South Tyneside Strategic Housing Market Assessment update

Shaping Our Future: The New Development Plan for Your Borough

2015

September 2015





South Tyneside Council

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Contents

Introduction

Background and objectives

1.1 This report looks to review and update the Strategic Housing Market Assessment that was published in 2013. arc[4] Limited was commissioned by South Tyneside council in April 2012 to carry out a comprehensive Strategic Housing Market Assessment (SHMA) for the borough.

1.2 Within this time there have been changes in the local and national housing market, and therefore these changes need to be taken into account to ensure that our housing offer is able to respond to the market and that the borough is able to provide suitable housing to assist in the wider growth plan.

1.3 This research conforms to the Planning Practice Guidance on Housing and Economic needs assessment, published in March 2015. This report provides a robust and defensible evidence base for future policy development. The research focuses on reviewing current housing markets, assessing the levels of housing need and how these have improved since the 2013 assessment, and the levels of overall affordable and general market requirements.

1.4 The findings from this assessment will feed into the Local Plan, which will set out the council's vision for the overall housing requirements and the suitable sites for development within the borough, through the Strategic Land Review and the Strategic Housing Land Availability Assessment.

Methodology

1.5 The main element of the previous assessment was a residential survey that was posted out throughout the borough and resulted in over 26,500 households being contacted and a total of 4,404 questionnaires returned. These returns represent a statistically robust sample of the entire borough, although there are larger margins of error when considering small geographical areas or specific cohorts, and therefore care must be taken when interpreting this analysis.

1.6 Taking into account the new PPG, which highlights a greater reliance on secondary source data, and given the high cost and the length of time an additional household survey would take, it was agreed that the review would not undertake residential surveying to the same extent.

1.7 This update will utilise the responses from the original residential survey but update it with recently published secondary data sources, such as house price increases, rental levels, income levels and changes in the levels of benefits. This assessment also looks into other secondary data, engagement with housing stakeholders in the borough and other consultation. Analysing this evidence within the content of the Local Plan allows South Tyneside MBC to identify future housing development requirement.

SHMA Guidance

1.8 In August 2007, the Department for Communities and Local Government published Strategic Housing Market Assessments: Practice Guidance Version 2. The guidance brought together and built upon the key elements of existing guidance on housing market and housing needs assessments. This guidance was used to form the framework for the 2012 assessment; since then there has been a revision of the guidance and therefore South Tyneside Council have undertaken an update of this assessment.

http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/

1.9 Strategic Housing Market Assessments (SHMAs) are particularly valuable in assisting policy development, decision making and in particular assessing the need for affordable accommodation and the makeup of any new developments in terms of location, tenure and size.

1.10 This report also looks to set out the housing requirements for older people in the borough and provides an analysis of the different housing markets within South Tyneside and the housing requirements to address any issues.

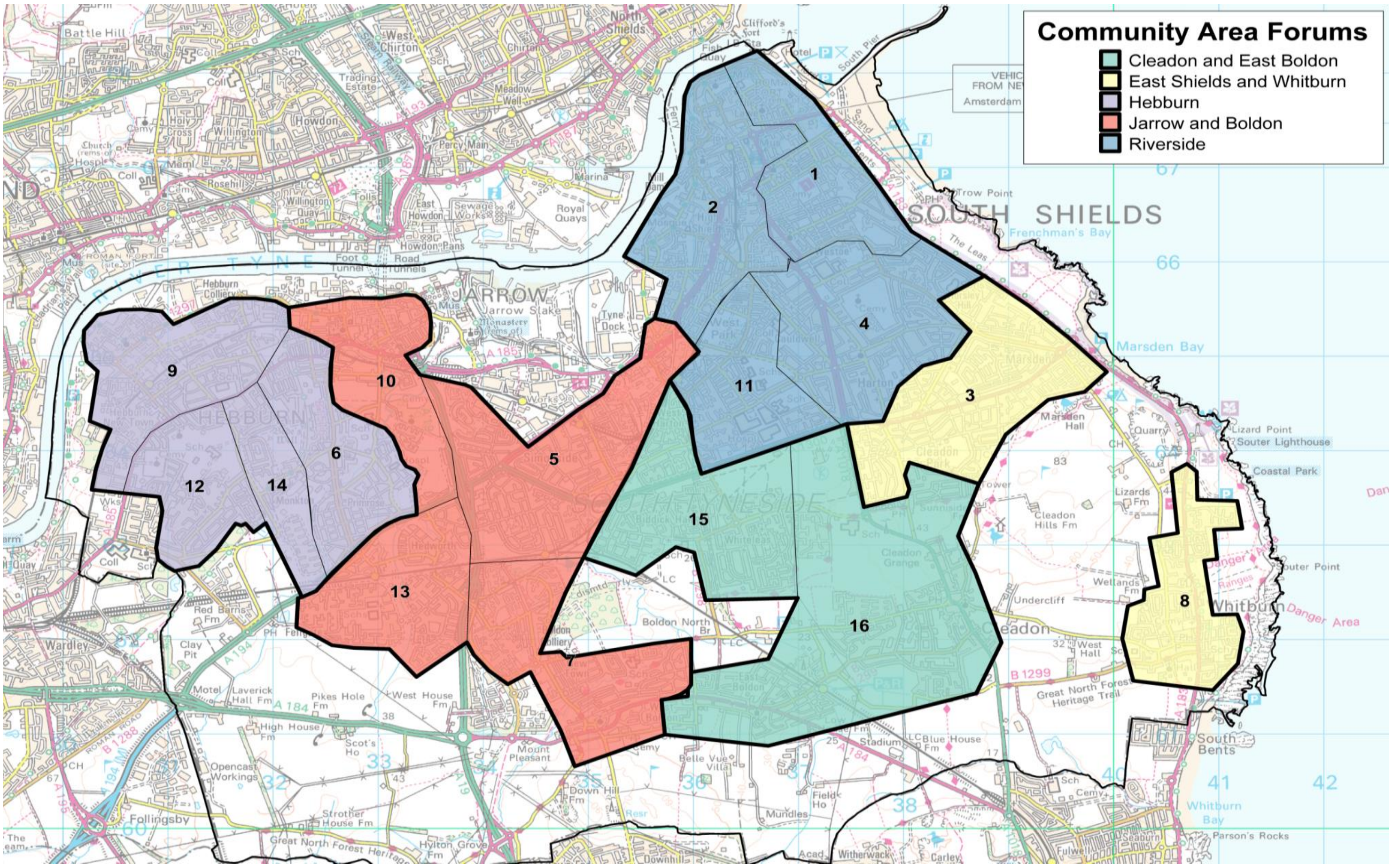
1.11 It is likely that further analysis and engagement may be required with specific cohorts to assess their particular housing needs, but this report will report high level numbers for the overall requirement of housing across the borough.

