

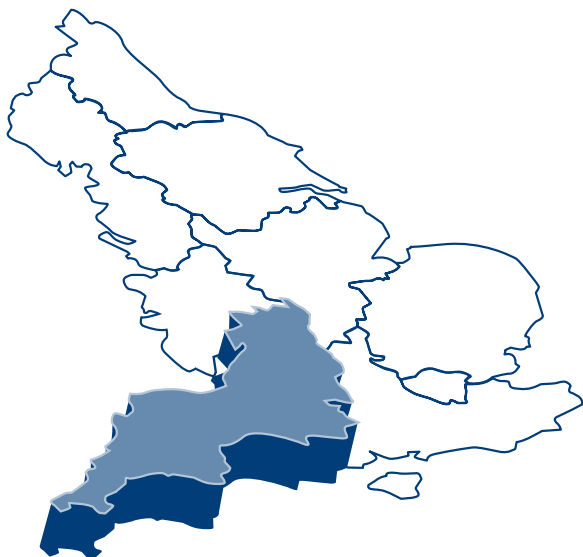
**NATIONAL
HOUSING
FEDERATION**

south west

HOME TRUTHS 2009

How the recession has increased housing need

South West



Housing supply must match demand

The South West is the only region in England where house prices are higher than the national average but incomes are lower. The recession has done nothing to change this equation.

Reasonably priced mortgages are scarce without a large deposit and, with house prices still out of reach for many, housing affordability remains a huge problem. This is exacerbated in predominantly rural areas with homes costing on average over 13 times local incomes, compared to 11.6 times incomes in more urban areas.

Inevitably, more people are turning to social housing. Over 161,000 households are now on housing waiting lists in the South West, an increase of 46% in five years.

Housing associations are doing their utmost to improve supply, driving up provision of new social homes. Even so, social housing completions are just 40% of the 10,000 a year the government believes the South West requires. And with private house builders cutting back production, the gap between housing supply and demand gets ever wider.

We welcome the Government's efforts to inject more money into affordable housing. But we need high levels of funding to continue. Social housing is part of the solution to the housing and economic crisis. Even as public spending tightens, the Government must remember this crucial fact.

We need more social homes now

Housing affordability, demand and supply

- The average house price in the South West in 2008 was £222,704, nearly 12 times the average (median) regional income of £19,016.^{1,2}
- Buying an average home in the South West requires an income of £57,267, three times the average regional income.^{1,2}
- Eight of the top 20 locations in England for second homes are in the South West - easily the highest proportion of any region.³
- One in 14 South West households is on a social housing waiting list.³
- The private sector built 10% fewer homes in the region in 2007/08 compared to the previous year.⁵

Housing associations' contribution to the economy

- In 2007/08 housing associations in the South West built 3,941 new homes and refurbished a further 731 homes, a 46% increase on the previous year.⁴
- Housing associations own nearly 189,000 affordable homes in the region, housing one in 12 South West households.^{3,4}
- Housing associations in the South West had a combined turnover of nearly £807m in 2008 and spent over £300m managing and maintaining homes. They employ over 9,325 people directly and many more indirectly by investing in local services.⁴

