

# Impact of National Housing Policy on housing in the North East of England

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# A broken housing market



# Policy themes & programmes

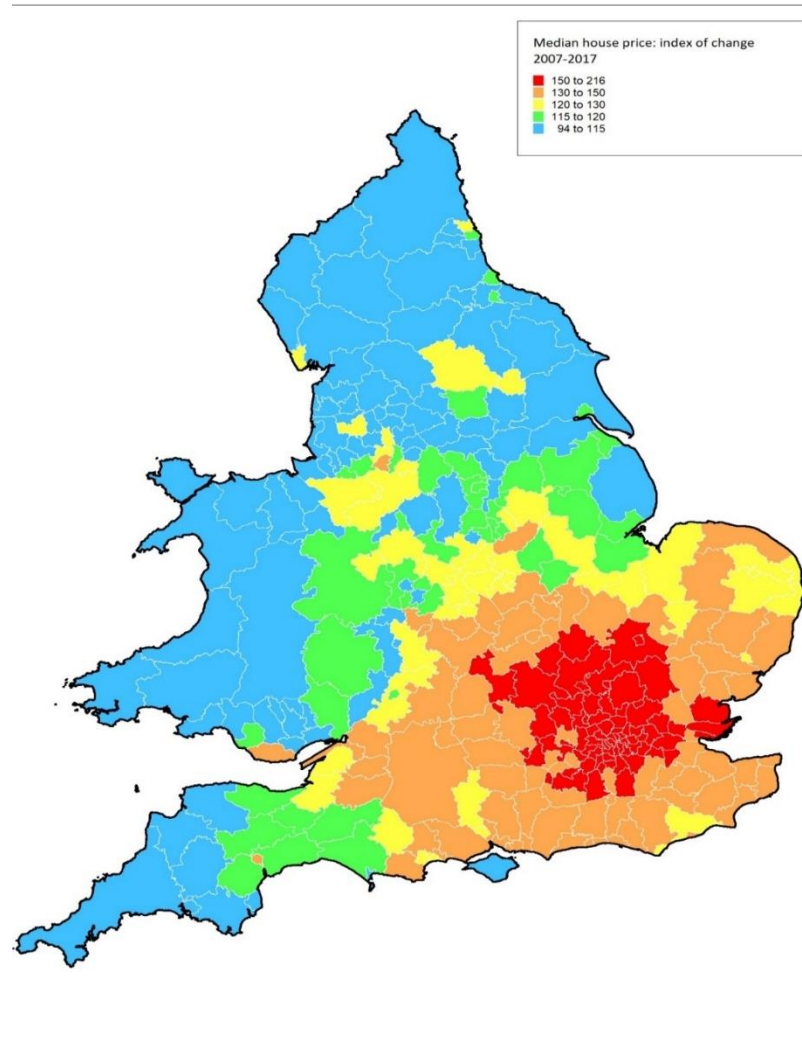
## Policy themes

- Building homes faster
- Planning for the right homes in the right places
- Diversifying the market
- Helping people now

## Policy to invest

- Affordable Homes Programme
- Housing Infrastructure Fund
- HRA cap abolished
- Strategic Partnerships with HA's
- Help to Buy

# A Northern Housing Crisis



# Geographic targeted funding

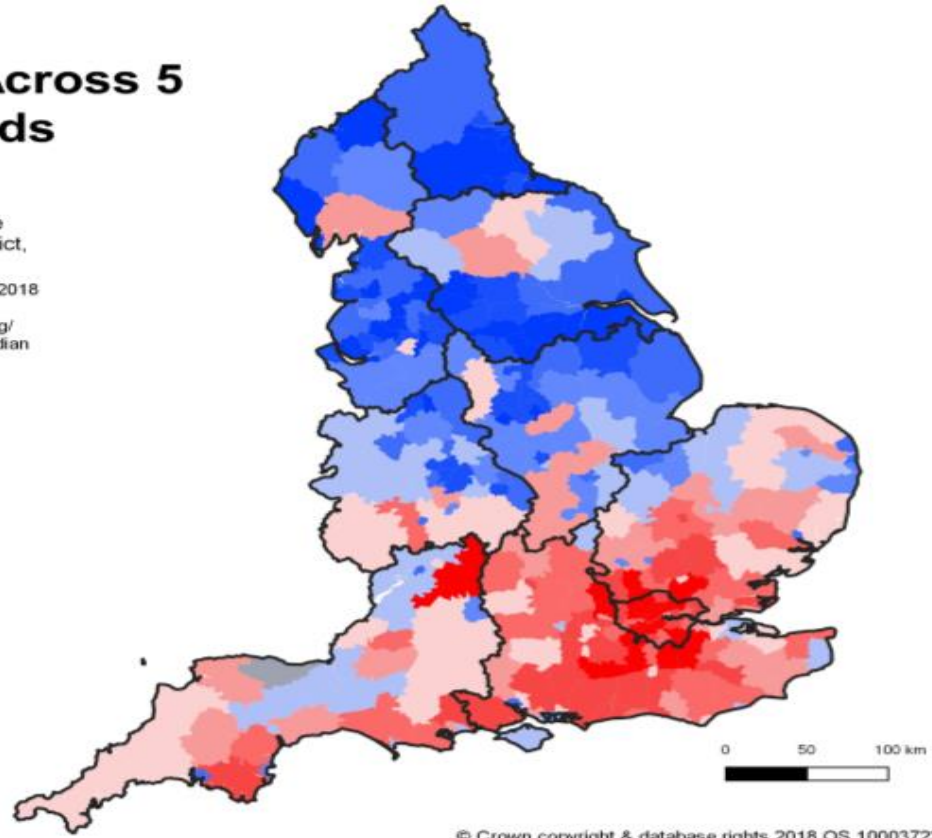
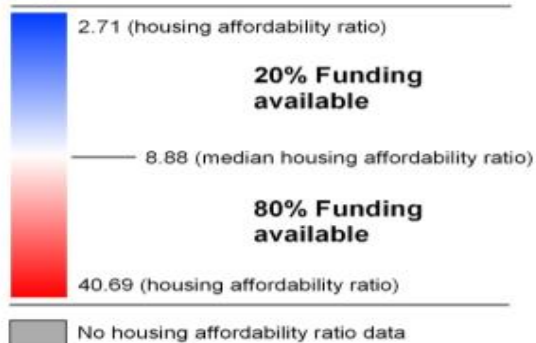
## MHCLG: Geographical Targeting Across 5 Housing Programme Funds 30th October 2018

