

2014 Strategic Housing Market Assessment North Tyneside Council Final Report



North Tyneside Council



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Executive Summary

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 2013¹. 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);

¹ CLG 2013 Housing Strategy Statistical Appendix

- 10.5% have one bedroom, 32.7% two bedrooms, 48.4% have three bedrooms and 8.3% have four or more bedrooms;
- 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

	Sub-Area	General Needs			Older Person		
		Bedrooms (#)			Bedrooms (#)		
		1	2	3+	1	2+	Total
1	Whitley Bay / Monkseaton area	101	51	9	16	-1	176
2	Cullercoats / Tynemouth area	64	-7	-9	15	0	63
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	51	6	0	6	-1	63
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	39	-63	28	18	-4	19
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	5	55	12	31	-3	101
6	Benton / Longbenton / Forest Hall area	-11	81	-9	-1	-4	57
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	15	-25	14	0	1	4
8	Shiremoor / Backworth / Northumberland Park / West Allotment area	8	-2	-25	-5	0	-24
9	Dudley / Seaton Burn / Wideopen area	30	-2	3	-1	1	32
	Total	302	93	24	79	-9	490

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.

Table ES2 Suggested annual profile of new dwellings based on current stock profile, aspirations and expectations

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	13.4	12.4	17.8
House 3 Beds	41.2	35.5	35.9
House 4 or more Beds	19.6	25.0	14.0
Bungalow	7.2	18.9	13.8
Flat	18.1	7.3	17.1
Other	0.4	0.8	1.4
Total	100	100	100

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-housing².

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

1. Introduction

Background and methodology

- 1.1 arc⁴ was commissioned by North Tyneside Council in June 2013 to prepare a comprehensive Strategic Housing Market Assessment (SHMA) for the North Tyneside area. The study provides data required under the National Planning Policy Guidance and by National Planning Practice Guidance which came into effect in February 2014 which replaces Strategic Housing Market Assessment Guidance (2007) and Identifying Sub-regional Housing Market Areas (2007) Guidance.
- 1.2 The research focuses on four core areas: a review of housing markets; an assessment of housing need and affordable requirements; a review of general market requirements; and makes policy recommendations.

NPPF requirements

- 1.3 Local planning policies need to be grounded in robust and transparent evidence and key components of the evidence base include: a Strategic Housing Market Assessment and a Strategic Housing Land Availability Assessment. The SHMA should assess and identify the scale and mix of housing and the range of tenures the local population is likely to need over the Local Plan period which:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 1.4 This report provides the first key piece of evidence to underpin planning policy, namely a SHMA which:
 - Provides evidence to help the local authority plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as families with children, older people, people with disabilities, service families and people wishing to build their own homes);
 - Identifies the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
 - Identifies affordable housing requirements.

Definitions

- 1.5 A series of terms are used in work of this nature and to avoid ambiguities, these terms are now clearly defined. The NPPG defines need for housing as *'the scale*

*and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – [and] should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand*³. From this we define the key terms of reference as:

- **Housing demand** is the objectively assessed quantity of housing that households are willing and able to buy or rent;
- **Housing need** is the objectively assessed quantity of housing required for households who are unable to access suitable housing without financial assistance;
- **Housing markets** are geographical areas defined by objectively assessed household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.

1.6 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012):

- **Affordable housing:** Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- **Social rented** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
- **Affordable rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for social rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- **Intermediate housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the affordable housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning.

SHMA Guidance

1.7 In August 2007, the Department for Communities and Local Government (DCLG) CLG published Strategic Housing Market Assessments: Practice

³ The approach to assessing need Para 003 [ID: 2a-003-20140306], NPPG, March 2014.

Guidance Version 2. Although this has been superseded by the NPPG, it still provides a useful framework for the study. And Table 1.1 summarises the core outputs which were required under the former SHMA guidance.

Table 1.1 Strategic Housing Market Assessment core outputs

1	Estimate of current dwellings in terms of size, type, condition, tenure.
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.
3	Estimate of total future number of households, broken down by age and type where possible.
4	Estimate of current number of households in housing need.
5	Estimate of future households that will require affordable housing.
6	Estimate of future households requiring market housing.
7	Estimate of the size of affordable housing required.
8	Estimate of household groups who have particular housing requirements including: families, older people, key workers, black and minority ethnic groups, disabled people, young people, Gypsies and Travellers.

Research methodology

- 1.8 The preparation of the North Tyneside 2014 SHMA has involved a range of stakeholders, including developers/builders, Registered Providers (housing association) representatives, estate agents, private landlords and lettings agents, officers from neighbouring authorities and North Tyneside Council officers working across a range of services, including planning, housing, adult social care and children and young people's services.
- 1.9 To deliver the SHMA, a multi-method approach was adopted, which comprised:
 - A sample survey of households across North Tyneside. A total of 22,767 households were contacted and 3,363 questionnaires were returned and used in data analysis. This represents a 14.8% response rate overall and the total number of questionnaires returned was in excess of the 1,500 for a local authority specified in Government guidance;
 - As part of the 2014 SHMA, stakeholders were invited to participate in an on-line survey to gather their views on the current housing market and the key strategic housing issues for North Tyneside. Some telephone interviews were also undertaken.
 - A Housing Market Partnership, involving a range of stakeholders, helped shape the SHMA.

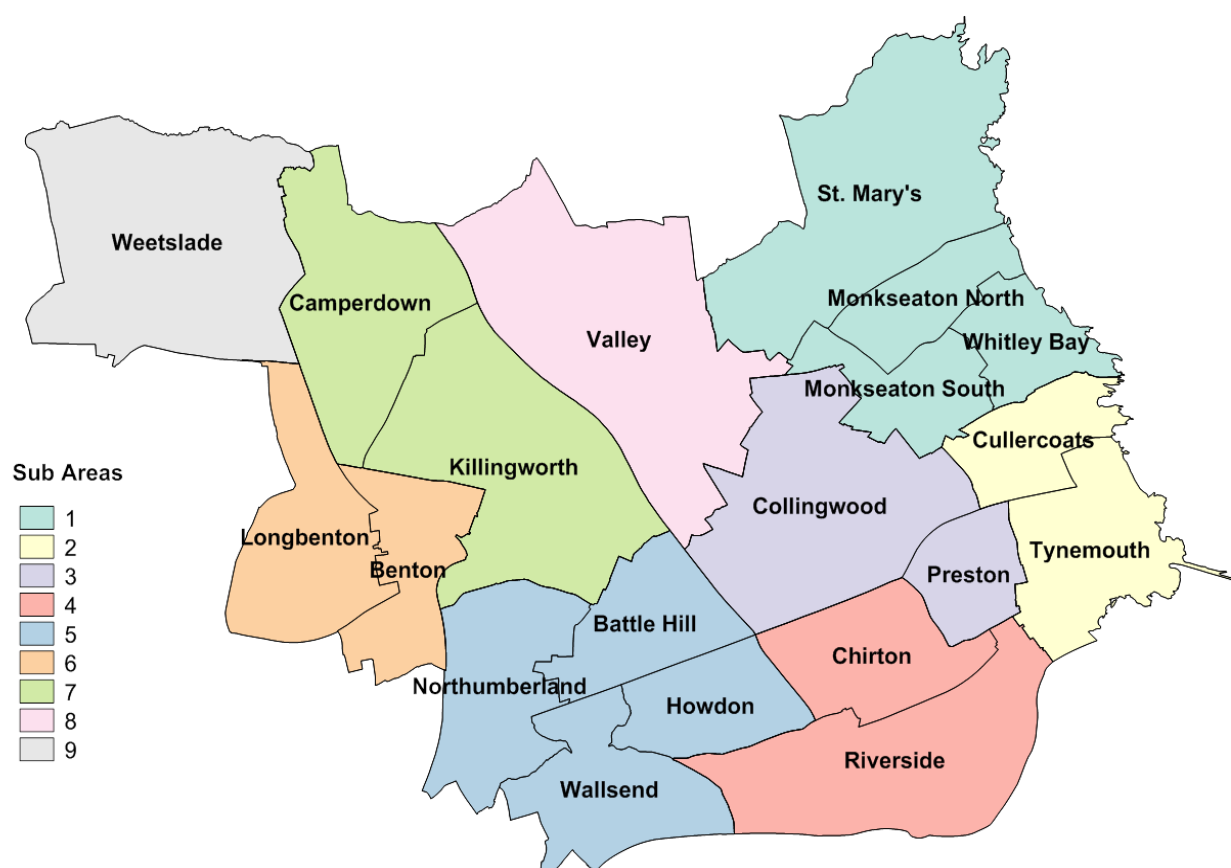
- A review of relevant secondary data including the 2011 census, house price trends, CORE lettings data, ONS 2012-based population and DCLG household projections.
- 1.10 Further information on the research methodology is presented at Appendix A.
- 1.11 It should be noted that the SHMA has a shelf life of around five years and should be regularly updated to take account of changes in housing market dynamics. Local Plans and Policies should be sufficiently flexible to respond to emerging market trends over the Plan Period.

Geography

- 1.12 Data for the 2014 SHMA has been prepared for the constituent sub-areas of North Tyneside as illustrated in Map 1.1. These have been devised in consultation with the Council and take account of the varying characteristics of neighbourhoods across North Tyneside which are explored in detail in Appendix B.

Report structure

- 1.13 The North Tyneside 2014 SHMA is structured as follows:
- Chapter 2 reviews the national and regional policy context within which the research needs to be positioned;
 - Chapter 3 considers the North Tyneside housing market context, in particular linkages with neighbouring districts including Newcastle upon Tyne and Northumberland . This is achieved by reviewing migration and travel to work patterns;
 - Chapter 4 reviews objectively assessed housing need in NorthTyneside;
 - Chapter 5 presents SHMA core outputs and summarises more detailed information presented in technical appendices accompanying this report;
 - Chapter 6 concludes the report with a view on the current and future housing market and strategic issues.

Map 1.1 North Tyneside sub-areas

Sub-area	Description
1	Whitley Bay / Monkseaton area
2	Cullercoats / Tynemouth area
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area
6	Benton / Longbenton / Forest Hall area
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area
8	Shiremoor / Backworth / Northumberland Park / West Allotment area
9	Dudley / Seaton Burn / Wideopen area

2. Policy and strategic review

Introduction

- 2.1 Since May 2010 there has been a radical and sustained, Government-led programme of reform and change of both national housing and planning policy, set within the context of national austerity. At a time of significant reductions in public sector spending, these reforms champion localism and decentralisation.
- 2.2 Removal of the regional tier of government and its related strategies, structures and funding mechanisms, has created a policy vacuum which local strategists and planners are addressing within the context of the Government's planning and social housing reform agenda. With an ambitious programme of policy reform well underway, this is a time of significant change for local strategic housing and planning authorities. This section of the report briefly summarises some of the key changes within the national and regional/sub-regional policy contexts, upon which this research has a bearing.

National policy

- 2.3 There are some core cross-cutting themes that run through the Government's strategic policy context which need to be considered, these include:
- Deficit reduction;
 - Economic growth;
 - Carbon reduction and tackling climate change; and
 - Empowering people and communities.

Deficit reduction

- 2.4 The Government's main priority is to reduce the national budget deficit. This prime objective influences the way in which all other priorities are tackled. Deficit reduction is central to the expectation that the private sector and local communities will deliver in place of the public sector.
- 2.5 Housing is seen by Government as key to creating and sustaining local communities. It contributes to the economy and supports economic growth and employment, both directly and indirectly.

Economic growth

- 2.6 The strategic housing role for local authorities has evolved over the past ten years beyond focussing primarily on the delivery and maintenance of social housing; it is now much more about working for the benefit of communities through understanding, shaping and responding to wider housing markets and trends impacting upon them. In practice this has led to a greater understanding of economic drivers and how these impact upon local and regional housing markets. Consequently, the requisite strategic role for housing now focuses on

supporting economic growth, as well as that of supporting social and environmental well-being.

- 2.7 The Government is seeking to deliver a nationally sustainable and resilient economy that is rebalanced across regions and sectors (public, private, voluntary and community). Housing's contribution to the economy is generally considered in terms of supply:
- The provision of new homes in an area to accommodate new workers, and so bring new inward investment; and
 - The creation of employment opportunities through the construction industry and the related supply chain.
- 2.8 However, the relationship is more complex with the contribution of housing being far greater. It is important that future strategic policies emphasise these links and ensure a good 'fit' with the Local Enterprise Partnership (LEP) and its associated investment plans.

Carbon reduction and tackling climate change

- 2.9 Targets set by the previous Government in the 2008 Climate Change Act remain (to reduce greenhouse gas emissions by 34% by 2020 and by 80% by 2050). Housing has a strong role to play in helping meet these targets, not least in terms of improving the energy efficiency of existing housing stock. This is a significant issue in North Tyneside, especially in the Borough's low value areas, where there are concentrations of older terraced properties and Tyneside flats in the private sector in poor condition and where improvement may be uneconomical. Trying to deliver the Government's Green Deal and attracting ECO funding in these areas will be a challenge.

Empowering people and communities

- 2.10 Since its inception the Government has stressed its commitment to decentralisation and localism, and its '*Programme for Government*' set the scene for a radical devolution of power to local authorities and community groups; central to this has been the **Localism Act**. The Act included measures to reform the planning system, social housing and the council house finance system. It provided:
- New freedoms and flexibilities for local government;
 - New rights for individuals;
 - Reform to make the planning system more democratic and effective; and
 - Reform to ensure that decisions about housing are taken locally.
- 2.11 The Act introduced most elements of the Government's housing reform programme, including changes to homelessness, social housing tenancies (introduction of five year minimum tenancy), mobility, regulation, and access to the Ombudsman. The Act also reformed council housing finance.

National Housing Strategy

- 2.12 Within this broad strategic context the Government has sought to develop specific priorities for housing. The DCLG has the following housing policy objectives:
- Providing housing support for older and vulnerable people;
 - Improving the quality of rented housing;
 - Helping people to buy a home; and
 - Increasing the number of affordable homes.
- 2.13 In 2011 the Government published its Housing Strategy for England, **Laying the Foundations: A Housing Strategy for England**, which sets out its '*intended direction of travel for housing, its role in the wider economy and its contribution to social mobility*'. It sets out ideas on the shape of housing provision that the Government wants to see, which involves the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.⁴
- 2.14 The Strategy presented both existing initiatives and policies and introduced a series of new interventions and approaches, along the following themes:
- Increasing supply, more homes, stable growth;
 - Social and affordable housing reform;
 - A thriving private rented sector;
 - A strategy for empty homes;
 - Quality of housing experience and support; and
 - Quality, sustainability and design.
- 2.15 Whilst these themes provide a useful framework for reviewing the current national policy position some hold more significance within this context than others and these are briefly looked at in turn.

Increasing supply, more homes, stable growth

- 2.16 To encourage housing growth specifically the Local Growth White Paper introduced the **New Homes Bonus**, to incentivise housing growth and increase supply. The scheme commenced in April 2011 and is now a permanent feature of the local government finance system. However, from 2013 any allocated new homes bonus has been deducted from a local authority's general support grant from Government, so, in effect, this ceases to be an additional resource available to local authorities; it should also be noted that the new homes bonus is not ring-fenced for housing provision.
- 2.17 The **Affordable Rent Model** was introduced to utilise £2.5billion of capital investment alongside resources raised through tenancies offered to new social rented tenants at up to 80% of market rents. Where this combination of higher rent and lower grant is insufficient to make new schemes viable, existing social

⁴ CIH Summary *Laying the Foundations: A Housing Strategy for England November 2011*

rent tenancies are converted to affordable rent (or intermediate tenure for sale) when properties are vacated, to cross-subsidise new provision.

- 2.18 Despite this investment, levels of housing supply have continued to struggle, with development levels reaching all-time lows. Confirming the role of housing growth in the economic recovery, the Government has subsequently introduced a series of measures aimed at increasing housing supply, including planning reform, the National Planning Policy Framework and the Housing Growth Package (September 2012).

Planning reform

- 2.19 The Government perceives planning as acting as a brake on the delivery of new housing supply. To this end a fundamental review of planning policy has been undertaken culminating in the introduction of the National Planning Policy Framework. In addition to this, other planning related measures have been announced aimed at facilitating housing development on stalled sites in the short term.
- 2.20 The **National Planning Policy Framework** was published on 27th March 2012 and came into effect on the same day, revoking Planning Policy Statement 3 Housing, which had previously formed the basis for housing planning policy. As part of its commitment to economic growth, localism and decentralisation, the Government has used the Framework to streamline all existing national policy documents into one short Policy Framework.
- 2.21 The Framework stresses the need for councils to work with communities and businesses to seek opportunities for sustainable growth to rebuild the economy; helping to deliver the homes, jobs, and infrastructure needed for a growing population whilst protecting the environment. A presumption in favour of sustainable development means that proposals should be approved promptly unless they compromise the twelve sustainable development principles set out in the Framework.
- 2.22 The Framework identifies three dimensions to sustainable development: economic, social and environmental. These three dimensions (or roles) are seen as mutually dependent.
- 2.23 The Framework must be taken into account in the preparation of local and neighbourhood plans, and it is a material consideration in decision making.
- 2.24 New definitions of affordable housing were also included in the Framework covering social rented housing, affordable rented housing and intermediate housing.
- 2.25 Through the NPPF process, Local Planning Authorities need to work with communities to establish future requirements through the Local Plan Process. The NPPF requires Local Authorities to:
- Meet objectively assessed housing need and the SHMA provides the evidence that is needed to provide an understanding of North Tyneside's objectively assessed need, on which the soundness of the Local Plan in meeting those needs is then founded;
 - Significantly boost housing delivery;

- Maintain a rolling five year land supply for housing (with 5% and 20% buffers);
 - Co-operate with neighbouring authorities on significant cross-boundary issues and where housing markets overlap, whether neighbouring authorities need to assist in providing for the other's housing needs;
 - Consider neighbourhood planning, with the onus being on communities embracing development and shaping areas they want to live.
- 2.26 The September 2012 housing and growth announcements emphasised the Government's concerns that planning is a barrier to development. The package of measures aimed at removing this perceived barrier included:
- Fast tracking big commercial and residential applications; in designated poorly performing council areas developers can choose to bypass the local authority for major decisions. Applications can be made directly to the Planning Inspectorate to consider the application;
 - More transparent reporting of local authority performance on planning;
 - Increased use of Planning Performance Agreements, committing applicants and planning authorities to a timetable for determination;
 - Consultation on simplifying and increasing permitted development rights – changes were effected in April 2013;
 - Additional time (12 months) for developers to get sites up and running before planning permission expires;
 - Enabling developers to renegotiate Section 106 agreements (this was enacted in the Growth and Infrastructure Act 2013⁵); and
 - Investing £200million in private rented housing to deliver 5,000 homes through provision of loans or equity to provide project finance. This is in direct response to the Montague Review recommendations (see below), including establishing a Task Force to bring together developers, institutional investors and management bodies.
- 2.27 The Growth and infrastructure Act 2013, inserted sections 106BA, BB and BC into the TCPA 1990. This allows a new application and appeal procedure for applicants to formally seek a review to AH obligations on the grounds of viability.

Social housing reform and welfare reform

- 2.28 Access to housing has been a key focus of the Government's social housing reform agenda. The Government initially set out its key objectives for social housing reform, and its proposals to achieve them, in a consultation paper '*Local*

⁵ On 25th April 2013 the Growth and Infrastructure Act gained royal assent. The Act introduced reforms aimed at reducing bureaucracy in order to encourage business investment, housing development, new infrastructure and job creation to enhance national economic performance. The Act provides a mechanism for developers to renegotiate affordable housing Section 106 agreements on stalled sites; it also reduces the amount of material required for submission with a planning application.

Decisions: a fairer future for social housing' (November 2010). The five key objectives of social housing reform being:

- Localism, fairness and focusing social housing on those most in need in a way that enables them to use it as a springboard to opportunity;
- That social housing is flexible and available to more people and to those that genuinely need it;
- To make the best use of the four million social rented homes;
- To increase the freedoms available to all social landlords to determine the type of tenancy they grant to new tenants; and
- To protect the rights of existing tenants.

2.29 Proposals to achieve these objectives included:

- The introduction of a new, more flexible, fixed term tenancy for social housing for a minimum of five years (two years in exceptional circumstances). This is at the discretion of each local authority;
- Reforming the social housing allocations system by giving local authorities the powers to manage their housing waiting lists;
- Introduction of a nationwide social home swap programme for social tenants;
- Enabling local authorities to fully discharge a homelessness duty to secure accommodation by arranging an offer of suitable accommodation in the private rented sector without requiring the applicant's agreement;
- Introducing reforms to tackle overcrowding; and
- Replacing the Housing Revenue Account subsidy system with transparent self-financing arrangements.

2.30 Where appropriate, reforms were enacted in the 2011 Localism Act and generally came into effect in April 2012.

2.31 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, will impact significantly on housing supply and demand. The **Welfare Reform Act** received Royal Assent on 8th March 2012; it introduced Universal Credit as well as changes to housing benefit and other welfare benefits. The Act also introduced a new 'personal independence payment' to replace the existing disability living allowance.

