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## Chapter Three

### Connectivity of Place and Housing Market Change: the case of Birmingham

Ian Cole and Ed Ferrari

#### Introduction

In his foreword to the seminal British study of race and housing, *Race Community and Conflict*, J.B. Rose noted:

*'The city is a crucible into which we pour the most disparate elements in our modern industrial society vaguely expecting that given time they will fuse into an acceptable amalgam'* (Rex and Moore, 1967, p. v).

Rex and Moore's ground breaking research was adequate testament to how far this 'vague expectation' could be confounded by the operation of social and economic processes, notably the dynamics of the local housing market. This was crystallised in their observation that the *'competition for the scarce resource of housing leads to formation of groups very often on an ethnic basis and one group will attempt to restrict the opportunities of another by whatever sanctions it can.'* (Rex and Moore, 1967, p. 16). In this chapter we revisit the city that was the focus of their study, Birmingham, more than forty years on, and explore how market dynamics are continuing to shape patterns of mobility and settlement among different minority ethnic communities in two parts of the city.

Rex and Moore's Weberian approach subsequently attracted a great deal of attention and prompted a lively debate on their notion of 'housing classes' (Haddon, 1977;

Saunders, 1981). This approach was evident in their focus on the struggle for control over parts of the local housing market by different groups, their attention to the role of 'urban gatekeepers' and their emphasis on market *change*, in response to the new pressures brought by immigration in the 1950s and early 1960s.

While the backdrop is very different now, we want to keep the notion of market change in focus in our account of the present day Birmingham housing market. There is now extensive evidence on the different housing circumstances of minority ethnic groups in terms of housing quality, type, tenure and location. This has been the recurrent theme of research that has charted racialised inequalities in access, dwelling condition, overcrowding and housing wealth. In debates on community cohesion, it has also led some to argue that minority ethnic communities are 'self-segregating', forming distinct enclaves within urban systems (although see Phillips et al in this volume). Yet this approach is essentially concerned with housing *outcomes* and can say little about the intervening influence of market *processes* on these outcomes. The outcomes may simply reflect the 'working through' of different starting points for different groups, and it is not possible to identify processes of convergence or divergence between the groups due to the impact of market pressures and opportunities.

Our concern is therefore to explore the structure of the housing market in a specific case, to establish if there are inherent reasons why the market produces different outcomes for different groups and to establish the pattern of change this reveals. Are there distinctive ethnic 'sub-markets' in cities like Birmingham, that constrain or channel access to housing for different groups? Or are differences between minority ethnic groups simply the 'expression', in housing terms, of underlying demographic, economic and social differentiation, or even the desire for 'separateness' ? The empirical evidence reviewed here does not allow a conclusive response to such

questions, but it does suggest some possible trends and sets out future challenges for policy and research into mobility, settlement and housing market change.

There are potential policy messages for community cohesion in assessing these trends. Rex and Moore's may have been an explicitly sociological study, but it also paid due attention to the policy implications emerging from their research. They were writing in the immediate post-Rachman period of the 1960s, when a great deal of attention was focused on the regulation of the private rented sector, the improvement or clearance of poor quality private sector dwellings and allocation policies in the burgeoning local authority sector. Forty years on, the policy landscape has changed in many ways, but the need for public intervention to ease market pressures and improve housing quality has remained.

For example, part of Birmingham is now covered by the Housing Market Renewal (HMR) programme (Leather et al, 2007; Cole and Nevin, 2004) which seeks to adjust the balance between housing supply and demand to combat market fragility or dysfunctionality in particular sub-regions. For our purposes, if the evidence suggests that market discontinuities exist, policies may be required that seek to 'bridge the gap' between different markets. If, on the other hand, market processes appear to be working through for each group – even though they produce very unequal outcomes – then adjustments may be more about giving particular groups additional support, or selectively increasing access and opportunity to produce more convergence in housing outcomes.

In this chapter we therefore consider whether the differences in housing outcomes between different minority ethnic communities are converging or diverging over time, and whether it makes sense to refer to distinct ethnic housing *sub-markets* being created as a result of increasing residential segmentation. The chapter then moves

to consider patterns of settlement among minority ethnic communities in two parts of Birmingham – the ‘Eastern Corridor’ and the North West of the city. It suggests that there may be potentially different processes at work in these two areas, requiring in turn a different set of policy responses. Any locally sensitised approach, it is suggested, needs to focus on different kinds of ‘critical arenas’ at the neighbourhood level; that may be the source of actual or potential tensions between different minority ethnic communities. In relatively ‘self-contained’ and discontinuous markets, policies may point in the direction of supply-side measures; in more ‘continuous’ markets, on the other hand, demand-side measures may be more appropriate in order to ameliorate housing outcomes for specific groups.