Ratio of median house price to median gross annual (where available) workplace-based earnings by local authority district, England, 2017

Source: ONS, House price to workplace-based earnings ratio, 26th April 2018

Table 5C: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

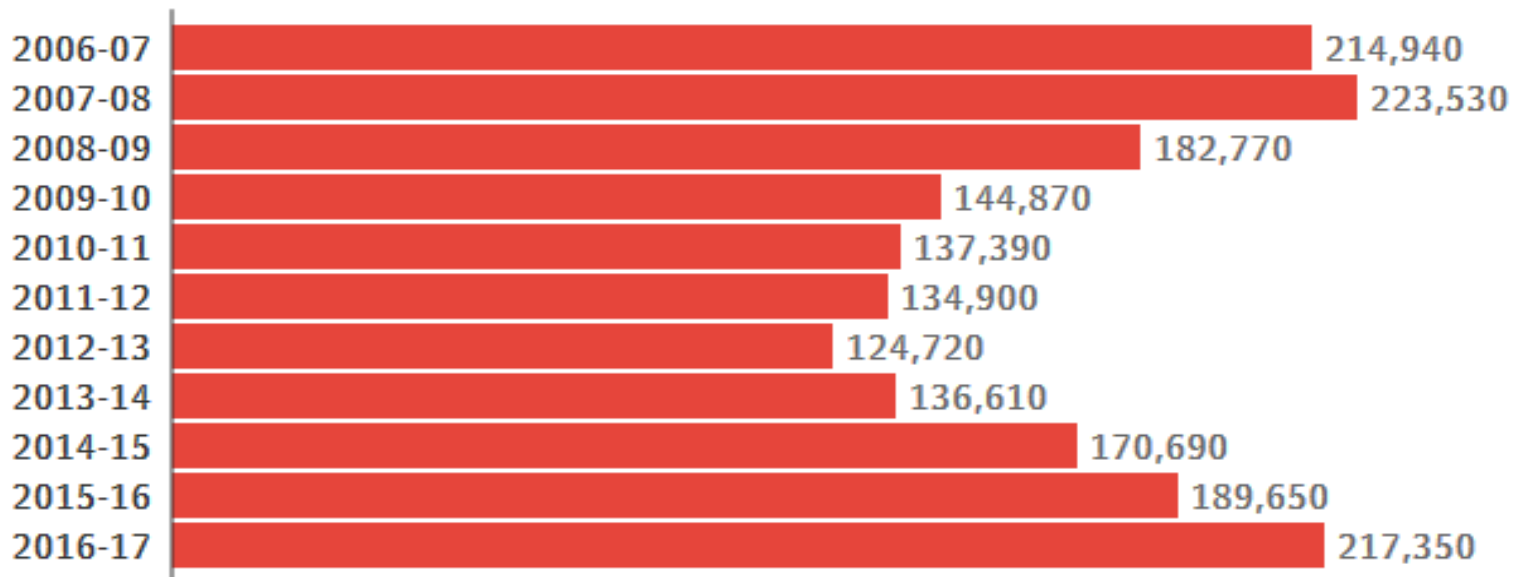