2.32 In addition, the Act gave the Government powers to implement housing benefit reforms outlined in the June 2010 Budget and the October 2010 Comprehensive Spending Review, including:

- Introducing a size criteria to the calculation of housing benefit for social sector tenants;
- Up-rating future Local Housing Allowance rates in line with Consumer Price Index rather than actual rents; and
- Introducing household benefit caps of £500 per week for couples and £350 per week for single claimants.

A thriving private rented sector

- 2.33 The Government sees the private rented sector as playing a vital role in meeting housing needs and supporting economic growth. Rapid growth in the sector over recent years has seen a significant number of people making long term family homes in the sector. To help grow capacity in this sector the Government commissioned Sir Adrian Montague to '*Review the barriers to institutional investment in private rented homes*' (2012). The Review made a number of recommendations aimed at attracting large-scale institutional investors into the sector to develop 'build to let' homes. The recommendations include:
- Local authorities using flexibilities within the planning system to plan for and enable the development of private rented homes where there is an identified need;
 - The Government releasing public sector land to facilitate delivery of private rented housing developments;
 - Developing a body of good practice and facilitating the swift development of demonstration projects, there is therefore a need for the Government to provide targeted incentives to stimulate the development of new business models;
 - The Government establishing a dedicated Task Force to act as an enabler; and
 - Developing a '*new sense of identity*' for the '*build to let*' product, with the Housing Task Force working with other industry bodies to develop voluntary standards to be adopted across the build to let sector.
- 2.34 The Government has responded by increasing investment available to develop the sector further (see para 2.50).

A strategy for empty homes

- 2.35 The Government's initial £100million 2010 Comprehensive Spending Review commitment to bring empty homes back into use, together with entitlement to new homes bonus, firmly established work on empty properties as a strategic priority – there being a need for empty homes strategies to be developed and supported. Resources to further aid empty homes work were announced as part of the September Growth Package in 2012.

Quality of housing experience and support

- 2.36 The Government recognises the need to ensure the provision of housing and support to help older, vulnerable or disadvantaged people:
- 'Many older, vulnerable or disadvantaged people experience crises that affect their health and wellbeing. They need housing support to help them lead full and active lives. A home should help people be independent and give them the security to be active members of their communities.'*⁶

⁶ www.communities.gov.uk/housing/olderpeople/

- 2.37 Housing with support can be delivered in a number of ways, for example through: :
- Disabled Facilities Grants;
 - Homelessness grant; and
 - Social care budgets and housing related support.
- 2.38 From the April 1st 2013 Health and Wellbeing Boards, which include Directors of Public Health, became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.
- 2.39 The Care Act 2014 represents the most significant reform of care and support in more than 60 years, putting people (and their carers) in control of their care and support. It sees housing as key to the provision of care.
- 2.40 The Act places new duties for local authorities, including a duty to ensure cooperation between its adult care and support, housing, public health and children's services.
- 2.41 Important changes include a new prevention duty placed on local authorities, improved information and advice, introduction of national eligibility criteria, and a cap on the contributions that people have to pay towards the cost of their care.

Older people

- 2.42 In addition to funding programmes (referred to in para 2.36) the Government identifies the following work currently being undertaken to help older people live at home longer:
- Research has been commissioned into Lifetime Neighbourhoods;
 - Home Improvement Agencies are in place in some authorities to help private tenants and home owners advising on potential improvements and adaptations to their home;
 - Handypersons schemes;
 - FirstStop, a free and independent national information and advice service; and
 - The Housing Learning and Improvement Network knowledge hub.
- 2.43 In January 2012 the Government announced a new deal for older people to help them continue living independently, this included £51million for Home Improvement Agencies to provide:
- Housing advice, including help to move to more suitable accommodation if needed;
 - Handyperson services, including small home repairs, home safety and security adaptations;
 - Energy efficiency advice; and

- Arranging for adaptations and home repairs.⁷
 - An additional £20million for Disabled Facilities Grants was also announced. The new Better Care Fund (BCF) will include all central funding for DFGs from 2015. The BCF is a £3.8bn pooled fund between health, social care and housing, which aims to improve the way support for older and disabled people is both commissioned and funded.
- 2.44 In September 2012 the care services minister announced an extra £100 million to fund specialist housing for older people. The fund was designed to stimulate the market in specialised housing, and the additional £100million took the capital grant fund total to £300million. Phase 2 of the Care and Support Specialist Housing Fund was announced in January 2015. The funding aims to bring forward proposals for the development of specialist housing to meet the needs of older people and adults with disabilities.

Homelessness

- 2.45 In August 2012 the Government published its Homelessness Strategy, 'Making every contact count: A joint approach to preventing homelessness'. The Strategy focuses on prevention and aims to *'make sure that every contact local agencies make with vulnerable people and families really counts.'*⁸
- 2.46 The report identifies ten local challenges that need to be addressed by local authorities, these are:
- Adopt a corporate commitment to prevent homelessness which has buy-in across all local authority services;
 - Actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs;
 - Offer a Housing Options prevention service, including written advice to all clients;
 - Adopt a no second night out model or an effective local alternative;
 - Have housing pathways agreed, or in development, with each key partner and client group, which include appropriate accommodation and support;
 - Develop a suitable private rented sector offer for all client groups, including advice and support to all clients and landlords;
 - Actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme;
 - Have a Homelessness Strategy which sets out a proactive approach to preventing homelessness and is reviewed annually so that it is responsive to emerging needs;
 - Not place any young person aged 16 or 17 in Bed and Breakfast accommodation; and

⁷ www.communities.gov.uk

⁸ CLG Making every contact count Aug 2012 page 3

- Not place any families in Bed and Breakfast accommodation unless in an emergency, and then for no longer than six weeks.⁹

Quality, sustainability and design

- 2.47 The Government's commitment to delivering Zero Carbon homes; along with other binding carbon reduction targets agreed by the previous Government, make energy efficiency and tackling fuel poverty key issues for housing (especially as more than a quarter of emissions are produced in homes)¹⁰. Tackling energy efficiency in existing stock remains the sector's biggest challenge, therefore utilising the Green Deal is important.
- 2.48 Introduced by the Energy Act 2011, the Green Deal intends to revolutionise the energy efficiency of properties across the county (both business and residential). Launched in October 2012, with funding available from January 2013, the financial mechanisms under the Deal eliminate the need for households to pay for energy efficiency improvements up front; instead the costs of improvements are to be covered by savings in energy bills and through a charge on household energy bills. The central rationale for the Green Deal is to reduce carbon emissions cost effectively.
- 2.49 The Act also introduced the Energy Company Obligation (ECO), which integrated with the Green Deal to address energy efficiency improvements in the housing sector.

Resources

- 2.50 The Government's twin goals of deficit reduction and economic growth have driven strategic policy and investment decisions since 2010. These decisions have brought about a significant change in how, and to what, public investment is made available. The 2013 Budget and Spending Review represent a continuation of this approach, with investment being targeted at measures to increase the supply of new homes (be they for private or affordable rent) and increase access to home ownership.
- 2.51 The 2013 Budget announcement on 20th March made commitments to:
- The 'Help to Buy' scheme to facilitate access to home ownership. The scheme included an extension of the First Buy scheme from first time buyers to other groups – £3.5 billion was allocated to provide equity loans for people to buy a new build home. It also introduced a new mortgage guarantee scheme, which was made available in October 2013, to help those who want to buy but cannot afford a deposit to access a mortgage. It is envisaged that the scheme will support £130 billion of mortgages;
 - A doubling of the Affordable Homes Programme, delivering an additional £225 million to develop 15,000 additional homes by 2015; and
 - The creation of a single Local Growth Fund to be allocated to LEPs.

⁹ CLG Making every contact count Aug 2012 page 4

¹⁰ Chartered Institute of Housing The green agenda update 1st May 2012

- 2.52 The June 2013 Spending Round announced details of Government spending for 2015/16, this included an additional £3.3 billion for the funding of affordable housing during 2015 - 2018, and investment in Local Growth of approximately £2 billion.
- 2.53 On 27th June 2013 the Government announced details of its capital spending plans for 2015 to 2020, these were accompanied by a document entitled 'Building Britain's Future', which acknowledges that housing is *'an integral part of the UK's economic and social infrastructure, supporting labour mobility and providing a direct benefit to growth and jobs as new homes are built.'* Action set out in 'Building Britain's Future' aims to *'revive the housing market, boost construction and support families, developers and institutions to invest in new homes.'* Some of the commitments related to housing, regeneration and growth include:
- A guaranteed £300 billion of capital spending by 2020; of this, £100 billion is committed to existing projects with the focus being on housing, rail, roads, energy and digital access - £3.3 billion capital funding was confirmed as being available for the extension of the Affordable Homes Programme (2015-2018) to deliver 165,000 new affordable homes – the ambition is to support the delivery of 200,000 new affordable homes by 2019. Bids for funding are to be made on a 'something for something' basis to encourage efficiency;
 - A new Affordable Rent to Buy scheme to provide homes for rent that will be sold on in the medium term; to this end £250 million is available in 2015-16 and £150 million in 2016-17 as part of the £3.3 billion capital funding;
 - A five year supported housing fund of £300 million commits to the delivery of 2,500 new homes for older and disabled people;
 - A reiterated commitment to the Help to Buy and Build to Rent schemes;
 - A £160 million capital funding commitment for decent homes - nowhere to have more than 10% non-decent stock by March 2016;
 - The transfer of £2 billion to LEPs in 2015 through the Single Growth Fund; it is anticipated that the same resource will be available annually to LEPs and a commitment was made to provide LEPs with £20 billion by 2020. This funding includes resources from housing, skills and transport programmes - £400 million from the New Homes Bonus will be available to LEPs to support strategic housing and economic development priorities;
 - A further strategic review of public land to identify sites that could be sold to support local growth with the expectation that LEPs will maximise the use of these land assets; and
 - £102 million of loan and equity finance in 2015/16 to fund infrastructure that will facilitate delivery of housing on large scale sites.

Regional and local strategic priorities

Regional

- 2.54 The Local Growth White Paper (October 2010) set out the Government's vision for empowering locally driven economic growth, encouraging business investment and promoting economic development. The paper highlighted a series of measures aimed at stimulating growth including the Regional Growth Fund. The Paper also established 24 Local Enterprise Partnerships aimed at overseeing economic growth and job creation.
- 2.55 These public/private partnerships are now the focal point for economic growth and development. North Tyneside is part of the wider functional economic area that covers the local authority areas of Newcastle, Gateshead, South Tyneside, Sunderland, Durham and Northumberland. These local authorities, together with partners from business and higher education have formed the North East LEP, whose vision is to 'create growth' across the area, in other words *'more businesses and bigger businesses and more jobs and investment.'*¹¹
- 2.56 The LEP has four strategic priorities:
- Supporting enterprise and private sector business growth;
 - Building on key economic strengths;
 - Improving skills and performance; and
 - Strengthening transport, connectivity and infrastructure.
- 2.57 The LEP had developed and published a Strategic Economic Plan in 2014. This sets out strategic priorities and an ambitious vision to strengthen the area's economy and provide more opportunities for businesses and communities. The Government has allocated £390m to the North East through the Regional Growth Fund.
- 2.58 The North East Combined Authority has been established which includes Tyne and Wear, Northumberland and Durham local authorities. This seeks to create the best possible conditions for growth in jobs, investment and living standards.

Local / Corporate

- 2.59 The 'Our North Tyneside Plan', sets out the Council's and North Tyneside Strategic Partnership's overall priorities for its people, places and economy to be delivered through close partnership working. These priorities form the basis for all of the authority's action and investment; in housing terms the Plan seeks to:
- Ensure that North Tyneside's places are places where people like living and will attract others to either visit or live;
 - Ensure that there are more quality affordable homes;

¹¹ North East LEP <http://www.nelep.co.uk/>

- Work with residents, communities and businesses to regenerate the Borough; and
 - Ensure people are cared for and kept safe if they become vulnerable.
- 2.60 The North Tyneside Local Investment Plan (LIP) 2010-2030 provides a strategic framework detailing the priorities and principles of investment for the Council and its partners to *'deliver the vision of a prosperous and vibrant Borough for its residents.'*¹²
- 2.61 Outcomes from the LIP will contribute to:
- Implementing of the physical regeneration and thematic objectives that underpin the delivery of the overall vision;
 - Ways in which housing investment can support economic growth;
 - How existing residents can be retained and the housing offer improved;
 - Attracting new private sector investment to North Tyneside to realise the aspirations of sustainable prosperity and positive change; and
 - Using the LIP as an overall marketing tool to give developers and investors an opportunity to gain a better understanding of North Tyneside.
- 2.62 The Council published the first draft of its Local Plan for consultation between November 2013 and January 2014. The Council is now moving towards a further consultation draft of this plan in Feb 2015, to which this SHMA will inform. Some of the main policies for housing included in the Draft are:
- A policy on housing delivery, through which the Council will seek to ensure that an adequate range of sites is available to meet identified need;
 - Proposed overall housing figures working in cooperation with Newcastle City Council and Northumberland County Council;
 - Distribution of potential housing development sites;
 - Criteria for new housing development;
 - Affordable housing and its tenure mix, including the delivery of new Council homes;
 - The range of house sizes to be delivered;
 - Self-build;
 - Large executive housing;
 - Houses in Multiple Occupation;
 - Extra care and specialist housing, and residential institutions;
 - Protecting the quality of existing housing stock; and
 - A criteria based policy to guide any proposals for Gypsies and Travellers and Travelling Showpeople

¹² North Tyneside LIP 2010-2030 page 2

Concluding comments

- 2.63 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. A new policy framework for housing and planning has emerged. The Government's housing priorities are established and set within the context of local decision making and accountability, reduced capital expenditure on housing, fundamental changes to the benefit system, a changing role for social rented housing, and a need for future housing investment to support economic growth. Economic uncertainty, lack of job security and restricted mortgage lending exacerbate the challenges faced.
- 2.64 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate, this SHMA provides the LEP and the Council with an excellent range of material to inform policy debate, contribute to the delivery of the North Tyneside Plan, help inform and influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment plans.
- 2.65 Key policy drivers for North Tyneside include:
- Addressing regeneration priorities in the older housing areas, and tackling issues of poor stock condition within the older housing stock;
 - Working with private sector landlords to improve standards both in terms of stock condition and management of private rented homes, prioritising areas with high proportions of private rented homes where turnover rates are high;
 - Monitoring the impact of welfare reforms on housing supply and demand, for example the perceived increase in need for smaller homes;
 - Increasing the supply of both affordable and market housing to meet identified needs of all household groups;
 - Addressing the requirements of an ageing population; and
 - Asserting North Tyneside's economic role as part of the North East Region.

3. Defining the Housing Market Area

Introduction

- 3.1 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. housing market area (HMA). This may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.
- 3.2 Housing market areas are *“defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work”*¹³. Former DCLG guidance on assessing market areas suggests three core sources of information:
- House prices and rates of change;
 - Household migration and search behaviour;
 - Contextual data such as travel to work areas, which reflect the functional relationships between places where people work and live.
- 3.3 DCLG guidance suggests that a housing market is self-contained if upwards of 70% of moves (migration and travel to work) take place within a defined area. However the Guidance cautions that:
- HMAs are inherently difficult to define. They are a geographic representation of people's choices and preferences on the location of their home, accounting for life and work patterns. They can be defined at varying geographical scales from the national scale to sub-regional scale, down to local and settlement specific scales.
 - HMAs are not definitive. As well as a spatial hierarchy of different markets and sub-markets, they will inevitably overlap.
- 3.4 The population of North Tyneside is 200,801¹⁴. It is located within the Tyne and Wear conurbation. To the west of the borough lies the City of Newcastle upon Tyne, Northumberland County to the north, and South Tyneside beyond the River Tyne to the south. North Tyneside includes the urban settlements of Longbenton, and Killingworth in the north west of the borough, Wallsend and North Shields along the River and Tynemouth and Whitley Bay to the east on the coast of the North Sea.
- 3.5 According to the 2011 census there were a total of 94,528 dwellings in North Tyneside and 91,295 households. Overall, 64.8% of occupied dwellings are owner-occupied, 13.2% are private rented and 22.0% are affordable (social/affordable rented and intermediate tenure). The Council has retained its housing stock and has agreed a priority to deliver some 3,000 affordable homes over the next decade through a variety of mechanisms.

¹³ Identifying sub-regional Delivery areas, CLG Advice Note April 2007

¹⁴ ONS 2011 Census

- 3.6 In establishing the extent to which North Tyneside is a housing market area, the following data have been considered:
- The 2010 defining housing market areas research published by the NHPAU; and
 - 2011 census migration and travel to work data.

NHPAU research

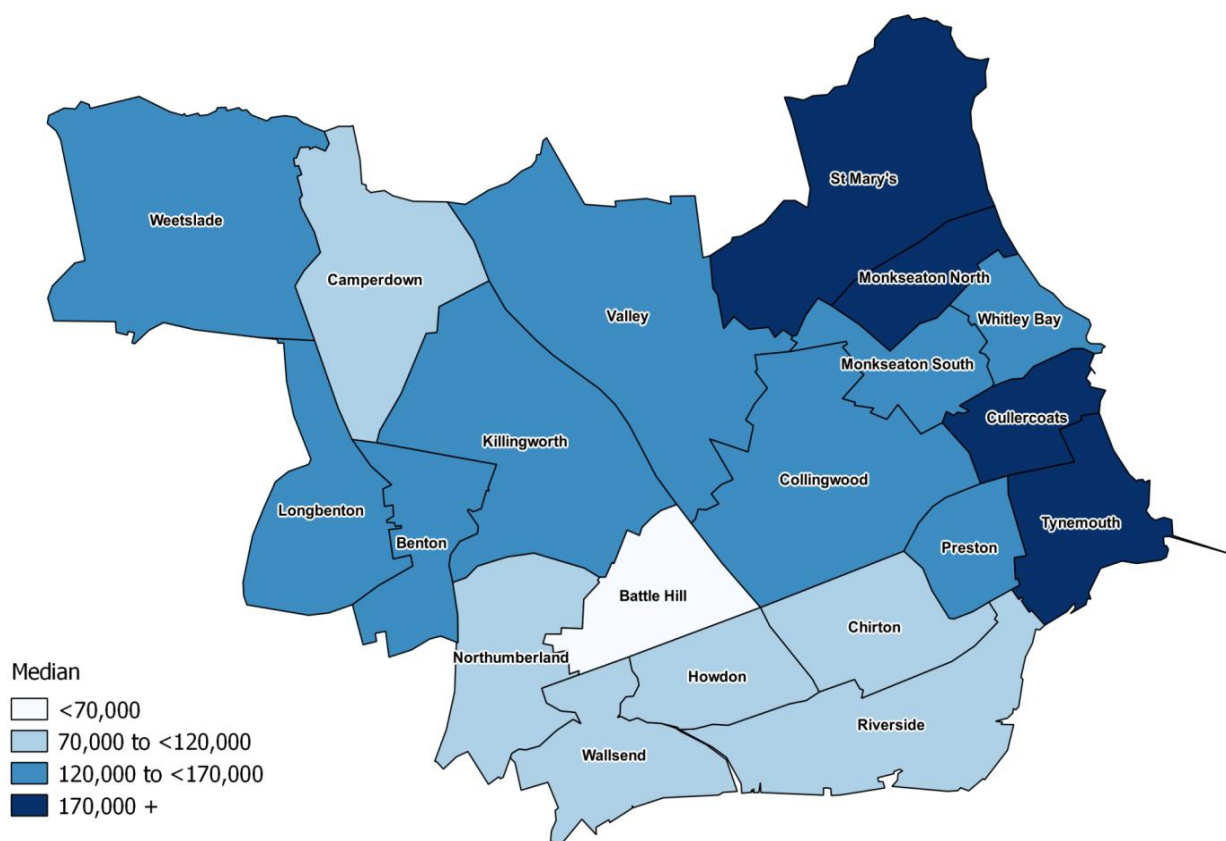
- 3.7 This work suggests that there are at two main 'layers' of housing markets: wider functional housing markets which tend to be multi-authority; and smaller local housing market areas. North Tyneside is positioned within a wider functional 'Newcastle' housing market area which extends across the North East; but the research also indicated that North Tyneside was positioned within a smaller housing market area focused on Tyne and Wear (excluding Sunderland).

