

PETERBOROUGH CITY COUNCIL

**THE NEED FOR 'TOP OF THE MARKET' PRESTIGE HOMES IN
PETERBOROUGH**

Strategic Planning & Enabling
Chief Executive's Department
Peterborough City Council

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THE NEED FOR 'TOP OF THE MARKET' PRESTIGE HOMES IN PETERBOROUGH

1. INTRODUCTION

- 1.1 This is a piece of research into one particular sector of the housing market in Peterborough – the availability of and demand for 'top of the market' prestige homes. For many years there has been anecdotal evidence that Peterborough has not been offering sufficient homes in this sector to meet demand or match the supply available in competing and adjoining locations.
- 1.2 The research aims to examine the evidence for this point of view and reach a conclusion as to whether it is true; and if there is a need for more such homes, to make recommendations as to how they might be achieved.
- 1.3 In this report, 'Peterborough' means the administrative area of the local authority of Peterborough. References to the urban area or the city are more specific references to the built-up area of the city of Peterborough itself. There is no specific definition of 'top of the market' prestige homes, but these can be generally regarded as being at the higher end of the market in terms of value (within the highest 10% price bracket of dwellings in the housing market area as a whole); large (perhaps with 5 bedrooms or more); and individually designed, with a high specification, detailing and facilities. Newly-built houses in this sector would be typically aimed at the senior professional and managerial market or would be of a bespoke design for an individual client.

2. CONTEXT

The local authority area of Peterborough consists of the city itself and some 25 villages. The total population is estimated to be 163,300 (2007 mid-year estimate). The villages vary in size, but the largest has a population of around 4,040, so that there are no settlements that could be regarded as 'market towns' within the local authority area.

Although Peterborough is an ancient settlement with a long history, it remained relatively small and compact until the arrival of the railways in Victorian times. However, the main period of growth took place during the 1970s and 1980s, when Peterborough was designated as a New Town, with one of the main objectives being to provide homes and employment to relieve London's severe housing and congestion problems. This settlement pattern and history of housing growth are key to an understanding of the nature of the housing stock that exists in Peterborough today.

Peterborough has recently entered a further period of great change and it is essential to plan for this change in a way that meets the needs and aspirations of everyone, both now and in the future. As part of the Government's sustainable communities initiative, Peterborough was identified by Government as a suitable location for sustainable growth within the London – Stansted – Cambridge - Peterborough growth corridor. The Regional Spatial Strategy (RSS) for the East of England requires Peterborough to make provision for a minimum net increase of 25,000 dwellings between April 2001 and March

2021. The RSS also sets an indicative target of 20,000 net growth in jobs for Peterborough over the same period.

A number of studies have been undertaken to inform policy-making for this level of growth, including, in particular, work on the development of economic scenarios, and the selection of a preferred scenario, as part of the Integrated Growth Study for Peterborough. If the preferred economic development strategy of growth based on the attraction of new and expanding companies in the environmental and knowledge-based industries is to succeed, there will be a need for a full range of houses, including those of a type and size attractive to company directors, chief executives and others who make decisions about company locations, as part of a comprehensive 'Peterborough offer'.

3. POLICY BACKGROUND

- 3.1 There are a number of policies, plans and strategies that establish the background to this issue at a national, regional and local level.

PPS 3: Housing

- 3.2 Planning Policy Statement 3 (PPS3) was issued by CLG in November 2006 and sets out the national planning policy framework for delivering the Government's housing objectives. It provides an enabling framework for local planning authorities, working with their stakeholders, including developers, to deliver both the right quantity of housing to address need and demand in their areas and the right quality and mix of housing for their communities. This helps to achieve sustainable mixed communities.
- 3.3 Paragraph 9 says that the Government is seeking to achieve "a wide choice of high quality homes.... to address the requirements of the community".
- 3.4 Paragraph 10 says that the planning system should deliver "a mix of housing....to support a wide variety of households in all areas, both urban and rural".
- 3.5 Paragraph 21 explains that "local planning authorities should plan for a mix of housing on the basis of the different types of households that are likely to require housing over the plan period" and that this should have particular regard to the accommodation requirements of specific groups.
- 3.6 With specific regard to market housing, paragraph 25 emphasises the need to address any shortfalls in the supply of market housing and paragraph 26 says that "local planning authorities should plan for the full range of market housing".
- 3.7 Developers are encouraged to bring forward proposals for market housing, which reflect demand and the profile of households requiring market housing in order to sustain mixed communities (paragraph 23).
- 3.8 In conclusion, although the PPS does not make specific mention of prestige top-of-the-market homes, it is clear that a key thrust of national policy is to secure a variety and choice of new homes that meet all needs and demands; and that those homes should be of a high quality. Local planning authorities should plan to meet the needs that are particular to their area. It follows that if there is clear evidence of a need for more higher-end-of-the-market homes in

Peterborough, then a suitable policy response would be in accordance with, indeed supported by, national policy in PPS3.

The East of England Plan

- 3.9 The East of England Plan is the RSS for the region and was published by the Secretary of State for Communities and Local Government in May 2008. The primary purpose of regional policies is to provide a consistent regional framework to inform the preparation of LDFs, which must be in conformity with the RSS.
- 3.10 A key theme running throughout the RSS is the need for development to be undertaken in a sustainable way, including, for example, reducing the need for people to travel between home and workplace and the distance travelled. Reference has been made in paragraph 2.3 above to the scale of growth proposed for Peterborough, in terms of housing and employment. The city is identified as a Key Centre for Development and Change (policy SS3) and policy PB1 explains that the strategy is for growth and regeneration to strengthen Peterborough's role as a major regional centre.
- 3.11 Among the matters that policy PB1 requires to be addressed is 'seeking to attract investment in sectors of the economy with scope for expansion'. Clearly this involves a range of actions, but at the heart must be improvements to Peterborough's 'offer'. This should include the provision of houses which will be attractive to those business leaders who will make decisions about company relocations, and to key members of staff that they will employ; and the provision of such houses in locations that will minimise the distances needed for travel to work.

The Regional Economic Strategy for the East of England 2008-2031

- 3.12 The Regional Economic Strategy (RES) sets out a vision of a forward-looking and globally competitive region. The vision and targets are consistent with the East of England Plan.
- 3.13 One of the priorities in the RES is to focus on the need for the region to have a balanced approach to the provision of homes and jobs to support economic growth and regeneration. Sufficient high-quality, affordable and accessible homes are required in the right locations to support the region's labour force. Equally, it is essential that the region secures the provision of high-quality business infrastructure and premises to support the needs of current and future businesses.

