



Northumberland County Council:

Strategic Housing Market Assessment Review 2024

Report of Findings

March 2025



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Executive Summary

Summary of Key Findings and Conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by Northumberland County Council to prepare a Strategic Housing Market Assessment (SHMA) Review. This considers the needs of Northumberland for the period 2024-2031 to identify the size, type and tenure of affordable and market homes that would be needed in the future, and the housing needs of different groups.
2. Northumberland County Council's Local Plan was adopted in 2022. This study does not directly link to the Local Plan housing requirement or policies. Instead, it represents an evidence for the needs of the County.
3. The new government are placing a much higher focus upon Social Rented housing, with less focus on affordable housing to own than their predecessors.

Establishing Current Unmet Need for Affordable Housing

4. Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that an estimated 3,893 households in Northumberland are currently living in unsuitable housing and are unable to afford their own housing.
5. Of these households, 1,053 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. There is, therefore, a net need from 2,840 households in Northumberland ($3,893 - 1,053 = 2,840$) that currently need affordable housing and do not currently occupy affordable housing (although a higher number of new homes may be needed to resolve all the identified overcrowding).
6. In most housing needs assessments, the backlog is typically spread over 15-20 years. Addressing the current backlog over 20 years would require 142 households per annum to have their housing need met and that is the approach which has been taken forward in this study. If addressing the current net backlog over 15 years it would require 189 per annum.

Overall Need for Affordable Housing

7. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future and also those who can afford market rents but aspire to home ownership. This includes:
 - » New households adding to housing need;
 - » The households no longer present reducing housing need; and
 - » The changes in circumstances impacting existing households.

8. This data can then be combined with the 2,840 backlog of need as of 2024 to estimate the mix of affordable housing required in the area.
9. The overall minimum affordable housing need for Northumberland over the 7-year period 2024-31 (3,001 dwellings) therefore equates to a gross annual average need for 428 affordable dwellings per annum.
10. As at 31 March 2024, there were already 1,432 affordable dwellings outstanding to be built on permitted development sites in Northumberland. If it were assumed that all of those commitments were to be built within the next 7 years, then there would be a residual net additional need to permit at least a further 1,569 affordable dwellings to also be delivered over that 2024-31 period. This net additional need equates to an average 224 per annum.
11. Figure 1 shows the components of housing need with a breakdown of affordable rented between Social Rent and Affordable Rent, and those who can afford Discount Market Sales. This latter figure includes all households who aspire to own and can access Discount Market Sales, but also includes those who cannot afford market rents, but who could potentially afford Discount Markets Sales.
12. In terms of the mix of properties required, the need for one bedroom affordable homes is relatively low, so there is only a relatively small need for flats. However, the need for two and three bedroom properties is much higher so there is a clear need for bungalows, terraced and semi-detached houses. The need for bungalows in particular is heavily linked to the ageing population, with a balance to be struck between delivering dedicated older person schemes which are part of a single floor development and separate bungalows (see Chapter 7). For affordable housing, the need for detached houses should be low, with the larger four-or-more bedroom properties potentially met in semi-detached and townhouses.
13. The key factors in this calculation are the household income profile of those in need and whether they receive housing benefit. If a household is unable to afford social rent without housing benefit, then it is assumed that housing benefit will cover the cost of their rent. Similarly, if a household is able to afford social rent without HB but cannot afford affordable rent without then it is assumed that housing benefit will cover the additional cost of their affordable rent.

Figure 1: Overall need for Affordable Dwellings (including social and affordable renting) by property size in Northumberland 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	254	12	19	68	352
2 bedrooms	606	78	99	328	1,112
3 bedrooms	519	96	104	442	1,161
4+ bedrooms	164	26	37	150	376
DWELLINGS	1,543	212	259	988	3,001
1 bedroom	8.5%	0.4%	0.6%	2.3%	11.7%
2 bedrooms	20.2%	2.6%	3.3%	10.9%	37.1%
3 bedrooms	17.3%	3.2%	3.5%	14.7%	38.7%
4+ bedrooms	5.5%	0.9%	1.2%	5.0%	12.5%
DWELLINGS	51.4%	7.1%	8.6%	32.9%	100.0%

14. Based on the analysis in Figure 1, it is recommended that approximately 67% of the total affordable housing need should ideally be provided as Affordable Rent products (58% social rent and 9% affordable rent including Build to Rent). The other 33% should be provided as affordable home ownership products such as Discount Market Sales, First Homes and Shared Ownership.
15. The vast majority of these needs are for 2 and 3-bedroom properties (37% and 39% respectively), with much smaller proportions of 1-bedroom (12%) and 4+ bedrooms properties (13%).

Market Housing Needs

16. The future needs for market housing will be dependent on the scale of the county's overall housing requirement relative to the affordable housing needs. This will influence the level of household formation and in-migration to Northumberland, and that in turn will impact the mix of market housing required.
17. It is also the case that other elements of housing provision will impact upon the size of properties delivered. For example, a greater focus upon older person needs would see a much higher level of delivery of one and two bedroom properties. However, if more self and custom-built properties are delivered, then these are typically larger detached homes.
18. For the market needs of this assessment we have considered two alternative scenarios.
 - » The first scenario assumes that local household formation is higher, allowing for more single persons and couples to form. This would focus upon meeting the needs of smaller households local to Northumberland.
 - » The second scenario assumes that there is an increase in market needs driven by households moving to Northumberland, particularly from Tyneside. This scenario sees families moving to Northumberland seeking larger properties.
19. Figure 2 sets out a guideline as to the likely proportionate levels of need for market dwellings of different sizes in Northumberland as a whole under these two alternative scenarios. It is recommended that to allow more local households to form, housing delivery should be focused on mid-sized three bedroom and smaller two-bedroom homes. However, if the overall market needs for Northumberland are assumed to include a higher need from in-migrant households, then housing delivery will need to comprise a higher share of larger properties.

Figure 2: Percentage Need for Market Dwellings by Property Size in 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Overall	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	10%
2 bedrooms	35%	25%
3 bedrooms	45%	35%
4+ bedrooms	20%	30%
DWELLINGS	100%	100%

Other Housing Needs

20. The need for market and affordable housing also requires to be set in the context of other policy objectives. For example, there is the need to meet the needs of those requiring adapted homes, those seeking long-term rentals and those seeking to build their own homes. All of these would contribute to the overall delivery of dwellings in Northumberland and are considered below.
21. In summary:
- » The government proposed in 2022 that all homes be delivered to M4(2) accessible and adaptable dwellings standard, but this has not been subsequently implemented.
 - » The need for adapted housing 2024-31 can be expressed as a range between 6,236 and 13,896 dwellings (between 891 and 1,985 dwellings per annum).
 - » The evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards. This is further impacted by the rates of limiting long-term illness or disability affecting housing need being much higher in affordable tenures.
 - » We calculate the number of households likely to need M4(3) wheelchair adapted housing is likely to increase by 520 over the 7-year period. 92% comes from households which are aged over 75 years given the sharp projected growth in the population in this age group.
 - » To date, no Build to Rent properties have been delivered in Northumberland, but the whole sector is expected to grow in size. However, around 6,000 households who are currently paying their rent in full in Northumberland expect to remain in private rent in the long-term.
 - » The Council's latest Self-Build and Custom Housebuilding Register Monitoring Report shows that, as of October 2024, Northumberland has permitted sufficient self and custom housebuilding plots to meet the needs identified on the register. The Housing and Planning Act 2016 states that to be self or custom built the, "initial occupier must have primary input into the final design and layout of the property". Given the very high number of single dwelling developments and other small-scale housing sites permitted and built in the county, is likely that many more properties may be self or custom built.
22. These dwellings are included and not in addition to the overall housing need. All of these would contribute to the overall delivery of dwellings in Northumberland.

1. Introducing the Study

Background to the project and wider policy context

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by Northumberland County Council to prepare a Strategic Housing Market Assessment (SHMA) Review. This considers the needs of Northumberland for the period 2024-2031 to identify the size, type and tenure of affordable homes that would be needed in the future, and the housing needs of different groups.
- 1.2 Northumberland County Council's Local Plan was adopted in 2022. This study does not directly link to the Local Plan housing requirement or policies. Instead, it represents an evidence for the needs of the County.
- 1.3 The new government are placing a much higher focus upon Social Rented housing, with less focus on affordable housing to own than their predecessors.

Summary of the ORS Approach to Modelling Housing Need

- 1.4 In Chapter 4, we consider the affordable housing needs for Northumberland based on the latest official projections and cover the 7-year period 2024-2031. They are informed by the latest ONS mid-year estimates¹, and take account of the most up-to-date fertility and mortality rates and the latest migration trends. In particular, we focus upon the 2018 based 10-year migration trends variant population and household projections. The data within these projections is then adjusted in light of the Census 2021 and mid-year population estimates 2022 and 2023. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published.
- 1.5 However, in delivering the number of dwellings required it is also necessary to include the impact of vacant and second homes to uplift the household projection to become the need for dwellings. This gives a net need for new affordable dwellings for the period 2024-2031 which is consistent with the trend growth in population and household in Northumberland.
- 1.6 The results are derived from the ORS Housing Mix Model which considers the need for affordable housing on a long-term basis. At the heart of the calculation is a consideration of how the needs of different households will change over time. Affordability is assessed against detailed information from the 2021 Census alongside data published by DWP about housing benefit claimants. For each type of household, such as single persons and couples with children in 5 year age groups, the model identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market

¹ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements.

housing. This proportion is also varied depending upon whether the household is newly forming, a migrant household or is seeing a change in their circumstances as an already established household. The model then takes the change in the number of households of each type in each age group identified as being unable to afford market housing.

2. Defining Housing Market Areas

An Evidence Base to Identify Functional Housing Markets

Introduction

- 2.1 The National Planning Policy Framework (NPPF, December 2024) refers to the need for Local Plans to “as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met in other areas” (paragraph 11, emphasis added). It should be noted that unlike the original iteration of the NPPF (March 2012), the new version no longer refers to housing market areas for purposes of defining need, instead referencing the area of the Local Planning Authority as the norm for assessment.
- 2.2 We would note that the Housing Market Areas of Northumberland were considered in the Northumberland County Council SHMA 2015 and Partial SHMA Update 2018, and seven internal housing market areas were identified in Map 2.3 in the Northumberland SHMA Partial Update 2018 (Figure 3 overleaf). The seven areas and their key settlements are:
- » The Tyneside Commuter Belt (West): Hexham, Corbridge and Prudhoe;
 - » The Tyneside Commuter Belt (Central): Morpeth, Ponteland;
 - » The Tyneside Commuter Belt South East: Amble, Ashington, Blyth, Cramlington;
 - » Alnwick and the tourist coast;
 - » Berwick-upon-Tweed and the Borders;
 - » Wooler and the North Cheviots; and
 - » The West Delivery area A68 and A69 Tyne Corridor Outer West: Haltwhistle.
- The definition of a functional housing market area is well-established as being “...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay” (MacLennan et al, 1998)².
 - Planning Practice Guidance (PPG) on Plan Making (July 2019) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

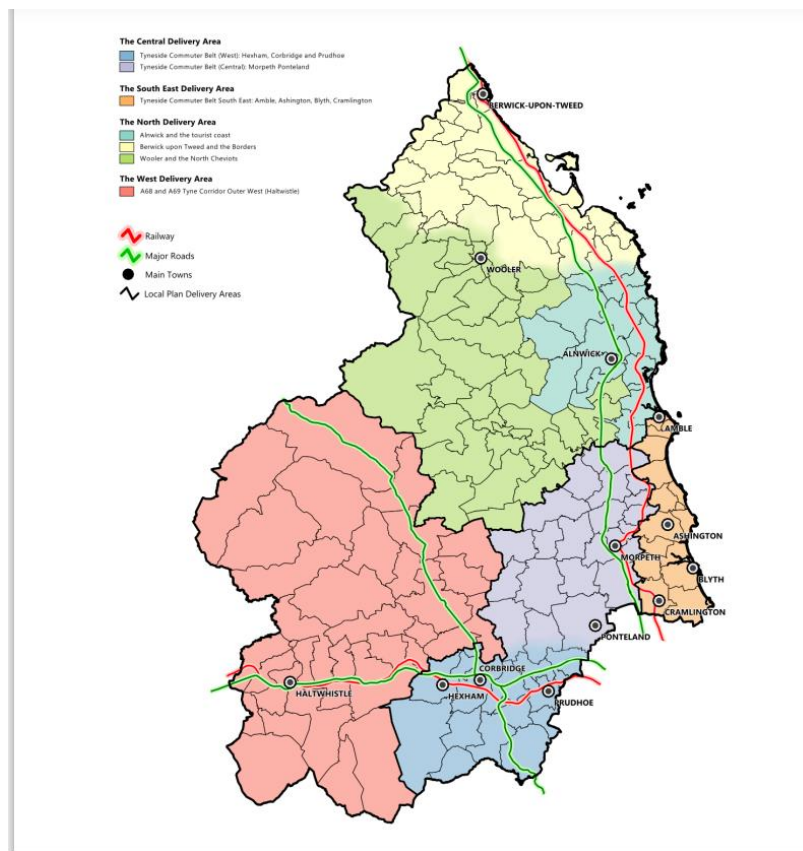
A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.

Planning Practice Guidance (July 2019), ID 61-009

- 2.3 This chapter considers the historic and current evidence about housing market areas relating to Northumberland.

² Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes

Figure 3: Map 2.3 Local plan delivery areas and local housing market sub-areas (Source: Northumberland County Council Partial SHMA Update 2018, Page 25)



ONS Travel to Work Areas

- 2.4 PPG defines housing market areas on the basis that they will reflect “the key functional linkages between places where people live and work” (ID 2a-010). Furthermore, PPG 2014 identifies Office for National Statistics Travel to Work Areas (TTWAs) as one of the identified data sources that should be considered when establishing housing market areas.

Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

Planning Practice Guidance (March 2014), ID 2a-011

- 2.5 The Office for National Statistics (ONS) defines official Travel to Work Areas for those involved in labour market analysis and planning. These areas are also based on analysis of Census commuting flow data, and TTWAs based on data from the 2011 Census were published in August 2015. A total of 228 TTWAs were defined for the whole of the UK based on 2011 data, a reduction from the 243 TTWAs that were previously defined based on 2001 Census data.
- 2.6 Figure 4 shows the defined TTWAs (2015), in blue, and these are based on the commuting flow data from the 2011 Census. This gives 4 TTWAs in Northumberland, with Berwick and Wooler being in the same area and the South East and Alnwick HMAs also falling within the same area.

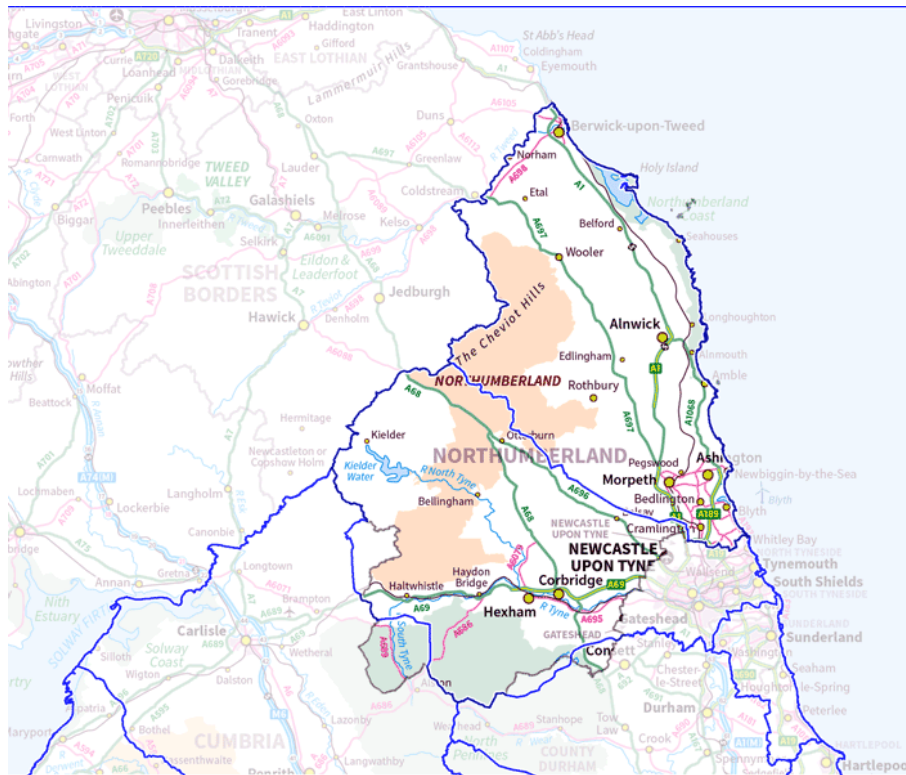
Figure 4: ONS Travel to Work Areas 2015 (Source: ONS 2015)



Valuation Office Agency Broad Rental Market Areas

- 2.7 The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA) the allowance paid to Housing Benefit applicants. The BRMA area is based on an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping
- 2.8 When determining BRMAs, the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area. Therefore, BRMAs are areas within which it would be reasonable to expect a household needing local housing allowance support to move to another settlement within the area in order to find suitable housing.
- 2.9 The BRMA areas for Northumberland and surrounding areas are shown, in blue, in Figure 5. There are four BRMAs covering Northumberland, but the Durham and North Cumbria BRMAs cover only a small area. In practice, the county splits into two, with the northern and eastern areas covered by the Northumberland BRMA and southern and western areas covered by the Tyneside BRMA.