2011 census migration and travel to work data

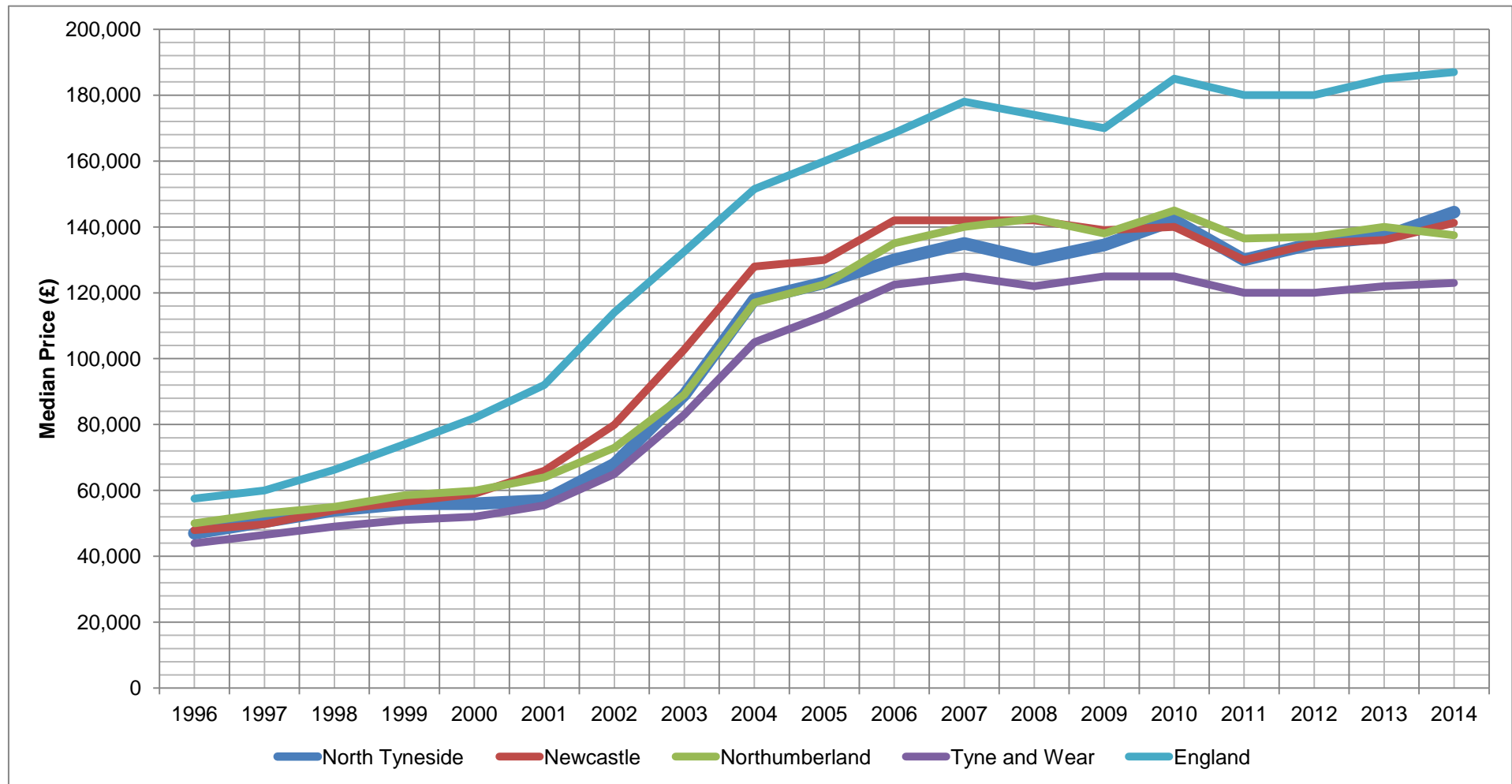
- 3.8 This data relating to population flows was published in July 2014. This suggests that 64.7% of households who moved in the year preceding the census originated from within North Tyneside and 48% of resident employees live and work in North Tyneside. Similarly, the 2013 Household Survey indicates 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%).
- 3.9 Former DCLG guidance on housing market areas suggested that an area is self-contained if upwards of 70% of mobility or travel to work takes place within a local authority 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.

House prices and rates of change

- 3.10 Figure 3.1 shows how house prices across North Tyneside have increased by 218% over the period 1996 to 2014, with median prices peaking at around £142,000 during 2010 and then reaching £144,500 during 2014. The median price across the Borough has been marginally higher than the Tyne and Wear median price, comparable to prices in Newcastle and Northumberland but lower than the national median price.
- 3.11 The distribution of average house prices is illustrated in Map 3.1. This indicates that prices tend to be highest in the coastal areas and to the north of the Borough and lowest to the south and east, particularly in inner-urban areas.

Map 3.1 Median house prices in 2012-13

Source: Land Registry Price Paid Data 1 Jan 2012 to 31 Dec 2013

Figure 3.1 House prices 1996 to 2014: North Tyneside, neighbouring areas and national trends

Source: DCLG house price statistics to end 2012 and Land Registry Price Paid 1 Jan 2012 to 30 Jun 2014

Relative affordability

3.12 The relative affordability of open market dwellings in North Tyneside is compared with the other 11 districts in the North East in Tables 3.1 and 3.2. Government Guidance recommends the use of lower quartile indicators of income and house prices when assessing affordability. Table 3.1 presents lower quartile house prices, lower quartile gross income of full-time workers and a ratio of lower quartile incomes to house prices. Overall, North Tyneside is ranked the second least affordable district in the North East, after Newcastle upon Tyne.

Table 3.1 Relative affordability of lower quartile prices by Local Authority

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
Newcastle upon Tyne	£99,950	£342	£17,758	5.6
North Tyneside	£97,500	£354	£18,392	5.3
Northumberland	£90,000	£339	£17,628	5.1
Gateshead	£90,000	£353	£18,335	4.9
Stockton-on-Tees	£95,000	£380	£19,734	4.8
Darlington	£85,000	£341	£17,711	4.8
Redcar and Cleveland	£85,750	£351	£18,247	4.7
South Tyneside	£82,000	£340	£17,696	4.6
North East	£82,500	£345	£17,924	4.6
Sunderland	£75,000	£335	£17,394	4.3
Middlesbrough	£66,000	£312	£16,214	4.1
Hartlepool	£74,950	£369	£19,204	3.9
County Durham	£66,000	£342	£17,758	3.7

Sources: Land Registry Price Paid 2013; Annual Survey of Hours and Earnings 2013

3.13 Table 3.2 shows median house prices, median gross income and a ratio of median incomes to house prices. Again, North Tyneside is ranked the second least affordable district in the North East, after Northumberland.

Table 3.2 Relative affordability of median prices by Local Authority

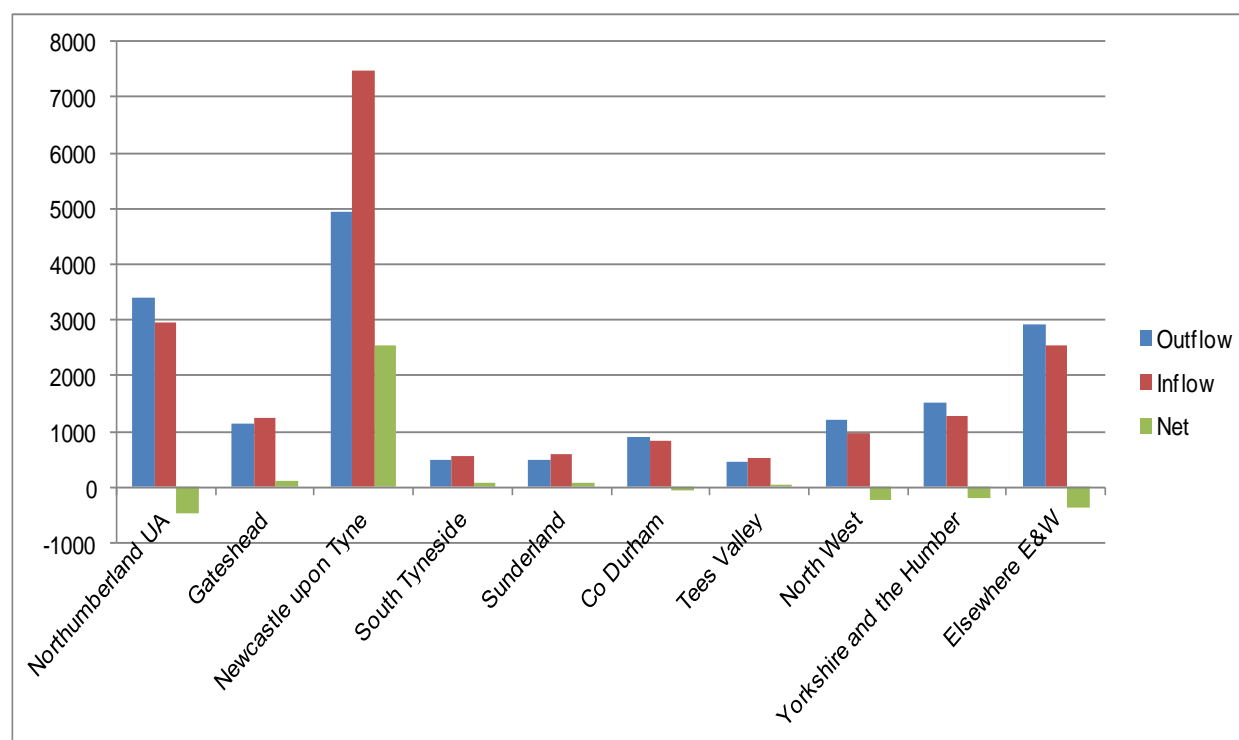
District	Median House Price	Median Gross Income per week	Annual Gross Income	Median Income to House Price ratio
Northumberland	£140,000	£479	£24,929	5.6
North Tyneside	£137,000	£477	£24,814	5.5
Newcastle upon Tyne	£136,000	£486	£25,282	5.4
Darlington	£120,000	£445	£23,140	5.2
Gateshead	£124,950	£475	£24,705	5.1
Middlesbrough	£110,000	£422	£21,939	5.0
North East	£122,000	£472	£24,560	5.0
Stockton-on-Tees	£129,950	£513	£26,650	4.9
South Tyneside	£114,950	£454	£23,629	4.9
Redcar and Cleveland	£120,000	£487	£25,345	4.7
Sunderland	£110,000	£451	£23,431	4.7
Hartlepool	£115,000	£475	£24,721	4.7
County Durham	£105,000	£466	£24,253	4.3

Sources: Land Registry Price Paid 2013; Annual Survey of Hours and Earnings 2013

Household migration and search behaviour

- 3.14 Annual migration data is prepared by the Office of National Statistics (ONS) based on patient re-registrations with the National Health Service (NHS). Although it has limitations, it is the best annual source of internal migration data from within England and Wales. Figure 3.2 shows that over the period July 2008 to June 2011 (three years) a total of 18,960 people moved into North Tyneside, particularly from Newcastle and Northumberland. 17,440 moved out (most noticeably to Newcastle and Northumberland). The result is a small increase in population, with a slight net inflow of 1,520 residents recorded over the three years (average of 507 per year). In the light of these trends, it is important to have an ongoing dialogue with neighbouring authorities and identify any potential changes to migration flows resulting from increased development activity in these areas affecting both in and out-migration from North Tyneside.

Figure 3.2 Net flows of population between North Tyneside and other areas July 2008 to June 2011



Source: ONS Migration Flow Data via NHSCR

Characteristics of moving households

Mobility and migration trends

- 3.15 Data from the household survey indicated that around 23,593 households had moved home in the preceding five years. Of these households 64.8% originated within North Tyneside and 35.2% originated from outside the area. This is slightly lower than the 70% figure suggested by DCLG in its housing market assessment guidance for an area to be considered a self-contained housing market area.
- 3.16 Table 3.3 summarises the origins of households moving to a property within North Tyneside. There is, most notably, a relationship with Newcastle upon Tyne and Northumberland in terms of the origin of household moves.

Table 3.3 Origin of moving households in preceding 5 years	
Origin	%
Within North Tyneside	64.8
Outside North Tyneside	35.2
Elsewhere in Tyne and Wear	
Gateshead	5.0
Newcastle upon Tyne	11.2
South Tyneside	0.3
Sunderland	1.3
<i>Outside Tyne and Wear</i>	
Co. Durham	0.8
Tees Valley	0.9
Northumberland	5.9
North West	1.5
Yorkshire and the Humber	2.1
Elsewhere UK	5.3
Abroad	0.8
Various	0.1
Total	100.0

Base: 23,593 households moving in past 5 years

Characteristics of in-migrant households

3.17 The household survey identified around 8,151 households who had moved into North Tyneside in the preceding five years and had specified their previous place of residence. Information relating to in-migrant household shows:

- The main reasons for moving were to be closer to work/new job (12.1%), because they wanted their own home/to live independently (11.2%), and to be closer to family/friends to give/receive support (11.1%).
- 30.6% moved into flats/apartments/maisonettes, 27.0% semi-detached houses, 24.8% terraced houses, 10.3% detached houses and 7.0% bungalows. Of those moving into flats/apartments/maisonettes, 61.3% originated from Tyne and Wear or Northumberland.
- 51.4% moved into smaller properties with one (15.1%) and two (36.2%) bedrooms; 33.2% moved into a three bedroom property and 15.4% into a property with four or more bedrooms;
- 51.8% moved into owner occupied properties; 37.8% into private renting (of which 28.1% unfurnished, 8.1% furnished and 1.6% tied accommodation) and 10.4% moved into affordable (social and affordable rented/intermediate tenure) dwellings;

- Singles (under 60) accounted for 26.5% of in-migrant households; couples (no children) 24.8%; couples with children 19.1%; lone parent families 5.7%; older singles and couples 20.8%; and 3.2% were other household types;
 - 47.4% of in-migrant household reference people (Heads of Household) were aged 16-39, a further 34.3% were aged 40-59 and 18.3% were aged 60 or over;
 - The majority of Heads of Household of in-migrant households were in employment (71.8%, of which 58.5% were full-time and 9.0% were part-time), with a further 16.0% wholly retired from work, 3.8% unemployed and 6.6% permanently sick/disabled; and
 - 56.8% of households had a weekly income of at least £500 (with 31.6% receiving at least £800 each week); a further 20.5% received between £300 and £500 each week and 22.7% received less than £300 each week.
- 3.18 In summary, around 35.2% of households moving in the past five years originated from outside North Tyneside. Of this number, 16.9% were from the neighbouring authorities of Newcastle upon Tyne and Northumberland. Most moved into either owner occupation (51.8%) or private rented accommodation (37.8%), with only 10.4% moving into affordable housing. 47.4% of in-migrant households had a Head of Household aged between 16 and 39, with a further 34.3% aged 40-59. Overall 71.8% were in employment and 56.8% had an income (of Head of Household and partner) of at least £500 each week.

Residential mobility within North Tyneside

- 3.19 The household survey identified that almost two-thirds (64.8%) of households who had moved within the preceding five years had stayed within North Tyneside (around 15,034 households).
- 3.20 Households moving within the North Tyneside area were doing so for a variety of reasons. The main reasons given were wanting a larger property (15.5%), wanting own home/to live independently (11.0%) and wanting to buy (8.8%).
- 3.21 Table 3.4 reviews the tenure choices of households moving within North Tyneside. The majority of households remained within the same tenure, with affordable housing residents being the most likely to remain in the same tenure (83.7%), followed by those in owner occupation (67.7%) and those in private rented accommodation (43.4%). Respondents who had previously lived with family and friends (i.e. newly forming households) were most likely to move to private rented accommodation (50.6%) with a relatively even split between those going into affordable housing (25.5%) and owner occupation (23.9%).

Table 3.4 Residential mobility – movement between different tenures

Current Tenure	Previous Tenure (%)					Total	Base
	Owned	Private Rented	Affordable	Previously living with family/friends	Other		
Owned	67.7	28.6	13.4	23.9	5.9	41.2	6178
Private Rented	21.6	43.4	3.0	50.6	40.2	29.5	4429
Affordable	10.7	27.9	83.7	25.5	53.9	29.3	4394
Total	100.0	100.0	100.0	100.0	100.0	100.0	15001
<i>Base</i>	6072	4378	2239	2108	204	15001	

Source: 2013 Household Survey

3.22 Table 3.5 considers the profile of dwellings being moved into by households moving within North Tyneside. Households are moving into a variety of dwelling types and sizes, most notably to: two (40.8%) and three (31.8%) bedroom dwellings; semi-detached houses (26.8%) and terraced/town houses (20.9%).

Table 3.5 Residential mobility – profile of properties moved into by type and size

No. of bedrooms	Property type (Table %)					Other	Total
	Detached house	Semi-detached house	Terraced house/ town house	Bungalow	Flat/ Apartment/ Maisonette		
One	0.0	0.8	0.0	5.3	8.8	0.5	15.4
Two	0.5	8.3	6.2	4.9	20.8	0.0	40.8
Three	3.4	13.8	12.3	0.9	1.4	0.0	31.8
Four	5.2	3.5	1.7	0.0	0.0	0.0	10.4
Five or more	0.4	0.4	0.8	0.0	0.0	0.0	1.6
Total	9.6	26.8	20.9	11.2	31.0	0.5	100.0
<i>Base (valid responses)</i>	1434	4021	3145	1681	4661	72	15,014

Source: 2013 Household Survey

Households planning to move

3.23 Around 17,500 households plan to move in the next five years. Table 3.6 summarises the moving intentions of households based on the first preference they stated. Overall, 76.8% of households intend on remaining in North Tyneside and 23.2% intend to move out of the area. The latter include Newcastle upon Tyne (7.9%), Northumberland (6.5%), elsewhere in the North East (1.3%), elsewhere in the UK (4.9%) and 1.8% overseas. Of households planning to move, 33.7% had an income of at least £800 each week.

Table 3.6 First choice destination of households planning to move in next five years	
Within North Tyneside	%
Whitley Bay / Monkseaton area	28.0
Cullercoats / Tynemouth area	21.6
Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	1.9
North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	3.9
Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	9.3
Benton / Longbenton / Forest Hall area	5.7
Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	2.8
Shiremoor / Backworth / Northumberland Park / West Allotment area	2.2
Dudley / Seaton Burn / Wideopen area	1.5
Total Within	76.8
Outside North Tyneside	%
Newcastle	7.9
Gateshead	0.3
South Tyneside	0.4
Sunderland	0.0
Blyth/Cramlington	1.6
Elsewhere in Northumberland	4.9
County Durham	0.9
Tees Valley	0.4
Elsewhere in UK	4.9
Outside UK	1.8
Total Outside	23.2
Grand Total	100.0
Base (Valid responses	17241

Source: 2013 Household Survey

- 3.24 The main reason why households plan to move out of North Tyneside is to have a larger property (19.3%), to be closer to work/new job (14.6%), to be closer to family/friends to give/receive support (11.1%) and to have a property that is better in some way (10.4%). Of households considering a move to Northumberland, 42.7% currently lived in the four northern sub-areas (1, 7, 8 and 9).

Estate agent views on housing market dynamics

- 3.25 Agents were initially asked about the general state of the housing market for the area that they operated within. The Whitley Bay agent described the market as mixed with some houses selling well and others not. Both North Shields' agents

- said that the market had been picking up since November 2013 whilst the Tynemouth agent reported that they were “very busy” and had been since the beginning of 2014
- 3.26 Agents were asked why they thought the sales market was beginning to pick up. One agent believed that easier access to mortgages was having a significant impact as was the Government's Help to Buy scheme. Another agent's view was slightly different, believing that mortgages were still not that easy to obtain with the process being described as “intense”. They thought that the market was improving due to more people now actively looking to buy compared to during the middle of the recession and that vendors are more open to offers than previously. All agents thought that the media played a role in generating interest in the housing market although they also agreed that the experience of London and the South East's property revival and rising prices had not happened in their areas.
- 3.27 Agents were asked about the types of property that are selling well currently. All agents agreed that there was strong demand for three bed semi-detached houses and that bungalows were generally in short supply. One agent also noted that flats, up to a value of £100k, were selling well, particularly to First Time Buyers (FTBs) and investors. Agents were also asked about the types of people that were buying. All agents thought there was strong demand from home mover families, particularly moving to areas within the catchment of good schools. Agents generally also noted an increase in FTBs although Your Move has not experienced an increase in FTBs. All agents said that investors continued to play a significant role in the sales market with one agent estimating that around 10% of sales were to investors.
- 3.28 Agents were asked about new build activity in the area and whether or not buyers showed a preference for new build over resale property. None of the agents spoken to were currently selling new build property although one agent did comment that relatively new build homes in a North Shields location (about eight years old) had little demand and struggle to sell although the agent was unclear as to why.
- 3.29 The agents were asked to comment on price trends. All agents believed that prices in the sales market had stabilised now following the drop experienced during the credit crunch and recession. There were few signs, however, that prices were increasing with only one agent in Whitley Bay stating that there were slight price rises in “some streets” in the area. Although offers below the asking price were still the norm, two agents noted that “silly offers” were now not being placed and agreement was now being reached closer to the asking price for properties.
- 3.30 Finally the agents were asked how they thought the next 12 to 18 months would fare for the sales market in their area. All agents envisaged a steady and continuing improvement in the market but did not anticipate a radical upturn in the market and certainly were not expecting prices to start increasing in the short-term.

Developer views on housing market dynamics

3.31 The following points were raised by developers responding to the stakeholder survey regarding the housing market in North Tyneside:

- Affordability is not an issue but there is a lack of quality lower cost homes in the borough. Shared ownership schemes and Homebuy/First Buy are very popular in North Tyneside;
- There is new market housing being developed, but the majority is in better locations with regeneration areas slipping into further decline;
- North Tyneside will always have a good demand for new market housing in the affluent parts such as the coast, Whitley Bay etc, but there is generally a demand across the borough;
- Demand comes from both people inside the borough and outside;
- A key message for the SHMA is that more 'starter homes' for first timer buyers are required.

