

Report to:

**Test Valley
Borough Council**

**Housing Market
Areas Study**

Final Report

January 2022

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1. Introduction

- 1.1 Justin Gardner Consulting (JGC), working in association with Iceni Projects (Iceni) have been commissioned by Test Valley Borough Council to review housing market geographies in relation to the Council area. This report is one of two prepared by JGC/Iceni for the Council, the second (which draws on key finding from this study) is an updated Strategic Housing Market Assessment (SHMA).
- 1.2 The adopted Local Plan contains two Housing Market Areas (HMAs) which are used for the distribution of the housing requirement (Policy COM1) and as two separate areas for the monitoring of housing land supply. These two HMAs are: Southern Test Valley (STV) and Northern Test Valley (NTV), STV covers the seven parishes in the south east of the Borough, bordering Southampton and Chandler's Ford/ Eastleigh and NTV the remainder of the Borough, including Andover and the rural area.
- 1.3 STV is part of the wider Southampton HMA within South Hampshire, which is covered by the Partnership for South Hampshire (PFSH) of which Test Valley is a member. PFSH has a non-statutory Spatial Position Statement and is currently preparing a Statement of Common Ground, together with an associated evidence base.
- 1.4 The HMA split dates back to the area structure plan in Hampshire from the late 1970s/early 1980s, but has been re-validated in successive local plans due to the particular geography and settlement pattern of the Borough, and the relationship between STV and the wider Southampton/South Hampshire sub-region. This report seeks to provide a comprehensive review to be undertaken of this approach for the next Local Plan.
- 1.5 In terms of the brief for this work, the Council are seeking a review of the approach taken to HMA within Test Valley, taking account of housing market geographies, including the consideration of alternative options, for example:
- The existing two HMA should be retained (as currently defined, or with a revised boundary e.g. enlarged STV);
 - A single HMA for the whole Borough would be appropriate;
 - Three or four HMA, including additional HMA(s) for the rural area and Andover (which has a degree of self-containment); or
 - Alternative approaches.
- 1.6 The starting point for the assessment is consideration of government guidance. Paragraph 18 of the Planning Practice Guidance (PPG) relating to Plan Making¹ defines what a Housing Market Area (HMA) is and sets out the approach local authorities should take when defining these.

¹ Reference ID: 61-018-20190315

1.7 According to the Guidance a housing market area is a “*geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.*” The PPG goes on to add:

“These can be broadly defined by analysing:

- *The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
- *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
- *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*”

1.8 The guidance finally sets out a range of suggested data sources for doing this. These include Office for National Statistics (ONS) data on internal migration and travel to work areas and Land Registry data Price Paid data.

1.9 This slimmed down guidance notably omits any self-containment threshold for defining HMAs. This is unlike the previous version of the PPG which stated that migration self-containment of “typically 70 per cent” excluding long distance moves can help identify a suitable HMA. The scale of a Housing Market Area and its required self-containment rate is therefore less definitive, as long as it is identified using the approach in the PPG. However, it is considered that the Government’s previous advice remains of some relevance.

1.10 It is also worth noting that HMA boundaries do not stop and start at administrative boundaries. Despite this, it is often commonplace for housing market areas to be defined using local authority boundaries. This is because much of the key datasets used in both defining housing market geographies and housing need (such as the household projections) are only published at a local authority level. In many areas, a pragmatic response has therefore been to define HMAs at a local authority level. However, the appropriate approach needs to take account of the geography of the local area beyond its administrative boundaries.

1.11 These issues were touched upon in the Planning Advisory Services (PAS) Technical Advice Note on Objectively Assessed Housing Need and Housing Targets² (July 2015) which concluded that “*it is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis becomes impossibly complex. There may also be ‘cliff edge’ effects at the HMA boundary, for example development allowed on one side of a road but not the other.*”

1.12 However, the Technical Advice Note notably adds that “*this is not always possible and it may be the case that some areas, particularly those covering an expansive area fall into more than one HMA.*”

² <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

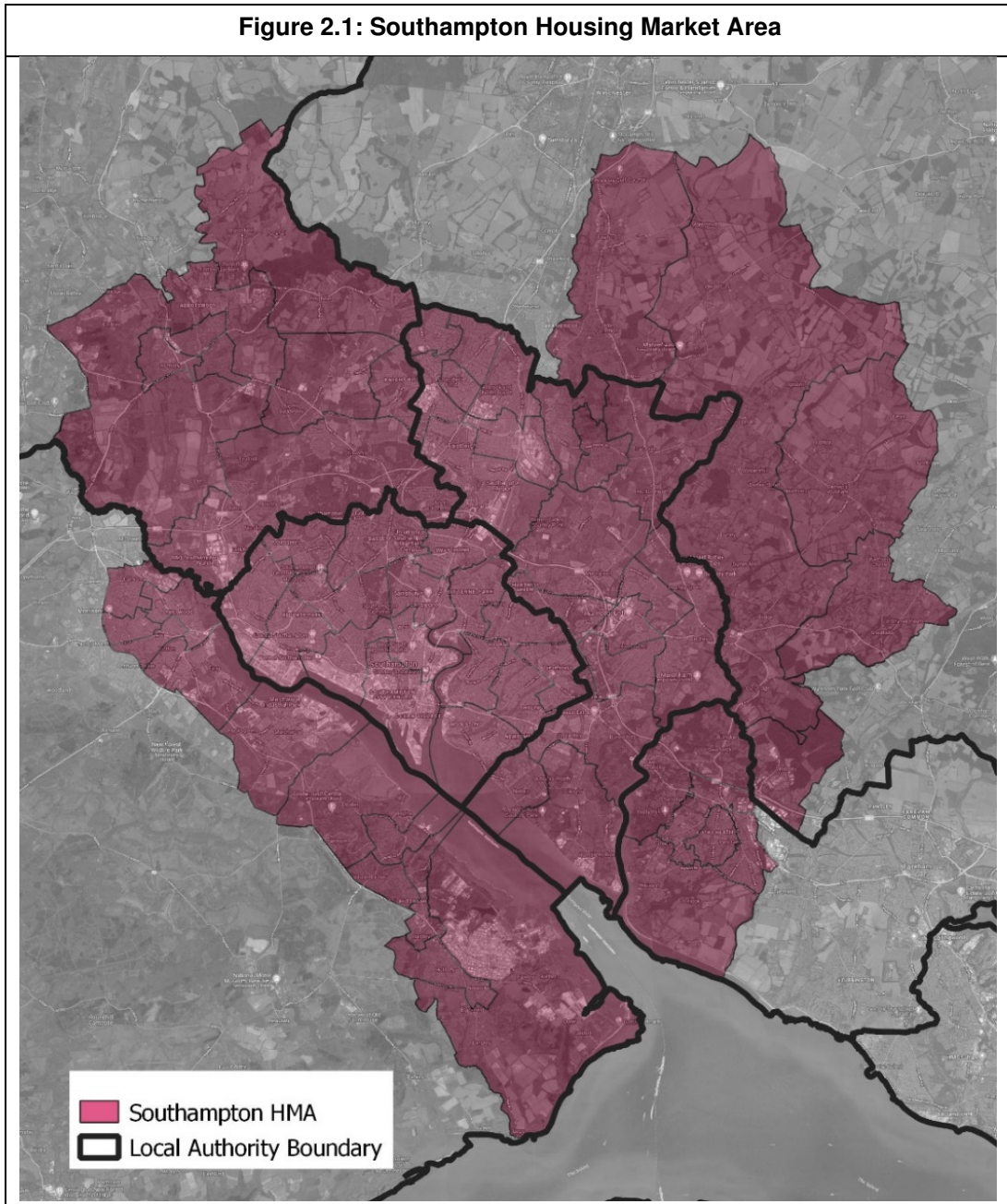
- 1.13 Test Valley, which covers an area of 242 square miles, would potentially be one such local authority area. It is the 67th largest out of 317 local authorities in England placing it within the largest quarter of local authorities in England.
- 1.14 Although there are a two sizable towns in Test Valley it is also close to a number of larger urban areas including Southampton and Eastleigh to the south and Basingstoke and Newbury to the north and Salisbury to the West. These larger settlements will have an influence beyond their local authorities including into Test Valley.

2. Previously-Defined Geographies

- 2.1 The previous Partnership for Urban South Hampshire (PUSH) Housing Market Assessment (January 2014) identified two Housing Market Areas covering the PUSH area including a PUSH West HMA focused on Southampton. More detail is set out below.
- 2.2 The Test Valley SHMA (January 2014) examined housing need across the Borough but uses the PUSH definition to draw a distinction between the south (the PUSH West HMA area excluding Braishfield) and north of the borough. It also identifies sub-areas within these broad areas. The Southern Test Valley area includes the Romsey and Southern-rural sub-areas. The Northern Test Valley area includes Andover, Central-Rural and North-Rural sub-areas.
- 2.3 It is now an appropriate time to review all the evidence in relation to the definition of the HMAs, including evidence from outside the Borough in relation to the extent of HMAs and their influence in Test Valley.

PfSH Authorities

- 2.4 Since the PUSH SHMA (2014) the partnership has been renamed as the Partnership for South Hampshire (PfSH). The other PfSH Authorities have all maintained the Housing Market Areas identified in the 2014 SHMA. This drew on housing market area evidence from both the Communities and Local Government and DTZ with updated analysis of migration, commuting and housing dynamics. The SHMA identified two Housing Market Areas (HMA) covering the West (Southampton) HMA and East (Portsmouth) HMA.
- 2.5 The Southampton HMA comprised the local authorities of Southampton and Eastleigh, along with southern Test Valley, eastern New Forest, and the western wards of Winchester and Fareham. This area is illustrated in the figure below.
- 2.6 Within Test Valley (which is in the North West of the HMA), the HMA includes the following wards: Romsey Extra, Cupernham, Abbey, Tadburn, North Baddesley, Valley Park, Chilworth, Nursling and Rownhams and Ampfield and Braishfield. It should be noted that the ward boundaries were redrawn in 2019 and this list reflects the older ward boundaries.