Peterborough Local Plan (First Replacement)

- 3.14 The Peterborough Local Plan (First Replacement) was adopted by the Council in July 2005 and forms part of the statutory development plan for Peterborough.
- 3.15 There is no specific policy about prestige homes, but policy H15 addresses residential density. The explanatory text to this policy includes the following paragraph (2.46): "It is also important to maintain a range of housing to meet different needs. Large existing houses in generous plots, including older properties and those in conservation areas, may help attract owners and managers of businesses considering Peterborough as a potential development

location. Maintaining a stock of such housing will contribute to implementing the Council's economic development strategy, and this will be taken into account when considering proposals that could reduce that stock through insensitive infill development or redevelopment."

- 3.16 This paragraph was included verbatim in response to a recommendation from the Inspector who conducted the public inquiry into objections to the Plan (recommendation at paragraph 377, Chapter 2 – Housing, Inspector's Report, 2004).

Peterborough Housing Strategy 2008-2011

- 3.17 The Council's Housing Strategy Statement for 2008-2011 sets out a strategy to address all of the housing challenges that Peterborough faces over the coming years. It covers matters as diverse as housing quality, affordable homes, empty homes, homelessness, decent homes, fuel poverty and the needs of vulnerable sectors of society.

- 3.18 The context for the strategy appears in chapter 1. This includes the statement that "This strategy will need to focus on meeting the needs and aspirations of both the existing and future population of Peterborough. It will be essential to have a balanced mix of housing tenures and sizes throughout the district, including provision of executive, young professional and live/work homes in order to attract and retain more highly skilled workers."

- 3.19 Objectives of the strategy include
- Availability of quality housing
 - Planning for the growth of the city

- 3.20 Priority 5 of the strategy is 'Providing for the Future', and under a discussion of employment issues, the point is made that "Ensuring a balance of housing in Peterborough that delivers a variety of housing in terms of size, type and tenure, and meeting the needs and aspirations of a full range of households in Peterborough including executive households is essential to the growth of the city".

Peterborough Core Strategy Preferred Option

- 3.21 The City Council is in the process of preparing a Core Strategy, as part of its new Local Development Framework. In May 2008 a 'Preferred Option' version of the Core Strategy was published for public consultation.

- 3.22 A key task for the Peterborough Core Strategy is to establish a policy that will deliver housing that meets all needs, in particular addressing the following objectives:
- ensure that proposed new housing delivers a balanced mix of tenures and sizes
 - ensure that proposed new housing delivers sufficient affordable housing
 - ensure that proposed new housing improves the overall quality of the stock

The first of these objectives (OB7) is expressed as "To meet the needs and aspirations of Peterborough's existing and future population by ensuring that

there is a balanced mix of housing tenures and sizes throughout the area, including increased provision of executive, young professional and live/work homes in order to attract and retain more highly skilled workers within the area". This is consistent with, and aims to deliver, the message from the Peterborough Housing Strategy, quoted at paragraph 3.20 above.

- 3.23 The Preferred Option policy for Meeting Housing Needs (policy CS6) explains that "the strategy will be to secure a wide choice of high quality new homes that meet the needs of all members of the community, widening the range of property sizes available in response to future needs and demand, providing houses that will help to encourage employees to live locally rather than commute into Peterborough from elsewhere, and supporting the economic development strategy of this Core Strategy".

The Policy Background: Conclusions

- 3.24 Certain key themes emerge from this overview of the policy background. Nationally, there is a clear emphasis on the need for quality in new housing; on the provision of a range, choice or mix of new homes to meet all needs; and that it is for local authorities to identify what needs and demands arise in their area, and to plan for that need.
- 3.25 The emphasis from regional strategies is on the continued growth of Peterborough in a sustainable way, with a particular focus on attracting new employment development that will drive economic growth. Substantial new housing is required, and this must include housing that will be attractive to those making investment decisions about company locations; otherwise housing strategy will have failed in one of its roles as an enabler of economic development.
- 3.26 Local policies support the case for new housing at the top end of the market, as part of the overall range to be provided; and for the retention of existing large homes on generous plots. The need for 'executive' homes is identified as a particular need. Any policy that enables people to live closer to their place of work would help to achieve more sustainable patterns of development.
- 3.27 What is clear from this is that the policy context supports a locally-based policy approach to the provision of new prestige homes and the protection of those that exist at present, so long as there is evidence to justify it.

4. EVIDENCE

- 4.1 This section of the report will examine the evidence regarding top-of-the-market prestige homes from the following sources:
- The Peterborough Sub-Regional Strategic Housing Market Assessment
 - 2001 Census – Commuting data
 - Questionnaire survey of local developers and agents

Strategic Housing Market Assessment

- 4.2 The Peterborough Sub-Regional Strategic Housing Market Assessment (SHMA) was completed in March 2008 by Fordham Research on behalf of a consortium of local authorities forming the Peterborough Sub-Region. It covered the local authority areas of Peterborough, South Kesteven, South

Holland, Rutland and parts of East Northamptonshire, Huntingdonshire and Fenland. The SHMA is an essential tool and evidence base to ensure that a range of different types of housing are provided in different forms and in different localities in order to meet the various needs of its population.

- 4.3 An integral part of the SHMA work was a housing need and demand survey for Peterborough, which resulted in the production of a separate Peterborough Stage One Report: Needs Analysis, to accompany the SHMA.
- 4.4 Chapter 5 of the SHMA analysed the economic context for the SHMA area. Using data from NOMIS, it examined the occupation structure (grade of employment) by place of residence across the Housing Market Area (HMA). Details of the Standard Occupation Classification (SOC) grades of employment appear in Appendix 1, but the key point to note is that major group 1-3 comprises managers and senior officials, professional occupations, and associate professional and technical occupations. The findings from the SHMA are set out below (references to the 'Southern Fringe' are to those parts of East Northamptonshire, Huntingdonshire and Fenland within the HMA).

