

# Strategic Housing Market Assessment

## 2015

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Hartlepool Borough Council

Final Report  
March 2015

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

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# Executive Summary

## Introduction

The 2015 Hartlepool Borough Council Strategic Housing Market Assessment (SHMA) provides the latest available evidence to help to 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 Hartlepool, and the Objectively Assessed Housing Need.

The 2015 SHMA has comprised:

- A major household survey which was completed by 2,087 households, representing an 11% response rate;
- Interviews with 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 Hartlepool have been consistently lower than the median prices for the North East and England. Overall, prices have increased from £47,000 in 2000 to £101,250 in 2014, an increase of 115.4%. Prices peaked at £115,000 in 2013 but have since fallen during 2014.

During the period January 2013 to the end of June 2014, median prices across Hartlepool were £112,000 and lower quartile prices were just under £70,000.

### Dwelling stock

Across Hartlepool Borough there are a total of 42,599 dwellings and a total of 40,631 occupied dwellings<sup>1</sup>. Overall, the 2014 household survey shows that:

- 73.3% of properties are houses, 12.1% are bungalows, 13.7% are flats/maisonettes, and 0.9% are other property types (e.g. caravans);
- 11.2% have one bedroom/studio, 29.3% have two bedrooms, 43.6% have three bedrooms and 15.9% have four or more bedrooms;

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<sup>1</sup> 2014 Council Tax data



- 11.5% of properties were built before 1919, a further 15.4% were built between 1919 and 1944, 24.4% between 1945 and 1964, 23.2% between 1965 and 1984, 17.8% between 1985 and 2004 and 7.7% have been built since 2005;
- 60.2% of properties are owner-occupied, 23.1% are rented from a social landlord, 16.0% are private rented/tied accommodation and 0.7% are intermediate tenure.

## Demographic drivers

The population of Hartlepool Borough is estimated to be 92,600 in 2014<sup>2</sup> and this is projected to increase by 5.2% to 97,400 by 2037<sup>3</sup>. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 50.6% from 17,000 in 2014 to 25,600 in 2037.

## Economic drivers

Across Hartlepool Borough, 51.2% of households receive less than £300 each week, 21.7% receive between £300 and £500 each week and 27.0% receive at least £500 each week.

In terms of travel to work, the 2011 census indicates that 67.1% live and work in Hartlepool, a further 11.1% work in Stockton, 7.4% work elsewhere in Tees Valley, 6.5% work in County Durham, 4.1% work elsewhere in the North East and 3.8% work outside the North East.

## Market areas

An analysis of 2011 census migration data suggests that 80.2% of moving households originated from within Hartlepool Borough and 67.1% of employees live and work within the Borough. Former Government guidance suggested that housing markets are self-contained if at least 70% of moves take place within the area.

Therefore, Hartlepool Borough can be described as a self-contained housing market on the basis of migration, and although it is largely self-contained in terms of workplace, it is part of a wider functional economic area including Tees Valley and County Durham.

On the basis that over 70% of households moving within Hartlepool originated from within Hartlepool Borough, and over 70% of households planning to move intend to stay in the Borough, it is proposed that Hartlepool is considered to be a self-contained market area for the purposes of Local Plan policy making.

## 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 Hartlepool is 300-325 dwellings each year. This target also takes into account:

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<sup>2</sup> ONS 2012-based population projections

<sup>3</sup> ONS 2012-based population projections

- A baseline dwelling requirement based on 2012-based Sub-National Population Projections (SNPP) of 194 each year; and
- A need to deliver new dwellings to support economic growth aspirations.

To provide further context to an objectively assessed need for 300-325 dwellings each year:

- Past trends in delivery have been running over the past four years at around 250 dwellings each year;
- Market signals are not indicating a 'pent up' demand for housing, with lower quartile house prices generally constant, coupled with a fluctuating number of households on the housing register and a vacancy rate in excess of the national rate of 2.7%.

The 300-325 target represents an ambitious and aspirational figure which addresses housing need and supports economic growth ambitions.

### 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 ward and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings). The overall net annual imbalance is calculated to be 144 affordable dwellings each year. 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. This suggests a tenure split of 70.4% affordable (social) rented and 29.6% intermediate tenure.

**Table ES1 Net annual affordable housing imbalance by ward, property size and designation 2014/15 to 2018/19**

Ward	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Burn Valley	48	12	8	<b>67</b>
De Bruce	-35	-12	8	<b>-38</b>
Fens and Rossmere	20	7	8	<b>35</b>
Foggy Furze	17	0	5	<b>23</b>
Hart	5	32	-6	<b>31</b>
Headland and Harbour	-30	-13	5	<b>-38</b>
Jesmond	66	-9	1	<b>58</b>
Manor House	-77	-5	5	<b>-77</b>
Rural West	1	-1	27	<b>27</b>
Seaton	-2	31	3	<b>32</b>
Victoria	21	2	2	<b>25</b>
<b>Total</b>	<b>34</b>	<b>44</b>	<b>66</b>	<b>144</b>

## 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 stock profile to identify any mismatches between availability and aspirations/expectation (Table ES2). Of households moving, most would like to move to a house (67.4%), 19.4% would like to move to a bungalow and 13.3% to a flat. This compares with 67.3% who expect to move to a house, 15.18% to a bungalow and 16.9% a flat. A much higher proportion would like to move to a detached house (45.6%) but only 19.2% expect to. In contrast, higher proportions expect to move to a semi-detached house (33.5%) than would prefer to (14.7%).

Future development should focus on delivering to address identified mismatches and reflect household aspirations.

**Table ES2 Open market dwelling stock and preferences**

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	16.5	9.7	11.1
House 3 Beds	46.5	28.6	33.1
House 4 or more Beds	20.1	29.0	23.2
Bungalow	9.3	19.4	15.8
Flat	6.9	13.3	16.9
Other	0.8	0.0	0.0
<b>Total</b>	100.0	100.0	100.0
<i>Base</i>	30644	5499	4591

## Older people and adaptations

The majority of older people (63%) want to stay in their own homes with help and support when needed. Around one quarter would consider renting from a housing association or renting sheltered accommodation and around one-fifth would consider extra care housing. This evidence points to the need to diversify older persons' provision within the Borough.

In terms of adaptations, those most frequently mentioned in the household survey were the need for bathroom adaptations (18.1%), internal handrails (10.6%) and better heating (9.9%).

In addition, 42.6% of older person households require help with gardening either now or in the next five years, 36.5% with repair/maintenance and 30.5% with cleaning.

# 1. Introduction

## Background and objectives

- 1.1 A comprehensive Strategic Housing Market Assessment (SHMA) for Hartlepool Borough Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The SHMA satisfies the requirements of the National Planning Policy Framework (NPPF) and the February 2014 National Planning Policy Guidance (NPPG) which replaces previous guidance including the DCLG Strategic Housing Market Assessment guidance (Version 2, 2007).
- 1.3 The SHMA also includes a review of the Housing Market Area definition, Objectively Assessed Housing Need, Housing Market Signals and Duty to Co-operate matters.

## National Planning Policy Framework (NPPF) requirements

- 1.4 The NPPF provides the planning policy context for this SHMA. The key sections of the NPPF which need to be taken into account in the SHMA are now summarised.
- 1.5 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 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.
- 1.6 NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and 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.
- 1.7 Paragraph 47 of the NPPF makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full*

*objectively assessed needs for market and affordable housing". The SHMA will provide robust evidence to 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" and should "identify the size, type tenure and range of housing that is required in particular locations, reflecting local demand" (NPPF para 50).*

- 1.8 NPPF para 173 also states that that in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required.
- 1.9 Moreover, the NPPF and the Localism Act both introduced the Duty to Co-operate as a replacement for Regional Spatial Strategy. Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment.

## Definitions

- 1.10 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"*<sup>4</sup>.
- 1.11 For the purposes of this study, the term housing need refers to *"the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state"*.
- 1.12 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

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<sup>4</sup> The approach to assessing need Para 003 [ID: 2a-003-20140306], NPPG, March 2014.

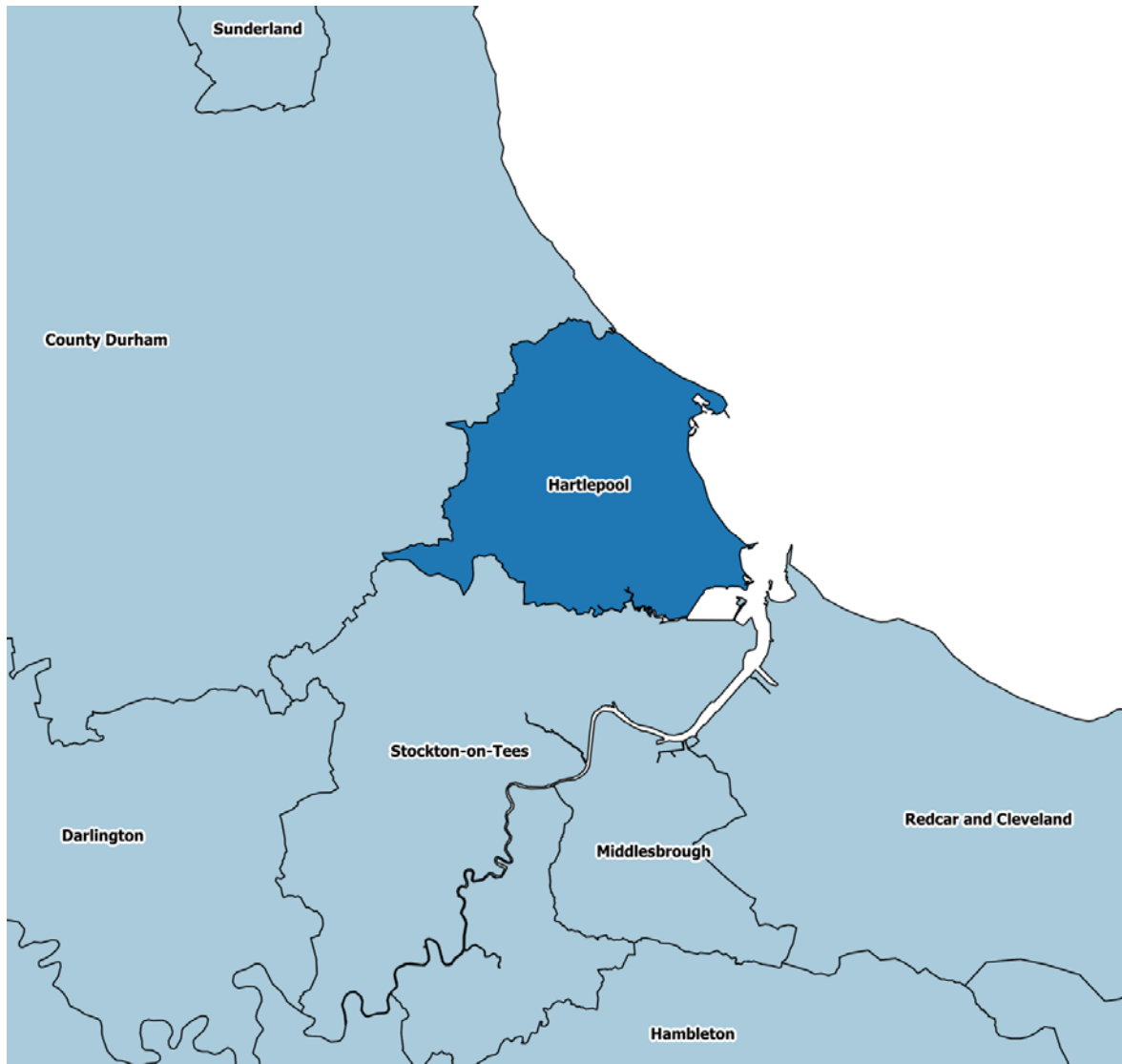
and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

- **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.

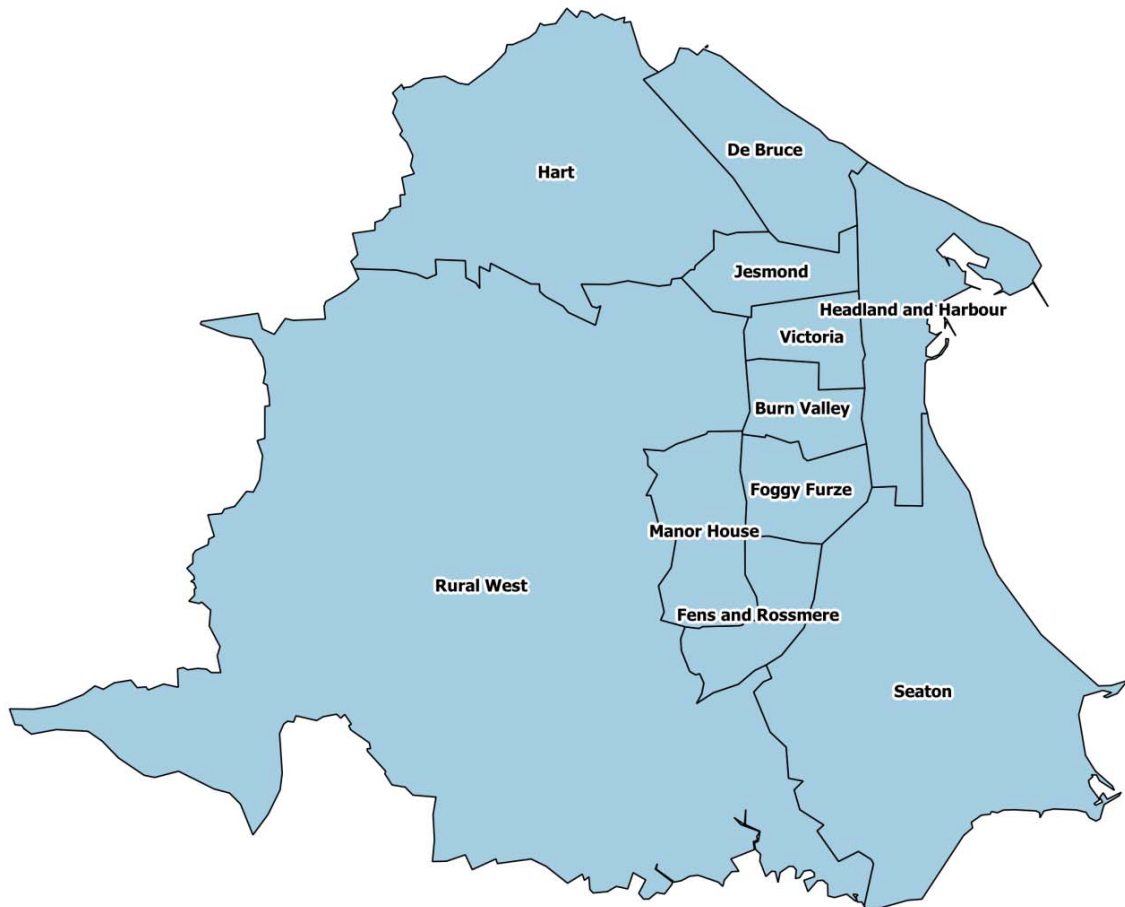
## Geography

- 1.13 Map 1.1 illustrates the geographical context of Hartlepool Borough and its neighbouring authorities. Household survey data is available down to ward level and for the purposes of this report, data has been presented for sub-areas as illustrated in Map 1.2.

**Map 1.1 Hartlepool Context**





**Map 1.2 Hartlepool sub-areas**

## Research methodology

1.14 To deliver the 2015 SHMA, a multi-method approach was adopted, which comprised:

- A sample survey of households across the Hartlepool Borough Council area. A total of 19,063 households were contacted and 2,087 questionnaires were returned and used in data analysis. This represents an 11% response rate overall and the total number of questionnaires returned was well in excess of the 1,500 specified in former Government SHMA guidance (2007);
- Interviews with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Estate Agents, Lettings Agents, Developers, Supporting People representatives;
- A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics; and
- The preparation of household and dwelling forecasts for the Borough.

1.15 Further information on the research methodology is presented at Appendix A.

## Presentation of data

1.16 Data presented in this report is based on the 2014 household survey carried out as part of the Strategic Housing Market Assessment unless otherwise stated.

1.17 It is important to note that survey responses have been weighted to correct for response bias and then grossed up to reflect the total number of households and this process is explained in Appendix A. The 2,087 responses are therefore weighted and grossed up to 40,631 occupied dwellings. All survey information presented in this report is for weighted and grossed responses which are rounded up where appropriate.

## Report structure

1.18 The Hartlepool 2015 SHMA update report 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 definition of the Housing Market Area;
- Chapter 4 considers the Objectively Assessed Housing Need and Housing Market Signals;
- Chapter 5 presents the core SHMA outputs; and
- Chapter 6 concludes the report with a summary of findings from the update and a consideration of strategic issues.

1.19 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:

- General methodology (Appendix A);
- Housing need (Appendix B); and
- Monitoring and updating (Appendix C).

## 2. Policy and strategic review

### Introduction

- 2.1 Over the past ten years the strategic housing role of local authorities has evolved beyond focusing primarily on the delivery 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 that impact upon local housing market areas. Strategic Housing Market Assessments have helped underpin this work, helping local authorities to understand:
- The housing needs and aspirations of their communities;
  - Trends in the wider housing market, and how these impact locally;
  - Actions needed to ensure a supply of affordable housing to meet local needs; and
  - The requisite role of housing locally in supporting economic growth, as well as social and environmental well-being.
- 2.2 Evidence from SHMAs is therefore central in shaping and informing local strategic housing priorities. The effective collation and use of evidence, and delivery of the strategic housing role, at a local level, has become increasingly important, arguably more so in the absence of robust regional strategic frameworks to structure local action and investment planning.
- 2.3 In order to make effective decisions regarding strategic housing priorities for Hartlepool Council, it is also important to understand the broader strategic context within which local authorities are operating. Since coming to power in 2010, the coalition Government has embarked upon a sustained and radical programme of reform to both social housing and planning policy. Set within the context of national austerity measures, these reforms aim to transform the way housing is planned for, delivered, accessed and managed.
- 2.4 National changes have in turn led to dramatic changes regionally, sub-regionally and locally as local councils step away from regional policy agendas and seek to implement reforms in the spirit of localism, through local and sub-regional partnerships. The pace and direction of change, moving away from long-standing regional housing, planning and economic strategies, has in some instances led to a policy vacuum, as local authorities seek to adjust and adapt to new ways of working, within more limited and constrained resources.
- 2.5 Here, in brief, we look at the national and emerging regional and sub-regional agendas that impact upon strategic housing issues for Hartlepool.

## The National Planning Policy Framework

- 2.6 The National Planning Policy Framework was published on 27<sup>th</sup> 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.
- 2.7 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.
- 2.8 The Framework identifies three dimensions to sustainable development: economic, social and environmental. The social role is defined as: *‘supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations....’*<sup>5</sup> These three dimensions (or roles) are seen as mutually dependent.
- 2.9 The Framework must be taken into account in the preparation of local and neighbourhood plans, and it is a material consideration in decision making. Up to date local plans are seen as a prerequisite and the following guidance is given:
- ‘The National Planning Policy Framework does not change the statutory status of the development plan as the starting point for decision making. Proposed development that accords with an up-to-date Local Plan should be approved, and proposed development that conflicts should be refused unless other material considerations indicate otherwise. ... The National Planning Policy Framework constitutes guidance for local planning authorities and decision-takers both in drawing up plans and as a material consideration in determining applications.’*<sup>6</sup>
- 2.10 Robust and comprehensive evidence bases (in particular Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments) are seen as essential to *‘delivering a wide choice of high quality homes’*; the Framework states that local planning authorities should *‘use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with policies set out within the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period’*.<sup>7</sup>
- 2.11 The need to *‘plan for a mix of housing based on current need and future demographic trends, market trends and the needs of different groups in the*

<sup>5</sup> CLG National Planning Policy Framework March 2012 para 7

<sup>6</sup> CLG National Planning Policy Framework March 2012 paras 12 and 13

<sup>7</sup> CLG National Planning Policy Framework March 2012 para 47

*community*' is emphasised. The Framework also states that local planning authorities should:

- *'identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand'*; and
- *'where they have identified that affordable housing is needed set policies for meeting this need on site...'*<sup>8</sup>

2.12 Authorities will need to illustrate the expected rate of housing delivery through a housing trajectory for the plan period and a Housing Implementation Strategy for the full range of housing.

2.13 New definitions of affordable housing are also included at Annex 2 covering social rented housing, affordable rented housing and intermediate housing.

## The wider Government agenda

2.14 It is also helpful to understand the Government's overall ambitions, as it is within this context that both national and local housing priorities need to be viewed.

2.15 The following summary<sup>9</sup> outlines the Government's key overall themes and provides a helpful guide to inform thinking and debate about how to respond to priorities locally, within this wider context:

- Economic growth;
- Health and wellbeing;
- Carbon reduction and tackling climate change;
- Empowering people and communities; and
- Deficit reduction.

Each of these themes is now taken in turn.

## Economic growth

2.16 The Government seeks 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.

2.17 However, the relationship is more complex with the contribution of housing being far greater.

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<sup>8</sup> CLG National Planning Policy Framework March 2012 para 50

<sup>9</sup> Chartered Institute of Housing Practice on line Strategic Housing support

- 2.18 To encourage economic growth the Government has put in place a new framework to create *‘the right conditions for a private sector led recovery.’* This includes measures to rebalance the economy using:
- Business-led **Local Enterprise Partnerships** - LEPs have been established across the country, focusing on specific localities (for example, Tees Valley). LEPs are responsible for determining local economic priorities and undertaking activities to drive economic growth and local job creation. LEPs have replaced Regional Development Agencies; and
  - The **Regional Growth Fund** – the RGF has been set up to support areas heavily dependent upon the public sector to enable them to make the transition to private sector led growth. The RGF has been heavily oversubscribed.
- 2.19 The Government outlined its initial housing investment plans for the period April 2011 to March 2015 in the Comprehensive Spending Review of 20th October 2010. This delivered:
- A total investment in new affordable housing of £4.5billion to deliver 150,000 new affordable homes;
  - £100million to bring empty homes back to use;
  - £200million for mortgage rescue to protect vulnerable homeowners;
  - £900million for the New Homes Bonus to encourage communities to accept new housing;
  - £1.4billion capital funding (RGF) to support economic growth especially where areas are currently dependent on the public sector;
  - £2billion to halve the backlog of non-decent council housing;
  - £400million Homelessness Grant to support homelessness prevention initiatives and reduce homelessness presentations;
  - £6.5billion Supporting People funding to help vulnerable people live independently; and
  - £725million Disabled Facilities Grant funding to help towards the cost of adapting homes to enable residents to continue to live there.<sup>10</sup>
- 2.20 Within this context it is of critical importance for local authorities to be clear about how housing and the economy relate within their area, to take a strategic view and to communicate this with partners.

