

Berwick and the Norham and Islandshire Neighbourhood Areas and Sub-areas

Housing Needs Assessment

for

Northumberland County Council

Final Report

December 2020

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1. Introduction and study method.

- 1.1 The aim of this study is to gain an understanding of the characteristics of the housing market in the Berwick neighbourhood area and the Norham and Islandshire neighbourhood area and to identify the need for affordable housing.
- 1.2 The study examines the factors that are driving unmet need for housing such as local imbalances between local housing and households; house prices, rents, affordability and population trends.
- 1.3 The study area consists of an urban area and rural areas. The first part of the HNA report considers housing need and the factors driving it across the study area as a whole. However, most housing needs and requirements occur in the urban area. In order to ensure that the characteristics of the rural area are recognised, specific sub areas are considered in section 6 of the report.
- 1.4 The methodology for assessing affordable need involves estimating the level of need from the Northumberland County Council (NCC) housing register. These findings are compared to those arrived at using different methods, one involving data from an NCC household survey in 2012 another involving prevalence rates for housing need.
- 1.5 The study area comprises the parishes of:
 - Berwick;
 - Ancroft;
 - Duddo;
 - Holy island;
 - Horncliffe;
 - Kyloe;
 - Norham;
 - Ord; and
 - Shorewood.
- 1.6 For brevity the report will refer to the study area as 'the neighbourhood areas'.

2. Area profile

Introduction

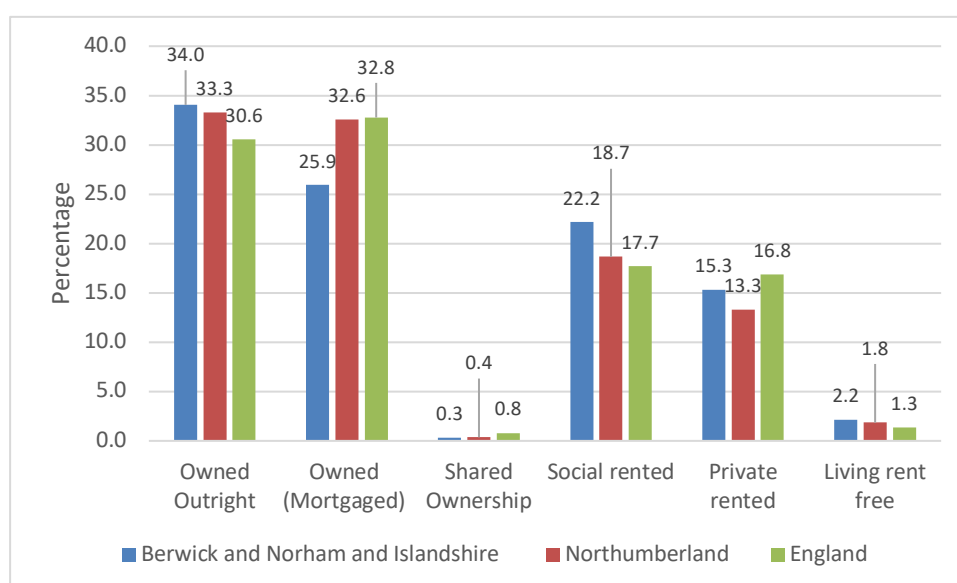
- 2.1 This section examines the imbalances between local household characteristics and the characteristics of the local housing capacity across all tenures.
- 2.2 According to the census 2011 there were 15,876 people living in 7,150 households within the study area. The average household size was 2.2 persons per household which is less than the averages for England (2.4) and the average for Northumberland county (2.28).
- 2.3 The census 2011 revealed that there were 7,885 household spaces (735 with no usual residents). Valuation office agency data reported 7,988 dwellings in 2019 suggesting net growth of around 103 dwellings (7,988 minus 7,885).
- 2.4 Data in the following figures is presented as proportions (percentages) as this is the most effective means of comparison between geographies. The numbers from which the percentages are derived are stated in the data appendix.

Dwelling characteristics

Tenure

- 2.5 Figure 2.1 shows that the neighbourhood area had an above average level of dwellings that were owned outright and were 'social rented' compared to Northumberland and England as a whole (the wider geographies). The neighbourhood area had a smaller proportion of dwellings owned subject to mortgage. Regarding rented housing there is a slightly larger proportion of social rented housing than private rented housing and the proportion of social rented housing is significantly greater than county and national averages.

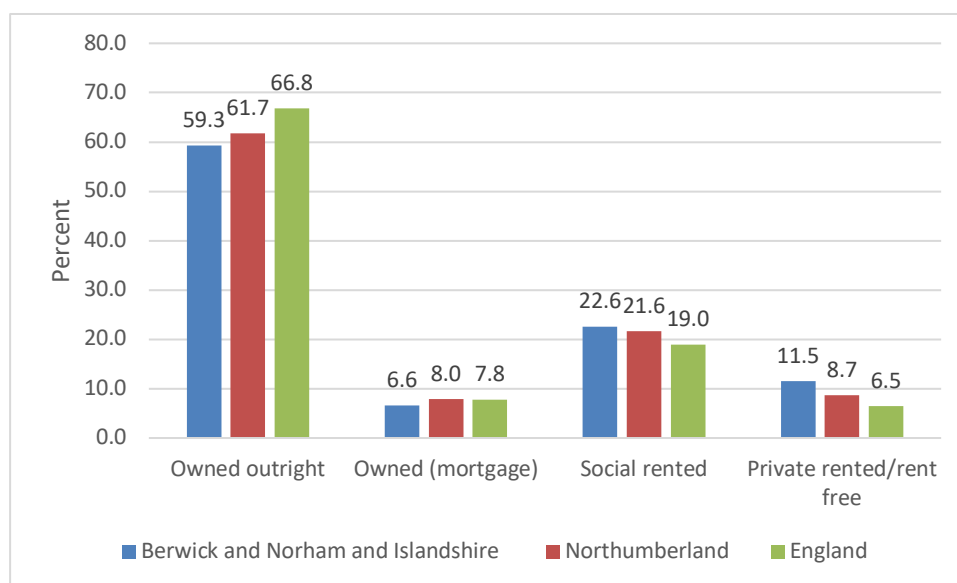
Figure 2.1 Tenure of households



Source Census 2011

- 2.6 Analysis of the tenure of households with the household representative person (HRP) aged over 65 shows lower proportions of households with a mortgage than the wider geographies. However, a larger proportion live in the social or private rented sector or live rent free than the wider geographies. Nearly 60% of households in this group own their homes outright across the Berwick and Norham and Islandshire area and Northumberland as a whole but this is a smaller proportion than for England as a whole.

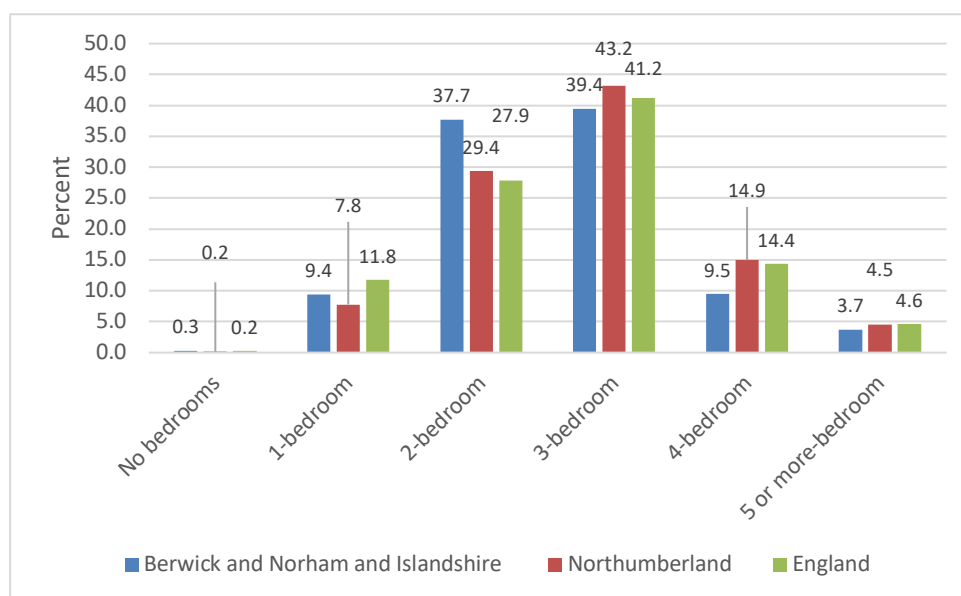
Figure 2.2 Tenure of households with HRP aged 65 or over



Source Census 2011

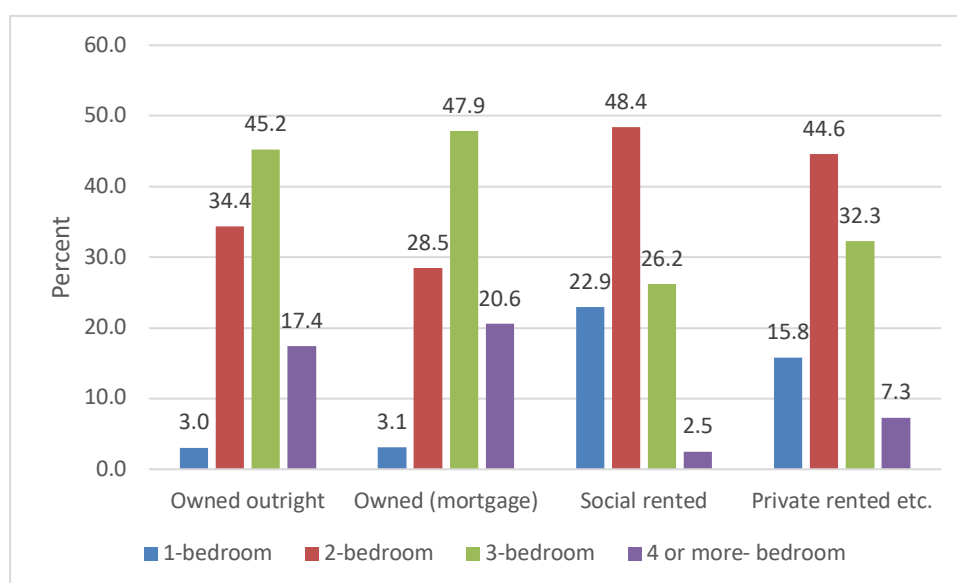
Number of bedrooms

- 2.7 The neighbourhood area has a larger proportion of 2-bedroom homes and a smaller proportion of homes with 4 or more bedrooms than the wider geographies.

Figure 2.3 Number of bedrooms

Source Census 2011

- 2.8 Analysis of the number of bedrooms by tenure within the neighbourhood area is especially important and will feature in other parts of our analysis. It is noteworthy that there was a smaller proportion of 4 or more-bedroom dwellings in the social rented sector. Also, the social rented sector had a larger proportion of 1, and 2-bedroom homes unlike the owner-occupied sector which had a large proportion of 3-bedroom homes. The private rented sector had a large proportion of 2-bedroom homes compared to the other tenures. Overall the rented tenures had significantly larger proportions of 1 and 2-bedroom homes than the owner-occupied tenures.

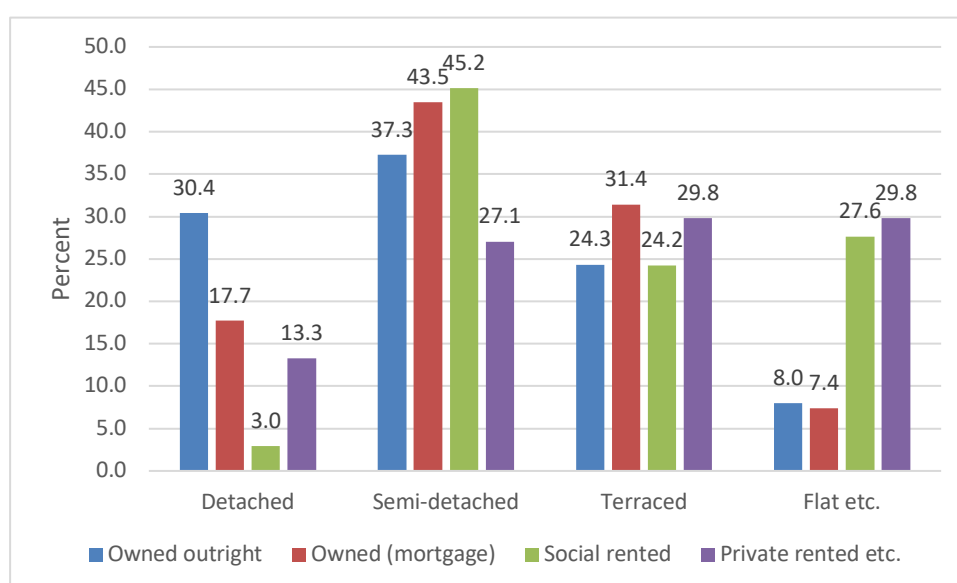
Figure 2.4 Number of bedrooms by tenure (Berwick and Norham and Islandshire area only)

Source Census 2011

Dwelling type

- 2.9 In the neighbourhood area, the largest proportion of outright homeowners lived in detached and semi-detached dwellings with a slightly lower proportion living in terraced dwellings. The largest proportion of homeowners with a mortgage lived in semi-detached and terraced dwellings. The largest group of social renters lived in semi-detached dwellings. The private rented sector has similar proportions of semi-detached, terraced homes and flats. However, the proportion of detached homes in the private rented sector is significantly smaller than the other house types. Flats were less of a feature of home-owner occupancy.