Figure 5: VOA Broad Rental Market Area Boundaries (VOA)



Key Statistics for Northumberland's HMA

Migration within the HMAs

- 2.10 PPG identifies that a “*relatively high proportion of household moves*” will be contained within a housing market area; and suggests that this will be “*typically 70%*” or more; however, this “*excludes long-distance moves*” (ID 2a-011). The definition for a Housing Market Area sets out that it is the area “*where most of those changing house without changing employment choose to stay*”. Unfortunately, no data is available that relates migration with changes in employment circumstances; but given that most working people will live relatively close to their job, it is reasonable to assume that those migrants moving longer distances will tend to also change their place of work or be retiring – so the containment rates for this group will inevitably be higher.
- 2.11 Figure 6 sets out the migration data for the seven HMAs previously identified in Northumberland. This shows that none reach 70% self-containment, but this was to be expected given that they are HMAs within a local authority area, not the whole local authority itself.

Figure 6: Previous Area of Residence by Current Area of Residence (Source: 2021 Census of Population)

	Moved within HMA	All Moves to HMA	All moves from HMA	Moves within as a percentage of moves to HMA	Moves within as a percentage of moves from HMA
A68 and A69 Tyne Corridor	498	1,434	1,581	35%	31%
Alnwick and Tourist Coast	831	1,919	2,331	43%	36%
Berwick and Borders	1,053	1,753	2,349	60%	45%
Tyneside Commuter Belt Central	1,196	3,178	4,194	38%	29%
Tyneside Commuter Belt Southeast	7,389	11,415	13,028	65%	57%
Tyneside Commuter Belt West	1,069	2,705	2,901	40%	37%
Wooler and the North Cheviots	131	538	588	24%	22%

Travel to Work Patterns

^{2.12} Whilst housing market areas are defined predominantly in terms of the areas “where most of those changing house without changing employment choose to stay”, it is also relevant to consider them in the context of “...the geographical area in which a substantial majority of the employed population both live and work”. It is therefore important to consider the extent to which the resident population work in the area and the workplace population live in the area.

^{2.13} Figure 7 demonstrates the levels of self-containment in the HMAs in Northumberland, i.e. those who live and work in the area. Overall, this shows much higher levels of self-containment, reflecting the large geographic area of Northumberland, with a high proportion of workers living and working in a HMA.

Figure 7: Workplace Location by Area of Residence (Source: 2021 Census of Population)

	Workers that Reside and Work in the Area	Workers that Reside in the Area	% Workers that Reside in the Area	Workers that Work in the Area	% Workers that Work in the Area
A68 and A69 Tyne Corridor	6,030	9,150	66%	7,084	85%
Alnwick and Tourist Coast	7,022	9,820	72%	10,261	68%
Berwick and Borders	7,571	9,890	77%	9,026	84%
Tyneside Commuter Belt Central	11,989	19,679	61%	19,849	60%
Tyneside Commuter Belt Southeast	46,306	68,259	68%	59,910	77%
Tyneside Commuter Belt West	12,478	17,927	70%	18,630	67%
Wooler and the North Cheviots	3,640	5,971	61%	4,511	81%

Conclusions

^{2.14} The Census 2021 Travel to Work statistics suggest that the seven HMAs identified in the Northumberland County Council SHMA 2015 and Partial SHMA Update 2018 still represent a reasonable reflection of how people live and work in Northumberland. We have therefore taken these areas forward for modelling affordable housing needs in Chapter 4.

3. Demographic Projections

The starting point for establishing Local Housing Needs

Official Household Projections

- 3.1 The first step in analysing housing needs must be to identify the household projections for Northumberland, which are used as the basis for this report.
- 3.2 Figure 8 sets out a range of the various household projections from both CLG (now MHCLG) and ONS methodologies. It includes the associated outputs using the sensitivity analysis approach.

Figure 8: Household projections 2024-34 for Northumberland (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

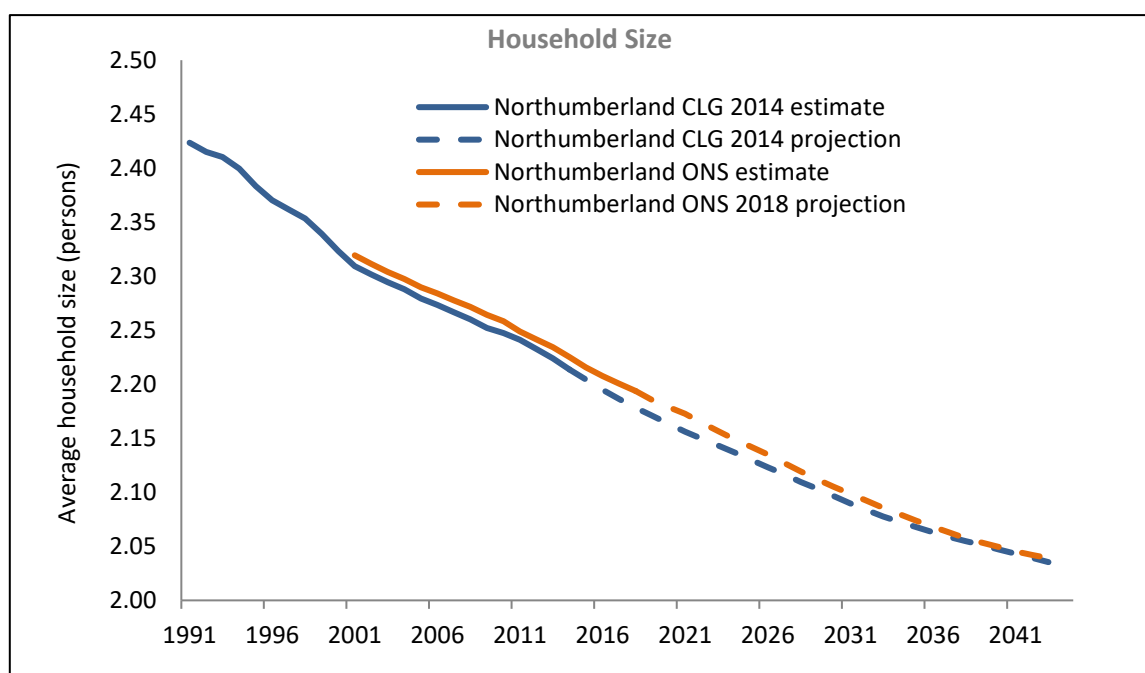
Northumberland	Migration trends	Change in Households 2024-2034	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+4,843	+484
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+3,786	+379
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+4,708	+471
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+3,851	+385
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+8,085	+809
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+5,544	+554
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+3,604	+360

- 3.3 In Northumberland, there is a decreased projected household change based on more recent principal projections, and the sensitivity analysis indicates that falling population projections, not changes to headship rates introduced in the 2016 based projections, are almost entirely responsible for this decrease. In the 2018-based projections, it is notable that the 10-year household change is lower than the principal projection.

Projected Household Size

- 3.4 The projected household size is calculated using the population and household projections rather than being a variable used to create them. The data (Figure 9) divides the population in the area by the associated household projection.

Figure 9: Average household size estimates and projections for Northumberland for the period 1991-2043 (Source: CLG 2014 based projections; ONS 2018 is 2018-based projections)



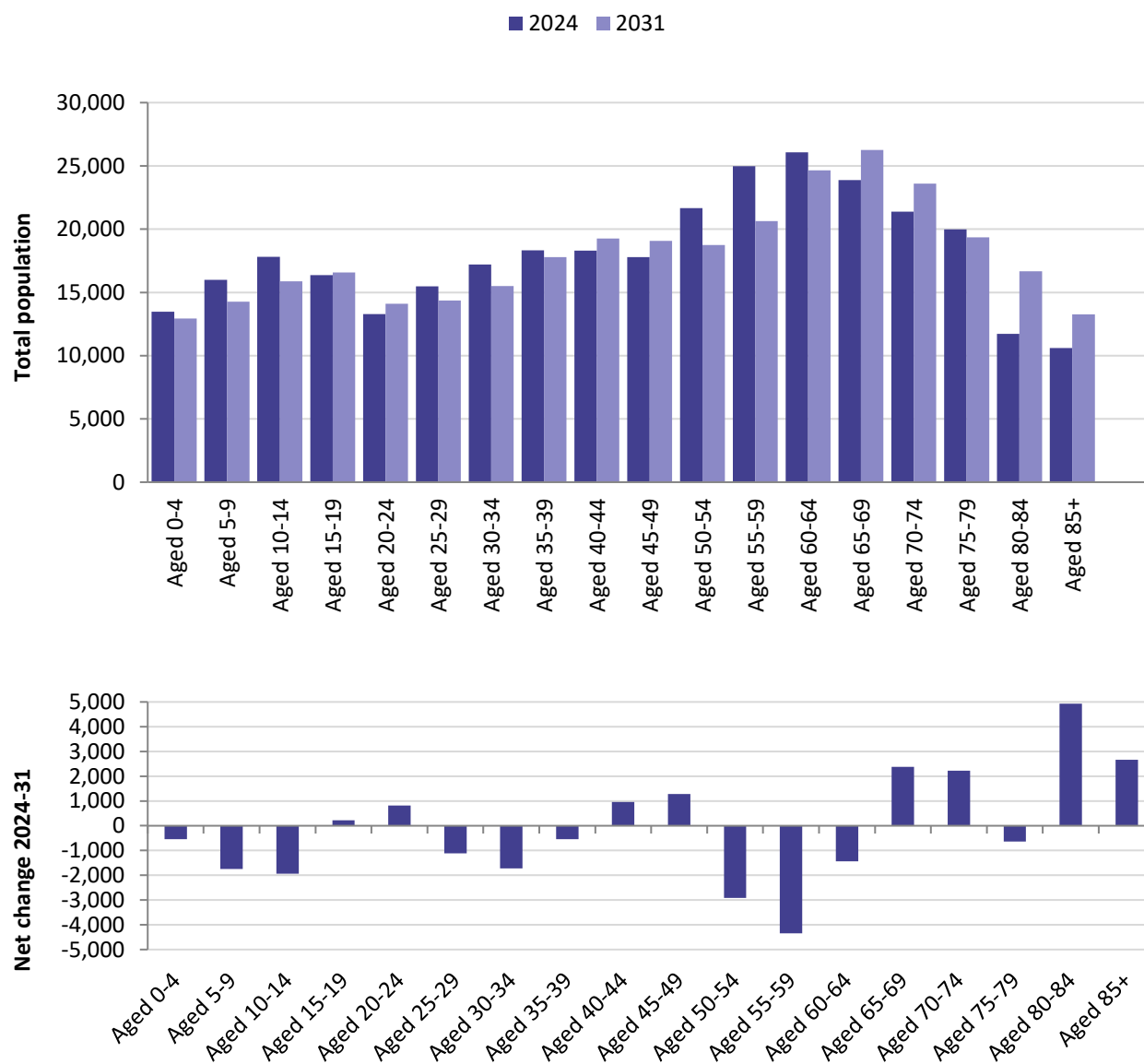
- 3.5 As the charts show, average household sizes have declined over time. Household sizes are also projected to steadily decline in the future. The CLG 2014 based projections indicated that household sizes in Northumberland were projected to be 2.15 in 2021, falling to around 2.05 by 2039. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children). In practice the 2021 Census shows that the average household size in Northumberland was 2.15 per household.
- 3.6 Frequently, a key driver for the issue of household sizes is the household representative rates (HRRs) used by CLG in producing their household projections. HRRs provide the probability of a given person being a household representative, and in the 2014 based CLG drew on data from as far back as the 1971 Census. Therefore, HRRs are based upon long-term data, so the drop in household sizes projected reflects data from 1971 onwards for Northumberland, not just recent data.
- 3.7 CLG had previously identified problems with their current approach, and they had planned to improve the methodology used for the household projections. However, the Government announced in January 2017 that responsibility for these projections would be passed to ONS with immediate effect.

- ^{3.8} While a case can be made in many areas that the 2018 based HRRs contain the effects of suppressed household formation from the relatively low number of dwellings built across England since 2001, we consider that they represent a much more accurate starting point for understanding household growth, and any issues of suppressed household formation should be addressed separately. It is frequently the case that using both 2014 based HRRs and then seeking to address suppressed households formation in a model risks double counting housing needs. Therefore the 2018 HRRs are used in this assessment.

Projected Population Age Profile

- ^{3.9} The 2018-based ONS household projections represent the most up-to-date household projections at the time of writing, however since their publication and further sets of Mid-Year Estimates (MYEs) of population have been released for 2022 and 2023. By applying the 2018 household formation rates to these population estimates, a more up-to-date estimate of household numbers for 2024 can be derived. The projection is then run based on this updated data to derive projected household change 2024-31 in Northumberland.
- ^{3.10} Figure 10 below shows the projected change in Northumberland population by 5-year age band for the 7-year period 2024-31. The growth in the older person (65+) population is 11,558 persons, and this is offset by a decline of younger persons (under 65) of 13,019 persons.

Figure 10: Population projections 2024-31 by 5-year age cohort for Northumberland (Source: ONS 2018 based sub-national projections – ORS Base Model)



Projected Household Types

- ^{3.11} When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.
- ^{3.12} Figure 11 shows the household numbers for Northumberland for 2024 and 2031 based on the trend-based projections by household type and age; together with the net change for each group. The 2018 based projections do not consider household types, but changes in household type between the 2011 and 2021 censuses and the 2008, 2011 and 2014 based household projections can be used to identify trends in household types.

Figure 11: Total projected households for 2024 and 2031 and summary of 7-year change by household type and age of household representative for Northumberland (Note: Figures may not sum due to rounding. Source: ORS Model)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2024	Single person	1,230	3,750	3,990	5,090	7,300	6,790	12,930	4,940	46,000
2024	Couple without children	230	2,530	2,060	7,990	20,480	17,440	6,290	2,190	59,200
2024	Families with child(ren)	1,240	7,880	14,060	9,510	2,410	450	290	120	36,000
2024	Other households	400	660	350	1,050	790	1,960	2,680	700	8,600
2024	TOTAL	3,100	14,800	20,500	23,600	31,000	26,600	22,200	8,000	149,800
2031	Single person	1,300	3,460	4,120	5,040	6,280	6,530	13,970	5,860	46,500
2031	Couple without children	150	2,020	1,750	6,740	18,160	19,920	7,620	3,030	59,400
2031	Families with child(ren)	1,340	7,300	14,540	9,910	2,460	590	420	190	36,800
2031	Other households	480	700	300	940	520	2,340	3,440	910	9,600
2031	TOTAL	3,300	13,500	20,700	22,600	27,400	29,400	25,500	10,000	152,300
Change	Single person	+70	-290	+130	-50	-1,020	-270	+1,040	+920	+500
Change	Couple without children	-80	-510	-320	-1,250	-2,320	+2,480	+1,330	+840	+200
Change	Families with child(ren)	+100	-580	+480	+410	+60	+140	+130	+70	+800
Change	Other households	+80	+40	-50	-110	-270	+380	+760	+200	+1,000
Change	TOTAL	+200	-1,300	+200	-1,000	-3,600	+2,700	+3,300	+2,000	+2,500

3.13 In summary:

- » In Northumberland, families with dependent children are projected to increase by 800, approximately 32% of the net overall household growth 2024-31 in Northumberland. This includes any family containing at least one dependent child.
- » Single person households represent 20% of the net overall 2024-31 household growth in Northumberland. This includes a significant growth in those aged over 65 years; but falling numbers of younger single persons.
- » Couples without dependent children represent nearly 8% of the net household growth in Northumberland. A couple without dependent children only contains two adults. Any household with non-dependent children living at home will be included in the “Other” group set out below.
- » The increase in “Other” households represents just over 40% of the growth in Northumberland. Other households include multi-generation living, student households and Houses in Multiple Occupation (HMOs). This therefore represents quite a high share of the overall growth in Northumberland but is likely to include many adults living at home with their parents, not a high level of growth in HMOs.