South Tyneside

Profile

2.1 South Tyneside is a metropolitan borough council within the North East of England, consisting of the coastal town of South Shields, and smaller towns of Hebburn and Jarrow, with the villages of Whitburn, Cleadon and Boldon on the outskirts of the borough.

2.2 Geographically the borough is small and the constrained by the boundaries of Sunderland to the south, Gateshead to the West, with River Tyne to the north and the North Sea to the East.



Housing Market Characteristics

3.1 The vast majority of the moving households are within migration and hence the borough is considered to contain one housing market. Notwithstanding this, there is very little movement between different locations within the borough and therefore it is suggested that there are a number of smaller housing markets, which have a specific housing offer.

3.2 The housing market within South Tyneside varies considerably dependant on the location. The villages in the borough consisting of significantly higher value properties, higher income households, lower numbers of rented homes and lower levels of housing need. This consists of high value locations such as Cleadon, Whitburn and East Boldon. This can be compared to areas of high proportion of privately rented accommodation, such as South Shields town centre and high levels of socially rented homes with Jarrow, and westerly parts of South Shields.

Housing Characteristics

3.3 Property types vary somewhat throughout the borough, although some of the accommodation in certain areas in limited and impacts on the desirability of particular locations.

3.4 There is a high percentage of older properties in South Shields Inner, compared to the highest level of new built which can be found within Hebburn. Hebburn has a significant number of newly forming households moving into new built homes. There has been the lowest level of housing development within West Shields.

3.5 There is a significant higher percentage of semi-detached housing within East Shields and Whitburn, larger accommodation within the urban fringe and significantly higher number of smaller homes within South Shields Inner. There are a high number of adapted homes within West Shields social rented housing.

3.6 Highest satisfaction scores with the quality of accommodation can be found within the urban fringe, with other areas being fairly consistent.

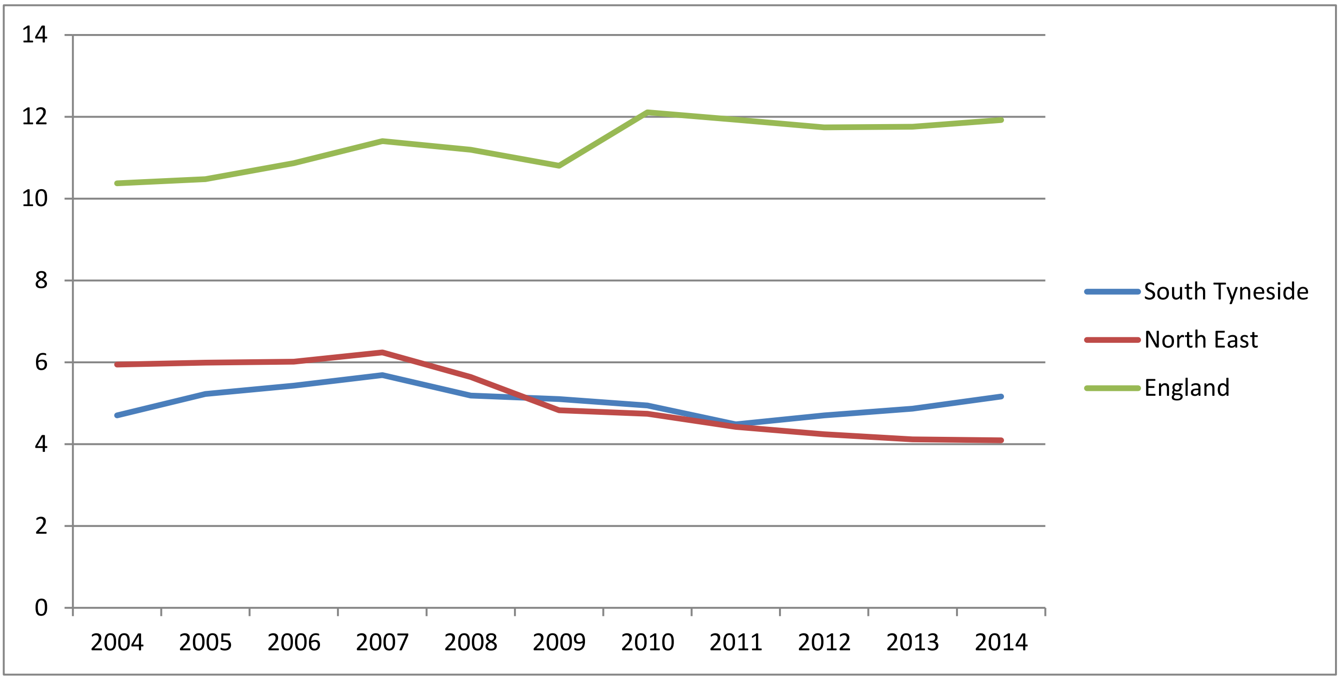
House prices and trend analysis

3.7 Within the financial year 2014/2015 the average house price within the borough was £141,457, with the median standing at £125,000 and a lower quartile price of £85,000. This varies considerably between the different locations in the borough, with the most expensive average house prices being within Cleadon and Whitburn (£236,681) and East Boldon (£200,872), and this can be compared with the cheapest average house prices within Jarrow (£112,927).

3.8 There has only been a modest increase in average house prices within South Tyneside, with house prices rising less than 1% over the last two years; this can be compared to a regional 3% increase over the same period. Latest figures highlight that the average house price for the region is £156,000, which is the cheapest region in the country.

3.9 Affordability across the borough remains considerably lower than national ratios; South Tyneside has previous been more affordable than the regional average but recent changes in earnings levels and house prices has made the borough slightly less affordable for local residents. Figure 1, overleaf demonstrates the difference in affordability ratio of earnings against average house prices and how this has changed over time.