### Legend



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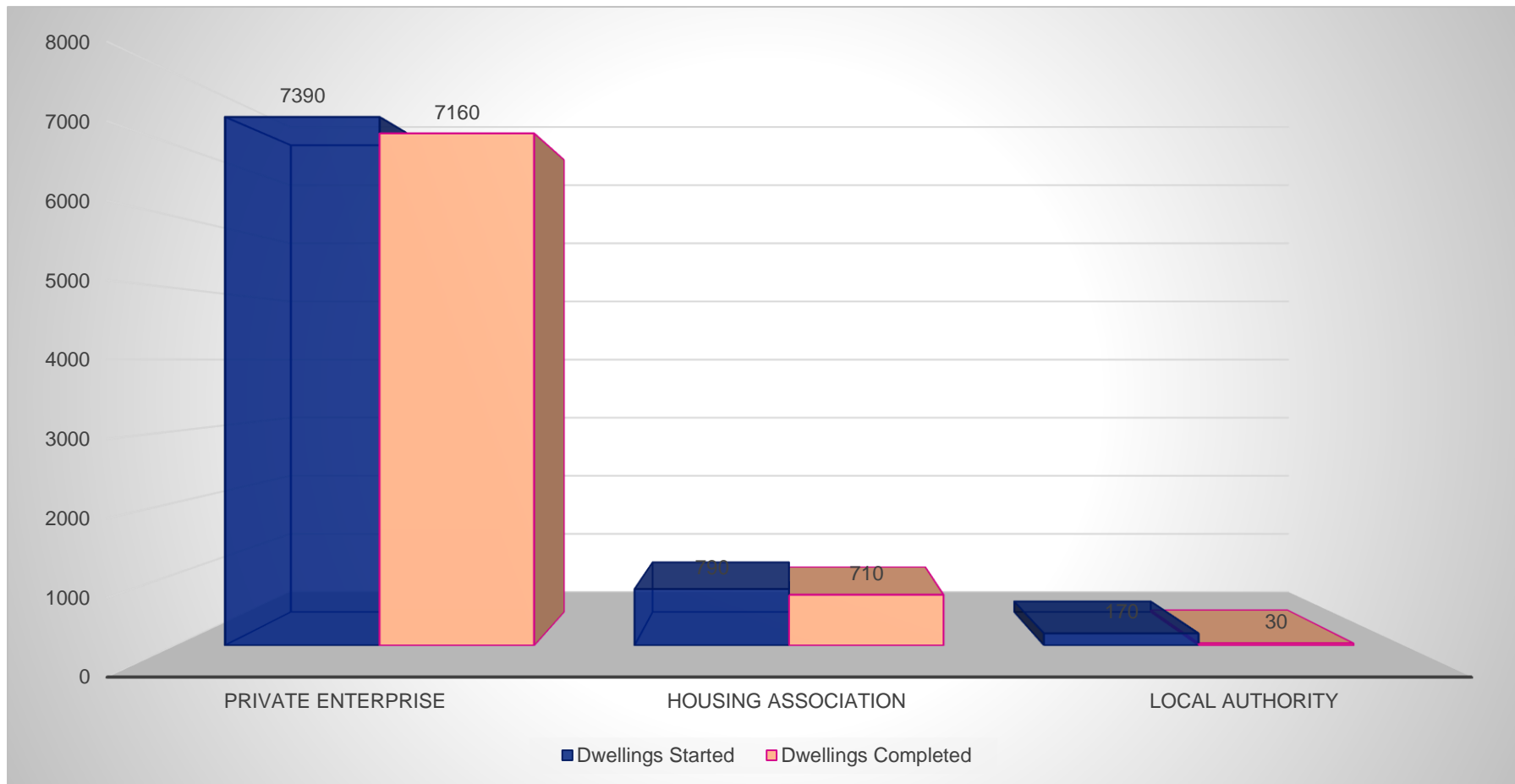
# New homes built in England

## New homes built in England *Net additional dwellings*



DCLG

# House Building North East 2017-18



# NE needs almost 2,500 affordable homes every year

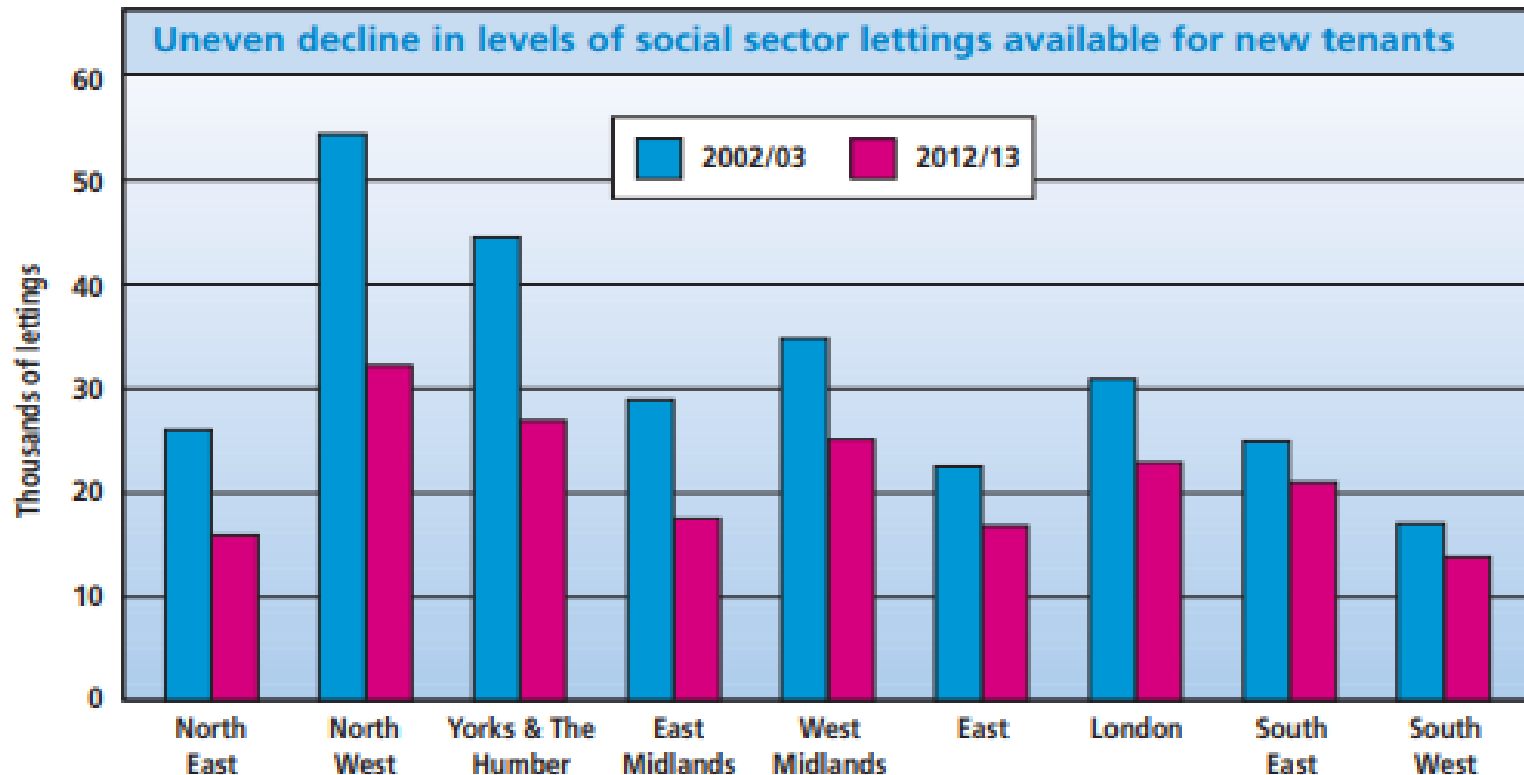
**1,274  
affordable  
homes were  
built last year  
in the North  
East**



