



## THE HOME BUILDERS FEDERATION

### **Northumberland County Council - Strategic Housing Market Assessment 2015 - Stakeholder Consultation**

***Q1a. Please indicate if you think the following are high, medium or low priorities for the Northumberland County Council area?***

- Building Homes to buy of the open market - high priority;
- Building affordable homes to rent – medium priority;
- Building affordable homes to buy (shared ownership / shared equity) – medium priority;
- Building executive homes – high priority;
- Building properties designed for older people – high priority;
- Building properties designed for people with specialist needs – medium priority;
- Improving the quality of existing stock – low priority

***Q1b. If you have indicated something(s) as a high priority at Q1a, what are your reasons for saying this?***

**Open market housing** – The lack of house building across Northumberland in recent years has led to significant pent-up demand. Northumberland has fallen short, by around a third, of its housing targets since 2009 and in most instances has not met the baseline household projections provided by CLG over the same period. This will inevitably have impacted upon the pent-up demand for new housing within the area. It is important that this recent lack of delivery and associated pent-up demand is reflected within the calculation of housing needs over the plan period.

Furthermore if the Council is to attain its stated ambition of creating 10,000 additional jobs over the plan period new open market housing will be required not only to retain the current working age population but also to encourage new workers to settle within the area. This is particularly important given that the working age population of the area has decreased and is projected to continue to do so by over 20,000 residents according to the 2012 Sub-national population projections.

**Executive housing** – to encourage employers to move to the area and retain existing employers / employees to provide the 10,000 additional jobs. It is important that the Council considers providing aspirational housing in the right location. This will not only encourage new workers to reside in the area but also encourage the existing working age population to stay.

**Older persons housing** – The 2012 sub-national population projections anticipate a significant increase in the older population of Northumberland. Indeed it is expected to rise faster within the county than either the national or north east averages. The HBF is therefore supportive of providing housing for older persons. It is, however, important that in planning for such needs the Council does not attempt to place undue

requirements upon developers by requiring a percentage of certain dwelling types or adaptations. This is because the needs of older people are not homogeneous and such restrictions will inhibit the industry's ability to respond to market demand. It is, however, important that the Council consider identifying sites which could fulfil specialist housing needs.

***Q2. Are there other key housing priorities for the Northumberland County Council area? Please provide as much detail as possible in your response.***

A key issue for Northumberland is the need to attract working age residents to the area to ensure that it does not fall into a spiral of economic decline. This will require both an increase in the housing numbers as well as the provision of the correct type of housing in the right locations which appeal to working families.

It is also important to note that the lack of an up to date plan has meant there has been a lack of deliverable housing sites within Northumberland to keep pace with current and future demands.

***Q3. What do you think are the main drivers of housing demand in the Northumberland County Council area (e.g. population, the economy)? Do these drivers vary across the Council area and if so how?***

The two key drivers of housing demand in the area are population and the economy. As noted in question 2 a significant lack of choice of housing in the areas where people wish to live has increased pent-up demand. This in turn is likely to have led many younger families to seek accommodation either in properties not fit for their needs or to move outside of the borough. If Northumberland is not to either go into economic decline or be a significant importer of labour, with its associated negative environmental issues, it needs to retain existing working families and attract others to the area.

Northumberland is a large and diverse area and as such demand will vary across the region. It is however clear that the demand for new housing is strong across the whole county but there are varying issues of affordability and availability (with demand significantly outstripping supply in certain areas). It is important these considerations are built into the SHMA.

The pull of the South East and Central areas of the district towards the employment and other opportunities presented in Newcastle / Gateshead will have a significant effect upon the type of housing and demographic profile which are applicable in these areas as will the location of new employment opportunities within Northumberland provided by the plan.

***Q4. What would you say are the current weaknesses of the housing market across the Northumberland County Council area?***

A lack of choice and availability of quality housing in areas where people want to live.

***Q5. What are the general characteristics of demand in the area? What type of households are driving demand?***

There is a demand for all types of housing across the area, however due to the need to retain and attract working families it is considered appropriate that new housing is focused upon catering for this market.

The increasing number of older people will also need consideration, the Council should therefore consider identifying specific sites to meet their needs.

***Q6. What are the house price trends within the area? What impacts have changes in mortgage finance had on local market demand? What future trends do you anticipate?***

Help to Buy has significantly improved access to the housing market and the number of sales. Its continuation will undoubtedly continue to be a positive stimulus for sales within the area. The Government is also seeking other mechanisms to boost delivery as well as the affordability of new housing. These interventions together with an up to date plan which identifies new housing opportunities will provide an increase in housing delivery and demand across Northumberland.

***Q7. Is affordability an issue in the Northumberland County Council area?***

Affordability is undoubtedly an issue across parts of the county. This will not have been assisted by the recent quantity of market housing and associated affordable housing delivered over recent years, an increase in delivery rates would assist this situation. The 2013 draft SHMA identified a need for 365 affordable homes per year. In recent years affordable housing delivery has lagged well behind these figures. This combined with a lack of market housing is likely to have significantly increased affordability issues in the county. It is therefore important that these issues are reflected in the housing requirements of the area going forward.

