

The housing crisis in the South West

The South West is home to metropolitan cities, historic towns, vast stretches of coastline, national parks and many rural communities, but the region is characterised by the housing crisis. Low and stagnating wages combined with drastically rising house prices mean the South West is one of the most unaffordable regions in the country.

This report provides local data on the housing market in the South West and highlights that:

- The average house price in the South West is £270,054. Regionally, house prices have risen by nearly £14,000 in the last year. House prices in the Cotswolds are nearly 50% higher than the regional average.
- The average house in the South West costs more than 10 times typical earnings and the average family would need a household income of at least £61,700 to afford a mortgage.
- The average cost of renting is over £700 per month, swallowing up around 36% of local incomes and pushing many families into rent poverty.
- More than 20% of all second homes in the UK are located in the South West, increasing prices for local people.
- The region isn't building enough homes. Between 2012 and 2016, there was a shortfall of over 21,000 houses across the South West.

Solving the housing crisis

Housing associations are united by a single purpose – to ensure everyone can live in a good quality home that they can afford.

Last year we built 26% of new homes in England and our ambition is to deliver 120,000 homes a year by 2033.

Housing associations in the South West built over 4,200 homes in 2016-2017, and started a further 4,100. We are exploring innovative means to solve the housing crisis, including through modern methods of construction.

In Bristol, housing associations are working with the city council to provide land and grants for affordable and social housing.

Recent changes in Government policy will help us deliver even more. An extra £2bn investment included a specific commitment to allow new homes to be built for social rent – the first time such funding has been available since 2010.

Certainty over future rents and recognition for supported and sheltered housing are steps in the right direction. The Government must now deliver the final part of the jigsaw: the long-term supply of affordable land. Only then will the right amount of homes, of the right kind, in the right places, be built to meet changing housing needs.

If you share our sense of purpose and ambition, let's work together to end the housing crisis.

