

East of England

**NATIONAL
HOUSING
FEDERATION**



HOME TRUTHS 2012

The housing market in the East of England

More homes would boost our local economy

We are simply not building enough homes in the East of England. Last year 32,000 new families formed¹ but only 15,620 new homes were built.² This lack of homes is affecting the lives of young people and families and holding back the regional economy.

The shortage of new homes keeps house prices high and pushes up mortgage deposit costs, even as the economy suffers and wages stay the same. People unable to buy their own home are being pushed into the private rented sector, which in turn is driving up rents to increasingly unaffordable levels. And as costs soar in the private rented market, more pressure is heaped on the limited supply of social rented housing.

The East of England needs more homes across all housing types. We need to provide suitable homes for the increasing numbers of older people in the region, and more affordable homes for younger families, including in rural areas where housing waiting lists are growing fast.

The East of England is a powerhouse of the national economy, but its competitiveness and productivity are hampered by the shortage of new homes. The Government's latest measures to speed up new development are helpful, but longer-term solutions are needed.

What the Government should do

The Government should recognise the widespread economic benefits that investment in more new affordable homes in the East of England will deliver.

Housing associations are ready and able to play their part and deliver more homes. The Government has recently put in place some welcome, important short-term measures, including a debt guarantee. But now broader, long-term solutions are needed.

Housing associations could do much more if there was a ready supply of public land available to build on, if they had more certainty over rent levels after 2015 so they could raise the additional finance needed to build, and if red tape preventing them from using their homes and other assets flexibly and productively was cut.

To stem the chronic housing shortage, the National Housing Federation calls for:

- The rapid release of publicly owned land to housing associations so they can build homes. For the quickest economic impact the Government must immediately release small parcels of brownfield sites, which can be delivered more quickly than larger sites. Each of these could be capable of delivering up to 100 new homes. Based on the Government's own data,³ we have already identified land equivalent to two cities the size of Norwich that could be built on.
- The Government should provide certainty on its long-term plans for investing in social housing. Currently housing associations are struggling to plan beyond 2015, when the current programme ends. Without certainty that there will be Government support for new homes, it is too high risk for housing associations to commit to new development. One way that the Government could create some certainty is by

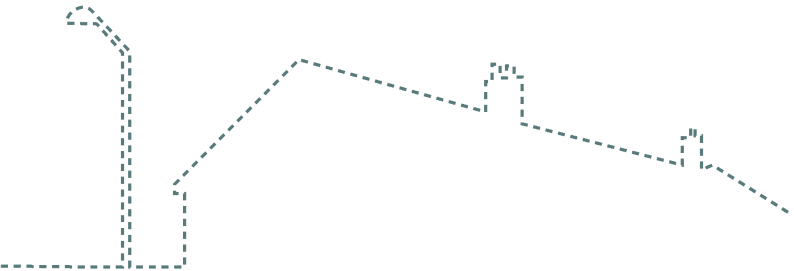
retaining the present rental formula for housing associations until 2020, allowing them to commit to delivering new homes in the future.

- The Government must also cut red tape to allow housing associations to unleash their entrepreneurial skills. For example, housing associations need more freedom to be innovative in the use of their assets and their ability to raise finance. The flexibility to take an imaginative approach would allow housing associations to build more homes.
- We know people want more homes built, and we need to encourage their voices to be heard above those of the NIMBYs. Public support for more homes is vital. That's why we've launched our new campaign, Yes to Homes. Visit www.yestohomes.co.uk to join the campaign.

The evidence

- The average house price in the East of England in 2011 was £232,504, nearly 11 times the median regional income of £22,022.^{4,5}
- House prices in the region have risen more than three times faster than incomes since 2001 and the cost of a mortgage deposit is now more than 4.5 times higher than 10 years ago.^{4,5,6}
- The proportion of households owning their own home in the East of England is expected to drop sharply from nearly 70% today to 59% in 2025. The East of England will move from having higher than average to lower than average home ownership rates.⁷

- Private sector rents are set to rise by 64% in the East of England in the next 10 years, the second largest increase in the country, as demand in the sector continues to grow.⁷
- The number of households in the East of England is expected to grow by 27% by 2033, the largest percentage rise of any region. There will be a 58% increase of over-65s, the second largest of any region.^{1,8}
- 5,270 households were accepted as homeless by local councils in the region in 2011/12, a rise of 25% on the previous year. Homelessness has now leapt by 44% in just two years.²