TABLE 1: Occupation Structure (2005)					
	Employment Category				
	Group 1-3	Group 4-5	Group 6-7	Group 8-9	Total
Peterborough	36.3%	19.9%	17.7%	26.2%	100.0%
South Kesteven	42.0%	25.4%	15.5%	17.1%	100.0%
Rutland	47.1%	22.8%	12.7%	17.4%	100.0%
South Holland	28.4%	19.4%	19.9%	32.3%	100.0%
Southern Fringe	36.9%	25.8%	16.9%	20.7%	100.0%
HMA	37.6%	22.2%	16.9%	23.3%	100.0%
East of England	43.1%	23.2%	15.4%	18.2%	100.0%
East Midlands	39.6%	22.2%	15.1%	23.0%	100.0%
Great Britain	42.4%	23.1%	15.7%	18.8%	100.0%

Source: Table 5.4, page 58 of Peterborough Sub-Regional Housing Market Assessment - 2008

- 4.5 The table shows that Peterborough has the lowest proportion of its resident population working in major group 1-3 (generally the most senior types of employment) of any part of the HMA, with the exception of South Holland. The proportion of residents of Peterborough employed in this major group 1-3 is lower than that for the East of England as a whole, the East Midlands as a whole and Great Britain as a whole.
- 4.6 The SHMA examined pay levels, and the findings are set out below.

TABLE 2: Weekly Gross Pay (2006)		
	Workplace based	Residence based
Peterborough	£427	£403
South Kesteven	£375	£443
Rutland	£424	£424
South Holland	£382	£400
Southern Fringe	£410	£453
HMA	£402	£421
East of England	£444	£470
East Midlands	£422	£427
Great Britain	£449	£450

Source: Figure 5.8, page 66 of Peterborough Sub-Regional Housing Market Assessment - 2008

- 4.7 The table shows that income (pay) based on place of residence is lower in Peterborough than in any other part of the HMA, with the exception of South Holland, and is lower than for the East of England, East Midlands and Great Britain as a whole. The figures for income (pay) based on place of work show a considerable contrast. In Peterborough, workplace based pay is greater than in any other part of the HMA and is significantly higher than residence based pay. Outside Peterborough, residence based pay is higher (or equal) to workplace based pay in every part of the HMA. This paints a very clear picture of higher paid people commuting into Peterborough for work, whilst living elsewhere in the housing market area (and possibly beyond).
- 4.8 Coupled with the data from occupation structures, the evidence points to a tendency for a significant proportion of people in higher paid managerial, professional and technical occupations living outside Peterborough and commuting into it for their place of work. This is summarised in paragraph 5.26 of the SHMA which, in commenting on the housing market area as a whole, said “The highest workplace based income was found to be in Peterborough City which is interestingly the only area where workplace incomes were higher than residence based incomes. This suggests out commuting to higher paid jobs in general, but the opposite in Peterborough. The local residents in Peterborough clearly do not occupy the highest paid jobs in the district, which are more likely to be held by in-commuters from other districts, including the more rural parts of the HMA”.
- 4.9 The SHMA examined the characteristics of the existing housing stock across the area (in paragraphs 6.4 to 6.7). The table below shows the types of dwellings, taken from the 2001 Census.

TABLE 3: Dwelling Types (2001)					
	Proportion of Dwellings by Type				
	Detached	Semi-detached	Terraced	Flat/maisonette	Caravan/Mobile Home
Peterborough	27.2%	31.4%	27.3%	13.4%	0.7%
South Kesteven	42.5%	31.9%	17.8%	7.3%	0.5%
Rutland	47.4%	28.1%	17.1%	6.9%	0.5%
South Holland	56.9%	30.1%	9.2%	3.4%	0.4%
Southern Fringe	49.6%	30.7%	14.1%	5.3%	0.4%
Peterborough HMA	40.6%	31.0%	19.3%	8.6%	0.5%
East of England	30.2%	31.3%	23.6%	14.3%	0.6%
East Midlands	32.3%	36.3%	21.3%	9.7%	0.4%
England	22.6%	31.7%	25.9%	19.4%	0.4%

Source: Figure 6.2, page 71 of Peterborough Sub-Regional Housing Market Assessment - 2008

- 4.10 Peterborough has the lowest proportion of detached dwellings and the highest proportion of flats compared to any of the sub-areas within the HMA. It has a lower proportion of detached houses than both the East of England and the East Midlands (although the proportion is greater than that for England).

- 4.11 The SHMA commented at paragraph 6.6 that “One stakeholder suggested that Peterborough City could do with more ‘executive’ homes. In terms of balance and looking at the fact that Peterborough has by far the smallest proportion of detached homes there is certainly some support for this case...”
- 4.12 The SHMA looked at the size of the dwelling stock across the area, presenting information from the 2001 Census on the number of rooms per dwelling (paragraphs 6.15 to 6.20). The Census counted all rooms other than bathrooms, toilets, halls or landings, or rooms that can only be used for storage such as cupboards.

TABLE 4: Size of Dwelling Stock (2001)							
	Proportion of Dwellings by Number of Rooms						
	1-2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms	8+ rooms
Peterborough	2.7%	9.5%	17.4%	30.6%	21.0%	9.3%	9.5%
South Kesteven	1.5%	4.2%	16.9%	25.1%	22.6%	11.9%	17.8%
Rutland	1.3%	4.8%	13.2%	22.8%	19.8%	12.7%	25.5%
South Holland	1.1%	4.3%	18.5%	25.6%	23.7%	12.4%	14.4%
Southern Fringe	1.1%	4.3%	16.6%	27.7%	20.6%	11.4%	18.3%
Peterborough HMA	1.8%	6.2%	17.1%	27.3%	21.8%	11.1%	14.8%
East of England	2.6%	8.1%	18.7%	27.2%	20.4%	10.1%	12.9%
East Midlands	3.4%	9.2%	20.0%	27.1%	20.5%	9.2%	10.6%
England	3.4%	9.2%	20.0%	27.1%	20.5%	9.2%	10.6%

Source: Figure 6.5, page 77 of Peterborough Sub-Regional Housing Market Assessment - 2008

- 4.13 What is clear is that the average size of dwellings in Peterborough is generally and significantly smaller than the average size of dwellings elsewhere in the HMA. The proportion of very large dwellings (of 8 rooms and above) is just 9.5%, which is lower than that for all of the other districts, the East of England, the East Midlands and England as a whole.
- 4.14 The proportion of dwellings with 7 rooms is just 9.3%, which is lower than that for all of the other districts and the East of England.
- 4.15 In contrast, the proportion of small dwellings in Peterborough, with between 1 and 3 rooms, is higher than that for all the other districts in the HMA and the East of England.
- 4.16 It is not axiomatic that large dwellings are always top-of-the-market prestigious ones. However, there is likely to be some close correlation, as such dwellings are most likely to be spacious ones with, perhaps, four or five bedrooms, a study, a separate dining room and/or utility room as well as a kitchen and reception room(s). The evidence clearly points to a shortage of such large properties in comparison with the remainder of the housing market area, and, indeed, in comparison with the region, the adjacent region and England as a whole.