Figure 1: Affordability of average house prices within the borough against regional and national ratios



3.9 Despite the relative level of affordable accommodation there has been a significant decline in the number of homes which have been sold within the borough, with a 58.2% decrease in property sales compared to the high in 2007. This often creates barriers to entering the housing market of moving to more suitable accommodation.

Affordability

3.10 Data released from DCLG highlights the ratio of median house prices to median earnings within the borough has increased from 2.48 in 2001 to 4.56 in 2014, although it remains lower than its high of 5.85 in 2007. Figures indicate the significantly lower affordability ratios compared to the national average of 6.72 and marginally lower than the Tyne and Wear average of 4.96. There is a slightly higher ratio of lower quartile house prices to lower quartile income levels of 4.76; which is the opposite to the national and regional ratio which have lower ratios.

3.11 These figures demonstrate that for those on average incomes in the borough affording to purchase their own home is not a serious problem; notwithstanding this, South Tyneside has a number of households on very low incomes and therefore affordability for these households is a concern. Affordability for those on low incomes entering the housing market within South Tyneside is a greater issue than those on average incomes purchasing median priced accommodation.

3.12 One of the greatest influences on this relatively low ratio is the high earners for the borough, with higher mean and median earnings than the Tyne and Wear average. Further analysis indicates that households that have two incomes would have few financial barriers to entering the housing ladder, but households who only have one income, very low incomes or are reliant on benefits are likely to need assistance to meeting their housing needs.

3.13 Over the last six years there has been a 6.06% increase the number of housing benefit claimants within South Tyneside, which is a lower level of increase than the national

(13.56%) and regional (11.57%) averages; although there has been a decrease in claimants in the borough over the last two years.

3.14 Over the last three years there have been a number of significant changes in the benefit system, in preparation of universal credit. There has been a significant decrease in households claiming Job Seekers Allowance (JSA), but this is coupled with the increase in Employment and Support Allowance (ESA). Taking both of these benefits into account the overall number within the borough has remained relatively static, although more in depth analysis indicates that there has been a decrease in the number of younger households claiming benefits in South Tyneside.

3.15 The number of households claiming income support in the borough has decreased by 20% within the last 2 years, which has decreased more dramatically within Beacon and Bents and Hebburn Quay wards. Notwithstanding this, the borough has a high level of benefit claimants and a number of households that are solely reliant on the income from the benefits they receive.

3.16 The level of benefit claimants varies considerably throughout the borough, with significantly higher numbers identified within Rekendyke for both JSA and ESA. There has also been an increase in the borough in benefit sanctions.

3.17 This would have a direct impact on the ably for a households to afford their housing costs, and hence the most appropriate housing to meet their needs. Therefore there is likely to remain a need for affordable housing for a number of households in the borough.

Homelessness

3.18 There remains some issue with repossessions across the region, although numbers have reduced over recent years. South Tyneside have seen mortgage repossessions almost half since 2010, which is in line with sub-regional reduction.

3.19 This can be compared to a borough-wide 27.2% increase in repossessions by landlords within the same period, which is against the sub-regional trend of 12.7% decrease. This has an impact on the need for affordable accommodation and services from Homefinder.

3.20 Figures for the borough indicate a 9% increase in households accepted as homeless and in priority need from 2010, compared to a 22% decrease across Tyne and Wear. Although a significant decrease can be seen in the borough-wide figures compared to the peak in 2011.

3.21 The number of households within temporary accommodation has declined year on year since the peak in 2011, and is now 73% lower, compared to the sub-regional reduction of 4.2%.

Migration and impact on the housing market

3.22 The majority of movement within South Tyneside is internal, demonstrating a solely contained housing market across the borough. Notwithstanding this, there are some significant differences between specific wards of the borough; the greatest inward migration can be seen within Cleadon and East Boldon (49.7%) and Whitburn (33.3%). This inward migration is mainly from Sunderland, to which these locations have a geographical link.

3.23 Other areas of specific inward migration are Beacon and Bents and Horsley Hill, who both experience migration of outside of the North East. Evidence highlights the migration into Beacon and Bents being young single households moving into flatted private rented sector, who and currently out of work and seeking employment, but no families moved into the area; this can be compared to older retired households purchasing their home outright within Horsley Hill.

3.24 Hebburn North has also identified a number of households moving into the borough, particularly from Gateshead. There is a range of younger household types moving into this ward, although evidence points to the high level of development in the area has significantly contributed to inward migration, with almost 20% of all households moving in now living within a new property. Many other households moving into recently developed homes within Hebburn are newly formed households setting up independent accommodation.

3.25 Almost one-quarter of households moving into the area contain an elderly member, and over one-third contain a child. Again this varies considerably throughout the borough, with no older person households moving into Fellgate and Hedworth compared to over four-fifths of inward migrations into Hebburn South. The greatest concentration of family inward migrants can be found within Bede and Biddick and All Saints wards.

3.26 Of those households who indicated that they wanted to move outside of the borough within the next 12 months there was a high number of households with children. These households tended to be higher earners and in employment. They were looking for large detached owner-occupier accommodation, with reasons for moving outside of South Tyneside being around the need to give or receive for support and to move to a more desirable neighbourhood. Providing desirable homes within pleasant neighbourhoods with suitable facilities may reduce the number of these households wishing to move out of borough.