### **Ethnicity and Housing Market Outcomes**

We have suggested that a snapshot of a housing market may tell us little about its underlying dynamics. A case in point is the introduction of Housing Market Assessments at local level, supported by central government (Office of the Deputy Prime Minister, 2005). These documents can provide a more or less comprehensive picture of market conditions at the point of survey (although many still rely on the census as an information source) but policymakers may still struggle to identify processes of market change and the messages this carries for future policy intervention. A study of housing market intelligence undertaken by Housing Market Renewal pathfinders, for example, confirmed that many of these exercises were insufficiently dynamic and disaggregated to neighbourhood level to inform decisions on interventions (Robinson et al, 2005).

However, a stocktake of housing market characteristics will at least demonstrate the impact of the changing demographic, social and economic terrain of urban Britain on

housing outcomes, even if the speed and direction of travel cannot be discerned. Ethnicity is one of the key dimensions of such differences, alongside factors such as income and age, and a brief note on the nature and scale of these inequalities between different minority ethnic communities is perhaps the best starting point for an understanding of market segmentation and inequality.

The housing market in England is pitted by difference and division - between the wealthy and the poor, between the socially mobile and the socially excluded, between the equity-rich and the pension-poor, and between different communities in different cities (Dorling, 2006). Members of minority ethnic communities may share some of the concerns that have recently penetrated the living rooms of White, middle class households – concerns about interest rate rises, the potential erosion of their housing wealth to meet future commitments, or the difficulties that younger household members have in gaining a foot on the housing ladder. But they are much more likely to face more acute difficulties as well.

Some enduring housing problems, such as the lack of decent quality accommodation, or overcrowding, are much more prevalent in minority ethnic communities. A minority ethnic household in 2005 was more than five times more likely to live in overcrowded circumstances than one headed by a White person.<sup>1</sup> In some tenures, the difference is even greater: One per cent of white owner occupiers in England are below the 'bedroom standard' – the official measure of overcrowding - - while nearly eight per cent of minority ethnic owner occupiers are in this position.<sup>2</sup> Ethnicity is also a source of marked difference in both housing condition and the quality of living environments. 31 per cent of minority ethnic households live in a non-decent home (compared to 26 per cent of white households); 13 per cent live in

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<sup>1</sup> Housing in England 2004/05, p. 34.

<sup>2</sup> Ibid.

a home in 'serious disrepair'; and nearly twice as many minority ethnic households live in a poor quality environment.<sup>3</sup>

This précis of differential outcomes may tend to suggest that households start out in the housing market at the same point, only for their future path to be shaped by different economic or social circumstances so they end up at different points in the housing market. Clearly this is not the case: outcomes are shaped by historical patterns across the generations, and the starting point of households from different minority ethnic groups will show systematic differences. The more pertinent question is therefore whether the housing outcomes of different communities are *converging* over time, or *diverging*. In all likelihood both processes occur simultaneously, though the relative strength of convergence and divergence will vary according to locality, market vitality and the minority group(s) concerned. A consideration of these trajectories turns our attention to the journey, rather than the point of destination, in housing careers – to market processes rather than outcomes.

Later in this chapter, we explore two different local markets in Birmingham and consider whether market continuities are apparent, and whether housing market outcomes are widening, or narrowing, between different minority ethnic groups. But in order to introduce a more dynamic framework to account for observable differences in housing circumstances, we need to consider first patterns of residential mobility among different minority ethnic communities and its impact on outcomes.

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<sup>3</sup> English House Condition Survey 2005 Annual Report, p. 48.

## **Mobility and Housing Market Processes**

Residential mobility is at the heart of housing market change, and is clearly important in understanding how differentials in housing market position are reproduced. One key test is whether households in minority ethnic groups tend to operate in different parts of the housing market compared to white British households with a similar level of income and wealth. If the market is segmented to the extent that different patterns of price formation and appreciation occur (that is to say, ethnic *submarkets* exist) then the propensity for, and ability of, minority ethnic households to make good historic deficits, and move up the housing ladder, may be disproportionately hindered by such barriers.

One way to express this dilemma is therefore to assess whether the market is 'continuous' or 'segmented'. Does it provide a range of products and price points that permit relatively easy trading up and down, or is it more segmented, with clear breaks between product and price groups? Are members of some minority ethnic communities unduly constrained by visible or invisible barriers between different parts of the market, which prevents them from expressing, as it were, any change in economic circumstances in housing terms? And, if so, how can the position be ameliorated by public policy? There is at present little evidence either way to this question, partly due to the formidable methodological difficulties involved in answering the question. But any response to such issues will have important implications for policy intervention. It would suggest whether policy would be better directed to restructuring the supply side of the market, to 'dissolve' such barriers and thereby assist minority ethnic communities, or be focused instead on facilitating demand and enhancing opportunity.