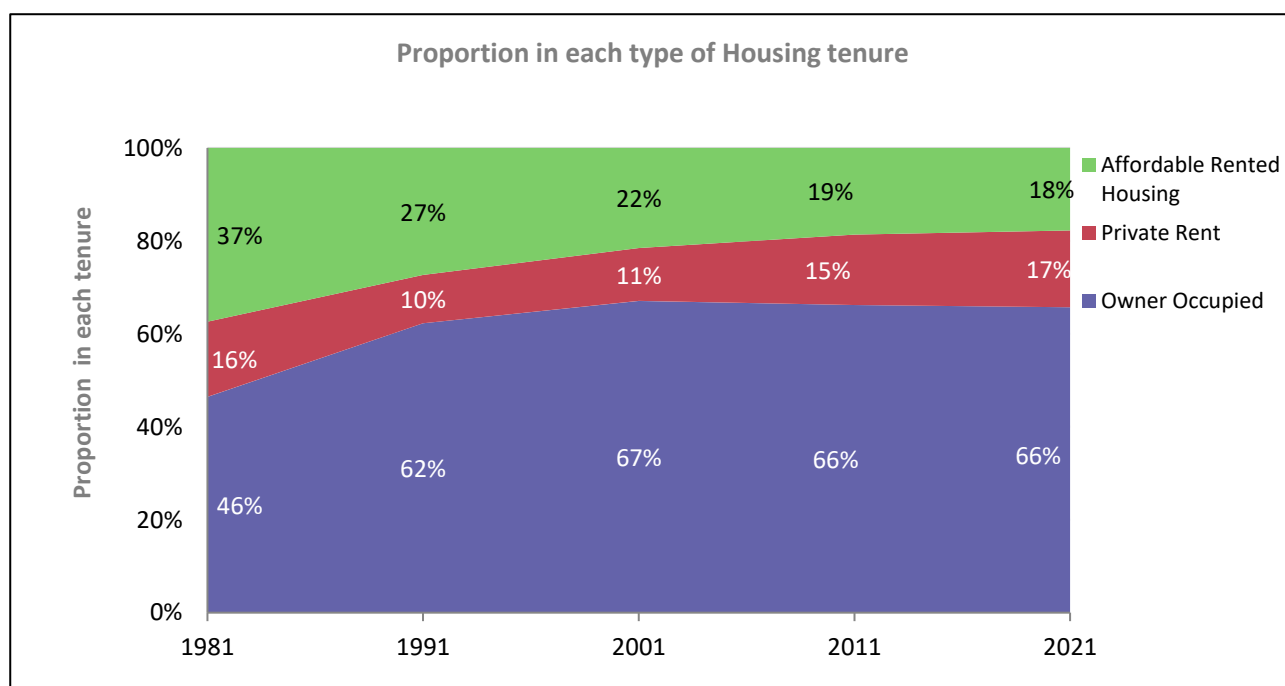
4. Local Housing Market

Housing options and cost of housing in Northumberland

Housing Tenure Trends

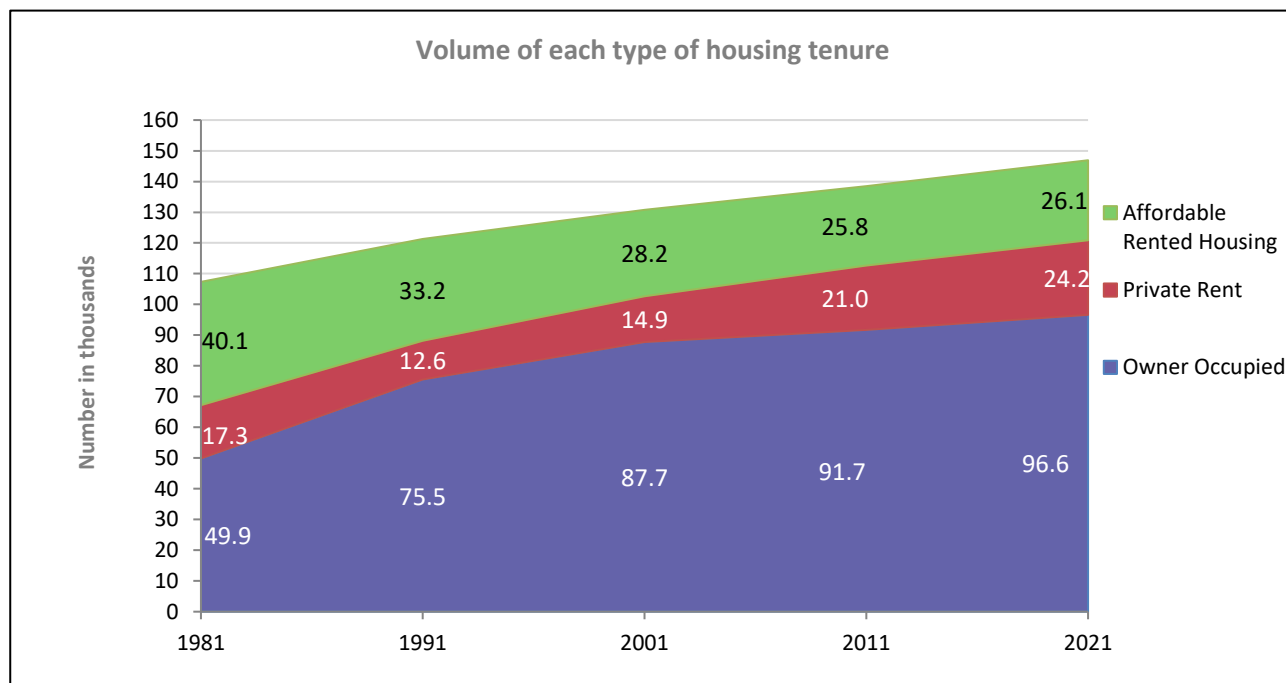
- 4.1 When considering the local housing market, it is worth noting the changes to tenure over the past forty years.
- 4.2 The chart below shows how the most notable change has been the decline in the proportion of people in affordable rented properties (comprising Social Rent and other affordable rented homes), which has fallen during the period (from 37% to 18%). In contrast, private rent has only increased by 1%. Between 1981 and 1991 there was a strong growth in owner occupiers, partly as a consequence of the introduction of Right to Buy policies. This increased from 46% to 62%, peaking at 67% in 2001. The transition from affordable homes being social rent to them comprising an increasing share of affordable home ownership has also contributed to these changes.

Figure 12: Housing tenure trends for Northumberland (1981 – 2021). Source: UK Census of Population



- 4.3 During the same period, the actual volume of occupied housing in Northumberland has risen from 107,343 to 146,922 households. Importantly, the volume of affordable rented occupied housing has fallen in Northumberland from 40,143 to 26,085.

Figure 13: Housing tenure trends for Northumberland (1981 - 2021)



- 4.4 The table below provides the detailed data for the period.

Figure 14: Number of Households in Northumberland by Tenure 1981-2021 (Source: UK Census of Population)

	Number of Households					Net Change			
	1981	1991	2001	2011	2021	1981-1991	1991-2001	2001-2011	2011-2021
Owner occupied	49,857	75,542	87,714	91,717	96,589	+25,685	+12,172	+4,003	+4,872
Private rent	17,343	12,633	14,909	20,976	24,248	-4,710	+2,276	+6,067	+3,272
Affordable Rented Housing	40,143	33,167	28,157	25,841	26,085	-6,976	-5,010	-2,316	+244
TOTAL	107,343	121,342	130,780	138,534	146,922	+13,999	+9,438	+7,754	+8,388

- 4.5 The growth in the private rented sector (PRS) in Northumberland is slower than national trends. PPG recognises the importance of understanding the likely future role of the private rented sector.

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

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- 4.6 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices;
 - » Pensions reform: pension drawdowns invested in Buy to Let property.
- 4.7 The growth of the private rented sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.³ On this basis, the number of households renting privately could double again over the next twenty years.
- 4.8 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the recession of 2008.
- 4.9 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom Social Rented or Affordable Rented property. The private rented sector makes an important contribution towards providing affordable housing options.
- 4.10 Currently, the nature of the PRS is changing. There is some evidence of landlords leaving the sector, with other evidence suggesting that where this is so, other landlords may move in to the local market, often larger landlords.
- 4.11 National Residential Landlord Association published research in November 2022 that suggested landlords are leaving the sector because of three reasons; increasing landlord costs, changes in regulation, and changes in tax⁴. In contrast, the picture in the English Private Landlord Survey 2021 (published May 2022) was mixed, reporting that similar proportions of landlords said they planned to increase their portfolio as did decrease their portfolio or sell off their portfolio⁵.
- 4.12 The English Housing Survey 2021/22 suggests a small decrease in the size of the PRS (emphasis added)⁶:

*The private rented sector makes up 4.6 million or 19% of households. There is no change in the proportion of private rented households from the year previous (2020-21), but **there is a small, though significant decrease compared to the high point in 2016-17 (20%).***

³ <http://news.rla.org.uk/rpi-rent-revolution/>

⁴ [Why are landlords exiting the PRS? | NRLA](#)

⁵ [English Private Landlord Survey 2021: main report - GOV.UK \(www.gov.uk\)](#)

⁶ [English Housing Survey 2021 to 2022: headline report - GOV.UK \(www.gov.uk\)](#)

- 4.13 The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes. However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the previous Government pursued an alternative policy entitled First Homes⁷.
- 4.14 Policies on First Homes were formally adopted in July 2021 and guidance on their delivery was published. First Homes are to prioritise first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% from open market house prices will be in perpetuity (with local authorities able to introduce optional 40% or 50% discounts where justified by evidence), so the buyer will never pay more than 70% of the latest open market value of the property. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. Use of First Homes is restricted so that they cannot be used as buy to let or holiday homes.
- 4.15 We would note that the current Government have removed the requirement for local authorities to provide First Homes as part of their housing mix. Northumberland have historically delivered Discount Market Housing with a 30% reduction on the market housing price. This is very similar to First Homes in terms of discounts, but the policies adopted in Northumberland have been less restrictive in terms of who can buy the homes than is used in the First Homes guidance. Therefore, for this study, we have considered the role of Discount Market Homes with a 30% reduction on market prices. However, we also consider the impact of Discount Market Sales with 40% and 50% discount rates.

Property Type and Size

- 4.16 The 2021 Census provide detailed information on the types of properties occupied by households and also the number of bedrooms within these properties. Unfortunately, the data is not directly comparable with the 2011 Census because the 2021 Census does not include a record of property type or size for any vacant property, while this information was included on previous censuses.
- 4.17 The tables below are therefore a best match from the 2011 and 2021 Census information and show that in Northumberland, the largest share of new housing has been for detached properties with 4+ bedrooms.

Figure 15: Number of Occupied Dwellings in Northumberland by Property Type 2011-2021 (Source: UK Census of Population)

	Number of Households		
	2011	2021	2011-2021
Detached	35,120	39,981	4,861
Semi-detached	50,127	53,097	2,970
Terraced	38,345	37,801	-544
Flat or maisonette	13,744	14,837	1,093
Caravan or other	1,164	1,204	40
TOTAL	138,500	146,920	8,420

⁷ <https://www.gov.uk/government/consultations/first-homes>

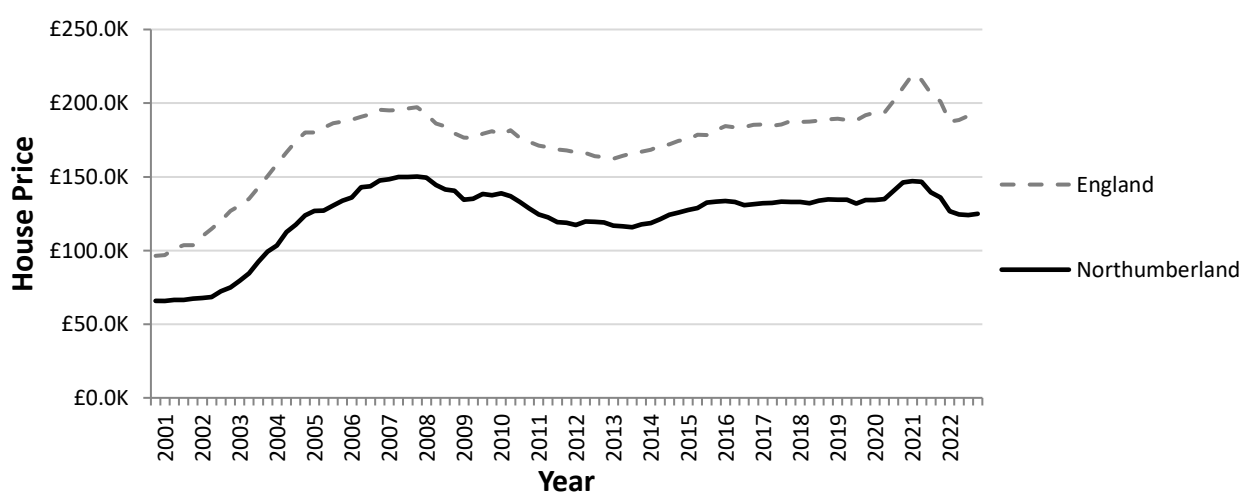
Figure 16: Number of Occupied Dwellings by bedrooms in Northumberland 2011-2021 (Source: UK Census of Population)

	Number of Households		
	2011	2021	
1 bed	10,772	10,606	-385
2 bed	40,698	41,342	+642
3 bed	59,864	62,997	+3,133
4+ bed	26,980	31,977	+4,997
TOTAL	138,314	146,922	+8,387

Cost of First-time Buyer Home Ownership

^{4.18} House price trends (2001-2023) are shown in Figure 17 based on lower quartile house prices. Lower quartile prices are used to consider the entry level price for home ownership. As the value of money has also changed during this period, the data is adjusted to take account of and remove the impact of inflation through the Consumer Price Index (CPI)⁸; therefore, the values reflect real changes in house prices since 2001. Clearly, real incomes have also risen since 2001 (although there has been very slow change since 2008 in real incomes), so households are able to afford to pay more for housing based upon higher incomes.

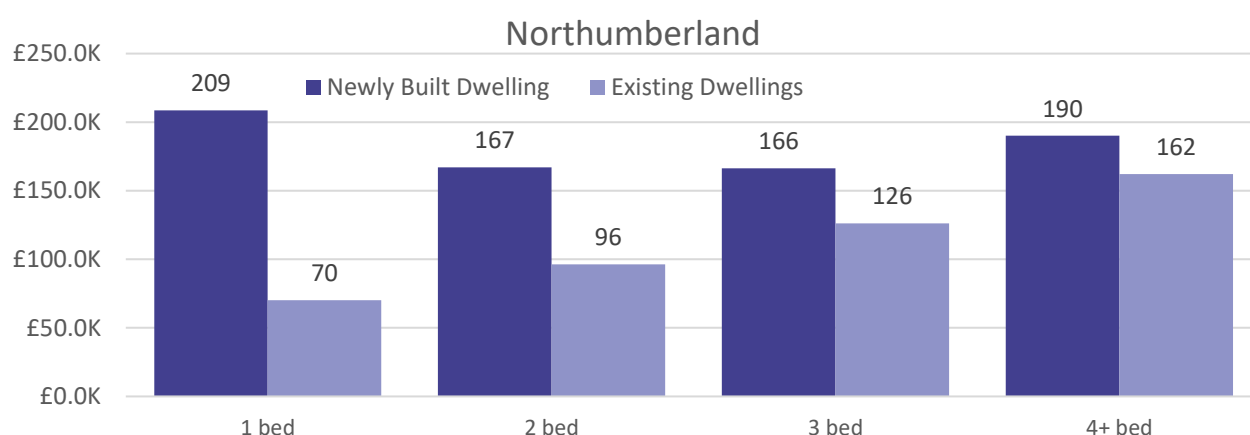
^{4.19} It is evident that real house prices in Northumberland increased substantially in the period 2001-2008. Values reduced during the economic downturn by mid-2008 and continued to decline over the period to 2014, there is a slow increase until this spikes in 2021 during the pandemic, but show signs of declining in real terms in 2022 as inflation rates rose. For most of the time, movement in Northumberland house prices has broadly mirrored changes in England as a whole though being lower than England as a whole.

Figure 17: Real House Price Trends: Lower Quartile Prices adjusted to 2023 values using CPI (Source: ONS; Bank of England)

⁸ The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by consumers for a market basket of consumer goods and services.

- 4.20 Overleaf, Figure 18 shows the lower quartile house prices by bedroom size for Northumberland. The lower quartile is used to show entry level house prices. The data shows both the lower quartile price for existing properties and new build dwellings, with prices taken from the Land Registry records for the sales prices of individual properties. When considering first time buyers in particular, many of the purchasers are likely to be newly forming households seeking one and two bed properties, although some will seek larger properties.
- 4.21 The degree to which new build properties in all price ranges are more expensive than existing homes varies considerably by size of dwelling. This is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible factors such as character. Across much of England, new build properties are more expensive than existing dwellings, this also applies in Northumberland, particularly for one and two bedroom properties, which is likely to be location specific issues, with very few new flats being delivered, but those which have been delivered being in prime locations.

Figure 18: Lower quartile prices (adjusted to 2023 values using CPI) for existing dwellings and newly built dwellings (2022-2023) by property size in Northumberland (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



Income Needed for First-time Buyer Home Ownership

- 4.22 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 4.23 Below is an illustrative example based on Northumberland prices, for an existing 1-bedroom property. As this example is purely for illustration and not used in any calculation, it does not take account of some of the complexities of the market such as any increased borrowing rates for Affordable Home Ownership:
- » The lower quartile price recorded was £70,000;
 - » Based on a 90% loan-to-value mortgage, a deposit of £7,000 would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £63,000;
 - » Using a mortgage income multiplier of 3.5x would therefore need an annual income of £18,000.

- 4.24 To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £3,500 (equivalent to 5% of the overall price) but the income required would increase to £19,000 per year. Therefore, to purchase an existing 1-bedroom property at an overall cost of £70,000 is likely to require an annual income of at least £18,000 (assuming a 10% deposit and a 3.5x multiplier); but with a lower deposit and a lower income multiplier an income of up to £19,000 per year could be needed.
- 4.25 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership.
- 4.26 Based on these assumptions, Figure 19 shows the household income levels needed to buy 1- and 2-bedroom properties in terms of both existing dwellings and newly built dwellings in Northumberland. When purchasing larger homes, households will typically have larger deposits available which often include equity from the sale of a smaller property. On this basis, it is relatively artificial to consider incomes in isolation. Nor do these figures take account of the variation in price across the County, in particular between some of the rural and urban areas in Northumberland.