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	Average house price 2008 ¹	Lower quartile house price 2008 ¹	Average income 2008 ²	Gross annual income needed for a mortgage (90% at 3.5x) ^{1,2}	Ratio of house price to earnings ^{1,2}	HC funded additions to HA stock ⁵
ENGLAND	£220,310	£124,000	£20,571	£56,651	10.7	45,462
SOUTH WEST	£222,704	£143,000	£19,016	£57,267	11.7	4,672
Bath & North East Somerset UA	£276,455	£164,000	£20,535	£71,088	13.5	166
Bournemouth UA	£216,142	£146,055	£17,966	£55,579	12.0	106
Bristol, City of UA	£198,963	£136,000	£20,254	£51,162	9.8	368
North Somerset UA	£212,253	£145,000	£22,178	£54,579	9.6	173
Plymouth UA	£157,046	£117,000	£19,230	£40,383	8.2	248
Poole UA	£287,876	£168,963	£19,360	£74,025	14.9	215
South Gloucestershire UA	£205,415	£150,000	£20,665	£52,821	9.9	184
Swindon UA	£168,461	£124,500	£21,247	£43,319	7.9	289
Torbay UA	£190,625	£133,250	£15,668	£49,018	12.2	182
Cornwall and Isles of Scilly	£204,890	N/A	£16,536	£52,686	12.4	508
Caradon	<i>£205,495</i>	<i>N/A</i>	<i>£18,788</i>	<i>£52,842</i>	<i>10.9</i>	<i>110</i>
Carrick	<i>£259,354</i>	<i>N/A</i>	<i>£18,335</i>	<i>£66,691</i>	<i>14.1</i>	<i>92</i>
Kerrier	<i>£209,604</i>	<i>N/A</i>	<i>£16,312</i>	<i>£53,898</i>	<i>12.8</i>	<i>77</i>
North Cornwall	<i>£243,527</i>	<i>N/A</i>	<i>£15,408</i>	<i>£62,621</i>	<i>15.8</i>	<i>69</i>
Penwith	<i>£237,307</i>	<i>N/A</i>	<i>£15,220</i>	<i>£61,022</i>	<i>15.6</i>	<i>85</i>
Restormel	<i>£214,309</i>	<i>N/A</i>	<i>£15,413</i>	<i>£55,108</i>	<i>13.9</i>	<i>68</i>
Isles of Scilly	<i>£335,000</i>	<i>£230,000</i>	<i>£14,420</i>	<i>£86,143</i>	<i>23.2</i>	<i>7</i>
Devon	£238,384	£150,000	£16,806	£61,299	14.2	499
East Devon	<i>£262,704</i>	<i>£162,000</i>	<i>£17,924</i>	<i>£67,553</i>	<i>14.7</i>	<i>44</i>
Exeter	<i>£210,257</i>	<i>£149,000</i>	<i>£17,030</i>	<i>£54,066</i>	<i>12.3</i>	<i>62</i>
Mid Devon	<i>£218,365</i>	<i>£148,000</i>	<i>£17,607</i>	<i>£56,151</i>	<i>12.4</i>	<i>95</i>
North Devon	<i>£227,844</i>	<i>£147,938</i>	<i>£14,971</i>	<i>£58,589</i>	<i>15.2</i>	<i>40</i>
South Hams	<i>£308,343</i>	<i>£173,125</i>	<i>£19,833</i>	<i>£79,288</i>	<i>15.5</i>	<i>61</i>
Teignbridge	<i>£224,458</i>	<i>£145,000</i>	<i>£16,557</i>	<i>£57,718</i>	<i>13.6</i>	<i>45</i>
Torridge	<i>£205,942</i>	<i>£140,000</i>	<i>£16,156</i>	<i>£52,956</i>	<i>12.7</i>	<i>35</i>