- 4.17 The SHMA commented that “a good indication of the quality and price structure of the housing stock is the distribution of dwellings by Council Tax Band” (paragraph 6.21). All dwellings are allocated to one of eight bands for the purposes of calculation of council tax, based on their open market capital value as at 1st April 1991. If a property is built after this date, the banding will assume its value as if it had been built in 1991. The higher the band, the more valuable the property, and so, for example the top band H represents dwellings whose value was more than £320,000 at that date. The proportion of dwellings in the highest bands therefore gives a very clear indication of the proportion of top-of-the-market prestige homes for any local authority area.
- 4.18 The figure below shows the proportion of dwellings by tax band, taken from the SHMA.

TABLE 5: Dwellings by Council Tax Band (2004)						
	Proportion of Dwellings by Council Tax Band					
	Band A	Band B	Band C	Band D	Band E	Bands F to H
Peterborough	45.1%	23.1%	15.8%	7.8%	4.8%	3.3%
South Kesteven	30.7%	22.7%	17.7%	14.4%	8.4%	6.1%
Rutland	9.6%	25.5%	17.8%	14.6%	14.3%	18.2%
South Holland	38.6%	21.0%	25.3%	9.7%	4.2%	1.1%
Southern Fringe	27.1%	26.6%	19.9%	12.4%	8.3%	5.7%
Peterborough HMA	35.5%	23.1%	18.6%	11.0%	6.8%	5.1%
East of England	14.4%	21.2%	26.4%	17.4%	10.5%	10.1%
East Midlands	38.6%	22.3%	17.7%	10.4%	6.2%	4.9%
England	25.6%	19.2%	21.5%	15.1%	9.4%	9.1%

Source: Figure 6.7, page 79 of Peterborough Sub-Regional Housing Market Assessment - 2008

- 4.19 Dwellings in Peterborough are heavily weighted towards the lower tax bands, with 45.1% being in the lowest band A – a proportion which is higher than any other location in the HMA, the East of England, the East Midlands and England as a whole.
- 4.20 The proportion of Peterborough dwellings in the highest tax bands F to H (representing top-of-the-market prestige homes) is lower than that for any part of the HMA, with the exception of South Holland, and lower than that for the East of England as a whole, the East Midlands as a whole and England as a whole.
- 4.21 The same applies to the proportion in tax band E (the next highest band); the proportion of such dwellings in Peterborough is lower than that for any part of the HMA, with the exception of South Holland, and lower than that for the East of England as a whole, the East Midlands as a whole and England as a whole.
- 4.22 This provides clear evidence of fewer dwellings in Peterborough in the bands associated with top-of-the-market prestige homes, relative to all comparator locations (other than South Holland).

2001 Census

- 4.23 The 2001 Census collected information about the relationship between place of residence, place of work and occupation. The results for Peterborough are presented in Appendix 2.
- 4.24 The Appendix shows that in 2001 there were 73,279 employed residents of Peterborough, but 90,656 people working in Peterborough. Of this workplace population, 60,118 were residents of Peterborough and 30,538 (approximately half) were living elsewhere.
- 4.25 What is particularly striking are the occupations of those people working in Peterborough but living elsewhere. There were 6,264 managers and senior officials working in Peterborough but living elsewhere (contrasting with 2,907 in the same occupational category living in Peterborough but working elsewhere). There were 3,533 people in professional occupations working in Peterborough but living elsewhere (contrasting with 1,685 in the same occupational category living in Peterborough but working elsewhere). There were 5,338 people in associate professional and technical occupations working in Peterborough but living elsewhere (contrasting with 2,022 in the same occupational category living in Peterborough but working elsewhere).
- 4.26 Of the workplace population of 13,687 managers and senior officials, some 46% (6,264) lived outside the local authority area. This reinforces the evidence from the Strategic Housing Market Assessment, discussed in paragraphs 4.4 to 4.8 above. If there was a better supply of housing in Peterborough itself which was attractive to managers, senior officials and professionals, there would be the potential to reduce unsustainable patterns of daily commuting into the local authority area.

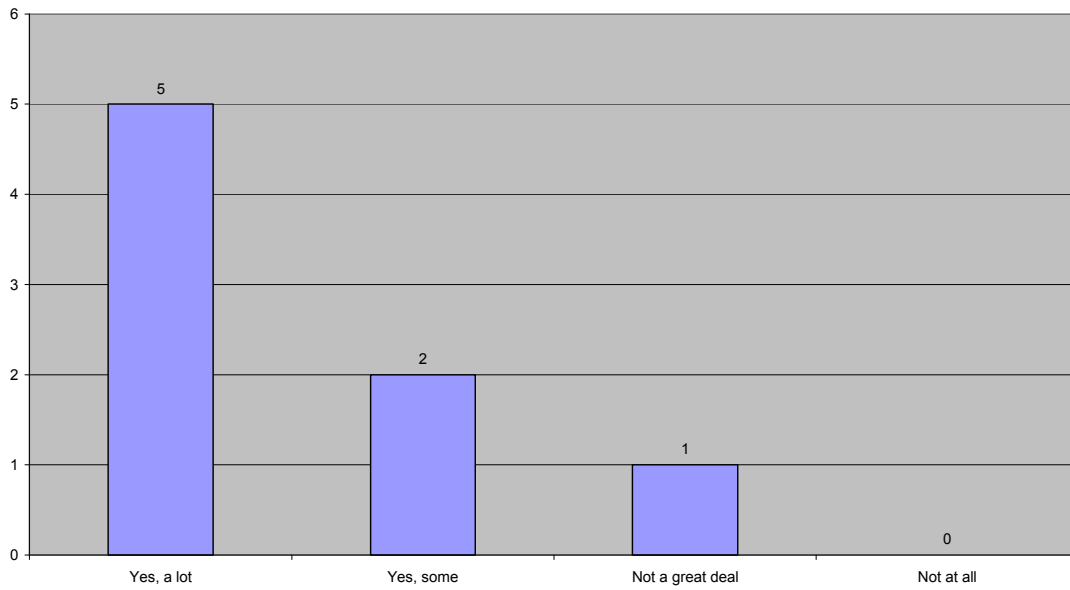
Questionnaire Survey

- 4.27 In February 2009, 85 local developers and agents were sent a questionnaire, seeking their views on the issue of prestigious homes in Peterborough. A copy of the covering letter and questionnaire appear at Appendix 3. Set out below is a question by question analysis, culminating in a summary analysis of key trends and findings. These results are based on the eight replies that were received.

