

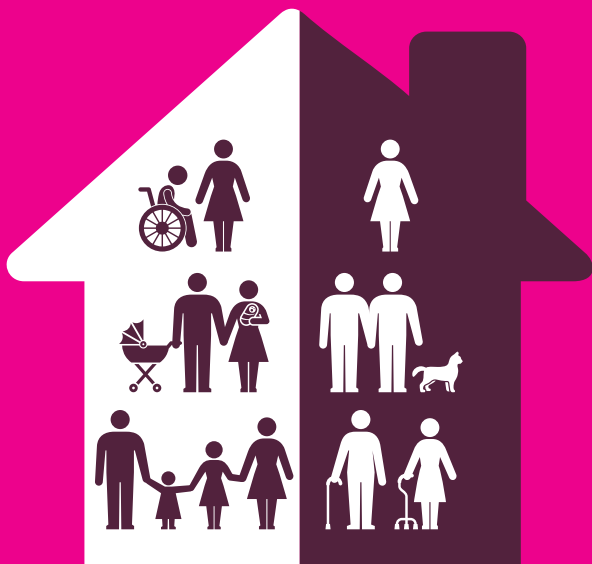
South West

NATIONAL
HOUSING
FEDERATION

home truths

2013/14

the housing market
in the South West



A distorted economic recovery

Only 62% of the new homes the South West needs each year are being built, pushing up house prices and rents.

England appears to be emerging from recession, but the recovery is distorted. Parts of the country are experiencing growth but in places the local housing market is overstretched and is starting to overheat. Meanwhile other areas are at a relative standstill with little or no economic growth. Economic recovery is not reaching everyone in the South West.

Less than two thirds (62%) of the homes the South West needs each year are being built, with 21,500 new households forming each year but only 13,460 homes built in 2012-13^{1,2}. The lack of supply is pushing up the region's house prices and rents, adding to the strain for local people already struggling with the rising cost of living and increases in food and utility bills.

The average house price in the South West is now 11.5 times the average local wage – almost 13 times in rural areas^{3,4}. House prices are expected to rise another 33% by 2020⁵, pushing more young professionals and families into the private rented sector, but rents are also expected to rise 40% in the same period⁵.

**More homes
would kick
start the
South West's
economy**



The average wage in the South West is only £19,573⁴ – one of the lowest in England. Salaries have remained relatively stagnant, rising only 26% in the last ten years⁴. House prices have risen 55% in the same period³, meaning local people are finding it harder to afford the overheating housing market.

Young people are being hit hard by the affordability crisis, with expensive rents and high house prices stifling aspiration and preventing many from flying the nest. In the South West, almost a quarter (23%) of young adults aged 20-34 are living with their parents⁶. Meanwhile, there is also a serious shortage of suitable housing for older people, with the number of households led by over 64s set to rise 21% in the South West by 2021¹.

Building more homes in the South West would give the local economy a major boost. Every new home built brings £77,000 into the South West and creates 1.8 jobs directly and in the wider regional economy⁷. Nearly 80% of businesses surveyed across the country said a lack of affordable housing is stalling local economic growth and 70% warned it would affect their ability to attract and keep workers⁹.

We need local people who want more housing to contact local councillors and say 'Yes to Homes' (www.yestohomes.co.uk).

The solution



Government must invest in building more homes where they are needed, and at prices that everyone can afford. Rising rents and house prices, as well as higher levels of unemployment and low or stagnant wages, mean more and more people need help with their housing costs.

Housing benefit currently costs taxpayers £24bn a year⁸ and most of it goes to private landlords rather than towards building new homes. For a fraction of that, the Government could support areas experiencing economic growth by building more affordable homes.

In areas where high housing costs could be stalling economic growth and creating problems for employers, Local Enterprise Partnerships – working with local authorities, housing associations and others – must take a strategic lead on getting more homes built, revitalising communities and creating jobs.

Housing associations are in it for the long term. With more support, they can be real catalysts for change for local communities and help drive forward a balanced economic recovery for the South West.

The evidence

- Across the South West, 21,500 new households are expected to form each year between 2013 and 2021¹.
- In 2012/13 13,460 new homes were completed in the region – 2,827 by housing associations².
- Private rents are expected to rise by 40% in the South West by 2020 – ahead of the national average (39%)⁵.
- The average house price in the region in 2012 was £225,001 – 55% higher than the average for 2002³. Wages in the South West have risen by just 26% over the same period⁴.
- Every new home built in the South West adds £77,000 to the regional economy⁷.
- 1.8 jobs are created directly and in the wider regional economy for every new home built in the South West⁷.