One relevant measure for the existence of discrete housing markets is the notion of *self-containment*. If a high proportion of moves have both their origin and destination in the same area, then it can be said to constitute a determinate housing market area. Nominal thresholds such as 70 per cent are often used to specify self-containment. Such tests may be helpful in determining the spatial extent of housing markets and, by extension, the diversity of supply- and demand-side characteristics within them, but they have little normative value. The tests do not specify what constitutes a housing market area in any qualitative sense. The theory of spatial arbitrage, upon which self-containment tests are based, does not allow for the fact that some markets may exhibit little spatial coherence: the global market for extremely high value apartments, for example, would not be captured by any self-containment measure. And, finally, the measure underplays the extent to which differences between housing markets may reproduce opportunities and constraints for specific groups. This last point is developed further below, in the context of ethnic mobility and settlement patterns and the implications for community cohesion.

One of the recurrent concerns of macroeconomists about the housing market is the tension between the economic benefits of market transactions and the potential dampening effects of owner-occupation on workforce mobility (Henley, 1998). There is a key link between housing market activity and social mobility, which takes two main forms. First, equity appreciation and the capital gains made through property transactions allow frequent movers who are owner-occupiers to benefit financially from their mobility when housing market conditions permit. Second, mobility potentially allows households to trade-up in property and neighbourhood terms, such as allowing access to higher quality services and amenities, notably education.

Given this, the notion of 'self-containment' requires some important qualification. Moving in and around a large, diverse housing market (such as that in London) may

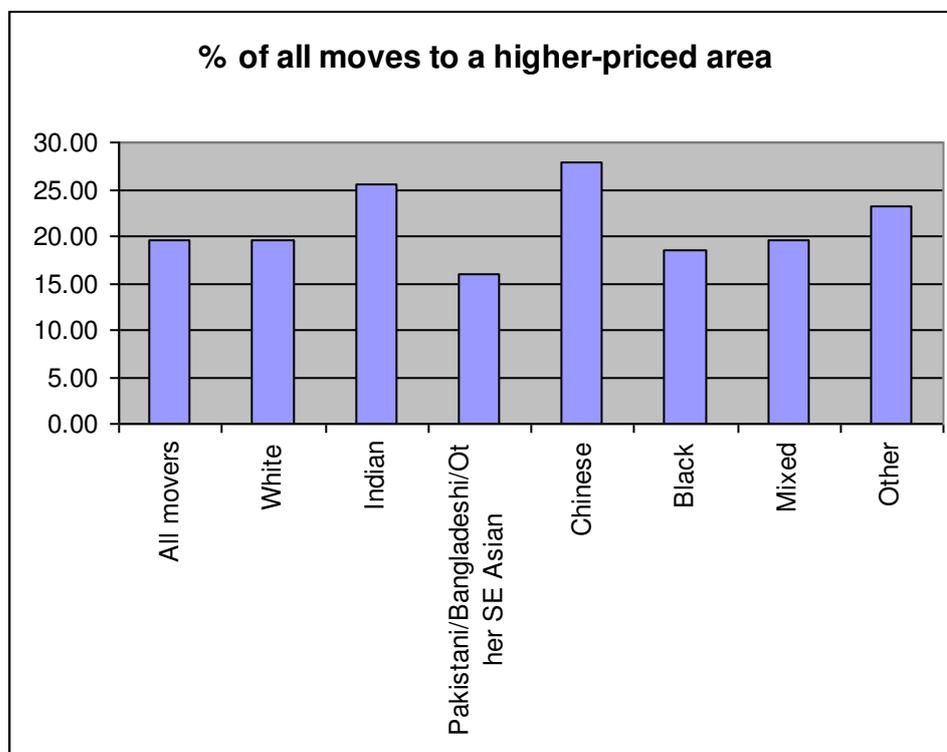
do little to dampen social mobility. On the other hand, a very tightly defined housing market (which nonetheless has a similar level of self-containment) may be significantly more internally homogenous, such as the housing market of a depressed, de-industrialised town. The extent to which households have the means and opportunity to move *outside* this housing market is arguably the principal factor underpinning social mobility. Any differentials between groups in how these means and opportunities are distributed will materially affect how the housing market either aids or hinders their wider social mobility.

Essentially, efforts to measure and describe housing markets will have limited value in explaining relationships between different ethnic communities unless (i) the market can be contextualised, so that the balance of opportunities for households within and outside it can be scoped; and (ii) significant breaks or discontinuities in the market exist, that might impact differentially on specific groups.

The identification of such trends presents immense challenges in terms of data analysis and interpretation. One relatively crude (and periodically out-of-date) approach would be to refer to migration data from the Census to consider which minority ethnic groups are more successful in moving to a higher priced (local authority) area than where they formerly lived. Information drawn from the 2001 Census and shown in Figure 3.1 shows differences in the propensity for different ethnic groups to move to 'higher priced' areas. Of course, this basic analysis ignores the substantial internal heterogeneity of most local authority districts in price terms. Nevertheless, just under one fifth (19.6 per cent) of all households who moved went to a higher-priced area than where they had lived. This propensity was significantly higher for households from Indian and Chinese communities (25.6 per cent and 27.9 per cent respectively). Households from Pakistani and Bangladeshi communities had a lower propensity to move to a higher priced area (15.9 per cent), and members

of Black (African and Caribbean) communities were also less likely to do so (18.5 per cent) than average.