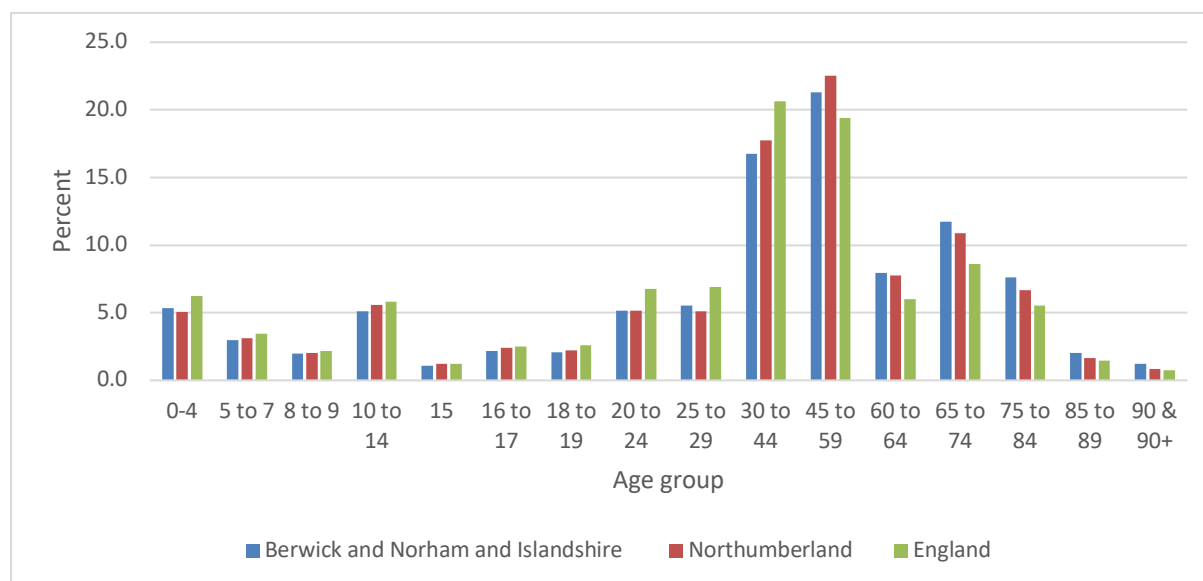
Figure 2.5 Dwelling type by tenure (Berwick and Norham and Islandshire area only)



Source Census 2011

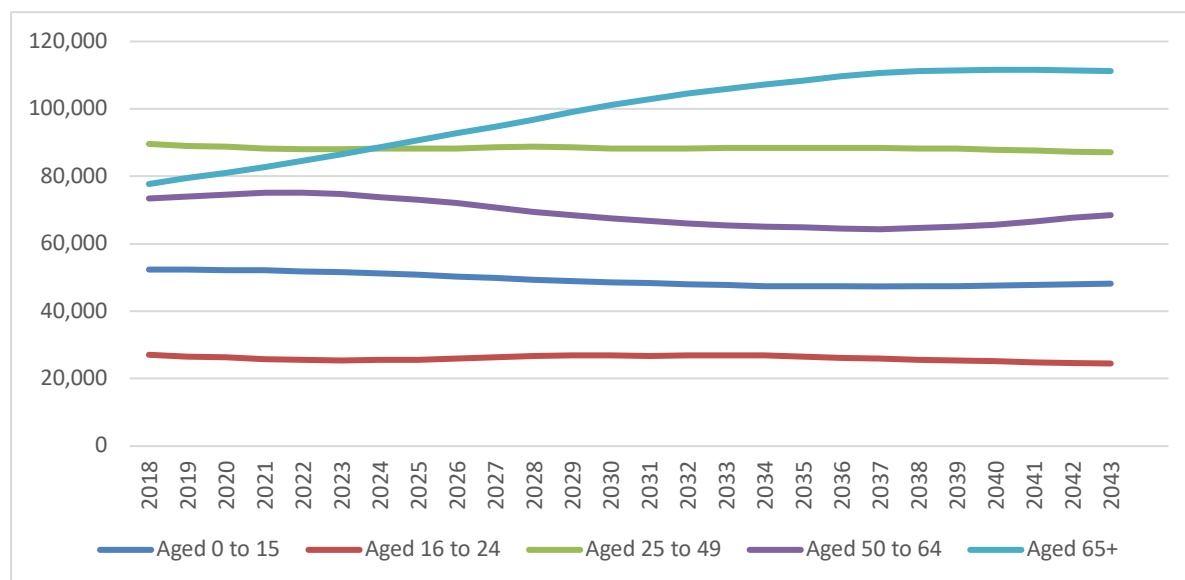
Population and household characteristics

- 2.10 The population profile of the local area according to the census showed that the age group with the largest proportion of people was those aged 45-59 or over, however this was a lower proportion than the Northumberland average but a higher proportion than the English average. The neighbourhood area population had higher proportions of people in all age groups from 60 years of age and older than the wider geographies. There was mostly a smaller proportion of children and teenagers resident in the local area compared to the wider geographies.

Figure 2.6 Age distribution (people)

Source Census 2011

- 2.11 Population projections 2018-2043 are not available at the local level however projections for the county estimate a net loss of population across all age groups over the 25-year projection except for those aged 65 or over.

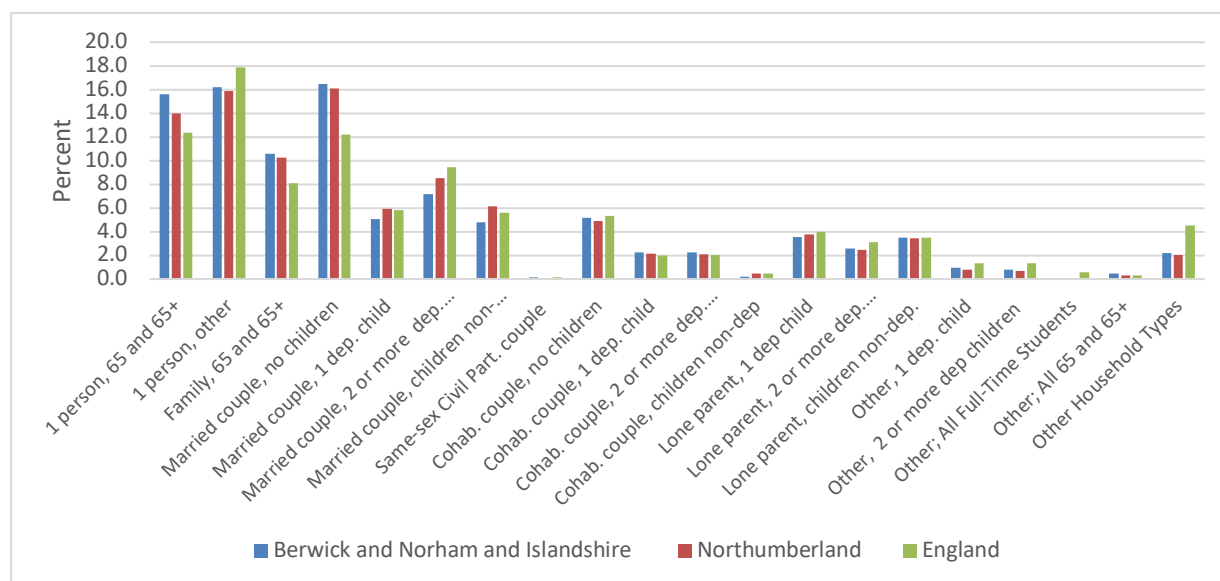
Figure 2.7 County population projections 2018-2043

Source: ONS

- 2.12 If the census is taken as a baseline age profile, the population projections show the impact of the aging population and the relatively low proportions of younger people in the population. This is an important finding.
- 2.13 The household composition figure below shows that, compared to the wider geographies, the neighbourhood area had a higher proportion of 1-person households

aged 65 and over; families aged 65 or over and married couples with no children. The neighbourhood area has significantly fewer households with dependent children.

Figure 2.8 Household type



Source Census 2011

Area profile key findings

- 2.14 The evidence suggests that the characteristics of the neighbourhood area's housing capacity vary by tenure. Whilst overall the predominant dwelling type is that of the semi-detached house, the social rented and private rented sectors have a particularly large proportion of flats. The predominant type in terms of number of bedrooms is the 3-bedroom house or bungalow closely followed by the 2-bedroom dwelling. However, owner occupied housing has much larger proportions of 4 or more - bedrooms and the rented sectors have largest proportions of 1-bedroom housing than the owner-occupied sector.
- 2.15 Regarding population and household characteristics the evidence suggests that the local population had a high proportion of people aged 45-59 years although the proportion is not as high as the other geographies. The local population had higher proportion of people in the age groups from 60 years upward than the wider geographies. As a consequence, the proportion of people in all other age groups especially those aged 30-44 was lower than the wider geographies. This is significant as those in the 30-44 and 45-59 age groups form the major part of the local labour force.
- 2.16 The neighbourhood area had a higher proportion of 1-person households aged 65 and over; families aged 65 or over and married couples with no children. The neighbourhood area has significantly fewer households with dependent children.

3. Local house prices, rents and affordability

Introduction

- 3.1 The aim of this section is to assess the affordability of market housing to the local household population. This will help us to understand the extent to which house prices and rents drive the need for affordable housing and the options available to households.
- 3.2 The following tables state prices and household income at benchmark levels. The 25th percentile value is particularly significant as this is widely accepted as the entry level market level, being the lowest price at which there is a reasonable supply of housing in reasonable condition.
- 3.3 The percentile value is calculated by listing all lettings or sales in a given period in ascending order according to their price or rent. The number of sales or rentals is divided by 100. The percentile price or rent corresponding to each percentile can be read off. The percentiles most frequently used in this study are the 25th (or lower quartile price point) or the 50th (the median price point).

Local rents and the household income required to service a rent

- 3.4 Table 3.1 states the average percentile for the study area as a whole across all lettings in 2019 for all dwelling types and number of bedrooms. On this basis it is apparent that rents across Northumberland are broadly less expensive than for the study area.

Table 3.1 Study area average rents compared to Northumberland averages

| | Percentile 25 £pcm | Median £pcm | Percentile 75 £pcm |
|----------------------------|--------------------|-------------|--------------------|
| Berwick neighbourhood area | 459 | 524 | 598 |
| Northumberland | 425 | 494 | 598 |

Source: Zoopla. £pcm=£ per calendar month

- 3.5 Table 3.2 states the household income required to service local rents at the main percentile points. This is using an assumed rental to gross income ratio of 25%.