Sources

1. Household Projections, 2008 to 2033, Communities and Local Government 2010
2. CLG statistics, 2012
3. National Land Use Database
4. Land Registry data, 2001 and 2011
5. Annual Survey of Hours and Earnings (ASHE), Office for National Statistics (ONS) 2001 and 2011
6. National Housing Federation research, using Homes and Communities Agency (HCA), Tenant Services Authority (TSA), Land Registry, CLG statistics, or Valuation Office Agency Rent Officers data for year ending 31 March 2012
7. Housing Market Analysis for the National Housing Federation, Oxford Economics, August 2012
8. 2008-based Subnational Population Projections, ONS 2010

Note

The facts in this booklet use the latest available official government statistical sources at the time of going to print. In some areas, the National Housing Federation has carried out additional analysis to draw out the social and economic implications of the figures. The commentary is our own. Some of this data is © Crown copyright.

East of England

	Average (mean) house prices 2011 ¹	Average (median) incomes 2011 ²	Gross annual income needed for a mortgage (75% at 3.5x) ¹	Ratio of house prices to incomes ^{1,2}	Average weekly private sector rent for a 3 bedroom house or flat 2011/12 ⁶
ENGLAND	£236,518	£21,346	£50,682	11.1	£176
EAST	£232,504	£22,022	£49,822	10.6	£168
Bedford UA	£211,731	£20,764	£45,371	10.2	£164
Central Bedfordshire UA	£219,219	£24,045	£46,976	9.1	£186
Luton UA	£161,049	£20,764	£34,511	7.8	£173
Peterborough UA	£153,426	£19,932	£32,877	7.7	£138
Southend-on-Sea UA	£208,233	£21,154	£44,621	9.8	£196
Thurrock UA	£182,811	£24,112	£39,174	7.6	£200
Cambridgeshire	£235,773	£23,353	£50,523	10.1	£172
Cambridge	£317,942	£24,955	£68,130	12.7	£236
East Cambridgeshire	£212,499	£22,412	£45,536	9.5	£176
Fenland	£144,731	£19,401	£31,014	7.5	£139
Huntingdonshire	£200,477	£23,104	£42,959	8.7	£154
South Cambridgeshire	£284,364	£24,991	£60,935	11.4	£199
Essex	£243,740	£23,343	£52,230	10.4	£195
Basildon	£218,752	£23,057	£46,875	9.5	£202
Braintree	£220,644	£22,948	£47,281	9.6	£177
Brentwood	£351,480	£30,529	£75,317	11.5	£273
Castle Point	£209,098	£22,334	£44,807	9.4	£197
Chelmsford	£252,701	£24,435	£54,150	10.3	£205
Colchester	£202,811	£21,850	£43,460	9.3	£179
Epping Forest	£359,064	£26,359	£76,942	13.6	£268
Harlow	£192,427	£19,349	£41,234	9.9	£210
Maldon	£251,593	£26,822	£53,913	9.4	£186
Rochford	£238,736	£24,846	£51,158	9.6	£206
Tendring	£170,285	£20,478	£36,490	8.3	£165
Uttlesford	£328,309	£23,899	£70,352	13.7	£212
Hertfordshire	£312,786	£25,386	£67,026	12.3	£249
Broxbourne	£246,157	£23,748	£52,748	10.4	£261
Dacorum	£308,226	£23,962	£66,048	12.9	£244
East Hertfordshire	£319,318	£26,140	£68,425	12.2	£245
Hertsmere	£361,682	£24,237	£77,503	14.9	£298
North Hertfordshire	£262,436	£27,269	£56,236	9.6	£205
St. Albans	£416,173	£30,914	£89,180	13.5	£310
Stevenage	£188,713	£22,766	£40,439	8.3	£190
Three Rivers	£374,519	£25,490	£80,254	14.7	£332
Watford	£246,455	£27,331	£52,812	9.0	£261
Welwyn Hatfield	£312,045	£23,696	£66,867	13.2	£251
Norfolk	£182,951	£18,465	£39,204	9.9	£141
Breckland	£176,434	£16,583	£37,807	10.6	£146
Broadland	£194,275	£20,124	£41,630	9.7	£147
Great Yarmouth	£143,090	£16,505	£30,662	8.7	£126
King's Lynn and West Norfolk	£181,836	£18,502	£38,965	9.8	£142
North Norfolk	£204,500	£18,028	£43,821	11.3	£141
Norwich	£162,293	£18,725	£34,777	8.7	£162
South Norfolk	£205,480	£21,086	£44,031	9.7	£137
Suffolk	£201,053	£19,453	£43,083	10.3	£146
Babergh	£234,897	£19,937	£50,335	11.8	£160
Forest Heath	£168,682	£17,441	£36,146	9.7	£180
Ipswich	£148,570	£17,254	£31,836	8.6	£134
Mid Suffolk	£213,247	£20,634	£45,696	10.3	£148
St. Edmundsbury	£217,865	£20,613	£46,685	10.6	£175
Suffolk Coastal	£249,767	£20,935	£53,522	11.9	£142
Waveney	£168,643	£18,252	£36,138	9.2	£124