Question 1 – Over the past couple of years, has there been a demand for higher value housing in Peterborough?

- 4.28 Respondents predominately felt that there has been ‘a lot’ of demand for higher value housing in Peterborough (five respondents), with two respondents believing there to be ‘some’ demand. One respondent considered there to be ‘not a great deal’ of demand.

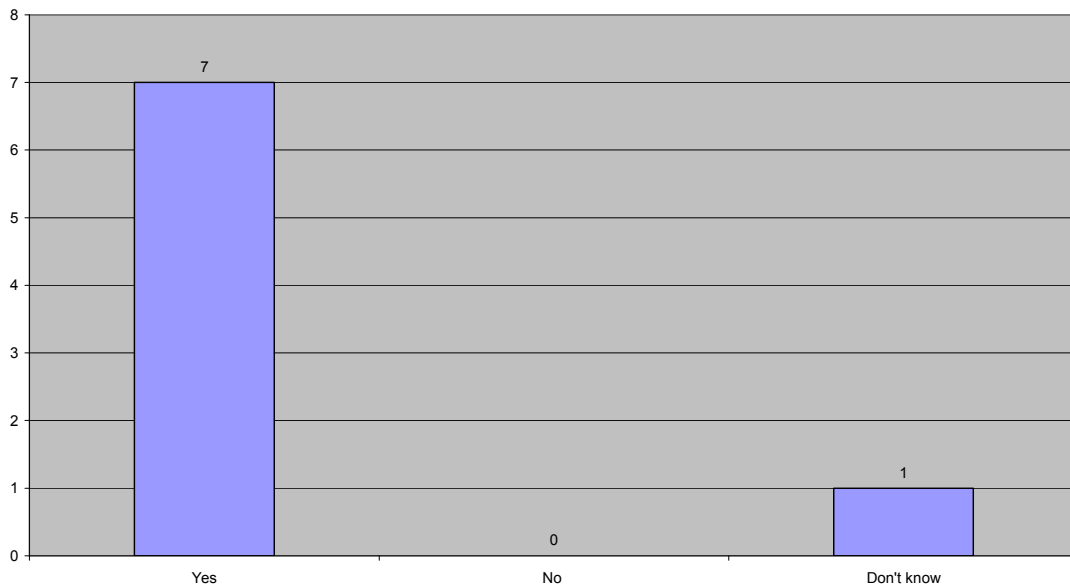
Over the past couple of years, has there been a demand for higher value housing in Peterborough?



Question 2 – Does the city need to make specific provision to meet this demand?

4.29 Seven of the eight respondents agreed that the city does need to make specific provision, whereas one indicated that they were not sure.

Does the city need to make specific provision to meet this demand?



Question 3 – In your opinion, is this demand liable to increase when the city develops economically?

4.30 All respondents answered 'yes' to this question, indicating that demand is expected to increase as the city's growth agenda takes hold.

Question 4 – Does the city need to make special provision to meet future demand?

- 4.31 As with the previous question, all respondents felt that special provision will be required to meet this demand.

Question 5 – What type of higher value housing is in demand?

- 4.32 Respondents were asked to rate a choice of three housing types (low density family housing, luxury apartments and luxury townhouses) between one and three (one being highest demand), or offer an alternative type of dwelling as an option. Six out of eight respondents rated 'low density detached family housing' as the type of housing which they believed to be in the highest demand. Self-build plots, gated communities and luxury retirement homes were also suggested as higher value housing in demand.

Question 6 – Are there locations within the city boundaries (excluding villages) where this type of housing would be particularly suitable?

- 4.33 This question requested a qualitative, written answer from the respondent. To summarise the findings, Longthorpe, Hampton, Central Park area, Orton Longueville and urban extension sites such as Great Haddon are all mentioned as suitable locations. One respondent stated that they were unaware of any suitable locations within the city boundaries.

Question 7 – What are the constraints to building this type of housing?

- 4.34 The availability of suitable sites and the cost of land were identified as a constraint by four respondents, whilst s.106 contributions and the provision of affordable housing within 'prestigious' housing developments was also seen as a constraint towards generating demand for developments. Another issue cited as a constraint was current planning policy in respect of higher density standards. The restriction of such development in rural locations was also mentioned.

Question 8 – What can the council do to enable this type of residential development?

- 4.35 A policy of allocating and identifying sites where developments of this specific nature would be considered is cited in response to this question. One respondent also suggests that the Council take a 'more amenable' attitude towards 'low density and bold design'. A reduction in the enforcement of planning obligations, including affordable housing provision, is also referred to as a method through which this type of development could be enabled.
- 4.36 In response to this question, one particular respondent called for the promotion of green and 'eco-friendly' development through the use of architectural competitions to 'promote excellence'. This respondent claimed that this approach would provide a basis from which to market and sell 'prestigious' developments 'during hard times'. Another respondent called for the Council to develop a policy 'based on character of area and need'.

Question 9 – In your opinion, how can the planning system ensure that particular sites are developed for this type of housing, rather than any other form of residential development?

- 4.37 The identification of ‘attractive, high value sites’ within the LDF site allocations was cited as a way of attempting to ensure development of a ‘prestigious’ nature, as was the easing of policies relating to housing density. Two respondents also indicated towards an apparent lack of awareness within the planning authority of the ‘requirements’ of the clientele for which ‘prestigious’ development is intended. The waiving of infrastructure levies was also quoted as an answer to this question by one respondent.

Summary analysis

- 4.38 The research undertaken via this survey has established some key opinions and themes. In terms of demand for ‘prestigious’ development, the majority of respondents believe there to be both present and future demand. On the whole, this future increase in demand is linked to the anticipated economic growth of the city, demand which the respondents feel the Council will need to make provision for. This provision should, according to the respondents, be based around low density detached family housing, as opposed to luxury apartments and townhouses. In terms of the constraints on this type of development, respondents cited Council policy in relation to housing density and planning obligations requirements. The respondents also considered the need for clear and specific site allocation within the forthcoming Site Allocation DPD.
- 4.39 It is worth noting that this analysis is based on the eight questionnaires that were completed of the 85 that were distributed and therefore it is based on a very small sample size; however it provides a flavour of the views of local industry sources.