Table 3.2 Study area average market rents and income required

| | Percentile 25 | Median | Percentile 75 |
|--|---------------|--------|---------------|
| Monthly rental price (£PCM) | 459 | 524 | 598 |
| Annual gross household income required | 22,032 | 25,152 | 28,704 |

Source: Zoopla and arc4

- 3.6 Table 3.3 states the 2020 value of the local housing allowance that applies to the Broad Rental Market Area (BRMA) for the study area. This is significant as it is the maximum rent level that is eligible for housing benefit. Any household eligible for

housing benefit and seeking a private rental would need to 100% fund any rent above this level.

| Table 3.3 Northumberland BRMA Local Housing Allowance rates | | |
|---|------------|--------|
| Dwelling type | £ per week | £ pcm |
| Shared accommodation | 73.90 | 320.23 |
| 1-bedroom | 78.25 | 339.08 |
| 2-bedrooms | 90.90 | 393.90 |
| 3-bedrooms | 109.32 | 473.72 |
| 4-bedrooms | 161.10 | 698.10 |

Source VOA for April 2020 to March 2021

- 3.7 Table 3.4 states the household income required to service local rents at the LHA rates. This is using the rental to gross income ratio of 25%.

| Table 3.4 Income required to service the rent at LHA rates | | |
|--|------------------------|--|
| Dwelling type | Monthly rental price £ | Annual gross household income required £ |
| Shared accommodation | 320.23 | 15,371 |
| 1-bedroom | 339.08 | 16,276 |
| 2-bedrooms | 393.90 | 18,907 |
| 3-bedrooms | 473.72 | 22,739 |
| 4-bedrooms | 698.10 | 33,509 |

Source: VOA for April 2020 to March 2021 and arc4

House prices

- 3.8 The broad average local lower quartile price across all dwelling types across the study area for calendar year 2019, as published by the Land Registry are estimated at £103,000. Similarly, local median prices for 2019 are estimated at £140,000.
- 3.9 However, for information, table 3.5 shows that the above broad average prices show a considerable variation by dwelling type. On average, prices are consistently lower in the local area compared to the rest of the county with the exception of flats. Note that the Land registry does not publish data by the number of bedrooms in a dwelling.

| Table 3.5 Local prices compared to Northumberland prices by dwelling type | | | | |
|---|----------------|--------------------|-------------|--------------------|
| | | Percentile 25 £ | Median £ | Percentile 75 £ |
| Detached house or bungalow | Study area | 205,000 | 250,500 | 320,000 |
| | Northumberland | 212,500 | 269,995 | 369,995 |
| Flat | Study area | 81,000 | 96,250 | 130,000 |
| | Northumberland | 45,000 | 80,000 | 130,973 |
| Semi-detached house or bungalow | Study area | 94,000 | 127,500 | 168,100 |
| | Northumberland | 110,000 | 144,000 | 183,000 |
| Terraced house or bungalow | Study area | 104,000 | 134,500 | 192,500 |
| | Northumberland | 102,000 | 157,500 | 245,000 |

Source: Land Registry price paid

- 3.10 In table 3.6, using average dwelling prices for the local area we estimate the income required to service a mortgage or loan based upon arc4 standard assumptions of a 10% deposit and 3.5 income multiplier. arc4 has recently undertaken a detailed analysis of alternative affordability benchmarks which has considered different income multipliers and separate analysis of disposable income. It has concluded that for the majority of households, especially those on lower income a multiplier of 3.5 is prudent. It also maintains consistency with the council's Strategic Housing Market Area (SHMA).
- 3.11 Throughout the following affordability analysis, it must be borne in mind that a larger deposit, whether funded through savings, equity or the bank of mum and dad will reduce the size of the loan and the income required to service it.

| Table 3.6 Income needed to service a mortgage at lower quartile and median price points | | |
|---|------------------|----------|
| | Lower quartile £ | Median £ |
| Purchase price | 103,000 | 140,000 |
| Minimum deposit (10%) | 10,300 | 14,000 |
| Mortgage required | 92,700 | 126,000 |
| Annual gross household Income required | 26,486 | 36,000 |

Source: Land Registry price paid and arc4

Local Household income and the affordability of housing

- 3.12 Table 3.7 states the midpoint of the range of incomes of households across the study area as a whole.

| Table 3.7 CAMEO Household income midpoint (£ p.a.) | | |
|--|---------------|--------|
| | Percentile 25 | Median |
| Study area | 15,000 | 25,000 |

Source: Transunion Cameo Market Segmentation

- 3.13 Comparing tables 3.6 and 3.7 it is clear that in general terms, households on median incomes could afford average lower quartile house prices except for detached houses and bungalows. Households on lower quartile income could not afford lower quartile house prices. The same conclusion can be reached for rents if tables 3.2 and 3.7 are compared.
- 3.14 Table 3.8 estimates the affordability of lower quartile prices for the stated benchmark incomes.
- 3.15 It is apparent that using the 3.5 income multiplier, only households with two incomes could afford average entry level prices. Referring to table 3.5 it is apparent that flats might be affordable to many of the household groups. Some terraced houses might be affordable to a wider group of households with a single income.
- 3.16 Finally, in table 3.9 we consider the affordability of low-cost home ownership (LCHO) products defined as affordable housing within the NPPF 2019 annexe B definitions. 25% shared ownership would be affordable to a number of household groups listed in table 3.8 using our assumptions including an income multiplier of 3.5. In table 3.9, average median prices rather than lower quartile prices are used. This is because new build housing attracts a premium over resale prices. The Land Registry produces separate price paid data for new build housing.

Table 3.8 Affordability for public sector keyworkers at entry level salaries and other benchmark income at LQ prices

| Benchmark incomes | Gross Household Income 2018 (£) | 3.5x | 4x | 4.5x | 5x | 7.5x | 10x | 12.5x | 15x | LQ price 2018 |
|-------------------------------|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|---------------|
| Police officer | £23,124 | £80,934 | £92,496 | £104,058 | £115,620 | £173,430 | £231,240 | £289,050 | £346,860 | £103,000 |
| Nurse | £17,652 | £61,782 | £70,608 | £79,434 | £88,260 | £132,390 | £176,520 | £220,650 | £264,780 | £103,000 |
| Fire officer | £23,862 | £83,517 | £95,448 | £107,379 | £119,310 | £178,965 | £238,620 | £298,275 | £357,930 | £103,000 |
| Teacher | £23,720 | £83,020 | £94,880 | £106,740 | £118,600 | £177,900 | £237,200 | £296,500 | £355,800 | £103,000 |
| Min Wage (single household) | £16,010 | £56,033 | £64,038 | £72,043 | £80,048 | £120,071 | £160,095 | £200,119 | £240,143 | £103,000 |
| Min Wage (1 FT/1PT) | £24,014 | £84,050 | £96,057 | £108,064 | £120,071 | £180,107 | £240,143 | £300,178 | £360,214 | £103,000 |
| Min Wage (two working adults) | £32,019 | £112,067 | £128,076 | £144,086 | £160,095 | £240,143 | £320,190 | £400,238 | £480,285 | £103,000 |
| Living Wage (single) | £17,550 | £61,425 | £70,200 | £78,975 | £87,750 | £131,625 | £175,500 | £219,375 | £263,250 | £103,000 |
| Living wage (1 FT/1 PT) | £26,325 | £92,138 | £105,300 | £118,463 | £131,625 | £197,438 | £263,250 | £329,063 | £394,875 | £103,000 |
| Living Wage (two workers) | £35,100 | £122,850 | £140,400 | £157,950 | £175,500 | £263,250 | £351,000 | £438,750 | £526,500 | £103,000 |

| Table 3.9 The affordability of low-cost home ownership products | |
|--|---|
| Shared ownership 50% | Berwick and Norham and Islandshire |
| Full price (based on median) | £140,000 |
| Equity 50% | £70,000 |
| 10% deposit on equity share | £7,000 |
| Mortgaged amount | £63,000 |
| Service Charge (monthly) | £35 |
| Rent (per month based on 2.75% on remaining equity pa) | £160 |
| Income required for mortgage | £18,000 |
| Income required for rent/service charge | £9,380 |
| TOTAL | £27,380 |
| Shared ownership 25% | Berwick and Norham and Islandshire |
| Full price (based on median) | £140,000 |
| Equity 25% | £35,000 |
| 5% deposit on equity share | £1,750 |
| Mortgaged amount | £33,250 |
| Service Charge (monthly) | £35 |
| Rent (per month based on 2.75% on remaining equity pa) | £241 |
| Income required for mortgage | £9,500 |
| Income required for rent/service charge | £13,230 |
| TOTAL | £22,730 |
| Help to buy | Berwick and Norham and Islandshire |
| Full price (based on median) | £140,000 |
| Equity 75% | £105,000 |
| Loan 20% | £28,000 |
| Deposit 5% | £7,000 |
| Mortgaged amount | £98,000 |
| Income required for mortgage | £28,000 |
| Loan fee (1.75% in year 6) | £490 |
| Discounted home ownership | Berwick and Norham and Islandshire |
| Full price (based on average) | £174,526 |
| Discounted price (30% lower than average) | £122,168 |
| Deposit 5% | £6,108 |
| Mortgaged amount | £116,060 |
| Income required for mortgage | £33,160 |

Source: Land Registry and arc4

Key findings: local house prices, rents and affordability

- 3.17 With the exception of flats, lower quartile and median house prices within the study area are on average lower than the rest of Northumberland. However, rents within the neighbourhood area are on average higher than the rest of Northumberland. Slightly lower levels of household income are required to fund entry level rented housing compared to entry level home ownership.
- 3.18 In general terms, households on median incomes could afford average lower quartile house prices or rents. Households at lower quartile income levels could not afford lower quartile house prices or rents.
- 3.19 In general terms, using a 3.5 income multiplier, only households with 2-incomes could afford average entry level prices. However, it is apparent that flats might be affordable to many of the household groups. Some terraced houses might be affordable to a wider group of households with a single income.
- 3.20 Regarding the affordability of low-cost housing home ownership (LCHO) products defined as affordable housing within the NPPF 2019 annexe B definitions, only 25% shared ownership would be affordable to a number of household groups using a 3.5 income multiplier. A wider group of households could afford a wider range of affordable home ownership products if a 4.5 income multiplier was used and/or a second income is available within the household.

4. Local area housing need

Introduction

- 4.1 This section examines the available evidence in order to identify the type and mix of market housing required, the quantum of affordable housing needed, and considers the different tenures of affordable homes.

Affordable Housing

- 4.2 The council's housing register has been used as the principal source for quantifying the need for affordable rented housing and affordable home ownership for existing households.
- 4.3 Quantifying household members that are planning to find a place of their own (newly forming households) is calculated using a demographic method.
- 4.4 Government practice guidance recognises that numbers of existing and newly forming households in affordable need have to be expressed as an annual 'flow' of households, reflecting the fact that household circumstances are constantly changing and new households are constantly forming and dissolving due to death or relationship breakdown. These events happen across the population over time and it is important to recognise that although the rate of flow may increase or decrease, it will always exist.
- 4.5 The model used to assess the level of need for affordable rented housing in the study area is derived from relevant government's planning practice guidance and consists of 4 stages:
- Stage 1: current gross housing need and affordable need;
 - Stage 2: future gross housing need and affordable need;
 - Stage 3: affordable housing supply; and
 - Stage 4: estimate of net affordable need (gross need minus supply).
- 4.6 Table 4.1 summarises the data findings for stages 1 and 2 of the affordable need model.

| Table 4.1 Stages 1 and 2, gross flow of households in affordable need | | |
|---|--|-------|
| Ref. | Step | Total |
| 1 | Level of need from existing households that are in affordable need according to the housing register | 218 |
| 2* | Annualised level of affordable need (level of affordable need above divided by 5) | 44 |
| 3 | Level of affordable need from newly forming households annually | 46 |
| 4 | Therefore, the annual gross flow of households in affordable need (sum of rows 2 and 3) | 90 |
| | The 5-year flow of affordable need is 90 x 5 | 450 |

Source: Housing Register and Survey of English Housing, Cameo, Land Registry and Zoopla.

- 4.7 As previously mentioned, row 2* of table 4.1 is necessary because it is standard practice, consistent with relevant planning practice guidance, to summarise the overall level of household need according to the housing register into an *annual flow* of households. We have assumed that the annual flow of households is equivalent to one fifth of the need recorded by the register. This means that the needs of households currently on the register would, on average, be met over a 5-year period. It is worth reiterating the point made in paragraph 4.3 above, that need is not finite. Even though it is expected that the need of individual households on the register might be met over a 5-year period according to the priority they are assessed as having under council policy, the list would still be of similar length. This is because new households would join the list as and when households fall into housing need and new households form as children move into adulthood and seek a place of their own.
- 4.8 We have assumed that 50% of the need will be some form of affordable rented housing and the other 50% some form of affordable home ownership as the evidence from the SHMA suggests that this is the current trend and is stated in the emerging local plan at paragraph 7.38. In conclusion, we arrive at a 5-year flow of affordable need of:
- 225 households in affordable need seeking affordable rented housing; and
 - 225 households in affordable need seeking some form of affordable home ownership.
- 4.9 In stage 3 and 4 of the model, (table 4.2 below), we take into account supply of affordable housing. The annual flow of supply of affordable rented housing from vacancies is a known quantity and information has been obtained from local registered providers. There will also be supply from first lettings of newbuild affordable rented housing. However, affordable home ownership supply is more difficult to quantify. Table A2.1 in the appendix shows that as at 2011, there were only 25 units of shared ownership affordable housing in the area. Further, there is likely to be little discounted sale supply as the product is relatively new. We have therefore considered supply of affordable rented and affordable home ownership housing separately.
- 4.10 Table 4.2 shows that the total number of first lettings and sales in the 5-year period is estimated to be 111 dwellings. For the purposes of this analysis, it is assumed of this total, 50% would be affordable rented and 50% would be affordable home ownership. Table 4.2 shows this as 55 units of affordable rent and 56 units of affordable home ownership to enable us to work in whole numbers. The source of the data is the NCC 5-year Housing Land Supply of Deliverable Sites 2020-2025 (forecast as at March 2020) and affordable dwellings completed before March 2020 have not been counted.

| Table 4.2 Stages 3 and 4, estimate of supply and net requirement | | | | | | |
|--|-----------------------|------------------------|----------------------|--------------------|-----------------------|------------------------|
| Tenure | First Letting (5 yr.) | Vacancy supply (5 yr.) | Gross supply (5 yr.) | Gross need (5 yr.) | Net 5 yr. requirement | Net annual requirement |
| Social/affordable rent letting | 55 | 375 | 430 | 225 | nil | nil |
| Affordable home ownership sales | 56 | 0 | 56 | 225 | 169 | 34 |
| Total | 111 | 375 | 486 | 450 | 169 | 34 |

Source: NCC for estimated newbuild supply and lettings data from registered providers

- 4.11 The finding that the net need for affordable rented housing is nil should be considered in a wider context. It arises because the area has a large stock and supply of social and affordable rented housing vacancies annually. Proportions are higher than English and county proportions. (figure 2.1). Figure 2.5 shows that over one quarter of the social rented stock in the area is in the form of flats, generally not regarded as suitable for families with small children and some of which may be designated for use by older people.

Is the gross affordable need of 90 (450 over 5 years) households per annum a reasonable estimate?

Triangulation with household survey data

- 4.12 arc4 was commissioned to undertake a strategic housing market assessment (SHMA) in 2014 which drew on household survey data collected in 2012. From these data, the need for affordable housing was derived at both county level and sub area level. For the purposes of this HNA the data have been subject to further analysis to assess the need based upon household survey evidence of those living in the Berwick and Norham and Islandshire neighbourhood areas.
- 4.13 Detailed analysis can be found in appendix 9 of this report. There is negligible difference between the level of overall need using the survey method and the housing register method.

Triangulation using prevalence rates

- 4.14 From arc4's national database we are able to define prevalence rates for households likely to be in affordable need, whether existing households falling into need or newly forming households.
- 4.15 arc4 is the only national housing consultancy that offers household surveys as a component of large-scale district, borough or city wide SHMA or HNA studies. The database contains anonymous weighted data representative of over 1,000,000 households. This enables arc4 to understand the demographic and socio-economic

characteristics and housing history of respondents by household type. Findings based upon this database have been found sound at local plan inquiries.

- 4.16 Detailed analysis can be found in appendix 9 of this report. By this method a larger scale of need is estimated, supporting a widely accepted view that housing registers tend to underestimate the number of households in affordable need.

What type of affordable housing and number of bedrooms are needed?

- 4.17 The following is based upon analysis of the household requirements according to the housing register.

| Table 4.3 Overall affordable need by number of bedrooms | | | | |
|---|---------------|--------------|-------|---------|
| Number of bedrooms | General needs | Older person | Total | Total % |
| One | 42 | 7 | 49 | 54 |
| Two | 28 | 0 | 28 | 31 |
| Three | 14 | 0 | 14 | 15 |
| Four or more | 0 | 0 | 0 | 0 |
| Total | 83 | 7 | 90 | 100 |

Source: housing register 2020

- 4.18 A re-analysis of information in table A2.4 in the appendix allows us to broadly compare the profile of affordable housing across the study area to the findings in table 4.4.

| Table 4.4 Comparison of bedrooms needed to the current stock | | |
|--|------------------------------|----------------------------------|
| Bedrooms required | Social rented stock (2011) % | Current affordable requirement % |
| 1-bedroom | 32 | 54 |
| 2-bedrooms | 29 | 31 |
| 3-bedrooms | 35 | 15 |
| 4 or more-bedrooms | 4 | 0 |
| All categories | 23 | 100 |

Source: housing register 2020 and census 2011

- 4.19 It is evident from table 4.4 that an additional supply of 3 and 4-bedroom dwellings are apparently not needed. 2-bedroom dwellings should be considered if particular dwelling types such as houses bungalows and flats are in short supply locally. Table 5.1 (in section 5 below) shows that 2-bedroom bungalows form the smallest part of the 2-bedroom stock and given the implications of an ageing population it is likely that a case for 2-bedroom level access housing can be made.
- 4.20 This analysis supports the view expressed in paragraph 4.11 that the apparent nil need for additional affordable rented housing should be viewed with caution due to a potential mismatch between the characteristics of households in need and the characteristics of supply through vacancies. It underlines the importance of building additional affordable rented housing in the area that is in step with registered need,

long term trends such as the aging population and the needs of registered providers management and regeneration purposes.

Affordable home ownership

- 4.21 The NCC SHMA Partial Update, 2018, contains empirical evidence about the proportion of households in need of affordable home ownership products and recommends a 50% affordable rent and 50% affordable home ownership fraction. So, on the basis of an annual flow of 90 households in affordable need per annum, it would be reasonable to assume there is annual need for around 45 affordable home ownership dwellings (225 over 5-years). This assumption has been built into our modelling within tables 4.1 and 4.2.
- 4.22 Returning to our analysis of the affordability of affordable home ownership products in section 3, tables 3.8 and 3.9 indicate that 25% shared ownership would be affordable to many of the household typologies listed in table 3.8 especially if the 4.5 income multiplier is applied. A 30% discount, the minimum level of discount for the emerging First Homes scheme, would be within reach of many household types with more than a single income and using a 3.5 or a 4.5 times income multiplier.
- 4.23 It is recommended that based upon the above analysis, future affordable home ownership provision should consist of 2 and 3-bedroom family houses. This differs from the recommendation for affordable rented housing. This is because the SHMA Partial Update 2018 recognises the aspirations of younger households that will seek the flexibility of a 3-bedroom home.

Market housing

Requirement

- 4.24 This analysis draws upon the findings of the section 2 of this report (area profile), SHMA Partial Update 2018 and the NCC Draft Local Plan 2019.
- 4.25 According to the draft local plan 2019 table 7.1 the indicative housing requirement for the Berwick-upon-Tweed and Ord parishes is 800 dwellings over the plan period 2016-2036 at an average of 40 dwellings per annum (DPA). For the avoidance of doubt this is an overall requirement which includes market and affordable housing. Table 7.1 also states an indicative number of 1,100 homes (55 DPA) across the 'Rest of North' delivery area some of which would need to be provided in other parishes within the study area.
- 4.26 Table 7.2 of the draft local plan states the minimum housing requirements for designated neighbourhood plan areas over the plan period. The requirements for the designated neighbourhood plan areas within this study area are:
- Berwick-upon-Tweed (excluding Ord parish) = 680; and
 - Norham and Islandshire = 150.
- 4.27 This suggests a net additional housing requirement for the overall study area of the Berwick-upon-Tweed, Ord and Norham and Islandshire parishes of at least 950 dwellings over the plan period 2016-2036.

Additional supply from newbuild housing

- 4.28 The Northumberland 5-year Housing Land Supply of Deliverable Sites 2020-2025 (forecast as at March 2020) Sites Summary Schedule, identifies a number of sites with planning consent and an indicative number of market and affordable dwellings likely to be built over a 5-year period that coincides with the effective date of this HNA (March 2020). Table 4.5 lists the sites and shows that 653 dwelling may be delivered in the 5-year period.

| Site | Market | Affordable | Total capacity |
|--|--------|------------|----------------|
| West Hope (Land at), Castle Terrace, Berwick-upon-Tweed | 187 | 63 | 250 |
| Governors Garden (Garage site), Palace Street East, Berwick-upon-Tweed | 46 | 6 | 52 |
| Springhill/Highcliffe (Land at), Tweedmouth, Berwick-upon-Tweed | 110 | 40 | 150 |
| Land West of Greenwood Cornhill Road Tweedmouth Berwick-upon-Tweed | 25 | 5 | 30 |
| Springhill/Highcliffe (Land at), Tweedmouth, Berwick-upon-Tweed | 109 | 27 | 136 |
| Former Horncliffe County First School Tofts Lane Horncliffe | 0 | 5 | 5 |
| Land North and West of Hillcrest East Ord | 25 | 5 | 30 |
| Total | 502 | 151 | 653 |

Source: The Northumberland 5-year Housing Land Supply of Deliverable Sites 2020-2025 (forecast as at March 2020) Sites Summary Schedule

- 4.29 According to the draft local plan 2019 policy Hou 4 (c) a further 5 sites are allocated within the plan in the study area, potentially creating a net additional 215 to 305 dwellings over the period 2016-2036. This includes the numbers for an additional north delivery area site in Seahouses. As previously noted, a proportion of these dwellings would be affordable as the sites are larger sites and the council's affordable housing policy would apply (policy Hou 6).

Key findings of the local area housing need analysis

Affordable housing

- 4.30 A 4-stage model has been used to arrive at an estimate of the gap between the annual flow of households in affordable need and the current rate of supply allowing for new build affordable housing over the 5-year period to 2024. We estimate that:

- based upon NCC housing register data, the gross flow of households in affordable need is 450 households over a 5-year period (table 4.1);
 - 50% of this need is estimated to be for affordable rented housing (225 households); and
 - 50% of this need will be for affordable home ownership housing (225 households).
- 4.31 When supply from vacancies and committed new build housing is taken into account the net need for additional affordable housing changes to:
- affordable rented housing (0 dwellings) over the next 5-years; and
 - affordable home ownership housing (169 dwellings) over the next 5-years.
- 4.32 Further analysis of the housing register suggests that the requirement is for 1 and 2-bedroom affordable rented dwellings, mostly 1-bedroom dwellings with a smaller proportion of 2-bedroom dwellings and some 3-bedroom dwellings.
- 4.33 The finding that the need for affordable rented housing is nil should be considered in a wider context. Sometimes vacancies do not match the needs of households that have registered for accommodation. There is also the need for newbuild affordable rented housing to facilitate local regeneration and management of the affordable housing stock.
- 4.34 There may be an oversupply 4-bedroom affordable rented dwellings if more are built. The case for 2-bedroom dwellings should be considered especially if proposed dwellings have level access.

Affordable home ownership

- 4.35 It would be reasonable to assume there is annual need for around 225 affordable home ownership dwellings over 5-years.
- 4.36 25% shared ownership is likely to be affordable to many of the household case studies considered in the analysis including key workers. A 30% discount, the minimum level of discount for the emerging First Homes scheme would be within reach of many household typologies with more than a single income and using a 3.5 or a 4.5 times income multiplier.
- 4.37 Future affordable home ownership provision should consist of 2 and 3-bedroom family houses. This differs from the recommendation for affordable or social rented housing. This is because the SHMA Partial Update 2018 recognises the aspirations of younger households that will seek the flexibility of a 3-bedroom home.

Market housing

- 4.38 According to the draft local plan 2019 table 7.1 the indicative housing requirement for the Berwick-upon-Tweed and Ord parishes is 800 dwellings over the plan period 2016-2036 equivalent to 40 dwellings per annum (DPA). This may be regarded as a minimum number for the study area as a whole as table 7.1 also states an indicative number of 1,100 homes (55 DPA) across the 'Rest of North' delivery area.

- 4.39 Table 7.2 of the draft local plan states the housing requirements for neighbourhood plan areas. The requirement for the designated neighbourhood plan areas combined are 830 being:
- Berwick-upon-Tweed = 680; and
 - Norham and Islandshire = 150.

Future additional supply from newbuild housing

- 4.40 The Northumberland 5-year Housing Land Supply of Deliverable Sites 2020-2025 (forecast as at March 2020) Sites Summary Schedule, identifies a number of sites with planning consent and 653 market and affordable dwellings likely to be built over a 5-year period.
- 4.41 According to the draft local plan 2019 policy Hou 4 (c) a further 5 sites are allocated within the plan in the study area, potentially creating a net additional 215 to 305 dwellings over the period 2016-2036. This includes the numbers for an additional north delivery area site in Seahouses.

5. Further contextual information

Town council and neighbourhood plans

- 5.1 Based upon information contained in the Berwick Town Council's website a housing needs assessment was commissioned in 2016 for the parish area of Berwick upon Tweed. This was commissioned to evidence neighbourhood planning policy. NCC has designated a neighbourhood plan area however we can see no evidence that as at March 2020 the plan has progressed.
- 5.2 The 2016 needs assessment considers the additional need (not necessarily affordable need) for additional housing generated by projected demographic growth. The assessment also references the number of households on the housing register that were assessed by the council as being a priority for affordable housing. This is quantified at 96 households. The authors reached the following conclusion which in our view is misleading as the authors consider that 96 is a finite number rather than a rate of flow and does not distinguish between affordable housing tenures such as rented and affordable home ownership or take into account the limited supply of affordable home ownership in the area.
117. If 15% of the 801 dwellings that has been identified above in relation to the Core Strategy derived target (see paragraph 91) are delivered as affordable units, this would provide approximately 120 affordable units in the Neighbourhood Plan area. If this number of affordable units is delivered, then the current demand in Berwick-upon-Tweed in terms of bands P and 1 (96 households) would be met. This indicates that the affordable housing target established in the emerging plan is appropriate in terms of meeting demand for affordable housing in the Neighbourhood Plan area over the plan period.
- 5.3 The town council also undertook stakeholder consultation and further research as it believed that the affordable need was underestimated by the housing register.
- 5.4 The research was quoted in the town council's HNA at paragraphs 113 and 114. It investigated the proposition that much of the private rented sector housing available in the area would be unaffordable to households claiming housing benefit.
- 5.5 Stakeholder consultation stated that:
- *'A need for more smaller units was identified by some e.g. 1 to 2-bedroom units for young people and elderly;*
 - *A need for more rented units was also identified;*
 - *More social and affordable housing and more housing for local people was also required;'*

Norham and Islandshire Neighbourhood Plan

- 5.6 Whilst this neighbourhood plan area has been designated by NCC and we have seen references to a HNA and public consultation dated 2018, no further documents have been published.

Estate and letting agents

- 5.7 The scope for consulting estate and letting agents is limited as this report considers affordable rather than market housing. However, benefit supported private rented sector housing can be seen as an alternative for some low-income households that are not considered a priority for social rented housing or are not eligible to join the housing register.

Berwick (built up area)

- 5.8 We spoke at length to two independent estate and letting agent who told us that buy to let landlords were continuing to invest in their local portfolios. Landlords were particularly interested in ex local authority housing. An example was given of a 3-bedroom ex local authority dwelling with a selling price of £110,000. This would rent for £550 pcm.
- 5.9 Interestingly a £110,000 dwelling would not be regarded as entry level, exceeding the average lower quartile. Referring to table 3.8 only households cited here with more than one income could afford this purchase price. Similarly, the £550 pcm rent is close to the median rental for the local area (table 3.2).
- 5.10 Agents told us that some landlords would let to tenants receiving benefits although if there was demand from households who did not claim benefits they would be preferred. Based upon a LHA maximum of £414 pcm, this would require benefit claimants to top up around £140 pcm. Agents stated that this was affordable to some households claiming benefits and a guarantor would be required.
- 5.11 We were also told that demand for private rented sector housing is strong and supply is not keeping up with demand. In particular there is a shortage of 3-bedroom semi-detached homes for rent.
- 5.12 We were told that there are few examples of second homes but there are examples of residential housing being let as tourist accommodation or by means of AirBnB

Rural areas excluding the Holy Island

- 5.13 Agents told us that these tended to be more expensive than the Berwick built up area in terms of selling prices and rents. There was virtually no buy to let investment.
- 5.14 We were told that there is demand from older people wishing to retire to the area and for households seeking a second home. These households would generally let as holiday accommodation when not occupied by the owner.
- 5.15 Newly forming households generally could not afford local purchase prices and rentals and would seek a place of their own in or near Berwick-upon-Tweed.

The Holy Island

- 5.16 Both agents told us that they never had interest from buy to let investors or private rented sector vacancies on the island. There was strong interest for accommodation as a second home or for holiday lettings.

- 5.17 Households resident on the island would either be the proprietors of a local business or retired people.

Registered providers

- 5.18 According to NCC, various registered providers own and manage affordable housing in the area.

Table 5.1 Analysis of stock owned by registered providers in the study area

| | | | |
|--------------------|-------|-----------|-----------------------------|
| Bernicia | 8 | studio | bedsit |
| | 85 | 1-bedroom | bungalow |
| | 227 | 1-bedroom | flat |
| | 1 | 1-bedroom | house |
| | 80 | 2-bedroom | bungalow |
| | 215 | 2-bedroom | flat |
| | 518 | 2-bedroom | house |
| | 3 | 2-bedroom | maisonette |
| | 9 | 3-bedroom | bungalow |
| | 45 | 3-bedroom | flat |
| | 332 | 3-bedroom | house |
| | 10 | 3-bedroom | maisonette |
| | 1 | 4-bedroom | bungalow |
| | 9 | 4-bedroom | house |
| | 1 | 4-bedroom | maisonette |
| | 5 | 5-bedroom | house |
| Castles and Coasts | 12 | 1-bedroom | flat |
| | 9 | 2-bedroom | bungalow |
| | 1 | 2-bedroom | bungalow (shared ownership) |
| | 11 | 2-bedroom | house |
| | 2 | 2-bedroom | house (shared ownership) |
| | 2 | 3-bedroom | bungalow |
| | 9 | 3-bedroom | house |
| JJ HOUSING | 42 | N/K | N/K |
| Karbon | 49 | 1-bedroom | flat |
| | 4 | 1-bedroom | house |
| | 26 | 2-bedroom | flat |
| | 8 | 2-bedroom | house |
| | 1 | 4-bedroom | house |
| Total | 1,725 | | |

Source: NCC

- 5.19 Sub totals were as at March 2020:

- Bernicia 1,549;

- Castles and Coasts 46;
 - Karbon 88; and
 - Johnnie Johnson 42.
- 5.20 Bernicia, which has by far the largest stock in the area told us that no new homes were currently under construction but were seeking to build 40-50 new homes (affordable rent and shared ownership) as and when suitable sites became available. It would seek to build 2 and 3-bedroom bungalows for older persons and those seeking level access accommodation. It would also envisage building 2, 3 and 4-bedroom family homes. Bernicia considers that Berwick is a high priority area for new development. It is also in discussions with a housebuilder regarding receiving affordable stock arising from the affordable housing obligation. Bernicia told us that shared ownership had sold well in the area but believes that the market for other low-cost home ownership products is limited.
- 5.21 Castles and Coasts identified a similar profile of housebuilding and saw this as a medium priority for the housing association. Karbon saw development in the area as a low priority but would consider opportunities for family and older persons' housing.
- 5.22 Bernicia and Karbon both stated that around 10% of all lettings were internal transfers to meet affordable needs generated within the housing stock and to facilitate best use of the assets.

6. Sub area analysis

Introduction

6.1 The brief for this part of the project is stated in table 6.1.

Table 6.1 Definition of the geographical levels for further analysis

'For the Berwick and Norham and Islandshire HNA, analysis is also required at different geographical levels:

- *Berwick Parish (The Berwick Neighbourhood Area);*
- *Ancroft, Duddo, Holy Island, Horncliffe, Kyloe, Norham, Ord and Shorewood parishes (The Norham and Islandshire Neighbourhood Area);*
- *Holy Island Parish; and*
- *Berwick & Ord parishes combined (effectively capturing data from the built up area of Berwick, Tweedmouth, Spittal and East Ord).'*

6.2 Information and analysis is presented on a comparative basis in order to highlight the distinctive nature and characteristics of the individual areas. Analysis follows a similar approach to chapters 2, 3 and 4 of this report as a whole.

6.3 It is apparent that the 4 areas defined in table 6.1 comprise of built up areas of *Berwick, Tweedmouth, Spittal and East Ord* with the remainder being rural areas.

Sub area housing and household characteristics

Tenure

Table 6.2A Sub area tenure characteristics

| | Berwick Parish | Norham and Islandshire Neighbourhood Area | Holy Island Parish | Berwick and Ord Combined | Northumberland | England |
|-------------------|----------------|---|--------------------|--------------------------|----------------|---------|
| Owned Outright | 30.8 | 43.8 | 33.8 | 33.5 | 33.3 | 30.6 |
| Owned (Mortgaged) | 26.0 | 25.6 | 22.3 | 26.8 | 32.6 | 32.8 |
| Shared Ownership | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.8 |
| Social rented | 26.0 | 10.6 | 15.7 | 23.6 | 18.7 | 17.7 |
| Private rented | 15.0 | 16.3 | 23.0 | 14.1 | 13.3 | 16.8 |
| Living rent free | 1.7 | 3.4 | 4.9 | 1.7 | 1.8 | 1.3 |
| All Households | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: census 2011

- 6.4 It is clear from tables 6.2A and 6.2B that the rural area of Norham and Islandshire Neighbourhood Area had a higher proportion of home ownership due to a higher proportion of outright home ownership. This is consistent with an area being populated by older and retired people. Higher proportions of home ownership and lower proportions of social rented housing are the key differences between the rural and the built-up areas.
- 6.5 Of the built-up areas, (*Berwick and Ord combined*), would appear to have slightly more households that own outright and fewer social renting households when a comparison to the data for the Berwick parish only is made.
- 6.6 The Holy Island Parish has tenure characteristics that are not consistent with the other geographies. In particular lower proportions of home ownership and higher proportions of private rented sector housing. With 198 occupied dwellings, a population of under 426 people on census day 2011 and a visitor led economy, comparisons with wider geographies are of limited value.

Table 6.2B Proportion of home ownership

| | Berwick Parish | Norham and Islandshire Neighbourhood Area | Holy Island Parish | Berwick and Ord Combined | Northumberland | England |
|-------|----------------|---|--------------------|--------------------------|----------------|---------|
| Owned | 57.2 | 69.7 | 56.4 | 60.6 | 66.2 | 64.1 |

Source: census 2011

- 6.7 Table 6.3 reveals another characteristic of the rural geographies being the larger proportion of detached dwellings. The built-up area (*Berwick and Ord combined*) has larger proportions of flats and terraced houses.

Table 6.3 Proportion of dwellings by type

| | Berwick Parish | Norham and Islandshire Neighbourhood Area | Holy Island Parish | Berwick and Ord Combined | Northumberland | England |
|-----------------|----------------|---|--------------------|--------------------------|----------------|---------|
| Detached | 11.6 | 37.0 | 29.1 | 14.9 | 25.4 | 22.4 |
| Semi-detached | 38.5 | 40.0 | 34.8 | 39.7 | 36.2 | 31.2 |
| Terraced | 29.5 | 20.0 | 31.6 | 27.0 | 27.7 | 24.5 |
| Flat etc. | 20.2 | 2.5 | 4.3 | 18.2 | 10.6 | 21.2 |
| Caravan etc. | 0.1 | 0.5 | 0.3 | 0.2 | 0.2 | 0.4 |
| Shared dwelling | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 | 0.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: census 2011

- 6.8 Similarly, the rural area has nearly double the proportion of 4 or more-bedroom homes and half the proportion of 1-bedroom homes compared to the built-up areas.

Table 6.4 Proportion of dwellings by number of bedrooms

| | Berwick Parish | Norham and Islandshire Neighbourhood Area | Holy Island Parish | Berwick and Ord Combined | Northumberland | England |
|-------------------|----------------|---|--------------------|--------------------------|----------------|---------|
| No bedrooms | 0.3 | 0.1 | 0.0 | 0.3 | 0.2 | 0.2 |
| 1-bedroom | 11.1 | 4.2 | 5.6 | 10.2 | 7.8 | 11.8 |
| 2-bedroom | 39.4 | 32.7 | 32.5 | 38.7 | 29.4 | 27.9 |
| 3-bedroom | 38.1 | 43.4 | 41.9 | 39.2 | 43.2 | 41.2 |
| 4-bedroom | 7.8 | 14.3 | 13.1 | 8.5 | 14.9 | 14.4 |
| 5 or more-bedroom | 3.2 | 5.3 | 6.9 | 3.1 | 4.5 | 4.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: census 2011

- 6.9 The population age structure (table 6.5) shows remarkable differences between urban and rural geographies. For the parish of Berwick, 33% of the population is aged 0-29 compared to 25.2% for the Norham and Islandshire Neighbourhood Area.
- 6.10 For the parish of Berwick, 49% of the population is aged 45 and over compared to 60% for the Norham and Islandshire Neighbourhood Area.
- 6.11 Household composition table 6.6 also reveals contrasts between built up and rural areas. For the parish of Berwick, 50% of the population comprises of individuals or couples aged 65 or over without dependent children compared to 61% for the Norham and Islandshire Neighbourhood Area.
- 6.12 For the parish of Berwick, 17.3% of the population comprises of single person (other) households (i.e. those aged under 65-years) compared to 13% for the Norham and Islandshire Neighbourhood Area.

| | Berwick and Ord Combined | | Berwick Parish | | Holy Island Parish | | Norham and Islandshire N.A. | | Northumberland | | England | |
|-----------|--------------------------|------|----------------|------|--------------------|------|-----------------------------|------|----------------|------|------------|------|
| Age Group | No | % | No | % | No | % | No | % | No | % | No | % |
| 0-4 | 744 | 5.5 | 685 | 5.7 | 20 | 4.6 | 162 | 4.2 | 16,003 | 6.1 | 3,318,449 | 6.3 |
| 5 to 7 | 412 | 3.1 | 372 | 3.1 | 14 | 3.3 | 104 | 2.7 | 9,863 | 3.4 | 1,827,610 | 3.4 |
| 8 to 9 | 282 | 2.1 | 261 | 2.2 | 7 | 1.6 | 57 | 1.5 | 6,482 | 2.1 | 1,145,022 | 2.2 |
| 10 to 14 | 683 | 5.1 | 624 | 5.2 | 20 | 4.6 | 183 | 4.7 | 17,677 | 5.8 | 3,080,929 | 5.8 |
| 15 | 144 | 1.1 | 122 | 1.0 | 5 | 1.1 | 52 | 1.3 | 3,841 | 1.2 | 650,826 | 1.2 |
| 16 to 17 | 288 | 2.1 | 256 | 2.1 | 9 | 2.2 | 87 | 2.2 | 7,631 | 2.5 | 1,314,124 | 2.5 |
| 18 to 19 | 290 | 2.2 | 270 | 2.3 | 7 | 1.6 | 57 | 1.5 | 6,992 | 2.7 | 1,375,315 | 2.6 |
| 20 to 24 | 717 | 5.3 | 681 | 5.7 | 19 | 4.5 | 136 | 3.5 | 16,224 | 6.9 | 3,595,321 | 6.8 |
| 25 to 29 | 775 | 5.8 | 737 | 6.1 | 18 | 4.2 | 137 | 3.6 | 16,187 | 6.6 | 3,650,881 | 6.9 |
| 30 to 44 | 2,297 | 17.1 | 2,079 | 17.3 | 67 | 15.8 | 581 | 15.0 | 56,156 | 19.8 | 10,944,271 | 20.6 |
| 45 to 59 | 2,788 | 20.8 | 2,461 | 20.5 | 104 | 24.4 | 921 | 23.8 | 71,135 | 19.8 | 10,276,902 | 19.4 |
| 60 to 64 | 1,038 | 7.7 | 877 | 7.3 | 36 | 8.6 | 383 | 9.9 | 24,533 | 6.2 | 3,172,277 | 6.0 |
| 65 to 74 | 1,466 | 10.9 | 1,252 | 10.4 | 66 | 15.6 | 612 | 15.8 | 34,366 | 8.9 | 4,552,283 | 8.6 |
| 75 to 84 | 1,036 | 7.7 | 910 | 7.6 | 27 | 6.2 | 300 | 7.7 | 21,018 | 5.6 | 2,928,118 | 5.5 |
| 85 to 89 | 290 | 2.2 | 257 | 2.1 | 5 | 1.1 | 66 | 1.7 | 5,233 | 1.4 | 776,311 | 1.5 |
| 90 & 90+ | 167 | 1.2 | 161 | 1.3 | 4 | 0.8 | 34 | 0.9 | 2,687 | 0.7 | 403,817 | 0.8 |
| Total | 13,417 | 100 | 12,005 | 100 | 426 | 100 | 3,871 | 100 | 316,028 | 100 | 53,012,456 | 100 |

Source: Census 2011

| | Berwick and Ord Combined | | Berwick Parish | | Holy Island Parish | | Norham and Islandshire N.A. | | Northumberland | | England | |
|--|--------------------------|------|----------------|------|--------------------|------|-----------------------------|------|----------------|------|------------|------|
| | No | % | No | % | No | % | No | % | No | % | No | % |
| One person aged 65 and over | 911 | 15.2 | 824 | 15.4 | 36 | 18.1 | 292 | 16.3 | 19,407 | 14.0 | 2,725,596 | 12.4 |
| One person other | 1,000 | 16.7 | 925 | 17.3 | 27 | 13.4 | 233 | 13.0 | 21,999 | 15.9 | 3,940,897 | 17.9 |
| Family all aged 65 and over | 606 | 10.1 | 501 | 9.3 | 23 | 11.7 | 257 | 14.3 | 14,239 | 10.3 | 1,789,465 | 8.1 |
| Married couple no children | 969 | 16.2 | 815 | 15.2 | 36 | 18.0 | 362 | 20.2 | 22,263 | 16.1 | 2,691,927 | 12.2 |
| Married couple 1-dependent child | 298 | 5.0 | 262 | 4.9 | 11 | 5.6 | 102 | 5.7 | 8,226 | 5.9 | 1,285,267 | 5.8 |
| Married couple 2 or more-dependent children | 432 | 7.2 | 374 | 7.0 | 14 | 7.0 | 140 | 7.8 | 11,771 | 8.5 | 2,087,738 | 9.5 |
| Married couple all children non-dependent | 281 | 4.7 | 256 | 4.8 | 12 | 6.3 | 86 | 4.8 | 8,509 | 6.1 | 1,233,748 | 5.6 |
| Same-sex civil partnership couple | 8 | 0.1 | 8 | 0.1 | 0 | 0.0 | 2 | 0.1 | 121 | 0.1 | 30,775 | 0.1 |
| Cohabiting couple no children | 305 | 5.1 | 280 | 5.2 | 10 | 5.2 | 90 | 5.0 | 6,769 | 4.9 | 1,173,172 | 5.3 |
| Cohabiting couple 1 dependent child | 149 | 2.5 | 138 | 2.6 | 2 | 0.9 | 23 | 1.3 | 3,002 | 2.2 | 438,750 | 2.0 |
| Cohabiting couple 2 or more-dependent children | 142 | 2.4 | 134 | 2.5 | 5 | 2.4 | 28 | 1.6 | 2,876 | 2.1 | 452,030 | 2.0 |
| Cohabiting couple all children non-dependent | 13 | 0.2 | 12 | 0.2 | 0 | 0.0 | 3 | 0.2 | 646 | 0.5 | 108,486 | 0.5 |
| Lone parent 1-dependent child | 218 | 3.6 | 212 | 4.0 | 8 | 3.8 | 42 | 2.3 | 5,189 | 3.7 | 883,356 | 4.0 |
| Lone parent 2 or more-dependent children | 171 | 2.9 | 160 | 3.0 | 2 | 1.1 | 26 | 1.4 | 3,421 | 2.5 | 689,899 | 3.1 |
| Lone parent all children non-dependent. | 220 | 3.7 | 203 | 3.8 | 6 | 2.9 | 47 | 2.6 | 4,777 | 3.4 | 766,569 | 3.5 |
| Other with one dependent child | 58 | 1.0 | 54 | 1.0 | 2 | 0.9 | 13 | 0.7 | 1,111 | 0.8 | 290,816 | 1.3 |
| Other with 2 or more dependent children | 51 | 0.9 | 47 | 0.9 | 1 | 0.6 | 10 | 0.6 | 966 | 0.7 | 293,200 | 1.3 |
| Other household types; all full-time students | 1 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 22 | 0.0 | 124,285 | 0.6 |
| Other; all aged 65 and over | 29 | 0.5 | 27 | 0.5 | 1 | 0.3 | 6 | 0.3 | 384 | 0.3 | 61,715 | 0.3 |
| Other household types | 138 | 2.3 | 128 | 2.4 | 3 | 1.7 | 30 | 1.7 | 2,836 | 2.0 | 995,677 | 4.5 |
| All households | 6,000 | 100 | 5,360 | 100 | 198 | 100 | 1,790 | 100 | 138,534 | 100 | 22,063,368 | 100 |

Source: Census 2011

Dwelling prices and sales volumes

6.13 Table 6.7 shows resale and new build price paid by parish according to Land Registry registered sales.

6.14 The right hand two columns compare parish average prices to county averages.

| Table 6.7 Price paid by parish (resale and new build) | | | | | | |
|---|--------------------|---------------|---------------|-------|--------------------------------------|--------------------------------------|
| Parish | Resale or newbuild | Percentile 25 | Percentile 50 | Count | % of county average Percentile 25 | % of county average Percentile 50 |
| Ancroft | Resale | 98,000 | 232,000 | 11 | 95 | 133 |
| Berwick-upon-Tweed | Resale | 89,000 | 113,500 | 171 | 86 | 65 |
| | Newbuild | 83,000 | 162,500 | 4 | 81 | 93 |
| Duddo | Resale | 158,000 | 158,000 | 1 | 153 | 91 |
| Holy Island | Resale | 90,000 | 280,000 | 2 | 87 | 160 |
| Horncliffe | Resale | 165,000 | 245,500 | 6 | 160 | 141 |
| Kyloe | Resale | 182,500 | 236,750 | 2 | 177 | 136 |
| Norham | Resale | 125,000 | 169,500 | 8 | 121 | 97 |
| Ord | Resale | 155,000 | 215,000 | 17 | 150 | 123 |
| Shoreswood | Resale | 90,000 | 90,000 | 1 | 87 | 52 |
| County average (all types) | | 103,000 | 174,526 | 245 | 100 | 100 |

Source Land Registry

Table 6.7 shows that:

- in the year, very few new build sales were registered. All of these were in Berwick parish. 50th percentile newbuild prices were significantly higher than resale prices for Berwick parish however this is based upon a small number of transactions;
- Berwick parish being a built-up area recorded considerably higher sales volumes;
- rural parish prices are significantly higher than Berwick parish (built up area) prices but low sales volumes in rural areas mean that individual sales may skew averages significantly; however
- low sales volumes mean that price levels may be inaccurate in some parishes.

6.15 Income data is required to provide analysis of affordability and this has been undertaken for the study area as a whole in chapter 3. Similar to our analysis of prices, it is likely that average income levels for sparsely populated areas may prove unreliable. It is worth noting that the benchmark incomes provided in chapter 3 will be constant (key worker and other selected household configurations).

6.16 The lowest spatial area we have average household income data for is that of the electoral ward. Table 6.8 shows that in broad terms, lowest average incomes at the lower quartile and median levels are found in the Berwick East ward. Here many

households will struggle to afford entry level market housing or affordable home ownership if they need more suitable housing. Higher average incomes are apparent in the more rural Norham and Islandshire ward. However, we have demonstrated that average prices will be higher than study area or county averages because of the higher proportion of 4 or more-bedroom and detached dwellings as well as the added value associated with rural locations. This will make housing less affordable to our benchmark households.

- 6.17 It should also be recalled that rural areas tend to house older households many of whom will own their housing outright. If retired, these households may have lower income than working households. If they have low or no equity and need more suitable housing, then their housing options will be limited.

| Table 6.8 Average household income levels by electoral ward | | |
|---|-----------------------|---------------|
| Electoral ward | Lower quartile £ p.a. | Median £ p.a. |
| Berwick East | 15,000 | 15,000 |
| Berwick North | 15,000 | 25,000 |
| Berwick West with Ord | 15,000 | 25,000 |
| Norham and Islandshire | 25,000 | 25,000 |
| Study area | 15,000 | 25,000 |

Source: Transunion Cameo Market Segmentation

Gross need for affordable housing

6.18 Table 6.9 follows the same methodology as table 4.1

| Ref. | Step | Berwick Parishes | Norham and Islandshire NA | Holy Island Parish | Berwick and Ord Combined | Entire study area* |
|------|--|------------------|---------------------------|--------------------|--------------------------|--------------------|
| 1 | Level of need from existing households that are in affordable need according to the housing register | 179 | 38 | 8 | 280 | 218 |
| 2** | Annualised level of affordable need (level of affordable need above divided by 5) | 36 | 8 | 2 | 56 | 44 |
| 3 | Level of affordable need from newly forming households annually | 41 | 2 | 1 | 45 | 46 |
| 4 | Therefore, the annual gross flow of households in affordable need (sum of rows 3 and 4) | 77 | 10 | 3 | 101 | 90 |

Source: Housing Register and Survey of English Housing, Cameo, Land Registry and Zoopla.

6.19 Notes:

- *study area total (as stated in table 4.1) does not sum to the total of all areas as some parish level need is double counted i.e. Berwick;
- **rounded to the nearest whole number; and
- data sources and modelling is identical to that of table 4.1, which analyses the affordable need affecting the study area as a whole.

6.20 It is clear that affordable need occurs mostly in the built-up area.

6.21 Findings in respect of the Holy Island should be considered further as explained in our concluding remarks for this chapter.

6.22 Detailed analysis of social rented and affordable home ownership has not been carried out for supply affecting Norham and Islandshire and Holy Island sub-areas as demand is minimal and supply will be sporadic and assessing average supply over time would be misleading.

6.23 The bedroom requirement is summarised in table 6.10. This is expressed as a percentage of the total affordable need for each grouping and is based entirely on data from the housing register.

6.24 Table 6.10 reveals that:

- one-bedroom need is more concentrated in the rural area;
- older person need is more prevalent in the rural area; and
- the built-up area reflects a wider distribution of dwellings by number of bedrooms.

| Table 6.10 Bedroom requirement gross flow of households in affordable need | | | | |
|--|--------------|-------------------|------------------|-----------|
| Area | Bedrooms | General Needs (%) | Older Person (%) | Total (%) |
| Berwick Parish N.A. | One | 41 | 8 | 48 |
| | Two | 29 | 4 | 33 |
| | Three | 14 | 3 | 16 |
| | Four or more | 2 | 0 | 2 |
| | Total | 85 | 15 | 100 |
| Norham N.A. | One | 45 | 23 | 68 |
| | Two | 15 | 15 | 30 |
| | Three | 0 | 3 | 3 |
| | Four or more | 0 | 0 | 0 |
| | Total | 60 | 40 | 100 |
| Holy Island | One | 50 | 25 | 75 |
| | Two | 25 | 13 | 38 |
| | Three | 0 | 0 | 0 |
| | Four or more | 0 | 0 | 0 |
| | Total | 63 | 38 | 100 |
| Berwick and Ord | One | 41 | 8 | 49 |
| | Two | 28 | 4 | 33 |
| | Three | 14 | 2 | 16 |
| | Four or more | 2 | 0 | 2 |
| | Total | 85 | 15 | 100 |

Source: Housing Register. NB: row totals may not sum due to rounding to whole numbers.

Market housing

6.25 No analysis of market housing supply has been carried out due to the sparseness of the Norham and Islandshire area and the unique characteristics of the Holy Island.

Concluding remarks relating to section 6

6.26 The housing and household characteristics of the rural and built up areas differ significantly.

6.27 The quantity of affordable need and the characteristics of need differ between the rural and built up areas with affordable need being concentrated in the built-up area.

- 6.28 The unique characteristics of the Holy Island render comparison to the other rural area meaningless. Significant weight should be given to the evidence produced by the island's Community Land Trust and the community led housing approach if further investment in affordable housing is considered.

7. Summary of key findings and conclusions

- 7.1 The study area consists of an urban area and a rural area. The first part of the HNA report considers housing need and the factors driving it across the study area as a whole. However, most housing needs and requirements occur in the urban area. In order to ensure that the characteristics of the rural areas are recognised, specific sub areas were considered in section 6 of the report in accordance with the study brief.
- 7.2 The profile of the study area as a whole, chapter 2, reveals that the predominant house type was 3-bedroom semi-detached housing. However, chapter 6 shows that the urban areas showed higher proportions of 2-bedroom housing and the rural areas had higher proportions of 4 or more-bedroom housing. Rural areas had a higher proportion of detached dwellings and very few flats compared to the urban area.
- 7.3 The area as a whole had higher proportions of people aged over 60-years and above average proportions of households with no children when compared to Northumberland or English averages. The proportions of households aged over 65 years and married couples with no children were higher in the rural areas than the urban areas.
- 7.4 Chapter 3 shows that average rents and house prices within the local area are higher than the rest of Northumberland. In addition, income is also, on average, higher in the local area compared to the rest of Northumberland. However, it is clear from analysis in chapter 6 that the parish of Berwick-upon-Tweed has the lowest prices in the study area, well below other local and county averages.
- 7.5 Chapter 4 shows that, in general terms for the study area as a whole, using a 3.5 income multiplier, only households with 2-incomes could afford average entry level prices. However, it is apparent that flats might be affordable to many of the household groups as they are less expensive than houses. Some terraced houses might be affordable to a wider group of households with a single income. Chapter 6 shows that incomes and therefore the notional affordability of housing varies across the study area with lowest average incomes in the Berwick East ward and highest in the rural Norham and Islandshire ward.
- 7.6 The affordability of affordable home ownership products defined as affordable housing within the NPPF 2019 annexe B definitions is most usefully assessed using benchmark household typologies such as specific key worker occupations and other low-income groups. Only 25% shared ownership would be affordable to a number of household groups using a 3.5 income multiplier. A wider group of households could afford a wider range of affordable home ownership products if a 4.5 income multiplier was used and/or a second income is available within the household.
- 7.7 Different methods have been applied to arrive at the quantity of housing needed that is:
- social and affordable rented housing;
 - affordable home ownership; and
 - market housing
- 7.8 **Regarding affordable housing** we find that:

- the gross flow of households in affordable need is 90 households per annum over a 5-year period from 2020, (450 households over the 5-year period) table 4.1).

7.9 The analysis assumes that of this 5-year need:

- 225 households in affordable need seeking affordable rented housing; and
- 225 households in affordable need seeking some form of affordable home ownership.
- the average flow of affordable rented housing *supply from vacancies* is estimated to be 375 units over the 5-year period, table 4.2;
- no supply from affordable home ownership vacancies is assumed as there is a very small capacity of this tenure in the area currently;
- It is estimated that there will be 55 units of supply for affordable *new build* social and affordable rented housing over the 5-year period from March 2020;
- It is estimated that there will be 56 units of supply of *new build* affordable home ownership housing over the 5-year period;
- the flow of households in social or affordable rented need is significantly less than the supply when vacancies and first lettings of new build is taken into account; and
- the flow of households in affordable need seeking affordable home ownership is greater than the supply by 169 dwellings over the 5-year period (34 households per annum).

7.10 The finding that the need for social and affordable rented housing is nil should be considered in a wider context. It arises because the area has a large stock and supply of social and affordable rented housing vacancies annually. Proportions are higher than English and county proportions. (figure 2.1). Figure 2.5 shows that over one quarter of the social rented stock in the area is in the form of flats, generally not regarded as suitable for families with small children and some of which may be designated for use by older people.

7.11 It is likely that for this reason planning applications for further additional social and affordable rented housing may come forward on the basis of evidence that vacancies do not reflect the needs of those on the housing register. If the correct mix is not delivered or too many homes are delivered in a year, providers may find difficulty in letting only to local people. Registered providers may also consider that new build social or affordable housing is needed to support regeneration or to facilitate improved management of the stock.

7.12 **Regarding market housing**, according to the draft local plan 2019 table 7.1 the indicative housing requirement for the Berwick-upon-Tweed and Ord parishes is 800 dwellings over the plan period 2016-2036 at an average of 40 dwellings per annum (DPA). For the avoidance of doubt this is an overall requirement which includes market and affordable housing. Table 7.1 also states an indicative number of 1,100 homes (55 DPA) across the 'Rest of North' delivery area some of which would need to be provided in other parishes within the study area.

- 7.13 Table 7.2 of the draft local plan states the minimum housing requirements for designated neighbourhood plan areas over the plan period. The requirements for the designated neighbourhood plan areas within this study area are:
- Berwick-upon-Tweed (excluding Ord parish) = 680; and
 - Norham and Islandshire = 150.
- 7.14 This suggests a net additional housing requirement for the overall study area of the Berwick-upon-Tweed, Ord and Norham and Islandshire parishes of at least 950 dwellings over the plan period 2016-2036.
- 7.15 Regarding future additional supply, the Northumberland 5-year Housing Land Supply of Deliverable Sites 2020-2025 (forecast as of March 2020) Sites Summary Schedule identifies a number of sites with planning consent and an indicative number of 502 market and 151 affordable dwellings likely to be built over a 5-year period that coincides with the effective date of this HNA (March 2020).
- 7.16 Further, according to the draft local plan 2019 policy Hou 4 (c) a further 5 sites are allocated within the plan in the study area, potentially creating a net additional 215 to 305 dwellings over the period 2016-2036. This includes the numbers for an additional north delivery area site in Seahouses. As previously noted, a proportion of these dwellings would be affordable as the sites are larger sites and the council's affordable housing policy would apply (policy Hou 6).
- 7.17 Additional analysis has been undertaken of the housing and household characteristics of **specific sub areas** of the study areas. Specific analysis of affordable home ownership and market housing supply has not been carried out due to the sparseness of the Norham and Islandshire area and the unique characteristics of the Holy Island.
- 7.18 Our key findings are that:
- the housing and household characteristics of the rural and built-up areas differ significantly; and
 - the quantity of affordable need and the characteristics of need differ between the rural and built-up areas with affordable need being concentrated in the built-up area.
- 7.19 Our **overall conclusion** is that the main housing policy challenges facing the study area as a whole are:
- there is a shortage of housing overall that is affordable to many households and newly forming households in particular who cannot afford local prices;
 - there is a mismatch between the existing stock and the needs of local households in terms of dwelling size, type and number of bedrooms;
 - the existing housing stock is particularly unsuited to an aging population. Although the aging population may choose to remain living in unsuitable housing, in reality there is little choice for them provided by the market; and
 - there is an imbalance within the affordable housing stock compared to identified needs between the total supply of affordable rented homes and affordable home ownership products, as well as within the affordable rented stock in terms of providing the most appropriate dwelling sizes to meet local household

needs. There is considered to be a need for additional affordable home ownership homes in order to help rebalance the stock (34pa). However, while there is a nil need for additional affordable rented homes overall given the levels of supply from the stock, there is a strategic need to rebalance the stock as some additional affordable rented homes may be required to meet specific needs in the short-term.

8. Data appendix to chapter 2: neighbourhood area profiles

These tables provide the data to support figures 2.1 to 2.8. The source is census 2011 except for the population projections which are published by ONS.

Table A2.1 Tenure of households

| | Study area | | Northumberland | | England | |
|---------------------|------------|---------|----------------|---------|------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owned outright | 2,434 | 34.0 | 46,086 | 33.3 | 6,745,584 | 30.6 |
| Owned (mortgage) | 1,854 | 25.9 | 45,121 | 32.6 | 7,229,440 | 32.8 |
| Shared ownership | 25 | 0.3 | 510 | 0.4 | 173,760 | 0.8 |
| Rented from council | 411 | 5.8 | 14,820 | 10.7 | 2,079,778 | 9.4 |
| Other social rented | 1,174 | 16.4 | 11,021 | 8.0 | 1,823,772 | 8.3 |
| Private rented | 1,097 | 15.3 | 18,417 | 13.3 | 3,715,924 | 16.8 |
| Living rent free | 155 | 2.2 | 2,559 | 1.8 | 295,110 | 1.3 |
| Total | 7,150 | 100.0 | 138,534 | 100.0 | 22,063,368 | 100.0 |

Table A2.2 Tenure: HRP aged 65 or over

| | Study area | | Northumberland | | England | |
|--------------------------|------------|---------|----------------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owned outright | 1,367 | 59.3 | 25,851 | 61.7 | 3,822,366 | 66.8 |
| Owned (mortgage) | 153 | 6.6 | 3,331 | 8.0 | 444,300 | 7.8 |
| Social rented | 521 | 22.6 | 9,061 | 21.6 | 1,084,460 | 19.0 |
| Private rented/rent free | 265 | 11.5 | 3,627 | 8.7 | 370,598 | 6.5 |
| Total | 2,306 | 100.0 | 41,870 | 100.0 | 5,721,724 | 100.0 |

Table A2.3 Number of bedrooms

| | Study area | | Northumberland | | England | |
|-------------------|------------|---------|----------------|---------|------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| No bedrooms | 19 | 0.3 | 220 | 0.2 | 54,938 | 0.2 |
| 1-bedroom | 673 | 9.4 | 10,772 | 7.8 | 2,593,893 | 11.8 |
| 2-bedroom | 2,698 | 37.7 | 40,698 | 29.4 | 6,145,083 | 27.9 |
| 3-bedroom | 2,820 | 39.4 | 59,864 | 43.2 | 9,088,213 | 41.2 |
| 4-bedroom | 676 | 9.5 | 20,701 | 14.9 | 3,166,531 | 14.4 |
| 5 or more-bedroom | 264 | 3.7 | 6,279 | 4.5 | 1,014,710 | 4.6 |
| Total | 7,150 | 100.0 | 138,534 | 100.0 | 22,063,368 | 100.0 |

