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Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column ‘total’ due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.
Introduction

The 2014 North Tyneside Strategic Housing Market Assessment (SHMA) provides the latest available evidence to help shape the future planning and housing policies of the area. The study will help inform the production of the Council’s Local Plan and Housing Strategy. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area. In particular, the SHMA considers the housing market area of North Tyneside, Objectively Assessed Housing Need and Duty to Co-operate matters.

The 2014 SHMA has comprised:

- A major household survey which was completed by 3,363 households, representing a 14.8% response rate;
- An online survey of stakeholders to gather views on the current housing market and the key strategic housing issues; some telephone interviews were also undertaken;
- A Housing Market Partnership, involving a range of stakeholders; and
- A review of existing (secondary) data.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development which conforms to the Government’s National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG).

Housing market context

House prices

Median prices in North Tyneside have been marginally higher than the Tyne and Wear median price, comparable to prices in Newcastle and Northumberland, but lower than the national median price. House prices across North Tyneside have increased by 218% over the period 1996 to 2014, with median prices rising from £142,000 in 2010 to £144,500 during 2014.

During the period January 2013 to the end of June 2014, median prices across North Tyneside were £144,500 and lower quartile prices were £97,500.

Dwelling stock

According to the 2011 Census there were a total of 94,528 dwellings in North Tyneside and a total of 91,295 households. This total of 91,295 households has been used as a basis for survey analysis. The total number of dwellings increased to 95,380 in 2013. Overall, across North Tyneside:

- 68.3% of properties are houses, 21.7% are flats/maisonettes 9.5% bungalows, and 0.5% are other property types (e.g. caravans);
- 10.5% have one bedroom, 32.7% two bedrooms, 48.4% have three bedrooms and 8.3% have four or more bedrooms;

1 CLG 2013 Housing Strategy Statistical Appendix
- Over a third of properties (37.4%) were built before 1945, a further 40.5% were built between 1945 and 1984 and the remainder (22%) have been built since 1985;
- 64.8% of properties are owner-occupied, 22.0% are affordable (social/affordable rent and intermediate tenure) and 13.2% are privately rented.

Demographic drivers
The latest ONS 2012-based population projections indicate a total population increase of 12.3% from 201,500 in 2012 to 226,300 in 2037. Over the next few decades, the age profile of residents in North Tyneside is expected to change. In 2012, there were around 36,900 residents aged 65 or older (and of these 10,400 were aged 80 or over). Population projections suggest that the number of residents aged 65 or older will increase by 23,000 to 59,900 by 2037 (and of these, 20,100 will be aged 80 or over). This represents a 62.3% increase in the population of North Tyneside aged 65+ and a 93.3% in the population aged 80+.

Economic drivers
In terms of travel to work, the 2011 Census indicates that 48% of resident employees live and work in North Tyneside. Similarly, the 2013 Household Survey indicates that 50.9% of economically active Heads of Household worked within North Tyneside and 49.1% worked elsewhere, particularly Newcastle upon Tyne (31.1%), elsewhere in Tyne and Wear (8.6%) and Northumberland (5.4%).

Market areas
An analysis of 2011 Census migration data suggests that 64.7% of households who moved in the year preceding the census originated from within North Tyneside and 48% of resident employees live and work in North Tyneside. Former Government guidance suggested that housing markets are self-contained if at least 70% of moves take place within the area.

On this basis, North Tyneside is not a self-contained housing market area but is part of a wider housing market area extending into Newcastle and Northumberland. If moves between North Tyneside and Newcastle are included, self-containment increases to 77.4% (migration) and 73.8% (workplace); and if Northumberland moves are included self-containment reaches 83.3% (migration) and 80.3% (workplace). The interactions between the three districts are well-recognised and under the Duty to Co-operate the three authorities regularly meet to discuss cross-boundary matters.

Objectively assessed housing need
There are many factors to consider when establishing an objectively assessed housing needs figure and after considering this evidence it is proposed that the objectively assessed housing need figure for North Tyneside is based upon a ‘medium growth’ scenario of 792 dwellings each year. This is higher than the latest SNPP-2012 dwelling projection scenario and takes account of jobs-led growth.

The target of 792 also takes into account:
A need to deliver new dwellings to support economic growth aspirations whilst acknowledging the inter-relationships with Newcastle and Northumberland which both want to increase their population and reduce migration into North Tyneside;

Market signals are indicating that prices and property sale transactions are increasing and vacancy levels are below the national average. However relative affordability has improved marginally over the period 2010-14. Analysis of market signals would suggest a relatively ‘tight’ market with low levels of vacancy but there are no particular issues that would warrant an adjustment to dwelling targets.

