

Meeting: Housing Scrutiny Sub-Committee

Date: 25 January 2016

Title: 2014 Strategic Housing Market Assessment

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Service: Environment, Housing and Leisure

Wards affected: All Wards

1. Purpose of Report

- 1.1 To inform Housing Scrutiny Sub-Committee of the findings of the 2014 Strategic Housing Market Assessment (SHMA), providing facts and figures on the current, and future demand for housing, the housing market in general and identifying market trends.
- 1.2 To inform Housing Scrutiny Sub-Committee of the increased relevance and importance of the SHMA.

2. Recommendations

Housing Scrutiny Sub-Committee are recommended to note the findings of the SHMA 2014.

3. Details

- 3.1 It is a legal requirement of all local authorities that they assess the full housing needs of their area, identify the scale and mix of housing and range of tenures which meet household and population projections. This is done, in part, by undertaking a Strategic Housing Market Assessment which considers both primary and secondary evidence.
- 3.2 The 2014 SHMA comprised of:
 - A major household survey which was completed by 3,363 households, representing a 14.8% response rate. This is high and acceptable as a good quality evidence base.
 - 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.

3.3 The key findings of the SHMA are as follows:

In 2012 ONS statistics indicated that North Tyneside has a population of 201,500. As with much of the rest of the country, but unlike other authorities in Tyne and Wear, we expect our population to increase in the future. It is projected that by 2037 our population will increase by 12.3% to 226,300.

- 3.4 North Tyneside has an ageing population with projections suggesting that residents aged 65 or older (of which 10,400 residents are 80 or over) will increase by 23,000 between 2012 and 2037 from 36,900 to 59,900 (20,100 will be aged 80 or over). This represents an increase in the North Tyneside over 65 population of 62.3% and an increase of 93.3% for the over 80 population.
- 3.5 The majority (70.5%) of older people want to stay in their own homes with help and support when needed. However, there is interest in specialist forms of older persons' accommodation with 22.7% of older people indicating they would consider rented sheltered accommodation, 14.2% considering renting extra care housing and 15.5% would consider buying a specialist property on the open market.
- 3.6 North Tyneside remains an attractive place to live and work. According to the 2011 Census (48%) and a 2013 Household Survey (50.9%) the majority of residents choose to work within the borough. Of those choosing to work outside the borough Newcastle-upon-Tyne attracts the most people (31.1%) followed by elsewhere in Tyne and Wear (8.6%) and Northumberland (5.4%).
- 3.7 Historically, house prices in North Tyneside have been above the average price in the Tyne and Wear area. Only Northumberland has an average house price higher than that of North Tyneside. The average price in North Tyneside remains below the national average. House prices in the borough increased dramatically (by 218%) between 1996 and 2014 resulting in the average house price of a property in North Tyneside in 2014 being established as £144,500 with a lower quartile price of £97,500.
- 3.8 According to the 2011 Census there were a total of 94,528 dwellings in North Tyneside and a total of households of 91,295. This total number of dwellings has risen to 95,750 in 2014.
- 3.9 Overall 68.3% of properties in North Tyneside are houses, 21.7% are flats and maisonettes and 9.5% are bungalows. Over a third of these properties we built before 1945 (37.4%) whilst 40.5% were built between 1945 and 1984. The remainder (22%) were constructed more recently.
- 3.10 The SHMA research also investigated any differences between the current stock profile and the expectations of households wishing to move. Statistics show that more people expect to move in to a one or two bed property (17.8%) than are currently available (13.4% of stock). The same applies to bungalows where bungalows account for 7.2% of the stock but 13.8% of movers expect this property type. There are a sufficient amount of other property types/sizes to meet identified demand. This would suggest an undersupply of one and two bedroom homes and bungalows in borough. It was recommended that future development focus on addressing this to reflect the identified household aspirations in North Tyneside.
- 3.11 Government guidance suggests that a housing market could be determined as self-contained if at least 70% of moves take place within the identified area e.g. within the

borough. According to 2011 Census migration data 64.7% of moves were internal to the borough. This means that North Tyneside's housing market is part of a wider housing market which extends in to the neighbouring authorities of Newcastle and Northumberland. If moves between North Tyneside and Newcastle are included self-containment increases to 77.4% and to 83.3% if Northumberland is considered additionally.

- 3.12 Past trends in delivery have shown that we are delivering new homes at a rate below this target. Over the past four years 425 homes per year have been introduced in North Tyneside. Through the Local Plan plans have been put in place in support an increase in housing development and enable us to achieve the required levels of new homes. Over the 15 year lifespan of the Local Plan we can potential deliver an average of 1,092 dwelling per year.
- 3.13 To ensure that we continue to ensure that we meet housing need in North Tyneside, both now and in the future, the SHMA considered evidence to determine the Objectively Assessed Housing Need for North Tyneside. The Objectively Assessed Need identifies that we need to develop 17,388 additional homes between 2011/12 and 2931/32 at an average of 828 new homes per year. This figure is based upon projected population and jobs growth in the borough and takes in to account the relationship between North Tyneside's housing market and that of Newcastle and Northumberland. It also addresses any backlog in demand in previous years.
- 3.14 The findings of the SHMA established the mix of affordable and market homes required in North Tyneside and was used to inform the development our Affordable Homes Policy. Evidence suggested that 25% of all relevant development sites in the borough should be allocated for affordable housing. Of this 25% further evidence from the SHMA has shown that 75% should be designated for affordable rent and 25% as intermediate products, such as shared ownership.
- 3.15 The findings of the SHMA are also used on a regular basis to determine housing need on sites proposed for housing development. More recently it has been used to help inform the development of the Local Plan Pre-Submission Draft 2015 and is currently being used to inform the development of North Tyneside Council's Housing Strategy for 2016 – 2021.

4. Appendices

N/A

5. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author:

- 2014 Strategic Housing Market Assessment
- 2015 Local Plan Pre-Submission Draft