5. CONCLUSIONS FROM THE EVIDENCE

- 5.1 The evidence shows that the average size of dwellings in Peterborough is generally and significantly smaller than the average size of dwellings elsewhere in the HMA. The proportion of very large dwellings (of 8 rooms and above) is lower than that for all of the other districts, the East of England, the East Midlands and England as a whole. There is likely to be some correlation between size of dwellings and the sector of the market that they will meet, as large dwellings are most likely to be spacious ones with, perhaps, four or five bedrooms, a study, a separate dining room and/or utility room as well as a kitchen and reception room(s), making them attractive to those people seeking properties towards the top end of the market.
- 5.2 The proportion of Peterborough dwellings in the highest council tax bands F to H (representing top-of-the-market prestige homes) is lower than that for any part of the HMA, with the exception of South Holland, and lower than that for the East of England as a whole, the East Midlands as a whole and England as a whole.
- 5.3 The evidence paints a very clear picture of a substantial proportion of higher paid people in managerial, professional and technical occupations commuting into Peterborough for work, whilst living elsewhere in the housing market area

(and possibly beyond). Nearly half of the managers and senior officials who work in Peterborough live outside the local authority area.

- 5.4 In summary, this demonstrates that the anecdotal view, that Peterborough has a relative shortage of top-of-the-market prestige homes, is supported by the available evidence. What has emerged from the evidence is a substantial number of daily commuters in the higher-earning occupations, travelling into Peterborough for work. It is not clear whether this is through choice or because of a shortage or absence of suitable homes, but the relative shortage of prestige homes has certainly been demonstrated. These commuting patterns are not in the best interests of sustainability, and it would be in the interests of good planning, and in accordance with national, regional and local policies, to take steps which would encourage shorter daily journeys to work. This, therefore, would imply a strong case for the provision of more prestige homes within the Peterborough local authority area itself.

6. POLICY RECOMMENDATIONS

- 6.1 In the light of the evidence, there should be two fundamental elements to any policy solution:
- preventing the loss of existing homes that serve, or could serve, this type of market; and
 - securing the provision of more homes of the type that could meet the need at this end of the market.
- 6.2 In both cases, the Council could approve policies by resolution in the first instance, with a view to incorporating them into relevant Development Plan Documents (part of the Peterborough Local Development Framework) in due course.

Preventing the Loss of Prestige Homes

- 6.3 Regarding the first element, a possible policy could read: "Planning permission will not be granted for development which would result in the loss of any dwelling whose size, quality, character and location makes it attractive, or potentially attractive, to people seeking a prestige home at the top end of the housing market". This could be supplemented by controls over demolition and alteration in conservation areas, supported by relevant conservation area character appraisals, and the identification of particular locations in Peterborough which are outside conservation areas but which have particular concentrations of such dwellings - the two low density 'Arcadian' areas of Park Crescent and its vicinity and Thorpe Avenue / part of Thorpe Road and Westwood Park Road, for example.

Securing the Provision of More Prestige Homes

- 6.4 There are a number of alternative possible approaches for the second element to a policy solution:
- making land owned by the City Council available specifically for this type of housing;
 - relaxing planning requirements in order to provide a greater incentive for developers to build this type of housing;
 - identifying and allocating specific sites;

- devising a criteria-based policy which enables prestige homes to be built; and/or
- devising a criteria-based policy which requires prestige homes to be built.

Land Owned by the City Council

- 6.5 The City Council has a portfolio of land holdings which are managed by the Strategic Property Section. There is a programme of disposals of land which is surplus to requirements, but this is largely driven by a mandate to maximise capital receipts from sales. As this land is within the direct control of the Council it ought to be possible to change that mandate so that sites which are suitable for prestige homes are disposed of specifically and solely for that purpose. It is therefore recommended that consideration be given to changing the mandate to Strategic Property to enable this.

Planning Obligations

- 6.6 There would appear to be certain requirements that are currently applied to planning applications that may be acting as a deterrent to the development of prestige homes. The first of these concerns the Council's Planning Obligations Implementation Scheme, which was approved by full Council in December 2008 and is out to consultation as a draft Supplementary Planning Document in March/April 2009. This establishes standard charges which the Council will seek by way of a S106 planning obligation for different types of development. For dwelling houses, the standard charge rises according to the number of bedrooms proposed in each house, with £3,000 being sought for a 1 bedroom house, £4,000 for a 2 bedroom house, £6,000 for a 3 bedroom house, £8,000 for a 4 bedroom house and £9,000 for a 5 bedroom house (or larger). This tends to incentivise the development of smaller dwellings. Prestige, top-of-the-market homes tend to be large ones with 5 bedrooms or more, and a modest step to encourage more 5 bedroom homes would be to delete the 5+ bedroom category from the Planning Obligations Implementation Scheme, so that large houses with 5 or more bedrooms would fall into the category of dwellings of 4 bedrooms or more, paying £8,000. This may not have a substantial impact on delivery of larger prestige homes, but it would send out a positive message and is recommended. The loss to the Council funds for infrastructure would be just £1,000 for every dwelling of 5 or more bedrooms. This change could be made prior to the Scheme being adopted as the final Supplementary Planning Document.

Density Policy

- 6.7 Policy H15 of the Peterborough Local Plan (First Replacement) deals with densities and reads as follows:

“New residential development throughout the Plan area should be undertaken at the highest net residential density that is compatible with:

- (a) the character and appearance of the site and the surrounding area; and
- (b) the living conditions of local residents, particularly in terms of privacy, light, aspect and avoidance of excessive noise; and
- (c) achieving a good standard of design and layout; and

- (d) providing adequate open space appropriate to the type of development.

Net densities should be within the range 30-50 dwellings per hectare unless:

- (e) the above criteria determine otherwise and the proposal is acceptable in all other respects; or
- (f) higher densities are appropriate in the City Centre, District Centres, and within 400 metres of bus stops along the Primary Public Transport Corridor.

Net densities below 30 dwellings per hectare should be avoided.”

