



**Community
Foundation**
Tyne & Wear and Northumberland

Tees Valley's Vital Issues 2017

Housing and homelessness

1. Housing and homelessness

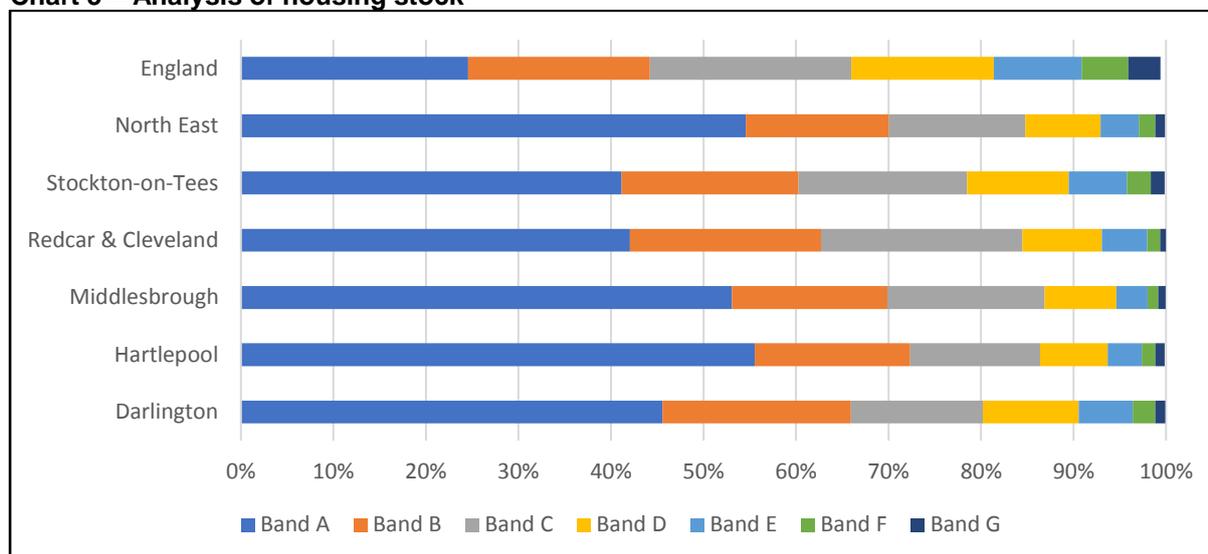
1.1 Overview

Housing shortages and homelessness have been big issues in England for several decades, but the perception has been that they are primarily issues in the South East, and in larger conurbations. However, changes to benefit eligibility rules and the impact of increasing private buy-to-let purchasers on the housing market have meant that the homes have become less affordable and less available in more parts of the UK, including the Tees Valley.

2.2 Housing stock and tenure

Most of housing stock across the Tees Valley is in the lower Council Tax bands, implying it is lower value housing. There are far more properties in Band A than the national average, and less than 20% overall in band D or higher. In Hartlepool and Middlesbrough, a majority of housing is in Council Tax band A. This should mean that the Tees Valley is a very affordable place to live.

Chart 5 – Analysis of housing stockⁱ



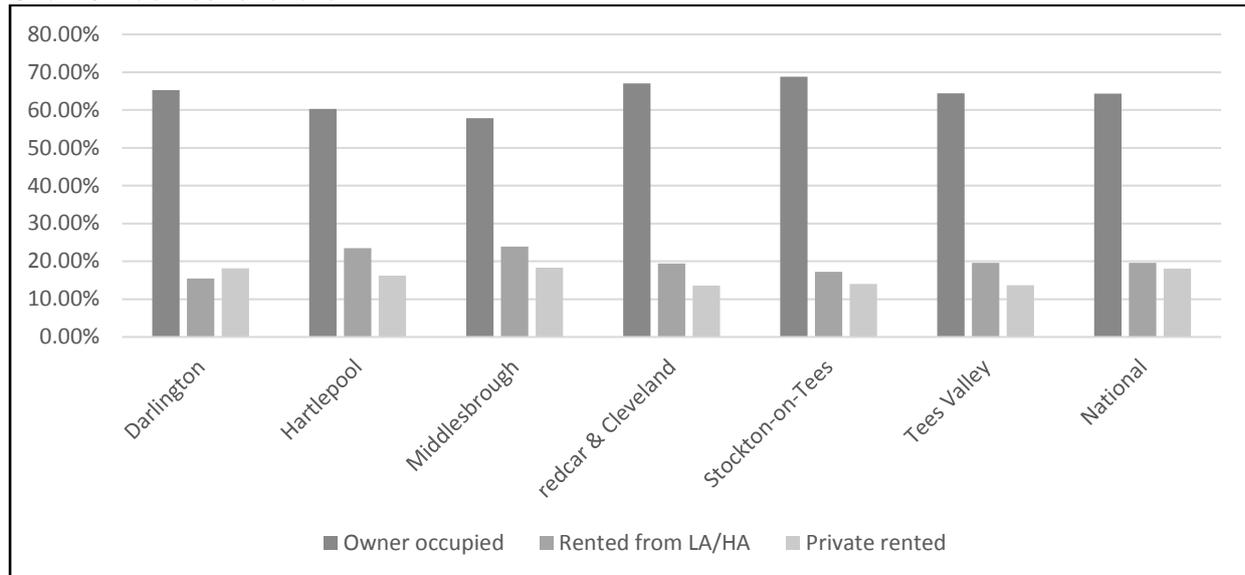
Only 1% of homes are described as long-term empty (6 months or more), which is low compared to the North East average of 3.4%.ⁱⁱ There are, however, still 1,350 homes across the Tees Valley which have been empty for two or more years.