Sources:

- ¹ Household population projections by district, England, 1991-2021, interim 2011-based – Department for Communities and Local Government (DCLG) April 2013
- ² Live Table 253, Permanent dwellings started and completed, by tenure and district – DCLG 2012/13, combined with Homes and Communities Agency (HCA) completions data
- ³ Simple average house prices – Land Registry data
- ⁴ Annual Survey of Hours and Earnings (ASHE) – ONS 2002, and 2012 provisional results
- ⁵ Projections for the National Housing Federation – Oxford Economics 2013
- ⁶ Young Adults Living with Parents in the UK – ONS 2013
- ⁷ Economic impact database, Centre for Economics and Business Research (CEBR) for National Housing Federation, 2013
- ⁸ Housing benefit statistics (Stat-Xplore) – Department for Work and Pensions (DWP)
- ⁹ Survey for National Housing Federation – ComRes 2013



South West

	Average (mean) house prices 2012 ¹	Average (median) incomes 2012 ²	Gross annual income needed for a mortgage (80% at 3.5x) 2012 ¹	Ratio of house prices to incomes ^{1,2}	Homeless acceptances per 1,000 population 2012/13 ^{3,4}	Average (mean) weekly private sector rents 2012 ⁵
ENGLAND	£242,535	£21,429	£55,437	11.3	2.3	£163
SOUTH WEST	£225,001	£19,573	£51,429	11.5	1.6	£152
Bath & North East Somerset UA	£292,594	£20,420	£66,879	14.3	1.2	£211
Bournemouth UA	£217,063	£19,932	£49,614	10.9	1.0	£169
Bristol, City of UA	£211,527	£21,216	£48,349	10.0	1.8	£170
Cornwall UA	£223,169	£17,664	£51,010	12.6	2.1	£140
Isles of Scilly	No sales	n/a	-	-	3.0	£138
North Somerset UA	£215,347	£22,199	£49,222	9.7	1.1	£141
Plymouth UA	£159,281	£19,188	£36,407	8.3	2.4	£126
Poole UA	£283,322	£20,160	£64,759	14.1	1.4	£178
South Gloucestershire UA	£208,282	£21,606	£47,607	9.6	1.3	£156
Swindon UA	£167,133	£21,112	£38,202	7.9	1.3	£133
Torbay UA	£181,073	£16,988	£41,388	10.7	1.3	£129
Wiltshire UA	£240,024	£19,952	£54,863	12.0	1.4	£161
Devon	£234,595	£17,867	£53,622	13.1	0.9	£149
East Devon	£258,233	£20,004	£59,025	12.9	0.6	£155
Exeter	£216,904	£18,476	£49,578	11.7	1.6	£179
Mid Devon	£212,064	£18,002	£48,472	11.8	0.5	£141
North Devon	£217,453	£17,035	£49,704	12.8	1.7	£129
South Hams	£293,178	£17,368	£67,012	16.9	0.6	£150
Teignbridge	£226,209	£17,446	£51,705	13.0	0.9	£144
Torridge	£197,229	£15,480	£45,081	12.7	0.7	£124
West Devon	£236,625	£17,456	£54,086	13.6	0.2	£139
Dorset	£261,715	£18,590	£59,821	14.1	1.4	£164
Christchurch	£283,213	£20,769	£64,734	13.6	3.1	£186
East Dorset	£294,320	£18,502	£67,273	15.9	0.8	£192
North Dorset	£241,532	£17,924	£55,207	13.5	1.9	£160
Purbeck	£268,674	£17,467	£61,411	15.4	1.4	£166
West Dorset	£266,966	£18,564	£61,021	14.4	0.9	£163
Weymouth and Portland	£203,761	£18,429	£46,574	11.1	1.0	£139
Gloucestershire	£231,246	£20,769	£52,856	11.1	1.4	£153
Cheltenham	£252,353	£22,682	£57,681	11.1	0.5	£162
Cotswold	£336,935	£18,762	£77,014	18.0	0.7	£195
Forest of Dean	£190,927	£21,559	£43,640	8.9	0.6	£129
Gloucester	£154,130	£19,334	£35,230	8.0	3.7	£123
Stroud	£235,236	£21,856	£53,768	10.8	0.4	£149
Tewkesbury	£226,632	£19,916	£51,802	11.4	1.9	£155
Somerset	£207,540	£19,058	£47,438	10.9	2.6	£136
Mendip	£219,111	£18,304	£50,083	12.0	2.3	£137
Sedgemoor	£190,846	£18,429	£43,622	10.4	1.1	£130
South Somerset	£205,727	£19,396	£47,023	10.6	4.0	£138
Taunton Deane	£211,882	£20,545	£48,430	10.3	2.8	£138
West Somerset	£220,238	£14,113	£50,340	15.6	1.8	£139