- 6.8 The final sentence “Net densities below 30 dwellings per hectare should be avoided”, if applied rigidly, would rule out the development of large detached dwellings on generous plots – exactly the type of houses which are needed to overcome the shortage identified in this report. The wording of this policy was devised by the Inspector who conducted the public inquiry into objections to the Plan, and, in fact, it contains a contradiction because the second paragraph opens the door to a density below 30 dwellings per hectare if criterion (e) applies, and therefore seems incompatible with the final sentence.
- 6.9 Furthermore, the Inspector would have devised his wording on the basis of national planning guidance which was in place at the time – specifically PPG3 ‘Housing’ of March 2000. This has since been replaced by PPS3 ‘Housing’ of November 2006 (as referred to in paragraphs 3.2 to 3.8 above), an expression of national policy which post-dates the adoption of the Local Plan. Although 30 dwellings per hectare (net) remains a national indicative minimum to guide development and decision-making, there is more emphasis in PPS3 on taking a variety of factors into account in deciding appropriate densities, leading to the possibility of much more sensitive development solutions (paragraphs 45 to 50 of PPS3).
- 6.10 Therefore, it is recommended that planning officers be reminded that there is no absolute requirement to achieve a density of 30 dwellings per hectare (net) in all residential development schemes; and a low density is perfectly acceptable if it helps to secure a legitimate planning aim – the delivery of more prestige homes at the top of the market.

Allocation of Sites

- 6.11 It is difficult to see how a site could be allocated specifically for ‘prestige’ homes, as there is no specific definition of the term in planning legislation, and the system cannot control such matters as the quality of internal fixtures and fittings. The planning system can control densities and the number of dwellings to be provided on a site and this would appear to have some potential to help achieve more prestige homes. However, developers are generally motivated by overall profit and a smaller number of prestige homes selling at a high price may not be as profitable as a larger number of smaller dwellings selling at a lower price. This means that attempts to allocate sites for a few low density dwellings may be the subject of opposition and formal objections from the landowner or prospective developer.

6.12 The formal allocation of sites for residential development will take place through the Council's Peterborough Site Allocations Development Plan Document, which must pass through a number of stages before it can be adopted. In practice, therefore, this route will not deliver 'quick wins'. Therefore, whilst it is recommended that the Site Allocations DPD specifically considers the potential to allocate sites for a small number of low density dwellings, it is also recommended that sites are identified in the meantime and brought forward in partnership with interested developers.

Criteria-based Policies

6.13 It would be reasonable to devise a policy which enables a developer to provide large, low density homes on appropriate sites, and this is recommended. Such a policy would be worded positively, along the lines of "Planning permission will be granted for..." In due course, such a policy should be progressed through the Council's Peterborough Planning Policies Development Plan Document, but the Council could approve an interim policy by resolution.

6.14 In terms of a requirement (as opposed to an enablement), the best prospects lie in areas of substantial development, including urban extensions, where it would be reasonable for the Council to require a full range of dwelling types and sizes. By their very nature, large estates may not necessarily be the obvious choice for those people seeking an exclusively-designed house on a secluded, individual plot, but it ought to be possible to deliver such properties with careful attention to layout, design and landscaping.

Summary of Policy Recommendations

6.15 In conclusion, it is recommended:

- That the Council approves a policy to control the loss of prestige homes, with a view to progressing such a policy through its Peterborough Planning Policies Development Plan Document. This should be coupled with the special controls available in conservation areas and the identification of additional areas of Arcadian character in the City (paragraph 6.3 above).
- That the Council considers changing its mandate to Strategic Property so that sites which are suitable for the development of prestige homes are disposed of specifically and solely for that purpose (paragraph 6.5 above).
- That the Council deletes the category of dwellings with 5+ bedrooms from the schedule of standard contribution figures in its Planning Obligations Implementation Scheme, so that the highest standard charge rate would be £8,000 for any dwelling of 4+ bedrooms. This change could be accomplished prior to the Scheme being presented for final adoption as a Supplementary Planning Document (see paragraph 6.6 above).
- That planning officers be reminded of the flexibility inherent in policy H15 of the Peterborough Local Plan (First Replacement) regarding residential densities, and the weight that can be attached to PPS3 'Housing' of November 2006, opening the way for the approval of residential development at a low density if this would secure the

provision of prestige top-of-the-market homes (paragraphs 6.7 to 6.10 above).

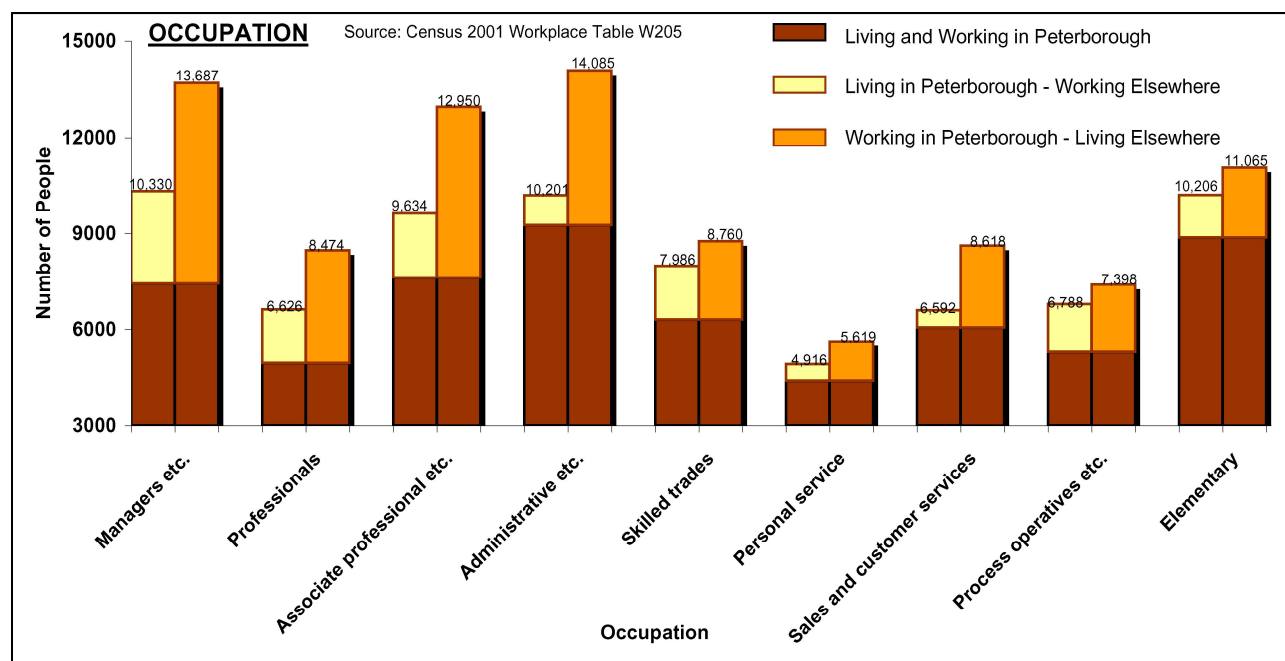
- That particular consideration be given to the allocation of sites for low density housing on suitable plots in the preparation of the Peterborough Site Allocations Development Plan Document; and in the meantime, sites are identified and brought forward in partnership with interested developers (paragraph 6.12 above).
- That the Council approves a positively worded policy to enable the development of large, low density homes on appropriate sites, with a view to progressing such a policy through its Peterborough Planning Policies Development Plan Document (paragraph 6.13 above).
- That the Council seeks provision of some large, low density homes on appropriate sites as an integral part of the full range of dwelling types and sizes to be delivered in proposed urban extensions to Peterborough (paragraph 6.14 above).