**Figure 3.1: Proportion of moves to a higher priced district, by ethnicity.**



Base = all people moving in the year preceding the 2001 Census.  
Source: 2001 Census

This analysis needs to be set alongside the work by Ludi Simpson and colleagues, which suggests that apparently different rates of migration among minority ethnic communities can be largely explained by the socio-economic and demographic composition of the groups, rather than any inherent tendencies to 'self-segregation', as is often alleged. Common trends of counter-urbanisation and dispersal from areas of co-ethnic concentration are observable across communities. One difference Simpson does note, however, is that Bangladeshi and Pakistani households will tend to make shorter distance moves than other groups (Finney and Simpson, 2007). This type of analysis underlines the extent to which overall categorisations of 'BME'

households mask considerable variation *between* communities – not just in housing market terms but in economic resources as well.

However, given that most residential mobility takes place within ‘localised’ geographical boundaries and that sub-areas within any single district, town or city can comprise large difference in housing market characteristics, it is perhaps most telling to look for evidence, one way or another, of distinct ethnic sub-markets operating at this level. We therefore explore this question by turning our attention to two parts of the city that was the focus of Rex and Moore’s research more than forty years ago – Birmingham.

### **Birmingham: one city, two case studies**

Birmingham provides an instructive case study to assess how patterns of residential settlement and housing market change can interact. In 2001, the city had a population of 977,000, on which just under 30 per cent defined themselves as belonging to a ‘non-white’ minority (Census, 2001). Over the course of the next two decades, the total minority ethnic population is likely to become larger than the total White British population, although White British people will remain the city’s largest single ethnic group (Finney and Simpson, 2007).

Birmingham’s minority ethnic population has a distinctive pattern of settlement in the city. Since Rex and Moore’s pioneering study, waves of ‘succession’ have concentrated on a ‘middle ring’ of neighbourhoods such as Sparkbrook, Small Heath and Handsworth. Each of these has over time to some extent become associated with particular minority groups. Abbas (2005), for example, refers to Rex’s later work in the 1980s, and its description of “*Sparkbrook [as] a largely Pakistani area, the Handsworth area is the Caribbean centre of Birmingham, and the Soho area as*

*overwhelmingly Indian*” (p 5). This portrayal is largely justified if one looks at the results of the 1991 Census (Figure 3.2 below). One would, however, need to be cautious in deploying terms like ‘overwhelmingly’: there were actually comparatively few neighbourhoods in the city in 1991 (or 2001 for that matter, see Figure 3.3) where non-white groups were the numerical majority. However, a more complex picture of settlement and mobility can be discerned among those groups who are the most strongly represented in a specific neighbourhood.

**[INSERT FIGURES 3.2 and 3.3 AROUND HERE – BOTH ON SAME PAGE OR OPPOSITE EACH OTHER IF POSSIBLE]**

**Figure 3.2: Majority Ethnic Group Representation by Neighbourhood, 1991**

*Note: Census output areas, the smallest unit of statistical geography in use in the UK, are used as a proxy for ‘neighbourhoods’. Data have been assigned to output areas on the basis of their closest geographic fit, which may lead to a small number of inaccuracies. ‘Majority’ refers to the largest ethnic group by share of population. Source: 1991 Census Small Area Statistics (England and Wales). Map contains portions (c) Crown Copyright/database right 2007. An Ordnance Survey/EDINA supplied service.*

**Figure 3.3: Majority Ethnic Group Representation by Neighbourhood, 2001**

*Note: Census output areas, the smallest unit of statistical geography in use in the UK, are used as a proxy for ‘neighbourhoods’. ‘Majority’ refers to the largest ethnic group by share of population. Source: 2001 Census Standard Area Statistics (England and Wales). Map contains portions (c) Crown Copyright/database right 2007. An Ordnance Survey/EDINA supplied service.*

Despite the apparently stark representation of different minority ethnic communities in sections of the two maps shown in Figures 3.2 and 3.3, it would be misleading to think the picture in Birmingham is unusual compared to other cities with high non-White populations. Using the Index of Dissimilarity, *The State of the English Cities* report (Office of the Deputy Prime Minister, 2006) ranked cities and major towns according to their score (ranged from 0 to 1, with higher scores showing more dissimilarity or 'segregation'). Birmingham scored 0.58 on the White/non-White distinction (the 11th highest score out of 56 cities and major towns), 0.63 on White /Asian comparisons (also 11th highest) and 0.52 on White/Black comparisons (17th highest). While Birmingham is therefore not unusually segregated by ethnic group, this overall figure can disguise marked differences at the local level. Therefore, in the following sections, we contrast two segments of the city, both with relatively high representations of minority ethnic settlement: the 'Eastern Corridor' and the North-West.