Footnotes to tables

¹ Land Registry sales data 2012

² Annual Survey of Hours and Earnings (ASHE), Office for National Statistics (ONS) 2012

³ Live Tables - Department for Communities and Local Government (DCLG)

⁴ Household Projections - DCLG, 2011 census based

Projected % increase in households 2013 - 2021 ⁴	Households on waiting list 2012 ⁵	All new HA homes completed with HCA funding 2012/13 ⁶	Total HA rented homes 2013 ⁷	Total LA rented homes 2013 ³	New lettings made by HAs and LAs 2012/13 ^{8,3}	Second homes as % of all properties ⁹
7.8%	1,851,426	26,547	2,392,124	1,681,782	257,132	1.1%
7.5%	195,182	2,827	218,527	100,795	19,477	2.2%
4.6%	11,775	159	11,097	0	514	1.0%
6.0%	9,425	22	3,412	5,127	467	3.8%
8.8%	14,585	203	11,655	27,854	2,167	1.2%
8.2%	24,329	312	19,174	10,490	1,828	5.6%
0.9%	84	0	59	122	4	16.3%
12.6%	7,515	107	8,876	0	531	0.5%
3.6%	9,182	205	22,355	0	1,245	0.9%
7.4%	1,475	40	2,827	4,592	389	2.7%
8.9%	9,888	139	11,403	20	697	0.3%
11.7%	14,729	76	4,698	10,468	1,040	0.5%
5.9%	3,425	6	5,158	0	236	2.5%
6.7%	17,108	365	23,987	5,400	1,867	0.9%
7.1%	25,390	234	25,687	12,397	2,063	3.4%
7.6%	4,005	65	1,622	4,293	359	3.8%
5.1%	7,240	9	4,081	5,030	452	0.9%
8.5%	1,821	37	1,219	3,070	268	0.8%
4.8%	2,866	25	4,308	1	225	3.8%
4.4%	2,288	15	4,288	0	238	9.9%
7.3%	4,062	83	5,206	0	248	2.1%
11.4%	1,216	0	2,619	3	120	3.4%
10.7%	1,892	0	2,344	0	153	2.2%
6.2%	10,040	181	22,573	4	1,115	3.5%
8.5%	2,120	0	2,517	0	75	3.6%
6.3%	2,937	25	3,138	2	128	0.8%
5.0%	1,242	26	3,977	0	242	1.7%
5.5%	788	11	2,430	2	108	7.4%
7.4%	1,307	72	6,469	0	346	5.3%
4.3%	1,646	47	4,042	0	216	3.0%
7.3%	17,589	522	21,252	14,308	2,564	1.3%
6.6%	4,053	90	2,143	4,563	477	1.5%
5.8%	1,880	125	5,391	0	457	4.0%
5.8%	2,461	104	4,677	3	306	0.9%
8.8%	4,615	32	3,215	4,554	473	0.3%
6.7%	2,703	105	1,427	5,188	557	0.8%
9.8%	1,877	66	4,399	0	294	0.6%
7.3%	18,643	256	24,314	10,013	2,750	1.3%
7.1%	3,580	69	6,091	0	391	1.0%
7.8%	4,706	112	2,847	4,055	835	0.8%
7.2%	5,211	21	10,746	10	773	1.1%
7.3%	3,783	54	2,247	5,948	636	0.6%
7.0%	1,363	0	2,383	0	115	6.0%

⁵ Private Rental Market Statistics – Valuation Office Agency (VOA), year to March 2012

⁶ New build completions data – HCA 2012/13

⁷ Statistical Data Return - Homes and Communities Agency (HCA) 2013

⁸ CORE housing associations' new lettings data – HCA 2012/13

⁹ Communities and Local Government council tax base data September 2012

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.

Further information:

National Housing Federation (Bristol)

Tel: 0117 929 7388

bristoloffice@housing.org.uk

National Housing Federation

Lion Court

25 Procter Street

London WC1V 6NY

Tel: 020 7067 1010

www.housing.org.uk

www.yestohomes.co.uk

Find us or follow us on:



#hometruths14