- Number needs to double to reach the 2,418 affordable homes the region needs
- 1,190 should be for intermediate affordable rent
- 400 should be for shared ownership
- 828 should be for social rent



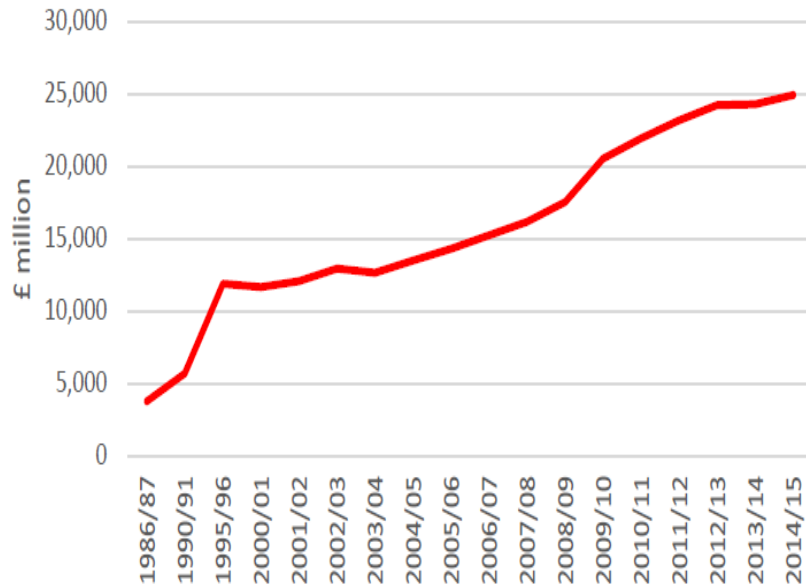
# Decline in social housing in the North



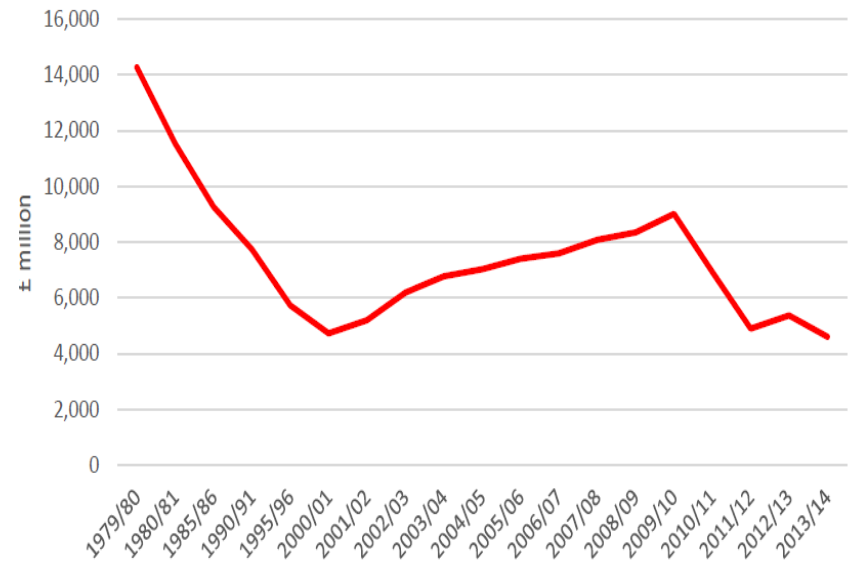
Source: UK Housing Review 2014 Tables 97a & 99.