## Health and wellbeing

- 2.21 The Government is aiming to improve health outcomes whilst reducing health inequalities. It wants to enable greater independence, choice and control for people, and radical reforms to healthcare are being implemented. In terms of housing’s contribution to health and wellbeing, this is generally considered in the context of access to healthy, safe, secure and suitable homes. Housing is

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<sup>10</sup> Source: Chartered Institute of Housing Briefing Paper on Comprehensive Spending Review

a wider determinant of health and an inability to access healthy, safe, secure and suitable accommodation has an adverse impact on health.

2.22 However, housing has a role in improving health beyond provision of decent homes, the Chartered Institute of Housing identifies the following local authority enabling activities:

- Spatial planning for housing;
- Environmental health action to ensure homes are healthy and free from hazards;
- Investment in new homes, and improvements and adaptations to existing homes;
- Housing and neighbourhood management services to people renting affordable homes;
- Housing services that enable people to access homes when their needs change; and
- Housing services that enable people to live independently and help prevent crises e.g. housing support and adaptations.

2.23 The Department of Health White Paper *Caring for our future: reforming care and support* positions housing and support as key preventative services that can help reduce health costs.

2.24 A local authority's strategic housing role is central to developing a greater understanding of housing's requisite role in health and wellbeing at a local level. Potential changes brought about by housing and welfare reform could impact negatively unless this is managed strategically by the local authority with its partners; this is a key role of the Housing Strategy.

### Carbon reduction and tackling climate change

2.25 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. To this end participation in the Green Deal is key (see below).

### Empowering people and communities

2.26 Since its inception the Government has stressed its commitment to decentralisation, localism and the 'Big Society', and its '*Programme for Government*' set the scene for a radical devolution of power to local authorities and community groups; critical to this has been the **Localism Act**. The Act included measures to reform:

- The planning system;
- Social housing; and
- The council house finance system.

2.27 The Act 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.
- 2.28 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.
- 2.29 In keeping with the Government's localism ethos, much of the legislation within the Act is permissive, meaning that it is open to interpretation locally in terms of how members, professionals and communities decide to use its powers. Much of the Act came into effect in April 2012.

### Deficit reduction

- 2.30 The Government's main priority is to reduce the national budget deficit. This prime objective is influencing 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. For example, the introduction of the new affordable rent model is fundamentally about securing more affordable housing for less public subsidy. The Green Deal is another example of a publicly funded scheme (Warm Front) being replaced by private investment arrangements, whereby energy companies and individuals pay for energy efficiency improvements themselves.
- 2.31 In summary, housing is seen by Government as key to creating and sustaining local communities. It is seen as contributing to the economy and supporting economic growth and employment, both directly and indirectly, which is why housing issues need to be addressed at a local level but in a planned and strategic way. The primary role therefore for local authorities is to understand and address the needs and aspirations of their communities.

### National strategic policy context

- 2.32 The Department for Communities and Local Government has outlined what the Government wants to achieve in terms of housing as:
- Increase the number of houses available to buy and rent, including affordable housing;
  - Improve the flexibility of social housing (increasing mobility and choice) and promote homeownership;
  - Protect the vulnerable and disadvantaged by tackling homelessness and support people to stay in their homes; and
  - Make sure that homes are of high quality and sustainable.
- 2.33 In 2011 the Government published its Housing Strategy for England, **Laying the Foundations: A Housing Strategy for England**, which set 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 involve the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.*<sup>11</sup>

2.34 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 including a newbuild indemnity scheme led by the Home Builders Federation and Council for Mortgage Lenders to provide up to 95% loan to value mortgages for newbuild properties in England, backed by a housebuilder indemnity fund; and a £400m 'Get Britain Building' investment fund;
- Social and affordable housing reform which includes implementing a radical programme of reform to make better use of social housing to support those who need it most; and re-invigorating Right to Buy by introducing new higher levels of discount, and the proposed one for one replacement of homes sold;
- A thriving private rented sector, through supporting investment in homes to rent, marketing new Built to Rent pilot sites and encouraging local authorities to make full use of powers to tackle dangerous and poorly-maintained homes;
- A strategy for empty homes, with a commitment to bring empty homes back into use through awarding the New Homes Bonus to empty properties brought back into use, providing information and practical advice to local authorities and communities and proposing changes to Empty Dwelling Management Orders to tackle the worst long-term empty homes;
- Quality of housing experience and support, through supporting the most vulnerable households to prevent and tackle homelessness and providing a better deal for older people, with greater choice and support to live independently; and
- Quality, sustainability and design, by encouraging the promotion of imaginative, innovative, locally distinctive, well designed new homes and neighbourhoods; a commitment to Zero Carbon homes by 2016; reviewing building regulations to further improve energy efficiency and carbon emission standards of new buildings.

2.35 These themes provide a useful framework for reviewing the current national policy position.

### Increasing supply, more homes and stable growth

2.36 There have been a number of measures introduced aimed at delivering housing growth, these are briefly summarised here.

2.37 The **Affordable Rent Model** was introduced to utilise £2.5billion of capital investment alongside resources raised through tenancies offered to new

<sup>11</sup> CIH Summary Laying the Foundations: A Housing Strategy for England November 2011

Social Rented tenants at 80% of market rents. Where this combination of higher rent and lower grant is insufficient to make new schemes viable, existing Social Rent tenancies are converted to Affordable Rent (or Intermediate tenure for sale) when properties are vacated, to cross-subsidise new provision.

- 2.38 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, these include:
- Planning reform and the National Planning Policy Framework;
  - The Community Right to Build;
  - Get Britain Building; and
  - Additional housing growth measures (the September Growth Package).

### Planning Reform and the National Planning Policy Framework

- 2.39 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 and these are summarised below under additional Housing Growth Measures.
- 2.40 New definitions of Affordable Housing were also included in the Framework covering Social Rented Housing, Affordable Rented Housing and Intermediate Housing.

### Community Right to Build

- 2.41 Aimed at enabling local people to bring forward small scale, site specific, community led development, the Community Right to Build was introduced through the 2011 Localism Act's neighbourhood planning provisions; they became law on 6<sup>th</sup> April 2012. Under the Right communities are to determine the type of development that they wish to see, including the property type and tenure of any housing.
- 2.42 In October 2014 the Government published the '*Right to Build: Supporting Custom and Self Build Consultation*'. The consultation sought views from local planning authorities, the custom build sector and prospective builders about the '*best way of constructing such a right*'. The results of the consultation will help to determine the final format of Right to Build. The consultation closed on 18<sup>th</sup> December 2014, and the results of the consultation are awaited.

## Get Britain Building

- 2.43 In November 2011, as part of its National Housing Strategy *Laying the Foundations*, the Government announced the launch of the Get Britain Building fund. The initial round has been subsequently followed with a second round of funding in June 2012. With an overall programme of £570million, the Fund aims to deliver up to 2,000 new homes. As a recoverable investment, the programme is intended to address difficulties in accessing development finance faced by smaller developers.

## Housing Growth Package

- 2.44 In September 2012 the Government housing and growth announcements emphasised the Government's continued concerns about planning acting as a barrier to development. The package of measures aimed at removing this perceived barrier included:
- Fast tracking big commercial and residential applications, in poor performing council areas developers can choose to bypass the local authority for major decisions. Applications can be made directly to the Secretary of State who will appoint a Planning Inspector 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; and
  - Enabling developers to renegotiate Section 106 agreements (this was enacted in the Growth and Infrastructure Act 2013)<sup>12</sup>.

## Social and affordable housing reform

- 2.45 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 Decisions: a fairer future for social housing*. 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;

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<sup>12</sup> On 25<sup>th</sup> 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.

- 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.

2.46 Proposals to achieve these objectives included:

- The introduction of a new, fixed-term tenancy with a minimum fixed-term of two years (in exceptional circumstances). There is no upper limit to the length of the term but the default tenancy period is likely to be five years in the majority of cases. (Fixed-term tenancies are in addition to secure and introductory tenancies);
- The introduction of the 'Affordable Rent' product under which rents for social housing can be set at up to 80% of local market rents;
- Investment of £100million to bring empty properties into use as affordable housing;
- Reforming the Social Housing allocations system by giving local authorities greater freedom to manage their housing waiting lists to better meet local needs;
- Introduction of a nationwide social home swap programme for social tenants;
- Enabling local authorities to discharge the full 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.

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

2.48 Alongside Social Housing reform sits the reform to the welfare system, which, with its changes to benefit, eligibility and entitlement, will impact significantly on housing supply and demand. The **Welfare Reform Act** received Royal Assent on 8<sup>th</sup> March 2012; it introduces Universal Credit as well as changes to housing benefit and other welfare benefits. The Act also introduces a new 'personal independence payment' to replace the existing disability living allowance.

2.49 In addition, the Act gives the Government powers to implement housing benefit reforms outlined in the June 2010 Budget and the October 2010 Comprehensive Spending Review, these include:

- 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 (from April 2013); and

- Introducing household benefit caps of £500 per week for couples and £350 per week for single claimants.
- 2.50 Changes already introduced to housing benefit following the June 2010 Budget include:
- Capping the maximum Local Housing Allowance payable for each property size and applying a four-bed limit. This mainly affects households living in London (from April 2011);
  - Calculating Local Housing Allowance rates using the 30th percentile of market rents rather than the 50th percentile (from October 2011);
  - Limiting housing benefit for working age tenants so that it only covers the size of property they are judged to need – the ‘bedroom tax’ (from April 2013);
  - Increasing deductions for non-dependents (no longer frozen at £7.40 per week for non-earners and linked to prices since April 2011);
  - Time limiting full housing benefit and Local Housing Allowance payable to people on Job Seekers’ Allowance so that after 12 months housing benefit is reduced by 10% (from April 2013);
  - Increasing discretionary housing payments (from October 2010);
  - Resourcing an additional bedroom for carers (from April 2011); and
  - Single-room rate - increased the age threshold from 25 to 35 under which single claimants are entitled only to the shared room rate.

### A thriving private rented sector

- 2.51 The Government sees the provision of a healthy, robust private rented sector as essential to meeting housing need and demand. It’s approach to ensuring a thriving private rented sector is twofold, focusing on:
- Maintaining standards: local authorities should ensure that standards are maintained across the sector, using their powers to address fitness and disrepair issues; and
  - Increasing supply by supporting investment in new private rented provision. To this end the Montague Review was commissioned.

#### *The Montague Review of the barriers to institutional investment in private rented homes*

- 2.52 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).
- 2.53 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.
- 2.54 The Government responded to these recommendations from the review in the September Growth Package.

### A strategy for empty homes

- 2.55 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 priority for local authorities – there being a need for local empty homes strategies to be developed and supported. Resources to further aid empty homes work were announced as part of the September Growth Package (see above).

### Quality of housing experience and support

- 2.56 The Government has prioritised 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.’<sup>13</sup>*
- 2.57 The means through which assistance is available are:
- Disabled Facilities Grant allocations; and
  - Supporting People.
- 2.58 The **Care and Support Bill** follows the Law Commission’s review of care legislation, which concluded that current legislation is too complex. Together with the White Paper ‘*Caring for our future: reforming care and support*’, the Bill addresses this issue and attempts to simplify it. The Bill aims to:

<sup>13</sup> [www.communities.gov.uk/housing/olderpeople/](http://www.communities.gov.uk/housing/olderpeople/)

- Modernise law around people’s needs, promoting the wellbeing of the individual;
  - Clarify people’s entitlements, so they know what help they can receive and where to go to get it, so that they can make plans for their futures;
  - Support the needs of local communities through access to information and advice, promoting prevention and reducing dependency;
  - Simplify the system and give more flexibility to innovate and achieve better results; and
  - Consolidate existing legislation with a single statute, supported by new regulations and a single bank of good practice.<sup>14</sup>
- 2.59 In terms of **safeguarding vulnerable adults**, housing has a strong role to play alongside social services, health, the police and other agencies. The draft Care and Support Bill sets out a new safeguarding power, and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- 2.60 The Bill also includes various proposals to support integrated working, including a duty of cooperation and partnership between police, health and local authorities.
- 2.61 From the April 1<sup>st</sup> 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.

### Older people

- 2.62 In addition to Disabled Facilities Grants (“DFGs”) and Supporting People programmes the Government flags 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 to help private tenants and home owners advising on potential improvements and adaptations to their home;
  - Handypersons schemes;
  - FirstStop, free and independent national information and advice service; and
  - The Housing Learning and Improvement Network knowledge hub.
- 2.63 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:

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<sup>14</sup> Chartered Institute of Housing member briefing and request for feedback September 2012 Shaping Housing and Community Agendas



- 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.<sup>15</sup>

2.64 An additional £20million for DFGs was also announced.

2.65 In September 2012 the care services minister announced an extra £100 million to fund specialist housing for older people. The fund is designed to stimulate the market in specialised housing, and the additional £100million takes the capital grant fund total to £300million, which aims to provide up to 9,000 specialist new homes for older people to move into.

### Homelessness

2.66 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.'*<sup>16</sup>

2.67 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

<sup>15</sup> [www.communities.gov.uk](http://www.communities.gov.uk)

<sup>16</sup> 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.<sup>17</sup>

### Quality, sustainability and design

- 2.68 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)<sup>18</sup>. Tackling energy efficiency in existing stock remains the sector's biggest challenge, and therefore utilising the Green Deal is important.
- 2.69 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 cost 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.
- 2.70 The Act also introduces a new Energy Company Obligation (ECO), which integrates with the Green Deal to address energy efficiency improvements in the housing sector and help to address fuel poverty.

### Regional and sub-regional strategic policy context

- 2.71 The Government has largely dismantled the regional tier of Government. Regional Spatial Strategies have been revoked and no longer form part of the development plan. However even following revocation the evidence base associated with the RSS may still be relevant to plan preparation as some of the once regional priorities could remain relevant for Hartlepool today.
- 2.72 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 LEPs aimed at overseeing economic growth and job creation.
- 2.73 These public/private partnerships are now the focal point for economic growth and development. Tees Valley Unlimited is the LEP covering Hartlepool Borough, focussed on delivering jobs and economic growth across the Tees Valley. The LEP is doing this by tackling barriers to growth, developing key assets and further creating an environment that encourages economic growth and long-term prosperity. The LEP has adopted a Strategic Economic Plan (SEP), whereby local partners will:
- Drive the transition to a high value, low carbon economy; and

<sup>17</sup> CLG Making every contact count Aug 2012 page 4

<sup>18</sup> Chartered Institute of Housing The green agenda update 1<sup>st</sup> May 2012

- Create a more diversified and inclusive economy.
- 2.74 The LEP's focus is on increasing jobs, Gross Value Added (GVA) and number of enterprises, as well as raising the educational attainment of residents (increase the number of residents achieving NVQ Level 3 and 4).
- 2.75 The Council is currently in the process of developing a new five year Housing Strategy and has recently undertaken a comprehensive consultation exercise to this end. The new Strategy will also incorporate the Council's Homelessness and Empty Homes Strategies which both expire in 2015. This will enable the Council and its partners to monitor and manage its strategic functions through the delivery of a single Housing Strategy for Hartlepool. In September 2014 a series of workshops were held to enable stakeholders to give their views and help identify the current issues under the three priorities for the existing Housing Strategy 2011-2015:
- Delivering New Homes, Contributing to Sustainable Communities;
  - Improving Existing Homes, Contributing to Sustainable Communities; and
  - Meeting Specific Housing Needs.
- 2.76 The workshops aimed to identify what the Council has done well to date, areas where improvements can be made, and explore where the Council should be by 2020. The issues raised through the workshops formed the basis of a questionnaire, which was available from mid October 2014 to 10<sup>th</sup> January 2015, seeking the views of residents. The results from the three workshops and the on-line public consultation will be used to establish priorities for the new Strategy. The existing Housing Strategy runs from 2011 to 2015.
- 2.77 Hartlepool Council is currently preparing a Local Plan which will be consulted on during 2015 with proposed adoption during 2016. The findings of this SHMA will form the basis for the housing elements of the Plan.

## Concluding comments

- 2.78 The main purpose of this chapter has been to consider the general national policy and strategic context within which this research needs to be positioned. A new policy framework for housing and planning has emerged and the Council is reshaping both its strategic housing and planning policies locally as a result.
- 2.79 The economic downturn, reduced public expenditure, planning, social housing and welfare reform have had an impact in Hartlepool. It is important to understand fully how these changes have effected need and demand for housing locally, so that sound priorities to aid sustainable growth in Hartlepool can be developed within the Council's emerging Local Plan and Housing Strategy. Evidence from the research findings will help the Council to address demographic issues linked to household growth and an aging population. It will also enable more effective planning for affordable housing delivery, in particular by identifying those areas where affordable housing is most in need, and ascertaining the capacity of residents to access affordable home ownership solutions should these become available.

- 2.80 Whilst the importance of having robust and up-to-date information to help shape decision making at local authority level is evermore essential, this SHMA evidence base also enables the Council to engage in an informed way with the LEP and other partners sub-regionally and regionally to secure the best investment outcomes for Hartlepool.

## 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 and 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 NPPG defines a Housing Market Area as “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap”.<sup>19</sup>
- 3.3 NPPG comments that Housing Market Areas can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
  - Household migration and search patterns;
  - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.4 Former CLG guidance<sup>20</sup> suggested 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 live 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.
- 3.5 Hartlepool Borough is located within the Tees Valley in North East England. The resident population of Hartlepool Borough is 92,000<sup>21</sup>. The Borough is bounded to the North and West by County Durham and Stockton on Tees to the South. The main population centre is Hartlepool town which is surrounded by an arc of smaller villages.
- 3.6 In establishing the extent to which Hartlepool Borough is a Housing Market Area, house price, migration, travel to work and contextual data have been assembled. Additionally, reference is made to work carried out by the National Housing and Planning Advisory Unit in 2010 which defined Housing Market Areas as part of a national study.

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<sup>19</sup> National Planning Practice Guidance paragraph 10

<sup>20</sup> DCLG Identifying Sub-Regional Housing Market Areas Advice Note, 2007

<sup>21</sup> 2011 Census

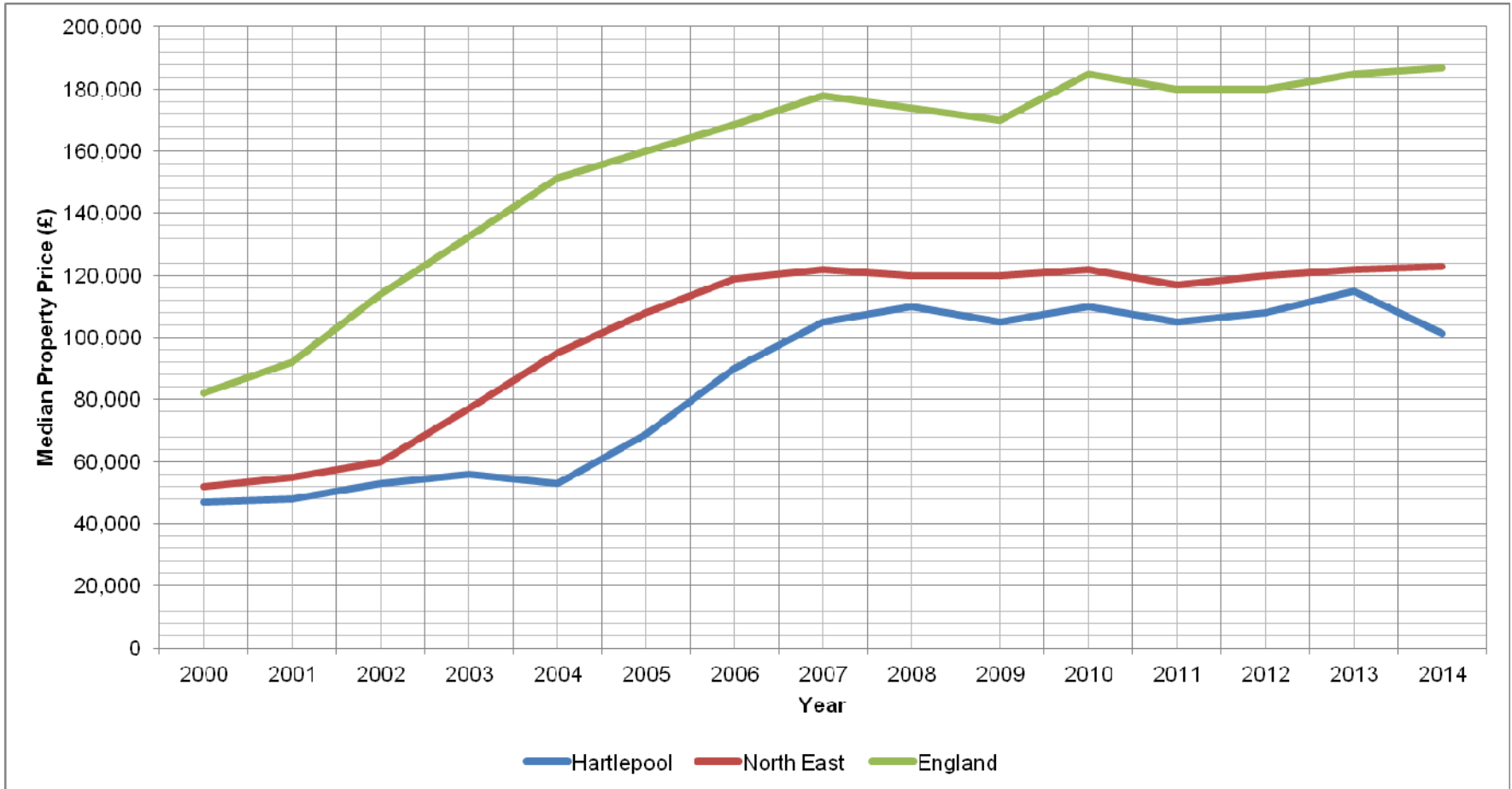
## House prices and rates of change in house prices

- 3.7 Figure 3.1 shows how house prices across the area have changed over the period 2000 to 2014.
- 3.8 Median prices in Hartlepool have been consistently lower than the median prices for the North East and England. Overall, prices have increased from £47,000 in 2000 to £101,250 in 2014, an increase of 115.4%. Prices peaked at £115,000 in 2013 but have since fallen during 2014.
- 3.9 During the period January 2013 to the end of June 2014, median prices across Hartlepool were £112,000 and lower quartile prices were just under £70,000. The distribution of lower quartile house prices during 2013-14 is illustrated in Map 3.1 and indicates relatively lower prices in Burn Valley and Victoria wards and relatively higher prices in Hart and Rural West wards.
- 3.10 Table 3.1 summarises lower quartile, median and upper quartile prices by sub-area during the period January 2013 to June 2014 based on Land Registry address-level data.