Figure 19: Annual income required to afford properties based on a 10% deposit and 3.5 times income mortgage by property size
(Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)

Property Age	Property Size	Annual Household Income Needed to Own at Lower Quartile Prices: Northumberland
Newly Built Dwellings	1 bedroom	£53,600
Existing Dwellings	1 bedroom	£18,000
Newly Built Dwellings	2 bedrooms	£42,900
Existing Dwellings	2 bedrooms	£24,800
Newly Built Dwellings	3 bedrooms	£42,800
Existing Dwellings	3 bedrooms	£32,500
Newly Built Dwellings	4+ bedrooms	£48,900
Existing Dwellings	4+ bedrooms	£41,700

Cost of Renting

- 4.27 Local Housing Allowance (LHA) is the maximum payment for private rented claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). The LHA was previously based on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 Budget before being increased in 2020.
- 4.28 BRMAs do not align with local authority boundaries, and Northumberland is covered by 4 different BRMAs (see Figure 5). However, as explained in Chapter 2, the Northumberland and Tyneside BRMAs cover the vast majority of the county of Northumberland.

4.29 Figure 20 sets out the weekly maximum local housing allowance by size of property in each of the BRMA:

Figure 20: Maximum Local Housing Allowance thresholds 2023 (Source: Valuation Office Agency)

Property type	Weekly Rent £ Northumberland BRMA	Weekly Rent £ Tyneside BRMA	Weekly Rent £ Durham BRMA	Weekly Rent £ North Cumbria BRMA
Room only	£82.00	£87.76	£90.50	£73.60
1 bedroom	£86.30	£112.77	£90.50	£90.90
2 bedrooms	£97.81	£126.58	£92.05	£109.32
3 bedrooms	£121.97	£149.59	£109.32	£135.78
4+ bedrooms	£174.90	£212.88	£151.86	£170.30

4.30 Figure 21 sets out the weekly rents for different property sizes. This includes:

- » Median and lower quartile private rent;
- » Affordable rent (80% of median market rents); and
- » Social rent based on existing average rents.

Figure 21: Weekly rent thresholds in Northumberland 2023 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing Statistical Data Returns. Note: Private rent data excludes housing benefit funded tenancies)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
Northumberland				
1 bedroom	£97.74	£86.24	£89.55	£70.27
2 bedrooms	£113.84	£97.74	£105.44	£79.45
3 bedrooms	£141.67	£122.58	£115.88	£87.17
4+ bedrooms	£206.98	£181.91	£124.17	£96.97

4.31 It is evident that for almost all property sizes, the median private rent is the highest followed in turn by the lower quartile private rent, affordable rent and target social rent. While the LHA rates are higher than the equivalent lower quartile private rents, it is important to note that the private rent figures exclude housing benefit funded tenancies.

Income Needed to Rent Housing

4.32 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)⁹ stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income” (page 42)*

⁹ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

- 4.33 However, this previous Guidance was rescinded in March 2014 following the publication of the Original NPPF and the launch of the then new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that “*care should be taken ... to include **only those households who cannot afford** to access suitable housing in the market*” [ID 2a-020-20190220] (emphasis added).
- 4.34 Results from the English Housing Survey (EHS) 2015-16¹⁰ provides information about the percentage of gross household income that households currently spend on their housing costs¹¹:
- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and
 - » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.
- 4.35 The EHS 2021-22 Headline report updates these results for gross income, but included housing support when considering all income earners in a household making the figures difficult to compare at least until the full report is published¹².
- » For the HRP and partner income only; excluding housing support, the average proportion of income spent on rent was 44% for private renters and 40% for social renters.
 - » Between 2011-12 and 2021-22, The proportion of household income (including housing support) that private renters spent on their rent decreased from 35% to 33%. In the same period, the proportion of household income that social renters spent remained similar (28% in 2011-12 and 27% in 2021-22).
- 4.36 The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.
- 4.37 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that based on HRP and partner incomes, households renting privately currently spend 44% of their gross income on average, there must be many households currently spending more than 44% of their income on housing costs (which will be offset against others spending lower proportions).
- 4.38 On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 50% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 44% average that households renting privately actually pay.

¹⁰ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹¹ Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16

¹² [English Housing Survey 2021 to 2022: headline report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-headline-report)

4.39 As an illustrative example, we can establish the income needed to rent a 1-bedroom property in Northumberland based on a 35% income multiplier:

- » The lower quartile weekly rent recorded was £172.48;
- » Based on a 35% income multiplier, a weekly income of £492.80 would be needed which equates to a gross annual income of £25,700.

4.40 To rent the same property based on a 25% income multiplier would increase the gross income required to £36,900 per year.

4.41 Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental income needed. Based on this assumption, Figure 22 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent.

Figure 22: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Northumberland (Source: ORS based on Valuation Office Agency data Oct 2020 to Sep 2023)

Number of Bedrooms	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
Northumberland				
1 bedroom	£14,571	£12,857	£13,350	£10,476
2 bedrooms	£16,971	£14,571	£15,719	£11,845
3 bedrooms	£21,120	£18,274	£17,276	£12,995
4+ bedrooms	£30,857	£27,120	£18,511	£14,457

4.42 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.

4.43 Considering some examples of disposable income:

- » A couple with two children with a gross income of £20,000 from employment would have up to £20,000 (£384 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35% of their net income, which would leave £13,000 (£250 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £423.46 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income. Therefore, this household could not afford to rent in Northumberland;

- » A single person household with a gross income of £20,000 from employment would have £17,919.60 (£344.61 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 39.1% of their net income, which would leave £10,919 (£209.98 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £283.71 so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income. Therefore, this household could afford to rent in Northumberland.

- 4.44 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take account of different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for different types of household on different incomes, based on the rents for suitable housing in terms of the number of bedrooms needed.
- 4.45 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 23 sets out the incomes for housing benefit eligibility for different types of households. We have only used the data for those who require a single room or 1 and 2 bedrooms to illustrate the way in which housing benefit changes as household sizes grow. Any new household in receipt of housing benefit cannot afford their own housing costs and will be assumed to require an affordable to rent properties.

Figure 23: Maximum annual income for households in receipt of housing benefit support by household type in Northumberland
(Source: ORS based on Department for Work and Pensions data)

Property type	Household type	Maximum Annual Income for HB support
ROOM ONLY	Single person aged 16-24	£9,439
ROOM ONLY	Single person aged 25-34	£10,357
1 BEDROOM PROPERTIES	Single person aged 35+	£10,706
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£11,578
1 BEDROOM PROPERTIES	Couple (one or both aged 18 or over)	£13,237
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£15,781
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 2 children	£19,272
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 1 child	£18,312
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 2 children	£22,371

Income Needed for Other Types of Housing

- 4.46 Another housing option that could be made available in Northumberland, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2024 (Glossary)

- 4.47 Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.
- 4.48 The National Planning Policy Framework states that Build to Rent is exempt from the requirement to provide affordable home ownership and by this implicitly confirms that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG on Build to Rent (September 2018¹³) offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 4.49 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL¹⁴ shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in Northumberland, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF) for the affordable units, then the range of rental costs available would be as Figure 24:

Figure 24: Weekly rent thresholds in Northumberland (Source: Valuation Office Agency 2020-21; SDR 2023, JLL)

Number of Bedrooms	Upper Quartile Private Rent	Build to Rent (Median + 9.3%)	Median Private Rent	Local Housing Allowance	Lower Quartile Private Rent	Affordable Build to Rent (20% discount)	Affordable Rent	Social Rent
Northumberland and								
1 bedroom	£109.93	£106.83	£97.74	£86.30	£86.24	£85.46	£89.55	£70.27
2 bedrooms	£136.84	£124.43	£113.84	£97.81	£97.74	£99.54	£105.44	£79.45
3 bedrooms	£166.74	£154.84	£141.67	£121.97	£122.58	£123.87	£115.88	£87.17
4+ bedrooms	£344.97	£226.23	£206.98	£174.90	£181.91	£180.98	£124.17	£96.97

- 4.50 The local housing allowance is sufficient to cover the costs of affordable Build to Rent units for all dwelling types. As such, the promotion of build to rent with a substantial discount, such as 20%, could be a potentially useful mechanism for bringing forward affordable housing options, particularly on smaller properties. In effect, affordable Build to Rent can produce rents close to lower quartile rents which can help lower income households who would otherwise require social or affordable rent.

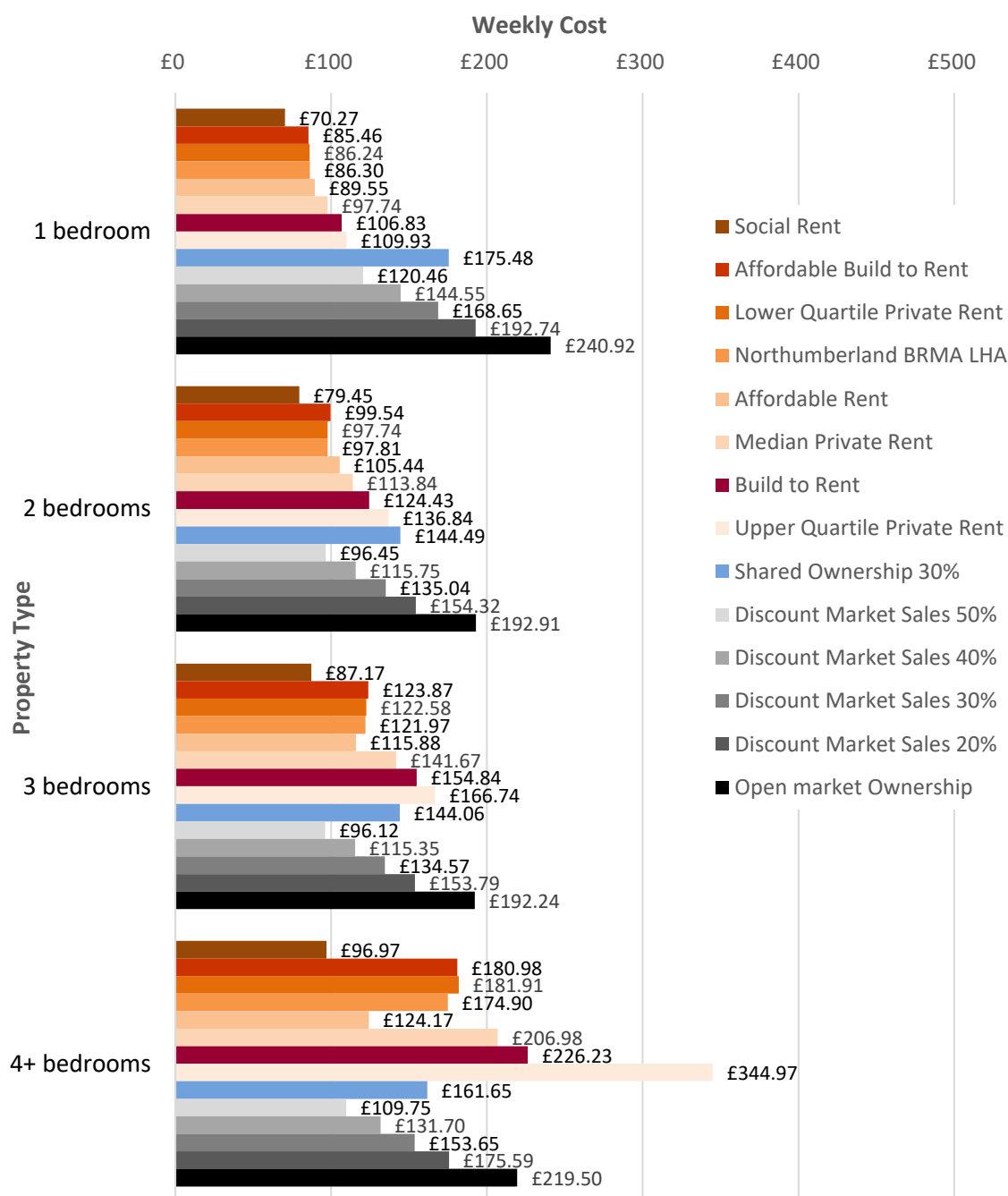
Summary of Housing Costs

- 4.51 This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 25 summarises these costs for each property size using the same assumptions as throughout the report; assuming a 10% deposit for example.

¹³ [Build to rent - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/744443/build-to-rent-guidance.pdf)

¹⁴ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Figure 25: Comparison of weekly housing costs by property size in Northumberland (Source: VOA 2022-2023, Land Registry, ORS model)



4.52 Open market ownership and shared ownership are the most expensive in terms of weekly costs.

4.53 The cost of Shared Ownership predictably varies depending on the equity size purchased, however the fact that it is more expensive on a weekly basis than Discount Market Sales or First Homes with a 30% discount is evidence of the significance of the rent payable on the equity retained and service charges on weekly costs.

- ^{4.54} Overall, compared to rental options, the range of affordable home ownership products shown appear to be relatively accessible for larger properties, however it should be noted that the chart takes no account of the initial cost of a deposit on a property, which is a barrier to many households that seek to get onto the housing ladder. Furthermore, despite the weekly costs being cheaper, the underlying income necessary to obtain a mortgage on a Discount Market Sales or First Homes will be meaningfully higher than the underlying income required to rent a property due to the constraint of mortgage income multipliers discussed previously.
- ^{4.55} Overall, Discount Market Sales represent an affordable option in Northumberland, so there is no need to consider introducing optional lower income level eligibility or price caps for affordable home ownership products.
- ^{4.56} At the time of writing, the housing market is entering a period of uncertainty as interest rates have risen in recent years and are not expected to fall in the near future. This will impact mortgaged properties first but will also be followed quite quickly by a growing number of private rents as individual fixed terms reach renewal. Typically, as interest rates rise then house price will fall to maintain the monthly outlay facing new mortgages at the same level as they were previously. Currently, house prices are remaining approximately flat in nominal terms, but in the context of inflation having been as high as 10%, this means that real house prices have been falling. Over the period late 2022 to the end of 2024, the Office for Budget Responsibility, who provide independent economic forecasts on behalf of the government, project a drop in real house prices of 9%.¹⁵
- ^{4.57} For rental data, there have been recent publicity around the growth in the private rents. However, the ONS data for the whole of the UK showed annual rent rises of 4.9% in the year to March 2023,¹⁶ so this is still well below inflation and real rents are therefore falling. Tax changes for landlords introduced in 2021 have seen some landlords leave the sector and there has been a sharp rise in rent in parts of London due to a lack of supply. However, this has not expanded to the whole of the UK yet.

¹⁵ [Autumn Statement: House prices to fall by 9% over two years says OBR | This is Money](#)

¹⁶ [Index of Private Housing Rental Prices, UK - Office for National Statistics \(ons.gov.uk\)](#)

5. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 5.1 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis placed on affordable homeownership. This was retained in the NPPF December 2024 update and does explicitly include Discount Market Sales, but does not include First Homes. However, footnote 90 of the NPPF does reference the Written Ministerial Statement which introduced First Homes. The Annex 2 of the Revised NPPF now defines affordable housing as being:

Affordable housing

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

Revised NPPF 2024, Annex 2

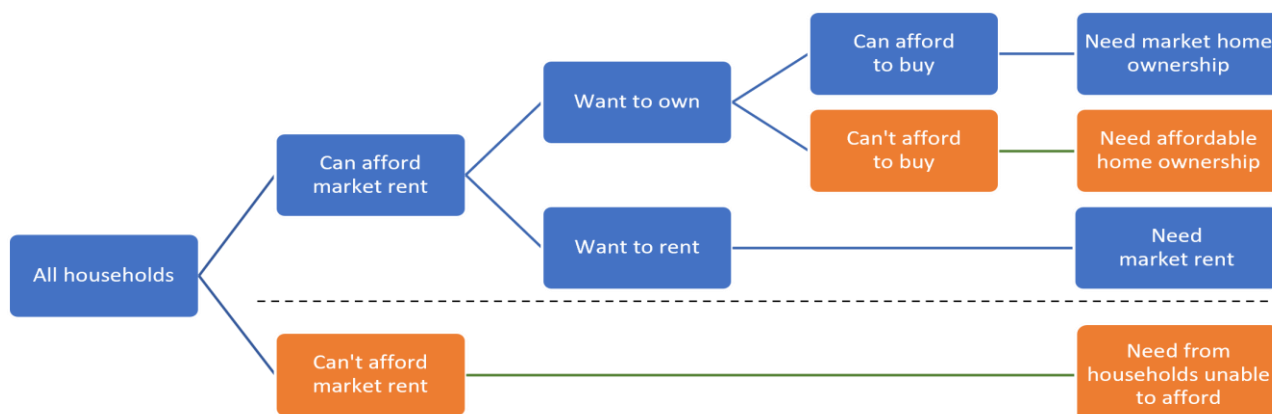
- 5.2 To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “Housing needs of different groups” published on 22nd July 2019¹⁷ to consider the need for those who aspire to own. Further guidance to reflect the need to consider First Homes was then added on May 24th 2021.
- 5.3 On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

Establishing the Need for Affordable Housing to Rent and to Own

- 5.4 Demographic projections provide the basis for identifying the local need for all types of housing, including both market housing and affordable housing. There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing; however, when considering the needs of households who can afford to rent but would prefer to own, it is necessary to further develop the existing methods given that PPG provides no additional guidance on how this need should be assessed.
- 5.5 Below, Figure 26 illustrates the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that can’t afford market rent need to be added to the needs of those that can afford market rent but who want to own but can’t afford to buy.

¹⁷ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

Figure 26: Establishing the need for market and affordable housing



- 5.6 We would note that many households who are currently renting and aspire to own are adequately housed and able to afford their own rents. Therefore, they do not meet older definitions of housing need which related to households who are inadequately housed and are unable to afford market housing. However, Annex 2 of the NPPF 2024 does very specifically state that affordable housing is, ‘*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local work.*’ Therefore, it is necessary to consider the needs of those who can afford to rent, but cannot afford to own. The approach we adopt to address this issue is firstly to consider the more traditional measure of housing need generated by households who are unable to afford to meet their own housing costs in the market. We then consider those who can afford private rents, but who may aspire to home ownership. This also ensures that there is no double counting between these two groups.