# Investment in benefits – instead of housing

## Housing Benefit expenditure



## Investment in Social Housing



# Planning right homes right places

- ❑ **National Planning Policy Framework** - implemented 85 of the proposals set out in the Housing White Paper
- ❑ **Additional planning guidance** to be introduced following the Letwin Review
- ❑ **Planning Green Paper** to be published in coming months
- ❑ **Review permitted development rights** for conversion of buildings to residential use

# Regional impact assessing housing need

- Standard approach to assessing housing need
- Applied universally - LPA can propose a higher level
- Progressive authorities can seek to address a significant affordable housing need
- North-South divide is a common theme across the analysis of housing figures

| Region                   | % difference between new proposed assessment of need vs current |
|--------------------------|---|
| Yorkshire and The Humber | -25%  |
| North West               | -24%  |
| North East               | -20%  |
| South East               | 2%  |
| London                   | 50%   |
| England                  | 4%  |

# Diversifying the Market

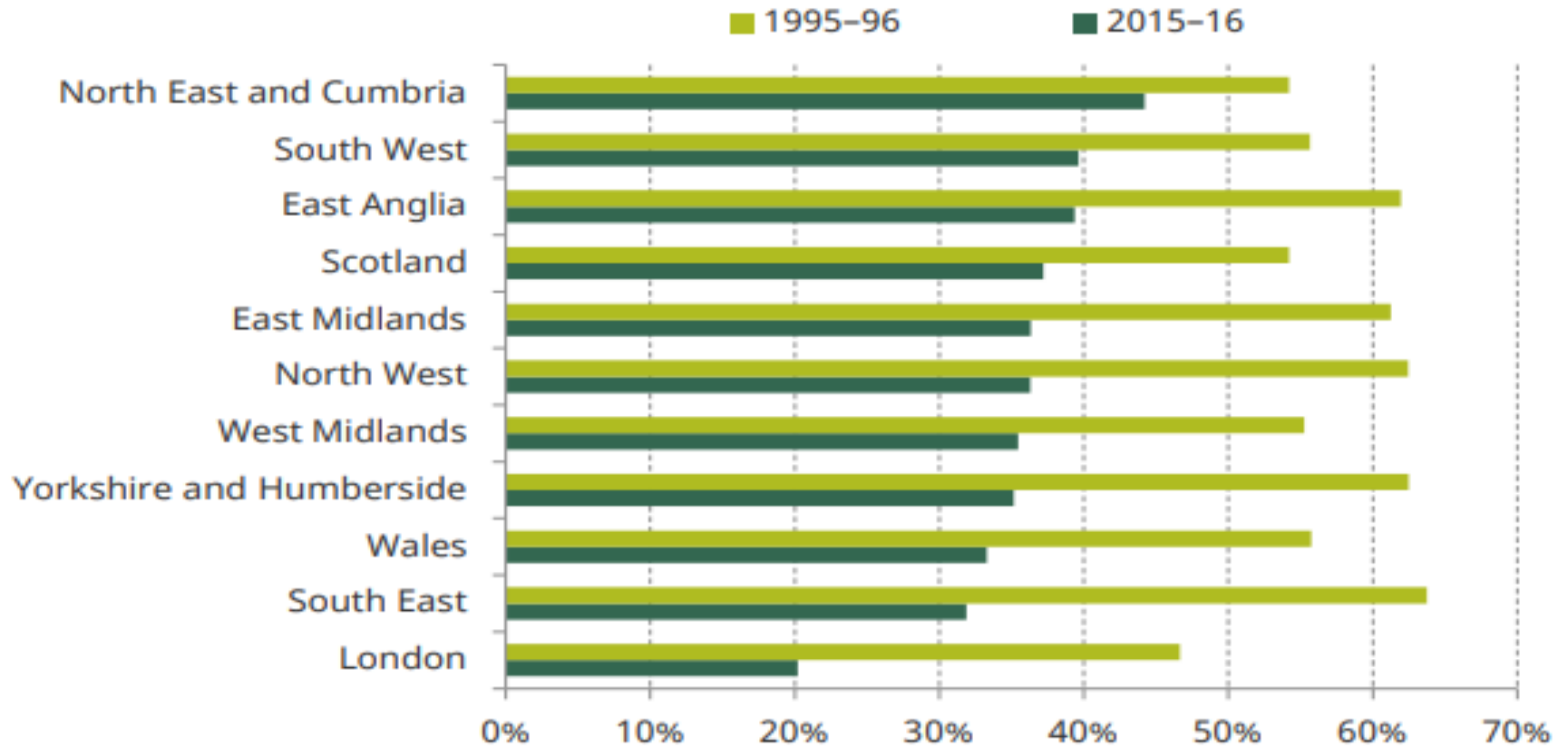
- New scheme to support up to £1 billion of lending to SME housebuilders
- Smaller development sites to be allocated
- Strategic partnerships with Housing Associations to deliver over 13,000 homes.
- Innovation and modern methods of construction encouraged.