APPENDIX 1: SOC Grades of Employment

Grade of Employment (Standard Occupation Classification (SOC))	Description
SOC 2000 Major Group 1-3	Managers and senior officials – professional occupations – associate professional and technical occupations
SOC 2000 Major Group 4-5	Administrative and secretarial occupations – skilled trades occupations
SOC 2000 Major Group 6-7	Personal service occupations – sales and customer service occupations
SOC 2000 Major Group 8-9	Process, plant and machine operatives – elementary occupations

Source: NOMIS

APPENDIX 2: 2001 Census – Resident and Workplace Populations



Occupation	Employed Resident Population		Workplace Population		Living & Working in Peterborough		Living in Peterborough – Working elsewhere		Working in Peterborough – Living Elsewhere	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Managers and Senior Officials	10,330	14.1%	13,687	15.1%	7,423	12.3%	2,907	22.1%	6,264	20.5%
Professional occupations	6,626	9.0%	8,474	9.3%	4,941	8.2%	1,685	12.8%	3,533	11.6%
Associate professional and technical occupations	9,634	13.1%	12,950	14.3%	7,612	12.7%	2,022	15.4%	5,338	17.5%
Administrative and Secretarial occupations	10,201	13.9%	14,085	15.5%	9,254	15.4%	947	7.2%	4,831	15.8%
Skilled trades occupations	7,986	10.9%	8,760	9.7%	6,302	10.5%	1,684	12.8%	2,458	8.0%
Personal service occupations	4,916	6.7%	5,619	6.2%	4,395	7.3%	521	4.0%	1,224	4.0%
Sales and customer service occupations	6,592	9.0%	8,618	9.5%	6,050	10.1%	542	4.1%	2,568	8.4%
Process, plant and machine operatives	6,788	9.3%	7,398	8.2%	5,277	8.8%	1,511	11.5%	2,121	6.9%
Elementary occupations	10,206	13.9%	11,065	12.2%	8,864	14.7%	1,342	10.2%	2,201	7.2%
Total	73,279	100%	90,656	100%	60,118	100%	13,161	100%	30,538	100%

Source: 2001 Census Workplace Table W205 Key Statistics for Local Authorities; Standard Tables for Local Authorities © Crown Copyright, published by the Research Group, Cambridgeshire County Council

APPENDIX 3: Letter and Questionnaire to Agents and Developers



Achieving Excellence in the delivery of the Planning Service

Agents Network and Planning Customers

'Prestigious' Family Housing Questionnaire

We are writing to you to request your opinion as to whether Peterborough as a city is providing sufficient higher value, more exclusive housing to meet the aspirations of households both within the city and those who wish to move to the city for employment and other purposes. Concerns have been expressed particularly about the lack of new larger family housing within the existing built up areas and the subsequent impact on attracting the higher skilled employees and managers needed to drive forward the city's economic development.

In contextual terms, the Government's Planning Policy Statement 3 states that: *'Developers should put forward proposals for market housing which reflect demand and the profile of households requiring market housing, in order to sustain mixed communities'* and the Regional Economic Strategy discusses the need to: *'ensure sufficient high quality homes are developed in the right locations to support economic activity and regeneration'*.

Recent housing needs and market evidence in Peterborough, conducted by Fordham's Research Group Ltd, has indicated that there is a relative 'lack' of higher value, larger family housing in the city. Peterborough has a greater number of flats/maisonettes and terraced housing than the sub-region as a whole. It also has a far lower proportion of detached housing than the sub-region as a whole and stakeholder interviewees have suggested that "Peterborough City could do with more 'executive' homes."

Therefore, the city council wishes to undertake a brief snapshot of opinion to ascertain the market view of the demand and need for higher value 'executive' housing within the city. As a broad guide, by higher value we mean dwellings within the highest 25% price bracket aimed at the senior professional market. We are particularly interested in your opinion on 'prestigious' family homes, so we have asked some specific questions about this type of housing.

We would be most grateful if you could answer the following questions in your professional opinion and return the form in the pre-paid envelope provided. Should you have any queries or additional points to raise then please e-mail my secretary, Melanie Churchill at melanie.churchill@peterborough.gov.uk.

We realise that the current economic climate has stifled demand in all areas. However, as we are looking at the longer term future planning for the city; please assess expected demand under more normalised market conditions.

Yours Sincerely

Barry Fagg
Head of Planning Services

Questionnaire - 'Prestigious' Family Housing

[Please tick/ring your response]

Q1

Over the past couple of years has there been a demand for higher value housing in Peterborough?

- i) Yes, a lot
- ii) Yes, some demand
- iii) Not a great deal
- iv) Not at all

Q2

Does the city need to make specific provision to meet this demand?

- i) Yes
- ii) No
- iii) Don't know

Q3

In your opinion, is this demand liable to increase when the city develops economically?

- i) Yes
- ii) No
- iii) Don't know

Q4

Does the city need to make specific provision to meet future demand?

- i) Yes
- ii) No
- iii) Don't know

Q5

What type of higher value housing is most in demand?

[Please rank highest as 1]

- lower density detached family housing
- luxury apartments
- luxury townhouses
- other – *[please describe]*
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Q6
Are there particular locations within the city boundaries (excluding villages) where this type of housing would be particularly suitable? [Please indicate]

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Q7
What are the constraints to building this type of housing? [Please indicate]

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Q8
What can the city council do to enable this type of residential development? [Please indicate]

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Q9

In your opinion, how can the planning system ensure that particular sites are developed for this type of housing, rather than any other form of residential development? *[Please indicate]*

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Please return the completed questionnaire in the envelope provided. Post will be forwarded via Bayard Place.

If you prefer you can scan and e-mail your document to melanie.churchill@peterborough.gov.uk