Affordable Housing Need: Households Unable to Afford

- 5.7 PPG notes that affordable housing need is based on households “*who lack their own housing or who cannot afford to meet their housing needs in the market*” [ID 2a-019-20190220]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but can’t afford to buy. Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying or renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.
- 5.8 PPG on the Housing Needs of Different Groups sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.

Planning Practice Guidance, ID 67-008-20190722

Current Unmet Need for Affordable Housing

- 5.9 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance, ID 2a-020-20190220

Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

- 5.10 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted. This is Bands P (priority), 1, 2 and 2R of the Northumberland Homefinder register. We have excluded those in Band 3 who are considered to already be adequately housed and thus not technically in housing need.
- 5.11 Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of March 31st 2024.
- 5.12 The analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing, (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Northumberland.

- 5.13 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household; and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions. If a property cannot be remediated then this is the same as losing the property from the stock through demolition and this requires to be added to the net need calculated on a one for one basis.
- 5.14 Concealed families are defined as, “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”¹⁸. When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 5.15 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged 18-54 years (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). The needs of these households are counted when establishing the need for affordable housing.
- 5.16 Overleaf Figure 27 sets out the assessment of current affordable housing need for Northumberland.

¹⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

Figure 27: Assessing current unmet gross need for affordable housing – Northumberland in 2024 (Sources: MHCLG P1E returns; Census 2001 and 2011; English Housing Survey 2021; DWP Housing Benefit; MHCLG, Local Authority Housing Statistics)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need
Homeless households in priority need [Source: MHCLG P1E returns]	Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	22		22
Homeless households in priority need [Source: MHCLG P1E returns]	Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2		2
Homeless households in priority need [Source: MHCLG P1E returns]	Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	30	30	0
Homeless households in priority need [Source: MHCLG P1E returns]	Households accepted as homeless but without temporary accommodation provided	0		0
Concealed households [Source: Census 2001, 2011 and 2021]	Growth in concealed families with family representatives aged under 55	173		173
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded private rented housing	369		369
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]	Households living in overcrowded social rented housing	788	788	0
Other households living in unsuitable housing that cannot afford their own home [Source: MHCLG LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	2501	234	2267
Other households living in unsuitable housing that cannot afford their own home [Source: MHCLG LAHS]	People who need to move to a particular locality in the County, where failure to meet that need would cause hardship	8	1	7
TOTAL	TOTAL	3,893	1,053	2,840

- 5.17 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that an estimated **3,893 households in Northumberland are currently living in unsuitable housing and are unable to afford their own housing**.
- 5.18 Of these households, 1,053 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 2,840 households in Northumberland** (3,893 less 1,053 = 2,840) **that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).
- 5.19 In most housing needs assessments, the backlog is typically spread over 15-20 years. Addressing the current backlog over 20 years would require 142 households per annum to have their housing need met and that is the approach which has been taken forward in this study. If addressing the current net backlog over 15 years it would require 189 per annum.

Projected Future Affordable Housing Need

- 5.20 In terms of establishing **future** projections of affordable housing need, PPG on Housing and Economic Needs Assessment draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?

Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly forming households will be unable to access market housing.

Planning Practice Guidance, ID 2a-021-20190220

- 5.21 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with the household projections. The Model uses a range of secondary data sources to build on existing household projections and profiles how the housing stock will need to change in order to accommodate the projected future population.¹⁹
- 5.22 Whilst PPG for Housing and Economic Needs Assessment identifies that “Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need.” [ID: 2a-021-20190220], **the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 5.23 The affordability percentages in Figure 28 are calculated using detailed information on existing households living in Northumberland from the 2011 and 2021 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. The key data utilised is how many households are living in affordable housing now by age group and type and also the rate of housing benefit take-up among those same groups. The household types have been slightly modified from those shown in Figure 11.
- 5.24 The defining factor here is whether a household can pay for their housing without requiring affordable housing or housing benefit. Therefore, this is the proportion of households in each age and household composition group that either occupy affordable housing or receive housing benefit to enable them to afford market housing. For example, 58% of lone parent families headed by someone aged 35-44 years either reside in social housing or receive housing benefit.

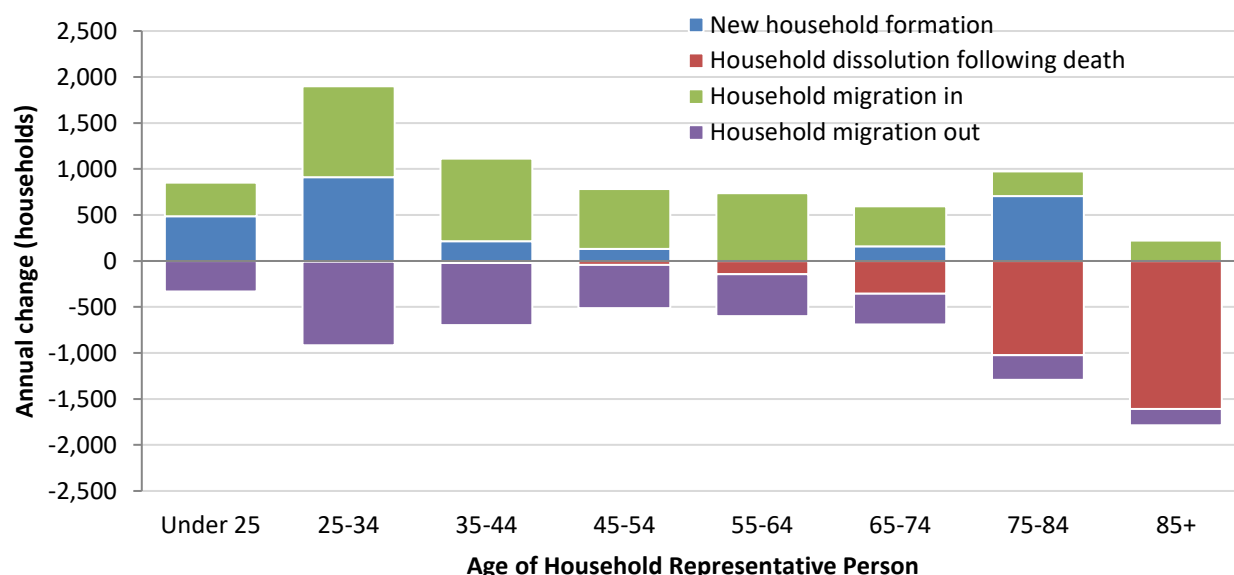
¹⁹ Detailed data from CLG 2014-based household projections and sources identified in Figure 21, Figure 27 and Figure 28

Figure 28: Assessing affordability by household type and age for Northumberland (Source: Census 2021 and DWP)

Percentage unable to afford market housing in Northumberland	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	31%	17%	32%	35%	33%	35%
Couple family with no dependent children	23%	9%	10%	9%	7%	13%
Couple family with 1 or more dependent children	64%	32%	15%	9%	13%	28%
Lone parent family with 1 or more dependent children	87%	80%	58%	53%	50%	71%
Other household type	43%	49%	37%	27%	25%	17%

Establishing the Future Affordable Housing Need for Households Unable to Afford

- ^{5.25} When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” [ID 2a-021-20190220] suggesting that “*the total need for affordable housing should be converted into annual flows*” [ID 2a-024-20190220].
- ^{5.26} Below, Figure 29 show the age structure of each of the components of household change for 2024 to 2031. This again draws on the household types set out in Figure 11 while applying underlying modelled trends to the changes in household type. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 29: Annual change in Northumberland household numbers in each age cohort by age of Household Representative Person for 2024-2031 (Source: ORS Housing Model, ONS 2018 based sub-national projections and CLG 2014 based sub-national projections)

5.27 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. As an example, we have a modelled figure for newly forming households aged under 25 years in Figure 29 and figures for how many single persons aged under 25 years in Figure 11 plus a model for the affordability of single person households aged under 25 years in Figure 28. Bringing these together allows us to calculate the number of single persons under 25 years who cannot afford market housing. The same calculation is then made for every household type and every age cohort, and these results are aggregated into the tables below.

Figure 30: Newly forming and in-migration: Annual components of Household Growth 2024-31 in Northumberland (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	2,600	1,686	913	35%
Households migrating into the area	4,558	3,297	1,261	28%
All new households	7,158	4,984	2,174	30%

5.28 The ORS Model identifies 2,600 new households projected to form in Northumberland each year, of which 35% will be unable to afford their housing costs. This amounts to 913 households each year.

5.29 The model also considers new households migrating to the area. The projection is for 4,558 households per year, of which 28% (1,261 households) will be unable to afford their housing costs. Migrating households are less likely to be in housing need because they typically have higher incomes and equity from property elsewhere.

5.30 This results in a total of 2,174 new households in need of affordable housing per annum.

5.31 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

Figure 31: Dissolution and out-migration: Annual components of Household Growth in Northumberland 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	3,181	2,368	813	26%
Households migrating <u>out</u> of the area	3,613	2,570	1,043	29%
All households no longer present	6,795	4,938	1,856	27%

5.32 In Northumberland, the model identifies 3,181 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 813 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.

- 5.33 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that in Northumberland 3,613 households will migrate out of the area each year, including 1,043 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available. If these households stayed if more affordable housing was available, then affordable needs would clearly rise on a one for one basis. Altogether, there are 1,856 households per annum who will vacate affordable dwellings or will no longer be waiting for a home in Northumberland.
- 5.34 This implies that more need is being generated by households moving to Northumberland than from those leaving the area, so the impact of net migration is an increase in net affordable housing need of 318 additional households per annum (2,174 - 1,856).
- 5.35 PPG also identifies that it is important to estimate *“the number of existing households falling into need”* (ID 2a-021). Whilst established households that continue to live in the County will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are analysed on a cohort basis, using 5-year bands and periods. That means that the same households are considered at the start and the end of the period; so, at the end of the period they will be 5 years older than at the start of the period. For example, the number of established households aged 30-34 unable to afford market housing at the start of the period is compared with the number aged 35-39 at the end of the period 5 years later. The analysis is undertaken based on a matrix of 15 age groups and 5 household types and repeated for 4 five-year periods. Those sub-groups where the number of established households unable to afford has increased are summed to identify the total falling into need. Those sub-groups where the number has reduced are summed to identify the total climbing out of need.
- 5.36 It is estimated that 511 established households will fall into need each year.
- 5.37 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to Locally afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 5.38 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 644 households will improve such that they become able to afford their housing costs having previously being unable to afford. This is again calculated by analysing flows of households moving into affordable housing and housing benefit claimants between different cohorts in the population.

5.39 Therefore, considering the changing needs of existing households overall, there is a net decrease of 133 existing households needing affordable housing each year in Northumberland (Figure 32). Therefore, the circumstances of slightly more households are projected to improve than become worse each year and this in turn slightly offsets the need for affordable housing. While this may appear to be counter-intuitive, it is a common result with many households forming in housing need, but then seeing their circumstances improve.

Figure 32: Existing households: Annual components of Household Growth in Northumberland 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-511	+511	100%
Existing households climbing out of need	-	+644	-644	0%
Change in existing households	-	+133	-133	-

5.40 The following tables (Figure 33) summarises the overall impact of:

- » new households adding to housing need,
- » the households no longer present reducing housing need and
- » the changes in circumstances impacting existing households.

Figure 33: Summary annual components of Household Growth in Northumberland 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	7,158	4,984	2,174
All households no longer present	-6,795	-4,938	-1,856
Change in existing households	-	133	-133
Future affordable housing need 2024-31 (Annual average)	363	178	185

5.41 Overall reviewing the contribution of each element amounts to an additional 185 households needing affordable housing annually over the 7-year period 2024-31. This is the level of provision which would be required to prevent the backlog of current need from growing, while not addressing any of the current need.

Overall Affordable Housing Need for Households Unable to Afford

5.42 Below, Figure 34 brings together the information on assessing the unmet need for affordable housing in 2024 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 7-year period 2024-31. To calculate these numbers, the figures for current unmet need from Figure 27 have all been divided by 20 years to give annualised numbers and then multiplied by 7 for the period 2024-31 to give the figures cited in a-c. The resulting annual current net unmet need of 142 plus the annual newly arising need figure of 185 give a total need of 327 per annum.

Figure 34: Assessing total need for affordable housing for Northumberland (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	Housing Need (households) Affordable housing
Unmet need for affordable housing in 2024	
Total unmet need for affordable housing (a)	1,364
Supply of affordable housing vacated (b)	369
Current housing need (c) = (a) - (b)	995
Projected future housing need 2024-31	
Average annual housing need (d)	185
Future housing need (e) = (d) x 7	1,294
Total need for market and affordable housing (f) = (c) + (e)	2,289
Average annual household growth (g) = (f) / 7	327

- 5.43 Overall, there is a need to provide affordable housing for 2,289 households unable to afford to rent or buy over the Plan period 2024-31 which equates to 327 households per year. If the current unmet need was to be addressed within 15 years instead of 20 years, then that would indicate an overall need of 374 households per year.
- 5.44 These figures relate only to households who cannot afford market housing costs, with an additional need for those who can afford market costs, but who aspire to own considered in the next section. There is no overlap in households between these two sections.
- 5.45 These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.
- 5.46 The analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however households in receipt of housing benefit are assumed to be able to afford their housing costs, so they are not counted towards the current need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

Additional Need for Affordable Homeownership

- 5.47 As noted at the outset of this chapter, there is an argument that households who are adequately housed and who can afford their own private rent, are not in housing need. However, Annex 2 of the NPPF 2024 does state that affordable housing is, '*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local work.*'

- 5.48 Therefore, it is necessary to consider the needs of those who can afford to rent, but cannot afford to own. The approach we adopt is to assess how many households in the private rented sector may aspire to own, and then analyse how many can current afford to do without any further support and how many of the remaining private renters would be able to afford different affordable home ownership products including the need for savings to cover a deposit.
- 5.49 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent (without housing benefit) with the aspiration data from the EHS 2013-14, Figure 35 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. This is based upon 53.5% of all private renters aspiring to be owner occupiers in the long-term. We would note that the same questions were asked again in the 2021/22 EHS survey and produced very similar outcomes.
- 5.50 It is important to recognise that all of these households are able to meet their own housing costs in the private rented sector, when they find a dwelling that suits them, so would typically not be considered for Social or Affordable Rent. The household types are the same as those set out in Figure 11. The data is calculated by taking the 2018 population projection and updating this in line with the 2021 Census data. The data is then converted to households using the 2018 based household projections headship rates and separated into household types.

Figure 35: Households currently living in the Private Rented Sector in Northumberland and paying their own rent that aspire to home ownership by Age of Household Representative (Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	417	1098	610	246	178	173	2723
Couple without children	107	768	248	343	408	207	2081
Families with child(ren)	55	853	917	429	0	0	2254
Other households	122	66	49	68	35	0	340
Total Volume	700	2,785	1,824	1,087	622	381	7,398
<i>Percentage of households</i>	9%	38%	25%	15%	8%	5%	9%

- 5.51 Based on this analysis, we can estimate that there is a total of around 7,398 households currently resident in Northumberland who cannot afford to own their own home but would aspire to do so. Taking this calculation forward we have include 7/20 of the backlog to be addressed in the next 7 years, so a total of 2,589 households. This does not imply that 2,589 households will require assistance in becoming owner occupiers. Instead, this number of households are seeking to become owner occupiers, and many will achieve this by purchasing outright market ownership properties. We consider how many households will require assistance below.
- 5.52 In addition to the current need, it is also important to consider new households that are projected to form over the period 2024-2031. Using the same methodology as is used to consider the current needs, we can conclude that it is likely that there would be a further 2,451 households in Northumberland that form over the 7-year period who will be able to afford to pay market rent but will be unable to afford to own, despite that being their aspiration. This is built from trend growth rates, affordability and EHS aspiration data.

- 5.53 **Overall, there are likely to be up to 5,040 households who cannot afford to buy their own home on the open market and aspire to homeownership in Northumberland over the period 2024-31.** None are in receipt of housing benefit to support their housing costs. These are the upper limit figures and are adjusted as part of the assessment to take account of any households that can afford market ownership. The vast majority of this group of private renters can be assumed to be potential first-time buyers, as it is far more common for a renter to become a homeowner (i.e. as a first-time buyer) than the reverse (i.e. entering the rental market having previously owned a home).
- 5.54 As noted earlier in Chapter 4, Northumberland affordable housing policies have included Discount Market Sales, which are properties sold at least 20% and typically 30% discount from open market value. While the figure of 5,040 households who aspire to homeownership sets an upper threshold for the number who could seek to access affordable home ownership products, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.

Sense Checking the Needs for Affordable Home Ownership

- 5.55 Below, Figure 36 brings together the information on assessing the unmet need for affordable housing in 2024 together with the future need for affordable housing and those aspiring to home ownership arising over the 7-year period 2024-31. All data relates to households, and this will be converted to dwellings when we add a vacancy rate later in this chapter. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options; some may be able to afford home ownership but have not found a suitable property yet.

Figure 36: Assessing total need for affordable housing 2024-2031 – Northumberland (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2024	995	2,589	3,584
Future housing need 2024-31	1,294	2,451	3,745
TOTAL HOUSING NEED	2,289	5,040	7,329

- 5.56 On this basis, in Northumberland we can conclude that the overall need for affordable housing would comprise a total of 7,329 households over the 7-year period 2024-2031. This represents a very high level of need. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG.
- 5.57 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.
- 5.58 It will be important to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing.