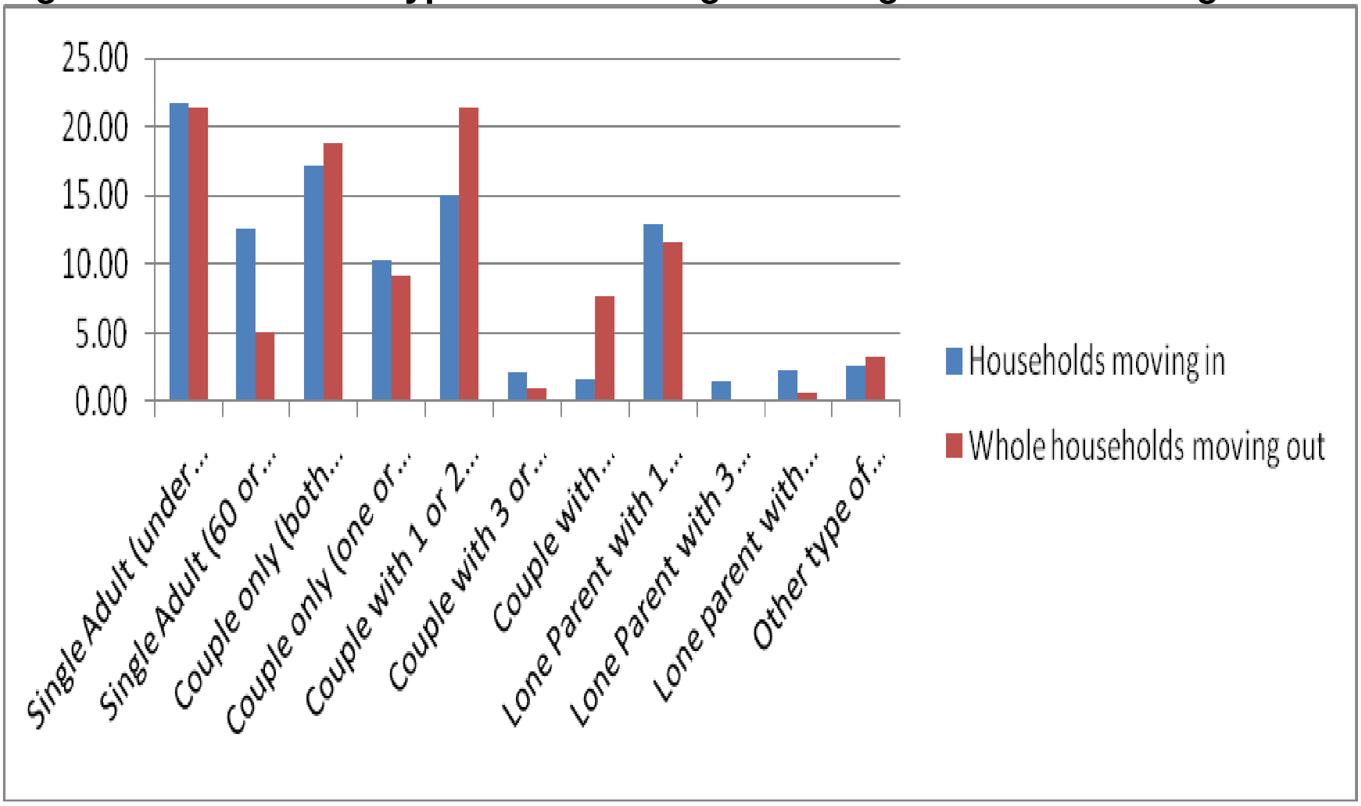
3.27 Those wishing to move out were more likely to be able to afford to purchase a new built property compared to the rest of the population and were less likely to currently be in housing need.

3.28 There is a sizeable number of newly forming households who are wishing to move out of the borough into Newcastle, to a privately rented flat. These households have medium to high income levels, although almost half have no deposit to put down on their own home; this is likely to be a reason as to why private rented accommodation is likely to be their tenure of choice.

3.29 Overall there are a higher number of households moving into the borough than are planning to move out, although these migration trends do have an impact on the household profile of the borough. Data indicates that those moving into the borough are more likely to be affluent older households or younger single households who are reliant on benefits; this can be compared to a higher proportion of medium to high earning family households who are looking to move outside of the borough.

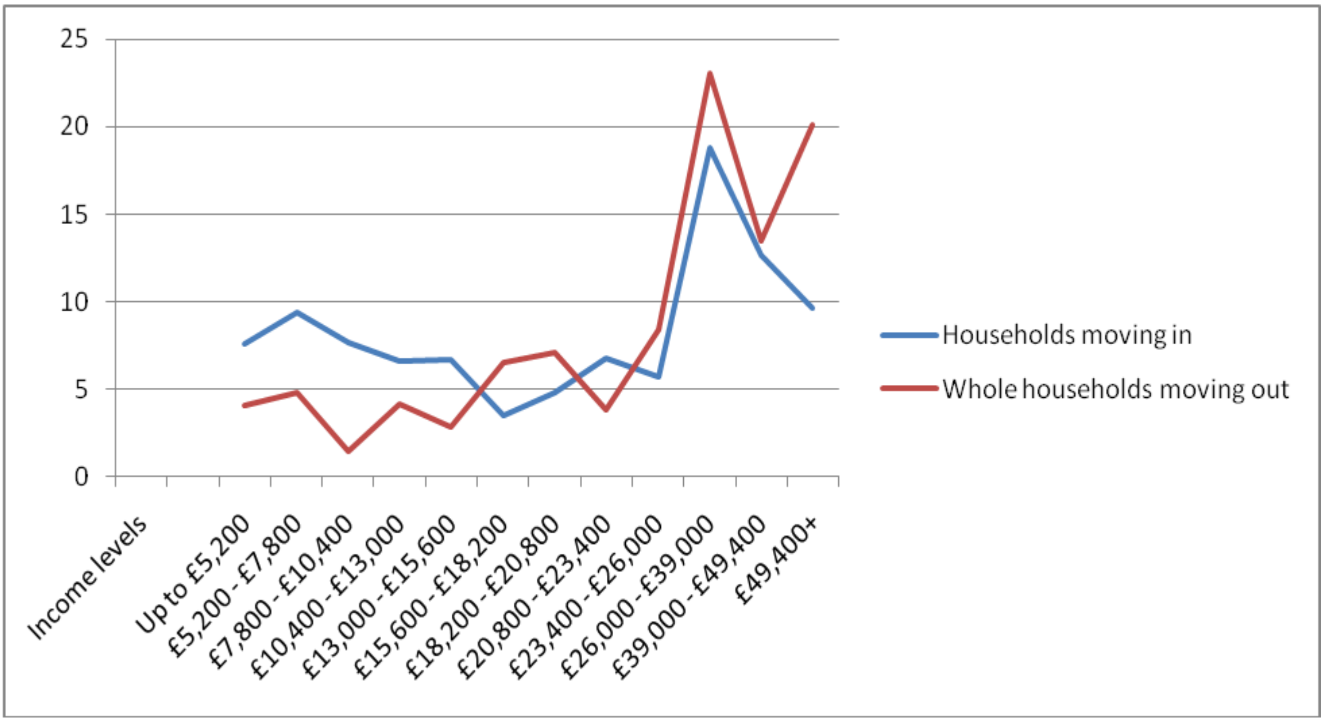
3.30 In order to achieve balanced communities the borough needs to consider the push and pull factors of cross-boundary migration and address the gaps in the housing offer to reduce outward migration of families. Figure 2, below, highlights the difference in the household profiles of those planning to move out of the borough and those moving in; this highlights the noticeable increase in older single households moving into the borough and the flow of outward migration of families. If this trending continues, the difference in household profiling is likely to have a significant impact on the type and size of accommodation that is required throughout South Tyneside.