Footnotes to tables 1. Land Registry, 2011. 2. Annual Survey of Hours and Earnings (ASHE), 2011. 3. Communities and Local Government Housing Statistics Live Tables, 2011. 4. Homes and Communities Agency, Regulatory and Statistical Return, 2011. 5. Homes and Communities Agency completions data, 2010/11. 6. Valuation Office Agency Rent Officers data, year to March 2012.

Total rented local authority homes 2011 ³	Total rented housing association homes 2011 ⁴	All new housing association homes completed with HCA funding 2010/11 ⁵	New lettings made by local authorities 2010/11 ³	New lettings made by housing associations 2010/11 ⁴	Households on waiting list 2011 ³	Households accepted as homeless 2011/12 ³
1,725,905	2,319,386	49,196	146,388	176,660	1,837,042	50,290
162,988	235,340	5,501	12,863	17,580	160,267	5,270
0	11,098	349	0	936	3,093	211
5,206	9,552	263	386	635	3,604	169
8,180	3,740	181	579	295	4,900	415
0	14,840	349	0	1,318	7,650	267
6,160	3,234	2	540	200	4,287	87
10,312	1,414	93	899	147	2,252	180
12,724	27,011	895	971	2,099	19,607	597
7,268	4,437	117	649	310	6,869	112
0	5,051	114	0	350	1,512	146
4	5,345	99	0	441	2,874	73
0	9,116	370	0	674	3,983	173
5,452	3,062	195	322	324	4,369	93
44,877	43,737	813	3,533	3,074	35,720	1,259
11,503	5,330	154	826	368	3,007	255
49	10,300	119	0	780	3,853	137
2,860	958	4	194	33	2,514	25
1,535	475	3	123	15	1,311	56
22	9,836	59	0	579	5,502	170
6,273	4,091	125	564	419	4,864	271
6,647	1,716	136	469	147	5,451	60
9,888	1,725	97	667	133	3,138	110
0	2,878	0	0	185	1,490	19
1	2,720	0	0	144	1,040	58
3,221	2,451	23	353	162	2,635	70
2,878	1,257	93	337	109	915	28
34,004	51,569	1,055	2,408	3,195	33,173	874
425	5,172	44	0	426	3,100	119
10,594	2,577	69	748	156	5,926	96
15	7,515	91	0	472	2,395	40
175	7,140	45	0	321	2,185	79
3	10,574	74	0	552	2,487	93
5,119	2,067	115	298	223	2,256	75
8,286	1,948	189	714	198	5,124	48
17	5,234	40	0	188	2,104	73
59	6,164	358	0	401	4,346	146
9,311	3,178	30	648	258	3,250	105
21,844	41,000	701	1,983	3,230	31,107	708
0	8,020	131	2	671	2,680	72
0	4,731	45	0	436	3,273	154
6,049	1,583	56	529	145	5,490	118
7	9,304	156	0	586	5,257	87
11	6,206	88	0	528	3,300	94
15,766	4,886	127	1,452	424	6,919	153
11	6,270	98	0	440	4,188	30
19,684	28,145	742	1,564	2,451	14,874	500
3,502	1,537	119	325	169	1,725	78
6	3,888	114	0	417	1,346	93
8,174	4,599	115	642	483	4,704	144
3,418	1,214	71	273	125	1,855	50
0	7,791	161	0	603	1,966	64
0	6,323	41	0	422	1,613	6
4,584	2,793	121	324	232	1,665	65

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The National Housing Federation is the voice of affordable housing in England. We believe that everyone should have the home they need at a price they can afford. That's why we represent the work of housing associations and campaign for better housing. Our members provide two and a half million homes for more than five million people. And each year they invest in a diverse range of neighbourhood projects that help create strong, vibrant communities.

 **business for neighbourhoods**

The National Housing Federation runs **iN business for neighbourhoods** in partnership with members to promote the neighbourhood work of housing associations.