Ward	Price (£)		
	Lower Quartile (25%)	Median (5)	Upper Quartile (£)
Burn Valley	£36,000	£62,500	£130,000
De Bruce	£58,750	£79,750	£115,000
Fens and Rossmere	£90,000	£120,000	£140,000
Foggy Furze	£61,623	£91,000	£125,000
Hart	£124,000	£156,000	£200,445
Headland and Harbour	£52,750	£81,750	£101,000
Jesmond	£73,000	£96,750	£121,000
Manor House	£60,500	£72,250	£92,500
Rural West	£152,000	£202,500	£256,250
Seaton	£95,000	£125,000	£160,000
Victoria	£38,000	£57,000	£85,000
<b>Hartlepool</b>	<b>£69,984</b>	<b>£112,000</b>	<b>£154,995</b>

Source: Land Registry Price Paid Data 1 Jan 2013 to 30 Jun 2014

**Figure 3.1 Median house price trends 2000 to 2014: Hartlepool, North East and England**



Source: DCLG; Land Registry

## Relative affordability

- 3.11 The relative affordability of open market dwellings in Hartlepool Borough is compared with the other Local Authorities in the Region in Table 3.2 and Map 3.1. Table 3.2 presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices.
- 3.12 In terms of relative affordability, Hartlepool is one of the most affordable districts in the region, with a lower quartile house price to income ratio of 3.9, i.e. lower quartile house prices are 3.9x lower quartile gross earnings.

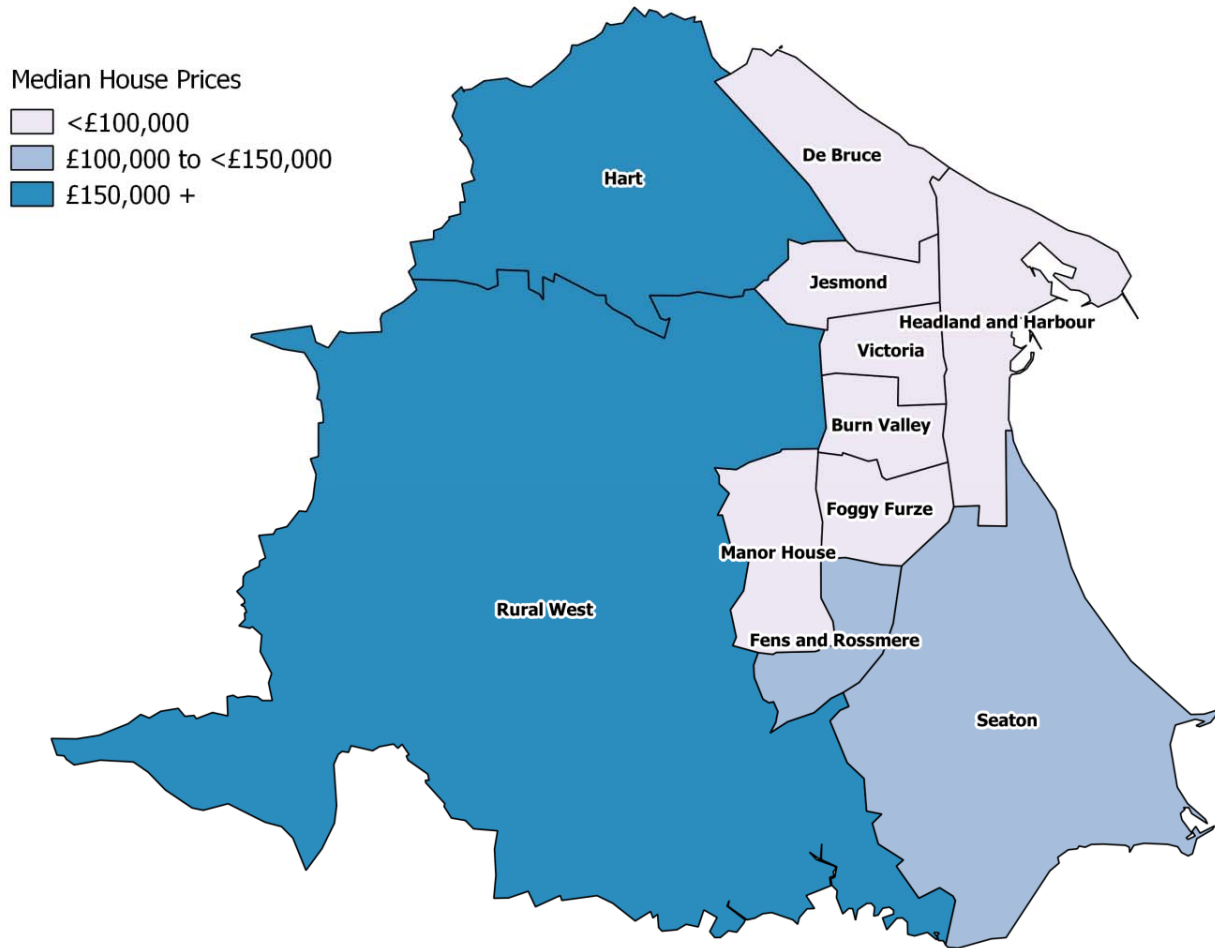
**Table 3.2 Relative affordability of lower quartile (LQ) prices by District (residence based)**

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
Newcastle upon Tyne	£99,950.00	£341.50	£17,758.00	5.6
North Tyneside	£97,500.00	£353.70	£18,392.40	5.3
Northumberland	£90,000.00	£339.00	£17,628.00	5.1
Gateshead	£90,000.00	£352.60	£18,335.20	4.9
Stockton-on-Tees	£95,000.00	£379.50	£19,734.00	4.8
Darlington	£85,000.00	£340.60	£17,711.20	4.8
Redcar and Cleveland	£85,750.00	£350.90	£18,246.80	4.7
South Tyneside	£82,000.00	£340.30	£17,695.60	4.6
North East	£82,500.00	£344.70	£17,924.40	4.6
Sunderland	£75,000.00	£334.50	£17,394.00	4.3
Middlesbrough	£66,000.00	£311.80	£16,213.60	4.1
<b>Hartlepool</b>	<b>£74,950.00</b>	<b>£369.30</b>	<b>£19,203.60</b>	<b>3.9</b>
County Durham	£66,000.00	£341.50	£17,758.00	3.7

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

- 3.13 Similarly, in terms of relative affordability based on median prices, Hartlepool Borough is one of the most affordable districts in the North East, with a median income to house price ratio of 4.7 as illustrated on Map 3.1.

**Map 3.1 Hartlepool median house prices 2013/14**



Source: Land Registry price paid data 1 Jan 2013 to 30 Jun 2014



## Household migration and search patterns

3.14 Data reported in the 2011 Census suggests that 80.2% of households who moved in the year preceding the Census originated from within Hartlepool Borough and on the basis of a 70% self-containment threshold Hartlepool can be described as self-contained. Table 3.3 summarises the origins of households based on 2011 census data. Of the 1,720 households moving into Hartlepool, 35% originated from County Durham and Stockton-on-Tees.

Origin of moving household	Number	%
Hartlepool	6945	80.2
Middlesbrough	122	1.4
Redcar and Cleveland	79	0.9
Stockton-on-Tees	246	2.8
Darlington	53	0.6
County Durham	354	4.1
Elsewhere NE	207	2.4
Yorkshire and the Humber	153	1.8
North West	110	1.3
Elsewhere UK	396	4.6
<b>Total</b>	<b>8665</b>	<b>100.0</b>

Source: 2011 census

3.15 Data from the household survey indicated that around 11,730 households had moved home in the preceding five years (and the origin data for 10,530 was reported). Of these households, 86.4% originated within Hartlepool Borough and 13.6% originated from outside the area as summarised in Table 3.4.

**Table 3.4 Summary of household moves in preceding 5 years**

Current place of residence	Origin									Total	Base
	Within Hartlepool	Outside - Darlington	Outside – Middlesbrough	Outside - Stockton on Tees	Outside - County Durham	Outside - Elsewhere North East	Outside - Y&H	Outside - Elsewhere UK	Outside - Outside UK		
Burn Valley	89.6	0.0	0.0	0.0	0.0	6.6	1.2	1.4	1.2	100.0	835
De Bruce	98.1	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.0	100.0	733
Fens and Rossmere	81.1	0.0	0.0	0.0	0.0	0.0	4.3	14.5	0.0	100.0	440
Foggy Furze	88.8	0.0	0.0	0.0	3.3	3.3	0.0	1.3	3.3	100.0	875
Hart	80.9	0.8	0.0	7.0	5.6	0.0	3.7	2.0	0.0	100.0	1089
Headland and Harbour	73.6	0.0	0.0	0.9	5.8	0.0	0.0	19.7	0.0	100.0	1330
Jesmond	92.4	2.3	0.0	0.0	5.3	0.0	0.0	0.0	0.0	100.0	1222
Manor House	98.9	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	100.0	1328
Rural West	69.1	1.3	0.0	7.6	9.7	2.5	3.8	4.2	1.7	100.0	524
Seaton	82.8	0.0	1.3	2.2	0.0	0.0	2.5	9.9	1.3	100.0	856
Victoria	86.1	0.0	0.0	9.9	0.0	0.0	0.0	4.0	0.0	100.0	1300
<b>Hartlepool Total</b>	<b>86.3</b>	<b>0.4</b>	<b>0.1</b>	<b>2.6</b>	<b>2.7</b>	<b>0.9</b>	<b>1.0</b>	<b>5.3</b>	<b>0.6</b>	<b>100.0</b>	<b>10532</b>

Source: 2014 household survey

3.16 Table 3.4 also summarises the origins of households moving to a property within Hartlepool by ward. This indicates that in seven wards at least 80% of households moved from within Hartlepool. The exceptions were Headland and Harbour where 26.4% of households moved from outside Hartlepool and Rural West where 30.9% moved from outside Hartlepool. It is worth noting that in-migrants into Headland and Harbour tended to have moved from elsewhere in the UK (that is outside the North East or Yorkshire and the Humber) and those moving into Rural West tended to originate from Stockton on Tees and County Durham.

### Characteristics of in-migrant households

3.17 The household survey identified around 1,435 households who had moved into Hartlepool Borough in the preceding five years. Information relating to in-migrant households includes:

- A majority (65%) moved into a house, particularly detached (25.9%) and semi-detached (18.5%) and terraced (20.6%); and a further 25.1% moved into a flat/apartment, 7.6% to a bungalow and 2.3% to other property types. Overall 22.9% moved into detached houses with four or more bedrooms and 19% into one bedroom flats;
- 43.2% moved into smaller properties with one or two bedrooms; 33% moved into properties with three bedrooms and 23.8% into properties with four or more bedrooms;
- 44.4% moved into owner occupied properties; 40.1% into private renting and 15.4% moved into affordable (social rented/intermediate tenure) dwellings;
- Overall, 24.4% of migrant households moved to Headland and Harbour, 14.5% into Hart, 12.6% into Victoria and 11.3% into Rural West wards;
- Couples (under 65) accounted for 33% of in-migrant households, 18.3% were singles under 65, 18.3% were couples with children, 10.8% were singles 65 and over, 9.1% were lone parents and 10.5% were other household types.
- 27.2% of in-migrant Household Reference People (Heads of Household) were aged 16-39, a further 40.9% were aged 40-59 and 31.9% were aged 60 or over;
- The majority of Heads of Household of in-migrant households were in employment (55.9%) with a further 29.1% retired, 12.1% permanently sick/disabled and 2.9% looking after the home;
- 41.6% of households had a weekly income of less than £300, 25.8% had an income of between £300 and £500 each week and 32.4% had an income of at least £500 each week;
- 39.6% of in-migrant Heads of Household in employment worked in Hartlepool Borough. The majority (60.4%) worked outside the Borough, with 18.6% working in Tyne and Wear, 18.1% elsewhere in Tees Valley, 14.3% in County Durham and 3% in Yorkshire and the Humber.

- The three main reasons for moving were to be closer to family/friends to give/receive support (25.8%), wanting a larger property (17.6%) and to be closer to family/friends for social reasons (13.5%).
- 3.18 In summary, 13.6% of households moving in the past five years originated from outside Hartlepool Borough. Of this number, 3.1% originated from elsewhere in Tees Valley, 2.7% from County Durham, 0.9% from elsewhere in the North East and 6.8% from elsewhere in the UK or from overseas. Most moved into the private housing sector, with around 44.4% moving into owner occupation and 40.1% into private renting. Moving to be closer to family/friends and for larger properties were key migration drivers. 68.1% of in-migrant households had a Household Reference Person aged under 65 and 31.9% were aged 65 and over; overall 55.9% were in employment and two-thirds had an income (of Household Reference Person and partner) of less than £500 each week.

### Residential mobility within Hartlepool Borough

- 3.19 The household survey identified that the vast majority (86.5%) of households moving within the preceding five years had moved within Hartlepool Borough (around 10,130 households).
- 3.20 Households moving within Hartlepool Borough were doing so for a variety of reasons. Those most frequently reported were wanting a larger property (16.7%), being forced to move (11.3%) and wanting own home/live independently (10.5%).
- 3.21 Table 3.5 reviews the tenure choices of households moving within Hartlepool Borough. Private renters, social renters and owner-occupiers are most likely to remain in the same tenure. 21.8% of private renters moved into Affordable (mainly Social Rented) accommodation and 26.9% of social renters moved into private rented accommodation. Respondents who had previously lived with family and friends (i.e. newly forming households) tended to move into all major tenures: owner occupation (34.8%), private renting (42.9%) and social renting (22.3%).

Current Tenure	Previous Tenure					Total
	Owned	Social/Affordable Rented	Private Rented	Previously living with family/friends	Other	
Owned	63.4	7.7	7.5	34.8	24.7	<b>25.6</b>
Social/Affordable	25.2	65.4	21.8	22.3	75.3	<b>32.0</b>
Private Rented	11.4	26.9	70.7	42.9	0.0	<b>42.4</b>
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
<i>Base</i>	2353	1804	3663	1063	81	8964

Source: 2014 Household Survey

- 3.22 Table 3.6 considers the profile of dwellings being moved into by households moving within Hartlepool Borough. Households are moving into a variety of

dwelling types and sizes, most notably to: two (40.4%) and three (33.5%) bedroom dwellings; semi-detached houses (23%), terraced houses (25.0%), bungalows (15.7%) and flats/apartments (25.2%).

No. Bedrooms	Property type (%)							Total
	Detached house	Semi-detached house\town house	Terraced house	Bungalow	Maisonette	Flat/ Apartment	Other	
One	0.0	0.3	0.0	3.4	1.3	12.1	0.2	<b>17.3</b>
Two	0.7	4.2	14.4	9.0	0.7	11.1	0.4	<b>40.4</b>
Three	4.5	16.0	10.1	3.0	0.0	0.0	0.0	<b>33.5</b>
Four	5.0	1.7	0.3	0.2	0.0	0.0	0.0	<b>7.2</b>
Five or more	0.4	0.9	0.2	0.0	0.0	0.0	0.0	<b>1.5</b>
<b>Total</b>	<b>10.6</b>	<b>23.0</b>	<b>25.0</b>	<b>15.7</b>	<b>2.0</b>	<b>23.2</b>	<b>0.5</b>	<b>100.0</b>
<i>Base (valid responses)</i>		9,046						

Source: 2014 Household Survey

### Households planning to move

- 3.23 Around 7,000 households plan to move in the next five years. Table 3.7 summarises the moving intentions of households based on the first preference they stated. Overall, 81% of households intend on remaining in Hartlepool Borough and 19% intend to move out.
- 3.24 Of the 19% of households planning to move out, 11.2% were planning to move to outside the North East, 3% to County Durham, 2.9% to elsewhere in Tees Valley and 2% elsewhere in the North East.
- 3.25 The main reasons why households plan to move out of the Hartlepool Borough area were to move to be closer to family/friends to give/receive support (16.8%), to move to a better neighbourhood/a more pleasant area (11.7%), need housing suitable for an older/disabled person (10.6%) and to be closer to family/friends for social reasons (10.2%).

**Table 3.7 First choice destination of households planning to move in next five years**

Destination	% stating as first preference
De Bruce	6.1
Jesmond	4.3
Headland & Harbour	10.5
Victoria	3.1
Burn Valley	5.3
Manor House	2.0
Foggy Furze	8.4
Fens & Rossmere	10.7
Seaton	9.1
Hart	12.7
Rural West	8.8
Middlesbrough District	0.3
Redcar and Cleveland	0.4
Stockton on Tees District	2.2
County Durham	3.0
Elsewhere in North East	2.0
Yorkshire and the Humber	1.7
Elsewhere in the UK	8.0
Outside the UK	1.4
Total	100.0
<b>Total within Hartlepool Borough</b>	<b>81.0</b>
<b>Total outside Hartlepool Borough</b>	<b>19.0</b>
<b>Total</b>	<b>100.0</b>
<i>Base (Valid responses)</i>	<i>7,045</i>

Source: 2014 Household Survey

## Travel to work trends

3.26 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Hartlepool Borough travel to other areas together with details of how many people commute into the Borough. The 2011 Census identified the travel to work patterns of 43,095 individuals and of these:

- 23,283 lived and worked in Hartlepool Borough (Including 2,506 who work at home);
- 8,379 commuted into Hartlepool Borough for work but lived outside the Borough; and
- 11,433 lived in Hartlepool Borough but commuted out of the Borough for work.

3.27 In addition, the 2011 Census also reports 390 residents working on offshore installations, 2,675 with no fixed place of work and 113 working outside the UK.

- 3.28 Using a base of 34,716 economically active residents in Hartlepool, 67.1% live and work in Hartlepool, a further 11.1% work in Stockton, 7.4% work elsewhere in Tees Valley, 6.5% work in County Durham, 4.1% work elsewhere in the North East and 3.8% work outside the North East. On this basis, Hartlepool is a largely self-contained Market Area but there are functional linkages with County Durham and the rest of Tees Valley.

### National Housing and Planning Advisory Unit (NHPAU) research

- 3.29 This work suggests that there are at two main 'layers' of housing markets: wider functional housing markets which tend to be multi-district; and smaller local housing market areas. Hartlepool is positioned within a wider functional 'Middlesbrough' market which includes Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton on Tees.

### Concluding comments

- 3.30 The purpose of this chapter has been to consider the general housing market context of Hartlepool Borough and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the market dynamics of Hartlepool Borough emerges.
- 3.31 The Department of Communities and Local Government (CLG) 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. An analysis of 2011 census migration data suggests that 80.2% of households move within Hartlepool Borough area and 67.1% of residents in employment work within the Borough.
- 3.32 Therefore, Hartlepool Borough can be described as a self-contained housing market on the basis of migration, and although it is largely self-contained in terms of workplace, it is part of a wider functional economic area including Tees Valley and County Durham. On the basis that over 70% of households moving within Hartlepool originated from within Hartlepool Borough, and over 70% of households planning to move intend to stay in the Borough, it is proposed that Hartlepool is considered to be a self-contained Market Area for the purposes of Local Plan policy making.

## 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 available data on household projections and household forecasts to establish an Objectively Assessed Housing Need for Hartlepool Borough using the following sources:
- 2011-based CLG household projections; and
  - Household forecasts prepared by Tees Valley Unlimited which includes a review of migration and employment.
- 4.5 In line with NPPG, the chapter considers market signals with reference indicators of price trends and delivery of housing. The chapter also provides a general context to future housing development by considering the scale of historic development and the future capacity for delivery based on evidence from the latest Strategic Housing Land Availability Assessment and a review of market signal evidence.



## Household forecasts

- 4.6 Future household forecasts have been prepared using the POPGROUP suite of software by Tees Valley Unlimited. POPGROUP uses Office for National Statistics population projections and then scenarios are generated based on past information and assumptions about the future in relation to births and fertility, deaths and mortality, migration, housing and the labour market (Table 4.1). The latest forecasts for Hartlepool, prepared in January 2015, are presented in Table 4.2.