*a) The 'Eastern Corridor'*

The 'Eastern Corridor' is a term that has been applied to a broad swathe of east Birmingham running outwards from the city centre. It has recently been the focus of a regeneration and housing programme developed by the two local authorities involved, Birmingham City Council and Solihull Borough Council (Ecotec, 2006). Stretching from the city centre eastward to Birmingham Airport, it encompasses neighbourhoods such as Small Heath, Duddeston, Washwood Heath, Sparkbrook, Tyseley, Hodge Hill and Yardley. The area also includes at its easternmost point the peripheral systems-built estate at Chelmsley Wood, which lies in the neighbouring district of Solihull. The Eastern Corridor is a highly diverse area, containing 105,700 households in 2001. Just over 40 per cent of the population were members of minority ethnic communities, heavily concentrated in the older neighbourhoods closer

to the city centre (Centre for Regional Economic and Social Research, 2006). The evolution of this segment of the conurbation can be broadly described in terms of three phases of development: the Victorian inner city; a 'planned' middle ring consisting mainly of inter-war housing estates; and the post-war overspill developments around Chelmsley Wood (Lee et al, 2003).

The population of the Eastern Corridor increased by 0.6 per cent between 1991 and 2001 (compared to an increase in the city as a whole of 1.7 per cent). This masked considerable internal variability. The population of the inner ring of the Corridor increased by 6.7 per cent during this period, compared to a *decrease* of 2.3 per cent in the middle ring and a *decrease* of fully 10.8 per cent in North Solihull (Ecotec, 2006 p26). The estimates of future households produced for the regeneration partnership suggested that the number of White households in the Eastern Corridor would fall by 1,449 between 2001 and 2031, while the number of 'BME' households would increase by 22, 457 (Ecotec, 2006). The overall challenge for the regeneration prospectus was to assess whether, in an area of widespread social and economic disadvantage, it would be possible to 'smooth' the market, by easing pressures in the congested inner ring, and encouraging outward migration towards the middle and outer rings. There is, however, little evidence as yet of this process taking place.

The majority of Birmingham's Pakistani population live in the Eastern Corridor, specifically in and around the inner-ring neighbourhoods of Small Heath and the focus of Rex and Moore's study, Sparkbrook. Unlike other parts of inner-city Birmingham, there is relatively little diversity in the ethnic composition of the population in these neighbourhoods, aside from a small Bangladeshi presence. The Black African, Black Caribbean, and Indian communities are a much more significant presence in the north west of the city, as shown in Figures 3.2 and 3.3. Between 1991 and 2001, this picture changed little, and market processes have largely

consolidated Pakistanis' residential pattern in the city. There has been no significant growth of Pakistani representation in the neighbourhoods further east, despite additional indigenous household growth, in line with the demographic profile of the community.

The contrasts between the different rings in the Eastern Corridor are exemplified by the fact that in 2001 in East Birmingham (the inner ring), 45 per cent of the population were Pakistani, compared to a mere 3.3 per cent of residents in the adjacent middle ring and 0.1 per cent in the outer North Solihull ring (Centre for Regional Economic and Social Research 2006, p 5). Where growth has occurred, it has largely been compressed in the existing areas of Small Heath, Sparkbrook and Sparkhill, resulting in growing problems of poor housing quality and overcrowding. The apparent result is a community that is 'hemmed in' against a set of local housing markets into which residents have been unable to make significant headway. A study of housing aspirations among members of minority ethnic communities in the Eastern Corridor seemed to confirm this syndrome:

*'Segregation and ethnic enclaves was the reality in the Eastern Corridor,...peripheral housing estates in the middle and outer ring were seen as monolithically white and were associated with harassment.....Inner ring neighbourhoods were viewed as monolithically Pakistani and were associated with crime and poor public services'* (Goodson et al (undated), para 8.4.2)

There was evidence of very modest dispersal among the Pakistani communities into Eastern Corridor's 'middle ring' (largely inter-war settlements like Stetchford, Yardley and Shard End) and affluent south-eastern suburbs like Olton, Hall Green and Moseley. Only in the neighbourhood of Aston, where there is a significant

Bangladeshi population, is there evidence of more substantial migration from the Pakistani communities.

There are several possible explanations for this pattern. The relatively deprived circumstances of many Pakistani households (Platt, 2007) makes it difficult for them to compete in the housing market in more affluent neighbourhoods (as, for example, many Indian households have done). The Pakistani community has been established more recently and they tend to occupy housing – often in poor condition – in neighbourhoods with relatively low housing market values and thus have a comparatively poor equity base to build on.

A second explanation, put forward by Abbas (2005), is that Pakistani Muslims have demonstrated strong preferences to remain in the same geographic locations as their parents and their religious networks. Pakistani settlement in Birmingham has carried through very strong kinship networks from Mirpur, a rural district of Kashmir. This rationale is contested, however, by others. A study by Bains (2006), although largely impressionistic, suggested that young Pakistanis were increasingly searching for housing beyond their families' neighbourhoods:

*“Indications are that middle class Pakistani and Bangladeshi groups will seek to follow a similar path worn by their Indian peers. Whilst living with people of a shared cultural background and proximity to place of worship was highlighted these issues were of less priority and importance than the quality of the environment, housing and schools”* (Bains, 2006, p 8).

Bains also suggests that the pooling of family income and adherence to traditional (extended) family structures were diminishing practices among younger south Asians. The mobility path might not, however, extend along a tract running outward

in an easterly direction away from the city centre. Instead, he suggests, younger households wish to remain within ready access to the 'buzz' of the city centre rather than the more peripheral locations in the eastern Corridor, bucking the trend of counter-urbanisation. Furthermore, their perceptions of the more peripheral areas were unfavourable:

*'In east Birmingham, where demand has considerably outstripped supply, inflating local house prices to unreasonable levels, people are still prepared to buy. The eastern periphery provides opportunity for social rented and home ownership, however there is little interest from the overspill South Asian communities...the primary reason is that some of these traditional white areas are perceived as hostile and have a reputation for organised racist activities'*  
(Bains, 2006, p 35)

A third potential reason is that the structure of the housing market in the Eastern Corridor is discontinuous, thereby 'distorting' the expected trajectories of migration. It might consist of submarkets, which while not necessarily spatial may have the effect of constraining the locational choices that households can make, hence contributing to spatial segregation or concentration. Movement *within* these submarkets might be relatively easy. Movement *between* them, on the other hand, might be more difficult because of price differentials, or other barriers (such as fear of harassment or cultural isolation, see Phillips et al in this volume).

The 'sub-markets' hypothesis, together with Bain's evidence of changing perceptions and attitudes, suggests segregated housing outcomes are likely to be more powerfully explained by constraint and competition between different ethnic groups than by active 'self-segregation'. These housing market processes would therefore

appear to be broadly consistent with Simpson's (2004) robust challenge to the recent orthodoxy about the (voluntary) 'self-segregation' of minority ethnic communities.

*b) North West Birmingham*

North West Birmingham contains neighbourhoods that have a significant minority ethnic population and high levels of poverty and deprivation. Problems of social exclusion and of physical blight have both been a concern and the area has been for many years a focus of local authority and central government regeneration activity. In numerical terms, the Handsworth area is dominated by the Indian population. But the various neighbourhoods in the North West of Birmingham are home to a number of different minority ethnic groups, and there are areas of majority Black African, Black Caribbean, Pakistani and Bangladeshi communities. Unlike the Eastern Corridor, this part of the city witnessed considerable change in residential patterns between 1991 and 2001. Media reports of violent disturbances in the area in 2005 focused on the perceived tensions between different groups, particularly Black and Asian youths (see Flint in this volume). These disturbances echoed those of twenty years earlier and suggested that relatively little progress had been made to combat the lack of economic opportunity, the legacy of discriminatory housing decisions, and other factors underpinning the comparative disadvantage suffered by residents in neighbourhoods like Handsworth (Cohen, 2005). They highlight the comparative intractability of cohesion issues in areas of greater diversity and co-location of different minority ethnic communities.

There are clear signs of quite rapid and far reaching change in the residential patterns of minority ethnic households at the neighbourhood level in the North West. There is a clear spread in the number of neighbourhoods that are majority Indian,

mainly to the north of Handsworth but also to some areas of Smethwick. There has also been a significant expansion in the number of areas where Black African and Caribbean and Pakistani population are the majority, principally centred on Aston and Lozells. The question arises whether the structure of the market in North West Birmingham is fundamentally different to that in the Eastern Corridor. While they are both relatively low value markets, one can postulate that the housing market in the North West exhibits fewer discontinuities and works in a more 'fluid' and dynamic way than in the East.

Although at this stage we can only proffer suggestions rather than definitive conclusions about the structure of the Birmingham housing market, it is instructive to examine potential links between house sale prices and the pattern of population mobility. Property sales in North West Birmingham generally achieve lower prices than those in the inner ring of the Eastern Corridor. A more detailed analysis is needed to compare the structure of property types and sizes in the two areas, but an initial assessment does not suggest that there are significant differences in property styles, sizes or types. Terraced houses, for example, account for 68 per cent of sales in the inner ring of the Eastern Corridor and 66 per cent in North West Birmingham.

A household moving from the inner ring of the Eastern Corridor to an adjacent area (the middle ring) would have to find an additional £3,000 for an average property. On the other hand, a household moving from North West Birmingham to its closest adjacent area would find that the average property is nearly £4,000 cheaper (Table 1). This tends to suggest that households in certain parts of the city face greater price constraints if seeking to move to a nearby area, even where there are few significant differences in the overall 'housing offer'. More systematic tracking of mobility chains over time in the two areas, however, would be needed to put this to a more robust statistical test.

**Table 3.1: Average property sale prices implicated in moves to adjacent areas**

Origin	Destination	Average house sale price 2006 in origin (A)	Average house sale price 2006 in destination (B)	Absolute price difference (B-A)	% Price difference (B-A)
Eastern Corridor Inner Ring	Eastern Corridor Middle Ring	£ 126,875	£129,994	£ 3,119	2.5
North West Birmingham	West Bromwich/Smethwick	£ 118,339	£114,377	£ -3,962	-3.3

Source: Land Registry data analysed as part of research projects in Eastern Corridor and North West Birmingham.

Analysis of population mobility is more difficult due to the paucity of reliable data. However, it is possible to use information from the 2001 Census on the previous address of respondents to determine the relative ‘propensity’ for households to move from one area to another. Table 3.2 presents an analysis of various scenarios of geographic mobility as they relate to the two study areas. It shows that people from minority ethnic communities in Eastern Corridor are substantially more likely to remain in the same area than those from North West Birmingham. Furthermore, it is possible to discern differences between the ‘BME’ population and the ‘White’ population. White households from the Eastern Corridor are more likely to move to an adjacent area than those of minority ethnic origin. The converse is marginally true in North West Birmingham. Finally, although the percentages are small, a higher percentage of minority ethnic households in north west Birmingham moved to an adjacent area than in the more constrained market in the Eastern Corridor.

**[Insert Table 3.2 around here]**

Together these data do not present conclusive evidence, but they do suggest that there are potentially different processes at work in the two case study areas that may reflect structural differences in the housing market. These in turn may be related to physical or geographic constraints or, of more importance for our own analysis, the nature of housing opportunities and population characteristics in adjacent neighbourhoods. At the very least, we would suggest that a micro level analysis of housing market structure and patterns of mobility is an important component of any endeavour to understand how community cohesion issues will change over time at the neighbourhood level. We would also suggest that 'context free' discussions of cultural preferences or differing demographic profiles will have limitations if they are insufficiently attentive to local market variations.

It has been possible for us in this chapter to pose questions about the way in which treatment of residential mobility and settlement patterns among minority ethnic communities needs to be alive to market context to a greater degree. This, we suggest, could lead to more nuanced views about the mainsprings for change than purely 'cultural' explanations, or arguments that rely on assumptions about 'maturity of settlement' among different groups (see Reeve in this volume). In assessing this evidence, the significant literature on housing market economics – and on submarkets specifically – suggests that there is merit in pursuing this line of inquiry, in different cities, and over different periods. In the UK at least, attempts to integrate cohesion issues into formal housing economics have been very poorly developed. There may be quite different policy implications arising in a 'continuous' market, as opposed to a 'discontinuous' market, as discussed below. It is also suggested that policy responses need to be developed selectively at neighbourhood level, focused on what we term 'critical arenas' of actual or potential tension between different communities.

## Policy Responses to Housing Market Change

Our main purpose in this chapter has been to advance the case for a better appreciation of relatively localised housing market processes to inform an understanding of patterns of mobility and settlement among different minority ethnic communities. We have suggested that an important ingredient here may be the existence or otherwise of distinct 'sub-markets' that may distort the typical pattern of dispersal away from city centre locations towards more suburban environments as communities become more established. There is nothing inevitable about this process: it is contingent on market characteristics, the profile of housing tenure and the dwelling stock and perceptions and anticipated reactions among the 'host' communities in the outer areas. But what of the policy implications of this form of analysis and the argument that underpins it?

The foregoing suggests that district-wide or city-wide 'programmes' for community cohesion are likely to be insufficiently sensitive to local variation in market circumstances. In their analysis of the Eastern Corridor, the Centre for Regional Economic and Social Research team (2006) suggested that, while many of the neighbourhoods in the Eastern Corridor may be stable and self-sustaining, any community cohesion strategies need to be focused on localities which were termed '*critical arenas*'. These areas are marked by actual or potential tensions between different ethnic groups. In some cases, local authorities and other agencies would need to adopt *pro-active* measures which anticipate negative consequences of neighbourhood change and in others they would need to adopt *reactive* measures to mitigate the impact of overt conflict and tension.

The CRESR report outlined different types of 'critical arena' and suggested that each might require a different suite of interventions:

*'reception' localities* - points of initial arrival for households, and often low value yet highly pressurised housing markets.

*turbulent localities* - marked by high levels of residential mobility, often associated with a relatively large private rented sector. These areas may be functioning well, as an important lubricating part of the wider housing market, where qualities such as ready access and high turnover are at a premium. The neighbourhoods are not necessarily problematic, but the key aspect is that the character of such areas may change relatively quickly, if the pattern of in-movers and out-movers alters.

*transforming localities* - marked by a systematic shift in their ethnic profile, especially if they become sites of new settlement for groups, or as new generations of households move out from established areas of settlement.