Some empty homes have been redeveloped by third sector organisations through the Department for Communities and Local Government's Empty Homes programme, and there is scope for more of this to be done if funding was available.

The Tees Valley has around the same level of owner-occupation as England as whole, but slightly more people rent from local authority or social landlords than elsewhere, and fewer from private landlords.

The highest levels of owner occupation are in Stockton-on-Tees (4% higher than the national average), whereas Middlesbrough has the highest concentrations of rentals from both social and private landlords.

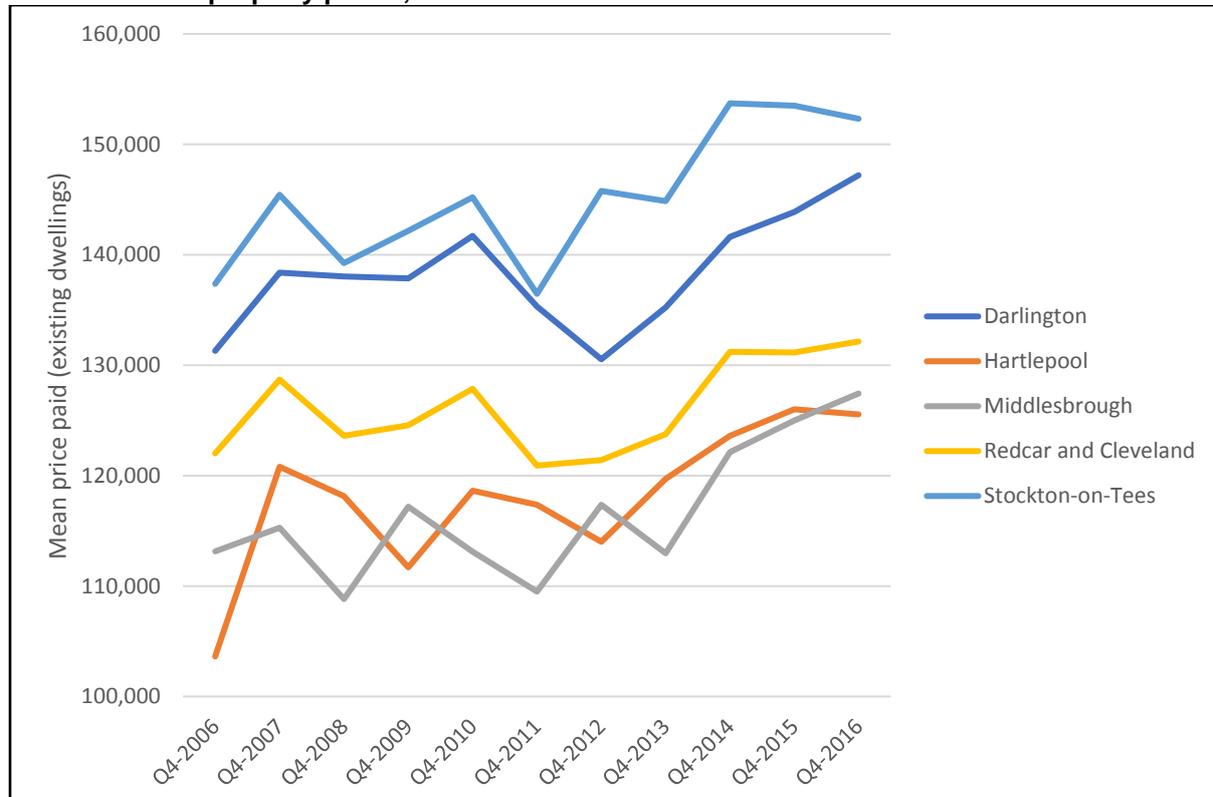
Chart 6 – domestic tenureⁱⁱⁱ



1.3 Average property prices

Although the NE region has not witnessed the sharp rises in property prices seen elsewhere in the UK over the past few decades, prices have nonetheless risen in the past ten years, with the biggest increases being seen in Hartlepool (a rise of £21,900 or 21%), and the lowest in Redcar & Cleveland (£10,138 or 8%).