Table A2.4 Tenure by number of bedrooms (Berwick and Norham and Islandshire area only)

| | Owned outright | | Owned (mortgage) | | Social rented | | Private rented | | Totals | |
|--------------------|----------------|----|------------------|----|---------------|----|----------------|----|--------|-----|
| 1-bedroom | 73 | 1 | 58 | 1 | 126 | 5 | 198 | 3 | 692 | 10 |
| 2-bedroom | 837 | 12 | 535 | 7 | 116 | 11 | 559 | 8 | 2,698 | 38 |
| 3-bedroom | 1,101 | 15 | 899 | 13 | 136 | 6 | 404 | 6 | 2,820 | 39 |
| 4 or more- bedroom | 423 | 6 | 386 | 5 | 17 | 1 | 91 | 1 | 940 | 13 |
| All categories | 2,434 | 34 | 1,879 | 26 | 394 | 22 | 1,251 | 18 | 7,150 | 100 |

Table A2.5 House type by tenure (Berwick and Norham and Islandshire area only)

| | Owned outright | | Owned (mortgage) | | Social rented | | Private rented etc. | | Totals | |
|---------------|----------------|------|------------------|------|---------------|------|---------------------|------|--------|------|
| Detached | 740 | 30.4 | 333 | 17.7 | 47 | 3.0 | 166 | 13.3 | 1,286 | 13.3 |
| Semi-detached | 907 | 37.3 | 816 | 43.5 | 716 | 45.2 | 339 | 27.1 | 2,778 | 27.1 |
| Terraced | 592 | 24.3 | 590 | 31.4 | 384 | 24.2 | 374 | 29.8 | 1,941 | 29.8 |
| Flat etc. | 195 | 8.0 | 139 | 7.4 | 438 | 27.6 | 373 | 29.8 | 1,145 | 29.8 |
| Totals | 2,434 | 100 | 1,879 | 100 | 1,585 | 100 | 1,251 | 100 | 7,150 | 100 |

Table A2.6 Age Distribution

| | Study area | | Northumberland | | England | |
|----------|------------|---------|----------------|---------|------------|---------|
| Age | Number | Percent | Number | Percent | Number | Percent |
| 0-4 | 847 | 5.3 | 16,003 | 5.1 | 3,318,449 | 6.3 |
| 5 to 7 | 476 | 3.0 | 9,863 | 3.1 | 1,827,610 | 3.4 |
| 8 to 9 | 318 | 2.0 | 6,482 | 2.1 | 1,145,022 | 2.2 |
| 10 to 14 | 807 | 5.1 | 17,677 | 5.6 | 3,080,929 | 5.8 |
| 15 | 173 | 1.1 | 3,841 | 1.2 | 650,826 | 1.2 |
| 16 to 17 | 343 | 2.2 | 7,631 | 2.4 | 1,314,124 | 2.5 |
| 18 to 19 | 327 | 2.1 | 6,992 | 2.2 | 1,375,315 | 2.6 |
| 20 to 24 | 817 | 5.1 | 16,224 | 5.1 | 3,595,321 | 6.8 |
| 25 to 29 | 875 | 5.5 | 16,187 | 5.1 | 3,650,881 | 6.9 |
| 30 to 44 | 2,660 | 16.8 | 56,156 | 17.8 | 10,944,271 | 20.6 |
| 45 to 59 | 3,382 | 21.3 | 71,135 | 22.5 | 10,276,902 | 19.4 |
| 60 to 64 | 1,260 | 7.9 | 24,533 | 7.8 | 3,172,277 | 6.0 |
| 65 to 74 | 1,865 | 11.7 | 34,366 | 10.9 | 4,552,283 | 8.6 |
| 75 to 84 | 1,210 | 7.6 | 21,018 | 6.7 | 2,928,118 | 5.5 |
| 85 to 89 | 323 | 2.0 | 5,233 | 1.7 | 776,311 | 1.5 |
| 90 & 90+ | 195 | 1.2 | 2,687 | 0.9 | 403,817 | 0.8 |
| Total | 15,876 | 100.0 | 316,028 | 100.0 | 53,012,456 | 100.0 |

| Table A2.7 Population projections in broad age bands | | | | | | |
|--|--------------|---------------|---------------|---------------|----------|----------|
| Projected Year | Aged 0 to 15 | Aged 16 to 24 | Aged 25 to 49 | Aged 50 to 64 | Aged 65+ | All Ages |
| 2018 | 52,355 | 27,082 | 89,621 | 73,491 | 77,725 | 320,274 |
| 2019 | 52,356 | 26,627 | 89,031 | 74,066 | 79,528 | 321,607 |
| 2020 | 52,194 | 26,302 | 88,720 | 74,544 | 81,094 | 322,852 |
| 2021 | 52,097 | 25,828 | 88,239 | 75,089 | 82,821 | 324,077 |
| 2022 | 51,809 | 25,664 | 88,049 | 75,153 | 84,597 | 325,272 |
| 2023 | 51,650 | 25,416 | 88,007 | 74,726 | 86,582 | 326,383 |
| 2024 | 51,151 | 25,527 | 88,167 | 73,908 | 88,691 | 327,446 |
| 2025 | 50,807 | 25,648 | 88,193 | 73,035 | 90,736 | 328,425 |
| 2026 | 50,324 | 26,000 | 88,308 | 72,049 | 92,714 | 329,398 |
| 2027 | 49,835 | 26,338 | 88,554 | 70,788 | 94,755 | 330,270 |
| 2028 | 49,359 | 26,684 | 88,767 | 69,443 | 96,856 | 331,105 |
| 2029 | 48,938 | 26,863 | 88,599 | 68,444 | 99,032 | 331,872 |
| 2030 | 48,641 | 26,920 | 88,330 | 67,526 | 101,161 | 332,580 |
| 2031 | 48,424 | 26,802 | 88,326 | 66,816 | 102,875 | 333,243 |
| 2032 | 48,035 | 26,925 | 88,271 | 66,122 | 104,524 | 333,880 |
| 2033 | 47,724 | 26,860 | 88,422 | 65,528 | 105,983 | 334,516 |
| 2034 | 47,443 | 26,882 | 88,438 | 65,040 | 107,322 | 335,127 |
| 2035 | 47,403 | 26,557 | 88,389 | 64,870 | 108,440 | 335,656 |
| 2036 | 47,368 | 26,213 | 88,365 | 64,444 | 109,756 | 336,147 |
| 2037 | 47,358 | 25,869 | 88,445 | 64,306 | 110,650 | 336,630 |
| 2038 | 47,406 | 25,606 | 88,289 | 64,620 | 111,206 | 337,126 |
| 2039 | 47,491 | 25,396 | 88,156 | 65,109 | 111,458 | 337,611 |
| 2040 | 47,612 | 25,196 | 87,940 | 65,731 | 111,594 | 338,071 |
| 2041 | 47,754 | 24,908 | 87,637 | 66,655 | 111,570 | 338,522 |
| 2042 | 47,917 | 24,686 | 87,319 | 67,698 | 111,342 | 338,968 |
| 2043 | 48,101 | 24,501 | 87,144 | 68,526 | 111,141 | 339,415 |
| Change | -4,254 | -2,581 | -2,477 | -4,965 | 33,416 | 19,141 |

Source Nomis. Base year 2018

| | Study area | | Northumberland | | England | |
|--|------------|---------|----------------|---------|------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| One person aged 65 & over | 1,116 | 15.6 | 19,407 | 14.0 | 2,725,596 | 12.4 |
| One person other | 1,158 | 16.2 | 21,999 | 15.9 | 3,940,897 | 17.9 |
| Family all aged 65 and over | 757 | 10.6 | 14,239 | 10.3 | 1,789,465 | 8.1 |
| Married couple no children | 1,177 | 16.5 | 22,263 | 16.1 | 2,691,927 | 12.2 |
| Married couple 1 dependent child | 364 | 5.1 | 8,226 | 5.9 | 1,285,267 | 5.8 |
| Married couple 2 or more dependent children | 513 | 7.2 | 11,771 | 8.5 | 2,087,738 | 9.5 |
| Married couple all children non-dependent | 342 | 4.8 | 8,509 | 6.1 | 1,233,748 | 5.6 |
| Same-sex Civil Partnership couple | 10 | 0.1 | 121 | 0.1 | 30,775 | 0.1 |
| Cohabiting couple no children | 371 | 5.2 | 6,769 | 4.9 | 1,173,172 | 5.3 |
| Cohabiting couple 1 dependent child | 161 | 2.2 | 3,002 | 2.2 | 438,750 | 2.0 |
| Cohabiting couple 2 or more dependent children | 162 | 2.3 | 2,876 | 2.1 | 452,030 | 2.0 |
| Cohabiting couple all children non-dependent | 15 | 0.2 | 646 | 0.5 | 108,486 | 0.5 |
| Lone parent 1 dependent child | 254 | 3.6 | 5,189 | 3.7 | 883,356 | 4.0 |
| Lone parent 2 or more dependent children | 185 | 2.6 | 3,421 | 2.5 | 689,899 | 3.1 |
| Lone parent all children non-dependent | 250 | 3.5 | 4,777 | 3.4 | 766,569 | 3.5 |
| Other with one dependent child | 66 | 0.9 | 1,111 | 0.8 | 290,816 | 1.3 |
| Other with two 2 or more dependent children | 57 | 0.8 | 966 | 0.7 | 293,200 | 1.3 |
| Other household types; all full-time students | 1 | 0.0 | 22 | 0.0 | 124,285 | 0.6 |
| Other; all aged 65 and over | 33 | 0.5 | 384 | 0.3 | 61,715 | 0.3 |
| Other household types | 158 | 2.2 | 2,836 | 2.0 | 995,677 | 4.5 |
| All households | 7,150 | 100 | 138,534 | 100.0 | 22,063,368 | 100.0 |

9. Appendix. Detailed analysis: Is the gross affordable need of 90 households per annum a reasonable estimate?

Triangulation with household survey data

- 9.1 arc4 was commissioned to undertake a strategic housing market assessment (SHMA) in 2014 which drew on household survey data collected in 2012. From these data, the need for affordable housing was derived at both county level and sub area level. For the purposes of this HNA the data have been subject to further analysis to assess the need based upon household survey evidence of those living in the Berwick and Norham and Islandshire Neighbourhood areas.
- 9.2 A summary of the data for stages 1 and 2 of the affordable need model table A9.1 using household survey data are as follows.

| Table A9.1 Stages 1 and 2, gross flow of households in affordable need (household survey) | | |
|---|---|-------|
| Ref. | Step | Total |
| 1 | Level of need from existing households that are in affordable need according to survey data | 353 |
| 2* | Annualised level of affordable need (level of affordable need above divided by 5) | 71 |
| 3 | Level of affordable need from newly forming households annually | 28 |
| 4 | Therefore, the annual gross flow of households in affordable need (sum of rows 3 and 4) | 99 |

Source: NCC household survey 2012

- 9.3 There is close comparison between the level of overall need using the survey method and the housing register method (90 households per annum).

Triangulation using prevalence rates

- 9.4 From arc4's national database we are able to define prevalence rates for households likely to be in affordable need, whether existing households falling into need or newly forming households.
- 9.5 arc4 is the only national housing consultancy that offers household surveys as a component of large-scale district, borough or city wide SHMA or HNA studies. The database contains anonymous weighted data representative of over 2,500,000 households. This enables arc4 to understand the demographic and socio-economic characteristics and housing history of respondents by household type. Findings based upon this database have been found sound at local plan inquiries.
- 9.6 Table A9.2 summarises the impact of prevalence rates on the household population at study area levels. The table shows that this affordable need is made up of need from existing and newly forming households.

| Table A9.2 Estimate annual affordable need using arc4 prevalence rates | | | | |
|--|--|---------------------------|--------------------|---|
| | | Prevalence rate or factor | Households in area | Source |
| | | | 7,253 | Based upon the number of households (census 2011) updated to 2019 |
| 1 | Existing households in need | 10% | 725 | Based on national arc4 estimate |
| 2 | % in affordable need | 50% | 363 | Based on national arc4 estimate |
| 3 | Divide to convert to annual need | 5 | 72 | Assume clearance over a 5-year period |
| 4 | Newly forming households per annum | 1.55% | 112 | Based on national gross household formation rate from the Survey of English Housing |
| 5 | Newly forming household % in affordable need | 75% | 84 | Based on national arc4 estimate |
| 6 | Total GROSS annual need (3+5) | | 156 | |

Sources as stated

- 9.7 Note that we have updated the number of households in the area as the data we have used as a baseline number was according to the census in 2011 which is 9-years out of date. We have calculated the growth in the borough level population by comparing the census baseline to the VOA 2019 and made an allowance for vacant homes.
- 9.8 Estimates of *gross* affordable need as stated in table 4.1 and A9.2 differ largely and would support the view expressed in section 4 that the housing register is likely to under-estimate the number of households in affordable need.