*contested localities* - distinguished by sporadic or continuous tensions and conflicts between different ethnic groups, which may experience 'flashpoint' incidents that focus attention on what often develop from long-standing resentments or suspicions.

*eroding localities* - stable, usually white-dominated, neighbourhoods with low household turnover and household formation, often high levels of residential satisfaction and established local amenities. However, the area may be dominated by a large cohort of ageing households that may not be replaced organically once residents leave or die. As property values start to fall, they may then become attractive locations for those households living in pressurised localities seeking more

affordable options. This does not necessarily betoken a smooth transition to a more mixed community than before: the process of transition can be problematic.

This five-fold designation of critical arenas is indicative rather than definitive or universally applicable, but it suggests that the combination of different localities within a larger segment of a town or city may lead to different policy instruments being developed to enhance community cohesion or minimise conflict. In terms of the earlier discussion, the extent to which there are identifiable sub-markets carries important messages for policy. A 'discontinuous' market may point policies in the direction of market restructuring and supply-side interventions. A 'continuous' market, on the other hand, may suggest the introduction of demand-side measures to ameliorate the housing outcomes for different communities. This may not necessarily involve 'housing' initiatives *per se*, so much as measures to enhance the economic resources of minority ethnic households so that they are able to compete more effectively in the market. The difference between these two approaches is not just about focus. It also affects timescales. A programme to reconfigure the 'housing offer' at neighbourhood level would need to be developed over a long time frame; initiatives to stimulate demand, by improving access to the labour market for example, might bring returns more quickly.

## **6. Conclusion**

In their research in the early 1960s, Rex and Moore identified the housing market in Birmingham as a source of inequality of access and outcome, and charted its differential effects on ethnic groupings and focusing on one area of the city, Sparkbrook. They suggested that analyses concerned only with labour market position, economic power and social class formation needed to incorporate a clearer

understanding of how the housing market offered different types of access to ethnic groups, and thus could become a crucial and 'independent' arena of competition and conflict.

In this chapter, we have suggested that, forty years on, universalising prescriptions about housing, community cohesion, cultural preference and patterns of mobility also need a keener sensibility about housing market processes and functions. The local housing markets in two different areas of the same city – Birmingham, again - may have markedly different impacts on minority ethnic communities: and we speculate that these are partially explicable by different market constraints, rather than purely by reference to the descriptive characteristics of the communities affected (such as ethnicity, length of residence or household composition).

The boundaries around any ethnic sub-markets may themselves be the distillation of a host of influences: antipathy from host or dominant communities, racialised inequalities, defensive strategies by those with little economic power to penetrate new markets, changing locational preferences, and so on (see Burnett in this volume). This approach in turn suggests that for policymakers a more locally sensitised approach to 'community cohesion' will be necessary, attuned to the dynamics of neighbourhood change. Explanations of patterns of residential mobility and settlement - whether 'self-segregating' or 'out-migrating' – also need to be aware that local housing sub-markets can shape these processes in quite different ways in the same city.

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**Table 3.2: Propensity to Move**

		Number of movers		Combined number of movers in origin and destination		Propensity to move***	
		BME	White	BME	White	BME	White
<b>Propensity to remain in the area</b>	<b>Eastern Corridor Inner Ring</b>	5703	1462	15662	8652	36.4%	16.9%
	<b>North West Birmingham</b>	2150	1061	8329	6185	25.8%	17.2%
<b>Propensity to move to adjacent area*</b>	<b>Eastern Corridor Inner Ring</b>	405	693	9433	10753	4.3%	6.4%
	<b>North West Birmingham</b>	196	94	6321	5286	3.1%	1.8%
<b>Propensity to move to the rest of Birmingham (outside the Eastern Corridor/NW Birmingham)</b>	<b>Eastern Corridor Inner Ring</b>	1768	2421	19531	47512	9.1%	5.1%
	<b>North West Birmingham</b>	1575	1618	15730	45715	10.0%	3.5%
<b>Propensity to move to the adjacent local authority**</b>	<b>Eastern Corridor Inner Ring</b>	114	292	9366	16746	1.2%	1.7%
	<b>North West Birmingham</b>	427	343	8759	17264	4.9%	2.0%

Notes

\*Adjacent area for Eastern Corridor Inner Ring is the Eastern Corridor Middle Ring

\*Adjacent area for North West Birmingham is West Bromwich and Smethwick housing market renewal area

\*\* Adjacent local authority for Eastern Corridor is Solihull

\*\* Adjacent local authority for North West Birmingham is Sandwell

\*\*\*The measure of propensity used is the number of movers divided by the combined total of movers in both the origin and destination areas. This standardises for mobility rather than population. These propensities therefore control for uneven rates of mobility among population groups and areas.

Data source: 2001 Census Special Migration Statistics

Areas are based on Electoral Wards as were current at the time of the 2001 Census.