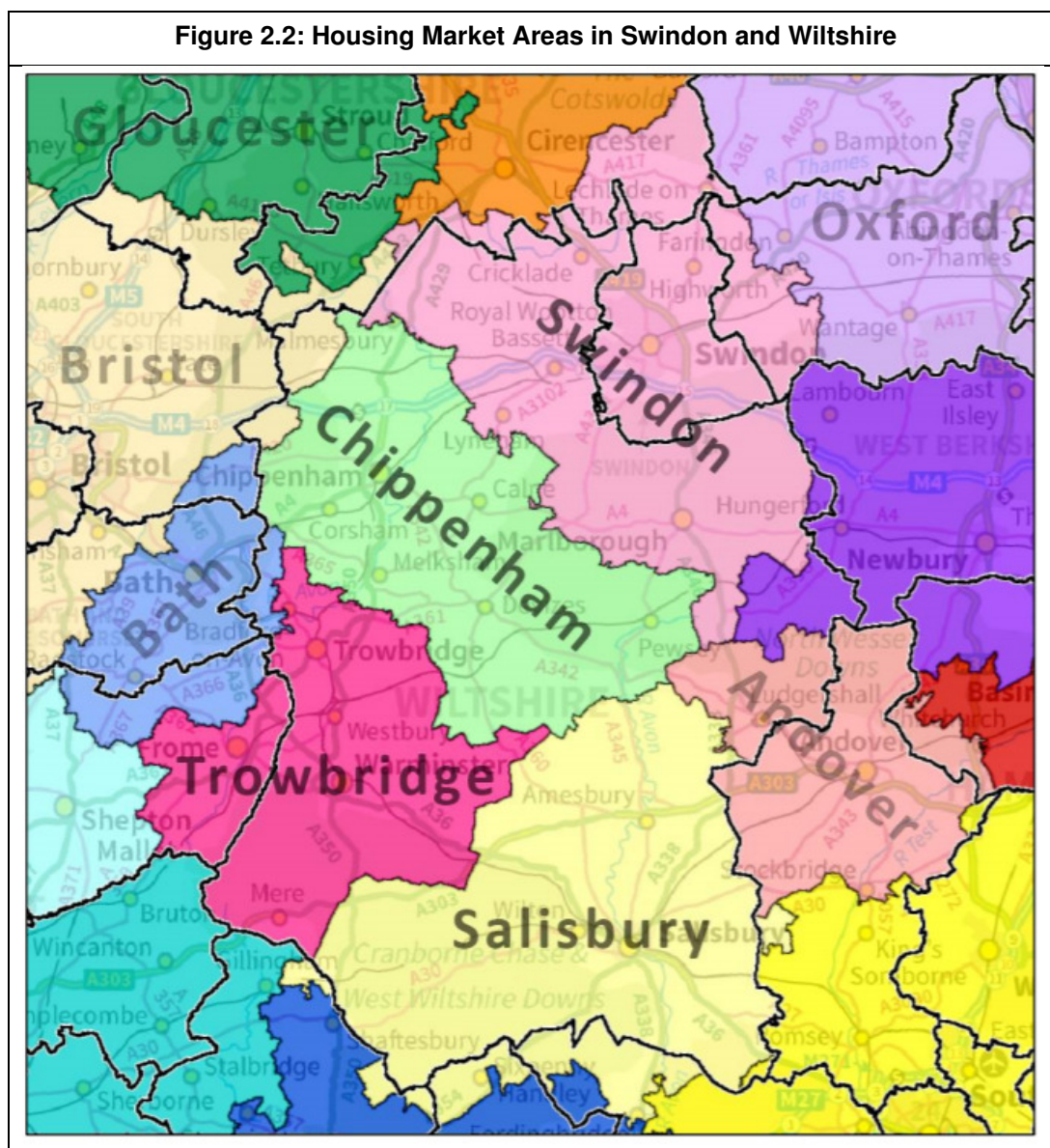
Source: Icen Projects based on GL Hearn data

Basingstoke and Deane

- 2.7 The Basingstoke and Deane Borough Council Strategic Housing Market Assessment (March 2014) concluded that the HMA extends only to the Borough boundary. However, it added that “*there is some overlap across administrative boundaries in relation to internal migration*” and that this most notably occurred to “*the south west of the borough with Andover, Winchester and Newbury*”.

Wiltshire

- 2.8 The Swindon and Wiltshire SHMA - Identifying Housing Market Areas (June 2017) document identifies an Andover HMA which extends into Wiltshire and specifically the town of Ludgershall.



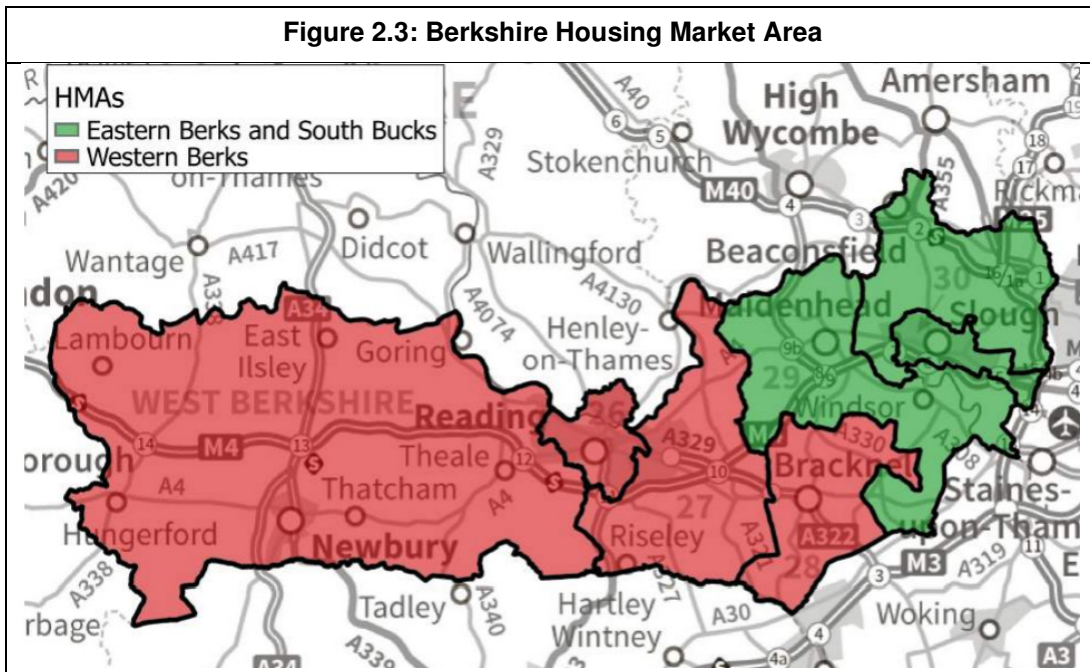
Source: ORS, 2019

- 2.9 The report noted that “the Andover functional housing market area covers 3.5% of Wiltshire’s population and is the only functional HMA surrounding Swindon and Wiltshire which covers more than 1.0% of Wiltshire by population. Of a total population of 84,900 in the Andover functional HMA, 16,200 live in Wiltshire (19.1% of the population of the HMA)”.
- 2.10 The report added that “given that over three quarters of the area’s population (63,700 persons) are resident in Test Valley, it is likely that the Test Valley administrative area will provide the most appropriate ‘best fit’ for Andover functional housing market area.” Finally, the report suggested areas for joint working, including with Test Valley regarding Ludgershall.

- 2.11 The report also identifies that a small part of the Salisbury HMA extends into a small part of Test Valley into the parish of West Tytherley (a population of 300).
- 2.12 However, in drawing conclusions for the study area the report rationalised the boundaries described and mapped above into four best fit HMAs and placed Ludgershall in the Salisbury HMA. The report adds that the “best fit” groupings do not change the actual geography of the functional housing market *“they simply provide a pragmatic arrangement for the purposes of establishing the evidence required and developing local policies”*.

West Berkshire

- 2.13 The Berkshire and South Bucks Strategic Housing Market Assessment (February 2016) identified HMAs across its study area. The study was comprehensive in the range of factors it examined and ultimately identified two HMAs in the study area. One of which was the Western Berkshire HMA which centred on Reading but also included West Berkshire as well as Bracknell Forest and Wokingham borough.



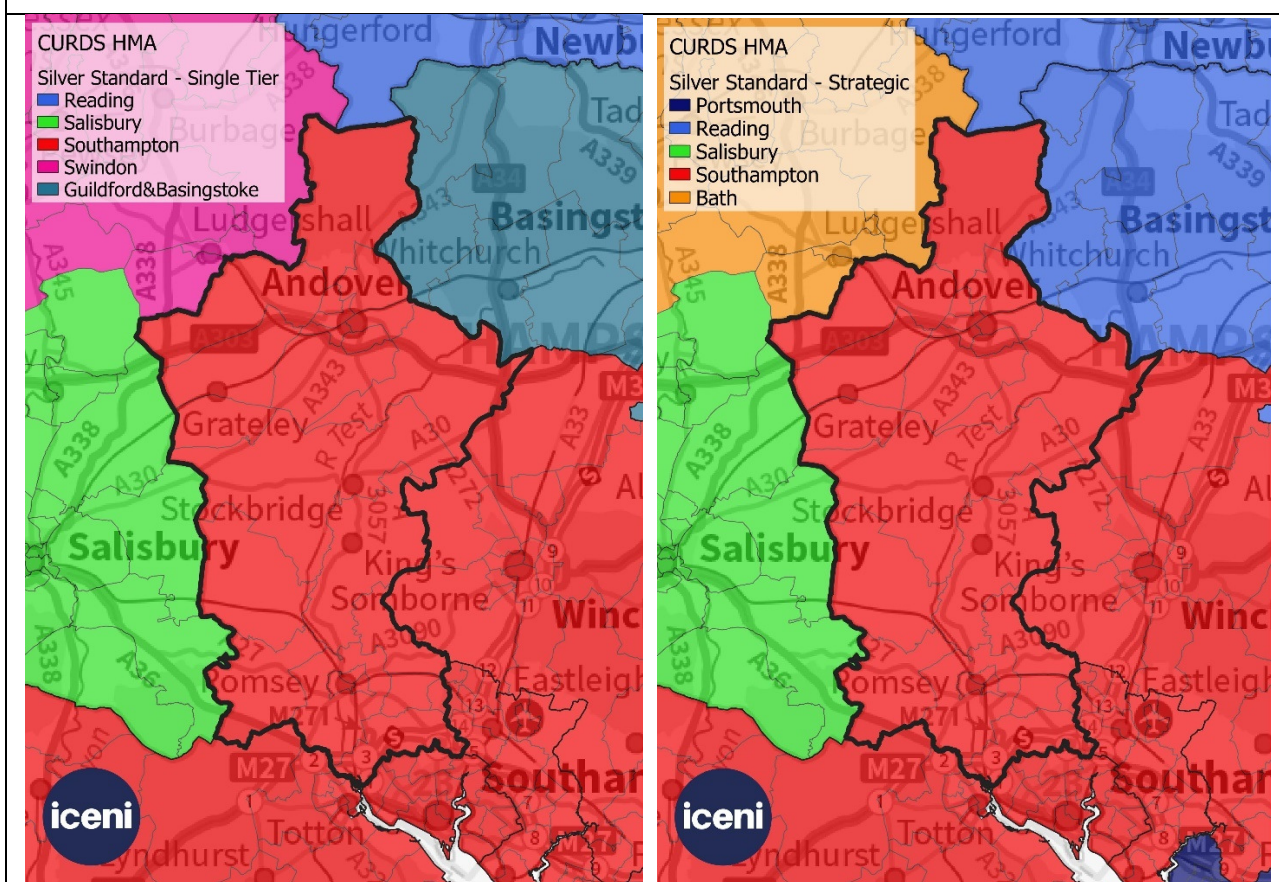
Source: GL Hearn, 2016

- 2.14 Neither HMA extended beyond the boundaries of the study area and therefore did not extent into Test Valley. Although the report recognises that the Newbury Local Housing Market Area which was defined by the Centre for Regional Development Studies (CURDS) included some rural parts of Test Valley and Basingstoke and Deane.
- 2.15 This, along with the other reports, identifies a complex set of relationships within Test Valley with neighbouring authorities. The remainder of this section looks to update these HMA areas and their extent examining migration, commuting and house price data. But first we examine the HMA definitions produced by Centre for Urban and Regional Development Studies (CURDS).

3. CURDS Study

- 3.1 The National Housing and Planning Advice Unit commissioned a national Study to consider housing market geographies which was published in 2010. The research was produced by the Centre for Urban and Regional Development Studies (CURDS) based out of Newcastle University and used the 2001 Census as a basis for analysis.
- 3.2 The PAS Technical Advice Note recommends that these definitions are used as a 'starting point' for considering HMA geography. The CURDS study brought together a range of datasets to define a tiered structure of housing markets, as follows:
- Strategic (Framework) Housing Markets– based on 77.5% Migration self-containment; and
 - Local Housing Market Areas – based on 50% migration self-containment.
- 3.3 The strategic HMAs cover the whole country and in more urbanised regions are further split into Single Tier HMAs which can be used for detailed monitoring of the balance of housing supply and demand.
- 3.4 CURDS also advises that below this, there are potential sub-markets based on neighbourhood factors and house types. These local market boundaries are not typically suitable for strategic planning documents such as this Assessment.
- 3.5 The CURDS research defines the market areas in two further ways. The first is a 'gold-standard' which is based on an aggregation of ward areas and is therefore more detailed than the second definition - the 'silver-standard' which are comprised of local authority areas.
- 3.6 Using the 'silver standard' geography aligned to local authority boundaries, the CURDS research defines a Southampton HMA which extends to cover Test Valley as well as New Forest, Eastleigh, Winchester, Fareham and Gosport. The alternative 'single tier' also makes the same definition.