Chart 7 – Mean property prices, 2006-16^{iv}



However, house price alone does not provide a good indication of affordability, this is better assessed using a ratio of house prices to earnings, as in Table 41, below.

This indicates that the biggest changes in affordability have been seen in Darlington and Stockton-on-Tees, where the ratio has decreased over time, meaning that house prices have become more affordable. The area with the lowest ratio of house price to earnings is Hartlepool, meaning it should be relatively easier to afford to buy a house there if that is where you work, and Redcar & Cleveland has the highest ratio, implying that wages paid by employers in Redcar & Cleveland are low relative to house prices.

Table 41 – Affordability of owner-occupation, 2006 to 2016^v

	using workplace-based earnings figures			residence-based income
	2006	2016	change	2016
Darlington	5.70	4.92	-14%	4.83
Hartlepool	4.20	4.49	7%	4.48
Middlesbrough	4.88	5.01	3%	5.19
Redcar and Cleveland	5.02	5.23	4%	5.33
Stockton-on-Tees	5.71	5.02	-12%	4.87

Comparing house prices to residence-based income gives a very similar picture. These ratios put the Tees Valley among the most affordable areas for owner-occupiers to live in the UK.

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 42 shows the average rents in 2015 by landlord.

Private rents are higher in Stockton on Tees and Redcar & Cleveland than elsewhere in the Tees Valley, and social rents are highest in Middlesbrough and Redcar & Cleveland. The differences are quite large, especially in the private sector, with Stockton £17.50/wk higher than other areas (almost £1,000 pa). In all areas, social rents are substantially below the private sector, but, due to shortages of properties, there are waiting lists in all areas, forcing many people into the more expensive private sector.

Table 42 - Average weekly rents by landlord, 2015

	Local authority ^{vi}	Housing Assoc / Private registered provider ^{vii}	Private landlord ^{viii}
Darlington	£72.88	£80.72	£107.94
Hartlepool		£81.95	£107.25
Middlesbrough		£86.16	£107.94
Redcar and Cleveland		£87.34	£114.84
Stockton-on-Tees		£81.06	£125.20

There is anecdotal evidence that the condition of properties in the private rented sector is lower than in the social housing sector^{ix}, and as noted above, the private rented sector is smaller in Tees Valley than elsewhere in the UK.

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 existed through which previously homeless people could be given the funds for a bond (for example through Community Campus '87 in Stockton), but much of the funding has now been cut, leaving many people locked out of the private rented 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 underoccupancy 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, 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 Homelessness

The number of people officially recognised as homeless appears to be falling throughout the NE region and in parts of the Tees Valley. 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 (eg. because of failure to pay rent, or giving up a home where they reasonably could have lived) is excluded from the figures.

Darlington, Hartlepool and Redcar & Cleveland all recorded increases in homelessness applications being made and decisions reached (see table 43). The numbers of people designated as being homeless and in priority rose in Hartlepool and Redcar & Cleveland, and both Hartlepool and Middlesbrough had significant numbers of people designated as needing rehousing but for whom no accommodation had been found.

Table 43 - Local authorities' actions in relation to homelessness applications, 2015-16^x

	D'ton	H'pool	M'bro	R&C	S'ton on Tees
Decisions taken:					
Accepted as homeless and a priority need	14	47	41	38	57
<i>Number per 1,000 households</i>	0.3	1.12	0.7	0.63	0.7
Eligible but not accepted:					
Homeless and in priority need, but intentionally	14	13	--	--	--
Homeless but not in priority need	5	35	--	--	--
Not homeless	14	13	44	12	18
Total decisions	47	108	92	62	84
Accommodation secured by LA:					
B&B (including shared annexe)	--	--	--	--	--
Hostels	--	--	--	--	--
LA/HA stock	8	--	--	7	19
Private sector leased (by LA or HA)	--	--	--	9	--
Other types (including private landlord)	--	--	--	--	--
Total in temporary accommodation	12	--	--	20	20
<i>Number per 1,000 households</i>	0.25	--	--	0.33	0.24
Duty owed but no accommodation has been secured at end of March 2015	--	19	51	--	--

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. There is anecdotal evidence that many young 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}.

The Youth Homelessness Databank established by Centrepoin provides estimates of the number of young people who are homeless or at risk of homelessness in an area. Their analysis for the Tees Valley is given at Table 44 below. Although several of the figures are missing (the databank is still in development), there appears to be a reasonably consistent pattern of central government estimates being lower than local authority and/or charity estimates. This is because the local

government and charity estimates are based on actual consultations with young people who are, or are at risk of becoming, homeless, so includes all those young people who are sofa-surfing, rough sleeping, or sleeping in cars and do not count as homeless because they are judged to have become so intentionally.

