



Community
Foundation

Tyne & Wear's Vital Issues 2017

Housing and homelessness

Housing and homelessness

1.1 Overview

Tyne & Wear has relatively affordable housing and is doing well at tackling homelessness. However, the potential effects of further changes in the social housing field and welfare benefits provision, and on-going problems such as fuel poverty and rough sleeping mean there is little cause for complacency.

1.2 Dwelling stock and tenure

Dwelling stock is the term used to refer to self-contained living spaces in permanent buildings, of which there are 512,100 in Tyne & Wear. The make-up of the sub-regions dwelling stock is as follows:

Table 23 – Dwelling Stock, 2016ⁱ

	% Tyne & Wear	% UK
Local authority	15	6.8
Social landlords	11.6	10.5
Other public sector	.3	.2
Private sector	73	82

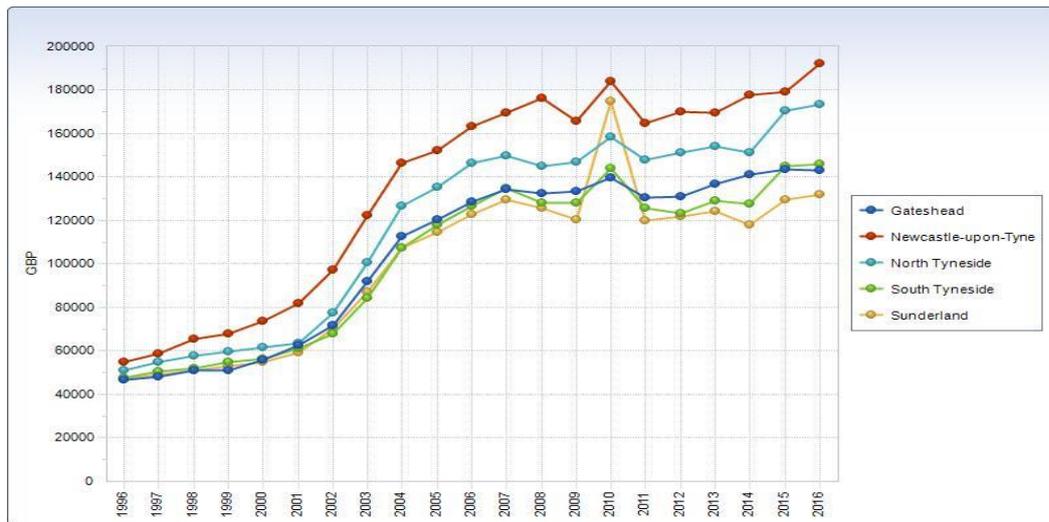
Tenure refers to the arrangements by which people occupy their homes. Data from the census confirms the primacy of renting from the social sectorⁱⁱ.

Table 24 - Tenure

	Owner occupied	Rented privately	Rented socially
Gateshead	58.23	12.48	27.98
Newcastle-upon-Tyne	49.47	19.05	29.75
North Tyneside	64.77	12.38	21.55
South Tyneside	57.07	10.06	31.57
Sunderland	59.76	12.15	27.05
Tyne & Wear	57.56	13.63	27.46
England & Wales	63.57	16.69	17.63

1.3 Average property prices

The NE region has not witnessed the sharp rises in property prices seen elsewhere in the country over recent years. But prices in Tyne & Wear, whilst comparatively modest, have risen significantly in the past ten years. Average price movements are shown in the chart belowⁱⁱⁱ.



A key measure is housing affordability: the ratio of house prices to wages, as shown in the chart below for the same period (the higher the ratio, the less affordable the housing)



The table clearly shows housing becoming more affordable since the 2008 crash: which is good news for buyers although it clearly impacts on those who took out large mortgages when prices were at their peak

1.4 Rental market

The amount rented property costs depends to a large extent on the landlord. Private registered providers (housing associations) and local authorities tend to be cheaper than private landlords. Table 11 shows the average rents in 2015 by landlord.

Table 25 - Average weekly rents by landlord, 2015

	Local authority ^{iv}	Housing Association / Private registered provider ^v	Private landlord ^{vi}
Tyne & Wear	£79	£81	£121

There is anecdotal evidence that the condition of properties in the private rented sector is lower than in the social housing sector^{vii}. One of the barriers to entry into

this sector for tenants can be the requirement to pay a bond and/or rent in advance, which is not affordable for many people, including a lot of young people. Programmes have been made available through which previously homeless people could be given the funds for a bond to enable them to access the private rental market.