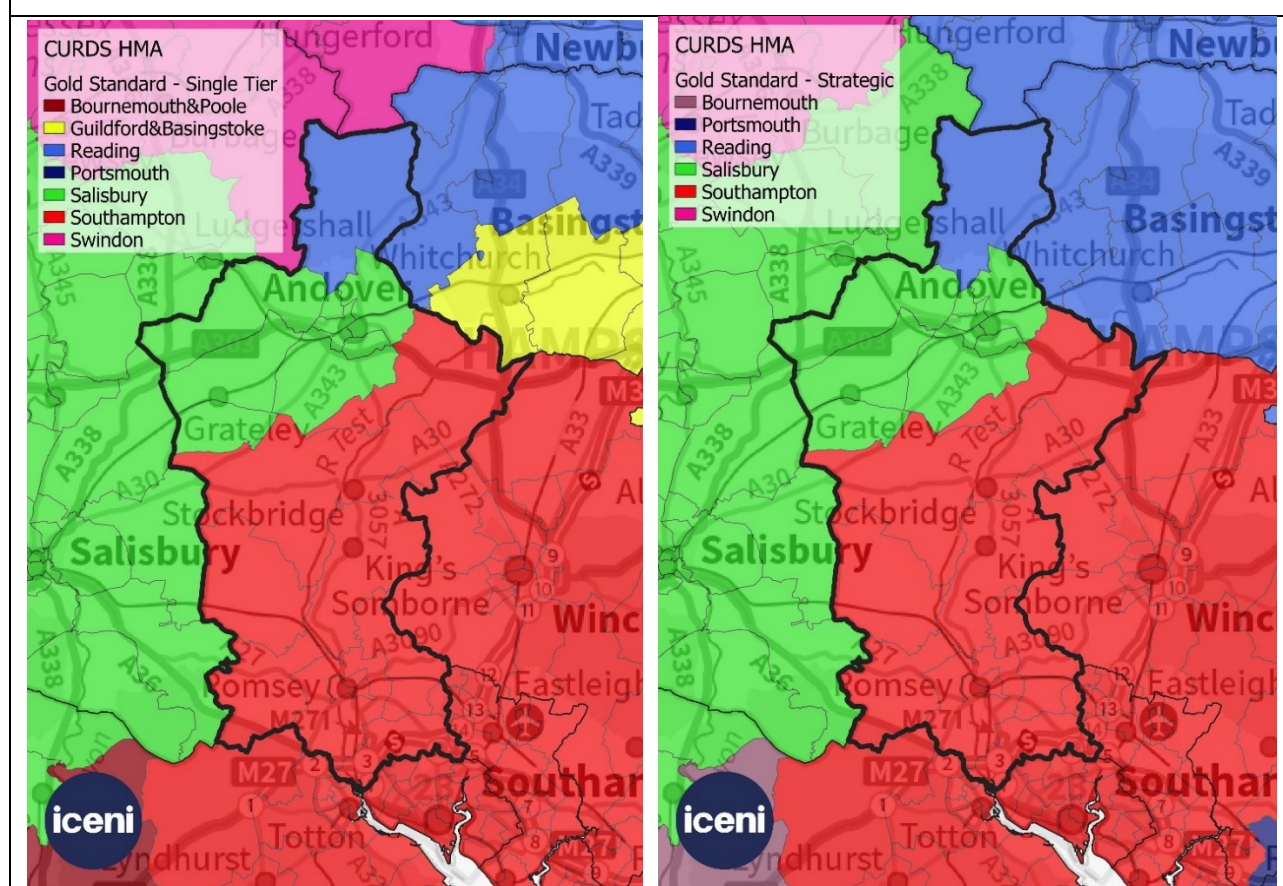
Figure 3.1: Silver Standard – Strategic and Single Tier and HMA Boundaries



Source: Derived from CURDS, 2010

- 3.7 The ward-based 'gold standard' geographies show different parts of Test Valley falling in three Housing Market Areas. These definitions are consistent for both the Strategic and Single Tier geographies.
- 3.8 The rural north of the Borough including the villages of Hurstbourne Tarrant, Facombe and Vernham Dean are all within the Reading HMA which also includes Newbury. Andover and Grateley are both within the Salisbury HMA while the south of the borough including Stockbridge, King's Somborne and Romsey fall within the Southampton HMA.

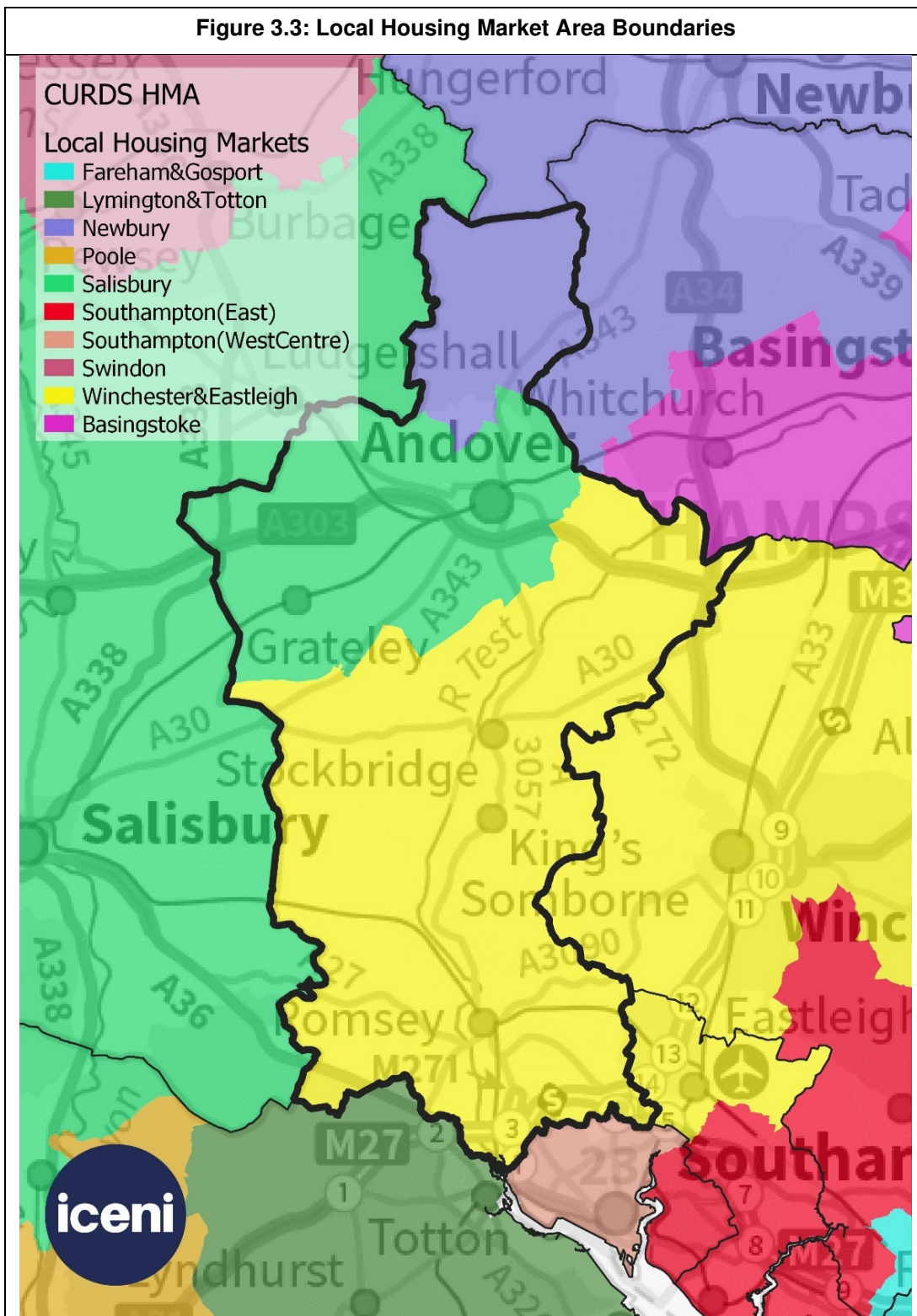
Figure 3.2: Gold Standard – Strategic and Single Tier and HMA Boundaries



Source: Derived from CURDS, 2010

3.9 Finally, CURDS also defined local HMA boundaries (based on 50% migration self-containment) which are embedded within the gold standard 'Strategic HMAs' so the areas are defined in the same location and in some cases cover quite large areas. As illustrated in the figure below Test Valley is split into three different local HMA. These include:

- **Newbury HMA** - North of the Borough including the villages of Hurstbourne Tarrant, Faccombe and Vernham Dean;
- **Winchester and Eastleigh HMA** – Covers the south of the Borough including Stockbridge, King's Somborne and Romsey;
- **Salisbury HMA** – Includes Andover and Grateley.



Source: Derived from CURDS, 2010

3.10 At silver standard, the CURDS HMAs clearly reiterate the strong links between Test Valley and Southampton. Furthermore, the consistency between the different CURDS HMAs at a gold standard indicates that there is a clear delineation between the north and south of the borough with a further delineation in the very far north of the borough.

- 3.11 It should also be reiterated that these boundaries are based on 2001 data and more recent data may show slightly different boundaries. We explore this further below.
- 3.12 In conclusion the CURDS work (with the exception of the Local analysis) shows the south of the borough is influenced by Southampton and the North of the borough, particularly around Andover is influenced by Salisbury and other Wiltshire settlements. A distinction of the very northern, rural parts of the borough is the influence of Newbury and more widely Reading.

4. Migration and Self-Containment

- 4.1 The ONS provides annual data on internal migration flows (both in- and out- migration flows) which is informed by a range of official datasets including NHS GP registrations data.
- 4.2 We have sought to appraise gross migration flows (the sum of flows in both directions) between areas to understand the relative strength of housing market interactions between different local authorities. We use gross flows to understand the strength of the migration relationship between areas, and then benchmark them against the combined population size of the two local authorities to understand the relative strength of links. This recognises that two larger authorities will have a larger absolute flow than smaller authorities. The table below shows these flows with Test Valley.

Figure 4.1: Top Gross Migration Flows with Test Valley per 1,000 Population

	Gross Migration	Combined Population	Gross Moves per 1,000
Eastleigh	1,260	259,744	4.85
Southampton	1,538	378,680	4.06
Winchester	914	251,019	3.64
Basingstoke and Deane	941	302,742	3.11
Wiltshire	1,524	626,184	2.43
New Forest	744	306,246	2.43
West Berkshire	203	284,610	0.71
Dorset	302	504,668	0.60
Fareham	142	242,393	0.59
Bournemouth, Christchurch and Poole	289	521,491	0.55

Source: Internal migration - Matrices of moves between English and Welsh local authorities, English regions, Scotland and Northern Ireland, year ending June 2019

- 4.3 Test Valley's relationship with Eastleigh is the greatest when weighted to size, although the greatest absolute relationships are with Southampton and Wiltshire (both of which have much larger populations than Eastleigh). There is also a notable relationship with the borough's other immediate neighbours i.e. Winchester, Basingstoke and Deane, and New Forest pointing to housing market inter-relationships in a number of directions. There is a significantly weaker relationship with the other authorities shown.
- 4.4 One of the previous benchmarks for identifying a HMA was self-containment levels. These are the percentage of moves to or from an area which also originate from the same area. The guidance suggested that a self-containment rate of 70% would be typical of a HMA.
- 4.5 The guidance also suggested that long distance moves should be excluded from the self-containment analysis as these would include such things as people retiring to the area or moving for University which would typically be outside of the HMA they reside. Furthermore, we are required to use data from the 2011 Census as more recent data does not report on internal moves within a local authority.