# Helping People Now

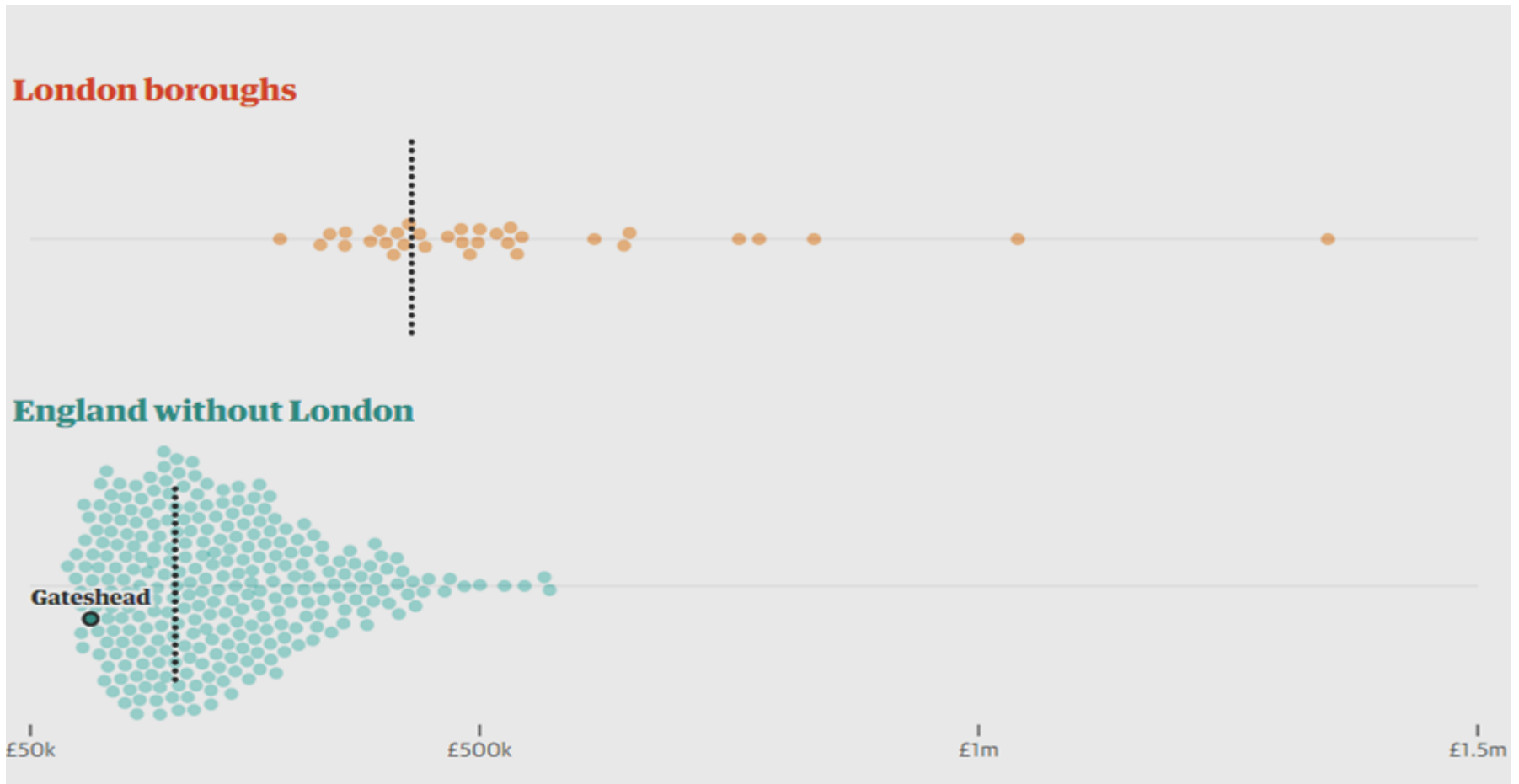
- Help to buy equity loan scheme
- Stamp duty relief first time buyers
- Support for Shared Ownership
- Stability and decent standards for renters



