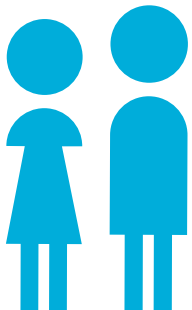


The housing crisis in the North East

There is an acute housing crisis in the North East. While house prices are substantially lower than other parts of the country, **low wages and some of the highest levels of unemployment are making housing increasingly unaffordable** for people. It is impossible for many to achieve the dream of home ownership. Unemployment levels stand at 8.5% across the region, much higher than the national average, and in areas like Middlesbrough and Hartlepool the picture is even worse.

Salaries here are well below the national average at £23,202 and **workers would need a £10,000 annual pay rise to £33,968 just to afford an average mortgage** in the region. The cost of housing is leaving many priced out and the number of working people claiming housing benefit just to make ends meet has soared by 17% across the North East since 2008.

Fixing the housing crisis in the North East goes beyond increasing the supply of new homes. The region is in desperate need of regeneration. There are large numbers of empty homes in areas of low housing demand. Lots of these homes are in the private rented sector and are in poor condition. The region also has the **highest proportion of homes in the country (1.35%) which have been empty for more than six months**.



Solving the housing crisis

Britain is in the midst of a housing crisis that has been a generation in the making. This is experienced differently across the country and requires a range of interventions rather than a single solution.

It was no surprise that housing was a top five vote-deciding issue at the last election. The public is demanding action and the Government is responding with a range of initiatives designed to increase supply and help people get a foot on the property ladder.

We have a once in a generation opportunity to tackle the housing crisis and deliver the homes the country so desperately needs. Public attitudes towards housebuilding have shifted and now twice as many people support more new homes being built in their local area. The devolution agenda also provides promising new opportunities for addressing England's housing challenges on a local level.

Housing associations are a key part of the solution to our housing crisis. They are amongst the most successful public private partnerships in Britain's history, securing £75bn in private investment since the Conservative Government's Housing Act in 1988. For every £1 invested by the taxpayer, associations put in £6 of their own money. They invest in communities, house five million people in England and built 50,000 homes last year, 40% of all new homes in the country and one third of all new homes over the last Parliament. Housing associations work to make home ownership more affordable, having helped over 275,000 people to buy their own home over the last 30 years and want to help even more.

By providing secure homes for all we can build a foundation on which anyone and everyone can make a better life for themselves and thousands more people can achieve their aspiration of a home to call their own. We can close the gap between the 'haves' and 'have nots' and end the housing crisis within a generation.

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HOME TRUTHS 2015/16

The housing market in the North East



North East



	Average (mean) house prices in 2014 ¹	Average (mean) monthly private sector rents in 2013/2014 ²	Mean annual earnings in 2014 ⁴	Ratio of house prices to incomes ^{1,3}	Income required for 80% mortgage 2014 (80% at 3.5x) ¹	% of housing benefit claimants in employment in Feb 2015 ⁴	Unemployment rate (Dec 2014) ⁵	Four-year shortfall 2011–2014 ⁶	Second homes ⁷	All long-term vacant stock ⁸	Total HA rented homes 2014 ⁹
ENGLAND	£265,888	£720	£26,499	10.0	£60,774	23.8%	6.2%	-515,340	251,518	205,821	2,573,781
NORTH EAST	£148,608	£482	£23,202	6.4	£33,968	16.3%	8.5%	-15,640	12,605	16,052	161,743
Darlington	£148,135	£468	£22,968	6.4	£33,859	19.0%	7.9%	-687	184	587	2,497
Hartlepool	£130,144	£473	£21,970	5.9	£29,747	16.1%	11.3%	-225	338	727	10,023
Middlesbrough	£134,486	£445	£20,004	6.7	£30,740	18.2%	12.5%	-421	24	577	15,276
Redcar and Cleveland	£134,186	£509	£22,459	6.0	£30,671	15.4%	9.4%	230	161	1,026	12,223
Stockton-on-Tees	£154,487	£540	£23,743	6.5	£35,311	17.8%	8.7%	-1,175	356	866	14,195
County Durham	£127,109	£457	£24,674	5.2	£29,053	14.5%	7.5%	-3,044	1,796	4,433	29,745
Northumberland	£179,995	£489	£24,107	7.5	£41,142	16.8%	6.6%	-1,246	3,214	2,136	17,960
Tyne and Wear	£152,193	£494	£22,797	6.7	£34,787	16.3%	8.8%	-9,072	6,532	5,700	59,824
Gateshead	£142,639	£510	£23,213	6.1	£32,603	16.3%	8.1%	-939	442	1,389	5,110
Newcastle upon Tyne	£174,741	£478	£23,166	7.5	£39,941	18.2%	9.7%	-3,033	4,479	1,054	9,937
North Tyneside	£161,694	£528	£22,838	7.1	£36,959	16.1%	6.9%	-2,670	512	1,090	5,823
South Tyneside	£139,387	£482	£23,764	5.9	£31,860	13.6%	9.7%	-992	438	686	4,856
Sunderland	£130,473	£465	£21,590	6.0	£29,822	16.1%	9.0%	-1,439	661	1,481	34,098



1. Land registry 2014

2. VOA Private sector rents 2013/14

3. ASHE Income table 8.1a 2014 all employees

4. DWP Stat Explore Feb 2015

5. ONS Model Based Estimates of Unemployment Dec 2014

6. Housing Need based on Holmans / TCPA projections weighted by DCLG household projections to a local level; Delivery figures compiled from DCLG

Live Table 253a

7. Council tax base local authority level data 2014

8. DCLG Table 615 Vacant dwellings

9. HCA Statistical Data Return