- ^{5.59} It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. However, these households would not necessarily choose new build Affordable Home Ownership if it were available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- ^{5.60} Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products such as Discount Market Sales if they were provided. For the purposes of testing affordability, we have assumed that Discount Market Sales are sold at 70% of the lower quartile newbuild house prices set out in Figure 18.
- ^{5.61} We also considered properties sold at 60% and 50% of market values (equivalent to the optional higher 40% and 50% discounts for First Homes) and they added very few additional households to the need figures, with a property with a 50% discount only adding around 20 dwellings per annum to the total need figure, while it would significantly impact on the viability of affordable housing in Northumberland.
- ^{5.62} Given this context, Figure 37 to Figure 40 identify those households with an income that would be insufficient to afford from a range of 50% to 80% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It should be remembered that, as set out in Figure 25, Discount Market Sales are typically more affordable than Shared Ownership in Northumberland, but of course Shared Ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- ^{5.63} In Northumberland, of the 5,040 households who can afford to rent but who aspire to homeownership, there would be 1,087 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a number of further households with insufficient income to have a realistic prospect of being able to afford at 50%-80% of open market values. There would also be a high number where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a Discount Market Sales in the local area.

Figure 37: Discount Market Housing mix by household affordability in Northumberland 2024-2031 Based Upon a 20% Discount
(Source: ORS Housing Model)

Northumberland	All households aspiring to home ownership	MINUS properties over the cap limit or where households can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 80% of newbuild LQ	Households able to afford 80% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 80% of newbuild LQ and have savings of £5,000 or more
1 bedroom	352	81	271	144	127	70	57
2 bedrooms	2,090	496	1,594	565	1,029	840	189
3 bedrooms	2,084	394	1,690	516	1,174	913	262
4+ bedrooms	514	116	398	182	216	115	100
TOTAL	5,040	1,087	3,953	1,405	2,548	1,941	607

Figure 38: Discount Market Housing mix by household affordability in Northumberland 2024-2031 Based Upon a 30% Discount
(Source: ORS Housing Model)

Northumberland	All households aspiring to home ownership	MINUS properties over the cap limit or where households can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 70% of newbuild LQ	Households able to afford 70% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 70% of newbuild LQ and have savings of £5,000 or more
1 bedroom	352	81	271	120	151	84	68
2 bedrooms	2,090	496	1,594	506	1,088	878	211
3 bedrooms	2,084	394	1,690	470	1,220	933	287
4+ bedrooms	514	116	398	165	233	122	111
TOTAL	5,040	1,087	3,953	1,260	2,693	2,017	677

Figure 39: Discount Market Housing mix by household affordability in Northumberland 2024-2031 Based Upon a 40% Discount
(Source: ORS Housing Model)

Northumberland	All households aspiring to home ownership	MINUS properties over the cap limit or where households can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 60% of newbuild LQ and have savings of £5,000 or more
1 bedroom	352	81	271	90	181	100	82
2 bedrooms	2,090	496	1,594	380	1,214	979	236
3 bedrooms	2,084	394	1,690	351	1,339	1,024	315
4+ bedrooms	514	116	398	141	257	135	123
TOTAL	5,040	1,087	3,953	950	3,003	2,248	755

Figure 40: Discount Market Housing mix by household affordability in Northumberland 2024-2031 Based Upon a 50% Discount
(Source: ORS Housing Model)

Northumberland	All households aspiring to home ownership	MINUS properties over the cap limit or where households can afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of newbuild LQ and have savings of £5,000 or more
1 bedroom	352	81	271	60	211	116	95
2 bedrooms	2,090	496	1,594	253	1,341	1,081	260
3 bedrooms	2,084	394	1,690	232	1,458	1,115	343
4+ bedrooms	514	116	398	116	282	148	134
TOTAL	5,040	1,087	3,953	640	3,313	2,480	833

^{5.64} On this basis, a range between 607 and 833 dwellings are needed for Discount Market Sales for households that aspire to homeownership but cannot afford. However, we would note that the households who have been excluded from this calculation because they do not have sufficient savings or who cannot afford the mortgage on a Discount Market Sales do still have a potential affordable housing need. It is just the case that they will not be able to access Discount Market Sales. We have taken forward the need for a 30% discount of 677 dwellings, but the actual discount chosen has little impact on the final conclusions. We see little justification in higher 40% or 50% discounts because they result in very few extra households being able to afford and would impact on the viability of affordable housing delivery.

^{5.65} We consider that it is appropriate to exclude the households who can afford to buy, but for those who lack income (households unable to afford 70% of newbuild LQ) or savings (households with savings less than £5,000) for a Discount Market Sales, alternative housing products may be more suitable. In Northumberland, this amounts to 3,277 households (1,260+2,017=3,277). Instead, if a suitably priced Rent to Buy, or Shared Ownership product can be developed then they may move from a market need for private rent to an affordable housing need. However, these households are currently adequately housed, so they may not form a priority for additional affordable housing delivery.

Identifying the Overall Affordable Housing Need

^{5.66} Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, the minimum figures for affordable housing needs are those 677 households likely to form an effective demand for Discount Market Sales in addition to the 2,289 households unable to afford to rent or own market housing. Figure 41 provides a breakdown of the overall need for affordable housing on this basis.

Figure 41: Overall need for Affordable Housing 2024-31 in Northumberland, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Northumberland	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	281	68	349
2 bedrooms	888	211	1,099
3 bedrooms	860	287	1,147
4+ bedrooms	260	111	371
TOTAL HOUSING NEED	2,288	677	2,965

^{5.67} For Northumberland this study identifies an overall affordable housing need from 2,965 households over the 7-year period 2024-31 (424 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 70% Discount Market Sales property.

^{5.68} However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration.

^{5.69}

5.70 Figure 42 shows the result of applying a vacancy rate of 1.2%²⁰ for homes to the summary of households in Figure 41 for Northumberland.

²⁰ 1.2% is taken from the affordable housing vacancy rate in the 2021 Census.

Figure 42: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Northumberland 2024-31 including a 1.2% vacancy rate (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford market rents	Unable to afford market ownership but able to afford a Discount Market Sales with a 30% discount	Affordable Housing
1 bedroom	284	68	352
2 bedrooms	899	213	1,112
3 bedrooms	871	290	1,161
4+ bedrooms	263	113	376
DWELLINGS	2,317	684	3,001

5.71 The overall minimum affordable housing need for Northumberland over the 7-year period 2024-31 (3,001 dwellings) therefore equates to a gross annual average need for 428 affordable dwellings per annum.

5.72 As at 31 March 2024, there were already 1,432 affordable dwellings outstanding to be built on permitted development sites in Northumberland. If it were assumed that all of those commitments were to be built within the next 7 years, then there would be a residual net additional need to permit at least a further 1,569 affordable dwellings to also be delivered over that 2024-31 period. This net additional need equates to an average 224 per annum.

5.73

Figure 43 shows the components of housing need with a breakdown of affordable rented between Social Rent, Affordable Rent and those who can afford Discount Market Sales. This latter figure includes all households who aspire to own and can access Discount Market Sales, but also include those who cannot afford market rents, but who could potentially afford Discount Markets Sales. Therefore, the 684 dwellings set out in

- 5.74 Figure 42 rises to 988 when those who cannot afford to rent, but who could afford a Discount Market Sale are added.
- 5.75 In terms of the mix of properties required, the need for one bedroom affordable homes is relatively low, so there is only a relatively small need for flats. However, the need for two and three bedroom properties is much higher so there is a clear need for bungalows, terraced and semi-detached houses. The need for bungalows in particular is heavily linked to the ageing population, with a balance to be struck between delivering dedicated older person schemes which are part of a single floor development and separate bungalows (See Chapter 7). For affordable housing, the need for detached house should be low, with the larger four-or-more bedroom properties potentially met in semi-detached and townhouses.
- 5.76 The key factors in this calculation are the household income profile of those in need and whether they receive housing benefit. If a household is unable to afford social rent without HB, then it is assumed that housing benefit will cover the cost of their rent. Similarly, if a household is able to afford social rent without HB but cannot afford affordable rent without then it is assumed that housing benefit will cover the additional cost of their affordable rent.

Figure 43: Overall need for Affordable Dwellings (including social and affordable renting) by property size in Northumberland 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	254	12	19	68	352
2 bedrooms	606	78	99	328	1,112
3 bedrooms	519	96	104	442	1,161
4+ bedrooms	164	26	37	150	376
DWELLINGS	1,543	212	259	988	3,001
1 bedroom	8.5%	0.4%	0.6%	2.3%	11.7%
2 bedrooms	20.2%	2.6%	3.3%	10.9%	37.1%
3 bedrooms	17.3%	3.2%	3.5%	14.7%	38.7%
4+ bedrooms	5.5%	0.9%	1.2%	5.0%	12.5%
DWELLINGS	51.4%	7.1%	8.6%	32.9%	100.0%

^{5.77} The key factors in this calculation are the household income profile of those in need and whether they receive housing benefit. If a household is unable to afford social rent without HB, then it is assumed that housing benefit will cover the cost of their rent. Similarly, if a household is able to afford social rent without HB but cannot afford affordable rent without then it is assumed that housing benefit will cover the additional cost of their affordable rent.

^{5.78} Based on the analysis in

^{5.79} Figure 43, it is recommended that approximately 67% of the total affordable housing need should ideally be provided as Affordable Rent products (58% social rent and 9% affordable rent including Build to Rent). The other 33% should be provided as affordable home ownership products such as Discount Market Sales, First Homes and Shared Ownership.

^{5.80} The vast majority of these needs are for 2 and 3-bedroom properties (37% and 39% respectively), with much smaller proportions of 1-bedroom (12%) and 4+ bedrooms properties (13%).

Affordable Housing Needs of the Housing Market Sub-Areas

^{5.81} To model the needs of sub-areas, a variety of approaches can be adopted. For this study our approach factored in the distribution of the current population and the numbers and types of households and dwellings across the county, as well as demographic factors including age profiles and projections of births and deaths, trends in population change and projected migration. This data was then reconciled with the identified overall need for 3,001 affordable homes across Northumberland to ensure consistency

^{5.82} Figure 44 to Figure 50 set out the needs for each of the 7 HMAs in Northumberland. Spatially, it is notable that the vast majority (63%) of Northumberland's affordable housing needs are focused in the more urbanised Tyneside Commuter Belt South East HMA. About 9% of the county's affordable needs are in the Tyneside Commuter Belt West and 8% in Tyneside Commuter Belt Central HMA. The three HMAs covering the more rural north of the county together represent about 16% of the needs, with the rural West HMA accounting for about 3% of the needs.

Figure 44: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Tyneside Commuter Belt West 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tyneside Commuter Belt West	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	24	1	2	6	33
2 bedrooms	50	6	8	27	91
3 bedrooms	43	8	9	36	95
4+ bedrooms	20	3	4	18	45
DWELLINGS	136	19	23	88	265
1 bedroom	9.0%	0.4%	0.7%	2.4%	12.5%
2 bedrooms	18.8%	2.4%	3.1%	10.2%	34.5%
3 bedrooms	16.1%	3.0%	3.2%	13.7%	36.0%
4+ bedrooms	7.4%	1.2%	1.7%	6.7%	17.0%
DWELLINGS	51.3%	7.0%	8.6%	33.0%	100.0%

Figure 45: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Tyneside Commuter Belt Central 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tyneside Commuter Belt Central	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	17	1	1	5	24
2 bedrooms	42	5	7	22	76
3 bedrooms	38	7	8	32	85
4+ bedrooms	22	3	5	20	50
DWELLINGS	118	17	21	79	235
1 bedroom	7.3%	0.3%	0.5%	2.0%	10.1%
2 bedrooms	17.7%	2.3%	2.9%	9.6%	32.4%
3 bedrooms	16.1%	3.0%	3.2%	13.7%	36.0%
4+ bedrooms	9.3%	1.5%	2.1%	8.4%	21.3%
DWELLINGS	50.4%	7.1%	8.8%	33.7%	100%

Figure 46: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Tyneside Commuter Belt South East 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tyneside Commuter Belt South East	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	160	8	12	43	223
2 bedrooms	390	50	64	211	715
3 bedrooms	341	63	68	290	762
4+ bedrooms	87	14	20	79	200
DWELLINGS	978	135	164	623	1,900
1 bedroom	8.4%	0.4%	0.6%	2.3%	11.7%
2 bedrooms	20.5%	2.6%	3.4%	11.1%	37.6%
3 bedrooms	17.9%	3.3%	3.6%	15.3%	40.1%
4+ bedrooms	4.6%	0.7%	1.1%	4.2%	10.5%
DWELLINGS	51.5%	7.1%	8.6%	32.8%	100.0%

Figure 47: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Alnwick and Tourist Coast 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Alnwick and Tourist Coast	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	19	1	1	5	26
2 bedrooms	33	4	5	18	60
3 bedrooms	29	5	6	25	65
4+ bedrooms	11	2	2	10	25
DWELLINGS	91	12	15	57	175
1 bedroom	10.7%	0.5%	0.8%	2.9%	14.9%
2 bedrooms	18.6%	2.4%	3.0%	10.1%	34.1%
3 bedrooms	16.5%	3.0%	3.3%	14.0%	36.9%
4+ bedrooms	6.2%	1.0%	1.4%	5.7%	14.3%
DWELLINGS	52.0%	6.9%	8.5%	32.6%	100%

Figure 48: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Berwick and Borders 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Berwick and Borders	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	18	1	1	5	24
2 bedrooms	47	6	8	25	85
3 bedrooms	30	5	6	25	66
4+ bedrooms	8	1	2	7	19
DWELLINGS	102	14	17	63	195
1 bedroom	9.0%	0.4%	0.7%	2.4%	12.5%
2 bedrooms	23.9%	3.1%	3.9%	12.9%	43.7%
3 bedrooms	15.2%	2.8%	3.1%	13.0%	34.1%
4+ bedrooms	4.2%	0.7%	0.9%	3.8%	9.5%
DWELLINGS	52.3%	7.0%	8.6%	32.1%	100%

Figure 49: Overall need for Affordable Dwellings (including affordable home ownership products) by property size in Wooler and the North Cheviots 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Wooler and the North Cheviots	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	7	0	1	2	10
2 bedrooms	22	3	4	12	40
3 bedrooms	16	3	3	14	36
4+ bedrooms	7	1	2	6	16
DWELLINGS	52	7	9	34	101
1 bedroom	7.0%	0.3%	0.5%	1.9%	9.7%
2 bedrooms	21.4%	2.7%	3.5%	11.6%	39.2%
3 bedrooms	16.0%	3.0%	3.2%	13.6%	35.8%
4+ bedrooms	6.8%	1.1%	1.5%	6.2%	15.6%
DWELLINGS	51.2%	7.1%	8.7%	33.2%	100%

Figure 50: Overall need for Affordable Dwellings (including affordable home ownership products) by property in A68 and A69 Tyne Corridor 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

A68 and A69 Tyne Corridor	Require Social Rent with HB Support	Require Social Rent without HB Support	Require affordable Rent	Affordable home ownership	Minimum Total Affordable Housing
1 bedroom	9	0	1	2	12
2 bedrooms	25	3	4	14	46
3 bedrooms	23	4	5	19	51
4+ bedrooms	9	1	2	8	21
DWELLINGS	66	9	11	44	130
1 bedroom	6.9%	0.3%	0.5%	1.9%	9.6%
2 bedrooms	19.3%	2.5%	3.1%	10.4%	35.3%
3 bedrooms	17.5%	3.2%	3.5%	14.9%	39.1%
4+ bedrooms	7.1%	1.1%	1.6%	6.5%	16.3%
DWELLINGS	50.7%	7.2%	8.8%	33.6%	100%

6. Market Housing Needs

Identifying the need for market housing

Introduction

- 6.1 While the previous chapter analyses the need for affordable housing in Northumberland, it is also possible to consider the need for market housing.
- 6.2 The future needs for market housing will be dependent on the scale of the county's overall housing requirement relative to the affordable housing needs identified in Chapter 5. This will influence the level of household formation and in-migration to Northumberland, and that in turn will impact the mix of market housing required.
- 6.3 It is also the case that other elements of housing provision will impact upon the size of properties delivered. For example, a greater focus upon older person needs would see a much higher level of delivery of one and two bedroom properties. However, if more self and custom-built properties are delivered, then these are typically larger detached homes.
- 6.4 Figure 15 and Figure 16 showed that more than half of the recent delivery in Northumberland has been in the form of four-or-more bedroom detached homes. These homes will in part have been helping to meet demand from outside of the County and if this process is assumed to continue then there will remain a high need for larger market units.
- 6.5 For the market needs of this assessment we have considered two alternative scenarios.
- » The first scenario assumes that local household formation is higher, allowing for more single persons and couples to form. This would focus upon meeting the needs of smaller households local to Northumberland
 - » The second scenario assumes that there is an increase in market needs driven by households moving to Northumberland, particularly from Tyneside. This scenario sees families moving to Northumberland seeking larger properties.
- 6.6 Figure 51 sets out a guideline as to the likely proportionate levels of need for market dwellings of different sizes in Northumberland as a whole under these two alternative scenarios. Under both scenarios, the needs are expected to be greatest for three bedroom properties, with only a relatively small need for one bedroom homes
- 6.7 It is recommended that to allow more local households to form, housing delivery should be focused on mid-sized three bedroom and smaller two-bedroom homes. The housing mix in this first scenario is similar to the needs for affordable housing, but with a relatively greater proportionate need for larger dwellings of four-or-more bedrooms in size.