# Homeownership rate

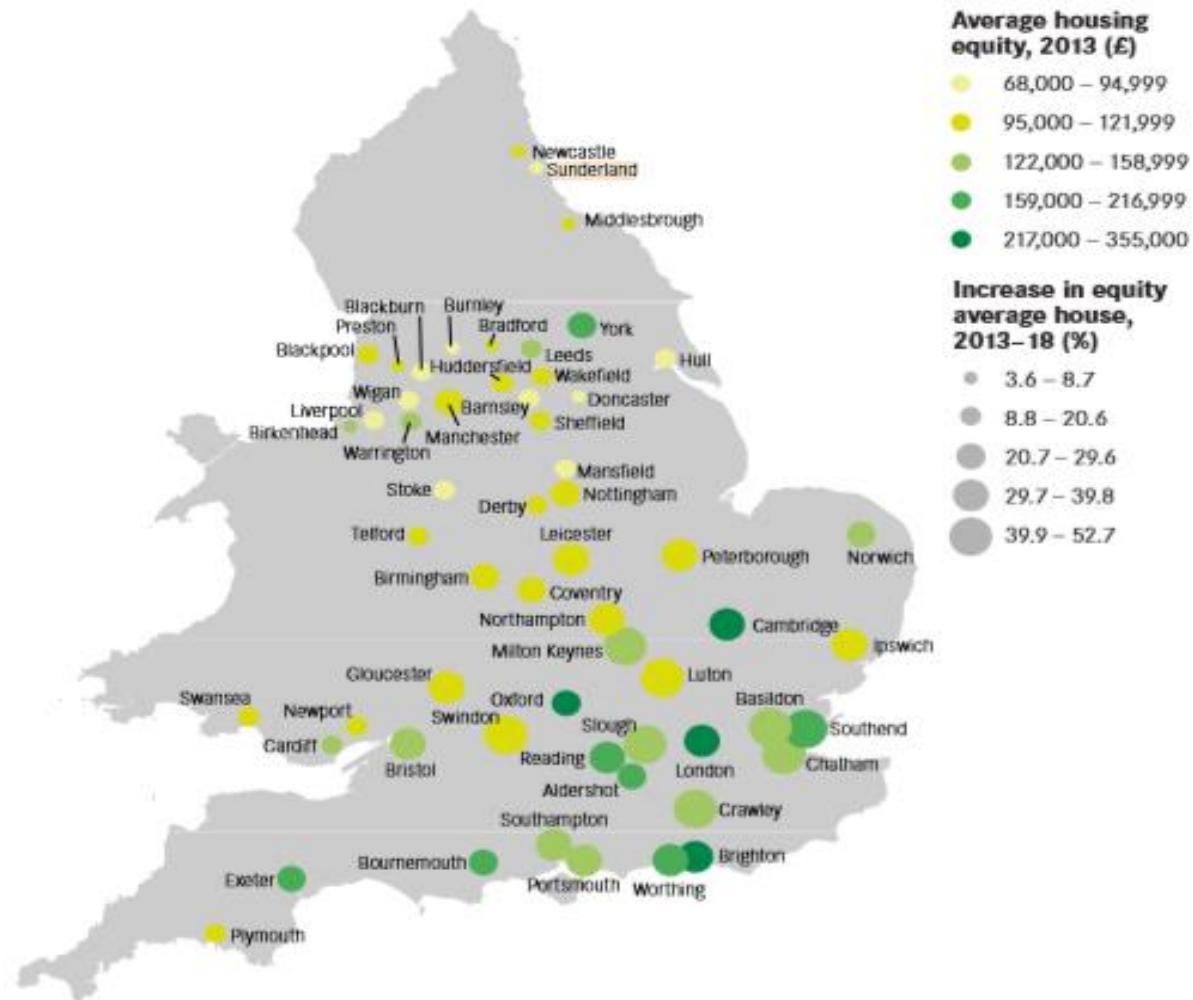


# Affordability





# Average housing equity 2013-18



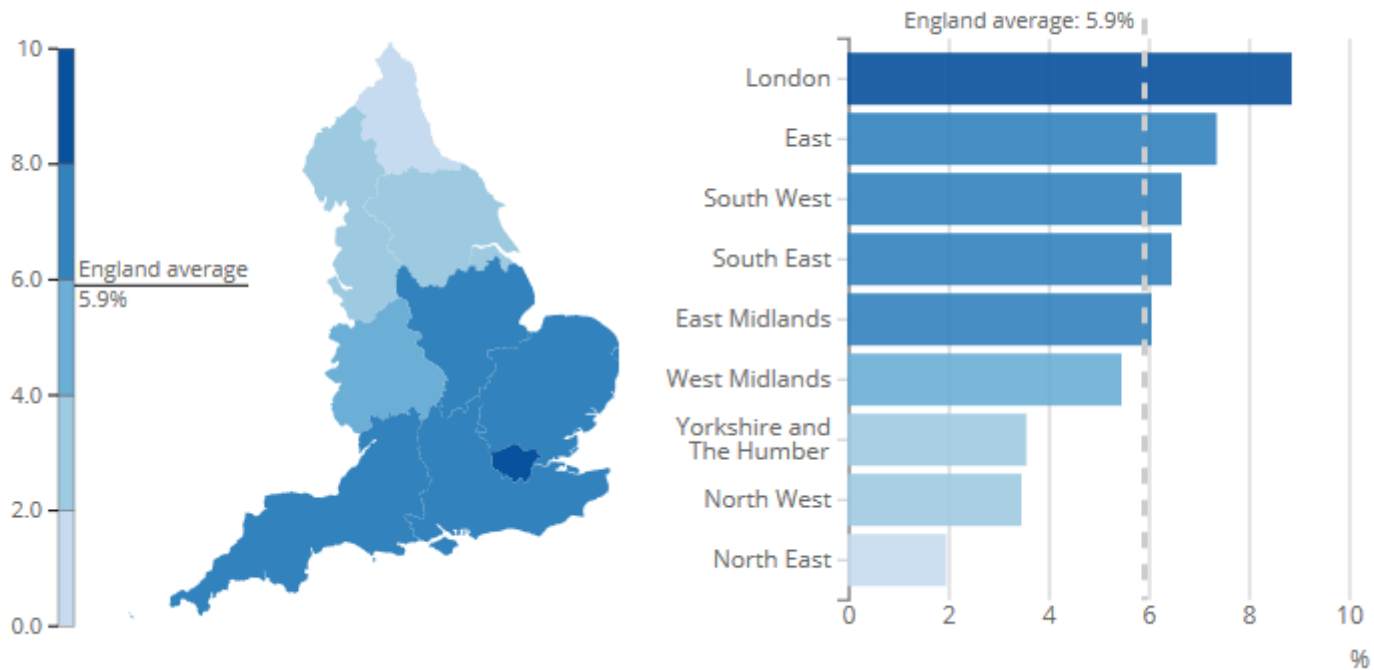
# NE prevailing conditions

- Polarity – low value, obsolete housing stock sitting alongside increasing economic prosperity
- Pre-war terraced housing – too few family homes
- Empty properties - over 17,000 empty homes  
1.4% of stock in NE
- Bringing unviable land to development
- Less appealing market to large private developers
- Loss of good quality social rented homes