3.32 Stakeholders anticipate strong demand for new build market housing over the short (end of 2014) to medium (2018) term in North Tyneside. On sites coming forward for development, the main type is currently family housing with three, four and five beds. Most developers offer a part-exchange scheme although this can vary on a site by site basis or even on particular house types. Most developers also offer affordable housing in conjunction with Housing Associations (often a requirement for site development) and/or affordable housing products although no specific details were offered. Typically these are accessed by FTBs coming out of social renting or the private rented sector.

3.33 The key messages for the SHMA from stakeholders regarding new housing development were:

- Providing more certainty to developers by delivering an adopted Local Plan;
- Greater emphasis on lower end market delivery for first time buyer products and regeneration of poorer areas which are getting left behind;
- Ensure that the policies drawn from this are deliverable and do not limit sites' viability. It is very important that policies in new Local Plans are tested as a whole to show to a public inspector that there are no impediments to delivery and that the development industry is on board with sites and policies both. A principle factor in this is ensuring the affordable housing rate is realistic, deliverable and not viably prohibitive. Surrounding local authorities have predominantly adopted this view and are looking at between 10% and 15% as a suitable figure;
- The SHMA should highlight the strong market areas. There should be no prescriptive policy recommendations on market housing mixes and more flexibility on providing intermediate/shared equity units as affordable housing to support provision of house builder Discounted Market Value (DMV) products.

Concluding comments

- 3.34 The purpose of this chapter has been to consider the general housing market context of North Tyneside and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the market dynamics of North Tyneside emerges. North Tyneside is part of a wider HMA that includes Newcastle and Northumberland. There is net inward migration from Newcastle and small net outward migration to Northumberland. The Borough is a popular area to live – reflected in housing affordability, which is the second highest in the NE region, next to Newcastle. The coastal areas are in the highest demand.

4. Objectively Assessed Housing Need

Introduction

- 4.1 The National Planning Policy Framework (NPPF) states that Local Planning Authorities should have a clear understanding of future housing needs and identify an objectively assessed need for housing. The development and presentation of demographic evidence to support local plans is subject to an increasing degree of public scrutiny.
- 4.2 NPPG advocates that 'official' statistics should provide a starting point for the evaluation of growth scenarios. NPPG recognises that baseline projections may require adjustment to reflect factors affecting local demographic and household formation rates which are not captured in past trends. Therefore local circumstances, alternative assumptions and the most recent demographic evidence should be considered (NPPG para 2a-015 and 2a017). Evidence that links demographic change to forecasts of economic growth should be assessed (NPPG para 2a-019).
- 4.3 It should be pointed out that there is a difference between household projections and household forecasts. Household *projections* are produced by applying projected household representative rates to the population projections published every two years by the Office for National Statistics. They are trend based i.e. they provide the household levels and structures that would result if the assumptions based on previous demographic trends were to be realised in practice. They do not attempt to predict the impact of future policy, economic change and other factors which may have a bearing on demography (for instance changes in migration assumptions). Household *forecasts* seek to apply alternative assumptions to the underlying data, for instance the impact of increased economic activity, changes in dwelling completions and changes in migration assumptions.
- 4.4 This section sets out the data relating to household projections and household forecasts to establish an objectively assessed housing need for North Tyneside. It presents outputs from analysis carried out by Edge Analytics and resulting low, medium and high growth scenarios. Past trends in dwelling delivery, future capacity and interactions with neighbouring areas and their potential impact on future housing numbers are also considered.
- 4.5 It should be noted that the Local Plan Consultant Draft will be informed by the findings of the SHMA. The 2013 consultation draft made provision for between 10,500 and 16,200 additional dwellings over the period to 2030 and these were best estimates made on the basis of the evidence available at the time.

2014 POPGROUP forecasts

- 4.6 Edge Analytics has used POPGROUP technology to develop a range of scenario alternatives for North Tyneside. There is no single definitive view on the likely level of growth expected in North Tyneside; a mix of economic, demographic and national/local policy issues ultimately determines the speed and scale of change. For local planning purposes, it is necessary to evaluate a

- range of growth alternatives to establish the most ‘appropriate’ basis for determining future provision.
- 4.7 Eight ‘core’ scenarios have been produced (Table 4.1) comprising: the two most recent official population projections from ONS; the 2012-based Sub National Population Projections (SNPP) and the 2010-based SNPP; three ‘alternative’ trend based scenarios relating to demography and migration; together with three ‘jobs-led’ scenarios, in which population growth is determined by growth in the number of jobs.
- 4.8 Additionally, three separate ‘sensitivity’ analyses have been conducted (Table 4.2). The first two sensitivity analyses examine the sensitivity of population growth and the resulting dwelling requirement to adjusted internal migration flows. In the third sensitivity analysis, the sensitivity of the jobs-led scenarios to changes in commuting patterns have been assessed.
- 4.9 In both the ‘core’ and ‘sensitivity’ scenarios, household growth has been assessed through the application of headship rates from both the 2011-based and 2008-based DCLG household projection models. Scenario outcomes are therefore presented under an ‘Option A’ and an ‘Option B’ outcome, using the 2011-based and 2008-based headship rates respectively.
- 4.10 The scenarios span the period 2011-2032 to cover the Local Plan period.

Table 4.1 Edge Analytics ‘core’ scenario definitions

Scenario Type	Scenario Name	Scenario Description
Official Projections	SNPP-2012	This scenario mirrors the 2012-based SNPP from ONS for North Tyneside. This scenario is the official ‘benchmark’ scenario.
	SNPP-2010	This scenario mirrors the 2010-based SNPP from ONS for North Tyneside. The population is re-scaled to the 2012 mid-year population estimate to ensure consistency across scenarios and the 2010-based growth trajectory is continued thereafter.
Alternative trend-based scenarios	Natural Change	In- and out- migration rates are set to zero.
	PG-5Yr	Internal and international migration assumptions are based on the last five years of historical evidence (2007/08 to 2011/12).
	PG-10Y	Internal and international migration assumptions are based on the last ten years of historical evidence (2002/03 to 2011/12).
Jobs-led scenario	Jobs-led (Low)	Population growth is determined by the change in the number of jobs as defined in the ‘low’ ELR scenario.
	Jobs-led (Medium)	Population growth is determined by the change in the number of jobs as defined in the ‘medium’ ELR scenario.
	Jobs-led (High)	Population growth is determined by the change in the number of jobs as defined in the ‘high’ ELR scenario.
	Jobs-led (High +)	Population growth is determined by the change in the number of jobs as defined in the ‘high +’ ELR scenario.

Table 4.2 Edge Analytics ‘sensitivity’ scenario definitions		
Scenario Type	Scenario Name	Scenario Description
Migration Sensitivity Scenarios (SENS1 and SENS2)	PG-10yr SENS1	Internal in-migration is reduced by increasing intervals of 150 per year 2016/17 – 2020/21. From 2021, internal in-migration is reduced by 750 per year. Internal out-migration flows are as defined as in the ‘PG-10yr’ scenario. International migration assumptions are consistent with the ‘PG-10yr’ scenario.
	PG-10yr SENS2	Internal in-migration is defined as in the ‘PG-10yr SENS1’ scenario. Internal out-migration is increased by increasing intervals of 50 per year 2014/15 to 2020/21. From 2021, internal out-migration is increased by 200 per year. International migration assumptions are consistent with the ‘PG-10yr’ scenario.
Jobs-led Sensitivity Scenarios (SENS3)	Jobs-led SENS3 (Low)	Population growth is determined by the change in the number of jobs as defined in the ‘low’ ELR scenario. The commuting ratio is incrementally reduced between 2014 and 2023. All other assumptions are consistent with the ‘Jobs-led’ ‘core’ scenario.
	Jobs-led SENS3 (Medium)	Population growth is determined by the change in the number of jobs as defined in the ‘medium’ ELR scenario. The commuting ratio is incrementally reduced between 2014 and 2023. All other assumptions are consistent with the ‘Jobs-led’ ‘core’ scenario.
	Jobs-led SENS3 (High)	Population growth is determined by the change in the number of jobs as defined in the ‘high’ ELR scenario. The commuting ratio is incrementally reduced between 2014 and 2023. All other assumptions are consistent with the ‘Jobs-led’ ‘core’ scenario.
	Jobs-led SENS3 (High +)	Population growth is determined by the change in the number of jobs as defined in the ‘high +’ ELR scenario. The commuting ratio is incrementally reduced between 2014 and 2023. All other assumptions are consistent with the ‘Jobs-led’ ‘core’ scenario.

4.11 Table 4.3 summarises the household and dwelling growth implications of each scenario using headship rate assumptions from the 2008-based and 2011-based household projection models from the DCLG. The scenario outcomes are presented under an ‘Option A’ and an ‘Option B’ producing two alternative dwelling requirements for each scenario. Owing to the uncertainty surrounding future rates of household formation, the Option A and the Option B dwelling requirements are averaged for each scenario. This approach is designed to illustrate the ‘range’ and mid-point average of the two alternatives to assessing household growth and is considered the most appropriate approach to assessing

dwelling requirements in the absence of the 2012-based household projection model.

Table 4.3 Scenario dwelling requirement summary

Scenario	Average Annual Dwelling Requirement (2011-2032)		
	Option A	Option B	Average
Jobs-led (High +)	1,723	1,855	1,789
Jobs-led (High)	1,298	1,416	1357
Jobs-led (High) SENS3	1,290	1,410	1,350
Jobs-led (medium)	1,138	1,251	1195
Jobs-led (High) SENS3	899	1,006	953
Jobs-led (Low)	859	964	912
PG-10Y	760	861	810
PG-5Y	770	868	819
Jobs-led (Medium) SENS3	753	854	804
SNPP-2010	708	812	760
SNPP-2012	711	810	760
PG-10yr SENS1	516	608	562
Jobs-led (Low) SENS3	495	590	543
PG-10yr SENS2	432	522	477
Natural Change	243	320	281

- 4.12 Whilst forecasting the change in the balance of migration and commuting resulting from anticipated jobs growth presents a challenge, it is very likely that the pattern of in- and out- commuting to North Tyneside will continue to change. Since 2001, the district has seen a significant alteration to the balance between jobs and the resident labour force (as is seen in the commuting ratio reduction 2001 to 2011). The 'jobs-led' scenarios presented here continue this trend, in line with jobs-growth development.
- 4.13 In evaluating its future growth requirements, it is recommended that North Tyneside considers the 'jobs-led' sensitivity scenarios (i.e. with a changing commuting balance) which modify the likely balance of migration into and out of the district.
- 4.14 DCLG intends to release a 2012-based household model for English local authorities in December 2014. The implications of these new data and assumptions upon the household and dwelling growth outcomes presented here will need to form part of the housing requirements evidence.
- 4.15 Table 4.4 presents a summary of the annual dwelling requirement ranges based on three alternative growth scenarios: a low, medium and high growth. This seeks to translate the scenario outputs into growth trajectories for North Tyneside.

Table 4.4 Annual Dwelling Requirements under different growth scenarios

Scenario	Annual Dwelling Requirement		
Natural Change	281		
PG-10Yr SENS2	477		
Jobs-led (Low) SENS3	543		
PG-10YT SENS1	562	562	LOW GROWTH
SNPP-2010	760		
SNPP-2012	760		
Jobs-led (Medium) SENS3	804	792	MEDIUM GROWTH
PG-10YR	811		
PG-5Yr	819		
Jobs-led (Low)	912		
Jobs-led (High) SENS3	953	953	HIGH GROWTH
Jobs-led (Medium)	1195		
Jobs-led (High+) SENS3	1350		
Jobs-led (High)	1357		
Jobs-led (High+)	1789		

Past trends in housing delivery

4.16 Over the four year period 2009/10 to 2012/13, an annual average of 425 dwellings have been built across North Tyneside (Table 4.5)

Table 4.5 Dwelling net completions in North Tyneside 2004/05 to 2013/14

Year	Units with Planning Permission (at start of year)	Gross Housing Delivery	Percentage of PPs Delivered During Year	Net Delivery (adjusted by losses to stock)	+ / - Requirement
2004/05	3,782	863	23%	755	355
2005/06	3,536	854	24%	732	332
2006/07	4,049	726	18%	585	185
2007/08	3,666	665	18%	584	184
2008/09	3,892	446	11%	304	-96
2009/10	4,047	366	9%	286	-114
2010/11	3,681	363	10%	255	-145
2011/12	3,223	455	14%	391	-109
2012/13	2,986	495	17%	450	-50
2013/14	2,496	447	18%	379	-239
Total	n/a	5,680	n/a	4,721	303

Source: North Tyneside Council

Future capacity for housing delivery

- 4.17 The latest Strategic Housing Land Availability Assessment (SHLAA) consultation Draft (2014) identifies a capacity for a total of 14,797 dwellings over a 15 year time period (Table 4.6), with a total capacity of 23,576 dwellings. The 15 year capacity represents an annual average capacity of 986 dwellings which peaks in the year 6-10 period at 1,347 each year.

Table 4.6 Potential development capacity

Time period	Total	Annualised
Deliverable Units: Years 1 to 5	3,675	735
Developable Units: Years 6 to 10	7,368	1,473
Developable Units: Years 11 to 15	5,336	1,067
Total to year 15	16,379	1,092
Developable Units: Years 16 plus	2,681	536
Total Identified Deliverable or Developable Units	19,060	

Market signals

- 4.18 NPPG (paragraph 20) states that the number suggested by household projections should be adjusted to reflect appropriate market signals as well as other market indicators of the balance between demand for and supply of dwellings. In broad terms these signals should take account both of indicators relating to price (e.g. house prices, rents and affordability ratios) and quantity (e.g. overcrowding and rates of development). NPPG comments that market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the plan period.
- 4.19 In line with NPPG, Table 4.7 considers a range of housing market signals for North Tyneside. These should be monitored on a regular (at least annual) basis and the scale of dwelling delivery should be adjusted where the Council believes it is appropriate to do so.

Table 4.7 Housing market signals					
	2010	2011	2012	2013	2014*
Price/transaction indicators					
Lower Quartile House Prices	£99,950	£94,950	£96,000	£97,500	£101,000*
Median House Prices	£142,000	£130,000	£135,000	£137,000	£144,475*
Lower Quartile Rents (per calendar month)	#	#	£450	£450	#
Median Rents (per calendar month)	#	#	£500	£500	#
Relative affordability (LQ earnings to LQ house price)	5.6	5.5	5.5	5.3	#
No. Property sales	2374	2501	2499	2948	1702*
Quantity indicators	2010	2011	2012	2013	2014
Total dwelling stock (at 1 April)	94,060	94,530	94,920	95,380	#
Total vacant dwellings (at October)	3,182	3,081	3282	3,679**	#
Total vacancy rate (at October)	3.4	3.3	3.5	3.9	#
Long-term vacant dwellings (at October)	1,193	1,184	1,280	1017	#
Long-term vacancy rate (at October)	1.3	1.3	1.3	1.1	#
Overcrowding (2011 census)	#	2.2	#	#	#
Net additional dwelling stock	510	470	390	460	#
No. of households on the housing register (at 1st April)	2935	4,184	4,727	3,493	#

Notes: # data not yet available

*2014 house prices & sales to end of June 2014 source: Land Registry Price Paid Data

No. households on housing register at 1 April source: CLG Local Authority Housing Statistics

Total dwelling stock/vacancy at early Oct source: CLG Dwelling/Vacant Dwelling Statistics except **2013 vacancy data which is from Council Tax as CLG reports a lower number of 2,467

Rent data: Zoopla

- 4.20 In terms of price/transaction indicators, a key message from Table 4.7 is that the market is showing some degree of uplift, with prices and transaction levels increasing since 2010. Relative affordability has improved marginally as wages have increased. The cost of private renting has remained unchanged in 2012 and 2013.
- 4.21 In terms of quantity indicators, there has been a growth in the total number of dwellings and vacancy rates have been falling, particularly long-term vacants. The overall vacancy rate in 2013 was 2.6% which is below the 2.7% national rate. This suggests a 'tight' market as normally around 3% of dwellings are expected to be vacant to allow household mobility.
- 4.22 According to the 2011 census, 2.2% of households were overcrowded. This compares with 4.6% across England. The scale of housing need as measured by the housing register has fluctuated between 2,934 and 4,727.

- 4.23 In conclusion, a review of market signal data would suggest there is a relatively 'tight' market but there are no particular issues that would warrant an adjustment to dwelling targets. However, the data should be collected and monitored on a regular basis to ensure the Council has up to date information from which to review dwelling targets.

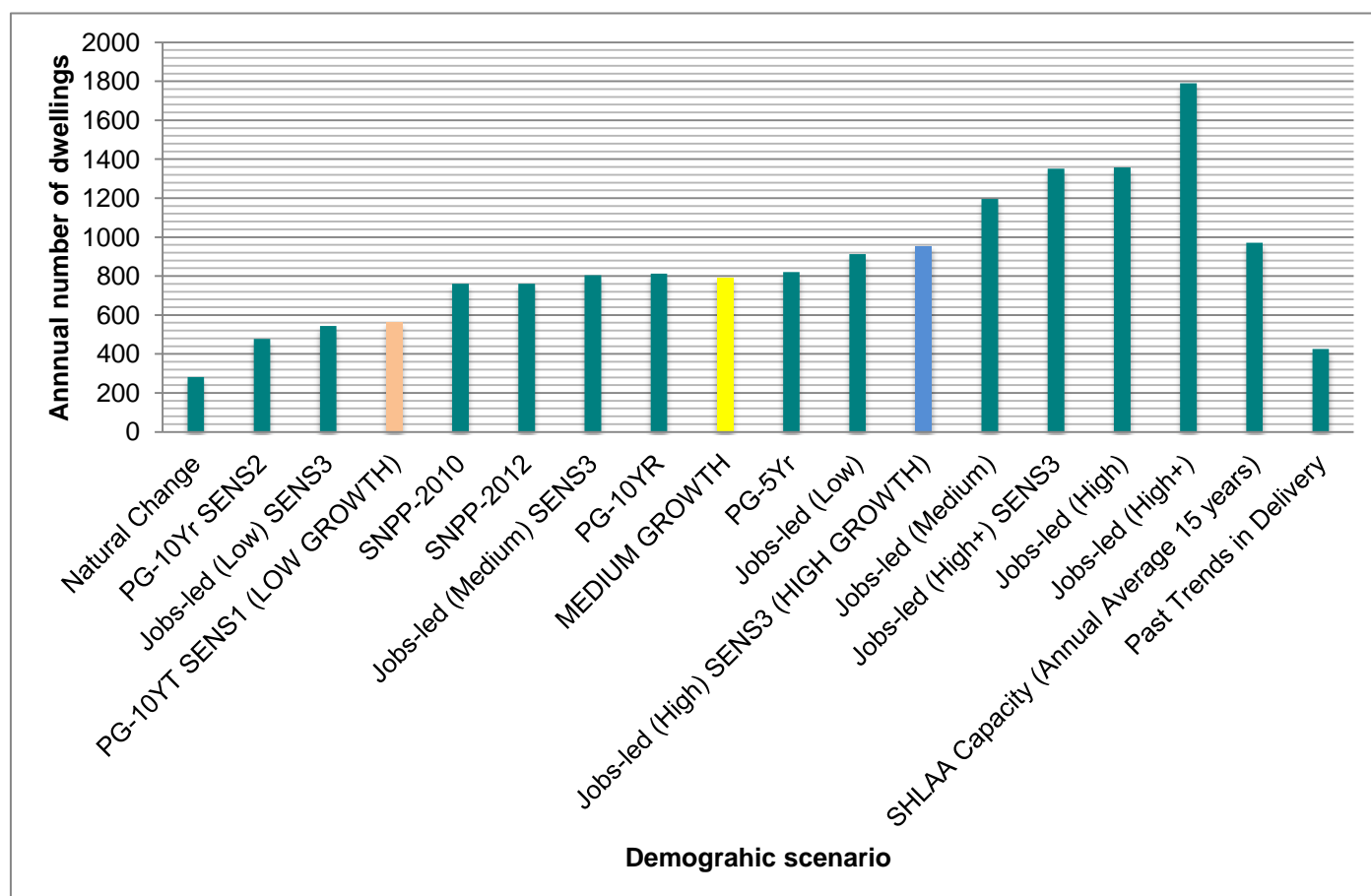
Establishing an Objectively Assessed Need for Housing

- 4.24 Local Authorities need to prepare a robust evidence base to consider their objectively assessed need for housing. However, there is no single definitive view on the level of growth expected in North Tyneside; a mix of economic, demographic and national/local policy issues will ultimately determine the speed and scale of change. For local planning purposes, it is necessary to evaluate a range of growth alternatives to establish the most appropriate basis for determining future housing provision.
- 4.25 This SHMA has considered as a starting point the latest available (2011-based) DCLG household projections; and reviewed the latest (2012-based) household and dwelling forecasts prepared using the POPGROUP model, outlined in further detail within the North Tyneside Population & Household Forecasts report prepared by Edge Analytics. This includes a scenario which considers the impact of changes in economic activity rates, informed by forecasts prepared for the North Tyneside Employment Land Review prepared by Arup, and migration patterns on dwelling numbers.
- 4.26 Figure 4.1 compares the range of projections and forecasts with past trends in housing delivery and potential annual development capacity over the Local Plan period. It is within this range of data that an appropriate objectively assessed need for housing can be established. Ultimately, the actual scale of housing delivery will be influenced by a range of factors and the Local Plan should provide a broad framework within which future development can be positioned.
- 4.27 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.
- 4.28 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.
- 4.29 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.