Scenario Type	Scenario Name	Scenario Description
Official Projections	A. SNPP-2012 and CLG 2011	Based on 2012-based Sub-National Population Projections from the ONS for Hartlepool. This scenario is the official 'benchmark' scenario
	B. SNPP-2008 and CLG 2008	Based on 2008-based Sub-National Population Projections from the ONS for Hartlepool.
Alternative trend-based scenarios	C. Zero Net migration	Balanced Migration: Age/sex profiles retained but with In- and Out- flows set to same total
	D. Mig-10Y	Migration assumptions are based on the last 10 years of historical evidence (2003/04 to 2012/13).
Jobs-led scenarios	E. Jobs-led 1	Assumes 2,900 jobs created and most (70%) are absorbed by Hartlepool residents, 15% by new commuters and 15% by new residents.
	F. Jobs-led 2	Assumes 1,700 jobs created are all from new residents.

Source: Tees Valley Unlimited analysis using POPGROUP model

### Additional notes on the jobs-led scenarios

Scenario E. The 2,900 jobs is from the TVU Strategic Economic Plan (SEP) and covers the period 2012-2022. The TVU SEP calculation assumes most, not all, of the jobs are satisfied by higher economic activity (lower unemployment and higher employment), some from reversing Census Commuting flows and the remainder from new migrants into the Tees Valley. The same migration needed to boost the population to achieve those figures continues beyond 2022 to the end of the plan period.

Scenario F. The 1700 jobs are from the HBC Employment Land Review and cover the period 2016-2031. This scenario assumes that all of the jobs are satisfied by new in migrant workers.

- 4.7 In accordance with NPPG, the scenario alternatives are 'benchmarked' against the most recent (2012-based) official population projection from the ONS. The 2010-based official population projection is included for comparison. The scenario alternatives include trend forecasts, based on the latest demographic evidence, and a jobs-led scenario. Sensitivity testing has been conducted to examine the impact of varying the rates of household formation on dwelling

growth outcomes, using headship rates from both the 2011-based and the 2008-based CLG household models.

- 4.8 The latest forecasts for Hartlepool Borough, published in January 2015, are presented in Table 4.2. The baseline scenario based on 2012 Sub-national Population Projections results in an annual increase of 186 households and 194 dwellings. Alternative scenarios suggest a range of between 186 and 299 households and a corresponding range of between 167 and 311 dwellings.

Scenario	Annual Households	One person households	One family and no others	Couple & 1 or more adults	Lone parent & 1 or more adults
A. SNPP-2012 and CLG-2012	186	111	75	-29	30
B. SNPP-2008 and CLG 2008	271	220	141	-74	-15
C. Zero net total migration	161	102	65	-34	27
D. Mig 10Y	221	122	95	-27	31
E. Jobs-led 1 (2,900 jobs)	236	127	104	-26	32
F. Jobs-led 2 (1,700 jobs)	299	145	140	-21	35

Note : "Lone Parent and No others" are included in "One Family and no others"

Note: dwelling requirements assumes a 4% vacancy rate

Source: Tees Valley Unlimited modelling using POPGROUP software

## Market signals

- 4.9 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.
- 4.10 In line with NPPG, Table 4.3 considers a range of Housing Market Signals for Hartlepool Borough. 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.

<b>Table 4.3 Housing market signals</b>					
<b>Price/transaction indicators</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>
Lower Quartile House Prices	£73,000	£70,000	£72,000	£74,950	£61,300
Median House Prices	£110,000	£104,995	£108,000	£115,000	£101,250
Lower Quartile Rents (per calendar month)	£373	£377	£399	£399	#
Median Rents (per calendar month)	£446	£446	£455	£451	#
Relative affordability (LQ earnings to LQ house price)	4.2	3.8	3.8	3.9	#
No. Property sales	882	872	867	955	556
<b>Quantity indicators</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>
Total dwelling stock (at 1 April)	41,570	41,880	42,240	42,330	#
Total vacant dwellings (at October)	1,889	1,986	1,976	1,513	#
Total vacancy rate (at October)	4.5%	4.7%	4.7%	3.6%	#
Long-term vacancy rate (at October)	2.1%	1.9%	1.9%	1.8%	#
Overcrowding (2011 census)	2.7%				
Net additional dwelling stock	120	310	360	90	#
No. of households on the housing register (at 1st April)	2,385	2,824	2,180	2,563	#

Notes: # data not yet available

\*2014 house prices 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

Rent data: Zoopla

- 4.11 In terms of price/transaction indicators, a key message from Table 4.3 is that the market is relatively 'flat'. The number of property sales has varied between 867 and 955; lower quartile prices have been generally static at around £70,000 to £75,000 (but have fallen sharply in the first half of 2014); and median prices have remained between £101,000 and £115,000. Relative affordability has ranged between 3.8x and 4.2x earnings. Lower quartile private rents have tended to increase with median rents tending to remain around £450 each month.
- 4.12 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 3.6% which compares with 2.7% across England. Assuming an English average as a 'target' vacancy rate, it could be suggested there are currently around 368 surplus vacant dwellings across Hartlepool Borough. The current vacancy rate allows for a greater degree of household mobility within dwelling stock compared to the English average.
- 4.13 According to the 2011 Census, 2.7% 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 2,824 and 2,180 and stood at 2,563 in 2013.

- 4.14 In conclusion, a review of Market Signal data would suggest there are no particular issues which 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.

### Future capacity for housing delivery

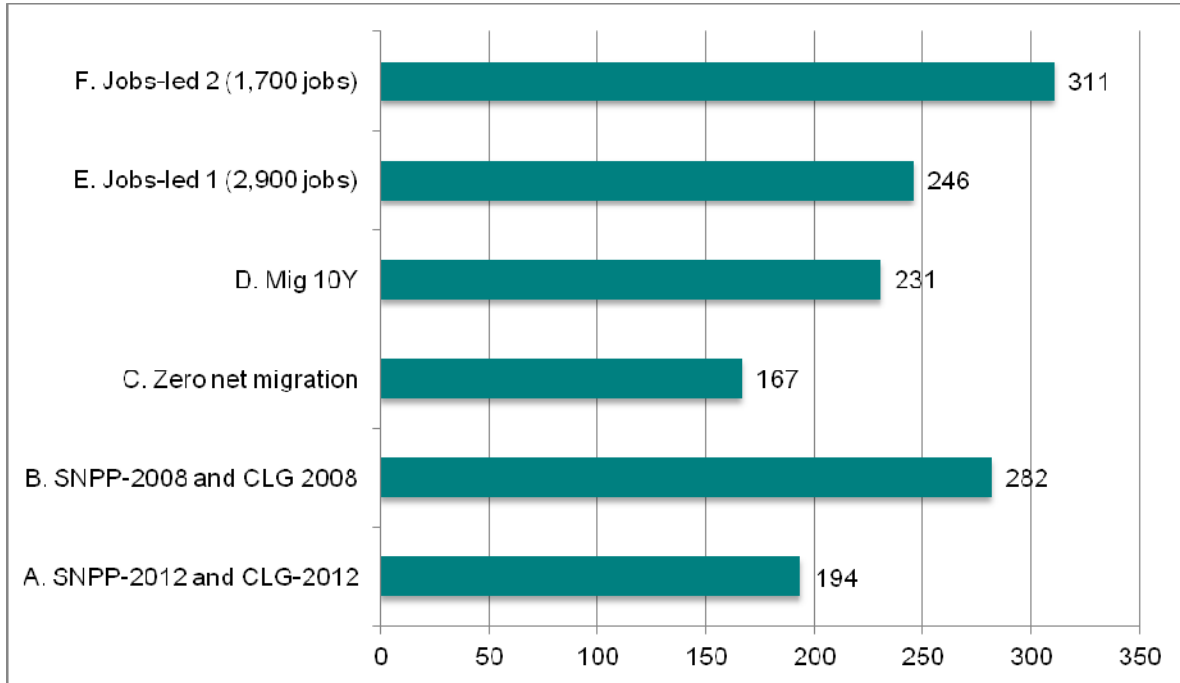
- 4.15 A Strategic Housing Land Availability Assessment (SHLAA) was endorsed by the Council in January 2015.

### Establishing an Objectively Assessed Need for Housing

- 4.16 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 Hartlepool Borough; 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.
- 4.17 In accordance with NPPG, the study has considered as a starting point the latest available (2012-based) ONS population projections to derive household forecasts; and reviewed the latest (2012-based) household and dwelling forecasts prepared using the POPGROUP model. Forecasts relating to jobs growth have been prepared. 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 will 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.
- 4.18 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 Hartlepool Borough is around 300-325 This takes into account:
- A baseline dwelling requirement based on 2012-based SNPP of 194 each year; and
  - A need to deliver new dwellings to support economic growth aspirations.
- 4.19 Market Signals are not indicating a 'pent up' demand for housing, with lower quartile house prices generally constant, coupled with a fluctuating number of households on the housing register and a vacancy rate in excess of the national rate of 2.7%.
- 4.20 In conclusion, the 300-325 target represents an ambitious and aspirational figure which addresses housing need and supports economic growth ambitions. This

compares with dwelling requirements of between 194 and 282 based on SNPP data; 231 based on ten year migration scenarios; and 246 to 311 based on jobs-led scenarios. The 300-325 target would therefore go beyond all the indicators/benchmarks and provides for an aspirational level of housing delivery across Hartlepool Borough.

**Figure 4.1 Summary of dwelling scenarios**



Source: Tees Valley Unlimited modelling using POPGROUP software

## 5. Hartlepool housing market review

### Introduction

- 5.1 The purpose of this chapter is to explore the housing market dynamics of Hartlepool focusing on: current stock profile and condition; tenure characteristics; housing need and affordable requirements; market demand and aspirations; overcrowding and under-occupancy; the needs of particular groups including older people, people with disabilities and Black, Asian and Minority Ethnic Groups.

### Estimates of current dwellings in terms of size, type, condition, tenure

- 5.2 This study assumes a total of 42,599 dwellings in Hartlepool Borough of which 1,968 are vacant, resulting in a total of 40,631 households living in dwellings (Table 5.1). The overall vacancy rate is around 4.6%. This compares with vacancy rates 2.7% across England<sup>22</sup>.

Sub-area	Total Dwellings	Total Households	Total Vacant	%vacant
Burn Valley	4107	3789	318	7.7
De Bruce	3524	3446	78	2.2
Fens and Rossmere	3985	3895	90	2.3
Foggy Furze	3766	3605	161	4.3
Hart	3616	3536	80	2.2
Headland and Harbour	3966	3731	235	5.9
Jesmond	3917	3737	180	4.6
Manor House	4613	4484	129	2.8
Rural West	2976	2894	82	2.8
Seaton	3723	3617	106	2.8
Victoria	4406	3897	509	11.6
<b>Total</b>	<b>42599</b>	<b>40631</b>	<b>1968</b>	<b>4.6</b>

Source: 2014 Council Tax

### Property size and type

- 5.3 Table 5.2 reviews the profile of occupied dwelling stock by size and type across Hartlepool. Overall, the vast majority (74.1%) of properties are houses, 12.1% are bungalows, 13.6% are flats/apartments and maisonettes and 0.9% are other types of property including park homes/caravans. Of all occupied properties,

<sup>22</sup> 2013 CLG Dwelling and Vacancy data

11.3% have one bedroom, 29.2% have two bedrooms, 43.6% have three bedrooms and 15.9% have four or more bedrooms. How property type varies by sub-area is illustrated in Figure 5.1 and variations in number of bedrooms by sub-area in Figure 5.2.

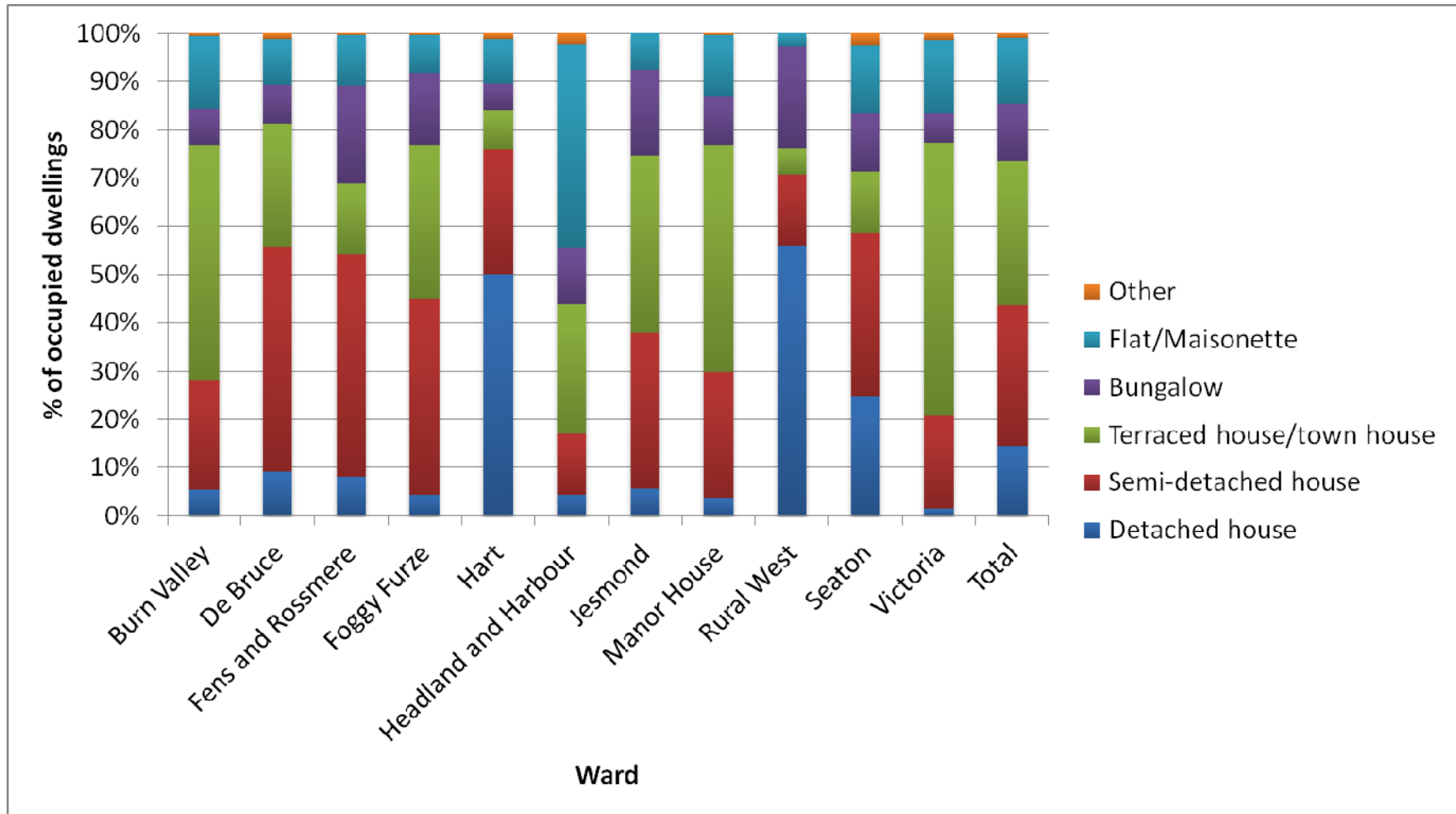
- 5.4 Notable sub-area variations include the relatively higher proportion of detached properties in Rural West and Hart; high proportions of terraced houses in Victoria and Burn Valley; and higher proportions of larger properties with four or more bedrooms in Rural West and Hart.

**Table 5.2 Property type and size of occupied dwellings across Hartlepool**

Property Type	No. Bedrooms (Table %)					Total	Base (Valid response)
	One	Two	Three	Four	Five or more		
Detached house	0.0	0.6	4.3	7.9	1.7	<b>14.5</b>	5843
Semi-detached house	0.1	5.5	19.9	2.9	0.7	<b>29.2</b>	11735
Terraced house / town house	0.0	10.5	16.9	1.7	0.7	<b>29.7</b>	11928
Bungalow	2.5	6.9	2.4	0.2	0.0	<b>12.1</b>	4860
Maisonette	0.8	0.2	0.0	0.0	0.0	<b>1.1</b>	440
Flat / apartment	7.3	5.0	0.1	0.1	0.0	<b>12.5</b>	5044
Other	0.5	0.4	0.0	0.0	0.0	<b>0.9</b>	367
<b>Total</b>	<b>11.3</b>	<b>29.2</b>	<b>43.6</b>	<b>12.8</b>	<b>3.1</b>	<b>100.0</b>	<b>40217</b>
<i>Base (Valid response)</i>	4530	11745	17543	5138	1261	40217	

Source: 2014 household survey

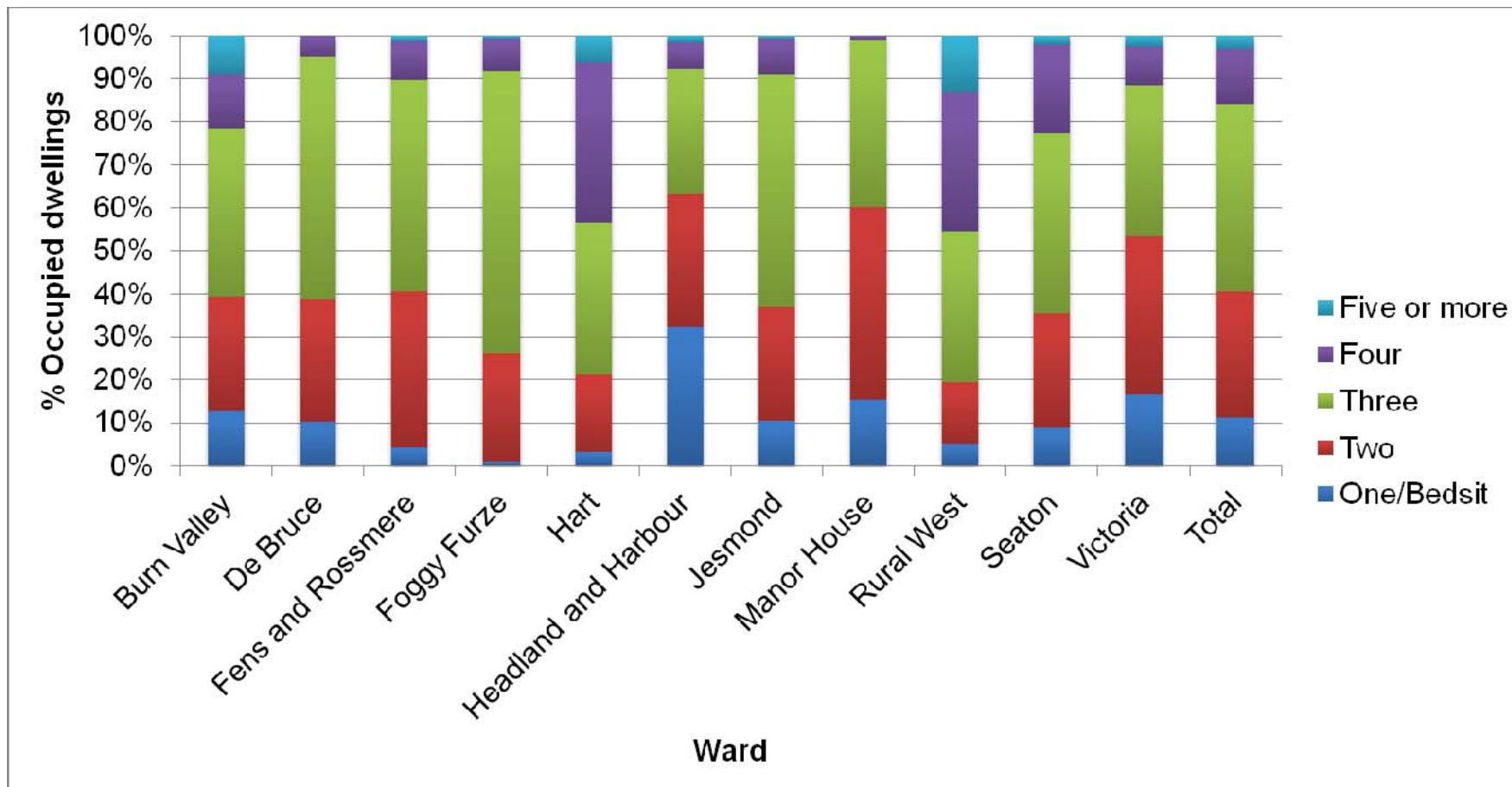
**Figure 5.1 Property type by sub-area**



Source: 2014 Household Survey



**Figure 5.2 Property size by sub-area**



Source: 2014 Household Survey

## Property condition

- 5.5 The 2014 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 79.6% of respondents expressed satisfaction (43.1% were very satisfied and 36.5% were satisfied); 11.0% were neither satisfied nor dissatisfied; a total of 9.4% expressed degrees of dissatisfaction, of whom 6.8% were dissatisfied and 2.6% were very dissatisfied. Table 5.3 explores how the level of dissatisfaction varied by dwelling tenure, age and type.
- 5.6 Data indicates that households in Burn Valley (20.1%) were more likely to express dissatisfaction. Levels of dissatisfaction were highest amongst private renters, at 22.3%.
- 5.7 In terms of property type and age, dissatisfaction was highest amongst respondents living in other property types (e.g. park homes) (19.7%) and terraced houses/town houses (17.3%) and amongst residents in properties built pre-1919 (18.7%).