To put the 792 target into a broader context:

- Past trends in delivery which have been running over the past four years at 425 each year (or at 53.6% of this target);
- Potential delivery of up to 1,092 dwellings each year (over 15 years 2014-2029) as demonstrated by the SHLAA, although in years 1-5 capacity is more limited at an average of 735 each year, rising to 1,473 in years 6-10 and then reducing to 1,067 in years 11-15.

In conclusion, the 792 target represents an ambitious figure which addresses housing need. It is also assumed that the 792 target addresses any backlog in demand as it uses a baseline figure based on the current demographic situation in North Tyneside. Establishing an objectively assessed housing need for the borough was the focus of discussion at a stakeholder event on 22nd October 2014.

Affordable housing

Affordable housing need is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’. A key element of the study is to explore the scale of housing need and the extent to which additional affordable housing is needed.

Affordable housing is defined as either social/affordable rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households within each sub-area and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings).

An annual net shortfall of 490 affordable dwellings has been calculated based on the DCLG housing needs assessment model presented in the DCLG SHMA guidance. It must be reiterated that this is the degree of imbalance that exists between the need for affordable housing and supply based on parameters set by the CLG guidance (for instance the proportion of income which should be spent on housing). The actual proportion of affordable housing that it is economically viable to deliver is being assessed through an Economic Viability Assessment. In terms of the split between social/affordable rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households in need, particularly in 1 and 2 bedroom properties. A tenure split of 75% affordable (social) rented and 25% intermediate tenure is suggested for affordable housing.
### Table ES1  Net annual affordable housing requirement 2013/14 to 2017/18

<table>
<thead>
<tr>
<th>Sub-Area</th>
<th>General Needs</th>
<th></th>
<th>Older Person</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bedrooms (#)</td>
<td></td>
<td>Bedrooms (#)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3+</td>
<td>1</td>
</tr>
<tr>
<td>Whitley Bay / Monkseaton area</td>
<td>101</td>
<td>51</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Cullercoats / Tynemouth area</td>
<td>64</td>
<td>-7</td>
<td>-9</td>
<td>15</td>
</tr>
<tr>
<td>Moor Park / New York / Chirton Grange / Preston Grange / Preston Area</td>
<td>51</td>
<td>6</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area</td>
<td>39</td>
<td>-63</td>
<td>28</td>
<td>18</td>
</tr>
<tr>
<td>Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area</td>
<td>5</td>
<td>55</td>
<td>12</td>
<td>31</td>
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<tr>
<td>Benton / Longbenton / Forest Hall area</td>
<td>-11</td>
<td>81</td>
<td>-9</td>
<td>-1</td>
</tr>
<tr>
<td>Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area</td>
<td>15</td>
<td>-25</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>Shiremoor / Backworth / Northumberland Park / West Allotment area</td>
<td>8</td>
<td>-2</td>
<td>-25</td>
<td>-5</td>
</tr>
<tr>
<td>Dudley / Seaton Burn / Wideopen area</td>
<td>30</td>
<td>-2</td>
<td>3</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>302</strong></td>
<td><strong>93</strong></td>
<td><strong>24</strong></td>
<td><strong>79</strong></td>
</tr>
</tbody>
</table>

Note: positive numbers indicate a shortfall of provision; negative numbers indicate sufficient capacity relative to need

### Market demand

Households intending to move in the open market were asked what type and size of property they would like and expect to move to. This could then be compared with the current profile stock to identify any mismatches between availability and aspirations/expectation (Table ES2). Of households moving, most would like to move to a house (72.9%), 18.9% would like to move to a bungalow and 7.3% to a flat. This compares with 67.7% who expect to move to a house, 13.8% to a bungalow and 17.1% a flat. A much higher proportion would like to move to a house with four or more bedrooms (25.0%) but only 14.0% expect to. In contrast, higher proportions expect to move to a one or two-bedroom house (17.8%) than would prefer to (12.4%). Future development should focus on delivering to address identified mismatches and reflect household aspirations.
Older people

The majority of older people (70.5%) want to stay in their own homes with help and support when needed. There is also a degree of interest in specialist forms of older persons’ accommodation, for instance rented sheltered accommodation (22.7%), buying a property on the open market (15.5%) and rented extra care housing (14.2%).

A key challenge is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home and develop funding mechanisms to achieve this.

Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people, the development of more Extra Care accommodation and co-housing\(^2\).

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\(^2\) Extra Care accommodation is designed with the needs of frailer older people in mind; it includes flats, bungalows and retirement villages; residents have their own front door and domestic support and personal care are available. Co-housing is your own home in a small community which shares facilities (e.g. laundry) and activities.