- 4.6 In migration terms 11,736 people moved from a home in Test Valley in the year before the 2011 Census, of which 5,903 moved to another home in Test Valley. This equates to a destination self-containment rate of around 50.3%. However, if we exclude those who moved outside of the South East and South West (excluding Devon and Cornwall) then the self-containment rate would increase to 58.6%.
- 4.7 Alternatively, 11,604 people moved to Test Valley in the year before the 2011 Census, of these 5,903 moved from elsewhere in Test Valley. This equates to an origin self-containment rate of around 50.9%. However, if we exclude long distance moves the self-containment rate would increase to 57.9%.
- 4.8 Therefore, by no measure is Test Valley approaching the typical 70% threshold for self-containment. This indicates that, using this measure, Test Valley is not a HMA in its own right and falls within the wider HMA of one or more local authority.
- 4.9 We have therefore sought to calculate the self-containment rate when Test Valley is combined with combinations of Eastleigh, Southampton, Winchester, Basingstoke and Deane, Wiltshire and New Forest (the local authorities with strong migration relationships with Test Valley).
- 4.10 As the table below demonstrates, when all out-flows (destination self-containment) of Test Valley and the different local authorities are combined the self-containment rates increase relative to that for Test Valley on its own- to 66% in the case of Southampton, although this is lower than the city's self-containment rate in its own right (67%).

	Basing-stoke and Deane	Eastleigh	New Forest	South-ampton	Winch-ester	Wiltshire
Single LA Self Containment	61%	52%	59%	67%	46%	59%
Internal Moves including with Test Valley	16,719	12,915	16,199	33,792	13,672	37,867
All Moves into LA and Test Valley	28,453	23,286	28,239	51,370	26,745	63,326
Self-containment Rate as % of All Moves into LA and Test Valley	59%	55%	57%	66%	51%	60%
LA Self Containment - Short Moves Only	71%	58%	67%	76%	56%	72%
All Moves into LA and Test Valley	24,483	20,469	24,729	45,402	22,592	52,615
Self-containment Rate as % of All Short Move into LA and Test Valley	68%	63%	66%	74%	61%	72%

Source: ONS, Census 2011

- 4.11 Once long-distance moves have been excluded (moves to/from outside of the South East and South West (excluding Devon and Cornwall)) from the analysis the self-containment rate exceeds 70% when looking at a combination of Test Valley and Southampton and Test Valley and Wiltshire. In the case of Southampton this is lower than Local authority only figure (once long-distance moves are removed) but in Wiltshire the figure is identical.
- 4.12 We have also undertaken a similar exercise looking at the self-containment rate of people moving to Test Valley and those authorities which it has a strong link to it (origin self-containment). Taking into account all in-flows, there is an origin self-containment rate of up to 63% with Southampton having the highest figure.

Figure 4.3: Origin Self-Containment Rate Moves – Test Valley and Other Local Authorities (2011)

	Basing-stoke and Deane	Eastleigh	New Forest	Southampton	Winchester	Wiltshire
Single LA Self Containment	59%	49%	58%	64%	44%	61%
Internal Moves including with Test Valley	16,719	12,915	16,199	33,792	13,672	37,867
All Moves Out of LA and Test Valley	29,029	23,822	28,350	53,275	27,287	62,048
Self-containment Rate as % of All Moves into LA and Test Valley	58%	54%	57%	63%	50%	61%
LA Self Containment - Short Moves Only	68%	54%	66%	74%	53%	73%
All Moves out of LA and Test Valley	25,337	21,390	24,913	46,037	23,280	52,441
Self-containment Rate as % of All Short Moves out of LA and Test Valley	66%	60%	65%	73%	59%	72%

Source: ONS, Census 2011

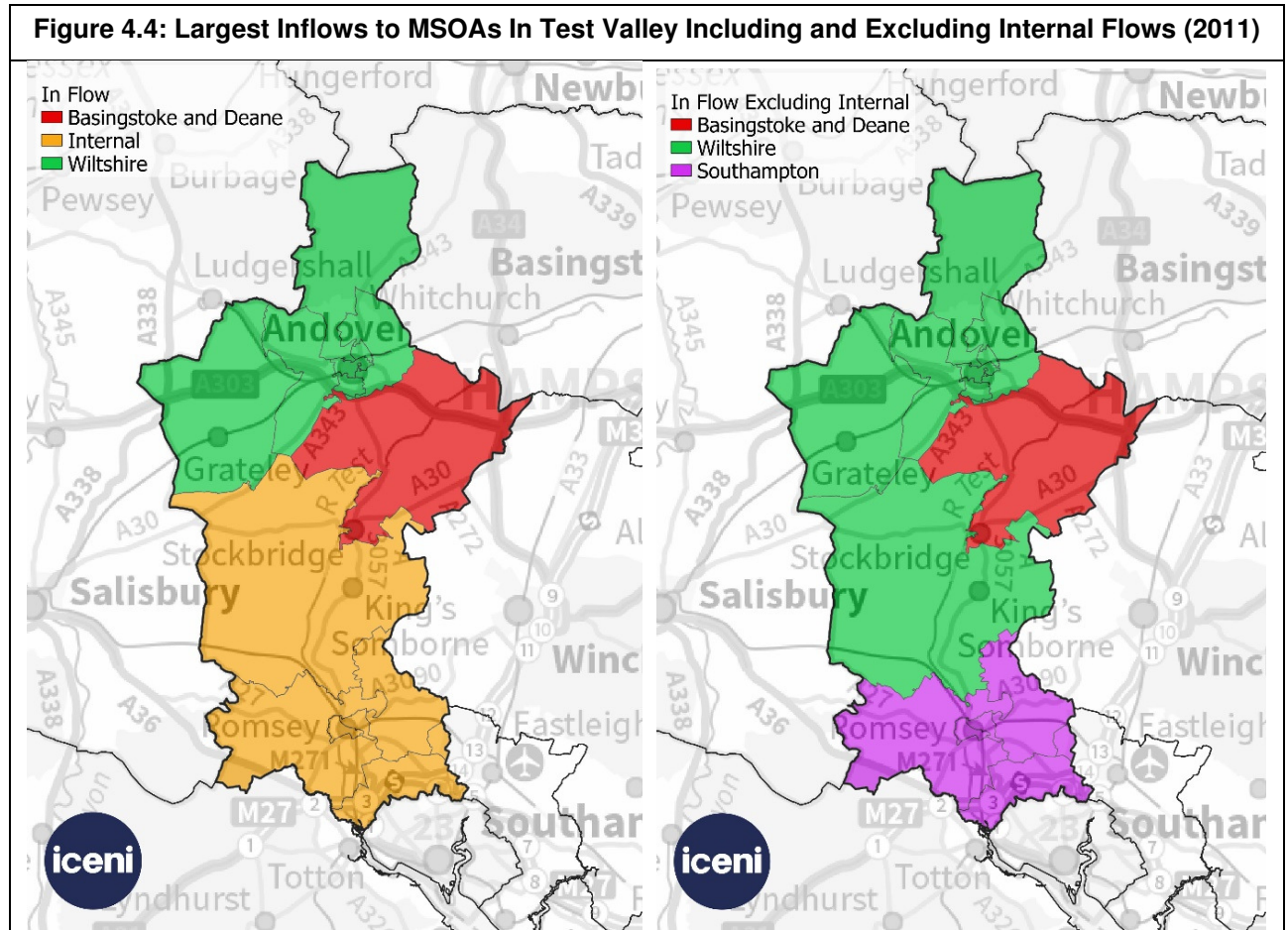
- 4.13 Once long-distance moves have been excluded from the analysis, the origin self-containment rate exceeds 70% when looking at a combination of Test Valley and Southampton and Test Valley and Wiltshire. Although it is worth noting that the figures (73% and 72% respectively) are both lower than the local authority's own self-containment rate once long-distance moves are removed (74% and 73% respectively).
- 4.14 Finally reflecting the strong migration links to Eastleigh, we have calculated the self-containment of the Eastleigh, Southampton and Test Valley Area combined. The destination self-containment rate only gets to 66.2% while the origin self-containment rate is 54%. Once long-distance moves are removed from the analysis these values increase to 73.7% and 72.3% respectively.

- 4.15 This information is largely inconclusive but does illustrate that the borough has housing market relationships in a number of different directions but in particular with Southampton and Wiltshire. However, given that the other local authorities have a high level of self-containment in their own right, once long-distance moves are removed, Test Valley is not central to their HMAs.
- 4.16 If HMA boundaries were drawn using only a local authority boundaries, then the HMA boundary would include Test Valley and Southampton as this area has the highest self-containment rate. However, Southampton has relationships with a number of its neighbouring authorities. Therefore, a more nuanced approach is reasonable. We have therefore examined the extent to which these wider HMAs encroach into Test Valley. The remainder of this sub-section looks at these potential boundaries in more detail, starting with analysis of local migration.

Local Migration Flows

- 4.17 We have examined the flow of migrants into and out of Test Valley from neighbouring areas. This analysis has been undertaken using data from the 2011 Census and shows the aggregated flow from neighbouring authorities to each Middle Super Output Area (MSOA)³ in Test Valley.
- 4.18 The maps below show a consistent picture of the influence of movements from Basingstoke and Deane to Test Valley – i.e. the largest inflows into MSOAs to the south and south-east of Andover including Stockbridge are from Basingstoke and Deane, with and without taking into account internal flows. The South of the Borough has a high level of internal flows which is not the case in the north of the borough which sees greater numbers moving in from Wiltshire.

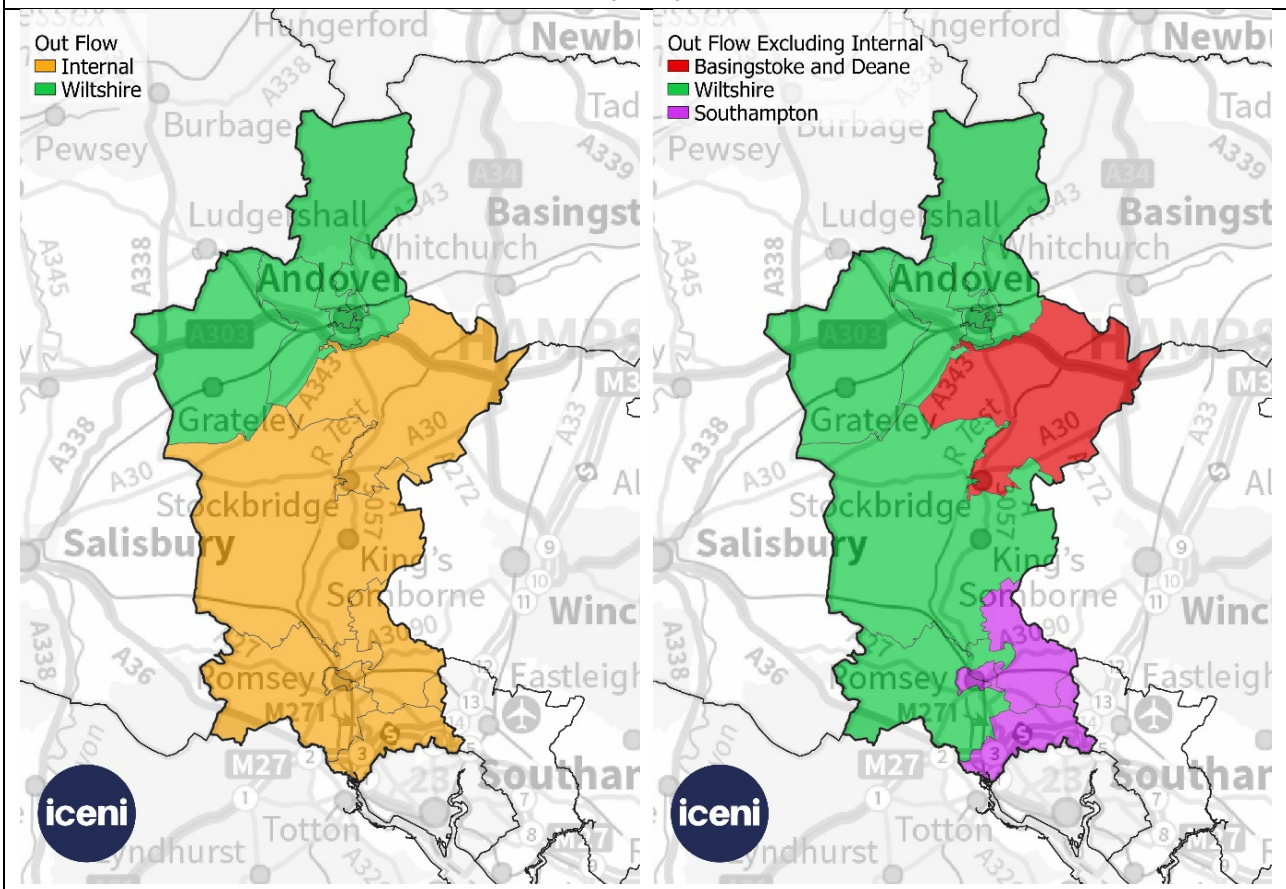
³ MSOAs are a geographic area used for reporting by ONS. They were designed to improve the reporting of small area statistics and are built up from groups of output areas (OA).