**Table 5.3 Dissatisfaction with state of repair by sub-area, property tenure, age and type**

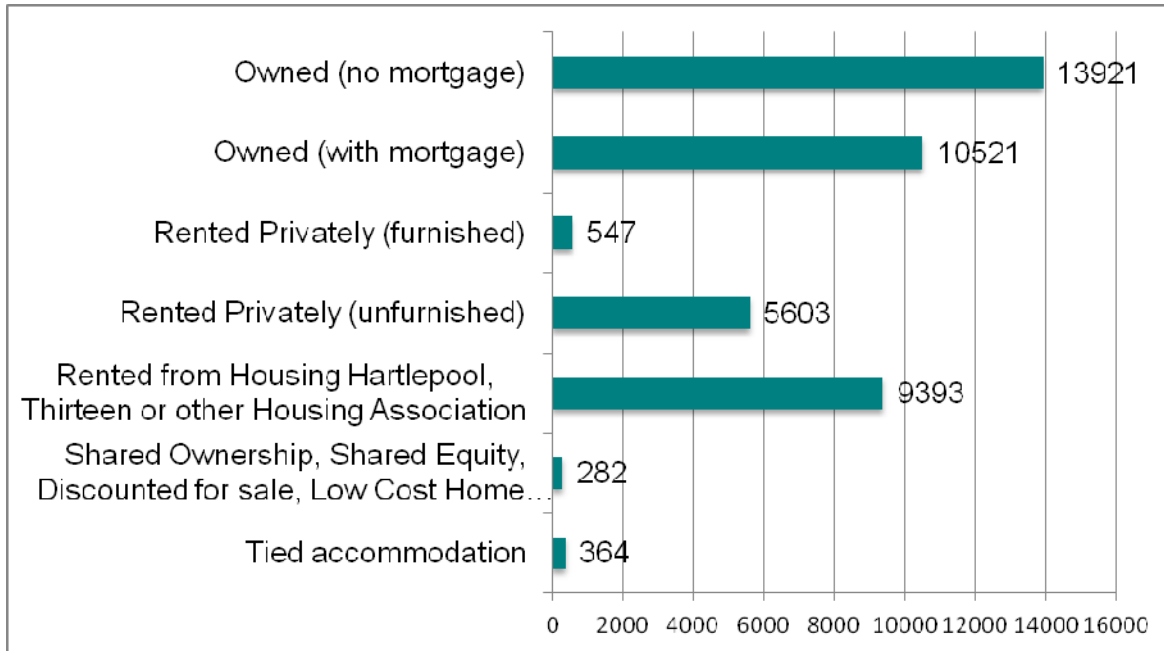
<b>Ward</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Base</b>
Burn Valley	763	20.1	3789
De Bruce	220	6.4	3446
Fens and Rossmere	179	4.6	3895
Foggy Furze	307	8.5	3605
Hart	123	3.5	3536
Headland and Harbour	347	9.3	3731
Jesmond	384	10.3	3737
Manor House	648	14.5	4484
Rural West	77	2.7	2894
Seaton	184	5.1	3617
Victoria	560	14.4	3897
<b>Tenure</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Base</b>
Owned (no mortgage)	630	4.5	13921
Owned (with mortgage)	900	8.6	10521
Rented Privately	1251	20.3	6150
Rented from Housing Hartlepool, Thirteen or other Housing Association	934	9.9	9393
Shared Ownership, Shared Equity, Discounted for sale, Low Cost Home Ownership	38	13.5	282
Tied accommodation	37	10.2	364
<b>Property Type</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Base</b>
Detached house	165	2.8	5843
Semi-detached house	491	4.2	11735
Terraced house / town house	2058	17.3	11928
Bungalow	447	9.2	4859
Maisonette	32	7.3	440
Flat / apartment	504	9.9	5077
Other	72	19.7	366
<b>Property Age</b>	<b>No. Dissatisfied</b>	<b>% Dissatisfied</b>	<b>Base</b>
Pre 1919	794	18.7	4254
1919-1944	534	9.3	5724
1945-1964	850	9.4	9037
1965-1984	435	5.1	8589
1985-2004	276	4.2	6608
2005 onwards	71	2.5	2854
<b>Total</b>	<b>3792</b>	<b>9.3</b>	<b>40631</b>

Source: 2014 household survey

### Property tenure

5.8 The tenure profile of the Hartlepool Borough area is summarised in Figure 5.3. Variations in broad tenure groups by sub-area are summarised in Figure 5.4. Overall, based on survey evidence, 60.2% of occupied dwellings are owner-occupied, 16.0 % are private rented (including tied accommodation), 23.1% are rented from a social housing provider and 0.7% are intermediate tenure dwellings.

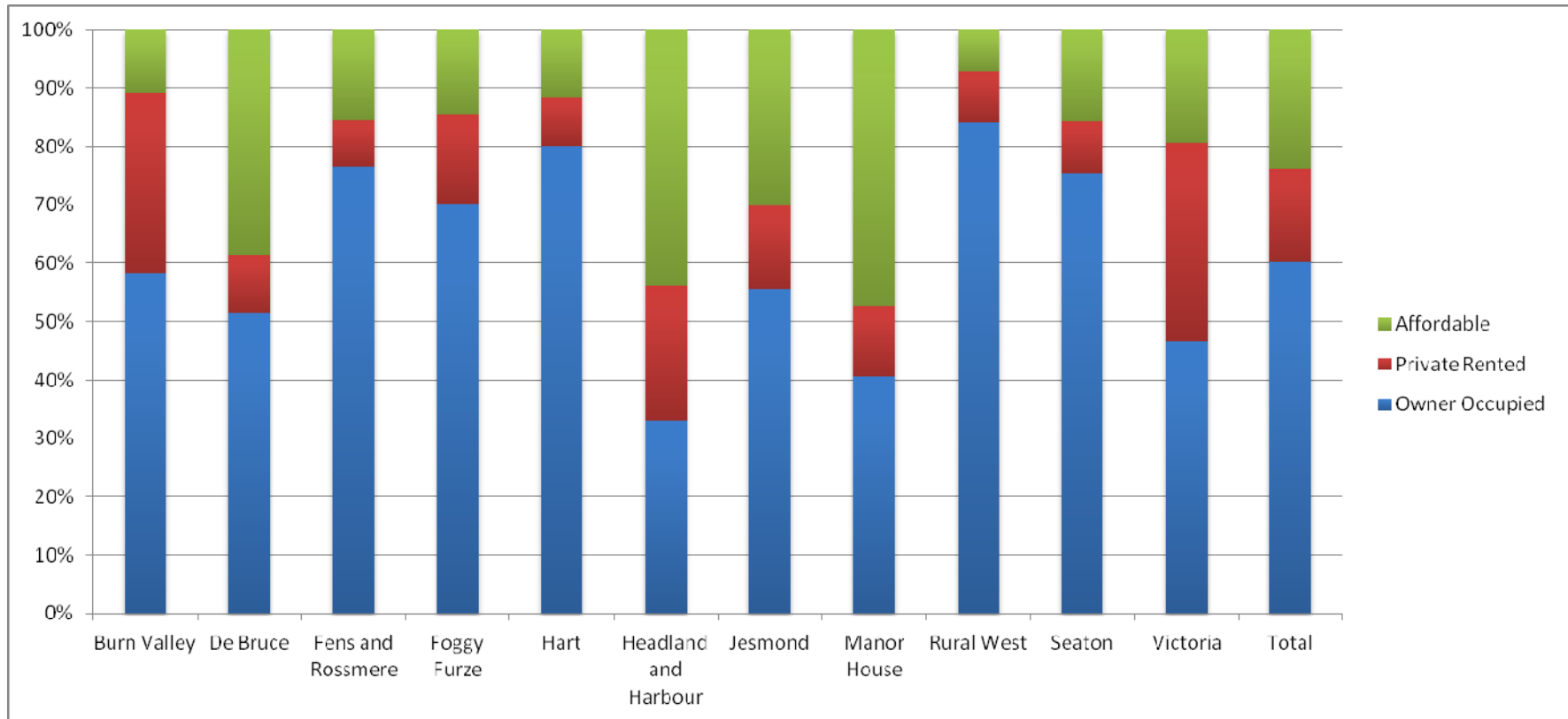
**Figure 5.3 Hartlepool Borough: tenure profile of occupied dwellings**



Source: 2014 Household Survey

5.9 Tenure profile varies across Hartlepool (Figure 5.4). The proportion of owner occupied dwellings is highest in Rural West (85%) and Hart (80%); private renting in Victoria ward (33.9%) and Burn Valley (30.7%); and social renting in Manor House (47.3%) and Headland and Harbour (43.8%).

**Figure 5.4 Hartlepool tenure profile by sub-area**



Source: 2014 Household Survey

## Tenure characteristics

### *Owner-occupied market*

- 5.10 60.0% (24,143) of households across Hartlepool are owner occupiers. 33.8% of all households (13,622) own outright and 26.1% of all households (10,521) have a mortgage.
- 5.11 The household survey provides the following information on owner occupied stock:
- Most owner-occupied properties are houses, with 35.8% semi-detached, 31.0% terraced and 21.0% detached; a further 9.4% are bungalows, 2.3% flats/maisonettes and 0.5% other property types;
  - 52.9% of properties have three bedrooms, 24.7% have four or more bedrooms, 21.4% have two bedrooms and 1% have one bedroom;
  - Around 12.7% of owner-occupied stock was built pre-1919, 40.2% was built between 1919 and 1964; 23.0% was built between 1965 and 1984 and 24.0% has been built since 1985;
  - 84.7% of owner-occupier households are satisfied or very satisfied with the quality of their accommodation, 9.9% are neither satisfied nor dissatisfied and 6.4% expressed degrees of dissatisfaction.
- 5.12 Over the period 2000 to 2014, lower quartile and median house prices across Hartlepool Borough have increased dramatically as summarised in Table 5.4.
- 5.13 It is interesting to note that in 2000, a household income of £7,571 was required for a lower quartile price to be affordable; by 2014 this had increased to £17,514. In comparison, an income of £13,429 was required for a median priced property to be affordable in 2000 compared with £28,929 in 2014.

Hartlepool	House Price (£)		Income to be affordable*	
	2000	2014	2000	2012
Lower Quartile	£26,500	£61,300	£7,571	£17,514
Median	£47,950	£101,250	£13,429	£28,929

Source: DCLG / Land Registry

\*Assuming a 3.5x income multiple

- 5.14 A range of socio-economic and demographic information on residents has been obtained from the household survey. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 26.7% of owner occupiers are couples with children, 29.1% are older (60 or over) singles and couples, 22.7% are couples (under 60 with no children), 13.6% are singles, 5.9% are lone parents and 1.9% are other household types;

- The majority of Household Reference People (Heads of Household) living in owner occupied dwellings are in employment (54.2%) and a further 35.3% are wholly retired from work. The proportion retired is considerably higher for outright owners (57.2%);
- Incomes amongst owner occupiers tend to be high, with 40.7% receiving at least £500 each week. That said, incomes amongst outright owners tend to be lower than for mortgaged owners, with 48.5% receiving less than £300 each week compared with 18.6% of mortgaged owners. This reflects the different age profile and economic status of outright owners;
- In terms of length of residency, 46.4% of owner occupiers have lived in the same property for 20 years or more (and the figure is 65.6% for outright owners).

### *Views of estate agents*

- 5.15 Views were sought about current market activity from a range of estate agents working across Hartlepool; these are now summarised.

### *Demand*

- 5.16 There was a general feeling that the sales market in Hartlepool has remained consistent over recent years, despite the economic instability. The main drivers for the stability can be categorised into two key areas:
- Investors seeking lower end terraced properties in need of general cosmetic renovation; and
  - Families seeking modern new build family homes.
- 5.17 It is considered that there has been a significant rise in countrywide investors wishing to capitalise on the stable house prices and high rental yields available in the area. Two and three-bedroom terraced properties with no parking or gardens are in highest demand amongst investors, whereas families are usually local to the area and are seeking modern new-build properties with gardens and parking.
- 5.18 80% of agents interviewed also highlighted that the elderly market presented a major gap. While elderly homeowners are often wishing to downsize and could sell their current property with relative ease, many are unable to find suitable accommodation and are therefore choosing not to sell. Others are selling and moving into rented accommodation. Despite high demand, there is little availability for suitable housing within the elderly market. Very few bungalows are available for purchase. Many elderly are instead seeking ground floor one-bedroom flats either for sale or rent.

### *Location*

- 5.19 Agents identified desirable locations including The Marina for workers and Bishops Cuthbert and Naisberry Park for first-time buyers and families. In the

latter areas, three-bedroom semi-detached properties with gardens and parking are in highest demand, with new-build properties on offer in Bishops Cuthbert.

### Values

- 5.20 New-build properties attract families who have been living in rented accommodation in the area and are looking for their first family home. Three-bedroom semi-detached properties in Bishops Cuthbert are valued at around £140,000-145,000 and are usually sold within eight weeks of coming onto the market.

### Private rented sector

- 5.21 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. 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 'The Modern Private Rented Sector'<sup>23</sup> 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;
- 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).

- 5.22 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 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.

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<sup>23</sup> 'The Modern Private Rented Sector' David Rhodes, 2006 University of York with CIH/JRF



- 5.23 The report 'The Private Rented Sector: its contribution and potential'<sup>24</sup> 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 PRS, 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;
  - 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.
- 5.24 The report concludes that the PRS 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;
  - Light-touch licensing and effective redress to encourage local authorities to target the very worst landlords and 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.
- 5.25 The private rented sector accommodates around 16.2% (6,514) of households across Hartlepool. Of these households, 5,603 rent unfurnished properties, 547 rent furnished accommodation and 364 rent with their job (tied accommodation). Table 5.5 summarises the number of private rented dwellings by sub-area and indicates that 20.3% of all private rented dwellings are in Victoria, 17.9% in Burn Valley and 13.3% in Headland and Harbour.

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<sup>24</sup> The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

- 5.26 Most private rented properties (64.9%) are houses (of which 37.0% are terraced, 19.2% are semi-detached and 8.7% are detached); a further 24.4% are flats, 9.1% are bungalows and 1.6% are other property types. 14.5% of privately rented properties have one bedroom, 42.2% have two bedrooms, 38.1% have three bedrooms and 5.1% have four or more bedrooms. Further analysis of private rented stock and household characteristics can be found at Appendix B.
- 5.27 The characteristics of tenants are diverse and in particular the private rented sector accommodates lone parents (16.7%), singles under 60 (31.9%), couples (no children) (17.9%) and couples with children (15.4%).
- 5.28 43.7% of private renting households have lived in their accommodation for less than two years. In terms of income, 63.3% of privately renting households receive less than £300 gross each week, 25.6% receive between £300 and £500 each week and 11.2% receive at least £500 each week, indicating that the private rented sector tends to accommodate lower income households. 51.1% of Household Reference People (Heads of Household) living in private rented accommodation are employed, 12.2% are unemployed, 11.7% are permanently sick/disabled, 8.3% are carers or looking after the home and 16.7% are wholly retired from work.

**Table 5.5 Profile of private rented sector in Hartlepool Borough**

Ward	Tenure						Total	
	Rented Privately (furnished)		Rented Privately (unfurnished)		Tied accommodation			
	Count	% of PRS	Count	% of PRS	Count	% of PRS	Count	% of PRS
Burn Valley	0	0.0	1152	17.7	12	0.2	<b>1164</b>	<b>17.9</b>
De Bruce	0	0.0	337	5.2	0	0.0	<b>337</b>	<b>5.2</b>
Fens and Rossmere	0	0.0	225	3.5	81	1.2	<b>306</b>	<b>4.7</b>
Foggy Furze	0	0.0	521	8.0	36	0.6	<b>557</b>	<b>8.5</b>
Hart	0	0.0	254	3.9	44	0.7	<b>298</b>	<b>4.6</b>
Headland and Harbour	174	2.7	607	9.3	85	1.3	<b>866</b>	<b>13.3</b>
Jesmond	51	0.8	484	7.4	0	0.0	<b>535</b>	<b>8.2</b>
Manor House	96	1.5	428	6.6	22	0.3	<b>546</b>	<b>8.4</b>
Rural West	0	0.0	192	2.9	63	1.0	<b>255</b>	<b>3.9</b>
Seaton	89	1.4	219	3.4	21	0.3	<b>329</b>	<b>5.0</b>
Victoria	137	2.1	1185	18.2	0	0.0	<b>1322</b>	<b>20.3</b>
<b>Total</b>	<b>547</b>	<b>8.4</b>	<b>5604</b>	<b>86.0</b>	<b>364</b>	<b>5.6</b>	<b>6515</b>	<b>100.0</b>

Source: 2014 Household Survey

### *Estate agent views on the private rented sector*

- 5.29 Estate agents commented on a shift in the last 3-5 years towards an increase in demand for rental properties within Hartlepool. A number of key drivers for the increased demand have been identified, including the presence of large companies within the area, most noticeably the power station and JDR Cables Plants. Many workers are moving into the area on a long-term contractual basis and thus providing a boost to the rental market. Agents also recognised that, due to economic instability over recent years, many homeowner households have turned to rental accommodation because they were either unable to keep up with mortgage repayments or in order to 'free up' their equity and boost savings.
- 5.30 A strong theme from all agents was the impact of a change in attitude towards rental properties. Any stigma that may have been associated with rental properties 3-5 years ago is no longer present and there is a younger generation of renters who are happy to stay in rented accommodation for a longer duration of time than previously. Whilst some households stay in rented accommodation whilst saving for deposits, many are now choosing to stay in the rental market indefinitely and simply seek a larger rental property. It is considered that renters are more discerning in the properties they select, turning down places with poor quality kitchens, living spaces or bathrooms. Expectations of the market are therefore higher.
- 5.31 Unfurnished properties are in most demand, with agents having little or no furnished properties available for rent. In many cases, tenants request that furniture be removed from furnished properties. This trend is linked to the length of time many are now staying in rental properties, with tenants preferring their own furniture and a sense of 'home'.
- 5.32 The most popular rental properties are two and three bedroom terraced houses, which only require a small amount of renovation work and present excellent yields. Whilst most investors are from the area, there are a growing number of investors from outside the area capitalising on the Hartlepool market. In addition, one agent noted a significant trend in homeowners retaining their properties when they move in order to take advantage of the booming rental market.

### *Stakeholder views on the private rented sector*

- 5.33 There was limited knowledge of the private rented sector in Hartlepool amongst stakeholders who were surveyed. Only one respondent identified the sector as being too large. Typical characteristics of the sector were identified as:
- Diverse with pockets of low demand housing;
  - Average to poor management both by landlords and agents;
  - Consisting of a lot of street housing and flats; and
  - Prices ranging from £250 to £700 per month.

- 5.34 Private rented properties were identified as being pepperpotted around the Town, but mainly in the central and Marina areas. The central area is characterised by street rented houses with very little outside space.
- 5.35 Demand is high for bungalows; it was also identified as being high for the Marina area. Demand is low for the Town Centre and Oxford Road areas and for street properties.
- 5.36 There was felt to be a role for the buy to let market locally, however, one respondent identified that at 17% of the market it is too big. Another respondent identified that the buy to let market is driven by low values and investors who anticipate a high rental yield without any understanding of the local market. There is a lot of churn within the sector as residents seek improved accommodation. Within this context, one respondent identified the sector as being 'residualised'.
- 5.37 Demand for homes in the private rented sector is being driven by low income households. Housing benefit changes and the 'bedroom tax' are driving increased demand for rented properties as households move from the social sector into the private rented sector, especially smaller and single person households. The impact of these changes was identified as being significant by respondents.
- 5.38 Stock condition was identified as a problem in the sector, investment levels are poor and the approach to investment in stock is decidedly short term.
- 5.39 In terms of key strategic messages about the sector to be identified in the SHMA, stakeholders identified the following:
- There needs to be improved quality and lower rental charges;
  - Longer-term lets and stability on streets and in local areas needs to be encouraged;
  - Any links with the private rented market across the rest of the Tees Valley need to be identified; and
  - The need for a healthy private rented sector, with application of minimum standards.

### Affordable sector

- 5.40 There are around 9,675 households who live in an affordable (social rented or shared ownership) property across Hartlepool, accounting for 23.8% of all occupied dwellings.
- 5.41 Houses account for 42.4% of occupied affordable dwelling stock, 35.4% are flats/apartments and maisonettes and 20.9% are bungalows. Affordable dwellings tend to have one (34.6%), two (40.2%) or three (23.8%) bedrooms, with a further 1.4% having four or more bedrooms.
- 5.42 30.2% are older singles and couples, a further 30.9% of households living in affordable dwellings are singles under 60, 6.9% are couples with children, 6.2% are lone parents, 9.2% are couples/lone parents with adult children, 12.2% are couples with no children and 4.4% are other household types.

- 5.43 18.0% of Household Reference People living in affordable housing are in employment. A further 34.4% are wholly retired from work, 27.9% are permanently sick/disabled, 10.1% are unemployed, 7.9% look after the home/are caring for someone and 1.5% are in full-time education/training.
- 5.44 Incomes are generally low, with 87.7% receiving an income of less than £300 gross each week and 60.6% receiving less than £200 gross each week.

### *Stakeholder views on affordable housing*

- 5.45 Decent homes standards were identified as having been met in the social sector. Respondents identified that they are developing Affordable Rented and home ownership housing options. Young couples and families and lower income households were identified as the main purchasers of affordable homes for sales.
- 5.46 Bungalows were identified as popular with tenants, whilst terraced properties were felt to be becoming less so, as other more attractive housing options become available within the Borough. The location of housing stock was also identified as a factor influencing demand.
- 5.47 Where antisocial behaviour is a problem respondents identified this as being linked to low demand areas and particular streets. That said, tenant satisfaction levels were identified as being generally high.
- 5.48 In terms of key messages for the SHMA in respect of affordable housing stakeholders identified the following:
- Identification of the proportion of private rented accommodation required within the Borough and what type i.e. bedroom size;
  - Some positive comments regarding the need for good design on all homes;
  - Identification of the linkages with affordable need elsewhere in Tees Valley; and
  - More accommodation for older people.

### *Executive housing*

- 5.49 Although it is difficult to define executive housing, distinctive features include:
- High property values linked to desirable locations, with high incomes/equity required to support the purchase; 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. Overall, in Hartlepool Borough, executive housing provision will have a role in response to the need for diversification and expansion of the sub-regional economy and in contributing towards achieving wider population and economic growth objectives for the Region.