1.5 Changes to housing and other benefits

Recent changes to eligibility criteria for housing benefit mean that many more people may find themselves unable to secure and maintain a tenancy because they face restrictions to the amount of rent that will be covered through housing benefit:

- single young people aged 18-21 are not eligible for any housing benefit
- single people aged 22-35 can only get housing benefit to pay for a single room in shared accommodation or a bedsit
- the introduction of the under-occupancy charge (“bedroom tax”) means that those with more bedrooms than deemed necessary are expected to pay a proportion of their rent themselves
- the introduction of the benefits cap for those on Housing Benefit and Universal Credit means the total amount payable for all benefits per week is limited to £384.62/wk (or £257.69 for single people without children).

In addition, further issues are caused by:

- most benefits being subject to a freeze until 2020, meaning they will not increase in monetary terms during that time, further reducing the value of the benefits payable
- the difficulties in rolling out Universal Credit, meaning that claimants wait a minimum of 6 weeks, and up to 12 weeks to receive any benefit, leaving them without any resources to pay rent in the meantime
- people on Universal Credit receiving a single monthly payment and being expected to budget appropriately, including payment of rent and Council Tax
- a lack of one-bedroom rental accommodation, meaning some people are locked into larger properties and face having to pay the bedroom tax, while others cannot find suitable accommodation in which to live
- where new-build accommodation is being created, little is available for rent, with even housing associations only building properties for sale - most people on low incomes are unable to access the finance to buy
- the number of housing advice and welfare advice agencies is reducing due to austerity cuts, leaving people with no sources of information and advice on issues such as benefit eligibility and their rights - where organisations do still exist their resources are stretched and they are not generally able to provide support to people who have already lost their housing.

As a result, it seems likely more and more people will struggle to secure a tenancy, meet their monthly rent, and manage their housing costs, leaving them in danger of facing eviction and therefore vulnerable to homelessness.

1.6 Fuel poverty

The most up to date information on fuel poverty is 2013, and comes from the Department for Business, Energy and Industrial Strategy. The national average rate then was around 10% of households, and for the North East 12%. The North East

figures have risen to 13%, so the 2013 Tyne & Wear figures below may slightly understate the current situation:

Table 26 - Fuel Poverty 2013 (national average 10.39% of households)^{viii}

Area	%	Variance ($\pm\%$) from national average
Tyne & Wear	12	+11.9
Newcastle	13	+25
Gateshead	11	+4.9
South Tyneside	11	+8.8
North Tyneside	10	-4.7
Sunderland	12	+19.3

The statistics show that, with the exception of North Tyneside, Tyne & Wear has higher fuel poverty than the national average. As noted in our 2013 report: *“the causes [of fuel poverty] are low income, rising fuel prices, poor insulation and inadequate heating systems. This can lead to cold, damp and unhealthy homes. Children living in such homes are more likely to suffer poor health, disability and poor educational achievement”*.

1.7 Homelessness

The number of people officially recognised as homeless has fallen in recent years throughout the NE region. This is contrary to the national picture of rising homelessness, however organisations working in the homelessness field argue the recorded figures vastly underestimate the size of the problem due to the tight restrictions on who is counted as ‘homeless’. Many people are not eligible to be assessed as homeless, for example anyone deemed to be intentionally homeless (e.g. because of failure to pay rent, or giving up a home where they reasonably could have lived) is excluded from the figures.

Table 27 - Local authorities’ decisions in relation to homelessness applications, 2016-17^{ix}

Decisions taken:	
Accepted as homeless and a priority need	760
Eligible but not accepted:	
Homeless and in priority need, but intentionally	50
Homeless but not in priority need	579
Not homeless	838

A few interesting facts emerge from the statistics at local authority level:

- The number of cases considered was 2,679 in total. Of these 28% resulted in the applicant being accepted as in priority need.
- Newcastle had the highest number of cases of applicants being considered to be homeless but not in priority need (437). 182 decisions went in applicants’ favour.

- Sunderland has the lowest number of applicants being accepted as homeless and in priority need (57), but the highest number of applicants deemed not homeless (661).

