Housing Need and Demand Assessment 2017
Functional Housing Markets

1. Functional Housing Market Analysis

The Scottish Government's HNDA guidance makes reference to Local Housing System Analysis: Good Practice Guide 2004. This Guide states that "a functional area is defined as an area that is meaningful to households searching for housing to suit their purposes. A 'local housing system' is a functional area. A local housing system is also generally the smallest unit for which it is appropriate to attempt to estimate, project or forecast demographic trends, including migration flows"[1].

The Good Practice Guide 2004 suggests a number of approaches to defining functional housing markets. The Council's Housing and Property Service has carried out destination based self-containment containment analysis[2] and has triangulated the results with centre to periphery household flows[3], both using the General Register of Sasines data provided by the Scottish Government each year for strategic purposes. Second hand and new build house sales were included. These methodologies were used to determine the functional housing markets used in the HNDA 2011, LHS 2013-18 and Local Development Plan 2015. The results were triangulated with patterns of area preferences amongst Council Housing List applicants and found to be very similar.

Destination containment answers the question "when the house sold is in Moray, where did the purchaser move from?"

The aim of containment analysis is to define an area where the most housing movement occurs within, rather than across, its boundaries. "There is no scientific method for determining what the appropriate cut off for containment is, but convention places it at around 70-75%."[3]

This analysis has been repeated for this HNDA and shows that, of houses sold in Moray during 2011-2015, **76% were bought by a purchaser originating from within Moray**. The next largest originating area was Aberdeenshire (7%).

The findings prove that Moray Council area continues to be a functional housing market, and there are no significant cross-border housing market issues to be considered by this HNDA. This result is the same as stated in the HNDA 2011 and LHS 2013-18.

However, the Good Practice Guide states "larger areas are always more self-contained than smaller ones, and a sufficiently large area will meet a minimum containment criteria without necessarily having any functional significance whatsover". With this in mind, the Housing Market Partnership continued the analysis to identify any functional sub-markets. The analysis suggests that there are 6 functional sub-markets in Moray.

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[1]   Local Housing System Analysis: Good Practice Guide 2004, page 39
[2]   Local Housing System Analysis: Good Practice Guide 2004, page 46
[3]   Local Housing System Analysis: Good Practice Guide 2004, page 48

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2.   **Functional Housing Sub-Market Analysis**

Identifying sub-markets helps the Council and its partners to make provision for the right amount of housing, of all tenures, in the right locations across Moray by:

- enabling the Housing Service to assign appropriate targets for achievement of new affordable housing to each sub market area, through the Strategic Housing Investment Plan (SHIP)

- enabling the Environmental Services Department to designate sufficient land for new housing development in each sub-area through the Local Plan.

There are 6 sub market areas in Moray; Buckie, Elgin, Forres, Keith, Speyside and the area of the Cairngorms National Park that lies within Moray Council's boundary. They have been identified using containment analysis of house sales between 2011 and 2015 incl. The towns included in each HMA are listed below. The HMA boundaries provide a best fit with census output areas to facilitate census data analysis. The census output areas and the housing market area they fall within are also listed below.

2.1.   **Buckie Housing Market Area**

The analysis shows that of houses sold in Buckie HMA, 66.6% were bought by a purchaser originating from within Buckie HMA. The next largest originating area was Aberdeenshire (11%). This is consistent with the findings of the HNDA 2011.

Although this analysis does not show a level of containment of over 70% it is of note that there is little housing market activity with any other part of Moray. This would suggest that Buckie HMA is a functional housing sub market within the Moray housing market.

2.2.   **Elgin Housing Market Area**

The analysis shows that of houses sold in Elgin HMA, 70% were bought by a purchaser originating from within Elgin HMA. The next largest originating areas were Forres HMA (3.6%), Aberdeenshire (4.6%). This is consistent with the findings of the HNDA 2011.

Although this analysis does not show a level of containment of over 70% it is of note that there is little housing market activity with any other part of Moray. This would suggest that Elgin HMA is a functional housing sub market within the Moray housing market.

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2.3. Forres Housing Market Area

The analysis shows that of houses sold in Forres HMA, 58.5% were bought by a purchaser originating from within Forres HMA. The next largest originating areas were Elgin HMA (8.7%) and Highland (8%). This is consistent with the findings of the HNDA 2011.

Although this analysis does not show a level of containment of over 70% it is of note that there is little housing market activity with any other part of Moray. This would suggest that Forres HMA is a functional housing sub market within the Moray housing market.

2.4. Keith Housing Market Area

The analysis shows that of houses sold in Keith HMA, 53.8% were bought by a purchaser originating from within Keith HMA. The next largest originating areas were Aberdeenshire (14.5%) and Speyside (12%). This is consistent with the findings of the HNDA 2011.

Although this analysis does not show a level of containment of over 70%, it is of note that there is little housing market activity with any other part of Moray. This would suggest that Keith HMA is a functional housing sub market within the Moray housing market.

