Laying the foundations

Financial Education, Housing Finance and Homeownership in North East England

In partnership with

November 2016
At Thirteen, we’re for anyone that needs a home and perhaps a little extra help to get it and one of our core principles is to resist making assumptions and to avoid well-worn thinking.

That’s why we were delighted to work with the Chamber on this project and take a fresh look at the issue of housing in the North East.

The evidence, analysis and recommendations set out in Laying the Foundations aim to look at the fundamentals of homeownership in the region and ask what we can do now to prepare the homeowners of the future.

Whether that’s working together to deliver better financial education in schools, colleges and universities; helping businesses to help their employees by offering access to housing advice; or even something as simple as producing a step-by-step guide to buying a house which demystifies the process for potential First Time Buyers.

Housing is an issue of critical importance for the whole of the North East.

For individuals, housing is intrinsically linked to our feelings of safety and security, to our plans for the future and to our quality of life.

For businesses, a region’s housing influences your ability to attract and retain a workforce with the skills you need to grow, as well as the happiness and productivity of your employees.

For our students too, as they graduate from the region’s fantastic colleges and universities, housing plays a huge role in whether they will stay in the region to build their careers.

The picture is dramatically different here to elsewhere in the country. That’s why we must challenge the commonly held belief that the UK is in the grip of a housing crisis. It isn’t – it’s in the grip of several different crises all at once.

While some parts of the country might be struggling with soaring prices and lack of supply, in the North East our house prices are comparatively low and flat-lining, and we have the lowest level of homeownership and highest level of social renting in the country.

This is a more fundamental problem than a simple case of supply and demand equals price.

Tackling these issues will mean everyone in the region working together – businesses working with lenders and financial experts; colleges and universities working with housing groups and housebuilders – building the partnerships that will help the North East reach its potential.

We see this report as the first step – the hard work starts now.

Ian Wardle, Chief Exec, Thirteen Group

Foreword
Executive Summary

This project has been conducted in partnership with Thirteen Group, and has involved research carried out with Chamber members, employers, employees and students in North East England. It has aimed at identifying why levels of homeownership in North East England are low, and how different approaches or financial products might tackle the problem of low demand.

If we fail to address the issue of homeownership in North East England, businesses in the region will be unable to adequately address the issues of staff shortages and productivity which threaten to hold back our regional economy.

For many businesses – even those who invest in and support their staff – their living situation and personal finances are a mystery. By acting to support existing, potential and future staff into homeownership, businesses can play a key role in helping those who are ‘just about managing’.

Businesses cannot be expected to act alone, and it is important for those organisations operating within the sector to reach out to the business community, engage with business owners and employees, and begin to address the issues together.

This report is the start of that process, examining the situation within businesses in North East England and proposing areas of partnership.

The research has found the following:

- Housing is considered by businesses in North East England to place pressure on wages and commuting time when attracting and retaining staff;
- Many young people see their future outside the region, posing a threat to the future skilled workforce of North East England;
- No respondents to the survey felt their employer could help them find information on buying a home, despite the close link between housing and employment;
- Level of deposit, access to a mortgage and house prices are all considered barriers to homeownership by employers, employees and students and young people in North East England;
- House price value for money and quality of life are considered positive attributes for North East England as a region, but housing quality and job opportunities are not;
- Overall, there are low levels of awareness of schemes designed to support First Time Buyers and those schemes’ efficacy, particularly amongst students and young people in the region who also suffer from low levels of awareness and understanding of financial products and concepts related to buying a house.

These findings, coupled with insight from Chamber members working in the sector and across the region, were used to identify areas where partnership working could be used to begin to address some of the barriers which currently exist and have suppressed levels of homeownership in North East England.

This includes working to make sure support and schemes are available matching the demand on the region; identifying ways to support those who are saving for a deposit and trying to access a mortgage, and; helping tailor housebuilding to regional needs by fostering closer links between housebuilders and planning authorities.

A full set of recommendations are detailed later in this report, as well as three next steps to be taken forward:

- Partnership work on improving access to financial education in schools, colleges, universities and in businesses in North East England;
- Partnership work on a ‘Guide for First Time Buyers in North East England’, to help set out the journey towards homeownership and available sources of information and support;
- Regional Developer Forum of planning officers and housebuilders to meet regularly to discuss closer working, to help housebuilders navigate the planning system and local planning authorities meet their ambitions for housebuilding and support employment growth.

In the coming months, the Chamber will continue to work with Thirteen Group and other partner organisations to bring these groups together and begin to progress some of the work detailed in this report.
The Context

The UK is in the grips of a housing crisis, but the nature of this crisis differs region to region.

The average house price in the UK has risen 8.4% over the last year, to £219,000, but in the North East the story is very different.

Our region has seen rising house prices, but at a far slower rate than areas like London, the South East and the East of England. The average price of a house in the North East stands at £127,000, an increase of just 3% on a year ago.

Homeownership in the North East has historically been low, and at the time of the 2011 census, just 62.2% in the region owned their own home, the second lowest figure in the UK, behind only London. This situation is compounded, particularly for those under 35 years old, with ONS figures showing levels of homeownership among under 35s falling by 26% between 2010 and 2015 – against the backdrop of regional average pay continuing to lag behind the UK average by almost £3,000 a year.

Analysis of city-regions by the Resolution Foundation has found that the Tyne and Wear city-region still has the lowest homeownership of any major city in the UK (bar inner London), at 56.5%, despite a fall in homeownership across the country since 2003. Tyne and Wear also has the lowest levels of private renting in the country, suggesting a greater reliance on the social housing sector – a sector which is feeling the squeeze of rent reductions and Right to Buy, limiting its ability to invest for the future.

As the Homes and Communities Agency (HCA) focuses on driving up homeownership across the country, most support has taken aim at the supply side of the market, with schemes to address issues of low demand focusing on the characteristics of the overheating, and differently driven, market of London and the South East.

With the region already suffering a skills shortage in a number of potentially high growth sectors – including the tech sector, where more than half of companies were struggling to hire to meet their needs - working to improve the housing and lifestyle offer of the region, is crucial to meeting these needs and improving the productivity of the region’s workforce.

3 http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyhoursandearnings/2015provisionalresults
5 North East England Chamber of Commerce / Watson Burton, 2016
The Project

North East England Chamber of Commerce has partnered with Thirteen Group to investigate the housing finance market and explore the potential for greater take up of low-cost homeownership products – especially those solutions that come from forging new partnerships and organisations from across the sector working better together.