4.30 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. The outcome of the OAN assessment was discussed at a stakeholder event on 22nd October 2014.

Figure 4.1 Summary of dwellings required under alternative scenarios, development trends and future capacity



Duty to co-operate

4.31 National Planning Policy Guidance indicates that local planning authorities should assess their development needs working with other local authorities in the relevant housing market area. As has been demonstrated North Tyneside shares close housing market connections with Newcastle and Northumberland. Historically, North Tyneside has experienced significant migration with both Newcastle and Northumberland; with a large annual net in-flow from Newcastle

and a more modest net out-flow to Northumberland. Through its duty to cooperate North Tyneside has worked closely with neighbouring planning authorities to understand the areas cross boundary relationships, and how they might change based on evidence of population and economic forecasts and the proposed objectives for the Local Plans of those areas. Key factors to consider are migration assumptions and the increasing success of North Tyneside as a place of work as well as a place to live, and the implications of that for commuting within the sub-region.

- 4.32 The Northumberland County Council SHMA Update (October 2013) and draft SHMA (December 2014) examined ONS migration data. This identified that Northumberland benefits from a moderate net in-flow each year from Newcastle and North Tyneside. The emerging strategy in Northumberland envisages housing growth above the County's projected household and population forecasts. The objective for this is to arrest the rate of aging of the County's population and ensure the long term sustainability of its communities. The draft Northumberland SHMA (December 2014) has included consideration of potential additional migration from North Tyneside, which reflects increased connectivity between the two areas in employment and housing and indicates that the County's preferred strategy could support the additional housing needs that could arise.
- 4.33 Long Term Employment and Demographic Projections prepared for the Core Strategy and Urban Core Plan for Newcastle and Gateshead indicate Newcastle's Preferred development scenario. The policy approach to increasing housing choice within Newcastle proposes to reduce net migration losses, particularly of working age families to its neighbouring authorities, principally North Tyneside. Newcastle proposes to reduce the net loss in population from 2017-18, and by 750 per annum from 2020-21. While not explicit in the report, it is understood that the majority of the change in migration is associated with North Tyneside. This approach suggests Newcastle's scenario could lead to a reducing proportion of its workforce resident within North Tyneside.
- 4.34 As agreed in a position statement from the local authorities of the NELEP, all seven authorities seek to retain or encourage growth to support sustainable economic growth, maintain a proportion of economically active population, accommodate the trend of ageing population profiles and to meet objectively assessed needs. The paper indicates that in some instances it may be necessary to claw back economically active households from adjoining authorities.
- 4.35 To consider the potential implications of these growth proposals upon North Tyneside, the housing forecasts developed to inform this SHMA include a series of sensitivity tests to estimate from a purely migration-led scenario the potential implications for housing needs in North Tyneside. The forecasts also include a series of job-led sensitivity scenarios to consider of changes in the balance of employment growth and housing across the sub-region and within North Tyneside.

5. Strategic Housing Market Assessment Core Outputs

Introduction

- 5.1 The purpose of this chapter is to update where possible the core outputs required by former SHMA guidance relating to North Tyneside.

Core Output 1: Estimates of current dwellings in terms of size, type, condition, tenure

- 5.2 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 has increased to 95,380 in 2013¹⁵.
- 5.3 There are 3,679 vacant dwellings across North Tyneside¹⁶, an increase from 3,182¹⁷ in 2010¹⁸.

Property size and type

- 5.4 Table 5.1 reviews the profile of dwelling stock by size and type based on 2011 Valuation Office Agency data. This suggests that two-thirds of properties (66.9%) are houses, 25% are flats/maisonettes and 8.1% are bungalows. Of all properties, 10.5% have one bedroom, 32.7% two bedrooms, 48.4% have three bedrooms and 8.3% have four or more bedrooms.

¹⁵ CLG 2013 Housing Strategy Statistical Appendix

¹⁶ 2013 Council Tax data

¹⁷ CLG October 2010 figure from Table 615 Vacant Dwellings by Local Authority District

¹⁸ CLG October 2013 figure from Table 615 Vacant Dwellings by Local Authority District

Table 5.1 Property type and size

Property type	No. Bedrooms (Table %)				Total	Base
	One	Two	Three	Four or more		
Detached house	0.0	0.1	3.2	4.5	7.8	7330
Semi-detached house	0.1	7.0	23.5	3.8	34.5	32450
Terraced House	0.3	6.6	17.8	0.0	24.6	23170
Flat/Maisonette	8.4	14.2	2.5	0.0	25.0	23500
Bungalow	1.8	4.9	1.5	0.0	8.1	7650
Other/not known	0.0	0.0	0.0	0.0	0.0	30
Total	10.5	32.7	48.4	8.3	100.0	94130
Base	9910	30810	45570	7810	94130	

Source: 2011 Valuation Office Agency

Property condition

- 5.5 The 2013 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 78.5% of respondents expressed satisfaction (41.3% were satisfied and 37.3% were very satisfied); 12.8% were neither satisfied nor dissatisfied; a total of 8.5% expressed degrees of dissatisfaction, although only 1.9% were very dissatisfied. Table 5.2 explores how the level of dissatisfaction varied by dwelling tenure, age and type.
- 5.6 Data suggests that households renting from North Tyneside Homes/Council; households renting privately (unfurnished); households living in flats/apartments; and households living in older (pre-1919) properties were most likely to express dissatisfaction with state of repair.

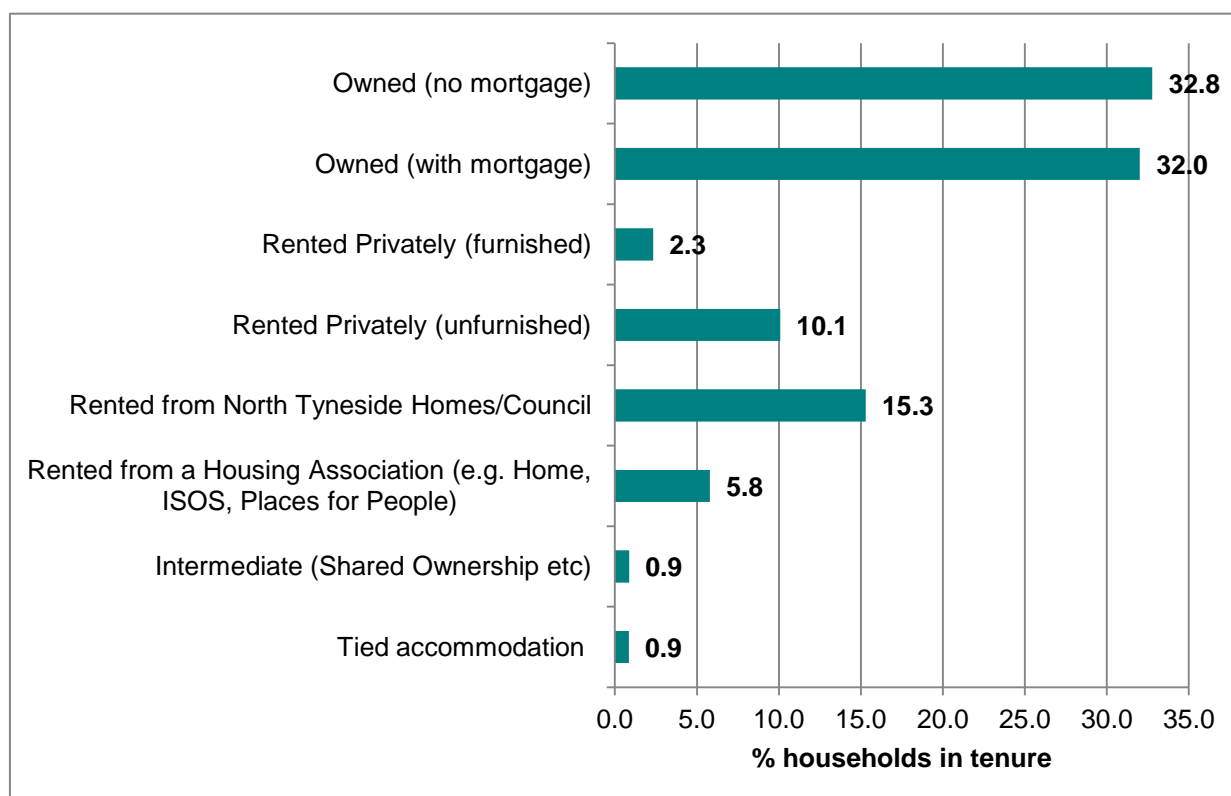
Table 5.2 Dissatisfaction with state of repair by property tenure, age and type

Tenure	% dissatisfied	Base
Owned (no mortgage)	2.2	29914
Owned (with mortgage)	7.5	29222
Rented Privately (furnished)	5.2	2127
Rented Privately (unfurnished)	16.6	9201
Rented from North Tyneside Homes/Council	18.2	13968
Rented from a Housing Association	10.5	5292
Shared Ownership, Shared Equity etc	5.6	791
Tied accommodation	11.2	780
Total	8.5	91295
Property Type	% dissatisfied	Base
Detached house	2.5	9659
Semi-detached house	7.3	33231
Terraced house/town house	7.2	19149
Bungalow	7.1	8667
Flat/Apartment	14.8	19685
Other	5.5	465
Total	8.4	90857
Property Age	% dissatisfied	Base
Pre 1919	11.0	12657
1919-1944	8.9	19033
1945-1964	9.3	17434
1965-1984	7.3	16958
1985-2004	4.0	13695
2005 on	4.0	4970
Total	7.9	84747

Source: 2013 Household Survey

Property tenure

- 5.7 The tenure profile of North Tyneside based on 2011 census data is summarised in Figure 5.1. Overall, 64.8% of occupied dwellings are owner-occupied, 13.2% are private rented and 22.0% are affordable (social/affordable rented and intermediate tenure). These compares with 2001 census figures of 65.8% owner occupied, 26.1% affordable and 8.1% private rented. The owner-occupied sector has declined slightly, reversing a long-term trend. The private rented sector has increased significantly.

Figure 5.1 North Tyneside tenure profile

Source: 2013 household survey; 2011 census

5.8 The tenure profile by Sub-Area is presented in Table 5.3. This shows some notable variations in tenure profile, for instance relatively higher proportions of privately renting households in Sub-Area 4 and lower rates in Sub-Area 7. It shows higher proportions of owner occupying households in Sub-Area 1, with significantly lower proportions of owner occupation in Sub-Areas 4/5/6 and 8. The proportion of affordable accommodation is notably lower in Sub-Area 1, and highest in Sub-Area 4.

Table 5.3 Tenure profile by Sub Area						
Sub Area		Tenure			Total (%)	Base
		Owner Occupied (%)	Private Rented (%)	Affordable/ Social Rented (%)		
1	Whitley Bay / Monkseaton area	80.6	12.1	7.3	100.0	15640
2	Cullercoats / Tynemouth area	71.8	14.6	13.6	100.0	9531
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	70.8	12.4	16.8	100.0	8777
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	40.3	21.1	38.5	100.0	11245
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	60.0	14.3	25.7	100.0	18585
6	Benton / Longbenton / Forest Hall area	60.9	9.9	29.2	100.0	9737
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	66.1	8.6	25.3	100.0	8807
8	Shiremoor / Backworth / Northumberland Park / West Allotment area	61.1	11.9	27.0	100.0	4714
9	Dudley / Seaton Burn / Wideopen area	74.3	9.5	16.2	100.0	4259
North Tyneside Total		64.8	13.3	22.0	100.0	91295

Source: 2013 Household Survey

Core Output 2: Past and current housing market trends; balance between supply and demand; key drivers

Total dwelling stock

- 5.9 In 2011, there were a total of 94,528 residential dwellings in North Tyneside of which 91,295 were occupied by households¹⁹. How the profile of dwelling stock varies by Sub-Area is presented in Table 5.4.

¹⁹ ONS 2011 Census

Table 5.4 Total dwelling stock by Sub-Area

Property type/size	Area (%)									
	1	2	3	4	5	6	7	8	9	Total
Bungalow 1-2 Bed	4.4	6.1	4.2	5.2	6.9	9.3	13.3	11.6	28.0	8.0
Bungalow 3+ Beds	1.7	1.2	2.1	0.0	1.7	1.2	2.6	0.7	1.7	1.5
Flat 1 Bed	5.8	7.6	7.1	12.6	6.3	5.8	6.1	1.5	4.4	6.8
Flat 2 Beds	10.1	17.3	13.1	19.1	17.0	14.4	5.4	7.0	2.7	13.1
Flat 3+ Beds	1.2	5.7	2.5	2.8	1.6	0.6	0.0	0.3	0.0	1.8
Terraced 1-2 bed	2.7	4.5	5.0	9.7	2.5	7.6	12.2	8.3	7.2	5.9
Terraced 3+ Beds	19.1	13.7	16.3	17.8	15.4	13.3	13.4	12.8	6.0	15.2
Semi-detached 1-2 Beds	6.2	3.4	3.9	8.5	14.3	7.3	11.1	10.0	7.8	8.5
Semi-detached 3 Beds	22.6	25.7	26.9	16.2	20.8	26.8	13.6	23.5	25.7	22.0
Semi-detached 4+ Beds	15.1	9.6	5.7	1.8	2.7	7.3	0.3	2.6	6.2	6.1
Detached 1-3 Beds	3.6	1.9	3.3	3.1	5.8	2.0	8.1	8.0	4.8	4.3
Detached 4+ Beds	7.6	2.7	9.7	1.0	4.5	4.0	13.9	13.7	5.2	6.3
Other	0.0	0.6	0.2	2.3	0.5	0.3	0.2	0.0	0.4	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	15621	9464	8777	11047	18432	9623	8764	4663	4217	90608
Missing Cases	19	67	0	197	154	114	43	51	42	687
Grand Total	15640	9531	8777	11244	18586	9737	8807	4714	4259	91295

Source: 2013 Household Survey

Sub-area	Description
1	Whitley Bay / Monkseaton area
2	Cullercoats / Tynemouth area
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area
6	Benton / Longbenton / Forest Hall area
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area
8	Shiremoor / Backworth / Northumberland Park / West Allotment area
9	Dudley / Seaton Burn / Wideopen area

Owner-occupied market

- 5.10 Of the 64.8% of households across North Tyneside who are owner occupiers, 32.8% own outright and 32.0% have a mortgage. Most owner occupied properties are houses or bungalows; and over half have three or more bedrooms.
- 5.11 Over the period 1996 to the start of 1999, median prices across North Tyneside increased from around £47,000 to £55,950 (19%). Between 1999 and 2007, median prices increased by £79,050 (141.3%). Table 5.5 summarises how median property prices have changed over the period 1996 to 2014 and how rates of change have varied annually, with highest proportionate increases in 2003 and 2004. The rate of house price increase slowed after 2004 and fell during 2008 and 2011.
- 5.12 It is interesting to note that in 1996, a household income of around £13,429 was required to ensure that a median-priced property was affordable. By 2007, an income of around £38,571 was required, an increase of 187.2% and far outstripping wage inflation over this period. During 2014, the level of household income required for a median priced property to be affordable was £41,278.

Table 5.5 Median property prices in North Tyneside 1996-2014, annual rate of change and income required to be affordable

Year	North Tyneside Median Price £	% change on previous year	Income required (£)* 3.5 x multiplier
1996	£47,000	-	£13,429
1997	£50,500	7.4	£14,429
1998	£54,000	6.9	£15,429
1999	£55,950	3.6	£15,986
2000	£56,000	0.1	£16,000
2001	£57,000	1.8	£16,286
2002	£68,000	19.3	£19,429
2003	£89,000	30.9	£25,429
2004	£117,998	32.6	£33,714
2005	£123,000	4.2	£35,143
2006	£130,000	5.7	£37,143
2007	£135,000	3.8	£38,571
2008	£130,000	-3.7	£37,143
2009	£132,726	3.5	£38,429
2010	£142,000	5.6	£40,571
2011	£130,000	-8.5	£37,143
2012	£135,000	3.8	£38,571
2013	£137,000	1.5	£39,143
2014 (to June)	£144,474	5.5	£41,278

Source: DCLG Housing Statistics (to 2008); Land Registry price paid 2009 onwards

Notes: *To be affordable, a property should cost no more than 3.5x household income

- 5.13 Over the period 2000 to 2014, lower quartile and median house prices²⁰ across North Tyneside have increased dramatically as summarised in Table 5.6, which follows regional and national trends.
- 5.14 It is interesting to note that in 2000, a household income of £10,571 was required for a lower quartile price to be affordable; by 2014 this had increased to £28,857. In comparison, an income of £16,000 was required for a median priced property to be affordable in 2000 compared with £41,278 in 2014.

Table 5.6 Lower quartile and median price and income required to be affordable				
North Tyneside	House Price (£)		Income to be affordable*	
	2000	2014	2000	2014
Lower Quartile	£37,000	£101,000	£10,571	£28,857
Median	£56,000	£144,474	£16,000	£41,278

Source: DCLG / Land Registry

*Assuming a 3.5x income multiple

- 5.15 In terms of household type, 35.9% of owner occupiers are older (65 or over) singles and couples, 21.5% are couples with children, 17.6% are singles (under 65), 13.1% are couples (under 65 with no children), 8.8% are lone parents and 3.1% are other household types.
- 5.16 The majority of owner occupiers (62.7%) have lived in their accommodation for at least ten years (25.0% between ten and 20 years and 37.6% for 20 years or more). 80.9% of outright owners have lived in their accommodation for at least ten years.
- 5.17 The majority of Heads of Household living in owner occupied dwellings are in employment (58.0%) and a further 34.5% are wholly retired from work. The proportion retired is considerably higher for outright owners (63.0%).
- 5.18 Incomes amongst owner occupiers tend to be high, with 50.9% receiving at least £500 each week and 18.9% receiving at least £950 each week. That said, incomes amongst outright owners tend to be lower than for mortgaged owners, with 37.9% receiving less than £300 each week compared with 12.4% of mortgaged owners. This reflects the different age profile and economic status of outright owners, which tend to be older people who are more likely to be retired.

Private rented sector

- 5.19 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. Nationally, 18.1%²¹ of households now rent privately which is higher than those who rent from a social landlord (17.7%). The sector plays a major role in facilitating labour mobility. The sector is diverse in terms of the range of households it accommodates and the types of properties available. A report

²⁰ Land Registry House Price information

²¹ Includes 'Living Rent Free' which account for 1.8% of rented household

'The Modern Private Rented Sector'²² provides a useful overview of the sector. Drawing upon 2001 census data, it suggests that the private rented sector has five key roles:

- A traditional housing role for people who have lived in the private rented sector for many years;
- Easy access housing for the young and mobile;
- Providing accommodation tied to employment;
- A residual role for those who are unable to access owner occupation or social renting; and
- An alternative to social rented housing (for instance those wanting to move to a different area but unable to do so through their social housing provider).

5.20 Given the range of roles of the private rented sector, there is a considerable diversity in the characteristics of private renting tenants. Evidence from the 2001 census (Rhodes, 2006) indicates that households living in private rented accommodation:

- tend to have younger Heads of Household;
- are ethnically diverse;
- singles, lone parents and other multi-adult households (for instance friends sharing) are over-represented compared with other tenures;
- people in professional and higher technical occupations are over-represented compared with other tenures;
- are more likely to be highly mobile geographically and turnover rates are high; and
- are more likely to accommodate international migrants.

5.21 The report 'The Private Rented Sector: its contribution and potential'²³ identified that the private rented sector is complex and distinct sub-markets include:

- Young professionals;
- Students, whose needs are increasingly being met by larger, branded, institutional landlords;
- The housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
- Slum rentals at the very bottom of the private rented sector, where landlords accommodate often vulnerable households in extremely poor quality property;
- Tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
- High-income renters, often in corporate lettings;

²² 'The Modern Private Rented Sector' David Rhodes, 2006 University of York with CIH/JRF

²³ The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

- Immigrants whose most immediate option is private renting;
- Asylum seekers, housed through contractual agreements with government agencies;
- Temporary accommodation, financed through specific subsidy from the Department for Work and Pensions; and
- Regulated tenancies, which are a dwindling portion of the market.