West Devon	<i>£233,245</i>	<i>£155,000</i>	<i>£16,697</i>	<i>£59,977</i>	<i>14.0</i>	<i>117</i>
Dorset	£262,332	£174,962	£17,909	£67,457	14.6	292
Christchurch	<i>£276,231</i>	<i>£195,000</i>	<i>£14,472</i>	<i>£71,031</i>	<i>19.1</i>	<i>89</i>
East Dorset	<i>£299,604</i>	<i>£204,000</i>	<i>£18,533</i>	<i>£77,041</i>	<i>16.2</i>	<i>15</i>
North Dorset	<i>£242,002</i>	<i>£159,950</i>	<i>£17,940</i>	<i>£62,229</i>	<i>13.5</i>	<i>32</i>
Purbeck	<i>£258,169</i>	<i>£175,000</i>	<i>£20,488</i>	<i>£66,386</i>	<i>12.6</i>	<i>16</i>
West Dorset	<i>£269,639</i>	<i>£172,500</i>	<i>£19,406</i>	<i>£69,336</i>	<i>13.9</i>	<i>44</i>
Weymouth and Portland	<i>£215,903</i>	<i>£156,250</i>	<i>£17,108</i>	<i>£55,518</i>	<i>12.6</i>	<i>96</i>
Gloucestershire	£224,574	£140,000	£20,400	£57,748	11.0	608
Cheltenham	<i>£227,290</i>	<i>£145,000</i>	<i>£22,792</i>	<i>£58,446</i>	<i>10.0</i>	<i>107</i>
Cotswold	<i>£332,494</i>	<i>£186,125</i>	<i>£17,716</i>	<i>£85,499</i>	<i>18.8</i>	<i>4</i>
Forest of Dean	<i>£210,070</i>	<i>£137,038</i>	<i>£20,493</i>	<i>£54,018</i>	<i>10.3</i>	<i>89</i>
Gloucester	<i>£159,859</i>	<i>£120,000</i>	<i>£18,808</i>	<i>£41,107</i>	<i>8.5</i>	<i>189</i>
Stroud	<i>£230,569</i>	<i>£147,000</i>	<i>£22,485</i>	<i>£59,289</i>	<i>10.3</i>	<i>75</i>
Tewkesbury	<i>£215,417</i>	<i>£140,000</i>	<i>£18,216</i>	<i>£55,393</i>	<i>11.8</i>	<i>144</i>
Somerset	£211,743	£138,000	£18,715	£54,448	11.3	356
Mendip	<i>£211,725</i>	<i>£145,000</i>	<i>£17,566</i>	<i>£54,444</i>	<i>12.1</i>	<i>42</i>
Sedgemoor	<i>£194,243</i>	<i>£128,000</i>	<i>£19,022</i>	<i>£49,948</i>	<i>10.2</i>	<i>36</i>
South Somerset	<i>£214,163</i>	<i>£135,000</i>	<i>£18,486</i>	<i>£55,071</i>	<i>11.6</i>	<i>155</i>
Taunton Deane	<i>£212,055</i>	<i>£140,000</i>	<i>£19,219</i>	<i>£54,529</i>	<i>11.0</i>	<i>117</i>
West Somerset	<i>£258,221</i>	<i>£152,450</i>	<i>N/A</i>	<i>£66,400</i>	<i>-</i>	<i>6</i>
Wiltshire	£237,637	£150,000	£20,311	£61,107	11.7	478
Kennet	<i>£275,332</i>	<i>N/A</i>	<i>£19,375</i>	<i>£70,800</i>	<i>14.2</i>	<i>130</i>
North Wiltshire	<i>£236,153</i>	<i>N/A</i>	<i>£20,462</i>	<i>£60,725</i>	<i>11.5</i>	<i>88</i>
Salisbury	<i>£264,837</i>	<i>N/A</i>	<i>£19,859</i>	<i>£68,101</i>	<i>13.3</i>	<i>122</i>
West Wiltshire	<i>£203,068</i>	<i>N/A</i>	<i>£21,398</i>	<i>£52,218</i>	<i>9.5</i>	<i>138</i>