Figure 2 – Household type of inward migrations against outward migrants



3.31 There is also a difference in the income levels of those moving into the borough, against those who are planning to move out. These figures suggest that those households moving into South Tyneside tend to have lower incomes and hence the housing that they are able to access may be more limited. Figure 3, overleaf, demonstrates the difference in household incomes between inward and outward migrants.

Figure 3 – Household income levels of inward migrations against outward migrants



Older Persons Housing

Older Person profile

4.1 Almost three-fifths of older person households within the borough are living alone, compared to only one-fifth of younger households. The household makeup has a significant impact on the households' level of income and affordability levels, and hence the most appropriate tenure to meet their housing needs.

4.2 There are significantly higher concentrations of single older person households living within South Shields Inner and greatest percentage of older couples are currently living within the more affluent areas, within the urban fringe of the borough and South Shields East.

4.3 There are high numbers of households containing an older person living within the private rented sector within Inner South Shields, and homes that are owned outright within the urban fringe.

Affordability

4.4 A lower percentage of older people could afford to purchase a property in the borough or pay current private rent levels; although this differs considerably between locations and current tenure. Those older households currently living within Hebburn and South Shields Inner have the lowest income levels and are least likely to be able to afford open market housing. Not surprisingly all those living within social rented accommodation are unable to afford an alternative tenure; and those within unfurnished privately rented housing within South Shields Inner are currently struggling to pay their rent.

4.5 Notwithstanding this, many older households were unaware of the value of the property and hence their equity this would have a significant impact on their ability to purchase suitable accommodation. The cost of bungalows on the open market within the borough, are at a premium, making them out of the reach of many of the older households who are currently resident in South Tyneside.

Figure 4: Income levels of older households against overall income levels of the borough

Older households currently within housing need

4.6 There are currently a lower percentage of households containing an older person who are living in housing need compared to the rest of the population. Not surprisingly the main reason is due to home being unsuitable due to mobility or special needs. The highest concentration of older households who are living in need live within South Shields Inner, with lowest levels within Hebburn.

4.7 Four-fifths of older households currently living in housing need are looking to move within the next five years. The vast majority of these household (75.8%) desired a two-bedroom home, although only 66% thought that this is what they would get, with many expecting to get smaller accommodation. In addition, 72.4% would like to move into a bungalow but only two-thirds feel that this is what they will be able to move into. Many households stated that there was a lack of suitable accommodation in desirable locations which is their main barrier to gaining the home they want.

4.8 There are a greater proportion of older households with mortgaged accommodation and furnished privately rented that are living in housing need, compared to the rest of the population who are in housing need and are living within social rented housing or unfurnished privately rented. The concentration of these households can be found living within owner-occupier semi-detached within South Shields East and West, and terraced housing and flats within Inner South Shields. Notwithstanding this, there are a high number of single older person households living within homes that have four or more bedrooms within the more affluent parts of the borough.

4.9 The highest percentage of older people living in housing need are within the private rented sector, with a number of older households having complex and multiple needs living within the private rented sector. On the other side of there are very few households who are currently living within social rented housing that need to move to off-set their needs as their current home meets their needs.

4.10 There was an identified issue with owner-occupied households finding it difficult to maintain their homes throughout the urban fringe, although a number of these households could afford to offset their need within the open market to move to a more appropriate property. Properties that have serious repair problems can be found within South Shields, but unlike younger households, these are more likely to be owner-occupiers and are unable to afford to undertake the repairs.

4.11 There are a number of older households who require some form of adaptations or need to move to specialist older persons accommodation that are currently living within the private rented sector, particularly within Inner South Shields or Jarrow. All of these households are actively looking for alternative accommodation, although only two-fifths are registered with Homefinder.

4.12 Older households currently living in housing need are less likely to be able to offset their housing needs within the open market, as many of them have low incomes. There are very few of these households that would be able to afford to purchase a new build home within the borough.

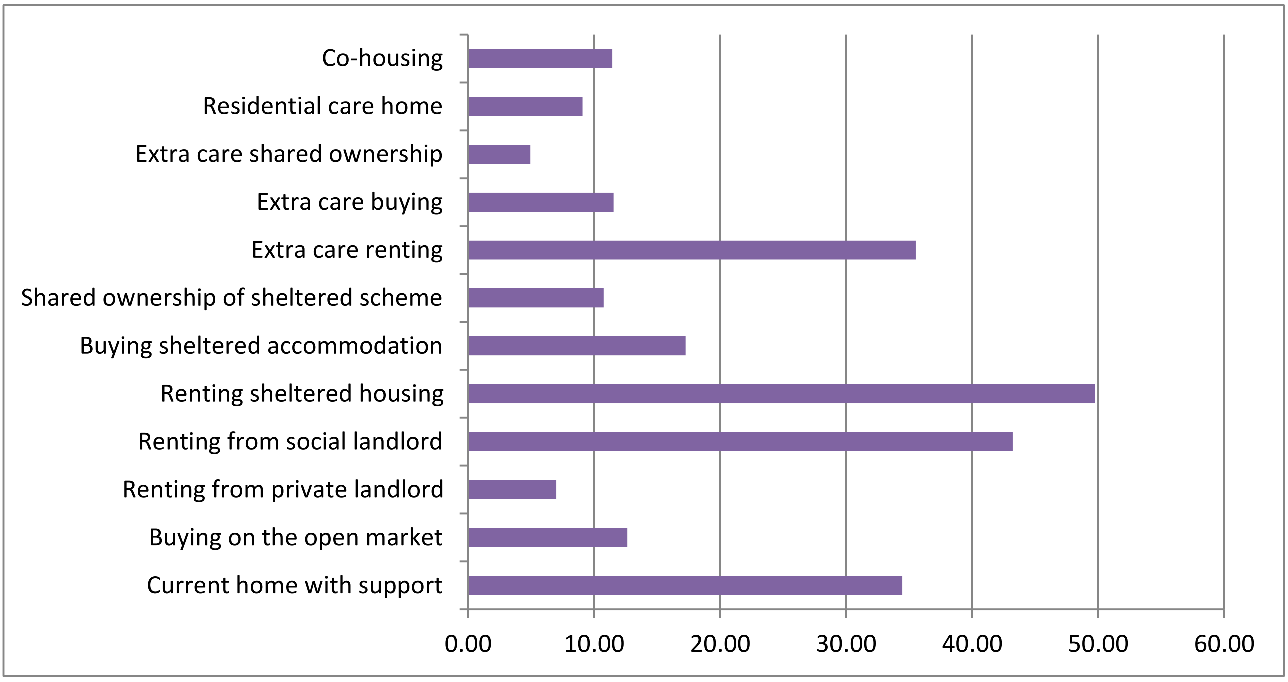
4.13 Of those living within furnished private rented housing and with housing need all are registered with Homefinder and many have complex or multi housing needs, highlighting a requirement for alternative accommodation to meet their housing needs within the short-term.

Future Housing

4.14 Information was collected on which older person housing options households would consider; the most popular tenure selected was renting. Half of older people would consider renting sheltered accommodation, 43% stated that they would consider renting generally from a social landlord and only one-third stated that renting extra care would be a serious consideration. Figure 5, below, highlights the preferences for future housing of older households.

4.15 35% of older households wish to remain within their own home; with very few stating that being housed within residential care accommodation is something that they would be interested in for the future. There were 116 respondents who stated that they would consider co-housing, the vast majority of which currently live within the owner-occupied sector.

Figure 5: Percentage of older households looking to move who would consider a range of housing options



4.16 Of those in need and wishing to move the two aspects of home design that were the most important are having a small garden, yard or outdoor space, and level access living, with bedrooms and living space being on the same level. These design desires should be taken into account new undertaking any older person developments.

4.17 Only half of older person households were aware for Homefinder, although two-thirds of those who knew about the choice based letting scheme were registered. There were very few current owner-occupiers that are registered, as is no older person households within the urban fringe; this indicates that the current offer from South Tyneside Homes is not desirable to all households. These households wished to remain in owner-occupied sector and were significantly less likely to consider renting.

4.18 It is suggested that further in-depth consultation is undertaken with this group to ensure that their needs and aspirations are fully understood. The estimated significant increase in older households will have an impact on the demand for specific housing and should influence the future housing offer and potential new development.

Institutional bedspaces

4.19 The strategic housing market assessment also needs to make an assessment to the level of additional institutional bedspaces that may be required within the borough; this includes specialist older person accommodation, residential care and student halls of residence.

4.20 Therefore as part of the SHMA analysis has been undertaken to assess the need for specialist student accommodation from South Tyneside college and the increase in the elderly population.

4.21 After engagement with the marine college, which attracts over 1,000 international students throughout an academic year, it is clear that the majority of students would prefer to rent privately than live within the current halls of residence. The halls of residence, which are situated on the college site, can accommodate 202 students.

4.22 Evidence from the college points at a steady increase in students, particularly from international students, who currently make up 55% of the student population. The country of origin has a direct impact on the culture of the student and hence their demand for accommodation. Many older students are happy to pay higher rent levels, some of which may bring their families for short periods of time.

4.23 British students are more likely to walk or travel further into the college, with desirable locations being close to transport links. It was raised that typically Indian students look for the lower end accommodation, especially now that non-national students are prohibited from working and affordability may be an issue.

4.24 The gaps in supply that the college have identified are for short-term lets, or additional hotel accommodation. This is due to the high number of students who come to the college for short periods to update their qualifications.

4.25 There is a need for additional institutional bedspaces for older population, with a projected increase in elderly residents within South Tyneside. For the purposes of this strategic assessment data has been taken from the Housing LIN SHOP@ data. These estimates points at the requirement for additional extra care units and bedspaces within residential and nursing care.

4.26 The data suggests the need for an additional 800 bedspaces over the period of the Local Plan, 2011 – 2036, approximately 30 units per year. Notwithstanding this, if suitable older persons accommodation and support was provided within the community then it may be possible to house these residents within alternative housing.

Housing Need, affordability and future housing requirement

Housing Need within the borough

5.1 There are currently approximately 4.1% of households in the borough who are living in housing need, due to their home being unsuitable for their specific needs. This indicates a reduction in the level of households living in housing need.

5.2 The greatest reason for housing need in the borough is accommodation being in severe disrepair and the households not having the ability to make fit; although this is extremely difficult to validate due to the lack of up to date stock condition survey of the private sector.

5.3 There are also a number of households who are overcrowded in their current home and accommodation being unsuitable due to mobility or other health issues, and households require adaptations or specialist accommodation. All of these areas of housing need could be offset with alternative accommodation and would not be able to become suitable in-situ.

5.4 Therefore there will need to be a move to alternative accommodation to ensure suitable and appropriate housing to meet their circumstances. This does not mean that the housing is not suitable to meet the needs of another household.

Households currently living in need

5.5 There are specific characteristics of those who are currently living in unsuitable accommodation that need to be considered when planning for the future.

5.6 There are a higher number of households currently in housing need living within Jarrow (10.3% of households in that sub-area) and South Shields West (10.3%), this can be compared to the lowest areas of South Shields East (5.9%) and Urban Fringe (6.9%).

5.7 There is a higher proportion of younger households who are living in housing need, with particular issues raised around couples and lone parents with their adult children living with them; but the greatest level of need can be identified with couples who have three or more children, with almost one-fifth of these households living in need.

5.8 There are a significantly higher number of households living within the private rented sector that are within housing need, with almost one-quarter of households within unfurnished accommodation living in unsuitable housing. This can be compared against the low levels within the owner-occupied sector, particularly those who own outright (5.5%).

5.9 Data highlights the high number of households living in housing need within Jarrow currently residing within flats and maisonettes, with higher percentage of households within South Shields Inner living in larger detached and terraced accommodation. Proportion of private renters living within flats and maisonettes is significantly higher than households within other tenures and property types.

5.10 There is a higher concentration of younger single households living in unsuitable accommodation within Jarrow and single older households in need are more likely to be living within Beacon and Bents ward. Simonside and Rekendyke, Boldon Colliery and West Park wards highlight a higher proportion of their larger families living in housing need. Older single households and larger families living within private rented housing are more likely to be living in housing need.

5.11 This variance in housing requirements within these different locations needs to be taken into account when considering any future development within the borough.

5.12 Unsurprisingly there are significantly lower levels of satisfaction with quality of accommodation and neighbourhood for those living in housing need. Households in need are more likely to have lower incomes and have difficulty in meeting their housing costs, with almost two-thirds stating that they are concerned about meeting their current housing costs. Those in housing need within Jarrow are most likely to be receiving housing benefit, although these households are also most likely to raise concerns about their housing costs. Households within the private rented sector are most likely to be struggling to meet housing costs.

5.13 The households in South Shields Inner who are living in housing need have significantly lower levels of income and if were to offset their need would require some form of affordable accommodation. This can be compared to higher income level households within Urban Fringe and East Shields who are more likely to be able to offset their own need if suitable housing was available.

Income and Affordability

5.14 There is a significant difference between household incomes across the borough, with the wards of Simonside and Rekendyke (36.1%) and Beacon and Bents (24.3%) have the highest level of households with a weekly income of less than £150 per week; compared to 43.3% of residents in Cleadon and East Boldon and 26.2% within Whitburn and Marsden who have an annual income over £40,000. This obviously has a significant impact on the ability to afford their housing costs and hence the tenure required.

5.15 The 2013 Strategic Housing Market Assessment highlighted that there were 846 households that were currently in housing need due to their current accommodation being too expensive or in arrears. Given the changes in rental levels, house prices and income levels, we have estimated that they are currently approximately 479 households who cannot afford their accommodation, as local housing costs have not risen as quickly as wages over this period, and some accommodation has even reduced in price.

5.16 Half of those households that are currently living in housing need could afford to purchase lower quartile house prices on the open market, and a further 6.7% could afford to rent privately. Those currently renting their home, either privately or socially, are significantly less likely to be able to afford to off-set their housing needs themselves. Residents within the more affluent locations of the borough and younger households are more likely to afford suitable accommodation.

5.17 Those currently living within the furnished private rented sector have some of the lowest income levels, with over two-fifths having an income of less than £150 per week. These households are more likely to receive benefits and not be in employment.

5.18 There is a split in the income levels of younger households across the borough with a number of single younger households earning very low incomes against some households that have two people working which have relatively high levels of income.

5.19 The greatest concentration of households receiving housing benefit can be seen within social rented accommodation within Jarrow and parts of West Shields, and private rented accommodation within South Shields Inner. Jarrow and Inner South Shields have the lowest levels of homes that are owned outright.

5.20 Greatest concern of meeting housing costs can be seen within the private rented sector, particularly younger single households not receiving housing benefit within the South Shields Inner area.

5.21 Average private rent levels have seen modest increases over the last four years, whereas the median rental levels have decreased, this indicates that there has been an increase in the number of cheaper privately rented homes within the borough over this period. The increase in cheaper privately rented housing has resulted in a greater number of 'affordable' homes for those who are unable, or choose not to, gain access to the social housing sector.

Affordability Supply

5.22 Given the limited geographic area of the borough, the development of housing is mainly restricted by the available land, which recently has mainly been within Hebburn. Looking at the average price of the new build accommodation that has been developed within the borough over the last five years, less than 10% of current Hebburn residents living in housing need would be able to afford to purchase these homes. Therefore additional supply of affordable housing may need to be considered for future development within Hebburn to accommodate these households.

5.23 There has been 443 affordable homes developed across the borough over the last five years, the vast majority of these were split between socially rented and affordable rents with a minority homes for shared ownership (15%). Three-fifths of the affordable development has been within South Shields, with the remaining being developed within Hebburn and Whitburn.

Affordable Requirement

5.24 There is not a significant undersupply of affordable accommodation in the borough, with the majority of households being able to afford to purchase or rent a home on the open market. Notwithstanding this, there is the need for an additional 60 affordable units per year, which is in line with the levels of development that has occurred within South Tyneside over the last five years. This equates to less than 20% of the development required within the borough to meet current and future household needs.

5.25 Those currently in housing need who require affordable accommodation are living throughout the borough, with highest proportions within South Shields West and Hebburn, although these are currently the locations with the highest number of social rented homes. However the greatest mismatch between need and supply of affordable housing can be found within Inner South Shields.

Accommodation Gaps and Requirements

5.26 Although there is not a significant gap in the overall number of affordable homes within South Tyneside, there is an identified mismatch of the type, size and location of affordable accommodation. This can be seen from the profile of those households requiring affordable accommodation, the current stock profile and the very specific issues of low demand properties.

5.27 The current requirement for affordable housing identifies that there is a current need for different affordable housing depending on the location of the development. There is the need for smaller affordable units for younger and older single people within the South Shields town centre, need for affordable older persons housing within the urban fringe, mainly Whitburn and Marsden and Boldon Colliery and a smaller amount of family accommodation within Hebburn and Jarrow.

5.28 Residential survey data points at the need for single person affordable accommodation, either specialist older person housing or for general needs, to be rented. Any affordable family accommodation should be split between rented and shared ownership, depending on the specific site.

5.29 These requirements should be taken into account when developing new affordable housing within the borough.

Intermediate Housing

5.30 As the housing market changes there is the need for new housing products to meet the changing needs of residents. The assessment of housing needs has identified a number of households, particularly single income households, who would not qualify for social housing but would struggle to purchase a home on the open market; therefore an intermediate product may need to be developed within South Tyneside.

5.31 Histrionically there is not many shared ownership properties within South Tyneside and with a significantly higher proportion of social rented accommodation than the national average affordable and accessible housing has not been an issue. Nevertheless, the housing market is changing and with a reduced number and limited choice of socially rented homes, coupled with the increasing house prices and numbers of single person households, an alternative tenure should be explored.

5.32 Intermediate housing has been developed in many locations and can consist of shared ownership, shared equity and low cost home ownership. Of the 16,552 households identifying their desire to move in the next five years, intermediate housing may be a suitable solution for approximately 7.0% of these households, based on income and circumstances although 9.0% of potential movers stated that they would be interested in intermediate housing.

Housing demand

5.33 Developers report South Tyneside as a desirable place to develop due to good transport links and the natural coastline, stating that the Local Authority's willingness to work with developers is very positive. Greatest demand is indicated for first time buyers and growing families, compared to high density flats and larger executive homes being more difficult to sell. 'Help to Buy' has had some impact on demand levels, particularly first time buyers; it is felt that first time buyers are key to the success of future housing market within South Tyneside. Developers also stated the polarised prices in properties, with a large proportion of cheaper homes and adequate supply at the higher end of the market; new developments should try and readdress this balance.

5.34 There are several characteristics within the housing market that results in barriers to providing a buoyant and successful housing market. The lack of available viable brown sites makes large scale development difficult. Developers report the lack of attractive amenities within the South Shields town centre having a negative impact on the desirability of accommodation close to the town centre.

5.35 Although demand for new properties across the borough remain high, there is evidence of having a negative impact on the existing housing market, with some older properties taking longer to sell on the open market. Wider research suggests that although initially house prices of properties close to new developments may decrease, new accommodation is likely to increase all house prices in an area in the long-term.

Future housing requirements

Affordable housing

6.1 From analysis of the residential survey, secondary source data, housing market evidence and information from professionals in the field there has been an assessment to the future requirement for housing.

6.2 The assessment identified a need for an additional 60 affordable units per year, to meet the housing needs of current residents unable to meet their housing need through the open market; these could include social and affordable rent or intermediate tenure. This would represent just less than 20% of all identified future housing development.

6.3 The need for additional affordable housing is for one and two bedroom homes, throughout most areas of the borough but particularly Hebburn and Jarrow. Data suggests that those in need of affordable accommodation are mainly going to require social rented accommodation (57.3%), with almost one-third being able to access intermediate tenures.

6.4 Additional affordable accommodation should be developed for different household types, dependant on the location the development takes place. Within Hebburn there is the need for additional older persons affordable housing, compared to Jarrow and Boldon were there is a need for affordable single persons housing and family homes within West Shields, Cleadon and East Boldon.

Open market housing

6.5 There is also the need for additional open market accommodation within South Tyneside, to meet the increasing population and number of households. The residential survey points to the requirement for an additional 254 open market homes per year. This level of development is based on current residential levels and previous trends in household formation and inward migration; if the council made the decision to go for growth and actively increase the borough's population then this level of development may increase.

6.6 From the current analysis it is suggested that open market accommodation be mainly medium sized homes, with the need for some two-bed housing for older persons and newly forming households.

6.7 Specific demand can be seen within Hebburn and Inner South Shields, although the demand in these areas varies considerably. Demand within South Shields is likely to be for smaller two bedroom homes whereas Hebburn has demand for more medium and large family accommodation.

Institutional bedspaces

6.8 There is no identified need for additional institutional bedspaces for students within the borough, with the majority of students opting for privately renting housing. The only requirement for institutional bedspaces is for the growing aging population. Data points to the need for extra care, residential care and nursing care provision within the borough; many of these extra care units should be provided for rent.

Findings and conclusions

7.1 The main findings of the assessment are:

- Overall reduction in the levels of housing need across the borough
- Despite mortgage repossessions significantly reducing there has been an increase in landlord repossessions, going against the sub-regional trend
- Greatest levels of housing need can be found within Jarrow, younger single households, and South Shields West, larger families and older households
- Concentrations of housing need for larger families and lone parents who have young adults living with them
- Highest level of households within unsuitable accommodation currently living within privately rented accommodation that is furnished
- Wide variance in income levels throughout the borough, with evidence of this increasing
- Average private rent levels have increased but median rent levels have decreased, indicating the increase in lower cost private rented accommodation
- Households with dual incomes are unlikely to have difficulty in meeting their housing need in the open market
- Need for intermediate housing, particularly for single income households
- New development should provide approximately 15% - 20% affordable units
- Evidence of the need for affordable single older persons accommodation within Hebburn
- Evidence of the need for affordable housing for younger single households within Jarrow
- Demand for medium sized family accommodation on the open market throughout the borough but in particular within Hebburn and South Shields Central
- Requirement for additional institutional accommodation for older people, mainly rented extra care accommodation and nursing and residential care units.

Table 1: Evidence for an additional 60 affordable units per year across the borough

	Hebburn	Jarrow and Boldon	South Shields Central	S/S East and Whitburn	S/S West, Cleadon and East Boldon		Total
One Bed	25	69	-12	-14	21		90
Two Bed	120	35	-10	32	1		178
Three Bed	-6	-75	-42	-7	-46		-176
Four + Bed	---	-4	-22	-6	-1		-32
Total	139	25	-85	6	-25		60

Table 2: Evidence for an additional 254 open market homes per year across the borough to deal with current housing need

	Hebburn	Jarrow and Boldon	South Shields Central	S/S East and Whitburn	S/S West, Cleadon and East Boldon		Total
One/two Bed	9	18	25	11	7		**70**
Three Bed	43	16	29	15	7		**110**
Four + Bed	14	11	31	11	7		**74**
Total	66	45	85	37	21		**254**

Table 3: Therefore total assessed required for housing

	Hebburn	Jarrow and Boldon	South Shields Central	S/S East and Whitburn	S/S West, Cleadon and East Boldon		Total
One/two Bed	155	122	4	30	28		**338**
Three Bed	37	-59	-13	8	-39		**-66**
Four + Bed	14	7	9	5	6		**42**
Total	205	70	---	43	-4		**314**

This is based on current housing requirements and previous household formation trends; if the council make the strategic decision to grow the population in the borough then additional accommodation will be needed.

In addition to highlighting the need for additional accommodation, this assessment also points at the mismatch of current housing against current and potential future need. Therefore the sustainability of some of these homes needs further consideration, in particular three bedroom housing within the CAF areas of Jarrow and Boldon, and within East Shields and Whitburn and all property sized social housing within South Shields Inner area.

Definitions

A series of terms are used in work of this nature. To avoid ambiguities, these terms are clearly defined as follows:

Housing demand is the quantity and type of housing that households are willing and able to buy or rent.

Housing need is the quantity and type of housing required for households who are unable to access suitable housing without financial assistance.

Housing markets are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.

Housing requirement is the combination of both housing need and housing demand.

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: 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: 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: homes that are 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

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Document Reference Number: ER/1234/MONYEAR