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Planning Design Economics

Strategic Housing Market Assessment



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The need for an up to date Strategic Housing Market Assessment (SHMA) is identified in PPS3. The updated guidance published in August 2007 sets out the steps to assess housing need and demand within a housing market area.

SHMA is crucial in providing the evidence base to underpin Local Development Framework documents and strategic housing policies. Stressing the use of secondary data over primary research, the new guidance emphasises the need for a robust and credible assessment. GIS is identified as a valuable tool to present the data in a clear and understandable format.

Involvement of all relevant stakeholders including developers in the production of the SHMA is clearly advocated. This approach will help minimise the risk that strategies and policies underpinned by the SHMA are challenged at a later date.

Understanding current housing stock characteristics

Analysis of housing supply/demand dynamic

Identification of current housing market drivers

Determining the spatial extent of the market and sub-markets

Identification of future drivers and demand for market housing

Estimate those in housing need

Identify amount of affordable and market housing

Evidence and policy recommendations to inform policy development



Questions raised by the new guidance include:

- How do you tailor national guidance to local market issues?
- What non-housing factors need to be considered which will impact on the current and future market?
- Have all relevant stakeholders, including house builders, been involved in the process?
- Are all the assumptions and data limitations clearly identified and justified?
- Are the SHMA outputs realistic and attainable?
- Can the SHMA be easily updated; is a monitoring framework in place?



More Information and Advice

NLP provides housing consultancy services to clients in the private and public sectors. We have extensive experience of carrying out Housing Market Assessments (HMAs), tailored to local circumstances. We also have experience in land availability assessment, housing trajectories, affordability assessment and presenting expert housing evidence to public inquiries.

If you would like to discuss the implications of the new SHMA guidance in more detail please contact Philip Barnes or Fiona Braithwaite in our Newcastle Office.

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