Source: ONS, Census 2011

- 4.19 Once the internal moves are removed, we can then see the influence of Southampton encroaching on the south of the Borough including Romsey. The flows into the Borough from Wiltshire also expand to central parts of the Borough.
- 4.20 The out-migration analysis (see figure below) shows a slightly different picture with the areas seeing the most internal moves expanding northwards to include all but Andover and Grateley. Those moving from the north of the Borough mostly move to somewhere in Wiltshire.
- 4.21 Unlike the migration flows into the borough there not a reciprocal level of out-migration to Basingstoke and Deane until the internal moves are excluded. At that point the area around Stockbridge and to the North East start to see a two way flow.
- 4.22 When internal moves are removed the MSOAs with the largest movements being to Wiltshire again expands southwards. There is also an area of MSOAs with largest external outflows to Southampton in the south of the borough which includes Romsey, although this area is smaller than that for in-flows.

Figure 4.5: Largest Outflows to MSOAs In Test Valley Including and Excluding Internal Flows (2011)



Source: ONS, Census 2011

- 4.23 These maps illustrate that there are distinct differences between the current north and south of the Borough with the southern areas having a greater degree of self-containment and to a lesser degree a relationship with Southampton. In contrast, the north of the Borough has lower levels of self-containment but relationships with Wiltshire and to a lesser degree Basingstoke and Deane.
- 4.24 In summary, the migration analysis shows that at a local authority levels and once long-distance moves have been excluded from the analysis, the self-containment rate (both origin and destination) exceeds 70% when looking at a combination of Test Valley and Southampton and Test Valley and Wiltshire. However, in both these cases this is a lower self-containment rate that if Southampton and Wiltshire were assessed alone. At a local level the southern areas relationship with Southampton is reiterated while the north of the Borough relationships with Wiltshire and to a lesser degree Basingstoke and Deane are identified.

5. Commuting and ONS Travel to Work Areas

- 5.1 In 2011, Test Valley had a resident self-containment rate of 48% meaning that 48% of residents also worked in the Borough. Conversely, it had a job self-containment rate of 50% meaning that 50% of jobs in the Borough are taken up by someone also living in the Borough.
- 5.2 The main external out-commuting routes for Test Valley residents are to Southampton, Winchester, Eastleigh, Wiltshire and Basingstoke and Deane with each seeing at least 5% of residents commuting there.
- 5.3 As set out in the table below around 10% of residents commute out to Southampton with a similar number of Southampton residents commuting in to Test Valley. The relationships with Eastleigh, Basingstoke and Deane and Winchester are more one directional with greater numbers commuting out than commuting in.
- 5.4 The reverse is true for Wiltshire and New Forest with greater numbers commuting in to Test Valley than commuting out to these areas.

Place of work	Out Commuting	% of Residents
Test Valley	23,013	48%
Southampton	4,827	10%
Winchester	4,021	8%
Eastleigh	3,253	7%
Wiltshire	2,539	5%
Basingstoke and Deane	2,359	5%
New Forest	1,504	3%

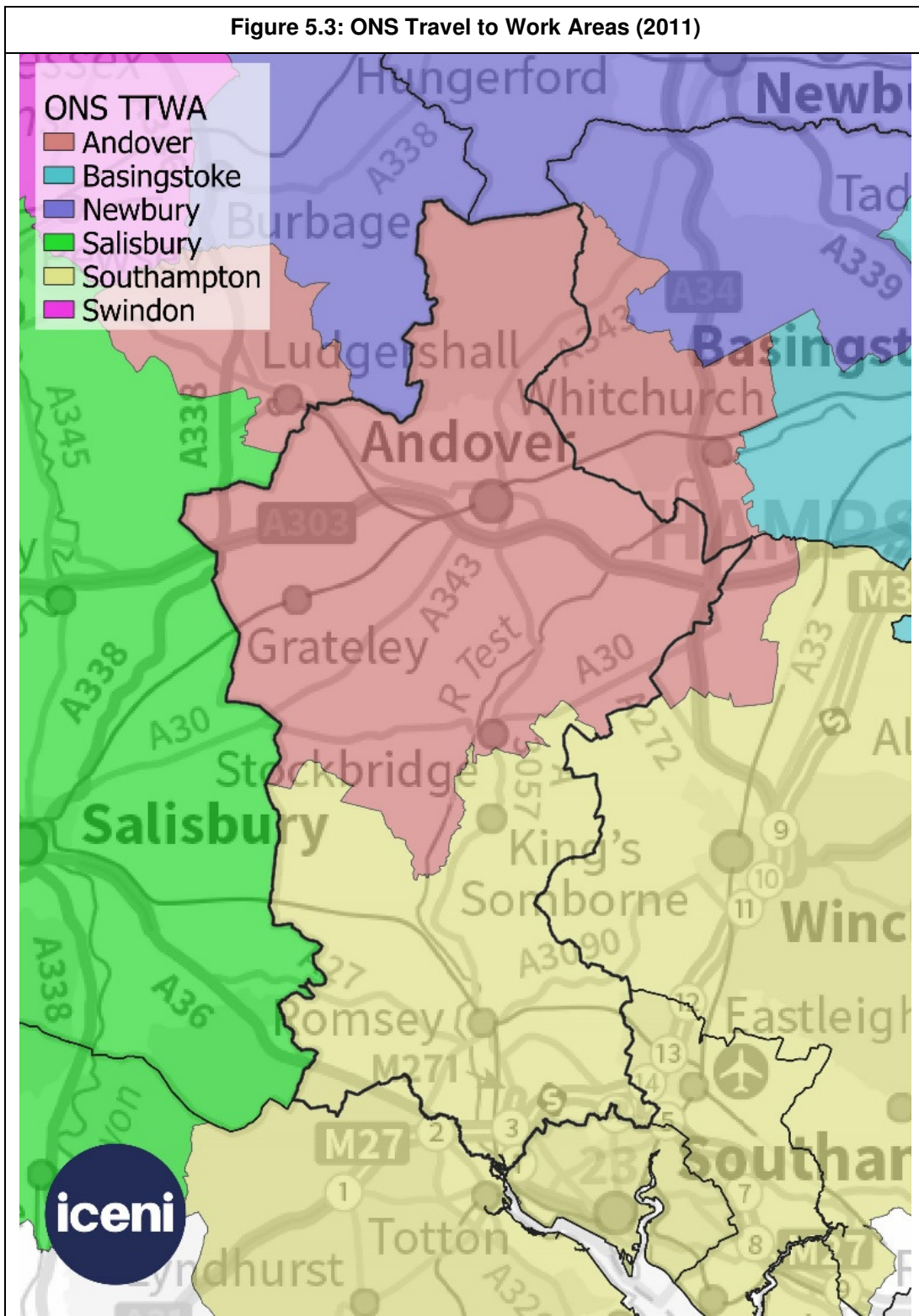
Source: ONS, Census 2011

Residence	In Commuting	% of Workforce
Test Valley	23,013	50%
Wiltshire	5,394	12%
Southampton	4,674	10%
New Forest	2,463	5%
Eastleigh	2,445	5%
Winchester	1,556	3%
Basingstoke and Deane	1,302	3%

Source: ONS, Census 2011

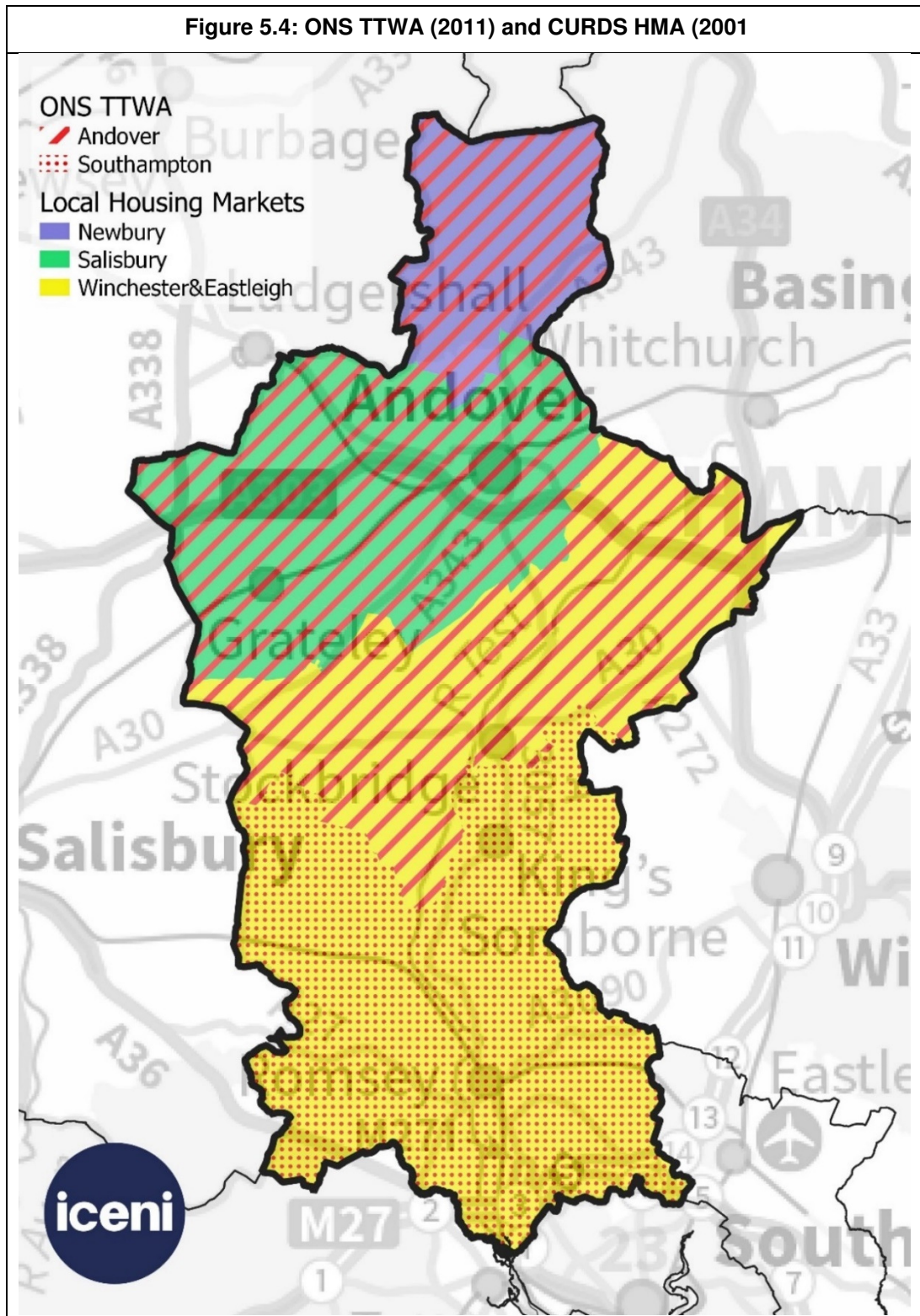
- 5.5 The ONS Travel to Work Areas (TTWA), although produced in late 2015, draw on 2011 Census data. The TTWAs are approximations of self-contained labour market areas in which the majority of commuting occurs within the boundary of the area. These areas were produced by analysing ward level commuting patterns.

