



view: shaping the north east

REGIONAL SPATIAL STRATEGY FOR THE NORTH EAST

SUBMISSION DRAFT

**EXAMINATION IN PUBLIC
INFORMATION NOTE 1**

HOUSING & REPLACEMENT FIGURES



**NORTH EAST
ASSEMBLY**
THE VOICE FOR
THE REGION

RSS GROSS HOUSING & REPLACEMENT FIGURES

DEFINITIONS

Demolition

1. A demolition is a dwelling that is knocked down and the site cleared.

Replacement

2. A replacement is a dwelling that has been built to replace a demolished dwelling.

Net

3. Net additions are newly built dwellings that are additional to the dwelling stock and include sub-divisions and conversions.

Gross

4. The gross dwelling figure is the total number of dwelling completions. This is made up of net additions to the dwelling stock and replacement dwellings which have been built in place of demolished dwellings. If, for example, 15 dwellings were built (10 to replace demolitions) the gross figure would be 15 of which 10 are replacements and 5 are net additions.

DEMOLITIONS

5. Demolitions in the North East are expected on a large scale under plans by Housing Market Restructuring (HMR) initiatives, Urban Regeneration Companies (URCs) and organisations such as Sunderland Housing Group. This, along with improvements, is intended to tackle the problems of poor quality and obsolete dwellings. More limited smaller scale demolition is also likely through public sector intervention or private sector schemes.

6. The Assembly asked local authorities for indications of the likely programme of demolitions over the RSS period in Winter 2003/04. These figures were further amended following a similar exercise which took place in Winter 2004/05.

7. These figures are indicative and will depend on the availability of resources in the future, decision making and the success of alternative methods to tackle low demand. In this instance it was therefore felt appropriate to provide only sub-regional figures within the RSS which provide a better degree of certainty. This provides a context for demolitions without appearing to require specific levels. Over the 17 years of RSS and the 5 year reviews it is entirely possible for the figures to change for reasons that are not within the control of the planning system. It could therefore be misleading and misrepresentative to include local authority level demolitions, which may be particularly sensitive to change. Policy 31 therefore sets the Regional and Sub Regional context which has more certainty and represents the annualised rounded figures achieved by summing the respective local authority figures. The sub-regional level demolition figures are provided in this report at Annex A.

HOUSING PROVISION

8. RSS net additional dwelling provision has been derived through a number of different considerations which all interrelate as objectives to:
- reverse population decline from the region and secure population growth;
 - increase retention of people in urban areas;
 - Restructure failing housing markets (demolition/replacement and improvements within the existing dwelling stock);
 - Tackle vacancy;
 - Develop previously developed land ahead of greenfield land;
 - Develop a housing and living environment product within sustainable locations that meets people's aspirations;
 - Link housing and economic growth;
 - Build within the capacity of the Home Builders Federation (HBF) to deliver both net and replacement dwellings; and,
 - Increase regional housebuilding to support economic growth.
9. Many of these are to a greater or lesser extent competing agendas. The CEBR work and the Demographic & Housing model enable us to understand the relationships between each economic growth scenario and the population and housing implications of these. This enables us to understand the implications of certain levels of regional net dwelling provision.
10. These outcomes were then considered along with replacements to understand the housebuilding industry's capacity to build.

DEMOLITIONS AND THEIR REPLACEMENT

11. There are two issues that need to be borne in mind when considering demolition and replacement:
- i. The level of replacement; and,
 - ii. The timeframe within which these occur.
12. Both of these factors affect the gross dwelling build figures within RSS and our understanding of physical and time dynamics that are at work.

i. Level of Replacement

13. For HMR and other initiatives to work a flexible approach is required which recognises that not all dwellings will need to be replaced (this also contributes to tackling vacancy). Sometimes this will be because an alternative use is planned for the land. Other times it will be because the replacement scheme will be at a lower density than the original housing. Some local authorities were able to quantify this level of replacement through existing programmes. In other areas it could be estimated but it was not always accurate given that a scheme may alter before it is submitted for planning consent.
14. With a mixture of certainty and estimates a working figure of 80% replacement was agreed for the 2004-11 and 2011-16 periods. This recognised that the majority of demolition activity would occur at this time and that vacancy would be tackled. At the early stage of HMR schemes it is more likely that alternative land uses are being brought forward and lower density replacements provided. By 2016-21 it was agreed that vacancy would be reduced and that the majority of demolition would

occur purely for the purpose of replacement. Therefore it is assumed that there will be 100% replacement in the 2016-21 period. Therefore the assumption is that the levels of replacement will be 80% (2004-11); 80% (2011-16) and 100% (2016-21).