- 5.51 Stakeholders highlighted a need for additional executive housing in Hartlepool, as identified in the Hartlepool and Tees Valley SHMA since 2007, and before that the Regional Housing Aspirations Study (2005). They noted the need to improve the housing offer in order to attract and retain economically active households.
- 5.52 The household survey can be used to explore the housing options being considered by higher income groups (with a weekly 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.
- 5.53 The household survey identifies 2,983 households with an income of at least £950 each week. Of these households, 702 are intending to move in the next five years. Of this group of high income households, a majority (60.3%) stated a first preference location within Hartlepool Borough (particularly the Rural West ward). A further 11% stated County Durham, 7% Stockton on Tees, 10.1% Yorkshire and the Humber, 1.1% elsewhere in the North East and 13.6% elsewhere.
- 5.54 In terms of dwelling preferences, likes and expectations are summarised in Table 5.6. This indicates strongest aspiration towards detached houses with four or more bedrooms; and this is broadly in line with what households expect to move to.

Table 5.6 High income household dwelling aspirations and expectations					
Like/Aspiration					
No. Beds	Property type (Table%)				Total
	Detached house	Semi-detached house	Flat/Apartment	Bungalow	
Two			1.1	3.3	4.4
Three	11.1	11.1			22.2
Four	47.3			5.4	52.7
Five or more	20.7				20.7
<b>Total</b>	<b>79.1</b>	<b>11.1</b>	<b>1.1</b>	<b>8.7</b>	<b>100.0</b>
Expectation					
No. Beds	Property type (Table%)				Total
	Detached house	Semi-detached house	Terraced house	Bungalow	
Two		7.8	1.1	3.3	12.2
Three	9.2	3.3			12.5
Four	41.4	11.7		5.4	58.6
Five or more	16.8				16.8
<b>Total</b>	<b>67.4</b>	<b>22.8</b>	<b>1.1</b>	<b>8.7</b>	<b>100.0</b>

Base: 702 households with an income of more than £950 planning to move in next 5 years  
Source: 2014 Household Survey

- 5.55 In terms of reasons for moving, most frequently mentioned are wanting a larger property/one that is better in some way (45%) and to move to a better

neighbourhood/more pleasant area (21.7%). Overall 60.4% stated their first choice location as Hartlepool, with a further 18% considering Stockton on Tees and County Durham, and 21.6% considering other locations. A challenge must be to provide more large houses to retain and also attract mid to upper income households. Rural West was mentioned by 30.3% of higher income households (half of those wanting to stay in Hartlepool) as their first choice destination.

## Suggested future development profile of market dwellings

5.56 The current stock of open market dwellings is summarised in Table 5.7. Table 5.8 then suggests an annual profile of dwellings to be built to reflect the current stock profile, household aspirations and expectations.

Dwelling type/size	Dwelling stock, likes and expectations		
	Current Private Stock %	Like %	Expect %
Detached house/cottage 1-2 Beds	0.4	3.7	0.6
Detached house/cottage 3 Beds	5.4	16.2	3.6
Detached house/cottage 4 or more Beds	12.6	25.7	15.1
Semi-detached house/cottage 1-2 Beds	5.2	3.0	4.3
Semi-detached house/cottage with 3 Beds	22.8	8.9	22.8
Semi-detached house/cottage 4 or more Beds	4.4	2.8	6.4
Terraced house/cottage 1-2 Beds	10.9	3.0	6.2
Terraced house/cottage 3 Beds	18.3	3.5	6.7
Terraced house/cottage 4+ Beds	3.1	0.5	1.8
Bungalow 1-2 Beds	5.9	11.4	10.2
Bungalow 3+ Beds	3.4	8.0	5.6
Flat/Apartment 1 Bed	3.3	5.9	7.9
Flat/Apartment 2 Beds	3.3	6.5	8.9
Flat/Apartment 3+ Beds	0.3	0.9	0.0
Other	0.8	0.0	0.0
Total	100.0	100.0	100.0
Base	30644	5499	4591

Source: 2014 Household Survey



**Table 5.8 Open market dwelling stock and preferences**

Dwelling type/size summary	% Profile of new dwelling stock based on:		
	Current stock	Like	Expect
House 1/2 Beds	16.5	9.7	11.1
House 3 Beds	46.5	28.6	33.1
House 4 or more Beds	20.1	29.0	23.2
Bungalow	9.3	19.4	15.8
Flat	6.9	13.3	16.9
Other	0.8	0.0	0.0
<b>Total</b>	100.0	100.0	100.0
Base	30644	5499	4591

Source: 2014 Household Survey

- 5.57 This analysis would suggest a particular focus on the delivery of three bedroom houses, semi-detached and detached houses with four or more bedrooms and bungalows.
- 5.58 Table 5.9 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 of households planning to move (using Borough-level data). Where cells are colour coded: a green spot indicates that the current proportion of dwelling stock is greater than the aspiration for that dwelling stock; a red spot indicates that the proportion of dwelling stock is lower than the aspiration. Therefore a red spot suggests there is a lack of that particular type of dwelling type and size in the ward.

**Table 5.9 Comparison between current dwelling stock and market aspirations****Dwelling stock relative to aspirations**

Dwelling type	Ward											
	Burn Valley	De Bruce	Fens and Rossmere	Foggy Furze	Hart	Headland and Harbour	Jesmond	Manor House	Rural West	Seaton	Victoria	Total
Detached house/cottage 1-3 Beds	● -18.6	● -8.5	● -17.4	● -17.2	● -6.8	● -17.0	● -14.3	● -18.9	● -2.8	● -13.4	● -18.8	● -14.1
Detached house/cottage 4 or more Beds	● -20.8	● -23.7	● -18.6	● -23.4	● 17.8	● -21.3	● -23.7	● -24.7	● 17.6	● -3.6	● -24.8	● -13.1
Semi-detached house/cottage 1-2 Beds	● -2.7	● 5.8	● 3.0	● 1.9	● 0.4	● 0.5	● 4.9	● 10.4	● -1.8	● 1.1	● 3.1	● 2.2
Semi-detached house/cottage with 3 Beds	● 5.3	● 33.5	● 32.8	● 23.9	● 10.6	● -0.2	● 14.3	● 8.8	● 1.2	● 18.6	● 2.2	● 13.8
Semi-detached house/cottage 4 or more Beds	● 7.9	● -0.1	● 2.0	● 2.3	● 1.5	● -0.8	● 2.1	● -1.8	● 0.7	● -1.0	● 2.0	● 1.6
Terraced house/cottage 1-2 Beds	● 17.6	● 5.1	● 4.7	● 4.1	● -2.0	● 3.0	● 2.3	● 25.6	● -2.0	● -0.8	● 28.2	● 7.9
Terraced house/cottage 3+ Beds	● 29.8	● 10.9	● 3.9	● 18.2	● 2.5	● 25.3	● 38.6	● 27.3	● -0.1	● 7.4	● 30.9	● 17.4
Bungalow	● -13.1	● -12.7	● 0.1	● -2.7	● -15.4	● -15.8	● -10.9	● -18.5	● -2.3	● -6.7	● -16.9	● -10.1
Flat	● -5.4	● -11.9	● -10.5	● -7.4	● -9.1	● 23.2	● -13.3	● -8.2	● -10.6	● -3.6	● -7.4	● -6.4

●	Insufficient dwellings available relative to aspiration
●	Sufficient dwellings available relative to aspiration

Source: 2014 Household Survey

## Past trends in housing delivery

5.59 Over the past four years 2009/10 to 2012/13, there has been an annual average completion of 241 dwellings (Table 5.10).

Year	Private	Affordable	Total
2009/10	185	122	<b>307</b>
2010/11	129	181	<b>310</b>
2011/12	136	90	<b>226</b>
2012/13	91	30	<b>121</b>
<b>4 year Average</b>	<b>135</b>	<b>106</b>	<b>241</b>

Source: DCLG House Building Statistics

## Key market drivers

5.60 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic, economic and dwelling stock characteristics, as summarised in Table 5.11.

Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing no. 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

5.61 In summary, the following demographic drivers will continue to underpin the operation of the Hartlepool BC housing market area:

- An increasing population, with ONS 2012-based population projections (Table 5.12) indicating an increase of 5.5% from 92,600 in 2014 to 97,400 by 2037;
- Over the period 2014 to 2037, the number of residents aged under 65 will fall 5% from 75,600 in 2014 to 71,800 in 2037. The number aged 65 will increase by 50.6% from 17,000 in 2014 to 25,600 in 2037;
- The 2014 household survey indicates that the following range of household groups currently live in Hartlepool: singles under 60 (20.7%); couples with children (13.1%); couples (under 60 with no children) (19.4%); couples with adult children (7.8%); singles aged 60 or over (12.4%), couples 60 or over

(14.5%); lone parents (4.3%); lone parents with adult children (5.0%) and other household types (2.9%); and

- Regional household projections suggest that the proportion of singles and other household types is likely to increase in the future.

**Table 5.12 Projected population change, 2014 to 2037**

Age Group	2014	2021	2037	Change 2014-37
0-14	16,700	17,500	16,400	-1.8
15-39	27,900	27,900	27,400	-1.8
40-64	31,000	30,000	28,000	-9.7
65+	17,000	19,300	25,600	50.6
<b>TOTAL</b>	92,600	94,700	97,400	5.2
% aged 65+	18.4	20.4	26.3	
% aged 75+	8.4	8.4	8.6	

Source: ONS 2012-based population projections

5.62 The following economic drivers underpin the operation of the Hartlepool Borough Housing Market Area:

- 45.5% of Household Reference People are economically active and are in employment according to the 2012 household survey; a further 32.1% are retired; 10.8% are permanently sick/disabled; 5.7% are either looking after the home or provide full-time care; 5.4% are unemployed and available for work; and 0.4% are in full-time education/training;
- 67.1% of residents in employment work in Hartlepool Borough. A further 11.1% work in Stockton, 7.4% work elsewhere in Tees Valley, 6.5% work in County Durham, 4.1% work elsewhere in the North East and 3.8% work outside the North East;
- According to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings, lower quartile earnings in 2013 across Hartlepool were £19,204 each year which compares with £17,924 for the North East region and £19,323 for England. Median incomes were £24,721, compared with a regional median of £24,560 and a national median of £27,076.
- There is considerable income polarisation across Hartlepool, with 51.2% of households receiving less than £300 each week, 21.7% receiving between £300 and £500 each week and 27.0% receiving at least £500 each week.

5.63 In terms of dwelling stock, the 2014 household survey reports that, across the Hartlepool Borough area:

- 73.3% of properties are houses, 12.1% are bungalows, 13.7% are flats/maisonettes, and 0.9% are other property types (e.g. caravans);
- 11.2% have one bedroom/studio, 29.3% have two bedrooms, 43.6% have three bedrooms and 15.9% have four or more bedrooms;

- 11.5% of properties were built before 1919, a further 15.4% were built between 1919 and 1944, 24.4% between 1945 and 1964, 23.2% between 1965 and 1984, 17.8% between 1985 and 2004 and 7.7% have been built since 2005;
  - 60.2% of properties are owner-occupied, 23.1% are rented from a social landlord, 16.0% are private rented/tied accommodation and 0.7% are intermediate tenure;
  - There is a particularly strong aspiration for houses.
- 5.64 Stakeholders felt that there were a number of drivers of housing market demand across Hartlepool Borough. Different areas of the Borough were felt to have different housing market drivers, including:
- Demographics, population and household growth and a growing and increasingly diverse older population;
  - Household formation (increasing number of smaller households);
  - Socio-economic factors e.g. low wage economy, changed economic profile;
  - Lower and single occupancy housing;
  - Aspiration for improved housing offer, poor quality of existing housing in some areas and lack of other types of housing; and
  - Migration patterns from people moving into and out of the area, and within it.
- 5.65 The following market weaknesses were identified by stakeholders:
- The quality of the housing market offer;
  - Fragile housing market areas;
  - Over availability of low value housing;
  - Executive homes to be linked with employment opportunities for senior executives;
  - Reliance on Wynyard's executive housing, which does not have supporting infrastructure;
  - Older persons' housing offer;
  - High density of new residential development and lack of open space within new developments;
  - Inability to sell mid-range new-build properties;
  - Introverted market, which is lacking in opportunity;
  - Lack of demand for private rented sector property in the centre of Town, which is poorly managed;
  - Investors who do not understand the local market continue to be attracted by low property values; and
  - The quality of design and lack of open space on new developments is poor (*'crammed'* developments with *'a sea of car parking'*) when compared to those available in neighbouring areas.

- 5.66 Stakeholders struggled to identify the characteristics of the current housing market in Hartlepool. Comments included:
- Low occupancy;
  - Demand for family housing with parking and safe play space; and
  - Demand for bungalows, for renting and owner occupation.
- 5.67 Stakeholders were asked to rank a range of priorities as high, medium or low. Their responses are summarised in Table 5.13.

	Low	Medium	High
Building homes to buy on the open market	6.7%	60.0%	33.3%
Building affordable homes to rent	0.0%	50.0%	50.0%
Building affordable homes to buy (shared ownership, shared equity)	21.4%	42.9%	35.7%
Building executive homes	13.3%	53.3%	33.3%
Building properties designed for older people	0.0%	42.9%	57.1%
Building properties designed for people with specialist needs	7.1%	50.0%	42.9%
Improving the quality of existing stock	7.1%	28.6%	64.3%

- 5.68 Overall respondents felt that building homes to buy on the open market was a medium to high priority (only one respondent identified it as a low priority). Building affordable homes to rent was also felt to be a medium to high priority (no respondents felt that this was a low priority). Building affordable home ownership housing was generally felt to be a medium to high priority overall, only three respondents felt that it was a low priority. The majority of respondents felt that building executive housing was a medium to high priority with only two respondents identifying it as a low priority.
- 5.69 Building properties designed for older people and those with specialist needs were both identified as medium to high priorities (only one respondent identified building properties designed for people with specialist needs as a low priority). Improving the condition of existing homes in the Borough was identified as a significantly high priority (64%), with almost 29% of respondents also identifying it as a medium priority; only one respondent identified it as a low priority.
- 5.70 Stakeholders were asked to identify what they perceived to be other priorities for Hartlepool Borough, these included:
- Ensuring that existing markets are not spoilt by excessive volumes of new build;
  - Providing homes and services for vulnerable groups;

- Providing of better designed homes to attract new residents and retain existing ones;
- Ensuring energy efficiency and on-site renewables to help reduce fuel bills;
- Building homes to meet a range of needs, for example bungalows for the elderly;
- Providing good quality affordable housing for rent;
- Developing of executive homes; and
- Ensuring a balance between developing new housing sites and regenerating 'redundant' housing areas.

## Current households in need

- 5.71 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Housing need can be defined as:
- 'The quantity of housing required for households who are unable to access suitable housing without financial assistance'.*
- 5.72 The 2014 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the Hartlepool Borough area. This is presented in detail at Appendix B of this report and follows CLG modelling guidance.
- 5.73 Across Hartlepool Borough there are 4,694 existing households in need which represents 11.6% of all households. Reasons for housing need are summarised in Table 5.14.

Table 5.14 Housing need in Hartlepool		
Category	Factor	Hartlepool Borough Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	298
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	747
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	751
	N4 Too difficult to maintain	1,074
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	418
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	1,366
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	181
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	309
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	875
<b>Total no. households in need (with one or more housing needs)</b>		<b>4,694</b>
Total Households		40,631
<b>% households in need</b>		<b>11.6%</b>

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

Source: 2014 Household Survey

5.74 Table 5.15 summarises overall housing need (before further analysis to test the extent to which households can afford open market provision to offset their need) by sub-area and the extent to which housing need varies across Hartlepool. The proportion of households in need is highest in Victoria (22.6%) and lowest in Rural West (5.4%).



Sub-area	No. H'holds in need	% H'holds in need	Total no. households
Burn Valley	406	10.7	3789
De Bruce	491	14.2	3446
Fens and Rossmere	359	9.2	3895
Foggy Furze	248	6.9	3605
Hart	206	5.8	3536
Headland and Harbour	472	12.7	3731
Jesmond	643	17.2	3737
Manor House	493	11.0	4484
Rural West	157	5.4	2894
Seaton	339	9.4	3617
Victoria	879	22.6	3897
<b>Total (all households in need)</b>	<b>4693</b>	<b>11.6</b>	<b>40631</b>

Source: 2014 household survey

5.75 Tables 6.16 and 6.17 demonstrate how the proportion of households in housing need varies by tenure and household type for Hartlepool. Private renters (particularly of unfurnished properties), those in tied accommodation, and social renters are more likely to be in housing need; along with lone parents with three or more children, other households and singles (under 65). The research identifies around 5,200 households with adult children living with parent(s), which provides a broad indication of the scale of hidden housing need.

Tenure	No. H'holds in need	% H'holds in need	Total no. households
Owned (no mortgage)	1205	8.7	13921
Owned (with mortgage)	817	7.8	10521
Rented Privately (furnished)	89	16.3	547
Rented Privately (unfurnished)	1345	24.0	5603
Rented from Housing Hartlepool, Thirteen or other Housing Association	1174	12.5	9393
Shared Ownership, Shared Equity, Discounted for sale, Low Cost Home Ownership	0	0.0	282
Tied accommodation	64	17.6	364
<b>Total (All households in need)</b>	<b>4693</b>	<b>11.6</b>	<b>40631</b>

Source: 2014 Household Survey

<b>Household Type</b>	<b>No. H'holds in need</b>	<b>% H'holds in need</b>	<b>Total no. households</b>
Single Adult (under 65)	1313	15.6	8393
Single Adult (65 or over)	417	8.3	5033
Couple only (both under 65)	915	11.6	7897
Couple only (one or both over 65)	556	9.4	5892
Couple with 1 or 2 child(ren) under 18	452	10.1	4463
Couple with 3 or more children under 18	59	6.8	872
Couple with child(ren) aged 18+	247	7.8	3152
Lone parent with 1 or 2 child(ren) under 18	135	9.5	1414
Lone parent with 3 or more children under 18	139	44.4	313
Lone parent with child(ren) aged 18+	250	12.4	2015
Other type of household	211	18.1	1163
<b>Total (All households in need)</b>	<b>4693</b>	<b>11.6</b>	<b>40609</b>

Source: 2014 Household Survey

## Affordable housing requirements

- 5.76 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;
  - The supply of affordable housing through social renting and intermediate tenure stock.
- 5.77 The needs assessment model advocated by the CLG has been used and detailed analysis of each stage of the model is presented at Appendix B.
- 5.78 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by ward, 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 imbalance of 144 affordable dwellings each year across Hartlepool Borough as shown in Table 5.18.
- 5.79 Analysis is based on the next five years and in the absence of any updated information this should be extrapolated forward to cover the plan period of 15 years 2016 to 2031.

**Table 5.18 Net annual affordable housing imbalance by ward, property size and designation 2014/15 to 2018/19**

Ward	General Needs		Older Person	Total
	1/2 Bed	3+ Bed	1/2 Bed	
Burn Valley	48	12	8	<b>67</b>
De Bruce	-35	-12	8	<b>-38</b>
Fens and Rossmere	20	7	8	<b>35</b>
Foggy Furze	17	0	5	<b>23</b>
Hart	5	32	-6	<b>31</b>
Headland and Harbour	-30	-13	5	<b>-38</b>
Jesmond	66	-9	1	<b>58</b>
Manor House	-77	-5	5	<b>-77</b>
Rural West	1	-1	27	<b>27</b>
Seaton	-2	31	3	<b>32</b>
Victoria	21	2	2	<b>25</b>
<b>Total</b>	<b>34</b>	<b>44</b>	<b>66</b>	<b>144</b>

Sources: 2014 Household Survey; RP CORE Lettings and Sales

### Tenure split

- 5.80 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.
- 5.81 Table 5.19 indicates that existing households in need mainly considered social/affordable renting as a preferred tenure option but newly-forming households had a stronger preference for intermediate tenure options.

**Table 5.19 Tenure preferences of existing households in need and newly-forming households requiring affordable housing**

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Social/Affordable Rented	86.0	59.0	70.4
Intermediate	14.0	41.0	29.6
<b>Total</b>	100	100	100
<i>Base (annual requirement)</i>	310	421	731

Source: 2014 household survey

- 5.82 Overall, analysis would suggest a tenure split of 70.4% affordable rent and 29.6% intermediate tenure based on household preferences.

## Property type preferences

5.83 Analysis of property type preferences (Table 5.20) suggests that a range of dwellings are required, with 51.9% preferring houses, 32.5% flats/apartments and 15.6% bungalows.

Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	35.1	64.2	51.9
Flat	30.1	34.3	32.5
Bungalow	34.8	1.5	15.6
Total	100.0	100.0	100.0
<i>Base</i>	<i>310</i>	<i>421</i>	<i>731</i>

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

Source: 2014 household survey

## Comparison with previous studies

5.84 Table 5.21 compares the housing needs analysis results from previous studies with the 2015 SHMA. This suggests that although the scale of annual shortfall has increased from 89 to 144, it remains lower than that reported in the 2007 SHMA. Table 5.21 also shows that the scale of total backlog (existing) need has grown considerably over the period 2007 to 2012; but newly-arising need has reduced; and the total supply of affordable housing has fluctuated at between 523 and 692 each year. The degree of variation over the three SHMAs clearly indicates a need to carefully monitor housing need factors and in particular the annual supply of affordable dwellings.

Needs analysis	Year		
	2007	2012	2015
Total backlog need	715	1125	1549
Quota to reduce	20%	20%	20%
Annual backlog reduction	143	225	310
Newly-arising need	793	386	421
Total annual affordable need	936	611	731
Annual social rented supply	692	523	587
<b>Net annual shortfall</b>	<b>244</b>	<b>89</b>	<b>144</b>

## Estimates of household groups who have particular housing requirements

### Introduction

5.85 There are a range of household groups who have particular housing requirements and this chapter focuses on the needs of families, older people and people requiring specialist support.

