

South West

NATIONAL
HOUSING
FEDERATION



HOME TRUTHS 2012

The housing market in south west England

Severe lack of homes must be tackled

Given that less than 60% of the homes the South West needs each year are being built, it is no wonder housing costs are so unaffordable.

The shortage of new homes keeps house prices high and pushes up mortgage deposit costs, even as the economy suffers. With the cost of an average home in rural parts of the South West now nearly 13 times the average local income, people are increasingly unable to buy their own home. More are being pushed into the private rented sector, which in turn is becoming increasingly unaffordable. And as costs soar in the private rented market, more pressure is heaped on the limited supply of social rented housing. Housing waiting lists in the South West are growing faster than anywhere else in the country.

More than 80,000 planned new homes have been cut by south west councils since 2010¹, adding to the housing shortage. Planners need to agree to more housebuilding, including affordable homes for younger families and in rural areas where housing costs are particularly high compared to incomes.

The Government's recent measures to speed up new development are helpful, but more action is needed to house people effectively and boost the economy.

What the Government should do

The Government and the whole housing industry need to take a long-term view, tackling the market difficulties with a joined-up approach. Addressing the lack of houses – the supply shortage – is crucial to ensure we have a

healthy, sustainable, affordable housing market across all tenures (home ownership, private rent and social housing) that strengthens the economy in the South West and meets people's aspirations rather than defeats them.

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.

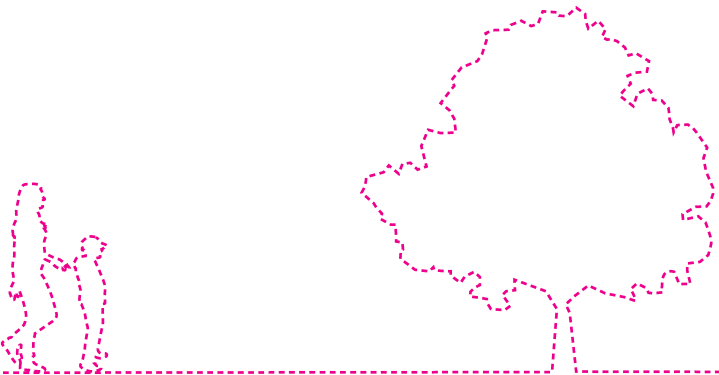
Housing associations could do much more if there was a ready supply of public land available to build on, if they had more certainty over rent levels after 2015 so they could raise the additional finance needed to build, and if red tape preventing them from using their homes and other assets flexibly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

To stem the urgent 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 data⁶, we have already identified land equivalent to four cities the size of Gloucester 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. The Government could create some certainty 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 campaign Yes to Homes. Visit www.yestohomes.co.uk to join the campaign.



The evidence

- The average house price in the South West in 2011 was £223,870, 11.5 times the average (median) regional income of £19,484.^{2,3}
- House prices in the South West have increased three times faster than incomes over the past 10 years.^{2,3}
- The average home in rural parts of the region now costs nearly 13 times the average local income, compared to nearly 11 times in more urban areas.^{2,3}
- Private sector rents are expected to rise by 62% in the South West in the next 10 years, as demand in the sector continues to grow.⁴
- 16,100 new homes were built in the South West in 2011/12, but more than 27,000 new households formed. The South West is building less than 60% of the new homes it needs.⁵
- The number of families on social housing waiting lists in the South West in 2011 rose by over 25% to 186,305 households, the biggest increase in the country. One in 12 households in the region is now waiting for a social home.⁵

Sources

1. Tetlow King Planning research for National Housing Federation, 2011
2. Land Registry data, 2001 and 2011
3. Annual Survey of Hours and Earnings (ASHE), 2001 and 2011
4. Housing market analysis for National Housing Federation, Oxford Economics, August 2012
5. Communities and Local Government (CLG) statistics, 2012
6. National Land Use Database