5.6 The ONS have identified two TTWAs which cover Test Valley. These, as the map below illustrates, centre around Andover in the North and Southampton in the south (this area includes Romsey).



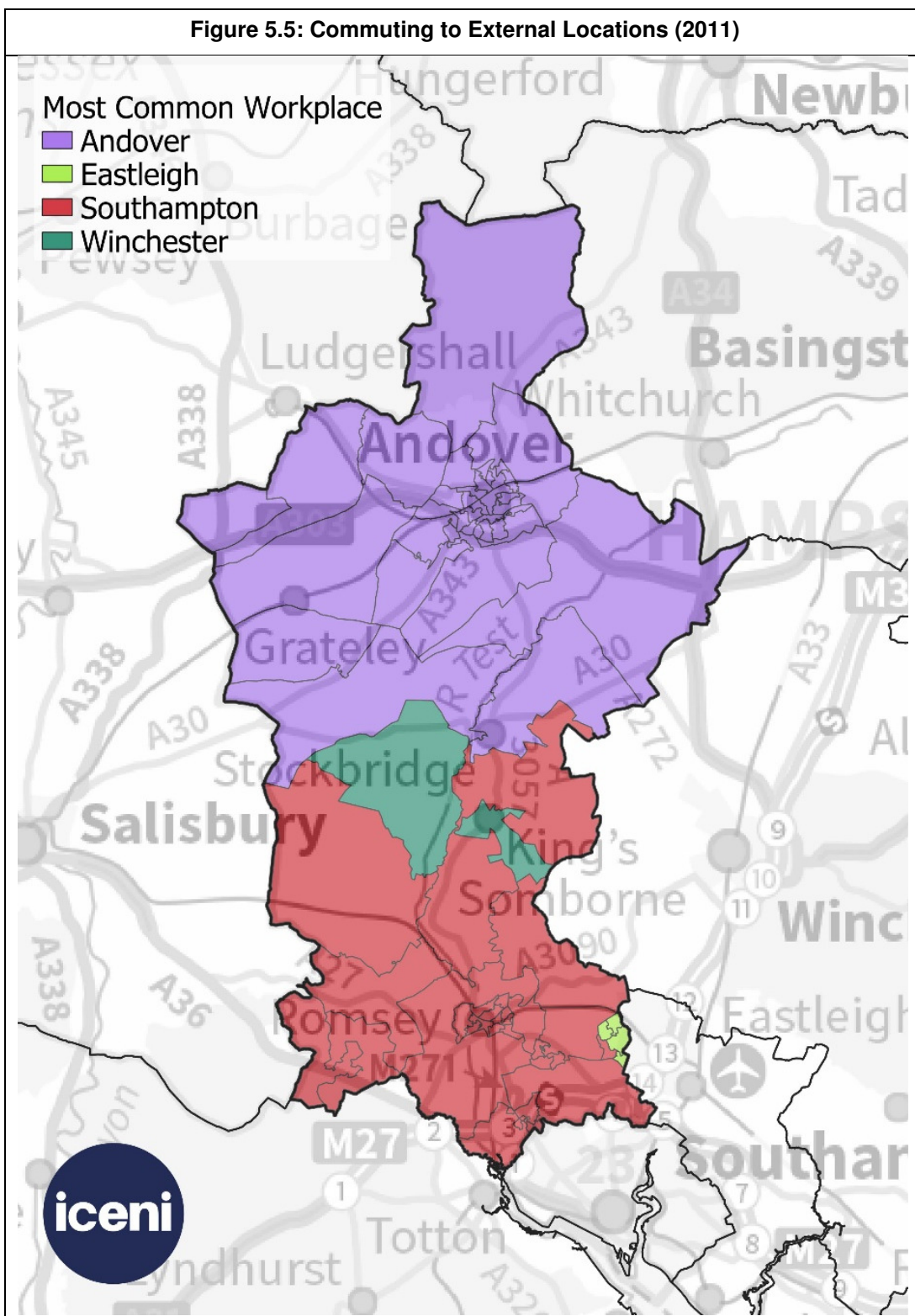
Source: ONS, 2015

5.7 The map below overlays the ONS Travel to Work Area boundaries with the CURDS Local Housing Market Area. The definitions suggest that the influence of Southampton as an employment centre only covers part of the Winchester and Eastleigh housing market area.



Source: Icen Analysis of ONS Data, 2011

5.8 To further assess these influences, we have sought to analyse commuting in the Borough in modal fashion - i.e. we have sought to appraise whether each parts of the Borough relates more closely to Southampton, Andover, Winchester or Eastleigh. Specifically, we have identified which area is most commuted to in each Lower Super Output Area (LSOA). This is illustrated in the figure below.



Source: Icen Analysis of ONS Data, 2011

- 5.9 Initially, we also included the Towns of Newbury and Thatcham combined, Salisbury and Basingstoke in the analysis. However, no LSOAs had a greater relationship with these areas than those identified above.
- 5.10 As the Figure above illustrates the north of the Borough, including those parts previously identified as having links to Newbury, closely relates to Andover in terms of out-commuting. The south of the Borough predominantly relates to Southampton, although this is a non-contiguous area of influence.
- 5.11 Valley Park is closely related to Chandler's Ford and Eastleigh Town in commuting terms. It should however be kept in mind that Eastleigh itself forms part of the Southampton HMA as defined in the PUSH SHMA and can therefore be grouped with those areas more closely related to Southampton.
- 5.12 A central band which includes the Villages of Broughton, Houghton and King's Somborne relates more closely to Winchester which, alongside with the non-contiguous parts of the Southampton facing area (Little Somborne), is effectively a zone of transition that looks in a number of directions.
- 5.13 This is further illustrated by the fact that the flows in these LSOAs to the various towns do not show a majority of commutes to one particular employment centre. The table below sets out the number of people commuting to each employment centre for each LSOA in the zone of transition.

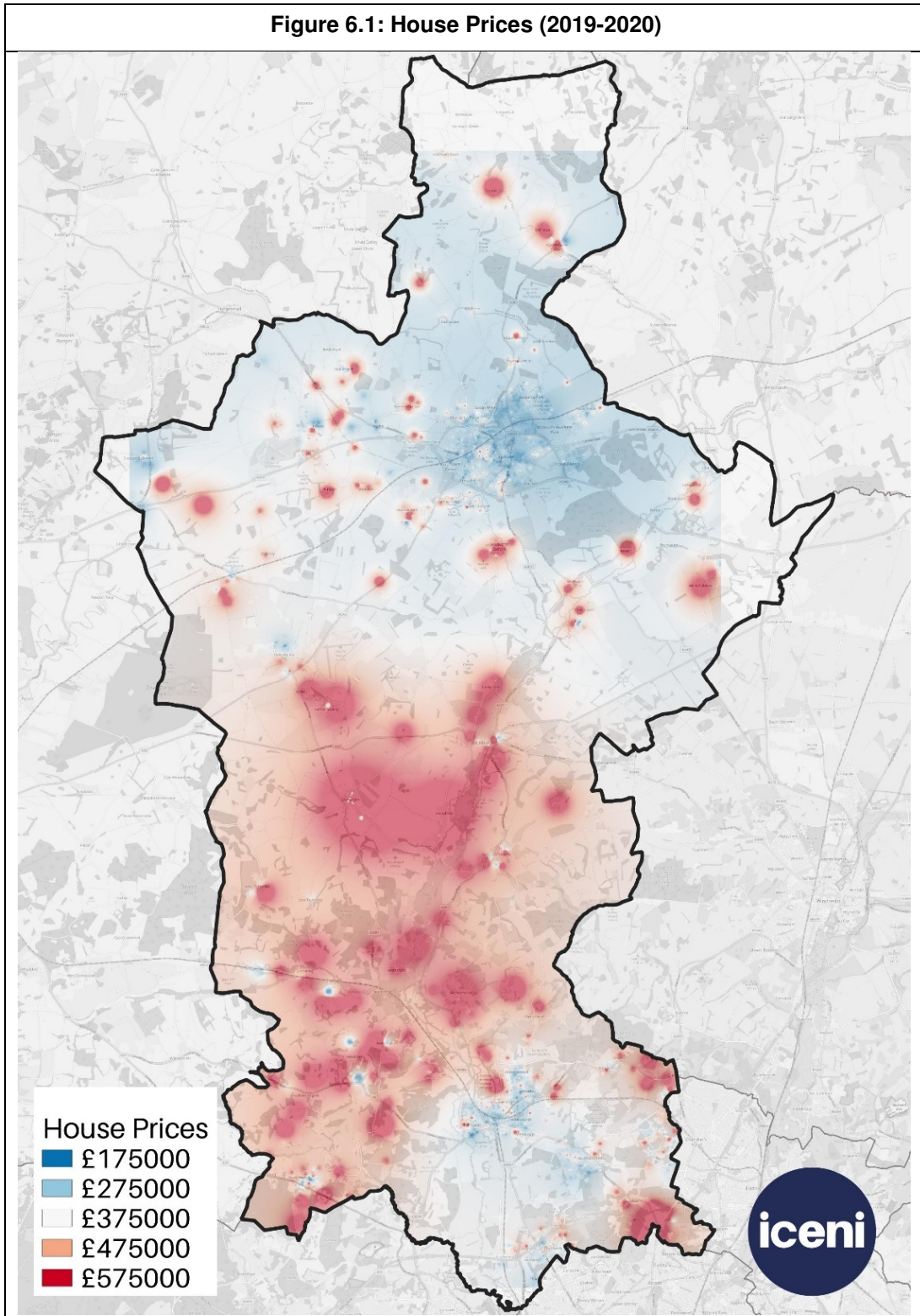
Figure 5.6: Flows to Employment Centres for Zone of Transition LSOAs			
LSOA Name	Southampton	Andover	Winchester
Test Valley 009A (Broughton, Houghton & Bossington)	43	48	50
Test Valley 009D (Little Somborne & Up Somborne)	60	36	47
Test Valley 009E (King's Somborne)	31	43	71

Source: Icen Analysis of ONS Data, 2011

- 5.14 In summary, the commuting data shows a slightly different pattern to the migration data particularly in the North of the borough which rather than being influence by Salisbury has a greater level of self-containment centred around Andover. The influence of Southampton is still clear in the south of the borough including Romsey although the extent of it influence is inconsistent.