5.22 The report concludes that the private rented sector needs to become a flexible, well-functioning element of the housing market. To this end, its recommendations include:

- More policy to encourage a better understanding of managed rented housing and mandatory regulation of managing agents to ensure better quality management standards, and Registered Providers should be encouraged to enter this market place;
- Initiatives to 'grow' the business of letting, encouraging smaller, good landlords to expand their portfolios and view this as a business;
- Equalising rental choice so low-income households can make a real choice between a social or private let and see both as being equally desirable; and
- Light-touch licensing and effective redress to encourage local authorities to target the very worst landlords; a permit/licence would be required by all landlords that would be revoked if the landlord did not meet statutory requirements on housing management and quality.

5.23 According to the 2011 census, the private rented sector accommodates around 13.3% of households (12,109 which includes 808 living rent free) across North Tyneside. Of these households, the 2013 household survey identifies that 9,201 households rent unfurnished properties, 2,128 rent furnished accommodation and 780 rent tied accommodation. The proportion of households renting has increased from 8.1% as reported in the 2001 census.

5.24 The characteristics of tenants are diverse and the 2013 household survey identifies that in particular the private rented sector accommodates older person households (38.5%), couples with children (25.8%), singles (13.1%), couples (under 65) with no children (14.5%), lone parents (5.4%) and other household types (2.6%). 42.9% have lived in their accommodation for less than two years. In terms of income, 41.4% of privately renting households receive less than £300 gross each week, 29.6% receive between £300 and £500 each week and 29.0% receive at least £500 each week, indicating that the private rented sector tends to accommodate lower income households. That said, 67.1% of Heads of Household living in private rented accommodation are employed, 8.1% are unemployed, 13.2% are retired, 6.7% are permanently sick/disabled and 3.0% are looking after the home.

Agents' views on the Private Rented Sector

5.25 Telephone interviews were conducted with letting agents to understand their views on the Private Rented Sector (PRS) market in North Tyneside.

5.26 Agents were initially asked about the general state of the PRS market in North Tyneside. All agents agreed that the market was buoyant with good supply and

- demand. When asked how the trend in the rental market had been over the last three or four years, one agent thought that it had remained pretty stable over that period, another also said it had been stable but had noticed an increase in demand for three bed houses whilst the other had experienced a noticeable increase in activity over the last few years. They primarily put this down to there being fewer First Time Buyers in the sales market due to the difficulties in securing mortgage finance because of the large deposits required.
- 5.27 The agents were asked about what properties were most popular for renting. There was general consensus here that the most popular and prevalent type of property for rental were two and three bed flats. However there was a very strong demand for three bed houses with one agent commenting that a three bed house typical stays on the market for about one week.
- 5.28 This is due to there being fewer three bed houses that come onto the rental market generally coupled with demand for this type of home from young families that are not able to place a sufficient deposit down to buy a property. Although exact rental prices in the rental market vary according to location, within North Tyneside typically a one bed flat will rent out for about £400 pcm, a two bed 'Tyneside' type flat for around £450 pcm, a three bed semi-detached ex Local Authority house for around £600 pcm whilst a three bed semi-detached house from private stock would fetch between £650-£750 pcm.
- 5.29 All agents agreed that there was fairly strong demand for rental properties across the North Tyneside area with popular areas being North Shields (especially the 'Tynemouth fringe' area to the eastern side of North Shields and Chirton), Wallsend and coastal areas such as the Monkseaton area of Whitley Bay. More isolated areas where access to the Tyne and Wear Metro is less easy are less popular with renters.
- 5.30 The mainstay of the rental market in North Tyneside are young, often professional, couples who are just starting out and typically rent flats to begin with and as such are 'active renters' - ie deciding to rent by choice rather than necessity. As mentioned, young families have become increasingly prevalent in the market as mortgages have been difficult to secure and they typically demand three bed houses. Although not popular with many landlords/and or letting agents, those people receiving housing benefit that cannot secure social housing are also active within the PRS in North Tyneside. All agents agreed that few students decided to rent in the area. Separated/divorced men are also a feature of the rental market in the area.
- 5.31 Finally, the agents were asked about their thoughts on the future of the PRS market in the area. All agents envisaged the rental market remaining strong over the next few years. There is a strong tradition of people renting first in North Tyneside before deciding to buy and so there is always a steady demand for rental properties. All the agents did admit that the sales market was beginning to pick up, with Government incentive schemes such as Help To Buy and generally more mortgages being available at 95% and that that would potentially impact upon the rental market, particularly for young families who are not currently active renters. However, the agents did not think this would have any major impact for at least a couple of years.

Affordable sector

- 5.32 There are around 20,051 households who live in affordable properties across the North Tyneside area, accounting for 22.0% of all occupied dwellings. Of these households 15.3% rent from North Tyneside Homes (Council), 5.8% rent from a housing association and 0.9% are shared ownership.
- 5.33 Houses account for 46.6% of occupied affordable dwelling stock, 34.9% are flats/apartments and maisonettes and 17.7% are bungalows. Affordable dwellings tend to have two (52.4%) or three (27.6%) bedrooms, with 14.4% having one bedroom/bedsit and 5.5% having four or more bedrooms.
- 5.34 30.8% of households living in affordable accommodation are singles (under 65), 17.5% are older singles and couples, 17.3% are couples with children, 13.7% are lone parents, 16.1% are couples with no children and 4.6% are other types of household.
- 5.35 Only 29.5% of Heads of Household living in affordable housing are in employment (compared with 53.2% across all tenures). 34.3% are wholly retired from work, 18.7% are permanently sick/disabled, 10.6% are unemployed, 4.3% are looking after the home and 3.4% are full-time carers/volunteers.
- 5.36 Incomes are generally low, with 79.4% receiving an income of less than £300 gross each week and 56.0% receiving less than £200 gross each week.

Affordable sector – views of stakeholders

- 5.37 Social housing providers were asked about their own strategic context in terms of their future plans, achieving decent homes, areas of operation and the impact welfare changes were having. There were few responses to this particular question, however all replied that decent homes had been met within their particular business.
- 5.38 ISOS Housing operate in all areas of the borough as well as regionally and where they plan to develop 500 new homes over the next three years.
- 5.39 Welfare reform has seen an increase in demand for smaller properties but this needs to be carefully managed as this may not be sustainable going forward particularly if government policy changes.
- 5.40 Places for People operate in Killingworth, Backworth, Burradon, Meadowell, North Shields and Whitley Bay. Their business plan is to continue to provide affordable rented units together with the development of the Smiths Dock and Marine Gardens sites. They operate across the country and believe that welfare reform is creating demand issues and issues of affordability coupled with a lack of small units and increasing rent arrears.
- 5.41 Two stakeholders replied when asked for an overview of their stock composition and intermediate tenure:-
- ISOS Housing have 12,000 units across the region and have been successfully developing up to 250 units per year over the last ten years. Demand for shared ownership varies from site to site but overall it is a product they will continue to develop.

- Places for People have 800 units across the borough varying from one to three beds. They are currently progressing with site acquisitions and associated ground works at Smiths Docks and Marine Gardens.
- 5.42 According to ISOS Housing, one bed flats are unpopular particularly in the high density, low demand areas such as Wallsend as there is a plethora of accommodation within this area. This area experiences high volatility in terms of turnover. Bungalows are extremely popular and are always let in any given area. The high value areas and new build estates are always very popular and any type of family housing is always let. There is an overriding shortage of affordable housing in the borough hence any new development is always let. It is difficult to ascertain what areas are popular and not popular due to the overriding shortage of social housing. It goes without saying that a new build family house on a new estate will be popular. Interestingly, for ISOS Housing additional factors such as transport and schools aren't key when tenants are making decisions.
- 5.43 Places for People has good overall demand for their stock across the borough but larger units are now less popular due to welfare reform.
- 5.44 In terms of turnover, Registered Providers said that highest rates were found in low demand and high density areas especially with one and two bed flats. For Places for People, turnover across the borough varies from 5% in Meadowell to 13% in Cambo Place, North Shields. Places for People also said that increasingly they are seeing more economically active people moving into their properties whilst those customers experiencing financial difficulties are increasingly moving out.
- 5.45 When asked, no specific issues regarding social housing and BME communities were mentioned by the RP stakeholders.
- 5.46 Both responding RPs did encounter instances of anti-social behaviour (ASB) but both have dedicated teams to deal with such issues as they arrive. Places for People stated that there was low reporting of ASB in the borough.
- 5.47 Although Places for People did not specify, ISOS Housing reported that generally speaking their customers were satisfied with the houses and services that they provided.
- 5.48 The key messages for the SHMA from the two responding RPs were:
- Land availability - grant funding is available to build more homes however, further sites need to be brought forward to tackle the unquestionable lack of affordable housing within the borough;
 - Ensuring that the population's current and future needs are taken into consideration, prioritising families with children and contributing to addressing inequalities; and
 - Increasing the numbers of units available with rents achievable by customers claiming benefits.

Executive housing

- 5.49 The executive housing market can be broadly defined as high quality accommodation suited to the needs and aspirations of higher income households. Distinctive features of executive housing include:
- High property values:
 - With high incomes required to support purchase and high values are linked to desirable locations; and
 - High quality construction including exterior and interior fittings.
- 5.50 This SHMA has sought to investigate the requirements for executive housing through a review of existing provision, stakeholder discussions and analysis of household survey evidence.
- 5.51 The household survey can be used to explore the housing options being considered by higher income groups (with a weekly household income of at least £950). Although the executive housing market is a niche market, reviewing the housing aspirations of high income groups is an appropriate way of investigating the potential demand for executive housing.
- 5.52 The household survey identifies 2,709 households with an income of at least £950 each week and who are planning to move in the next five years. Of this group of high income households, 62.4% stated a first preference location within North Tyneside, with Whitley Bay/M Monkseaton area mentioned by 27.8% and Cullercoats/Tynemouth mentioned by 18.8%.
- 5.53 In terms of dwelling preferences, likes and expectations are summarised in Table 5.7. This indicates a strong aspiration towards detached houses with three or four bedrooms (43.0% of households). In reality, 25.4% expect to move to a detached property with three or four bedrooms. 41.8% of households expect to move into a semi-detached property with three or four bedrooms, compared with 19.2% of households who aspired to these properties. Indeed, while only 20.2% of respondents aspire to move to a semi-detached house, 44.4% expect to move into a semi-detached property.
- 5.54 In terms of reasons for moving, most frequently mentioned are wanting a larger property (27.3%) and wanting to buy (15.8%). A key message is that there is demand for higher specification properties from households currently living in North Tyneside and who have stated a preference to remain in the area.

Table 5.7 High income household dwelling aspirations and expectations

Like/Aspiration						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	
One	-	-	-	-	-	0.0
Two	2.4	1.0	2.0	7.2	6.5	19.1
Three	11.8	9.7	3.7	0.0	2.0	27.2
Four	31.2	9.5	5.3	0.0	0.0	46.0
Five or more	7.7	0.0	0.0	0.0	0.0	7.7
Total	53.2	20.2	11.0	7.2	8.5	100
Base (Valid responses)	2559					
Expectation						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	
One	-	-	-	-	-	0.0
Two	1.2	0.0	3.3	8.0	4.2	16.8
Three	11.4	28.0	9.5	0.0	2.2	51.1
Four	14.0	13.8	0.0	0.0	0.0	27.8
Five or more	1.7	2.6	0.0	0.0	0.0	4.3
Total	28.3	44.4	12.8	8.0	6.4	100.0
Base	2335					

Source: 2013 Household Survey

Tyneside Flats

5.55 Across North Tyneside there are around 3,445 households who live in Tyneside Flats, defined in the household survey as flats built before 1919. This represents 3.8% of all occupied dwellings across North Tyneside. Key data relating to Tyneside Flats and their occupants is now presented:

- 14.1% of Tyneside Flats are located in Sub-Area 1 (Whitley Bay / Monkseaton), 28.2% in Sub-Area 2 (Cullercoats/ Tynemouth), 15.6% in Sub-Area 3 (Moor Park, New York, Chirton Grange, Preston Area, Preston Grange), 19.1% in Sub-Area 4 (North Shields town centre area), 21.1% in Sub-Area 5 (Wallsend area) and 1.9% in other areas;
- 10.2% of all households in Sub-Area 2 live in Tyneside Flats;
- In terms of tenure, 56% of occupants are owner occupiers, 40.1% are private renters and 3.9% are affordable (social) renters);
- 30% of Tyneside flats have one bedroom, 48% have two bedrooms, 22% have three or more bedrooms. The vast majority of households (79.4%) stated that they felt their home was a suitable size, 17.2% felt it was too small and 3.3% too large;
- 60.8% of households living in Tyneside Flats were satisfied with the state of repair of their home and 24.9% expressed dissatisfaction;

- 70.7% of households expressed satisfaction with the neighbourhood in which they lived and 18.1% expressed dissatisfaction;
- 64.3% of households living in Tyneside Flats were single person households (43.8% under 65 and 20.5% 65 and over). A further 18.9% were couples, 12% families, 1.9% lone parents and 2.9% other types of household;
- 31.7% of households had lived in their accommodation for less than five years, 32.8% for between five and ten years, 9.5% between ten and 20 years and 26% had lived there for at least 20 years;
- Occupants had a broad range of incomes, with 30.1% receiving a gross income of less than £300, 31.8% between £300 and £500 and 37.4% of at least £500; and
- 38.7% of households were intending on moving in the next five years. The main reasons for this were to move to a larger property (18.2%), to be closer to work/new job (15.5%) and marriage/to live together (13.1%).

Key market drivers

5.56 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 5.8.

Table 5.8 Primary market drivers		
Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing number of households, household structure, ethnicity	Natural change
Economy	Jobs, income, activity rates, unemployment	Economic migration
Housing stock and aspirations	Quality vs. aspirations, relative prices, accessibility, development programmes	Residential migration

5.57 In summary, the following **demographic drivers** will continue to underpin the operation of North Tyneside's housing market:

- ONS 2012-based projections indicate that the population of North Tyneside is set to increase from 201,500 in 2012 to 226,300 by 2037, an increase of 24,800 or 12.3%;
- Over the next few decades, there will be a 'demographic shift' with the number (and proportion) of older people increasing. Over the period 2012 to 2037 the number of residents aged 65 and over is expected to increase from 36,900 to 59,900 (or by 63.2%). The number aged 80 and over is expected to increase by 93.3% (from 10,400 in 2012 to 20,100 by 2037);
- Across North Tyneside, according to the 2011 Census, 95.1% of residents describe themselves as White British (including English, Welsh, Scottish, Northern Irish and British); a further 1.5% are other White groups; 1.9% are

Asian/Asian British; 0.9% are mixed/multiple ethnic; 0.4% are Black/Black British and 0.2% are other groups. Within North Tyneside, the proportion of residents associating with a BAME group is highest in the Cullercoats/Tynemouth area (4.4%);

- The 2011 Census reports that 24.1% of households across North Tyneside comprise couples with children (dependent and non-dependent), 22% are older person households (single person or couple aged 65 and over), 20.1% are singles under 65, 18.2% are couples with no children, 11.4% are lone parents (dependent and non-dependent children), and 4.2% are other household types.

5.58 The following **economic drivers** will continue to underpin the operation of North Tyneside's housing market:

- The activities of the Local Economic Partnership;
- 70.5% of residents 16 to 64 are economically active according to the 2011 Census which is higher than the regional average of 66.1%. Unemployment in 2011 was 4.9%, compared with 5.4% regionally²⁴;
- 2013 household survey data indicates that 51% of employees work within North Tyneside and 49% commute to other areas, most notably to Newcastle upon Tyne (31.1%) and Northumberland (5.4%). Table 5.9 summarises the relationship between place of residence and workplace. It indicates that nearly half of Heads of Household living in Benton, Longbenton and Forest Hall (Sub-Area 6) work in Newcastle; and 13.6% of Heads of Household living in Dudley, Seaton Burn and Wideopen (Sub-Area 9) work in Northumberland;
- North Tyneside has a higher proportion of the population qualified to NVQ Level 4 and above (35.1%) compared with regional and North Eastern LEP averages of 31.1% and 31.6% respectively. 21.2% of the Borough's population has an NVQ Level 3 qualification, compared with the LEP average of 18.7% and the North East average of 19.1%²⁵; and
- Lower Quartile and median earnings across North Tyneside have fallen over the period 2010 to 2012 as illustrated in Table 5.10 This compares with a marginal increase across Tyne and Wear and nationally.

²⁴ ONS 2011 Census

²⁵ ONS Annual Population Survey Jul12 to Jun 13

Table 5.9 Place of residence (Sub-Area) and place of work

	Sub-Area	Workplace of Household Reference person (row %)							Total	Base (Valid responses)
		Within North Tyneside	Newcastle	Northumberland	Elsewhere Tyne and Wear	Co Durham	Tees Valley	Elsewhere		
1	Whitley Bay / Monkseaton area	52.3	32.9	4.1	7.7	2.3	0.0	0.9	100.0	8215
2	Cullercoats / Tynemouth area	41.9	32.4	5.0	13.1	4.8	2.2	0.6	100.0	4393
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	62.1	21.6	5.0	6.2	1.0	2.2	2.0	100.0	4225
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	69.9	17.1	2.7	9.3	0.0	0.0	1.0	100.0	4851
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	55.8	28.9	4.6	8.1	1.4	0.0	1.3	100.0	9095
6	Benton / Longbenton / Forest Hall area	38.2	46.4	4.7	7.0	2.8	0.9	0.0	100.0	4337
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	36.5	39.4	9.0	8.8	0.5	2.0	3.9	100.0	4307
8	Shiremoor / Backworth/ Northumberland Park / West Allotment area	48.6	30.0	7.4	10.9	0.6	1.2	1.2	100.0	2592
9	Dudley / Seaton Burn / Wideopen area	36.3	36.3	13.6	8.2	1.8	0.0	3.8	100.0	1924
	Total	51.0	31.1	5.4	8.6	1.7	0.8	1.4	100.0	43939

Source: 2013 Household Survey; based on workplace of Head of Household

Note: This table shows the row %, for example in Sub-Area 1, 52.3% work within North Tyneside, 32.9% in Newcastle etc.

Table 5.10 Earnings in North Tyneside, Tyne and Wear and England

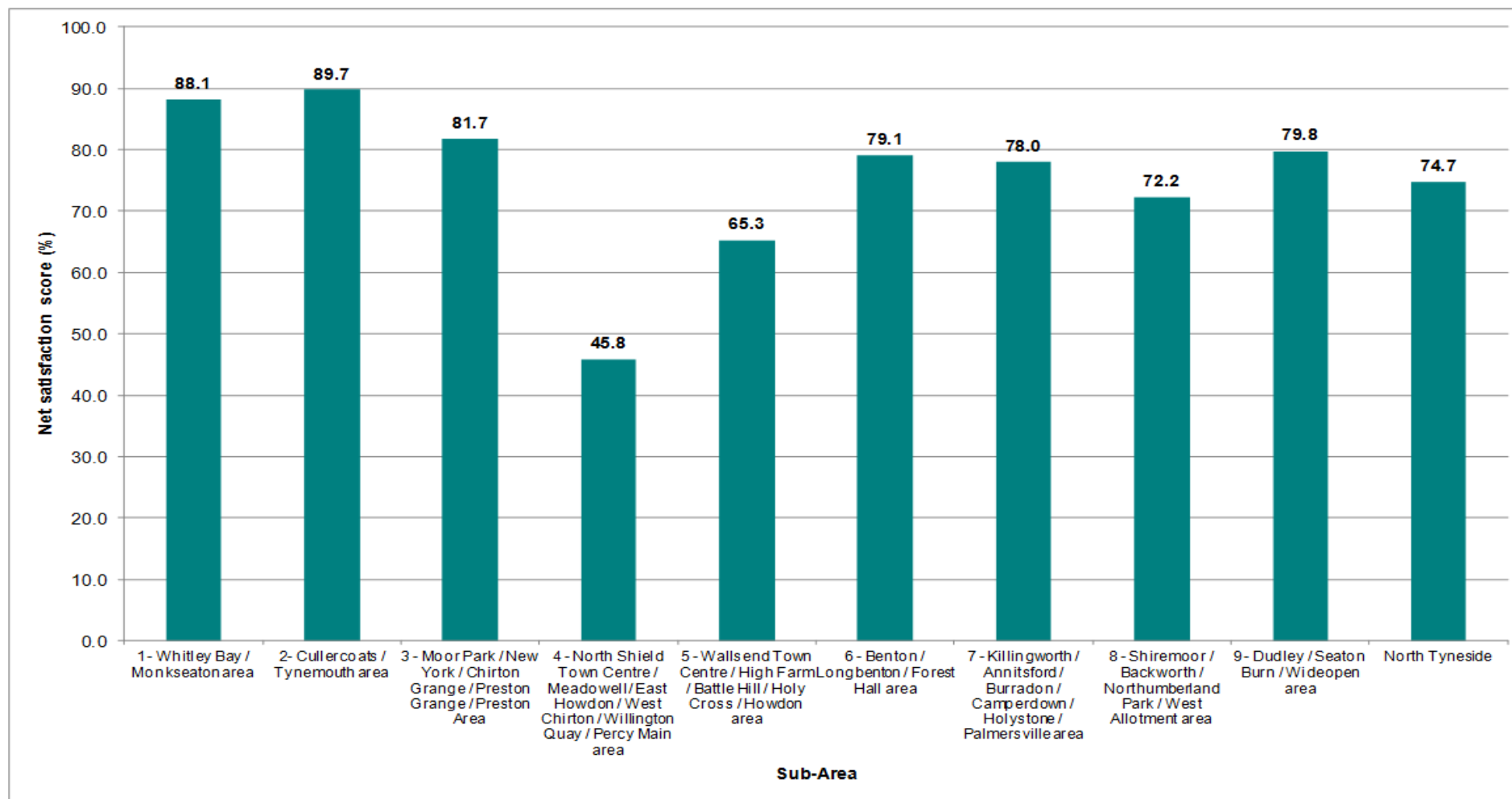
Location	2010		2012		Change		% Change	
	Lower Quartile	Median	Lower Quartile	Median	Lower Quartile	Median	Lower Quartile	Median
North Tyneside	£17,742	£23,795	£17,321	£23,629	-£421	-£166	-2.4	-0.7
Tyne and Wear	£16,895	£22,620	£17,451	£23,447	£556	£827	3.3	3.7
England	£18,663	£26,312	£18,933	£26,660	£270	£348	1.4	1.3

Source: Annual Survey of Hours and Earnings 2012

5.59 In terms of dwelling stock drivers:

- 68.3% of properties are houses, 21.7% are flats/maisonettes 9.5% bungalows, and 0.5% are other property types (e.g. caravans);
- Over a third (37.4%) of properties were built before 1945, a further 40.5% were built between 1945 and 1984 and the remainder (22%) 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. This compares with regional figures of 61.8% for owner occupation, 23.3% affordable tenures and 14.9% private renting; and
- There is a particularly strong aspiration for houses in the open market.