In terms of the percentage of affordable housing required as part of the delivery of market housing it is important that rather than simply focusing upon the first five years for delivery the Council consider how the requirement can be achieved over the full plan period. In terms of Northumberland it is our understanding this would lead to a much lower annual need and therefore lower affordable housing requirements from market sites.

In setting any affordable housing target it is imperative that the Council works closely with the industry to ensure that these can be delivered and do not create conditions which are ultimately unviable and stall development. Such a scenario would only lead to a worsening of affordability issues across Northumberland.

***Q8. Is there much new build development taking place at the moment?***

There is insufficient new build to meet the needs of the area. However, this is primarily due to a lack of viable development opportunities rather than demand.

***Q9. What is the demand profile for new build homes?***

There is a need for a wide variety of new build products across the whole of the market area. However, as discussed earlier, if the authority wants to improve its economic prospects it will need to provide accommodation which meets the needs of younger people and working families as well as aspirational housing to attract potential businesses.

***Q10. Is demand for new build housing from households currently living within the area or from people seeking to move into the area?***

It is a combination of the two, as noted earlier of the Council aims to improve its future economic prospects it will not only need to retain its current workforce but also attract others of a working age.

It is also understood that conversations have taken place between Northumberland and North Tyneside regarding Northumberland taking some of the housing needs of North Tyneside. If this is taken forward the increase to the housing requirement of Northumberland will need to be fully justified in light of such agreements.

**Q11. Where do you think new housing should be built?**

New housing should be built in sustainable locations across the county. The South East and Central areas of Northumberland generally represent the most sustainable locations due to the access to jobs, services, facilities and transport infrastructure. However, to provide the type and quantity of housing required it is important that all parts of Northumberland are considered. A good variety of market deliverable sites should be provided. This is likely to include both inner urban brownfield sites as well as urban extensions. Providing a wide range of development opportunities will ensure that it is attractive to the widest cross-section of the market and also ensure it caters for their needs. It will also provide the Council with the best opportunity to meet its housing needs in full.

It is also strongly recommended that the Council provide more housing sites than is necessary to meet its housing requirement. This will ensure that the plan is flexible and provide a buffer should some sites / locations not deliver as anticipated.

**Q12. What types of new housing do you think should be built? (e.g. type and/or size)**

A range of types and sizes will be required to meet the needs of the current population and also to attract new working age residents.

**Q13. Why are you interested in developing in this area/Local Authority?**

Strong demand within the area.

**Q14. What type of land are you holding/developing (e.g. brownfield/greenfield)?**

Our members have a wide variety of land / developments including both greenfield and brownfield sites. It is important that all types of developable land within sustainable locations are considered.

**Q15. What, if any, are the main barriers to development (e.g. planning policy, site assembly issues)?**

A key issue is the lack of an up to date development plan which provides housing allocations in areas which are appropriate for development within the current market. There is no single coherent plan for the Northumberland area. The current planning framework is made up of out of date plans for the former six districts, some of which date back to 1999. This lack of an up to date coherent plan for Northumberland provides uncertainty for the development industry, council and residents and inevitably impacts upon the amount of investment within the area.

A further key issue is that some parts of the county are compromised by issues of economic viability, or have localised needs (due to the urban / rural nature of the area). A one size fits all approach to planning policy is therefore unlikely to be appropriate in Northumberland. More localised solutions are required.

**Q16. How do you envisage the market for new build dwellings will develop over the short (to end 2015) and medium (to 2017) term?**

Strong, providing deliverable housing sites are made available/granted planning permission in a timely manner.

***Q17. Are you developing any affordable housing products?***

Our members are developing affordable housing products across a wide range of sites. Requirements need to be flexible both in terms of quantity and tenure to ensure site viability can be retained.

***Q18. What are the key messages you would want to see regarding housing markets in the Strategic Housing Market Assessment?***

That there is significant demand for new housing across the majority of the housing market area and associated sub-markets within the county.

That the likely growth in the economy needs to be underpinned by the appropriate scale and type of new housing, both to retain and encourage those of a working age to reside in the area.

There are significant variations across the differing sub market areas in respect of affordability and localised demands and aspirations. Therefore there is no 'one size fits all solution'.

The needs of older people should be catered for but this should not be via a stipulation of housing types on every site.

There are also significant challenges which need to be overcome, not least delivering a local plan which provides certainty for the development industry by providing sufficient sites plus a buffer to meet the needs and demands within the area.

Within certain parts of the borough there will also be significant challenges for economic viability. It is important that this issue is given full consideration in the development of the plan and planning obligations placed upon development, including affordable housing.

Yours sincerely,

*MJ Good*

**Matthew Good**  
**Planning Manager – Local Plans**  
Email: [matthew.good@hbf.co.uk](mailto:matthew.good@hbf.co.uk)  
Tel: 07972774229