- 6.8 However, if the overall market needs for Northumberland are assumed to include a higher need from in-migrant households, then housing delivery will need to comprise a higher share of larger properties. The housing mix in this second scenario would require a greater proportion of four-or-more bedroom properties than smaller two-bedroom homes.
- 6.9 As with affordable housing, the relatively small need for one-bedroom properties suggests only a small need for flats and apartments. The need for bungalows and other level-access properties is heavily linked to the ageing population (see Chapter 7).

Figure 51: Percentage Need for Market Dwellings by Property Size in 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Overall	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	10%
2 bedrooms	35%	25%
3 bedrooms	45%	35%
4+ bedrooms	20%	30%
DWELLINGS	100%	100%

Market Housing Needs of the Housing Market Sub-Areas

- 6.10 Figure 52 to Figure 58 set out the recommended breakdown of these market housing needs for each of the 7 HMAs in Northumberland.

Figure 52: Percentage Need for Market Dwellings by Property Size in Tyneside Commuter Belt West 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tyneside Commuter Belt West	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	5%
2 bedrooms	35%	30%
3 bedrooms	40%	35%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

Figure 53: Percentage Need for Market Dwellings by Property Size in Tyneside Commuter Belt Central 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tyneside Commuter Belt Central	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	5%
2 bedrooms	35%	25%
3 bedrooms	40%	40%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

Figure 54: Percentage Need for Market Dwellings by Property Size in Tyneside Commuter Belt South East 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Tyneside Commuter Belt South East	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	10%
2 bedrooms	30%	25%
3 bedrooms	45%	35%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

Figure 55: Percentage Need for Market Dwellings by Property Size in Alnwick and Tourist Coast 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Alnwick and Tourist Coast	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	5%
2 bedrooms	35%	30%
3 bedrooms	40%	35%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

Figure 56: Percentage Need for Market Dwellings by Property Size in Berwick and Borders 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Berwick and Borders	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	5%
2 bedrooms	30%	25%
3 bedrooms	45%	40%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

Figure 57: Percentage Need for Market Dwellings by Property Size in Wooler and the North Cheviots 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Wooler and the North Cheviots	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	5%
2 bedrooms	30%	25%
3 bedrooms	45%	40%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

Figure 58: Percentage Need for Market Dwellings by Property Size in A68 and A69 Tyne Corridor 2024-31 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

A68 and A69 Tyne Corridor	Assuming Higher Local Household Formation	Assuming Higher In-migration
1 bedroom	10%	5%
2 bedrooms	30%	25%
3 bedrooms	45%	40%
4+ bedrooms	15%	30%
DWELLINGS	100%	100%

7. Needs of Different Groups

Identifying the need for different types of housing

Introduction

- 7.1 Paragraph 63 of the NPPF 2024 requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers each group in turn.

63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

NPPF, December 2024

Housing for Older People

- 7.2 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 7 years and beyond. Given this context, PPG recognises the importance of providing housing for older people.
- 7.3 These national trends are also evident across local areas, and the following section considers the evidence for Northumberland.
- 7.4 We would note that the previous government set up an Older Persons Taskforce, which reported shortly before the 2024 election and the report was published in November 2024.²¹ Among its recommendations were to seek to standardise the modelling of older person accommodation needs and also to clarify the Use Class between C2 and C3 for various types of schemes.

Older People in Northumberland

- 7.5 The 2021 Census identified a total of around 81,552 persons aged 65 or over resident in the local authority area at that time (Figure 59). This included around 35,991 persons aged 75 or over. Most residents were living in households, but 2,248 persons aged 65 years or over were recorded as living in communal establishments (mainly residential care or nursing care). There was a total of around 53,103 household representatives aged 65 or over, of which approximately 45% (23,966) lived as single person households. Whilst the proportion of residents living in communal establishments represented only 0.6% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 8% of those aged 85 to 89 and nearly 20% of those aged 90 or over (Figure 60).

²¹ [Our Future Homes: Housing that promotes wellbeing and community for an ageing population - GOV.UK](#)

- 7.6 The proportion of residents living as single person households was also notably higher for older age groups, with 40% household residents aged 80-84 or over, and over half of those aged 85 or over (58.9%) identified as living alone. The overall household representative rates ranged from 0.574 for those aged 65 to 69 (i.e. for every 1,000 persons in the household population, 574 represented a household) up to 0.873 for those aged 85 or over (Figure 61).

Figure 59: Resident population and living arrangements of population aged 65+ living in Northumberland by age and population aged 75+ (Source: 2021 Census)

	Aged 65-74	Aged 75-84	Aged 85+	Total Aged 65+	Total Aged 75+
RESIDENT POPULATION					
Household population	45,198	25,683	8,423	79,304	34,106
Communal Establishment population	363	724	1,161	2,248	1,885
Total Resident Population	45,561	26,407	9,584	81,552	35,991
HOUSEHOLD POPULATION					
Living as a single person household	10,201	8,805	4,960	23,966	13,765
Living in a couple household	11,514	1,480	174	13,168	1,654
Living in other types of household	23,483	15,398	3,289	42,170	18,687
Total Household Population	45,198	25,683	8,423	79,304	34,106
HOUSEHOLD REPRESENTATIVES					
Single person household representative	10,201	8,805	4,960	23,966	13,765
Couple household representative	15,296	9,020	1,948	26,264	10,968
Other household representative	1,516	914	443	2,873	1,357
Total Household Representatives	27,013	18,739	7,351	53,103	26,090

Figure 60: Resident population living in communal establishments by age (Source: 2021 Census)

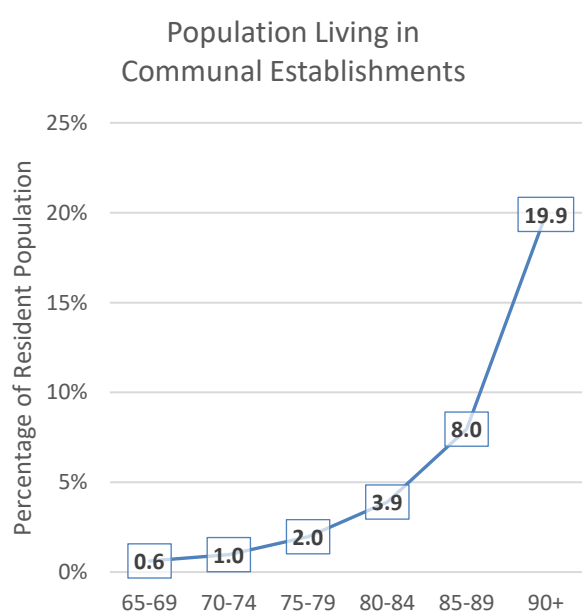
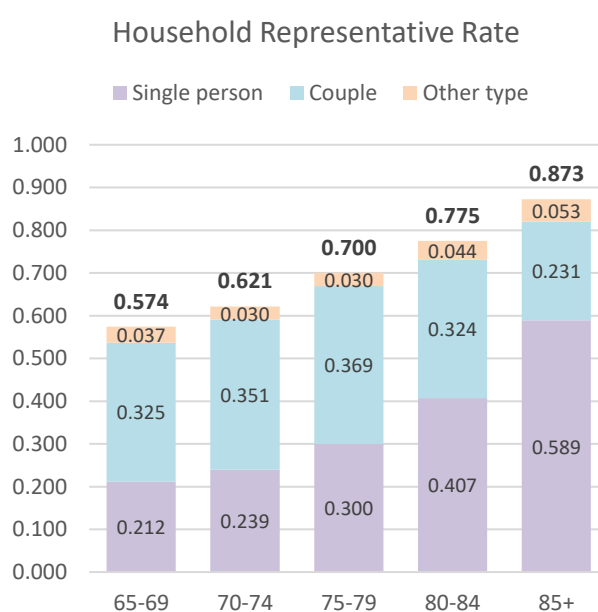


Figure 61: Household representative rates by age and household type (Source: 2021 Census)



- 7.7 Figure 62 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. Around 19,440 households were owner occupiers (74.5%), 2,275 rented privately (8.7%) and around 4,370 lived in social rented homes (16.8%). Nearly half of owner occupiers aged 75 or over had three bedrooms (48%) and a further one fifth having four bedrooms or more (19.7%). In contrast, just under one sixth of those in social rent had three bedrooms or more (14.2%) with nearly half living in a single bedroom property (46.9%).
- 7.8 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).²² Based on estimates for Northumberland, there is a stock of 1,930 rented units (typically managed by Registered Social Landlords) and 621 units that are owned.
- 7.9 We have split the data into Housing with Support, which includes retirement living and sheltered housing and Housing with Care, which includes extra care and enhanced sheltered. These are standard modelling categories used in the analysis of older persons accommodation assessments. Households can move to many dedicated older persons schemes when they are 55 years old, but in practice the significant demand for this type of accommodation occurs amongst those aged 75 years and older, so our modelling focus upon this group.

Figure 62: Existing dwelling stock in Northumberland occupied by households aged 75+ (Source: 2021 Census; Specialist Housing Person Housing based on data published by EAC²³ for 2024)

Northumberland	Owner occupied	Private rent	Social rent	TOTAL
DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+				
1 bedroom	471	320	2,052	2,843
2 bedrooms	5,788	1,134	1,652	8,574
3 bedrooms	9,336	649	621	10,606
4 or more bedrooms	3,846	172	48	4,066
Total Households	19,441	2,275	4,373	26,089
SPECIALIST OLDER PERSON HOUSING UNITS				
Housing with Support: Retirement Living or Sheltered Housing	562	0	1,785	2,347
Housing with Care: Extra Care or Enhanced Sheltered	59	0	145	204
Total Specialist Older Person Housing Units	621	0	1,930	2,551

- 7.10 It is notable that the number of rented units (1,930 homes) is much lower than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census (3,704 households).

²² <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

²³ The EAC data is based on the following definition: "a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group". This includes Extra Care, assisted living, and other forms of 'housing with care' but other forms of specialist older person housing may not be included within this definition.

- ^{7.11} The owner-occupied stock of specialist older person housing (621 homes) represents just under 10% of all one- and two-bedroom dwellings occupied by owner occupiers aged 75 or over. Nevertheless, most of the older owner occupiers live in properties with three bedrooms or more, the specialist older person housing stock represents just under 5% of households when considering all owner occupiers aged 75 or over.

Identifying the Need for Specialist Older Person Housing

- ^{7.12} National Planning Practice Guidance for “*Housing for older and disabled people*” was published in June 2019. This states [ID 63-004-20190626]:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector ... Evidence from Local Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

- ^{7.13} To identify the needs for specialist older persons housing, the Council is commissioning a separate detailed assessment of demand for retirement and sheltered housing and supported living across the county, including extra care (24/7 care on site with overnight care available) and enhanced sheltered accommodation (no overnight care available on site). Therefore, this current assessment does not consider these issues.

Housing for People with Disabilities

7.14 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).²⁴

7.15 Three standards are covered:

- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

7.16 PPG states:

Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment²⁵ (replacing Disability Living Allowance) / Attendance Allowance²⁶ benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant²⁷ (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.

Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.

Planning Practice Guidance, ID 63-005-20190626

7.17 For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.

²⁴ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

²⁵ Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

²⁶ Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

²⁷ Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

^{7.18} In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.

^{7.19} Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

“The provision made must be sufficient to-

(a) meet the needs of occupants with differing needs, including some older or disabled people, and;

(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.”

Access to and use of buildings: Approved Document M v1, Page 10

^{7.20} The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need. The data is derived from the 2021 Census, updated to 2024 population and data drawn from English Housing Survey for the suitability of a household's current property.

^{7.21} Overall, 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 63).

Figure 63: Households with a long-term illness or disability that affects their housing needs (Source: Uk Census of Population 2021 and English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	6.5%	19.8%	8.8%

^{7.22} Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.

^{7.23} The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Northumberland to estimate the number of households likely to require adaptations or needing to move to a more suitable home.

Figure 64: Households with a long-term illness or disability in Northumberland in 2024 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

NORTHUMBERLAND	TOTAL
Households with one or more persons with a limiting long-term illness or disability	50,078
Does not affect their housing need	34,915
Current home suitable for needs	12,472
Current home requires adaptation	1,333
Need to move to a more suitable home	1,358
Total households where a limiting long-term illness or disability affects their housing need:	15,164

- ^{7.24} The model (Figure 64) identifies that there were 50,078 households living in Northumberland in 2024 with one or more persons with a limiting long-term illness or disability. In 34,915 of these households, this does not affect their housing need, but in 15,164 households an illness or disability does impact on housing need.
- ^{7.25} Amongst those households where it does affect housing needs, 12,471 households are already living in a suitable home (having moved or made adaptations). This leaves 1,333 households needing adaptations to their current home and 1,358 households needing to move to a more suitable home. These households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.
- ^{7.26} The identified need at the start of the period is based on households' current needs. Even without any growth in the number of households, the proportion with one or more persons with a limiting long-term illness or disability can be expected to increase as the population ages.
- ^{7.27} Based on household projections and the overall dwelling-led housing need, we can establish the future need for adapted housing (M4[2] and M4[3]) based on the projected household growth and the changing demographics of the area. Figure 65 shows our calculation that there will be an additional 12,538 households either needing adaptations to their existing housing or suitable new housing to be provided by the end of the period in question.

Figure 65: Households with a long-term illness or disability in Northumberland 2024-2031 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

NORTHUMBERLAND	TOTAL
Existing households in 2024 likely to develop health problems that affect their housing need within 10 years	4,728
Additional households in 2031 projected to experience problems or likely to develop problems within 10 years	7,809
Additional households in 2031 where illness or disability affects their housing need or will develop within 10 years	12,538
Unmet Need in 2024 for an adapted home (from Figure 64)	1,358
Total need for adapted housing	13,896

- 7.28 To provide M4(2) housing for all of the identified need would require housing for up to 13,896 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock which can be adapted to the standard required.
- 7.29 Although some households would prefer not to move, the EHS identifies that many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works and therefore these households would require to move to meet their housing needs. Still fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in Northumberland in combination with this EHS data, a robust estimate of the number of dwellings that could be converted to meet the M4(1) standard can be derived.
- 7.30 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we can calculate the need for adapted housing that could not be met by adaptation of existing homes; these households should be added to the households identified as needing to move at the start of the period (Figure 66). This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section of this report. Therefore, there is a need for a high number of homes which can be used to accommodate people as their health deteriorates. This points to a likely high need for bungalows and other level-access homes, as well as the adaptation of existing properties.

Figure 66: Households with a long-term illness or disability in Northumberland by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

NORTHUMBERLAND	Affordable	Market	TOTAL
Existing need in 2024			
Households where an existing illness or disability affects their housing need and need to move in 2024	720	639	1,358
Projected future need 2024-31			
Additional households in 2031 where illness or disability affects their housing need or will develop within 10 years	3,714	8,824	12,538
Maximum need for adapted housing 2024-31 (households)	4,433	9,463	13,896
Less households living in dwellings adaptable to M4(1) standard	2,269	5,391	7,660
Minimum need for adapted housing 2024-31 (households)	2,164	4,071	6,236

- 7.31 Therefore the need for adapted housing 2024-31 can be expressed as a range between 6,236 and 13,896 dwellings (between 891 and 1,985 dwellings per annum). There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing.
- 7.32 The evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards. This is further impacted by the rates of limiting long-term illness or disability affecting housing need being much higher in affordable tenures (see Figure 63). The data indicates that there is a clear need for a similar proportion of market homes to be built to M4(2) standards also (Figure 66).

- ^{7.33} It is important to recognise that the range presented in Figure 66 represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.
- ^{7.34} It should be noted that the Government have stated in their response to the September 2020 consultation on raising accessibility standards of new homes: “Raising accessibility standards for new homes: summary of consultation responses and government response”²⁸ that their intent is to change the building regulations so that M4(2) is the default minimum standard for new homes. M4(1) will apply by exception only:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

Raising accessibility standards for new homes: summary of consultation responses and government response

- ^{7.35} The timescale for this proposed change has not yet been released, with no response from the new Government on this issue. Therefore, it is currently not appropriate to assume that all properties must be delivered to M4(2) standard until further policy clarifications are issued.

²⁸ Raising accessibility standards for new homes: summary of consultation responses and government response – updated July 2022: <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

Housing for Wheelchair Users

^{7.36} Building Regulations for M4(3) Category 3: Wheelchair user dwellings state that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

“The provision made must be sufficient to-

(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;

(b) to meet the needs of occupants who use wheelchairs.” (Page 23)

^{7.37} In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

^{7.38} The CLG guide to available disability data²⁹ referenced by PPG³⁰ [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 67 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative. The data relates to 2013/14 when the issue was explored in the English Housing Survey.