2.5. Speyside HMA

The analysis shows that of houses sold in Speyside HMA 45.2% were bought by a purchaser originating from within Speyside HMA. The next largest originating areas were Aberdeen City (8.7%), Keith HMA (8.3%) and Highland (7.5%).

Although this analysis does not show a level of containment of over 70%, it is noteable that there is little housing market activity with neighbouring HMAs. This would suggest that Speyside HMA is a functional housing sub market within the Moray housing market.

2.6. Cairngorms National Park HMA

The analysis shows that the number of house sales in Cairngorms National Park HMA was too low to draw any conclusions, and to publish findings would potentially identify individuals.

Regardless of the containment analysis, Cairngorms National Park area remains a HMA as this will facilitate housing needs analysis carried out by the Cairngorms National Park Authority.

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Destination Containment Analysis Results
Second hand and new build sales 2011-2015
"where the house sold is in Moray where did the purchaser move from?"

Origin of house purchaser	Houses located in Moray				
	Buckie HMA	**Elgin HMA**	**Forres HMA**	**Keith HMA**	**Speyside HMA**
Buckie HMA	**66.67%**	2.71%	0.56%	1.21%	1.24%
Elgin HMA	4.67%	**70.40%**	8.70%	3.02%	6.64%
Forres HMA	0.38%	3.63%	**58.52%**	0.91%	0.41%
Keith HMA	2.15%	1.46%	0.19%	**53.78%**	8.30%
Speyside HMA	0.88%	2.87%	1.30%	12.08%	**45.23%**
Aberdeenshire	11.11%	4.65%	4.07%	14.50%	6.64%
England	0.63%	2.33%	8.15%	1.21%	5.39%
Aberdeen City	4.92%	3.41%	7.41%	3.63%	8.71%
Other Scotland	4.17%	4.22%	3.52%	3.93%	2.90%
Highland	2.65%	2.60%	5.00%	3.93%	7.47%
Outwith UK	0.88%	0.81%	0.93%	0.91%	2.07%
Edinburgh, City of	0.25%	0.38%	0.93%	0.91%	2.07%
Glasgow City	0.51%	0.38%	0.74%	0.00%	1.24%
Other UK	0.13%	0.16%	0.00%	0.00%	1.66%
Grand Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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Housing Market Area	Location
Buckie HMA	Arradoul
	Auchenhalrig
	Berryhillock
	Bogmoor
	Broadley
	Buckie
	Clochan
	Cullen
	Deskford
	Drybridge
	Enzie
	Findochty
	Fordyce
	Hill of Maud
	Kirktown of Deskford
	Lintmill
	Nether Dallachy
	Portgordon
	Portknockie
	Rathven
	Slackhead
	Spey Bay
	Tugnet
	Tynet
	Upper Dallachy

Housing Market Area	Location
Elgin HMA	Barmuckity
	Birnie
	Blackhills
	Blinkbonnie (Kingston)
	Burghead
	Calcots
	Clackmarras
	Cranloch
	Crofts of Dipple
	Cummingston
	Darklands
	Dipple
	Duffus
	Elgin
	Findrassie
	Fochabers
	Fogwatt
	Garmouth
	Gordonstoun
	Hopeman
	Kingston-on-Spey
	Lhanbryde
	Lochhill
	Lochhills
	Longhill
	Longmorn
	Lossiemouth
	Miltonduff
	Mosstodloch
	Mosstowie
	Muir of Lochs
	Muirton
	Newton
	Orbliston
	Orton
	Roseisle
	Scotstonhill
	Spynie
	Thomshill
	Troves
	Urquhart

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Housing Market Area	Location	Housing Market Area	Location
Forres HMA	Altyre	Keith HMA	Auchindachy
	Alves		Aultmore
	Brodie		Boharm
	Broom of Moy		Botriphinie
	Burgie		Bridge of Marnoch
	Coltfield		Crossroads
	Conicavel		Drummuir
	Dallas		Glentauchers
	Dalvey		Grange
	Darnaway		Keith
	Dunphail		Kininvie
	Dyke		Knock
	Easter Lawrenceton		Maggieknockater
	Findhorn		Mulben
	Forres		Newmill
	Kellas		Rothiemay
	Kinloss		Towiemore
	Kintessack		
	Logie		
	Mains of Moy		
	Mundole		
	Pluscarden		
	Rafford		
	Whitemire		

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Housing Market Area	Location
Speyside HMA	Aberlour
	Archiestown
	Auchbreck
	Auchindoun
	Ballindalloch
	Blacksboat
	Bridgend of Glenlivet
	Cabrach
	Cardhu
	Carron
	Cragganmore
	Craigellachie
	Dailuaine
	Dufftown
	Edinvillie
	Elchies
	Glass
	Glenfarclas
	Glenfiddich
	Glenlivet
	Glenrinnes
	Inveravon
	Knockando
	Marypark
	Minmore
	Parkmore
	Rothes
	Ruthrie

Housing Market Area	Location
Cairngorms National Park HMA	Auchnarrow
	Chapeltown of Glenlivet
	Kirkmichael
	Tomintoul
	Tomnavoulin

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