5.60 The 2013 household survey asked how satisfied respondents were with the area in which they lived. A net satisfaction score could be generated by calculating the proportion expressing satisfaction minus the proportion expressing dissatisfaction. Analysis by Sub-Area (Figure 5.2) indicates that the net satisfaction score exceeded 80% in three of the nine Sub-Areas; namely Whitley Bay/Monkseaton (88.1%), Cullercoats/Tynemouth (89.7%) and Moor Park/New York/ Chirton Grange/ Preston Grange/ Preston Area (81.7%). The lowest net satisfaction score was in North Shields Town Centre/Meadowell/East Howdon/West Chirton/Willington Quay/Percy Main, at only 45.8%.

Figure 5.2 Net satisfaction scores

Source: 2013 Household Survey

Core Output 3: Future households

- 5.61 Please see Chapter 4 which presents demographic scenarios relating to future household numbers.

Population change

- 5.62 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 (Table 5.11).

Table 5.11 Population change in North Tyneside				
Age Group	2012	2037	Change 2012-37	% change
0-15	33,400	34,500	1,100	3.3
16-29	34,300	35,700	1,400	4.1
30-44	41,200	41,100	-100	-0.2
45-64	55,700	55,100	-600	-1.1
65-79	26,500	39,800	13,300	50.2
80+	10,400	20,100	9,700	93.3
Total	201,500	226,300	24,800	12.3
Of the total population:				
Population aged 65+	18.3%	26.5%		
Population aged 80+	5.2%	8.9%		

Source: ONS 2011-based interim population projections

- 5.63 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+.

Core Output 4: Current households in need

- 5.64 A robust and defensible assessment of housing need is essential for the development of affordable housing policies which need to be articulated in Local Plans. Housing need can be defined as:

‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’.

- 5.65 The 2013 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the

North Tyneside area. This is presented in detail at Appendix C of this report and follows DCLG modelling guidance.

- 5.66 Across North Tyneside, there are 8,560 existing households in need, representing 9.4% of households. Reasons for housing need are summarised in Table 5.12.

Table 5.12 Housing need in North Tyneside		
Category	Factor	No. Households
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	833
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	1208
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	1955
	N4 Too difficult to maintain	1648
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	948
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	2190
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	355
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	308
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	684
Total no. of existing households in need		8560
Total Households		91295
% households in need		9.40%

Note: A household may have more than one housing need.

Source: 2013 household survey

- 5.67 Table 5.13 summarises the total number of households in need by Sub-Area. Overall, the greatest number of households in need (1,936) live in Sub-Area 5 (Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area). This represents 10.4% of households within Sub-Area 5. The greatest concentration of households in need, as a proportion of total households for that area, is found in Sub-Area 4 (North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area), where 15.3% of households are in need.

Table 5.13 Housing need by Sub Area				
	Sub-Area	No. households in need	Total no. of households	% households in need
1	Whitley Bay / Monkseaton area	1428	15640	9.1
2	Cullercoats / Tynemouth area	439	9531	4.6
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	824	8777	9.4
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	1723	11244	15.3
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	1936	18586	10.4
6	Benton / Longbenton / Forest Hall area	772	9737	7.9
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	772	8807	8.8
8	Shiremoor / Backworth / Northumberland Park / West Allotment area	357	4714	7.6
9	Dudley / Seaton Burn / Wideopen area	309	4259	7.2
	TOTAL	8560	91295	9.4

Source: 2013 Household Survey

5.68 Table 5.14 demonstrates how the proportion of households in housing need varies by tenure and Table 5.15 by household type. Private renters, other household types (for instance friends sharing) and lone parents with three or more children or adult children are more likely to experience housing need compared with the general population.

Table 5.14 Housing need by tenure and household type			
Tenure	No. households in need	Total no. of households	% households in need
Owner Occupier	4442	59136	7.5
Private rented	2097	12108	17.3
Affordable	2020	20051	10.1
Total	8560	91295	9.4

Source: 2013 Household Survey

Table 5.15 Housing need by household type

Household type	No. households in need	Total no. of households	% households in need
Single Adult (under 65)	1381	15979	8.6
Single Adult (65 or over)	1503	16117	9.3
Couple only (both under 65)	769	11935	6.4
Couple only (one or both over 65)	1330	16565	8.0
Couple with 1 or 2 child(ren)	548	10110	5.4
Couple with 3 or more children under 18	154	1608	9.6
Couple with child(ren) 18+	839	7855	10.7
Lone parent with 1 or 2 child(ren)	410	4147	9.9
Lone parent with 3 or more children	128	498	25.8
Lone parent with child(ren) aged 18+	628	3392	18.5
Other type of household e.g. friends sharing	731	2793	26.2
Total	8422	90999	9.3
<i>Missing cases (Household type not specified)</i>	138	296	
Total (excluding missing cases)	8560	91295	9.4

Source: 2013 Household Survey

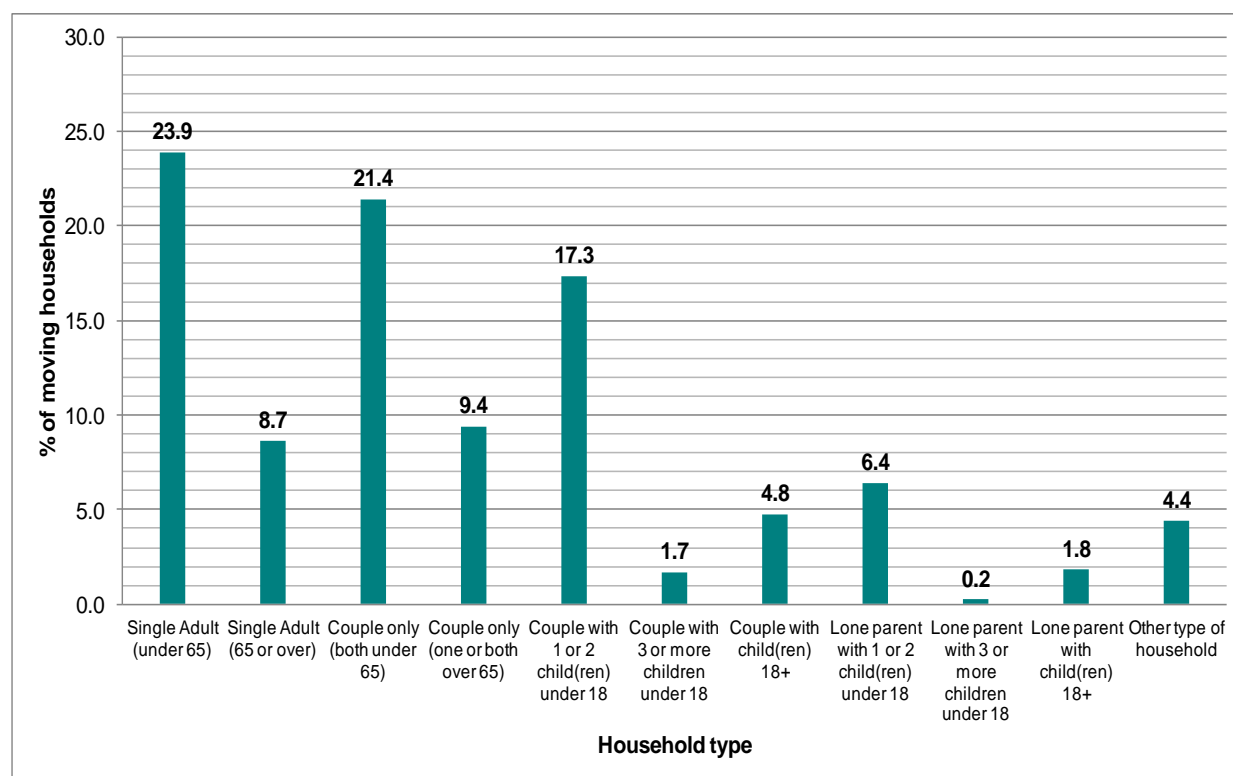
Core Output 5: Future households requiring affordable housing

- 5.69 The needs assessment modelling (see Appendix C) assumes a household formation rate of 1,248 each year. This is based on a formation rate of 1.4% of all households which is in line with national trends. It is important to note that this is a gross rate and does not take into account household dissolution.
- 5.70 Analysis of prevailing house prices and private rents in 2013 suggests that the proportion of newly-forming households who could not afford open market prices or rents is 59.8%.

Core Output 6: Future households requiring market housing

- 5.71 The 2013 Household Survey provides a range of valuable evidence on general market requirements. Figure 5.3 provides an indication of the types of household intending to move in the open market within North Tyneside over the next five years. This indicates that single adults (under 65), couples (under 65) and couples with one or two children together account for almost two-thirds of households intending on moving in the next five years.

Figure 5.3 Types of household intending to move in the open market in the next five years across the North Tyneside area



Source: 2013 Household Survey

5.72 Table 5.16 explores the extent to which household aspirations differ from expectations. It specifically focuses on existing households within North Tyneside who are planning to move in the next five years. Of households moving, most would like to move to a house (73%), 18.9% would like to move to a bungalow and 7.3% to move to a flat. This compares with 67.7% who expect to move to a house, 13.8% to a bungalow and 17% to a flat. A much higher proportion would like to move to a detached house (38.2%) but only 12.3% expect to. In contrast, higher proportions expect to move to a semi-detached house (41.2%) than would like to (27%).

5.73 In terms of property size, the majority of respondents expect to move to a property with one/two (46.1%), three (39.9%) or four or more (14%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (25.8%).

Table 5.16 Market preferences of existing households planning to move in the next five years

Like/Aspiration							
No. Beds	Property type (Table %)						Total
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	Other	
One	0.0	0.0	0.4	1.6	0.6	0.0	2.6
Two	2.2	7.8	2.0	5.1	11.3	0.8	29.3
Three	17.3	14.2	4.0	0.6	6.2	0.0	42.3
Four	16.7	3.5	1.4	0.0	0.5	0.0	22.0
Five or more	1.9	1.5	0.0	0.0	0.3	0.0	3.8
Total	38.2	27.0	7.7	7.3	18.9	0.8	100.0
Base	13917						
Expectation							
No. Beds	Property type (Table %)						Total
	Detached house	Semi-detached house	Terraced House	Flat	Bungalow	Other	
One	0.0	0.0	0.0	4.8	1.0	0.9	6.8
Two	1.4	9.0	7.4	11.8	9.3	0.5	39.4
Three	6.0	25.5	4.4	0.5	3.5	0.0	39.9
Four	4.5	5.5	2.4	0.0	0.0	0.0	12.4
Five or more	0.4	1.2	0.0	0.0	0.0	0.0	1.6
Total	12.3	41.2	14.2	17.0	13.8	1.4	100.0
Base	12495						

Source: 2013 Household Survey

5.74 Table 5.17 provides a useful review of how market demand varies by household type. The table shows the percentage of households by household type who expect to move to a particular property type and size²⁶. Data indicates that:

- Houses remain the most popular choice for most household types, particularly semi-detached houses and properties with two and three bedrooms;
- Older singles and older couples were more likely to expect to move to a bungalow;
- Singles (under 65) and couples with no children (under 65) were more likely to expect to move to a two or three bedroom property, particularly a house;
- Overall:

²⁶ Please note that the total figure varies slightly with the total in Table 5.17 as some respondents did not provide household type data

- One bedroom properties were mainly expected to be moved into by older singles;
- 39.3% of all households expected to move to a two bedroom property and in particular singles and lone parents;
- 40.1% of all households expected to move to a three bedroom property and in particular couples (no children) and couples with one or two children expected to do so;
- four bedroom properties were expected to be moved to by couples with children and lone parents with three or more children.

5.75 An important message from this analysis is that although there are some trends in household type and dwelling expectation (for instance older singles considering smaller dwellings) there remains a great diversity in the range of dwellings different household types would expect to move to. Significantly, household size does not necessarily correlate with bedroom requirements.

Table 5.17 Market housing property type and size expectations by household type

Property type	Household type (%)											
	Single Adult (under 65)	Single Adult (65 or over)	Couple only (both under 65)	Couple only (one or both over 65)	Couple with 1 or 2 child(ren) under 18	Couple with 3 or more child(ren) under 18	Couple with child(ren) aged 18+	Lone parent with 1 or 2 child(ren) under 18	Lone parent with 3 or more child(ren) under 18	Lone parent with child(ren) aged 18+	Other type of household	Total
Detached house	9.6	0.0	14.3	5.5	18.1	10.2	20.8	17.7	0.0	9.5	0.0	11.8
Semi-detached house	34.6	8.6	52.8	25.6	51.6	75.5	37.8	41.8	100.0	48.5	10.8	39.9
Larger terraced house	12.0	0.0	7.0	0.0	15.9	14.3	11.8	2.9	0.0	0.0	17.5	9.0
Smaller terraced house	12.5	0.8	3.6	4.5	7.2	0.0	6.6	3.7	0.0	0.0	17.5	6.8
Flat/Apartment	20.3	53.2	8.8	10.3	5.5	0.0	3.9	30.3	0.0	14.9	29.3	16.3
Bungalow	9.2	36.3	12.9	49.8	1.8	0.0	18.0	0.0	0.0	27.1	7.3	14.2
Other	1.8	1.1	0.5	4.4	0.0	0.0	1.2	3.6	0.0	0.0	17.5	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	3212	978	2965	1212	2403	245	595	924	34	262	508	13338
No. Beds	Household type (%)											
	Single Adult (under 65)	Single Adult (65 or over)	Couple only (both under 65)	Couple only (one or both over 65)	Couple with 1 or 2 child(ren) under 18	Couple with 3 or more child(ren) under 18	Couple with child(ren) aged 18+	Lone parent with 1 or 2 child(ren) under 18	Lone parent with 3 or more child(ren) under 18	Lone parent with child(ren) aged 18+	Other type of household	Total
One	7.0	37.4	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.7	6.7
Two	52.3	49.0	31.3	52.8	14.4	0.0	36.0	55.2	0.0	23.4	73.7	39.3
Three	33.9	13.6	56.8	46.1	52.5	14.0	25.7	28.2	0.0	76.6	4.5	40.1
Four	5.9	0.0	6.0	0.0	29.4	70.6	38.3	16.6	100.0	0.0	0.0	12.4
Five or more	0.9	0.0	1.3	1.2	3.8	15.4	0.0	0.0	0.0	0.0	0.0	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	3019	1137	2770	1215	2381	221	603	891	34	261	506	13038

Source: 2013 Household Survey

5.76 Table 5.18 considers the expectations of newly-forming households by considering the range of dwellings newly-forming households have moved to in the past five years. This shows they mainly moved into flat/apartments, terraced houses/town houses and semi-detached houses. 11.1% moved into a one bedroom property, 62.6% a two bedroom, 25.8% a three bedroom and 0.6% into a property with four or more bedrooms.

Table 5.18 Household expectations (newly-forming households)					
Dwelling type	No. Bedrooms (%)				Total
	One	Two	Three	Four or more	
Detached house	-	-	1.3	0.6	1.9
Semi-detached house	-	12.6	5.5	-	18.1
Terraced house/town house	-	9.8	15.7	-	25.5
Bungalow	2.2	-	-	-	2.2
Flat/Maisonette	8.9	40.1	3.4	-	52.3
Total	11.1	62.6	25.8	0.6	100.0
<i>Base (Valid Responses)</i>	<i>2,108</i>				

Source: 2013 Household Survey

Suggested future development profile of market dwellings

5.77 The current stock of open market dwellings summarised in Table 5.19 is also compared with household aspirations and expectations. Table 5.20 then summarises an annual range of dwellings to be built to reflect the current stock profile, household aspirations and expectations.

Table 5.19 Current dwelling stock and household aspirations/expectations

Dwelling type/size	Dwelling stock, likes and expectations		
	Current Private Stock %	Like %	Expect %
Detached house 1-2 Beds	0.4	2.2	1.4
Detached house 3 Beds	4.8	17.3	6
Detached house 4 or more beds	8	18.6	4.9
Semi-detached house 1-2 beds	7.4	7.8	9
Semi-detached house 3 beds	24.2	14.2	25.5
Semi-detached house 4 or more beds	7.7	5	6.7
Terraced house 1-2 Beds	5.6	2.4	7.4
Terraced house 3 Beds	12.2	4	4.4
Terraced house 4+ beds	3.9	1.4	2.4
Bungalow 1-2 Beds	5.4	11.9	10.3
Bungalow 3+ beds	1.8	7	3.5
Flat/Apartment 1 Bed	3.8	1.6	4.8
Flat/Apartment 2 Beds	12.3	5.1	11.8
Flat/Apartment 3+ Beds	2	0.6	0.5
Other	0.4	0.8	1.4
Total	100	100	100
<i>Valid Responses</i>	<i>70834</i>	<i>13917</i>	<i>12495</i>

Source: 2013 Household Survey

Table 5.20 Suggested annual profile of new dwellings based on current stock profile, aspirations and expectations

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	13.4	12.4	17.8
House 3 Beds	41.2	35.5	35.9
House 4 or more Beds	19.6	25.0	14.0
Bungalow	7.2	18.9	13.8
Flat	18.1	7.3	17.1
Other	0.4	0.8	1.4
Total	100	100	100

5.78 This analysis would suggest a particular focus on the delivery of three bedroom houses, with a particular focus on semi-detached and detached houses; also

semi-detached and detached houses with four or more bedrooms and bungalows.

5.79 Table 5.21 considers the current dwelling stock profile of open market dwellings by sub-area and then the extent to which this varies from the stock profile based on the aspirations and expectations of households planning to move (using North Tyneside data). Where cells are colour coded, a green spot indicates that the current proportion of dwelling stock is greater than the aspiration/expectation for that dwelling stock; a red spot indicates that the proportion of dwelling stock is lower than the aspiration/expectation. Therefore a red spot suggests there is a lack of that particular type of dwelling type and size in the sub-area.