Housing is a crucial issue for North East England, playing into the market for skills and labour, and affecting the region’s ability to attract and retain the best talent.

These are issues which require a concerted approach across the region, and businesses themselves must be part of that, in order to ensure they not only have access to the best staff, but that their current staff are satisfied, motivated and productive.

This report uncovers some of these connections, and some of the barriers to homeownership, through a series of surveys and stakeholder interviews examining the housing market in North East England. It concludes with in-depth analysis of the findings and recommendations for the sector from an expert Task Group of Chamber members.

The Research

The Chamber have undertaken an evidence gathering exercise, bringing together the insights of those inside the housing sector with the views of businesses, employees and students in North East England.

- A series of stakeholder interviews, coupled with input from a Task Group of Chamber members, helped shape a set of online surveys;
- A survey of businesses aimed to draw out views on the impact of housing for recruitment, retention and on factors such as wage pressure;
- A survey of employees sought to understand the barriers to home ownership, and awareness of some existing housing finance models and products;
- A survey of students to uncover the aspirations of those may enter the housing market in the future, their awareness of financial products and whether they intend to stay in the region.
The proposals from the National Housing Federation (NHF) for a ‘buy as you go’ approach, which allows residents to pay rent and invest in equity in their home over a long period, would have the potential to allow a form of shared ownership without the need for a mortgage application.

Thoughts from the Supply Side

Put simply, building has to take place where people want to live.

Demand for housing is the result of affordability and lifestyle combining to make people want to live, work and buy in a region.

Fostering this combination is a challenge for North East England, and there is a sense that finding available land that fits these criteria can prove difficult for developers.

With house prices growing slowly in North East England – indeed almost stagnating over the past year – schemes are developed on very tight margins. In small towns and rural areas development is often unpopular with residents and the cost of clean-up renders many brownfield sites unviable.

Planning rules around the provision of affordable homes – which must comprise a significant proportion of the dwellings on each site – push margins tighter, again impacting on the viability of schemes.

There is little flexibility available for either developer or planning authority to alleviate this, but one potential solution is a greater degree of partnership between commercial developers and those specialising in affordable or social housing, with each taking responsibility for their part of the scheme.

There remains an underlying issue with housebuilding capacity in North East England, with the concern that need for housing outstrips

The View from the Experts

Housing is often seen as a national issue, often with national solutions – but in several key areas, the challenges facing our region are so different from those in London or the South East that different approaches are needed.

Perceptions of Finance

Despite record numbers in work, North East England remains the region with the highest level of unemployment in the UK, having been affected more severely in recent years due to the relatively high proportion of public sector employment prior to the implementation of austerity policies.

As a result, North East England may have also suffered disproportionately compared to the rest of the country when it comes to credit files, but if so the impact of this has lasted longer than expected.

Most ‘black marks’ are removed from credit files after six years – suggesting that the impact of the 2008-09 and 2011-12 recessions may be close to being removed from credit histories.

However, a continued lack of demand for mortgages could be attributed to individuals assuming they would not be able to access credit and therefore not even considering applying.

“We don’t have enough housebuilders with enough capacity in the North East.”

(Commercial Property Consultant)

Individuals may need greater support to either improve their credit scores, or to understand the options available to them when they come to buy a house. This support could include greater access to a financial or specialist mortgage adviser – perhaps through an employer – or new entrants to the banking market targeting areas of latent demand with new or tailored products.

Several existing policies and products have relatively high awareness – like Help to Buy and shared ownership – but they often speak more to the existing market than serve to create a new one, as those who are aware of these schemes are already engaged with the idea of buying a home.

“We don’t have enough housebuilders with enough capacity in the North East.”

(Estate Agent and Property Consultant)

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There remains an underlying issue with housebuilding capacity in North East England, with the concern that need for housing outstrips
the capacity of developers. A lack of SME developers compounds this issue and also limits the type of development and type of home available.

**Structural Imbalances**

Just as family life is changing, so is working life, with greater flexibility in employment also leading to greater instability, which discourages the kind of long-term commitment a mortgage and homeownership requires financially and geographically.

These changes to lifestyle need to be reflected in the finance products and funding models used.

A push at a national level towards building more starter homes – at a time when more First Time Buyers are instead buying family homes later in life – risks the viability of investment in North East England, when more significant profits can be made at less risk elsewhere in the country.

Too great a focus on affordability, in a region where prices themselves are low in relation to the UK average, can ingrain a negative perception of this type of housing, which services to solidify demand in what are considered to be more desirable areas.

The government’s Starter Homes policy may also have some unintended long term effects. By focusing on the first rung of the ladder, other areas of the housing market are being left untended – for example through a lack of retirement housing for our ageing population. This means a greater requirement to alter existing housing stock and a lack of availability of larger houses for those taking their second or third steps in the housing market.

**Planning and Policy**

Housing development in the North East is suffering due to a lack of resource within planning departments - particularly senior and experienced staff - which contributes to costly delays in the planning process. Coupled to this, a lack of approved local plans in the region means developers are hesitant to proceed in an effort to avoid risky or contentious applications. This was the case even where the intentions of planning officers were clear, and where an application may receive a recommendation for approval, but council planning committees may find against it.

Recent changes in planning policy – and a lack of certainty over the future direction of policy – risk local councillors basing decisions on out of date information and relying on superseded guidance.

This uncertainty locally, coupled with national-level policymaking poorly tailored to local needs - leaves developers limited in how they can respond to changing patterns of demand such as the growth in First Time Buyers purchasing family homes.

“Help to Buy is favouring new build, and therefore causing problems for second-time-buyers who are struggling to sell their homes and have less equity.”

(Policy Expert)

“Patterns are changing and people don’t want to buy a cheap Victorian terrace to get on the housing ladder anymore.”

(Estate Agent)
The View from Chamber Members

Housing and employment are inextricably linked. A thriving regional economy needs the right kind of housing in the right places to attract the right workforce.

The Chamber asked more than 160 businesses in North East England about housing in the region, and what it meant for their businesses and their employees.

The majority of responses (57%) came from businesses based in Tyne and Wear, with 16% from Tees Valley and Darlington, and 15% from Co. Durham. Just 7% of responses were from businesses in Northumberland and less than 5% from elsewhere in the region.

Just over a quarter (26%) of respondents’ businesses were in the professional services sector, with manufacturing the next best represented sector in the survey with 17%.

Housing is more about wage pressure and less about recruitment

Just under two in five (39%) employers said they had experienced difficulty recruiting in the last 12 months, however housing was not seen as a primary factor in trouble attracting talent from either inside or outside North East England.