15. This approach has two important consequences:
- it helps to meet the objective of reducing vacancy (in a purely numerical sense).
 - it is not accurate to simply subtract demolitions from gross build to achieve a net figure because there is not 100% replacement.

16. This therefore assumes a concurrent level of stock reduction and the RSS specifies that there should be no compensatory provision added to policy 30 because of this, particularly given the diversity of HMR schemes specified already.

ii. Time Frame

17. The other important element is the time frame within which replacement will occur. This will also have an influence on the level of gross house building.

18. It is possible for a demolished dwelling to be rebuilt within the same year or many months after demolition. This is entirely dependent on the scheme and factors outside the control of the planning system. Therefore an approach was agreed with the HBF which recognised that small schemes would be replaced very quickly and larger schemes would take longer.

19. The agreed approach suggests that of any dwellings due to be demolished 25% will be small schemes and replaced with the same year as demolition and 75% will be part of larger programmes and be rebuilt and completed 2 years after demolition. This approach takes account of large scale demolition programmes such as those within Pathfinder. The table below illustrates hypothetically how replacements can be linked back to the original demolitions by using bold, shading and italics. Annex B shows the indicative replacements for the Annex A demolitions in based on this method.

Hypothetical Illustration

Time	Demolitions	25% Replacement	75% Replacement	Total Replacements
2004-05	100	25		25
2005-06	200	50		50
2006-07	300	75	75	150
2007-08			150	150
2008-09			225	225

20. The impact on gross build clearly means that if one considers an RSS time period of 2011–16 there will be some demolitions from this period that will be replaced post 2016. Equally there will be some pre-2011 demolitions that will be replaced in 2011-16 period. There will also be some demolitions that occur and are replaced within the 2011-16 period.

21. The timeframe assumptions are essential to guarantee a realistic context of gross housebuilding. This means that the equation: gross = net + demolitions; does not apply.

22. Putting these two factors together means that it is possible to demolish 100 dwellings and only replace 80 of them (80%). Of these 80 replacements 25% will be completed within the same year as demolition and the remaining 75% completed 2 years later.

23. A further factor to consider, which does not have a numerical impact, is that there will be circumstances where 80% or 100% replacement rates combined with replacement at lower density, requires an alternative site to supplement the replacement on the original side. The Submission Draft RSS specifies the need to consider this.

HOW THIS RELATES TO GROSS.

24. Given all of these factors it is now too simplistic to say: gross = net + demolitions; because this does not appreciate the replacement and completion timescale element or that not all demolitions will be replaced.

25. The gross dwelling figures in the RSS are derived by adding the number of net additions and the number of replacements dwellings using the approach outlined. This has been provided at sub-regional level given the indicative nature of the demolition figures and the assumptions regarding replacement.

26. Therefore in reading the RSS it is not possible to subtract Policy 29 from Policy 28 to achieve Policy 30 as this is too simplistic. The figures provide sub-regional and regional context, but, in this way they do not put forward the local authority situation because this would imply prescriptive and accurate figures.

ROUNDING

27. All figures in RSS were rounded to the nearest 5. This was chosen because in local authorities with small net provision more than 5 per annum can be significant. This was applied to all housing figures.

CONCLUSION

28. This report demonstrates that in order to give a clear and realistic context for demolition and gross build it is necessary to consider and make assumptions about several factors. Together these mean that it is too simplistic to add demolitions and net additional dwellings to reach gross build. Although there are a number of steps to achieve the realistic context, each step is methodical, clear and reasoned.

Indicative Estimated Demolitions: March 2005

Area	2004-11	2011-16	2016-21	2004-21
Tees Valley	8,620	5,065	3,850	17,530
County Durham	2,495	1,520	1,655	5,670
Northumberland	645	230	460	1,335
Tyne & Wear	11,465	4,355	3,325	19,145
NORTH EAST	23,225	11,165	9,290	43,685

*The Durham Coalfields Study proposes demolition as part of the Coalfield regeneration programme. This covers areas of Chester-le-Street, Durham City, Derwentside, Easington, Sedgefield and Wear Valley to different extents.

Figure may not add up exactly due to rounding

Replacements of Indicative Estimated Demolitions in Annex A

This table illustrates the method that assumes 25% of demolished dwellings will be replaced within the same year as demolitions and that the remaining 75% will be completed two years after demolition.

When the contents of this table are added to Policy 30 in the Submission Draft RSS the result is the figures in Policy 28 at regional and sub-regional level

Area	2004-11	2011-16	2016-21	2004-21
Tees Valley	5,415	4,315	3,910	13,640
County Durham	1,570	1,280	1,525	4,370
Northumberland	405	240	375	1,025
Tyne & Wear	7,205	4,405	3,370	14,980
NORTH EAST	14,600	10,235	9,185	34,015

Figure may not add up exactly due to rounding