Figures shown in italics are estimates.

Total LA stock 2008 ³	Total HA stock 2008 ⁴	LA & HA affordable homes sold through RTB 2007/08 ^{3,4}	New lettings made by LAs 2007/08 ³	New lettings made by HAs 2007/08 ⁴	Households on waiting list 2008 ³	5 Year waiting list increase ³	Percentage of second homes ³
1,855,684	2,127,723	15,431	157,771	166,120	1,770,116	40.1%	1.09%
117,075	188,663	646	10,462	15,158	161,353	46.1%	2.20%
0	11,175	28	0	460	5,435	105.9%	1.00%
5,093	3,081	18	511	170	7,269	272.2%	3.91%
28,417	10,130	142	2,504	763	10,106	-21.9%	0.86%
0	8,458	13	0	820	5,796	96.0%	0.80%
15,206	6,875	86	1,415	537	6,344	-23.0%	1.30%
4,607	2,813	5	343	1,057	3,950	50.5%	2.69%
0	10,728	33	0	694	4,874	-6.4%	0.32%
10,542	3,889	67	913	282	9,923	73.6%	0.46%
0	4,919	0	0	300	5,221	297.3%	2.32%
10,766	16,964	29	764	1,031	17,728	42.1%	5.58%
3,549	870	11	257	55	3,261	87.5%	4.63%
3,716	1,205	3	248	126	2,753	85.0%	4.46%
0	4,897	2	0	207	1,765	-7.3%	3.12%
3,393	1,354	6	254	149	2,609	44.5%	9.56%
0	4,201	1	0	236	1,903	40.0%	8.46%
0	4,386	6	0	237	5,359	30.1%	3.76%
108	51	0	5	21	78	32.2%	18.15%
12,469	24,027	53	1,222	1,486	21,826	46.8%	3.30%
4,298	1,450	4	413	79	4,132	39.4%	3.59%
5,063	3,793	17	433	264	5,028	94.7%	0.98%
3,106	1,011	14	284	210	2,739	178.9%	0.71%
0	4,313	8	0	183	2,221	1.6%	3.79%
0	4,171	2	0	239	1,575	1.1%	9.83%
0	4,850	5	0	207	3,334	29.6%	1.98%
2	2,359	3	92	100	1,282	21.3%	3.08%
0	2,080	0	0	204	1,515	56.7%	2.00%
0	21,902	19	0	1,242	14,073	84.1%	3.37%
0	2,478	1	0	140	2,570	278.5%	3.40%
0	3,133	1	0	198	2,241	24.2%	0.84%
0	3,689	3	0	221	1,332	-19.6%	1.71%
0	2,347	4	0	118	1,192	82.3%	6.87%
0	6,153	9	0	358	1,782	49.9%	5.22%
0	4,102	1	0	207	4,956	198.2%	2.81%
14,470	19,782	63	1,340	3,196	17,561	34.5%	1.22%
4,640	2,191	19	497	917	2,313	-35.5%	1.42%
0	5,205	3	0	325	3,475	103.5%	3.62%
0	4,455	4	0	315	1,935	38.6%	0.93%
4,579	2,656	20	362	1,198	5,270	49.8%	0.30%
5,245	1,154	12	481	119	2,581	79.1%	0.75%
6	4,121	5	0	322	1,987	41.8%	0.57%
10,197	21,832	60	933	1,420	16,840	60.5%	1.22%
0	5,836	9	0	298	2,284	2.3%	0.83%
4,090	1,947	15	471	137	2,859	6.7%	0.86%
1	9,941	14	0	758	7,075	156.2%	1.08%
6,106	1,794	21	462	134	3,351	111.8%	0.59%
0	2,314	1	0	93	1,271	3.1%	5.71%
5,308	22,088	30	517	1,700	14,407	73.0%	1.08%
0	6,149	6	0	494	4,064	171.5%	1.26%
0	7,094	2	0	525	2,355	50.1%	0.82%
5,308	2,050	15	517	187	2,547	-1.5%	1.85%
0	6,795	7	0	494	5,441	103.6%	0.55%

What the Government should do

The Government is rightly putting housing at the heart of efforts to achieve economic recovery. To maximise the impact of its new investment, and to ensure housing support reaches the right people, the Government should:

- Increase public investment to support the building of new high quality social housing
- Make public land available to affordable housing providers at discounted rates
- Compel the nationalised banks to make mortgage funds available for shared ownership
- Ensure local housing authorities assess housing need in all rural areas every three years and publish an action plan to deliver affordable homes
- Reform the allocations system so that a proportion of social homes in each area goes to specific groups, such as those who are priced out of the market
- Use a national strategy to green all homes by 2050
- Ensure private developers are compelled to build to the same tough environmental standards as housing associations
- Increase investment for different models of housing for older people
- Reverse the real terms decline in the Supporting People budget and retain it as a named grant.

Sources

- 1 Land Registry data, 2008
- 2 Annual Survey of Hours and Earnings (ASHE), 2008
- 3 CLG housing statistics, 2008 and 2009
- 4 Housing Corporation data, 2007/08
- 5 National Housing Federation research using CLG housing statistics or Housing Corporation data, 2007/08

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.

Most of the figures are available to individual local authority level – contact our research and futures team on **020 7067 1188**.

Footnotes to tables

- 1 Land Registry, 2008
- 2 Annual Survey of Hours and Earnings, 2008
- 3 CLG Housing Statistics Live Tables
- 4 Housing Corporation RSR, 2008
- 5 Housing Corporation Completions data, 2007/08

Home Truths 2009 shows that:

- Average house prices in the South West are nearly 12 times average regional incomes
- Social housing supply is running at just 40% of the region's requirements
- The Government should increase public investment in new high quality social housing.

The National Housing Federation represents 1,200 independent, not-for-profit housing associations in England and is the voice of affordable housing. Our members provide two and a half million affordable homes for more than five million people.

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