Figure 67: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

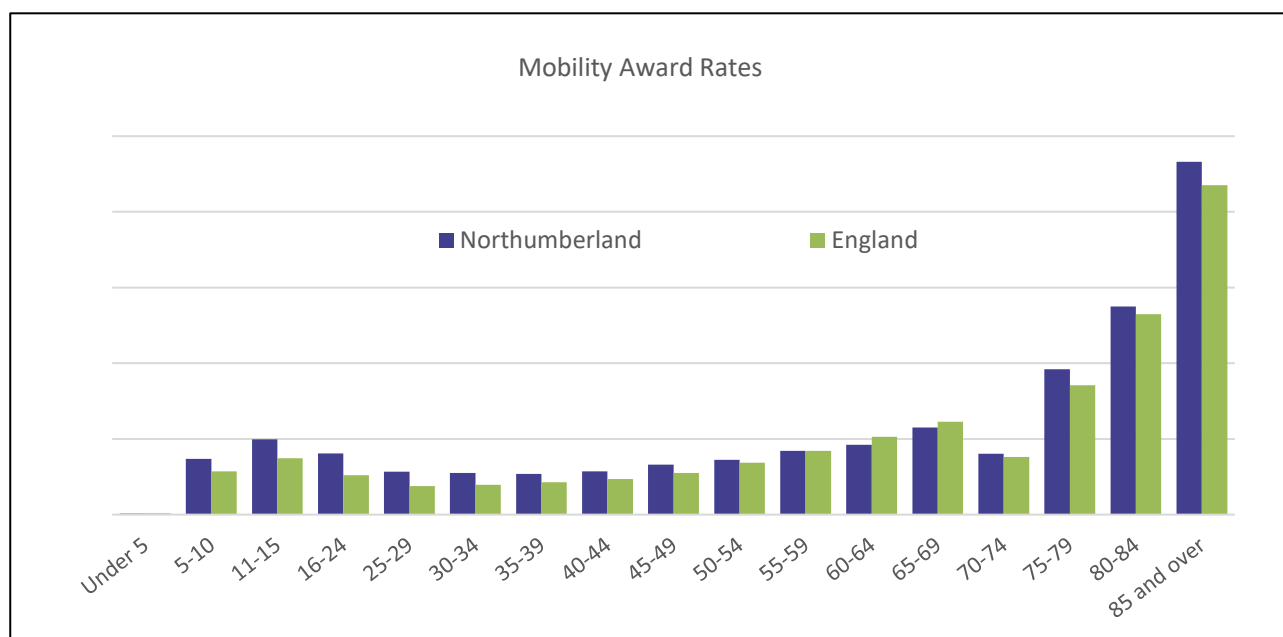
Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

^{7.39} To get a better understanding of the local Northumberland data, Figure 68 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Northumberland against the figures for England.

²⁹ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

³⁰ [Housing: optional technical standards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-optional-technical-standards)

Figure 68: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Feb 2024)



7.40 Through combining the information on local rates with the national data, we can establish the proportion of households in Northumberland likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 69).

Figure 69: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Northumberland								
Market housing	< 0.1%	0.4%	1.0%	1.7%	3.0%	4.0%	6.3%	10.0%
Affordable housing	0.3%	2.1%	3.1%	6.2%	6.1%	10.3%	13.1%	21.2%

7.41 If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2024 to 2031. (Figure 70). Using this approach, we calculate the number of households likely to need wheelchair adapted housing is likely to increase by 520 over the 7-year period.

Figure 70: Households needing Wheelchair Adapted Housing Using Standard Method Housing Need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2024	2031	Net change 2024-31
Northumberland			
Market housing	3,790	4,090	+300
Affordable housing	2,530	2,750	+220
Total	6,320	6,850	+520

7.42 Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth (92%) comes from households which are aged over 75 years given the sharp projected growth in the population in this age group. This can be seen in Figure 71:

Figure 71: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2024	2031	Net change 2024-31	2024	2031	Net change 2024-31
Northumberland						
Market housing	2,110	2,070	-40	1,680	2,030	+350
Affordable housing	1,470	1,550	+80	1,060	1,200	+140
Total	3,580	3,620	40	2,740	3,230	480

- ^{7.43} This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.
- ^{7.44} Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that around a tenth of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health.
- ^{7.45} On this basis, it may be appropriate to adopt higher targets for specialist accommodation for older people that is also wheelchair accessible. However, it may also be the case that if more general housing is delivered to M4(3) standard, fewer units of dedicated older person housing will be required.

Student Housing

^{7.46} PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements

Planning Practice Guidance, ID 67-004-20190722

^{7.47} There are no major higher education bodies based in Northumberland. Previous censuses contained detailed information on student only households, but the 2021 Census has merged this information for now with a wider group of HMO type households. Therefore, the Census does not currently provide any information on students outside of halls of residence.

Service Families

^{7.48} Northumberland is the home to RAF Boulmer, the Otterburn training camp and a number of smaller military facilities. Ministry of Defence (MoD) annual location statistics³¹ show that there have been a fall in the number of MoD personnel stationed in Northumberland. Unless any further significant changes are planned, the needs of service personnel will not impact the identified housing needs for Northumberland.

Figure 72: MoD personnel in Northumberland 2014-2024 (Source: MoD Annual location statistics 2024)

Northumberland		Apr 2014	Apr 2015	Apr 2016	Apr 2017	Apr 2018	Apr 2019	Apr 2020	Apr 2021	Apr 2022	Apr 2023	Apr 2024
Military	Officers	170	150	160	170	180	190	170	150	200	200	200
	Other Ranks	920	750	870	860	810	940	780	770	810	750	720
	Total	1,090	900	1,030	1,020	990	1,130	940	920	1,010	960	920
Civilians	Non Industrial	80	80	80	80	80	70	70	70	80	80	80
	Industrial	40	40	40	40	40	40	10	20	20	20	20
	Trading Funds	0	0	0	0	0	0	0	0	0	0	0
	Total	120	120	120	120	120	110	90	90	100	90	100
Grand Total		1,210	1,030	1,150	1,140	1,110	1,240	1,030	1,010	1,110	1,050	1,010

³¹ <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2024>

Looked After Children

^{7.49} A ministerial statement in May 2023 stressed the importance of providing accommodation for looked after children³². The Statement refers to the NPPF requirement to consider the needs of different groups in the community and states that *Local planning authorities should consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment*.

^{7.50} Footnote 28 of the NPPF 2024 also notes that the evidence for this should come from, 'the relevant local authority's *Children's Social Care Sufficiency Strategy*'. The most recent document covering Northumberland was produced in 2023³³. This shows that in Northumberland there were a total of 1,140 Children in Care. This means that the average rate Children in Care was 67 per 10,000 children aged 0-17 years, exactly in line with the national average in England. This is just around 440 Children in Care in the whole County. The vast majority of these are with foster parents, with only 12% in residential homes and an additional 151 are in supported accommodation for 17-21 year olds.

^{7.51} In terms of future needs the Children in Care and Care Leavers Sufficiency Strategy 2022-24 identifies that the Council does not expect the number of Children in Care aged 16 years and under to grow and that it should be able to meet their needs through existing providers.

^{7.52} When considering older children in care, the average of reported numbers at 31st March 2021 to 2023³⁴ shows 17 young people out of 218 who were looked after when aged 16 and are currently aged 19 to 21 were living in suitable accommodation. This suggests that around 40 places are required for young people leaving care each year. However, what counts as suitable accommodation will depend on individual circumstances. Therefore, on top of this broad estimate of annual need, detailed planning with children and young people's social care is required to ensure that young people leaving care are suitably housed.

Figure 73: The number and percentage of young people who were previously looked after and were suitably housed - average of 2020/21 to 2022/23 (Source: Northumberland Council reporting to DfE)

Young people who are suitably housed	
% of young people aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	84%
Number of young people now aged 19, 20 or 21, living in suitable accommodation who were looked after when aged 16	117/121

³² <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

³³ [08a Sufficiency Strategy 2022 - 24.pdf](#)

³⁴ [Browse our open data, Data catalogue – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#)

Build to Rent

^{7.53} As noted in Chapter 4, another housing option that could be made available Northumberland, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2024 (Glossary)

^{7.54} Build to Rent can be seen as a potential solution for those who are seeking to remain in the private rented sector as a long-term tenure choice, rather than move on to owner occupation. ORS have recently completed a study of Build to Rent in Bath and North East Somerset, which showed that the weekly rental cost was similar to other properties in the area, but that property sizes typically had fewer square metres of space.

^{7.55} This accords with the evidence that Build to Rent is typically a more expensive, but higher quality private rent option. Build to rent tends to have longer tenancy agreements and greater flexibility in the use of properties.

^{7.56} The current government are currently seeking to reform pension funds to encourage them to make longer-term investment, which could include properties such as Build to Rent. Therefore, far more Build to Rent is likely to be delivered in the future. To date, no Build to Rent properties have been delivered in Northumberland, but the whole sector is expected to grow in size.

^{7.57} As shown in Figure 74, 28.8% of those current in the private rented sector expect to remain in that tenure as a long-term option. In 2021, there were 24,248 households in private rent in Northumberland. When excluding households who currently claim housing benefit, this would leave around 6,000 households who are currently paying their rent in full in Northumberland who expect to remain in private rent in the long-term. This is consistent with not it not being appropriate to assume all those living in the private rented sector are necessarily looking to own their own home and need affordable home ownership housing.

Figure 74: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Affordable rented	18.1%	1.8%	1.9%	77.0%	1.1%

- ^{7.58} A figure of 6,000 Build to Rent properties being required in Northumberland is a top end estimate, but is consistent with recent trends for Build to Rent delivery. Savills produce a quarterly review of the Build to Rent market³⁵. This shows that in 2023, nearly 20,000 Build to Rent properties were completed nationally, with a strong focus on London, and another 50,000 are under construction and 54,000 with detailed permission. This is around 10% of the delivery of all new dwellings and is likely to rise in future years.
- ^{7.59} A further issue to consider is that while the Council cannot control the rent on Build to Rent schemes, they would also include an affordable element. Guidance suggests a minimum discount of 20% on the market prices and this would set prices at or very near Local Housing Allowance rates.
- ^{7.60} We would also note that one type of dwelling which may be seen as addressing the needs of younger households is shared housing with small purpose-built units with shared amenity spaces such as high-quality purpose-built co-housing/co-living rather than traditional HMOs and is in many ways a distinct variation on studio apartments. A succinct definition of co-housing is:
- “Co-housing, a generic term, covers various forms of housing, owned and rented, that are developed and/or owned and/or managed by their residents as a distinct community”³⁶*
- ^{7.61} The growth of co-living schemes has followed the growth of Build to Rent. Savills produced a report in 2023³⁷ which outlines that there were 3,422 co-living beds operational in the UK, with 82% of these being in London, and over 6,000 under construction. Savills report that typical tenancies are around 9-12 months, with a maximum stay typically being three years, with many residents having recently moved to the UK. Therefore, Co-living is not going to become a long-term solution to meeting market housing needs. However, as a policy led response to the increasing lack of housing for younger people in the area the schemes could have a role in short term housing for groups such as recent graduates looking to establish themselves in an area as an alternative to living in HMOs. However, the lack of a major higher education body in Northumberland would suggest that the market for Co-living will be extremely limited in the area.

³⁵ [Savills UK | UK Build to Rent Market Update – Q3 2024](#)

³⁶ http://www.cih.org/resources/PDF/Wales%20Events/older_peoples_housing/Jon%20Stevens.pdf

³⁷ [Savills UK | Spotlight: UK Co-living - Q2 2023](#)

People Wishing to Build their Own Homes

- ^{7.62} Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all County councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

- ^{7.63} Over half of the UK population (53%) say that they would consider building their own home³⁸ (either directly or using the services of architects and contractors) and an Ipsos MORI poll commissioned by the National Self Build Association (NaSBA) in 2016 found that: “one in seven (14%) Britons (around 7 million people) now expect to research or plan how to build a home for themselves in the next 12 months; up from 12% last year. The poll also suggested that around one in 50 (2%) expect to buy a building plot, obtain detailed planning consent, start or complete construction work on their own new home during the coming year or so”³⁹. Nevertheless, given that the growth in the housing stock is only around 1% per annum, it is likely that these figures conflate aspiration with effective market demand. Self-build and custom housebuilding currently represents only around 10% of housing completions in the UK, so in practice around 0.1% of households utilise self-build and custom housebuilding each year, not 2%. The 10% of housing completions in UK can be compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.

- ^{7.64} The Self-Build and Custom Housebuilding Act 2015 was amended by the Housing and Planning Act 2016⁴⁰ which placed a duty on local planning authorities to provide sufficient serviced plots which have planning permission to match entries on the register:

An authority to which this section applies must give development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Housing and Planning Act 2016 Section 2(a)(2)

³⁸ Building Societies Association Survey of 2,051 UK consumers 2011

³⁹ <https://www.ipsos-mori.com/researchpublications/researcharchive/3347/One-in-seven-Britons-expect-to-look-into-building-their-own-home.aspx>

⁴⁰ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

April 2021 Self and Custom-Build Action Plan (Bacon Review)

^{7.65} In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.⁴¹ This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The ‘Planning for the Future’ White Paper also included specific proposals to allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

Review into Scaling Up Self and Custom Housebuilding

^{7.66} As part of the April 2021 Action Plan, the Government commissioned an independent review into the scaling up of self and custom housebuilding. This report was published in April 2022⁴² and the Government responded to this review in June 2022⁴³.

⁴¹ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92442/self-and-custom-build-action-plan.pdf)

⁴² [Independent review into scaling up self-build and custom housebuilding: report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92442/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report.pdf)

⁴³ [Government response to the independent review into scaling up self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92442/government-response-to-the-independent-review-into-scaling-up-self-build-and-custom-housebuilding.pdf)

^{7.67} The review focuses primarily on supply side factors limiting the delivery of self and custom housebuilding and produced 6 key recommendations which were broadly supported by the government:

- » Greater role for Homes England;
- » Raise awareness of the Right to Build;
- » Support community-led Housing, diversity of supply and Levelling Up;
- » Promote greener homes and more use of advanced manufacturing;
- » Support custom and self-build housebuilding through the planning reforms; **and**
- » Iron out issues around tax which act as disincentives to build.

Evidence for Northumberland

^{7.68} Northumberland have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding register. The Council has not applied a local connection test to those wishing to enter the register.

^{7.69} The Council's latest Self-Build and Custom Housebuilding Register Monitoring Report shows that, as of October 2024, Northumberland has permitted sufficient self and custom housebuilding plots to meet the needs identified on the register. The Housing and Planning Act 2016 states that to be self or custom built the, "initial occupier must have primary input into the final design and layout of the property". Given the very high number of single dwelling developments and other small-scale housing sites permitted and built in the county, is likely that many more properties may be self or custom built.

Future Need for Self-build and Custom Housebuilding

^{7.70} Policy HOU 5 of the Northumberland Local Plan sets out that:

'Community-led housing, including individual and group self-build and custom housebuilding, will be supported and facilitated, particularly where they will contribute to meeting local housing needs. In addition to stand-alone serviced and unserviced plots, commercial housebuilders will be encouraged to set-aside dedicated serviced plots for self-build and custom-build homes where appropriate within 'major' housing development sites.'

^{7.71} We would note that PPG recommends that alternative sources of data beyond the register, such as Need a Plot, can be considered to highlight the need for self and custom housebuilding plots. However, this now reverts back to council registers, so the only recorded information on the demand for self and custom housebuilding is the register and the actual up take of plots.

^{7.72} The first priority of the Council should be to ensure that they are complying with national policy and meet the demand from the self and custom housebuilding register. The evidence from countries like Germany indicate that the demand for self and custom housebuilding can be close to the total housing supply and that delivery is more supply constrained, with small and medium size builders delivering many of the custom housebuilding plots. It is these supply constraints that much of government policy is now focused towards addressing.

Executive Housing

- ^{7.73} Executive housing does not have a set definition, but are sometimes defined by properties in the higher Council Tax bands, such as Band E. Executive homes are typically 4 bedrooms, with the majority being detached and built to individual designs at low densities.
- ^{7.74} This current study has primarily focused upon the affordable housing needs of Northumberland. However, Figure 15 and Figure 16 show that more than half the entire housing stock growth for Northumberland between 2011 and 2021 was in the form of detached houses and those with four or more bedrooms. As working from home patterns have changed since the pandemic and households are seeking more space, this pattern is unlikely to change, so the market sector in Northumberland is still likely to be dominated by a growth in larger detached properties.

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Appendix B

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the Revised NPPF, which specifies the main categories of affordable housing to be: affordable housing for rent; First Homes are the government's preferred discounted market tenure; shared ownership, relevant equity loans, other low cost homes for sale and rent to buy.

Affordable Rent is provided by social landlords and rented for less than would be paid if renting privately. It must be at least 20% cheaper than the equivalent private rent in the area and must also be below the value of the Local Housing Allowance in the area.

Build to Rent is purpose-built housing that is typically 100% rented out. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

Category 2 and 3 are classifications of adaptable and wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible and adaptable standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2021 Census.

Concealed families are defined as; *"family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"*⁴⁴.

Discount Market Sales are discounted market sale units which must be sold with a discount in perpetuity to a person or persons meeting the eligibility criteria.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

First Homes are discounted market sale units which must be sold with either a 30%, 40% or 50% discount in perpetuity to a person or persons meeting the First Homes eligibility criteria.

Headship rates are defined by CLG as: *"the proportion of people in each age group and household type who are the 'head' of a household"*⁴⁵

⁴⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁴⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

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

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

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

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, bungalow, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or Shared ownership is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2021 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

Pent up demand is unfulfilled demand or need for housing from households within the existing population, such as hidden households.

Private Rented Sector includes all properties which are rented privately. This could be a second hand home rented by a single landlord, a property rented from a buy to let investor, a property which was built to be let out as Build to Rent, or a scheme such as Co-living.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately. It typically has lower rents than Affordable Rent.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Price Inflation
DWP	Department of Work and Pensions
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
MHCLG	Ministry for Housing, Communities and Local Government
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment