactions, mainly through the schools. In common with gentrifiers they want to live in a 'child-friendly' environment. The local school is valued because it is small, friendly and attended by children from similar social backgrounds as themselves.

Howden itself is viewed as a site of consumption, but with varying amounts of economic capital these *new builders* are more likely to shop at the nearest big supermarket in Goole. This is also because they are not as intent as gentrifiers on embodying a middle class habitus through the consumption of distinctive goods and services.

5.3.3 Equity-rich baby boomers

Another group emerged within Howden with a distinct residential habitus: *Equity-rich baby boomers*. This group comprised recently retired households. In common with *aspiring new builders*, they articulated a wish to live amongst 'like minded' people. Being reasonably affluent, older and civic-minded were the characteristics that they sought from neighbours and other members of the community:

The people here whose company I enjoy the most are people like ourselves, people who've retired. Our main friends are retired executives; people [who used to have] high powered jobs...the people whose company we get most from. (Man, living with partner, retired, owner occupier, moved from South East – Howden)

This is what makes Howden attractive for people like us, who are civic-minded and prepared to do things. (Woman, living with partner, owner occupier, moved from South Yorkshire – Howden)

However, unlike the other two categories of in-comers, these equity-rich *baby boomers* had high levels of social interaction and were actively involved in shaping the social and physical landscape of the town:

We made a conscious decision to get involved in the life of the town... It's often said that those who get involved in things are in-comers and this seems to be true...it's all people who've moved to the area. (Woman, living with partner, owner occupier, moved from elsewhere in the region – Howden)

Hence, they were members of several local clubs and societies and were in the vanguard of local planning and public consultations. Some of this group were in active opposition to the proposed new housing development (with provision for affordable housing) and the new supermarket. They were also instrumental in staging an annual Howden Show and musical events in the local Shire Hall, not all of which met with the universal approval of longer term residents.

Table 5.1: A typology of in-comers in Howden

Who is moving in?	Semi-rural gentrifiers	Aspiring 'new builders'	Equity-rich 'baby boomers'
Socio-economic characteristics	Professional, middle/senior managers. 30-50 year olds. Young families.	Self-employed, middle managers, professionals. 30-50 year olds. Young families.	Retired or semi-retired; 55-80 year olds.
Housing dispositions	'Sweat equity', looking for cultural capital and listed property. Trading urban location for older, character housing.	Attracted by high quality, detached properties. On a housing ladder from semi-detached to detached.	Desire to have maintenance-free properties. Trading property equity for more rural location.
Lifestyles	Work in the city/further afield. Shop locally and at nearest big supermarket. Variable contact with 'locals', but attend local events.	Privatist life style (except if stay-at-home parents). Work in the city, spend little time in Howden. Shop out of the town.	Locally-based lifestyle, shop locally, voluntary work in town, join in and attend local events.
Community orientations	Instrumental approach (e.g., get involved in planning and conservation issues).	Detached from community; social networks elsewhere.	Civic-minded. High levels of social interaction.

5.4 Conclusion

A number of shared pull factors were identified by in-movers to the mid price case study of Howden. Their rational stories of mobility focused on transport links and accessibility issues, affordability and the desire to live in the rural idyll. Like their counterparts in Pannal, however, incomers did not perceive Howden in the same way, saw different 'signals' within the local housing market, and had moved to the area for very different reasons.

Three distinct mobility groups emerged in the area: *semi-rural gentrifiers*, who were concerned primarily with 'buying' into the rural idyll; *aspiring new builders*, who were concerned principally with social and economic progress; and *equity-rich baby boomers*, whose distinguishing feature was their high level of social interaction in the local community.

The next chapter unpicks residential mobility in the low price area of Burngreave in Sheffield. In doing so, it identifies shared stories of residential mobility and distinctive mobility groups.

Chapter Six

Understanding demand in low price markets: the case of Burngreave

6.1 Introduction

Burngreave is a diverse inner city area of Sheffield (see Map 2.1 on page 12) that is home to an ethnically mixed population. The area faces various problems and challenges, including poverty and deprivation, high levels of unemployment, low levels of educational attainment, poor housing conditions and a poor local environment. In response, it has been subject to various interventions. Most notably, it has been designated one of the 39 New Deal for Communities (NDC) areas in England and is due to receive a public grant of some £50 million through the NDC programme over ten years to tackle issues associated with poor job prospects, high levels of crime, educational under-achievement, poor health and problems with housing and the physical environment.

Burngreave also lies within the Transform South Yorkshire HMR Pathfinder; a £71 million programme intended to radically improve housing in communities across Sheffield, Doncaster, Rotherham and Barnsley. In addition, the area benefits from numerous other initiatives, including Sure Start, SRB4, Education Action Zone, Health Action Zone, Connexions, Excellence in Cities and the Police Community and Burglary Reduction Initiative.

Case study work focused on the NDC area, which is home to approximately 8,800 people and comprises a number of distinct neighbourhoods with very different tenure profiles, housing design and stock densities. More than half of the population (54.1 per cent) in the NDC area have been identified as belonging to a minority ethnic population and Pakistani, African-Caribbean and African have been identified as the largest minority ethnic groups, according to a household survey undertaken by MORI in 2004. The area is also home to many former asylum seekers or refugees with 11 per cent of respondents to the MORI survey reporting that they had at some point applied for asylum in the UK.

Average house prices in the area rose by 72 per cent between 2001 and 2004 (from £26,858 to £46,164), outstripping average house price rises within Sheffield and across South Yorkshire (43 per cent) during the same period. House prices remain relatively low, however; the average price of a terrace house in Burngreave during the period April-June 2005 being £51,605, compared to a city average of £101,547.

Eighteen in-moving households were interviewed in Burngreave. Nine were renting from the local authority or a housing association, five were owner

occupiers and four were renting from private landlords. Seven were White British, four defined their ethnicity as Somali, two as African, two as Pakistani, one as Zimbabwean, one as African-Caribbean and one as Yemeni. Nine were married or co-habiting and nine were single, one of whom was living in housing in multiple-occupation. Seven had children still living at home. Twelve out of 19 reported that their previous residence was elsewhere in Sheffield, two had moved from elsewhere in the UK and four had moved from overseas. The age of respondents varied from 20 to 73 years old, although the majority (16) were aged between 30 and 55 years old. A focus group was also undertaken in the area which was attended by a mixture of long term and short term residents. The Census profile is shown in Box 6.1.

Box: 6.1: Burngreave case study – Census profile

- 38 per cent of householders are owner occupiers, compared to 60 per cent of households in Sheffield, and 47 per cent are social tenants
- 59 per cent of the total population are of working age (males aged 16-64 and females 16-59), compared to 62 per cent across Sheffield. One in four people in the area are aged under 16 years old, compared to one in five in Sheffield
- 44 per cent of 16-74 year olds have no formal qualifications, compared to 32 per cent in Sheffield and 29 per cent in England and Wales
- 52 per cent of 16-74 year olds are economically active, compared to 63 per cent in Sheffield and 67 per cent in England and Wales. The unemployment rate in 2001 was 17 per cent amongst 16-74 year olds, compared to 7 per cent across Sheffield
- 12 per cent of 16-74 year olds are in higher or intermediate managerial, administrative or professional occupations, compared to 19 per cent across Sheffield
- 53 per cent of the population were classified as White by the 2001 Census, compared to 91 per cent of the Sheffield population. The Asian/Asian British population was recorded as the largest Non-White group, accounting for 23 per cent of the population. A further 16 per cent was classified as Black/Black British. Between 1991 and 2001 the Non-White population increased from 30 to 47 per cent of the total population of the area. During this period, the proportion of residents born outside the EU also increased from 14 per cent in 1991 to 24 per cent in 2001

6.2 Stories of mobility into Burngreave

The rational narratives of mobility into Burngreave recounted by respondents centred around three key themes:

- affordability issues
- life in the area
- the housing stock and local resources.

Interestingly, in contrast to respondents in Pannal and Howden, transport rarely emerged as an issue during discussions, despite Burngreave being immediately adjacent to Sheffield city centre and well-served by public transport that provides ready access to the wide range of resources and amenities on offer within the city centre. The apparent explanation is that the majority of respondents had previously lived within easy access of the city centre and therefore failed to recognise Burngreave's situation as an advantage. However, for respondents who indicated an affiliation with some other part of the city, the central location was reported to be important:

As a southerner, Sheffield-wise, living for a long time on that side of the city, my friendship groups were there...I didn't want to go and live somewhere too far away from them. It's easy to get back there, having a car...it's easier to keep a car with the mortgage not being so astronomical. (Woman, mid forties, single, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

6.2.1 Affordability issues

Burngreave was reported to be the destination for a number of households displaced from other parts of the city by rising house prices. All respondents who had recently purchased property in Burngreave reported that they had initially searched for property elsewhere:

Burngreave certainly wasn't my first choice. I wanted to live in Nether Edge – around there somewhere. That's where I felt at home. [But] I just couldn't afford it, prices have gone mad. (Woman, late twenties, single, White British, owner occupier, moved in from elsewhere in Sheffield – Burngreave)

Because of the rise in house prices I chose this area. Well, I didn't choose it, it chose me 'cause it was affordable. So what pushed me to the area was house prices. I couldn't afford anywhere else. (Woman, late forties/early fifties, single, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

Effectively priced out of their preferred area, these respondents reported that they were able to access similar (favoured) forms of housing (Victorian detached, semi-detached and terraced properties) in Burngreave for a fraction of the price of properties in more 'favourable' areas:

I wanted to live in an older house. One with some character, and there's plenty of houses like that round here. (Woman, late twenties, single, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

There are houses identical to this in Hunter's Bar that would cost over twice as much. I got the kind of house I wanted – three bedrooms, a garden – just not in the place I wanted. You get more for your money over here, but I suppose the area's what you pay for, isn't it? (Woman, late forties/early fifties, single, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

A consequence of Burngreave's increasing popularity has been house price rises outstripping the city average. Many respondents were aware of these house price rises and understood them as a reflection of increasing demand to live in the area. It was interesting to note that some respondents even talked about the area as now being 'a good investment', while others reported increased confidence about the security of their investment:

Buying a house was a huge commitment. At first I was really unsure about [the purchase] because I didn't want to lose money or not be able to sell it. But as it went on, I realised that the area was on the up and I've probably made some money...by talking to estate agents, and my solicitor. Plus you get to know which way prices are going the more and more you flick through papers [property pages]. (Man, mid forties, living with partner and children, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

It is difficult to comment as to whether the rising popularity of Burngreave is in any way related to the ongoing programme of regeneration. Only four of the residents interviewed were aware of the various programmes and initiatives in the area. Longer standing residents did talk about the area improving in various ways over recent years, but recent in-movers were less aware of any process of change, although there was a perception among some respondents that people had been persuaded to buy into the area as a result of the regeneration investment in the area:

...we've overheard conversations where people have said: 'Oh, you should be buying in Burngreave because there is New Deal [for Communities] and there is a lot of money going into the area.' And so there's a general perception that the area is on the up and really, in terms of property, that's where you should be buying, and quite a few people have said that. (Focus group: long-term resident, man – Burngreave)

6.2.2 Life in the area

In many ways, Burngreave might be characterised as encapsulating everything that the Pannal residents and some respondents in the Howden case study were seeking to leave behind or avoid. Burngreave residents were very conscious that the area had a 'bad' reputation and had clear views about how they thought the area was perceived within the city:

...as soon as you say Burngreave people automatically say that's a bad area with a high crime rate, run-down properties, and working class people. If you've not lived here you'll have this perception. (Man and Woman, both mid fifties, living together, White British, private renting, moved from elsewhere in Sheffield – Burngreave)

[Others see the area as] drug ridden and crime ridden. I work with people and they ask me why I live here. It's not a perception it's an actual view I get off 'em. They say I'm a brave man to live here. (Man, early sixties, single, owner occupier, White British, moved from elsewhere in Sheffield – Burngreave)

A common riposte to these perceptions was that the situation is not as bad as is portrayed. Respondents often pointed to their own experiences to make this point, reflecting that they had never been a victim of serious crime, although there was some suggestion of the need to be informed and knowledgeable about how to manage within the neighbourhood, as one woman noted:

People say that crime's a problem and you do hear stories about muggings and burglaries, but I've never experienced it. You've just got to be a bit street-wise. For instance I wouldn't walk through the park when it's dark, or go down certain streets. [Most of the time] I feel safe, and it didn't put me off. (Woman, late thirties, living with partner and children, Pakistani, owner occupier, moved from elsewhere in Sheffield – Burngreave)

Another common response was the suggestion that the situation is not as problematic 'round here', with people indicating that problems were more prevalent in other parts of the neighbourhood, as the same woman noted:

But it's probably better round here than further down [at the bottom end of Burngreave]. (Woman, late thirties, living with partner and children, Pakistani, owner occupier, moved from elsewhere in Sheffield – Burngreave)

However, despite the detailed demarcation of the neighbourhood into 'better' and 'worse' areas by residents, the external profile of the neighbourhood was reported to be a cause of concern for some respondents, apparently undercutting their sense of belonging and commitment to the area:

I'm very conscious of living in an area that's needing and entitled to intervention, both financially and in terms of community development. There's a lot going on. [This house] has benefited from a modernisation scheme before I moved in...and there's a lot of other [regeneration] activities going on, but I think it's not for me, perhaps because I'm working now and don't need the type of support that's offered to people. In some ways that makes me feel a bit alienated. Well, I don't feel part of it (regeneration). I'm a worker, I go out of the area. My loyalties and interests are elsewhere. (Woman, mid forties, single, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

These concerns had not stopped the people interviewed moving into the area and all reported being clear before moving in about what Burngreave is (a multi-ethnic neighbourhood, with associated resources, a rich community spirit but with problems of deprivation and disadvantage) and what it is not (white, middle class and well-off):

I really wanted my family to grow up in a mixed-culture and working class environment. It was how I grew up in London. There are areas of Sheffield that are virtually all white and all middle class. Here we all have wider experiences. (Man, mid forties, living with partner and children, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

Many people saw very real positives associated with this profile, particularly in relation to its multi-ethnic profile, which was reported by minority ethnic respondents to be important in helping them 'fit in' and ensuring that various key resources and services were available in the area:

It's easy to fit in here. Nobody stands out as being different. (Women, late fifties, single, Somali, council tenant, moved from elsewhere in Sheffield – Burngreave)

I'm studying English lessons at the community centre. They're really good and give me good help. But it's good living near English people. [If I was] living just with Arabic speaking people it would be harder to learn English and get a job. (Woman, mid forties, living with partner and children, Yemeni, housing association tenant, moved from elsewhere in Sheffield – Burngreave)

It is important to reiterate that comments about the people and the place were often confined to discussion of very particular locations within Burngreave (a street or streets). These micro-geographies of association and attachment were apparent in the search strategies of a number of recent in-movers:

We investigated the area [and] realised we could live here and identified the streets where we could see ourselves being. A friend [who lives in the area] helped us. On a map from the internet he drew circles and said: '...these streets are alright, this is the muesli belt'. I guess he meant it was full of people like us, new age liberals into our health-food. We're not really like that, but I guess he meant that there's people around there like you that you'll get on with. (Man, mid forties, living with partner and children, White British, owner occupier, moved from elsewhere in Sheffield – Burngreave)

6.2.3 The housing stock and local resources

People moving to Burngreave to take advantage of relatively cheap house prices made reference to the similarities between the aesthetics of Burngreave and the areas they had originally been hoping to move into:

It's much the same as Nether Edge and Heeley around here. Cheaper – but similar. The same in terms of housing and layout [and] in culture and lifestyle. (Woman, mid twenties, single, White British, owner occupier, moved in from elsewhere in Sheffield – Burngreave)

Positive comments were also made about the urban form in Burngreave and the provision of open space:

One nice thing about the area is how open it is. If you go to other places, like Crookes and Hillsborough, and wander about there it feels very built up. Around here there's more room, more openness...houses don't always look out on other houses. (Focus Group: recent in-mover, woman – Burngreave)

In contrast, in-movers made few comments about resources or amenities in the area, often tending to look beyond the Burngreave area when considering their

social and retail needs. In contrast, respondents with long standing associations with Burngreave, for example, through social networks of family and friends or through attendance at a particular church or mosque, reported that the resources and amenities available in the local area were critical determinants of their decision to live in the area. Such comments were often made by minority ethnic respondents who pointed to particular resources, such as community-led services and shops that were reported to only be available within the neighbourhood.

6.3 Looking beyond the push-pull

The characteristics of in-movers in Burngreave varied greatly as did their aspirations, values and beliefs. However, many of these dispositions were shared and four distinct mobility groups emerged in the area. These are examined in turn here.

6.3.1 Pioneers

Some recent in-movers to Burngreave appeared to have moved there in a quest to live somewhere 'different' and be amongst people with a similar outlook on life to themselves. *Pioneers'* decisions to move to Burngreave were driven by lifestyle considerations and not a desire to see a return on their financial investment. They were active members of the local community and had 'bought' very much into the lifestyle the area offered.

They placed great emphasis on cultural and social capital and saw themselves as adventurous and 'pioneering' because they were prepared to live in an area that many others would not:

We knew a few people living here who had a very similar outlook on life to us – similar types of jobs, quite middle-class, liberal attitude to life, adventurous and not worried about living in an area with a poor reputation. (Man, mid forties, owner occupier, White British, from elsewhere in Sheffield – Burngreave)

Pioneers tended to be well-educated and well-qualified, working in such professions as teaching and social work. Generally they were young families or couples with future aspirations to start families. Several *pioneers* reported that Burngreave was not their first residential choice and that they had looked at other parts of Sheffield with similar social and cultural characteristics. However, high house prices in these areas had forced them to broaden their search.

The urban form of Burngreave was a key attraction for this group. *Pioneers* were drawn to older, larger houses with 'character' and street patterns that engendered social interaction and 'hustle and bustle'.

You can see that this house is in some distress. I'm planning to do a lot with it, but we both quite like the shabbiness of it... It's just one of those places where there's things happening all the time – it's never boring. (Man and woman, early fifties, private renters, White British, moved from another part of Sheffield – Burngreave)

Pioneers were family-oriented at the same time as adopting a liberal-minded, 'alternative' and 'care-free' approach to life. In terms of child-development, most were enthusiastic about Burngreave as a suitable place to raise children. As one respondent commented:

The quality of schools wasn't a factor in the decision to move here. I grew up in an area not dissimilar to this, what was seen to be a shit area with a shit school. So I'm happy that they'll do OK there...I think they'll benefit more from growing up somewhere like here and being educated in a mixed-culture and working class environment. (Man, mid forties, owner occupier, White British, moved from elsewhere in Sheffield – Burngreave)

6.3.2 Housing ladder climbers

Like *pioneers*, *housing ladder climbers* had moved to the area because they were not able to afford to purchase a property in their preferred locations. But that is where the similarity between the two groups ends, because unlike *pioneers*, *housing ladder climbers* had not 'bought' into Burngreave as an area, were not attached to it and saw their stay as being temporary and merely a rung on the housing 'ladder'.

For *housing ladder climbers* Burngreave was a compromise location and the 'next best thing' to their preferred location:

I wanted to buy a house and it [Burngreave] was the only place I could afford. In my choice of areas I wanted to live more to the south-west [of Sheffield] but I couldn't afford that and this was the next best thing. [That is where] most of my mates live, and I do a lot of socialising 'round there. (Women, mid twenties, owner occupier, White British, moved from elsewhere in Sheffield – Burngreave)

Typically the move to Burngreave represented the first 'rung on the housing ladder'. And thus for most *housing ladder climbers*, it allowed them to satisfy their aspiration to be home-owners:

I felt I hadn't arrived until I'd bought my own house. Owning satisfied an aspiration in me that shows that I've grown up. And it's given me more space...this move has been very autonomous for me. I own, I decorate, I refurbish. But I've lost certain control in terms of location. I'm very aware of that. But it's a myth that you can control everything. I'd be scared of going back to being a tenant [even though] I probably would be able to get the area I wanted again. (Woman, mid forties, White British, single, owner occupier, moved from another part of Sheffield – Burngreave)

Thus, the failure of *housing ladder climbers* to positively ‘choose’ Burngreave as a place to live in and to locate in a residential environment that was apparently alien to their own social and cultural identities, meant that many appeared dissatisfied with life in the neighbourhood. The view of one respondent was to some extent typical of many:

It’s important to be somewhere you fit in. I like to blend in and not stand out, and I don’t feel like that here...I’m not entirely satisfied living here, but I’m unlikely to be able to do better in the housing market. (Woman, late forties/early fifties, White British, single, owner occupier, moved from another part of Sheffield – Burngreave)

However, some respondents had grown to like living in the area and were almost surprised that this was the case:

It was a slight leap into the unknown [buying a property in Burngreave]...Buying here was just about getting on the housing ladder, but it’s not that bad. I actually like the area now. (Women, mid twenties, White British, moved from elsewhere in Sheffield – Burngreave)

6.3.3 New arrivals

New arrivals had recently moved to Burngreave from overseas and many had done so under difficult circumstances: as noted earlier, the area has a significant refugee and asylum seeker population. Not unexpectedly, the primary residential concern of many *new arrivals* was establishing security, familiarity and normality in their lives and Burngreave appeared to offer them a safe, secure and welcoming environment, and one to which an emotional attachment could be formed.

There are friendly neighbours and friendly people here. I feel comfortable here. (Man and woman, both mid forties, living with children, Yemeni, housing association tenants, moved from elsewhere in Sheffield – Burngreave)

I feel like I’m in my own country. I love the people, they’re really friendly. People are all different but it depends on how you are with them. (Woman, late fifties, Yemeni, single with four children, housing association tenant, moved from elsewhere in Sheffield – Burngreave)

The housing aspirations of *new arrivals* were often very limited and perhaps reflecting this, despite being located in housing that was often in very poor condition and overcrowded, most reported that they were happy with their homes. However, other factors seemed to contribute to *new arrivals’* acceptance of apparently poor housing conditions, not least their lack of knowledge of alternative residential areas in the city, and the desire to stay in the perceived sanctuary of Burngreave where they ‘belonged.’

For example, this was clearly the case for one Yemeni family, who had moved to the UK to escape war and racism, who were not prepared to leave their

overcrowded home, where four school-aged daughters shared one room, despite being offered alternative accommodation:

This is a good area. We can be practising Muslims and the schools are good. My children are doing very well. But the house is too small...we have been offered a house near London Road, but I don't know it. We want to stay still now – we belong here.

New arrivals enjoyed living in Burngreave because of its diverse ethnic and cultural nature and its associated services. And the area also fulfilled their need to be anonymous and 'to blend in' and to mix with other ethnic groups. *New arrivals* were particularly keen to interact with the White British population in the area so that they could be exposed to the 'British way of life'. One Yemeni couple was typical. While they sought to maintain their Arabic/Yemeni routes via Arabic satellite TV, visits to the Yemeni Community Centre and occasional visits to religious services, living in an ethnically and culturally mixed area was very important to them.

6.3.4 Kith and kin movers

Members of this group, who exhibited some of the characteristics of *pioneers* and *housing ladder climbers*, attached great significance to family, friends and community and the support networks that they provided. *Kith and kin movers*, therefore, wanted to live close to family and friends. The view of one respondent was typical of many within this group:

Family was the main reason I moved to Burngreave. I'm expecting our first child and working full-time, so it suddenly became more important to be near my parents and brothers. (Woman, late thirties, living with partner and children, owner occupier, Pakistani, moved from elsewhere in Sheffield – Burngreave)

They were also concerned about living within their 'community' and were quick to highlight the advantages that this brought them. This was particularly the case for those BME members of the group, who made up the majority of *kith and kin movers*.

There's a lot of Caribbeans around here. Not people I know that well, but you know how it is, people accept you; people think alike. (Woman, early twenties, single, local authority tenant, African-Caribbean moved from elsewhere in Sheffield – Burngreave)

I use the community centre a lot...yes [being near] my community is a big part of my life here. I go to the Mosque sometimes, but there are mosques all about the city so that's not that important. (Man, late thirties, single, Somali, housing association tenant, moved from overseas – Burngreave)

Kith and kin movers were generally well-educated and aspired to better themselves. They were actively involved with their own communities and attached great significance to community and cultural services, facilities and support structures such as shops, places of worship and community centres.

Table 6.1: A typology of in-movers in Burngreave

	Pioneers	Housing ladder climbers	New arrivals	Kith and kin movers
Socio-economic characteristics	<ul style="list-style-type: none"> • Professionals (teachers, social workers, community workers) • Well-educated and well-qualified • Couples/younger families • Owner occupiers • 'Mid range' levels of economic capital • 'High' levels of cultural capital 	<ul style="list-style-type: none"> • Professionals (teachers, social workers, community workers) • Well-educated and well-qualified • Singles and couples/ some younger families • Owner occupiers • 'Mid range' levels of economic capital • 'Mid range' levels of cultural capital 	<ul style="list-style-type: none"> • Recent asylum seekers/refugees/ economic migrants • Council housing/HA tenants • Mix of workers and benefit claimants • Low level qualifications • 'Low' levels of economic capital • Poor quality housing and overcrowding 	<ul style="list-style-type: none"> • Mix of workers and benefit claimants • Low-mid incomes • Families • Owner occupiers/ council tenants
Housing dispositions	<ul style="list-style-type: none"> • Looking for new territories/alternatives • Searching for older properties with 'character' • Want larger houses 	<ul style="list-style-type: none"> • Opted for the 'next-best' area • Staging post – first foot on the housing ladder 	<ul style="list-style-type: none"> • 'Low' housing aspirations • Attachment to place of first settlement in UK • Lacking housing choices • Desire to be anonymous in social space 	<ul style="list-style-type: none"> • Attracted to multi-cultural area/services • Proximity to family • Preference for home ownership
Lifestyles	<ul style="list-style-type: none"> • Associate with vibrant and 'connected' modes of life • Liberal-minded • Use local amenities and facilities • Socialise within the area 	<ul style="list-style-type: none"> • Shop elsewhere and do not use local amenities and services • Socialise elsewhere 	<ul style="list-style-type: none"> • Little social interaction • Live locally – rarely leave the area 	<ul style="list-style-type: none"> • Tend to work outside the area... • ...but often shop and socialise locally
Community orientations	<ul style="list-style-type: none"> • Active within local community groups • Keen interest in regeneration programme and the future of area 	<ul style="list-style-type: none"> • Some interest in local community groups • Limited interest in regeneration programme and the area's future 	<ul style="list-style-type: none"> • Often insulated from the wider community • No special attachment to particular ethnic/ cultural groups • Little interest in regeneration or the long term future of area 	<ul style="list-style-type: none"> • Active within local community groups • Close links with particular community groups

6.4 Conclusion

A number of shared stories were identified by in-movers to explain their decision to move to the low price case study of Burngreave. Several reported being attracted to the area by the relative affordability of its housing, while others attributed their decision to the move to the 'richness' of social and cultural life in Burngreave. The local housing stock and local resources was another shared pull factor identified by respondents.

However, incomers did not read and respond to the local housing market in the same way and presented different stories for moving. Four distinct mobility groups emerged: *pioneers*, who were driven primarily by lifestyle considerations and were concerned with 'buying' into a way of life; *housing ladder climbers*, who were concerned primarily with their position on the housing ladder; *new arrivals*, recent arrivals to the UK; and *kith and kin movers*, whose primary concern was about being close to family and friends.

Chapter Seven

Making sense of mobility and housing demand

7.1 Introduction

The preceding three chapters have explored residential mobility in three very different rising markets. Attention has focused on the key factors underpinning residential mobility which were highlighted in Chapter Three. This chapter seeks to make sense of this analysis with particular attention focusing on one of these factors: *identity and dispositions*.

The chapter assesses the contribution of the conceptual framework developed by the team and notes that in some parts of the Yorkshire and the Humber region, where the decisions of *investors*, not *consumers*, is driving housing market change, it has less relevance. The final section of the chapter then examines the phenomenon of investment-led demand in the region.

7.2 Making sense of residential mobility

Stories of mobility provided by in-movers in Pannal, Howden and Burngreave revealed a number of shared push-pull factors that had driven households' relocation decisions across the three case studies. The relative affordability of the local housing stock was cited by respondents in both Burngreave and Howden while good transport links was a factor which some respondents cited as having 'pulled' them to Howden and Burngreave.

However, it was argued in Chapter Three that residential mobility is more than just a uniform response to a bundle of common push-pull factors by households, and the analysis presented in the preceding chapters supports this assertion. It has shown that households do not respond to push-pull factors in a uniform way and read the housing market in very different ways. This is because *how* households see their world, i.e. their residential habitus, underpinned by their *identities and dispositions*, varies.

Thus, the simple explanation of the push-pull effect that has dominated thinking around residential mobility for the last 20 years over-plays the extent to which people see, think and behave in the same way, and does not adequately recognise the subtleties and complexities of residential mobility. Household decisions are not made in a vacuum and, given that, no decision will be entirely 'rational'.

Notwithstanding this, it was possible to identify households with shared dispositions. As noted earlier, it was clearly possible to do this *within* case studies. However, it was also possible to identify shared residential habitus and common dispositions *between* residents in all three case studies. In particular, it was possible to group households in terms of their *aspirations*.

Of all the aspects of the residential habitus, it is aspirations that appear to be the most important. Indeed, for many households it appeared to be the primary influence over their housing decisions, with pragmatic and functional concerns being of secondary importance. While the satisfaction of aspirations has always been a key driver of residential mobility, and housing decisions have always been a trade-off between pragmatic concerns and aspirations, our analysis suggests that balance between the two has changed in recent years with aspirational factors increasingly coming to the fore.

The growing importance of aspirations as a driver of residential mobility is perhaps not a surprise and reflects a number of housing and broader societal changes that have happened in the last 20 years. These include:

- to a large extent, the end of 'rationing' of housing in most parts of the country, including Yorkshire and the Humber, with most consumers (to varying degrees) being able to 'choose' where they live;
- the growing affordability of home-ownership in most parts of the country, again including Yorkshire and the Humber, reflecting the increased competitiveness of the mortgage market and stable and low interest rates; and
- the growing emphasis on consumption in society and the stronger link between consumption and identity.

It is perhaps worth reflecting here about the nature of the aspirations of in-movers in our case study areas. Our analysis revealed that respondents could be divided into two groups in terms of their aspirations: those whose aspirational oriented mobility decision related primarily to *lifestyle* choices, herein referred to as *lifestyle aspirational movers*, and those who were less concerned about aspirational lifestyles but more about their *position* on the housing ladder *and* in the social world, which we refer to as *positional aspirational movers*.

Although it was possible to notionally allocate mobility groups to one of these two types of aspirational dimensions, some groups sat more comfortably within this framework. For example, three groups emerged as being clearly *lifestyle* oriented: semi-rural gentrifiers (Howden); pioneers (Burngreave); and aspirational movers (Pannal). Members of these groups appeared to be 'buying' into a way of a life and where they relocated was driven by lifestyle choices. But what was the way of life that they were 'buying' into? This question is best answered with reference to 'place', 'people' and 'property.'

Beginning first with the former, lifestyle aspirational movers were very clear about what the 'place' they resided in could offer them, and what it said about them, and they appeared to have 'bought' into its identity. For example, semi-rural gentrifiers in Howden embraced the notion of the market town and the rural idyll while aspirational movers in Pannal appeared to revel in the fact that it was a village, and celebrated all the positive connotations that went with this, even though the 'village' effectively formed part of the broader Harrogate urban settlement. Pioneers in Burngreave highlighted the unique form of its residential landscape, with its mix of old and new properties surrounded by pockets of green space.

Lifestyle aspirational movers also bought into the 'people' in their new areas. For semi-rural gentrifiers and aspirational movers the concern was to live next to people like themselves. However, perhaps the defining feature of lifestyle aspirational movers was their overwhelming desire to live in older *properties* with character.

For *positional aspiration movers* it was their standing in society and on the housing ladder that appeared to be the primary influences on their decision where to locate. They were concerned about living in a place with residents of equal 'social standing' and on climbing the housing ladder. Three mobility groups fell into this category: aspiring new builders (Howden); aspirational movers (Pannal) and housing ladder climbers (Burngreave).

Unlike their lifestyle aspirational counterparts, positional aspirational movers did not place much emphasis on the symbolic identity and meaning of place, and were not 'buying' into a lifestyle associated with this. Instead they were primarily concerned with the availability and quality of local services and amenities, and viewed where they lived as a site of consumption. In terms of 'people', positional aspirational movers were not seeking cultural distinction and their identities were bound up with getting on with their own lives. With regard to 'property', positional aspirational movers unlike their lifestyle counterparts, were not unduly concerned about the aesthetics of their properties.

Positional aspirational movers differed to the lifestyle movers in another way: they placed greater emphasis than their counterparts on 'position', i.e. their position in society and on the housing ladder. So, positional aspirational movers were concerned with climbing the housing ladder and with living with people of an 'appropriate' social standing. For example, one positional aspirational mover in Pannal celebrated the fact his neighbours were doctors, lawyers and accountants while another respondent was very clear about his place in the social world, and by implication, where he should be located within it.

Inextricably linked to this phenomenon, was the apparent preference – sometimes implied, sometimes explicit – of many households across the case studies, including many that did not exhibit social positional aspirations, to want to live among 'people like us.' In some instances respondents talked explicitly about the

key identifiers that defined the local population, including employment status, class and wealth, household composition and ethnic diversity, or the lack of it (see section 4.2.3). In other cases respondents talked in a more subtle and nuanced way about values, beliefs and actions.

Respondents often reported deriving a sense of comfort and belonging from living among people that they 'read' as being 'like minded', sharing similar values and standards and following lifestyles consistent with their own. The cultural, emotional and intellectual 'security' that respondents appeared to acquire from living among 'people like us' was apparent across all the case studies and among all ethnic groups interviewed, although, not surprisingly, the markers of this shared identity differed considerably between the case studies and between population groups. There was one exception to this general finding, however, in the Burngreave case study, where a number of respondents talked about revelling in the rich diversity of the area.

7.3 'Consumers' and 'investors'

To sum up, then, our research suggests that there has been an over-emphasis in the housing market literature on 'triggers', 'push-pull' factors and rationality and not enough attention paid to understanding *how* and *why* relocation decisions are made, and the aspirations, attitudes, value and beliefs that underpin the decision making process. Reflecting these concerns, an alternative framework for understanding residential mobility has been presented in Figure 3.1 (page 28).

An underpinning assumption of this framework, like most in the residential mobility arena, is that households' decisions are based on the desire to reside in the properties they purchase. As such, even though as noted earlier, they may be motivated by financial factors and see their purchase as a sound investment, they are acting as housing *consumers* and are concerned with '*consuming*' their purchase, i.e. their home, neighbourhood and broader residential environment, and all that this entails. Indeed, and for all respondents interviewed in Pannal, Howden and Burngreave, this was the case.

However, as the project progressed, it soon became obvious that in many parts of the Yorkshire and the Humber region, housing market change was not being driven by the decisions of house buyers as *consumers* but instead by their decisions as investors.

7.4 Investment-led demand

Housing has always been more than just a 'good' to be consumed directly by the purchaser and has always been a 'commodity' that has been invested in, which is of course reflected in the significant size of the private rented sector in this country.

However, in line with the findings of other studies, evidence collected by the study team suggests that more investors are investing in housing, and that ‘investment’ based housing decisions are having a significant impact in a number of housing markets in the region. Two regional housing experts interviewed by the study team, like many others, referred to this investment as ‘speculative’:

Speculative investors have driven the market and they’ve made profits because demand outstrips supply...speculative investment has definitely been the driving force (behind housing market growth) in many areas. (Officer, House Builders’ Federation)

Speculative buying is going on everywhere – people are saying to estate agents: ‘If they [properties] cost less than £50k I’ll buy eight.’ (Director of Strategy, sub-regional regeneration agency)

The emergence of the nationwide phenomenon of buy to let has undoubtedly been a primary factor in increasing the number of investors in the region. While it is not possible to gain an accurate picture of the size of the region’s buy to let market, there is no reason to suggest that it does not account for a proportionate amount (in terms of population) of the 632,100 buy to let mortgages that were outstanding at the end of the first financial period in 2005 in the UK, as reported by the Council of Mortgage Lenders. In addition, there is also no evidence to suggest that the sector in the region has not experienced the growth in recent years enjoyed elsewhere in the UK: at the end of the second financial period in 1998 there were only 28,700 outstanding buy to let mortgages in the country.

A number of regional housing market experts highlighted the important impact that buy to let investors were having on the housing markets of many parts of the region, and attributed their decision to invest in the ‘commodity’ of housing to concerns about the ‘performance’ of pensions and the stock market:

It’s about the changing role of housing...it’s now a commodity and it’s moved away from being a human right. Property is now seen as a commodity...it’s seen as a replacement for a pension. (Director of Strategy, sub-regional regeneration agency)

The main factor [behind the growth in ‘speculative investment’] has been low interest rates and the poor performance of the stock market...investors have been taking their money out of stocks and investing in property. (Senior manager, national estate agency)

While in the past the private rented sector in Yorkshire and the Humber has tended to be confined to limited geographical areas, it appears in recent years that its spatial horizons have expanded and new and enlarged markets have emerged within it.

In particular, growth has been centred on two markets: city centres and low value regeneration areas. In line with the findings of other studies, evidence collected by the study team suggests that the investment market for newly built city centre flats

targeted at young professionals and students in many of the centres of the region's towns and cities, most notably Leeds, Sheffield and York, has grown significantly in recent years.

As securing robust up-to-date quantitative data on the private rented sector is notoriously difficult (DCLG, 2006), the study team were not able to produce objective data to corroborate this claim. However, there was a consensus amongst the housing market experts interviewed by the study team in the region that many of the properties being sold in city centres were being purchased by investors:

There's loads of it [investment] going on in the city centres of places like Leeds and Sheffield. It's even happening in Bradford...it's a growing phenomenon. (Senior Manager, sub-regional regeneration agency)

The second type of new investment-led market to emerge in the region in recent years has been centred in low price markets in the region and in particular, those subject to regeneration. A good case in point is the Burngreave area where investment-led purchasing was reported to be contributing to house price inflation and market change in the area.

A number of key stakeholders in the area noted how a more buoyant and active private rented sector in the neighbourhood had contributed to house price inflation:

Certainly there's been a lot more activity [in the Burngreave housing market in recent years] as far as landlords buying properties up are concerned. (Officer, local housing association)

Properties were really rock bottom and I mean I've seen some [properties] for auction where you were looking at prices like £10,000 or £15,000 only probably two or three years ago, you know. So there's been a huge change here. I mean the properties were just not wanted at all, you know, and then the thing is people and landlords have really felt that they could come in and invest in the properties. (Officer, local housing association)

Investors had been attracted to the area by the prospects of the equity growth that they felt would accompany the comprehensive regeneration programme being undertaken in the neighbourhood. This was clearly the view of a representative from a HMR Pathfinder working in the area:

NDC has drawn a line around an area and said 'we are going to invest 52 million pounds.' Well, what that does immediately is make sure that speculators are aware of that and they start buying properties up in the area. We have seen that happen in Burngreave and we've seen it happen in Firvale as well. And it's happened more so in recent months because people know about the housing market renewal funding that is going into the area. (Senior Manager, Transform South Yorkshire, HMR Pathfinder)

7.5 Conclusion

In many parts of the region, then, housing market change is being driven by a different and growing type of demand: investment demand. Given this, the study team decided to undertake additional case study work in an area where investment demand appeared to have been a key contributor to housing market change: the Beeston Hill area of Leeds. This area was identified by a number of key regional stakeholders as being an area where significant investment had occurred. As one respondent noted:

In Beeston, people are buying whole streets of properties. (Senior Manager, Leeds City Council)

The decision to study Beeston Hill was driven by another factor: the desire to include within the case study sample a 'policy-off' low price rising market which had not been included in substantial regeneration programmes, such as NDC or HMR, as this would serve as a comparator for the low-price 'policy-on' area of Burngreave. The following chapter presents the key findings to emerge from this case study.

Chapter Eight

Understanding investment demand in low price markets: the case of Beeston Hill

8.1 Introduction

Beeston Hill is a multi-ethnic neighbourhood located less than two miles to the south of Leeds city centre (see Map 2.1 on page 12) that is characterised by densely packed streets of pre-1919 back-to-back and through terrace properties. The area is situated adjacent to the M621 (formerly the M1) motorway and well connected by public transport to Leeds city centre and, by frequent bus services, to neighbouring towns such as Dewsbury and Batley. Dewsbury Road is also the main shopping thoroughfare, containing a range of small hardware and food stores and a supermarket, as well as Leeds City Council's One-Stop-Shop. Less than two miles away is the recently developed White Rose shopping centre. One primary school is located within the study area and there are seven primary schools and one secondary school located in adjacent neighbourhoods.

The area has been hit hard by the long-term decline of traditional manufacturing industries and has long standing problems of unemployment, deprivation and disadvantage. Increasingly unpopular among local residents, the area has long suffered from the symptoms of low demand, falling house prices, high rates of turnover and high void levels (Cole *et al.*, 2000). Consequently, the area has been the target of a range of small-scale local regeneration activities and community development initiatives (see Box 8.1, page 70 for the Census profile).

Average house prices in the Beeston Hill area rose by 65.9 per cent between 2001 and 2003, compared to average price rises across Leeds of 46.4 per cent, and across West Yorkshire of 43.9 per cent. This is in sharp contrast to the period 1998-2001, when prices only rose by 7.8 per cent. By 2003 the average price for a property in the area was £39,964, compared to a city wide average of £123,184.

In terms of the research approach adopted in the case study, interviews were only undertaken with key actors in the investment process and local residents were not interviewed, unlike in the other three case studies.¹⁰ Interviews were conducted

10. Two reasons lay behind the decision not to talk to local residents. First, as the case study was concerned with exploring investment-led market change, it made sense to focus attention on those key actors in the local housing market with most knowledge of the investment process. Second, just as case study work was about to begin in the area it became the centre of a media furore as two of the alleged perpetrators of the 7/7 London bombings were identified as being residents of the area, and a clear message emerged from the local community that it did not want researchers in the neighbourhood at such a sensitive time.

Box 8.1: Beeston Hill case study – Census profile

- 35 per cent of householders are owner occupiers, compared to 62 per cent of households in Leeds, and 43 per cent are social tenants
- 66 per cent of dwellings are terraced properties and 23 per cent are flats, maisonettes or apartments
- 57 per cent of the total population are aged between 16 and 59 years old and 25 per cent are less than 16 years old, compared to 20 per cent across Leeds
- 48 per cent of 16-74 year olds have no formal qualifications, compared to 31 per cent in Leeds and 29 per cent in England and Wales
- 58 per cent of 16-74 year olds are economically active, compared to 66 per cent in Leeds and 67 per cent in England and Wales. The unemployment rate in 2001 was 14 per cent amongst 16-74 year olds, compared to 5 per cent across Leeds
- 21 per cent of 16-74 year olds are in higher or intermediate managerial, administrative or professional occupations, compared to 40 per cent across Leeds
- 78 per cent of the population were classified as White by the 2001 Census, compared to 92 per cent of the Leeds population. The Pakistani population was recorded as the largest Non-White group, accounting for 11 per cent of the local population. A further 4 per cent was classified as Bangladeshi

with investors themselves, and representatives from letting agents, buy to let brokers, mortgage brokers, financial institutions, auctioneers, estate agents, Leeds City Council, social housing landlords, regeneration agencies and community groups. In all more than twenty in-depth interviews were conducted.

This chapter is divided into six sections, including this one. Section two examines the impact of investment demand on the Beeston Hill housing market while section three examines the characteristics of investors in the market. Section four highlights those factors which have attracted investors to the area while the penultimate section explores the process by which investors find properties. The final section offers some concluding thoughts about the phenomenon of investment demand.

8.2 The impact of investment-led demand on the Beeston Hill housing market

Without exception, all of the key actors interviewed in the Beeston Hill housing market were aware that the market had enjoyed a change of fortunes in recent years (in the 1990s house prices were depressed in the neighbourhood and in the mid-1990s actually began to fall) and that house prices had begun to rise rapidly. The views of two respondents were typical:

House prices have risen everywhere, but there has been a clamour for properties in Beeston. (Investor)

Over the last five years the [local housing] market has changed. House prices were probably falling, but there has been a turn-around. (Letting agent)

Respondents were asked to explain why they felt that this trend had occurred. There was a consensus amongst them that the principal contributory factor was the popularity of the area with investors:

The area has changed and improved loads over the last two years because there's been lots of people investing in the area from outside the area. They've put a lot of money into the area and this has pushed prices up. (Senior manager, Leeds City Council)

I would say that investors are buying most houses that come on [to the market]. So probably that has been a big factor in driving the market. (Estate agent)

Respondents felt that it was investors, and not home owners, who were purchasing most of the properties that became available in the area:

Owner occupiers are not yet wanting to buy into Beeston Hill. I estimate that the effects of regeneration will come online in the next 10-20 years to enable this to be the case. (Senior manager, Leeds City Council)

8.3 Characteristics of investors

As a number of authors have noted (Gibb and Nygaard 2005; Kemp, 2004), formulating an accurate profile of investors is a notoriously difficult task given the dearth of data relating to them, and their traditional reluctance to engage in the survey process. So this section, then, cannot, and does not, provide a definitive profile of investor activity in the area.

However, it does identify the types of investors operating in the area. It does so with some degree of confidence, as there was a surprising degree of uniformity in the views of stakeholders interviewed, including letting agents, who proved a particularly useful source of information on this subject, about the nature and characteristics of investors. Investors in the area exhibited a number of shared characteristics and these are explored in turn.

8.3.1 Type of investor

A number of regional stakeholders interviewed as part of the study noted that in many parts of the region, and in particular city centres, investors were purchasing properties with no intention of letting them out and becoming a landlord, and they were concerned only with equity growth. As one respondent noted:

Some of the people who have bought to let in city centres aren't bothered about their rental incomes and are just concerned about equity growth...they're happy to leave their properties empty. (Letting agent)

The same respondent was concerned about the impact of this trend on social relations and community cohesion in the developments affected, and was pushing for a 'lights-out' survey¹¹ to be undertaken in the city he worked in (Leeds) in order to gain an accurate picture of the proportion of properties standing empty.

However, in Beeston Hill a very different picture emerged. Investors in the area were first and foremost landlords and, unlike many of their counterparts in Leeds city centre, were not prepared to see their properties stand empty. As will be explored in more detail in the next section, they were primarily concerned about maximising their yield and revenue and more specifically their Return on Capital Employed (ROCE), which was a concept which was raised in almost all interviews.

The views of two respondents, one of which was a landlord, were typical of many:

I definitely invested there [Beeston Hill] to earn a revenue from my properties. In terraced housing, and in the present climate, there's not a great deal of equity growth. (Investor)

There's a fairly buoyant rental market in Beeston Hill and buying to rent is the main intention of investors... yes, investors have seen a growth in equity, but most are wanting a revenue stream rather than a capital asset. If it [a property] is bought on a buy to let mortgage there is of course a need for the rental income. (Estate agent)

8.3.2 Size of landlords' portfolios

The size of landlords' portfolios operating in the area varied, as one respondent noted:

Some investors have got hundreds of properties on their books and, at one time or another, have owned whole streets in Beeston Hill. Then there are people with perhaps two or three houses. (Investor)

However, there was a consensus amongst respondents that most landlords had relatively small portfolios:

I would say that people making investments with middle-men tend to go into the higher end of the market – city centre living flats for instance. In Beeston it's all smaller investors. (Estate agent)

Reflecting the relatively small portfolios of landlords, it was noted that most landlords in the area had secured buy to let funding:

I'd say that 95 per cent of property sales in the area are buy to let. (Estate agent)

The majority [of investors in Beeston Hill] are smaller investors, either people new to investing taking on their first or second buy to let mortgages and local, more established landlords with property portfolios of around 5-20 properties. (Estate agent)

11. A 'lights-out' study identifies the proportion of properties in a development believed to be empty. This is done by employing 'researchers' to stand outside developments to observe internal lighting patterns within flats: if a flat remains unlit throughout an evening the conclusion is made that it is probably empty.

8.3.3 Landlord history in the area

According to a number of respondents, historically most landlords in the area were from the local area and had relatively low incomes and economic resources:

In the past it just used to be local landlords who bought properties in the area and the houses used to be really poorly maintained and were in an awful state, because landlords didn't spend any money on them. And I think the landlords here were renowned for being very poor. (Estate agent)

However, newer landlords exhibited very different characteristics. They had relatively high incomes and were invariably not from the local area, or in a number of cases from Leeds or the region as a whole – indeed a number of letting agents reported that an increasing proportion of landlords in the area were from London and the South East:

There's a lot of people buying in the area from the London area and a lot of our clients come from London and the South. (Letting agent)

A number of respondents felt that these new landlords were squeezing traditional landlords out of the market, a process welcomed by one respondent:

Yes, some of the old landlords are being squeezed out because they can't compete with the new investors. But I'm not sure that this is a big thing because the new investors are improving the housing stock in the area. (Letting agent)

8.3.4 Investor knowledge and experience

Perhaps reflecting their relative inexperience, some newer landlords in the area had made investments which, according to several respondents we spoke to, appeared to be financially questionable and did not appear to make good business sense. For example, one respondent questioned the decision of landlords to invest in a new development on the periphery of the area, as from her perspective, '*...the numbers did not stack-up*':

...a lot of the flats in the new development on Dewsbury Road have been bought by buy to let investors but I can't see how they will make any money. I mean they're going for between £110k and £130k yet they'll only get a rental income of about £525 per month. I can't see how they will make any money because bear in mind that they have to pay £72 per month to the management company responsible for looking after the flats. (Letting agent)

While there was a consensus amongst respondents that most investors were aware of the pitfalls of being a landlord, a small minority were not:

... this couple in Cambridgeshire bought this house and didn't know what a regulated tenancy was and didn't realise that tenants were there for life. This couple are now trying to off-load their properties. There's people dabbling who really don't know what they are doing and it [buy to let] is not as easy as people think. (Letting agent)

8.4 Factors attracting investors to Beeston Hill

The private rented sector in this country has grown in recent years (Rhodes, 2006) and the growth of the investor market in Beeston Hill should therefore be seen as part of a nationwide trend. However, that said, the expansion of the sector in Leeds has not been a uniform process and, according to interviewees, growth has been more pronounced in some traditional renting areas, like Beeston Hill, than others, such as Headingley. So the key question remains: why Beeston Hill? And why have investors been attracted to the area in such large numbers? And why have they not invested in other areas of the city? A number of 'pull' factors were identified and these are considered below.

