

Who is moving into new homes in NewcastleGateshead?

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This study involved Bridging NewcastleGateshead (BNG) working with developers of key sites in the Housing Market Renewal (HMR) area, to pull together information that provided a snapshot of who had moved into new homes in BNG between April 2008 and March 2009 (on the whole). More qualitative information was also considered about people who had visited show homes and site sales offices but decided not to go ahead with a move after all.

The intention is to update the analysis annually, with the help of developers' sales teams.

Methodology

The approach taken to this work was very practical – working in partnership with developers to collect data on people who have moved into their homes as well as those that decided against it.

A workshop with several developers, clarified the information that they could provide – for movers and enquiries - via their sales teams. This was de-personalised before being sent to BNG for analysis; it was accepted that the availability, quality and reliability of the data would be variable on a site by site basis.

The sites

The sites considered are all in the BNG area.

Three schemes had not received any BNG subsidy as they are considered to be in areas where the market, to a large extent, can support homes coming forward.

The other schemes are in the heart of the regeneration area and have all benefitted from Housing Market Renewal investment (to varying degrees) to bring the sites forward.

Between them, the sites provide an idea of who is moving into Central/East Gateshead, Walker, Dunston and North Kenton.

RESULTS SUMMARY

Key Points

- New homes built in the BNG area are, as expected, most popular with first-time buyers and younger households – future family builders.
- The Homes and Communities Agency's and developers' own intermediate housing products have been critical in assisting these households to buy the new homes. There are still a significant number of enquiries however that fall through due to lack of access to finance.
- Key workers, office and manual workers have moved into the schemes in the heart of the area, with some professionals and higher earners onto the unsubsidised sites.
- People moving into the BNG supported sites in Felling and Walker tend to be extremely local, with local knowledge and signage appearing to be the most important in promoting the type, cost and purchasing options available.
- Investors tend to be more interested in apartments and smaller houses; they also consider more than one site.

Key findings

BNG is six years into a 15-20 year programme of Housing Market Renewal and this research has confirmed that the findings from earlier research on potential new build buyers and other target markets were correct.

It is clear from the data on movers into new homes in BNG during 2008/9 that the areas in which BNG has not invested Housing Market Renewal funding are, as anticipated, able to be left to the market and the private sector to deliver new housing. At this point in time the new sites in the heart of the regeneration areas are being delivered at a slower rate per year and for a much more local market.

- Central Grange in particular, is attracting people on different incomes, households that include families and both the younger and older cohorts of the core group BNG is trying to attract (25-44 year olds). Staiths South Bank, though attracting people from outside the immediate area and a mixture of first time buyers and those moving up the housing ladder, is less attractive to families and the 31-40 year age group.
- Wyedale, though still in Walker, is north of Walker Road in the Daisy Hill area. Its attractiveness to people living outside the east of Newcastle, compared to River's Gate and Hibernia Village, is noticeable – despite lower design standards. Developer's incentives have been crucial to attracting people to buy on the site in the current market.
- There are two developments on site in Walker and two on the edge of central Gateshead, in the heart of the intervention areas. Interest in the sites has been different for each but has consistently been from local people. The level of investor purchasers on one site however, is to be avoided in future. Incomes of households moving in have tended to be lower for BoKlok, Bishop's Park, Hibernia Village and River's Gate than Central Grange and Staiths, and occupations have been administration/retail and key workers rather than professionals.

This is not unexpected, and one of BNG's aims has been to provide sustainable affordable homes to retain local people as well as, in time, encourage new people to the area.

- Intermediate housing products have been important in enabling people to access the new homes in Walker Riverside and BoKlok.
- The house types being built clearly influence the profile of people moving in; with more families moving into houses at Hibernia Village in 2008/9, compared to a more mixed offer including flats at River's Gate where very few families moved in compared to the year before. Virtually all households are first time buyers or have previously lived with their parents.
- Information on people who enquired about the homes on these sites but did not move in shows that there is still some way to go to significantly improve perceptions of some locations, as well as a real issue of access to finance for people who are largely looking to take their first step onto the housing ladder. On the whole 'enquirers' were from further afield than those moving onto the sites, and were often looking at more than one development, choosing to go elsewhere if they had the financial means to do so.

Thank you

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