### Families

5.86 Families (that is couples and lone parents with children) account for around 17.4% of households across Hartlepool Borough. A further 12.7% are couples and lone parents with adult children (aged 18 or over) living with them. The current dwelling profile and market aspirations of families are summarised in Table 5.22. This suggests a strong aspiration for houses with four or more bedrooms from families, but they are expecting to move to houses with three bedrooms.

Dwelling type	Current dwelling	Like	Expect
House 1/2 Beds	17.1	2.7	8.6
House 3 Beds	51.2	37.7	46.4
House 4 or more Beds	25.4	48.4	38.6
Bungalow	3.6	8.4	6.4
Flat	2.3	2.9	0.0
Other	0.4	0.0	0.0
Total	100	100	100
<i>Base</i>	<i>12229</i>	<i>2129</i>	<i>1853</i>

5.87 In terms of housing need (Table 5.17), compared with the overall proportion of households in need of 11.6%, 44.4% of lone parents with three or more children were in housing need but couples with one or two children were less likely to be in housing need (10.1%). Modelling of affordable housing requirements suggests that a range of affordable dwellings are required which will help to address the needs of families.

### Older people

5.88 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Hartlepool Borough area aged 65 or over is projected to increase slightly from 16,200 in 2012 to 17,000 by 2037 (4.9% increase).

5.89 The majority of older people (63%) want to stay in their own homes with help and support when needed. Around one quarter would consider renting from a housing association or renting sheltered accommodation and around one-fifth would consider extra care housing. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

<b>Housing option</b>	<b>% would consider</b>
Continue to live in current home with support when needed	63%
Buying a property on the open market	17%
Rent a property from a private landlord	7%
Rent from HA	25%
Sheltered accommodation - To Rent	27%
Sheltered accommodation - To Buy	9%
Sheltered accommodation - Part Rent/Buy	6%
Extra care housing - To Rent	21%
Extra care housing - To Buy	7%
Extra care housing - Part Rent/Buy	4%
Residential care home	3%
Co-housing	9%
<i>Base (total households responding)</i>	<i>22061</i>

5.90 The range of assistance required from older person households is explored in Table 5.24. Particularly noted is the need for help with gardening (42.6% stated this help is needed either now or in the next five years), repair/maintenance (36.5% stated this help is needed either now or in the next five years) and help with cleaning (30.5%).

5.91 In terms of adaptations (Table 5.25), most frequently mentioned were bathroom adaptations (18.1%), internal handrails (10.6%) and better heating (9.9%). Resources for aids and adaptations remain tight, particularly for households in the private sector. Alternative sources of funding, such as equity loans, should be considered to finance remedial measures required by older person households.

### General support requirements

5.92 The 2014 Household Survey provided evidence of the need for particular adaptations across all households. Particularly noted are double glazing, better heating, bathroom adaptations and more insulation (Table 5.25).

5.93 Overall, 10.2% of all properties across Hartlepool Borough had been adapted or purpose built for a person with a long-term illness, health problem or disability. 9.2% of households said they required care or support to enable them to stay in their current home. 61.8% of households stated that there was sufficient space

for a carer to stay overnight if this was needed – across the affordable (social) rented sector this fell to 40.4%.

**Table 5.24 Type of assistance required either now or in next 5 years by age group**

Assistance required	Age group (% of households)		
	Younger	Older	Total
Help with repair and maintenance of home	25.1	36.5	28.1
Help with gardening	14.9	42.6	22.2
Help with cleaning home	12.5	30.5	17.2
Help with other practical tasks	10.2	26.8	14.5
Help with personal care	8.5	15.4	10.3
Want company / friendship	6.2	8.6	6.9
<i>Base</i>	29956	10675	40631

Source: 2014 Household Survey

**Table 5.25 Adaptations required either now or in next 5 years by age group**

Adaptation required	Age group (% of households)		
	Younger	Older	Total
Double glazing	15.9	9.7	14.3
Better heating	14.9	9.9	13.6
Adaptations to Bathroom	9.3	18.1	11.6
More insulation	12.5	5.1	10.5
Security alarm	9.9	5.0	8.6
Internal handrails	6.1	10.6	7.3
Increase the size of property	9.0	1.4	7.0
Downstairs WC	5.4	7.5	5.9
Stair lift / vertical lift	4.6	9.1	5.8
Adaptations to kitchen	6.0	4.6	5.7
External handrails	4.8	7.4	5.5
Community alarm service	3.4	5.2	3.8
Improvements to access	2.6	3.1	2.8
Wheelchair adaptations	2.2	2.8	2.4
Lever door handles	2.1	1.8	2.1
Room for a carer	1.4	1.7	1.5
<i>Base</i>	29956	10675	40631

Source: 2014 Household Survey

5.94 The household survey also provides information on the need for other forms of assistance, highlighting the particular need for help with repair and maintenance of the home (Table 5.24) across all households.

## Specialist support requirements

- 5.95 The Supporting People team has a particular responsibility to ensure that there is adequate accommodation and support provision for a range of specialist client requirements e.g. domestic violence, HIV/Aids, Offending/Ex-Offending and Teenage Pregnancy.
- 5.96 Table 5.26 summarises the type of client groups accommodated in social rented housing across Hartlepool area over the three year period 2010/11 to 2012/13. Data indicates that a range of groups are accommodated in RP specialist provision, most notably older people with support needs and women at risk of domestic violence.

**Table 5.26 Client groups accommodated in social rented sector in Hartlepool Borough 2010/1 to 2012/13**

Client group	Number
People with physical or sensory disabilities	1
People with learning disabilities	14
People with mental health problems	2
Offenders and people at risk of offending	40
Women at risk of domestic violence	153
Older people with support needs	838
Single homeless people with support needs	78
Young people leaving care	24
Young people at risk	76
<b>Total</b>	<b>1251</b>

Source: Supported CORE lettings data

### *Stakeholder views on specialist housing provision*

- 5.97 Affordability was seen as the biggest barrier to delivery of new specialist housing provision. A shortfall in adapted properties was also identified by respondents. Issues linked to the costs associated with adapting properties was felt by one respondent to be an issue, adaptations are tailored to the needs of each individual client and are therefore costly when moves occur.
- 5.98 Over the past three years there has been an increase in demand for services from older people. To meet the requirements of older people respondents felt that the following should be built:
- Bungalows;
  - Level-access properties;
  - A mixture of provision; and
  - Ground floor apartments or apartments with lift access and bungalows of varying sizes.
- 5.99 One respondent identified that housing to meet the needs of others with specialist requirements should *'be of a high quality, easy to navigate, feel safe*



*and have good outside space. Being located in sustainable areas with well-established communities.'*

5.100 In terms of key messages for the SHMA, respondents said that the level of need for specialist housing needs to be identified (proportionally), and that there needs to be recognition within the SHMA that levels of need can change.

### Homeless households

5.101 Homelessness statistics for 2012/13<sup>25</sup> indicate that a total of 17 decisions were made on households declaring themselves as homeless across Hartlepool Borough (Table 5.27). Of these households, nine were classified as homeless and in priority need. Over the three years 2010/11 to 2012/13, an annual average of 24 decisions has been made across Hartlepool Borough and an average of 14 households each year has been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2010/11	29	15
2011/12	27	19
2012/13	17	9
<b>Total</b>	<b>73</b>	<b>43</b>
<b>Annual Average</b>	<b>24</b>	<b>14</b>

Source: CLG Homelessness Statistics

### Households previously homeless

5.102 The household survey identified 926 households who had been previously homeless or living in temporary accommodation and had moved to their present accommodation in the past five years.

5.103 Table 5.28 presents a range of information relating to the characteristics of previously homeless households and the dwelling choices that they have made. 67.7% of households previously homeless have moved into social/affordable rented accommodation and 32.3% have moved into the private sector. They have moved into predominantly one and two bedroom dwellings, with 41.9% moving to bedsits and one bedroom dwellings and 45.4% moving into two bedroom dwellings. The incomes of previously homeless households are generally low with 45.1% receiving less than £200 each week and 28.4% receiving between £200 and £300 each week. 39.1% are singles under 65, 27.6% are lone parents and 23.9% are couples with children.

<sup>25</sup> CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by sub-area](#)

<b>Table 5.28 Characteristics of households previously homeless</b>			
<b>Household Type</b>	<b>%</b>	<b>Property Type</b>	<b>%</b>
Single Adult (under 65)	39.1	House	44.2
Single Adult (65 or over)	2.8	Flat	55.8
Couple only (both under 65)	23.9	Bungalow	0.0
Lone parent with 1 or 2 child(ren) under 18	27.6		
Other type of household	6.6		
Total	100.0	Total	100.0
<b>Current tenure</b>	<b>%</b>	<b>Origin</b>	<b>%</b>
Owner Occupied	12.7	Within Hartlepool Borough	67.2
Private Rented	19.6	From outside Hartlepool Borough	32.8
Social/Affordable Rented	67.7		
Total	100	Total	100.0
<b>Current income (Gross weekly)</b>	<b>%</b>	<b>Property size</b>	<b>%</b>
Under £200	45.1	0/1 Bed	41.9
£200 to <£300	28.4	2 Beds	45.4
£300+	26.5	3 or more Beds	12.7
Total	100		100.0

Base: 307 households previously homeless

Source: 2014 Household Survey

### Black, Asian and Minority Ethnic households

5.104 The 2014 household survey indicates that 98.5% of Household Reference People describe themselves as 'White British' and 1.5% describe themselves as having other ethnicities. Of these, 0.8% are other white, 0.5% Asian/Asian British, 0.1% have a mixed ethnicity and 0.1% are other groups.

5.105 The two most ethnically diverse wards are Victoria (5.6% of Household Reference People have an ethnicity other than White British) and Burn Valley (3%).

5.106 Information on BAME households based on the 2014 household survey includes:

- 37.9% live in Victoria and 19.4% in Burn Valley wards;
- 35.5% are owner occupiers, 29.4% rent privately and 35.1% live in affordable housing (social rented or intermediate tenures);
- 40.8% had a gross income of less than £200 each week, 25.9% received between £200 and £300 each week and 33.4% received more than £300 each week;
- 101 BAME households were in some form of housing need (17.5%); with households containing people with mobility impairments or other special needs and households sharing facilities being key needs factors;

- 18.6% were dissatisfied with the state of repair of their homes.

5.107 The 2011 census identified 40 people with Gypsy and Traveller ethnicity living in 12 households. The July 2014 CLG caravan count identified no caravans in Hartlepool Borough. A Gypsy and Traveller Accommodation Assessment has been carried out by the Council and was endorsed in December 2014 which gives the most up to date position in relation to Gypsy and Travellers and Travelling Showpeople.

## 6. Conclusion: policy and strategic issues

- 6.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the new National Planning Policy Framework which came into effect in March 2012 and National Planning Practice Guidance February 2014.
- 6.2 The SHMA 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 by sub-area by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across Hartlepool Borough.
- 6.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Hartlepool Borough with other areas; and relates findings to key local strategic issues.

### The Housing Market Area

- 6.4 An analysis of 2011 Census migration data suggests that 80.2% of moving households originated from within Hartlepool Borough and 67.1% of employees live and work within the Borough. Former Government guidance suggested that housing markets are self-contained if at least 70% of moves take place within the area.
- 6.5 Therefore, Hartlepool Borough can be described as a self-contained housing market on the basis of migration, and although it is largely self-contained in terms of workplace, it is part of the a wider functional economic area including Tees Valley and County Durham.
- 6.6 On the basis that over 70% of households moving within Hartlepool originated from within Hartlepool Borough, and over 70% of households planning to move intend to stay in the Borough, it is proposed that Hartlepool is considered to be a self-contained market area for the purposes of Local Plan policy making.

### Establishing an 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 Hartlepool Borough is around 300-325. This takes into account:

- A baseline dwelling requirement based on 2012-based SNPP of 194 each year; and
- A need to deliver new dwellings to support economic growth aspirations.

6.9 Housing Market Signals are not indicating a 'pent up' demand for housing, with lower quartile house prices generally constant, coupled with a fluctuating number of households on the Housing Register and a vacancy rate in excess of the national rate of 2.7%.

6.10 In conclusion, the 300-325 target represents an ambitious and aspirational figure which addresses housing need and supports economic growth ambitions. It is also assumed that the target addresses any backlog in need as it uses a baseline household figure based on the current demographic situation in Hartlepool Borough.

## The current housing market

6.11 This study provides up to date information on the housing stock in the Council area and how the stock profile varies by market area is presented in data tabulations accompanying this report.

6.12 Across Hartlepool Borough there are a total of 42,599 dwellings and a total of 40,631 occupied dwellings<sup>26</sup>. Overall, the 2014 household survey shows that:

- 73.3% of properties are houses, 12.1% are bungalows, 13.7% are flats/maisonettes, and 0.9% are other property types (e.g. caravans);
- 11.2% have one bedroom/studio, 29.3% have two bedrooms, 43.6% have three bedrooms and 15.9% have four or more bedrooms;
- 11.5% of properties were built before 1919, a further 15.4% were built between 1919 and 1944, 24.4% between 1945 and 1964, 23.2% between 1965 and 1984, 17.8% between 1985 and 2004 and 7.7% have been built since 2005; and
- 60.2% of properties are owner-occupied, 23.1% are rented from a social landlord, 16.0% are private rented/tied accommodation and 0.7% are intermediate tenure;

## Housing markets and mobility

6.13 A range of material has been gathered to help identify market drivers and the characteristics of the Hartlepool Housing Market Area and linkages with other areas.

6.14 An analysis of household mobility using survey data suggests that of households moving in the past five years, 86.5% originated in Hartlepool Borough and 13.5% moved into the Borough. 3.1% originated from elsewhere

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<sup>26</sup> 2014 Council Tax data

in Tees Valley, 2.7% from County Durham, 0.9% from elsewhere in the North East and 6.8% from elsewhere in the UK or from overseas. Most moved into the private housing sector, with around 44.4% moving into owner occupation and 40.1% into private renting. Moving to be closer to family/friends and for larger properties were key migration drivers. 68.1% of in-migrant households had a Household Reference Person aged under 65 and 31.9% were aged 65 and over; overall 55.9% were in employment and two-thirds had an income (of Household Reference Person and partner) of less than £500 each week.

## Future housing market

- 6.15 Data relating to future housing numbers and the Objectively Assessed Need for Housing has been explored in detail in this research.
- 6.16 The population of Hartlepool Borough is estimated to be 92,600 in 2014<sup>27</sup> and this is projected to increase by 5.5% to 97,400 by 2037<sup>28</sup>. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 50.6% from 17,000 in 2014 to 25,600 in 2037.

## Housing need and demand

### Delivering new housing

- 6.17 Of households moving in the open market, most would like to move to a house (67.3%), 19.4% would like to move to a bungalow and 13.3% to a flat. This compares with 67.3% who expect to move to a house, 15.18% to a bungalow and 16.9% a flat. A much higher proportion would like to move to a detached house (45.6%) but only 19.2% expect to. In contrast, higher proportions expect to move to a semi-detached house (33.5%) than would prefer to (14.7%). Future development should focus on delivering to address identified mismatches and reflect household aspirations.
- 6.18 In terms of affordable housing, an annual net imbalance of 144 affordable dwellings has been calculated (gross requirement of 587).
- 6.19 A tenure split of 70.4% affordable (social) rented and 29.6% intermediate tenure is suggested.
- 6.20 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue development to satisfy household aspirations, in particular the development of detached and semi-detached houses and a range of property sizes to offset identified market imbalances;
  - Developing an increasing range of housing and support products for older people;

<sup>27</sup> ONS 2012-based population projections

<sup>28</sup> ONS 2012-based population projections

- 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; and
- The economic viability of delivering affordable housing on sites across Hartlepool Borough.

### Improving the quality of existing stock

- 6.21 Strategic challenges include reducing the level of vacant dwellings and improving the quality of existing dwellings through better energy efficiency and modernisation.

### Vacant stock

- 6.22 There are an estimated 1,968 unoccupied properties across Hartlepool Borough and these are mainly in the private sector. 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.
- 6.23 The Council should continue to consider identifying the reasons why properties are empty and identify mechanisms for bringing them back into use. Mechanisms could include:
- 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

- 6.24 Although the vast majority of households (79.6%) are satisfied with the condition of their dwellings, 9.4% of households were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest amongst private renters, terraced houses and properties built pre-1919.
- 6.25 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 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

- 6.26 A key challenge for the Council 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. Particularly noted is the need for help with gardening, repair/maintenance and cleaning; and bathroom adaptations, better heating and internal hand/grab rails.

- 6.27 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 and the development of Extra Care accommodation and co-housing.

## NPPF requirements

- 6.28 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 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.

- 6.29 The material in this SHMA provides an evidence base to inform strategic decision making.

- 6.30 The SHMA has:

- Considered the Objectively Assessed Need for housing using the latest available evidence;
- evidenced the scale of Affordable 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;
- reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

## 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 Hartlepool Borough.



- 6.32 This research has reflected upon the housing market attributes of Hartlepool Borough and interactions with other areas, notably Stockton on Tees and County Durham. 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 older people and vulnerable groups.

## Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Housing need
- Technical Appendix C: Monitoring and updating

## Technical Appendix A: Research Methodology

### Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Strategic Housing Market Assessment for Hartlepool Borough Council:
- A sample survey of households across the Hartlepool Borough Council area. A total of 19,063 households were contacted and 2,087 questionnaires were returned and used in data analysis. This represents an 11% response rate overall and total number of questionnaires returned was well in excess of the 1,500 specified in former Government guidance;
  - Interviews with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords (RSLs), Estate Agents, Lettings Agents, Developers, Supporting People representatives;
  - A review of relevant secondary data including the 2011 Census, house price trends, CORE lettings data and CLG Statistics; and
  - The preparation of household and dwelling forecasts for the Borough. Household survey data is available down to postcode level. In the SHMA report, data are presented for Hartlepool District and constituent wards.

### Baseline dwelling stock information and survey sample errors

- A.2 Table A1 summarises total dwelling stock and the number of households contacted by survey area, achieved response rates and sample errors.

**Table A1** Households surveyed, response rates and sample errors

Ward	Total Dwellings	Total Households	Total contacted	Achieved Response	Response Rate (%)	Sample error +/-
Burn Valley	4107	3789	1,733	164	9.5	7.49%
De Bruce	3524	3446	1,733	175	10.1	7.22%
Fens and Rossmere	3985	3895	1,733	216	12.5	6.48%
Foggy Furze	3766	3605	1,733	174	10.0	7.25%
Hart	3616	3536	1,733	184	10.6	7.03%
Headland and Harbour	3966	3731	1,733	196	11.3	6.81%
Jesmond	3917	3737	1,733	160	9.2	7.58%
Manor House	4613	4484	1,733	139	8.0	8.18%
Rural West	2976	2894	1,733	279	16.1	5.58%
Seaton	3723	3617	1,733	221	12.8	6.39%
Victoria	4406	3897	1,733	179	10.3	7.15%
<b>Total</b>	<b>42599</b>	<b>40631</b>	<b>19,063</b>	<b>2087</b>	<b>11.0</b>	<b>2.09%</b>

Source: Council Tax Data; 2011 Census

1. Where 'sample' is indicated in the column this means that a random sample of households were selected for that area and issued with a survey.
2. Sample error is based on the 95% confidence interval which is the industry standard to establish result accuracy.

### Weighting and grossing

- A.3 In order to proceed with data analysis, it is critical that survey data is weighted to take into account non-response bias and grossed up to reflect the total number of households. Weighting for each survey area was based on:
- **tenure** (the proportion of affordable (social rented and intermediate tenure) and open market dwellings based on 2011 census data;
  - **age of household reference person** based on the proportions of household reference people aged under 65 and 65 or over living in affordable and open market provision derived from the 2011 Census.
- A.4 Ultimately, the survey element of the assessment is sufficiently statistically robust to undertake detailed analysis and underpin core outputs of the study down to the survey areas presented in Table A1. Furthermore, the survey findings are enhanced and corroborated through analysis of secondary data and stakeholder consultation.

### List of stakeholders interviewed as part of the SHMA process

- A.5 An online survey and telephone/face to face interviews were carried out with a range of stakeholders drawn from:
- Local Authority Planning , Housing and Economic Regeneration Officers;

- Housing Associations/ALMOs;
- Estate Agents / Lettings Agents;
- Developers; and
- Supporting People representatives.

## Technical Appendix B: Housing need calculations

### Summary of contents

#### **Stage 1: Current housing need (gross backlog)**

- Step 1.1 Homeless households and those in temporary accommodation
- Step 1.2 Overcrowding and concealed households
- Step 1.3 Other groups
- Step 1.4 Total current housing need (gross)

#### **Stage 2: Future housing need (gross annual estimate)**

- Step 2.1 New household formation (gross per year)
- Step 2.2 Proportion of new households unable to buy or rent in the market
- Step 2.3 Existing households falling in to need
- Step 2.4 Total newly-arising housing need (gross per year)

#### **Stage 3: Affordable housing supply**

- Step 3.1 Affordable dwellings occupied by households in need
- Step 3.2 Surplus stock
- Step 3.3 Committed supply of new affordable housing
- Step 3.4 Units to be taken out of management
- Step 3.5 Total affordable housing stock available
- Step 3.6 Total supply of social re-lets (net)
- Step 3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels
- Step 3.8 Annual supply of affordable housing

#### **Stage 4: Estimate of annual housing need**

- Step 4.1 Total backlog need
- Step 4.2 Quota to reduce over 5 years (2)
- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual social rented capacity
- Step 4.7 Net Annual Shortfall

## Introduction

- B.1 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. The 2014 Household Survey and secondary data provide a robust range of information to quantify housing need in Hartlepool Borough and the extent to which additional affordable housing is required.
- B.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at Borough and ward. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
  - Stage 2: Future housing need
  - Stage 3: Affordable housing supply
  - Stage 4: Estimate of annual housing need
- B.3 Table B1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Hartlepool Borough. Please note that in Stage 1, Step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need. Table B2 summarises the data by ward.