8.4.1 Return on investment

Of all the pull factors driving the decisions of investors, return on investment was by some way the most important. Investors invested in the area because they thought that they could make a healthy return on their investment:

Landlords aren't that bothered about whether the area has better open spaces or a new wall down the road. They're interested in economics. At the moment the numbers stack up well in Beeston Hill and that's why they buy into it. (Estate agent)

There are still lots of investors wanting to move into the area [Beeston Hill] and I start to see things changing...the yields that you can get here are excellent. (Letting agent)

What I'm looking to do is maximise the gross yearly rent, expressed as a percentage of the cash tied up in the property. In Beeston Hill I'm able to achieve between 8.5 to 10 per cent, which is above average according to what I read in specialist publications. (Investor)

Two factors combined to make the ROCE so attractive in the area: the relatively low price of properties in the area; and the buoyancy of the local rental market:

[The Beeston Hill housing market is attractive] because properties are of such low value. You can expect to pay between £50-58,000 for a two bed back-to-back terraced house depending on its condition. So you get more property for less cash. Plus there's a very high tenant demand at the moment. (Investor)

It [housing in Beeston Hill] is so cheap, there's a great return on investment, particularly as the rental market is so buoyant. (Letting agent)

Respondents attributed the buoyancy of the local rental market to strong demand from four population groups: lower income young professionals; students, with the area being popular with international students; economic migrants from Eastern Europe; and low income households in receipt of housing benefit.

The relative buoyancy of the rental market in Beeston Hill was in stark contrast to some of the other rental markets in Leeds and this had further added to the appeal of the area with landlords. Some landlords had invested in the area because of the

relatively poor performance of some of Leeds' traditional rental markets, including Headingley and Harehills, where house prices were appreciably higher than they were in Beeston Hill:

Other areas are saturated, like Headingley for instance. Properties are likely to cost nearer a quarter of a million pounds and it's harder to let them out there because there's probably a bit more supply than there is demand from tenants. (Estate agent)

Beeston Hill particularly also offers the kind of stock [terraced houses] that landlords want, and for which there is demand. Also the houses remain relatively affordable...this contrasts with higher prices in other areas of Leeds where there is a traditional demand for private rented accommodation, notably Harehills and Headingley. (Senior Manager, Leeds City Council)

In a similar vein, other landlords had been attracted to the area by the perceived poor performance of the saturated, and highly competitive, city centre market:

In the major centres of the region, Leeds, Sheffield, York etc., there are too many city centre top end apartments...there are definitely problems associated with negative equity and falling prices in this particular sub-market. I'd say that especially in Leeds, city centre flats have declined in value, associated not so much with a downturn in the housing market generally but with over-supply. (Estate agent)

I think there's going to be a real problem in the city centres in places like Leeds and Sheffield. I mean there's only so much demand for city centre flats and it's so competitive: usually you've got a situation where for every tenant there are ten to fifteen flats so you've got to offer something different and special. I think people who have bought to let in the city centre might be in for a hard time...and yet there's even more properties being built. (Letting agent)

8.4.2 Investment strategy

The relatively poor condition of the local housing stock provided investors with an opportunity to maximise their borrowing. An investor could purchase a property in need of modernisation using the maximum loan available to buy to let investors: 85 per cent of the value of the property (this is referred to as the 'loan to value' ratio or LTV). After refurbishing the property, the investor could release the equity in the property by re-mortgaging it. Such a practice is, of course, predicated on the assumption that the value of the property would increase but re-mortgaging to release equity was a common feature of the Beeston Hill rental market, according to a number of respondents we spoke to.

One landlord we spoke to in the area had employed such a strategy:

All the properties I buy are bought at below market value. They're houses that need a lot of upgrading work, usually a major refurb and they're usually un-modernised. Then I refurbish them to a reasonable standard with central heating, new windows, kitchens and furnishings and then I re-mortgage.

His rationale for adopting such an approach was a simple one: reducing the amount of capital he had tied up in his properties:

The less capital tied-up, the greater the return on the investment.

8.4.3 Risk management

Beeston Hill was also an attractive proposition for those investors looking to minimise risk. This was because the relatively low price of properties in the area meant that investors could reduce the risk of not being able to let properties by purchasing a larger portfolio and therefore avoiding ‘...putting all their eggs in one basket’ (Letting agent).

One investor clearly advocated such a strategy:

They [modern city-centre living flats] are not a safe investment. They’re too expensive. You have to sink a lot of capital into one property. It’s better to spread the risk over four cheaper properties. There’s too many of them [city centre flats] which means problems getting tenants and problems with negative equity. (Investor)

According to one letting agent, the chance to buy more properties was particularly attractive to investors from the South East where house prices were considerably higher:

They [investors] are coming here because they know that they can earn a good return on their investment because properties here are still pretty cheap, certainly compared to London...by buying here they can also spread their risk. Here for the same amount of money as a property in London they can buy several properties, so if they can’t let one property that’s not a problem because they’ve got three or four properties they are letting out. But if in London they can’t let a property out, when they are asking £1,200 rent, then they’ve got a big problem.

8.4.4 Regeneration activity

The perceived regeneration activity that was being undertaken in the neighbourhood was also identified by respondents as a significant pull factor. Although, as noted earlier, Beeston Hill was not the focus of major regeneration activity through a nationally funded area-based-initiative, and therefore was originally viewed by the research team as being a ‘policy-off’ neighbourhood, in the eyes of most respondents interviewed, including investors, it was perceived as being very much a ‘policy-on’ area. There was a consensus amongst respondents that the plans for regeneration in the area were attracting investors to the area:

It [regeneration] certainly doesn’t hurt investors. From a long-term investment view it does help to enhance value and I suspect that the improvements that make it a better place to live will increase the supply of tenants wanting to live there. (Investor)

The regeneration activity going on in the area, and the publicity of it throughout Leeds, has actually driven private speculative investment. Landlords and investors have identified the area [Beeston Hill] as somewhere where things are underway and

improvements are on the horizon. In terms of the current crop of regeneration initiatives in Leeds, Beeston Hill and Holbeck is developing the quickest and, arguably, has developed the most interest. (Senior manager, Leeds City Council)

However, one respondent was quick to point out that while regeneration was an important factor in attracting investors to the area, there were other more important factors driving their investment decisions:

I'd say that it [regeneration activity] has been a motivating factor. But not the main attraction. That's definitely cheap properties – some below market value – and a buoyant rental market. I'd say that the regeneration in the area rates at about four out of ten as a factor. (Private landlord)

8.4.5 Other pull factors

A number of other factors were also identified by respondents as drawing investors to Beeston Hill. These included the close proximity of the area to Leeds city centre and transport links, the quality of local shops and services, and the long history of private renting in the area, which meant that landlords had easy access to support services such as estate agents, auctioneers, and in particular, letting agents.

8.5 The search process

Most investors appeared to dedicate considerable time and energy towards finding the 'right property in the right area' and the comments of one investor were typical of many we spoke to:

I do a lot of research on areas that I invest in. On the internet, in specialist publications. They tend to point you to an area that has potential. I already knew something about Beeston Hill. I had a friend living near by. I walked the streets, talked to estate agents and auctioneers and identified the best properties for me, i.e. those that were structurally sound, located well and that I could get below market value.

As alluded to in the quotation above, a number of different data sources were used by investors to inform their decision. In terms of finding an area to invest in, they read property and investment magazines such as *Property Investor News*, spoke to estate agents, and contacted those buy to let brokers that offered advice on where to invest, many of whom also offered buy to let training through seminars. They also scoured local newspapers looking for signs that an area was on the 'up':

The publicity around an area earmarks it as a potential area on the up for investors and where they might want to get in early... (Letting agent)

One of the most commonly used data sources used by investors when deciding where to invest were internet websites. Investors looked at a range of sites, including UpMyStreet: www.upmystreet.com, www.nethouseprices.com, the Land Registry (www.landreg.gov.uk/), and those of auctioneers and local authorities,

which were particularly popular with investors. Indeed, it was the location on the Leeds City Council website of plans to regenerate Beeston Hill that appeared to have attracted many investors to the area:

From what investors say to me, they found out about the area [Beeston Hill] on the city council's website which says that the council has big plans to regenerate the area...investors seem to know everything about the area. For example, a lot of them have been told that the postcode sector of Holbeck is going to change to LS1. I think they got this off the website. (Letting agent)

The same respondent noted that a local estate agent was swamped with inquiries about properties for sale in the area the day after Leeds City Council had revamped its website relating to Beeston Hill:

I was talking to someone at Xxxx estate agents...and they told me that they were getting inundated with phone calls after the council updated their website the night before...every time the phone rang they knew it would be an investor. It was unbelievable.

Having chosen the areas they would like to invest in, investors employed a range of techniques to find properties to purchase. They contacted local estate agents and auctioneers, read property journals and identified potential properties by walking or driving local streets. And most investors viewed the properties they were considering buying. However, not all investors, particularly those located in the South East, did so and it was reported that many had purchased their properties 'blind', i.e., without viewing them:

Some of the investors buying here don't even look at the properties before they buy them and I know one lady who bought a house and then let it out and still didn't look at her house...a lot of investors are going into the area blind. (Auctioneer)

Those investors buying 'blind' did so through auctioneers, where many properties in the Beeston Hill market were sold:

Investors buy properties through auctioneers. They more often than not don't go to the auctions and make their bids by phone...local investors at the auctions jaw's drop when they see how much is being paid for property but what's an extra £10k when you're only paying £50k or £60k?...investors in the area can get a 9 per cent yield in the area which is so much more than you would get in London. (Letting agent)

8.6 Conclusion

This chapter, like the preceding three, has sought to unpick the forces driving housing demand and housing market change in a market, Beeston Hill, where house prices have risen rapidly in recent years. However, the forces driving housing market change in the area are very different to those driving change in Pannal, Howden, and to a large, but lesser extent, Burngreave.

