

The housing crisis in the North East

The North East faces a specific and complex combination of housing challenges. Demand for more affordable housing and the need to regenerate older substandard housing place particular pressures on meeting housing requirements in the region.

This report provides local data on the housing market in the North East and highlights that:

- While overall house prices are lower than the national average at £157,512, homes cost over six times the average income.
- Average annual earnings are just over £25,000, which is lower than the national average.
- The unemployment rate is 7.1%, higher than any other region – in Hartlepool, unemployment reaches more than 10%.
- An ageing population in the region is putting pressure on the need for specialist and supported housing: the number of people over 65 is expected to increase by 48% between 2014 and 2039, from 491,000 to 727,000.
- Over 16,000 homes in the region are empty. These are generally concentrated in areas in need of regeneration.

Solving the housing crisis

Housing associations are united by a single purpose – to ensure everyone can live in a good quality home that they can afford.

Last year we built 26% of new homes in England and our ambition is to deliver 120,000 homes a year by 2033.

Housing associations in the North East built over 1,500 new homes in 2016-2017 and started a further 1,200.

Recent changes in Government policy will help us deliver even more. An extra £2bn investment included a specific commitment to allow new homes to be built for social rent – the first time such funding has been available since 2010.

Certainty over future rents and recognition for supported and sheltered housing are steps in the right direction. The Government must now deliver the final part of the jigsaw: the long-term supply of affordable land. Only then will the right amount of homes, of the right kind, in the right places, be built to meet changing housing needs.

If you share our sense of purpose and ambition, let's work together to end the housing crisis.

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The housing market
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North East	Average (mean) house prices in 2016/17 ¹	Mean monthly private sector rents in 2016/17 ²	Mean annual earnings in 2017 ³	Ratio of house prices to incomes ⁴	Income required for 80% mortgage [80% at 3.5x] ⁵	Percent of Housing Benefit claimants in employment ⁶	Unemployment rate 2016/17 ⁷	Long-term empty homes ⁸	Second homes ⁹	Total housing association affordable homes 2017 ¹⁰
England	£288,898	£852	£28,444	10.2	£66,034	24%	4.8%	200,145	248,747	2,672,026
North East	£157,512	£539	£25,147	6.3	£36,003	16%	7.1%	16,328	10,636	182,252
Darlington UA	£152,902	£472	£26,260	5.8	£34,949	19%	6.4%	572	241	2,754
Hartlepool UA	£133,405	£457	£25,750	5.2	£30,493	16%	10.1%	732	248	10,156
Middlesbrough UA	£148,173	£474	£22,558	6.6	£33,868	18%	8.9%	785	20	15,474
Redcar and Cleveland UA	£141,277	£500	£23,514	6.0	£32,292	15%	7.9%	868	212	12,393
Stockton-on-Tees UA	£165,227	£555	£25,184	6.6	£37,766	19%	6.4%	909	476	13,974
County Durham UA	£129,187	£487	£25,724	5.0	£29,528	14%	6.3%	4,459	1,678	47,973
Northumberland UA	£193,994	£523	£25,870	7.5	£44,342	15%	6.0%	1,975	3,548	18,103
Tyne and Wear MC	£163,011	£605	£25,002	6.5	£37,260	16%	8.0%	6,028	4,213	61,425
Gateshead	£144,980	£519	£23,925	6.1	£33,138	17%	6.6%	1,022	408	5,377
Newcastle upon Tyne	£190,674	£739	£26,260	7.3	£43,583	19%	7.8%	1,282	2,426	10,319
North Tyneside	£179,190	£553	£26,322	6.8	£40,958	17%	6.0%	1,076	350	6,075
South Tyneside	£149,209	£502	£25,095	5.9	£34,105	14%	8.9%	890	311	5,115
Sunderland	£136,445	£517	£23,592	5.8	£31,187	15%	8.4%	1,758	718	34,539

1. Office for National Statistics (ONS), small area statistics

2. Valuation Office Agency

3. ONS, Annual Survey of Hours and Earnings

4. ONS, small area statistics and Annual Survey of Hours and Earnings

5. ONS, small area statistics and National Housing Federation own analysis

6. Department for Work and Pensions, Stat Xplore

7. ONS, NOMIS model based estimates

8. MHCLG, table 615

9. MHCLG, Council Tax base

10. Homes England, Statistical Data Return 2017