<b>Table B1 CLG Needs Assessment Summary for Hartlepool Borough</b>			
<b>Step</b>	<b>Stage and Step description</b>	<b>Calculation</b>	<b>Hartlepool Total</b>
<b>Stage 1: CURRENT NEED</b>			
1.1	Homeless households and those in temporary accommodation	Annual requirement	<b>296</b>
1.2	Overcrowding and concealed households	Current need	<b>751</b>
1.3	Other groups	Current need	<b>3623</b>
1.4	Total current housing need (gross)	Total no. of households with one or more needs	<b>4693</b>
<b>1.4A</b>	<b>TOTAL cannot afford open market (buying or renting)</b>	<b>Total</b>	<b>2723</b>
<b>Stage 2: FUTURE NEED</b>			
2.1	New household formation (Gross per year)	1.74% of total households	<b>707</b>
2.2	Number of new households requiring affordable housing	53.5% cannot afford overall	<b>53.4%</b>
2.2	Number of new households requiring affordable housing	Number cannot afford	<b>377</b>
2.3	Existing households falling into need	Annual requirement	<b>44</b>
<b>2.4</b>	<b>TOTAL newly-arising housing need (gross each year)</b>	<b>2.2 + 2.3</b>	<b>421</b>
<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>			
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	<b>1174</b>
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	<b>0</b>
3.3	Committed supply of new affordable units	Annual	<b>SEE COMMENT BELOW</b>
3.4	Units to be taken out of management	None assumed	<b>0</b>
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	<b>1174</b>
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	<b>578</b>
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	<b>9</b>
3.8	<b>Annual supply of affordable housing</b>	<b>3.6+3.7</b>	<b>587</b>
<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>			
4.1	Total backlog need	1.4A-3.5	<b>1549</b>
4.2	Quota to reduce over 1 year		<b>20%</b>
4.3	Annual backlog reduction	Annual requirement	<b>310</b>
4.4	Newly-arising need	2.4	<b>421</b>
4.5	Total annual affordable need	4.3+4.4	<b>731</b>
4.6	Annual social rented capacity	3.8	<b>587</b>
4.7	<b>NET ANNUAL SHORTFALL (4.5-4.6)</b>	<b>NET</b>	<b>144</b>

Source 2014 Household Survey; RP Core Lettings and Sales data

**IMPORTANT NOTE:** The basic model reviews overall requirements and excludes new supply as timescales for delivery and types/sizes to be built are often subject to change. However, the potential impact of new supply on overall net requirements is discussed further in **Para B.32**.



**Table B2 CLG Needs Assessment Summary by ward**

Step	Stage and Step description	Calculation	Ward											
			Burn Valley	De Bruce	Fens and Rossmere	Foggy Furze	Hart	Headland and Harbour	Jesmond	Manor House	Rural West	Seaton	Victoria	Hartlepool Borough
		<b>Total households&gt;&gt;&gt;</b>	3789	3446	3895	3605	3536	3731	3737	4484	2894	3617	3897	40631
<b>Stage 1: CURRENT NEED</b>														
1.1	Homeless households and those in temporary accommodation	Annual requirement	48	32	88	0	44	22	0	0	0	0	62	296
1.2	Overcrowding and concealed households	Current need	43	37	89	32	0	98	26	271	47	40	68	751
1.3	Other groups	Current need	314	421	182	216	162	331	618	222	110	299	748	3623
1.4	Total current housing need (gross)	Total no. of households with one or more needs	406	491	359	248	206	472	643	493	157	339	879	4693
	A. TOTAL cannot afford open market (buying or renting)	Total	213	342	178	179	86	417	560	318	17	121	292	2723
<b>Stage 2: FUTURE NEED</b>														
2.1	New household formation (Gross per year)	Based on household survey	66	60	68	63	62	65	65	78	50	63	68	707
2.2	Number of new households requiring affordable housing	% Based on actual affordability of households forming	53.4	53.4	53.4	53.4	53.4	53.4	53.4	53.4	53.4	53.4	53.4	53.4
		Number	35	32	36	33	33	35	35	42	27	34	36	377
2.3	Existing households falling into need	Annual requirement	1	7	2	2	0	8	4	14	0	2	4	44
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	36	39	38	36	33	42	38	56	27	35	40	421
<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>														
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	0	259	56	47	42	256	133	218	0	30	133	1174
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0	0	0	0	0	0	0	0	0	0	0	0
3.3	Committed supply of new affordable units	Total annual												0
3.4	Units to be taken out of management	None assumed	0	0	0	0	0	0	0	0	0	0	0	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	0	259	56	47	42	256	133	218	0	30	133	1174
3.6	Annual supply of social re-lets (net)	Annual Supply (3 yr ave)	11	94	28	36	6	113	65	153	4	21	47	578
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply				3	5		1					9
3.8	Annual supply of affordable housing	3.6+3.7	11	94	28	39	11	113	66	153	4	21	47	587
<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>														
4.1	Total backlog need	1.4A-3.5	213	83	122	132	44	161	427	100	17	91	159	1549
4.2	Quota to reduce over 5 years (20%)													
4.3	Annual backlog reduction	Annual requirement	43	17	24	26	9	32	85	20	3	18	32	310
4.4	Newly-arising need	2.4	36	39	38	36	33	42	38	56	27	35	40	421
4.5	Total annual affordable need	4.3+4.4	78	56	63	62	42	75	124	76	31	53	72	731
4.6	Annual affordable capacity	3.8	11	94	28	39	11	113	66	153	4	21	47	587
<b>4.7</b>	<b>Net annual shortfall</b>	<b>4.5-4.6 NET</b>	<b>67</b>	<b>-38</b>	<b>35</b>	<b>23</b>	<b>31</b>	<b>-38</b>	<b>58</b>	<b>-77</b>	<b>27</b>	<b>32</b>	<b>25</b>	<b>144</b>

## Stage 1: Current need

- B.4 A working definition of housing need is *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*. The SHMA Guidance suggests types of housing that should be considered unsuitable, as summarised in Table B3.

Category	Factor	Hartlepool Borough Total
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	298
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	747
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	751
	N4 Too difficult to maintain	1,074
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	418
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	1,366
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	181
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	309
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	875
<b>Total no. households in need (with one or more housing need)</b>		<b>4,693</b>
Total Households		40,631
<b>% households in need</b>		<b>11.6%</b>

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

Source: 2014 Household Survey

### Step 1.1 Homeless households and those in temporary accommodation

- B.5 CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.

- B.6 Homelessness statistics for 2012/13<sup>29</sup> indicate that a total of 17 decisions were made on households declaring themselves as homeless across Hartlepool Borough (Table B4). Of these households, nine were classified as homeless and in priority need. Over the three years 2010/11 to 2012/13, an annual average of 24 decisions have been made across Hartlepool Borough and an average of 14 households each year have been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2010/11	29	15
2011/12	27	19
2012/13	17	9
<b>Total</b>	<b>73</b>	<b>43</b>
<b>Annual Average</b>	<b>24</b>	<b>14</b>

Source: CLG Homelessness Statistics

- B.7 The household survey identified a total of 296 households who were either under threat of homelessness or were living in temporary accommodation across Hartlepool Borough. This figure has been used in needs assessment modelling.

### Step 1.2 Overcrowding and concealed households

- B.8 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.
- B.9 Analysis identifies 751 households who are currently living in overcrowded accommodation or are concealed households and are intending on moving in the next five years.

### Step 1.3 Other groups

- B.10 Table B3 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment.

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

B.11 A total of 4,693 households across Hartlepool Borough were identified to be experiencing one or more of these needs factors and intending to move in the next five years. This figure is taken as the five year backlog of need from other groups.

### Step 1.4 Total current housing need summary

B.12 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Hartlepool Borough before any analysis of the ability of households to afford open market solutions is 4,693.

B.13 The extent to which these households could afford open market prices is then considered. An 'affordability threshold' of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold is based on 3.5 x gross annual income of the respondent and partner (if applicable).

B.14 The affordability threshold was then tested against lower quartile property prices and the cost of privately renting. Lower quartile prices at ward level for the period January 2013 to end of June 2014 were derived using Land Registry address-level data (Table B5).

<b>Ward</b>	<b>Lower quartile price (£)</b>
Burn Valley	£36,000
De Bruce	£58,750
Fens and Rossmere	£90,000
Foggy Furze	£61,623
Hart	£124,000
Headland and Harbour	£52,750
Jesmond	£73,000
Manor House	£60,500
Rural West	£152,000
Seaton	£95,000
Victoria	£38,000
Hartlepool Borough	£69,984

B.15 Information on private sector rents was based on lettings reported by Zoopla during 2013 (Table B6). The cost of letting a property according to the number of bedrooms required by a household was factored into affordability testing.

<b>Ward</b>	<b>Lower quartile rent</b>
Burn Valley	£381
De Bruce	£433
Fens and Rossmere	£498
Foggy Furze	£451
Hart	£494
Headland and Harbour	£394
Jesmond	£399
Manor House	£412
Rural West	£598
Seaton	£498
Victoria	£381
Hartlepool Borough	£399

Source: Zoopla

B.16 Using evidence from the household survey, the extent to which households identified in Steps 1.1, 1.2 and 1.3 could afford open market prices has been assessed. Overall, a total of 2,723 existing households in need wanted to move to offset their need and could not afford open market solutions.

### Step 2.1 New household formation (gross per year)

B.17 The needs analysis assumes a 1.74% gross household formation rate of 707 each year. This is based on the latest three year average national rate reported in the English Housing Survey over the period 2010/11 to 2012/13.

### Step 2.2 New households unable to buy or rent in the open market

B.18 Analysis of lower quartile market prices relative to the income/savings of households who have formed in the past five years suggests that 53.4% could not afford lower quartile house prices or private sector rents.

B.19 Therefore, the total number of newly-forming households who could not afford open market prices or rents across Hartlepool Borough is calculated to be 377 each year.

### Step 2.3 Existing households expected to fall into need

B.20 An estimate of the number of existing households falling into need each year has been established by drawing upon the RP lettings data. This suggests that over the three year period 2010/11, 2011/12 and 2012/13, an annual average of 44 households moved into the social rented sector because they had fallen into housing need and were homeless.

### Step 2.4 Total newly arising housing need (gross per year)

- B.21 Total newly arising need is calculated to be 421 households each year across Hartlepool Borough.

### Stage 3: Affordable housing supply

- B.22 The CLG model reviews the supply of affordable units, taking into account how many households in need are already in affordable accommodation, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

### Step 3.1 Affordable dwellings occupied by households in need

- B.23 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need<sup>30</sup>.
- B.24 A total of 1,174 households are current occupiers of affordable housing in need (Table C1). Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the types of property they would 'free up' if they moved is considered in modelling.

### Step 3.2 Surplus stock

- B.25 A proportion of vacant properties are needed to allow households to move within housing stock. Across the social rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus social rented stock across Hartlepool Borough.

### Step 3.3 Committed supply of new affordable units

- B.26 As accurate information on the location of new affordable homes is not known the model does not include a committed supply figure. Over the four year period 2009/10 to 2012/13, DCLG Housing Completions statistics reports that an average of 23 new affordable homes have been completed each year.

### Step 3.4 Units to be taken out of management

- B.27 The model assumes there will be no social rented units taken out of management over the next five years.

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<sup>30</sup> Strategic Housing Market Assessment Guidance (CLG, August 2007)

### Step 3.5 Total affordable housing stock available

- B.28 It is assumed that there are 1,174 social (affordable) rented dwellings available over the five year period arising from households moving within the stock.

### Step 3.6 Annual supply of social re-lets

- B.29 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data has been analysed for the three years 2010/11, 2011/12 and 2012/13. This information can be used to accurately assess the likely capacity of the social rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring affordable housing to access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:

- **Exclude** those moving into accommodation from outside Hartlepool Borough and households moving within the social rented stock; and
- **Include** households who moved from within Hartlepool Borough into social renting from another tenure; newly-forming households originating in Hartlepool Borough and moving in social renting; and households moving from specialist/supporting housing from within Hartlepool Borough into affordable housing.

Analysis suggests that there is an annual average of 578 social rented dwellings let to new tenants i.e. households originating in Hartlepool Borough who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation.

- B.30 Modelling therefore assumes an annual capacity of **578** dwellings for new tenants across Hartlepool Borough. Table B7 illustrates how the annual capacity figure is broken down by ward, designation (general needs and older person) and property size.

### Step 3.7 Annual supply of intermediate re-lets/sales

- B.31 Table B8 presents a summary of the average supply of intermediate tenure dwellings which have either been sold or relet over the three year period 2010/11, 2011/12 and 2012/13 as recorded in CORE Sales data.

**Table B7 Annual social rented re-lets by sub-area**

Designation	No. of bedrooms	Ward											
		Burn Valley	De Bruce	Fens and Rossmere	Foggy Furze	Hart	Headland and Harbour	Jesmond	Manor House	Rural West	Seaton	Victoria	Total
General Needs	1	2	34	5	4	1	50	27	57	1	2	14	197
	2	3	30	16	13	3	26	19	69	2	10	15	206
	3	4	24	3	18	1	32	13	25	1	7	13	141
	4	1	0	1	0	0	2	2	2	0	1	1	10
	5	0	0	0	0	0	0	1	0	0	1	1	3
Older People	1	1	3	1	1	0	2	1	0	0	0	1	10
	2	0	2	1	0	1	1	1	0	0	0	1	7
	3	0	1	1	0	0	0	1	0	0	0	1	4
	4	0	0	0	0	0	0	0	0	0	0	0	0
	5	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>11</b>	<b>94</b>	<b>28</b>	<b>36</b>	<b>6</b>	<b>113</b>	<b>65</b>	<b>153</b>	<b>4</b>	<b>21</b>	<b>47</b>	<b>578</b>

Source: RP CORE data annual average 2010/11, 2011/12 and 2012/13



**Table B8 Intermediate tenure sales/relets**

Designation	No. of bedrooms	Ward											Total
		Burn Valley	De Bruce	Fens and Rossmere	Foggy Furze	Hart	Headland and Harbour	Jesmond	Manor House	Rural West	Seaton	Victoria	
General Needs	1												0
	2				1								1
	3							1					1
	4												0
	5												0
Older People	1					1							1
	2				2	4							6
	3												0
	4												0
	5												0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>

Source: RP CORE Sales data annual average 2010/11, 2011/12 and 2012/13

## Summary of Stage 3

- B.32 Overall, the model assumes an existing affordable supply of 1,174 and an annual supply of 578 social (affordable) lettings and an annual supply of 9 intermediate tenure lettings/sales.

## Stage 4: Estimate of annual housing need

### Overview

- B.33 Analysis has carefully considered how housing need is arising within Hartlepool Borough by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- B.34 This has been reconciled with the supply of affordable dwellings which considers location, size and designation (i.e. for general needs or older person). Based on the CLG modelling process, analysis suggests that there is an overall annual net imbalance of 144 dwellings. This would be reduced with any newbuild coming forward.
- B.35 For critical stages of the needs assessment model (Step 1.1, Step 1.4, Step 2.4 and Step 3.8), information is broken down by ward, designation (general needs and older) and property size. This goes beyond the requirement of the SHMA guidance but allows a detailed assessment of the overall housing requirements of households in need and provides clear affordable requirement information. In turn, this can help identify where there are shortfalls and sufficient capacity of affordable housing, and help to shape policy responses.
- B.36 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

### Step 4.1 Total backlog need

- B.37 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.4A minus total affordable housing stock available (Step 3.5). The total backlog need is 1,549.

### Steps 4.2 to 4.6

- B.38 Step 4.2 is a quota to reduce the total backlog need which is assumed to be 20% each year (which is a standard modelling assumption suggested by the CLG guidance).
- B.39 Step 4.3 is the annual backlog reduction based on Step 4.2 (310 each year).
- B.40 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (421 each year).
- B.41 Step 4.5 is the total annual affordable need based on Steps 4.3 and 4.4 (731 each year).

B.42 Step 4.6 is the annual social rented/intermediate tenure capacity based on Step 3.8 (587 each year).

## Total net imbalance

B.43 Table B9 summarises the overall annual net affordable housing requirements for Hartlepool Borough by ward, designation (general needs and older person) and property size.

<b>Table B9 Net annual affordable housing imbalance by ward, property size and designation 2014/15 to 2018/19</b>				
<b>Net</b>				
<b>Ward</b>	<b>General Needs</b>		<b>Older Person</b>	<b>Total</b>
	<b>1/2 Bed</b>	<b>3+ Bed</b>	<b>1/2 Bed</b>	
Burn Valley	48	12	8	67
De Bruce	-35	-12	8	-38
Fens and Rossmere	20	7	8	35
Foggy Furze	17	0	5	23
Hart	5	32	-6	31
Headland and Harbour	-30	-13	5	-38
Jesmond	66	-9	1	58
Manor House	-77	-5	5	-77
Rural West	1	-1	27	27
Seaton	-2	31	3	32
Victoria	21	2	2	25
<b>Total</b>	<b>34</b>	<b>44</b>	<b>66</b>	<b>144</b>

Sources: 2014 Household Survey; RSL CORE Lettings and Sales

## Tenure and dwelling type profile of affordable dwellings

B.44 Affordable housing includes social rented, affordable rented and intermediate tenure dwellings. New affordable development by Registered Providers will be affordable rented (with rents of up to 80% of open market rent) and in order to recommend an appropriate split between social rented and intermediate tenure, the stated preferences of households and the relative affordability of intermediate tenure products is now reviewed.

## Household preferences

B.45 Households were asked to state tenure preferences. Table B10 summarises the preferences of both existing households in need and newly forming households by tenure. Overall, this gives a tenure split of 70.4% social/affordable rented and 29.6% intermediate tenure across Hartlepool Borough.

Tenure	Existing households in need (%)	Newly-forming households (%)	Total (%)
Social/Affordable Rented	86.0	59.0	70.4
Intermediate	14.0	41.0	29.6
<b>Total</b>	100	100	100
<i>Base (annual requirement)</i>	310	421	731

Source: 2014 household survey

B.46 An analysis of the ability of existing households in need and newly-forming households to afford intermediate tenure is summarised in Table B11. Analysis suggests that intermediate tenure options remain affordable to a minority households in need and newly-forming households, with 18.9% able to afford a property priced at up to £80,000.

Price	% could afford		
	Existing households in need	Newly-forming households	Total
up to £80,000	25.1	14.4	18.9
up to £100,000	15.6	4.2	9.0
Up to £120,000	12.4	2.3	6.6
<i>Base</i>	310	421	731

Source: 2014 household survey

B.47 There is potential scope for an intermediate tenure market in Hartlepool Borough. The final proportion of intermediate tenure dwellings to be delivered needs to be reconciled with the economic viability of delivering affordable housing on sites; the appetite of the HCA to fund intermediate tenure dwellings; and the ability of households to secure mortgages.

### Dwelling type

B.48 Table B12 considers the range of affordable property types households would consider, based on the aspirations of existing households in need and newly-forming households requiring affordable accommodation. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 51.9% stating an expectation of moving to a house), followed by flats (32.5%) and bungalows (15.6%).

<b>Table B12 Property type preferences</b>			
<b>Type preferences</b>	<b>Existing (%)</b>	<b>Newly-forming (%)</b>	<b>Total (%)</b>
House	35.1	64.2	51.9
Flat	30.1	34.3	32.5
Bungalow	34.8	1.5	15.6
<b>Total</b>	100.0	100.0	100.0
<i>Base</i>	310	421	731

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

Source: 2014 household survey

## Technical Appendix C: Monitoring and updating

### A framework for updating the housing needs model and assessment of affordable housing requirements

#### Introduction

- C.1 Having invested considerable resources in obtaining an excellent range of primary and secondary data, it is vital that this information be used to the maximum effect and updated on a regular basis. The purpose of this appendix is to establish a framework for updating the housing needs model and affordable housing requirements. In addition, it recommends the regular monitoring and review of housing market activity and regular reflections on the wider strategic context.

#### Updating of baseline housing needs and affordable housing requirements

- C.2 A baseline assessment of housing need across Hartlepool Borough has been derived from the household survey. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information has a shelf-life of three to five years (with a recommended refresh of household information after 2018/19 through primary surveying).
- C.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- changes in house prices and rental costs;
  - capacity of the social rented sector;
  - availability of intermediate tenure housing.

#### Changes in house prices and rental costs

- C.4 It is recommended that the annual purchase of address-level house prices to complement the existing dataset continues. This will result in an annual refresh of house price data by survey area and provide an indication of changing lower quartile prices. In turn, these can be applied to **Step 1.4** of the needs assessment model which considers the extent to which households in need can afford open market prices. As part of this analysis, updated information on private rented sector rents needs to be secured. Several websites can provide a snapshot of private rents and help inform this element of the update.
- C.5 Lower quartile prices and private sector rents should also be compared with the income profile of newly-forming households at **Step 2.2** of the needs assessment model.

### Capacity of the social rented sector

- C.6 The capacity of the social rented sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).
- C.7 A dataset has been prepared for RSL CORE data for 2010/11, 2011/12 and 2012/13 as part of this research. This includes some additional variables identifying the characteristics of households (by designation i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the social rented sector is based on the number of lettings to households from within the Local Authority District who were previously living in (non social rented or intermediate) tenure.

### Availability of intermediate tenure housing

- C.8 CORE Sales data can identify the availability of intermediate tenure housing (**Step 3.7**). Data has been assembled for 2010/11, 2011/12 and 2012/13.

### Annual adjustments to affordable requirements

- C.9 Datasets can be provided from which annual reviews of affordable requirements can proceed. This will point to any adjustment in net requirements by survey area, designation and property size.

### Updating of contextual information

- C.10 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

### Reflections on the general strategic context and emerging issues

- C.11 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- C.12 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

### Concluding comments

- C.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Hartlepool

Borough. We believe that this study provides a robust evidence base which has the capacity to be updated.

- C.14 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.