Table 44 – different agencies' analysis of numbers of homeless young people^{xii}

Area	Central government		Local government		Charities	
	2012-13	2015-16	2012-13	2015-16	2012-13	2015-16
Darlington	32	18	<i>no data</i>	<i>no data</i>	<i>no data</i>	15
Hartlepool	<5	14	109	<i>no data</i>	<i>no data</i>	<i>no data</i>
Middlesbrough	18	12	<i>no data</i>	92	<i>no data</i>	79
Redcar & Cleveland	<5	8	<i>no data</i>	96	<i>no data</i>	<i>no data</i>
Stockton-on-Tees	13	8	<i>no data</i>	<i>no data</i>	<i>no data</i>	50

1.7 Rough sleeping

Recent reports have indicated a massive increase in the number of people sleeping rough throughout the UK^{xiii} 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.

Table 45 shows the official numbers of rough sleepers in the Tees Valley for 2011-16. While recorded rates of rough sleeping are relatively low in the Tees Valley, many suspect the official figures underestimate the size of the problem, especially since in many areas the figures provided are estimates and not based on a physical count of people (only shaded cells in Table 45 indicate an actual count has taken place). Not every area has recorded a figure every year (it is unclear whether this is because their estimate is nil, or a figure has not been submitted), but there appears to be an upward trend, with Darlington, Hartlepool and Stockton on Tees all recording a higher number in recent years.

Table 45 - Rough sleeping rates – autumn count 2011-16^{xiv}

Local Authority	2011	2012	2013	2014	2015	2016	2016 Rough Sleeping Rate (per 1,000 households)
Darlington	-	1	2	1	1	5	0.11
Hartlepool	-	2	-	1	4	4	0.10
Middlesbrough	5	7	6	5	5	2	0.03
Redcar and Cleveland	1	1	3	-	3	-	-
Stockton-on-Tees	-	-	-	1	3	4	0.05
North East	32	62	25	35	38	45	0.04
Rest of England	1,735	1,752	1,871	2,002	2,629	3,170	0.16

Potential roles for philanthropy

Although housing is relatively cheap to purchase in the Tees Valley, for those who are unable to buy, changes to eligibility for benefits and the way benefits are paid risk leaving more people unable to obtain and sustain a tenancy. Specific areas in which philanthropic giving could play a key role include:

- establishing a fund for bonds / advance rent payments to enable people to take on private sector tenancies
- funding to enable the refurbishment and reuse of empty homes
- provision of truly affordable smaller accommodation for single people and couples
- support and advice for people who are, or are at risk of becoming, homeless
- collection of accurate data to uncover the true scale of homelessness.

ⁱ **Tees Valley Combined Authority (2017)** *Instant Atlas*, extracted from: https://teesvalley-ca.gov.uk/InstantAtlas/DISTRICTS/report_District_1179_Mid%202016.html 23/5/17 13:32

ⁱⁱ **Empty Homes (2015)** *Empty Homes in England*, downloaded from: <http://www.emptyhomes.com/wp-content/uploads/2011/05/Empty-homes-in-England-Final.pdf>, 1/6/17 10:03

ⁱⁱⁱ **Tees Valley Combined Authority (2017)** *Instant Atlas*, extracted from: https://teesvalley-ca.gov.uk/InstantAtlas/DISTRICTS/report_District_1179_Mid%202016.html 23/5/17 13:32

^{iv} **Dept for Communities and Local Government (2017)** *Mean price paid for administrative geographies (existing dwellings) - HPSSA Dataset 14*, ONS, downloaded from: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/meanhousepriceforationalandsubnationalgeographiesexistingdwellingsquarterlyrollingyearhpssadataset14>, 30/6/17 07:45

^v **Office of National Statistics (2017)** *Housing affordability in England and Wales: 1997 to 2016*, downloaded from: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/1997to2016> 26/6/17 16:56

^{vi} **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> 4/7/17 12:30

^{vii} **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

^{viii} **Valuation Office Agency (2015)** *Private rental market statistics - May 2015*, downloaded from: <https://www.gov.uk/government/statistics/private-rental-market-statistics-may-2015>, 1/6/17 10:30

^{ix} 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>

^x **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

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

^{xii} **Centrepoint (2017)** Young Homelessness Databank, accessed at: <https://www.yhatabank.com>, 3/7/16 16:32

^{xiii} **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

^{xiv} **Dept for Communities and Local Government (2017)** *Rough sleeping statistics autumn 2016 tables 1 and 2*, downloaded from: <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2016> 3/6/17 15:17