Fig. 1 – Impact of Housing on Recruitment

Less than a quarter (24%) of employers felt housing was a factor in recruiting staff from outside North East England, and less than a third (32%) felt it was a factor in recruiting from within the region.

Housing was considered a far greater influencing factor on commuting time and wage pressure, with more than half of employers agreeing housing was a factor in each case.

Deposit cost, earnings and getting a mortgage are still the top issues

When asked about barriers to homeownership in the region, employers and employees broadly agree on which factors are an influence, but there is some disagreement over the degree to which they represent a barrier.

Fig. 2 – Employer-perceived Barriers to Homeownership

Deposit cost represents the biggest barrier to homeownership according to employers, with 55% of respondents considering it a significant barrier, and 11% feeling it does not represent a barrier. Employees view the issue similarly – but more acutely – with 71% considering it a significant barrier and just 1% believing it does not represent a barrier at all.

While employers view the ratio of average earnings to house prices as the next largest barrier – with 38% considering it significant – employees view getting a mortgage as the next major obstacle, with 57% seeing it as a significant barrier.

This finding aligns with the view expressed by stakeholder interviewees that the perception of credit availability is having an impact on homeownership in the region. While government policy – through schemes like Help to Buy – is making efforts to address the impact of high deposit costs the prospect of securing mortgage finance is still a concern for potential home owners.

A ‘buy as you go’ product could avoid the barrier of a deposit and mortgage while retaining the benefits of a shared ownership product. This is a significant benefit, as the mortgage approval process may appear a vague and confusing one for those who are taking their first tentative steps towards the housing ladder. So too the impact of credit scores, with North East England also potentially more exposed to issues around consumer indebtedness since the financial crisis of 2007.

Fig. 3 – Employee-perceived Barriers to Homeownership

Employers and employees differ over their perception of job insecurity as a barrier to homeownership. While both recognise this insecurity as a barrier, just 20% of employers see it as a significant barrier compared to 44% of employees. This may be a reflection of North East England’s labour market, where unemployment remains high at 6.1%, despite consistent increases in employment.

It is important to note that these are perceived issues, and in many cases will be less of a barrier than individuals feel they are – particularly on

Fig. 1

Thinking about your business, is housing a factor in the following?

<table>
<thead>
<tr>
<th>Business Issue</th>
<th>Percentage of Respondents Seeing Housing as a Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruiting staff from within the North East</td>
<td>50%</td>
</tr>
<tr>
<td>Recruiting staff from outside the North East</td>
<td>40%</td>
</tr>
<tr>
<td>Wage pressures</td>
<td>60%</td>
</tr>
<tr>
<td>Commuting time</td>
<td>50%</td>
</tr>
</tbody>
</table>

Fig. 2

To what extent do you think the following factors present a barrier to home ownership in the North East?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage of Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing mortgage</td>
<td>60%</td>
</tr>
<tr>
<td>Average house prices</td>
<td>50%</td>
</tr>
<tr>
<td>Housing prices</td>
<td>40%</td>
</tr>
<tr>
<td>Housing affordability</td>
<td>30%</td>
</tr>
<tr>
<td>Job insecurity</td>
<td>20%</td>
</tr>
<tr>
<td>Price</td>
<td>10%</td>
</tr>
<tr>
<td>Deposit cost</td>
<td>0%</td>
</tr>
</tbody>
</table>

Fig. 3

To what extent do you think the following factors present a barrier to homeownership in the North East?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage of Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting a mortgage</td>
<td>80%</td>
</tr>
<tr>
<td>House prices</td>
<td>70%</td>
</tr>
<tr>
<td>Housing availability</td>
<td>60%</td>
</tr>
<tr>
<td>Job insecurity</td>
<td>50%</td>
</tr>
<tr>
<td>Level of deposit</td>
<td>40%</td>
</tr>
</tbody>
</table>

Legend:
- **Significant barrier**
- **Somewhat of a barrier**
- **Not a barrier**
issues like lending to those in contract work, or in the size of deposit required.

**Small and family homes believed to be the most needed**

More housing is required in North East England, with 57% of employees surveyed feeling there is not enough housing available in the region.

Starter (meaning two-bed) homes and family (three or four bed) homes were considered the most pressing requirements. Almost three-quarters (73%) of respondents say the region needed more starter homes to buy and more than six in ten (62%) saying the region needs more family homes.


Only in the case of flats was there a stronger perceived need for property to rent than to buy – by a narrow margin of 34% to 29%.

It’s vital that housing availability reflects demand, and that it adequately supports the region’s businesses and services.

This figure has been derived from a group of respondents, many of whom are already homeowners and as such are unlikely to reflect the needs of First Time Buyers completely.

There is also the matter of housing quality and housing location – while many 2-bed homes are available in the region, they may not fit with what a First Time Buyer is looking to buy. For example, the availability of Victorian terraced housing across the region will not address demand for new-build housing, even if it does have the desired number of bedrooms.

**Housing is important for supporting local business and services**

Employers see housing as important for supporting a number of civic and social provisions – as well as a more general support for local businesses and services. Overall, executive homes were seen as less important to accessing education and training opportunities, and low cost homes were seen as less important in the attraction and retention of talent.

This shows clear recognition amongst employers of the role housing plays in different aspects of the social and labour force provision – in essence, different housing addresses different needs.

The ONS has found that North East England is 7% below the national average for the proportion of adults with NVQ Level 4 qualifications and above. With North East England Local Enterprise Partnership forecasting demand for employees qualified to NVQ Level 4 or above to rise by 120,000 by 2020, this skills shortage must be addressed.

Partly, this will involve improving the skill level of the current workforce, but it is also vital that those who are educated in the region stay in the region when they join the workforce. This relies on having housing available in the right areas, near to the right businesses and supported by the right services.

Businesses have part to play in ensuring the needs of their staff and potential workforce are met.


For the region to begin to address the stubborn level of unemployment and the shortage of skilled talent, it must make the case for North East England as a place to live, work and – importantly – build a career.

All of these elements can be traced back to housing and the perception of the region as somewhere that people can lead the life they want to live.

When asked what makes the region an attractive place to live and work, house prices and value for money came out top, with 84% of employers and 82% of employees believing it is an attractive factor for North East England.

Housing quality, however, is not considered so attractive a feature of the region, with just 14% of employers and 15% of employees ranking it as a draw for North East England.

Never the less, quality of life still scores highly, having been ranked as an attractive feature for the region by 83% of employers and 66% of employees.

Fig. 4

What housing is required?

<table>
<thead>
<tr>
<th>Type of Home</th>
<th>Percentage of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flats</td>
<td>For Rent: 30% To buy: 20%</td>
</tr>
<tr>
<td>Starter homes (2 bed)</td>
<td>For Rent: 70% To buy: 50%</td>
</tr>
<tr>
<td>Family homes (3 or 4 bed)</td>
<td>For Rent: 40% To buy: 60%</td>
</tr>
<tr>
<td>Executive homes (5+ bed)</td>
<td>For Rent: 5% To buy: 5%</td>
</tr>
</tbody>
</table>

Fig. 5

Importance of housing in support of...

Factor

- Infrastructure provision
- Employment Opportunities
- Travel to Work Time
- Accessing Education/Training
- Supporting Local Services/Businesses
- Talent Retention
- Talent Attraction

Average rating

- Mid-range family homes
- Executive homes
- Low cost & affordable homes
Despite the disparity between the two groups surveyed, quality of life can be viewed alongside house price value for money as being key factors for attracting people to live and work in North East England.

This leaves both the quality of housing and the availability of job opportunities as areas to address – both in actuality and in perception, through better communication of the success stories of the region’s economy.

**There is great variation in awareness of housing finance schemes**

There are several schemes already aimed at helping people onto the housing ladder – both those schemes which help individuals save and those which represent an innovative model of ownership.

However, awareness of these schemes varies, as does opinion about their effectiveness. Help to Buy is by far the most well-known, with 96% of employees aware of the scheme, followed by Shared Ownership which is known by 76% of respondents.

Equity Loan Schemes and Starter Homes for Under 40s have only minority awareness, with 40% and 29% respectively.

*Fig. 7 – Employee awareness of housing schemes*

Views on the effectiveness of different schemes appear to be correlated with awareness, with Help to Buy held in the highest regard with 44% of respondents believing it to be effective, Shared Ownership second with 24%, Equity Loan third with 16% and Start Homes for Under 40s fourth with 8%.

However, in each case, the largest group are those who don’t know whether the scheme has been effective, suggesting a lack of understanding of such schemes, their operation and outcomes.

*Fig. 8 – Employee view of housing scheme effectiveness*
Fig. 6

What aspects of the North East do you think make it attractive?

![Bar chart showing percentage of respondents for various factors: Quality of Life, House Prices, Housing Quality, Job Opportunities.](chart)

- Employer
- Employee

Factor

Fig. 7

Are you aware of any of the following schemes to help individuals purchase houses?

![Bar chart showing percentage of awareness for different schemes: Help to Buy, Equity Loan Scheme, Shared Ownership, Starter Homes for Under 40s.](chart)

- Unaware
- Aware

Scheme

Fig. 8

Do you think the schemes are effective?

![Bar chart showing percentage of effectiveness for different schemes: Help to Buy, Equity Loan Scheme, Shared Ownership, Starter Homes for Under 40s.](chart)

- Ineffective
- Don't know
- Effective

Scheme
Eight in 10 First Time Buyers are now couples – compared to six in 10 just a decade ago – and 31% of these now have dependent children.
The Homeowners of the Future

The housing market in the UK has changed hugely in recent years, and for young people seeking to step onto the housing ladder, this change has been acute.

Addressing some of the barriers that young people face is vital to securing the future of homeownership across the country – but in North East England, where homeownership levels are lower than average, despite significantly lower house prices, this means addressing not just the financial, but also the structural and aspirational barriers young people may face.

National trends, deposits and First Time Buyers

One in four young adults aged 20-34 now live at home with their parents, compared to one in five in 2008.

That translates to a total of 3.3 million people, compared to a total of 2.7 million 20 years ago.

The trends over that period, from 1996 to 2016, show decreasing levels of home ownership and increasing levels of renting amongst all sub-groups in the age range 20-34. In 2004, renting became more common for 25-29 year olds than home ownership, and in 2011 it became more common than home ownership for 30-34 year olds.

For those aged 20-24 – traditionally the time at which a graduate would be first living independently, away from home and in full time employment – as of 2015, 91% live in rented accommodation. In 1996, that figure was 70%.

As discussed later in this report, the average First Time Buyer is getting older, and is more likely to be part of a couple, rather than an individual buying alone.

Poverty, financial stability and homeownership

Analysis by the Joseph Rowntree Foundation has found that household poverty is significantly higher among renters than homeowners. With 43% of social rented and 36% of private rented households in poverty, compared to just 11% of those who either own with a mortgage or own outright.

Although this data does not imply causation, it is symbolic of the divide between the renter and homeowner groups. In the current market, the barriers to homeownership are also preventing individuals from reducing their day-to-day living costs. Research from Santander estimated in December 2015 that the average cost of renting, at £995 per month, was £190 per month more than the cost of an average First Time Buyer mortgage payment.

With the poorest fifth of the population spending 31% of their income on housing costs, according to Department of Work and Pensions figures, any move to aid the transition to homeownership and thereby reduce household spending on housing overall would be a positive one.

Put simply, it is more expensive to rent than to own and, for employers, this is often a hidden hardship their staff must endure. For those who are ‘just about managing’ – they can pay their rent and bills, but may not be saving or building a cushion for a rainy day – the support and understanding of their employers could make a significant difference to their working life.

The long term societal impact of an entire generation without property as an asset may not be felt until they approached retirement. For those due to be retiring in the next 10, 15 or 20 years, their property is a significant asset for them to call on to fund their retirement. The demise of the defined benefit pension, and its replacement with defined contribution pensions, has significantly reduced the amount people can expect to receive in retirement – for today’s young people, who will be facing even more substantial pressures on their retirement income, an additional lack of property asset to exploit is a cause for concern.

Job insecurity and labour market flexibility

North East England is adding jobs at a faster rate than anywhere else in the UK, and the overall rate of unemployment is falling towards the historic average – although this is traditionally higher than the overall UK average.

A study from August 2016 found a similar story for youth unemployment, where despite recent improvement, North East England has some of the highest levels of youth unemployment in the country with cities tending to be hotspots.

The longer term trends in the labour market – particularly when coupled with the rise of ‘zero
North East England is an attractive place to buy a home, with just over half (51%) of students and young people selecting it as an attractive characteristic for the region. Just under a half (48%) saw house prices and the value for money they offer as a making the region an attractive place to buy.

Job opportunities (27%) and housing quality (27%) rank lower, with just over a quarter of respondents suggesting they are reasons to buy a home in North East England.

This does, however, show a softer view than amongst employers and employees where the same trend is observed – quality of life and value for money as strong positives, with job opportunities and housing quality less so – but with less extreme variation.

A lack of job opportunities is seen as the main characteristic which makes North East England an unattractive place to buy a home, with 56% of respondents selecting it. Housing quality and quality of life follow behind with 47% and 39% respectively.

Housing, and views of North East England as a place to live and work, are nuanced – quality of life appears as both a positive and a negative characteristic of the region, and attractive and unattractive characteristics do not marry as two halves of the same picture. This could be the result of the subjective nature of the question, and also the variation in housing quality and economic outlook in different parts of the region.

**“There are no good jobs in the North East and they don’t give people a chance to get a job or a house - especially us young people.”**
(Female, 18-21, Tees Valley)

Job opportunities (27%) and housing quality (27%) rank lower, with just over a quarter of respondents suggesting they are reasons to buy a home in North East England.

This does, however, show a softer view than amongst employers and employees where the same trend is observed – quality of life and value for money as strong positives, with job opportunities and housing quality less so – but with less extreme variation.

A lack of job opportunities is seen as the main characteristic which makes North East England an unattractive place to buy a home, with 56% of respondents selecting it. Housing quality and quality of life follow behind with 47% and 39% respectively.

**“There are better opportunities and chances the further south you go.”**
(Female, 18-21, Tyne and Wear)

Housing, and views of North East England as a place to live and work, are nuanced – quality of life appears as both a positive and a negative characteristic of the region, and attractive and unattractive characteristics do not marry as two halves of the same picture. This could be the result of the subjective nature of the question, and also the variation in housing quality and economic outlook in different parts of the region.

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Plains for the future

More than half (55%) of those surveyed plan to buy a home within the next 10 years, with a further 23% planning to do so sooner, within the next five years. Just one in 10 (11%) are expecting to wait longer than 10 years before buying a home, and only 6% have no plans to buy at all.

“Depending on what part of the North East you live in, houses can be in a bad state.”  
(Male, 16-18, Tees Valley)

Fig. 10 – Timescales for planning to buy a home
This finding has two implications.

Firstly, those looking to buy in the next five or 10 years should be thinking and planning in detail now to ensure they are in a sufficiently stable financial position when they come to apply for a mortgage.

Secondly, an expectation of buying in your 20s – which this finding suggests – runs counter to the wider English Housing Survey discussed later in this report, which finds the average First Time Buyer is now aged 33. Here again, an element of education and preparation may be needed, to either help prepare First Time Buyers quicker and earlier than occurs now, or to help set expectations about what homeownership means, what responsibilities it comes with and the time it takes to prepare.

This requires two opposing approaches to close the gap. Better informing and educating young people about the process of buying a home, may cause them to reappraise and shift their desired ownership point to later in life, but it may also help them realise their aspirations of owning earlier than the current average age.

Fig. 11 – What type of home?
The type of home those surveyed are planning to buy fits the traditional image of a First Time Buyer, with 44% expecting to purchase a 2-bed or ‘starter home’ type property and 35% expecting to buy a flat.

This runs counter to the suggestion that First Time Buyers are buying bigger homes later in life as part of a conscious move towards waiting until they are ready to ‘settle down’ or start a family. The disparity between expectation and observed national average could be one separation of aspiration and reality –

where plans for the future are set by the traditional path to homeownership taken by parents – or one of regional disparity where North East England’s lower prices make buying earlier a more feasible option for young people compared to the national picture.

House prices continue to represent a hurdle to buying a home for students and young people in North East England, with half (50%) considering them a significant barrier, and a further 42% considering them somewhat of a barrier.

The level of deposit required was considered a significant barrier by a fifth (20%) of respondents, with a further 44% considering it somewhat of a barrier – this is a far lower level of concern than amongst employers and employees, perhaps reflecting lower levels of understanding about the difficulty of saving for a deposit. A similar low level of concern is found around getting a mortgage, where less than a fifth (19%) consider it a significant barrier.

“There are different areas of the North-East, in places like Jesmond and Durham houses are of good quality at a fairly high price; other areas are not the same, for example in and around Sunderland.”  
(Female, 16-18, Tyne and Wear)

The impact of student debt is a large concern, with more than four in 10 (44%) considering it a significant barrier to buying a home in the future. Student debt from tuition fees is placing a far larger burden on individuals now than even 10 years ago, and while the debt itself will be considered differently by lenders, it will still place a strain on finances and will potentially make an individual more likely to fail stress-testing by mortgage lenders. However, the bigger impact may again be in the minds of potential applicants, who perceive the level of debt as a disqualifying factor, despite being less damaging to credit scores than relatively minor missed payments.

Affordable home or affordable investment

Overall, students and young people in North East England do appear to recognise the substantial
Fig. 9
What aspects of the North East do you think make it an attractive/unattractive place to buy a home?

- Quality of life
- House prices and value for money
- Housing quality
- Energy-efficient housing
- Job opportunities

Attractive Unattractive

Fig. 10
Are you planning to buy a home in the future?

- In the next 5 years
- In the next 10 years
- Longer than 10 years
- No, I am not planning to buy a home
- No, I already own a home and I am not planning to move

Fig. 11
What kind of home are you planning to buy?

- Flat
- Starter home (e.g. 2 bed)
- Family home (e.g. 3 or 4 bed)
- Executive home (e.g. 5 bed+)
- Other
financial commitment to buying a home, with just 29% expecting to buy independently without help from outside sources.

Just over a third (35%) expect financial help from family and just under a third (31%) expect to use the help of a government supported scheme. This broadly aligns with the current level of First Time Buyers relying on help from an inheritance or from family or friends in order to get on the housing ladder. However, this level of familial support is not sustainable in the long term – especially when the bubble of those who have considerable equity in their homes works its way out of the system.

A reflection of the changing environment is found in the expectation of those surveyed that they will buy with others. Seven in 10 (69%) of those surveyed expected to buy with others, when in reality the proportion of First Time Buyers under current statistics who are buying as part of a couple is eight in ten. Where 31% of respondents expect to buy alone, currently just 14% of First Time Buyers do so.

Affordability plays a role in this, especially within the national picture the English Housing Survey represents. For students and young people in North East England, affordability means homes in the £81,000–£120,000 price range, with half (50%) selecting that range as affordable, compared to just over a third (36%) saying only properties valued at less than £80,000 are affordable.

Again, opening young people’s eyes to the realities of home ownership may change some of their views – particularly over their ability to own a home alone.

Those surveyed do not appear to be thinking of buying a home as an investment for the future, with just under half (49%) saying that when you buy a home you are buying somewhere to live now where they will stay for the foreseeable future. Just over one in 10 (13%) consider buying a home a long term investment for the future, and only 3% consider it a chance to make a short term profit.

The case for financial education

There is a clear argument in favour of increased financial education to prepare young people for home ownership, and several areas where access to support could be boosted.

Fig. 12 – Awareness of schemes supporting home ownership

On the fundamental financial principles of home ownership, four in 10 (39%) of those surveyed were unaware of credit scores, with just a quarter (24%) saying they were comfortable that they knew what a credit score was and how it worked. Asking about mortgages found slightly better awareness, but still a concerning lack of clarity overall, with just a third (33%) knowing what a mortgage is and how it works, and six in 10 (59%) feeling they don’t know how they work, despite knowing what they are.

On schemes designed to help First Time Buyers onto the housing ladder, there is also a high level of unawareness. Almost nine in 10 (88%) are unaware of starter homes, with a similar number unaware of the Government’s equity loan scheme (86%) and more than half are unaware of either shared ownership (55%) or help to buy (51%).

With awareness at low levels, views over effectiveness of these schemes are therefore dominated by don’t knows. Only help to buy and shared ownership are seen as effective, with 29% and 21% respectively, and on most cases there is a clear split caused by lack of awareness. Around nine in 10 don’t know the effectiveness of starter homes (91%) or equity loan schemes (87%), and three-quarters (76%) don’t know on shared ownership, and seven in 10 (70%) don’t know the effectiveness of Help to Buy generally.

Addressing this lack of awareness and lack of understanding could have a significant impact on how the homeowners of the future approach the market and how prepared they feel to engage with it.

“I haven’t been told about how the world works. I don’t even know about taxes.”

(Male, 16, Tees Valley)

Strikingly, not a single respondent said they would speak to their employer about information on buying a home. On the one hand, this is unsurprising, as so little support is currently given through this channel, but with housing and employment so closely linked – each very much informs the other – it is a connection which needs to be made.

Fig. 13 – Sources of information about buying a home
When asked where they would go for information, more than a third (35%) said to family and friends and just under a quarter (24%) said they would speak to a bank, building society or another lender. 16% would consult the internet or social media, and just 11% would go to a financial adviser.

This suggests a relatively conventional approach to exploring the options around buying a home, but with the market significantly altered in the last few years, relying on family and friends – immediate peer group who have bought recently aside – may fail to prepare young people for buying a home in today’s environment, and may limit their awareness of the options available to them.

A focus should be put on connecting young people with those who can help them, either via a lender, or a qualified financial adviser. Employers should play a role too: while currently none of those surveyed would go to their employer when looking for advice, businesses should seek to provide support to those working for them. The retention and progression of staff, their happiness and their productivity will all be affected by their living conditions, and their ability to buy a home may significantly influence their desire to remain in the region to live and work.

Just as pensions auto-enrolment has put employees in front of a financial adviser and encouraged them to think about and save for a pension when they may not otherwise have done so, so could a similar scheme have an impact for home ownership.

Connecting young people with financial advisers, or those able to offer them information and support at an early stage of their journey towards home ownership could have a transformative effect on how young people prepare for home ownership. Reaching them at the world of work, while they are in college or university, or through materials accessed via the internet, can mean helping them understand financial management, credit, debt and how to put in place the foundations required to help save for a deposit and be approved for a mortgage.

This kind of interaction could never provide the full support needed to become a homeowner, but it could play a valuable role engaging those who are yet to seriously consider buying a home, and help them take the first steps on towards it.

“Make it more flexible for students or young adults, or easier for them to gain a first house or flat on the pay they get, or situation they have.”
(Female, 16-18, Tyne and Wear)
**Fig. 12**

Are you aware of any of the following schemes to help individuals purchase a home?

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Aware</th>
<th>Unaware</th>
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</thead>
<tbody>
<tr>
<td>Help to Buy</td>
<td></td>
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</tr>
<tr>
<td>Equity Loan Scheme</td>
<td></td>
<td></td>
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<tr>
<td>Shared Ownership</td>
<td></td>
<td></td>
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<tr>
<td>Starter Homes for Under 40s</td>
<td></td>
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</tbody>
</table>

**Fig. 13**

Where would you go for more information about buying a home?

- Bank, building society or other...
- Financial adviser
- Citizen Advice Bureau or similar
- Housebuilder or housing company
- Family or friends
- Employer
- Internet or social media
- Other
The findings of the survey of students and young people in the region suggest there is still an aspiration among that group to buy earlier, and to buy a flat or 2-bed home as their first purchase, rather than wait and buy a family home. For this group, many of whom are looking to buy in the next five or 10 years, early intervention is important to support them in starting to plan for saving for a deposit and eventually buying a house.

The Government’s Starter Home initiative, offering a 20% discount on market rate for those buying their first home and under the age of 40 – has seen £1.2bn set aside to support the delivery of 30,000 Starter Homes across the country, with a proportion of this dedicated to London and the rest used by the Homes and Communities Agency (HCA) across England.

Starter Homes, although designed to help

**Discussion and Analysis**

The research outlined above has aimed to take the pulse of North East England Chamber of Commerce members – including employees and those studying in the region – on issues surrounding housing in North East England, with a particular focus on potential barriers to home ownership and the impact those issues may have on the wider economic success of the region.

Combining the insight from expert interviews with the findings from the quantitative research can identify areas where partnership and new ways of working could begin to address some of the issues arising in North East England.

**Matching support to demand**

A common complaint regarding national housing policy is that it is tailored to the over-heated property market in the South East and London, and does not tackle the very different circumstances which exist in North East England.

This view is underpinned by the findings around the efficacy of schemes like Help to Buy and Starter Homes. In the North East, where house prices are relatively low as a ratio to average earnings and relatively stagnant in terms of growth, the issues may be different and these schemes may fail to target correctly.

The English Housing Survey has found that the average age of First Time Buyers is now 33, an increase of three years compared with the average First Time Buyer of 20 years ago. Eight in 10 First Time Buyers are now couples – compared to six in 10 just a decade ago – and 31% of these now have dependent children. Moreover, 10% of First Time Buyers now use inherited money to help them get on the housing ladder, with 27% having help from friends and family.

This paints a picture of potential buyers pooling resources. Not only are couples buying together – just 14% of First Time Buyers are single, compared to 29% in 1994/95 – they are also using inheritance and calling on friends and family to gather together what is needed to buy their first home.

This is the kind of marshalling of funds that can only be done once, and where in some parts of the country, the equity growth can allow home owners to leapfrog to another property, where house price growth is slower – such as in the North East – this is difficult to do. Instead, buyers may wait a little longer, stretch their finances a little further and buy a family home rather than a starter home.

**“It seems easy for a couple to get a mortgage for a new build house, but for me, as a single person, not wanting a new build, I’m having a lot of trouble trying to be approved for a mortgage, even with a 10-15% mortgage.”**

(Female, 18-30, County Durham)

**“There need to be new build small, cheap starter homes. It seems like all new builds are family sized homes. Old, run down houses in unattractive areas do not encourage first time house buyers to this area.”**

(Male, 22, Postgraduate (Engineering), Tees Valley)

The findings of the survey of students and young people in the region suggest there is still an aspiration among that group to buy earlier, and to buy a flat or 2-bed home as their first purchase, rather than wait and buy a family home. For this group, many of whom are looking to buy in the next five or 10 years, early intervention is important to support them in starting to plan for saving for a deposit and eventually buying a house.

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Starter Homes, although designed to help

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First Time Buyers onto the housing ladder, may also influence the likelihood of individuals receiving mortgage approvals. Banks and building societies will need to assess the impact of the Starter Home resale market, in light of regulations which limit their resale in the first five years to those who would be eligible to buy them when new (i.e. First Time Buyers aged 23-39).

A lack of awareness of this scheme, alongside other government schemes designed to support First Time Buyers is a key factor to address. Efforts should also be made to ensure affordable housing under schemes like Starter Homes and shared ownership occurs in the right locations to meet demand and support employment growth.

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**Saving for a deposit and getting a mortgage**

The cost of a deposit remains the single most significant barrier to home ownership in the eyes of those surveyed by the Chamber. This is despite the average deposit needed in the North being just £18,095, far below the UK average of £33,960. According to the Halifax, the proportion of deposit to purchase price is also slightly lower in the North, at 15%, compared to the national average of 17%.

The North East also fares well in terms of affordability, with Northumberland – where house prices are at 3.3 times average earnings – the ninth most affordable Local Authority area in the country. Nevertheless, house prices are still viewed as a significant barrier by all those surveyed, alongside access to a mortgage and level of deposit, as well as the impact of student debt.

"Houses are still cheaper here than elsewhere, but this is a reflection of fewer jobs and lower pay."

*Female, 51+, Tyne and Wear*

On a national level, two-thirds of renters cite affordability as the key reason they don’t expect to own their own home, with just the English Housing Survey finding just 10% of renters are considered applying for a mortgage in the past year. Of those, 27% did go on to apply, and 80% were accepted. This is an improvement on the figure from five years ago, which saw 36% rejected, rather than the 20% during 2014/15.

Of those who considered applying for a mortgage, but chose not to, nearly half (49%) did so because they felt their deposit was not large enough.

This again paints a picture of an improving environment for getting a mortgage, but a persistent feeling among potential homeowners that they will struggle to secure finance.

With many government schemes aimed at this demographic, it may be a case of tailoring the offer and ensuring it fits with the North East market. For example, the impact of Help to Buy ISAs is limited by the amount an individual is able to save, but a Help to Buy Equity Loan may be more effective.

The government’s Equity Loan Scheme, provides a loan of up to 20% the value of a newly built home, meaning the buyer requires a deposit of 5% and a mortgage of 75%. However, the scheme was not well-known amongst Chamber member employees surveyed, with four in 10 (40%) being aware of the scheme, and just 16% believing it to be effective.

The Equity Loan Scheme may also distort the resale market, as an individual who had borrowed 20% of the value of their property, for example, would receive just 80% of the market sale value upon reselling. This can make the scheme's use as a stepping stone onto the housing market difficult, if the owner attempts to sell prior to having paid off the loan.

Alternative, site-specific schemes, such as Rent-to-Buy and Shared Ownership, have seen limited take up in the North East so far, but with significant room for growth. The HCA has said that funding for Rent-to-Buy is expected to be oversubscribed, with just £200m available for 10,000 homes.

Shared Ownership, in contrast, has capital grant funding of £4.7bn available to both Registered Providers and the private sector in order to build 135,000 new shared ownership homes. This would require, in the North East, a twenty-fold increase in the number of shared ownership properties built – when Chamber research shows more than 1 in 5 (21%) employees surveyed currently consider the scheme to be ineffective.

Here again, financial education has a significant
role to play, firstly in making those who could benefit from such schemes more comfortable in their operation and more clear of the benefits, and secondly in helping to boost overall demand by preparing young people in the North East for homeownership.

Proposals from the National Housing Federation for a ‘buy as you go’ scheme, which allows a resident to pay rent and buy an equity portion in their home without the need to raise a deposit and secure a mortgage – as is the case with shared ownership – could have a substantial impact on the North East market, but as with all schemes individuals would have to be made aware of their existence and who to speak to in order to access them.

Planning and land

A House of Lords Economic Affairs Select Committee report, published in July 2016, suggests the government will struggle to meet its target of 200,000 new homes each year, and argues that 300,000 a year was required in order to address the current housing shortage.

One of the issues raised was the gap between planning permissions granted and houses built – recommending that local authorities be given the ability to raise council tax on unbuilt properties after a given period of time, in order to incentivise development.

This push towards more local decision-making and incentivisation is reflected in the stakeholder interviews carried out for this project, which highlighted concerns over the application of national planning policy at a national level and the suitability of schemes like Starter Homes to address the issues found in the North East.

In a policy document named ‘Housing Matters’, published in August 2016, the Royal Institute of British Architects (RIBA) pointed to the value of the devolution agenda in allowing local leaders to shape the local housing market. This could give the ability to set requirements for affordable housing – be it through shared ownership, starter homes or another initiative – based on local need rather than national priorities.

With Chamber members and their employees identifying a requirement for a wide range of new housing in the region, both to rent and to buy, the ability to deliver quality housing tailored to local needs is vital.

With Registered Providers (RPs) finding investment options limited due to a fall in rental revenues, more of this locally-driven development will need to come from the private sector.

“There is need for individuality, design innovation, and eco-friendly and energy conscious housing.”