In Pannal and Howden it has primarily been households as *consumers* that have been driving the housing market. But in Beeston Hill it has been *investors* motivated by financial concerns that have driven housing market change. However, that is not to deny that consumers may be motivated by financial and investment concerns, as the Pannal case study clearly highlighted, and that investment and consumption demand may co-exist side-by-side as key drivers of housing market change in some 'hybrid' markets, such as Burngreave.

The last chapter of the report, reflects further on the findings to emerge from the case studies and more broadly from the analysis undertaken by the study team. In doing so it highlights a number of key messages for policy-makers and practitioners.

Chapter Nine

Key messages and policy implications

9.1 Introduction

This chapter reflects on the analysis presented earlier to consider what we can learn from this study of housing demand in rising markets. Because the focus of the study has been on understanding housing market change, and in particular residential mobility, many of the issues highlighted will be of relevance to policy-makers and practitioners working in *all* types of housing markets, not just those experiencing rapid house price growth. In addition, although the Yorkshire and the Humber region provides an excellent context for this research, the key messages to emerge from the research should resonate with practitioners in other parts of the country.

The chapter is divided into four sections, including this one. The second section highlights the key learning points to emerge from the study while the third focuses on the policy and practice implications of them. The final section offers some final reflections about rising markets and the implications of rapid house price inflation.

9.2 Key learning points

9.2.1 Residential mobility is not simply a response to 'triggers' and 'push-pull' factors but a highly complex process

As noted earlier, in the past, explanations of residential mobility, and by implication, housing market change, have tended to focus on the impact of life course 'triggers' and push-pull factors on residential mobility. People move in a response to a 'trigger' or 'push' and are 'pulled' to the area they choose. We offer a very different story. While not underestimating the importance of 'triggers', 'pushes' and 'pulls', we found residential mobility to be a far more subtle process and a complex interplay between four key factors: *resources; identity and dispositions; residential perceptions and interpretations; and notions of place within the wider context of the housing field.*

While there were some shared triggers and push-pull factors, which are highlighted below, it was a complex combination of factors, and not just one or two pull factors such as good schools or high quality housing, which had resulted in housing market change in those case studies where housing consumption dominated. In-comers had moved in for a myriad of reasons, some of which were identified in their rational stories of residential mobility, and some of which emerged when more detailed analysis was undertaken of their dispositions, values,

and aspirations. These in-movers 'read' the market in different ways, saw different 'signals' within it, behaved differently within it, and responded to it in different ways.

9.2.2 The dispositions, aspirations and values of households will have a significant impact on their housing decisions

Traditional approaches to residential mobility have tended to categorise households as rational consumers of the commodity of housing, acting in some kind of discrete economic maximising bubble, where aspirations, expectations, values and hopes play little role in the decision-making process. However, we did not find this to be the case. The way households see their world – i.e., their residential habitus, underpinned by dispositions – is key in shaping their housing decisions.

In particular, *aspirations* were an important driver of the residential relocation process. It was possible to categorise residents' aspirations into two groups: those concerned with 'buying' into a lifestyle and those that were closely linked to status, and in particular the household's position on the housing ladder and in society.

9.2.3 There is no 'magic ingredient' which causes some markets to rise quicker than others

In the three case studies specifically selected to explore the issue of residential mobility – Pannal, Howden and Burngreave – the bundle of factors driving residents' relocation decisions varied, although there were, of course, some similarities between them. There was no one 'ingredient' that had precipitated rapid house growth in these areas.

9.2.4 Good transport links and affordability emerged as a driver of housing market change in two of our areas

However, there were some residential attributes that appeared to be a key pull factor for many respondents. In Howden and Pannal good transport links to local employment centres were cited by a number of residents as a major draw for them, while in Burngreave and Howden the relative affordability of the local housing stock had made the area attractive to a number of local residents.

9.2.5 Many residents reported a desire to live with 'people like us'

An often expressed residential preference among recent movers in the Pannal, Howden and Burngreave case studies was the desire to live among 'people like us'. Respondents appeared to derive a sense of security and comfort from living among people that they perceived they had much in common with, for example, as a result of social class, employment status or ethnic origin, and with whom they

therefore presumed they had a shared outlook. These perceptions were often apparent in seemingly mundane comments about people in the local area, for example, keeping their gardens tidy, or sending their children to a similar school or being friendly when they met in the street.

9.2.6 In many parts of the region investment-led demand is driving housing market change

In many parts of the Yorkshire and the Humber region, to a large extent housing market change is not being driven by the decisions of *consumers* but instead by the decisions of *investors*, and increasingly, housing is becoming an investment commodity more akin to stocks and shares. Investment appears to be particularly prevalent in city centre developments and in 'regeneration' areas, like in Beeston Hill, where house prices have risen rapidly in recent years.

9.2.7 There may be a number of negative consequences associated with rising markets

It is a commonly held view that house prices are an excellent barometer of the 'health' of an area and that high house prices denote that a neighbourhood is successful and 'healthy'. Furthermore, by implication, rising house prices signify that an area is improving and becoming healthier. This belief is reflected in the decision of many area-based initiatives, including many NDC Partnerships and HMR Pathfinders, to use house prices as one of their principal evaluative measures.

But are house prices an accurate barometer of the health of an area? And are rising housing prices desirable? Although not one of the original objectives of the research, the study team compiled a comprehensive data-set relating to these two important questions. The growth of investment-led demand in the region means that in many areas house prices say little about the popularity and health of the *neighbourhood*, but instead merely reflect the health of the *market* for housing. Thus, while house prices in Beeston Hill and Burngreave have risen rapidly there is little evidence to suggest that they have become significantly better places to live, which is perhaps not surprising given that at the time of data collection little substantial regeneration activity had been undertaken in either area.¹²

As is the case with all investment commodities, the future of investment markets in the region is not certain and some may face a precarious future. In particular, there may be a difficult time ahead for investors in city centre markets, where increasingly supply outstrips demand, and in these markets it is possible that property prices may fall in the future as investors seek to disinvest from the market and put their resources into alternative investments.

12. At the time of data collection, the Burngreave NDC Partnership was little over half-way through its ten year life span and had not undertaken many of its planned improvements for the area.

Turning now to the second question, we identified a number of negative consequences associated with rising markets:

- **Affordability problems:** In all of our case studies affordability appeared to be a problem and it appeared that many 'traditional' would-be residents were effectively being priced out of the market.
- **Community cohesion:** In two of our case study areas – Beeston Hill and Howden – it appeared that house price growth had in-part been triggered by the movement of 'new' communities into the areas. In both these areas, the influx of 'new' residents had to some extent undermined community cohesion as the 'new' and 'indigenous' population groups appeared reluctant to engage with each other.
- **Local institutions:** In Howden and Pannal, the influx of new population groups may have had another adverse impact on the health of their areas as many incomers appeared reluctant to contribute to their communities. They were happy to 'buy into' the concept of the 'market town' and village and they wanted to live next to people like themselves, but in some cases they did not appear to have the time or inclination to contribute to their communities. They did not want to talk to their neighbours and contribute to such 'established' institutions as the Howden Civic Society and the Pannal Village Society. Yet, paradoxically, they valued these institutions, 'buying' into a way of life that they may actually help to destroy. As a result, areas such as Pannal and Howden, with their distinctive feel may lose the very 'x' factor that made them so attractive in the first place – though judging when such a 'tipping point' is reached may be difficult.
- **Increased cost of regeneration:** An inevitable concomitant of rising house prices in areas subject to comprehensive regeneration is that housing renewal becomes more expensive as land becomes more costly and properties more expensive for compulsory purchase. As a result, agencies may have to modify and downsize their housing redevelopment programmes. This phenomenon appeared to be occurring in Burngreave.

9.3 Policy implications

This section reviews the policy implications of the research. The first part is concerned with the first three learning points: that residential mobility is a complex process; that households' dispositions and aspirations are at the heart of residential mobility decisions; and that there are no 'magic' ingredients that result in rising markets.

9.3.1 Understanding and dealing with complexity in the housing market

In December 2005 the Office of the Deputy Prime Minister issued draft guidance intended to provide practical advice to regional bodies and local authorities when

undertaking housing market assessments (ODPM, 2005). The guidance consolidated previous advice, including good practice on local housing needs assessment (DETR, 2000), the housing market assessment manual (ODPM, 2004b), local housing systems analysis developed by Communities Scotland (2004), and the Welsh Office (1999) guide on local housing needs assessment.

The guidance is presented as representing the minimum that local authorities must do to produce a credible and robust assessment of need and demand in their area. All future local assessments are therefore likely to be framed by this approach. However, it could be argued that the guidance reinforces many of the methodological and conceptual preconceptions that this study set out to question; an over-emphasis on secondary data, a static, rather than dynamic, appreciation of local housing markets; an insensitivity to different markets and sub-markets and, in particular; a failure to pay sufficient attention to the social arena of social and cultural diversity and change. This is not to suggest that the guidance is of no value. The concern is that the methodological eggs, so to speak, are being placed in one ideological basket.

Recognising and responding to critical points of tension within the housing system demands analysis that looks beyond the normative assumptions and stylised facts of econometric models. Housing market change – in supply and demand, needs, choices and prices – is informed by social processes, as well as economic forces. These processes are complex and difficult to unpick, but they are fundamental determinants of the specifics of change at the local level.

What may be needed, therefore, is a conceptual shift in methodological thinking about understanding housing market change. The objective should be the development of a more rounded approach, that combines the potential of economic and socially oriented approaches.

9.3.2 Developing a framework for understanding mobility and demand

- This study has explored the qualitative and cultural determinants of housing market change in rising housing markets, through an exploration of household mobility and the analysis of the relocation decisions informing mobility patterns and explaining the demand to live in particular locations. The strengths of the conceptual framework developed to guide this analysis can be summarised as including the recognition of:
- The *resources* (financial, cognitive, social and political) available to individual households and different population groups and their importance in shaping choices and opportunities.
- The importance of *place* as a realm of everyday life, social interaction and personal and collective identity and the significance of notions of place in informing relocation decisions.

- *Identity and dispositions* – self-perceptions and perceptions of others, outlook, affiliations and aspirations – as critical in shaping the functional considerations prioritised, the places preferred and the decisions taken.
- *Residential perceptions and understandings* of key residential attributes including resources and amenities, housing, physical environment and transport links.
- The *housing field or system as the social arena*, occupied by various actors and agencies exercising different degrees of power in different ways, within which housing decisions are made and exercised.