People who are not officially classed as homeless tend to find accommodation through informal routes. This means they are not supported with practical considerations like ensuring the property is in a fit condition, and that they have access to utilities and have appropriate furniture. Many also end up in shared accommodation, leaving them at risk of exploitation.

Youth Homelessness North East produced a research report on homelessness in the North East in 2015^x which found:

- 41% of the people who approached responding local authorities as homeless in February 2015 were under the age of 25.
- Care leavers and offenders appeared to be the groups of young people who were most likely to ask for housing assistance.
- Young people were most likely to have been living with parents or step parents prior to approaching an agency, with “sofa surfing”/hidden homeless the second most likely option.
- The majority of young people became homeless because a parent/care giver or other relative was no longer willing to accommodate them.
- The most frequently identified need (beyond suitable housing) among young people was a lack of independent living skills, followed by not being in education, employment or training, mental health problems and lack of relationship skills.
- Assisting young people to remain in the private rented sector was the most frequently used prevention activity, followed by conciliation work (including home visits for family/friends threatening exclusion).
- The welfare reforms most frequently identified as affecting young people’s likelihood of becoming homeless or accessing housing were removal of the spare room subsidy, sanctions and difficulties in accessing local welfare assistance.
- The lack of supply of suitable long term housing was widely reported to be the greatest difficulty facing young people.

There is anecdotal evidence from elsewhere in the region that some young homeless people, females in particular, end up in sex work and/or using sex to secure accommodation simply because they have no other source of income^{xi}.

1.8 Rough sleeping

Recent reports have indicated a massive increase in the number of people sleeping rough throughout the UK^{xii} and there are concerns that this figure will continue to increase with widespread cuts to housing support services traditionally provided or funded by local authorities. By its nature rough sleeping is hard to quantify accurately.

Potential roles for philanthropy

- Support for people around housing issues is a priority. The support provided by voluntary services is wide ranging and can include help with identifying housing options; advice on tenancy issues; guidance on clearing mortgage or rent arrears; benefits advice and the provision of mediation between family members.
- Increasing social housing stock by bringing unfit property back into use using charitable funds can help individuals and families whilst also contributing to the sustainability of local communities.
- Helping people who are homeless but not eligible for support from statutory services has long been a key role for the voluntary sector. Help for young people, who may be at risk of exploitation if left homeless, is an area where philanthropy could make a significant difference.
- Fuel poverty is a significant problem in Tyne & Wear. Action to promote the more efficient use of energy, particularly in poor areas, can help address this.

ⁱ **ONS** <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

ⁱⁱ **Grant Thornton Place Analytics (subscription service)** <http://gt-placeanalytics.com>

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^{iv} **Dept for Communities and Local Government (2016)** *Local housing statistics, year ending March 2015*, downloaded from: <https://www.gov.uk/government/collections/local-authority-housing-data#2014-to-2015>

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^v **Dept for Communities and Local Government (2017)** *Live tables on rents, lettings and tenancies*, downloaded from: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies> 1/6/17 10:00

^{vi} **Valuation Office Agency (2015)** *Private rental market statistics - May 2015*, downloaded from: <https://www.gov.uk/government/statistics/private-rental-market-statistics-may-2015>

^{vii} See for example, <http://www.itv.com/news/tyne-tees/2017-02-09/north-east-councils-failing-to-protect-private-rental-tenants-over-poor-living-conditions/> and <https://www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50iii106.htm>

^{viii} **Dept for Business Energy and Industrial Strategy** *Fuel Poverty Statistics* <https://www.gov.uk/government/collections/fuel-poverty-statistics>

^{ix} **Dept for Communities and Local Government (2016)** *Local authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts (financial year)*, downloaded from: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness#homelessness-summary-local-authority-level-tables> 11/6/17 12:31

^x **Youth Homeless North East** *Survey Report 2015* at <https://www.yhne.org.uk/wp-content/uploads/YHNE-Survey-Report-2015-3.pdf>

^{xi} **Northern Rock Foundation (2014)** *Sex Markets in Teesside*.

^{xii} Butler, P (2017) *Number of rough sleepers in England rises for sixth successive year*, Guardian, accessed at: <https://www.theguardian.com/society/2017/jan/25/number-of-rough-sleepers-in-england-rises-for-sixth-successive-year> 31/5/17 22:30