# NE backlog of housing need

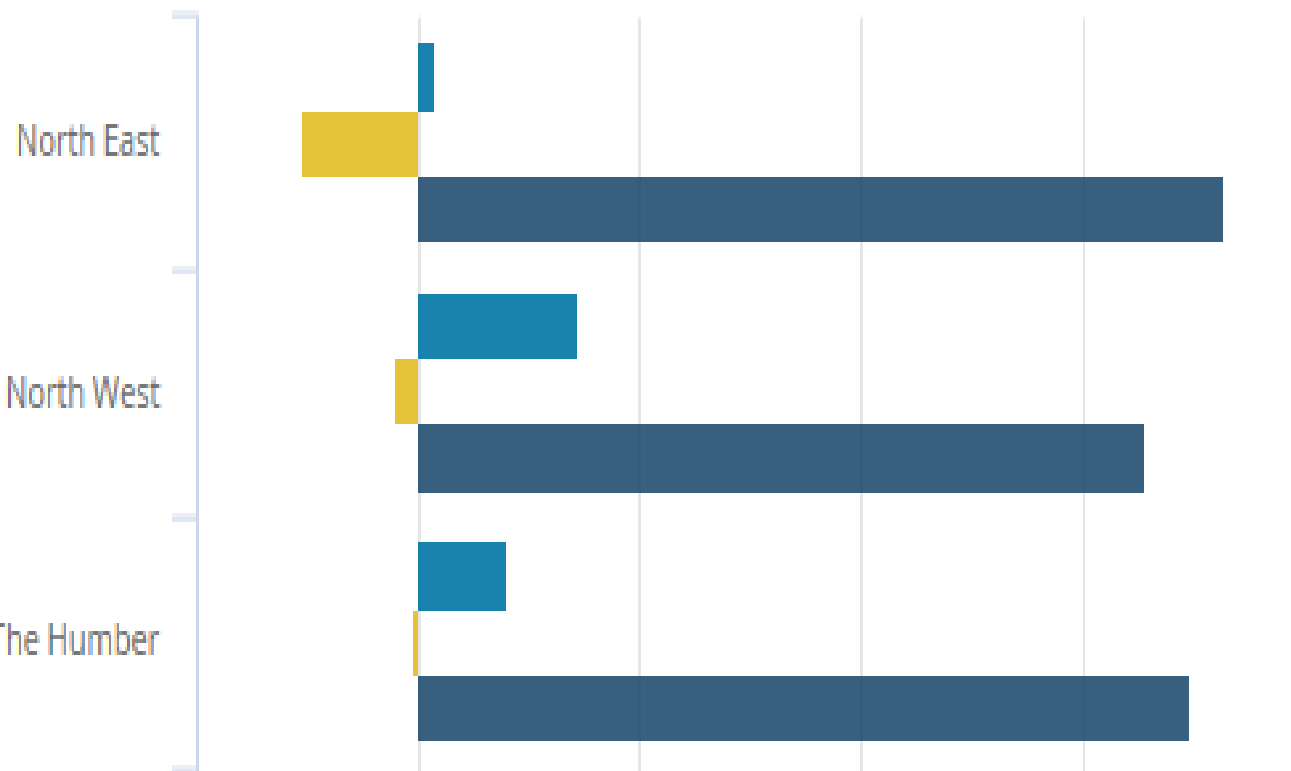
- ❑ Ageing population - number of people over 65 is expected to increase by 48% between 2014 and 2039, from 491,000 to 727,000.
- ❑ Numbers accepted as homeless 1,220 (2017)
- ❑ Overcrowding – 1.9% of all households
- ❑ Housing waiting lists 51,503 (2018)

# Projected population change for regions in England, mid-2016 to mid-2026



# Population Age Change 2016 to 2026

● 0 to 15 ● 16 to 64 ● 65 and over



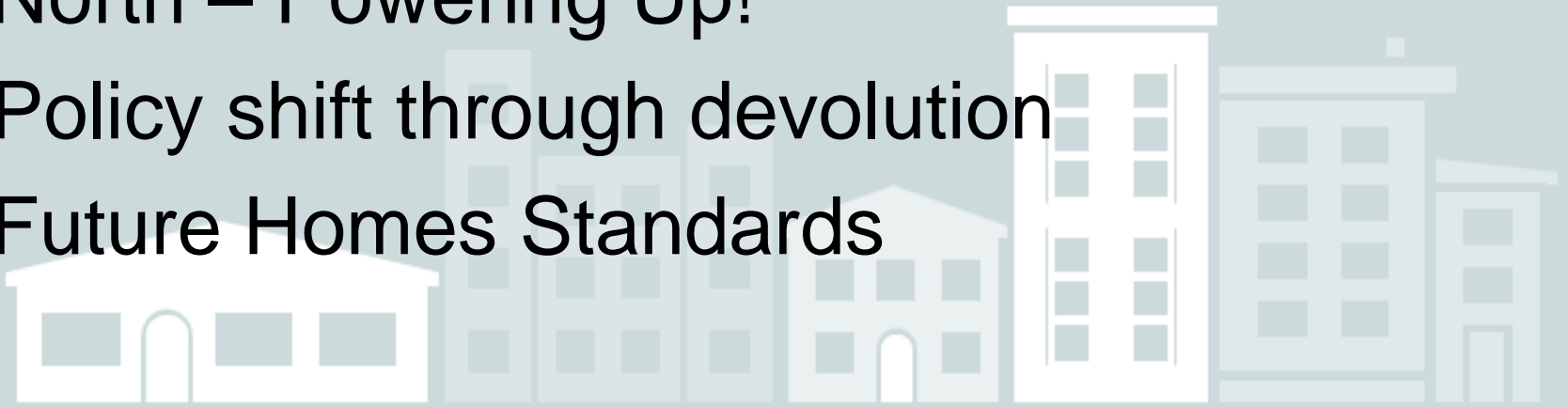
Yorkshire and The Humber  
Source: ONS

# Housing renewal in NE

- NE New Build is only 3.44% of all stock
- Over 80% of the homes we will have in 2050 are already built
- Low value, obsolete housing stock sitting alongside increasing economic prosperity
- Too many pre-war terraced housing – too few family homes

# Future Outlook

- Spending Review 2019
- Brexit impact
- North – Powering Up!
- Policy shift through devolution
- Future Homes Standards



# Thank you for listening!