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The housing market
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| South West | Average (mean) house prices in 2016/17 ¹ | Mean monthly private sector rents in 2016/17 ² | Mean annual earnings in 2017 ³ | Ratio of house prices to incomes ⁴ | Income required for 80% mortgage (80% at 3.5x) ⁵ | Percent of Housing Benefit claimants in employment ⁶ | Unemployment rate 2016/17 ⁷ | Five-year shortfall 2012-2016 ⁸ | Long-term empty homes ⁹ | Second homes ¹⁰ | Total housing association affordable homes 2017 ¹¹ |
|---------------------------------|---|---|---|---|---|---|--|--|------------------------------------|----------------------------|---|
| England | £288,898 | £852 | £28,444 | 10.2 | £66,034 | 24% | 4.8% | 482,905 | 200,145 | 248,747 | 2,672,026 |
| South West | £270,054 | £770 | £25,366 | 10.6 | £61,727 | 23% | 3.9% | 21,597 | 18,117 | 51,440 | 251,806 |
| Bath and North East Somerset UA | £381,089 | £1,190 | £27,570 | 13.8 | £87,106 | 24% | 4.2% | n/a | 404 | 778 | 11,799 |
| Bournemouth UA | £259,365 | £792 | £25,553 | 10.2 | £59,283 | 26% | 4.2% | 2,700 | 673 | 3,079 | 3,949 |
| Bristol, City of UA | £290,197 | £1,025 | £26,551 | 10.9 | £66,331 | 22% | 4.7% | 5,892 | 876 | 2,113 | 12,952 |
| North Somerset UA | £271,631 | £731 | £27,388 | 9.9 | £62,087 | 18% | 3.1% | 3,384 | 211 | 506 | 9,730 |
| Plymouth UA | £184,665 | £583 | £23,369 | 7.9 | £42,209 | 20% | 5.1% | n/a | 678 | 700 | 23,383 |
| Poole UA | £333,244 | £848 | £26,208 | 12.7 | £76,170 | 28% | 3.9% | 2,069 | 462 | 1,583 | 3,234 |
| South Gloucestershire UA | £274,777 | £929 | £27,253 | 10.1 | £62,806 | 27% | 3.3% | n/a | 321 | 183 | 12,796 |
| Swindon UA | £226,087 | £699 | £27,258 | 8.3 | £51,677 | 16% | 4.2% | 3,041 | 494 | 224 | 5,979 |
| Torbay UA | £210,746 | £589 | £21,606 | 9.8 | £48,171 | 22% | 5.1% | 737 | 1,079 | 1,541 | 5,920 |
| Cornwall UA | £245,305 | £648 | £22,443 | 10.9 | £56,070 | 24% | 3.7% | 2,911 | 3,230 | 13,767 | 23,033 |
| Isles of Scilly UA | £308,125 | n/a | n/a | n/a | £70,429 | n/a | n/a | n/a | n/a | 187 | 61 |
| Devon | £268,836 | £711 | £23,499 | 11.4 | £61,448 | 24% | 4.7% | 208 | 2,471 | 11,842 | 30,408 |
| East Devon | £294,625 | £704 | £24,903 | 11.8 | £67,343 | 27% | 3.2% | n/a | 393 | 2,603 | 2,766 |
| Exeter | £266,880 | £869 | £22,786 | 11.7 | £61,001 | 24% | 5.7% | 331 | 326 | 530 | 4,762 |
| Mid Devon | £237,618 | £642 | £25,199 | 9.4 | £54,313 | 21% | 3.2% | 208 | 220 | 249 | 1,527 |
| North Devon | £245,785 | £624 | £21,518 | 11.4 | £56,179 | 24% | 3.2% | 153 | 538 | 1,721 | 4,753 |
| South Hams | £330,744 | £776 | £24,939 | 13.3 | £75,599 | 26% | 2.6% | n/a | 198 | 3,896 | 4,891 |
| Teignbridge | £261,486 | £699 | £22,802 | 11.5 | £59,768 | 25% | 3.6% | n/a | 364 | 1,333 | 6,188 |
| Torridge | £224,203 | £577 | £22,589 | 9.9 | £51,246 | 21% | 4.2% | 240 | 311 | 985 | 2,969 |
| West Devon | £253,836 | £674 | £23,639 | 10.7 | £58,020 | 25% | 2.6% | 662 | 121 | 525 | 2,552 |
| Dorset | £311,426 | £783 | £24,518 | 12.7 | £71,183 | 25% | 2.9% | 1,798 | 1,308 | 6,623 | 24,377 |
| Christchurch | £352,319 | £878 | £26,837 | 13.1 | £80,530 | 24% | 2.9% | 610 | 150 | 768 | 2,673 |
| East Dorset | £366,400 | £914 | £27,066 | 13.5 | £83,749 | 26% | 2.9% | 710 | 214 | 258 | 3,260 |
| North Dorset | £283,114 | £730 | £24,752 | 11.4 | £64,712 | 25% | 2.4% | 17 | 245 | 429 | 4,450 |
| Purbeck | £329,563 | £843 | £20,686 | 15.9 | £75,329 | 29% | 2.7% | n/a | 149 | 1,631 | 2,622 |
| West Dorset | £307,181 | £778 | £25,048 | 12.3 | £70,213 | 25% | 2.9% | 587 | 336 | 2,568 | 6,937 |
| Weymouth and Portland | £232,266 | £657 | £21,575 | 10.8 | £53,089 | 25% | 5.3% | n/a | 214 | 969 | 4,435 |
| Gloucestershire | £278,492 | £783 | £27,659 | 10.1 | £63,655 | 23% | 3.7% | 1,555 | 2,464 | 3,700 | 30,196 |
| Cheltenham | £300,652 | £803 | £29,900 | 10.1 | £68,721 | 22% | 3.6% | 1,670 | 395 | 915 | 2,652 |
| Cotswold | £397,558 | £982 | £29,843 | 13.3 | £90,870 | 24% | 2.6% | n/a | 313 | 1,623 | 6,392 |
| Forest of Dean | £225,636 | £633 | £26,863 | 8.4 | £51,574 | 20% | 4.5% | n/a | 465 | 267 | 5,213 |
| Gloucester | £191,453 | £559 | £24,523 | 7.8 | £43,761 | 23% | 4.3% | 814 | 543 | 124 | 8,524 |
| Stroud | £287,624 | £734 | £28,517 | 10.1 | £65,743 | 22% | 2.6% | 371 | 477 | 517 | 1,942 |
| Tewkesbury | £273,940 | £730 | £26,343 | 10.4 | £62,615 | 25% | 3.5% | n/a | 271 | 254 | 5,473 |
| Somerset | £245,091 | £646 | £23,702 | 10.3 | £56,021 | 22% | 3.5% | n/a | 2,070 | 3,108 | 27,445 |
| Mendip | £283,474 | £700 | £24,045 | 11.8 | £64,794 | 21% | 4.8% | n/a | 460 | 403 | 6,720 |
| Sedgemoor | £224,919 | £625 | £24,398 | 9.2 | £51,410 | 20% | 5.5% | 215 | 335 | 552 | 3,425 |
| South Somerset | £240,417 | £634 | £22,157 | 10.9 | £54,953 | 24% | 3.5% | 378 | 595 | 832 | 11,638 |
| Taunton Deane | £237,649 | £655 | £25,360 | 9.4 | £54,320 | 22% | 4.3% | n/a | 456 | 341 | 3,110 |
| West Somerset | £243,309 | £637 | £20,457 | 11.9 | £55,614 | 21% | 3.5% | 6 | 224 | 980 | 2,552 |
| Wiltshire UA | £289,993 | £827 | £26,816 | 10.8 | £66,284 | 25% | 3.2% | n/a | 1,376 | 1,506 | 26,544 |

1. Office for National Statistics (ONS), small area statistics

2. Valuation Office Agency

3. ONS, Annual Survey of Hours and Earnings

4. ONS, small area statistics and Annual Survey of Hours and Earnings

5. ONS, small area statistics and National Housing Federation own analysis

6. Department for Work and Pensions, Stat Xplore

7. ONS, NOMIS model based estimates

8. Town and Country Planning Association household projections; Ministry for Housing Communities and Local Government (MHCLG) table 253 and Federation own analysis

9. MHCLG, table 615

10. MHCLG, Council Tax base

11. Homes England, Statistical Data Return 2017

n/a: not available