(Female, 41-50, Tees Valley)

In the period 2016-21, the HCA is expected to focus to a greater extent on SME developers, benefiting from being able to offer greater flexibility than traditional development lenders. However, the HCA’s financial transactions are structured as such that land equity forms an important part of what a developer brings to a deal, meaning local authorities must make it easier for SMEs to understand their planning processes and successfully apply for permission on sites they own.

There is also a push from central government for the delivery of Starter Homes using local authority and other public sector owned land. This will require a push beyond existing allocated land and existing consents, and on to brownfield sites.

As well as co-operation between the HCA, RPs, the private sector and local authority officers, there will also be a role for planning committees and local councilors. Here, it is vital that as the environment around Starter Homes and shared ownership changes and policy becomes clearer, planning committees are kept full up to speed on the changes and are able to make decisions based on the latest guidance.

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Working in Partnership

Overall, addressing issues around housing and home ownership in North East England will require significant partnership working between organisations in the sector.

For example, the HCA's £4.7bn capital grant for the delivery of shared ownership homes is to be opened to private sector bids for the first time – with the condition that the rented aspect of the shared ownership product is managed by a Registered Provider.

Where the RP is able to influence the type of home built, this kind of partnership could help address some of the issues around tailoring the provision of homes to local needs. It would also provide a valuable income stream for RPs, who are hampered by the requirement to cut social rents by 1% a year. This has reduced the income available to service debt, and thereby reduced funding available for investment in housebuilding.

There is also a role for local authorities, both in creating a more transparent planning process that reduces uncertainty and encourages smaller housebuilders, and in bringing forward land they own for development. This will be crucial in ensuring a variety of housing is available, and that it is of the right quality and in the right place to attract people into the area and into home ownership.

Partnership on the development side must be matched with partnership to support individuals in accessing the finance they need to enter home ownership.

“This, however, is a longer term approach aimed at young people who may think about home ownership in the future; those who are not part of the education system should also be able to access the same kind of advice.

With anecdotal evidence suggesting larger housebuilders will employ specialists to help individuals repair their credit rating and understand the options available to them, the market for this support exists and a hand needs to be extended further to those who aren't even considering buying a house. These individuals may remain in the rental sector, on a wrongly held belief that they would not be able to get a mortgage due to previous credit black marks.

Greater access to support in the workplace – either through genuine financial advice, or through bank or building society provided financial education – could help to improve financial understanding amongst those already in work and in the rental sector. Many workplaces provide limited financial advice through employee pension schemes, but there could be great value in extending this support to include other areas of financial capability, in partnership with financial institutions.

Addressing this blockage in demand would seem a key component of increasing home ownership in North East England, where the ratio of house prices to average earnings, while high, is significantly lower than in other parts of the country.

For those who are lifelong renters, especially where they have avoided credit in the past, proving their financial standing can be difficult, despite years of prudent financial management. Partnership between banks, building societies and rental agents or landlords could go someway towards addressing this – with a strong history of rent paid on-time, while not credit, displaying financial responsibility and commitment to financial agreements.

Another key aspect will be pulling back the curtain on the world of homeownership for those who had not previously considered it – either because it appeared out of reach, or because they did not feel it would benefit them. While acknowledging that homeownership isn't for all, for those who may aspire to it, or have long ago discounted it, a step-by-step guide of issues to consider, process to go through and support to reach out to can help make what is a substantial and intimidating process more accessible.
Recommendations

The following recommendations are drawn from the research and discussion above, and in many cases will require those from across the sector to come together to address them in greater detail. They are not exhaustive, in particular they were arrived at from a demand side perspective, and many supply side, planning and land issues are only addressed in passing.

In many cases, the initial actions required to begin taking these forward can be combined, as outlined in three next steps overleaf.

Matching support to demand

• Greater use of ‘Rent-to-Buy’ schemes tailored to the North East England market, to ease the progression from rental tenancy to home ownership;

• Registered Providers should use targeted schemes and local links to develop in areas where there is little local support for house building – focusing on Rent to Buy, or ‘buy as you go’ type schemes to help young people stay where they’ve grown up, and homes for older people to allow them to downsize and stay in their community.

Planning and land

• Closer working between planning authorities and builders – particularly SME builders – to ensure diversity of homes suited to local needs;

• Greater clarity and guidance on when applications may go to planning committee, and what a planning decision can be based on;

• Local Plans must be completed in order to provide greater certainty for where housebuilding will be approved.

• Greater community engagement to encourage positive support for planning applications from the ‘silent majority’ in favour of housebuilding.

Saving for a deposit and getting a mortgage

• Financial education classes at school age to increase awareness of credit scores and the process of buying a house;

• Workplace access to financial advice and financial education classes;

• Encourage mortgage lenders to take account of rental history as evidence of financial standing and capability when applying for a mortgage;

• Registered Providers should work to identify those among their tenants who wish to buy and help them achieve that – either through tailored educational support or targeted schemes.

• Lenders, housebuilders, agents and Registered Providers should work together to produce a ‘Guide for First Time Buyers in North East England’, providing the necessary information, giving key contacts in the region and laying out the journey to homeownership.
Three Next Steps & Working in Partnership

To begin to address some of the issues raised in this report, the Chamber will work with Thirteen Group and other partners across the housing, finance and education sectors to investigate taking forward work in three areas.

While the Chamber will instigate these projects, it will not necessarily be the primary deliverer of them where others are more suited.

Partnership on financial education

Bringing lenders and Registered Providers together with businesses, schools, colleges and universities to discuss the need for greater financial education in the region to help people onto the housing ladder. This will involve identifying what resources or materials would be needed, and how best to reach people who may be considering buying a house in future at key points in their life – for example, when they start at university or when they start a new job.

Partnership on ‘Guide for First Time Buyers in North East England’

Bringing together housebuilders, Registered Providers, agents and lenders to discuss the process of buying a home and how to make the journey easier to navigate for those coming to it for the first time – for example, through a short pamphlet with key milestones, sources of information and ways to access support.

Regional Developer Forum of planning officers and housebuilders to discuss closer working across North East England

This group is proposed to make it easier for housebuilders of all sizes – but particularly SME builders – to navigate the planning process, identify sources of funding available to them and build houses tailored to the region’s needs and meeting local planning authority aims. It will meet regularly and be a forum for regional discussions of housing strategy.

Acknowledgements

The Chamber would like to thank all those who took part in this project offering valuable insight and experiences from across the housing sector.

Our particular thanks go to the members of the task group, who gave both their time and advice to help shape this report.