6. House Prices and House Price Change

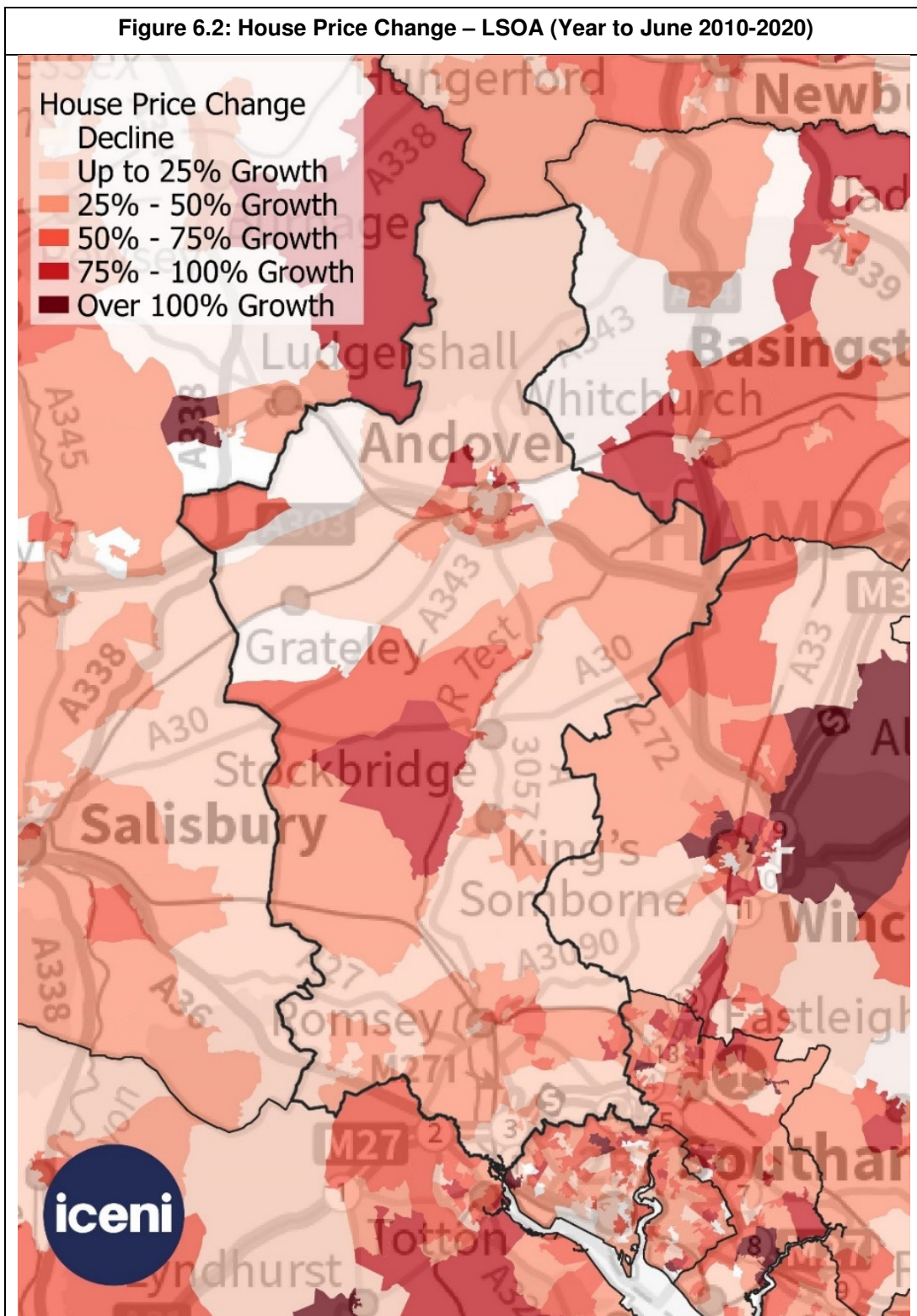
- 6.1 The PPG also suggests that when identifying HMAs the “*relationship between housing demand and supply across different locations, using house prices and rates of change in house prices*” should be considered. It goes on to say that “*this should identify areas which have clearly different price levels compared to surrounding areas.*”
- 6.2 The map below examines the cost of housing in Test Valley and clearly demonstrates a north/south and urban/rural divide. Although it also reflects the size and type of homes being sold (i.e. more flats than detached homes) in urban areas. This data is best used to draw out more localised markets.



Source: HM Land Registry, 2020⁴

⁴ The very extreme cardinal points of the map are blank as there are no sales in these areas for the heat map to triangulate against

- 6.3 The areas previously identified as in the zone of transition have a closer alignment in house price terms to the rural areas to the south than they do to the rural areas to the north. This might relate to these areas having easier access to employment opportunities in Southampton and to a lesser degree Eastleigh, Salisbury and Winchester.
- 6.4 The map below examines house price change between 2010 and 2020 in each Lower Super Output Area (LSOA) in Test Valley and surrounds. There are no obvious trends but there is a greater number of LSOAs which have had low or no growth over the last ten years in the north of the borough.



Source: HM Land Registry, 2020

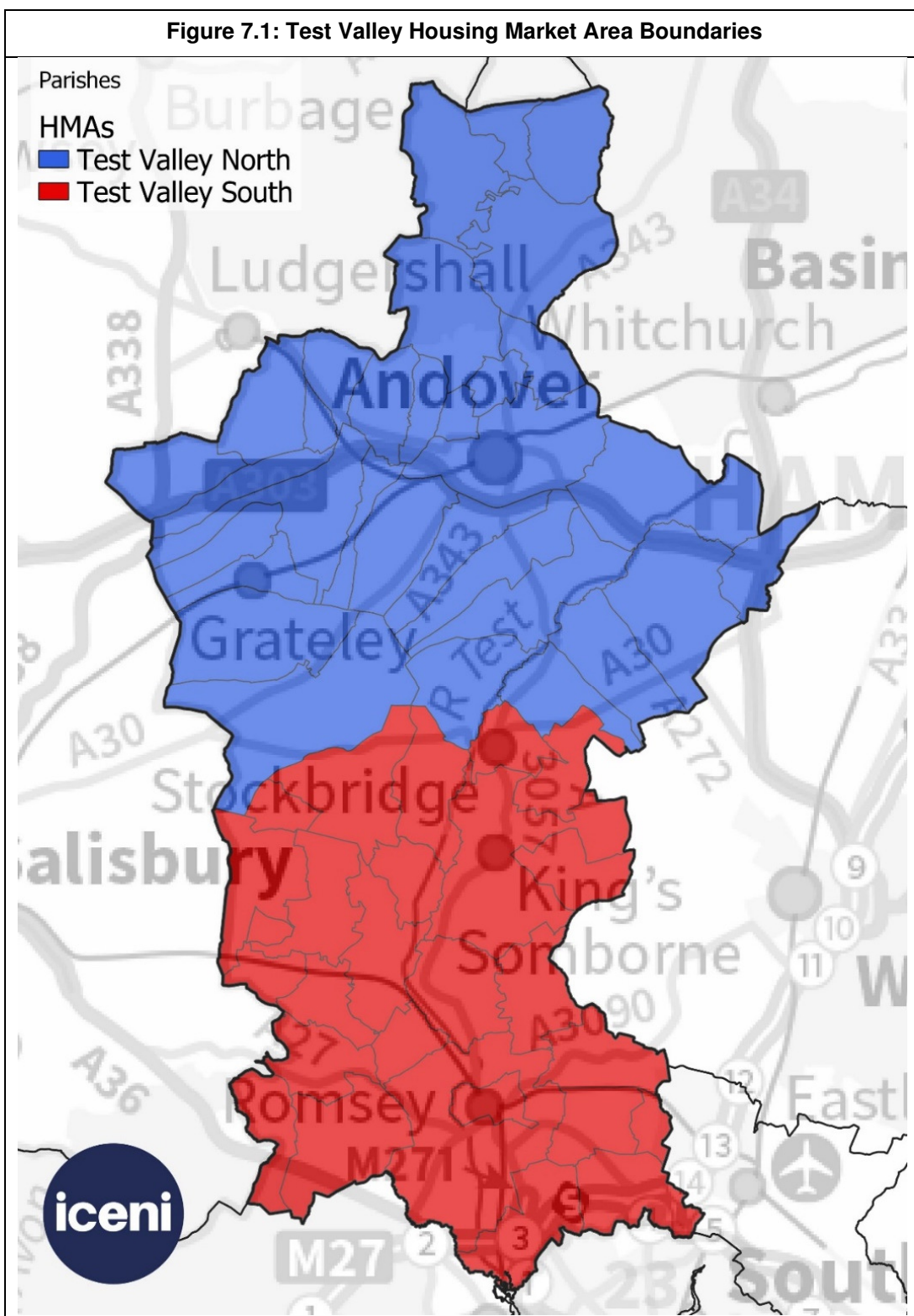
6.5 This also applies to the surrounding areas with neighbouring areas to the north including a number of LSOAs that have not seen any growth. In contrast the neighbouring areas to the south have seen strong growth.

- 6.6 The house price data again makes a clear north south distinction with the area south of the A30 having notably higher house prices. This is the case when comparing both the rural and urban areas to allow for differences in the housing mix.