5.80 The sub-area codes to use when reviewing Table 5.21 are summarised below:

1	Whitley Bay / Monkseaton area
2	Cullercoats / Tynemouth area
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area
6	Benton / Longbenton / Forest Hall area
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area
8	Shiremoor / Backworth/ Northumberland Park / West Allotment area
9	Dudley / Seaton Burn / Wideopen area

Table 5.21 Current sub-area market dwelling stock profile compared with household aspirations/expectations

Dwelling Type	Neighbourhood									Total
	1	2	3	4	5	6	7	8	9	
House 1/2 Beds	9.7	7.9	6.8	17.4	15.4	15.8	23.5	16.0	14.2	13.4
House 3 Beds	40.1	38.9	43.3	30.9	43.5	51.7	37.9	46.2	39.4	41.2
House 4 or more Beds	30.6	21.4	22.7	9.8	11.3	17.8	21.3	23.7	13.4	19.7
Bungalow	6.3	7.5	6.4	3.6	5.9	5.1	7.6	7.6	26.8	7.2
Flat	13.3	24.3	20.6	35.8	23.2	9.6	9.8	6.5	5.8	18.0
Other	0.0	0.0	0.2	2.6	0.6	0.0	0.0	0.0	0.5	0.4
Total	100	101	102	103	104	105	106	107	108	109

Variation in current dwelling profile from household aspirations

Dwelling Type	Neighbourhood									Total
	1	2	3	4	5	6	7	8	9	
House 1/2 Beds	● -2.7	● -4.5	● -5.6	● 5.0	● 3.0	● 3.4	● 11.1	● 3.6	● 1.8	● 1.0
House 3 Beds	● 4.6	● 3.4	● 7.8	● -4.6	● 8.0	● 16.2	● 2.4	● 10.7	● 3.9	● 5.7
House 4 or more Beds	● 5.6	● -3.6	● -2.3	● -15.2	● -13.7	● -7.2	● -3.7	● -1.3	● -11.6	● -5.3
Bungalow	● -12.6	● -11.4	● -12.5	● -15.3	● -13.0	● -13.8	● -11.3	● -11.3	● 7.9	● -11.7
Flat	● 6.0	● 17.0	● 13.3	● 28.5	● 15.9	● 2.3	● 2.5	● -0.8	● -1.5	● 10.7

Variation in current dwelling profile from household expectations

Dwelling Type	Neighbourhood									Total
	1	2	3	4	5	6	7	8	9	
House 1/2 Beds	● -8.1	● -9.9	● -11.0	● -0.4	● -2.4	● -2.0	● 5.7	● -1.8	● -3.6	● -4.4
House 3 Beds	● 4.2	● 3.0	● 7.4	● -5.0	● 7.6	● 15.8	● 2.0	● 10.3	● 3.5	● 5.3
House 4 or more Beds	● 16.6	● 7.4	● 8.7	● -4.2	● -2.7	● 3.8	● 7.3	● 9.7	● -0.6	● 5.7
Bungalow	● -7.5	● -6.3	● -7.4	● -10.2	● -7.9	● -8.7	● -6.2	● -6.2	● 13.0	● -6.6
Flat	● -3.8	● 7.2	● 3.5	● 18.7	● 6.1	● -7.5	● -7.3	● -10.6	● -11.3	● 0.9



Insufficient stock



Sufficient stock

Core Output 7: Size of affordable housing required

- 5.81 A detailed analysis of the following factors determines overall affordable housing requirements:
- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
 - New households forming who cannot afford to buy or rent in the market;
 - Existing households expected to fall into need; and
 - The supply of affordable housing through social renting and intermediate tenure stock.
- 5.82 The needs assessment model advocated by the DCLG has been used and detailed analysis of each stage of the model is presented at Appendix C.
- 5.83 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by area, property designation (i.e. general needs and older person) and property size (number of bedrooms). Analysis provides a gross figure (absolute shortfalls in affordable provision) and a net figure (which takes into account surplus accommodation relative to need). Modelling suggests a **net shortfall of 490 affordable dwellings** each year across North Tyneside as shown in Table 5.22. This excludes any potential pipeline provision which would help offset the imbalances identified. The **gross shortfall is 660 affordable dwellings** (Table 5.23) which illustrates where there are absolute shortfalls by property size and type.
- 5.84 It should be noted that this analysis demonstrates 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.
- 5.85 The objectively assessed need for housing figure includes the affordable housing requirement so it is not necessary to add an extra 490 dwellings to the OAN.
- 5.86 The method for calculating affordable requirements is explored in full in Technical Appendix C. It should be noted that the needs modelling uses the bedroom standard model which only allows for one bedroom for a single person or couple.

Table 5.22 Net annual affordable housing requirement by property size and designation 2013/14 to 2017/18

	Sub-Area	General Needs			Older Person		
		No. of bedrooms			No. of bedrooms		
		1	2	3 or more	1	2 or more	Total
1	Whitley Bay / Monkseaton area	101	51	9	16	-1	176
2	Cullercoats / Tynemouth area	64	-7	-9	15	0	63
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	51	6	0	6	-1	63
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	39	-63	28	18	-4	19
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	5	55	12	31	-3	101
6	Benton / Longbenton / Forest Hall area	-11	81	-9	-1	-4	57
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	15	-25	14	0	1	4
8	Shiremoor / Backworth / Northumberland Park / West Allotment area	8	-2	-25	-5	0	-24
9	Dudley / Seaton Burn / Wideopen area	30	-2	3	-1	1	32
	Total	302	93	24	79	-9	490

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

Table 5.23 Gross annual affordable housing requirement by property size and designation 2013/14 to 2017/18

	Sub-Area	General Needs			Older Person		
		No. of bedrooms			No. of bedrooms		
		1	2	3 or more	1	2 or more	Total
1	Whitley Bay / Monkseaton area	101	51	9	16	0	176
2	Cullercoats / Tynemouth area	64	0	0	15	0	79
3	Moor Park / New York / Chirton Grange / Preston Grange / Preston Area	51	6	0	6	0	63
4	North Shields Town Centre / Meadowell / East Howdon / West Chirton / Willington Quay / Percy Main area	39	0	28	18	0	86
5	Wallsend Town Centre / High Farm / Battle Hill / Holy Cross / Howdon area	5	55	12	31	0	103
6	Benton / Longbenton / Forest Hall area	0	81	0	0	0	81
7	Killingworth / Annitsford / Burradon / Camperdown / Holystone / Palmersville area	15	-	14	0	1	29
8	Shiremoor / Backworth / Northumberland Park / West Allotment area	8	-	-	-	0	8
9	Dudley / Seaton Burn / Wideopen area	30	-	3	-	1	35
	Total	313	192	67	85	2	660

Tenure split

- 5.87 In terms of the split between social rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households and also the extent to which intermediate tenure products could be afforded.
- 5.88 Table 5.24 indicates that existing and newly-forming households in need mainly considered social renting as a preferred tenure option.

Table 5.24 Tenure preferences of existing households in need and newly-forming households requiring affordable housing

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Affordable (Social) Rent	72.2	76.4	74.7
Intermediate Tenure	27.8	23.6	25.3
Total	100	100	100
<i>Base (annual requirement)</i>	<i>546</i>	<i>808</i>	<i>1354</i>

Source: 2013 Household Survey. Note Base figures are factored into the detailed needs modelling presented at Appendix C

- 5.89 Overall, analysis would suggest a tenure split of 75% affordable housing for rent and 25% intermediate tenure based on household preferences.

Property type preferences

- 5.90 Analysis of property type preferences (Table 5.25) suggests that a range of dwellings are required, with a total of 33.6% preferring houses, 47.2% flats/apartments and 19.2% bungalows.
- 5.91 Existing households in need stated the preference for a range of dwelling types including bungalows, flats and houses. Newly forming households stated a strongest preference for flats/apartments followed by houses.

Table 5.25 Property type preferences

Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	29.8	36.1	33.6
Flat/Apartment	33.2	56.7	47.2
Bungalow	37.0	7.2	19.2
Total	100.0	100.0	100.0
<i>Base</i>	<i>546</i>	<i>848</i>	<i>1394</i>

Based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years

Source: 2013 Household Survey

The new delivery model for affordable housing

Overview

- 5.92 The Coalition Government introduced a new delivery model for affordable housing through the Affordable Homes Programme 2011-15 framework. Affordable rent will be the main type of new affordable supply and in addition Housing Associations (Registered Providers) will be encouraged to convert a proportion of social rented properties to affordable rent at re-let. The principle aim of the new model is to use the new affordable rent product, together with new flexibilities on the use of existing assets, to generate additional financial capacity to fund new supply.
- 5.93 The rent for Affordable rented homes is set at up to a maximum of 80% of market rent. These are allocated in the same way other social housing. Social landlords will have the freedom to offer affordable rent properties on flexible tenancies tailored to the housing needs of individual households. The Government has introduced a series of other measures such as the introduction of a new, more flexible, fixed term tenancy for social housing for a minimum of five years (two years in exceptional circumstances), this is at the discretion of each local authority, allowing greater flexibility for local authorities in their strategic housing role and options to increase mobility for social tenants²⁷.
- 5.94 The potential impact of the affordable rent product on the relative affordability of rental options is explored in Table 5.26. This considers the affordability of different rental prices for existing households in need on the basis of household income and assumes a property is not affordable if the rent is more than 25% of household total income. The analysis demonstrates that across North Tyneside, 48.1% could not afford social rents on the basis of income alone. 61.9% could not afford 80% of open market average rents (e.g. affordable rent referred to above) and 72.3% could not afford open market average rents. Therefore any increase in rents coupled with changes in welfare benefits will have a detrimental impact on affordability.

Table 5.26 Relative affordability of renting options				
Affordability by tenure	Average Weekly rent	% can afford	% cannot afford	Total
Affordability of Private Rent	£120.46	27.7	72.3	100
Affordability of 80% Private Rent	£96.37	38.1	61.9	100
Affordability of Social Rent	£71.92	51.9	48.1	100

Base: 8,560 households in need

Source: RP rents 2011 RSR return; VOA Private Rents 2013

²⁷ Homes and Communities Agency website

Core Output 8: Estimates of household groups who have particular housing requirements

Families

- 5.95 Families account for around 32.2% of households across North Tyneside. Analysis of market preferences (Table 5.17) suggests that market preferences are in line with what would be expected of families:
- Couples with children had a strong preference for houses, particularly detached, semi-detached and larger terraced houses; and households were most likely to consider properties with three or more bedrooms;
 - Lone Parent families were most likely to consider semi-detached houses and properties with two and three bedrooms (with lone parent families with three or more children expecting to move to properties with four or more bedrooms);
 - Couples with non-dependent (adult) children were most likely to consider detached, semi-detached and larger terraced houses; amongst lone parents with non-dependent children there was a preference for semi-detached houses and bungalows. In terms of house size, there was a preference for two to four bedrooms (couples) and two to three bedrooms (lone parents).
- 5.96 Analysis of affordable housing requirements suggests there is an ongoing need for dwellings with two and three bedrooms to address the needs of families. It is important that particular care is taken to ensure that properties are built to reflect the demand from families and in the interests of long-term community sustainability.

Older people

- 5.97 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for North Tyneside's growing older population. The number of people aged 65 or over is projected to increase by 62.3% from 36,900 in 2012 to 59,900 by 2037.
- 5.98 The vast majority of older people want to stay in their own homes with help and support when needed and the vast majority are owner occupiers (Table 5.27). There is also a degree of interest in specialist forms of older persons' accommodation, for instance open market dwellings, rented sheltered accommodation and rented extra care housing, as summarised in Table 5.27. Providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation (although price could still remain a barrier to entry). It should also be noted that the North Tyneside Living project Quality Homes Older People PFI has been developed by the Council in order to provide modern, fit for purpose older persons' sheltered accommodation.

Table 5.27 Older persons' housing options

Housing option	% would consider
Continue to live in current home with support when needed	70.5
Buying a property on the open market	15.5
Rent a property from a private landlord	6.2
Rent from HA / Registered Social Landlord / Registered Provider	12.7
Sheltered accommodation - To Rent	22.7
Sheltered accommodation - To Buy	11.9
Sheltered accommodation - Part Rent / Buy (shared ownership)	6.3
Extra care housing - To Rent	14.2
Extra care housing - To Buy	8.0
Extra care housing - Part Rent / Buy (shared ownership)	3.9
Residential care home	4.3
Co-housing	7.9
Base (Valid Responses)	81,411
Base (Households responding)	44,227

Source: 2013 household survey

Self-build

- 5.99 The 2013 household survey identified that there is an interest in self-build from households planning to move in the next five years. A total of 1,993 respondents planning to move (5.6%) were interested in self-build which is defined as *'when an individual obtains a building plot and then builds their own home on that plot. The self-builder's input into this process varies from undertaking the actual building work to contracting out all of the work to an architect or building company'*.
- 5.100 Fewer households were interested in community self build²⁸, defined as a *'group of people in housing need who join forces and become involved in the planning, design and building of their own homes'*. This was an option considered by 1,101 respondents (3.1%). Overall, however, less than 1% of households contacted thought that they are most likely to move to a self-build or community self-build property. To support self-build, the Council in its planning policy DM7.8 are requiring that 10% of sites are to be set aside for self-build on schemes of 200+ dwellings.

Supported housing

- 5.101 Housing association specialist provision in North Tyneside particularly focuses on older people with support needs, homeless families with support needs and single homeless with support needs based on data provided from RP CORE Supported lettings data (Table 5.28)

²⁸ Recent consultation on self-build can be found at <https://www.gov.uk/government/consultations/right-to-build-supporting-custom-and-self-build>

Table 5.28 Specialist accommodation provision in North Tyneside: number of people by client group moving into supported accommodation

Client group	Year			Annual
	2009/10	2010/11	2011/12	Average
People with physical or sensory disabilities	2	42	3	16
People with learning disabilities	22	16	40	26
People with mental health problems	17	21	37	25
People with drug problems	0	10	19	10
Offenders and people at risk of offending	24	28	31	28
Older people with support needs	222	257	194	224
Single homeless people with support needs	121	70	13	68
Homeless families with support needs	28	79	141	83
Young people at risk	0	2	41	14
Total	436	525	519	493

Source: RP Supported Core 2009/10 to 2011/12

Homeless households

5.102 Homelessness statistics for three years 2009/10 to 2011/12²⁹ indicate that a total of 1,351 decisions were made on households declaring themselves as homeless across North Tyneside (Table 5.29). Of these households, 849 were classified as homeless and in priority need. Over the three years 2009/10, 2010/11 and 2011/12, there has been a decrease in decisions (down 69%) and acceptances (down 75%) which reflects a shifting emphasis towards preventions which impacts on priority homeless acceptances

Table 5.29 Homeless decisions and acceptances 2009/10 to 2011/12

Year	Decisions made	Accepted as homeless
2009/10	761	502
2010/11	354	219
2011/12	236	128
Total	1351	849
<i>Annual Average</i>	<i>450</i>	<i>283</i>

Black, Asian and Minority Ethnic households

5.103 The 2011 census reports that 95.1% of residents across North Tyneside are White British. A further 1.5% are other White groups, 1.9% are Asian/Asian British, 0.4% Black/Black British. 0.9% have mixed ethnicity and 1.5% are other ethnicities

²⁹ CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

- 5.104 The 2013 household survey reports that 23.1% of Black, Asian and Minority Ethnic (BAME) households were in some form of housing need which compares with 9.4% for the overall population. The main reasons cited for being in need were having to share a kitchen/bathroom/toilet with another household, overcrowding and expense.
- 5.105 The needs of Gypsies and Travellers are currently being assessed through a separate study.

6. Conclusion: policy and strategic issues

- 6.1 This document has been prepared to provide robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. It takes account of the requirements of NPPF and NPPG.
- 6.2 The SHMA identifies the scale of objectively assessed housing need and will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the SHMA identifies the size, type and tenure of market housing required and also identifies a continued affordable housing requirement across North Tyneside.
- 6.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; and the interactions of North Tyneside with other areas.

The current housing market

- 6.4 This study provides up to date information on the housing stock in North Tyneside. The 2011 census reports that there are a total of 94,528 dwellings and a total of 91,295 households. 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);
 - 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.

Market interactions and self-containment

- 6.5 A range of material has been gathered to help identify market drivers and the characteristics of housing market areas across North Tyneside and linkages with other areas.
- 6.6 Former DCLG guidance on housing market areas suggested that an area is self-contained if upwards of 70% of mobility or travel to work takes place within a local authority 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.

Establishing Objectively Assessed Housing Need

- 6.7 A challenge for the Council and its partners is to align future housing development with trends relating to household growth, household aspirations and the need for affordable housing. Crucially, the nature of household change needs to be carefully considered in strategic housing and planning policies.
- 6.8 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.
- 6.9 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 although the District remains one of the least affordable in the North East. Analysis of market signals would suggest a relatively 'tight' market with low levels of vacancy but there are no particular issues that would warrant further adjustment to dwelling targets.
- 6.10 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.
- 6.11 In conclusion, the 792 target represents an ambitious figure which addresses housing need. It also assumes that the 792 target addresses any backlog in demand as it uses a baseline figure based on the current demographic situation in North Tyneside.
- 6.12 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+).

Delivering new housing

- 6.13 A challenge for North Tyneside is to align future housing development with trends relating to household growth, household aspirations and the need for affordable housing. Crucially, the nature of household change needs to be better reflected in strategic housing and planning policies.
- 6.14 Analysis of general market aspirations and expectations suggests that:
- Of households moving in the open market, most would like to move to a house (73%), 18.9% would like to move to a bungalow and 7.3% to move to a flat. This compares with 67.7% who expect to move to a house, 13.8% to a bungalow and 17% to a flat. A much higher proportion would like to move to a detached house (38.2%) but only 12.3% expect to. In contrast, higher proportions expect to move to a semi-detached house (41.2%) than would like to (27%).
 - In terms of property size, the majority of respondents expect to move to a property with one/two (46.1%), three (39.9%) or four or more (14%) bedrooms. However, a higher proportion of households would like a property with four or more bedrooms (25.8%).
 - There is a demand for higher specification properties from households currently living in North Tyneside who have stated a preference to remain in the area.
- 6.15 Future development should focus on delivery to address identified requirements and help to deliver aspirational housing which includes the development of bigger/detached homes to help address market demand for that type of product.
- 6.16 In terms of affordable housing, 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,
- 6.17 A tenure split of 75% affordable (social) rented and 25% intermediate tenure is suggested for affordable housing.
- 6.18 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to satisfy household aspirations and expectations, in particular the development of open market detached and semi-detached properties with three or more bedrooms;
 - Responding to the impact of demographic change on dwelling requirements and in particular developing an increasing range of housing and support products for older people. Adopting lifetime homes standards should be viewed as a priority along with diversifying the range of newbuild dwellings appropriate for a growing number of older person households whilst maintaining the delivery of homes to reflect the aspirations of economically active and younger households;

- Delivering additional affordable housing to help offset the identified net shortfalls and diversifying the range of affordable options by developing intermediate tenure dwellings and products;
- Delivering housing to address the requirements of smaller households;
- Delivering housing with support to meet a range of needs;
- The economic viability of delivering affordable housing on sites across North Tyneside.

Affordable housing policy recommendations

- 6.19 The SHMA demonstrates an ongoing requirement for affordable housing across North Tyneside. The actual proportion of affordable dwellings to be sought on sites should be based on an assessment of economic viability.

Improving the quality of existing stock

- 6.20 Strategic challenges include improving the quality of existing dwellings through better energy efficiency and modernisation.

Empty stock

- 6.21 There are an estimated 800 long-term empty homes in the private sector across North Tyneside. Properties can be empty for a variety of reasons which include: the properties are too difficult to repair or are in the process of being repaired; they are in the process of being sold; they have been bought for capital investment or they are in probate. There are also around 500 local authority empty dwellings but this includes dwellings currently being refurbished or demolished as part of the older person housing PFI initiative.
- 6.22 The Council should continue to consider mechanisms for bringing private empty properties back into use, including:
- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to a housing association for a fixed term; a professional service to manage repairs or full renovation; and
 - Assistance with letting management or the sale of a property.

Satisfaction and repair

- 6.23 Although the vast majority of households (78.5%) were satisfied with the condition of their dwellings, 8.6% of households were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest among households renting from North Tyneside Homes/Council; households renting privately (unfurnished); households living in flats/apartments; and households living in older (pre-1919) properties.

- 6.24 Improving the energy efficiency of dwellings and modernisation of stock is an important driver to improving the quality of existing stock and extends beyond those households expressing dissatisfaction. Given the need to reduce energy consumption, improve health and well-being, improve thermal comfort and future proof households from spikes in energy prices, retrofitting stock with improved insulation, heating systems and solar panels is likely to become a significant strategic issue.

The ageing population and addressing the needs of vulnerable people

- 6.25 The proportion of older people is expected to increase over the next few decades. Between 2012 and 2037, the number of households:
- aged 65-79 is predicted to increase by 13,300;
 - aged 80+ is predicted to increase by 9,700;
 - an overall increase of people aged 65 and over of 24,800.
- 6.26 This trend has significant policy implications, given the greater need for appropriate housing and support as people age. Currently, the majority want to stay in their own homes with help and support when needed.
- 6.27 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.
- 6.28 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-housing³⁰.

NPPF requirements

- 6.29 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:
- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
 - Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not

³⁰ 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

limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and

- Caters for housing demand and the scale of housing supply necessary to meet this demand.

6.30 The material in this SHMA provides an evidence base to inform strategic decision making. The SHMA has:

- Considered future dwelling requirements on the basis of future household projections;
- Evidenced the scale of housing need and the specific affordable requirements necessary to offset the imbalance between supply and need;
- Reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
- Reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements. Stakeholder consultation has ensured that the needs of a wide range of people have been considered in the research.

Final comments

6.31 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for North Tyneside.

6.32 This research has reflected upon the housing market attributes of North Tyneside and interactions with other areas. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; improving the condition and energy efficiency of existing stock; and addressing the requirements of an increasingly ageing population and vulnerable groups.

Introduction to Technical Appendices

The SHMA guidance establishes a framework for the analysis of local housing markets from which core outputs can be derived.

There are six technical appendices accompanying this report which provide further background information on the following areas:

- Technical Appendix A Research methodology
- Technical Appendix B Further housing market analysis
- Technical Appendix C Housing need calculations
- Technical Appendix D Monitoring and updating
- Technical Appendix E Affordable housing policy considerations
- Technical Appendix F Glossary