	Average (mean) house prices 2011 ¹	Average (median) incomes 2011 ²	Gross annual income needed for a mortgage [75% at 3.5x] ¹	Deposit needed for a mortgage [25% of average price] ¹	Ratio of house prices to incomes ^{1,2}	Average monthly private rent for a 3 bedroom house or flat 2011/12 ³
ENGLAND	£236,518	£21,346	£50,682	£59,129	11.1	£764
SOUTH WEST	£223,870	£19,484	£47,972	£55,967	11.5	£746
Bath and North East Somerset UA	£286,343	£19,786	£61,359	£71,586	14.5	£940
Bournemouth UA	£217,309	£19,022	£46,566	£54,327	11.4	£919
Bristol, City of UA	£206,034	£20,904	£44,150	£51,509	9.9	£887
Cornwall UA	£220,083	£17,311	£47,161	£55,021	12.7	£687
Isles of Scilly UA	-	-	-	-	-	£707
North Somerset UA	£213,848	£23,228	£45,825	£53,462	9.2	£708
Plymouth UA	£155,569	£18,694	£33,336	£38,892	8.3	£675
Poole UA	£283,208	£19,708	£60,687	£70,802	14.4	£914
South Gloucestershire UA	£206,343	£21,538	£44,216	£51,586	9.6	£769
Swindon UA	£165,656	£21,876	£35,498	£41,414	7.6	£704
Torbay UA	£182,079	£16,697	£39,017	£45,520	10.9	£705
Wiltshire UA	£247,086	£20,701	£52,947	£61,772	11.9	£784
Devon	£234,610	£18,112	£50,274	£58,653	13.0	£716
East Devon	£262,543	£19,568	£56,259	£65,636	13.4	£747
Exeter	£211,326	£18,850	£45,284	£52,832	11.2	£858
Mid Devon	£218,935	£18,195	£46,915	£54,734	12.0	£685
North Devon	£217,974	£17,046	£46,709	£54,494	12.8	£670
South Hams	£295,940	£19,952	£63,416	£73,985	14.8	£717
Teignbridge	£222,607	£17,753	£47,702	£55,652	12.5	£724
Torridge	£200,291	£14,555	£42,920	£50,073	13.8	£605
West Devon	£227,442	£17,768	£48,738	£56,861	12.8	£663
Dorset	£260,612	£19,157	£55,845	£65,153	13.6	£786
Christchurch	£279,073	£20,363	£59,801	£69,768	13.7	£942
East Dorset	£286,941	£20,114	£61,487	£71,735	14.3	£865
North Dorset	£236,638	£18,642	£50,708	£59,160	12.7	£762
Purbeck	£272,868	£18,164	£58,472	£68,217	15.0	£770
West Dorset	£267,526	£21,065	£57,327	£66,882	12.7	£747
Weymouth and Portland	£203,874	£17,971	£43,687	£50,969	11.3	£732
Gloucestershire	£230,782	£20,160	£49,453	£57,696	11.4	£775
Cheltenham	£245,056	£22,313	£52,512	£61,264	11.0	£904
Cotswold	£334,715	£16,640	£71,725	£83,679	20.1	£855
Forest of Dean	£197,936	£20,909	£42,415	£49,484	9.5	£627
Gloucester	£150,608	£19,167	£32,273	£37,652	7.9	£664
Stroud	£235,559	£21,866	£50,477	£58,890	10.8	£732
Tewkesbury	£227,723	£19,484	£48,798	£56,931	11.7	£737
Somerset	£206,484	£18,772	£44,247	£51,621	11.0	£681
Mendip	£219,808	£18,190	£47,102	£54,952	12.1	£718
Sedgemoor	£185,588	£17,883	£39,769	£46,397	10.4	£650
South Somerset	£207,422	£19,100	£44,448	£51,856	10.9	£679
Taunton Deane	£204,589	£20,296	£43,841	£51,147	10.1	£694
West Somerset	£232,143	£15,720	£49,745	£58,036	14.8	£677

House price and income figures for Isles of Scilly were not published because of low sample size
 Figures in italics are estimates based on previous years' data

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.

Households on waiting list 2011 ³	Homeless acceptances per 1,000 population 2011/12 ³	All new housing association homes completed with HCA funding 2010/11 ⁵	Total housing association rented homes 2011 ⁴	Total local authority rented homes 2011 ³	New lettings made by housing associations and local authorities 2010/11 ³	Percentage of homes that are second homes 2011 ³
1,837,042	2.3	49,196	2,319,386	1,725,905	323,048	1.09%
186,305	1.7	5,423	213,881	101,546	25,657	2.28%
10,344	1.2	110	11,034	0	674	0.94%
8,047	1.7	97	3,202	5,104	618	3.88%
11,167	1.6	387	10,929	28,404	3,084	1.20%
18,371	2.8	497	18,369	10,528	2,242	5.57%
79	0.0	7	59	124	20	16.06%
7,939	0.9	55	8,830	0	559	0.55%
12,065	2.0	308	22,402	0	1,502	0.94%
4,103	1.4	100	2,903	4,608	1,346	2.64%
7,495	1.5	296	11,179	27	770	0.32%
13,218	1.3	225	4,396	10,468	1,390	0.50%
3,966	0.9	142	5,116	0	391	2.52%
13,875	1.9	316	23,220	5,396	1,993	0.92%
24,621	1.1	751	25,332	12,418	2,530	3.38%
3,049	0.6	100	1,559	4,301	509	3.80%
7,791	1.9	159	4,030	5,030	635	0.94%
1,968	0.6	47	1,150	3,082	330	0.69%
3,493	1.4	35	4,376	0	236	3.84%
1,959	1.3	25	4,233	0	188	10.00%
3,390	1.0	143	5,105	0	276	2.03%
1,311	1.3	74	2,520	4	162	3.18%
1,660	0.4	168	2,359	1	194	2.25%
13,937	1.2	377	23,060	2	1,289	5.09%
1,635	0.8	2	2,439	0	115	3.60%
2,169	0.3	17	3,807	0	194	0.77%
1,240	3.1	192	3,862	0	329	1.54%
1,804	0.9	12	2,424	2	82	7.31%
2,883	1.3	135	6,301	0	400	5.29%
4,206	1.4	19	4,227	0	169	3.01%
16,286	1.2	461	20,903	14,331	4,285	1.28%
3,882	0.8	26	2,254	4,601	1,158	1.49%
1,952	0.8	67	5,294	0	371	3.91%
2,261	0.9	97	4,587	3	295	0.85%
3,884	2.2	154	3,127	4,513	1,476	0.28%
2,605	0.6	39	1,322	5,214	655	0.81%
1,702	1.9	78	4,319	0	330	0.65%
20,792	2.9	983	22,947	10,136	2,964	1.29%
3,521	2.7	52	5,996	6	341	1.02%
4,752	1.5	274	2,285	4,112	843	0.84%
5,790	3.6	458	10,319	8	1,047	1.06%
5,248	3.7	187	1,993	6,010	637	0.67%
1,481	1.9	12	2,354	0	96	6.00%

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
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

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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.