Any attempt to understand and respond to or inform local housing market change will need to pay attention to these critical considerations.

9.3.3 Implementing the framework

The framework for understanding mobility and rising demand has two essential applications:

- Implementation of the framework demands the application of *qualitative* methods and the assessment of social and cultural indicators. As such, it facilitates the insertion of ‘lay’ interpretations into housing market assessments, that are developed around specific notions of wants, needs, preferences and requirements. Sitting alongside econometric market assessment, the outcome will be a more rounded housing market assessment.
- The constituent elements of the framework provide a checklist of considerations that any intervention seeking to either deflect or attract demand toward or away from a sub-region, city or local neighbourhood must pay close attention to.

In practice, there are a number of measures that policy-makers and practitioners can take to ensure that they gain a more complete picture of residential mobility, the aspirations, wants and preferences of local residents, and developments in the local housing market. They should:

- **Seek the views of key local actors in the local housing market on a regular basis**, possibly through a housing market forum meeting on a regular basis. Particular attention should be given to the views of estate agents and developers, as in our experience it these two groups that have the most accurate insight into the aspirations of households.
- **Review property advertisements in local newspapers** in order to gain an insight into the ‘stories’ that estate agents are using to sell areas, the socio-demographic and mobility groups they are targeting, the extent to which investment-led demand is a feature of the market, and to gain an overall view of the health of the market.
- **Garner the views of residents in their area about their housing intentions, aspirations and wants.** Where use can be made of existing ‘consultative’ structures such as citizens’ panels or resident focus groups, this could be achieved at relatively little cost and without the need to commission (relatively

expensive) household surveys and qualitative research. Where such structures do not exist, and resources are not available to undertake comprehensive in-depth research, then practitioners should consider running thematic focus groups or undertaking telephone surveys of local residents.

- **Focus their research and housing market intelligence activities on areas under-going the most rapid change**, where there are resource constraints within the organisation. To help monitor change, a simple ‘early warning system’ should be put in place which seeks to monitor trends in the local housing market. Cole *et al.* (2004) have devised one such system which focuses on two key parameters: turnover and trends in demand, a composite measure comprising house price changes, vacancy rates and stakeholder views, with particular attention focusing on the views of estate agents.
- **Ensure that any independent housing market research that they commission takes a rounded approach to housing market analysis** and does not neglect ignore the key atoms of any housing market: local residents.

9.3.4 Responding to complexity in the local housing market

Households do not respond in a uniform way to housing market signals, whether these signals are at face value ‘positive’, such as an improvement in the quality of local schools, or ‘negative’, such as empty properties or rising anti-social behaviour. In addition, there is no one ‘magic ingredient’ that causes markets to rise with change being the result of a bundle of interlinked and complex factors, which vary between mobility groups. Furthermore, ‘housing’ may represent different things to different people: it may be a home, an investment or a property.

Given this, policy-makers and practitioners need to think carefully about how they intervene in the local housing market as their actions will be received by different groups in different ways. They therefore need to devise strategies that take account of the diversity of mobility groups within settlements. These strategies may be multi-faceted and seek to target a number of groups or be tailored to an individual group.

Whatever strategy is put in place, it is important that careful consideration is given to ‘place marketing’ and the ‘story’ that is being ‘sold’ to both existing and potential households. ‘Place marketing’ is in its relative infancy in the public sector but it may offer one instrument to help guide trends in demand. As this research has clearly demonstrated, residential mobility decisions are increasingly being driven by aspirations, and the desire of households to ‘buy’ into the cultural and social identity of a place.

As recognised by the government’s blueprint for growth in the North, the *Northern Way* (NWSG, 2004), close attention needs to be paid in any strategy to the *residential offer* afforded to households. This offer should not be concerned solely with meeting households’ pragmatic needs but also their aspirations. In a context where

towns and cities in the North are increasingly likely to compete with each other, those areas offering a better residential offer, more closely aligned to the aspirations of residents, are likely to hold a competitive advantage.

9.3.5 Transport

In two of our case studies good transport links to local employment centres were cited by a number of residents as being a major pull for them, and in these areas residents were prepared to travel considerable distances to work. And a number of other studies have highlighted the close correlation between good transport links and housing markets, and traditional approaches to assessing the extent of housing markets have used travel to work areas as a proxy for housing market areas.

Developing transport links, then, is likely to have an impact on local housing markets and the *potential* exists within the North to use transport as a way of re-invigorating those depressed housing markets whose traditional industrial base has shrunk, and which are dislocated from employment centres. This potential has been recognised by the *Northern Way*, though it requires long term financial commitment to ensure that these areas become reconnected through transport initiatives.

9.3.6 Mixed tenure

A key objective underpinning all aspects of the government's housing policy programme is the creation of mixed communities. The views, opinions and preferences of recent movers interviewed in this study, however, suggest that there is a major stumbling block that could trip up government efforts to create more mixed communities: patterns of residential mobility are, in part, informed by the propensity of people to seek the sense of comfort and security that can be gained from living among people considered similar and like minded.

9.3.7 Investment-led demand

This research has demonstrated that investment-led demand is a key feature of many housing markets in the Yorkshire and the Humber region, and the case study of the Beeston Hill area of Leeds has shown how investment-led demand can impact on a local housing market. However, relatively little is known about this trend. Research should therefore be commissioned into this area which should seek to shed light on a number of key questions including:

- How widespread is the phenomenon?
- Where is it going on?
- When it is occurring?
- What form does it take?
- Who is investing?
- And why?
- What is the future of the sector?

This research should seek to explore investment-led demand in a range of different contexts, with particular attention focusing on the market in city centres, as they may be particularly vulnerable. As noted earlier, the amount of city centre flatted accommodation in the Yorkshire and the Humber Region has increased rapidly in recent years, and there are signs that the market may already be saturated in some places, even though supply is continuing to grow apace.

Evidence collected in the Beeston Hill and Burngreave case studies suggests that local agencies – and in particular – local authorities play a central role in the investment process, as it is often the ‘stories’ they generate of regeneration in deprived neighbourhoods that investors ‘buy’ into. This was clearly the case in Beeston Hill, where the showcasing of the area on Leeds City Council’s website had encouraged investors to invest in the area. Local agencies therefore need to think very carefully about which areas they ‘promote’ and how they promote them.

In markets where investment-led demand is a feature, local agencies need to work closely with all interested stakeholders. The market needs to be monitored closely so that trends within it, such as disinvestment by investors, can be identified at an early stage.

9.4 Conclusion

As the first sentence of this report notes, it sometimes seems that we live in a country fixated by housing markets and house prices. And increasingly, it appears that rising house prices are seen by both policy-makers and the public as being desirable. Yet is this the case?

We would argue that while steady house price inflation is desirable, the rapid house price growth experienced in many parts of the Yorkshire and the Humber region is not, because, as highlighted above, there are a number of potential problems associated with the phenomenon.

We would therefore question the decision of many area based regeneration programmes in the region to set ‘performance’ targets relating to house price growth, and specifically rapid house price growth. Indeed, rapid house price increases may be a most unwelcome by-product of regeneration, and for the reasons outlined above, could have a deleterious impact on the future health and sustainability of neighbourhoods. Steady growth trends and the existence of affordable, good quality housing in high quality residential environments, are more telling indicators of the health of a neighbourhood.

In addition, the increasing fixation on house prices has meant that the key issue of differential *function* within the housing market and settlements has often been

overlooked. For example, areas such as Beeston Hill and Burngreave have historically performed an important function in their respective markets: providing low cost home owner housing and as such representing the first rung on the housing ladder. But with the rapid house price growth in both areas, they may no longer fulfil this important role and there is little evidence to suggest that other areas are now fulfilling a similar function. The capacity to 'manage' any housing market is limited, but policy-makers and practitioners should be more concerned with changes in *housing quality* and neighbourhood *function*, rather than increasing house prices as an end in itself.

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Appendix One

Further information about the approach to the residential mobility case studies

Introduction

Case study work in the three case studies selected to explore residential mobility – Pannal, Howden, and Burngreave – comprised four principal elements: ‘stakeholder’ interviews; documentary data analysis; resident interviews, and resident focus groups.

Stakeholder interviews

In order to gain an insight into the key features of the local housing market and to place it within a broader sub-regional context, in each of the three case studies interviews were conducted with representatives from local organisations with a ‘stake’ in the market. Interviews were undertaken with representatives from the following organisations: sub-regional housing fora; local authorities; housing associations; private landlords’ associations; building societies; estate agents; letting agents; developers; community groups; faith groups and civic groups.

Documentary data analysis

A range of documentary sources were examined relating to the case study and the local housing market. Particular attention focused on property journals and the ‘stories’ being created by estate agents to sell the area.

Resident interviews

The approach taken by the study team to identifying in-movers varied in the three case studies focused on residential mobility. In Burngreave, the team drew on a recently completed household survey which identified recent movers to the area. Those respondents who had indicated to the market research company who undertook the research, MORI, that they would be willing to take part in our study were contacted by the study team and then interviewed. Some 18 interviews were conducted in the area.

In Pannal, the sample was derived by undertaking a survey of recent movers in the area identified through the UpMyStreet (www.upmystreet.com) website. Short questionnaires were sent to households at the 113 properties in Pannal identified through the website where a sale had occurred during the last three years. Respondents were asked to provide some brief information about their housing history and whether they would be interested in taking part in the research. Some 26 respondents replied in the affirmative which resulted in 18 residents being interviewed.

In Howden, in addition to undertaking a questionnaire survey again drawing on a sample derived from the UpMyStreet website, snowballing techniques were used to generate a sample. This proved highly successful with numerous interviewees being identified through the local parish council, civic society, numerous residents' and toddlers' groups, and the Press Association, which is based in the town. In all, some 21 interviews with recent movers were conducted.

Resident focus groups

Focus groups were run in Pannal, Howden and Burngreave which were attended by both recent movers and long term residents. The views of long term residents were sought so that the study team could gain an insight into the impact of rising markets on existing communities. Long term residents were asked their views on the local housing market and how, if at all, it had changed, and their relationship with incomers.

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