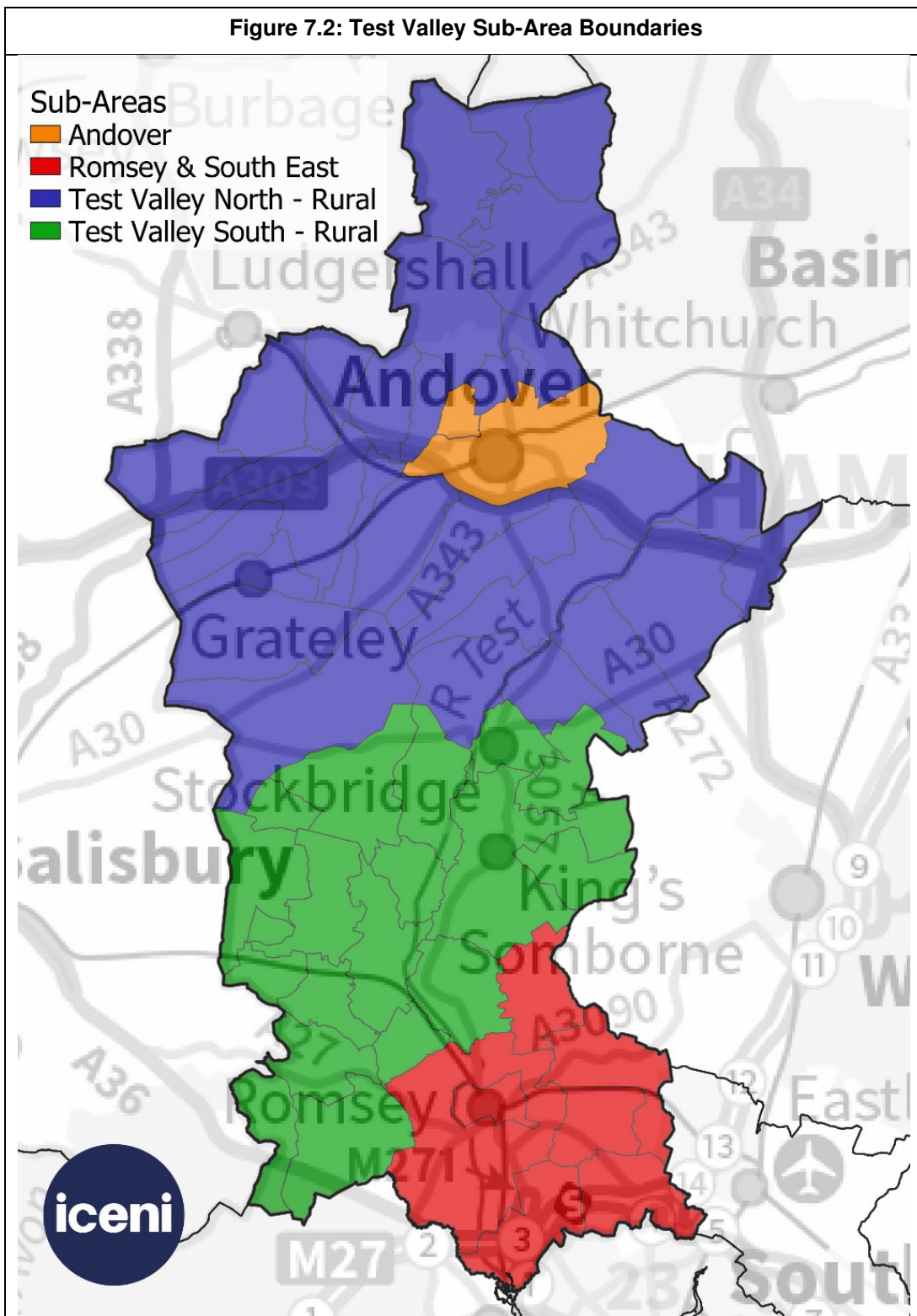
7. Conclusions

- 7.1 The CURDS work (with the exception of the Local analysis) shows the south of the borough is influenced by Southampton and the North of the borough, particularly around Andover is influenced by Salisbury and other Wiltshire settlements. A distinction of the very northern, rural parts of the borough is the influence of Newbury and more widely Reading.
- 7.2 The migration analysis shows that at a local authority levels and once long-distance moves have been excluded from the analysis, the self-containment rate (both origin and destination) exceeds 70% when looking at a combination of Test Valley and Southampton and Test Valley and Wiltshire. At a local level the southern areas relationship with Southampton is reiterated while the north of the Borough relationships with Wiltshire and to a lesser degree Basingstoke and Deane are identified.
- 7.3 The commuting data shows a slightly different pattern to the migration data particularly in the North of the borough which rather than being influence by Salisbury has a greater level of self-containment centred around Andover. The influence of Southampton is still clear in the south of the borough including Romsey although the extent of it influence is inconsistent.
- 7.4 The house price data again makes a clear north south distinction with the area south of the A30 having notably higher house prices. This is the case when comparing both the rural and urban areas to allow for differences in the housing mix.
- 7.5 Drawing this analysis together shows a reasonable level of consistency. Also such is the clearly different dynamics in the north and south of the borough this would confirm (as does the self-containment rates) that Test Valley is not a HMA in its own right.
- 7.6 The south of the Borough, including Romsey, falls within a Southampton focussed HMA. The northern parts of the Borough including Andover are linked to a number of neighbouring areas but principally Wiltshire and more specifically Salisbury and Ludgershall, particularly in migration terms. However, it also has acts as an employment centre in its own right so can be viewed as its own HMA but dialogue with neighbouring authorities should continue.
- 7.7 The location of where the one market begins and the other ends is to some degree blurred and, as is the case with any housing market area, the boundaries of which typically overlap. This has been referred to as the zone of transition. In Test Valley:
- Migration data suggests a boundary similar to the Southampton HMA boundary
 - The gold standard HMA boundary extends to just north of the A30
 - Commuting data suggests a slightly lower line south of the A30
 - House price data suggests a split around the A30.
- 7.8 Bringing together this evidence it would be reasonable to suggest the A30 would be a good physical barrier to delineate between the housing market areas. However, for data collection and analysis it is not unreasonable to use a best fit geography using known geographies. In this instance we have used parishes as this will allow the Council to liaise with parish councils and local planning groups producing neighbourhood plans or community led development.

7.9 To avoid confusion with the wider HMA (particularly Southampton) these areas have been named Northern Test Valley and Southern Test Valley. There will still be a requirement for the Council to liaise with neighbouring authorities on strategic planning matters.



- 7.10 Although the PAS guidance recommends drawing boundaries at a HMA level this is not always possible. The conclusions of having two separate housing market areas in Test Valley is a pragmatic response to the migration and commuting dynamics herein. Ultimately, it will be for the Council to decide on the distribution of growth within the borough boundaries taking into account wider considerations such as sustainability, capacity and environmental constraints.
- 7.11 The housing need calculations will still be made at a local authority area level within the housing needs/market assessment; however, it will also provide a high level disaggregation of that need to guide the Council's decision.
- 7.12 It is also possible to draw out sub-areas within the HMAs for analytical and policy making purposes including housing distribution. We have largely drawn on the house price data to do this. We have also aligned the sub-areas with the wider HMA for consistency. It should again be reiterated that there would in reality be an element of overlap even between sub-areas.
- 7.13 As illustrated in the figure below, two urban sub-areas have been identified, the first of which is drawn tightly around Andover and Charlton. The second is around Romsey but also includes North Baddesley, Nursling and Rownhams which have broadly similar character and house prices (with the exception of the area around Chilworth).



Source: IcenI, based on ONS data.

7.14 The Romsey and South East sub-area is largely coterminous with the Southampton HMA parts of Test Valley identified within the PUSH SHMA (2014). There are inevitably slight differences as one is ward based and this is a parish based definition.

- 7.15 Recognising that HMA boundaries will have an element of overlap and are to a degree a matter of judgement, it is not unreasonable for the Southampton HMA boundary, as defined in the PfSH work, to be retained for strategic plan making while the definition of the Romsey and South East HMA herein is used for local planning purposes only.
- 7.16 The remainder of Test Valley is largely rural and split along the HMA boundary. Within the 'Northern Test Valley – Rural' Sub-Area different areas are influenced by different external towns. The most northern parts of Test Valley including Bourne Valley are influenced by Newbury while Harewood is linked to Basingstoke.
- 7.17 Appendix A1 is a table setting out the HMA and Sub-Area of each Parish.

New Forest National Park

- 7.18 National Park Authorities are responsible for planning services within their boundaries, thus any Local Plan for local authorities with parts of the National Park in them should only cover the areas outside of the National Park. This would also include the evidence to support these Local Plans.
- 7.19 This is the case for Test Valley Borough where a small area south of the A36 in the south west corner of the Borough (within the parishes of Wellow and Melchet Park and Plaitford) also falls within the New Forest National Park.
- 7.20 The only settlement of any note within these parishes inside of the National Park is Canada in Wellow ward. However, such is the size of this settlement in relation to even the wider parish it is not considered to be statistically significant enough to merit any consideration separately from the wider borough level analysis.
- 7.21 The New Forest National Park Authority and the New Forest District Council produced a combined SHMA⁵ in 2014. The report recognised that small parts of Blackwater Ward in Test Valley fall within the National Park. However, as the majority of the population in the ward resides outside of the National Park Area it has been excluded from the analysis.

The Duty to Cooperate

- 7.22 One of the purposes of defining housing market areas is to identify the “*appropriate functional geographical area to gather evidence and develop policies to address these (Strategic) matters, based on demonstrable cross-boundary relationships.*”

5

<http://www.newmiltonplan.org.uk/2018%20-%20documents/New%20Forest%20Strategic%20Housing%20Assessment%20Sept%202014%20-%20NFDC%20NFNPA.pdf>

7.23 Where these areas are identified the relevant local planning authorities are required to cooperate on strategic matters. This cooperation includes, according to Paragraph 11 of the Plan-Making PPG (reference ID: 61-011-20190315), agreeing a statement of common ground which contains:

- *“if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement”*; **or**
- *“distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area”*.

7.24 It will be therefore important for the Council to continue to liaise with surrounding authorities (and the National Park Authority) on strategic planning matters including a discussing any issues associated with unmet housing needs (either from Test Valley or neighbouring areas or National Park).

Appendix A1: Parishes by HMA and Sub-Areas

Parish	HMA	Sub-Areas
Andover	Northern Test Valley	Andover
Charlton	Northern Test Valley	Andover
Abbotts Ann	Northern Test Valley	Northern Test Valley Rural
Amport	Northern Test Valley	Northern Test Valley Rural
Appleshaw	Northern Test Valley	Northern Test Valley Rural
Barton Stacey	Northern Test Valley	Northern Test Valley Rural
Bullington	Northern Test Valley	Northern Test Valley Rural
Chilbolton	Northern Test Valley	Northern Test Valley Rural
Enham Alamein	Northern Test Valley	Northern Test Valley Rural
Facombe	Northern Test Valley	Northern Test Valley Rural
Fyfield	Northern Test Valley	Northern Test Valley Rural
Goodworth Clatford	Northern Test Valley	Northern Test Valley Rural
Grateley	Northern Test Valley	Northern Test Valley Rural
Hurstbourne Tarrant	Northern Test Valley	Northern Test Valley Rural
Kimpton	Northern Test Valley	Northern Test Valley Rural
Leckford	Northern Test Valley	Northern Test Valley Rural
Linkenholt	Northern Test Valley	Northern Test Valley Rural
Longparish	Northern Test Valley	Northern Test Valley Rural
Longstock	Northern Test Valley	Northern Test Valley Rural
Monxton	Northern Test Valley	Northern Test Valley Rural
Nether Wallop	Northern Test Valley	Northern Test Valley Rural
Over Wallop	Northern Test Valley	Northern Test Valley Rural
Penton Grafton	Northern Test Valley	Northern Test Valley Rural
Penton Mewsey	Northern Test Valley	Northern Test Valley Rural
Quarley	Northern Test Valley	Northern Test Valley Rural
Shipton Bellinger	Northern Test Valley	Northern Test Valley Rural
Smannell	Northern Test Valley	Northern Test Valley Rural
Tangley	Northern Test Valley	Northern Test Valley Rural
Thrupton	Northern Test Valley	Northern Test Valley Rural
Upper Clatford	Northern Test Valley	Northern Test Valley Rural
Vernhams Dean	Northern Test Valley	Northern Test Valley Rural
Wherwell	Northern Test Valley	Northern Test Valley Rural
Ampfield	Southern Test Valley	Romsey & South East
Braishfield	Southern Test Valley	Romsey & South East
Chilworth	Southern Test Valley	Romsey & South East
North Baddesley	Southern Test Valley	Romsey & South East
Nursling and Rownhams	Southern Test Valley	Romsey & South East
Romsey	Southern Test Valley	Romsey & South East
Romsey Extra	Southern Test Valley	Romsey & South East
Valley Park	Southern Test Valley	Romsey & South East
Ashley	Southern Test Valley	Southern Test Valley Rural
Awbridge	Southern Test Valley	Southern Test Valley Rural
Bossington	Southern Test Valley	Southern Test Valley Rural
Broughton	Southern Test Valley	Southern Test Valley Rural
Buckholt	Southern Test Valley	Southern Test Valley Rural
East Dean	Southern Test Valley	Southern Test Valley Rural
East Tytherley	Southern Test Valley	Southern Test Valley Rural
Frenchmoor	Southern Test Valley	Southern Test Valley Rural
Houghton	Southern Test Valley	Southern Test Valley Rural
Kings Somborne	Southern Test Valley	Southern Test Valley Rural
Little Somborne	Southern Test Valley	Southern Test Valley Rural
Lockerley	Southern Test Valley	Southern Test Valley Rural
Melchet Park and Plaitford*	Southern Test Valley	Southern Test Valley Rural
Michelmersh and Timsbury	Southern Test Valley	Southern Test Valley Rural
Mottisfont	Southern Test Valley	Southern Test Valley Rural
Sherfield English	Southern Test Valley	Southern Test Valley Rural
Stockbridge	Southern Test Valley	Southern Test Valley Rural
Wellow*	Southern Test Valley	Southern Test Valley Rural
West Tytherley	Southern Test Valley	Southern Test Valley Rural

*Partially within the New Forest National Park